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HOUSE OF REPRESENTATIVES—*Thursday, October 10, 1985*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Almighty God, as we reflect on the blessings of life we remember those individuals who used their power or position, their words and deeds, in the interests of helping people know justice and mercy and peace. We salute those prophets of righteousness who, not counting the personal cost, did what was right and good and true. Even as we honor those heroes of other days, so may our faith encourage us in our day and time to speak and to act for the welfare of all Your creation that in all things we may do justice, love, mercy, and even walk humbly with You. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

A BARBARIC ACT OF TERRORISM

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, Leon Klinghoffer is dead and the American people are filled with bitterness and outrage. A 69-year-old American, wheelchair-bound, half of his body paralyzed by stroke, is executed and dumped into the sea. His brutal and barbaric murderers cannot be allowed to go unpunished.

It is clearly within the power of Yasser Arafat, the PLO, the Governments of Egypt and those of other Arab nations to hunt the four terrorists down and to do it quickly and urgently.

Mr. Speaker, I am sure I speak for every Member of this House as I express my deepest condolences to Mrs. Marilyn Klinghoffer, who was with her husband when he was killed, to their daughters, Lisa and Elso, and to the entire family.

Leon Klinghoffer lived in the 17th District of New York, but all of America shares his loss and the demand that justice be done.

Mr. Speaker, out of this tragedy there must grow a final resolve by the nations of the world that hijacking and hostage-taking on land or sea or in the air will no longer be tolerated. In Leon Klinghoffer's memory, we must insist on it.

I urge the President of the United States to convene an international meeting to determine the steps which must be taken to resolve this issue once and for all.

HISPANIC CONTRACTOR NAMED MINORITY SMALL BUSINESS PERSON OF THE YEAR

(Mr. FIELDS asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. FIELDS. Mr. Speaker, a Hispanic building contractor who came to the United States from Mexico 24 years ago, at age 17, and then started his own business 1 year after becoming a U.S. citizen, yesterday was named National Minority Small Business Person of the Year.

That person is Jose Edward deSantiago, president of Desco Steel Products, Inc., of Houston. This recognition by Vice President BUSH at a White House ceremony highlighting National Minority Enterprise Development [MED] Week.

The week was proclaimed by President Reagan as a way of paying special tribute to the Nation's more than 700,000 minority-owned businesses.

DeSantiago, 41, was selected from among outstanding minority small business owners chosen by their peers in the States, the District of Columbia and Puerto Rico. DeSantiago's selection was made by the U.S. Small Business Administration, which coordinates Minority Enterprise Development [MED] Week.

Desco Steel Products manufactures and sells metal buildings. Its sales during the first year of operation totaled $250,000; sales this fiscal year are expected to exceed $3 million.

Mr. deSantiago was born in Veracruz, Mexico. His father was a street vendor; his mother was a maid. When he came to the United States, leaving his family in Veracruz, deSantiago knew no English.

He first got a job making doughnuts at a bakery in Donna, TX. He worked 12 hours a day, 6 days a week, for $20 a week.

He moved to Houston in 1965 with his new bride, Gloria. He had exactly $1 in his pocket. To buy food, the couple sold their blood to a local blood bank.

Mr. deSantiago then got a job as a welder's helper.

In 1979, a year after he became a U.S. citizen, deSantiago started Desco Steel Products. His first jobs involved helping to erect metal buildings for a friend. Today, Desco Steel Products builds more than 250 buildings a year. deSantiago employs 20 persons, most of whom are Hispanics.

Mr. and Mrs. deSantiago have three children.

AMERICA MUST PROTECT ITS PEOPLE FROM TERRORISM

(Mr. MAVROULES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAVROULES. Mr. Speaker, we have reached our limit.

President Reagan, it is time to start moving against the coldblooded, terrorist threat. It must be treaded as the cancer it is.

We can no longer simply watch while people are held defenseless and an innocent American murdered.

Mr. President, our country must step forward and offer leadership.

First, we must join with our allies in developing clear policies and proce-

dures for preventing and policing these incidents. Collectively, the free world can and should respond.

And second, it must be made clear to any nation, friend or foe, that allowing these international criminals to escape the administration of justice will result in the end of U.S. foreign assistance to that country.

Mr. President, America must protect its people.

MR. PRESIDENT: TAKE ACTION AGAINST TERRORISM

(Mr. ROBINSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROBINSON. Mr. President, once again an American citizen is murdered, and once again your State Department issues statements that we are going to bring them to justice. Let me remind you that your whole administration is words and more words and more words.

Recently when the Israelis retaliated, one terrorist was quoted as saying it was so terrifying to see the Star of David emblem on the jet peeling off and bombing the PLO headquarters.

Mr. President, it is time you do something. You have got the B-1B bomber to come over low, the B-52 to come over high. You have got the FB-11A and F-4 Phantom. You have the F-15 Eagle and on and on and on.

These people only understand one thing, and that is force. It is time to take names and kick rear ends. Or rename your State Department the Capitulation Department.

Get off your stick, Mr. President. The American people are sick and tired of being kicked around. It is on your back now.

You talk tough. Let us see you use some of these billions and billions and billions of dollars' worth of weapons that you have asked us to approve.

Your words are cheap talk.

CONDEMNATION OF SOVIET UNION FOR BRUTAL KILLING OF CHARLES THORNTON

(Mr. McCAIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCAIN. Mr. Speaker, today I am introducing a resolution which condemns the Soviet Union for the brutal killing of Charles Thornton, an Arizona Republic reporter who was on assignment in Afghanistan. On September 19, without warning or provocation, Soviet soldiers ambushed and opened fire on his party, killing Thornton instantly.

He was in Afghanistan to report on medical teams working in that country. His stories, no doubt, would have revealed many horrors—children maimed by booby-trapped toys, thousands of innocent men and women crippled or killed when their villages were bombed. Evidently, the Soviets did not want Charles Thornton's stories read. Nor do they want the world to know that such heinous acts are standard Soviet practice in Afghanistan. For over 5 years, the Soviets have occupied that country, killing tens of thousands of people. Afghanistan now rivals Guernica and Pnom Penh in the annals of 20th century terror.

Perhaps Charles Thornton's death will not be completely in vain. Perhaps his colleagues will now feel compelled to cover all the Soviet atrocities in Afghanistan—the "migratory genocide," the "scorched earth policy".

Charles Thornton died trying to cover a story he thought was important. Thousands of Afghans have died fighting for what John Kennedy called the most powerful force in the world—"man's desire to be free and independent." The greatest tribute to Charles Thornton would be to tell the story he never could.

THE BUDGET CRISIS DEMANDS ACTION

(Mr. KOLBE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KOLBE. Mr. Speaker, the budget crisis has come home to roost. The attention of the Nation's media, and the people, is focused, right now, on this body.

We may postpone the issue a few days more, but not much more. Our day of reckoning is at hand.

Fortunately, the "Balanced Budget and Emergency Deficit Control Act of 1985" will allow us to do something about this problem. It will impose on Congress—and the executive branch—the discipline that we are unwilling to impose on ourselves.

We need to reduce the mounting deficit; we need a balanced budget. And we can only do it—in the long run—with a constitutional amendment. But as an interim measure, the legislation which is now squarely before this House will begin to bring order out of chaos, and discipline to an unruly budget process.

Mr. Speaker, all the arguments that are advanced on the Hill and downtown—that it may impede the President's defense buildup, that it may cut into needed domestic programs, that it is too tough and too firm—those are exactly the arguments as to why we need this law.

We need it today. I would suggest that we ought not to leave this Chamber today until and unless we have acted on the legislation that is before us.

PROPOSAL TO REPEAL STATE AND LOCAL TAX DEDUCTIONS WOULD AFFECT HALF OF ALL TAXPAYERS

(Mr. NOWAK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NOWAK. Mr. Speaker, it is evident that there is general sympathy throughout the Nation as a whole for some type of tax reform. The overall tax proposal contains numerous benefits designed to simplify the Federal Tax Code and make it more fair and economically efficient. But elimination of the provision that allows taxpayers to deduct State and local taxes on their Federal tax returns is not one of those benefits.

The President has repeatedly contended that the change would impact adversely on only a few high-tax States, such as New York, and that it is unfair for other States to subsidize them.

However, a recently released study by the Coalition Against Double Taxation found, contrary to the administration's assertions, that the proposal to repeal the Federal deduction for State and local taxes would affect more than half of all taxpayers. Of the 51 percent of the taxpayers who itemize on their Federal returns, 99 percent deduct their State and local tax payments. It is also clear from the data that deductibility is not a special break for the privileged few. About 51 percent of households who itemize State and local taxes report incomes of less than $30,000, and 87 percent were from households whose incomes were less than $50,000.

We in Congress, must recognize that deductibility benefits homeowners, schools, and State and local governments throughout the entire country, and should insist on preserving it.

COMMON SENSE FROM A SPEAKER OF THE HOUSE

(Mr. ARMEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ARMEY. Mr. Speaker, today I would like to share with you a statement made by an honorable gentleman from the great State of Texas, Mr. Sam Rayburn.

Several years ago Speaker Sam stated that, and I quote: "The system of protective tariff built up under the Republican misrule has worked to make the rich richer and the poor poorer."

He went on to say, "The protective tariff has been justly called the mother of trusts. It takes from the pockets of those least able to pay and puts it into the pockets of those most able to pay."

H.R. 1562, the Textile and Apparel Protection Act, illustrates the unfair nature of protectionism pointed out by Sam Rayburn.

In fact, the MFA, as amended by H.R. 1562, will cost Americans approximately the same as all Federal housing assistance, all food and nutrition assistance including food stamps, and AFDC.

Because of finite Federal resources, H.R. 1562 transfers wealth from lower income Americans to the special interests of textile and apparel workers.

Why the Democrats today want to repeat a Republican mistake of the past is beyond me. The textile and apparel bill is truly a tax on the poor. I suggest they listen to the wisdom of their former leader, Mr. Rayburn, and end the folly of protectionism by rejecting the textile and apparel bailout.

PRESIDENT DEFIES CONGRESS AND THE AMERICAN PEOPLE IN THE WAR IN NICARAGUA

(Mr. BONIOR of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BONIOR of Michigan. Mr. Speaker, a report in yesterday's Washington Post reveals that, in early 1984, the President himself, knowing that Congress was about to cut off funding for the Contras, approved a secret plan to continue aid through private groups and U.S. allies.

The President is so determined to continue the war against Nicaragua that, to avoid congressional restrictions, he moved the command from the CIA to the National Security Council, inside the White House itself.

He is so determined to circumvent the will of Congress that, when he could not legally use entities of the U.S. Government, he turned to outside groups to implement his unpopular policies.

This is a war that America does not want. Poll after poll shows that the American people do not favor U.S. aid to the Contras. And Member after Member of this body who voted for limited, nonlethal aid has insisted that the United States wants no military role in the Contra war.

Yet, the President has shown that he will defy the wishes of the American people and the law to continue this war. And we in Congress have not yet been able to stop him. I ask my colleagues, When the time comes, will we be able to restrain him from sending American troops?

HIGH VALUE OF THE DOLLAR MUST BE DEALT WITH IN THE HOUSE

(Mr. CRAIG asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. CRAIG. Mr. Speaker, today, yesterday, and the day before, articles in the Wall Street Journal read something like this:

The Dollar Strengthens Against Major Foreign Currencies Despite the Central Bank of Japan's Attempting to Bring it Down.

The Dollar Rose Against Intervention by the West German Central Bank.

This is what we are reading now, 2 weeks after a group of five attempted to, in an artificial way, tinker with the value of the dollar to bring it down to try to begin to solve the massive problems that this country is experiencing.

What does it say to us? It says it will not work. It says the only way we are really going to bring down the value of the dollar is to do it here in this body; and that is to get that deficit under control and begin to tell the American people and the economy of this country and the economy of the world that we are going to be fiscally responsible.

That is the only real way the value of the dollar will come down and stay down.

Now, the other body acted yesterday. They said deficits are a problem and we are going to do something about them. What have we heard here in the House? "Well, we've got to have at least 10 days to think about it." We've got to have at least 10 days to do what the American people, by nearly 80 percent, said should have been done yesterday, the day before; and that is get the deficit down, bring the value of the dollar down, put people back to work.

A VOTE FOR FAIR TRADE

(Mr. RICHARDSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RICHARDSON. Mr. Speaker, the vote today on the Textile Trade Enforcement Act is a vote that says to our friends and allies: "Stop. We can't take it anymore. We can't take any more attitudes that give us unfair dumping practices, unfair subsidization, that bar access to our products."

Mr. Speaker, the vote today is probably one of the many that will be salvos directed at our friends and allies. Not saying that we want to engage in a trade war; saying that we want fair trade, that we want reciprocity. Textiles will be today. Soon it will be natural resources, telecommunications, agricultural products.

The American people want jobs and American industry protected. We do not want special privileges; we just want equity.

An overwhelming vote today means that, to our friends and allies we are saying, "Stop. We can't take it anymore."

PROPOSAL TO BRING STATE AND MUNICIPAL EMPLOYEES INTO MEDICARE IS UNWISE AND UNFAIR

(Mr. KINDNESS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KINDNESS. Mr. Speaker, State and municipal employees in the State of Ohio are upset, and I can't say I blame them. Very soon, the House is expected to take up the Deficit Reduction Amendments of 1985. This legislation includes a provision which would bring State and municipal employees hired after January 1, 1986, under the Medicare system. Obviously, this action is being taken to shore up the overburdened Medicare system. I wonder though, if adequate consideration has been given to the effects this proposal may have on the fiscally sound health care plans of States which have chosen not to participate in Medicare.

And if the Congress can use a legislative broom to sweep State and municipal employees into the Medicare system, what's to stop us from sweeping them into the Social Security system, too?

This Medicare proposal is unwise and unfair, but more than that, Mr. Speaker, I believe it's unconstitutional. Medicare is funded through taxes paid in equal part by the employee and employer. The involuntary imposition of a tax on the States does violence to the basic structure of our Republic under the U.S. Constitution. The power to tax is the power to control, and to destroy. I am not willing to remain silent while the Congress assumes the power to destroy the basic rights of the States and to threaten the destruction of our Republic as we know it today.

I take issue with those who would use a faulted interpretation of the recent Supreme Court decision in Garcia versus San Antonio Metropolitan Transit Authority to justify bringing State and local government employees under Medicare, although a majority of the U.S. Supreme Court seems to have indicated the willingness to sit back while the 10th amendment is subjected to further attack by the Congress. That case did not deal with the most basic power of governments—the power to tax. It dealt with the applicability of the Fair Labor Standards Act to municipal employees, and its effect should be changed by legislation.

□ 1025

IN SUPPORT OF STATE AND LOCAL TAX DEDUCTIBILITY

(Mr. MITCHELL asked and was given permission to address the House

for 1 minute and to revise and extend his remarks.)

Mr. MITCHELL. Mr. Speaker, I come before the Members of this body today to express my sincere concern about an issue of fundamental importance to not only my constituents, but to the Nation as a whole. So critical is this issue that it has clearly become one of the most controversial provisions of the President's tax proposal—that issue being the Federal deduction for State and local taxes.

When Congress enacted the Revenue Act of 1913, which we have come to recognize as the inception of the Federal income tax system, it set out standards regarding the imposition of the individual income tax and deductions which were to be allowed. Then, as now, the fairness debates were protracted and intense, but in the end, the decision to include a deduction from Federal income tax for tax payments made to State and local governments was agreed to by the Congress and the President. That decision to include tax payments as a deduction must have been made, in my estimation, with the intent to preserve State and local revenue-raising sovereignty and, to protect the individual from double taxation. The latter being based on the principles of equity. That is, the amount of taxes levied should be based on an ability to pay. Clearly, the amount of taxes required of an individual by State and local government, has critical effect on how much that individual can afford to pay to the Federal Government.

Perhaps more fundamental to this debate is the absence of an examination of the economic nature of State and local taxes to see if they indeed fit into a proper concept of the Federal tax base. While most will agree on the proposition on which the administration contends that we need the money, in the absence of critically necessary analysis, the simple fact that $150 billion must be discovered somewhere hardly provides justification to raise it by eliminating deductibility of State and local taxes.

We have heard the argument that eliminating deductibility will harm relatively few taxpayers. Since that assessment includes a large number of tax returns from people with minimal amounts of income such as teenagers with summer jobs, the figures used by the administration are somewhat misleading. In any event, the fact that only a minority of taxpayers would be directly affected by ill-conceived or just plain bad tax policy hardly makes it a good tax policy.

It is also a bit ironic, although irony is not totally unexpected, that this President would even put forth such a proposal when only 2 short years ago, he opposed the same idea when he conceded that repeal of the State and local tax deduction means "you'd pay tax on a tax." It is a simple fact that when an authority wishes to impose an income tax, any tax which has been paid to another authority must be deducted before the tax rate is applied or both the individual's income and the tax which he paid to the first authority will be taxed.

Because my time is limited, I am not permitted to delve into the constitutional implications of such a policy nor will I be able to refute other erroneous arguments made by proponents of this provision. In closing, I would like to make one final point, and that is, a tax cannot properly be considered part of one's income. Therefore, an income tax, cannot under that premise, include in its base any taxes to which the taxpayer has already been subjected.

Whether one's view is based on a historic, economic, or a political perspective, the proposed State and local tax deduction is wantonly and profoundly too costly.

RAISING THE JEWISH EMIGRATION ISSUE AT GENEVA

(Mr. COURTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COURTER. Mr. Speaker, the Kremlin does not always honor that which it signs. Today, Jews in the Soviet Union are reaping no advantages from the signature Leonid Brezhnev put on the Helsinki Accords, which pledge conformity to the U.N. Declaration of Human Rights, including the right to emigrate.

As many as 400,000 Jewish people would leave the U.S.S.R. if they could. Thousands of them have taken the dangerous and irreversible step of formally applying to do so. But fewer persons—not more—are being permitted to leave. And every refused application represents a broken Soviet promise and a broken individual dream.

I command the President's announced intention to raise the emigration issue at Geneva. General Secretary Gorbachev should be made to understand that his proposals for agreements in 1985 will be received in a more favorable light if he begins living up to the agreements of 1975.

We cannot have détente with the Soviet Union until the Soviet Union has détente with its own people.

A CURIOUS INTERPRETATION OF THE CONSTITUTIONAL PRESUMPTION OF INNOCENCE

(Mr. KOSTMAYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. KOSTMAYER. Mr. Speaker, in the October 14 issue of U.S. News & World Report, Attorney General Edwin Meese, in response to a question on suspect's right to counsel, says, "You don't have many suspects who are innocent of a crime. That's contradictory. If a person is innocent of a crime, then he is not a suspect."

Extraordinary.

The constitutional presumption of innocence is not one Attorney General Meese makes. In his book, to be suspect, is to be guilty.

This curious interpretation of one of the most central doctrines of American jurisprudence would not sound so startling in Iran, East Germany, or South Africa.

In fact, it's not entirely unexpected coming from Mr. Meese.

Such a remark from the Nation's chief law enforcement officer would normally attract considerable attention.

But in the unhappy case of Mr. Meese, our senses have become so dulled by his Department's shabby and tawdry record, that such remarks, more usually forthcoming from the village simpleton, are not the least unexpected coming from him.

INCIDENTS OF TERRORISM AGAINST AMERICANS

(Mr. BURTON of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURTON of Indiana. Mr. Speaker, April 18, 1983, U.S. Embassy attacked, 63 dead, 17 Americans killed by terrorists; October 23, 1983, truck bombing, 241 American marines killed, Beirut Airport.

December 12, 1983, five Embassy officals killed by terrorists; March 24, 1985, Major Nicholson shot and left to bleed to death; June 19, 1985, four marines and two other Americans killed by Salvadoran terrorists; flight 847, 39 hostages held and Robert Stethem, an American Navy man, killed; yesterday, another American killed by terrorists.

Mr. President, we have no policy for terrorism. Attack after attack takes place, and Americans die.

We talk strong, and then business as usual.

The State Department has asked for $5 billion to reinforce our Embassies, but that is purely defensive. Terrorism goes on. We must come up with a policy of preemption and retribution.

Yesterday, Egypt let four of the terrorists go, and we give them $2.3 billion in aid every year. They knew that these were terrorists, and yet they let them go.

We ought to suspend aid to Egypt until they give us a response. A 1975 Executive order, which is in effect, prohibits any killing of these terrorists, and it must be reevaluated. I have been told our intelligence sources

know where these attacks are originating, and we should go get them.

How many Americans have to die before we act?

No more stong talk, Mr. President; we want action.

A TRIBUTE TO GORDON WOOD, WINNINGEST COACH IN THE HISTORY OF FOOTBALL

(Mr. LEATH of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEATH of Texas. Mr. Speaker, on Friday, October 4, Gordon Wood became the winningest coach in the history of football. Brownwood High School, at the western end of Texas' 11th District, won its conference opener and handed Gordon Wood his 400th victory.

This remarkable career began in 1938 at Spur, TX. Over the next two decades, Gordon coached in several small Texas towns, including Stamford, where he picked up his first two State championships. Our colleague, CHARLIE STENHOLM, played for Gordon those 2 years. When Gordon came to Brownwood in 1960, he didn't find a lot of enthusiasm, but he turned things around quickly and won State for Brownwood that first year. He added six more State championships over the years.

In Texas, high school football is every bit as popular as pro ball, so Gordon Wood's achievement last week has attracted a lot of attention all over the State, as well as nationally. We're proud of his winning record, but we're even more proud of our friend Gordon Wood. He loves our children and has touched more lives than we will ever know. I wish he would keep on coaching forever.

SUPREME COURT ANTAGONIZES RELIGION

(Mr. SMITH of New Hampshire asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of New Hampshire. Mr. Speaker, much reliance has been placed on the principle of separation between church and state as the justification for not allowing prayer in our public schools.

Mr. Speaker, the fact of the matter is, that for 170 years after the adoption of the first amendment prayer was permitted in our public schools.

In a series of landmark rulings in 1962 and 1963, the Supreme Court chose to antagonize religion by reversing its previous decisions on this issue. The right to religious expression in our public schools has been progressively eroded by the Supreme Court of the United States.

In those years, 1962 and 1963, in such cases as Wallace against Jaffree, the Court went out of its way to suppress religious expression. Since 1962, the Court's actions must certainly be seen as hostile toward religion.

As Members of Congress, we have a responsibility to end such hostility, either by removing court jurisdiction over school prayer, or by amending the Constitution to preserve the right of public expression.

Mr. Speaker, as Justice Potter Stewart wrote in his 1962 dissent, "We are a religious people whose institutions presuppose a supreme being."

Justice Stewart pointed out that permitting schoolchildren to participate voluntarily in prayer is a far cry from designating a particular religion to which citizens must subscribe. The proper interpretation of the U.S. Constitution demands that we defend voluntary prayer in our public schools.

FUNDING OF CONTRAS IN DIRECT CONFLICT WITH WILL AND INTENT OF CONGRESS

(Mr. EDWARDS of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EDWARDS of California. Mr. Speaker, I am deeply concerned at reports that the Reagan administration involved itself in the development of a plan to continue funding the Contras even after the Boland amendment had been enacted in 1984, knowing full well this would be in direct conflict with the established will and intent of Congress.

Recent disclosures suggest that President Reagan himself approved a "secret plan" to replace CIA funds with assistance from U.S. citizens and U.S. allies. In fact, it appears that White House officials may have actually advised on how to structure this fundraising campaign so that it was narrowly within the limits of the Neutrality Act and other similar laws.

I applaud Congressman MIKE BARNES, in his capacity as chairman of the Western Hemisphere Subcommittee, for his announced plans to conduct a full investigation of these charges.

I urge the National Security Council to comply with Chairman BARNES' request for all the documents pertaining to this scheme. In addition, I urge Lt. Col. Oliver North—deputy director for political-military affairs on the National Security Council staff—to agree to appear before the subcommittee to explain his involvement with this plan, as well as his troubling relationship to retired Army Maj. Gen. John Singlaub.

The administration must explain its apparent purposeful violation of congressional intent.

THAILAND IS A SPECIAL FRIEND

(Mr. McCOLLUM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCOLLUM. Mr. Speaker, Thailand is a small nation in Southeast Asia about the size of Texas with a population of 52 million people. Since 1975 when all three Indochinese nations fell into Communist hands, Thailand has granted asylum to over 650,000 refugees. This year, in addition to that, over 250,000, or a quarter of a million, Cambodians have been driven across the border by the Vietnamese, and Thailand has allowed them to stay temporarily in camps operated by the U.N. Border Relief Organization.

The unfailing generosity shown in these matters by Thailand is truly special and deserving of recognition by this body.

The Thais have also engaged in a highly successful program of eradicating poppy growing and have closed heroin producers operating along the Burmese border. A major blow has been struck against narcotics trafficking.

It is a striking example of how narcotics trafficking in Southeast Asia can be controlled.

Thailand is a long and valued ally of the United States. They are special friends, and we should renew our accords and strengthen our relationships at every opportunity. Under no circumstances should we pass protectionist trade legislation that would hurt their economy such as the textile bill that is up today.

I urge my colleagues to vote "no" on that bill.

THE TERRORISTS HAVE STRUCK AGAIN

(Mr. MICA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICA. Mr. Speaker, the terrorists have struck again. It has been Americans in Beirut, Israelis at Larnaca, a Soviet citizen, and now a crippled American on an Italian liner. We do not have an effective policy or response, and we need to come together with the administration and the Congress.

As chairman of the Subcommittee on International Operations, we are awaiting the President's decision on support of the Inman Commission, and we need that as quickly as possible.

I might also add that as a temporary ambassador during this term to the United Nations I was appalled that the United Nations would condemn an act of self-defense when it comes to terrorism.

I intend to offer a resolution and try to get it before the Security Council to condemn the acts of terrorism that have taken place and get a rollcall in the Security Council against terrorism by those nations who voted to condemn the United States and its allies time after time when we have been the subject and target of attacks by terrorists around the world.

NORTH CAROLINIANS FAVOR TEXTILE BILL

(Mr. COBEY asked and was given permission to address the House for 1 minute.)

Mr. COBEY. Mr. Speaker, North Carolina textile workers, their friends and relatives, just recently gathered and mailed to the President many, many letters in support of the textile bill, H.R. 1562.

Mr. John Nance, a worker in the Allied plant in Moncure, NC, gathered over 11,000 letters himself from friends and relatives, which have already been sent to the President.

In our district alone in North Carolina, 138,571 letters have already been sent to the President.

From the State of North Carolina over 700,000 letters have already been sent to the President, and only 40 percent of the plants in North Carolina have sent their letters in. We expect that there will be well over 1 million letters sent to the President by the time all these workers, their friends, and relatives have responded.

Mr. Speaker, this shows the level of concern in our State, in our country, for this basic industry of textiles and the jobs that will be affected and have already been affected.

I urge my colleagues to give support of this bill.

□ 1040

ETHNIC AMERICANS

(Mr. LIPINSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LIPINSKI. Mr. Speaker, yesterday the House approved legislation which, among other things, calls for a study of whether the Federal Government's hiring and promotion practices are consistent with the applicable provisions of law prohibiting discrimination on the basis of sex, race, or national origin. The understood meaning of the term "national origin" in this legislation includes individuals of all ethnic backgrounds that have historically suffered discrimination such as those with Italian, Polish, German, Irish, Lithuanian, Ukrainian, Yugoslavian, Czechoslovakian, or other ethnic backgrounds.

What is noteworthy here, Mr. Speaker, is the long awaited official recognition and concern for persons of different ethnic backgrounds. These individuals are commonly known as ethnic Americans. They represent the main stream of our great country, and for too long they have been taken for granted. Their interests have been badly neglected, especially at the Federal level.

Mr. Speaker, individuals of different ethnic backgrounds must no longer be overlooked. Our effort yesterday on behalf of ethnic Americans is only the beginning of a movement to insure further recognition of their concerns.

INTERNATIONAL TERRORISM

(Mrs. BENTLEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Mrs. BENTLEY. Mr. Speaker, we should give thanks this morning for the safe return of all the hostages—except one—and the ship. All the facts are not in, but it appears safe to say that it was the prompt intercession of Egypt, and in particular, President Mubarak, that led to the almost totally successful conclusion to this tragic event.

But in the euphoria of the moment, we should not forget Mr. Klinghoffer, nor the other Americans killed this year by terrorists, nor should we forget the ever continuing war waged by terrorists against civilized society.

We, the Congress should call on the President to work with us to establish a clear policy against this pandemic of international violence directed against American citizens. If the facts in a particular case warrant it, and if the terrorists are beyond the arms of responsible justice, this policy should include a measured and certain form of retribution.

Because the perpetrators of these vile acts are beyond the border does not mean they should be beyond the law.

With all Americans, I hope those responsible for the death of Mr. Klinghoffer are brought to trial.

The regime that turns these terrorists over will not only be indicating it is a friend to the United States and to Italy, but will be demonstrating it is a friend to the world. Travel lanes must remain open to promote the interchange of people, of ideas, and of cultures.

THE BUDGET DEFICIT

(Mr. SCHUMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHUMER. Mr. Speaker, yesterday, the Senate voted on a Gramm-Rudman-Hollings alternative to the budget deficit problem. I have a question I would like to ask all the Members of this House when we discuss that amendment. Why is it that the Gramm amendment allows the deficit in 1986 to go up $15 billion? The deficit is now $177 billion. Under the Gramm alternative, in 1986, the deficit can go up to $192.6 billion before any of the empoundment motions that Gramm would put into action would apply.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. SCHUMER. I only have 1 minute. I will not yield.

Mr. WALKER. I can answer the gentleman's question if he wants an answer.

Mr. SCHUMER. I would like to continue.

Could it be that there is some other motive here? I think we need deficit reduction. I think we need a plan. But why should the deficit in 1986 be allowed to go up $15 billion, particularly when crafted by the people who seem most concerned about it?

CURRENT DEFICIT PROJECTIONS

(Mr. WALKER asked and was given permission to address the House for 1 minute.)

Mr. WALKER. Mr. Speaker, I think maybe the gentleman who just made his statement deserves an answer. The answer is that because he is basing his estimates upon the March CBO figures. And there has been a recent CBO projection that raises the deficit level to the point that the gentleman has now mentioned. The Gramm proposal is attempting to stick with current deficit projections.

The Gramm proposal is an attempt to take what the House——

Mr. SCHUMER. Mr. Speaker, will the gentleman yield?

Mr. WALKER. In just a moment I will, if the gentleman will allow me to finish. I am trying to answer the gentleman's question. He evidently does not want to listen, because the gentleman does not want to hear the truth.

Mr. SCHUMER. Will the gentleman yield?

Mr. WALKER. So what happened is that the budget level has gone up, based upon our own budget projection; based upon our own budget, it has gone up in the most recent CBO figures.

I will be very glad to yield to the gentleman.

Mr. SCHUMER. I would ask the gentleman, does he consider in 1986 to have a deficit of $192.6 billion an adequate measure of deficit reduction? Or would he prefer a measure that would actually make the deficit reduction figures in 1986 real and lower? And does the gentleman——

Mr. WALKER. I would say to the gentleman, if the gentleman will let

me reclaim my time, we ought to face reality and then start moving back toward a balanced budget, which is what Gramm does and you do not want to do.

DEFICIT REDUCTION

(Mr. COLEMAN of Texas asked and was given permission to address the House for 1 minute.)

Mr. COLEMAN of Texas. Mr. Speaker, I would be happy to yield to the gentleman from New York to make a point.

Mr. SCHUMER. I would simply reiterate the point that seems to have gotten under the skin of the gentleman from Pennsylvania about this Gramm amendment. Let us repeat, let us not look at projections—and OMB projections have not worked out very well in the past—let us look at numbers. Right now, what is our deficit projected at? $177 billion. What is the deficit under the Gramm amendment before impoundment takes effect? $192.6 billion.

I am asking the gentlemen on both sides of the aisle, because we are all concerned with deficit reduction, why should we vote for an amendment that actually allows the deficit to go up next year? Is this not the thing that the gentleman from Pennsylvania has always accused people on this side of the aisle of doing, passing a lot of verbiage but doing nothing real about deficit reduction?

I thank the gentleman for yielding time.

Mr. COLEMAN of Texas. Mr. Speaker, I yield back the balance of my time.

GRAMM PROPOSAL ATTEMPTS TO DEAL WITH REALITY ON BUDGET FIGURES

(Mr. McCANDLESS asked and was given permission to address the House for 1 minute.)

Mr. McCANDLESS. Mr. Speaker, I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding, because I think it is very important to try to get the record straight. The budget passed by this House for 1986 is now projected to cause a $192.6 billion figure. What happens is that we pass these budgets around here and then we go along and we spend and we spend and we spend, just as we are going to do under the rule that we are going to have up here in a 1 minute, where we bust the Budget Act for new spending authority. And so now CBO is taking a look at that budget and they are saying that the real deficit figure for the next year is 192.6. So the Gramm proposal attempts to deal with reality rather than the phony budget that we passed in August. And what the gentleman from New York wants us to do is stick with the phony budget figures in order to do our estimates.

Mr. SCHUMER. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I think it is better to start with reality and move back to a balanced budget from reality. I realize that the gentlemen always want to talk about phony budgets because their phony budgeting has caused us to overspend our own budgets around here by $150 billion over 5 years. But you never hear about that.

Mr. SCHUMER. Will the gentleman yield?

Mr. WALKER. I do not have the time.

Mr. SCHUMER. Will the gentleman from California yield?

Mr. McCANDLESS. I only have 1 minute.

Mr. WALKER. And I would say to the gentleman that this is the first time that we have had an oppportunity, maybe under Gramm, to get away from phony budgeting.

The SPEAKER pro tempore. The time of the gentleman from California [Mr. McCANDLESS] has expired.

PROVIDING FOR CONSIDERATION OF H.R. 1562, TEXTILE AND APPAREL TRADE ENFORCEMENT ACT OF 1985

Mr. DERRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 286 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 286

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of Rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1562) to achieve the objectives of the Multi-Fiber Arrangement and to promote the economic recovery of the United States textile and apparel industry, and its workers, and the first reading of the bill shall be dispensed with. All points of order against the consideration of the bill for failure to comply with the provisions of section 311(a) of the Congressional Budget Act of 1974 (Public Law 93-344) are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment under the five-minute rule. No amendment to the bill shall be in order except: (1) an amendment to strike out the blanks and the comma on page 20, line 4 and the date "1985" on page 20, line 5 of the bill and to insert in lieu thereof "the date of enactment of this Act", and said amendment shall be considered to have been adopted in the House and in the Committee of the Whole; and (2) amendments recommended by the Committee on Ways and Means, which shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore (Mr. MILLER of California). The gentleman from South Carolina [Mr. DERRICK] is recognized for 1 hour.

Mr. DERRICK. Mr. Speaker, I yield the customary 30 minutes, for the purpose of debate only, to the gentleman from Tennessee [Mr. QUILLEN], and pending that, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 286 is a modified closed rule providing for consideration of H.R. 1562, the Textile and Apparel Trade Enforcement Act of 1985. The only amendments made in order under this rule are an amendment to establish the effective date of the act, as well as Ways and Means Committee amendments. The rule provides for 2 hours of general debate, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means. This rule also waives all points of order against the bill for failure to comply with section 311(a) of the Congressional Budget Act. Finally, Mr. Speaker, the rule makes in order a motion to recommit.

The first amendment made in order under this rule is an amendment to insert language at the end of the bill specifying that the effective date of the provisions of the bill will be the date of enactment. This amendment is necessary since the effective date was inadvertently omitted from the bill as reported from the Ways and Means Committee. Under the rule, this amendment will be considered as adopted, in the House and in the Committee of the Whole, as soon as it is designated following general debate on the bill. Finally, this amendment is not subject to amendment.

The rule also makes in order amendments recommended by the Committee on Ways and Means. Under the rule, these committee amendments are not subject to amendment. As is often the case with bills reported from the Ways and Means Committee, this legislation is complex and technical in nature, and will be considered under a modified closed rule. Ways and Means Committee amendments are therefore made in order to allow the Ways and Means Committee to accomplish what other committees can easily accomplish under an open rule: An opportunity to offer amendments to make technical and other nonsubstantive improvements to the bill that are necessary but only discovered after the bill has been reported from committee.

Mr. Speaker, I would note that it is the clear understanding of the Committee on Rules that any amendments offered by the Committee on Ways and Means will be technical or conforming in nature, and that no amendments affecting the substantive provisions or general policy objectives of this bill will be offered.

Mr. Speaker, this rule also waives section 311(a) of the Congressional Budget Act. Section 311(a) provides, in pertinent part, that after Congress has completed action on the concurrent resolution on the budget, it shall not be in order to consider legislation which will cause either the outlay ceiling or revenue floor contained in the budget resolution to be breached.

With adoption of the first concurrent resolution on the budget for fiscal year 1986 on August 1, a revenue floor for the current fiscal year was established. At the present time, we are approximately $2.7 billion below the revenue floor set in the budget resolution. Although the budget resolution assumed passage of legislation to raise sufficient revenues to bring us up to the level contained in the budget resolution, Congress has not enacted any new revenue raising measures for fiscal year 1986 as of this date.

Several revenue raising measures are likely to be considered by the House of Representatives in the near future. H.R. 3128, the deficit reduction amendments of 1985, as well as Superfund legislation, will both raise considerable amounts of revenue.

Therefore, until and unless new revenue raising legislation is enacted, any bill which results in a loss of revenue would be subject to a point of order under section 311(a). The Textile and Apparel Trade Enforcement Act of 1985 will result in the loss of very modest amounts of revenue as a result of the estimated decrease in collection of customs duties.

Specifically, Mr. Speaker, the Congressional Budget Office estimates the revenue loss resulting from enactment of this bill to amount to $267 million in 1986, $322 million in 1987, and $381 million in 1988. In light of these revenue loss projections, therefore, it is necessary to waive section 311(a) of the Congressional Budget Act if the membership of the House is to have an opportunity to vote on this important issue.

I would also like to advise my colleagues that the revenue loss attributable to decreased customs duties collections is not the only budgetary impact that can be expected from enactment of this legislation. While the CBO can only consider direct budgetary implications for purposes of considering a waiver of section 311 of the Budget Act, if the bill has the effect we think it will, this legislation will actually have significant and positive secondary budgetary impacts. Moreover, the CBO estimate only examines one side of the ledger.

Data Resources, Inc. has estimated that if this bill is enacted, the positive change in total employment next year would be a gain of 320,000 jobs. By 1990, the annual employment gain would reach 1.9 million. Obviously, this job creation will have a indirect impact in increasing Federal revenues from income tax receipts and Social Security taxes, as well as decreasing Federal outlays in assistance programs such as unemployment benefits, AFDC, food stamps, Medicaid, trade adjustment assistance, and others. This study also concludes that failure to enact this bill will result in a loss of 1.9 million jobs.

On the basis of this Data Resources study, which estimates a gain of about three-fourths of 1 percentage point in gross national product per year if this bill is enacted, the Congressional Budget Office, at my request, has estimated that the bill could reduce the deficit by roughly $4 billion in fiscal year 1986, $14 billion in fiscal year 1987, $30 billion in fiscal year 1988, $48 billion in fiscal year 1989, and $70 billion in fiscal year 1990.

Mr. Speaker, this is simply not an issue that can wait until the Congress enacts new revenue raising legislation. The textile and apparel industries in this country are under assault. As the committee report accompanying this legislation accurately points out, employment in the textile mill product sector stands at its lowest level since 1939. Forty plants have closed in South Carolina since January 1984, resulting in the loss of over 9,000 jobs. Nationwide, more than 300,000 jobs have been lost and more than 250 plants have closed in the last 5 years; 100,000 jobs have been lost nationwide in the last 12 months alone.

H.R. 1562 is a modest proposal. It seeks merely to establish import levels that we agreed to under the Multi-Fiber Arrangement, which was last extended in 1981. Under that agreement, U.S. import growth was to increase at 6 percent per year. Unfortunately, the objectives of the Multi-Fiber Arrangement were never achieved. From 1981 to 1984, imports of textiles and textile products into the United States grew at an annual rate of 19 percent.

In fact, a report recently approved by the House Government Operations Committee concludes that the Multi-Fiber Arrangement is ineffective because it contains excessively high import quota levels, it is not comprehensive in scope or coverage, and it contains unduly generous flexibility provisions. Moreover, this report endorses the concepts contained in this legislation.

This bill applies to all exporting nations except Canada and the European Economic Community. It will roll back import quotas for major exporting nations to a level that should be in place had the Multi-Fiber Arrangement been enforced. Future imports from these nations would be permitted to grow at no more than 1 percent per year. Other nonmajor exporting nations will be allowed to increase their exports to the United States at 15 percent in 1985, and 6 percent per year thereafter. Certain import sensitive categories would be limited to 1 percent per year growth.

Mr. Speaker, I take exception with any of my colleagues who seek to characterize this legislation as "protectionist." This bill only seeks to implement the import levels that we agreed to under the Multi-Fiber Arrangement.

Mr. Speaker, over 290 of our colleagues are cosponsors of this legislation. We cannot wait to provide some measure of relief to this beleaguered industry. The toll textile plant closings have taken on the hard working citizens of my district has been nothing short of devastating.

In the interest of responsible legislating, I believe it is imperative that we consider this legislation on its own merits, and resist the impulse to have extraneous trade legislation attached to it. The modified closed rule reported from the Committee on Rules will accomplish that objective. Members of the House will have an up or down vote, and will have an opportunity to send an unmistakably clear signal to the White House that the hemorrhage resulting from unchecked textile and apparel import penetration must be stemmed. Passage of this bill is the very least we can do.

Mr. Speaker, I urge adoption of this rule and the Textile and Apparel Trade Enforcement Act of 1985.

□ 1055

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I urge adoption of the rule and passage of this most important trade bill.

As an original cosponsor of H.R. 1562, I am pleased that at last, this bill has been brought to the House floor for debate and passage. It is desperately needed, not only for the almost 2 million Americans working in the domestic textile and apparel industry, but also because it means the Congress is stepping forward with relief for American industries being driven out of business by unfair foreign trade practices. Such congressional action is long overdue, but we are now responding forcefully at long last.

As this textile bill has moved forward in the House, the cries of those opposed to the bill have increased to a high pitch. We are bombarded daily with predictions of terrible things that will descend on us if we enact this bill into law.

Now I am no expert on international trade, but I would like to point out that it has been a long time since America emerged from the Second World War with few international trade competitors standing out there to challenge us. Over the years we have opened our domestic market and we have exerted every effort to assist the trading nations of the world to recover economically and expand their export markets. Our policy has achieved its purpose.

I believe that we must now proceed to a new international trading arrangement because America can no longer afford to tolerate our trading partner's unfair trade practices which are destroying our own industries. It is now time to write a new chapter in the book of American trade policy, and the theme of this new American trade policy must be fair trade with the interests of American industries and American workers first.

The American textile and apparel industry is a good place to start putting American trading interests first. This is an industry employing almost 2 million workers found in all 50 States. That is more workers than the steel and auto assembly industries combined. And this industry is going under, in my judgment, unless we step forward to save it. What has happened in the past several years is frightening. Listen to a few facts:

Since 1980, annual import growth has averaged 19 percent. There has been a 65 percent surge in imports in the past 2 years, 300,000 jobs have been lost since 1979. Imports now control over 50 percent of the American clothing market. Our textile and apparel trade deficit now stands at $16 billion.

This bill provides a lifeline to save our textile and apparel industry. It will limit import growth to the growth of the domestic market. It will set 1985 import levels where they would be if our trade agreements had been properly enforced. It allows 1 percent per year growth for major exporting countries. It allows 6 percent per year growth for less developed countries. It grants favorable trading status to Mexico and Caribbean countries and it excludes Canada and European Community nations from coverage.

Mr. Speaker, this is not a radical or a dangerous bill. It is, however, a bill that will put the legitimate trading interests of America first. And it will, I believe, save the American textile and apparel industry from certain destruction.

Let us step forward with courage and confidence to reform our outdated trading practices. Let us put America first in this effort. Let us adopt this rule and pass this most important trade bill.

□ 1105

Mr. Speaker, years after World War II, I was in the Philippines. I was told by the government there:

You Americans have created a desperate situation internationally. After the war that you won, you sent your American dollars into Japan and other countries and built up giant industries, and they are now taking away from those Americans who fought and died for victory their economic ability to compete.

And that is so true. Take Japan alone. After winning the war, we sent American dollars in there to build it up economically. We built up their industry. Not only did we do that, but we opened up our borders for them to ship their goods into the United States.

That is true with other countries. We ended up winning the war, losing hundreds of thousands of brave Americans, and then in the end losing it economically. It simply does not make sense.

This is a good rule. It should be adopted. There are those who will say that it is a budget-buster. There is a waiver of the Budget Act. But the only thing that it does is to take into consideration, when it becomes law, the custom duties on the imports entering into this country. Now, who can object to that?

Mr. Speaker, I urge adoption of the rule and this bill when it is debated on the floor.

Mr. Speaker, I would like to advise the gentleman from South Carolina [Mr. DERRICK] that I have five more requests for time, and I will be happy to yield time to them at any time.

The SPEAKER pro tempore. The gentleman from Tennessee [Mr. QUILLEN] has consumed 7 minutes.

The Chair recognizes the gentleman from South Carolina [Mr. DERRICK].

Mr. DERRICK. Mr. Speaker, I yield 3 minutes, for the purposes of debate only, to the gentleman from Virginia [Mr. DANIEL].

Mr. DANIEL. Mr. Speaker, like our colleagues who are sponsors of the Textile and Apparel Trade Enforcement Act, I have waited long for this day.

Unlike most of our colleagues, I am a product of the textile industry. My three decades so employed spanned the Great Depression and World War II.

I have seen feast and famine, and in my later years as an executive of a textile company, I saw the havoc wrought in the postwar years, as first Japan, then other nations, primarily in the western Pacific, attacked and penetrated the American textile industry.

At first, only fabric was affected. The imports were crude, by American standards, and their only virtue was their price.

Times have changed; they stole our designed patterns, formulas, methods and now the fabric and the garments which wash our shores are equal to American-made in terms of quality and of style. And still their price is an advantage.

It may well be asked why a majority of Congress is exercised about this matter. Surely we would want to see the American consumer provided with textiles and garments at the best possible price.

Regrettably, that is not the whole story—not by a long shot. There is far more at stake today than the price of a shirt.

There is a more than ample significance to the national economy of a strong and healthy textile industry, a significance which relates directly to the ability of the Armed Forces of the United States to fulfill the national security interests of the Nation.

The best hardware in the world will do us no good at all, if we have lost our capability to clothe and shelter the men and women who serve in the military forces. And if no action is taken, it is not farfetched to say that we will lose our capacity to meet one of life's three basic needs.

Employers in the textile and apparel industries have not stood idle while their markets have been stolen away. They have sought to improve efficiency and to modernize in every conceivable way, and to the tune of more than $1 billion a year have upgraded their products and their methods.

Employees have made enormous concessions, in a brave and fruitless effort to retain their places in the work force.

All this has been to no avail, in the face of competition engendered and protected by governments bent on destruction of this segment of American industry.

Right here, I would like to share with you some estimates provided by Data Resources, Inc., a nationally respected firm.

An annual 15-percent increase in textiles and apparel will, by 1990, translate to a job loss of almost 1 million, and a loss of supporting jobs almost as high.

Forty billion dollars will be lost in the GNP. The Federal deficit will increase by $24 billion, and the trade deficit will rise by $21 billion.

The executive branch of Government views the textile and apparel industries as expendable, in its efforts to woo Third World countries, and it has been a courtship which has failed miserably.

I do not know whether it is more hypocritical or tragic that the administration and the Congress have thus far refused to take action regarding textiles and apparel. For these industries employ large numbers of women

and blacks, two groups both branches of Government profess to support.

Yet by their actions—or inaction—they would demand the sacrifice of their jobs from these two groups who are struggling to hang on to a foothold on the economic ladder.

Textile and apparel industries in other parts of the world have prospered enormously, at the expense of American workers, but their governments are no more friendly to our interests today than they were 20 years ago.

For years, the United States, by maintaining the only truly free market, has been the engine which has pulled the rest of the world into an era of prosperity. The rest of the world must now accept the fact that, should this engine become exhausted, there is no way for them to go but backward.

It is in the world's interest that our economy not be strained beyond its means by destroying its industrial capability. Yet it asks too much to seek restraint on their exports, when we seem so unwilling to impose that restraint ourselves.

It is long past time for the Federal Government to do what it can do and must do to see that these industries do not disappear forever from the industrial landscape.

Mr. QUILLEN. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Speaker, I thank the gentleman very much for yielding time to me.

Mr. Speaker, I do want to point out that whatever the merits of the bill, whatever the merits of this rule, the fact is that this rule is a budget-buster. Now if this were the only rule that were a budget-buster, maybe all these explanations would be fine, but virtually every rule that comes out of the Rules Committee these days busts the budget. Every rule that we have had on this floor—save one, I think—since we came back from our August recess has had a provision in it to bust the budget.

This one is a major budget-buster. This waives section 311 of the Budget Act. That is the section that deals with new budget authority, new spending authority, and revenue collection. The total budget-busting authority included in this particular rule is something on the order, I am told by the committee report, of $2 billion.

We are talking about a major breach of the budget here. If people wonder why some of us think that we have to go to a Gramm-Mack approach to try to get control of the budget, here is a good example. We simply cannot live within our own budget. Why have budgets gone from $177 billion to $192 billion? Because we overspend. We spend too much money.

This rule is a good example. We are going to bust the budget with this rule. Everybody who votes for this rule is voting for a rule to bust the budget. This is a budget-busting rule. And so, therefore, it seems to me that a "no" vote will at least send a signal that we are tired of having the budget busted each and every time that the Rules Committee comes out.

The Rules Committee and the Budget Committee ought to get together one of these days and talk to each other. The Budget Committee has a budget; the Rules Committee simply says that it is not effective and not operative on every rule that they pass.

Mr. DERRICK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I might just say that the gentleman from Pennsylvania [Mr. WALKER] is looking at the negative side of this bill. The gentleman is right; there is a loss in 1988, for example, of $381 million because of the lack of customs receipts, but also, because of the increase in jobs in that particular year, there is a $30 billion additional cut in the budget deficit, so that comes out to something like a $29.7 billion increase.

Mr. Speaker, I yield 10 minutes to the gentleman from Georgia [Mr. JENKINS].

Mr. HEFNER. Mr. Speaker, will the gentleman yield?

Mr. JENKINS. I am happy to yield to my friend, the gentleman from North Carolina.

Mr. HEFNER. Mr. Speaker, we talk about what this costs in terms of the budget. I, like the gentleman, have done some research to find out what it has cost the Treasury in unemployment with all the thousands of thousands of jobs we have lost in these textile areas, in the plants that have closed in my district and all across the country. It cuts both ways. We have lost all these jobs, it has cost us tremendous amounts of money, and on top of that there is the human suffering that is caused because of the loss of these jobs. So let us look at the whole picture. Let us not get completely off the track.

Mr. Speaker, I thank the gentleman for yielding.

Mr. JENKINS. Mr. Speaker, I thank my friend, the gentleman from South Carolina.

Mr. Speaker, I want to take a few moments to discuss this bill because it is probably the only trade bill we will get an opportunity to vote on during this session of the Congress.

For 8 years I have served on the Subcommittee on Trade. I have served under two administrations, one Republican and one Democratic. I understand the makeup of the Trade Subcommittee, and I understand the makeup of the bureaucrats down in the executive branch. I want to talk today about reality. This is the only opportunity we will have to act if we want a level playing field. If we want fair trade, this is our opportunity to vote for that.

I am speaking on behalf of 2 million employees in 49 States in an industry that is bigger than steel and automobiles combined. This is no small industry. And I am speaking also on behalf of industry beyond textiles and beyond apparel.

□ 1115

I am speaking for all domestic industry. For the 8 years that I have served on the Trade Subcommittee I have been America's industrial base eroded.

You can look at steel, automobiles, machine tools, televisions, pork, cotton, now on the way out, everything across the board. This committee and this Congress is the only avenue of relief, because you can engage in dialog from now to eternity and you will get no relief.

If there is any message that is going to be sent to the American people and to the White House, it will have to come from this floor today.

So I want to take a few minutes to show you exactly what has happened.

Back in 1980 when the European Community, Canada, and Japan saw the onslaught coming from the developing countries. They recognized that the developing countries had problems trying to get hard dollars to make interest payments on debt. They began to restrict their marketplace. They have not taken an increase, the developed countries. Japan has not. Canada has not. The European Community has not. These charts will show that those levels have been constant except for America.

This Nation has said not only will we accept our burden, but we will take the burden for Europe. We will take the burden for Canada. We will take the burden for Japan. And today as a result of that policy, 65 percent, as you can see from this chart, of every piece of clothing manufactured by every developing country in the world finds its way into our marketplace.

Now, we can take some of the burden, but we cannot take it all; and it is not because of the high value of the dollar.

I want you to look at the chart on the far right. During the same period of time, 1981-84, the average percentage rate in the exchange rate with these countries and most of the countries we are getting our exports from has been less than 5 percent. During that same time we have Malaysia increasing its exports in apparel 226 percent. We have all of them in the double-digit figures.

Well, it is time for this House to speak out for domestic industry. It is time for us to say we can take a rea-

sonable increase, but if we are to have stability in our markets, we cannot take it all unless you want to wreck the entire industry. By your vote, you will decide this today; unless you want to simply say "I believe that all of us can sell hamburgers to each other and we do not need a basic industry."

I know that there are many figures floating around, some erroneous. I want to explain to the Members of this House the ordeal that these cosponsors have had in even bringing this bill to the House floor. Do you realize that I had to agree, and I did, in order to get the bill to the House floor, that I could not even make a technical amendment. I had to bring it just as it was written without any input from anyone. Why? Simply because the opponents of this bill felt that they could flake off a few supporters for little insignificant parts of the bill. But that is what I have had to do. I have had to do that on behalf of all the Members who are trying to pass this legislation.

I say to my colleagues in the House that whatever happens today, I want you to go back into your districts and I want you to talk to the working people. I want you to talk to those people, whether they work in textiles or steel or automobiles or coal or copper. We are losing them all. I want you to say to that worker, "Yes, I know you are having a hard time. I know your job is in jeopardy and you will probably be on unemployment if you are not already. But, you see, it is important for Members of Congress to make sure that we have low unemployment in all of the rest of the world. You see, that is the reason I couldn't support you. That's the reason. You see, I have to look after the Thailands and the Singapores. I have to look after all these other countries of the world. In addition to all that, we have to spend $16 billion, $18 billion a year in getting them into the business of competing with basic industry." Is that what you intend to say?

I say to you, my colleagues, this is a more serious matter than most people acknowledge.

Consumer cost, that will be addressed in a few moments, but I want to tell you if you pass this bill intact, if it is not changed by the Senate by one word or one comma, and if it is signed into law, the foreign countries will still have 40 percent of our marketplace in textiles and apparel. Is that generous enough?

Not only that, but this bill would permit their share to grow each year. Are we being so terrible to these foreign countries?

I have a responsibility to my people. I do not have the largest textile district in the Nation. It is fast going away, but it is important.

Consumer cost—this is the biggest farce in the world. This week, I sent down to a department store and purchased from the same shelf these two towels, one made in China and one made in the United States. The original price was $3.49 for the one from China, $3.49 cents for the one made in the United States; discounted, $2.49 for the one from China, $2.49 for the one made in this country. The identical price for the washcloths. They were marked down exactly the same. It makes no difference where it is made, the price to the consumer is the same. It is a fallacious argument that the consumer is going to pay more for domestic goods.

I will tell you who is going to get hurt by this bill. It will be the importers. It will be those droves of importers that have been swarming on this Hill. Every lobbyist in town that has not been employed by an importer has not been looking for a job, because they are all over this Hill.

You can say today with your vote—either I am going to vote with those importers who are distorting the facts, or I am going to vote for basic industry. That is the bottom line. Do not go back home to your districts and say, "Yes, I'm for fair trade. I'm for a level playing field," because I hope somebody will point out that your vote did not correspond with your speech.

Mr. QUILLEN. Mr. Speaker, I yield 5 minutes to the gentleman from North Carolina [Mr. BROYHILL] who cosponsored this measure with the gentleman from Georgia [Mr. JENKINS].

Mr. BROYHILL. Mr. Speaker, I thank the gentleman from Tennessee for yielding to me at this time.

We want to join in strong support of this legislation.

I want to just take a moment, and I wish we did have a lot more time on this bill, but I wanted to address one or two points that have been brought up by the opponents of this bill as they have been undertaking a frenzied effort to defeat this bill, a bill that is sponsored by over 290 Members of this House of Representatives, which should indicate the strong and broad support that this bill has.

One of the charges that the opponents are leveling at this bill is that this is already a protected industry, that it is one of the most protected industries in the United States.

Well, Mr. Speaker, that argument just does not fly in the face of the facts. In fact, that argument falls with a thud. Imports of textiles and apparel have been increasing at an astronomical rate over the last 4 or 5 years. In fact, imports into the United States account for 50 percent of the U.S. market, that is in apparel, and with all the agreements that are in place imports went up 32 percent in 1984 and 25 percent in 1983.

Another fact is that the big five exporters control the lion's share of the U.S. domestic market at the expense of the developing countries who are supposed to benefit from the program that was put into effect back in 1981; so simply stated, the agreements are not working.

Mr. GIBBONS. Mr. Speaker, will the gentleman yield?

Mr. BROYHILL. Yes.

Mr. GIBBONS. Mr. Speaker, may I say to my friend, the gentleman from North Carolina [Mr. BROYHILL] that I hate to rise and throw a monkey wrench into some of these statistics, but these are figures I am quoting now from the Department of Commerce that is headed by Mr. Baldrige, for whom I have great respect and who is a staunch member of the gentleman's political party.

Now, by dollar volume, the apparel imports last year as a percent of market share were 20.6 percent of the market share, not 50 percent.

By square yard equivalence, they were 33 percent, not 50 percent.

Mr. BROYHILL. Well, Mr. Speaker, unless I can get some more time, I am not going to be able to yield further.

Mr. GIBBONS. Well, I will give the gentleman all the time I have got. I would like to hear the gentleman explain Mr. Baldrige's figures.

Mr. BROYHILL. I think that any survey that the gentleman has of any retail shelf will show you that over half the apparel that are on the retail shelves are coming from overseas. I have made my own spot checks. I have had other people do them. The textile industry has commissioned studies of this kind and it is a fact that over half of the apparel that is offered to the American market today is coming from overseas.

Mr. GIBBONS. Mr. Speaker, will the gentleman yield further?

Mr. QUILLEN. Mr. Speaker, I would like to advise the gentleman from North Carolina that the time on this side has been allocated.

Perhaps the gentleman from South Carolina could yield some time.

Mr. BROYHILL. We do not have any more time.

Mr. GIBBONS. All right, I thank the gentleman.

Mr. BROYHILL. Mr. Speaker, I cannot yield any more at this point.

On the average of one textile or apparel plant has closed on the average of once every 11 days in the Carolinas alone in the past 4 years. The gentleman from South Carolina can attest to that.

Now, that certainly is sad and bad economic news to that section of the country, but it is also happening all across this country. The agreements are not working. They are full of loopholes. We have fraud, mislabeling of products. In fact, it was rather humorous that the garment that was sent around by the opponents of this bill,

saying that the textile bill gets America by the seat of the pants, I checked and found that they were not even labeled properly according to the law that we passed last year, the labeling law. I could find no label in here as to where they are manufactured. I think that is interesting.

We have the problem of transshipments; that is, countries shipping through other countries.

The SPEAKER pro tempore. The time of the gentleman from North Carolina has expired.

Mr. BROYHILL. Mr. Speaker, I thank the gentleman for the time he did allow me.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 1½ minutes to the gentlwoman from Ohio [Ms. KAPTUR].

□ 1130

Ms. KAPTUR. I thank the gentleman for yielding this time to me.

Mr. Speaker, today as the House debates this important trade legislation, studies, data, facts and statistics will be flying around this Chamber like footballs at a Dolphins-49ers game. However, to paraphrase Disraeli, there are lies and then there are statistics. The figure that really counts is the one at the bottom line.

Many would have us believe that it is somehow good to allow foreign imports to destroy a great American industry and rob thousands of hard-working Americans of their jobs. The reason that is most often given to justify this hardship is that the consumer will benefit. Let us just see who is benefiting off the backs of American workers.

These four identical shirts at identical prices were purchased here in Washington at a major department store. Who is fooling whom? At $18 apiece, whether they are made in Guiana, Colombia, Hong Kong, or the United States, they are all $18.

These, children's sleepwear, were purchased here in the District, one made in the United States, one made in Santa Lucia in Central and South America. They are both $7.99. So who is fooling whom?

Let us pass this rule and pass H.R. 1562. Let us send a message to other countries that the American Government, or at least this part of it, is ready to stand up and defend American workers, American businesses, and the American economy.

The SPEAKER pro tempore. The Chair wishes to advise the gentleman from South Carolina [Mr. DERRICK] that he has 5 minutes remaining and the gentleman from Tennessee [Mr. QUILLEN] has 16 minutes remaining.

Mr. QUILLEN. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. ARMEY].

Mr. ARMEY. I thank the gentleman for yielding this time to me.

Mr. Speaker, I really hate to interrupt such an exciting debate on the bill, but I rise to debate the rule. Unhappily, I must oppose the rule and I do this despite the enormous respect I have for the members of the Committee on Rules in general, and in particular the gentleman from Tennessee, for whom I have the greatest respect.

I would like to return to a point that the gentleman from Pennsylvania [Mr. WALKER] made earlier. We are again busting the budget by waiving the Budget Act. We do this all the time in this body. We go through an agonizing process in this House to create a budget. Certainly our memories are not so short that we do not recall the difficulties we had during the summer months to come up with a budget, and predictably, we come on the floor with bill after bill after bill that waives the Budget Act.

The American people understand this. I would like to reflect on a discussion I had with a famous American named Paul N. Rosenstein-Rodan. As we were discussing this process of building a budget on one hand, waiving the budget on the other hand, and then taking each appropriation bill separately, Mr. Rosenstein-Rodan said to me, I think, a very telling truth: "Judging each separate appropriation on its separate merits is a perefect formula for not thinking."

That, ladies and gentleman, is what we continue to do here. I feel very strongly that we must control Government spending. That is, of course, why I am so much in favor of the Gramm-Mack effort which we will soon consider. Since we have not yet achieved passage of that legislation, I am afraid that today I will feel compelled to ask for a recorded vote so we can see who among the Members of this Chamber are again willing to break the budget with this waiver of the Budget Act.

Mr. QUILLEN. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. I thank the gentleman for yielding this time to me.

Mr. Speaker, I rise in support of the rule because I was a part of the agreement which the gentleman from Georgia [Mr. JENKINS] described. I would, however, describe it somewhat differently. He described it as an agreement forced on him which prevented his tiny minority group of 300 sponsors from exercising its will.

May I say that the opponents of the bill gave up a great deal more. Had we voted for the Gephardt amendment in the Committee on Ways and Means, the gentleman from Georgia would have brought a dead body to the floor. But in accordance with our agreement, we voted against it so that he could bring his bill out in mint condition under the closed rule.

I support the rule notwithstanding the fact that it will give up $2½ billion of customs duty revenue over the next 5 years, at a time when we are in fiscal disrepair. The bill is clearly a budget buster. Its fiscal impact alone is enough to warrant a no vote on H.R. 1562.

With respect to the jobs, Mr. Speaker, I hope the Members of this body will consider that 36 States will lose jobs under this bill, while only 5 will gain them. I hope the Members will understand that for each apparel job allegedly saved, the cost to the consumers will be $66,000, and for each textile job allegedly saved, $27,000.

I hope the people will understand the remarks of the gentleman from Florida [Mr. GIBBONS], who pointed out that total import penetration in textile mill products and apparel in dollars for the first 6 months of 1985 was 15 percent of the market, 14 percent in 1984, 21 percent in apparel and 6.7 in textile mill products.

So this very highly protected industry whose tariffs are five times what the average tariff on all other goods in the United States is, has less import penetration than many of the basic industries of this country. The only thing different about textiles is that it has been one industry that this Congress has seen fit to protect, reprotect, and overprotect. Its response has invariably been to ask for more.

Pass the rule and defeat the bill.

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the gentleman from Arizona [Mr. KOLBE].

Mr. KOLBE. I thank the gentleman for yielding this time to me.

Mr. Speaker, this is a historic occasion that we are faced with today. The tide of protectionism has finally reached the floor of this body. There have been more than 300 bills that have been introduced in the House of Representatives that deal in some way with protectionism for one industry or another with trade.

Today we face the first wave of that with H.R. 1562 which addresses this problem that exists for many industries in the United States, addresses it for the textile industry. So we have come truly to a watershed in this body. Do we turn our backs on the slow and the incremental progress that we have made over the last 50 years in this country toward more open markets, toward more trade, toward a historic amount of prosperity in this world? Do we return to the era of the Smoot-Hawley Tariff Act of the 1930's, an era that launched an endless round of retaliation, and now I think most economists today would agree was instrumental in turning what might have been a small recession into a very major depression, the deepest depression in the history of this country?

There are many objectionable aspects of this legislation, but perhaps

the worst is the fact that at a time of legitimate concern about the U.S. trade deficit, this legislation is a violation of existing trade agreements. Is this really the message that the House of Representatives wants to send to the rest of the world?

What we are saying here today if this bill is approved is that we will protect ourselves regardless of the merits of the argument and that we will violate agreements to which we are a party in order to do so. There are some adverse effects of H.R. 1562 which would be true of any piece of protectionist legislation, whether it is textiles or apparel, steel or automobile, or, yes, the copper industry which is so important in my own part of the country.

Any time tariffs are increased and quotas are decreased, prices to the consumer are going to be increased, and we have seen that with the automobile legislation that has been in effect before, either directly by adding a tariff to the cost of the item or indirectly through decreased competition. It has been estimated that in this particular case the cost to consumers could be as much as $14 billion a year.

Any protectionist measure that is enacted into law is going to invite retaliation from our trading partners. It was not very long ago, in 1983 as a matter of fact, that the Chinese boycotted American cotton, soybeans, synthetic fibers and cut their purchases of American grain in response to the unilateral restraints that we put on textile imports.

We just completed our work 2 days ago on the farm bill, an attempt to help the agricultural sector of our domestic economy. Do we really want to leave our farmers vulnerable to further economic damage by passing this particular piece of legislation? I have listened to the arguments of my colleagues and I have the greatest respect for them and I understand the problems of their industry, just as my own industry in my part of the country faces these problems.

Mr. Speaker, yesterday we had on the floor of this body the Prime Minister of Singapore who addressed us. I hope that most of my colleagues have had a chance, if they were not here, to read the remarks that he addressed to us.

Mr. QUILLEN. Mr. Speaker, I yield 1 minute to the gentleman from North Carolina [Mr. COBLE].

Mr. COBLE. I thank the gentleman for yielding this time to me.

Mr. Speaker, we have heard today about this being a budget buster; if we do not support this bill it will be a job buster. Many who oppose the passage of this legislation comfortably and conveniently rely upon the term "free trade." The concept of free trade is an important and laudable one, ladies and gentlemen, but it is one that simply does not exist in international trade. It exists only in theory in economic textbooks.

□ 1140

There is no free trade. Otherwise we would not have to be here.

Now this bill does not provide for the construction of barriers and walls around our boundaries. What we are simply trying to do is control the growth of imports. Voluntary restraint may well be an alternative, but we are talking about domestic jobs, we are talking about American jobs.

If we have the alternative to protect Taiwanese jobs, or Chinese jobs, or Korean jobs, or American jobs, Mr. Speaker, I opt for the latter, and this is the time to be heard.

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the gentleman from Washington [Mr. MILLER].

Mr. MILLER of Washington. Mr. Speaker, I rise in strong opposition to H.R. 1562. There are many reasons why I oppose this bill—regional self-interest, the lessons of history, sound economics, national security. But all these reasons can be summed up by simply stating that this is bad legislation—bad for my own district, bad for my own State of Washington, and bad for our Nation and the free world.

Mr. Speaker, this bill sends lots of messages. But the messages are not what the sponsors intend.

Listen to the message the bill sends to American workers: "We will save your textile job in South Carolina, but we will take away your port job in Florida or California." In the long run, this bill will cost more jobs than it saves. It will save jobs in the textile industry and lose jobs across our Nation in retailing, shipping, and exporting sectors such as agriculture and high tech. This bill does not reduce unemployment; this bill just transfers it.

Listen to the message this bill sends to American consumers: "We won't cut the budget deficit and lower the dollar's value to correct our trade problems, so we're going to raise your clothing prices." For each job "saved," American consumers will pay at least $70,000 in higher prices; some estimates go much higher. And this is so that an industry that has almost 80 percent of our market can recapture the 20 percent that gives the American consumer a choice in goods and prices.

Listen to the message this bill sends to American businesses: "We want you to sell your soybeans and cotton, your planes and computers, but we are going to take away the opportunity to trade your goods for the currency and goods your customers want to give in return."

Listen to the message this bill sends our trading partners. To China: "We want you to buy our manufactured goods and farm produce—but we're not going to let you send us your major export." To Taiwan and Thailand: "You've been loyal allies who have kept your commitments to us, but we're going to unilaterally break our agreements with you to slash your trade." To Brazil: "We want you to honor your debt obligations to us, but we'll make it harder by not honoring our trade obligations to you." To all Asian nations and to Brazil: "We want your markets, but when it comes to textiles, we're going to pick on you, not on the Europeans, even though their textile exports to us have recently grown more than yours." To the free world, whose security we care about: "The industry that is most crucial to our national security—the industry that we are going to place the highest tariffs and lowest quotes on, the industry that we are going to break multilateral and bilateral agreements for is: Textiles!"

And last, listen to the message this bill sends to economists and hostorians: "We didn't follow your advice against erecting trade walls in 1930 when we passed Smoot-Hawley, and we're going to start repeating the same mistakes all over again."

Mr. Speaker, this bill sends the wrong messages at the wrong time. It is bad legislation for our national and international interests. It is bad legislation for the whole country. We should vote it down.

Mr. DERRICK. Mr. Speaker, for the purposes of debate only, I yield 1½ minutes to the gentleman from Arkansas [Mr. ALEXANDER].

Mr. ALEXANDER. I thank the gentleman for yielding and appreciate the leadership he has provided to the Congress and to the Nation in helping bring this important bill to the floor for consideration.

In my hometown of Osceola, AR, last year, two textile mills closed and we lost about 900 jobs. The impact of that job loss on my hometown was to lose approximately 40 percent of the gross revenues for Main Street in that city. The impact was overwhelming.

We are here today not to respond in a protectionist mode, but to send the President of the United States a message, a message that we, in Congress, want him to reinforce the principle of free trade with our demands for fair trade. We are saying to President Reagan that we insist that he enforce the provisions of the Multi-Fiber Act of 1981 and the general authority granted by the Congress in 1935. This is the same problem we have with the American footwear industry which is under assault from imports. Like textiles, footwear needs relief through Presidential enforcement of existing statutes. Legislation on behalf of footwear being considered in the Senate is intended to send that same message.

We are asking the President to add to the equation of free trade the com-

ponent of fair trade. Textiles and footwear are a good first place to start.

A moment ago, a gentleman mentioned the marvelous address delivered yesterday by the Prime Minister of Singapore.

Mr. QUILLEN. Mr. Speaker, I yield 1 minute to the gentleman from Florida [Mr. SHAW].

Mr. SHAW. Mr. Speaker, the bill before us this afternoon was born out of frustration. It was born out of the frustration that there were 900 jobs lost in the district of the gentleman from Arkansas, and there are hundreds of thousands of other jobs that are lost across this country.

I signed on to this bill as a cosponsor out of frustration at what is happening to American jobs. But I believe, after further reflection, after particularly listening to the fine speech by the Prime Minister of Singapore that was presented in this Chamber yesterday, that this frustration is the wrong way to go, that the message that we would be sending would not be to the White House but would be to Japan. And that message to Japan would be that we are no longer going to fight their protectionism, but we are going to join with you by throwing up protectionism ourselves.

Yes, there are things that we must do. We must speak to Japan and we must be tough with those trading partners who close their markets to our goods. But for us to join them in a wave of protectionism, I believe, will lose us more jobs than we would save by the passage of this bill.

Mr. DERRICK. Mr. Speaker, for purpose of debate only, I yield 1 minute to the gentlewoman from Tennessee [Mrs. LLOYD].

Mrs. LLOYD. Mr. Speaker, I represent an agricultural State and, yet, one that has seen innovative undertakings with foreign concerns. But it is a State that has been wracked by imports. Coal, steel, cast iron, chemicals—all have lost ground and now textiles and apparels are being gradually eliminated. For the last 2 years, imports have doubled since 1980. More than 100,000 workers lost their jobs last year, 5,600 in my home of Chattanooga alone over 10 years. At the same time, some $2 billion a year has been invested in modernization. Our textile and apparel industry can compete one on one with any foreign manufacturer. But it can't compete against foreign governments as well.

Mr. Speaker, I ask the opponents of this bill to try to measure the frustration of the American textile workers. These workers, Mr, Speaker, have no budget to bust. Try to measure the frustration of one of my constituents who is trying to keep his hosiery mill open. He said, "Marilyn, if protectionism is so bad, why isn't Japan bankrupt?"

The international and bilateral agreements have been signed, the technological advances implemented, and still the imports pour in.

The question we are addressing today is, quite simply, "Does America need a textile industry? If we don't, if we are willing to continue losing ground to foreign producers, then clearly we can direct our attention elsewhere. But we should keep in mind what the textile-apparel industry means to our Nation. This industry is second only to metal products in terms of production workers and comprises 9.7 percent of the total manufacturing work force. Clearly, it is at the base of America's industrial strength and exists in some form in every State of the Union. But, each month, almost 10,000 of these workers lose their jobs. We need this bill and I urge adoption of this rule.

Mr. DERRICK. Mr. Speaker, for purposes of debate only, I yield 1½ minutes to the gentleman from South Carolina [Mr. SPRATT].

Mr. SPRATT. Mr. Speaker, this morning I opened my mail and found in it a letter labeling this bill protectionism of the worst sort. Well, I suggest we put this bill in context.

Is it time for some protection when today we have a $17 billion trade deficit in textiles and apparel? In the last 5 years, in volume terms, textile imports and apparel imports have doubled. In terms of dollars, textile imports and apparel imports grew by 53 percent from 1973 to 1974 alone.

The chart that was here, and has been taken down, showed that we buy clothing imports amounting to 60 percent of all of the imports of the lesser-developed countries and the newly industrialized countries of the world. In per-capita terms, we buy five times more in foreign clothing than do the Japanese and we buy three times more than do the Europeans.

After the adoption of this bill, our industries will be somewhat more protected, let us be honest about it. But we will still have far more free trade in textiles and apparel in this country than do the Europeans and do the Japanese with their own Pacific Rim neighbors.

For the countries who will be affected by the cutbacks in this bill, there is an answer. They can ship more textiles and apparel goods to the European countries, to the EEC, where, in fact, for the last 3 years, they have been shipping under quota, or they can ship more to the Japanese. They have an enormnous trade surplus with which to take up some of this slack.

Protectionism has become a pejorative word. I used to think "protection" had a benign connotation.

I think we ought to ask, before we condemn automatically this bill, what it is that we are going to be asked to protect. This industry employs 3.2 million Americans, 7 out of every 8 in the manufacturing sector.

I urge the adoption of this rule and the adoption of the bill.

Mr. QUILLEN. Mr. Speaker, I would inquire, how much time is remaining on this side?

The SPEAKER pro tempore. The gentleman from Tennessee [Mr. QUILLEN] has 4 minutes remaining and the gentleman from South Carolina [Mr. DERRICK] has 1 minute remaining.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I urge adoption of this rule. I call to the attention of the Members of this Chamber the fact that the problem is real. It is so real, in fact, that in my district we lost a large textile plant, and two other large ones are laying off employees. Another is on the verge of closing. It is real.

We also have a great number of other industries suffering the same crisis.

We are here today to do the job, and we must do it. I urge the adoption of the rule and the passage of the bill.

To close debate, Mr. Speaker, I yield my remaining time to the gentleman from South Carolina [Mr. CAMPBELL].

The SPEAKER pro tempore. The gentleman from South Carolina [Mr. CAMPBELL] is recognized for 3 minutes and 15 seconds.

Mr. CAMPBELL. Mr. Speaker, we have heard many arguments against this bill. We have heard of free trade.

Let me remind you that we operate under rules of trade in the international community, and not free trade. We have the General Agreement on Tariffs and Trade under which we operate in textiles and apparel with the Multi-Fiber Arrangement.

Let me tell you that this legislation is consistent with the objectives of the MFA to provide managed textile trade with growth opportunities for exporting countries. That is what the MFA does. It has been violated in principal and that is the reason we are here today.

Second, there are those that say we violate international agreements. Article 12 of the General Agreement on Tariffs and Trade authorizes any member nation to limit imports in order to safeguard its external financial position and its balance of trade. With the United States facing its largest trade imbalance in history, on the order of $140 billion, who can argue that we should not have authority under article 12?

Further, article 19 of the General Agreement on Tariffs and Trade authorizes the suspension of imports to the extent and for so long as needed to prevent serious injury to domestic producers. And the Multi-Fiber Arrangement itself in article 3 authorizes a nation to restrict textile imports, if

justified under the General Agreement on Tariffs and Trade.

Do not sit here and talk to us about principles of free trade when the world operates differently. I would go for free trade too if we did not have barriers in Japan, and China, and Korea, and Taiwan against our products, and if China, the People's Republic of China had not just listed a whole new agreement on tariffs that they have imposed unilateraly and quotas on items, including textiles.

Ladies and gentlemen, you are not living in a fantasy land, you are living in a real world, and the real world is that the rest of the world is restricting our goods and demanding we leave our markets open.

I do not want to build a wall around this country. I want to trade. But I want mutual trade. I want respect for our people in other marketplaces. I want fair trade. And if we cannot break those barriers in other markets in any other way, then sometimes you have to take rather drastic action.

This action is sending a message, not that we want to build a wall around this country, but that we will do what we have to do to keep fair and mutual trade alive, and you had better believe that we will do it.

Let me leave you with a quick story. In North Carolina, a textile mill closed down. This is a true story. The manager of the local department store wrote a letter to the plant superintendent and said, "You have destroyed the town. You have shut down your mill and I am going to have to shut down my department store."

The superintendent of the mill went to the department store and looked through all of the items. These were people that worked in the textile mill that shopped there. He could not find anything made in America.

He wrote a letter back to the man in the department store and he said, "Sir, I didn't shut your store down, you shut us both down."

Ladies and gentlemen, it is time we woke up.

□ 1155

Mr. DERRICK. Mr. Speaker, let us get this business of protectionism out of the way. All this legislation does is enforce agreements that have been voluntarily entered into by countries. Let me reinforce what Mr. CAMPBELL and others have said.

We are talking about real Americans. We are talking about Americans who pay taxes, Americans who have fought the wars of this country, Americans who are depending on their Congress and their Senate to protect their jobs.

I do not have anybody from Singapore that lives in my district who is a citizen; I do not have anyone from Korea that is a citizen; I do not have anyone from Korea who is a citizen; I do not have anyone from Japan who is a citizen; I do not have anyone from China who is a citizen; but I do have dedicated, patriotic Americans who are taxpayers, who are having their jobs stolen, stolen.

I am being asked to sit in my house while my goods are stolen, while my family is abused and to hear others talk, I am being asked to do nothing. I will tell the membership it is time to do something and we are going to to it today.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ARMEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 277, nays 139, answered "present" 1, not voting 17, as follows:

[Roll No. 353]

YEAS—277

Ackerman	Conte	Gibbons	Lowry (WA)	Pickle	Stallings
Alexander	Conyers	Gilman	Lujan	Price	Stark
Andrews	Cooper	Goodling	Luken	Pursell	Stokes
Annunzio	Coyne	Gordon	MacKay	Quillen	Stratton
Anthony	Crockett	Gray (IL)	Manton	Rahall	Studds
Applegate	Daniel	Guarini	Markey	Rangel	Swift
Archer	Darden	Hall (OH)	Martinez	Ray	Synar
Aspin	Daschle	Hall, Ralph	Mavroules	Regula	Tallon
Atkins	Davis	Hammerschmidt	McCloskey	Reid	Tauzin
Barnard	de la Garza	Hartnett	McCurdy	Richardson	Taylor
Barnes	Dellums	Hatcher	McDade	Ridge	Thomas (CA)
Bateman	Derrick	Hawkins	McGrath	Rinaldo	Thomas (GA)
Bates	Dickinson	Hayes	McKinney	Ritter	Torres
Bedell	Dicks	Hefner	McMillan	Robinson	Torricelli
Beilenson	DioGuardi	Hendon	Meyers	Rodino	Towns
Bennett	Dixon	Henry	Mikulski	Roe	Traficant
Bentley	Donnelly	Hertel	Miller (CA)	Rogers	Traxler
Bevill	Dorgan (ND)	Hillis	Miller (OH)	Rose	Udall
Bliley	Dowdy	Horton	Mineta	Rostenkowski	Valentine
Boggs	Downey	Howard	Mitchell	Roth	Vander Jagt
Boland	Duncan	Hoyer	Mollohan	Rowland (GA)	Vento
Boner (TN)	Durbin	Hubbard	Montgomery	Roybal	Visclosky
Bonior (MI)	Dwyer	Huckaby	Moody	Russo	Volkmer
Bonker	Eckart (OH)	Hughes	Morrison (CT)	Savage	Walgren
Borski	Edgar	Hutto	Mrazek	Scheuer	Watkins
Bosco	Edwards (CA)	Jenkins	Murphy	Schulze	Waxman
Boucher	Emerson	Jones (NC)	Murtha	Schumer	Weaver
Boxer	English	Jones (OK)	Myers	Seiberling	Weiss
Breaux	Erdreich	Jones (TN)	Natcher	Sensenbrenner	Wheat
Brooks	Evans (IL)	Kanjorski	Neal	Shelby	Whitehurst
Brown (CA)	Fascell	Kaptur	Nelson	Shuster	Whitley
Broyhill	Fazio	Kastenmeier	Nichols	Sikorski	Whitten
Bruce	Feighan	Kennelly	Nowak	Sisisky	Wilson
Bryant	Fiedler	Kindness	Oakar	Skeen	Wise
Burton (CA)	Fish	Kleczka	Oberstar	Skelton	Wolf
Bustamante	Flippo	Kolter	Obey	Smith (FL)	Wolpe
Byron	Florio	Lantos	Olin	Smith (IA)	Wright
Callahan	Foglietta	Leath (TX)	Ortiz	Smith (NJ)	Wylie
Campbell	Foley	Lehman (CA)	Owens	Snyder	Yates
Carr	Ford (TN)	Lehman (FL)	Pashayan	Solarz	Yatron
Chapman	Fowler	Leland	Pease	Spence	Young (AK)
Chappell	Frank	Lent	Penny	Spratt	Young (MO)
Clay	Franklin	Levin (MI)	Pepper	St Germain	
Clinger	Frenzel	Levine (CA)	Perkins	Staggers	
Cobey	Frost	Lipinski			
Coble	Fuqua	Lloyd			
Coelho	Garcia	Long			
Coleman (TX)	Gaydos	Lott			
Collins	Gejdenson	Lowery (CA)			

NAYS—139

Akaka	Grotberg	Nielson
Anderson	Gunderson	Oxley
Armey	Hamilton	Packard
AuCoin	Hansen	Panetta
Badham	Heftel	Petri
Bartlett	Hiler	Roberts
Barton	Holt	Roemer
Bereuter	Hopkins	Roukema
Berman	Hunter	Rowland (CT)
Bilirakis	Ireland	Sabo
Boehlert	Jacobs	Saxton
Boulter	Jeffords	Schaefer
Broomfield	Johnson	Schneider
Brown (CO)	Kasich	Schroeder
Burton (IN)	Kemp	Schuette
Carney	Kolbe	Sharp
Carper	Kostmayer	Shaw
Chandler	Kramer	Shumway
Chappie	LaFalce	Siljander
Cheney	Lagomarsino	Slattery
Coats	Latta	Slaughter
Coleman (MO)	Leach (IA)	Smith (NE)
Combest	Lewis (CA)	Smith, Denny (OR)
Coughlin	Lewis (FL)	
Courter	Lightfoot	Smith, Robert (NH)
Craig	Loeffler	
Crane	Lundine	Smith, Robert (OR)
Dannemeyer	Mack	
Daub	Madigan	Snowe
DeLay	Marlenee	Stangeland
DeWine	Martin (NY)	Stenholm
Dornan (CA)	Matsui	Stump
Dreier	Mazzoli	Sundquist
Dymally	McCain	Sweeney
Dyson	McCandless	Swindall
Eckert (NY)	McCollum	Tauke
Edwards (OK)	McEwen	Vucanovich
Evans (IA)	McHugh	Walker
Fawell	McKernan	Weber
Fields	Mica	Whittaker
Gallo	Michel	Williams
Gekas	Miller (WA)	Wirth
Gephardt	Moakley	Wortley
Gingrich	Molinari	Wyden
Glickman	Monson	Young (FL)
Gradison	Moore	Zschau
Green	Moorhead	
Gregg	Morrison (WA)	

ANSWERED "PRESENT"—1

Gonzalez

NOT VOTING—17

Addabbo	Hyde	Parris
Biaggi	Kildee	Porter
Dingell	Livingston	Rudd
Early	Lungren	Solomon
Ford (MI)	Martin (IL)	Strang
Gray (PA)	O'Brien	

□ 1205

Ms. SNOWE and Messrs. HUNTER, GLICKMAN, ROBERT SMITH of New Hampshire, and COMBEST changed their votes from "yea" to "nay."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

COMMUNICATION FROM THE HONORABLE JOHN E. GROTBERG, A MEMBER OF CONGRESSS

The SPEAKER pro tempore laid before the House the following communication from the Honorable JOHN E. GROTBERG; a Member of Congress:

HOUSE OF REPRESENTATIVES,
Washington, DC, October 9, 1985.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, House of Representatives, H204, The Capitol, Washington, DC.

DEAR MR. SPEAKER: Due to my appointment to the House Committee on Government Operations, I hereby resign my seat on the House Committee on Small Business effective immediately.

Thank you for your past assistance.

Sincerely,

JOHN E. GROTBERG,
Member of Congress.

COMMUNICATION FROM THE HONORABLE JOHN G. ROWLAND, A MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from the Honorable JOHN G. ROWLAND, a Member of Congress:

HOUSE OF REPRESENTATIVES,
Washington, DC, October 9, 1985.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House, H-204, The Capitol, Washington, DC.

DEAR MR. SPEAKER: I hereby resign as a Member of the Committee on Government Operations effective this date.

Sincerely yours,

JOHN G. ROWLAND,
Member of Congress.

ELECTION AS MEMBERS TO THE COMMITTEE ON GOVERNMENT OPERATIONS AND THE COMMITTEE ON SMALL BUSINESS

Mr. MICHEL. Mr. Speaker, by direction of the Republican Conference, I call up a privileged resolution (H. Res. 292) and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 292

Resolved, That the following-named Members be, and they are hereby, elected to the following standing committees of the House of Representatives:

Committee on Government Operations: Mr. Beau Boulter of Texas and Mr. John E. Grotberg of Illinois.

Committee on Small Business: Mr. Stewart B. McKinney of Connecticut and Mr. Larry Combest of Texas.

Mr. MICHEL. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

TEXTILE AND APPAREL TRADE ENFORCEMENT ACT OF 1985

The SPEAKER pro tempore. Pursuant to House Resolution 286 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1562.

□ 1218

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1562) to achieve the objectives of the Multi-Fiber Arrangement and to promote the economic recovery of the U.S. textile and apparel industry and its workers, with Mr. MAVROULES in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

The gentleman from Illinois [Mr. ROSTENKOWSKI] will be recognized for 1 hour and the gentleman from Tennessee [Mr. DUNCAN] will be recognized for 1 hour.

The Chair recognizes the gentleman from Illinois [Mr. ROSTENKOWSKI].

□ 1220

Mr. ROSTENKOWSKI. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, H.R. 1562, the Textile and Apparel Trade Enforcement Act was favorably reported by the Committee on Ways and Means by voice vote on September 30. This legislation would establish import quotas for imports of textiles and textile products from all countries except Canada and certain members of the European Community. Separate import quotas would be applied to each product category of textile products from each foreign country. The size of each quota would differ, depending on whether the import is from a "major exporting country" or a smaller "exporting country," and whether or not the product is an "import sensitive product." More restrictive quotas apply to imports from "major exporting countries" and to "import sensitive" products. Import licenses would be required for imports of all textiles and textile products from all countries—including Canada and Europe.

Mr. Chairman, I do not support this legislation. However, given the broad support which it has received from the membership of my own committee and of this body as a whole, I concur with the judgment of my committee that it should be brought to the floor for rapid consideration. The legislation is, therefore, before us today after having received thorough consideration, including exhaustive hearings, in the Committee on Ways and Means.

I recognize the serious plight of the textile and apparel industry. I am greatly disturbed by the severe dislocations which our staggering trade deficit has caused to this and other sectors of the economy.

However, the appropriate solution to the trade problem is not to erect permanent and rigid import barriers, solely for the purpose of insulating ourselves from international competition. Rather, I believe the answer lies in adopting a more sensible set of policies to attack the underlying causes of our trade deficit.

First, we must reduce the value of the dollar through fiscal and monetary policy. Without such action, American industries cannot survive in the world market.

Second, we must adopt tough, unyielding measures against foreign market barriers and foreign unfair trade practices. These barriers and practices are having a far more pervasive effect on U.S. industries than most economic "experts" or the current administration concede. We need new laws which will force these countries to change their practices or face similar treatment from the United States.

Third, we need a consistent, well-orchestrated trade policy, and a strong central voice within the administration to impose such a policy.

The combination of these basic changes in U.S. economic and trade policies will have a positive and long-term effect on all industries now suffering from today's trade problems. To single out one sector for preferential and highly protectionist treatment will simply make it more difficult to solve these problems on a comprehensive basis. It is not a wise economic policy and, although it may bring some marginal benefits to the textile and apparel sector, studies show that it will have an overall adverse impact on employment, productivity, and growth.

I trust that the House will act this year to carry out the changes I have outlined above, and to bring under

control the massive hemorrhage in our trade balance. The present administration has shown itself to be insensitive to this macroeconomic problem and to the localized damage which it has caused to industries like the textile and apparel industry.

Although I oppose this legislation, I want to assure its sponsors that, if it is defeated, I will work with them to formulate a sensible response that will enforce existing textile agreements, regulate unfair trade practices, and bring down the value of the dollar so that our industries are not threatened with extinction by foreign competition.

Mr. Chairman, would the Chair advise me how much time I have remaining?

The CHAIRMAN. The gentleman from Illinois [Mr. ROSTENKOWSKI] has consumed 4 minutes of the 1 hour allotted to him.

Mr. ROSTENKOWSKI. Mr. Chairman, I ask unanimous consent to yield half my remaining time to the gentleman from Georgia [Mr. JENKINS] and the other half of my remaining time to the gentleman from Florida [Mr. GIBBONS].

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DUNCAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I support H.R. 1562 and I do so without reservation.

All of us have heard—often and loudly—the claims that this bill will damage the U.S. world trade position. Some have even said the measure will lead to a trade war and trigger a depression, as some feel happened following enactment of the Smoot-Hawley Tariff Act.

Well, I do not accept that line of reasoning. This is not 1930, world trade is far from free, and our trading partners engage in restrictive practices that make provisions of this bill look puny and anemic by contrast. The measure is narrow in scope, designed to save only one domestic industry from sinking entirely from sight. Furthermore, I do not believe that enactment will result in the type or magnitude of retaliation that the doomsaysers predict.

H.R. 1562 sets permanent import quotas on textile and textile products from countries which have been flooding our markets with products turned out by very low-cost labor, at prices which simply cannot be matched or ever approached in some cases in this country. Certainly, it is a tough bill, in comparison with the kind of trade legislation we usually consider. But in light of what has happened to the American textile industry, it looks reasonable to me.

There are huge stacks of statistics on the subject, but I will not belabor them. You have heard most of them anyway. Suffice it for me to note that employment in textile mills has hit its lowest level in 40 years, and textile plant are idle or vanished in far too many economically stagnant towns and cities all over the country. Talk about depression! These places are already experiencing the distress. If any of my colleagues doubt the gravity of the situation, all they have to do is go and look.

No, Mr. Chairman, I do not feel this bill goes too far. It's about time we did something like this, and stopped pretending that free trade really exists. If it ever did, it does not today. H.R. 1562 may at least make it a little more fair.

The CHAIRMAN. The Chair wishes to announce that the gentleman from Georgia [Mr. JENKINS] is allotted 28 minutes which he will control, and the gentleman from Florida [Mr. GIBBONS] will control the other 28 minutes.

Mr. JENKINS. Mr. Chairman, I yield 30 seconds to the gentleman from Illinois [Mr. RUSSO].

Mr. RUSSO. I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in strong support of this legislation, and I would like to engage in a colloquy with the gentleman from Georgia.

It is my understanding that the gentleman is committed to resisting any amendments to his bill at this time. But it is my further understanding that he does recognize and is willing at a later time to support language which will exclude toys and similar articles included in subpart E, part 5 of schedule 7 of the Tariff Schedules of the United States. Apparently their inclusion was inadvertent and their deletion will do no harm to the intent of the bill. Is that correct?

Mr. JENKINS. Mr. Chairman, if the gentleman will yield, that is correct.

Mr. RUSSO. I have one further question for the gentleman from Georgia.

Am I correct that articles classifiable in part 1 of schedule 8 or in part 1 of the Appendix to the Tariff Schedules of the United States are not included within the definition of the term "textiles and textile products" in section 4 of the bill, unless they are otherwise classifiable in the other tariff schedule provisions named in that section of the bill?

Mr. JENKINS. That is correct.

Mr. RUSSO. Mr. Chairman, I thank the gentleman.

Mr. DUNCAN. Mr. Chairman, I yield 6 minutes to the gentleman from South Carolina [Mr. CAMPBELL], a member of the Committee on Ways and Means.

Mr. CAMPBELL. Mr. Chairman, I feel sure that no one here has missed the ambitious new advertising campaign with the theme "Made in the U.S.A.—It matters to me." Mr. Chairman, I submit that preserving the American textile/apparel/fiber industry matters to all of us. And, I submit that is what the bill before us today is all about—the preservation of this basic American industry. Nothing more, nothing less.

Very briefly, H.R. 1562 would fix 1985 import levels for major exporting nations where they should have been if the Multi-Fiber Arrangement had been properly enforced, and allow subsequent growth rates of 1 percent per year. For smaller exporters, 1985 import limits are set at 1984 imports plus 15 percent and a generous growth rate of 6 percent per year is allowed. An import licensing program is established to enforce these provisions. Europe and Canada are exempt from the provisions of the bill because we grant that much of our trade problem with these nations is due to the strength of the dollar. It is important to note that the textile trade deficit with the countries covered by H.R. 1562 are largely unaffected by the dollar because most of these suppliers have their currency tied to the U.S. dollar or are operating under managed currencies.

The legislation is designed to carry out the intent of our international agreements in the textile area. It is designed to provide for orderly growth in textile trade. It is designed to stop the 25 and 30 percent surges in import growth we have seen over the last 2 years. But, Mr. Chairman, we are not by this legislation attempting to put a wall around this Nation. On the contrary, it is other nations which have built the walls.

It is, for instance, Korea which assesses a value-added tax and a special additional tax on textiles and apparel and then requires cloth and garment import licenses to be approved by the Korean Federation of Textile Industries. It is Japan which practices state-of-the-art protectionist practices ranging from controlled distribution to bureaucratic blocking of goods at the docks.

Mr. MARTIN of New York. Mr. Chairman, will the gentleman yield?

Mr. CAMPBELL. I yield to the gentleman from New York.

Mr. MARTIN of New York. Mr. Chairman, I rise in favor of the textile legislation, notwithstanding the fact that I believe in fair trade. Without question, this legislation has protectionist trappings. I do so because I am fed up, as are millions of Americans, with the unfair trade practices in which our trading partners, if you can call them that, are engaged.

For example, this high-quality baseball bat made by Adirondack Bat of Dolgeville, NY, is the top of the line. It is a piece of baseball equipment which is used by major leaguers, colleges, high schools, little leaguers, and sandlot players and endorsed by them.

For years, the Japanese, through their ingenious methods of obstructing our products from their market, have denied us the opportunity of selling these bats, and, for that matter, baseballs. Through the ruse of checking that equipment for safety, the Japanese stymied our manufacturers for a long time, and we find once we jump that hurdle, another hurdle will be placed in our path, such as failure to receive the approval of their baseball federation which is working hand-in-hand with the Japanese Government and its treacherous protectionist policies.

I have been told that domestic buying and these kinds of ingenious protectionist activities are matters of tradition with the Japanese. We have a tradition here, as well, and that's called fair play. I have been a winner and a loser, and I like being a winner a lot better, but if I lose, I don't complain if it is a fair fight. Our trading partners are continuing to play us for the saps we have been in the trading arena. I am not wedded to any and all kinds of protectionist legislation, but I feel it is high time we drew the line and let our trading partners know that we insist on a level playing field and will accept nothing less. Perhaps the administration can explain to our trading partners that they had best get their houses in order or the Congress, in its frustration, will be passing legislation that, in the long run, is in the best interests of no one. Most of this legislation comes out of frustration, quite frankly, and the failure of our Government to act when it has the authority to do so under present legislation.

The nonrubber footwear question is an illustration. Despite the findings of the International Trade Commission that foreign imports are harming our domestic footwear industry and that relief is warranted, our Government failed to implement any such relief. The pleas of thousands of workers who believe that our trade laws provide the appropriate mechanism for addressing the vast import problems our Nation is facing went unheard. We must give industries such as these the breathing room they so desperately need and deserve.

The wood fiber industry is still another good example. There are other shocking examples that I'm sure will be dealt with unless our trading partners understand that this is a fair warning and preview of things to come.

Mr. Chairman, I reluctantly support this legislation and hope that passage of this legislation, whether it ultimately goes into effect or not, will serve as a clear warning to everyone that America is serious about getting fairness in this trade equation.

Mr. CAMPBELL. I thank the gentleman for his contribution.

It is the Philippines which place a total ban on textiles and apparel except for those which will be reexported. It is the People's Republic of China whose dual currency system not only allows their producers and exporters a false profit but inflates the price of imports. China, moreover, while threatening retaliation if this textile bill is passed, was at the same time slapping new import surcharges on a whole range of items from cars to fabrics.

And the list goes on and on, as illustrated by this Department of Commerce 250-page publication listing tariff and nontariff barriers to U.S. exports of textile and apparel products.

If we are not facing barriers to our own exports, we are facing subsidization of foreign goods offered for sale in the United States or outright evasion of the textile and apparel quotas we do have in place through transshipment, undervaluation, misdescription, targeting and any number of other innovative schemes.

I would point out to those who call this bill protectionist that we are ceding fully 38 percent of the domestic market, plus annual growth, to imports. That is hardly barring the gates of trade.

So, Mr. Chairman, I do not believe we are looking at the start of a major trade war with passage of this legislation. We are very simply wising up to what the rest of the world has been doing for years. We are simply rejecting the "do as I say and not as I do" attitude of our trading partners. We are taking the same kind of measures the EEC took some 5 years ago with, I should point out, no disastrous consequences, to insure a future for our textile/apparel industry.

Representing as I do a district known as the textile capital of the world, I am sure my strong support for H.R. 1562 comes as no surprise. After all, "you dance with the one what brung ya" as they say. The fact is, however, that this is a national problem as well as a regional one. This industry employs over 5 percent of the total manufacturing work force in 36 States, and represents 10 percent of total U.S. manufacturing employment. Maybe the impact hits home faster when your State has lost some 24,000 textile jobs in the last 5 years and when daily headlines decry another plant closing. But the textile/apparel/fiber industry plays a major role in this Nation's economy, not just my region.

It provides some 2 million jobs directly and many more indirectly. It employs a heavy percentage of women, minorities and unskilled individuals who have no real alternative to textile employment or the welfare rolls. We are talking about 1 in every 10 American manufacturing jobs—more than steel and automobiles combined—in facilities spread across 48 of the 50 States.

And it is an industry in trouble because of imports, and generally subsidized imports at that. It is in trouble because of the failure of Government to enforce the textile program. While the industry was promised import growth consistent with the growth in the domestic market, actual imports grew at an average rate of 19 percent per year over the last 4 years, with a 65 percent surge in the last 2. The U.S. market, on the other hand, including imports, grew a total of 11.6 percent during the period. Domestic production increased by 2.3 percent illustrating all too well the increasing share of the market taken by imports. So much for promises.

The result is that more than 200,000 textile workers have lost their jobs to imports since 1980. Obviously, this surge of imports is a major contributor to the trade deficit and, in fact, the textile/apparel trade deficit of $16.5 billion in 1984 made up 13 percent of the record $123 billion total U.S. trade deficit. It looks like we're headed for another record year in our overall and our textile trade deficit.

Mr. Chairman, the United States must come to grips with the reality of the world trade situation. We must deal with the reality that many, if not most, other nations provide direct or indirect subsidies to their textile and other basic industries; bar our goods from their markets, and evade the trade agreements we do have in place. In short, as a nation, we must stop being the world's patsy and seek a fair and equitable trade policy.

Mr. Chairman, it is true that as we are losing jobs in our basic industries, new jobs are being created in the service sector. I applaud that. However, as my good friend, the gentleman from Georgia [Mr. JENKINS] and the chief sponsor of this bill, observed recently, the United States cannot survive by taking in the world's wash. Free trade is an admirable goal, Mr. Chairman, but it is not served by the United States abandoning its largest manufacturing work force to imports from countries which bend or break international trade laws and subsidize their own industries. The Textile and Apparel Trade Enforcement Act will insure fair textile trade, and it deserves passage.

MFA COMPATIBILITY

It is consistent with the objective of the MFA to provide managed textile trade with growth opportunities for exporting countries while also limiting market disruption or the threat thereof in developed countries. By providing a two-tier system of countries with very generous growth rates for truly developing countries, H.R. 1562 complies with the spirit of the MFA.

Article 12 of the GATT authorizes any member nation to limit imports in order to "safeguard * * * (its) external financial position and its balance of payments." With the United States facing the largest trade balance in history—on the order of $140 billion—and nearly one-sixth of this imbalance caused by textile and apparel imports, it seems clear that article 12 would authorize import limits. Moreover, GATT article 19 authorizes the suspension of imports to the extent and for so long as needed to prevent serious injury to domestic producers.

MFA article 3 authorizes a nation to restrict textile imports if justified under the GATT. A recent House of Representatives Government Operations Committee report concludes that:

No provision in the MFA would prohibit adoption by the United States of a system of global quotas providing fixed and definite guidelines for the rate of growth of textile and apparel imports from all foreign countries.

And points out that the EEC and other U.S. trading partners have already established similar plans.

In any event, the bill does not necessarily abrogate all of our 34 bilateral agreements. There are provisions in each for orderly termination. Also, in 22 of the bilateral agreement countries, the bill provides for an increase in trade of 15 percent in 1985 and a 6-percent annual growth thereafter.

IMPACT OF THE DOLLAR

Although imports from Canada and the EEC appear to be dollar-related—and, hence, are excluded from the scope of H.R. 1562—practically all imports of apparel and many of textiles and textile products have been largely unaffected by the dollar. This is because many of the most important textile and apparel suppliers have their currency tied to the U.S. dollar and exchange rates have no impact, or are operating under managed currencies.

Between 1981 and 1984, aggregate U.S. imports from the six major suppliers with stable exchange rates increased rapidly. Textile imports rose by 84 percent, and apparel imports rose by 48 percent. During the same period of time, imports from other major supplying countries also increased rapidly but at a rate that was not significantly different from import growth from countries with stable exchange rates. Textile imports rose by 91 percent and apparel imports rose by 49 percent.

See following chart.

CONSUMER PRICE ARGUMENTS

Catalog items marked "Made in U.S.A. or Imported" sell for same price.

The following chart illustrates how the same men's shirt from various countries are sold by retailers at the same price:

	Cost to	
	Retailer	Consumer
Country of origin:		
Hong Kong	$5.92	$18
Guyana	5.43	18
Colombia	6.35	18
United States	7.50	18

Apparel prices have risen only about half as fast as prices for other consumer goods, due to competitive nature of U.S. industry—there are about 20,000 American apparel companies. Moreover, it is not imports which kept prices down since most estimates are that imports are marked up 200 to 300 percent.

Market Research Corp. data based on survey of actual retail prices shows that domestic men's and boys' apparel is priced at approximately $6.68, while similar import price is $6.63. In the case of women's and girls' apparel, domestic price is actually 7 cents below the import price.

IMPORT PENETRATION

According to an audit of 1.34 million garments counted on retail shelves available for sale by the Merchandising Group in June 1985, total import penetration of U.S. apparel market is 56 percent—65 percent in menswear and 51 percent in womenswear.

NATIONAL DEFENSE

U.S. Government spends about $1.5 billion in procurement of clothing and textiles.

Over 300 different combat essential items utilizing textile products.

Textiles considered second only to steel and perhaps automobiles in national security importance.

WWI, the industry invented rayon, which resulted in the discovery of a lacquer coating that proved useful in the production of warplanes. In WWII, nylon was invented which replaced Japanese silk in the production of parachutes.

GENERAL ASSESSMENT OF EXCHANGE RATE IMPACT IN THE PERIOD 1981–84 ON U.S. IMPORTS OF TEXTILES AND APPAREL FROM THE MAJOR FOREIGN SUPPLIERS IN 1984

Country	Imports in 1984 (million SYE)	Impact of exchange rates		
		No or minor impact	Some impact	Major impact
Apparel:				
Taiwan	936	X		
Hong Kong	815		X	
Korea	687			X
People's Republic of China	445	X		
Philippines	234			X
Japan	138	X		
India	131			X
Indonesia	129		X	
Singapore	128	X		
Sri Lanka	108	X		
Thailand	106	X		
Dominican Republic	94	X		
Mexico	86	X		
Haiti	68	X		
Malaysia	64	X		
Pakistan	63			X
Textiles:				
Japan	599	X		
People's Republic of China	522	X		
Italy	450			X

GENERAL ASSESSMENT OF EXCHANGE RATE IMPACT IN THE PERIOD 1981–84 ON U.S. IMPORTS OF TEXTILES AND APPAREL FROM THE MAJOR FOREIGN SUPPLIERS IN 1984—Continued

Country	Imports in 1984 (million SYE)	Impact of exchange rates		
		No or minor impact	Some impact	Major impact
Korea	405			X
Taiwan	399	X		
Canada	286			X
W. Germany	282			X
Pakistan	242			X
Hong Kong	218		X	
Mexico	186			X
Brazil	162		X	
Indonesia	139		X	
India	122		X	
United Kingdom	122			X
Thailand	105	X		
Peru	87	X		
France	87			X
Spain	87			X

□ 1235

Mr. GIBBONS. Mr. Chairman, I yield myself 6 minutes.

Mr. Chairman, I am going to try to keep my voice low and my reasoning straightforward and try to stick to the facts, because there is going to be an awful lot of other talk around here today. So I am going to do something I usually do not do and that is use a lot of notes.

I have examined the textile and garment industry of the United States as best anyone can without any delay, and it has got problems. But there is hardly an American industry that does not have problems, and the reason they have problems is because this Congress has seen fit for 15 years to overspend the resources of this country. You cannot do that without having this kind of impact. It is just as rational as night following day.

While I would not decry the proponents of this legislation trying to patch up the economy of the United States with this kind of work, I would say that it is going to be futile and it is going to be counterproductive. That is the argument that I will try to develop here.

Something should be done for the textile and garment industry. They ought to have a good adjustment assistance program. They ought to have all the incentives that we can give them to modernize. They are doing that, slowly in some parts of the industry and rapidly in other parts of the industry. I have seen very modern plants and I have seen some ancient plants. I have seen some very fine workers all through America. I do not decry their ability.

But even the best worker cannot make the finest threads and the finest cloth and the finest garments if they have not got the tools to do it. They cannot do it most productively. That is what a part of this argument is about.

Let us look at the employment in Alabama, Georgia, and North Caroli-

na, which are the hearts of the textile industry. I have lived in that area most of my life. I am a resident of Florida, but I have visited these areas all my life and I have never seen them look as good as they do today. They could look better, but they look better than they have ever looked in all their long history.

The national unemployment rate in July 1985 was 7.4 percent. In North Carolina, South Carolina and Georgia, the unemployment rate was less than that in all of those States, hardly areas that you would find going down. Let us look specifically at the textile and garment industry. In 1980, they employed 2.111 million workers. In 1984, they employed 1.955 million workers, a slight drop of employment, but something that would be expected in an industry that is modernizing with new spinning equipment, new looms, a high degree of modernization in those areas, and even some modernization in the garment end of the work. These industries would be expected to drop workers and they have.

Let us look at imports as a percent of U.S. consumption. I know there have been an awful lot of figures thrown around in this area, but I will stake my next paycheck on the accuracy of these figures because they were given to me from the Department of Commerce, the only agency that really has accurate figures. Let me tell you what they are.

These are 1984 import market share figures. I am talking now about both textiles and garments by dollar value. The import penetration as a percent of consumption was 14 percent. Fourteen percent. Not 50 percent as some have alleged here; 70 percent as others have alleged, but 14 percent. If you do not believe me, go down and ask the Secretary of Commerce.

If you break it down in textiles only, and America is very competitive in textiles, at one time during the seventies when the dollar was not so out of shape, we were great exporters of textiles. The dollar volume of textiles is 6.2 percent. That is imports as a percent of consumption of textiles in the United States; 6.2 percent. My God, we import more strawberries than that.

The square yard equivalent, which the industry always wants to use as measuring textile imports, for textiles in 1984 was 4.9 percent. Let me repeat that figure; not 49 percent, just 4.9 percent. That is all.

I mailed a letter to all the Members this morning, but you know with the mail and all the other mail we get I am sure the Members have not had a chance to read it. Let us go down country by country.

Mr. JENKINS. Mr. Chairman, will the gentleman yield at this point?

Mr. GIBBONS. Well, now, wait a minute. You have got as much time as I have, and I will be glad to yield to you on your time.

I will yield on your time if you want to. Do you want to yield on your time?

Mr. JENKINS. Is the gentleman yielding to me?

Mr. GIBBONS. If you will take it out of your time.

The CHAIRMAN pro tempore. The time of the gentleman from Flordia [Mr. GIBBONS] has expired.

Mr. GIBBONS. Mr. Chairman, I yield myself another minute.

The gentleman has got as much time as I have, and I have got a lot more to say.

Mr. JENKINS. Well, I have got a lot more supporters than the gentleman.

Mr. GIBBONS. For the major textile exporting countries that are targeted by this bill, let me go down those countries and tell you what percent their exports are of our total consumption.

Let us pick out Hong Kong first because it is the major villain in all of this. Hong Kong's exports to the United States as a percent of United States consumption is 2.51 percent. Next comes Taiwan with 2.07 percent. Korea with 2.05 percent. Then it goes on down to the People's Republic of China of 1.01 percent, of total United States consumption. These are those horrible things that you are hearing. These are the actual figures from the Department of Commerce for 1984.

Japan: 0.92 percent.

The CHAIRMAN pro tempore. The time of the gentleman from Florida [Mr. GIBBONS] has again expired.

Mr. GIBBONS. Mr. Chairman, I yield myself another 30 seconds.

Yesterday the Prime Minister of Singapore talked here, and he gave us the finest lecture I have ever heard on what makes America great. His great exports of textiles to this country is 0.24 percent of our domestic consumption. I would say to the Members that this case has been vastly overstated. There is damage out there, I will admit. There is dislocation out there, I will admit. But not enough to warrant the drastic legislation we have here.

Mr. DUNCAN. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. GRADISON].

Mr. GRADISON. I thank the gentleman for yielding me this time.

Mr. Chairman, because I am not permitted under the rule to offer an amendment, I would like to take this opportunity to address one of the many concerns I have about H.R. 1562. This bill was drafted to limit imports of textile and apparel products such as trousers, blouses, shirts, skirts and sweaters, which are already subject to restrictions under the Multi-Fiber Agreement. But the bill goes much, much farther, even including plush toys and dolls, such as the Care Bear I am now holding, which are included under the quota restrictions of H.R. 1562.

Toy manufacturing by U.S. companies is largely done overseas. Generally, employees of U.S. toy manufacturers are engaged in assembly, packaging, shipping, marketing, sales, and administration. Domestic employment in the industry, including 2,650 hourly and salaried workers of Kenner Products in my district in Cincinnati, is made possible by the ability to import reasonably priced toys and parts that sustain U.S. toy operators.

Given the structure of the domestic toy industry, imports help maintain domestic employment. Enactment of H.R. 1562 would raise the cost of toys and dolls for the children in our country. It would cost jobs in my district and in the domestic toy industry as a whole. I am not going to vote to cut jobs in my district. I am going to vote against this bill and I urge its defeat.

Mr. JENKINS. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. TRAFICANT].

□ 1245

Mr. TRAFICANT. Mr. Chairman, 1 minute is not a long time but I remember a conversation when a TV interviewer was asking the former all-pro and now Hall of Famer Willie Davis what he felt about his coach, Vince Lombardi. He said, "I really love him, and all of us love him."

He was asked, "Why is that?" He said, "Well, because he treats us all alike. Like dogs, but all alike."

I think what the American worker is trying to say is that it is pretty hard for us to compete in international markets as it is, but at least give us an opportunity to be treated alike in that particular market. There is no way the American textile worker and garment worker can compete in international markets when his wages are $6.57 here and anywhere from 63 cents an hour to $1.18 an hour in these competing markets.

I think Congress has to put its foot down, take a stance once and for all, because all the theory that we have talked about has us in the greatest trade deficit in American history, taking us right to the brink. I think the textile industry is a microcosm of a greater problem, and that is all our industry, which is an endangered species.

Mr. Chairman, I urge that we support this bill.

Mr. DUNCAN. Mr. Chairman, I yield 4 minutes to the gentleman from Nebraska [Mr. DAUB], a member of the committee.

MR. DAUB. Mr. Chairman, I rise in strong opposition to this legislation. This bill is the wrong solution, aimed at the wrong problem and will hurt American farmers, consumers, and our job base.

We are discussing enacting some of the most drastic import restrictions since World War II, for an industry which is already one of the most protected in the country.

The textile industry already has protection from over 300 different quotas and an average tariff of 22.3 percent—more than 4 times the average tariff for any other industry. Moreover textile products not under a quota are subject to calls meaning if import growth rates become at all significant, we can involve ourselves in negotiations for restraint. If tariffs are so healthy for an industry, the American textiles and apparel business should be booming today.

What has this industry done with all the protection it has received up till now? It has requested, for example, only four patents in 5 years.

This bill is not going to preserve jobs, we are merely going to swap jobs in one sector for jobs in another—and this is a costly swap.

The International Business and Economic Research Corp. concluded that this bill may preserve 36,000 jobs in the apparel industry at a cost of $66,000 per job and 35,000 jobs in the textile industry at a cost of about $27,000 per job. It also added that about 58,000 retail jobs would be lost with this bill plus another 4,000 with the drop in textile consumption. Furthermore, there will be many shipper and dockworker jobs lost, especially on the west coast, with the expected decline in imports.

Do you want to go home and tell your constituents that you voted for a bill which swaps jobs for jobs and will slap at least a 3 percent surcharge to the weighted average apparel prices for both foreign and domestic products? You had better be prepared to tell them that if you vote for this bill.

Administration says that consumers would pay $14 billion more a year with the passage of H.R. 1562.

Not only will this bill cost American consumers more and lose jobs in other sectors, it will invite retaliations. As usual, the American farmer will suffer.

In 1983 after we imported unilateral restraints on Chinese textile imports, the Chinese boycotted American cotton, soybeans, and grain. The National Association of Wheat Growers testified in committee that we lost about $500 million in wheat sales alone because of this. The dispute was over just $50 million worth of textiles. That is a 10-to-1 ratio.

This bill threatens a dozen nations who last year bought $2¼ billion of American wheat or 35 percent of our total wheat exports. These countries bought $5.1 billion of American wheat and corn last year. Who are we kidding? Does anybody think that these nations will buy American farm commodities readily available elsewhere if we shut down between 35 and 40 percent of their textile exports to this country?

Textile imports rose 20 percent per year between 1980 and 1984. However, from 1972 to 1980 these imports decreased 3 percent per year. What is the reason for the upturn in recent imports in the last 4 years?

From January 1980 to March of 1985, the dollar's value has increased by 60 percent. In other words, textile imports have gained a cost advantage over domestic goods on the average of 60 percent! Of course consumers are going to buy more of them.

In fact, the Congressional Budget Office said that from 1980 to 1984 about 87 percent of the total deterioration in trade deficit was due to the appreciation of the dollar.

And why has the dollar's value increased so dramatically? The CBO will tell you that the first reason is persistently large deficits which has led to high interest rates bidding up the dollar.

We can reduce textile imports without passing on the cost to consumers, without swapping jobs in other sectors for jobs in the textile and apparel industry, without inviting retaliation against our farmers and other exporters, if we get Government spending under control.

The real pro textile and apparel industry vote is going to be on the Emergency Budget Deficit Act which I hope we get a chance to consider when we try to raise the debt ceiling above $2 trillion.

It was pointed out in committee that the Pacific rim countries which some members of the trade subcommittee visited recently were referring to this legislation as the white man's bill.

I don't for a moment think that the proponents of this measure are at all racially or ethnically motivated, but look at who this bill is aimed at. Canada is exempt from restrictions. So is the European Community. It is Hong Kong, Taiwan, Korea, and Philippines, Indonesia, Thailand, and China who are affected. We should avoid even the appearance of racial or ethnic favoritism in our economic policies. This bill encourages the notion that the United States is interested in promoting trade only among the Western elites.

Has anybody thought about what this can do to our national security interests in the Pacific? This bill is aimed at our Asian allies—Hong Kong, Taiwan, Korea, and Philippines, Thailand. It will make drastic cutbacks in an industry that forms the backbone of many of these countries' economies. It can easily destroy the fragile political stability that presently exists.

Pakistan would qualify as a major exporting country under this bill and be subject to export restrictions. This nation has the largest refugee population in the world because of Soviet extermination efforts against the Afghan people. Yet this beleaguered country has stood up bravely to Soviet intimidation. The Commerce Department says this bill will cut their exports by 40 percent next year. It tells Pakistan that it better turn elsewhere to sell its products—your export growth is now on a leash. That's what I call getting tough on the trade deficit—picking on big bad Pakistan.

This bill hurts farmers, hurts consumers, slaps our allies in the face and ignores the real reason for the textile and apparel industry's woes—the high dollar—which is caused by the profligate spending of this Congress.

Let's vote it down!

Mr. Chairman, I ask the Members to consider these facts and vote "no" on final passage of this bill.

The CHAIRMAN. The Chair wishes to notify the gentleman from Tennessee [Mr. DUNCAN] that he has 47 minutes remaining; the gentleman from Florida [Mr. GIBBONS] has 21½ minutes remaining; and the gentleman from Georgia [Mr. JENKINS] has 26 minutes remaining.

The Chair now recognizes the gentleman from Georgia [Mr. JENKINS].

Mr. JENKINS. Mr. Chairman, I yield 1 minute to the gentleman from Louisiana [Mr. HUCKABY].

Mr. HUCKABY. Mr. Chairman, I thank the gentleman for yielding this time to me.

I would like to address this bill in terms of the cotton farmers. Today imports of manufactured cotton products have increased 29 percent in just the last year. In fact, imports now account for 38 percent of U.S. domestic retail sales of cotton products. If imports continue to grow at this rate, within 5 years there will be no market for U.S. cotton.

This astounding rate of growth cost American cotton farmers $1.25 billion last year alone.

If this legislation is passed, not only will it protect American farmers but it is going to open up exports, and the Japanese and the people in the other countries in the Far East are going to realize that America is serious. They are going to take down their trade barriers instead of imposing trade barriers.

Mr. Chairman, I urge my colleagues to support this legislation. Let us send a strong signal that America is finally serious about having fair and free trade. We want a level playing field.

Mr. DUNCAN. Mr. Chairman, I yield 2 minutes to the gentlewoman from Maine [Ms. SNOWE].

Ms. SNOWE. Mr. Chairman, perhaps no district in this country is growing more frustrated every day with our failed trade policies than the Second District of Maine.

That is why it is important that we begin to set the stage in Congress

today to redevelop national trade policies that are both fair and reasonable to our workers, as well as to American industry. If we fail to meet this challenge by neglecting to provide American workers an even playing field with foreign workers, I shudder to think of the consequences for our work force.

We believe we are addressing important legislation today. There are obvious loopholes in the current Multi-Fiber Arrangement international quota system, and the United States has failed to enforce the agreements we negotiated. These agreements have only served to permit imports to increase by a staggering 19 percent, and even greater levels are entering each year. In fact, textile and apparel products now account for 16 percent of our $140 billion merchandise trade deficit.

There is even more at stake, however, than just 10 percent of all of our manufacturing jobs. The fate of our entire industry is at hand. The scenario is similar for dozens of our manufacturing industries: cheap, subsidized, imported products are being targeted by countries around the world right at the United States.

Time has literally run out for my district, and for the thousands of workers in the textile and apparel business. In just 10 short years, one-third of the Maine workers in this business lost their jobs as textile and apparel mills were forced to shut down. But 17,000 Maine workers are still hanging on to their jobs, and, in a rural State with one of the lowest per capita income levels in the Nation, your job is everything.

If you want to see how the textile and apparel industry has modernized, come to Maine. Inside some of the oldest mills in the country are housed some of the most modernized, up-to-date operations anywhere, producing specialty materials, high fashion woven products, industrial fabrics, and other articles.

But, if imports continue to rise at the floodtide level we now see, that entrepreneurial spirit that has made this country great will flicker and die. It is almost horrifying for me to think that if we continue on our present path, there may be no textile and apparel industry in Maine by 1990.

The shoe industry in Maine is in a similar position as the textile and apparel industry—only worse. Highly subsidized imported shoes now hold a simply astounding 80 percent of the domestic market.

In fact, the International Trade Commission determined that the shoe industry deserved relief from imports. And the administration, unfortunately, rejected that notion.

Maine lost almost 25 percent of its shoe work force last year. How can we possibly not respond in support of these workers? The simple truth of the matter is as clear to the worker in Maine as it is to workers across this country: we aren't lifting a finger to help our people to compete and to save their jobs. Passage by the House today of H.R. 1562 is a very important step on their behalf, and I urge my colleagues to support its adoption.

I also hope it will be possible to include a provision to this bill in conference, if approved by the other body, which offers similar, justified relief to this Nation's shoe industry. Shoeworkers are in dire need of relief from imports, and I hope that the House will be able to support them in conference.

Mr. Chairman, I want to congratulate the gentleman from Georgia [Mr. JENKINS] and the gentleman from North Carolina [Mr. BROYHILL] for their fine work in bringing this very important legislation to the floor of the House. I have high hopes for this bill because it is an important step forward that will pave the way toward a more coherent, fair system of trade.

□ 1255

Mr. JENKINS. Mr. Chairman, I yield 1 minute to the gentlewoman from Illinois [Mrs. COLLINS].

Mrs. COLLINS. Mr. Chairman, I rise in full support of this legislation, for a number of reasons. Let me name some of them.

Starken & Fred, Simpson Clothes, Independent Clothing, R.B. Northside Clothing, Biggs & Taller, Caye Bros., Rossi & Rossi, Rosen Trousers, Lytton Henry, Economical Pants, Baskins, Murry Tom Co., Chester Cleaners, and Caleno, Inc. These are all manufacturers of textiles that were in Chicago, IL, until we started getting barraged by unfair trade practices by other governments. These are the people that we should be concerned about, not only the owners of the manufacturing companies, but the workers.

And who are those workers? Eighty percent are women; 30 percent happen to be black; 17 percent are Hispanic; and 5 percent are Asians. These, and all the rest of the people who are cutters and seamstresses, are the people who stand behind the label "Made in the U.S.A." These are the people who are losing their jobs, and will continue to do so, unless we pass this bill today.

Mr. DUNCAN. Mr. Chairman, I yield 2 minutes to the gentleman from Kentucky [Mr. ROGERS].

Mr. ROGERS. Mr. Chairman, if we were able to go to a factory today in Hong Kong, as I have in the past and I am sure many of you have as well, you will find there that the employers in that factory do not pay any income tax. They pay no property tax. There is no withholding tax that they take from the employees' pay. There is no unemployment insurance compensation that they withhold from their employees' pay. There is no Social Security they withhold from the employees' pay.

The company does not have to worry about safety laws. There is no OSHA inspection or requirement in Hong Kong. There is no EPA law in Hong Kong with which the company must comply. There is no minimum wage requirement in those factories in Hong Kong. There are no child labor laws that prevent child slavery in Hong Kong and many of the Far Eastern countries.

The wage scale they must pay is nothing compared to ours. In Red China it is 16 cents per hour in those textile factories.

The standard of living in those nations is far below ours.

All of these things propelled us in 1973 and 1974 to agree with those nations at our insistence that there be some arrangement entered into by which they would not be allowed to flood this Nation with the products manufactured under those conditions, because we simply cannot compete with the governments of Asian nations as we are attempting to do today.

So the nations that we trade with entered into that agreement in 1973-74. We both signed those documents, the Multi-Fiber Arrangement, which limited or allowed the limitation of the amounts of products that could be brought into this country manufactured under the conditions that I have just described.

We hear today from those opposed to this bill that we must be a free trader. We must trade freely in the world's markets. I say that you cannot trade freely under the conditions that have been described heretofore by me. You simply cannot do it.

Mr. Chairman, we must have this bill.

Mr. JENKINS. Mr. Chairman, I yield 1 minute to the gentleman from Alabama [Mr. SHELBY].

Mr. SHELBY. Mr. Chairman, today, the House begins to address one of the most serious crises facing our Nation today—the soaring trade deficit. One industry particularly threatened by the unprecendented flood of imports is the textile/apparel/fiber industry.

The Textile and Apparel Enforcement Act of 1985, before us today, would limit textile imports from various countries and is absolutely essential to the survival of the textile industry.

The President said in the announcement of a new trade policy last week that he had worked for 4 years to get our trading partners to dismantle their trade barriers and other unfair trade practices.

During those 4 years, over 350,000 textile jobs have been lost.

Since October 1984 over 8,500 textile workers in Alabama have lost their jobs.

A few Saturdays ago, in his weekly radio address, the President announced that he had asked the U.S. Trade Representative to investigate certain trade practices by four of our trading partners.

Since then, the Debra Knit Plant in Northport, AL, in my district, announced that due to imports, it will close its doors on October 15, throwing 300 people out of work.

Over the past 5 years, the value of textile and apparel imports rose by 104 percent.

Fifty percent of all finished apparel goods sold in the United States are now imported.

All across this Nation communities are threatened by a new wave of plant closings and unemployed workers are worried about feeding and educating their families. Our very industrial base is jeopardized by imports.

Meanwhile, the President, continues to tell us that the economy is doing well. Our trade deficit this year is expected to reach a once unimaginable $150 billion. We have become a debtor nation for the first time since 1914. The President is obviously looking at our economy through rose-colored glasses—probably imported from Japan.

How many more plants will be closed? How many more jobs will be lost before action is taken?

The growth in imports over the past 4 years is not due to any laxity on the part of the domestic textile industry. The industry has made every effort to modernize, compete, and survive. As a result, the industry has achieved productivity gains significantly greater than the national average.

Mr. Chairman, the reason imports continue to capture an increasingly larger share of the domestic market is because foreign manufacturers do not compete on a fair and equal footing. These countries use a myriad of means to subsidize and promote their own textile/apparel industries at the expense of the American industry.

Also contributing to this trade crisis is the overvalued dollar which is directly linked to our massive Federal deficit. As part of the solution, I suggest that we get our own fiscal house in order and restore some sanity to this Nation's fiscal policy.

I certainly will not deny the benefits of free trade. However, our definition of what "free" actually means does not always correspond with that of our trading partners. While we must be cautious not to unravel a fragile world-trading system and cause an inevitable trade war, there comes a time when additional pressures must be brought to bear.

The President said last week, "I will not stand by and watch American workers lose their jobs because other nations do not play by the rules." Mr. Reagan threatens to veto the Textile and Apparel Enforcement Act of 1985. I invite the President to come to Alabama and veto this legislation at a closed textile plant face to face with unemployed textile workers.

Mr. Chairman, this bill is essential for the survival of one of the most important industries in our Nation. We must maintain a strong, viable domestic textile/apparel/fiber industry. I urge my collegues to support this crucial piece of legislation and begin putting American textile workers back to work and ensure the survival of America's textile industry.

Mr. JENKINS. Mr. Chairman, I yield 30 seconds to the gentlewoman from Ohio [Ms. OAKAR].

Ms. OAKAR. Mr. Chairman, I rise in strong support of the bill.

In my area of Cleveland we have lost a lot of our textile industry, but I think the rest of the country ought to flourish and I hope we support this bill and really give a good solid signal.

In considering H.R. 1562, the Textile and Apparel Trade Enforcement Act, there are several points among many as to why I believe this legislation should have the support of Members of the House.

I am sure you are aware that, in both industries, over 80 percent of the workers are women. A good proportion of the workers are members of minorities: blacks, Hispanics, and Asiatics. If they lose their jobs because of the tremendous increase in imports to this country, there are few areas where they may find employment.

For instance, women who work in textile and apparel plants cannot move from one part of the country to another in the hope that they can find jobs. If they are married but must work to supplement the family income, they cannot expect their husbands to give up jobs on the chance of employment in other areas.

Most of them cannot take the advantage of being retrained because, unfortunately, their formal education makes it almost impossible to look to high-tech jobs such as computer programming which require high school or college level education to be eligible. As a matter of fact, a survey of the 158,000 apparel workers who entered training programs indicated that only 1,400 or one-half of 1 percent completed training.

Many of these workers are women who have just lately arrived from Asiatic countries such as China, Korea, Japan, Taiwan, Vietnam, Cambodia, Philippines, or from South and Central America. Even though their knowledge of English is nonexistent or extremely limited, they make great textile or apparel workers and are a great boon to the industries.

If they lose their jobs and need to seek assistance from their communities' State or Federal programs, they unwillingly become an additional tax burden.

Many of these women, blacks, Hispanics, and Asiatics, work in areas where either the textile and/or apparel plants are the only manufacturing facilities in the community. When the plants close, the economy of the whole area is affected.

We need to remember that H.R. 1562 does not close the door to textile and apparel imports. It merely asks that workers in America get a fair share of the domestic market and that the legislation calls for enforcement of agreements already in place.

Mr. DUNCAN. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina [Mr. MCMILLAN].

Mr. MCMILLAN. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in support of H.R. 1562, the Textile Trade Enforcement Act.

Freed of all the complications, the limits in the textile bill are the limits textile-producing countries themselves substantially agreed to in the Multi-Fiber Agreements in 1981. Such negotiated agreements are an important part of a realistic trade policy that paves the way to free trade without destroying the economies of all partners. This legislation will eliminate loopholes and enforce the agreement the exporters made with America. It reduces imports in some cases because those importers have violated the letter and the spirit of the agreements made between the exporting countries and America 4 years ago.

The MFA was supposed to allow the exporters a predetermined and growing share of the U.S. market. They have evaded MFA limits and imports have reached a catastrophically high percentage of the domestic market, at a cost of over 300,000 jobs in 4 years and the destruction of communities that developed around textile and apparel factories.

Over 4 years imports have soared at an average of 19 percent per year—32 percent last year—now threatening 2 million more jobs. We are soaking up two-thirds of the Third World's clothing exports, far more than anyone's fair share, because other developed countries have limited their imports in textiles. The road to free trade is fair trade. Fair trade will result from laws that provide for tough-minded negotiations of quotas, elimination or counterbalancing subsidies, and reciprocal market access.

We will not achieve free trade through a unilateral disarmament mentality. This bill does not initiate trade war; we've been in a competitive struggle for years, but we aren't fighting.

Mr. Chairman, I urge my colleagues to join in support of H.R. 1562.

Mr. JENKINS. Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. CONYERS].

Mr. CONYERS. Mr. Chairman, I thank the gentleman very much for yielding. I realize we are short of time, but I want to ask the gentleman a question about this measure, which I cosponsored, and which seems to be directed against so many small develop-

ing Third World countries, to Mexico, the Caribbean. Is it not true that every leader from the Caribbean countries wrote the President a letter opposing this measure? Are we not putting them in a squeeze, Mr. Chairman? They are trying to develop. They are under the incessant IMF pressure and here they are getting what may be the disproportionate penalogical brunt of this legislation.

I say that realizing the impact of imports in Detroit, and other similar cities. We go into the K-mart and the department stores and there is nothing American made; but let us think about this other part of it. I think we need some real answer, Mr. Chairman. For instance, what is the role of this administration's macroeconomic policy in putting this country into trade-debtor status for the first time ever. The problem of unemployment and job displacement runs much deeper than import quotas. And while I intend to support this legislation, I want to make it clear that this is no acceptable substitute for a jobs policy in this country.

I yield to the gentleman.

Mr. JENKINS. Mr. Chairman, let me say to the gentleman that the Caribbean area and Mexico are treated better than any other part of the world.

Second of all, every developing country that does not now ship into this country 1 million square yards immediately have 1 million square yards to commerce and an annual increase thereafter.

Mr. CONYERS. And they are not doing that, is that the point?

Mr. JENKINS. Yes; the gentleman is correct.

Mr. CONYERS. Mr. Chairman, I thank the gentleman.

Mr. GIBBONS. Mr. Chairman, I yield 3 minutes to the very distinguished gentleman from Ohio [Mr. PEASE].

Mr. PEASE. Mr. Chairman, today, the House is sending a signal of its frustration to the White House. And no wonder. At the same time that it has presided over the largest and most enduring trade deficits in history, the Reagan administration has shut down much of the trade law machinery.

If it had administered the MFA properly, there would be no need for the Jenkins bill. If it wasn't still sitting on a machine tool industry petition 18 months after it was approved by the Commerce Department, there would be no need for the machine tool industry bill introduced the other week. If it had made judicious, intelligent use of section 201 in the shoe case, there would be no need for the introduction of shoe bills and, for that matter, protectionist bills for other industries. The list goes on and on. All of these matters should be handled by the existing trade laws. That's what they're there for. That's why Congress put them on the books.

The Reagan administration has short circuited the trade law process. Its response to the problems of tens of thousands of laid off shoe and textile workers has been the initiation of four unfair trade cases.

The unfair trade problem didn't just turn up on the eve of the shoe decision. What's the administration been doing all of this time? It has been sitting on its hands. And Congress is fed up. That's what this vote is all about today.

Many who are going to vote for this bill aren't voting for its provisions. They're voting to send a signal to the President. But even though they're not voting for the dangerous signal it sends overseas, that signal gets sent anyway.

While this body trades smoke signals back and forth with the White House, people out there get laid off and plants continue to close down.

Mr. Chairman, we need to do something more than blow smoke. We need a constructive alternative trade policy that squarely confronts our trade problems. I introduced my alternative today.

Mr. AKAKA. Mr. Chairman, will the gentleman yield?

Mr. PEASE. I yield to the gentleman from Hawaii.

Mr. AKAKA. Mr. Chairman, as we are all aware, the issue of international trade has come to be one of primary concern across our great country. Due mostly to the cry of the masses to control our ever-increasing trade deficit, we stand here today, discussing a bill which, by means of protectionist measures, will purportedly help to improve our situation.

There is no doubt in my mind that this bill has been formulated on good intentions. Likewise, there is no doubt in my mind that the impetus for controlling the trade deficit is good. Yet, there is no doubt in my mind that the legislation before us today offers only simplistic protectionism as the panacea for our country's problems.

In my judgment, this approach is one which may be unwise policy for the United States. Globally, the U.S. duties on textile and apparel items are the highest in the industrialized world. Nationally, this domestic industry benefits from an average tariff level of 22.3 percent, as compared to an average of less than 5.0 percent for all other industries—more than four times the average tariff. Eighty percent of all textile and apparel imports are restricted in some manner. Six hundred fifty textile quotas, covering imports from 31 countries, are administered currently—78.4 percent of imported men's cotton trousers, 80 percent of imported men's woven cotton shirts and 96.1 percent of imported men's synthetic knit shirts are covered by trade restricting measures. Yet, we are still subject to the calls for protectionism.

Well, my colleagues, it is time that we take a stand and let the industry know that protectionism is not the solution, and that H.R. 1562 is not the vehicle.

Were H.R. 1562 not based on myths, perhaps I would not be standing here today. However, H.R. 1562 is based on myths, and I, for one, will not support myths.

Supporters of the bill would have us believe that imports of textile and apparel products are the sole cause of the declining job levels in the U.S. textile and apparel manufacturing sector.

This decline, however, has less to do with imports than with the basic fact that through extensive modernization programs and investment in more modern equipment, productivity, as measured by output per man hour, in the textile mill products sector has increased in the last 10 years at the average annual rate of 4.2 percent and in the apparel sector at the average annual rate of 3.4 percent, as compared with the lower productive growth of all manufacturing in the same period of 1.9 percent. The net result of such capital-intensive movement is a loss of jobs.

Supporters of the bill contend that without increased protection, this industry will cease to exist and many millions of people will be thrown out of work.

Well, the truth is that import limits do not really save jobs overall. Tighter restrictions put thousands of other people out of work. In fact, what supporters fail to realize is that many U.S. jobs which depend on importing such as those associated with shipping, warehousing, retailing, banking and telecommunications, will suffer. H.R. 1562 will, in fact, result in a net displacement of at least 62,000 retail and import-related employees. Only three States will have a net gain, while 47 States will suffer a net loss.

Furthermore, limiting imports would hurt the American consumer. According to a study by the International Business Economic Research Corp., the bill will substantially increase the price of clothing. In fact, it is envisioned that the price of imported textile and apparel products will increase by as much as 30 percent. Other studies estimate that implementation of this bill will cost consumers $14 billion over 5 years.

Obviously, this price change would affect some more than others. Because many types of children's wear and low-cost clothing will become unavailable if this bill becomes law, its impact will be felt most by those low- and middle-income families who can least afford increased prices for the clothes they need.

Supporters of the bill would have us believe that this legislation is consistent with U.S. international agreements, including the Multi-Fiber Arrangement [MFA]. Yet, this bill violates all basic trade agreements because it is discriminatory, and inconsistent with our commitment to the most-favored-nation principle. U.S. obligations under the MFA also are ignored, especially those which guarantee expansion of trade and liberal treatment of new supplier countries.

What will be the end result? The legislation will no doubt cause affected countries

to retaliate to the detriment of our exporters. Exports of farm products, high technology, services, and heavy machinery will be most heavily affected. Retaliation translates into consumer price increases, which in turn will reduce the number of employment opportunities.

Do you find it hard to believe that this bill could result in a trade war? Then, you must have forgotten what happened in 1983, when United States farmers lost nearly $500 million in grain sales because the People's Republic of China reneged on a purchase agreement after the administration restricted textile imports from that country.

Likewise, in late June of this year, the European Economic Community more than doubled tariffs on lemons and nearly quadrupled import fees on walnuts in retaliation for the administration's decision to hike tariffs on pasta imports.

Believe me. Trade wars are a reality.

As if these problems are not enough, the bill also introduces a new feature which will certainly have a devastating effect on apparel imports to the United States, and create an equally devastating additional cost to the American consumer—the establishment of an import licensing scheme to be managed by the Commerce Department.

The Department of Commerce does not have enough manpower to make a licensing scheme work efficiently without a long organizational period. This would unquestionably cause the complete disruption of the import delivery system and the elimination of a great many import companies overnight.

Let me take this opportunity to leave the macroperspective of my argument, and move on to the microperspective.

If this bill passes, the State of Hawaii will be adversely affected. Fear runs rampant in my district that the economic viability of our garment industry will be a sacrificial lamb, in the name of saving the textile and apparel industry.

The garment industry in Hawaii consists of 138 establishments. Employing an estimated 2,950 workers, the industry purchases about $46.7 million of materials annually and has an annual gross product of approximately $80 million, numbers which are significiant for Hawaii.

As much as 64 percent of the materials used by Hawaii's manufacturers come from foreign countries, either directly or indirectly through domestic fabric houses. This reliance on Asian textiles is due to the fact that the quality of prints, colors, and special screened fabrics used are available only from a few domestic mills and are not produced in sufficient quantities to meet the demand of Hawaii's industry. In addition, smaller minimum quantities of fabrics are available from Asian producers than from domestic mills, a crucial factor in an industry which generally manufactures small quantities because of the uniqueness of the apparel.

The inequitable, biased application of the legislation will definitely result in the crippling of Hawaii's industry. The decline will not be limited to the apparel industry, however. In fact, it will also hurt tourism, the State's No. 1 industry. Clothing and garments comprise an important segment of the visitor spending pattern. In 1983, for example, visitor expenditures on clothing and accessories totaled $417.8 million.

Hawaii is a popular destination for Japanese visitors who spend an average of $234 each day during their stay. This is 2½ times more than visitors from the U.S. mainland. Many of these foreign visitors purchase garments made in Hawaii to take home—about 5 percent of their daily expenditures. Thus, Hawaii's apparel industry contributes favorably to the U.S. balance of trade.

Mr. Chairman, I am truly sympathetic to the plight of our Nation's textile workers. I am truly sympathetic to the important national issue of controlling the trade deficit. I am truly sympathetic to the need to protect our industries from extreme dislocation. Yet, I think we need to recognize that the answer to our problem is not in the creation of a new one. In my mind, this legislation is not an answer, and I call upon each and every one of my colleagues to act responsibly and reasonably by casting their vote in opposition to the bill.

Mr. DUNCAN. Mr. Chairman, I yield 1½ minutes to the gentleman from Ohio [Mr. OXLEY].

Mr. OXLEY. Mr. Chairman, listening to Prime Minister Lee from Singapore yesterday, I think those of us who oppose this legislation took a great deal of interest in that and those who cosponsor the bill that we have before us I think had to feel a bit uncomfortable.

It is amazing to me, frankly, to look at the cosponsors of this legislation and find some of my conservative friends on the right who have espoused in the past and hopefully in the future free trade, and particularly the freedom of the nations of the Pacific rim, and then the liberals who have constantly come to the floor and supported the poor and talked about how difficult it is to be poor in this country, which indeed it is, and then to turn around and support a bill that will drive the cost of clothing up, more importantly to the poor than anyone else, and indeed, will cost the American family $450 more a year to purchase textile products. I find that to be rather inconsistent.

We have talked about the unemployment levels in some of the States. All of us from the industrial Midwest particularly are concerned about that, because the unemployment rate in all the States involved in this textile bill, particularly North Carolina, South Carolina, Georgia, and others, find themselves with unemployment rates far below those of us in Ohio and other industrial Midwest States.

This is a classic example of an economy in transition and that transition is taking place no matter what this House does today.

Retaliation: Retaliation, for example, against soybeans would affect my home State dramatically. The Pacific Rim countries that are affected purchase 1.8 billion dollars' worth of soybeans per year.

I thank the gentleman for yielding.

Mr. JENKINS. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. KANJORSKI].

Mr. KANJORSKI. Mr. Chairman, in response to my good friend, the gentleman from Ohio, and the previous speaker, I would like to say that perhaps we are sending a message to the President of the United States and perhaps it is unfortunate that the House of Representatives has to do so; but we saw in most recent weeks that we had to do it on South Africa and I guess we have to do it again for American employees.

I cry out because I represent a district in northeastern Pennsylvania that in the last 2 years has lost 3,500 jobs. We have the souls of 600,000 Americans in the last 2 years who have lost their jobs and the possibility of the loss of jobs for 2 million more Americans.

□ 1310

We ask these Americans every day they work to contribute to the defense of America and to pay income taxes to support the rest of the world's freedom, and yet we are allowing and fostering the slave labor of the rest of the world in America at 16 cents an hour. We fought an American revolution, the Civil War, 120 years ago so slavery could not prevail in this land, and yet, through what we call a free market system we have opened our markets to 16-cents-an-hour slave labor.

I say it is time to tell the world, and specifically the White House, that the House of Representatives will not encourage this.

Mr. JENKINS. Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. LEVIN].

Mr. LEVIN of Michigan. I thank the gentleman for yielding this time to me.

Mr. Chairman, I say this to the opponents of this bill: You can try to suffocate it with details but one fact is undeniable. The trend in many areas of domestic manufacturing is down, down, down. When it comes to manufacturing, we are losing the shirts off our backs.

You raise the ghost of Smoot-Hawley, but what about the skeletons of closed shops and lost jobs? What is your alternative? Silence. Silence. No policy has been U.S. policy. A no policy is a no-win policy.

This bill says enough is enough. It cries out for the adoption of a U.S. policy and it is time to do so loudly, clearly, right here today.

Mr. DUNCAN. Mr. Chairman, I yield 1 minute to the gentleman from North Carolina [Mr. HENDON].

Mr. HENDON. I thank the gentleman for yielding this time to me.

Mr. Chairman, I would like to commend my good friend, the gentleman from Tennessee [Mr. DUNCAN], as well as the coauthors of this fine legislation, the gentleman from Georgia [Mr. JENKINS] and the gentleman from North Carolina [Mr. BROYHILL] for their foresight and their outstanding leadership in bringing this very measured and very necessary legislation to the floor.

My friends, we in North Carolina, as my colleagues have heard me say many times, are bleeding from a self-inflicted wound called free trade. We must stop, and I trust we will today, the export of American jobs overseas and we must moderate this tidal wave of cheap imports that is wrecking many of the communities of America.

My friends, textile plants in North Carolina and South Carolina are closing at the rate of one every 11 days. That is a lot of pain. We can stop that pain today by passing this very measured and very necessary legislation. I urge a yes vote.

Mr. DUNCAN. Mr. Chairman, I yield 1 minute to the gentlewoman from Connecticut [Mrs. JOHNSON].

Mrs. JOHNSON. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in opposition to this bill because, as a representative of the third largest exporting State in this Nation, I am deeply concerned about the jobs that will be lost in Connecticut and in States throughout America if we pass this bill and send a message that America is going to adopt industry-by-industry protectionist policies.

We do not need to send a message to the Preisdent at this time. We need to act. We need to adopt without delay legislation that would assure a timely and tough enforcement of our laws against unfair trading practices, counterfeiting, and those abuses we know are hurting American industry.

We need to back American business in gaining equal access to foreign markets. We need to address in a comprehensive manner the problems that our trade deficit symbolizes. This is no time for Congress to pass the buck and blame the President. Let us take our responsibility and domestic law that will serve our growth and promote the prosperity of the world in the decades ahead.

Mr. JENKINS. Mr. Chairman, I yield 1 minute to the gentleman from North Carolina [Mr. HEFNER].

Mr. HEFNER. I thank the gentleman for yielding this time to me.

Mr. Chairman, this is a great day for the textile industry and one which we have long worked to bring about. I want to thank my colleagues on the Ways and Means Committee who have seen fit to bring this bill to the floor, and my special thanks to those Members who have supported this effort over the past several months.

Mr. Chairman, this is a proposal which only asks that our Government enforce those agreements we have made with our international trading partners which give them reasonable access to our markets. We simply want our domestic industries to be able to compete on a fair basis. America must stop exporting jobs.

My district in North Carolina, which extends from the sandhills to the foothills and encompasses 12 counties, is one of the heaviest textile/apparel and fiber intensive areas in the country.

The largest textile plant in my district employs 16,000 people. Over the last 2 years, this company has lost 3,100 jobs. These losses were directly related to the penetration of imports from foreign sources.

In June the unemployment figure for the county in which most of this company's plants are located was 14.8 percent, the highest in North Carolina. In May the unemployment rate was 18.7 percent.

And in August there were an additional 670 Eighth District textile workers who permanently lost their jobs. In the first 8 months of 1985, North Carolina lost 4,514 textile jobs; 1,616 of those jobs were in my Eighth District alone.

I have received thousands and thousands of letters from textile workers in my district begging for relief from the outrageous surge of imports that have been allowed to occur over the last 4 years.

Some 1,500 people attended a Trade Subcommittee hearing which I arranged for my district back in June. Witness after witness sounded the same concern: "Will I have a job tomorrow?" One witness stated he was a "three-time loser," having lost two jobs to imports and threatened with the loss of a third. At age 50, that's a hard lump to swallow.

Textiles is North Carolina's largest industry, supplying 3 out of 10 manufacturing jobs in the State, with 1,288 plants in 81 of our 100 counties.

Textile, fiber, and apparel operations are located throughout the United States and employ approximately 2 million workers. Since 1980, we have lost over 300,000.

Mr. Chairman, adoption of this legislation will put a stop to the erosion of these jobs and possibly the ultimate demise of the entire industry. I strongly urge my colleagues to support it.

Mr. JENKINS. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. HAYES].

Mr. HAYES. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise today to give my strong support to H.R. 1562, the Textile and Apparel Trade Enforcement Act of 1985.

There are many reasons to support the bill before us today. Some of my colleagues will support this bill in order to see a stronger enforcement of the Multi-Fiber Arrangement [MFA], the international trade agreement governing fiber, textiles and apparel. Some will support it in order to halt the disruption of our economy. It has been estimated that if import growth is not controlled, the trade deficit will increase by $21 billion by 1990, another $24 billion will be added to the Federal budget deficit, and a $40 billion loss of the gross national product would occur.

But the figure that catches my attention, is the prediction that job losses will soar by 1.9 million by 1990 unless we control imports. We cannot afford to put another 2 million people out of work. What we need to create in this country is more jobs, not more unemployment. That is why I support this legislation. That is also why I have introduced, along with 29 cosponsors, H.R. 1398, the Income and Jobs Action Act of 1985, which would provide a decent job for all Americans who want to work.

Mr. Chairman, I have heard claims that the textile industry is a small, insignificant work force that is undeserving of import relief. In other words, these are not jobs worth saving. Well, there are some 2 million direct textile and apparel manufacturing employees in all 50 States. It has more employees than steel and auto assembly combined, and is the largest manufacturing employer of women and minorities in the Nation. I have heard the claims that this bill would only help a limited number of workers in only three States.

I have heard that my State and my city would lose jobs through this bill. In fact, I would like to insert into the RECORD at this point a telegram from the mayor of the city of Chicago, Harold Washington. He has sent a telegram to the entire Chicago congressional delegation on behalf of the 10,000 garment, apparel, and textile workers in the city, as well as local manufacturers in the city of Chicago in support of H.R. 1562. Mayor Washington says, and I quote:

> I support this legislation, and at the same time I believe that it is only one of many steps that must be taken soon to reverse the present decline in the competitiveness of American-made goods.

Mr. Chairman, the full text of the telegram is as follows:

CHICAGO, IL,
October 4, 1985.

Hon. CHARLES A. HAYES,
House of Representatives,
Washington, DC.

DEAR CONGRESSMAN HAYES: On behalf of both the 10,000 garment, apparel and textile workers in the city, and our local manufacturers, I urge you to support H.R. 1562 (SB. 680), the "Textile and Apparel Trade Enforcement Act of 1985."

I am very concerned about the declining competitiveness of domestic manufacturing. General inattention to trade issues, the lack of a national trade policy, and an overvalued dollar have all contributed to this erosion. Recent declines in Government support for basic research and inattention to the importance of cheap capital in the private markets for technology research and development have also been factors.

I support this legislation, and at the same time I believe that it is only one of many steps that must be taken soon to reverse the present decline in the competitiveness of American made goods.

Mayor HAROLD WASHINGTON.

Mr. Chairman, I have heard the voices of those who seek to blame American workers for the predicament in which they now find themselves. This is so far from the truth that it hurts. It hurts because U.S. industry and its workers are the most productive, efficient, and professional in the world. But even they can't compete when foreign governments subsidize their industries and pay their workers as little as 15 or 16 cents an hour.

The American textile workers are counting on us to give them a chance to compete. Support H.R. 1562. Their jobs may depend upon it.

Mr. DUNCAN. Mr. Chairman, I yield 1 minute to the gentleman from South Carolina [Mr. SPENCE].

Mr. SPENCE. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in strong support of H.R. 1562.

For over 30 years we have stood by while our so-called trading partners have made a mockery of every accepted rule of international trade in regard to textiles. The time is long past due for affirmative action by this Congress to salvage what is left of this absolutely vital U.S. industry.

I can't understand how people can refer to H.R. 1562 as "protectionism," or as a "discriminatory piece of legislation."

I'll tell you where protectionism and discrimination exists. It exists when textile-producing nations slap unbelievable quotas on American-made products. It exists when these same nations violate antidumping laws by pouring cheap, low-wage textile products into the American marketplace.

It exists when nations have the unmitigated gall to subsidize their domestic industries at tremendous losses just in order to penetrate the American marketplace. It exists when nations in full violation of international agreements counterfeit labels on products made in this country. It exists when nations can pay slave labor wages and not worry about the conditions of the workplace.

All we seek in this bill is some degree of equity and fair play. We simply want the spirit and philosophy behind the 1974 Multi-Fiber Arrangement to be adhered to. Let there be no mistake about it, the MFA has been violated and it has been violated with virtual impunity. In fact, had the textile exporting nations abided by the terms of MFA there would be no reason for us to be here today.

But since the 1974 agreement, the domestic textile industry has been devastated. In just my State of South Carolina alone we have lost 60 textile plants, 36 apparel plants, and over 21,000 jobs in the past 6 years. No one can convince me that these plant closings and lost jobs were caused by anything else other than greedy trading partners and foreign producers who don't abide by accepted practices of international trade.

But I tell my colleagues here today that South Carolina isn't alone in this business. There aren't many States in the Union who don't produce products related to textiles. After all, this industry accounts for $45 billion of our gross national product and some 2 million jobs. I'll tell you this, if we put another 2 million people out of work we'd better be prepared for a revolt.

I want to commend my colleague, the gentleman from Georgia [Mr. JENKINS], and the senior Senator from my State, Senator THURMOND, for their authorship of this legislation. It is the product of careful planning and hard work on their part and the part of numerous other colleagues who share our concern over the future of America's textile industry.

Again, we are only seeking equity and an end to unfair, arbitrary trade policies on the part of our trading partners. I feel confident that with passage of this bill those same trading partners will have difficulty in circumventing international agreements affecting this industry.

Mr. DUNCAN. Mr. Chairman, I yield 1 minute to the gentleman from Idaho [Mr. CRAIG].

Mr. CRAIG. I thank the gentleman from yielding this time to me.

Mr. Chairman, I stand in opposition to this legislation today not because of what I have heard nor do I fail to understand the problem that many of my colleagues are experiencing in their districts.

Serving as the ranking member on the Government Operations Subcommittee on Commerce, Consumer, and Monetary Affairs, we have just completed what I believe to be a fair and very extensive study of the Multi-Fiber Agreement. Whereas, the signers of the agreement, the Western Europeans have used it and enforced it as we should have, they are not in any way beginning to experience the kind of difficulties we are having in the textile industry.

This Nation and this Government has simply failed to enforce the very international agreements that are currently the books that we are signatories to. If we would do that, we would not be here on the floor today with the kind of protectionist legislation that we are currently considering.

Mr. GIBBONS. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. DOWNEY].

Mr. DOWNEY of New York. I thank the gentleman for yielding this time to me.

Attention shoppers. Attention shoppers. The Congress of the United States is about to increase the cost of clothing and textiles to you, and it is going to do that because in the absence of any policy from this administration, the Congress has stumbled upon something that is profoundly misguided and in the long run, dangerous not only to our own economy but to the world economy.

We are today in attempting, in the minds of the proponents of this legislation, to protect jobs, to protect an industry. One has to only travel a little bit to the textile area of the country to see that there are severe problems in that industry. Or to see the look of concern on the faces of people in the Needle Trades who are only working part time or not at all.

□ 1320

But are we really going to save that industry? Are we really going to save jobs? Is there going to be a net gain of jobs if we adopt this legislation or a net loss?

I believe that we will see over the long term a net loss of jobs. That will be one of the side effects.

In New York and in New Jersey, the port authority suggests to us there will be 3,900 fewer jobs, and $80 million in reduced payroll from the imports that will not come into the metropolitan area. I happen to believe, I guess I am an internationalist, in agreements like the Multi-Fiber Agreement and the GATT. I believe they work. I believe that there is a world economy that can and does work.

I also believe that you are far less likely to blow someone up to whom you owe a lot of money, that the structure of international trade is the currency for peace and understanding.

The passage of this legislation will reduce the understanding between billions of people. We will be drawing an iron curtain between East and West. We will be saying to the ASEAN countries and the others we fear competition, we do not see the billions in the East as an opportunity to trade, but only as a predator in the marketplace.

That is not what America is about. We have goods to offer the entire world. If we are prepared to trade with others, we can provide them the opportunity to earn the currency to buy our goods. We can provide the opportunity, as we have in Hong Kong, for goods of all types from our country to penetrate their market, to provide jobs in this country.

This would be a mistake of historic proportions if the United States of America decides to turn its back on international agreements and on a structure of international trade that has affected and benefited this country for the last 50 years.

The CHAIRMAN. The Chair will advise Members that the gentleman from Tennessee [Mr. DUNCAN] has 35½ minutes remaining; the gentleman from Florida [Mr. GIBBONS] has 14½ minutes remaining; and the gentleman from Georgia [Mr. JENKINS] has 17½ minutes remaining.

The Chair will also remind all persons in the gallery that they are here as guests of the House, and that any manifestation of approval or disapproval of proceedings is in violation of the Rules of the House. We ask you to respect that.

Mr. DUNCAN. Mr. Chairman, I yield 1 minute to the gentleman from Colorado [Mr. SCHAEFER].

Mr. SCHAEFER. Mr. Chairman, I strongly oppose H.R. 1562, the Textile and Apparel Trade Enforcement Act of 1985. The arguments against this proposal are so clear cut and compelling, I am astounded this body would consider such legislation.

Supporters claim this bill will save 71,000 American jobs. Yet, the Congressional Budget Office estimates it would actually cost 62,000 U.S. jobs. Thus, the net number of American jobs saved is only 9,000. If this estimate is correct, and I suspect it is fairly accurate, the American taxpayer will be paying $1.5 million dollars per job saved. I suggest to you, that this is not a responsible method to deal with either the trade deficit, or the bigger problem, the budget deficit.

Today, we as elected Representatives must face the difficult choice between the long-term economic benefits of free trade, and the immediate, short-term political relief derived from budget-busting protectionist measures.

Certainly, the textile industry is suffering from overseas competition. It is not alone. We all now know that the United States is a debtor Nation, importing more than we export.

The proposal we are considering today takes action against our overseas competition. I believe such a measure is reckless and irresponsible, considering we have yet to take any serious action to resolve the current trade crisis within our own borders.

Ask yourself, have we truly done everything possible to relieve the pressure placed on the dollar by our budget deficit? I don't believe we have. Have we considered what sort of regulatory burdens we have placed on the industry and if so, have we removed them?

The bill we are considering today is very strong medicine. Unfortunately, it is the wrong prescription. The United States already suffers from one of the world's most restrictive textile import policies. Presently, over 80 percent of all apparel and textile imports entering this country are restricted, adding over $20 billion a year to American consumers' shopping bills.

Like many drugs, today's dose may offer short-term relief to a serious illness. However, like those same drugs, it may prove addicting. If we agree to this fix, industries, like drug addicts, will become dependent on the Government for this protectionist relief. Worse yet, like drug addicts, industries will quickly be back in search of even stronger doses.

I urge each Member to forego the lure of this quick fix. Rather, let's move on to some serious actions that will provide a true cure and offer our trading community a healthy environment for long-term success.

Mr. DUNCAN. Mr. Chairman, I yield 1 minute to the gentleman from Iowa [Mr. TAUKE].

Mr. TAUKE. Mr. Chairman, I oppose this misguided effort to protect the domestic textile and apparel industries that will ultimately harm our national economy, cost us jobs, and harm our efforts to export agricultural products.

The administration's letter of June 19 sets forth a number of reasons why this bill is unnecessary and detrimental, including the possibility of retaliation by our trading partners. Indeed, the administration states that the passage of the textile bill would almost certainly lead to retaliation against U.S. exports by the affected textile suppliers. The letter further notes that, in 1984, our exports to these countries totalled $33 billion. Corn and wheat are the most likely targets of retaliation. The United States exported $5.1 billion in 1984 of corn and wheat to the 12 major textile supplier countries targeted by this legislation.

Various agricultural groups are keenly aware to the threat which this bill poses to export opportunities. A July 15 letter to Congress, which expressed strong opposition to the textile quota bill, included among its 150 signatories of the American Soybean Association, Continental Grain Co., the National Association of Wheat Growers, National Corn Growers Association, and the National Grange.

United States agriculture has already paid the price for textile protection: In 1983, the textile bilateral agreement between the United States and China lapsed as a result of United States pressure to freeze China's share of the United States textile and apparel market. The United States imposed unilateral restraints on Chinese textile exports and China retaliated by officially boycotting the purchase of United States cotton and soybeans. At the same time, China shifted its purchase of United States grain to other suppliers. As a result, U.S. sales of grain declined from $1.2 billion in 1982 to only $600 million in 1983. American farmers lost an estimated $500 million in anticipated grain sales. Even when the textile dispute ended and a new bilateral agreement was reached, China did not replace these lost purchases.

Mr. Chairman, U.S. agriculture exports are always the first to feel the sting of retaliation. The domestic textile and apparel industries today receive far more protection than any other industrial sector, and it simply makes no sense to add yet another layer when other American products must suffer further disruptions in the market.

Mr. JENKINS. Mr. Chairman, I yield 1 minute to the gentleman from Georgia [Mr. RAY].

Mr. RAY. Mr. Chairman, I rise today in support of this commonsense legislation and also in support of the textile industry—the industry on which our Nation's industrial revolution was founded.

I support this bill, Mr. Chairman, because it is a step forward toward fair trade and because it sends a strong signal to our trading partners that what is good for the goose is good for the gander.

During August, a textile plant in Manchester, GA, announced that it was closing its doors after 30 years, because of foreign imports. I visited that plant, Mr. Chairman, and saw the anguish and the tears that those hard-working people shed for the jobs and the incomes that they had lost.

In my district, the textile industry is the largest producer of manufactured goods—but that is changing. For the last 3 years, textile and apparel plants have been closing at an alarming rate—250 plants closed since 1980—48 in this year alone.

One of our Nation's most vital and productive industries is dying, right before our eyes, and foreign imports are at the core of the illness—

Imports that have doubled in the last 5 years;

Imports that account for more than half the clothing that consumers buy;

Imports that have cut industry jobs by 300,000 since 1979;

Imports that last year accounted for $16 billion of our trade deficit.

This legislation has one purpose—to bring textile and apparel imports under control, so that our Nation's industry can fight for its life. Mr. Chairman, I support our trading partners—

but not to the extent of destroying our textile industrial base.

For too long, the enforcing agencies of our country have failed to enforce import levels which are imposed by international law under the Multi-Fiber Arrangement. This bill will give us that and will give us a strong bargaining position when the Multi-Fiber Arrangement is renegotiated next year.

But more than that, this bill will give our textile industry hope and a fighting chance to survive. And survive it must, because this is an industry which is critical in our everyday lives:

From safety belts in our cars to garments for our astronauts;

From toys for our children to protective clothing for our military; and

From medical devices to beach blankets.

And it provides a profession and a career for over 1 million of our citizens who have proudly spent their working lives in apparel and textile manufacturing plants across America. Unfortunately, for many, those plants have closed forever—a sad memory of days gone by.

Mr. Chairman, this vote today is a vote to support American workers and American industries.

It is a vote to give our industries a chance to complete equally in the world market.

It is a vote to protect American interests, for as has been said, "We can't have American soldiers fighting in Japanese uniforms and sleeping in Chinese tents."

Mr. Chairman, I urge my colleagues to vote in favor of this legislation. We have to show our support today for an industry that has done so much for America.

Mr. JENKINS. Mr. Chairman, I yield such time as he may consume to the gentleman from Georgia [Mr. ROWLAND].

Mr. ROWLAND of Georgia. Mr. Chairman, I rise in strong support of the Textile and Apparel Trade Enforcement Act of 1985. Textile and apparel industries across our Nation have been suffering for a long time due to cheaply produced imports which have been pouring into the United States for some years.

The repercussions of our trade imbalance are rapidly spreading across our country.

Last year the textile and apparel industry faced a deficit of $16 billion, and I understand that it is running near $17 billion this year.

Hard-working Americans are being thrown into the ranks of the unemployed as they watch their plants close or receive word that they have been permanently laid off.

In the past year, my home State of Georgia, has particularly felt the impact of this trade imbalance.

As of late September, nearly 14,000 textile and apparel workers in Georgia had been displaced due to plant closings and lay-offs. In my district alone, the number of employees affected is over 1,500. I don't know how many of you have been to the Eighth District of Georgia, but for the most-part it is made up of small rural towns. A plant closing is especially devastating to these small communities.

Plant closings in large cities are not always noticed by the public at large. But in a small town, when just one plant closes, it can literally tear a community apart. It affects everyone—the corner druggist, the service station owner, the grocer. Everyone feels the impact.

In some parts of my district, just about all the economic indicators are on a downward slide. We are losing plants. We are losing jobs and income. About the only thing that is on the rise is the unemployment rate.

Mr. Chairman, it's time to consider some remedial measures to try to halt these trends. The bill before us provides a very modest approach. This bill does not irrevocably place us in a protectionist posture. Instead, it challenges our trade partners to adhere to fair and reasonable trade practices, something that will help reestablish a truly free and open international marketplace, which is what we all desire.

I urge my colleagues to support the Textile and Apparel Trade Enforcement Act of 1985.

Mr. JENKINS. Mr. Chairman, I yield such time as he may consume to the gentleman from Tennessee [Mr. JONES].

Mr. JONES of Tennessee. Mr. Chairman, I want to voice my support for our consideration of H.R. 1562. I do so recognizing my representation of an agricultural-oriented district that depends heavily on agricultural exports and also my representation of many employees of textile factories.

There are others who will be recognized today that will cover all of the statistical information that supports the need for this legislation. I want to offer my own district as an example of why this legislation is needed.

The latest figures available report that unemployement in my district is over 10 percent. That comes at a time when economic recovery is being experienced elsewhere. Additionally, farmers are telling me that they are being quoted prices of around $4.85 per bushel on the soybeans they are harvesting now.

I can tell you that they cannot expect to make a profit on those soybeans, or any other crop, at the prices they are receiving today.

What is it that ties these two sets of figures together? The trade situation—pure and simple. Imports are putting many of my people out of work, and our trading partners are not buying the agricultural products we need to sell to keep prices high enough to allow farmers to make a profit. My point is that there is nothing on the horizon that gives us any indication that the trade situation is going to get any better without some action on the part of the United States.

I know that there are those who predict that actions on bills like this invite retaliation by our trading partners.

As I look around my district, noting the high unemployment, and farm prices that ensure another year of losses in agriculture, I cannot imagine how those trading partners could hurt us any worse than they already have.

I join with many of my colleagues in support of this bill and in saying "enough is enough."

Mr. JENKINS. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. COLEMAN].

Mr. COLEMAN of Texas. Mr. Chairman, I rise in support of H.R. 1562, the Textile and Apparel Trade Enforcement Act of 1985.

In the face of $150 billion annual trade deficits, the Nation's textile industry is facing a barrage of imports underpriced to capture the U.S. market and force the closure of hundreds of textile and apparel manufacturers and put hundreds of thousands of American workers out on the street. In two of the largest apparel manufacturing plants in El Paso, TX, over 6,000 jobs have been lost since 1980 to imports.

There are several factors which have led to the rise in textile and apparel imports. Paramount to those are the huge budget deficits incurred since fiscal year 1981 that have caused an increase in interest rates and an artificially inflated value of the dollar in foreign exchange markets. Yet, as our industries have suffered from the borrow and spend economic policies, the administration has not lifted one finger to enforce existing trade laws to ensure free and fair trade. Nor have they sought to deal with the deindustrialization of America. As a result, our domestic textile and apparel industry has suffered and is in need of legislation relief. This bill would provide such relief.

This bill will not slam the door on foreign imports as critics would have us believe. Rather, it would place our textile and apparel industry on equal footing with world competitors. The bill would allow foreign textile and apparel imports to increase over their 1984 level, but at a controlled rate of growth. In the case of developing nations and particularly of Mexico, textile and apparel imports would be allowed to grow at a greater rate of 15 percent in 1985 over the 1984 level and 6 percent each year after that. This is important to the U.S. border economy.

The bill allows for Mexico and the other nations in the Caribbean region to increase production and in turn increase their domestic income and standard of living. That is the key to our foreign policy in that region as well as the management of the world debt situation. In the case of Mexico, the allowance of growth is important to allow that country to grow its way out of the economic nightmare it has suffered since 1982. That growth will benefit the border economy, which is directly affected by the economy of Mexico in terms of commerce, tourism, and immigration. The growth factor allowed for Mexico is the key factor in my support for this bill, and I would not have supported it if the Mexican economy and the U.S. border economy had not received this special incentive for growth.

Mr. Chairman, it is unfortunate that the Congress must take the lead to enforce free trade laws when the duty for that lies in the jurisdiction of the executive branch. Since 1981, the administration has ignored the existing mechanisms in our laws to ensure free trade. They have ignored the deteriorating situation a 104-percent increase in textile import value and a 34-percent increase in U.S. textile exports. They have ignored the impact of Federal budget deficits on the value of the dollar and in turn its effect on domestic industries striving to compete, particularly textiles and apparel. Only as a last resort has the administration sought to introduce a trade policy, 5 years after the fact. Mr. Chairman, they have addressed to the problem too late and done too little. It is now up to the Congress to act.

Finally, Mr. Chairman, I believe the Congess should move forward in enacting legislation to renew our industrial base. We must explore new ways to train workers and retool basic industries in order that we can compete with a changing and developing world market. We must review our existing trade regulations and laws to see that they conform with the changing global economic situation. And, above all, we must act to reduce the Federal budget deficits of the last 5 years and bring down the value of the dollar to remove the harshest trade barrier of all.

Mr. Chairman, it is incumbent upon the Congress to act by passing this bill and provide the relief due to the workers and industries of the countries which have suffered unfairly under the illusions and claims of free trade. We all support free trade, but as the President stated, free trade must also be fair trade, and we cannot stand by and watch businesses fail and workers lose their jobs because of unfair trading practices. Our responsibility should be to our workers and industries above all else. For if they cannot compete, if they cannot produce, we all suffer.

Mr. DUNCAN. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. ARMEY].

Mr. ARMEY. Mr. Chairman, passage of H.R. 1562 would represent the acceptance of protectionism as the official trade policy of the United States. Since 1776, economists of nearly every stripe and color have been aware of the flawed nature of the trade policy labelled "protectionism." For one reason or another, protectionism has survived and actually flourished in the years since Adam Smith published "An Inquiry into the Nature and Causes of the Wealth of Nations;" a work written primarily to combat the flawed protectionist argument. My testimony today will center around the danger of protectionism generally, and specifically of its harmful effects in the textile and apparel industries.

By way of introduction, I would like to quote a section from "The Wealth of Nations" which I have framed and sits on my desk. It says:

> The statesman, who should attempt to direct private people in what manner they ought to employ their capitals would * * * assume an authority which could safely be trusted, not only to no single person, but to no council or senate whatever, and which would nowhere be so dangerous as in the hands of a man who had folly and presumption enough to fancy himself fit to exercise it.

Smith immediately goes on to state that—

> To give the monopoly of the home-market to the produce of domestic industry, in any particular art or manufacture, is in some manner to direct private people in what manner they ought to employ their capitals, and must, in almost all cases, be either a useless or hurtful regulation * * *. It is the maxim of every prudent master of a family, never to attempt to make at home what it will cost him more to make than to buy * * *. What is prudence in the conduct of every private family, can scarce be folly in that of a great nation.

At this point, Smith unlocks the secret of free trade and forever discredits the logic of protectionism, and I quote:

> If a foreign country can supply us with a commodity cheaper than we ourselves can make it, better buy it of them with some part of the produce of our own industry, employed in a way in which we have some advantage. The general industry of the country, being always in proportion to the capital which employs it, will not thereby be diminished * * * but only left to find out the way in which it can be employed with the greatest advantage.

Despite this convincing argument, protectionist laws and proposals such as H.R. 1562 continue to exist. The supporters of H.R. 1562 state that they are saving jobs from foreign competition. In fact, as Adam Smith has demonstrated so forcefully, protectionism may protect some specific, existing jobs in the short-run, but hurts everyone, including consumers, exporters, importers, retailers, and eventually the textile industry itself. H.R. 1562 clearly illustrates these inevitable pitfalls of the protectionist philosophy.

H.R. 1562 would eventually hurt the American textile and apparel industries by insulating them from competitive imports and clouding vital market signals. For example, in the 1970's, trade restrictions had so obscured U.S. market signals that many American car manufacturers decided to produce cars in sizes and styles which were out of tune with American demand. If we want a truly long-term competitive textile and apparel industry, we must provide a clear channel for the textile and apparel industries to receive market signals, and that requires less, not more, government intervention.

Furthermore, this legislation is not in the long-term best interests of the workers in the textile and apparel industries who are supposedly being protected. Apparel and textile wages are typically well below the average for American manufacturing workers. Import tariffs and quotas encourage these workers to remain in uncompetitive, low-wage industries rather than moving to higher paying, higher growth sectors of the economy. As Senator MATHIAS pointed out in a hearing before the Subcommittee on International Economic Policy last fall, a 1981 study for the U.S. Labor Department found that textile and apparel workers who were permanently laid off received higher incomes in the 5 years following their layoff than they would have by remaining in their old jobs, even after accounting for a period of unemployment. This is a perfect example of the Government artificially diverting labor away from productive and competitive sectors and into uncompetitive areas.

H.R. 1562 would greatly increase the chances of retaliation in other areas of trade, which could easily lead to trade warfare. Past experience has shown that measures such as H.R. 1562 are an open invitation to retaliation. After the imposition of unilateral textile quotas in 1982, China refused to purchase any U.S soybean or grain. In January of 1983 the United States unilaterally imposed quantitative restrictions on Chinese textile exports. In retaliation, China suspended previously agreed upon purchases of American wheat and other agricultural products. Although a crisis was averted by the conclusion of a new bilateral trade agreement, the dispute illustrates the fragile nature of the trade relationship between the two nations. The fact that the proposed extension of the MFA includes new, more restrictive import quotas suggests that there is a strong possibility of some type of disruption which will affect American exports.

Many nations such as China have tenuous trading relationships with the United States, and link trade in certain products, such as textiles, with trade in all products and services of its trading partners. Trade is an important consideration in conducting their foreign policy. For example, I have already mentioned that China may cut off all agricultural trade with the United States in retaliation for implementation of H.R. 1452. But they also may take actions against other U.S. exports and economic joint ventures with American companies. Such actions could prevent American high technology and manufacturing interests from entering the huge Chinese markets.

Acceptance of the proposed extension of MFA in H.R. 1562 would jeopardize all American exports to China and many countries which would be severely affected by the proposed increased protection of our textile and apparel industries. For example, China's imports from the United States grew by over 37 percent in 1984 to $3 billion. China's textile and apparel industry accounts for nearly 40 percent of its total annual exports to the United States. Therefore, it is clear that China's economy and foreign exchange earnings would be significantly affected by the 57-percent cutback under H.R. 1562, and would significantly affect China's importations from the United States in a wide array of products. It is important to emphasize that every nation pays for its imports with revenue derived from its exports, and without an export market, we cannot provide other nations with that sustenance for importation of our products.

H.R. 1562 would reduce textile and apparel imports drastically. For example, it will reduce Chinese imports by over 56 percent, Brazilian imports by 58 percent, and Indonesian imports by over 72 percent (see table A). Besides restricting entry of imported goods from these countries, it will also increase the price for such goods. In mid-January 1983 when the United States set quotas on many textile categories from China, many retailers predicted that the price of imported clothing would go up 20 percent over a period of 1 year. This estimate was exceeded in less than 6 months, and it is now reported that the price of imported apparel went up 25 percent to 35 percent in 1984. Such trade practices simply invite retaliation and a hostile international trade atmosphere.

Besides firing the first shot in a trade war, H.R. 1562 would harm the very developing countries the MFA was intended to assist. A 1982 article from the Economist pointed out that—

> The MFA's history shows how supposedly liberal intentions become restrictive in practice. Its drafters emphasized that "a principle aim * * * shall be to further economic and social development of developing countries." It has not turned out that way.

It goes on to state that even though it was—

> * * * introduced as an instrument to help poor countries develop, it has put them in handcuffs—and provided work for thousands of bureaucrats.

The proponents of this legislation insist that it will not affect developing countries. However, this legislation would encourage the development of a textile and apparel industry in developing countries to a certain degree, but then cut it off. It does this by defining a major exporting country as one which exported to the United States 1.25 percent or more of the total U.S. imports of textiles and apparel for 1984. The remaining countries, defined as exporting countries are technically allowed a 15-percent growth in nonimport sensitive items.

However, 40 percent of U.S. imports of textiles and apparel fall into this import sensitive category. To make matters worse, a disproportionately high share of exporters of import sensitive items happen to be developing nations.

Of the remaining 60 percent of the market in which the developing countries are allowed to compete, we allow them a generous growth rate until they reach 1.25 percent of the total U.S. imports of textile and apparel for a given year. At that point we redefine their status to a major exporting country, and allow them a 1-percent annual growth rate. In effect this bill says that we support economic development, but only to a point.

It is true that in the near future this provision will directly affect only a few developing nations, but as an overall trade philosophy it is a perfect example of hypocritical international development policy. It placates our conscience and allows us to argue that we are doing all we can for international development when in fact we are creating an industry which we will destroy if it happens to become successful.

Over and above presenting a hypocritical development policy, this legislation would also substantially reduce the future growth potential of developing countries. For countries that have a small export base, which is a large percentage of developing countries, restrictions on future growth eliminate the incentive to develop an economically viable industry. For example, has the proposed legislation been enacted in 1983, imports from Bangladesh in 1984 would have been only 3 percent greater than their 1983 volume—and 78 percent smaller than their actual 1984 level.

All of this boils down to one conclusion: H.R. 1562 presents a blatant case of trade discrimination. It singles out certain nations for perferential treatment, and certain nations for preferential punishment. By specifically exempting the European Community and Canada from any of the adverse effects of this bill, we create a perception of discrimination. In effect we are saying that our first world trading partners are preferred customers. This is not only blatant international discrimination, but violates one of the most fundamental principles of GATT, and especially the original intent of the MFA. It clearly runs counter to the intentions of paragraph 6 of the MFA which requires that developing countries receive more favorable terms than developed countries.

If the intent of this legislation is to protect domestic industry from foreign competition, the exemption of Canada and the EC in H.R. 1562 is clearly nonsensical. Imports from developing countries between October 1984 fell 4 percent from the same period a year ago, while imports from Canada, the European Community, and the European free trade area increased by 35 percent.

Finally, and most importantly, this legislation is a disaster for the American consumer. Special interest groups, such as the textile and apparel workers, are easily organized and highly effective lobbying mechanisms. Historically, the texitle and apparel lobbies have been extremely powerful and skillful in the promotion of what they see as their best interest. However, consumers as a whole form such a large and diverse group that they are nearly impossible to organize into an effective lobbying group. In fact, it has proven extremely difficult to even inform consumers of the dangers of bills such as H.R. 1562. As a result, consumers as a group have been silent in the face of legislation which will affect them modestly in the immediate future, but profoundly in the long run.

Not only would this bill be the opening shot in a trade war which would be disastrous for consumers in the long run, but it has been estimated that H.R. 1562 would immediately raise the prices of textile and apparel products by 20 to 30 percent. According to a study done in 1983, the MFA has already cost consumers an estimated $18 to $23 billion a year since 1974. It has also been estimated that H.R. 1562 will cost the apparel consumers an additional $2.4 billion per year, and textile consumers an additional $1 billion annually. These figures would combine to create a total annual cost to American consumers of between $21.4 and $26.4 billion which can be traced directly to the MFA as amended by H.R. 1562.

H.R. 1562 would increase apparel import prices on average by 16 percent at wholesale. Textile import prices would increase an average of 33 percent. These gains reflect both quota

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induced price increases as well as product upgrading as foreign producers concentrate on the export of higher unit-value goods, as did the Japanese under the recent voluntary export restraint agreement [VER].

Not only will this bill increase the costs of textile products, but it will also limit their availability. With its broad coverage, this legislation would restrict trade in fibers historically outside of the existing regulatory structure and never produced in large quantities in the United States. For example, if silk were to be covered by quotas, there would be a substantial reduction in supply to the consumer because there are very few producers of silk apparel products in the United States.

This legislation would also raise costs and reduce availability due to endless red tape and bureaucratic strangulation. H.R. 1562 requires a separate license for each of the approximately 250,000 textile and apparel entries made every month in the United States. Issuance of these licenses will adversely affect newcomers to the textile and apparel industry which would perpetuate established businesses and discourage newer and often more innovative businesses. The end result is, once again, higher prices and reduced availability for the American consumer.

H.R. 1562 is not only discriminatory in terms of international trading partners, but it also discriminates domestically in terms of which consumers will be most affected by the increased protection. All consumers are likely to suffer somewhat from this legislation, but it is the lower income consumers who will be the hardest hit. This legislation will be particularly harsh on lower income consumers because it will severely restrict the amount of less expensive imports.

An import restriction of interest in this area is the voluntary export restraint [VER] agreement on Japanese cars. A recent study estimates that VER's raised the average price of imported cars by $851—and domestic cars by $324—over the years 1981-82. Quite naturally, when presented with a strict new import quota, the Japanese chose to export more expensive cars to the United States. The resulting shortage of cheap automobiles was a direct and painful penalty imposed upon lower income consumers of automobiles. H.R. 1562 would impose the same type of penalty on lower income textile and apparel consumers who buy a great deal of clothing from countries such as Taiwan, China, and Thailand. Under H.R. 1562, these three countries would each have their allowable imports reduced by approximately 50 percent from 1984 levels.

Import quotas as imposed by H.R. 1562 are basically a tax. And because of its severe effects on lower income Americans, it is clearly a regressive tax. H.R. 1562 will assure that the ones who can least afford it bear the heaviest burden when it comes to textile and apparel products.

It is clear that the vast majority—75 percent—of jobs supported in the textile and apparel manufacturing sector would occur in the South, particularly in Georgia, and North and South Carolina. Again, this provides a cohesive and well-organized lobbying group, while the retail job losses will be distributed throughout the country. In fact, at least 36 States will suffer net job losses as a result of this legislation. The Midwest, West, Southwest, and Mountain regions will suffer the most. New York, Pennsylvania, New Jersey, and Massachusetts will experience a possible net job savings, but it will be marginal and temporary. Actual retail jobs lost due to this legislation have been estimated to be at least 61,000 (see table B).

Throughout this session of Congress, Members have seen the urgent need to cut Federal spending. However, as a result of this legislation, the U.S. Government will incur substantial new costs in several areas. Obviously, because this new quota will further limit imports, the Government will suffer a loss of tariff revenue. If the apparel imports are reduced by the estimated 20 percent, and this is a conservative estimate, the Government will lose $629 million. Add to this a loss of $166 million for foregone textile revenues, and the total loss to the U.S. Government would be $795 million. This increase doesn't even take into account the creation of an entire new bureaucracy which will be needed to set up and run the proposed licensing program. While the precise cost of such an operation cannot be calculated exactly, Walter Lenahan, the Deputy Assistant Secretary for Textile and Apparel of the Department of Commerce, has estimated that the import entries of textile and apparel amount to 250,000 per month, or 3 million per year. This is equal to half of all the entries into the United States each year and would require a substantial bureaucracy to administer such a program.

In conclusion, the Textile and Apparel Trade Enforcement Act would further protect the most protected industry in the United States. It would finalize and put on record a U.S. trade policy based upon unilateral, arbitrary, and discriminatory import quotas. For the reasons outlined above, implementation of H.R. 1562 would hurt the textile industry, the apparel industry, the workers of both industries, developing nations, American retailers and manufacturers, American farmers, American taxpayers, American consumers, and would contribute to economic inefficiency in the American economy on the whole.

Thank you.

TABLE A.—REDUCTION IN MAXIMUM ALLOWABLE 1985 TRADE FROM "MAJOR EXPORTING COUNTRIES" UNDER TEXTILE AND APPAREL TRADE ENFORCEMENT ACT OF 1985 COMPARED TO ACTUAL 1984 TRADE

Country	Percent reductions all categories	Percent reductions for categories actually shipped in 1984
Brazil	58.15	65.28
China	56.66	57.28
Hong Kong	12.41	12.70
India	4.36	11.04
Indonesia	72.26	84.92
Japan	16.63	16.76
Korea	33.36	33.58
Pakistan	23.99	35.77
Philippines	[1] −3.30	6.49
Singapore	[1] −14.54	0.96
Taiwan	45.30	45.44
Thailand	45.76	54.53

[1] Allowable trade increase.

Table B.—Estimated distribution of retail jobs lost as a result of the legislation, by region and State

[Number of jobs]

South	14,126
Alabama	816
Delaware	195
District of Colombia	200
Florida	3,321
Georgia	1,576
Kentucky	818
Maryland	1,316
Mississippi	509
North Carolina	1,576
South Carolina	786
Tennessee	1,138
Virginia	1,495
West Virginia	380
Northeast	12,126
Connecticut	N.A.
Maine	308
Massachusetts	1,909
New Hampshire	325
New Jersey	2,078
New York	4,153
Pennsylvania	2,949
Rhode Island	261
Vermont	143
Southwest	6,861
Arkansas	499
Louisiana	1,078
Oklahoma	827
Texas	4,457
Midwest	15,555
Illinois	3,039
Indiana	1,449
Iowa	743
Kansas	647
Michigan	2,160
Minnesota	1,292
Missouri	1,315
Nebraska	429
North Dakota	177
Ohio	2,790
South Dakota	181
Wisconsin	1,333
Mountains	3,454
Arizona	859
Colorado	983

Idaho	228
Montana	222
Nevada	268
New Mexico	360
Utah	400
Wyoming	134
West	9,356
Alaska	136
California	7,033
Hawaii	345
Oregon	709
Washington	1,133

Source: International Business Economic and Research Corp., derived from unpublished BLS data.

Mr. DUNCAN. Mr. Chairman, I yield 1 minute to the gentleman from Washington [Mr. CHANDLER].

Mr. CHANDLER. Mr. Chairman, the objective of the Textile and Apparel Trade Enforcement Act of 1985 is a worthy one: improving our trade picture and providing relief from the severe economic distruption and hardship experienced by American textile and apparel manufacturers and workers.

It is for that very reason that this bill is so disappointing.

I respect those among my colleagues who feel they must support this legislation. The problem it seeks to address is one of the most pressing problems facing this Congress.

But, Mr. Chairman, this legislation is wrong. It is shortsighted and counterproductive.

This bill will cost consumers between $1.4 billion and $6.9 billion in the first year alone. Those aren't my numbers; they were provided by the Congressional Budget Office.

It will cost us $1 billion in Federal revenues. Again, the numbers aren't mine; they're CBO's. If we want to do something about our trade deficit, we have to do something about our budget deficit; and this is no time to pass a bill that will cost us $1 billion in revenues.

And, according to CBO, this bill will ultimately cost more jobs than it will save. Does that make sense?

Mr. Chairman, the rush to protection is being justified on the grounds that we have to establish a level playing field. But this legislation violates the Multi-Fiber Agreement, the General Agreement on Tariffs and Trade, and the 38 bilateral textile agreements now in force. How can we demand that others play on a level field, while we unilaterally abrogate our obligations?

While the bill exempts Italy, Canada, and Germany, the sixth, eighth, and ninth largest textile and apparel exporters, it hits several of our most vulnerable allies: Taiwan, South Korea, and Thailand.

The implications of this bill for the international debt crisis and on American exporters are staggering. How will our exporters deal with the inevitable retaliatory measures? How can we improve our balance of payments by reducing the purchasing power of our trading partners?

Mr. Chairman, if we want to do something about the trade deficit, we'd better do something about the budget deficit. If we want to do something about the trade deficit, we'd better pursue foreign markets more aggressively. But to pass a bill that will raise the price of clothing, by some 25 to 33 percent, hitting the poorest among us the hardest; to pass a bill that will widen the Federal deficit; to pass a bill that will cost more jobs than it saves; to pass a bill that will violate our agreements with our allies and undercut their ability to purchase our goods just doesn't make sense.

Mr. Chairman, we can do better than that.

Mr. DUNCAN. Mr. Chairman, I yield 30 seconds to the gentleman from California [Mr. DYMALLY.]

Mr. DYMALLY. I appreciate the gentleman yielding.

I would ask the gentleman from Florida [Mr. GIBBONS] if he will answer a question. Is the gentleman aware of the fact that every head of state in the Caribbean has written the President about the negative effect this bill would have on the CBI?

Mr. GIBBONS. Mr. Chairman, will the gentleman yield?

Mr. DYMALLY. I yield to the gentleman from Florida.

Mr. GIBBONS. Yes, sir, I am, and I know heads of other developing countries have also done that.

Mr. DYMALLY. I thank the gentleman very much.

Mr. Chairman, I submit the following communication for the record regarding H.R. 1562:

AUGUST 23, 1985.

Hon. MICHAEL BARNES,
U.S. House of Representatives,
Washington, DC.

DEAR CONGRESSMAN BARNES: We, the undersigned representatives of Caribbean Basin Governments, view with concern the developments regarding House Bill H.R. 1562 which, in our opinion, would adversely affect the textile and apparel industry in the region.

We are particularly concerned that the Bill, if enacted, would eliminate the current system of bilateral textile and apparel arrangements between the United States and garment producing countries and would impact negatively on the current "807.00" joint production strategy, which benefits both the United States and the Caribbean Basin sub-region.

Passage of the Caribbean Basin Economic Recovery Act was an historic moment in US/Caribbean relations, since the Act provides a framework for rapid expansion of bilateral trade in an effort to stimulate the development of the countries of the region. It is, however, also a fact that the Caribbean Basin Economic Recovery Act excludes products such as textiles, which are important in our industrial programmes. Although the Caribbean Basin Initiative has resulted in heightened interest by U.S. entrepreneurs in initiating or expanding business enterprises in the region, firm commitments to invest capital and know-how have been less forthcoming. This is especially so in the case of the textile industry because of the uncertainty surrounding the future of textile exports from the region to the United States.

H.R. 1562 further threatens to remove even the limited scope provided for expansion with respect to textiles under the current arrangements. In almost all CBI countries, this industry offers the best opportunity for rapid industrialization and development, particularly in terms of job creation. For example, "807.00" operations constitute a significant source of employment in the manufacturing sector in the region. Consequently, the imposition of further impediments to growth at this stage would seriously jeopardize our economic programmes, particularly in regards to employment and foreign exchange generation. Moreover, it should be borne in mind that according to the report of the Department of Commerce entitled "U.S. Trade, Performance in 1984 and Outlook", total U.S. imports from Caribbean Basin designated countries grew only 6.7% in 1984 while U.S. imports from the world rose by 25.4%.

Our Governments strongly urge that the proposed legislation be amended to ensure that the treatment of textile exports from the Caribbean Basin States is at least as favourable as that accorded to Canada and the EEC. The Bill, in Sec. 3, para 10 reaffirms that any change in U.S. textile trade policy should "afford the smaller exporting countries and countries in the Caribbean region a relatively greater share of imports and textile and textile products (which) would promote the national economic interests of the United States". However, the constraints imposed by its provisions defeat the very purpose of providing improved access to U.S. markets. An amendment as suggested above would correct this anomaly in the Bill.

At the very least, we strongly recommend that Sec. "807.00" goods assembled in the Caribbean, using exclusively U.S. components be exempted from quantitative restrictions. This would greatly benefit not only the countries in the Caribbean, but also U.S. firms that are engaged in "807.00" joint production ventures. Special treatment for such ventures would mean significant benefits to U.S. labour and private industry as a result of the increase in demand for U.S. components and materials.

We believe that the enactment of H.R. 1562 as its stands would have disastrous consequences for the economies of the Caribbean sub-region and would derogate from the intent and purpose of the Caribbean Basin Economic Recovery Act.

We, the undersigned, sincerely appreciate your continuing interest in the Caribbean region and hope that the concerns outlined above will be taken into consideration before a definitive decision is made on H.R. 1562. In this spirit we shall be happy to meet with you, at your convenience, to discuss the above-mentioned issues.

Please accept the assurances of our highest consideration.

Edmund Hawkins Lake, Ambassador of Antigua; Edward A. Laing, Ambassador of Belize; M. Teresa Butler, Charge d'Affaires, Bahamas; Peter Laurie, Ambassador of Barbados; Marcella Muskasa, Charge d'Affaires, Dominica.

Albert O. Xavier, Ambassador of Grenada; Keith Johnson, Ambassador of Jamaica, William Herbert, Ambassador

of St. Kitts, Nevis; Joseph Edmunds, Ambassador of St. Lucia; James O'Neal Lewis, Ambassador of Trinidad and Tobago.

H.R. 1562 exempts the Caribbean nations and Mexico from major country status. Countries not exempted include: Sweden, Norway, Finland, Switzerland, Australia, and New Zealand (see section 4, under definitions, on page 14, paragraphs 4, 5, and 6 of the bill). In other words, they are not graduated to major exporting nations status, regardless of how high a share of U.S. textile and apparel imports they represent in the future.

It should further be noted that section 807 to which Mr. Kohn's letter refers has noting to do with this legislation.

Attached is a copy of H.R. 1562, the Textile and Apparel Trade Enforcement Act of 1985.

AMERICAN CARIBBEAN TRADE ASSOCIATION,

Miami, FL, October 8, 1985.

U.S. HOUSE OF REPRESENTATIVES,
Washington, DC.

DEAR CONGRESSMAN: Tomorrow, you will be asked to vote on the "Textile and Apparel Trade Enforcement Act of 1985" (H.R. 1562). Your colleagues who support this legislation have said that it is consistent with U.S. trade policy objectives and with the system of trade restraints permitted under the GATT Multi-Fiber Arrangement. What they have not wanted known is how damaging this legislation will be to our vital economic and security interests in the Caribbean Basin.

The United States has been aggressively encouraging the small nations of the Caribbean Basin to redirect their development efforts into the formation and expansion of export-oriented industries. Both the President and the Congressional leadership have counselled Caribbean Basin leaders to follow a free enterprise model in putting their nations on the road toward self-sustained economic growth. Could it be that our legislators are now prepared to ignore the advice they have been giving our Caribbean Basin neighbors, and to pass legislation which will set back the development efforts of these countries three-to-five years?

Contrary to what many supporters to the Textile and Apparel Trade Enforcement Act believe is the case, the provisions of that measure will force several Caribbean Basin nations to immediately reduce their shipments of apparel to the United States (see attached statistical summary). These rollbacks will directly impact on new productive facilities that have been established within the past 24 months. These are facilities owned or managed by Caribbean Basin entrepreneurs, working in partnership with U.S. apparel companies.

The new Caribbean Basin operations are examples of the so-called "twin plant" concept under which a U.S. apparel firm sends U.S. fabrics and other textile materials, already cut to shape, to Caribbean Basin operators for assembly (i.e. sewing). The completed garment is returned to the United States and imported under a preferential duty provision (Item 807.00 of the Tariff Schedules of the United States). The twin plant concept for apparel manufacturing has been actively promoted by U.S. Government agencies, and by organizations representing U.S. textile mills.

Growth over the past 24 months of 807.00 manufacturing in the Caribbean Basin has been encouraging. In fact, it has been the most encouraging outcome of the Caribbean Basin Initiative.

The Textile and Apparel Trade Enforcement Act of 1985 will cripple 807.00 production betweeen U.S. apparelmakers and Caribbean Basin firms. Thousands of jobs in the Caribbean Basin tried to 807.00 manufacturing will be lost, and Caribbean Basin governments will lose important revenues derived from apparel exports—thus making them more dependent upon direct financial transfers from the U.S. Treasury.

The Textile and Apparel Trade Enforcement Act should have provided for special and differential treatment for joint production of apparel between U.S. and Caribbean Basin firms. In its present form, it will undo much of the good that has resulted from the Caribbean Basin Initiative. Our membership must therefore urge you to vote against this legislation.

Sincerely,

RONALD KOHN.

Attachment.

As a result of the stimulus provided by the Caribbean Basin Initiative (CBI), and the U.S.-funded investment promotion programs associated with its implementation, the rate of growth of exports of apparel assembled in the Caribbean Basin from U.S. fabrics and other textile materials far exceeds the 15 percent growth provided for in H.R. 1562.

H.R. 1562 would require substantial rollbacks of apparel exports from Caribbean Basin countries in 1986. The following chart shows the rollbacks required (in dozens of garments) for the three largest Caribbean Basin suppliers.

APPAREL EXPORTS[1]

Country	1984	1985[2]	H.R. 1562 quota limit	Rollback
Jamaica	809,759	1,911,780	898,793	−1,102,021
Dominican Republic	5,207,927	6,785,338	6,534,161	−251,177
Haiti	3,920,882	6,607,659	4,425,506	−2,182,153
Aggregate rollback				−3,729,420

[1] Given in dozens of garments. Based on shipments in major categories. Source: U.S. Department of Commerce statistics.

[2] Projected exports for 1985 based on growth in shipments for first 7 months of 1985.

Note: More than 90 percent of the apparel "made" in Caribbean Basin countries is apparel assembled in the Caribbean Basin from U.S. fabrics and materials that have been pre-cut or otherwise prepared in the United States. The value added to these garments in the Caribbean Basin countries averages 30 percent of the U.S. appraised value of the merchandise.

CONGRESS OF THE UNITED STATES,
Washington, DC, October 7, 1985.

DEAR CAUCUS MEMBER: We are writing in reference to H.R. 1562, the Textile and Apparel Trade Enforcement Act, in an effort to stimulate discussion of trade policy and protectionism among CBC members.

This bill, while co-sponsored by more than 200 Members, raises many issues concerning protectionism as a policy tool for the United States. While we fully appreciate and understand the political and humanitarian concerns that underly Caucus Members' support for H.R. 1562, we nonetheless feel that additional discussion and study of the manifold implications of H.R. 1562 and other trade legislation before the Congress would be both useful and instructive.

Issues to be raised with protectionism as a trade policy are as follows. First, the effects of the bill on low income consumers who would be faced with higher clothing costs. Second, the likelihood of retaliation from many of the countries affected. Third, the effects of the bill on the debt service needs of Mauritius, Egypt and the Caribbean countries and on the international financial system as a whole. Fourth, whether the bill even addresses the causes of the trade deficits, including the strong dollar and the federal budget deficit. Finally, why the bill targets developing countries and excludes European countries and Canada from the provisions.

Our own conclusions as to the effect of HR. 1562 on each of these points are as follows:

1. The restriction of apparel imports from other countries would raise the price of clothing in the United States thereby increasing the costs of living for consumers. The effects of low income consumers would be particularly harsh.

2. Other nations have already expressed the likelihood of retaliation against our exports. Several nations, for example, have already threatened to curtail imports of wheat from the United States in response to H.R. 1562. Exports into developing countries constitute approximately 40% of total exports from the United States. Every billion dollars of exports create about 25,000 jobs. The retaliation invited through the passage of H.R. 1562 would sharply reduce the jobs created in the United States, lowering the rate of economic growth while exacerbating the trade deficit.

3. In light of the austerity programs imposed upon the developing countries by the IMF in an effort to meet their external debt, H.R. 1562 would make it impossible for these countries to earn export credits. The repercussions of such a bill would increase the difficulty of these countries servicing their debt, creating disruption in the financial markets.

4. More importantly, H.R. 1562 does not address the manifold causes of the United States trade imbalance including the federal budget deficit, the overvalued dollar, the lack of an industrial policy, the lack of worker training and retraining, and high real interest rates.

5. Finally, H.R. 1562 unfairly targets textile imports from developing nations of the Caribbean, Africa, Latin America and Asia. Textiles from Canada and the West European countries, including "major producers" such as Italy, and Western Germany would be exempt from quotas.

As an example, Mauritius would be one of the countries affected by H.R. 1562. In Mauritius, approximately one out of every five employees works within the textile industry. In 1984, textile exports from Mauritius to the United States increased by 80%, reaching $40 million. The loss of employment in Mauritius which would follow from passage of H.R. 1562 has been conservatively estimated at 5,000 jobs, about 15% of the total employment in textile manufacturing in this African nation. It would exacerbate already existing strains on the balance of payments and it would increase the difficulty of this African nation meeting its debt obligations. In addition, the 40% reduction of the textile market would increase the prices on American textiles, thus raising the costs of clothing for low income consumers in the United States.

As Members of the Congressional Black Caucus, we should examine alternatives to protectionism and attempt to evaluate each in terms of their impact on jobs at home, costs to low-income consumers, and the effects on the developing world. Trade ex-

panding measures such as industrial policies, targeted investment in innovative technologies, development banking, and worker training and retraining, should be examined in the course of the discussion.

We appreciate the opportunity to share our views with you.

With kindest personal regards, we are,

Sincerely yours,

WATER E. FAUNTROY,
Member of Congress.
MERVYN M. DYMALLY,
Member of Congress.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
October 10, 1985.

DEAR CAUCUS MEMBER: Yesterday the Congressional Black Caucus received a letter discussing H.R. 1562, the Textile and Apparel Trade Enforcement Act. I believe the letter may have been based on a misunderstanding of the bill and that further clarification is necessary.

(1) Remember who are the people most affected by this bill. The overwhelming percentage of workers in this industry are women. 30 percent of the workers are Black, 17 percent are Hispanic, and another 5 percent are Asian. These are the people who are losing their jobs because of the flood of imports due to the Reagan Administration's failure to properly use and administer the Multi-Fiber Arrangement. The textile and apparel industry has given opportunity and a decent living to minorities and women in the South and in our major Northern cities to an extent no other industry can claim.

(2) [1] Attached are three pieces that address the issue of consumer price rises, based on what actually happens on store shelves. Note also that imports will still provide 38 percent of our market under the bill.

(3) The nations most directly affected by the Textile Bill either can not or will not retaliate against American exports. Just about every major textile and apparel exporter to the U.S. has a positive trade balance with our country. What they import from the U.S. they do because there are no other sources of supply or we provide the cheapest and the best product. Only China has threatened retaliation, but it is a hollow threat. They have ceased buying American cotton because their own crop now far exceeds their domestic needs. Likewise they have sufficient wheat and synthetic fiber supplies so that further imports are no longer necessary.

(4) The Textile bill will not shut off textile imports from the countries the Congressional Black Caucus is most concerned with, but quite the opposite. It will give them greater opportunity in our market. The Caribbean countries retain the full amount of trade they now enjoy and receive a 15 percent bonus on top of current trade, and can grow further 6 percent per year forever. They can never graduate to the more restricted group of only 1 percent growth in future trade.

(5) Africa is likewise generously treated. Mauritius can not lose a single job due to this bill, for their current expanded imports are not cut back one square yard. And they are also given the 15 percent bonus and 6 percent growth to increase future trade and economic development.

(6) The rise of the dollar has not been a significant factor in textile and apparel imports. All the major Asian suppliers, with the exception of Japan, have their own currencies closely tied to the U.S. dollar and thus have not been affected trade-wise by the dollar's rise.

(7) During the entire history of the MFA and our textile and apparel quota agreement limiting European or Canadian imports. This bill does not prohibit the Administration from negotiating such bilateral agreements with Europe and Canada if it feels them necessary.

H.R. 1562 will preserve needed jobs for American workers. It also attempts to help the truly underdeveloped nations of the world by giving them a greater opportunity to get a share of our market by cutting back on the 12 major exporting nations that now control 80% of U.S. apparel and Textile imports.

Sincerely.

CARDISS COLLINS,
Member of Congress.

Mr. DUNCAN. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. FRENZEL] a member of the committee.

Mr. FRENZEL. Mr. Chairman, we have heard a lot of talk about this bill. It is obviously controversial. It is an emotional question. We have heard a lot of charges and countercharges made.

I think essentially the problem with the bill is that if you want to give special advantage to any class in America, you have to punish all of the rest of the classes, and you do not do anything without a heavy cost.

Now it has been pointed out again and again that we are paying over $20 billion, the consumers of the United States, for current textile protection. Those are for the highest textile tariffs in the industrialized world, and the quotas already imposed under MFA.

Under this bill, depending on which of the rating agencies you believe—CBO, CEA, Commerce, or IBERC—the new protection will cost from $3.4 billion to $26 billion.

Whatever happens, the consumers of America are going to pay an enormous cost, and according to the International Trade Commission, that cost is $66,000 per apparel job and $27,000 per textile job. That is a very high cost for protecting a few workers in the United States.

What is it going to cost our trading partners?—$3½ billion in reduced ability to buy U.S. goods abroad. And that, in turn, is going to cost every exporting industry and every seacoast trading area jobs and money.

In addition, it is going to cost the U.S. credit system something, because many of these countries are in great distress and are not going to be able to pay their bills.

What does it do to the U.S. taxpayer? All it is going to cost him is $2.5 billion over 5 years in customs duties forgone, shattering further our budget problem, causing further distress.

□ 1335

Now, what is it going to do to some other exporters? Well, the $12 billion that we are going to restrict goes to countries who buy about $33 billion of U.S. goods. That means everyone who exports; farmers, workers, whoever you are, are likely to suffer retaliation.

That, in my judgment, the combination of all these costs, make this bill absolutely intolerable.

Mr. Chairman, to get the protection that the textile industry requires means that all of the rest of U.S. society has to be beggared. To gain a few jobs, to protect a few jobs, which may themselves be nonproductive, we have to charge everybody else in the country this outrageous price.

Now we know there is distress in the textile industry. Any person without a job is a cause for suffering of all the rest of us in the United States, but the three biggest textile States are Georgia, North Carolina, and South Carolina.

The U.S. average in July of unemployment was 7.4 percent. Georgia skins under that at 7.3, less than the average in the United States. South Carolina, 6.7. That is 10 percent under the U.S. unemployment rate. North Carolina down at 5.6, an enviable position which many of the other States would like to have, but they are not asking for this kind of protection.

Under most analyses, 36 States will lose jobs while only five will gain, and in my judgment, that is much too high a price to pay for this bill.

Remember, too, that the bill does not touch the European Community; it does not touch Canada—the countries which had the two largest rates of growth of textile into the United States. It does not touch Mexico, because that is where the textile industry has its investment.

It will shift imports from Asia to Ireland to Portugal, to other low-cost areas, to Mexico; we will have the same number of imports but they will come from different areas. That, of course, will protect the textile manufacturing industry; it certainly will not protect the textile employees.

Look at the countries we hurt. A big hitter is Hong Kong. It does not have any barriers to U.S. goods. Another one is Thailand. Thailand has been to war with us the last three times we marched. It does not have anything else to sell us; we are reducing its textile exports to us by 64 percent. The People's Republic of China takes a 56-percent hit. That is a new ally that we are trying to sell farm products to. They have already served noticed that they cannot buy if we do not buy some of their stuff.

As to the fact that it enforces the MFA, this bill repudiates the MFA. Textile is the most protected industry in the United States.

[1] Not included in Congressional Record.

I hope we reject this bill so we do not have to punish every other element of U.S. society to save a few jobs.

Mr. JENKINS. Mr. Chairman, I yield to such time as he may consume to the gentleman from North Carolina [Mr. WHITLEY].

Mr. WHITLEY. I thank the gentleman for yielding, and I rise in strong support of the bill.

Mr. Chairman, the economy of the North Carolina Third Congressional District, which I represent, is heavily dependent upon the manufacture of garments, draperies, toweling, and other textile products.

The huge increase in textile imports which we have seen in the past 5 years has resulted in plant closings, layoffs, and corporate decisions against opening new plants in the third district, as I am sure has happened in textile-dependent communities throughout the Nation.

There is no denying that some job losses may be the result of automation, but the great majority are the direct result of the unfair competition of cheaply produced foreign goods in the marketplace of the United States. While imports of textiles and apparel have increased by 104 percent in value since 1980, domestic consumption of these goods has increased by only 28 percent during this period. We must conclude then that imports have been capturing an ever-larger share of the domestic market.

Opponents of H.R. 1562 argue that there are already ample provisions in current law and policy to protect the American textile industry. The problem is that the provisions of the Multi-Fiber Arrangement are not working. If the situation that now prevails is allowed to continue, the U.S. textile industry faces certain destruction within a very short time.

Further, import increases in fibers not covered by the Multi-Fiber Arrangement are rising rapidly (increase in 1983 of 29 percent and 80 percent in 1984) make new legislation imperative. These increases are wreaking havoc in the American textile economy, and the administration has never attempted to control them.

The so-called multitude of tarriff barriers cited by opponents of the bill have not been successful in giving U.S. products a fair market in this country. Nevertheless, the most meaningful facts in consideration of the measure are not the statistics we cite to prove our various points of view.

The meaningful facts are the closed plants, the unemployed workers, and the stagnating textile economy in the North Carolina Third Congressional District and the United States.

Let us have trade that is as free as possible, by all means, but let us have trade that is fair.

Mr. JENKINS. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois [Mr. GRAY].

Mr. GRAY of Illinois. I thank my distinguished friend for yielding time to me.

Mr. Chairman, as a cosponsor, I rise in strong support of this legislation.

Mr. JENKINS. I yield such time as he may consume to the gentleman from Alabama [Mr. FLIPPO].

Mr. FLIPPO. Mr. Chairman, I rise in strong support of this legislation.

Mr. JENKINS. Mr. Chairman, I yield such time as he may consume to the gentleman from North Carolina [Mr. VALENTINE].

Mr. VALENTINE. Mr. Chairman, I rise to express my support for this legislation.

Mr. Chairman, I rise in strong support of the Textile and Apparel Trade Enforcement Act of 1985.

The trade and apparel industry is facing a challenge to its very existence—a challenge that affects the livelihood of thousands of American companies and millions of American workers and their families. In the 4 years from mid-1981 to April 1985, the United States lost 117,000 textile mill jobs and 90,000 apparel jobs.

Why has this happened? These jobs did not simply disappear. The demand for textile products has not evaporated. These workers have not decided to take jobs in other industries.

These American jobs were lost to foreign competition. In the first 7 months of 1985, $12 billion worth of textiles and apparel were imported into the United States. This represents an increase of 7.2 percent over the same period last year. At the same time, American textile and apparel exports dropped by 6.8 percent to $1.75 billion.

Mr. Chairman, we set a record in 1984—a record for the highest textile apparel and trade deficit in our history. If the present trend continues, we will break that record in 1985. We all want a record-breaking economy, but we are setting our records in the wrong direction.

The textile and apparel industry is not alone. Other industries face stiff challenges from unfair foreign competition, but the plight of textiles is particularly widespread and acute.

The textile industry is the lifeblood of many communities in my district and State. If we allow the economic foundation to collapse, the very fiber of our communities could be destroyed. We have a responsibility to prevent that from happening.

The legislation we are considering today is desperately needed. It is not a radical protectionist measure:

It would allow a measured, steady growth in textile imports.

It would achieve the objectives of the Multi-Fiber Arrangement.

It would set limits on imports from major exporting countries at levels which reflect import growth since 1980 at growth rates contemplated by the MFA.

It would allow the smaller exporting countries to increase their share of the U.S. market.

It would set the future growth rate of imports at levels provided for in the MFA and the protocol extending the MFA.

Passing this legislation would demonstrate to the entire Nation our commitment to trade policies that are fair and balanced. It would allow a vital American industry time to complete its efforts to modernize and become more competitive.

We need this legislation now. Millions of Americans are counting on us. I urge my colleagues to support this bill.

Mr. JENKINS. Mr. Chairman, I yield such time as he may consume to the gentleman from South Carolina [Mr. DERRICK].

Mr. DERRICK. Mr. Chairman, I rise in strong support of this legislation.

Mr. Chairman, I cannot impress upon my colleagues enough the need for the Congress to enact legislation to provide for a more orderly distribution of textile and apparel trade. The bill that is before this body today, the Textile and Apparel Trade Enforcement Act of 1985, is the most critical piece of trade legislation that will come before the Congress this session. Our current system for implementing textile, fiber, and apparel agreements is certainly not working. Our foreign trading partners are not convinced that America is serious about effecting a responsible trade policy in this area.

The flow of fiber, textile, and apparel trade has gone virtually unchecked in the name of free trade. How can it be free trade when it is destroying one of our basic manufacturing industries? Our industries are competing against foreign governments who knowingly engage in trade practices that are counter to the principles of trade agreements that were negotiated in good faith.

The 1983 trade agreement with China provided for a 10 percent annual growth rate in imports. However, the following year there was 23 percent annual growth and 17 percent the following year. Of course, no action was taken by our trade negotiators because of foreign policy considerations which have traditionally been given dominance over economic concerns. Our citizens are tired of paying taxes to support the defense of other nations which are taking a greater and greater share of the U.S. market. Americans are being put out of work by these same foreign governments. Shoe imports now stand at 72 percent, steel imports stand at 26 percent, and apparel imports now consume 50 percent of the domestic market.

We hear so much conversation about retaliation. Well, I can tell you that the European Community took effective action under the authority of the Multi-Fiber Arrangement in 1977 to prevent disruption in its domestic textile and apparel industry and there was no retaliation. The United States is the largest export market for developing and nondeveloping countries because the executive branch still holds firm to the free trade myth. I am not advocating an abandonment of textile and apparel trade but rather a more responsible policy in the international exchange of these goods.

There have been statements by opponents of this bill suggesting it violates the Multi-Fiber Arrangement [MFA]. But a study just released by the House Government Operations Committee supports the basic con-

cepts of import licensing and a comprehensive quota system which are embodied in the legislation that is being considered today while stating that these provisions can be enacted in compliance with the MFA. Because the administration has not taken strong and effective action to assist the embattled textile and apparel industry, this legislation has become necessary. Promise after promise have been made by the executive branch to restrict textile and apparel imports, but the statistics bear out how ineffective these actions have been. From 1980 through 1983, the average annual increase in imports was 10.2 percent, and from 1982 through 1984, the average annual increase was 30.9 percent. The administration has spoken strongly and fought against illegal immigration and drug trafficking and supports, as well, strong legislative initiatives in the Congress to combat drug trafficking and illegal immigration. Why can't the White House do the same to enforce and control the flow of textile and apparel goods to provide for the national and economic security of our Nation?

The textile and apparel industry is vital to our Nation's defense. The former U.S. Trade Representative, William Brock, stated during his tenure at U.S.T.R. that while a lot of industries claim their importance to our national defense, the textile and apparel industry is the only one we accept. For example, high-technology textiles developed in the United States include those used in bullet-proof clothing, airline brakes, carbon fiber airplanes, radar scattering materials, and artifical kidneys.

Our current trade policy is a national concern which must be addressed at the Federal level, because of the uniqueness of the textile and apparel trade. The international rules for these products were negotiated under a separate international trade agreement under the auspices of the general agreement on tariffs and trade. Thus, the trade problems this industry is experiencing cannot be addressed as part of a comprehensive trade policy but rather as a separate and distinct issue.

You have seen and heard of the hardships communities and textile employees are experiencing across the country because of runaway imports. Unfortunately, the executive branch has failed to take the initiative to resolve this growing problem, but, instead, wishes to continue to engage in dialog. In the fall of 1983, the administration asked the industry to withdraw unfair claims petitions pending against China in return for a new policy in determining market disruption. Currently, there are over 300 categories which meet the criteria on which no call to limit imports have been made. Effective action must be taken now.

The textile and apparel industry cannot wait for help any longer. My district is deteriorating from our trade policy of the last 5 years. I can and will not exercise my legislative authority in the Congress to try and adopt strong trade legislation on textile and apparel trade. I urge my colleagues to join me in supporting this bill which is so vital. It will help the textile and apparel industry directly but it will also let the administration know that the Congress is tired of all this bureaucratic waivering, it will send a clear signal to industrialized nations that the United States is tired of simply taking their share of the exports from developing nations; and it will let the world know that the United States is no longer clinging to the idealogy of free trade but rather pursuing a practical approach to achieve fair trade.

Mr. JENKINS. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK. Mr. Chairman, to hear a grosser set of exaggerations that have come from opponents of this bill, you would have to hang around a college fraternity house on a Monday morning and hear them describe how well they did on the weekend.

We have been told that this is going to lead to 60,000 retail jobs being lost. Are we to believe that people are going to fly to Hong Kong to buy their T-shirts? That statistic, which is a grotesque exaggeration; that is, untrue, is just an example of how the arguments on the other side are so exaggerated.

I want to talk particularly about concern for the less developed countries. I want to do more for the LDC's. I want America to be more generous, but I do not want that generosity to be taken out of the hide of some of the poorest and hardest working Americans.

The people in the garment and textile industry are very decent, very hardworking, generally low-paid Americans, and a policy which says we will show compassion on their backs while the rest of the country does very well is a mistake.

The rising tide has not lifted all the boats; there are some people being swamped. Let us show some concern for our international obligations, but not at the expense of these very hardworking and deserving segment of the American labor force.

Mr. DUNCAN. I would like to inquire of the Chair, how much time do I have remaining?

The CHAIRMAN. The gentleman from Tennessee [Mr. DUNCAN] has 26 minutes remaining; the gentleman from Florida [Mr. GIBBONS] has 14½ minutes remaining, and the gentleman from Georgia [Mr. JENKINS] has 13 minutes remaining.

Mr. DUNCAN. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. ZSCHAU].

Mr. ZSCHAU. Mr. Chairman and my colleagues, today we have a choice between doing something easy and wrong or embarking on a course that's more difficult and right.

This bill is based on the assumptions that "imports cost jobs" and that "protectionism saves jobs." Neither is supported by the data.

When textile imports surged in 1983-84, U.S. textile jobs went up, not down. And if protectionism were the answer, there would be no problem. The textile industry is already heavily protected with hundreds of quotas and high tariffs.

Passage of H.R. 1562 won't help, but it's not benign either. It would have a negative impact on the U.S. economy. As the gentleman from Minnesota [Mr. FRENZEL] pointed out, it would cost U.S. jobs, increase the cost of clothing to consumers, and, by abrogating 38 bilateral agreements, would make the United States an outlaw in international trade. That would undermine our ability to enforce fair trade agreements with our trading partners and would invite retaliation against U.S. exporters.

Sometimes it takes an outsider to point out fundamental truths about ourselves. As Prime Minister Lee Kwan of Singapore observed yesterday, protectionism is not the American way. We didn't become a great country and an example for the free world by running away from competition. The American way is to rise to the competitive challenge.

In trade, this means aggressive negotiation and enforcement of fair trade agreements, a focus of all our policies on competitiveness as a primary national objective, and above all the tough actions necessary to reduce the Federal budget deficit.

Mr. Chairman, we can be the best. We can meet the competitive challenge. Let's start today by rejecting H.R. 1562. Instead, let's refocus our energies on eliminating the budget deficit and on implementing Federal policies that promote competitiveness, economic growth, exports, and opportunities for all Americans.

Mr. GIBBONS. I yield such time as he may consume to the distinguished gentleman from Wisconsin [Mr. KLECZKA].

Mr. KLECZKA. Mr. Chairman, I rise today reluctantly, but of necessity, in opposition to H.R. 1562, the Textile and Apparel Trade Enforcement Act of 1985.

While the time is clearly right for action on trade, this is just as certainly the wrong action. By singling out one industry for additional trade protections, we send a signal to others to joint the chorus.

This measure would establish permanent import quotas on textiles and textile products from certain major producer countries. We should recognize, however, that every action we take in the world economy encourages a reaction.

We can expect a response from countries targeted in this legislation which will affect our exports of such products as wheat, coal, machine tools, aircraft or semiconductor parts. If we back these nations into a corner though protectionist legislation such as this, we can expect that they will turn elsewhere for their purchases. In any

calculation of job losses and gains, we should measure the effect of the loss of our exports which will result from a restriction on imports. The major effect will be a worsening of the projected 1985 trade deficit of $150 billion.

This is the first industry-specific trade bill we face in this Congress. If enacted, we all know that it will not be the last we will be asked to consider. There is legislation pending that would limit imports of Canadian lumber, an action which, if taken, would have an adverse effect on the rail business in my part of the country. There are proposals to limit the import of copper, of shoes, of wood products and of furniture.

I fear that we will arrive at the point at which any industry which does not have its own protectionist bill will feel left out of the governmental process.

As we address the growing problem of America's increasingly out-of-kilter trade balance, I believe we have to ask ourselves: Do the legislative solutions we consider resolve our trade problems or do they merely postpone a day or reckoning?

I submit that adding new protections for the textile industry does little to address our real problems in the international marketplace. If we are to promote American industries, there are several steps we should prepare to take.

First, we must commit the Federal Government to an ongoing, active policy of bringing down the value of the overly strong dollar.

There is widespread agreement that the overvalued dollar stimulates imports by making them relatively cheaper than American goods while detracting from the competitiveness of American exports. The belated intervention into the international currency markets by the administration is a small but welcome recognition of the need for action in this area.

But intervention in the money markets does not address the most important factor in the overvaluation of the dollar. I speak, of course, of our massive Federal budget deficit, which forces interest rates up, and keeps them there, thereby encouraging foreign investment in dollars in search of a high return on interest.

By failing to act dramatically to lower the Federal budget deficit, this Congress contributes to the trade imbalance.

The $57.5 billion deficit reduction achieved with the passage of the fiscal 1986 budget resolution was a start, but it was not enough. Our goal must be to reduce the Federal deficit still further. To have an effect on world trade, we will need more than modest, incremental reductions in that deficit. We need a major reduction in the flow of red ink. Only a large-scale reduction will produce a direct positive impact on interest rates and thereby, world trade. We have the power to act on this in the Congress, and we should do so if we are serious about resolving our trade problems.

Second, we must strengthen existing trade laws, such as the Trade Act of 1974, to ensure that unfair trade practices by other nations are countered swiftly by the United States.

It is for this reason that I have cosponsored H.R. 1950, the Trade Law Modernization Act. This measure would alter the current requirement that certain trade practices investigated by the International Trade Commission be shown to be a "substantial cause" of injury to an industry, to instead require that the practices be shown simply to be a cause of injury. This change in the law would make it more likely that the ITC would act on many import relief cases. Unlike the sanctions proposed in H.R. 1562, however, this change in the law would be consistent with General Agreement on Tariffs and Trade [GATT] standards. This legislation would also limit the discretionary authority of the President in trade cases by placing that authority in the hands of the U.S. Trade Representative, thereby removing foreign policy considerations, at least to some degree, from trade decisions.

Third, we must initiate intensive bilateral and, where necessary, multilateral negotiations to reduce existing barriers to free trade, not just with the countries targeted in H.R. 1562, but with all of our trading partners. I am a cosponsor of another bill, H.R. 3035, which would do just that. This measure, introduced by Representative ROSTENKOWSKI, would require the administration to undertake new negotiations, under GATT rules, to reduce unfair practices by our trading partners. Specifically, the legislation requires negotiations by the U.S. Trade Representative which address the undermining or existing multilateral trade agreements and the diversion of unfair shares of developing country exports to the United States.

The negotiations aimed at reducing trade barriers would be undertaken by the United States in good faith. H.R. 3035 would strengthen those negotiations by providing an incentive for action to those countries which have heretofore been slow to respond to our requests for freer, more open trade. If we make no progress to remove trade barriers, the legislation would allow the imposition of a 25-percent duty on all imports from countries whose exports to the world were 150 percent of their imports worldwide. In 1984, this would have included Brazil and Japan. In addition, the legislation would impose a surcharge on imports from nations whose exports to the United States were 165 percent of their imports. This would include Korea and Taiwan, as well as Brazil and Japan. With legislation such as this, a measure which employs a "carrot and stick" approach to our trade problems, I believe that we can begin to make trade a two-way street for the United States.

Mr. Chairman, there are indications that the administration is awakening, in the style of Rip Van Winkle, into a world in which the rules of international trade are in a state of flux. I was among the original cosponsors of the administration's measure to establish a $300 million "war chest" at the Export-Import Bank to counter tied-aid agreements of foreign nations. I look forward to working with the administration and others who offer positive alternatives to our current failed trade policies.

Mr. GIBBONS. Mr. Chairman, I yield 3 minutes to the very distinguished gentleman from Oregon [Mr. AUCOIN].

Mr. AUCOIN. I must say, Mr. Chairman, that I can truly understand how those on the East Coast felt a few weeks ago when they braved the fury of Hurricane Gloria. The fury of protectionist fever is now sweeping this body like Gloria swept the Atlantic Seaboard, and the passage of this bill threatens to leave a wake of disaster much worse than that left by Gloria.

Although offered with the best of intensions, this bill is not the medicine needed to cure our massive $150 billion trade deficit. Indeed, its passage will set into motion an economic hemorrage that shake the economic health and well being of our Nation and the world.

Mr. Chairman, I represent the First District of the State of Oregon. I would like to tell you who represented that same district back in the 1920's. Congressman Hawley, as in Smoot-Hawley.

Hawley made at that time all of the arguments I have heard on the part of the proponents of this bill today. And he passed his bill. And he virtually killed the economy. I am not going to repeat Mr. Hawley's mistake today, and I hope the House does not, either.

Does anybody in this Chamber honestly believe that Hong Kong, Japan, China or any of the rest of the victim nations are going to sit by and do nothing while this Congress begins cutting their exports to this country by an average of 40 percent?

If you think so, my friends, you are hallucinating. I will tell you what they are going to do; it is what happened in the 1920's; they are going to retaliate.

Think back to 1983 when the textile agreement between China and the United States expired. The United States stupidly imposed unilateral restraints on Chinese imports and China immediately retaliated by boycotting United States cotton, United States soybeans and United States synthetic fibers. And they also shifted grain purchases to other non-United States suppliers.

What was the result for us, for America? Foreign grain sales by America's farmers declined to China from $1.2 billion in 1982 to only $600 million in 1983.

It is going to happen again, only this time in spades.

Now, was it my imagination, or did someone say only 2 days ago, on the farm bill, that we have a farm crisis in this country? This bill is "help" for America's farmers?

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You will know that it is not. It will be the death knell of America's farmers.

Eighty percent of the wheat grown in my State of Oregon is for export, and it is true in other districts around the country.

What right do the proponents have to make my producers of wheat victims of trade retaliation?

How does anybody here expect China or any other nation to buy the lift-trucks, to buy the machines, to buy the oil-drilling equipment for all the other advanced products that we say we want to sell to China if we deny to countries like China the foreign exchange they need to make these purchases? It will not happen.

This bill is not trade policy. This is bad law.

It is bad law.

It will cost two jobs for every one job that is saved, and I urge my colleagues to defeat it.

How do I explain to the wheat farmer in Amity that his overseas orders were slashed dramatically because we had to give the textile industry more protection than it already needs? What do I say to the logger in Willamina when he hears that jobs in the mill are being cut by 50 percent?

Let's take a moment to look more closely at the issue of the job impact caused by the bill.

Sure, we will be saving some jobs in the textile industry. But it will be at the expense of eliminating jobs in other industries. It's estimated that in the State of Oregon we would lose approximately 550 retail jobs alone. And that does not account for other jobs in farming, shipping, importing, and logging that would be sacrificed in a tidal wave of retaliation. Admittedly, States such as Georgia, for example, would gain about 5,500 jobs. But California and Texas combined would lose the same amount—again, in retail positions alone.

Who are we to decide which industries shall live and which shall die? How do I tell the young woman who sells perfume behind the department store counter in Portland that her job was more expendable than the one in a mill in South Carolina?

At a time when we should be concentrating on how to erase our deficit, we should examine closely the cost of saving a job in the textile industry. According to a recent FTC study, the hidden costs of quota protection are approximately $34,000 for each textile and apparel job saved. When you consider that the average wage of an apparel worker is $7,660 and that of a textile worker is $10,700, then $34,000 per job seems quite extravagant. Moreover, the administration has estimated that we would lose nearly $800 million annually through reduced tariff revenues.

But perhaps the most important effect of this bill would be to increase prices for imported textile and apparel merchandise by 15 to 30 percent. Not only will prices go up but low-cost items will become more scarce as importers seek to make up the difference in volume by sending us their more expensive items. What are we going to say to the young mother living on AFDC payments when the clothes for her baby suddenly skyrocket?

Finally, I predict today that this legislation will not be the last protectionist bill we see in this body. Rest assured that its passage will open up the floodgates. The cries for protection will become louder than ever.

Mr. Speaker, I am not immune to the problems faced by our domestic industries. As a former co-chair of the Export Trade Task Force, I am very familiar with the effect unfair trading practices have had on our domestic industries. And I am the first person to say that our trade must not only be free, but fair.

For example, I do believe that the plight of the textile industry deserves prompt action by the U.S. Trade Representative when textile and apparel trade agreements are violated. And the appropriate Federal agencies should be given the authority to negotiate and enforce fair textile trade agreements.

But there is a larger picture here, one that is being obscured by political emotion and rhetoric.

The major problem that faces the textile industry, the apparel industry, the shoe industry, the high technology industry and all other domestic exports is an overvalued dollar that accounts for at least half of this year's $150 billion trade deficit. It is a Federal debt that has reached $2 trillion and is expending at a rate of $200 billion a year. It is a failed economic policy that has driven us to become a debtor nation for the first time in 71 years.

Before we rush ahead imposing new protectionist measures, we should first address our made-in-America budget deficits. We have to get tough on spending, not tough on Hong Kong.

Mr. Speaker, I'd like to close by reading a statement made by a well-known protectionist: "The pending bill proposes to relieve those against whom foreign competition is specially directed. In their restored prosperity we all will share. . . ."

These are words that sound very familiar to those of us who have listened to the proponents of the textile bill. But these are not the words of one of the proponents of the bill before us today. They are the words of the man I referred to earlier, Willis Chatman Hawley. He along with Senator Reed Smoot were the authors of the Smoot-Hawley Tariff Act of 1930. Enacted 9 months after the stock market crash of October 1929, this bill imposed duties of 60 percent on china, porcelain and glass, 45 percent on hand tools, 90 percent on dolls and 15 cents on a bushel of rye.

We all know that a major trade war developed soon thereafter, international commerce plummeted, U.S. imports dropped from $4.8 billion in 1929 to $1.7 billion in 1932 and American sales nosedived from $5.4 billion to $2.4 billion.

The next decade was the most catastrophic in our Nation's history.

The Textile and Apparel Trade Enforcement Act bill may not be an exact duplicate of the Smoot-Hawley Act. But it is a dangerous beginning down that road. And the passage of this bill threatens to sidetrack us from our more important mission—getting Federal spending under control and our deficits eliminated. Without such action, the gains made by the textile industry will be swept aside by the losses incurred by the entire Nation.

My colleagues, ignore the calls for protectionism.

Let's get serious about the real root of the problem—controlling deficit spending.

Let's make trade—not trade war.

Mr. DUNCAN. Mr. Chairman, I yield 1 minute to the gentleman from Florida [Mr. SHAW].

Mr. SHAW. I would like first of all to associate myself with the remarks of the gentleman from Oregon. I think it is a well thought out statement that was made, one this House should listen to.

One of the toughest things in politics is to get up and look at yourself in the face and say, "I was wrong."

I was wrong. I am a cosponsor of this bill. This bill is bad law. We are not leading here in this House. We are reacting. We are not setting an example for the world. We are following the example of Japan.

With the consumption of this country in the world today, we do not have to go to Japan, or those other countries that are treating us unfairly, with hat in hand saying we are going to negotiate. This administration, our President, my President, must go out and make demands for the American people. All of us in this House want the same thing. We want more jobs for Americans.

The way for us to do it is to get tough in our national policy, not pass bad law.

Mr. Chairman, I urge defeat of this bill.

Mr. JENKINS. Mr. chairman, I yield 1 minute to the gentleman from Arkansas [Mr. ANTHONY].

Mr. ANTHONY. Let me tell you where agricultural trade is in the United States. We have lost about $12 billion in trade. we do not need this

bill to hurt agriculture; agriculture has already been hurt.

We have lost 29 percent of our market in rice in the last 2 years. Thailand has increased their markets by 50 percent in the last 2 years.

China just bartered corn with Japan so they can buy computers. Our trade with Japan in corn is down 14 percent this year as a result of it.

What has happened as a result of this legislation just being introduced? Thailand just yesterday reduced their import fees on cotton by 40 percent and on soybean meal by over 57 percent. This legislation is having an effect.

I have a statement here that has 21 countries analyzed as far as using unfair trade practices against agriculture. I encourage my colleagues to look at it. We must pass this legislation to save agriculture, not harm agriculture.

POLITICAL LINKAGES IN TRADE POLICY FORMULATION

The involvement of political considerations in U.S. trade policy formulation has been explicit in the years since the end of World War II. Early trade promotion and economic assistance programs, such as the Marshall Plan, were predicated on the need to restore viability to the international trading system. Over time, programs such as this and new intitiatives, beginning with the National Security Act of 1951, came to serve overt political objectives, including the containment of world communism and support for U.S. foreign policy objectives in the developed and developing worlds. The Economic Security Fund [ESF] continues to play this role. However, political objectives spill over into virtually every other program of government designed to expand U.S. and world trade.

The U.S. economy towered over the international economy in years following World War II. It was possible—and indeed appropriate—for the United States to grant concessions to other trading nations in the interests of a growing global economy. Circumstances are much different today. The United States economy is but one of a number of major economies involved in an intense competition for market opportunities. The United States can no longer afford to abdicate its economic interests to serve foreign policy objectives. Nevertheless, the primacy of political interests continually surfaces in the formulation of policy vital to U.S. economic concerns.

The embargo on exports of U.S. agricultural commodities to the Soviet Union in 1980 is perhaps the most flagrant recent example of this. Other examples abound. Despite the economic benefits that the U.S. would derive from the liberalization of trade with the Soviet Union, U.S. policymakers have insisted that trade policy towards the USSR serve distinctly non-economic objectives, including the promotion of Soviet emigration. While the Commission strongly supports the aspirations of the Soviet Jewish population, it has seen little evidence that the linkage between Soviet emigration and U.S.-Soviet trade has resulted in an improved Soviet policy towards Jewish emigrants. Indeed, it would appear that Soviet attitudes on the subject of Jewish emigration have hardened, rather than softened, since the passage of the Jackson-Vanik amendment. Soviet Jews have seen little benefit from the legislation, while U.S. economic and agricultural interests have manifestly suffered.

The reluctance of the U.S. Government to meet "fire with fire" in trade relations with the European Community [EC] nations and with Japan has in large part been governed by political and security considerations. Statements made by the U.S. Government at the recent summit of U.S. and Japanese leaders—and the appointment of the Secretary of State as chief of the President's Task Force on United States-Japanese trade—highlight this fact.

We have the assurance of government that the linkage of political and economic issues in these contexts serves both interests equally well. There is room for skepticism. The U.S. will be unable to aggressively pursue its economic interests so long as it insists that political objectives be served first.

CONSTRAINTS TO TRADE

Price instability in international markets is heightened by the use of import barriers and government export subsidies and by institutional arrangements such as government-to-government sales and state trading which distort free market trends. Such tools have generally been used to protect domestic economies by means of income transfer. The net result of such policy has been the export of price instability.

Nations such as the United States, which follow policies generally tailored on free market principles, bear a disproportionate burden of adjustments dictated by free market forces. Producers in these countries suffer as a result of price volatility and market disruption. The world economy suffers through the loss of efficiency and benefits of comparative advantage. The United States has been at the forefront of efforts to improve free market conditions through the lowering of constraints to trade. Nevertheless, majority of the world's agricultural trading nations continue to employ policies which run counter to trade liberalization.

Recent data prepared by USDA and submitted to the Senate Committee on Agriculture Forestry, and Nutrition confirm this finding (tables attached). The USDA summarized leading examples of such unfair trade practices as follows:

Argentina. Argentina's primary tool for increasing or decreasing exports is an export reimbursement (called a reembolso) or an export tax. The rates and product coverage change frequently. These tools are used to encourage domestic processing and export of high value goods. Prime examples are encouragement of vegetable oils (soya, sunflower) rather than the beans and seeds, and of leather goods rather than of cattlehides. Apple juice subsidies have also been frequently cited by the trade. In times past, Argentina has subsidized wheat sales but only on a very limited basis. In recent years, Argentina has not subsidized its wheat exports but does discount its posted market prices in order to sell its surplus.

Australia. The Australian Wheat Board [AWB], a marketing board organization, provides extended payment terms to certain markets. The Export Finance and Insurance Corporation of the Australian Government provides export credit insurance to the AWB.

Australia also markets its wheat through the marketing board, but as a rule has not subsidized the sale of wheat into the export market. As a result of a record wheat crop last year of 22 million tons, Australia has undertaken an aggressive marketing campaign and has increased its credit guarantees for wheat purchases to $700 million. Previously, Australia emphasized cash markets. In addition, about 5.5 million tons of last year's crop was damaged by wet weather. The Australian Wheat Board [AWB] has sold a good portion of this in the form of feed wheat. However, much of this wheat is actualy intended for human use: for example, approximately 500,000 tons of the offgrade though millable wheat has been sold to Bangladesh for human consumption. Other sales have been made to Mexico and South Korea. Australian sales of damaged wheat, much of which will be utilized for human consumption, have the potential for displacing U.S. wheat and coarse grain exports in numerous markets.

Australia also has underwritten apple and pear exports, and underwrites sultana production to guarantee a minimum return. Australia provides a rebate on sugar exports, which varies with the world price of sugar and reached A $142.50 (US $157.89) in February 1983.

Austria. Payments are made for the export of slaughter cattle and beef to certain destinations; in 1983 they totaled 480.1 million Austrian shillings (US $26.7 million). Austria has a coresponsibility system with the grain industry to aid export sales, and an intervention system for bread grain financed by the Government.

In October, 1983, Austria signed a contract with the U.S.S.R. for delivery of 244,000 tons of wheat and barley at a subsidy of about $68 per ton. Austria is also under agreement with East Germany to supply 350,000 tons of grain annually at what is believed to be subsidized prices.

Brazil. The Government of Brazil provides a credit premium on exports of "industrialized" products. At present the nominal rate is 11 percent of the adjusted f.o.b. invoice values. Credits in 1982 amounted to 188.9 billion cruzeiros (US $1,052 million). It also provides an income tax exemption for exporters under certain conditions; in 1981, tax exemptions totaled 53.1 billion cruzeiros (US $570 million). There is also working capital financing for export producers, which totaled 471.3 billion cruzeiros (US $2.6 billion) in 1982.

Pressed by the need for foreign exchange earnings, Brazil exported corn in 1982 at a price below the acquisition cost to Government. This amounted to a subsidy of between $5-$10 per ton. Indications are that at least 100,000 tons went to Spain, a market largely dominated by the United States.

Brazil and the European Community have profited especially by subsidies on poultry. U.S. exports of whole broilers dropped by an incredible 71 percent in 1982 to 38.9 thousand metric tons compared to 134.5 thousand tons in 1981, followed in 1983 by a 66 percent drop to 14 thousand tons. The value of whole broiler exports fell from $169.5 million 2 years ago to $17.5 million in 1983. Substantial declines in key markets like Egypt and Iraq accounted for most of this sharp decline. Through that time period U.S. suppliers were facing a $350-$400 per metric ton price disadvantage for whole broilers and 20 cents per dozen disadvantage for eggs in selected Middle East markets compared to subsidized prices from the EC and Brazil. Domestic broiler prices have risen now, reaching $1,350 per metric ton to which a minimum of $130 must be added for transportation and handling. With C&F quotes in the Middle East running in the

$900-$1,100 per metric ton range for broilers, the U.S. disadvantage is in a range of $350-$500 per metric ton.

Our competitors unload poultry meat at lower prices through a number of mechanisms. The French and other EC suppliers use export subsidies, which now run around $220 per metric ton, in addition to producer subsidies. From 1978 to 1983 production of whole chickens in France's three largest poultry firms increased by at least 52 percent, largely due to regional investment grants and subsidies for enterprises which stock, process, and distribute agricultural products. These subsidy programs can be combined so that as much as one-half of the investment for each poultry slaughtering plant may be subsidized. Virtually all of the production from these plants is exported.

Brazilian poultry exporters are eligible for subsidized financing and are exempt from corporate income taxes on export sales. Poultry producers receive rural credit loans at below market rates, and in the past have received subsidized corn if they could prove that they exported poultry.

The same subsidizing exporters are now encroaching on our markets for chicken parts in the Far East. Brazil has successfully test marketed chicken legs in Japan and is reportedly shipping parts to Hong Kong as well. In 2 years, these subsidizing exporters displaced almost 90 percent of U.S. export sales of whole chickens, and now they threaten to do the same to our sales of parts.

Canada. Canada subsidizes rail freight costs for certain grains, oilseeds, and products from the prairies, and products from the prairies provinces to the coasts under the Feed Freight Assistance Program and the Crow's Nest Pass Rate. It exports wheat and certain products through the Canadian Wheat Board [CWB].

The CWB is a quasi-private organization that lists prices of wheat sales on a daily basis but which frequently sells wheat to importers at prices below listed export levels, particularly during the last 2 years or so while the world wheat market has been very competitive. Another way in which the CWB subsidizes (or aggressively markets) its wheat sales is by signing a contract for a specific grade of wheat and then subsequently shipping the importer a higher quality grade of wheat but at the price level of the lower quality grade.

European Community. The European Community makes restitution payments (export subsidies) available to virtually all basic commodities produced within the EC and to the processed products made from them. 1982 and 1983 expenditures on export restitution payments totaled $5 billion and $5.4 billion, respectively. (See attached tables.)

The EC has been moving 15 million tons of wheat/wheat flour annually on the world market (outside EC member countries) for the last 4 years. None of the wheat sold by the EC would be competitive on the world market if EC exporters were not paid a sizable restitution on the order of $60 to $70 a ton. The amount of restitution on EC wheat exports varies depending upon the region of the world to which it is shipped (such as Middle East, Africa, Far East, et cetera). The EC has also heavily subsidized flour exports by as much as $70 per ton. This has directly contributed to the decline in commercial U.S. flour exports. For example, since the early 1960's, U.S. commercial exports of flour have fallen from around 750,000 tons to about 200,000 to 300,000 tons annually. The U.S. share of commercial flour trade has declined from about 25 percent to an average of around 9 percent. Due to export subsidies, the EC share has increased from about 25 percent to 80 percent.

The EC subsidizes barley exports by as much as $40 per ton. In 1983-84, 2.5 million tons were exported, with Algeria, Saudi Arabia, Spain, and the U.S.S.R. the largest markets. EC export subsidies on rice have been in excess of $200 per ton. In CY 1983 Italy, the major EC rice producer and exporter, exported about 440,000 tons of rice, with Middle Eastern and North African countries the largest markets outside other EC members.

West Germany has a clearing agreement with East Germany that provides a high subsidy for West German grain exports. In the agreement, both West and East German currencies are treated equally. However, because the West German mark is worth roughly four times its eastern counterpart, this arrangement represents a very substantial subsidy which is sufficient to more than equalize the lack of EC export restitution or subsidy on grain. For the first time, West Germany exported 150,000 tons of wheat and 50,000 tons of barley this spring to East Germany under this agreement.

France has an export credit system which combines private and public financing. Credit insurance is provided by Coface, a quasi-public organization. Credit may be offered which would not be commercially available, or with automatic access to official finance credits, thus being easier to obtain than regular commercial credits. (For comment on EC poultry subsidies, see discussion for Brazil.)

An illustration of a particularly troublesome situation is the effect of EC subsidies on U.S. apples exported to the Middle East. The EC has for many years provided a lucrative subsidy for apples moving to a number of destinations, including the Arabian Peninsula. The current subsidy is equal to 12.00 ECU's per hundred kilo, currently equivalent to about U.S. $1.79 per 42 lb. carton, or roughly about 15-20 percent ad valorem. This subsidy has been particularly annoying since the U.S. has established a reasonably good volume market, especially in Saudi Arabia. Although these Middle East markets have expressed a preference for American red varieties of apples, the EC subsidy is sufficiently attractive to swing some trade in favor of France, the principal EC participant in the subsidy program.

Finally, it should be noted that the EC provides processing subsidies for certain fruits and vegetables—currently from 10.5 cents/lb. to 49 cents/lb. for various tomato products and 4.7-7.9 cents/lb. for canned peaches. An export subsidy of 3.6 cents/lb. was established on May 31 for raisins shipped to North Africa and East Europe. The latter subsidy is separate from the assistance that was the subject of the U.S. GATT complaint.

Finland. Finland has a price compensation scheme which finances the difference between domestic and world prices for inputs of major agricultural raw material components. The product may then be exported. It also pays export dairies a refund to cover the difference between domestic and target milk prices. A similar system exists for eggs, beef and veal, pork, mutton, barley, and oats. This refund program cost 1,923 million Finnish marks (US $515.5 million) in 1980, 2,345 million Finnish marks (US $460.7 million) in 1982.

India. India has a cash compensatory support system to compensate for taxes and levies on inputs used in export production.

Israel. Israel markets citrus through a Citrus Marketing Board and its noncitrus products through Agrexco, a quasi-government agency. Products excepted from the Agrexco monopoly are avocados, poultry products, and flowers. The Israeli Government does not publish information on the budgets of these agencies.

Japan. Japan makes food aid shipments of rice. The deficit in the control account of rice, wheat and barley under the food control special account for fiscal year 1982 is estimated to be 526.3 billion yen (US $2.1 billion), excluding the deficit from the surplus disposal of rice. This figure includes domestic program measures on all three products.

Japanese producer prices for rice are much higher than world prices and in the past have stimulated production far in excess of domestic demand. In order to dispose of the surplus, export subsidies have, reached over $1,000 per ton. In 1980, Japan exported 795,000 tons. Since then, exports have declined because of bad weather and a rice diversification program. However, with the relaxation of the diversification program and the return of favorable weather, Japan could again be in a position to export.

New Zealand. New Zealand has a tax credit to encourage export market development, and a program of loans which convert to grants, based on export sales levels. All major agricultural commodities are marketed through governmental marketing boards.

Norway. Norway provides price supports on certain agricultural commodities. Exports of beef and veal, pork, cheese, barley, and eggs have to be subsidized in order to move at world prices.

Pakistan. Pakistan provides an income tax exemption of up to 55 percent for certain export income, and an export finance scheme which provides refinancing to commerical banks at zero interest against the latter's advances to finance exports of commodities other than rice, wool, hides, skins, and leather.

South Africa. The use of marketing boards aims to assure that domestic prices are not significantly influenced by world prices. As an example, the Dried Fruit Board, which handles raisin exports, pays the producers at prices calculated on a pool basis with money earned in the domestic and export markets pooled, and adjustments made on the basis of a crop's sales. The Tobacco Board may supplement export receipts with funds derived from levies on domestic sales. Similarly, South African losses on exports of chilled or frozen beef are financed by the Meat Board's Stabilization Fund.

The South African Maize Board subsidizes exports by purchasing domestic corn at prices well above world market prices and in turn selling corn for export at much lower prices. In the export expansion drive of 1982-83, the subsidy reached as high as $60 per ton. In that year, South Africa exported 4.7 million tons of corn. However, South Africa has not exported for the past two seasons because of drought. The United States has often filled the markets that South Africa was unable to supply. For example, the United States and South Africa were major sources for Taiwan's corn imports which total about 3 million tons annually. Because of South Africa's drought, the U.S. share rose from 65 percent in 1981-82 to 93 percent in 1983-84. The return of subsidized exports from South Africa could cut directly into U.S. markets.

Spain. Spain has a variety of measures to support the agricultural sector. Agricultural subsidies totaled 83.3 billion pesetas (US$902.4 million) in 1981, of which 3.0 billion (US$33 million) were for export refunds. Spanish export incentive programs include (1) a rebate of internal taxes on exports of virtually all commodities; (2) a revolving-type credit for working capital granted by Government banks to exporters; (3) Government-subsidized rate on credit for the prefinancing of exports; (4) an export payments insurance program with subsidized premiums (applies primarily to losses related to the cancellation of exports contracts); and (5) direct export subsidies which in 1983 were limited to tomato paste. The Government granted a 16 peseta (or 12 cents US) per kilogram restitution on paste exports to all destinations except the United States, with a limit of 33,000 metric tons of paste in the 1983-84 marketing year.

Sweden. Sweden provides price supplements for certain products, regional aids to production, income support, and export refunds; the total cost of these programs was 5.1 billion kroner in fiscal year 1981-82. Export refunds are paid on most agricultural products to cover the difference between domestic and world prices; they totaled 1.4 billion kroner (US$276.5 million) in fiscal year 1981-82.

Switzerland. Switzerland provides subsidies to cover the difference between earnings from the sale of cheese on domestic and foreign markets. It makes payments to export dairies based on the amount of milk use (in July 1982, payments ranged from 45 to 60 centimes (22 to 30 US cents) per kilogram of milk, depending on the product). In 1982, Switzerland paid subsidies of 30.8 million Swiss francs (US$15.2 million) to maintain exports of cattle; it also pays domestic subsidies for cattle, apricots, wine, grapejuice, and table grapes.

Taiwan. With burgeoning rice stocks Taiwan has pursued a policy since 1977 of sharply increasing its support prices while at the same time heavily subsidizing its rice exports. Mid-year rice sales were made in the region of $240-$260 per metric ton, compared with the Government's acquisition cost for domestic rice of about $700 per ton (unadjusted). Exports in 1983 rose to 550,000 tons. This prompted the Rice Millers Association to file a petition under section 301 of the 1974 Trade Act on July 13. After an investigation by USTR and consultations with Taiwan, an agreement was signed March 1, 1984, whereby Taiwan agreed to limit its sales to 1.375 million metric tons over the next 5 years. (Shipments in 1984 limited to 375,000 tons.)

The above provide some examples of the extensive use of unfair trade practices and is not intended to be a comprehensive listing. Among those commodities not mentioned is sugar, which may be the most impacted by unfair trade practices. One or more such practice is employed by essentially all sugar exporting countries. The cumulative effect of these unfair trade practices has created a world sugar market whose price reflects more a dumping ground than the cost of producing the commodity. If the use of unfair trade practices is permitted to continue and grow unchallenged, the world market for more commodities could become divorced from the economies of production, as has occurred for sugar.

The damage to U.S. agriculture created by unfair foreign competition is well reflected in the number of U.S. agricultural industries which have filed for relief by the U.S. government under sections 201 and 301 of the 1974 Trade Act (see attached).

The cost to the United States of such predatory trade practices, among other factors, is a declining market share for basic U.S. commodities (see attached).

The U.S. taxpayers bear the cost of U.S. government agricultural adjustment programs, the need for which would be lessened in the absence of foreign constraints to trade. In addition, the cost of foreign export subsidy programs is also tremendously unfair to taxpayers and consumers overseas (see attached).

Mr. JENKINS. Mr. Chairman, I yield such time as he may consume to the gentleman from North Carolina [Mr. NEAL].

Mr. NEAL. Mr. Chairman, I support this legislation.

Mr. Chairman, the Textile and Apparel Trade Enforcement Act is a jobs bill, pure and simple; indeed, a bill that would not be necessary if the President had been enforcing the current arrangement of negotiated quotas and we had not adopted the national Republican economic plan of massive budget deficits and the resulting run up in the value of the dollar.

The textile workers in my district now have nowhere else to turn. In North Carolina alone, 40 textile and apparel plants have closed or had permanent layoffs totaling 7,719 people last year. In the meantime, imports of textiles and textile products have grown to an annual rate of 19 percent over the past 4 years. During that same period, the U.S. market has grown at an average annual rate of only 1 percent. The textile, fiber, and apparel industry is North Carolina's largest manufacturing employer, providing jobs for more than 300,000 people. Nationwide, it employs more than 1 million Americans, and the economic condition of the industry affects millions more. But in the last 4 years we have lost about 200,000 jobs in North Carolina and South Carolina alone. If we do not act, the entire industry is threatened with extinction.

Aside from the fact that the administration is not enforcing the Multi-Fiber Agreement, its economic policy of record budget deficits has aggravated the textile import problem by inflating the value of the dollar. Industry experts attribute 20 to 30 percent of the increase in textile imports to the overvalued dollar. Adding insult to injury, the administration's representatives have been voting to build up the textile and apparel industries in other countries. Loans to Burma, Thailand, Argentina, Phillipines, Madagasca, Bangladesh, Colombia, China, Portugal, Swaziland, Zambia, and other countries have further subsidized United States textile competitors with United States taxpayer dollars, all with our own administration support.

I support free trade, but we can't have free trade until we have fair trade. I strongly suppport this bill because it will bring fair trade, and hence a level playing field, not a U.S. advantage, to an embattled industry.

I am confident that I speak for thousands of North Carolina textile workers in thanking Congressman ED JENKINS, chairman of the Textile Caucus, and others in the textile caucus for their leadership on this bill.

Mr. JENKINS. Mr. Chairman, I yield 1 minute to the gentleman from North Carolina [Mr. ROSE].

Mr. ROSE. Mr. Chairman, you know, it a crying shame that this legislation is necessary at all. It is a crying shame that this administration did not use the laws that it already has on the books to keep from seeing the textle industry in America decimated.

A few minutes ago my colleague from Oregon was talking about: Who has the right to made the wheat growers of Oregon the target of the backlash that he thinks will come when this bill is passed? Well, I could ask him and others who think the same way: Who has the right to send shirts into my district in my stores that sell for $18, $20, that cost $4 to make in Hong Kong when it costs over twice as much to make that shirt in American textiles?

Who in the world are we kidding with this legislation? We are out to save the jobs of American textile workers. They are going down the drain.

Mr. Chairman, I urge you to support this bill.

Mr. DUNCAN. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina [Mr. BROYHILL].

Mr. BROYHILL. Mr. Chairman, earlier we were debating over import penetration figures, and I think the gentleman from Florida was combining apples and oranges and tangerines and everything else. But the fact is that when you take finished apparel that you find on the retail shelves, that the import penetration of those items is well over 50 percent. All you have to do is go over to any retail floor today, and in fact you can hardly find any domestic-made material.

Wool sweaters, for example, about 4 sweaters are coming in for every 1 that is made in America; cotton dress shirts, 2 coming into this country from abroad for every 1 that is made in this country. Talking about manmade fiber gloves, it is about 2½ to 1 coming in for every 1 that is made in this country. And it goes on and on down the list.

The gentleman from California was trying to say there were no losses of textile jobs. I do not know what kind of figures he was using. In the Carolinas in the last 4 years, on the average, once every 11 days there has been a textile-apparel plant closed. In the Carolinas over 100,000 textile and apparel workers are out of jobs who were working a decade ago. When you multiply this around the country, it is far, far greater than that.

I think all we are talking about here is a practice and a trend that is displacing American jobs. And that is the issue here. It is jobs.

There is no doubt about this figure, I just saw it and read it from the Commerce figures: 10 billion square yard equivalent of imports last year, and that is over double what it was 4 years ago. We are told by the economists that the cost in jobs is about 1 million jobs, lost job opportunities, as a result of those imports coming in here; 100,000 lost job opportunities per billion square yard equivalent.

The policies that we are following are very costly to this economy.

Mr. Chairman, there are 2 million men and women who work in this great industry, they work hard, and they make good products. All they are asking for is our help. I know every weekend I go home and walk the streets in my district, in the stores, in the mills, and everywhere I go I meet the people who are employed in this great industry. They come up to me, and they look at me, and they speak to me with pleading in their eyes: "What are you going to do up there in Washington to help us? Can you help us save our jobs? We need help." One-fourth of the textile jobs in North Carolina are gone, one-third of those in South Carolina. They are concerned that theirs is going to be next.

They are looking to us and this legislation as the only hope that they see of keeping their jobs.

Mr. Chairman, we have become a debtor nation. We have a textile and apparel trade deficit of $20 billion. If this bill is not passed, if something is not done, that figure is going to be peanuts. It is going to increase drastically. I think the time is running out.

I am proud of the people that work in this great industry, and they are proud of what they are doing. All they want is a chance to work and produce and to make American made products, quality products that Americans can purchase and use. They are looking to us to help alleviate this very, very serious problem.

I thank the Chairman.

Mr. Chairman, I yield back the balance of my time.

Mr. GIBBONS. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Washington [Mr. BONKER], chairman of the Export Task Force.

Mr. BONKER. Mr. Chairman, as this debate has revealed, America's textile and apparel industries are going through very difficult times. Thousands of workers throughout the country have seen their jobs disappear forever. Textile mills that once supported entire towns have permanently closed their doors. The economic and social costs in these communities can be staggering. I know the timber and wool products towns I represent in the Northeast are going through the same wrenching experience.

There can be little doubt that surging imports have contributed significantly to the industry's decline. According to industry spokesmen, import volume has increased almost 30 percent per year since 1980, while domestic demand has grown at an annual rate of only 3 percent. This is not just a sector or regional problem. The textile industry, like the machine tool, auto, and leatherwork industries, is of national importance so Congress can no longer ignore this tragic phenomenon.

In searching for solutions, however, we must take care not to offer a cure that may be worse than the disease. I can appreciate that the Textile and Apparel Trade Enforcement Act is a genuine effort to relieve the suffering of thousands of Americans whose livelihoods are seriously threatened. But we must keep our national perspective and be fully cognizant of the causes of the problem as well as the far-reaching implications if we act hastily on this measure.

Few question that the principal cause of last year's $137 billion trade deficit is the overvalued dollar. Since 1980, the dollar has increased in value on foreign markets by over 40 percent, serving as a heavy tax on U.S. exports and a costly subsidy of imports. The effects of the soaring dollar have not been limited to textiles and apparel; every sector of the economy has felt the pain of this imbalance.

The fact is that workers in many other industries have suffered just as much as those in textiles and apparel. For example, from 1980 to 1984, employment in textiles declined 10 percent, and employment in apparel fell 5 percent. During this same period, employment dropped 20 percent in the machine tool industry and 26 percent in consumer electronics. In my home State of Washington, employment in the wood products sector declined 16 percent.

These, too, are vital industries, yet H.R. 1562 would do nothing to help them. To the contrary, restricting textile and apparel imports would strengthen the dollar, thereby worsening the plight of these industries. Foreign retaliation in response to the severe restrictions envisioned by the bill would further reduce exports, which remain well below their 1980 level. It is unfair and irresponsible to protect one industry at the expense of another. I am sorry to say that this is exactly what H.R. 1562 would do.

The State of Washington provides a good example of what is at stake. Washington is one of this country's leading exporters of manufactured goods and agricultural products. The fastest growing overseas markets for Washington's exports are located around the Pacific rim, which happens to be the principal target of H.R. 1562. Many of these countries have threatened retaliation in the event of this bill's passage. We take this threat seriously.

One Pacific rim market is of particular interest to me and my State. The People's Republic of China is in the middle of a dramatic economic and social transformation, which is opening this enormous market to American traders for the first time since World War II. A short time ago the PRC was a hostile adversary and posed a serious threat to our security and geopolitical interests in the world. Today she is an important friend and an increasingly important trading partner. The State of Washington profits greatly from our growing trade with China. H.R. 1562, however, directly threatens this relationship and the American jobs that depend on it by slashing the PRC's textile and apparel exports to the United States by 60 percent. At the same time we are restricting technology transfers to that country and there is a good chance that Congress may disapprove the pending bilateral nuclear agreement. If all this occurs, it will be a serious affront to a country that is moving in the right direction and could be a major export market for our products in the future.

The proponents of H.R. 1562 suggest that their bill is simply an attempt to enforce our legitimate rights under the Multi-Fiber Arrangement and existing bilateral agreements. Anyone familiar with the MFA will tell you, however, that this is just not so. In the first place, the MFA does not cover all fabrics and product categories. Second, the agreement calls for 6 percent annual import growth—not the 1-percent growth proposed by H.R. 1562 for major textile and apparel exporters. Moreover, the stated purpose of the MFA is to expand textile and apparel trade in an orderly fashion to "further the economic and social development of developing countries and secure a substantial increase in their export earnings from textile products."

H.R. 1562 would not enforce the MFA, it would blow it apart.

This is not to say that the MFA is perfect. As a consequence of this administration's indifference, the agreement is not being adequately enforced. The existing quota system could be significantly expanded through negotiations to include more fabrics and product categories. Greater limitations on quota flexibility could be imposed by restricting the use of carryforward and swing.

We can and must work within the parameters set by the MFA to restore order to textile and apparel markets.

The substantial support and progress of H.R. 1562 is a testament to the desperate plight of many American workers. I believe we must address this problem by taking positive steps to improve our economic competitiveness, including concrete measures to

reduce the value of the dollar and remove unfair foreign barriers to American exports. We must also provide the necessary resources for firms and workers to adjust to the realities of a global economy. Unfortunately, H.R. 1562 would do nothing in any of these areas.

We know that the world trading system is in disarray, and that we must act aggressively and swiftly to restore order. What we must not lose sight of is the leadership role which the United States plays in this process. If we are to insist on fair treatment on the part of others, we can demand no less of ourselves.

Mr. Chairman, I ask my colleagues to consider the issue of fairness when considering the Textile and Apparel Trade Enforcement Act. Are we being fair to ourselves? Are we being fair to our trading partners? Are we being fair to other domestic industries who are not getting similar protection? Are we being fair to those who will inherit the trading environment we create? I am convinced that those of you who give careful thought to these questions will join me in opposing H.R. 1562.

Mr. Chairman, we should not pretend we are in the 1930's and H.R. 1562 is not Smoot-Hawley. But it may well be a step in that direction. If this measure becomes law, it will be the opening shot in a trade war no one can win.

In closing I would also like to submit for the RECORD a letter from the Honorable Booth Gardner, Governor of the State of Washington, in opposition to H.R. 1562:

STATE OF WASHINGTON,
OFFICE OF THE GOVERNOR,
Olympia, WA, October 1, 1985.

Hon. DON BONKER,
U.S. Representative, Washington DC.

DEAR DON: I am writing to ask that you personally urge your colleagues to defeat the "Textile and Trade Enforcement Act of 1985." Passage of this legislation would have a chilling effect on the economy of the Pacific Northwest and, in the not too distant future, on the entire nation.

In our state of Washington, curtailed textile exports by China, Japan, Korea and other nations would translate quickly into reduced purchasing power—and thus reduced imports of Washington agricultural, wood and other products. This does not even take into account likely retaliation that would further reduce our access to foreign markets.

Furthermore, enactment of this bill would severely affect apparel importers and the trade-related service industry. We must remember that imports, as well as exports, create U.S. jobs.

Protectionist reaction to the decline of key, basic U.S. industries will ultimately protect no one. No Member of Congress should be lulled into believing that enactment of protectionist legislation will aid our national economy or serve to reduce our trade deficit. History should have taught us our lesson in this regard.

Adverse effects from passage of this legislation are not limited to the Pacific Northwest. One need only consider the agricultural industry. At a time when farmers throughout the nation are struggling, we must recognize that textile-exporting nations such as Japan import more than half their food, and that need is growing. But the United States is not the only nation that can provide agricultural goods. China is also a growing market for our agricultural industry. The list goes on.

There are responsible measures the Congress and Administration can take to alleviate our economic and trade woes. The first is to reduce our staggering deficit. The second is to explore additional policies that would serve to strengthen foreign currencies in relationship to the dollar. We have clear, statistical evidence that our export declines parallel the peaks of the dollar.

The third is to work with industry and labor to make U.S. products more competitive both domestically and on the export market. We would far better serve industry by working to help it be more competitive than by shielding it from competition.

The fourth is to negotiate increased access to foreign markets. There are roadblocks in markets where U.S. firms otherwise would be competitive. These must be eliminated.

I commend your continued work on this and other crucial trade and economic issues. Please advise me if I can be of assistance in this matter.

Sincerely,

BOOTH GARDNER,
Governor.

Mr. DUNCAN. Mr. Chairman, I yield 1 minute to the gentleman from Washington [Mr. MILLER].

Mr. MILLER of Washington. Mr. Chairman, what it all comes down to, of course, this bill will reduce trade, not raise it. We have heard distinguished speakers from North Carolina, South Carolina, Georgia, talk about how they need help. I understand that. They want help for their workers. But do not ask us to help your workers by taking away dockworkers' jobs in New York, California, or Florida.

You want help for your businesses. But do not ask us to help your businesses by taking away export opportunities for our farmers across the Midwest, for our airplane manufacturers, for our high-technology manufacturers.

You want help for your States, but do not ask us to do that by sacrificing our ties to the Free World, particularly the Free World nations in Asia.

We can help you. We can help you by cutting the budget deficit and reducing the value of the dollar, coordinating our trade policy, enforcing dumping laws, giving assistance to displaced workers. That is the way to do it, by increasing trade, not reducing it.

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Mr. DUNCAN. Mr. Chairman, I yield 1½ minutes to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Chairman, I rise in strong support of H.R. 1562, the Textile and Apparel Trade Enforcement Act of 1985. I thank the gentleman from Georgia [Mr. JENKINS] for introducing this legislation, which I have cosponsored, restoring sanity to a trade situation whereby in 1984 textile and apparel imports exceeded exports by $14.8 billion, representing 12 percent of the total U.S. merchandise trade deficit.

I would like to state at the outset of my remarks that I am not an advocate of protectionism and that this legislation is not, as many have coined H.R. 1562, a protectionist bill. Indeed this legislation implements the objectives of the Multi-Fiber Arrangement [MFA] to which the United States is already a partner, by simply requiring effective enforcement of import levels set forth by that agreement. H.R. 1562 establishes permanent quotas for imports of all textiles and textiles products from all countries except Canada and members of the European Economic Community. Different formulas apply to determine permissible import levels in any specific product category, depending on whether the product is from a major exporting country or a smaller exporting country; whether it is wool, import-sensitive, or other product; and whether it was subject to a growth rate of less than 6 percent under the terms of an existing bilateral textile agreement.

Under H.R. 1562, 1985 imports from the 12 major exporting countries are restricted to 1 percent above what 1984 imports from those countries would have been had imports from 1980 to 1984 grown at a rate of 6 percent per year as recommended by the MFA. Import growth is then limited to 1 percent in subsequent years. For smaller exporting countries, import growth in 1985 is restricted to 15 percent above the actual levels of 1984 imports from those countries. Import sensitive products are restricted to 1 percent growth above actual 1984 levels. Import growth in future years is limited to 6 percent annually except that import-sensitive products are limited to 1 percent annual growth.

As a cosponsor of the Textile and Apparel Trade Enforcement Act, I am pleased to note this legislation is consistent with the basic objectives of the MFA:

To achieve expansion of trade, and the reduction of barriers to such trade and the progressive liberalization of world trade in textile products, while at the same time ensuring the orderly and equitable development of this trade and avoidance of disruptive effects in individual markets on individual lines of production in both importing and exporting countries.

Members on both sides of the aisle, and policymakers on both sides of the ocean have joined their voices to demand a level playing field whereby all trading partners might benefit equally. I would maintain that H.R. 1562 is the vehicle and now is the time.

The U.S. fiber, textile, and apparel industries together comprise one of the Nation's largest industrial employers, engaging, 1 out of every 10 Americans in manufacturing. I think it is important to note that these industries are also the largest employers of women and minorities. Recent studies show that in 1984, 46,000 domestic textile and apparel jobs were lost to imports. To date in 1985, we estimate that 66,000 American jobs in the same industry have also been eliminated. The ravages caused by the high incidence of textile imports can be felt across this Nation.

I recently had an opportunity to appear before the congressional textile caucus, which, under the fine leadership of Chairman JENKINS, heard testimony from textile and apparel workers and manufacturers from across the Nation on the disastrous effect imports have had on their livelihoods. Among those participating in the hearing were two apparel manufacturers from my congressional district in New York. Both Murray Merle of Tarrytown Garment Co., Tarrytown, NY and Warren Levin of New City Sportswear, Haverstraw, NY told the textile caucus of the improbability that our domestic apparel and textile industries can remain competitive given the tremendous wage differential between this country and many of our trading partners. Indeed plant modernizations, emergency loans, and other quickfix solutions, are not what these or our other ailing industries need. Enforcement of our current trade agreements is a step in the right direction. Accordingly, I urge my colleagues to support the adoption of H.R. 1562, the Textile and Apparel Trade Enforcement Act of 1985.

Mr. JENKINS. Mr. Chairman, I yield such time as he may consume to the gentleman from Georgia [Mr. FOWLER].

Mr. FOWLER. Mr. Chairman, our country is facing a major economic crisis—record trade deficits. And it's time we took action. This year we are facing a record $150 billion trade deficit. We are losing 3,500 jobs a day to unfair foreign trade. Thousands of hard-working Georgians are losing their jobs. Our children's future is being threatened as our industries are closed down and our good jobs are shipped overseas.

For the first time in this century, the United States is a debtor nation. Today unfortunately our major export is jobs—over 4 million in recent years. The U.S. trade deficit is like a hemorrhage of red ink—from $28 billion in 1981 it has increased fivefold to $150 billion this year.

The first priority for Congress this fall is to take action to restore fair trade and force other countries to open their markets to American products, especially agricultural products. American workers and American farmers are the most productive on Earth. We can compete with anyone but only if the rules of the game are fair. There are those in Washington who are still living in a dream world—they call for free trade but there is no free trade. We are the only country in the world clinging to that illusion. We keep trying to play the trade game by the old rules while every other trading nation has figured out that the game has changed. They're scoring touchdowns while we continue to lose yardage.

The tragedy is we have no real trade policy—no policy to promote agriculture exports and no policy to prevent unfair foreign competition. We are like a great fleet meeting the enemy on stormy seas. The admiral simply says do your own thing—no battle plan—no policy and the other side with a carefully planned order of battle is sinking our hopes for the future. That's no way to run a navy and that's no way to run this Nation's economy.

Everytime I look in the face of a Georgia textile worker or a Georgia farmer and they ask, why are we going out of business? Why are we losing out, we're working as hard as we can—I get angry. It's not their fault that 14,000 textile jobs have left Georgia, that thousands of farmers are facing bankruptcy. It's not their failure—It's a failure of their Government. A failure to stand up for their interest. A failure to protect their future. I think it's time that we put Government back on the side of hard-working Georgia families.

Recently I was saddened to learn that the President had overruled his own International Trade Commission and refused to protect American shoe workers. Unfortunately at his press conference this week, he again refused to face up to the threat of unfair foreign trade.

Well, I believe it's time to take action. I am going to ask the Congress to act immediately to restore fair trade and to develop aggressive export policies. I'm going to be working hard to assure that we pass the Textile and Apparel Trade Enforcement Act that I am sponsoring along with my Georgia colleague, ED JENKINS. And I'm going to be working with my colleagues in Congress to develop other legislation to stop unfair foreign trade and encourage export of American products.

I believe there is a value to developing a "barter system." I think it's time to say to our trading partners if you want to sell a billion dollars' worth of products in America then you should buy a billion dollars' worth of American products.

In addition, we need to reduce the huge budget deficits that are keeping interest rates too high and overvaluing the dollar compared to other currencies. Right now, the overvalued dollar means a 20 to 30 percent surcharge on every American product we try to sell overseas. I'm going to push the administration to take immediate action to correct this currency imbalance.

We must act now. We are not just talking about money or dollars when we talk about a $150 billion trade deficit—we are talking about our fellow Americans, our fellow Georgians—hard working people who are being thrown out of work because of a failure of their Government. We are talking about what kind of future our children will have. I'm not going to let our Government turn a cold shoulder to their suffering.

It's time to act—so that we can assure a brighter future for all Americans.

Mr. JENKINS. Mr. Chairman, I yield such time as he may consume to the gentleman from South Carolina [Mr. TALLON].

Mr. TALLON. Mr. Chairman, I rise in the strongest support for H.R. 1562, the Textile and Apparel Trade Enforcement Act.

Mr. Chairman and my colleagues, we cannot sustain a domestic textile and apparel industry in this country if the growth in imports continues at the level of the past 4 years. Imports have racked entire communities dependent on textile and apparel manufacturing plants, and unless this bill is signed into law, many of the remaining textile and apparel plants will be forced to close.

When these plants close, there are often no options for the hard-working people employed in these plants. You can't sustain very many service jobs if there is no industrial infrastructure. Tragically, thousands of proud textile and apparel workers who lose their jobs because of imports are faced with no alternative to unemployment.

Mr. Chairman, existing mechanisms for ensuring balanced trade have failed. The surge in imports since the 1981 Multi-Fiber Arrangement negotiations make this absolutely clear. We must develop an approach for restoring our domestic textile and apparel industry. H.R. 1562 is a carefully crafted bill to ensure fair competition and balanced growth for textile and apparel imports.

Mr. Chairman, the textile and apparel industry is in crisis. They are now looking for aid from their representatives. On behalf of the millions of Americans dependent on the textile and apparel industry, I urge my colleagues to overwhelmingly support the passage of H.R. 1562 into law.

Mr. JENKINS. Mr. Chairman, I yield such time time as he may consume to the gentleman from Delaware [Mr. CARPER]

Mr. CARPER. Mr. Chairman, I rise in support of this legislation.

One out of every ten manufacturing jobs in this country is in the textile industry. Textile imports have surged by 65 percent in the past 2 years alone, and 300,000 workers have lost their jobs in the 1980's, largely as a result. When that happens in an industry as important to our economy as the textile industry, our Nation simply cannot afford to ignore its consequences.

While I plan to vote for this textile bill, I don't want to suggest that it represents a final definitive solution to our problems in this industry or our overall trade problems. It doesn't.

This measure is a stop-gap measure that buys time and enables us in government, along with management and labor in the textile industry to make the fundamental changes that will provide long-term solutions.

We must reduce the Federal budget deficits to continue reducing our overvalued dollar; continue modernizing our textile facilities to further improve their efficiency while maintaining quality; and take steps to ease the transition of displaced textile workers into other jobs through retraining help and relocation assistance.

The President simply must use the trade reciprocity powers we've provided him to force other nations to remove most of their trade barriers to U.S. products.

Finally, we as American consumers simply must begin to look at the labels of the clothing that we buy. If American-made goods are comparable in quality and price to foreign apparel, we've got to start buying products made by American men and women.

Mr. JENKINS. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. GAYDOS].

Mr. GAYDOS. Mr. Chairman, H.R. 1562, the Textile and Trade Enforcement Act, sets permanent quotas for imports of all textiles and textile products from all countries except Canada and certain members of the European Economic Community.

I rise to wholeheartedly support passage of this bill because I know it is the only way that works.

As chairman of the executive committee of the steel caucus, I can speak with knowledge about the advantages of quotas as a means for heading off unwarranted and unfair imports.

Just a few years ago, when this administration agreed that imports of three specialty steel products—stainless steel bar and rod and tool steel—were unfairly damaging the industry, it set quotas on those products.

The results coming in from the industry vindicate the action. Shipments from the domestic industry of those three products were 110,000 tons in the first 8 months of 1983, when the quotas were instituted, but surged by more than 60 percent for the first 8 months of 1984 to 173,000 tons. At the same time, imports of those products dropped from almost 75,000 tons to 53,000 tons in comparing the first 8 months of 1983 to the same period in 1984.

By comparison, domestic shipments of specialty steel items covered only by current duties, but not quotas, for the same periods in 1983 and 1984 increased by about 20 percent and imports surged from 59,000 tons to 99,000 tons, an increase of just under 70 percent.

This is a clear example of how quotas work and the way they help American industry, whether it is steel, specialty steel, or textiles.

An article in the October 3 edition of the New York Times shows what happens when this country takes action in the arena of international trade. Harley-Davidson, America's premier motorcycle manufacturer, suffered heavy losses in 1981 and 1982, before the administration imposed tariffs at the 50-percent level on imports of large motorcycles.

Today, given some time to rebuild, Harley-Davidson is coming back. Even though the tariffs are on a sliding scale—down to 24 percent this year, Harley has had time to retool its products, is increasing its share of the American motorcycle market, and is showing a minimal profit. Just think what firm quotas for a set period of time would do for them.

This bill provides only for quotas on textiles and textile products, but its impact is more far-reaching. As the American textile industry improves and grows, it will need newer and more machinery and that means that the domestic steel industry, too, will get a boost because of the steel in that machinery.

So, Mr. Chairman, we must recognize that helping one industry is only a part of the picture. While we assist one industry and save American jobs in that field, we are also giving various other industries an opportunity to prosper and grow and to keep other American men and women on the job.

I hope every Member of the House and the steel caucus will recognize the importance and value of this bill and vote for it.

Mr. DUNCAN. Mr. Chairman, I yield 1 minute to the gentleman from North Carolina [Mr. COBEY].

Mr. COBEY. Mr. Chairman, I rise in support of H.R. 1562, the Textile and Apparel Trade Enforcement Act of 1985. I want to address one point of concern to me. The administration claims that consumers would pay higher prices with passage of this legislation, costing them some $14 billion a year. This is totally and completely at odds with the results of an analysis done by a private research firm. I do not know how the administration came up with the $14 billion estimate, but it is known that the United States has lost 1 million job opportunities because of the current import level which equates to a $40 billion loss to our gross national product.

Data Resources Inc. did the private research.

If this textile bill does not pass, the growth of imports will wipe out most of the domestic apparel chain of production by 1990. We have already lost several plants in my district in North Carolina to these imports. Here are some things to look for if this bill is not passed today:

Unemployment will be created for over 1.8 million Americans. An increase in the Federal budget deficit by $24 billion. Consumer disposable income will be lowered by $19 billion. The GNP will be lowered by $40 billion, and we will have only a minimal effect on price levels.

Mr. Chairman, if we do not have this legislation, the cost to the consumer and to the textile industry will be devastating.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. A question has arisen, and the Chair would like to clarify a point, because now we are nearing the end of the debate.

It is the Chair's opinion that the debate will be closed, because of his seniority status and his subcommittee chairmanship, by the gentleman from Florida [Mr. GIBBONS] to whom one-half the time was yielded. The Chair wants all the Members to have that understanding.

Mr. DUNCAN. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. Mr. Chairman, I asked for this time because a number of speakers have commented on the administration's trade policy, indicating that there was no trade policy or that what there was was flabby and unequal to the task of expanding U.S. trade interests in foreign markets.

If we look back on the difficulties of this year, we recall that a very unusually effective U.S. Trade Representative, Bill Brock, was promoted to another Cabinet post spot. That left us a 60-to-90-day period in which the principal trade adviser to the President's position was left vacant. However, subsequent to the appointment of Mr. Clayton Yeutter, the present U.S. Trade Representative, there have been a number of actions taken on the trade front.

The President and the administration have assumed a far more aggressive pose, and they have laid down both a legislative and administrative program to be far more aggressive in claiming U.S. markets abroad and in protecting U.S. interests from unfair or subsidized incursions from producers abroad.

In addition, yesterday, a number of Republicans, well over 100, introduced a new Trade Partnership Act which I hope committees of the Congress will work on and take those parts which are meritorious—hopefully, the whole act—and pass, which will I believe, help forward U.S. trade interests.

The President, as some of you recall, had a television speech in which he outlined, at least skeletally, his program, beginning with the self-initiated 301 cases and going through the new negotiations for a GATT round.

My judgment is the President has embarked on a new and more aggressive program. I hope the Congress will be sympathetic to it.

Mr. JENKINS. Mr. Chairman, I yield 1 minute to the gentleman from Alabama [Mr. NICHOLS].

Mr. NICHOLS. Mr. Chairman, too often the bureaucratic jungle of Washington hinders many people from getting a clear view of the problems that exist "beyond the beltway," or should I say "in the real world." Too often our opinions are formed from what we read in the newspapers or hear from the so-called experts in a given field. But unfortunately, those experts seldom experience the real world problems first hand.

Today, this body will vote on the Textile/Apparel Trade Enforcement Act of 1985. As a Member of Congress whose home county has 13.6 percent unemployment and who has seen first hand the battle that is currently going on to sustain the American textile industry, let me report to my colleagues the severe casualties that I find from foreign made textiles flooding our markets.

Just this year in my home State of Alabama:

Avondales Mill in Sycamore, closed, and 225 jobs lost.

The Crompton Co. in Leesburg, closed, 481 jobs lost.

Adelaid Mills in Anniston, closed, 230 jobs lost.

Dan River Mills in Benton, closed, costing 250 jobs.

Opelika Manufacturing, closed, still 200 more jobs lost.

Mr. Chairman the list goes on and on.

During the past 12 months more than 12,000 Alabamians have lost their jobs to foreign textile and apparel imports, not to mention the more than 1 million Americans nationwide during the past few years.

Mr. Chairman, these are the cold, hard, sobering statistics reflecting the repercussions of foreign imports. As we debate the textile bill today, millions of American jobs along with the important textile sector of our industrial base are on the line. I ask your support of this legislation.

Mr. JENKINS. Mr. Chairman, I yield 1 minute to the gentleman from Oregon [Mr. WEAVER].

Mr. WEAVER. Mr. Chairman, speaking for my constituents in southern Oregon, I rise in strong support of this legislation. If we do not enact legislation such as this, the wages of our workers in this country will be driven down to the minimum wage or below to compete with cheap foreign labor. We simply must protect the jobs in our Nation. I only wish this legislation included restrictions on Canadian lumber imports so the mills in my district could go back to work. Virtually, today I have almost no mills operating in the greatest timber district in the United States.

Mr. GIBBONS. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. LEVINE].

Mr. LEVINE of California. Mr. Chairman I thank the gentleman for yielding time to me, and I rise in opposition to the bill.

Mr. Chairman, in recent months, trade has become a dominant issue on Capitol Hill and around the country as Members of Congress and their constituents have focused on the devastating economic and social impact of the $150 billion trade deficit. Industries which cannot compete in the world market are forced to close down, battered by foreign imports and unfair trading practices and burdened by budget deficits which create an overvalued dollar and make U.S. exports prohibitively expensive abroad. Thousands upon thousands of people are losing their jobs. Few are left untouched.

Against this backdrop, momentum for Congress to do something on the trade problem has reached a fever pitch. We currently face over 300 bills ranging from higher tariffs or quotas on roses and waterbeds to retaliation against Japan and other nations if they do not open their markets to American products. Whatever the merits of the different bills, they reflect legitimate frustration with the trade deficit and with the Reagan administration's apparent indifference to the problem. Indeed, it appears to many that the recent administration trade initiatives were merely a reaction to congressional determination to take the lead on trade.

Regardless, the time has come for all of us to focus on constructive solutions. Clearly, something must be done to help solve this country's trade problems. However, it must be the right remedy.

We have before us today the first of many bills which we might consider in the months ahead as we tackle the trade issue. H.R. 1562, the Textile and Apparel Trade Enforcement Act, is designed to counter the crisis in the textile industry. Twelve percent of the total U.S. merchandise trade deficit stems from the textile trade imbalance. American textile producers suffer from the high dollar, from unfair trading practices abroad, and from a flood of imports. Existing trade agreements such as the Multi-Fiber Agreement [MFA] have not stemmed this tide—300,000 jobs have been lost in the textile industry since 1979. Because the industry employs about 1.8 million workers—almost 10 percent of all manufacturing jobs in the United States—the impact of its problems on the general economy is potentially very serious. Moreover, we must not forget the historical importance of the textile industry. It has epitomized the melting pot for decades, giving newly arrived foreigners a chance to earn a living. To this day it continues to employ many new immigrants, and remains an important source of jobs for many people.

Clearly the textile industry needs and deserves our help. However, H.R. 1562 is the wrong medicine for this industry's ills and for the trade ailments that beset the United States. This bill, like many bills pending in various committees, addresses the symptoms and not the causes of the trade deficit. It does not deal with the budget deficit or resulting strong dollar, which economists estimate cause 80 percent of the trade imbalance. While it will save jobs in the textile industry, it will likely result in a corresponding loss of jobs in other industries. It will raise prices and restrict consumer choice, an inevitable byproduct of quotas. It invites retaliation from our trading partners, resulting in lessened foreign market access for American goods abroad. This explains why many U.S. firms that export heavily oppose it, for the 12 nations principally affected by this bill purchased $53 billion worth of U.S. products in 1984.

I reject argument that other countries, for fear of losing access to the huge U.S. market, will not retaliate against restrictive U.S. measures. Just as Japanese trade practices have bred hostility toward Japan among some in this country, restrictive and retaliatory American trade measures will likely breed similar anti-American sentiment abroad. Such measures may enflame nationalist feeling to a point where retaliation to U.S. policy becomes inevitable and overrides economic considerations. Let us not underestimate the potential influence of nationalist fervor. Witness what has happened in the United States in the face of rising imports from Japan. My colleagues from California Mr. MATSUI, and Mr. MINETA, note in a recent Wall Street Journal article that anti-Japanese feeling today rivals that of the 1940's. Sadly, an anti-Asian backlash would not only affect our trading relations with Japan but could damage overall relations with some of our closest allies.

There is an additional foreign policy component to consider. Allies like Thailand, Taiwan, and Brazil need U.S. markets in order to earn hard currency to pay off their debts. Brazil in particular is not a country that can survive an increased debt burden. Yet by reducing market access, the bill makes it harder for these and other developing nations to industrialize and to enjoy economic growth and stability, stability that is certainly in the long-term U.S. national interest.

Finally, the bill seems to violate the MFA, GATT, and the various bilateral textile agreements to which we are a party. Nothing in any agreement allows the United States to unilaterally roll back textile imports. If the MFA has been inadequately enforced, and has not succeeded in keeping down textile imports to mandated levels, we should change it. It comes up for renegotiation next year. Industry specific problems should be dealt with at that time.

In sum, H.R. 1562 will not solve the concerns and problems of the textile industry, as valid as many of them are. It will invite retaliation, it will likely raise prices and, most significantly, it will have negative repercussions in the international economic arena, with ramifications for many of our allies. Nobody knows where a trade war will end, or how high a cycle of retaliation will spiral.

Mr. Chairman, there is no question that the trade deficit is a serious problem, that

jobs are being lost to imports, and that American producers of many products fall victim to unfair trading practices abroad. Everyone wants fair trade, but the question is what does that mean and how do we get there. Any solution must deal with the budget deficit and inflated dollar, which contribute to such a high percentage of the trade deficit. Simple calls for a balanced budget will not reduce the deficit. President Reagan continues to press for a balanced budget amendment despite the fact that the deficit has tripled under his administration. As positive as the President's proposals were in his trade speech of 2 weeks ago, they did not address the fundamental issue of budget deficits. One of his more promising proposals—to reduce the value of the dollar—will be ineffective unless there is a simultaneous commitment to reducing the budget deficit.

This body must keep the pressure on the administration to toughen its stance on the budget and trade deficits. This body must ensure that the adminstration fully and vigorously utilizes provisions in present trade law to combat violations of existing trade agreements, and is more responsive to requests from the textile and other industries to open up foreign markets to U.S. products. Finally, this body must work through the various bills before us to come up with a reasonable, workable, and sustainable long-term solution to our trade ills. Only then will we cure the present trade sickness and regain the competitive international trading position we have long known.

This bill, however well intentioned, will not accomplish any of those laudable goals and, if it becomes law, will in all likelihood make matters even worse.

Mr. GIBBONS. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Mr. Chairman, I must rise in opposition to the legislation of the gentleman from Georgia, who is a very good friend of mine and who has conducted this drive with his usual skill and dignity.

I must tell the body of this House that I just think this legislation is wrong. Some of the most painful moments that I have had have been week after week meeting with textile workers in my district. As I saw their faces, I saw the faces of my grandparents, my uncles and aunts, and they were saying to me, "Congressman, save our jobs." And that is the plea that is made here today, "Save our jobs." It is a meaningful plea and a real plea. No matter what side we take on this issue, it is something we must be mindful of.

If I believed that this legislation would actually save jobs of American workers, I would vote for it, despite all the other misgivings. But it will not. In New York City we have two office towers downtown, housing a company called AIG. Eight thousand people work there. They do the insurance work for countries like Malaysia and Thailand and others around the Asian rim. For every textile worker in New York that keeps his or her job because of this legislation, a worker in a company like AIG will lose a job. This bill will not create jobs. It will lose jobs.

Nor is it legislation that will open up the unfair trade barriers of other countries. We are all concerned about the Japanese. But the Japanese are hardly affected by this legislation, for they do not export very many textiles to us. In fact, the Japanese are too smart to pass legislation like this. They know that Japan cannot be a textile power any longer, nor do the Japanese aspire to be. History teaches us that textiles is an industry that predominates in less developed countries; and then as those countries pull themselves up they develop new industries and textiles move on to other countries. That is what has happened in the United States a long time ago. We must have compassion for textile workers, and we must help them make the transition to other industries, but we cannot and should not attempt to turn back the clock of history.

Mr. DUNCAN. Mr. Chairman, I yield 6 minutes to the gentleman from Illinois [Mr. CRANE].

Mr. CRANE. I thank the gentleman for yielding.

Mr. Chairman, I want to congratulate everyone before expressing my opposition to this bill. I know the gentleman from Georgia worked very hard and, in fact, probably set a world's record in terms of getting cosponsors for any biii that was brought before this body. And I know the anguish that he and many of his colleagues in some of the textile States feel. I also want to salute my distinguished chairman of the Trade Subcommittee, the gentleman from Florida, because I know he has come under intense pressures on this, and yet for all of that, I think he has taken a courageous and correct position in opposing passage of H.R. 1562.

Mr. GEPHARDT. Mr. Chairman, will the gentleman yield?

Mr. CRANE. I yield to the gentleman from Missouri.

Mr. GEPHARDT. Mr. Chairman, I rise today with reservations about supporting H.R. 1562—but I will support it. As many Members know, I offered an amendment during the Ways and Means Committee's consideration of this bill that recognizes the importance of our bilateral and multilateral treaty obligations.

But, the fact of the matter is that this administration has failed to live up to its duties. Not only has the President failed to enforce our bilateral agreements, but he has also failed to aggressively seek to negotiate agreements with uncovered countries and products under the umbrella of the Multi-Fiber Agreement.

The President's unwillingness to lead us out of the deficit morass on top of his failure to live up to its duties in negotiating agreements has ravaged the textile industry—resulting in the loss of tens of thousands of jobs.

An industry that is 40 percent more competitive than our trading partners should not have trouble in a free trading system. But, with a 40-percent surcharge on our exports and a 40-percent discount on imports—due to this administration's failed fiscal policies—our domestic textile industry simply can't compete.

My amendment would have recognized the importance of our treaty obligations while putting pressure on the President to live up to his obligations—maintaining fair rules of trade.

My reservations don't negate the need for action—although the rule adopted by this House doesn't allow for my amendment, I plan to support this legislation. It's time this administration lived up to its obligations.

Mr. CRANE. Mr. Chairman, unfortunately, the conclusion I think many of us have reached—and we have heard it articulated repeatedly here this afternoon on this floor—is that while H.R. 1562 is designed to try to save jobs in a particular industry, and one regionally oriented, the unfortunate side effect of that desirable, wholesome effort is to cost many more jobs in other areas. I am particularly impressed, looking at some of the unemployment figures, as my colleague, the gentleman from Minnesota, introduced earlier. The three largest textile States in the United States; namely, North Carolina, South Carolina, and Georgia, with 5.6 percent, 6.7 percent and 7.3 percent rates of unemployment respectively, are all below the national average. That compares very favorably with my home State of Illinois, which has an unfortunate unemployment rate of 8.9 percent, our neighbor State, Michigan, with 10.8 percent, another Midwest rust belt State, Ohio, with 9.3 percent. And this bill, if passed, is going to cost in the Midwest region, in just retailing jobs alone, approximately 15,500 jobs.

□ 1415

That job loss is before you get to jobs lost in transportation. That is before you get to the jobs that will be imperiled in agriculture, and we are already suffering in that category. We can most assuredly anticipate that there will be a reaction to this legislation if it passes, and it will hurt most profoundly those of us in States that are heavy into agricultural exports, as the State of Illinois is.

On that count, this legislation is flawed. But it is flawed in addition to this. This bill is going to cost consumers, and it has staggering consumer

cost implications. Just the current level of protection that this industry enjoys, and it is the most protected industry in our Nation right now, comes at a consumer cost of $20 to $30 billions a year. The expectation is, according to the Council of Economic Advisers, that if this legislation passes that it is going to result in an annual cost increase to consumers of $28 billion additional per year.

In short, it is profoundly injurious economically and the worst part of it is that the people who will suffer most are those individuals in the lower income brackets.

Something else needs to be brought up in this debate. To be sure, there has been a very serious loss of employment over the past decade in the textile industry. Yet, total production is up. Now that suggests that the problems of the textile industry are not the result of imports as much as they are the result of modernization. The truth of the matter is some of these textile plants were operating within this past decade with 19th-century equipment, and 19th-century plants. That simply will not pass in today's highly competitive market. But the most automated and modern of textile plants in this country can compete even against the low-priced labor of some of the Third World countries.

I think another thing we must be aware of is that we are charting a new course that violates existing law. The Multi-Fiber Arrangement was created just for this one industry. It has been revised in the past, but this abrogates the Multi-Fiber Arrangement and other bilateral agreements that we have made. One of the peculiar things in the violation of our relations with Third World countries or some of the underdeveloped countries is that the European Community and Canada are exceptions to its application.

Thus far in 1985, textiles from the major export nations in the Orient are down 8 to 11 percent, and yet the European Community is up 70 percent, Canada is up over 70 percent, and they are not covered by the bill.

The final point I would make is that we are setting a very poor example at a time we are trying to get comprehensive trade legislation passed that will create a fairer environment worldwide. We set, by this legislation, a horrible example. It impairs our leveraging position to go into international trade relations trying to discuss, for example, with the Japanese the desirability of breaking down some of their domestic barriers at the very time we are setting up one of the most incredible barriers this country has seen since Hawley-Smoot. I urge the defeat of H.R. 1562.

Mr. JENKINS. Mr. Chairman, I yield 1 minute to the gentleman from South Carolina [Mr. SPRATT].

Mr. SPRATT. I thank the gentleman for yielding.

Mr. Chairman, we have heard a lot of statistical artifacts, indeed, statistical and economic hyperbole on the floor today about the consequences of this bill. We just have been told that it could have a $20 to $30 billion impact; the industry is hardly twice that size itself.

There is information circulating saying it could have a $14 billion impact. Let us look at facts. The fact is in 1967 the Producer Price Index in this country was at its base: Zero. At the end of the seventies, it was up to 168 for all American industries. For the textile industry, the PPI, the Producer Price Index over that period was 84. It was one-half in terms of price inflation, the performance of all American industry. It still today runs below the PPI for all American industries, and it will for two reasons. One is productivity. This industry has plowed back capital. It has had 4-percent productivity growth and its wages have never outstripped or outpaced productivity. The other is competition. There are 5,000 basic textile firms; 15,000 apparel firms. There will still be substantial foreign competition also after the adoption of this rule.

Mr. GIBBONS. Mr. Chairman, I yield 2 minutes to the gentleman from Kansas [Mr. GLICKMAN].

Mr. GLICKMAN. I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in opposition to H.R. 1562, the Textile and Apparel Trade Enforcement Act. I do so, not out of concern for the state of our textile industry, but out of concern for the signal this bill sends to our trading partners and the potentially harmful precedent the bill sets for U.S. trade policy. By its purely protectionist approach, this legislation leaves us open to retaliation against American exports.

We have just finished working on a farm bill here in the House, and one of the overriding concerns in crafting that bill was not to inhibit the ability of our farmers to market their products overseas. In my area of the country, we build airplanes which have traditionally been this Nation's leading manufactured export; that industry is working to regain its commanding world market share. By passing legislation such as this—which for the most part targets a few Asian nations, we would be singling out nations with some of the world's largest potential markets for restrictions against access to our markets. The potential for retaliatory increases in barriers against our products is too great. Even greater is the possibility that these countries will begin to rely on the markets of Soviet Union and Eastern bloc countries for their product.

I believe there are few other issues more pressing on our national agenda than righting the dangerous imbalance in our trade deficit. However, we can no longer sit idly by as imports flood into our country and our trading partners block access to their markets. We have to insist on comparable treatment. The American businessman who competes with foreign companies here more often than not finds that when he carries the battle overseas, he is blocked. Governments throw up protective quotas, duties, or enforces burdensome marketing regulations upon him. The American worker who buys foreign goods often finds, too, as a result of these barriers, that his job is jeopardized by the inequitable treatment our industry receives.

Now is the time for the United States to ensure that when we allow foreign goods into this country, we receive the same treatment. It means more than tough-sounding rhetoric; it means tough policy. It does not mean, however, policy which might harm the global trading system and which insulates our economy from the driving forces of competition. It means reciprocity. It does not mean protectionism.

Instead of one bill for one specific industry, I would hope this House could move swiftly on the measure so many of my colleagues have joined me in cosponsoring, the Trade Emergency and Export Promotion Act of 1985, to impose duties and quotas on goods from countries which do not give American firms equal access to their markets. It is this sort of fair, but firm and unequivocal, policy which I believe will lead us out of this perilous situation.

The American market has nurtured phenomenal growth in the world economy over the past four decades, and at the heart of that growth has been the driving force of competition, producing advancements beyond the wildest imaginations of most of us even just a few years ago. We cannot shut-off that force, as this bill would do. Instead, we have to insist on fair competition, to seek it out, and to demand it. I would urge my colleagues support for legislation which moves us toward a level playing field, here and abroad, not a bill which shelters one industry from competition

Some say we should pass this bill to send the world a message. I worry that it will only confuse the message we should be sending. We stand for markets open to all on an equitable basis, not for damaging protectionism.

I am not unmindful of the terrible trade problems and for that reason I am a sponsor of the Gephardt-Benson-Rostenkowski reciprocity bill. But I think in dealing with these trade issues we have got to look at the root problems of trade. Part of the problem is the trade and nontariff barriers of other countries. Part of the problem is

the administration has done such a poor job of enforcing existing trade policies. But the biggest part of the problem has clearly emanated from the economic policies of gigantic budget deficits promulgated by this administration. These deficits have led to an overvalued dollar which makes imports cheaper, including textile imports, and exports more difficult and expensive to others.

The ultimate answer to our trade problems lies not solely in the bashing of the heads of our trading competitors, but in bashing the budget deficits caused largely by this administration's irresponsible fiscal policies.

The CHAIRMAN. The Chair will state that the gentleman from Tennessee [Mr. DUNCAN] has 7½ minutes remaining; the gentleman from Florida [Mr. GIBBONS] has 4½ minutes remaining; and the gentleman from Georgia [Mr. JENKINS] has 6½ minutes remaining.

Mr. GIBBONS. Mr. Chairman, I yield 1 minute to the gentleman from Georgia [Mr. ROEMER].

Mr. DUNCAN. Mr. Chairman, I yield 30 additional seconds to the gentleman from Louisiana [Mr. ROEMER].

The CHAIRMAN. The gentleman from Louisiana [Mr. ROEMER] is recognized for 1½ minutes.

Mr. ROEMER. I thank both gentlemen for yielding me this time.

Mr. Chairman, I do not support this bill. I want to make it clear that I deeply respect and understand both the author's intent and the desire to protect jobs in America. A family without a job is not happy, not healthy, and not free. But this bill is a net job loser for our country.

What good does it do to protect from imports and lose to the right of exports, What good does it do if we must shoot someone in a trade war, to first point the gun at ourselves. Now, I am not suggesting we should do nothing. There is much we can do for jobs in America. We need a trade policy. The President has failed up to this point this afternoon in that policy. It ought to include deficit reduction. It ought to include the elimination of unfair trade policies and practices toward timber and telecommunications and all of the rest.

It ought to include a call for a new Bretton Woods agreement so we can have growth in the world. They are many steps on the long road toward jobs for all. This bill ought to be the last step, not the first step. This bill is a sucker bill; it will not do what it claims to do. It is a new job loser. Let us be Uncle Sam, not Uncle Sucker. Let us lead, let us fight, let us not surrender.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. DUNCAN].

Mr. DUNCAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Kansas [Mr. ROBERTS].

Mr. ROBERTS. Mr. Chairman, today we are beginning consideration of what could be the first salvo in an all-out trade war. The gun is loaded and carefully aimed—right at our own foot.

The Textile and Apparel Trade Enforcement Act is a first step down the wrong road, one the House has repeatedly rejected.

The Textile and Apparel Trade Enforcement Act would effectively seal off the U.S. textile and apparel market from foreign competition, the textile manufacturers will have a protected market and artificially high prices for their products.

Mr. Chairman, if we accept protection for the textile and apparel industry the other side of the story is that we will also force American agriculture into a state of purgatory with no way to escape.

Trade is a two way street. In order to export we must import. The legislation we are considering today refuses to recognize that fundamental point. By specifically targeting 12 nations for severe restrictions, we are reducing the amount we can in turn sell to these same nations.

The problem for the agricultural producer is that three of the targeted nations are among our top five wheat customers. The 12 nations targeted by the Textile and Apparel Trade Enforcement Act accounted for 36 percent, or $2.1 billion, of all U.S. wheat exports in the 1984–85 period.

And let there be no mistake, our trading partners will respond in kind. In the last few years, China has refused to honor the terms of its wheat purchase agreements with the United States due to disputes over textile import restrictions. As a result, we lost over $500 million in wheat sales. The Chinese have informed us in no uncertain terms that they will retaliate if further restrictions are enacted.

Yes, Mr. Chairman, this will put the Kansas wheat farmer in purgatory. On one hand we refuse to seal him off from the hazards of the international market place. But if at the same time we protect the textile and apparel industry and in doing so destroy one-third of the market for Kansas wheat. We have put the wheat producer in an economic twilight zone.

In effect, we are talking about placing an embargo on sales to major markets for agricultural exports, particularly wheat.

I have seen the results of the Carter embargo. Instead of punishing the Soviet Union for its unconscionable invasion of Afganistan, we punished the farmer. American agriculture is still reeling from the effects of having the flag of foreign policy planted in their backs.

Mr. Chairman, I have only the greatest respect and admiration for my friends and colleagues who have sponsored this legislation. My heart goes out to the people in the textile-producing areas of the country who have been hit hard by the strength of the dollar and flood of textile and apparel imports.

I know all too well what it is like to live in and represent an area that is in deep economic trouble. During consideration of the farm bill, the severe state of distress in farm country was described in graphic terms and I will not restate the situation at this time. Suffice it to say that farm country is suffering, and the legislation we are considering today will only add to the problems facing rural America. I plead with my colleagues not to take us down that road.

Yes, Mr. Chairman, I too want to get tough on trade. I strongly agree with my colleagues that free trade must be fair, and we must hold our trading partners to the same standards that we ourselves strive to maintain.

But, in fact, under the provisions of H.R. 1562, we are doing battle with a monster of our own creation; the strong dollar, created by reckless deficit spending here in Congress. Recently, the strong dollar has shown some heartening signs of softening. I hope that trend will continue.

We in Congress can hasten that process and at the same time get tough on our trading partners by finally putting our fiscal house in order. Getting tough on trade means ending the practice of routinely spending beyond our resources and making the difficult choices necessary to reduce—dare I say eliminate—the budget deficit.

The Senate is currently considering the correct approach. By mandating scheduled spending reductions, the deficit would be reduced and eventually eliminated. The inflated dollar will continue to decline, and once again we will be competitive in the international marketplace.

This course of action, although difficult and painful, is the only real long-term solution to the problems faced by the textile and apparel industry as well as American agriculture. It is a viable get tough trade policy. By making foreign goods more expensive in the domestic market and American products cheaper in the world market, we will be getting a whole lot tougher on our competition and create a much more level playing field than any protectionist legislation could hope to achieve.

I urge my colleagues to choose the straight and proper path of fiscal responsibility and to reject being led down this politically rosy but very rocky road to protectionism.

□ 1425

Mr. DUNCAN. Mr. Chairman, I yield such time as he may consume to the gentleman from South Carolina [Mr. HARTNETT].

Mr. HARTNETT. Mr. Chairman, I rise in strong support of the legislation.

Mr. Chairman, several months ago, I submitted a statement into the CONGRESSIONAL RECORD declaring my strong support for the Textile and Apparel Trade Enforcement Act of 1985. In order to reemphasize the vital importance that I place on this legislation, I am reintroducing my past remarks.

Due to the unprecedented textile import rate, increasing at an average rate of 13

percent for each of the last 10 years, the U.S. textile industry is on the threshold of market elimination. In the absence of congressional action, this import surge will cause an estimated loss of 947,000 jobs in the textile and apparel industries and an additional 943,000 jobs in related industries by 1990. Indeed, the fiber, textile and apparel industry which employs more workers than the steel and automobile industries combined, is about to be buried by subsidized imports.

The pressure of ever increasing imports would have forced most industries to surrender. However, the true American spirit has emerged in the textile industry. In an attempt to become more competitive, the textile industry has spent approximately $1.5 billion per year over the last 5 years for increased research and development, modernized plants and strengthened production techniques. However, even the greatest industry in the world can not compete on an unfair playing field. In the case of textile imports, it is indeed unfair competition when foreign governments continue to offer subsidies and incentives abusing our open market policies.

H.R. 1562 is sensitive to our commitment to giving less developed countries access to our markets. In fact, this legislation allows these countries a 15 percent growth rate over their 1984 import levels plus a gradual increase of 6 percent each subsequent year. However, the major exporting countries which hold a huge market share at the expense of these developing nations will be limited to 95 percent of their import level in 1982 with a 1 percent growth rate each subsequent year.

Protectionism is defined as the deliberate use of restrictions on imports to enable relatively inefficient domestic producers to compete successfully with foreign producers. The U.S. textile industry is hardly inefficient. In a completely free-trade environment, our domestic textile industry could more than compete with any private manufacturer. Therefore, it is unfair to punish this efficient industry by forcing it to compete against unfair foreign trade practices.

The United States maintains the most generous trade policy in the world. However, this open market philosophy has operated to the detriment of our own industrial base. Specifically, foreign governments have continued to enforce unfair trade practices at the expense of a proud and determined domestic textile industry. Therefore, I feel that trade legislation aimed at penalizing the imports from these uncooperative countries is not only necessary, but justified.

□ 1425

Mr. DUNCAN. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. SCHULZE], a member of the Committee on Ways and Means.

Mr. SCHULZE. Mr. Chairman, today the Textile and Apparel Trade Enforcement Act offers the Members of this House a historic opportunity to confront the changing winds of time, and shape the future of American international trade.

For the past few weeks talk of Smoot-Hawley has been circulating around Capitol Hill. It almost makes one wonder whether old Willis Hawley has been resurrected and is walking the Halls of Congress rubbing his hands together. The analogy of Smoot-Hawley, however, simply does not apply to the textile bill before us today.

The textile bill is not major protectionist legislation. It is primarily a quota bill. We are not building up "fortress America." We are asking for a fair international trading order, a fair opportunity in international markets. What we are doing today is sending a message to the rest of our trading partners and saying "enough is finally enough."

Today 21 percent of all telephone equipment is imported; 50 percent of all wearing apparel; 26 percent of all steel; 31 percent of all fans and blowers; 44 percent of all luggage; 60 percent of all TV's and radios; and 70 percent of all shoes.

In 1929, exports were $5.2 billion. Imports were $4.4 billion. In 1984 exports had risen to almost $218 billion; imports had risen to $325.7 billion. Estimates for 1985 show exports at $211.1 billion, and imports at $345.3 billion. Clearly, the volume is dramatically greater today.

No, Smoot and Hawley are not here today. This is the age of sophisticated market closing techniques—of targeting, and dumping by volume rebates and subsidized interest rates, and countertrade.

There are statistics upon statistics, and facts will debate facts but reality shows that we face a record trade deficit. Our trade deficit continues to grow, and our industrial base continues to erode, while all the talk of free trade becomes just that—talk about free trade. Free trade must be fair trade. I ask the Members, where, in the world do we have open and free markets? The Soviet Union? China? The European Economic Community? Japan? Korea? Canada? Brazil? Thailand? India? Where are these great open markets? Who are our reciprocal free trading partners? They are very, very few.

Today, the United Sates absorbs close to 60 percent of the finished products exported by the less developed countries. As the LDC's continue to industrialize, our industrial base will continue to shrink. The question we have to address today is whether we want an industrial base which can produce textiles, which can produce shoes, which can produce steel, which can support our endurance as an independent industrial Nation. And don't say to us that we must endure a declining manufacturing base while you systematically blockade our service industries from your shores.

Why should the United States be the main importer of goods from the LDC's? Why are our markets open, while the rest of the world simply closes its doors to the products of these countries? Japan has not opened its doors to the less developed nations, neither has the European Community, Taiwan, or Korea. Yes; we have an obligation to help and we will, but the burden should be spread. And it should be spread throughout the industrialized nations of the world.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. SCHULZE] has expired.

Mr. DUNCAN. Mr. Chairman, I yield 1 additional minute to the gentleman from Pennsylvania [Mr. SCHULZE].

The CHAIRMAN. The Chair wishes to notify the gentleman from Tennessee [Mr. DUNCAN] that he has 1 additional minute remaining.

Mr. DUNCAN. Mr. Chairman, am I to understand that I will have 1 additional minute after this?

The CHAIRMAN. The gentleman is correct.

Mr. SCHULZE. Mr. Chairman, more importantly the members here today should keep in mind what the consequences of inaction may bring. The effects on unemployment could be staggering; 1 out of 10 factory workers is employed in making fibre, textiles and apparel, making this industry the largest manufacturing employer in the United States.

One million jobs have already been lost to American workers due to imports, at a cost of $40 billion to our GNP; 2 million more jobs hang on a thread and could be lost by 1990, if this legislation is not passed, costing our economy an additional $80 billion. This means a loss of $40,000 for each job given away to imports and an income loss of $1,280 for every family in America.

In closing Mr. Chairman, we must realize that neither our current trade deficit not the world's trade problems were created in 1 day much less 1 year. It has taken many years for the United States to reach its current trade imbalance. What we need is, to build now for a strong trade future. We must send our message clearly for the world to hear and to see.

And that message is a simple one—open your markets. Remove your tariff barriers. Remove your nontariff barriers. Eliminate your subsidies, stop targeting, stop upstream dumping, stop downstream dumping, stop predatory pricing practices, eliminate financial incentives. Deal with us as you would have others deal with you, and we can work together for a golden age of world trade, where a free and fair world trading system will shower its blessings on all who participate.

Mr. Chairman, I urge all Members to vote for the passage of this legislation.

Mr. GIBBONS. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas [Mr. PICKLE].

Mr. PICKLE. Mr. Chairman, it would be easy to cast a vote in favor of this bill. It would provide some relief for the domestic textile industry from the flood of imports which has risen at an average rate of 20 percent over the past 3 years. It would send a strong message to our Asian trading partners that the United States will no longer be the dumping ground for their products. It would send a message to an administration that has been lethargic in the trade policy area that the Congress means business with respect to improving the U.S. trading position.

All these things are desirable, Mr. Chairman, but this is not the way we should go. We don't want to show our displeasure with our partners' trade policies by violating the very agreements we accuse them of violating. We don't want to jeopardize the jobs of our high technology, agricultural, and aerospace industries, nor do we want to jeopardize these foreign sales. We don't want to send a message that we will accept a flood of imports from some parts of the world but not from others. And, we don't want to reverse the economic growth that we have encouraged and supported for years in the developing world.

No, Mr. Chairman, this is not the way we want to go. In my opinion, it is not in the best interest of the country, and I am not convinced it is in the best interest of the textile industry. We cannot countinue to ignore the symptoms of a declining industry. We might better focus on reclaiming the price- and quality-conscious American buyer, not through protectionism, but through innovation, greater integration within the industry, and old-fashioned American ingenuity.

The Jenkins bill has much merit. Already we have noted that textile suppliers are changing some of their trade policies, and together are calling on Japan to open its market.

Moreover, this administration, which has failed to exercise its authority over unfair trade practices, is now awakening and showing some leadership, but not yet enough. And, Japan is now sending envoys and making other overtures of cooperation that we have not seen before.

Therefore, I think the Jenkins bill is serving a good purpose. I am not yet convinced that it ought to pass out of fear that we might start a trade war. But, as the bill moves forward, I still think it may serve a useful purpose. I do not oppose the principle it espouses, but rather, at this time I do not think it is best that it becomes law.

Mr. GIBBONS. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. BERMAN].

Mr. BERMAN. Mr. Chairman, I rise in opposition to H.R. 1562.

Mr. Chairman, I do think our consideration of the bill today can serve a useful purpose. It's no solution to our trade problems, but at least this legislation forces us to focus on them.

During the course of this debate we will hear a lot of talk about getting tough with our trading partners and about protectionism, free trade, and fair trade. These labels and buzz words have little connection with reality and do nothing to advance our analysis of the trade situation.

Artificial barriers to U.S. exports are certainly a major cause of our trade imbalance. Unfortunately, instead of legislation designed to discourage disruptive barriers to orderly trade, we are here today considering a bill that enacts prohibitive and stifling trade barriers of our own.

Clearly the free trade ideal that directed much of our international commerce in the post-World War II era is no longer a realistic guide for U.S. trade policy. But neither is it in our interest to further the decline toward a disjointed and confrontational world marketplace. Trade barriers only encourage trade barriers against our products around the world.

New quotas won't solve the problems of the textile and apparel industries. The textile industry already enjoys an average tariff barrier of 22.3 percent, compared to an average tariff of less than 5 percent for all other U.S. industries. There are more than 1,000 negotiated textile quotas covering more than 2,000 textile products. Three hundred quotas have been imposed in the last 4 years. As a result, the textile industry faces one of the lowest ratios of imports to domestic production of any American industry.

Foreign competition is not solely to blame for job losses in these industries. Import penetration for finished apparel has been much higher and more rapid than in textiles. Yet job losses have been much greater in textiles than in apparel. That puts to lie the assertion that the more open the market, the greater the decline of American employment.

Some sectors of the U.S. textile and apparel industries are indeed competitive. Others clearly are not. Rather than propping up the less competitive sectors of these industries we should be easing the adjustment of firms and workers into more competitive sectors. We should encourage American firms to concentrate on higher quality, speciality items that compete with the higher cost imports from the other industrialized countries rather than fight a losing battle against cheap imports from developing countries. Job retraining, trade adjustment assistance, and Federal aid for plant and equipment conversion make better sense than ill-conceived attempts to preserve dying businesses.

This bill has the potential to do great damage to our relations with developing countries. Combined United States imports of textiles and apparel goods from the European Community jumped 70.2 percent in 1984, while imports from the four major developing country suppliers—Hong Kong, China, Taiwan, and South Korea—rose only 13.4 percent measured in square-yard quantities. Yet despite the fact that textile and apparel imports from the European Community and Canada are growing faster than those from most developing countries, Europe and Canada are totally exempt from the bill.

The LDC's targeted by the bill can only see this as a form of economic racism. Approximately 80 percent of the textile and apparel imports from these countries are already regulated by quotas. On June 27, 28 developing nations signed a letter to President Reagan objecting to this legislation. China, with whom we hope to vastly expand trade relations, has already stated clearly that it will retaliate in kind if the bill passes. Hong Kong, Indonesia, and Singapore have threatened to do the same.

The possibility of retaliation should not be taken lightly. While the United States is the largest single importer of developing country textile and apparel products, by no means is this trade a one way street. United States exports to the 12 major textile and apparel suppliers targeted by the bill amounted to more than $54 billion in 1984.

Even if the affected countries don't retaliate directly, a closed U.S. market will mean lower foreign exchange earnings and less money with which to purchase American goods.

Among those hardest hit by the new quotas are some of the world's major debtor nations. According to the Commerce Department, Brazil, for instance, would experience a 90-percent rollback in its textile and apparel exports to the United States, severly imparing that nation's ability to pay off its massive foreign debt.

Moreover, the bill would abrogate all our bilateral agreements negotiated under the Multi-Fiber Arrangement, as well as trade agreements taken under GATT rules and principles. By no means do I think these agreements have been great breakthroughs in our efforts to eliminate unfair trade practices. But neither do I think it would be in our interest to try to substitute for GATT harsh and simplistic unilateral actions.

Ironically, Japan, the nation most often cited as an offender of "free trade" practices, would benefit from this bill relative to other "major exporters," assuming that H.R. 1562 achieves its intent of adjusting market shares to what would have occurred had each supplier achieved no more than 6 percent annual growth in import levels between 1980 and 1984. The bill would have the effect of rewarding those who lost market share over this 4-year period, while rolling back the improved position of those who gained ground. Japan lost ground between 1980 and 1984 while China, Indonesia, Taiwan, and Brazil built up their market shares.

The fact that this bill has been brought to the floor of the House indicates that we in Congress are finally ready to take action to solve our trade problems. But this bill is not the solution we are looking for. I urge a "no" vote on H.R. 1562.

Mr. GIBBONS. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. LAFALCE].

Mr. LAFALCE. Mr. Chairman, I rise in opposition to H.R. 1562 as presently drafted.

Mr. Chairman, I must oppose H.R. 1562, as presently drafted, despite the fact that I was a cosponsor of it. I will vote against it for a number of reasons, but with very mixed emotions. Before taking this step, I spoke at length with the chief proponents of the bill advising them of my difficulties with it, and giving them full opportunity to respond to my concerns. I hope, therefore, that they appreciate my sincere and serious reservations about having the bill in its present form become law. I know I appreciate and share their legitimate concerns for the fate of their industry, and want to work with them to obtain appropriate administrative and legislative solutions to their industry's problems. H.R. 1562, however, is not appropriate.

I offered my support initially for one paramount reason. The existing Multi-Fiber Arrangement [MFA] provides a potentially effective mechanism for preventing disruptive imports. The President could easily and should have used this tool to alleviate the severe pressures on our textile and apparel industry. Instead, he chose, as usual, to do nothing. I believed it imperative that the Congress send the administration a forceful message that this inaction in the face of the industy's serious distress would no longer be tolerated.

But there were other assumptions underlying my support on which I can no longer rely. First of all, this bill was described by its supporters as merely providing for "the effective implementation and enforcement of the MFA [Multi-Fiber Arrangement]." According to the bill's supporters, "it would not violate any international agreement, but would set growth of textile/apparel imports anticipated by the MFA."

This is not the case. The bill in its current form is in clear violation of the MFA, GATT regulations, and 34 bilateral trade agreements that the United States has negotiated with textile-exporting nations. The MFA permits limitations on imports after negotiations with exporting nations to reach agreements to deal with imports. This bill would unilaterally and retroactively impose limits on imports, even before negotiations. And it would impose them at levels well below those currently in effect under existing bilateral agreements and on far more products, thus abrogating those agreements.

Second, I assumed that the bill would be perfected in committee and that we would have an open rule which would allow us an opportunity to amend during floor consideration. Neither assumption has proved true. We have lost important opportunities to rectify the type of serious problems the bill now presents.

Given this procedure, I must now ask whether I want this bill, unamended, to become law. That answer to that must be no for a number of reasons.

First of all, I believe that the message many of us intended to send by sponsoring this bill has been received. There are signs that the administration will now forcefully renegotiate an MFA that will better serve the interests of our textile and apparel industry.

Equally important, however, are serious problems with this legislation as it stands. The fact that the bill is in clear violation of existing trade agreements is deeply disturbing. Such a cavalier treatment of our existing trade agreements is unjustified, and would seriously undermine our ability to insist that our trading partners abide by trade agreements when it is in our interest that they do so.

Unilateral imposition of quotas unjustified under existing agreements could subject the United States to foreign retaliation that would eliminate more American jobs in export-sensitive industries than it would save in textiles. U.S. exports to the 12 suppliers that would be most immediately and drastically affected by this bill totaled more than $33 billion in 1984.

It is imperative that we also consider the political and economic stability of those countries which would suffer the most were this legislation to pass. The import limitations the bill imposes would have the most severe impact on those nations which are potentially most vulnerable. Exports from the 12 nations identified as "major exporting nations" would be cut as much as 80 percent below current levels, with the average being approximately 40 percent.

These cutbacks would do severe damage to many important U.S. allies. The bill would reduce textile exports from Thailand, for example, by 64 percent. It would cut Brazil's exports by 81 percent, thereby making it even more difficult for Brazil to pay the interest on its $100 billion foreign debt. By reducing their market access, the bill makes it harder for many developing nations to industrialize and to enjoy economic growth, and, even more importantly, might even jeopardize their political stability.

Further, while I am certain it was not intended, the bill's focus on the Asian countries unfortunately smacks of racism. Eleven of the twelve nations most severely affected are Asian. Canada, Mexico, and most European Common Market countries are specifically exempted from the bill's provisions, despite the fact that four of the five nations whose textile exports to the United States have increased the most in 1985 are in Western Europe.

Finally, I am extremely dubious about the merits of industry-specific legislation. Unfortunately, our trade problems extend far beyond the textile and apparel industry. Many of our industries are currently suffering severe dislocation due to import penetration and other factors such as the introduction of new technology. Many would argue that other industries have suffered from imports to a much greater extent than textiles and apparel, especially since production and employment in the domestic textile and apparel industry have been more stable in recent years than those other industries.

There is a serious danger in Congress locking permanent remedies into place in the face of changing circumstances. What is happening now in textiles and apparel is a perfect example. Productivity is increasing, making it difficult to determine how much industry job loss is attributable to imports. Since the bill was introduced, import levels have actually fallen. Textile and apparel imports declined by 4.4 percent during the first 4 months of 1985 when compared with the first 4 months of 1984. The decline is even more pronounced when one excludes imports from the developed countries, which the proposed legislation would exempt.

Only yesterday Singapore Prime Minister Lee Kuan Yew exhorted the Congress to reject trade protectionism, warning that the alternative would be a global economic tailspin reminiscent of the 1930's. We must take this exhortation seriously. We are, and will, remain under severe pressure from all industries suffering from dramatic changes in their competitive position. We must be responsive to their legitimate concerns; we must reject laissez-faire economics; we must reduce the value of the dollar; we must negotiate international agreements that better serve their interests; we must adopt an industrial competitiveness strategy; but we cannot let specific industry pressure and preferences be the sole guide to our decisionmaking process.

For the reasons I have enumerated, I am compelled to vote against H.R. 1562 at this time. I sincerely hope that in the upcoming MFA negotiations the administration abandons its doctrinaire laissez-faire perspective and seriously negotiates toughly on behalf of American industry. If the President fails to do so, I will have to reconsider my position on some perfected version of this legislation.

Mr. GIBBONS. Mr. Chairman, I yield such time as he may consume to the gentleman from Tennessee [Mr. BONER].

Mr. BONER of Tennessee. Mr. Chairman, I rise in strong support of H.R. 1562, the Textile and Apparel Trade Enforcement Act.

Passage of this important measure is the first, long awaited step toward putting our foreign competitors on a level playing field with the America textile industry.

Preservation of the textile apparel industry matters to all of us, especially to the citizens of the Fifth District of Tennessee. This bill insures that textile tariffs are enforced and that our foreign competitors no longer take advantage of the open market trade policy of the United States.

As already has been stated on the floor today, international trade does not operate under the guise of free trade, but under a certain set of rules. The rules by which the United States plays have been continually violated by our foreign competitors and trading partners. That is why we need this important bill. It has made no sense for the United States to play by the rules of free and fair trade when the rest of the world blatantly violated those concepts.

We here in the United States can no longer afford to sit by and watch as tens of thousands of Americans lose their jobs to

20-cent-an-hour foreign workers. I want the advantages of trade, just like the President. But trade must be fair and on a level playing field. Clearly, the evidence presented to our colleagues today demonstrates that foreign textile manufacturers are not fair. The surge of textile imports have resulted in lost American jobs. And, contrary to the arguments of opponents of the bill, consumers have not been benefited by those imports. As stated earlier, most imported textile products are no less expensive than their U.S. counterparts. Obviously the only people benefiting from currrent U.S. trade laws are the foreign companies and the middlemen who market those products to U.S. consumers.

The importance of this bill can be measured by the number of American jobs dependent on a healthy and viable textile industry. The textile industry employs 2 million Americans, more than the steel and auto industry combined. The industry is among the most modern in the world. Yet, since 1980, imports have grown at 19 percent a year with a 65 percent surge in increases in the last 2 years. Since 1982, more than 2,000 Tennesseans have lost their jobs in the textile industry. Jobs lost because of the unfair trade practices of foreign competitors, who literally dump their textile products on the U.S. market.

It is clear to me that Congress must act. Certainly the administration is unwilling to do so. Without this measure, there would have been certain death for this vital industry. If that were the result, neither the individuals who relay on the textile industry for their employment nor the U.S. consumer would come out ahead.

I am proud of my sponsorship of this bill and I urge my colleagues to vote for its passage.

Mr. GIBBONS. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Michigan [Mr. CROCKETT].

Mr. DUNCAN. Mr. Chairman, I yield 30 additional seconds to the gentleman from Michigan [Mr. CROCKETT].

The CHAIRMAN. The gentleman from Michigan [Mr. CROCKETT] is now recognized for 1 minute and 30 seconds.

Mr. CROCKETT. Mr. Chairman, coming from a labor-oriented State like the State of Michigan, with one of the highest levels of unemployment in the country, it is with some reluctance that I rise to oppose the passage of H.R. 1562, the Textile and Apparel Trade Enforcement Act of 1985.

My opposition rises from the fact that, the more I read this bill, the more I see the perpetuation of economic discrimination against the nonwhite peoples of the world. It's more subtle here than perhaps in the past, but it's here nevertheless.

Whether or not the bill was crafted on purely economic criteria, the reality of the effect is the same: Of the 12 nations whose imports would be reduced the most by this bill, 11 are Asian, and the 12th is Brazil. All of them are Third World countries struggling to industrialize and to complete their emancipation from the economic bondage in which they were left by the colonial powers.

Canada and most European Common Market countries are exempted from the bill's provisions, even though the growth in imported clothing from these countries has been greatest over the past few years. Developing nations of the Caribbean, Africa, Latin America, and Asia would suffer severe economic setbacks if restricted or denied U.S. markets. These are the same nations which face almost insurmountable external debt problems, which they cannot hope to solve without healthy foreign markets such as the United States. These are the same nations that get the least foreign assistance from us. And these are the same peoples most discriminated against in our immigration admission laws.

Troubling arguments have also been raised about the effect this legislation would have on consumers, especially those poor consumers who cannot afford to pay more for clothing. I am not convinced that passage of this bill is in the best interest of the millions of those citizens in the same way that it is claimed to protect U.S. textile workers.

Finally, the circumstances under which this bill is brought before us do not allow for Members' amendments to those sections of the legislation I would like to see changed, and it becomes a matter for me of which principle must be dominant—our responsibility to reverse the racism that has pervaded and still pervades our economic dealings with the Third World, or our obligation to protect our markets from everyone except Canada and the European Market countries.

Mr. Chairman, I firmly believe that before we pass legislation perpetuating the cycle of misery in the developing world, and perhaps among our own poor, and before we seek to give continued special advantage to a few Western partners, we should examine all other alternatives, including, as the Prime Minister of Singapore has admonished in this Chamber just yesterday morning, more vigorous to get Japan to open its markets to United States and other nations' goods. We should also examine whether the long-range needs of our own workers and consumers would best be served by closing our markets to others, or by aggressively building more markets abroad.

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Mr. DUNCAN. Mr. Chairman, I yield 30 seconds to the gentleman from New York [Mr. WORTLEY].

Mr. WORTLEY. Mr. Chairman, I urge my colleagues to give careful consideration to what is being proposed on this floor today.

The Textile and Apparel Trade Enforcement Act seeks to mandate the Multi-Fiber Arrangement's benchmark of 6 percent annual growth in textile imports. In addition, it would make this mandated guideline applicable retroactively to 1980.

Although I fully recognize the problems caused by cheaper imports, I have serious reservations about this retroactive mandate. Its immediate result would be increased consumer prices with little offset in job creation.

I think we can all agree that our trade policies need reform, but not in this selective manner. Our trade problems are not restricted to the textile and apparel industries. They are widespread and require a comprehensive approach. The continued problems faced by the textile and apparel industries, in spite of the highest levels of protection enjoyed by any industry, are a striking example of the failure of current system of trade relief.

I have an additional problem with H.R. 1562. It not only addresses a selective portion of the industries affected by the trade deficit, it also addresses a symptom rather than the cause. There is no question that cheap imports are a problem. Trade barriers are also a problem. But the trade policies and economic conditions of our trading partners are not the only reasons our trade deficit has grown so sharply. we have to look to the reasons here at home for our current trade dilemma.

In an August report, the Congressional Budget Office stated that—

Despite the complexity of the underlying forces, it is clear that the most important reason behind the deterioration of the U.S. trade deficit over recent years was the cumulative appreciation of the dollar in real terms. [The Economic and Budget Outlook, August 1985, page 48.]

An overvalued dollar hurts U.S. exports while reducing the costs of imports into the United States. But the overvalued dollar is still a symptom. It is a sympton of the Federal budget deficit, which drives real interest rates higher than they should be because we are competing for capital to finance our debt.

How do we reduce the deficit without sacrificing economic growth? This is the most important challenge facing Congress, and I suggest we get to work on addressing it and provide some real relief for all of our industries, including the textile and apparel industries.

Mr. Chairman, if we are really concerned about imports and the loss of American jobs, we ought to get concerned right here in this Capitol. Here we are serving toothpicks in the House Dining Room that came in from abroad. It is high time we started assessing things right here first.

Mr. Chairman, I thank the gentleman for yielding to me.

Mr. JENKINS. Mr. Chairman, I yield myself the balance of my time.

Mr. BARNARD. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield to my colleague, the gentleman from Georgia [Mr. BARNARD].

Mr. BARNARD. Mr. Chairman, I rise in strong support of H.R. 1562, the Textile and Apparel Trade Enforcement Act.

Last week, by a vote of 29 to 5, the House Government Operations Committee approved a report, entitled "Federal Enforcement of Textile and Apparel Import Quotas," prepared by the Commerce, Consumer, and Monetary Affairs Subcommittee, which I chair.

This report, based on 2 days of hearings and a yearlong investigation by the subcommittee concludes that the international quota system to manage textile and apparel imports has not worked as intended. The report finds that the overall program under the Multi-Fiber Arrangement [MFA] is flawed because it no longer fulfills its primary objective to prevent market disruption caused by imports.

For over 20 years, the United States has maintained an import program of managed trade in textiles and apparel. The program's objectives have never been total protection, but the avoidance of undue disruption to our domestic markets. But the present system has simply failed to achieve its goals.

Mr. Chairman, the evidence that this system has not worked is the enormous recent growth in imports. During the past 3 years, textile imports have increased at an average rate of approximately 20 percent, the fastest rate in history. Import penetration of the domestic apparel market has more than doubled in the last 6 years, reaching a level of 50 percent in 1984. The textile-apparel trade deficit has increased by 53 percent in dollar terms from 1983 to 1984 alone, and is running at a level of $17 billion this year.

The textile and apparel industries are in serious distress. Many textile and apparel companies have been forced out of business, plants have been closed or operations curtailed, and serious hardship has been inflicted on hundreds of impacted communities causing a substantial reduction in economic activity and lost revenues to local governments.

The report finds that a major reason for the uncontrolled growth of imports is the outdated structure and ineffective enforcement of our bilateral agreements and the Multi-Fiber Arrangement. The report finds that MFA fails to prevent excessive import increases because—

Some quota levels are excessively high;

There have been excessive delays in imposing quotas;

The MFA is not comprehensive in its scope or coverage. It covers only specific products in specific amounts from specific countries. This is an invitation for enterprising importers to "end run" the MFA by establishing imports from countries not covered by an agreement;

The MFA does not cover products such as silk, linen and raiment, and these have gained a large share of the U.S. market;

The MFA contains unduly generous flexibility provisions which allow major exporters to expand their shipments to the United States well beyond the ostensible limits established by agreement; and

The MFA's standard for instituting negotiations—"market disruption"—is excessively vague.

To sustain the U.S. policy of "managed" textile trade in the face of this import surge, the Government Operations Committee report calls for:

—Reduction of present textile and apparel quota levels for major exporting nations, such as China, South Korea, Taiwan, and Hong Kong;

—Imposition of comprehensive quotas on exporting countries; and

—Limitation of future import growth to the rate of U.S. market growth.

These are the major provisions of H.R. 1562. For the reasons detailed in the report, I urge my colleagues to vote for H.R. 1562.

Mr. JENKINS. Mr. Chairman, first of all, I want to take this opportunity to express my appreciation to each of you for your consideration of this measure, regardless of which side you may be on. I want to express my appreciation to the committee for at least giving us the opportunity to have an up or down vote.

Having said that, I want to say to you that while I do not have the closing argument and cannot answer any charges that may be made by opponents who will have the final argument, I want to try to address as many of the questions that have been raised as I possibly can.

First of all, there are many Members who have said—as a matter of fact, the subcommittee chairman, the full committee chairman, the minority ranking member, everyone that is opposing the bill, says to this body the textile and apparel industry has deep problems and something must be done.

But you know, we have been trying for 2 years. We have been trying to get some legislation. What alternative? Why has not the subcommittee chairman brought you a bill to help the textile and apparel industry? Why does the chairman insist upon a closed rule, that you cannot have any input to change it if you want an alternative?

No. This is the only bill that you will get the right to vote on. You do not have any possibility for any alternative.

I have been striving for 4 years on the committee to get this issue addressed, and there has been only silence.

Well, this is the last gasp of this industry. Two million employees. Do not say that you were not told. Do not go back home and say, "I didn't know about those problems."

My friends, you have a choice today to change American trade policy. It affects all other industries. There are oil refineries in Texas, in Louisiana and every State that started with 350 refineries 2 years ago. They are down to 135 today, barely enought to refine our own crude oil. I could go down the list of industries and they are all coming to the same place—the end of the road.

You talk about the policies of mid-level countries like Korea. Let me tell you something. Do you realize that the little countries cannot even export their textile products into Korea. They will not let them come in—total elimination.

So the result is that we take not only the production of these countries, all of their production, but every other lower economic level country. Sixty-five percent of every piece of clothing made by every developing nation on the face of the Earth has found its way to our marketplace.

Something must be done. Something has to be done. This is your chance. You have no other alternative.

You talk about the deficit, the deficit and the value of the dollar. I come with clean hands as the sponsor of the Jenkins-Conable bill since I brought it to this floor to try to get a balanced budget 3 years ago. I tell my friends that you will never address this problem with solving the value of the dollar question alone. There has been no serious exchange rate problem with the countries that are doing most of the exporting in textiles.

I want to say one thing about the Third World, because that has been brought up.

This bill provides for at least 1 million square yards quota for every country on the face of the Earth, whether they are shipping any now or not. It gives a 15-percent bonus to the smallest countries because they ought to have some incentive. They ought to be coming into this marketplace. This marketplace should not be dominated by four or five major exporters. We ought to encourage Latin America. We ought to encourage the Caribbean. And this bill does it at the expense of the Far East because they have too much of our market.

You do whatever you want to with this bill, but this is your last shot this year. This is your last shot at a trade bill this year.

I want to tell my friends from both sides of the aisle that this is a bipartisan bill, supported by Republicans on this side of the aisle. Eighteen States, with every single Member of Congress, Republican and Democrat, are sponsors of this bill. But, some of you may have gotten nervous. I know the White House has been tough, and particularly on the Republican freshmen.

You better look after your own district. You better make up your own mind what is right. I have had that pressure, too, under a Democratic President and I learned to resist when I thought I was right, and I urge you to do the same.

Mr. Chairman, our Nation's economic prosperity was carved out of the industrial revolution. Textiles have played a tremendous role in this picture. Now the American fiber, textile, and apparel industry is threatened with near extinction within a few years unless meaningful action is taken that is compatible with harsh trading realities of the 1980's. I propose that H.R. 1562 is the only solution we have at present, and that we do not have time left to fiddle around with weakminded compromises. I also contend that H.R. 1562, in the context of the fairness we seek, is not extreme as many have implied.

H.R. 1562 is intended to restore fairness and order to textile and apparel world trade. Since 1980, anything but fairness and order has been the rule. The United States is virtually the only nation in the world still willing to play by the old rules. The United States, with a less comprehensive system of import controls than the European Economic Community, experienced a dramatic surge in imports and, by 1984, over 60 percent of all developing country exports of clothing is estimated to have been destined for the U.S. market. In Japan, the Government has restricted imports administratively since 1974 and penetration levels have remained low in comparison with those in both the U.S. and EEC.

As a result of uncontrolled textile and apparel import growth, over 300,000 hardworking Americans since 1980 have stood and helplessly watched their jobs go overseas. Plant closings nationwide have topped 250, and others are near idled. Import figures continue unabated at a double clip since 1980, and the textile trade deficit is expected to peak at $20 billion in 1985.

Specifically, our bill puts limits on imports from major exporting countries which reflect import growth since 1980 at growth rates contemplated by the 1981 extension of the Multi-Fiber Arrangement. The Textile and Apparel Trade Enforcement Act would cover all textiles, apparel, textile products, and manmade fibers. The act applies to all exporting countries with the exception of Canada and the European Economic Community.

In 1985, imports from the major exporting countries, capturing more than 1.25 percent of the U.S. market would be limited to levels if the MFA had been effectively enforced during 1980 to 1984. In each future year, the growth rates of imports from the major exporting countries would be limited to 1 percent.

In 1985, the smaller countries capturing less that 1.25 percent of U.S. imports, plus Mexico, would be 115 percent of 1984 levels except for import-sensitive categories; that is, categories for which imports equal 40 percent or more of domestic production, in which 1985 import levels would be 101 percent of 1984 levels. After 1985, annual quota growth would be 6 percent for each category except 1 percent for import-sensitive categories. When imports from a smaller exporting country—except countries in the Caribbean region—reach 1.25 percent of U.S. imports, quota growth in all categories would be 1 percent.

In categories in which a country has no or few exports, the country would be allowed to ship to certain minimum levels. Annual growth would then be 1 percent for major exporting countries or 6 percent for smaller exporting countries, unless the category is highly import sensitive, in which case growth would be 1 percent.

Our bill also contains an import licensing system whereby the Secretary of Commerce would establish regulations to govern the entry of imports to conform with this act. The Secretary is also required to establish this licensing system within 6 months of enactment.

The European Economic Community as early as 1977 demonstrated its pragmatism by doing for itself pretty much what H.R. 1562 proposes to do as relief for the U.S. textile industry. In 1977, the EEC was particularly hard hit by textile imports and it unilaterally imposed a global quota concept that worked. No one contradicted this move. Subsequently, the MFA was amended to include the EEC's actions as a precedent for use under extreme conditions.

Obviously, the United States is facing those extreme conditions now, and it is empowered to protect its own textile market from untimely demise by following in the EEC's footsteps. If the administration insists upon wearing binders to the harsh economic and trading realities of today, it is up to Congress to intervene in the national interest. The textile industry is fighting tooth and nail the deadly game of survival, and H.R. 1562 is the only salvation right now.

The President in his trade initiative speech a few weeks ago did not offer a glimmer of hope to the 2 million American men and women who understand the bottom line on textile imports. I am glad the administration is beginning to acknowledge that a huge chunk of our industrial base is breaking away and floating out to sea, never to be retrieved. However, the administration's proposed new get tough policy on unfair trading practices does not extend far enough to get to the heart of the problem. And I fear the new initiative, for what it may accomplish, is almost too late.

The administration had ample opportunity to prove its backing of the textile industry last year when the industry with its labor forces filed countervailing duty petitions against 13 nations which are unfairly subsidizing their exports to the United States. These legitimate cases were all but swept under the carpet. In cases where any action was taken at all, it was absolutely meaningless.

Mr. Chairman, I know this legislation has been compared of late to the Smoot-Hawley Tariff Act of 1930. I do not feel compelled to justify a trade measure that is significantly different from H.R. 1562, and, which was enacted during an era vastly different from 1985. However, I cannot help but wonder if this act deserves the bum rap history has assigned it in connection with the Great Depression, especially since it became law 8 months after the Great Depression began.

In 1929, the U.S. gross national product stood at $103 billion. Of this total, imports comprised $4 billion, or about 4 percent of the total GNP. Exports also represented about 4 percent of the GNP.

During the depths of the Great Depression in 1933, the GNP had dropped, by almost one-half, to $56 million. Yet, imports represented $1.5 billion or nearly 3 percent of the total GNP. Exports also represented about 3 percent of the GNP.

Surely a reduction in imports of $2.5 billion could not have precipitated the $48 billion reduction in GNP during that period of time. The tiny, proportionate share of foreign trade represented in the GNP between 1929 and 1933 would not seem to exert such a potent influence after all.

In conclusion, Mr. Chairman, I implore this body to act favorably upon H.R. 1562, designed to even the score with nations who have had undue leverage in our marketplace for too long. If the U.S. fiber, textile, and apparel complex were not twice as productive as most of its foreign counterparts, I am sure it would have faded away long before now.

This enterprising industry, essential to our national security, has worked diligently to overcome its problems, and it has come a very long way thanks to only itself. But it cannot solve the import crisis without our help.

I include for the RECORD a synopsis of this bill's provisions.

I urge your support of this bill.

TEXTILE AND APPAREL TRADE ENFORCEMENT ACT OF 1985 FACTSHEET

PURPOSE

To achieve the objectives of the Multi-Fiber Arrangement (MFA) by providing orderly and nondisruptive growth of imports of all fiber, textile and apparel products.

To set limits on imports from major exporting countries at the levels which would have existed if import growth since 1980 had been limited to the rates contemplated by the MFA.

To allow the smaller exporting countries an opportunity to increase their share of the U.S. market.

To set the future growth rate of imports at levels provided for in the MFA and the protocol extending the MFA.

RATIONALE

Since 1980 imports of textiles and textile products have grown at an annual rate of 19 percent, far greater than the orderly growth objectives of the Multi-Fiber Arrangement and far in excess of the 1 percent average growth of the U.S. market during that period.

Because fiber, textile and apparel imports are far outpacing the growth of the domestic market, intolerable market disruption, job losses, curtailed production and plant closings have occurred.

The textile and apparel trade deficit has grown to a record $16 billion in 1984 and

now accounts for 13% of the U.S. merchandise trade deficit.

U.S. textile, fiber and apparel companies are continuing to spend billions of dollars annually to modernize and improve worker productivity. The resulting productivity increases have been significantly greater than the rate of productivity growth for all of U.S. manufacturing. Yet despite this investment and increased productivity, U.S. manufacturers continue to lose marketshare.

If import growth is not slowed, future investment in this industry is likely to be sharply curtailed leading to a loss in competitiveness and the continued liquidation of an industry which is a major element of U.S. manufacturing and is recognized as vital to our national security.

PROVISIONS

The Textile and Apparel Trade Enforcement Act would cover textiles, apparel, textile products and man-made fibers. The Act would apply to all exporting countries with the exception of Canada and current members of the European Economic Community.

Smaller Exporting Countries:

Defined as those capturing less than 1.25% of U.S. imports, plus Mexico;

1985 import levels by product category would increase by 1% over 1984 levels for import sensitive categories (see below) and 15% of 1984 imports levels for all other categories;

After 1985, annual quota growth would be one percent for import sensitive categories and six percent for all other categories;

Import sensitive categories are categories for which imports equal 40 percent or more of domestic production (except for countries in the Caribbean region), and all wool categories;

When imports from a small exporting country (except countries in the Caribbean region) reach 1.25% of U.S. imports, quota growth in all categories would be one percent.

Major Exporting Countries:

Defined as those capturing 1.25% or more of U.S. imports;

1985 import levels by product category would be one percent above the levels which would have existed in 1984 had the MFA been effectively enforced during 1980–84;

After 1985, import growth would be one percent each year for each category.

In categories in which a country has no or few imports, the country would be allowed to ship to certain minimum levels. Annual growth would then be one percent (for major exporting countries) or six percent (for smaller exporting countries) unless the category is import sensitive, in which case growth would be one percent.

ENFORCEMENT

The Secretary of Commerce would establish regulations to govern the entry of imports to conform with this Act.

OTHER PROVISIONS

The Secretary of Commerce would establish within six months after enactment an import licensing system to ensure that the Act is efficiently administered.

Each year the President would report to the Congress on the administration of the Act.

The CHAIRMAN. The gentleman from Florida [Mr. GIBBONS] is recognized for 2½ minutes to close the debate.

Mr. GIBBONS. Mr. Chairman, I want to commend the Chair for the excellent way in which this debate has been conducted.

The CHAIRMAN. The Chair thanks the gentleman.

Mr. GIBBONS. Mr. Chairman, I want to commend the vigor and the deep emotion my colleague, the gentleman from Georgia, has about his bill.

Mr. Chairman, I began hearings on this bill within less than 2 weeks from the time the gentleman introduced it. It has not been delayed. It would still be in the subcommittee if I wanted to keep it there, but I do not play that kind of game.

I want to be very accurate in what I say, so I am going to refer to my notes. We have heard all kinds of very wild figures about imports. Let me go back to my notes. These are official statistics of your Government. They are the best that anyone can get.

In 1984, the market import share for textiles and apparel on a dollar basis was 14 percent of the consumption of textiles and apparels in the United States—14 percent, not 50 percent, not 70 percent, but 14 percent. On textiles only, which are the principal products of North Carolina, South Carolina, Georgia, and Alabama, the textiles only were 6.2 percent.

If you measure it by square yard equivalents, they were down to 4.9 percent.

Only in the apparel industry does it even get over 30 percent and that is just slightly over 30 percent.

This bill is mistaken, and even if it was not mistaken, it is aimed at the wrong target. The imports that are hurting this industry, if imports are hurting this industry, are not attacked at all by this bill. The principal increase in imports has come from Canada, with 71-percent increase in imports, from the European Community by an 85-percent increase in imports.

I asked the sponsors of this bill many times during the hearing: "Why did you leave out the European Community and Canada?"

I can only speculate because the owners of the textile and apparel industry in the United States have deep interests in the European Community and Canada.

Whether or not we like it, this bill, as the gentleman from Michigan [Mr. CROCKETT] said, has taken on an aura of being anti-Asian, anti-poor.

Mr. Chairman, I urge my colleagues to reject this mistaken piece of legislation.

Mr. DORGAN of North Dakota. Mr. Chairman, I share the view of most of my colleagues that we need to craft a strong trade bill. I also believe that we must act to restore America's role in the international marketplace, to reduce our ballooning trade deficit, and to market our exports more aggressively.

Unfortunately, the Textile and Apparel Trade Enforcement Act of 1985 is not the right correction for putting our trade back on an even keel. In an effort to shut off a continuing spurt in textile and apparel imports, the bill targets some 12 developing nations for tough import quotas. But I am not convinced that these targeted quotas will really solve the problems in our textile and apparel industries, let alone show the way to a broader solution of our trade problems.

The textile bill overlooks the fact that one reason for unemployment in textile and apparel industries is modernization at home. Investment in advanced textile machinery here has resulted in rising production between 1980 and 1984, even though employment fell by some 100,000 jobs. More important, the bill overlooks the major culprit: the overvalued dollar. In the past 5 years, the dollar has grown 60 percent in value, resulting in an overall slump in exports and a general rise in imports. For example, imports of nonelectrical and electrical machinery, motor vehicles, and auto parts have increased at about the same rate as clothing and fiber imports. But they are not addressed in this bill.

Nor is the flip side of the coin considered here. Our lagging farm exports are a significant reason for our rising trade deficit, since they have fallen off from about $44 billion to $36 billion in the past 4 years. In fact, several of the countries targeted in the textile bill rank in the top 10 buyers of U.S. farm products. Japan and China alone bought over $8 billion worth of farm commodities from us in 1982 and the 12 nations together account for 50 percent of our export sales of unmilled wheat. If these countries choose to retaliate, we can expect an even greater drop in farm exports.

The bill is also strangely silent about our Western European allies. The United States has absorbed a 70-percent increase in textile and apparel imports in the Common Market between 1983 and 1984, but the bill does not address this at all. Ironically, it is Western Europe and Japan that are not keeping pace with our imports of Third World apparels.

Finally, the bill only adds to the basic root of our trade problem: The staggering Federal budget deficit. The net loss in revenues to the U.S. Treasury, as a result of reduced customs collections, would rise to $500 million in 5 years. As the article below clearly shows, we must puncture our ballooning deficits and inflated dollar if we really want to compete in world trade.

I intend to support a comprehensive trade bill in the near future which gets at the root of our trade problems. I respect the authors of the textile bill, but I fear it may only invite retaliation from our farm export buyers at a time when family farmers already face a crisis unseen since the Great Depression.

REDUCE THE DEFICIT TO BALANCE TRADE

(By Martin Feldstein and Kathleen Feldstein)

The Treasury has at last acknowledged that the overvalued dollar is the source of

the overwhelming U.S. trade deficit. Under growing pressure for protectionist trade legislation, the administration has reassessed its policy toward trade and the dollar. The result has been the symbolic tough talk from the president about enforcing fair trade and, more important, the Treasury's implication that it is ready to intervene in international currency markets to force the dollar down.

The current huge trade deficit is not due to any fundamental weakness of American industry or to increases in the unfair trade practices of other nations. There have been no changes in these fundamentals during the five Reagan years. That's why protectionist legislation, aimed mainly at poor countries in Asia and Latin America, is so totally misdirected. That approach would cause those countries as well as our own consumers to suffer, and yet would fail to resolve the real trade problem—the overvalued dollar.

The major and fundamental change that has occurred during the Reagan years is, of course, the unprecedented increase in the federal budget deficit. The government borrowing to finance this deficit has absorbed over half of all net savings generated in the United States and has kept real interest rates much higher here than abroad. These high real interest rates attract investment from abroad and push up demand for the dollar.

Unfortunately, there has been no hint that the administration has yet accepted that the budget deficits are the real reason for the dollar's unacceptable overvaluation. So, instead of dealing with the fundamental task of reducing the budget deficit, the Treasury proposes to sell massive quantities of Treasury bills in exchange for German marks, British pounds and other currencies. Our foreign allies, frightened by the prospect of protectionism, will join us in trying to drive down the dollar in this way.

This kind of government intervention in foreign exchange markets has been tried before with very little and only temporary success. Even multi-billion-dollar intervention is likely to have only a small impact on currency values in a market dominated by private funds that measure in the hundreds of billions of dollars.

The Treasury, aided by the Federal Reserve Bank, may be luckier this time than past experience would imply. Its attempt to depress the dollar will be helped by the general agreement that the dollar must eventually come down by 30 percent or more to bring trade into balance. And intervention may get some initial assistance from frightened investors who have until now been betting that the dollar would continue to be strong for a while longer.

Even if the Treasury is lucky and succeeds in reducing the dollar somewhat further and, after a lag, trimming the trade deficit, there will be side effects that many would consider more harmful than the current trade disease. In particular, a reduction in the trade deficit would mean less capital inflow from abroad. If the government is still borrowing heavily to finance massive budget deficits, the decline in the capital inflow would lead to a rise in U.S. interest rates that could slow down investment in housing and plant and equipment.

Moreover, currency intervention is a risky strategy because it often leads to inflationary changes in monetary policy. If the Federal Reserve wants to help the Treasury drive the dollar down, the bank might be tempted to increase the money supply faster than it would otherwise regard as prudent. And if the Fed tries to stop the rise in interest rates that accompanies a lower capital inflow, that might add further to the inflationary pressure.

The strategy, in sum, is risky and may be impossible. As long as the government persists in spending $200 billion more than it takes in, there will continue to be, at best, a lopsided recovery in which we have either a vast trade deficit or an abysmally low level of investment in housing and plant and equipment, or both.

Now that the administration has reversed its previous position and recognized the link between trade deficits and the dollar, isn't it time to admit that it's the budget deficit that is keeping the dollar so high? The president's best defense against protectionist policies would be to shrink these out-year deficits by turning to his "last resort" of raising tax revenue.

Mrs. LLOYD. Mr. Chairman, I rise in support of this legislation. This bill has become a rallying point for a part of America that is tired of playing a game with what they see as a stacked deck. There is a large segment of American workers who feel existing procedures are no longer practical. And their claims are not to be taken lightly because these are people who believe in the concept of free trade, they just haven't seen any recently.

Should we continue to sacrifice manufacturing jobs in the name of fair trade? Our markets are shrinking, and as Third World nations continue to expand, the fallacy of fair trade becomes even more indefensible. Foreign companies have been successful at utilizing the realities of today's international trade environment to advantage while American manufacturers suffocate. We need this piece of legislation because existing means have failed. We need it for our spirits. It is time to act rather than react. We have walked the proscribed path and for the textile and apparel industry, we've run into a dead end. It's time to turn, take the initiative and save American jobs.

Mr. BEDELL. Mr. Chairman, I readily recognize the widespread support that H.R. 1562, the Textile and Apparel Trade Enforcement Act, enjoys. I also recognize the signals that are sent to our trading partners through passage of this bill—that the United States expects a fair trading system between ourselves and our trading partners. Nevertheless, I have determined to vote present on this particular legislation because of its inclusion of provisions that could be interpreted to apply to the importation and exportation of fishing tackle. I have made this decision so as to avoid any taint that could be associated with my vote for or against H.R. 1562 as a result of my past association with Berkley and Co.

Mr. DONNELLY. Mr. Chairman, I am pleased to see the overwhelming support this House is showing for H.R. 1562, the Textile and Apparel Trade Enforcement Act.

This legislation sends an important signal to our trading partners that we are not about to see one of our critical domestic industries run out of business by predatory foreign competition.

H.R. 1562 is crucial to the continued vitality of America's textile industry, a major employer in many areas of the country. It also offers us an opportunity to offer similar relief to the domestic footwear industry.

My colleagues should note that amendments to this bill were restricted during its consideration in the Ways and Means Committee. I had planned to offer an amendment to grant import relief to the footwear industry. Similar language has been added to the companion bill in the Senate. It deserves to be incorporated in the Textile Trade Enforcement Act when it emerges from the conference committee.

Earlier this year, the U.S. International Trade Commission investigated the impact imports have had on the nonrubber footwear industry in the United States. They documented a steep decline of the American industry in the face of uncontrolled imports. Since 1968, 155,000 Americans have permanently lost their jobs in the shoe industry. More than 500 plants have closed their doors forever. Since the present administration permitted a brief period of imports controls to expire in 1981, imports have grown from 51 percent of the U.S. market to 77 percent this year.

In light of its findings, the ITC declared that the domestic nonrubber footwear industry had been seriously injured by imports, and it proposed a realistic and workable program of import relief to protect what remains of the industry in the United States. Despite the strong recommendations of the ITC based on an exhaustive investigation, the President refused to grant any relief to the footwear industry.

I look forward to working with the conferees on this legislation to assure that this opportunity to throw a lifeline to the footwear industry is not missed.

Mr. DREIER of California. Mr. Chairman, I rise in opposition to H.R. 1562.

I do so, having cosponsored the bill. Realizing that the textile and other industries face the problem of foreign competition, I wanted the White House and our trading partners to get the clear message that we are not going to tolerate foreign governments' subsidization of their industry and subsequent dumping of those products on the American market.

Mr. Chairman, both the White House with its legislative package, of which I am a cosponsor, and foreign governments, have gotten the message. Having put these nations on notice, we can better follow a policy to open their markets rather than close our own as a means to improving the total trade picture. To pass this protectionist legislation at this point is to risk setting a dangerous precedent for the stampede of over 300 additional destructive protectionist measures in the Congress.

The textile and apparel industry is, unquestionably, facing hard times, but may I remind my colleagues this is in spite of its being one of the most highly protected national industries as it is exempt from the General Agreement of Tariffs and Trades. To this argument, the proponents of 1562 have shouted charges of evading and violat-

ing the spirit of existing trade agreements. To these charges, I must respond in favor of renegotiating on the letter of these agreements rather than imposing protectionist legislation. The current Multi-Fiber Arrangement is subject to renegotiation and expires in less than a year.

Mr. Chairman, I continue to be sensitive to the harsh conditions facing the textile industry. However, I feel more confident in a legislative solution which will focus on the positive goal of trade expansion rather than the negative goal of restriction. When the membership decides this and other questions of trade protectionism versus trade expansion, I hope we can keep the broad picture of economic well being in this country in mind in spite of the special interests which would, however unintentionally, have us cut up and parcel it off.

We must remember that the American consumer has the right to purchase the best quality product at the lowest possible prices. Protectionism will only penalize the American consumer with a new inflationary spiral.

Mr. BIAGGI. Mr. Chairman, I rise as a cosponsor and supporter of H.R. 1562, the Textile and Apparel Trade Enforcement Act.

There are many good reasons for this bill, but one thought stands out above all others: The time has come to look after our own for a change. Quite simply, the United States has been too generous for too long. To a large extent, U.S. dollars and U.S. know-how have been used by foreign nations to exploit our virtual open door trade policy and inundate our marketplace with foreign goods. Sure, the world economy benefits as a result, but the U.S. economy has suffered tremendously. Millions of Americans have lost their jobs due to foreign imports and billions of U.S. dollars have been lost due to plant closings, increased unemployment assistance, and the disruption of entire communities that, in some cases, have lost their only industry to foreign imports.

This trade crisis is not getting any better, as some would lead us to believe. In fact, just a few weeks ago the situation reached new depths when we were informed that for the first time in 71 years, the United States had become a debtor nation, meaning we owe foreign governments more than they owe us. The major reason for this embarrassment—a U.S. trade deficit that is expected to reach a record $150 billion by the end of this year. These facts and figures all point to one conclusion—our current trade policies and existing trade agreements are not succeeding. Stronger action is absolutely essential if we are to save some of our Nation's most endangered industries, including the auto, steel, non-rubber footwear and textile industries, to name just a few. Quite frankly, I favor a comprehensive trade reform approach, as called for in the Trade Emergency and Export Promotion Act, H.R. 3035, which I have cosponsored with nearly 100 of my colleagues. However, today we have an excellent opportunity to begin the effort by protecting one of our endangered industries, while at the same time beginning the long ovedue effort to correct our failing trade policies, and this is an opportunity we cannot afford to miss.

The need for the legislation before us today is really quite clear. The U.S. textile industry, which employs about 1.8 million Americans—10 percent of all domestic manufacturing workers—is being decimated by unfair foreign competition. Consider, for example, that since 1980 foreign textile and apparel imports into the United States have increased 104 percent in value, while U.S. textile exports fell 34 percent due in large part to unfair trade barriers that exist in other nations. In 1984, textile imports exceeded exports by $14.8 billion, representing 12 percent of the entire U.S. merchandise trade deficit. In more personal terms, the U.S. textile industry has lost nearly 200,000 workers since 1980, and the textile mill product sector is at its lowest level of employment since 1939.

Some will argue that this legislation is not necessary because the Multi-Fiber Arrangement [MFA] and bilateral agreements between the United States and foreign nations already provide sufficient protection. That argument is flawed, however. The Multi-Fiber Arrangement does not cover the full range of textile products; its procedures are cumbersome and time-consuming; and restraint cannot be imposed for more than 1 year at a time. Our bilateral agreements do not provide enough protection either and some of the provisions that do exist are not being enforced.

The Textile and Apparel Trade Enforcement Act provides a reasonable solution to this serious problem. The bill imposes permanent quotas on textile imports, unlike the MFA, which expires in July 1986. Canada and certain members of the European Common Market—Belgium, Denmark, England, France, Germany, Greece, Ireland, Italy, Luxembourg, and the Netherlands—would be exempted from the bill's quotas, but the limits imposed on other nations are fair and, in fact, the bill would allow foreign countries to increase their textile imports into the United States on a yearly basis. While it is true that some of our "major textile exporting nations"—those whose share of the U.S. import market exceeds 1.25 percent—would have their import cut initially, the countries affected by this bill would be permitted either 1 percent or 6 percent annual increases, depending on the nation of origin and the type of product. While most nations would be subject to 1 percent annual increases, Mexico and the Caribbean Basin countries would be allowed a 6-percent annual increase on most of the their textile products.

Mr. Chim, tougher U.S. trade measures at home would certainly help to encourage "free trade," something we all want, but what is now nothing more than a misused term. We do not have free trade by any stretch of the imagination. Yet, while we cannot create free trade by ourselves, we can help to promote fair trade, and that means giving our domestic industries some of the same protections afforded to foreign competitors. H.R. 1562 would help to accomplish that and I urge that we pass it today by an overwhelming margin. In addition to the good it would do for our Nation's textile industry, it would also send a very strong and necessary signal to our trading partners that the United States will no longer tolerate playing alone by the rules of free trade.

Mr. DASCHLE. Mr. Chairman, I rise in reluctant opposition to H.R. 1562, the Textile and Apparel Trade Enforcement Act. I am in great sympathy with the authors of this bill and their goals. Without question, we need a trade policy designed to force other countries to give our products fair access to their markets. And we need a trade policy that protects American jobs.

But we cannot approach such an important task in a piecemeal fashion. All of us seek to protect the interests of our constituents. Together, we can form a powerful coalition. But if we go it alone, we will fail to build the effective trade policy we seek. By protecting one industry, we will open up other industries to retaliation.

I am committed to the search for a better trade policy. I will support any efforts to bring one about. I regret that I cannot support this piece of legislation.

Mr. MONTGOMERY. Mr. Chairman, as a member of the Congressional Textile Caucus, I rise in support of the Textile and Apparel Trade Enforcement Act. I think it is essential to help save the jobs of the more than 2 million Americans employed in the textile industry.

The flow of textile imports has had a dramatic effect on many U.S. companies and their employees. Already in 1985, more than 66,000 textile/apparel jobs have been lost. That compares to 46,000 lost jobs in all of 1984. Imports now control 50 percent of the U.S. textile market.

The American textile industry employs 10 percent of all manufacturing workers in this country. But the growing threat from textile imports could lead to the collapse of this major industry.

Many textile plants are located in small towns in the South. We have a great number of textile operations in my State of Mississippi. When these plants go out of business and close, it means that hundreds of Mississippians will be adversely affected. First and most important, the workers lose their paychecks. And, they must face the reality that in a small town, there are few alternatives for other employment.

It also means that instead of collecting income taxes and sales taxes, the Government must provide unemployment compensation and other assistance to families who would rather be working in the factories.

But in addition to the workers, others in the community also feel the negative economic impact of a plant closure. Groceries, department stores, appliance stores—they all suffer when the payroll checks are stopped.

Mr. Chairman, I am for free trade. But some of our competitors have engaged in illegal and unfair trading practices in order to gain an advantage with regard to the sale of textiles in this country. We are not asking for special favors—we only want a chance to compete fairly.

Mr. BEILENSON. Mr. Chairman, I oppose H.R. 1562. The bill is protectionism, pure and simple. Its supporters claim that it is not, but rather an effort to force our trading partners to live up to their end of the Multi-Fiber Agreements.

If this were the case, why has the textile industry not sought relief from agencies of the U.S. Government such as the International Trade Commission or U.S. Trade Representative?

Harley Davidson Motorcycles sought relief in 1983 from the International Trade Commission by filing a section 201 escape clause suit and was successful in persuading the President to establish a 5-year series of tariff rate quotas. As reported in the New York Times just last Thursday, these quotas have allowed the company to greatly improve its viability and competitiveness.

Specialty steel producers filed a 301 petition with the U.S. Trade Representative, which allow the President to take "all appropriate action" against foreign government practices that are inconsistent with trade agreements, and they were provided with relief in 1984, the form of a combination of quotas and tariffs for 5 years.

But the textile industry has chosen not to pursue these avenues of relief. Instead, it decided to importune Congress for protectionist legislation. Why is this? The textile industry claims that it has not availed itself of these proven remedies, because it feels that such action would not be conducive to its cause. It is right for one very good reason: The textile industry would lose big if a Government agency were to mount an unfair trade practice investigation.

The textile industry is already one of the most protected in the United States. Eighty percent of all textile and apparel imports are restricted in some manner by over 1,000 negotiated quotas at a cost of almost $25 billion in higher prices for the American consumer.

In addition, the textile industry is hardly suffering as claimed by supporters of H.R. 1562. Textile industry real GNP increased from $8.8 billion in 1972 to $11.5 billion in 1984, a 30-percent rise. Profits as a percent of sales have increased almost 50 percent since 1980. Over 30,000 jobs were added to the textile industry in the year 1983 to 1984. And from 1977 to 1984 productivity growth in the textile industry averaged 5 percent annually. These statistics come from the House Report on H.R. 1562 and from The Textile And Apparel Trade Crisis, done for the Fiber, Fabric and Apparel Coalition for Trade by the law firm of Dewey, Ballantine, Bushby, Palmer and Wood. Now, supporters of this bill also claim that the industry and textile States are losing jobs in droves. But the fact is, the major textile States of South Carolina, North Carolina, and Georgia all have unemployment rates at or below the national level (USA 7.2 percent, NC 5.6 percent, SC 6.7 percent, GA 7.3 percent). However, H.R. 1562 will result in the loss of jobs in the other 47 States.

The study by Data Resources, Inc., [DRI] for Burlington Industries that has provided the foundation for H.R. 1562 is seriously flawed, according to the Congressional Budget Office [CBO]. The study was limited to the positive aspects of protectionism for the textile industry; it ignored increased prices, lowered purchasing power, foreign retaliation, lessened revenues for the Treasury, loss of jobs in export industries, and a reduced market for U.S. exports at a time of $150 billion trade deficits. DRI's study warns of a loss of over 1 million textile and related industry jobs. But it neglects to mention, as CBO reports, that almost all of these workers would eventually find other employment. Of this DRI study, the CBO concludes: "Very little confidence can be placed in DRI's central finding that without further restrictions on textile and apparel imports, increases in output and employment would be significantly slowed. It is more likely that the effects of trade restraints on domestic output and employment would be small and perhaps negative in the long run."

How can we be so sure that the textile industry will utilize the benefits from this legislation to save jobs in the textile industry? We saved jobs in the steel industry at a price of $114,000 per position in increased costs and have witnessed companies such as United States Steel laying off workers and closing plants while using profits to buy Marathon Oil. Protecting auto jobs cost us $241,000 apiece as a result of Japanese voluntary restraint agreements and what did we get: GM purchasing Hughes Aircraft, Chrysler buying Gulfstream Aerospace Corp., and Ford picking up an insurance company. There are no provisions in H.R. 1562 to prevent textile companies from doing the same, so how can we be sure that Congress will not once again force the American consumer to subsidize the mergers and acquisitions of industries that plead poverty?

What will be the global effects of H.R. 1562? Will debtor nations such as Brazil, the Philippines, Indonesia, and South Korea be able to service their obligations to American banks with the United States market reduced—Brazil will lose 81 percent, Philippines 21 percent, Indonesia 90 percent, and South Korea 35 percent of its United States market share.

Will China, Brazil, Indonesia, the Philippines, and Taiwan continue to buy wheat and corn from United States farmers, or look elsewhere as retaliation against H.R. 1562?

In summary, what H.R. 1562 is asking Congress to do is impose upon the United States billions in increased annual costs, spend $140,000 for each job that may or may not be saved, alienate our trading partners and allies, exacerbate the international debt crisis, expose our exporting industries to $5 billion in trade barriers, forfeit over $2 billion in reduced revenues from textile imports in the next 5 years, and suffer a net loss of jobs in 47 States to protect an industry that registered increases in both size of work force and profit margin as recently as last year.

Let the textile industry seek relief in avenues that have been tried and tested. Almost one-third of the U.S. industries that have petitioned the ITC have been successful and granted meaningful relief. On the other hand, all of the protectionist relief granted by Congress has failed to benefit either the American people or our economy, and there is no reason to think H.R. 1562 will be any different.

Mr. EDGAR. Mr. Chairman, I rise today in strong support of H.R. 1562. The Textile and Trade Enforcement Act. This legislation is vital both to the Nation and my home State of Pennsylvania, and I am pleased that we have the opportunity to vote on this issue today.

Our present trade imbalance threatens to seriously damage the industrial base of the U.S. economy and is of special concern to those of us in older industrial States, such as Pennsylvania. Since 1981, the trade deficit has increased fivefold to the point that in 1985 it is predicted to exceed a record $150 billion. So far thousands of workers have lost their jobs, and the agricultural sector has been thrown into its sharpest nosedive since the Great Depression. There can be no long-term prosperity and stability for any segment of the economy if our basic industries are simply allowed to decline and erode.

No one will deny that there are complex reasons for our trade problem—including budget deficits, high real interest rates, and an overvalued dollar—but that does not mean there are no solutions. Failing to take any action affirms what many have suspected: That the United States has no trade policy at all. I believe in managed trade—in a concerted strategy to improve competitiveness and in coordinated policies to address marketplace realities. In managing trade, when unfair trade practices, subsidized industries, and the dumping of foreign products threaten American jobs and industry, we should not be afraid to protect ourselves through the application of carefully chosen restrictions in imports.

In the textile and garment industries, the case for action is clear. The surge of foreign imports resulted in the loss of more than 12,000 jobs in Pennsylvania during 1984 alone! Nationally, imports now account for 52 percent of the market even though the American textile and garment industries are among the most productive in the world.

Foreign manufacturers who dump goods into the United States and pay incredibly low wages are simply unfairly undercutting America's competitive position. Yet the Reagan administration refuses to enforce the existing Multi-Fiber Arrangement [MFA] and threatens to veto this bill. Inaction will not only result in the loss of many more jobs, but will eliminate domestic competition—a consequence which will ultimately hurt American consumers as well.

Mr. Chairman, I urge my colleagues to join me in support today of H.R. 1562 and in continuing our efforts in the future to preserve existing American jobs and put the unemployed back to work.

Mr. RAHALL. Mr. Chairman, while I intend to vote for H.R. 1562, the Textile and Trade Enforcement Act, I would like to

indicate my concern that this legislation comes before us today with a closed rule, thereby preventing any amendment, and, that this legislation deals with only one commodity which although deserving of the protections set forth in the bill, is not the only trade measure before the Committee on Ways and Means that should be brought to the floor for consideration.

I have a concern for the energy security of this Nation. However, today, the United States finds itself in the awkward position of importing coal.

In my view, it is a paradox that a coal-rich America is still struggling for energy independence.

It is shameful that a coal-rich America is home to such high levels of coalfield unemployment.

And, it is ironic that a coal-rich America finds itself importing coal.

The future prosperity of many coal regions of this Nation depends largely on the burgeoning steam coal markets of the South.

Indeed, according to estimates made by the Energy Information Administration, 65,490 megawatts of new coal-fired utility capacity will come on line nationwide by 1990. Out of this amount, the South Atlantic, East South Central, and West South Central States account for 41,267 megawatts—63 percent of the estimated new demand for utility steam coal.

Yet, it is in many of these very States that we find a growing interest in imported coal. The Gulf States especially, readily accessible by water borne commerce, make for tempting prey for foreign coal producers.

We face a number of issues in the consideration of this matter. In my view, none outweigh the potential impact coal imports may have on the economy and employment situation of the Appalachian and other coal-producing regions.

Already faced with high rates of mine injuries and fatalities, the crippling effects of black lung disease and slumping coal demand, our domestic coal labor force can ill afford to see its future stolen by increased coal imports.

The coal industry, laboring under stringent environmental, health and safety standards, high transportation costs, and the prospect of even greater transportation costs in the future, can hardly stand idle as foreign coal producers race to meet new electric generating capacity.

Other industries have watched their domestic markets fall to imports. Often, these imports have a great competitive advantage due to the policies of their governments. Twenty years hence, sectors of the U.S. coal industry may find themselves in the same predicament as is the domestic copper industry today—beseiged by imports and on the verge of collapse.

In light of this situation, I have introduced H.R. 1905, the Coal Trade Equalization Act of 1985, which seeks to impose an $8 per ton duty on imported coal.

It must be noted that currently, no duty whatsoever is collected on coal imports.

Mr. Chairman, it is my hope that legislation such as H.R. 1905 will be given the same consideration by the Committee on Ways and Means as is being given to H.R. 1562.

Mr. STALLINGS. Mr. Chairman, it is fortuitous that this week Congress is debating the two most serious problems facing this Nation: the outrageous Federal budget deficit and the record trade imbalance. It is altogether appropriate that we are debating these two items simultaneously because they are inherently related to each other.

It is not by coincidence that we have two record deficits. We cannot continue to practice bloated fiscal spending policies without paying the price of those policies—an overvalued dollar.

Both the experts and the general public agree that the fundamental cause of our trade woes is the overvalued dollar. The principal reason for the overvalued dollar is the staggering $200 billion Federal budget deficit. In other words, one of the fundamental causes of our trade deficit is our inability to cope with huge budget deficits.

The Textile and Apparel Enforcement Act of 1985 is the first round in the volley of the protectionist legislation which seeks to protect our American industries and reduce our trade imbalance. These are worthwhile goals. But these measures, even if enacted with full power and enforcement, can be nothing more than a Band-Aid on the hemorrhaging trade deficit.

This situation calls for stiffer medicine. Deficit reduction is the only cure. So let us stop deluding ourselves. And let us act promptly and responsibly to reduce our staggering budget deficits.

Mr. FORD of Michigan. Mr. Chairman, I rise in strong support of H.R. 1562, the Textile and Apparel Trade Enforcement Act. This much-needed legislation will assist an industry that is currently being devastated by imports. During the past 4 years, over a quarter of a million American workers have lost their jobs in the textile and apparel industries.

The time is now for the Congress to act to stem the hemorrhage of American manufacturing jobs overseas. Since the first of this year, over 210,000 American manufacturing jobs have been lost. Since 1979, the number of lost industrial jobs totals 1.5 million. Correspondingly, the trade deficit has skyrocketed from $36 billion in 1983 to $123 billion last year. It is estimated that this year's deficit will approach $150 billion. I only wish that the Congress was considering today broader trade legislation that would assist all segments of American industry.

In the absence of an effective administrative trade policy, the Congress must step in to fill this void. Although the administration has belatedly announced a program designed to reduce the mammoth trade deficit, this program is too little, too late.

Even though the American auto and steel industries and the impact of imports on these industries are my primary concern and top priority, the textile and apparel industries desperately need assistance. The Congress must not turn its back on American workers, regardless of the industry in which they are employed. The textile industry currently employs 10 percent of all manufacturing workers in the United States. If we do not act immediately to preserve this industry, these jobs will likewise be threatened by imports.

Foreign manufacturers have targeted the U.S. industry and dumped their products on the American market. In addition, we simply cannot expect American workers to compete against workers who earn less than a quarter an hour. The existing system of quotas has proven to be inadequate in protecting the American industry. H.R. 1562 will protect this industry and remedy unfair textile trading practices by imposing an effective and enforceable quota on textile imports.

I urge my colleagues to support this legislation.

Mr. SHUMWAY. Mr. Chairman, I rise today in strong opposition to H.R. 1562, the Textile and Trade Enforcement Act of 1985. It is certainly true that the national trade deficit, having risen to an unprecedented level of $123 billion, represents a legitimate cause for concern and action. However, this bill, the first in what appears to be an oncoming flood of protectionist legislation moving through Congress, takes a narrow and shortsighted approach to our trade problem. If enacted, H.R. 1562 will exact a heavy price on our economy, one that will be paid through increased consumer prices and through reduced U.S. exports, particularly in agriculture, while it will not fully resolve the textile employment situation at which it is aimed.

We cannot ignore the fact of interdependence in the world economy and its implications for our own actions. Withdrawal by the United States into selective protectionism represents an abdication of our responsibilities under the GATT, and in case of this legislation, under the Multi-Fiber Arrangement [MFA]. Undeniably, the subsidies and nontariff barriers employed by some member nations and the tactics used to elude the import controls of the MFA have progressively chipped away at the effectiveness of our trade agreements. Nevertheless, it is in the interest of the United States, and in the interest of our trading partners as well, to strengthen our multilateral agreements rather than abandon them. It is useful, Mr. Chairman, to recall that our multilateral trading relationships followed from the lesson learned in 1930, in the wake of the Smoot-Hawley Act—that protectionism leads to trade wars, currency distortions, and ultimately a collapse of the world trading system. This is a lesson we ought not to learn twice.

A protectionist approach to trade, I believe, will not only harm our relations with other nations, many of whom are important to us strategically as well as economically, but will place new burdens on American consumers, on American export-oriented businesses, and ultimately, on the American trade imbalance. The legislation before us is no exception to this rule. It is

estimated, for example, that the reductions in imports required by this bill will result in at least a 10 percent increase in clothing prices. This means an added cost to consumers of $14 billion per year, a burden which will fall hardest on the poor. Already, the textile industry is the most protected of all U.S. industries, with tariffs averaging four times those for all other industries and inflating consumer costs by $4.4 billion.

The impact of H.R. 1562 on American industries and agriculture is even more startling. According to the International Business Research Corp. study, at best, this legislation would save 36,000 jobs in the textile industry while 58,000 jobs would be lost in the retail business alone, a net loss of 22,000 jobs. And while the gains in employment will be absorbed by the three major textile States, net losses will be felt in all 47 remaining States; my own State of California, with its strong retail industry, could lose more jobs than any other State—over 7,000. Beyond the retail industry, the costs of reducing imports will fall as well on shippers, port workers, importers, warehousemen, many textile manufacturers, bankers, clerks, and customs brokers. One small pebble of protectionist policy such as H.R. 1562 proposes may seem harmless on its own, but its ripple effects throughout the economy will be almost endless.

One of the serious repercussions we must expect from H.R. 1562 is retaliation against our exports from those nations most severely hurt by the bill. U.S. exports to the 12 major textile suppliers targeted by the bill totaled more than $33 billion in 1984, of which $5.1 billion was in agricultural exports—a large and vulnerable target. It is particularly ironic that Congress should begin consideration of this measure immediately after completing work on the complex and controversial farm bill. After spending months in committee and over a week on the floor devising programs to support farm income and promote agricultural exports, we now turn around and consider erecting severe new import barriers that will almost certainly bring harsh retaliation against American agriculture, leaving farmers with even greater surpluses, depressed prices, and an even more critical need for budget-expanding relief programs. Does it make any sense to approve $141 billion in taxpayer dollars for farm support programs 1 week and invite trade retaliation against our vitally important farm exports the next?

This is not mere pessimistic speculation—the precedent for retaliation in agriculture has already been set. In 1983, the United States imposed unilateral restraints on Chinese textile imports, with the result that the Chinese boycotted United States cotton, soybeans, and synthetic fibers, and cut purchases of United States grain in half. American farmers lost $500 million. Under this bill, China's exports of textiles will be cut by 59 percent, surely a sufficient blow to again bring on retaliation. It can be argued that the other victims of this bill such as Indonesia, whose export will be reduced by 81 percent; Brazil, 80 percent; Thailand, 64 percent; and Taiwan, 47 percent; are not as powerful as China and are therefore less able to consciously repudiate the United States. Nevertheless, these nations will be forced to reduce their exports by economic necessity as their foreign exchange earnings plunge.

Clearly, the concrete economic costs of H.R. 1562 are substantial and will be felt across the Nation. And what will we gain for the price? Because the bill exempts Canada and the European Community from its restrictions, it is likely that the flow of imports will continue unabated, merely shifting in origin from the Asian nations to Europe and Canada. Already textile imports from these two areas are increasing at a faster rate than those from the Pacific rim. Furthermore, the bill does nothing to protect the textile industry from the job losses that have been and will continue to result from technological innovation and increased productivity. Finally, H.R. 1562 does nothing to correct the deeper causes of our trade imbalance, factors such as the overvalued dollar and the need for a new round of multilateral negotiations on trading practices.

Instead, Mr. Chairman, by invoking a protectionist solution of our own, the bill before us makes further negotiation on unfair trading practices virtually impossible. If enacted, H.R. 1562 would violate 38 bilateral trade agreements and would abdicate our commitment to the Multi-Fiber Arrangement. If we are to truly resolve the underlying causes of our serious trade imbalance, we must not abandon the process of multilateral cooperation and discipline; rather we should strengthen it. A long-term approach must both enforce fair trade rules and continue to expand our exports but, as our new committed U.S. Trade Representative, Clayton Yeutter recently noted, he cannot "make the case for opening developing country markets, our major potential growth area, if we pursue the unilateral approach of this bill."

This bill may serve to vent frustration over our expanding trade deficit but it does nothing to solve the problems that produced it and will, in fact, only make our trade situation worse. I urge my colleagues to look beyond the public relations appeal of H.R. 1562, to consider its real costs to the consumer, to American export-oriented businesses, and to the world trading system, and to join me in opposing this bill.

Mr. MINETA. Mr. Chairman, it is with a great deal of reluctance that I rise today in opposition to the Textile and Apparel Trade Enforcement Act.

Like many of my colleagues, I am deeply troubled by the plight of the textile industry in this country. Various industries and regions have become victims of the ecomonic conditions that exist today. Those economic conditions have victimized various industries in my own district. No one among us wants to see any more harm done to those whose careers and financial wherewithal are in these industries.

We here in Congress are charged with the responsibility of serving the greater good of this country. We must stand for policies that will benefit the United States now and in its economic future. We cannot rush to implement a trade policy that provides such a grave disservice to the entire Nation. All facets of our domestic economy are intertwined and when we seek to redress the grievances of one industry, we cannot help but send shock waves throughout the entire economy as well as throughout the entire world marketplace.

Presently, we are demanding of our trade negotiators a better deal for American exporters in foreign markets. We are sending a message that we will no longer tolerate closed markets and persistently unfair trade practices. How then do we explain to our trading partners that when the chips are down, the United States will abrogate treaties such as the Milti-fiber Agreements which governs international textile and apparel trade and unilaterally adopt rigid import barriers that rival their own. What happens to our credibility if we adopt the very tactics that we have decried throughout the world?

It is our overall objective to reduce the trade deficit and to regain our rightful place in the world marketplace. Selecting a single industry for protection doesn't carry us any closer to that objective. It does just the reverse. By choking off textile imports, we would deny major trading partners access to foreign exchange. We would be sending them elsewhere not only to sell their goods, but to make their purchases and to carry on benefical trade relations. The way to improve our trade posture is certainly not to insulate ourselves from full interaction in world commerce. Erecting barriers today starts us on that slow and insidious process that ultimately will harden our trade partners in anti-Americanism and do our country's economy an injustice.

I recognize that we need concrete solutions to our trade problems. I know how dangerous the persistent trade imbalance is to this country and it is unfortunate that easy solutions are not readily available. The economic policies of the last 5 years do not permit this.

But I cannot agree that this feeling of despair is any justification for passing legislation that will be symbolically comforting, but is nonetheless imprudent and sadly misguided. Fifteen years from now, I do not want Americans to look back as they did 15 years after Smoot-Hawley was passed, and say that our leaders did us a disservice by passing that protectionist piece of legislation. Today, I genuinely believe that the United States will suffer a worse economic fate than the situation we find ourselves in today.

Mr. MOLLOHAN. Mr. Chairman, I rise in strong support of the Textile and Apparel Trade Enforcement Act and ask unanimous consent to revise and extend my remarks.

Mr. Chairman, this is a good bill. If enacted, it would reverse the frightening deterioration of one of America's major industries. I am a cosponsor of the bill and I am pleased that the Ways and Means Commit-

tee has reported it to the floor. The facts are undisputed: Between 1980 and 1984 the value of textile and apparel imports more than doubled although domestic consumption increased by only 28 percent. In 1984 the trade deficit in textile and apparel products was almost $15 billion, or 12 percent of our total trade deficit. These economic figures translate into human misery to the tune of some 300,000 lost jobs.

Industrial Darwinists argue that we should simply let our textile industry die. They say this in spite of the 1.8 million individuals, most of them female and many of them minorities, still employed by textile companies. Industrial Darwinism is fine, they say, if one will just take the long view: In two or three decades the American economy will undoubtedly come up with a new industry to replace these 2 million lost jobs. That's all well and good, but I, for one, am just a little concerned about what these 2 million people are going to do while waiting for Adam Smith's invisible hand to take care of them.

Industrial Darwinists also deny the need for an integrated national economy. They do not recognized that we cannot sacrifice one sector of our economy—the textile industry, the steel industry, the glass industry—without serious ramifications to the fabric of our entire economy.

So, this is a good bill, and I am awfully pleased the House will finally get the opportunity to pass it today, but it does emphasize my frustration with our overall trade policy. If this bill were enacted it would address the trade problems of one important sector of our industrial economy, but it does nothing for the other sectors, such as the steel industry, suffering from similar problems. If we decide it is good congressional policy to allow the full House to vote on the textile bill why do we deny the same option for a steel bill? If the Congress decides it is good public policy to enact the textile bill, why is it not good public policy to enact a steel bill? Or a coal bill, or an auto bill?

The President, of course, threatens to veto this legislation. Those of us fighting for American jobs are caught in somewhat of a catch-22 situation with this administration's policies. On the one hand, the administration argues that our trade woes result from an overvalued dollar which in turn is caused by our unprecedented Federal budget deficits. OK, fine. Several months ago this administration once again torpedoed congressional efforts to put together a real deficit reduction plan. Stymied in our efforts to reduce the trade deficit through fiscal action, we adopt the more direct approach of reforming our trade laws. Now the President tells us he will oppose that effort as well. What are we left to do, Mr. President?

The evolution of this administration's—quote, unquote—trade policy has been rather interesting. Last year the fair trade in steel bill progressed almost as far as the textile bill has come this year. Seeing the writing on the wall last year, the President announced his policy of negotiating voluntary steel import agreements. The bottom line is that he did as little as he thought he could get away with politically.

This year, as the textile bill moves through Congress, there is more and more concern on Capitol Hill and throughout the country about the dangers of our trade situation generally. Again, seeing the writing on the wall, the President announces his new trade program. We are finally going to get tough on foreign trade, he says, yet his trade policy does not offer the help our industries need. Again he has done as little as he thinks he can get away with politically. Mr. Chairman, I submit that what this administration offers our American industries is not a trade policy: It is a political damage control policy. I urge my colleagues to reject it and to vote for real trade reform.

Thank you.

Mr. RICHARDSON. Mr. Chairman, I rise today in support of H.R. 1562. My grave concerns about trade issues arise out of seeing the vitality of many of my home State of New Mexico's major industries sapped by unfair foreign trade practices. Our copper, uranium, natural gas, and coal industries have all suffered from foreign barriers to U.S. exports, foreign government subsidization, and "dumping." What is happening in New Mexico is happening all over the country. The textile and apparel industry is no exception.

Over the past 4 years, over a quarter of a million American workers in this industry have lost their jobs. If we do not act, 2 million more jobs will be lost by 1990. These lost jobs translate into the erosion of the economic bases of our communities—which in turn means higher Government costs for unemployment and welfare. These industries are major employers of women and minorities—only half of the workers have completed high school and a high percentage are non-English speaking. They do not have the kinds of skills which can be easily transferred to other jobs. A flood of foreign imports is destroying jobs, job opportunities, and ultimately the industry itself. The textile and apparel industry is one of our Nation's major industries—it must not be allowed to die.

I am very aware of how difficult it is to make ends meet for many of the people in this country. I am also very concerned about the health of our economy—we must take steps to guarantee the future of American jobs. Through the preservation of American jobs and industries, all of the citizens of this country will benefit. For this reason, I urge my colleagues to support with their votes, H.R. 1562. Thank you.

Mr. LAGOMARSINO. Mr. Chairman, I rise in strong opposition to the legislation. Many Members today have discussed the dangers of protectionism and the harmful effect it will have on the U.S. economy. There should be no question about the negative impact protectionism will have for our own exports because of the retaliation we would face from our trading competitors overseas. But, I would urge my colleagues to look also at the effect protectionist legislation would have on our friends and allies who are trying to rescue themselves from being swamped by debt. Singapore Prime Minister Lee Kuan Yew stated it eloquently yesterday.

This legislation singles out Brazil and Mexico among the 12 nations for which special import levels must be established. Those two nations account for the highest foreign debt levels of any nations in the world. Combined, their foreign debt amounts to more than $200 billion. Experts studying the problem of foreign debt in developing countries urge these nations to stimulate exports in order to increase their trade surplus, which can then be used to help pay off the debt.

On the one hand, we are telling these nations to increase their exports, and on the other, with legislation like the textile measure before us, we are putting barriers in the way of their recovery.

No one should feel smug or complacent that if countries like Brazil or Mexcio fail to pay off their debt, we in the United States wouldn't be affected. American banks are extended with more than 40 percent of the loans owed by these developing nations. Defaulting on those loans would create a financial disaster in the United States unparalleled in our memory.

A nation having a trade surplus with the United States is not sufficient cause to retaliate with protectionist measures. It is reported Brazil currently has a $5.6 billion trade surplus with the United States. Some argue that should be changed in order to have a more equitable trading relationship between the United States and Brazil, which would also help to reduce America's serious trade deficit. The truth of the matter is: The United States would be in worse economic shape if Brazil does not pay off its foreign debt, and to do that, Brazil needs an $11 billion trade surplus just to pay the interest on its debt. That doesn't even touch the principal.

I am also confident that my colleagues share my concern about the great tragedy of the earthquake that struck Mexico 3 weeks ago. Under the desperate economic problems that nation faces, we must not proceed with crippling legislation like this that would only complicate further Mexico's efforts to recover and to revitalize its economy.

I urge my colleagues to reject the quick fix, the apparently easy solution of slapping on a tariff to help improve America's trade balance and to protect hard-pressed industry. Such an approach only means disaster in the long run. We must not condemn the United States to financial ruin by passing measures that will promote trade retaliation, international bankruptcy, and our own economic demise. I urge my colleagues to defeat this measure.

Mr. BUSTAMANTE. Mr. Chairman I rise in support of H.R. 1562. If the subject we are discussing today concerned the import of arms and weapons, instead of shirts and fabric, the merits of this bill would not be under debate. If our Arms Control Agreements with the Soviets were as porous as the Multi-Fiber Arrangement [MFA], this Chamber would hear few arguments about

maintaining the sanctity of our international agreements. But we are not talking about the threat to our defense industry. We are discussing the fate of this Nation's ability to clothe itself and the future of the largest part of our national manufacturing sector: The textile and apparel industry.

It is not my intention to engage in an adjectival battle between fair trade versus free trade. Most Members are aware of the problems of managing trade under the MFA, and most of us realize that the United States is often a victim of unfair foreign trading practices. But the one area that has drawn little attention is the nature and extent of textile trade fraud perpetrated by importers and exporter countries.

An internal U.S. Customs Service report prepared in September 1983 concluded: "Widespread conspiracies exist to circumvent quota and import requirements." In another internal document, the Customs Service states it has "identified textile imports as an area of consistent and persistent fraudulent abuse of quota and duty rates."

Unfortunately, our friends in Pacific Basin countries are sources of fraudulent exports to the United States because of unscrupulous practices of some Third World countries—countries we want to help the most—textile and apparel fraud has reached unacceptable proportions. Examples of trade fraud perpetrated on the United States include:

Transshipment schemes where products made in one country are falsely marked "as to country of origin" and shipped to another, which has a liberal quota or no quota restrictions. The merchandise is made to appear that it was produced in the intermediary country.

Falisfication of product classification and decription which allows importers to evade quota restrictions on different product categories.

False declarations of quantities and weights. These practices violate quota and visa restrictions because they misrepresent the actual amount imported and reported under bilateral agreements. As a result, greater quantities of goods are imported to the United States than agreed upon.

These are just three examples of trade fraud which violate our laws and undermine an honest world trading system that could collapse under the weight of widespread fraud and mounting mistrust.

The burden of trade law enforcement is with our Government, and it has neglected its duties. Likewise, the responsibility of honoring our trade agreements is on the major exporting countries and, they, too, have failed to live up to their obligations, as have their export companies and associations.

Even though this Congress has taken action to increase the number of Customs Service inspectors and import specialists, I seriously doubt that the additional resources assigned to this area will do more than just scratch the surface. Little evidence exists that governments of foreign suppliers will crack down on fraudulent trade practices targeted at this country.

The Customs Service conservatively estimates that 450 million dollars' worth of textile and apparel articles were illegally imported in 1983. It projects a 25-percent increase by 1990, totaling $563 million. The dollar amounts may seem small, but all we have are estimates and they are very conservative figures.

Mr. Chairman, the Jenkins bill will make it easier to hold countries to their bilateral obligations, monitor import growth limits on textiles and apparels, and still assure market access for exporting countries at levels consistent with MFA.

Those countries advocating the defeat of this bill do so because other industrial nations have strict limited market accessibility. For example, 2 months ago, Japan implemented its version of the Jenkins bill. However, it did not do it as publicly as we are doing. Instead, it implemented restrictions by an invisible hand which controls that country's importers.

The maintenance of a free and open trading system requires the commitment of all industrial countries. Presently, that commitment is not there. The Jenkins bill is a modest measure that recognizes world trade as it exists, and may help to move it to where it should be. The American economy has been the locomotive that has pulled the world behind it for 2 years. Mr. Chairman, that locomotive is best fueled by large quantities of global good faith and open dealings. The continued high levels of bad faith trade fraud is causing our global economic engine to run out of steam. The Jenkins bill can restore the kind of engine needed by both domestic and foreign trading organizations. Therefore, I urge the passage of this bill.

Mr. PANETTA. Mr. Chairman, I rise in opposition to H.R. 1562, the Textile and Apparel Trade Enforcement Act. While I share in the frustration of my colleagues with regard to the $150 billion merchandise trade deficit that is draining America's economic strength, this legislation is no solution to the problem. Careful analysis of the bill reveals its weaknesses. We must resist the temptation to apply quick-fixes to a situation which demands a comprehensive, long-term approach.

Although there are many factors contributing to the burgeoning trade deficit, the No. 1 culprit is the overvalued dollar. How are we to expect our products to compete with foreign goods when they are marketed with a price tag that reflects a dollar figure that is inflated by 40 percent? We are, in effect, slapping a surcharge on every product that is in competition with a foreign-made counterpart, both here and abroad. The textile bill proposes to restore the competitiveness of our industry by limiting the number of imports that enter our borders in an attempt to reduce foreign competition.

This approach is not going to work, for a number of reasons. First, such an action constitutes an open invitation for retaliation. China, for example, has explicitly proclaimed that upon enactment of this law it will immediately take in-kind action against our agricultural exports. Other nations will certainly follow suit. Who would profit by such an escalation of the trade war? Certainly not the average American.

A consensus has been developing that any rational trade policy must include a call for a new round of GATT to extend and confirm existing agreements. America's hand in these negotiations would be severely undercut by the passage of this legislation, since it is in violation of the Multi-Fiber Agreement, negotiated under the auspices of GATT. In addition, it would abrogate at least 34 existing bilateral agreements. We must enter a new round of international trade negotiations from a position of strength, able to persuade our trading partners to open up their markets as we have opened up ours. H.R. 1562 would seriously undermine that argument.

The cost of this bill to American consumers has been estimated at $28 billion. While approximately 36,000 jobs would be saved through this added protection, 58,000 jobs would be eliminated in the retail industry, thereby resulting in a net loss of 22,000 jobs. Furthermore, the industry currently enjoys a tariff rate of 22 percent, as compared with an average of 5 percent for all other domestic industries. There are over 1,000 quotas already in place for textiles and textile products.

Instead of providing further protection for this industry, I believe we must concentrate our efforts on developing a comprehensive strategy to relieve the trade crisis that would entail: First, easing down the price of the dollar; second, enhancing the productive capacities of our industries; third, strengthening and enforcing our existing trade laws; fourth, assisting our trading partners in the developing world to improve the performance of their own weakening economies; and fifth, assisting domestic industries adapt to the changing economic environment in which they must compete.

I am under no illusions that this prescription is an easy one to follow. However, the situation has so deteriorated that there simply are no painless solutions, neither for the affected industries, and their workers, nor for politicians called upon to solve the problem overnight.

We must not attack the trade problem on a piece-meal basis. America would be better served by a policy designed to place our Nation's manufacturers and industries back on a sound economic footing. Glossing over the problem by applying another coat of protectionism will catch up with us in the long run. I urge my colleagues to vote no on H.R. 1562.

Mr. FUQUA. Mr. Chairman, I stand before you today in support of a measure which has a direct impact, not only on the people of my district, but on the entire Nation. The Textile and Apparel Trade Enforcement Act of 1985 will force adhesion to the objectives of the Multi-Fiber Agreement and set new limits on imports from major exporting countries in order to put a halt to the import explosion which is taking place in our textile and apparel market.

This measure is necessary, in part, due to major flaws in current U.S. regulation practices. At present, uncontrolled countries are producing a great deal of materials and apparel for export to the United States. Many of these countries were not producing or producing very little when current quotas were set, so they did not come under consideration. There has also been a boom in the production of material which has never been regulated under current agreements.

This influx is complicated by lax U.S. regulations and cheating by exporting nations. Current regulations allow countries to borrow quota amounts from previous and/or future years in order to get their products into the U.S. immediately. These nations are even able to switch category assignments of products to fill category voids. But the ultimate insult is the realization that many countries completely circumvent our quota system by rerouting their products through nonquota countries like Japan.

These regulation difficulties are capped-off by the lax inspection and monitoring by the U.S. Customs Agency, the Agency ultimately responsible for control of imports. I realize that the Agency's priorities of the prevention of narcotics into the United States and the close monitoring of high technology import quotas are extremely important; however, the total disruption of our domestic textile and apparel market is equally important.

The ramifications of this disruption are evidenced by the fact that 36 States contain textile plants, 45 States produce apparel and 48 States produce cotton, wool or man-made fiber. But even more important to me is the detrimental effect this flood of imports is having on my own north Florida district. We have approximately 1,050 workers in three northwest Florida manufacturing plants. A fourth plant closed permanently, laying off over 200 workers, and still another plant had to close for several months last spring, a move which affected 120 employees.

This crisis urgently calls for strong and creative leadership by this body. I urge my colleagues to join me in taking a strong stand in support of the quality and pride of the American textile and apparel industry by voting in favor of this measure.

Mr. PORTER. Mr. Chairman, I rise in strong opposition to this legislation.

Two initial observations regarding our domestic textile and apparel industry should be made. First, the problems facing the industry are serious, but they are not new. The industry is already one of the most protected in the United States. Second, the substantial loss of textile and apparel jobs, and the tragedy this creates for many small towns, cannot be blamed entirely on imports.

The industry maintains that it needs a 3-year escape from imports in order to retool and increase productivity. The textile industry, however, has already been granted substantial protection and has already undertaken a modernization effort. This modernization has produced an American textile industry which is less labor intensive than its foreign competitors, an industry which uses fewer workers to produce more goods. Job losses continue while industry profits remain high.

A textile bill which, its proponents claim, is necessary both to save jobs and to allow the industry to modernize must, therefore, be seen as a bill which promises to accomplish two opposing goals. In reality, the bill must be seen as an attempt to insulate a domestic industry from foreign competition so that either continued modernization can be avoided and jobs thereby saved, or industry profits can be protected and strengthened while employment is allowed to decline. Passage of this bill will set off, within the domestic textile and apparel industry, a fight for the benefits of protectionism. Passage of this bill will reinvigorate those institutional forces which resist competition and will ultimately accelerate the decline of U.S. competitiveness. Furthermore, this discriminatory legislation will not affect European imports which, to an even greater extent than Pacific Rim imports, receive a substantial market edge because of the strength of the dollar.

This bill has the distinction of being the first piece of protectionist legislation to be considered by this Congress. There will be many more. This Congress can generate any amount of rhetoric on the subject of international trade that it wishes to, but no amount of rhetoric will change the facts. A Federal budget deficit of $200 billion, and a national debt of $2 trillion is resulting in an unprecedented inflow of foreign capital, a relatively high market interest rate and a dollar that is so strong it is destroying our ability to compete.

Many years from now the historians will remember this Congress with a tone of disrespect. They will remember this Congress as a body which reached the height of hypocrisy. A Congress which exhibited the purest form of cowardice and deceit in addressing the budget deficit and turned instead—with all guns blazing—to the nearby and readily identifiable manifestations of that fundamental failure on the budget.

This legislation represents our unwillingness to address the budget deficit, it represents our unwillingness to demand with one voice that the State Department cease to obstruct the placement of customs fraud specialists in those nations where many currently illegal textile imports originate, and it represents our unwillingness to work with our allies toward a reasonable compromise on this issue.

This legislation gives many Members of this body a bully pulpit to appear strong, to appear concerned, to demonstrate their support for America. But in reality there is no such glory in this bill—it is bad domestic economic policy, it is bad international economic policy and, as the Prime Minister of Singapore so eloquently reminded us yesterday, it is tragically bad foreign policy. Ultimately, we are fooling no one but ourselves with this legislation—it represents not the beginning of a solution to our trade deficit but a barometer for future historians of our failure on the budget deficit. We have met the enemy, and he is us.

Mr. DIXON. Mr. Chairman, I rise in support of the Textile and Apparel Enforcement Act (H.R. 1562), a bill that is supported by colleagues on both sides of the aisle.

Our trade deficit is expected to reach over $150 billion this year, and I am seriously concerned about the deterioration in our country's trade performance. The textile industry, in particular, is besieged by low-cost imports that has resulted in a decline in America's textile productivity, cost American jobs, and is partially responsible for the steady increase in our trade deficit. Congress has a chance today to respond to this crisis, and I believe the bill before us is a reasonable and fair legislative measure that restores order to our textile industry.

This bipartisan measure speaks out on the side of labor—the thousands of textile workers in America whose jobs have been lost and those whose jobs are threatened by the rapid growth of textile imports into the United States. I agree with my colleagues that our domestic industries can compete with other nations, but only when the scales are evenly balanced, not slightly tilted in favor of our foreign competitors' industry which is heavily subsidized by its government.

Some opponents argue that passage will cost more jobs than it will save; that as a protection measure, it will result in retaliation against our major trading partners; and it would drive up consumer prices. But, I cannot agree with these arguments.

Congress has fashioned a meaningful legislative initiative to address the textile problem. The bill seeks to ensure an orderly and nondisruptive system to control the growth of imported fibers, textiles and apparels entering the United States. This bill would not eliminate import growth, but would set a new quota baseline for each major exporting country under the Multi-Fiber Arrangement. Establishing a system to restrain imports is essential if we are to limit the business losses and curb the unemployment which is gripping the textile manufacturing industry.

I realize that imports can also promote jobs and offer a wider variety of consumer goods in the United States. However, we need to maintain a strong domestic apparel industry, and I believe this legislation offers a measured response to excessive growth in imports that threaten textile markets in the United States.

Congress must act decisively and the passage of this bill will send a clear signal to our trading partners that we mean business. Let's protect the jobs of all Americans. Let's protect our American industry by passing this measure.

Mr. GEJDENSON. Mr. Chairman, I rise in support of H.R. 1562, a bill to establish permanent import quotas on imports of textiles and textile products from non-EEC countries. I urge the support of my colleagues for this bill because I believe that passage of H.R. 1562 is the single most powerful thing we can do to send a message to the President that something must

be done—and done soon about the crisis in our domestic textile industry.

Some will say that this legislation is too strong, that we should rely on the magic of the marketplace to sort things out or perhaps continue to work through the mechanism of the multinational Multi-Fiber Arrangement. But I would respond by saying that the time is long past for soft statements of concern by the Congress and a continued reliance on a process that has failed to stem the flood of foreign imports into this country. The crisis we see today in the textile industry is too great for that. In just 4 years, for example, 250 textile factories across the country have closed and more than 250,000 jobs have been lost.

While this legislation may not be perfect—some less prosperous and less democratically stable countries may be hurt more than I would like—I feel that we must pass it without further delay. We, in this body, have the responsibility of considering the 1 in 10 Americans working in manufacturing who are employed by the textile industry. It is the single largest industrial employer of women and minorities. These are people who must live every day with the fear that their jobs will be the next to go. They are our responsibility. I know that in my own State of Connecticut, once the site of vital mill towns, 2,200 textile jobs were lost from 1980 to 1984. And this frightening trend is accelerating: In just the last year alone, from July 1984 to July 1985, another 2,100 textile jobs have been done away with in Connecticut. This cannot go on—the despair, the pain and the frustration felt by workers when they see the factories to which they have devoted years of their working lives close and the towns they grew up in slowly die is something that we in Congress must stop and I believe this legislation could do that.

I think that all of us know that to really remedy the whole trade crisis this Nation is in we have to get serious about the $220 billion Federal deficit before it wreaks any more havoc on our ability to compete on the world market. But as necessary as that more comprehensive solution is, it won't bring any immediate relief to the industries that are being hurt right now. Relief is needed now and that is why I strongly support the measure we have before us today.

The CHAIRMAN. All time has expired under general debate.

Pursuant to the rule, the bill is considered as having been read for amendment under the 5-minute rule. No amendments to the bill are in order except: First, an amendment to strike out the blanks and the comma on page 20, line 4 and the date "1985" on page 20, line 5 of the bill and to insert in lieu thereof "the date of enactment of this Act", which shall be considered as having been adopted; and second, amendments recommended by the Committee on Ways and Means, which shall not be subject to amendment.

The text of the bill is as follows:

H.R. 1562

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Textile and Apparel Trade Enforcement Act of 1985".

SEC. 2. POLICY.

The policy of this Act is—

(1) to prevent further disruption of the United States textiles and textile products markets, damage to United States textile and apparel manufacturers, and loss of jobs by United States workers by providing for orderly and nondisruptive growth of imports to textiles and textile products; and

(2) to implement the objectives of the Multi-Fiber Arrangement by requiring the effective enforcement of import levels of textiles and textile products contemplated by the Multi-Fiber Arrangement.

SEC. 3. FINDINGS

The Congress finds that—

(1) the United States and most major textile producing countries are parties to the Multi-Fiber Arrangement, the purpose of which is to ensure the orderly growth of imports of textiles and textile products and to avoid disruption of the markets for textiles and textile products in importing nations;

(2) the Multi-Fiber Arrangement, which first entered into force on January 1, 1974, and which was most recently extended in December, 1981, through July 1986, contemplates a 6 per centum annual rate of growth for imports for most exporting countries and provides for a lower rate of growth for imports from major exporting countries;

(3) since 1980, the objective of orderly growth of imports of textiles and textile products provided for in the Multi-Fiber Arrangement has not been achieved; from 1981 through 1984 imports of textiles and textile products into the United States have grown at an annual rate of 19 per centum, far in excess of the 1 per centum growth rate of the United States market for textiles and textile products during the same period and far in excess of the annual rate of import growth of less than 2 per centum that prevailed during the period 1974 through 1980;

(4) the disruptive surge in imports of textiles and textile products which occurred from 1981 through 1984 resulted from the failure of the United States to enforce adequately its rights under the Multi-Fiber Arrangement and to extend coverage of the Multi-Fiber Arrangement to imports made of competing fibers;

(5) import growth of apparel products has substantially outstripped the growth of the domestic market so that import penetration of the domestic market has more than doubled in the last six years, reaching a level of 50 per centum in 1984;

(6) based on a nationwide audit of major retail outlets, the import penetration of such major items of apparel as trousers, blouses, shirts, suits, skirts and sweaters exceeds 50 per centum of domestic consumption;

(7) since the most recent extension of the Multi-Fiber Arrangement, certain exporting countries have sharply increased their exports of textiles and textile products made in whole or in part from fibers not subject to the Multi-Fiber Arrangement with the effect of circumventing restraints agreed to under the Arrangement; the increased imports of these textiles and textile products have caused disruption of the United States market for textiles and textile products and have seriously undercut the effectiveness of the Multi-Fiber Arrangement;

(8) imports of textiles and textile products into the United States are predominantly the product of major exporting countries, with five large exporting countries now accounting for more than 50 per centum of all imports of textiles and textile products;

(9) the domination of import trade by producers in the major exporting countries has limited participation in the United States market by other exporting countries, many of which share important trade and other national interests, and encourage mutually beneficial trade and investment, with the United States;

(10) a change in United States textile trade policy to afford the smaller exporting countries and countries in the Caribbean region a relatively greater share of imports of textiles and textile products would promote the national economic interests of the United States;

(11) the textile and apparel trade deficit of the United States was more than $16,200,000,000 in 1984, an increase of 53 per centum over 1983, and accounted for 13 per centum of the nation's overall merchandise trade deficit;

(12) the current level of imports of textiles and textile products, nine billion eight hundred million square yard equivalents in 1984, represents over one million job opportunities lost to United States workers;

(13) imported textiles and textile products now account for 38 per centum (the equivalent of three million two hundred thousand bales of cotton) of the annual cotton consumption in the United States; only one of five of the bale equivalents included in imported textiles and textile products is grown in the United States; the result of the massive increases in cotton textile and apparel imports has been a declining market share for, and a $1,000,000,000 loss to, domestic cotton producers in 1983 alone, which was only partially offset by Federal cotton program benefits; another result is that United States cotton producers, who are spending about $20,000,000 annually in research and pomotion efforts, have built markets not for themselves but for foreign growers;

(14) imports of wool products have doubled since 1980, creating major disruptions among domestic wool products producers and seriously depressing the price of United States produced raw wool; the United States has long recognized that imports of wool products pose particular problems for the wool products industries in the United States and has therefore adopted a policy of 1 per centum import growth on wool products; this policy has been acknowledged in our bilateral agreements under the Multi-Fiber Arrangement and has been reviewed by the Textile Surveillance Body;

(15) as a result of this increased penetration and the very limited growth of the domestic market, the United States companies producing textiles and textile products identical, or similar, to those imported have been seriously damaged, many of them have been forced out of business, many have closed plants or curtailed operations, workers in such companies have lost employment and have been otherwise materially and adversely affected, and serious hardship has been inflicted on hundreds of impacted communities causing a substantial reduction in economic activity and lost revenues to local governments;

(16) the increase in imports and increased import penetration of the United States domestic market have occurred notwithstanding the fact that, through extensive modernization programs and investment in more

modern equipment, productivity, as measured by output per man hour, in the textile mill products sector has increased in the last ten years at the average annual rate of 4.2 per centum and in the apparel sector at the average annual rate of 3.4 per centum, as compared with the lower productivity growth of all manufacturing in the same period of 1.9 per centum;

(17) the factors described above are causing serious damage, or the actual threat thereof, to domestic producers of textiles and textile products; as a result, market disruption exists in the United States requiring the new measures established under this Act;

(18) based on experience during the past ten years and on other factors, the growth of the United States market for textiles and textile products is unlikely to exceed an average annual rate of 1 per centum during the next several years;

(19) if the rate of growth of imports of textiles and textile products into the United States that occurred since 1980 continues, plant closings will continue to accelerate, leaving the United States market with reduced domestic competition for imported products;

(20) in order to avoid further market disruption and deterioration of the situation confronting the United States industry producing textiles and textile products, which is already seriously damaged, it is essential—

(A) to require the establishment of import levels for textiles and textile products supplied by major exporting countries that reflect—

(i) the import level that would have occurred had imports from these countries grown since 1980 by the 6 per centum or lower annual growth rate contemplated by the Multi-Fiber Arrangement, or 1 per centum in the case of wool products, or

(ii) the actual import level resulting from restraints under a bilateral agreement with the United States providing for an annual import growth rate of less than 6 per centum,

whichever is the lesser,

(B) to require the establishment of import levels for textiles and textile products supplied by smaller exporting countries that provide a significant increase in their market shares to meet their development needs and to permit future growth in such shares consistent with the Multi-Fiber Arrangement, and

(C) to limit the future growth rate of imports of textiles and textile products into the United States to levels which reflect orderly growth as provided for in the Multi-Fiber Arrangement and the most recent Protocol extending the Multi-Fiber Arrangement;

(21) the establishment of import levels, and limitation of future import growth to levels, that reflect effective enforcement of the Multi-Fiber Arrangement and that also reflect the expected growth rate of the United States market for textiles and textile products will fulfill announced policy objectives of the United Staes regarding trade in textiles and apparel;

(22) as the Department of Defense has long recognized, a strong, viable and efficient domestic textiles and textile products industry is essential in order to avoid impairment of the national security of the United States;

(23) the developments that have led to the sharp increase in imports of textiles and textile products since 1980 may not have been foreseeable; nevertheless, the rights of the United States under international agreements should have been invoked in order to prevent increased quantities of textiles and textile products from being imported under such conditions as to cause or threaten serious damage to domestic producers of textiles and textile products in the United States; and

(24) the sharp increase in imports of textiles and textile products since 1980, and the effect of this increase on the United States textile and apparel industry and its workers, constitutes exceptional circumstances within the meaning of the Multi-Fiber Arrangement and its Protocol.

SEC. 4. DEFINITIONS.

For purposes of this Act—

(1) The term "textiles and textile products" includes, but is not limited to, all manmade fibers, tops, yarns, piece goods, madeup articles, garments, and other textile manufactured products (which derive their chief characteristics from their textile components) made in whole or in part from any natural or manmade fiber, or blend thereof, that are classified under schedule 3, part 6 of schedule 6, parts 1, 4, 5, 7, or 13 of schedule 7, part 1 of schedule 8, or part 1 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202);

(2) The term "category" means, with respect to textiles and textile products imported from each country, each of the following—

(A) Each category of textiles and textile products identified by a three-digit textile category number in the Department of Commerce publication "Correlation: Textile and Apparel Categories with Tariff Schedules of the United States Annotated", dated January 1985;

(B) A category consisting of the manmade fiber articles classified under subpart E of part 1 of schedule 3 to the Tariff Schedules of the United States; and

(C) Each category consisting of each of the following products when, because of any fiber content, that product is not subject to the Multi-Fiber Arrangement:

(i) yarn,

(ii) fabric,

(iii) apparel, and

(iv) other textile products;

(3) The term "import sensitive category" means—

(A) A category (other than a category applicable to textiles and textile products that are a product of a country in the Caribbean region) for which the ratio of imports to domestic production, as reported in the Department of Commerce publication "U.S. Production, Imports and Import/Production Ratios for Cotton, Wool and ManMade Fiber Textiles and Apparel", equals or exceeds 40.0 for the preceding calendar year; or

(B) A category covering wool products;

(4) The term "country" means a foreign country (other than Canada and the Member States of the European Economic Community as constituted on January 1, 1985), a foreign territory, or an insular possession of the United States;

(5) The term "major exporting country" means a country (other than a country in the Caribbean region) from which the United States imported an annual aggregate quantity of textiles and textile products under all categories that equaled or exceeded 1.25 per centum of all textiles and textile products under all categories imported into the United States from all countries and from Canada and the Member States of the European Economic Community during calendar year 1984;

(6) The term "country in the Caribbean region" means the United Mexican States and a country eligible for designation as a beneficiary country under section 212 of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702);

(7) The term "wool product" means an article containing over 17 per centum by weight of wool;

(8) The term "exporting country" means a country other than a major exporting country;

(9) The term "entered" means entered, or withdrawn from warehouse, for consumption in the customs territory of the United States;

(10) The term "imported" means entered; and

(11) The term "Multi-Fiber Arrangement" means the Arrangement Regarding International Trade in Textiles, as extended by the Protocol done at Geneva, December 22, 1981.

SEC. 5 LIMITS ON TEXTILE AND APPAREL IMPORTS.

(a) CALENDAR YEAR 1985.—Notwithstanding any other provision of law, the aggregate quantity of textiles and textile products classified under each category that is entered during calendar year 1985 shall not exceed—

(1) in the case of textiles and textile products that are a product of a major exporting country, the lesser of an amount equal to 101 per centum (A) of the aggregate quantity of such products from such country classified under such category that would have entered during calendar year 1984 if the aggregate quantity of such products from such country classified under such category entered during calendar year 1980 had increased by 6 per centum annually, or 1 per centum annually in the case of a category covering a wool product, during calendar years 1981, 1982, 1983, and 1984, or (B) if the United States has an agreement with such country providing for an annual growth rate for such category of less than 6 per centum, of the aggregate quantity of such products from such country classified under such category that entered during calendar year 1984;

(2) in the case of textiles and textile products that are a product of an exporting country, an amount equal to the aggregate quantity of such products from such country classified under such category that entered during calendar year 1984, plus an amount equal to (A) 15 per centum of such quantity, in the case of a category that is not an import sensitive category, or (B) 1 per centum, in the case of a category that is an import sensitive category.

For purposes of this section, if during any calendar year after 1984 the United States imports from a country, other than a country in the Caribbean region, that is not a major exporting country an aggregate quantity of textiles and textile products under all categories that equals or exceeds 1.25 per centum of all textiles and textile products under all categories imported into the United States from all countries and from Canada and the Member States of the European Economic Community during such calendar year, then such country shall be considered to be a major exporting country for all succeeding calendar years.

(b) GROWTH ADJUSTMENT.—For calendar years after 1985, the aggregate quantity of textiles and textile products classified under

each category that may be entered during each such calendar year shall—

(1) in the case of such products that are a product of a major exporting country, be increased by an amount equal to 1 per centum of the aggregate quantity that could be entered under such category during the preceding calendar year; and

(2) in the case of such products that are a product of an exporting country, be increased by an amount equal to—

(A) in the case of a category (other than an import sensitive category), 6 per centum of the aggregate quantity that could be entered under that category during the preceding calendar year, and

(B) in the case of an import sensitive category, 1 per centum of the aggregate quantity that could be entered under that category during the preceding calendar year.

(c) MINIMUM QUANTITIES.—If, under subsection (a) or (b), the aggregate quantity of textiles and textile products from a country that may be entered during a calendar year under a category is—

(1) less than one million square yard equivalents, in the case of a category covering yarn, fabric, madeups, and miscellaneous products, other than wool products;

(2) less than seven hundred thousand square yard equivalents, in the case of a category covering apparel, other than wool products apparel; or

(3) less than one hundred thousand square yard equivalents, in the case of a category covering wool products,

then, notwithstanding subsection (a) or (b), the aggregate quantity of textiles and textile products that may be entered from such country under such category during the calendar year shall be one million, seven hundred thousand, or one hundred thousand square yard equivalents, respectively. The amount prescribed in the preceding sentence shall be accorded growth subject to the provisions of subsection (b) beginning the first calendar year after the aggregate quantity of imports from such country under such category equals the minimum quantity prescribed under this subsection.

(d) ENFORCEMENT.—The Secretary of Commerce shall prescribe such regulations governing the entry, or withdrawal from warehouse, for consumption of textiles and textile products as may be necessary to carry out this Act.

SEC. 6. IMPORT LICENSING.

In order to ensure the equitable and efficient administration of section 5 of this Act, the Secretary of Commerce shall, within six months after the date of enactment of this Act, establish and administer an import licensing system under which an importer of any textiles and textile products from any country and from Canada and the Member States of the European Economic Community, will be required to present an import permit as a condition of entry. The Secretary shall charge a fee for import licenses in such amount as may be necessary to cover the cost of administration of the system.

SEC. 7. ANNUAL REPORT.

Not later than March 15, 1986, and March 15 of each calendar year thereafter, the President shall submit to the Congress a report on the administration of this Act during the preceding calendar year. Such report shall include detailed information about the implementation and operation of the limitations established under section 5. All departments and agencies shall cooperate in preparation of this report as requested by the President.

SEC. 8. EFFECTIVE DATE.

(a) IN GENERAL.—The provisions of this Act shall apply to textiles and textile products entered, or withdrawn from warehouse, for consumption after the date of enactment of this Act.

(b) CALENDAR YEARS 1985 AND 1986.—The Secretary of Commerce shall prescribe by regulation the aggregate quantity, if any, of textiles and textile products that may be entered under section 5 (a) or (c) of this Act from each country under each category during the period beginning on the date of enactment of this Act and ending December 31, 1985. Notwithstanding subsection (a), to the extent that the aggregate quantity of imports of textiles and textile products from a country under a category entered after December 31, 1984, and before the date of enactment of this Act exceeds the quantity permitted entry for such country and such category during calendar year 1985 under section 5 (a) or (c), the limit that would otherwise apply under section 5(b) for such category for such country for calendar year 1986 shall be reduced by the amount of such excess quantity.

The CHAIRMAN. Are there any amendments recommended by the Committee on Ways and Means?

Mr. GIBBONS. We have no amendments, Mr. Chairman.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MAVROULES, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1562) to achieve the objectives of the Multi-Fiber Arrangement and to promote the economic recovery of the U.S. textile and apparel industry and its workers, pursuant to House Resolution 286, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Under the rule, the amendment is considered as having been adopted.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. FRENZEL

Mr. FRENZEL. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. FRENZEL. Yes, I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. FRENZEL moves to recommit the bill, H.R. 1562, to the Committee on Ways and Means.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that ayes appeared to have it.

□ 1450

Mr. FRENZEL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 262, nays 159, answered "present" 1, not voting 12, as follows:

[Roll No. 354]

YEAS—262

Ackerman	Donnelly	Jenkins
Alexander	Dowdy	Jones (NC)
Andrews	Duncan	Jones (TN)
Annunzio	Durbin	Kanjorski
Anthony	Dwyer	Kaptur
Applegate	Dyson	Kastenmeier
Aspin	Early	Kennelly
Atkins	Eckart (OH)	Kindness
Barnard	Edgar	Kolter
Barnes	Edwards (CA)	Kostmayer
Bateman	Emerson	Lantos
Bates	Erdreich	Leath (TX)
Bentley	Evans (IL)	Lehman (CA)
Bevill	Fascell	Lehman (FL)
Biaggi	Fazio	Leland
Bilirakis	Feighan	Lent
Billey	Fiedler	Levin (MI)
Boehlert	Fish	Lipinski
Boggs	Flippo	Lloyd
Boland	Florio	Loeffler
Boner (TN)	Foglietta	Long
Bonior (MI)	Ford (MI)	Lott
Borski	Ford (TN)	Lundine
Boucher	Fowler	Manton
Boxer	Frank	Markey
Breaux	Franklin	Martin (NY)
Brooks	Frost	Martinez
Brown (CA)	Fuqua	Mavroules
Broyhill	Garcia	McCloskey
Bruce	Gaydos	McDade
Bryant	Gejdenson	McGrath
Burton (CA)	Gekas	McKernan
Bustamante	Gephardt	McKinney
Byron	Gilman	McMillan
Callahan	Gingrich	Mikulski
Campbell	Gonzalez	Miller (OH)
Carney	Goodling	Mitchell
Carper	Gordon	Moakley
Carr	Gray (IL)	Mollohan
Chapman	Gray (PA)	Monson
Chappell	Gregg	Montgomery
Clay	Guarini	Moody
Clinger	Hall (OH)	Morrison (CT)
Cobey	Hall, Ralph	Mrazek
Coble	Hammerschmidt	Murphy
Coelho	Hartnett	Murtha
Coleman (TX)	Hatcher	Natcher
Collins	Hawkins	Neal
Combest	Hayes	Nichols
Conte	Hefner	Nowak
Conyers	Hendon	Oakar
Cooper	Henry	Oberstar
Coughlin	Hertel	Obey
Coyne	Hillis	Olin
Daniel	Hopkins	Ortiz
Darden	Horton	Owens
Davis	Howard	Parris
de la Garza	Hoyer	Pashayan
Dellums	Hubbard	Pepper
Derrick	Huckaby	Perkins
Dickinson	Hughes	Price
Dingell	Hunter	Quillen
DioGuardi	Hutto	Rahall
Dixon	Jeffords	Rangel

Ray	Skelton	Torricelli
Regula	Slaughter	Towns
Reid	Smith (FL)	Traficant
Richardson	Smith (NJ)	Traxler
Ridge	Smith, Robert (NH)	Valentine
Rinaldo	Snowe	Vento
Ritter	Snyder	Visclosky
Robinson	Spence	Volkmer
Rodino	Spratt	Walgren
Roe	St Germain	Weaver
Rogers	Staggers	Weiss
Rose	Stenholm	Wheat
Roukema	Stokes	Whitley
Rowland (GA)	Stratton	Whitten
Russo	Studds	Williams
Savage	Sundquist	Wilson
Schneider	Swindall	Wise
Schuette	Tallon	Wolpe
Schulze	Tauzin	Wright
Shelby	Taylor	Wylie
Shuster	Thomas (CA)	Yatron
Sikorski	Thomas (GA)	Young (AK)
Sisisky	Torres	Young (MO)
Skeen		

NAYS—159

Akaka	Hansen	Penny
Anderson	Heftel	Petri
Archer	Hiler	Pickle
Armey	Holt	Pursell
AuCoin	Ireland	Roberts
Badham	Jacobs	Roemer
Bartlett	Johnson	Rostenkowski
Barton	Jones (OK)	Rowland (CT)
Beilenson	Kasich	Roybal
Bennett	Kemp	Sabo
Bereuter	Kleczka	Saxton
Berman	Kolbe	Schaefer
Bonker	Kramer	Scheuer
Bosco	LaFalce	Schroeder
Boulter	Lagomarsino	Schumer
Broomfield	Latta	Seiberling
Brown (CO)	Leach (IA)	Sensenbrenner
Burton (IN)	Levine (CA)	Sharp
Chandler	Lewis (CA)	Shaw
Chappie	Lewis (FL)	Shumway
Cheney	Lightfoot	Siljander
Coats	Lowery (CA)	Slattery
Coleman (MO)	Lowry (WA)	Smith (IA)
Courter	Lujan	Smith (NE)
Craig	Luken	Smith, Denny (OR)
Crane	Mack	
Crockett	MacKay	Smith, Robert (OR)
Dannemeyer	Madigan	
Daschle	Marlenee	Solarz
Daub	Matsui	Stallings
DeLay	Mazzoli	Stangeland
DeWine	McCain	Stark
Dicks	McCandless	Stump
Dorgan (ND)	McCollum	Sweeney
Dornan (CA)	McCurdy	Swift
Downey	McEwen	Synar
Dreier	McHugh	Tauke
Dymally	Meyers	Udall
Eckert (NY)	Mica	Vander Jagt
Edwards (OK)	Michel	Vucanovich
English	Miller (CA)	Walker
Evans (IA)	Miller (WA)	Watkins
Fawell	Mineta	Waxman
Fields	Molinari	Weber
Foley	Moore	Whitehurst
Frenzel	Moorhead	Whittaker
Gallo	Morrison (WA)	Wirth
Gibbons	Myers	Wolf
Glickman	Nelson	Wortley
Gradison	Nielson	Wyden
Green	Oxley	Yates
Grotberg	Packard	Young (FL)
Gunderson	Panetta	Zschau
Hamilton	Pease	

ANSWERED "PRESENT"—1

Bedell

NOT VOTING—12

Addabbo	Lungren	Roth
Hyde	Martin (IL)	Rudd
Kildee	O'Brien	Solomon
Livingston	Porter	Strang

□ 1500

The Clerk announced the following pair:

On this vote:

Mr. Kildee for, with Mr. Hyde against.

Mr. BARTLETT and Mr. MOORHEAD changed their votes from "yea" to "nay."

Mr. LENT changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GIBBONS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

ARTS, HUMANITIES, AND MUSEUMS AMENDMENTS OF 1985

The SPEAKER. Pursuant to House Resolution 266 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 3248.

□ 1512

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 3248), to amend the National Foundation on the Arts and the Humanities Act of 1965, and for other purposes, with Mr. FRANK [Chairman pro tempore] in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore (Mr. OBERSTAR). When the Committee of the Whole rose on Tuesday, September 24, 1985, all time for general debate had expired.

Pursuant to the rule, the committee amendment in the nature of a substitute now printed in the reported bill shall be considered by titles as an original bill for the purpose of amendment, and each title shall be considered as having been read.

The Clerk will designate section 1.

The text of section 1 is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Arts, Humanities, and Museums Amendments of 1985".

The CHAIRMAN pro tempore. Are there any amendments to section 1?

If not, the Clerk will designate title I.

The text of title I is as follows:

TITLE I—AMENDMENTS TO NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES ACT OF 1965

SEC. 101. TECHNICAL AMENDMENT; SHORT TITLE.

The National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 951 et seq.) is amended—

(1) by striking out

"TITLE I—ENDOWMENTS FOR ARTS AND HUMANITIES", and

(2) in section 1 by striking out "title" and inserting in lieu thereof "Act".

SEC. 102. DECLARATION OF PURPOSE.

Section 2 of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 951) is amended—

(1) in paragraph (2) by striking out "man's",

(2) in paragraph (3) by striking out "men" and inserting in lieu thereof "people",

(3) in paragraph (7) by striking out "and" at the end thereof,

(4) by redesignating paragraph (8) as paragraph (9), and

(5) by inserting after paragraph (7) the following new paragraph:

"(8) that Americans should receive in school, background and preparation in the arts and humanities to enable them to recognize and appreciate the aesthetic dimensions of our lives, the diversity of excellence that comprises our cultural heritage, and artistic and scholarly expression; and".

SEC. 103. DEFINITIONS.

Section 3 of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 952) is amended—

(1) in subsection (a)—

(A) by inserting "and interpretation" after "study" the first place it appears, and

(B) by inserting "to reflecting our diverse heritage, traditions, and history and" after "particular attention", and

(2) in subsection (d)(2)—

(A) by inserting "for purposes of sections 5(l) and 7(h) only," after "(2)",

(B) by inserting "or humanistic" after "artistic", and

(C) by inserting "and the National Council on the Humanities, as the case may be," after "the National Council on the Arts".

SEC. 104. ESTABLISHMENT OF A NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES.

Section 4(a) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 953(a)) is amended—

(1) by striking out "Humanities,," and inserting in lieu thereof "Humanities,", and

(2) by striking out "(hereinafter established)".

SEC. 105. ESTABLISHMENT OF THE NATIONAL ENDOWMENT FOR THE ARTS.

Section 5 of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 954) is amended—

(1) in subsection (b)(1) by striking "chairman" and inserting in lieu thereof "Chairperson",

(2) in subsection (c)—

(A) by redesignating paragraphs (4), (5), and (6) as paragraphs (6), (7), and (8), respectively, and

(B) by inserting after paragraph (3) the following new paragraphs:

"(4) projects and productions which have substantial artistic and cultural significance and that reach, or reflect the culture of, a minority, inner city, rural, or tribal community;

"(5) projects and productions that will encourage public knowledge, understanding, and appreciation of the arts;",

(D) by striking out "clause (5)" and inserting in lieu thereof "clause (7)", and

(E) by adding at the end thereof the following:

"In selecting individuals and groups of exceptional talent as recipients of financial assistance to be provided under this subsection, the Chairperson shall give particular regard to artists and artistic groups that have traditionally been underrepresented.", and

(3) in subsection (g)(2)—

(A) in subparagraph (B) by striking out "and" at the end thereof,

(B) in subparagraph (C) by striking out the period at the end thereof and inserting in lieu thereof ", including a description of the progress made toward achieving the goals of the State plan;", and

(C) by inserting after subparagraph (C) the following new subparagraphs:

"(D) provides—

"(i) assurances that the State agency has held, after reasonable notice, public meetings in the State to allow all groups of artists, interested organizations, and the public to present views and make recommendations regarding the State plan; and

"(ii) a summary of such recommendations and the State agency's response to such recommendations; and

"(E) contains—

"(i) a description of the level of participation during the previous 2 years by artists, artists' organizations, and arts organizations in projects and productions for which financial assistance is provided under this subsection;

"(ii) a description of the extent to which project and productions receiving financial assistance under this subsection are available to all people and communities in the State; and

"(iii) a description of projects and productions receiving financial assistance under this subsection that exist or are being developed to secure wider participation of artists, artists' organizations, and arts organizations identified under clause (i) of this subparagraph or that address the availability of the arts to all people or communities identified under clause (ii) of this subparagraph.

No application may be approved unless the accompanying plan satisfies the requirements specified in this subsection.",

(4) in subsection (i) by striking out "he" and inserting in lieu thereof "the Secretary of Labor",

(5) in subsection (l)(1)(D)—

(A) by inserting "and local arts agencies" after "local arts groups", and

(B) by striking out "including support of professional artists in community-based residencies;" and inserting in lieu thereof the following:

"including—

"(i) support of professional artists in community based residencies;

"(ii) support of rural arts development;

"(iii) support of and models for regional, statewide, or local organizations to provide technical assistance to cultural organizations and institutions;

"(iv) support of and models for visual and performing arts touring; and

"(v) support of and models for professional staffing of arts organizations and for stabilizing and broadening the financial base for arts organizations;",

(6) by striking out "Chairman" each place it appears and inserting in lieu thereof "Chairperson",

(7) by striking out "his" each place it appears and inserting in lieu thereof "the Chairperson's", and

(8) by adding at the end thereof the following new subsections:

"(m) The Chairperson of the National Endowment for the Arts shall, in consultation with State and local agencies, relevant organizations, and relevant Federal agencies, develop a practical system of national information and data collection on the arts, artists and arts groups, and their audiences. Such system shall include artistic and financial trends in the various artistic fields, trends in audience participation, and trends in arts education on national, regional, and State levels. Not later than 1 year after the date of the enactment of the Arts, Humanities, and Museums Amendments of 1985, the Chairperson shall submit to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate a plan for the development and implementation of such system, including a recommendation regarding the need for any additional funds to be appropriated to develop and implement such system. Such system shall be used, along with a summary of the data submitted with State plans under subsection (g), to prepare a periodic report on the state of the arts in the Nation. The state of the arts report shall include a description of the the availability of the Endowment's programs to emerging and culturally diverse artists, arts organizations, and communities and of the participation by such artists, organizations, and communities in such programs. The state of the arts report shall be submitted to the President and the Congress, and provided to the States, not later than October 1, 1988, and biennially thereafter.".

SEC. 106. NATIONAL COUNCIL ON THE ARTS.

Section 6 of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 955) is amended—

(1) in subsection (b)—

(A) by striking out "Chairman" the first place it appears and inserting in lieu thereof "Chairperson",

(B) by striking out "Chairman of the Council" and inserting in lieu thereof "Chairperson of the Council",

(C) in paragraph (1)—

(i) by inserting "(A)" after "who", and

(ii) by inserting before the semicolon at the end thereof the following: "and (B) have established records of distinguished service, or achieved eminence, in the arts",

(D) in the last sentence by striking out "him" and inserting in lieu thereof "the President", and

(E) by adding at the end thereof the following:

"In making such appointments, the President shall give due regard to equitable representation of women, minorities, and persons with disabilities who are involved in the arts.",

(2) in subsection (c) by striking out "his" each place it appears and inserting in lieu thereof "such member's",

(3) in subsection (d) by striking out "Chairman" and inserting in lieu thereof "Chairperson",

(4) in subsection (e) by striking out "Chairman" and inserting in lieu thereof "Chairperson", and

(5) in subsection (f)—

(A) in the first sentence by striking out "his" and inserting in lieu thereof "the Chairperson's",

(B) in the second sentence by striking out "he" and inserting in lieu thereof "the Chairperson",

(C) in the third sentence by striking out "$17,500" and inserting in lieu thereof "$30,000", and

(D) by striking out "Chairman" each place it appears and inserting in lieu thereof "Chairperson".

SEC. 107. ESTABLISHMENT OF THE NATIONAL ENDOWMENT FOR THE HUMANITIES.

Section 7 of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 956) is amended—

(1) in subsection (b)—

(A) in paragraph (1) by striking out "chairman" and inserting in lieu thereof "Chairperson", and

(B) in paragraph (2) by striking out "his" each place it appears and inserting in lieu thereof "the Chairperson's",

(2) in subsection (c)—

(A) by redesignating paragraphs (4), (5), (6), and (7) as paragraphs (6), (7), (8), and (9), respectively, and

(B) by inserting after paragraph (3) the following new paragraphs:

"(4) initiate and support programs and research which have substantial scholarly and cultural significance and that reach, or reflect the diversity and richness of our American cultural heritage, including the culture of, a minority, inner city, rural, or tribal community;

"(5) foster international programs and exchanges;",

(C) in paragraph (3) by striking out "workships" and inserting in lieu thereof "workshops",

(D) by striking out "clause (6)" and inserting in lieu thereof "clause (8)", and

(E) by adding at the end thereof the following:

"In selecting individuals and groups of exceptional talent as recipients of financial assistance to be provided under this subsection, the Chairperson shall give particular regard to scholars, and educational and cultural institutions, that have traditionally been underrepresented.",

(3) in subsection (f)—

(A) in paragraph (2)(A)—

(i) in the first sentence by striking out "the Arts and Humanities Act of 1980" and inserting in lieu thereof "the Arts, Humanities, and Museums Amendments of 1985",

(ii) in clause (ii) by inserting "officer" after "chief executive" each place it appears,

(iii) in clause (v) by striking out "and" at the end thereof,

(iv) in clause (vi) by striking out the period at the end thereof and inserting in lieu thereof ", including a description of the progress made toward achieving the goals of the State plan;", and

(v) by inserting after clause (vi) the following new clauses:

"(vii) provides—

"(I) assurances that the State agency has held, after reasonable notice, public meetings in the State to allow scholars, interested organizations, and the public to present views and make recommendations regarding the State plan; and

"(II) a summary of such recommendations and of the response of the State agency to such recommendations; and

"(viii) contains—

"(I) a description of the level of participation during the previous 2 years by scholars and scholarly organizations in programs receiving financial assistance under this subsection;

"(II) a description of the extent to which the programs receiving financial assistance under this subsection are available to all people and communities in the State; and

"(III) a description of programs receiving financial assistance under this subsection that exist or are being developed to secure wider participation of scholars and scholarly organizations identified under subclause (I) of this clause or that address the availability of the humanities to all people or communities identified under subclause (II) of this clause.

No application may be approved unless the accompanying plan satisfies the requirements specified in this subsection.",

(B) in paragraph (3)—

(i) in subparagraph (G) by striking out "and" at the end thereof,

(ii) in subparagraph (H) by striking out the period at the end thereof and inserting in lieu thereof ", including a description of the progress made toward achieving the goals of the plan;", and

(iii) by inserting after subparagraph (H) the following new subparagraphs:

"(I) provides—

"(i) assurances that the grant recipient has held, after reasonable notice, public meetings in the State to allow scholars, interested organizations, and the public to present views and make recommendations regarding the plan; and

"(ii) a summary of such recommendations and of the response of the grant recipient to such recommendations; and

"(J) contains—

"(i) a description of the level of participation during the previous 2 years by scholars and scholarly organizations in programs receiving financial assistance under this subsection;

"(ii) a description of the extent to which the programs receiving financial assistance under this subsection are available to all people and communities in the State; and

"(iii) a description of programs receiving financial assistance under this subsection that exist or are being developed to secure wider participation of scholars and scholarly organizations identified under clause (i) of this subparagraph or that address the availability of the humanities to all people or communities identified under clause (ii) of this subparagraph.

No application may be approved unless the accompanying plan satisfies the requirements specified in this subsection.",

(4) by striking out the last sentence of subsection (g) and inserting in lieu thereof "The Secretary of Labor shall prescribe standards, regulations, and procedures necessary to carry out this subsection not later than 180 days after the date of the enactment of the Arts, Humanities, and Museums Amendments of 1985.",

(5) by striking out "Chairman" each place it appears and inserting in lieu thereof "Chairperson", and

(6) by adding at the end thereof the following new subsections:

"(j) It shall be a condition of the receipt of any grant under this section that the group or individual of exceptional talent or the State, State agency, or entity receiving such grant furnish adequate assurances to the Secretary of Labor that all laborers and mechanics employed by contractors or subcontractors on construction projects assisted under this section shall be paid wages at rates not less than those prevailing on similar construction in the locality, as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a–276a-5). The Secretary of Labor shall have, with respect to the labor standards specified in this subsection, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. 133z-15) and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

"(k) The Chairperson of the National Endowment for the Humanities shall, in consultation with State and local agencies, other relevant organizations, and relevant Federal agencies, develop a practical system of national information and data collection on the humanities, scholars, educational and cultural groups, and their audiences. Such system shall include cultural and financial trends in the various humanities fields, trends in audience participation, and trends in humanities education on national, regional, and State levels. Not later than 1 year after the date of the enactment of the Arts, Humanities, and Museums Amendments of 1985, the Chairperson shall submit to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate a plan for the development and implementation of such system, including a recommendation regarding the need for any additional funds to be appropriated to develop and implement such system. Such system shall be used, along with a summary of the data submitted with plans under subsection (f), to prepare a report on the state of the humanities in the Nation. The state of the humanities report shall include a description of the availability of the Endowment's programs to emerging and culturally diverse scholars, cultural and educational organizations, and communities and of the participation of such scholars, organizations, and communities in such programs. The state of the humanities report shall be submitted to the President and the Congress, and provided the States, not later than October 1, 1988, and biennially thereafter.

"(l) Not later than 30 days after the date of enactment of the Arts, Humanities, and Museums Amendments of 1985, the Chairperson of the National Endowment for the Humanities shall transmit to the Equal Employment Opportunity Commission each plan and each report required under any regulation or management directive that is issued by the Commission and is in effect on such date of enactment.".

SEC. 108. ESTABLISHMENT OF THE NATIONAL COUNCIL ON THE HUMANITIES.

Section 8 of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 957) is amended—

(1) in subsection (b)—

(A) in the first sentence by striking out "Chairman of the National Endowment for the Humanities, who shall be the Chairman" and inserting in lieu thereof "Chairperson of the National Endowment for the Humanities, who shall be the Chairperson",

(B) in the second sentence by striking out "selected on the basis of" and inserting in lieu thereof "individuals who (1) are selected from among private citizens of the United States who are recognized for their broad knowledge of, expertise in, or commitment to the humanities, and (2) have established records of", and

(C) by adding at the end thereof the following:

"In making such appointments, the President shall give due regard to equitable representation of women, minorities, and persons with disabilities who are involved in the humanities.",

(2) in subsection (c) by striking out "his" each place it appears and inserting in lieu thereof "such member's",

(3) in subsections (d), (e), and (f) by striking out "Chairman" each place it appears and inserting in lieu thereof "Chairperson", and

(4) in subsection (f)—

(A) in the first sentence by striking out "his" and inserting in lieu thereof "the Chairperson's", and

(B) in the second sentence by striking out "he" and inserting in lieu thereof "the Chairperson".

SEC. 109. ESTABLISHMENT OF THE FEDERAL COUNCIL ON THE ARTS AND THE HUMANITIES.

Section 9 of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 958) is amended—

(1) in subsection (b)—

(A) in the first sentence by striking out "Chairman of the National Endowment for the Arts, the Chairman of the National Endowment for the Humanities" and inserting in lieu thereof "Chairperson of the National Endowment for the Arts, the Chairperson of the National Endowment for the Humanities",

(B) in the second sentence by striking out "Chairman" and inserting in lieu thereof "presiding officer",

(C) in the last sentence by striking out "he" and inserting in lieu thereof "the President", and

(D) by adding at the end thereof the following:

"For the purposes of the Arts and Artifacts Indemnity Act (20 U.S.C. 971 et seq.), the Secretary of the Smithsonian Institution, the Director of the National Gallery of Art, and the members of the Council who are designated by the Chairman of the Senate Commission on Art and Antiquities and the Speaker of the House of Representatives shall not serve as members of the Council.",

(2) in subsection (c)(1) by striking out "Chairman" each place it appears and inserting in lieu thereof "Chairperson", and

(3) by striking out subsections (d) and (e) and inserting in lieu thereof the following new subsections:

"(d) The Council shall conduct a study to determine—

"(1) the nature and level of Federal support provided to museums;

"(2) the areas in which such support overlaps or is inadequate, particularly in case of emerging museums;

"(3) the impact of the Institute of Museum Services in carrying out its stated purpose; and

"(4) the impact and nature of conservation and preservation programs being carried out under this Act and other Federal laws and the areas in which such programs overlap or are inadequate.

"(e) Not later than October 1, 1987, the Council shall develop and submit to the President policy recommendations regarding the acquisition of works of art for use on Federal property, the disposal of such works of art, and the maintenance of such works of art. Such recommendations shall—

"(1) address the need for participation by local citizens and by State and local arts agencies in the process of placing works of art on Federal property and removing such works of art from such property,

"(2) provide that planning for Federal commissions of works of art will be included in the preliminary planning of new Federal

buildings and will be an integral part of the architectural design of such buildings,

"(3) provide for making determinations that works of art located or to be located in existing Federal buildings are appropriate for their respective settings and spaces, and

"(4) avoid the development of an official style, in either architecture or associated works of art, and encourage Federal commissions of works of art that will give expression to the full diversity and vitality of American life.".

SEC. 110. ADMINISTRATIVE PROVISIONS.

Section 10 of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 959) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1) by striking out "Chairman of the National Endowment for the Arts and the Chairman of the National Endowment for the Humanities" and inserting in lieu thereof "Chairperson of the National Endowment for the Arts and the Chairperson of the National Endowment for the Humanities",

(B) in paragraph (1)—

(i) by striking out "he" and inserting in lieu thereof "the Chairperson", and

(ii) by striking out "his" and inserting in lieu thereof "the Chairperson's",

(C) in paragraph (2) by striking out "Chairman" each place it appears and inserting in lieu thereof "Chairperson",

(D) in paragraph (3) by striking out "his" and inserting in lieu thereof "the Chairperson's",

(E) in paragraph (4) by striking out "section 15" and all that follows through "representation" and inserting in lieu thereof "section 3109 of title 5, United States Code",

(F) in the matter following paragraph (8) by striking out "Chairman" each place it appears and inserting in lieu thereof "Chairperson", and

(G) by adding at the end thereof the following:

"In selecting panels of experts under paragraph (4) to review and make recommendations with respect to the approval of applications for financial assistance under this Act, each Chairperson shall appoint persons who have exhibited expertise and leadership in the field under review, who broadly represent diverse characteristics in terms of aesthetic perspective, and geographical factors, and who broadly represent cultural diversity. Each Chairperson shall assure that the membership of panels changes substantially from year to year, and that no more than 20 per centum of the annual appointments shall be for service beyond the limit of 3 consecutive years on a subpanel. In making appointments, each Chairperson shall give due regard to the need for experienced as well as new members on each panel. Panels of experts appointed to review or make recommendations with respect to the approval of applications or projects for funding shall, when reviewing such applications and projects, not recommend for funding those which, in the context in which they are presented, in the experts view, lack serious literary or artistic merit.",

(2) in subsection (b) by striking out "Chairman" each place it appears and inserting in lieu thereof "Chairperson", and

(3) by striking out subsection (d) and inserting in lieu thereof the following new subsections:

"(d)(1) The Chairperson of the National Endowment for the Arts and the Chairperson of the National Endowment for the Humanities, shall each ensure post-award evaluation of financial assistance provided under this Act.

"(2) In the case of financial assistance provided under section 5(c) to any individual, the Chairman of the National Endowment for the Arts shall ensure that—

"(A) post-award evaluation is conducted with respect to the project or production for which such assistance is provided; and

"(B) the results of such evaluation are taken into consideration for purposes of determining whether to provide subsequent financial assistance under such section to such individual.

"(e)(1) The Chairperson of the National Endowment for the Arts and the Chairperson of the National Endowment for the Humanities, with the cooperation of the Secretary of Education, shall conduct jointly a study of—

"(A) the state of arts education and humanities education, as currently taught in the public elementary and secondary schools in the United States; and

"(B) the current and future availability of qualified instructional personnel, and other factors, affecting the quality of education in the arts and humanities in such schools.

"(2) The Endowments shall consult with the Committee on Labor and Human Resources of the Senate and the Committee on Education and Labor of the House of Representatives in the design and implementation of the study required by this subsection.

"(3) Not later than 2 years after the date of the enactment of the Arts, Humanities, and Museums Amendments of 1985, the Endowments shall submit to the President, the Congress, and the States a report containing—

"(A) the findings in paragraph (1);

"(B) the Endowments' views of the role of the arts and humanities in elementary and secondary education;

"(C) recommendations designed to encourage making arts and humanities education available throughout elementary and secondary schools;

"(D) recommendations for the participation by the National Endowment for the Arts and the National Endowment for the Humanities in arts education and humanities education in such schools; and

"(E) an evaluation of existing policies of the National Endowment for the Arts and the National Endowment for the Humanities that expressly or inherently affect the Endowments' abilities to expand such participation.

"(f) Not later than October 1, 1987, each Endowment shall submit to the Congress a report detailing the procedures used in selecting experts for appointment to panels and the procedures applied by panels in making recommendations with respect to approval of applications for financial assistance under this Act, including procedures to avoid possible conflicts of interest which may arise in providing financial assistance under this Act.".

SEC. 111. AUTHORIZATION OF APPROPRIATIONS.

(a) FUNDS AUTHORIZED FOR PROGRAM GRANTS.—Section 11(a)(1) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 960(a)(1)) is amended—

(1) in subparagraph (A)—

(A) by striking out "$115,500,000" and all that follows through "1984, and" and inserting in lieu thereof "$121,678,000 for fiscal year 1986 and", and

(B) by striking out "fiscal year 1985" and inserting in lieu thereof "each of the fiscal years 1987, 1988, and 1989", and

(2) in subparagraph (B)—

(A) by striking out "$114,500,000" and all that follows through "1984, and" and inserting in lieu thereof "$95,207,000 for fiscal year 1986 and", and

(B) by striking out "fiscal year 1985" and inserting in lieu thereof "each of the fiscal years 1987, 1988, and 1989".

(b) FUNDS AUTHORIZED TO MATCH NON-FEDERAL FUNDS RECEIVED.—Section 11(a) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 960(a)) is amended—

(1) in paragraph (2)—

(A) in subparagraph (A)—

(i) by striking out "October 1, 1985" and inserting in lieu thereof "October 1, 1989",

(ii) by striking out "$18,500,000" the first place it appears and all that follows through "1984, and" and inserting in lieu thereof "$8,820,000 for fiscal year 1986 and", and

(iii) by striking out "fiscal year 1985" and inserting in lieu thereof "each of the fiscal years 1987, 1988, and 1989",

(B) in subparagraph (B)—

(i) by striking out "October 1, 1985" and inserting in lieu thereof "October 1, 1989",

(ii) in clause (ii) by inserting "and subgrantees" after "grantees" each place it appears,

(iii) by striking out "$12,500,000" and all that follows through "1984, and" and inserting in lieu thereof "$10,780,000 for fiscal year 1986 and", and

(iv) by striking out "fiscal year 1985" and inserting in lieu thereof "each of the fiscal years 1987, 1988, and 1989", and

(2) in paragraph (3)—

(A) in subparagraph (A)—

(i) by striking out "October 1, 1985" and inserting in lieu thereof "October 1, 1989",

(ii) by striking out "$27,000,000" and all that follows through "1984, and" and inserting in lieu thereof "$20,580,000 for fiscal year 1986, and", and

(iii) by striking out "fiscal year 1985" and inserting in lieu thereof "each of the fiscal years 1987, 1988, and 1989", and

(B) in subparagraph (B)—

(i) by striking out "October 1, 1985" and inserting in lieu thereof "October 1, 1989",

(ii) by striking out "$30,000,000" and all that follows through "1984, and" and inserting in lieu thereof "$19,600,000 for fiscal year 1986 and", and

(iii) by striking out "fiscal year 1985" and inserting in lieu thereof "each of the fiscal years 1987, 1988, and 1989", and

(C) in subparagraph (C)—

(i) by striking out "Chairman" and inserting in lieu thereof "Chairperson", and

(ii) by striking out "he" and inserting in lieu thereof "the Chairperson", and

(3) in paragraph (4) by striking out "Chairman" each place it appears and by inserting in lieu thereof "Chairperson".

(c) FUNDS AUTHORIZED FOR ADMINISTRATION OF PROGRAMS OF THE NATIONAL ENDOWMENTS.—Section 11(c) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 960(c)) is amended—

(1) in paragraph (1) by striking out "$14,000,000" and all that follows through "1985" and inserting in lieu thereof "$15,982,000 for fiscal year 1986 and such sums as may be necessary for each of the fiscal years 1987, 1988, and 1989",

(2) in paragraph (2) by striking out "$13,000,000" and all that follows through "1985" and inserting in lieu thereof "$14,291,000 for fiscal year 1986 and such sums as may be necessary for each of the fiscal years 1987, 1988, and 1989", and

(3) by striking out "Chairman" each place it appears and inserting in lieu thereof "Chairperson".

(e) TECHNICAL AMENDMENT.—Section 11(d) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 960(a)) is amended by striking out "under this title".

AMENDMENTS OFFERED BY MR. WILLIAMS

Mr. WILLIAMS. Mr. Chairman, I offer technical amendments to title I and title II, and I ask unanimous consent that the amendments be considered en bloc, considered as read, and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Montana?

Mr. BARTLETT. Mr. Chairman, reserving the right to object, and I shall not object, I would inquire of the gentleman from Montana [Mr. WILLIAMS], the chairman of the subcommittee, as to the nature of these amendments. It is my understanding that these amendments have been drafted and cleared with this side of the aisle, and I would just inquire if those are the amendments that the gentleman has cleared with this side of the aisle?

Mr. WILLIAMS. That is correct.

Mr. BARTLETT. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Montana?

There was no objection.

The text of the amendments is as follows:

Amendments offered by Mr. WILLIAMS:

Page 8, line 8, strike out "subsections" and insert in lieu thereof "subsection".

Page 24, line 3, insert "or humanistic" after "aesthetic".

Page 24, line 13, insert "by the National Endowment for the Arts" after "funding".

Page 24, line 16, strike out "experts" and insert in lieu thereof "experts' ".

Page 25, line 4, strike out "Chairman" and insert in lieu thereof "Chairperson".

Page 28, line 20, insert "and" at the end thereof.

Page 29, line 10, strike out "and" at the end thereof.

Page 29, line 19, strike out the first comma.

Page 29, line 22, strike out "and" at the end thereof.

Page 31, line 10, strike out "(e)" and insert in lieu thereof "(d)".

Page 33, line 6, insert "(a)" before "Section".

Page 33, after line 13, insert the following new subsection:

(b) Section 209(d) of the Museum Services Act (20 U.S.C. 967(d)) is amended by striking out "1985" and inserting in lieu thereof "1989".

Mr. WILLIAMS. Mr. Chairman, I would like to offer several technical amendments to the arts and humanities bill to clarify action which we took in committee and to correct several typographical errors in both titles.

First, we have wanted to ensure the openness and diverseness of the expert peer panel review system in both endowments. We have specified that members of the panels, among other things, should represent diverse, aesthetic perspectives. The National Endowment for the Humanities has asked us to include "humanistic" as well as "aesthetic" perspectives to more accurately reflect the types of experts they appoint to panels.

Second, we added language in the committee to ensure that projects are not funded by the National Endowment for the Arts which lack serious literary or artistic merit. This second amendment would spell out the committee's intent which was to apply this directive to the National Endowment for the Arts where several members have had concerns about a few of the many grants they make.

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Mr. BARTLETT. Mr. Chairman I rise in support of the amendments.

Mr. Chairman, I support the technical amendments that the gentleman from Montana [Mr. WILLIAMS], the subcommittee chairman has offered, and also plan to support a series of amendments that will be offered today by a number of Members on both sides of the aisle.

I might say preliminarily that I very much appreciate the willingness of the chairman of the subcommittee and the chairman of the appropriations subcommittee and other Members on both sides of the aisle to work with all Members of this body to come up with an acceptable reauthorization of the National Endowment for the Arts.

Now, as I believe most Members of this body know, the National Endowment for the Arts' reauthorization at the full committee level and to some extent on the floor during the appropriations consideration was not as smooth and free of controversy as I think most of us would have liked, both at the full committee markup and subsequently, however, the chairman of the subcommittee and other Members on both sides have expressed a willingness to work together to resolve the differences of opinion which by and large we have resolved today.

I take a few minutes to comment on the bill itself together with the amendments that will be offered. I continue to have some limited reservations about H.R. 3248, but frankly I am generally supportive of the improved legislation which we consider here today together with the amendments that will be offered during the amendment process.

Mr. Chairman, although I have some limited reservations about H.R. 3248, I am generally supportive of the improved legislation which we are considering today.

The full House may be unaware of the improvements made in the bill when it was considered by the Education and Labor Committee. The legislation has received quite a bit of public attention, and most of it was generated prior to its consideration by the committee.

H.R. 3248 was significantly improved in a number of areas which will result in tighter accountability and strengthened procedures at the National Endowments for the Arts and Humanities.

Because of its responsibility to ensure the effective and appropriate use of taxpayer dollars, the authorizing committee approved the following amendments pertaining to use of public funding for the arts:

Post-award evaluation: By requiring that the National Endowment for the Arts conduct evaluations after awards are made and the moneys are used, taxpayers can be kept informed of how their dollars are being spent.

Artistic/literary merit: While this amendment did not directly address the issue of public funding of offensive materials, in conjunction with the preceding amendment for post-award evaluations, there is assurance that high standards will be used in the criteria for judging applications.

Conflict of interest: Requiring that the endowments report to Congress on their procedures will take care of any questionable situations that might have occurred in the past. The committee's concern was that review panels not include someone whose group or organization is applying for a grant.

In addition to the above amendments which strengthen accountability, the committee approved a fourth amendment which encourages better public understanding of the arts. The amendment reflects congressional intent that public funds be used for arts education and not just entertainment.

I commend my colleagues on the Education and Labor Committee for the major improvements already made in the legislation. I understand that there may be efforts today to further strengthen accountability in the arts, and I intend to support such amendments.

Regretfully, the committee erred in one area, in my opinion. H.R. 3248 extends construction authority to the National Endowment for the Humanities for challenge grants and requires that such grants comply with Davis-Bacon provisions. NEH has minimal need for construction authority, and if such authority is granted, the additional burden of Davis-Bacon compliance would increase the costs of construction grants. This would divert funding from other worthwhile NEH initiatives.

Despite my objection to the construction provisions, I intend to support H.R. 3248. It is already a vastly improved bill, and I support the arts and appropriate use of limited public funding for the arts. The Federal Government can best serve as a catalyst for increased public understanding of the arts and their increased private financial support.

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. I yield to the gentleman from Montana.

Mr. WILLIAMS. Mr. Chairman, I also want to correct an impression that may have been left by the open debate on this bill several weeks ago. During the hearings, we heard from witnesses about the need to increase the funding from the endowments' programs available to emerging and underrepresented groups. The issue was most eloquently stated by Clement Price who testified before our subcommittees on behalf of the National Association for State Arts Agencies. Mr. Price spoke:

*** * *** of the need to open up the funding, professional direction and popular enjoyment of the arts to diverse ethnic groups in the United States. In short, arts administrators, starting with the Endowment, should better reflect the potpourri of culture and artistic expressions in our country. I am distressed over the slow pace toward arts democracy around the Nation. There is enough blame for this patently un-American phenomenon to spread around the entire arts establishment; however, I believe the Endowment should exert more leadership toward the fulfillment of cultural and artistic democracy.

This testimony was seconded by representatives of the American Cultural Alliance, the Women's Visual Arts Center, the Hispanic Inter-Arts Alliance, the D.C. Arts Commission, the National Humanities Alliance, the National Association of Local Arts Agencies, the Association of American Cultures, the Council on Equal Opportunities in the Arts, the Association of Black Museums, the ATLATL, the Native American Arts Service Organization, the Council on Research for Women, and others.

Certainly, many groups testified that they wanted no change in the current arts and humanities programs. That is the situation we in the Congress always face. Those groups who benefit from the status quo often do not want any change. The role of the Federal Government, however, is to ensure access by all to the arts and humanities. This concern for underrepresented and emerging groups has long been the intended focus of the act. I believe that my colleague, Mr. GUNDERSON, is going to submit an amendment to reinforce this access role for rural groups.

As described in section 5 of the current law, the general programs authorized by the chairperson are to include projects and productions of artistic and creative excellence that would otherwise be unavailable to citizens for geographic or economic reasons, that enable artists to achieve wide distribution of their works, that develop the appreciation and enjoyment of the arts by our citizens and that give emphasis to the full scope of American creativity and cultural diversity.

The endowments have established some excellent efforts such as the Expansion Arts Program to support artists and arts organizations that reflect the cultural pluralism and full diversity of our heritage. The intent of the changes in the bill are to continue and expand on these efforts.

We have added language to the general program support for both endowments to fund projects which reflect our full cultural diversity and richness. We also have added that in funding the Chairperson must give particular regard to the funding of traditionally underrepresented groups including women, minorities, rural groups, and inner city groups.

This is not a set-aside. It does encourage the Endowments to address an identified problem. For example, ATLATL has reported that funding for native American artists is one third of their proportion in the population. A study by A.L. Nellum and Associates, Inc., commissioned by the National Endowment, reported 5 years ago that the Endowments funded minorities at one third of their proportion in the population.

The author of that study estimates that the funding has only increased to half of what it should be today. The Council on Research for Women reported dramatic declines from 1981–84 in the funding of black studies and women studies at the National Endowment for the Humanities.

While there has been a strong effort to redress that problem in last year's funding we believe it is critical to continue and improve on these efforts. Women and minorities are still underrepresented in many program fields.

The President's task force report on the arts and humanities stated: "The strength of America's arts and humanities is essential to the well-being of the Nation * * *. There is a clear public purpose in supporting the arts and the humanities: the preservation and advancement of America's pluralistic cultural and intellectual heritage, the encouragement of creativity, the stimulation of quality in American education, and the enhancement of our general well-being." On the 20th anniversary of the founding of this strong local, State, and Federal partnership in support of the arts and humanities, we too have sought to support the Endowments' fine programs, increase access and participation in the arts and humanities, and expand arts and humanities education efforts. This is a good bill which represents the cooperative efforts of the Endowments, established and emerging groups, and both majority and minority members of our subcommittees and I urge your support of it today.

Mr. BARTLETT. Mr. Chairman, I yield back the balance of my time.

Mr. JEFFORDS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I yield to the gentleman from New York [Mr. GREEN].

Mr. GREEN. I thank my colleague from Vermont for yielding and I would like to take a moment to express my support for this legislation to reauthorize the National Endowment for the Arts, the National Endowment for the Humanities, and the Institute of Museum Services.

As a Member from Manhattan, long the cultural center of the country, I cannot overstate the importance of continued Federal support for the arts. I think everyone in this House is familiar with the National Endowment on the Arts and the National Endowment on the Humanities, but I should like to draw particular attention to the Institute of Museum Services, which is extremely important to the many small, nonprofit museums in New York City and elsewhere around the country.

I endorse the bill and urge my colleagues to support its passage.

Mr. JEFFORDS. I thank the gentleman from New York [Mr. GREEN] for those remarks, and I certainly agree with his statements.

I want to thank the chairman of the subcommittee and the ranking Republican and the other members on the committee who work so hard to resolve what could have been very difficult issues in this bill.

I believe that with the amendments that will be offered and accepted that we have done so much to ensure that this very wonderful piece of legislation, the Arts, Humanities and Museum Amendments of 1985, will continue to contribute to our society as much as it has in the past.

Even though the funding is small, the importance of the Endowment and IMS is great. The money that is also generated is so helpful in continuing to emphasize the importance of arts and humanities in our country.

I believe that H.R. 3248 represents a reaffirmation of the need for and the value of the Endowment and IMS. Individually and collectively, these agencies, through their grant programs, protect our heritage, preserve our history, and promote our creativity. Equally important, through their support, they encourage others in the public and private sectors to do as well.

Any Members that have gone, as I have, around this country and seen what has been done with these funds, especially in some of our more troubled areas, whether it be in the ghettoes of our larger cities or in the rural parts of our country, recognize that we have done so much through these programs to enrich the lives of people whose lives have been very restricted.

I would like to take this opportunity to clarify and put into perspective two issues that were raised during the consideration of H.R. 3248 by the Committee on Education and Labor. The first issue focuses on the review process for the fellowships under the Literature Program administered by the National Endowment for the Arts. The second issue centers on NEA's association with some poems written by poets who have received NEA funding through the fellowship program.

The review process for the fellowships is very rigorous. Panelists who are charged with reviewing and recommending fellowship applications for funding do so on a blind basis. That is,

they are not told the names of the applicants. Additionally, the following constraints apply: if a panelist recognizes an applicant's work and has been associated with the individual in publishing the applicant's work in the last 5 years, the panelist cannot vote on the application; the same constraint applies if a panelist has edited or is going to edit the applicant's work for publication, or is going to publish the applicant's work.

Applicants for poetry fellowships must meet the following criteria in order to be considered: The individual must have published a volume of poetry of 48 or more pages of poetry, or 20 or more poems in five or more literary journals, anthologies or publications which regularly include poetry as part of their format.

Given these procedures and standards and a strong commitment to recommending only those individuals with exceptional talent, panelists reject nearly 9 out of every 10 applicants. These stringent standards make it extraordinarily difficult to receive a poetry fellowship award.

I would further like to offer some clarification regarding the association which has been drawn by some between NEA and eight poets who have written some controversial poetry. Specifically, this association has been construed as Federal funding of material that is perceived by some as pornographic. I am convinced that this association is inaccurate.

NEA makes over 5,000 grants per year. We must place the poems in question into perspective so that we do not inadvertently undermine NEA's credibility without adequate understanding of the total picture. Through its fellowship program NEA funds poets, not specific poems. A fellowship is recognition of a wide range of past achievements and an endorsement of future potential.

The poets who wrote the cited poems are 8 out of 1,429 poets funded by the endowment since 1966, or roughly 0.5 percent, and the work cited is an even smaller percentage of all the poetry written by endowment-funded poets. Of the eight poets in question, none wrote the material in question while receiving funds under an NEA poetry fellowship. In fact, all of the poems were written earlier than the period of the grant. Thus, no Federal funds were involved.

Only two of the eight poets submitted poems which have been the subject of this debate as part of their application. This represents only 1 poem out of 20 in one instance, and 3 poems out of 20 in the other. The 4 pages of poetry viewed as being offensive constituted 4 out of 2,260 pages of poetry included for application for funding.

I feel strongly that these figures present a convincing argument that the strength of the system used to review applications far outweighs any of the critcisms we have heard to date. NEA has in place an effective review system which promotes long term artistic benefits for all of us to enjoy. These facts needed to acknowledged and confirmed.

I would urge that the Committee accept the amendments and see that this bill proceed on its merry way to successful fruition.

I yield to the gentleman from Montana [Mr. WILLIAMS].

Mr. WILLIAMS. I thank the gentleman, and I want to commend him for his long work on behalf of the arts in America. As vice chairman of the Arts Caucus you have been a prime mover of this legislation and a great supporter of the arts and humanities and museum services in America, and I am very grateful.

Mr. JEFFORDS. I thank the gentleman, and as I look back over the history of this legislation, and see that during its up and down periods, I am pleased that we apparently are having it on the way back up.

I yield back the balance of my time.

Ms. OAKAR. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I yield to the gentlewoman from Illinois [Mrs. COLLINS].

Mrs. COLLINS. Mr. Chairman, I rise in strong support to H.R. 3248.

The Government Operations Subcommittee on Government Activities and Transportation, which I chair, has worked closely with the gentleman from Montana, Mr. PAT WILLIAMS, and I want to thank him for incorporating many of the suggestions that resulted from the investigative hearings and reports of this oversight subcommittee during the past 2 years.

In our work on "funding for the arts at the Federal, State and local levels," we emphasized the national need for arts education for all students, regardless of where they live, what their IQ level is, or how much money their parents earn. This bill fully captures the essence of the basic right of all children to have access to the arts and humanities to "enrich daily life, (to) help maintain civility, and (to) develop a sense of community."

Similarly, H.R. 3248 speaks to the foresight necessary to develop our audiences of the future. We can teach the appreciation of well-crafted poem or a painting or a piece of sculpture or a symphonic interlude by exposing both children and adults to such works not only in our schools but in our libraries, in our living rooms through the radio and television, in movies, and in neighborhood centers. And this is to be done with regard to the wonderful cultural diversity that Representative WILLIAMS and his subcommittee colleagues so eloquently highlight in this thoughtful legislation.

On the specific language regarding Council membership on the National Endowments for the Arts and Humanities, we applaud the subcommittee for inclusion of the words, "broad knowledge of or expertise" in the arts and humanities. Let us be wary of those who try to use such appointments only as a political dumping ground, and not for the true advisory purpose, as is stipulated in the statute. I recall last year's recess nomination of seven individuals to the NEH Council and the ensuing debate. Let me assure you that I fully support professional qualifications as a criteria for making any such Council appointments.

In our report on "Future Directions of the Institute of Museum Services," The subcommittee strongly criticized the fact that 7 members of the 15-member board were appointed from one State—in a country that has 50 States. Surely geographical distribution of members is a necessity, as cited in this bill, which limits membership to only three appointees from any one State.

Let me emphatically stress that the IMS now appears to be doing very effectively the job it was created to do—which is providing a small amount of operating support for this country's museums, zoos, planetariums, botanical gardens, and aquariums—the resources which bring us so much pleasure in our leisure time. It is the only Federal agency which offers such assistance. The IMS is also developing a much-needed program to conserve this country's cultural treasures, as a legacy for all future generations.

To abruptly end such a program is to penalize all Americans. The small budget of $21 million currently allotted to the IMS represents less than one-third of the cost of one MX missile for $70 million. Surely we need a visual refuge as much as we need a defense program—and not one at the expense of the other.

Finally, let me offer my unequivocal support to the provision of H.R. 3248 which would require that the National Endowment for the Humanities submit to the Equal Employment Opportunity Commission, within 30 days of passage of this bill, the affirmative action plans mandated by Federal law.

This legislative response grew out of a hearing and subsequent report by the Government Activities and Transportation Subcommittee citing the open defiance by NEH, in conjunction with the Federal Trade Commission and the Department of Justice. Among 110 Federal agencies, only these three openly chose to ignore the law.

This is not a partisan issue since 107 other agency head, all appointed by the President, submitted these plans to the Equal Employment Opportunity Commission in a timely fashion.

All of us who have served in the Federal Government have taken an oath of office to uphold and defend the Constitution of the United States as well as all the laws of this country. Nowhere has it ever been suggested that in accepting a high Government position we would be allowed the discretion of enforcing and upholding only those laws with which we agree. The decision in this case of the NEH, Department of Justice, and the Federal Trade Commission to separate themselves from more than 100 other agencies who have obeyed the law and the EEOC regulations makes one wonder if this is to be a Nation of laws or a Nation of individuals.

Laws that have been passed by the Congress and upheld by the courts cannot arbitrarily be ignored. Thus the NEH is bound to comply with the law—until Congress repeals it or the courts strike it down.

I urge my colleagues to support this important provision of H.R. 3248 so that it is clearly understood that all agencies shall comply with the Federal laws, not may comply.

Contrary to the statements made during the floor debate on H.R. 3248 on September 24, there is no additional cost for complying with the law nor any additional staff burden. It does not expand the original intent of the law. This data has routinely been gathered by NEH and submitted to EEOC as part of the personnel and administrative functions. This is not a massive undertaking but a simple matter.

I would also like to comment on another aspect of the previous floor debate on H.R. 3248 which deals with the allocation of grants.

The General Accounting Office, on a request from the House Government Activities Subcommittee, reviewed categories of NEH grants from fiscal year 1981 through fiscal year 1984 and noted the continual decrease in awards for areas such as women's studies and black studies, which are recognized by scholars as two fields of growing interest.

Out of almost 2,900 grants awarded by NEH for fiscal year 1984, approximately 1 percent was allocated to black studies and only slightly higher for women's studies.

Retain the strong directive in this bill to encourage grants reflecting the cultural, social, political, economic, and philosophical diversity of this country. These varied groups can compete on their own merits, but only if the Endowments and the public recognize that the standard for grants is quality, not merely conformity with some mistaken notion of maintaining the status quo.

Ms. OAKAR. Mr. Chairman, I rise in strong support of H.R. 3248, the Arts, Humanities, and Museum Amendments of 1985. This bill extends the authorization of the National Endowment for the Arts [NEA], National Endowment for the Humanities [NEH], and the Institute of Museum Services through fiscal year 1989.

I believe that it is significant that, on the eve of the 20th anniversary of the founding of the National Endowment for the Arts, September 29, 1965, President Reagan has designated September 23-29 as National Arts Week. I would like to publicly commend the President for scheduling a series of social events, in the District of Columbia, that will coincide with 600 other celebrations throughout the country, commemorating this occasion. Yet, I wish that his support of the NEA would extend also to H.R. 3248 which is the authorization measure for the continuation of the National Endowment for the Arts, the National Endowment for the Humanities, and the Institute of Museum Services.

The President makes public statements in support of the NEA, but his administration has continually sought to cut funding for arts and humanities programs, in every appropriation legislation, in every fiscal year since 1982. This year the Reagan administration requested that the Institute of Museum Services, an important program that provides grants to museums for general operating expense and other purposes, be terminated for fiscal year 1986. We know that these operating grants have served an important function for museums in enhancing their ability to obtain additional funding from private sources for operating expenses not provided for in these grants.

Mr. Chairman, the appropriations levels provided for with the passsage of H.R. 3248 are minuscule in comparison to the total fiscal year 1986 budget. The appropriation level for fiscal year 1986 represents the fiscal year 1985 appropriation level plus $400,000 to cover already approved salary increases for the NEA and the NEH, and $3 million to cover the increased NEA appropriation for the Public Broadcasting System and National Public Radio.

There is an important precedent and symbolism to Federal funding for the arts. For many potential donors, it signifies the value in which the Federal Government puts on culture. When Federal funding declines it becomes much more difficult for the arts to raise the needed funds from the private sector, particularly in those nonprofit areas now served by the Endowments for the Arts and Humanities.

Of the many investments the Federal Government makes in America, the NEA, the NEH, and the Institute of Museum Services give one of the greatest returns to the American people. People of all levels of income, age, and education. For example, the NEA, since its inception in 1965, has provided the largest single source of support for the arts. Concurrently, the number of performing arts has increased dramatically in this country, as has public attendance at art museums. And, while the NEA does not have the capacity to provide complete funding for anyone, it does award 5,000 or more grants annually to artists and nonprofit arts groups around the country. Since 1977, $100 million in Endowment challenge grants have generated more that $800 million in private donations to the arts.

Mr. Chairman, H.R. 3248 also authorizes the NEA and the NEH to fund projects or productions with substantial artistic and cultural significance that relate to minority, innercity, rural or tribal cultures. The measure will authorize assistance to professionally directed, community-based organizations that reflect such cultures. This bill will insure that talented individuals of diverse social and economic backgrounds will be considered for awards; thus, having an equal opportunity to take part in the experience of creating. The Endowments for the Arts and Humanities should never be conceived by, controlled by, or experienced by only one class or segment of the American population. The accountability procedures of H.R. 3248, with regard to the financial intent and the spirit of the NEA and the NEH awards, will help to make participation in the arts and humanities more equitable for all segments of American society.

Mr. Chairman, let me remind my colleagues that, too often, there is a misconception in the minds of some, that the process of making art or the act of participating in the arts or the humanities is impractical to our daily existence and that they are unnecessary fields of study or frivolous professions. Contrary to this myth, artists have contributed and continue to contribute to our society as a whole, whether in their artistic endeavors or by their participation in other occupations, not commonly associated with the arts. Artists have great creative resources to offer the world, especially in the nurturing of the human spirit and particularly in helping to shape this country's self-image and values. Artists have historically, by virtue of their work, brought diverse cultures together through the experience of creation and beauty. These are elements that enrich the soul and appeal to our higher senses as human beings.

The arts and humanities serve as a record, indeed a documentation of mankind, and his feelings about the world around him. Traditionally, the arts and the humanities serve as great stabilizing forces in society, by bringing the individual into relation with the beliefs and the values of his community and his country. The arts and

humanities have also helped define the connections between our past, our present, and our future.

Today we live in a technological society that spends billions on the instruments of destruction. Let us not forget about the importance of the creations of the heart. These are the very things that nuture, rather than destroy, the human spirit—the soul of mankind. Let us not ignore the things that strengthen us as a country, both in culture and in philosophical character. Let us remember that historically a decline in culture was mirrored by a decline in civilization. This legislation provides for the appreciation and rejuvenation of American culture. We should support it enthusiastically.

□ 1525

The CHAIRMAN pro tempore. The question is on the amendments offered by the gentleman from Montana [Mr. WILLIAMS].

The amendments were agreed to.

AMENDMENTS OFFERED BY MR. GUNDERSON

Mr. GUNDERSON. Mr. Chairman, I offer two amendments, and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. GUNDERSON:

Page 2, strike out lines 17 and 18, and insert in lieu thereof the following:

(2) in paragraph (3)—

(A) by inserting ", and access to the arts and the humanities," after "education", and

(B) by striking out "people" and inserting in lieu thereof "people of all backgrounds and wherever located".

Page 8, line 17, insert the following after the period: "Such system shall also include information regarding the availability of the arts to various audience segments, including rural communities.".

Page 9, line 5, insert ", rural," after "emerging".

Mr. GUNDERSON (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The Chairman pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. GUNDERSON. I thank the Chairman.

One of the long-time concerns that I have had over the National Endowment for the Arts and Humanities is that it seems that the Endowment for the Arts and Humanities has focused on the promotion of the arts. I am not opposed to that. But I think also the Endowment, in the justifiable Federal role in the arts, not only to promote the arts but promote the arts for people who otherwise would not nave access to them, the low-income people, people in rural areas, et cetera, who otherwise would not have that opportunity to experience, appreciate, and participate in the arts.

The gentleman from Montana, the chairman of the subcommittee, and the gentleman from Texas have made major strides in the legislation before us today in moving in this direction and guaranteeing that opportunity for all. However, in some discussions that I have had with them and discussions that I have had with Chairman Hodsoll of the Endowment. I have felt there are a couple of areas where we might be able to go even one step further than the committee has in this particular proposal. That is exactly what the amendments before us now would do. The first amendment would include in the purpose of the National Endowment for the Arts and Humanities that one of the purposes is to provide access to the arts and the humanities for all people, regardless of their geographic location, regardless of their economic condition or other reasons that they might be underserved.

It is very interesting that Chairman Hodsoll has made as a part of his mission statement within the National Endowment for the Arts and Humanities two goals: One of excellence and one of access. As we were discussing this whole issue and I was sharing with him my concerns from a rural perspective, he said:

You know, you are right. There is nothing in the compass of the National Endowment that calls on the Government's role as one of providing access to people who otherwise would not have that opportunity.

The second amendment that I have offered is one that deals with section 5, section 5 of the legislation which calls for a national data collection on arts, artists, audiences, financial trends in the arts, et cetera, all of which is intended to allow the National Endowment each year to report back to the Congress and to the respective committees on a state of the arts in America.

What this amendment would do is include some specific directions that would make the rural areas a specific part of that study. This would give us specific information on exactly what the availability of the arts and opportunity to appreciate and enjoy the arts in rural America is.

It also would give us the opportunity to really make an overall review of what the Federal Government can and cannot do in dealing with and promoting the arts for people in geographic or economic conditions which otherwise would prohibit them from enjoying the arts.

In my discussions with Chairman Hodsoll, he indicated that he would very much like to make our concerns about rural America part of this overall study.

This would then give him the opportunity to gain, No. 1, an assessment of the situation in rural America, and, second, it would give him the opportunity to review the viability of our present programs in serving rural America.

There is a problem that for the vast majority of the programs of the National Endowment today are grants, and they are competitive grants. If you do not know about them, if you do not have the training and the talent, if you do not have the ability to raise the matching funds, frankly, rural areas, low-income areas are not able to compete in most of those competitive grants at the present time.

So this would then allow after this review of present statistics, present programs, it would allow the Endowment to make recommendations back to the Congress and to the respective committees as to whether or not new and additional legislation would be necessary to bring the endowments to all the people of America.

So we not only would be promoting arts and artists, art organizations, but we also would be promoting the access to art for all people in this country.

So with that, Mr. Chairman, I yield back the balance of my time.

Mr. WILLIAMS. Mr. Chairman, I move to strike the last word, and I rise in support of the amendments.

Mr. Chairman, I join my colleague from Wisconsin in his concern with rural arts development, and we find that the gentleman from Wisconsin has made substantial contribution to ensuring that the Endowment's programs encourage full access by all geographic groups to the arts and humanities and that the statement of purpose emphasizes the importance that we in Congress give to the rural arts, and the committee on the majority side is pleased to applaud the gentleman from Wisconsin and join in support of his amendments.

Mr. BARTLETT. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I would be pleased to yield to the gentleman from Texas.

Mr. BARTLETT. I thank the gentleman for yielding.

Mr. Chairman, I would join with the chairman of the subcommittee in his support of the amendments and commending the gentleman from Wisconsin in preparing these amendments that do provide for increased access at the endowment level for those in rural areas to the endowments of the arts.

Mr. Chairman, I commend the gentleman and support the amendment.

The CHAIRMAN pro tempore. The question is on the amendments offered by the gentleman from Wisconsin [Mr. GUNDERSON].

The amendments were agreed to.

AMENDMENT OFFERED BY MR. ARMEY

Mr. ARMEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment Offered By Mr. ARMEY: Page 24, strike out lines 14 through 17, and insert in lieu thereof the following: when reviewing such applications and projects, recommend for funding only those that in the context in which they are presented, in the experts' view, foster excellence, are reflective of exceptional talent, and have significant literary, scholarly, cultural, or artistic merit.".

Page 24, strike out line 23 and all that follows through line 12 on page 25, and insert in lieu thereof the following:

"(d)(1) The Chairperson of the National Endowment for the Arts and the Chairperson of the National Endowment for the Humanities shall conduct a post-award evaluation of projects, productions, and programs for which financial assistance is provided by their respective Endowments under sections 5(c) and 7(c). Such evaluation may include an audit to determine the accuracy of the reports required to be submitted by recipients under clauses (i) and (ii) of paragraph (2). As a condition of receiving such financial assistance, a recipient shall comply with the requirements specified in paragraph (2) that are applicable to the project, production, or program for which such financial assistance is received.

"(2)(A) The recipient of financial assistance provided by either of the Endowments shall submit to the Chairperson of the Endowment involved—

"(i) a financial report containing such information as the Chairperson deems necessary to ensure that such financial assistance is expended in accordance with the terms and conditions under which it is provided;

"(ii) a report describing the project, production, or program carried out with such financial assistance; and

"(iii) if practicable, as determined by the Chairperson a copy of such project, production, or program.

"(B) Such recipient shall comply with the requirements of this paragraph not later than 90 days after the end of the period for which such financial assistance is provided. The Chairperson may extend the 90-day period only if the recipient shows good cause why such an extension should be granted.

"(3) If such recipient substantially fails to satisfy the purposes for which such financial assistance is provided and the criteria specified in the last sentence of subsection (a), as determined by the Chairperson of the Endowment that provided such financial assistance, then such Chairperson may—

"(A) for purposes of determining whether to provide any subsequent financial assistance, take into consideration the results of the post award evaluation conducted under this subsection;

"(B) prohibit the recipient of such financial assistance to use the name of, or in any way associate such project, production, or program with the Endowment that provided such financial assistance; and

"(C) if such project, production, or program is published, require that the publication contain the following statement: 'The opinions, findings, conclusions, and recommendations expressed herein do not reflect the views of the National Endowment for the Arts or the National Endowment for the Humanities.'".

Mr. ARMEY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ARMEY. Mr. Chairman, my amendment addresses two aspects of the granting process within the Endowment—first, with what type of products should be funded by the endowments, and second what type of reporting requirements should be required of Endowment grantees.

This amendment makes perfectly clear that panels of experts, when reviewing applications for Endowment funding, recommend only those projects which have "significant literary, scholarly, cultural, or artistic merit; are reflective of exceptional talent; and foster excellence."

While I don't think we need to dwell on this point for too long, suffice it to say in my opinion—and in the opinion of the large number of people who have called our offices after the Christian Broadcasting Network report—the National Endowment for the Arts has in the past funded material which does not meet the above criteria.

While my amendment could be more specific, it is my hope that panelists and the officials at the National Endowment for the Arts, who are entrusted with making decisions about how the taxpayers' money will be spent, will be conscious of these concerns and will be extra diligent to fund only those works which meet this criteria.

The second part of my amendment deals with the post award evaluations process, specifically what type of reporting requirements the Endowment should have, and what the Endowment should do if a grant recipient does not meet these requirements. My amendment establishes guidelines for compliance, and certain sanctions against those who do not meet these minimal standards.

In our hearings on this reauthorization we found a certain inconsistency among different programs with regard to compliance with Endowment reporting requirements. While some programs seem to have higher rates of compliance than others, we have heard in some programs compliance is less than 50 percent. The fact is everyone who receives Federal moneys should report what they did with it.

My amendment would require recipients of financial assistance to submit materials to the Endowments to ensure that funds were expended in accordance with the terms and conditions under which the money was provided. This would include a financial report, a report describing the project, production, or program, and also, where practicable, a copy of the product produced with Endowment funds.

It also mandates that these reports be submitted on a timely basis—within 90 days—and that extensions will be granted only if the recipient shows good cause why such an extension should be granted.

I commend the committee for actions it took with regard to sanctions against those who don't meet reporting requirements. Unfortunately, I don't think the committee went quite far enough.

While considering noncompliance in applications of repeat grantees is a step in the right direction, it is the least severe and the most commonsense form of sanction. What type of response would an individual who gets a grant from a private foundation receive from that foundation if they hadn't even submitted documentation they had spent the funds in accordance with their grant?

My amendment gives the Endowments two options with regard to works produced with Federal funds by those who don't meet reporting requirements:

The Endowments can prohibit the grantee from using the name of or associating the work with the Endowment.

If the project, production, or program is published, it can force the following disclaimer:

The opinions, findings, conclusions, and recommendations expressed herein do not reflect the views of the National Endowment for the Arts or the National Endowment for the Humanities.

Frankly, if we don't get compliance with these minimal reporting requirements in the future, we might have to go further and enact procedures to recover funds from grantees who don't report in a timely manner.

Mr. WILLIAMS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the committee has worked vigorously with the gentleman from Texas in efforts to provide an appropriate review of the methods by which fellowships and grants are made, and we are satisfied that the endowments will continue to take into account the fostering of excellence and exceptional talent, significant literary, scholarly, and cultural, and artistic merit, and we are also, as a committee, convinced that we have improved, with the gentleman's amendment, the postaward evaluation of projects and productions and programs for which financial assistance is provided.

Mr. Chairman, the committee is pleased to accept the amendments of the gentleman.

Mr. BARTLETT. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from Texas.

Mr. BARTLETT. I thank the gentleman for yielding.

Mr. Chairman, I, too, rise in support of the amendments of the gentleman

from Texas, my colleague and neighbor, Mr. ARMEY.

I would add to the gentleman from Montana's comments that I think that Mr. ARMEY, in particular, has done an exceptionally good job on these amendments in demonstrating some persistence, leadership, and determination to stick to his guns and yet a willingness to work to solve the difficulties in a legislative way.

□ 1540

So I commend the gentleman both for his persistence and also for these amendments which strengthen the accountability of the National Endowment for the Arts.

I thank the gentleman for yielding.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Texas [Mr. ARMEY].

The amendment was agreed to.

AMENDMENTS OFFERED BY MR. DE LAY

Mr. DELAY. Mr. Chairman, I offer two amendments, and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN pro tempore. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mr. DELAY: Page 27, strike out line 7 and all that follows through 13 on page 31, and insert in lieu thereof the following:

SEC. 111. AUTHORIZATION OF APPROPRIATIONS.

(a) FUNDS AUTHORIZED FOR PROGRAM GRANTS.—Section 11(a)(1) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 960(a)(1)) is amended—

(1) in subparagraph (A)—

(A) by striking out "$115,500,000" and all that follows through "1984, and" and inserting in lieu thereof "$121,678,000 for fiscal year 1986 and", and

(B) by striking out "1985" and inserting in lieu thereof "1987", and

(2) in subparagraph (B)—

(A) by striking out "$114,500,000" and all that follows through "1984, and" and inserting in lieu thereof "$95,207,000 for fiscal year 1986 and", and

(B) by striking out "1985" and inserting in lieu thereof "1987".

(b) FUNDS AUTHORIZED TO MATCH NON-FEDERAL FUNDS RECEIVED.—Section 11(a) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 960(a)) is amended—

(1) in paragraph (2)—

(A) in subparagraph (A)—

(i) by striking out "October 1, 1985" and inserting in lieu thereof "October 1, 1987",

(ii) by striking out "$18,500,000" the first place it appears and all that follows through "1984, and" and inserting in lieu thereof "$8,820,000 for fiscal year 1986 and", and

(iii) by striking out "1985" and inserting in lieu thereof "1987", and

(B) in subparagraph (B)—

(i) by striking out "October 1, 1985" and inserting in lieu thereof "October 1, 1987",

(ii) in clause (ii) by inserting "and subgrantees" after "grantees" each place it appears,

(iii) by striking out "$12,500,000" and all that follows through "1984, and" and inserting in lieu thereof "$10,780,000 for fiscal year 1986 and", and

(iv) by striking out "1985" and inserting in lieu thereof "1987",

(2) in paragraph (3)—

(A) in subparagraph (A)—

(i) by striking out "October 1, 1985" and inserting in lieu thereof "October 1, 1987",

(ii) by striking out "$27,000,000" and all that follows through "1984, and" and inserting in lieu thereof "$20,580,000 for fiscal year 1986 and", and

(iii) by striking out "1985" and inserting in lieu thereof "1987",

(B) in subparagraph (B)—

(i) by striking out "October 1, 1985" and inserting in lieu thereof "October 1, 1987",

(ii) by striking out "$30,000,000" and all that follows through "1984, and" and inserting in lieu thereof "$19,600,000 for fiscal year 1986 and", and

(iii) by striking out "1985" and inserting in lieu thereof "1987", and

(C) in subparagraph (C)—

(i) by striking out "Chairman" and inserting in lieu thereof "Chairperson", and

(ii) by striking out "he" and inserting in lieu thereof "the Chairperson", and

(3) in paragraph (4) by striking out "Chairman" each place it appears and by inserting in lieu thereof "Chairperson".

(c) FUNDS AUTHORIZED FOR ADMINISTRATION OF PROGRAMS OF THE NATIONAL ENDOWMENTS.— Section 11(c) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 960(c)) is amended—

(1) in paragraph (1) by striking out "$14,000,000" and all that follows through "1985" and inserting in lieu thereof "$15,982,000 for fiscal year 1986 and such sums as may be necessary for fiscal year 1987",

(2) in paragraph (2) by striking out "$13,000,000" and all that follows through "1985" and inserting in lieu thereof "$14,291,000 for fiscal year 1986 and such sums as may be necessary for fiscal year 1987", and

(3) by striking out "Chairman" each place it appears and inserting in lieu thereof "Chairman".

(d) TECHNICAL AMENDMENT.— Section 11(d) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 960(a)) is amended by striking out "under this title".

Page 33, strike out lines 5 through 13, and insert in lieu thereof the following:

SEC. 203. AUTHORIZATION OF APPROPRIATIONS.

(a) Section 209(a) of the Museum Services Act (20 U.S.C. 967(a)) is amended—

(1) by striking out "$25,000,000" and all that follows through "1984, and" and inserting in lieu thereof "$21,600,000 for fiscal year 1986 and", and

(2) by striking out "1985" and inserting in lieu thereof "1987".

(b) Section 209(d) of the Museum Services Act (20 U.S.C. 967(d)) is amended by striking out "1985" and inserting in lieu thereof "1987".

Mr. DELAY (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DELAY. Mr. Chairman, this amendment will reduce the reauthorization for the National Endowment for the Arts, the National Endowment for the Humanities, and the Institute of Museum Services from a 4-year reauthorization to a 2-year reauthorization. I would like to take a moment to explain to Members the reasons behind my offering this amendment.

As most Members are aware, earlier this year, Mr. ARMEY and I expressed concern about the fact that the NEA was receiving a 7.1-percent increase in their appropriation at a time whan we were freezing or cutting the budgets of almost every other agency. We questioned this decision and decided to investigate the various projects which the NEA funds, the methods they employ to make grants, and the auditing procedures the NEA uses to verify that the taxpayers' dollars are being spent properly. As the elected Representatives of over 1 million Texans, we felt that it was within our prerogative if not our duty to question the types of projects our constituents were being required to subsidize.

To say that we opened a Pandora's box might be somewhat of an exaggeration. We found that the NEA funds many worthwhile projects such as the symphony, museum exhibits, various ballet companies, operas across the country, and other projects which help stimulate artistic awareness in our country. However, we also found a number of problems at the agency. We found documentation which indicated that in the past, the NEA had funded poetry which was of extremely questionable taste. We found that panelists had been awarding grants to their friends in clear violation of NEA's conflict of interest rules. And we found documentation which indicated that the agency had an extremely poor record of scrutinizing the way taxpayer dollars were being spent. And while we found that under Chairman Hodsell's able leadership, the scope of these problems had decreased, we discovered that these problems have not ceased to exist. Because these problems continued to plague the agency, I felt obligated to my constituents to bring these concerns to the attention of the appropriate members of this House. The chairman of the subcommittee responsible for the reauthorization, Mr. WILLIAMS from Montana and the ranking Republican on the subcommittee, Mr. BARTLETT shared my concern on these matters. I wish to thank both of them and their respective staffs for their cooperation. They held five hearings on the NEA and addressed many of my concerns in their committee work. Despite the changes

which were made in subcommittee, I believe it is essential that we send a clear message to the agency that we in Congress do not want them to continue with a business as usual-type attitude. At a time when we are running record high deficits we can not afford to squander any taxpayer dollars on ridiculous projects. We can not afford lax follow up or allow grants to be awarded in violation of conflict of interest rules. In short we can not afford for the NEA or any other Federal agency to operate at 85 percent efficiency. We must demand, in this time of financial crisis, that all agencies operate at 100 percent. The NEA must make changes to ensure that these problems are addressed and we in Congress must hold their feet to the fire and demand accountability.

As Members of Congress, we are held accountable to the people we represent by having to participate in elections every 2 years. At that time, we must reearn the right to serve our constituents. I can think of nothing fairer than requiring the same from a Federal Bureaucracy. My amendment will provide for accountability by requiring the Endowments and the Institute to come before Congress in 2 years and be subjected to another reauthorization bill. Only through an amendment such as this, will the agency know that we intend to carefully scrutinize its actions. Any agency that has the power to distribute taxpayers dollars must be held accountable to those taxpayers. This accountability is difficult to uphold when the agency only has to be submitted to congressional oversight once every 5 years. I believe passage of my amendment will address this concern.

I am not an advocate of excessive governmental regulation. It is for this reason that I am not trying to pass a series of amendments to address every problem I have uncovered at the NEA. I would like to leave the agency's hands free to administratively address my concerns about conflict of interest, professional grant seekers and questionable grants. But every time my staff looked into a new division of the NEA I discovered that my constituents were paying $10,000 to redesign the bathtub, or $25,000 to produce a film on cannibalism. So that Congress may be sure that the NEA makes progress in these areas I feel it is essential that they report back to us in 2 years and allow us the opportunity to review their achievements.

In a democratic republic, rule is by the majority. The NEA must keep this fact in mind as they award taxpayer funded grants. While they should do all in their power to promote the arts in this country, they must also remain focused to the desires of the majority of the people and should look for ways to fund arts that will give enjoyment to the greatest number of people in this country.

Mr. Chairman, again I wish to thank the majority for their cooperation on this amendment. It is my understanding that Mr. WILLIAMS supports this amendment and I urge its passage.

Mr. WILLIAMS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the committee appreciates the work of the gentleman from Texas [Mr. DELAY], specifically on his amendment concerning the authorization of appropriations, and we are pleased to accept that amendment.

Mr. BARTLETT. I appreciate the gentleman yielding, and, like the chairman of the subcommittee, I support these amendments and commend the gentleman from Texas, one of my neighbors, Mr. DELAY, for the diligence and the research that he has done on this and for his willingness to craft a legislative solution to the difficulties.

I thank the gentleman from Montana for yielding.

AMENDMENTS OFFERED BY MR. ARMEY TO THE AMENDMENTS OFFERED BY MR. DE LAY

Mr. ARMEY. Mr. Chairman, I offer amendments to the amendments, and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mr. ARMEY to the amendments offered by Mr. DELAY: Page 24, strike out lines 14 through 17, and insert in lieu thereof the following: "when reviewing such applications and projects, recommend for funding only those that in the context in which they are presented, in the experts view, foster excellence, are reflective of exceptional talent, and have significant literary, scholarly, cultural, or artistic merit.".

Page 24, strike out line 23 and all that follows through line 12 on page 25, and insert in lieu thereof the following:

"(d)(1) The Chairperson of the National Endowment for the Arts and the Chairperson of the National Endowment for the Humanities shall conduct a post-award evaluation of projects, productions, and programs for which financial assistance is provided by their respective Endowments under sections 5(c) and 7(c). Such evaluation may include an audit to determine the accuracy of the reports required to be submitted by recipients under clauses (i) and (ii) of paragraph (2). As a condition of receiving such financial assistance, a recipient shall comply with the requirements specified in paragraph (2) that are applicable to the project, production, or program for which such financial assistance is received.

"(2)(A) The recipient of financial assistance provided by either of the Endowments shall submit to the Chairperson of the Endowment involved—

"(i) a financial report containing such information as the Chairperson deems necessary to ensure that such financial assistance is expended in accordance with the terms and conditions under which it is provided;

"(ii) a report describing the project, production, or program carried out with such financial assistance; and

"(iii) if practicable, as determined by the Chairperson a copy of such project, production, or program.

"(B) Such recipient shall comply with the requirements of this paragraph not later than 90 days after the end of the period for which such financial assistance is provided. The Chairperson may extend the 90-day period only if the recipient shows good cause why such an extension should be granted.

"(3) If such recipient substantially fails to satisfy the purposes for which such financial assistance is provided and the criteria specified in the last sentence of subsection (a), as determined by the Chairperson of the Endowment that provided such financial assistance, then such Chairperson may—

"(A) for purposes of determining whether to provide any subsequent financial assistance, take into consideration the results of the post award evaluation conducted under this subsection;

"(B) prohibit the recipient of such financial assistance to use the name of, or in any way associate such project, production, or program with the Endowment that provided such financial assistance; and

"(C) if such project, production, or program is published, require that the publication contain the following statement: 'The opinions, findings, conclusions, and recommendations expressed herein do not reflect the views of the National Endowment for the Arts or the National Endowment for the Humanities.' ".

Page 1 of the amendment, line 3, strike out the dash and all that follows through line 8, and insert in lieu thereof the following: by striking out "$25,000,000" and all that follows through "1985" and inserting in lieu thereof "$21,600,000 for fiscal year 1986 and $22,464,000 for fiscal year 1987".

Mr. ARMEY (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ARMEY. Mr. Chairman, I have two amendments at the desk and ask unanimous consent they be considered en bloc.

Mr. Chairman, I ask unanimous consent that the amendment be considered as read.

As you might remember, in July of this year we reached a compromise with regard to funding for the National Endowment for the Arts. The National Endowment for the Humanities, and the Institute for Musuem Services for fiscal year 1986. In light of the increases the Appropriations Committee was recommending, I thought the freeze levels we adopted was a reasonable compromise. I was pleased to see the committee adopt these reauthorization levels for fiscal year 1986; however, I am concerned with the committee's use of "such sums as may be necessary" language for the outyears.

Mr. Chairman this type of language is all too indicative of the type of problem we have in this Congress. It is our responsibility as members of authorizing committees to provide some direction to the Appropriations Committee with regard to funding. "Such sums as may be necessary" amounts to little more than writing a blank check. And with $200 billion budget deficits and a $2 trillion national debt, I think it's pretty clear that we have written and cashed too many of these blank checks.

My amendment is simple and straightforward. It merely eliminates "such sums as may be necessary" for fiscal year 1987, and replaces this with an authorizations ceiling for these agencies.

While my amendment sets a authorizations ceiling 4 percent above fiscal year 1986 levels, let me make it clear that I take this as an absolute maximum, and that we are not obligated to increase funding by this amount. I would hope—and I will work to see—that the appropriations for these agencies in future years are reflective of our progress in reducing our Federal deficits.

Mr. YATES. Mr. Chairman, will the gentleman yield for a question?

Mr. ARMEY. I yield to the gentleman from Illinois.

Mr. YATES. I did not hear the gentleman state what the amounts would be that he was proposing. Would the gentleman state those?

Mr. ARMEY. Yes; my amendment limits the amounts to 4 percent above fiscal year 1986 for 1987.

Mr. YATES. If the gentleman will yield further, the gentleman's increase for the outyear assumes a 4-percent inflation factor, if my understanding is correct.

Mr. ARMEY. Yes; I believe these are figures that are consistent with what has been worked in the other body.

Mr. YATES. What if the inflation rate were higher than 4 percent, would the gentleman be willing to increase it to that inflation figure?

Mr. ARMEY. I think that would require a special effort or a new legislative effort.

Mr. YATES. But that is the gentleman's intention?

Mr. ARMEY. Mine sets a cap at 4 percent, and my intent is to see that cap as an absolute maximum.

Mr. YATES. I thank the gentleman.

Mr. BARTLETT. Mr. Chairman, will the gentleman yield?

Mr. ARMEY. I yield to the gentleman from Texas.

Mr. BARTLETT. I thank the gentleman for yielding, and I do support and appreciate his amendments in the name of fiscal responsibility. I support the amendments and appreciate the gentleman offering them.

Mr. ARMEY. I thank the gentleman.

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. ARMEY. I yield to the gentleman from Montana.

Mr. WILLIAMS. I thank the gentleman for this amendment. I just want to be certain that I understand the specificity of the amendment and the gentleman's intention.

It is my understanding that the gentleman's amendment to the amendment results in establishing our fiscal year 1987 authorized level at precisely what the Senate has already agreed to; is that correct?

Mr. ARMEY. Yes. It sets that as a maximum level.

Mr. WILLIAMS. If the gentleman will yield further, I understand his answer to the gentleman from Illinois to be that the gentleman from Texas is supportive of an inflationary increase fiscal year 1987, which currently is assumed to be 4 percent.

Mr. ARMEY. It is currently assumed to be 4 percent. My amendment, if accepted and passed, would more or less lock us into that 4 percent figure and would take, I think, legislation at that time to break above that level.

Mr. WILLIAMS. Just for purposes of having the gentleman's intention clear, if inflation—we hope to be protected from this—should go above 4 percent, would the gentleman consider supporting an effort to move the authorized and appropriated levels to reflect that increase in inflation above 4 percent?

Mr. ARMEY. Well, I guess this gentleman is so optimistic I would have to say I have not even thought of that option yet because I am so confident we will hold inflation under that.

The CHAIRMAN. The time of the gentleman from Texas [Mr. ARMEY] has expired.

(On request of Mr. WILLIAMS and by unanimous consent, Mr. ARMEY was allowed to proceed for 1 additional minute.)

Mr. ARMEY. I would not want to make a statement that could be construed as a promise or guarantee with respect to that at this point.

Mr. WILLIAMS. I thank the gentleman.

If the gentleman will yield further, the committee is pleased to accept the gentleman's amendment to the amendment.

The CHAIRMAN pro tempore. The question is on the amendments offered by the gentleman from Texas [Mr. ARMEY] to the amendments offered by the gentleman from Texas [Mr. DELAY].

The amendments to the amendments were agreed to.

The CHAIRMAN pro tempore. The question is on the amendments offered by the gentleman from Texas [Mr. DELAY], as amended.

The amendments, as amended, were agreed to.

□ 1555

AMENDMENT OFFERED BY MR. DE LAY

Mr. DELAY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DELAY: Page 24, line 17, insert before the close quotation marks the following:

Whenever there is pending an application submitted by an individual for financial assistance under section 5(c), such individual may not serve as a member of any subpanel (or panel where a subpanel does not exist) before which such application is pending. The prohibition described in the previous sentence shall commence on the date the application is submitted and continue for so long as the application is pending.

Mr. DELAY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DELAY. Mr. Chairman, I have an amendment at the desk. Mr. Chairman, I ask unanimous consent that the amendment be considered as read.

Mr. Speaker this amendment stipulates that no individual who sits on a panel may receive funding from that panel during the time they are a member of that panel. Earlier this year, I was shocked to discover that a gentleman who sat on an NEA Media Arts panel had received a $25,000 grant from that same panel to produce a film on elephant roundups in Thailand. Mr. WILLIAMS' staff discovered that 67 percent of NEA literary panelists had received NEA grants from that panel during the past 10 years. This type of activity cannot be allowed. My amendment would eliminate these types of problems by stipulating in law that a panelist cannot receive a grant from his or her panel while they are serving on that panel.

During our investigation, I also discovered that many panelists are affiliated with groups which receive huge grants from the NEA. The organizations that these panelists represent or are employed by, do very well—collecting hundreds of thousands of dollars through the various NEA programs. For example, Haleakala, a New York-based institute received 16 grants from the NEA totaling $340,950. The director of Haleakala served on two of the panels which awarded over half of these funds. I wish that this was the only example I found, but I found many.

As I noted earlier, it is not my intent to attempt to micromanage the agency. And it is for this very reason that I am not attempting, at this time, to legislatively address the conflict of interest between panelists and organizations they represent. It is my fervent hope, however, that the NEA

closely monitor this situation during the next 2 years and attempt to find some administrative remedies to this problem.

Mr. Chairman, again, I would like to thank Mr. WILLIAMS and Mr. BARTLETT for their cooperation on these amendments. I truly believe that the NEA can become a better agency through effective congressional oversight. I look forward to working with both of these gentlemen during the next 2 years to ensure that fiscal responsibility and the highest degree of integrity are the principles which guide the NEA's behavior.

I urge passage of this amendment.

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. DELAY. I yield to the gentleman.

Mr. WILLIAMS. I thank the gentleman for yielding.

Mr. Chairman, I want to be sure that I understand the gentleman's amendment. Of course, I understand the intention of his amendment from having visited with him, and I support the intention of his amendment.

As the gentleman from Texas is aware, the difficulty here is that we have to effect this for subpanels, otherwise, we would severely restrict the number of people in America available to sit on these panels. As I read the amendment and understand the gentleman's intention, he restricts membership to the panel but not to subpanels. Is that correct?

Mr. DELAY. Our intent was to restrict it to the subpanels. From the panels and to the subpanels by this amendment.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. DELAY. I yield to the gentleman.

Mr. YATES. I am trying to understand the gentleman's amendment. I believe that I agree with the intent of it, but let me give the gentleman an example and ask for his interpretation.

Suppose Baylor University or Southern Methodist University has an application pending with the National Endowment for the Arts for a grant. May a professor of Baylor University or Southern Methodist sit on that panel under the gentleman's amendment?

Mr. DELAY. This only applies to individuals. Only the individuals. It does not apply to the institutions.

Mr. YATES. It does not apply to institutions. I thank the gentleman for that clarification.

Mr. BARTLETT. Mr. Chairman, will the gentleman yield?

Mr. DELAY. I yield to the gentleman.

Mr. BARTLETT. To further clarify the gentleman's point, as I understand the amendment it would also only apply to the subpanel which actually makes the recommendation so that the individual could serve on the full panel and another subpanel but would be prohibited from serving on the subpanel which looks at his own grant application.

Mr. DELAY. That is the intent of this gentleman.

Mr. BARTLETT. I thank the gentleman.

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. DELAY. I yield to the gentleman.

Mr. WILLIAMS. There are three panels which do not have subpanels: Folks Arts; Arts in Education; and State Grants. How does the gentleman's amendment affect those?

Mr. DELAY. If an individual applies to one of those three panels, that individual cannot be sitting on that panel and get the grant.

The CHAIRMAN pro tempore. The time of the gentleman from Texas [Mr. DELAY] has expired.

(On request of Mr. WILLIAMS and by unanimous consent, Mr. DELAY was allowed to proceed for 1 additional minute.)

Mr. DELAY. If I may answer the chairman's question, where a subpanel does not exist, my amendment applies to the panel. Especially in those three instances.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. DELAY. I yield to the gentleman.

Mr. YATES. If the National Endowment for the Arts, in selecting the panels chose to create subpanels for those three categories, that would be possible under the gentleman's amendment, would it not? The interpretation that came from the question of the gentleman from Texas [Mr. BARTLETT] would apply to that as well?

Mr. DELAY. That is correct.

Mr. BARTLETT. Mr. Chairman, will the gentleman yield?

Mr. DELAY. I yield to the gentleman.

Mr. BARTLETT. I think it is important to get on the record that the intent of, and in fact the words of this amendment would say that whoever is making the recommendation for the funding, whatever body that is, that no panelist may serve as a member of that body and make a recommendation on his or her own funding. I think that is the gentleman's intent.

Mr. WILLIAMS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I will take but 1 minute to say that with those understandings, and I know from having visited with the gentleman earlier that indeed the understandings that we have is the gentleman's original intention. The subcommittee is pleased to accept the amendment.

Mr. JEFFORDS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to say that in view of the last colloquy and dialog, I have no objection to the amendment.

In addition, I would like to offer several points of clarification on two funding issues raised by my colleague from Texas, Mr. DELAY.

The Kitchen is an umbrella organization which helps artists develop grant applications for funding for their projects. It serves as the administrative entity often when an artist receives funding. Concerns have been raised regarding Mary MacArthur's participation on NEA review panels.

Mary MacArthur left the Kitchen (Haleakala), where she had been director, in March 1984. She served on two panels that recommended 1984 grants to the Kitchen; one of those two panels (Opera-Musical Theater) met before she left the Kitchen, the other one (Inter-Arts) met after she left. Therefore, the implication that she directly participated on panels which awarded 16 grants to the Kitchen is absolutely false. In the single instance where she served on a panel recommending funds to the Kitchen while she was its director, she left the room during the discussion and vote.

It is a separate issue that the Kitchen received 16 grants in fiscal year 1984. The Kitchen is a unique institution in the American, indeed international, art world. It is, for starters, interdisciplinary, that is, it produces and presents and tours work in nearly all art forms—visual art, music, media arts, opera-musical theater, and dance. As such the Kitchen is eligible to apply under different programs and categories, and compete on the merits with all other applicants under each of those categories. In addition, the Kitchen frequently applies in behalf of individual artists; the money doesn't benefit the Kitchen per se, but rather the artists for whom they apply. Further, the Kitchen has occupied a unique position nationally because of its focus on more experimental or avant-garde work among all the disciplines. Since this type of work tends to be underrepresented in the artistic mainstream, and since its overall quality was seen to be high by various panels of exports, the Kitchen succeeded in fiscal year 1984 in receiving grants for different types of projects.

I would also like to offer a comment on the "Elephant Round-Up" video grant.

The $25,000 grant was made under the media arts program's production grants category to video artist Skip Blumberg.

The primary consideration in the awarding of grants in this category is the quality of the artist's past work. Mr. Blumberg is a highly regarded video artist. He has produced a number of successful, award-winning video works and television shows. The media arts panel which reviewed Mr. Blumberg's application called his work highly creative, witty, dynamic, and visually exciting. It is important to note that the competition for these grants was exceedingly stiff in 1984: More than 92 percent of the applicants were rejected.

I am confident that the amendment offered by my colleague from Texas will complement and strengthen existing controls used by NEA to prevent conflict of interest and promote funding of quality work.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Texas [Mr. DELAY].

The amendment was agreed to.

The CHAIRMAN pro tempore. Are there other amendments to title I? If not, the Clerk will designate title II.

The text of title II is as follows:

TITLE II—AMENDMENTS TO MUSEUM SERVICES ACT

SEC. 201. NATIONAL MUSEUM SERVICES BOARD.

Section 204 of the Museum Services Act (20 U.S.C. 963) is amended—

(1) in subsection (a)—

(A) in paragraph (1) by striking out the second sentence and inserting in lieu thereof the following:

"Such members shall be selected from among citizens of the United States who are members of the general public and who are—

"(A) broadly representative of the various museums, including museums relating to service, history, technology, art, zoos, and botanical gardens, and of the curatorial, educational, and cultural resources of the United States; and

"(B) recognized for their broad knowledge, expertise, or experience in museums or commitment to museums.

Members shall be appointed to reflect various geographical regions of the United States. The Board may not include, at any time, more than three members from a single State. In making such appointments, the President shall give due regard to equitable representation of women, minorities, and persons with disabilities who are involved in such museums.", and

(B) in paragraph (2)(A) by striking out "Chairman" each place it appears and inserting in lieu thereof "Chairperson", and

(2) in the last sentence of subsection (b) by striking out "his" each place it appears and inserting in lieu thereof "such member's", and

(3) in subsections (c) and (d) by striking out "Chairman" each place it appears and inserting in lieu thereof "Chairperson".

SEC. 202. DIRECTOR OF THE INSTITUTE.

Section 205(a)(2) of the Museum Services Act (20 U.S.C. 964(a)(2)) is amended by striking out "his" and inserting in lieu thereof "the Chairperson's".

SEC. 203. AUTHORIZATION OF APPROPRIATIONS.

Section 209(a) of the Museum Services Act (20 U.S.C. 967(a)) is amended—

(1) by striking out "$25,000,000" and all that follows through "1984, and" and inserting in lieu thereof "$21,600,000 for fiscal year 1986 and", and

(2) by striking out "fiscal year 1985" and inserting in lieu thereof "each of the fiscal years 1987, 1988, and 1989".

The CHAIRMAN pro tempore. Are there any amendments to title II?

If not, the Clerk will designate title III.

The text of title III is as follows:

TITLE III—AMENDMENTS TO ARTS AND ARTIFACTS INDEMNITY ACT

SEC. 301. INDEMNITY AGREEMENT.

Section 5(b) of the Arts and Artifacts Indemnity Act (20 U.S.C. 974(b)) is amended by striking out "$400,000,000" and inserting in lieu thereof "$650,000,000".

The CHAIRMAN pro tempore. Are there any amendments to title III?

If not, the Clerk will designate title IV.

The text of title IV is as follows:

TITLE IV—EFFECTIVE DATE; APPLICATION OF AMENDMENTS

SEC. 401. EFFECTIVE DATE.

This Act and the amendments made by this Act shall take effect on October 1, 1985.

SEC. 402. APPLICATION OF AMENDMENTS.

The amendments made by sections 105(3) and 107(3) shall not apply with respect to plans submitted for financial assistance to be provided with funds appropriated for fiscal year 1986.

The CHAIRMAN pro tempore. Are there any amendments to title IV?

If not, are there any other amendments to the bill?

Mr. MANTON. Mr. Chairman, both as a member of the Congressional Arts Caucus and as one who appreciates and enjoys the arts, I rise in strong support of H.R. 3248. This legislation reauthorizes the National Endowment for the Arts and Humanities and the Institute of Museum Services through fiscal year 1989.

These programs increase the opportunities available for all citizens to enjoy the arts. These programs also provide the opportunity for aspiring artists of all types to develop their talents and share their creativity.

These programs are of particular importance to the constituents of the Ninth Congressional District of New York, which I represent. One of my constituents was recently awarded 1 of 12 National Heritage Fellowships by the National Endowment of the Arts, Folk Arts Program. The National Heritage Fellowships recognize a variety of folk artists around the country who are preserving a vanishing folk art and reflect the cultural diversity of our nation.

My district is also the home of Project Studios 1. Project Studios 1 provides an alternative space for contemporary artists. Originally a public school that was scheduled to be demolished, members of the community supported instead Project Studios 1 which is the main exhibition site for the Institute for Art and Urban Resources.

P.S. 1, which receives grants under these programs, is unique in the United States. At P.S. 1, artists have access to both studio and display space. P.S. 1 is also able to accommodate artists who are unable to find space, for reasons of size or adaptability, elsewhere in the United States. In addition, artists from all over the world work and display their projects at P.S. 1.

Mr. Chairman, in conclusion, I strongly urge my colleagues to vote in favor of this important reauthorization. These programs renew our Federal commitment to the arts and will help to encourage the development and preservation of our Nation's cultural diversity.

Mr. SCHEUER. Mr. Chairman, I rise in support of H.R. 3248, which reauthorizes the National Endowment for the Arts, the National Endowment for the Humanities, and the Institute for Museum Services.

As a member of the executive board of the Congressional Arts Caucus, I applaud the efforts of the distinguished chairman of the Select Education Subcommittee and my colleague on the executive board, PAT WILLIAMS, for his able leadership in bringing this bill before the House today.

This legislation provides Congress with an opportunity to reaffirm the need for and the value of the endowments and the IMS. With a Federal deficit of $200 billion, we are constantly challenged to reassess our Nation's priorities.

In this context, there are some among us who suggest that Federal support for the endowments receive a low rating as a national priority.

Mr. Chairman, I disagree strongly with this narrowminded and nearsighted notion.

We have a wealth of talent and resources in this Nation which need to be encouraged and nourished for the betterment of us all.

The grant programs of the NEA, NEH, and IMS, both individually and collectively, protect our heritage, preserve our history, and promote our creativity.

In addition, these agencies have assumed a major catalytic role in encouraging more private sector funding for America's culture.

For example, $110 million in NEA challenge grant funding has been matched by more than $800 million in private contributions since 1977.

Our Federal cultural agencies have served us well for two decades.

The Endowments have captured who we are, where we are, and where we are headed.

By approving the original legislation when I was a freshman Congressman in 1965, and by reaffirming it periodically since then, Congress has shown that cultural concerns belong firmly on the national agenda.

H.R. 3248 is a reflection of this spirit which has guided the NEA, NEH, and IMS for 20 years and, as such, deserve our strongest support.

Mr. CONYERS. Mr. Chairman, I rise in support of H.R. 3248, the Arts, Humanities, and Museums Amendments of 1985, legislation which extends the authorization of the National Endowment for the Arts [NEA], National Endowment for the Humanities [NEH], and the Institute of Museum Services [IMS] through fiscal year 1979.

The bill contains new language which recognizes the fact that for the last 20 years, the endowments have failed to comply adequately with their original legislative mandate, to make arts and humanities available to all of our citizens and to represent the full cultural diversity and richness of our heritage.

Section 105 of the bill adds section 5(c)(4) to the National Foundation on the Arts and Humanities Act of 1965, specifically authorizing the chairperson of the NEA to establish projects and productions which have substantial artistic and cultural significance and that reach, or reflect the culture of, a minority, inner city, rural, or tribal community.

This subsection also specifies that in selecting the individuals and groups that are to be recipients of financial assistance for all programs, the chairperson must give "particular regard" to artists and artistic groups that have been traditionally underrepresented.

Section 107 of the bill adds section 7(c)(4) to the act requiring the chairperson of the NEH to do the same as above.

In order to provide for the measurement of the endowments' progress in achieving these and other goals, the bill requires that the NEA produce a National State of the Arts Report and the NEH produce a National State of the Humanities Report. These reports are to be submitted to the President and the Congress and provided to the States not later than October 1, 1988, and every 2 years thereafter. These reports must include information on the availability of the Endowments' programs to emerging and culturally diverse artists, arts organizations, and communities, and the level of their participation therein. They must also contain a summary of each State's annual report to the endowment—which shall include a description of how the State is providing assistance to all of its people and communities. The States receive 20 percent of the funds appropriated for each of the endowments.

Congressman PAT WILLIAMS, chairman of the Education and Labor Subcommittee on Select Education is to be thanked for his work in developing these new provisions. I plan to work more closely with him in the future to monitor their implementation because in spite of them, the past record of performance at the Endowments leaves me with the following concerns:

First, the NEA's Expansion Arts Program—established in 1971—has been the major source of funding for minority, inner city, rural, and tribal communities. Over the past 8 years, it has received only an average of 5.6 percent of the total NEA Program allocations. Approximately 2 percent of the NEA's funds have gone to support projects for these groups in all of the other 12 program areas. This situation is intolerable.

Second, within the Music Program at NEA, I find that from 1970 to 1984, symphony orchestras have received 10 times the support that all jazz related activities have received. Opera has received three times the support. This reflects an incredible bias toward European music forms, yet jazz stands unquestionably as America's only original classical music.

Third, authorizing the NEA and NEH to expend funds specifically to address the needs of culturally diverse and underrepresented groups and individuals is a good thing, but without the specific set-aside of funds for that purpose, in each of the program areas, these groups and individuals will have to compete in what is essentially the same decisionmaking environment as they have done in the past. Will there be a difference?

Fourth, because the Endowment utilize peer review panels to assist them in making funding decisions, it is critically important that these panels be broadly representative of the diverse groups and cultures in America. Much concern has been expressed about cronyism and conflict of interest affecting the work of these panels. It is my hope that the improved oversight which will result from requiring the NEA and NEH report to Congress annually on their procedures for selecting panelists eliminates the unfairness which has existed in the past.

Fifth, while the state of the arts and humanities reports will enable the Congress for the first time to see exactly who is receiving the funds so that we can determine whether they are now being fairly allocated, it will be 3 years before they become available. The need to see improvement is immediate.

Sixth, there are few minorities at the NEA in policymaking positions while at the NEH there are none at all. NEH has no minorities above the GS–8 level. At NEA, while 96 (30 percent of the agency's 315 employees are minorities, most of them, 77, are in grades 11 or below (41 in grades 1 to 6 and 36 in grades 7 to 11). These figures are not surprising when one considers the fact that the endowments are long overdue in their responsibilities to fulfill compliance with the Civil Rights Acts.

Since 1980, both the NEA and NEH have failed to issue an updated set of regulations to implement title VI. The NEH is 1 of only 2 of 106 Federal agencies that has failed to file a complete affirmative action plan with the EEOC. I am pleased to see that this legislation directs the endowments to comply promptly with the law in this important area. I only hope that those responsible for enforcement will take the steps necessary to ensure that what is required gets done.

Mr. DOWNEY of New York. Mr. Chairman, I rise in support of the Arts, Humanities, and Museum Act of 1985 (H.R. 3248). On behalf of the nearly 200 Members of the Congressional Arts Caucus, I would like to thank Chairman PAT WILLIAMS and the other members of the Select Education Subcommittee for their outstanding work on this legislation.

It is appropriate that as we celebrate the 20th anniversary of the National Foundation on the Arts and Humanities we are able to reaffirm our commitment to our Nation's cultural heritage by approving this legislation today. For the past two decades, strong bipartisan congressional support has been maintained for our national endowments—and since 1976, for the Institute of Museum Services. The existence of these small, but extremely important, Federal agencies indicates that America in the 20th century has come to recognize that an enlightened society places cultural concerns proudly on its national agenda.

The legislation before us today preserves the essential features of our national endowments that have served us so well for 20 years—the matching grant features which have encouraged millions in private support; the peer panel review system ensuring the choice of excellence; and the outstanding State programs which have been so successful in each of our States and territories. In addition, the bill strengthens the agencies' involvement with arts and humanities education and seeks to ensure that all segments of our population benefit from the programs of the agencies.

Mr. Chairman, I urge my colleagues to give swift approval to H.R. 3248 in order that we may continue to bring the best of our Nation's culture to all Americans.

Mr. LEVINE of California. Mr. Chairman, I rise in strong support of H.R. 3248, which extends the authorization for the National Endowment for the Arts, the National Endowment for the Humanities, and the Institutes of Museum Services.

I would like to focus my remarks on the exemplary work of the Art Endowment, which for the past 20 years has enabled the performing, visual, and literary arts to become a regular part of our lives. In addition to contributing to our esthetic well being, Federal support for the arts has lent an economic boost to thousands of our communities. It is estimated that for every dollar spent in the arts, $3 to $5 are generated on the local level.

Although funding for the Arts Endowment represents a small fraction of the total Federal budget, this limited allocation has resulted in much enthusiasm and financial support for the arts nationwide. Because most Endowment grants require matching funds, initial Government support serves as a necessary catalyst in sustaining most programs and projects.

We must be careful to avoid allowing private donors to become the sole patron of the arts. Without the National Endowment's seal of approval, private donors are less likely to support innovative art projects and artists. Were we to eliminate public funding for the arts, lesser known theater troupes, dance companies, and orchestras, which are often the source of new young talent, might cease to exist.

In my district, the Endowment has recently funded the work of various independent filmmaking, the Los Angeles Theatre Works Co. in Venice, an outdoor sculpture in Santa Monica, and a concert series of the Pro Musicis Foundation. It is conceivable that without Endowment support, these artists would not have had a public forum to express themselves and audiences would have been denied the pleasure enjoying their work.

I would like to commend the committee for suggesting that the Endowment place additional emphasis on supporting women, minorities, and the handicapped in the arts. The Endowment's support of traditionally underrepresented artistic groups and artists should remind us that we cannot understand or appreciate our diverse culture unless we draw on the artistic talent and skill of our diverse population.

I also appreciate the additional steps the Education and Labor Committee has taken to ensure the accountability of the Endowment's grant selection process. As recommended by the committee, the NEA grant review process will be composed of persons who represent different aesthetic perspectives and geographical regions. The com-

mittee has also agreed to reemphasize that the NEA will fund only those projects of artistic merit that reflect exceptional talent and excellence.

Adoption of these additional peer review provisions should not suggest that Congress is dissatisfied with the work of the Endowment. With its peer review panel, the Endowment has ensured that professional artists, without partisan leanings, judge all grant applications on their merits alone. Congress would undermine the essential autonomy and integrity of the Endowment were it to establish any additional standards of artistic acceptability.

Several Members of this body have complained about the contents of works by artists receiving Endowment support. I understand these concerns but would remind this body that if artists are suddenly forced to conform to the artistic standards of a few, then the Endowment will have lost its purpose and our Government will have ceased to promote free artistic expression.

Instead, let us congratulate the Endowment on its dedicated attention to promoting our rich and diverse artistic culture. Let us also continue to allow the Endowment to carry out its mandate to sustain a climate encouraging freedom of thought, imagination, and inquiry. Once again, I urge my colleagues to support this vital piece of legislation.

Mr. HOYER. Mr. Chairman, I rise in support of H.R. 3248 which extends the authorization of the National Endowment for the Arts, National Endowment for the Humanities, and Institute of Museum Services through fiscal year 1989 and commend my colleague, Representative WILLIAMS, chairman of the Education and Labor Subcommittee on Select Education for his outstanding leadership on this bill. It is my understanding that the chairman has resolved attempts both at the committee level as well as here on the floor to amend this bill to deny grants to artists producing works that may be patently offensive to certain segments of the American public.

Next week, the United States will join 34 other signatories to the Helsinki Final Act in Budapest at a cultural forum. This conference, one of a series of experts' meetings mandated by the Madrid Review Conference of the Conference on Security and Cooperation in Europe, is the first CSCE meeting to be held in a Warsaw Pact country and the first to deal exclusively with the cultural content of the Final Act. One of the premises for the U.S. position at the forum is that the role of government in culture should be facilitative, not regulatory or restrictive. Intellectual freedom is an expression of a nation's power and soul and it must be protected if we are to remain truly a free society.

In Budapest, 35 states will be discussing creative freedom, jamming, censorship, and suppression of minority cultures, languages, and religions. The U.S. delegation will be led by Ambassador Walter Stoessel, former Deputy Secretary of State and a very able and dedicated diplomat, with whom I have met to discuss U.S. objectives at Budapest. Ambassador Stoessel shares my belief that human rights is inextricably intertwined with culture. The right to create and disseminate ideas is a human right. Intellectual repression is a crime against the essence of the individual. And that is occurring in Eastern Europe and in the Soviet Union where information is strictly controlled.

So, Mr. Chairman, I want to congratulate my colleague for his leadership on this bill. I also would like to point out that under the bill, there is an attempt to preserve the diversity of cultures, recognizing the rights and interests of minorities within the United States. The bill authorizes the NEA to fund projects or productions with substantial artistic and cultural significance that relate to minority, inner city, rural, or tribal cultures. The bill also specifies that in selecting individuals or groups of exceptional talent for awards, the NEA must give special regard to artists and artistic groups that have traditionally been underrepresented, such as women, minorities, the disabled and, members of inner city, rural, and tribal communities.

I think this is an excellent example of how government can facilitate the cultural achievements of minorities within the United States. I believe that this bill strengthens the U.S. position at Budapest and for that we are indebted to the leadership of my colleague, Representative WILLIAMS.

H.L. Mencken, a Baltimorian, once stated:

Culture itself is neither education nor lawmaking: it is an atmosphere and a heritage.

As the United States participates in Budapest, it can claim that its cultural heritage remains protected from government regulation and engulfed within an atmosphere of respect.

Mr. BIAGGI. Mr. Chairman, I rise in support of H.R. 3248, which would extend the authorization for the Endowments and Institute of Museum Services through fiscal year 1989. This bill would authorize a total of $328.5 million for these programs, including $167.1 million for the NEA and $139.9 million for the NEH, as well as $21.6 million for the Institute of Museum Services.

I specifically want to note here that I support the amendments that will be offered by Representatives DELAY and ARMEY, that I believe, will strengthen the review process for funded projects—to assure the highest possible quality—and to hopefully eliminate support for any works that are patently objectionable to the average patron.

Mr, Chairman, the issue of the Arts Endowment supporting works of questionable artistic merit has been before this committee before. Last year, I took up this issue with the Endowment's support of a production of the opera "Rigoletto." The production depicted characters in the dress of members of organized crime—and the advertisements on the production were patently offensive to those of us in the Italian-American community—which believe that such a depiction was a gross misrepresentation—and a misuse of public funds. I contacted the Endowment and Chairman Hodsell—and they were forthcoming in their response. However, this issue remains today—how do we assure that Endowment funds—are not used to subsidize products that are patently offensive to the general public?

The amendments that will be offered today—are a step in the right direction—that will place an additional gatekeeper within the Endowments to assure that events like Rigoletto—and others do not occur.

The need for the amendments has been most recently demonstrated in New York City—where the New York Film Festival has screened a foreign film by Jean-Luc Goddard entitled "Hail Mary." This movie has drawn a storm of protest from across Europe where it has been shown—and most recently in New York City by our own Archbishop O'Connor. The film depicts the immaculate pregnancy of a young woman named Mary who works in a gas station in modern-day Switzerland. There is considerable nudity as well as dialog that is reprehensible not only to me, as a Roman Catholic, but to many others.

Cardinal O'Connor has said himself, "We, of the Roman Catholic faith are deeply saddened and regret what many must construe as an act of contempt for our sacred beliefs." He also noted that harmonious relations in ethnically mixed New York were difficult enough to maintain without "the most sacred values of any group are perceived to be assaulted."

I immediately contacted Chairman Hodsell—and was assured that NEA funds were not being used to directly support the production of this film—by a foreign film maker. However—$35,000 of the NEA budget did support the film festival itself. I am pleased—first and foremost—that this project was not supported. More importantly—I think that it dramatically demonstrates—that it is not that difficult to identify works of arts that are patently offensive to large numbers of people.

The fact is—I think that it is very easy to draw this distinction. Clearly—many people even in New York—which has a higher-than-average tolerance for the avant guard—are disgusted, shocked, and appalled, by its content and tone. These amendments will further prevent such heinous events from occuring again.

The amendment offered by Mr. DELAY will prohibit any person from serving on any grant review panel that is reviewing his or her own application for funding. In a second, perfecting amendment, our colleague Mr. ARMEY will offer a second amendment that will institute a pre- and post-award evaluation of projects to assure that those of questionable—or objectionable artistic merit—will not be funded. I supported the efforts by my colleagues in the committee to address these issues—and I believe that these amendments offer a fair and reasonable response to their—and my own—concerns in this area.

I recognize the difficulties built into a process that is responsible for making de-

terminations about products of art and their relative merit. However, I do believe that it is fair to say that there is a resonable standard of taste that can be applied—when reasonable people have the opportunity to participate in the process.

I commend the gentleman from Montana, Mr. WILLIAMS, for his effort to accommodate these concerns. I believe that this bill—will go a long way toward bringing the arts to the people—all people.

Mr. FORD of Tennessee. Mr. Chairman, extending the authorization of the National Endowment for the Humanities, the National Endowment for the Arts, and the Institute of Museum Services through 1989 at the proposed levels is of the utmost importance. Art enriches the lives of all citizens regardless of age, race, color, or religious belief whether in Memphis, TN, my own district, or throughout the country. Artistic expression makes our communities a better place to live.

As a member of the Congressional Arts Council, it is my pleasure each year to announce the winners of the Ninth Congressional District Arts Competition for High School Students. I always marvel at the remarkable and diverse talents of these students and think of the fine works of art that these young people will produce in the future, which is why I am an ardent supporter of this bill.

Congress decided in 1965 that a National Endowment for the Arts should be established to encourage and support national progress in the arts and to help create and sustain a climate encouraging freedom of thought, imagination, and inquiry, and most importantly, to support the material conditions facilitating the release of this creative talent. It would be hypocritical for us to sponsor a congressional arts competition for high school students, encouraging these young people to develop their talents, without providing the funds and museum facilities for them to continue.

Abundant artistic expression is much of what makes our country a civilized and enjoyable place to live. In Memphis, we have an active and visible artistic community whose contribution to the fine quality of life in Memphis is immeasurable. I support this bill as an investment in the civilized future of our communities and our Nation.

The CHAIRMAN pro tempore. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN pro tempore. Under the rule, the Committee rises.

□ 1605

Accordingly the Committee rose; and the Speaker pro tempore. [Mr. DONNELLY] having assumed the chair, Mr. OBERSTAR, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3248) to amend the National Foundation on the Arts and the Humanities Act of 1965, and for other purposes, pursuant to House Resolution 266, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. WILLIAMS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 349, nays 57, not voting 28, as follows:

[Roll No. 355]

YEAS—349

Ackerman	Chapman	Flippo
Akaka	Chappell	Foglietta
Alexander	Chappie	Foley
Anderson	Clay	Ford (MI)
Andrews	Clinger	Ford (TN)
Annunzio	Coats	Fowler
Anthony	Coelho	Frank
Applegate	Coleman (MO)	Frost
Aspin	Coleman (TX)	Fuqua
Atkins	Collins	Gallo
AuCoin	Conte	Garcia
Barnard	Conyers	Gaydos
Barnes	Cooper	Gejdenson
Bartlett	Coughlin	Gephardt
Barton	Courter	Gibbons
Bateman	Coyne	Gilman
Bates	Crockett	Glickman
Bedell	Daniel	Gonzalez
Beilenson	Darden	Goodling
Bentley	Daschle	Gordon
Bereuter	Daub	Gradison
Berman	Davis	Gray (IL)
Bevill	Dellums	Gray (PA)
Biaggi	Derrick	Green
Bliley	DeWine	Gregg
Boehlert	Dickinson	Grotberg
Boggs	Dicks	Guarini
Boland	Dingell	Gunderson
Boner (TN)	DioGuardi	Hall (OH)
Bonior (MI)	Donnelly	Hall, Ralph
Bonker	Dorgan (ND)	Hamilton
Borski	Dowdy	Hammerschmidt
Boucher	Downey	Hatcher
Boxer	Duncan	Hawkins
Breaux	Durbin	Hayes
Brooks	Dwyer	Hefner
Brown (CA)	Dymally	Heftel
Broyhill	Dyson	Henry
Bruce	Early	Hertel
Bryant	Eckart (OH)	Hiler
Burton (CA)	Edwards (CA)	Holt
Burton (IN)	Emerson	Hopkins
Bustamante	Erdreich	Horton
Byron	Evans (IA)	Howard
Callahan	Evans (IL)	Hoyer
Campbell	Fascell	Huckaby
Carney	Fawell	Hughes
Carper	Fazio	Hutto
Carr	Feighan	Jacobs
Chandler	Fish	Jeffords
Jenkins	Moody	Siljander
Johnson	Moore	Sisisky
Jones (NC)	Moorhead	Skeen
Jones (OK)	Morrison (CT)	Slattery
Jones (TN)	Morrison (WA)	Slaughter
Kanjorski	Mrazek	Smith (FL)
Kaptur	Murphy	Smith (IA)
Kasich	Murtha	Smith (NE)
Kastenmeier	Myers	Smith (NJ)
Kemp	Natcher	Smith, Robert (OR)
Kennelly	Neal	Snowe
Kindness	Nelson	Snyder
Kleczka	Nichols	Solarz
Kolbe	Nowak	Spence
Kolter	Oakar	Spratt
Kostmayer	Oberstar	St Germain
Kramer	Obey	Staggers
Lagomarsino	Olin	Stallings
Lantos	Ortiz	Stangeland
Leach (IA)	Owens	Stark
Lehman (CA)	Oxley	Stokes
Lehman (FL)	Packard	Stratton
Leland	Panetta	Studds
Lent	Parris	Sundquist
Levin (MI)	Pease	Swift
Levine (CA)	Penny	Synar
Lewis (CA)	Pepper	Tallon
Lewis (FL)	Perkins	Tauke
Lightfoot	Pickle	Tauzin
Lipinski	Price	Thomas (GA)
Lloyd	Purseli	Torres
Loeffler	Quillen	Torricelli
Long	Rahall	Towns
Lowry (WA)	Rangel	Traficant
Lujan	Ray	Traxler
Luken	Regula	Valentine
Lundine	Reid	Vander Jagt
MacKay	Richardson	Vento
Madigan	Ridge	Visclosky
Manton	Rinaldo	Volkmer
Markey	Ritter	Walgren
Martin (NY)	Robinson	Watkins
Martinez	Rodino	Waxman
Matsui	Roemer	Weaver
Mavroules	Rogers	Weiss
Mazzoli	Rose	Wheat
McCain	Rostenkowski	Whitehurst
McCloskey	Roukema	Whitley
McCollum	Rowland (CT)	Whittaker
McCurdy	Rowland (GA)	Whitten
McDade	Roybal	Williams
McEwen	Russo	Wilson
McGrath	Sabo	Wirth
McHugh	Savage	Wise
McKernan	Saxton	Wolf
McKinney	Schaefer	Wolpe
McMillan	Scheuer	Wortley
Meyers	Schneider	Wright
Mica	Schroeder	Wyden
Mikulski	Schuette	Wylie
Miller (CA)	Schulze	Yates
Miller (WA)	Schumer	Yatron
Mineta	Seiberling	Young (AK)
Mitchell	Sharp	Young (MO)
Moakley	Shaw	Zschau
Molinari	Shelby	
Mollohan	Sikorski	

NAYS—57

Archer	Fiedler	Pashayan
Armey	Fields	Petri
Badham	Franklin	Roberts
Bennett	Frenzel	Sensenbrenner
Bilirakis	Gekas	Shumway
Boulter	Hansen	Shuster
Brown (CO)	Hendon	Smith, Denny (OR)
Cheney	Hubbard	Smith, Robert (NH)
Cobey	Hunter	Stenholm
Coble	Latta	Stump
Combest	Leath (TX)	Sweeney
Craig	Lott	Swindall
Crane	Mack	Taylor
Dannemeyer	Marlenee	Thomas (CA)
DeLay	McCandless	Vucanovich
Dornan (CA)	Michel	Walker
Dreier	Miller (OH)	Weber
Eckert (NY)	Monson	
Edwards (OK)	Montgomery	
English	Nielson	

NOT VOTING—28

Addabbo	Dixon	Hartnett
Bosco	Edgar	Hillis
Broomfield	Florio	Hyde
de la Garza	Gingrich	Ireland

Kildee	O'Brien	Solomon
LaFalce	Porter	Strang
Livingston	Roe	Udall
Lowery (CA)	Roth	Young (FL)
Lungren	Rudd	
Martin (IL)	Skelton	

□ 1615

Messrs. ARCHER, THOMAS of California, HENDON, ENGLISH, SWEENEY, and LATTA changed their votes from "yea" to "nay."

Mr. SCHUMER and Mr. BURTON of Indiana changed their votes from "nay" to yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 3248

Mr. WILLIAMS. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill (H.R. 3248) to amend the National Foundation on the Arts and the Humanities Act of 1965, and for other purposes, the Clerk be authorized to correct section numbers, punctuation, and cross-references and to make such other technical and conforming changes as may be necessary to reflect the actions of the House in amending the bill, H.R. 3248.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

There was no objection.

GENERAL LEAVE

Mr. WILLIAMS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 3248.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. WILLIAMS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1264) to amend the National Foundation on the Arts and Humanities Act of 1965, the Museum Services Act, and the Arts and Artifacts Indemnity Act, to extend the authorization of appropriations for such Act, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1264

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Foundation on the Arts and the Humanities Amendments of 1985".

PROJECT DEFINITIONS; CONSTRUCTION OF FACILITIES

SEC. 2. Section 3(d)(2) of the National Foundation on the Arts and the Humanities Act of 1965 (hereafter in this Act referred to as the "Act") is amended by inserting "for the purposes of section 5(l) only," after "(2)".

APPLICATION APPROVAL OF NATIONAL COUNCIL ON THE ARTS

SEC. 3. The last sentence of section 6(f) of the Act is amended by striking out "$17,500" and inserting in lieu thereof "$30,000".

STATE HUMANITIES COUNCILS

SEC. 4. Section 7(f)(2)(B)(i) of the Act is amended—

(1) by striking out "four" and inserting in lieu thereof "six"; and

(2) by striking out "20 per centum" and inserting in lieu thereof "25 per centum".

NATIONAL COUNCIL ON THE HUMANITIES

SEC. 5. The second sentence of section 8(b) of the Act is amended by inserting after "selected" the following: "from citizens of the United States who are recognized for their knowledge of, expertise in, or commitment to the humanities and".

AUTHORIZATION OF APPROPRIATIONS

SEC. 6. (a) EXTENSION OF AUTHORIZATIONS.—(1)(A) The first sentence of section 11(a)(1)(A) of the Act is amended to read as follows: "For the purpose of carrying out section 5(c), there are authorized to be appropriated to the National Endowment for the Arts $118,678,000 for fiscal year 1986, $123,425,120 for fiscal year 1987, $128,362,125 for fiscal year 1988, and such sums as may be necessary for each of the fiscal years 1989 and 1990.".

(B) The first sentence of section 11(a)(1)(B) of the Act is amended to read as follows: "For the purpose of carrying out section 7(c), there are authorized to be appropriated to the National Endowment for the Humanities $95,207,000 for fiscal year 1986, $99,015,280 for fiscal year 1987, $102,975,891 for fiscal year 1988, and such sums as may be necessary for each of the fiscal years 1989 and 1990.".

(2)(A)(i) The matter preceding clause (i) of section 11(a)(2)(A) of the Act is amended by striking out "1985" and inserting in lieu thereof "1990".

(ii) The exception at the end of section 11(a)(2)(A) of the Act is amended to read as follows:

"except that the amounts so appropriated to the National Endowment for the Arts shall not exceed $8,820,000 for fiscal year 1986, $9,172,800 for fiscal year 1987, $9,539,712 for fiscal year 1988, and such sums as may be necessary for each of the fiscal years 1989 and 1990.".

(B)(i) The matter preceding clause (i) of section 11(a)(2)(B) of the Act is amended by striking out "1985" and inserting in lieu thereof "1990".

(ii) Clause (ii) of section 11(a)(2)(B) of the Act is amended by inserting "and subgrantees" after "grantees" each time it appears in such clause.

(iii) The exception at the end of section 11(a)(2)(B) of the Act is amended to read as follows:

"except that the amounts so appropriated to the National Endowment for the Humanities shall not exceed $10,780,000 for fiscal year 1986, $11,211,200 for fiscal year 1987, $11,659,648 for fiscal year 1988, and such sums as may be necessary for each of the fiscal years 1989 and 1990.".

(3)(A)(i) The matter preceding clause (i) of section 11(a)(3)(A) of the Act is amended by striking out "1985" and inserting in lieu thereof "1990".

(ii) The exception at the end of section 11(a)(3)(A) of the Act is amended to read as follows:

"except that the amounts so appropriated to such Endowment shall not exceed $20,580,000 for fiscal year 1986, $21,403,200 for fiscal year 1987, $22,259,328 for fiscal year 1988, and such sums as may be necessary for each of the fiscal years 1989 and 1990.".

(B)(i) The matter preceding clause (i) of section 11(a)(3)(B) of the Act is amended by striking out "1985" and inserting in lieu thereof "1990".

(ii) The exception at the end of section 11(a)(3)(B) of the Act is amended to read as follows:

"except that the amounts so appropriated to such Endowment shall not exceed $19,600,000 for fiscal year 1986, $20,384,000 for fiscal year 1987, $21,199,360 for fiscal year 1988, and such sums as may be necessary for each of the fiscal years 1989 and 1990.".

(b) AUTHORIZATION FOR ADMINISTRATION.—(1) Section 11(c)(1) of the Act is amended to read as follows:

"(1) There are authorized to be appropriated to the National Endowment for the Arts $15,582,000 for fiscal year 1986, $16,205,280 for fiscal year 1987, $16,853,491 for fiscal year 1988, and such sums as may be necessary for each of the fiscal years 1989 and 1990, to administer the provisions of this Act, or any other program for which the Chairman of the National Endowment for the Arts is responsible.".

(2) Section 11(c)(2) of the Act is amended to read as follows:

"(2) There are authorized to be appropriated to the National Endowment for the Humanities $13,891,000 for fiscal year 1986, $14,446,640 for fiscal year 1987, $15,024,506 for fiscal year 1988, and such sums as may be necessary for each of the fiscal years 1989 and 1990, to administer the provisions of this Act, or any other program for which the Chairman of the National Endowment for the Humanities is responsible.".

(c) AUTHORIZATION MAXIMUMS.—Section 11 of the Act is amended—

(1) by redesignating subsection (d) of subsection (e), and

(2) by inserting after subsection (c) the following new subsection:

"(d)(1) The total amount of appropriations to carry out the activities of the National Endowment for the Arts shall not exceed—

"(A) $163,660,000 for fiscal year 1986,

"(B) $170,206,400 for fiscal year 1987, and

"(C) $177,014,656 for fiscal year 1988.

"(2) The total amount of appropriations to carry out the activities for the National Endowment for the Humanities shall not exceed—

"(A) $139,478,000 for fiscal year 1986,

"(B) $145,057,120 for fiscal year 1987, and

"(C) $150,859,405 for fiscal year 1988."

REPEALERS

SEC. 7. (a) EXECUTED INDEMNITY STUDY REPEALED.—Subsections (d) and (e) of section 9 of the Act are repealed.

(b) EXECUTED PROPERTY STUDY REPEALED.—Subsection (d) of section 10 of the Act is repealed.

MUSEUM SERVICES AUTHORIZATION

SEC. 8. Section 209(a) of the Museum Services Act is amended to read as follows:

"(a) For the purpose of making grants under section 206(a), there are authorized to be appropriated $21,600,000 for fiscal year 1986, $22,464,000 for fiscal year 1987, $23,362,560 for fiscal year 1988, and such sums as may be necessary for each of the fiscal years 1989 and 1990.".

ARTS AND ARTIFACTS INDEMNITY PROGRAM AMENDMENTS

SEC. 9. (a) FEDERAL COUNCIL MEMBERSHIP.—Section 2(b) of the Arts and Artifacts Indemnity Act is amended—

(1) by inserting "(1) after the subsection designation; and

(2) by adding at the end thereof the following new paragraph:

"(2) For purposes of this Act, the Secretary of the Smithsonian Institution, the Director of the National Gallery of Art, the member designated by the Chairman of the Senate Commission of Art and Antiquities and the member designated by the Speaker of the House of Representatives shall not serve as members of the Council.".

(b) ELIGIBILITY FOR INDEMNITY.—(1) Section 3(b)(1) of the Arts and Artifacts Indemnity Act is amended by striking out ", or elsewhere when part of an exchange of exhibitions, but in no case shall both parts of such an exhibition be so covered" and inserting in lieu thereof "or elsewhere preferably when part of an exchange of exhibitions".

(2) The amendment made by paragraph (1) shall apply with respect to any exhibition which is certified under section 3(a) of the Arts and Artifacts Indemnity Act after the date of enactment of this Act.

(c) INDEMNITY AGREEMENT LOSS LIMITATIONS.—(1) Section 5(b) of the Arts and Artifacts Indemnity Act is amended by striking out "$400,000,000" and inserting in lieu thereof "$650,000,000".

(2) Section 5(c) of the Arts and Artifacts Indemnity Act is amended by striking out "$50,000,000" and inserting in lieu thereof "$75,000,000".

STUDY OF ALTERNATIVE FEDERAL FUNDING OF THE ARTS AND THE HUMANITIES

SEC. 10. (a) STUDY REQUIRED.—(1) The Comptroller General of the United States shall conduct a study to determine the feasibility of supplementing expenditures made from the general fund of the Treasury of the United States for the National Endowment for the Arts, the National Endowment for the Humanities, and the Institute of Museum Services through other Federal funding mechanisms. The study required by this section shall consider, but is not limited to, the consideration of the following funding sources:

(A) A revolving fund comprised of payments made to the Federal Government through an extension of the existing Federal copyright period for artistic, dramatic literary, and musical works.

(B) A revolving fund comprised of payments made to the Federal Government for the right to use or publicly perform artistic, dramatic, literary, and musical works in the public domain.

(2) In carrying out the study required by this section, the Comptroller General shall frequently consult with and seek the advice of the Chairman of the National Endowment for the Arts, the Chairman of the National Endowment for the Humanities, the Director of the Institute of Museum Services, the Register of Copyrights, the Chairman of the Labor and Human Resources Committee of the Senate, and the Chairman of the Education and Labor Committee of the House of Representatives, concerning the scope, direction, and focus of the study.

(3) In conducting the study required by this section, the Comptroller General shall consider the impact which the implementation of each supplemental funding mechanism would have on—

(A) any international copyright treaties, commitments, and obligations to which the United States is a party;

(B) public participation in the arts and the humanities;

(C) private, corporate, and foundation support for the arts and the humanities;

(D) the overall quality of arts and the humanities in the United States;

(E) the creative activities of individual authors and artists; and

(F) the activities and operations of private copyrighting organizations.

(b) REPORT.—The Comptroller General shall prepare and submit to the Congress not later than one year after the date of enactment of this Act a report of the study required by this section, together with such recommendations as the Comptroller General deems appropriate.

EDUCATION PROGRAM FOR THE COMMEMORATION OF THE BICENTENNIAL OF THE CONSTITUTION OF THE UNITED STATES AND THE BILL OF RIGHTS

SEC. 11. (a) GENERAL AUTHORITY.—(1) The Commission on the Bicentennial of the United States Constitution shall, in accordance with the provisions of this section, carry out an education program for the commemoration of the bicentennial of the Constitution of the United States and the Bill of Rights.

(2) To commemorate the bicentennial anniversary of the Constitution of the United States and the Bill of Rights, the Commission—

(A) is authorized to make grants to local educational agencies, private elementary and secondary schools, private organizations, individuals, and State and local public agencies in the United States for the development of instructional materials and programs on the Constitution of the United States and the Bill of Rights which are designed for use by elementary or secondary school students; and

(B) shall implement an annual national bicentennial Constitution and Bill of Rights completition based upon the programs developed and used by elementary and secondary schools.

(3) In carrying out the program authorized by this section, the Chairman of the Commission shall have the same authority as is established in section 10 of the National Foundation on the Arts and the Humanities Act of 1965.

(b) DEFINITION.—For the purpose of this section, the term "Commission" means the Commission on the Bicentennial of the United States Constitution.

(c) AUTHORIZATION OF APPROPRIATIONS.—(1) There are authorized to be appropriated $5,000,000 for each of the fiscal years 1987, 1988, 1989, 1990, and 1991 to carry out the provisions of this section.

(2) Amounts appropriated pursuant to paragraph (1) may be used for necessary administrative expenses, including staff.

POET LAUREATE CONSULTANT IN POETRY

SEC. 12. (a) RECOGNITION OF THE CONSULTANT IN POETRY.—The Congress recognizes that the Consultant in Poetry to the Library of Congress has for some time occupied a position of prominence in the life of the Nation, has spoken effectively for literary causes, and has occasionally performed duties and functions sometimes associated with the position of poet laureate in other nations and societies. Individuals are appointed to the position of Consultant in Poetry by the Librarian of Congress for one- or two-year terms solely on the basis of literary merit, and are compensated from endowment funds administered by the Library of Congress Trust Fund Board. The Congress further recognizes this position is equivalent to that of Poet Laureate of the United States.

(b) POET LAUREATE CONSULTANT IN POETRY ESTABLISHED.—(1) There is established in the Library of Congress the position of Poet Laureate Consultant in Poetry. The Poet Laureate Consultant in Poetry shall be appointed by the Librarian of Congress pursuant to the same procedures of appointment as established on the date of enactment of this section for the Consultant in Poetry to the Library of Congress.

(2) Each department and office of the Federal Government is encouraged to make use of the services of the Poet Laureate Consultant in Poetry for ceremonial and other occasions of celebration under such procedures as the Librarian of Congress shall approve designed to assure that participation under this paragraph does not impair the continuation of the work of the individual chosen to fill the position of Poet Laureate Consultant in Poetry.

(c) POETRY PROGRAM.—(1) The Chairman of the National Endowment for the Arts, with the advice of the National Council on the Arts, shall annually sponsor a program at which the Poet Laureate Consultant in Poetry will present a major work or the work of other distinguished poets.

(2) There are authorized to be appropriated to the National Endowment for the Arts $10,000 for the fiscal year 1987 and for each succeeding fiscal year ending prior to October 1, 1990, for the purpose of carrying out this subsection.

MOTION OFFERED BY MR. WILLIAMS

Mr. WILLIAMS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WILLIAMS moves to strike out all after the enacting clause of the Senate bill, S. 1264, and to insert in lieu thereof the text of H.R. 3248, as passed by the House, as follows:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Arts, Humanities, and Museums Amendments of 1985".

TITLE I—AMENDMENTS TO NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES ACT OF 1965

SEC. 101. TECHNICAL AMENDMENT; SHORT TITLE.

The National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 951 et seq.) is amended—

(1) by striking out

"TITLE I—ENDOWMENTS FOR ARTS AND HUMANITIES", and

(2) in section 1 by striking out "title" and inserting in lieu thereof "Act".

SEC. 102. DECLARATION OF PURPOSE.

Section 2 of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 951) is amended—

(1) in paragraph (2) by striking out "man's",

(2) in paragraph (3)—

(A) by inserting ", and access to the arts and the humanities," after "education", and

(B) by striking out "people" and inserting in lieu thereof "people of all backgrounds and wherever located",

(3) in paragraph (7) by striking out "and" at the end thereof,

(4) by redesignating paragraph (8) as paragraph (9), and

(5) by inserting after paragraph (7) the following new paragraph:

"(8) that Americans should receive in school, background and preparation in the arts and humanities to enable them to recognize and appreciate the aesthetic dimensions of our lives, the diversity of excellence that comprises our cultural heritage, and artistic and scholarly expression; and".

SEC. 103. DEFINITIONS.

Section 3 of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 952) is amended—

(1) in subsection (a)—

(A) by inserting "and interpretation" after "study" the first place it appears, and

(B) by inserting "to reflecting our diverse heritage, traditions, and history and" after "particular attention", and

(2) in subsection (d)(2)—

(A) by inserting "for purposes of sections 5(l) and 7(h) only," after "(2)",

(B) by inserting "or humanistic" after "artistic", and

(C) by inserting "and the National Council on the Humanities, as the case may be," after "the National Council on the Arts".

SEC. 104. ESTABLISHMENT OF A NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES.

Section 4(a) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 953(a)) is amended—

(1) by striking out "Humanities,," and inserting in lieu thereof "Humanities,", and

(2) by striking out "(hereinafter established)".

SEC. 105. ESTABLISHMENT OF THE NATIONAL ENDOWMENT FOR THE ARTS.

Section 5 of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 954) is amended—

(1) in subsection (b)(1) by striking "chairman" and inserting in lieu thereof "Chairperson",

(2) in subsection (c)—

(A) by redesignating paragraphs (4), (5), and (6) as paragraphs (6), (7), and (8), respectively, and

(B) by inserting after paragraph (3) the following new paragraphs:

"(4) projects and productions which have substantial artistic and cultural significance and that reach, or reflect the culture of, a minority, inner city, rural, or tribal community;

"(5) projects and productions that will encourage public knowledge, understanding, and appreciation of the arts;",

(D) by striking out "clause (5)" and inserting in lieu thereof "clause (7)", and

(E) by adding at the end thereof the following:

"In selecting individuals and groups of exceptional talent as recipients of financial assistance to be provided under this subsection, the Chairperson shall give particular regard to artists and artistic groups that have traditionally been underrepresented.", and

(3) in subsection (g)(2)—

(A) in subparagraph (B) by striking out "and" at the end thereof,

(B) in subparagraph (C) by striking out the period at the end thereof and inserting in lieu thereof ", including a description of the progress made toward achieving the goals of the State plan;", and

(C) by inserting after subparagraph (C) the following new subparagraphs:

"(D) provides—

"(i) assurances that the State agency has held, after reasonable notice, public meetings in the State to allow all groups of artists, interested organizations, and the public to present views and make recommendations regarding the State plan; and

"(ii) a summary of such recommendations and the State agency's response to such recommendations; and

"(E) contains—

"(i) a description of the level of participation during the previous 2 years by artists, artists' organizations, and arts organizations in projects and productions for which financial assistance is provided under this subsection;

"(ii) a description of the extent to which project and productions receiving financial assistance under this subsection are available to all people and communities in the State; and

"(iii) a description of projects and productions receiving financial assistance under this subsection that exist or are being developed to secure wider participation of artists, artists' organizations, and arts organizations identified under clause (i) of this subparagraph or that address the availability of the arts to all people or communities identified under clause (ii) of this subparagraph.

No application may be approved unless the accompanying plan satisfies the requirements specified in this subsection.",

(4) in subsection (i) by striking out "he" and inserting in lieu thereof "the Secretary of Labor",

(5) in subsection (l)(1)(D)—

(A) by inserting "and local arts agencies" after "local arts groups", and

(B) by striking out "including support of professional artists in community-based residencies;" and inserting in lieu thereof the following:

"including—

"(i) support of professional artists in community based residencies;

"(ii) support of rural arts development;

"(iii) support of and models for regional, statewide, or local organizations to provide technical assistance to cultural organizations and institutions;

"(iv) support of and models for visual and performing arts touring; and

"(v) support of and models for professional staffing of arts organizations and for stabilizing and broadening the financial base for arts organizations;",

(6) by striking out "Chairman" each place it appears and inserting in lieu thereof "Chairperson",

(7) by striking out "his" each place it appears and inserting in lieu thereof "the Chairperson's", and

(8) by adding at the end thereof the following new subsection:

"(m) The Chairperson of the National Endowment for the Arts shall, in consultation with State and local agencies, relevant organizations, and relevant Federal agencies, develop a practical system of national information and data collection on the arts, artists and arts groups, and their audiences. Such system shall include artistic and financial trends in the various artistic fields, trends in audience participation, and trends in arts education on national, regional, and State levels. Such system shall also include information regarding the availability of the arts to various audience segments, including rural communities. Not later than 1 year after the date of the enactment of the Arts, Humanities, and Museums Amendments of 1985, the Chairperson shall submit to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate a plan for the development and implementation of such system, including a recommendation regarding the need for any additional funds to be appropriated to develop and implement such system. Such system shall be used, along with a summary of the data submitted with State plans under subsection (g), to prepare a periodic report on the state of the arts in the Nation. The state of the arts report shall include a description of the the availability of the Endowment's programs to emerging, rural, and culturally diverse artists, arts organizations, and communities and of the participation by such artists, organizations, and communities in such programs. The state of the arts report shall be submitted to the President and the Congress, and provided to the States, not later than October 1, 1988, and biennially thereafter.".

SEC. 106. NATIONAL COUNCIL ON THE ARTS.

Section 6 of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 955) is amended—

(1) in subsection (b)—

(A) by striking out "Chairman" the first place it appears and inserting in lieu thereof "Chairperson",

(B) by striking out "Chairman of the Council" and inserting in lieu thereof "Chairperson of the Council",

(C) in paragraph (1)—

(i) by inserting "(A)" after "who", and

(ii) by inserting before the semicolon at the end thereof the following: "and (B) have established records of distinguished service, or achieved eminence, in the arts",

(D) in the last sentence by striking out "him" and inserting in lieu thereof "the President", and

(E) by adding at the end thereof the following:

"In making such appointments, the President shall give due regard to equitable representation of women, minorities, and persons with disabilities who are involved in the arts.",

(2) in subsection (c) by striking out "his" each place it appears and inserting in lieu thereof "such member's",

(3) in subsection (d) by striking out "Chairman" and inserting in lieu thereof "Chairperson",

(4) in subsection (e) by striking out "Chairman" and inserting in lieu thereof "Chairperson", and

(5) in subsection (f)—

(A) in the first sentence by striking out "his" and inserting in lieu thereof "the Chairperson's",

(B) in the second sentence by striking out "he" and inserting in lieu thereof "the Chairperson",

(C) in the third sentence by striking out "$17,500" and inserting in lieu thereof "$30,000", and

(D) by striking out "Chairman" each place it appears and inserting in lieu thereof "Chairperson".

SEC. 107. ESTABLISHMENT OF THE NATIONAL ENDOWMENT FOR THE HUMANITIES.

Section 7 of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 956) is amended—

(1) in subsection (b)—

(A) in paragraph (1) by striking out "chairman" and inserting in lieu thereof "Chairperson", and

(B) in paragraph (2) by striking out "his" each place it appears and inserting in lieu thereof "the Chairperson's",

(2) in subsection (c)—

(A) by redesignating paragraphs (4), (5), (6), and (7) as paragraphs (6), (7), (8), and (9), respectively, and

(B) by inserting after paragraph (3) the following new paragraphs:

"(4) initiate and support programs and research which have substantial scholarly and cultural significance and that reach, or reflect the diversity and richness of our American cultural heritage, including the culture of, a minority, inner city, rural, or tribal community;

"(5) foster international programs and exchanges;",

(C) in paragraph (3) by striking out "workships" and inserting in lieu thereof "workshops",

(D) by striking out "clause (6)" and inserting in lieu thereof "clause (8)", and

(E) by adding at the end thereof the following:

"In selecting individuals and groups of exceptional talent as recipients of financial assistance to be provided under this subsection, the Chairperson shall give particular regard to scholars, and educational and cultural institutions, that have traditionally been underrepresented.",

(3) in subsection (f)—

(A) in paragraph (2)(A)—

(i) in the first sentence by striking out "the Arts and Humanities Act of 1980" and inserting in lieu thereof "the Arts, Humanities, and Museums Amendments of 1985",

(ii) in clause (ii) by inserting "officer" after "chief executive" each place it appears,

(iii) in clause (v) by striking out "and" at the end thereof,

(iv) in clause (vi) by striking out the period at the end thereof and inserting in lieu thereof ", including a description of the progress made toward achieving the goals of the State plan;", and

(v) by inserting after clause (vi) the following new clauses:

"(vii) provides—

"(I) assurances that the State agency has held, after reasonable notice, public meetings in the State to allow scholars, interested organizations, and the public to present views and make recommendations regarding the State plan; and

"(II) a summary of such recommendations and of the response of the State agency to such recommendations; and

"(viii) contains—

"(I) a description of the level of participation during the previous 2 years by scholars and scholarly organizations in programs receiving financial assistance under this subsection;

"(II) a description of the extent to which the programs receiving financial assistance under this subsection are available to all people and communities in the State; and

"(III) a description of programs receiving financial assistance under this subsection that exist or are being developed to secure wider participation of scholars and scholarly organizations identified under subclause (I) of this clause or that address the availability of the humanities to all people or communities identified under subclause (II) of this clause.

No application may be approved unless the accompanying plan satisfies the requirements specified in this subsection.",

(B) in paragraph (3)—

(i) in subparagraph (G) by striking out "and" at the end thereof,

(ii) in subparagraph (H) by striking out the period at the end thereof and inserting in lieu thereof ", including a description of the progress made toward achieving the goals of the plan;", and

(iii) by inserting after subparagraph (H) the following new subparagraphs:

"(I) provides—

"(i) assurances that the grant recipient has held, after reasonable notice, public meetings in the State to allow scholars, interested organizations, and the public to present views and make recommendations regarding the plan; and

"(ii) a summary of such recommendations and of the response of the grant recipient to such recommendations; and

"(J) contains—

"(i) a description of the level of participation during the previous 2 years by scholars and scholarly organizations in programs receiving financial assistance under this subsection;

"(ii) a description of the extent to which the programs receiving financial assistance under this subsection are available to all people and communities in the State; and

"(iii) a description of programs receiving financial assistance under this subsection that exist or are being developed to secure wider participation of scholars and scholarly organizations identified under clause (i) of this subparagraph or that address the availability of the humanities to all people or communities identified under clause (ii) of this subparagraph.

No application may be approved unless the accompanying plan satisfies the requirements specified in this subsection.",

(4) by striking out the last sentence of subsection (g) and inserting in lieu thereof "The Secretary of Labor shall prescribe standards, regulations, and procedures necessary to carry out this subsection not later than 180 days after the date of the enactment of the Arts, Humanities, and Museums Amendments of 1985.",

(5) by striking out "Chairman" each place it appears and inserting in lieu thereof "Chairperson", and

(6) by adding at the end thereof the following new subsections:

"(j) It shall be a condition of the receipt of any grant under this section that the group or individual of exceptional talent or the State, State agency, or entity receiving such grant furnish adequate assurances to the Secretary of Labor that all laborers and mechanics employed by contractors or subcontractors on construction projects assisted under this section shall be paid wages at rates not less than those prevailing on similar construction in the locality, as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a–276a–5). The Secretary of Labor shall have, with respect to the labor standards specified in this subsection, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. 133z–15) and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

"(k) The Chairperson of the National Endowment for the Humanities shall, in consultation with State and local agencies, other relevant organizations, and relevant Federal agencies, develop a practical system of national information and data collection on the humanities, scholars, educational and cultural groups, and their audiences. Such system shall include cultural and financial trends in the various humanities fields, trends in audience participation, and trends in humanities education on national, regional, and State levels. Not later than 1 year after the date of the enactment of the Arts, Humanities, and Museums Amendments of 1985, the Chairperson shall submit to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate a plan for the development and implementation of such system, including a recommendation regarding the need for any additional funds to be appropriated to develop and implement such system. Such system shall be used, along with a summary of the data submitted with plans under subsection (f), to prepare a report on the state of the humanities in the Nation. The state of the humanities report shall include a description of the availability of the Endowment's programs to emerging and culturally diverse scholars, cultural and educational organizations, and communities and of the participation of such scholars, organizations, and communities in such programs. The state of the humanities report shall be submitted to the President and the Congress, and provided the States, not later than October 1, 1988, and biennially thereafter.

"(l) Not later than 30 days after the date of enactment of the Arts, Humanities, and Museums Amendments of 1985, the Chairperson of the National Endowment for the Humanities shall transmit to the Equal Employment Opportunity Commission each plan and each report required under any regulation or management directive that is issued by the Commission and is in effect on such date of enactment.".

SEC. 108. ESTABLISHMENT OF THE NATIONAL COUNCIL ON THE HUMANITIES.

Section 8 of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 957) is amended—

(1) in subsection (b)—

(A) in the first sentence by striking out "Chairman of the National Endowment for the Humanities, who shall be the Chairman" and inserting in lieu thereof "Chairperson of the National Endowment for the Humanities, who shall be the Chairperson",

(B) in the second sentence by striking out "selected on the basis of" and inserting in lieu thereof "individuals who (1) are selected from among private citizens of the United States who are recognized for their broad knowledge of, expertise in, or commitment to the humanities, and (2) have established records of", and

(C) by adding at the end thereof the following:

"In making such appointments, the President shall give due regard to equitable representation of women, minorities, and persons with disabilities who are involved in the humanities.",

(2) in subsection (c) by striking out "his" each place it appears and inserting in lieu thereof "such member's",

(3) in subsections (d), (e), and (f) by striking out "Chairman" each place it appears and inserting in lieu thereof "Chairperson", and

(4) in subsection (f)—

(A) in the first sentence by striking out "his" and inserting in lieu thereof "the Chairperson's", and

(B) in the second sentence by striking out "he" and inserting in lieu thereof "the Chairperson".

SEC. 109. ESTABLISHMENT OF THE FEDERAL COUNCIL ON THE ARTS AND THE HUMANITIES.

Section 9 of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 958) is amended—

(1) in subsection (b)—

(A) in the first sentence by striking out "Chairman of the National Endowment for the Arts, the Chairman of the National Endowment for the Humanities" and inserting in lieu thereof "Chairperson of the National Endowment for the Arts, the Chairperson of the National Endowment for the Humanities",

(B) in the second sentence by striking out "Chairman" and inserting in lieu thereof "presiding officer",

(C) in the last sentence by striking out "he" and inserting in lieu thereof "the President", and

(D) by adding at the end thereof the following:

"For the purposes of the Arts and Artifacts Indemnity Act (20 U.S.C. 971 et seq.), the Secretary of the Smithsonian Institution, the Director of the National Gallery of Art, and the members of the Council who are designated by the Chairman of the Senate Commission on Art and Antiquities and the Speaker of the House of Representatives shall not serve as members of the Council.",

(2) in subsection (c)(1) by striking out "Chairman" each place it appears and inserting in lieu thereof "Chairperson", and

(3) by striking out subsections (d) and (e) and inserting in lieu thereof the following new subsections:

"(d) The Council shall conduct a study to determine—

"(1) the nature and level of Federal support provided to museums;

"(2) the areas in which such support overlaps or is inadequate, particularly in case of emerging museums;

"(3) the impact of the Institute of Museum Services in carrying out its stated purpose; and

"(4) the impact and nature of conservation and preservation programs being carried out under this Act and other Federal laws and the areas in which such programs overlap or are inadequate.

"(e) Not later than October 1, 1987, the Council shall develop and submit to the President policy recommendations regarding the acquisition of works of art for use on Federal property, the disposal of such works of art, and the maintenance of such works of art. Such recommendations shall—

"(1) address the need for participation by local citizens and by State and local arts agencies in the process of placing works of art on Federal property and removing such works of art from such property,

"(2) provide that planning for Federal commissions of works of art will be included in the preliminary planning of new Federal buildings and will be an integral part of the architectural design of such buildings,

"(3) provide for making determinations that works of art located or to be located in existing Federal buildings are appropriate for their respective settings and spaces, and

"(4) avoid the development of an official style, in either architecture or associated works of art, and encourage Federal commissions of works of art that will give expression to the full diversity and vitality of American life.".

SEC. 110. ADMINISTRATIVE PROVISIONS.

Section 10 of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 959) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1) by striking out "Chairman of the National Endowment for the Arts and the Chairman of the National Endowment for the Humanities" and inserting in lieu thereof "Chairperson of the National Endowment for the Arts and the Chairperson of the National Endowment for the Humanities",

(B) in paragraph (1)—

(i) by striking out "he" and inserting in lieu thereof "the Chairperson", and

(ii) by striking out "his" and inserting in lieu thereof "the Chairperson's",

(C) in paragraph (2) by striking out "Chairman" each place it appears and inserting in lieu thereof "Chairperson",

(D) in paragraph (3) by striking out "his" and inserting in lieu thereof "the Chairperson's",

(E) in paragraph (4) by striking out "section 15" and all that follows through "representation" and inserting in lieu thereof "section 3109 of title 5, United States Code",

(F) in the matter following paragraph (8) by striking out "Chairman" each place it appears and inserting in lieu thereof "Chairperson", and

(G) by adding at the end thereof the following:

"In selecting panels of experts under paragraph (4) to review and make recommendations with respect to the approval of applications for financial assistance under this Act, each Chairperson shall appoint persons who have exhibited expertise and leadership in the field under review, who broadly represent diverse characteristics in terms of aesthetic or humanistic perspective, and geographical factors, and who broadly represent cultural diversity. Each Chairperson shall assure that the membership of panels changes substantially from year to year, and that no more than 20 per centum of the annual appointments shall be for service beyond the limit of 3 consecutive years on a subpanel. In making appointments, each Chairperson shall give due regard to the need for experienced as well as new members on each panel. Panels of experts appointed to review or make recommendations with respect to the approval of applications or projects for funding by the National Endowment for the Arts shall, when reviewing such applications and projects, recommend for funding only those that in the context in which they are presented, in the experts' view, foster excellence, are reflective of exceptional talent, and have significant literary, scholarly, cultural, or artistic merit. Whenever there is pending an application submitted by an individual for financial assistance under section 5(c), such individual may not serve as a member of any subpanel (or panel where a subpanel does not exist) before which such application is pending. The prohibition described in the previous sentence shall commence on the date the application is submitted and continue for so long as the application is pending.".

(2) in subsection (b) by striking out "Chairman" each place it appears and inserting in lieu thereof "Chairperson", and

(3) by striking out subsection (d) and inserting in lieu thereof the following new subsections:

"(d)(1) The Chairperson of the National Endowment for the Arts and the Chairperson of the National Endowment for the Humanities shall conduct a post-award evaluation of projects, productions, and programs for which financial assistance is provided by their respective Endowments under sections 5(c) and 7(c). Such evaluation may include an audit to determine the accuracy of the reports required to be submitted by recipients under clauses (i) and (ii) of paragraph (2). As a condition of receiving such financial assistance, a recipient shall comply with the requirements specified in paragraph (2) that are applicable to the project, production, or program for which such financial assistance is received.

"(2)(A) The recipient of financial assistance provided by either of the Endowments shall submit to the Chairperson of the Endowment involved—

"(i) a financial report containing such information as the Chairperson deems necessary to ensure that such financial assistance is expended in accordance with the terms and conditions under which it is provided;

"(ii) a report describing the project, production, or program carried out with such financial assistance; and

"(iii) if practicable, as determined by the Chairperson a copy of such project, production, or program.

"(B) Such recipient shall comply with the requirements of this paragraph not later than 90 days after the end of the period for which such financial assistance is provided. The Chairperson may extend the 90-day period only if the recipient shows good cause why such an extension should be granted.

"(3) If such recipient substantially fails to satisfy the purposes for which such financial assistance is provided and the criteria specified in the last sentence of subsection (a), as determined by the Chairperson of the Endowment that provided such financial assistance, then such Chairperson may—

"(A) for purposes of determining whether to provide any subsequent financial assistance, take into consideration the results of the post award evaluation conducted under this subsection;

"(B) prohibit the recipient of such financial assistance to use the name of, or in any way associate such project, production, or program with the Endowment that provided such financial assistance; and

"(C) if such project, production, or program is published, require that the publication contain the following statement: 'The opinions, findings, conclusions, and recommendations expressed herein do not reflect the views of the National Endowment for the Arts or the National Endowment for the Humanities.' ".

"(e)(1) The Chairperson of the National Endowment for the Arts and the Chairperson of the National Endowment for the Humanities, with the cooperation of the Secretary of Education, shall conduct jointly a study of—

"(A) the state of arts education and humanities education, as currently taught in the public elementary and secondary schools in the United States; and

"(B) the current and future availability of qualified instructional personnel, and other factors, affecting the quality of education in the arts and humanities in such schools.

"(2) The Endowments shall consult with the Committee on Labor and Human Resources of the Senate and the Committee on Education and Labor of the House of Representatives in the design and implementation of the study required by this subsection.

"(3) Not later than 2 years after the date of the enactment of the Arts, Humanities, and Museums Amendments of 1985, the Endowments shall submit to the President, the Congress, and the States a report containing—

"(A) the findings in paragraph (1);

"(B) the Endowments' views of the role of the arts and humanities in elementary and secondary education;

"(C) recommendations designed to encourage making arts and humanities education available throughout elementary and secondary schools;

"(D) recommendations for the participation by the National Endowment for the Arts and the National Endowment for the Humanities in arts education and humanities education in such schools; and

"(E) an evaluation of existing policies of the National Endowment for the Arts and the National Endowment for the Humanities that expressly or inherently affect the Endowments' abilities to expand such participation.

"(f) Not later than October 1, 1987, each Endowment shall submit to the Congress a report detailing the procedures used in selecting experts for appointment to panels and the procedures applied by panels in making recommendations with respect to approval of applications for financial assistance under this Act, including procedures to avoid possible conflicts of interest which may arise in providing financial assistance under this Act.".

SEC. 111. AUTHORIZATION OF APPRROPRIATIONS.

(a) FUNDS AUTHORIZED FOR PROGRAM GRANTS.—Section 11(a)(1) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 960(a)(1)) is amended—

(1) in subparagraph (A) by striking out "$115,500,000" and all that follows through "1985" and inserting in lieu thereof "$121,678,000 for fiscal year 1986 and $123,425,120 for fiscal year 1987"; and

(2) in subparagraph (B) by striking out "$114,500,000" and all that follows through "1985" and inserting in lieu thereof "$95,207,000 for fiscal year 1986 and $99,015,280 for fiscal year 1987".

(b) FUNDS AUTHORIZED TO MATCH NON-FEDERAL FUNDS RECEIVED.—Section 11(a) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 960(a)) is amended—

(1) in paragraph (2)—

(A) in subparagraph (A)—

(i) by striking out "October 1, 1985" and inserting in lieu thereof "October 1, 1987"; and

(ii) by striking out "$18,500,000" the first place it appears and all that follows through "1985" and inserting in lieu thereof "$8,820,000 for fiscal year 1986 and $9,172,800 for fiscal year 1987", and

(B) in subparagraph (B)—

(i) by striking out "October 1, 1985" and inserting in lieu thereof "October 1, 1987",

(ii) in clause (ii) by inserting "and subgrantees" after "grantees" each place it appears; and

(iii) by striking out "$12,500,000" and all that follows through "1985" and inserting in lieu thereof "$10,780,000 for fiscal year 1986 and $11,211,200 for fiscal year 1987", and

(2) in paragraph (3)—

(A) in subparagraph (A)—

(i) by striking out "October 1, 1985" and inserting in lieu thereof "October 1, 1987"; and

(ii) by striking out "$27,000,000" and all that follows through "1985" and inserting in lieu thereof "$20,580,000 for fiscal year 1986, and $21,403,200 for fiscal year 1987",

(B) in subparagraph (B)—

(i) by striking out "October 1, 1985" and inserting in lieu thereof "October 1, 1987"; and

(ii) by striking out "$30,000,000" and all that follows through "1985" and inserting in lieu thereof "$19,600,000 for fiscal year 1986 and $20,384,000 for fiscal year 1987", and

(C) in subparagraph (C)—

(i) by striking out "Chairman" and inserting in lieu thereof "Chairperson"; and

(ii) by striking out "he" and inserting in lieu thereof "the Chairperson", and

(3) in paragraph (4) by striking out "Chairman" each place it appears and by inserting in lieu thereof "Chairperson".

(c) FUNDS AUTHORIZED FOR ADMINISTRATION OF PROGRAMS OF THE NATIONAL ENDOWMENTS.—Section 11(c) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 960(c)) is amended—

(1) in paragraph (1) by striking out "$14,000,000" and all that follows through "1985" and inserting in lieu thereof "$15,982,000 for fiscal year 1986 and $16,205,280 for fiscal year 1987",

(2) in paragraph (2) by striking out "$13,000,000" and all that follows through "1985" and inserting in lieu thereof "$14,291,000 for fiscal year 1986 and $14,446,640 for fiscal year 1987", and

(3) by striking out "Chairman" each place it appears and inserting in lieu thereof "Chairperson".

(d) TECHNICAL AMENDMENT.—Section 11(d) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 960(a)) is amended by striking out "under this title".

TITLE II—AMENDMENTS TO MUSEUM SERVICES ACT

SEC. 201. NATIONAL MUSEUM SERVICES BOARD.

Section 204 of the Museum Services Act (20 U.S.C. 963) is amended—

(1) in subsection (a)—

(A) in paragraph (1) by striking out the second sentence and inserting in lieu thereof the following:

"Such members shall be selected from among citizens of the United States who are members of the general public and who are—

"(A) broadly representative of the various museums, including museums relating to science, history, technology, art, zoos, and botanical gardens, and of the curatorial, educational, and cultural resources of the United States; and

"(B) recognized for their broad knowledge, expertise, or experience in museums or commitment to museums.

Members shall be appointed to reflect various geographical regions of the United States. The Board may not include, at any time, more than three members from a single State. In making such appointments, the President shall give due regard to equitable representation of women, minorities, and persons with disabilities who are involved in such museums.", and

(B) in paragraph (2)(A) by striking out "Chairman" each place it appears and inserting in lieu thereof "Chairperson", and

(2) in the last sentence of subsection (b) by striking out "his" each place it appears and inserting in lieu thereof "such member's", and

(3) in subsections (c) and (d) by striking out "Chairman" each place it appears and inserting in lieu thereof "Chairperson".

SEC. 202. DIRECTOR OF THE INSTITUTE.

Section 205(a)(2) of the Museum Services Act (20 U.S.C. 964(a)(2)) is amended by striking out "his" and inserting in lieu thereof "the Chairperson's".

SEC. 203. AUTHORIZATION OF APPROPRIATIONS.

(a) Section 209(a) of the Museum Services Act (20 U.S.C. 967(a)) is amended by striking out "$25,000,000" and all that follows through "1985" and inserting in lieu thereof "$21,600,000 for fiscal year 1986 and $22,464,000 for fiscal year 1987".

(b) Section 209(d) of the Museum Services Act (20 U.S.C. 967(d)) is amended by striking out "1985" and inserting in lieu thereof "1987".

TITLE III—AMENDMENTS TO ARTS AND ARTIFACTS INDEMNITY ACT

SEC. 301. INDEMNITY AGREEMENT.

Section 5(b) of the Arts and Artifacts Indemnity Act (20 U.S.C. 974(b)) is amended by striking out "$400,000,000" and inserting in lieu thereof "$650,000,000".

TITLE IV—EFFECTIVE DATE; APPLICATION OF AMENDMENTS

SEC. 401. EFFECTIVE DATE.

This Act and the amendments made by this Act shall take effect on October 1, 1985.

SEC. 402. APPLICATION OF AMENDMENTS.

The amendments made by sections 105(3) and 107(3) shall not apply with respect to plans submitted for financial assistance to be provided with funds appropriated for fiscal year 1986.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title of the Senate bill was amended so as to read: "An act to amend the National Foundation on the Arts and the Humanities Act of 1965, and for other purposes.

A motion to reconsider was laid on the table.

A similar House bill (H.R. 3248) was laid on the table.

APPOINTMENT OF CONFEREES ON S. 1264

Mr. WILLIAMS. Mr. Speaker, I ask unanimous consent that the House insist on its amendment to the Senate bill, S. 1264, and request a conference with the Senate thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

The Chair hears none and, without objection, appoints the following conferees: Messrs. HAWKINS, FORD of Michigan, BIAGGI, WILLIAMS, OWENS, HAYES, JEFFORDS, COLEMAN of Missouri, BARTLETT, and ARMEY.

There was no objection.

□ 1630

LEGISLATIVE PROGRAM

(Mr. WRIGHT asked and was given permission to address the House for 1 minute.)

Mr. WRIGHT. Mr. Speaker, I take this time in order to discuss the pending legislative situation regarding the debt extension bill, and the actions in the other body, and our options of response thereto.

The Members are entitled to know where the situation stands at the moment. I think the Members are entitled to some certainty as to what our schedule will be.

The other body is debating amendments to the amendment offered by Senators GRAMM and RUDMAN. They have, for the fourth or perhaps the

fifth time, postponed cloture. The latest effort is to bring cloture at 7 o'clock. The probabilities point to a very late session this evening in the other body. The leadership in the other body advises us that it intends to complete action on the bill, House Joint Resolution 372, which was our simple extension of the debt ceiling, together with its amendments, and send them to the House before adjourning for their recess period. That would be tonight or early in the morning.

Rather than our sitting around indefinitely, without any idea of when they will finish or if they will finish tonight, or if it be in the wee, small hours of the morning, there are two options. Obviously, we do not intend for the House of Representatives to walk off and leave this unattended business, without having taken some action, dangling like a sword of Damocles in the air. After the other body has diligently worked this long and hard, we are not going to walk off on a recess, leaving it unattended.

So we can do one of two things. We can take it up now. We can vote, according to precedent, if unanimous consent is obtained, that it shall be in order for the House to consider a motion deeming that when the Clerk of the House receives a message from the Senate indicating that that body has passed this joint resolution with amendments, and has requested a conference with the House, or has insisted on its amendments, in either event, that the House be deemed to have disagreed to the amendments of the Senate and to have agreed to the conference asked by the Senate or request a conference with the Senate, whichever would be appropriate, and that the Speaker be deemed to have appointed conferees.

I have discussed with the minority leader the proposal of the Speaker for appointments of conferees and the numbers as between the two sides, and such motion would be debatable for not to exceed 1 hour, to be equally divided and controlled, one-half by the gentleman from Illinois [Mr. ROSTENKOWSKI] and the other half by such designee as may be selected by the minority leader on the other side, and the previous question shall be considered as ordered.

Following such vote, it would be in order, and certainly we would protect the right of the minority to offer any motion to instruct conferees which they deemed appropriate, and they would be entitled to get a vote on that motion.

If they wanted to agree to this procedure tonight and get it behind us so that the conferees could be appointed and start meeting, and understanding what is at stake in this extremely important legislation, if they would agree to that, if we could get unanimous consent, we could have the hour's debate, have a vote the minority would be entitled to its motion to instruct conferees, vote on that, and we would have no intervening motion to table. If that were to come tonight we would get a straight vote on it. That is what I understand the minority desires.

This would be an orderly means, for which there is precedent in the House, in order that we might follow our orderly schedule, and upon our adjourment tonight, be adjourned for pro forma sessions for the purposes of the Columbus Day home district work period.

If that is not agreed to, obviously we will have to be in session tomorrow. If the unanimous-consent agreement is not agreed to, then we will be in at 10 o'clock tomorrow morning and would hope to follow this same procedure at that time, the procedure being that there would be an hour's debate allowed on a motion to go to conference on the bill.

The gentleman from Illinois or his designee would have every right to offer a motion to instruct conferees if he so deemed proper.

I would like to urge our friends, in the interest of orderly planning and Members of this body knowing when they can go home tonight, that this unanimous consent be agreed to. If we were to order the motion at this moment and proceeded for an hour of debate, we could be out of here at approximately 6 o'clock tonight. Otherwise we will have to come in at 10 o'clock in the morning.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. Of course I yield to my distinguished friend, the minority leader.

Mr. MICHEL. I appreciate the majority leader bringing the Members of the House up to date on what we had discussed within the last hour.

There is no question but that there have been instances some consider a precedent for doing this, although the last time we did it, I think on the tax bill, we did have a little better idea of precisely what that measure was going to be coming over from the other body.

I guess my big reservation here is not knowing. I was hoping, quite frankly, from all the indications we were getting from the other body, that by this time they would have had or surely by 5 o'clock would have had the final vote and a final version, and then it would be in hand and we would know how it was amended or modified.

Let us face it. It is very important to the Members, particularly in incorporating a motion to instruct, that we know exactly what we are attempting to instruct the conferees to do. There is still a measure of doubt as to exactly what the final form of Gramm-Rudman will be. The Senator from New Mexico, the chairman of the Budget Committee, it is my understanding, has a very significant substitute that probably is pending now or will be voted on later on this evening that would make quite a bit of difference, I think, in Members' assessment of what that final product is.

Because of that, as much as I would like to accomodate the majority side and the Members who I know on both sides have got plans for what we had scheduled earlier as a Columbus Day recess, I would probably object to the request that we do this immediately and that we wait until we see what happens over in the other body late tonight, hopefully a final resolution, and then deal with this subject in an orderly way tomorrow.

I know that is going to put some Members at discomfort. By the same token, I think it is such a significant issue that, from this gentleman's point of view, I would like to know specifically what is in that measure when it comes over to us so that we could vote with good conscience and with a full knowledge of what we are voting on. I would not want to attempt to have Members railroaded and bamboozled into voting for something they know nothing about.

Mr. WRIGHT. I certainly do agree with the gentleman's logic, and I find it flawless. I cannot fault his judgment, and I certainly emphatically agree that before Members vote to instruct conferees to follow a certain course of action, particularly in a complicated matter of this kind and one as important to the constitutional balances that were guaranteed by the Constitution of the United States, they ought to know exactly what they are instructing conferees to do.

For that reason, I do not think any intelligent Member of the House, cognizant of his responsibilities, sworn to uphold and defend the Constitution, would want ever to instruct conferees to do something that he did not fully understand. So under the gentleman's impeccable logic, I accede to his request and we will be in at 10 o'clock tomorrow morning for this purpose.

□ 1640

EXPRESSING CONCERN FOR PEOPLE OF PUERTO RICO AND SENSE OF THE HOUSE TO DECLARE PUERTO RICO A DISASTER AREA FROM TROPICAL STORM ISABEL

Mr. GARCIA. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the resolution (H. Res. 293) expressing concern for all the people of Puerto Rico affected by the devastation caused by tropical storm Isabel, support for Puerto Rico's effort to cope with this tragedy and the sense of the House of Representatives

that the Commonwealth of Puerto Rico should be declared a disaster area and provided with all necessary assistance, and ask for its immediate consideration.

The Clerk read the title of the resolution.

The SPEAKER pro tempore (Mr. MURTHA). Is there objection to the request of the gentleman from New York?

Mr. LAGOMARSINO. Mr. Speaker, reserving the right to object, I shall not object because I support the resolution very strongly. But at this point, I would yield to the gentleman from Puerto Rico [Mr. FUSTER].

Mr. FUSTER. Mr. Speaker, on behalf of the people of Puerto Rico, I rise to call attention to a major national tragedy. For 3 days, from October 3 to October 7, Puerto Rico was subjected to torrential rains, resulting in catastrophic floods, mudslides, and landslides throughout the island. The impact of the disaster is grave and widespread: 33 towns have been severely stricken; the hilly section of the second largest city, my former hometown of Ponce, suffered what the U.S. Geological Survey has termed the most lethal landslide in U.S. history. Although rescue operations are still continuing, the toll of casualties is estimated to be possibly as high as 500 persons. Health officials on the island have asked the Governor to consider permanently sealing off the area in question—in effect making it a mass grave—in order to prevent the spread of a health threat to surrounding communities. This is, without question, the worst natural disaster to strike the island in the last 50 years. For these reasons, and pursuant to, section 301(b) of Public Law 93-288, the Governor of Puerto Rico has declared a state of emergency and has requested Federal assistance from a variety of Federal agencies to provide individual and family grants, temporary housing, disaster unemployment assistance, home loans, and other public assistance.

At present, the government of the Commonwealth is working closely with the Federal Emergency Management Agency in providing urgent help to the victims of the disaster. Nonetheless, Mr. Speaker, I believe that this House should express its sympathy and solidarity with those that have been stricken by this tragedy in Puerto Rico, voicing at the same time its concern that Puerto Rico be able to obtain whatever is needed for the reconstruction efforts that will ensue. In particular, it is important that this House express its interest in helping Puerto Rico take whatever measures are appropriate and possible to prevent this tragedy from occurring again. For this reason, Mr. Speaker, I have coauthored a sense of the House Resolution 293, with my fellow Puerto Rican, Congressman BOB GARCÍA, and with Mr. UDALL, Mr. YOUNG, and Mr. LAGOMARSINO on which I hope this House will approve shortly.

Mr. LAGOMARSINO. Further reserving the right to object, Mr. Speaker, I yield to the gentleman from the Virgin Islands [Mr. DE LUGO].

Mr. DE LUGO. I thank the gentleman from California for yielding.

At this time, Mr. Speaker, I will include a letter that I wrote yesterday to the Governor of Puerto Rico for the RECORD.

I would just like to say in my letter I expressed the condolences of the people and the sympathy of the people of the U.S. Virgin Islands to our neighbors in Puerto Rico.

But I also said that I am concerned about some of the dire consequences of this storm to our islands, and I feel that some of it might have been averted had a more comprehensive analysis and reporting of the potential storms be made available to both the governments in the area and the public. I have written to the chairman of the Science and Technology Subcommittee with jurisdiction over the U.S. Weather Service with our concerns, not only about the quality of the forecasting on this storm, but on forecasting in general in our area in the Caribbean.

HOUSE OF REPRESENTATIVES,
Washington, DC, October 9, 1985.

Hon. RAFAEL HERNANDEZ COLON,
Governor of Puerto Rico, La Fortaleza, San Juan, PR.

DEAR GOVERNOR HERNANDEZ COLON: I was deeply saddened to hear of the tragic loss of so many lives and the severe consequences of the recent storm in the Commonwealth of Puerto Rico. The people of the U.S. Virgin Islands extend their condolences and sympathy to the families of the victims in our neighboring islands of Puerto Rico.

While the U.S. Virgin Islands were spared the loss of lives, we too suffered extensive damage to public and private property, and we commiserate with our neighbors.

I am concerned that some of the dire consequences of this storm in our islands might have been averted had a more comprehensive analysis and reporting of its potential been made available to the Governments and the public. I have written to the Chairman of the Science and Technology Subcommittee with jurisdiction over the U.S. Weather Service with my concerns not only about the quality of the forecasting on this storm, but on forecasting in general in our area of the Caribbean.

Please accept, Governor, my personal sympathy. Recognizing your deep commitment to the people of Puerto Rico, and the strength of the sense of community spirit in the people of Puerto Rico, I know that the consequences of this adversity will be addressed quickly and with vigor. My thoughts and prayers, and those of the people of the U.S. Virgin Islands are with you and your community.

Sincerely,

RON DE LUGO,
Member of Congress.

Mr. LAGOMARSINO. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. GONZALEZ. Mr. Speaker, reserving the right to object, I rise to join my voice to that of my colleague, the delegate from Puerto Rico, and my distinguished colleague from New York [Mr. GARCIA] and to urge the House to expedite the approval of this resolution.

Puerto Rico has suffered a very damaging catastrophe, and the least we can do is expedite this resolution expressing our desire that that be done.

Ms. OAKAR. Mr. Speaker, will the gentleman yield?

Mr. GONZALEZ. I will be happy to yield to the gentlewoman from Ohio.

Ms. OAKAR. Mr. Speaker, I want to join the chairman of my committee and my colleagues, and the delegate from Puerto Rico, and the chairman of the Census Subcommittee in strongly supporting this resolution.

Puerto Rico is very, very important to us. The people of Puerto Rico certainly deserve our concern and compassion and assistance, and therefore, I hope that we can pass this resolution unanimously.

I thank the gentleman for yielding.

Mr. GARCIA. Mr. Speaker, will the gentleman yield?

Mr. GONZALEZ. I will be glad to yield to the gentleman from New York.

Mr. GARCIA. I thank my colleague for yielding and would just like to say that that part of Puerto Rico which has been hit the hardest has been the south coast of Puerto Rico. Both my mother and my father were born in that part of the island, and I can tell you that it is a magnificent, beautiful area within the Caribbean.

I would like you to also know that the U.S. Geological Survey has said that that landslide, which was caused by the storm, appears to be the most lethal in U.S. history. The town of Mameyes, PR, has been completely destroyed. There are many victims of the storm that today are in need of emergency assistance.

I also must say, and I hope the figures are not accurate, but some of the lists that have been coming out indicate that there is a possibility that we may have up to 500 people who have died and who have been buried alive in that mudslide.

I would ask my colleagues in Congress, as they did when we responded to the earthquake in Italy, when we responded to the earthquake in Mexico not too long ago, that what has happened here in America, in the United States, in Puerto Rico, has been one of the worst disasters we

have ever faced, and I say that to you because only with the assistance of the United States Government and all of the powers that this administration has, are we going to be able to at least bring some sense of normalcy back to Puerto Rico.

On behalf of all of the Puerto Ricans, not just those who live on the island, but those who I represent here on the mainland, I ask all of us to join together in solidarity. This is a moment of grave concern obviously for us. I hope it never happens again.

Mr. Speaker, I would be remiss if I did not thank the gentleman from Arizona [Mr. UDALL], Chairman of the Interior and Insular Affairs committee, as well as the gentleman from Alaska [Mr. YOUNG] for permitting myself and the gentleman from New York [Mr. RANGEL] and the gentleman from California [Mr. LAGOMARSINO] to bring this resolution before us.

Mr. HAYES. Mr. Speaker, will the gentleman yield?

Mr. GONZALEZ. I will be delighted to yield to the gentleman from Illinois.

Mr. HAYES. Mr. Speaker, I ask the gentleman to yield just to lend my voice in support. I would request also that we unanimously approve this resolution.

I have had some real knowledge of the kind of poverty that is faced by many of the people who live on this beautiful island, and I know when it comes to a catastrophic devastation of this sort as a result of nature, immediate action should be taken. I want you to know, Mr. Speaker, I am in full support of this resolution and would do everything I can if it is passed, and I think it may well be, to see that it is really a meaningful resolution, not just a multiplicity of words.

Mr. UDALL. Mr. Speaker, the reports that we have so far tell us that tropical storm Isabel caused destruction in Puerto Rico so awful that it is difficult to comprehend.

The storm may be the worst natural disaster ever to strike the island. The landslide caused by the storm is thought to be the most deadly ever to occur in the United States.

Over 100 people are known to be dead or missing; 500 or more lives may have been taken by the flood and the mud.

Some 5,000 people are homeless now. A reliable estimate of the total damage is not yet available but published accounts put it at over $100 million.

It is beyond the capability of the Commonwealth to cope with the devastation by itself, as it would be beyond the capability of any State. Federal assistance should be substantial and swift.

As chairman of the committee with jurisdiction over matters concerning Puerto Rico, I, therefore, joined our colleagues from New York and Puerto Rico in sponsoring House Resolution 293. It supports whatever assistance may be necessary and possible to meet the needs caused by the storm and prevent similar devastation in the future. Congressmen FUSTER and GARCIA have done a service to the people of Puerto Rico, as they always do, by calling the attention of the House to this terrible situation and recommending that we act.

As fellow human beings, our sympathies go to the people who have suffered because of this storm. As fellow Americans, we have a special responsibility to help.

Mr. GONZALEZ. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 293

Whereas Tropical Storm Isabel was one of the most devastating natural disasters in the history of Puerto Rico;

Whereas an official of the United States Geological Survey has said that the landslide caused by the storm "appears to be the most lethal in U.S. history;"

Whereas Mameyes, Puerto Rico has been completely destroyed;

Whereas many victims of the storm are in need of emergency assistance;

Whereas over 500 persons are feared dead as a result of this disaster;

Whereas the House of Representatives is concerned about the effect this tragedy has had on Puerto Rico;

Whereas the Governor of Puerto Rico has determined that the disaster is of such severity that the Commonwealth of Puerto Rico will not be able to meet all of the needs of its people created by the storms without federal aid; Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that:

(1) the House of Representatives supports the efforts of the government of Puerto Rico to meet the needs created by the disaster;

(2) the President should declare Puerto Rico a disaster area so that federal emergency assistance can be provided to the island and the affected people;

(3) whatever assistance is necessary and appropriate to assist Puerto Rico in response to this disaster and to prevent the reoccurrence of such a disaster should be provided.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

REQUEST FOR REMOVAL OF NAME OF MEMBER AS COSPONSOR OF HOUSE JOINT RESOLUTION 192

Mr. SAXTON. Mr. Speaker, I ask unanimous consent that my name be withdrawn as a cosponsor of House Joint Resolution 192.

The SPEAKER pro tempore (Mr. HAYES). The Chair will advise the gentleman from New Jersey that his request cannot be entertained at this time as the bill has already been reported from committee.

SAVINGS ACCOUNT FOR A VALUED EDUCATION OF 1985

(Mr. SMITH of New Jersey asked and was given permission to address the House for 1 minute, and to revise and extend his remarks and include extraneous matter.)

Mr. SMITH of New Jersey. Mr. Speaker, today I am introducing a bill which I believe will provide an unprecedented opportunity for parents to plan and SAVE for their children's college education. The Savings Account for a Valued Education Act of 1985, otherwise known as SAVE, allows parents, family and friends to contribute tax deductible funds up to $1000 per child per year.

While SAVE is similar to a couple of other bills which are currently pending, I believe this bill, Mr. Speaker, is more focused on the absolute costs of tuition, fees, and books and is carefully written to ensure that the funds are used exclusively for education, either by redirecting excess funds into another education savings account or donating the funds to an institution of higher learning.

As we all know, the cost of college tuition and textbooks has increased dramatically over the last decade and we can assume that these costs will continue to rise in the future. In fact, estimates derived from current college cost figures provided by the college board indicate that, in 10 years, a student attending an average-priced State university can expect to spend approximately $3,700 per year for tuition, fees, and textbooks. Mr. Speaker, this is about twice the amount needed in this academic year.

With this figure in mind, it is clearly obvious that careful saving is necessary to afford a college education in the future. SAVE will provide a sensible tax incentive not only to parents but also family and friends who may have the means, especially in the early years, to begin the account.

The possibilities are tremendous: if $1,000 were contributed each year for only 10 years at a rate of 10 percent, when the child is ready to attend college, $17,916.83 in tax deferred savings would have accumulated in the education savings account. This would be

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sufficient to pay for at least 4 full years of college tuition, fees, and books. The tax on these accumulated funds will be deferred until the student reaches age 28. For 10 years thereafter, 10 percent of the total used for educational expenses will be added to the gross income of the former student.

Mr. Speaker, I believe this bill will greatly assist parents in planning for their children's education. SAVE will help pave the way for tremendous educational opportunities which otherwise may not be available to many young scholars. I urge my colleagues to join me by cosponsoring this Savings Account for a Valued Education Act of 1985.

SAVE allows a tax deduction for contributions to an education savings account. The contributions and the accumulated tax-free earnings may be used by the beneficiary—the student—for the expenses of postsecondary education.

Up to $1,000 may be contributed into a SAVE per year. Contributions may be made by parents, family, or friends for 18 years—until the calendar year in which the student reaches age 19. The maximum principal in account is $18,000.

Assets must be used by age 28, or will be distributed within 30 days to an eligible educational institution, or to the SAVE of a sibling—if the value of that account at the time of transfer is less than $18,000.

Educational expenses applies only to tuition, fees, books, and supplies. The similar bills which are pending allow funds to be used for reasonable room and board.

Postsecondary education includes universities, colleges, 2-year colleges, and vocational schools.

Some of the lost tax revenues would be recovered. Beginning in the taxable year beneficiary reaches age 28, beneficiary will, for a total of 10 years, include as gross income 10 percent of the total amount used from the trust fund for educational purposes.

Figures are indexed to inflation.

Possible savings.—Assuming a 10-percent rate on the account and $1,000 contributed on the first day of each calendar year, in 10 years the account will have $17,916.83; in 15 years $36,149.04; and in 18 years $52,283.54.

Possible college costs.—Assuming a 7-percent increase in college costs—this is the figure used by the College Entrance Examination Board, or College Board—the costs in 10 years will be approximately twice the amount of current figures. The costs for tuition, fees, and books in 1985-86 at Rutgers and Trenton State are $2,472 and $1,855, respectively. In 1995-96, it is estimated that Rutgers will cost $4,862 and Trenton State will be $3,649.

AID TO PUERTO RICO

(Mr. GARCIA asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. GARCIA. Mr. Speaker, for the third day in a row the New York Times has had a front-page story on the recent tragedy in Puerto Rico. Earlier this week a tropical storm struck Puerto Rico devastating parts of the southern coast.

Today health officials on the island have asked the Government to consider sealing off a small town north of Ponce—in effect making it a mass grave—in order to prevent the spread of a health threat to surrounding communities. The most conservative estimate of the number of dead in the small town of Mameyes is 200.

Puerto Rico's capable Governor, Rafael Hernandez Colon called the disaster the worst to strike the island in this century. The U.S. Geological Survey termed it the worst landslide in U.S. history. The people of Puerto Rico need our help.

I am calling on the President to declare those places in Puerto Rico that were hardest hit a disaster area. We cannot neglect the many families that have lost loved ones or who have been left homeless. The southern coast of Puerto Rico is quite beautiful, it can become beautiful again—but only with our help.

I am inserting as part of my statement an article from the New York Times that describes the tragedy, as well as numbers you can contact in the New York area to send aid to Puerto Rico.

[From the New York Times, Oct. 10, 1985]

HANDFUL OF SURVIVORS RECALL FIRST MOMENTS

(By Joseph B. Treaster)

PONCE, P.R., Oct. 9.—Some people recall hearing a thunderous crack and seeing a flash of light that momentarily set the hillside aglow. Others recall only the driving rain. Some felt their frail houses shudder.

Others say the first they realized anything was wrong was when neighbors began pelting their roofs with stones and yelling for them to run outside. Still others awoke with their houses breaking apart or skittering wildly down the steep hillside.

But many victims of the devastating landslide that struck in early morning darkness Monday never knew what hit them. The authorities say as many as 500 people are buried under tons of debris.

For years, people with little money and little hope of finding work had been stitching together houses of tin and wood and cement blocks on the steep hill rising above the poor northern edge of this city on the south coast of Puerto Rico. Most of the houses in what is known as the Mameyes neighborhood had electric lights, but many were without running water or indoor plumbing.

NO THOUGHT OF DANGER

Jesus Villegas Torres, a 22-year-old unemployed maintenance man whose leaky old frame house still stands, said he never liked living in Mameyes. But he added, "The thought of danger never really passed through my mind."

He said, however, that he became frightened early Monday morning as heavy rain continued to pound the tin roof of his house for a third day and thunder and lightning assaulted the hillside. He said he feel asleep praying.

"Then we heard neighbors throwing rocks on our roof," he said. "I opened the door and they were yelling: 'Get out. All the houses are coming down. Grab your kids. Get out.' "

Out in the narrow stairway that served as a thoroughfare for the neighborhood climbing nearly 700 feet from the bottom of the hill to the ridge at the top, Mr. Torres said he saw neighbors standing in the rain, but not much else.

About 40 yards away, he said, he saw a house squeezed up against a wall and a utility pole. He found a woman stuck in the house and with a friend broke a window and dragged her out. Up the hill, he found another house half filled with mud.

DESTRUCTION SEEN AT DAYLIGHT

Then he settled in with neighbors in what seemed like a sturdier house. It was not until daylight, Mr. Torres said, that he saw that two-thirds of the houses on the hillside had either been buried or swept into a ravine at the bottom of the hill.

Near the top of the hill, a slab of yellow limestone had sheered off, then plummeted downward in an inexplicable horseshoe arc, sparing a central swath of houses and palm trees where the Torres and 30 or 40 other families lived.

Standing on the ridge above the ruined community this afternoon, he pointed to stretches of what looked like crudely plowed earth where he said clusters of tin-roofed houses had once stood, jammed so close together that their eaves almost overlapped.

The curving tracks of destruction were littered with sheets of tin roofing and splintered wood siding. Near the bottom there was a pink house on its side. Off to one side, a yellow house with brown trim sat upright, but its walls yawned outward from its foundation.

Here and there, stood knobs of earth where some survivors said they huddled in the rain until daybreak, hoping against hope that the earth would remain steady.

William Echevaría, 31, and his wife, Lillian, said they were jolted awake by the sensation that their house was sinking. The cement floors cracked open, they said, and the house filled with mud up to their waists. The house tilted to one side and the entrance was partly blocked. But they managed to crawl out.

STUMBLING THROUGH MUD

All around them, Mr. Echevaría said, people were screaming. He and his wife each took one of their two infants in their arms and then with about a dozen neighbors linked hands and made their way down the hill stumbling in the dark with mud and water swirling around them.

Jaime Ortiz and his pregnant wife, Maria, heard a cement block fence topping and dashed from their house to a neighbors on the edge of the main line of destruction.

"I looked out of the neighbor's yard just a few feet away and saw all these houses rolling down the mountain," he said. "There were people inside with furniture flying around. Some of the people were being thrown out the windows and doors."

One elderly man told relief workers his house seemed to slide down the hillside before it came to a sudden, jerky halt and broke apart. Of seven people in the house, the relief workers said, only the old man and a young boy survived.

Saúl Torres, 16, awoke to find walls breaking around him. He was on the second floor of one of the few two-story houses. He clutched his mattress and bed frame with his arms and wrapped his legs around his 11-year-old brother Nilson. Together they rode safely to the ground and dragged themselves out of the wreckage. Two sisters in a ground floor bedroom between were crushed.

WHERE TO GET DISASTER FACTS

For information about casualties in the Puerto Rican landslide, the extent of the damage and where the emergency zones are, call the Office of Civil Defense in Ponce, P.R., (809) 842-2323 or the Civil Defense office in San Juan (809) 724-0124.

Similar information is also available from the Office of the Commonwealth of Puerto Rico in Washington (202) 383-1300.

To find out where to offer to help in Puerto Rico, call the Commonwealth of Puerto Rico's office in Manhattan (212) 260-3000.

For information about what aid is needed, call the American Red Cross in Ponce (809) 842-2121.

Banco Popular de Puerto Rico is organizing a relief fund—Ayuda-Help—and people who wish to contribute can send checks and money orders to the bank's main branch at 7 West 51st Street in Manhattan. The bank's phone number is (212) 399-1200.

Donations can also be sent to the American Red Cross, Puerto Rico Relief Fund, P.O. Box 37243, Washington, D.C. 20013.

□ 1655

OVERSIGHT BY THE PENSION BENEFIT GUARANTY CORPORATION OF ERISA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa [Mr. TAUKE] is recognized for 5 minutes.

Mr. TAUKE. Mr. Speaker, for several years the Committee on Education and Labor has endeavored to perfect and refine the Single Employer Pension Plan Termination Program under ERISA.

The Labor Management Subcommittee under the leadership of Chairman Clay and Ranking Minority Member Roukema, has undertaken the monumental task of exercising oversight of the Pension Benefit Guaranty Corporation's enforcement of ERISA, which has culminated in a legislative resolution of controversial aspects of plan termination enforcement.

As a member of the full Committee on Education and Labor and also the ranking minority member of the Aging Committee's Subcommittee on Retirement Income and Employment, I have taken a particular interest in the problems beneficiaries encounter when a defined pension plan terminates, especially as a result of a plant shutdown or the sale of a business.

Our free-market economy allows transactions of this nature to produce winners and losers. Unfortunately, the losers in a plant shut-down or sale are often the participants in defined benefit pension plans. ERISA was enacted in 1974 to protect pension plan participants from the loss of benefits when their pension plans terminate.

While younger employees with more flexible training may experience greater resiliency in obtaining or retaining their jobs when plants are closed or sold, the older workers may experience temporary or permanent unemployment. However, the major loss these older employees face is the security of their pension coverage and the key to their economic survival during retirement.

In Dubuque, IA, the closing and reopening of a meatpacking plant resulted in the temporary and long-term loss of jobs for my constituents. Moreover, the termination of the defined benefit pension plan which accompanied this change in ownership resulted in a reduction of benefits of some of my constituents and a loss of benefits for others. Among the losers in this incidence were those who were receiving plant shutdown benefits. The loss my constituents experienced occurred not because of management, but because PBGC adhered to a narrow interpretation of the plan document when they assumed the terminated pension plan. This has resulted in a legal dispute involving the United Food and Commercial Workers union and PBGC.

Finally, this case illustrates a trend we have observed on the Aging Committee: Pension plan terminations often rob the most vulnerable workers in an industry of adequate pension coverage.

I am optimistic that the legislation which we passed in the Education and Labor Committee, H.R. 2811, H.R. 3128 and H.R. 3500, all of which address the same issues, will help to curb abuses in the termination of single employer pension plans which leave workers in a variety of U.S. industries without adequate pension coverage and protection during retirement.

The mark-up also provided an opportunity for me to have the committee clarify the intent of existing law under ERISA, for the record, through my colloquy with Chairman Clay. Chairman Clay was kind enough to reiterate our understanding in the following correspondence.

Finally, I am working with Senator GRASSLEY toward further resolution of this matter when this legislation is considered by the Senate.

CONGRESS OF THE UNITED STATES,
October 9, 1985.

Hon. WILLIAM L. CLAY,
Chairman, Subcommittee on Labor Management, Committee on Education and Labor, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to our colloquy during mark-up of H.R. 2811, 2812, 2813 and 3128 on September 11, I would like to confirm an important clarification in present law relating to the pension plan termination insurance program under Title IV of the Employee Retirement Income Security Act of 1974 (ERISA).

Upon the termination of most tax-qualified defined benefit pension plans, the Pension Benefit Guaranty Corporation (PBGC) generally guarantees the payment of benefits provided under the terms of the plan. If a terminated plan has insufficient assets to pay guaranteed benefits, PBGC's funds are used to help pay the benefits, and the PBGC has a claim for reimbursement against the employer that maintained the plan. This program is crucial in assuring that pension plan participants actually receive the benefits that they have been promised and upon which they depend.

My constituents, formerly employed by Dubuque Packing Co., were entitled to plant closing benefits, in addition to other benefits, in the pension plan in which they participated. Dubuque Packing closed the plant at which the plan participants worked, which triggered entitlement to the plant shut-down benefit provided for in the pension plan. The plan administrator approved payment of the plant shut-down benefits and eligible participants began receiving these important benefits. This had the intended effect of plant closing benefits—it eased the burden of the plant closing.

The company then purported to terminate the pension plan. Unfortunately, the PBGC then retroactively revoked payment of the plant closing benefit. In doing so, the PBGC ignored its proper role, the intent of the statute, as well as the clear plan language, the decision of the plan administrator and past practice. In some cases, not only has the PBGC taken the position that the benefit is not payable; it has also stated that it will recoup from the participants the benefits already paid.

During September 1985, the Committee on Education and Labor took up consideration of bills designed to make significant and necessary changes in the single employer plan termination program. This committee has primary jurisdiction over that program and the Members have expertise in intricacies of ERISA and the plan termination insurance system. The committee reports that accompanied H.R. 2811 and 3128 addressed the question of the circumstances under which plant shut-down benefits are payable. Thus, the full committee consideration of the single employer plan termination program presented the opportunity to have this committee help clarify this important issue.

As the sponsor of H.R. 2811, and the chairman of the subcommittee that considered it, you were kind enough to address this question and clarify the full committee's view of the current state of the law regarding the payment of plant shutdown benefits in the Dubuque Packing situation and ones like it. Given the importance of the issue, I think it is appropriate to quote the colloquy that took place on September 11, 1985, and subsequently reiterated on September 19 during consideration of H.R. 3500 during the Committee on Education and Labor's review of the pension plan termination insurance program.

"Congressman Tauke—I wish to clarify the statement in the committee report that, the term "plant closing benefit" encompasses any benefit payable to participants and beneficiaries in connection with the partial or total closing, shutdown, or cessation of operations by an employer at a plant or facility. In situations in which a previously closed facility is reopened whether plant closing benefits are payable will depend on all of the facts and circumstances in each case, including the plan provisions.

"In the case of Dubuque Packing, a meatpacking company in Iowa, the PBGC to date has taken an unduly narrow reading of the plan document and has refused to pay cer-

tain plant shut-down benefits when the facility at which the plan participants were employed was sold to an entirely new company. The facility was closed and the new company subsequently reopened it.

"Prior to the date of termination, the board of administration of the pension plan approved the payment of the benefit payable upon a plant shut-down. Some of the employees were reemployed by the new company but at far lower wages and benefits than they were previously paid. Not only was the payment of needed benefits stopped, but the PBGC took the position that it would recoup benefits paid to rehired employees as a result of the plan administrator's determination that they were entitled to the plant shut-down benefit. Consequently, as a result of the PBGC's failure to follow the express terms of the plan document, these employees are receiving a far lower benefit than they are entitled to.

"Under ERISA, plan administrators and the PBGC must interpret the plan document in accordance with the plan language, the intent of the drafters of the plan and past practice. In this case, PBGC did not follow this clear rule.

"I want it to be clear that the committee report language I have quoted contemplates that the plant closing benefit in a situation at Dubuque Packing Co. will be paid. My constituents have been adversely affected by the PBGC's improper interpretation of the Dubuque Packing Co. plan and I want to be sure that it is understood that the committee agrees that plant shut-down benefits will be paid in such situations.

"Congressman Clay—Your comments are quite helpful. The committee report language to which you refer contemplates that plant shut-down benefits will be paid in situations like the one you have described. Plant shut-down benefits are designed to provide benefits in such situations.

"Plan participants deserve to be paid the benefits promised to them. That is what the plan termination insurance system is all about. This is what Congress intended when it passed ERISA in 1974."

I was glad that we had the opportunity to confirm these points in a colloquy during the committee's consideration of its budget reconciliation bill, to which we added provisions relating to the single employer plan termination insurance program.

I trust that this clarifies the committee's intent that plant closing benefits are payable in the Dubuque Packing situation and ones like it. I wish to thank you, as well as the entire Committee on Education and Labor, for clarifying this important matter. It is comforting to the plan participants at Dubuque Packing, as well as other pension plan participants promised closing benefits, to know that these benefits, because they are guaranteed by the plan termination insurance program, should be provided to them. Participants at Dubuque Packing and situations like Dubuque Packing should be able to rest assured that the plant shut-down benefit, which they were promised, and upon which they relied, will be paid by the PBGC.

Unless you have objections, I plan to enter this letter and your response in the CONGRESSIONAL RECORD.

Best wishes.

Sincerely,

THOMAS J. TAUKE,
Member, Committee on Education and Labor.

COMMITTEE ON EDUCATION AND LABOR, SUBCOMMITTEE ON LABOR-MANAGEMENT RELATIONS,
Washington, DC, October 9, 1985.

Hon. THOMAS J. TAUKE,
U.S. House of Representatives, Washington, DC.

DEAR MR. TAUKE: Thank you for your letter of October 9, 1985. It is indeed important that the House of Representatives Committee on Education and Labor clarified the Pension Benefit Guaranty Corporation's obligation to guarantee plant shut-down benefits in the Dubuque Packing situation and ones like it.

We were disappointed and concerned when we learned that the PBGC had ignored its obligations and has thus far refused to pay the plant shut-down benefits earned by plan participants formerly employed by Dubuque Packing. The PBGC's decision to recoup benefits already paid to the participants, pursuant to the plan administator's specific authorization, only makes matters worse.

As the committee reports accompanying H.R. 2811 and 3128 and our colloquies on September 11 and 19, 1985, make clear, the PBGC is required to guarantee the payment of plant shut-down benefits in the Dubuque Packing case and other situations like it. As I said at the markup, I appreciate the opportunity you gave the committee to clarify this important issue. I thank you for writing, and quoting our colloquy, so there is no misunderstanding as to the applicable legal requirements.

I agree that it is important that plant shut-down benefits be paid in these situations. Workers who are displaced by plant shut-downs, as occurred at Dubuque Packing, must be able to rely on the guarantee of these pension benefits by the PBGC.

Very truly yours,

WILLIAM L. CLAY,
Chairman, Subcommittee on Labor-Management Relations, Committee on Education and Labor.

STATUE OF LIBERTY-ELLIS ISLAND COMMEMORATIVE COINS GO ON SALE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognize for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, on October 18, the U.S. Mint will begin striking the Statue of Liberty-Ellis Island Commemorative coins. The sale of these coins will provide much needed funds for the continuing restoration of the Statue of Liberty and Ellis Island.

There will be three coins in all—a $5 gold piece; a silver dollar and a cupro-nickel half dollar. The $5 gold piece will commemorate the centennial of the Statue of Liberty in 1986; the silver dollar coin will be emblematic of the use of Ellis Island as a gateway for immigrants to America; and the half dollar will honor the contributions of immigrants to America.

One-half million gold coins will be minted with a surcharge of $35 per coin; 10 million silver dollars will carry a $7 per coin surcharge; and 25 million half dollars will carry a $2 per coin surcharge. The coins will be sold directly to the public by the U.S. Mint, and will be available through federally insured financial institutions, coin shops, and other outlets which wish to carry them.

All surcharges which are received by the Secretary of the Treasury from the sale of these coins will be turned over to the Statue of Liberty-Ellis Island Foundation, Inc. to be used to restore and renovate the Statue of Liberty and the facilities used for immigrants at Ellis Island, and to establish an endowment to ensure the continued upkeep and maintenance of these monuments.

Through December 31, 1985, the pre-issue prices for the coins will be:

	Half dollar	Silver dollar	$5 gold coin
Proof	$6.50	$22.50	$170
Uncirculated	5.00	20.50	160

In addition, until December 31, a three-coin proof set may be purchased for $175, and a three-coin uncirculated set may be purchased for $165. Other various sets of coins will be available at prices ranging from $28 to $375, and bulk sales at reasonable discounts will be available.

Persons may receive the pre-issue offer by writing to: Statue of Liberty Coin Program, 1730 K Street NW., Washington, DC 20220.

If all the coins are sold, the coins could raise as much as $137.5 million toward restoration of two of America's most treasured symbols of freedom.

Mr. Speaker, I urge Members in both bodies to bring the sale of these coins to the attention of their constituents so that every American can have the opportunity to share in the restoration of the Statue of Liberty and Ellis Island, and can have a piece of history to treasure as the immigrants of long ago treasured their newfound freedom in America.

TRIBUTE TO OSCAR SUTERMEISTER AFTER 32 YEARS OF GOVERNMENT SERVICE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut [Mr. MCKINNEY] is recognized for 5 minutes.

Mr. MCKINNEY. Mr. Speaker, I rise today to pay tribute to Oscar Sutermeister, a distinguished urban planner and public servant, on the occassion of his retirement for the Federal Government. Oscar Sutermeister has worked untiringly and effectively in his chosen field since receiving his Master of Regional Planning from the Harvard Graduate School of Design in 1940. Today, he is both nationally and internationally known for his knowledge of community planning and development and for his special experience and expertise in an unusually wide variety of its many subdisciplines.

Oscar Sutermeister has always excelled. He was first in his class in high school in Kansas City, MO, where he was born. As an undergraduate at Harvard University, he was a member of the U.S. intercollegiate

track team, which competed against Oxford and Cambridge. Later, as the Lionel de Jersey Harvard Scholar at Emmanuel College, Cambridge, he was a member of the British track team which competed against the United States.

While still a graduate student, Mr. Sutermeister accepted his first Federal job with the National Resources Committee. He also found time from his studies to serve on the staff of the Massachusetts State Planning Board and the New England Regional Planning Commission. During World War II, he worked for the U.S. Army Corps of Engineers and Naval Air Intelligence as an officer and as a civilan. When the war was over, he became a consultant to the National Security Resources Board and other Federal offices concerned with industrial dispersion and production in wartime.

During the 1960's, Mr. Sutermeister worked for the Public Health Service of the Department of Health, Education and Welfare as an environmental health consultant. In 1968, he was recruited by the prestigious National Commission on Urban Problems, the Douglas Commission, where he contributed his knowledge of housing and codes to its landmark study, "Building the American City." When the study was completed he became senior program officer and transportation specialist in the Department of Housing and Urban Development. Subsequently he contributed significantly to developing the Department's oversight role on urban policy. His scholarly advice on urban policy and legislative developments affecting urban affairs has since been of great assistance to HUD's Assistant Secretaries for Community Planning and Development.

We in the Capitol Region have been particularly fortunate in having Mr. Sutermeister to advise us. In addition to his Federal Government service, he has acted as a consultant to the Maryland State Planning Commission, the Baltimore Regional Planning Council, the Northern Virginia Regional Planning and Economic Development Commission, the Arlington County Planning Commission, and a number of Maryland counties and Maryland and Virginia cities as well as the District of Columbia.

As this partial account of Mr. Sutermeister's activities shows, his career has been enormously varied and fruitful. While we, along with his colleagues at HUD, regret his retirement from Federal service, we share their appreciation of his abilities and his friendship and we look forward to the continued contribution of his many talents to whatever endeavor he chooses to undertake in the future.

BRING ORDER TO PRESIDENTIAL NOMINATING PROCESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. NELSON] is recognized for 5 minutes.

Mr. NELSON of Florida. Mr. Speaker, I have introduced H.R. 3542, legislation aimed at bringing a measure of order to the present chaotic process whereby we nominate candidates for President of the United States.

The way we have elected the President of the United States has evolved over two centuries. Originally, the President was chosen in the Electoral College by electors picked by the various State legislatures. That system went out well before the Civil War. It was followed by the popular election of the electors who cast their votes for the Presidential and Vice Presidential nominees of their respective political parties.

The nominating of Presidential candidates has also undergone profound evolution. After the obvious choices among the Founding Fathers, such as Washington, Adams, and Jefferson, the emerging parties began to choose their Presidential and Vice Presidential nominees in caucuses of their Members in the Congress. This was followed by the national party convention system which was inaugurated by the supporters of Andrew Jackson.

In our own time, Presidential preference primaries and grass-roots caucuses have come to play a major role in choosing the Presidential nominees. This has contributed to the popular nomination of our Presidential candidates, corresponding with the popular election of the members of the Electoral College, who now essentially rubber stamp the results of the popular vote in the presidential election.

The chaotic element comes from the competition from the various States for the honor and business benefits of having early primaries, which extend the primary period and exhaust the candidates, and from the local caucus system which puts a premium on special interest activists who turn out for the caucuses and lay claim to bits of the candidate's political soul. The result can be the nomination of an exhausted candidate, who has been running all over the country to campaign in widely scattered primary and caucus States, and a candidate who has been forced to take positions that prevent him from offering mainstream leadership to the American people.

I think we need another major change in the way we choose our chief executive—to move from the chaotic Presidential primary and caucus system of recent years to an orderly system of regional Presidential primaries.

My legislation would reform the nominating process by dividing—divide the country into 10 regions and provide for primaries or caucuses in the States of two of the regions at a time—on one of five dates over a 4-month period.

The States could decide, with the respective national and State party committees, on whether to have a primary or a caucus or to choose their national convention delegates in some other way. But the dates of primaries and caucuses would be specified according to lot and would be limited to the five dates separated by four week periods. Candidates would be able to concentrate on the States in two areas, instead of running all over the country in a frantic effort to meet primary and caucus schedules set by competing State legislatures.

To encourage States to conduct presidential primaries, I have provided in my legislation for Federal funding of such preferential and delegate-selection primaries.

I think the result would be a more orderly and rational system of selecting the Chief Executive of the greatest country on earth. It would make the Presidential selection process less of a mad scramble and would strengthen our basic democratic institutions.

I have suggested in my legislation that the country be divided in to the following 10 regions (including States and territories choosing convention delegates) for purposes of conducting presidential primaries and caucuses:

One. Alaska, Washington, Oregon, Idaho, Montana.

Two. Hawaii, California, Nevada, Utah, Arizona, Guam.

Three. North Dakota, South Dakota, Wyoming, Nebraska, Colorado.

Four. New Mexico, Texas, Oklahoma, Arkansas, Louisiana.

Five. Minnesota, Iowa, Wisconsin, Michigan, Ohio.

Six. Kansas, Missouri, Illinois, Indiana, Kentucky.

Seven. Maine, New Hampshire, Vermont, Massachusetts, Rhode Island.

Eight. New York, Connecticut, Pennsylvania, New Jersey, Delaware.

Nine. Maryland, Virginia, West Virginia, North Carolina, South Carolina, District of Columbia.

Ten. Tennessee, Mississippi, Alabama, Georgia, Florida, Puerto Rico, Virgin Islands.

I wish to include at this point the text of H.R. 3542, the Regional Presidential Primary and Caucus Act:

A bill to provide for regional primary elections and caucuses for selection of delegates to political party presidential nominating conventions and for Federal funding of Presidential primary elections.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 1. SHORT TITLE. This Act may be cited as the "Regional Presidential Primary and Caucus Act of 1985."

SEC. 2. FINDINGS.—The Congress finds that—

(1) presidential preference primaries, popular election of delegates, and caucus selection of delegates have become integral parts of the process of electing the chief executive of the land;

(2) orderly regulation of the process is necessary to fulfill the Constitutional requirement for the Congress to determine the time of choosing presidential electors and the manner in which they cast their votes; and

(3) establishment of an orderly system of conducting presidential primaries and caucuses is necessary to promote the general welfare and to insure domestic tranquility.

"SEC. 3. REGIONAL PRIMARY ELECTIONS AND CAUCUSES.

(a) SELECTION OF DELEGATES TO CONVENTIONS.—The delegates to each national convention for the nomination of candidates of a political party for the offices of President

and Vice President shall be selected by primary election or by caucus, as provided by State law. Such State law shall conform to the requirements of the national political executive committee and the national nominating convention of the political party involved.

(b) TIMING OF PRIMARY ELECTIONS AND CAUCUSES.—The primary elections and caucuses referred to in subsection (a) shall be conducted—

(1) in 10 regions (comprised of entire States), with primary elections and caucuses to be conducted in 2 regions (selected by lot by the Federal Election Commission) on each day referred to in paragraph (2); and

(2) in 2 regions on the first Tuesday in February of each presidential election year and in 2 regions at the end of each of the next 4-week intervals.

The Federal Election Commission shall assure, to the greatest extent practicable, that primary elections and caucuses are not conducted in contiguous regions on the same day.

(c) ESTABLISHMENT OF REGIONS.—The regions referred to in subsection (b) are as follows:

Region 1. Alaska, Washington, Oregon, Idaho, and Montana.

Region 2. Hawaii, California, Nevada, Utah, Arizona, and Guam.

Region 3. North Dakota, South Dakota, Wyoming, Nebraska, and Colorado.

Region 4. New Mexico, Texas, Oklahoma, Arkansas, and Louisiana.

Region 5. Minnesota, Iowa, Wisconsin, Michigan, and Ohio.

Region 6. Kansas, Missouri, Illinois, Indiana, and Kentucky.

Region 7. Maine, New Hampshire, Vermont, Massachusetts, and Rhode Island.

Region 8. New York, Connecticut, Pennsylvania, New Jersey, and Delaware.

Region 9. Maryland, Virginia, West Virginia, North Carolina, South Carolina, and the District of Columbia.

Region 10. Tennessee, Mississippi, Alabama, Georgia, Florida, Puerto Rico, and the Virgin Islands.

SEC. 4. FEDERAL FUNDING OF PRESIDENTIAL PRIMARY ELECTIONS.—The cost of each presidential primary election conducted under this Act shall be paid for from the general fund of the Treasury. There are authorized to be appropriated such amounts as may be necessary to carry out the preceding sentence.

SEC. 5. REGULATIONS.—The Federal Election Commission shall prescribe such regulations as may be necessary to carry out this Act.

SEC. 6. DEFINITION.—As used in this Act, the term "State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Territory of Guam and the Territory of the Virgin Islands. Any other jurisdiction entitled under the rules of a political party to delegate representation at the national presidential nominating convention of that party may conduct a presidential primary or caucus on any one of the five dates established in Section 3 (b)(2).

COMPETITIVE POSITION OF U.S. AGRICULTURE IN WORLD MARKETS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee [Mr. SUNDQUIST] is recognized for 60 minutes.

Mr. SUNDQUIST. I thank the Chair. The special orders that have been requested are to share with my colleagues the testimony that was taken at two field hearings by the Republican Task Force on International Trade.

Joining me in this special order is the distinguished gentleman from Mississippi, WEBB FRANKLIN.

Mr. Speaker, we had over 500 farmers in attendance at these two trade task force hearings to discuss the competitive position of U.S. agriculture in the world market.

The first hearing was held on August 19 in Lexington, TN; the second hearing was held on August 20, 1985, in Greenville, MS.

To share this special order, I would like to yield to the distinguished gentleman from Mississippi, WEBB FRANKLIN, to relate to our colleagues the experience and testimony of those in agriculture from his district in Mississippi.

Mr. FRANKLIN. I thank the Chair and my colleague from Tennessee for yielding, and I compliment my colleague, the chairman of the Republican Task Force on Trade, in taking this time to share with our colleagues the input that we received at two very good field hearings concerning agricultural trade.

We thought it would be important to go down into the country where the people who are directly affected by some of the decisions we make here in Washington, and listen to them and get their input to determine what they felt we as a government should do in this area so vitally important to Mississippi and to Tennessee and the other agricultural producing States.

I think it is extremely enlightening to find the things that were said by people who were directly involved in small businesses and the farmers who directly till the land, and even the larger businesses who deal with trading with our foreign countries and trying to move some of the American agricultural products that we produce so abundantly in this country.

If the gentleman and my colleagues will bear with me, I would like to go over just a few things that some of these people told us as we met, I guess over a period of about 6 hours in Mississippi, and about 4 hours in Tennessee, talking to farmers, small businessmen, and those representatives from the corporate structure that actually deal in large overseas agricultural sales.

When we went to Mississippi, we tried to have a representative group of these people, and the first witness to testify was Mr. Rex Morgan. He is the vice president of the Farmers Grain Terminal in Greenville, MS. He, along with his colleague, Mr. Bill Bullard, who is the general manager of that Farmers Grain Terminal, an organization which represents producers in four States; Mississippi, Arkansas, Louisiana, and Alabama, and is a marketing cooperative for field grains with over 2,000 individual farmer members, shared his views with us.

First of all, he told us something that I guess we already knew, that projections for this 1985 crop and the marketing year were that we would again have surpluses at the levels where we were in 1982 when we had to implement the PIK Program.

This comes only 2 years after that pretty drastic action on behalf of the agricultural community by the Secretary of Agriculture and the President of this country; and that was designed to clear those surpluses out of our storage bins in America, and move those products in world trade so that the prices would go up, and now we find ourselves right back in that position.

Mr. Morgan told us that by any standards, world production of oilseeds and grains is on the rapid increase all over the world, and that the U.S. share of that world market in all of these commodities is shrinking at an alarming rate.

Mr. Morgan told us that the factors that were working against the world market include, of course, first of all, high foreign production, combined with the inability of these producing nations to consume or store the commodities they produce, or to market them in an orderly manner. He said that there was a keen demand for these nations to export that production because of their need for foreign exchanges to allow them to pay the debts that they have accumulated.

I think that we should realize, and this is not what Mr. Morgan said, but the United States stores approximately 65 percent of the world's grain, and that the other nations who produce grain and who have an excess in production have no place to put it, so they obviously have to sell it once it is produced or it will spoil, and that leads to a process of dumping and lowering the price, and I think that that was what Mr. Morgan was trying to tell us there.

He also pointed out that the standard of living that we have in this country prevents us from being completely competitive with foreign nations such as Brazil where day labor in farm country is $2 per day.

Most of our technology, he indicated, has been programmed toward increasing production in agriculture, and he also pointed out that very little of our research and the funds that we spend for the development of agriculture have been programmed toward the cost per unit of these commodities that we do produce, and he suggested that more of our research funds be directed toward trying to reduce the cost

of production of our farmers as opposed to increasing production per se.

I think that he was right on target, and I think that the farm bill that we passed out here last week does in the research areas redirect some of those research grants and funds to the research that actually helps farmers reduce their production and it also keeps the basic research that is essential for us to move into the next generation of production.

Mr. Morgan also said that we have supplied the technology and have financed the production and infrastructure of the emerging nations of the world to allow them to become more self-sufficient in food production, and I do not think there is any doubt about that.

All we have to do, according to Mr. Morgan, is to look to the countries of Brazil and Argentina in the area of soybeans, to Thailand, Bangladesh, and Indonesia in our basic crop commodity, rice; and Saudi Arabia, India, Argentina, and Mexico with the surplus wheat that they are now producing in those countries.

Venezuela and Argentina and even now sections of Africa are self-sufficient or surplus in the feed grain areas.

Mr. Morgan indicated also in that testimony that we continue to be our own worst enemy in this country, and he indicated that the figures that were available to him, in 1984 showed that AID grants to expand foreign production totaled $341 million that our Government spent on assisting foreign countries in developing their agriculture, while the U.S. Department of Agriculture spent only $90 million to expand U.S. export markets.

Other examples of the problems in gaining or regaining a share of the world markets were pointed out very vividly. Mr. Morgan indicated that a large part of the production in the rest of the world is produced for the explicit purpose of trying to fulfill a Government-designed program of need for export. In most cases, the Government itself is the exporting entity, making it extremely difficult for individuals or individual businesses or individual corporations to compete for those world markets when foreign governments are their chief competitors in world trade.

He also indicated, as we all know in this body, those of us who are familiar with agriculture, that too many times in this country, foreign policy implications and interference have affected our ability to gain world markets in agricultural trade.

He went on to mention cargo preference and the threat of embargo, which undermined the development of a consistent, stable market and scare our trading partners and those who buy agricultural commodities to death.

Mr. Morgan went further to say that our Nation is not the most loved nation. From his experience, in dealing with foreign buyers who come to Greenville, MS on the mighty Mississippi River, where we have those commodities stored and available to sell; he said that those traders that come to him really would rather be doing business with other countries, and that we are no longer loved by all the countries of the world, and not only are we not the loved country that we used to be in trade; many of those people who come by to buy tell him that they would in fact rather do business elsewhere because of the lack of a sound economic and trade policy in this country that they can expect to do business with and do business under.

□ 1705

Most important, I think, in the testimony of Mr. Morgan was the statement that he made about the United States seeming to have no recognizable trade policy. He indicated that the economic trade policy must be elevated to a level comparable to national security, and I certainly have a tendency to agree with that statement. He pointed out that the other industrialized nations of the world have learned that a coordinated, comprehensive domestic and international economic and trade policy lies at the very core of our national survival. I think that these statements that he made ring true today, particularly as we in this House have taken up the textile import bill. I hope that we in this House have sent the message to the rest of the world that we are demanding, as an institution representing the people of this country, that our Nation do establish a trade policy that is understood, that is strong, and that, first of all, represents Americans.

I think that is what Mr. Morgan was trying to summarize when he told us what he felt was most important that we could do here in Washington in order to remedy some of the problems in agricultural trade.

I have taken a considerable amount of time, I state to the gentleman from Tennessee, summarizing just the first witness, and I do not want to dominate this. I think it would be probably best for this discussion if I was to stop now and relinquish the time back to the gentleman from Tennessee. I will be glad to participate later on, outlining some of the other testimonies.

So I yield back to the gentleman from Tennessee and again thank him for allowing me to participate with him in this special order. I will remain if the gentleman would see fit, and be perfectly happy to go over some more of this testimony.

Mr. SUNDQUIST. I thank the gentleman from Mississippi for his relating what happened in Mississippi. I hope he will stay and participate as we have another 50 minutes approximately left on our special order. I think it is important that someone who is a Member of the House Agriculture Committee, as my distinguished colleague from Mississippi is, take part in this discussion. We discovered that the expertise, when it comes to agriculture, and I guess it could be said on almost any subject, not just agriculture, the expertise is back home, it is not in Washington, DC. So it is a privilege for us tonight to relate the testimony from real experts in Mississippi and Tennessee on agriculture.

I would take this opportunity, Mr. Speaker, to relate a few minutes of testimony from Hon. Jerry Griggs. Mr. Griggs has been in farming and cotton ginning, grain elevator operation for a number of years. As a matter of fact, in 1979 he was appointed commissioner of agriculture in Tennessee. He led several trade missions to foreign countries and served as a special trade advisor on foreign trade to Governor Alexander.

In 1981 Mr. Griggs resigned that position as commissioner and joined Eddie Flynn and Bill Morris, Jr., in forming a company called MPG International. He serves as president of that company, specializing in the exportation of coal and agricultural commodities.

Former Commissioner Griggs said that Congress should, one, improve policies and processing affecting trade; two, expand U.S. trade; and, three, give higher priority to negotiations strengthening, expanding the international trading system.

This tells me that we as decisionmakers here in this body should not make the decision to build a fence around this country, but we do not need to produce less, we need to sell more.

Mr. Griggs mentioned that, of the two Cabinet-level committees that deal with trade policy, the Trade Policy Committee and the Cabinet Council on Commerce and Trade, neither one is authorized to consider the number of international economic issues of fundamental importance to trade policy effectiveness.

That includes exchange rates, credit, debt, taxation, multilateral financial institution matters that are the responsibility of other departments and committees.

He also said that a congressional committee has come to the conclusion that the current ad hoc policymaking structure fails to protection national interest and harms the United States in some basic ways.

We do not focus on national, we do not have presidential attention on trade as a national priority. We divide trade leadership and leave our Gov-

ernment without a strong trade advocate and impede the development of a coherent strategic trade policy. It causes managerial inefficiencies, requiring policy officials to devote considerable time to coordination rather than implementation of effective trade policy. We do not adequately support improvements in U.S. competitiveness.

Our policy does not adequately, according to Mr. Griggs, assess the impact of proposed regulatory and legislative actions on U.S. trade.

He suggested that we have a well-integrated policymaking process that places trade considerations on a par with other domestic policy issues and provides for prior identification of the impact of proposed regulatory and legislative changes on trade. That is going to be essential to our competitiveness. Enactment of legislation establishing a Cabinet-level Department of Trade can resolve these issues, according to Mr. Griggs. And I agree with what he said. I think too often in agriculture we find that the State Department, OMB, or DOD are making decisions that relate to other areas, particularly agriculture, on our commercial decisions. And if we had a Cabinet-level Department of Trade, I think these issues could be resolved.

So to sum up the testimony of this distinguished gentleman from Tennessee, Mr. Griggs, we must make trade a national priority, and we must enunciate a trade policy with a single voice.

I think that was testimony that had a great deal of planning and thought, and, obviously, having been in Government and then moving on, Mr. Griggs moved on to the private sector where he is in fact trading agricultural goods and selling agricultural goods internationally. I think it would behoove our colleagues to listen to that testimony.

I would be happy at this time to yield to my colleague from Mississippi.

Mr. FRANKLIN. I thank the gentleman for yielding.

I want to point out that I was extremely impressed with Commissioner Griggs' testimony in Tennessee. He seemed to have a handle on the problems from not only a Government perspective but from a perspective of being in the business of now having to deal under the rules and regulations that we set and, at the same time, to be competitive in the world. I think one of the things he was strongest in saying, as I recall it, was that we needed to elevate the issue of trade in this country at least to a Cabinet-level position and possibly designate a Cabinet officer to be responsible for trade.

He pointed out that we have several people who are trying to set trade policy for this country that many times work at cross purposes.

The State Department, through the Secretary of State, is interested in its own bailiwick, and of course we need to listen to the State Department.

The Department of Agriculture, of course, is looking to move agriculture products out of this country, and the Secretary of Agriculture is there to take care of that.

We also have Commerce, Interior, and other areas that affect trade in the United States, but the U.S. Trade Representative is not a Cabinet-level official, and, as Mr. Griggs pointed out to us very vividly, if that position was elevated to a Cabinet-level position that possibly we could have a stronger ear directly to the President of the United States in an area that all of us in this Congress are very concerned with.

I think our concern was evidenced today when this body passed the textile bill, and hopefully we sent that message to this administration, my administration, which I am proud of, that they have got to listen to us in coming up with some things to alleviate the suffering out there with people who have to rely on the export of commodities in this Nation.

If the gentleman will allow me to go through some statistics, agriculture still has a trade surplus, and I think Mr. Griggs indicated that to us in Tennessee. But we are losing that trade surplus in our balance of trade with the rest of the world rapidly. We lost $10 billion of it last year alone. We in Congress, and particularly in the House Agriculture Committee, whose bill got through this Congress almost intact, with few exceptions, tried to design a program so that we could move these commodities more readily in the world.

Mr. Griggs indicated we should do that. I just wanted to point that out.

While I do have this time, one other thing that I want to point out to my colleagues, that my Mississippi friend, Rex Morgan, told us, while we were in Mississippi, somewhat on the same subject, when we are dealing with agricultural trade, he indicated to us that we had better watch out in that our domestic markets were not at all safe. He pointed out to us, and he is a rice producer in addition to being the vice president to the farmers grain terminal, that more frequently we see imported rice appearing on the grocery shelves of the west coast supermarkets and that our competitors around the world, particularly in Thailand, can ship rough rice across the Pacific Ocean to California millers and that rice can be milled at a more competitive price than the California rice farmers can supply to that mill.

He indicated that we should try to adopt a policy that would allow us to be competitive and yet, at the same time, we could not do it in a manner that would increase the urge of business to buy the cheaper raw product to sell on the American market; that somewhat of the same problem that we just went through in this House today on the textile bill, and Mr. Griggs also pointed that out to us in Tennessee. Mr. Morgan also pointed that out to us in Mississippi. Not one witness that we listened to during the entire hearings in both places failed to indicate that we need strong provisions in our laws and particularly in the agriculture bill with mechanisms that would allow American agricultural products to reenter world markets while, at the same time, those provisions would not lower prices or price supports to farmers who are already in desperate shape.

Hopefully, this agriculture bill that we did come up with last week recognized that fact. I hope that the Secretary of Agriculture and this administration will understand that this is a strong message coming from this Congress, that it was a strong message coming from the grassroots of the people that we talked to in this trade hearing.

I think that the consensus that we got there was that we do not need a policy of less production and more protection in the farm communities by tremendous set-asides of agricultural lands that are so productive; we need to come up with better methods of selling those products that we grow so abundantly.

Mr. Griggs and Mr. Morgan both pointed that out.

I did not mean to interrupt and butt in, but I did want to say that these two witnesses do understand that we cannot increase our exports in agricultural commodities without first protecting our domestic markets so that those who, because of circumstances, can produce cheaper than we can, will be allowed access to the American markets.

I think we sent that strong message today on the textile bill.

I would hate for us to get into a position of where we would not do something about it, as Mr. Morgan said, in the commodity crop of rice.

Mr. SUNDQUIST. I thank the gentleman for his contribution and would like to ask a question.

I recall that I was impressed with all the testimony that we had both in Lexington, TN and Greenville, MS, where you had Mr. W.T. Robertson who, as I recall, is president of delta council. He touched upon rice, saying that it is a fairly new product in Mississippi, that it has great potential, but that it has been staggered by a strong dollar and less-than-aggressive trade policy, I think were his words.

Would the gentleman care to comment on that?

Mr. FRANKLIN. Yes, I would. Mr. W.T. "Billy" Robertson is the president of the delta council. It is one of the finest farm organizations that I

know of, not only because it is located right in my own backyard in the Mississippi Delta but because of some of the things that they have been instrumental in doing in helping us here in this Congress to set national policy in agriculture for the benefit of all the farmers in the Nation.

Mr. Robertson did give us a classic example in the crop commodity of rice and the impact of trade policy export on agriculture, as illustrated through the rice production in this area during recent years. Rice, as he pointed out, is a relatively new crop in Mississippi. Rice production requires almost twice the investment in land, buildings, machinery, and equipment as other crops, basically because of the leveling process that you have to go through with the land, drilling of wells to irrigate those crops, which do grow underwater. Consequently, rice producers have been suffering under the stress of attempting to build a very capital-intensive production system during the 1970's only to enter the 1980's with a deflationary economy and monetary and trade policy that has reduced their ability to compete, according to Mr. Robertson.

□ 1720

Rice production in the United States relies almost entirely upon the export potential, the domestic market is growing, but it is not growing nearly as fast as the ability of the rice produced in Mississippi, California, Arkansas, and Louisiana to increase their production. That potential has been staggered by the strong dollar and, as he said, less than an aggressive trade policy.

The decline in the U.S. exports cannot be traced back to an inefficiency or a waste on the part of the American farms, but Mr. Robertson said that you can trace that decline to our Government's inability to meet the challenge of our foreign competitors.

He indicated that foreign countries design government-to-government contracts as trading instruments to preempt the export of U.S. commodities in our traditional markets. Continuing interference in the U.S. agricultural trade by U.S. defense policy, national security interests and monetary policy have counterbalanced the advantages that the U.S. agricultural interests have always enjoyed due to a superiority of productive efficiency and capability.

Mr. Robertson went further to say that he recognized that the problems of agricultural trade were very complex and that they must be studied from every perspective. However, the serious financial condition of the farm sector, he indicated, cannot be resolved simply by the passage of farm legislation which addresses domestic commodity prices only and programs only, and he stressed the significance of that farm legislation that he was advocating for us to pass at the time. It contains strong export incentives to move American products back into world trade.

I hope that we have given him the kind of bill that he wanted, and I hope that those discretionary things that are contained in that bill that the Secretary of Agriculture and the administration now has, to try to get back into the world markets and be more competitive, will be implemented and that we will regain some of those markets.

Mr. Robertson continued to indicate that low commodity prices over a long period of time can only attest to our Government's lack of resolve in the area of competitive world agriculture. In our Government's efforts to establish strong diplomatic and defense related alliances with foreign nations, Mr. Robertson says, we have overlooked the domestic agricultural industry which has contributed to the strength we have always enjoyed at the world bargaining table. I think he is absolutely correct.

He indicated that his organization, delta council, would like to request that Congress initiate steps to make our foreign policy serve as the standard by which other foreign competitors would compare the degree of their success. Unless the United States makes a commitment to stake out a firm trading position that reacts positively to other economic forces, such as monetary and fiscal policy, Mr. Robertson said, it is apparent that no domestic farm program will succeed in sustaining agriculture as it exists in this country today.

I completely agree with that statement and the policy decision that delta council, that farm organization in my area, has proposed.

Mr. SUNDQUIST. I thank the gentleman for sharing Mr. Robertson's testimony, and I think it is our strong feeling that agriculture can be a competitive industry.

I would like to turn, if we could, for a few moments—we have maybe 25 minutes left—to Mr. Sam Hollis, who is from Memphis, TN, and is the 1985 president of the National Cotton Council. I know the gentleman from Mississippi raises lots of excellent cotton, and if we could spend maybe 5 or 10 minutes in that area I think it might be appropriate. Mr. Hollis is a Memphis warehouseman and is president of Southwide Inc., and its subsidiary, Federal Warehouse and Compress Co.

He pointed out two changes that have had such an impact on the world's cotton market. One, China has increased its cotton production by 176 percent in the last 5 years. They have become the No. 2 source of U.S. textile imports. They have piled up 18 million bales of cotton stocks, and they are depressing the world prices and causing uncertainty.

China's move from being the largest importer of cotton just 5 years ago—and I know the gentleman from Mississippi does not need to be reminded of that.

Mr. FRANKLIN. Will the gentleman yield on that one point?

Mr. SUNDQUIST. Absolutely.

Mr. FRANKLIN. I thank the gentleman for yielding.

I would like for my colleagues to understand in this area of cotton the statistics that my colleague from Tennessee just gave, which was related to us by the president of the cotton council, Sam Hollis. China this year is carrying over more cotton in surplus than we in the United States of America will produce this year. I wanted to point that out to my colleagues. And that is a startling fact, particularly when we look back just 3 years ago, that that vast country, with more people in it than any other country in the world, was buying U.S. cotton. China this year will carry over more surplus cotton than we will produce in the United States of America.

Mr. SUNDQUIST. That is a very important point, and I thank the gentleman from Mississippi for making it. They have moved from being the largest importer of cotton 5 years ago to the point today they are the third largest exporter. And the gentleman from Mississippi has described the huge surplus. Interestingly enough, who helped China become an effective cotton grower? We had some other testimony it was the United States.

The other major change in cotton's economic environment is the dollar exchange rate. The 60 percent value increase of the dollar has stifled our ability to export raw cotton and has stimulated an avalanche of textile imports.

Hopefully, the message that we send today from the House of Representatives to the world, to this administration, but to the world, is that the United States of America and the Congress of the United States of America is not going to stand back and let us be trampled over. We want fair trade. We want to compete in a fair world market. Unfortunately, that is not true today, and if we had enforcement of trade policy we would not need a textile bill that we passed through this body today.

The recent surge of foreign textile and apparel imports, a current rate of 29 percent, further contributes to destroying a viable U.S. cotton industry when you consider that 4 out of 5 bale equivalence of cotton is imported.

The world price reduction of cotton and the loss of market share resulted in a total lost revenue for cotton farmers of $900 million in 1983 alone. The only recourse, according to Mr. Hollis,

is for the Congress to bring down the value of the dollar—and, hopefully, we are going to start on that road tomorrow with the Deficit Reduction Act—and limit the imports of foreign textiles in the country.

The National Cotton Council, according to Mr. Hollis, endorses the passage of the Textile and Apparel Trade Enforcement Act that we passed today.

I would be honored to yield to the gentleman from Mississippi if he would care to make any further comments on cotton.

Mr. FRANKLIN. I thank the gentleman for yielding, and I certainly would, because in the district that I represent, the Second Congressional District of Mississippi, cotton is still king. It is our major agricultural commodity, and in the past it has been very good to us. However, I am afraid that if we do not make some corrections in the programs and get stronger in the way we try to enforce some of our trading policies with other countries that cotton no longer will be king in my district or anywhere else in the United States and we will have to relinquish our past position as leaders in the textile industry to some other nations.

I would like to point out, when we talk about agricultural trade, and particularly trade with China, that huge country, that China has established a policy that encourages their peasant farmers to produce cotton, and I would like for my colleagues to realize that they do not have large farms. The Chinese are allowed to plant their individual sections of land. I believe the average is about eight-tenths of 1 acre that each Chinese family is allocated to raise cotton on. Through that policy, where they are given an incentive to meet a quota and then able to sell that quota and put that money in their pocket, opening the door, so to speak, to foreign trade in that country has encouraged this type of production, and we, to some extent, helped it by the supplying of seed technology and other information from our Government agencies to that country. Maybe we should do that, but the voice that we heard in Mississippi, from all of those that we talked to, indicated to us that we should stop spending U.S. taxpayer dollars in assisting other countries of this world in being able to compete with us in agriculture. That message was heard loud and clear over and over again from everyone we talked to.

Another thing I want to point out to my colleagues and the gentleman from Tennessee is that I was very fortunate to be able to go on a task force trade mission with the Foreign Affairs Committee last year to the country of China, and through the request that I made to Sam Hollis at the Cotton Council it was arranged for me to meet with the people in the Chinese Government who are responsibile for the buying and selling of cotton. That is an organization called Chinatex. And these gentleman were very kind to me and asked me to go out to dinner with them. Through the dinner we were having to converse through the interpreter. The conversation got around to the 1985 farm bill. The head of Chinatex asked me about subsection (h) of title VII of paragraph (3) of H.R. 2100, in Peking, China. And, my colleagues, don't you think for a minute that the rest of the world is not ready, willing, and able to compete with us and knows exactly what we do in this body and how it affects them. I was so stunned that I was afraid that I was coming up against an adversary in the People's Republic of China who probably knew more about the 1985 farm bill than I did as a member of the Agriculture Committee, and he had it memorized line and verse and recited it back to me, and his major concern with that farm bill was what provisions we were going to have to increase our ability to be competitive in world markets. And when I started discussing with him the theories of marketing loan, where we would give our producers the money and then allow our price to go down so we could be competitive, he turned and he looked at his compatriot who was there with him, and he said, "I hope they don't do that, because we are going to have to get another job if they do."

I think that one conversation clearly indicates to all of us that we have got to become tougher in the way we set our policies to represent American interests and to see that the agricultural producers of this country are given a fairer shake so that those products can be competitive on world markets, when we particularly realize that in the area of cotton the major competitor to the American cotton farmer is the Chinese Government, the People's Republic of China, which has more people in it than any other country in the world.

Now, I dare say, my friends and colleagues, it is going to be mighty difficult for my Mississippi cotton farmer or the California cotton farmer to compete in world trade with the largest country in the world and that country's government. I think that we have got to establish our trading policy so that that American farmer can at least be put on an equal playing field and have the assistance and have the support and backing of the U.S. Government to be right there with him when he is fighting on the battlefield out there of world trade.

I thank the gentleman again for yielding.

Mr. SUNDQUIST. I thank the gentleman from Mississippi. The gentleman makes an excellent point. Our farmers are not asking for anything. They are asking that they be allowed to be competitive. We can compete with anybody in the world. We in agriculture do a better job of production than anything else we do in the United States. The farmer has less to do with the problems that the farmer has than perhaps any other industry.

There were two other statements I would like to briefly summarize.

Mr. John L. Roberts grows cattle and hogs. In fact, he is the owner and operator of a 950-acre farm in Tennessee. He described the current situation of the beef industry, that the number of cattle is down as well as the price of beef. And that goes against the common dictates of supply and demand. It does not seem to be working in the livestock industry. As I recall, he made the point that we, as this Federal Government, are helping assist in some of the countries in Central and South America to build transportation mechanisms, I think train tracks, to market their beef cattle, to be shipped into the United States to compete against us.

□ 1735

For every 1 pound of export meat products, that we export from the United States, we import 10 pounds. There is somethng wrong with that ratio.

Mr. John Anderson is a grain farmer from Bolivar, TN, he grows soybeans, wheat, and white corn. He is the owner-operator of Anderson Grain Farms. He has been very active in agricultural organizations and he has spent a term as president of the Soybean Promotion Board. He said that in the 1970's the American farmer had 92 percent of the soybean export market. Now we have 70 percent.

We have become a debtor nation for the first time since 1914, and I think the agricultural reductions in exports have had great impact on that. He said it is time for U.S. export expansion and to make it a national priority and elevate export policy to a level of foreign policy. It is what we discussed earlier. The farmers do not want domestic content legislation; it is going to harm them. The farmers do not want a 25-percent import duty on goods in this United States, because others will retaliate; they have been hurt enough. But we have to have this fairplaying field. I am confident whether it is agriculture or anything else, we can compete if we do have the level playing field.

Mr. Anderson said Congress should make export expansion a national priority. All Government agencies should be required to review all current and proposed laws and regulations to determine their impact on export growth. We should continue the efforts to reduce the Federal deficit be-

cause it does have impact on our dollar.

Restrict the Agency for International Development and other Government agencies from providing grants and technical assistance directly, and restrict U.S. representatives for the World Bank and other multinational financial institutions to vote and work against the approval of loans or grants to nations to expand the production or export of commodities exported by the United States that are in surplus in the world. That is what I described a few minutes ago.

Then authorize the USDA to use export incentive programs broadly to permit all potential customers access to soybeans and soybean products.

Would the gentleman from Mississippi care to comment on what Mr. ANDERSON said or Mr. ROBERTS in light of the agriculture bill that was passed this week in the House?

I yield to the gentleman for his response.

Mr. FRANKLIN. Yes, I would. I think that they reemphasized what almost every witness told us. I have two more witnesses that I would like to mention here. They are Mr. J.L. Slade, who is with the Farm Bureau in my great State of Mississippi who testified, and Mr. L.A. Davidson, my good friend from Indianola, MS, who is the local coordinator for the American Agriculture Movement who appeared before that hearing.

Basically they had all the same thing to say. With the exception of Mr. Davidson and what his recommendations were, about what kind of farm bill we should come up with, without exception each one of these witnesses reemphasized the fact that we as a Nation are dead in the water unless we can regain some of our markets overseas for moving our agricultural products. I think that that is what the two witnesses that you mentioned told us in Tennessee, and that is what all of the witnesses told us, both in Tennessee and in Mississippi.

Since we are running out of time.

Mr. SUNDQUIST. We have 17 minutes left, so we have some time.

Mr. FRANKLIN. OK. I will not take that all, but the last witness that testified before this trade task force hearing in Mississippi probably wrapped it up in two sentences what we have been talking about for almost an hour here on this House floor. That witness was Mr. Seymour Johnson. Seymour is a past president of the American Soybean Association. He is a businessman involved in agribusiness and he is also a farmer producing catfish, cotton, soybeans, and rice in the Mississippi Delta, and he was one of the individuals that was considered as a prime candidate for Secretary of Agriculture.

As I said, he summed it up pretty vividly when he said we should adopt a policy which says, and I quote:

> We hereby declare to the world that we intend to maintain our historical market share in the commodities we in the United States grow. We are going to maintain and preserve them, and we are willing to pay to get it done regardless of the cost.

Now if we would proclaim those two sentences to the rest of this world concerning our desire, our need, and our ability to get back some of these agricultural markets that we have lost, and if we would do it as emphatically as it was stated by Mr. Johnson in Mississippi, then I think we would send a message to the rest of the world that we are serious about regaining those markets, and I think that is what those farmers and businessmen in Mississippi and Tennessee were trying to tell us to do. That is what I hope that this Congress will take the lead in, and I think we have taken a giant step in that direction today in passing the textile bill and declaring that we are going to be firmly behind American products and we are going to demand that those products reenter world trade and that the U.S. Government is going to stand behind that policy.

Again, I want to comment that the leadership of the gentleman from Tennessee on this Republican trade task force has been outstanding and exemplary over the last year, and I thank you for listening to me when I came to you and asked you if you would bring that task force to my district to listen to my farmers, and I commend you for your leadership, and I thank you for taking time on this most important subject, and I thank you for allowing me to participate with you in this special order.

Mr. SUNDQUIST. I thank the gentleman from Mississippi, an important member of the House Agriculture Committee. You made both meetings more successful and more educational for this Member by your presence and the questions you asked and the kind of people you had present at the task force hearing in Mississippi.

It is amazing that it did not make any difference whether we were in Mississippi or Tennessee, the feelings and the conclusions were quite similar. I would like to mention Mr. Joe Gaines, who is the director of marketing for the Tennessee Department of Agriculture. He pointed out and I suspect the same thing is true in Mississippi: Agriculture in Tennessee is a big business. About $2 billion a year. As a matter of fact, 25 percent of the jobs in Tennessee, are either directly or indirectly related to farming.

Then Dr. Ray Humberg who is a professor and a leader of the Agriculture and Economic Resource Development Section of the Agricultural Extension Service, he sort of summed things up when he said:

> We should continue to strive for open markets and reduce barriers to our exports. Trade considerations deserve our best thoughts, experience and wisdom to assure that government aids and facilitates rather than hinders.

Last, the gentleman from Mississippi mentioned the Mississippi Farm Bureau. We were delighted to have Mr. Dan Wheeler testify who was assistant to the president of the Tennessee Farm Bureau. His testimony was right on target. He said we have had an almost apologetic attitude for too long. In many instances, we have had a foreign trade policy with some of the countries around the world that amounts to no more than foreign aid. He said there is lots of room for the Government to help farmers out by creating a level playing field for everyone involved.

So agricultural decisions are being made every day by the State Department, by OMB and DOD. It is critical that as we make those decisions that more of those decisions be made by the Department of Agriculture and by our U.S. Trade Representative.

The distinguished gentleman from Mississippi who joined us in the last few minutes, between the two of us we had almost 500 farmers in attendance in 2 days. They were farmers and small businessmen. They brought in the testimony that we are going to include in the RECORD from these experts, there are overwheming consensus that we must reduce the budget deficit to bring interest rates down, and we are going to address that tomorrow. Because since 1981 we have lost almost one-third of our world market share for agricultural products. In the last 4 years, U.S. agricultural exports have dropped from $44 billion to $33 billion per year. That is an $11 billion loss in business for the farmers of this country.

For many years we have relied on American surplus in agricultural exports to help offset the imbalance in the deficit. It is very obvious that we have eroded one of our most reliable sources for stability in international trade. In 1981 we had a $27 billion surplus in agriculture. Today, we only have a $16 billion surplus in agriculture. Our agricultural trade balance has deteriorated to half its size in only 4 years.

The farmers and small businesspeople we all heard from all agree that we must improve commodity export programs. We must ease credit for farmers and importers. We must tie price supports to the market. Negotiate better international trade agreements. Foremost, reduce the Federal deficit in order to restore balance to the American position in global markets.

It is crucial that the U.S. reevaluate our position and priorities in the World Bank and the International Monetary Fund.

□ 1745

We cannot afford to negotiate away economic advantage and fund foreign competition.

Too many times the United States has forsaken the commercial interests of our own business people to accomplish foreign policy objectives. Our own Agency for International Development gave away United States technology for soybean farming to Brazil, and now Brazil, using subsidized exports, has taken over markets that the United States once occupied.

We realize we are in a global market, but it is time we start thinking of our farmers and our people at home.

I thank the Speaker for the time he allowed for this very important testimony, and I yield the balance of my time.

HUGE DEFICIT GREATLY ALARMS AMERICAN PEOPLE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. ECKERT] is recognized for 20 minutes.

Mr. ECKERT of New York. Mr. Speaker, the huge Federal budget deficit—and the failure to date of the Congress and the President to make the tough decisions necessary to preclude a future of persistently large deficits—greatly alarms the American people.

The American people understand that unless Congress and the President face the deficit head on and make the necessary disciplined decisions to bring the deficit under effective control, the day is not long off when we shall have to pay the unpleasant costs mandated by Washington's prolonged indecision—higher interest rates, diminished capital for investment and economic growth, destructive decline in foreign trade, and the rekindling of the flames of inflation.

Suddenly sweeping the Congress are proposals to set into law certain maximum deficit target levels which, if not adhered to by the Congress, could be imposed by the President simply by ordering cuts that could uniformly impact upon all non-Social Security programs—the good and the bad, the needed and the unneeded, the well run and the poorly run.

The only rationale for such proposals is a conclusion that the Congress of the United States is incapable of making judgments about the relative worth of different Federal programs. Such a conclusion finds the Congress indicting itself as incapable of doing its job.

Congress should not abrogate its responsibility. Rather, Congress should face up to its responsibility. Why admonish ourselves to do the right thing—later? Why not do the right thing—now?

Congress is like the person who makes solemn resolutions every New Year's—and always breaks them. The American people are going to judge us by what we do—not by what we say we intend to do. Having just weeks ago rejected most of the major cost-cutting proposals, having cut dimes when we should have been cutting dollars, Congress is unconvincing when it now says it resolves to truly cut spending—later. We sound like a person who is saying that his New Year's resolution is to give up his bad habit—but not right now, maybe in a couple years. Indeed, we sound like a person who is saying he will give up his bad habit by having someone else do it for him.

I disassociate myself from those Members of Congress who would claim that the responsibility for our soaring deficit can be placed mainly at the feet of the President of the United States. The truth is that it is Congress that is primarily to blame for the deficit. The truth is that the President has shown a far greater willingness to make truly significant cuts in Federal spending than have those carping critics who refuse to support reducing the size and scope of the Federal Government while simultaneously professing surprise at the consequence of their actions and denying blame for it.

Critical though I am of an approach that would have Congress abrogate its decisionmaking responsibility and substitute fixed formula for thoughtful judgment, if it comes down to that versus the status quo approach, then, great though the defects be, that is better than prolonging the current course, and, reluctantly, and with profound regret for what it says of the Congress, I would support it.

But why should we conclude that the decision must be between making but minimal cuts and surrendering control over which cuts to make? There is a better approach. And that approach is simply to start now, not later; to accept responsibility, not shrink from it; to face up to hard choices, not run from them.

The fact that we passed a budget resolution that calls for $973 billion in expenditures for fiscal year 1986 does not compel Congress to spend every one of those billions. Just because over the years Congress has shown a propensity to exceed its own budget does not mean that Congress cannot for a change spend less than it has resolved to spend. No law prohibits us from coming in under budget. It may not be a tradition here, but it's not a prohibition. The very fact that Congress is considering a drastic new approach is a public admission that we fell far short when we adopted the budget resolution August 1.

Does anyone believe—does anyone expect the American people to believe—that what we refuse to do now we will be willing to do later?

Is there anyone who does not see that the real measure of congressional resolve to significantly reduce the deficit is our willingness—or refusal—to return to the cost-cutting proposals the President submitted earlier this year and reconsider them?

It is fun to fantasize about what we hope to do. It is far less pleasant to face up to the reality of what we are doing.

Consider, for example, taxpayer subsidies for Amtrak. The President asked Congress to terminate that subsidy this year. He argued, rightly, that it should be relatively easy to end a subsidy program which was created 14 years ago as a 2-year emergency program and should have, therefore, ended 12 years ago. That subsidy has cost taxpayers nearly $12 billion to date and will, if not checked, cost taxpayers an additional $8 billion over the next 10 years. A Congress truly intent on cutting the deficit would have done what Congress should have done 12 years ago—terminated the three-quarters of a billion dollars a year Amtrak subsidy. But this Congress refused to end the costly subsidy and instead passed a budget resolution that only cut Amtrak 15 percent—and then 6 weeks later Congress reneged on its resolution and passed an appropriations measure which immediately restored some of the cut and which included a loophole that may lead to restoration of all of the cut.

Mr. Speaker, a Congress that cannot make stick for more than 6 weeks a minor cut in a subsidy that was slated for extinction 12 years ago strains credibility when it now asks the American people to take it on faith that we will make the necessary cuts the year after next and 6 years from now.

Pretending that we are going to make cuts later is fun and easy. But actions speak louder—and look how Congress is acting now, this very week.

Look at the farm bill. The budget resolution we passed 10 weeks ago committed Congress to cutting farm program expenditures by $8 billion over the next 3 fiscal years. But the farm bill we passed Tuesday does no such thing and everyone knows it. The bill schedules certain payments due in 1 fiscal year to be made, instead, on the first day of the following fiscal year—a neat little 1-day push back that lets us pretend that a liability of a couple billion dollars has miraculously vanished. And we have converted certain agricultural loans from direct loans, which would have to be included in the budget, into guaranteed loans, which do not have to be included in the budget, despite the fact that the fiscal implications of a default on either direct or guaranteed loans are the same—another neat little gimmick that allows us to pretend that

a liability of a few more billion dollars has also miraculously vanished.

Close our eyes to a couple billion here. Close our eyes to a few billion there. And bury our heads, too. Admonish ourselves to make cuts of a magnitude that surely would require elimination of some entire programs and truly deep cuts in other programs. And do it when? Maybe next year. Maybe a few years from now.

But this year? This year, for example, the President asked Congress to terminate the Job Corps, the least cost-effective job training program in the budget, a program whose 40,500 slots cost the American taxpayer $15,200 each, an amount equal to the cost of sending a student to Harvard and three times more costly than the annual cost of education at the average 4-year public university, a program that cost taxpayers three times as much per participant and five times as much per job placement as an alternative Federal program, the Job Training and Partnership Program.

And this Congress that says it will make cuts next year and a few years from now, what did this Congress do? Eliminate the wasteful Job Corps program that is costing taxpayers more than a half-billion dollars a year? No way. Would Congress at least freeze spending for the program? No way. The House voted to increase Job Corps spending by $23 million.

This year, the President asked Congress to terminate the Small Business Administration's subsidized loan program, a costly bureaucracy that passes out the benefit of subsidized credit to a tiny percentage of business operators—only two-tenths of 1 percent—who have the political savvy to figure out how to get the American taxpayer to give them a nice little advantage over their business competitors. We like to pretend this helps launch new businesses and creates new jobs. We like to ignore the fact that a huge share of the people who get SBA taxpayer subsidized loans are repeat customers. And this Congress that now says it will make real cuts next year and a few years from now, what did this Congress do? Eliminate the costly and wasteful subsidized loans? No way. In fact, on July 17, the House voted to continue the direct loan program to the tune of $121 million for next year—a $121 million contribution to the deficit that could have, and should have, been eliminated.

Amtrak, the Job Corps, and Small Business Administration subsidized loans are but three examples of programs the President asked Congress to terminate this year, and the reasons given in support of those terminations are typical of reasons given in support of elimination of other Federal programs.

The President also asked Congress to terminate the health professions training subsidies on the argument that the problem it was created to deal with no longer exists. It was created in the 1960's because in virtually every health profession discipline there was a shortage of trained personnel. But, in the 1980's, the reverse is true. Yet Congress refused to terminate the program. Congress just could not summon the will to eliminate a program that it could have, and should have, said is no longer needed precisely because it has fulfilled its mission. We could easily have lifted this quarter-billion dollars a year from the deficit. We chose not to.

The President also asked Congress to terminate the Appalachian Regional Commission on the argument that this temporary program created 20 years ago which has cost taxpayers $5 billion serves no national economic purpose and instead simply caters to local and regional political interests. But Congress refused. And the temporary program now enters its 21st year, adding more billions to the deficit.

The President also asked Congress to terminate urban development action grants on the argument that such Federal economic development subsidies only reshuffle the national economic pie and do not in any way expand it and that it makes little sense to subsidize wealthy corporations like General Motors, Sherwin-Williams, and the Hyatt Hotel Corp. We could cut the deficit by nearly a half-billion dollars a year here. We chose not to.

And so it was with each of the more than a dozen major Federal programs that the President asked Congress to eliminate. Not one of them was abolished. Not one. Some may point out that the President asked Congress to terminate Federal revenue sharing at the end of fiscal year 1986 and note that the congressional budget resolution does do that—but the truth is that Federal revenue sharing was scheduled to expire then anyhow.

Not only did the Congress refuse to eliminate a single, major Federal program, it also steadfastly refused to make spending reductions approaching anywhere near the President's recommendations in almost every category of the Federal budget.

Blatantly wasteful, minor Federal programs roll on because a Congress that says trust us to make real cuts next year and a few years from now refuses to act now.

A good example of one of the many minor programs we should have sharply cut but didn't is the Legal Services Corporation. The President this year asked Congress to sharply cut back this public corporation of taxpayer-financed lawyers and restrict it to its original purpose of providing legal assistance for the poor. But despite continuing and mounting criticism of widespread abuse, mismanagement, and waste, despite LSC's disdain for the law as evidenced by its improperly using taxpayer money to advance partisan, political causes and to finance public relations campaigns designed to lobby for retention of unnecessary federally financed jobs, a Congress that now promises to make tough cuts later, a Congress that has permitted this wasteful public corporation to grow tenfold in only 10 years, wasn't able to cut this pack of arrogant, irresponsible lawyers down to size and instead voted to grant them more than $300 million a year, senselessly adding more millions to the deficit.

The list goes on and on. Major and minor programs that could have, and should have, been eliminated were not. Other programs, major and minor, that could have, and should have, been cut were not.

The spending goes on and on. And so does the deficit. We wait in vain for effective action from Congress. But on the horizon all we see is a promise that Congress will act later. Later. Later is too late. Later gives Congress too much time to find the sand where it can bury its head.

Mr. Speaker, if Congress is serious about cutting the deficit, the way to prove we are serious is to proceed to sharply cut the deficit. Not talk about cutting it later. Cut it sharply now.

Not 1 of the 13 appropriations bills to implement the budget resolution has passed both Houses of the Congress. Nothing stands in the way of our simply altering the appropriations bills to make the deep cuts we claim we would be willing to make later. We could, if we wished, make the hard choices right now—over the next several weeks. All we have to do is resurrect the issues and vote now to make the cuts we claim we will be willing to make later.

It isn't enough to stand up and brag that we are going to be brave in future budget battles. We need to march to the frontlines and get into the thick of the fight right now.

□ 1755

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. McDADE] is recognized for 5 minutes.

Mr. McDADE. Mr. Speaker, I was unavoidably absent on official business pertaining to the federally declared disaster in my district when final passage of the farm bill occurred. Had I been present, I would have voted "aye."

REFORMING TELEVISION MUSIC COPYRIGHT LAW

The SPEAKER pro tempore. Under a previous order of the House, the gentle-

man from Virginia [Mr. BOUCHER] is recognized for 10 minutes.

Mr. BOUCHER. Mr. Speaker, this week I have introduced, along with our colleague, the gentleman from Illinois [Mr. HYDE], copyright reform legislation to remedy an inequity which has for many years benefited a small group of copyright owners at the expense of local broadcasters and the public interest.

The copyright law is unusual among our Nation's economic laws because it is one of the responsibilities specifically entrusted to the Congress by the Constitution. In other words, our responsibility as Members of Congress to regulate and balance the rights of owners and users of intellectual property is something which has never been in question from the founding days of the Republic. It is a responsibility which arose through custom and judicial interpretation—as is the case with so many of Congress' other economic powers.

As a Member of Congress from the State of Virginia, I can't help being constantly reminded of the enduring wisdom of the Founding Fathers and the drafters of our Constitution. Some of the leading architects of that document were citizens of my State. As I commute between Washington and my district, I literally travel the highways and byways used by men such as Washington, Jefferson, Madison, and Blair.

When those men gathered in Philadelphia nearly 200 years ago, they entrusted all future Congresses with the responsibility to "promote the progress of science and the useful arts, by securing for limited times to Authors and Inventors the exclusive rights to their respective writings and discoveries."

Those few words from our constitution sum up the guiding principles behind the bill which we have introduced. The purpose of copyright law is to promote, not retard, progress in the arts. It is very clear that the existing copyright law does not strike the balance that the writers of the Constitution had in mind as it is applied to theme and background music which is used in syndicated television programs. There is very little about the present system which either encourages authors or promotes progress in creativity.

Since the early days of television, music copyright owners have licensed all rights to broadcast their compositions through blanket licenses issued by performing rights societies. Currently, two societies, ASCAP and BMI, issue licenses covering more than 95 percent of all copyrighted compositions.

The practice of blanket licensing has its roots in the time when almost all television programs were broadcast live. Since the music accompanying these early live performances was not "synchronized" with the visual aspects of the program in advance, it was impossible to license songs on an individual, title-by-title, basis. A station in those days could never know for sure before a broadcast which songs would be played. Since these live programs were actually produced by the stations themselves, the individual broadcasters took responsibility for securing, through a blanket license, the right to "perform" all music which they used. Because the market for licensing music copyrights in the late 1940's and early 1950's was controlled by only two organizations, ASCAP and BMI, uniform price structures for TV performance rights quickly became established throughout the industry.

In the nearly 40 years since these marketing systems were developed, television technology has changed dramatically. Few entertainment programs broadcast locally are live. Most are "syndicated" programs. That is, they are prerecorded reruns, movies, or series which are produced in Hollywood by major studios and sold "in the can" for broadcast locally by individual television stations. Today, when a local station buys the right to broadcast a syndicated program, it receives all the performance copyrights embodied in that program except one—the right to broadcast the music on the soundtrack. The station must obtain permission to use the music separately, through a blanket license from ASCAP or BMI. The effect of this procedure is to require that the station buy the "blanket" right to use all 3 million of ASCAP's compositions or all 1 million of BMI's works, even though the actual soundtrack of the program involved may contain no more than one or two copyrighted songs, and even though it should be possible for the producers of these prerecorded programs to acquire and then convey the performance rights for these few compositions at the same time that the rights in the works are acquired and conveyed.

When television stations seek to clear the right to broadcast the music on a prerecorded soundtrack, they have almost no bargaining power as the term is ordinarily understood in the marketplace. They have already purchased broadcast rights in a program, but those rights are virtually worthless without the right to broadcast its soundtrack. By the time negotiations for the use of the music take place, ASCAP and BMI have the broadcaster over a barrel. Local broadcasters confront two monopolistic giants which offer them "take it or leave it" terms. The only economically feasible means for local broadcasters to obtain music performance rights in prerecorded audiovisual works is to pay a percentage of total station revenue to ASCAP, BMI, and SESAC in return for a blanket license.

Television stations are treated differently from movie theaters, even though they use the same or similar products. As a result of a court decision in a lawsuit brought against ASCAP by theater owners many years ago, the performing rights societies are not permitted to use the blanket license for movie theaters. Instead, the studios which produce the films obtain all of the rights needed to exhibit the film, and the rental fee the theaters pay to the studios covers all of those rights. There is no logical reason why different rules should apply to movies shown in a theater and movies or other prerecorded programming shown on television.

The current system is inconsistent with the fundamental purpose of the copyright laws and fails to advance the public interest. It diverts into the hands of a few music writing companies funds which otherwise could be used to enhance the creative efforts of local broadcasters—their local news, public affairs, and community-oriented programming.

It appears that the only way to change this state of affairs is through exercising Congress' historic right to restore balance to the copyright laws.

The courts have interpreted the law as leaving them powerless to act. Efforts by broadcasters to negotiate a marketplace remedy have proven fruitless because of the enormous disparity in bargaining power between copyright owners who are concentrated in a few organizations on the one hand and the over 700 individual buyers on the other.

Our bill will mandate that all copyrights, including those in music on a soundtrack, be licensed at the same time a syndicated audiovisual program is marketed to television stations. This requirement will bring music copyright into the real marketplace at last. The current system of charging stations a percentage of revenue will end.

The result will be that music will take on value at the time broadcast rights to a program are purchased. It will no longer be an irrelevant factor to be paid for later by a flat levy.

Passage of the bill will improve the value of good music—it will demand a higher price—bad music will receive less.

With this kind of marketplace incentive, perhaps true creativity will be rewarded and Congress' constitutional mandate to promote progress in the arts will be realized. A copy of the legislation follows:

H.R. 3521

A bill to amend title 17, United States Code, to prohibit the conveyance of the right to perform publicly syndicated television programs without conveying the right to perform accompanying music

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Title 17, United States Code, is amended by redesignating sections 113 through 118 as sections 114 through 119, respectively, and by inserting after section 112 the following new section:

"§ 113. Limitations on exclusive rights: use of musical works in syndicated televison programs

"(a) Notwithstanding the provisions of section 106, no owner, assignee, or licensee of a copyrighted audiovisual work may convey the right to perform publicly such work by non-network commerical television broadcast without simultaneously conveying the right to perform in synchronization any copyrighted music which accompanies such audiovisual work.

"(b) Notwithstanding section 101 of this title, for purposes of this section, the term 'audiovisual work' means any motion picture, prerecorded television program, or commerical advertisement."

SEC. 2. Section 106 of title 17, United States Code, is amended by striking out "118" and inserting in lieu thereof "119".

SEC. 3. The amendments made by this Act shall take effect on the date of enactment of this Act, except that the amendment made by section 1 shall not affect a public performance occurring during the one-year period beginning on the date of enactment of this Act pursuant to a contract executed before such date of enactment.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. MCCANDLESS) to revise and extend their remarks and include extraneous material:)

Mr. TAUKE, for 5 minutes, today.

Mr. RITTER, for 60 minutes, on October 22.

Mrs. BENTLEY, for 30 minutes, on October 16.

Mr. MCKINNEY, for 5 minutes, today.

(The following Members (at the request of Mr. MCCLOSKEY) to revise and extend their remarks and include extraneous material:)

Mr. NELSON of Florida, for 5 minutes, today.

Mr. CROCKETT, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. FRANK, for 60 minutes, on October 16.

Mr. VOLKMER, for 60 minutes, on October 22.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. BIAGGI, at end of debate on H.R. 3248, in Committee of the Whole, today.

(The following Members (at the request of Mr. MCCANDLESS) and to include extraneous matter:)

Mr. GINGRICH in two instances.
Mr. GALLO.
Mr. MCCAIN.
Mr. KINDNESS.
Mr. GEKAS.
Mr. SENSENBRENNER.
Mr. BOEHLERT in three instances.
Mr. BROOMFIELD.
Mr. GREEN.
Mr. VANDER JAGT.
Mr. COUGHLIN.
Mr. EVANS of Iowa.
Mr. HUNTER.
Mr. GILMAN in two instances.
Mr. SWINDALL.
Mr. CONTE.
Mr. GUNDERSON in two instances.
Mr. DANNEMEYER.
Mr. BLAZ.
Mr. EMERSON.
Ms. SNOWE.
Mr. SHUMWAY.
Mr. SMITH of New Jersey.
Mr. LIGHTFOOT.
Mr. BROYHILL.

(The following Members (at the request of Mr. MCCLOSKEY) and to include extraneous matter:)

Mr. HOWARD.
Mr. ST GERMAIN.
Mr. RANGEL.
Mr. MATSUI.
Mrs. BOXER.
Mr. PANETTA.
Mr. COELHO.
Mr. GEPHARDT in two instances.
Ms. OAKAR.
Mr. STARK.
Mr. MARTINEZ.
Mr. FLORIO.
Mr. LANTOS in two instances.
Mr. DE LUGO.
Mr. OLIN.
Mr. LELAND in two instances.
Mr. JACOBS.
Mr. BORSKI.
Mr. EDGAR.
Mr. EDWARDS of California.
Mr. BARNES in three instances.
Mr. WEISS.
Mr. MILLER of California.
Mr. CONYERS.
Mr. TRAXLER.
Mr. DIXON.
Mr. SMITH of Florida.

ENROLLED JOINT RESOLUTIONS SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

S.J. Res. 155. Joint resolution to designate the month of November 1985 as "National Hospice Month";

S.J. Res. 183. Joint resolution to provide for the designation of the week of October 6 through October 12, 1985, as "Myasthenia Gravis Awareness Week";

S.J. Res. 194. Joint resolution to designate the week beginning October 1, 1985, as "National Buy American Week"; and

S.J. Res. 197. Joint resolution to designate the week of October 6, 1985, through October 13, as "National Housing Week."

ADJOURNMENT

Mr. ECKERT of New York. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 3 minutes p.m.), the House adjourned until tomorrow, Friday, October 11, 1985, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2121. A communication from the Director, Office of Management and Budget, transmitting a cumulative report on rescissions and deferrals of budget authority, pursuant to 2 U.S.C. 685(e) (H. Doc. No. 99-115); to the Committee on Appropriations and ordered to be printed.

2122. A letter from the Secretary of Housing and Urban Development, transmitting the quarterly report on HUD-owned multifamily project negotiated sales; to the Committee on Appropriations.

2123. A letter from the Director, Strategic Defense Initiative Organization, transmitting notification of the first award recipients in research investigating the application of short-wavelength free-electron laser [FEL] technology for medical and materials research; to the Committee on Armed Services.

2124. A letter from the Auditor, District of Columbia, transmitting a report entitled: "Revenue Report for July 1985", pursuant to Public Law 93-198, section 455(d); to the Committee on the District of Columbia.

2125. A letter from the chairman, Council of the District of Columbia, transmitting D.C. ACT 6-86, "D.C. Regional Interstate Banking Act of 1985", and Report, pursuant to Public Law 93-198, section 602(c); to the Committee on the District of Columbia.

2126. A letter from the chairman, Council of the District of Columbia, transmitting D.C. Act 6-90, "District of Columbia Regional Airports Authority Act of 1985", and report, pursuant to Public Law 93-198, section 602(c); to the Committee on the District of Columbia.

2127. A letter from the chairman, Council of the District of Columbia, transmitting D.C. Act 6-87, "Ban on Possession of Open Alcoholic Beverage Containers Act of 1985", and report, pursuant to Public Law 93-198, section 602(c); to the Committee on the District of Columbia.

2128. A letter from the chairman, Council of the District of Columbia, transmitting D.C. Act 6-92, "Washington Hospital Center Corporation Revenue Bond Act of 1985", and report, pursuant to Public Law 93-198, section 602(c); to the Committee on the District of Columbia.

2129. A letter from the chairman, Council of the District of Columbia, transmitting D.C. Act 6-88, "Closing of a Public Alley in Square 4248, S.O. 68-107, Act of 1985", and report, pursuant to Public Law 93-198, section 602(c); to the Committee on the District of Columbia.

2130. A letter from the chairman, Council of the District of Columbia, transmitting D.C. Act 6-89, "Student Health Care Act of 1985", and report, pursuant to Public Law 93-198, section 602(c); to the Committee on the District of Columbia.

2131. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Department of the Air Force's proposed Letter of Offer to Oman for defense articles and services, pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

2132. A letter from the Assistant Secretary of the Treasury, transmitting notice of an altered Federal records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2133. A letter from the Commissioner, Immigration and Naturalization Service, transmitting a report on waivers granted from certain admissibility requirements for refugees, pursuant to INA, section 207(c)(3) (94 Stat. 103); to the Committee on the Judiciary.

2134. A letter from the Acting Assistant Secretary of the Army (Civil Works), transmitting a report from the Chief of Engineers, Department of the Army, on Missis-

sippi Sound and adjacent areas; to the Committee on Public Works and Transportation.

2135. A letter from the Acting Commissioner of Social Security, transmitting a report related to treatment of terminally ill people, pursuant to Public Law 95-265 and Public Law 98-460; to the Committee on Ways and Means.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ACKERMAN:

H.R. 3546. A bill to prohibit for 3 years the conversion of residential rental units to residential units offered for sale, to authorize the Secretary of Housing and Urban Development to make grants to units of general local government to assist persons whose residential units are subject to such conversion, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BROWN of Colorado (for himself, Mr. STRANG, Mr. SCHAEFER, Mr. KRAMER, Mrs. SCHROEDER, and Mr. WIRTH):

H.R. 3547. A bill to amend the Wild and Scenic Rivers Act to designate certain segments of the Cache la Poudre River and the South Ford of the Cache la Poudre River in Colorado as a component of the national Wild and Scenic River System; to the Committee on Interior and Insular Affairs.

By Mr. DE LUGO:

H.R. 3548. A bill providing duty free treatment for gold jewelry manufactured in the insular possessions of the United States, and for other purposes; to the Committee on Ways and Means.

By Mr. DORGAN of North Dakota:

H.R. 3549. A bill to require retailers to collect sales and use taxes on interstate sales; to the Committee on the Judiciary.

By Mr. KASTENMEIER (for himself, Mr. MOORHEAD, Mr. MAZZOLI, Mr. SYNAR, Mr. FRANK, Mr. BOUCHER, and Mr. KINDNESS):

H.R. 3550. A bill to amend the provisions of titles 18 and 28 of the United States Code commonly called the enabling acts to make modifications in the system for the promulgation of certain rules for certain Federal judicial proceedings, and for other purposes; to the Committee on the Judiciary.

By Mr. LIVINGSTON:

H.R. 3551. A bill to repeal the War Powers Resolution; to the Committee on Foreign Affairs.

By Mr. RANGEL (for himself, Mr. GILMAN, and Mr. FAUNTROY):

H.R. 3552. A bill to authorize additional appropriations to enable the Drug Enforcement Administration Mid-Atlantic Laboratory to meet the needs of the District of Columbia Metropolitan Police Department for analysis of suspected controlled substances; to the Committee on the Judiciary.

By Mr. SMITH of New Jersey:

H.R. 3553. A bill to amend the Internal Revenue Code of 1954 to provide for the establishment of, and deduction of contributions to, education savings accounts; to the Committee on Ways and Means.

By Mr. ROBERT F. SMITH:

H.R. 3554. A bill to provide for the restoration of the Federal trust relationship with, and Federal services and assistance to, the Klamath Tribe of Indians and the individual members thereof consisting of the Klamath and Modoc Tribes and the Yahooskin Band of Snake Indians, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SUNIA:

H.R. 3555. A bill to amend the "Joint resolution to provide for accepting, ratifying and confirming the cessions of certain islands of the Samoan group to the United States, and for other purposes"; jointly, to the Committees on Interior and Insular Affairs and the Judiciary.

By Mr. WHITEHURST:

H.R. 3556. A bill to provide for the exchange of land for the Cape Henry Memorial site in Fort Story, VA; jointly, to the Committees on Interior and Insular Affairs and Armed Services.

By Mr. EVANS of Iowa:

H.R. 3557. A bill to amend the Soil Conservation and Domestic Allotment Act to authorize the acquisition of conservation easements; to the Committee on Agriculture.

By Mr. SUNDQUIST:

H.J. Res. 420. Joint resolution designating the month of October 1985 as "National Quality Month"; to the Committee on Post Office and Civil Service.

By Mr. BORSKI:

H. Con. Res. 210. Concurrent resolution expressing the sense of the Congress with respect to human rights in Poland; to the Committee on Foreign Affairs.

By Mr. HALL of Ohio (for himself, Mr. FASCELL, Mr. CONTE, Mr. DOWNEY of New York, Mr. GRAY of Pennsylvania, Mr. JEFFORDS, Mr. LELAND, Mr. LEVINE of California, Mr. MOORHEAD, Mr. OBEY, Mrs. ROUKEMA, Mr. SMITH of New Jersey, and Mr. YATRON):

H. Con Res. 211. Concurrent resolution in support of universal access to immunization by 1990 and accelerated efforts to eradicate childhood diseases; to the Committee on Foreign Affairs.

By Mr. McCAIN (for himself, Mr. UDALL, Mr. STUMP, Mr. RUDD, Mr. KOLBE, and Mr. SUNDQUIST):

H. Con. Res. 212. Concurrent resolution condemning the Government of the Soviet Union for the killing of Charles Thornton, an American journalist working in Afghanistan; to the Committee on Foreign Affairs.

By Mr. MAVROULES (for himself and Mr. SKELTON):

H. Con. Res. 213. Concurrent resolution on reducing the threat of international terrorism; to the Committee on Foreign Affairs.

By Mr. DENNY SMITH (for himself and Mr. DORNAN of California):

H. Con. Res. 214. Concurrent resolution expressing the sense of Congress with respect to the deterioration of conditions in Poland; jointly, to the Committee on Foreign Affairs, and Banking, Finance and Urban Affairs.

By Mr. WEISS:

H. Con. Res. 215. Concurrent resolution condemning the hijacking of the Achille Lauro and the murder of Leon Klinghoffer; to the Committee on Foreign Affairs.

By Mr. MICHEL:

H. Res. 292. Resolution electing certain Representatives to the Committee on Government Operations and Small Business; considered and agreed to.

By Mr. GARCIA (for himself, Mr. FUSTER, MR. UDALL, Mr. YOUNG of Alaska, Mr. LAGOMARSINO, and Mr. RANGEL):

H. Res. 293. Resolution expressing concern for all the people of Puerto Rico affected by the devastation caused by tropical storm Isabel, support for Puerto Rico's effort to cope with this tragedy and the sense of the House of Representatives that the Commonwealth of Puerto Rico should be declared a disaster area and provided with all necessary assistance; considered and agreed to.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 43: Mr. CARR.

H.R. 385: Mr. GONZALEZ.

H.R. 479: Mr. EDGAR and Mr. ROWLAND of Georgia.

H.R. 508: Mr. DELLUMS, Mr. FLORIO, and Mr. SUNIA.

H.R. 585: Mr. RICHARDSON and Mr. ENGLISH.

H.R. 605: Mrs. LLOYD, Mr. GINGRICH, Mr. BENNETT, Mr. JONES of North Carolina, and Mr. GREGG.

H.R. 651: Mr. QUILLEN.

H.R. 864: Mr. FRANK and Mr. FLIPPO.

H.R. 1059: Mr. BEREUTER.

H.R. 1401: Mr. STAGGERS.

H.R. 1402: Mr. MARTINEZ and Mr. STAGGERS.

H.R. 1403: Mr. MARTINEZ.

H.R. 1616: Mr. FLORIO, Mr. FASCELL, Mr. MADIGAN, Mr. DONNELLY, and Mr. FISH.

H.R. 1682: Mr. YOUNG of Alaska.

H.R. 1780: Mr. RAHALL.

H.R. 1877: Mr. SMITH of New Hampshire, Mr. VANDER JAGT, Mr. WEAVER, Mr. DWYER of New Jersey, Mr. MAVROULES, Mr. LOWRY of Washington, and Mr. MOODY.

H.R. 2001: Mr. McCAIN, Mr. TAUZIN, Mr. MANTON, and Mr. JACOBS.

H.R. 2015: Mr. HUNTER.

H.R. 2119: Mr. LEHMAN of California.

H.R. 2274: Mr. CAMPBELL, Mr. CRANE, Mr. DORGAN of North Dakota, Mr. GREGG, Mr. HOPKINS, Mr. JACOBS, Mr. PRICE, Mr. RANGEL, and Mr. VANDER JAGT.

H.R. 2298: Mr. McEWEN and Mr. KEMP.

H.R. 2354: Mr. ROGERS.

H.R. 2492: Mr. COBEY, Mr. BEREUTER, Mr. MCGRATH, Mr. NATCHER, Mr. YOUNG of Florida, Mr. BONER of Tennessee, Mrs. LLOYD, and Mr. LEVIN of Michigan.

H.R. 2539: Mr. COOPER, Mr. MARLENEE, MCCLOSKEY, Mr. WORTLEY, Mr. GINGRICH, Mr. BRYANT, Mr. WHITEHURST, Mr. JONES of North Carolina, Mr. BENNETT, Mr. TRAFICANT, Mr. SWEENEY, Mr. DURBIN, and Mr. GREGG.

H.R. 2591: Mr. BARNES and Mr. MRAZEK.

H.R. 2607: Mrs. JOHNSON and Mr. PANETTA.

H.R. 2795: Mr. GROTBERG, Mr. DURBIN, and Mr. MOLLOHAN.

H.R. 2833: Mr. WEAVER, Mr. CONYERS, Mrs. BYRON, Mr. MILLER of Ohio, and Mr. BEVILL.

H.R. 2854: Mr. DONNELLY.

H.R. 3066: Mr. SUNIA, Mrs. JOHNSON, Mr. BEVILL, Mr. SEIBERLING, Mr. NIELSON of Utah, Mr. TAUKE, Mr. MINETA, and Mr. BOSCO.

H.R. 3173: Mr. MCKERNAN.

H.R. 3292: Mr. EDWARDS of Oklahoma, Mr. BEVILL, Mr. COBEY, Mr. SHUMWAY, Mr. ARMEY, and Mr. KASICH.

H.R. 3305: Mr. PEPPER, Mr. FROST, Mr. HAYES, Mr. WHITEHURST, Mr. REID, Mr. EDWARDS of Oklahoma, Mr. BEVILL, Mr. CONYERS, and Mr. DWYER of New Jersey.

H.R. 3346: Mr. HILER, Mr. WORTLEY, Mr. LAGOMARSINO, Mr. NICHOLS, and Mr. YOUNG of Florida.

H.R. 3404: Mr. STARK, Mr. SCHEUER, Mr. AKAKA, Mr. MATSUI, Mr. FAUNTROY, Mr. ORTIZ, Mr. TOWNS, Mr. ADDABBO, Mr. MANTON, Mr. COELHO, Mr. DORNAN of California, Mr. WORTLEY, Mr. HORTON, Mrs. BOXER, Mr. PORTER, Mr. HAYES, Mr. HOWARD, Mr. ROE, Mr. CONYERS, Mr. ROSE, and Mr. CROCKETT.

H.R. 3420: Mr. ROBERTS, Mr. SHUMWAY, Mrs. JOHNSON, Mr. HORTON, and Mr. FISH.

H.R. 3436: Mr. TRAFICANT and Ms. OAKAR.

H.R. 3448: Mr. LAGOMARSINO and Mr. MORRISON of Connecticut.

H.R. 3522: Mrs. MEYERS of Kansas, Mr. FAWELL, Mr. WORTLEY, Mr. CRAIG, Mr. BURTON of Indiana, Mrs. SMITH of Nebraska, Mr. SLAUGHTER, Mr. DANNEMEYER, and Mr. HANSEN.

H.J. Res. 126: Mr. GILMAN, Mr. RODINO, Mr. SWINDALL, and Mr. ROWLAND of Connecticut.

H.J. Res. 141: Mr. COBLE, Mr. DANNEMEYER, Mr. CHENEY, Mr. VALENTINE, Mr. BLILEY, Mr. DORGAN of North Dakota, Mr. EVANS of Iowa, Mr. FRANKLIN, Mr. TAYLOR, Mr. BROOMFIELD, Mr. CARNEY, Mr. GOODLING, Mr. KILDEE, Mr. LEWIS of California, LOEFFLER, Mr. PASHAYAN, Mr. PORTER, Mr. ROBERTS, Mrs. SCHNEIDER, Mr. SMITH of New Hampshire, Mr. ROBERT F. SMITH, Mr. COLEMAN of Texas, Mr. CONYERS, Mr. OBERSTAR, Mr. LATTA, Mr. BROOKS, Mr. BEVILL, Mrs. SMITH of Nebraska, Mr. NOWAK, Mr. RINALDO, Mr. ANDREWS, Mr. BEILENSON, Mr. BILIRAKIS, Mr. BROWN of Colorado, Mr. COUGHLIN, Mr. COURTER, Mr. DELAY, Mr. DELLUMS, Mr. EDWARDS of California, Mr. FRANK, Mrs. LLOYD, Mr. MURPHY, Mr. PERKINS, Mr. BROYHILL, Mr. HEFTEL of Hawaii, Mr. GINGRICH, Mr. FUSTER, Mr. BROWN of California, Mr. CLAY, Mr. RICHARDSON, Mr. YOUNG of Florida, Mr. ACKERMAN, Mr. SCHUETTE, Mr. DAVIS, Mr. HOPKINS, Mr. IRELAND, Mr. MCCANDLESS, Mr. LIVINGSTON, Mr. HAMMERSCHMIDT, Mr. STANGELAND, Mr. PETRI, Mr. TAUKE, Mr. TRAXLER, Mr. CAMPBELL, Mr. TOWNS, Mr. PEPPER, Mr. TALLON, Mr. TORRICELLI, Mr. BRYANT, Mr. DASCHLE, Mr. DICKINSON, Mr. LEACH of Iowa, Mr. REGULA, Mr. GALLO, Mr. YATRON, Mr. GEJDENSON, Mr. GEPHARDT, Mr. GRADISON, Mr. HALL of Ohio, Mr. HUCKABY, Mr. JONES of North Carolina, Mr. MADIGAN, Mrs. MARTIN of Illinois, Mrs. MEYERS of Kansas, Mr. MILLER of California, Mr. MORRISON of Washington, Mr. NIELSON of Utah, Mr. PRICE, Mr. QUILLEN, Mr. ROEMER, Mr. ROSE, Mr. ROTH, Mr. ROYBAL, Mr. SKEEN, Mr. SNYDER, Mr. STENHOLM, Mr. STRANG, Mr. STUDDS, Mr. WALKER, Mr. WEAVER, and Mr. WHITLEY.

H.J. Res. 275: Mr. BUSTAMANTE, Mr. TORRICELLI, Mr. RINALDO, Mr. SUNIA, Mr. GREEN, Mr. LEVINE of California, Mr. LAGOMARSINO, and Mr. MATSUI.

H.J. Res. 336: Mr. AUCOIN, Mr. BARTON of Texas, Mr. BONIOR of Michigan, Mr. EDGAR, Mr. MOLLOHAN, Mr. MURPHY, Mr. OLIN, Mr. RICHARDSON, Mr. SAVAGE, Mr. SPRATT, Mr. WHITTAKER, Mr. WOLPE, Mr. STUDDS, Mr. HUGHES, Mr. GRAY of Pennsylvania, Mr. HALL of Ohio, Mr. NEAL, and Mr. GUARINI.

H.J. Res. 396: Mr. ADDABBO, Mr. TOWNS, Mr. SCHUMER, Mr. SEIBERLING, Mr. LAGOMARSINO, and Mr. FAUNTROY.

H.J. Res. 413: Mr. SABO, Mrs. BENTLEY, Mr. BERMAN, Mr. KEMP, Mr. YATES, Mr. BONER of Tennessee, Mr. CALLAHAN, Mr. COELHO, Mr. DANIEL, Mr. DELLUMS, Mr. LENT, Mr. MCEWEN, Mr. CARPER, Mr. FAZIO, Mr. FAUNTROY, Mr. GRAY of Illinois, Mr. GUNDERSON, Mr. RALPH M. HALL, Mr. HANSEN, Mr. MURPHY, Mr. ORTIZ, Mr. PRICE, Mr. RODINO, Mr. OWENS, Mr. SCHEUER, Mr. DORNAN of California, Mr. DE LA GARZA, Mr. TOWNS, Mr. WYDEN, Mr. ACKERMAN, Mr. CARR, Mr. MOLLOHAN, Mr. TAUZIN, Mr. CAMPBELL, Mr. DIXON, Mr. GALLO, Mr. MRAZEK, Mr. HILER and Mr. HAYES.

H.J. Res. 416: Mr. HUNTER and Mr. BATES.

H. Con. Res. 69: Mr. BERMAN.

H. Con. Res. 117: Mr. ROE and Mr. WHITEHURST.

H. Con. Res. 190: Mr. ROE, Mr. MONSON, Mr. VALENTINE, Mr. KINDNESS, Mrs. MARTIN of Illinois, and Mr. SUNIA.

H. Con. Res. 202: Mr. OWENS, Mr. TORRES, Mr. FRANK, Mr. LEVINE of California, Mrs. BURTON of California, Mr. MATSUI, Mr. BEDELL, and Mr. DELLUMS.

H. Res. 40: Mr. BLILEY and Mr. NIELSON of Utah.

H. Res. 74: Mr. BROWN of California, Mr. CHANDLER, Mr. LANTOS, Mr. SMITH of Florida, and Mr. DAUB.

H. Res. 141: Mr. LOEFFLER, Mr. RUDD, Mr. MCCAIN, Mr. SKEEN, Mr. DORNAN of California, and Mr. BARTON of Texas.

H. Res. 183: Mr. DYSON, Mr. FAZIO, Mr. BATES, Mr. MORRISON of Connecticut, Mr. SWIFT, Mr. BEDELL, Mr. MRAZEK, and Mr. SHELBY.

H. Res. 194: Mr. CHAPMAN, Mr. EDGAR, and Mr. MARTINEZ.

H. Res. 247: Mr. WILSON.

H. Res. 259: Mr. MILLER of Washington.

H. Res. 268: Mr. SCHAEFER, Mr. PARRIS, Mr. NEAL, Mr. MORRISON of Connecticut, Mr. WHITTEN, Mrs. SMITH of Nebraska, and Mr. BENNETT.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

233. The SPEAKER, presented a petition of the Jorge Espinosa de los Reyes, Ambassador to Mexico, relative to the earthquake; which was referred to the Committee on Foreign Affairs.

SENATE—*Thursday, October 10, 1985*

(Legislative day of Monday, September 30, 1985)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Father in Heaven, this has been an exhausting week, physically and emotionally for the Senators, and a stressful exercise in futility for our leaders. They have been like maestros conducting a symphony while each musician plays his own music. All have been dealing with stubborn realities which do not easily yield to resolution.

Gracious God, with profound gratitude we praise Thee for the refreshing interlude of the joint meeting yesterday, as in his quiet, rational, persuasive, profound way, Prime Minister Lee Kuan Yew of Singapore, reminded us of the incalculable influence of Congress. "Decisions made in this Chamber," he said, "especially in the decades since 8 December 1941, have determined the course of human history and settled the shape of the contemporary world * * *. Much of the credit for peace and an unprecedented degree of human progress must go to American leadership."

As a weary Senate works its way to debt and deficit solutions, dear God, grant that the inspiring record of the past may energize as they recall the closing words of the Prime Minister: "In your hands * * * lie the future of the world." God help us! Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The distinguished majority leader is recognized.

SCHEDULE

Mr. DOLE. Mr. President, under the standing order, the leaders have 10 minutes each followed by special orders in favor of Senators CHAFEE, BAUCUS, LEAHY, and PROXMIRE.

At the hour of 10:30 a.m. the live quorum will begin under the provisions of rule XXII to be followed by a cloture vote on the minority leader's motion to invoke cloture on House Joint Resolution 372, the debt limit extension, as amended, by Gramm-Rudman-Hollings.

If cloture is not invoked, the second cloture vote will occur unless both motions are vitiated by unanimous consent. I will indicate that unless we can work out some agreement on final passage, there will not be any unanimous consent to vitiate. So I think if anyone has any idea of keeping us here all day and into the night with additional amendments, we ought to find out where those amendments are coming from.

If cloture is not invoked or vitiated, the Senate will resume the pending business which is House Joint Resolution 372, and if we can go through the list of amendments we have pending, there will be at least seven or eight rollcall votes plus hopefully final passage today.

If that occurs fairly early in the afternoon, it would be my hope at least that we turn to the consideration of the reconciliation bill so that we can lay that down, have some discussion on that legislation, and that would be the pending business when the Senate returns on Tuesday next.

It would also be my hope that when we do that—I will discuss this with the minority leader—we might spend the mornings next week on appropriations bills, and the afternoons on reconciliation.

In addition, we still have—as I indicated to Senators THURMOND and HOLLINGS and others—the textile bill to be considered. And, of course, it is very urgent in my view that we move quickly on farm legislation. I know it is going to take probably a couple of weeks in the Senate.

The House has passed a very extensive bill. It seems to me that must have a priority particularly because in many parts of the country farmers have already planted wheat, for example, not knowing what the program would be.

So I hope we can complete action on that in the next couple of weeks.

EXTENSION OF DEBT CEILING

Mr. DOLE. Mr. President, on another matter I was asked by a reporter earlier whether or not we extended the debt ceiling? I think the answer is yes, if you look at the practical result of specifically authorizing $5 billion of Federal Financing Bank financing. It was the judgment of those who offered the extension that had we not passed this provision, Treasury would not only have had the $5 billion just specifically authorized, but also $15 billion in general FFB authority. This would have meant they could have gone beyond November 1 without facing up to reality.

I must say that I disagree with Treasury's judgment that FFB financing was necessary yesterday. But that was the word that we had received. In my view, at least, there is some evidence that the FFB was never intended to be used for that purpose. But that has now been done. It would be my hope that maybe Congress would take a look at this particular area and restrict the ways in which Treasury may finance public debt. But in any event, we still hope to complete action on the larger extension today.

Mr. President, I reserve the balance of my time.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. DOLE. I am happy to yield.

The PRESIDING OFFICER (Mr. ANDREWS). The Senator from South Carolina is recognized.

ACTION URGED ON NOMINATIONS

Mr. THURMOND. Mr. President, I am getting continuous inquiries why the Senate does not act on nominations we reported from the Judiciary Committee. On September 12, as chairman of the committee, I reported Alex Kozinski, of California, to be U.S. circuit judge for the ninth circuit; Ralph B. Guy, Jr., of Michigan, to be U.S. circuit judge for the sixth circuit; Stephen H. Anderson, of Utah, to be U.S. circuit judge for the tenth circuit; Ferdinand F. Fernandez, of California, to be U.S. district judge for the central district of California; Glen H. Davidson, of Mississippi, to be U.S. district judge for the northern district of Mississippi; Robert B. Maloney, of Texas, to be U.S. district judge for the northern district of Texas; David Bryan Sentelle, of North Carolina, to be U.S. district judge for the western district of North Carolina; and Brian B. Duff, of Illinois, to be U.S. district judge for the northern district of Illinois.

On September 19, as chairman of the committee, I reported to the Senate Edmund V. Ludwig, of Pennsylvania, to be U.S. district judge for the eastern district of Pennsylvania; Stephen V. Wilson, of California, to be U.S. district judge for the central district of California; David Sam, of Utah, to be U.S. district judge for the district of Utah.

Mr. President, it required quite some time to consider these nominees and

decide whom the Justice Department was going to appoint. It took quite some time for those individuals to be investigated by the FBI. It took quite some time for the investigators on the Judiciary Committee to investigate these individuals. They are badly needed on the bench.

The PRESIDING OFFICER. The time allotted to the majority leader has expired.

The PRESIDING OFFICER. The minority leader is recognized.

Mr. BYRD. Mr. President, I yield to the distinguished Senator from South Carolina, the President pro tempore, whatever time he desires.

Mr. THURMOND. I thank the distinguished minority leader.

Mr. President, as I stated, these judges are badly needed on the bench. I am getting continuing inquiries from all over the country asking, "Why do you not get action on these judges?"

I have done the best I can. I have urged the Department of Justice to hasten these investigations and get them to the Judiciary Committee. We have added an extra investigator there to get them investigated. We have reported the nominations to the Senate. Why can they not be acted upon? The Judiciary Committee unanimously approved these judges.

Mr. President, I do not see why they cannot be approved.

I have not had a chance to go over this with the majority leader, but I would like to have his view as to why the Senate has not taken up these nominations and approved them.

I see other nominations here, too, but these concern the administration of justice. Right now, in Florida and other places, they are badly in need of judges. They have to assign them from other places. Why can those judges not be acted upon, I think more expeditiously than others?

There are other judgeships and important nominations involved.

On September 26, David Nelson, of Ohio, to be U.S. circuit judge; James L. Ryan, of Michigan, to be U.S. circuit judge; Henry T. Wingate, to be U.S. district judge.

There is another group on the calendar. Here it is.

Paul H. Robinson, of New Jersey, to be a member of the U.S. Sentencing Commission. This was October 2. Michael K. Block, of Arizona, to be a member of the Sentencing Commission; Helen G. Corrothers, of Arkansas, to be a member of the Sentencing Commission; George E. Mackinnon, of Maryland, to be a member of the Sentencing Commission; Ilene H. Nagel, of Indiana, to be a member of the Sentencing Commission; William W. Wilkins, of South Carolina, to be a member of the Sentencing Commission. Mr. Wilkins is named as Chairman of that Commission.

Mr. President, under the comprehensive crime bill that we passed, which is the finest crime bill the Congress has ever passed, we have a provision concerning sentencing, to try to improve that situation. This Commission has been appointed to do that.

Mr. Wilkins happens to be from my State. He is Chairman of this Commission. He has to arrange for quarters, he has to arrange for personnel, and he only has a limited time. It seems to me this Commission ought to be acted upon.

Mr. President, this Commission has to get to work. Other judicial nominations still pending before the Senate are Alan H. Nevas, of Connecticut; Paul N. Brown, of Texas; and Alan A. McDonald, of Washington. Furthermore, Mr. President, Mr. William A. Maddox, of Nevada, to be U.S. attorney.

The tell me they need that U.S. attorney to go to work out there.

And Roger Hilfiger, of Oklahoma, to be a U.S. attorney. These are but some of the important nominations reported by the Judiciary Committee.

Mr. President, all of these are Department of Justice people. As chairman of the Judiciary Committee, we have tried to investigate these people thoroughly. The Judiciary Committee has acted upon them. They are ready to go to work. What is holding it up?

I have not had a chance to go over this with the majority leader. I would like to know what is holding up these judges.

Mr. President, I cannot emphasize too much the importance of this. This Sentencing Commission is a very important Commission. They have a limited time in which to operate. They have to get quarters; they have to get personnel. There has been $2.3 million appropriated for the work. They have to make a report by a certain time. If not, then we will probably have to start that all over again. That may take months and months, or maybe another year if we do not do it.

This Commission needs to be acted upon immediately by the Senate. I see no need in holding up these people.

We hear people criticizing the Federal Government about how slowly it acts, why do they not act and go forward and do things. Here we have acted. The executive branch has acted. The Judiciary Committee has acted. Why does the Senate not act?

Where is the majority leader? I would like to see if he has any response to this.

Does anyone know why they are being held up? I would like to know. I have not had a chance to talk to people about this. I have expected every day for them to be approved.

I see the able and distinguished Democratic leader here. Can he tell us any reason?

Mr. BYRD. The distinguished Senator, if he does not already know, may find out about these nominations by inquiring at the White House.

Mr. THURMOND. By inquiring at the White House? The White House does not have anything to do with this. The White House has acted. The Judiciary Committee has acted. Now it is up to the Senate to act. If anybody in the Senate is holding them up, I think they ought to speak up and give the reason. The majority leader is not in the Chamber now. I do expect to pursue this with him.

Mr. President, action ought to be taken. It is not right to delay the promotion of justice. It is not right to hold up the criminal justice system or the civil justice system of this country. It is not right to delay the Sentencing Commission, which has only a limited time in which to act.

Mr. President, I want to say now that I think whoever is holding up the confirmation of these people is taking a great responsibility upon themselves.

The Justice Department has some Assistant Attorneys General and they have to go to work. It has always been considered that the President has a right to choose his main people. Here you have Assistant Attorneys General who have important responsibilities and they need to be confirmed and go about their duties.

Mr. President, I hope the Senate will act on these matters and do it promptly. It has been weeks now, from way back in early September, but there has been no action yet on these people.

I yield the floor.

The PRESIDING OFFICER. The Democratic leadership has 4 minutes of his time remaining.

Mr. BYRD. Mr. President, I yield the remaining 4 minutes to Mr. SPECTER.

Mr. SPECTER. Mr. President, I thank the distinguished minority leader for his time. I would like to use the time at the conclusion of Senator CHAFEE's special order. I have asked him to reserve some of his time for me if I need it at that time.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR CHAFEE

The PRESIDING OFFICER. Under the previous order, the Senator from Rhode Island is recognized for not to exceed 15 minutes.

Mr. CHAFEE. I thank the Chair.

WORLD TERRORISM

Mr. CHAFEE. Mr. President, first, let me comment on the terrorism that has taken place just recently. Of course, we have had it in the past. I just want, on behalf of myself and the

constituents from my State, and I think I speak for all Americans, to voice the shock and outrage which we feel at what has taken place in the Mediterranean, especially at the loss of Mr. Leon Klinghoffer.

What we cry out for is an end to terrorism in this world. It is my hope that the United States will use every method and tool at its disposal to bring to justice those who have committed this most recent crime; namely, the killing of Leon Klinghoffer. It is my hope that those other criminals who have participated in hijackings and murders of Americans and other nationals—it is not just restricted to Americans. We have seen Russians seized and killed and nationals from other countries as well. I hope those who have participated in each of these hijackings, murders, and terrorism will be sought out and prosecuted by those having jurisdiction.

S. 873—THE COMMUNITY AND FAMILY LIVING AMENDMENTS OF 1985

Mr. CHAFEE. Mr. President, I would like to discuss briefly S. 873, the Community and Family Living Amendments of 1985, which I introduced in April of this year.

I believe that reform of the Medicaid system as it applies to the developmentally disabled is long overdue. Consequently, I introduced the community and family living amendments, S. 873, in April of this year. This legislation is a revised and refined version of S. 2053 which I introduced in 1983.

A policy change at the Federal level is long overdue. Federal Medicaid funds flow primarily toward large facilities. Since 1977, less than 20 percent of the dollars for intermediate care facilities for the mentally retarded have gone to support persons with mental retardation and developmental disabilities in the community.

While there is a great deal of interest in supporting people in the community and removing the emphasis on institutional care, there is much variation in the rate at which States approach the task. Since 1977, more than one-half of the residents of large facilities in Vermont, Michigan, Ohio, and Nebraska have returned to the community. In other States, this figure is less than 10 percent. Three States—Louisiana, Tennessee, and Mississippi—have actually increased the number of persons living in institutions in the last 7 years.

My legislation is an attempt to encourage all States to move in the direction of allowing individuals with developmental disabilities to live in the community, either at home, on their own or in a group home. My bill makes this possible by providing resources to the States to offer a better level of care than that available in most larger facilities.

The past year has proven that any proposal to phase down Medicaid support for institutions and increase such support for community based services is a highly charged issue. Clearly the idea evokes tremendous emotion and controversy.

Most of the debates about the bill tend to revolve solely around whether institutions are good or bad. I believe those debates are a waste of time; the real issue is whether we can improve our current system of care. I believe that S. 873 contains the necessary elements of such a reform. I'd like to spend a few moments talking about the provisions of my legislation—many of which are ignored in the heat of these debates.

Some critics say that my proposal will allow only one kind of service, everyone must be in a 12- or 15-bed group home.

Nothing could be further from the truth.

My bill will allow Medicaid expenditures to support people in a wide variety of settings: their family home; foster homes; adoptive homes; special living arrangements for 2 or 3 or more people with special needs; new community residences up to about 12 people; existing residences up to 15; and existing clusters of up to 3 homes.

In addition, S. 873 would allow approximately 15 percent of a State's total Medicaid budget to be used to support facilities which are larger than those I have just outlined.

Thus I offer, for the first time, a continuum of services. What more could we ask for?

Some critics of my bill argue that it proposes dumping people from institutions into the streets without needed services. However, under my bill, there are services which States must provide to each person who is deinstitutionalized: respite care, personal attendant care as appropriate, case management, and protection and advocacy services.

My bill says that each person must have an individual written plan of habilitation; that the plan must be developed by an interdisciplinary team, and that family members, guardians, or, in some cases, the disabled person himself, can participate on that team.

My bill further stipulates that any one who is to be moved out of an institution must be given 60 days written notice, opportunity for a due process appeal, and that the services specified in the written plan must be in place before the individual is moved.

For the most part what we have seen in the past in the name of deinstitutionalization is really dumping. My bill is an antidumping bill. My bill stands for the proposition that we are moving people back to the community—we are not moving protoplasm or objects. We are moving people into homes where they can live safely, with the security and support they need along with the opportunity to grow and develop as individuals.

My bill says that community residences need to be certified, licensed, or accredited, that staff need to be retrained to work in the community. My bill requires States to develop a plan of action for the next 15 years—a plan which must be approved by the Secretary of Health and Human Services. My bill contains a private right of action clause: If an individual is not being properly served because the State is failing to live up to its agreement in the State plan, the individual may sue.

When people state that they oppose my bill, one must ask what provisions of the bill they oppose. Are they opposed to independent case management services? Are they opposed to written program plans, or 60-day notice of moves? Are they opposed to respite services or protection and advocacy services? Are they opposed to helping families stay together by supporting families who wish to keep their children at home?

I hope that my colleagues can see that this is not just a mindless dumping bill. I hope that they can see that we can make deinstitutionalization a reality. Given the proper support required by my bill, I hope they can see that by the year 2000, we can live with many fewer institutional placements than we have today.

I ask all of my colleagues in the Senate to join me in developing a system where each person, no matter how disabled, is cared for, supported and served in his or her own community—where we all belong—together.

KASTEN REQUIRES WORLD BANK TO CONSIDER ENVIRONMENT

Mr. CHAFEE. Mr. Chairman, I call the Senate's attention to the exceptional job Senator KASTEN has done in requiring the Multilateral Development Banks to consider the environmental implications of their lending policies.

For years now, many of us who are deeply concerned about the environmental conditions of our country and the environmental conditions of other nations, have watched in horror as the Multilateral Development Banks have sponsored devastating projects.

These projects have led to the clearing of million of acres of tropical rainforests, the expansion of deserts in Africa, and the squandering of valuable water resources. But what makes many of these projects most abhorrent, is that they lead to human suffering.

As Senator KASTEN has so frequently pointed out, development projects

that are not sensitive to local environmental conditions or cultural practices may lead to the widespread loss of a region's environmental resources. Once the resource base is destroyed, the economy declines and poverty becomes more widespread.

What the Senator has done, largely through his position as chairman of the Foreign Operations Subcommittee of the Appropriations Committee, is to apply many of the same conservation principles that we commonly use in this Nation to other parts of the world. He has insisted that simple principles such as soil conservation, watershed management, and forest management are critical not only to the ecological health of developing nations, but also to their economy.

In a time when the world debt problem is growing, and the administration is calling on the multilateral lending institutions to expand their lending programs, Senator KASTEN's work could not be more important.

Finally, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD at this point a recent article describing some of the work Senator KASTEN has done to force one of the Multilateral Development Banks to be more concerned about the environmental implications of their lending policies.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE WORLD BANK'S WATCHDOG

(By Jack Anderson and Dale Van Atta)

Sen. Robert Kasten (R-Wis.) has become the point man for critics of the World Bank and other international lending agencies that show a reckless disregard for the damage and multimillion-dollar projects they finance wreak on the environment and the people supposedly being helped.

Cynics might suggest that Kasten's environmental advocacy is a Johnny-come-lately move by a conservative freshman worried about his reelection chances next year. But Kasten's credentials as a conservationist are solid, and the Third World people he's trying to protect can't vote in Wisconsin.

As chairman of the subcommittee that approves or disapproves U.S. contributions to the "multilateral development banks," Kasten is in an excellent position to make his criticism felt. Last spring, for example, he was able to force the World Bank to hold up nearly $500 million in loans to a project that has devastated huge areas of the fragile Amazon rain forest in Brazil.

The U.S. contribution to the World Bank and the others comes to more than $1.2 billion a year—roughly one-fifth of their total budgets and three times as much as the next largest contributor. So when Kasten speaks, the banks listen. The Brazilian project, called Polonoroeste, is an ambitious effort to carve a 900-mile highway into the heart of the rain forest. It also includes a network of secondary roads that will open up a large portion of the Amazon basin to agriculture and industry. Alerted by Natural Resources Defense Council attorney Bruce Rich, Kasten was appalled to learn that World Bank loans to Polonoroeste have already helped destroy millions of acres of tropical rain forest.

"What is most amazing about this project," Kasten said, "is that the World Bank continued to fund this project for more than two years after it had identified, through its own supervisory missions, that the program was producing environmental devastation of this scale."

The Senator also discovered that experts had warned from the very beginning of the Polonoroeste project that the soil being cleared by destruction of the rain forest was probably too fragile to support the agriculture and cattle operations planned for the area.

Like any native of Wisconsin, Kasten is aware of the destruction in the 19th century of what had once been one of the world's greatest white pine forests. Clearcutting by lumber companies stripped the northern half of the state under the supposedly less enlightened practices and government policies of 100 years ago. Yet here it is happening again in Brazil—with World Bank encouragement.

Kasten got word this summer while vacationing in the Wisconsin woods that the World Bank was about to resume its loans to Polonoroeste despite his objections. He then called the bank's president, A.W. Clausen, and demanded that action be held up until he and environmentalists could be briefed.

Meanwhile, Treasury officials have also expressed concern at the development banks' attitude on the environment. The banks "tend to overemphasize the quantity of lending rather than the quality," a Treasury official said, explaining: "If environmental considerations threaten expeditious project processing, the environment is assigned low priority and is left to be dealt with later."

Our associate Donald Goldberg has found confirmation of this in other costly projects financed by the World Bank and/or its affiliated international lending agencies:

A loan to the Philippines approved last year included substantial amounts for pesticides. But the loan proposal did not include a discussion of the methods that would be used to apply the poisons. Philippine experts have found a significant correlation between the twice-yearly pesticide spraying and increases in the incidence of serious illness among male workers in the affected rural areas.

A 1979 loan financed a hydroelectric dam in Ecuador. Officials were warned that the project would be rendered useless in about seven years because of silt buildup, unless a second dam is built upstream. Construction on the first dam is progressing, but the plans for the upstream dam have been shelved altogether.

Another dam—in Togo—was approved last year before a study of health concerns could be completed. Less than a month later, the study was finished; it warned that the lake behind the dam would be an ideal breeding ground for snails that carry schistosomiasis, a disease that affects some 250 million people worldwide. But the loan had already been approved; work is going ahead on the dam.

Mr. CHAFEE. Mr. President, I yield to the Senator from Pennsylvania the remainder of my time.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SPECTER. I thank the distinguished Senator from Rhode Island.

Mr. President, how much time do I have, with the time from the Senator from Rhode Island and the Democratic leadership time?

The PRESIDING OFFICER. The Senator has a total of 13 minutes.

Mr. SPECTER. I thank the Chair.

TERRORISM MUST NOT GO UNPUNISHED

Mr. SPECTER. Mr. President, I strongly urge that the United States take the strongest possible diplomatic action, accompanied by economic sanctions, to secure custody of the four terrorist-pirates who hijacked the Italian cruise ship and murdered Mr. Leon Klinghoffer, a U.S. citizen.

While the latest reports state that the four hijackers are "heading out of Egypt," it may yet be possible that Egypt has sufficient control, or could exert sufficient influence, to retain or require custody of the pirates.

Under 1984 legislation, the United States has extra-territorial jurisdiction to try those hijackers in U.S. courts. It is astounding, under any conceivable standard, for any responsible government to release such murderers without seeing to it that they are brought to justice and are punished. Any agreement to set such criminals free, as a precondition to releasing hostages, is null and void since it violates any standard of public policy under diplomatic or international law.

I am shocked by the decision of the Egyptian Government to release the terrorists in light of President Mubarak's firm denunciation of terrorism on the mining of the Red Sea in August 1984. I had occasion to meet with President Mubarak in August 1984 at the time of that mining incident and personally heard him decry in the strongest possible terms such terrorist activity.

If it is determined that Egypt was responsible, in whole or in part, for the release of the terrorists, then I believe the United States should take forceful action to demonstrate our outrage by cutting foreign aid to Egypt by $1 billion, if we do not cut it out entirely.

The initial press reports suggest that Egypt may not have known that a United States citizen was murdered. I frankly find that hard to believe, but if they had no specific knowledge of the murder of Mr. Klinghoffer, they were under an absloute duty to find out what the scope was of the criminal activity and what the hijacker-terrorists had done when they had custody and control of some 500 innocent people. Egypt or Italy, or whoever was responsible for letting those hijackers go, must be held accountable.

In my judgment, Mr. President, the time has long passed for the United State to take a "business as usual" attitude in the face of terrorist murders, supported by countries which harbor terrorists, and tolerated by nations which make unconscionable deals with them. If the U.S. Government fails to take such forceful action now, in the wake of this shocking international situation, then it is obvious that all of our tough talk is just a national embarrassment.

The failure of our national policy to deal with terrorism is underscored by our inaction as soon as the most recent terrorist acitivity recedes from the front pages.

I have today written to Secretary of State Shultz urging that he act in a forceful way, if not as I suggest here this morning, then in some alternative manner which expresses not only in rhetoric but in action U.S. outrage, accompanied by some specific sanction and by some specific penalty.

Repeatedly, these matters have been called to the attention of the Department of State, and I have done so personally in hearings, through legislative initiatives, by letter, and in private conversations with the Secretary of State and other ranking officials of the State Department.

For example, I believe that the U.S. Government should forthwith cut off trade with Libya. Following the murder of the british policewoman by the Libyan diplomat, I urged the Secretary to take action to cut off such trade in a hearing before the Foreign Operations Subcommittee on March 1, 1985.

It seemed to me, simply stated, unconscionable, and really dealing in blood money for any nation to deal with Libya after the murder of the British policewoman. The Secretary of State responded that there was not statutory authority to take that action. Congress has since passed legislation authorizing the President to cut off trade with Libya in an amendment which this Senator introduced on the Foreign Assistance Authorization Act of fiscal year 1986. Yet the United States continues to trade with Libya.

Our Nation ought to take action immediately to cut off trade with Libya, both in terms of our own policy and as a leadership matter to urge other nations to follow suit.

Second, as a concrete action, the United States should now move ahead to indict the three terrorists who hijacked the TWA plane and murdered the young Navy diver, Mr. Stethem.

Those terrorists have been identified and there have been published reports acknowledging that a grand jury in Washington, DC, has been considering that case. The grand jury in Washington, DC, under 1984 legislation which Congress passed on hostage taking, has authority to indict those terrorists. There are procedures available where those terrorists could be extradited to the United States for trial in a U.S. district court right here in Washington, DC. It would be a great day in specific, forceful action against international terrorism to bring those terrorists to trial and to punish them.

There are ways, Mr. President, where we can deal in a concrete, specific manner with nations that sponsor terrorists, as, for example, the cutoff of trade to Libya. And there are specific ways in which we can deal with the individual terrorists. International crime is really another breed of the crime that is evidenced on the streets of this country every day, and we arrest robbers and we arrest rapists and we arrest murderers and we bring them to trial and we convict them and we punish them. We have the means at our disposal to take that kind of forceful action with respect to international terrorist-criminals, if we just have the will and the courage to do so.

Those who talk about retribution for such action must be aware by this time that retaliation against us is possible regardless of what action we take. And U.S. citizens, U.S. airplanes, and international cruise ships are sitting targets for action by terrorists.

It is no more justifiable not to act for fear of retribution than it is for a victim in a rape case to refuse to identify the rapist and step forward in a courtroom and testify because she is afraid of retribution. As a prosecuting attorney, I used to hear those concerns expressed by victims in criminal cases, but it is important for those who have been victimized to step forward, to identify the perpetrators, to use the processes of law so that perpetrators may be brought to justice. Only in this way is there any hope at all of taking some forceful action and seeing to it that there is an end to international terror.

Mr. President, I further call the attention of this body to Senate bill 1508, which this Senator introduced on July 26, 1985, to impose the death penalty for murder of U.S. citizens by international terrorists.

Mr. President, these actions have just been unfolding in the course of the past 24 hours, and it is only the latest reports which suggest that the four hijackers have been released. The time has long since passed for mere rhetoric on these subjects. The U.S. Government now has at its disposal specific, concrete action which can be taken.

First thing this morning, I prepared a letter for the Secretary of State embodying much of what I have just said, and that will be delivered forthwith, but I urge my colleagues in this body to join me in pressing our Government officials, who have the power to do so, to act now to see to it that these four terrorists are returned to the United States for trial or to take and impose sanctions against any Government within our power to do so. And we certainly have the power, where we grant foreign aid, to make the reduction which this Senator has suggested.

I thank the Democratic leader for yielding me some of his time, and I thank the Senator from Rhode Island for yielding some of his time. I yield the floor.

RECOGNITION OF SENATOR BAUCUS

The PRESIDING OFFICER (Mr. WEICKER). The Senator from Montana is recognized for not to exceed 15 minutes.

INTERNATIONAL TRADE COMMISSION'S CANADIAN SOFTWOOD LUMBER REPORT

Mr. BAUCUS. Mr. President, I rise to remind my colleagues about the Canadian softwood lumber imports problem.

Mr. President, America faces a trade crisis.

We are practicing "vampire economics," inhaling goods and currency from around the world.

Last year, our trade deficit was $123 billion.

To put it another way, for every $2 worth of U.S. goods going out, $3 worth of foreign goods were coming in.

As a result, U.S. industries are losing their footholds in foreign markets, and drowning in a flood of imports here at home.

These are not just declining "sunset" industries. They also include some of our most efficient and competitive industries.

THE FOREST PRODUCTS INDUSTRY

The forest products industry is a perfect example.

Our mills are modern and efficient.

Nevertheless, the industry has become a victim of the international trade war.

Since 1980, the industry has gone from a $400 million trade surplus to a $2 billion trade deficit. Last year, exports declined 5 percent and imports rose 10 percent.

This has had a devastating effect.

U.S. sawmills are operating at only 83 percent of capacity.

Last year, U.S. companies reported pretax losses of $550 million.

And 250 sawmills have closed and 30,000 U.S. lumber industry workers have lost their jobs since 1978.

The overvalued dollar is a large part of the problem. But so are unfair foreign trade practices.

On one hand, the U.S. industry has been shut out of the huge Japanese market by a system of high tariffs that protect inefficient Japanese mills.

On the other hand, the U.S. industry has been inundated by subsidized Canadian imports, which have risen from 19 percent of U.S. consumption in 1975 to about 32 percent now.

CANADIAN SUBSIDIES

Let me explain why these imports are unfairly subsidized.

In the United States, about half the softwood lumber comes from public land. The price for cutting rights, which is called "stumpage," is set by either an open auction or competitive bidding, and naturally rises to the fair market level.

In Canada, about 95 percent of the softwood lumber comes from public land, but the pricing system is very different from ours. A handful of huge companies have monopoly leases over vast tracts of timberland. From time to time, the Government sets a stumpage price.

There is no auction, no bidding, no competition.

As a result of this cozy system, Canadian sawmill operators can buy stumpage for about one-tenth what United States operators can.

Mr. President, a Canadian forester named Ken Drushka just published an exposé of the stumpage system in British Columbia, where most Canadian softwood lumber originates, in a book called "Stumped." I ask unanimous consent that chapter 5 of this book be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so orderd.

(See exhibit 1.)

THE 1983 DECISION

Mr. BAUCUS. Mr. President, the Canadian system gives Canadian producers an unfair advantage over United States producers, because the Canadian Government provides them with raw materials at a fraction of the market price.

In 1983, a coalition of United States sawmill operators brought a countervailing duty petition, charging that the Canadian system constituted an illegal subsidy under United States trade law.

But the Commerce Department rejected the coalition's petition.

The linchpin to the Commerce Department's decision was the legal holding that stumpage was "generally available" throughout the Canadian economy because it was provided to the furniture industry and other wood products industries.

Mr. President, this is a cramped, unreasonable interpretation. I have looked at the GATT, the subsidies code, and our own CVD law from every possible angle, and I cannot find this "general availability" test anywhere.

And even if it does exist, it makes no sense to interpret "general availability" as broadly as Commerce did in the softwood lumber case.

As trade law expert Gary Hufbauer says in his recent treatise on subsidies:

> The general availability standard should be used sparingly to excuse only those incentives that in practice and design are used by a broad range of industries and geographic areas. Otherwise, the international community risks taking countermeasures against little subsidies while big subsidies run free.

Hufbauer goes on to say that:

> Neither in practice nor intent were cheap stumpage rights in Canada • • • generally available.

LEGISLATIVE SOLUTIONS

I have introduced legislation, S. 1292, that would overturn the Commerce Department's interpretation by clearly prohibiting certain natural resource subsidies. Congressman GIBBONS has introduced identical legislation in the House.

The original version of this legislation was criticized for "stacking the deck" against the Canadians in any future countervailing duty case.

In response to this criticism, I have drafted a modified provision, which I plan to offer when the Finance Committee considers S. 1292.

This modification provides that cutting rights are subsidized if they are sold for less than what a willing buyer would pay a willing seller in an arms-length transaction. I ask unanimous consent that a copy of my proposed modified version of S. 1292 be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2).

YESTERDAY'S ITC REPORT

Mr. BAUCUS. Mr. President, the softwood lumber controversy is complicated. To resolve it, we need sophisticated information about the United States and Canadian systems.

To provide this information, the U.S. trade representative recently asked the International Trade Commission to report on conditions relating to U.S. softwood lumber imports.

We received the report yesterday, and it confirms what we have believed all along.

Mr. President, I ask unanimous consent that a copy of the executive summary of the ITC report be printed in the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

Mr. BAUCUS. Mr. President, the report confirms the Canadian stumpage prices have generally been much lower than United States prices and notes that:

> Since 1982, stumpage prices • • • have fallen and stabilized at a point where United States prices are roughly 10 times the Canadian price.

Mr. President, let me repeat that statistic, from page 59 of the ITC report. United States prices—which are set in a free, competitive marketplace—are 10 times Canadian prices.

The report also undercuts two main Canadian arguments.

First, the report shows that the high value of the United States dollar has not had nearly the impact the Canadians have claimed, rising by only 8.5 percent against the Canadian dollar from 1978 to 1984. What's more, the real value of the Canadian dollar has remained relatively constant since the end of 1978, but the Canadian share of the United States market has risen by more than 12 percent.

Second, the ITC report shows that the noncompetitive Canadian system gives Canadian producers an advantage even after logging costs are added.

The Canadians have repeatedly asserted that a comparison of delivered logs costs would show that Canadian prices were no lower than United States prices. To the contrary, the ITC finds that Canadian delivered log costs average $28 less than United States costs, and are $59 less in the comparable Northwest and Coastal British Columbia markets.

Mr. President, this delivered cost advantage is a direct result of the Canadians' subsidy. And it is the fundamental reason that Canadian producers can charge from $23 to $76 less than United States producers can for similar lumber.

CONCLUSION

Mr. President, the ITC report confirms the obvious.

The Canadians are using bargain-basement Government resources to expand their market share.

I call that a subsidy.

And I think that we ought to do something about it.

A few weeks ago, our trade representative, Ambassador Yeutter, wrote that "Once we have the ITC report, we will move quickly on this matter."

Well, we have the report in hand.

I urge Ambassador Yeutter to move, quickly and decisively, to end Canada's unfair subsidy.

This will be especially important as our two countries consider negotiating a free trade agreement.

As President Reagan recently noted, if trade is not fair, it is free in name only. That is why I and nine Finance Committee colleagues recently wrote Ambassador Yeutter, urging him that resolving the lumber issue would "facilitate Finance Committee consideration of any administration proposals relating to the negotiation of a free trade agreement."

I earnestly hope that the release of the ITC report will expedite the resolution of the lumber issue and thereby enable the United States and Canada to take further steps that strengthen trade ties between our nations.

EXHIBIT 1

[From "Stumped," by Ken Drushka]

WHAT IS OUR TIMBER WORTH?

As the history of Peter Pearse and his Royal Commission indicates, economists have had their effect on the forest industry. They have asked some difficult and penetrating new questions; they have caused some old questions to be examined from new points of view. But economics is not an exact science, and economists are often better at asking questions than at answering them. Although asking the right question is halfway to the answer, in some areas halfway is as far as we get.

One area where we need answers is the matter of "economic rent." This is a fundamental concept in resource economics. Most simply put, economic rent is the true value, in dollars, of any given resource. In the forest industry, it is usually seen as the real worth of the standing trees, the price the owner should charge for them. If the owner charges too much, no buyers will be attracted, or the buyer will find it difficult to be competitive in the marketplace, or the owner will attract buyers who have some unusual advantage, such as particularly efficient processing techniques or an existing operation conveniently located nearby. Generally speaking, however, it would be extremely disadvantageous for the purchaser to pay more than the economic rent. Similarly, it is disadvantageous for the seller to accept less than the economic rent. If that seller happens to be a government, the shortfall must be made up by the taxpayer. The amount of that shortfall will essentially be a subsidy to the purchaser.

Establishing the correct economic rent, therefore, is absolutely fundamental. In theory, this is easy. The trees are simply put up for open bid in a freely competitive market. In almost every case, the selling price will be an entirely satisfactory, practical approximation of the economic rent.

In calculating the amount of this bid, the would-be purchaser must first consider the market in which he must sell his own finished product, whether that product be pulp chips, logs, two-by-fours or what have you. He must judge what a competitive price will be when he has finished processing the trees he is bidding on. From that selling price he will first deduct his own processing costs, then he must deduct a competitive profit for himself—competitive in two ways: it must be high enough to satisfy present investors and attract new ones when needed, and it must be low enough to give his bid a reasonable chance of success. Thus, both the product market and the money market are factors in his bidding calculations. Having judged his selling price and deducted processing costs and profit, he knows how much he can bid for his raw material, the standing trees. Yet that bid must be as high as he can make it because without the raw material to process and sell, all is for naught. There is considerable pressure on him to run a lean operation with efficient processing techniques and the minimum attractive profit.

This, at least, is the theory. In reality, only a very small part of North America's publicly owned timber is sold through competitive bidding. (Washington and Oregon are among the few areas where competitive bidding is the norm.) In British Columbia, certainly, there is virtually no open market for the province's timber resources. Since the introduction of competitive bidding for Small Business Timber Sale Licenses, the amount of B.C. timber sold on the open market is in the neighborhood of 10 percent of the allowable annual cut. However, even this system is far removed from the classic free-market model because the market is restricted to certain recognized bidders. Here in British Columbia, where the major industry is forestry, the beautifully constructed models of resource economics break down. As a result, no one quite knows how much a B.C. tree is worth.

It is also on this very point—competitive bidding for the standing timber—that the traditional left-wing-versus-right-wing categories of B.C. politics break down. Most politicians of the right and almost all big businessmen in the province actively oppose competitive bidding for Crown timber; many politicians of the left and most small businessmen strongly favour it. Mason Gaffney, an economic advisor to former NDP minister of forests Bob Williams, was forced to conclude:

. . . There is nothing essentially right wing about the free market. In fact the free market is one of the most radical things there is, which is why big businesses don't really like it . . . and nowhere is this better exemplified than in the relationship between the big forest giants and the [B.C.] Crown in their leases on Crown lands which they like to hold without competitive bidding . . .

Nor is the idea of a government collecting economic rent necessarily a left wing notion. . . . The position that the income of natural resources should be taken for public purposes . . . isn't a socialist position . . . [it's] simply saying that taxation socializes whatever it taxes (and I'm saying you should tax "A" instead of "B," "A" being natural resources and "B" being human beings). When you tax the income of workers, you are socializing the human being. When you tax the resources, you are socializing resources through the tax system.

British Columbia's forest tenure policies also confound the standard left-right arguments over free enterprise. In British Columbia, the privilege to buy timber is restricted to a few buyers, or even to a single buyer, by means of Tree Farm Licenses, quota systems and Timber Sale Licences. Sustained yield policies further compromise the free market. Restricting yearly harvests to an allowable cut in a particular sustained yield unit means that there is a point above which the supply cannot be increased no matter what price buyers are willing to pay. In practice, this figure is not quite absolute since higher prices will make some of the inaccessible and low-quality stands worth harvesting while encouraging more complete use of trees previously harvested. A good example of this is to be found in European forests where even roots and branches are converted to pulp and paper. Yet in spite of this marginal flexibility, sustained yield practice is generally considered one of the major obstacles to the working of a free market economy and is especially so considered by economists such as Gaffney: The shorter the period of time between planting a tree and cutting it, the more labour is used in adding value to the final products and the less capital . . . and the less land is tied up per worker.

Publicly owned forests are not administered economically. They are administered by foresters who have this drilled out of them in forestry school. [When you looked closely] you discovered that a degree in forestry is a licence to stop thinking and that our forests both in B.C. and the U.S. are administered by the name of "even-flow sustanined yield," which causes them to hold timber much too long before they cut it [and] to carry an excess inventory of timber at very low productivity, and causes them to develop an ideology which is entirely geared to justifying and supporting this way of doing things.

All these departures from the free-market economy are rationalized on the same basis as sustained yield policy: they are supposed to enable the provincial government to direct and control regional economic development and stability. However, as Mason Gaffney points out, this rationalization is questionable:

If you look at this argument about employment stability and look at the rate of turnover that occurs in the labour force anyway, you'll find the rate of turnover is extremely high. So what you are subsidizing in a meaningful sense is not really jobs in a particular place—especially way up north, because people come and go very fast anyway—what you are stabilizing is the return on the capital that people have invested there.

In a system of competitive bidding for standing timber, the timber's economic rent is a result of the market for the processed product, the money market, and harvesting and processing costs. However, in the absence of competitive bidding, it should still be possible to determine the economic rent through a system of appraisal. Given an open and active market for the product, one could simply work backward from the selling price to appraise the value of the uncut timber. To use a simple example: a logger believes he can sell and deliver a fire log to a buyer for $50; if the cost of cutting down, hauling out and delivering that log, including an allowance for profit, is $40, the economic rent for the log as standing timber would be $10 and the logger should pay no more and no less than that. The process could be complicated a bit by extending the cost calculation through the manufacturing stage and working backward from lumber or pulp prices. In that instance, the costs and profit allowances for milling or chipping would also be taken into account; but theoretically, the figure for economic rent would be the same.

In British Columbia, this apparently simple process has become an elaborate, little understood and, at times, highly contentious system, partly because there is almost no open market within the province for either finished forest products or standing timber. Most of British Columbia's forest products are exported to the United States where they must sell at a price that is competitive with the home product. This means that to arrive at an economic rent for B. C. timber, economists would have to work backward from prices on the American market. This, in turn, would imply that the value of B. C. timber depends on the value, or economic rent, of American timber. This conclusion is so upsetting to B. C. economists that some of them refuse to acknowledge it.

In the absence of a competitive log market in British Columbia, economists and bureaucrats alike have abandoned the concept of economic rent in favour of a system called "stumpage," which is simply the price a logger pays for access to the trees. Stumpage dates back to 1884, when the B. C. legislature passed an act allowing for a levy of fifteen cents for each tree felled and twenty cents for every thousand feet of lumber scaled at the mill. Prior to this, the govern-

ment obtained its forest revenues from the outright sale of forest land or, after 1880, from the sale of timber lease rentals. In 1888 the levy on trees was replaced with a royalty system which charged fifty cents for every thousand board feet measure of timber cut on Crown lands. Receipts in the first year of royalty payments totalled $13,286.

In 1914, following the invasion of British Columbia by American lumbermen during the first decade of this century, the Timber Royalty Act was passed which allowed the government to adjust royalty rates in relation to the selling price of lumber. By this time, annual revenues were about $2.5 million from royalties. The 1912 Forest Act also included provisions for selling standing timber by public competition. Bids were in the form of sealed tenders and were expressed as the amount the buyer was willing to pay above a minimal, or "upset," stumpage rate. The upset rate was determined by subtracting the exploitation costs from the selling price, with allowances for profits, carrying charges, interest and risk. The prices and costs used would represent "normal" conditions and were calculated for each timber stand by a Forest Service appraiser who based his calculations on personal knowledge and experience.

Stumpage in its modern form developed after World War II with the adoption of the Rothery System of appraisal in 1948. Currently used by both the U.S. and B.C. forest services, though to somewhat different ends, the great virtue of the Rothery System was the establishment of a uniform method of calculating operating costs and selling prices and relating them to each other. During the 1950s, most of the timber sold in British Columbia was priced by a combined appraisal and bidding system. The appraisal was used to establish the minimum, or upset, rate, below which the timber would not be sold. Competing buyers bid on an additional amount, or bonus, they were willing to pay above that upset price. The timber boom in the 1950s resulted in some very high bidding on timber sales, and out of fear that a drop in the market would bankrupt the loggers holding these high-priced cutting contracts, the government adopted a sliding stumpage scale that allowed for adjustments in the stumpage rates according to changing market values.

Many in the industry look on this era as the golden age of free enterprise. The post-war building boom was in full swing, and a large number of independent operators were competing for timber. Supposedly, thie efficient survived and the provincial treasury reaped the benefits in the form of high stumpage rates. Reality was somewhat different, however. All loggers were buying from a single seller, the government, and they had a collective interest in keeping the stumpage rate low. Thus, in the normal course of events, they worked out a sort of gentleman's agreement, not bidding up the price on another's application. Whenever spirited bidding did occur, it was usually from a newcomer trying to establish himself, with existing operators driving up the stumpage to discourage him. Other means were available to shrink the government's perception of true economic rents: prospective bidders at auctions might be offered a cash payment to refrain from bidding; a larger firm could offer a small one a lucrative logging contract in exchange for its withdrawal from bidding; bankers and other lenders could influence the amount of competition by granting or withholding credit to prospective bidders. Everyone except the government had a vested interest in keeping stumpage rates down.

In recent years, the lack of an active timber market in British Columbia has further obscured the true value of the province's forest resource. Theoretically, stumpage should equal economic rent. However, the appraisal system for determining stumpage assumes the presence of a market in order to arrive at a number of its essential figures. Since no such market exists in the province, stumpage is based on pretence. Consequently, the system of stumpage has become a potentially explosive forest policy issue.

The basic question in determining the price of a publicly owned resource is whether the price is fair to both the buyer and the seller. But is stumpage fair? The forest industry looks upon stumpage as a royalty or even as a tax. Economists and many others still consider stumpage to be a form of economic rent, but critics of the appraisal system declare that the rent is too low. Increasingly, public policy is tending towards collecting the full economic rent, defined as everything remaining after operating costs, allowances for profit and certain risks are deducted from the final selling price. However, this formula works better in words than in practice. Despite numerous academic studies and official enquiries, no one has ever come up with widely accepted figures for any of the variables in the equations used to determine stumpage. The result is that comparisons of appraised stumpage rates with returns derived from the few existing open timber auctions are of considerable amusement to those with a sardonic sense of humour.

One indication of the way the appraisal system undervalues number is the black market value of "quota." The quota system arose in 1948 with the passage of sustained yield legislation, according to which the large amounts of timber allocated in Tree Farm Licenses were priced according to the appraisal system. In the Public Sustained Yield Units, however, timber was still sold at auction, but with a limit on the amount that could be cut annually in each unit. To this, by administrative fiat, was added a quota system which parcelled out the annual cut in each PSYU according to an operator's historical production level and performance record. Existing quota holders were allowed to match any offer on timber they had requested, with the losers in the quota sale forfeiting a bidding deposit of 10 per cent of the estimated stumpage.

At first, quota was not considered a salable commodity, for the transfer of timber cutting rights required the approval of the minister of forests. Under minister Ray Williston, however, the sale of quota became a common, though unofficial practice. One justification for this was that it encouraged small, inefficient operators to get out of the business by selling their timber rights, along with their worn-out equipment, to a more efficient operator. The value they received was considered a reward for having persevered and having helped build up the industry. Although the fact was rarely discussed openly, by the mid-1970s quota sales had become the most common means of acquiring additional timber rights for expansion. Since then, it has been widely recognized in the industry that the real profits are to be made when a company sells out.

Since the unofficial market value of quota can be roughly established by these sales, critics of the appraisal system have argued that quota sales provide a way of measuring the amount of the economic rent the government is losing on the sale of public timber. The value of the timber rights sold can be determined by subtracting the value of the operating equipment and other assets from the selling price of the company. A survey conducted in early 1981 concluded that the usual price paid for quota in British Columbia over the previous couple of years ranged from about $25 per m^3 ($71 per cunit) in the Interior to $30 per m^3 ($86 per cunit) on the coast.

According to the critics, the money a company receives by selling its future rights to cut timber is an unearned revenue which properly belongs to the public. They say that it is the timber, not the rights, that should have value and that, if the timber had been properly valued in the first place, the future cutting rights would be of relatively insignificant value. They also argue that if buyers can afford to pay another company for those rights, then they could afford to pay higher stumpage rates instead. They see the black market value of quota as a direct measure of the extent to which the appraisal system undervalues timber.

While this argument has some merit, it would be unwise to accept too hastily a dollar-for-dollar measurement which implies a four- or fivefold shortfall in stumpage rates. In 1980 the average stumpage price on all species logged in PSYUs throughout British Columbia was $5.54 per m^3 ($16 per cunit). At the same time, quota was valued from $25 to $30 per m^3 ($71 to $86 per cunit). Yet apples are not being compared with apples here, because quota confers the right to cut a specified amount of timber each year for an indefinite period. That time element itself has a value. Yet again, even if the government were realizing a full economic rent from timber sales, as long as there is an upper limit on the volume to be cut each year, quota will have an additional value. However, as the rules work now, the only revenue the government realizes from quota values is a light tax on the capital gains when a company sells its quota.

In 1980 the B.C. Ministry of Forests issued a discussion paper on appraisals which stated that the prinicpal objective of timber pricing is "to enhance the management and use of the forest resource for the maximum long term socio-economic benefits of the province." Secondary objectives were that the appraisal system be adaptable to rises and falls in forest product markets; that it be able to collect the full value of the resources being harvested; that it allows for an equitable charge upon timber coming from widely divergent logging conditions and changing economic factors; that it encourage an internationally competitive timber processing industry; that it be applicable to a wide variety of changing management objectives, and that it be as simple a system as possible.

The Rothery appraisal system used in British Columbia calculates stumpage as the value remaining after operating costs and a profit and risk allowance are subtracted from the selling price. The difficulty lies in determining realistic values for each of these factors for a particular stand of timber. The general approach of the Forest Service is to appraise to the value of the end product at the first point in the production process where (a) the quality of the timber can be taken into account, (b) a free market price can be determined and (c) the production costs of the end product can be isolated from other costs. To this end, the province

is divided into two zones, the coast, where the end product is logs, and the Interior, where lumber and pulp chips are produced. The explanation for this is that on the coast, where logs can move easily and cheaply by water, there is—in theory—a log market, known as the Vancouver Log Market. In the Interior there is no log market because of the high cost of transporting logs, so the point of appraisal has been moved along the production process to the point where a market theoretically does exist—the production of lumber and chips. Because there is a great deal of variation in the percentage of lumber or chips that can be recovered from logs of different species, size and grade, it is necessary to apply lumber recovery factors to Interior timber stands.

On the coast, the problem is that the Vancouver Log Market is more myth than reality. Twenty or thirty years ago, when there was a significant number of independent loggers and mill owners, a large volume of logs was brought and sold on the open market. The subsequent concentration of the industry in the hands of a few large, integrated companies means that most of the log transactions on the coast now consist of trades between the big companies.

Log market data are collected by the Council of Forest Industries (COFI), which accounts for about 95 percent of the timber harvested in the province. And while it has never been seriously suggested that COFI alters the figures it receives from its members, it is widely believed that the dollar values assigned by the companies to the trading transactions—particularly transactions involving higher grades of logs—do not reflect the true value of the logs. This suspicion appears to be borne out by comparing prices paid by some of the smaller independent mills in the southern coastal area with the published Vancouver Log Market prices. Obviously, it is in the best interests of the companies to keep these dollar values as low as possible and the Forest Service has no way of checking the individual transactions. If Company A trades a boom of medium-grade cedar saw logs with Company B for a boom of medium-grade fir saw logs and reports the transaction as such, there is nothing to prevent Company A from sorting out the best of the fir and using it to make plywood, which would give it a much larger return in processing. Or, because the market is largely a trading operation, if a mill owner is willing to pay $60 per m^3 ($171 per cunit) for a certain grade of saw log, but has no logs to offer in exchange for them, he will be unable to obtain the logs he needs even though their trading value might be listed as low as $40 per m^3 ($115 per cunit) in transactions conducted by the larger companies.

One of the chief weaknesses of the coastal system is that logs are no longer a representative end product and the market for them is now very restricted. This was one justification for creating the Small Business Program—the government's desire to re-establish an independent and competitive logging sector which would inject new life into the Vancouver Log Market. Another approach, long seriously considered, might be to put the coastal appraisal system on the same end-product basis as the Interior's—lumber and chips. While this makes some sense—because it would preclude the possibility of companies trading "cheap" logs and increasing their revenues in the stumpage-free conversion process—it would be a much more complex system, containing its own weaknesses.

The initial difficulty with the Interior system lies in establishing recovery factors. In making its calculations, the Forest Service does not measure a stand of timber before it is harvested and then tally the volume of lumber and chips produced from that stand. Instead, it bases its calculations on what it thinks the "average efficient operator" will be able to recover from the various sizes, grades and species of logs. Two problems are involved here. The average efficient operator is a figment of the Forest Service imagination. He is not the statistical average of all operators, but is an operator "using methods, men and equipment that are efficient for the task to be done in the light of the prevailing state of technology development."

There are a lot of jokes, few of them printable, about the average efficent operator. Since very few members of the Forest Service have had any direct experience logging or milling, the only source of information is industry itself, and it is only recently that the government has had access to company books. And because it is in the best interests of the companies for the Forest Service estimation of the average efficient operator's productive abilities to be as low as possible, the method tends to create some bizarre circumstances. An operator who knows his performance is being evaluated for the purpose of establishing production standards is naturally going to become rather lethargic. Any suggestion by Forest Service personnel that operators are working below average efficiency is apt to produce a flood of caustic remarks regarding efficiency of the Forest Service—considered by many of its own members to be a bureaucratic nightmare.

The main problem, however, lies with the enormous technical difficulty of establishing recovery factors and then applying those factors to an actual stand of timber and the conversion process it passes through to create lumber and chips. The conversion factors themselves have been derived from almost 100,000 trees felled and measured. When an actual stand is being considered, a small percentage of it is sampled and the results applied to the whole stand. Without actually cutting the tree, the cruiser is expected to calculate the gross volume of the tree) excluding the stump and unusable top), the volume of decay, the volume of recoverable soundwood to within 2.5 cm (1 inch) of decayed wood in the tree, the volume of unrecoverable soundwood that will be left on the logging site in logs that are more than 50 per cent defective, and the volume of soundwood that will be broken during falling and yarding and, as a result, left in the woods—all this within a 15 per cent margin of error.

The next stop is to calculate the volume of lumber which can be obtained from the soundwood available in the stand. The factors used in this stage make allowance for a host of items including the amount of wood turned into sawdust during sawing, edging and planing, the volume lost in kiln drying, irregular log shapes and so on.

The object of this exercise is to come up with figures for the lumber and chip volumes on which stumpage will be charged. If the operator feels, over time, that he is obtaining less volume than the Forest Service is billing him for, he will complain about the inaccuracy of the calculations. If he gets more, he might still complain for appearance' sake, but he is unlikely to volunteer the information that the estimates are low.

The problem is that the measurements taken, and the decay and recovery estimates made during the cruise, must all be accurate if the appraisal is to be at all valid. Many of the participants—including several members of the Forest Service—feel there is considerable error throughout the process. For just one example, consider the world of the timber cruiser, which is not the world of executives, bureaucrats, economists or beer commercials. It is near the end of the day; it has been cold, with rain and snow. The truck is parked a kilometer away, and the timber cruiser is wet to his skin and chilled to the marrow. Yet he is still measuring the timber stand, trying to be accurate with 15 per cent, though he feels scarcely 15 per cent alive. He will make errors.

Even if he does not err, the standard methods of processing his findings are likely to be quite inadequate. Once the volume calculations for a stand have been obtained and processed, they are matched with lumber and chip prices provided each month by the mills. These prices are calculated at the point when the products are loaded on railcars for shipment and are averaged over whichever of four Interior pricing zones the timber comes from.

As might be expected, there are many arguments concerning the technical aspects of this stage of the appraisal process. But probably more important is the determination of what constitutes a real selling price. Most Interior lumber is sold in eastern Canada and the United States. Much of it is logged, milled and sold by integrated companies. Many of them own or work through marketing companies which occasionally extend to the retail level.

It is one matter for Joe Littleman's Sawmill of Prince George, B.C., to sell a carload of two-by-fours to the Neighborhood Lumberyard in Wichita, Kansas, for $150 a thousand board feet and to report this sale to the Forest Service. But is is quite a different matter for International Consolidated Enterprises, of the same city, to sell four carloads of similar quality two-by-fours to its subsidiary marketing company, International Consolidated Lumber Brokers, also of Wichita, for $100 a thousand board feet—and report that sale to the Forest Service. If those were the only sales in the zone for that month, the average selling price to be used for stumpage calculations would be $110 per thousand board feet.

The "average efficient operator" concept mentioned earlier is used to determine operating costs. These costs include logging expenses on the coast and logging plus milling costs in the Interior. Because operating costs normally exceed stumpage rates many times over, a small percentage of error in cost calculations results in a large percentage of error in stumpage.

In calculating logging costs, the appraiser's task is to estimate what the costs will be to the average efficient operator to log a particular cutting block. Again, it is not an average cost calculation but the appraiser's estimate of what an average logger, using the most efficient and suitable logging technique, will spend getting out the timber. If the operator can do it at a lower cost, so much the better for him; if not, he is the loser.

The Forest Service obtains its cost information from a number of sources: contractual labour rates; time-motion study data; information supplied by logging companies, and the prices charged by logging contractors working for other timber companies. These contractor prices are considered the most reliable guide: contractors are recognized as the most efficient loggers; there are

few circumstances under which it is beneficial to the company holding the timber rights to pay inflated contract costs, and contract costs reflect capital as well as operating expenses.

As with other facets of the appraisal process, cost determination is subject to a lot of criticism and is a matter of ongoing negotiation and conflict between industry and government. Industry usually considers the Forest Service estimation of the mythical operator's ability to be too high. But critics, including market loggers who bid for their timber, look on the average efficient operator as an unproductive dolt who would soon starve in a free and open timber market.

The allowances for production costs create a curious situation in an industry which, in the final analysis, must compete in the international forest product market. It is in the timber companies' best interests to see these allowances established at the highest possible level. The more evidence they can provide to support higher costs, the lower their stumpage will be. To some degree there is a disincentive to be efficient. Why bother to keep costs down if efficiency would lead to lower cost allowances during the appraisal process, and thus higher stumpage? Yet to boost profits and compete on the selling market, efficient operations are a decided advantage. The trick can be turned by keeping costs as low as possible while attempting to hide these real costs from the Forest Service.

At this point in our study, we enter the strange world of the resource accountants. These great but unrecognized geniuses have created an environment as arcane, as obscure as laws and regulations will allow—and tax laws and resource regulations allow plenty of obscurity. The result is a surreal landscape bestrewn with sinking funds, deferred charges, accelerated depreciation, depletion allowances, reserves, offsets and other figments of the double-entry imagination—all to paint a picture of desperately high costs and desperately low profits, resulting in compassionately low stumpage rates. These resource accountants are artists who make Dali seem a dilettante, for they paint on a canvas as large as the entire forest area of British Columbia. To the extent that they succeed in their endeavours and gain lower stumpage rates, to that same extent all B.C. taxpayers become unwitting patrons of their art. So surreal and obscure is the result that today no one knows what it really costs to cut a tree in British Columbia.

The price of labour is yet another controversial component of logging and milling costs. Many critics argue that the timber companies have no incentive to take a tough stance when negotiating contracts with the forest industry unions because increased labour costs will automatically be passed through the appraisal process, probably with a healthy markup, and end up as reduced stumpage revenue to the public, thus costing the companies nothing. In effect, the argument goes, the public is subsidizing wages in the forest industry. Union and management spokesmen vigorously deny this argument. But in other contexts, the industry is quick to attribute British Columbia's relatively low stumpage rates in large part to the high costs of labour.

The lack of incentive to keep costs down is further reflected in the final stage of the appraisal process, the application of profit and risk allowances. The object of these allowances is to encourage the maintenance and growth of the provincial forest industry by insuring a sufficient return on investment to attract capital. There are several components: the profit margin is set at 10 percent on the coast and 12 percent in the Interior, and there are many risk categories that operate on a sliding scale, depending on economic circumstances at a given time and the financial hazards involved in harvesting and milling timber from particular stands. Although in theory a risk allowance could be as high as 18 percent, it is normally much lower.

An anomaly of the profit and risk factor is that while its objectives are tied up with ensuring investment, it does not relate to the investment involved in a particular operation. Instead, it is expressed as a percentage of operating costs and appraised stumpage. The implications of assessing profit and risk against operating costs and stumpage were not lost upon competitive timber buyers when the appraisal system was first introduced to calculate stumpage rates for Three Farm Licenses in the late 1940s. One of the central arguments against noncompetitive timber sales was that such a system would put the forest industry on a cost-plus operating basis. Inasmuch as this is true, it makes profits a function of operating costs—the higher the cost, the higher the profits.

In reality, the profit and risk allowance ends up as a percentage of selling price. Although this is now common practice in most industries, economists insist that profit should properly be considered in terms of the investment involved in making that profit. Yet in the forest industry, "ultimately, profit and risk allowances hinge on the selling prices of end products, and therein lies the basic weakness of the method, for there is no consistent relationship between sales values of end products and the investment underlying production." But while the deficiencies in the present system are widely recognized, and several alternative methods have been proposed over the years, the system is retained because of its "simplicity."

Once profit and risk allowances and operating costs have been deducted from the selling price, what remains is the appraised stumpage. This is the basic rate applied against noncompetitive timber sales and is the upset price, above which buyers bid in competitive sales. It is not, however, the final stumpage rate. There is a minimum upset rate—3 percent of lumber and chip prices in the Interior and either 6 or 8 per cent of log prices on the coast, depending on the area in which the logging occurs. The rationale for this stipulation is to establish a stumpage price below which the government will not sell timber. Above that price, the government and the operator share the proceeds.

Revisions in a number of appraisal factors are made periodically. Allowances for logging costs are revised annually and milling costs monthly. Stumpage rates are also adjusted monthly in response to changes in selling prices on the basis of the latest three-month averages. In addition, a company with a considerable portion of its timber supply in Old Tenures which carry a very low stumpage rate (such as MacMillan Bloedel, with about half its timber supply so arranged) can simply switch to cutting on these Old Tenure lands when normal stumpage rates are high. Later, it can cut on its regular TFLS in more depressed times, when normal stumpage rates are lower.

Further, Section 88 of the Forest Act allows operators to receive a credit against stumpage for certain tasks performed on public lands which are commonly accepted as being the responsibility of the landowner, that is, the Crown. These include the construction of logging access roads and reforestion or other silvicultural treatments. These expenditures must be approved in advance if credit is to be received and are calculated on the basis of actual costs. In effect, the licence holder is undertaking this work on a cost-plus basis as a contractor to the government, on lands over which he has tenure.

At this point, a quiet word of reminder: all the foregoing, the labour factors, the operating costs, the risk write-offs, the profit allowances, the average efficient operators, the inflated and deflated selling prices and the rest; all the argument, conniving, fiddling, analyzing, conferring, manipulating; all that effort is expended for just one reason—because there is no open competitive bidding for standing Crown timber in British Columbia.

This description of the timber pricing system used in British Columbia is necessarily sketchy. Moreover, the system is subject to constant change. Pearse's 1974 task force report on Crown timber disposals filled almost two hundred pages and, according to many, still failed to explain how the system works. In addition, the technical details of the procedure are constantly being altered in day-to-day negotiations between the government and the timber companies.

The important question, however, is the end result—the revenue collected from the sale of publicly owned resources. When the figures are tallied up at the end of each year, the pros and cons of the pricing system are usually the subject of a hot, though not necessarily informed, debate. Part of the problem during this phase of the debate is that there is no such thing as a typical year in the forest industry. Market demand and prices for forest products fluctuate dramatically, as do stumpage rates, making comparison difficult and risky.

During 1979, the B.C. forest industry produced a record harvest, logging 76,000,000 m^3 (26.8 billion cubic feet) of timber. The value of this timber, before processing, was estimated at $3.2 billion—or almost $42 per m^3 ($120 per cunit). Stumpage payments on this timber were $9.75 per m^3 ($28 per cunit) on Tree Farm Licences and $7.57 per m^3 ($22 per cunit) on Timber Sale Harvesting Licences and Timber Sales. Almost $417 million was collected in stumpage that year, along with an additional $43 million for rentals, royalties, fees and other charges on industry. (See appendices for 1980 data.)

The matter at issue is whether this stumpage revenue collected by the government constitutes the full economic rent. The answer to this question requires, among other things, a realistic appraisal of the market value of timber. Because there is no reliable timber market in British Columbia, comparisons are often made with prices and stumpage rates obtained in Washington and Oregon, where most public timber is sold at public auctions. While great caution must be used, such comparisons are useful because both areas sell in the same international markets and because the forests and terrain are similar, as are logging techniques.

A study published in 1980 by David Haley, a forestry economist from the University of British Columbia, has brought out some rather startling results. According to Haley's calculations, average stumpage for public timber in Washington and Oregon in

1978 was $39.11 per m³ ($112 per cunit) or more than eight and a half times British Columbia's stumpage of $4.58 per m³ ($13 per cunit).

Between 1963 and 1978, stumpage revenues in Washington and Oregon have risen at a real rate of 11 percent a year—over 478 percent—after discounting inflation. Over the same period, they did not rise at all in British Columbia. Indeed, in the vital Vancouver District, they fell by 2 percent in real terms, despite the fact that while in Washington and Oregon the allowable cut increased by only 13 percent during that time, in British Columbia it rose by over 336 percent.

Haley further calculated that in 1977 log prices in Washington, where timber sold on a competitive basis, were more than double the prices in comparable situations in British Columbia—$59.03 per m³ ($169 per cunit) for Douglas-fir, compared to a B.C. price of $28.82 per m³ ($82 per cunit) for Douglas-fir logged in the Quadra PSYU. Although logging costs and profit allowances were slightly lower in British Columbia, the Washington risk allowances were substantially higher. Using the prevailing selling price and operating costs, the B.C. Forest Service appraisal system indicated a stumpage rate of $0.17 per m³ ($1 per cunit), with the upset, or minimal, rate being $2.72 per m³ ($8 per cunit). In the comparable Washington situation, the indicated stumpage rate was $18.96 per m³ ($54 per cunit) and the average stumpage price under competitive bidding of Douglas-fir that year in the National Forest under examination was $59.22 per m³ ($169 per cunit).

The obvious question arises: why does the same species of tree, logged under roughly comparable circumstances at approximately equivalent costs and sold on the same markets, produce almost twenty-two times the revenue for the U.S. Forest Service than for its counterpart in British Columbia? If these comparative figures are applied to the 1979 B.C. harvest of 76,000,000 m³ (26.8 billion cubic feet), the magnitude of the issue is staggering and suggests that B.C. public coffers are being shortchanged by several billion dollars a year.

Naturally, the forest industry has a whole raft of explanations. One of the most legitimate involves the higher quality timber found in Washington and Oregon. Haley made an allowance for such differences in his study, which increased the B.C. appraised stumpage price from $0.17 per m³ ($1 per cunit) to $7.13 per m³ ($20 per cunit), still only 38 percent of the appraised price in Washington.

A further argument accounts for an unmeasurable part of the difference between the appraised price usually charged on timber in British Columbia and the bid price in the United States. During periods of rising demand for timber—as in 1977—buyers at open timber auctions are willing to pay more than the actual value of timber because they are speculating that prices will rise even farther by the time the trees are logged. Evidence of this argument was to be found during 1981 and 1982, when U.S. loggers were clamouring for relief from high stumpage rates during a period of depressed markets. But it is impossible to compute what portion of the $59.22 bid for Douglas-fir in Washington during 1977 could be called speculative. One indication is that even during the worst of the 1982 recession, stumpage rates in the U.S. did not substantially decline.

It is during a period of depressed markets that the issue of comparative stumpage rates becomes particularly contentious. Traditionally, in such a situation, U.S. Pacific Northwest loggers complain bitterly about the low-stumpage B.C. lumber flowing south across the border to compete against their high-stumpage timber. They argue that in effect B.C. forest products are being subsidized, and they usually end up calling for trade restrictions. It was for good reasons that in 1982 the U.S. government trade agency ruled in Portland that these low stumpage rates amount to a subsidy of Canadian lumber and that Canadian lumber therefore deserves a tariff when entering the United States. This would have the U.S. government, rather than the B.C. government, collecting the economic rent on B.C. timber. (Following the Portland ruling, the Pacific Northwest lumbermen called for a 60 per cent tariff on Canadian softwood lumber entering the United States, but their application to the U.S. Commerce Department was tuned down in 1983—much to the relief of the Canadian forest industry.) At such times, the B.C. industry, speaking through the Council of Forest Industries (COFI), goes to great lengths to refute the arguments that B.C. lumber is subsidized.

The COFI report on this issue, published in 1981, is an intriguing document. For the most part it merely explains differences in the appraisal system used in the two jurisdictions. It chief documented argument rests on the higher labour costs found in the B.C. industry. The main thrust of the COFI position appears to be that the entire situation can be traced back to the unreasonable demands of the B.C. forest unions. The report concludes by stating that "U.S. stumpage rates clearly could not be applied in B.C. as the stumpage alone could exceed the end product value. Obviously the numerous differences between these two areas preclude direct comparison. The effects of these differences unfortunately cannot be quantified."

With so many variables at work, no one with any detailed knowledge of timber pricing would try to put a precise dollar figure on revenues lost to the public. However, if Haley's figures are crudely applied, it appears that somewhere between zero and $4.25 billion a year in economic rent is not being collected by the B.C. government. Where, then, does this money go? What happens to the revenues, generated by sales on the international timber markets, but which in British Columbia do not end up as stumpage payments? If U.S. loggers are paying ten times the stumpage that B.C. loggers are paying, what happens to the differences in British Columbia?

The COFI report argues that if stumpage rates in British Columbia were lower than they should be, the difference would be reflected in excessive profits—which, COFI states, is not the case. However, there are many ways of disposing of money within a large timber corporation besides listing it as profit on the annual financial statement. One way, mentioned earlier, is to siphon it out of the province or the country via a marketing subsidiary. This, in fact, has been alleged in cases such as FABCO exporting wood chips at below market prices to its company in Japan and B.C. Forest Products' MacKenzie mill selling its products at below market value to its Japanese company. In the years before it was taken over by the B.C. government, Columbia Cellulose consistently sold its products to its U.S. parent at below market value.

Perhaps an even more significant area worth investigating is the amount of money companies spend on expansion. Part of this involves investment in logging equipment and processing mills. But over the past decade or two, the largest amount of expansion dollars has probably been spent on the acquisition of additional timber rights. These might cost as little as the $25 to $30 per m³ ($71 to $86 per cunit) for quota in a PSYU, referred to earlier in this chapter. Or, as one analyst calculated, the price might go as high as $140 per m³ ($400 per cunit) in the case of the purchase of the Rayonier Tree Farm Licenses by Western Forest Products, or $310 per m³ ($886 per cunit) for the B.C. Forest Products purchase of timberland from Scott Paper and Crown Zellerbach. When it is recognized that over the past couple of decades something like 85 per cent of the province's cutting rights has been acquired by a handful of large companies, and that most of the money received by the vendors of these cutting rights had been taken out of the industry and, quite likely, out of the province and the country, it is easier to understand where at least a portion of the unpaid economic rent has gone. The major companies have not only escaped paying the full rent on a publicly owned resource, but have used the "unearned increment" to increase their control of the industry.

At the working level of the forest industry, the most common explanation for the low stumpage rates paid in British Columbia involves a process of dissipation. The money is simply wasted and is reflected in the cost allowances of the appraisal process or the actual cost allowances which are deducted from stumpage.

The major forest companies are notorious for their inefficiencies. In theory, the "average efficient operator" concept should weed out inefficient operators. In reality, the establishing of cost allowances is a process of perpetual negotiation, with the companies constantly pressing for higher cost allowances and the Forest Service gradually giving way.

It is commonly understood in the industry that a gyppo or contract logger, or a silvicultural contractor, can produce up to twice as much as a company-managed crew at equivalent cost. Given the same equipment on the same ground, independent loggers or contractors can put twice as many logs on the landing in a day as company crews. Independent silvicultural crews can plant twice as many trees per man day and space twice as many hectares. Defenders of the companies might occasionally argue that their own crews do a better job of planting, for example, but since all planting is monitored by the Forest Service and certain standards must be met before the companies are paid for this work, it is rare to hear company spokesmen making this claim in the presence of Forest Service personnel.

To understand how vast amounts of money simply disappear in a corporate logging operation, it is only necessary to appear at a marshalling point at the start of a day's work and count the number of pickup trucks, each containing one "supervisor." Among loggers, MacMillan Bloedel is the most notorious for this sort of thing; it employs a vast army of supervisory personnel, each equipped with a $12,000 vehicle. During 1981 and 1982, MB laid off about five hundred head-office staff, without any noticeable decline in efficiency; of course, the costs of these redundant positions had been factored into the appraisal process for years.

Corporate spokesmen habitually blame union workers for the low levels of productivity in the industry. Curiously, when stumpage rates are being discussed, they boast about the efficiency of the industry. But a subject that is never discussed, expect among those at the working level, is the enormous inefficiencies created by the bureaucracies that have developed within all the major companies. And although it may be true that unionized workers directly employed by a major company are not particularly productive, this does not explain why members of the same union, working for a contractor or an independent logger, work more efficiently. The explanation most frequently encountered in the bush or at the mill is that the big companies have created work situations in which there is no incentive to be productive: the jobs are specialized and boring, and bureaucratic management decisions undermine productivity.

In certain types of work—primarily construction of access roads and silvicutural work—the companies receive credit against stumpage for the actual costs incurred. In theory, the Forest Service carefully monitors these expenditures before approving them; in reality, the Forest Service has neither the staff nor the knoweldge to do so. The situation which has developed under this system is illustrated when a consultant undertakes a specified task, such as laying out an access road. His costs are $150 per man day worked. He charges the major company $300 a day. The company submits a cost of $450 a day for approval by the Forest Service—and, after some negotiation, gets it. Thereafter, the Forest Service routinely accepts a cost of $450 a day for this kind of work. In addition, the company receives a profit and risk allowance on top of the supervisory costs it was allowed to write off against such work.

In one way or another, all of these escalated costs end up coming out of stumpage, either as a credit against stumpage or through the appraisal process. They are yet another indication of the difficulty of calculating the amount of money lost to the public. Haley's analysis may be as close as we can ever get.

There is no simple answer to the basic economic question of who gets what out of the B.C. forests. Undoubtedly some—the major corporations—get more than others. That vague entity known as "the public," the residents of the province—or to be more exact, some of them—have, over the past few decades, reaped enormous benefits through the forest revenues collected by government. The relatively high standard of living, the large public bureaucracies and costly infrastructures that cover the province have for the most part been funded by the forests.

If corporate profits and government revenues, beyond the costs of harvesting, processing and managing a fat and complacent forest industry, are lumped together, it appears that in one admittedly good year, 1979, something in the order of $2.5 billion was siphoned out of the woods. This examination of the appraisal system used to price publicly owned forest resources and the comparisons with industry operating under similar conditions elsewhere indicate that perhaps an equal amount was hidden or dissipated somehwere between the mountainside and the lumberyard.

EXHIBIT 2

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subtitle D of title VII of the Tariff Act of 1930 (19 U.S.C. 1677 et seq.) is amended—

(1) by adding at the end of section 771(5) the following:

"(C) Any resource input subsidy provided for under section 771B."; and

(2) by adding after section 771A the following new section:

SEC. 771B. RESOURCE INPUT SUBSIDIES.

"(a) GENERAL RULE.—A resource input subsidy exists if—

"(1) a product (hereinafter referred to in this section as an 'input product')—

"(A) is provided or sold by a government or a government-regulated or controlled entity within a country (hereinafter referred to in this section as 'exporting country'), for input use within that country, at a domestic price that—

"(i) is lower than the fair market value of the input product; and

"(ii) is not freely available to United States producers for purchase of the input product for export to the United States; and

"(B) would, if sold at the fair market value, constitute a significant portion of the total cost of the manufacture or production of the merchandise in or for which the input product is used; or

"(2) the right to remove or extract a product (hereinafter in this section referral to as the 'removal right') is provided or sold by a government or a government-regulated or controlled entity within a country and—

"(A) that product is for input use within that country;

"(B) the removal right is provided or sold at a domestic price that is lower than the fair market value of that right, and

"(C) the product to which the removal right applies would, if that right was sold at a fair market value, constitute a significant portion of the total cost of the manufacture or production of the merchandise in or for which the product is used.

"(b) AMOUNT OF RESOURCE INPUT SUBSIDIES.—

"(1) IN GENERAL.—The amount of a resource input subsidy is the difference between the domestic price of an input product, or of a removal right, and the fair market value of that product, or right, respectively.

"(2) EXCLUSIONS.—For purposes of this section, the terms 'domestic price' and 'fair market value' do not include, with respect to an input product, the costs incident to the transportation and handling required to move the product from its point of production to the respective domestic or foreign destination.

"(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) FAIR MARKET VALUE.—The term 'fair market value' means—

"(A) with respect to an input product, the price that, in the absence of government regulation or control, a willing buyer would pay a willing seller for that product from the exporting country in an arms-length transaction; and

"(B) with respect to a removal right, the price that, in the absence of government regulation or control, a willing buyer would pay a willing seller in an arms-length transaction for the removal right in the country providing or selling the right.

"(2) SPECIAL RULES FOR INPUT PRODUCTS.—In determining the fair market value of an input product, the administering authority shall take into account—

"(A) the export price of the product;

"(B) the prices at which the product is generally available in world markets;

"(C) the current market clearing price at which the product can be sold competitively by the exporting country in the markets of other countries (including the United States) that are non-State-controlled-economy-country markets; and

"(D) the availability to the exporting country of markets described in paragraph (C).

"(3) SPECIAL RULES FOR REMOVAL RIGHTS.—In determining the fair market value of a removal right, the administering authority shall take into account—

"(A) the price paid in the exporting country for a comparable removal right not subject to government regulation or control;

"(B) the price paid in the exporting country for a comparable removal right sold or offered for sale through a process of competitive bidding; and

"(C) the price paid for a comparable removal right in a comparable region of a country other than the exporting country.

"(4) INPUT USE.—The term 'input use' refers to the use (directly or indirectly) of an input product in the manufacture or production of any class or kind of merchandise that is the subject of an investigation under this title."

SEC. 2. INJURY TEST REQUIRED IN ALL CASES IN WHICH RESOURCE INPUT SUBSIDIES ARE ALLEGED.

Notwithstanding subsection (b) of section 303 of the Tariff Act of 1930 (19 U.S.C. 1303), sections 703(a) and 705(b) of that Act (relating to injury determinations by the United States International Trade Commission) shall apply to any investigation under that section in which the existence of resource input subsidies under section 771B of that Act is alleged.

SEC. 3. EFFECTIVE DATE.

The amendments made by this Act shall apply with respect to investigations initiated by petition or the administering authority under subtitle A of title VII of the Tariff Act of 1930 on or after the date of the enactment of this Act.

EXHIBIT 3

EXECUTIVE SUMMARY

United States and Canadian softwood lumber producers, together, comprise what is known as the North American softwood lumber industry and are the principal participants in the North American lumber market. Softwood lumber production in North America increased 31 percent from 40.7 billion board feet in 1982 to 53.4 billion board feet in 1984 in response to the increased housing starts in both countries. Combined, U.S. and Canadian housing starts rose from 1.2 million starts in 1982 to 1.9 million starts in 1984, or by 59 percent. This dramatic increase is a reversal of the 1979-82 levels of such starts; combined U.S. and Canadian softwood lumber production and housing starts fell 20 percent and 39 percent, respectively, during the 1979-82 period.

From 1978 to 1982, annual U.S. housing starts, the major determinant of consumption of softwood lumber in the United States fell by nearly half. Largely in response to this drop in housing starts, U.S. production, imports, and consumption of softwood lumber each dropped by about one-fourth. U.S. exports of softwood lumber increased over 40 percent from 1978 to 1981, as U.S. producers of softwood lumber expanded off-shore markets during this period of low U.S. housing starts. In 1983 and 1984, however, a reversal occurred in the declining trend in U.S. housing starts, largely re-

flecting improved general economic conditions. During these two years, housing starts were nearly two-thirds higher than in 1982, and U.S. production of softwood lumber rose by nearly one third over the 1982 level; consumption increased over one-third. Imports, mostly from Canada, increased by nearly one-half as the U.S. demand rose. Imports as a share of U.S. consumption increased from 28 percent in 1982 to 29 percent in 1984. By 1984, U.S. exports of softwood lumber were 16 percent below the level of 1981, largely reflecting the increased utilization of U.S. produced softwood lumber in the expanding U.S. housing market.

In accordance with the request from the United States Trade Representative, the significant factors affecting the competitive status of the U.S. and Canadian softwood lumber industries and particularily the significant development affecting the competitive status of the U.S. and Canadian softwood lumber industry since the Commission's report to the Senate Committee on Finance, Investigation No. 332-134, under the Trade Act of 1930, Conditons Relating to the Importation of Softwood Lumber into the United States (USITC publication 1241), April, 1982, are reported below.

1. A COMPARISON OF U.S. AND CANADIAN GOVERNMENT POLICIES AND REGULATIONS

For Government-controlled lands in the United States, management functions are retained by the Government, and volumes of timber are put up for auction on a sale-by-sale basis; purchases compete for each sale. In Canada, cutting rights are leased or licensed under a variety of arrangements to private companies that hold these rights over extended periods.

Both countries assist their respective industries exist in order to improve economic conditions in certain regional locations, and to improve employment opportunities, and promote industrial expansion.

Generally, the realized U.S. tax rate for forestry (logging and sawmilling) is lower than the Canadian tax rate. Overall, U.S. firms benefit from the ability to claim stumpage revenues as capital gains, but Canadian firms benefit from a significantly faster depreciation schedule on plant and equipment.

Although a ban on U.S. log exports would affect the price and supply of stumpage, and to some degree the price of lumber, changes in the U.S. economy and the levels in housing construction would have a greater effect on prices and supplies.

2. A COMPARISON OF U.S. AND CANADIAN FOREST RESOURCES

The productive forest land in the United States is divided among 4 groups—farm and other private ownerships (58 percent); national forests (18 percent); forest industries (14 percent); and other public (10 percent). In Canada 80 percent is under Provincial crown authority and the remainder is under federal crown (12 percent) or private (8 percent).

3. A COMPARISON OF U.S. AND CANADIAN STUMPAGE PRICES AND APPRAISAL METHODS

The appraisal systems used for sales of timber from Government lands in the United States and British Columbia are similar. Both are based on a residual system in which costs of converting the standing timber to final products, plus an allowance for proift and risk, are deducted from a price determined for the final products, resulting in an appraised price (calculated worth) for the standing timber. However, the remaining Provinces set their timber dues (similar to stumpage rates) by regulation.

Standing timber on public land in the United States is usually sold at auction to the highest bidder (normally at a price that is higher than the appraised price), whereas in Canada it is offered under license to private companies, which generally pay the appraised price usually set by the Provinces. As long as they comply with Provincial regulations concerning their licenses, these companies are certain of a steady supply of timber over extended periods of time. The current available supply of timber in most regions of Canada is more than sufficient to meet the productive capacity of the license holders. In the United States, the allowable cut (supply) from Government lands and the offerings from private lands have been held at fairly constant levels in recent years, resulting in intense competitive bidding for sales of both Government and private timber.

Since 1982, the aggregate U.S. stumpage rate has risen approximately $10 to $104.16 per 1,000 board feet in 1984, largely reflecting the increased demand for wood products by the U.S. housing industry. However, the Canadian aggregate stumpage rate rose approximately $1 per 1,000 board feet during this period. The aggregate U.S. delivered log prices followed the stumpage rates, rising nearly $20 from $186.00 in 1982 to $204.99 in 1984 while the Canadian delivered log prices remained virtually unchanged.

3. COMPARSION OF THE UNITED STATES SOFTWOOD LUMBER INDUSTRY, AND FIXED AND VARIABLE COSTS OF PRODUCTION

During 1982-84, the U.S. industry had about five times as many sawmills and planing mills as the Canadian industry and over two and one-half times as many employees. U.S. employees worked about 300 hours more per year than their Canadian counterparts during this period. However, the Canadian employees produced about 100 board feet, per hour, more softwood lumber per hour than U.S. employees. Also, from 1982 to 1984, Canadian softwood lumber production increased by 28 percent, whereas the U.S. production increased 16 percent.

The U.S. softwood lumber industry's total aggregate variable cost to produce softwood lumber—total less residual values—was $8 per 1,000 board foot higher than Canadian costs in 1984. Overall, the United States has a higher total aggregate variable cost and has higher residual unit values.

Variable production costs in coastal British Columbia, and Oregon and Washington, such as material costs and wages, were the highest for all Provinces and States. In 1984, the average variable costs for the two areas were US$297 and US$306 per 1,000 board feet of lumber produced, respectively.

The costs for wood delivered to the mill, the largest variable cost for lumber production, are lower in Canada than in the United States. In 1984 the average delivered wood costs for Canada were US$128 per 1,000 board feet of lumber produced and those for the United States were US$156 per 1,000 board feet.

When neighboring Provinces and States are compared, similar differences in average delivered wood costs to the mill are apparent: US$125 per 1,000 board feet of lumber produced for British Columbia compared with US$184 for Oregon and Washington; US$107 for the interior of British Columbia compared with US$147 for Idaho; and US$132 for Quebec compared with US$108 for Maine.

Wages are the second most important variable cost of production after delivered wood costs. In general, wages averaged US$20 higher per 1,000 board feet of production in the United States than in Canada and accounted for 30 and 27 percent of production costs, respectively, in 1984.

Other variable costs of production such as fuel, work contracted to others, incidental materials, and packaging do not significantly differ between the U.S. and Canadian softwood lumber industries.

Fixed costs appear to be higher in the United States than for Canada. This may be partly due to costs associated with ownership (e.g., timber stand improvement, protection) of timberlands for many U.S. firms.

4. THE MARKET

Since 1982, production of softwood lumber in both the United States and Canada has increased. During 1982-84, U.S. production increased 30 percent, from 25.1 billion board feet to 32.8 billion board feet, and Canadian production increased 32 percent, from 15.5 billion board feet to 20.6 billion board feet. Canadian exports to the United States as a share of Canadian production increased from 58 percent in 1982 to 64 percent in 1984.

Although increases of softwood lumber production varied by region, production in all U.S. regions rose during 1982-84. Production in the Western United States accounted for a greater share of total production in 1984 than in 1982 (up from 55 percent in 1982 to 58 percent in 1984) and continued to be the leading softwood lumber producing region in the United States. The South's share fell from 41 percent in 1982 to 38 percent in 1984.

Canadian softwood lumber production rose in all regions during 1982-84, with the exception of coastal British Columbia; however, the interior region of British Columbia increased production by nearly one-third. During 1982-84, the western Provinces slipped from 71 percent of production to 70 percent. Production in all Canadian Provinces rose during 1982-84.

The U.S. supply situation is complicated by the variety of timberland ownership, which differs significantly by region. In the North and South, private ownership dominates. In the West, two segments of the sawmilling industry emerge: Those producers dependent on others, especially the Government, for timber, and those producers with significant holdings of their own. In Canada, with a few exceptions, the sawmilling industry is entirely dependent on public timber.

During 1982-84, the exchange rate of the U.S. dollar appreciated in real terms by 11.5 percent vis-a-vis the Canadian dollar, continuing a strengthening of the U.S. dollar which has occurred since at least 1977. [NOTE: The ITC staff indicates that the 11.5% figure is incorrect and should instead be 1.2%] This has given the Canadian producers a price advantage in selling lumber in the U.S. market.

5. A COMPARISON OF U.S AND CANADIAN MARKETING PRACTICES

The U.S. and Canadian industries follow virtually the same marketing practices. Competition for sales of similar lumber species, sizes, and grades is almost entirely by price. Lumber prices for all major species grades and sizes have increased, by between 10 and 20 percent, in response to increased demand, although the price increases may

have been mitigated because of increases in supply.

In 1984, Douglas fir 2x4's (f.o.b. mill) sold at US $182 per 1,000 board feet (U.S. lumber) and $159 per 1,000 board feet (Canadian). Southern pine 2x4's sold at $230 per 1,000 board feet compared to spruce-pine-fir 2x4's (from the British Columbia interior) that sole at $154 per 1,000 board feet (f.o.b. mill).

Canadian imports are shipped predominantly into the Souther United States and compete strongly with local production and shipments from producers in the South. Eastern Canadian producers ship into the northern U.S. and sell at similar prices to U.S. producers in the same market.

Shipments from British Columbia to the Northeastern and North Central States have declined in recent years. These have been replaced mostly be shipments from Eastern Canada. It is likely that these shipments will continue to compete strongly with Western and local U.S. supplies as well as with shipments from British Columbia, owing to shorter transport distances and lower production costs.

Since 1977, shipments by producers in the Western United States into the Southern, Northeastern, and North Central States have gradually decreased. This is due to several factors, including high transportation costs, competition from Canadian and Southern U.S. shipments to these States, and growing markets in the Southwestern United States.

6. U.S. AND CANADIAN TRANSPORTATION COSTS

All Canadian lumber shippers to markets in the Eastern United States generally have lower costs for rail transport than Western U.S. lumber shippers. Rail shipments are the preferred method of shipment over long distances. Although recent changes in U.S. regulations concerning freight charges have led to more competitive rates in the United States, Canadian shippers still have lower in-country freight charges.

Waterborne shipments of lumber from the U.S. west coast to the U.S. Atlantic coast are nonexistent, except in the rare case of the lumber first being shipped into Canada and then being shipped to the U.S. East coast. The required use of U.S. ships in intracoastal trade under the provisions of the Merchant Marine Act of 1920 have reduced waterborne shipments, and significant shipments of softwood lumber from British Columbia are now virtually the only shipments by water to the U.S. Atlantic coast.

RECOGNITION OF SENATOR LEAHY

The PRESIDING OFFICER. Under the previous order, the Senator from Vermont [Mr. LEAHY] is recognized for not to exceed 15 minutes.

CONGRESSIONAL CALL TO CONSCIENCE

Mr. LEAHY. Mr. President, I want to thank Senator BOSCHWITZ once again for all his work in organizing the Congressional Call to Conscience. Today I rise to support another Soviet Jew trying to live his chosen life.

This case is one in which I have a personal stake. It involves another Vermonter.

Dr. Jan Feldman, a professor of political science at the University of Vermont, recently learned that her husband, Aleksandr Rozman, a Soviet citizen, had been denied permission to emigrate to the United States.

Mr. President, we are all familiar with the hardships that beset Soviet citizens trying to join their spouses in the West. The story that follows is as familiar as it is tragic.

On June 19, 1985, Aleksandr Rozman and Jan Feldman were married in Leningrad in accordance with Soviet laws. Their ceremony was performed by officials of the Soviet Office of Marriages.

After learning that his wife was pregnant, Mr. Rozman applied to emigrate from the Soviet Union and join here in Vermont.

Two weeks ago, his request to leave was denied on grounds that it was "not in the interests of the Soviet State." Thus, a young man and his wife have been denied permission to live together because some unspecified—and, I suspect, nonexistent—state interest is deemed to be at stake.

Immediately after hearing of the Soviets' decision to refuse her husband a visa, Dr. Feldman suffered a miscarriage.

The Soviet Government's insensitivity to the needless pain that it causes creates international tensions. It heightens public skepticism about the sincerity of Soviet aspirations for improved relations.

Cases like this involve American citizens and are the legitimate concern of the U.S. Government. This is not a political issue—it is a human issue: It requires resolution on that basis. Mr. Rozman, and others like him, should not be treated as political pawns.

There are 25 families similarly divided. I ask today that the Soviet Union end this sad situation and show respect for the family: the basis of civilized society. The Soviets will find the interests of their State furthered by acts of simple humanity.

Mr. President, every long journey starts with a small step. If we are to negotiate with the Soviet Union on global issues like nuclear arms control, and cannot negotiate the simple reunion of a handful of families, I fear the worst.

I plead with the Soviets to reunite Aleksandr Rozman and his wife and allow them to live their life together without interference or coercion—in the name of compassion and human decency, which serve the interest of us all.

I cannot think of anything in my own life that could even begin to approach the distress I would feel in being separated from my own family and to know that it was a separation over which I had no control.

Mr. President, I am reminded of another instance. I recall, during my first few months as a Member of the United States Senate, visiting the Soviet Union with our good friend and late colleague Hubert Humphrey.

Prior to leaving, I was visiting with some friends in New York, and I met, for the first time, Avital Shcharansky. I recall her telling me the story of her separation from her husband after their marriage and how Anatoly Shcharansky was being denied permission to leave the Soviet Union.

She had been able to correspond with him and even to telephone him on occasion, but she knew that her letters were censored; they were opened and reviewed. Their telephone calls were being monitored—in fact, in a way to make sure she and Mr. Shcharansky realized it.

I asked her if she had letters she wanted brought to him. I asked her to give them to me. She handed them to me unsealed. I said: "No, please seal the letters, so when your husband receives them, he will know that nobody but the two of you will have seen the letters, and I will deliver them to him personally in Moscow."

I put the letters in my pocket and brought them to Moscow.

As with any delegation of that nature, we were not required to go through customs. I carried the letters to a meeting attended by Senator Ribicoff—a former colleague of the Presiding Officer [Mr. WEICKER]—Senator Humphrey, Senator Javits, and myself. I gave Mr. Shcharansky those letters.

In doing that, I recall thinking how unjust a system is that allows only this kind of private contact between a husband and a wife, only because of the happenstance of somebody going to the Soviet Union to bring an unopened and uncensored letter.

We all know how tragic that case has been since then, with the wholly unjustifiable imprisonment of Mr. Shcharansky and his continued separation from his wife.

I mention this today only because it shows a pattern—a pattern that I hope will be broken for Dr. Feldman and her husband.

I cry out, really, not as a Senator or as a Vermonter but as a human being. I ask the Soviet Union what they can possibly gain by this. What can they possibly gain by causing misery, which accomplishes nothing for them, but is so terrible and so devastating to a family? I ask them to reconsider.

Mr. President, I yield back the remainder of my time.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin [Mr. PROXMIRE] is recognized for not to exceed 15 minutes.

THE MOST LIKELY SOURCE OF NUCLEAR WAR

Mr. PROXMIRE. Mr. President, every informed person in this country knows that a nuclear war would be a total, unmitigated disaster. The United States and the Soviet Union both, at this moment, have the power to destroy the other utterly if only a tiny fraction of their massive nuclear arsenal hits the major cities in the adversary country.

Recently, the National Academy of Sciences, our most prestigious scientific body, concluded that the results of nuclear war would be far, far worse than had previously been estimated. This was only in the last week or two. They concluded that if only 1 percent of the Soviet nuclear arsenal should reach American targets, we would lose between 36 million and 56 million Americans immediately killed. Much of the rest of the American population would perish from the ravaging aftereffects of the attack and America would lie in smoldering ruins. In the view of this Senator, such a catastrophe, fortunately is extremely unlikely.

But there is another possibility fraught with immense danger that is far more likely. What nuclear catastrophe is more likely to happen? Sometime in the next 10 or 20 years a devastating nuclear war could begin without any action by either the Soviet Union or the United States. The consequences could easily be as devastating before such a nuclear war ended as a nuclear exchange between the two superpowers. Why is this such a threat? It is a threat because of the growing potential prospect of the wholesale spread of nuclear weapons. On Wednesday of this week, the Foreign Relations Committee held hearings on the new nuclear agreement between the United States and the People's Republic of China. That agreement represents an astonishing weakening in the safeguards our country has always insisted on before in previous agreements respecting the sale of nuclear know-how and technology to other countries.

Consider these four major changes in the latest nuclear sales agreement:

First, nowhere in the agreement with the People's Republic of China does the People's Republic of China make a clear, unambiguous pledge that they will not in turn sell this nuclear capability to other nations. What a precedent. In previous agreements we had that kind of a pledge. Not this time. This change in policy, this dangerous new precedent is certain to advance the spread of nuclear weapons. Just ask yourself how can the United States now tell any other nation that they must promise not to proliferate when we have not required such a commitment from the world's biggest Communist country?

Second, the agreement this country has just signed with the People's Republic of China has no safeguards. In the past agreements we have insisted on a system of thorough accounting and monitoring of our nuclear exports. Where is it in this agreement? Nowhere.

Third, this new agreement with the People's Republic of China lets China escape from any proliferation laws this country may pass in the future. And, mark my words, Mr. President, as nuclear weapons spread to other countries, and we can expect they will in the next 15 or 20 years, we will pass laws to try to stop the spread. But this agreement with the People's Republic of China will exempt the People's Republic of China and because of the precedent make it very difficult for the United States not to exempt other nations.

Fourth, the so-called Non-Proliferation Act requires that an agreement for the sale of our nuclear materials or technology have a clear and unambiguous guarantee that the United States has a right to veto another country's right to reprocess American spent fuel into weapons grade plutonium. Does the People's Republic of China agreement have this absolute guarantee for the United States? No. It does not. I repeat, Mr. President, this agreement does not give the United States this right to stop reprocessing our own spent fuel into vital nuclear weapons material. Oh, sure, the agreement does say that both sides will negotiate on this U.S. veto sometime in the future. But, meanwhile the Chinese are sitting there with warehouses full of weapons grade plutonium from materials furnished by the United States, completely within their control.

Mr. President, there is another even more dangerous and threatening development that will immensely speed up the spread of nuclear weapons. It is the United States stubborn refusal to agree to a mutual, verifiable, comprehensive end to nuclear arms testing. What has that to do with the spread of nuclear weapons? Everything!

Right now, as we meet here, this country is engaged in developing a new, infinitely more destructive weapon, the so-called antimatter bomb. It will take a few years and many tests. But when that weapon is perfected it will be small. It will be cheap. And it will have more than a hundred times more destructive power per pound than any nuclear weapon now in existence.

So far in the 40-year-old nuclear weapons age, there has been very little proliferation. Why? Because nuclear weapons, a genuine nuclear arsenal, costs far too much for all but a few major countries. Will that be true when this country, and when the Soviet Union, have perfected the antimatter bomb? No way. The history of these nuclear weapons breakthroughs is that they remain the property of the scientific pioneer country that first develops the weapon for a matter of a few months, a few years at the most.

Mr. President with the simultaneous erosion of nuclear nonproliferation restraints evident in the agreement with the People's Republic of China and the onrushing surge of a new cheaper technology coming on like gangbusters in our weapons testing laboratories, the likelihood of widespread nuclear proliferation represents the greatest danger to human survival in this nuclear weapons age.

Mr. President, I ask unanimous consent that a statement this Senator delivered to the Senate Foreign Relations Committee on the dangers involved in the agreement reached by the administration and the People's Republic of China be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WILLIAM PROXMIRE BEFORE THE COMMITTEE ON FOREIGN RELATIONS ON THE UNITED STATES-PRC NUCLEAR COOPERATION AGREEMENT

Mr. Chairman, I deeply appreciate having the opportunity to address the Committee on what I feel will probably be the most important nuclear cooperation agreement the United States will sign in this decade.

I would like to commend the Chairman and the other members of the Committee for holding these two very important hearings. I think you will agree with me that this agreement not only has tremendous implications for future economic relations between the United States and the People's Republic of China.

The agreement also has tremendous implications for U.S. nonproliferation policy and U.S. national security.

In the judgment of this Senator, nothing but nothing is nearly as important as stopping nuclear proliferation. The prospect of a planned premeditated nuclear attack by either superpower is fortunately very slight. But if nuclear weapons spread throughout the world, a nuclear war becomes a probability.

Earlier this year, Congress passed and the President signed into law provisions that restored some of Congress' oversight authority over nuclear cooperation agreements, which had been invalidated as a result of the Supreme Court's 1983 Chadha decision.

This renewed congressional oversight comes at a particularly important time, because before us is what I think we all agree a very controversial nuclear cooperation agreement, whose language in many instances is very unorthodox or ambiguous.

In other words, if ever there were a nuclear cooperation agreement that cried out for a close review by the Congress, it is the U.S.-PRC agreement.

Now let me say at the outset, Mr. Chairman, that I favor closer economic ties with the PRC.

I agree with those who say that we should have a healthy trade relationship with the PRC. I think it serves the interest of both nations.

Clearly, the United States stands to benefit from energy technology transfers to the PRC in terms of expanded trade opportunities, improved diplomatic relations, and increased energy supplies on the world market.

But in considering these opportunities, we should not forget the fact that shipping sophisticated nuclear equipment technology, and materials to the PRC—or any country, for that matter—has its risks.

If the PRC misuses our nuclear trade or uses it in a way that undercuts our nonproliferation goals in other parts of the world, the United States might well end up with a national security nightmare on its hands.

Furthermore, in considering the opportunites for friendlier relations with the PRC, we should not forget the fact that the nonproliferation headaches we have had in the past with nuclear trade have been primarily with our friends.

We should not forget the fact that nuclear trade has often ended up being a source of friction and discord in our relations with individual countries. I think India is a perfect example of this fact.

For that reason, in launching nuclear trade with the PRC—or any other nation—we should consider two fundamental questions:

First, what kind of nuclear trading partners will we be dealing with?

And second, does the nuclear cooperation agreement we sign with this new trading partner have the ironclad provisions that are necessary to ensure that what we export will not be misused and to ensure that there will be no misunderstanding or disagreements down the road over how the accord will be implemented?

As for the first question, it appears that we may be taking a leap into the unknown with respect to how responsible a trading partner the PRC will be.

I recently asked the Library of Congress and CRS to prepare two reports for me. One was on the PRC's attitude toward treaties. And the other was on its record of compliance with the agreements it has entered into with the United States.

I would ask that the two reports be placed in the record.

Their findings, Mr. Chairman, leave me worried. The first report by the Library of Congress's Far Eastern Law Division—on the PRC's attitude toward treaties—states that while the PRC has recently concluded that international laws and treaties are vital to its national interest and while the PRC presently attaches great importance to abiding by international laws and treaties, there are still two major reasons why we might doubt the PRC's reliability to live up to its treaty obligations.

The first reason is that "the contemporary Chinese understanding of legality is limited," according to the Library of Congress report.

In other words, even though the PRC may now attach great importance to abiding by treaties, it's still not clear whether the PRC has a full understanding of the binding nature of treaties and will follow them as we would like them to be followed.

The second reason we might doubt the PRC's reliability to live up to treaty obligations is that its political history has been stormy, and with each change in leadership there has been a change in the PRC's attitude toward laws.

Presently, under Deng Xiaoping's leadership, the PRC may consider it in its national interest to live up to its treaty obligations. But whether or not this policy "will survive after Deng is gone remains unknown," according to the report.

The second report by CRS—on the PRC's compliance record—raises even more disturbing questions. That report states that of the 15 agreements the PRC has signed with the U.S., "China apparently has violated the terms of two accords, the grains agreement and the cultural relations agreement." And "its adherence to an aviation agreement is seen as less than complete," according to CRS.

Incidentally, the PRC's violation of the grains agreement with the U.S. probably cost U.S. farmers about $600 million in lost sales.

If the PRC's attitude toward treaties raises a lot of questions, its attitude toward nonproliferation raises even more.

Even though the PRC has changed its nonproliferation policy for the better in recent years, even though it has joined the International Atomic Energy Agency and has recently announced that it would open some of its facilities to IAEA inspection, the PRC's commitment to preventing the spread of nuclear weapons can hardly be classified as enduring.

On the contrary, serious questions remain as to whether the PRC's current commitment to nonproliferation is anything more than a commitment of convenience—a commitment that could just as easily be reversed in the future.

The PRC's past attitude toward nonproliferation has been cavalier, to put it charitably.

In 1963, for example, a PRC government spokesman stated that "it helps peace" if nuclear weapons "are in the hands of socialist countries."

In 1965, the Beijing Review stated that "China hopes that Afro-Asian countries will be able to make atom bombs themselves."

In 1966, then Premier Chou En-lai stated that "nuclear weapons cannot be monopolized."

In 1978, Foreign Minister Hua Huang stated that non-nuclear countries should not be pressured "to abandon their right of possessing nuclear strength for self-defense."

These are shocking statements, Mr. Chairman. And they should not be ignored as we evaluate the PRC's present stand on nonproliferation.

Furthermore, they should not be ignored in light of persistent press report that the PRC has aided Pakistan in nuclear weapons development, and that the PRC has made questionable or unsafeguarded nuclear exports to other nations, such as Argentina and South Africa.

Considering all the dangers associated with nuclear exports and considering all the uncertainties about what kind of nuclear trading partner the PRC will be, it is critically important that the nuclear cooperation agreement we sign with the PRC is airtight.

It is also critically important that the U.S.-PRC agreement strictly conform not only with the letter of the 1978 Nonproliferation Act but also with the spirit of that law.

However, the U.S.-PRC Agreement, as it now stands, has four major flaws:

1. Nowhere in the agreement does the PRC make a clear and unambiguous pledge to nonproliferation. In other agreements we've had such a pledge, but not with the PRC.

This is a troubling omission, Mr. Chairman, considering that country's past nonproliferation record is so suspicious.

In the PRC's case, the nonproliferation pledge should be plainly written in the agreement. It should not be a collection of dinner toasts, speeches, or secret unilateral understandings.

Think of it for a moment, Mr. Chairman. The PRC is the world's second leading communist power, which was once our bitter enemy and which refuses to sign the 1970 Nonproliferation Treaty. And here we have an agreement where there's barely a hint at any commitment to nonproliferation.

Why should other countries that now sign agreements with us make any nonproliferation pledge, when they see what the PRC has gotten away with?

2. The PRC agreement has verification problems. The Nonproliferation Act requires that any cooperation agreement we sign with a nuclear weapons state like the PRC must have safeguards. These safeguards usually involve a thorough accounting and monitoring systems for our nuclear exports.

Does the PRC agreement provide for safeguards? No. It does not, Mr. Chairman.

The agreement only calls for negotiations for some vague visitation rights down the road. If the President negotiated such a vague verification provision in an arms control agreement with the Soviets, Mr. Chairman, it would be laughed right out of the Senate.

Incidentally, it appears that our nuclear trade with Great Britain and France is governed by much tighter verification under the Euratom safeguards than what we will impose on the PRC.

3. The PRC agreement contains a provision that seems to say that the PRC can ignore any future U.S. nonproliferation laws that might restrict our nuclear exports.

In past nuclear agreements, there have been provisions that the agreements must comply with U.S. laws. But the PRC agreement appears to state that if down the road, the U.S. passes another version of the 1978 Nonproliferation Act—say, in response to some new nonproliferation threat like the India nuclear explosion was in 1974—PRC officials could say the new law doesn't apply to their country under this agreement.

I'm not the only one who has raised this concern, Mr. Chairman. The Nuclear Regulatory Commission, in an unclassified response to questions I raised about the agreement, states that it is also concerned that "this new provision could be read as reducing the flexibility of the U.S., including that of Congress, in enacting and implementing future legislation affecting U.S./PRC nuclear relations."

The larger problem, however, will be the effect this escape clause in the U.S.-PRC agreement has on our dealings with other countries. Will they demand this same escape clause in the nuclear cooperation agreements they negotiate or renegotiate with us?

Are we going to eventually end up with a situation where if Congress passes another Nonproliferation Act to tighten export controls, all our nuclear trading partners will feel free to ignore the Act?

I would ask, Mr. Chairman, that the letter I received from the NRC be included in the record. That letter, as the Committee will see, reveals that the NRC has serious concerns whether certain provisions in the agreement will lead to what the Commission

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calls "future misunderstandings" between the U.S. and the PRC.

4. The fourth flaw in the agreement is its most serious flaw, Mr. Chairman. The Nonproliferation Act requires that a cooperation agreement have a clear and unambiguous guarantee that the United States has veto rights over another country reprocessing our spent fuel to extract its bomb-usable plutonium.

Does the PRC agreement have this clear-cut guarantee? No, it does not, Mr. Chairman.

In effect, the State Department has punted on this question. All the agreement says is that both sides will negotiate the veto rights down the road, after the PRC has warehouses full of our spent fuel piled up and ready to reprocess.

When that time comes, the agreement is worded in such a way that it would be very difficult for us to veto any plans by the PRC to extract the bomb-usable plutonium from our spent fuel.

As I've said, Mr. Chairman, there are benefits from expanded trade with the PRC.

But there are serious risks involved with nuclear trade, and this agreement does not appear to lessen those risks.

Its loose langauge sets us up for negotiating headaches and nonproliferation nightmares in the future—particularly with the reprocessing provision.

Its ambiguous verification provision will make it difficult for us to ensure that the PRC complies with the agreement.

And finally, the agreement sets a dangerous precedent for our nuclear policy with our other trading partners. What will happen when our other allies—the ones who've always been our friends—come to us and ask for the same concessions we've granted the PRC?

Are we going to tell them, no. We can only allow the PRC to have these lax provisions? Are we going to say that the PRC will be held to a lower nonproliferation standard than our other nuclear trading partners?

Of course not.

For these reasons, Mr. Chairman, I strongly urge that the Committee call on the President to resubmit this agreement with a waiver.

I also believe that the secret understanding the Administration has reached with the PRC should be made public.

This secret understanding reportedly is the PRC's commitment to nonproliferation. If that commitment is worth anything, it should be made public by the PRC.

And finally, Mr. Chairman, I do not believe this agreement should go into effect unless we have further ironclad assurances that any nuclear exports we might make to the PRC in the future won't create nonproliferation nightmares.

If that means going back to the PRC to renegotiate the agreement, or reaching further amendments or public understanding between both countries, so be it.

This agreement is much too important, its implications for future generations are much too critical, to leave all these loose ends, Mr. Chairman.

Thank you.

MYTH OF THE DAY

Mr. PROXMIRE. Mr. President, it is clear that this administration has as one of its most basic tenets the philosophy that sales of military equipment abroad are critical to the support and nurturing of U.S. foreign policy goals. That is a myth of delusion. But how else does one explain the fact that the United States has delivered $31 billion worth of arms to the Third World alone during the year period 1981–84? During that time the United States accounted for between 21 and 31 percent of all arms deliveries worldwide to the Third World.

And for what purposes are U.S. weapons put? In some cases they are used for internal supression of the resident populations. It is not an uncommon sight to see United States made tanks patroling the streets of military dictatorships as in Chile or United States equipment used in a coup attempt such as recently occurred in Thailand.

U.S. military sales are also used for local wars. Pakistan and India fought using United States hardware on both sides. That is right—U.S. weapons killed people on both sides. The United States arms Israel, Saudi Arabia, and Jordan in the powder-keg Middle East. In an ultimate irony, United States military aircraft are now being used by Iran against Iraq—after being compromised to the Russians, of course, at great cost to our national security as well as to the taxpayers purse.

Do these U.S. arms sales ever bring peace and stability? Seldom. For every example of U.S. sales bringing stability, there are several examples of U.S. arms bringing war, a terrible threat of war, and always an economic drain.

Arms sales do not promote U.S. interests or respect for America abroad. It is a myth that they do.

THE HOLOCAUST, IN COURT

Mr. PROXMIRE. Mr. President, as astounding as it may seem, there are still people who insist that the Holocaust never happened. A California court, however, has rejected this twisting of history and reaffirmed that the Holocaust did, in fact, occur.

The circumstances surrounding the case are quite interesting. The Institute for Historical Review, a group that denies that the Holocaust happened, offered $50,000 to anyone who could offer proof that Jews were gassed at Auschwitz.

Mel Mermelstein, a 58-year-old survivor of Auschwitz, submitted proof in the form of declarations by other survivors who witnessed friends and relatives being taken away to their deaths by the Nazis. His personal declaration described how he watched his own mother and sister being led away to the chambers. The institute, however, refused to accept his evidence and continued to say that the Holocaust never happened.

When the organization refused to pay Mr. Mermelstein the $50,000 reward it had promised in its offer, Mermelstein sued the institute. This suit was filed in February of 1981 and a settlement was not reached until late July of this year.

Judge Robert Wenko of the California Superior Court approved the settlement that calls for the Institute for Historical Review to pay Mr. Mermelstein a minimum of $90,000. This includes the $50,000 originally pledged in the offer and an additional $100,000 for the pain and suffering caused by the reward offer, which will be reduced to $40,000 if the payment is made immediately. Mr. Mermelstein plans to donate the $90,000 to the Auschwitz Study Foundation.

The institute agreed to the settlement on July 22, 2 weeks before the trial was set to begin. Under the terms of the agreement, the institute, in addition to paying the $90,000, must issue a formal written apology to Mr. Mermelstein and all Auschwitz survivors for the pain it caused them by contending that the Holocaust was a myth. The institute must also acknowledge a pretrial finding that the fact that Jews were gassed at Auschwitz is indisputable.

Mr. Mermelstein's lawyer, Gloria Allred, said:

> Mr. Mermelstein's victory in this case will now send a clear message to all those throughout the world who attempt to distort history and inflict misery and suffering on Jews, that the survivors of the Holocaust will fight back through the legal system to protect themselves and vindicate the truth about their lives.

She added:

> The record we have made in this lawsuit will be sent throughout the world and remain a written memorial to the 6 million Jews murdered by the Nazis.

Despite the settlement, the institute continues to maintain publicly the outrageous belief that the Holocaust never happened. The institute's director, Tom Marcellus said:

> It's the best outcome we could have had. We did not have to compromise any of our positions. All we're doing is apologizing to Auschwitz survivors for the pain which may have been associated with our reward offer.

Mr. President, this refusal to accept the occurrence of the Holocaust is both inane and tragic. The presence of an international tribunal enforcing punishment against perpetrators of genocide, as called for in the Genocide Convention, would eliminate the need to prove the existence of the Holocaust in a civil court.

Mr. President, the world must act in a united effort to carry out justice against those committing genocide. The United States is the only major nation in the world that has not ratified the Genocide Convention, a fact which hampers the effectiveness of the international community in upholding the provisions of this basic human rights treaty.

Mr. President, I ask unanimous consent that the New York Times editori-

al of July 29, "The Holocaust, Proved," commenting on the Mermelstein case, be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE HOLOCAUST PROVED

In America, courts are asked to settle questions about almost everything, even history, and now a Los Angeles case has in effect determined that yes, the Holocaust did take place. For anyone to deny it is a transcendent obscenity of our time, yet that's just the position of an organization called the Institute for Historical Review. It offered a $50,000 reward to anyone who could prove that the Nazis gassed Jews, but then had to be sued by an Auschwitz survivor who did so.

In settling the suit, the institute has finally agreed to pay, but not to accept. Its director, Tom Marcellus, says, "We did not have to compromise any of our positions." He still cannot see "any kind of evidence" that Jews were gassed at Auschwitz.

Coming to grips with the extermination of millions has taken not just years but generations. It has not been enough to expose those who ran the death camps as aberrant monsters. They were monsters, surely, but over time society has found it easier to acknowledge that they were human monsters. What made them so may thus be latent in all of us. To keep the reverberating pledge, Never Again!, mankind needs to understand.

To understand, mankind must confront, unblinking, the fullness of the Holocaust, like the face-draining sadism of Sophie's Choice: Which of her children would she pick to live? Millions were forced into choices like that and to deny that crackles with the horror of the Holocaust itself.

Why are people like Mr. Marcellus and his colleagues so determined to deny? The world does not lack for bones and ashes, files and witnesses. Even after 40 years, the night does not lack for silent screams. Beyond that, the years have also brought other kinds of testimony.

In the "Hers" column in The Times last week, Rabbi Susan Schnur told of once staying at a friend's house. In the middle of the night, the father "came padding down into the room. Oblivious of me, he went into the kitchen, cut himself a slab of rye bread" and then stood with it in the dining room. "Chleb, he said finally, thrusting the bread into the air. 'Broit'—he held the bread against his pajama pocket. 'Pane'—he shook it. 'Lechem'—kissed it. 'Bread'—took a bite.

"This he did over and over, saying the word in more languages than I could imagine existed . . . Then he burped roomily and went back up the stairs to bed . . . He seemed sometimes, on an ordinary morning, almost stunned by the fierceness of his happiness. He was, it seems now, exhausted by his blessings; in a sense, afraid of them. He was a Holocaust survivor," she wrote. "The contrast woke him in the night."

It's not hard to imagine how Mr. Marcellus might respond: "That's not even a horror story, just a sentimental anecdote. Doesn't prove a thing." True, it's not a story of horror. It's something far more moving: a story of gratitude, a gratitude so profound that it wakes a man in the middle of the night to embrace a piece of bread. And in that gratitude, Mr. Marcellus—had you the eyes to see it—you would find your proof. Living proof.

CLOTURE VOTES SCHEDULED FOR 1 P.M.

The PRESIDING OFFICER. The time to lay down the cloture motion has arrived.

Mr. DOLE. Mr. President, I ask unanimous consent—and I would say, at the outset, I have cleared this with the distinguished minority leader—that any action on the two cloture motions at the desk be postponed until 1 p.m.

The PRESIDING OFFICER. Is there objection? Hearing none, it is so ordered.

Mr. DOLE. And also that the live quorum under rule XXII be vitiated.

The PRESIDING OFFICER. Is there objection? Hearing none, it is so ordered.

Mr. DOLE. Mr. President, are there other special orders?

The PRESIDING OFFICER (Mr. WALLOP). There are no other special orders.

ROUTINE MORNING BUSINESS

Mr. DOLE. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business not to extend beyond 10:45 a.m., with statements limited therein to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. DOLE. Mr. President, I hope at this time the Senator from New Jersey, Senator BRADLEY, will be prepared to take up his first amendment. I think he has two.

I believe the order is Senator BRADLEY, then Senator GLENN, Senator LEAHY, Senator BOREN, Senator BRADLEY, Senator MOYNIHAN, and then Senator ZORINSKY.

I understand that Senator DOMENICI and Senator CHILES have been working since late last night and they have resolved a number of the issues in the proposed Domenici changes. Hopefully, that can also be disposed of today.

I understand that the distinguished Senator from Montana, Senator MELCHER, would like to reserve the right to offer an amendment.

I would indicate that I might want to offer an amendment which would prohibit the Treasury from using the Federal Financing Bank to, in effect, increase the debt ceiling. In my view, they have an alternative way to deal with it. They ask for an increase.

It is also my understanding that when Paul Volcker was an Under Secretary of the Treasury, he testified before the House Ways and Means Committee in 1973 with reference to the FFB borrowing authority and that it would not be used to exceed the debt ceiling. At that time, the Treasury was willing to clarify that understanding in the FFB statute.

The law was not changed. I think this is an opportunity to take it away. The Federal Financing Bank is used by a number of other agencies. We do not believe Treasury needs it. We believe what Treasury needs is a little stiffening, but they cry "Uncle" at the first thought of any hard decisions.

It is my view that we have effectively undermined the efforts we have been working on in the Senate for the past several days.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

A NEW APPROACH TO GLOBAL ECONOMIC RELATIONS

Mr. DOLE. Mr. President, I recently had the opportunity to read a speech delivered by former Trade Ambassador Bob Strauss to the Economic Club of New York on September 18. I regard Bob Strauss as one of the most astute and balanced observers of international economic and trade issues, and his remarks on this occasion encapsulate the complexities and themes in a concise and coherent manner. I ask unanimous consent that the text of Ambassador Strauss' address be reprinted at the end of my remarks.

EMPHASIS ON POSITIVE ACTIONS

In his speech, Ambassador Strauss avoids another weary repetition of all the problems facing U.S. efforts to restore a healthy environment for world economic recovery and growth and liberalized conditions for international trade. Instead, he mentions some of the actions which the United States and its global economic partners can undertake which promise to move things in a positive direction.

Among these constructive steps, he lists administration statements on the need for structured intervention in foreign currency markets, exploration of possible reforms in the international monetary system, the pursuit of an aggressive legislative trade package by the administration, and initiation of a new round of multi-lateral trade negotiations. I would note that, in the very few weeks since the Ambassador's remarks, there has been significant progress in nearly all these areas. And we hope to have a trade initiative shortly in the Senate that, together with the administration and House plans, can be fashioned into a bipartisan trade policy for dealing with our commercial partners and competitors.

THE NEED TO ADAPT TO GLOBAL CHANGE

Ambassador Strauss also points out the fact that, in the 40 years since the Second World War, the United States has failed to adapt its trade and economic policies to rapidly changing conditions in the world at large. As he indicates, the United States has nurtured a self-image of being the arbiter of most of the world's international affairs—a notion that is now obsolete and fails to recognize our changing role in the world economy.

The solution proposed involves sacrifice on the part of the major Western economic partners—the United States, the European Community, Japan, and Canada. The United States must put its domestic economy in order rather than seeking to simply externalize its problems through trade protectionism. Japan must act to broaden out its industrial procurement practices and relax its defensive deployment of nontariff trade barriers. And Europe must recognize the destabilizing impact of its internal agricultural system on global trade in commodities and accept the need for substantive reforms in the GATT.

Mr. President, I commend Ambassador Strauss' insights to my colleagues, and hope they will provide some illumination as we proceed to deal with these difficult and demanding issues in the coming months.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY ROBERT S. STRAUSS BEFORE THE ECONOMIC CLUB OF NEW YORK

I want to depart from the usual perspective of statistics and cliches relating to our trade problem, and begin my remarks tonight by putting the alarming trade posture of this country into a political perspective, because it is in the political arena, and from political pressures that the current economic situation will be addressed by the Administration and Congress.

Within the last 48 hours, the press has reported Senator Bentsen, a Democrat with a long free trade posture, saying: "When the president won't do anything, the Congress has to look at its options and stop the hemorrhaging of the industrial base of this country." And Senator John Danforth, Republican and Chairman of the Senate Trade Subcommittee, saying: "I don't like the idea of Congress managing trade policies, but we have no alternative." John Heinz, Chairman of the Republican Senatorial Committee and an influential lawmaker on the trade issue saying: "I think the Administration is becoming more practical. There is growing realization at the White House that many of the issues the Administration has had on the back burner or even didn't know were cooking in the kitchen, like trade, will not go away." Roger Stone, a Republican political strategist said that the stakes are high in terms of controlling the agenda and also said: "Reagan was an activist president in his first term. He cannot afford in his second term to be a stand-pat political figure. He can't just say, 'I'm a free trader, and that's the end to the trade problem.'" And finally, Fred Bergsten, Democrat and Director of the Institute for International Economics has stated: "There is a mistaken impression in Congress that changes in the trade policy would turn around the deficit." Bergsten estimates that ending other countries' unfair trade practices and protecting some American industries would shave only $10 billion from the $150 billion trade deficit.

This is the political climate Ambassador Yeutter faces as he attempts to guide U.S. trade policy—and I don't envy him. While obviously some of our problems have been beyond our control, the truth is, we are responsible for much of the dreary trade picture. The complex relationships between domestic and international goals have been either misunderstood, ignored or both. The White House primarily, and to a lesser extent, the Congress, have failed to appreciate that domestic economic policy has a direct effect on the United States' external position.

So let me begin my remarks by next listing a few givens so far as trade is concerned.

1. An open trading system is absolutely essential.

2. There is no real open trading system today. What we call an open trading system is just not working—it's broken—so we better try to fix it.

3. The GATT is weak and in many ways ineffective, but it is essential and must be strengthened. But if we rely on the GATT alone, we won't make it.

4. It's hard to find a sector or industry where free trade really exists. It doesn't exist in copper, and it doesn't exist in wheat; it doesn't exist in autos, and it doesn't exist in corn. It doesn't exist in steel or textiles, and it doesn't exist in telecommunications—to name a few.

5. More and more, trade is government managed. Our industries and farmers compete with governments, not people and companies.

6. If we don't come to grips with the present deteriorating situation, the forces of protectionism will substantially close the doors on world trade as we have known it for 40 years.

To those givens, I would add that, in my judgment, there are no simple, easy or quick answers. As a matter of fact, we haven't identified any hard and difficult answers. But there are strategies to be put in place to begin the long and arduous road to a better trade climate for the free world.

Today's trade problems are entirely new and different from those cast against the background of World War II. This is not 1944 in Bretton Woods, New Hampshire. Simply stated, the world has changed; and the United States, through Republican and Democratic administrations alike, has not adapted to that change.

The country's trade problems cannot really be solved until we understand the global impact of our domestic policies, put our economy on solid ground and live within our means. Moderate progress in highly visible areas such as inflation, while significant, is masking a basic erosion of our economic strength. Let me offer an example.

The Administration recently announced that unemployment has been reduced to 7 percent—an encouraging development, but not surprising given the Keynesian economic policies the Reagan Administration has been pursuing. However, with each passing day, one reads stories in the press of Fortune 500 companies deciding to close modern plants in the United States and transfer production abroad. How long can it continue—where will it end? There is not question that the merchandise trade deficit, if not corrected and corrected soon, could have long-term consequences for the U.S. economy. In recent days the Administration has announced that it will work with the Congress to develop a new trade legislative package. I hope this effort is successful, but we must recognize that it is no substitute for a set of economic policies aimed at solving our basic problems. Domestic policy can't be made in a vacuum in the United States, Europe or Japan. What each does at home has dramatic impact abroad.

While closed markets and predatory practices have taken their toll and must be addressed, there are three additional and fundamental causes of the merchandise trade deficit. First is the differential growth rates which have distinguished the United States from its slower growing trading partners, particularly Japan and Europe; second, the huge debt of developing countries which has significantly impaired their ability to purchase our exports; and finally, the massive overvaluation of the dollar.

The single most important thing we can do to restore equilibrium to exchange markets is to reduce our budget deficit. To do so in today's political climate requires budget cuts and increased taxes, and both seem unlikely in the light of Administration policy and Congressional attitudes. Nevertheless, there are certain things the Administration could be doing to begin to talk the dollar in off the ledge, including but not limited to creditable statements to intervene in exchange markets where appropriate, pick up on Secretary Baker's initiative regarding reform of the monetary system and more vigorously encourage the Japanese to adopt policies aimed at gradually reducing the massive capital outflows which should appreciate the yen and lower the dollar. In addition, the Administration should pursue its plans with respect to trade legislation and continue to urge multilateral trade negotiations. This sort of program is doable, is not pie-in-the-sky and gets closer to attacking the fundamental causes of our trade problems and would help quell the protectionist fires now raging in Congress.

Let me now change the thrust of my remarks a bit and look at a few specific situations, beginning with Japan. Frank Gibney, in his superb new book, makes the point well that since World War II, the Japanese have continued to think of themselves as a vulnerable, semi-developed and resource-poor country pushing intensely to keep up. And further, that Japan has nurtured a semi-dependent attitude toward the United States that sacrifices a great deal in the relationship in return for American tolerance of Japanese marketing successes. Japan obviously is willing to pay a high political price for continued U.S. economic indulgence.

Gibney points out America's self-images are no less illusory. That we have appointed ourselves the world's arbiter in all fields and have been so impressed with our position and importance that we have neglected the hard work necessary to stay in that position. We live in the memory of a world that no longer exists and we have totally overlooked the unraveling of our economic position. Now we find ourselves, by virtue of neglect and self-indulgence, debtors instead of creditors. This, combined with Japan's policies, has brought on the Japan-bashing over trade imbalances that could easily destroy a relationship we both need.

Our theory seems to be when in trouble, spend and consume, and theirs just the op-

posite, when in trouble save and produce more for export. Japan must stimulate domestic demand through increased private and public spending.

We are familiar with tariff and non-tariff barriers, unfair trade practices and other actions standing in the way of true free trade. Something must be done about them. We must really toughen up in dealing with our partners. But few in the business or political community seem to understand that while attacking the problem of closed markets and predatory trade practices is absolutely essential, it will only marginally reduce our trade deficit if we don't simultaneously deal with the basic underlying causes.

I'm not trying to make an excuse for the protectionism embedded into the Japanese system. They deserve a great deal of the public criticism they get, but they are not alone. And we surely can't expect them to disrupt their economic structure to appease our political forces. A long-term solution requires that their economy be operated with sensitivity to its impact on the economic and political relationship with this country, just as our policies must be made with recognition of their impact not only at home, but in Japan, Europe and the rest of the world.

My purpose tonight is not to pass judgment on where we have been. There's plenty of blame to go around. The revival of our national spirit accomplished by President Reagan has not and will not solve our critical trade problem caused by neglect. To do that, the President must take the lead in forging a real debate which results in a policy for this country that will lead us forward with a meaningful, effective, hard-hitting, progressive trade posture for this country and indeed the free world. It's absolutely essential that the free world leadership, led by Ronald Reagan with his popularity base, address itself to global situations. Together, the U.S., Japan, the EC and Canada, with sensitivity to the needs of the Third World, as well as to their excesses, must strike a major global bargain and enter into a compact. A compact in which the parties agree to take the kind of steps that are politically impossible for any one of them to make alone. Out of such a trade summit must come a simultaneous, long-term commitment for action with each of the four putting enough on the table to make it politically viable for the others to go along. It isn't going to be easy, and it's only the beginning of a long process. The domestic politics are dramatic and the policy changes take years to implement.

The U.S., among other things, must be prepared to commit itself to take some of the steps we've discussed tonight. The EC must agree, among other things, to deal with the agricultural mess their subsidies are creating around the world. And the Japanese must take the actions mentioned, including dealing aggressively with their industrial procurement policies and other non-tariff barriers. President Reagan has the popular support and he should spend it here.

And now in closing, let me be clear that these criticisms of the world trading system are not partisan, nor are they an argument for protectionism. It's a frank recognition of the problems we face and a call for the beginning of an effort to avoid an almost certain course of protectionism that will have a devastatingly negative impact at home and abroad. There's much more than just dollars involved. A free world mired in protectionism and trade wars is not a healthy world in which to keep peace. The poison spills over into all of our international relationships.

As long ago as 1844, Ralph Waldo Emerson wrote a few lines about trade and America that are pertinent for all of us today. He said: The philosopher and lover of man have much harm to say of trade, but historians will see that trade was the principle of liberty, that trade planted America and destroyed feudalism, that it makes peace and keeps peace, and it will abolish slavery.

THE FARM BILL

Mr. BOSCHWITZ. Mr. President, last month, my colleagues on the Senate Agriculture Committee approved a farm proposal. Soon we will all review it and vote on it.

We worked in the Agriculture Committee for nearly 4 months on the farm problem. We discussed many different proposals, many innovative ideas and concepts. Unfortuantely, the committee approved a program that is basically a continuation of the current programs. What a disappointment! After all of the hours spent talking and debating, the option chosen reflects little real change and no improvement.

I urge my colleagues to study this bill with great care and to consider its broad impacts on our economy. It is a proposal that promises nothing but continued economic disaster in rural America. I am from a farming State. Agriculture is important to the people I represent. But my colleagues should know that agriculture is crucial to the entire economy of our country. According to the U.S. Department of Agriculture, 20 percent of the gross national product is generated in the food and fiber industry. Farmers represent only 3 percent of the GNP, but their efforts and productivity have a ripple effect that stretches through our entire economy.

We must find a farm bill that addresses the total effect of agriculture. We must find a bill that helps protect farm income, because farmers are on-the-ropes now and they are important to our economy. We must find a plan that also helps get all of rural America on its feet, a bill that allows farmers to produce according to the market signals. This plan must allow the many businesses that benefit from agriculture—the truckers, the suppliers, the seed purveyors and implement dealers, the processors and marketers of food and fiber, all of them—to be productive and operate freely in the marketplace. And it must be an open marketplace, not one stifled by set asides and futile production controls. Last, we must reassert our role in the world market. We must price our commodities to be competitive.

We must let the market work—and it will work. I have been in business all of my life and I trust the marketplace. I trust the natural flow of supply and demand more than any group's ability to manipulate it. And I trust it, in the long-run, to allow our agriculture sector to prosper.

Former Secretary of Agriculture Earl Butz wrote very eloquently and persuasively on this topic in the September 12 edition of the Wall Street Journal. I ask that the text of his article be printed in the RECORD.

There being no objection, the text was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Sept. 12, 1985]

SELLING A FARM BILL OF GOODS

(By Earl L. Butz)

Any believer in the market system who has been watching the debate over the 1985 farm bill has to be extremely disappointed. Both houses of Congress are turning out versions with loan payments and target prices for subsidized crops that are too high, backed by the same mentality that put American agriculture in its current mess.

The Reagan administration made pious sounds early on about reorienting farm policy to the marketplace. But somewhere between the Agriculture Department's offices and Capitol Hill, the principles they said they were fighting for have all but dissolved. They appear to be acquiescing to a farm-bill framework that can be made truly market-oriented only at an unacceptable budget cost by dropping loan rates, maintaining high target prices and dipping into the Treasury for direct payments to cover the difference.

Current U.S. agricultural policy is costly, controversial and counterproductive. Federal income transfer payments to farmers are at near-record levels. The congressional budget resolution calls for $34.8 billion more in farm subsidies for the fiscal years 1986-88. The bill passed by the House Agriculture Committee yesterday carries a price tag of $42.8 billion over that three-year period—an average of $14.2 billion a year. That compares with the $600 million spent for such subsidies in 1975, and the $3.5 billion spent as recently as 1981.

BUTZ'S LAW OF AGRICULTURE

Despite this outflow of dollars, there are more and more reports of farm failures, foreclosures, pressures on agribusiness firms and general rural distress. Commodity groups are set against one another as grain producers seek higher prices for their crops and livestock producers grapple with feed costs that are artificially hiked by higher crop prices. Our grain and cotton producers are geared to produce for the export market, but they are tied to governmental price and production programs designed primarily for the domestic market. Too often, their first market is not overseas but a U.S. government bin or warehouse.

American agriculture is on the road to economic suicide under existing policies, which have priced farm products out of the world market and have encouraged expanded production abroad. Butz's Law of Agriculture is: The higher the degree of governmental involvement in pricing and marketing, the deeper the economic pit in which agriculture wallows.

The great irony in all of this is that Congress and the administration are both buckling under farm pressures so readily that the farm bill emerging from the legislative sausage-grinder looks a lot like a simple extension of the 1981 Farm Bill. That's the

very thing that has put us in the mess we are in today.

The two major mechanisms of current farm policy are target prices and the loan rate. Let's use wheat to illustrate the bind they have put American agriculture into.

The target price of wheat is $4.38 a bushel. That's set by Congress and bears no relation to the farm price of $2.50 a bushel. Originally designed as a safety net in case of a steep drop in the market, target prices are now much higher than the prices farmers get for their crops. Taxpayers have been making up the difference between the target price and the loan rate in the form of billions of dollars in "deficiency payments."

The loan rate is $3.30 a bushel. This is also set by Congress, although the secretary of agriculture can make modest adjustments in relation to supply. The "loan" is a non-recourse loan, meaning that if the market price of wheat falls below the loan rate, the farmer simply surrenders the wheat to the government and forgets about paying back the loan.

The current approximately $2.50 farm price of wheat is 80 cents below the loan rate, but the farmer has already received $3.30 a bushel when he obtains his loan. So the government acquires title to wheat at a cost of 80 cents a bushel above current market value, plus about 20 cents of interest forgiven on the loan.

However, no administration can stay tied to this kind of open-ended raid on the Treasury. This administration will be forced to either (1) not lower the loan rate so as to minimize the amount of deficiency payments or, (2) idle massive amounts of farm land to bolster the market price and hence minimize losses on defaulted loans. It is most likely to do both.

Whatever action is taken will redound to the benefit of foreign producers, expand production abroad and will lead to a shrinking U.S. export market.

Through the Payment in Kind program, 78 million acres of farm land were idled in 1983. As the U.S. curtails output we are encouraging more uneconomic and high-cost agricultural production in other countries. We are effectively raising the real cost of feeding the world's people because we've drifted away from the sound principle of producing commodities where their competitive advantage is greatest and then trading them back and forth between nations.

In each of the last three quadrennial farm bills (in 1973, 1977 and 1981), Congress enacted mandatory annual escalations of loan rates and target prices. They took the guesswork out of it for the ensuing four years. But now that the present system has failed and the heat is up, it's no time to flee the kitchen. Congress should mandate de-escalation, and not pass the buck to the secretary of agriculture by "providing discretion to lower the loan rate"—an always politically difficult feat.

Solutions to current farm problems that balance the concerns of farmers, taxpayers, agribusiness and consumers can be developed, if only we follow a few simple guidelines.

The agenda is simple and politically responsible, and has been set down recently in a joint statement that I and three other former secretaries of agriculture released. Two of us are Democrats and two are Republicans. (The others are Orville Freeman, 1961-69, Clifford Hardin, 1969-71 and Bob Bergland, 1977-81.)

Among our recommendations:

(1) Non-recourse loans have worked well as a safety net if loan levels are set at or below market-clearing levels. We suggested they be set at the season average of market prices. In that way, loans would protect farmers against short-term price declines but not interfere unduly with the marketplace.

(2) Farmers need income protection to help them adjust to changes in farm programs. A target-price program makes a buildup of surpluses less likely and discourages competing countries from expanding their production. Since small farmers are in the greatest difficulties, a ceiling should be set on total payments per operator.

(3) Expanding demand should be the primary thrust of U.S. farm policy. Acreage-reduction programs for the purposes of raising prices are exercises in futility because competing countries can watch what we do and then expand their own production.

(4) Commodity reserves under loan to farmers should be used only for food security reasons and not to support market prices.

(5) For future generations, a conservation program for fragile land is essential. Farmers should be prohibited from receiving program payments on erosive land.

Many farm-state legislators fear so simple an approach will alienate their farm voters. My visits to farm communities convince me that the vast majority of commercial producers want this kind of farm policy. Their farm and commodity organizations are not reflecting their interests. Rather, they are responding to the loudest squeaks with their one great strength—their ability to resist change.

America's taxpayers are neither able nor willing to provide greater and greater farm subsidies. Turning to the market is the kind of policy that will put U.S. agriculture back on its feet again. But it won't happen unless everyone who hopes for it starts demanding it in face-to-face meetings with his or her elected officials.

There is a discipline in the marketplace that works. Let's give it a try before more of American agriculture goes down the drain.

MENTAL ILLNESS AWARENESS WEEK

Mr. DOLE. Mr. President, what better time than Mental Illness Awareness Week, October 6-12, to bring to the American people a message of hope.

A DECADE OF PROGRESS

The past decade has been a phenomenally productive one for those committed to erradicating the social stigma attached to mental illness. In addition, tremendous progress has been made in identifying some of the causative factors behind mental illness and ways to prevent certain conditions.

Scientists are now on the brink of understanding how the brain functions and why, in some cases, it fails to function properly. This research is unlocking the mysteries of devastating illnesses of the brain such as schizophrenia, manic-depression, childhood autism, and Alzheimer's disease. Effective treatment and, in some cases, preventive interventions are being developed to deal with such diverse problems as anxiety, learning disabilities, alcohol and drug addictions, and other mental disorders.

Amazing technologies are rapidly being perfected which allow scientists to see not only what the inside of our brain looks like, but what it does when we feel pleasure, anxiety, or depression. Scientists will be able to trace the impact of feelings on brain chemistry and understand exactly how that chemistry affects our emotions, our ability to think, our learning, and our behavior.

REMAINING CHALLENGES

The progress is astounding and impressive. However, it is disturbing that myths and misconceptions persist about mental illnesses. Because of such myths as "a person who has been mentally ill can never be normal," that "mentally ill persons are dangerous," and many others, barriers are often created which limit access to obtaining needed mental health, vocational, and support services. Hard-working, well-motivated former patients are often unjustly refused employment, housing, and other opportunities because of these false beliefs and stereotypes.

The "shame" of being mentally troubled, which these myths cause, has meant that many people with a mental illness delay seeking help. The stigma thereby serves to impede the care, treatment, and recovery of many. Moreover, the reluctance of patients, former patients, and their families to identify themselves because of the stigma has made it more difficult to develop a strong and vocal constituency to fight against the discrimination.

Unfortunately this situation is exacerbated because even though effective treatments are known, they are often difficult to finance because most public and private health insurance benefits are more limited for a mental illness than they are for a physical illness.

Fortunately, this situation is changing. Family and client support groups are organizing all over the country with the help of such groups as the 76-year-old National Mental Health Association. Advocacy and patients' rights groups are being activated and are joining in coalitions to develop public awareness programs and provide patients and their families with the information and direction necessary to bring about necessary changes.

A MESSAGE OF HOPE

The National Mental Health Association is the Nation's oldest and largest nongovernmental, citizens' voluntary organization concerned with all aspects of mental disorders and mental health. It was founded in 1909 by Clifford Beers, who suffered from a serious mental illness.

Mr. President, if the message of hope which research brings us is to become reality, everyone's help is

needed. All Americans need to support the continuation of the exciting progress which is made in research on the brain.

We also need to recognize both those currently in treatment and those recovered mental patients as individuals. We need to help former mental patients reenter society by supporting their efforts to obtain housing and jobs. We must avoid letting false statements about mental illness or mentally ill persons go unchallenged. And, we must spread the word—a message of hope.

74TH INTERPARLIAMENTARY UNION CONFERENCE

Mr. STAFFORD. Mr. President, one of the duties of Senators who participate in interparliamentary exchanges is to report back to this body on the proceedings and recommendations issued from their meetings with foreign legislators. But the benefits of these exchanges prove themselves less in the exhortatory statements issued from our assemblies than in the abiding friendships forged among parliamentarians. These friendships help us better appreciate the unique political environments in which our colleagues from other parliaments must operate. In a world that grows smaller and ever more interdependent, interparliamentary exchanges give us a deeper understanding of countries vital to American political, economic and security interests.

The Interparliamentary Union differs from other interparliamentary associations in which the Congress participates in that it includes delegations from Communist bloc and nondemocratic Third World nations. This can prove a source of considerable frustration for the U.S. delegation. The politics of the IPU closely parallel the politics of the United Nations. Voting occurs more or less by regional or ideological blocs. As in U.N. General Assemblies, the 74th Congress of the IPU held in Ottawa, Canada, from August 31 to September 7, reminded the U.S. delegation that deep political fissures continue to threaten a fragile international order.

In sum, the record of the conference was mixed. Of the three resolutions approved during the final plenary session, the first, dealing with the problems of youth and drugs, provided helpful guidance to world legislative bodies and gained the unanimous consent of the conference. The second, dealing with the issue of international debt, received the favorable vote of the U.S. delegation. After steadfast efforts by Representative CLAUDE PEPPER on the drafting committee, provisions calling for debt repudiation were rejected, but the resolution still contained paragraphs requiring U.S. reservations. The third resolution, dealing with the issue of decolonization, was manifestly objectionable and received a negative U.S. vote along with a strongly worded explanation for our vote.

Given the United States track record in other large multilateral institutions, the outcome was about what one would expect. Nonetheless, the 74th IPU conference demonstrated that with attention and effort, the Western group can succeed in getting their interests and concerns addressed. A significant achievement for the West was the election of Hans Stercken of the Federal Republic of Germany as president of the Interparliamentary Council. By staying behind one candidate and strategizing on how different regional blocs should be approached, the Western group's candidate prevailed. Mr. Stercken's election proved that progress in international politics rarely comes from quick, flashy initiatives but more often from steady, sustained work.

All the members of the U.S. delegation represented their country well. I would like to acknowledge first the fine work of Senator ZORINSKY who served on the committee dealing with the youth and drug resolution. Senator ZORINSKY delivered the major address for the U.S. delegation on this issue which received favorable comments from many other delegates. Representative LINDY BOGGS served on the same committee and displayed her special expertise on children's and women's issues in her address to the plenary session.

On the decolonization issue, Representative MERVYN DYMALLY delivered our address to the plenary session. Born in Trinidad, British West Indies, Mr. DYMALLY is the only Member of Congress who is a former colonial. He lent special credibility to the United States position. In a moving statement, Mr. DYMALLY described how the Atlantic Charter, which united the fight against the Axis powers with the fight against colonialism, was the source of his inspiration to move to the United States. Nevertheless, the drafting committee, dominated by Third World and East bloc representatives, produced a document so unbalanced, and frankly, mendacious, that the U.S. delegation felt compelled to issue a strongly worded condemnation of its adoption by the conference. This explanation of our vote was delivered forcefully by Mr. HENRY HYDE and received the full attention of the conference.

In addition, the U.S. delegation was ably served by Mr. JOHN PAUL HAMMERSCHMIDT, Mr. DAVID BONIOR, and Mr. GUS HAWKINS.

Mr. President, on substance, the conference made a genuine contribution on the issue of curbing drug trafficking and abuse. Nearly every delegation recognized that drug abuse is no longer an issue affecting only a handful of countries. It is everyone's problem. The rise in international criminality represented by sophisticated drug trafficking syndicates adds to the centrifrugal forces pulling at the seams of international order. Drug organizations now threaten the sovereignty of entire Nation States. The nearly universal call from IPU delegates for greater international cooperation in the apprehension and prosecution of drug traffickers was most welcome. It was a step forward from the finger pointing which has frequently characterized discussions in the past.

The U.S. delegation to the IPU differs from other U.S. interparliamentary delegations in one other respect. Its composition, staffing, and organization is completely bipartisan and bicameral. So it is not unusual that I take this opportunity to offer special praise for CLAUDE PEPPER, a member from the other party who served with distinction in the Senate and now serves in the other body. CLAUDE PEPPER has regularly attended IPU meetings since 1938. His knowledge is vast and he always brings remarkably prudent judgment to any deliberation. It was because of CLAUDE's indefatigable work that the resolution regarding the international debt situation did not become merely another vehicle for Cuban propaganda. CLAUDE sat and faced the Cubans for nearly 3 days straight, and at the end, the central point the Cubans wanted adopted—a repudiation of debt—was repudiated by the drafting committee.

CLAUDE PEPPER's success serves as a useful lesson for how the United States should conduct itself in multilateral forums. To have any chance of success, one must make a strong commitment of time and energy. To fail to do so permits our adversaries to advance ideas inimical to our interests, give them currency, and eventually gain legitimacy for them. Although many Americans do not take multilateral institutions seriously, our allies do, as do many of the genuinely nonaligned nations.

I urge my colleagues, therefore, to participate in future meetings of the Interparliamentary Union. The experience will not be without frustration. But the world is a dangerous place, and it is made more dangerous when the United States flags in its effort to wage the war of ideas. The United States has never been more exposed to events and forces overseas. For our Nation's interest, it is important that we stay full engaged with other countries. Interparliamentary exchanges are among the best means available to us.

THE UGLY FACE OF TERRORISM

Mr. HATFIELD. Mr. President, today I would like to address several recent events in the Middle East. While my colleagues and I have been primarily focused on domestic issues, the ugly face of terrorism has shown itself abroad and threatened to scuttle U.S. efforts at achieving a negotiated solution to the Arab-Israeli conflict. The hijacking of the Italian cruise ship, the *Achille Lauro*, and the killing of an American citizen aboard the ship is a testament to the lengths those who are against freedom will go to impose their will by force. Just as abhorrent was the Israeli raid in Tunisia. The killing of 61 Palestinians along with 12 Tunisians with American made F-16's should never be condoned by the American people or their elected leaders.

Unfortunately, these actions seem to represent a growing movement in this world that is marked by increasing violence rather than a move toward peaceful means of resolving differences. In this barbaric display of brutality substituted for negotiation, both sides of the Arab-Israeli conflict have been more than adequately represented in the arena of terrorism. While this makes the U.S. role more difficult, it should not deter us from distinguishing right from wrong. We must be consistent in opposing those who promulgate violent acts in the name of peace and justice.

A case in point is the Israeli raid in Tunis. During this session we have authorized and appropriated billions for Israel in security assistance funding. Throughout this time no one has come forward and argued that Israel stands for anything other than U.S. interests in the Middle East. According to the U.S. Senate, Israel is a bastion of freedom and a staunch ally of Western values in the Mideast region. If this is the case, we must analyze what these values are. Do we stand for peace or do we stand for the brutal killing of 61 Palestinians on Tunisian soil, a country that has been a faithful ally of ours?

In a region where pro-United States, moderate Arab countries are awfully hard to come by, is it really in our interest to have Israel, in their quest for revenge, also inadvertently kill 12 Tunisians who were mostly policemen? Mr. President, these innocent Tunisians hardly constitute a military target. I believe we must be consistent in our condemnation of terrorism, and, if that means straining our relations with Israel or any other ally, so be it. In our use of American power and diplomacy, we must stand up for what is right rather than blindly supporting those that purport to represent our interests.

The use of terrorism has many deplorable facets, but, to me, the use of innocent civilians for extortion to further political goals is utterly abhorrent. In the world today, the leading authority when it comes to this tactic is the PLO and its various factions. How can Yassar Arafat and his cronies believe for a second that they are a legitimate body when they repeatedly resort to the use of terrorism. This week's hijacking of the Italian cruise ship with citizens of the United States, West Germany, Britain, and Italy aboard not only is an act of aggression toward those respective Governments, but a slap in the face of the Palestinian cause.

Mr. President, I am not sure who plans terrorist activities such as this one, but, whoever they are, they have a strange way of furthering their cause. How can they possibly pretend to promote the view that the Palestinians have been wronged and deserve better than what they have? Certainly, killing an American and holding over 400 hostages are poor ways to do it. Maybe I should send my press secretary, Rick Rolf, to them. I am sure he could come up with better ways to highlight their cause than the use of violence and extortion. There is only one possible response to this behavior—disgust and animosity. And this is what I have to offer anyone who claims to promote peace through violence.

Both the Israeli raid and the Palestinian ship hijacking bring to mind an interesting question—what do these acts accomplish in the long-term? Mr. President, I have a pretty good idea as to what they do not accomplish, and that is peace in the Middle East. These actions were taken, as most terrorist acts are, to achieve short-term goals. The Israelis sought immediate retribution for the murder of three of its citizens in Greece, and the Palestinians sought the release of 50 of their brethren held prisoner in Israel. What these groups failed to realize was what their acts would do to the long-term goal of peace in the Middle East.

It has been apparent that the conflict can only be resolved through a negotiated solution. By carrying out a military raid on a moderate Arab country, Israel has seriously undermined not only the atmosphere for negotiations, but American credibility as a mediator to the Palestinian question. By seizing the *Achille Lauro* and committing other terrorist acts, the Palestinian Liberation Front has jeopardized any possibility of having the PLO being recognized as legitimate in the eyes of the international community.

Mr. President, it has been said that there will continue to be violence for political ends so long as there are unsatisfied political grievances in the world. I reject this proposition as defeatist and ignorant of the possibilities of peaceful conflict resolution. It is important that the United States attempt to help the cause of peace in the Middle East. But, in doing so, it must maintain vigorous and consistent opposition to acts of terrorism—wherever they spring from. The chance for peace is too important to be undermined by mindless acts of violence.

ABA URGED TO TERMINATE AGREEMENT WITH SOVIETS

Mr. DECONCINI. Mr. President, on June 6, 1985, I brought to the attention of my colleagues my concern about a mutual respect agreement that was signed on May 2 by the American Bar Association [ABA] and the Association of Soviet Lawyers [ASL]. One of the six delegates representing the ASL, Prof. Samuel Zivs, is also a vice chairman of the Anti-Zionist Committee of the Soviet Public and is the author of a book, "The Anatomy of Lies," which not only defends the Soviet legal system, but also exposes the Soviet Government's contempt for justice and human rights. Bill Pearl, a California attorney, wrote a Wall Street Journal article about this issue and some of his examples of Zivs' thinking included such thoughts as:

Psychiatric hospitals are not used to punish political or religious prisoners;

Reports of starvation in the Gulag Archipelago arose because Amnesty International was seeking to distort the true state of affairs; and

Every prisoner of conscience in the Soviet Union is a liar.

Since I entered Mr. Pearl's article in the CONGRESSIONAL RECORD and publicly asked the ABA to terminate its agreement with the ASL, another example of why the ABA should discontinue its relationship with the ASL has come to my attention. The "White Book," a vicious piece of anti-Semitism, was recently jointly released by the Anti-Zionist Committee of the Soviet Public and the ASL. This anti-Semitic propaganda proves another definite link between these two organizations.

I am certain the ABA intended to foster an atmosphere of awareness with their Soviet counterparts by the agreement they signed. Unfortunately, this is not the reality of the situation. Instead, the mutual respect agreement legitimizes the Soviet repressive legal system and makes a mockery of the cause of thousands of political prisoners, religious dissidents, human rights activists, and refuseniks. These hostages have risked their lives precisely to show the world that the Soviet legal system does not deliver justices and deserves no respect.

I believe the ASL's actions do not justify respect in mutual dealings. Again, I ask the ABA to act boldly and terminate their agreement with the Soviets.

I request that the text of "The Facts Unmask," a review of the "White Book" published in Isvestiya several

weeks ago, be printed in the CONGRESSIONAL RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE FACTS UNMASK

Having declared the beginning of a "crusade" against socialism as a social system, Washington is trying to gather under its banners all the forces of international reaction. As one of the striking means in the struggle against the forces of peace and progress, imperialism is putting special dependence on international Zionism. The ideology and political practice of this extremely reactionary movement takes under its wing extreme nationalism, chauvinism and racial intolerance, territorial grabbing and annexations, armed adventurism, the cult of all permissiveness and no punishment, interference in the internal affairs of sovereign states, monstrous deals with the worst enemies of humanity, for example, with Hitlerites of the time of the Third Reich.

The Anti-Zionist Committee of the Soviet Public and The Association of Soviet Lawyers have made public "The White Book" [1], in which the reactionary essence of international Zionism is put under merciless criticism. In the book, there is assembled the richest material—letters, diaries, memoirs, official documents—the reading of which gives an unattractive picture of "Zionism in action"—lies, deceptions, provocations, terrorism, violation of human rights.

Zionism—this is relentless aggression. The state of Israel has existed for less than forty years. And on the bloody ledger of the Israeli rulers there are five aggressions of fateful magnitude against neighboring Arab states. Letters from soldiers and officers, their diaries, excerpts of which are quoted widely by "The White Book," tell of the unbelievable cruelty of Israeli militarism, about its complete moral downfall.

Its undermining activities, most Zionist organizations conduct mainly against the Soviet Union and the other countries of the socialist community. "The White Book" uses rich factual material to expose the dark deeds of the Zionist manipulators. In the book there is evidence of people caught with the goods in the U.S.S.R., spreaders of Zionist literature, who were occupied at the same time with collecting the addresses of people of interest to American and Israeli and other special services, as well as those having agreed for handouts to deliver slanderous materials about like in our country.

One of the chapters of "The White Book" tells about life in the "promised land." It is impossible to stay calm while reading the letters and other evidence of those who by deceit have been dragged into Israel. Jews who have left their Motherhood—the Soviet Union—shed the curtain of blinders of deceit from their eyes. Encounters with the cruel reality of the capitalist lifestyle often end in tragedy. The newspapers are full of reports of immigrant suicides.

"Pariahs of the Western World," "Wanderings, Ordeals," "People's Tragedies,"—such are the titles of the subsequent chapters of the book. How many distorted fates! How many tragedies! How much sorrow and evil did Zionist propaganda bring!

And in what a contrast sounds the conclusion of "The White Book," entitled "My Motherhood, the U.S.S.R." Here also are given letters of authors who, in the main, are Soviet citizens. These letters are chock full of optimism, pride in their country, their readiness to defend its achievements. They are permeated with anger and indignation at the provocations of international Zionism. They are written by students and workers, physicians and teachers, they are written by Jews and Russians.

"The White Book" is a document of great unmasking force. The facts brought out in the book, evidence, photo illustrations and press materials convincingly unmask the real face of international Zionism upon which, in its aggressive policy, American imperialism makes no small dependence.

[1] The White Book: New Facts, Evidence, Documents. Moscow. "Juridical Literature" 1985.

LIFELINE TELEPHONE SERVICE

Mr. HEINZ. Mr. President, I want to bring to the attention of my colleagues an important issue for American consumers—the precipitous increase in telephone rates caused by the introduction and expansion of competition in the telephone industry and the modification of Federal regulatory policies. Consumers are seeing their telephone bills go up dramatically and there is mounting concern, especially among the poor and disadvantaged, about their ability to keep basic telephone service. The reason I am addressing this issue today is because I want to alert my colleagues that the Federal Communications Commission will be considering lifeline assistance measures at the end of the week.

My concern that the elderly, physically disabled, unemployed, very poor, and other disadvantaged people not be denied access to a critical communication link that could mean the difference between life and death, led me to introduce, with Senator CHAFEE and others, S. 950, the Lifeline Telephone Assistance Act of 1985. The purpose of the bill is to help States, at their option, to provide lifeline telephone service and rates.

As deregulation has come to a head in the past 3 years, local phone companies have been granted over $5 billion in rate increases. Almost one-half of this revenue was recovered from increased local residential telephone charges. Local rate increases of nearly the same magnitude are likely in 1985. On top of local residential rate increases, Federal and State regulators decided to add a new local subscriber line charge—formerly called an access charge. Since June 1985, all residential customers, whether or not they make long-distance calls, must pay a $1 per month subscriber line access charge for equipment costs previously charged to interstate long-distance users. In 1986, this charge will rise to $2 per month.

While the FCC has adopted measures to allow the equivalent of a waiver of the subscriber line charge for low-income households which meet a State established means test, waiving only that charge may not be enough, by itself, to keep basic phone service affordable. The FCC has, thus far, failed to develop a lifeline program. On October 11, a joint board of State public utilities commissioners and FCC Commissioners will meet to make a proposal to the FCC regarding lifeline. I am hopeful that they will now come forward with a reasonable lifeline recommendation.

I am waiting to see what the joint board proposes on October 11, and what the FCC subsequently does to ensure affordable phone service. If the regulatory agency that has been directed through the Communications Act by Congress to preserve reasonably priced phone service fails to adequately deal with the problem, hearings by the special Committee on Aging or other legislative action will be appropriate and necessary.

THE LINK BETWEEN ASPIRIN AND REYE'S SYNDROME

Mr. HATCH. Mr. President, in last Wednesday's edition of the Washington Post "Health" section, an article appeared that is directly relevant to an issue now before the Labor and Human Resources Committee. The title, "Study Affirms Link Between Aspirin, Reye's Syndrome," reflects data recently published in the New England Journal of Medicine. The data are from a preliminary HHS-sponsored study of the possible relationship between Reye's syndrome, a serious but rare disease, and the use of aspirin in children or teenagers with flu or chicken pox. HHS has already begun a larger study of this relationship. I commend HHS for this responsible action. Though the data were still tentative, in the spirit of caution, HHS initiated a voluntary aspirin labeling program in January of this year, and consumers are beginning to see aspirin bottles on shelves now that advise parents to consult a physician before using aspirin in children or teens with flu or chicken pox. The aspirin industry assures us that absolutely all aspirin products now being distributed to retail stores carry this new warning label, so we expect that very shortly all aspirin on store shelves will be labeled. This is definitely a step in the right direction. Whether we should consider further steps should be determined on good scientific evidence. I am very pleased that we will shortly hold a hearing on this issue, in which we will be able to hear from scientists who have evaluated these and previous data on the relationship between aspirin and Reye's Syndrome.

Beyond that, Mr. President, I think the subtitle of the Post article is telling: "Many Parents Heeding Warning to Use Substitute Painkillers for Flu, Chicken Pox." This subtitle is based on data from surveys conducted by both HHS and the aspirin industry, which have shown that parents are

aware of the possible aspirin-Reye's Syndrome link. The awareness has been enhanced because of an education/information effort launched by HHS along with the voluntary labeling program, in which the aspirin industry participated. The result has been store posters, public service announcements, and school and physicians' education programs cautioning aspirin use when flu and chicken pox symptoms exist. These education efforts are perhaps even more important than labeling a product as common as aspirin, and they seem to be working.

Mr. President, the Labor and Human Resources Committee is going to examine this matter closely at our hearing. We are determined that at the hearing, the differing views about the labeling question and about the epidemiologic data will be aired, so that the committee can take full account of all available information in any decisions we make.

Mr. President, I ask unanimous consent that the Washington Post article be inserted in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

STUDY AFFIRMS LINK BETWEEN ASPIRIN, REYE'S SYNDROME

(By Don Colburn)

Incidence of Reye's syndrome has fallen so sharply in the past two years that a federal study of the possible link between aspirin and the viral disease is having trouble finding enough cases to examine.

One reason for the decline may be that more and more parents are heeding health officials' warnings about the risk of giving aspirin to children with chicken pox, flu or flu-like illness.

Further evidence of a link between aspirin and Reye's syndrome, a rare but potentially fatal disease in children, is reported in the current New England Journal of Medicine. The study found that 28 of 30 children (93 percent) who developed Reye's syndrome after chicken pox or flu had taken aspirin. Among a comparable group of 145 children who had chicken pox or flu but did not develop Reye's, only 46 percent had taken aspirin during their illness.

A huge federal follow-up study to examine this possible link is now under way at more than 50 pediatric referral centers, including Children's Hospital in the District and the Johns Hopkins Children's Center in Baltimore.

Four previous studies since 1980 had reported that children who took aspirin for chicken pox or respiratory illnesses had an increased risk of Reye's syndrome. Those studies, which drew sharp criticism from the aspirin industry, led the U.S. surgeon general in 1982 to caution against automatically giving aspirin and aspirin-containing medicines to children with flu or chicken pox. The warning covers any painkiller or cough medicine containing salicylates—a group of non-narcotic analgesics, the most common of which is aspirin. The aspirin substitute acetaminophen, sold as Tylenol and other brands, has not been linked to Reye's syndrome.

Since the first reports linking aspirin the Reye's syndrome, the number of reported cases of Reye's has dropped sharply, from 550 in 1980 to 204 last year. Fewer than 100 cases have been reported this year.

"Aspirin use is decreasing, and certainly that could be one explanation," says Dr. Michael Barrett, coauthor of the New England Journal study and medical epidemiologist at the Centers for Disease Control (CDC) in Atlanta. Another contributing factor, he says, could be a change in the viral strain of flu during the past two winters.

The decline in reported cases is not a reason to ignore warnings about aspirin use in children, Barrett says, particularly since the disease has not declined among teenagers, who are more likely to take aspirin without their parents' knowledge.

"If anything," he says, "there's reason to strengthen that message to people."

The report in The New England Journal suggests a statistical significant "association" between Reye's syndrome and use of aspirin during a preceding illness.

But the Aspirin Foundation of America, an industry group, took issue with the latest report, saying there is no proof that aspirin causes Reye's syndrome.

"We don't feel there's any proof that there's any relationship [between aspirin and Reye's]," says Dr. Joseph White, president and chairman of the foundation.

White says the study in The New England Journal was merely a feasibility study, from which "no conclusions can be drawn" about the relationship between aspirin and Reye's syndrome. Since the CDC has not released the underlying medical data, he says, the pharmaceutical industry has not been able to assess the study's methods.

"No causal relationship between this disease and aspirin has been scientifically proven," agrees Lewis Nolan, vice president for communications of Plough Inc., a manufacturer of children's aspirin.

But the industry has agreed voluntarily to put labels on aspirin products urging that a doctor be consulted before aspirin is given to a child with symptoms of flu or chicken pox. That step was taken because "there's public concern and there are many people who believe there is relationship," White says.

Reye's syndrome develops in one of 100,000 American children under 18, usually within a week after chicken pox or flu. Symptoms include vomiting, breathing difficulties and neurological problems such as severe headaches, delirium, combativeness, hallucinations, disorientation and seizures. Without prompt treatment—intensive care, intravenous fluids and medicines to control the pressure around the brain—Reye's can progress to coma and, in about 10 percent of cases, cause death.

The massive federal study is being carried out by a task force of researchers from CDC, the Food and Drug Administration and the National Institutes of Health. It is expected to be completed by mid-1986 and is still on schedule, Barrett says, although finding suitable cases is becoming more and more difficult.

"We're doing everything we can to carry out the main study," he says. "That would be a very nice possibility—not to be able to do the study because there wasn't enough disease."

The extent of the difficulty will depend partly on the severity of the impending flu season and its viral type, which won't be known until the first cases occur, probably in a few weeks.

Some types of influenza are more likely than others to develop into Reye's syndrome. In general, Barrett says, incidence of Reye's is higher in years when the dominant flu strain is type B, rather thasn type A which predominated last year.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

INCREASE OF PERMANENT PUBLIC DEBT LIMIT

The PRESIDING OFFICER. The clerk will report the pending business.

The assistant legislative clerk read as follows:

A House joint resolution (H.J. Res. 372) increasing the statutory limit on the public debt.

AMENDMENT NO. 752

(Purpose: To provide for reductions in national defense for fiscal year 1987).

Mr. DOLE. Mr. President, the distinguished Senator from New Jersey has the first amendment. Senator PACKWOOD has managed the bill. But this is a defense matter. So I also alert Senator GOLDWATER. But we are prepared, if the Senator from New Jersey wants to proceed, and we have a number of amendments. We would like to complete action as early as we can.

Mr. BRADLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Jersey [Mr. BRADLEY] proposes an amendment numbered 752. At the end of the pending question, add the following:

NATIONAL DEFENSE.—Notwithstanding any other provision of this Act or of law or any provision of the Standing Rules of the Senate or the Rules of the House of Representatives, the total amount appropriated for programs, projects, and activities under the functional category National Defense (050) for fiscal year 1987 may not exceed $298.8 billion.

Mr. BRADLEY. Mr. President, the amendment that I have offered is very simple. It mandates a 5-percent real cut in the defense budget in 1987. This amendment makes two assumptions. The first assumption is that under the provisions of Gramm-Rudman, the Congress will not act in the reconciliation process to produce significant savings. I know some of my colleagues believe that the Congress will not act in the reconciliation process to produce significant savings. I know some of my colleagues believe that the Congress will act, that there will be a big tax increase—that indeed Gramm-Rudman will force a big tax increase—and that the Congress will be able to sustain a

Presidential veto of that tax increase. I am not assuming that this will happen. I am assuming that the Congress will not pass a big tax increase or be able to override a Presidential veto, and that the sequestering process will have to take place as prescribed under Gramm-Rudman. The sequestering process under Gramm-Rudman would require reductions in COLA's for entitlements and across-the-board cuts in the controllable areas of the nondefense budget and the defense budget.

The second assumption underlying this amendment is that the present CBO and Senate Budget Committee numbers are roughly correct, and that by 1987 we will have to, through this process, get to the budget deficit level mandated in Gramm-Rudman and come up with at least $20 billion in additional budget savings through COLA cuts and an across-the-board cut on controllable defense and controllable nondefense. In actuality, if growth rates are down, we may have to come up with $50 billion or even more, but I am using the more modest scenario where we only have to come up with $20 billion in cuts. The cut in the defense budget necessary to meet the $20 billion reduction would be a 5-percent real cut.

Mr. President, I think it is a very important to point out that many people have said what this bill will do: That is, that the Gramm-Rudman bill will force congressional action. It is an action-forcing measure, and they envision that the action will force will be a tax increase. They believe that this strengthens the Congress' hand and forces the President to negotiate with the Congress.

I believe the opposite. I believe that the Gramm-Rudman bill gives the President the opportunity to be intransigent.

I can easily foresee a different scenario. The President, after Gramm-Rudman is adopted in a moment of some national crisis, can send a modification of Gramm-Rudman to the Senate exempting defense. And I call on all of my colleagues simply to remember the atmosphere in this body immediately following the Grenada invasion. It is very conceivable to this Senator that there will be some international event, crisis, sometime in the next year or two in which the President could very well send a request to Congress to exempt defense from the across-the-board cuts required under Gramm-Rudman.

When that occurs, Mr. President, the entire burden of the Gramm-Rudman across-the-board cuts will fall in the nondefense discretionary area of the budget. And it is there that I think the real trap lies because the result in a matter of 2 to 3 years could very well be the virtual elimination of the nondefense discretionary portion of the budget.

But, Mr. President, with that theory aside, I want to come back to this amendment. This amendment is really a test of whether the 75 Senators who supported Gramm-Rudman yesterday will support the consequences of their vote yesterday for defense spending—in other words, a 5-percent real cut in defense in 1987.

Mr. President, I can say quite clearly that I do not believe a majority of the Senate will support this amendment. And I will say quite clearly for the RECORD that I do not support the amendment. I am offering the amendment to demonstrate that there is no will in this body for 5-percent real cuts in defense, nor do I believe there should be. And once this vote is taken and the Senate has unequivocally said no, it will not cut defense 5 percent in real terms, let a Senator stand up and argue that when the bill comes up from the President exempting defense because a 5-percent real cut would be to endanger national security, that he would not vote to exempt defense.

Mr. President, I believe it is quite clear that measure would pass. Defense would be exempt. And the bulk of the cuts required under Gramm-Rudman would fall in the nondefense area of the budget. It is as simple as that.

Mr. President, I reserve the balance of my time.

The PRESIDING OFFICER. The Chair, in his capacity as a Senator from Wyoming, suggests the absence of a quorum.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BRADLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BRADLEY. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from New Jersey has 15 minutes remaining. The opposition has 10 minutes.

Mr. BRADLEY. Mr. President, I yield myself at least 3 minutes.

The PRESIDING OFFICER. The Senator from New Jersey is recognized.

Mr. BRADLEY. Mr. President, the amendment is very clear and I think the Senate will speak very clearly on the issue. Let me simply say that on the general proposition of Gramm-Rudman, I disagree with it strongly for two reasons: first, I think it is a blind pursuant of a dubious economic objective.

But Gramm-Rudman requires a balanced budget by 1991. Why 1991? Why not 1994? Why not 1989? Why a balanced budget? I believe the American people want budget restraint and deficit reduction. Reducing the deficit is essential, balancing the budget is not. I think the budget is really a statement about our Nation's priorities, a statement about what we believe is achievable—that we want our children educated, our environment clean, and because America should play a leadership role, we want a strong national defense.

Mr. President, I can imagine that some of these priorities are important enough to borrow for, recognizing that there is a cost to the borrowing.

The problem is that the present administration refuses to pay that cost. It runs up gigantic budget deficits and the Congress stands by, spinelessly, and takes no action to reduce those deficits.

Mr. President, my second major concern is that the Gramm-Rudman proposal is a procedural answer to a substantive question. The Senate now has the procedures to lower the deficit, what it lacks is the will. So one votes for Gramm-Rudman saying they voted to mandate a balanced budget, recognizing that down the road they will have to vote for tax increases, dramatic cuts in defense and in nondefense as well.

I simply say an alternative to this kind of procedural rule would be simply for the Congress on a bipartisan basis to do what it thinks is necessary to force the President to respond.

Mr. President, in summary, my first problem with Gramm-Rudman is that it mandates a balanced budget in a particular number of years, which I really believe is unwise and unnecessary.

My second problem is really the thrust of this amendment, which is that the defense portion of the budget will never be cut 5 percent in real terms as Gramm-Rudman envisions, and the remaining cuts will have to come out of the nondefense portion of the budget. Those cuts will be severe and deep, and will be already required by law, mandated under Gramm-Rudman, to take place.

So, Mr. President, those are the two major objections I have to the Gramm-Rudman proposal. This amendment is offered to demonstrate that there is no will in Congress to accept the consequences of the Gramm-Rudman proposal on the defense budget.

Mr. President, I am going to vote against this amendment, as I said. I do not think we should have a 5-percent real cut in defense. I do not think we should reduce the flying time of pilots. I do not think we should cut military pay. I do not think we should cut operations and maintenance. Mr. President, I do not think the majority of my colleagues do either.

Although this point is somewhat subtle, I think that it is nonetheless an important one to make. Today, a majority of the Congress will say, "No,

we will not accept the 5-percent cut in real terms in the defense budget." But when Gramm-Rudman is triggered, at least a 5-percent cut must be made. Prior to that happening, it is conceivable, indeed quite probable, that the same Congress that voted 0 to 99 or 10 to 90 against this amendment and knows that a 5-percent real cut in defense is bad policy would exempt defense from the effects of the Gramm-Rudman approach.

When it is exempted, the bulk of the cuts under Gramm-Rudman will fall on the nondefense discretionary area.

Mr. President, that is a simple explanation of this amendment. I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. GOLDWATER. Mr. President, I did not know this amendment was coming up or I would have been on the floor earlier.

I do not know whether the Senator from New Jersey is aware of the fact that an action in a subcommittee of the House Appropriations Committee just 2 days ago knocked $10 billion more out of the defense budget than the conferees agreed to last summer. The Senate committee has taken $20 billion out of defense.

If every committee in this Senate had acted as the Armed Services Committee acted, we would not have the problems we have been going through for the last week.

In addition to the $10 billion, there is an additional $7 billion that is going to be asked for when the full committee meets. And if it passes the proposal to the floor, it will be an additional $7 billion.

Mr. President, I have said on this floor we can live, the military can live, with what we have come up with, roughly $320 billion. We can live with that 033 for 2 years. I am not overly worried about it. But what is beginning to worry me is these continuing attacks on the Defense Department.

I am not going into a long recitation where we stand vis-a-vis a potential enemy. There are many potential enemies. The Soviets are far ahead of us in conventional weapons. I am not worried about nuclear weapons. I personally would like to see them all done away with. But on conventional weapons we are behind the Soviets and we are growing behind them faster and faster and faster.

There are little things, like it has been almost 15 years since we have bought enough tactical aircraft to meet the normal rate of attrition. I mean accidents, the loss of aircraft through means other than warfare.

We were hoping to build an Air Force of 40 wings. We are never going to reach it, Mr. President, the way we are going.

We would like to see a 600-ship Navy. We have a chance of reaching it.

We would like to see a better retention of trained pilots, of trained personnel.

But if this Congress keeps harping away at less money for defense, whether it is directed at pay or not, or flying time or not, or time for dangerous duty or not, the man in uniform is going to take it very soon that we are opposed to him.

So far, that has not happened. There are no indications right now that it is beginning to happen. But it is going to happen if we keep on throwing threats at the military.

Mr. President, I have to be perfectly honest with my friends in this body. This country cannot afford to spend less on defense. We get away with it this year and we get away with it next year, but if we continue to try to get away with it we are not going to do it.

I might remind my colleagues that the reason we have peace in this world today is because we have had a strong U.S. Armed Forces. Whether they are strong enough to do the job completely in NATO or any other place in the world is somewhat questionable.

I would hope the Senator from New Jersey would not insist on another cut. There are many places we can cut the budget. We can cut the budget all through the welfare program. We can cut the budget in civilian people who work in the Pentagon—87,000 of them. If you want to get down to cutting, there are any number of places we can talk about cutting.

I do not like this amendment. After we have spent almost a year coming up with a figure for defense spending, having had the House agree with us and coming to a figure in agreement, and then having the House want to cut us even more, I just hope that the Senator from New Jersey will not press it.

Mr. President, I am not going to say any more at this time. If I need to say more, I will.

Mr. BRADLEY. Mr. President, how much time remains to the Senator from New Jersey?

The PRESIDING OFFICER. The Senator from New Jersey has 10 minutes.

Mr. BRADLEY. Mr. President, the distinquished Senator from Arizona has just made my case. He just made my point. If the Senator from Arizona does not want to cut defense how can he vote for Gramm-Rudman? Because Gramm-Rudman will mandate that the President make cuts in defense. I know my friends who are the supporters of this overall amendment to the Gramm-Rudman bill say that indeed, that is the intent of the triggering mechanism.

May we have order, Mr. President?

The PRESIDING OFFICER (Mr. NICKLES). The Senate will be in order.

Mr. BRADLEY. But this administration will never, ever take the envisioned cut in defense and, therefore, supporters argue that the administration will have to accept a tax increase. Mr. President, that is where I part company with the Senator from Arizona and others. I do not think the President will accept a tax increase. I do not think Gramm-Rudman pushes him into the corner. I think it is quite conceivable that at a moment of some international tension, the President will simply ask for defense to be exempt from the Gramm-Rudman proposal, thereby producing, instead of across-the-board cuts in defense and nondefense, a very, very deep cut—in fact, potentially near elimination—of the nondefense discretionary section of the budget.

Mr. RUDMAN. Mr. President, would the Senator yield for a question?

Mr. BRADLEY. I would like to make just one further point. I asked the Senate Budget Committee on the minority side to take a look at what would have been the effect of Gramm-Rudman on the defense budget had it been in effect this year, using the assumptions that I have made with this amendment. The effect, I think, would not have pleased the distinguished Senator from Arizona, because it would have resulted in military personnel being cut about $5.7 billion in budget authority, $5.2 billion in outlays; operation and maintenance, $6.7 billion in budget authority, $5.1 billion in outlays; procurement, $8.2 billion in budget authority, $1.1 billion in outlays; research and development, $2.7 billion in budget authority, $1.4 billion in outlays.

So I say to the distinguished chairman of the Committee on Armed Services that the result of Gramm-Rudman, assuming no tax increase and no significant budget reduction through the reconciliation process, would have been a budget authority cut in defense in 1985 of $24.7 billion and a cut in outlays of $13.3 billion.

Mr. President, I do not think that is what the Senator from Arizona wants, that is not what the Senator from New Jersey wants. As I said in offering this amendment, I intend to vote against the amendment, but I want it to be known that those who vote against this amendment have essentially contradicted their vote of yesterday on Gramm-Rudman.

Mr. President I ask unanimous consent that the analysis prepared by the Senate Budget Committee minority staff be printed in the RECORD. I hope that the CBO and the respective committees in the Senate examine this analysis to determine the implications of these cuts.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

EFFECT OF GRAMM-RUDMAN ON DEFENSE

The purpose of this exercise is to demonstrate the effect of Gramm-Rudman had it been law in fiscal year 1985.

1. First, we should establish the deficit overage:

	Billions
Fiscal year 1985 deficit in fiscal year 1985 budget resolution	$181
Fiscal year 1985 deficit in fiscal year 1986 budget resolution	209.8
Deficit overage	28.3

2. Next. The automatic triggering mechanism requires half of reductions to come from defense and nondefense discretionary and half from automatic increases in entitlement excluding social security.

Entitlements	28.3
Maximum entitlement reduction permitted under amendment	−6.0
Total	22.3

This six billion would eliminate all COLAS in those accounts.

3. That leaves $22.3 billion in reductions which must come from the discretionary accounts both defense and non-defense. Defense outlays make up approximately 60 percent of this total. Using those accounts considered "Controllable" by OMB, the following illustrative spread of the defense cuts in both budget authority and outlays are shown by account. Here are some examples of the reductions we would have to make:

[In billions of dollars]

	Budget authority	Outlays
Operations and maintenance:		
Operations and maintenance: Navy	−3.2	−1.9
Operations and maintenance: Army	−24.0	−1.6
Operations and maintenance: Air Force	−2.5	−1.7
Other operations and maintenance	−1.9	−5.2
Total operations and maintenance	−10	−6.8
Procurement:		
Aircraft procurement: Navy	2.1	[1] 190
Shipbuilding and conversion: Navy	2.2	[1] 134
Aircraft procurement: Air Force	5.0	[1] 414
Other procurement	9.4	1.7
Total procurement	18.7	2.4
Research and development:		
R&D: Air Force	2.4	1.1
R&D: Navy	1.6	.8
Other R&D	1.6	.7
Total R&D	5.6	2.6

[1] These outlays are in millions of dollars.

This illustrative example has allowed the President and Congress to protect the military personnel accounts except for those funds with permanent change of station moves:

This example totals $38 billion in budget authority cuts to go with the $13.3 billion in outlay reductions. While this is an illustrative example it shows that even if we go out of our way to protect the military personnel accounts we will have to make Draconian reductions in other investment accounts.

It these reductions are made on a strict account-by-account basis and military personnel is not exempt, the following budget authority and outlay reductions would be made:

[In millions of dollars]

	Budget authority	Outlays
Military personnel	5.7	5.2
Operations and maintenance	6.7	5.1
Procurement	8.2	1.1
Research and development	2.7	1.4
Total	24.7	13.3

Mr. RUDMAN. Will the Senator yield for a question?

Mr. HOLLINGS addressed the Chair.

Mr. GOLDWATER. Mr. President, I am controlling the time and I shall be glad to yield.

I just want to tell my friend from New Jersey that there are things more important to this country and one of them is getting this country's fiscal shape back and the Democrats are absolutely opposed to it.

I yield 2 minutes to my friend from New Hampshire.

Mr. RUDMAN. Mr. President, I thank the distinguished chairman of the Armed Services Committee. I just want to address briefly my good friend—and I mean that in the true sense of the word—from New Jersey.

My friend sets up a strawman which he is about to knock down. He makes a very interesting assumption. He makes an assumption which, in the present climate, I find incomprehensible. The Senator from New Jersey says that because the Gramm-Hollings-Rudman amendment is going to force decisions that are going to be very difficult, the administration is going to come marching up here and make a request and we, 535 strong, are going to go off here marching in lockstep and exempt defense from the operation of Gramm-Hollings-Rudman. The Senator from New Jersey knows that that is absolutely a scenario that nobody believes. In the present atmosphere that we operate in, it is, in my view, legislatively impossible to ever get that through unless, of course, the country was on the doorstep of world war III.

Let me make a promise to my friend from New Jersey. If and when the administration were so ill-advised as to come up here and ask for that exception, I will stand shoulder to shoulder with the Senator from New Jersey to fight that exemption.

On the other hand, I hope the Senator from New Jersey will make an equal offer that if anybody comes up here and tries to exempt all those social programs from the operation, the Senator from New Jersey will stand shoulder to shoulder with me against that, so, finally, we have a chance to make some choices, which is all Gramm-Hollings-Rudman tries to do. I thank the distinguished Senator.

Mr. HOLLINGS. Mr. President, will the Senator from Arizona yield me some time?

Mr. GOLDWATER. I yield 2 minutes to the Senator from South Carolina.

Mr. HOLLINGS. Mr. President, it is significant that my distinguished colleague from New Jersey is the one who is really jumping around with an amendment that he even will not support. What we are really seeing is the end of Bradley-Gephardt, the end of Kemp-Kasten and the end of tax reform, which has really developed into tax ripoff.

The Senator from New Jersey had good intentions. I do not question his sincerity about reform, but in reality what has occurred in reform with the passage of Gramm-Hollings-Rudman is a reform of priorities. What the Senator from New Jersey, the President, and all the others running around in circles are saying about their so-called reform is that they are reforming priorities.

We here in Gramm-Hollings-Rudman are reforming a problem. And we are correcting that particular problem. What is occurring is that the revenues that Bradley-Gephardt counted on are now going to lower that deficit and he is screaming. He knows that he is at the end of the road here this morning because he wanted to build up a $130 billion kitty in order to lower all these brackets and call it reform. We are going to take that $130 billion kitty that even the President has submitted and we are going to start paying our bills in America. That is all I have to say.

Incidentally, I say to the Senator from Arizona, the majority of the Democrats did vote for it. They oppose it but when we finally got to the trough, they did drink yesterday afternoon. That is a bipartisan initiative.

Mr. BRADLEY. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Six minutes thirty seconds.

Mr. BRADLEY. Let me say to my friend from South Carolina, whom I respect greatly, if this is the end of the road for tax reform, then the Senator is saying today that Gramm-Rudman guarantees a tax increase.

Mr. HOLLINGS. Right.

Mr. BRADLEY. And it does so in the income tax system.

Mr. HOLLINGS. You are right again, Senator.

Mr. BRADLEY. Mr. President, we are going to see a little bit later, when I offer another amendment, if the Senator from South Carolina is prepared to vote for that tax increase.

Mr. HOLLINGS. Right.

Mr. BRADLEY. We shall see if, indeed, the Senator from South Carolina and 66 other Senators are prepared to vote for a tax increase. Mr. President, that is what will be needed. We will need 66 votes to override the veto of the President of the United

States if Congress passes a tax increase.

Mr. President, if we do not get 66 votes, then we have Gramm-Rudman. And we would have, if it were in effect this year, a $13 billion cut in defense outlays and a $24 billion cut in budget authority.

My friend from New Hampshire said that he would stand shoulder to shoulder with me if anyone ever said, "We are going to exempt defense from the Gramm-Rudman proposal." He would stand up and say, "No, I am with you, we will not exempt defense." Let me say to my friend that I know the mood in the Congress now.

I have seen the polls. The polls show—as the Senator from Arizona has seen time and time again—that defense is an area that the people want to cut back. I believe, like the Senator from Arizona, that it would be shortsighted and foolhardy to yield to that temptation to cut defense. But let me tell you, Mr. President, the polls might say that now—and I know what the polls say on defense—but what happens if we have a little international incident—a few hostages coming down and kissing the ground in America—a few hostages taken somewhere in the Middle East—an international crisis—and then see how many Senators are going to stand up on this floor and say, "Cut defense 5 percent in real terms."

Mr. President, that will not happen. There will not be 51 votes in the Senate of the United States to say "cut defense" while the President is on TV with patriotic citizens kissing the ground of America. It will not happen.

I know the intention of the Senator from New Hampshire and I admire his work. The fact is that if he stood shoulder to shoulder with me, we would still be in the minority. I can assure you that when that day happens, we will all look back and say, "How did we get into this fix?"

We got into this fix because we developed a procedural answer to a substantive problem.

Now the Senator—and I give him the best of motives—wants to force action. Mr. President, I would bet that over half the people who voted for Gramm-Rudman voted for it because they believed the action that was going to be forced was some kind of tax increase and that that tax increase will be forced down the President's throat because the alternative is big cuts in defense.

I am simply saying with this amendment now before the Senate that there is another way out for the President, and the result will be to exempt defense and have extremely deep cuts in the nondefense section of the budget. This vote will demonstrate that, because there are not 50 votes in here—I bet there are not 10 votes in here—for a 5 percent cut in defense in real terms.

Two days ago in the Washington Post, Mr. President, an administration official said that although Reagan has insisted, in supporting Gramm-Rudman, that Congress "keep previous commitments to increase defense spending," it's hard to see how that's possible under the existing plan.

So, Mr. President, the stage is set. We are simply waiting for the international event, and when the exemption for defense comes through you can say goodby to education programs in the Federal budget, you can say goodby to environmental programs in the Federal budget, you can say goodby to feeding programs for infants and children in the Federal budget, and you can say goodby to programs to rebuild bridges and highways.

Mr. BOREN. Will the Senator yield?

Mr. BRADLEY. Now, maybe, just maybe the Senator from New Jersey is a little too suspicious. I take that as a possibility. But let us see what happens. When that exemption comes from the President, let us hope that there is more than the Senator from New Hampshire and the Senator from New Jersey standing side by side to resist that exemption.

Mr. BOREN. Will the Senator yield?

Mr. BRADLEY. Certainly.

Mr. BOREN. Will the Senator agree also that the best way is for us to keep everything in the budget and avoid deep cuts in defense, education programs, and others? And if we agree to offer an amendment after his amendment is voted on on the subject, the best way to assure undue pressure is to have everything in, and therefore we should not exempt the 22 percent in Social Security also from this process so we could really have across-the-board action and would not be tempted to start dismantling this process?

Mr. BRADLEY. I believe, as the President does, that the Social Security trust fund is a separate fund that is now running a surplus. There is no need to balance the budget on the backs of Social Security recipients.

So, no, I will not vote for the Senator's amendment. I hope the Senator will vote for the amendment I will offer later to increase revenues.

Mr. RUDMAN. Will the Senator yield for just another question?

Mr. GOLDWATER. Not on my time.

Mr. RUDMAN. No. I asked the Senator from New Jersey.

Mr. BRADLEY. Certainly.

Mr. RUDMAN. Does the Senator agree——

The PRESIDING OFFICER. The time of the Senator from New Jersey has expired.

Mr. BRADLEY. Mr. President, I ask unanimous consent that the Senator from New Hampshire be allowed a question and the Senator from New Jersey a response.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RUDMAN. I was going to ask the Senator from New Jersey, after all of this debate, isn't the only thing that is going to be proved by this vote will be again that the Senate cannot conduct a rollcall vote within 15 minutes?

Mr. BRADLEY. I think that will be the minimum that will be demonstrated. I believe there will be much more demonstrated by this vote: Is there a majority of the Senate that wants to cut defense 5 percent in real terms? I think not. When that vote is taken, it will be a victory for defense. I will support it. But I think it will imply a disaster for the nondefense portion of the budget when the exempton comes up from the President to exempt defense from the Gramm-Rudman proposal.

Mr. GOLDWATER. Mr. President, how much time do I have left?

The PRESIDING OFFICER. The Senator from Arizona has 1 minute and 5 seconds.

Mr. GOLDWATER. Mr. President, I fully understand what is in the Gramm bill. We know about it. We know it is going to hurt defense. I am willing to take my chances. I think I can argue the point.

Mr. President, this amendment should not pass. I move that it be tabled. I ask for the yeas and nays.

Mr. BRADLEY. Mr. President, how much time remains—I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have been requested. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment of the Senator from New Jersey. The clerk will call the roll.

Mr. SIMPSON. I announce that the Senator from Minnesota [Mr. DURENBERGER], the Senator from Washington [Mr. EVANS], and the Senator from Nevada [Mr. LAXALT] are necessarily absent.

I also announce that the Senator from Maryland [Mr. MATHIAS] is absent on official business.

The PRESIDING OFFICER. Are there other Senators in the Chamber desiring to vote or change their votes?

The result was announced—yeas 89, nays 7, as follows:

[Rollcall Vote No. 214 Leg.]

YEAS—89

Abdnor	Bumpers	Denton
Andrews	Byrd	Dixon
Armstrong	Chafee	Dodd
Baucus	Chiles	Dole
Bentsen	Cochran	Domenici
Biden	Cohen	Eagleton
Bingaman	Cranston	East
Boren	D'Amato	Exon
Boschwitz	Danforth	Ford
Bradley	DeConcini	Garn

Glenn	Kennedy	Quayle
Goldwater	Kerry	Riegle
Gore	Lautenberg	Rockefeller
Gorton	Leahy	Roth
Gramm	Levin	Rudman
Grassley	Long	Sarbanes
Harkin	Lugar	Sasser
Hart	Mattingly	Simpson
Hatch	McClure	Specter
Hawkins	McConnell	Stafford
Hecht	Metzenbaum	Stennis
Heflin	Mitchell	Stevens
Heinz	Moynihan	Symms
Helms	Murkowski	Thurmond
Hollings	Nickles	Trible
Humphrey	Nunn	Wallop
Inouye	Packwood	Warner
Johnston	Pressler	Wilson
Kassebaum	Proxmire	Zorinsky
Kasten	Pryor	

NAYS—7

Burdick	Melcher	Weicker
Hatfield	Pell	
Matsunaga	Simon	

NOT VOTING—4

Durenberger	Laxalt
Evans	Mathias

So the motion to lay on the table the amendment (No. 752) was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. BRADLEY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, let me indicate to my colleagues that we still have at least five amendments, but there is no agreement on sequencing.

My understanding is that the Senator from Oklahoma would like to be next to offer an amendment. It is certainly satisfactory on this side. I understand Senator GLENN, who is listed next, is willing to step aside for that purpose.

Mr. GLENN. Mr. President, I say to the distinguished majority leader that I am happy to slide one notch, if we could. Senator BOREN had one that he wanted to bring up that will not take long, and then I would go after him.

Mr. DOLE. Is there any objection that, following the Boren amendment, the distinguished Senator from Ohio, Senator GLENN, be recognized to offer his amendment?

Mr. BRADLEY. Mr. President, I would ask, in the sequence, to be after Senator GLENN.

Mr. DOLE. I do not have any quarrel with that. They are all amendments on that side.

Mr. President, I ask unanimous consent that following Senator BOREN, Senator GLENN, Senator BRADLEY, Senator LEAHY, and Senator MOYNIHAN be recognized to offer their amendments.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOLE. There may be other amendments following that, but that is the only agreement we have.

Also, let me indicate to my colleagues that there are two cloture motions filed. Any action on those has been postponed unitl 1 o'clock. There could still be cloture votes on the cloture motions which were filed by the distinguished minority leader. We hope to get some agreement for final passage. If not, it seems to me the 74 Senators who voted for Gramm-Rudman would certainly vote for cloture in an effort to move this bill out of this Chamber. We hope we can negotiate some agreement.

I have had requests from several Members that we try to speed up our deliberations so they could have an early departure. We are working on that. We hope to have some announcement prior to 1 o'clock.

AMENDMENT NO. 757

(Purpose: To require the President, when reducing automatic increases in spending, to also reduce the automatic increase in benefits payable under the old-age, survivors, and disability insurance program established under title II of the Social Security Act)

Mr. BOREN. Mr. President, on behalf of myself, the Senator from Nebraska, Mr. EXON, and the Senator from Minnesota, Mr. BOSCHWITZ, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Oklahoma [Mr. BOREN] for himself, Mr. EXON, and Mr. BOSCHWITZ, proposes an amendment numbered 757.

Mr. BOREN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment reads as follows:

At the appropriate place in the joint resolution, insert a new section as follows:

SEC. .—Notwithstanding any other provision of law, when the President, using the authorities under the Balanced Budget and Emergency Deficit Control Act of 1985, issues an order that modifies or suspends the operation of each provision of Federal law that would (but for such order) require an automatic spending increase to take effect during such fiscal year, in such a manner as to reduce by a uniform percentage the amount of increase under each such provision, the President shall also issue an order that would reduce, by the same uniform percentage, any increase in benefits payable under the old-age, survivors, and disability insurance program established under title II of the Social Security Act: *Provided*, That any reduction in the increase of benefits payable under the old-age, survivors, and disability insurance program shall be computed in such a manner as to assure that the increase that would otherwise have been applicable is not reduced by more than 3 percentage points.

The PRESIDING OFFICER. The Senator will withhold for a moment. The Senate is not in order.

The Senator may proceed.

Mr. BOREN. Mr. President, this is a small, technical amendment to the pending proposal. All it does is put Social Security back into the process that would subject it to the across-the-board action that is going to apply to all other areas of spending.

Mr. President, the amendment I am offering will insure the fair and equitable operation of the Balanced Budget and Emergency Deficit Control Act of 1985, which I enthusiastically support. This amendment will put each and every American in the same boat should there be a deficit overage and a reduction in automatic increases is necessary to eliminate the overage. This amendment will require that COLA's under the Social Security Act be reduced if other automatic increases in spending are reduced. However, the amendment would not allow COLA's under the Social Security Act to be reduced by more than 3 percentage points, even if all the other automatic increases are reduced by a greater percentage.

The Balanced Budget and Emergency Deficit Control Act of 1985, which this body adopted earlier by an overwhelming majority, requires the President to reduce automatic increases in every entitlement program except one—the automatic increases under the old-age, survivors, and disability insurance program established under title II of the Social Security Act. By excluding Social Security, we are saying to the American public that there is one sector of the economy, one category of citizens, that is exempt from all attempts to balance the Federal budget. How in the world can we say that we have an across-the-board sacrifice when we are exempting almost 22 percent of all spending?

We are telling the person who receives food stamps or AFDC benefits that he or she must make a sacrifice, but Social Security recipients are not required to make a contribution to deficit reduction. We are telling the food stamp recipient. whose income is probably below the poverty level. That he or she will not get a cost-of-living adjustment; while, on the other hand, a Social Security recipient whose income may be in the highest income level will get an increase in benefits. How can we justify this? According to 1982 census data, only $1 of every $10 expended on Social Security increases went to people below the official poverty line.

And I want to emphasize that again, Mr. President. While we are asking for cuts from those below the poverty level, the 1982 census data indicates that only $1 out of every $10 expended on Social Security increases went to people below the official poverty line.

I also wish to cite some statistics, again from the Bureau of the Census data, in 1983. The average after-tax per-capita income for ages 25 to 29 is $6,561. These are people who are paying the Social Security taxes.

The average per-capita income, for example, of those in the age group from 40 to 44 is $6,991. The average per capita income in those ages from 45 to 49 is $7,533. The average per-capita income of those 65 and over is $8,113.

We should also consider the fact that, in the age group from 50 to 65, 79 percent are homeowners, half of whom have their mortgages fully paid, while the census data reports that in the age group from 65 to 75, 77 percent are homeowners, but 80 percent have their mortgages fully paid.

We must, when we talk about sacrifice by all Americans, make sure that sacrifice is fairly shared.

Mr. President, I believe the senior citizens of this country should be given more credit. Our attitude, which has been reflected in this body all too often that those who are on Social Security want to be treated specially and exempt from any sacrifices required from the American people, is wrong. It is demeaning to the patriotism of our senior citizens.

We are fooling ourselves if we think that our senior citizens do not care about excessive budget deficits, if we think that they do not want to participate in an act that will put this country back on solid ground. I have talked with many of the senior citizens in my home State of Oklahoma and they have expressed to me that they are willing to forgo all or a portion of their cost-of-living adjustment if everyone is in the same boat. The senior citizens are willing to contribute to major deficit reduction. It is quite logical that they are. They know that they will benefit more from a balanced budget than from a short-term cost-of-living adjustment. Senior citizens are willing to make a sacrifice along with everyone else and we should not deny them participation in what is probably the most significant step we can take. I say again, let us not underestimate the patriotism of our senior citizens. There is no more patriotic group than our senior citizens. Of course, it would not be fair to ask them alone to make sacrifices while exempting others. However, if all others are sacrificing, as I said a minute ago, it is demeaning to the spirit, commitment, and love of this country of our Social Security recipients to imply that they are unwilling to do their part.

The amendment I am offering today will allow the senior citizens of our Nation to be a part of this process along with all other Americans. And, I stress to my colleagues that this amendment will not result in any reduction in benefits. Reducing COLA's does not reduce benefits.

Rather, it merely lessens the amount of an increase. In this amendment the amount of increase cannot be reduced more than 3 percentage points. So if we were to have rampant inflation again we are here building in some protection for those on Social Security. We need an across-the-board sacrifice. Earlier in this process I offered an amendment to assure that corporations who are making large profits and are paying no taxes would pay their fair share. As I indicated, it was not fair to ask others to sacrifice while 50 companies pay no taxes on $56 billion in profits. We need a plan that will have all Americans without exception pull together to reduce these deficits to save our economy.

The interesting aspect about excluding Social Security COLA's from any reduction is that we are taking the pressure of Congress and the President to develop alternatives to an across-the-board reduction in COLA's and controllable spending. We are taking out one of the most politically powerful groups from the process, and leaving in those who perhaps have the least power.

Mr. President, putting Social Security COLA's back into the process will bring maximum pressure upon Congress and the President to be responsible. If the deficit overage is great enough to result in a reduction in Social Security COLA's Congress will face substantial pressure to come up with a preferable alternative. Thus, this amendment by far does not mean that Social Security COLA's will necessarily be reduced. In fact, it could mean that not only will Social Security COLA's not be reduced but also other COLA's for the other programs may not be reduced because it will put maximum pressure on this Congress to come up with a responsible way of meeting our budget targets without having to do that. It became quite obvious to me a long time ago that Congress and the administration will not deal with the deficits until absolutely forced to make the tough and painful decisions which will be necessary. The amendment we adopted earlier, the Gramm amendment, which I was proud to cosponsor, is a step in the right direction toward reducing the deficit. The amendment which I offered earlier to instruct the Finance Committee to place a minimum tax on corporations which are not paying their share is also a step in the right direction. This amendment to put Americans in the same boat, to put all Americans into this process, will again strengthen this process by requiring a shared sacrifice by all.

I urge my colleagues to join in supporting this amendment.

The PRESIDING OFFICER. Who yields time?

Mr. BOREN. I am happy to yield time to the Senator from Minnesota, my cosponsor on this amendment.

Mr. BOSCHWITZ. I thank the Senator from Oklahoma. I will be very brief. I was amused by the Senator from Oklahoma's statement that all this amendment does is include the Social Security recipients in the Gramm-Rudman-Hollings formula. I agree that all Americans should participate in the significant and important job of bringing the budget into balance because each and every American is going to benefit from bringing the budget back into balance, and creating a more stable economic climate in this country.

I would support an amendment that would not limit the inclusion of Social Security just 3 percentage points or 3 percentage points on the COLA. All the COLA's, as far as I am concerned, should be denied in the event that COLA's are being denied across the board to other recipients of Federal receipts and dollars.

The idea, however, of excluding Social Security is very damaging. Social Security constitutes 22 percent of the total Federal budget. The interest payments on the Federal debt are 13 or 14 percent. So right away we take 36 percent of the budget away from the Gramm-Rudman-Hollings approach. That means the budget has to be balanced from the remaining 64 percent, and that means deep cuts in those 64 percent. It really should be shared across the board. Interest, of course, is a nonnegotiable item, and we simply have to pay the going rate. I think the interest rates will come down as a percentage of the overall budget as we bring fiscal and budgetary discipline to the Congress. So that will take care of itself. It has to take care of itself. It is not something that we can mandate. Some people feel that we can mandate interest rates and lower them, unfortunately we cannot. I suppose if we could, we would. But that is really truly the only nonnegotiable part of the budget.

But Social Security is the largest single program other than defense. As Gramm-Rudman is now written those Americans do not have to share in the business of balancing our fiscal affairs, yet can benefit in the result. I do not think that is the way to go.

Three years ago I proposed the "fair play budget." The principle behind it was the same as what's behind this amendment. We can balance the budget by slowing the growth of spending if all parts of the budget are included and we treat everyone the same.

Frankly, I don't expect we will win on this vote. Conventional political wisdom dictates that we don't mess around with scheduled benefit increases to 36 million Social Security recipients. Of course conventional political wisdom also dictates that we don't mess around with people who ride Amtrak, local government officials who have become accustomed to general revenue sharing or Medicare recipients. But this great wisdom is

precisely why we're in this mess and, to date, why we've been unable to get ourselves out of it.

I've held numerous hearings on the fair play budget proposal all across Minnesota. And I'm convinced Minnesotans, and all Americans, including Social Security recipients, will support an across-the-board approach to balancing the budget.

I support, encourage, and compliment my colleague and friend from Oklahoma, with whom I often find myself agreeing. I think the amendment is a constructive one. I hope it carries here in the Senate.

Mr. HART. Will the Senator yield for a question?

Mr. BOSCHWITZ. Sure.

Mr. HART. I wonder if the Senator from Oklahoma and the Senator from Minnesota would like to explain to the Senator from Colorado what this amendment does or does not do.

My understanding is that by definition the program proposal adopted by the Senate yesterday did not include multiyear defense or civilian procurement, or interest on the debt, or other entitlements, programs to the tune of $190 or more billion, and did not include Social Security COLA's but this amendment is designed to put Social Security COLA's back on the table in a way that the Gramm amendment did not. My question is what about those other budget items totaling some $500 billion that will not also be subject to these so-called hard choices? In other words, will not this amendment have the result of bringing cost of living—I wonder if I might have the attention of the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Oklahoma controls the time.

Mr. HART. Let me finish the question, if I may. If I understand what will happen if we adopt the amendment is cost of living increases for senior citizens will be put back in the mix of impoundments by the President where procurement of nuclear missiles, B-1 bombers, whatever the broad category of civilian multi-year procurement, and other entitlements will not be.

Mr. BOREN. Mr. President, in response to the question of the Senator from Colorado, I would say I think he is absolutely incorrect in saying that the defense programs are forever excluded. When the term of the contracts——

Mr. HART. I did not say that.

Mr. BOREN. I understand. But when the term of the contracts are up, whether it is on nuclear missiles, nuclear submarines, or any other weapons programs, of course they come in for the across-the-board cuts just like when the term of the contract on student aid is up, or when the term of a contract on CCC loan is up, there is no way that we can abrogate contracts. In fact, the Constitution specifically prohibits the abrogation of contracts. So we would have lawsuits. But the point is we do include defense essentially as a part of this program. We do include all the other COLA's, including food stamps, including AFDC, and all of the other COLA's for poeple, many of which are below the poverty level. Only $1 out of $10 in the Social Security Program goes to people below the poverty level. But we say then, oh, yes, they are going to get their full COLA. I do not know. Maybe the Senator from Colorado can tell me how he would explain it. But when I talk to someone on railroad retirement, or when I talk to someone on veterans pension, or when I talk to civil service retirees, or when I talk to a person on food stamps or AFDC, and all of these other categories and say this automatic process means you do not get a COLA this year, you do not get a COLA but the people on Social Security will get a COLA this year, how do we explain the equity of that? How do we explain to our Social Security recipients that because of the new leaders of pressure groups that purport to speak for them, we really do not believe that the senior citizens down at the grass roots have the patriotism to be part of the process? How do you have an across-the-board sacrifice and totally leave out 22 percent?

The benefits could not be cut. Only the COLA, the rate increase, could be cut. Under this amendment, it could not be reduced more than 3 percentage points. So that if you had COLA's that were going to apply, say, 6 percent, the Social Security COLA could be reduced by a maximum down to a 3 percent COLA instead of a 6 percent.

Mr. HART. Could I restate my question once again? In the first year of the application of the Gramm amendment, which was adopted by the Senate yesterday, my understanding is the use of the words "across the board" is not across the board, that somewhere between $500 and $700 billion in that first year's budget will not be on the table for consideration for impoundment by the President or cut by the Congress.

In that figure are almost $100 billion of civilian multiyear contracts and Defense Department contracts, and almost $200 billion of other entitlement programs and interest on the debt, with the bulk of the benefits in Social Security.

My question is this: In that first year, if the Senator's amendment is adopted, will any of those other categories be on the table for consideration, or are we asking the senior citizens to accept the burden that we are not asking the defense contractors and other contractors to accept?

Mr. BOREN. No, absolutely not. The only thing that is exempt is a broad range of estimates of between $500 and $700 billion. I would say that is a very high figure. I think it is an overestimate. I would say that basically everything is in that we can put in legally. You cannot abrogate a contract in the middle of a contract. But except for that, except for things that are under contract, and we provide for when those contracts expire, then that program comes in on renewal.

So I would say yes, everything is in except 22 percent of the budget, which is Social Security. Government salaries could be cut and conceivably would be, including Members of Congress, I presume. Congressional budgets to operate Congress would be cut 1 or 2 percent. Everything would be cut. And food stamp recipients, people below the poverty level. But we would still be giving the automatic COLA to Social Security.

If I could ask the Senator from Colorado a question, does he believe that the Social Security recipients of this Nation are so unpatriotic that if every other group of Americans were going to be in this process, if all the others who receive COLA's will be in this process, does he really believe that the people on Social Security are so unpatriotic that they would not want to do their share as long as all the other people on salaries in the Government, all the other people on COLA's, were affected? We all know that 40 percent of the benefit paid by Social Security is representative of what was paid in with the rest being Government payment. Every year since 1969, except for 2 years, the general fund of this Government has had to make payments to the Social Security fund to keep it in operation.

I know what some of the special interest people here in Washington say. But does the Senator from Colorado, from talking to the people in his home State, really believe that the people on Social Security are not among the best Americans, who are so partriotic that as long as everybody else is affected they would not want to be among the first to want to step up and say, "We want to do our part"?

Mr. HART. May I respond to the question?

The PRESIDING OFFICER (Mr. DENTON). The Senator from Colorado.

Mr. HART. First of all, this is not an issue of patriotism. And let us forget about the interest groups. I have no ax to grind with interest groups.

The questions I have raised have to do with equity and whether everyone in the society and everyone affected by the Federal budget is in fact under the Gramm proposal and being asked to bear the burden fairly.

The accurate way to pose the question, leaving aside the rhetoric of patriotism and the inaccuracy that everybody is being asked to share fairly,

is, what would be the attitude of the senior citizens of this country when they find out, the Senate now having adopted Gramm amendment and the Senator from Oklahoma now trying to put their cost-of-living increases into the Gramm proposal sideways, that in fact everybody dealing with the Federal Government is not being asked to share fairly for whatever reason?

I do not think that a senor citizen living on Social Security is going to want to hear that General Dynamics was not in this because of the legalities of multiyear procurement, or that the XYZ construction company building a Federal building or a Federal dam is going to get its full share of its contract because we could not abrogate contracts, which is a matter of law and the Constitution.

Further, that there are $184 billion of other entitlements not affected by the Gramm proposal.

I think we should do away with this fraud that everything is on the table. Everything is not on the table. The $500 billion figure which the Senator from Colorado just cited is on the record, put on the record by the Senator from New Hampshire [Mr. RUDMAN] on Saturday morning in this session, and it is the base line, bottom figure that any sponsor of this measure has admitted to that is not on the table. That is 50 percent of the Federal budget.

Others have admitted that the figure is more like $700 billion.

So let us do away with words like "sequester." We are talking about impoundment. Let us do away with across-the-board cuts and sacrifices. We are talking about 50 to 70 percent of the Federal budget that is not on the table.

Let us accurately ask the senior citizens of this country if they want their cost-of-living increases cut, when General Dynamics is not going to be affected, at least in the first year, or $109 billion of multiyear military procurement.

The PRESIDING OFFICER. If the Senator will suspend, his remarks are being completed on the time of the Senator from Oklahoma.

Mr. BOREN. I thought I asked a question.

Mr. GRAMM. Will the Senator yield?

Mr. BOREN. I will not yield any longer if time will be charged against my time.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Will the Senator from Oklahoma yield?

Mr. BOREN. I will be happy to relinquish the floor and let the Senator from Colorado continue on his own time.

Several Senators addressed the Chair.

Mr. HART. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. Who yields time?

Several Senators addressed the Chair.

Mr. RIEGLE. Who controls the time in opposition?

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. RIEGLE. I ask the Senator in charge of the time in opposition if he will yield.

The PRESIDING OFFICER. The Senator from Oklahoma has the time and he is recognized.

Mr. HART. Mr. President, a parliamentary inquiry.

Mr. BOREN. I trust the time is not running against the Senator from Oklahoma. He is unable to get the floor.

The PRESIDING OFFICER. Who yields time.

Mr. HART. A parliamentary inquiry, Mr. President.

Mr. BOREN. Mr. President, I reserve the remainder of my time.

Mr. HART. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. Unless a Senator yields time, no parliamentary inquiry is in order.

Mr. RIEGLE. I ask the Senator from Oregon if he will yield time?

Mr. PACKWOOD. Mr. President, how much time remains?

The PRESIDING OFFICER. Six minutes and twenty-five seconds.

Mr. PACKWOOD. May we have order Mr. President?

The PRESIDING OFFICER. I am trying to get order.

Mr. PACKWOOD. Any time for a parliamentary inquiry has to be yielded from time of one of the parties?

The PRESIDING OFFICER. That is correct.

Mr. PACKWOOD. I yield to the Senator from Colorado for a parliamentary inquiry.

Mr. HART. Mr. President, who controls the time in opposition?

Mr. PACKWOOD. I control 10 minutes. But I have to yield for a parliamentary inquiry. I yield for that purpose. I have a lot of people who want to speak.

Mr. RIEGLE. Will the Senator from Oregon yield to the Senator from Michigan?

Mr. PACKWOOD. Mr. President, I cannot hear whether the Senator from Colorado is making a point of order.

Mr. RIEGLE. I believe he relinquished.

Mr. PACKWOOD. Mr. President, I yield 2 minutes to the Senator from Michigan, 2 minutes to the Senator from New York, and 2 minutes to the Senator from Texas.

Mr. RIEGLE. I thank the Senator for yielding.

I think the contract that we have with the senior citizens of this country on Social Security is every bit as important as any other contract we have with defense contractors or anyone else.

The Social Security System is not part of the deficit problem; the President himself has admitted that. We are in surplus there. The Senator from Oklahoma is wrong when he says his proposal would not cut the income, the practical income, of senior citizens. In fact, it would.

The COLA adjustment comes a year after inflation has eaten into the buying power of their Social Security benefits. What the COLA does is make them whole, replace the buying power they have lost. If the COLA is stripped away, their buying power goes down. As a matter of fact, statistics show that hundreds of thousands would be pushed below the poverty line. That is why the country does not want to do this. By overwhelming numbers in national polls, they have indicated they do not want to do it. The President now says he does not want to do it. The Senate has expressed itself.

The way Gramm-Rudman would work if the Boren amendment is accepted, they would not lose just the first COLA, they would lose them for 5 years straight. That would affect the living standards of senior citizens. Probably 15 to 20 percentage points would be lost simply because of the inflation that is anticipated over that period of time.

We have already cut $100 billion from Social Security and we ought not to cut any more.

The PRESIDING OFFICER. The Senator's time has expired.

I remind the Senator from Oregon that his time is now 7 minutes.

Mr. PACKWOOD. I thought I had 10 minutes.

The PRESIDING OFFICER. The Senator did.

Mr. PACKWOOD. I yielded 2 minutes to the Senator from Michigan.

The PRESIDING OFFICER. The Senator had used 1 minute and we are now down to 6 minutes 9 seconds.

Mr. PACKWOOD. I yield 2 minutes to the Senator from Massachusetts [Mr. KERRY].

Mr. KERRY. Mr. President, I agree with the Senator from Michigan. I would like to answer the question of my friend from Oklahoma: what is there in this that gives equity? Why should we do something we are not doing for other programs?

The answer is simple: the President and Congress made a commitment to the people on Social Security, in the fixing of the Social Security System 2 years ago, that it would be fixed and we would not come back to them.

Second, in the course of last year, it was stated very clearly that that contract would not be interrupted.

There is a further reason why it is equitable. The Social Security System is going off budget in a few years anyway. In the 1960's it was not on budget except as a means of paying for war simultaneous with not raising taxes. It does nothing to reduce the deficit even now. These payments are dedicated only to the payment of Social Security. So it is a shell game to hold it in there.

To put it in there when it is not now something that we can use to reduce the deficit is to make it into something that it is not. It is not something we can consider as outside of the deficit process. If the Committees on Finance or Appropriations want to look at the Social Security System and even give a tax refund because of its surplus, they can do so at any time. But the issue here is one of equity. It is one of fairness: What is on the budget, what can be used to reduce the deficit, and what is appropriate for that part of the pie.

Moreover, we are only talking about what happens if sequestration were to take place and to put a system into the consideration of reductions in the deficit when you cannot even use the money to reduce the deficit in the first place——

Mr. BOREN. Will the Senator yield a few seconds from his time?

Mr. KERRY. I do not think I have even a few seconds.

The PRESIDING OFFICER. The Senator from Massachusetts has 11 seconds left.

Mr. KERRY. I think we ought legitimately to have truth in budgeting, we ought legitimately to have truth in packaging. Since you cannot use it anyway, now to put it in would be a fraud and an injustice to the people of the United States who are on Social Security.

Mr. PACKWOOD. Mr. President, I yield 2 minutes to the Senator from New York.

Mr. MOYNIHAN. Mr. President, at the expiration of the time of the Senator from Oklahoma, I shall move to table the Senator's amendment. I should like to make two remarks and one general proposition.

First, I have heard it stated on this floor that every year since 1950 or something, moneys have gone from the general fund to the Social Security trust fund. That is not true. It is not true.

Second, on the question of how the Social Security surplus in the retirement funds affects the deficit, it reduces the deficit. The deficit is defined as money the Government must borrow in order to continue its activities.

More importantly, Mr. President, a Presidential commission was established to reorganize the Social Security finances in 1982. It did so. In 1983, we passed that legislation. We have a secure and stable system now and nothing would be a greater disservice to it than to continue tinkering with a trust fund in the name of balancing budgets and meeting certain fiscal requirements that have to do with general government. This is money paid into a trust fund for purposes of retirement and other benefits; it should be kept as such. It is in secure condition; it ought not to be changed. Anyone who proposes to change it seems to me to act in a manner that is less than attractive. As I say, when the time comes, I shall move to table.

The PRESIDING OFFICER. The Designation of time to the Senator from Texas by the Senator from Oregon is now in order, after which there will be 1 minute remaining.

Mr. GRAMM. Mr. President, I find myself in a peculiar position, in that, in trying to put together a consensus for the Gramm/Rudman bill, a bill that received 75 votes yesterday, I was forced to recognize two realities: one is the budget reality of the Social Security trust fund being a freestanding trust fund. The second one was the political reality that had we left Social Security on, we would have been debating Social Security and not the budget.

So my logic in dealing with those two realities was to take Social Security off budget so that those who did not want to deal with the deficit problem but did want to hide behind Social Security, could go to a museum somewhere and debate Social Security so we would not be debating in here again on the budget.

On the other hand, I have great respect for my colleague from Oklahoma and I know his initiative here is trying to get that last drop into the pot. So I find myself in a dilemma which I shall have to settle with myself as an individual Member.

Let me go back in the remainder of my time and make it clear that Senator HART's statement is a misstatement of what we did yesterday and is in fact an attempt to redebate what was already settled with 75 votes. Everything is in the pot except Social Security. On any given day, about $500 billion of it can be affected. That varies from day to day because the Government has contracts and, despite the fact that we all want to try to act as if contracts skew the debate, we cannot invalidate contracts because people would take us to court and they would win; we would have to pay and we would have to pay legal fees.

Also, defense is less protected by contracts than the rest of the budget put together. We have very little multiyear contracting. Of all parts of the budget when broken in half, defense and nondefense, defense is the least protected, not the most.

The PRESIDING OFFICER. The Senator's time has expired.

One minute remains on the side of the Senator from Oregon, 6 minutes on the side of the Senator from Oklahoma.

Mr. BOREN. Mr. President, I yield myself 1 minute. I want to take this minute to respond briefly to some of the statements made by the Senators from Massachusetts and New York.

The Senator from Oklahoma was not citing himself as an authority when he said that in all but 2 years since 1969, we have had to have transfers from the general fund to keep the Social Security fund afloat. My source for that is the Congressional Research Service report to the Budget Committee, January 1985. It points out that on the contrary, instead of using Social Security to balance the budget, the fact that Social Security has been in the unified budget has been to the benefit of the Social Security fund. We have transferred funds from the general fund to the Social Security fund.

In the second place, the Senator from Massachusetts said there was some sort of sacred commitment on COLA's given to those now drawing benefits. We did not even have COLA's. We did not have COLA's in place until, for the first time, 1975, and most of the people now drawing Social Security benefits paid in for years long prior to 1975, so they were not paying into Social Security under any promise that they would receive COLA's.

I appreciate what the Senator from Texas has said. We do have sacrifices from all other parts of the budget. My point is simply this: I do not believe that the Social Security recipients of this country are unwilling to do their part as long as everyone else is.

I now yield 2 minutes to the Senator from Minnesota.

Mr. BOSCHWITZ. I thank the Senator very much. I wanted to respond briefly also to the Senator from Colorado, who says that certain defense contracts are not within the realm of Gramm-Rudman. More and more each day as time passes those contracts will come within the realm of the Gramm-Rudman amendment. Some of them indeed are not, but defense, as Senator GRAMM has pointed out, is more subject to the annual appropriation process than perhaps any other elements of the budget, and therefore should not in any way be regarded as being off limits as far as the Gramm amendment is concerned. They are more on limits really than other parts of the budget.

Senator RUDMAN said to the Senator from Colorado that $500 billion is not included in Gramm-Rudman; most of the $500 billion really are the entitlement programs that constitute 44 percent of the budget. The entitlement programs can only be impacted by the

Gramm-Rudman-Hollings amendment with respect to their COLA. So the vast part of all those entitlements cannot be impacted by Gramm-Rudman. That is why such a large amount is not within its scope. But I, too, join my friend and colleague from Oklahoma in recognizing the realities that if we are going to be fair in bringing about the end of the large deficits, if we are going to benefit as a nation, that all must participate because all will benefit when those deficits are reduced.

Mr. LEVIN. Mr. President, I believe that deficit reduction should be across the board and in the spirit of shared sacrifice. I have no disagreement with my good friend from Oklahoma on this matter.

I also believe, however, that we cannot include Social Security COLA's as part of a package like the President's sequester order under Gramm-Rudman if there are no revenues as part of that package. I do not believe that we should reduce Social Security COLA's at the same time that a package does not, for instance, include revenues from a more effective minimum tax on those profitable corporations and wealthly individuals who are right now avoiding paying anything in taxes. That would not meet the test of fundamental fairness and shared sacrifice. For a similar reason, I hope that in the negotiations in the conference committee with the House of Representatives means tested entitlements should also be excluded from the President's sequester order.

Mr. BOREN. Mr. President, how much time is remaining to the Senator from Oklahoma.

The PRESIDING OFFICER. The time remaining to the Senator from Oklahoma is 3 minutes and 6 seconds.

Mr. BOREN. I yield 1 minute to the Senator from Idaho.

Mr. SYMMS. I thank the Senator very much for yielding.

Mr. President, I compliment the Senator from Oklahoma and the Senator from Minnesota for sponsoring this amendent. I believe this amendent is fair. To take our large segments of the budget makes this whole proposition less workable, and I think in the long run, as Senator BOSCHWITZ just stated so very clearly, all Americans will benefit from honest and sound budgetary control and fiscal policy. Therefore, it will be more workable. It was taken out because of politics but that does not mean it is right. It would be more right to include it. My parents, with millions of other people in this country, are Social Security recipients and they are no less patriotic or no less willing to put their shoulder to the wheel to help all people in the country have fiscal honesty and fiscal sanity. I urge passage of the amendment. I support the Senator from Oklahoma.

Mr. BOREN. I thank the Senator from Idaho. I yield 1 minute to the distinguished chairman of the Budget Committee, the Senator from New Mexico.

Mr. DOMENICI. Mr. President, I thank the distinguished Senator. I compliment him.

This bill we are debating starts with the premise that the United States is in a fiscal state of emergency. I submit that if the senior citizens of this country are confronted with an emergency in their country, if they were sitting up here listening and they thought that we were going to exclude them while we are going to put everybody else in, including all their other retired brothers in the country, military, civilian and otherwise, they would tell us we are crazy; they would say, "If we are in an emergency and we are talking about whether we get an increase or not, we will take the share of this emergency like everybody else."

Now, if we can control the budget, we do not have to get any of the senior citizens. That is the issue. We do not have to get Social Security or otherwise.

The PRESIDING OFFICER. The Senator's time, 1 minute, is up. There is 1 minute remaining on each side.

Mr. BOREN. Mr. President, I yield to myself the remainder of the time.

Mr. President, over the past few weeks, there has been a lot of debate about the need to take Social Security off the budget. Regardless of what has been said, Social Security cannot really be removed from the Federal budget. Any surplus revenues received by the trust fund ultimately flow into the general funds of the U.S. Treasury through investments in U.S. Government securities. Further, any shortfall of revenues causes the Government to reduce spending in other activities, raise taxes or borrow elsewhere to repay the earlier loans it received from Social Security. In other words, the investment policies of the trust fund cause it to affect the official budget in one way or another, whether it is considered a part of the budget or not.

I think my colleagues will recall that just a couple of years ago, we had to take money from the general fund and place it in the trust fund to keep the fund solvent. Contrary to popular belief, Social Security has increased Federal borrowing needs in all but 2 years since 1969. I urge my colleagues to recall also that prior to 1975, there were no automatic COLA's. If increases were deemed necessary at that time, the financial condition of the program was reviewed and, when necessary, additional taxes were levied or expectations were lowered. It could be stated that automatic COLA's could be the reason for the two major financing crises the program has had in the last 10 years. The first automatic COLA was an 8-percent increase in 1975.

Over the past 10 years. COLA's have ranged from a low of 3.5 percent in 1984 and 1985 to a high of 14.3 percent in 1980. When we are in the midst of a budget crisis, we simply cannot afford to have automatic increases in a nonmeans-tested program if all other nonmeans-tested programs are not receiving COLA's. When we are reducing COLA's for all means-tested programs, how can we justify unlimited increases in Social Security when only $1 of every $10 expended on Social Security increases goes to people below the official poverty level? How can we ever balance the budget if 22 percent of spending—and it is Government spending—is ruled off limits? We cannot.

Social Security spending in fiscal year 1984 was $178 billion, while, in the same year, only $167 billion was collected from active workers for the Social Security Program. The Congressional Research Service estimates that employee-employer contributions, with compounded interest, covers only 40 percent of the benefits received for the average retiree. For almost two decades, outlay increases arising from Social Security benefit increases have been the largest single component of the program's growth and generally have been substantially greater than combined outlay increases by all other COLA's. It is paradoxical that in recent years AFDC, Food Stamps, Medicaid and other means-tested programs have been cut while Social Security cost-of-living increases continue. It is simply unfair to impose sacrifices on those who rely on means-tested income-transfer programs while Social Security recipients, many with moderate and high incomes, receive large COLA's.

On average, Social Security recipients are financially better off than recipients of means-tested programs; 79 percent of Social Security recipients, between the age of 50 and 65, are homeowners and half of them have their homes paid for. In the 65 to 75 age group, 77 percent are homeowners, and 80 percent in this category have their mortgages paid off.

How can we say that this category is going to be exempt from reductions in COLA's when food stamp recipients and AFDC recipients are going to take a reduction in their COLA? We cannot.

Mr. President, the amendment I am offering today is fair and equitable. If everyone else is going to take a reduction in COLA's, it is only fair that Social Security recipients take a reduction as well. I urge my colleagues to join me in making the Balanced Budget and Emergency Deficit Control Act of 1985 a fair and equitable act.

Mr. President, I know there are some honest differences of opinion. I hope Senators in this Chamber sincerely believe, as I do, that our Social Security recipients are committed to this country, are patriotic; as long as others are doing their part, they want to do their part, too. I hope those who sincerely agree with me vote with me and not fail to vote with me out of fear of what the political repercussions might be. I have had many people come up to me and say, "You are right, but why are you bothering to offer this amendment? There is just too much political opposition to it." I think that is a misstatement. I think it does underestimate the sincere understanding of the senior citizens of this country. It underestimates their patriotism.

I, for one, stood up yesterday and tried to make sure that General Dynamics and others pay their fair share with a minimum corporate tax. All others do it, even those below the poverty level. I think the Social Security recipients would be the first to say, "We want to do our part." I urge my colleagues to vote that way.

The PRESIDING OFFICER. All time of the Senator from Oklahoma has expired. The Senator from Oregon is recognized.

Mr. PACKWOOD. Mr. President, I move to lay on the table the amendment of the Senator from Oklahoma.

Mr. BOREN. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oregon. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Minnesota [Mr. DURENBERGER] is necessarily absent.

I also announce that the Senator from Maryland [Mr. MATHIAS] is absent on official business.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 71, nays 27, as follows:

[Rollcall vote No. 215 Leg.]

YEAS—71

Abdnor	Denton	Heinz
Andrews	Dixon	Hollings
Bentsen	Dodd	Humphrey
Biden	Dole	Inouye
Bradley	Evans	Johnston
Bumpers	Ford	Kasten
Burdick	Glenn	Kennedy
Byrd	Gore	Kerry
Chafee	Gorton	Lautenberg
Chiles	Grassley	Laxalt
Cochran	Harkin	Leahy
Cohen	Hart	Levin
Cranston	Hawkins	Lugar
D'Amato	Hecht	Matsunaga
DeConcini	Heflin	Mattingly
McConnell	Proxmire	Specter
Melcher	Pryor	Stafford
Metzenbaum	Quayle	Stevens
Mitchell	Riegle	Thurmond
Moynihan	Rockefeller	Trible
Murkowski	Roth	Warner
Packwood	Sarbanes	Wilson
Pell	Sasser	Zorinsky
Pressler	Simon	

NAYS—27

Armstrong	Exon	McClure
Baucus	Garn	Nickles
Bingaman	Goldwater	Nunn
Boren	Gramm	Rudman
Boschwitz	Hatch	Simpson
Danforth	Hatfield	Stennis
Domenici	Helms	Symms
Eagleton	Kassebaum	Wallop
East	Long	Weicker

NOT VOTING—2

Durenberger Mathias

So the motion to lay on the table the amendment (No. 757) was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. PACKWOOD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 764

(Purpose: To provide that the President may not recommend actions to increase borrowing authority or to increase the public debt limit by more than the applicable amount)

The PRESIDING OFFICER. Under the previous order, the Senator from Ohio is recognized to call up an amendment.

Mr. GLENN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Ohio [Mr. GLENN] proposes an amendment numbered 764.

Mr. GLENN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment reads as follows:

At the end of the joint resolution add the following new subsection:

( ) Section 1105(c) of title 31, United States Code, is amended—

(1) by striking out "The" the first time it appears and inserting in lieu thereof "(1) Notwithstanding any other provision of law, the";

(2) by inserting "(other than action that would require an increase in borrowing authority or an increase in the limit imposed by section 3101(b) of this title by more than the applicable amount for the fiscal year for which the budget is submitted)" after "action" the first place it appears; and

(3) by adding at the end thereof the following new paragraph:

"(2) For purposes of this subsection, the term 'applicable amount' means—

"(A) with respect to the fiscal year beginning October 1, 1986, $144,000,000,000;

"(B) with respect to the fiscal year beginning October 1, 1987, $108,000,000,000;

"(C) with respect to the fiscal year beginning October 1, 1988, $72,000,000,000; and

"(D) with respect to the fiscal year beginning October 1, 1989, $36,000,000,000; and

"(E) with respect to the fiscal year beginning October 1, 1990, and each fiscal year thereafter, zero.".

UNANIMOUS-CONSENT AGREEMENT

Mr. DOLE. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. GLENN. Yes.

Mr. DOLE. Mr. President, earlier this morning, with the consent of the distinguished minority leader, I postponed any action on the cloture motions pending, including the live quorum, until 1 o'clock. I now ask unanimous consent that it be postponed until 3 o'clock.

The PRESIDING OFFICER. Is there objection?

Mr. DECONCINI. Reserving the right to object, Mr. President, I do not intend to cause a problem here. I understand some of what is going on. But I am concerned about the reason for this. I presume it has something to do with the Budget Committee and the Domenici perfecting amendment.

Some of us would like to know what those might be before we continue to proceed. Because I could see a stampede to get out of here tonight and, all of a sudden, being presented with the Domenici proposal and really not having an opportunity to know what happened. If I may ask the majority leader a question: If we impose cloture now, if it were invoked, would that prevent any further amendment? Is that correct?

Mr. DOLE. Yes; that would take care of any amendments, because there are no amendments timely filed at the desk. So there would not be any more.

Mr. DECONCINI. Which would include the so-called Domenici budget amendment?

Mr. DOLE. Which would include the Domenici amendment and the amendment of the distinguished Senator from Ohio, and others.

Mr. DECONCINI. Mr. President, I do not have any great desire to do that, but I also do not want to be hung out here not knowing what we are going to have presented. Maybe the leader or the distinguished chairman of the Budget Committee can give us some kind of an idea of when we can see something.

Mr. DOMENICI. Mr. President, I would think that in the next 20 or 25 minutes we can have something that we could show everyone.

Mr. DOLE. Let me also indicate to the distinguished Senator from Arizona that the motions were filed by the distinguished minority leader. My only purpose in postponing was that we had, sort of in good faith, promised a number of Senators that they could offer amendments today. They were

sequenced and we had time agreements. I am also aware it would take care of the Domenici amendment.

But I said from the start if that could not be explained satisfactorily to the Senators who have objections, it is probably not going to come up anyway. I know the Senator has discussed it, or will, with the distinguished Senator from Colorado, the distinguished Senator from Ohio, and now with the distinguished Senator from Arizona. I know the Senator has been working on it most of last night and this morning with the distinguished Senator from Florida [Mr. CHILES].

So if Members are not satisfied, I assume that is going to be the end of that effort.

Mr. HART. Mr. President, reserving the right to object, I believe the concern, if I understand the Senator from Arizona, is shared by the Senator from Colorado, and that is if we have a situation in which the procedures enable the distinguished Senator from New Mexico to bring the package on the floor, and there is no objection to 95 or 98 percent of it, but one aspect of that modification is of deep concern, we would then be precluded from seeking any adjustment in the normal course of things; that is, the amendment process on the floor of the Senate.

I believe that is our concern, not to block the effort to clean up the basic amendment. But there are some fundamental changes in that, and I think those two or three areas were the ones that concerned people.

Mr. DOLE. Right.

Let me indicate that I apologize to the distinguished Senator from Colorado, because I pushed a little hard yesterday. There was no effort to block the bill. I think he has expressed a legitimate concern. If there are nine parts and you can agree on eight, my view is the ninth one is going to go bye-bye.

Mr. DECONCINI. If the majority leader will yield for a point of clarification, if I understand what he is saying, the so-called Domenici package, the Budget Committee Domenici package, that has to be agreed on by everyone.

Mr. DOLE. Not everyone.

Mr. DECONCINI. I mean, can it not be offered later and brought to a vote, if the Senator wants to?

Mr. DOLE. It can be offered later. But we would like to conclude action today. We would like to make certain it is a pretty unanimous acceptance. I think that is what the Senator from New Mexico is trying to achieve.

Mr. DOMENICI. The distinguished leader is correct.

Mr. DECONCINI. I withdraw my reservation of objection.

Mr. HART. Reserving the right to object for just one moment, what I think is important is, in ironing out the differences, that what the Domenici package does is on the record. I know we are doing a lot of legislating here in Cloakrooms. Later on down the road, no one is going to have access to the record made in those Cloakrooms.

So what the modification means a year from now or 2 years from now, if it is not a matter of public record, is not going to mean much.

So I think it is important not only to work things out as the leader said but to work them out on the record so that record is available to people who have to implement this modification.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? Without objection, it is so ordered.

The Senator from Ohio.

AMENDMENT NO. 764

Mr. GLENN. Mr. President, I offer an amendment to require that when the President submits his annual budget, he also make recommendations to the Congress on how to achieve a balanced budget. The amendment does this by taking a requirement already in the law—that the President recommend each year how to make up for budget deficiencies—and require that any such recommendation not include borrowing or raising the debt limit.

If I could have the attention of my colleagues, I believe there is something we have all overlooked all the way through this budget consideration. With regard to the budget and its submission to the Congress, I would like to cite from current law. This is what is in the United States Code right now. I hope once we go through this we would have the support of everyone on this amendment. At the appropriate time I will ask for the yeas and nays because, Mr. President, the reason I say we have bipartisan support for this is because I see it as a bipartisan effort.

What we are setting in place is long-term policy for this country. Current law says the following. I quote from 31 U.S.C. 1105(c). I would like for everyone to listen to this:

> The President shall recommend in the budget appropriate action to meet an estimated deficiency when the estimated receipts for the fiscal year for which the budget is submitted—

Then some language about what the total budget will be—

> are less than the estimated expenditures for that year.

The operable language, Mr. President, is this, I will read that again:

> The President shall recommend in the budget appropriate action to meet an estimated deficiency when the estimated receipts for the fiscal year for which the budget is submitted are less than the estimated expenditures for that year.

It seems to me, Mr. President, that is very, very straightforward. It cannot be misunderstood. Why is it not being done? Let me go further with this. The appropriate action that the President is to recommend—I would add it is only a recommendation. Congress would still have to work its will. So it is a recommendation. But appropriate action is defined in the explanatory notes in this way:

> In subsection (c) the words "new taxes, loans or other" are omitted as being included in "appropriate action."

So the "appropriate action" that the President is to recommend to us can be new taxes, loans, or other, which gives any President, Democrat, Republican, Independent, whatever, a completely blank check to make his honest heartfelt recommendations as to what the budget for our Nation should be. In other words, it is the clear intent of the Congress as written into current law that the President not only right now is required to submit a budget to the Congress—that is covered in the code and he has to submit a budget—but that when that budget is not balanced, the President will further be required to make recommendations to the Congress as to what appropriate action he deems advisable to make up the monetary shortfall.

The obvious next question is why do not Presidents do this since it is required by law? It is a clear intent of the law. It goes way back through many Presidents. I guess the easy answer is that for many years they have sort of copped out. They have taken the easy way out. They have just asked for new loan authority because that is one of the remedies, and one of the recommendations that can be made as part of that appropriate action. So for years and years, not just this administration, but going way on back, Presidents have used that loan authority—that means debt increase as per the explanatory notes above—to qualify in their recommendation to the Congress.

There is also the claim that just a submission of the budget itself qualifies Presidents under that law. That, according to Presidents past and the present President, and according to OMB, then qualified them as far as the requirements of the law are concerned because they have technically qualified as having made up a budget for the Congress, whose implication was to increase the national debt quite a number of times throughout the years.

But I submit that certainly was not the intent of the law. And after all this time, budget after budget after budget through both Republican and Democratic Presidencies, what should we as the Congress do? Should we basically change the budget

law with new sequester authority, and fine-tune percentages of what reductions will come from where? Can we eventually define in advance clearly what the needs of our Nation will be? Do we in Congress even have all the resources at our end of the avenue to make those decisions?

Mr. President, the system we have in place right now under current law was devised to have the executive branch with all of its resources put together a budget, and submit it to Congress. Where that budget predicted a deficit, the system then requires the President to also advise the Congress as to his view as to how we should make up the short fall. Then Congress works its will.

There is nothing really wrong with that system if we just make it work. That is what my amendment will do. The amendment is very simple. It simply provides that when the budget submitted is not in balance, then the President cannot just recommend another debit increase as a way of making up the short fall. The President must actually give us recommendations that will deal with that imbalance.

I think that is very simple and straightforward. We should have done this a long, long time ago. It is a very simple change to existing United States Code. Further, I realize that this cannot be done overnight. We are in such an indebtedness situation now and the deficit is building up every year with all the bad things that debt brings along with it that we are all familiar with. So I have proposed phasing this in over a period of time, the same as the Gramm-Rudman proposal right now so it gives the President the same goals as provided in Gramm-Rudman now.

I believe this is workable. I believe it puts responsibility for budgeting where the present law clearly intended it to be, and where I fully believe it should be. It puts that responsibility on Democrats, Republicans alike. And as to politics, it would not be 100 percent in effect before the new Presidency because that would happen in 1990, the same as Gramm-Rudman. So as far as I am concerned, it is apolitical. It is something we should have corrected in our system a long, long time ago. It also does not alter the powers between branches of Government. I know that has been a matter of some discussion here on the floor with regard to the Gramm-Rudman proposal. So it is a much simpler and straightforward way of dealing with our most vexing problem today; that is, in dealing with our enormous deficit.

So I urge support for this amendment.

I reserve the remainder of my time.

Mr. President, I do not know what is the intent of those who oppose this on the other side—whether to address the issue directly or move to table it at the appropriate time.

Mr. PACKWOOD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. I am putting out a hotline call right now to find out if anyone wants to speak. If no one wants to on this side, I will move to table. But I will delay that momentarily.

Mr. GLENN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 21½ minutes remaining.

Mr. GLENN. Mr. President, I see this as I said as an apolitical proposal. I think it improves the Gramm-Rudman proposal measurably. All it does is say in existing law we will require that submissions be made as to how we will get into balance each year. There are some differences with Gramm-Rudman here in that this would take effect and would not end in 1990 as the Gramm-Rudman proposal would do. This would go on and be U.S. law effective for all subsequent U.S. Presidencies, which certainly was the intent of the law to begin with. The President would have to submit a balanced budget each year or tell us explicitly, but without additional borrowing, how to get there. In doing so, it closes a significant—and I believe an unintended—loophole in the Gramm-Holling-Rudman bill which still allows the President to ask for more and more and more borrowing authority every year.

That is the way past Presidents, not just this administration but going back a number of administrations, have technically complied with the law.

Mr. President, I do not need to remind you or my colleagues of the serious economic conditions that have been caused by Federal budget deficits. The situation is grave. It affects every facet of our economy.

Any businessman who has seen cheap imports flood our country knows what effect deficits have on the value of the dollar. Any homebuyer who has applied for a mortgage knows what effect deficits have on interest rates. Any retired person who has worried about whether his or her Social Security check will be cut knows what effect deficits have on the crunch of budget priorities.

How has this state of affairs been allowed to take place?

I believe that the problem starts with the White House under numerous Presidents. Under title 31 of the United States Code, it is the President who starts the budget process by submitting a budget for the U.S. Government. Under section 1105(c) of the same title, he must take the estimated revenues, add it to the Government's cash on hand, and recommend appropriate action to meet any estimated shortfall compared with estimated outlays.

I understand that the requirement for the President to recommend appropriate action was written into law in 1921, and that the first President to cite this provision was President Hoover, when he submitted the fiscal year 1923 budget. Since then, Presidents have apparently believed that they were in compliance with this section just by submitting the budget itself. The reason this requirement has been overlooked is possibly because we have not had to deal with deficits of such magnitude until the present.

Let me observe, Mr. President, that if we think this is only an arcane and out-of-date, it is not. This whole thing was reviewed and brought up to date in 1974 when the Budget Act was put into place.

Now there is an interesting thing about this appropriate action that the President's supposed to recommend. Early versions of this subsection included the words "new taxes, loans"; that is, borrowing, "or other appropriate action." It was felt that the term "appropriate action" included the terms "new taxes" and "loans," and so those other words were struck. That has been included in the term now in the law.

What this has meant is that whenever estimated revenues plus cash on hand were going to fall short of spending, it has simply been the normal course of things to ask for more borrowing. That was the easiest thing to do.

My amendment would change this. By its passage, and by the legislative history being made right now, President Reagan and Presidents in the future would be required to follow section 1105(c) and make specific recommendations for making up the budget shortfall.

Mr. MURKOWSKI. Mr. President, will my friend from Ohio yield for a question?

Mr. GLENN. There is time on the other side.

Mr. MURKOWSKI. Mr. President, I ask the Senator in charge of opposition time if he will yield some time to me?

Mr. PACKWOOD. Yes, I yield from our time.

Mr. MURKOWSKI. As I understand the amendment of the Senator from Ohio, the requirement of the President to submit a balanced budget would dictate that we would have to address a $170 or $180 billion shortfall in the next fiscal year.

Mr. GLENN. No. This Gramm-Rudman proposal sets forth the goals that have to be met. My amendment phases in, in the same way, Gramm does. But after fiscal year 1991 when a

President does not submit a balanced budget, he can submit whatever budget he wants but he has to include with that the recommendation of how to get into a balanced budget. There is a distinction there.

Mr. MURKOWSKI. The Gramm-Rudman proposal, in effect, does the same thing.

Mr. GLENN. No, not in the same way. There are some differences here, too, in that this would also lock in for the future after fiscal year 1991. This would mean that Presidents in the future, whatever happens, would still have to make those recommendations back to us.

Mr. MURKOWSKI. Then there is the requirement that the President has to submit a balanced budget. The implication of that to me is that we have to either bring some significant cuts into play or consider some significant additional revenues.

Mr. GLENN. The point I was making is that the President can submit whatever budget he wants, but then he would also have to submit, as the law now requires, recommendations as to how we achieve a balanced budget, how we take care of the deficit each year. The one exception is that it phases in, like Gramm.

What has been used through the years, and in too many administrations, is just to increase the national debt. We might still have to do that, but at least the President, any President—not just this one—any President in the future would also have to submit recommendations as to how he is going to get us back into line. He makes those recommendations to the Congress and the Congress would then work its will.

Mr. MURKOWSKI. I thank my friend from Ohio.

More important, the amendment would bar the President when he makes his section 1105(c) report from recommending mere additions to borrowing authority or increases in the Federal debt.

The amendment is necessary because section 1105, even as amended by the Gramm bill, still gives the President authority to recommend more and more and more borrowing, and nothing else. This is still the plain meaning of section 1105, subsection (c).

The drafters of the Gramm bill probably think they have closed all the loopholes, and that the President is now locked in to submitting a balanced budget. But then again the drafters of section 1105 probably thought that subsection (c) was airtight, and would force the President to make specific recommendations for coping with shortfalls. We now have 1105(c) saying one thing and the President doing just the opposite. A lot of strange things can happen when you get lawyers to work trying to find loopholes in the law.

By submitting this amendment, therefore, I am developing the legislative history to revive the 1105(c) requirement, and I am closing the loophole in that subsection that still allows the President to recommend that we "just gotta borrow one more time." That is what Presidents through the years have done.

So long as any loophole exists, I am going to try to find it and try to close it.

Again, the intent of my amendment is to complement Gramm-Rudman and not to contradict it. To the extent Gramm-Rudman requires the President to submit a balanced budget, I have been in favor of it.

Last February, the President submitted a budget with the largest deficit in history for a President's budget: $180 billion. By 1990, the year in which the amendment offered by Senator GRAMM would balance the budget, the President's own budget would still leave us hanging with an $82.4 billion deficit. And this $82.4 billion figure is larger than any deficit in history prior to when the current administration took office.

I have taken a careful look at that budget, and nowhere do I see any recommendations for making up this $180 billion shortfall, or even the $82 billion shortfall we shall suffer in fiscal year 1990. The point is: Section 1105(c) is simply being ignored.

My amendment would not alter the President's authority under article 2, section 3, of the Constitution to recommend to Congress for their "consideration such measures as he shall judge necessary and expedient." In other words, the administration of Federal finances would not be impaired. What the amendment does, however, is place the burden of showing how we can achieve a balanced budget back where it belongs—with the President himself, whether Republican or Democrat.

With the projected deficit approaching $165 billion for fiscal year 1987, it is difficult to conceive of the President responsibly recommending a balanced budget for that year and possibly the next 2 years. For this reason, my amendment phases in, in the same way that the Gramm-Hollings-Rudman bill does. The numbers on the second page of my bill are the same as those in the Gramm bill. And with the submission of the fiscal year 1991 budget, the President will be required to make specific budget-balancing recommendations each year.

We phase it in, we require him to go partway each year, up until the 1991 budget, and at that time he would have to submit a budget that would have recommendations for full balancing.

With this step we can restore the goal of a balanced budget—each year and every year.

We shall thus be able to find out—each year and every year—exactly what it will take to achieve budget balance.

And we shall be able to bring the leadership of the President—each year and every year whatever the political party—into the effort to stop the present practice of borrow and spend and ask for more indebtedness.

Mr. PACKWOOD. Mr. President, I am prepared to yield back the remainder of the time on this side if the Senator from Ohio is prepared to yield back his time.

Mr. GLENN. Mr. President, I yield back the remainder of my time. I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. PACKWOOD. Mr. President, I move to lay the amendment on the table. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the motion of the Senator from Oregon [Mr. PACKWOOD] to lay on the table the amendment of the Senator from Ohio [Mr. GLENN]. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Nevada [Mr. LAXALT] is necessarily absent.

I also announce that the Senator from Maryland [Mr. MATHIAS] is absent on official business.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 33, nays 65, as follows:

[Rollcall Vote No. 216 Leg.]

YEAS—33

Abdnor	East	McConnell
Andrews	Garn	Nickles
Armstrong	Goldwater	Packwood
Boschwitz	Gorton	Roth
Chafee	Gramm	Simpson
Cochran	Hecht	Specter
D'Amato	Heinz	Stafford
Danforth	Humphrey	Symms
Denton	Kassebaum	Thurmond
Dole	Lugar	Trible
Domenici	McClure	Wallop

NAYS—65

Baucus	Grassley	Mitchell
Bentsen	Harkin	Moynihan
Biden	Hart	Murkowski
Bingaman	Hatch	Nunn
Boren	Hatfield	Pell
Bradley	Hawkins	Pressler
Bumpers	Heflin	Proxmire
Burdick	Helms	Pryor
Byrd	Hollings	Quayle
Chiles	Inouye	Riegle
Cohen	Johnston	Rockefeller
Cranston	Kasten	Rudman
DeConcini	Kennedy	Sarbanes
Dixon	Kerry	Sasser
Dodd	Lautenberg	Simon
Durenberger	Leahy	Stennis
Eagleton	Levin	Stevens
Evans	Long	Warner
Exon	Matsunaga	Weicker
Ford	Mattingly	Wilson
Glenn	Melcher	Zorinsky
Gore	Metzenbaum	

NOT VOTING—2

Laxalt	Mathias

So the motion to lay on the table was rejected.

Mr. GLENN. Mr. President, I move to reconsider the vote by which the motion to lay on the table was rejected.

Mr. LEVIN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question occurs on the amendment on which the yeas and nays have been ordered.

Mr. GLENN. Mr. President, I understand that the other side wishes to keep the yeas and nays in. I am happy to vitiate the yeas and nays after that vote.

Mr. DANFORTH. Mr. President, I appreciate the willingness of the Senator from Ohio, but there are Senators on this side who requested that we do have a rollcall vote on this amendment.

Mr. RUDMAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. RUDMAN. Who is controlling time right now?

The PRESIDING OFFICER. All time has expired.

Mr. RUDMAN. Mr. President, I ask unanimous consent for permission to proceed for 2 minutes to ask the Senator from Ohio a couple of questions.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RUDMAN. Mr. President, because there has been confusion about the amendment, the Glenn amendment really has no effect as far as this side is concerned other than to require that the President submit a balanced budget after 1991. The Senator from Ohio believes that it closes a loophole which the Senator from Texas and the Senator from New Hampshire do not believe exists.

But for purpose of clarity, I ask the Senator from Ohio if he could briefly explain the loophole he thinks is closed so we have it in the RECORD.

Mr. GLENN. Mr. President, the loophole is this. Under Gramm-Rudman—let me go back to existing law for just a moment. This is 31 U.S.C. 1105(c). Existing law says the President shall recommend in the budget appropriate action to meet estimated deficiency when the estimated receipts are less than the estimated expenditures for that year.

In the appropriate action definition in the explanatory notes it provides several ways the President can address that, one of which is by continued deficits. It is just by asking for additional borrowing authority.

Now in Gramm-Rudman that is not eliminated.

What I want to bring out here is a requirement for the President if he submits an unbalanced budget to us, which he can do and which he will be required to do during the next 4 years under anything proposed here, then he must also submit means of dealing with that other than asking for a debt increase, and that is the part that is different. That is the loophole that right now if Gramm-Rudman goes in, as I understand Gramm-Rudman, the President could still just say he technically complies with existing law by going ahead with a huge debt increase request.

I would say that that is one of the options he cannot use in the optional things he would give us in recommendations to reach a balanced budget, plus we make this permanent. It would be binding on all Presidents in the future. It would not phaseout in 1990, and I think that is an important difference.

Mr. RUDMAN. Mr. President, will the Senator agree that under Gramm-Hollings-Rudman the deficit is pegged at a particular amount and there obviously will be borrowing in each of those years, that the only difference is borrowing in fact would be capped if we comply with this law? Will the Senator agree with that?

The PRESIDING OFFICER. The Senator's time has expired.

Mr. RUDMAN. Mr. President, I ask unanimous consent that the Senator from Ohio be able to answer that question.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GLENN. I thank the Chair.

Mr. President, my amendment is consistent with Gramm-Rudman as I see it. It locks this in. It says the President cannot just use borrowing authority to meet existing law and the United States Code makes it permanent in the future so Presidents always if they submit an unbalanced budget will come back and give recommendations. I strengthen it.

Mr. RUDMAN. The Senator from Ohio agrees it does not keep the President from borrowing money necessary to meet the Gramm-Hollings-Rudman target.

Mr. GLENN. In his budget, that is correct.

Mr. RUDMAN. I just think as long as we have that in the RECORD we can proceed with the vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Nevada [Mr. LAXALT] is necessarily absent.

I also announce that the Senator from Maryland [Mr. MATHIAS] is absent on official business.

Mr. CRANSTON. I announce that the Senator from Oklahoma [Mr. BOREN] is necessarily absent.

The PRESIDING OFFICER (Mr. GORTON). Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 93, nays 4, as follows:

[Rollcall Vote No. 217 Leg.]

YEAS—93

Abdnor	Goldwater	Mitchell
Andrews	Gore	Moynihan
Armstrong	Gorton	Murkowski
Baucus	Gramm	Nickles
Bentsen	Grassley	Nunn
Biden	Harkin	Packwood
Bingaman	Hart	Pell
Boschwitz	Hatch	Pressler
Bradley	Hatfield	Proxmire
Bumpers	Hawkins	Pryor
Burdick	Hecht	Quayle
Byrd	Heflin	Riegle
Chafee	Heinz	Rockefeller
Chiles	Helms	Roth
Cochran	Hollings	Rudman
Cohen	Inouye	Sarbanes
Cranston	Johnston	Sasser
D'Amato	Kassebaum	Simon
Danforth	Kasten	Simpson
DeConcini	Kennedy	Specter
Dixon	Kerry	Stafford
Dodd	Lautenberg	Stennis
Dole	Leahy	Stevens
Durenberger	Levin	Symms
Eagleton	Long	Thurmond
East	Lugar	Trible
Evans	Matsunaga	Wallop
Exon	Mattingly	Warner
Ford	McConnell	Weicker
Garn	Melcher	Wilson
Glenn	Metzenbaum	Zorinsky

NAYS—4

Denton	Humphrey
Domenici	McClure

NOT VOTING—3

Boren	Laxalt	Mathias

So the amendment (No. 764) was agreed to.

Mr. GLENN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BRADLEY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, as I understand, the distinguished Senator from New Jersey has the next amend-

ment, a gasoline tax, which can be disposed of rather quickly.

AMENDMENT NO. 753

(Purpose: To raise the excise tax on motor fuels by 18 cents a gallon)

Mr. BRADLEY. Mr. President, I send an amendment to the desk on behalf of Senator WEICKER and myself and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Jersey [Mr. BRADLEY], for himself and Mr. WEICKER, proposes and amendment numbered 753.

Mr. BRADLEY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the resolution add the following new section:

SEC. . TAX ON MOTOR FUELS INCREASED 18 CENTS A GALLON.

(a) TAXES ON GASOLINE, DIESEL FUEL, AND SPECIAL MOTOR FUELS INCREASED 18 CENTS A GALLON.—

(1) GASOLINE.—Subsection (a) of section 4081 of the Internal Revenue Code of 1954 (relating to tax on gasoline) is amended by striking out "9 cents a gallon" and inserting in lieu thereof "27 cents a gallon".

(2) DIESEL FUEL AND SPECIAL MOTOR FUELS.—Section 4041(a) of such Code (relating to tax on diesel fuel and special motor fuels) is amended—

(A) by striking out "15 cents" in paragraph (1) and inserting in lieu thereof "33 cents", and

(B) by striking out "9 cents" in paragraph (2) and inserting in lieu thereof "27 cents".

(3) NONCOMMERCIAL AVIATION.—Paragraph (1) of section 4041(c) of such Code (relating to noncommercial aviation) is amended by striking out "14 cents" and inserting in lieu thereof "32 cents".

(b) RATES OF TAX FOR GASOHOL.—

(1) AMENDMENTS OF SECTION 4081.—Section 4081(c) of such Code is amended—

(A) by striking out "9 cents" each place it appears and inserting in lieu thereof "27 cents",

(B) by striking out "3 cents" each place it appears and inserting in lieu thereof "21 cents",

(C) by striking out "3⅓ cents" and inserting in lieu thereof "10 cents", and

(D) by striking out "5⅔ cents" and inserting in lieu thereof "17 cents".

(2) AMENDMENTS OF SECTION 4041.—Paragraph (1) of section 4041(k) of such Code (relating to fuels containing alcohol) is amended—

(A) by striking out "9 cents" and "15 cents" in subparagraph (A) and inserting in lieu thereof "27 cents" and "33 cents", respectively, and

(B) by striking out "3 cents" and "9 cents" in subparagraph (B) and inserting in lieu thereof "21 cents" and "27 cents", respectively.

(3) GASOLINE USED TO PRODUCE CERTAIN ALCOHOL FUELS.—Paragraph (1) of section 6427(f) of such Code (relating to gasoline used to produce certain gasoline fuels) is amended

(A) by striking out "9 cents" and inserting in lieu thereof "27 cents", and

(B) by striking out "5⅔ cents" and inserting in lieu thereof "17 cents".

(c) PARTIALLY EXEMPT METHANOL OR ETHANOL FUEL.—Paragraph (1)(A) of section 4041(m) of such Code (relating to certain alcohol fuels) is amended by striking out "4½ cents" and "9 cents" and inserting in lieu thereof "22½ cents" and "27 cents", respectively.

(d) USE IN CERTAIN TAXICABS.—Paragraph (1) of section 6427(e) of such Code is amended by striking out "4 cents" and inserting in lieu thereof "22 cents".

(e) FLOOR STOCK TAX ON GASOLINE.—

(1) IN GENERAL.—On gasoline subject to tax under section 4081 of such Code which, on January 1, 1986, is held by a dealer for sale there is hereby imposed a floor stocks tax at the rate of 18 cents a gallon.

(2) OVERPAYMENTS OF FLOOR STOCKS TAX.—Section 6416 of such Code shall apply in respect to the floor stock tax imposed by this subsection, so as to entitle, subject to all provisions of section 6416 of such Code, any person paying such floor stocks tax to a credit or refund thereof for any of the reasons specified in section 6416 of such Code.

(3) DUE DATE ON TAX.—The tax imposed by this subsection shall be paid at such time after February 15, 1986, as may be prescribed by the Secretary of the Treasury or the delegate of the Secretary.

(4) TRANSFER OF FLOOR STOCKS TAX TO HIGHWAY TRUST FUND.—For purposes of determining the amount transferred to the Highway Trust Fund for any period, the tax imposed by this section shall be treated as if such tax was imposed by section 4081 of such Code.

(5) DEFINITIONS.—For purposes of this subsection—

(A) The term "dealer" includes a wholesaler, jobber, distributor, or retailer.

(B) An article shall be considered as "held by a dealer" if title thereto has passed to such dealer (whether or not delivery to such dealer has been made) and if for purposes of consumption title to such article or possession thereof has not at any time been transferred to any person other than a dealer.

(f) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1986.

Mr. BRADLEY. Mr. President, earlier in this debate I offered an amendment to reduce the deficit by cutting the growth in defense spending by 5 percent. That amendment was properly defeated. Indeed, I voted against it because its passage would imperil our national security and jeopardize the security of our friends and allies around the world. I believe America's military strength cannot be made a pawn to the idle game of a balanced budget.

Mr. President, supporters of Gramm-Rudman, all of whom voted against my amendment, contend that such drastic action, whether in defense or nondefense areas, will not be necessary, because when the crunch comes, they assure us, Congress will screw its courage to the sticking point and vote to raise taxes.

Mr. President, I have an amendment that will put that comfortable hypothesis to a test.

The amendment I am now offering will reduce the deficit by about $70 billion over the next 5 years. It will do so by levying an additional 18 cents a gallon excise tax on gasoline and other motor fuels to go into general revenues.

Mr. President, we will have the opportunity to see who would like to raise taxes in order to reduce the budget deficit.

Mr. President, yesterday in the debate there was an overwhelming vote for Gramm-Rudman, the mandatory balanced budget amendment. Everybody issued their press release proclaiming the end of our deficit problems.

What happened today? We have had a vote to cut defense spending as Gramm-Rudman mandates, and 85 Senators said, "No, I do not want to cut defense spending even to the level mandated in Gramm-Rudman."

The distinguished Senator from Oklahoma then offered an amendment to add Social Security to the list of programs subject to budget cuts. What happened? Ninety Senators said, "No, not me. I am not going to touch Social Security."

Now, Mr. President, I offer an amendment to raise some revenues. I am under no illusions, though. Other than the distinguished Senator from Connecticut and I, who are cosponsors of this amendment, only a handful of Senators will vote for it. But then the point will have been made.

How serious can this body be about deficit reduction if only 1 day after voting for a mandatory balanced budget it then votes not to do anything about defense spending, Social Security, or revenue?

Mr. President, I think that Gramm-Rudman will have been exposed as a mere procedural answer to a serious substantive problem.

This amendment is a gasoline tax, 18 cents a gallon. We have heard a lot in the last few days about minimum taxes and how they will get us out of our revenue bind.

Mr. President, I do not believe that. We already have two minimum taxes in the current law. They are well-named minimum taxes because they raise a minimum of revenue, about $2.5 billion a year from some 250,000 individuals and 8,000 corporations. The reason they do not raise more is that Congress has been reluctant to get tough enough with the loopholes.

We have also properly hesitated to extend the minimum tax to the middle class. That is another way to get a lot of revenue out of the minimum tax. We just slap a surtax on people making $25,000 and call it a minimum tax.

Mr. President, I think we have to stop kidding ourselves that we will tax our way out of the deficit with a mini-

mum tax. If we are serious about raising substantial revenues in a short time, we will vote a gasoline tax and use the revenues to reduce the deficit. Moreover, gasoline tax is not only good fiscal policy, it is also good energy policy. Here is why: The price of crude oil is falling. That is good. But even with falling prices and plentiful supplies, we need to ask ourselves a sobering question: Now that the price of oil is coming down, how do we keep it down? The sober answer, and surely the Senate is all for sobriety as we contemplate this horrendous deficit, is that we keep it down by raising oil product taxes to keep the lid on oil consumption.

Car makers are already finding a market for bigger, more profitable but gas-hungry autos. Airlines are questioning the wisdom of buying new fuel-efficient aircraft.

Gasoline taxes, as a share of the pump price, have dropped way down.

As OPEC prices fall, taxes on domestic consumption should rise. This would keep foreign oil producers on the defensive through the rest of this decade.

Mr. President, my amendment does three things:

First, it tests the resolve of Congress to raise taxes in order to avoid the dangerous and draconian effects of Gramm-Rudman.

Second, if adopted, it will really deal with the deficit, not just postpone the day of reckoning with a lot of posturing.

Third, it will enhance our energy security by promoting conservation and fuel efficiency in a way that works.

Mr. President, if the deficit is urgent enough to pass Gramm-Rudman, it is urgent enough for us to act now.

Mr. President, I reserve the remainder of my time.

Mr. President, how much time remains?

Mr. BRADLEY. How much time remains, Mr. President?

The PRESIDING OFFICER. The Senator from New Jersey has 14 minutes remaining.

Who yields time?

Mr. BRADLEY. Mr. President, I am pleased to yield 2 minutes to the distinguished Senator from Connecticut [Mr. WEICKER].

Mr. WEICKER. Mr. President, I rise to congratulate the Senator from New Jersey on his fine amendment. As he and the rest of my colleagues know, I introduced a gasoline excise tax bill in the Senate on March 26. My bill, S. 735, calls for an increase in the excise tax on gasoline and diesel fuel by 10 cents a gallon for each of the next 3 years and would reduce the deficit by $51 billion over 3 years.

There are not many times that we have the opportunity to truly, effectively challenge two problems at the same time. This amendment does just that. It instills the conservation ethic into national policy when it comes to energy. And believe me, it is only a matter of time before, once again, we are in the middle of a 1974-75 energy crisis. And, No. 2, it attacks the matter of the deficit.

Senator BRADLEY's amendment would add an additional 18 cents per gallon tax for the next 5 years. The extra $70 billion generated would also go directly toward reducing the deficit.

A gas tax has long been needed, both as a way to reduce deficits and to create once again a strong energy conservation mentality. It was not that long ago, Mr. President, when this country was faced with mile-long gas lines and staggering price hikes as a result of OPEC blackmail, Iranian oil cutoffs, and other uncontrollable events. That painful memory seems so distant. In the past few years, we have all seen oil and gasoline prices fall precipitately in conjunction with the temporary demise of OPEC. This has, I believe, lulled us into a false sense of security.

Everyone in this body knows we are going willy-nilly down the path to energy profligacy. We are going to end up with America in the gas lines and OPEC dictating the price. I can assure my colleagues the only way we are going to get any kind of conservation effort is by prospectively making America understand that energy is going to be expensive.

This Nation is complacent about gasoline supplies, yet we know this glut will not last. We have not seen the last of Mr. Yamani and OPEC. When our current sources of imported oil such as Mexico and the North Sea slow production and eventually dry up, we will once again be relying upon oil from the most politically volatile area of the world, the Middle East. The recent hijackings, whether of planes or ships, whether by Shiites or PLO guerrillas, should remind us of this.

An excise tax on gasoline can return us to conscious energy conservation. Motor fuels account for over 60 percent of all petroleum consumed in the United States. Studies have shown that more efficient cars and more conservation that would ensue from a gas tax could result in a 50-percent reduction in use of motor fuels by the year 2000. While I cannot speak for Senator BRADLEY's amendment, the gas tax I recently introduced would result in a 12-percent decline in the demand for gasoline, according to the Congressional Research Service. These are not figures to be ignored.

So let me emphasize, Mr. President, that besides raising revenue to help reduce the deficit, this amendment represents good energy policy.

Some of you may have seen former Budget Director David Stockman on television a few Sundays ago where he suggested a raise in taxes of $100 billion. While the current political wisdom says this is impossible, let me say right now what I have said repeatedly in the past: Congress does not need gimmicks to cut the deficit. It doesn't need a constitutional amendment to balance the budget or a line-item veto or the Gramm-Rudman-Hollings mechanism the Senate passed yesterday. Congress needs some guts in dealing with the deficit and that means three things: Cuts in defense, entitlement reform, and revenue raisers.

Let us now take advantage of this revenue raiser used by every major industrial power in the West as an integral part of their energy conservation and budgetary policy.

Sooner or later, Mr. President, this body is going to have to do something more than pass on words on the floor of the Senate. I voted with Senator BOREN and others to put Social Security COLA's and means-tested entitlements back into this great budget deficit reducer. I voted for those taxes that are in this legislation before us.

I recommend passage of the amendment of the distinguished Senator from New Jersey. I know what is going to happen. This amendment will only get a few votes. It probably will not make it. But it seems to me the job of this body is to anticipate and not always react to crises. That is what this legislation does.

It is time we had a little vision around here rather than politics. It is time we had a little courage rather than always being followers, a little courage rather than reacting to public opinion polls. We are supposed to lead opinion, not follow it.

Since I introduced my proposal 4 months ago, there have been numerous editorials supporting this approach and I ask unanimous consent that they be printed in the RECORD.

Mr. President, I strongly support this amendment and I urge my colleagues to support it as well.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 28, 1985]

TIME TO RAISE TAXES

One clear and simple test will tell you whether any deficit-reduction plan is a serious proposal. If it contains a tax increase, it's serious and worth pursuing. If there's no tax increase, you can safely dismiss it as posturing and windbagging. Nobody, including President Reagan, is willing to support enough budget cutting to bring spending down anywhere close to present revenues. That's why revenues are going to have to go up.

By this test, the budget plan put forward last week by Sens. Robert J. Dole and Pete Domenici is a serious proposition—and the only serious proposition now under discussion. If President Reagan and the House Democratic leadership do not pledge their support in the coming week to the Senate plan, or some close variant of it, there will

be no progress on the deficit this year. Next week the long congressional recess begins.

The tax in the Senate plan is a tariff on imported oil—$5 a barrel for crude oil, $10 a barrel for refined products such as gasoline. It is, in fact, a bad tax. It's bad for the same reason that gives it a chance of being enacted. For every dollar that it raises for the U.S. Treasury, it will add at least $2 and perhaps much more to the profits on the domestic oil producers and refiners. It promises an enormous bonanza to the domestic oil industry, attracting the interest of the independent producers' and refiners' formidably active and well-heeled lobbies.

Why does the tax generate this bonanza? Because the price of imported oil sets the price for U.S. oil. If a tariff raises the price of imported oil, the price of all domestic oil will rise by the same amount—and this country currently imports slightly less than one-third of its oil. Five dollars a barrel is, incidentally, 12 cents a gallon. The same mechanism works less precisely among refined products, because of the excess refining capacity in this country. But you can confidently assume that a $10-a-barrel tariff on refined products is going to widen the spread between the prices of crude oil and everything that's made from it—gasoline, heating oil, industrial fuel and the rest.

There's a better way to do it. These taxes on foreign oil would raise something in the area of $10 billion a year. A tax of 10 cents a gallon on gasoline would raise the same amount far more efficiently and fairly. It would avoid the further enrichment of an already very rich industry. It would cost consumers less than the oil-import tax. Unlike the tariff, it would involve no trade-law violations, nor would it disrupt the economies of this country's major oil suppliers—Mexico, Canada and Venezuela. A simple tax on gasoline is superior on every count.

But the central and compelling necessity this summer is to begin a sustained attack on a budget deficit that threatens the stability of the whole economy. As long as the choice is between an oil tariff and the gasoline tax, the gasoline tax is greatly preferable. But if the choice is between an oil tariff and no action at all on the deficit, then it will have to be the oil tariff. This is the week when the country will find out whether President Reagan and the House Democrats are serious about getting the deficit under control.

[From the New York Times]

THE DEFICIT. REMEMBER THE DEFICIT?

Reality has begun to intrude on the discussion of Federal budget deficits. This healthy illumination makes the problem even more difficult than it appeared last month. It also forces attention back to raising taxes—with or without tax reform.

The reality is that both the Senate and House overstated the future savings in their projected budgets for fiscal 1986. The errors occurred largely because both blithely accepted the Administration's optimistic forecasts for growth and interest rates.

Both houses recently estimated in budget resolutions that the prospective deficit next year would be reduced by $56 billion. Already, the Administration and the Congressional Budget Office agree that the 1986 reduction will be smaller, possibly by one-third. Moreover, they now predict a 1988 deficit of at least $149 billion—a long way from the advertised target of $100 billion and maybe even close to the present $200 billion.

Among Congressional leaders, the chairman of the House Budget Committee, William Gray, has been the most forthright in drawing the obvious conclusion: that higher taxes will be needed after all. Even he recognizes the political reality that taxes can't be raised unless President Reagan changes policy and leads the effort. But the President remains adamantly opposed and has now distracted the country by devoting himself entirely to a tax reform plan that, by his own estimates, would enlarge future deficits.

The Administration has pretended all year, and Congress pretended to believe, that substantial deficit reduction and tax reform could be accomplished in a single year and kept discretely apart. That might have been possible if Mr. Reagan had contributed to deficit reduction with a tax that is unaffected by reform—a sales tax on gasoline, for example. But neither project looks feasible if he offers no new taxes and insists on reforming taxes in a way that would actually reduce prospective revenues.

Impossibly, the President contends that both projects have "priority." That sounds suspiciously like neither has. A priority takes precedence, and there should be no question that deficit reduction is essential whereas tax reform is desirable. It has been possible all along that the reform debate would in any case run over into next year or even the next Congress, starting in 1987. The new estimates imply that even then only a tax increase can achieve enough deficit reduction to permit a shift of attention to reform.

The burden of decision is not Mr. Reagan's alone. It's bad enough that he turns his back on the deficit crisis to promote tax reduction. Neither the Senate nor the House has addressed the substantial differences between their budget resolutions, let alone confronted the wrong assumptions on which both depend. Everyone's priority seems to be wishing that real problems just go away. They won't. And if neglected, they'll get worse.

[From the New England Newsclip (New London, CT), July 6, 1985]

SENSIBLE—A TAX TO FUEL THE ECONOMY

Seizing the movement, U.S. Sen. Lowell P. Weicker Jr. is pushing for a 10-cent-per-gallon increase in the federal gasoline tax over each of the next three years. That's a whopping 30 cents per gallon by the end of the senator's phase-in plan. Is Weicker's a fruitcake scheme, hatched in the oil fields of the Middle East after an afternoon of exposure to the sun? Hardly.

The Organization of Petroleum Exporting Countries (OPEC), fell into disarray last year, and this year the picture is even bleaker for the major oil-producing cartel. Crude oil prices, now at $28 per barrel, are expected to fall sharply by the end of the year. Some analysts say the price could decline to $20 per barrel.

As the prices fall steadily, consumer prices at the pump basically will follow the pattern of the crude oil declines, although at a slower pace.

"At a time of declining prices, this is an opportunity to be seized," says Weicker.

He sees the advantage of using the falling oil prices to put in place increased oil taxes. The major benefit would be to discourage discretionary or frivolous consumption of gasoline and further reduce demand for oil.

That already is occurring, and there's no reason to believe OPEC would be any more successful holding production down in the future. This is particularly true as independent oil producers such as Great Britain, Mexico and others pump more oil into the marketplace to compete with OPEC supplies.

The decline in oil prices would dramatically help curb inflationary trends in the American and European economies. A greater price stability throughout those economies in turn could lead to more reasonable wage-price relationships. Interest rates would benefit from this stability, too.

There would be an immediate therapeutic boost to the American economy because of the gas-tax increase. The government could use the revenues to help close the deficits that are hurting the nation.

The PRESIDING OFFICER. Who yields time?

Mr. BRADLEY. Mr. President, I inquire of the other side, does anyone wish to speak against this amendment?

Mr. PACKWOOD. To the best of my knowledge, those who are opposed have no intention of speaking. No one has asked me for time.

Mr. BRADLEY. Mr. President, did I understand that no one wants to speak against this amendment?

Mr. PACKWOOD. Mr. President, what I said was to the best of my knowledge, those who are opposed have not talked to me about speaking. Whether they are coming or not, I do not know.

Mr. BRADLEY. How much time remains?

The PRESIDING OFFICER. The opponents have 9 minutes, the proponents have 11 minutes.

Mr. WEICKER. Mr. President, the last poll that was taken in my State of Connecticut on this issue—after I announced my legislation calling for a gas tax—indicated that 79 percent of the people in the State of Connecticut were opposed to LOWELL WEICKER's amendment on this matter of energy conservation. Seventy-nine percent opposed. It does not make any difference to me. I can live with a poll; what I cannot live with is another gasoline crisis. That is what this amendment would so clearly preempt.

Mr. BRADLEY. Mr. President, let us see where we are now. Yesterday, the Senate voted for the Gramm-Rudman proposal. The press releases said the Senate has declared triumphantly that we will have a balanced budget in 1990. Then, Mr. President, today, I offered an amendment earlier to say, well, let us just do in the defense area what Gramm-Rudman mandates absent any congressional action this time next October. The Senate said, "No, we don't want to cut defense spending."

I think that was correct. I do not think we should cut defense spending 5 percent in real terms. But that is not what Gramm-Rudman says. It says a 5-percent real cut in defense next October absent congressional action.

Then the distinguished Senator from Oklahoma said, well, let us put Social Security in. The Senate overwhelmingly said no on Social Security.

Now I am saying, well, let us do something about revenues. My guess is that the Senate will say no on revenues too.

Mr. President, that is where the irony is, because the argument as to why there will not be a 5-percent real cut in defense from the supporters of the Gramm-Rudman amendment is that once we start to cut the President's favorite defense budget he will not veto a tax increase.

Mr. President, I am not so sure about that. I am not so sure there are 66 votes to override a veto if the President did veto a tax increase. So what will happen is what I have predicted will happen. I hope I am wrong. But when the President is given the option of higher taxes or putting the Gramm-Rudman across-the-board cut to his defense budget, he will not accept higher taxes. He will send a little amendment up here to exempt defense. And the brunt of the Gramm-Rudman across-the-board budget cuts will fall in the nondefense area. The brunt of the cuts will fall on education and the environment and infrastructure—roads and bridges. The $100 billion reserved in it by the controllable nondefense segment of the budget after Congress exempts defense will be decimated, Mr. President.

For those who have said, no, we will raise taxes, that would imply that I will have 66 votes for this amendment. I seriously doubt that I shall have 66 votes for this amendment, but I think once again, I will have demonstrated a point, which is that the Gramm-Rudman proposal is a procedural answer to a substantive question.

As the Senator from Connecticut has said, we have the procedures in the Senate to deal with the deficit. What we lack is the will.

I make my point for the third time: Yesterday, Gramm-Rudman passes. Today, do not cut defense, do not touch Social Security, and now the vote, do not raise any revenues. It makes one wonder how we will ever get this deficit down. It makes this Senator wonder. I am ready to put it to the test.

Mr. President, I ask for the yeas and nays on the amendment. I am prepared to yield back the remainder of my time.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. PACKWOOD. Mr. President, I move to lay on the table the amendment of the Senator from New Jersey. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from New Jersey. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Nevada [Mr. LAXALT] is necessarily absent.

I also announce that the Senator from Maryland [Mr. MATHIAS] is absent on official business.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 89, nays 9, as follows:

[Rollcall Vote No. 218 Leg.]

YEAS—89

Abdnor	Glenn	Metzenbaum
Andrews	Goldwater	Mitchell
Armstrong	Gore	Murkowski
Baucus	Gorton	Nickles
Biden	Gramm	Nunn
Bingaman	Grassley	Packwood
Boren	Harkin	Pressler
Boschwitz	Hatch	Proxmire
Bumpers	Hawkins	Pryor
Burdick	Hecht	Quayle
Byrd	Heflin	Riegle
Chafee	Heinz	Rockefeller
Chiles	Helms	Roth
Cochran	Hollings	Rudman
Cohen	Humphrey	Sarbanes
Cranston	Inouye	Sasser
D'Amato	Johnston	Simon
Danforth	Kassebaum	Simpson
DeConcini	Kasten	Specter
Denton	Kennedy	Stafford
Dixon	Kerry	Stennis
Dodd	Lautenberg	Stevens
Dole	Leahy	Symms
Domenici	Levin	Thurmond
Durenberger	Long	Trible
East	Lugar	Wallop
Evans	Mattingly	Warner
Exon	McClure	Wilson
Ford	McConnell	Zorinsky
Garn	Melcher	

NAYS—9

Bentsen	Hart	Moynihan
Bradley	Hatfield	Pell
Eagleton	Matsunaga	Weicker

NOT VOTING—2

Laxalt	Mathias

So the motion to lay on the table was agreed to.

Mr. PACKWOOD. Mr. President, I move to reconsider the vote by which the motion to lay the table was agreed to.

Mr. EVANS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PACKWOOD. Mr. President, I believe there is a quorum call and the cloture vote set by unanimous consent at 3 p.m.

I ask unanimous consent that the quorum call and the cloture vote to follow set at 3 p.m. be moved to 4 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, if I could have the attention of the floor manager——

Mr. PACKWOOD. Mr. President, if the Senator will yield, let me restate the unanimous-consent request.

Mr. LEAHY. I yield to the Senator from Oregon for that purpose.

Mr. PACKWOOD. Mr. President, I was unaware that the quorum had previously been waived. So let me rephrase my unanimous-consent request to ask unanimous consent that the cloture vote that was set at 3 p.m. be set at 4 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, if I could just have the attention of the distinguished Senator from Oregon, I am not sure just how we have gone on the record, but I have an amendment which has just gone through redrafting and it is on its way.

I wonder if there would be objection if I could speak to it for a few minutes on the time that has been set aside for this amendment and then actually submit it.

Mr. PACKWOOD. Mr. President, let me ask this question, because there have been lots of complaints justified from Members on all sides about amendments they have not seen. I cannot remember if the unanimous-consent order is related to a specific amendment or not.

Mr. LEAHY. I believe it did, referring to the inflation adjustments. It is an amendment, in fact, if the Senator will give me about 30 seconds I can give him a three-sentence explanation on it.

When you determine budget overages under this amendment, OMB and CBO would be required to adjust estimated outlays to reflect incorrect inflation adjustments in Federal contracts that are more than $20 million and some other selective activities such as leases. It applies only to contracts and activities that could be modified under their terms. In the event that CBO and OMB differ, the difference is split and the inflation rate used is the best estimate rate available to the particular industry involved in the contract.

Mr. PACKWOOD. Mr. President, what I want to check, though, is this: Did the unanimous-consent agreement the Senator had relate to a specific amendment and he now wants to offer a slightly different amendment?

Mr. LEAHY. It is on the same subject. It has been modified to meet the objections of some of the other Members.

Mr. PACKWOOD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 765

(Purpose: To provide for savings from inflation adjustments in contracts)

Mr. LEAHY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows.

The Senator for Vermont [Mr. LEAHY] proposes an amendment numbered 765.

Mr. LEAHY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the resolution, add the following:

(—)(1) In preparing any report required under subsection (d)(1) for a fiscal year, the Directors shall comply with this subsection.

(2) The Directors shall—

(A) examine—

(i) each contract with a total amount of budget authority in excess of $20,000,000 under which outlays will be made in such fiscal year to determine whether such contract includes provisions for adjusting outlays in such fiscal year under such contract as a result of inflation; and

(ii) any other Government activity which the Directors consider appropriate under which outlays in such fiscal year will be increased as a result of inflation; and

(B) assume, in determining the total amount of outlays which will be made in such fiscal year, that the adjustments for inflation made in contracts described in clause (i) of subparagraph (A) and activities described in clause (ii) of such subparagraph will be made on the best available estimate of inflation for such fiscal year.

(3) In the event that the Directors are unable to agree under paragraph (2) on an amount of outlays with respect to any particular contract or activity, the Directors shall use the average of the amounts proposed by each of them with respect to such contract or activity.

Mr. LEAHY. Mr. President, shortly before submitting this amendment, I described it very much in a summary fashion in a short colloquy with the distinguished Senator from Oregon, and let me describe it a bit more.

It is a simple amendment. It speaks to the problem of the tremendous waste and inefficiency which has occurred due to incorrect inflation assumptions that have been built into many Federal contracts.

I also call my colleagues' attention to the fact that the amendment has been significantly modified in relation to the amendment I had originally contemplated, and I did that because we had shown it to a number of Senators and I was trying to bring in the best use of their wisdom on it.

My amendment requires the Office of Management and Budget and the Congressional Budget Office to examine all major Government contracts and other selected activities, such as leases, which have inflation adjustments and which by their terms can be modified, prior to issuing their estimates of budget overages.

And in preparing that estimate of outlays, CBO and OMB are required to adjust the inflation assumptions built-in to these contracts or other activities to reflect the best estimate of inflation in that particular activity. This provision recognizes that their are different inflation rates in different industries.

This provision would apply to all appropriate contracts and activities worth $20 million or more. Whenever a difference exists between the inflation estimates of CBO and OMB, the two agencies would split the difference, just as is prescribed in the Gramm-Rudman proposal.

I originally intended to offer my amendment, because many multiyear contracts, including military weapons systems contracts, were excluded from the across-the-board cuts, which may be activated when budget overages occur. It is my understanding, however, that the package we have been debating today would add back military and all other contracts.

I inquire of the sponsors of this measure. I wonder if the distinguished floor manager could tell me whether I am correct in that assumption, that the package we have been debating today would add back military and other contracts.

Mr. PACKWOOD. The principal sponsor of the bill is not here. I cannot answer that question.

Why do we not delay an answer to that question?

Mr. LEAHY. I leave the question, but I withhold it.

(Mrs. KASSEBAUM assume the chair.)

Mr. LEAHY. Whether to add it back or not, Madam President, I should have looked up before and noticed the Chair has changed since I started my statement.

I inquire of the sponsors of this measure, whether my understanding is correct. Are defense contracts and other contracts now included in the base for across-the-board cuts?

Regardless, Madam President, I would ask the Senate to support my amendment. It adds a new mechanism to the congressional budget process that encourages efficiency in Federal contracting, leasing, and other activities.

Thousands of long-term Federal procurement contracts have inflation assumptions built-in. Over the last few years, many of those forecasts have assumed a higher rate of inflation than actually occurred. The result has been that excess moneys have been set aside for inflation—moneys that could be used to reduce budget overages.

Indeed, last year, Secretary of Defense Weinberger found $4 billion in excess outlays, which had been set aside for inflation adjustments, which in my part of the world is a fair amount of change. In fiscal year 1985, for example, $84.8 million was saved by adjusting the inflation assumptions in the Trident submarine contract. $500 million was saved from the F-16 contract alone!

A simple example may help my colleagues understand my proposal. The General Services Administration may enter into a 5-year contract with a telecommunications firm to provide phone service for Government offices at a cost of $110 million in the first year. Built-in to that contract is the assumption that inflation in fiscal year 1987 will increase the cost of phone service by 10 percent or $10 million. However, in 1987 the rate of inflation may be 5 percent, meaning that $5 million in the contract was designated to cover increased costs which never materialized.

My amendment would require OMB and CBO to reduce estimated outlays by $5 million, as a result of the adjustments made in the GSA telephone contract. That savings in estimated outlays would be taken in account when calculating total estimated outlays, for purposes of determining whether excess outlays exist. The Budget Committee reports that over $10 billion has been saved in this way in the last several years.

Defense and domestic procurement contracts ought to be subject to the same economies as all other Federal programs, under the Gramm-Rudman amendment. One of the best ways to achieve that savings is by adjusting inflation assumptions.

Not only is this a means of efficiency, but my amendment may mollify the effects of any across-the-board spending cuts, by reducing excess outlay estimates by adjusting all inflation assumptions in all Federal contracts for the actual rate of inflation.

Money wasted on bad economic assumptions could be used much more wisely to fund programs like child nutrition and military retirement.

Madam President, I ask unanimous consent that a list of some of the savings that have been achieved by correcting inflation assumptions in Federal contracts be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Fiscal year 1984 Defense bill: $54 million from F-18 contracts; $192 million from F-15 contracts; $143 million from KC-135 re-engining contracts; $116 million from Trident contracts; $14 million from Navy CH-53 contracts; $50 million from hospital ship contracts; $217 million from other prior year shipbuilding contracts.

Fiscal year 1985 Defense bill: $500 million from F-16 contracts; $29 million F-100 engine contracts; $7 million Defense Satellite Communications program contracts; $84.8 million Trident contracts; $81.8 million DDC-47 program contracts; $61.2 mil-

lion FFG program contracts; $7.2 million low level guided bomb contracts.

Fiscal year 1986 Defense bill: $40.5 million C-5 simulator contracts; $61.8 million DDG-51 hull contracts; $40 million TAO contracts; $28 million CH-47 modification contracts; $30 million EH-60 A contracts; $12.7 million CG-47 hull contracts.

There are other problems with exempting prior year defense contracts. We have found that the completed contract tax method used by most defense contractors that numerous contracts are extended in costly and artifical ways in order.

Mr. LEAHY. Madam President, I urge my colleagues to support my amendment, which I feel improves our efforts to mandate a balanced budget and makes the process we are creating more efficient.

Madam President, I should note that really one of the leaders, if not the leader in the Senate in trying to bring about the kind of efficiencies I am talking about, is the distinguished Senator from Arkansas who sits directly behind me.

Madam President, I yield to him without losing my right to the floor.

Mr. PRYOR. Madam President, I thank very much the kind words just spoken by the distinguished Senator from Vermont and my friend who has taken the lead in this area.

Madam President, right now to be honest, under the time rules and our situation we find ourselves in this afternoon, I do not think there is the time to fully develop the magnitude of the issue that the Senator from Vermont has raised.

This is an issue not dealing with just hundreds of dollars or even thousands or millions of dollars. This is an issue that deals with billions and billions of taxpayers' dollars allocated and appropriated to the various agencies of Government based upon a 7, 8, 9 percent inflation rate, whatever, when actually the inflation rate has been 3 percent or maybe some years 4 percent.

A very good example, Madam President, of this whole area of concern the Senator from Vermont is raising at this time is found in a Comptroller General's report dated September 3, 1985, a recent report which indicates that this Congress has appropriated and allocated and given to the Department of Defense $36 billion more than the inflation rate calls for.

What happens to these dollars? That is a good question. Many of those dollars are reprogrammed. Many of these dollars, frankly, Madam President, I do not think any of us know what has happened to those dollars. But whatever the case may be, it has become an inflation windfall for many agencies of Government and particularly for the Department of Defense.

Madam President, next week I am very hopeful that the Senator from Vermont, the Senator from Tennessee, Mr. SASSER, the Senator from Iowa, Senator GRASSLEY—and I have talked at length with the distinguished Senator from Colorado, Senator ARMSTRONG—and others, it is very hopeful next week, in a special order or in some form of communication with our colleagues, that those who are interested in this issue, who have worked in this issue, can more fully explain to our colleagues in the Senate the gravity of this problem and some solutions that we think might deal with this particular problem.

Once again, I thank the distinguished Senator from Vermont. I am very proud to be a coauthor of his amendment: I appreciate him—and I know our colleagues do—bringing this matter to our attention on this particular bill in this particular manner.

I thank the Chair and I thank my friend from Vermont.

Mr. LEAHY. Madam President, I will be delighted to hear the statement that the distinguished Senators from Arkansas, Iowa, Tennessee, and others will be making next week or at some future time. And when that time comes, I hope the Senator from Arkansas would let me come and join and say how much I appreciate the leadership he has shown in this area.

Madam President, as sometimes happens, there are a couple of discussions going on off the floor regarding this which may well expedite the matter somewhat.

I suggest, at this moment, the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. LEAHY. How much time do I have remaining.

The PRESIDING OFFICER. The Senator has 20 minutes remaining.

Mr. LEAHY. Madam President, I would ask if the distinguished Senator from Iowa has no objection, that we might go to a quorum charged equally.

The PRESIDING OFFICER. Is there objection?

Mr. GRASSLEY. It is all right with this side so long as it reaches the point where we have not eaten up all the time on this side. Senator PACKWOOD did not ask me to save time.

Mr. LEAHY. I assure my distinguished colleague, when we get to that point and I have time and my colleague does not, I will yield time.

The PRESIDING OFFICER. Hearing no objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LEAHY. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Madam President, from my understanding I can no longer speak as I normally do. I am prepared. I yield first, of course, to the Senator from Iowa. But I am prepared to yield back the balance of my time.

Mr. GRASSLEY. We have word from this side that this amendment has been cleared. We will accept it. Before I do that, I would like to say that there has been mentioned by two other speakers this afternoon of my interest in this area. I, too, support the amendment. I appreciate the Senator from Vermont, and the Senator from Arkansas speaking of my interest. I think it is a very worthwhile amendment. I urge it to be adopted. We accept it on this side.

Mr. LEAHY. Madam President, I yield back my time.

Mr. GRASSLEY. I yield back my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Vermont.

The amendment (No. 765) was agreed to.

Mr. LEAHY. Madam President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GRASSLEY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEAHY. I thank the distinguished Senator from Iowa.

AMENDMENT NO. 766

(Purpose: To require that amounts made available to carry out agricultural price support programs be reduced by the same percentage as relatively controllable expenditures)

Mr. MOYNIHAN. Madam President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN] proposes an amendment numbered 766. At the end of the resolution, add the following new subsection:

( ) Notwithstanding any other provision of law, amounts made available for a fiscal year to the Secretary of Agriculture or the Commodity Credit Corporation to carry out a program to provide price support to producers of an agricultural commodity (including any program under which payments are made to producers as target price payments or for participation in a reduced acreage, acreage set-aside, or acreage diversion program) shall be reduced by the same percentage as relatively controllable expenditures are reduced under subsection (d)(2)(A)(i)(II) of this section for such fiscal year.

Mr. MOYNIHAN. I thank the most cooperative and unfailingly accurate clerk.

Madam President, I took the liberty of allowing—or in effect requiring—the clerk to read the whole of this amendment because unlike much that we have to deal with of necessity—and some of contrivance—this is a plain language statement. It simply says that with regard to the new budgeting and, sequestering procedures, such like

that we are putting in place agreed to yesterday, that there be no doubt this will include the Commodity Credit Corporation—the largest element of our farm programs.

This discussion began on Friday of last week when I raised the question that farm price and income support programs were not included—curiously, and incongruously. Some cosponsors said this was not so. Others agreed it was so. Others changed the subject. But it was so. In the original draft the farm programs were not included. The defense program was included, the space program was included, the education programs such as they might be were included—all normal Government outlays were included.

This one area was left out. That seemed to me to be suspicious, and injudicious, and wrong. So I said at the time that I would move to make certain this is not so.

I make the point, Madam President, the particular point, that under the amendment adopted yesterday of the distinguished Senator from Texas, the President's authority to cut programs in the relatively uncontrollable category is limited to reductions in automatic spending increases such as cost-of-living adjustments. But the chief elements of farm price and income support program—as the Presiding Officer knows—which is to say target prices and commodity loan rates—so many dollars and cents per bushel of wheat—do not contain automatic escalators. They are determined and fixed by Congress in the farm bill, and, hence, they would not be affected at all by across-the-board percentage reductions required by sequester order as I suppose we will come to describe this. Veterans' pensions cost of living would be disallowed, and Social Security cost-of-living adjustments would be disallowed.

Only farm price and income support programs—and that is not entirely clear—saving the payment of interest on the Federal debt and the payment of contracts to Boeing and McDonnell—would be untouchable as if different from any other program.

This is so in my view. It is not to be in any way invidious with respect to farm programs. The Commodity Credit Corporation was adopted in 1933 by Franklin D. Roosevelt amid a time of great crisis for farms, one that is greater than the one we face today, but we face a very serious one today and obviously we have to have farm legislation, and will. But in a principal proposal to require a steady reduction of deficits to zero at a point 5 years out, to put the farm program aside is at the very least suspect. I come from a farm State. I live on a farm. We happen to have a big city, several big cities in New York, but our largest industry happens to be agriculture. We get very little aid from Federal farm programs—certainly higher consumer prices—but leave that apart. But the consumers of America are not going to stand this. They should not be asked to.

The proposition will be made that the law, in some way or other, is that these programs are now incorporated. I will not deny that because I do not understand the amendments. They do not read in plain English to me. I am told they include farm programs, and I am sure someone earlier said they did not. I am sure we can resolve these matters plainly by adopting this amendment.

This amendment simply says that the programs of the Commodity Credit Corporation will be treated in the same way as the defense programs, the space programs, the education programs, and the other programs of our Government.

I could discourse at some length on the extraordinary increase in outlays in recent years under these programs. I believe today, and I would be happy to be corrected, that apart from interest on the national debt no program has increased at the rate in the last 4 years in percentage terms as have the farm programs. It is really bizarre for an administration proclaiming the virtues of frugality and all those things to have almost doubled farm programs' cost in 4 years.

If I recall, 4 years ago the Agriculture and Food Act of 1981 was projected to cost $11 billion. It turns out that it is going to exceed $60 billion.

Now, legislation under consideration has been very aptly described by the Washington Post as "a test of firmness waiting to be failed."

However, I do not think that is necessary to this discussion. This proposal might seem to be an attack on the farm programs, but is not. It simply treats them equally with the other programs of the Federal Government.

Madam President, I have nothing else to add to this commonsense amendment.

Madam President, could I ask how much time remains?

The PRESIDING OFFICER. One minute.

Mr. MOYNIHAN. Madam President, I yield to the Senator from Arkansas for a question.

Mr. PRYOR. I would like to ask the Senator from New York if his amendment just relates to the Commodity Credit Corporation, or does it also relate to the issue of loan rates and target prices, that concept?

Mr. MOYNIHAN. It means what it says:

> Amounts made available for a fiscal year to the Secretary of Agriculture or the Commodity Credit Corporation to carry out a program to provide price support to producers of an agricultural commodity (including any program under which payments are made to producers as target price payments or for participation in a reduced acreage, acreage set-aside, or acreage diversion program).

It is farm programs as generally described.

Mr. PRYOR. I think I understand precisely what the Senator from New York is attempting to do. I applaud his efforts because I think that farmers generally feel, and want to be, as patriotic as every person in this country in the reduction of the deficit. However, I think in the area of loan rates and target prices if we particularly addressed ourselves to this issue as in the Senator's amendment we may well be adjusting loan rates and target prices on a day-by-day basis, given a situation of sequestering.

I am not certain of exactly what is in the Gramm-Rudman amendment.

Mr. MOYNIHAN. I applaud my friend for saying that. There are a thousand such questions, such as appeared 7 or 8 days ago in the Senate, where we are supposed to be the body that would "cool the popular passions" of the House of Representatives. We make a careful and reasoned inquiry into what is coming to us from the other body. But we are the ones who have suffered in the past few days with this legislation. Maybe there are only four people in the Senate who can describe it.

May I say I do not think farmers want to have the feeling that they are being set aside as special while everybody else is put into a general positions. That would not, in the end, help farmers.

Mr. President, I reserve the remainder of my time.

Mr. GRAMM. Mr. President, how much time have I remaining?

The PRESIDING OFFICER (Mr. GRASSLEY). Ten minutes.

Mr. GRAMM. Mr. President, I rise in opposition to this amendment. I had tried to work out a compromise proposal with the distinguished Senator from New York that worked basically as follows:

First, it recognized that in this category of CCC we have several broad-ranging programs and that they all ought to be treated the same.

Second, it recognized that you cannot go in and abrogate a contract that you have entered into.

This has been a great source of dispute on the floor. My concern is one of fairness, one of legality, and one of practicality.

First, it is not fair to go into the middle of a contract and change the rules of the game. Second, it is not legal. Third, people take you to court and collect not only the contract but the fines and the penalties.

So the solution I proposed was to take all of the broad categories in CCC, which are payments to the States, and student loans, to say that

we do not let the sequester order violate a contract, but when the contract expires, then the sequester order shall go into effect for the next 12 months.

So you end up getting the savings but you do not invalidate the contract, you do not change the rules of the game on people in the middle of the game, but you do assure that everything is subject to sequester that is controllable. I think that is a reasonable solution. I hope the Senate will get an opportunity to deal with that in a basic effort to tighten and clean up our language.

Mr. President, I have to oppose this amendment. I assume the distinguished chairman of the Finance Committee will move to table this amendment. I will vigorously support that motion to table.

I yield back the remainder of my time.

Mr. MOYNIHAN. Mr. President, may I ask unanimous consent to have printed in the RECORD a letter from the general counsel of the Congressional Budget Office which describes what in his judgment would be the effect of the compromise proposal.

The letter is to the ranking minority member of the Budget Committee, attempting to deal with this specific matter of CCC expenditures. The compromise proposal in fact would bring a range of matters starting on the one hand, we might say, with guaranteed student loans and extending to Treasury borrowings which involve a contract to pay interest and to repay principal as day to day. That would be jeopardized, in the view of the general counsel.

Mr. President, I do not wish to prolong this debate. I make a simple point: If you want to discredit farm programs in the eyes of a very large portion of the American people, just single them out as the one activity of the Federal Government that is not touched by this extraordinary legislation. It might take a week to settle in, it might take a year, but it is not in the interest of the American farmers.

If I were an American farmer, I would be appalled to think that in the interest of attracting my support or whatever, the defense program were declared subject to across-the-board cuts, the Space Program, the Education Program, the Health Program, the Science Program—but not agriculture. I do not think I would want that done on my behalf.

With that, Mr. President, I yield back my time.

The PRESIDING OFFICER. Did the Senator from New York ask unanimous consent to have his material printed in the RECORD?

Mr. MOYNIHAN. I did, Mr. President. I thank the Chair.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL BUDGET OFFICE,
Washington, DC, October 9, 1985.

Hon. LAWTON CHILES,
Ranking Minority Member, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR SENATOR: This is in response to your question as to what accounts would be affected and how by a proposed amendment to the pending amendment entitled as "Balanced Budget and Emergency Deficit Control Act of 1985." The language proposed to be inserted is:

"Any contract entered into after the sequester order has been promulgated for the applicable fiscal year by which any federal department or agency shall agree to make payments out of an entitlement account to any person, lender or guarantee entity shall be deemed controllable expenditures and shall be subject to reduction under the Presidential order, and any such contract shall explicitly provide for such reduction for the entire contractual period."

We assume that the word "entitlement" in the proposed amendment has the meaning contained in Section 401(C)(2)(c) of the Congressional Budget Act of 1974, namely, the "authority to make payments (including loans and grants), the budget authority for which is not provided for in advance by appropriations acts, to any person or government if, under the provisions of the law containing such authority, the United States is obligated to make such payments to persons or governments who meet the requirements established by such law."

The Congressional Budget Office over the years has worked with the Senate Budget Committee to develop a list of accounts falling under the definition of Section 401(C)(2)(c). I enclose a copy of that list, which ranges from military retired pay to Medicaid grants to veterans pensions to interest on the public debt.

The proposed amendment is directed to contracts to make entitlement payments. Most entitlements result not from contract, but from an application and approval thereof. At this juncture there is insufficient time to determine exactly which of the accounts on the enclosed list involve the making of contracts, but some clearly do so, for example, the guarantee of student loans, and Treasury borrowings (which involve a contract to pay interest and to repay principal at a stated date).

To the extent that an entitlement payment is made pursuant to a contract, the proposed amendment would bring the payment within the definition of controllable expenditure subject to being sequestered. Literally read, this would mean that if the applicable percentage to be sequestered were 5 percent, then the government's obligation on a guaranteed student loan issued after a sequester order would be 95 percent rather than 100 percent, thus effecting a substantive change in the underlying law. The issues affecting government borrowings are considerably more complex; the amendment would appear to raise the possibility of altering agreed interest rates downward, with consequent adverse effects on the government's borrowing costs in the first instance.

There are other uncertainties posed by the language of the amendment, but time does not permit their exploration.

Sincerely,

ALFRED B. FITT,
General Counsel.

Accounts considered to be entitlements by the Senate Budget Committee

Account title	Account No.
Defense retired pay [1]	97 0030 01 051.
Defense claims [1]	97 0102 01 051.
Payment where energy credit exceeds liability for tax [1].	20 0907 01 271.
National forest system (starting in FY 1986)[1,3].	12 1106 01 302.
Oregon and California grant lands (through FY 1985 only) [1].	14 1116 01 302.
Commodity Credit Corporation: price support and related programs [2].	12 4336 03 351.
National Wool Act	12 5210 02 351.
Settlement of railroad litigation.	69 0708 01 401.
Coast Guard retired pay [1].	69 0241 01 403.
Guaranteed student loans (GSL) [1].	91 0230 01 502.
Social services block grants [1].	75 1634 01 506.
Family social services (foster care and adoption assistance) [1,3].	75 1645 01 506.
PHS Commissioned officers' retirement pay and medical benefits [1].	75 0379 01 551.
Grants to states to Medicaid [1].	75 0512 01 551.
Supplementary medical insurance trust fund (Medicare).	20 8004 07 570.
Hospital insurance trust fund (Medicare) [4].	20 8005 07 570.
Premiums and collections, FHI, and FSMI.	20 9991 87 570.
Special benefits (general retirement disability insurance [1].	16 1521 01 601.
Special workers' compensation expenses.	16 9971 07 601.
Black lung disability trust fund [1].	20 8144 07 601.
Offsetting receipts—RR retirement receipts from OASI.	20 9992 87 601.
Railroad social security equivalent benefit account.	60 8010 07 601.
Rail Industry Pension Fund [4].	60 8011 07 601.
Special benefits for disabled coal miners [1].	75 0409 01 601.
Judicial survivors' annuities fund.	10 8110 07 602.
Special benefits (Federal employee retirement and disability) [1].	16 1521 01 602.
Foreign Service retirement and disability fund.	19 8186 07 602.
Tax Court judges survivors annuity fund.	23 8115 07 602.
Civil service retirement and disability fund [4].	24 8135 07 602.
Military retirement fund	97 8097 07 602.
Federal unemployment benefits and allowances [1].	16 0326 01 603.
Advances to the unemployment trust fund [1].	16 0327 01 603.
Unemployment trust fund [4].	20 8042 07 603.
Offsetting receipt—unemployment trust fund, repayable advances [1].	20 9990 87 603.
Conrail labor protection [1].	69 0707 01 603.
Special milk program [1]	12 3502 01 605.
Child nutrition programs (Summer feeding program only) [1,3].	12 3539 01 605.
Payment where credit exceeds liability for tax.	20 0906 01 609.
Supplemental security income program [1].	75 0406 01 609.

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Account title	Account No.
Assistance payments program (AFDC) [1].	75 0412 01 609.
Child support enforcement [1].	75 0430 01 609.
Payments to states from receipts for child support.	75 5734 02 609.
Old-age and survivors insurance trust fund [4].	20 8006 07 650.
Disability insurance trust fund.	20 8007 07 650.
Veterans insurance and indemnities [1].	36 0120 07 701.
Veterans compensation [1]	36 0153 01 701.
Veterans pensions [1]	36 0154 01 701.
Veterans burial benefits and miscellaneous assistance [1].	36 0155 01 701.
National service life insurance fund.	36 8132 07 701.
United States government life insurance fund.	36 8150 07 701.
Veterans readjustment benefits [1].	36 0137 01 702.
Post-Vietnam era veterans education account.	36 8133 07 702.
Education benefits fund.	97 8098 07 702.
Soldier's and airmen's home claims.	84 8930 07 705.
Secret service annuity benefits.	20 1407 01 751.
Salaries of judges [1]	10 0200 01 752.
Compensation of the President [1].	11 0001 01 802.
Claims, judgments, and relief acts.	20 1895 01 806.
Presidential election campaign fund.	20 5081 02 806.
State and local government fiscal assistance trust fund.	20 8111 07 851.
Forest Service permanent appropriations.	12 9921 02 852.
Payments to U.S. territories, fiscal assistance.	14 0418 01 852.
Payments to states from receipts under Mineral Leasing Act.	14 5003 02 852.
National Wildlife refuge fund [5].	14 5091 02 852.
Bureau of Land Management miscellaneous permanent appropriations.	14 9921 02 852.
Bureau of Reclamation miscellaneous permanent appropriations.	14 9922 02 852.
Internal revenue collections for Puerto Rico.	20 5737 02 852.
Customs Service miscellaneous permanent appropriations.	20 9922 02 852.
Payments to states under the Federal Power Act.	89 5105 02 852.
Corps of Engineers permanent appropriations.	96 9921 02 852.
Net interest (including interest on the public debt, interest received by trust funds, and other interest).	All function 900 accounts.

[1] Annually appropriated by Congress.
[2] Part of account annually appropriated by Congress through fiscal year 1985 but not thereafter.
[3] Split account; only part of account considered entitlement.
[4] Excludes limitation on administrative expenses.
[5] Part of account annually appropriated by Congress.

Mr. BOREN. Mr. President, I am extremely concerned about the effect the pending amendment will have on agricultural producers. I agree with the intent of the Senator from New York to ensure that agricultural producers do their part in deficit reduction. However, this amendment does not merely include farmers, it penalizes them by giving them more uncertainty than is presently confronting them in agriculture production. There have been many claims that commodity programs will not be affected by any sequestering order. The Senator from New York argues that agriculture will be exempt from participation in deficit reduction unless his amendment is adopted. This is simply not true.

The modified Gramm/Hollings/Rudman/Boren amendment will require reductions in commodity programs, in commodity loans and target prices. Under any general sequestering order. A portion of the savings resulting from the sequestering of commodity programs will occur in the fiscal year in which the order is made and a portion will come during the succeeding fiscal year. Contrary to what many of us may think. Not everything revolves around the fiscal year of the Federal Government. Regardless of how hard we may try to change cropping patterns, the fact remains that farmers plant and harvest at times uncontrollable by the U.S. Congress.

The provision already in the modified amendment applicable to Commodity Credit Corporation programs is stated very clearly. It reads:

> Any contract entered into after the sequester order has been promulgated for the applicable fiscal year by which any Federal department or agency shall agree to make payments out of an entitlement account to any person, lender, or guarantee entity shall be deemed controllable expenditures and shall be subject to reduction under the Presidential order, and any such contract shall explicitly provide for such reduction for the entire contractual period.

This means that once a sequester order has been promulgated. Any contract made between the CCC and a farmer for price support loans will reflect a reduction in the amount of the loan. Because we have failed to enact a farm bill this year, every contract entered into for crop year 1986 will reflect a reduced loan if a sequester order is made November 1 of this year.

It is extremely unfair to penalize farmers in this way. Nine times out of ten. Farmers in my home State of Oklahoma are forced into planting without knowing what the Wheat Program is going to be. Eighty percent of the wheat acreage in Oklahoma is already planted and farmers do not have a program yet. Now, we're going to throw another kink into the system for farmers and only for farmers. We are going to tell farmers to come in and participate in our farm programs. We're going to tell them to sign a contract with the Government and they will be penalized if they do not stick with it, but the Government might decide to change the terms of the contract at any point in time, thereby reducing their income.

How is the farmer going to be able to get financing for the coming crop at a time when farm prices are already lower than the cost of production, Is a bank going to provide financing to a farmer if his income could be reduced in the middle of the crop year?

The bill before us does not abrogate any other contract in midterm. It does not abrogate defense contracts. How can we possibly justify abrogating only farm contracts in the middle of the contract period?

Mr. MOYNIHAN. Mr. President, I am prepared to yield back the remainder of my time.

Mr. PACKWOOD. I am prepared to yield back the remainder of my time.

Mr. President, I move to lay on the table the amendment of the Senator from New York and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oregon [Mr. PACKWOOD] to lay on the table the amendment of the Senator from New York.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the motion of the Senator from Oregon [Mr. PACKWOOD] to lay on the table the amendment of the Senator from New York [Mr. MOYNIHAN]. The clerk will call the roll.

The bill clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Arizona [Mr. GOLDWATER] and the Senator from Nevada [Mr. LAXALT] are necessarily absent.

I also announce that the Senator from Maryland [Mr. MATHIAS] is absent on official business.

The PRESIDING OFFICER (Mr. SYMMS). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 81, nays 16—as follows:

[Rollcall Vote No. 219 Leg.]

YEAS—81

Abdnor	Denton	Hatch
Andrews	Dixon	Hawkins
Armstrong	Dodd	Hecht
Baucus	Dole	Heflin
Bentsen	Domenici	Heinz
Biden	Durenberger	Helms
Bingaman	East	Hollings
Boren	Evans	Inouye
Boschwitz	Exon	Johnston
Bumpers	Ford	Kassebaum
Burdick	Garn	Kasten
Chafee	Glenn	Kennedy
Chiles	Gore	Kerry
Cochran	Gorton	Leahy
Cohen	Gramm	Levin
D'Amato	Grassley	Long
Danforth	Harkin	Lugar
DeConcini	Hart	Matsunaga

Mattingly	Proxmire	Stennis
McClure	Pryor	Stevens
McConnell	Quayle	Symms
Melcher	Rudman	Thurmond
Murkowski	Sasser	Trible
Nickles	Simon	Wallop
Nunn	Simpson	Warner
Packwood	Specter	Wilson
Pressler	Stafford	Zorinsky

NAYS—16

Bradley	Lautenberg	Rockefeller
Byrd	Metzenbaum	Roth
Cranston	Mitchell	Sarbanes
Eagleton	Moynihan	Weicker
Hatfield	Pell	
Humphrey	Riegle	

NOT VOTING—3

Goldwater	Laxalt	Mathias

So the motion to lay on the table was agreed to.

Mr. PACKWOOD. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. ZORINSKY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PACKWOOD. Mr. President, I am going to make a unanimous-consent request on the cloture vote that was scheduled, and it has been cleared on both sides. I ask unanimous consent that the cloture vote that would have occurred at 4 p.m. be set at 5 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ZORINSKY and MR. BOREN addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

AMENDMENT NO. 767

(Purpose: Providing that no concurrent resolution on the budget for any fiscal year beginning after September 30, 1986, may provide for any increase in total outlays or the deficit)

Mr. ZORINSKY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Nebraska [Mr. ZORINSKY] for himself and Mr. MATTINGLY proposes an amendment numbered 767.

Mr. ZORINSKY. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nebraska.

Mr. PRYOR. Mr. President, I object to that.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. MATTINGLY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Georgia?

Mr. PRYOR. I object.

The PRESIDING OFFICER. Objection is heard.

The clerk will resume stating the amendment.

The assistant legislative clerk resumed and concluded reading the amendment.

The amendment is as follows:

At the appropriate place in the joint resolution, insert the following new section:

SEC. . (a)(1) Notwithstanding any other provision of law, it shall not be in order in the Senate or the House of Representatives to consider any concurrent resolution on the budget for any fiscal year beginning after September 30, 1986, or any amendment thereto or any conference report thereon if—

(A) the adoption of such concurrent resolution as reported;

(B) the adoption of such amendment; or

(C) the adoption of the concurrent resolution in the form recommended in such conference report, would cause—

(i) the appropriate level of total budget outlays set forth in such concurrent resolution of such fiscal year to exceed the appropriate level of total budget outlays set forth for the preceding fiscal year in the most recently agreed to concurrent resolution on the budget for that preceding fiscal year;

(ii) the appropriate amount of the deficit set forth in such concurrent resolution for such fiscal year to exceed the appropriate amount of the deficit set forth for the preceding fiscal year in the most recently agreed to concurrent resolution of the budget for that preceding fiscal year.

(2) Notwithstanding section 904(b) of the Congression Budget Act of 1974, or any other provision of law, paragraph (1) of this subsection may be waived only by a two-thirds vote of the Members of each House of Congress, duly chosen and sworn.

(b) Notwithstanding any other provision of law, the budget transmitted pursuant to section 1105 of title 31, United States Code, for the following fiscal year shall not contain—

(1) an estimate of total budget outlays for such following fiscal year that exceeds the appropriate level of total budget outlays for the current fiscal year set forth in the most recently agreed to concurrent resolution on the budget for the current fiscal year;

(2) an estimate of the deficit for such following fiscal year that exceeds the appropriate amount of the deficit set forth for the current fiscal year in the most recently agreed to concurrent resolution on the budget for the current fiscal year.

(c) For purposes of this section, no cost-of-living adjustment under any provision of Federal law shall be taken into account.

(d) For purposes of this section—

(1) the term "budget outlays" has the same meaning as in section 3(1) of the Congressional Budget and Impoundment Control Act of 1974;

(2) the term "concurrent resolution on the budget" has the same meaning as in section (3)4 of such Act; and

(3) the term "deficit" means, with respect to any concurrent resolution on the budget for a fiscal year, the amount by which the appropriate level of total budget outlays set forth for such fiscal year in such concurrent resolution exceeds the recommended level of Federal revenues set forth for such fiscal year in such concurrent resolution.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. ZORINSKY. Mr. President, today I am introducing legislation which modifies the budget process so no spending increases can be financed with tax increases. This proposal dovetails nicely with the Gramm-Rudman amendment.

Under this amendment any increase in outlays for a program other than COLA's must be financed by decrease in outlays of equal value in some other area of the budget. You can still raise taxes but they have to go to reduce the deficit in the budget.

Anyone who comes in here and has a brandnew program that exceeds the budget, cost by $50 million, has to go find a place to reduce the spending by $50 million to offset his brilliant idea for the spending of $50 million.

It is very simple. We have been doing this for years, finding a new program, spending more money, except we have not had the responsibility of finding where to decrease the spending to offset that same amount.

Now, it is a pure straight simple forward amendment. The people who want to reduce deficits and budgets by increasing taxes can vote against this. I am sure if you vote for this it will make President Reagan's day, it will make my day, and it will make Howard Phillip's day when he writes in to your States to say you do not support raising taxes as a method to finance your increase in spending on behalf of the taxpayer.

I yield to the Senator from Georgia who is a cosponsor of the amendment with me.

Mr. SARBANES. I object.

The PRESIDING OFFICER. The Senator has the right to yield his remaining time.

Mr. ZORINSKY. I yield my remaining time to the Senator from Georgia.

Mr. MATTINGLY. I thank the Senator from Nebraska.

Mr. President, I ask my colleagues to support the Zorinsky-Mattingly amendment pending before the Senate.

Simply stated the amendment would require any future increase in spending for a program to be matched by a decrease in funding for some other program.

In other words, if a Member of Congress wants to increase spending somewhere, he or she will have to find the money—they will be asked to point out where they want to cut before they can add.

For too long we have spent money this Government did not have. Congress of the United States is the cradle of the deficit. Programs are begun or increased with no thought given to paying the bill. After spending is pumped up, the next step is to push through a tax increase.

The Gramm-Rudman proposal and amendment that passed is fantastic.

Under our amendment, we seek to make certain that spending increases will be funded by other spending cuts rather than raising taxes. The only exception will be for annual cost-of-living adjustments. For all other spending, there will be no easy way out. This amendment can be called the taxpayer's protection amendment—protection against tax increases imposed by a Congress unwilling to face the hard choices of where to cut government.

The taxpayers of this country do not think they are undertaxed—but they know they are overspent by Congress.

It is time Congress learned the lesson that Mother Hubbard learned when she went to the cupboard. I say to you that the Treasury of the United States is so bare, it makes Mother Hubbard's cupboard look well-supplied by comparison.

We are gradually becoming aware that you cannot spend money you do not have and you cannot borrow your way out of debt. All Senator ZORINSKY and I are saying in this amendment is that Congress has to order its priorities—any increase in spending cannot be funded through debt or by putting a bigger burden on the American Taxpayer.

The choice on this amendment is simple—the vote is clear—are you in favor of balancing the budget through tax increases or do you want to cut spending? That is the question here.

This amendment will make Ronald Reagan's day, but it will protect the working, taxpaying Americans' pocketbooks.

The PRESIDING OFFICER. The proponents' time has now expired.

Two-and-a-half minutes remain for the opposition.

Mr. DANFORTH. Mr. President, I yield 1 minute to the Senator from New Hampshire.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized for 1 minute.

Mr. RUDMAN. Mr. President, very regretfully, I have to rise to oppose this amendment of my two friends here for very obvious reasons.

When you say something on the floor, and I have been saying it now for 10 days, you have to stick with it. You do not change in midstream. I am speaking for myself and no one else.

I am not for new taxes, and I want to see spending cuts. But we said that Gramm-Rudman-Hollings was policy neutral. We said it would allow Congress whatever option it would take, and I will vote for the spending reduction option first and foremost. But it seems to me that we are breaking faith with many of our cosponsors and many who supported it, who voted on the basis that: (a) it would be an action-forcing mechanism; (b) it would cause Congress and the administration to face its responsibility squarely; and, (c), what would come out of that would be whatever came out, whether it be spending cuts, elimination of programs, or new taxes.

So I oppose it and I do not think it is the right thing to do today.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Missouri.

Mr. DANFORTH. Mr. President, I yield 1 minute to the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 1 minute.

Mr. BOREN. Mr. President, I realize on the surface this might be an attractive amendment. I think it is a very unwise one and damaging one, and it ties our hands in the long run.

Let me raise this question: Suppose some new program vitally needed is put forth. This will mean we could not, as we voted yesterday to do, raise a minimum tax on 50 corporations that had $56 billion worth of profits and now pay no taxes.

We would then cut some program that is badly needed by the people of this country to pay for some other program that might be badly needed, say, for emergency, disasters, or something else.

My goodness, why cut some needed program in order to finance, let us say, an emergency, disaster assistance, and be forbidden by this putting any kind of minimum tax on these 50 corporations that made up $56 billion and paid no tax.

It might look good as a slogan. It is very unwise policy, and I hope my colleagues will defeat this proposal.

Mr. ZORINSKY. Mr. President, today, I am introducing legislation which modifies the budget process so that no spending increases can be financed with tax increases. This proposal dovetails nicely with the Gramm-Rudman amendment. Under this amendment, any increase in outlays for a program—other than COLA's—must be financed by a decrease in outlays of equal value in some other area of the budget. Spending increases for a program are thus perfectly in order, as long as you can find some other program with enough extra funds to finance your increase. Similar measures have been proposed before, often under the rubric of "pay-as-you-go" legislation, but these bills allow tax increases to finance the spending increases. My amendment precludes taxation as a way out of our budgetary decisions. It will help curb the expansion of the Federal deficit and the Federal Government's claim on our Nation's resources.

The amendment is very simple. It renders out of order any budget or any amendment to the budget which increases the deficit or total outlays. That is, it caps total spending and the deficit. Cost-of-living adjustments are exempt from the point of order. This combination of restrictions forces us to deal with the budget in a responsible manner. As mentioned above, the amendment forces any proposed increase in funding for a particular program to be matched by a decrease in funding for some other program. It allows tax increases which may accompany a strengthened minimum corporate tax. However, such tax increases can only be used to close the deficit, not to finance new spending. The amendment also blocks any tax decrease from widening the deficit. Tax increases are allowed, as long as they are matched by spending decreases of equal value.

As of 1984, the Federal Government spent almost 25 percent of this Nation's GNP. The American people have said "Enough!" The Federal Government must make do with what it has. We were elected to make the tough choices of how to allocate funds in the budget. Unfortunately, as this past budget debate showed with excruciating clarity, Congress cannot make these choices and reduce the deficit with the tools it currently has. My amendment simply provides us with some new tools.

I hope each of my colleagues gives his full consideration to this amendment. I believe we have not done our best to check these runaway deficits. My amendment offers a way to remedy this situation. Mr. President, I ask unanimous consent that a copy of the amendment appear at the end of my remarks. Thank you.

The PRESIDING OFFICER. The Senator from Missouri has 30 seconds remaining.

Mr. DANFORTH. Mr. President I yield the balance to the Senator from Colorado.

Mr. HART. Will the Senator from Nebraska tell us whether or not his amendment applies to the President of the United States in submitting his budget?

Mr. ZORINSKY. Yes.

Mr. HART. So the President could not request new spending without identifying programs to be cut?

Mr. ZORINSKY. That is right.

The PRESIDING OFFICER. [Mr. MATTINGLY]. All time has expired. The question is on agreeing to the amendment.

Mr. ZORINSKY. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BOREN. Mr. President, I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. a motion to table is not in order.

Mr. ZORINSKY. Under the unanimous-consent agreement, I believe it was to be an up-or-down vote.

The PRESIDING OFFICER. That is correct.

The question is on agreeing to the amendment of the Senator from Nebraska [Mr. ZORINSKY]. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Nevada [Mr. LAXALT] and the Senator from Idaho [Mr. MCCLURE] are necessarily absent.

I also announce that the Senator from Maryland [Mr. MATHIAS] is absent on official business.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 22, nays 75, as follows:

[Rollcall Vote No. 220 Leg.]

YEAS—22

Armstrong	Hawkins	Quayle
Dole	Helms	Roth
East	Humphrey	Symms
Exon	Kasten	Thurmond
Garn	Lugar	Wilson
Harkin	Mattingly	Zorinsky
Hatch	Murkowski	
Hatfield	Nickles	

NAYS—75

Abdnor	Eagleton	Melcher
Andrews	Evans	Metzenbaum
Baucus	Ford	Mitchell
Bentsen	Glenn	Moynihan
Biden	Goldwater	Nunn
Bingaman	Gore	Packwood
Boren	Gorton	Pell
Boschwitz	Gramm	Pressler
Bradley	Grassley	Proxmire
Bumpers	Hart	Pryor
Burdick	Hecht	Riegle
Byrd	Heflin	Rockefeller
Chafee	Heinz	Rudman
Chiles	Hollings	Sarbanes
Cochran	Inouye	Sasser
Cohen	Johnston	Simon
Cranston	Kassebaum	Simpson
D'Amato	Kennedy	Specter
Danforth	Kerry	Stafford
DeConcini	Lautenberg	Stennis
Denton	Leahy	Stevens
Dixon	Levin	Trible
Dodd	Long	Wallop
Domenici	Matsunaga	Warner
Durenberger	McConnell	Weicker

NOT VOTING—3

Laxalt	Mathias	McClure

So the amendment (No. 767) was rejected.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. ZORINSKY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, If I can have the attention of my colleagues, on yesterday afternoon we agreed on the amendments that we have taken up since this morning with certain time agreements and that certain amendments would be in order, that they were relevant to the subject matter. We have now completed that list of amendments. We still have another relevant amendment to be offered by Senators DOMENICI and CHILES. I know in the past 24 hours they have been discussing it with a number of Senators on each side. I know there are some questions still being addressed. I know in some cases staff and Members are reviewing material. I am not certain just how long that may take. However, I would hope, one way or the other, that that might be the last amendment.

Mr. GRAMM. If the distinguished majority leader will yield, Senator BOREN and I have an amendment that deals with CCC, since the amendment of the Senator from New York was rejected. We think it is a clear-cut amendment. It will be very brief. We would like to have an opportunity to offer it as well.

Mr. BRADLEY. If the Senator will yield for a question, does that amendment also include the addition to the controllable category of Medicaid and AFDC?

Mr. GRAMM. No; it includes only two loan programs, CCC and the guaranteed student loan. The amendment is to clarify that there will be no change made in those programs during the middle of the year, but that any sequester order shall apply to the next year.

Mr. BRADLEY. The sheet that was handed out by the distinguished chairman of the Budget Committee yesterday listed a number of programs that would be put into the controllable area of the budget. Among those programs was Medicaid and AFDC.

It is the intention of the chairman of the Budget Committee to drop those from the list of things that are now controllable and, therefore, make them not susceptible to the across-the-board cut?

Mr. DOMENICI. Maybe I can answer that another way.

As to the programs just asked about, there would be no reference to those two items that the Senator asked about in the Domenici-Chiles amendment.

Mr. BRADLEY. and the other amendment will only deal with student loans and the CCC?

Mr. GRAMM. That is correct.

Mr. BRADLEY. I thank the distinguished chairman of the Budget Committee and I thank the ranking member for his efforts.

Mr. CHILES. If the Senator will allow me to respond for a moment, I think in the package we are talking about now, which Senators DOMENICI and CHILES will offer, there will be no new program added which is not now in the program. Basically, most of the changes will be procedural in allowing you to operate with the Budget Act we now have and with what we now have at the desk as Gramm-Rudman. We are reviewing those things now in the cloakrooms with staff and anybody who wants to look at the list. I have looked at all of them. My staff worked on it yesterday evening, last night and this morning. It is my strong feeling and assurance that we are not talking about substance.

Let me mention this: At the request of Senator PACKWOOD and Senator BENTSEN—this has been talked about before, I think, but I want everybody to understand it—the Finance Committee was given leeway under the Budget Act where they would be instructed to raise so much money off taxes and so much money off other programs; they are given the leeway to do 80 percent, with the 20 percent leeway. The House has that now because they go and get a rule on the House side. That has been done by custom over here, so in effect, we are making a change to put into the law what has been a custom before to give the Finance Committee some leeway. That is not adding any new program or any new substance. Most of the other changes, as I say, are basically procedural changes.

If anybody wants more information, I invite them to come to the cloakroom.

Mr. BRADLEY. Mr. President, if I could get final clarification, the situation that existed yesterday when Medicaid and AFDC had been added to the budget, there was an across-the-board cut of 2 or 3 percent. That means Medicaid and AFDC take a 2-percent cut across the board. As I understand the chairman of the Budget Committee, that is no longer the case and the Senator from Florida has confirmed that.

Mr. CHILES. The Senator from Florida cannot tell you he knows everything that is in what we passed in Gramm-Rudman, but nothing in this package will be added to it.

Mr. BRADLEY. Let the distinguished chairman of the Budget Committee confirm that neither AFDC nor Medicaid is contained in the Gramm amendment or in the amendment he is offering.

Mr. DOMENICI. I do not know that. They may already be in it. If you would like the language, none is in there by name.

Mr. BRADLEY. Let me ask the Senator from Texas, is AFDC or Medicaid in the Gramm amendment?

Mr. GRAMM. Mr. President, let me clarify. There will be two amendments. One is a technical amendment, basically cleaning up language on a bipartisan basis with the change in substance being the greater flexibility that the committee in the House has already adopted. There will be a substantive amendment by Senator BOREN and me dealing with loan programs

under CCC and under the Guaranteed Student Loan Program.

It is my opinion that the nonindexed entitlements will be subject to interpretation, depending on the language. It was my intention and my opinion that in the Gramm-Rudman-Hollings amendment, those entitlements as payments to the States are included. But this package that is being offered does not make a change related to that. That is the point.

Mr. BRADLEY. But it is the Senator's intention that Medicaid is included in the across-the-board cuts in the original Gramm amendment?

Mr. GRAMM. In the original Gramm amendment, in the reference to States, payments to States, Medicaid and AFDC are payments to States, and are not Federal entitlements. For example, in Medicaid—well, in both of them—those payments to the States, in my opinion, are included in the Gramm language.

There was a discussion as to whether there should be clarification in this amendment. It was decided to leave the bill as it is and let it stand for interpretation. I believe it is there.

Mr. BRADLEY. So the Senator has confirmed for us that Medicaid and AFDC are subject to the across-the-board cuts under Gramm-Rudman.

Mr. GRAMM. That is correct.

Mr. BRADLEY. Which means that they will be reduced. So the amendment offered by the distinguished Senator from Connecticut, that was accepted by the sponsors of the bill, will say this eliminates the means-tested entitlement programs, in a narrow sense eliminated the means-tested entitlement programs, but the Senator from Texas does not include Medicaid or AFDC.

Mr. DOLE. Mr. President, let me yield to the distinguished Senator from Connecticut to respond.

Mr. DODD. I thank the majority leader for yielding. The amendment offered by myself, the Senator from Massachusetts [Mr. KERRY] and others dealt with the SSI Program as well as veterans' pensions as they related to disabilities. They dealt with a glitch, if you will, or a problem that arose, I think unintentionally, in the original drafting of the legislation regarding the following matter of concern. Both SSI and veterans' pensions—those two programs and those two programs alone—the cost-of-living adjustment in those programs is indexed or relates to the cost-of-living adjustment on Social Security.

Because, when you calculate how a person who is collecting both Social Security and SSI would have their monthly checks affected if you consider as income the cost-of-living increase in Social Security, we modified that so the cost-of-living increase would not be considered as income for the purpose of determining the monthly check of an SSI recipient or a veteran collecting disability. That amendment was focused on that particular problem and that problem alone.

I want to point out, since he is here, the distinguished Senator from Michigan [Mr. RIEGLE] identified the shortcoming as he saw it because we did not cover the SSI recipient or the veteran from having that COLA not be affected by the budget process and reduced. I agree with him, but we did not as a substantive matter go into modifying that particular situation.

Is that clear?

Mr. BRADLEY. I thank the distinguished Senator from Connecticut for his clarification. I simply say that although it is the interpretation of the Senator from Texas that Medicaid and AFDC are included, the language of the bill at least makes that point debatable and the RECORD should reflect it back, that although it was his intention to cut Medicaid and AFDC, in fact, it remains debatable, which seems to me to be subject to clarification. I assume that is what the Senator from New Mexico had in mind when he was going to offer his amendment.

Could I ask the distinguished Senator from New Hampshire, is it his intention that Medicaid and AFDC are included in across-the-board cuts?

Mr. DOLE. Let me yield to the Senator from New Hampshire to respond to that question. Then I think other Members would like to speak.

Mr. BRADLEY. Mr. President, all I want is a yes or no answer and I have "yes" from one and "maybe" from the other.

Mr. RUDMAN. Yes.

Mr. BRADLEY. Yes, it is included. The Senator from Texas says, yes, it is included. Does the Senator from New Mexico agree?

Mr. DOMENICI. I agree that it is their intention, but I do not agree that it is that clear, if that is the Senator's question.

Mr. BRADLEY. So the Senator from New Mexico says it is not clear and it probably is not included.

Mr. DOMENICI. We can just read the definition of controllable and with reference to that kind of program; it is not so clear.

Mr. BRADLEY. I thank the Senators.

Mr. DOMENICI. Mr. President, as far as I was concerned, so everyone will know, yesterday I said I was going to offer a clarification amendment and I included all four. I am not including any of them in it because I do not think that is for us a clarification. I think that is an issue we ought to decide in terms of programs because all programs are not mentioned and we are drawing conclusions about them. I did not choose to include in mine clarification on that one way or another. It is in or it is out. We are here debating it. Perhaps somebody will offer an amendment. On CCC and student loans, we hear Senator BOREN and the sponsor of the bill will do that.

Mr. BRADLEY. So it is the distinguished chairman's opinion that, absent a specific amendment including them, as will be offered for CCC and student loans, it is not included.

Mr. DOMENICI. That is not—what I am telling my colleagues as best I can is, it is open.

Mr. BRADLEY. It is an open question.

Mr. DOMENICI. That is right.

Mr. METZENBAUM. Will the Senator from Texas yield?

Mr. DOLE. Let me yield to the Senator from Colorado.

Mr. HART. Mr. President, how much time does the distinguished majority leader intend to allocate to the Senator from New Mexico for explaining his slight modification?

Mr. DOLE. We were hoping from the discussion going on that it would not take a long time, but there is not any time limit, so anybody who wants to may prevail.

Mr. HART. Mr. President, the reason I am asking that the Senator from Colorado does not like legislation in the Cloakroom. It does not leave a record for the legislators who are going to be here long after we are gone. We are, by everybody's definition, fundamentally changing the way the Federal Government works. That is what everybody said. A year from now, 5 years from now, 10 years from now, nobody is going to know who said what to whom in the Cloakroom. I think it would be extremely important to have the Senator from New Mexico and the Senator from Florida put on the record what the Domenici substitute does.

Mr. DOLE. We are prepared to do that.

Mr. METZENBAUM. Mr. President, may I make an inquiry of the Senator from Texas?

Mr. DOLE. I am happy to yield to the Senator from Ohio for that purpose.

The PRESIDING OFFICER. The time for the cloture motion has expired.

Mr. DOLE. Let us postpone that until 6, Mr. President.

Mr. METZENBAUM. The Senator from Texas stated at the time of the debate, "In those areas of entitlements where the Federal Government sets out the conditions under which an entitlement is paid, where the Federal Government sets out eligibility standards and therefore, where the expenditure is gauged by the number of people who qualify and the amount they qualify for, only"—and I emphasize only—"automatic increases built

into the budget will be subject to sequester."

Now, as I read that statement of the Senator, it would be my understanding that with respect to Medicare, AFDC——

Mr. BYRD. Mr. President, may we have order in the Senate?

Mr. METZENBAUM. Excuse me, with respect to Medicaid——

Mr. BYRD. Mr. President, we do not have order in the Senate yet. May we have order so the Senator can be heard?

The PRESIDING OFFICER. The Senate will please come to order. Senators and staff carrying on discussions will please retire to the Cloakroom so the Senator from Ohio can be heard.

Mr. GRAMM. If I may clarify——

Mr. BYRD. No. No, the Chair is trying to get order. Then we will clarify.

Mr. GRAMM. I thank the Senator——

Mr. BYRD. Let the Chair announce when there is order.

The PRESIDING OFFICER. The Senator from Ohio has the floor.

Mr. METZENBAUM. As I understand it, that would indicate the Senator was saying the only thing subject to being sequestered was the cost-of-living adjustments. Now, as I understand the Senator's answer to the Senator from New Jersey, it was his intent to include the entire amount.

Mr. GRAMM. If the Senator will yield——

Mr. METZENBAUM. I do.

Mr. GRAMM [continuing]. AFDC and Medicaid are not Federal entitlements. The Federal Government does not set the eligibility standards or the benefits. Those are set by the several States. The States set eligibility.

Let me also remind the Senator that in the case of Medicaid, you do have controllability through setting caps, for example, on payments to providers.

Mr. METZENBAUM. So that the Senator is saying he intends with the Gramm-Rudman-Hollings measure to include Medicaid, provide for sequestering of it, and to provide for limiting it in connection with other provisions of the legislation?

Mr. GRAMM. I provide what the bill says, which is no one, as a result of sequestering, will be denied eligibility for any program. But Medicaid and AFDC are not Federal entitlements. They are payments by States to individuals where the Federal Government provides funds and States set eligibility standards and set payments to providers for bulk distribution under Medicaid.

Since we will, under Medicare, have the ability to adjust payment to providers, for example, it seems to me perfectly balanced under Medicaid to provide the States with the encouragement to do the same thing if we are under a sequester order. And I go back and make my point, if we are not under a sequester order, none of this is relevant.

Mr. BRADLEY. Will the Senator yield for one final question?

Mr. DOLE. Let me yield to the Senator from New Jersey, and then I hope we might have the amendment of the Senator from Oklahoma.

Mr. BRADLEY. Let me first observe that this is the kind of question and answer that is more appropriately handled in the subcommittee or committee where you have people before you and you can clearly define things. But we have not had that opportunity with this particular piece of legislation, so we are now trying to define what we are voting on and we have a disagreement, not among the two sponsors but among the sponsors and the chairman of the Budget Committee.

So since the RECORD is at least unclear, let the legislative history reflect that it is the reading of the Senator from New Jersey of this legislation that Medicaid and AFDC are not included. They might be included in definitions, but there is no means provided in the bill to get at them, and therefore they are not included. I would like the RECORD to reflect the opinion of the Senator from New Jersey, having read the bill, and I guess the courts will decide, as they will decide many issues that have been raised by this particular piece of legislation.

Mr. DODD. Will the Senator from New Jersey, or the majority leader, yield?

Mr. DOLE. Let me yield briefly, if I can, to the Senator from Connecticut.

Mr. DODD. Mr. President, just very, very briefly, if the Senator from New Jersey will remain for just a second, as a cosponsor of the Gramm-Rudman-Hollings bill, I think the issue is unclear. And while the distinguished Senator from Texas and the distinguished Senator from New Hampshire—while their intentions were certainly to be included, as a cosponsor of this bill, for purposes of legislative history, I would like to say, Mr. Leader, if I can, I am not clear on that. So that should this matter at one point end up in the courts, the record should be clear that those of us who support this legislation, cosponsored it, are not as clear as the other two authors of this legislation.

I think the Senator has raised a very legitimate point and one that should be resolved.

I thank the majority leader for yielding.

Mr. DOLE. Mr. President, I hope now the Senator from Oklahoma can offer his amendment.

Mr. BOREN. Mr. President, I should say to the majority leader that I am prepared on behalf of myself and the Senator from Texas to offer this corrective amendment that relates to CCC and the Student Loan Program.

I think this is an amendment that will have full agreement. Very probably it would not necessitate a rollcall and can be accepted. But it is an important one that I want to make sure all of our colleagues understand. I say to the Senator from Kansas, I think we could take this up under a very short time limitation and explain it. Once it is explained, I do not think there will be any controversy about it. I do not know if the Senator from Kansas wants to seek a particular agreement on it. I hope it would not require a rollcall, but, of course, you do not know until it is explained. I do not view it as controversial. So I am willing to accept a very short time limitation on the amendment.

Mr. DOLE. Mr. President, is there any objection to 20 minutes on the amendment equally divided?

Mr. METZENBAUM. Reserving the right to object, will the Senator tell us again exactly what the amendment is?

Mr. BOREN. Yes. Earlier the Senator from New York [Mr. MOYNIHAN] had an amendment on the inclusion of farm programs. Many of our colleagues want to make sure the farm programs will be subject to the cuts and to their share of sacrifices along with all the rest. There has also been a question as to how student loans would be affected, would the student face the possibility of the reduction of a loan in the middle of the school year.

This amendment clears that up and says that, yes, agricultural programs are affected, the contracts are not impacted in the middle of the contract, but let us say there is a 2-percent reduction—the contract entered into, let us say, on wheat or cotton, and there is a 2-percent reduction. That next contract will be for 2 percent less than the target price and loan rate. You do not abrogate the contract in the middle, but it provides very clearly that the next contract entered into has the reduction in it for the following crop year. With student loans, it provides the same thing. You would not in the middle of the school year disrupt that student or the universities, colleges involved by changing the amount of the student loan once it has been given to that student. But it does provide that when the next contract is entered into, if there is an across-the-board reduction, the loan for the next year would be reduced by that amount.

I think this reflects the intent which those on both sides of the aisle have expressed. I think it addresses the concerns raised by the Senator from New York and others and I think will also clarify it to the point that it should

stabilize the student loan program as well, make it clear that those loans would not be cut in the middle of the school year. It also responds to the concerns raised by the Senator from Iowa [Mr. HARKIN] relating to the geographical differences as to when you plant a crop.

You plant soybeans earlier in the year in one part of the country than you plant soybeans in another part of the country. You make sure the persons planting the same commodity will be treated the same way whether that person is a Northern producer or Southern producer, irrespective of what time in the calendar year they plant that crop.

Mr. DOLE. Has the amendment been offered?

Mr. BOREN. I think unanimous consent is pending as to a 20-minute time limitation.

Mr. DOLE. The amendment is not pending?

The PRESIDING OFFICER (Mr. BOSCHWITZ). That is correct.

Mr. DOLE. Why not offer the amendment and I will need to clear it.

AMENDMENT NO. 768

(Purpose: To ensure that CCC loans and guaranteed students loans are included in a sequester order)

Mr. BOREN. Mr. President, on behalf of the Senator from Texas (Mr. GRAMM) and myself, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Oklahoma [Mr. BOREN], for himself and Mr. GRAMM, proposes an amendment numbered 768.

Mr. BOREN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the joint resolution, insert the following:

Any contract entered into after a sequester order has been issued for the applicable fiscal year, by which the Commodity Credit Corporation and entitles providing Federal guarantees for student loans shall agree to make payments out of an entitlement account to any person, lender, or guarantee entity shall be deemed to be controllable expenditures and shall be subject to reduction under Presidential order, and any such contract shall explicitly provide for such reduction for the entire contractual period; *Provided*, That in regard to commodity loans made by the Commodity Credit Corporation to producers or producer cooperatives for a commodity produced in the same crop year, those loans for the same commodity shall be subject to the same terms and conditions.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. BOREN. I yield.

Mr. DOLE. We are checking with the distinguished minority leader. There is no time limit on any amendments brought up now, and we are trying to make certain that the amendments are relevant. This amendment is relevant to this process. We are not going to be able to deal with any irrelevant amendments.

The Senator has explained the amendment, and it seems to me that it should be accepted. I am not involved in this.

Mr. METZENBAUM. Mr. President, will the majority leader be good enough to withhold asking unanimous consent until we can read the amendment?

Mr. DOLE. Certainly.

Mr. BOREN. Mr. President, perhaps the most profitable course would be for me to read this amendment, and I will explain it as I read it, line by line. I think it is self-explanatory.

It says that CCC programs, agricultural programs, are exempt from the across-the-board cuts, and farmers therefore are exempt from the sacrifice.

It has not been the intent of the authors to do that. As one who has preached on this floor that there should be a common, across-the-board sacrifice, I feel that everyone should be involved.

There has also been concern expressed about how student loans are treated. For example, if there is a reduction of, say, 2 percent, would some student who has been given a loan for a school year face the possibility that in the middle of the year his loan might be cut? That would work a hardship on the student and the school. On the other hand, there is a concern that you not totally exempt that category from the sacrifice.

So it reads:

Any contract entered into after a sequester order has been issued for the applicable fiscal year, by which the Commodity Credit Corporation and entitle providing Federal guarantees for student loans shall agree to make payments out of an entitlement account to any person, lender or guarantee entity shall be deemed to be controllable expenditures.

That means that this category is subject to the across-the-board reduction. It then says:

And shall be subject to reduction under the Presidential order, and any such contract shall explicitly provide for such reduction for the entire contractual period;

Let me explain that part of it first. It would not allow for abrogation of the contract in midterm. If you had a CCC loan, they could not go in after you had that loan and all the financial arrangements had been made and reduce the loan rate under the CCC loan in the middle of the term of the contract.

However, it would provide that when that contract comes to an end and you are getting ready to make your contract for the next crop year, if there is a 2-percent cut, that would be included.

In regard to the guaranteed student loan, the same would apply. If a student had been given a loan in August for a school year starting in September and there were an order for an across-the-board for a 2-percent cut, that student and the university he is attending would not have their year disrupted during the term of that contract.

What it would say is that when the contract for the loan is issued for the following year, for the entire term—because school years and crop years do not match fiscal years—then that 2-percent reduction would be in effect.

That is the explanation and the major thrust of it.

The second part of the amendment says that when you are dealing with the same crop, the producer of that crop is going to be treated the same as any other producer. Let me give an example that will clarify it.

A soybean producer in a certain part of the country might enter into a contract or sign up in September. The sequester order, let us say, comes in in October. His contract is not affected for that year. His contract is not going to be affected until the next September, when he renews it.

What about the soybean producer a little farther south, who does not sign up until October 15 or November 1, instead of in September? In the meantime, the sequester order comes down. Is that soybean producer going to find his contract 2 percent worse than the soybean producer in, let us say, Texas or Oklahoma, who signed up in September? That would not be fair. You would have two prices for the same commodity.

A wheat producer in North Dakota, say, would be treated worse than a wheat producer in Georgia, and that would not be fair. So we say that if it is the same commodity, that producer in North Dakota, even though his contract was signed after the sequester order, is going to be treated on the same basis as the wheat producer farther south. The next year, when the contract is up and his next contract is entered into, he will then have to absorb the 2-percent reduction, as will all the others.

That is simply what it does. It is an honest effort to try to address the concerns of those who wanted to make certain that the student programs and the agricultural programs were not set off to the side and not asked to bear their fair share of the sacrifices.

At the same time, it addresses the concerns of those who do not want to see the contract abrogated in the middle of the year. I view it as a technical correction. We have done our best to draw it. The Senator from Iowa looked at it, to make sure that we did not have a geographical imbalance. I think it corrects the problem and the questions raised earlier by the Senator from New York and others,

who questioned whether or not the agricultural programs were included.

I will be happy to respond to any questions.

Mr. GRAMM. Mr. President, will the Senator yield?

Mr. BOREN. I yield.

Mr. GRAMM. Mr. President, I say to the Senator that I want to thank him, because it was my intention to broaden the scope to cover everything. I think everything in the pot is a concept that is vitally important to this bill.

The distinguished Senator from Oklahoma came up with what I think is a creative way to deal with this problem.

We want to be sure that everybody in the program is treated the same. On the other hand, we want to be sure that no program is exempt. I think it is an ingenious solution. I am happy to have worked with the Senator from Oklahoma on this.

Mr. METZENBAUM. Mr. President, will the Senator yield for a question?

Mr. BOREN. I yield.

Mr. METZENBAUM. As I read this amendment, it would appear to me that you have an order for sequestering in one fiscal year. You then provide by this amendment that it is not applicable to those contracts that relate to that particular fiscal year, but then it becomes applicable to the subsequent fiscal year.

Since you do not really have a triggering mechanism for the subsequent fiscal year, my question is, How do you put that together, and is it really a meaningful amendment?

Mr. BOREN. The difficulty is that we have found our way around a lot of problems in this body, but we have not been able to repeal the laws of nature. Farmers, in terms of planting and signing up—if I may have the attention of the Senator from Ohio and the Senator from New York—must operate on crop years. They cannot operate on fiscal years.

Their signup period for programs is dependent on crop years and the natural cycle, the growing cycle.

So it is very applicable to a contract. Let us say you have entered into a contract with some department, or business, or someplace else, with a plumber for a year and entered into it in July. You cannot abrogate that contract during its term. It is to run from July to July. The sequester order comes into effect on October 1. You cannot touch that contract until July following that October 1 sequester. When July rolls around and you are ready to enter into your contract for next year with the plumber, that contract is reduced. If it is 2 percent, that is the reduction in that department. Your contract next year is reduced.

It would work exactly the same way with agriculture because in terms of the amendment we said the crop-year. Let me explain this. Let us take a concrete example. You have a wheat producer who signs up in August for the wheat program, all right, and enters into a contract. He is going to get a certain target price. He idles a certain amount of acreage. He puts so many bushels of wheat into the CCC storage. A contract is entered into. Credit arrangements are made. Loans are made to local banks, and so on, on the basis of the value of that program. That is in August.

In October, the sequester order hits and says 2-percent reduction.

You cannot alert his contract in the middle of it but when it comes to August the next year, the following August, and this example is in the same fiscal year, his contract then is for the entire next crop-year, so you make sure you get a whole year's worth of sacrifice out of him. His contract for the whole next crop-year—that is the reason it spells out crop-year, that would be 12 months—will be reduced by 2 percent if that was the amount of the sequester order issued on October 1.

So let us take the example of a farmer who signs up in August, August 1, 1986. The sequester order hits October 1, 1986. He will not immediately have his contract abrogated but when August 1, 1987, comes around his contract will be lowered for all the next 12 months of that crop-year by 2 percent. That is the way it would operate.

It would be the same thing with students because the school year is not exactly the same as the fiscal year either. Most student loans are going to be obligated, let us say, in July or August for the September school year. So he gets his loan issued to him in August, and goes to college, and enrolls, and arrangements are made. You would not want to abrogate his loan in the middle of that school year. When he goes into the next loan period it is reduced.

Mr. MOYNIHAN. Mr. President, will the Senator yield for a question?

Mr. BOREN. I am glad to yield to my colleague from New York.

Mr. MOYNIHAN. Let me say I am glad we are finally learning that there is a problem with the exception of the Commodity Credit Corporation farm programs generally. Remember, it was earlier asserted that there was none.

I ask the Senator if a sequester order would affect a contract "for its entire term", as he said.

Mr. BOREN. That is correct. It would be for the entire crop-year.

Mr. MOYNIHAN. This would be true even if payments obligated under the contract are made in the fiscal year following the sequester?

Mr. BOREN. That is correct.

So even though, since the crop-year fiscal year does not coincide or my example, the August 1 contract for the next August 1 rolls around, his contract for the full 12 months will be affected even though 9 months of that year are going to be in the next fiscal year, the following fiscal year.

Mr. MOYNIHAN. Is the total of the distinguished Senator's amendment to include student loans as well?

Mr. BOREN. The student loans, as I understand, are already affected under contracts, and they are in the contract section, but there was a question as to whether or not the way it was written it could result in the reduction of student loans in the middle of a school year, which I think none of us would want to see happen.

We would not want to see the students disrupted in the middle of their school year, or colleges or universities have their budgets disrupted in that fashion.

Mr. MOYNIHAN. Even though student loans are included under the sequestering provision, even though student loans are paid back whereas Commodity Credit Corporation loans characteristically are nonrecourse loans and frequently not paid back?

Mr. BOREN. I would say under the vast majority of CCC loans they are paid back. They are not always paid back at the various provisions about interest and storage costs, and it varies from farm bill to farm bill. But they are paid back.

Mr. MOYNIHAN. But they do not have to be paid back.

Mr. BOREN. They either have to be paid back or the commodity itself has to become the property of the Government. Yes, that is correct. The Senator is correct.

Mr. MOYNIHAN. And they are not paid back when in fact the difference between the commodity price and the loan price is such that the farmer gains an advantage by not paying back, is that correct?

Mr. BOREN. The Senator is correct. That could happen.

In fact, under the farm bill, which has been reported out of the Agriculture Committee this year, there is even an additional complexity added to that by the concept of what we call the marketing loan, which is a device aimed at giving the farmer income protection and letting the price for export grain, let us say, be sold at the world price to be competitive, allowing the farmer to pay back at the world price actually received and allowing the Government to move that grain out itself. So there are even some added complexities to it. It is not easy.

Mr. MOYNIHAN. Is it the case that the actual subsidies involved in the CCC have grown enormously? Since fiscal year 1981, the CCC has incurred a net realized loss of $45.2 billion.

Mr. BOREN. I do not know about the $45 billion figure, but I would say to the Senator from New York that I do not think he wants to debate the

whole farm bill here. But he is correct to say that during the course of the current farm bill, which is one, by the way, which I think the Senator from New York and the Senator from Oklahoma is agreed upon and both voted against, I would say that the past farm bill we had has been unique. It has been the most expensive one we have ever had and it also bankrupted a record number of farmers in this country. So that is a great creative achievement, when you can have something most expensive to the taxpayers you ever had and also break the record number of farmers at the same time. Let us say it has not been a great success.

But the Senator from New York is certainly correct in saying that the costs have been high under this program.

Mr. MOYNIHAN. But we are going to cut student loans even though student loans are repaid and there is no option for the student loans not being repaid. It is not a form of subsidy. It is a loan.

Mr. BOREN. I would say to the Senator from New York the amendment is not really aimed at the question of whether or not student loans should be included. The amendment is aimed at the technical problem as to whether or not there is any potential, as I understand it. It could exist under the current proposals that the loans might be needed to be cut in the middle of the year. And what I wanted to do is prevent the loans from being cut in the middle of a school year and making sure that that could not happen.

So really it is to the narrow, technical question rather than the broader question as to whether or not they should be included.

Mr. MOYNIHAN. I thank the Senator.

Mr. BOREN. I thank the Senator from New York.

Mr. LAUTENBERG. Mr. President, will the Senator yield?

Mr. BOREN. I am happy to yield.

The PRESIDING OFFICER. The Senator from New Jersey.

AMENDMENT NO. 769

(Purpose: To amend the Federal Revenue Code of 1954 to urge prosecution of the terrorists responsible for the Achille Lauro hijacking)

Mr. LAUTENBERG. Mr. President, I support the amendment proposed by the Senator from Oklahoma, and I send to the desk an amendment in the second degree to the Boren amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New Jersey [Mr. LAUTENBERG] for himself, Mr. BOSCHWITZ, and Mr. DODD proposes an amendment numbered 769 to amendment numbered 768.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

SEC. .

(a) The Senate finds that—

(1) the four men identified as the hijackers of the Achille Lauro were responsible for brutally murdering an innocent American citizen, and for terrorizing hundreds of innocent crew members and passengers for two days;

(2) these men were given safe conduct out of Egypt to an undisclosed location;

(3) the United States urges all countries to aid in the swift apprehension, prosecution and punishment of the terrorists; and

(4) the United States not tolerate any country providing safe harbor or safe passage to the hostages.

(b) It is the sense of the Senate that—

(1) the United States demands that no country provide safe harbor or safe passage to these terrorists;

(2) the United States expects full cooperation of all countries in the apprehension, prosecution and punishment of these terrorists; and

(3) the United States cannot condone the release of terrorists or the making of concessions to terrorists.

Mr. LAUTENBERG. Mr. President, for Senator BOSCHWITZ, Senator DODD, and myself, and other Senators I offer an amendment in response to the hijacking of the *Achille Lauro*. It expresses the sense of the Senate that the terrorists responsible for this act must be swiftly apprehended, prosecuted, and punished so that no country should provide them with sanctuary or safe passage.

The four men identified as the hijackers of the *Achille Lauro* brutally murdered an innocent American confined to a wheelchair. They terrorized hundreds of innocent crew and passengers for 2 days. They advertised their disrespect for human life and the rule of law.

Yet I understand from the State Department that these terrorists have already left Eygpt. They have been allowed to go scot-free. To me, it is unbelievable that these people have been allowed to elude justice.

They must be recognized and condemned as the criminals they are and swiftly punished.

These terrorists must be made to pay for their crimes against the citizens of America and the rest of the world, and we need the help and cooperation of all civilized countries to see that they do.

This resolution makes the position of the United States crystal clear. It puts every government on notice that we expect the full cooperation of all countries in bringing these criminals to justice.

This time the world must say to all those who contemplate terrorism that "There is no country, no place on this Earth where you can take refuge from your actions."

Every country that values the lives of its citizens knows that we can bring terror to an end only by bringing terrorists to justice.

I urge my colleagues to pass this resolution, to send a strong signal to the world about what America expects from it.

Mr. President, I ask for the yeas and nays.

Mr. PACKWOOD. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. PACKWOOD. Mr. President, I did not hear when this amendment was offered. Did the Senator say it was in the second degree? I believe the amendment is not in order.

The PRESIDING OFFICER. The Senator will state his parliamentary inquiry.

Mr. PACKWOOD. I could not hear when the Senator from New Jersey offered it. Did he say the amendment was in the second degree?

Mr. LAUTENBERG. Yes, I did.

Mr. PACKWOOD. Is the amendment we are considering original text, not the amendment that was offered, the Gramm-Rudman amendment?

The PRESIDING OFFICER. Will the Senator repeat his inquiry, please?

Mr. PACKWOOD. Is the Gramm-Rudman-Hollings amendment to be treated as original text?

The PRESIDING OFFICER. The Senator from New Jersey has drafted a proper second-degree amendment.

Mr. PACKWOOD. I thank the Chair.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. I object.

The PRESIDING OFFICER. Objection is heard. The clerk will resume the call of the roll.

The legislative clerk resumed the call of the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I have had a discussion with the distinguished Senator from New Jersey [Mr.

LAUTENBERG], and I believe that we can accommodate his concerns and the concerns of others if they would permit us by unanimous consent to temporarily set aside his resolution, complete action on the Boren amendment and perhaps the Eagleton amendment and by that time I think everything may be worked out on the resolution and we could probably do it by unanimous consent if there were no objection.

Mr. BYRD. Mr. President, reserving the right to object, I would like for the distinguished author of the resolution to hear the request that is being made.

Mr. LAUTENBERG. Would the majority leader mind?

Mr. DOLE. Yes. The request was to temporarily set aside the resolution offered by the distinguished Senator from New Jersey and come back to it after disposition of the Boren amendment, if we worked it out by then; if not, after disposition of the Eagleton amendment.

Mr. LAUTENBERG. I am pleased to have the majority leader's assurance that we will get right back to it afterward. We will have worked out the language.

Mr. BYRD. Reserving the right to object, if I may say, I simply want to call to the attention of the distinguished Senator that unless the request so provides his amendment at that time would be open to another amendment.

Mr. LAUTENBERG. In response to the minority leader, it was my understanding in my discussions with others that it would be not amendable, even if it was presented as freestanding; that there would be no objection to it, that this would be agreed to by unanimous consent.

Mr. DOLE. My understanding in visiting with the Senator from New Jersey was that there might be some modifications made but that when offered it would not be subject to amendment.

Mr. LAUTENBERG. I say to the majority leader, my understanding is that the modifications would be those that were suggested by the Senator from Alaska, Senator MURKOWSKI, and only those modifications.

Mr. DOLE. That is correct.

Mr. BYRD. So do I understand, Mr. President, that it would provide against amendments in the second degree, no amendments to the Senator's amendment, and there be no motions to commit in order?

Mr. LAUTENBERG. That is my understanding.

Mr. DOLE. Correct, whatever it takes.

Mr. LAUTENBERG. We could lay it aside now and bring it back right after the Boren amendment.

Mr. METZENBAUM. Could I ask the majority leader, is it assumed—and I gather it is—that no other amendment dealing with the same subject would be in order prior to the consideration of the Lautenberg amendment?

Mr. DOLE. That is correct.

Mr. D'AMATO. Mr. President, I think if we are going to go through all of this—we have the staffs working on this to handle the language. Everybody is in agreement on it. When we begin to say that no one else is going to offer anything, we have an understanding. To go any further now, I have never heard anything propounded quite in this manner. Of course, I have not been here that long but I think the staffs are working on it and that the Senator will present it and hopefully all 100 Members of the Senate will cosponsor it.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Mr. President, reserving the right to object, I want to be sure the Senator is fully protected.

Mr. LAUTENBERG. I appreciate the minority leader's concern. I want to be very specific about the fact that this Senator, as the author of this resolution with Senator BOSCHWITZ, will propose any modifications to the amendment. I think I have the majority leader's word on that.

Mr. GRAMM. Mr. President, reserving the right to object——

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM [continuing]. I do not think there is anybody here who is in favor of terrorism. I am sure there is going to be a lot of people who are going to want to get up and say so, and of course we have a lot of work to do. I do not think there will be any arguments on the other side of the issue. At the same time, we are getting these agreements about who is going to be the author of the amendment and what it is going to be. Could we get a short time limit of, say, 10 minutes on it since, again, there will be no arguments against it? We are all for it.

I am strongly for it, and we would like people to go home and get credit for it. Can we have an agreement that there will be no more than 10 minutes?

Mr. DOLE. Mr. President, right now, we are trying to set the amendment aside. The request is pending to set it aside. We will worry about the time limit later.

Mr. BYRD. Mr. President, reserving the right to object, at the present time a call for the regular order will bring down this cloture motion. It is my cloture motion. I do not mind if it is drawn down at this time.

I do not want to do anything that would obstruct the majority leader's efforts to finish action on this measure this evening.

Senators have amendments, and they should be able to offer them.

I ask the majority leader, if this amendment is set aside, that it not be open to amendment, that it not be open to a committal motion, that cloture not come down against it, that there be a vote on it—either by voice or by division or by rollcall—and that the able Senator from New Jersey be given a vote on it before the final passage of House Joint Resolution 372.

Mr. DOLE. I hope to complete the debt limit. If we can get a voice vote, we will do it at any time we can bring it up. If there is going to be a rollcall vote, I am advised by the chairman of the Finance Committee, who is managing the debt limit bill, that he would like to finish this. We have been on it 8 days, and to have somebody walk in and interrupt the discussion of this matter with a totally irrelevant matter—which is important but not relevant to this bill—we have consumed now about 50 minutes.

I do not intend to stay very late tonight, and we will have an order to come in at 10 o'clock in the morning. I am not in a hurry. We have been on this bill long enough.

Mr. LAUTENBERG. Just so there is no doubt: The majority leader has agreed to this being brought up immediately after the Boren amendment, that it would be nonamendable, and there would be no tabling motion.

I have no problem with an amount of time agreeable to the majority leader—say, 10 minutes. By then, we will have put out the hot line request for Senators who wish to be cosponsors, and they will have had time to join us.

Mr. D'AMATO addressed the Chair.

Mr. DOLE. Mr. President, I have the floor.

Let me indicate that I hope we do not have a debate now. I should like to move on to the debt limit bill. I think we have an agreement. I promise to protect the distinguished Senator from New Jersey. I am not going to let someboby else slip in before the Senator from New Jersey. I am not going to bring down cloture. I do not think I have demonstrated that I will do things like that.

Mr. LAUTENBERG. I accept the majority leader's statement.

Mr. DOLE. I want to set it aside and move to the Boren amendment; and if we can do it by unanimous consent, we can do it at any time. If it takes a rollcall vote, I am advised by the chairman of the Finance Committee that he would rather wait and take it up as a free-standing matter after disposing of the debt ceiling.

Mr. LAUTENBERG. I accept the majority leader's statement.

I put forth one query to the leaders: If we have a unanimous-consent agreement, does that preclude anybody from standing up and objecting to a voice vote on this?

Mr. DOLE. If there is not a request for the yeas and nays, we will do it by voice vote. Somebody may want the yeas and nays. If that would happen, I would ask unanimous consent that it be set-aside until completion of the debt ceiling, and then we would have the yeas and nays at that time.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Mr. President, reserving the right to object, let me say to the majority leader that it does not make any difference to me whether it has a voice vote or a rollcall vote. The only thing I want to try to do is to protect my colleague to the best of my ability. I think he wants a vote before passage of the extension of the debt ceiling. If it is a voice vote, I personally have no problem with that. If it is by unanimous consent, I have no problem with that. I simply want the Senator to have some action by the Senate on his amendment before the Senate goes to final passage of the extension of the debt ceiling.

I would not want to see a motion to postpone consideration of the amendment. I would not want to see a motion to commit. A tabling motion, so far as I am concerned, is an appropriate gauge of sentiment on the amendment.

I simply seek the majority leader's assurance that the Senator from New Jersey will get a vote on his amendment that reflects the sentiment of the Senate.

Mr. DOLE. Mr. President, I assure the Senator from New Jersey that if we can do it by voice vote, we have no objection to doing it before we pass the debt limit. If it is going to take a rollcall vote, the answer is no.

There are some who would like to kill the debt limit. They have been at it all day. It is now 6:30 at night, and we do not intend to stay all night. We will come back tomorrow. We want to pass the debt limit now, tomorrow, or Saturday and send it to the House. The House is in session now, and they need to appoint conferees. I am trying to finish it tonight, and if others do not want to finish it, we will not.

Mr. BYRD.. Mr. President, if the Senator will yield, the majority leader has said that if the amendment's sponsor desires a rollcall vote, he would not want to do it. Suppose another Senator in the Chamber asks for the yeas and nays. That could occur, and I would hope that it would not prejudice the distinguished majority leader against action on the amendment by the Senator from New Jersey.

Mr. LAUTENBERG. I have a question, and perhaps it will clear this up now.

If I could get a unanimous consent agreement—we have discussed this with Senator MURKOWSKI and others—to modify my amendment, to adopt it on a voice vote, and leave it at the desk for those who want to cosponsor to join in, we are ready to do that right now.

Mr. BYRD. When would the voice vote occur?

Mr. DOLE. Right now.

Mr. LAUTENBERG. Right now.

Mr. DOLE. I think the Senator has a modification.

Mr. LAUTENBERG. Mr. President, I have a modification which I send to the desk.

The PRESIDING OFFICER. The clerk will report the amendment as modified.

The bill clerk read as follows:

The Senator from New Jersey [Mr. LAUTENBERG] proposes a modification to Amendment No. 769.

The modified amendment is as follows:

At the end of the joint resolution add the following new section:

SEC. —.

(a) The Senate finds that—

(1) the four men identified as the hijackers of the Achille Lauro were responsible for brutally murdering an innocent American citizen, Leon Klinghoffer, and for terrorizing hundreds of innocent crew members and passengers for two days;

(2) the United States urges all countries to aid in the swift apprehension, prosecution and punishment of the terrorists; and

(3) the United States should not tolerate any country providing safe harbor or safe passage to the terrorists.

(b) It is the sense of the Senate that—

(1) the United States demands that no country provide safe harbor or safe passage to these terrorists;

(2) the United States expects full cooperation of all countries in the apprehension, prosecution and punishment of these terrorists; and

(3) the United States cannot condone the release of terrorists or the making of concessions to terrorists.

(4) the United States identify those individuals responsible for the seizure of the *Achille Lauro* and the cold-blooded murder of Leon Klinghoffer, as well as those countries and groups that aid and abet such terrorist activities, and take the strongest measures to ensure that those responsible for this brutal act against an American citizen are brought to justice.

Mr. LAUTENBERG. I want to inform the Senate that Senator D'AMATO has joined as another cosponsor of the amendment, and we will have a list of the other cosponsors. So far, it includes Senators MOYNIHAN, HEFLIN, METZENBAUM, and DIXON.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. MURKOWSKI. May I make an inquiry of the Senator from New Jersey on the amendment?

Is the text of the language in the last paragraph of my resolution now included in the pending amendment, and am I included as a cosponsor of the resolution?

Mr. LAUTENBERG. I say to the Senator from Alaska that the modified amendment sent to the desk includes the language in which he is interested. And, Mr. President, Senator MURKOWSKI is to be placed after Senator D'AMATO, to be followed by Senator BOSCHWITZ.

Mr. MURKOWSKI. I also ask if the American citizen, Leon Klinghoffer, has been included in your amendment, which is a recommendation in our resolution.

Mr. LAUTENBERG. He has been included.

Mr. MURKOWSKI. I thank the Senator from New Jersey.

THE TERRORIST THREAT TO AMERICANS ABROAD

Mr. President, I rise today in support of the Senate resolution condemning the brutal murder of an American citizen, Leon Klinghoffer, by Palestinian terrorists aboard the Italian cruise ship *Achille Lauro.*

The resolution calls upon the United States to identify those responsible for this cold-blooded act of terror, as well as those who aid and abet such activities, and take the strongest measures in response to this killing of an American citizen to ensure that those responsible are brought to justice.

Mr. President, the Senate should speak on this issue of terrorism, and we should speak now. There should be no question of our deeply felt sense of outrage at the growing threat against Americans who travel abroad and against all civilized peoples.

This is not the first act of aggression against American citizens. We are witnessing, in effect, an undeclared act of warfare against the United States. Under such conditions, the patience of the American people has reached its limit. No longer will we acquiesce in the face of armed assaults by terrorist groups and their state sponsors.

The President of the United States must know that he has the strongest backing of the Senate in taking the necessary measures to bring the terrorists to justice. I would hope that passage of this resolution will send a signal to the terrorists and to the President that there is strong, bipartisan support for resolute action to combat international terrorism. We must and do have the will to respond—if we fail to do so we will face a future of increasing risk to all Americans and civilized peoples everywhere.

The cosponsors of the amendment are: Senators LAUTENBERG, D'AMATO, MURKOWSKI, BOSCHWITZ, DODD, MOYNIHAN, DIXON, METZENBAUM, HEFLIN, EAGLETON, BENTSEN, BYRD, EXON, KERRY, KENNEDY, SASSER, BAUCUS, BRADLEY, MCCONNELL, and COHEN.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified.

The amendment (No. 769) as modified, was agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LAUTENBERG. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. I thank my distinguished colleagues.

AMENDMENT NO. 768—AS MODIFIED

Mr. BOREN. Mr. President, I send a modification to the desk to my first-degree amendment and ask for it to be stated by the clerk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

At the end of Boren amendment No. 768, insert:

Provided further that the reduction in the level of commodity price support programs, supported through the Commodity Credit Corporation, shall not exceed a uniform percentage of reduction specified for those programs in the sequester order.

Mr. BOREN. Mr. President, after the original presentation of this amendment, the question was raised by the Senator from Vermont, among others, out of concern that some of the agricultural programs like the dairy program——

The PRESIDING OFFICER. The Senator will suspend.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the pending order for the cloture vote be postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Oklahoma.

Mr. BOREN. Mr. President, as I was saying after the first-degree amendment was sent to the desk a question was raised by the Senator from Vermont, Senator LEAHY, among others, with regard to its effect on the dairy-program.

There are programs under the Commodity Credit Corporation which are contract programs, and there are other programs under the Commodity Credit Corporation which are noncontract programs for which there is simply an announced guaranteed price for a certain period of time, an agreement to purchase.

Now, it is my understanding, and I will ask the Senator from Texas if I may yield to him for just a moment, because a question has been raised by the Senator from Ohio, that those noncontract programs, those that do not involve contracts of the CCC are already covered under the bill; is that correct?

Mr. METZENBAUM. If so, where.

Mr. GRAMM. Mr. President, noncontract programs under the CCC are covered under the bill, that is correct. Contract programs as well are covered, but we cannot violate a contract. So the question is when the contract expires, then the sequester order will take effect at that point.

Mr. BOREN. That is correct. So there is no provision that would exempt noncontract CCC programs from the uniform reductions; is that correct?

Mr. GRAMM. The distinguished Senator from Oklahoma is correct. We are within the constraint of law which prohibits the violation of contracts.

Mr. BOREN. That is correct.

Where would that be found, I ask the Senator from Texas? That dairy program, which is not a contractual program but is paid for through the Commodity Credit Corporation, at what portion of the existing bill would that be covered?

Mr. GRAMM. The portion of the existing bill dealing with that would be the portion under the sequester section, the portion which defines a sequester order—

. . . by sequestering from each affected program, project, or activity (as defined in the most recently enacted relevant appropriations Acts and accompanying committee reports) or from each affected account if not so defined, for funds provided in annual appropriations Acts or, otherwise from each budget account, such amounts of budget authority, obligation limitation, other budgetary resources, and loan limitation, and by adjusting payments provided by the Federal Government . . .

So it is in that general area that it is provided.

Mr. LEAHY. Mr. President, will the Senator yield for me to ask the question of the Senator from Texas?

Mr. BOREN. I am happy to yield.

Mr. LEAHY. Mr. President, the Senator from Texas and I have put together a colloquy also on this issue, and I wonder if the Senator from Texas is prepared to enter into that colloquy.

Mr. GRAMM. I would be happy to have the colloquy. In the proposal the Senator sent to me there were some changes that were made. But I would be happy to enter into a colloquy.

Mr. LEAHY. Fine.

Mr. President, I would like to ask the distinguished Senator from Texas [Mr. GRAMM] a question concerning the operation of a sequester order as it affects the commodity programs carried out through the Commodity Credit Corporation.

If a sequester order calls for a 2-percent reduction in Federal expenditures, it is my understanding that the 2-percent reduction would apply in the case of the Commodity Credit Corporation Program.

It is my understanding that, under a sequester order, which reduces the loan rates by 2 percent, the support price for other commodities, such as milk, would be reduced by no more than 2 percent.

I would like to ask the distinguished Senator if my understanding is correct.

Mr. GRAMM. The Senator from Vermont is correct. Of course, reductions would apply to other expenditures under CCC as well.

Mr. PACKWOOD. Vote.

Mr. LEAHY. Does the Senator want anything more?

SEVERAL SENATORS. Vote.

The PRESIDING OFFICER. If the Chair would bear with us, the Senator from Ohio has another question he wishes to ask.

Mr. METZENBAUM. Mr. President, the Senator from Ohio has no question if we can add the additional language that the Senator from Oklahoma and I have just been talking about concerning the noncontract aspects of the Commodity Credit Corporation. I think the language that was just read to me, and if it would be acceptable and we are prepared to send that to the desk, I am prepared to keep my mouth quiet.

Mr. BOREN. Before I send it to the desk as a modification, if I could have the attention of the Senator from Vermont and the Senator from Texas in particular, who are interested in this matter, let me read this language, and let me say I understand the concern of the Senator from Ohio. He wishes to make sure that the dairy program is included under the sequester order just as the Senator from Vermont wants to make sure that the dairy program is not reduced more than the uniform percentage.

Mr. LEAHY. Mr. President, if the Senator will yield, the point and issue that I raised was not to protect the dairy farmer or anyone else. If there are going to be cuts in the prime contract, then I understand every commodity is going to face, I want to make sure that the cuts did not all go to one to the exclusion of all others, or vice versa, that we be even across the board with all, so there is no one group of farmers and no one commodity that would end up having to take the full brunt of the issue.

I mention that also to the Senator from Ohio. That was the purpose of my colloquy and the amendment.

Mr. BOREN. Mr. President, I understand what the Senator from Vermont is saying.

Let me suggest I think this language will satisfy the Senator from Ohio. Let me read this for the benefit of the Senator from Ohio and make sure I am reading this in the correct fashion.

The modification that I just sent to the desk would be withdrawn and a new modification which has some additional language would be sent forward, and here is what it would provide:

Provided further, That noncontract programs supported through the Commodity Credit Corporation shall be deemed to be controllable expenditures and be subject to reduction in the same fashion as other programs under the Presidential orders, and

that the reduction in the level of commodity price support programs supported through the Commodity Credit Corporation shall not exceed the uniform percentage of reduction specified for those programs in the sequester order.

I think that would finally clear it up.

Mr. President, I ask unanimous consent to withdraw the modification I just sent to the desk and send this more complete modification to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

The modification is as follows:

At the appropriate place in the joint resolution, insert the following:

Any contract entered into after a sequester order has been issued for the applicable fiscal year, by which the Commodity Credit Corporation and entities providing Federal guarantees for student loans shall agree to make payments out of an entitlement account to any person, lender or guarantee entity shall be deemed to be controllable expenditures and shall be subject to reduction under the Presidential order, and any such contract shall explicitly provide for such reduction for the entire contractual period: *Provided*, That in regard to commodity loans made by the Commodity Credit Corporation to producers or producer cooperatives for a commodity produced in the same crop year, those loans for the same commodity shall be subject to the same terms and conditions.

Provided, That non contract programs supported through the Commodity Credit Corporation shall be deemed to be controllable expenditures and shall be subject to reduction in the same fashion as other programs under The Presidential Order.

Provided further, That the reduction in the level of commodity price support programs, supported through the Commodity Credit Corporation, shall not exceed a uniform percentage of reduction specified for these programs in the sequester order.

Mr. BOREN. Mr. President, I think that answers all questions. I thank my colleague.

This is a highly technical matter. I think we finally have now addressed the concerns of all those involved.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified.

The amendment (No. 768), as modified, was agreed to.

Mr. EAGLETON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. METZENBAUM. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 771

Mr. DOMENICI. Mr. President, I send an amendment on behalf of myself and Senator CHILES to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for himself and Mr. CHILES, proposes an amendment numbered 771.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Mexico?

Mr. BYRD. Mr. President, reserving the right to object, I would like for us to hear at least a portion of what this amendment is doing, and I am not saying that I would object to its being called off entirely, but I would hope for the moment at least we could continue to read. As always is the case it can be called off later at any point.

Mr. DOMENICI. Mr. President, before the distinguished Senator objects to my unanimous-consent request, might I discuss an alternative approach? I have no objection to discussing the amendment as we did last night. If the Senator would prefer, I will not send it to the desk but discuss its content.

Mr. BYRD. I prefer that.

Mr. DOMENICI. The Senator from Ohio has looked at the amendment as well as a lot of other Senators. That is what I sent Mr. METZENBAUM with the exception that we have just now added the Boren amendment.

Mr. METZENBAUM. Mr. President, on page 25 we had discussed, the Senator and his staff, an amendment having to do with earned income credit.

Is that amendment included as the Senator sent the amendment to the desk?

Mr. DOMENICI. Mr. President, I withdraw my amendment at this time.

Now, I say to the Senator, let me answer his question.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. DOMENICI. Mr. President, I withdraw my amendment.

Mr. METZENBAUM. Mr. President, when the Senator offers his amendment, will it include the modification of the language on page 25 as heretofore submitted to him by my staff? It has to do with the earned income credit.

Mr. DOMENICI. I am going to ask. I saw them working on it. I understand it was being cleared.

As to the amendment I sent to the desk, before I reoffer it, we will have the Senator's question answered.

Mr. METZENBAUM. Could the distinguished Senator from New Mexico give me some assurance before he offers it again that it will be included, or are we at odds on the issue?

Mr. DOMENICI. I do not believe we are at odds on the issue. I am just trying to make certain we include all the amendments that have already been adopted.

I do not believe we are at odds. I say to the Senator that before I call the amendment up, we will confer and I will make sure there is a clear understanding on that point.

Mr. METZENBAUM. That is satisfactory to the Senator from Ohio.

Mr. DOMENICI. Mr. President, let me proceed.

Mr. President, let me say to my friend from Missouri, Senator EAGLETON, did he have something that he wanted to do before I proceeded?

Mr. EAGLETON. I have another amendment. I thought the Senator was taking his amendment down. I was just going to keep things moving by going ahead with my amendment. I will just take a few minutes.

Mr. DOMENICI. Let me say that I think I am keeping the debate moving by doing this and I have every intention of doing this as quickly as I can.

Let me say to all Senators that anyone who wants this document, we have them here. We have tried to circulate them to everyone that asked for them. The staff has another 15 or 20 copies. They are here.

Now, let me proceed to try to describe what Senator CHILES and I have done, in consultation with a number of Senators.

First, Mr. President, might we have order, please?

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. First, let me say to those who worked diligently to draft the Gramm-Rudman-Hollings amendment that received 75 votes yesterday, considering the difficulty of the task, they have done a marvelous job. Those who have offered amendments, including Senator LEVIN, on program, project and activity language; Senator KERRY, on tax law compliance; Senator BOREN, on the minimum tax; Senator DODD, on SSI, Senator HAWKINS on clarification of reconciliation and Social Security; Senator PRESSLER on rural programs; Senator GLENN, on the President's budget submission; and Senator BOREN on the last amendment that he did on CCC, all of those amendments are incorporated in this substitute. So, for starters, everyone should understand that in redoing the entire amendment, those amendments are in here. And if they or their staffs would like the reference we will be glad to give them the references.

What I would like to do is go quickly through those things that Senators have been most concerned about. And if any Senator has a question I will give you further details.

First, all direct amendments to the Senate or House rules have been deleted because it is not necessary to change such rules to accomplish the purpose of the amendment. There were people concerned about that. Therefore, that is deleted. There remain references to the Budget Act, but not Senate rules.

Second, we have modified language so as to clarify the provisions relating to so-called zero-sum amendments. It is the amendment that basically says for a budget resolution or reconciliation bill, no amendment can increase the deficit; you cannot increase outlays without reducing other outlays or increasing revenues or a combination of the two, and you cannot cut revenues without increasing other revenues or reducing outlays or a combination of the two.

It's also been made clear that as to reconciliation bills, motions to strike are always in order. That is a compromise with the drafters of the amendment, Senator GRAMM and Senator RUDMAN, and it was done because to do otherwise would greatly tie the hands of those who might want to make amendments on the floor that were heretofore in order.

I want to make it clear, though, that none of the language on the motion to strike either changes nor is it intended to change the germaneness rule that has existed on reconciliation and budget resolutions for all the years of the act.

Next, the amendment has been modified to include a point of order against the consideration of a committee's legislation unless and until that committee files its 302(b) suballocations. What we have done here is to make sure committees make their suballocations public.

There is a modification to include estimates of economic growth by calendar quarter and to change the reporting date for fiscal years 1987 through 1991 from October 1 to September 25.

Mr. BYRD. Will the distinguished Senator allow me to interrupt him for a question? I would be glad to wait.

Mr. DOMENICI. I am pleased to yield at this time.

Mr. BYRD. Mr. President, is the amendment which is now being explained by the distinguished Senator from New Mexico a complete substitute for the Gramm amendment which the Senate voted on yesterday?

Mr. DOMENICI. The Senator is correct, it is.

Mr. BYRD. So it is a complete substitute for the Gramm amendment of yesterday as modified and as amended?

Mr. DOMENICI. The Senator is correct.

Mr. BYRD. Mr. President, I just want Senators on both sides of the aisle to know that what the Senate is going to be voting on is a complete substitute for the Gramm amendment as modified and as amended—which the Senate voted on yesterday. I hope Senators will listen very carefully to the explanation by the distinguished Senator and ask any questions that they feel should be asked, because the Senate is going to be voting on a new Gramm amendment in the form of a substitute.

I thank the distinguished Senator.

Mr. DOMENICI. I thank the distinguished minority leader for his questions and observation.

Mr. PACKWOOD. But, would my good friend respond, you have adopted the same language? We are not adding anything new to the Gramm-Rudman amendment, other than he has included the different amendments that were out on the floor.

Mr. DOMENICI. Yes, except as to the changes I am now explaining. This has been done with the full knowledge and cooperation of the sponsors. I am now explaining only the differences. Wherever I am not explaining a difference, it is the exact text heretofore adopted by the Senate by 75 votes. So that is what it is. It was the only way to do it, because of the complexity. We would be adding inserts in various portions and there would have been hundreds of lines. So we just redrafted it, as I have just described.

I just completed my explanation of that portion which we have heretofore called "economic growth estimates." This is to comply with those who wanted that done on a quarterly basis. And I have just told you that is in here. Therefore, the trigger which calls into play the recession provisions will come into effect if there are two consecutive quarters of negative growth.

The next provision is a provision that makes it absolutely clear—as clear as drafters can make it—when sequestering is triggered, the President must eliminate the full amount of the excess deficit. We did not want to leave any way that he could say I only have to sequester less. So used the word "shall" and repeated it, so that, if we are going to be over and he has to bite the bullet as well as us, he has to bite the bullet for the whole thing.

With reference to other committees, we have modified the Gramm-Rudman-Hollings amendment so that at the end of this process, if sequestering is triggered, a Presidential message explaining a sequestering order, and a Presidential alternative, if there be one, goes to all affected committees of the Congress, instead of just the Budget Committees. That was done at the request of many committee chairmen, I say to the chairman of the Finance Committee.

We have added language to clarify that amounts reduced under the President's order are canceled and may not be recouped in the future.

There were some who thought we should have clarifying language, that even though the cuts by the President in a sequestration must be by uniform percentages, there could be some way the President might reorganize the priorities as he sequesters. I never could see how that could happen. But we now have a section making clear that the President's order shall not have the effect of altering or amending Federal budget priorities or changing eligibility requirements for any Federal program.

We have a further clarification with reference to the term "negative real growth"—if exists when such negative growth occurs for two consecutive calendar quarters or the entire fiscal year.

We have a clarification on what happens to budget authority after a sequestering order, since Congress can get to alter such an order. Some wondered how Congress could alter a sequestering order after budget authority is canceled. This now says that the President's order shall take effect 30 days after a sequestering order and that during the 30-day period, amount reduced by the order shall be withheld from obligation. At the end of the 30-day period, the amounts withheld are permanently canceled unless an alternative plan has been enacted during that time.

We have another section that clarifies the involvement of all the committees in the possible sequestering episode. It just says that all accompanying proposals and the alternate message must go to all the committees of the Congress—not just the Budget Committee.

We have a section that most committee chairmen were concerned about; that is, the section of the bill that related to a congressional response to a sequestering order. The original language gave the Budget Committees jurisdiction to originate an alternative, as the distinguished Senator from Texas remembers. What we have basically done, let me say, is to provide for an expedited reconciliation process following a sequestering order with the Budget Committees proceeding pretty much as they do now under reconciliation with two exceptions: One, if a committee, in responding to that reconciliation, does nothing, just does not respond, then in that event the Budget Committee may respond for them. But in no other event does the Budget Committee have any different authority than they now have in reconciliation. They instruct, and committees comply. If they do not comply totally, we come to the floor, and have the remedies we have now. If they comply not at all, then there is that one additional provision.

The second difference we have provided principally at the request of the Finance Committee. We call it flexibility or fungibility. It is very simple. It says that if a committee is instructed to reduce the Federal budget by cutting programs and raising taxes, in all events they must get the sum total of deficit reduction but they have 20-per-

cent latitude as between taxes and program cuts.

Proceeding further, we have a more specific definition of automatic spending increases which includes only those programs that are indexed directly.

We have attempted to the best of our ability to clarify the definition of controllable expenditures—everything is included except automatic spending increases, benefits payable under OASDI, outlays due to increases in program participation rates, outlays for prior year obligations, except as noted in another provision on existing contracts, and outlays for interest on the public debt and other interest payments. Outlays for existing contracts are included in controllable expenditures unless penalty provisions in such contracts would produce a net loss to the Government or unless reduction of such contracts would violate legal obligations of the Government.

With reference to sequestering, we have a definition of the term as a permanent cancellation of budget authority, obligation limitations, other budget resources, or loan limitations to the extent necessary to reduce each controllable expenditure by a uniform percentage.

If anyone is interested in that, I will explain it in more detail.

A number of Senators, including the minority leader, raised an issue with reference to how points of order are waived. In the Gramm amendment, which we voted in, there was a provision requiring a joint resolution. That meant both Houses of Congress would have to send a bill to the President in order to waive a point of order. Clearly, that was very controversial and of questionable constitutional validity. Therefore, we have substituted a provision here that require a three-fifths vote of the Chamber for waiver.

I want to repeat that on Social Security, this amendment that I will send to the desk momentarily includes the language that reconciliation bills cannot touch Social Security and that any effort would be subject to a point of order.

I know the distinguished minority leader wanted a further explanation before we offer this, but I have had no one ask me anything. I am more than willing to answer questions in any area. The distinguished Senator from Florida is also here.

I wonder if the distinguished minority leader has any objection now to my calling up the amendment.

Mr. BINGAMAN. Will the Senator yield for a question?

Mr. DOMENICI. Yes.

Mr. BINGAMAN. I will ask my distinguished colleague from New Mexico to identify if there are any modifications to the provisions with regard to suspension of the act in case of no real growth. I would be interested in knowing what the modifications provide with regard to the effect of this amendment.

Mr. DOMENICI. As the Senator will recall, the amendment which was passed by the Senate with 75 votes yesterday provided that special provisions for a recession would come in if there was a predicted negative growth per year. This now says two consecutive quarters does the same thing, two consecutive quarters of negative growth, at which time, as the Senator understands, the President may react differently than the prescription that is in this.

Mr. BINGAMAN. I thank the Senator.

AMENDMENT NO. 771

Mr. DOMENICI. Mr. President, I again offer my amendment at this time and ask that it be called up.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for himself and Mr. CHILES, proposes an amendment numbered 771.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. WARNER). Is there objection? Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I ask unanimous consent to dispense with reading the amendment.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Mr. President, reserving the right to object, I do not want to delay the operation on this amendment if Senators want to ask questions about it, but I would like to have the request made such that it would not waive my right to have the amendment read.

Mr. DOMENICI. I have no objection.

The PRESIDING OFFICER. Is there objection? Without objection, the clerk will dispense with reading, subject to the reservation of the minority leader.

Mr. CHILES. Will the Senator yield?

Mr. DOMENICI. I yield.

Mr. CHILES. Mr. President, I would like to state that I am a cosponsor with the Senator from New Mexico of the modifications which are included in this amendment. These are modifications that we started working on late yesterday afternoon, with the staff working on it last night and working further on it this morning. I have been here this morning since 9:30 or 10 o'clock trying to finish up the modifications.

I wanted to state that originally yesterday when we were looking at and talking about this package, it appeared that there were certain items that were more procedural, items that were necessary to conform the Gramm-Rudman package with amendments which had been adopted on this floor, and to also conform them and mesh them into the Budget Act in order that the Budget Act would operate properly. There is also a number of amendments that would allow the committees to function in that process in a better way.

We sort of classified those as sort of procedural amendments.

Then there were some other items that were substantive. My feeling was that they should be considered separately, the ones that were considered substantive from the ones that were considered procedural.

One of the substantive amendments was one to specifically allow Medicaid, aid to dependent children, and unemployment compensation to be sequestered. That was one that moved out of the procedural package. We said it had to stand on its own.

Sometime late this afternoon it was decided that amendment would not be offered.

Mr. METZENBAUM. Will the Senator yield for a question?

Mr. CHILES. I yield.

Mr. METZENBAUM. Is it then the understanding that Medicaid is not included in this package and, therefore, not subject to being sequestered?

Mr. CHILES. I would say to the Senator from Ohio, and now I am speaking specifically of the modifying provisions package because the Senator from Florida cannot be responsible for what was originally in the Gramm-Rudman bill, as far as we can tell, there is no mechanism that would allow the President to cut Medicaid or AFDC in his sequester order.

Mr. METZENBAUM. So that this amendment, which, as I understand it now, is a total substitute for Rudman-Gramm-Hollings—excuse me, Gramm-Rudman-Hollings—you see nothing in this that makes the AFDC or Medicaid subject to being sequestered.

Mr. CHILES. No, Mr. President, I see no mechanism in here that would allow the President to cut these programs.

Mr. METZENBAUM. And without a mechanism, it cannot be done.

Mr. CHILES. I think that is correct and I think because we had a debate earlier—if the Senator will recall, questions were asked by the Senator from New Jersey [Mr. BRADLEY] and they were answered differently by the Senator from Connecticut, the Senator from Texas, and the Senator from New Hampshire. They each answered those questions on a little different basis than what was in the amendment at the desk. I think this could be settled in conference in a better way.

My answer to the Senator from Ohio is just the answer that I gave to start with: I see no mechanism that would allow the President to cut Medicaid or AFDC.

Mr. METZENBAUM. It is my understanding that at this point, the Senator from New Mexico might want to jump up and indicate his agreement or conceivably, his disagreement. I do not wish to ask him to speak if he is not inclined to do so, but if he is going to speak and indicate his agreement, I would like to hear him.

Mr. DOMENICI. Mr. President, let me say to my friend from Ohio that I really would have spoken on this in any event because I spoke before. I want to make sure that those who asked me questions then understand, in light of what the Senator from Florida just said, what I think.

I think it was unclear as to whether these two programs were subject to sequestration in the amendment which we adopted by 75 votes.

I think the definitions as to what is included in the amendment that I have at the desk, I think it is much clearer that they may be sequestered. However, when you look at the provisions of a bill as to how you go about sequestering, it is not so clear that it can be done. So I say to the Senator, if he really wants to make sure they are not in, he ought to make an amendment to specifically exclude them.

It is equally unclear in both, in my opinion, but in the one we sent up for a different reason.

Mr. METZENBAUM. I feel I get a somewhat different answer from the two cosponsors.

Mr. DOMENICI. No; I am agreeing with him.

Mr. METZENBAUM. The Senator is agreeing with Senator CHILES?

Mr. DOMENICI. I am agreeing.

Mr. METZENBAUM. I thank the Senator from New Mexico. I think his answer is quite clear.

Mr. CHILES. Mr. President, I want to make clear that one of the provisions in here does specifically exclude—or protect—veterans' compensation payments. That was a matter that was called to our attention by Senator CRANSTON and members of the staff of the Veterans' Committee, that there was a situation in which there was an unclear provision in the original Gramm-Rudman. But when we went to what we thought was a better definition by not using an OMB document but going to a congressional definition, it looked like veterans compensation payments could be covered.

That was picked up by the Senator from California [Mr. CRANSTON], who always watches carefully after veterans' matters, and brought to our attention.

I think we have taken care of that and there is specific language in the modifying thing that says we exempt veterans compensation payments.

The protection provided for veterans' compensation appears in the proviso on page 25 of the bill referring to not reducing periodic support payments to individuals or families.

I thank the Senator from California for bringing that to our attention. I think we have covered his concern and I wanted to tell him that.

Mr. CRANSTON. Mr. President, will the Senator yield?

Mr. CHILES. I yield.

Mr. CRANSTON. I thank the Senator very much for his hard and, as usual, intelligent and very capable work, particularly on this very complicated measure. What we are talking about is disability compensation for service-connected disabled veterans and for their survivors—widows and orphans. I am very grateful to the Senator for the way it was accomplished here.

The strange thing is, it was once our impression that these compensation payments were not covered in the proposal. Then we found that they apparently were covered. This is an example of how nobody knew exactly what was in that very document. Now we have established the situation very clearly beyond any doubt that they are not covered, and I am very grateful to the Senator from Florida, who is always so constructive on these matters respecting veterans and many others.

Mr. CHILES. Mr. President, that should also apply to the Senator from New Mexico, who helped in covering that point.

Mr. CRANSTON. I thank the Senator from New Mexico also for his very helpful assistance in this matter.

Mr. BENTSEN. Mr. President, let me see if I can complicate the problem a little further.

Mr. CRANSTON. I thank the Senator from Texas, too.

Mr. BENTSEN. I look at page 37 and I note, under (G),

(G) The term "controllable expenditures" means total budget outlays for any account, or any program, project, or activity enumerated by annual appropriation Acts and by applicable committee reports, except those described in subparagraph (A)

And those are programs with cost-of-living increases—

and except outlays for benefits payable under the old-age, survivors, and disability insurance program established under title II of the Social Security Act, outlays due to increases in program participation rates, outlays for prior-year contracts and obligations, outlays for interest on the public debt and other interest payments . . .

None of those are outlays for aid to dependent children or Medicaid. How do we take care of that?

Mr. CHILES. Mr. President, I say to my friend from Texas that this is an area I think should be cleared up better in a conference with the House. But here is where we are.

We are attempting to go from an OMB circular document that defines programs. It could be floating. It could be changed any time, again completely out of the control of the Congress, from the OMB definitions, to congressionally defined definitions which would be much better, something we understand better. In doing that, we get into the problem the Senator from Texas has raised.

Under this provision, the way it appears to me and the way it appears to our staffs, if you try to sequester the budget authority, the States are still entitled under an entitlement to the moneys under this program and they can draw that money under a deficiency appropriation that would have to be made.

What we are saying is there is no mechanism for sequestering and there is nothing provided in here that gives a mechanism.

This is an item that we should clear up when we go to conference. We need to clear it up when we go to conference. That is the best answer I can give.

Mr. BENTSEN. I understand that, Mr. President.

Mr. DOMENICI. Mr. President, had the distinguished Senator from Florida yielded the floor?

Mr. CHILES. I am prepared to yield, Mr. President.

Mr. DOMENICI. With reference to the veterans' compensation, let me also indicate to the Senate that I am most appreciative of what Senator MURKOWSKI, the chairman of the Veterans Committee, and his staff, did on this. Let me, in my language, explain what I think we have done.

The amendment that we had adopted was unclear as to whether veterans' compensation was subject to sequestration or not. What we have done now is this: Only if there is an increase much like the cost-of-living increase, only if that has happened would they be subject then to any sequestering.

The reason it was kind of confusing is that it is a very unique entitlement program. They do not get an automatic CPI unless Congress votes it in each year. So we did not want any misunderstanding that in the sequestration, it could be cut.

What we are now saying is if everything that got a CPI is frozen, then it can be sequestered if it got an increase by act of Congress. That is what is clear now and I thank the staff for calling it to our attention. I think we have corrected it specifically.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the cloture vote set for 7:30 p.m. be moved to 8:30 p.m.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, unless there are futher questions, I have no further explanation. I understand the distinguished minority leader has a reservation.

Mr. KERRY. Mr. President, will the Senator yield for a question?

Mr. DOMENICI. Yes; I say to the junior Senator from Massachusetts, I will be pleased to respond.

Mr. KERRY. I thank the Senator very much. I appreciate that.

I would like to ask the distinguished chairman for further clarification with respect to this issue which I believe the Senator from Texas addressed earlier.

In the document now at the desk, the Gramm-Rudman amendment as it is, on page 33 the term "relatively controllable expenditures" is defined as being "budget outlays that are classified as relatively controllable outlays in Office of Management and Budget's 'white book,' Controllability of Budget Outlays." That is what is currently the operative Gramm-Rudman amendment. Is that correct?

Mr. DOMENICI. On the bottom of page 37 is the language with reference to controllable expenditures in substitute.

Mr. KERRY. Mr. President, this Senator is referring to the document that is currently the operative Gramm-Rudman amendment, not the modification document.

Mr. DOMENICI. What is the question about it?

Mr. KERRY. The question is that in the currently operative Gramm-Rudman amendment, as it is at the desk, that document that we have been voting on and debating for the past days, on page 33 the term "relative controllable expenditures"—and I quote from it—"means budget outlays that are classified as relatively controllable outlays in Office of Management and Budget's document, Controllability of Budget Outlays," and the report is cited. That is on page 33. That is the current operative definition?

Mr. DOMENICI. That is correct.

Mr. KERRY. And that current operative definition then, this Senator would certainly be correct in interpreting as the intent of the legislation since it is the legislation that is at the desk. Is that correct?

Mr. DOMENICI. The Senator is correct, unless and until the Senate adopts the modification that I sent to the desk.

Mr. KERRY. I understand. Now, therefore, up until this moment, we have been operating under that definition. And the intent of using that definition is not necessarily to give OMB the authority over definition of controllability and uncontrollability, yet that the intent is to make clear that programs including AFDC, SSI, and Medicaid are deemed "uncontrollable" and therefore are not to be effected by reductions in sequestering. Now, I would like for the RECORD to have included that OMB controllability definition as it presently stands. I ask unanimous consent that I can submit as part of the RECORD table 17 from the OMB document which has been referenced in the course of this debate as the White document.

Mr. DOMENICI. Reserving the right to object, the Senator wants to put in the OMB document, the circular that was referred to?

Mr. KERRY. No. Mr. President, I would simply like, for the purposes of this portion of our colloquy, to submit that document. It is already a part of the RECORD and it has been referenced.

Mr. DOMENICI. Fine. I have no objection.

Mr. KERRY. I simply would like it highlighted at this point.

Mr. DOMENICI. I have no objection.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 17—CONTROLLABILITY OF BUDGET OUTLAYS

[In millions of dollars]

	PY actual	CY estimate	By estimate	Change by—CY
Relatively uncontrollable under present law:				
Open-ended programs and fixed costs:				
Payments for individuals:				
Social Security and Railroad Retirement (code 103)	179,311	190,199	202,170	11,971
Military Retired pay (code 111)	16,471	15,809	18,224	2,415
Other (code 113)	32,554	34,093	35,714	1,620
Federal employees retirement and insurance	49,024	49,902	53,938	4,036
Unemployment assistance (code 116)	16,866	16,193	15,018	−1,085
Medical care (code 120)	79,943	91,336	96,284	4,948
Assistance to students (code 121)	4,809	4,834	4,628	−206
Food and nutrition assistance (code 123)	3,552	3,852	4,074	222
Public assistance and related programs (code 124)	21,046	22,404	22,519	115
All other relatively uncontrollable payments for individuals (code 126)	2,883	2,920	3,000	80
Subtotal, payments for individuals	357,434	381,640	401,721	20,081
Net interest (code 128)	111,058	129,579	137,277	7,698
General revenue sharing (code 145)	4,567	4,610	4,576	−34
Farm price supports (code 149)	7,315	16,797	14,998	−1,799
Other open-ended programs and fixed costs:				
Legislative and judiciary (code 163)	2,447	2,818	3,025	207
All other open-ended programs (code 170)	−4,066	−6,682	−7,019	−337
Subtotal, other open-ended programs and fixed costs	−1,619	−3,864	−3,994	−130
Total, open-ended programs and fixed costs	478,756	528,763	554,578	25,816
Outlays from prior-year contracts and obligations:				
National defense (code 177)	79,496	89,604	92,247	2,643
Civilian programs (code 184)	65,827	72,012	76,421	4,409
Total, outlays from prior-year contracts and obligations	145,323	161,616	168,668	7,052
Total, relatively uncontrollable outlays	624,079	690,379	723,247	32,868

Mr. KERRY. I call the Senate's attention to the fact that in that document as currently the Gramm-Rudman amendment those items which have been the subject of discussion such as FDC, SSI disability, the old age assistance are referenced as relatively uncontrollable expenses.

I think the Senator has answered my question then, which is that that is the original intention.

Now, it is my understanding—I know it has been discussed a couple times, but I was not on the floor and I apologize for that—that in the current modification that is not being changed. Is that correct?

Mr. DOMENICI. It is being changed.

Mr. KERRY. In what way is that being changed?

Mr. DOMENICI. On page 37, as we indicated in the dialog with the distin-

guished Senator from Ohio [Mr. METZENBAUM], starting at the bottom of the page, (G) there is an entire new definition ending at (H) on the following page, line 15, for "controllable expenditures."

What we are doing is we are no longer referencing the OMB documents. There was a lot of concern about why would we use them. We are not using them.

Mr. KERRY. I understand. And I understand in the process the definition in fact of "controllability" is changed; is it not?

Mr. DOMENICI. The definition of "controllable expenditures" is changed and it is now prescribed in the lines of the amendment that I sent to the desk, that I just referred to.

Mr. KERRY. Would it be fair or not for this Senator to characterize it as a substantive change?

Mr. DOMENICI. Indeed, I think it is.

Let me say that the general purpose, so the Senator will know, was to broaden the definition of controllable expenditures as much as possible. That was a general concern, and we have attempted to broaden it as much as possible subject to the dialog that we had with reference to the two programs the Senator from Ohio asked about.

Mr. KERRY. I understand. And clearly subject to the comments of the Senator from Florida.

I thank the Senator.

Mr. DOMENICI. I thank the Senator.

Mr. HART. Will the Senator yield for a question?

Mr. DOMENICI. I am pleased to yield.

Mr. HART. I would appreciate it if the Senator from New Mexico and the Senator from Florida would address themselves to one issue that was raised when the original modification proposal was put forward and listed among the 25 proposed modifications. That one had to do with clarifying the definition of multiyear contracts, both civilian and military. The question I would like to address to the two Senators is what, if anything, was done in the current modification proposal on that question to clarify the issue?

Mr. DOMENICI. Does the distinguished Senator from Florida desire that I proceed first? I am pleased to proceed.

Mr. CHILES. Fine. Go ahead.

Mr. DOMENICI. What we have done is include all contracts unless they are as follows. And I will just read the language from page 38. It is not very long—38 of the amendment which I have pending now at the desk for myself and Senator CHILES.

Mr. HART. I would rather the Senator paraphrased it. I see the language. I would like him to characterize what it means.

Mr. DOMENICI. It is only two lines. It is very clear to me.

"Such term shall also include funds for existing contracts unless (i) penalty provisions in such contract would produce a net loss to the Government; or (ii) a reduction of the contract violates legal obligations of the Government."

Mr. HART. I thank the Senator. The problem I am having is I have a document here that says "Final" on top of it but page 38 does not have that language.

Mr. DOMENICI. We had three amendments adopted here afterward that we had to put in, so there is a page difference. We will bring the Senator one right now.

Mr. HART. Does the Senator from New Mexico have any idea of the overall impact of this provision on a long-term military procurement, any estimates of what are and are not included in this?

Mr. DOMENICI. Let me first say to my friend from Colorado I know of his genuine interest, and I am trying my very best to be as clear as I can. Frankly, this provision that I read to the Senator came after a lot of discussion with people around here because there was a very broad exclusion. Our intention is to make the exclusion as narrow as possible, but we did not know how to do it with specificity other than to include all contracts and then specify exclusions. You certainly do not want to spend more money due to penalty provisions, and clearly you do not want to get involved in serious contract violations for which you get sued. But I cannot quantify those exceptions right now.

Mr. HART. I appreciate that. May I just suggest the reason I raise the issue tonight but will not pursue it—I have been trying to raise and clarify the question over the past number of days—is this simple reason. It is not to place a greater burden on defense as opposed to human services or vice versa. It is, rather, to prevent that portion of the cuts that will occur as a result of congressional action or Presidential impoundment from coming out of readiness accounts as opposed to hardware accounts.

There are those of us who take a somewhat different view from that which I think is understood by the sponsors of this amendment. It is not somehow to make defense take the bigger cut. It is to prevent the cut that defense takes from coming out of the nonhardware areas.

Mr. CHILES. Mr. President, if I may join in this, I should like to say that at the time the Senator from Colorado was making his remarks yesterday and the day before, as were others of us, we were looking at exempting about 80 percent of defense procurement.

Now, with this modification—and it may not go as far as the Senator from Colorado would like—but I think the question is that compared to what we had when we adopted Gramm-Rudman and what is now sort of enacted, unless it is changed, where you had about 80 percent exempt, now we are talking about only exempting those where to change it, you violate a legal obligation or terminate a program.

As the Senator from Colorado well knows, many of those contracts have a provision for the convenience of the Government, and that is why the Government can cancel a DIVAD and such things. We would get to all those contracts. Unless they could show that it violated a clear legal obligation—in other words, that there was no convenience clause in it or it terminated the contract, we would be able to get to it.

I cannot tell what percentage is now available, but it is a lot greater than the 80 percent that was not available before. So I think that from the viewpoint of the Senator from Colorado, in trying to say we want to subject it to a broader base of defense, so that it would not fall as heavily on readiness and items such as manpower and training and spare parts, this certainly goes in that direction, and I think it helps accomplish that.

Mr. HART. So that, a year or two from now, when a situation arises that a future Congress may not reach the demanded budget deficit reduction numbers and the issue falls to the President to impound funds—and I persist in refusing to use the euphemism "sequester," because it is Presidential impounding—when the President is called upon to impound funds and the Office of Management and Budget tells him that x percent of the impoundment must come from defense, it is the view of the sponsors of the modification that the officials in the Office of Management and Budget will have a greater chance of spreading those defense cuts out than in the original Gramm proposal.

Mr. CHILES. Absolutely.

Mr. HART. I think it is very important for the record to reflect that.

Mr. DOMENICI. I believe that is true.

Mr. HART. To the degree that the Office of Management and Budget cares about congressional intent.

Mr. DOMENICI. I say to the Senator from Colorado that when he was asking the questions before, the Senator from New Mexico did not assume that the Senator was concerned about the balance between domestic and defense. The concern of the Senator from Colorado has been readiness throughout all the efforts I have been associated with him, and he was very concerned that if too much came out by way of contract exclusion, the readiness in those accounts might have to take the brunt.

Mr. HART. There is a reason for that. It is because earlier, after the Gramm amendment was proposed, the current Secretary of Defense publicly stated that under the budget we enacted this year, to meet what Congress had as reduction numbers, he would in fact cut back on readiness and on personnel, because the administration did not intend to strike 1 cent from procurement or strategic weapons.

It is that kind of mentality that I hope this modification addresses.

Mr. DOMENICI. If the distinguished Senator from Colorado is through with his inquiries, I understand that the reservation that the distinguished minority leader had on further reading of the amendment can be withdrawn.

Mr. HART. I have no further questions.

Mr. DOMENICI. Before we do that, let us ask the minority leader.

Will the minority leader let us know now? Since Senator HART has asked his questions, may we proceed without reading the entire amendment?

Mr. BYRD. Mr. President, I have not withdrawn my reservation. I intend to do so within the next 2, 3, or 4 minutes, if no other Senator has questions.

There was a provision in the first Gramm proposal which, with respect to waivers, would have required a joint resolution, which means it would require the action of both Houses; it would go to the President's desk, and be subject to his veto, before the Senate could execute waiver. That, in my judgment, would be not only unconstitutional but also a rather unwise way to proceed with reference to a rules change.

Such a provision would constitute an erosion of the power of the Senate to determine its own rules. I am not about to support something like that, now or in the future.

If the distinguished Senator from New Mexico would state the language in his own words, or if he wishes to elaborate on it, I would like to understand the change that has been made in that regard.

Mr. DOMENICI. I shall be pleased to do so. On page 42 of the pending amendment, it states as follows:

(g) OTHER WAIVERS AND SUSPENSIONS.—The provisions of the Balanced Budget and Emergency Deficit Control Act of 1985 may be waived or suspended in the Senate and the House only by the affirmative vote of three-fifths of the members of that House duly chosen and sworn.

The pending amendment has within its pages none of the joint resolution waiver language to which the Senator referred. It has been deleted.

Mr. BYRD. Mr. President, the distinguished Senator from New Mexico has fully satisfied my feelings on the matter—namely, that any references to a joint resolution, joint action by both Houses, or providing any instrument whatsoever for the President, for his approval or veto, over a rules change in either the Senator or House have been eliminated.

Mr. DOMENICI. The Senator is absolutely correct.

Mr. BYRD. So that as the language reads it is still as it should be and as provided by the Constitution. It is still the function of each House to determine the rules of its own proceedings, and the only change that I can detect from listening is a change from a bare majority to a supermajority of 60 votes as the required number for a waiver.

Mr. DOMENICI. The Senator is absolutely correct.

Mr. BYRD. I congratulate the distinguished Senator and I am fully satisfied with that explanation.

I, therefore, Mr. President, waive my reserved right to demand the reading of the amendment, and I thank the able Senator from New Mexico.

Mr. DOMENICI. I thank the distinguished Senator.

I yield the floor.

Mr. NUNN. Mr. President, we have been debating two very interesting and far-reaching plans for deficit control in the Senate for the past week. One package was offered by Senators GRAMM, HOLLINGS, RUDMAN, and others. The other was sponsored by Senator CHILES, Senator BYRD, Senator JOHNSTON, and others. I supported both amendments because I feel that the Federal deficit is the No. 1 economic problem affecting our Nation.

Both of these proposals have the same worthy objective: producing a balanced Federal budget. The Gramm proposal achieves this goal by fiscal year 1991. The Chiles proposal achieves this goal by fiscal year 1990. Both proposals set up two separate and mandatory mechanisms to achieve this goal.

The first mechanism in the two amendments is to establish mandatory, phased reductions in deficits over the next 5 years, culminating in a balanced Federal budget by fiscal year 1990 or fiscal year 1991. The President would be required to submit a budget that met those declining deficit targets and Congress would be required to report a budget resolution that conformed to those declining targets. This is a very important goal which I support entirely.

The Gramm-Hollings-Rudman and Chiles amendments have a second, fallback mechanism if later projections of the budget deficit in any fiscal year actually exceed the level originally adopted by Congress. This mechanism creates automatic procedures for bringing outlays down to meet the deficit targets if they go over the declining glide path of spending. The Gramm proposal would authorize the President to cut spending sufficient to reduce outlays to meet the annual target. Half of those outlays would have to come from automatic increases in Federal entitlement programs and half from discretionary spending, including defense spending. The Chiles proposal would require emergency reductions in equal proportions from national defense and domestic spending.

These mandatory enforcement procedures entail extraordinary provisions that we would not likely approve of in circumstances less critical than the ones we face. Normally Congress would not agree to emergency provisions that tie our hands or give extraordinary powers to the President. Indeed, the origin of the current budget process was the abuse of the impoundment process, and in these proposals we might be reversing ourselves and giving more power to the President than we otherwise would permit.

But these are not ordinary times. We are in the midst of an extraordinary fiscal crisis, and we must take some action. I believe that I voice the sentiment of most of my colleagues. We have to do something and these amendments could well be the framework for legislative action.

However, Mr. President, in the midst of the enthusiasm for these provisions I want to voice caution, because I think both of these provisions could well create serious unintended results. We need to be aware of these unintented consequences.

One of the things I have observed in the negotiations on these two amendments in the past week is efforts to make them more acceptable to various factions by holding aside certain programs from consideration in the emergency outlay reduction provisions of the bill. The Gramm proposal exempts cost of living adjustments for Social Security. All other entitlements are limited so only COLA adjustments can be cut. Further, there are a number of so-called entitlements that have no automatic COLA adjustments—farm price supports, for example. These are effectively exempted from reductions under the Gramm proposal. This proposal also explicitly favors spending cuts over revenue increases.

The Chiles amendment also excludes automatic cost-of-living increases for means-tested entitlements and for Social Security from the emergency outlay reduction procedures. Like the Gramm proposal, it explicitly favors spending reductions over revenue increases.

In an effort to appease critics, both sets of sponsors have excluded certain programs and approaches which substantially narrow the flexibility to make spending adjustments. This narrowing only heightens the likely pressure on those areas that remain in the budget. This is why I supported the

Boren amendment adding back in Social Security.

I want to focus on the likely effects these two amendments will have on the defense budget if they are enacted.

The declining deficit goals in these amendments are something we all support. But, in the absence of any relief on the revenue side of the ledger, the real growth in defense spending in the current Five-Year Defense Program will be significantly scaled back over the next 5 years.

If either the Gramm or the Chiles amendments are adopted as drafted, there is a strong probability that there will be no real growth in defense spending over the next 5 years. Indeed, there could well be decreases in the defense budget where annual increases would not even cover inflation. The best case is a static defense budget level but the more likely case is negative real growth in defense spending.

Earlier this week press reports indicated that President Reagan endorsed the Gramm proposal so long as he still got 3 percent real growth in the defense budget. This statement indicates that the President isn't living in the real world in budgetary matters. You can't meet the Gramm targets and provide 3 percent real growth in defense without a tax increase. It just can't be done. This is not a matter of liberal or conservative—dove or hawk. It's a matter of simple arithmetic. To meet the Gramm deficit targets and still provide 3 percent to DOD will require at least $80 billion in added revenues over the next 4 years, according to analysis provided by the Congressional Budget Office.

All of this presumes that there will not have to be additional reductions in defense outlays through the emergency automatic triggering mechanisms.

These automatic triggering mechanisms for deficit control by the President in the amendments could also have a serious impact on defense programs. I want to illustrate this problem by showing the potential impact on the defense budget if either the Gramm amendment or the Chiles amendment were in force in fiscal year 1985.

The baseline target for deficits is to be the budget resolution level which cannot exceed a specified number. Last year Congress adopted a budget resolution that specified a deficit for fiscal year 1985 of $181.5 billion. We are now projecting that the deficit will be $209.8 billion. If either of the two amendments had been in place in fiscal year 1985, we would have had to cut spending in fiscal year 1985 by $28.3 billion after the fiscal year had begun. This is critical because these reductions would be in ongoing activities, not in future spending plans.

Under the Gramm amendment, half of the required spending cut—or $14.1 billion—would come in COLA freezes and half would come in discretionary spending. A COLA freeze that does not affect Social Security would have produced savings of only $6 billion or less in fiscal year 1985, and under the terms of the Gramm amendment the remainder of the $8.1 billiion reduction in COLA freezes would have been transferred to discretionary spending. This means that up to $22.2 billion would have to come from discretionary spending.

Defense spending makes up 60 percent of discretionary spending, and nondefense spending makes the remaining 40 percent. With this case, the proportionate across-the-board reduction required by the Gramm proposal would mean that $13.3 billion would have to come from defense spending and $8.9 billion from nondefense discretionary spending in fiscal year 1985.

How would this $13.3 billion outlay reduction in defense spending for fiscal year 1985 have been allocated if these amendments had been in place?

Mr. President, I ask unanimous consent that an analysis answering this question be printed in the RECORD at this point.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

EXAMPLES OF ILLUSTRATIVE DEFENSE OUTLAY REDUCTIONS IN FISCAL YEAR 1985

Example 1: $13.3 billion reduction under Gramm-Hollings-Rudman amendment.

[Dollars in billions]

Outlay reduction required	−$13.3
Financing adjustments	−$2.0
Remaining reductions required	−$11.3

This analysis assumes that $2.0 billion of the $13.3 billion could be achieved by the types of simple financing savings that we have taken advantage of in the past—lower inflation, contract savings, etc. That still leaves $11.3 billion in outlay cuts.

There are two important points about the automatic deficit reduction mechanism under the Gramm-Hollings-Rudman proposal. The first is that the Gramm-Hollings-Rudman proposal prohibits elimination of any program, project or activity in implementing the automatic deficit reduction mechanism, so the Secretary of Defense would be precluded from terminating marginal programs to meet these outlays reductions.

The second point is that the proposal requires an across-the-board allocation of the outlay reductions to the relatively controllable outlays for all programs, projects, and activities in the Defense budget. Only 60 percent of Defense outlays in a given year meet the traditional definition of relatively controllable outlays. The remaining 40 percent—principally outlays from prior year procurement programs—would be exempt from the sequestering order under the automatic triggering mechanism.

This means that the proportionate, across-the-board reductions in projects, programs, and activities required to meet a $11.3 billion outlay reduction would be allocated as follows:

[Dollars in billions]

	Percent of relatively controllable outlays	Outlay reduction	Budget authority reduction
Military personnel	40	$4.5	$4.6
Operation and maintenance	36	4.1	5.1
Procurement	8	.9	6.7
R&D	11	1.3	2.6
Military construction	1	.1	.3
All other	3	.3	.7
Total	100	11.3	20.0

As the allocation above shows, limiting the across-the-board, proportionate outlay reductions to relatively controllable outlays in the defense budget requires the largest reductions to come from military personnel and operations and maintenance—the areas of the Defense budget that have the most immediate impact on day-to-day combat readiness.

How could the $8.9 billion reduction in military personnel and operation and maintenance outlays in this example be achieved?

We could eliminate the January 1, 1984 military and civilian pay raises—outlay savings of $2.7 billion. We still need $6.2 billion.

We could reduce the DoD civilian workforce by 5 percent, or 50,000 personnel (assuming we can't get that many civilians off the Pentagon's rolls)—outlay savings of $1.0 billion. We still need $5.2 billion.

We could reduce by 30 percent the funds spent by DoD on real property maintenance—$1.0 billion in outlay savings. We still need $4.2 billion.

We could refuse flying hours in the military services by 20 percent, meaning an outlay savings of $1 billion. We still need $3.2 billion.

We could tie up at the dock every other Navy ship for an entire year. We would only get $1.4 billion in outlays. We still need $1.8 billion.

We could reduce active duty end-strength by 100,000 and save $1.2 billion. We still need $600 million.

The point is clear: if the Gramm-Hollings-Rudman amendment had been in effect for fiscal year 1985 and if we had had to make substantial cuts in the fiscal year 1985 Defense budget in October or November of last year, the impact on immediate Defense operations and readiness would have been very, very severe.

Example 2: $14.1 billion reduction under (revised) Chiles amendment.

[Dollars in billions]

Outlay reduction required	−$14.1
Financing adjustments	−$2.0
Remaining reductions required	−$12.1

Under the Chiles proposal, the outlay reductions would be applied to all defense outlays except those where reductions would result in a net loss to the Government or would violate legal obligations of the government.

The outlay reductions within the defense budget would apparently be allocated on a basis proportionate to the budget authority allocation within the total budget, rather than proportionate to controllable outlays under the Gramm proposal.

Finally, as in the Gramm proposal, the Secretary of Defense would be precluded from terminating programs to meet these outlay reductions.

[Dollars in billions]

	Percent of total budget authority	Outlay reductions	Budget authority reductions
Military personnel	23	$2.7	$2.8
Operations and maintenance	26	3.1	3.9
Procurement	33	4.0	29.9
R&D	12	1.5	3.6
Militltary construction	3	.4	1.1
All other	3	.4	.7
Total	100	12.1	42.0

Under this example, the fiscal year 1985 Defense budget would have to be reduced by $42.0 billion in budget authority to achieve the $12.1 billion in outlay savings even after the $2.0 outlay savings were achieved in financing adjustments.

The potential impact of the reductions under the example would not be as severe in military personnel and operation and maintenance as in Example 1, principally because the relative percentage of the total budget authority in these two areas of the Defense budget is lower than the relative percentage of outlays in Example 1.

At the same time, however, this amendment would result in very large reductions in procurement because procurement represents the largest percentage of Defense budget authority. The $29.9 billion reduction in procurement budget authority required in this example represents a 30 percent reduction in the fiscal year 1985 appropriated level for defense procurement, and could not be accomplished without significant and immediate disruption to our national defense program.

The PRESIDING OFFICER (Mr. GOLDWATER). The Senator from Georgia.

Mr. NUNN. Mr. President, I want to take a few minutes to explain this analysis to my colleagues.

I have already indicated that Defense would have had to contribute up to $13.3 billion in outlay reductions had the Gramm proposal been in effect last year for fiscal year 1985.

Now let's assume we could save $2 billion in financing adjustments, even though we have already cut $7.5 billion in the congressional authorization and appropriation process in that area in fiscal year 1985.

Now we need $11.3 billion more in defense outlay savings.

There are two important points about the automatic deficit reduction mechanism under the Gramm proposal. The first is that the Gramm proposal prohibits elimination of any program, project or activity in implementing the automatic deficit reduction mechanism, so the Secretary of Defense would be precluded from terminating marginal programs to meet these outlay reductions.

The second point is that the proposal requires an across-the-board allocation of the outlay reduction to the relatively controllable outlays for all activities in the Defense budget. The Gramm proposal specifically delegates the authority to determine what constitues relatively controllable outlays to the Directors of CBO and OBM. If these two directors interpret this term as they have in the past, only 60 percent of Defense outlays in a given year meet the traditional definition of relatively controllable outlays. The remaining 40 percent—principally outlays from prior year procurement programs—would be exempt from the sequestering order under the automatic triggering mechanism.

This means that the proportionate, across-the-board reductions in projects, programs, and activities required to meet a $11.3 billion outlay reduction in this example would be allocated as follows: We would have to cut $4.5 billion in military personnel outlays, $4.1 billion in operation and maintenance outlays, $0.9 billion in procurement outlays, and $1.3 billion in R&D outlays.

As this allocation shows, limiting the across-the-board, proportionate outlay reductions to relatively controllable outlays in the defense budget requires the largest reductions to come from military personnel and operations and maintenance—the areas of the Defense budget that have the most immediate impact on day-to-day combat readiness.

How could the $8.9 billion reduction in military personnel and operation and maintenance outlays in this example be achieved? The short answer is: not very easily.

We could eliminate the January 1, 1984, military and civilian pay raises—outlay savings of $2.7 billion. We still need $6.2 billion.

We could reduce the DOD civilian work force by 5 percent, or 50,000 personnel—assuming we can get that many civilians off the Pentagon's rolls—outlay savings of $1.0 billion. We still need $5.2 billion.

We could reduce by 30 percent the funds spent by DOD on real property maintenance—$1.0 billion in outlay savings. We still need $4.2 billion.

We could reduce flying hours in the military services by 20 percent, meaning an outlay savings of $1 billion. We still need $3.2 billion.

We could tie up at the dock every other Navy ship for an entire year. We would only get $1.4 billion in outlays. We still need $1.8 billion.

We could reduce active duty end-strength by 100,000 and save $1.2 billion. We still need $600 million.

The point is clear: if the Gramm amendment had been in effect for fiscal year 1985, and if we had had to make substantial cuts in the fiscal year 1985 Defense budget in October or November of last year, the impact on immediate operations and readiness would have been very, very severe.

Now it may be that the Directors of OMB and CBO will change the traditional definition of relatively controllable outlays to include all outlays in the Defense budget, including those from prior years. If that has happened in this example, the emphasis of the reductions would have shifted dramatically. Procurement outlays could have been cut by $3.3 billion, and procurement budget authority by $24.5 billion. The result, however, would have been the same: severe disruption to our national defense program.

If the reduction allocated to the Defense Department were $14.1 billion as would be required if the Chiles amendment had been in effect last year instead of the $13.3 in my example, the result would have been even more severe.

I want to go through this to illustrate a key point. The purpose of these two amendments is to put us on a glide path toward a balanced budget. I applaud that. But the enforcement provisions—the mandatory reductions in outlays once the year begins with large accounts of the budget put off limits—could hold devastating consequences, especially in the area of defense spending. I am sorry that it takes this amendment to force reality on the White House, but that reality is here and the President will have to face up to it.

In the area of nondefense discretionary spending, cuts of the magnitude likely under these amendments would also have serious consequences. These programs have already been cut dramatically. They are already one-third less than the levels contained 5 years ago in real terms. We would have to cut back on Coast Guard patrols against drug smuggling. We would have to cut back on the judicial system, on safety inspections, on the FAA, and so on.

The Chiles amendment would also be painful. Were the Chiles plan in effect today, we would have had to cut $14.1 billion in defense spending from activities that are already underway. That can't be done without serious cuts in our defense programs as I have already shown.

The main point I want to get across to my colleagues is that I applaud the effort to get serious with deficit reduction. I applaud the commitment to declining deficits, though I realize it will be a very painful process. I also believe that extraordinary measures may be necessary to accomplish these goals. But we cannot rule out massive areas of Government spending—or rule out revenue increases—and have this thing work.

Both proposals have taken social security off of the table and exempted it from any reductions. Others want to take all means-tested entitlements off the table. Others insist that revenues must be off the table.

If we take all these things off the table, Mr. President, the only thing left sitting there will be the Defense budget. And as we on the armed services have been saying for several years, the Defense budget is one area of the

Federal budget where it is very difficult and disruptive to get immediate near-term outlay reductions.

Mr. President, my lengthy statement here related to the effects of the Gramm amendment, as I see it, on defense spending in all likelihood.

I have taken fiscal year 1985 and used that as a hypothetical example of what I think are reasonable assumptions.

I refer this to my colleagues because they may want to take a look at it.

The long and short of it is that in 1985 fiscal year had this been in effect we would have had to cut some 13-odd billion dollars out of defense outlays after the fiscal year started. That is assuming a proportionate reduction between defense and other discretionary spending.

The long and short of that is if we had to cut that $13 billion-odd out of defense outlays after the fiscal year started we would have in all likelihood had to make very serious cuts in the number of personnel, the pay of personnel, the steaming hours of ships, and the flying hours and training of aircraft.

So it would have had a very serious effect.

I say that as one who voted for the Gramm amendment. I believe it is going to require us to make very tough choices, but those tough choices are long overdue.

We are going to have to choose between large cuts in domestic spending far beyond what President Reagan has been willing to recommend or what Congress has been willing to support.

The second choice will be very harmful cuts in defense spending and this makes that very clear.

The third choice is tax increases.

In my opinion, these choices are overdue but they are not going to be easy. They are going to be painful.

I say in all candor, I think President Reagan has not exercised responsible fiscal leadership. I think Congress has not exercised its own responsibility in filling the vaccum which has existed in responsible fiscal leadership in the country.

The result has been obvious—large budget deficits, high real interest rates, high American dollar, deteriorating trade, and deterioration of our competitive position in the world.

The final result is that we are a debtor nation and we can no longer avoid the hard choices. Our defense budget will suffer from this new discipline if it is implemented. If we treat it seriously and not as a gimmick, the defense budget in my opinion will suffer.

We must find new ways to increase defense output within constrained resources. In the final analysis, however, I say as one who voted for this amendment that America's defense depends on a strong economy. We cannot build a strong defense on our eroding economic foundation.

So the hard choices must be made, and I am hopeful that the Gramm-Rudman-Hollings amendment will force the White House and the Congress to make these choices.

I congratulate all of those on both sides of the aisle who have played a constructive role in this overall venture.

Mr. WARNER. Mr. President, will the Senator yield for a question?

Mr. NUNN. I am glad to yield.

Mr. WARNER. Mr. President, I join in the observation that we are putting at risk our defense budget. I have joined in this amendment thus far, that is Gramm-Rudman-Hollings amendment.

I am wondering if the Senator in his calculations for the fiscal year 1985 used as a base the Gramm-Rudman-Hollings original or the pending amendment as proposed by the distinguished Senator from New Mexico.

Mr. NUNN. I used the amendment as it evolved, and this analysis was through yesterday, as the amendment evolved. It does not include the Domenici amendment as is now being presented. I do not know all the ramifications of that to the extent that the Domenici amendment restricts those areas covered. If it does further restrict the areas covered, and I do not know the answer to that, it would make the effect on defense worse.

If the Domenici amendment has expanded the areas covered, then it would make the effect on defense less.

I have to leave that up to the Senator from New Mexico. I do not know exactly what his amendment does. I voted to broaden the base on which all of these areas apply, voted for the Boren amendment and others, because I do believe that unless we use the whole deck of cards part of the card deck left is going to suffer immensely.

Mr. WARNER. Mr. President, my question of the distinguished Senator, I think, should be clarified for the RECORD. The effect of the pending amendment is to strengthen the base and therefore focus a greater proportion of the projected cut on the defense budget. Does the Senator concur in that observation?

Mr. NUNN. I did not hear the first part. Would the Senator from Virginia mind repeating that?

Mr. WARNER. The effect of the amendment of the Senator from New Mexico and the Senator from Florida would be to strengthen the base of which any future cuts would be made, and there are accounts other than defense which would put a larger proportion of the projected cut on defense.

Mr. NUNN. If that is the effect of the amendment of the Senator from Florida and the Senator from New Mexico, I do not know if it constricts or expands the base. I leave that to them to answer.

Mr. WARNER. Mr. President, I see both Senators on their feet. Perhaps they could respond.

Mr. CHILES. Mr. President, I say to my friend from Virginia what would be available in defense, I think it greatly broadens the base, because we are through the definition to what we are putting in. We are allowing contracts, unless there is a binding legal obligation or the contract would terminate the proposal of the contract itself, the project. We are allowing those contracts to be a part of the process that could be used for impounding or sequestering the funds.

My staff tells me in the first cut probably about 90 to 95 percent of the contracts would be available because most of them are drafted with the provision in there that says they can be changed at the convenience of the Government. That is put in most of the contracts.

So from the perspective of the Senator from Georgia of what this would do to steaming hours, what this would do to manpower, what this would do to readiness, all of those items could be less because we are talking about broadening into the procurement area and where prior to the modification, which I hope will be adopted, about 85 percent of the contracts would not have been available. Now I think about 90 percent of the contracts would be available.

Mr. NUNN. Mr. President, I say to the Senator, based on that explanation I think it would probably ease some of the problems that I have identified here, although we did assume here that the Office of Management and Budget and CBO would make a reasonable kind of determination of what was a discretionary defense expenditure as opposed to a prior locked-in obligation.

So I think our hypothetical example, here holds up. But I do believe that that step by the Chiles-Domenici or Domenici-Chiles amendment is a step in the right direction because I think it would be very unfortuante if we wrote off all prior contracts and simply took the cuts in defense out of the immediate spendouts which are always inclined to be personnel, pay, steaming hours, and so forth.

So I would say that the amendment would be helpful in that respect within the defense budget.

Mr. WARNER. Mr. President, if I may direct a question to the Senator from Florida, in the record of those defense contractors, was there any calculation made of cancellation costs?

Mr. CHILES. Mr. President, there is a specific protection put in that says that in the event the penalty provisions of such a contract would produce

a net loss to the Government, then it would be exempt.

Mr. WARNER. I thank the Senator from Florida and I yield the floor.

Mr. HART. Mr. President, this has been one of the sorriest weeks for the Chamber in recent memory. This measure is offered in the name of courage. But no specific act of courage is demanded for its support. This greatest deliberative body has rejected the wisdom of careful deliberation. Worst of all, the Chamber has aligned itself with political fraud.

The fraud began 5 years ago. Let me quote from "A Program for Economic Recovery," February 1981: "By fiscal year 1984—under the policy recommendations presented in this document—the Federal budget should be in balance. And that will not be a one-time occurrence."

That was the promise of Reaganomics. What was the performance? Presidential budgets requesting $686 billion in additional deficits. A growing debt that has required this Chamber to raise the debt ceiling 11 times. And budget deficits three times larger than before Mr. Reagan became this Republic's 40th President.

Now the authors of the Reagonomics have produced its sequel. To address the massive deficits that were an inevitable consequence of their efforts in 1981, they propose we attack again those most harmed by their earlier efforts.

They defend their action by saying that the budget process has failed. The budget process has not failed. Their own policies have failed.

Now they seek to cover their tracks in the name of budget-balancing. But their new proposal would better be dubbed the Unbalanced Budget Act of 1985.

It guarantees budgets unbalanced against military readiness and national security, because it ensures deep cuts in training, flight time, military pay, spare parts, bullets, and funding for our efforts to combat terrorism.

It guarantees budgets unbalanced against low- and middle-income Americans. By excluding much of defense and entitlements from the budget process, it ensures cuts in farm price supports, black lung benefits, mass transit, student loans, training, health care for the elderly poor, and basic nutrition for children.

The greatest shame of all is that this proposal fails to make any of the difficult choices that will be necessary to solve America's ruinous deficits. Instead, it buys political cover for Senators worried that their reelection is imperiled by their earlier fiscal irresponsibility.

This proposal is a confession of incompetence. It insists that the mightiest elective body on Earth—the U.S. Congress—lacks the ability to reduce the deficit, and strips it of its constitutional power to set the Nation's budget priorities. It puts our budget process on autopilot.

All this is sadly reminiscent of the Wizard of Oz. Like the Scarecrow, supplyside therory had no brain. Like the Tin Man, the Reagan budget cuts had no heart. And like the Cowardly Lion, the Senate's action this week has absolutely no courage.

Mistakes, haste, and ideological blinders combined to put this Nation in the budget crisis in which we find ourselves. It is a charade to believe that a repetition of those failures are going to make this deficit go away. It is going to take leadership, hard choices, and hard work. This is no way to begin.

SEVERAL SENATORS. Vote.

The PRESIDING OFFICER. The Senator from California is recognized.

Mr. CRANSTON. Mr. President, I do not intend to create any significant delay, but it is not still clear to this Senator exactly what the bill or the amendment does on one matter relating to veterans. I am not going to propose an amendment when I find out what it does. But I do want to understand what it does to make that record clear before we proceed, and I think I will know in just a few moments.

I ask that there not be a vote until I have had that opportunity.

Mr. DOLE. Mr. President, let me just indicate I am certain the Senator from California is within his rights, but we do not intend to stay here much longer tonight. If we cannot complete action on this bill by 8:30 p.m., we will be back here at 10 a.m. in the morning.

Mr. EAGLETON. If the majority leader will yield, would it be possible, while Senator CRANSTON is contemplating the bill insofar as the veterans section, that we could lay the amendment aside and move on to my little 3-minute amendment? I have been here since 5 o'clock and the majority leader has been here since dawn. Perhaps we could use the time to the maximum advantage.

Mr. DOLE. As I understand it, the Senator needs a rollcall on his amendment.

Mr. EAGLETON. Yes.

Mr. DOLE. I think we are quite close to wrapping up the Domenici-Chiles amendment. Maybe if we could give it a few more minutes. If that does not happen, I will be more than happy to do that.

Mr. EAGLETON. I thank the majority leader.

Mr. DOMENICI. As I understand it, we are waiting for the distinguished Senator from California, who still has an inquiry. Until he is ready, I would just want to make one observation.

Mr. CRANSTON. If the Senator will yield for one point, Senator GLENN is on his way over here also wishing clarification, I have just been advised. He is on his way to the floor.

Mr. DOMENICI. Mr. President, I wish to make a couple of observations and thank a few people.

Clearly, in attempting to build on the Gramm-Rudman-Hollings amendment, a number of Senators have been extremely helpful, and I thank them all, and in particular the chairman and ranking minority member of the Finance Committee. The Senator from Oklahoma, Senator BOREN, and the distinguished Senator from Texas from the Finance Committee have been extremely helpful.

But I wish to say, in my final remarks, that no one should think that because we had to do some drafting and some perfecting, changed some definitions and made them clear, no one should permit that to detract from the fact that the distinguished Senator from Texas and the distinguished Senator from New Hampshire and the distinguished Senator from South Carolina, Senator HOLLINGS, put a bill before the Senate whose day had come. They are the ones that receive my praise for the idea and the basic concept that we are going to adopt here later tonight.

It has been my privilege for 2 or 3 weeks, as chairman of the Budget Committee, to work with them, and in the last 3 or 4 days to work with them and many others to perfect this bill which we are going to adopt tonight.

I think they are the ones that are entitled to the congratulations. They are the ones that did the work.

The Senate has its way of making a good thing better, and we have done that. But its basic concepts are protected and perfected. I hope they work.

The first thing they did right was making a finding that there is a state of emergency with reference to fiscal policy. No one has been willing to say that. But they have made that as a starter and with that everybody would conclude that we had to do some extraordinary things.

So I am hopeful that this process will come out of a conference with its provisions intact to make sure we get the job done. Certainly there has been a great deal of cooperation, coordination, and patience. I am most appreciative for it.

I yield the floor.

Mr. PACKWOOD. Mr. President, there is going to be a great, great deal of interest in this bill when it is passed.

I ask unanimous consent, therefore, that the resolution, House Joint Resolution 372, be printed as approved by the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on the amendment.

Mr. CRANSTON. Mr. President, I am not quite ready. We are discussing what is in the bill and it is still not precisely clear what is in the bill on the point I am concerned about.

Mr. RUDMAN. Mr. President, we are waiting just for a couple of minutes. Therefore, I am not causing any delay, I do not believe. I wish to just address a comment to Senator DOMENICI, the chairman of the Budget Committee, and Senator CHILES, the ranking member of that committee.

I believe that I can speak on behalf of Senator HOLLINGS, Senator GRAMM, and myself and say that we are very indebted to them, particularly in the last few days, for helping make what we think is a sound idea better, and also for the help that we were given by the staffs, majority and minority, on the Budget Committee who, after all, are the resident experts of this complex matter.

We do have disagreements, but the fact is that no one could have been more helpful than the chairman and the ranking member of the Budget Committee, and I want to express our appreciation.

Mr. GRAMM. Mr. President, on the same basis that we are not delaying proceedings, because I think of almost anyone here, except perhaps the other two cosponsors of this measure, I am ready to get on with the job of voting.

It has been a long and tedious process. Numerous hours have been worked where people were not on the floor, and we have been on the floor until 3:30 in the morning.

I wish to thank the distinguished majority leader for his support. Without that support, we would not be here, this bill would not have passed in the Senate, and we would not have brought to the floor of the Senate and taken to the House the No. 1 issue in the country.

I wish to thank Senator DOMENICI, Senator CHILES, Senator LEVIN, and all those who have worked to make this bill better. People ask: "Have there been changes?" In terms of the basic approach, in terms of what we are trying to achieve, in terms of the thrust of the bill, the answer is clearly no. But in terms of the procedure, in terms of enriching the process, in terms of broadening the number of committees participating in any kind of post-sequester reconciliation, in terms of working out the details to make the bill work—something that never shows up in the papers but shows up when you try to put a law to work on behalf of the people—we made great progress.

I am hopeful, Mr. President, that when we send this bill to conference and to the House that they will give it the consideration it deserves, and, if they cannot offer anything better, that they will adopt it and give us an opportunity to put the Federal Government on a budget like everybody else.

I yield the floor.

Mr. CRANSTON. Mr. President, I suggest the absence of a quorum.

Mr. METZENBAUM. Will the Senator withhold on that request?

Mr. CRANSTON. Yes.

Mr. METZENBAUM. Mr. President, I say to the Senator from New Mexico, there was a mistake on page 25. Something was crossed out and it was intended to be in. Would the Senator from New Mexico be good enough to send this to the desk indicating that modification?

Mr. DOMENICI. Mr. President, that is correct. The language that will be on this modification is the language that I thought was there. It had been stricken in the drafting between the staff. So this would put it back where it was.

I send the modification to the desk.

The PRESIDING OFFICER. The amendment will be so modified.

The amendment (No. 771), as modified, reads as follows:

Strike all after the language added by Amendment No. 739 and insert in lieu thereof:

SEC. . DEFICIT REDUCTION PROCEDURES.

(a) SHORT TITLE.—This section may be cited as the "Balanced Budget and Emergency Deficit Control Act of 1985".

(b) CONGRESSIONAL BUDGET.—

(1) ONE CONCURRENT RESOLUTION ON THE BUDGET REQUIRED ANNUALLY.—

(A) IN GENERAL.—Section 310 of the Congressional Budget Act of 1974 is amended—

(i) by striking out all beginning with "SEC. 310. (a)" through "necessary—" in the matter preceding paragraph (1) of subsection (a) and inserting in lieu thereof the following:

"SEC. 310. (a) IN GENERAL.—Any concurrent resolution on the budget considered under section 301 or section 304 for a fiscal year shall, to the extent necessary,—"; and

(ii) by striking out subsection (b) and redesignating subsection (c) as subsection (b).

(B) CONFORMING CHANGES.—

(i) The table of contents in subsection (b) of section 1 of the Congressional Budget and Impoundment Control Act of 1974 is amended—

(I) by striking out "Adoption of first concurrent resolution" in the item relating to section 301 and inserting in lieu thereof "Annual adoption of concurrent resolution";

(II) by striking out "First concurrent resolution" in the item relating to section 303 and inserting in lieu thereof "Concurrent resolution"; and

(III) by striking out "Second required concurrent resolution and reconciliation" in the item relating to section 310 and inserting in lieu thereof "Reconciliation".

(ii) Paragraph (4) of section 3 of such Act is amended—

(I) by adding "and" after the semicolon at the end of subparagraph (A);

(II) by striking out subparagraph (B); and

(III) by striking out "(C) any other" and inserting in lieu thereof "(B) a".

(iii) Section 300 of the Congressional Budget Act of 1974 is amended—

(I) by striking out "first" in the item relating to April 15 and in the second item relating to May 15; and

(II) by striking out the items relating to September 15 and September 25.

(iv)(I) The heading of section 301 of the Congressional Budget Act of 1974 is amended to read as follows:

"ANNUAL ADOPTION OF CONCURRENT RESOLUTION".

(II) Section 301(a) of such Act is amended by striking out "the first concurrent resolution on the budget" in the first sentence and inserting in lieu thereof "a concurrent resolution on the budget".

(III) Section 301(b) of such Act is amended—

(aa) by striking out "first concurrent resolution on the budget" in the matter preceding paragraph (1) and inserting in lieu thereof "concurrent resolution on the budget referred to in subsection (a)"; and

(bb) in paragraph (1) by striking out all beginning with "the concurrent resolution" through "both" the second place it appears and inserting in lieu thereof "the Congress has completed action on any reconciliation bill or reconciliation resolution, or both, required by such concurrent resolution to be reported in accordance with section 310(b)".

(IV) Section 301(d) of such Act is amended by striking out "first" each place it appears.

(V) Section 301(e) of such Act is amended—

(aa) by striking out "set for" in paragraph (1) and inserting in lieu thereof "set forth"; and

(bb) by striking out "first concurrent resolution on the budget" each place it appears and inserting in lieu thereof "concurrent resolution on the budget referred to in subsection (a)".

(v) Section 302(c) of such Act is amended by striking out "or 310".

(vi)(I) The heading of section 303 of such Act is amended by striking out "FIRST".

(II) Section 303(a) of such Act is amended by striking out "first concurrent resolution on the budget" in the matter following paragraph (4) and inserting in lieu thereof "concurrent resolution on the budget referred to in section 301(a)".

(vii) Section 304 of such Act is amended—

(I) by striking out "first concurrent resolution on the budget" and inserting in lieu thereof "concurrent resolution on the budget referred to in section 301(a)"; and

(II) by striking out "pursuant to section 301".

(viii)(I) Section 305(a)(3) is amended by striking out "first concurrent resolution on the budget" and inserting in lieu thereof "concurrent resolution on the budget referred to in section 301(a)".

(II) Section 305(b) of such Act is amended—

(aa) in paragraph (1) by striking out ", except that" and all that follows through "15 hours"; and

(bb) in paragraph (3) by striking out "first concurrent resolution on the budget" and inserting in lieu thereof "concurrent resolution on the budget referred to in section 301(a)".

(ix) Section 308(a)(2)(A) of such Act is amended by striking out "first concurrent resolution on the budget" and inserting in lieu thereof "concurrent resolution on the budget referred to in section 301(a)".

(x) Paragraph (1) of section 309 of such Act is amended by striking out ", and other than the reconciliation bill for such year, if required to be reported under section 310(c)".

(xi) Section 310(f) of such Act is amended by striking out "subsection (a)" and inserting in lieu thereof "301(a)".

(xii) Section 311(a) of such Act is amended—

(I) by striking out "310(a)" the first place it appears and inserting in lieu thereof "301(a)"; and

(II) by striking out "310(c)" and inserting in lieu thereof "310(b)".

(2) MAXIMUM DEFICIT AMOUNTS.—

(A) ANNUAL CONCURRENT RESOLUTION ON THE BUDGET.—

(i) POINT OF ORDER.—Section 301 of the Congressional Budget Act of 1974 is amended by redesignating subsections (c), (d), and (e) as subsections (d), (e), and (f), respectively, and inserting after subsection (b) the following new subsection:

"(c) MAXIMUM DEFICIT AMOUNT MAY NOT BE EXCEEDED—

"(1) Except as provided in paragraph (2), it shall not be in order in either the House of Representatives or the Senate to consider or adopt any concurrent resolution on the budget for a fiscal year under this section, or to consider or adopt any amendment to such a concurrent resolution, or to consider or adopt a conference report on such a concurrent resolution, if the level of total budget outlays for such fiscal year that is set forth in such concurrent resolution or conference report (or that would result from the adoption of such amendment), exceeds the recommended level of Federal revenues for that year by an amount that is greater than the maximum deficit amount specified for such fiscal year in section 3(7).

"(2) Paragraph (1) of this subsection shall not apply to any fiscal year for which a declaration of war has been enacted.".

(ii) CONFORMING CHANGES.—

(I) Section 301(a)(6) of such Act is amended by striking out "subsection (e)" and inserting in lieu thereof "subsection (f)".

(II) Section 301(e) of such Act, as redesignated by clause (i) of this subparagraph, is amended by inserting "; and when so reported such concurrent resolution shall comply with the requirement described in paragraph (1) of subsection (c), unless such paragraph does not apply to such fiscal year by reason of paragraph (2) of such subsection" after "October 1 of such year" in the second sentence thereof.

(B) PERMISSIBLE REVISIONS OF CONCURRENT RESOLUTIONS ON THE BUDGET.—Section 304 of such Act is amended—

(i) by inserting "(a) IN GENERAL.—" after "SEC. 304."; and

(ii) by adding at the end thereof the following new subsection:

"(b) MAXIMUM DEFICIT AMOUNT MAY NOT BE EXCEEDED.—

"(1) Except as provided in paragraph (2), it shall not be in order in either the House of Representatives or the Senate to consider or adopt any concurrent resolution on the budget for a fiscal year under this section, or to consider or adopt any amendment to such a concurrent resolution, or to consider or adopt a conference report on such a concurrent resolution, if the level of total budget outlays for such fiscal year that is set forth in such concurrent resolution or conference report (or that would result from the adoption of such amendment), exceeds the recommended level of Federal revenues for that year by an amount that is greater than the maximum deficit amount specified for such fiscal year in section 3(7).

"(2) Paragraph (1) of this subsection shall not apply to any fiscal year for which a declaration of war has been enacted.".

(C) DEFINITIONS.—Section 3 of the Congressional Budget and Impoundment Control Act of 1974 is amended by adding at the end thereof the following new paragraphs:

"(6) The term 'deficit' means, with respect to any fiscal year, the amount by which total budget outlays for such fiscal year exceed total revenues for such fiscal year. For purposes of the Balanced Budget and Emergency Deficit Control Act of 1985, the receipts of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund for a fiscal year, and the taxes payable under sections 1401(a), 3101(a), and 3111(a) of the Internal Revenue Code of 1954 during such fiscal year, shall be included in total revenues for such fiscal year, and the disbursements of either such Trust Fund for such fiscal year shall be included in total budget outlays for such fiscal year.

"(7) The term 'maximum deficit amount' means—

"(A) with respect to the fiscal year beginning October 1, 1985, $180,000,000,000;

"(B) with respect to the fiscal year beginning October 1, 1986, $144,000,000,000;

"(C) with respect to the fiscal year beginning October 1, 1987, $108,000,000,000;

"(D) with respect to the fiscal year beginning October 1, 1988, $72,000,000,000;

"(E) with respect to the fiscal year beginning October 1, 1989, $36,000,000,000; and

"(F) with respect to the fiscal year beginning October 1, 1990, zero.".

(3) RECONCILIATION.—

(A) ANNUAL CONCURRENT RESOLUTION ON THE BUDGET.—

(i) DIRECTIONS TO COMMITTEES.—Section 301(b) of the Congressional Budget Act of 1974 (as amended by paragraph (1)(B)(iv)(III) of this subsection) is further amended—

(I) by striking out "may also require" in the matter preceding paragraph (1) and inserting in lieu thereof "shall also, to the extent necessary to comply with subsection (c)";

(II) by inserting "require" after the paragraph designation in paragraph (1);

(III) by inserting "require" after the paragraph designation in paragraph (2); and

(IV) by redesignating paragraphs (1) and (2) as paragraphs (2) and (3), respectively, and inserting before paragraph (2) (as so redesignated) the following new paragraph:

"(1) specify and direct any combination of the matters described in paragraphs (1), (2), and (3) of section 310(a);".

(ii) CONFORMING CHANGES.—

(I) Section 310(a) of such Act is amended—

(aa) by inserting "or" at the end of paragraph (2);

(bb) by striking out "; or" at the end of paragraph (3) and inserting in lieu thereof a period; and

(cc) by striking out paragraph (4).

(II) Section 310(d) of such Act is amended by striking out "subsection (c)" and all that follows through "year" and inserting in lieu thereof "subsection (b) with respect to a concurrent resolution on the budget adopted under section 301(a) not later than June 15 of each year".

(III) Subsections (e) and (f) of section 310 of such Act are amended by striking out "subsection (c)" each place it appears and inserting in lieu thereof "subsection (b)".

(IV) Section 300 of such Act is amended by inserting immediately after the second item relating to May 15 the following new item:

"June 15	Congress completes action on reconciliation bill or resolution, or both, implementing annual required concurrent resolution.".

(B) PERMISSIBLE REVISIONS OF CONCURRENT RESOLUTIONS ON THE BUDGET.—

(i) IN GENERAL.—Section 304(a) of such Act (as redesignated by paragraph (2)(B)(i) of this subsection) is amended by adding after the period the following new sentence: "Any concurrent resolution adopted under this section shall specify and direct any combination of the matters described in paragraphs (1), (2), and (3) of section 310(a) to the extent necessary to comply with subsection (b).".

(ii) CONFORMING CHANGE.—Section 310(d) of such Act (as amended by subparagraph (A)(ii)(II) of this paragraph) is further amended by adding at the end thereof the following new sentence: "Congress shall complete action on any reconciliation bill or reconciliation resolution reported under subsection (b) with respect to a concurrent resolution on the budget adopted under section 304(a) not later than 30 days after the adoption of the concurrent resolution.".

(4) LIMITATION ON AMENDMENTS.—

(A) CONCURRENT RESOLUTIONS ON THE BUDGET.—

(i) HOUSE OF REPRESENTATIVES.—Section 305(a)(6) of such Act is amended—

(I) by inserting "(A)" after the paragraph designation; and

(II) by adding at the end thereof the following new subparagraph:

"(B)(i) No amendment that would have the effect of increasing any specific budget outlays above the level of such outlays set forth in a concurrent resolution on the budget, or of reducing any specific Federal revenues below the level of such revenues set forth in such concurrent resolution, shall be in order unless such amendment ensures that the amount of the deficit for any fiscal year set forth in such concurrent resolution is not increased, by making at least an equivalent reduction in other specific budget outlays or at least an equivalent increase in other specific Federal revenues, or at least any combination thereof.

"(ii) Clause (i) of this subparagraph shall not apply to any fiscal year for which a declaration of war has been enacted.".

(ii) SENATE.—Section 305(b)(2) of such Act is amended—

(I) by inserting "(A)" before the paragraph designation; and

(II) by adding at the end thereof the following new subparagraph:

"(B)(i) No amendment that would have the effect of increasing any specific budget outlays above the level of such outlays set forth in a concurrent resolution on the budget, or of reducing any specific Federal revenues below the level of such revenues set forth in such concurrent resolution, shall be in order unless such amendment ensures that the amount of the deficit for any fiscal year set forth in the concurrent resolution is not increased, by making at least an equivalent reduction in other specific budget outlays or at least an equivalent increase in other specific Federal revenues, or at least any equivalent combination thereof.

"(ii) Clause (i) of this subparagraph shall not apply to any fiscal year for which a declaration of war has been enacted.".

(B) RECONCILIATION BILLS AND RESOLUTIONS.—Section 310 of such Act is amended by inserting after subsection (b) (as redesig-

nated by paragraph (1)(A)(ii) of this subsection) the following new subsection:

"(c) LIMITATION ON AMENDMENTS TO RECONCILIATION BILLS AND RESOLUTIONS.—

"(1) It shall not be in order in either the House of Representatives or the Senate to consider any amendment to a reconciliation bill or reconciliation resolution if such amendment would have the effect of increasing any specific budget outlays above the level of such outlays provided in the bill or resolution, or would have the effect of reducing any specific Federal revenues below the level of such revenues provided in the bill or resolution, unless such amendment ensures that the amount of the deficit for any fiscal year set forth in the most recently agreed to concurrent resolution on the budget is not exceeded, by making at least an equivalent reduction in other specific budget outlays or at least an equivalent increase in other specific Federal revenues, or at least any equivalent combination thereof, except that a motion to strike a provision shall always be in order.

"(2) Paragraph (1) shall not apply to any fiscal year for which a declaration of war has been enacted.".

(5) ENFORCEMENT.—

(A) ALLOCATIONS OF BUDGET AUTHORITY AND OUTLAYS.—

(i) REPORTING DATE FOR ALLOCATIONS.—Section 302(b) of such Act is amended by striking out "Each such committee shall promptly report" in the last sentence and inserting in lieu thereof "Each such committee, within ten days of session after the concurrent resolution is agreed to, shall report".

(ii) POINT OF ORDER.—It shall not be in order in the House of Representatives or the Senate to consider any bill or resolution, or amendment thereto, providing—

(I) new budget authority for any fiscal year;

(II) new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act first effective in any fiscal year; or

(III) direct loan authority, primary loan guarantee authority, or secondary loan guarantee authority for any fiscal year;

within the jurisdiction of any committee which has received an allocation of budget authority or new spending authority described in section 401(c)(2)(C) pursuant to section 302(a) of the Congressional Budget Act for a fiscal year, unless and until such committee makes the allocation or subdivisions required by section 302(b) of the Congressional Budget Act, in connection with the most recently agreed to concurrent resolution on the budget for such fiscal year.

(iii) ALLOCATIONS MADE BINDING.—Section 311 of such Act is amended by redesignating subsections (a) and (b) as subsections (b) and (c), respectively, and inserting immediately after "SEC. 311" the following new subsection:

"(a) LEGISLATION SUBJECT TO POINT OF ORDER AFTER ADOPTION OF ANNUAL CONCURRENT RESOLUTION ON THE BUDGET.—

"(1) IN GENERAL.—At any time after the Congress has completed action on the concurrent resolution on the budget required to be reported under section 301(a) for a fiscal year, it shall not be in order in either the House of Representatives or the Senate—

"(A) to consider any bill or resolution (including a conference report thereon), or any amendment to a bill or resolution, that provides for budget outlays or new budget authority in excess of the appropriate allocation of such outlays or authority reported under section 302(b) in connection with the most recently agreed to concurrent resolution on the budget for such fiscal year; or

"(B) to consider any bill or resolution (including a conference report thereon), or any amendment to a bill or resolution, that provides new spending authority described in section 401(c)(2)(C) to become effective during such fiscal year, if the amount of budget outlays or new budget authority that would be required for such year if such bill or resolution were enacted without change or such amendment were adopted would exceed the appropriate allocation of budget outlays or new budget authority reported under section 302(b) in connection with the most recently agreed to concurrent resolution on the budget for such fiscal year, unless such bill, resolution, or amendment was favorably reported by the Committee on Appropriations of the House involved under section 401(b)(2) along with a certification that if such bill, resolution, or amendment is enacted or adopted, the committee will reduce appropriations or take any other actions necessary to assure that the enactment or adoption of such bill, resolution, or amendment will not result in a deficit for such fiscal year in excess of the maximum deficit amount specified for such fiscal year in section 3(7).

"(2) ALTERATION OF 302(b) ALLOCATIONS.—At any time after a committee reports the allocations required to be made under section 302(b), such committee may report to its House an alteration of such allocations, provided that any alteration of such allocations must be consistent with any actions already taken by its House on legislation within the committee's jurisdiction.

"(3) EXCEPTION.—Paragraph (1) shall not apply to any fiscal year for which a declaration of war has been enacted.".

(B) MAXIMUM DEFICIT AMOUNT MAY NOT BE EXCEEDED.—Section 311(b) of such Act, as redesignated by subparagraph (A)(ii) of this subsection, is amended by inserting before the period at the end thereof the following: "or would cause the levels of deficits set forth in such concurrent resolution to be exceeded, or would otherwise result in a deficit for such fiscal year that exceeds the maximum deficit amount specified for such fiscal year in section 3(7) (except to the extent that paragraph (1) of subsection (b) of section 310 does not apply by reason of paragraph (2) of such subsection)".

(C) REPORTING REQUIREMENT EXTENDED TO CONFERENCE REPORTS.—Section 308(a) of such Act is amended by striking out "the report accompanying that bill or resolution" in the matter preceding paragraph (1) and inserting in lieu thereof the following: "or whenever a conference report is filed in either House, the report accompanying that bill or resolution or the statement of managers accompanying that conference report".

(c) BUDGET SUBMITTED BY THE PRESIDENT.—

(1) MAXIMUM DEFICIT AMOUNT MAY NOT BE EXCEEDED.—Section 1105 of title 31, United States Code, is amended by adding at the end thereof the following new subsection:

"(f)(1) The budget transmitted pursuant to subsection (a) for a fiscal year shall be prepared on the basis of the best estimates then available, in such a manner as to ensure that the deficit for such fiscal year shall not exceed the maximum deficit amount specified for such fiscal year in section 3(7) of the Congressional Budget and Impoundment Control Act of 1974; and the President shall take such action under subsection (d)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985 as is necessary to ensure that the deficit for such fiscal year does not exceed such maximum deficit amount.

"(2) Subject to paragraph (3) of this subsection, the deficit set forth in the budget so transmitted for any fiscal year shall not exceed the maximum deficit amount specified for such fiscal year in section 3(7) of the Congressional Budget and Impoundment Control Act of 1974, with budget outlays and Federal revenues at such levels as the President may consider most desirable and feasible.

"(3) Paragraph (2) shall not apply with respect to any fiscal year for which a declaration of war has been enacted.".

(2) REVISIONS AND SUPPLEMENTAL SUMMARIES.—Section 1106 of title 31, United States Code, is amended by adding at the end thereof the following new subsection:

"(c) Subsection (f) of section 1105 shall apply to revisions and supplemental summaries submitted under this section to the same extent that such subsection applies to the budget submitted under section 1105(a) to which such revisions and summaries relate.".

(d) EMERGENCY POWERS TO ELIMINATE DEFICITS IN EXCESS OF MAXIMUM DEFICIT AMOUNTS.—

(1) REPORTING OF DEFICITS IN EXCESS OF MAXIMUM DEFICIT AMOUNTS.—

(A) IN GENERAL.—The Director of the Office of Management and Budget and the Director of the Congressional Budget Office (hereafter in this section referred to as "the Directors") shall, with respect to any fiscal year (I) estimate the levels of total revenues and budget outlays that may be anticipated for such fiscal year, (II) determine whether the deficit for such fiscal year will exceed the maximum deficit amount for such fiscal year and whether such excess is statistically significant, and (III) estimate the rate of real economic growth that will occur during such fiscal year and the rate of economic growth that will occur during each quarter of such fiscal year. The Directors jointly shall report to the President and to the Congress on November 1 of such fiscal year (in the case of the fiscal year beginning October 1, 1985) and on the September 25 preceding each such fiscal year (in the case of any succeeding fiscal year), identifying the amount of any excess, stating whether such excess is statistically significant, specifying the estimated rate of real economic growth for such fiscal year and for each quarter of such fiscal year, and specifying the percentages by which automatic spending increases and controllable expenditures shall be reduced during such fiscal year in order to eliminate any such excess. In the event that the Directors are unable to agree on an amount to be set forth with respect to any item in any such report, the amount set forth for such item in such report shall be the average of the amounts proposed by each of them with respect to such item.

(B) EXCEPTION.—Subparagraph (A) shall not apply to any fiscal year for which a declaration of war has been enacted.

(2) PRESIDENTIAL ORDER.—

(A) CONTENTS.—

(i) IN GENERAL.—Upon receipt of any report from the Directors under paragraph (1) of this subsection which identifies a statistically significant amount by which the deficit for a fiscal year will exceed the maximum deficit amount for such fiscal year, the President shall eliminate the full amount of the deficit excess by issuing an order that—

(I) subject to clauses (ii), (iii), and (iv) of this subparagraph, and notwithstanding the

Impoundment Control Act of 1974, eliminates one-half of such excess by modifying or suspending the operation of each provision of Federal law that would (but for such order) require an automatic spending increase to take effect during such fiscal year, in such a manner as to reduce by a uniform percentage (but not below zero) the amount of outlay increase under each such provision, and

(II) subject to clauses (ii), (iii), and (iv) of this subparagraph, eliminates one-half of such excess by sequestering from each affected program, project, or activity (as defined in the most recently enacted relevant appropriations Acts and accompanying committee reports) or from each affected account if not so defined, for funds provided in annual appropriations Acts or, otherwise from each budget account, such amounts of budget authority, obligation limitation, other budgetary resources, and loan limitation, and by adjusting payments provided by the Federal Government, to the extent necessary to reduce the outlays for each controllable expenditure by a uniform percentage: *Provided*, That any periodic payments to individuals or families which are in the nature of income support, supplementation, or assistance (including payments made pursuant to section 32 of the Internal Revenue Code of 1954 as amended), and which are paid to such individuals or families directly by the United States (or by a person or entity acting as an agent of the United States) shall not be reduced pursuant to this subclause to a level which is lower than the level that would be payable in the absence of this subclause.

and shall transmit to both Houses of the Congress a message—

(III) identifying—

(aa) the total amount and the percentage by which automatic spending increases are to be reduced under subclause (I) of this clause;

(bb) the total amount of budget authority, obligation limitations, loan limitations, and other budgetary resources which is to be sequestered under subclause (II) of this clause with respect to controllable expenditures;

(cc) the amount of budget authority, obligation limitations, loan limitations, and other budgetary resources which is to be sequestered with respect to each such controllable expenditure in order to reduce it by the required percentage; and

(dd) the account, department, or establishment of the Government to which each amount of budget authority, obligation limitations, loan limitations, and other budgetary resources described in subclause (II) of this clause would be available for obligation; and

(IV) providing full supporting details with respect to each action to be taken under subclause (I) or (II) of this clause.

Upon receipt in the Senate and the House of Representatives, the message shall be referred to all committees with jurisdiction over programs, projects, or activities affected by it.

(ii) EXCEPTION.—If, in order to reduce by one-half the amount by which the deficit for a fiscal year exceeds the maximum deficit amount for such fiscal year, actions under clause (i)(I) would require the reduction of automatic spending increases below zero, then, in order not to require such reductions below zero, the remaining amount shall be achieved through further uniform reductions under clause (i)(II).

(iii) LIMITATION.—No action taken by the President under subclause (I) or (II) of clause (i) shall have the effect of eliminating any program, project, or activity of the Federal Government.

(iv) LIMITATION.—Any automatic spending increases modified or suspended, or any amounts of budget authority, obligation limitation, other budgetary resources, or loan limitations sequestered by an order of the President under this Act are permanently cancelled, and the legal rights, if any, of persons to receive such automatic spending increases shall be deemed to be extinguished to the extent that the operation of laws providing for such increases are modified or suspended by such an order.

(v) Nothing in subclause (I) or (II) of clause (i) shall be construed to give the President new authority to alter the relative priorities in the Federal budget that are established by law, and no person who is, or becomes, eligible for benefits under any provision of law shall be denied eligibility by reason of this section.

(B) DATE ISSUED.—

(i) POSITIVE REAL ECONOMIC GROWTH.—If the estimate of real economic growth set forth in a report transmitted under paragraph (1) of this subsection is zero or greater, the President shall issue the order required to be issued under this subsection pursuant to such report not later than 14 days after transmittal of such report.

(ii) NEGATIVE REAL ECONOMIC GROWTH.—If the estimate of real economic growth set forth in a report transmitted under paragraph (1) of this subsection is less than zero with respect to such fiscal year or with respect to each of any two consecutive quarters of such fiscal year, the President shall issue the order required to be issued under this subsection pursuant to such report not later than 30 days after transmittal of such report.

(C) EFFECTIVE DATE.—

(i) IN GENERAL.—Except to the extent that it is superseded by a reconciliation bill or reconciliation resolution enacted or adopted under paragraph (3) of this subsection, an order issued pursuant to this paragraph shall become effective 30 days after its issuance. Any modification or suspension by such order of the operation of a provision of law that would (but for such order) require an automatic spending increase to take effect during a fiscal year shall apply for the one-year period beginning with the date on which such automatic increase would have taken effect during such fiscal year (but for such order).

(ii) WITHHOLDING OF BUDGET AUTHORITY FOR THIRTY-DAY PERIOD.—During the 30-day period referred to in clause (i), the President shall withhold from obligation the amounts that would have been suspended or sequestered under such order with respect to such 30-day period if the order issued pursuant to this paragraph had become effective on the date of its issuance. If a reconciliation bill or reconciliation resolution enacted or adopted under paragraph (3) of this subsection becomes law on or before the last day of such 30-day period, amounts withheld from obligation pursuant to the preceding sentence shall be made available for obligation to the extent permitted by such reconciliation bill or reconciliation resolution. If such a reconciliation bill or reconciliation resolution does not become law during such period, the budget authority withheld from obligation under the first sentence of this clause shall be permanently cancelled as described in paragraph (2)(A)(iv) of this subsection.

(D) PROPOSAL OF ALTERNATIVES.—A message transmitted pursuant to this paragraph with respect to a fiscal year may be accompanied by a proposal setting forth in full detail alternative ways to reduce the deficit for such fiscal year to an amount not greater than the maximum deficit amount for such fiscal year. Upon receipt in the Senate and the House of Representatives, the message and any accompanying proposal shall be referred to all committees with jurisdiction over programs, projects, or activities affected by it.

(3) CONGRESSIONAL ACTION.—

(A) REPORTING OF CONCURRENT RESOLUTIONS AND RECONCILIATION BILLS AND RESOLUTIONS.—

(i) IN GENERAL.—Not later than 10 days after issuance of an order by the President under paragraph (2) with respect to a fiscal year, the Committee on the Budget of the House of Representatives and the Senate may report to its House a concurrent resolution. The concurrent resolution may affirm the impact of the order issued under paragraph (2), in whole or in part. To the extent that any part of the order is not affirmed, the concurrent resolution shall state which parts are not affirmed and shall contain instructions to committees of the House and the Senate of the type referred to in section 310(a) of the Congressional Budget Act of 1974, sufficient to achieve at least the total level of deficit reduction contained in those sections which are not affirmed.

(ii) RESPONSE OF COMMITTEES.—Committees instructed pursuant to clause (i) of this subparagraph, or affected thereby, shall submit their responses to their respective Budget Committees no later than 10 days after the conference report on the concurrent resolution referred to in clause (i) is agreed to in both Houses, except that if in either House only one such Committee is so instructed such Committee shall, by the same date, report to its House a reconciliation bill or reconciliation resolution containing its recommendations in response to such instructions. A committee shall be considered to have complied with all instructions to it pursuant to a concurrent resolution adopted under clause (i) if it has made recommendations with respect to matters within its jurisdiction which would result in a reduction in the deficit at least equal to the total reduction directed by such instructions.

(iii) BUDGET COMMITTEE ACTION.—Upon receipt of the recommendations received in response to a concurrent resolution referred to in clause (i) of this subparagraph, the Budget Committee of each House shall report to its respective House a reconciliation bill or reconciliation resolution, or both, carrying out all such recommendations without any substantive revisions. In the event that a committee instructed in a concurrent resolution referred to in clause (i) fails to submit any recommendation (or, when only one committee is instructed, fails to report a reconciliation bill or resolution) in response to such instructions, the Budget Committee of the relevant House shall include in the reconciliation bill or reconciliation resolution reported pursuant to this clause legislative language within the jurisdiction of the non-complying committee to achieve the amount of deficit reduction directed in such instructions.

(iv) POINT OF ORDER.—It shall not be in order in the House of Representatives or the Senate to consider or agree to any bill or resolution reported under clause (iii) with respect to a fiscal year, any amendment thereto, or any conference report thereon if—

(I) the enactment of such bill or resolution as reported;

(II) the adoption and enactment of such amendment; or

(III) the enactment of such bill or resolution in the form recommended in such conference report;

would cause the amount of the deficit for such fiscal year to exceed the amount of the deficit set forth in the most recently agreed to concurrent resolution on the budget for such fiscal year or the maximum deficit amount for such fiscal year, unless the report submitted under paragraph (1)(A) projects negative real economic growth for such fiscal year, or for each of any two consecutive quarters during such fiscal year.

(v) TREATMENT OF CERTAIN AMENDMENTS.—An amendment which adds to a concurrent resolution reported under clause (i) an instruction of the type referred to in such clause shall be in order during the consideration of such resolution if such amendment would be in order but for the fact that it would be held to be non-germane on the basis that the instruction constitutes new matter.

(vi) DEFINITION.—For purposes of clauses (i) and (ii), the term "day" shall mean any calendar day on which either House of the Congress is in session.

(B) PROCEDURES.—

(i) IN GENERAL.—Except as provided in subclause (ii), the provisions of sections 305 and 310 of the Congressional Budget Act of 1974 for the consideration of concurrent resolutions on the budget and conference reports thereon shall also apply to consideration of concurrent resolutions, and reconciliation bills and reconciliation resolutions reported under this paragraph and conference reports thereon.

(ii) LIMIT ON DEBATE.—Debate in the Senate on any concurrent resolution reported pursuant to subclause (i) of subparagraph (A), and all amendments thereto and debatable motions and appeals in connection therewith, shall be limited to 10 hours.

(iii) LIMITATION ON AMENDMENTS.—Section 310(c) of such Act (as added by subsection (b)(4)(B) of this section) shall apply to reconciliation bills and reconciliation resolutions reported under this paragraph.

(iv) COMPLIANCE WITH INSTRUCTIONS.—Section 310 of the Congressional Budget Act of 1974 is amended by adding at the end thereof the following new subsection:

"(g) COMPLIANCE WITH RECONCILIATION DIRECTIONS.—Any committee of a House of the Congress that is directed, pursuant to a concurrent resolution on the budget to recommend changes of the type described in paragraphs (1) and (2) of subsection (a) with respect to laws within its jurisdiction, shall be deemed to have complied with such directions—

"(1) if—

"(A) the amount of the changes of the type described in paragraph (1) of such subsection recommended by such committee, and

"(B) the amount of the changes of the type described in paragraph (2) of such subsection recommended by such committee,

do not exceed or fall below the amount of the changes such committee was directed by such concurrent resolution to recommend under such paragraph by more than 20 percent of the total of the amounts of the changes such committee was directed to make under both such paragraphs; and

"(2) if the total amount of the changes recommended by such committee is not less than the total of the amounts of the changes such committee was directed to make under both such paragraphs.".

(4) DEFINITIONS.—For purposes of this subsection:

(A) The term "automatic spending increase" shall include all Federal programs indexed directly, whether appropriated or contained in current law. This shall not include increases in Government expenditures due to changes in program participation rates. Such term shall not include any increase in benefits payable under the old-age, survivors, and disability insurance program established under title II of the Social Security Act.

(B) The term "budget outlays" has the meaning given to such term in section 3(1) of the Congressional Budget and Impoundment Control Act of 1974.

(C) The term "concurrent resolution on the budget" has the meaning given to such term in section 3(4) of the Congressional Budget and Impoundment Control Act of 1974.

(D) The term "deficit" has the meaning given to such term in section 3(6) of the Congressional Budget and Impoundment Control Act of 1974.

(E) The term "maximum deficit amount" has the meaning given to such term in section 3(7) of the Congressional Budget and Impoundment Control Act of 1974.

(F) The term "real economic growth" means, with respect to a fiscal year, the nominal growth in the production of goods and services during such fiscal year, adjusted for inflation.

(G) The term "controllable expenditures" means total budget outlays for any account, or any program, project, or activity enumerated by annual appropriation Acts and by applicable committee reports, except those described in subparagraph (A) and except outlays for benefits payable under the old-age, survivors, and disability insurance program established under title II of the Social Security Act, outlays due to increases in program participation rates, outlays for prior-year obligations, and outlays for interest on the public debt. Such term shall also include funds for existing contracts unless—

(i) penalty provisions in such contract would produce a net loss to the Government; or

(ii) reduction of the contract violates legal obligations of the Government.

(H) The term "sequester" means the permanent cancellation of budget authority, obligation limitations, other budgetary resources, or loan limitations, to the extent necessary to reduce each controllable expenditure by a uniform percentage.

(I) The term "other budgetary resources" means unobligated balances, reimbursements, receipts credited to an account, and recoveries of prior-year obligations.

(J) The amount by which the deficit for a fiscal year exceeds the maximum deficit amount for such fiscal year shall be treated as "statistically significant" if the amount of such excess is greater than 5 percent of such maximum deficit amount. For purposes of the fiscal year beginning October 1, 1985, the preceding sentence shall be applied by substituting "7" for "5".

(e) BUDGETARY TREATMENT OF SOCIAL SECURITY TRUST FUNDS.—

(1) FISCAL YEARS 1986 THROUGH 1992.—

(A) IN GENERAL.—Section 710 of the Social Security Act (as added by paragraph (1) of subsection (a) of section 346 of the Social Security Amendments of 1983) is amended—

(i) by striking out all beginning with "the" the first place it appears down through "Disability Insurance Trust Fund, the" and inserting in lieu thereof "The";

(ii) by striking out "sections 1401, 3101, and 3111" and inserting in lieu thereof "1401(b), 3101(b), and 3111(b)";

(iii) by redesignating all after the section designation as subsection (b);

(iv) by inserting after the section designation the following:

"(a) The receipts and disbursements of the Federal Old-Age and Survivors Insurance Trust Fund and the Disability Insurance Trust Fund, and the taxes imposed under sections 1401(a), 3101(a), and 3111(a) of the Internal Revenue Code of 1954, shall not be included in the totals of the budget of the United States Government as submitted by the President or of the congressional budget and shall be exempt from any general budget limitation imposed by statute on expenditures and net lending (budget outlays) of the United States Government."; and

(v) by adding at the end thereof the following new subsection:

"(c) No provision of law enacted after the date of the enactment of the Balanced Budget and Emergency Deficit Control Act of 1985 (other than a provision of an appropriation Act that appropriates funds authorized under the Social Security Act as in effect on the date of enactment of the Balanced Budget and Emergency Deficit Control Act of 1985) may provide for payments from the general fund of the Treasury to the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, or for payments from any such Trust Fund to the general fund of the Treasury.".

(B) APPLICATION.—The amendments made by subparagraph (A) shall apply with respect to fiscal years beginning after September 30, 1985, and ending before October 1, 1992.

(2) FISCAL YEAR 1993 AND THEREAFTER.—Section 710(a) of the Social Security Act (42 U.S.C. 911 note), as amended by section 346(b) of the Social Security Amendments of 1983 (to be effective with respect to fiscal years beginning after September 30, 1992) is amended by—

(A) inserting "(1)" after the subsection designation; and

(B) adding at the end thereof the following new paragraph:

"(2) No provision of law enacted after the date of the enactment of the Balanced Budget and Emergency Deficit Control Act of 1985 (other than a provision of an appropriation Act that appropriates funds authorized under the Social Security Act as in effect on the date of enactment of the Balanced Budget and Emergency Deficit Control Act of 1985) may provide for payments from the general fund of the Treasury to any Trust Fund specified in paragraph (1) or for payments from any such Trust Fund to the general fund of the Treasury.".

(f) BUDGET ACT WAIVERS.—Section 904 of the Congressional Budget Act is amended—

(1) by striking out subsection (b) and inserting in lieu thereof the following new subsection:

"(b) Except as provided in subsection (c), any provision of title III or IV may be waived or suspended in the Senate by a majority vote of the Members voting, a quorum being present, or by the unanimous consent of the Senate."; and

(2) by redesignating subsection (c) as subsection (d), and inserting after subsection (b) the following new subsection:

"(c) The provisions of section 305(b)(2) and section 306 of this Act may be waived or suspended in the Senate and the House of Representatives only by the affirmative vote of three-fifths of the members of that House duly chosen and sworn.".

(g) OTHER WAIVERS AND SUSPENSIONS.—The provisions of the Balanced Budget and Emergency Deficit Control Act of 1985 may be waived or suspended in the Senate and the House only by the affirmative vote of three-fifths of the members of that House duly chosen and sworn.

(h) SUPPLEMENTAL BUDGET ESTIMATES.—Section 1106 of title 31, United States Code, is amended by striking out "July 16" each place it appears and inserting in lieu thereof "September 16".

(i) POINT OF ORDER.—Notwithstanding any other provision of law, it shall not be in order in the Senate or House of Representatives to consider any reconciliation bill or reconciliation resolution reported pursuant to a concurrent resolution on the budget agreed to under section 301 or 304 of the Congressional Budget Act of 1974, or any amendment thereto, or conference report thereon that contains recommendations with respect to the Federal Old-Age Survivors Trust Fund or the Federal Disability Insurance Trust Fund, with respect to revenues attributable to the taxes imposed under sections 1401(a), 3101(a), and 3111(a) of the Internal Revenue Code of 1954, or with respect to the old-age, survivors, and disability insurance program established under title II of the Social Security Act.

(j) APPLICATION.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), this section and the amendments made by this section shall become effective on the date of the enactment of this section and shall apply with respect to fiscal years beginning after September 30, 1985, and before October 1, 1991.

(2) EXCEPTION.—The amendments made by subsections (b)(1), (b)(2)(A), (b)(3)(A), (b)(5)(A)(i), and (c) of this section shall apply with respect to fiscal years beginning after September 30, 1986, and before October 1, 1991.

(3) OASDI TRUST FUNDS.—The amendments made by subsection (e) shall apply as provided in such subsection.

(k) The provisions of this Act, other than those relating to the activities of the executive branch, are enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such they shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

(l) SENSE OF THE SENATE.—It is the sense of the Senate that any funding reductions or sequestering of controllable expenditures implemented by the various Federal agencies as a result of this Act shall be made uniformly and shall not disproportionately be made in the funding of programs targeted for rural and lesser populated areas.

(m) REPORT REQUIRED.—The Directors of the Office of Management and Budget and the Congressional Budget Office, and the Secretary of the Treasury, shall jointly report to the President and to the Committee on Finance and the Committee on Ways and Means on the projected level of revenues which would be raised by increased and improved tax enforcement and collection through audits, examinations, and other methods designed to eliminate tax cheating and increase revenue collections from individuals and corporations evading Federal taxation. The report shall include an analysis of measures which can be implemented to increase voluntary compliance with tax laws, including increased staff for taxpayer assistance, speedier processing of returns, improved information processing and collection, and public education designed to increase public trust and understanding of the Internal Revenue Service enforcement efforts. The report shall also include an estimate of the level of increased expenditures for Internal Revenue Service enforcement and compliance efforts at which additional expenditures would not yield additional revenues of at least $2 of revenue for every $1 in expenditures. The report shall be issued on an annual basis no later than the date on which the President submits a proposed budget for each fiscal year to the Congress.

(n) TREATMENT OF CERTAIN COST-OF-LIVING ADJUSTMENTS.—During the time in which a sequester order is in effect, any cost of living adjustment for Social Security shall not count as income for purposes of determining Supplemental Security Income payments or payments from any other programs which are offset as a consequence of cost-of-living adjustments for Social Security.

(o) Section 1105(c) of title 31, United States Code, is amended—

(1) by striking out "The" the first place it appears and inserting in lieu thereof "(1) Notwithstanding any other provision of law, the";

(2) by inserting "(other than action that would require an increase in borrowing authority or an increase in the limit imposed by section 3101(b) of this title by more than the applicable amount for the fiscal year for which the budget is submitted)" after "action" the first place it appears; and

(3) by adding at the end thereof the following new paragraph:

"(2) For purposes of this subsection, the term 'applicable amount' means—

"(A) with respect to the fiscal year beginning October 1, 1986, $144,000,000,000;

"(B) with respect to the fiscal year beginning October 1, 1987, $108,000,000,000;

"(C) with respect to the fiscal year beginning October 1, 1988, $72,000,000,000;

"(D) with respect to the fiscal year beginning October 1, 1989, $36,000,000,000; and

"(E) with respect to the fiscal year beginning October 1, 1990, and each fiscal year thereafter, zero.".

(p)(1) In preparing any report required under subsection (d)(1) for a fiscal year, the Directors shall comply with this subsection.

(2) The Directors shall—

(A) examine—

(i) each contract with a total amount of budget authority in excess of $20,000,000 under which outlays will be made in such fiscal year to determine whether such contract includes provisions for adjusting outlays in such fiscal year under such contract as a result of inflation; and

(ii) any other Government activity which the Directors consider appropriate under which outlays in such fiscal year will be increased as a result of inflation; and

(B) assume, in determining the total amount of outlays which will be made in such fiscal year, that the adjustments for inflation made in contracts described in clause (i) of subparagraph (A) and activities described in clause (ii) of such subparagraph will be made on the best available estimate of inflation for such fiscal year.

(3) In the event that the Directors are unable to agree under paragraph (2) on an amount of outlays with respect to any particular contract or activity, the Directors shall use the average of the amounts proposed by each of them with respect to such contract or activity.

SEC. . Any contract entered into after a sequester order has been issued for the applicable fiscal year, by which the commodity credit corporation and entities providing Federal guarantees for student loans shall agree to make payments out of an entitlement account to any person, lender or guarantee entity shall be deemed to be controllable expenditures and shall be subject to reduction under the Presidential order, and any such contract shall explicitly provide for such reduction for the entire contractual period: *Provided*, That in regard to commodity loans made by the Commodity Credit Corporation to producers or producer cooperatives for a commodity produced in the same crop year, those loans for the same commodity shall be subject to the same terms and conditions.

Provided, That noncontract programs supported through the Commodity Credit Corporation shall be deemed to be controllable be expenditures and shall be subject to reduction in the same fashion as other programs under the Presidential Order.

Provided further, That the reduction in the level of commodity price support programs, supported through the Commodity Credit Corporation, shall not exceed a uniform percentage of reduction specified for those programs in the requester order.

At the end of the joint resolution add the following new section:

SEC. .

(a) The Senate finds that—

(1) the four men identified as the hijackers of the Achille Lauro were responsible for brutally murdering an innocent American citizen, Leon Klinghoffer and for terrorizing hundreds of innocent crew members and passengers for two days;

(2) the United States urges all countries to aid in the swift apprehension, prosecution and punishment of the terrorists; and

(3) the United States should not tolerate any country providing safe harbor or safe passage to the terrorists.

(b) It is the sense of the Senate that—

(1) the United States demands that no country provide safe harbor or safe passage to these terrorists;

(2) the United States expects full cooperation of all countries in the apprehension, prosecution and punishment of these terrorists; and

(3) the United States cannot condone the release of terrorists or the making of concessions to terrorists.

The United States identify those individuals responsible for the seizure of the Achille Lauro and the cold-blooded murder of Leon Klinghoffer, as well as those countries and groups that aid and abet such terrorist activities, and take the strongest measures to ensure that those responsible for this brutal act against an American citizen are brought to justice.

Mr. METZENBAUM. I thank the Senator.

Mr. EAGLETON. Will the Senator from New Mexico yield?

Mr. DOMENICI. I yield the floor.

Mr. EAGLETON. I have an amendment and I explained to the Senator from New Mexico what the amendment was. It was drafted in an earlier version. I ask unanimous consent, when the Domenici substitute is adopted, that my amendment be in order to his substitute.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. Reserving the right to object, I did not quite understand.

Mr. EAGLETON. My amendment that I just discussed briefly over here—we have all been waiting around here since 5 o'clock—was drafted to the Gramm-Rudman amendment. I am asking unanimous consent that my amendment just be in order to be offered to this Domenici substitute that we are about to adopt. I am not asking for the adoption of the amendment. I am asking that it be in order to offer it to the Domenici substitute, instead of redrafting it.

Mr. DOMENICI. I have no objecton. I understand this is difficult and the Senator does not want to have to redraft it. It will be in order, but it will apply to provisions as we adopt them, not the prior amendment. I have no objection.

Mr. EAGLETON. I thank the Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, at about a quarter to 8, we were advised that it would be a few minutes and there would be no other amendments. It is now 25 after 8. I thought 8:30 would be a good time to go home. If there is not any further progress, I am going to ask unanimous consent that we have a period for routine morning business not to extend beyond the hour of 8:35.

Mr. CRANSTON. If the majority leader will yield, it will be a matter of a few minutes.

Mr. DOLE. I do not know what is happening over there.

Mr. CRANSTON. We know of no others.

Mr. DOLE. I was told there would be no others.

Mr. PACKWOOD. There will be another one.

Mr. BYRD. Does the Senator know there will be another one?

Mr. PACKWOOD. No, but we know there will be another one.

Mr. BYRD. The majority leader has to protect his side and I have to protect my side. I know of no other one.

Mr. PACKWOOD. But there will be another one.

Mr. BYRD. Mr. President, I know of no other one. The leader may go out until the morning if he wishes, but I did tell him that I know of no amendment.

We have contacted Senator MELCHER and he has no amendment.

Mr. DOMENICI. Why not get consent for no other amendments?

Mr. BYRD. The majority leader may go ahead and get consent that there be no more amendments after this one.

Mr. DOMENICI. It is a modification that I shall send to the desk. It is not Senator CRANSTON. If Senator EAGLETON has an amendment, let him go.

Mr. DOLE. Mr. President, I ask unanimous consent that following the disposition of the Domenici modification and an amendment by the distinguished Senator from Missouri [Mr. EAGLETON] there be no further amendments in order to the public debt limit extension.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I ask unanimous consent that the Domenici-Chiles amendment be temporarily laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 773

(Purpose: To adjust the provisions that would trigger automatic deficit reductions for the fiscal year 1986)

Mr. EAGLETON. Mr. President, I have an amendment at the desk. I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Missouri [Mr. EAGLETON] proposes an amendment numbered 773.

Mr. EAGLETON. I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end, add the following new subsection:

( )(1) Notwithstanding the second sentence of subsection (d)(1) of this section, the Directors shall jointly report to the President and the Congress the matters described in such subsection on October 1, February 15, and May 1 of each fiscal year, except that with respect to fiscal year 1986, the Directors shall jointly report to the President and the Congress the matters described in such subsection on November 1, February 15, and May 1 of such fiscal year.

(2) Notwithstanding any other provision of this section or of the amendments made by this section, the term "maximum deficit amount" shall mean, with respect to the fiscal year beginning October 1, 1985, $175,000,000,000.

(3) Notwithstanding the second sentence of subsection (d)(1)(H) of this section, the amount by which the deficit for the fiscal year beginning October 1, 1985, exceeds the maximum deficit amount for such fiscal year shall be treated as "statistically significant" if the amount of such excess is greater than 5 percent of such maximum deficit amount.

Mr. EAGLETON. Mr. President, I ask unanimous consent that Senators EXON and KERRY be added as cosponsors of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EAGLETON. Let me describe this amendment, Mr. President. I shall be very brief.

Mr. President, this amendment is what a football coach might call a gut check. It is in the same spirit as the Kerry-Exon amendment offered yesterday and, frankly, I expect the vote on this amendment will go much along the same lines. The purpose of this amendment, however, is important and I believe it is worth the time of this body to reemphasize. This amendment simply says that rather than waiting until after next year's elections to do something about this administration's disastrous budget deficits, we are going to summon up the courage to do something right now.

If the Gramm-Rudman amendment is the all-purpose answer to the deficit problem that it is advertised to be, then what are we waiting for? Our Nation's deficit for this year is estimated to be at least $192 billion. The fiscal year is a mere 10 days old. Surely it isn't too late to do something about 1986 if we are truly serious about this problem. It is time to stand up and be counted, to use that old cliche. Let's let the American people judge for themselves whether this is a genuine effort to deal with the problem or simply an election ploy designed to fool them and carry us past the 1986 elections.

Mr. President, this amendment does two things. First, it adds to the reporting period in the bill the additional reporting dates of February 15 and May 1.

Second, it returns to the essence of the original Gramm-Rudman amendment by adopting an allowable deficit figure for fiscal year 1986 of $175 billion plus a margin for statistical significance of 5 percent. The $175 billion figure is the CBO reestimate of the cost of all the items included in fiscal year 1986 budget resolution.

Only a few weeks ago, Congress adopted a budget resolution which set a maximum allowable deficit of $172 billion. What possible justification can there be for now increasing that allowable deficit figure to $130 billion with a 7 percent safety margin, meaning

that it could go as high as $192 billion? That's what Gramm-Rudman does. Gramm-Rudman-Hollings is an amendment touted by its sponsors as a tough new approach to our deficit problems. But in fact Gramm-Rudman means we will have more, not less, deficit spending this year to get us past the 1986 elections.

Only after those elections will the American people discover that Gramm-Rudman-Hollings really means more of the tired old supply-side policies we have seen for 5 years—tax cuts for the rich and budget cuts for the poor.

Mr. PACKWOOD addressed the Chair.

Mr. EAGLETON. Mr. President, I offer no illusions——

The PRESIDING OFFICER. The Senator from Missouri will suspend for just a few moments.

Mr. PACKWOOD. Mr. President, I ask to vitiate the cloture vote on both motions.

The PRESIDING OFFICER. Is the Senator asking unanimous consent?

Mr. PACKWOOD. Unanimous consent to vitiate the cloture vote on both motions.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Missouri.

Mr. EAGLETON. Mr. President, I offer no illusions that an amendment which would have the effect of forcing the Congress to live up to the brave words of Gramm-Rudman has much hope of passing in an election year. But I think it is worth letting the American people know by our votes just exactly what kind of game is being played here.

Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HOLLINGS. Mr. President, I will be brief and get right to the point

The game is one of realism, and we have had a difficult time being realistic. I have to say we have had some very interesting votes with respect to Social Security. Everyone knows that I have advocated an across-the-board freeze, a shared sacrifice for all. I did not offer it today because I am trying to keep TIP O'NEILL in the game. I want to try to keep Ronald Reagan in the game, and therefore I voted against the Bradley amendment which called for a 5-percent cut in defense.

If you cut defense, then the President does not sign it. If you put Social Security back on the table, then TIP O'NEILL opposes it.

I say to the Senator from Missouri, we did not establish these particular levels, which 75 percent of the Senate approved, just to get through fiscal year 1986. Senator EAGLETON is correct, nothing traumatic will happen during the months of October, November, and December, but in January 1986, when we begin to prepare the budget for fiscal year 1987, one heck of a lot is going to happen. Specifically, the President of the United States will have Mr. Miller, Director of OMB, prepare the fiscal year 1987 budget as early as October of this year.

They are very fearful. They have approached us, and this Senator would not change his mind with respect to the 3-percent real growth guaranteed in the defense budget for the next fiscal year. Thus you start out with a $25 billion increase in defense for fiscal year 1987. You have another $15 billion to $20 billion in COLA increases. You have another $30 billion which cannot be avoided because of interest costs. You have an additional $15 billion in there for rising health costs. That is a total of $90 billion of increases for fiscal year 1987.

So if you were the President, I say to the Senator from Missouri, you would be sitting there this fall trying to draw up a budget knowing that you have some $85 billion to $90 billion in increases. You look at what we are passing here this evening, and you find you have got to drop that deficit from $195 billion down to $144 billion for the next fiscal year. You have got to submit that in January. Some very difficult choices will have to be made.

The distinguished Senator from New Mexico is telling me to wind it up. I just wanted to say that we are not playing games. We will have some very difficult decisions to make in 1986. I hope we do not pass this amendment. Let us stay realistic in this game.

Mr. PACKARD. Mr. President, this really is a killer amendment. Here we have a bill before us drawn by the fiscal wastrels Gramm-Rudman-Hollings who say the deficit we can expect next year is $180 billion and 7-percent fluctuation because we drafted a budget based upon funny money this year. We have the Senator from Georgia worrying if we had an amendment in existence we would have had to cut $13 billion out of the military this year, starting at the first of the fiscal year. Now we have an amendment coming in and saying $180 billion is too much, let us go for $175 billion and 5 percent, when every one of us know we will have a very difficult time meeting $180 billion at 7-percent fluctuation. This amendment will kill this process aborning. I move to lay it on the table, and I ask for the yeas and nays.

Mr. NUNN. Will the Senator yield for a 10-second observation? My example was to fiscal year 1985.

Mr. PACKWOOD. It will even be worse next year.

Mr. NUNN. Probably.

Mr. PACKWOOD. I move to lay on the table and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oregon.

The Clerk will call the roll.

Mr. SIMPSON. I announce that the Senator from Mississippi [Mr. COCHRAN], the Senator from Minnesota [Mr. DURENBERGER], the Senator from North Carolina [Mr. EAST], the Senator from Oregon [Mr. HATFIELD], the Senator from Idaho [Mr. MCCLURE] and the Senator from Kentucky [Mr. MCCONNELL] are necessarily absent.

I also announce that the Senator from Maryland [Mr. MATHIAS], is absent on official business.

I further announce that, if present and voting, the Senator from Minnesota [Mr. DURENBERGER] would vote "yea."

Mr. CRANSTON. I announce that the Senator from Texas [Mr. BENTSEN], the Senator from Ohio [Mr. METZENBAUM], the Senator from Rhode Island [Mr. PELL] and the Senator from Mississippi [Mr. STENNIS] are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island [Mr. PELL] would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 46, nays 43, as follows:

[Rollcall Vote No. 221 Leg.]

YEAS—46

Abdnor	Gramm	Pressler
Andrews	Grassley	Quayle
Armstrong	Hatch	Roth
Boschwitz	Hawkins	Rudman
Bradley	Hecht	Simpson
Chafee	Heinz	Specter
Cohen	Helms	Stafford
D'Amato	Hollings	Stevens
Danforth	Humphrey	Symms
Denton	Kassebaum	Thurmond
Dole	Laxalt	Trible
Domenici	Long	Wallop
Evans	Lugar	Warner
Garn	Mattingly	Wilson
Goldwater	Murkowski	
Gorton	Packwood	

NAYS—43

Baucus	Glenn	Mitchell
Biden	Gore	Moynihan
Bingaman	Harkin	Nickles
Boren	Hart	Nunn
Bumpers	Heflin	Proxmire
Burdick	Inouye	Pryor
Byrd	Johnston	Riegle
Chiles	Kasten	Rockefeller
Cranston	Kennedy	Sarbanes
DeConcini	Kerry	Sasser
Dixon	Lautenberg	Simon
Dodd	Leahy	Weicker
Eagleton	Levin	Zorinsky
Exon	Matsunaga	
Ford	Melcher	

NOT VOTING—11

Bentsen	Hatfield	Metzenbaum
Cochran	Mathias	Pell
Durenberger	McClure	Stennis
East	McConnell	

So the motion to table was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. PACKWOOD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LONG. Mr. President, there are some tables that appear in the committee report which in my judgment should be a part of the RECORD. They show how the Nation came to have such a large debt and how it relates to other relevant economic factors.

I ask unanimous consent that these tables, tables III-A through III-F, be printed in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE III-A—ESTIMATED NET GOVERNMENT AND PRIVATE DEBT BY MAJOR CATEGORIES

Year	Private [1]			State and local	Federal [2]	Total net debt	Percent Federal of total
	Corporate	Other	Total				
1929	88.9	72.9	161.8	13.6	16.5	191.9	8.6
1930	89.3	71.8	161.1	14.7	16.5	192.3	8.6
1931	83.5	64.9	148.4	16.0	18.5	182.9	10.1
1932	80.0	57.1	137.1	16.6	21.3	175.0	12.2
1933	76.9	51.0	127.9	16.3	24.3	168.5	14.4
1934	75.5	49.8	125.3	15.9	30.4	171.6	17.7
1935	74.8	49.7	124.5	16.1	34.4	175.0	19.7
1936	76.1	50.6	126.7	16.2	37.7	180.6	20.9
1937	75.8	51.1	126.9	16.1	39.2	182.2	21.5
1938	73.3	50.0	123.3	16.1	40.5	179.9	22.5
1939	73.5	50.8	124.3	16.4	42.6	183.3	23.2
1940	75.6	53.0	128.6	16.4	44.8	189.8	23.6
1941	83.4	55.6	139.0	16.1	56.3	211.4	26.6
1942	91.6	49.9	141.5	15.4	101.7	258.6	39.3
1943	95.5	48.8	144.3	14.5	154.4	313.2	49.3
1944	94.1	50.7	144.8	13.9	211.9	370.6	57.2
1945	85.3	54.7	140.0	13.4	252.5	405.9	62.2
1946	49.5	66.3	155.8	14.9	228.0	358.7	63.6
1947	56.7	80.4	137.1	16.3	220.8	374.2	59.0
1948	62.8	93.3	156.1	18.5	215.1	389.7	55.2
1949	64.6	104.1	168.7	21.0	217.7	407.4	53.4
1950	71.3	123.0	194.3	24.4	216.5	435.2	49.7
1951	79.6	135.7	215.3	26.6	216.1	458.0	47.2
1952	86.8	152.4	239.2	30.2	221.4	490.9	45.1
1953	91.0	168.6	259.6	34.5	228.4	522.6	43.7
1954	95.9	183.1	279.0	40.6	230.8	550.5	41.9
1955	104.2	212.4	316.7	45.9	230.0	592.6	38.8
1956	114.8	232.2	347.0	49.5	224.2	620.7	36.1
1957	124.7	250.5	375.2	53.7	222.0	650.8	34.1
1958	133.2	268.4	401.5	59.2	231.3	692.0	33.4
1959	143.5	302.3	445.9	65.5	238.3	749.7	31.8
1960	154.3	328.3	482.6	70.8	236.3	789.6	29.9
1961	165.1	355.1	520.1	75.9	243.5	839.4	29.0
1962	177.5	391.1	568.5	81.2	250.5	900.2	27.8
1963	190.2	437.7	627.9	86.9	254.4	969.3	26.3
1964	203.0	486.2	689.2	92.9	260.7	1,042.8	25.0
1965	221.6	540.1	761.6	100.3	262.4	1,124.4	23.3
1966	244.1	586.0	830.0	105.9	266.1	1,202.0	22.1
1967	269.5	626.6	896.0	113.7	279.1	1,288.8	21.7
1968	296.5	691.3	987.8	123.2	292.6	1,403.7	20.8
1969	325.5	766.4	1,091.8	133.1	289.0	1,514.0	19.1
1970	355.0	821.7	1,176.7	144.4	300.8	1,621.9	18.5
1971	380.1	910.0	1,290.1	161.8	325.7	1,777.6	18.3
1972	412.5	1,047.4	1,459.9	176.5	340.8	1,977.2	17.2
1973	461.3	1,208.2	1,669.4	191.2	349.1	2,209.7	15.8
1974	527.4	1,335.4	1,862.8	207.7	360.8	2,431.4	14.8
1975	548.5	1,429.8	1,978.3	223.8	446.3	2,648.4	16.9
1976	591.5	1,598.7	2,190.1	239.5	515.8	2,945.4	17.5
1977	662.6	1,830.3	2,492.9	262.9	572.5	3,328.4	17.2
1978	741.1	2,147.1	2,888.2	291.3	626.2	3,805.7	16.5
1979	836.5	2,476.5	3,313.0	321.6	663.6	4,298.1	15.4
1980	912.0	2,738.1	3,650.1	351.9	742.8	4,744.7	15.7
1981	1,010.8	3,021.7	4,032.4	374.6	830.1	5,237.2	15.9
1982	1,085.4	3,200.1	4,285.6	428.4	991.4	5,705.3	17.4
1983	1,144.9	3,557.8	4,702.7	484.6	1,177.9	6,365.3	18.5
1984	1,307.3	3,999.6	5,306.9	539.2	1,376.8	7,222.9	19.1

Footnotes follow table III-F.

TABLE III-B.—ESTIMATED PER CAPITA NET GOVERNMENT AND PRIVATE DEBT [3]

Year	Private [1]			State and local	Federal	Total net debt
	Corporate	Other	Total			
1929	726	595	1,321	111	135	1,367
1930	722	581	1,303	119	133	1,556
1931	671	521	1,192	129	129	1,469
1932	639	456	1,095	133	170	1,397
1933	610	405	1,015	129	193	1,337
1934	595	393	988	125	240	1,353
1935	586	389	975	126	269	1,370
1936	592	394	986	126	293	1,406
1937	586	395	981	124	303	1,409
1938	562	383	945	123	311	1,379
1939	557	384	941	124	323	1,388
1940	567	398	965	123	336	1,424
1941	619	413	1,032	120	418	1,570
1942	672	366	1,038	113	746	1,896
1943	691	353	1,044	105	1,117	2,267
1944	673	363	1,036	99	1,516	2,652
1945	604	387	991	95	1,788	2,874
1946	345	462	807	104	1,590	2,501
1947	388	551	939	112	1,512	2,562
1948	423	628	1,051	124	1,448	2,623
1949	428	688	1,116	139	1,440	2,696
1950	464	801	1,265	159	1,409	2,833

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TABLE III–B.—ESTIMATED PER CAPITA NET GOVERNMENT AND PRIVATE DEBT [3]—Continued

Year	Private [1]			State and local	Federal	Total net debt
	Corporate	Other	Total			
1951	509	869	1,378	170	1,382	2,930
1952	546	959	1,505	190	1,393	3,088
1953	563	1,043	1,606	213	1,413	3,232
1954	583	1,112	1,695	247	1,403	3,344
1955	622	1,268	1,890	274	1,373	3,537
1956	673	1,361	2,034	290	1,314	3,639
1957	718	1,444	2,162	309	1,279	3,751
1958	755	1,521	2,276	336	1,311	3,922
1959	800	1,686	2,486	365	1,329	4,179
1960	846	1,801	2,647	388	1,296	4,332
1961	891	1,917	2,808	409	1,314	4,532
1962	944	2,080	3,024	432	1,332	4,788
1963	998	2,295	3,293	456	1,334	5,084
1964	1,051	2,516	3,567	481	1,349	5,397
1965	1,133	2,762	3,895	513	1,342	5,750
1966	1,234	2,964	4,198	536	1,346	6,079
1967	1,349	3,135	4,484	569	1,397	6,450
1968	1,470	3,426	4,896	611	1,450	6,957
1969	1,597	3,759	5,356	653	1,418	7,427
1970	1,719	3,980	5,699	699	1,457	7,855
1971	1,820	4,355	6,175	774	1,559	8,509
1972	1,955	4,965	6,920	837	1,615	9,371
1973	2,166	5,674	7,840	898	1,639	10,378
1974	2,454	6,213	8,667	966	1,679	11,312
1975	2,526	6,587	9,113	1,031	2,056	12,199
1976	2,699	7,293	9,992	1,093	2,353	13,438
1977	2,992	8,264	11,256	1,187	2,585	15,028
1978	3,310	9,591	12,901	1,301	2,797	16,999
1979	3,694	10,936	14,630	1,420	2,930	18,981
1980	3,985	11,963	15,948	1,537	3,245	20,730
1981	4,374	13,078	17,452	1,621	3,593	22,666
1982	4,653	13,719	18,372	1,836	4,250	24,458
1983	4,864	15,115	19,979	2,059	5,804	27,043
1984	5,511	16,860	22,371	2,273	5,804	30,447

Footnotes follow table III–F.

TABLE III–C.—NET GOVERNMENT AND PRIVATE DEBT RELATED TO GROSS NATIONAL PRODUCT

[In billions of dollars; debt as a percent of gross national product]

Year	Gross national product	Private [1]			State and local	Federal [2]	Total net debt
		Corporate	Other	Total			
1929	103.4	86.0	70.5	156.4	13.2	16.0	185.6
1930	90.7	98.5	79.2	177.6	16.2	18.2	212.0
1931	76.1	109.8	85.3	195.1	21.0	24.3	240.4
1932	58.3	137.3	98.0	235.2	28.5	36.5	300.3
1933	55.8	137.8	91.4	229.1	29.2	43.5	301.9
1934	65.3	115.3	76.3	191.9	24.4	46.6	262.8
1935	72.5	103.2	68.6	171.7	22.2	47.5	241.4
1936	82.7	92.0	61.2	153.1	19.6	45.6	218.3
1937	90.9	83.4	56.2	139.6	17.7	43.1	200.5
1938	85.0	86.2	58.8	145.0	18.9	47.6	211.6
1939	90.9	80.8	55.9	136.7	18.0	46.9	201.6
1940	100.0	75.6	53.0	128.6	16.4	44.8	189.8
1941	125.0	66.7	44.5	111.2	12.9	45.0	169.1
1942	158.5	57.8	31.5	89.3	9.7	64.2	163.2
1943	192.1	49.7	25.4	75.1	7.5	80.4	163.0
1944	210.6	44.7	24.1	68.7	6.6	100.6	175.9
1945	212.4	40.2	25.7	65.9	6.3	118.9	191.1
1946	209.8	23.6	31.6	55.2	7.1	108.7	170.9
1947	233.1	24.3	34.5	58.8	7.0	94.7	160.6
1948	259.5	24.2	35.9	60.2	7.1	82.9	150.2
1949	258.3	25.0	40.3	65.3	8.1	84.3	157.7
1950	286.5	24.9	42.9	67.8	8.5	75.6	151.9
1951	330.8	24.1	41.0	65.1	8.0	65.3	138.5
1952	348.0	24.9	43.8	68.7	8.7	63.6	141.1
1953	366.8	24.8	46.0	70.8	9.4	62.3	142.5
1954	366.8	26.1	49.9	76.1	11.1	62.9	150.1
1955	400.0	26.1	53.1	79.2	11.5	57.5	148.1
1956	421.7	27.2	55.1	82.3	11.7	53.2	147.2
1957	444.0	28.1	56.4	84.5	12.1	50.0	146.6
1958	449.7	29.6	59.7	89.3	13.2	51.4	153.9
1959	487.9	29.4	62.0	91.4	13.4	48.8	153.7
1960	506.5	30.5	64.8	95.3	14.0	46.6	155.9
1961	524.6	31.5	67.7	99.2	14.5	46.4	160.0
1962	565.0	31.4	69.2	100.6	14.4	44.3	159.3
1963	596.7	31.9	73.3	105.2	14.6	42.6	162.4
1964	637.7	31.8	76.2	108.1	14.6	40.9	163.5
1965	691.1	32.1	78.2	110.2	14.5	38.0	162.7
1966	756.0	32.3	77.5	109.8	14.0	35.2	159.0
1967	799.6	33.7	78.4	112.1	14.2	34.9	161.2
1968	873.4	34.0	79.2	113.1	14.1	33.5	160.7
1969	944.0	34.5	81.2	115.7	14.1	30.6	160.4
1970	992.7	35.8	82.8	118.5	14.5	30.3	163.4
1971	1,077.6	35.3	84.4	119.7	15.0	30.2	165.0
1972	1,185.9	34.8	88.3	123.1	14.9	28.7	166.7
1973	1,326.4	34.8	91.1	125.9	14.4	26.3	166.6
1974	1,434.2	36.8	93.1	129.9	14.5	25.2	169.5
1975	1,549.2	35.4	92.3	127.7	14.4	28.8	170.9
1976	1,718.0	34.4	93.1	127.5	13.9	30.0	171.4
1977	1,918.3	34.5	95.4	130.0	13.7	29.8	173.5
1978	2,163.9	24.2	99.2	133.5	13.5	28.9	175.9
1979	2,417.8	34.6	102.4	137.0	13.3	27.4	177.8
1980	2,631.7	34.7	104.0	138.7	13.4	28.2	180.3
1981	2,957.8	34.2	102.2	136.3	12.7	28.1	177.1
1982	3,069.3	35.4	104.3	139.6	14.0	32.3	185.9
1983	3,304.8	34.6	107.7	142.3	14.7	35.6	192.6

1984	3,661.3	35.7	109.2	144.9	14.7	37.6	197.3

Footnotes follow table III–F.

TABLE III–D.—ESTIMATED FEDERAL DEBT RELATED TO POPULATION AND PRICES

Year	Outstanding Federal Debt			Per capita Federal debt [3]			Real per capita Federal debt [4]		
	Gross [5]	Net [2]	Privately held [6]	Gross [5]	Net [2]	Privately held [6]	Gross [5]	Net [2]	Privately held [6]
1929	18.7	16.5	16.0	153	135	131	298	263	255
1930	18.6	16.5	15.8	150	133	128	301	267	256
1931	20.4	18.5	17.7	164	149	142	359	326	312
1932	23.2	21.3	19.4	185	170	155	453	416	379
1933	26.8	24.3	21.9	213	193	174	548	497	448
1934	38.1	30.4	28.0	300	240	221	749	598	550
1935	41.8	34.4	32.0	327	269	251	796	655	610
1936	46.2	37.7	35.3	360	293	275	866	707	662
1937	48.9	39.2	36.6	378	303	283	879	705	658
1938	51.8	40.5	37.9	397	311	291	941	736	689
1939	55.7	42.6	40.1	422	323	304	1,014	775	730
1940	59.4	44.8	42.6	446	336	320	1,061	800	761
1941	73.3	56.3	54.0	544	418	401	1,234	948	909
1942	119.2	101.7	95.5	874	746	700	1,791	1,528	1,435
1943	176.1	154.4	142.9	1,275	1,117	1,034	2,460	2,157	1,997
1944	236.6	211.9	193.1	1,693	1,516	1,382	3,212	2,877	2,622
1945	281.1	252.5	228.2	1,990	1,788	1,616	3,693	3,317	2,998
1946	261.9	228.0	206.1	1,826	1,590	1,437	3,122	2,718	2,457
1947	256.8	220.8	199.1	1,758	1,512	1,363	2,628	2,260	2,038
1948	253.6	215.1	192.0	1,707	1,448	1,292	2,367	2,008	1,792
1949	257.7	217.7	197.7	1,705	1,440	1,308	2,388	2,017	1,832
1950	257.6	216.5	196.6	1,677	1,409	1,280	2,326	1,955	1,775
1951	259.7	216.1	193.1	1,661	1,382	1,235	2,136	1,777	1,588
1952	267.8	221.4	196.8	1,685	1,393	1,238	2,119	1,752	1,557
1953	275.6	228.4	200.0	1,704	1,413	1,237	2,128	1,764	1,544
1954	278.8	230.8	204.2	1,694	1,403	1,241	2,104	1,742	1,541
1955	282.1	230.0	204.8	1,684	1,373	1,223	2,100	1,712	1,524
1956	278.9	224.2	199.4	1,635	1,314	1,169	2,009	1,615	1,436
1957	280.6	222.0	198.9	1,617	1,279	1,146	1,918	1,517	1,359
1958	286.8	231.3	204.7	1,625	1,311	1,160	1,877	1,513	1,340
1959	300.1	238.3	214.8	1,673	1,329	1,197	1,916	1,522	1,372
1960	300.5	236.3	212.4	1,648	1,296	1,165	1,859	1,461	1,314
1961	307.4	243.5	217.8	1,659	1,314	1,176	1,852	1,467	1,312
1962	315.8	250.5	222.8	1,680	1,332	1,185	1,854	1,470	1,308
1963	322.2	254.4	223.9	1,690	1,334	1,174	1,843	1,455	1,281
1964	332.5	260.7	227.0	1,721	1,349	1,175	1,852	1,452	1,265
1965	336.7	262.4	225.6	1,722	1,342	1,154	1,822	1,420	1,221
1966	353.6	266.1	227.5	1,788	1,346	1,151	1,840	1,384	1,184
1967	382.0	279.1	237.3	1,912	1,397	1,188	1,912	1,397	1,188
1968	386.4	292.6	240.7	1,915	1,450	1,193	1,838	1,392	1,145
1969	382.0	289.0	233.0	1,874	1,418	1,143	1,707	1,291	1,041
1970	401.6	300.8	239.8	1,945	1,457	1,162	1,673	1,253	999
1971	435.2	325.7	256.5	2,083	1,559	1,228	1,717	1,285	1,012
1972	461.1	340.8	271.9	2,185	1,615	1,289	1,744	1,289	1,029
1973	480.7	349.1	271.2	2,257	1,629	1,274	1,696	1,232	957
1974	504.0	360.8	280.1	2,345	1,679	1,303	1,588	1,137	882
1975	587.6	446.3	358.1	2,707	2,056	1,650	1,679	1,275	1,023
1976	664.8	515.8	418.5	3,033	2,353	1,910	1,779	1,380	1,120
1977	729.2	572.5	469.5	3,292	2,585	2,120	1,814	1,424	1,168
1978	797.7	626.2	515.4	3,563	2,797	2,302	1,823	1,431	1,178
1979	852.2	663.6	546.0	3,763	2,930	2,411	1,731	1,348	1,109
1980	936.7	742.8	621.3	4,093	3,245	2,714	1,658	1,315	1,100
1981	1,034.7	830.1	698.9	4,478	3,593	3,025	1,644	1,319	1,110
1982	1,201.9	991.4	851.9	5,152	4,250	3,652	1,782	1,470	1,263
1983	1,415.3	1,177.9	1,026.0	6,013	5,004	4,359	2,015	1,677	1,461
1984	1,667.4	1,376.8	1,212.5	7,029	5,804	5,111	2,259	1,865	1,643

Footnotes follow table III–F.

TABLE III–E.—PRIVATELY HELD FEDERAL DEBT RELATED TO GNP

[Dollar amounts in billions]

Year	Gross national product	Privately held debt [6]	Ratio of debt to GNP	Year to year price changes [7]
1929	103.4	16.0	15.5	0
1930	90.7	15.8	17.4	−2.5
1931	76.1	17.7	23.3	−8.8
1932	58.3	19.4	33.3	−10.3
1933	55.8	21.9	39.2	−5.1
1934	65.3	28.0	42.9	3.4
1935	72.5	32.0	44.1	2.5
1936	82.7	35.3	42.7	1.0
1937	90.9	36.6	40.3	3.6
1938	85.0	37.9	44.6	−1.9
1939	90.9	40.1	44.1	−1.4
1940	100.0	42.6	42.6	1.0
1941	125.0	54.0	43.2	5.0
1942	158.5	95.5	60.3	10.7
1943	192.1	142.9	74.4	6.1
1944	210.6	193.1	91.7	1.7
1945	212.4	228.2	107.4	2.3

TABLE III–E.—PRIVATELY HELD FEDERAL DEBT RELATED TO GNP—Continued

[Dollar amounts in billions]

Year	Gross national product	Privately held debt [6]	Ratio of debt to GNP	Year to year price changes [7]
1946	209.8	206.1	98.2	8.5
1947	233.1	199.1	85.4	14.4
1948	259.5	192.0	74.0	7.8
1949	258.3	197.7	76.5	−1.0
1950	286.5	196.6	68.6	1.0
1951	330.8	193.1	58.4	7.9
1952	348.0	196.8	56.6	2.2
1953	366.8	200.0	54.5	.8
1954	366.8	204.2	55.7	.5
1955	400.0	204.8	51.2	−.4
1956	421.7	199.4	47.3	1.5
1957	444.0	198.8	44.8	3.6
1958	449.7	204.7	45.5	2.7
1959	487.9	214.8	44.0	.8
1960	506.5	212.4	41.9	1.6
1961	524.6	217.8	41.5	1.0
1962	565.0	222.8	39.4	1.1

TABLE III–E.—PRIVATELY HELD FEDERAL DEBT RELATED TO GNP—Continued

[Dollar amounts in billions]

Year	Gross national product	Privately held debt [6]	Ratio of debt to GNP	Year to year price changes [7]
1963	596.7	223.9	37.5	1.2
1964	637.7	227.0	35.6	1.3
1965	691.1	225.6	32.6	1.7
1966	756.0	227.5	30.1	2.9
1967	799.6	237.3	29.7	2.9
1968	873.4	249.7	27.6	4.2
1969	944.0	233.0	24.7	5.4
1970	992.7	239.8	24.2	5.9
1971	1,077.6	256.5	23.8	4.3
1972	1,185.9	271.9	22.9	3.3
1973	1,326.4	271.2	20.4	6.2
1974	1,434.2	280.1	19.5	11.0
1975	1,549.2	358.1	23.1	9.1
1976	1,718.0	418.5	24.4	5.8
1977	1,918.3	469.5	24.5	6.5
1978	2,163.9	515.4	23.8	7.7
1979	2,417.8	546.0	22.6	11.3

TABLE III-E.—PRIVATELY HELD FEDERAL DEBT RELATED TO GNP—Continued

[Dollar amounts in billions]

Year	Gross national product	Privately held debt [4]	Ratio of debt to GNP	Year to year price changes [7]
1980	2,631.7	621.3	23.6	13.5
1981	2,957.8	698.9	23.6	10.4
1982	3,069.3	851.9	27.8	6.1
1983	3,304.8	1,026.0	31.0	3.2
1984	3,601.3	1,212.5	33.1	4.3

Footnotes follow table III-F.

TABLE III-F.—CHANGES IN PER CAPITA REAL GROSS NATIONAL PRODUCT

Year	GNP in billions of 1972 dollars	GNP per capita constant 1972 dollars [3]	GNP per capita, change from previous year	
			Constant 1972 dollars	Present
1929	$315.7	$2,577	0	0
1930	285.6	2,310	−$267	−10
1931	263.5	2,117	−194	−8
1932	227.1	1,813	−304	−14
1933	222.1	1,763	−51	−3
1934	239.1	1,885	122	7
1935	260.0	2,036	151	8
1936	295.5	2,300	264	13
1937	310.2	2,398	98	4
1938	296.7	2,275	−123	−5
1939	319.8	2,422	147	6
1940	344.1	2,582	160	7
1941	400.4	2,973	392	15
1942	461.7	3,386	412	14
1943	531.6	3,847	462	14
1944	569.1	4,072	224	6
1945	560.4	3,968	−104	−3
1946	478.3	3,336	−632	−16
1947	470.3	3,220	−115	−3
1948	489.8	3,297	76	2
1949	492.2	3,257	−40	−1
1950	534.8	3,481	225	7
1951	579.4	3,707	225	6
1952	600.8	3,779	72	2
1953	623.6	3,857	78	2
1954	616.1	3,743	−113	−3
1955	657.5	3,925	182	5
1956	671.6	3,937	12	0
1957	683.8	3,940	3	0
1958	680.9	3,859	−82	−2
1959	721.7	4,023	164	4
1960	737.2	4,044	21	1
1961	756.6	4,084	40	1
1962	800.3	4,257	172	4
1963	832.5	4,366	110	3
1964	876.4	4,536	169	4
1965	929.3	4,753	217	5
1966	984.8	4,980	228	5
1967	1,011.4	5,062	81	2
1968	1,058.1	5,244	128	4
1969	1,087.6	5,335	91	2
1970	1,085.6	5,258	−77	−1
1971	1,122.4	5,372	114	2
1972	1,185.9	5,621	248	5
1973	1,254.3	5,891	270	5
1974	1,246.3	5,799	−92	−2
1975	1,231.6	5,673	−126	−2
1976	1,298.2	5,923	250	4
1977	1,369.7	6,184	261	4
1978	1,438.6	6,426	241	4
1979	1,479.4	6,533	107	2
1980	1,475.0	6,444	−89	−1
1981	1,512.2	6,545	100	2
1982	1,480.0	6,345	−200	−3
1983	1,534.8	6,521	176	3
1984	1,639.0	6,909	388	6

Footnotes to tables III-A—F:

[1] Data for years 1929–1945 from the Bureau of Economic Analysis, Commerce Department. Data for years 1946 to the present from the Federal Reserve Board Flow of Funds.

[2] Net Federal debt equals gross Federal debt less Federal debt held in U.S. Government accounts.

[3] Per capita debt is calculated by dividing the debt figures by the population of the conterminous U.S. as of December 31 of each year. Beginning 1949, population includes armed forces overseas, Hawaii and Alaska.

[4] Derived by adjusting per capita debt figures for changes in the level of prices, as measured by the Consumer Price Index for all items.

[5] Gross Federal debt is equal to public debt issued by the Treasury plus debt issued by other Federal agencies.

[6] Federal debt held by the public less Federal Reserve holdings of Federal debt.

[7] Measured by the Consumer Price Index for all items, year to year basis.

Note: Detail may not add to totals because of rounding.

Sources: Federal debt, Treasury Department; other data, Bureau of Economic Analysis, Commerce Department, and Federal Reserve Board (Flow of Funds).

Mr. DOMENICI. Mr. President, pursuant to the agreement we have reached, I send a modification to my amendment to the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The modification will be stated.

Mr. DOMENICI. I send the modification to the desk.

The modification is as follows:

Each controllable expenditure by a uniform percentage. *Provided:* That any periodic payments to individuals or families which are in the nature of income support, supplementation, or assistance including payments made pursuant to section 32 of the Internal Revenue Code of 1954 as amended or pursuant to chapter 11 or 13 of title 38, United States Code and which are paid to such individuals or families directly by the United States (or by a person or entity acting as an agent of the United States) shall not be reduced pursuant to this subclause to a level which is lower than the level that would be payable in the absence of this subclause, but in the case of compensation, pursuant to chapter 11 or 13 of title 38, United States Code, a cost-of-living adjustment enacted into law to become effective in the fiscal year that is the first fiscal year to which the order described in this clause applies shall be treated as an automatically indexed program for purposes of subclause (i) of this clause; and shall transmit to both Houses of the Congress a message—

(III) identifying—

(aa) the total amount and the percentage by which automatic spending increases are to be reduced under subclause (I) of this clause;

(bb) the total amount of budget

The PRESIDING OFFICER. The amendment is so modified.

Mr. DOMENICI. I thank the Chair.

VA SERVICE-CONNECTED DISABILITY COMPENSATION COLA'S

Mr. CRANSTON. Mr. President, the fact that it took a great deal of work, at this last moment, to clarify what is in this measure affecting our Nation's veterans is final proof of something I and others have been stressing throughout the consideration of the debt ceiling and the so-called Gramm amendment: We are rushing a measure of vast significance and complexity through the Senate without full knowledge of what we are doing. That lack of full understanding seems to apply not just to a few Senators but to all Senators—including those offering the Gramm proposal and those managing his legislation.

The dialog earlier today between sponsors of the Gramm proposal, on the one hand, and the Senator from New Jersey [Mr. BRADLEY] with regard to Medicaid and AFDC and the Senator from New York [Mr. MOYNIHAN] with regard to the Commodity Credit Corporation, on the other hand, has already supplied abundant proof of that point.

A while ago, we had a colloquy on the subject of veterans' disability compensation, and at that time it was my understanding and that of the distinguished Senator from Florida [Mr. CHILES], that veterans' disability COLA's were protected precisely as Social Security COLA's are protected. The distinguished Senator from New Mexico [Mr. DOMENICI] thought otherwise. That confusion has now been cleared up—unfortunately—by the modification just now offered by the Senator from New Mexico. I use the term "unfortunately" because the consequence of that modification, as prepared under the direction of the Senator from Texas [Mr. GRAMM], denies protection to veterans' COLA's.

As many, if not all, of my colleagues are aware, I had planned to propose an amendment to provide that Veterans' Administration compensation paid to service-connected disabled veterans and to the survivors of those who die from service-connected causes would be exempt from any Presidential order making cuts in COLA's and otherwise reducing Federal programs. I strongly believe that it is grossly inequitable and totally unjustifiable to permit VA compensation COLA's to be reduced or eliminated when full Social Security retirement and disability COLA's are granted.

I wish to emphasize that I strongly supported the initiative, now reflected in the Gramm-Rudman proposal as adopted yesterday, to exempt cost-of-living adjustments in Social Security benefits from any Presidential cost-cutting order. This exemption covers both old age and disability benefits. However, I am extremely disappointed that the benefits paid to this Nation's highest priority category of veterans—those who suffer from service-connected disabilities—and the survivors of those who have died from service-connected causes would not be similarly protected, as those benefits would have been, as well as would VA pension payments, under the Chiles-Byrd plan, which I cosponsored and which the Republican majority of this Senate rejected yesterday, from the scope of any Presidential spending reduction or sequestering order.

Mr. President, the basic amount of such a service-connected disabled veteran's monthly compensation payment is based on the average impairment of earnings resulting from that veteran's disability. Since in almost every year that average earnings impairment will increase by inflation over the prior year, denial of a compensation COLA would be inconsistent with the philosophical underpinnings of that program.

I'd like to quote President Reagan on this subject of cost-of-living increases for the VA Service-Connected Disability Compensation Program. In August 1980, in a campaign speech at the Veterans of Foreign Wars' convention in Chicago, he stated his view that it would be a "breach of faith" for compensation for those with "service-connected disabilities * * *."

As Members may know, President Reagan and I don't see eye-to-eye on a great many issues. In this case, however, he and I were in total agreement—at least when he was a candidate for the Presidency. Since that time he has backed off from that commitment by twice supporting budget proposals—rejected by the Congress—that would not provide full COLA's to service-connected disabled veterans.

To me it is outrageous to subject the more than 2.2 million veterans who have service-connected disabilities—injuries and illnesses sustained in service to our country—to the extraordinary Gramm-Rudman authority that could result in the denial or reduction of totally justifiable and totally necessary cost-of-living increases in VA compensation rates.

These individuals—as well as the more than 330,000 survivors of veterans who died while on active duty or as the result of service-connected causes—have already made sacrifices for this country and, in many cases, have made extreme sacrifices. They should not—in any scenario—be asked to make additional ones that entail such inequity.

Mr. President, to appreciate the potential inequity for VA compensation recipients under the Gramm-Rudman proposal as now proposed to be clarified, we need to examine what its effect would be when compared to other Federal payments recipients in a directly parallel, high priority—but certainly no higher priority—program.

Let's examine the case of a totally disabled, spinal-cord-injured individual, a nonveteran, who is covered by Social Security and is receiving Social Security disability insurance—SSDI. In a Gramm-Rudman covered year when inflation runs at 5 percent, this individual's benefits would be increased by 5 percent by a December cost-of-living adjustment. The Congress has assured this individual of a full COLA, and Gramm-Rudman has confirmed that assurance. That's as it should be.

Now, compare that disabled person's situation with that of his equally disabled neighbor, a paralyzed Vietnam veteran struck down on the battlefield and whose spinal cord was equally severed and who accordingly receives VA disability compensation for his total and permanent disability. This veteran's COLA—which traditionally has been provided by the Congress in the same percentage amount as increases in Social Security—would be subject to reduction and, possibly, even complete elimination.

Mr. President, both of these individuals, now condemned to life in a wheelchair, have paid for their benefits, one with monetary contributions—that is, Social Security payroll taxes—the other with the loss of the use of his legs and other bodily functions in service to his country. They are both truly entitled to these benefits.

But is one more deserving than the other? If so, is it the SSDI recipient? I think not.

Yet, the Gramm-Rudman proposal, which is deficient in many ways but especially in this respect, would place us in jeopardy of a President having to say to the veteran—even after the Congress has approved a full COLA in his compensation: "Sorry. Even though your neighbor is receiving a full COLA this year, Congress has required me to cut yours and to reduce your benefits."

How can that result possibly be explained?

I don't believe it can be.

Nevertheless, Mr. President, when I expressed my intention to offer an amendment to exempt VA compensation from these extraordinary Presidential orders, I was confronted with enormous dissatisfaction on the part of Senators on the other side of the aisle, including the leaders of the majority. It was clear that if I persisted in my plan to offer my amendment, efforts underway to keep the Government in business and to meet its obligations might well collapse. I therefore agreed not to offer the amendment on the condition that the distinguished Senator from Colorado [Mr. ARMSTRONG], who was also considering offering amendments, did not offer his. His, in my view and the view of many on our side of the aisle, would have established very poor public policy. One of the Senator from Colorado's amendments would have given the President greatly enhanced powers to rescind appropriations made by the Congress. In this regard, thinking back on the incumbent President's record with respect to the VA health care system, I was very reluctant to do anything to risk giving this President great new discretionary power to cut appropriations for VA health care programs. The other amendment the Senator from Colorado was considering, also very unwise in my view, related to Davis-Bacon. As it turned out, the Senator from Colorado did not offer an amendment and so, pursuant to our agreement, I did not offer mine.

In March 1981, President Reagan proposed cutting President Carter's fiscal year 1982 VA medical care appropriations request by $330 million, thus proposing to reduce the VA health-care staffing level by 5,181 full-time-employee equivalents—FTEE's—to close 1,800 VA hospital beds, to fund 2 million fewer outpatient visits, and to terminate the Vietnam-era veterans readjustment counseling program, often referred to as the Vet Center Program. Congress totally rejected the President's recommendations to cut VA health care.

Again, in May 1982, President Reagan supported severe cuts in VA health care when he entered into a budget agreement with the Senate Budget Committee majority and included a proposal to "freeze" fiscal year 1983 appropriations for VA health care system accounts—including medical facility construction—that would have produced total reductions of $568 million from the original appropriations requests for these accounts. Congress rejected the vast bulk of those cuts and actually increased the original request for the medical care account.

Clearly, it would be very risky—from the standpoint of the maintenance of a nationwide system of high-quality VA medical facilities—to entrust to this President substantial, discretionary powers to take from the VA health care system funds that Congress has appropriated to it.

A further reason for my withholding the amendment to exempt VA compensation was my great confidence that the House of Representatives would adamantly reject any proposal to subject compensation to a Presidential order making cuts in Federal programs. I have communicated on this issue with my very good friend, the chairman of the Veterans' Affairs Committee in the House, Mr. MONTGOMERY. He has announced his strong opposition to the inclusion of compensation within any COLA reduction order. He is a great and persuasive champion of veterans' programs in general and the compensation program in particular, and I am confident that his views on this issue and those of many others of a similar mind in the House will finally prevail.

Mr. DOMENICI. Mr. President, in response to the comments from the Senator from California [Mr. CRANSTON], I must remind the Senate that the modification I inserted in my amendments was agreed to by the Senator from California.

I modified my amendment to clarify the treatment of veterans' compensation under this new procedure of suspension of COLA's and sequestering of controllable spending. This modification is consistent, I understand, with an understanding between the Senator from California and the Senator from Texas, [Mr. GRAMM] made on the floor of the Senate.

Mr. HATFIELD. Mr. President, I would like to engage the chairman of the Budget Committee in a colloquy in order to clarify certain provisions of his modification. On page 26, lines 8 to 10 of the proposed modification, the proposal reads that the message of the President in regard to the sequestering of funds "shall be referred to all committees with jurisdiction over programs, projects, or activities affected by it." Then again, on page 31, lines 8-

11, the proposal reads that any alternative to the sequestering that may be proposed by the President "shall be referred to all committees with jurisdiction over programs, projects, or activities affected by it." On the face of it, it would appear that both of these messages, to the extent that they would involve the sequestering, impoundment, rescission, deferral, withholding, or whatever, of appropriated funds, would be referred to the Appropriations Committee.

Mr. DOMENICI. The Senator is correct.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified.

The amendment (No. 771), as modified, was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PACKWOOD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and third reading of the joint resolution.

The amendments were ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution (H.J. Res. 372) was read the third time.

Mr. LONG. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

INCREASING THE NATIONAL DEBT—AN AMERICAN TRAGEDY

Mr. DECONCINI. Mr. President, when I first came to the Senate 8½ years ago, the ceiling on the national debt was $682 billion. When Jimmy Carter left office 4 years later the ceiling had been increased by $197 billion to $879 billion. A little over 2 years into the Reagan administration Congress was forced to raise the ceiling above the $1 trillion mark. By last October the debt ceiling had jumped to over $1.8 trillion, more than double the debt incurred by all of our earlier Presidents combined. And today Mr. President, Ronald Reagan is asking us to increase the debt ceiling to in excess of $2 trillion.

Two trillion dollars. That is an incredible figure. While Congress is notorious for bandying about large figures, this is one that even causes us to take pause. Consider the fact that the entire budget for the United States for fiscal year 1985 is $953.9 billion, a figure that begins to look small when compared with a $2 trillion debt. And of this year's $950 billion plus budget, $214 billion is deficit—in other words almost one-quarter of this country's spending was borrowed. An even scarier figure is the $130,426,000,000 it cost the Federal Government to service the debt in 1985. That means that one-seventh of the Federal budget is going to pay interest on the debt. Meanwhile we continue to incur debt at the rate of $407,154 every minute of every day of the year. Anyone who has ever kept a household budget will tell you that we are digging ourselves a hole that would be difficult to climb out of in the best of circumstances. But these are not the best of circumstances—next year the deficit is projected to be $214 billion—and the hole keeps getting deeper. If we, as a nation, decided to all pitch in and pay off the debt, it would cost $7,599 dollars for every man, woman, and child in this country. Alarming does not adequately sum up the impact of these numbers.

We must face up to these problems. Congress and the President must take actions now to see that this will not continue. There are a number of steps that can and must be taken. First, I believe we must pass a constitutional amendment requiring a balanced budget. I have long been an advocate of this measure. While this approach has been accused of being simplistic in some quarters, it would force us to grapple with the budget deficit problems. Until we are successful in passing a constitutional amendment, there are other alternatives which can drastically reduce the deficit.

First, the President can and should submit a balanced budget to the Congress. There is a great misperception in this land that the problem of rising deficits is the fault of the Congress or some faceless bureaucrats in Washington. The House of Representatives passed H.R. 6300 last year requiring the President to send a balanced budget to Congress, yet the President has never done so. If he sent us a balanced budget that would put a great deal of pressure on Congress. But when the President sends us a budget with $200 billion plus deficits, it is difficult for Congress to exert the self-restraint that has deserted the President.

Second, once the President sends us a balanced budget we must have the courage to pass such a budget. And for that we need the support of the American people. While every American wants deficit reduction, very few have been willing to take the cuts in their own backyard.

Finally, Mr. President, once we have a balanced budget we need to start making payments on the national debt. I, for one, do not wish to leave this debt to my children.

I will vote against today's proposed increase in the national debt, not because I want our country to go bankrupt, but because it is the only way I know to express my frustration with a budget out of control. Congress and the President need to work together. Otherwise, I fear that we will soon be faced with not just a $2-trillion deficit but with a $1-quadrillion deficit.

Mr. President, I think it is a huge mistake for us to go on record here increasing this debt to over $2 trillion. Make no mistake about it, the American people are going to pay for it, and pay for it dearly.

Mrs. KASSEBAUM. Mr. President, I was among the 24 Senators who opposed the Gramm-Rudman-Hollings amendment approved yesterday. I want to explain briefly my reasons for opposing the amendment, as I have strongly held views about it.

At the outset, I want to compliment the authors of the amendment both for their efforts and for the ingenious conceptual framework they developed to move forward with deficit reduction. They started out with a good, solid proposal which I initially supported.

As originally drafted, it provided a framework for reducing deficits in a systematic fashion that seemed both effective and equitable. The amendment mandated reductions in an across-the-board fashion. While I had serious doubts that Congress, as an institution, would truly enforce the austerity required by this initiative, I felt it was worth a try; $200 billion deficits demanded action.

Unfortunately, the proposal quickly began accumulating amendments, modifications, and related political paraphernalia. As soon as the amendment was unveiled, the unraveling process began.

And, in the unraveling, familiar patterns began to emerge—the same patterns, in fact, which have rendered ineffective our past efforts to deal with deficits.

First, all spending for Social Security was exempted completely from any fiscal discipline mandated by the amendment. Over $200 billion in Federal spending—one-fifth of the budget—was deemed off limits.

Next, Mr. President, we began to focus on spending for national defense. We discovered that, due to anomalies of law, most of the money going to defense contractors was exempt. Multiyear procurement contracts are held harmless from the pain of deficit reduction. Between $90 billion and $110 billion of the defense budget is now off limits.

The problems with defense don't stop there. The President, who supports this amendment, has made clear that he still will request 3-percent annual real growth in defense spending. Defense, according to the President, must be held harmless against this amendment.

When you add in current spending for entitlement programs and interest on the national debt, you have about $746 billion of this year's $975 billion budget exempt from the amendment.

All of these exemptions raise serious questions about the fairness of this approach. Rather than cutting across the board, touching all parts of the budget, this plan now focuses budget cuts in a relatively small part of the budget. For example, while the plan would allow cost-of-living adjustments for Social Security, it would virtually eliminate such increases in other programs for veterans, the elderly, the poor, disabled and blind. While the plan would protect spending for major weapons in the defense budget, it could prevent pay raises or force actual pay cuts for military personnel. The plan also could require a prolonged freeze on Medicare payments with potentially severe results on the quality of health care for the elderly.

Mr. President, I believe these kind of selective budget cuts would be palpably unfair. They would be viewed by the American people as unfair. Therefore, if history is any guide, these cuts simply will not be made. It is clear to me that we are not going to enforce the provisions of the plan the Senate has just adopted. We most certainly will not do so in 1986, which is an election year.

In short, I believe the Gramm-Rudman-Hollings amendment will not—and cannot—do what it is advertised as doing. It cannot do so because we have demonstrated in the way we have crafted it that we are not willing to face the tough decisions involved in any serious attempt to control Federal deficits.

Over the past few days, we have made it very clear that we are not going to deal with entitlement programs—particularly Social Security. We are not going to deal with defense spending and we are unwilling to look seriously at tax increases. If we do none of these things, we cannot genuinely address our huge deficits.

That leaves us with a deficit reduction plan that poses a severe dilemma. It will either be ineffective, because we will refuse to enforce it, or it will be unfair because we choose to let it stand. I hope I am wrong about this. I would like to believe that this plan could produce real progress toward a responsible budget, as I believe its authors intended at the start.

Unfortunately, good intentions do not always produce real and good results. They also cannot produce a responsible Federal budget, unless a majority of us are willing to turn intentions into action. Mr. President, I will certainly direct my best efforts to assisting with the intent of this legislation in order and achieve a balanced budget.

Mr. BUMPERS. Mr. President, the greatest virtue of the Gramm-Rudman-Hollings amendment is that it may have forced the Senate to face up to the mammoth Federal debt and the need to take drastic action to control it.

After our extended and wrenching debate on the budget resolution this spring, I was fearful that the Senate would not have the political stomach to return to the issue of the deficits for some time. Every day we delay in dealing with these deficits, the problem is getting further out-of-control, as we accumulate additional debt, borrow to pay interest costs to finance the debt, and suffer compounding of these interest costs.

The damage these deficits are doing to the U.S. economy and to the international financial system will be with us for many years, even decades to come.

I only fear we already have waited much too long to take decisive action to control the deficits. If we suffer another recession before these deficits are substantially reduced, we will see them double in size and we will have no flexibility in fiscal policy to deal with the recession. We may yet face a downward spiral on the debt and deficits that will rival the crisis posed by the Depression.

I am less sure about the specific approach taken by this amendment to deal with the deficit crisis.

Setting ambitious deficit-reduction targets may be the only way we can force Congress and the President to face up to the issue. However, the public does not fully understand how much pain will be involved in implementing this amendment. The public has been told that we can grow our way out of these deficits; that we can control the deficit by cutting waste and fraud in Government programs; or that we can cut taxes and increase defense spending at the same time. These statements are myths that will be exploded when this amendment is implemented. I am hopeful our political institutions—the Congress and the President—can handle the extreme pressures which we will feel when the real crunch on reducing these deficits hits us. If anyone here thinks that lobbying and public pressure on this legislation is strong, wait till we feel the pressure when we actually implement it.

The Congress and the President have not adequately considered what such huge cuts in spending will mean to our national defense, to farm programs, to the social safety net, and to long-term investments in research and development. When we focus on cutting spending, I hope we will not lose our sense of priorities and will continue to make the investments in our future.

And I'm not sure we adequately understand what the macroeconomic effect will be of these drastic changes in Government fiscal policy, particularly if the current economic cycle turns down and we enter a recession. There may well be a point in this deficit-reduction process where we will face the impossible choice of continuing the deficit-reduction effort or bailing out the economy from a disastrous downward spiral. Indeed, a drastic reduction in Government fiscal stimulus may well retard economic growth.

I am concerned about Congress abdicating its legislative authority to the President. Under this amendment, Congress may well have an incentive to avoid making the tough choices itself and bucking the problem to the President to make all the tough decisions. The President might even have an incentive to cooperate less with the Congress in making drastic cuts, prefering instead to enlarge the amount of spending that is subject to his deficit-reduction order.

Finally, it is unfortunate that the sponsors of this plan want to postpone any sacrifices until after the 1986 election. We failed to take action in 1983 because of the 1984 election and now we're doing the same thing in 1985.

But, I will vote for this Gramm-Rudman-Hollings amendment. I preferred the Chiles-Byrd alternative. It is better drafted and avoids many of the ambiguities in the Gramm-Rudman-Hollings approach. It is quite clear, however, that the Chiles-Byrd proposal will not prevail here. The issue then is whether we support the basic concepts of the Gramm-Rudman-Hollings proposal and I do.

I will vote for the Gramm-Rudman-Hollings amendment because the consequences of running these continued record deficits clearly are worse than not acting here to deal with them.

This amendment does impose drastic medicine. But maybe, when the amendment is implemented, the public will better understand the mistakes we have made in fiscal policy during the past 4½ years.

It was a drastic mistake to cut taxes and increase defense spending so greatly at the same time.

It was a drastic mistake to fail to correct this mistake in 1983 when we had adequate economic growth to do so.

It was a drastic mistake to tell the American people that the deficits posed no threat.

It was a drastic mistake to say that these deficits have nothing to do with our mammoth trade deficits.

In my opinion, we face both spending cuts and revenue increases, and I believe the people will accept both as long as any new taxes are used exclusively to reduce the deficits.

Perhaps the public will now begin to understand what the budget deficit means for our trade deficit and the value of the dollar.

Perhaps the President will begin to provide more evenhanded leadership on economic policy.

Perhaps the President will finally submit a balanced budget instead of talking only about constitutional amendments and line-item vetoes. The most important part of this amendment is that it requires the President to submit a budget that meets target reductions of the deficit.

Perhaps some of the interest groups in our society will see the need to come together to make sacrifices for the common good. Perhaps both business and labor groups will argue that the deficits pose a common threat.

Finally, perhaps Congress will see that the only way to avoid giving the President the authority to order across-the-board cuts is for the Congress to have the courage to set its own priorities in the deficit-reduction effort.

The action of the Senate is not the last step in the legislative process. The debate we have had in the Senate has helped to focus the issues. We have made progress in cleaning up the drafting and ambiguities in this proposal. I am hopeful that the other body can continue this refining process and that the final bill will be much improved.

THE IMPLICATIONS OF SENATE ACTION ON THE GRAMM-RUDMAN AMENDMENT

Mr. MOYNIHAN. Mr. President, October 9 was an eventful day in the history of American politics.

A majority of Democrats agreed to dismantle the domestic policies of Franklin D. Roosevelt, in return for a majority of Republicans agreeing to dismantle the defense policies of Ronald Reagan.

We have seen the triumph of reaction at home and isolation abroad.

At some level I suppose it would be comforting to feel that we have not known what we have been doing. But that would not say much for us, would it? The fact is that we have known perfectly well.

Let me cite some conversations with other Senators on the floor yesterday.

Democratic sponsor to MOYNIHAN:

Well, this wrecks the President for good and all. Next January he will have to send us a budget that provides an additional $25 billion for defense if he is to maintain the 3 percent growth rate, $30 billion more in interest, $20 billion more for cost-of-living adjustments, and $15 billion more in health. That's an extra $90 billion on top of a near $200 billion deficit. He can't do it.

MOYNIHAN to Republican budget expert:

When this is all over, do you think we might get a flow chart or something to show us what we have decided?

No.

No?

Well, not from me. I don't understand the * * * thing.

MOYNIHAN to a Republican leader:

Well, we have just voted to abolish the Defense Department.

Right; Cap Weinberger is trying to get into the White House but they won't let him in.

Democratic defense expert to MOYNIHAN:

This means 5 years of zero growth in the Defense budget—that is, if we are lucky and don't have a recession. Wait til the military retirees find they have to go 5 years without a COLA. On the other hand this puts the President's defense policy on a direct collision course with his tax policy.

Following this latter exchange, I spoke with Senator HART. I said, "My Lord, on both left and right they have decided to create a crisis. This is just what the right did in 1981: slashing revenues to create a budget crisis that was meant to shrink the size of Government. The problem was the radical inconsistency at the heart of Mr. Reagan's program: to shrink one half of Government, the domestic policy half, whilst expanding the other half, that of defense which is an aspect of foreign policy. Don't they know how dangerous it is to create crises? Don't they see that they are creating this crisis? Don't they know that life brings all the crises you will ever need, and more?"

Senator HART replied, in effect, "No; they don't know. But more importantly, they don't care. The one group does not care about domestic stability; the other does not care about international stability. We will have to govern somehow, but it will henceforth be massively more difficult."

What is so painful is the realization that huge damage is inevitable.

Within years—months, almost—the United States will be the world's largest debtor with a flat or declining defense budget. The effect of this will be to abort the buildup in our forces which began in 1975 and acquired a sustained momentum under President Carter.

The Little League has won.

Little government at home, little influence abroad.

Mr. DECONCINI. Mr. President, the Senate has spoken firmly and clearly on both the Gramm-Rudman-Hollings and the Chiles-Byrd-Johnston balanced budget amendments. I voted for both proposals and would like to take this opportunity to give my perspectives on the good news and the bad news of what the Senate has done today.

Mr. President, the objective of both balanced budget proposals is identical to that of the junior Senator from Arizona. I have been one of the earliest and strongest sponsors of a constitutional amendment mandating a balanced budget and I will continue to pursue that goal regardless of the final disposition of the Gramm-Rudman amendment in conference with the House of Representatives. Frankly, I preferred the approach of the Chiles-Byrd balanced budget plan. But the good news of both the Chiles and Gramm plans is that both would put us in a fixed glide path toward a balanced budget by 1991 without jeopardizing our Social Security programs.

The good news about the successful Gramm-Rudman amendment is that it forces new, statutory discipline on the Congress to keep Federal spending within legislated deficit ceiling targets and provides the unprecedented threat of Presidential impoundment by executive order as a deterrent to overspending or missing the mark on deficit reduction. It accelerates and locks in the reconciliation process to achieve savings through changes in substantive law early in the budget process, rather than at the tail end of the budget cycle when most committees in the Congress have completed their work. And the good news of the Gramm-Rudman amendment is that it finally, and unequivocally forces the President of the United States to submit budgets to the Congress that conform to the balanced budget timetable mandated by the act. In short, Gramm-Rudman tightens up the budget process; establishes a rigorous regimen for the President and the Congress to follow to achieve a balanced budget; and forces a new order of discipline upon the legislative and executive branches to deal with the deficit.

Mr. President, I would be less than candid with my colleagues, however, if I failed to express some serious reservations about what the Senate has done today, by adopting the Gramm-Rudman-Hollings plan. First, I have the most serious and deep reservations about the new unprecedented authority the Senate has given the President of the United States to impound by Executive order both appropriated funds and cost-of-living adjustments for certain non-Social Security beneficiaries. In view of the devastating effect of the present President's policies on the deficit, I admit I find it troubling that the sponsors of the Gramm-Rudman plan would willingly relinquish control of a key element of the Budget and Impoundment Control Act of 1974 to a President who has given a whole new meaning to the term "debtor nation."

Mr. President, the Budget and Impoundment Control Act of 1974 was born over 10 years ago to essentially attack two significant problems in the Federal budget process: First, the growing budget deficit and how to better control the budget process; and second, the need to reign in a President who was impounding Federal funds left and right. The act was crafted in such a way as to impose a new discipline on the Congress of the United States so that it could carry out its constitutional responsibilities to set spending priorities; keep spending down; look at the whole economic picture, including revenues, expenditures, and economic projections; and restructure the budget process so that the executive branch and the Congress

could better do their respective jobs of handling the Government's business. It was designed to force the Congress to bring order to the budget process—not give the President of the United States more authority to do the Congress' job, as envisioned in the Constitution. There is no question that elements of the budget process have failed and need to be corrected. That is one of the reasons I voted for the Gramm-Rudman amendment. However, the impoundment authority granted in the Gramm-Rudman plan must surely have both the Founding Fathers of our Constitution and the late, great Senator from North Carolina and author of the Budget Act, Senator Sam Ervin, rolling over in their graves. I will be watching with great interest and some trepidation how this President and the next President of the United States execute their newfounded "sequestering" authority over the next 5 years, should this provision of Gramm-Rudman ultimately take effect.

Second, the "bad news" of the Gramm-Rudman plan is that it fails to exempt means tested programs from the sequestering provisions under the emergency powers section of the amendment. This could result in means tested beneficiaries suffering significant hardship, should the President's impoundment authority be triggered under the act. Again, traditionally Congress has made the determination as to whether such beneficiaries should be included in any reconciliation or other deficit reduction measure, or whether we should take more out of discretionary spending programs to make up budget shortfalls. This new authority under Gramm-Rudman could force across-the-board cuts in COLA's for these beneficiaries even in a recession. Again, I believe that the Congress should set these priorities, rather than leave those beneficiaries subject to an across-the-board impoundment by the President.

Finally, under Gramm-Rudman, our national defense conventional warfare buildup could be jeopardized if the emergency impoundment provisions of the amendment were triggered. How could this happen? The amendment that we approved today does not make any provision to cover prior year or existing defense contracts for large weapons systems that have a significant outlay impact in the fiscal year under review. It is estimated that the inability to include existing defense contracts under the sequester provisions of Gramm-Rudman could exempt as much as $92 billion from the total subject to across-the-board cuts that could be necessary to comply with the maximum deficit targets. In other words, a proportionately deeper cut would have to be taken from operation and maintenance; military pay; and other accounts that have a direct impact on our ability to improve our conventional warfare capabilities. I firmly believe that we need to accelerate—not diminish—our conventional warfare improvement program and Gramm-Rudman could, if fully implemented, thwart that critical defense effort.

Mr. President, I do not mean to drape the Gramm-Rudman amendment in black crepe paper and mourning cloth. I voted for the amendment and I believe that it will establish a solid statutory framework for both the Congress and the White House to achieve a balanced budget by 1991. I support the "maximum deficit levels" established in Gramm-Rudman. We should set targets and stick to them. I support the changes in the budget timetable and the rigid restraints placed on reporting and disposing of spending and tax legislation. We need the discipline and should be forced to make tough choices in a timely fashion. Gramm-Rudman imposes these disciplines on both the Congress and the executive branch and I support these new adjustments to the budget process.

But, Mr. President, we should not kid ourselves that the Gramm-Rudman plan has guaranteed this country a balanced budget by 1991. Nor should we kid ourselves that there will not be some bloody battles ahead, under this administration or the next one, as we move down that glide path toward a zero budget deficit. Nor should we ignore the fact that should Gramm-Rudman become the law of the land, there may be some damage to our national defense buildup; our domestic programs for the poor and elderly; our war on drugs; and the standard of living for our means tested beneficiaries. The glide path toward a balanced budget will be painful and filled with pitfalls. My vote for the Gramm-Rudman plan was a vote for a balanced budget. We need it. I only hope that the mechanism for achieving that goal that the Senate has adopted today will get us there without overriding the Congress' constitutional obligation to set national priorities and without jeopardizing those programs that are so important to our national security and well-being.

Mr. KERRY. Mr. President, I rise to speak on the amendment to increase the debt ceiling limit to more than $2 trillion. This is a critical time that we are in and it demands a long overdue response by the Congress.

I believe there is now a consensus here in the Senate that something has to be done to deal with the path of economic ruination this administration has charted before we give this President more spending authority. We have voted on two proposals which attempt to deal with the national crisis which this administration has created and which this administration has ignored.

It is unfortunate that we are forced to take the drastic steps proposed by our distinguished colleagues, Senators PHIL GRAMM, WARREN RUDMAN, and FRITZ HOLLINGS. As imperfect as it may be in addressing the deficit problem, this measure will force the administration and the Congress to make the hard choices that must be made to bring sanity back into our spending habits.

If Gramm-Rudman-Hollings is enacted into law, we will be putting into place for the first time a procedure which will force upon this President something he has never wanted—accountability. It will force the Congress, in a bipartisan fashion, to hold this President accountable.

Let's be clear about one thing. This unsustainable deficit is Ronald Reagan's deficit. While he has tried to convince the American people that the deficit is the Democrat's fault, this President has added $1 trillion to the national debt over the first 5 years of his term in office.

For the past 5 years, the President has gotten virtually everything that he originally sought: massively higher military spending, significantly lower corporate taxes, and much lower domestic spending. Yet while he has placed in jeopardy the health and well-being of countless thousands of our fellow Americans through drastic reductions in essential programs, he has also placed in jeopardy the future health and well-being of all Americans by running up the highest deficits in our Nation's history.

Under this measure, the President will be forced to submit to the Congress each year a budget that reflects his priorities for the Nation within the real constraints of real ceilings on the deficit. In turn, a zero-sum budgeting process will be used by the Congress to force us to make the hard choices. It will then be up to the American people, through their elected representatives in the Congress, to judge whether or not the President's priorities are the priorities of the people. I believe this administration will find, in very short order, that many of its priorities are not those of the American people.

I am confident the American people will be heard. When balancing military expenditures against social programs already cut to the marrow of the bone, I am confident that the American people will demand that the Congress move instead against the inefficiency, waste, and abuse in the Defense Department, and against the senseless duplication of nuclear weaponry that has been the policy of this administration's Secretary of Defense.

Lest my colleagues have any doubts as to my motivations in supporting

this amendment, I want to be very up front as to what are my purposes in sponsoring Gramm-Rudman-Hollings. I am doing so, because this measure will place us on the frontlines to force the choices that to date have not been made by this administration. One of my top priorities will be that of asking the American people whether or not they would prefer to engage in a $1 trillion Star Wars Program that would be the most foolhardy and arrogant waste of the taxpayer's dollars ever foisted upon the American people, or whether our people would prefer to see us invest in education, meals for the elderly, nutrition for our infants, protecting our environment, economic growth, and improving the competitiveness of our private sector in world markets.

Mr. President, confronted with these choices, I have every confidence that the American people will vote for an economically strong America; an America whose people are healthy and at work; an America that will have a stronger military capability because we demand a dollar's return on our investment for every dollar we put up for defense. I think we will find that the American people, when faced with these choices, will make decisions which are both smart and compassionate.

Those of us here who retain an unfaltering commitment to protect human needs programs know that we will have the opportunity under Gramm-Rudman-Hollings to have the value of these programs debated on the Senate floor in the full view of the American people. And I am committed to making sure that those debates take place so that this Senate can decide whether or not funding child nutrition is or is not more important than funding chemical weapons—whether funding cancer research is or is not more important than expending Federal dollars on propping up the tobacco industry—whether funding education is or is not more important than military aid to oppressive regimes.

This administration has launched the largest peacetime military buildup in the history of the world. It has exacerbated the arms race in the process and at the same time launched the most monstrous budget deficit race in the history of the Nation, with an absolute disregard for the consequences of its actions. This administration has done so with a callous contempt for the security of our own people and the security of our Nation. It is time to hold this President accountable. It is time to tell this administration that we cannot afford the luxury of pouring billions of hard-earned tax dollars that we don't have into harebrained schemes that won't work.

This proposal alone will not solve the problem. The Federal Government will need to go to every available revenue source to begin eliminating the horrendous deficits created by this administration's fiscal and budget policies. Consequently, tax compliance, because of its immediate and broad applications, should be of highest priority for all of us. Tax compliance is where we should look first to generate additional revenues. We should not be increasing taxes until we have done everything possible to collect the estimated $20 billion we could collect annually by cracking down on tax cheaters. For these reasons, I am pleased that the debt ceiling extension will include my amendment that will direct OMB and CBO to report to Congress on potential revenues that could be raised through improved tax enforcement.

Mr. President, I hope the Gramm-Rudman-Hollings amendment will serve as a means of restoring the public trust that we as elected officials are sworn to uphold. This administration, it has charted, has violated the public trust as has no other administration in the 200-plus-year history of our Republic. It is time to hold accountable a President who has blamed everyone but himself for creating what I believe to be the most serious national security threat this Nation has faced since the Great Depression—a rampaging budget deficit that if left unchallenged will bring virtual economic collapse to this Nation.

As the principal sponsors of this amendment—Senators GRAMM, RUDMAN, and HOLLINGS—well know, my willingness to support their proposal was conditioned on the need to protect the sanctity of the most important contract we have with the American people—Social Security. Just as when we debated the budget resolution earlier this year, I was unable to vote for any budget that would have cut our commitment to Social Security recipients, I would have been unable to support this proposal in the absence of removing Social Security from the unified budget and exempting it from the sequestering process. Also, the inclusion of a amendment offered by the distinguished junior Senator from Connecticut and myself that will protect our most needy senior citizens from carrying a disproportionate share of the deficit reduction by having their supplemental security income payments reduced because of the indexing that is linked to regular Social Security payments.

Therefore, I want to thank the principal sponsors for acceding to what are not only my concerns but the needs of millions of Americans reliant upon this most sacred of social contracts Government has made with our people.

Mr. President, the periodic debates over the extension of the Federal debt ceiling have, over the years, offered excellent opportunities for political posturing. However, they also have given us the rare opportunity to examine the Federal budget in a comprehensive and historically sensitive manner.

In past years, during times of greater economic stability, passage of the debt extension was often nothing more than a pro forma exercise. Today, after a 5-year period of unprecedented deficit spending we have an opportunity to change course and chart one which will return us to economic stability.

As we prepare to vote on a course which is an alternative to that charted to date by the President, I believe it would be useful to review the causes of our current deficit problem. Many of my colleagues from both sides of the aisle who have already spoken, have expressed in very eloquent terms, the gravity of the deficits—the ways in which it has been sapping the economic strength of our Nation, and the potential threat it poses to our long-term stability.

For the fiscal year which has just ended, the Federal Government will spend nearly $200 billion more than it received from the taxpayers of this Nation. This means that every citizen of this country has in effect incurred a debt of $1,000 during the past 12 months. For the first 5 years of his Presidency, the Reagan policies have meant that every citizen of our country has incurred a debt of $5,000. To place this crisis in its proper perspective, our total indebtedness from the time of George Washington through Jimmy Carter will have more than doubled under the first 5 years of the Reagan administration.

What have been the effects of this unprecedented growth in Federal indebtedness? The Government is obliged to borrow money in order to finance the current deficit. And, while the U.S. Government traditionally has borrowed a large share of the total private savings in this country to finance the deficit, the magnitude of the current deficit has placed the Government in the position of sucking up some two-thirds of all private savings in America. That is the reason for the continued historically high real interest rates. That is the reason why so many Americans and businesses are frozen out of the credit market.

In addition, historically high real interest rates have made investement in this country so attractive that the dollar has become inflated when compared to other currencies of industrialized nations. As a consequence, it is as if American businesses have been taxed an additional 35 percent on products they export—placing us in such a competitive disadvantage that we are now experiencing historic trade deficits as well.

I am sure that I do not need to point out to my colleagues the economic dislocation caused by, and resentment against, foreign competition, that stems from this trade deficit. We can debate ad nauseum the various trade proposals which have been offered, but it won't solve the problem. I will be the first to admit that we ought to undertake a more comprehensive approach aimed at promoting our own industries in the world market and eliminating unfair trade practices of other nations. These developments would be helpful in assisting American businesses to compete on a more equal basis with our foreign trading partners. However, the real solution is a significant reduction in our own budget deficit. If we can accomplish this, I am confident that the calls for the kind of strict protectionist measures of which we are all wary will be softened.

However, unless we change our spending policies and our spending priorities, the deficit crisis will only lead to stringent protectionist measures to protect our own economic base.

Perhaps cutting taxes or raising military spending are worthwhile goals. But doing both at the same time just won't work and it hasn't worked. Yet, the President, while recognizing this, will not admit it. None of the budgets proposed by the administration over the last 4 years have come close to being balanced.

In the mid-1960's Lyndon Johnson tried to tell the American people that it was possible to have both guns and butter without having to pay for both. What Ronald Reagan has been telling the American people is that it is possible to have massive amounts of guns and much less butter without having to pay for either. But it hasn't worked and the only way out of this Reagan deficit is to reject that approach. I believe this proposal will force us to make the choices that have been avoided for far too long.

We have finite resources which we can no longer squander on programs that do not contribute to an economically strong America; an America whose people are healthy and at work; and an America whose investment in defense is cost-effective. It is time we give the American people a voice in setting these priorities.

SOCIAL SECURITY AND THE BORROWING NEEDS OF THE TREASURY

Mr. MOYNIHAN. Mr. President, earlier today, the distinguished Senator from Oklahoma made a statement to the effect that in all but two of the years since 1969 the Social Security Program has increased Federal borrowing needs.

This statement greatly surprised me since the Social Security Program is intended to operate as a self-sustaining entity funded from earmarked payroll taxes. As a matter of convenience to the Social Security Program and to the Treasury, any Social Security surpluses are temporarily invested in Treasury bonds, to be cashed in when needed. But this does not affect the borrowing needs of the Treasury, since the Treasury would have to borrow the same amounts to cover general fund deficits whether or not there were Social Security surpluses to borrow from.

I have looked into this matter a little further, and I believe I know the source of the confusion on this issue. The statement made this morning was based on an analysis by the Congressional Research Service which compared the income and outgo of the Social Security cash benefits trust fund, but did not count as income the interest paid by the Treasury on bonds held by the trust funds. I believe this type of analysis is simply wrong. The borrowing needs of the Treasury are not increased because it has to pay interest to the trust funds. If the Treasury had not borrowed from the trust funds, it would have necessarily borrowed the same amounts from the public—and it would have had to pay at least the same amount of interest on that public borrowing as it pays to the trust fund. That interest is therefore properly considered as income to the trust fund just as much as the direct receipts of the payroll tax are considered income to the trust fund. It should not be excluded in determining whether the trust fund is self-supporting.

DEFICIT REDUCTION NOW

Mr. CRANSTON. Mr. President, I do not think that the Senate should wait until next year to begin its deficit reduction plan.

The plan I voted for—the Chiles-Byrd plan—begins reducing the deficit this year, now. Not some time next year.

I don't think it is credible for those who claim they want to start reducing the deficit to say: "But let's not start until after 1986."

What are we afraid of?

Why doesn't the Gramm-Rudman-Hollings amendment start now?

The American people want us to start now. They don't want us to wait until next year.

I voted twice to start reducing the deficit this year.

I voted for the amendment offered by Senator EXON to move forward the starting day for the Gramm-Rudman-Hollings deficit reduction plan to November 1 this year, instead of November 1 next year.

I cosponsored and voted for the alternative plan offered by Senators CHILES and BYRD which made immediate cuts in spending, effective November 10 this year—1 month from today—instead of November 1, next year, as allowed in the Gramm-Rudman proposal.

There were 52 Senators who voted against the November 1, 1985, starting date proposed by Senator EXON. They said, in effect, that they don't want to face the tough decisions and the tough consequences of cutting spending until sometime after the elections next year. I think waiting until fiscal year 1987 is too late.

Congress has in the past enacted ambitious plans to reduce the deficit and balance the budget. Those ambitious plans failed. They failed because each one contained the same fatal flaw as Gramm-Rudman: "Let's wait until next year."

"Wait until next year"—that's the procrastinator's sad refrain.

I supported the Chiles-Byrd plan because it would reduce the Federal deficit more quickly and more equitable than any of the other proposals offered so far.

Our plan would have balanced the budget by 1990 instead of 1991.

What difference does 1 year make?

When annual deficits exceed $200 billion, 1 year makes plenty of difference. We've piled up a new trillion-dollar debt during the 5 years of the Reagan administration to add to the other trillion in debt that took us over 200 years to accumulate. One year makes a big difference these days.

Immediate action is required to reduce the dangerously high deficits in 1986. That action must also be shared fairly across most areas of Government spending, including military weapons systems.

Our amendment would have required Congress to meet specific deficit reduction numbers in each of the next 5 years. If Congress failed to meet those targets after a special process to meet them had been exhausted, then automatic spending reductions would have been in effect, with the cuts in defense and domestic spending in proportion to their share of the budget.

However, our amendment would have exempted Social Security and programs for poor and disabled Americans—including VA service-connected disability compensation recipients—from the domestic spending cuts required by its deficit reduction plan.

The defense cuts would have come from wasteful Pentagon procurement instead of targeting programs vital to our defense readiness, as would the plan offered by Senator GRAMM.

I oppose the Gramm proposal because it would delay the tough decisions on deficit reduction, it would permit unfair cuts in programs for poor and disabled persons, and it would give the President new power to change spending cuts passed by the Congress.

Under Gramm, the President could subvert a specific congressional deficit reduction plan by vetoing it and sub-

stituting budget cuts by Executive order for those cuts passed by both Houses of Congress.

This enormous change in the balance of powers between the executive and legislative branches of Government overlooks the constitutional responsibility of the Congress to determine how the people's money is spent.

I believe we need a deficit reduction plan now, not in 1987, that will require the Congress to make the difficult decisions—and start making them now—about where the budget cuts would come.

Mr. GRASSLEY. Mr. President, it took two centuries for this country to pile up its first trillion dollars of debt. It took only 5 years for the second trillion. At this rate, it'll take only 3 years for the third trillion.

If that doesn't say we're on a crisis course, I don't know what it says,

We have a situation similar to a pressure-cooker. Since 1979, the annual increase in the debt is rising faster than the size of the deficit. We create debt this year to pay off last year's debt. This is the textbook illustration of bankruptcy.

Meanwhile, the runaway debt is compounding itself exponentially, relative to our ability to pay for it. This year's deficit adds to the pressure. The rapid expansion and compounding of debt locks us into a permanent debt spiral which is feeding on itself.

This is not a situation where we can merely continue to borrow, or, because of the mind-boggling size, repudiate it. I can assure you, Mr. President, "We Will Pay for It."

There are three ways we can pay this debt off. One is to run a budget surplus for a seemingly infinite number of years. However, our inability to get deficits down even below $200 billion lends powerful credibility to even the cynics among us. Feeding the doubt is the fact that, because of the compounding nature of the debt dynamic, we need a $45 billion surplus this year just to break even on the rapidly piling debt.

This is the fallacy of diminishing deficits. When two and two are added together, the very sobering result compels us to quickly shove this option aside.

Option No. 2 is to raise taxes, which I and many of my colleagues cannot condone. At any rate, a $2 trillion debt translates into a $10,000 tax burden for each man, woman and child in this country, at a compounding rate of 5 percent per year and climbing. Such a massive burden is unthinkable because it would set the economy into an economic tailspin and erase any hopes of perpetuating the current recovery.

The third option is equally undesirable, but is probably the inevitable choice, if history is any gauge. That is the choice of inflating the currency to pay back the debt with cheaper dollars.

The consequences of this choice are literally incredible. If we thought we had an inflation problem before this administration took over, it would surely be dwarfed by what would come about from reflating the current debt. The United States would become the world's largest Third World nation in a very short time.

This is a management crisis, Mr. President. It can be overcome only by the severest of discipline, preceded by stark recognition of the seriousness of the debt problem. Neither appears to have taken hold of this Congress. To support an extension of the Government's borrowing ability under these rapidly deteriorating conditions is not the responsible thing to do. I cannot, in good conscience, either countenance it or support it.

Thank you, Mr. President.

Mr. BIDEN. Mr. President, I voted in favor of the so-called Gramm-Hollings-Rudman proposal first and foremost because I believe that we must have some type of action forcing mechanism to create discipline necessary to reduce these deficits.

Since shortly after arriving in the Senate, I have advocated measures which would have forced both the legislative and executive branches to exercise greater fiscal responsibility. Over a decade ago I introduced one of the first so-called comprehensive sunset bills which would have required most Federal spending programs to be reviewed on an annual basis.

My proposal was every bit as controversial as the so-called Gramm-Hollings-Rudman amendment, although probably not as well known. Some argued that annual review of social programs would jeopardize their renewal and others warned that it would jeopardize our national defense. Unfortunately after years of deliberation the proposal died a quiet death.

Sunset was not the first or the last effort to try and create some type of action forcing measure. Indeed the Budget Act of 1974 was designed for that purpose. But as we all know the budget process has been less than satisfactory and the current deficit situation has reached truly crisis proportions.

Within the context of the Budget Act I have pursued without success a number of initiatives to cut deficits. For example, last year I along with the Senator from Kansas, the Senator from Iowa, and the Senator from Montana offered an across-the-board budget freeze that if adopted would have meant deficits considerably smaller than we have today. However, I was unable to prevail.

In the end the current impasse on the budget is a political problem. In effect it has become in everyone's political interest not to act. When this administration took office deficits were less than a third of what they are today and in 5 years a President who promised a balanced budget has created more deficit than all Presidents before him.

Now the politics are changing both with the request for $2 trillion in debt authority and with people outside Washington begining to appreciate the relationship between deficits and jobs in the trade sensitive sectors of our society. Their patience is ending and the time for action has arrived.

My overriding concern about this proposal is twofold: First, that the legislation might result in inequitable cuts, especially in social programs, and second, that it did not guarantee sufficiently prompt action on the deficit. As to both concerns, I am voting for this proposal because I have become convinced that, just as political forces have conspired to withhold action, that they will answer my two concerns.

As to my first concern—inequity in the sequester process—I have become convinced that both Congress and the President are going to be sufficiently concerned about political consequences to avoid draconian cuts in social programs. I believe that Congress will take the threat of the sequester process seriously and will, rather than face the risk of inequitable sequester, seek an across the board cut to meet the deficit goals.

In the event that this does not happen and the sequester process triggers, the President will, nothwithstanding his desire to emasculate the discretionary sectors of the budget, be faced with a Republican Party that will not be willing to face extinction by going along with him on the one hand and the reality that there are not sufficient savings in the social programs in the discretionary sector to meet the ceiling.

Faced with this, the President for the first time in his Presidency will be forced to face reality and choose among duplicative weapons programs to cut and raising revenues from those who are presently escaping their fair share of the burden.

One thing is as clear to me as it was when I offered the freeze—to do nothing guarantees that those expenditures that are the measure of our humanity as a nation will be slowly but steadily eroded due to the lack of gumption on the part of Congress and the lack of wisdom on the part of the President to meet the test of facing an efficient military and a fair tax system.

As to the second concern—the fact that the procedure does not guarantee prompt action—it is my hope that this debate has focused on the urgency of dealing with the deficit will bring some renewed pressure on the Con-

gress to act and the President to retreat from his fantasy world which says no revenue increases and no defense cuts.

In the event that this is a misplaced hope I believe at a minimum it will make more attractive an across-the-board freeze.

Furthermore, if the President again submits an outrageous budget, Congress should give serious consideration to an immediate across-the-board freeze for the next 2 years in Federal spending and a 2-year suspension of tax indexing.

Finally, I became convinced as I listened to hours of debate that almost all of the provisions of this proposal that were questioned were also present in the Chiles alternative and would be present in almost any effective mechanism which would have been imposed.

Mr. BYRD. Mr. President, the increase in the debt ceiling to over $2 trillion stands as an embarrassing testament to the failures of this administration to live up to its promises to reduce the Federal budget deficit. In 1981, President Reagan said:

> The $1 trillion debt figure can stand as a monument to the policies of the past that brought it about—policies which, as of today, are reversed.

It is an unfortunate fact that not only did the administration not reverse the increase in the debt; it actually accelerated it! It took 39 previous administrations the entire history of the United States, from 1789 to 1981 to accumulate the first $1 trillion of debt. But this administration has added another $1 trillion to the debt in just 5 short years—1981 through 1985.

Just to pay the net interest on that debt will require $137 billion in fiscal year 1986, nearly 40 cents out of every $1 paid in individual income taxes next year. Only 20 years ago, $137 billion could have funded the entire Federal budget for 1 year!

We cannot escape the fact that it is the economic and budget policies of this administration which have driven the deficit—and the debt—to record levels. The 1981 tax cut was estimated at that time to reduce revenues by $749 billion over 5 years. That was money we did not have.

I voted for that tax cut because of what I believed was the overwhelming sentiment of the people that the new President's program be given a chance to work. I have since regretted that vote many times. The 1981 tax cut is a major reason why the debt has increased by $1 trillion since then. The policies that bred this debt in 1981 are now coming home to roost. And they are roosting on the debt limit bill that is about to be voted on.

The rapidly mounting debt, and the burden that it imposes on our economy, on jobs, and on our children and grandchildren, makes it imperative that we take decisive action to reduce the deficit. As responsible legislators we cannot continue to allow huge deficits to keep sapping the strength from our economy. These deficits keep interest rates high, attracting foreign capital and driving up the value of the dollar. A high dollar drives a stake into the heart of American exports, and that costs jobs.

This is no academic argument. The effects of continued large deficits hurt our people, hurt our industries, and hurt our country. That is why I offered in May a proposal to reduce budget deficits significantly. Under that proposal, the deficit would have been reduced from $200 billion in fiscal year 1985, to $100 billion by 1988, and to a balanced budget shortly thereafter.

Further, my proposal would have achieved that reduction in a fair, responsible way that would have promoted economic growth, education, research, and exports; protected those receiving Social Security benefits; and prescribed that profitable corporations and the rich pay their fair share of the cost of running our Government and providing its services.

Now, the frustration many of my colleagues feel at the inability of this administration to deal with the deficit has led to a proposal that would, in some ways, wreak even more havoc than the deficits it is designed to eliminate. The Gramm proposal, which the Senate has adopted, is so fundamentally flawed that I voted against it and continue to oppose it—even though I agree with its stated goal of eliminating the deficit.

If it becomes law as passed by the Senate—and it will be passed by the Senate, the proposal has, I believe, sown the seeds for potentially even greater economic and social distress, and may inadvertently, impact adversely upon the national security needs of our country. The Gramm amendment puts a straight-jacket on fiscal policy—the most important tool that the Federal Government has with which to respond to changes in the economy, domestic, and international events, and national security requirements.

It is a well accepted practice for governments to respond to economic slowdowns—recessions and depressions—by cushioning the adverse effects such as rising unemployment.

If, however, under the Gramm proposal, the President kept insisting on a rosy economic future—that the present troubles were just temporary—Congress would need to muster a two-thirds vote in each House to suspend the requirements of the proposal and respond to the Nation's needs—including those of unemployed workers, businesses and industries, threatened by the economic slowdown, banks faced with mounting bad loans, and all the other individuals and institutions that would be affected. This would enable the combination of a President and a minority of one House to hold any recession assistance hostage. Further, even if such aid were ultimately agreed to, it might well come too late to alleviate the hardships that occur early in a recession. A recession could become a depression, and the deficits could become even larger.

The amendment could also tie the hands of a President in responding to threats to our national security. By requiring adherence to rigid deficit limits, except in times of a declared war, the proposal could prevent the President from spending funds in a broad range of areas—from Embassy security to military readiness—unless offsetting cuts could be found elsewhere.

I firmly believe that our national security requirements should be dictated by the threats we face from our enemies, not by domestic budgetary concerns. Any procedure that might prevent the Nation from defending its vital interests overseas should be unacceptable.

Because of the protection it provides even to existing defense contracts that can be legally modified, the Gramm amendment could severely affect the readiness of our troops. To the degree that contracts are off limits for cuts, the cuts that need to be made would come mainly from operation and maintenance accounts—the very heart of military preparedness. We could end up with fleets of modern equipment—fighters, bombers, tanks, submarines, and so forth, but without sufficient fuel, ammunition, spare parts, or trained personnel to enable them to perform their missions.

I should also point out that the amendment is suspended automatically during—but only during—a declared war. But only once in the past 40 years have we been in a declared war—and that was World War II. Our most costly engagements since then, both in human and dollar terms—Korea and Vietnam—were not conducted under any such declaration. If the procedures spelled out in the Gramm amendment had been in effect in either of those cases, we might well have found ourselves unable to support our troops in combat.

The Gramm amendment, also, would actually delay the day of reckoning on deficit reduction. Instead of forcing the hard choices to be made now—beginning this year—the amendment puts off any action until next year, possibly after the elections. I believe that we must be serious about deficit reduction today, not tomorrow.

The amendment also transfers too much power to the President. While some of the more egregious examples have been changed during the amend-

ment process, others remain. For instance, the administration can still manipulate when the automatic cuts will go into effect if the Office of Management and Budget cooks the numbers. If the executive wants automatic cuts to go into effect, the required OMB report can show a larger projected excess deficit. Conversely, if the administration wants to avoid such action, the OMB report could show no excess deficit. Either way, the President has the power to trigger automatic budget cuts.

The amendment offered by Senators CHILES, JOHNSTON, myself, and others, would have provided for a faster and more responsible way to achieve a balanced budget. Our amendment would have balanced the budget by 1990, 1 year earlier than the timetable set forth in the Gramm amendment.

It also would have added a provision that required the automatic suspension of the requirements not only during a declared war, but also, during any time when U.S. troops are engaged in combat, or during any recession. This critical provision would allow the President to deal immediately with any threats to our national security and to respond quickly to the adverse effects of a recession. The Government cannot function efficiently or effectively if it does not have the flexibility to respond to unforeseen developments. Our amendment provided that flexibility in two key areas.

The flexibility to respond to recession takes on added importance when viewed in the light of an analysis performed by the House Budget Committee. Using a model of the economy developed by Data Resources, Inc., a highly respected economic forecasting firm, the analysis found that if the economy enters a recession in 1987 and the provisions of the Gramm amendment were in effect, the recession could be lengthened 2 years beyond what it would otherwise last. More importantly, unemployment would rise to nearly 15 percent by 1989 and stay at that level for 2 years. Without some flexibility, we could find ourselves in a longer and far more severe recession than we experienced from 1981 to 1983, and from which some of our States have yet to fully recover.

The Government has no more important responsibility than the protection of national security. Our amendment also provided that the President can request supplemental funds for national defense, thereby cancelling any automatic budget cut that would have compromised our ability to defend our strategic interests.

Mr. President, a $2 trillion debt limit is a national misfortune. Furthermore, this administration is likely to have to ask for another increase next year. That is reason enough to oppose the debt limit increase.

But there is another reason. The bill has been amended with a deficit reduction procedure contained in the Gramm amendment. It would create more serious problems than it would cure. While it would reduce the deficit—a proposition with which I am in agreement—it would do so in a potentially dangerous and unbalanced way.

Frankly, I believe the best method of reducing the budget deficit and achieving a balanced budget was contained in the budget amendment I offered in May of this year. Even the amendment offered yesterday by Senators CHILES, JOHNSTON, and myself and others would have been a much more responsible way to reduce the deficit than the Gramm approach.

Inasmuch as the Gramm amendment, which I opposed, was adopted, and because the debt limit we are considering will increase our public debt to over $2 trillion—more than double what it was when Mr. Reagan took the oath of office—I am compelled to vote against House Joint Resolution 372.

The PRESIDING OFFICER. The Joint Resolution having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Mississippi [Mr. COCHRAN], the Senator from Minnesota [Mr. DURENBERGER], the Senator from North Carolina [Mr. EAST], the Senator from Orgeon [Mr. HATFIELD], the Senator from Idaho [Mr. MCCLURE], and the Senator from Kentucky [Mr. MCCONNELL] are necessarily absent.

I also announce that the Senator from Maryland [Mr. MATHIAS] is absent on official business.

I further announce that, if present and voting, the Senator from Minnesota [Mr. DURENBERGER] would vote "aye."

Mr. CRANSTON. I announce that the Senator from Montana [Mr. BAUCUS], the Senator from Illinois [Mr. DIXON], the Senator from Ohio [Mr. METZENBAUM], the Senator from Rhode Island [Mr. PELL] and the Senator from Mississippi [Mr. STENNIS] are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island [Mr. PELL] and the Senator from Montana [Mr. BAUCUS] would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 51, nays 37, as follows:

[Rollcall Vote No. 222 Leg.]

YEAS—51

Abdnor	Chafee	Dole
Andrews	Chiles	Domenici
Armstrong	Cohen	Eagleton
Biden	D'Amato	Evans
Boren	Danforth	Ford
Boschwitz	Denton	Garn
Glenn	Kennedy	Roth
Goldwater	Kerry	Rudman
Gore	Laxalt	Simon
Gorton	Levin	Simpson
Gramm	Lugar	Specter
Hatch	Mattingly	Stafford
Hawkins	Murkowski	Stevens
Hecht	Packwood	Thurmond
Heinz	Pressler	Trible
Helms	Quayle	Wallop
Hollings	Rockefeller	Wilson

NAYS—37

Bentsen	Heflin	Nickles
Bingaman	Humphrey	Nunn
Bradley	Inouye	Proxmire
Bumpers	Johnston	Pryor
Burdick	Kassebaum	Riegle
Byrd	Kasten	Sarbanes
Cranston	Lautenberg	Sasser
DeConcini	Leahy	Symms
Dodd	Long	Warner
Exon	Matsunaga	Weicker
Grassley	Melcher	Zorinsky
Harkin	Mitchell	
Hart	Moynihan	

NOT VOTING—12

Baucus	East	McConnell
Cochran	Hatfield	Metzenbaum
Dixon	Mathias	Pell
Durenberger	McClure	Stennis

So the bill (H.J. Res. 372), as amended, was passed.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. PACKWOOD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, there will be no further votes today, Monday, or Tuesday.

Mr. THURMOND. Mr. President, I ask unanimous consent that 500 copies of Amendment No. 724 be printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PACKWOOD. Mr. President, I am not tonight requesting that the House go to conference. However, if a conference is requested by the House and if conference is held, it would be my intention to ask the Senate to appoint the following conferees: Mr. PACKWOOD, Mr. ROTH, Mr. DOMENICI, Mr. DANFORTH, Mr. ARMSTRONG, Mr. LONG, Mr. BENTSEN, Mr. CHILES, and Mr. LEVIN. I just announce my intention.

Mr. DOLE. Mr. President, let me first thank the managers of the bill and all others who have been involved in this rather lengthy process. We have been on this measure for 8 days. We have consumed 48 hours and 49 minutes. We have had 20 rollcall votes. We have had 30 amendments and motions considered. We have agreed to 14, rejected 4, tabled 6, not acted on 2, and laid 4 temporarily aside.

I want to particularly thank the distinguished chairman of the Finance Committee, Senator PACKWOOD; the distinguished ranking member, Senator LONG, and even more particularly the authors of the so-called Gramm-Rudman-Hollings-Boren amendment for their amendment, Senator GRAMM, Senator RUDMAN, Senator HOLLINGS,

and Senator BOREN, and to indicate that we believe, notwithstanding the fairly close vote on final passage of the debt limit measure, House Joint Resolution 372, that there is strong support for deficit reduction as demonstrated earlier this week when the vote was 75 to 24.

Again I commend my colleagues. I thank the distinguished minority leader for his assistance. I thank my colleagues on both sides for their patience and understanding.

I hope that there will be a conference and we can resolve the outstanding differences in a short time.

ORDER OF BUSINESS

Mr. DIXON. Mr. President, will the majority leader yield?

Mr. DOLE. Yes, I yield, Mr. President.

Mr. DIXON. May I say to the majority leader, Mr. President, that I am here with my distinguished friend, the Senator from Montana [Mr. BAUCUS]. We were not recorded on this rollcall. We were at dinner three blocks from here. We both had our beepers on. Our beepers did not invite us here to cast our votes. I am told by my colleagues that others leaving here have said they were not informed of the vote.

Mr. President, may I ask that the record clearly show that by virtue of whatever occurred in the Cloakroom, whether failure of those in the Cloakroom or failure of the electronic system to notify us, Senator BAUCUS and myself—I am very happy that there were two of us here, both of whom had their beepers on and both working—were not informed of this rollcall.

As a consequence of that, notwithstanding the fact that we were only three blocks from this place, we were not here to register our votes. Since this could happen to others of our colleagues from time to time—I appreciate that under the rules of the Senate, I suspect there is nothing that can be done to record our vote. But I certainly want the record to show that we were both here in the city, close at hand, as close as the Hart Building is, and we were not notified of this vote.

I yield to my colleague from Montana to confirm that for the record.

Mr. DOLE. Mr. President, let me just indicate that under the circumstances, I would have no objection to permitting the Senators to be recorded if it would not change the outcome.

Mr. BYRD. Mr. President, the rule prohibits any Senator from voting after the Chair has announced the decision. It also provides that the Chair cannot even entertain a unanimous-consent request to suspend this rule.

I regret that the two Senators missed the vote. I have discussed this with the secretary for the minority. He has said the word went out.

Mr. DIXON. The word did not go out.

Mr. BAUCUS. Mr. President, I will say the secretary is wrong.

Mr. BYRD. Mr. President, the secretary cannot respond. Let me say that the Secretary told me the word went out, the beeper signal went out. Some Senators got word on their beepers.

Mr. DIXON. May I say to the minority leader, with all respect, I know what the rules are, because I remember in about my first year here, my distinguished colleague from Ohio missed a rollcall and there was a long discussion about whether he could vote and it was clear he could not.

I want to make this clear to the Senate, because it could happen to any Senator. As we were eating dinner—I was with my wife and my distinguished colleague from Montana was with his—I heard a little beep and it said, "Senator DIXON, you are not recorded." I jumped up and said to my friend from Montana, "MAX, there is a rollcall." He said, "You're kidding."

We both had ours on like this, we both did this, to assure that they were on. We both came here and rushed in. We were only three blocks away and the vote had been completed.

I just want to say this to my colleagues about the rules: This can happen to any Member. It has happened to us tonight. I am thankful there were two of us together. Both had our beepers on. I heard, and the cloakroom will probably acknowledge that they said, "Senator DIXON, you are not recorded."

You know, Mr. President, I have missed a rollcall before, so I am not in the position of my distinguished colleague from Wisconsin, who might be upset. I can live with this, and I do want my colleagues to know that it happened once, so it can happen again.

Mr. BAUCUS. Will the Senator yield?

Mr. DOLE. Mr. President, I yield to the Senator from Montana.

Mr. BAUCUS. Mr. President, I do not know what happened. Either there was a failure of the cloakroom to send the message to us or it was a failure of the electronic system. I do not know which one it was. I only know both our beepers were on. We were not given general notification. Both of our beepers must have been on because 5 minutes or so ago, we got individual messages telling us we were not recorded. We dashed over here, but it was just too late. Either there was a failure of the system generally or we were not given notification.

Whatever the reason, Mr. President, I would like to record my opposition to the measure that was just passed even though I was not here, due to a breakdown of the system to record my vote. Had I been present, I would have voted against it.

Mr. LONG. Mr. President, this type of thing has happened many times during the 36 years I have been a Member of the Senate. The minority leader knows this also. He has been a Member almost as many years. I believe it would take an act of Congress, to change this rule but whether it does or not, I think we ought to do what is necessary to change it. Because to have a situation where we cannot correct that type of thing is ridiculous.

When I first came here, there would simply be a long buzz in the Senators' offices, one long ring meant the vote was going on. Many times, the buzzer in your office would fail and a Senator would fail to make the vote and he would come over and explain that to us.

I hope that we would undertake to correct this situation so that Senators who miss votes for reasons like this can be recorded. And while we are at it, I hope we would also consider changing the law or the rule, whichever it takes, so that the leadership on both sides of the aisle could work out an arrangement where any Senator who is not going to be able to be here for a vote could be recorded if he shows up within a given period of time after the vote was over, provided that it would not change the outcome.

It is pretty ridiculous in this day of electronics, where you can see the President carrying out his duties while he is halfway around the world in Europe or Japan, but a Senator who wants to be recorded on a vote cannot be recorded unless he is right here in the Chamber.

It should be changed and I hope very much that we will change it. It seems somewhat ridiculous to me that a Senator can announce days in advance that he wants to be recorded for or against a measure, he can make his voice heard over television, over radio, any electronic medium available to us; yet we are still foreclosing his vote unless he is in the Chamber prior to the time the vote is announced. It would expedite sessions where the leader wants to have a vote if he did not have to arrange the schedule on the basis of whether Senators who want to be recorded on that vote are going to be in or out of town.

Mr. DIXON. Mr. President, I do not want to delay this matter. I thank my distinguished friend from Louisiana who has contributed so much over such a long period of time. I see so many people on this floor—incidentally, the only ones left except for my friend from Montana and myself—who are men with fabulous seniority—I ask my friend from Idaho to excuse me.

I see my friend from South Carolina, my friend from Louisiana, my friend from West Virginia, my friend from

Kansas, and in the Chair, my friend from Arizona. The five of them together cover so many years of distinguished service here that it boggles the mind. So I do not want to belabor this as a new Member in his fifth year.

I just want to say that in the body I came from, the Illinois Legislature, you could vote if you did not change the result, notwithstanding the fact that you did not meet the obligatory rollcall. I appreciate the fact that you can see times when you would not want to be able to change the result by somebody's coming late. I can see that. But in the situation that I saw a few years ago with my friend from Ohio, who apparently just could not make it in time because of some problem and in the case of my friend from Montana and myself tonight, I really think if you cannot change the result, you ought to be able to get on the rollcall.

I urge my senior colleagues here, all of whom are so respected by every Member, to consider the question of whether we ought to address some method of changing the rules. Or if it requires changing the law, I say to my friend from Louisiana—my leader says it would not.

Mr. BYRD. Mr. President, we all understand the chagrin that our two colleagues have just expressed. I deeply regret that they did not make the rollcall. I do not know of any Senators in this body on either side of the aisle who are more fastidious and conscientious about making rollcalls than both Mr. DIXON and Mr. BAUCUS, and both have excellent attendance records.

They missed the vote this evening not because of any fault of theirs but because of a fault apparently in the electronic system. We are going to investigate this to find out whether or not there is in reality a flaw in this system. There very well could be. I know that, from time to time, I try calling on my automobile telephone, and there are certain zones in this city in which it will not work. It could be, or it may not have been something of this nature. I do want to say again for the RECORD—and our two colleagues know this to be very true—the distinguished majority leader bends over backward to accommodate Senators on both sides if they are unable to make the rollcall vote right on time.

Mr. DIXON. Yes.

Often I go to him and say, "So-and-so is not here; he is being detained over in House building or somewhere in between." The majority leader has never yet refused me that request. I know I tried to do the same when I was majority leader. Mr. Baker did the same when he was majority leader.

I profoundly regret the fact that the two Senators have missed the vote. I hope the RECORD will show precisely by the words that have been spoken not only by them but by their colleagues that they did their best; that they did not intentionally miss this rollcall vote, and that the RECORD will at least show how they would have voted had they been present.

I think there are good reasons for the rule. I think we ought to look into it. If it requires a change in that rule, that is up to the Senate. I think there are good reasons for the rule, but that does not gainsay the fact that I really regret, and am profoundly sorry, that our colleagues missed this vote through no fault of their own.

Mr. DOLE. Mr. President, I join the distinguished minority leader in indicating that we do our best. I assume on this vote of course, they would not have had notice. We held it for a while, but not quite as long because it was the last vote, people wanted to go, and it was close, fairly close. And again I apologize. I recall the rule now or I would not have made the request. I did not mean to embarrass any Senator because I would have no objection if they voted right now. But the distinguished minority leader is correct, that is the rule and a unanimous-consent request cannot be entertained.

Mr. DIXON. I thank both the majority and minority leaders.

ORDERS FOR FRIDAY, OCTOBER 11, 1985

RECESS UNTIL 9:30 A.M.

Mr. DOLE. Mr. President, I ask unanimous consent that once the Senate completes its business today, it stand in recess until 9:30 a.m. on Friday, October 11, 1985, for a pro forma session only. No business will be transacted during Friday's session.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT UNTIL 10 A.M., TUESDAY, OCTOBER 15, 1985

Mr. DOLE. Mr. President, I ask unanimous consent that after convening on Friday, the Senate stand in adjournment until 10 a.m. on Tuesday, October 15, 1985.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. DOLE. Mr. President, I ask unanimous consent that when the Senate convenes on Tuesday, October 15, the reading of the Journal be dispensed with, no resolution come over under the rule, the call of the calendar be dispensed with, and following the recognition of the two leaders under the standing order there be a special order in favor of the Senator from Wisconsin [Mr. PROXMIRE] for not to exceed 15 minutes, to be followed by a period for the transaction of routine morning business not to extend beyond 11 a.m., with statements limited therein to 5 minutes each; provided further that the morning hour be deemed to have expired.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION FOR BUDGET COMMITTEE REPORT

Mr. DOLE. Mr. President, I ask unanimous consent that the October 15, 1985 deadline by which the Senate Budget Committee must report recommendations relating to Social Security as agreed to by the Senate on September 19, 1985, be extended to November 1, 1985.

The PRESIDING OFFICER. Without objection, it is so ordered.

MEASURE HELD AT THE DESK

Mr. DOLE. Mr. President, I ask unanimous consent that when the Senate receives from the House, H.R. 1903, a bill to provide for the use and distribution of funds appropriated in satisfaction of judgments awarded to members of the Lake Superior band of Chippewa Indians who are members of the Minnesota Chippewa tribe in dockets 18-S and 18-U before the Indian Claims Commission, and for other purposes, it be held at the desk pending further disposition.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR H.R. 2174 TO BE HELD AT THE DESK

Mr. DOLE. Mr. President, I ask unanimous consent that once the Senate receives from the House H.R. 2174, a bill to provide for the transfer to the Colville Business Council of any undistributed portion of amounts appropriated in satisfaction of certain judgments awarded the Confederated Tribes of the Colville Reservation before the Indian Claims Commission, it be held at the desk pending further disposition.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR HOUSE JOINT RESOLUTION 386 TO BE HELD AT THE DESK

Mr. DOLE. Mr. President, I ask unanimous consent that once the Senate receives from the House House Joint Resolution 386, to designate November 24 as "National Day of Fastings," it be held at the desk pending further disposition.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL TRADE COMMISSION AUTHORIZATION ACT

Mr. DOLE. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 1078.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 1078) entitled "An Act to amend the Federal Trade Commission Act to provide authorization of appropriations, and for other purposes", do pass with the following amendments:

Strike out all after the enacting clause, and insert:

SECTION 1. SHORT TITLE AND REFERENCE TO ACT.

(a) SHORT TITLE.—This Act may be cited as the "Federal Trade Commission Authorization Act of 1985".

(b) REFERENCE.—Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be a reference to a section or other provision of the Federal Trade Commission Act.

SEC. 2. UNFAIR ACTS OR PRACTICES.

Section 5(a)(1) (15 U.S.C. 45(a)(1)) is amended (1) by inserting "(A)" after "(1)", and (2) by adding at the end thereof the following:

"(B) An act or practice in or affecting commerce shall be considered to be an unfair act or practice under subparagraph (A) if—

"(i) such act or practice causes or is likely to cause substantial injury to consumers; and

"(ii) such substantial injury (I) is not reasonably avoidable by consumers; and (II) is not outweighted by countervailing benefits to consumers or to competition which result from such act or practice.

Any determination under the preceding sentence regarding whether an act or practice is an unfair act or practice shall take into account, in addition to other relevant factors, whether such act or practice violates any public policy as established by Federal or State statutes, common law, practices in business or industry, otherwise. This subparagraph shall not have any force or effect, and shall not be taken into account, in connection with the enforcement of any State law which prevents persons, partnerships, or corporations subject to the jurisdiction of the State from engaging in unfair acts or practices.".

SEC. 3. REVIEW OF CERTAIN CEASE AND DESIST ORDERS.

Section 5(m)(2) (15 U.S.C. 45(m)(2)) is amended by adding at the end thereof the following new sentence: "The court in such action against such defendant also shall review, if requested by any party to the action, the determination of law made by the Commission in the proceeding under subsection (b) that the act or practice of the respondent which was the subject of such proceeding constituted a violation of subsection (a).".

SEC. 4. PREVALENCE OF UNFAIR OR DECEPTIVE ACTS OR PRACTICES OR FALSE ADVERTISEMENTS.

Section 18(a) (15 U.S.C. 57a(a)) is amended by adding at the end thereof the following new paragraph:

"(3) The Commission may issue a notice of proposed rulemaking with respect to any unfair or deceptive act or practice or any false advertisement (as defined in section 15(a)(1)) only if—

"(A) the Commission has issued two or more cease and desist orders regarding such unfair or deceptive act or practice or such false advertisement; or

"(B) any other information available to the Commission provides the Commission with reason to believe that a patten of such unfair or deceptive acts or practices or such false advertisements exists.".

SEC. 5. CIVIL INVESTIGATIVE DEMANDS.

Section 20 (15 U.S.C. 57b-1) is amended—

(1) in subsection (a)(2), by striking out "unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5(a)(1))" and inserting in lieu thereof "act or practice or method of competition declared unlawful by this Act or any other Federal law administered by the Commission";

(2) in subsection (a)(3), by striking out "unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5(a)(1))" and inserting in lieu thereof "any act or practice or method of competition declared unlawful by this Act or any other Federal law administered by the Commission";

(3) in subsection (a)(7), by striking out "unfair or deceptive act or practice in or affecting commerce (within the meaning of section 5(a)(1))" and inserting in lieu thereof "act or practice or method of competition declared unlawful by this Act or any other Federal law administered by the Commission";

(4) in subsection (b), by striking out "unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5(a)(1))" and inserting in lieu thereof "any act or practice or method of competition declared unlawful by this Act or any other Federal law administered by the Commission"; and

(5) in subsection (c)(1), by striking out "unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5(a)(1))" and inserting in lieu thereof "any act or practice or method of competition declared "any act or practice or method of competition declared unlawful by this Act or any other Federal law administered by the Commission".

SEC. 6. RESTRICTION OF COMMISSION AUTHORITY RELATING TO AGRICULTURAL COOPERATIVES.

The Federal Trade Commission Act is amended by redesignating sections 24 and 25 as sections 26 and 27, respectively, and by inserting after section 23 the following new section:

"SEC. 24. (a) The Commission shall not have any authority to conduct any study, investigation, or prosecution of any agricultural cooperative for any conduct which, because of the provisions of the Act entitled 'An Act to authorize association of producers of agricultural products', opposed February 18, 1922 (7 U.S.C. 291 et seq., commonly known as the Capper-Volstead Act), is not a violation of any of the antitrust Acts or this Act.

"(b) The Commission shall not have any authority to conduct any study or investigation of any agricultural marketing orders.".

SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

Section 26, as so redesignatged in section 6, is amended to read as follows:

"SEC. 26. To carry out the functions, powers, and duties of the Commission there are authorized to be appropriated $63,900,000 for fiscal year 1986, $64,200,000 for fiscal year 1987, and $64,300,000 for fiscal year 1988.".

SEC. 8. DISAPPROVAL OF FTC RULES.

(a) AMENDMENT.—The Federal Trade Commission Act is amended by inserting after section 24, added by section 6, the following:

"SEC. 25. (a) The Commission, after promulgating a final rule, shall submit such final rule to the Congress for review in accordance with this section. Such final rule shall be delivered to each House of the Congress on the same day and to each House of Congress while it is in session.

"(b) Any final rule of the Commission shall become effective in accordance with its terms unless before the end of the period of 90 days of continuous session of Congress after the date such final rule is submitted to the Congress a joint resolution disapproving such final rule is enacted into law.

"(c)(1) If a final rule of the Commission is disapproved in accordance with this section, the Commission may promulgate another final rule which relates to the same acts or practices as the rule which was disapproved. Such other final rule—

"(A) shall be based upon—

"(i) the rulemaking record of the disapproved final rule; or

"(ii) such rulemaking record and any record established in supplemental rulemaking proceedings conducted by the Commission; and

"(B) may contain such changes as the Commission considers necessary or appropriate.

Supplemental rulemaking proceedings referred to in subparagraph (A)(ii) may be conducted in accordance with section 553 of title 5, United States Code, if the Commission determines that it is necessary to supplement the existing rulemaking record.

"(2) The Commission, after promulgating a final rule under this subsection, shall submit the final rule to Congress in accordance with subsection (a).

"(d) Congressional inaction on a joint resolution disapproving a final rule of the Commission shall not be construed—

"(1) as an expression of approval of such rule, or

"(2) as creating any presumption of validity with respect to such rule.

"(e)(1)(A) For purposes of subsection (b), continuity of session is broken only by an adjournment sine die at the end of the second regular session of a Congress.

"(B) The days on which either House of Congress is not in session because of an adjournment of more than five days to a day certain are excluded in the computation of the period specified in subsection (b).

"(2)(A) In any case in which a final rule of the Commission is prevented from becoming effective by an adjournment sine die at the end of the second regular session of the Congress before the expiration of the period specified in subsection (b), the Commission shall resubmit such rule at the beginning of the first regular session of the next Congress.

"(B) The period specified in subsection (b) shall begin on the date of a resubmission under subparagraph (A).

"(f) For purposes of this section:

"(1) The term 'joint resolution' means a joint resolution the matter after the resolving clause of which is as follows: 'That the final rule promulgated by the Federal Trade Commission dealing with the matter of , which final rule was submitted to Congress on is disapproved.', the first blank being filled with the subject of the rule and such further description as may be necessary to identify it, and the second blank being filled with the date of submittal of the rule to the Congress.

"(2) The term 'rule' means any rule promulgated by the Commission pursuant to

this Act other than a rule promulgated under section 18(a)(1)(A)."

(b) CONFORMING AMENDMENT.—Section 21 of the Federal Trade Commission Improvements Act of 1980 (15 U.S.C. 57a-1) is repealed.

SEC. 9. INTERVENTION BY COMMISSION IN CERTAIN PROCEEDINGS.

(a) GENERAL RULE.—The First Trade Commission shall not have any authority to use any funds which are authorized to be appropriated to carry out the Federal Trade Commission Act (15 U.S.C. 41 et seq.) for fiscal year 1986, 1987, or 1988, for the purpose of submitting statements to, appearing before, or intervening in the proceedings of, any Federal or State agency unless the Commission advises the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Energy and Commerce of the House of Representatives, at least sixty days before any such proposed action, or, if such advance notice is not practicable, as far in advance of such proposed action as is practicable.

(b) NOTICE.—The notice required in subsection (a) shall include the name of the agency involved, the date upon which the Federal Trade Commission will first appear, intervene, or submit comments, a concise statement regarding the nature and purpose of the proposed action of the Commission, and, in any case in which advance notice of sixty days is not practicable, a concise statement of the reasons such notice is not practicable.

SEC. 10. NATIVE AMERICAN ARTS AND CRAFTS.

The Federal Trade Commission shall investigate the marketing of imitation Native American arts, crafts, and jewelry. The Commission shall, upon the expiration of eighteen months after the date of the enactment of this Act, report to the Congress on the investigation made under the preceding sentence. The Commission shall develop and distribute a consumer information brochure designed to assist consumers in identifying imitation Native American arts, crafts, and jewelry. The brochure shall be completed and distribution begun not later than six months after the date of the enactment of this Act.

SEC. 11. LIFE CARE HOME STUDY.

(a) STUDY.—The Federal Trade Commission shall conduct a study of unfair and deceptive practices in the life care home industry, including practices engaged in by life care homes. Within 2 years of the date of the enactment of this section, the Commission shall report the findings and conclusions of the study to Congress. If the Commission finds a rulemaking is warranted under section 18 of the Federal Trade Commission Act, the Commission shall, promptly after completion of the study, initiate a trade regulation rule proceeding under such section 18 respecting unfair and deceptive acts or practices in the life care home industry. If the Commission determines a rulemaking is not warranted, the Commission shall include in the report to Congress the reasons for such determination.

(b) DEFINITIONS.—For purposes of subsection (a):

(1) The term "life care home" includes the facility or facilities occupied, or planned to be occupied, by residents or prospective residents where a provider undertakes to provide living accommodations and services pursuant to a life care contract.

(2) The term "life care contract" includes a contract between a resident and a provider to provide the resident, for the duration of such resident's life, living accommodations and related services in a life care home, including nursing care services, medical services, and other health-related services, which is conditioned upon the transfer of an entrance fee to the provider and which may be further conditioned upon the payment of periodic service fees.

SEC. 12. NURSING HOME STUDY.

(a) GENERAL RULE.—The Federal Trade Commission shall continue studying unfair and deceptive acts and practices in the nursing home industry, including practices engaged in by nursing homes. Within one year of the date of the enactment of this section, the Commission shall report to the Congress the findings and conclusions of the study. If the Commission finds a rulemaking is warranted under section 18 of the Federal Trade Commission Act, the Commission shall, promptly after the completion of the study, initiate a trade regulation rule proceeding under such section 18 respecting unfair and deceptive acts or practices in the nursing home industry. If the Commission determined a rulemaking is not warranted, the Commission shall include in the report to Congress the reasons for such determination.

(b) DEFINITION.—For purposes of subsection (a), the term "nursing home" includes a residential facility that provides convalescent or chronic nursing care, or both, for persons unable to care for themselves.

SEC. 13. PREDATORY PRICING.

(a) The Federal Trade Commission shall submit to the Committee on Energy and Commerce of the House of Representatives and to the Committee on Commerce, Science, and Transportation of the Senate the information specified in subsection (b) of this section every 6 months during each of the fiscal years 1986 and 1987. A report containing such information shall be submitted when the Commission submits its annual report to the Congress during each of such fiscal years and such report may be included in the annual report. A separate report containing such information shall be submitted 6 months after the date of submission of any such annual report. Each such report shall contain such information for the period since the last submission under this section.

(b) Each report shall list and describe, with respect to instances in which predatory pricing practices have been suspected or alleged—

(1) each complaint made, orally or in writing, to the offices of the Commission;

(2) each preliminary investigation opened or closed at the Commission;

(3) each formal investigation opened or closed at the Commission;

(4) each recommendation for the issuance of a complaint forwarded by the staff to the Commission;

(5) each complaint issued by the Commission;

(6) each opinion and order entered by the Commission;

(7) each consent agreement accepted provisionally or finally by the Commission;

(8) each request for modification of an outstanding Commission order filed with the Commission;

(9) each recommendation by staff pertaining to a request for modification of an outstanding Commission order; and

(10) each disposition by the Commission of a request for modification of an outstanding Commission order.

Such report shall include copies of all consent agreements and complaints executed by the Commission referred to in the report. Where a matter has been closed or terminated, the report shall include a statement of the reasons for that disposition. The descriptions required under this subsection shall be as complete as possible. The report shall include any evaluation given to the potential impacts of predatory pricing upon businesses (including small businesses). The report shall not reveal the identity of persons or companies complained about or those subject to investigation that have not otherwise been made public.

SEC. 14. EFFECTIVE DATES, APPLICABILITY OF AMENDMENTS.

(a) GENERAL RULE.—Except as otherwise provided in this section, the provisions of this Act, and the amendments made by this Act, shall take effect on October 1, 1985.

(b) SECTION 2.—

(1) The amendments made in section 2 shall apply only to—

(A) cease and desist orders issued by the Federal Trade Commission under section 5 of the Federal Trade Commission Act (15 U.S.C. 45) on or after October 1, 1985; and

(B) rules for which advance notices of proposed rulemaking are published in the Federal Register by the Commission under section 18(b)(2)(A) of such Act (15 U.S.C. 57a(b)(2)(A)) on or after October 1, 1985.

(2) The amendments referred to in paragraph (1) shall not be construed to affect in any manner any cease and desist order issued on or after October 1, 1985, if such order is issued in accordance with a remand, from a court of appeals of the United States or the Supreme Court of the United States, of any cease and desist order issued by the Commission before such date.

(c) SECTION 4.—

(1) The amendments made in section 4 shall apply only to rules of the Federal Trade Commission for which advance notices of proposed rulemaking are published in the Federal Register by the Commission under section 18(b)(2)(A) of the Federal Trade Commission Act (15 U.S.C. 57a(b)(2)(A)) on or after October 1, 1985.

(2) In the case of any rule of the Commission which has not become final before October 1, 1985, but for which such advance notice has been published before such date, the Commission shall include with its submission of such rule to the Congress under section 25 of the Federal Trade Commission Act a statement describing the extent of the prevalence of occurrences of the unfair or deceptive act or practice, or the false advertisement, which is the subject of such rule.

(d) SECTION 8.—Section 25 of the Federal Trade Commission Act, as added by section (8), shall apply with respect to final rules of the Commission promulgated after October 1, 1985.

Amend the title so as to read: "An Act to amend the Federal Trade Commission Act to extend the authorization of appropriations contained in such Act, and for other purposes.".

Mr. DOLE. Mr. President, I move that the Senate disagree to the House amendments and request a conference with the House on the disagreeing votes thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Chair appointed Mr. DANFORTH, Mr. KASTEN, Mr. GORTON, Mr. HOLLINGS, and Mr. FORD conferees on the part of the Senate.

Mr. DOLE. Mr. President, on behalf of Senator GRASSLEY, I move that the Senate conferees be instructed to insist on the Senate's position regarding the maintenance of the sections of the bill relating to legislative veto, in particular sections 16 and 17, of S. 1078.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

Mr. DOLE. Mr. President, this motion to instruct the conferees, which the Senate has just agreed to, is not a common Senate procedure. Therefore, Senator DANFORTH, chairman of the Commerce Committee which has jurisdiction over S. 1078, asked the Senate Parliamentarian to document the exact legal effect of such a motion. I have a letter from the Parliamentarian to Senator DANFORTH, and I ask unanimous consent that it be printed in full in the RECORD immediately following these remarks. This letter clearly states that no instructions to Senate conferees, either through unanimous consent or by motion, has any binding authority on such conferees. Likewise, such a motion does not subject any subsequent conference report to a point of order should these instructions not be followed.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OCTOBER 8, 1985.

Hon. JOHN DANFORTH,
U.S. Senate, Washington, DC.

DEAR SENATOR DANFORTH: This is in response to your request concerning instructions to Senate conferees. Instructions, whether by motion or by unanimous consent, are not binding on Senate conferees. Recent Senate precedents confirm that a conference report may be received by the Senate although it may be in violation of instructions given to the conferees. As stated in Dr. Riddick's book on Senate procedure:

Conferees are not bound by instructions; "the conferees could even ignore the instructions," and the report would not be subject to a point of order.

I hope this will be of use to you. Please let me know if I can be of any further assistance.

Sincerely,

ROBERT B. DOVE,
Parliamentarian.

AUTHORITY TO FILE CONFERENCE REPORT ON H.R. 2409

Mr. DOLE. Mr. President, I ask unanimous consent that the conference committee for H.R. 2409, Health Research Extension Act, be permitted to file a conference report to accompany H.R. 2409, until 5 p.m., on Friday, October 11.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I ask unanimous consent that when the conference report has been filed, it be printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

FUNDING FOR THE SPECIAL DEFENSE ACQUISITION FUND

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 331, S. 1726.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 1726) to repeal section 121(b) of the International Security and Development Cooperation Act of 1985 (Public Law 99-83), relating to funding for the Special Defense Acquisition Fund.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 774

(Purpose: To clarify the purpose of the bill which is to reinstate certain provisions of law that were in effect on September 30, 1985, with respect to the Special Defense Acquisition Fund)

Mr. DOLE. Mr. President, I send to the desk an amendment in the nature of a substitute, on behalf of Senator LUGAR.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Kansas [Mr. DOLE], for Mr. LUGAR, proposes an amendment numbered 774.

Mr. DOLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. FUNDING FOR THE SPECIAL DEFENSE ACQUISITION FUND.

(a) AMENDMENT TO SECTION 51(b) OF THE ARMS EXPORT CONTROL ACT.—Subsection (b) of section 51 of the Arms Export Control Act (22 U.S.C. 2795(b)) is amended to read as follows:

"(b) The Fund shall consist of—

"(1) collections from sales made under letters of offer issued pursuant to section 21(a)(1)(A) of this Act representing the actual value of defense articles not intended to be replaced in stock,

"(2) collections from sales representing the value of asset use charges (including contractor rental payments for United States Government-owned plant and production equipment) and charges for the proportionate recoupment of nonrecurring research, development, and production costs, and

"(3) collections from sales made under letters of offer (or transfers made under the Foreign Assistance Act of 1961) of defense articles and defense services acquired under this chapter, representing the value of such items calculated in accordance with subparagraph (B) or (C) of section 21(a)(1) or section 22 of this Act or section 644(m) of the Foreign Assistance Act of 1961, as appropriate,

together with such funds as may be authorized and appropriated or otherwise made available for the purposes of the Fund.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as of October 1, 1985.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 774) was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 1726) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 1726

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FUNDING FOR THE SPECIAL DEFENSE ACQUISITION FUND.

(a) AMENDMENT TO SECTION 51(b) OF THE ARMS EXPORT CONTROL ACT.—Subsection (b) of section 51 of the Arms Export Control Act (22 U.S.C. 2795(b)) is amended to read as follows:

"(b) The Fund shall consist of—

"(1) collections from sales made under letters of offer issued pursuant to section 21(a)(1)(A) of this Act representing the actual value of defense articles not intended to be replaced in stock,

"(2) collections from sales representing the value of asset use charges (including contractor rental payments for United States Government-owned plant and production equipment) and charges for the proportionate recoupment of nonrecurring research, development, and production costs, and

"(3) collections from sales made under letters of offer (or transfers made under the Foreign Assistance Act of 1961) of defense articles and defense services acquired under this chapter, representing the value of such items calculated in accordance with subparagraph (B) or (C) of section 21(a)(1) or section 22 of this Act or section 644(m) of the Foreign Assistance Act of 1961, as appropriate,

together with such funds as may be authorized and appropriated or otherwise made available for the purpose of the Fund.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as of October 1, 1985.

The title was amended so as to read: "A Bill to amend section 51(b) of the Arms Export Control Act, relating to the funding of the Special Defense Acquisition Fund.".

Mr. DOLE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AUTHORITY TO COMPUTE HOURLY RATES OF BASIC PAY OF EMPLOYEES OF THE FEDERAL GOVERNMENT EXTENSION

Mr. DOLE. Mr. President, I send a bill to the desk on behalf of Senator STEVENS and ask for its immediate consideration.

The PRESIDING OFFICER. The bill will be stated.

The legislative clerk read as follows:

A bill (S. 1760) to extend the authority to compute hourly rates of basic pay of employees of the Federal Government in the manner provided in the Omnibus Reconciliation Act of 1982.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. STEVENS. Mr. President, the Consolidated Omnibus Budget Reconciliation Act of 1985 (S. 1730) permanently shifts the computation of hourly pay rates for Federal employees from 2,080 to 2,087 hours.

The Omnibus Reconciliation Act of 1982 made the same computation change for fiscal years 1984 and 1985; that authority expired on September 30, 1985.

To comply with the 1985 Budget Act we must pass this proposed legislation. When it becomes law, the computation of hourly pay rates between October 1, 1985, and the passage of the Budget Reconciliation Act of 1985 will be based once again on 2,080 hours.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 1760

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 310(b)(1) of the Omnibus Budget Reconciliation Act of 1982 (96 Stat. 799; 5 U.S.C. 5504 note) is amended by striking out "1984 and 1985" and inserting in lieu thereof "1984, 1985, and 1986".

Mr. DOLE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

WATER RESOURCES DEVELOPMENT ACT OF 1985—REFERRAL

Mr. DOLE. Mr. President, I ask unanimous consent that a unanimous-consent agreement signed by Senators PACKWOOD, STAFFORD, BENTSEN, and LONG be made a part of the RECORD at this point and be agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

The unanimous-consent agreement is as follows:

UNANIMOUS-CONSENT AGREEMENT

Mr. President, I ask unanimous consent that S. 1567, the "Water Resources Development Act of 1985," as reported by the Committee on Environment and Public Works, be referred to the Committee on Finance and the Committee on Finance be limited to the consideration of such provisions as are within the jurisdiction of Committee on Finance with respect to title 8 and section 606; that any conferees appointed on behalf of the Senate regarding said provisions of title 8 and section 606, or such similar provisions of the House companion measure to S. 1567, shall be Members of the Committee on Finance only; that they be limited in their participation to those provisions: *Provided,* That, any conferees appointed who are Members of both Committees shall participate with respect to all titles: *And Provided, further,* That, it shall not be in order to consider a conference report on S. 1567, or its House companion measure, unless a majority of conferees who are members of the Committee on Finance have signed such conference report with respect to section 606 and title 8, and a majority of conferees who are members of the Committee on Environment and Public Works have signed such conference report.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

ENROLLED BILL SIGNED

At 11:08 a.m., a message from the House of Representatives, delivered by Ms. Gotez, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

H.R. 2410. An act to amend the Public Health Service Act to revise and extend the programs under title VII of that Act.

The enrolled bill was subsequently signed by the President pro tempore [Mr. THURMOND].

At 2:52 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill and joint resolutions, without amendment:

S. 1349. An act to provide for the use and distribution of funds awarded in docket 363 to the Mdewakanton and Wahpekute Eastern or Mississippi Sioux before the United States Court of Claims and Claims Court;

S.J. Res. 72. Joint resolution to designate October 16, 1985, as "World Food Day";

S.J. Res. 155. Joint resolution to designate the month of November 1985 as "National Hispanic Month";

S.J. Res. 158. Joint resolution designating February 1986 as "National Community College Month";

S.J. Res. 175. Joint resolution to designate the week of October 20, 1985, through October 26, 1985, as "National CPR Awareness Week";

S.J. Res. 183. Joint resolution to provide for the designation of the week of October 6 through October 12, 1985, as "Myasthenia Gravis Awareness Week";

S.J. Res. 194. Joint resolution to designate the week beginning October 1, 1985, as "National Buy American Week; and

S.J. Res. 197. Joint resolution to designate the week of October 6, 1985 through October 13, 1985, as "National Housing Week".

The message also announced that the House has passed the following bills and joint resolutions, in which it requests the concurrence of the Senate:

H.R. 3008. An act to promote equitable pay practices and to eliminate discrimination within the Federal civil service;

H.R. 3443. An act to designate the Closed Basin Conveyance Channel of the Closed Basin Division, San Luis Valley Project, Colorado as the "Franklin Eddy Canal";

H.J. Res. 79. Joint resolution to designate the week beginning October 6, 1985, as "National Children's Week";

H.J. Res. 259. Joint resolution to designate November 30, 1985, as "National Mark Twain Day";

H.J. Res. 313. Joint resolution to authorize the President to issue a proclamation designating the week beginning October 20, 1985, as "The Lessons of Grenada Week";

H.J. Res. 322. Joint resolution to provide for the designation of October 1985, as "National Sudden Infant Death Syndrome Awareness Month";

H.J. Res. 386. Joint resolution to designate November 24, 1985, as "National Day of Fasting to Raise Funds to Combat Hunger"; and

H.J. Res. 407. Joint resolution designating the twelve-month period ending on October 28, 1986, as the "Centennial Year of Liberty in the United States".

ENROLLED JOINT RESOLUTIONS SIGNED

At 4:46 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled joint resolutions:

S.J. Res. 155. Joint resolution to designate the month of November 1985 as "National Hospice Month";

S.J. Res. 183. Joint resolution to provide for the designation of the week of October 6 through October 12, 1985, as "Myasthenia Gravis Awareness Week";

S.J. Res. 194. Joint resolution to designate the week beginning October 1, 1985, as "National Buy American Week"; and

S.J. Res. 197. Joint resolution to designate the week of October 6, 1985 through October 13, 1985, as "National Housing Week".

The enrolled joint resolutions were subsequently signed by the President pro tempore [Mr. THURMOND].

MEASURES REFERRED

The following bills and joint resolutions were read the first and second times by unanimous consent, and referred as indicated:

H.R. 2698. An act to designate the United States Courthouse in Tucson, Arizona, as the "James A. Walsh United States Courthouse"; to the Committee on Environment and Public Works.

H.R. 3008. An act to promote equitable pay practices and to eliminate discrimination within the Federal Civil Service; to the Committee on Governmental Affairs.

H.R. 3443. An act to designate the Closed Basin Conveyance Channel of the Closed Basin Division, San Luis Valley Project, Colorado as the "Franklin Eddy Canal"; to the Committee on Energy and Natural Resources.

H.J. Res. 79. Joint resolution to designate the week beginning October 6, 1985, as "National Children's Week"; to the Committee on the Judiciary.

H.J. Res. 259. Joint resolution to designate November 30, 1985, as "National Mark Twain Day"; to the Committee on the Judiciary.

H.J. Res. 313. Joint resolution to authorize the President to issue a proclamation designating the week beginning October 20, 1985, as "The Lessons of Grenada Week"; to the Committee on the Judiciary.

H.J. Res. 322. Joint resolution to provide for the designation of October 1985, as "National Sudden Infant Death Syndrome Awareness Month"; to the Committee on the Judiciary.

H.J. Res. 407. Joint resolution designating the twelve-month period ending on October 28, 1986, as the "Centennial Year of Liberty in the United States"; to the Committee on the Judiciary.

MEASURES HELD AT THE DESK

The following bills and joint resolution were ordered held at the desk by unanimous consent pending further disposition:

H.R. 1903. An act to provide for the use and distribution of funds appropriated in satisfaction of judgements awarded to the Chippewas of Lake Superior in Dockets Numbered 18S, 18U, 18C, and 18T before the Indian Claims Commission; and

H.R. 2174. An act to provide for the transfer to the Colville Business Council of any undistributed portion of amounts appropriated in satisfaction of certain judgements awarded in the Confederated Tribes of the Colville Reservation before the Indian Claims Commission.

H.J. Res. 386. Joint resolution to designate November 24, 1985, as "National Day of Fasting to Raise Funds to Combat Hunger";

S.J. Res. 155. Joint resolution to designate the month of November 1985 as "National Hospice Month";

S.J. Res. 183. Joint resolution to provide for the designation of the week of October 6 through October 12, 1985, as "Myasthenia Gravis Awareness Week";

S.J. Res. 194. Joint resolution to designate the week beginning October 1, 1985, as "National Buy American Week"; and

S.J. Res. 197. Joint resolution to designate the week of October 6, 1985 through October 13, 1985, as "National Housing Week."

ENROLLED JOINT RESOLUTIONS PRESENTED

The Secretary of the Senate reported that on today, October 10, 1985, she had presented to the President of the United States the following enrolled joint resolutions:

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1871. A communication from the Secretary of Housing and Urban Development transmitting, pursuant to law, the quarterly report on HUD-owned multifamily project negotiated sales; to the Committee on Banking, Housing, and Urban Affairs.

EC-1872. A communication from the Secretary of the Interior transmitting, pursuant to law, the 1984 annual report of the Office of Surface Mining; to the Committee on Energy and Natural Resources.

EC-1873. A communication from the Acting Comptroller General of the United States transmitting, pursuant to law, a list of GAO reports released during the month of August 1985; to the Committee on Governmental Affairs.

EC-1874. A communication from the Assistant Secretary of the Treasury transmitting, pursuant to law, a report on a change in a Privacy Act system of records; to the Committee on Governmental Affairs.

EC-1875. A communication from the D.C. Auditor transmitting, pursuant to law, a report entitled "Revenue Report for July 1985"; to the Committee on Governmental Affairs.

EC-1876. A communication from the Commissioner of the Immigration and Nationality Service transmitting, pursuant to law, a report on 62 waivers granted under section 207(c)(3) of the Immigration and Nationality Act during the third quarter of fiscal year 1985; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LUGAR, from the Committee on Foreign Relations, with an amendment in the nature of a substitute:

S. 947. A bill to amend the Foreign Assistance Act of 1961 with respect to the activities of the Overseas Private Investment Corporation (Rept. No. 99-156).

By Mr. DOMENICI, from the Committee on the Budget, without amendment:

S. Res. 235. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1714.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted.

By Mr. GARN, from the Committee on Banking, Housing, and Urban Affairs:

Paul Freedenberg, of Maryland, to be an Assistant Secretary of Commerce.

(The above nomination was reported from the Committee on Banking, Housing, and Urban Affairs with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. Stafford, from the Committee on Environment and Public Works:

Orson G. Swindle, III, of Georgia, to be an Assistant Secretary of Commerce.

(The above nomination was reported from the Committee on Environment and Public Works with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. GOLDWATER, from the Committee on Armed Services:

Mr. GOLDWATER. Mr. President, from the Committee on Armed Services, I report favorably the attached listing of nominations.

Those identified with a single asterisk (*) are to be placed on the Executive Calendar. Those identified with a double asterisk (**) are to lie on the Secretary's desk for the information of any Senator since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing again.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD of September 16, September 17, September 20, and October 2, 1985, at the end of the Senate proceedings.)

**1. In the Army there are 222 permanent promotions to the grade of lieutenant colonel (list begins with Marc A. Abramowitz). (Ref. No. 576)

**2. In the Army Reserve there are 588 promotions to the grade of colonel and below (list begins with William F. Reade). (Ref. No. 591)

*3. In the Army National Guard there are 4 appointments in the Reserve of the Army to the grade of major general (list begins with Edward D. Baca). (Ref. No. 597)

**4. In the Air National Guard there are 2 promotions to the grade of lieutenant colonel (list begins with John M. Lounge). (Ref. No. 598)

**5. In the Army Reserve there are 51 promotions to the grade of colonel and below (list begins with Jon W. Day). (Ref. No. 599)

**6. In the Army National Guard there are 64 promotions in the Reserve of the Army to the grade of colonel and below (list begins with Henry W. Adams). (Ref. No. 600)

**7. In the Army there are 115 appointments to the grade of colonel and below (list begins with Giorgio S. Tureila). (Ref. No. 601)

**8. In the Navy there are 44 appointments to the grade of commander and below

(list begins with Robert A. Fabrini). (Ref. No. 624)

Total 1,090.

By Mr. GARN, from the Committee on Banking, Housing, and Urban Affairs:

L. William Seidman, of Arizona, to be a Member of the Board of Directors of the Federal Deposit Insurance Corporation for a term of six years.

(The above nomination was reported from the Committee on Banking, Housing, and Urban Affairs with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DENTON (for himself and Mr. COCHRAN):

S. 1755. A bill to amend the Inspector General Act of 1978 to establish an Office of Inspector General in the Tennessee Valley Authority; to the Committee on Environment and Public Works.

By Mr. SIMON (for himself, Mr. HATFIELD, Mr. PELL, Mr. ROCKEFELLER, Mr. BAUCUS, Mr. DOLE, Mr. DODD, Mr. KENNEDY, Mr. CRANSTON, Mr. COCHRAN, Mr. SARBANES, Mr. KERRY, Mr. ANDREWS, Mr. COHEN and Mr. BRADLEY):

S. 1756. A bill to authorize the President to present to Sargent Shriver, on behalf of the Congress, a specially struck medal; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. LUGAR (by request):

S. 1757. A bill to authorize assistance to combat terrorism in Central America, and for other purposes; to the Committee on Foreign Relations.

By Mr. DODD.

S. 1758. A bill for the relief of Jean Claude Jasa, his wife Helene Marcelle Laurent Jasa, and their child Sylvie H. Jasa; to the Committee on the Judiciary.

By Mr. CHAFEE (for himself, Mr. COHEN, and Mr. MURKOWSKI):

S. 1759. A bill to establish a Commercial Fishing Industry Vessel Advisory Committee; to the Committee on Commerce, Science, and Transportation.

By Mr. DOLE (for Mr. STEVENS):

S. 1760. To extend the authority to compute hourly rates of basic pay of employees for the Federal Government in the manner provided in the Omnibus Reconciliation Act of 1982; considered and passed.

By Mr. STAFFORD:

S. 1761. A bill to amend the Atomic Energy Act of 1954, as amended, to establish a comprehensive, equitable reliable, and efficient mechanism for full compensation of the public in the event of an accident arising out of activities of Nuclear Regulatory Commission licenses or undertaken pursuant to the Nuclear Waste Policy Act of 1982 involving nuclear materials; to the Committee on Environment and Public Works.

By Mr. HATCH (for himself and Mr. KENNEDY):

S. 1762. A bill to amend the Public Health Service Act to revise and extend the program of assistance for health maintenance organizations; to the Committee on Labor and Human Resources.

By Mr. HEINZ (for himself, Mr. GARN, Mr. DIXON, Mr. DANFORTH, and Mr. CHAFEE).

S. 1763. A bill to eliminate foreign predatory export credit practices, establish a tied aid credit facility, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. HATCH (for himself, Mr. KENNEDY, Mr. TRIBLE, Mr. THURMOND, Mr. DOLE, Mr. BAUCUS, Mr. WEICKER, Mr. WALLOP, Mr. NICKLES, Mr. INOUYE, Mr. BURDICK, Mr. ZORINSKY, Mr. ROCKEFELLER, Mr. GARN, Mr. LEVIN, Mr. QUAYLE, Mr. SIMON, Mr. GRASSLEY, Mr. SYMMS, Mr. CRANSTON, Mr. METZENBAUM, Mr. KERRY, Mr. CHAFEE, Mr. PELL, Mr. DODD, Mr. ANDREWS, Mr. BOREN, Mr. STAFFORD, Mr. BYRD, Mr. NUNN, Mr. MATSUNAGA, Mr. MURKOWSKI, Mr. RIEGLE, and Mrs. HAWKINS):

S.J. Res. 218. A joint resolution to designate November 24, 1985, as "National Day of Fasting To Raise Funds to Combat Hunger"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. BRADLEY (for himself, Mr. KASTEN, and Mr. SIMON):

S. Con. Res. 78. A concurrent resolution in support of universal access to immunization by 1990 and accelerated efforts to eradicate childhood diseases; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DENTON (for himself and Mr. COCHRAN):

S. 1755. A bill to amend the Inspector General Act of 1978 to establish an Office of Inspector General in the Tennessee Valley Authority; to the Committee on Environment and Public Works.

ESTABLISHMENT OF THE OFFICE OF INSPECTOR GENERAL AT THE TENNESSEE VALLEY AUTHORITY

Mr. DENTON. Mr. President, today I am joined by my distinguished colleague from Mississippi, Senator COCHRAN, in introducing a bill to amend the Inspector General Act of 1978 to establish an Office of Inspector General at the Tennessee Valley Authority. The bill is a companion to H.R. 3464, introduced in the House of Representatives on October 1 by my distinguished colleague from Alabama, Congressman FLIPPO, and others.

The bill would create an independent Office of Inspector General, which would have the responsibility to receive complaints from TVA's workers, review the rate structure and determination of the rates, and receive complaints from the customers who pay the power bills. In other words, the Office of Inspector General would have the authority to audit and investigate the various activities of TVA. The Inspector General would also report to the Congress on a regular basis. Therefore, the Inspector General's Office would provide a greater degree of public accountability at TVA.

During the last several years, the cancellation or deferral of nuclear power plants, rising power rates, and employee and ratepayer complaints have created a loss of confidence in the management of the TVA system. I want to see public confidence restored to the agency and the problems resolved to the greatest degree possible.

I believe that the bill is a step in the right direction to alleviate the concerns of the workers and citizens of the TVA region. I also believe that the Office of Inspector General will be able greatly to assist the Board and its management by identifying specific concerns, and by providing an independent and fresh viewpoint about how TVA can become more efficient and more responsive to the people it serves.

I realize that the TVA Board of Directors is currently working to reorganize the management of its nuclear program. Some of the problems that currently exist have, however, been obvious for several years. TVA has the responsibility to ensure that its programs are run in a way that does not expose it, and its ratepayers, to unnecessary costs.

Members of the congressional delegation from the TVA region are concerned about the current situation. We share the same goals, which are to increase the accountability of the agency and to restore the confidence of its workers and ratepayers. We want the most efficiently run system that provides power at the lowest possible cost and that provides the greatest degree of economic opportunity. The legislation introduced today will contribute toward that goal.

I commend Congressman FLIPPO for his foresight and initiative on this issue, and I hope that this Senate bill will help to make an independent Inspector General a reality.

Mr. President, I ask unanimous consent that the bill be inserted in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1755

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 1. FINDINGS.

The Congress hereby finds and declares that the Tennessee Valley Authority is a government corporation with all the powers of the corporation vested in the Board of Directors, thus the citizens and rate payers within the service area and the employees of the corporation lack a statutory means for an indepdendent review of the corpora-

tion's policies and its actions to implement policies in such matters as direction of the corporation, changes in electric rate structure and periodic rate adjustments, personnel policies and the implementation of personnel policies, and other activities.

The economy, efficiency and effectiveness of the operations of the corporation are lessened by the loss of confidence of the citizens in the service area in the actions of the board, sometimes involving complex and technical judgements, and the poor morale of employees who have no effective avenues for review of concerns about public safety, harassment, intimidation, favoritism and other employee questions outside of the managers responsible for establishing and implementing the policies giving rise to the concerns. Support of both the public and the corporation's employees is directly related to the future wellbeing of the Tennessee Valley Authority.

Establishment of an Office of Inspector General for the Tennessee Valley Authority will provide the board, the employees and the people of the service area with an independent and objective review and appraisal of the corporation's policies and the implementation of those policies and thus strengthen the corporation by enhancing the confidence of the people in the economy, efficiency effectiveness of the corporation's activities.

SEC. 2. ESTABLISHMENT OF OFFICE.

The Inspector General Act of 1978 (hereafter in this Act referred to as the "Act") is amended—

(1) by inserting "the Tennessee Valley Authority," after "the Small Business Administration," in section 2(1);

(2) in section 11(1)—

(A) by striking out "or the Administrator" and inserting in lieu thereof "; the Administrator"; and

(B) by striking out "Veterans' Affairs," and inserting in lieu thereof "Veterans' Affairs; or the chairman of the Board of Governors of the Tennessee Valley Authority;"

(3) in section 11(2)—

(A) by striking out "or the Agency" and inserting in lieu thereof "; the Agency"; and

(B) by striking out "Veterans' Administration," and inserting in lieu thereof "Veterans' Administration; or the Tennessee Valley Authority;".

SEC. 3. SPECIAL PROVISIONS RELATING TO THE TENNESSEE VALLEY AUTHORITY

The Act is further amended by inserting after section 8A the following new section:

"SPECIAL PROVISIONS RELATING TO THE TENNESSEE VALLEY AUTHORITY

"SEC. 8B. (a) In additional to other duties and responsibilities specified in this Act, the Inspector General of the Tennessee Valley Authority shall receive public comments on the corporation's policies on electric power rates and on the corporation's periodic rate adjustments, and shall review the appropriateness of the corporation's actions under the mandates of the Tennessee Valley Authority Act and other applicable legislation, and shall report the findings to the Chairman of the Board and to the Congress.

"(b) In addition to the Assistant Inspector Generals provided for in section 3(d) of this Act, the Inspector General of the Tennessee Valley Authority shall, in accordance with applicable laws and regulations governing appointments in the Tennessee Valley Authority appoint an Assistant Inspector General for Rate Review who shall have the responsibility for review of electric power rates of the Tennessee Valley Authority. In reviewing such rates, the Assistant Inspector General shall take into account the directives of the Tennessee Valley Authority Act as to revenue requirements and other policies; the cost-of-service principle that each class of customer should bear the costs incurred by the corporation in serving that class; and the obligation to operate the electric power system so that electric energy is available to users at the lowest possible cost.

"(c) In addition to complying with the requirements of section 5, the semiannual report of the Inspector General of the Tennessee Valley Authority shall

(1) include a description of any significant problems affecting the corporation's ability to provide electric energy to consumers at the lowest possible cost.

(2) include a description of any significant problems or delays in transfers of other offices or agencies, or functions, powers or duties thereof, as are properly related to the functions of the Office and would, if so transferred, further the purposes of this Act."

SEC. 4. TRANSFERS OF FUNCTIONS.

Section 9(a)(1) of the Act is amended—

(1) by striking out "and" at the end of subparagraph (M); and

(2) by inserting after subparagraph (M) the following new subparagraph:

"(O) of the Tennessee Valley Authority, the office of that agency referred to as the 'Office of Auditing and Evaluation' and that portion of the office referred to as the 'Office of General Counsel' responsible for the evaluation of complaints concerning fraud, waste and abuse; and".

SEC. 5. EFFECTIVE DATE.

The amendments made by the Act shall take effect on 60 days after becoming a public law.

By Mr. SIMON (for himself, Mr. HATFIELD, Mr. PELL, Mr. ROCKEFELLER, Mr. BAUCUS, Mr. DODD, Mr. DOLE, Mr. KENNEDY, Mr. CRANSTON, Mr. COCHRAN, Mr. SARBANES, Mr. KERRY, Mr. ANDREWS, Mr. COHEN, and Mr. BRADLEY):

S. 1756. A bill to authorize the President to present to Sargent Shriver, on behalf of the Congress, a specially struck medal; to the Committee on Banking, Housing, and Urban Affairs.

PRESENTATION OF A SPECIAL MEDAL TO SARGENT SHRIVER

● Mr. SIMON. Mr. President, I introduce this bill on behalf of myself and Senator HATFIELD to strike a commemorative medal to celebrate the 25th anniversary of the Peace Corps and to honor its first Director, Sargent Shriver, the other past directors, and the citizens who have served in this outstanding program.

There has seldom been an occasion in the history of the United States on which the people and the Government of our country can share a greater sense of pride and satisfaction than the 25th anniversary of the establishment of the Peace Corps. Rarely has there been a program that has reached so many and done so much to enhance the quality of life in every corner of the globe. We can take great satisfaction in the fact that this undertaking has progressed from a modest beginning 25 years ago to today when more than 5,500 volunteers are serving in 62 countries, improving the quality of life, teaching, and sharing technical skills with the people in the developing nations of the world.

I would like to quote Thanat Khoman, the former Foreign Minister of Thailand.

It is indeed striking that this important idea, the most powerful idea in recent times, of a Peace Corps, of youth mingling, living, working with youth, should come from this mightiest nation on earth, the United States. Many of us who did not know about the United States thought of this great nation as a wealthy nation, a powerful nation, endowed with great material strength and many powerful weapons. But how many of us know that in the United States ideas and ideals are also powerful? This is the secret of your greatness, of your might, which is not imposing or crushing people, but is filled with the hope of future goodwill and understanding.

Not only has the Peace Corps been a remarkable success in sharing America's generosity with the world, it has enriched our own country immensely and helped our citizens to learn the languages, customs, traditions, history, and cultures of foreign lands. In fact, we in Congress now have serving in our midst a substantial and growing number of former Peace Corps volunteers, one of whom, our colleague, Senator DODD, is a cosponsor of this amendment.

We in America can be proud of the accomplishments of the men and women of the Peace Corps. We can share an ever greater pride in the generosity of our national spirit which called forth the tens of thousands of volunteers who have responded to the call of their Nation to serve their fellow citizens throughout the world. You can be sure when the history of this era is written that the Peace Corps will serve as a shining example of the very best of America.

I am especially pleased that the first Director of the Peace Corps, Sargent Shriver, who laid the firm foundation for its successful quarter of a century of service was a distinguished longtime resident of my home State of Illinois. Sarge as he is affectionately called by his friends, was a one man dynamo who provided the skills of leadership, a sense of compassion and fairness, and a vision for the future. He set the direction and established the pattern which made the Peace Corps the outstanding success that it is today. "When God designed Shriver," as George Will recently wrote, "He left out second gear."

So this medal is a salute to Sarge Shriver as well as all the other Directors including the present one, Loret Ruppe of Michigan, who continues the proud tradition established by her distinguished predecessors. This is a piece of legislation that I think we can

all join together to support. It commemorates the valiant work over the last 25 years of the men and women of the Peace Corps.

I am pleased today to introduce this bill on behalf of myself, and Senator HATFIELD; as well as Senator ROCKEFELLER, of West Virginia; Senator BAUCUS, of Montana; Senator DODD, of Connecticut; Senator DOLE, of Kansas; Senator KENNEDY, of Massachusetts; Senator CRANSTON, of California; Senator COCHRAN, of Mississippi; Senator SARBANES, of Maryland; Senator KERRY, of Massachusetts; Senator ANDREWS, of North Dakota; Senator PELL, of Rhode Island, and Senator COHEN, of Maine.●

● Mr. HATFIELD. Mr. President, today I take great pleasure in joining my distinguished colleagues from Illinois [Mr. SIMON] and others in introducing legislation which would authorize the President to present to Sargent Shriver, on behalf of Congress, a specially struck medal. This medal would commemorate the 25th anniversary of the establishment of the Peace Corps and recognize the incomparable contribution of Sargent Shriver as the first Director of the Peace Corps.

Since the Peace Corps was first established, approximately 120,000 Americans have served as Peace Corps volunteers, giving up years of their lives to promote world peace and friendship while helping to meet the basic needs of the world's poor. After weeks of intensive training, these dedicated individuals travel to all points of the globe, living and working in the communities to which they are assigned. For 25 years, Americans have been serving in the Peace Corps as coworkers and instructors of the world's poor and needy.

During those 25 years, the Peace Corps has grown in size and scope. This growth owes no small thanks to the energetic leadership of Sargent Shriver, who nurtured the program from its birth. At the direction of President Kennedy, Mr. Shriver took the establishment of the Peace Corps on with his typical enthusiasm and eagerness to meet the challenge. From 1961 to 1965, the program thrived and gained popularity. Traveling and working in more than 50 countries during his tenure as Director, Mr. Shriver constantly sought ways to improve and expand the Peace Corps' impact on the world. When he departed in 1965 to become Director of the Office of Economic Opportunity, Mr. Shriver left to his successors a tradition of leadership forged of hard work and compassion.

This legislation also honors the nine others who have served as Director of the Peace Corps: Jack H. Vaughn; Joseph Blatchford; Kevin O'Donnell; Donald Hess; Nicholas W. Craw; Dr. John Dellenback; Carolyn R. Payton; Richard F. Celeste. This tradition has continued to the present; current Director Loret Ruppe is recognized as a dynamic leader of the organization.

I cannot help but speak about my close personal friend, former Congressman John Dellenback, with whom I served in Oregon government, and joined in Washington to serve as freshmen in the 90th Congress. No location was too remote, no conditions so poor that they were able to stop John from personally visiting a Peace Corps project location. Volunteers received encouragement from a Director who was willing to bed down in a hut, having only a sleeping bag for covering. I will always remember the love and visionary leadership he put into the job of Director of the Peace Corps.

Today the Peace Corps is more popular than ever, providing an opportunity for 6,000 Americans to travel the world as ambassadors of hope and friendship. As this organization celebrates its silver anniversary, I hope every Member in this body will join me in thanking Sargent Shriver and his successors for their admirable work on behalf of the Peace Corps.●

By Mr. LUGAR (by request):

S. 1757. A bill to authorize assistance to combat terrorism in Central America, and for other purposes; to the Committee on Foreign Relations.

CENTRAL AMERICAN COUNTERTERRORISM ACT

● Mr. LUGAR. Mr. President, by request, I introduce for appropriate reference, a bill to authorize assistance to combat terrorisim in Central America. This proposed legislation has been requested by the Department of State and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comment.

The purpose of this bill is twofold. First, the American people possess an abiding concern with the human rights situation in Central America which has been widely debated in Congress during recent years. One of the principal problem areas in this regard is the historical weakness of the judicial branch of Government in these nations and a corresponding lack of professionalism and effectiveness on the part of law enforcement agencies. This legislation directly addresses this important question by providing the funding to implement a prudent plan aimed at improving the administration of justice in this critical region.

Second, it has become obvious during recent months that the subversive groups in Central America, frustrated by their inability to carry classical guerrilla warfare strategies to a successful conclusion, have had increasing recourse to simple acts of terrorism. To date, the most obvious and frightful manifestations of this trend have been the murder of our marine guards and other civilians in San Salvador and the more recent kidnaping of President Duarte's daughter. The nations of the region are ill prepared to meet this specific kind of violence and its particularly odious nature demands a strong U.S. response. This legislation, by providing funds to increase the counterterrorist capabilities of our regional allies, would provide such a response.

In the recently approved foreign aid bill, the Congress clearly anticipated action in these two areas. Language outlining a new administration of justice initiative and reforming law enforcement training guidelines was approved by a broad spectrum of opinion on both sides of the aisle. It is now time to lend substance to these sentiments by approving the funds necessary for concrete action.

Assisting in the administration of justice and law enforcement capabilities of foreign lands is an admittedly ticklish matter. But it should not be beyond the capabilities of Congress to come up with appropriate measures to meet the challenges in these areas which confront us in Central America today. While pleased to introduce this measure on behalf of the administration, I reserve the right to study its provisions more carefully and to consider constructive amendments when the matter is addressed by the Committee on Foreign Relations. Toward that end, we will soon be scheduling hearings on this important piece of legislation.

I now ask unanimous consent that the bill be printed in the RECORD at this point, together with a section-by-section analysis of the bill and the letter of transmittal from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, dated September 25, 1985, to the President of the Senate.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1757

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Central American Counterterrorism Act of 1985".

MILITARY ASSISTANCE

SEC. 2. (a) In addition to the amounts otherwise authorized to be appropriated to carry out the provisions of chapter 2 of part II of the Foreign Assistance Act of 1961, there are authorized to be appropriated $27,000,000, which amount shall be available only for El Salvador, Honduras, Costa Rica, Panama, Belize, and Guatemala to enhance and strengthen the ability of their armed forces to combat terrorism.

(b) Such funds shall be made available notwithstanding any limitations or restrictions on such assistance contained in section 703 of the International Security and Development Cooperation Act of 1985.

ANTI-TERRORISM ASSISTANCE PROGRAM

SEC. 3. (a) In addition to amounts otherwise authorized to be appropriated to carry out the purposes of chapter 8 of part II of the Foreign Assistance Act of 1961, there are authorized to be appropriated $27,000,000, of which amount $26,000,000 shall be available only for El Salvador, Honduras, Costa Rica, Panama, Belize, and Guatemala, to enhance and strengthen the ability of their law enforcement instutitions to combat terrorism and not more than $1,000,000 may be used for a Counterterrorism Protection Fund to reimburse domestic and foreign persons, agencies, or governments for the protection of persons who provide assistance or information relating to terrorist incidents.

(b) Section 573(d) of the Foreign Assistance Act of 1961, as amended by section 501(b) of the International Security and Development Cooperation Act of 1985 shall not apply to the use of funds authorized by this section.

GENERAL PROVISIONS

SEC. 4. None of the funds authorized by this Act shall be used to furnish defense articles or commodites for the armed forces or law enforcement forces of Guatemala until a civilian government is elected.

SEC. 5. Amounts appropriated to carry out this Act are authorized to remain available for obligation until September 30, 1986.

U.S. DEPARTMENT OF STATE,
Washington, DC, September 25, 1985.

Hon. GEORGE BUSH,
President, U.S. Senate.

DEAR MR. PRESIDENT: The President has instructed the Department of State to submit for Congressional approval the text of a draft bill entitled "The Central American Counterterrorism Act of 1985." Secretary Shultz has asked that I convey to you his hope that the Congress will give this proposed FY 1986 Budget Amendment urgent consideration and prompt approval.

The successful return to democratic civilian government in Central America is being met with a tactical shift by marxist-led guerrilla groups from insurgency to terrorism. Terrorism is now the main component of a strategy to overthrow the non-communist governments of the region and damage U.S. interests there. What is at stake is not simply a threat to public order, but the democratic process itself.

In the past several months we have seen a rise in terrorist attacks in El Salvador, Honduras, and Guatemala, increasing threats against Costa Rica and portents of problems in Panama. In the face of mounting defeats inflicted by increasingly superior Salvadoran Armed Forces in the field, the marxist guerrillas in El Salvador on June 19 killed four U.S. Marines, two other U.S. citizens and seven other persons. On September 10 these guerrillas continued their attacks against civilian non-combatants by kidnaping President Duarte's daughter. On September 19-20 seven popularly elected mayors were kidnaped, joining 13 others who were kidnaped following municipal elections in March of this year.

Similar threats confront the other countries of the region. Since 1982 Honduras has been the scene of repeated attempts by local groups—with strong backing first from Salvadoran insurgents and more recently from Nicaraguan Sandinistas—to incite an insurgent movement and stir terrorism. The extreme left may be preparing for an escalation of attacks inside Honduras. In Guatemala, the four main insurgent groups retain the ability to carry out isolated terrorist attacks. Attempts may be made to disrupt national elections in November/December. In Costa Rica, the left's declining electoral share—along with Cuban and Nicaraguan encouragement—has led to a growing militancy and a shift toward a revolutionary strategy. Various leftist groups have established paramilitary capabilities with the help of Cuba and Nicaragua. In Panama, the canal is a convenient target both for anti-US terrorists and groups seeking to destabilize the civilian government. Relatively tranquil Belize is dependent on external forces for security and is subject to use as a safehaven by guerrillas operating in Guatemala.

The Senate (S. Con. Res. 219) and the House of Representatives (H. Con. Res. 187) have each passed resolutions condemning the kidnapping of Ms. Duarte Duran and calling for steps to be taken to bring an end to these kinds of terrorist incidents which violate international standards of human rights and the laws of armed conflict.

The current ability of the governments of the region to combat urban terrorism is limited. Significant shortfalls in counterterrorism capability exist in both police and military institutions. Between political capitulation to terrorist demands and purely military retaliation, these governments are not prepared to detect, combat and deter large, compartmented and externally supported terrorist organizations.

While we have taken steps to adequately protect and defend U.S. installations and personnel in these countries, we are dependent outside our official installations on the abilities of these local security forces. For U.S. personnel in these countries, security outside the Mission, both at home and while out on official business, is primarily a function of the local police. Militarization of police forces or reliance on military for public security is not an acceptable substitute or response under a democratic regime to the threat of politically motivated terrorist attacks.

In the absence of an effective response from these countries or a tangible indication of U.S. firmness in the face of such acts and threats, we expect that the guerrillas will indeed attempt to build on these recent perceived successes. The immediate objectives are to thwart the return to democratic government by decreasing popular confidence in the electoral process and by attempting to manipulate U.S. public opinion and the domestic consensus which has developed on U.S. interests and policy in Central America.

As the ongoing tragedy of Ms. Duarte's kidnapping illustrates, the need to deal with terrorism in Central America is urgent. Presidential elections will be held in Guatemala November 3, in Honduras November 24, and in Costa Rica February 2. By early 1986 all the countries of the region, with the glaring exception of Nicaragua, will have freely elected democratic civilian governments. This process will mark a significant step for the people of the region and for U.S. policy in the area. We expect that the various insurgent groups in the region will build on recent events in El Salvador and increase significantly terrorist attacks against these civilian governments. We anticipate that attacks which increased in El Salvador immediately after the March municipal elections will be duplicated throughout the region, unless steps are taken now to deter them.

U.S. political, economic and military assistance is currently focused on strengthening democratic institutions and processes and building adequate military strength to secure freely elected democratic governments. Communist guerrillas are most threatened by democratic elections which undermine their claims to represent the legitimate aspirations of the public at large. In between the political/economic and military programs, assistance aimed at effective police/military counterterrorism activities is limited. The governments of the region require an effective intermediate response to the terrorist threat. Professional police and military counterterrorism forces, thoroughly trained in the importance of protecting the rights of citizens, would provide this intermediate option. And, in effectively carrying out their mission, would directly support the democratic process and help ensure free and fair elections.

An inter-agency working group has travelled to the region to complete the program design, to consult with the governments involved and to respond to specific requests for assistance submitted by them. In the design of these programs reference was made to both the Congressional Research report of March 12, 1985 on "Case Studies of Counter-Insurgencies" and to the recommendations and guidance provided by the House Foreign Affairs Staff Study Mission on International Terrorism and Diplomatic Security of November 1984.

The proposed Central American Regional Counterterrorism Program will provide counterterrorism assistance to El Salvador, Panama, Costa Rica, Honduras, and Guatemala, and will involve both a law enforcement and a military counterterrorism component. While authorized, no program would be undertaken in Belize at this time. The law enforcement element of the program, the Law Enforcement Counterterrorism Assistance Program (LECTAP), will provide $26 million for training and equipment assistance to the five countries' police forces. Other U.S. Government programs are helping the countries in dealing with the terrorists threat (e.g. military assistance per se, intelligence cooperation, and the Anti-Terrorism Assistance Program). While these programs are making significant contributions to the growth of adequately defended democratic governments, it has become increasingly clear that police training and assistance aimed at establishing a basic public security bulwark against terrorism is needed.

Therefore, the LECTAP program will provide these five governments assistance in expanding the capability of their law enforcement authorities by offering training and equipment assistance. Such assistance will be limited to the type of training and equipment which is appropriate for civilian law enforcement authorities; be coordinated with other U.S. Government programs in the area of counterinsurgency, anti-terrorism, and drug enforcement; encourage the creation and development of modern law enforcement agencies who combine the use of appropriate modern techniques with concern for democratic procedures and safeguards and; be designed to support local democratic institution building.

LECTAP will be managed by the Department of State consistent with the anti-terrorism authority contained in Chapter 8 of part II of the Foreign Assistance Act of 1961. A special unit in the Department of State will be established to manage the program and to coordinate it with the ongoing Anti-terrorism Assistance Program and the RECAP element.

The military component, the Regional Enhanced Counterterrorism Program (RECAP), will provide $27 million to strengthen the countries' military capabilities to conduct specifically counterterrorism operations through the provision of specialized training distinct from that currently provided under existing programs and the procurement of specific commodities to support this training. RECAP will be managed by the Departments of State and Defense under MAP authority. RECAP will not require new DOD organization nor additional staffing, and would complement the current U.S. security assistance programs in the host countries.

The Central American Regional counterterrorism Program will also establish a Counterterrorism Protection Fund of up to $1 million to reimburse individuals, agencies, or governments for the protection of persons who provide assistance or information relating to terrorist incidents. This program will complement our rewards program and provide us with a needed tool to combat the use of fear and intimidation by the guerrillas.

The Secretary of State will be responsible for the management of LECTAP and for the overall coordination and supervision of both LECTAP, RECAP and the Counterterrorism Protection Fund. A Working Group of the Inter-departmental Group on Terrorism will be established to oversee and manage the three program elements on an ongoing basis.

Given the overriding U.S. human rights objectives in the region and the need to assure that the rule of law prevails and is a basic underpinning of such counterterrorism assistance, and in accord with the provisions of the anti-terrorism authorities in Chapter 8 of part II of the Foreign Assistance Act of 1961, the Office for Human Rights and Humanitarian Affairs of the Department of State has assisted in and approved the design of the proposed program. HA will exercise human rights policy oversight of LECTAP and RECAP program implementtation.

The military component of the program will be funded through the MAP accounts, and the law enforcement element will be authorized and funded under the anti-terrorism authorities of the Foreign Assistance Act of 1961.

A copy of the draft authorizing legislation and a section-by-section analysis are attached. The legislation further modifies the anti-terrorism authority contained in chapter 8 of part II of the Foreign Assistance Act of 1961 to construct a regional program that will best serve the needs of the region and the individual countries.

The Office of Management and Budget advises that there is no objection to the submission of this draft legislation to the Congress and that its enactment would be in accord with the program of the President.

Sincerely,

WILLIAM L. BALL III,
Assistant Secretary, Legislative and Intergovernmental Affairs.

SECTION-BY-SECTION ANALYSIS OF THE PROPOSED CENTRAL AMERICAN COUNTERTERRORISM ACT OF 1985

I. INTRODUCTION

The recent terrorist acts in El Salvador emphasize the need to enhance and strengthen the ability of the armed forces and law enforcement agencies in Central America to combat terrorism. This bill authorizes the establishment of a military counterterrorism program in Central America. In addition, it establishes a law enforcement counterterrorism program under the authorities contained in chapter 8 of part II of the Foreign Assistance Act of 1961, with minimal changes to permit us to respond most effectively to the growing terrorist threat in Central America. The program will include:

1. Additional resources for specialized military counterterrorism activities.
2. Additional resources for civil law enforcement personnel for anti-terrorism activities.
3. Coordination of these programs under the authority of the Secretary of State.
4. Funds for the protection of witnesses cooperating at the request of the USG in counterterrorism activities.

The $27 million in MAP will provide specialized training and specific articles for use in military counterterrorist and counterinsurgency operations by host countries' armed forces. It will be managed by the Departments of State and Defense under MAP funding and authority. The $27 million for civilian law enforcement component will be managed by the Department of State consistent with the anti-terrorism authority contained in chapter 8 of part II of the Foreign Assistance Act of 1961. Of that amount, up to $1,000,000 of the funds will be used for a Counterterrorism Protection Fund to reimburse domestic and foreign persons, agencies, or governments for the protection of persons who provide assistance or information relating to terrorist incidents.

PROVISIONS OF THE BILL

Section 1. Short Title

The section provides that the Bill may be cited as the Central American Counterterrorism Act of 1985.

Sec. 2. Military Assistance

This section authorizes $27,000,000 in MAP funds for use in the military counterterrorism and counterinsurgency operations in El Salvador, Honduras, Costa Rica, Panama, Belize, and Guatemala.

These funds are made available notwithstanding certain general and country-specific conditions or prohibitions contained in the International Security and Development Cooperation Act of 1985.

Sec. 3. Anti-Terrorism Assistance

The section authorizes $27,000,000 in assistance. Of that amount, $26,000,000 will be used for regional program to enhance the ability of civilian law enforcement personnel in El Salvador, Honduras, Costa Rica, Panama, Belize and Guatemala to combat terrorism. The anti-terrorism authority contained in chapter 8 of part II of the Foreign Assistance Act of 1961 has been modified to construct a regional program that will best serve the needs of the region and the individual countries. Because of some special requirements, a waiver of section 573(d) has been included to permit, *inter alia* regional or in-country training. In addition, the $325,000 ceiling on commodities and equipment contained in section 501(b) of the International Security and Development Cooperation Act of 1985 does not apply to this new authority.

The section also earmarks $1,000,000 of the anti-terrorism funds to be used for a Counterterrorism Protection Fund for the protection of persons who provide assistance or information relating to terrorist incidents.

Sec. 4. General Provisions

This section conditions both military and civilian law enforcement assistance to Guatemala on the election of a civilian government.

Funds under this Act are made available until September 30, 1986.●

By Mr. CHAFEE (for himself, Mr. COHEN, and Mr. MURKOWSKI):

S. 1759. A bill to establish a Commercial Fishing Industry Advisory Committee; to the Committee on Commerce, Science, and Transportation.

COMMERCIAL FISHING INDUSTRY ADVISORY COMMITTEE ACT

● Mr. CHAFEE. Mr. President, I am pleased to introduce legislation today with Senator COHEN and Senator MURKOWSKI to establish a commercial fishing industry vessel advisory committee.

The primary purpose of this legislation is to establish a committee to address the problem of escalating insurance rates for fishing vessels. Protection and indemnity [P&I] insurance premiums have risen from 25 percent to as much as several hundred percent for vessels in some fisheries. As insurance becomes increasingly unaffordable, fishing vessels are either going without insurance or are going out of business.

The Jones Act permits fishing vessel crewmen and seamen to sue vessel owners for negligence and unseaworthiness when an accident occurs aboard ship. Unlike most other industries in which workers are covered by workmen's compensation, fishermen are covered through the boat owner's policy. Thus, fishermen go to court to collect, resulting in expensive settlements.

The number and size of jury awards has escalated in recent years. Court settlements have been as high as several hundred thousand dollars for correctable occupational injuries. The insurance companies are no longer able to adequately predict the risks or the dollar awards in the fishing industry. The damage award for the same injury before two different juries often varies by a factor of 10. Because there can be no actuarial basis for these awards, insurance of fishing vessels has become increasingly risky and unprofitable. Some insurance companies are experiencing loss ratios which exceed 100 percent.

The causes of the marine insurance problem are complex and cannot be solely attributed to the escalating jury awards. The problem is also aggravated by inadequate vessel and crew safety, improper vessel design, personnel qualifications, fishery management regulations, and the general decline in the profitability of the insurance industry.

Many insurance companies will no longer write policies for the commer-

cial fishing industry. Last year there were 10 to 15 domestic underwriters providing marine insurance. Now, only four U.S. companies cover the Nation's maritime fleet. Many fishing vessels are either unable to obtain insurance or obtain it at such a high premium, that profitability and competitiveness are severely affected.

Despite evidence of a problem in marine insurance in the fishing industry, a comprehensive solution has not been found. Many solutions have focused on improved fishing vessel safety regulations. However, improving safety will not guarantee lower insurance premiums. The problem may be rooted in the structure of the current insurance liability and compensation system. In addition to uncertainty over the cause of the problem, there still exists a need to better understand and document the nature of casualties occurring at sea. Therefore, a comprehensive study of these problems, with active participation of all parties, is necessary in order to bring the cost of insurance to affordable levels and still provide fair compensation for injured fishermen.

The bill I am introducing today provides for a commercial fishing vessel advisory committee to address these problems. The committee will be responsible for advising and making recommendations to the Coast Guard on matters relating to fishing vessel safety and insurance. This issue falls within the Coast Guard's jurisdiction over commercial vessel safety. Their objective has been to minimize deaths, personal injuries, property loss or damage associated with design, construction, manning of merchant vessels, and handling of hazardous cargoes.

The committee will consist of 17 members, including individuals from the fishing industry and the insurance industry. Other representatives will include a naval architect/marine surveyor, a manufacturer of fishing vessel equipment, and an individual connected with education or training in vessel safety. The committee shall operate for 6 years and can be extended by Congress.

With this legislation, representatives from both the fishing and insurance industries will work together to develop a solution to the marine insurance problem. Without such a forum, it is unlikely that a comprehensive solution will be agreed upon. In a statement before the House Subcommittee on Merchant Marine, Mr. Dennis Nixon, coordinator of the Graduate Marine Affairs Program at the University of Rhode Island, said: "If the problem is allowed to simply work itself out once again, many fishermen will be facing the same grim scenario of mortgage foreclosures that family farmers presented to you."

The ones who will suffer from the increased insurance premiums will be the fishermen. Insurance companies can raise their premiums or get out of the marine insurance market. Given the current competitive market, fishermen cannot pass along the increased cost of insurance. Fishermen can choose to go without insurance or reduce their profits, perhaps to the point of bankruptcy.

This legislation is intended to result in a solution to the marine insurance problem, a more cooperative relationship between the fishing and insurance industries, and improved fishing vessel safety. The Atlantic Offshore Fishermen's Association responded to this legislation by saying: "We feel that this proposal could be a step in the right direction" and "could increase the participation of the commercial fishing industry in the formation of new policies."

Since passage of the Fisheries Conservation and Management Act of 1976, total harvests in the United States has increased 85 percent: From 5.3 billion pounds to 9.8 billion pounds. If our fishing industry is to continue to grow and prosper, we must find a way to provide adequate insurance protection at affordable rates for our fishing vessels. This legislation represents a first step toward a solution to the marine insurance problem.

I hope the Senate will give the matter expeditious and favorable consideration.●

By Mr. STAFFORD:

S. 1761. A bill to amend the Atomic Energy Act of 1954, as amended, to establish a comprehensive, equitable, reliable, and efficient mechanism for full compensation of the public in the event of an accident arising out of activities of the Nuclear Regulatory Commission licensees or undertaken pursuant to the Nuclear Waste Policy Act of 1982 involving nuclear materials; to the Committee on Environment and Public Works.

PRICE-ANDERSON IMPROVEMENT ACT

Mr. STAFFORD. Mr. President, today I am introducing the Price-Anderson Improvement Act of 1985. This bill is designed to assure that victims of nuclear accidents at commercial nuclear powerplants or accidents that occur during the course of the Department of Energy's [DOE] program for the disposal of high-level nuclear waste will receive full, timely, and equitable compensation for their injuries.

The bill provides that in the event of a nuclear accident at a large commercial nuclear powerplant, for which damages exceed the amount of available insurance, the owner of each large reactor licensed in the United States would contribute up to $10 to $15 million per year in a "retrospective premium" until all the valid claims has been satisfied.

This approach was proposed in a report submitted to Congress in 1983 by the Nuclear Regulatory Commission after extensive analysis and debate. While three of the present Commissioners are not proponents of the approach, Chairman Palladino and Commissioner Asselstine continue to support its recommendations.

In addition to dealing with commercial nuclear facilities, my bill also provides that, for nuclear incidents arising out of activities undertaken by DOE pursuant to the High-Level Waste Program, the Federal Government, through DOE, will provide complete indemnification above the amount of insurance available. The indemnification will be paid from the Nuclear Waste Fund established in the Nuclear Waste Policy Act of 1982 to fund the DOE High-Level Waste Program.

Resolving nuclear liability issues is particularly important in the context of the Department of Energy's High-Level Waste Program. The Department of Energy soon will be nominating sites for characterization for the first repository. DOE also will soon narrow the number of sites under consideration for the second repository. In order to enhance public acceptance of the repository program, there must be some assurance that citizens of repository States will not be forced to bear the risk of uncompensated damages in the event of a nuclear incident. This bill is intended to provide that assurance.

Mr. President, the Price-Anderson system involves a balancing of many goals and interests. These goals and interests include assuring speedy and full compensation for victims of an accident, and promoting the accountability and responsibility of persons involved in, or benefiting from, activities that create the risk of an accident by requiring them to pay for damages from an accident. This balancing is not easy. After considering various alternatives, I believe that the bill I am introducing represents the best accommodation I have seen yet of these interests.

Nonetheless, I would welcome ideas or suggestions as to ways in which to improve this balance. I would be particularly interested in any proposals that would increase the accountability of the utility at which a commercial accident occurred.

The Subcommittee on Nuclear Regulation of the Committee on Environment and Public Works will be holding hearings on the Price-Anderson system later this month. By introducing this bill, I hope to add to the scope of alternative approaches the committee considers.

Mr. President, I would like at this point to give a brief description of existing law.

Under the existing Price-Anderson system, each utility operating a large nuclear reactor licensed by the Nuclear Regulatory Commission [NRC] is required to carry the maximum amount of private insurance available—$160 million is the current maximum—to cover public liability from a nuclear incident. In the event of an incident, at that reactor or at any other reactor for which damages exceed the amount available insurance, each licensee is required to contribute $5 million in a "retrospective premium" to cover public liability. The act limits the aggregate liability for any incident at a large nuclear powerplant to the amount provided by these two layers of financial protection. Since there are approximately 96 large operating reactors, aggregate liability is presently limited to $160 million plus 96 times $5 million, or a total of $640 million. In the event of an accident for which claims exceed the aggregate liability limit, the act provides that Congress will thoroughly review the situation and take whatever action it deems necessary.

A key feature of the act is omnibus coverage. This means that financial protection and the aggregate limit of liability apply to all persons who may be liable for damages, not just to the utility or the person with whom an indemnity agreement is executed.

With respect to nuclear accidents that occur during the DOE program for the disposal of high-level radioactive waste, there is general agreement that DOE's authority to indemnify contractors involved in activities for which there is a risk of a substantial nuclear incident extends to contractors in the High-level Waste Program. Indemnification is provided by DOE up to $500 million, at which point liability is limited. Again, the act's congressional review provision would apply if damages exceeded the limit on liability.

The present act expires on August 1, 1987.

Mr. President, we continue to need a Price-Anderson system. Although the probability of a major nuclear accident may be small, the possibility cannot be discounted entirely. Accordingly, it is prudent to consider and plan for the unlikely event of a major nuclear incident, and the corresponding possibility of large amounts of damage.

There should be assurance that victims of a nuclear incident will receive full, fair, and timely compensation for their injuries. Without a system in place before a major accident, years could be spent in litigation against utilities, contractors, suppliers, government agencies, and others. The terrible disaster at Bhopal and the Texas City disaster in 1947 illustrate the inadequacy of the traditional tort system to make timely determinations of fair compensation for victims in those circumstances.

I have consistently supported the principle that persons injured by another person's negligence or from exposure to abnormally dangerous materials or activities should receive full compensation for those injuries. To me this is an issue of basic fairness. Whether the injury is caused by nuclear materials, toxic chemicals, or other abnormally dangerous substances, the innocent victim should be compensated.

The current Price-Anderson system falls short of this goal. There is no assurance of any compensation for claims above the absolute and arbitrary liability limits. For those claims, compensation is dependent upon subsequent congressional action. I have no doubt that, if called upon, Members of this body would try to provide speedy and just compensation to victims of an accident. History shows, however, that even the best intentions on the part of Congress can fall short of the victims' requirements. The Texas City disaster presents, in the words of a noted study, "a discouraging example" of how the Congress would respond after an accident.

For this reason, the bill I am introducing removes the absolute and arbitrary limits on liability for commercial and high-level waste nuclear activities. Its goal is to assure full compensation to victims in the event of a nuclear incident arising from those activities.

Another principle that I have supported over the years is that the beneficiaries of an activity should bear the costs of compensating persons injured by that activity. One person's profit should not come at the price of another's injury.

The congressional intent underlying the Price-Anderson system has been that the nuclear industry should assume more responsibility for the costs of an accident as the industry becomes better able to bear those costs.

Both the 1966 amendments to the act and the 1975 amendments, which created the present system, imposed increasing financial responsibility upon the nuclear industry for compensating victims of accidents. In its report on the 1975 amendments to the Price-Anderson Act, the Joint Committee on Atomic Energy stated: "The Joint Committee has from the time of the inception of the Price-Anderson Act endorsed the concept of the assumption by the nuclear industry of the risks associated with nuclear incidents."

The Department of Energy reported to Congress in 1983 that, "It is has been a steadfast objective of the Congress, strongly reemphasized in 1975, that the burden of the indemnity should eventually shift completely to the operators of large civilian nuclear powerplants."

However, the current limits on liability mean that the direct beneficiaries of commercial and high-level waste nuclear activities are not fully responsible for the costs of compensation for persons injured by those activities.

When the Price-Anderson Act was originally enacted in 1957, there was only one operating commercial reactor. That reactor had been funded by the Federal Government. It supplied less than one-twentieth of 1 percent of this Nation's electricity.

The threat of crippling liability in the event of an accident was viewed as a major deterrent to private industrial participation in the nuclear program, and limited liability was considered necessary to encourage development of nuclear power.

Today, there are nearly 100 operating reactors supplying approximately 14 percent of this Nation's electricity. Twenty or more reactors are under construction. Nuclear power is expected to generate 20 percent of our electricity by 1990. The condition of the nuclear industry is far different from the conditions in 1957, and even in 1975, when Congress considered liability limits necessary to protect the industry.

It is therefore time to declare that in the event of an accident the nuclear industry must bear the full costs of compensation for persons injured by commercial and high-level waste nuclear activities. It is time to end the likelihood that those costs will fall either on the victims or on the Federal taxpayer. Not only is this consistent with congressional intent regarding Price-Anderson, but also with any notion of basic fairness.

The commercial nuclear industry is the beneficiary of the DOE's High-Level Radioactive Waste Disposal Program. Congress has already indicated its intention that the nuclear industry, through the Nuclear Waste Fund, should pay for the full costs of the program for the disposal of commercial high-level nuclear waste. Liabilities incurred during that program are part of the cost of the program.

It may be asked, "Is it fair to make a 'well-run' utility pay for an accident at a less well-managed company?" To answer this question, we need to look at the fairness of the alternative sources of payment.

First, payment of costs could be required only from the "responsible parties." Recovery from responsible parties would depend on principles of tort liability, and could take years. It could also develop that these parties have insufficient assets to pay for all the damages.

There are two other choices as to who should bear the costs of an acci-

dent: the victims or the Federal taxpayer. Clearly, it is most unfair to make the innocent victim pay. And, I believe, it is fairer to make the owners rather than the taxpayers the insurers of nuclear powerplants.

Thus, it appears to me that the system of making the nuclear power industry, collectively, responsible for fully compensating the victims of a serious accident is justified.

I do believe, however, that to the maximum extent possible, we should place the primary responsibility for compensation on the facility at which an accident occurs, and I will be seeking and examining proposals to achieve this end.

In this connection I am submitting an amendment to the bill, Amendment No. 770, on which I would hope there will be thoughtful comment during committee consideration of the Price-Anderson reauthorization. The amendment provides that the utilities—other than the one at which the accident occurred—that pay the retrospective premium may seek reimbursement through the judicial system from the utility at which the accident occurred and from others that may be liable under the principle of tort liability. The utility at which the accident occurred could also seek reimbursement from other parties that may be liable.

This amendment addresses the concern that all utilities should not pay equally for an accident that occurred at a facility over which they had no control. While the amendment would impose a greater degree of responsibility on the utility and other parties most closely associated with the accident causing injury, it would not impede timely compensation of victims. The approach is similar in general outline to a procedure in the existing Superfund law which permits moneys from an industry-financed fund to be used to clean up toxic wastes and recovery of those funds from responsible parties.

In addition to the amendment, I want to explore ways to increase the amount of primary financial protection required of the responsible utility, since the required level of primary protection in constant dollars has actually declined since 1957. Increases could come from private insurance, self-insurance, or other sources.

The annual retrospective premium system for NRC licensees is intended to be based on an amount that licensees can afford. Presently, this would be $10 million. The NRC reports that a $10 million annual retrospective premium would result in a 2-percent increase in the total operating of an average utility. The NRC states that, if passed on in full to the ratepayer, this would add approximately $10 per year to the average nuclear ratepayer's electric bill. Nuclear utilities already spend an average of $5 million per year for their own property insurance.

The financial burden on the utilities or the ratepayers also would be manageable in the event of a major accident involving high-level waste. The nuclear waste fund is generated by a fee of one mil—$0.001—per kilowatt-hour on electricity produced by nuclear utilities. This fee is expected to generate at least $22 billion over the next 35 years. A mil per kilowatt-hour surcharge increases the cost of producing nuclear power by approximately 2½ percent. If passed on to the consumer, it would add approximately $10 to $12 per year to the average nuclear ratepayer's electric bill. Thus, the nuclear waste fund can generate many billions of dollars to pay for damages without severe effects on the nuclear utilities or ratepayers.

Finally, while it is very likely that there will not be a major accident anywhere, and that no additional costs will be imposed on anyone, provision for full compensation for victims of nuclear accidents and full liability for the nuclear power industry should increase public confidence in nuclear power and the High-Level Waste Program.

I, therefore, believe that adoption of this bill would be a positive step for commercial nuclear power and the waste program.

I shall now turn to a brief description of the major features of the bill.

For NRC licensees, the bill replaces the one-time assessment of $5 million with annual assessments of $10 to $15 million. There would be no absolute limit on aggregate liability. However, omnibus coverage would continue. The retrospective premium pool would be the exclusive source of funds for public liability claims.

As I noted earlier, the retrospective premium system incorporated in the bill was recommended to Congress by the NRC in 1983.

It is intended that the premiums originally be fixed at $10 million. The NRC would have rulemaking authority to raise this amount if licensees could afford more and if it were necessary and fair to do so.

Because the industry would have to pay retrospective premiums until all liability has been satisfied, Federal indemnity or congressional review would not be necessary to ensure full compensation. Thus, the congressional review provision has been removed for accidents involving NRC licensees. Of course, Congress can always take any additional measures it deems necessary.

There is no provision for termination of the obligation to pay retrospective premiums for existing liabilities upon the termination of the license.

The maximum annual retrospective premium would be for all nuclear incidents. In the highly unlikely event that there is more than one incident that requires payment from the retrospective premium fund in the same year, the total amount available from the retrospective premium pool in that year would be split equally among the nuclear incidents. For example, if there were three nuclear incidents requiring payment from the pool in the same year, one-third of the pool would be available for the victims of each incident. If the claims from any one of those incidents were less than its assigned share, the difference would be split among the victims of the other incidents for which the claims were greater than an equal share.

The district court with jurisdiction over claims from an incident would have the authority to modify any payment plans in the event that a subsequent incident caused a reduction in the funds available for the prior incident.

The bill increases the amount that may be paid in any year for emergency assistance to one-third of the amount available financial protection in that year. A higher limit is justified because the retrospective premium system ensures that funds will be available in subsequent years.

The bill requires the NRC to report to the district court on a plan for compensation whenever there is an extraordinary nuclear occurrence [ENO]. Presently, the NRC is required to make such reports only when public liability claims may exceed the aggregate limit of liability. The change has been made because in an ENO the NRC will already have committed its technical resources to the incident, at least by making the ENO determination, and the NRC's expertise in radiological matters can be of great assistance to the court.

Punitive damages would be excluded from Price-Anderson coverage under the bill. For accidents either at commercial nuclear powerplants or during the High-Level Waste Program, it would be unfair for one utility and its ratepayers to have to contribute towards the punitive damages of another utility or a contractor.

The bill continues the present definition of extraordinary nuclear occurrence, but extends the waiver of defenses provision to all situations where the NRC requires financial protection or provide indemnification. It also continues the present treatment of precautionary evacuations and sabotage.

The act would be extended for 15 years. The minimum statute of limitations would be extended from 20 to 30 years.

With respect to activities involving high-level waste, the bill clarifies that DOE's authority to indemnify its contractors extends to all contract activities concerning the storage, disposal, and transportation of spent nuclear

fuel, high-level radioactive waste, and transuranic waste.

Indemnification is mandatory for contractual activities which are or may be funded through the nuclear waste fund. The Secretary of Energy would have the authority to require these contractors to carry insurance, but they would have to be indemnified for all damages above the amount of insurance required. This indemnification would also include omnibus coverage. Thus, all persons who might be liable for damages, including State and local governments, would be covered by the indemnification. A waiver of defenses provision in the event of an extraordinary nuclear occurrence would be required in the indemnification agreement.

All payments made through such indemnity agreements would come from the nuclear waste fund. Public liability resulting from the High-Level Waste Program would be treated as part of the cost of the program.

The indemnification would include the reasonable costs of settlement, investigating, and defending damage suits, to the extent that such costs were not included in the amount of insurance available.

The Secretary would be required to report to the court on a plan for compensation in the event of an extraordinary nuclear occurrence. This is similar to the requirement imposed upon the NRC.

The bill provides that for activities that are carried out by DOE itself rather than a contractor, DOE should be treated as a contractor for purposes of indemnification and liability. This is to ensure that the claimants will not encounter more difficult standards for recovery if activities are performed by DOE rather than its contractors.

The coverage regarding precautionary evacuations, and sabotage, the definition of an extraordinary nuclear occurrence, the exclusion of punitive damages, the extension of the statute of limitations, and the date of expiration of authority to enter into new indemnification agreements would be the same for high-level waste activities as for NRC licensees.

In all other major areas the present act has been left intact. The bill does not address the limits on indemnification of DOE contractors that are not paid through the nuclear waste fund, nor does it address indemnification of educational and nonprofit NRC licensees, other than extending the expiration date of the act. I would, however, support any proposals with respect to these activities and licensees that were consistent with the principles expressed in this bill.

Mr. President, I ask unanimous consent that a copy of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1761

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 1. This Act may be cited as the "Price-Anderson Improvement Act of 1985".

SEC. 2. Section 170b. of the Atomic Energy Act of 1954, as amended, is amended to read as follows:

"b. The amount of financial protection required shall be the amount of liability insurance available from private sources, except that the Commission may establish a lesser amount on the basis of criteria set forth in writing, which it may revise from time to time, taking into consideration such factors as the following: (1) the cost and terms of private insurance, (2) the type, size, and location of the licensed activity and other factors pertaining to the hazard, and (3) the nature and purpose of the licensed activity: *Provided*, That for facilities designed for producing substantial amounts of electricity and having a rated capacity of 100,000 electrical kilowatts or more, the amount of financial protection required shall be the maximum amount available at reasonable cost and on reasonable terms from private sources. Such financial protection may include private insurance, private contractual indemnities, self insurance, other proof of financial responsibility, or a combination of such measures and shall be subject to such terms and conditions as the Commission may, by rule, regulation, or order, prescribe. In prescribing such terms and conditions for licensees required to have and maintain financial protection equal to the maximum amount of liability insurance available from private sources, the Commission shall, by rule initially prescribed not later than twelve months from the date of enactment of this Act, include, in determining such maximum amount, private liability insurance available under an industry retrospective rating plan providing for annually assessed premium charges deferred in whole or major part until public liability from a nuclear incident exceeds or appears likely to exceed the level of the primary financial protection required of the licensee involved in the nuclear incident: *Provided*, That such insurance is available to, and required of, all of the licensees of such facilities without regard to the manner in which they obtain other types or amounts of such financial protection: *And provided further*, That the maximum deferred premium which may be charged for all nuclear incidents under such a plan shall be not less than $10,000,000 per year nor more than $15,000,000 per year for each facility required to maintain the maximum amount of financial protection: *And provided further*, That the annual amount which may be charged a licensee shall not exceed the licensee's pro rata share, calculated on a yearly basis, of the aggregate public liability claims and costs arising out of the nuclear incidents. Payment of any State premium taxes which may be applicable to any deferred premium provided for in this Act shall be the responsibility of the licensee and shall not be included in the retrospective premium established by the Commission. The Commission shall establish such requirements as are necessary to assure availability of funds to meet any assessment of deferred premiums within a reasonable time when due, and may provide reinsurance or shall otherwise guarantee the payment of such premiums in the event it appears that the amount of such premiums will not be available on a timely basis through the resources of private industry and insurance. Any agreement by the Commission with a licensee or indemnitor to guarantee the payment of deferred premiums may contain such terms as the Commission deems appropriate to carry out the purposes of this section and to assure reimbursement to the Commission for its payments made due to the failure of such licensee or indemnitor to meet any of its obligations arising under or in connection with financial protection required under this subsection including without limitation terms creating liens upon the licensed facility and the revenues derived therefrom or any other property or revenues of such licensee to secure such reimbursement and consent to the automatic revocation of any license."

SEC. 3. Section 170c. of the Atomic Energy Act of 1954, as amended, is amended by striking "August 1, 1987" wherever it appears, and inserting in lieu thereof "August 1, 2002".

SEC. 4. Section 170d. of the Atomic Energy Act of 1954, as amended, is amended to read as follows:

"d.(1)(A) In addition to any other authority the Secretary of Energy (hereinafter in this section referred to as the Secretary) may have, the Secretary is authorized until August 1, 2002, to enter into agreements of indemnification with the contractors of the Secretary for the construction or operation of production or utilization facilities or other activities under contracts for the benefit of the United States involving activities under the risk of public liability for a substantial nuclear incident.

"(B) The authority conferred upon the Secretary pursuant to paragraph (A) to enter into agreements of indemnification with contractors shall include contracts entered into by the Secretary for the purpose of carrying out such activities as the Secretary is authorized to undertake, pursuant to this Act or any other law, involving the storage or disposal of spent nuclear fuel, high-level radioactive waste, or transuranic waste, including the transportation of such materials to or from a storage or disposal site or facility, or test and evaluation facility, the treatment or packaging of such materials to be stored in, disposed of, or used in such a site or facility, and the identification, development, licensing, construction, operation, decommissioning, and post-decommissioning maintenance and monitoring of any such site or facility. For all such activities, the authority conferred upon the Secretary pursuant to subsection d. shall be the exclusive means of indemnification under this section.

"(C) With respect to such contractual activities for which the Secretary may make expenditures from the Nuclear Waste Fund established in section 302 of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222):

"(i) The Secretary shall enter into agreements of indemnification with each contractor of the Secretary carrying out such contractual activities under the risk of public liability for a nuclear incident. In such agreements of indemnification the Secretary may require the contractor to provide and maintain financial protection of such a type and in such amounts as the Secretary shall determine to be appropriate to cover public liability arising out of or in connection with such contractual activities, including the storage, disposal, and related transportation of high-level radioactive waste and spent nuclear fuel. The Secretary shall indemnify

the persons indemnified against such claims above the amount of financial protection required. Such indemnification shall include the reasonable costs of investigating and settling claims and defending suits to the extent that such costs are not covered by the amount of financial protection required.

"(ii) The Secretary shall make any payments required under an agreement of indemnification entered into under this subparagraph from amounts available through the Nuclear Waste Fund. The Secretary shall include the costs incurred by the Nuclear Waste Fund under this section in any review of whether the fees established to generate revenue for the Nuclear Waste Fund are sufficient to offset the costs incurred by the Nuclear Waste Fund, including the annual review by the Secretary pursuant to section 302(a)(4) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222(a)(4)).

"(2) In such agreements of indemnification other than specified in subsection d.(1)(C) the Secretary may require the contractor to provide and maintain financial protection of such a type and in such amounts as the Secretary shall determine to be appropriate to cover public liability arising out of or in connection with the contractual activity and shall indemnify the persons indemnified against such claims above the amount of financial protection required, in the amount of $500,000,000, excluding costs of investigating and settling claims and defending suits for damage in the aggregate for all persons indemnified in connection with such contract and for each nuclear incident: *Provided*, That this amount of indemnity shall be reduced by the amount that the financial protection required shall exceed $60,000,000.

"(3) In the case of nuclear incidents occurring outside the United States, the amount of the indemnity provided by the Secretary shall not exceed $100,000,000.

"(4) The provisions of this subsection may be applicable to lump sum as well as cost type contracts and to contracts and projects financed in whole or in part by the Secretary.

"(5) A contractor with whom an agreement of indemnification has been executed and who is engaged in activities connected with the underground detonation of a nuclear explosive device shall be liable, to the extent so indemnified under this section, for injuries or damage sustained as a result of such detonation in the same manner and to the same extent as would a private person acting as principal, and no immunity or defense founded in the Federal, State, or municipal character of the contractor or of the work to be performed under the contract shall be effective to bar such liability."

SEC. 5. Section 170e. of the atomic Energy Act of 1954, as amended, is amended to read as follows:

"e. (1) With respect to liability for one or more nuclear incidents covered by an industry retrospective rating plan required by subsection 170b., the aggregate payments in any year by or on behalf of persons indemnified, including the reasonable costs of investigating and settling claims and defending suits for damage, shall not be required to exceed the amount of financial protection provided in that year under subsection 170b. The funds provided by financial protection under subsection 170b. in any year by or on behalf of such persons indemnified, including the reasonable costs of investigating and settling claims and defending suits for damage, shall be the exclusive source of payments for public liability claims.

"(2) With respect to all other nuclear incidents, except as provided in subsection d.(1)(C), the aggregate liability for a single nuclear incident of persons indemnified, including the reasonable costs of investigating and settling claims and defending suits for damage, shall not exceed (a) the sum of $500,000,000 together with the amount of financial protection required of the licensee or contractor, or (b) if the amount of financial protection required of the licensee exceeds $60,000,000, such aggregate liability shall not exceed the sum of $560,000,000 or the amount of financial protection required of the licensee, whichever is greater: *Provided*, That in the event of a nuclear incident involving damages in excess of that amount of aggregate liability, Congress will thoroughly review the particular incident and will take whatever action is deemed necessary and appropriate to protect the public from the consequences of a disaster of such magnitude: *And provided further*, That with respect to any nuclear incident occurring outside of the United States to which an agreement of indemnification entered into under the provisions of subsection 170d. is applicable, such aggregate liability shall not exceed the amount of $100,000,000 together with the amount of financial protection required of the contractor."

SEC. 6. Section 170h. of the Atomic Energy Act of 1954, as amended, is amended—

(1) by inserting after "Commission" wherever it appears the following: "or the Secretary, as appropriate,"; and

(2) by inserting at the beginning of the last sentence the following: "Except with respect to activities indemnified under subsection d.(1)(C),".

SEC. 7. Section 170i. of the Atomic Energy Act of 1954, as amended, is amended to read as follows:

"i. After any nuclear incident which will probably require payments by the United States under this section or after any extraordinary nuclear occurrence, the Commission or the Secretary, as appropriate, shall make a survey of the causes and extent of damage which shall forthwith be reported to the Congress, to the Congressmen of the affected districts, and to the Senators of the affected States, and, except for information which would cause serious damage to the national defense of the United States, all final findings shall be made available to the public, to the parties involved and to the courts. The Commission and the Secretary shall report annually to the Congress on the operations under this section."

SEC. 8. Section 170k. of the Atomic Energy Act of 1954, as amended, is amended by striking out "August 1, 1987" wherever it appears and inserting in lieu thereof "August 1, 2002".

SEC. 9. Section 170n. of the Atomic Energy Act of 1954, as amended, is amended to read as follows:

"n. (1) With respect to any extraordinary nuclear occurrence to which an insurance policy or contract furnished as proof of financial protection or an indemnity agreement applies and which—

"(a) arises out of or results from or occurs in the course of the construction, possession, or operation of a production or utilization facility, or

"(b) arises out of or results from or occurs in the course of transportation of source material, byproduct material, or special nuclear material to or from a production or utilization facility, or

"(c) during the course of the contract activity arises out of or results from the possession, operation, or use by a Department of Energy contractor or subcontractor of a device utilizing special nuclear material or byproduct material, or

"(d) arises out of or results from or occurs in the course of the construction, possession, or operation of any facility licensed under section 53, 63, or 81 of this Act, for which the Commission has imposed as a condition of the license a requirement that the licensee have and maintain financial protection pursuant to subsection 170a., or for which an indemnity agreement is executed pursuant to subsection 170k., or

"(e) arises out of or results from or occurs in the course of transportation of source material, byproduct material, or special nuclear material to or from any facility licensed under section 53, 63, or 81 of this Act, for which the Commission has imposed as a condition of the license a requirement that the licensee have and maintain financial protection pursuant to section 170a., or for which an indemnity agreement is executed pursuant to subsection 170k., or

"(f) arises out of or results from or occurs in the course of activities undertaken by the Secretary, including activities undertaken by contract, in connection with the storage or disposal of high-level waste, spent fuel, or transuranic waste, including the transportation of such materials to or from a storage or disposal site or facility or test and evaluation facility, the treatment or packaging of such materials to be stored in, disposed of, or used in such a site or facility, and the identification, development, licensing, construction, operation, decommissioning, and post-decommissioning maintenance and monitoring of any such site or facility,

and which does not arise out of or result from or occur in the course of an activity for which the Secretary may make expenditures from the Nuclear Waste Fund, the Commission, or the Secretary, as appropriate, may incorporate provisions in indemnity agreements with licensees and contractors under this section, and may require provisions to be incorporated in insurance policies or contracts furnished as proof of financial protection, and, with respect to any extraordinary nuclear occurrence to which an insurance policy or contract furnished as proof of financial protection applies and which arises out of or results from or occurs in the course of an activity for which the Secretary may make expenditures from the Nuclear Waste Fund, the Secretary shall incorporate provisions in indemnity agreements and shall require provisions to be incorporated in insurance policies or contracts furnished as proof of financial protection, which waive (i) any issue of defense as to conduct of the claimant or fault of persons indemnified, (ii) any issue or defense as to charitable or governmental immunity, and (iii) any issue or defense based on any statute of limitations if suit is instituted within three years from the date on which the claimant first knew, or reasonably could have known, of his injury or damage and the cause thereof, but in no event more than thirty years after the date of the nuclear incident. The waiver of any such issue or defense shall be effective regardless of whether such issue or defense may otherwise be deemed jurisdictional or relating to an element in the cause of action. When so incorporated, such waivers shall be judicially enforceable in accordance with their terms by the claimant against the person indemnified. Such waivers shall not preclude a defense based upon a failure to take rea-

sonable steps to mitigate damages, nor shall such waivers apply to injury or damage to a claimant or to a claimant's property which is intentionally sustained by the claimant or which results from a nuclear incident intentionally and wrongfully caused by the claimant. The waivers authorized in this subsection shall, as to indemnitors, be effective only with respect to those obligations set forth in the insurance policies or the contracts furnished as proof of financial protection and in the indemnity agreements. Such waivers shall not apply to, or prejudice the prosecution of defense of, any claim or portion of claim which is not within the protection afforded under (i) the terms of insurance policies or contracts furnished as proof of financial protection, or indemnity agreements, and (ii) the limit of liability or limit of payment provisions of subsection 170e.

"(2) With respect to any public liability action arising out of or resulting from an extraordinary nuclear occurence, the United States district court in the district where the extraordinary nuclear occurrence takes place, or in the case of an extraordinary nuclear occurrence taking place outside the United States, the United States District Court for the District of Columbia, shall have original jurisdiction without regard to the citizenship of any party or the amount in controversy. Upon motion of the defendant or of the Commission or the Secretary, as appropriate, any such action pending in any State court or United States district court shall be removed or transferred to the United States district court having venue under this subsection. Process of such district court shall be effective throughout the United States.

"(3) With respect to any public liability action arising out of or resulting from any extraordinary nuclear occurrence, the Commission, or Secretary, as appropriate, shall, and any other indemnitor or other interested person may, submit to the district court having original jurisdiction pursuant to subparagraph (2), a plan for the disposition of pending claims and for the distribution of remaining funds available. Such a plan shall include an allocation of appropriate amounts for personal injury claims, property damage claims, and possible latent injury claims which may not be discovered until a later time and shall include establishment of priorities between claimants and classes of claims, as necessary to insure the most equitable allocation of available funds. Such court shall have all power necessary to approve, disapprove, or modify plans proposed, or to adopt another for each claimant. The Commission or the Secretary, as appropriate, any other indemnitor, and any person indemnified shall be entitled to such orders as may be appropriate to implement and enforce the provisions of this section, including orders limiting the liability of the persons indemnified, orders approving or modifying the plan, orders staying the payment of claims and the execution of court judgements, orders apportioning the payments to be made to claimants, and orders permitting partial payments to be made before final detemination of the total claims. The orders of such court shall be effective throughout the United States."

SEC. 10. Section 170o. of the Atomic Energy Act of 1954, as amended, is amended to read as follows:

"o. Whenever the United States district court in the district where a nuclear incident occurs, or the United States district court for the District of Columbia in case of a nuclear incident occurring outside the United States, determines upon the petition of any indemnitor or other interested person that public liability from a single nuclear incident may exceed in any year the amount of financial protection available in that year under subsection 170b., or the limit of liability under subsection 170e.(2), as appropriate:

"(1) Total payments made by or for all indemnitors as a result of such nuclear incident shall not exceed thirty-three and one-third per centum of such amount of financial protection, or fifteen per centum of such limit of liability, as appropriate, without the prior approval of such court;

"(2) The court shall not authorize payments in excess of thirty-three and one-third per centum of such amount of financial protection, or fifteen per centum of such limit of liability, as appropriate, unless the court determines that such payments are or will be in accordance with a plan of distribution which has been approved by the court or such payments are not likely to prejudice the sebsequent adoption and implementation by the court of a plan of distribution pursuant to subparagraph (3) of subsection (n);

"(3) In situations where public liability is limited by the provisions of subsection 170e.(2), the Commission or the Secretary, as appropriate, shall, within ninety days after a court shall have made such determination, deliver to the Congress a supplement to the report prepared in accordance with subsection 170i. of this Act, setting forth the estimated requirements for full compensation and relief of all claimants, and recommendations as to the relief to be provided."

SEC. 11. Section 170p. of the Atomic Energy Act of 1954, as amended, is amended to read as follows:

"p. In the event of two or more nuclear incidents for which public liability claims require payments from the industry retrospective rating plan under subsection 170b., and for which there are outstanding public liability claims:

"(1) The maximum amount of private insurance available in any year for all nuclear incidents under the industry retrospective rating plan shall be apportioned equally, in the manner prescribed herein, among the nuclear incidents in that year to which the industry retrospective rating plan applies. The maximum amount of private insurance available in any year under the industry retrospective rating plan to satisfy the aggregate public liability claims resulting from a single nuclear incident shall be the quotient obtained by dividing the maximum amount of private insurance available in that year by the number of nuclear incidents to which the industry retrospective rating plan applies in that year. In the event that the aggregate public liability claims resulting from any single nuclear incident(s) in any year are less than the quotient for that year, the amount of private insurance constituting the difference shall be apportioned equally, in the same manner, among the remaining nuclear incidents for which the aggregate public liability claims exceed the quotient for that year.

"(2) In the event that the amount of insurance available in any year under the industry retrospective rating plan for public liability claims for a nuclear incident is reduced, pursuant to subparagraph (1) of this subsection, from the amount specified originally in the plan of the district court prepared pursuant to subsection 170n. (3), such district court shall modify the original plan as necessary to insure the most equitable allocation of available funds. For purposes of such modifications, the district court shall have the same powers and authority as in adopting the original plan.

SEC. 12. Section 170 of the Atomic Energy Act of 1954, as amended, is amended by adding the following new subsection at the end thereof:

"q. The Commission and the Secretary shall submit to the Congress by August 1, 1998, detailed reports concerning the need for continuation or modification of the provisions of this section, taking into account the condition of the nuclear industry, availability of private insurance, and the state of knowledge concerning nuclear safety at that time, among other relevant factors, and shall include recommendations as to the repeal or modification of any of the provisions of this section."

DEFINITIONS

SEC. 13. (a) Subsection s. of section 11 of the Atomic Energy Act of 1954, as amended, is amended by adding at the end thereof the following: "For purposes of those activities that the Secretary of Energy is authorized or directed to undertake, pursuant to this Act or any other law, that involve the risk of public liability for a substantial nuclear incident as a result of the storage or disposal of spent nuclear fuel, high-level radioactive waste, or transuranic waste, including the transportation of such materials to or from a storage or disposal site or facility, or test and evaluation facility, the treatment or packaging of such materials to be stored in, disposed of, or used in such a site or facility, and the identification, development, licensing, construction, operation, decommissioning, and post-decommissioning maintenance and monitoring of any such site or facility, the Secretary shall, to the extent that such activities are not undertaken by contract, be considered as if the Secretary were a contractor with whom an indemnity agreement has been entered into pursuant to subsection d. of this Act."

(b) Subsection w. of section 11 of the Atomic Energy Act of 1954, as amended, is amended to read as follows:

"w. The term "public liability" means any legal liability arising out of or resulting from a nuclear incident, except: (i) claims under State or Federal workmen's compensation acts of employees of persons indemnified who are employed at the site of and in connection with the activity where the nuclear incident occurs; (ii) claims arising out of an act of war; (iii) whenever used in subsections 170 a., c., and k., claims for loss of, or damage to, or loss of use of property which is located at the site of and used in connection with the licensed activity where the nuclear incident occurs; and (iv) claims for punitive damages. "Public liability" also includes damage to property of persons indemnified, *Provided*, That such property is covered under the terms of the financial protection required, except property which is located at the site of and used in connection with the activity where the nuclear incident occurs."

(c) Section 11 of the Atomic Energy Act of 1954, as amended, is amended by adding the following new subsection at the end thereof:

"dd. The term "Nuclear Waste Fund" means the Nuclear Waste Fund established in section 302 of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222)."

CONFORMING AMENDMENTS

SEC. 14. Subsections g., j., and m. of section 170 of the Atomic Energy Act of 1954,

as amended, are amended by inserting after "Commission" wherever it appears the following: "or the Secretary, as appropriate,".

SEC. 15. Section 170.a. of the Atomic Energy Act of 1954, as amended, is amended by striking in the first sentence "the Commission" and inserting in lieu thereof "the Nuclear Regulatory Commission (hereinafter in this section referred to as "the Commission").

By Mr. HATCH (for himself and Mr. KENNEDY):

S. 1762. A bill to amend the Public Health Service Act to revise and extend the program of assistance for health maintenance organizations; to the Committee on Labor and Human Resources.

HEALTH MAINTENANCE ORGANIZATION AMENDMENTS

Mr. HATCH. Mr. President, I am introducing today the Health Maintenance Organization Amendments of 1985. Designed to eliminate unnecessary and unfunded authorities and to make minor improvements to the operation of the Federal HMO certification program, these amendments are virtually identical to those passed last year by both House and Senate as title IV of S. 2574, which was a package of five separate Public Health Service reauthorization bills. That bill was pocket vetoed by the President for reasons unrelated to the HMO amendments.

There was consensus that we should try again with a separate HMO bill this year, thus the House has taken last year's conference agreement on title IV and, with one change addressed to organ transplant coverage, has sent it to the Senate as H.R. 2244. The amendments I am introducing follow the same course, with the addition of a sunset provision for the organ transplant section, a new section directed to a study by the Department of Health and Human Services and a nonsubstantive amendment giving recognition to the work of psychologists in HMO's. I am pleased to be joined in this bill by Senator KENNEDY, who has been so closely identified with the Federal HMO Act.

The rationale for the need for the bill was addressed in last year's committee report on S. 2311 and the conference report on S. 2574, which incorporated S. 2311 as its title IV. The following remarks address three provisions which were not carried over verbatim from last year's bill, trusting that the other sections are as acceptable to the Senate today as they were last year.

Section 11 of the bill amends the basic health coverage requirements for federally qualified HMO's. Under the law as currently interpreted, HMO's must add to their "basic health services"/coverage for experimental medical procedures that become accepted medical practice, that is, which are no longer experimental.

In recent years the advent of cyclosporins and of improved medical practice has resulted in the passage from "experimental" to "medically accepted" of a number of organ transplant procedures, including kidney transplants and liver transplants for children. It appears that in the near future, other procedures, such as heart-lung transplants, may become medically accepted. Because of the enormous expense involved with such procedures, federally qualified HMO's fear a crisis. They have become concerned that forced coverage of transplants in their basic benefits package will so raise their rates that they will be placed at a serious competitive disadvantage in an increasingly competitive health care marketplace. Other providers and insurers are free to offer their transplant coverage as supplemental packages, for which additional premiums are charged, allowing them to keep their basic coverage rates lower. Thus, the HMO industry has vigorously sought an amendment which would allow them to offer future transplant coverage as a supplemental benefit for an additional premium. The basic amendment included in this bill is identical to the open-ended one that the House has passed, but I am proposing to limit its duration.

According to the way this bill is drawn, transplant procedures currently required to be treated as basic health services will continue to be so—only future additions to the list would be affected. However, this organ transplant coverage exemption would expire after 30 months, at which time Congress would reconsider the situtaion. In the interim, a study of this issue and others, as I will describe in a moment, would have been completed and Congress would be in a better position to assess any appropriate long-term measures. In the event the exemption were to expire without prior action by Congress, federally qualified HMO's would, thereafter, be at risk of mandated coverage only for procedures subsequently moving from the "experimental" to "accepted" category, not for those which had become accepted during the interim.

Section 12 directs the Secretary of Health and Human Services to provide for a study assessing the operation and impact of important parts of the title XIII Federal HMO program. The study would assess employer and employee attitudes toward prepaid health plans, and HMO's in particular; it would examine the operation of the community rating approach and its impact on Federal HMO membership composition and competitiveness; and it would gauge the effect of section 1310's "dual choice" provision both for HMO's and for the health care marketplace generally. And it would assess the "medically accepted/experimental" approach to updating basic benefits coverage with particular focus on organ transplant coverage. The Secretary would be required to submit to Congress her study, including findings and legislative or regulatory recommendations, within 18 months.

These issues are important ones and, given the rapid evolution of the health care industry and the proliferation of HMO's and competitive medical plans, it has been difficult to gather and assess the data which we need in order to intelligently review the situation and decide what, if any, changes in the Federal program would be appropriate. I expect this study to be a milestone in our continuing review of the health care marketplace, as we attempt to provide the best atmosphere possible for the efficient delivery of quality health care to our people.

Section 13 contains an amendment sought particularly by Senators INOUYE and QUAYLE. This provision simply adds psychologists to the list of health professionals, such as dentists, optometrists, and podiatrists, set forth in several places in the statute. The current language, "other health care professional" encompasses psychologists in practice, and their inclusion among those specifically mentioned does not change the operation of the law in any way. Instead, it highlights the invaluable contribution of psychologists to the comprehensive treatment of the patient under title XIII.

Mr. President, I commend this legislation to my colleagues and urge their support.

● Mr. KENNEDY. Mr. President, I am pleased to join my distinguished colleague, Senator HATCH, in cosponsoring the Health Maintenance Organization Amendments of 1985. These amendments abolish currently unused authorities, limit future mandatory HMO coverage of certain experimental procedures for 3 years, and reaffirm the vitality of the basic features of the current HMO statute.

The HMO concept has proven to be an important and powerful tool in the national effort to provide quality, cost-effective health care. By all measures, the HMO program has been a success. Since 1973, when the HMO act was enacted to stimulate the growth of HMO's, HMO membership has increased from 4 million to an estimated 17 million subscribers, with an annual growth rate of more than 22 percent last year. The Congressional Budget Office predicts that HMO's will have 47 million members by 1990.

The success of the HMO concept has had even broader effects than are reflected in the phenomenal growth of HMO's.

This growth has also stimulated the traditional health care industry to explore alternative mechanisms for the delivery of health care services and to

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develop strategies for reducing unnecessary costs. In the past, HMO's were competing primarily with traditional fee-for-service providers for a share of the market; today, HMO's face increasing competition from other HMO's in their areas, other health care options such as preferred provider organizations, and a growing tendency by employers and insurers to impose cost sharing requirements on beneficiaries.

The maturation of the HMO movement and the increasingly competitive health care marketplace have raised questions about the need to change Federal law governing HMO's and other managed systems of care. In view of the HMO movement's remarkable success, there is clearly no reason to change the basic HMO act at this time. In view of the rapid change in the health industry, however, the future changes may be necessary. Therefore, this legislation mandates the Department of Health and Human Services to study a number of key questions, including community rating requirements, the requirement that employers offer their employees an HMO coverage option, and other features of the current law.●

By Mr. HEINZ (for himself, Mr. GARN, Mr. DIXON, Mr. DANFORTH, and Mr. CHAFEE):

S. 1763. A bill to eliminate foreign predatory export credit practices, establish a tied aid credit facility, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

FAIR EXPORT FINANCING ACT

● Mr. HEINZ. Mr. President, today I am joined by Senator GARN and others in introducing the Fair Export Financing Act of 1985. This legislation creates a $300 million war chest to combat foreign predatory export credits, which are displacing American exports in our traditional world markets.

Mr. President, I have no problem at all with the idea that American exporters should compete internationally on the basis of quality, price, delivery, and so forth. In fact, I would welcome such a situation. But the reality is that superior American products at attractive, competitive prices are often losing out in export competition. They are losing in the competition to products from foreign competitors whose governments are mixing foreign aid moneys with export credits to provide export financing at almost irresistible interest rates and repayment terms.

A significant degree of success has been achieved in limiting the subsidy element in standard official export credits, and in tying the rates of such credits to market conditions. But to this day, no meaningful progress has been made to eliminate—or even to rein in—the practice of mixing foreign aid moneys with these export credits. This mixed credit problem has persisted in spite of all of our negotiating efforts to date. In fact, as competition in the standard export credits has been neutralized, countries intent on expanding export markets through credit subsidies have increasingly relied upon mixed credits to win sales.

In my estimation, the chief reason why we have had success in reducing credit competition in the first case and utterly failed in the second has been related to our willingness to play the credit game and show that we could win it whenever we desired. With strong congressional support, we succeeded in demonstrating our serious intentions with regard to standard export credits. The unmistakable reluctance of the administration and the Eximbank in the past to offer mixed credits, however, when our exporters were faced with a foreign competitor offering mixed credits, seriously undermined our negotiators in efforts to curb this practice. We were like negotiators in arms control talks without weapons and without intentions to acquire any weapons.

The introduction of this bill, backed by the administration, is a clear signal that the policy is changing. In the past year, the Eximbank offered several mixed credits, and today we are placing before the Senate a bill that will provide the resources to counter foreign mixed credits in a more effective manner. Recognizing the need to constrain spending, this bill does not provide for a war chest adequate to do all that we might want, but it should allow us to target several critical cases and demonstrate our serious intentions in this area, so that our negotiators are no longer supplied with empty rhetoric. Our intentions are now clear. Our negotiators will no longer be disarmed.

To be effective, this authority, added to the $1.8 billion of direct credit authority provided for the Eximbank in this fiscal year's budget, must be aggressively exercised. As we begin review in the next few months of the charter of the Export-Import Bank we will look closely at how this war chest is being used and what results are being achieved.

I am heartened at the support of this legislation by the administration. As a sponsor of similar legislation, as early as 1981, I am eager to see this idea of a war chest become law. This bill recommended by the administration may need some changes, but I believe we should begin work on it right away. The export credit war is going on, and, until we do something like this to fight mixed credits, our exporters are defenseless. I do not wish to say that this is an idea whose time has come, because I believe that it is an idea whose time is long overdue, but it is one worthy of the support of all of my colleagues.

I ask that the bill, a summary of its provisions, a section-by-section analysis, and a letter from the general counsel of the Treasury, Robert M. Kimmitt, be included in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1763

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Fair Export Financing Act of 1985".

SEC. 2. CONGRESSIONAL FINDINGS.—(a) Congress finds that—

(1) Tied aid and partially untied aid credits offered by other countries are a predatory method of financing exports because of their market-distorting effects;

(2) These distortions have caused the United States to lose export sales, with resulting losses in economic growth and employment;

(3) These practices undermine export credit discipline under the Arrangement on Guidelines for Officially Supported Export Credits established through the Organization for Economic Cooperation and Development;

(4) Support of Commercial exports by donor countries with tied aid and partially untied aid credits impedes the growth of developing countries because it diverts development assistance funds from essential developmental purposes;

(5) Establishment of a temporary tied aid credit facility in the Department of the Treasury for the limited purpose of targeting the export markets of those countries which make extensive use of tied aid or partially untied aid credits for commercial purposes and which block progress toward a comprehensive arrangement restricting the use of tied aid and partially untied aid credits for commercial purposes will encourage the successful conclusion of negotiations aimed at such an arrangement.

SEC. 3. AMENDMENTS TO THE TRADE AND DEVELOPMENT ENHANCEMENT ACT OF 1983.—(a) Section 642 of the Trade and Development Enhancement Act of 1983 (12 U.S.C. 635o) is amended—

(1) by amending subsection (1) to read as follows—

"(1) to expand employment and economic growth in the United States through the elimination of predatory concessional financing in the form of tied aid or partially untied aid credits engaged in by nations whose exports compete with United States exports, and thereby restore export competition to a market basis;";

(2) by amending subsection (2) to read as follows—

"(2) to stimulate the economic development of countries in the developing world by taking measures to eliminate the misallocation of offical development assistance funds which occurs when such funds are employed in tied aid or partially untied aid credits, the primary purpose of which is the promotion of the commercial exports of the donor country rather than the development of the recipient country; and";

(3) by repealing subsection (3); and

(4) by renumbering subsection (4) as subsection (3) and amending it to read as follows—

"(3) to establish a temporary tied aid credit program to combat the predatory concessional credit program of foreign governments and thereby encourage them to enter into effective and comprehensive arrangements with the United States to restrict the use of tied aid and partially untied aid credits for commercial purposes and to limit and govern the use of export credit subsidies generally.".

(b) Section 643 of the Trade and Development Enhancement Act of 1983 (12 U.S.C. 635p) is amended—

(1) by inserting in the first sentence of the introductory paragraph the words, "or partially untied aid" after the words "the use of tied aid";

(2) by repealing subsection (1);

(3) by renumbering subsection (2) as subsection (1) and amending it to read as follows—

"(1) to restrict the use of tied aid and partially united aid credits for commercial purposes by a date certain;";

(4) by repealing subsection (3);

(5) by renumbering subsection (4) as subsection (2) and amending it to read as follows—

"(2) to raise the threshold for prior notification of the use of tied aid or partially untied aid credit to a 50 per centum level of concessionality; and";

(6) by repealing subsection (5); and

(7) by renumbering subsection (6) as subsection (3) and amending it to read as follows—

"(3) to prohibit the use of tied aid or partially untied aid credit for production facilities for goods which are in structural oversupply in the world.".

(c) Section 644 of the Trade and Development Enhancement Act of 1983 (12 U.S.C. 635q) is amended to read as follows—

"ESTABLISHMENT OF A TIED AID CREDIT PROGRAM IN THE DEPARTMENT OF THE TREASURY

"SEC. 644. (a)(1) The Secretary shall establish within the Department of the Treasury a program of tied aid credits for United States exports.

"(2) The program shall be carried out in cooperation with the Bank or with private financial institutions or entities, as appropriate.

"(3) The program may include—

"(A) the combined use of guarantees, insurance, or extensions of credit offered by the Bank with grants offered by the Department of the Treasury, by methods including blending of financings or parallel financing; and

"(B) the combination of grants offered by the Department of the Treasury with financing offered by private financial institutions or entities, by methods including blending of financings or parallel financing.

"(b) Funds appropriated under this part may be combined with financing by the Bank or private commercial financing in order to offer, or arrange for, financing for the exportation of United States goods and services to countries or in sectors which are present or likely future export markets for any country which the Secretary determines engages in predatory export financing through the use of tied aid or partially untied aid credits and which impedes progress towards the conclusion of a comprehension arrangement to restrict the use of such credits for commercial purposes.

"(c) There is hereby authorized to be appropriated to the Secretary, without fiscal year limitation, for purposes of this part, $300 million, *provided that*, notwithstanding any other provision of law, upon a declaration by the President that any portion of such funds is not required to achieve the purposes of this part, the funds so determined to be in excess of requirements shall cease to be available.".

(d) Section 645 of the Trade and Development Enhancement Act of 1983 (12 U.S.C. 635r) is repealed.

(e) Section 646 of the Trade and Development Enhancement Act of 1983 (12 U.S.C. 635s) is renumbered as section 645 and amended to read as follows—

"IMPLEMENTATION

"SEC. 645. (a) Prior to approving each financing under the tied aid credit program authorized by Section 644, the Secretary shall seek the advice of the National Advisory Council on International Monetary and Financial Policies.

"(b) Each financing made pursuant to the tied aid credit program authorized by Section 644 shall be on terms consistent with the Arrangement, as in effect at the time such financing is approved.

"(c) The Secretary may issue regulations and take such other actions as may be necessary to implement this part.

"(d) The authorities contained in this part expire on September 30, 1987.

(f) A new Section 646 is added to the Trade and Development Enhancement Act to read as follows—

"REVIEWABILITY

"SEC. 646. Actions by the Secretary and the Chairman of the Bank pursuant to this part shall not be reviewable by any court, except for abuse of discretion."

(g) Section 647 of the Trade and Development Enhancement Act of 1984 (12 U.S.C. 635t) is amended as follows—

(1) Subsection (1) is amended to read as follows—

"(1) the term "tied aid credit" means credit—

(A) which involves a grant element greater than zero percent, as determined by the Development Assistance Committee of the Organization for Economic Cooperation and Development;

(B) which is tied, in fact or in effect, to procurement of goods and services from the donor country; and

(C) which is financed either exclusively from public funds or partly from public and partly from private funds;";

(2) Subsection 647(2) is repealed and replaced by a new subsection 647(2) which reads as follows—

"(2) the term "partially untied aid credit" means credit—

(A) which involves a grant element greater than zero percent, as determined by the Development Assistance Committee of the Organization for Economic Cooperation and Development;

(B) which is tied, in fact or in effect, to procurement of goods and services from the donor country and from a restricted number of countries; and

(C) which is financed either exclusively from public funds or partly from public and partly from private funds;";

(3) Subsection 647(3) is repealed;

(4) Subsections (4), (5), and (6) are renumbered subsections (3), (4), and (5), respectively;

(5) A new subsection 657(6) is added to read as follows—

"(6) the term 'Secretary' means the Secretary of the Treasury;" and

(6) A new Subsection 647(7) is added to read as follows—

"(7) the term 'Arrangement' means the Arrangement on Guidelines for Officially Supported Export Credits established through the Organization for Economic Cooperation and Development."

SEC. 4. The amendments made by this Act shall become effective ten days after enactment of this Act.

WAR CHEST LEGISLATION

The bill would amend the Trade and Development Enhancement Act of 1983 and establish a $300 million tied aid credit facility. The objective would be to provide leverage to the Secretary of the Treasury in negotiations with 22 industrial country governments to restrict the predatory use of tied aid or partially untied aid credits for commercial purposes. To accomplsih this, the fund would be controlled by Treasury as the agency responsible for negotiations.

Predatory tied aid credits are unfair trade practices, have caused the United States to lose key export sales, and have diverted funds away from development assistance.

To maximize U.S. negotiating leverage, the Bill provides:

A credible threat by establishing a $300 million war chest to support up to $1.0 billion of credits;

Targeting the war chest in sectors and markets of particular importance to countries impeding negotiations;

Authority to initiate tied aid credits.

To avoid transforming the war chest into a permanent subsidy and entitlement program, the Bill provides:

A clearly defined purpose which ties the war chest to U.S. negotiating objectives;

Treasury control over the fund, and Presidential discretion to end the fund when sufficient negotiating progress has been achieved;

Sunset provision of September 30, 1987.

To limit the budgetary impact, the Bill authorizes:

Use of grants rather than low-interest loans (which would require higher appropriations);

Direct appropriation to Treasury to ensure the fund does not distort the objectives of Eximbank and USAID.

SECTION-BY-SECTION ANALYSIS

Section 2. This section states that Congress finds that tied aid and partially untied aid credits as currently offered by other nations are a predatory method of financing exports; that the market-distorting effects of these practices have caused the United States to lose export sales; that these practices undermine export credit discipline within the Organization for Economic Cooperation and Development; that these predatory practices impede the growth of developing countries to the extent they divert funds away from development assistance; and that a temporary tied aid credit facility in the Department of the Treasury targeted at the export markets of those countries which engage in such tied aid and partially untied aid credits and which block progress toward an arrangement to restrict tied aid credits will encourage the successful conclusion of such an arrangement.

Section 3. This section amends the Trade and Development Enhancement Act of 1983.

Section 3(a) amends section 642 of the Trade and Development Enhancement Act of 1983:

New subsection 642(1) states the goal of the United States to eliminate predatory concessional financing engaged in by other nations, and to restore export competition to a market basis.

New subsection 642(2) states the goal of the United States to stimulate economic development in the developing world by moving to eliminate tied aid and partially untied aid credits whose primary purpose is to promote commercial exports from developed countries.

New subsection 642(3) states the United States' intent to establish a temporary tied aid credit program to combat predatory credit programs of foreign governments. The purpose of this policy is to encourage those governments to enter into effective and comprehensive arrangements with the United States to restrict the use of tied aid and partially untied aid credits for commercial purposes and to limit and govern the use of export credit subsidies generally.

Section 3(b) amends section 643 of the Trade and Development Enhancement Act of 1983 to reflect the current status of negotiations aimed at restricting the use of tied aid and partially untied aid credits:

Existing subsections 643(1) and 643(3) are repealed because their objectives have already been agreed upon in negotiations.

New subsection 643(1) amends the existing negotiating mandate to call for a restriction on the use of partially untied aid credits as well as on the use of tied aid credits by a date certain.

Subsections 643(4) and 643(5) are consolidated into a new subsection 643(2). That subsection and new subsection 643(3) (formerly subsection 643(6)) are amended by adding references to partially untied aid credits.

Section 3(c) amends section 644 of the Trade and Development Enhancement Act of 1983:

New subsections 644(a)(1) and 644(a)(2) state that the Secretary of the Treasury shall establish a program of tied aid credits for U.S. exports, to be carried out in cooperation with the Export-Import Bank of the United States and with private financial institutions, as appropriate.

New subsection 644(a)(3) substitute the Department of the Treasury in place of the Agency for International Development as a source of financing in paragraph (A) and in place of the Export-Import Bank in Paragraph (B).

New subsection 644(b) authorizes funds under this Act to be combined with financing by the Export-Import Bank in order to offer financing for exportation of U.S. goods and services to countries which are export markets for nations which engage in predatory tied aid or partially untied aid export credits and block progress toward an agreement to end tied aid credits.

New subsection 644(c) authorizes a $300 million appropriation to the Secretary to carry out this Act, provided that, notwithstanding any other provision of law, the President may declare any amount of the appropriation unnecessary to carry out the purposes of the Act, at which time any excess funds will cease to be available.

Section 3(d) repeals section 645 of the Trade and Development Enhancement Act of 1983, the section establishing a tied aid credit program in the Agency for International Development.

Section 3(e) amends section 646 of the Trade and Development Enhancement Act of 1983 and renumbers it as section 645:

New subsection 645(a) deletes the requirement for unanimous consent by the National Advisory Council on International and Monetary and Fiscal Policies, and instead requires that the Secretary of the Treasury seek the advice of that Council before approving each financing under this program.

New subsection 645(b) requires that each financing be made on terms consistent with the OECD Arrangement on Guidelines for Officially Supported Export Credits.

New subsection 645(c) grants the Secretary of the Treasury authority to issue regulations and to take any other actions, which the Secretary may deem necessary to implement the Act.

New subsection 645(d) provides that all authorities under this Act expire September 30, 1987.

Section 3(f) adds a new section 646 to the Trade and Development Enhancement Act of 1983 to provide that actions taken by the Secretary of the Treasury and the Chairman of the Export-Import Bank of the United States under this Act are not reviewable by any court, except in cases of abuse of discretion.

Section 3(g) amends section 647—the definitions section—of the Trade and Development Enhancement Act of 1983:

New subsections 647(1) and 647(2) define "tied aid credit" and "partially untied aid credit" to conform to the definitions of those terms in the OECD Arrangement on Guidelines for Officially Supported Export Credits.

Subsection 647(3) is repealed and subsections (4), (5) and (6) are renumbered as subsections (3), (4) and (5).

New subsection 647(6) is added to define "Secretary" as the Secretary of the Treasury.

New subsection 647(7) is added to define the "Arrangement" as the Arrangement on Guidelines for Officially Supported Export Credits established through the Organization for Economic Cooperation and Development.

Section 4. This section provides that the amendments made by the Act shall become effective ——.

THE GENERAL COUNSEL
OF THE TREASURY,
Washington, DC, September 26, 1985.

Hon. GEORGE BUSH,
President of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: There is transmitted herewith a draft bill, "To eliminate foreign predatory export credit practices, establish a tied aid credit facility, and for other purposes."

Tied aid and partially untied aid credits offered by the governments of other countries are a predatory means of financing exports. The market-disrupting effects of these practices have caused the United States to lose export sales. These practices also impede the growth of developing countries to the extent that they divert funds away from legitimate development assistance.

The Administration has proposed an agreement in the Organization for Economic Cooperation and Development that would require at least 50 percent of any such credit to be in the form of a grant. That minimum grant element would make these credits so expensive to use that in practice they would be limited to real foreign aid. We have succeeded in raising the minimum grant element from 20 to 25 percent, but have been blocked from imposing greater discipline over tied aid credits. Nearly all other OECD members agree that the figure should rise.

The proposed bill would amend the Trade and Development Enhancement Act of 1983 to clarify U.S. negotiating goals in seeking to eliminate predatory concessional financing in the form of tied aid and partially untied aid credits.

The proposed bill would seek to strengthen the U.S. negotiating position through the authorization of appropriations in the amount of $300 million for the creation of a temporary tied aid credit facility in the Department of the Treasury. The facility would be used to provide grants tied to Export-Import Bank and/or private credits targeted at the export markets of those countries which engage in such tied aid and partially untied aid credits and which block progress toward an arrangement to restrict tied aid credits. This facility could support up to $1.0 billion in tied aid credit authorizations.

It should be emphasized that this facility would be used selectively to provide leverage to the Secretary of the Treasury in negotiating elimination of predatory export financing by other countries—it would not be used as an entitlement program for U.S. exporters. Establishment of the fund in the Treasury, rather than in Eximbank or AID, would emphasize its purpose as a negotiating tool, rather than as an export promotion or development assistance device.

Also enclosed are an analysis explaining the provisions of the draft bill and a comparative type showing the changes that would be made in existing laws.

It will be appreciated if you will lay the enclosed draft bill before the Senate. A similar proposal has been transmitted to the Speaker of the House.

The Office of Management and Budget has advised that the proposed legislation is in accord with the President's program.

Sincerely,

ROBERT M. KIMMITT.[1]

● Mr. GARN. Mr. President, today I am pleased to join Senator HEINZ and others of my colleagues in introducing the Fair Export Financing Act of 1985.

Mr. President, for several years, American exporters, having quality goods and services at competitive prices, have been left defenseless against aggressive, predatory, foreign government export financing. France, Japan, and several other countries have been promoting their own exports by offering financing at ridiculously low interest rates and on generous terms, made possible by mixing foreign aid moneys with official credits. By means of this tactic they have gained billions of dollars of export sales, frequently at the expense of American exporters.

I am firmly opposed to subsidizing exports. But I believe that the most effective way of eliminating this practice is to make it impossible for anyone to profit by it, and then negotiate its end. When France or Japan offers a mixed credit and they find that their competition can match their credit offer, then there is no benefit. But we have been unwilling and often unable to match these mixed credits, and the French have been very grateful. Changing this situation is the purpose of the bill that we are introducing today.

This bill would provide for a $300 million warchest with which to combat

mixed credits and bring our trade competitors to the negotiating table.

Without such a warchest in the past we have had little success in even limiting this form of predatory financing. We have had success, major success, in curbing other forms of official export financing, because we have successfully demonstrated our ability to offer competitive financing in the more common forms. But it seems that success in limiting these more traditional credits has resulted in an increased reliance on mixed credits.

We must end this practice, and, just as in our military security, the best way to end a conflict is to demonstrate our ability to win it. At least with this bill, our negotiators will not negotiate empty handed and will be less likely to return empty handed.

The sums authorized are modest, in keeping with the need to control Government spending. But if vigorously used, added to the Eximbank's $1.8 billion in direct lending resources, we should be able to expect results. And action of this kind is what governments are for, to protect their citizens from the harmful practices of those beyond the borders.

I congratulate Senator HEINZ on introducing this legislation. I am happy to join with him in sponsoring the bill, as I have several times during the past 4 years on similar legislation to create an export credit warchest. The administration has recommended this legislation, and I hope that it will enjoy the support of all of my colleagues.●

By Mr. HATCH (for himself, Mr. KENNEDY, Mr. TRIBLE, Mrs. HAWKINS, Mr. THURMOND, Mr. DOLE, Mr. BAUCUS, Mr. WEICKER, Mr. WALLOP, Mr. NICKLES, Mr. INOUYE, Mr. BURDICK, Mr. ZORINSKY, Mr. ROCKEFELLER, Mr. GARN, Mr. LEVIN, Mr. QUAYLE, Mr. SIMON, Mr. GRASSLEY, Mr. SYMMS, Mr. CRANSTON, Mr. METZENBAUM, Mr. KERRY, Mr. CHAFEE, Mr. PELL, Mr. DODD, Mr. ANDREWS, Mr. BOREN, Mr. STAFFORD, Mr. BYRD, Mr. NUNN, Mr. MATSUNAGA, Mr. MURKOWSKI, and Mr. RIEGLE):

S.J. Res. 218. Joint resolution to designate November 24, 1985, as "National Day of Fasting To Raise Funds To Combat Hunger"; to the Committee on the Judiciary.

NATIONAL DAY OF FASTING TO RAISE FUNDS TO COMBAT HUNGER

Mr. HATCH. Mr. President, today Senator KENNEDY and I, are introducing a joint resolution designating November 24, 1985, the Sunday before Thanksgiving, as "National Day of Fasting to Raise Funds to Combat Hunger." Joining us as original cosponsors of this resolution are Senators TRIBLE, HAWKINS, THURMOND, DOLE, BAUCUS, WEICKER, WALLOP, NICKLES, INOUYE, BURDICK, ZORINSKY, ROCKEFELLER, GARN, LEVIN, QUAYLE, SIMON, GRASSLEY, SYMMS, CRANSTON, METZENBAUM, KERRY, CHAFEE, PELL, DODD, ANDREWS, BOREN, STAFFORD, BYRD, MATSUNAGA, MURKOWSKI, NUNN, and RIEGLE.

By the end of today, more than 35,000 men, women and children are expected to perish. They will not die because of war, nor due to automobile or industrial accidents. Their demise will not be caused by freak acts of nature or by incurable diseases. Their passing will not be chronicled by newspapers, nor will it be reported in grim detail on national television. Instead, in seeming solitude they will die of starvation.

Tomorrow, another 35,000 will die, and the same will happen the day after that and the day after that, on and on into the foreseeable future.

It is difficult to grasp this ghastly reality, perhaps because the facts are so extreme, the numbers so immense, that they strike us as somehow unbelievable. Yet Americans across the country have awakened to the hideous truth and the crisis it portends. Americans throughout this country have acted.

More than $120 million has been raised by private citizens to feed the hungry, particularly in Africa. Those who have given come from every walk of life, from every city, State, county, and village, from every conceivable political, social, and religious background. Individual Americans have stepped forward and given what they could.

During a hearing that I held last week on the subject of famine and our Nation's generous outpouring of assistance, three young women from my home State of Utah testified on behalf of their classmates from the Rowland Hall-St. Marks School. Mr. President, I would like to read from the statement of one of these witnesses, Amy Buchi. She said:

> Very few people, let alone sixth graders, get to help people they've never met, much less save some lives. This major famine was and is the first real disaster I've had to deal with in my 12 years of life. Everyday I saw mothers holding dead or dying babies and children who were too weak to eat. I had to deal with and accept death. I've experienced guilt each time we've had leftover food at home and some of it was thrown out. I knew children my own age were dying in Africa because they didn't have enough food and at the same time children in my school were throwing away the lunch they didn't finish. Anything I could do to help the starving, I did.

Amy and her classmates led a drive that raised over $160,000 for famine victims in Africa. She and her fellow witnesses typify the millions of Americans whose spirit and desire to help have literally saved thousands of lives.

Yet, despite these efforts, starvation, malnutrition and famine have not ended. The inexorable death toll continues. More must be done today, tomorrow, next year, 5 years from now to defeat hunger.

Understanding the problem is the first step. A willingness to act is the next. Having the courage to continue to give until famine is defeated is the most important but difficult step of all. We must realize that our assistance must continue long after public giving ceases to be fashionable.

Recognizing the reality of what is needed to defeat famine, my colleagues and I are introducing today a joint resolution which will designate Sunday, November 24, 1985, the Sunday before Thanksgiving, as "National Day of Fasting to Raise Funds to Combat Hunger."

Participants in the fast will be asked to forgo a meal or two on this particular Sunday and send the savings to either the charity of their choice or to a post office box here in Washington, DC, which is being established to receive the funds. Obviously, any and all contributions will be welcome and the sponsors hope every American will choose to participate in some way, even if fasting is not possible.

Contributions sent to the post office box will be processed and distributed through InterAction, the highly respected and reputable umbrella organization of groups dedicated to ending hunger throughout the world. The primary target of this fundraising will be Africa, but InterAction has agreed to reserve 15 percent of all funds raised as a result of the National Day of Fasting to Combat Hunger here in the United States. They intend to spend 45 percent of the funds on long-term assistance in Africa, 35 percent on emergency food and medical relief and the remaining 5 percent on educational needs.

I hope it is remembered that our purpose in sponsoring the fast to end famine is not to interfere, detract or diminish the panoply of events already planned for this fall, such as the upcoming World Food Day on Oxfam America's program of events. All of us recognize that several organizations have longstanding programs in this area. Instead, it is our intent the proposed day of fasting augment and support these other activities and provide another opportunity for Americans to help defeat famine, malnutrition, and starvation.

Famine knows no politics and our response to it has and should continue to transcend political beliefs and ideologies. By working together, we can end famine, feed the hungry, and enrich the lives of all mankind.

Mr. President, I ask unanimous consent that the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 218

Whereas the famine in Africa has caused the death of hundreds of thousands of people and has endangered the lives of millions;

Whereas the solution to such famine involves not only rushing emergency food and medical supplies to the area stricken, but also improving agricultural policies and instituting more sophisticated famine prevention practices in such areas;

Whereas people from all walks of life and every part of the United States have responded quickly and effectively to every famine which has occurred since World War II and have already raised more than $120,000,000 for emergency relief of the famine in Africa;

Whereas the generosity and compassion of the people of the United States should be recognized and commended;

Whereas twenty-four people die of starvation each minute in Africa;

Whereas more remains to be done to fight starvation in Africa and in other parts of the world;

Whereas the Nation has enough resources to save many lives;

Whereas hunger in the United States is a pressing domestic problem that must be addressed through food relief and economic development for those in need; and

Whereas fasting is one of the strongest symbolic acts by which solidarity with the plight of fellow human beings may be demonstrated: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That November 24, 1985, is designated as "National Day of Fasting to Raise Funds to Combat Hunger" and the President is authorized and requested to issue a proclamation calling upon the people of the United States to fast, to contribute generously to relief organizations fighting hunger, and to observe such day with appropriate ceremonies and other activities.

Mr. KENNEDY. Mr. President, today Senator HATCH and I, along with 30 of our distinguished colleagues, are introducing a joint resolution to designate the Sunday before each Thanksgiving as a "National Day of Fasting To Raise Funds To Combat Hunger."

Tragically, hunger—both domestic and foreign—remains with us, despite our clear ability to end it. It is the most preventable of all the life threatening problems we face.

It remains as the principal challenge before us, both as a nation and as a people—to finally deal with the hunger and famine which continues to stalk our globe. It remains as one of the overriding tasks of our Government to end hunger in the United States and to help meet the needs of millions throughout the Third World. And it remains as a challenge to all of us to support the work of America's voluntary agencies in helping meet the food and relief needs of countless men, women, and children in Africa and Asia, and responding to the cries for help from needy people in communities throughout our own country.

That is the purpose of our joint resolution—to underscore and support the important work of America's voluntary agencies. I have personally witnessed their helping hand as I conducted a series of hunger hearings across our country during the Thanksgiving holiday in 1983, and when I visited the famine areas of Ethiopia and Sudan this past Christmas.

America's voluntary agencies are on the frontlines of our effort to respond to the hungry in our midst, as well as overseas. They are the lifeline of support in helping millions in the developing world achieve self-sufficiency in food production—helping to conquer famine once and for all.

Too often, however, Americans find it easier to see the problem of hunger more clearly in distant lands than we do in our own communities. The same intense commitment to alleviate famine and suffering in foreign nations must also be brought to bear to eliminate hunger here at home. The Physicians Task Force Report on Hunger released earlier this year provides indisputable evidence that hunger continues to rise dramatically in the United States. Twenty million Americans suffer from hunger every month; malnutrition among children and the elderly is increasing.

We all know that Federal budget cuts which hurt the poor are responsible for the unacceptable increase in the incidence of hunger. We also know that the proven Federal food programs are the only realistic answer. Hunger in America is a national disgrace. But it is also a problem we know how to end, and it is time this Government met its national responsibility to end it.

Mr. TRIBLE. Mr. President, I am pleased to join Senators HATCH and KENNEDY and several of our colleagues in introducing a joint resolution designating the Sunday before Thanksgiving as a "National Day of Fasting To Raise Funds To Combat Hunger."

The tragic famine in Africa has touched all our lives. The American people have responded to the call for help in an unprecedented and heroic manner—as the resolution states, the American people have given more than $120 million. Our Government has provided additional hundreds of millions of dollars in aid.

I have traveled to Ethiopia and walked through the feeding camps. I have held little children in my arms that were dying because of starvation and I have witnessed the widespread death and despair and destruction of the famine. But my most lasting memory is the life and hope in the faces of thousands that are alive because of the generosity of the American people—because they are being fed with grain from sacks bearing the stamp, "From the People of the U.S.A."

The establishment of a national day of fasting will help to ensure that the American response will continue. And it must continue. The evening news focuses on new problems, and yet the death and despair of the famine continues.

I am confident that the American people will respond to the National Day of Fasting. Indeed, earlier this year, the people of Virginia, Maryland, and District of Columbia gave well over $1 million during a 40-hour fast for world vision's relief effort; a nationwide fast, as proposed by this resolution, could raise many millions more.

Finally, I wish to note the significance of choosing the Sunday before Thanksgiving for this day of fasting. The first Thanksgiving in Virginia and Massachusetts commemorated not only the bountiful harvest, but also gave thanks to God for survival itself. Now, more than 300 years later, for most of us Thanksgiving is more likely to lead to thoughts of football, parades, and turkey. Perhaps this resolution will help to remind us of the true and lasting significance of this uniquely American holiday.

Mr. President, I look forward to working with our colleagues to enact this resolution in a timely manner and to continue the effort to feed the hungry.

ADDITIONAL COSPONSORS

S. 15

At the request of Mr. MOYNIHAN, the name of the Senator from South Carolina [Mr. THURMOND] was added as a cosponsor of S. 15, a bill to authorize the Secretary of Health and Human Services to make grants to States for the purpose of increasing the ability of States to provide drug abuse prevention, education, treatment, and rehabilitation, and for other purposes, to authorize the Attorney General to make grants to States for the purpose of increasing the level of State and local enforcement of State laws relating to production, illegal possession, and transfer of controlled substances.

S. 505

At the request of Mr. DURENBERGER, the name of the Senator from West Virginia [Mr. ROCKEFELLER] was added as a cosponsor of S. 505, a bill entitled the "Maternal and Child Health Preventive Care Amendments of 1985".

S. 902

At the request of Mr. DECONCINI, the names of the Senator from California [Mr. CRANSTON] and the Senator from Maine [Mr. MITCHELL] were added as cosponsors of S. 902, a bill to establish Federal standards and regulations for the conduct of gaming activities within Indian country, and for other purposes.

S. 970

At the request of Mr. CRANSTON, the name of the Senator from West Virginia [Mr. ROCKEFELLER] was added as a cosponsor of S. 970, a bill to require that fifty-dollar bills bear a portrait of

Georgia Neese Clark Gray, the first woman to serve as Treasurer of the United States.

S. 1223

At the request of Mr. ARMSTRONG, the names of the Senator from Pennsylvania [Mr. SPECTER], the Senator from Connecticut [Mr. DODD], and the Senator from Michigan [Mr. RIEGLE] were added as cosponsors of S. 1223, a bill to authorize the erection of a memorial on Federal land in the District of Columbia or its environs to honor members of the Armed Forces of the United States who served in the Korean war.

S. 1233

At the request of Mr. DOLE, the names of the Senator from Mississippi [Mr. STENNIS] and the Senator from New Hampshire [Mr. HUMPHREY] were added as cosponsors of S. 1233, a bill to amend the Animal Welfare Act to insure the proper treatment of laboratory animals.

S. 1437

At the request of Mr. THURMOND, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of S. 1437, a bill to amend the Controlled Substances Act to create new penalties for the manufacturing with intent to distribute, the possession with intent to distribute, or the distribution of "designer drugs," and for other purposes.

S. 1446

At the request of Mr. ANDREWS, the name of the Senator from Rhode Island [Mr. PELL] was added as a cosponsor of S. 1446, a bill to amend title 38, United States Code, to improve veterans' benefits for former prisoners of wars.

S. 1509

At the request of Mr. CRANSTON, the name of the Senator from Arkansas [Mr. PRYOR] was added as a cosponsor of S. 1509, a bill to amend chapter 30 of title 38, United States Code, to provide for educational assistance under the All-Volunteer Force Educational Assistance Program for pursuit of a program of education by correspondence.

S. 1569

At the request of Mr. BINGAMAN, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 1569, a bill to amend title XVIII of the Public Health Service Act to encourage health promotion and disease prevention through the implementation of a coordinated national nutrition monitoring system.

S. 1570

At the request of Mr. NICKLES, the names of the Senator from Washington [Mr. GORTON] and the Senator from Maine [Mr. COHEN] were added as cosponsors of S. 1570, a bill to amend the Fair Labor Standards Act of 1938 to exclude the employees of States and political subdivisions of States from the provisions of that act relating to maximum hours, to clarify the application of that act to volunteers, and for other purposes.

S. 1621

At the request of Mr. MELCHER, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 1621, a bill to amend title 25 United States Code, relating to Indian education programs, and for other purposes.

S. 1654

At the request of Mr. STEVENS, the name of the Senator from Florida [Mr. CHILES] was added as a cosponsor of S. 1654, a bill to amend title 18, United States Code, to provide for criminal forfeiture of proceeds derived from espionage activities and rewards for informants providing information leading to arrests in espionage cases.

S. 1660

At the request of Mr. DENTON, the names of the Senator from Wyoming [Mr. WALLOP], and the Senator from Alaska [Mr. MURKOWSKI] were added as cosponsors of S. 1660, a bill to grant a Federal charter to the Confederate Memorial Association.

S. 1679

At the request of Mr. GRASSLEY, the name of the Senator from Illinois [Mr. DIXON] was added as a cosponsor of S. 1679, a bill to strengthen provisions of the law that provide safeguards when imports threaten to impair the national security.

SENATE JOINT RESOLUTION 130

At the request of Mr. QUAYLE, the names of the Senator from Minnesota [Mr. BOSCHWITZ], and the Senator from Alabama [Mr. HEFLIN] were added as cosponsors of Senate Joint Resolution 130, a joint resolution designating the week beginning on November 10, 1985, as "National Blood Pressure Awareness Week."

SENATE JOINT RESOLUTION 195

At the request of Mr. KASTEN, the names of the Senator from Oklahoma [Mr. NICKLES], the Senator from Arizona [Mr. DECONCINI], the Senator from Arizona [Mr. GOLDWATER], and the Senator from Florida [Mr. CHILES] were added as cosponsors of Senate Joint Resolution 195, a joint resolution to designate the week of October 20, 1985, through October 26, 1985, as "National Temporary Services Week."

SENATE JOINT RESOLUTION 199

At the request of Mr. MURKOWSKI, the name of the Senator from North Dakota [Mr. BURDICK] was added as a cosponsor of Senate Joint Resolution 199, a joint resolution to designate the month of November 1985 as "National Elks Veterans Rememberance Month."

SENATE JOINT RESOLUTION 202

At the request of Mr. HATCH, the names of the Senator from Georgia [Mr. NUNN], the Senator from Kansas [Mr. DOLE], the Senator from South Carolina [Mr. HOLLINGS], the Senator from North Dakota [Mr. BURDICK], the Senator from New Hampshire [Mr. HUMPHREY], and the Senator from North Dakota [Mr. ANDREWS] were added as cosponsors of Senate Joint Resolution 202, a joint resolution designating November 1985 as "American Liver Foundation National Liver Awareness Month."

SENATE JOINT RESOLUTION 205

At the request of Mr. MCCLURE, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of Senate Joint Resolution 205, a joint resolution to designate March 21, 1986, as "National Energy Education Day."

SENATE JOINT RESOLUTION 208

At the request of Mr. COCHRAN, the name of the Senator from Florida [Mr. CHILES], and the Senator from North Carolina [Mr. EAST] were added as cosponsors of Senate Joint Resolution 208, a joint resolution to designate the week of October 27, 1985, through November 2, 1985, as "National Alopecia Awareness Week."

SENATE JOINT RESOLUTION 209

At the request of Mr. D'AMATO, the names of the Senator from Pennsylvania [Mr. HEINZ] was added as cosponsor of Senate Joint Resolution 209, a joint resolution to designate the period from October 28, 1985, through October 28, 1986, as the "Centennial Year of Liberty in the United States."

SENATE JOINT RESOLUTION 210

At the request of Mr. BENTSEN, the names of the Senator from Montana [Mr. BAUCUS], the Senator from Kansas [Mr. DOLE], the Senator from New Hampshire [Mr. HUMPHREY], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Vermont [Mr. LEAHY], and the Senator from Delaware [Mr. ROTH] were added as cosponsors of Senate Joint Resolution 210, a joint resolution designating the week beginning October 20, 1985 as "Benign Essential Blepharospasm Awareness Week."

SENATE JOINT RESOLUTION 211

At the request of Mr. DURENBERGER, the names of the Senator from Alaska [Mr. MURKOWSKI], the Senator from Ohio [Mr. METZENBAUM], and the Senator from West Virginia [Mr. BYRD] were added as cosponsors of Senate Joint Resolution 211, a joint resolution to provide for the designation of the week of October 6, 1985, as "National Sudden Death Syndrome Awareness Week."

SENATE JOINT RESOLUTION 213

At the request of Mr. FORD, the names of the Senator from Michigan [Mr. RIEGLE], and the Senator from

Wisconsin [Mr. KASTEN] were added as cosponsors of Senate Joint Resolution 213, a joint resolution to designate January 19-25, 1986, "National Jaycee Week."

SENATE CONCURRENT RESOLUTION 56

At the request of Mr. METZENBAUM the name of the Senator from Vermont [Mr. LEAHY] was added as a cosponsor of Senate Concurrent Resolution 56, a concurrent resolution expressing the sense of the Congress that the antitrust enforcement guidelines entitled "Vermont Restraints Guidelines," published by the Department of Justice on January 23, 1985, do not have the force of law, do not accurately state current antitrust law, and should not be considered by the courts of the United States as binding or persuasive.

SENATE CONCURRENT RESOLUTION 72

At the request of Mr. SIMON, the name of the Senator from Michigan [Mr. RIEGLE] was added as a cosponsor of Senate Concurrent Resolution 72, a concurrent resolution expressing the sense of Congress concerning human rights in Poland.

SENATE CONCURRENT RESOLUTION 76

At the request of Mr. HART, the names of the Senator from Pennsylvania [Mr. HEINZ], the Senator from Illinois [Mr. SIMON], the Senator from South Carolina [Mr. THURMOND], the Senator from Michigan [Mr. RIEGLE], the Senator from Indiana [Mr. QUAYLE], the Senator from Oklahoma [Mr. NICKLES], the Senator from South Carolina [Mr. HOLLINGS], the Senator from North Dakota [Mr. ANDREWS], the Senator from Oklahoma [Mr. BOREN], and the Senator from Rhode Island [Mr. PELL] were added as cosponsors of Senate Concurrent Resolution 76, a concurrent resolution asking that the President bring the rights of the Polish people to the attention of the Soviet Government.

AMENDMENT NO. 743

At the request of Mr. RIEGLE his name was added as a cosponsor of amendment No. 743 proposed to House Joint Resolution 372, a joint resolution increasing the statutory limit on the public debt.

AMENDMENT NO. 745

At the request of Mr. RIEGLE, his name was added as a cosponsor of amendment No. 745 proposed to House Joint Resolution 372, a joint resolution increasing the statutory limit on the public debt.

AMENDMENT NO. 753

At the request of Mr. WEICKER, his name was added as a cosponsor of amendment No. 753 proposed to House Joint Resolution 372, a joint resolution increasing the statutory limit on the public debt.

SENATE CONCURRENT RESOLUTION 78—SUPPORTING UNIVERSAL ACCESS TO IMMUNIZATION BY 1990 AND ERADICATION OF CHILDHOOD DISEASES

Mr. BRADLEY (for himself, Mr. KASTEN, and Mr. SIMON) submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 78

Whereas the United Nations Children's fund (UNICEF) reports that four million children die annually because they have not been immunized against the six major childhood diseases: polio, measles, whooping cough, diptheria, tetanus, and tuberculosis;

Whereas at present less than 20 percent of children in the developing world are fully immunized against these diseases;

Whereas each year more than five million additional children are permanently disabled and suffer diminished capacities to contribute to the economic, social, and political development of their countries because they have not been immunized;

Whereas ten million additional childhood deaths from immunizable and potentially immunizable diseases could be averted annually by the development of techniques in biotechnology for new and cost-effective vaccines;

Whereas the World Health Assembly, the Executive Board of the United Nations Children's Fund, and the United Nations General Assembly are calling upon the nations of the world to commit the resources necessary to meet the challenge of universal access to childhood immunization by 1990;

Whereas the United States joined in a global effort by providing political and technical leadership that made possible the eradication of smallpox during the 1970s;

Whereas the development of national immunization systems that can both be sustained and also serve as a model for a wide range of primary health care actions is a desired outcome of our foreign assistance policy;

Whereas the United States Centers for Disease control headquartered in Atlanta is uniquely qualified to provide technical assistance for a worldwide immunization and eradication effort and is universally respected;

Whereas at the 1984 "Bellagio Conference" convened by the World health Organization, the United Nations Children's Fund, the International Bank for Reconstruction and Development, the U.N. Development Program, and the Rockefeller Foundation, it was determined that the goal of universal childhood immunization by 1990 is indeed achievable;

Whereas the Congress, through authorizations and appropriations for international health research and primary health care activities and the establishment of the Child Survival Fund, has played a vital role in providing for the well-being of the world's children;

Whereas the Congress has expressed its expectation that the Agency for International Development will set as a goal the immunization by 1990 of at least 80 percent of all the children in those countries in which the Agency has a program;

Whereas the United States private sector and public at large have responded generously to appeals for support for national immunization campaigns in developing countries: Now, therefore, be it

Resolved by the Senate, (the House of Representatives concurring), That (a) Congress calls upon the President to direct the Agency for International Development, working through the Center for Disease Control and other appropriate Federal agencies, to work in a global effort to provide enhanced support toward achieving the goal of universal access to childhood immunization by 1990 as sponsored by the World Health Organization and UNICEF by—

(1) assisting in the delivery, distribution, and use of vaccines, including—

(A) the building of locally sustainable systems and technical capacities in developing countries to reach, by the appropriate age, not less than 80 percent of their annually projected target population with the full schedule of required immunizations, and

(B) the development of a sufficient network of indigenous professionals and institutions with responsibility for developing, monitoring, and assessing immunization programs and continually adapting strategies to reach the goal of preventing immunizable diseases; and

(2) performing, supporting, and encouraging research and development activities, both in the public and private sector, that will be targeted at developing new vaccines and at modifying and improving existing vaccines to make them more appropriate for use in developing countries.

(b) In support of this global effort, the President should appeal to the people of the United States and the United States private sector to support public and private efforts to provide the resources necessary to achieve universal access to childhood immunization by 1990.

Mr. BRADLEY. Mr. President, on behalf of my distinguished colleagues, the junior Senators from Wisconsin and Illinois, I send a concurrent resolution to the desk and ask that it be referred to the appropriate committee.

Mr. President, on those rare but unfortunate occasions when the world is beset by tragedy—whether caused by an earthquake in Mexico, an air disaster in Japan, a release of toxic chemicals in Bhopal, or other catastrophes—the sympathy and support of all Americans goes out to the affected people. For this we can take great pride in our own country for always being ready, willing and able to help in whatever way possible.

Yesterday, Mr. President, a tragedy struck which dwarfs all of those I've already mentioned. In 1 day, Mr. President, 11,000 children died. There are no media accounts of this international disaster, for you see Mr. President, this is a daily occurrence. Yet, 11,000 more children will die today and tomorrow and each day of this and every year. The total will be 4 million children per year. But the saddest part of this tragedy is that it is avoidable. Those children are victims of six diseases; diseases for which safe and effective immunizations exist. These diseases—polio, measles, whooping cough, diphtheria, tetanus, and tuberculosis—are virtually unknown in the developed world but they continue to

ravage children in developing countries.

The effectiveness of immunization programs, as I stated, is evident in the reduced cases of these diseases here in our own country. But the finest example of the advantages of immunization is the worldwide effort of the 1970's that resulted in the total eradication of smallpox. Estimates are that the U.S. monetary contribution to this effort has paid itself back in saved medical expenses every 9 months. The payback in human suffering avoided is impossible to assess.

Mr. President, the World Health Organization and the United Nations Children's Fund and the United Nations General Assembly are calling upon the nations of the world to commit the resources necessary to meet the challenge of universal access to childhood immunization by 1990. Heads of states from around the world will speak of this most worthy cause on the 40th anniversary of the United Nations on October 24 of this year in New York City.

Mr. President, Congress recognizes the need of these people. We have increased funding to the Agency for International Development for health purposes. We have created a Child Survival Fund for primary health care such as immunization and oral rehydration therapy. And this year, in the foreign aid authorization we mandated the Agency to provide immunization for not less than 80 percent of all the children in those countries in which they have a program. Mr. President, there have been some criticisms of the Agency's handling of its health program. At a time, when Congress has repeatedly stressed the importance of childhood immunization and international health, the Agency has reduced its health staff.

The question that we face today is not how worthy a cause is global immunization but what is the appropriate role for the United States to play in this effort. That is addressed in the resolution my colleagues and I have sent to the desk.

Clearly, global immunization is not a goal to be achieved by 1990 and then abandoned. In fact, the most important contribution the United States can make is to assist in the delivery, distribution, and use of vaccines by building locally sustainable systems with the technical capacity to provide the required immunizations. This would include training and developing a sufficient group of health professionals, indigenous to the developing country, who would in turn monitor and assess immunization programs, while continually adapting strategies so as to reach the goal of preventing immunizable diseases.

In addition, America is experiencing a revolution in the field of biotechnology. New techniques greatly enhance the prospects of development of new vaccines and significant improvements in existing vaccines. We must continue to perform, support, and encourage such research and development, both in the public and private sector.

Mr. President, our resolution calls upon the President to direct the appropriate Federal agencies to assist WHO and UNICEF as I've described. In addition, the President should appeal to the generosity of the people of the United States to support public and private efforts to achieve universal access to childhood immunization by 1990.

Mr. President, the numbers I cited earlier do not adequately reflect the magnitude of the problem. The 4 million annual deaths are the result of immunizable diseases; there are an additional 10 million childhood deaths from potentially immunizable diseases and the number of children disabled is staggering. Mr. President, in the next hour, approximately 1,500 children will die. There will be no headlines to relay the magnitude of the problem; but today we must make a statement as to the most productive and meaningful role for our Nation to play in this effort to save so many innocent children.

●Mr. SIMON. Mr. President, I am pleased to be a cosponsor of this concurrent resolution, redoubling America's public and private commitment to the goal of immunizing all the world's children by 1990. I applaud my colleague from New Jersey for his initiative and leadership in this important effort.

Yesterday, Senators BRADLEY, KASTEN and I sponsored a briefing on the international effort on child immunization. Steve Joseph, the Special Coordinator for Child Health and Survival at UNICEF, addressed the magnitude of the problem. Each year, only 20 percent of the 90 million children in the developing world are immunized against six common childhood diseases: measles, polio, tuberculosis, diphtheria, pertussis and tetanus. Of the 15 million children under the age of 5 who die each year, a third of these, 5 million, die because they were not vaccinated. In the most dramatic of terms, every minute, 10 children under 5 die and another 10 are handicapped because of these 6 diseases.

With the interrelationship between hunger, malnutrition and disease in the developing world, it is difficult to specifically diagnose causes of death, particularly among young children. But it is clear that, with increasing access to vaccinations, child mortality rates are dramatically reduced. Our own history with smallpox, polio and measles is living proof of this.

The picture is by no means bleak. With the international effort on child immunization well underway, there are spectacular success stories:

In Pakistan, where half a million children die each year from vaccine preventable diseases, the immunization rate was increased from 5 percent to 50 percent of all children.

In Colombia, where the government designated 3 national vaccination days and 120,000 health professionals and other individuals volunteered their services, over three quarters of the nation's children have been vaccinated in the past years.

In the Owo region of Nigeria, immunization has increased from less than 10 percent to almost 83 percent of the children. Nigeria is now developig a nationwide immunization campaign based on the successful program in Owo.

In El Salvador, a de facto cease-fire was declared for 3 days this year, while government officials, health care professionals and volunteers worked to achieve the goal of vaccinating 80 percent of the nation's children.

The United States has actively participated in the child immunization drive. Due to the leadership of Senator BRADLEY, AID is now involved in reaching the goal of immunizing 80 percent of all children in those countries where AID has a program by 1990. But we can and must do more.

According to Dr. Joseph, the cost of reaching the 1990 goal is $1.5 billion. He feels confident that this money will be available through public and private efforts, with or without the support and active participation of the United States. While this may be true, I believe all of us understand the need, and the benefit, for full participation by the United States in this campaign. I hope the President and his administration, as well as the Congress, will take the message of this resolution to heart and continue to provide support and leadership in the effort to immunize all the world's children by 1990.●

AMENDMENTS SUBMITTED

INCREASE IN PUBLIC DEBT LIMIT

BOREN (AND OTHERS) AMENDMENT NO. 757

Mr. BOREN (for himself, Mr. EXON, and Mr. BOSCHWITZ) proposed an amendment to the joint resolution (H.J. Res. 372) increasing the statutory limit on the public debt; as follows:

At the appropriate place in the joint resolution, insert a new section as follows:

SEC. . Notwithstanding any other provision of law, when the President, using the authorities under the Balanced Budget and Emergency Deficit Control Act of 1985, issues an order that modifies or suspends the operation of each provision of Federal law that would (but for such order) require an automatic spending increase to take effect during such fiscal year, in such a

manner as to reduce by a uniform percentage the amount of increase under each such provision, the President shall also issue an order that would reduce, by the same uniform percentage, any increase in benefits payable under the old-age, survivors, and disability insurance program established under title II of the Social Security Act: *Provided*, That any reduction in the increase of benefits payable under the old-age, survivors, and disability insurance program shall be computed in such a manner as to assure that the increase that would otherwise have been applicable is not reduced by more than 3 percentage points.

LAUTENBERG AMENDMENTS NOS. 758 THROUGH 763

(Order to lie on the table.)

Mr. LAUTENBERG submitted six amendments intended to be proposed by him to the joint resolution, House Joint Resolution 372, supra; as follows:

AMENDMENT No. 758

At the end of the amendment intended to be proposed by Senator MOYNIHAN, add the following:

SECTION 1. 45-DAY EXTENSION OF SUPERFUND TAXES.

(a) IN GENERAL.—Subsection (d) of section 4611 of the Internal Revenue Code of 1954 (relating to termination of environmental taxes) is amended by striking out "September 30, 1985" and inserting in lieu thereof "November 14, 1985".

(b) CONFORMING AMENDMENTS.—

(1) Subparagraph (D) of section 223(c)(2) of the Hazardous Substance Response Revenue Act of 1980 is amended by striking out "September 30, 1985" and inserting in lieu thereof "November 14, 1985".

(2) Section 303 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is amended by striking out "September 30, 1985" and inserting in lieu thereof "November 14, 1985".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on September 30, 1985.

AMENDMENT No. 759

At the end of the amendment intended to be proposed by Senator MOYNIHAN, add the following:

SECTION 1. 45-DAY EXTENSION OF SUPERFUND TAXES.

(a) IN GENERAL.—Subsection (d) of section 4611 of the Internal Revenue Code of 1954 (relating to termination of environmental taxes) is amended by striking out "September 30, 1985" and inserting in lieu thereof "November 14, 1985".

(b) CONFORMING AMENDMENTS.—

(1) Subparagraph (D) of section 223(c)(2) of the Hazardous Substance Response Revenue Act of 1980 is amended by striking out "September 30, 1985" and inserting in lieu thereof "November 14, 1985".

(2) Section 303 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is amended by striking out "September 30, 1985" and inserting in lieu thereof "November 14, 1985".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on September 30, 1985.

AMENDMENT No. 760

At the end of the amendment intended to be proposed by Mr. DOMENICI, add the following:

SECTION 1. 45-DAY EXTENSION OF SUPERFUND TAXES.

(a) IN GENERAL.—Subsection (d) of section 4611 of the Internal Revenue Code of 1954 (relating to termination of environmental taxes) is amended by striking out "September 30, 1985" and inserting in lieu thereof "November 14, 1985".

(b) CONFORMING AMENDMENTS.—

(1) Subparagraph (D) of section 223(c)(2) of the Hazardous Substance Response Revenue Act of 1980 is amended by striking out "September 30, 1985" and inserting in lieu thereof "November 14, 1985".

(2) Section 303 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is amended by striking out "September 30, 1985" and inserting in lieu thereof "November 14, 1985".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on September 30, 1985.

AMENDMENT No. 761

At the end of the amendment intended to be proposed by Mr. Domenici add the following:

SECTION 1. 45-DAY EXTENSION OF SUPERFUND TAXES.

(a) IN GENERAL.—Subsection (d) of section 4611 of the Internal Revenue Code of 1954 (relating to termination of environmental taxes) is amended by striking out "September 30, 1985" and inserting in lieu thereof "November 14, 1985".

(b) CONFORMING AMENDMENTS.—

(1) Subparagraph (D) of section 223(c)(2) of the Hazardous Substance Response Revenue Act of 1980 is amended by striking out "September 30, 1985" and inserting in lieu thereof "November 14, 1985".

(2) Section 303 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is amended by striking out "September 30, 1985" and inserting in lieu thereof "November 14, 1985".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on September 30, 1985.

AMENDMENT No. 762

At the end of the joint resolution, add the following:

SECTION 1. 45-DAY EXTENSION OF SUPERFUND TAXES.

(a) IN GENERAL.—Subsection (d) of section 4611 of the Internal Revenue Code of 1954 (relating to termination of environmental taxes) is amended by striking out "September 30, 1985" and inserting in lieu thereof "November 14, 1985".

(b) CONFORMING AMENDMENTS.—

(1) Subparagraph (D) of section 223(c)(2) of the Hazardous Substance Response Revenue Act of 1980 is amended by striking out "September 30, 1985" and inserting in lieu thereof "November 14, 1985".

(2) Section 303 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is amended by striking out "September 30, 1985" and inserting in lieu thereof "November 14, 1985".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on September 30, 1985.

AMENDMENT No. 763

At the end of the joint resolution add the following:

SECTION 1. 45-DAY EXTENSION OF SUPERFUND TAXES.

(a) IN GENERAL.—Subsection (d) of section 4611 of the Internal Revenue Code of 1954 (relating to termination of environmental taxes) is amended by striking out "September 30, 1985" and inserting in lieu thereof "November 14, 1985".

(b) CONFORMING AMENDMENTS.—

(1) Subparagraph (D) of section 223(c)(2) of the Hazardous Substance Response Revenue Act of 1980 is amended by striking out "September 30, 1985" and inserting in lieu thereof "November 14, 1985".

(2) Section 303 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is amended by striking out "September 30, 1985" and inserting in lieu thereof "November 14, 1985".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on September 30, 1985.

GLENN AMENDMENT NO. 764

Mr. GLENN proposed an amendment to the joint resolution (H.J. Res. 372), supra; as follows:

At the end of the joint resolution add the following new subsection:

( ) Section 1105(c) of title 31, United States Code, is amended—

(1) by striking out "The" the first time it appears and inserting in lieu thereof "(1) Notwithstanding any other provision of law, the";

(2) by inserting "(other than action that would require an increase in borrowing authority or an increase in the limit imposed by section 3101(b) of this title by more than the applicable amount for the fiscal year for which the budget is submitted)" after "action" the first place it appears; and

(3) by adding at the end thereof the following new paragraph:

"(2) For purposes of this subsection, the term 'applicable amount' means—

"(A) with respect to the fiscal year beginning October 1, 1986, $144,000,000,000;

"(B) with respect to the fiscal year beginning October 1, 1987, $108,000,000,000;

"(C) with respect to the fiscal year beginning October 1, 1988, $72,000,000,000; and

"(D) with respect to the fiscal year beginning October 1, 1989, $36,000,000,000; and

"(E) with respect to the fiscal year beginning October 1, 1990, and each fiscal year thereafter, zero.".

LEAHY AMENDMENT NO. 765

Mr. LEAHY proposed an amendment to the joint resolution (H.J. Res. 372) supra; as follows:

At the end of the resolution, add the following:

( )(1) In preparing any report required under subsection (d)(1) for a fiscal year, the Directors shall comply with this subsection.

(2) The Directors shall—

(A) examine—

(i) each contract with a total amount of budget authority in excess of $20,000,000 under which outlays will be made in such fiscal year to determine whether such contract includes provisions for adjusting outlays in such fiscal year under such contract as a result of inflation; and

(ii) any other Government activity which the Directors consider appropriate under which outlays in such fiscal year will be increased as a result of inflation; and

(B) assume, in determining the total amount of outlays which will be made in such fiscal year, that the adjustments for inflation made in contracts described in clause (i) of subparagraph (A) and activities

described in clause (ii) of such subparagraph will be made on the best available estimate of inflation for such fiscal year.

(3) In the event that the Directors are unable to agree under paragraph (2) on an amount of outlays with respect to any particular contract or activity, the Directors shall use the average of the amounts proposed by each of them with respect to such contract or activity.

MOYNIHAN AMENDMENT NO. 766

Mr. MOYNIHAN proposed an amendment to the joint resolution (H.J. Res. 372) supra; as follows:

At the end of the resolution, add the following new subsection:

( ) Notwithstanding any other provision of law, amounts made available for a fiscal year to the Secretarty of Agriculture or the Commodity Credit Corporation to carry out a program to provide price support to producers of an agricultural commodity (including any program under which payments are made to producers as target price payments or for participation in a reduced acreage, acreage set-aside, or acreage diversion program) shall be reduced by the same percentage as relatively controllable expenditures are reduced under subsection (d)(2)(A)(i)(II) of this section for such fiscal year.

ZORINSKY (AND MATTINGLY) AMENDMENT NO. 767

Mr. ZORINSKY (for himself and Mr. MATTINGLY) proposed an amendment to the joint resolution (H.J. Res. 372) supra; as follows:

At the appropriate place in the joint resolution, insert the following new section:

SEC. . (a)(1) Notwithstanding any other provision of law, it shall not be in order in the Senate or the House of Representatives to consider any concurrent resolution on the budget for any fiscal year beginning after September 30, 1986, or any amendment thereto or any conference report thereon if—

(A) the adoption of such concurrent resolution as reported;

(B) the adoption of such amendment; or

(C) the adoption of the concurrent resolution in the form recommended in such conference report, would cause—

(i) the appropriate level of total budget outlays set forth in such concurrent resolution for such fiscal year to exceed the appropriate level of total budget outlays set forth for the preceding fiscal year in the most recently agreed to concurrent resolution on the budget for that preceding fiscal year;

(ii) the appropriate amount of the deficit set forth in such concurrent resolution for such fiscal year to exceed the appropriate amount of the deficit set forth for the preceding fiscal year in the most recently agreed to concurrent resolution on the budget for that preceding fiscal year.

(2) Notwithstanding section 904(b) of the Congressional Budget Act of 1974, or any other provision of law, paragraph (1) of this subsection may be waived only by a two-thirds vote of the Members of each House of Congress, duly chosen and sworn.

(b) Notwithstanding any other provision of law, the budget transmitted pursuant to section 1105 of title 31, United States Code, for the following fiscal year shall not contain—

(1) an estimate of total budget outlays for such following fiscal year that exceeds the appropriate level of total budget outlays for the current fiscal year set forth in the most recently agreed to concurrent resolution on the budget for the current fiscal year;

(2) an estimate of the deficit for such following fiscal year that exceeds the appropriate amount of the deficit set forth for the current fiscal year in the most recently agreed to concurrent resolution on the budget for the current fiscal year.

(c) For purposes of this section, no cost-of-living adjustment under any provision of Federal law shall be taken into account.

(d) For purposes of this section—

(1) the term "budget outlays" has the same meaning as in section 3(1) of the Congressional Budget and Impoundment Control Act of 1974;

(2) the term "concurrent resolution on the budget" has the same meaning as in section 3(4) of such Act; and

(3) the term "deficit" means, with respect to any concurrent resolution on the budget for a fiscal year, the amount by which the appropriate level of total budget outlays set forth for such fiscal year in such concurrent resolution exceeds the recommended level of Federal revenues set forth for such fiscal year in such concurrent resolution.

BOREN (AND GRAMM) AMENDMENT NO. 768

Mr. BOREN (for himself and Mr. GRAMM) proposed an amendment, which was subsequently modified, to the joint resolution (H.J. Res. 372) supra; as follows:

At the appropriate place in the joint resolution; insert the following:

Any contract entered into after a sequester order has been issued for the applicable fiscal year, by which the Commodity Credit Corporation and Entities providing Federal guarantees for student loans shall agree to make payments out of an entitlement account to any person, lender or guarantee entity shall be deemed to be controllable expenditures and shall be subject to reduction under the Presidential order, and any such contract shall explicity provide for such reduction for the entire contractual period: *Provided*, That in regard to commodity loans made by the Commodity Credit Corporation to producers or producer cooperatives for a commodity produced in the same crop year, those loans for the same commodity shall be subject to the same terms and conditions.

Provided, That noncontract programs supported through the Commodity Credit Corporation, shall be deemed to be controllable expenditures and shall be subject to reduction in the same fashion as other programs under the Presidential order.

Provided further, That the programs supported through the Commodity Credit Corporation shall be deemed to be the reduction in the level of commodity price support programs, supported through the Commodity Credit Corporation, shall not exceed a uniform percentage of reduction specified for those programs in the sequester order.

LAUTENBERG (AND OTHERS) AMENDMENT NO. 769

Mr. LAUTENBERG (for himself, Mr. D'AMATO, Mr. MURKOWSKI, Mr. DODD, Mr. BOSCHWITZ, Mr. MOYNIHAN, Mr. DIXON, Mr. METZENBAUM, Mr. HEFLIN, Mr. EAGLETON, Mr. BENTSEN, Mr. BYRD, Mr. EXON, Mr. KERRY, Mr. KENNEDY, Mr. SASSER, Mr. BAUCUS, Mr. BRADLEY, Mr. MCCONNELL, and Mr. FORD) proposed an amendment, which was subsequently modified, to amendment No. 768 proposed by Mr. BOREN (and Mr. GRAMM) to the joint resolution (H.J. Res. 372), supra; as follows:

At the end of the joint resolution add the following new section:

SEC. —.

(a) The Senate finds that—

(1) the four men identified as the hijackers of the *Achille Lauro* were responsible for brutally murdering an innocent American citizen, Leon Klinghoffer and for terrorizing hundreds of innocent crew members and passengers for two days;

(2) the United States urges all countries to aid in the swift apprehension, prosecution and punishment of the terrorists; and

(3) the United States should not tolerate any country providing safe harbor or safe passage to the terrorists.

(b) It is the sense of the Senate that—

(1) the United States demands that no country provide safe harbor or safe passage to these terrorists;

(2) the United States expects full cooperation of all countries in the apprehension, prosecution and punishment of these terrorists; and

(3) the United States cannot condone the release of terrorists or the making of concessions to terrorists.

(4) the United States identify those individuals responsible for the seizure of the *Achille Lauro* and the cold-blooded murder of Leon Klinghoffer, as well as those countries and groups that aid and abet such terrorist activities, and take the strongest measures to ensure that those responsible for this brutal act against an American citizen are brought to justice.

PRICE-ANDERSON IMPROVEMENT ACT

STAFFORD AMENDMENT NO. 770

(Ordered referred to the Committee on Environment and Public Works.)

Mr. STAFFORD submitted an amendment intended to be proposed by him to the bill (S. 1761) to amend the Atomic Energy Act of 1954, as amended, to establish a comprehensive, equitable, reliable, and efficient mechanism for full compensation of the public in the event of an accident arising out of the activities of Nuclear Regulatory Commission licensees or undertaken pursuant to the Nuclear Waste Policy Act of 1982 involving nuclear materials; as follows:

In section 5, after "e.(1)", insert "(A)"; and, after "source of payments for public liability claims." insert the following:

"(B) Nothing in this section shall limit the right of any person that has paid or will pay deferred premiums under the industry retrospective rating plan required in subsection 170b. to recover, under applicable state law, deferred premiums from any person who may be liable for public liability, notwithstanding any indemnification of persons indemnified under this section. The waiver of

defenses provision of subsection 170n. shall not apply to actions of such recovery.".

In section 13(b), strike "and" before "(iv)"; and after "claims for punitive damages" insert the following: "; and (v) claims for recovery of deferred premiums as provided in subsection 170e.".

INCREASE IN PUBLIC DEBT LIMIT

DOMENICI (AND CHILES) AMENDMENT NO. 771

Mr. DOMENICI (for himself and Mr. CHILES) proposed an amendment, which was subsequently modified, to the joint resolution (H.J. Res. 372) supra; as follows:

Strike all after the language added by Amdt. No. 739 and insert in lieu thereof:

SEC. —. DEFICIT REDUCTION PROCEDURES.

(a) SHORT TITLE.—This section may be cited as the "Balanced Budget and Emergency Deficit Control Act of 1985".

(b) CONGRESSIONAL BUDGET.—

(1) One concurrent resolution on the budget required annually.—

(A) IN GENERAL.—Section 310 of the Congressional Budget Act of 1974 is amended—

(i) by striking out all beginning with "SEC. 310. (a)" through "necessary—" in the matter preceding paragraph (1) of subsection (a) and inserting in lieu thereof the following:

"SEC. 310. (a) IN GENERAL.—Any concurrent resolution on the budget considered under section 301 or section 304 for a fiscal year shall, to the extent necessary,—"; and

(ii) by striking out subsection (b) and redesignating subsection (c) as subsection (b).

(B) Conforming changes.—

(i) The table of contents in subsection (b) of section 1 of the Congressional Budget and Impoundment Control Act of 1974 is amended—

(I) by striking out "Adoption of first concurrent resolution" in the item relating to section 301 and inserting in lieu thereof "Annual adoption of concurrent resolution";

(II) by striking our "First concurrent resolution" in the item relating to section 303 and inserting in lieu thereof "Concurrent resolution"; and

III) by striking out "Second required concurrent resolution and reconciliation" in the item relating to section 310 and inserting in lieu thereof "Reconciliation".

(ii) Paragarph (4) of section 3 of such Act is amended—

(I) by adding "and" after the semicolon at the end of subparagraph (A);

(II) by striking out subparagraph (B); and

(III) by striking out "(C) any other" and inserting in lieu thereof "(B) a".

(iii) Section 300 of the Congressional Budget Act of 1974 is amended—

(I) by striking out "first" in the item relating to April 15 and in the second item relating to May 15; and

(II) by striking out the items relating to September 15 and September 25.

(iv)(I) The heading of section 301 of the Congressional Budget Act of 1974 is amended to read as follows:

"ANNUAL ADOPTION OF CONCURRENT RESOLUTION".

(II) Section 301(a) of such Act is amended by striking out "the first concurrent resolution on the budget" in the first sentence and inserting in lieu thereof "a concurrent resolution on the budget".

(III) Section 301(b) of such Act is amended—

(aa) by striking out "first concurrent resolution on the budget" in the matter preceding paragraph (1) and inserting in lieu thereof "concurrent resolution on the budget referred to in subsection (a)"; and

(bb) in paragraph (1) by striking out all beginning with "the concurrent resolution" through "both" the second place it appears and inserting in lieu thereof "the Congress has completed action on any reconciliation bill or reconciliation resolution, or both, required by such concurrent resolution to be reported in accordance with section 310(b)".

(IV) Section 301(d) of such Act is amended by striking out "first" each place it appears.

(V) Section 301(e) of such Act is amended—

(aa) by striking out "set for" in paragraph (1) and inserting in lieu thereof "set forth"; and

(bb) by striking out "first concurrent resolution on the budget" each place it appears and inserting in lieu thereof "concurrent resolution on the budget referred to in subsection (a)".

(v) Section 302(c) of such Act is amended by striking out "or 310".

(vi)(I) The heading of section 303 of such Act is amended by striking out "FIRST".

(II) Section 303(a) of such Act is amended by striking out "first concurrent resolution on the budget" in the matter following paragraph (4) and inserting in lieu thereof "concurrent resolution on the budget referred to in section 301(a)".

(vii) Section 304 of such Act is amended—

(I) by striking out "first concurrent resolution on the budget" and inserting in lieu thereof "concurrent resolution on the budget referred to in section 301(a)"; and

(II) by striking out "pursuant to section 301".

(viii)(I) Section 305(a)(3) is amended by striking out "first concurrent resolution on the budget" and inserting in lieu thereof "concurrent resolution on the budget referred to in section 301(a)".

(II) Section 305(b) of such Act is amended—

(aa) in paragraph (1) by striking out ", except that" and all that follows through "15 hours"; and

(bb) in paragraph (3) by striking out "first concurrent resolution on the budget" and inserting in lieu thereof "concurrent resolution on the budget referred to in section 301(a)".

(ix) Section 308(a)(2)(A) of such Act is amended by striking out "first concurrent resolution on the budget" and inserting in lieu thereof "concurrent resolution on the budget referred to in section 301(a)".

(x) Paragraph (1) of section 309 of such Act is amended by striking out ", and other than the reconciliation bill for such year, if required to be reported under section 310(c)".

(xi) Section 310(f) of such Act is amended by striking out "subsection (a)" and inserting in lieu thereof "301(a)".

(xii) Section 311(a) of such Act is amended—

(I) by striking out "310(a)" the first place it appears and inserting in lieu thereof "301(a)"; and

(II) by striking out "310(c)" and inserting in lieu thereof "310(b)".

(2) MAXIMUM DEFICIT AMOUNTS.—

(A) ANNUAL CONCURRENT RESOLUTION ON THE BUDGET.—

(i) POINT OF ORDER.—Section 301 of the Congressional Budget Act of 1974 is amended by redesignating subsections (c), (d), and (e) as subsections (d), (e), and (f), respectively, and inserting after subsection (b) the following new subsection:

"(c) MAXIMUM DEFICIT AMOUNT MAY NOT BE EXCEEDED.—

"(1) Except as provided in paragraph (2), it shall not be in order in either the House of Representatives or the Senate to consider or adopt any concurrent resolution on the budget for a fiscal year under this section, or to consider or adopt any amendment to such a concurrent resolution, or to consider or adopt a conference report on such a concurrent resolution, if the level of total budget outlays for such fiscal year that is set forth in such concurrent resolution or conference report (or that would result from the adoption of such amendment), exceeds the recommended level of Federal revenues for that year by an amount that is greater than the maximum deficit amount specified for such fiscal year in section 3(7).

"(2) Paragraph (1) of this subsection shall not apply to any fiscal year for which a declaration of war has been enacted.".

(ii) CONFORMING CHANGES.—

(I) Section 301(a)(6) of such Act is amended by striking out "subsection (e)" and inserting in lieu thereof "subsection (f)".

(II) Section 301(e) of such Act, as redesignated by clause (i) of this subparagraph, is amended by inseritng "; and when so reported such concurrent resolution shall comply with the requirement described in paragraph (i) of subsection (c), unless such paragraph does not apply to such fiscal year by reason of paragraph (2) of such subsection" after "October 1 of such year" in the second sentence thereof.

(B) PERMISSIBLE REVISIONS OF CONCURRENT RESOLUTIONS ON THE BUDGET.—Section 304 of such Act is amended—

(i) by inserting "(a) IN GENERAL.—" After "SEC. 304."; and

(ii) by adding at the end thereof the following new subsection:

"(b) MAXIMUM DEFICIT AMOUNT MAY NOT BE EXCEEDED.—

"(1) Except as provided in paragraph (2), it shall not be in order in either the House of Representatives or the Senate to consider or adopt any concurrent resolution on the budget for a fiscal year under this section, or to consider or adopt any amendment to such a concurrent resolution, or to consider or adopt a conference report on such a concurrent resolution, if the level of total budget outlays for such fiscal year that is set forth in such concurrent resolution or conference report (or that would result from the adoption of such amendment), exceeds the recommended level of Federal revenues for that year by an amount that is greater than the maximum deficit amount specified for such fiscal year in section 3(7).

"(2) Paragraph (1) of this subsection shall not apply to any fiscal year for which a declaration of war has been enacted.".

(C) DEFINITIONS.—Section 3 of the Congressional Budget and Impoundment Control Act of 1974 is amended by adding at the end thereof the following new paragraphs:

"(6) The term 'deficit' means, with respect to any fiscal year, the amount by which total budget outlays for such fiscal year exceed total revenues for such fiscal year. For purposes of the Balanced Budget and Emergency Deficit Control Act of 1985, the receipts of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund for a fiscal

year, and the taxes payable under section 1401(a), 3101(a), and 3111(a) of the Internal Revenue Code of 1954 during such fiscal year, shall be included in total revenues for such fiscal year, and the disbursements of either such Trust Fund for such fiscal year shall be included in total budget outlays for such fiscal year.

"(7) The term 'maximum deficit amount' means—

"(A) with respect to the fiscal year beginning October 1, 1985, $180,000,000,000;

"(B) with respect to the fiscal year beginning October 1, 1986, $144,000,000,000;

"(C) with respect to the fiscal year beginning October 1, 1987, $108,000,000,000;

"(D) with respect to the fiscal year beginning October 1, 1988, $72,000,000,000;

"(E) with respect to the fiscal year beginning October 1, 1989, $36,000,000,000; and"

"(F) with respect to the fiscal year beginning October 1, 1990, zero.".

(3) RECONCILIATION.—

(A) ANNUAL CONCURRENT RESOLUTION ON THE BUDGET.—

(1) DIRECTIONS TO COMMITTEES.—Section 301(b) of the Congressional Budget Act of 1974 (as amended by paragraph (1)(B)(iv)(III) of this subsection) is further amended—

(I) by striking out "may also require" in the matter preceding paragraph (1) and inserting in lieu thereof "shall also, to the extent necessary to comply with subsection (c)";

(II) by inserting "require " after the paragraph designation in paragraph (1);

(III) by inserting "require" after the paragraph designation in paragraph (2); and

(IV) by redesignating paragraphs (1) and (2) as paragraphs (2) and (3), respectively, and inserting before paragraph (2) (as so redesignated) the following new paragraph:

"(1) specify and direct any combination of the matters described in paragraphs (1), (2), and (3) of section 310(a);".

(ii) CONFORMING CHANGES.—

(I) Section 310(a) of such Act is amended—

(aa) by inserting "or" at the end of paragraph (2);

(bb) by stiking out "; or" at the end of paragraph (3) and inserting in lieu thereof a period; and

(cc) by striking out paragraph (4).

(II) Section 310(d) of such Act is amended by striking out "subsection (c)"and all that follows through "year" and inserting in lieu thereof "subsection (b) with respect to a concurrent resolution on the budget adopted under section 301(a) not later than June 15 of each year".

(III) Subsections (e) and (f) of section 310 of such Act are amended by striking out "subsection (c)" each place it appears and inserting in lieu thereof "subsection (b)".

(IV) Section 300 of such Act is amended by inserting immediately after the second item relating to May 15 the following new item:

"June 15
Congress completes action on reconciliation bill or resolution, or both, implementing annual required concurrent resolution.".

(B) PERMISSIBLE REVISIONS OF CONCURRENT RESOLUTIONS ON THE BUDGET.—

(i) IN GENERAL.—Section 304(a) of such Act (as redesignated by paragraph (2)(B)(i) of this subsection) is amended by adding after the period the following new sentences: "Any concurrent resolution adopted under this section shall specify and direct any combination of the matters described in paragraphs (1), (2), and (3) of section 310(a) to the extent necessary to comply with subsection (b).".

(ii) CONFORMING CHANGE.—Section 310(d) of such Act (as amended by subparagraph (A)(ii)(II) of this paragraph) is further amended by adding at the end thereof the following new sentence: "Congress shall complete action on any reconciliation bill or reconciliation resolution reported under subsection (b) with respect to a concurrent resolution on the budget adopted under section 304(a) not later than 30 days after the adoption of the concurrent resolution.".

(4) LIMITATION ON AMENDMENTS.—

(A) CONCURRENT RESOLUTIONS ON THE BUDGET.—

(i) HOUSE OF REPRESENTATIVES.—Section 305(a)(6) of such Act is amended—

(I) by inserting "(A)" after the paragraph designation; and

(II) by adding at the end thereof the following new subparagraph:

"(B)(i) No amendment that would have the effect of increasing any specific budget outlays above the level of such outlays set forth in a concurrent resolution on the budget, or of reducing any specific Federal revenues below the level of such revenues set forth in such concurrent resolution, shall be in order unless such amendment ensures that the amount of the deficit for any fiscal year set forth in such concurrent resolution is not increased, by making at least an equivalent reduction in other specific budget outlays or at least an equivalent increase in other specific Federal revenues, or at least any combination thereof.

"(ii) Clause (i) of this subparagraph shall not apply to any fiscal year for which a declaration of war has been enacted.".

(ii) SENATE.—Section 305(b)(2) of such Act is amended—

(I) by inserting "(A)" before the paragraph designation; and

(II) by adding at the end thereof the following new subparagraph:

(B)(i) No amendment that would have the effect of increasing any specific budget outlays above the level of such outlays set forth in a concurrent resolution on the budget, or of reducing any specific Federal revenues below the level of such revenues set forth in such concurrent resolution, shall be in order unless such amendment ensures that the amount of the deficit for any fiscal year set forth in the concurrent resolution is not increased, by making at least an equivalent reduction in other specific budget outlays or at least an equivalent increase in other specific Federal revenues, or at least any equivalent combination thereof.

"(ii) Clause (i) of this subparagraph shall not apply to any fiscal year for which a declaration of war has been enacted.".

(B) Reconciliation bills and resolutions.—Section 310 of such Act is amended by inserting after subsection (b) (as redesignated by paragraph (1)(A)(ii) of this subsection) the following new subsection:

"(c) LIMITATION ON AMENDMENTS TO RECONCILIATION BILLS AND RESOLUTIONS.—

"(1) It shall not be in order in either the House of Representatives of the Senate to consider any amendment to a reconciliation bill or reconciliation resolution if such amendment would have the effect of increasing any specific budget outlays above the level of such outlays provided in the bill or resolution, or would have the effect of reducing any specific Federal revenues below the level of such revenues provided in the bill or resolution, unless such amendment ensures that the amount of the deficit for any fiscal year set forth in the most recently agreed to concurrent resolution on the budget is not exceeded, by making an equivalent reduction in other specific budget outlays or at least an equivalent increase in other specific Federal revenues, or at least any equivalent combination thereof, except that a motion to strike a provision shall always be in order.

"(2) Paragraph (1) shall not apply to any fiscal year for which a declaration of war has been enacted.".

(5) ENFORCEMENT.—

(A) ALLOCATIONS OF BUDGET AUTHORITY AND OUTLAYS.—

(i) REPORTING DATE FOR ALLOCATIONS.—Section 302(b) of such Act is amended by striking out "Each such committee shall promptly report" in the last sentence and inserting in lieu thereof "Each such committee, within ten days of session after the concurrent resolution is agreed to, shall report".

(ii) POINT OF ORDER.—It shall not be in order in the House of Representatives or the Senate to consider any bill or resolution, or amendment thereto, providing—

(I) new budget authority for any fiscal year;

(II) new spending authority described in section 401(c)(2)(C) of the Congressional Budget act first effective in any fiscal year; or

(III) direct loan authority, primary loan guarantee authority, or secondary loan guarantee authority for any fiscal year; within the jurisdiction of any committee which has received an allocation of budget authority or new spending authority described in section 401(c)(2)(C) pursuant to section 302(a) of the Congressional Budget Act for a fiscal year, unless and until such committee makes the allocation or subdivisions required by section 302(b) of the Congressional Budget Act, in connection with the most recently agreed to concurrent resolution on the budget for such fiscal year.

(iii) ALLOCATIONS MADE BINDING.—Section 311 of such Act is amended by redesignating subsections (a) and (b) as subsections (b) and (c), respectively, and inserting immediately after "Sec. 311" the following new subsection:

"(a) LEGISLATION SUBJECT TO POINT OF ORDER AFTER ADOPTION OF ANNUAL CONCURRENT RESOLUTION ON THE BUDGET.—

"(1) IN GENERAL.—At any time after the Congress has completed action on the concurrent resolution on the budget required to be reported under section 301(a) for a fiscal year, it shall not be in order in either the House of Representatives or the Senate—

"(A) to consider any bill or resolution (including a conference report thereon), or any amendment to a bill or resolution, that provides for budget outlays or new budget authority in excess of the appropriate allocation of such outlays or authority reported under section 302(b) in connection with the most recently agreed to concurrent resolution on the budget for such fiscal year; or

"(B) to consider any bill or resolution (including a conference report thereon), or any amendment to a bill or resolution, that provides new spending authority described in section 401(c)(2)(C) to become effective during such fiscal year, if the amount of budget outlays or new budget authority that would be required for such year if such bill or resolution were enacted without change or such amendment were adopted would exceed the appropriate allocation of budget outlays or new budget authority reported under section 302(b) in connection with the most recently agreed to concurrent resolution on the budget for such fiscal

year, unless such bill, resolution, or amendment was favorably reported by the Committee on Appropriations of the House involved under section 401(b)(2) along with a certification that if such bill, resolution, or amendment is enacted or adopted, the committee will reduce appropriations or take any other actions necessary to assure that the enactment or adoption of such bill, resolution, or amendment will not result in a deficit for such fiscal year in excess of the maximum deficit amount specified for such fiscal year in section 3(7).

"(2) ALTERATION OF 302(B) ALLOCATIONS.—At any time after a committee reports the allocations required to be made under section 302(b), such committee may report to its House an alteration of such allocations, provided that any alteration of such allocations must be consistent with any actions already taken by its House on legislation within the committee's jurisdiction.

"(3) EXCEPTION.—Paragraph (1) shall not apply to any fiscal year for which a declaration of war has been enacted.".

(B) MAXIMUM DEFICIT AMOUNT MAY NOT BE EXCEEDED.—Section 311(b) of such Act, as redesignated by subparagraph (A)(ii) of this subsection, is amended by inserting before the period at the end thereof the following: "or would cause the levels of deficits set forth in such concurrent resolution to be exceeded, or would otherwise result in a deficit for such fiscal year that exceeds the maximum deficit amount specified for such fiscal year in section 3(7) (except to the extent that paragraph (1) of subsection (B) of section 310 does not apply by reason of paragraph (2) of such subsection)".

(C) REPORTING REQUIREMENT EXTENDED TO CONFERENCE REPORTS.—Section 308(a) of such Act is amended by striking out "the report accompanying that bill or resolution" in the matter preceding paragraph (1) and inserting in lieu thereof the following: "or whenever a conference report is filed in either House, the report accompanying that bill or resolution or the statement of managers accompanying that conference report".

(c) BUDGET SUBMITTED BY THE PRESIDENT.—

(1) Maximum deficit amount may not be exceeded.—Section 1105 of title 31, United States Code, is amended by adding at the end thereof the following new subsection:

"(f)(1) The budget transmitted pursuant to subsection (a) for a fiscal year shall be prepared on the basis of the best estimates then available, in such a manner as to ensure that the deficit for such fiscal year shall not exceed the maximum deficit amount specified for such fiscal year in section 3(7) of the Congressional Budget and Impoundment Control Act of 1974; and the President shall take such action under subsection (d)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985 as is necessary to ensure that the deficit for such fiscal year does not exceed such maximum deficit amount.

"(2) Subject to paragraph (3) of this subsection, the deficit set forth in the budget so transmitted for any fiscal year shall not exceed the maximum deficit amount specified for such fiscal year in section 3(7) of the Congressional Budget and Impoundment Control Act of 1974, with budget outlays and Federal revenues at such levels as the President may consider most desirable and feasible.

"(3) Paragraph (2) shall not apply with respect to any fiscal year for which a declaration of war has been enacted.".

(2) REVISIONS AND SUPPLEMENTAL SUMMARIES.—Section 1106 of title 31, United States Code, is amended by adding at the end thereof the following new subsection:

"(c) Subsection (f) of section 1105 shall apply to revisions and supplemental summaries submitted under this section to the same extent that such subsection applies to the budget submitted under section 1105(a) to which such revisions and summaries relate.".

(d) EMERGENCY POWERS TO ELIMINATE DEFICITS IN EXCESS OF MAXIMUM DEFICITS AMOUNTS.—

(1) REPORTING OF DEFICITS IN EXCESS OF MAXIMUM DEFICIT AMOUNTS.—

(A) IN GENERAL.—The Director of the Office of Management and Budget and the Director of the Congressional Budget Office (hereafter in this section referred to as "the Directors") shall, with respect to any fiscal year (I) estimate the levels of total revenues and budget outlays that may be anticipated for such fiscal year, (II) determine whether the deficit for such fiscal year will exceed the maximum deficit amount for such fiscal year and whether such excess in statistically significant, and (III) estimate the rate of real economic growth that will occur during such fiscal year and the rate of economic growth that will occur during each quarter of such fiscal year. The Directors jointly shall report to the President and to the Congress on November 1 of such fiscal year (in the case of the fiscal year beginning October 1, 1985) and on the September 25 preceding each such fiscal year (in the case of any succeeding fiscal year), identifying the amount of any excess, stating whether such excess is statistically significant, specifying the estimated rate of real economic growth for such fiscal year and for each quarter of such fiscal year, and specifying the percentages by which automatic spending increases and controllable expenditures shall be reduced during such fiscal year in order to eliminate any such excess. In the event that the Directors are unable to agree on an amount to be set forth with respect to any item in any such report, the amount set forth for such item in such report shall be the average of the amounts proposed by each of them with respect to such item.

(B) EXCEPTION.—Subparagraph (A) shall not apply to any fiscal year for which a declaration of war has been enacted.

(2) PRESIDENTIAL ORDER.—

(A) CONTENTS.—

(i) IN GENERAL.—Upon receipt of any report from the Directors under paragraph (1) of this subsection which identifies a statistically signficant amount by which the deficit for a fiscal year will exceed the maximum deficit amount for such fiscal year, the President shall eliminate the full amount of the deficit excess by issuing an order that—

(I) subject to clauses (ii), (iii), and (iv) of this subparagraph, and

notwithstanding the Impoundment Control Act of 1974, eliminates one-half of such excess by modifying or suspending the operation of each provision of Federal law that would (but for such order) require an automatic spending increase to take effect during such fiscal year, in such a manner as to reduce by a uniform percentage (but not below zero) the amount of outlay increases under each such provision, but

(II) subject to clauses (ii), (iii), and (iv) of this subparagraph, eliminates one-half of such excess by sequestering from each affected program, project, or activity (as defined in the most recently enacted relevant appropriations Acts and accompanying committee reports) or from each affected account if not so defined, for funds provided in annual appropriations Acts or, otherwise from each budget account, such amounts of budget authority, obligation limitation, other budgetary resources, and loan limitation, and by adjusting payments provided by the Federal Government, to the extend necessary to reduce the outlays for each controllable expenditure by a uniform percentage: *Provided*, That any periodic payments to individuals or families which are in the nature of income support supplementation, or assistance (including payments made pursuant to section 32 of the Internal Revenue Code of 1984 as amended or pursuant to chapter 11 or 13 of title 38, United States Code and which are paid to such individuals or families directly by the United States (or by a person or entity acting as an agent of the United States) shall not be reduced pursuant to this subclause to a level which is lower than the level that would be payable in the absence of this subclause. But in the case of compensation, pursuant to Chapter 11 or 13 of Title 38, United States Code, a cost-of-living adjustment enacted into law to become effective in the fiscal year that is the first fiscal year to which the order described in this clause applies shall be treated as an automatically-indexed program for purposes of subclause (i) of this clause; and shall transmit to both Houses of the Congress a message—

(III) identifying—

(aa) the total amount and the percentage by which automatic spending increases are to be reduced under subclause (I) of this clause;

(bb) the total amount of budget authority, obligation limitations, loan limitations, and other budgetary resources which is to be sequestered under subclause (II) of this clause with respect to controllable expenditures;

(cc) the amount of budget authority, obligation limitations, loan limitations, and other budgetary resources which is to be sequestered with respect to each such controllable expenditure in order to reduce it by the required percentage; and

(dd) the account, department, or establishment of the Government to which each amount of budget authority, obligation limitations, loan limitations, and other budgetary resources described in subclause (II) of this clause would be available for obligation; and

(IV) providing full supporting details with respect to each action to be taken under subclause (I) or (II) of this clause.

Upon receipt in the Senate and the House of Representatives, the message shall be referred to all committees with jurisdiction over programs, projects, or activities affected by it.

(ii) EXCEPTION.—If, in order to reduce by one-half the amount by which the deficit for a fiscal year exceeds the maximum deficit amount for such fiscal year, actions under clause (1)(I) would require the reduction of automatic spending increases below zero, then, in order not to require such reductions below zero, the remaining amount shall be achieved through further uniform reductions under clause (i)(II).

(iii) LIMITATION.—No action taken by the President under subclause (I) or (II) of clause (i) shall have the effect of eliminating any program, project, or activity of the Federal Government.

(iv) LIMITATION.—Any automatic spending increases modified or suspended, or any amounts of budget authority obligation limitation, other budgetary resources, or loan

limitations sequestered by an order of the President under this Act are permanently cancelled, and the legal rights, if any, of persons to receive such automatic spending increases shall be deemded to be extinguished to the extent that the operation of laws providing for such increases are modified or suspended by such an order.

(v) Nothing in subclause (I) or (II) of clause (i) shall be construed to give the President new authority to alter the relative priorities in the Federal budget that are established by law, and no person who is, or becomes, eligible for benefits under any provision of law shall be denied eligibility by reason of this section.

(B) DATE ISSUED.—

(i) POSITIVE REAL ECONOMIC GROWTH.—If the estimate of real economic growth set forth in a report transmitted under paragraph (1) of this subsection is zero or greater, the President shall issue the order required to be issued under this subsection pursuant to such report not later than 14 days after transmittal of such report.

(i) NEGATIVE REAL ECONOMIC GROWTH.—If the estimate of real economic growth set forth in a report transmitted under paragraph (1) of this subsection is less than zero with respect to such fiscal year or with respect to each of any two consecutive quarters of such fiscal year, the President shall issue the order required to be issued under this subsection pursuant to such report not later than 30 days after transmittal of such report.

(C) EFFECTIVE DATE.—

(i) IN GENERAL.—Except to the extent that it is superseded by a reconciliation bill or reconciliation resolution enacted or adopted under paragraph (3) of this subsection, an order issued pursuant to this paragraph shall become effective 30 days after its issuance. Any modification or suspension by such order of the operation of a provision of law that would (but for such order) require an automatic spending increase to take effect during a fiscal year shall apply for the one-year period beginning with the date on which such automatic increase would have taken effect during such fiscal year (but for such order).

(ii) WITHHOLDING OF BUDGET AUTHORITY FOR THIRTY-DAY PERIOD.—During the 30-day period referred to in clause (i), the President shall withhold from obligation the amounts that would have been suspended or sequestered under such order with respect to such 30-day period if the order issued pursuant to this paragraph had become effective on the date of its issuance. If a reconciliation bill or reconciliation resolution enacted or adopted under paragraph (3) of this subsection becomes law on or before the last day of such 30-day period, amounts withheld from obligation pursuant to the preceding sentence shall be made available for obligation to the extent permitted by such reconciliation bill or reconciliation resolution. If such a reconciliation bill or reconciliation resolution does not become law during such period, the budget authority withheld from obligation under the first sentence of this clause shall be permanently cancelled as described in paragraph (2)(A)(iv) of this subsection.

(D) PROPOSAL OF ALTERNATIVES.—A message transmitted pursuant to this paragraph with respect to a fiscal year may be accompanied by a proposal setting forth in full detail alternative ways to reduce the deficit for such fiscal year to an amount not greater than the maximum deficit amount for such fiscal year. Upon receipt in the Senate and the House of Representatives, the message and any accompanying proposal shall be referred to all committees with jurisdiction over programs, projects, or activities affected by it.

(3) CONGRESSIONAL ACTION.—

(A) REPORTING OF CONCURRENT RESOLUTIONS AND RECONCILIATION BILLS AND RESOLUTIONS.—

(i) IN GENERAL.—Not later than 10 days after issuance of an order by the President under paragraph (2) with respect to a fiscal year, the Committee on the Budget of the House of Representatives and the Senate may report to its House a concurrent resolution. The concurrent resolution may affirm the impact of the order issued under paragraph (2), in whole or in part. To the extent that any part of the order is not affirmed, the concurrent resolution shall state which parts are not affirmed and shall contain instructions to committees of the House and the Senate of the type referred to in section 310(a) of the Congressional Budget Act of 1974, sufficient to achieve at least the total level of deficit reduction contained in those sections which are not affirmed.

(ii) RESPONSE OF COMMITTEES.—Committees instructed pursuant to clause (1) of this subparagraph, or affected thereby, shall submit their responses to their respective Budget Committees no later than 10 days after the conference report on the concurrent resolution referred to in clause (i) is agreed to in both Houses, except that if in either House only one such Committee is so instructed such Committee shall, by the same date, report to its House a reconciliation bill or reconciliation resolution containing its recommendations in response to such instructions. A committee shall be considered to have complied with all instructions to it pursuant to a concurrent resolution adopted under clause (i) if it has made recommendations with respect to matters within its jurisdiction which would result in a reduction in the deficit at least equal to the total reduction directed by such instructions.

(iii) BUDGET COMMITTEE ACTION.—Upon receipt of the recommendations received in response to a concurrent resolution referred to in clause (i) of this subparagraph, the Budget Committee of each House shall report to its respective House a reconciliation bill or reconciliation resolution, or both, carrying out all such recommendations without any substantive revisions. In the event that a committee instructed in a concurrent resolution referred to in clause (i) fails to submit any recommendation (or, when only one committee is instructed, fails to report a reconciliation bill or resolution) in response to such instructions, the Budget Committee of the relevant House shall include in the reconciliation bill or reconciliation resolution reported pursuant to this clause legislative language within the jurisdiction of the noncomplying committee to achieve the amount of deficit reduction directed in such instructions.

(iv) POINT OF ORDER.—It shall not be in order in the House of Representatives or the Senate to consider or agree to any bill or resolution reported under clause (iii) with respect to a fiscal year, any amendment thereto, or any conference report thereon if—

(I) the enactment of such bill or resolution as reported;

(II) the adoption and enactment of such amendment; or

(III) the enactment of such bill or resolution in the form recommended in such conference report;

would cause the amount of the deficit for such fiscal year to exceed the amount of the deficit set forth in the most recently agreed to concurrent resolution on the budget for such fiscal year or the maximum deficit amount for such fiscal year, unless the report submitted under paragraph (1)(A) projects negative real economic growth for such fiscal year, or for each of any two consecutive quarters during such fiscal year.

(v) TREATMENT OF CERTAIN AMENDMENTS.—An amendment which adds to a concurrent resolution reported under clause (i) an instruction of the type referred to in such clause shall be in order during the consideration of such resolution if such amendment would be in order but for the fact that it would be held to be non-germane on the basis that the instruction constitutes new matter.

(vi) DEFINITION.—For purposes of clauses (i) and (ii), the term "day" shall mean any calendar day on which either House of the Congress is in session.

(B) PROCEDURES.—

(i) IN GENERAL.—Except as provided in subclause (ii), the provisions of sections 305 and 310 of the Congressional Budget Act of 1974 for the consideration of concurrent resolutions on the budget and conference reports thereon shall also apply to consideration of concurrent resolutions, and reconciliation bills and reconciliation resolutions reported under this paragraph and conference reports thereon.

(ii) LIMIT ON DEBATE.—Debate in the Senate on any concurrent resolution reported pursuant to subclause (i) of subparagraph (A), and all amendments thereto and debatable motions and appeals in connection therewith, shall be limited to 10 hours.

(iii) LIMITATION ON AMENDMENTS.—Section 310(c) of such Act (as added by subsection (b)(4)(B) of this section) shall apply to reconciliation bills and reconciliation resolutions reported under this paragraph.

(iv) COMPLIANCE WITH INSTRUCTIONS.—Section 310 of the Congressional Budget Act of 1974 is amended by adding at the end thereof the following new subsection:

"(g) COMPLIANCE WITH RECONCILIATION DIRECTIONS.—Any committee of a House of the Congress that is directed, pursuant to a concurrent resolution on the budget to recommend changes of the type described in paragraphs (1) and (2) of subsection (a) with respect to laws within its jurisdiction, shall be deemed to have complied with such directions—

"(1) If—

"(A) the amount of the changes of the type described in paragraph (1) of such subsection recommended by such committee, and

"(B) the amount of the changes of the type described in paragraph (2) of such subsection recommended by such committee,

do not exceed or fall below the amount of the changes such committee was directed by such concurrent resolution to recommend under such paragraph by more than 20 percent of the total of the amounts of the changes such committee was directed to make under both such paragraphs; and

"(2) if the total amount of the changes recommended by such committee is not less than the total of the amounts of the changes such committee was directed to make under both such paragraphs.".

(4) DEFINITIONS.—For purposes of this subsection:

(A) The term "automatic spending increase" shall include all Federal programs

indexed directly, whether appropriated or contained in current law. This shall not include increases in Government expenditures due to changes in program participation rates. Such term shall not include any increase in benefits payable under the old-age, survivors, and disability insurance program established under title II of the Social Security Act.

(B) The term "budget outlays" has the meaning given to such term in section 3(1) of the Congressional Budget and Impoundment Control Act of 1974.

(C) The term "concurrent resolution on the budget" has the meaning given to such term in section 3(4) of the congressional Budget and Impoundment Control Act of 1974.

(D) The term "deficit" has the meaning given to such term in section 3(6) of the Congressional Budget and Impoundment Control Act of 1974.

(E) The term "maximum deficit amount" has the meaning given to such term in section 3(7) of the Congressional Budget and Impoundment Contol Act of 1974.

(F) The term "real economic growth" means, with respect to a fiscal year, the nominal growth in the production of goods and services during such fiscal year, adjusted for inflation.

(G) The term "controllable expenditures" means total budget outlays for any account, or any program, project, or activity enumerated by annual appropriation Acts and by applicable committee reports, except those described in subparagraph (A) and except outlays for benefits payable under the old-age, survivors, and disability insurance program established under title II of the Social Security Act, outlays due to increases in program participation rates, outlays for prior-year obligations, and outlays for interest on the public debt. Such term shall also include funds for existing contracts unless—

(i) penalty provisions in such contract would produce a net loss to the Government; or

(ii) reduction of the contract violates legal obligations of the Government.

(H) The term "sequester" means the permanent cancellation of budget authority, obligation limitations, other budgetary resources, or loan limitations, to the extent necessary to reduce each controllable expenditure by a uniform percentage.

(I) The term "other budgetary resources" means unobligated balances, reimbursements, receipts credited to an account, and recoveries of prior-year obligations.

(J) The amount by which the deficit for a fiscal year exceeds the maximum deficit amount for such fiscal year shall be treated as "statistically significant" if the amount of such excess is greater than 5 percent of such maximum deficit amount. For purposes of the fiscal year beginning October 1, 1985, the preceding sentence shall be applied by substituting "7" for "5".

(e) BUDGETARY TREATMENT OF SOCIAL SECURITY TRUST FUNDS.—

(1) FISCAL YEARS 1986 THROUGH 1992.—

(A) IN GENERAL.—Section 710 of the Social Security Act (as added by paragraph (1) of subsection (a) of section 346 of the Social Security Amendments of 1983) is amended—

(i) by striking out all beginning with "the" the first place it appears down through "Disability Insurance Trust Fund, the" and inserting in lieu thereof "The";

(ii) by striking out "sections 1401, 3101, and 3111" and inserting in lieu thereof "1401(b), 3101(b), and 3111(b)";

(iii) by redesignating all after the section designation as subsection (b);

(iv) by inserting after the section designation the following:

"(a) The receipts and disbursements of the Federal Old-Age and Survivors Insurance Trust Fund and the Disability Insurance Trust Fund, and the taxes imposed under sections 1401(a), 3101(a), and 3111(a) of the Internal Revenue Code of 1954, shall not be included in the totals of the budget of the United States Government as submitted by the President or of the congressional budget and shall be exempt from any general budget limitation imposed by statute on expenditures and net lending (budget outlays) of the United States Government."; and

(v) by adding at the end thereof the following new subsection:

"(c) No provision of law enacted after the date of the enactment of the Balanced Budget and Emergency Deficit Control Act of 1985 (other than a provision of an appropriation Act that appropriates funds authorized under the Social Security Act as in effect on the date of enactment of the Balanced Budget and Emergency Deficit Control Act of 1985) may provide for payments from the general fund of the Treasury to the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, or for payments from any such Trust Fund to the general fund of the Treasury.".

(B) APPLICATION.—The amendments made by subparagraph (A) shall apply with respect to fiscal years beginning after September 30, 1985, and ending before October 1, 1992.

(2) FISCAL YEAR 1993 AND THEREAFTER.—Section 710(a) of the Social Security Act (42 U.S.C. 911 note), as amended by section 346(b) of the Social Security Amendments of 1983 (to be effective with respect to fiscal years beginning after September 30, 1992) is amended by—

(A) inserting "(1)" after the subsection designation; and

(B) adding at the end thereof the following new paragraph:

"(2) No provision of law enacted after the date of the enactment of the Balanced Budget and Emergency Deficit Control Act of 1985 (other than a provision of an appropriation Act that appropriates funds authorized under the Social Security Act as in effect on the date of enactment of the Balanced Budget and Emergency Deficit Control Act of 1985) may provide for payments from the general fund of the Treasury to any Trust Fund specified in paragraph (1) or for payments from any such Trust Fund to the general fund of the Treasury.".

(f) BUDGET ACT WAIVERS.—Section 904 of the Congressional Budget Act is amended—

(1) by striking out subsection (b) and inserting in lieu thereof the following new subsection:

"(b) Except as provided in subsection (c), any provision of title III or IV may be waived or suspended in the Senate by a majority vote of the Members voting, a quorum being present, or by the unanimous consent of the Senate."; and

(2) by redesignating subsection (c) as subsection (d), and inserting after subsection (b) the following new subsection:

"(c) The provisions of section 305(b)(2) and section 306 of this Act may be waived or suspended in the Senate and the House of Representatives only by the affirmative vote of three-fifths of the members of that House duly chosen and sworn.".

(g) OTHER WAIVERS AND SUSPENSIONS.—The provisions of the Balanced Budget and Emergency Deficit Control Act of 1985 may be waived or suspended in the Senate and the House only by the affirmative vote of three-fifths of the members of that House duly chosen and sworn.

(h) SUPPLEMENTAL BUDGET ESTIMATES.—Section 1106 of title 31, United States Code, is amended by striking out "July 16" each place it appears and inserting in lieu thereof "September 16".

(i) POINT OF ORDER.—Notwithstanding any other provision of law, it shall not be in order in the Senate or House of Representatives to consider any reconciliation bill or reconciliation resolution reported pursuant to a concurrent resolution on the budget agreed to under section 301 or 304 of the Congressional Budget Act of 1974, or any amendment thereto, or conference report thereon that contains recommendations with respect to the Federal Old-Age Survivors Trust Fund or the Federal Disability Insurance Trust Fund, with respect to revenues attributable to the taxes imposed under sections 1401(a), 3101(a), and 3111(a) of the Internal Revenue Code of 1954, or with respect to the old-age, survivors, and disability insurance program established under title II of the Social Security Act.

(j) APPLICATION.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), this section and the amendments made by this section shall become effective on the date of the enactment of this section and shall apply with respect to fiscal years beginning after September 30, 1985, and before October 1, 1991.

(2) EXCEPTION.—The amendments made by subsections (b)(1), (b)(2)(A), (b)(3)(A), (b)(5)(A)(i), and (c) of this section shall apply with respect to fiscal years beginning after September 30, 1986, and before October 1, 1991.

(3) OASDI TRUST FUNDS.—The amendments made by subsection (e) shall apply as provided in such subsection.

(k) The provisions of this Act, other than those relating to the activities of the Executive Branch, are enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such they shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

(l) SENSE OF THE SENATE.—It is the sense of the Senate that any funding reductions or sequestering of controllable expenditures implemented by the various Federal agencies as a result of this Act shall be made uniformly and shall not disaproportionately be made in the funding of programs targeted for rural and lesser populated areas.

(m) REPORT REQUIRED.—The Directors of the Office of Management and Budget and the Congressional Budget Office, and the Secretary of the Treasury, shall jointly report to the President and to the Committee on Finance and the Committee on Ways and Means on the projected level of revenues which would be raised by increased and improved tax enforcement and collection through audits, examinations, and other methods designed to eliminate tax cheating and increase revenue collections

from individuals and corporations evading Federal taxation. The report shall include an analysis of measures which can be implemented to increase voluntary compliance with tax laws, including increased staff for taxpayer assistance, speedier processing of returns, improved information processing and collection, and public education designed to increase public trust and understanding of the Internal Revenue Service enforcement efforts. The report shall also include an estimate of the level of increased expenditures for Internal Revenue Service enforcement and compliance efforts at which additional expenditures would not yield additional revenues of at least $2 of revenue for every $1 in expenditures. The report shall be issued on an annual basis no later than the date on which the President submits a proposed budget for each fiscal year to the Congress.

(n) TREATMENT OF CERTAIN COST-OF-LIVING ADJUSTMENTS.—During the time in which a sequester order is in effect, any cost of living adjustment for Social Security shall not count as income for purposes of determining Supplemental Security Income payments or payments from any other programs which are offset as a consequence of cost-of-living adjustments for Social Security.

(o) Section 1105(c) of title 31, United States Code, is amended—

(1) by striking out "The" the first place it appears and inserting in lieu thereof "(1) Notwithstanding any other provision of law, the";

(2) by inserting "(other than action that would require an increase in borrowing authority or an increase in the limit imposed by section 3101(b) of this title by more than the applicable amount for the fiscal year for which the budget is submitted)" after "action" the first place it appears; and

(3) by adding at the end thereof the following new paragraph:

"(2) For purposes of this subsection, the term 'applicable amount' means—

"(A) with respect to the fiscal year beginning October 1, 1986, $144,000,000,000;

"(B) with respect to the fiscal year beginning October 1, 1987, $108,000,000,000;

"(C) with respect to the fiscal year beginning October 1, 1988, $72,000,000,000;

"(D) with respect to the fiscal year beginning October 1, 1989, $36,000,000,000; and

"(E) with respect to the fiscal year beginning October 1, 1990, and each fiscal year thereafter, zero.".

(p)(1) In preparing any report required under subsection (d)(1) for a fiscal year, the Directors shall comply with this subsection.

(2) The Directors shall—

(A) examine—

(i) each contract with a total amount of budget authority in excess of $20,000,000 under which outlays will be made in such fiscal year to determine whether such contract includes provisions for adjusting outlays in such fiscal year under such contract as a result of inflation; and

(ii) any other Government activity which the Directors consider appropriate under which outlays in such fiscal year will be increased as a result of inflation; and

(B) assume, in determining the total amount of outlays which will be made in such fiscal year, that the adjustments for inflation made in contracts described in clause (i) of subparagraph (A) and activities described in clause (ii) of such subparagraph will be made on the best available estimate of inflation for such fiscal year.

(3) In the event that the Directors are unable to agree under paragraph (2) on an amount of outlays with respect to any particular contract or activity, the Directors shall use the average of the amounts proposed by each of them with respect to such contract or activity.

SEC. . Any contract entered into after a sequester order has been issued for the applicable fiscal year, by which the Commodity Credit Corporation and entities providing Federal guarantees for student loans shall agree to make payments out of an entitlement account to any person, lender or guarantee entity shall be deemed to be controllable expenditures and shall be subject to reduction under the Presidential order, and any such contract shall explicity provide for such reduction for the entire contractual period: *Provided*, That in regard to commodity loans made by the Commodity Credit Corporation to Producers or Producer Cooperatives for a commodity produced in the same crop year, those loans for the same commodity shall be subject to the same terms and conditions.

Provided, That noncontract programs supported through the Commodity Credit Corporation shall be deemed to be controllable expenditures and shall be subject to reduction in the same fashion as other programs under the Presidential order.

Provided further, That programs supported through the Commodity Credit Corporation shall be deemed to be the reduction in the level of commodity price support programs, supported through the Commodity Credit Corporation, shall not exceed a uniform percentage of reduction specified for those programs in the sequester order.

At the end of the joint resolution add the following new section:

SEC. .

(a) The Senate finds that—

(1) the four men identified as the hijackers of the *Achille Lauro* were responsible for brutally murdering an innocent American citizen, Leon Klinghoffer and for terrorizing hundreds of innocent crew members and passengers for two days;

(2) the United States urges all countries to aid in the swift apprehension, prosecution and punishment of the terrorists; and

(3) the United States should not tolerate any country providing safe harbor or safe passage to the terrorists.

(b) It is the sense of the Senate that—

(1) the United States demands that no country provide safe harbor or safe passage to these terrorists;

(2) the United States expects full cooperation of all countries in the apprehension, prosecution and punishment of these terrorists; and

(3) the United States cannot condone the release of terrorists or the making of concessions to terrorists.

(4) the United States identify those individuals responsible for the seizure of the *Achille Lauro* and the cold-blooded murder of Leon Klinghoffer, as well as those countries and groups that aid and abet such terrorist activities, and take the strongest measures to ensure that those responsible for this brutal act against an American citizen are brought to justice.

COMPACT OF FREE ASSOCIATION

HATCH (AND GARN) AMENDMENT NO. 772

(Ordered to lie on the table.)

Mr. HATCH (for himself and Mr. GARN) submitted an amendment intended to be proposed by them to the joint resolution (S.J. Res. 77) to approve the "Compact of Free Association," and for other purposes; as follows:

At the end of the resolution add the following:

TITLE II—NUCLEAR TESTING

SHORT TITLE

SEC. 201. This title may be cited as the "Atmospheric Nuclear Testing Compensation Act".

FINDINGS

SEC. 202. (a) The Congress finds that—

(1) the Federal Government bore a special duty to monitor and protect populations that were at risk of receiving substantial doses of ionizing radiation from the atmospheric nuclear tests conducted by the Government and from uranium mining when the Government directly controlled such mining;

(2) the Federal Government failed to meet such special duty;

(3) people exposed to nuclear fallout and uranium miners have been denied a fair opportunity to prove their claims that radiation caused their cancers through standard tort or workers compensation remedies; and

(4) such denial of opportunity has come about only because of the failure of the Government to meet its duty to such people.

(b) Under these circumstances, to provide a fair remedy to these people the Congress establishes, in this title, an optional administrative remedy which entails standards of proof that are more generous to claimants than those standards generally available under provisions of tort law or workes compensation law. The Congress does not expect the standards established in this Act to be extended to become standards in case dealing with general tort or workers compensation law.

PURPOSE

SEC. 203. The purposes of this title are—

(1) to provide a fair administrative remedy against the Federal Government in lieu of judicial remedy—

(A) to persons alleging that ionizing radiation from the open-air atomic bomb tests that were conducted at the Nevada test site from January 1, 1951, to July 31, 1962, caused their cancer or killed or harmed their livestock, and

(B) to uranium miners alleging that being exposed to ionizing radiation while working in a uranium mine in Colorado, New Mexico, Arizona or Utah between January 1, 1947 and December 31, 1961 caused their cancer, and

(2) to provide health screening to those people who now reside in areas which received the preponderance of the radioactive fallout from such tests and to enhance the accessibility of health care to such people.

TRUST FUND

SEC. 204. (a)(1) There shall be established in the Treasury of the United States, a trust fund known as the "Atmospheric Nuclear Testing Compensation Trust Fund" (hereinafter in this title referred to as the "Trust Fund") consisting of—

(A) the sum appropriated to the Trust Fund under section 214; and

(B) any amount credited to the Trust Fund under subsection (b)(3).

The Trust Fund shall remain available without fiscal year limitation and the amounts in the Trust Fund may be used only for appropriations authorized under subsection (c).

(2) The Secretary of the Treasury shall transfer from the general fund of the Treasury to the Trust Fund all moneys appropriated to such Fund pursuant to this title.

(3) The Secretary of the Treasury shall estimate the total of the sum appropriated to the Trust Fund and the amounts credited to the Trust Fund under subsection (b)(3) and shall allocate to the Commission, in substantially equal amounts, such total over the 15-year period of the Trust Fund.

(4) The Secretary of the Treasury shall be the trustee of the Trust Fund and shall report to the Congress not later than March 1 of each year on the operation and status of the Trust Fund during the preceding fiscal year and on the Trust Fund's expected operation and status during the five fiscal years following such fiscal year.

(b)(1) It shall be the duty of the Secretary of the Treasury to invest such portion of the Trust Fund as is not, in his judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States. For such purpose, such obligations may be acquired—

(A) on original issue at the issue price, or

(B) by purchase of outstanding obligations at the market price.

(2) Any obligation acquired by the Trust Fund may be sold by the Secretary of the Treasury at the market price.

(3) The interest on, and the proceeds from the sale or redemption of, any obligations held in the Trust Fund shall be credited to, and form a part of, the Trust Fund.

(c) There shall be allocated for each fiscal year for 15 consecutive fiscal years, out of amounts in the Trust Fund, such sums as are necessary up to the total amount allocated for such year, to make payments certified by the Commission to be paid for awards, grants, or other expenses authorized by this title. Amounts for such payments certified to the Treasury of the United States by the Commission shall be made available to such Commission. No funds shall be available for claims made pursuant to this title after 15 fiscal years after the date of enactment of this title.

(d) For the administrative expenses of the Commission there shall be allocated, out of the funds available for each fiscal year, not more than $1,000,000 for each of the first five fiscal years after the date of enactment, and $500,000 for each of the remaining 10 fiscal years.

ESTABLISHMENT OF COMMISSION

SEC. 205. (a) In order to carry out the purposes of this title there is established a Commission on Compensation for Atmospheric Nuclear Testing (hereinafter referred to as the "Commission").

(b) The Commission shall be composed of seven members appointed by the President, six of whom shall be appointed upon the recommendations of several States as follows:

(1) two members shall be appinted upon the recommendation of the State of Utah;

(2) two members shall be appointed upon the recommendation of the State of Nevada; and

(3) two members shall be appointed upon the recommendation of the State of Arizona.

(c)(1) All recommendations to be made by the various States as specified in subsection (b) shall be made within 60 days after the date of enactment of this title.

(2) All appointments to be made pursuant to this title shall be made by the President within 90 days after the date of enactment of this title.

(d) All members of the Commission shall be appointed for terms of three years and may be reappointed.

(e) The first meeting of the Commission shall be called by the President and shall be held within 120 days after the date of enactment of this title.

(f) At the first meeting of the Commission the Commission shall select a chairman from amongst its members. The Chairman shall serve as such for his term and may be reselected as Chairman if he is reappointed to the Commission by the President.

(g) Four members of the Commission shall constitute a quorum but a lesser number may conduct meetings.

(h)(1) A vacancy on the Commission resulting from the death or resignation of a member prior to the expiration of the term for which such person was appointed shall be filled in the same manner as the original appointment. A member appointed to fill such a vacancy shall be appointed only for the remainder of his predecessor's term but may be reappointed.

(2) All decisions to certify claims obligating funds must be made by a majority of the Commission.

(i) The principal office of the Commission shall be in the State of Utah. Whenever the Commission deems that the convenience of the public or of the parties may be promoted, or delay or expense may be minimized, it may hold hearings or conduct other proceedings at any other place it deems necessary or appropriate.

POWERS AND ADMINISTRATIVE PROVISIONS

SEC. 206. (a) The Commission is authorized to obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code.

(b) The Commission is authorized to enter into agreements with the General Services Administration for the procurement of necessary financial and administrative services, for which payment shall be made by reimbursement from funds of the Commission in such amounts as may be agreed upon by the Chairman and the Administrator of General Services.

(c) The Commission is authorized to procure supplies, services, and property, and make contracts in any fiscal year, only to such extent or in such amounts as are provided in appropriation Acts.

(d) The Commission is authorized to enter into contracts with Federal or State agencies, private firms, institutions, and agencies for the conduct of research or surveys, the preparation of reports, and other activities necessary to the discharge of its duties.

(e) The Commission or, on the authorization of the Commission, any member thereof, may, for the purpose of carrying out the provisions of this title, hold such hearings and sit and act at such times and places, and request the attendance and testimony of such witnesses and the production of books, records, memoranda, papers and documents as the Commission or such member deems advisable. Subpenas may be issued to any person within the jurisdiction of the United States courts, under the signature of the Chairman, or any duly designated member, and may be served by any person designated by the Chairman or any such member. In the case of the failure of any witness to comply with any subpoena, or to testify when summoned under authority of this section, the provisions of sections 102 through 104, inclusive, of the Revised Statutes (2 U.S.C. 192 et seq.), shall apply to the Commission to the same extent as such provisions apply to Congress.

(f) The Commission, or on the authorization of the Commission, any member thereof, may, for the purpose of carrying out this title, have such printing and binding done, enter into contracts and other arrangements to such extent or in such amounts as are provided in appropriation Acts, and make such expenditures as the Commission or such member deems advisable.

(g) The Commission may acquire directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality, information, suggestions, estimates, and statistics for the purpose of this title. Each such department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized and directed to furnish, to the extent permitted by law, such information, suggestions, estimates, and statistics directly to the Commission, upon request by the Chairman.

(h) The Chairman of the Commission is authorized to appoint, terminate, and fix the compensation, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, of such personnel as he deems necessary, at rates not to exceed a rate equal to the maximum rate for GS-18 of the General Schedule under section 5332 of such title.

(i) Upon request of the Commission, the head of any Federal agency is authorized to make any of the facilities and services of such agency available to the Commission or to detail any of the personnel of such agency to the Commission, on a reimbursable basis, to assist the Commission in carrying out its duties under this section, unless the head of such agency determines that urgent overriding reasons will not permit the agency to make such facilities, services, or personnel available to the Commission and so notifies the Chairman in writing.

(j) The Commission may use the United States mails in the same manner and under the same conditions as departments and agencies of the United States.

(k) Any member of the Commission may administer oaths or affirmations to witnesses appearing before the Commission or before such member.

(l) The Commission may expend funds made available for purposes of this title for printing and binding notwithstanding any other provision of law.

DUTIES OF THE COMMISSION

SEC. 207. (a) The Commission shall, prior to hearing any specific claims made against the United States pursuant to this title—

(1) set forth what the Commission will define as the sizable possibility necessary to allow for an award of damages to individuals covered by this title;

(2) determine how such Commission will prorate the amount of actual damages, other than damage awards made for pain and suffering, awarded for individuals with a probability of causation of less than 50 percent; and

(3) issue any rules or regulations necessary to implement the provisions of paragraphs (1) and (2).

(b) Any interested person may bring an action in the District Court of Utah to review the actions or decisions of the Commission made pursuant to subsection (a) of this section.

(c) The Commission shall make all decisions regarding grants and awards to be made each year from the annual allotment made from the Trust Fund established pursuant to this title and make certifications to request that the Treasury of the United States make disbursements from such fund.

(d) Every official act of the Commission shall be entered of record, and its hearings and records shall be open to the public. The Commission is authorized to make such rules as are necessary for the orderly transaction of its proceedings.

(e) The Commission shall hear specific claims made against the United States in accordance with the provisions of chapter 5 of title 5, United States Code, using the guidelines set forth in this title, and the Commission shall make specific findings and awards or grants. Except as otherwise provided in this title, any such findings and awards or grants shall be considered final actions subject to judicial review by the appropriate court of appeals. Such court may reverse or modify the determination of the Commission if the court finds that such action was clearly erroneous.

(f)(1) The Commission shall certify to the Treasury of the United States that actual damages be paid to claimants—

(A) who owned animals that died or were injured as a result of such exposure;

(B) for whom there is a sizable possibility that they developed cancer from receiving doses of ionizing radiation from such tests; or

(c) for whom there is a sizable possibility that they developed cancer from receiving doses of ionizing radiation from working in a uranium mine in Colorado, New Mexico, Arizona or Utah between January 1, 1947 and December 31, 1961.

(2) The Commission may obligate for awards or grants, in any year, an amount greater than the total allotment for such year, but shall not—

(A) certify payments for awards or grants for any year in an amount in excess of the allotment for such year,

(B) certify or obligate amounts in excess of the total amount of the Trust Fund, or

(C) obligate any amounts, or make any payments after the date of the expiration of such Trust Fund.

(g) At the end of any fiscal year if any funds allotted to the Trust Fund for such year have not been spent or obligated for damages or the administrative expenses of the Commission, the Commission may use part or all of the remainder of such allotment to—

(1) provide medical screening, especially screening for cancer, to residents of the areas determined by the Commission to have received the greatest fallout from the Nevada tests;

(2) improve accessibility to health care for the people of such areas, especially health care for the treatment of cancer; and

(3) the Commission may use such funds which are allotted annually to endow existing programs which provide the services listed in this subsection.

The services mandated by paragraphs (1) and (2) shall be provided through a program that is operated in cooperation with health care professionals and services available in the areas to be served.

ELECTION PROVISIONS

SEC. 208. (a) Subject to the limitations of this title, but notwithstanding any other provision of law, any person who has sustained damages covered by this title (or the parent or legal guardian of such person in the case of a minor) may elect to seek compensation under this title as an alternative to filing an action for damages in a State or Federal court.

(b)(1) Any person covered by the provisions of this title who has filed an action with the Commission pursuant to this title, may at any time prior to the time the Commission has decided such claim, file an action for damages in the appropriate State or Federal court. Such filing in the State or Federal court shall constitute a permanent bar against the filing with, or further consideration of the claim by the Commission for damages arising out of the same incident for which compensation is sought from the court.

(2) Any person covered by the provisions of this title who has filed an action in the appropriate State or Federal court, for damages covered by the provisions of this title, may, at any time before the court of original jurisdiction first hearing such case has decided such claim, file a petition with the Commission pursuant to the provisions of this title, such filing shall constitute a permanent bar against the filing or further consideration of any civil action in a State of Federal court by, or on behalf of, such person for damages arising out of the same incident for which compensation was sought under this title.

(3) Any person who has a claim that has been decided by a court prior to the date of enactment of this title, for damages covered by the provisions of this title, may elect to seek compensation under this title by filing a petition with the Commission. Such filing with the Commission shall constitute a permanent bar against the further consideration or filing of any civil action in any court, by or on behalf of such person for damages arising out of the same incident for which compensation was sought in the court.

(c) Nothing in this title shall affect the legal standards, burdens of proof, statutes of limitations, court jurisdiction, allowable damages, or any other aspect of State or Federal actions for damages for any injury or loss covered by this title, except the awards made for pain and suffering, as provided in section 209(c).

(d) It shall be the ethical obligation of any attorney who represents a client in connection with an action relating to any injury or loss covered by this title for which compensation may be available under this title to advise the client of his rights under this title.

RULES FOR ASSESSING CLAIMS

SEC. 209. (a) In assessing claims for radiogenic cancer, the Commission shall rely upon the preponderance of current scientific opinion regarding the causal link between ionizing radiation and cancer, and the relationship between a given prior dose of radiation and the likelihood that a given cancer resulted from such dose. As guides to this scientific opinion, the Commission shall use only the relevant publications of authoritative scientific agencies and societies such as the National Institutes of Health, the National Academy of Sciences, the National Cancer Institute, the National Council on Radiation Protection and Measurements, the International Council on Radiation Protection, and the Health Physics Society. The Commission shall take into account the uncertainties that are entailed in determining whether a given dose of radiation caused a given cancer when those uncertainties are described in such publications. The Commission shall give claimants the benefit of the doubt regarding such uncertainties.

(b) The Commission shall give the claimants who were at the Nevada test site, or immediately downwind of such site, when radioactive fallout was being precipitated from the atmospheric nuclear tests, or who worked in a uranium mine in Colorado, New Mexico, Arizona, or Utah between January 1, 1947 and December 31, 1961, the benefit of the doubt when assessing the ionizing radiation doses received by such claimants.

(c)(1) In making awards, the Commission shall determine the amount of actual damages to be awarded to any individual claimant. If the Commission determines that the probability that the claimant developed cancer as a result of the testing or mining activities covered by this title is less than 50 percent, but is sufficient to allow for an award of damages pursuant to subsections (a) and (f) of section 207, the amount of such award, other than any award made for pain and suffering, shall be prorated by such probability.

(2) The Commission shall limit the amount of any award paid to any individual claimant as compensation for pain and suffering to no more than $100,000. Such awards shall not be prorated.

(d) The Commission shall award damages to any claimant who alleges injury to his livestock when the Commission, after giving such claimant the benefit of the doubt, determines that such claimant has demonstrated that his livestock was harmed by the fallout.

(e) During the fifteen-year period that this title is in effect, if an authoritative scientific agency or society issues a new report indicating a probability that a claimant developed cancer from the fallout or the uranium mining, and such probability is significantly increased over such probability the Commission previously determined, the Commission may reopen and reconsider such claimant's case notwithstanding the fact that such determination may have become final. In determining whether to reconsider a case, the Commission shall pay particular attention to the updating of the Radiation Effect Research Foundation studies of Hiroshima and Nagasaki survivors.

STANDING TO PETITION THE COMMISSION

SEC. 210. (a) Any person who alleges that, as a result of ionizing radiation from the fallout from the Nevada atmospheric nuclear tests, he lost livestock that was immediately downwind of the Nevada test site, may petition the Commission for redress.

(b) Any person who alleges that he has or has had cancer caused by exposure to ionizing radiation from nuclear tests at the Nevada test site or from working in a uranium mine in Colorado, New Mexico, Arizona, or Utah between January 1, 1947 and December 31, 1961 may petition the Commission for redress.

(c) Any claim for cancer related damages to an individual must be made by an individual who has or has had cancer, or on behalf of a deceased individual if the cancer was diagnosed or manifest prior to the death of such person.

MISUSE OF INFORMATION BY EMPLOYEES

SEC. 211. (a) Neither a member of the Commission, nor the Director or any other employee of the Commission may—

(1) use any information furnished under the provisions of this title for any purpose other than the specific purposes for which it is supplied; or

(2) permit anyone other than officers or employees of the Commission to examine any information submitted to the Commission except the information printed in the reports submitted to the Congress and to the President.

(b) Whoever, being or having been an employee or member of the Commission referred to in subsection (a) publishes or communicates any information, the disclosure of which is prohibited by subsection (a), and which comes into his possession by reason of his being employed or providing services under this title shall be fined not more than $500 or imprisoned not more than 1 year, or both.

(c) Whoever, being or having been an employee or member of the Commission, with unlawful or fraudulent intent uses, sells or falsely obtains information which comes into his possession by reason of his being employed or providing services under this title shall be fined not more than $1,000, or imprisoned not more than 2 years, or both.

ATTORNEY FEES

SEC. 212. (a) No attorney shall charge, demand, receive, or collect for services rendered pursuant to an action brought under this title, fees in excess of 10 per centum of the first $100,000 of any judgment rendered under this title, and 5 per centum of any excess.

(b) Any attorney who charges, demands, receives, or collects, for services rendered in connection with such claim, any amount in excess of that allowed under this section shall be required to make restitution of any such excess and may be fined not more than $5,000, or imprisoned not more than one year, or both.

INSURANCE COMPANIES

SEC. 213. An award of damages made in accordance with this title shall not be considered as any form of compensation of reimbursement for a loss for purposes of making any individual receiving such an award liable, on the basis of such receipt, to repay such insurance company; nor shall an award or claim affect any future or pending insurance claim.

AUTHORIZATION OF APPROPRIATIONS

SEC. 214. There are authorized to be appropriated to carry out the purposes of the title, $150,000,000.

TERMINATION

SEC. 215. The Commission and the provisions of this title shall cease to be effective on October 1, of the year 15 years after the date of enactment of this title.

Mr. HATCH. Mr. President, I send to the desk for introduction an amendment to Senate Joint Resolution 77, a resolution to approve the Compact of Free Association with Micronesia. I propose to establish a trust fund that will grant a remedy to American citizens who were injured or who suffered damage to their property or businesses as a result of our Nation's testing of nuclear weapons in the atmosphere over the Nevada testsite. My amendment closely parallels the Reagan administration proposal to compensate citizens of Micronesia for injuries and damage as a result of United States nuclear weapons tests in the Pacific, although it has been tailored to fit the specific situation in the United States.

I am pleased that my colleague, Mr. GARN, the senior Senator from Utah, joins me as cosponsor of this amendment.

It is my hope that we may soon return to the debate on the compact itself and that we may quickly pass the Compact of Free Association with my amendment attached.

Earlier I informed the majority leader, Mr. DOLE, and the chairman of the Energy and Natural Resources Committee, Mr. MCCLURE, of my intentions to propose this amendment. I submit it now so that it may be disseminated more widely, and so that my colleagues in the Senate and our counterparts in the House of Representatives may have a greater opportunity to study it. Already copies of this amendment have been distributed to each Senator, and copies of supporting information have been distributed to the staff of each Senator.

CONGRESS SHOULD IMPOSE A FAIR REMEDY

The atmospheric nuclear testing compensation trust fund will provide a fair administrative remedy for a problem that has vexed the courts and the executive branch for more than 30 years. The White House, through a letter from Mr. Max Friedersdorf to the majority leader on July 26, 1985, urged that we delay consideration of this proposal until the courts had time to deal with injury claims through the Federal Tort Claims Act. Since Mr. Friedersdorf's letter, there have been two closely related developments which indicate Congress should act now: The courts said it is time for Congress to act, in language about as clear as a court can get and still keep the branches separated, and the Justice Department recognized that it will cost a lot of money to continue litigating these claims in court.

First, the U.S. Court of Appeals for the Ninth Circuit, in San Francisco, issued a decision on August 13, 1985, dismissing a case brought by 10 uranium miners and their families against the Government for damages the miners suffered when they mined uranium ore—under Government direction, for Government use—without adequate safeguards to protect them from lung cancer. This decision in Begay versus U.S. may yet be appealed to the U.S. Supreme Court, but in the opinion of many observers it effectively puts an end to the hope that uranium miners who contracted lung cancers as a result of their work can sue anybody for relief. These men, many of them Navajo Indians, gave their best efforts in our Nation's drive to develop a nuclear deterrent. This Nation owes them a mighty debt. It is unbecoming of our American tradition that we would deny them help in their time of great need.

In defending this case, the United States argued that it knew in 1951 that miners would be injured, and an extensive study proved by 1959 that the injuries would be serious, and fatal to some. Yet, lawyers for our Government argued that it is within the discretionary powers of our Government to decide to sacrifice our citizens in this manner without warning. And, though many years passed, the Federal Government never did warn these miners of the dangers of which it was aware. When the Public Health Service confirmed the injuries in the miners, the Government decided not to tell the miners. The three judge panel in the ninth circuit which decided this case was not happy with this argument, although the court sustained it. I personally find the argument repugnant. It is even more repugnant, however, that the Government—now having sustained its position in court—would continue to deny aid to these patriots.

The court said it is now time for Congress to act. I quote:

> We agree with the district court that this is the type of case that cries out for redress, but the courts are not able to give it; Congress is the appropriate source in this instance.

EXPENSIVE INJUSTICE

Despite this unfortunate, technical victory of the Government against the people in San Francisco, the Justice Department concerns grow about the expense of this policy. Richard K. Willard, Assistant Attorney General of the United States who is acting Chief of the Civil Division of the U.S. Department of Justice, recently made a speech noting that the Government paid $429 million in judgments and settlements last year, and saying that the system is out of control. He says that, in several of these radiation suits including Allen versus United States in Salt Lake City, the courts have placed what he calls an impossible burden on the Government, to prove that the fallout did not harm these people. Mr. Willard apparently fears that the U.S. Treasury cannot afford the jury awards that may yet come down in more than 1,000 other radiation-injury cases pending. Considering that one court has already determined that the Justice Department perpetrated a fraud upon the court, covering up the incriminating evidence in an early suit involving the deaths of thousands of sheep from fallout, this fear has some basis.

One clear message of Mr. Willard's speech is that the current policy of the U.S. Department of Justice is to avoid settling these radiation claims under the terms of the Federal Tort Claims Act, contrary to the policy Mr.

Friedersdorf urged in this July letter. This policy means taxpayers will continue to pay millions of dollars to defend these cases, and if the Government loses—as one would be led to expect from Mr. Willard's statement—taxpayers will then pay many more millions of dollars in claims. Of course, some of the most meritorious claims—those of the uranium miners—may be left unpaid; so we will pay millions of dollars to achieve a glaring injustice.

It will be less expensive in the long run and maybe in the short run as well if we impose a fair administrative remedy.

The courts tell us that Congress must act, and the Justice Department now worries about the expense of defending and paying these claims. In the new light of October, the remedy proposed in my amendment shows new appeal. It provides a remedy to the uranium miners as well as the downwind residents and sheep ranchers, and it limits the Government's liability to about one-third of what the Government paid to settle claims and judgments in 1984 alone. I suggest that both the victims and the Government gain a lot in this amendment, and it should be passed for that reason alone. But there are other compelling reasons we should pass this amendment.

There are nearly 4,000 pages of hearings relating to this trust fund amendment, before three different committees of the Senate: the Energy and Natural Resources Committee, the Judiciary Committee, and the Labor and Human Resources Committee. Several hundred pages point to this trust fund proposal as the rest way to settle the claims of American citizens, including the hearings Mr. McCLURE held on the compact itself. My friend from Idaho was gracious enough to let me raise this issue at the hearings with Ambassador Fred Zeder.

I asked Ambassador Zeder to distinguish why the Reagan administration proposal to compensate Micronesians should not apply to Americans in the same situation. It may have been an unfair question, since Ambassador Zeder negotiated this proposal with the Micronesians. In any case, no one has yet suggested a better way to deal with these fallout and radiation injury claims. This method is simple, fair, relatively inexpensive, but quick. It would be manifestly and monstrously unfair for the U.S. Government to settle the claims of the Micronesians and deny any settlement of identical claims from Americans.

The Federal Government had a special duty to monitor and protect people who lived downwind of the bomb tests from receiving injurious doses of radiation from the bomb tests and from the uranium mining. Our hearing records and Federal court decisions show the Government failed to live up to that duty. So far, people exposed to fallout and uranium miners have been denied a fair opportunity to prove their claims through standard tort remedies or workers compensation remedies, and the Government has shielded itself from action under the Federal Tort Claims Act by claiming the immunity allowed by that law.

My amendment provides a fair remedy to these people which is at the same time fair to the Government. The amendment sets up an optional administrative remedy. The amendment states in its findings that Congress does not expect any standards established in the settling of these claims to become standards in cases dealing with general tort or workers compensation law.

I hope the Senate will soon take up the compact for debate again. I urge my colleagues to support this amendment, for fairness sake, for the sake of those Americans who contributed to our defense efforts and were injured but have not won compensation, for the sake of our Federal tort law, and in the name of the rest of the citizens of the United States, in gratitude for the roles these victims played in the development of our nuclear deterrent forces.

INCREASE IN PUBLIC DEBT LIMIT

EAGELTON (AND OTHERS) AMENDMENT NO. 773

Mr. EAGLETON (for himself, Mr. EXON, and Mr. KERRY) proposed an amendment to the joint resolution (H.J. Res. 372) supra, as follows:

At the end, add the following new subsection:

( ) (1) Notwithstanding the second sentence of subsection (d)(1) of this section, the Directors shall jointly report to the President and the Congress the matters described in such subsection on October 1, February 15, and May 1 of each fiscal year, except that with respect to fiscal year 1986, the Directors shall jointly report to the President and the Congress the matters described in such subsection on November 1, February 15, and May 1 of such fiscal year.

(2) Notwithstanding any other provision of this section or of the amendments made by this section, the term "maximum deficit amount" shall mean, with respect to the fiscal year beginning October 1, 1985, $175,000,000,000.

(3) Notwithstanding the second sentence of subsection (d)(1)(H) of this section, the amount by which the deficit for the fiscal year beginning October 1, 1985, exceeds the maximum deficit amount for such fiscal year shall be treated as "statistically significant" if the amount of such excess is greater than 5 percent of such maximum deficit amount.

DEFENSE ACQUISITION FUND

LUGAR AMENDMENT NO. 774

Mr. DOLE (for Mr. LUGAR) proposed an amendment to the bill (S. 1726) to repeal section 121(b) of the International Security and Development Cooperation Act of 1985 (Public Law 99-83), relating to funding for the Special Defense Acquisition Fund, as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SEC. 1. FUNDING FOR THE SPECIAL DEFENSE ACQUISITION FUND.

(a) AMENDMENT TO SECTION 51(b) OF THE ARMS EXPORT CONTROL ACT.—Subsection (b) of section 51 of the Arms Export Control Act (22 U.S.C. 2795(b)) is amended to read as follows:

"(b) The fund shall consist of—

"(1) collections from sales made under letters of offer issued pursuant to section 21(a)(1)(A) of this Act representing the actual value of defense articles not intended to be replaced in stock.

"(2) collections from sales representing the value of asset use charges (including contractor rental payments for United States Government-owned plant and production equipment) and charges for the proportionate recoupment of nonrecurring research, development, and production costs, and

"(3) collections from sales made under letters of offer (or transfers made under the Foreign Assistance Act of 1961) of defense articles and defense services acquired under this chapter, representing the value of such items calculated in accordance with subparagraph (B) or (C) of section 21(a)(1) or section 22 of this Act or section 644(m) of the Foreign Assistance Act of 1961, as appropriate.

together with such funds as may be authorized and appropriated or otherwise made available for the purposes of the Fund.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as of October 1, 1985.

Amend the title so as to read: "A Bill to amend section 51(b) of the Arms Export Control Act, relating to the funding of the Special Defense Acquisition Fund.".

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. McCLURE. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a hearing before the Energy and Natural Resources Committee.

The hearing is scheduled on Thursday, November 14, 1985, beginning at 10 a.m. in room SD-366, Dirksen Senate Office Building in Washington, DC. Testimony is invited regarding the President's July 8, 1985, national defense stockpile modernization proposal and its potential impacts on the domestic mining industry.

For further information regarding this hearing, you may wish to contact Mr. Robert Terrell of the committee staff at 224-5205. Those wishing to

testify or who wish to submit written testimony for the hearing should write to the Committee on Energy and Natural Resources, U.S. Senate, room SD-306, Dirksen Senate Office Building, Washington, DC 20510.

SUBCOMMITTEE ON PUBLIC LANDS, RESERVED WATER AND RESOURCE CONSERVATION

Mr. WALLOP. Mr. President, I would like to announce for the information of the Senate and the public that the Public Lands, Reserved Water and Resource Conservation Subcommittee of the Energy and Natural Resources Committee will conduct a hearing on Monday, October 21, 1985, at 10 a.m. in room SD-366 of the Senate Dirksen Office Building, Washington, DC. The subcommittee will receive testimony on the following bill:

S. 1558, to settle certain claims affecting Pyramid Lake Paiute Indian Tribe of Nevada, and for other purposes.

Those wishing to testify should contact the Subcommittee on Public Lands, Reserved Water and Resource Conservation of the Committee on Energy and Natural Resources, room SD-308, Dirksen Senate Office Building, Washington, DC 20510. Oral testimony may be limited to 5 minutes per witness. Written statements may be longer. Witnesses may be placed in panels, and are requested to submit 25 copies of their testimony 24 hours in advance of the hearing, and 50 copies on the day of the hearing. For further information, please contact Terri Sneider of the subcommittee staff at (202) 224-0613.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. DOLE. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Thursday, October 10, 1985, in closed executive session, to receive a briefing on the political and military aspects of the proposed sale of arms to Jordan, and also to consider routine military nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON MERCHANT MARINE

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the Merchant Marine Subcommittee of the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on Thursday, October 10, to conduct a meeting on fishing vessel safety.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON PUBLIC LANDS, RESERVED WATER AND RESOURCE CONSERVATION

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the Subcommittee on Public Lands, Reserved Water and Resource Conservation, of the Committee on Energy and Natural Resources, be authorized to meet during the session of the Senate on Thursday, October 10, 1985, in order to conduct a hearing on the following four bills: Senate Joint Resolution 187, S. 1596, H.R. 2776, S. 1116 (District of Columbia property bills).

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

MINORITY ENTERPRISE DEVELOPMENT [MED] WEEK

● Mr. WEICKER. Mr. President, I would like to bring to my colleagues attention that this week, October 6-12, 1985, has been designated by President Reagan as "Minority Enterprise Development [MED] Week." This is the third annual observance of MED Week since the President proclaimed in 1982 that the first full week in October would be so designated. During this week, the Small Business Administration [SBA] and the Minority Business Development Agency [MBDA] are holding events honoring distinguished minority entrepreneurs from around the Nation.

I would like to offer my congratulations to all of the local and national award winners who have been chosen for recognition from among the minority business community. Minority businesses make a significant contribution to our Nation's economy and our local communities. I would like to take this occasion to express my own admiration and gratitude to the minority business community for the strides they have made and the essential role they have played in our daily lives.

Throughout the history of this Nation, ownership of a business has been a traditional part of the American dream. It is the essence of our independent spirit, the attainment of a goal that brings with it self-sufficiency, self-determination and the personal joy and satisfaction of making it on your own.

Unfortunately, for many years minorities did not share in that dream. In terms of our free enterprise system, members of the minority community were still forced to ride in the back of the economic bus. Well, Mr. President, I am proud to say that we are making strides toward reversing that harsh reality. Today, minority-owned firms are emerging as some of the most glowing success stories our Nation has to offer. In all walks of business, we are seeing increasing numbers of minority entrepreneurs taking their place and staking their claim on their own piece of the free enterprise system.

This is the real American dream, Mr. President—the dream that any man or woman, no matter how humble their beginnings, can, through their own hard work and effort, become a success in this country.

The minority business owners we pay tribute to this week stand as shining examples of the best qualities our Nation has to offer. They dared to dream that they could make it; they dared to believe that they had a right to success; they dared to think that they could be more than spectators at the business game—they could be players themselves.

I believe it is appropriate that we set aside a week to pay tribute to these entrepreneurs, Mr. President. But I would urge my colleagues to use this week to do more than simply recognize the achievements that have been made. Let us take this opportunity to rededicate ourselves to the goal of increasing minority business participation. Strides have been made, yes, but in the flush of celebration, we must not forget that much more remains to be done. The recently released Commerce Department Bureau of the Census survey of minority-owned businesses, focusing on black-owned businesses, conclusions are examples of this point.

According to a Bureau of Census survey on minority businesses released this week, from 1977-82 the total number of black-owned businesses grew by more than 100,000 from 231,203 businesses in 1977 to 339,239 firms in 1982—a 47-percent increase. During the same time period gross receipts for black firms rose from $8.6 billion to $12.4 billion. In fiscal year 1984 alone, Federal procurement awards to all minority-owned businesses totaled $6 billion. There is another side to the story, however.

The fact still remains that of the roughly 14.5 million small- and medium-sized businesses in this country, only about 600,000 are owned by minorities. What that means is that while recognized minority groups—blacks, Hispanics, Asian-Pacificans, Eskimos, Aleuts, and American Indians—make up about 25 percent of our population, they own less than 5 percent of the businesses.

Of those 600,000 minority-owned businesses, over 90 percent are small, sole proprietorships. Two out of every three of them are in the retail trade and service industries, and the vast majority of these businesses have no paid employees. With minority unemployment continuing at unbearable rates, clearly promoting the growth and expansion of minority businesses is one of the key resolutions to this problem.

Mr. President, for the past 15 years, through both Republican and Democratic administrations, the Federal Government has played an active role in promoting minority business development. Our efforts must not only continue, but increase greatly. Let us

use MED Week, therefore, to both honor the achievements of our Nation's minority businesses, and rededicate ourselves to the goal of helping minority businesses help themselves by insuring their participation on our Nation's rich economic opportunities.●

THE U.S. NAVY

● Mr. INOUYE. Mr. President, this Sunday, October 13, the U.S. Navy will celebrate its 210th birthday. It was on that date in 1775 that the Continental Congress first enacted naval legislation, authorizing the "fitting out of ships" for the Continental Navy.

In those early days, the Navy consisted of a handful of sailing ships. Today, our Navy numbers almost 600 ships. Since its inception, our Navy has performed valiantly in countless battles the world over for the cause of freedom: The great battles of the American Revolution; the War of 1812; the great global mastery of the seas in our 20th century conflicts.

It is certainly appropriate that we in the U.S. Senate join with the men and women of our Navy as they celebrate their birthday all around the world this weekend.

In my home State of Hawaii, more than 23,000 Navy men and women continue in the Navy's great tradition of service. But this is not all of the Navy's community there. Their number is expanded by some 18,000 dependents, more than 15,000 civilian workers and almost 900 naval reservists. They are proudly celebrating the Navy's birthday with many events, including a sunset parade, birthday balls and dinners, Navy Sabbath weekends, Navy League awards luncheons, Navy uniform days, and Blue Angels air shows.

Therefore, in honor of the Navy's 210th birthday, I would like to publicly commend this distinguished branch of our Armed Forces for its outstanding performance in defense of our great Nation.●

MINORITY CONSTRUCTION FIRM OF THE YEAR

● Mr. DOMENICI. Mr. President, minority business owners have an advantage over their more established competitors because they have developed early on a sense of the hard work it takes to get anywhere in this society. Nothing is handed to them on a silver platter. They know from the time they are children that anything worth having—a job, an education, a good home—requires hard work and perseverance. That's the edge, the hunger for making the best of any opportunity, no matter how small it is, that puts minority business owners on the right track heading for success.

Many have said that Horatio Alger is dead, that the days of the individual or their family starting a business from scratch and making a successful enterprise went out with flappers and the Roaring Twenties. They are wrong, and Mathew Lucero proves that they are wrong.

Mr. President, I am pleased to report that Mathew Lucero Construction, owned and operated by Mathew Lucero of Los Lunas, NM, has been selected as "Minority Construction Firm of the Year" by the U.S. Department of Commerce. This honor was announced in conjunction with the designation by the President of this week as "Minority Enterprise Development Week." Later this week, Mr. Lucero will also be honored as one of the outstanding New Mexico minority business owners.

Mathew Lucero, a Native American, established his construction business on the Isleta Pueblo. Despite the tremendous obstacles and barriers to establishing a successful business on an Indian reservation, Mathew has taken his construction company on an aggressive path that saw his annual sales rise from just $27,000 to $1.5 million in just 3 short years. He has sought out other minorities to work in his company, providing these individuals with the opportunity to work and the ability to participate first hand in a successful minority business enterprise.

Mathew Lucero demonstrates that the entrepreneural spirit is alive and well in America and that our Nation is still the land of opportunity. It is a great pleasure to join in applauding his achievements and to congratulate him on the awards which have been bestowed upon him.●

● Mr. LAUTENBERG. Mr. President, the month of October has been designated "Minority Enterprise Development Month" in New Jersey. This coincides with the national designation of the first week in October as Minority Enterprise Development Week.

I am pleased to take note of the importance of the contributions of minority entrepreneurs to our economy. Many Americans aspire to own and develop their own businesses. As I know from my own experience, no feeling of pride and self-esteem can be more exhilarating than the feeling that comes from starting a business and watching it grow. Many doubts, many pitfalls, many problems await the aspiring business man or woman. But, when it works when the marketplace accepts your ideas and gives them value, the feeling of accomplishment is well deserved.

Mr. President, economic growth in our country comes through the success of business activity. The economic vitality of the minority communities in our country will flourish as members of those communities take on more and more responsibility for business development, Much has already been done, but there is room for a great deal more growth and initiative.

The challenge for Government today is to provide technical and other assistance to the many talented and ambitious minority citizens who want to establish and enlarge their own businesses. This assistance can range from sharing information about market opportunities to providing access to capital to assuring fair and open competition.

I am pleased to salute the minority entrepreneurs in New Jersey and around the country. I stand ready to do everything I can to help them flourish and to increase their numbers.●

TRIBUTE TO SIMON KONOVER

● Mr. DODD. Mr. President, allow me to offer a tribute to one of Connecticut's great citizens.

Mr. Simon Konover, immediate past president of the Greater Hartford Jewish Federation and chairman of Simon Konover and Associates, will be honored on October 20 at a dinner hosted by Beth El Temple of West Harford, CT, and State of Israel Bonds of West Hartford.

Mr. Konover is truly a pillar in Connecticut's Jewish community. A noted humanitarian, philanthropist, and communal leader, his contributions and dedication have earned him tremendous respect and admiration—and appropriately so.

Simon first stepped ashore in America in 1948. He was 26 years old. His one ambition was "to eventually open up a gasoline station and maybe a used car dealership." Well, he exceeded that goal long ago, and since that time, he has never stopped striving.

Born to a Jewish family in the village of Makow near Warsaw, Simon was one of eight children. When the Germans invaded in 1939, he was sent to a youth labor camp in Poland. He eventually escaped and returned home, but was almost discovered, so he fled to the Russian-occupied portion of Poland. There he fought for Russia against the Germans, evacuating Russian citizens from the war zone. When the small Russian town in which Simon, his brother and his sister were living fell, Harold and Simon were among the last to leave. Their sister was too ill to travel, so they were forced to leave her behind. They never saw her again.

Harold and Simon ended up in Stalingrad, where they miraculously survived the bitter and bloody battle of Stalingrad. When the battle was over, Simon made the mistake of complaining about conditions in the city. That innocent comment landed him in Siberia for 11 months of hard labor.

Simon reunited with Harold and they returned to Poland to find their

family. They searched in vain. Alone and penniless, they decided to join some relatives that were already in the United States.

Simon's first job was as an auto mechanic for $17 a week. Today, he presides over a multimillion dollar empire of nearly 100 shopping centers, 3,000 apartment units, close to 2,000 hotel and motel units, and a construction company.

Mr. Konover's community contributions are just as impressive. He is immediate past president of the Greater Hartford Jewish Federation. Over the years he has chaired several federation campaign divisions and has been general campaign chairman. He is past chairman of the State of Israel Bonds and serves as president of the Prime Ministers Club. He is a board member of the Hartford Jewish Community Center, the Hebrew Home and Hospital, a trustee of the Mount Sinai Hospital, and a corporator of Hartford Hospital. He is also an overseer of the Jewish Theological Seminary.

Needless to say, Mr. President we in Connecticut are very proud of Simon Konover. He sets an example of stamina, vision and dedication toward which we all should aspire.●

COSTS OF PROTECTIONISM

● Mr. CHAFEE. Mr. President, in the lastest issue of Policy Review magazine, former Delaware Gov. Pete du Pont has written a very thoughtful article concerning the costs of protectionism.

All of us who know Pete expect his work to be thoughtful and well written. However, I found this article particularly provocative, and I hope that all of my colleagues will take an opportunity to read it.

The points that Pete makes from the perspective of a former State official are things we should keep in mind as legislative efforts to protect our domestic industries increase. Clearly the only solution to our trade imbalance is reducing these horrendous deficits. Insulating ourselves from competition is a losing proposition today just as it was in 1929 when the Smoot-Hawley Tariff was enacted.

Mr. President, I ask that the article be printed in the RECORD.

The article follows:

KAMIKAZE ECONOMICS—PROSPERITY AND GROWTH ARE IMPERILLED BY PROTECTIONISM

(Pete de Pont)

It's the fall of 1985 and the American economy is robust and growing. In September, the United States Department of Labor announced that the August unemployment rate fell to a five-year low of 6.9 percent. Inflation remains consistently in the four percent range. Interest rates have fallen. The U.S. economy, fueled by the Reagan tax cuts and record levels of investment—much of it in the form of dollars returning to the United States from their short trip abroad to pay for America's import surplus—created 9 million net new jobs in five years. Now more than twice as dependent on trade as it was in the 1960s, the United States economy is the locomotive of the world recovery.

In the midst of this prosperity, voices of alarm are beginning to sound from several quarters. Speaker Thomas P. O'Neill says America is losing 3,000 jobs a day to imports; more than three million jobs per year according to some estimates. The steel industry says it is losing jobs because it cannot compete against the subsidies of European steel. The computer industry is up in arms because Brazil has declared U.S. computers off limits in their country. Robert Dole, the Senate Majority Leader, is now using mystical buzz words such as "fair trade" and "level playing field." Three hundred pieces of protectionist legislation await action by the returning Congress this fall.

What's going on? Doesn't anyone wonder how we can be losing 3,000 jobs daily while creating a record 9 million net new jobs in five years? Doesn't anyone think it's strange that our steel industry cannot compete against the Europeans who, on net, have not created a new job in 20 years? Are subsidies really the problem or does one suspect that our heavily protected industries are reaping the fruits of their shortsighted management policies and wages which are far above the national average? Is Wall Street really worried about IBM's ability to survive the Brazilian computer freeze? Or is it more worried about Brazil's ability to finance its debt load, which will require exports? Why doesn't someone stand up and say that even if the Japanese market were totally open to American goods, the resulting increase in our exports (less than $10 billion) would hardly put a dent in our trade deficit ($120 billion) and would primarily benefit those industries (communications and financial services) that are not losing jobs in the U.S. economy, but gaining them at record rates? Whe doesn't someone point out that if the United States were to level its playing field, too (e.g., by repealing the protection on textiles, sugar, steel, etc.), the trade deficit might very well get worse, not better? Hasn't Bob Dole—a Republican leader—learned the Smoot-Hawley lesson, or the Mondale lesson of 1984, that pandering to special interests is a recipe for political disaster?

The driving political forces behind protectionist legislation are understandable. Industries that view their declining profitability or loss of employment as the result of import competition argue that the cure is to curtail or eliminate those imports. Americans who fear that jobs in their industry are endangered call upon their elected representatives to "do something." Exporters who see tariff and non-tariff barriers thrown up by our trading partners, denying them full access to world markets, also look to Congress for action.

WHY INDUSTRIES GROW

But the economic forces at work present a different picture. Overall manufacturing employment in the United States has declined only slightly since 1980. In fact, if the economy continues to grow at its current pace, we will shortly have as many manufacturing jobs in the United States as we did in 1980. And although certain industries have been particularly hard hit, primarily because of falling worldwide demand (not imports), others have grown rapidly.

Interestingly, and not by coincidence, the industries within manufacturing that have had the hightest growth rate of employment since 1980 have several factors in common: an increased worldwide demand for their products, little if any protection, lower than average manufacturing wages, and typically increased import penetration into their markets. Electronics and computers are two good examples. Another interesting example is the automotive sector of our economy. Since 1980, largely because of increased efficiencies and expanded worldwide demand, the auto industry has actually gained 100,000 jobs in spite of increased import penetration.

Undoubtedly, there are very real problems. Some industries and firms are losing their ability to compete in the world market, causing great hardship to some working families. Some exporters are facing illegitimate barriers to the export of their goods and services. Congress is right to wish to help changes the situation.

But protectionism is not the answer. Indeed, it would worsen the very problems it promises to fix. Its costs in higher prices, reduced trade opportunities, the stifling of innovation, and the threatened return to economic depression are prices too high to pay. But the cry for protectionism will become less shrill only when an alternative set of policies is put forward: policies that will create new jobs while recognizing the special problems of the dislocated worker, increase our competitiveness here and abroad, restore America's leadership in the world economy, and raise the general standard of living.

THE COSTS OF PROTECTIONISM

America today faces the same choice our country faced in 1929 when President Hoover abandoned the tax-cutting policies of Calvin Coolidge that had brought six years of strong economic growth, and instead endorsed the Smoot-Hawley Act, plunging the world into the Great Depression. Just as in 1929, the United States today faces a wave of protectionist sentiment fueled by a healthy dose of misplaced patriotism. And just as in 1929, protectionism threatens to send the United States economy straight down the chute.

We can respond to sectoral shifts in the economy by developing a strategy to improve the competitiveness of American goods and services and to respond with compassion to the special problems of the dislocated worker. The best way to do this is to continue the policies of tax cuts and deregulation that have created more than nine million new jobs in the past five years, and increased our productivity and national wealth, not to return to the path of protectionism and economic isolation, and repeat the disaster of the 1930s.

The costs of protectionist policies do not appear in black and white in the federal budget. The cost imposed on consumers is not visible like a sales tax receipt. But the cost is real. It is high. And it is discernible.

Economist Michael Munger has calculated that in 1980 the total cost of existing import restrictions was $58.5 billion. Since then, new barriers have come into being, and today, the cost of protectionism comes to between $1,500 and $2,000 annually for a family of four. This, of course, is more than most families pay in federal income tax.

Quotas on automobiles alone have increased the cost of imported cars by $1,400 and the price of domestic cars by more than $600. As a result of already existing protectionism, in 1984, American consumers paid an additional $4.5 billion for automobiles, $1 billion for footwear, $3 billion for sugar,

$18.4 billion for apparel and textiles, and between $1.5 and $4.9 billion for cheese, butter, milk, and cream.

Protectionism, even at its present level, is a heavy burden on American consumers. It is a particularly regressive tax, because the increased price of sugar, clothing, and shoes falls most heavily on lower income Americans who spend a greater percentage of their income on those necessities. The New York Federal Reserve has estimated that protectionism in those three industries has had the same effect as an income tax surcharge of 25 percent to 66 percent on families with incomes of $9,350.

Economists at the Brookings Institution and the Council of Economic Advisors have calculated the tremendous cost of using tariffs and quotas as an industrial policy. "Protecting" one job in the television receiver industry, where the average wage is $22,900 per year, costs $74,155. The annual cost of "creating" a job in the footwear industry that pays an average compensation of $10,300 per year is more than $68,000. The steel industry weighs in at a cost of $110,000, to protect an average salary of $27,700. And protectionism in the automobile industry costs an average of $160,000 to protect an average salary of $28,300. Thus the ratio of cost imposed on consumers to the value of the job theoretically saved is staggering. The ill-fated and hopefully forgotten CETA program was finally eliminated for similarly high cost/benefit ratios.

Another cost of protectionism is the damage it does to the vitality and innovation of our domestic economy. Protecting jobs and profits in one industry locks labor and capital into less efficient uses, stifling new jobs in other industries, and reducing incentives for companies to modernize and response to changing technology and consumer demands.

We see this damage in those industries already "protected" by quotas and tariffs. Indeed, those industries that can no longer compete efficiently in the world market and are calling for protectionist policies are precisely those industries that have "benefited" from the longest history of protectionism.

Textiles have been covered by a myriad of quotas and market allocation agreements for some 25 years as well as one on the highest tariffs (22 percent) imposed by the Customs office. The auto companies have benefited, not only from the normal tariff duties, but from the so-called voluntary restraining orders of the past few years. Protectionism has allowed to auto industry to postpone needed changes in work rules that would greatly increase efficiency and competitiveness. The steel industry has benefited from minimum prices forced on foreign steel and most recently from quotas, which delayed the steel industry from becoming significantly more competitive. Operating under the price umbrella of quotas, the steel industry still pays wages 31 percent higher than the average wage in the United States and 23 percent higher than the average manufacturing wage. Protectionism halts the process of change and innovation necessary for American firms to adapt and innovate in order to become more competitive.

The protected industries in America give us a glimpse of what could happen to the entire economy if protectionist measures are allowed to expand. yet we have only to look at Europe to see what could happen here if our policy becomes one of hiding from, rather than responding to, competition.

Much of Europe has taken the view that the number and type of jobs in society is fixed. In a free, competitive economy, it never is. Yet many European nations have erected protectionist barriers, allocated subsidies, and otherwise worked to keep the labor markets frozen. The logical extension of this thinking brought the demand from Arthur Scargill, the Marxist leader of the British coal miners' union, that miners' jobs be continued even at those coal pits that no longer had any coal.

As a result of locking up capital and labor in non-productive uses, thereby stifling the growth of real wealth-producing jobs that would generate secure incomes and futures for the European people, the Common Market nations have failed to produce any net new jobs while the American economy, as yet free of extensive protectionism, has created 9 million net new jobs since 1980. Now many Europeans are beginning to realize the damage done by this "Eurosclerosis," the continent's economic equivalent of hardening of the arteries. They are looking to America with her relatively free labor and capital markets as the path to real growth.

Another cost of protectionism is the damage done to exporting industries and firms. The United States Chamber of Commerce estimates that some five million American jobs are directly tied to the export market. And American exports are growing; up 10 percent last year to $220 billion.

The history of the Smoot-Hawley Act serves as a grim reminder of what a high tariff policy can do to the Americans who now work in the export industries. After the bill was passed, American exports, which stood at $5 billion in 1929, fell continuously to $1.6 billion in 1932. America would not reach its 1929 level of exports until the 1940s. And despite the massive tax hike in tariff rates, revenues from import duties fell to half their 1929 level.

Perhaps the greatest cost of protectionism is the threat of another Great Depression. The Smoot-Hawley Act began as a small bill directed only at farm imports. Although today's protectionist bills are for the most part aimed only at a few industries, the dynamics of congressional politics makes it likely that any protectionist piece of legislation would grow, as did the Smoot-Hawley Act, to include many sectors of the economy.

Protectionist legislation prompts swift retaliation by other nations. Indeed, in 1929, many nations erected new tariffs just on the belief that Smoot-Hawley had the votes in Congress to pass.

Shutting out foreign imports would impoverish our trading partners. They would no longer have the dollars to buy American goods and, as in 1929, our exports would crumble. Farmers would be hit particularly hard. Debtor nations would find it more difficult to repay loans to American investors and we would likely see bank problems of increasing magnitude.

Last but not least, we must remember that an imploding world market has direct political consequences. When the Germans were no longer able to export to the United States and earn foreign exchange to pay their reparations debts to the allied nations in the 1930's the fragile Weimar Republic was torn asunder and collapsed into the clutches of Hitler.

The costs to consumers, the damage wrought by constraining our domestic free market, the jobs killed in export industries, and the promise of a new Depression are too great to allow America to follow the path of Herbert Hoover and his Smoot-Hawley tragedy. We can and must promote and institute policy changes that offer a better future for America.

A NEW GATT ROUND

America must provide the leadership in bringing our trading partners together for another round of General Agreement on Tariffs and Trade (GATT) negotiations. A new GATT round must include agreements on services as well as merchandise trade, for services are becoming a larger segment of international trade. We should bring non-tariff barriers under the GATT, for they have become a loophole. And a new GATT round should include textiles, which are presently dealt with separately in the Multi-Fiber Agreement.

Multilateral and bilateral negotiations should strive to reduce all barriers to goods and services, both tariff and non-tariff. We cannot afford to get sidetracked by the illusion that our opening negotiating gambit should be to threaten or impose tariff barriers against our trading partners in the hope that they would respond with lower barriers of their own. Experience has shown the bankruptcy of this hope. Never in history has the imposition of higher tariffs by one nation led to the reduction of tariffs by one of its trading partners.

We already have mechanisms for dealing with cases of dumping, government subsidies, and other unfair trading practices. These should be—and can be—vigorously enforced, for the American consensus for free and open trade rests heavily on the belief that our trading partners are dealing with us on a fair basis.

As we negotiate to reduce worldwide barriers to trade, we must work to make American industry increasingly competitive. Where our trading partners have lower production costs, there are two possible approaches. The first is to raise the costs of their products through higher tariffs or quotas. This path leads to all the costs and misery discussed above. The second path is to make our own goods and services more competitive.

There are three components of the cost of American goods and services: the cost of labor and materials, the cost of capital, and the cost of government, such as the taxes and regulatory burdens placed on individuals and companies. Rather than trying to "level the field" by putting taxes on our competitors—taxes we quickly pay in the form of higher prices on imported as well as domestic products—we should take a look at how we can reduce our own costs and compete more effectively.

IMPROVING COMPETITIVENESS

The cost of labor, often blamed for America's inability to compete with low-wage nations, has two components. First is the take-home pay of working men and women. Our goal is to keep that high and growing for all Americans. What we ought to cut is the second component—income and payroll taxes. Reducing the disparity between what workers earn and what they get to keep was the goal of the 1981 tax cut and is again the target of President Reagan's tax reform package that would reduce marginal tax rates for all working Americans. We can go further and learn from the Japanese, who have consistently lowered individual income taxes over the years. Japanese workers cost less, not simply because they are paid lower

wages, but also because their marginal tax rates are lower.

The cost of capital in the United States can also be reduced. Here again, let us take a look at our competitor Japan. Gross private savings in Japan is 21 percent of disposable income compared with six percent in the United States. This great pool of savings allows for investment in new plants and equipment and constant modernization.

Why is the Japanese savings rate so high? Cultural factors understandably contribute. But tax rates on savings in Japan are considerably lower than in the United States. And unlike the United States, the Japanese have largely tax-free savings accounts for their citizens—similar to an unlimited Individual Retirement Account. In addition, Japan has no capital gains tax. No wonder the Japanese save a great deal of money. The rewards to savings are not undermined by excessive taxation. Our tax policy is penalizing American industry and hurting our farmers who would greatly benefit from the vast pool of savings that a pro-savings, pro-tax policy would generate.

The third component of the cost of American goods and services is the cost of government regulation itself, a fixed, non-productive cost imposed on American business and workers. Taxes and unnecessary regulations increase the cost of American goods and too often price us out of international markets.

Trucking regulation is a good example. When President Carter began the move towards a deregulated trucking industry in 1980, he put that industry on a path that saw costs decrease by 20 percent. Airline deregulation has also greatly reduced prices to consumers and expanded employment in the industry. Financial deregulation could continue this progress. We do ourselves a disservice if we fail to see the impact regulation has on our international competitiveness. Indeed, all federal agencies should carefully consider the economic impact of any proposed regulation, making us aware of what effect it will have on America's ability to compete in world markets.

SUPPLY-SIDE SUCCESS STORIES

Taxes of all kinds also force the price of American goods up. Massachusetts, for example, lost thousands of jobs in the late 1960s and early 1970s. But in 1980, when a citizens' initiative cut the property taxes by half, the exodus of jobs ceased and the high technology firms that had planned to leave the Bay State not only stayed but expanded. Today the unemployment rate in previously high-tax, high-unemployment Massachusetts is just four percent.

My own state of Delaware has had three major income tax reductions totaling 40 percent since 1979. As a result, old jobs have been retained and new ones gained. Delaware's growth of employment and income shifted from being one of the slowest in the late 1970s to one of the most rapid in the mid-1980s.

If we think of Massachusetts and Delaware as independent nations concerned with keeping jobs, we can see how reducing taxes played the central role. Would tariffs and quotas keeping competitive foods and services out of Massachusetts and Delaware have achieved the same results? Certainly not. Fortunately, the framers of our Constitution saw just this danger of protectionism at the state level and forbade state tariff restrictions, insisting on free trade between the states.

A great number of other changes would make us better competitors in the arena of world trade. Repealing the restriction that forbids us from selling Alaskan oil to Japan and allowing the export of timber cut from our federal lands would reduce our trade deficit by $20 billion, according to Murray Weidenbaum, former chairman of the Council of Economic Advisors.

Eliminating the Cargo Preference Act, which forces much of our exports to travel on more expensive ships, would increase our competitiveness as well. Reducing antitrust limitations on combining for research and development or marketing efforts would enhance America's ability to compete. Our antitrust regulations were passed at a time when the U.S. economy was largely self-contained. Today, the American firm faces world competition. Considering an alternative policy to agricultural price supports in order to help farmers export would be a welcome step forward.

EASING THE ADJUSTMENTS

Even with increased competitiveness in the U.S. economy, we must recognize that some industries will lose jobs. Just as new industries and products replace old industries and products in the domestic market (the automobile replaced the horse and buggy, and the discovery of oil made the whaling industry obsolete), so too will foreign competition sometimes price a portion of a domestic industry out of the market. Our goal ought to be keep the mobility of labor and capital within the United States as high as possible with the least possible disruption to individuals and areas undergoing change. It should be directed to solving the very real human problems of dislocated workers, rather than freezing whole industries in the status quo, thereby postponing the inevitable adjustments, hampering innovation, and driving up costs to the consumer.

Retraining for displaced workers is an important element in reducing the fear some workers and managers have in the constant change that is endemic in a free market. Already, there are a great number of retraining programs run by companies, federal and state governments, and private colleges. Indeed, American companies spent twice as much on education and training as the combined cost of all colleges in America.

Still more can be done. One suggestion is to allow a "retraining IRA," an account where working men and women could save tax-free money that, like regular IRAs, would accumulate interest without being taxed. Should a worker need or wish retraining to shift from one job to another, he could make with withdrawals from the retraining IRA. Unemployment insurance benefits could be made available for retraining. (A test program in Delaware is quite promising.) Health insurance could also be integrated with the unemployment insurance program as workers are often vitally concerned about their health insurance during transitions.

Another innovation would be to make company pension plans more portable. When an employee leaves one firm and moves to another, he could carry his accumulated pension benefits with him. Fixed and non-transferable pensions are a disincentive for workers to move, even when higher wages are available elsewhere.

The long-term answer to the structural adjustment issue has to include a fundamental reform of our education system. No longer is an education system which provides a "one skill per lifetime" worker going to be good enough for the United States to be able to compete in the modern world economy. Education, training, and retraining are going to have to be lifetime processes in our modern economy. The sooner we get on with the challenge of fundamental reforms of our education system, the sooner all U.S. workers will have the tools to survive in a rapidly changing economic environment.

The challenge of the future is to create the millions of new jobs that will be necessary to employ young Americans entering the workforce. Protectionism cannot do that. Rather, we need an expanding American economy, an expanding world economy, and a modern education system to create new opportunities for entrepreneurship and innovation.

The protectionist lobby argues that imports take away American jobs. It is wrong. In 1985, we have a trade deficit of $120 billion and 9 million more jobs than we had in 1980, when the United States ran a trade surplus. These new jobs could not have been generated without the enormous capital inflow that has fueled the recent expansion of the U.S. economy. And because our balance of payments must even out, capital inflows would not have been possible without a trade deficit.

Imports do not cost jobs; they are a reflection of the relative strength of the American economy. We are growing faster than the rest of the world because we cut taxes in 1981 and because we began to deregulate our economy. Continued job creation requires that we continue on this path.

The President's tax reform package will be a great boost to job creation. Other bills will also help. The Youth Opportunity Wage Act would allow teenagers to work in the summer without being priced out of the market by the minimum wage. This bill would create an estimated 600,000 jobs for teenagers every summer. No present piece of protectionist legislation even claims to come close to creating this many jobs.

The "enterprise zone" legislation would create new jobs and opportunities in depressed urban and rural areas. Real jobs would be created, not uneconomical jobs temporarily protected by tariffs. Eliminating the Davis-Bacon Act would generate new jobs in the construction industry.

We can further improve our competitiveness by unleashing the innovative genius of the American people by removing the remaining obstacles to economic growth and job creation here at home, and by reforming our educational system. Already our free economic system is beginning to adjust. The dollar has fallen nearly 15 percent in recent months on world exchanges. The U.S. economy, after a dull first half, will have a better second half. Now is the time for patience and a careful use of the scalpel, not the meat cleaver.

Those who counsel despair, who would have us retreat behind a wall of high tariffs, have lost faith in America's most enduring qualities: the ability to adapt, innovate, and use challenges as a springboard to greater heights. They have become pessimists in a world where optimists create opportunity for the future.●

CIGARETTE TAXES

● Mr. SIMON. Mr. President, one of the most idiotic things we could do would be to fail to keep the revenue we now get from cigarette taxes.

I find it almost universal that people are willing to pay a little more for

cigarettes both because of the revenue it brings to the Federal Government and because it will discourage teenagers from smoking.

The Southern Illinoisan, the daily newspaper in my home territory, recently had an editorial urging us to do that that is fairly typical. I hope my colleagues will read it and heed its advice.

And I hope we move beyond the temporary 45-day extension. The need for revenue could not be more dire. The need to preserve our health could not be more clear.

I ask that the editorial be printed in the RECORD.

The editorial follows:

[From The Southern Illinoisan, Sept. 18, 1985]

CIGARETTE TAX CUT THREAT TO TEENS

Huge, ghastly, maddening numbers are rolling around Washington, part of a last-ditch effort to stop the cut in federal cigarette taxes. It seems insane that Congress may soon encourage cancer and the federal debt in the same law, but that's what's coming without action by Sept. 30.

Sen. Paul Simon, D-Makanda, is using some of the biggest numbers, gleaned from a Harvard University study. Simon and Harvard say that cutting the tax on a pack of cigarettes from 16 cents to 8 cents will encourage more teen-agers to smoke, because the price makes a big difference to teens. Harvard estimates 480,000 Americans eventually would die prematurely from diseases caused by smoking habits spurred by the tax cut.

The number is probably too high because the actual price of a cigarette pack wouldn't change in states such as Illinois that plan to impose their own 8 cent taxes. But the argument is otherwise sound. If teen-agers can be priced out of the cigarette market, the benefits to society would be enormous—and saved lives are only the beginning.

The federal Office of Technology Assessment just announced its estimate that $12 billion to $35 billion will be spent in the United States this year to treat smoking related diseases. And non-smokers will do a big chunk of that spending, in their insurance premiums and in taxes for Medicare and Medicaid. This age of medical marvels and mountainous medical bills obliges Americans to take better care of themselves—or pay substantially for the privilege of abusing the bodies that everyone pays to repair.

The OTA also figures that between $27 billion and $61 billion of economic productivity will be lost this year to tobacco-related illness. It's all a waste.

Simon says the tobacco industry is worried by a low 21 percent of high school seniors smoking. He argues logically that the government shouldn't do anything that would raise that figure, and that's just what tax removal would do.

Further, the government shouldn't just give away its $1.8 billion cigarette tax income, especially when it's coming up short by $200 billion a year. Even President Reagan ought to be able to swallow the full 16 cent tax, because he can argue it is only keeping a tax, not raising it.

As for Illinois, if the full federal tax is kept, state leaders will need to find a new income source to replace the $60 million to $70 million the state cigarette tax was going to contribute toward the education reform package. We have confidence, however, in Gov. Thompson's ability to find another obscure sin tax to pay for his programs.

On the federal level, we urge Sen. Alan Dixon and Rep. Ken Gray to join Simon in resisting the tax cut on one of the nation's deadliest habits.●

PROPOSED ARMS SALES

● Mr. LUGAR. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive prior notification of proposed arms sales under that act in excess of $50 million or, in the case of major defense equipment as defined in the act, those in excess of $14 million. Upon such notification, the Congress has 30 calendar days during which the sale may be reviewed. The provision stipulates that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

In keeping with the committee's intention to see that such information is available to the full Senate, I submit for the RECORD the notifications which have been received. The classified annexes referred to in several of the covering letters are available to Senators in the office of the Foreign Relations Committee, room SD-423.

The notifications follow:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, DC, 30 September 1985.

Hon. RICHARD C. LUGAR,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 85-60 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Army's proposed Letter of Offer to the People's Republic of China for defense articles and services estimated to cost $98 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

PHILIP C. GAST,
Director.

[Transmittal No. 85-60]

NOTICE OF PROPOSED INSURANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: People's Republic of China.

(ii) Total Estimated Value: Major Defense Equipment[1] $0 million; Other, $98 million; total, $98 million.

(iii) Description of Articles or Services Offered: Design and general layout of facilities to produce artillery ammunition, primers, fuses, and explosives (and the option to procure equipment for the same), plus production Technical Data Packages for M82 primers, M577A1 and M739A1 fuses, and M107 155mm projectiles, related technical assistance, project management, training and administrative requirements.

[1] As defined in Section 47(6) of the Arms Export Control Act.

(iv) Military Department: Army (UAH).

(v) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: See Annex under separate cover.

(vii) Section 28 Report: Case not included in Section 28 report.

(viii) Date Report Delivered to Congress: 30 September 1985.

[Transmittal No. 85-60]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

Classified Annex Item No. vi

(vi) Sensitivity of Technology:

[Deleted]

2. (U) The release of this unclassified technology to the People's Republic of China is consistent with our national policy and is considered an acceptable risk.

POLICY JUSTIFICATION

People's Republic of China—Ammunition Component Manufacturing Facilities

The Government of the People's Republic of China (PRC) has requested the purchase of the design and general layout of facilities to produce artillery ammunition, primers, fuzes, and explosives (and the option to procure equipment for the same), plus production Technical Data Packages for M82 primers, M577A1 and M739A1 fuzes, and M107 155mm projectiles, related technical assistance, project management, training and administrative requirements. The estimated cost is $98 million.

This sale would further enhance U.S.-PRC military technology cooperation and improve overall U.S.-PRC relations.

This program will assist the PRC in modernizing its artillery ammunition production facilities and will enhance the compatibility of U.S. and PRC artillery ammunition. This sale will also contribute to the improvement of PRC defensive military capability and the PRC will have no difficulty absorbing this equipment into its armed forces.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor has not yet been determined.

Implementation of this sale will require the assignment of four additional U.S. Government personnel for one month and twenty contractor representatives for one month to the People's Republic of China.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, DC, 2 October 1985.

Hon. RICHARD C. LUGAR,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 86-03 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Army's proposed Letter of Offer to the Netherlands for defense articles and services estimated to cost $32 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

PHILIP C. GAST,
Director.

[Transmittal No. 86-03]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Netherlands.

(ii) Total Estimated Value: Major Defense Equipment,[1] $31 million; other, $1 million; total, $32 million.

(iii) Description of Articles or Services offered: Two thousand four hundred seventy-seven BGM-71D TOW II Guided Missiles, including 37 test missiles, and supporting publications.

(iv) Military Department: Army (VQU).

(v) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be sold: See Annex under separate cover.

(vii) Section 28 Report: Case not included in Section 28 report.

(viii) Date Report Delivered to Congress: 2 Oct. 1985.

POLICY JUSTIFICATION

Netherlands—TOW II Guided Missiles

The Government of the Netherlands has requested the purchase of 2,477 BGM-71D TOW II Guided Missiles, including 37 test missiles, and supporting publications. The estimated cost is $32 million.

This sale will contribute to the foreign policy and national security objectives of the United States by improving the military capabilities of the Netherlands; furthering NATO rationalization, standardization, and interoperability; and enhancing the defense of the Western Alliance.

The Government of the Netherlands needs these TOW II Guided Missiles to continue an ongoing effort to upgrade and fulfill the NATO heavy antitank requirement. These missiles represent the ongoing effort to modernize and upgrade weapons already available in the region. They would be used for defense against attacking armored vehicles. The Netherlands will have no difficulty absorbing these items into its armed forces.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be Hughes Aircraft of Tucson, Arizona.

Implementation of this sale will require assignment of a small number of U.S. Government personnel and contractor representatives to the Netherlands for a short time.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, DC, 2 October 1985.

Hon. RICHARD C. LUGAR,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 86-01 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Navy's proposed letter of Offer to the United Kingdom for defense articles and services estimated to cost $80 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

PHILIP C. GAST,
Director.

[Transmittal No. 86-01]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: United Kingdom.

(ii) Total Estimated Value: Major Defense Equipment,[1] $78 million; other $2 million; total, $80 million.

(iii) Description of Articles or Services Offered: A coproduction/purchase agreement for acquisition of up to 55,000 Sea Gnat decoy cartridges. The estimated cost of the acquisition from the U.S., if the United Kingdom elects to purchase rather than manufacture them domestically, is $80 million. The decoy cartridges were cooperatively developed by the Governments of the United States and United Kingdom.

(iv) Military Department: Navy (AFI).

(v) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: See Annex under separate cover.

(vii) Section 28 Report: Case not included in Section 28 report.

(viii) Date Report Delivered to Congress: 2 Oct. 1985.

POLICY JUSTIFICATION

United Kingdom—Sea Gnat Decoy Cartridges

The Government of the United Kingdom has requested a coproduction/purchase agreement for acquisition of up to 55,000 Sea Gnat decoy cartridges. The estimated cost of the acquisition from the U.S., if the United Kingdom elects to purchase rather than manufacture them domestically, is $80 million. The decoy cartridges were cooperatively developed by the Governments of the United States and the United Kingdom.

The acquisition and development of Sea Gnat will contribute to the foreign policy and national security objectives of the United States by improving the military capabilities of the United Kingdom; furthering NATO rationalization, standardization, and interoperability; and enhancing the defense of the Western Alliance.

The British Navy will use the decoy cartridges on frigates or smaller craft as an air warfare deterrent. It currently has Shipboard Rapid Blooming On-board Chaff (SRBOC) cartridges purchased from the United States and will replace the SRBOC with the improved Sea Gnat decoy cartridges. The United Kingdom will have no difficulty absorbing these cartridges into its armed forces.

The sale of this equipment and support will not affect the basic military balance in the region.

Three contractors are in competition for U.S. production: TRACOR (Texas), HYCOR (Massachusetts), and LUNDY ELECTRONICS (Florida).

Implementation of this sale will not require the assignment of any additional U.S. Government personnel or contractor representratives to the United Kingdom.

There will be no adverse impact on U.S. defense readiness as a result of this acquisition.●

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[1] As defined in Section 47(6) of the Arms Export Control Act.

[1] As defined in Section 47(6) of the Arm Export Control Act.

HONORING GENERAL PULASKI MEMORIAL DAY

● Mr. D'AMATO. Mr. President, I rise today to express my great admiration for the nation of Poland and its people, for tomorrow, October 11, we shall all celebrate General Pulaski Memorial Day. Six years ago tomorrow, our Nation honored the 200th anniversary of the death of General Pulaski. Both his life and his death quickened the spirit of American independence, and tomorrow, our Nation will again honor the contributions to American history made by this great Polish patriot during the American Revolution. In his remembrance, let us also pay honor to the nation of Poland, its people, and its descendants.

Casimir Pulaski was born in the late 1740's in the Province of Podolia, Poland, now part of the Soviet Union, and began a military career at an early age. In his early twenties, Casimir Pulaski first demonstrated his will for Polish freedom as he led a revolt of Polish forces against Russia, which at that time controlled Poland. Arrested and condemned to death, he fled Poland and learned of the American cause for freedom through Benjamin Franklin in France. He sailed for America in 1777, and brought with him his courage to fight for freedom as he served under the forces of Gen. George Washington.

After serving our patriotic forces with distinction in the Battle of Brandywine, he was appointed by Congress as brigadier general in charge of cavalry. The following year, General Pulaski organized an independent corps of cavalry and light infantry, known as the Pulaski Legion, which he selflessly led in the siege of Savannah in 1779. General Pulaski was wounded during the battle and died 2 days later. His determination for American independence imbued life into our patriots upon his death, whereafter all British posts were taken in the far Southern States by 1782 that led to our ultimate victory.

Throughout his life, from his push against foreign domination in Poland to his fight for American independence, General Pulaski was driven by the spirit of freedom for all people. To the very marrow of the people of Poland yesterday and today, we can see this spirit as they have been struggling for survival against foreign disregard for self-determination. In this century alone, Poland has suffered three major geographical realignments. This includes 1939, when Nazi Germany and the Soviet Union, without respect to previously free peoples or even life itself, illegally divided Poland for their own devices. For a

while Poland disappeared from the face of Europe, but not from the heart of Europe.

In Rome, Pope John Paul II has become the first Polish Pope, an inspirational leader for both the Roman Catholic Church and struggling people everywhere. Within Poland today, the struggle against tyranny is championed by Lech Walesa, who, during one of the most repressive Soviet regimes since Stalin, has led a freedom movement that captured the imagination of the world. We all know the rest of this tragic story, but the Solidarity movement is alive and well.

In the United States, we also are inspired by the leadership provided by such a Polish-American as Edmund Muskie, our first Polish-American Senator, who later became Secretary of State under the Carter administration.

The Poles have contributed much to their country, their heritage, and mankind as a whole. As our Nation honors General Pulaski for his giving of himself during the American Revolution, let us not forget the Polish descendants who have given themselves to the cause of freedom for struggling people everywhere.●

THE ENORMOUS CAST OF ILLITERACY

● Mr. SIMON. Mr. President, for many years I had the privilege of serving in the House with John Brademas, who now serves with distinction as president of New York University.

Recently he did something typical of John Brademas. He enlarged our horizons.

He called upon our libraries to recognize that we are no longer in a narrow, provincial era, but have to serve our people effectively by being part of the international community.

President Brademas points out some practical problems that libraries face, practical problems that we in the House and Senate cannot ignore as we consider the Nation's priorities.

Some of the things he says I don't like to read, but I fear they are accurate. For example, he suggests that increasingly in the future people who write—whether dissertations or other books—are going to do it at a machine, and we will no longer be able to see how a Charles Dickens or an Allan Nevins or any other distinguished author put his or her thoughts on paper and then modified them. But I cannot live in the world as I would like it—I have to live in the real world. That's basically what he calls upon us to do in the Nation as we view our libraries.

He also talks about the enormous cost of illiteracy to the Nation. It is a problem we are starting to face, but we have a long way to go.

I urge my colleagues to read his speech which I am inserting in the RECORD.

The address follows:

ADDRESS BY JOHN BRADEMAS

I am honored to have been invited to address the 51st Council and General Conference of the International Federation of Library Associations and Institutions, and I'm for several reasons glad to be here.

First, I am delighted to be back in Chicago; this is for me home territory, next door to my native Indiana.

Second, I want to salute the librarians, information specialists and member associations who participate in IFLA. For nearly six decades, IFLA has encouraged cooperation among librarians, worldwide standards for libraries and the free flow of information across national borders.

Here I have seen many friends with whom I have long shared a concern about the place of libraries in American life.

I have listened with keen interest to Daniel Boorstin, a distinguished historian of ideas, who for the last decade, as Librarian of Congress, has directed, with energy and imagination, the largest collection of stored knowledge anywhere.

I've been pleased to see another valued colleague, Vartan Gregorian, co-chairman of this conference and the highly respected President of the New York Public Library, one of the world's leading libraries, as well as Robert Wedgeworth, the other co-chairman, and new Dean of the School of Library Service at Columbia University.

And, of course, I'm glad that our own able Dean of Libraries at New York University, Carlton Rochell, is among your number.

Indeed, you may be interested to know that the first convention of librarians ever held in the United States and some say anywhere in the world met in 1853 in what was known as the Smaller Chapel of New York University.

LIBRARIES FROM A PERSONAL PERSPECTIVE

But the principal reason I am pleased to be here today, of course, is that I am a friend of libraries.

Like many of you, I grew up in libraries.

During my childhood, my brothers and sisters and I spent the summer months in my grandparents' home in the small Indiana town of Swayzee where we were exposed to my grandfather's library, which had nearly ten times more volumes, 7,000, than Swayzee had people. I practically lived in that library and those books enabled me to travel, in my mind, far beyond the borders of North Central Indiana.

For me, one of the great joys of being a university student was the opportunity to work in some of the great libraries of the world—the Widener at Harvard, the Bodleian at Oxford, the Historical Archives of the City of Barcelona, the International Institute of Social History in Amsterdam.

These experiences not only enriched my own life but also impressed upon me the indispensable role of libraries in the development of mankind.

So you will not be surprised to learn that when, in 1958, I was first elected to the United States House of Representatives, I determined to remain involved in the world of learning and libraries. I served on the congressional Committee, Education and Labor, with responsibility for legislation in these areas, and also on the Joint House-Senate Committee on the Library of Congress.

During my 22 years in Congress, I had the privilege of taking part in writing every major law aimed at assisting schools, colleges, libraries, museums and other institutions of education and culture in our country.

For ten years, I was chairman of the House Subcommittee with jurisdiction over libraries and sponsored such legislation as the Library Services and Construction Act and measures to support school, college and university libraries and the training of librarians.

In 1970, Congress passed a law, which I was proud to have authored, creating a National Commission on Libraries and Information Science.

This Commission, composed of outstanding librarians and leaders from business and government, adopted the goal of providing all Americans equal opportunity for access to information important to their educational, vocational and recreational needs.

To help meet this monumental objective, Congress directed the National Commission to plan the first White House Conference on Library and Information Services, which was held in 1979 in Washington, D.C.

The person who chaired both the Commission and the White House Conference is an outstanding citizen of Illinois, a vigorous voice for libraries, and I might add, a longtime personal friend, Charles Benton.

The recommendations in the White House Conference Report issued in 1980 include a variety of proposals to meet the library and information service needs of the American people.

The Conference resolutions urged librarians to take greater responsibility for improving access to information for all citizens including minority groups and the handicapped, combating illiteracy, and promoting the free exchange of information within the United States and among nations.

Although I was for nearly a quarter of a century a legislator for libraries, I must tell you that libraries continue to concern me in my new responsibility of the past four years, as President of New York University. For I now lead an institution with a special commitment to libraries.

We at New York University are especially proud of our Elmer Holmes Bobst Library and Study Center. The Bobst Library is in fact the center of our Washington Square campus and my own office is located on the twelfth floor.

Bobst is the anchor of New York University's library system, which includes the libraries of the Institute of Fine Arts on Fifth Avenue, the School of Law, the School of Medicine, the College of Dentistry, the Courant Institute of Mathematical Sciences, and the Graduate School of Business Administration in Wall Street. (In fact, there's a picture of our Business School library on the cover of this month's American Library Association magazine, American Libraries.)

So I speak to you today from several perspectives: I grew up in libraries, later helped shape national policies for them, and now head a university with a superb library system.

Public speakers frequently remind us that we live in an age of information, with new knowledge increasing exponentially. And it's true. Consider that Americans consume about seven trillion words a day through radio, television and print media. Publishers worldwide produce 800,000 books, 400,000 periodicals and hundreds of thousands of other documents annually, each in multiple copies.

Individual scholarship, the creation and transmission of knowledge, the prosperity and indeed the security of a nation—all depend on access to published information.

Because the theme of this conference is "Libraries and the Universal Availability of Information," I want to reflect for a little while this afternoon on our progress toward this ideal—universal access to information—and the paths we must travel to attain it.

I shall touch on several topics: research libraries and their service to scholars, the quality of public libraries and school libraries, the plight of non-readers, the role of governments in supporting libraries and in assuring freedom of inquiry, and finally, an international agenda for libraries.

I realize that the recruitment and training of librarians is also an important topic but I shall leave that to other speakers.

Because I am an American and know our library system best, I shall pay particular attention to the condition of American libraries. But with two thousand librarians from all over the world here, I also want to venture into international waters. Certainly few places are better suited to making information available to people than libraries.

But libraries today—even in the richest and most technologically sophisticated countries—face serious fiscal burdens as well as many other problems.

RESEARCH LIBRARIES AND SCHOLARSHIP

Let's look first at research libraries in the United States.

I served recently on the National Commission on Student Financial Assistance and chaired the Commission's Subcommittee on Graduate Education. In December, 1983, our bipartisan Commission who, by the way, were appointed by President Reagan and the leaders of Congress, issued a report on graduate education which won the unanimous support of its twelve members.

Our report warned of "signs of trouble and erosion" in America's graduate research and training capability, including the deterioration of library collections.

Nearly every research library in the United States, our Commission found, is caught by the pressures of increasing demands, rapidly changing technology and inadequate financial support.

Clearly, to serve the needs of students and scholars and to assure academic activity of the highest quality, research libraries must expand. Yet growth has become more and more costly. Prices of books and periodicals have been rising much more rapidly than the rate of inflation. The average cost of a hard-cover book in the United States more than doubled in the past decade.

Our Commission on Graduate Education found that despite a near doubling of expenditures for library materials in the 1970s, enormous cost increases forced a reduction of 20 percent in the acquisition of new volumes.

Princeton University's director of libraries reports that only a 150 percent rise in his acquisition budget between 1973 and 1983 "kept us afloat"—and Princeton is one of the richest universities in the United States. In 1981 the University of Utah was compelled by inflation to cancel more than a thousand of its 16,000 periodicals subscriptions.

There is another problem. At a time when more and more information is being published, libraries are not only short of money but are running out of space. Yale University's libraries, which last year passed the 8 million volume mark, acquire 7 or 8 percent of the world's new writings annually, and these additions, roughly 175,000 volumes, require another 12,000 square feet of space every year.

All of you know better than I that the larger a collection becomes, the more money is needed to maintain and preserve it. Libraries are, of course, labor intensive. Our Commission on Graduate Education found that although staff size increased only 11 percent during the 1970s, expenditures on salaries more than doubled.

All of you are also aware that as libraries grow, so do problems of preservation. Fully one-third of the books in most libraries in this country are simply worn out or have too seriously deteriorated to be used. Nearly 80 percent of the books and artifacts on paper in American libraries are threatened by aging.

Preservation efforts nationwide will cost at least 100 million dollars over the next decade.

Our Commission on Graduate Education outlined a 7-point agenda to enhance the quality of university libraries. Among our recommendations were these:

The Federal government should increase financial support for college and university libraries generally and, in order to maximize the use of scarce resources, should encourage interlibrary networking in particular.

Incentives for business to donate equipment to colleges and universities should be extended to embrace library materials.

Training programs for library careers should include support for the study of modern information technology, networking and preservation.

The Library of Congress should take a leading role in preservation efforts.

LIBRARY NETWORKS

Beyond what I have so far said, I think it clear that both to survive and to serve the needs of society, libraries must modernize, economize and share the use of the technology of today.

For it has been obvious for a number of years that individual research libraries cannot on their own continue to provide the information services essential to education and scholarship of high quality.

Although the idea of building linkages among libraries is not novel, during the last decade the concept of networks—for access, collection development and preservation—has taken hold and spread throughout the country and the world.

To cite my own university, Bobst Library is involved in several resource-sharing programs—on local and state levels and, as a member of the Research Libraries Group (RLG), an organization of 31 research libraries in the United States, nationwide.

The two major bibliographic networks—the Online Computer Library Center (OCLC) and the Research Libraries Information Network (RLIN) of the umbrella RLG—provided as of 1984 information on 24 million unique records for books, periodicals, maps, audiovisual and other materials.

These large data resources have in effect revolutionized interlibrary loan capabilities and made possible the building of a coordinated national—and international—collection through access to library holdings throughout the world.

Indeed, even as we meet in Chicago, new supernetworks are being forged.

With support from the Council on Library Resources, a private foundation, RLG, OCLC, the Library of Congress and the Washington Library Network are participating in the Linked Systems Project, working to connect their several networks.

And the British Library and the Bibliotheque Nationale have agreed to link their data bases while just two months ago, a transatlantic telecommunications line was installed between the British Library and the RLIN. The British Library and the umbrella RLG intend to use their connection for many projects. They will first produce a data base, a package of retrievable information, containing records of materials in English printed during the eighteenth century. This link will also improve communication between the British Library and the National Library of Medicine in Washington, D.C.

What can we expect from automation and networking in the decades to come?

Future prospects are heady indeed. At New York University, we are building an integrated information system, which will organize data from all parts of the campus. Bobst Library's computerized catalog and other systems are already connected through a local area network, a cable that serves as a "data highway" within the Library.

This local area network will eventually be extended throughout the University and will allow computer to computer communication from a variety of systems on our campus. It will also facilitate access to online information available on external networks.

Our NYU local area network will make possible the use of scholarly work stations—microcomputer terminals for faculty and students—that can access an almost limitless number of data bases both inside and outside the University.

New York University Dean of Libraries Rochell predicts that "the future academic will compose, edit and transmit a research paper on one piece of equipment with no reason to leave it."

Patricia Battin, University Librarian at Columbia, envisions the electronic scholar of the 1990s with "on-line gateway access to the universe of knowledge" providing "the capacity to rummage around in the bibliographic wealth of recorded knowledge, organized in meaningful fashion with logically controlled searches."

But as Richard McCoy, president of RLG, has said, a pessimist viewing the future could also see a bleaker scenario, one in which information is compartmentalized by competitive interest, ownership rights or incompatible computerized standards.

Another warning comes from Warren J. Haas, president of the Council on Library Resources. America's research libraries, he says, might be creating an inequitable system of handling knowledge. Well-financed disciplines—medicine, science, law and engineering—have access to rich resources of computerized data. By contrast, specialists in the underfinanced humanities, not to mention poor colleges and low-income students, could be in danger of becoming informationally impoverished.

Certainly, the drive to networking presents unprecedented challenges for libraries—especially research libraries—and librarians.

What are some of these challenges?

First, as I have said, we must re-invent the research library, moving from the concept of a self-contained storehouse of books and journals to that of an international service center, where information will be accessible through automated networks and available worldwide.

Second, on university campuses, we need to coordinate *all* our information services. The library's computerized system and the

academic computing center should be linked to utilize fully the resources of each—computers, data files and the skills of staff who manage these systems. For we want to give users the most information in the most cost-effective manner. As Dr. McCoy has said, "It is time we recognize that our research libraries and our computing centers are in the same business."

Third, for cooperative networks to work effectively, each member institution will have to define its own objectives broadly, keeping in mind the needs of all the libraries in the network. Members must stress their common mission, starting from similarities rather than differences. All libraries today must move toward sharing bibliographic records, collections and preservation efforts. There must be acceptance of common standards for cataloging, and there must also be agreement on who should do what and who should pay for it.

Fourth, as lines between the old and new become more blurred, we shall require much closer collaboration between libraries and newer distributors of information—data base vendors, the telecommunications industry and electronic publishing concerns.

For example, Dr. McCoy warns that commercial vendors must not be allowed to control resources or information that really ought to be shared. Nor should business and industry be permitted to "cream" the information market, skimming off only the moneymaking pieces for themselves. If the profitable is seized by private entrepreneurs and the unprofitable left to universities, the academic community would lose the solid economic base essential to networking—and in the long run, even the private sector would be a loser.

Beyond these challenges for research libraries, I think everyone here today would agree that we must do a much better job of coordinating library services on an international level, and I shall address this matter in a moment.

EDUCATION REFORM: PUBLIC AND SCHOOL LIBRARIES

Having discussed the research library as a gateway to knowledge, I turn now to another task—rebuilding public libraries and school libraries.

Let me here observe for the delegates from other countries that, over the past few years, there has been a dramatic resurgence of interest in education in the United States. Metaphorically speaking, we have been inundated by studies and reports calling for reforms in our elementary and secondary schools, colleges and universities.

The report of the National Commission on Excellence in Education, appointed by then Secretary of Education Terrel Bell, has received the greatest attention. The study, *A Nation at Risk*, warned that American schools were sinking in "a rising tide of mediocrity."

Although most of these studies ignored libraries, two did affirm their importance to educational renewal. One, *Alliance for Excellence*, was issued by the U.S. Department of Education while the other, *Realities*, was prepared by the American Library Association.

Both reports found an array of problems facing school and public libraries. For example:

Three million pupils attend public schools without a library; 15 percent of our schools have none.

Between 1974 and 1982, expenditures for library books increased by 36 cents per student, less than the rate of inflation.

The number of school librarians has declined by ten percent since the 1960s.

The lack of librarians in elementary schools is especially severe. In New York City, only 17 of 601 schools have licensed librarians.

Few adults name the public library as the place they would go for information.

Two-thirds of American public libraries in towns of 10,000 or under average less than two full-time staff, of whom only 19 percent have the basic graduate degree in library science.

How have these situations come about?

Both the Department of Education and ALA studies blame budget cuts and inflation as well as public indifference for the decline of school and public libraries.

Alliance for Excellence admonishes parents and educators that ". . . libraries will have to be perceived in a new way . . . as an integral part of the overall education system in your community; the librarian must be considered an educator as well as a librarian. And your interest in libraries should be just as strong as your commitment to your local schools."

ILLITERACY AND ALITERACY

I have so far today talked about how libraries and librarians can stimulate the flow of information and the transmission of knowledge. But to look at this matter from another perspective, leaders of the library world must also help people who are unable to use the information that is available to them.

A recent and significant report from the Librarian of Congress, Dr. Boorstin, entitled, *Books in Our Future*, as well as the studies I have just cited remind us that in one of the most advanced societies in the world there live a staggering number of illiterates.

"If our citizens are to remain free and qualified to govern themselves," warns Dr. Boorstin, "we must face and defeat the twin menaces of illiteracy and aliteracy—the inability to read and lack of the will to read."

In the United States, 27 million adults are functionally illiterate, 46 million marginally literate.

What do these figures mean?

One in five American adults cannot read and understand simple texts, signs and directions well enough to function in daily life. One in three cannot read well enough to understand a newspaper.

Functional illiteracy costs the nation, we are told, over $224 billion a year in welfare payments, crime, incompetent job performance, lost tax revenues and remedial education. The relationship between illiteracy and unemployment and crime seems clear. Seventy-five percent of the unemployed read and write poorly. There is a higher incidence of illiteracy—by 20 percent—among prisoners than in the rest of the population.

Despite the enormous financial toll of illiteracy, programs to eliminate it are modest and reach only 5 percent of adult illiterates.

Libraries are logical sites for literacy projects, the ALA asserts, because adults who often feel embarrassed about their handicap may be more comfortable getting help in a library than a school.

In 1981, the federally financed Library Services and Construction Act reached 200,000 illiterates through libraries, more than three times the number served by the two major volunteer literacy programs in the United States but still far short of the need.

By fostering a love of books, libraries can also help fight the other "menace" Dr. Boorstin identified as "aliteracy," or unwillingness to read. Only about half the Americans who can read choose to read books, and the rate of bookreading is falling among the elderly and, most disturbing for our future, among the young under 21.

THE REAGAN ADMINISTRATION AND FREE INQUIRY

By now it must be obvious that many of the problems of which I have spoken today have the same solution: money.

Certainly, libraries in the United States depend on support from every level of government—local, state and Federal—as well as from business and industry, foundations and private individuals.

Because as a Member of Congress I dealt with legislation for libraries and because of what I believe is the indispensable place of the Federal government of the United States in support of libraries and of free inquiry, I should like now to look briefly at the policies of the Reagan Administration toward libraries and toward the distribution of information.

Let me here interject for the benefit of our visitors from foreign countries that Americans are accustomed to being critical of their political leaders. You'll also understand why I, as an elected politician for most of my adult life, have no qualms about candidly expressing my convictions. As a 13 time candidate for the Congress of the United States, I've taken a lot of criticism myself!

As American librarians know, both programs to support libraries and the principle of access to information are under sharp attack by the present Administration in Washington, D.C.

First, some officials at the highest levels of American government believe that access to information is a luxury our society cannot afford.

In fact, the American Library Association recently published a booklet, *Less Access to Less Information By and About Government*, that lists 71 examples of what it calls the efforts of the Reagan Administration to restrict information from the American people.

The attempts of the Reagan Administration to limit freedom of inquiry form a clear and compelling pattern. These moves have ominous implications for a free and open society.

For example, the Administration has:

Attempted to weaken the Freedom of Information Act, which guarantees public access to most government documents;

Changed the rules on the "classification" of government materials to impose more restrictions on public access to information;

Barred entry to foreign speakers into our country for fear of what they might say;

Urged lifetime censorship on over 150,000 employees of the Federal government, denying them the right to publish without government approval;

Expanded requirements that Federal agencies be allowed to review, before publication, results of Federally financed research.

Attempted to restrict the free flow of "unclassified" information at scientific meetings.

For example, the Pentagon has blocked the presentation of "unclassified" papers at meetings attended by foreign scientists. Defense Department officials argue that the open discussion of such information might damage the security of the United States.

Beyond all this, the Administration has sharply reduced funds for the National Archives, the repository of our national memory.

You may, by the way, be interested to know that in 1974 I was the author in the House of Representatives of the Presidential Recordings and Materials Preservation Act, the law that ensured that the papers and tapes of the Nixon Administration became the property of the people of the United States rather than the ingredients for a bonfire.

Finally, I must note an issue that I know is of deep concern to the American library community, a proposal by the Federal Office of Management and Budget sharply to reduce the collection and dissemination of information developed by agencies of the Federal government. Not only government but the private sector—business and industry individuals—depend upon the adequacy and reliability of data that can only be collected by the government of the United States.

FEDERAL SUPPORT OF LIBRARIES

As disturbing as this trend of the past four-and-a-half years has been the systematic assault on the part of the Reagan Administration on programs to support aid to college and university students, the arts and humanities, libraries and our institutions of learning and culture generally. This Administration has attempted to eliminate all Federal funds for academic and research libraries, public library services and construction interlibrary cooperation and literacy programs.

Happily, in the American system of government, a President only proposes budgets; our elected legislators vote on them and can initiate their own proposals. And the actions of Congress may differ significantly from what a President may have in mind.

Those of you from countries with other political systems may find our American separation-of-powers Constitution strange. I don't!

In this country, citizens can fight back, through their elected representatives in Congress, if a President takes a position the people think unwise.

And I believe that the battle for libraries is one we can win. Providing funds for libraries and for learning generally is not a wasteful expenditure, a frill, but an indispensable investment in our future.

Certainly I believe that the librarians of the United States must continue to make this argument as clearly and forcefully as they can.

INTERNATIONAL AGENDA FOR LIBRARIES

Let me go further. In order to devise new strategies and find new solutions to the problems of libraries I have identified here today, it is imperative that we work together not only on a national but an international level.

Librarians, educators, public officials and civic leaders worldwide must think carefully about the directions we expect our libraries to take in the future.

Indeed, I should like even here to suggest an international agenda for libraries in a world that will never be narrow again.

First, we must work together to develop international standards to facilitate the sharing of data among libraries throughout the world. For example, with the spread of computer technology, it is essential that we establish compatible standards for bibliographic records regardless of country.

Second, we must study the most effective methods for the international transfer of bibliographic data. This means formulating agreements and guidelines to promote such sharing by individual libraries and other information agencies.

Third, we must foster the widest feasible dissemination of publications to potential users. As a first step, we ought to remove unreasonable restraints on documentation and publication of information.

Fourth, we must share on an international level technology and programs for the preservation of books and other materials.

Fifth, we must promote the training and continuing education of librarians throughout the world, especially in developing countries.

Sixth, we must support research in all fields of library and information services. We need to keep studying and experimenting with ways to do a better job of what we do.

And finally, we must urge governments in all our countries as well as international organizations to support libraries and librarianship.

Certainly, IFLA provides a much needed forum for discussion of and action on all these issues.

Let me summarize what I have sought to do here this afternoon. I have told you something of how my own background has helped shape my attitude towards libraries.

Then I surveyed some current problems and challenges confronting libraries worldwide in the new environment of networking. I have stressed the need to economize, share, automate and preserve deteriorating collections. I next focused on some special concerns of American librarians—our school and public libraries, illiteracy and the pressure of our government toward libraries and free industry.

I went on to propose an international agenda for those of us who understand the indispensability of libraries.

As I conclude my remarks this afternoon, then, I should like to recall words spoken by Charles Coffin Jewett, president of the first convention of librarians, at their historic meeting in New York University's front yard, as it were, Washington Square, in 1853: "We meet to provide for the diffusion of a knowledge of good books and for enlarging the means of public access to them. Our wishes are for the public, not for ourselves."

The mission of those librarians over a century and a half ago remains the same for us who gather here today—diffusing knowledge of good books and enlarging the means of public access to them. I wish you well in your endeavors.●

CONGRATULATING THE SOCIETY OF REAL ESTATE APPRAISERS

● Mr. D'AMATO. Mr. President, I rise to join my distinguished colleague from Illinois, Senator DIXON, in recognition of the 50th anniversary of the Society of Real Estate Appraisers. I am pleased to join as a cosponsor of Senate Concurrent Resolution 51, which recognizes the outstanding contributions of this society.

The Society of Real Estate Appraisers was founded in 1935, during the Depression, in response to the troubled real estate market. Members of this society are dedicated to acquiring knowledge and skills to keep pace with changing markets and technologies.

This year, 1985, is the 50th anniversary of the establishment of the Greater New York chapter, which is one of the first affiliates of the Society of Real Estate Appraisers. I congratulate all New York State members, approximately 1,000 men and women. I salute the New York State chapters of the Society of Real Estate Appraisers: Edwin R. Parkot, SRA, president, Buffalo Metropolitan No. 88, 1300 Rand Building, Buffalo, NY; John R. Mako, SRA, president, central New York State No. 148, 315 South Franklin St., Syracuse, NY; Sheldon Gottlieb, SRA, president, Greater New York No. 3, 60 East 42d St., room 2306, New York, NY; David M. Bradley, SRA, president, Long Island No. 201, 190 Forest Ave., Locust Valley, NY; Dietlind W. Hoiem, SRA, president, Mid-Hudson No. 123, P.O. Box 278, Hyde Park, NY; Edward C. Schultz, SRA, president, Rochester No. 99, 425 First Federal Plaza, Rochester, NY; Lawrence W. Gates, SRA, president, Upper Hudson-Champlain Valley No. 205, 77 Ash Tree Lane, Schenectady, NY.

Members of the Society of Real Estate Appraisers are employed by various corporations, lending institutions, as well as Federal, State, and local governments; they are located throughout the world serving communities as independent fee appraisers. The society's educational program is evidence of their commitment to the development of highly qualified real estate appraisers for our citizenry; approximately 8,000 people attend their specialized courses and seminars each year.

Mr. President, for 50 years the Society of Real Estate Appraisers worked to promote the professional standards of real estate appraisers. They have been committed to better serving the needs of the public engaged in real property transactions. Therefore, it is appropriate, Mr. President, that we acknowledge the Society of Real Estate Appraisers by passing Senate Concurrent Resolution 51, which recognizes their outstanding service and commitment.●

HONORING COLUMBUS DAY

● Mr. D'AMATO. Mr. President, I rise today to commemorate what millions of Americans across the Nation will celebrate on Monday, October 14: Columbus Day. This Monday will be the 493d anniversary of the discovery of the Americas, credited not only to one of the greatest seamen and navigators of all time, but also to a man whose ideals and actions epitomize the American spirit.

The story of Christopher Columbus and the celebration of his discovery have been repeated in our country

since 1792 when the first American observance occurred in New York City. Although it was not until 1968, after many years of national celebrations, that President Johnson declared the second Monday in October as a Federal holiday to celebrate Columbus Day, we have all been honoring this day in our hearts since 1492.

In honoring Christopher Columbus each year, we, as a nation, pay tribute to an explorer whose courage and zeal changed the course of history. At a young age, Christopher Columbus was a man with little schooling and a big dream to seize the opportunities that lay beyond the horizon. But traveling where others had traveled before did not satisfy Columbus' zeal for conquest, and where others saw the edge of the Earth, Columbus saw a passageway and a breakthrough for trade.

After many years of pleading with both Portugal and Spain to receive a commission to set sail, on August 3, 1492, Christopher Columbus and his crew boarded the *Nina*, the *Pinta*, and the *Santa Maria*. They left Palos, stopped briefly at the Canary Islands and then bravely continued on to the New World. Toughing the high seas, low morale, and a depleting supply of food, Columbus sailed through August, September, and into October in eager anticipation of reaching the Orient. On October 12, they reached what we now know as the West Indies, but what he thought was the East Indies.

What he thought to be the East Indies must have been breathtaking. Christopher Columbus was struck by the beauty of this new land, not only by its esthetic appeal, but also as a breakthrough of progress. He knew what he wanted to achieve, and he was able to gain the necessary assistance through sheer courage and determination.

Mr. President, this Monday, we, as a Nation, will celebrate the accomplishments of Christopher Columbus and all the Italian Americans that followed. America is a great Nation and a land of opportunity. Let us keep the memory of Christopher Columbus alive in our hearts as we, as individuals, strive to fulfill the dreams we have set for ourselves.●

THE REAGAN ADMINISTRATION AND THE WORLD COURT: FURTHER RETREAT FROM AMERICAN INTERNATIONALISM

● Mr. BIDEN. Mr. President, this week saw two events—an anniversary and a decision by the Reagan administration—which together should give pause for reflection on the course we are now charting in American foreign policy.

The anniversary marked the passage of 25 years since that day, during the Presidential campaign of 1960, when Senator John F. Kennedy first proposed establishing the Peace Corps as an inspirational new means of bringing American goodwill and knowhow into the international arena. The idea had originated 3 years earlier with Senator Hubert Humphrey, who had introduced legislation. But it was J.F.K., soon after his election as President, who was able to move the Peace Corps from concept to reality. In so doing, President Kennedy gave fresh impetus to a great 20th century tradition of American internationalism, the landmarks of which had included Woodrow Wilson's valiant effort to found the League of Nations, Franklin Roosevelt's stirring enunciation of the "Four Freedoms," and Harry Truman's farsighted sponsorship of the United Nations system and the North Atlantic Alliance. For over a half century, other Presidents, from Herbert Hoover to Jimmy Carter, have acted to lend continuity to the same internationalist spirit.

It is against this background that we must appraise the Reagan administration's decision this week to terminate United States recognition of the authority of the International Court of Justice—the World Court. Based in The Hague, the current Court and its predecessor have been in operation for 65 years. But it was only in 1946 that the United States, reflecting the postwar internationalist spirit which had just created the United Nations, committed itself to accepting the Court's compulsory jurisdiction. Although many nations did not follow the lead of the United States in submitting fully to the World Court's jurisdiction, American support for the Court has contributed substantially to its standing and operation as an integral part of the United Nations system.

Inevitably, the Court's 15-menber bench has included legal professionals from various nations of the industrialized, Communist, and developing worlds. But the Court has generally overcome this diversity in performing its role as an arbiter of international disputes. For examples, when American hostages were seized in Tehran, the Court voted unanimously in favor of the United States in its claims against Iran.

The Court decision which precipitated the Reagan administration's withdrawal from the Court's compulsory jurisdiction is one which may fairly be debated. It may reasonably be argued, that is, that the Court erred in asserting its jurisdiction when the Government of Nicaragua presented claims against the United States arising from U.S. support of guerrilla forces seeking that government's overthrow. The Court had never before intervened in a current armed conflict, and arguably should not have asserted jurisdiction in this instance.

But to acknowledge that the Court may have reached an incorrect decision, or one contrary to American desires, is far from affirming the validity of this administration's decision to withdraw. Nor can we fail to see the administration's decision as part of a larger pattern. For indeed, what we are observing is the manifestation of a powerfully motivated ideology which views multilateral institutions as antithetical to American interests and which holds those institutions, accordingly, in disdain.

Acting on that ideology, the administration has now taken a major step in retreat from the tradition of American internationalism and American leadership in adherence to the concept of international law. Although the decision apparently elicited little concern among the American people, let us note it as a landmark in a regrettable period of reduced American vigor in the international arena—when American foreign policy is being shaped more by fear and disillusion than by magnanimity and vision.

On this 25th anniversary of the Peace Corps, which this administration has observed by retreating from the World Court, let us think of men like John Kennedy and Hubert Humphrey—men who understood that realpolitik means nothing without ideals and the force of example.

SENATOR WALLOP ON THE ATLANTIC ALLIANCE: A FORTHRIGHT ASSESSMENT

● Mr. HELMS. Mr. President, this past Saturday, our distinguished colleague from Wyoming [Mr. WALLOP] spoke on "The Future of the Atlantic Alliance" at the University of South Carolina at a forum on the topic, "The Future of the Western World."

Indeed, our colleague's topic, the Atlantic alliance, is probably the key to the future of the Western World. But as he demonstrates in his address, the influence of the Atlantic alliance on the future of the Western World may lead to the collapse of our freedom and independence. This is an extremely perceptive speech, containing forthright truths that to many other Americans are reluctant to face. Senator WALLOP is saying—and he is correct—that our affection for our European allies may very well be dragging all of us into an extremely dangerous relationship with the U.S.S.R.

Mr. President, these are strong charges, but the Senator from Wyoming makes a convincing case. "Because the allies are there," says Mr. WALLOP, "we Americans find ourselves materially and geographically less secure with every passing year. Worse yet, we find ourselves having to muffle in our throats and in our very minds

the reasons why we might want to defend ourselves."

What Senator WALLOP is talking about is the tendency of the European allies to seek to buy off the Soviets, while no longer making any serious preparations to defend itself. This is not just "Finlandization," but "self-Finlandization."

The distinguished Senator makes three major points: First, the alliance is weakening its relative military position in Europe while building up the Soviet Union's economic and military power; second, the policy of our allies to push the United States into going the dangerous "extra mile" in arms control, thus weakening ourselves materially and morally; and third, the tendency of Europeans to play down Soviet actions in Afghanistan and Central America, claiming that Americans do the same.

Mr. President, MALCOLM WALLOP's stand is a courageous one. There is no one in the Senate who is more aware of the contributions of the Europeans to the defense of freedom and democracy than he. But what Senator WALLOP is talking about is this change, this aberration in European history. The previous solidarity of the West against Soviet imperialism makes the falling away of our allies more significant. What is worse is that many elements in our own administration are using solidarity with the allies as an excuse for the United States itself to abandon our historic stand for freedom and democracy. As Senator WALLOP says:

Knowledgeable Americans were aware, by 1980, that the Soviets had used arms control as a pacifier for the West while they built a huge superiority in counterforce offensive missiles and laid the basis for a monopoly in strategic defense. In the early months of the Reagan administration the tendency was to tell this truth in public. But, from within the State Department, and especially from Richard Burt and Bud MacFarlane came this recurring theme: the Europeans won't stand for this. Regardless of the truth about arms control, we must act as if the Soviets really might be willing to reduce their miltiary threat to us, and we must show ourselves ready to meet them more than halfway.

Mr. President, the able Senator from Wyoming concludes with these wise words:

To many Americans, Europe's politics seems to be demanding that, as a condition for maintaining the alliance, the United States agree that Europe should be allowed to obstruct plans for the American people's self-defense, and for equipping American troops in Europe to be something other than human tripwires. We must agree that Europe can continue to enrich the Soviet Union by unrequited transfers of resources, that Europe can demand that we abide by treaties with the Soviet Union that the Soviet Union violates, that Europe can demand that we regard Soviet conquests, even near our own borders, with equanimity, and finally that Europe can demand that, on the altar of continuing negotiations with the Soviets, we even sacrifice the divine concept of human rights on which our civilization is founded.

Mr. President, Senator WALLOP asks us to reexamine our attitudes before it is too late, not only for our own sakes, but for the future of the world. I strongly concur in his analysis.

Mr. President, I ask that the entire text of the Senator's speech be printed in the RECORD.

The text follows:

THE FUTURE OF THE ATLANTIC ALLIANCE

(Address by Senator Malcolm Wallop)

Conferences such as this are apt to view the world with line item anxieties, and blankets of comfort. My view is somewhat different. I have a closet full of anxieties and the comfort of hope. As I view "the Future of the Western World," I am struck by a common thread of weakness in our democracies that is surpassingly troublesome. That thread is our passion for, even our dependence upon, COMFORT. The principle criteria of comfort before good housing, cheap food, abundant jobs and opportunities, or anything else is to think comfortably. All other comforts are denied us by uncomfortable thinking, therefore we reject it.

Now as I illustrate this point, I intend to focus my remarks on the Atlantic Alliance. (abstractions are essential to comfortable thinking because it can always be thought someone else is illuminated.) I have chosen Europe because more participants here represent that portion of the western world. I chose the Atlantic Alliance because it mirrors others. Change a few words or events and it can be as well ANZUS, ASEAN, the OAS, or America's own role in these alliances. So let me begin.

Americans and Europeans have every reason to pray that the future of our alliance will be something, almost anything, other than the logical extension of the trends that have characterized it for over a decade. Those trends are producing precisely the opposite of what Americans and Europeans intended our alliance to produce. Instead of finding in one another the ideas, the moral courage, and the material support necessary to win out in the struggle which Soviet totalitarianism has imposed on us, one might say of us as Churchill said of the British and French governments a half century ago: "We find in one another the reasons for mistakes that, were we alone, we probably would not commit.

"Thus, because the allies are there, and for the sake of the alliance, we Americans find ourselves materially and geographically less secure with every passing year. Worse yet, we find ourselves having to muffle in our throats and in our very minds the reasons why we might want to defend ourselves. Europe, for its part, seems to have placed its bets for the future on buying off (some would call it paying off) a Soviet Union against which it no longer prepares seriously to defend itself. Hope that its fate will be Finland's rather than Poland's is based on the expectation that the Soviets will respect the formalities of independence so long as U.S. troops are in Germany, but cause no trouble.

Today, I will look into what seem to be three key aspects of the darkening future we are building for ourselves because I believe nothing compels us to go on building it. To the contrary, if we consider carefully the path we have chosen, we could muster the energy to change paths.

First, let us see how the alliance is weakened its relative military position in Europe while building up the Soviet Union's economic and military power. The deployment of 108 Pershing II's and 468 cruise missiles in Europe was a victory. But we cannot afford many more such victories. The Soviet Union has built up a well-known, and growing, superiority in all areas of modern weaponry. No one on either side of the Atlantic has suggested tripling the Alliance's tank forces to match the Warsaw Pact quantitatively and qualitatively, or quintupling the Alliance's artillery, or even matching the number of Soviet anti-tank devices. The discussion has not gone beyond token efforts to "do more" in the conventional field. Never do we compare what we do to the challenge we face. We simply do not take those things seriously.

The field of long-range nuclear forces, however, is different. The Soviet Union's deployment of the SS-20 in 1977 really stirred us. Chancellor Schmidt called for an American response. But even as our governments broached the subject, many allies placed beyond the bounds of discussion the possibility of matching or exceeding the number and quality of warheads that the Soviets might deploy against Europe. The Soviets, we all agreed, might have an open-ended commitment to military superiority. But we could not even contemplate any commitment to equality—much less superiority. Thus we agreed upon 572 warheads for our side not because we had any illusions about their being sufficient to destroy the military forces arrayed against us, or to inflict damage proportionate to the thousands of warheads deployed on SS-20's, 21's, 22's, 23's as well as SS-4's. We agree on 572 because we judged that was the most that the political market in the Alliance's weakest components would bear.

Let us leave aside the question whether Europe's response would have been more favorable if our T.N.F. plan had actually held out the prospect of righting the balance, or even of protecting cities from attack. Let us even leave aside the question of what would have happened if we had not confused the issue by simultaneously proceeding with arms control negotiations—which required us to tell the public the lie that Soviet Leaders might be willing to settle for a military situation less threatening to Europe.

The unmistakable result of our alliance's eight years' public and private deliberations on the only military issue we have addressed, the balance in TNF, is twofold. First that balance is now much worse than it was in 1977, and it is worsening every month. No one proposes doing anything about that. Secondly, that may be because, a substantial part of Europe's body politic has convinced itself that the United States is as much of a danger to Europe as is the Soviet Union. Significantly, very few European politicians have chosen to fight this sector of their constituency head on.

We can see the consequence of this in European government's reaction to President Reagan's talk of strategic defenses. European governments have not hailed anti-missile weapons either as means of protecting their peoples or as means to redress their inferiority in offensive nuclear warheads. They have studiously ignored that, on the other side of the Iron Curtain, SA-12 mobile anti-missile systems began rolling off Soviet production lines in numbers likely far greater than those of the Pershing II's they will

defend against. No. The near-universal reaction of Europe's leaders has been to deliberate on how to delay and limit the United States' ability to defend against Soviet missiles. (At the same time making sure that they get some of the economic benefits of the United States' work.)

European leaders, whether they intended to do this or not, have played a significant role in delaying and reducing the scope of U.S. military plans. Indeed perhaps the primary argument of those Americans who wish to delay or reduce U.S. military preparedness has been to parrot the arguments of Europeans willing to threaten a dissolution of the alliance unless the United States behaves in a less threatening manner. One is tempted to ask "threatening to whom?"

It is well known that the United States spends about 6 percent of its GNP on defense, while the rest of NATO spends considerably less than 4 percent. But few realize that Europe employs that differential in a way directly—though perversely—related to security. That is, Europe has long been engaged in a long-term, massive one-way transfer of resources to the Soviet Union. The Dutch ministry of Finance estimates that the subsidy for the construction of the pipeline alone amounts to $1.6 billion. The O.E.C.D. staff estimates that, through export credit subsidies, the net annual capital flow to the Soviet Union is some $3 billion.

Then there are the sales of agricultural products below the cost of production, and the loans, the interest on which is repaid with new loans. The rates on loans to the Soviet Union and Eastern Europe are lower than those charged to domestic commercial borrowers. They are, in effect, a tax that all must pay to pay the Soviets. Europe does pay for its protection—quite as much as the U.S. pays. Unfortunately, much of that payment goes to the Soviet Union. Europe is, in effect, subsidizing the military machine that continues to grow.

This is of very great concern to the United States. One third of one million American military personnel, and a greater number of dependents are facing that Soviet machine fueled with European resources, and doing so with weapons the quantity and quality of which are limited by European politicians' fears of some in their constituencies. These are flesh-and-blood human beings—not trip wires. The American people, and their representatives in Congress will not leave them in Europe indefinitely knowing that, were they to have to fight, they could not successfully protect themselves.

Meanwhile Europeans, half believing that the American troops' presence ensures peace, refuse to even consider expensive and politically difficult measures such as increases in conventional forces, a serious European nuclear strike force, and ballistic missile defense. Instead, they literally waste both material and much capital in playing both sides.

The standard objection to pointing out these undeniable unpleasant facts is that simply mentioning them aids what is supposed to be the Soviet Union's primary objective, dividing the Alliance. But surely the Soviets are not so simpleminded as to believe that the Alliance must necessarily be a bad thing for them. Indeed for two decades their instructions to communist parties in Europe have been not to demand a divorce between the U.S. and Europe, but to work within the Alliance to "empty it of its agressive content."

One can hardly imagine a better situation for the Soviets than an increasingly rancorous marriage between the transAtlantic partners, in which the Europeans pay tribute, restrain the U.S., and keep almost a million American hostages for them. It seems that both parties would benefit above all from abandoning the comfortable, unrealistic categories in which they have been thinking.

The several proposals which have surfaced in the U.S. Senate recently for reducing U.S. troops in Europe are meant as a kind of reality therapy, to shock the soporific relationship of both Americans and Europeans into considering alternatives. This is not the place to lay them out. Suffice to say that there are prominent Europeans who believe as I do and or does Prof. Adam Ulam of Harvard that without the formalities of the Alliance, Europe would not simply give itself to communism. A huge majority of Europeans would rise to the challenge. Hear the words of Le Monde's Michel Tato:

"Must one believe that the European attachment to liberalism and democracy is valid only so long as the United States is willing to guarantee these values? Or is it rather the contrary, that the alliance with America springs from the Europeans' own attachment to these values. The argument that Europe would turn herself into another Finland lacks dignity as well as cogency" (Foreign Affairs, July 1975, p. 680).

Unfortunately, what Europe would not do if she were sure that she would have to bear its cost, she does do under the illusion that the U.S. will make everything well.

My second major point concerns arms control, and how Europe has helped to push the U.S. into going a very dangerous "extra mile" in this field, thus weakening ourselves both materially and morally.

The Presidential election of 1980 was, as President Carter said, a referendum on arms control. The American people, however, voted for the candidate who said that arms control has been a huge and dangerous fraud, from beginning to end. How could anyone seriously maintain otherwise? SALT I and the ABM Treaty together, according to their negotiators, were supposed to make impossible a Soviet capability to destroy our hardened military targets.

Whether the Soviets achieved such a capability through violations, circumventions, or perfectly legally, the fact remains that they have it. Anyone who says they might give it up should be asked to bet money on it. Those agreements also were supposed to make sure that the Soviets could not defend themselves against U.S. missiles. Yet today the SA-12 mobile, dual purpose ABM system is rolling off Soviet production lines. Also rolling off the lines are the small components of a nationwide ABM system, for which the six huge Pechora class radars provide the battle-management function. Anyone who believes the Soviets will smash these newly minted systems on the altar of compliance should bet his own money on it.

Knowledgeable Americans were aware, by 1980, that the Soviets had used arms control as a pacifier for the West while they built a huge superiority in counterforce offensive missiles and laid the basis for a monopoly in strategic defense. In the early months of the Reagan Administration the tendency was to tell this truth in public. But, from within the State Department, and especially from Richard Burt and Bud MacFarlane came this recurring theme: the Europeans won't stand for this. Regardless of the truth about arms control, we must act as if the Soviets really might be willing to reduce their military threat to us, and we must show ourselves ready to meet them more than halfway. If we don't, the Europeans will not accept our Pershings and Cruise. If they don't, the Alliance will be broken and we will have been responsible for breaking it. We must prove our sincerity about arms control, even though we know it's failing. If the Europeans see us engaging in a military buildup without arms control, they will think we are more dangerous than the Russians. So, if only for purposes of cover, let us negotiate.

I have not the time to point out every fallacy to this line of argument. It should be obvious, though, that democracies are not good at duplicitous policy. How can we believe that wholesale reduction in armaments is a real possibility if one is building weapons at the same time? The Soviets ask us this question a hundred times.

We could never give them a good answer because we had already discredited the only reasonable premise for building weapons: that given our potential adversaries we might have to use them someday. We had also already given the Soviet leaders public credit for being reasonable men who would rather reduce arms than contemplate aggression.

Having no good answers to give, we have found ourselves having to prove our "sincerity" to the most unsavory elements in Europe and in the United States again and again and again. Europeans, of course, are not the sole culprits. Many Americans prefer comfortable thinking to national security—and many in our bureaucracy have taken Europe's name in vain. I honestly believe that if the left wing of the S.P.D. had not existed, Richard Burt would have invented it, so convenient was it for his purposes.

Now the latest proof of sincerity demanded of us in the name of the Alliance is that we put off ad infinitum protecting ourselves against Soviet missiles, in the context of an arms control agreement with the Soviet Union. I do not know what the Soviet Union might offer that would be worth more to the people of America and Europe than weapons that would keep nuclear missiles from landing on us. But imagine, for the sake of argument, that the Soviets really were to offer something very attractive indeed.

How could we force the Soviets to live up to a promise say, to radically reduce its offensive superiority? What would we do if the Soviets treated this new agreement as they have treated the agreements that are now supposedly "in force?" Supposing they treated the new as they have treated the old, what would happen? We would hear a familiar refrain: for the sake of the Alliance, we should act as if none of this were happening.

Sincerity compels us to remind ourselves that the Alliance exists for all our sakes. It is not such a good in and of itself for which we should sacrifice both truth and our very security.

Let me turn now to my third major point—the Alliance's effect on our very ability to confront reality and to keep our moral bearings. I want to preface this by saying that I do not mean in the slightest to criticize the character of Frenchmen, Britains, Italians, any other nationality, or for that matter Americans. I am humbled and inspired particularly by the French people's generous and even heroic response to the Soviet invasion of Afghanistan. The work of Medicins sans Frontieres particularly will go

down in history as an example of mankind at its very best. The French public's attitude when Soviet forces captured a French newsman in Afghanistan last year left absolutely nothing to be desired.

But European politicians have behaved very differently toward the Soviet invasion of Afghanistan and toward innumerable other examples of Soviet thuggery. Indeed not only have most European political leaders turned their heads when faced with these ominous events, they have insisted they were not significant enough to affect their relations with the Soviet Union. Worse yet, they have pretended that Americans do the same, again lest we make ourselves unfit to defend them. Let me discuss two particularly significant cases: Nicaragua and the Helsinki process.

Let there be no mistake: European political leaders who believe that they can do some inexpensive political posturing against the United States regarding Central America are playing with fire. Many of us believe that the Soviets, Cubans, Bulgarians, Vietnamese, Palestinians, Yemenis, Libyans, and East Germans who run Nicaragua today are part of a long range effort to conquer Central America for Communist governments, and to turn the Mexican government into an active collaborator of the Soviet Union. If this is so, and if this effort even begins to look like it is going to succeed, the American voter will sweep Europe from his concerns and will sweep out of office any politician who insists on paying attention to anything other than the startling novelty of a hostile southern border. Politicans ought to have the foresight to refrain from playing with such a situation. They could end up influencing events in ways that would be disastrous for their own countries.

But let us look more closely. On what basis could European politicians look down their noses at our attempts to help the democratic resistance in Nicaragua? They do not, except for the most pro-Soviet, deny that the Sandinista government has instituted repressions and population control measures of which Somoza would not have dreamed—much less been capable. Thank goodness they do not argue that these measures are good and necessary—that the Miskito Indians had to be slaughtered for a higher good, or that it is good to oppress the church while trying to build a false "people's church" as its replacement.

They sometimes argue that the evils in one country never justify any other country trying to remedy them. But on the 40th anniversary of their own liberation from Nazism at America's hand, they do not press that argument. Instead, they look away from these unpleasant considerations. They prefer not to confront the harsh reality of conquest by the Soviets and their surrogates. If they thought rigorously about this reality, they might conclude it might someday involve them, forcing response. In that discomforting contemplation, they prefer to insist that reality is far more complex than these simpleminded Americans can possibly realize. Thus do they sacrifice reality for the sake of comfort, never thinking there is a price.

Consider perhaps that most evident self-deception of all—the Helsinki process.

All of us too often forget Sakharov's lesson that the threat to peace lies not in weapons but in the existence of governments that do not care about human rights. There should be no doubt in any educated person's mind that Communist regimes are founded on the very denial that, as our Declaration of Independence says, "All men are created equal and . . . are endowed by their Creator with certain inalienable rights. None of the Westerners who negotiated the Helsinki accords in which the Soviet Union bound itself to observe precisely those human rights, chief among them the freedom of religion, believed that the Soviet Union, would or could abide by them.

Had it done so it would have destroyed itself. Yet they thought it valuable to set up a situation in which the Soviet Union would once again, demonstrate to the world what it is all about. They were half right. The Soviets did and do demonstrate that they care nothing about human rights or about their signature on agreements. But something worse happened. The Westerners who have been our stewards of those agreements have duly noted the Soviets' denial of human rights yet they have continued to deal with them as if that denial was at worst an irritant. Alas, they proved that our dedication to human rights is no more sincere than the Soviet Union's.

The Soviets have quickly moved in to nail down this advantage, by pushing us to accept publicly that their understanding of human rights is at least as valid as ours. The chairman of the Soviet association of lawyers, a Comrade Zhivs, framed the issue neatly by saying that morality depends on different cultural contexts. Just as we cannot condemn cannibalism among African tribesmen, we cannot judge the moral standards of each other's society.

I submit to you should we accept this, we will have denied not just everything for which our American forefathers fought two hundred years ago, but every decent bit of heritage from our European, Greek, and Hebrew civilization. Accept this, and our tanks, missiles, and even the best space lasers our imagination can conceive will not maintain our freedom. Needless to say, an alliance based on even a tacit acceptance of Professor Zhivs' proposition would not be worth any effort. Indeed, we may be certain that for that kind of moral relativism no one will sacrifice, much less risk his life.

So let us conclude these reflections. To many Americans, Europe's politic seems to be demanding that, as a condition for maintaining the Alliance, the United States agree that Europe should be allowed to obstruct plans for the American people's self-defense, and for equipping American troops in Europe to be something other than human trip-wires. We must agree that Europe can continue to enrich the Soviet Union by unrequited transfers of resources, that Europe can demand that we abide by treaties with the Soviet Union that the Soviet Union violates, that Europe can demand that we regard Soviet conquests, even near our own borders with equanimity, and finally that Europe can demand that, on the altar of continuing negotiations with the Soviets, we even sacrifice the divine concept of human rights on which our civilization is founded.

In truth, America's politic seems often to embrace that view as well. Courage to confront reality is now rare amongst leaders committed to polls and continued views. Our strength lies more with the people. Very few Americans and not many Europeans would want our alliance to continue on such a basis when we could change paths, while the Soviet leaders would be all for it. We know we can change if leaders have courage to lead. Comfort aside, most Americans and Europeans would embrace a strong, principled alliance.

May we at last stand together for something lest, together, we fall for anything.●

NATIONAL HUMAN SERVICES DAY

● Mrs. HAWKINS. Mr. President, I have recently received a letter from a very caring and dedicated fellow Floridian, Mr. Aron Breslow, who has worked tirelessly on behalf of numerous charitable organizations, and supports national recognition of human services and the volunteers who run these services. I commend and congratulate Mr. Breslow for a job well done, and I ask that the letter to which I referred be printed in the RECORD.

The letter follows:

STATEMENT OF ARON BRESLOW ON NATIONAL HUMAN SERVICES DAY

A National Human Services Day, or weekend, will generate visability and voluntarism for all human services, at a time most needed! Charity is in trouble. A crisis is growing in communities throughout America, as human needs arise that can no longer be cared for by federal government funding. As the cry goes down from Washington for more to be done at the local level to aid vital social services, the need for greater community understanding and wider community support accelerates.

United Ways and Community Chests, the bulwarks of America's human services, are extending their fund drives to meet increasing goals. They are drawing more heavily on corporate level and office worker contributions to maintain their agencies. The general public, with its mounting economic concerns, and the small business community, with its high failure rate, help as they can.

With the burden now large upon our nation's essential social services, there is greater reliance being placed on all existing methods of community fund-raising. Most of these, helpful as they are, seem to drain the same community pillars of support. Individually, our nation's human services have learned to gather strength through the public's enjoyment of various social events. These gatherings, important as they are, put the fun in fundraising, but do not instill human service understanding or replenish volunteers.

Human Service must be brought out of the corner and into the spotlight! By concentrating awareness of fund-raising programs around the very needs and abilities of our Nation's human services, we will create a necessary breakthrough! A National Human Services Day will celebrate and certify human service for the sake of human service. It will focus attention on the human services of America, stimulate community interaction, and generate new voluntarism, now greatly needed.

A National Human Services Day will encourage creative programs and raise funds through a greater awareness of human service—a refreshing and healthy change of pace for all throughout our country, social service budgets are being sliced, professional staffs are being reduced, and the very capabilities of our Nation's human services may diminish.

A National Human Services Day, or weekend, will help to focus concentration on the very needs and abilities of our great coun-

try's human services, and will strengthen every human service in the land!

S. 1437, THE CONTROLLED SUBSTANCES ANALOGS ACT

● Mr. D'AMATO. Mr. President, I am pleased to cosponsor S. 1437, the Controlled Substances Analogs Act. This legislation was originally entitled "The Designer Drug Enforcement Act." The title is being changed because of concern that the phrase "designer drugs" is too appealing a name for these killers.

This legislation is due to be reported from the Committee on the Judiciary in the very near future, and I urge my colleagues to give it their full support. S. 1437 closes the loophole in present law that allows the creation and distribution of deadly new drugs without violating Federal law.

The problem with the law today is that it defines illegal drugs by referring to their exact chemical formulas. To evade this law, the chemist need only make the slightest change in such a drug's molecular structure, by adding a fluoride or an extra carbon molecule. The legal synthetic or designer drug produced in this way can actually be thousands of times more potent and dangerous than the illegal drug on which it is based.

By the time Government scientists determine the structure of the new drug so that new regulations placing it on the list of controlled substances can be issued, chemists can make even newer drugs by adding or subtracting a molecule or two. This way, drug dealers are always about to stay at least one step ahead of the law.

S. 1437 corrects this weakness by amending the Controlled Substances Act to cover drugs substantially similar to existing controlled substances in schedules I or II, and by making their distribution, and manufacture and sale with intent to distribute, a crime punishable by 15 years' imprisonment and up to $250,000 fine. This bill also punishes simple possession of these analogs with penalties corresponding to those for other controlled substances: up to 1 year in prison, or $25,000 fine, or both. The act does not apply to a person who manufactures or distributes a substance in conformance with the provisions of an approved new drug application, or an exemption for investigational use under the Federal Food, Drug, and Cosmetic Act.

The crisis that S. 1437 addresses is detailed in the statement accompanying emergency regulations issued by the Drug Enforcement Administration on March 25, 1985—21 CFR Part 1308. This statement makes clear that the problem of synthetic drugs has been with us since 1979.

The first such drugs were sold on the street as "synthetic heroin" or "China White." Synthetic heroin is so easily made and so potent that one chemist working an 8-hour day could supply the Nation's daily heroin demand. According to the chief of the California Division of Drugs, 20 percent of the heroin used in the State is synthetic. Nearly 100 deaths from synthetic heroin have occurred in the past 4 years. Unfortunately, because of the cumbersone requirements of present law, it took almost 2 years for that drug to be listed as a controlled substance.

Other designer drugs started appearing in the San Francisco Bay area in 1983. During 1984, forensic laboratories indentified one of these analogs in 33 drug samples, including one obtained in Brooklyn, NY. An additional five samples wer identified early this year. Drug law enforcement professionals agree that the potential for the spread of designer drugs nationwide is very great.

Mr. President, I urge my colleagues to cosponsor S. 1437 to give our law enforcement agencies the tools they need to combat this latest manifestation of our national drug abuse epidemic. I also ask unanimous consent that a New York Times article on this subject entitled, "California Addicts Use Legal, Synthetic Narcotics," be printed at the conclusion of my remarks.

Thank you, Mr. President.

The article follows:

California Addicts Use Legal, Synthetic Narcotics

(By Sandra Blakeslee)

Los Angeles, March 23.—One or more chemists working in secret California laboratories are turning out synthetic versions of heroin and cocaine that addicts say are indistinguishable from the naturally derived drugs.

Although not easy to fabricate, the synthetic narcotics are legal to possess or manufacture. Illegal drugs are defined by exact chemical formulas, and the new synthetics have slightly different formulas.

Further, the synthetic drugs are stronger and potentially more lethal than the narcotics made from natural sources. In the last four years, there have been 90 confirmed deaths from synthetic heroin, 87 of them in California, said Chauncey Veatch, director of the California Department of Alcohol and Drug Programs. But statistics are limited, he said, describing those deaths as "just the tip of the iceberg."

HUGE PROFITS POSSIBLE

The synthetic heroin, which is just as addictive as natural heroin, is so potent, according to drug authorities in California, that one chemist working an eight-hour day could supply the nation's daily heroin demand. An investment of $1,500 in equipment could reap millions of dollars in profit, they say.

According to Dr. Robert J. Roberton, chief of California's Division of Drugs, 20 percent of the heroin now used in the state is synthetic. Users of synthetic cocaine are just beginning to appear for treatment in clinics.

These narcotics are the newest manifestation of a trend toward more sophisticated production of synthetic drugs, Dr. Roberton said. The chemistry has been known for decades and is straightforward.

The pain-killing morphine molecule, for example, can be shaped into thousands of configurations by tacking on or snipping off groups of atoms. The result is still basically morphine, but the potency, length of action, euphoric effects and toxicity can be different.

Chemists employed by pharmaceutical companies do this kind of manipulation all the time. They often try to make slightly different versions of successful drugs made by their own or competitors' concerns. University research scientists also synthesize molecules and publish detailed steps in the scientific literature. But when legitimate drug chemists create new compounds, they painstakingly test them on animals, sometimes for years.

Synthetic versions of many easy-to-make street drugs, such as amphetamines and hallucinogens, have been around since the 1970's, Dr. Roberton said. But now some college-educated chemists have begun designing versions of narcotics usually derived from plant sources.

The increasing use of cocaine by wealthy Americans, he said, has led to an increased use of heroin, which counteracts the irritability resulting from chronic cocaine use.

All the experts agree that the problem thus far is mostly confined to California but that the potential for its spread nationwide is real.

APPEAL IS VARIED

The synthetic drugs appeal to some addicts for a variety of reasons, Dr. Roberton said. The synthetics cost the same as natural drugs, and some people say they seem more potent, he said. Other addicts believe the synthetic drugs are less adulterated, and therefore less dangerous.

Still others, Dr. Roberton said, simply ask for "China White," the name under which pure heroin is sold, and are unaware that they are getting a synthetic version.

The Federal Drug Enforcement Administration is trying to catch up with those who are producing the synthetic drugs. The comprehensive crime bill enacted in October allows the Government, on an emergency basis, to outlaw a particular illicit drug variant in 30 days, said Ron Buzzeo of the agency's Office of Diversion Control. It used to take more than a year.

Experts can only guess at how many of these chemists are operating in California. Some authorities, like Dr. Roberton, say that the synthetic drugs are the product of one mastermind. Others, like Dr. William Langston of the Santa Clara Valley Medical Center, in San Jose, said he thought there might be three or four laboratories concocting the new drugs.

In any case, organized crime does not seem to be involved in synthetic narcotics, Dr. Roberton said.

VARIANTS DATE FROM 1980

The first narcotic molecule to be altered by underground chemists was fentanyl, widely used as an anesthetic for prolonged surgery. It has hundreds of variants, one of which is used by gamekeepers to immobilize large wildlife.

In 1980, one variant, alpha-methyl-fentanyl, was first seen on the streets, said Darryl Inaba, treatment director. at the Haight-Ashbury clinic for drug abuse in San Francisco. The clandestine chemists "mistakenly believed its potency was the same as fentanyl," he said, but it turned out to be 1,000 times as potent. At least 20 people

died from overdoses, and a year later the Drug Enforcement Agency put alpha-methyl-fentanyl on the list of controlled substances.

In 1982 another California chemist produced a variant of Demerol, a synthetic narcotic used by doctors to dull pain. The new molecule, methyl-phenyl-propionoxypiperidine, or MPPP, is structurally identical with Demoral, except that one carbon and one oxygen atom are switched.

Addicts say MPPP produces effects like heroin, said Dr. Paul Garbe of the Centers for Disease Control in Atlanta. But sometimes the drug left them disoriented.

This was a result of an extra molecule accidentally created in the synthesis of MPPP, said Dr. Langston of the Santa Clara Valley Medical Center.

Two addicts who injected themselves with the contaminated drug literally "froze" with a needle stuck in the arms, Dr. Langston said. The molecule destroyed cells in an area of the brain controlling movement. Seven addicts in their 20's or 30's exhibit the profound loss of motor control symptomatic of advanced Parkinson's disease, Dr. Langston said.

Two years ago a new variant of fentanyl, tri-methyl-fentanyl, appeared on the streets. It is 3,000 times as potent as heroin, said Dr. Roberton of the California drug agency. "You could kill 50 people with the amount that fits on the head of a pin," he said.

If the synthetic narcotic is not diluted a hundredfold, Dr. Roberton said, a user could easily take an overdose. "I believe novice users are dying from it," he said.

But its strength is also a selling point for synthetic drug consumers. Because it works in such small amounts, tri-methyl-fentanyl does not show up in routine urine tests such as those given prisoners, Dr. Roberton said. An amount the size of a postage stamp, smuggled into a prison, is enough for several hundred inmates.

A new version of fentanyl has just arrived in Haight-Ashbury, supposedly several thousand times stronger than heroin, Dr. Inaba said. Its effects last 24 hours. Of two people who used it, one is being treated at the clinic. The other is dead.●

DEATH OF LEON KLINGHOFFER

● Mr. MOYNIHAN. Mr. President, earlier today, the President said that if the P.L.O. will bring the murderers of Leon Klinghoffer "to justice," "then OK."

No.

Not OK.

Fortunately, the President has now retracted his statement.

The P.L.O. is not a government. Even to have suggested that it has the powers of sovereignty and a disposition toward legality defies belief.

The murder took place aboard an Italian ship, which at law effectively means that it took place on Italian territory. The murderers should be extradited to Italy and tried in the course of that open, legal society.

We know who these murderers are, and it is known where they are. The U.S. Government absolutely must insist that they be extradited to Italy for trial for murder. A murder aboard an Italian vessel is, in effect, a murder on Italian territory.

No nation has been tougher or more courageous in the face of terrorism than Italy. It deserves our support and our encouragement at this moment. We must let the world know that this crime will be punished—or in the end the world will decide that the United States does not have the nerve, or does not care. ●

EXECUTIVE CALENDAR

Mr. DOLE. Mr. President, earlier today at the request of the distinguished minority leader or the suggestion of the distinguished minority leader, I attended a meeting in his office concerning nominations on the Executive Calendar, and present were Senator BYRD, myself, Senator INOUYE, Senator FORD, Senator THURMOND, Senator METZENBAUM, and White House representative Mr. Friedersdorf, and the counsel at the White House, Mr. Fielding.

The discussion concerned recess appointments, and it seemed to me that we had reached some general agreement that there would be notice given to the majority and minority leaders prior to the time of a recess and enough in advance so that if we had comments on any of the recess appointments which would be made, both minority and majority leaders would have an opportuniy to comment on those potential recess appointments.

I believe that the meeting was satisfactory, and I would hope that we would now be in position to clear the nominations on the Executive Calendar, including military and judicial and all other nominations except in cases where we are waiting further information on a certain nominee or certain Senators have asked for additional information or have asked to hold a nomination.

I know on this side a number of Senators have a hold on the nomination of Winston Lord to be Ambassador to the People's Republic of China. There may be similar requests on the other side of the aisle. But it would be my hope that we might be able to take action on the nominations.

Mr. MOYNIHAN. Mr. President, will the majority leader yield for a comment?

Mr. DOLE. Yes.

Mr. MOYNIHAN. Mr. President, the Vice President of the United States is to visit the People's Republic of China. For him to do so without being accompanied by the President's newest nominee for the ambassadorship to China would be, in my view, a disservice to our country.

The Vice President has an opportunity to introduce Mr. Lord as a friend of the President, as he is, a representative of our country, as he would be, and not to do that seems to me a serious disservice to our Nation.

And I hope this can be done.

Mr. DOLE. Mr. President, I share the view expressed by the Senator from New York. I understood there is still a chance that might be resolved today, that the President had taken a personal interest in the matter, and was going to contact Senators on this side.

But I share the view that it does not reflect well on the system, that the Vice President arrives and we have no ambassador.

Mr. BYRD. Mr. President, the following calendar items under the Judiciary have been approved on this side of the aisle. As a matter of fact, all nominees on the calendar listed under the Judiciary have been cleared on this side of the aisle, with the exception of one, and that would be Calendar Order No. 379 on page 3. The rest, Calendar Order Nos. 380, 381, 382, 383, 384, 385, 386, 396, 397, 398, 425, 426, 427, 449, 450, and 451—in other words 16 out of the 17 nominations under the Judiciary—are cleared on this side.

Additionally, Calendar No. 436, Winston Lord of New York to be Ambassador, Extraordinary and Plenipotentiary of the United States of America to the People's Republic of China has been cleared; all nominations placed on the Secretary's desk in the Air Force, Army, Coast Guard, Marine Corps, Navy—a little over 5,000—are cleared on this side of the aisle.

Mr. DOLE. Mr. President, I thank the distinguished minority leader. I earlier had indicated to the White House representatives that there might be a possibility of confirming the military, and maybe all or nearly all of the judiciary. As I understand it, a call was then made to Air Force One which is coming back from Chicago. The Chief of Staff talked with the President. The President said that he wanted his nominees, they were all important, and he felt there was no reason to hold any of the nominees except where there were specific objections. I was advised that unless that could be accommodated they would all remain on the executive calendar.

Mr. BYRD. Mr. President, Mr. Friedersdorf called me back after the meeting in my office, and indicated he had been in touch, I believe, with Mr. Regan. My understanding of what Mr. Friedersdorf said was that the President was pleased that the nominees for the judiciary and the military were going to be cleared, and that he would hope that all the other nominees on the calendar could also be cleared. And I told Mr. Friedersdorf that I was an agent of the conference, that those nominees which we had indicated in our meeting in my office earlier in the afternoon were being cleared, and that it would be necessary for me to report

back to my conference with respect to the remaining nominees. So I should think that I would have some further word when my conference meets at sometime on Wednesday of next week. It usually meets on Tuesday. But inasmuch as there will be no rollcall votes on Tuesday, I doubt that our conference attendance would justify a meeting. We probably would not have a quorum.

In any event, we will have a conference on Wednesday, and at that time I will make a report to the conference. I would hope that the rest of the nominees can be cleared at that time. The ad hoc group that I appointed earlier in conference to advise me on the nominations proposed that the judiciary members be cleared, and that the military nominations—numbering I believe abut 5,000—be cleared. And that is why I have been pleased to announce their clearance to the distinguished majority leader.

Mr. DOLE. I again thank the distinguished minority leader. I double checked. I again called after the President had landed, and they were in the White House. I called the Chief of Staff, Mr. Regan, to ask him again if it had been discussed with the President. He said it had. The President felt very strongly that these nominations had been available for some time, been on the calendar, and if no one had raised objections—they have in some cases—they felt that it would discriminate against a number of people who have done nothing but wait and wait if we started selecting out certain judicial or military nominees, and leave others—whether it be the Commodity Futures Trading Commission, or the Department of Energy, or a number of others. I guess the point is they feel they are all equally as important, and they would rather not do it on a piecemeal basis unless there are specific objections to one or more of the nominations. So perhaps we should take it up again next week.

Mr. BYRD. Mr. President, may I ask, is the nomination of Winston Lord cleared on the other side? It is cleared on this side.

Mr. DOLE. That is the one that we have not cleared on this side. There is specific objection. There was to be a phone call to certain Senators on our side. I understand that phone call was made but it was not completed. So that nomination is being held up on this side. I think one of those who was holding is the Senator from South Carolina, who just removed his hold. There could be others.

Mr. BYRD. Mr. President, the Senate often confirms some nominees very quickly and just as often leaves other nominees on the calendar to another day. They are not being discriminated against. However, it is entirely up to the majority leader.

The White House will be taking the wrong position in thinking that other nominations on the calendar are being discriminated against just because they have not been cleared tonight.

As I say, I will be glad on Wednesday to take the matter up with my conference and through the regular procedures, try to get cleared the remaining nominations on the calendar. I do not anticipate at the moment any great problem in that regard.

If the White House feels that way, it is not the majority leader's fault nor is it mine. We will just leave it the way they want it.

We did have a good meeting, may I say, with Mr. Fielding and Mr. Friedersdorf. The majority leader was able to attend a part of the meeting. He was not able to stay for the entire meeting.

At the meeting there was a good understanding, and I feel certain that come Wednesday there may not be any problem.

I would hope that the nominees who have been cleared for tonight can be confirmed, but I cannot do anything about that if the majority leader feels he cannot go forward with them because the White House has asked him not to do so.

PROGRAM

Mr. DOLE. Mr. President, as I have indicated, we will have a pro forma session tomorrow, convening at 9:30 a.m.

On Tuesday, October 15, 1985, the Senate will convene at 10 a.m. Under the standing order, the two leaders will be recognized for 10 minutes each. There is a special order in favor of the Senator from Wisconsin [Mr. PROXMIRE] for 15 minutes. That will be followed by morning business, not to extend beyond the hour of 11 a.m.

Mr. President, following morning business, the Senate will turn to any appropriations bills which have been cleared. No votes will occur during the Tuesday session.

Mr. President, if we can work it out between the majority leader and the minority leader, I hope we can double track with appropriations bills in the morning and reconciliation in the afternoon. We have gotten behind, not just because of the debt limit but other internal controversies over appropriations bills.

They have had to go back to the subcommittees and make additional cuts. The distinguished chairman of the Appropriations Committee, Senator HATFIELD, feels strongly that he would like to move on some of the appropriations bills next week.

At the same time, Mr. President, I know both Senators DOMENICI and CHILES, the chairman and ranking member of the Budget Committee, feel compelled to move on the reconciliation measure, which is very important. It will take a long time in conference.

As we look down the road, hopefully we can be out of here sometime in late November.

Mr. President, I hope we can expedite both of those matters next week.

Mr. BYRD. Mr. President, I will only take 1 minute to congratulate the distinguished majority leader and the managers and ranking managers. I want to compliment Mr. PACKWOOD and Mr. LONG from the Finance Committee and Mr. CHILES and Mr. DOMENICI from the Budget Committee. I think all of these parties did their work well, with great dedication.

Even though I could not vote for the package, they did their work well.

I did not vote for the debt limit extension over the $2 trillion mark.

I congratulate all Senators. I think we had a very, very good debate. I do not know of any dilatory motion. I think it has been one of the better debates I have heard in the Senate and I believe that improvements in the legislation have resulted. Those on both sides had strong feelings, but I think the debate went well, and I congratulate all Senators on their conduct of the debate.

I wish also to thank the distinguished majority leader for the courtesies he has accorded me and for his good words earlier.

Mr. DOLE. Mr. President, I want to thank the minority leader and also the distinguished Presiding Officer, who gave us a little overtime this evening.

RECESS UNTIL TOMORROW AT 9:30 A.M.

Mr. DOLE. Mr. President, there being no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until 9:30 a.m., Friday, October 11, 1985.

The motion was agreed to; and the Senate, at 10:12 p.m., recessed until Friday, October 11, 1985, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate October 10, 1985:

DEPARTMENT OF STATE

Donald J. Bouchard, of Maine, to be an Assistant Secretary of State, vice Robert E. Lamb.

UNITED NATIONS

Adele Langston Rogers, of Maryland, to be an Alternate Representative of the United States of America to the 40th Session of the General Assembly of the United Nations.

DEPARTMENT OF LABOR

Ralph W. Tarr, of Virginia, to be Solicitor of the Department of the Interior, vice Frank K. Richardson, resigned.

DEPARTMENT OF ENERGY

C.M. Naeve, of Virginia, to be a Member of the Federal Energy Regulatory Commission for a term expiring October 20, 1989, vice Oliver G. Richard III, resigned.

BOARD FOR INTERNATIONAL BROADCASTING

The following-named persons to be members of the Board for International Broadcasting for terms expiring April 28, 1988, reappointments.

Edward Noonan Ney, of New York.

Michael Novak, of the District of Columbia.

NATIONAL SCIENCE FOUNDATION

Warren J. Baker, of California, to be a member of the National Science Board, National Science Foundation, for a term expiring May 10, 1988, vice Marian E. Koshland, term expired.

RAILROAD RETIREMENT BOARD

William J. Doyle III, of Maryland, to be Inspector General, Railroad Retirement Board, new position.

IN THE ARMY

The following-named Army Chaplains Competitive Category officer for appointment in the U.S. Army to the grade indicated under the provisions of title 10, United States Code, sections 611(a) and 624:

To be permanent brigadier general

Col. Norris L. Einertson, [redacted], Chaplains Competitive Category, U.S. Army.

EXTENSIONS OF REMARKS

CONCURRENT RESOLUTION ON HUMAN RIGHTS IN POLAND

HON. ROBERT A. BORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. BORSKI. Mr. Speaker, early next week the people of Poland will be asked to vote in parliamentary elections. When they do they will be able to vote only for candidates chosen by the Polish Communist Party. As they vote, activists in the Solidarity movement continue to suffer persecution.

At this time, it is highly appropriate for Congress to restate its concerns about the course of action the Polish Government has chosen. For almost 4 years, this Government has pursued a policy of subjection of a great number of its citizens. When the Solidarity movement was at its height in 1981, it claimed the membership or allegiance of 10 million Poles, a third of the nation's population. Since December of that year, the Government of General Jaruzelski has employed force, intimidation, and imprisonment to disrupt and shatter Solidarity.

Although Poland has not been much in the news lately, these same tactics continue. As recently as this summer, three Solidarity activists were convicted for disturbing the public order. Their trial was subject to heavy censorship, and was open to the public in name only.

Now, General Jaruzelski would like to use these parliamentary elections to give his regime a "stamp of approval" from the Polish people. He has even cynically suggested that if Poles vote in his elections, he may release jailed Solidarity members.

We in Congress must now make clear that elections conducted in this manner are a compromise of democracy, and a mockery of the free spirit of the Polish people. To that end, I have joined my colleague, Senator SIMON of Illinois, in introducing a concurrent resolution expressing the sense of Congress concerning the human rights situation in Poland, and calling upon the Polish Government to live up to its obligations under the various agreements on human rights which it has signed.

At a time when General Jaruzelski would like to prove to the world his own legitimacy as ruler of Poland, it is incumbent on Congress to make clear that we see the abuses which have happened, and which are persisting today. We must make clear that we believe the rulers of Poland have obligations to their people, and that they should live up to them.

I urge all my colleagues to join me in supporting and cosponsoring this resolution, and I look forward to its speedy passage.

I insert the text of the resolution in the RECORD:

[From the Washington Post, Oct. 1, 1985]

VOICES OF POLAND

Vote in his elections, Gen. Jaruzelski told restive Poles in an interview published in this newspaper on Sunday, and perhaps he'll let pro-Solidarity prisoners out of prison. Lech Walesa, leader of the banned Solidarity, which has appealed for a boycott of the vote, immediately denounced the offer as "blackmail," noting that Poles cannot choose independent candidates for the elections to "parliament" on Oct. 13.

The general is the hard and determined enforcer of martial law and its stern aftermath. But Mr. Walesa, still severely restricted in his political activity, has a superior claim to speak for the Polish people. Having weighed the trade-offs, he rejects paying Gen. Jaruzelski's price—popular acquiescence in his brand of communist rule—for cracking open the jails. The foreign friends of Poland should not second-guess Mr. Walesa on this decision.

There is a harder issue—sanctions. It goes to the heart of the traditional attempt of American policy to deny legitimacy to unelected communist regimes without unduly hurting the people living under them. As he denounced the elections, Mr. Walesa urged Washington to end the remaining economic penalties it imposed when martial law was declared in 1981. He said sanctions had fulfilled their purpose and now are "bringing more harm from the propaganda point of view than good." His words followed a similar appeal by Cardinal Jozef Glemp, another unquestionably authentic Polish spokesman, who called the sanctions "unjust . . . it is the people who suffer, not the government."

It is easy to say no to Gen. Jaruzelski, who served a Soviet purpose by crushing democractic Solidarity—"there is no Solidarity as such," he says—when he asks the end of sanctions. It is much more difficult to say no to the leader of Solidarity and to the Roman Catholic primate of Poland, brave and clear-thinking men who know and share the burdens of the Polish people.

On the strictly domestic Polish issue of participation in what Mr. Walesa describes as "inauthentic" elections, the Poles will make their own choice, and Americans must respect it. On sanctions, where unavoidably the United States plays a direct role, Americans have no less an obligation to listen to the true voices of the Polish people. The West should demand assurances that new loans will not be misspent, Mr. Walesa says. "Poland should be helped as quickly as possibly when such a certainty exists."

H. CON. RES. —

Concurrent resolution expressing the sense of the Congress with repect to human rights in Poland

Whereas the Gdansk Agreement and other social accords were signed in August 1980 by respresentatives of the Polish workers union, known as Solidarity, and the Government of Poland;

Whereas the historic accords offered the promise of a new era in Poland with increased respect for human rights;

Whereas the imposition of martial law in December 1981 by the Government of Poland abrogated the accords and led to the arrests or detention of thousands of Solidarity leaders and other citizens of Poland and to the denial of basic rights of the people of Poland;

Whereas, under the period of martial law, the citizens of Poland were denied their rights, abducted, threatened, assaulted, and murdered for their activities in support of human rights;

Whereas the Government of Poland declared an amnesty for most political prisoners in 1984;

Whereas some progress has been made on behalf of human rights in Poland since the amnesty, but officials of the Government of Poland have criticized and attacked citizens of Poland who speak out on behalf of human rights;

Whereas Father Jerzy Popieluszko, a leading spokesman for the rights of workers, was abducted, beaten, and murdered in October 1984;

Whereas officers of the Internal Affairs Ministry of Poland have confessed to the crimes;

Whereas human rights monitoring committees are being established throughout Poland to collect and publish data on abuses of human rights and to grant legal, financial, and medical aid to the victims of persecution;

Whereas the Government of Poland is intimidating members of the Polish human rights monitoring committees and is seeking to prevent their activities on behalf of human rights;

Whereas the Government of Poland has threatened legal prosecution against journalists who meet with such committees;

Whereas it is the stated policy of the law of the United States, including section 502B(a)(1) of the Foreign Assistance Act of 1961 and section 402 of the Trade Act of 1974, that human rights considerations are a vital element of the foreign policy of the United States;

Whereas, with the imposition of martial law in Poland in December 1981, the United States imposed economic sanctions on Poland;

Whereas, when the Government of Poland demonstrated increasing respect for human rights, the United States eased the sanctions accordingly;

Whereas the Final Act of the Conference on Security and Cooperation in Europe (commonly known as the Helsinki Accords), to which Poland is a signatory, states that the participating nations "will promote and encourage the effective exercise of civil, political, economic, social, cultural, and other rights and freedoms, all of which derive from the inherent dignity of the human person and are essential for his free and full development"; and

Whereas the Helsinki Accords state that the signatories to the accords will make it

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● This "bullet" symbol identifies statements or insertions which are not spoken by the Member of the Senate on the floor.

Boldface type indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

their aim to (1) "facilitate the freer and wider dissemination of information of all kinds"; (2) "improve the conditions under which journalists from one participating State exercise their profession in another participating State"; and (3) "increase the opportunities for journalists of the participating States to communicate personally with their sources, including organizations and official institutions": Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that—

(1) the Government of Poland should comply with basic human rights agreements to which it is a signatory (including the Final Act of the Conference on Security and Cooperation in Europe, commonly known as the Helsinki Accords) by pursuing policies of consistent tolerance toward, and respect for, the rights of the people of Poland;

(2) the Government of Poland should comply with the pledges made to, and the social accords made with, the people of Poland;

(3) the Government of Poland should initiate a genuine policy of national reconciliation;

(4) the prosecution of the persons responsible for the death of Father Jerzy Popieluszko was an important precedent in recognizing human rights in Poland, and such prosecutions should be supported;

(5) the human rights monitoring committees can be a positive force for human rights in Poland and should be allowed to function and should be supported;

(6) the free flow of information on the activities of such committees can improve human rights policies in Poland and relations with the United States and should be encouraged;

(7) the continued improvement in treatment of the people of Poland by the government of Poland would improve relations between the United States and Poland, as previously evidenced by the lifting by the United States of certain sanctions against Poland;

(8) the President and the representatives of the President should at every opportunity convey to the officials of Poland and the Soviet Union the concerns of the Congress expressed in this concurrent resolution; and

(9) the President and the representatives of the President should also convey the concerns of the Congress to the governments of allies of the United States and urge the cooperation of such governments in efforts to encourage the Government of Poland to safeguard the human rights of the Polish people.

SEC. 2. The Clerk of the House of Representatives shall transmit a copy of this concurrent resolution to the President of the United States with the request that such copy be transmitted to the Government of Poland.

CONGRESSIONAL SALUTE TO LILY LEE CHEN

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. MATSUI. Mr. Speaker, I would like to take this opportunity to recognize and pay tribute to the many outstanding services and contributions made by Ms. Lily Lee Chen on behalf of the people of California as she receives well-deserved honors today from the Anti-Defamation League as its 1985 recipient of the Distinguished Service Award.

Certainly the League could not have chosen a more worthy individual for this special recognition and honor. She has served on the Monterey Park City Council since her election in 1982 when she received the largest number of votes of any municipal candidate in the city's history. Lily Lee Chen also has the distinction of being the first female Chinese-American mayor in the Nation.

Her long record of achievement and recognition includes appointments to two Presidential advisory panels on the rights and responsibilities of women and adult education by former Presidents Gerald Ford and Jimmy Carter. She authored the application resulting in Monterey Park being selected for the All-American City Award of 1985.

In all her duties and responsibilities, Lily Lee Chen has displayed remarkable leadership qualities, bringing recognition to herself and to her community. She has received several awards for outstanding community contributions, including the East Los Angeles College Alumni Association's Outstanding Community Service Award and a special commendation from the Los Angeles County Board of Supervisors.

Mr. Speaker, Lily Lee Chen's public service record is well deserving of the highest praise and honor. She has earned the respect and admiration of friends and colleagues throughout her community, the State of California and the Nation. I commend Lily Lee Chen on her high standards of performance and offer her my best wishes for continued success and happiness in the future.

REMEMBERING THE ORIGINS OF THE PEACE CORPS

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. BARNES. Mr. Speaker, the Washington Post recently ran a very touching editorial on the role of our late, beloved President John F. Kennedy, and our late and equally loved colleague from the other body, Senator Hubert Humphrey, in the creation of the Peace Corps 25 years ago. As part of our commemoration of this great event in our history, I wish to include the editorial in the RECORD at this point:

[From the Washington Post, Oct. 9, 1985]

REMEMBERING

We have something to add to the celebrations now under way of the 25th anniversary of John F. Kennedy's proposal to establish the Peace Corps. A great deal has been said and done in recent days to honor the extraordinary—and sometimes heroic—achievements of Peace Corps volunteers all over the world in the decades since the agency came into being.

To all of this we say amen, and we also join in commending President Kennedy himself for having espoused the idea and helped push it into law. The Peace Corps, with its youthfulness, its energy and excitement and commitment, became a kind of symbol of the Kennedy administration at its early best, and this was fitting. The agency got its momentum and its enduring personality in those years, and it reflected what was most innovative and idealistic about the Kennedy administration.

But something is missing here. The something is Hubert Humphrey. It is always a wise idea, when celebrating a proposal of this kind, to check out the Humphrey record. The late Democratic senator (and vice president) from Minnesota introduced the Kennedy administration Peace Corps bill in the Senate in 1961 because President Kennedy asked him to. President Kennedy asked him to because Mr. Humphrey had in fact proposed the Peace Corps idea three years before JFK espoused it in the 1960 campaign speech whose silver anniversary is now being commemorated. We think JFK wouldn't mind our calling this to your attention or even sharing the credit with his friend Hubert—and to this end we will let Mr. Humphrey have what he always loved best; the last couple of hundred words. They are from his memoir, "The Education of a Public Man":

"I introduced the first Peace Corps bill in 1957. It did not meet with much enthusiasm. Some traditional diplomats quaked at the thought of thousands of young Americans scattered around their world. Many senators, including liberal ones, thought it a silly and unworkable idea. Now, with a young President urging its passage, it became possible and we pushed it rapidly through the Senate. It is fashionable now to suggest that Peace Corps volunteers gained as much, or more, from their experience as the countries where they worked. That may be true, but it ought not to demean their work. They touched many lives and made them better. Critics ask what visible, lasting effects there are, as if care, concern, love, help can be measured in concrete and steel or dollars or ergs. Education, whether in mathematics, language, health, nutrition, farm techniques, or peaceful coexistence may not always be visible, but the effects endure."

Again, amen.

HOUSE WAYS AND MEANS TAX REFORM

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. GINGRICH. Mr. Speaker, recent actions by the House Ways and Means Committee to develop a tax reform proposal strike at the very heart of our long-term economic objectives.

As a nation we should encourage more savings, and more investment in jobs and productivity. However, last week the U.S. Chamber of Commerce completed an analysis of the House Ways and Means Committee's recommendations for tax reform. It is clear from this analysis that the Ways and Means recommendations will only serve to

make America less capable of modernizing and competing in the world market.

ECONOMIC IMPACT OF THE HOUSE WAYS AND MEANS STAFF PROPOSAL

[Difference from present law in billions of dollars and percent]

	1986	1987	1988	1989	1990
GNP (1972 dollars) [1]					
Ways and Means	1,710.1	1,725.5	1,744.1	1,797.7	1,829.8
Current law	1,718.1	1,745.8	1,775.3	1,843.8	1,891.8
Total	−8.0	−20.3	−31.2	−46.1	−62.0
Percent change	−0.5	−1.2	−1.8	−2.5	−3.3
Unemployment [2]					
Ways and Means	7.8	9.0	9.1	8.8	8.9
Current law	7.4	8.4	8.2	7.5	7.2
Total	0.4	0.6	0.9	1.3	1.7
Percent change	+5.1	+6.7	+9.9	+14.8	+19.1
Budget deficit (current dollars) [3]					
Ways and Means	−218.2	−245.1	−262.4	−260.7	−279.3
Current law	−207.7	−224.9	−237.5	−231.1	−244.8
Total	10.5	20.2	24.9	29.6	34.5

[1] In other words, probably a deep recession.
[2] In other words, over a million Americans will lose their jobs.
[3] In other words, almost $120 billion more in deficit spending.

This projection of economic damage by the Ways and Means bill should lead all of us to examine this bill very carefully.

COMMENDING THE REPUBLIC OF CHINA ON THE 74TH ANNIVERSARY OF ITS FOUNDING

HON. BEN GARRIDO BLAZ

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. BLAZ. Mr. Speaker, today, October 10, on the 74th anniversary of the founding of the Republic of China, I would like to pay tribute to the tremendous cultural and economic accomplishments of the people and Government of Taiwan. Having recently returned from this dynamic island, I can personally attest to their tremendous achievements in a variety of areas.

The people of the United States, as well as this Congress, must not forget what a staunch ally of the United States Taiwan has been during the last 40 years. We therefore must remain especially cognizant of the affects of Taiwan of our normalization of relations with the People's Republic of China.

Taiwan holds special strategic significance for the western world because of its unique geographical, military, and political situation. It lies only 150 miles north of the Philippines and but a 2-hour flight from my congressional district, the American Territory of Guam. Recent developments in the Philippines and other areas of the Pacific basin must cause us to be particularly careful in dealing with the many issues that would conceivably affect our continued relationship with the Taiwanese people.

Our country has a vital interest in ensuring that the Republic of China continues to maintain a political system that emulates basic American principles, fostering respect for free enterprise and popular election, protection of individual rights, and preservation of western influence, while continuing support of the U.S. policies in the region. A healthy Taiwanese economy contributes to the maintenace of a secure, stable, and prosperous grouping of pro-western nations supporting our interests and helps counterbalance expanding Soviet influence in the Pacific region.

Taiwan's economic interaction with the surrounding Asian-Pacific region continues to grow at a truly impressive rate. In just 40 years, Taiwan has become the 15th largest trading nation in the world and the United States sixth largest trading partner. It now has the third highest per capita income in the entire Asian-Pacific region, following only Japan and Singapore.

These marvelous economic achievements cannot help but further promote the ideals of free enterprise and human freedom which we attempt to promote throughout the world. It is truly miraculous that this small island, with only 19 million people, can outproduce the People's Republic of China with its vast natural resources and 1 billion citizens.

In closing, I must ask my colleagues not to forget the past and to continue to help such an old friend and ally. We must not be remiss in upholding, completely, the letter and spirit of the principles set forth in the Taiwan Relations Act.

NATIONAL JEWISH COUNCIL BULLETIN

HON. DUNCAN HUNTER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. HUNTER. Mr. Speaker, I rise today to commend the following interview from the National Jewish Council Bulletin's September 1985 issue. In it, my good friend and distinguished colleague from Minnesota, VIN WEBER, outlines the progress of the foreign aid bill and current policy in the House toward Israel. I found it highly informative and illustrative of some of the changes in our party system. I feel that all of my colleagues in the House would benefit by reading his discussion of this important piece of legislation.

SHIFTING ALLIANCES ON FOREIGN AID TO ISRAEL: AN INTERVIEW WITH REPRESENTATIVE VIN WEBER (R-MN)

On July 11, 1985, the House of Representatives passed a bill authorizing $12.6 billion annually in foreign aid during the fiscal years 1986-87.

Reflecting the growing determination on Capitol Hill to confront communist expansion around the world, the bill's provisions include aid for anti-communist forces in Cambodia, Afghanistan, Nicaragua, and a repeal of the 1976 Clark Amendment that banned aid to anti-communist rebels in Angola. In addition, the bill provides Israel with an all-grant aid package worth $4.5 billion.

Rep. Vin Weber (R-MN), chairman of the Conservative Opportunity Society and a major architect of the bill, granted an interview to the NJC Bulletin in which he addressed the implications of the bill's passage. He observed that a historic shift is taking place in Congress. For the second year in a row, growing numbers of young Republicans demonstrated their strong backing for foreign aid, while many liberal Democrats emerged as the foreign aid bill's most vocal opponents.

NJC: This year Congress passed a foreign aid bill for the first time since 1981. What changes have occurred in the past four years to make this possible?

Mr. Weber: I think that the most important change is the increase in conservative and Republican support for the Foreign Aid Bill. That is based on a growing realization that the Republican Party is America's majority party and therefore the party responsible for governing the country.

Republicans today simply cannot be opposed to foreign aid as many were in the past when we were in the minority. Now we have an obligation to govern and we must use tools such as foreign aid that advance America's interests around the world by promoting democracy and resisting communism.

NJC: Why was this foreign aid bill able to pass in the Democratic-ruled House, which has long resisted the sort of conservative measures that the bill includes?

Mr. Weber: I would explain the dynamics this way. The Democratic party in the House is increasingly dominated by a left wing that is isolationist in its foreign policy. Nevertheless, there remains a substantial minority of Democrats who don't share that position.

In the past, many Democrats who were caught in the middle on the question of resistance to communism and the use of force, went along with their party even though it was dominated by this isolationist left wing. Recently, though, there has been a growing realization that the Democratic party is shrinking, in part because it is viewed as weak and unwilling to defend America and America's interests. As a result, many middle-ground Democrats have broken with the majority of their party and have come over to the Republican side on foreign policy issues—including this year's foreign aid bill.

NJC: Is this a Republican-driven change?

Mr. Weber: I think it's driven by two dynamics. First of all, you cannot understate the significance of the Democratic party's move to the left. With George McGovern's nomination in 1972, isolationism emerged as a growing trend in the Democratic party. Ever since then, that trend has accelerated until today isolationism prevails in the party.

But there is another, more recent, dynamic and that's the change in the Republican party. Republicans today understand that America has an obligation to lead the free world and to honor its international commitments and alliances.

So you have the two movements: Democrats retreating and the Republicans evolving. Together these have produced a dramatic change in the way Congress makes foreign policy.

NJC: This year, in a rather unusual step, the House passed the Foreign Aid Bill on a voice vote. Why wasn't a more usual recorded, roll-call vote taken?

Mr. Weber: The Democrats wanted to avoid a roll-call vote more than anyone because their liberal members were in a terrible quandary. If you look at the 1984 foreign aid vote, a majority of Democrats voted against it and a majority of Republicans voted for it. The Democrats who voted "no" did so almost exclusively because of Central America. They did not want to send aid to

the region if it would be used to fight communism. That's part of the left-wing isolationism.

They were very nervous about opposing the '84 bill, though, because most liberal Democrats run as friends of Israel and like to be in a position to support Israel. However, when push came to shove, on the vote that is critical to Israel—the vote for foreign aid—they voted "no". They said that it was more important to oppose our effort against communism in Central America than it was to support Israel.

This year, as the Foreign Aid Bill evolved through the legislative process, the anti-communist measures that were adopted made it even more unpalatable to the left-wing House Democrats than the 1984 bill.

As this happened, the Democratic leadership in the House became anxious to avoid a vote in which a majority of Democrats—most of them claiming to be friends of Israel—voted to kill the Foreign Aid Bill for the second year in a row. And that's exactly what would have happened if we had had a roll-call vote.

NJC: Do you think that the increasing Republican support for Israel is part of the overall trend towards a more activist approach to foreign policy?

Mr. Weber: Absolutely. I think Republicans have generally been supportive of Israel, although there has been, we have to concede, an element on the right that was not. Today, this pro-Israel sentiment is strengthening as conservatives formulate a comprehensive world view appropriate to a majority party. That clearly means strong support for our friends around the world—and America has no better friend in the world than Israel.

Thus, as conservatives continue to move towards being the new internationalist majority, their commitment to Israel is growing—and will continue to grow.

NJC: What significance do you think this trend will have for the future conduct of U.S. foreign policy?

Mr. Weber: The most significant fact about the foreign aid bill this year is that it reflects the Reagan Doctrine, which is emerging as a doctrine of support for resistance to Soviet colonialism.

The decision by this Administration and this Congress to provide support for anti-communist liberation movements around the world is, I think, the most important development in American foreign policy-making in a decade. And I believe that the Reagan Doctrine, which it reflects, will be the cornerstone of our foreign policy into the 1990's.

NJC: What do you think the implications of the Reagan Doctrine are for party politics in America?

Mr. Weber: Well, first of all, there is no question that Republican support for an activist American foreign policy will continue to grow as Republican recognize their responsibility to provide international leadership. I don't see any chance, whatsoever, that that will be reversed, halted or even slowed.

As to how the Democratic party is going to move, that's a more difficult question. There are obviously voices in the Democratic party that understand that left-wing isolationism is poison for their party and will relegate them to minority status for as long as such thinking prevails in the party.

But I don't think that the Democrats can make the changes that are needed to return them to the majority. Some people say that the Democratic party, in order to regain its majority status, has to separate itself from all the interest groups with which it has become identified in the last ten years. But that's what the Democratic party is today: if you take away those interest groups you are left with basically nothing.

The bulk of middle American Democrats are strong foreign policy Democrats in the Truman/FDR mold. But these Democrats have left the party—been driven out—and many have become Republicans instead. What remains is increasingly just a militant left wing.

So, it's going to be extremely difficult for moderate Democrats to bring the party back to the center on any time, but particularly on foreign policy. Because if there's any area where the Democratic party today is rigidly left wing it is in foreign policy.

NJC: What do you think the implications of these trends are for the Jewish community?

Mr. Weber: Since the days of FDR, the Jewish community has been an integral party of the Democratic coalition. That has had implications for Israel because, although Israel has many friends outside the Jewish community, Jews obviously constitute the core of support for Israel. As a result, American support for Israel was traditionally tied to the Democratic coalition.

But that coalition has now changed. Friends of Israel in this country—and particularly in the Jewish community—must question whether Israel's security is best guaranteed in a Democratic party dominated by a left-wing, isolationist view of foreign policy which opposes resistance to communism and the use of force.

I think that friends of Israel will conclude that the Republican party offers a far more solid base of support for Israel than does the Democratic party.

Now, while I would like to see all foreign policy—including support for Israel—become a bi-partisan or non-partisan concern, that simply is not happening today. We have to face up to the fact that the Democratic party is dominated by left-wing isolationsists. They are not going to permit the forging of a genuinely bi-partisan foreign policy that is activist and anti-communist in its orientation, even though it is just such a policy that is most conducive to support for Israel in America.

NJC: Thank you very much.

SALUTE TO FOUR OUTSTANDING INDIVIDUALS—GARY COUNSELOR, DAVID WALBORN, J. SCOTT McLAUGHLIN, AND REGINALD PENNINGTON

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. VANDER JAGT. Mr. Speaker, I rise to call to the attention of my colleagues an article that appeared in the Muskegon Chronicle on September 26, 1985, saluting the outstanding achievements of four Muskegon area residents. These four Ninth District citizens—Mr. Gary Counselor, president; Mr. David Walborn, Mr. J. Scott McLaughlin, and Mr. Reginald Pennington, vice presidents of West Michigan Steel Foundary, Inc., deserve our praise and recognition.

The efforts of these outstanding businessmen have brought quite a success story to the Muskegon community. They are indeed shining examples of dedication and excellence. Their willingness to consider new and novel approaches and their successful efforts to resolve difficult problems have earned them the admiration of all who are privileged to know them. They are always ready to go that extra mile, demonstrating a truly impressive display of the initiative that keeps our Nation strong. I know that my colleagues will enjoy the following article and that they will join me in saluting Gary Counselor, David Walborn, J. Scott McLaughlin, and Reginald Pennington.

[The article follows:]

COMMUNITY FAITH, COURAGE, RESCUE A LOCAL FOUNDRY

The Chronicle today salutes—in the name of the community which has benefited from their "home town" faith and free enterprise commitment—the four men pictured above.

These individuals are well-known and longtime resident of the Muskegon area. Their hard work and willingness to take a risk literally have saved an industry for Muskegon.

The four, Gary D. Counselor, president; and divisional vice presidents David H. Walborn, Reginald Pennington and J. Scott McLaughlin, all of them veteran executives of the former Westran Corp.'s Muskegon Cast Metals Division, are facing down the formidable odds confronting iron and steel foundries nationally.

The are bucking a trend that has seen aluminum increasingly replace heavy metals in new cars and other products—developments that tolled a death knell, or saw work forces drastically cut, for several major local foundries.

They bought out the division, held onto its Muskegon lakefront property and restored the foundry's original name of West Michigan Steel Foundry Inc. Through a lot of sweat and entrepreneurial innovation, they and their fellow workers have returned the operation to profitability.

The new management team expects continued business growth through the balance of the decade, along with modest increases in employment. The company's payroll has climbed from $4.4 million last year to a projected $5 million in 1985, and there now are 200 people employed.

The venture took a lot of gumption. It's a real new Muskegon success story. And it's far from ended. The community has a vital need to keep, nurture and husband its backbone base in durable goods manufacturing. The big factory payrolls provide stability and the opportunity for growth in the important service industry-small business fields.

It should be recognized, too, that this is the latest of several recent faith-in-Muskegon developments. They include local plant management buy-outs of manufacturing facilities here from former parent companies. Examples are the thriving operation at Kaydon Corp., now a locally owned, public corporation following its spinoff from Bairnco Corp. last year, and Geerpres Inc., purchased from Beatrice Foods Co. of Chicago.

As we noted at the outset, West Michigan Steel retained its valuable Muskegon lakefront property. But not for expansion of its manufacturing facilities. The new owners say they are interested in the continued

beautification and public-use development of the Muskegon Lake shoreline.

As earnest of this, they are planning to develop as a public park, fishing and picnic area, the company's waterfront property that forms the western arm of the Hartshorn Marina's small boat basin.

There remains some problem-solving to do, including negotiations with the city of Muskegon and the neighboring Lumbertown shopping mall. But the property could figure in a major lakefront development plan proposed by Lumbertown owner Stanley Whittaker, and in a number of other downtown waterfront developments, including the county-owned Wiener property farther east.

Those plans are wonderfully encouraging as a partnership-for-progress proposal. As we said, factory work still is the backbone of the local economy. Certainly, diversification into the service-non-manufacturing sector is vital to this area's ever-brightening growth future. But both the manufacturing and tourism industries must continue to work together in partnership, in the interest of the broad community.

We are confident that West Michigan Steel will enjoy continued success. The entire community should be grateful for individuals such as the foursome at West Michigan Steel and others who have enhanced the employment stability and preserved all-important jobs. They're making Muskegon's future much brighter.

CONGRESSIONAL SALUTE TO STAN ATKINSON

HON. RCBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. MATSUI. Mr. Speaker, I would like to take this opportunity to congratulate and commend Stan Atkinson for his tireless and dedicated efforts to help various charities.

Stan is an individual who gives of himself freely to such a spectrum of charities including Mercy Hospital Foundation, Rescue Now, Family Service Agency, Emergency Relief Fund International, People Reaching Out, California Committee for a Free Afghanistan, Junior League of Sacramento, Project Interdependence, the Life Extension Institute, International Medical Corps, Muscular Dystrophy Association, the Robinhoods, Governor's Stop Crime Coalition, and the scores of other organizations he helps as the master of ceremonies, speaker, and event organizer.

As a journalist, Stan has earned the admiration and respect of his colleagues through his many news reports bringing a deeper view to troubled places around the world. Documentaries on Afghanistan, Central America, Somalia, and East Africa are a few which have brought him much public acclaim.

Mr. Speaker, on behalf of the Sacramento community, I extend my personal thanks and congratulations to Stan Atkinson. He has demonstrated concern for his fellow man through outstanding community contributions and dedication.

MAJORITY IN COUGHLIN POLL CALL NICARAGUAN REGIME A THREAT

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. COUGHLIN. Mr. Speaker, in sharing the results of my annual mail questionnaire poll of Pennsylvania's 13th Congressional District, I believe it is important to note that a majority of my constituents perceive the current Nicaraguan regime as a threat and support some form of aid to the domestic opposition forces, or Contras.

A total of 11,690 individuals responded to the opinion poll. Questionnaires were mailed to homes and postal boxes throughout the district's 28 municipalities in Montgomery County and three wards in the city of Philadelphia.

Major findings of the survey are:

Sixty-two percent believe the Sandinista regime poses a threat to Nicaragua's neighbors and the United States, while 38 percent disagree.

A majority—68.9 percent—also believe the United States should provide humanitarian aid to the political opposition, or Contras, in Nicaragua, but only 36.7 percent feel that military aid should be provided to sustain the Contras' guerrilla operations.

Three questions concerning strategic nuclear weapons show a continuing desire on the part of my constituents to limit the arms race.

A majority—76.5 percent—do not favor spending $1.5 billion for 21 additional MX missiles, 56.5 percent said they do not favor spending $3.7 billion for research on the strategic defense initiative—star wars—proposal, and 79.6 percent said they would support an agreement to ban all nuclear weapons testing by the United States and the Soviet Union.

Despite the size of the Federal budget deficit, a majority, or 54.4 percent, said they want lower personal income taxes, but 57.0 percent urge increased taxes on corporations.

On Federal spending priorities, nearly two-thirds—65.3 percent—desire less spending for defense. A plurality of the respondents—44.6 percent—want continued cutbacks in domestic spending programs. On specific budget-cutting proposals involving mass transit subsidies, Social Security benefits and Federal revenue sharing, however, most constituents opposed deep cuts.

As usual, I will share the results of my annual questionnaire with the White House.

QUESTIONNAIRE RESULTS—1985

	Percent
1. With the Federal deficit at $180 billion, how would you act on the following?	
A. Domestic spending:	
More	19.6
Less	44.6
Same	35.8
B. Defense spending:	
More	9.1
Less	65.3
Same	25.6
C. Income taxes:	
More	10.5
Less	54.4
Same	35.1
D. Corporate taxes:	
More	57.0
Less	29.8
Same	13.2
2. With regard to specific budget-cutting proposals, would you:	
A. Eliminate all subsidies for AMTRAK?	
Yes	30.6
No	69.4
B. Substantially cut aid for SEPTA?	
Yes	32.8
No	67.2
C. Freeze social security increases?	
Yes	37.4
No	62.6
D. Limit student aid to families with annual incomes under $60,000?	
Yes	76.0
No	24.0
E. Eliminate federal revenue sharing?	
No	47.5
Yes	52.5
3. Do you favor spending $1.5 billion to build 21 additional MX missiles?	
Yes	23.5
No	76.5
4. Do you favor spending $3.7 billion next year for research on the strategic defense initiative ("star wars") program for an antimissile defense system?	
Yes	43.4
No	56.6
5. Would you support an agreement to ban all nuclear weapons testing by the United States and the Soviet Union?	
Yes	79.6
No	20.4
6. Should the United States continue to aid the elected government of President Jose Napolean Duarte in El Salvador?	
Yes	60.0
No	40.0
7. Do you believe the Marxist Sandinista regime in Nicaragua poses a threat to its neighbors and the United States?	
Yes	62.0
No	38.0
8. Should the United States provide to the domestic opposition (Contras) in Nicaragua:	
A. Military aid?	
Yes	36.7
No	63.3
B. Humanitarian aid?	
Yes	68.9
No	31.1
9. Do you believe Federal funding of abortions for the financially needy should be:	
A. Prohibited in all cases?	
Yes	26.4
No	73.6
B. Permitted in all cases?	
Yes	40.0
No	60.0
C. Limited to cases of rape or incest?	
Yes	43.3
No	56.7
D. Limited to protect the mother's life?	
Yes	46.3
No	53.7
E. Limited to protect the mother's health?	
Yes	34.7
No	65.3
10. Do you believe elderly and retired persons receive adequate benefits from the Federal Government?	
Yes	53.9
No	46.1
11. Even if it results in fewer dollars to clean up hazardous toxic dumps, should individuals be compensated for medical and relocation expenses caused by abandoned toxic waste sites?	
Yes	74.0
No	26.0
12. Should U.S. taxpayers aid starving people in Soviet-allied African nations where the Soviets are not providing famine aid?	
Yes	53.7
No	46.3

LINGERING APARTHEID

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. RANGEL. Mr. Speaker, I rise to indicate to my colleagues that apartheid is alive and well in South Africa.

We hear from the Reagan adminstration and surrogates such as Jerry Falwell that President P.W. Botha has begun to dismantle the trappings of separate development. We hear that Botha has embarked on the path of moderation and understanding, and is bringing South Africa closer to participatory democracy. If one is to believe President Reagan, South Africa is entering an era not unlike the post-Brown versus Board of Education era in the United States.

Unfortunately, the reality in South Africa belies Reagan's assertions. Mass arrests, warrantless searches and seizures, army sweeps, censorship, and police brutality are everyday occurrences. The pass laws, separate facilities, and separate neighborhoods are still enforced under penalty of law. Laws such as those which ban interracial marriage have been abolished, but one must remember that this simply means that it is no longer a requirement to avoid intermarriage. Whites can still discriminate against nonwhites with impunity.

Apartheid lingers under P.W. Botha. The laws requiring separate development may be modified, but there is still no protection from prejudice against the majority population. We should be careful so that we are not confused about the realities of everyday life in that country.

I would like to submit the following article for inclusion in the CONGRESSIONAL RECORD:

[From the New York Times, Oct. 2, 1985]

APARTHEID EMBALMED

It is time to acknowledge a widespread misjudgment of South Africa's President, P.W. Botha. All year, with the storms of protest raging around him, he's been elaborating a blueprint for "reforming" the racist structure of apartheid. From afar he often seemed to be improvising, now soothing his nation's blacks, now rebuffing them, as if to stifle rebellion with ambiguity. But now that he has laid out his "manifesto for a new South Africa," only his foreign interpreters sound confused. For a man in his circumstance, he has been remarkably blunt, consistent and purposeful.

Mr. Botha is a semantic trickster. In one sentence he embraces "a united South Africa, one citizenship and a universal franchise." In the next, that becomes a South Africa of "units," with at least three categories of citizenship and a franchise that keeps voters a universe apart. With one breath, Mr. Botha describes black South Africans as a welter of distinctive tribes and "cultures." In the next, he calls them a single group that threatens to dominate the white minority.

Yet despite these obfuscations, Mr. Botha offers a program for reform that is totally coherent. It is also pathetic.

Implicitly, he acknowledges that his predecessors failed in their attempt to turn 23 million blacks into citizens of 10 barren, "independent" homelands. In the service of that scheme, millions have been uprooted or abused as aliens in their own land. Without abandoning this geographical apartheid, Mr. Botha would let the much-needed urban blacks remain in segregated townships and would invent new "group" boundaries to circumscribe their political rights and muscle.

The "homelands," four of which have been declared independent, could each become one or more "units" in Mr. Botha's reunited South Africa. So would the walled-off black townships. Blacks would then participate in political "structures" on a unit basis, managing "their own" affairs, like segregated education and housing, and having "a say at higher levels."

Even at higher levels, there could be no black chamber of Parliament alongside the new Asian and mixed-race chambers advising the white one. But a few blacks might be admitted to the still-more-advisory President's Council, to offer "inquiries and proposals."

That is the Botha reform, unaltered by any of his moods over the year. Details to come. Black leaders who accept it might be consulted, but never those guided from "abroad" by the exiled leaders of banned black-power organizations.

No less devious than the apartheid of "homelands," Mr. Botha's scheme is even more explicit in its racism. And it is even more plainly designed to let whites divide and dominate blacks, without yielding any power or privilege. All this in the same week that South Africa's white business leaders publicly urge negotiation with acknowledged black leaders "about power sharing," full citizenship "to all our peoples" and restoration of the rule of law.

Anton Rupert, a leading Afrikaner businessman, says "Apartheid is dead, but the corpse stinks and it must be buried, not embalmed." President Botha remains, sly and stubborn, the embalmer.

A LOOSE THREAD

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. DANNEMEYER. Mr. Speaker, the trade winds are blowing. And they are brewing up a storm. As we consider the Textile Trade Enforcement Act, I am moved to observe that we are giving the patient the wrong medicine for his illness. The cloth of our economy is tattered and torn; the sleeves of exports are coming apart at the seams. But what do we do? We try to sew the sleeves back on. What we are overlooking is that the cloth itself is worn and no amount of new stitching will do anything other than hold the sleeves together temporarily. Meanwhile we avoid tackling the problem of the cloth.

About 153 years ago, a Member stood before the House and told our predecessors then what we need to be told now:

"Of all the contrivances for cheating the laboring classes of mankind, none have been more effectual than that which deludes them with paper money. This is the most effectual of inventions to fertilize the rich man's field by the sweat of the poor man's brow. Tyranny, oppression, excessive taxation—these bear lightly, compared with fraudulent currencies and the robberies committed by depreciated paper."—Daniel Webster (1832)

The problem is not the lack of import quotas. If we look around us, we see a multitude of problems which should give us an indication of what is wrong. American-made products aren't being exported but less expensive foreign imports flood the markets. Domestic auto manufacturers are having one of their best years but their future is cloudy and their market share shaky. Farmers are in the preposterously ironic position of going bankrupt because they are overproductive. Banks and S&L's are folding at an alarming rate unheard of for 50 years despite record-high GNP and national income levels. In the midst of a relative upturn in the economy and the creation of millions of new jobs in the past 2 years, some of our most established and important industries are closing their doors. Hunger, poverty, illiteracy, homelessness, and deprivation continue to impel Congress to finance a myriad of Federal programs despite the fact that in the past 13 years, 1972–84, we have spent over $3 trillion on such programs, $3.089 trillion on payments for individuals, according to OMB statistics.

The love of money may very well be the root of all evil. But rootless money is most assuredly an evil. Our money, for all its quantity, utility, and universal appeal, is essentially worthless. We have demeaned our currency to the point where we are unable to print it fast enough to subsidize our failing farms, banks, and industries.

On August 15, 1971, the last tie to gold was abandoned and we embarked upon the wild and uncharted sea of floating exchange rates. In the years which followed we witnessed fluctuating but ever-increasing interest rates, unparalleled inflation, rising unemployment, and the withering of our economic backbone. The Federal Government's solution has been to print more money faster: deficit spending on a mind-boggling scale.

Monetary instability is not only responsible for a host of domestic ills, it is also wreaking havoc with the economies of other nations. The world debt crisis is looming overhead and is a thousandfold magnification of our farm credit dilemma.

Band-Aids are not the answer. They can help the healing but will not cure the disease. Import quotas will be met by retaliatory action; any immediate gain will be offset by long-term disaster. Subsidies constitute a perpetual hemorrhaging of the nation's overtaxed finances; only the agony is prolonged, not the life, as the patient bleeds to death with the donor.

If we truly seek to promote exports without embarking upon a foolish course of protectionism which will only serve to further restrain our own economy, we must turn to sound money.

If we wish to enable would-be homeowners to obtain a first mortgage, interest rates must be linked to something other than wildly fluctuating exchange rates and defi-

cit projections, and that means sound money.

If we really desire to stabilize our financial institutions, combat insolvency, resuscitate both farmers and our industrial base, sustain low inflation, stave off the impending collapse of debtor nations, exchange our economic roller coaster for sure and steady growth, and balance the Federal budget, we must first stabilize our currency. Sound money.

Monetary reform should be our No. 1 priority. What was true a century and a half ago is no less true today:

"He smote the rock of the national resources, and abundant streams of revenue gushed forth. He touched the dead corpse of Public Credit, and it sprung forth upon its feet."—Daniel Webster on Hamilton, March 10, 1831.

MARY McGRORY VISITS THE SOVIET UNION

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. GILMAN. Mr. Speaker, just recently journalist Mary McGrory returned from a visit to the Soviet Union which she made with several of our colleagues, including Congressman BOB MRAZEK of New York and ED MARKEY of Massachusetts. Following their return, Ms. McGrory began writing about their experiences, and in one recent Washington Post column, described the situation of a few of the Soviet Jews she met. Outlined below is that report, which I would like to share with my colleagues. While it is most important that we in Congress continue our own efforts in behalf of Soviet Jews and other harassed miniorities in the Soviet Union, it is an important that the media highlight the ongoing religious discrimination now being suffered by Soviet Jews and countless others in the Soviet Union. I commend Ms. McGrory for her courage and concern in making this trip, and in sharing her experiences with us all.

The article follows:

[From the Washington Post, Sept. 29, 1985]

REFUSENIKS WITH NOTHING TO LOSE

(By Mary McGrory)

Moscow.—Viktor N. Sushkov, deputy minister for foreign trade, an affable, middle-aged man in three-piece pinstripes, could not have been more cordial or, it seemed, less ideological in receiving his American visitors.

He pressed glasses of Pepsi-Cola and hot tea on us. He offered a focused, factual account of Soviet-U.S. trade, which is his special responsibility. He spoke regretfully of the Jackson-Vanik amendment which conditions commerce on Jewish emigration, and of the denial of most-favored-nation trading status to the Soviets.

He gave an example of how difficult it is to deal with the United States: Americans agreed to provide everything for a Soviet jeans factory except computers and control equipment; Japan and West Germany, he said, offered a complete deal.

All went swimmingly until the leader of the party, Rep. Edward J. Markey (D-Mass.) introduced another member, businessman Leonard Farber, who is on the Council for Soviet Jewry, and who asked Sushkov if more Jews would be allowed to leave if Jackson-Vanik were changed.

Sushkov's broad face went blank, and his expertise evaporated.

"I don't know," he said. He gave a demonstrably wrong figure. He said he thought only 11 Jews had been allowed to emigrate in 1985. Farber politely corrected him: 700 went, in contrast to the 50,000 who left in the peak year of 1979.

Sushkov said he might have been wrong and slid into the party line, which is that most of the Jews who wanted to leave the Soviet heaven-on-earth have already left, and that many, on hearing from disenchanted Russian emigrants in Israel, had gotten cold feet.

"They live well here," he said. "There are no obstacles, no restrictions to their leaving under the law."

That, like many other Soviet statements, is both true and not true.

The law may not prohibit emigration. The authorities who administer it, however, do. To apply for a visa to Israel is to ensure a hellish life, but life in the Soviet Union is hell for Jews, anyway.

A dark, pale young man standing outside Moscow's largest synagogue on Yom Kippur explained why.

He was asked if he wanted to go to Israel, and he said no.

He looked anxiously at the line of soldiers outside the crowded temple and said, "There are too many police, KGB here. Move to the side."

In a relatively quiet corner, he said urgently, "Of course, I want to go, but if I apply, I will lose my job. I was unemployed for six months because on my passport it says Jew. I could not go to Moscow University to study physics because I am Jewish. I had to go to a pedagogical institute, a second-class place. I finally got a job in a laboratory; it is dangerous because of radiation. The chief is Jewish, although his passport says he is Russian. I will give you my name, but you must not print it."

From the temple, we Americans went to a shabby highrise apartment building on the outskirts of Moscow. In a crowded living room, in the small space left from a grand piano in the corner, we met, by arrangement with the American embassy, a gathering of eight refuseniks.

They freely gave their names. "We have nothing to lose, we don't mind anything."

They were gentle intellectuals, purposeful, informed, resigned to their fate, but not despairing.

One of them, a large ruddy man with a thick gray hair and a full beard, introduced himself as Mark Lvovsky, who was refused 14 years ago. A one-time chemical engineer who lost his job on application for Israel, he now works as a carpenter. He and his wife, a retired medical doctor, have two sons in Philadelphia and five grandchildren whom they have never seen.

He was refused on the grounds that he knew state secrets.

"It is a joke," he said. "I worked in a television laboratory."

The hostess, Marion Ozernoy, a slim, intense, dark-eyed woman whose 7-year-old daughter flitted about with tea and cakes, is a poet.

She lost her job at the Pushkin Museum when she and her husband applied for visas six years ago. She writes poems about the suffering of the refuseniks. They are, of course, "not publishable until I die."

"Many people would like to say those things, but they are mute, like dogs, and I feel I am obliged to do it for them, to tell about the inner tears."

Her husband, Leonid, a theoretical astrophysicist, said the official reason given for the refusal was "inexpedience of the moment," even though his mother and brother were given permission to go in 1979.

When Marion Ozernoy was told the minister's explanation for the decline in emigration—that exiled Jews in Israel were disenchanted—she said softly, "Freedom is not for everyone."

"But to say we do not want to go, it's a lie, a very simple lie," she said.

They all approve the Reagan hard line.

They want the United States to keep up the heat on the Soviets.

They were asked why the Soviets are so paranoid about Jews—not wanting them but refusing to let them go.

"It is the last century," said one, referring to the anti-Semitism which flourished under the czars.

"No," said another, "it goes further back. It is Mongolian. Revenge is a Mongolian characteristic."

In spite of the harsh, hunted quality of their lives, they go on hoping, because, as Mark Lvovsky said hardily, "it is impossible to live without hope.

CONGRESSIONAL SALUTE TO LEONA AND VERN BRIGHT

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. MATSUI. Mr. Speaker, I would like to take this opportunity to pay tribute to Vern and Leona Bright for their dedication and development of the Kiwanis Family House of Sacramento.

This facility offers shelter for families of children with life-threatening diseases who need housing close to the hospital. Leona and Vern felt a compassionate need to mitigate the traumatic circumstances encountered by these unfortunate families. With tireless dedication they along with the Kiwanis Clubs of divisions 7 and 44, arranged donations of time, skill, labor, and materials valued at hundreds of thousands of dollars. Through the cooperaton of the administration and certain concerned doctors at the U.C. Davis Medical Center in Sacramento, the donations were used for the construction of the facilities to house and administer to the families in need of shelter. During the first year, the Kiwanis Family House served more than 300 families.

Mr. Speaker, on behalf of the people of Sacramento, I commend Vern and Leona Bright for their concern and dedication in the development of the Kiwanis Family House of Sacramento. I offer best wishes and thanks for their willingness to help others.

MARXIST-LENINIST ECONOMICS AND THE NICARAGUAN ECONOMY

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. BROOMFIELD. Mr. Speaker, all around the world, Marxist-Leninist economics have failed to improve the lives of millions of human beings who deserve a better life than what they are getting. Those failed economic principles are now destroying what is left of the Nicaraguan economy. The struggling private sector is being seriously affected by the Sandinistas' efforts to impose state ownership on companies in that poor country.

The Sandinistas are determined to impose their voodoo economic principles on that long suffering land even if it means the total collapse of the Nicaraguan economy. The Sandinista government itself is in direct competition with the dwindling private sector in that country. As the Nicaraguan Government undercuts more and more private enterprises there, the Nicaraguan economy will essentially become one Marxist-oriented holding company.

Under the guise of trying to stabilize the Nicaraguan economy, the Sandinistas are slowly controlling all facets of business activity there. They will soon be in total control. The private sector will be slowly, but surely, eliminated. Corruption in Nicaragua allegedly reigns supreme as people are forced to deal outside the formal economy in order to survive. In spite of their promises in the early days of the revolution, the Sandinistas will not, in fact, allow a mixed economy to exist.

With these concerns in mind, I commend the following Washington Post article on Nicaragua to my colleagues in the House:

[From the Washington Post, Oct. 5, 1985]

NICARAGUAN BUSINESSES FACE COMPETITION FROM SANDINISTAS

(By John Lantigua)

MANAGUA, NICARAGUA—Nicaraguan businessman Alfredo Motealegre marketed his own brand of pasta here and, despite government price controls, he figured to do pretty well. That is, he said, until the government itself decided to compete with him in the noodle business.

The leftist Sandinista government, which now runs about 35 percent of the Nicaraguan economy, has become the competition for many of the country's remaining private businesses. Many say they are afraid the Sandinistas are thinking in terms of monopoly: that they will raid and undercut more private companies until the Nicaraguan economy becomes one large Marxist-oriented Sandinista holding company.

Montealegre said the government set the price at which he bought his raw materials, set the wages he had to pay his workers and then passed his products to three successive government distribution agencies, each of which tacked on more to the cost of his pasta.

He said the government then took a superior brand of pasta, donated in large amounts to Nicaragua by Italian interests, and put it on the market shelves at a price that undercut him by a full 40 percent.

"I wrote them a letter," he said. "Theirs is a better pasta. I said, 'You can raise your price to the same level of mine and at least there will be some kind of competition.' They didn't answer the letter."

"There is a kind of apartheid in Nicaragua today," said another business leader. "The 'Sandinistas are the whites and businessmen are the blacks."

Under Nicaraguan law, the government controls all imports and exports. It is the only wholesaler of agricultural produce in this largely agrarian society. It attempts to control the prices of all basic food stuffs. It controls wages, not only setting minimum wages, but also dictating wage ceilings.

Businessmen complain that they cannot do everyday business, let alone expand or diversify, without dealing with the government at every turn. The Sandinistas say the measures are necessary to eliminate the chaos that once reigned in the Nicaraguan economy, while opponents insist the new system is much more chaotic.

Even Sandinista supporters agree that everyone must break one or more of the new economic laws to survive. Businessmen smuggle goods into and out of the country, including cattle that are driven across borders into Coasta Rica and Honduras where they fetch better prices. Farmers hide food from government buyers and sell it on the black market. Businessmen say some of the same government buyers themselves sell the goods illegally to supplement their low salaries.

Consumers say low-priced government food rations are not enough and they must go to the black market to fill their market baskets. Employers pay their employes added wages under the table to keep good workers. Black market money changers buy and sell U.S. dollars needed to do business outside the country.

Critics of the Sandinistas say corruption in the new economy is more prevalent, although much different in nature, than it was under dictator Anastasio Somoza, who was overthrown by the Sandinistas in an alliance with businessmen and others in 1979.

"Under Somoza corruption was a matter of vice, usually by government officials," said Orsendo Diaz, an anti-Sandinista entrepreneur. "Today, corruption is an everyday necessity for everyone."

Many business people and skilled workers have left the country. Others have left the formal economy because it doesn't pay and they wheel and deal outside the economy.

Jaime Bengoechea, owner of a pharmaceutical company and an opponent of the government, said the production manager of his laboratory recently quit saying he could make four times his legal salary just buying and selling used household appliances.

Another businessman, who asked not to be named, talked of how the government had spent $2 million to construct a plant to rebuild engines, but by the time it was finished there was no one left in the country with the skill to operate it.

"People who don't know how to run things are giving orders to people who do," said Bengoechea. "None of these Sandinista leaders has ever run a company, not even a barbershop."

When they took power, the Sandinistas confiscated all of Somoza's extensive holdings and those of his top political and military collaborators. They promised a new "mixed economy" combining government initiative and private enterprise.

But the critics say the Sandinistas continued to confiscate other private holdings as part of a plan to take over the economy. The law states that those who stay outside Nicaragua for more than six months can lose all their property, including their homes. Some businessmen's holdings were confiscated when they were accused of being enemies of the government, or "counterrevolutionaires."

"The government will control what it has to in order to develop this economy, in order to bring this country out of underdevelopment," said Sandinista Front commander Jaime Wheelock, agriculture minister and a top economic thinker in the government.

Nicaragua's poverty is undeniable. Haiti is the western hemisphere's poorest country, and Nicaragua and neighboring Honduras come next.

Nicaragua produces no machinery, vehicles or spare parts. It produces no paper products and, according to business leaders, must import 80 percent of all textiles and medicines, and most building materials.

"In this state of incapacity only the government will be able to confront the great economic projects that are necessary," said Wheelock.

While many Latin American nations depend on heavy government involvement to stoke their economies, opponents here say they believe the Sandinistas will go to extremes and follow a Cuban model of government ownership. Wheelock denies it.

"We don't follow models. We follow reality," he said in an interview. "Private enterprise, especially small and medium producers have always been Nicaragua's reality."

Owners of small and medium-sized farms interviewed recently as they applied for government loans at a bank in Leon province said production is harder now because insecticides and fertilizers are harder to find, but none said that they feared a government takeover.

"The Sandinista leadership may be Marxist, but they are learning they cannot live without the private producer," said Enrique Jose Saravia, leader of a farmers' organization affiliated with the government-organized cooperatives have proven unprofitable for the government.

"The Israelis can run cooperatives because their people have a certain level of culture and commitment to a cause. Here they don't work. A Nicaraguan, especially the peasant, is too much of an individualist," he said.

"But you can't confront the government here because they will finish you," said Saravia. "You have to infiltrate them." He said his group is getting vehicles, tires, spare parts, fertilizers and other supplies it needs, while government opponents have more trouble finding those materials.

"He is a nitwit," said Montealegre, the pasta maker and Saravia's uncle. "The Sandinistas are going to get rid of all of us someday and that fool too."

Many businessmen who oppose the government, like Montealegre, admit they are making money in Nicaragua. In fact there is a whole new class of wealthy people here, mainly peddlers who bring in needed products such as spare parts for machines, air conditioners, typewriters, clothes and cosmetics.

"If it wasn't for those people this system wouldn't function at all," said Mario Hanon, another business leader. "The fact is the Marxist policies here are creating new entrepreneurs."

Many opposition businessmen insist that those new rich produce nothing and that

their fortunes are being created by inflationary monetary policies of the Sandinistas that eventually will undermine the economy.

Some businessmen of insisting that their private sector be more outspoken in its opposition to the Sandinistas, but others are afraid this would lead to reprisals. Earlier this year, Enrique Bolanos, head of the opposition Superior Council for Private Enterprise and the most outspoken anit-Sandinista business figure in the country, saw about 90 percent of his land confiscated by the government, which said it needed it to distribute to landless peasants. Wheelock, in the interview, was more frank.

"Yes we needed land and when you make yourself conspicuous like Bolanos by taking the Reagan position . . . you put yourself at the front of the line when we need land," he said.

As the opposition busniessmen decide whether to take a more militant stand against the Sandinistas, some repeat what Sandinista Front patriach Tomas Borge has said about the matter.

"This revolution belongs to the workers and to the peasants," Borge said recently. "A person can still be here, but if he is rich he cannot have political power. If he tries to have political power, he will end up with neither the power nor his riches."

CONRAIL SALE LOSING STEAM

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. FLORIO. Mr. Speaker, Congress is currently considering the proposal of the Department of Transportation to sell Conrail to Norfolk Southern Corp. As the following article from the Christian Science Monitor indicates, that proposal has raised many complicated questions, particularly regarding its competitive effects. I believe we should resolve the issue this year, but some observers note that the administration is losing interest in pushing a Conrail sale.

The article follows:

[From the Christian Science Monitor, Oct. 3, 1985]

FEDERAL PLAN TO SELL CONRAIL IS LOSING STEAM

(By Peter Osterlund)

WASHINGTON.—It was to be the federal government's one-way ticket out of the railroad business.

Instead, Transportation Secretary Elizabeth Hanford Dole's plan to sell the government's holdings in the nation's sixth-largest freight railroad seems to have reserved seats on a bureacratic merry-go-round.

Already, the federal government's proposed sale of its 85 percent share in Consolidated Rail Corporation (Conrail) to Norfolk Southern Corporation for $1.2 billion has been held up by legislative haggling, a competing deal from a group of private investors, and vocal opposition from Conrail's management and unions, several other railroads, and nearly a half-dozen states.

Now, the Justice Department has joined the fray. Last week, the chief of the department's antitrust division said that the plan may inadequately protect rail competition. The statement came a day after Norfolk Southern officials announced new concessions intended to alleviate Justice Department concerns and help the stalled proposal in Congress.

Douglas Ginsburg, the assistant attorney general for antitrust, told reporters last week that, based on newspaper accounts, the new proposal "does not appear to me to address all of the subjects about which I have concerns." Justice officials began studying the new modifications in detail earlier this week, and have refused further comment until their review is complete.

Many key figures in the current Conrail saga say the administration proposal is rapidly losing momentum. One possible result: Conrail could remain the ward of the federal government at a time when nearly everyone agrees that the government doesn't belong in the railroad business.

"The whole process is stagnating," says Rep. James J. Florio (D) of New Jersey, chairman of the House Energy and Commerce Subcommittee where legislation approving the sale has been hung up for months. "Marking time is deadly to this proposal."

For its part, the Senate Commerce Committee passed legislation to approve the sale. But committee chairman John C. Danforth (R) of Missouri will not predict when the issue will reach the Senate floor.

"The problem is that it's past the first of October and [the Senate] has a lot of things on the platter," Senator Danforth says. Still, he adds, "It seems to me that most people don't think the federal government should be in the railroad business, [so] this should be brought to the Senate floor as soon as possible."

The Norfolk Southern plan to purchase Conrail has been beset by criticism from the day in early February when Secretary Dole announced the company's selection as the buyer. Transportation Departments in Nebraska, North Dakota, Iowa, Minnesota, and Wisconsin formed a coalition to oppose Norfolk Southern's plan. Several recent studies raised questions about the competitiveness of other railroads against a combined Norfolk Southern and Conrail.

For example, an Interstate Commerce Commission study predicted that without additional agreements, Norfolk Southern/Conrail would take a lot of business away from smaller railroads. A Justice Department-commissioned study reportedly raised serious concerns about the competitive stature of smaller rail lines. But it also included a 16-page list of documents that would have to be studied before any final determination could be made.

Norfolk Southern sought to assuage concerns by offering to share access to a major section of high-speed track in the Midwest with Guilford Transportation Industries, a small, competing freight line.

The doubts about the viability of the Norfolk Southern proposal have boosted the prospects of an investment group organized by Thomas A. Saunders III, managing director of Morgan Stanley & Co. Inc. They have also offered $1.5 billion for the government's 85 percent share of Conrail with the intention of reselling it to the public over the next five years.

Backers of the Morgan Stanley proposal say that because Conrail would stand alone, there would be no threat of a giant Eastern rail monopoly. But Transportation Department officials say the high dividends Conrail would have to pay investors under the plan would leave the line in perilously weak financial condition.

"The fundamental question here is should the sale be designed in such a way to ensure Conrail's long-term stability or to make life politically easier in the short run," says Federal Railroad Administrator John H. Riley.

RECOGNITION OF NATIONAL FIRE PREVENTION WEEK

HON. SHERWOOD L. BOEHLERT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. BOEHLERT. Mr. Speaker, the President declared this week National Fire Prevention Week. We are prone to ignore the tragic loss of life associated with fires unless a large fire occurs or a week of recognition is declared. We are much more aware of other tragedies such as airplane crashes which cause large numbers of casualties at once. The fact of the matter is that there were more than 800,000 fires in the United States last year alone which claimed 5,000 lives. Of these, residential fires accounted for 78 percent of the fires and 85 percent of the deaths. A disproportionate number of these tragic fatalities take our very young and aged from us. It is mainly the education of the public in fire prevention and protection methods that will minimize this menace to our society.

The Science, Research and Technology Subcommittee sponsored a hearing on "Prevention of Residential Fire Fatalities" on October 9, 1985. I would like to commend to you the report of that hearing and particulary, at this time, I would like to enter into the RECORD the statement of Mrs. Evelyn Payne Davis, vice president, Community Education Services, Children's Television Workshop [CTW]. The CTW's "Sesame Street" is helping to educate our most valuable asset—our children. This effort, in conjunction with the outstanding efforts of our volunteer and full-time fire department personnel, government, and private sector fire-related agencies, and research efforts such as are conducted by the National Bureau of Standards' Center for Fire Research, the National Fire Academy, and the U.S. Fire Administration deserves our applause and support.

Let's make every week a fire awareness week and make the National Fire Prevention Weeks of the future a celebration of minimal fire related casualties rather than a reminder of the magnitude of the problem.

CHILDREN'S TELEVISION WORKSHOP,
New York, NY, October 9, 1985.

Mr. Chairman and Members of the Subcommittee: Thank you for the opportunity to appear before you today. For the past five years Children's Televison Workshop has been working with fire educators, fire departments, child care agencies, parents, teachers and state and city agencies to try to reduce the appalling disproportionate number of fatalities and serious injury sustained by the most vulnerable members of our society—preschool children. This effort resulted from a request from the U.S. Fire Administration that we explore the feasibil-

ity of using the enormous appeal and credibility of Sesame Street and the television media to teach lifesaving skills to young children and their parents. A six-month study, funded by FEMA, concluded that simple messages (such as understanding fire and burns, learning about smoke detectors, and getting to know firefighters) could be taught on television without undue danger of misunderstanding by two- to five-year-olds.

The study cautioned, however, that some fire safety messages are inappropriate for television and are best taught within the context of a real-life lesson on fire so that the techniques can be reinforced through actual practice with an adult. Examples of this are: crawl low under smoke and stop, drop and roll if your clothes catch fire. Other inappropriate uses of television for preschool audiences include showing dangerous activities such as playing with matches. Even though an announcer's voice warns against the danger, children—notorious imitators—may respond only to the visual portion.

Again, at FEMA's request, special materials were developed to assist fire educators and others to bring safety messages to young children. The Sesame Street Fire Safety Resource Package was produced and contains Bert and Ernie skits, games, songs and a record that teaches how to stop, drop and roll and to put a burn in cool water—two potentially frightening messages.

This major outreach effort over the past four years has had broad impact throughout the country. A few examples:

Formation of local task forces comprised of fire service personnel, parents, child care providers, hospital burn units, merchants associations, government agencies, social service organizations, local television stations, Girl Scout groups, armed forces bases, ladies fire auxiliaries, etc. that plan and promote fire safety activities built around the Sesame Street materials;

Extensive and concentrated media attention and both local and national support. Hundreds of hours of television and radio coverage, together with thousands of news articles, have greatly helped to heighten community consciousness of the need for fire education;

In some areas, fire inspectors and state day-care licensing departments require regular practice of fire safety techniques;

Hundreds of communities regularly sponsor Sesame Street Fire Safety Festivals to reinforce their educational activities and reach additional families with the information;

Parks and recreation departments have enhanced their summer programs by using teen-age youth workers to stage the Bert and Ernie skits daily for different groups of preschoolers;

Numerous groups have incorporated the Sesame Street Fire Safety Program into their regular ongoing activities.

It is not possible to track all of the groups and areas using the Sesame Street Program. As part of its concern for the safety of young children, however, Good Morning America featured the Sesame Street approach to fire safety on August 2, 1982, and again on October 8, 1984. Those network broadcasts resulted in several thousand requests for materials and information. Sesame Street itself reaches an estimated nine million children and five million adults daily, and fire safety is now an ongoing part of the show's safety curriculum.

Successful projects tend to take on a life of their own and spawn other activities or stimulate the thinking of other groups to tackle related issues. Children's Television Workshop's work with fire safety led to a relationship with the American Red Cross of Greater New York, the Consumer Products Safety Commission and other city groups and has resulted in the newly-founded New York Safety Coalition. The Coalition has mounted a drive to inform senior citizens in high fire risk areas about the care and use of smoke detectors. The Coalition trains teenagers from the City Volunteer Corps (CVC) in the installation of smoke detectors and other fire safety issues. These teenagers then go out in teams and assist the senior citizens.

Many Americans die and suffer burn injuries in residential fires each year. A majority of the deaths occur at night while sleeping people are overcome by smoke before they can escape. Nearly one half of those victims are small children and people over age 60. Only about one-half of the residences in the United States are currently equipped with working smoke detectors. A large percentage are not in working condition or are not in use because of lack of understanding. Public awareness about the value and need for working smoke detectors would be furthered by the establishment of a National Smoke Detector Day. Currently, individual fire departments sponsor such activities, but their efforts would multiply greatly and be enhanced by a national program.

Much has been said in other contexts about the positive role that young adults can play in their communities. Part-time employment of real value could be provided to youth in communities throughout the country who would then help seniors with the understanding, use and maintenance of smoke detectors, as demonstrated by the New York Safety Coalition Smoke Detector Program.

For many years, Children's Television Workshop has trained young people to function as tutors to reinforce the educational objectives of Sesame Street with preschool children. This youth-to-youth initiative also includes fire safety education. The number of ways in which teen-age energy and creativeness could be used to increase fire safety in their neighborhoods is almost endless. Two important activities would be arson watch teams and a teen-to-teen program geared toward the increasing number of teen-age parents who have limited life experience.

Most people feel that fires happen to other people—not to them. But they do. According to the National Fire Protection Association's Fire Analysis Division, 68.5% of civilian fire injuries in 1984 occurred in residential properties—or 4,240 deaths and 19,275 injuries. This represents a small decrease in injuries from 1983. How many lives might have been saved if fire safety practices were as well known as one's own name!

Last week's New York Times ran a story about an experiment sponsored by the Missouri Department of Elementary and Secondary Education, which demonstrated the value of teaching parents how to rear their babies. The evaluation report showed that toddlers, by age 3, showed mental and linguistic growth far exceeding that of other children. We all know this about our own children. How exciting it would be, however, if a determined effort was made by all public education programs to reach children during the early years of rapid growth and development with safety information.

CTW hopes that, in time, teaching basic lifesaving fire safety skills will become as natural a part of early education as teaching language and number skills. A major goal is to introduce fire safety into the preschool curriculum everywhere.

The fire safety movement in this country was initiated as a result of the report America Burning by The National Commission on Fire Prevention and Control. In the last decade progress has been made to reduce the number of fires and fire-related deaths. There are more fires in America, however, than in any other industrialized nation. To initiate a second wave of bold new fire safety efforts, we would like to see all the issues around fire become part of the President's yearly State of the Union address. This could give it the spotlight it needs to move up in priority on the nation's agenda for positive social change.

The achievements and success of the Sesame Street Fire Safety Program has led to another joint venture with FEMA. The Children's Television Workshop has been asked to explore ways of teaching young children safety information about natural hazards—floods, hurricanes, tornadoes, earthquakes, etc. And, of course, fire is often a major consequence of a natural disaster. This investigation is proceeding with the support of the National Weather Service as well as other organizations and agencies.

With FEMA's support, the Sesame Street Fire Safety package is being updated and revised to meet the expanding needs of fire educators, and those who care for and live with preschoolers.

The Children's Television Workshop throughout its existence has worked in partnership with the public and private sectors to demonstrate and utilize the powerful resource that television represents for the education of our nation's youth. We will continue to explore ways of extending the power of Sesame Street and our other productions to increase the fire and natural hazards safety information level of our nation's families.

Thank you.

REPORT ON JIM OLIN'S EDUCATION CONFERENCE—SEPTEMBER 23, 1985

HON. JIM OLIN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. OLIN. Mr. Speaker, I recently held an education conference in my district; 275 residents of the Sixth District of Virginia came together in the afternoon of September 23 to discuss a variety of issues in education. Attendees participated in two of seven discussion sessions, each 50 minutes in length. Later the entire group convened to hear summaries of each discussion and an address from the Governor of Virginia, Charles S. Robb.

The discussions were interesting and informative. I believe that all Members can benefit from knowing what education issues are important to sixth district residents. The issues raised are national in scope, and many are directly tied to congressional action. I learned a lot at the conference. I want to begin putting what I

learned to work by sharing it with my colleagues so they can all benefit from it.

EDUCATION CONFERENCE SUMMARY

The following recommendations were made at the Education Conference:

1. Teacher training and certification—The federal government a) should fund experimental research and incentive programs for training and retraining, b) should promote efforts to improve the status of the teaching profession, c) should promote initiatives that encourage local control of education, d) should continue to allow localities and the states to certify teachers and e) should encourage states to develop reciprocal agreements for certification.

2. Federal financial aid—(a) Higher Education: Federal financial aid to students must be continued in some form so that individuals have access to higher education. Congress needs to work out a compromise in funding levels for Pell grants so that public and private schools continue to benefit. Levels should be set at 60% of costs or a maximum of $2,100 so that both types of institutions can benefit. Congress should attempt to leverage federal money through state student incentive grant programs. (b) Chapter I programs: Chapter I continues to get more complex and bureaucratized. It prevents schools from serving students to the best of their ability. Public schools are not getting enough money to share with non-accredited schools. State school systems should not have to share money with them. Money for disadvantaged student programs are vital and cannot be restricted. We need to continue these education programs so that people can move out of poverty through education.

3. Teacher Pay—Teachers need to be recognized as valuable professionals. This will attract competent people, get them to stay in teaching and benefit the students. Salaries need to be increased by the state legislature. If salaries are going to be increased, then quality of teaching will have to be monitored more closely. Teachers don't mind being evaluated if the process is fair. They could be involved in this. Local systems must work together to set criteria for evaluations and managing teachers. Finally, the federal government must protect the ability of localities to raise money for education by retaining the federal deductibility of state and local taxes.

4. Handicapped and vocational education—The problem is money. Both the federal and state governments need to recognize that funding is desperately needed. Federal law mandates strict evaluation procedures that identify handicapped children. But then children must wait to receive services because funding is not provided. Realistically, costs run about $14,000 per student. Efforts must be made to pay as much of that as possible. Federal government needs to work hard at getting communities to accept large programs oriented toward the handicapped. Congress has authorized funding levels closer to what is needed in the Carl Perkins Vocational Act of 1984. Now Congress needs to fund the program.

5. Trends in Higher Education—(a) Enrollments are declining. Schools must adjust to lower numbers of students in the next ten years. (b) Quality will be a key factor in maintaining standards. We have made great strides in providing access to students, but holding students to graduation requirements is more and more difficult. The high-school graduates are not as well prepared. We need to retain good students and provide role models. for them. (c) Schools are becoming more technically oriented. Liberal arts programs must be retained. (d) The federal government must continue to support programs that make higher education accessible to students.

6. Non-educational school issues—Several major issues were discussed at this session. First, societal factors affecting a student's ability to learn were noted: poverty, poor nutrition, and health problems. The federal government needs to sustain efforts to eliminate these so that students are better able to learn. Pre-school programs have proven to be extremely effective in getting students interested in learning and should be continued. Head Start needs five times the amount of current funding to be able to serve those eligible. The federal government must emphasize both equality of opportunity and excellence in education programs. It must also recognize that values have always had a place in the classroom, but the government should not endorse any specific religious denomination. Finally, Sixth District residents feel that defense spending is too high. Human service programs like education cannot continue to take the brunt of federal budget cuts.

7. Magnet schools and programs for the gifted—These programs are excellent ways to improve standards of learning in American education. The federal and state governments need to work with local officials in setting goals and performing evaluations of programs. There is a need for financial and technical support from the federal government for magnet schools. In addition, the federal government has access to data and information on educational tends that can be of use to these programs. There was disagreement expressed over the issue of moving students for half-day studies. Does this disrupt the student and the school community? Does this disruption hamper learning?

Governor Charles Robb spoke about the need to continue making progress in education. He noted that Virginians "have made important beginnings in meeting the challenges of education." We recognized the need to make teachers professionals and the State has begun "to attract and retain the best and the brightest." This year, the combined SAT scores of Virginia students exceeds the national average for the first time. We have move up faster than any other state in the last four years. We are 17% above the average of the Southeastern States (those that we are usually compared to.) We must continue to work to see that students entering higher educational institutions are prepared. Colleges should not be doing remedial work. 10% of those entering Virginia colleges require remedial work right now. The state is working hard to better education. The federal government must continue to insure access to education, continue to provide special services to certain populations and provide basic research money to institutions.

CONTINENTAL AFRICA CHAMBER OF COMMERCE USA

HON. COOPER EVANS

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. EVANS of Iowa. Mr. Speaker, the continent of Africa, with an area of 12 million square miles and population of over 400 million, deserves its proper recognition and place in the world of commerce. Endowed with what are probably the greatest natural resources in the world, Africa's true potential needs to be effectively interpreted to the United States and to the rest of the world.

Africa, the second largest continent in the world and the most progressive in development, has not been known for its vast potentialities in the United States. American interest in Africa has been kept alive by America's African-descended citizens.

The Continental Africa Chamber of Commerce is of interest for several reasons. During my recent visit to Africa it came to my attention that the United States has paid relatively little attention to the potential trade opportunities offered by a number of African nations. These countries offer great possibilities for trade development and, faced with widespread famine, are very interested in developing their own agricultural programs. Africa provides eager markets not only for our grains, but also for farm equipment, fertilizers, and other agricultural inputs. In turn, it has rich deposits of oil and minerals, many of them strategic, which are difficult for us to obtain elsewhere.

The resources the United States can offer from both the public and private sectors can be very valuable to the economic development in Africa. Because of the potential long-term economic growth on that continent, and the fact that 5 percent of American jobs are directly tied to U.S. exports, U.S. markets will benefit from expanding trade with this economic frontier.

Having been a member of the Congressional Advisory Committee of the Africa Chamber of Commerce for the past year, I have found it an interesting and useful source of information and contacts for trade and countertrade endeavors with African nations.

With more than 11 percent of its population consisting of Americans of African descent, the United States is compelled to evolve a definite economic policy toward Africa. Considering the contributions that African Americans have made to the U.S. economic development, America's foreign relations with African countries should be close.

The eminent African-American businessman, Dr. Asa Spaulding, former chairman of the board of the organization, provides the most adequate summary of the Chamber's purpose and scope. He has written:

The goals and programs of the Continental Africa Chamber of Commerce have been designed to meet the broad as well as the immediate needs of Africa. While the program of the Chamber ostensibly recognizes the importance of representing and promoting African commercial and business activities in the United States and Africa, it is formulated in a manner that extends beyond commerce and business. Its programs and activities extend into the areas of economic development, human resources planning and implementation, public and social affairs. The Chamber is a non-profit organization whose membership comprises reputable organizations and individuals who share a

mutual interest in fostering United States/African relations and promoting increases trade with the United States and economic development of African countries. The membership of the Chamber shares the interests of the Organization of African Unity, and its operations are performed by regional and state chapters throughout the United States.

Mr. Speaker, let us take a look at some of the abundant resources of the African Continent.

Zambia and Zaire together have an estimated 45 percent of the world's cobalt reserves and 20 percent of the copper.

More than 60 percent of the world's gold is mined in Africa, while 50 percent of known gold reserves and over 70 percent of chromium and platinum reserves still lie unearthed in Africa.

Zaire alone claims over 80 percent of the world's industrial diamonds, while others, including South Africa, produce the balance.

An estimated 10 percent of the world's natural gas reserves and, conservatively, 10 percent of its oil are to be found in West Africa alone. Large deposits of coal, iron ore, bauxite, manganese, cobalt, chromium, and uranium are being discovered all over western and central Africa.

In the agricultural sphere, Africa is a major source of cocoa, coffee, sisal, rubber, palm oil, kernals, and bananas.

With a conservative estimate of 2 billion ounces of gold, Ghana could mine 2.7 million ounces of gold a year for the next 740 years. The gold deposits are rich, with the average grade being 7 pennyweight per ton, compared to less than 4 pennyweight per ton from South African mines. Spectacular finds, grading from 40 to 60 pennyweight, were frequently encountered. Visible gold in the ore is common in Africa.

The prime purpose of the chamber is to advance commerce between the United States and Africa by promoting trade, industrial development, transportation, communication, agricultrual development, tourism, and investment.

In pursuit of the chamber's objectives, a range of consulting, referral, and information services will be made available to members of the chamber to facilitate their business transactions. These include:

First, acting as a clearinghouse of commercial trade, investment, legal and tax information for businessmen of both continents coordinated by professional consultants and specialists.

Second, providing an up-to-date African Business Directory—similar to Standard & Poor's—and other professional directories with yellow pages listing business names, addresses, and officers, also classifying financial, legal, accounting, customs and tariff data on all African countries.

Third, providing a periodical magazine, African American Business Outlook, with current and accurate analysis of business news and trends, economic forecasts, and articles relevant to the chamber's members.

Fourth, access to a trade center in the United States for the benefit of African and United States businesses in order to encourage professional intercourse and travel and trade relationships.

Fifth, advise firms and corporations in export services.

Sixth, disseminate information relating to American-African trade, commerce, shipping, industry, transportation, and agriculture.

Seventh, provide letters of introduction to businessmen visiting Africa.

Eighth, visa assistance.

Ninth, will arrange inservice training for African business executives in United States corporations.

Tenth, providing a timely newsletter, for example, deadline tenders, changes in trade regulations, and documentation requirements, upcoming trade conferences, and exhibitions, and trade leads received from Africa and the United States.

Eleventh, access to the chamber's library for research.

Twelfth, consulting services in trade, economics, agriculture, transportation, mining, tourism, investment, communication, et certera.

The chamber is a nonproft organization under IRSA section 501(c)6. It is financed through membership fees and the sales of technical, professional, and information services.

In the United States, the organization will operate through national, regional, and State offices. The structure and bylaws are modeled on the same lines as the U.S. Chamber of Commerce and will be run by a board of directors. In the future, there will be regional offices established throughout the continent of Africa as a complement to the organization's structural setup in the United States.

The present chairman of the board is Mr. James Lewis. Mr. Ohene Darko, a native of Ghana, Africa, is founder of the chamber and its president.

In the past, the chamber received, on a free-of-charge basis, the accounting and budgetary planning services of Price Waterhouse and Arthur Anderson & Co. The chamber has received the legal and secretarial services of Seyfarth, Shaw, Fairweather & Geraldson; and the publicity and public relations counsel of Hill & Knowlton.

Currently the chamber is receiving free services from the accounting firm of Peat, Marwick, Michell & Co. and free legal services from Arent, Fox, Kintner, Plotkin & Kahn.

The organizational structure of the chamber consists of a board of directors, a corporate advisory board, an African ambassadors advisory board, congressional advisory board, and regional and State councils. The chamber has also established the Continental Africa Chamber Foundation, a chamber litigation center, and Pan African Games.

The chamber initiated and helped to introduce legislation in the State of Tennessee under Gov. L. Alexander to establish Institute for African Affairs in 1981, an independent institution which is attached to Tennessee State University. The chamber also helped the National Conference of Black Mayors to form World Conference of Majors. Mr. Darko planned for the formation of the Federation of Africa Chambers of Commerce which CACC is an affiliated member. CACC has assisted major and small corporations in doing business in Africa. The chamber has assisted African businessmen who visit the United States to meet the right American businessmen.

Continental Africa Chamber of Commerce is a nongovernmental agency of the U.N. International Economic and Social Affairs. Working closely with the U.N. Conference on Trade and Development, U.N. Industrial Development Organization, U.N. Commission of Africa, and have applied consultative status with them and other U.N. organizations.

Membership of the chamber is open to all groups, organizations, and individuals who share an interest in the objectives and goals of the chamber.

Finally, Africa's resources—oil, uranium, copper, cobalt, gold, chrome, manganese, to name a few—are crucial to the development of economies everywhere.

These items are essential to the manufacturing of the capital goods which are helping to speed the economic transformation of Africa. In the 1980's, the challenge of mutually beneficial trade becomes ever more imperative. I am confident that the U.S. businesses will have firm relationships with the expanding African economies both as buyers and sellers.

We in the State of Iowa are in the process of working with the Continental Africa Chamber of Commerce to encourage strong trade between Iowa and the Continent of Africa. I currently serve as congressional adviser with Hon. JOHN CONYERS, JR., chairman, Congressional Advisory Council.

Congressional Advisory Board members are: Hon. WILLIAM L. CLAY, Hon. CARDISS COLLINS, Hon. RONALD V. DELLUMS, Hon. JULIAN C. DIXON, Hon. MERVYN DYMALLY, Hon. COOPER EVANS, Hon. WALTER E. FAUNTROY, Hon. HAROLD FORD, Hon. WILLIAM GRAY III, Hon. Katie Hall (former Congresswoman), Hon. AUGUSTUS F. HAWKINS, Hon. CHARLES HAYES, Hon. MICKEY LELAND, Hon. PARREN J. MITCHELL, Hon. MAJOR R. OWENS, Hon. TOM RIDGE, Senator PAUL SIMON, Hon. ROBERT F. SMITH, Hon. LOUIS STOKES, and Hon. EDOLPHUS TOWNS.

I urge my colleagues to join me in promoting stronger trade relationships between their States and Africa through the Continental Africa Chamber of Commerce.

I also urge my colleagues to congratulate Dr. Asa T. Spaulding, former chairman of the organization, Mr. James Lewis, present chairman, for their strong and dedicated leadership of the chamber, and Mr. Ohene Darko, president and founder of the Continental Africa Chamber of Commerce, for his courage and tireless efforts in the mutual interests of his continent and the United States.

HARPER'S ARTICLE DETAILS PROBLEMS FACING INTERCOLLEGIATE ATHLETICS

HON. JAMES J. HOWARD
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. HOWARD. Mr. Speaker, I would like to bring to the of my colleagues attention an article which appeared in the September issue of Harper's magazine entitled "Sports: How Dirty A Game?"

The article is a transcript from a panel discussion held at the New School for Social Research in New York City and I believe it provides an insightful look at where we are in terms of sports in our society, with particular focus on the problems facing intercollegiate athletics.

Unfortunately, the article is too long to be reprinted in its entirety, but I have reprinted the portion of the transcript which deals with college sports. Panelists include: Howard Cosell—sports journalist; Robert Lipsyte—sports correspondent for CBS Sunday Morning; Harry Edwards—a professor of sociology at the University of California at Berkeley; Tom Sanders—former professional basketball player and currently associate director of the Center for the Study of Sport in Society at Northeastern University; Digger Phelps—head basketball coach, Notre Dame University; Billie Jean King—professional tennis player; and David J. Stern—commissioner of the National Basketball Association. George Plimpton served as the panel's moderator.

I hope my colleagues will read this article and then join me in supporting my legislation which, if adopted, will restore academic credibility for the athletes attending our colleges and universities.

The article follows:

SPORTS: HOW DIRTY A GAME?

PHELPS. Parents today encourage their kids to go after that privilege; their attitudes are truly indicative of what the world of sports has become. The Texas legislature recently passed a law requiring high schools to impose a "no pass, no play" policy; if a student fails a course, he can't play sports. This rule was designed to put at least some of the emphasis of supposedly educational institutions back on academics. How has the rule been received? About fifty parents brought lawsuits claiming that their kids have a right to play sports—whether they fail a course or not. The Texas Supreme Court disagreed, and declared the rule constitutional.

EDWARDS. As a matter of fact, blacks especially hate the no-pass, no-play rule, because they see sports as their escalator up and out of poverty—which is about the worst self-delusion there is. A while back, I talked to some of the black parents in Houston who are fighting the rule, I spent two hours explaining what the chances were of their children becoming pros—about one in a hundred, if they're good college players—and, if they were lucky enough to make it, what the chances were of their having a job ten years after they'd played their last professional game. As the rewards become greater and greater, children are putting more and more time into sports at an earlier and earlier age. The game becomes everything. But one day it's all over, and the athlete has to face the realities of life after sports.

I tried to explain all this to these black parents in Houston. Finally, one mother stood up and said: "To me, this rule sounds like another racist trick. Where were the no-pass, no-play rules when Babe Ruth was playing?"

Our society has not yet reached the point where a sportswriter can really investigate the plantation structure of American sports. Whites dominate the authority positions and blacks supply a disproportionate amount of the labor in football, basketball, track and field, and boxing. This racial division will inevitably exacerbate the antagonism between labor and management that already exists in the sports world. Increasingly, black athletes are complaining that the outcry over drug abuse in sports is really racially motivated; the hierarchy is white, and the players being publicly reprimanded are disproportionately black. And the complaints about players salaries are also seen by many blacks as racially motivated; after all, the loudest complaints focus on sports in which blacks are making extraordinary amounts of money.

The plantation structure also hinders efforts to clean up high school and college athletics. Black leaders, even black college presidents, have condemned the NCAA's Proposition 48—which mandates minimum academic standards for freshman athletes in college—as a racist attempt to undermine the advancement of blacks in collegiate sports, when in fact blacks stand to benefit the most from it. Because blacks are involved in sports in such disproportionately large numbers, people are reluctant to take the steps necessary to clean up the situation.

KING. Maybe the best thing we can do to clean up sports in this country is to reduce the hypocrisy that underlies the whole system, not just the racial divisions you're talking about. Think of our romance with so-called amateur sports. Look at the Olympics, for God's sake—the biggest, grandest spectacle of hypocrisy imaginable. None of those kids are amateurs! They all live on "athletic scholarships," a misnomer if there ever was one. Colleges want top athletes because they help build winning teams. And winning teams fill the stadiums, make the television deals more lucrative, and put the alumni in a generous mood. But do we tell parents or children the truth? No, we tell our young athletes, "You must win a gold medal at any cost. You must set records and make the pros at any cost. Meanwhile, of course, you have to attend classes and get an education—which, after all, is why you're in college in the first place."

That's a lot of baloney. Colleges want these kids because they're highly skilled in a particular sport, pure and simple. Why keep lying about it? What's wrong with it? Athletic scholarships should be called contracts: you have a contract with this college to play this sport, period.

PLIMPTON. Do you really want that?

KING. Look, these kids are playing football in front of 80,000 people, and millions more are watching on TV. Tickets are sold—and products are sold—because of the entertainment these kids provide. They should get a percentage of the gate. They're out there killing themselves every Saturday, with no guarantee of making it to the pros, while the coaches are making $200,000 a year.

If I were attending college on a tennis scholarship and I played in a Virginia Slims tournament, I wouldn't be allowed to take any money. In what other field of endeavor does such a bizarre stricture exist? If I were in law school, I'd be encouraged to work for a law firm during the summer, and I'd get paid for it.

The NCAA is supposedly concerned that these kids not be corrupted, that they receive an education. Maybe colleges should concentrate on teaching them something useful—for example, that less than one percent of them will make it to the pros. They should tell them: Look, this is a real high-risk situation you're getting yourself into by signing this contract to play college sport. You want to take that risk? Fine, here's the ups and downs of it.

PHELPS. But what about the 99 percent who sign the contract and then don't make it to the pros? My real concern is with the kid who *doesn't* make it. After all those years of being told he's a star, he's the greatest, he'll be taken care of, that kid has used up his college eligibility and is suddenly out on the street without a pro contract or a degree.

KING. But if the kid had made some money during the four years he was in college, at least he'd have something to show for all that work.

PHELPS. I disagree. It's true that in some sense athletes become professionals as soon as they accept free room, board, and tuition. But it's also true that there are degrees of professionalism. The real tragedy in college sports is that most of these young athletes are intellcttually incapable of understanding what's happening to them. Look at the basketball scandal at Tulane last spring. Hot Rod Williams, the team's star player, accepts $10,000 in cash to enroll at Tulane. He then allegedly becomes involved with gamblers who pay him to help fix games. Finally, he's arrested. And when he's booked—and this is to me that most shocking part of the story—this senior at Tulane University can't even read his rights.

COSELL. Tulane is by almost every yardstick one of the more selective universities in this country. Its record for Rhodes scholarships has been surpassed in the last two years ony by Yale, Harvard, and Stanford. How under Dr. Eamon Kelly, a former officer of the Ford Foundation, how could John Williams have been admitted to that university?

EDWARDS. Because the athletic departments of our major universities have become separate empires. They are completely autonomous; college presidents are so cowed by boards of trustees and alumni that have abdicated their supervisory responsibilities. Of course, you always hear that the profits from athletics will be used to build chemistry buildings and to endow chairs in the English department. At most campuses this is utter nonsense. That money goes to pay for stadiums and so forth. The athletic tail has truly begun to wag the educational dog.

We have to recognize that these are educational institutions, not athletic institutions. Until we begin to fire coaches for unethical behavior just as we would fire a professor for unethical behavior, until we hold coaches and athletic departments accountable for academic integrity, nothing will change. At the University of California at Berkely, seventy-two athletes were admitted under the "Chancellor Special Admit" policy between 1971 and 1981—the chancellor simply signs a paper admitting athletes

who don't qualify under normal requirements. Two have graduated to date. There are no records available on the others.

KING. If I were a college athlete, you know what I'd want to learn? About agents and contracts.

PHELPS. These kids can't even read a contract. What good is knowing about agents and contracts if you don't make the pros?

KING. That's precisely why college athletes should get paid.

PHELPS. What should we do, Billie Jean? Sell these high school kids to the highest bidder?

KING. But we already do that. That's the way it is. Why not be realistic about it? Or at least start to clean it up.

PHELPS. That's what we're trying to do. This past May, for example, the NCAA penalized an athlete from the University of Georgia—in the past, the athletic department or the school was penalized.

KING. Look. Let's be honest. What do we want these kids to be? Academics, or athletes?

PHELPS. I want them to be both—student athletes. And Notre Dame produces them. Seven former players of mine are now in the NBA—and all of them have their degree. What's wrong with that?

EDWARDS. The discussion of whether athletes should be paid a reasonable proportion of the money they make for their schools bypasses the central problem in college sports, which has to do with education. What Billie Jean proposes would in effect take all the labor-management problems now plaguing professional sports and pile them on top of the educational problems, the corruption, and the recruiting scandals that now afflict the colleges. We'll stop debating whether a college athlete should be literate and start arguing about how much money a star college running back should earn compared to the guy blocking for him; whether the quarterback should be paid more than the coach; whether colleges should try to outbid one another or whether they should set up a high school draft. And what about when colleges and universities start to go broke trying to maintain their athletic programs?

We're talking here about seventeen-, eighteen-, nineteen-year-old kids. Christ, the average black athlete coming to college on a scholarship has never even had a checking account! We will compound all the problems of college sports if we make these kids professionals. If we don't come to grips with what we are doing to kids in collegiate and high school programs, the situation will only get worse. Throwing more money at these kids is not going to solve the problem.

KING. We're already throwing money at them. Coaches are working out deals with these kids every day. All of a sudden their parents have a new car in their driveway. All of a sudden everyone in the family's wearing fancy clothes.

EDWARDS. For better or worse, colleges and universities have become farm clubs for professional basketball and football teams and the principal training ground for our Olympic teams. These kids do not come to college looking for an education; most of them lack the basic preparation that would allow them to benefit from one. What can Digger Phelps do with a kid who, while he may be the greatest basketball player in the world, can't read, can't write, can't add or subtract, can't figure out his change at the grocery store? What do you do with this one-dimensional human being on a college campus?

PHELPS. First of all, we have to shift the focus to academic credibility. Colleges should admit only those athletes who have maintained a C average in eleven college-prep units. Once a college accepts that youngster, it should be responsible for him.

People are starting to realize the importance of academic standards, particularly on the high school level. We mentioned the no-pass, no-play rule in Texas. A better approach is that taken by the Los Angeles school system: two years ago it passed a rule requiring high school athletes to maintain a C average with no failing grades in order to compete. Well, about 6,000 kids immediately became ineligible to take part in extracurricular activities—including sports—in Los Angeles, and everyone was up in arms. But lo and behold, a year later over half of those kids had improved their grades enough to be eligible to play.

These rules can work—but parents and educators must have the nerve to demand them. On the college level, a rule requiring that the holder of a scholarship graduate before it can be used for another athlete would put a lot of pressure on the admissions office, which in turn would put pressure on the athletic department to award scholarships only to qualified youngsters. And this would put pressure on the high schools and the junior high schools.

Finally, the NCAA should suspend or revoke the eligibility of athletes involved in recruiting violations or on-campus corruption. College athletes are old enough to know what's right and what's wrong. They shouldn't be allowed to compete after committing a violation. As it is now, the NCAA doesn't even slap their wrists. Look at the University of Florida. The NCAA put the school on probation for two years, which meant the football team was barred from appearing on national television or going to a bowl game. Last season the team was ranked third in the nation in one of the two major polls. Those athletes played in eleven football games; the team's ranking guarantees them national exposure. They all have agents and a chance at pro contracts. Are they being penalized?

EDWARDS. Look, we're talking about minors. The most powerful universities in this country have gone out and recruited these kids, who are usually the first in their families to attend college.

PHELPS. Harry, it's inevitable that some youngsters will get burned while we try to clean up the system. But we've got to start someplace.

EDWARDS. Start with those who are culpable, not with kids who don't even know what their rights are. Hell, half the coaches can't understand the NCAA rule book. How is a freshman who can neither read nor write supposed to understand what the rules are? Particularly when the coach tells him, "Hey, don't worry about it." And when he knows his grades were changed so he could get into the school in the first place. The kid is the most victimized element in the whole system, and he's only one producing a damn thing. Now you want to penalize him because the coach and the college president and the professors and everyone else involved are trying to pay their mortgages through the exploitation of his athletic talents.

COSELL. The obvious conclusion is that big-time college sports should be abolished. But David and his colleagues wouldn't like that at all. All David's worried about is the NBA. He wants those college superstars, those highly trained properties, to keep on coming. But I suspect Western civilization would survive the demise of the NBA.

STERN. I'm not concerned about the NBA. It will survive. We might have to scout a little bit harder, and look beyond the schools that get paid three quarters of a million dollars for making it to the final four of the NCAA tournament.

As a matter of fact, I'm a little jealous of the college programs. We're basically in the same business, but the colleges make more money at it than we do. And, as Bob Lipsyte said, college sports does more than just pay for the stadiums. Success in sports tends to put alumni—and state legislators—in a giving mood.

PHELPS. What about the almost 800 colleges and universities that manage to surivive without being ranked in the top twenty?

EDWARDS. No one expects them to compete at that level. When a school puts a lot of money into its athletic program, the administration and the alumni expect it to compete. The president of the University of Oklahoma proclaimed last year. "We're going to develop an institution that the Oklahoma Sooners football team can be proud of."

PHELPS. As long as we have that mentality, we're going to have the same problems. College presidents get fired today because they've turned in their schools for recruiting violations. That's what happened at SMU. Those heavyweights on the board of trustees who feel their school must be number one at any cost said, "Get rid of that president." But why do they have to be number one at any cost?

STERN. Because of the rewards, obviously.

PHELPS. Big deal. At Notre Dame we grossed $6 million this year in sports. It costs $130 million a year to run the place. And I don't want to hear that Notre Dame's unique. We're only one of several hundred schools that continue to survive as institutions of higher learning. Our football program has not been that successful during the last four years, but there are still people willing to give millions for a faculty office building.

EDWARDS. The same is not true at Santa Fe State.

PHELPS. It should be. We have to begin with a clear idea of what's right and what's wrong. I disagree that youngsters should not be penalized when they violate the rules. They are told when they're recruited that all they will get is room, board, and tuition; they know when they're receiving money and benefits they shouldn't be. I believe coaches should be dealt with more severely as well. They should at least be suspended, if not fired outright.

STERNS. Consider the coach who's brought in to a school like Santa Fe State. He's given a six-figure salary, a rent-free home, a local television show, and told to turn the program around. His job depends on making the team a winner—fast. If the team makes the final four, the school gets a million bucks to build a new field house. And for ten grand he can recruit a player who will take him there. Tough choice, isn't it?

EDWARDS. And the NCAA's pitiful enforcement procedures almost guarantee that he will get away with it. The NCAA is one of the most corrupt organizations in America. It has eleven full-time enforcement agents to police almost 800 institutions. Under the circumstances, the chance of them actually catching anyone violating a rule is virtually nil.

Since enforcement is so lax, and since a coach looks at kids every day whom he could recruit for a lousy ten grand and who

might mean as much as $3 million a year to his school, that coach would have to be irrational not to cheat. It is the whole system that must be disciplined and reformed, not the kids victimized by it.

To clean up athletics we first have to develop a movement involving athletes, high schools, colleges, the media, sports personalities, sociologists, and so on—something like a civil rights movement that would transcend sports itself, that would extend from the family up through professional sports.

SANDERS. The Center for the study of Sport at Northeastern University has a program that sends pro athletes to talk to high school kids about the importance of education. The pros also go to school banquets and PTA meetings to impress on parents the need to emphasize a balance between education and athletics. Meanwhile, the center encourages the media to recognize the academic as well as the athletic accomplishments of youngsters. And it recently set up a consortium of universities that will duplicate these programs across the nation. We believe that encouraging all schools to confront these problems is the first step in solving them.

PHELPS. This nation did a great job of alerting people, particularly young people, to the dangers of smoking cigarettes. That is the sort of educational effort needed in sports. Everyone must get involved, not only proathletes: coaches, principals, city chancellors of schools, state legislators, state superintendents of schools, the secretary of education. Above all, we need to encourage individual responsibility. When I recruit a high school All-American, I tell him: "The only thing I want you to thank me for is your degree. You're going to get an opportunity here to try to make it to the pros. But if you don't make it, you'll have a degree that means something."

I let my kids know that there are guys in the NBA who have their degrees, guys who are going back to summer school to get degrees. But the kind of effort I'm talking about has to begin *before* college. We have to use our imagination. Every July, New York hosts the Big Apple Games, a five-week program funded by Mobil Oil in which junior high and high school kids are organized to play in basketball leagues at night. Now, a lot of high school teachers are looking for summer jobs. How about hiring them to work every afternoon, teaching those kids an hour of reading and writing, an hour of math, an hour of computer science? The educational program would be closely linked to the athletic program: if a kid doesn't show up for class, he doesn't play that night. At the end of the summer, you reward them by having Jabbar or Dr. J visit the school for an afternoon.

Television also have a part to play. Howard's *Sportsbeat* piece on the Tulane scandal should be shown to every young athlete. But in the end, the system has to impose some discipline on itself. My athletes know they need a 2.0 average to play basketball at Notre Dame. They know that academic requirements are not a game. And our guys *known* they're not supposed to take $10,000 under the table. And they don't take it, either—even though plenty of them have the opportunity.

KING. That sort of education really has to begin before school. Athletes giving speeches are no substitute for parents imposing discipline. Mine were very strict. My dad once threatened to saw my racket in half because I had been a bad sport. When I got less than a 3.0 average at school one year, I knew I couldn't play tennis the next semester—and I didn't.

If professional athletes have one thing to say to young people, it is this: making it as a pro is *very* difficult—only one percent of college stars break in. It's important that the top athletes tell them that.

STERN. In my view, a strong commitment by university presidents to take control of their athletic departments is more important than Harry's cleanup campaign. They have to be made accountable. Corruption in sports is an extension of an attitude that has become pervasive in our society: winning is what's important, winning at any cost. Blood doping, steroids, payoffs—all of it can be traced to that attitude. The rewards in big-time sports are so enormous that the problem is bound to get worse. Drug use and grade-fixing are only the beginning; the Frankensteins of the future will be one-dimensional, drug-built, blood-doped athletes who know nothing but how to win at whatever game they happen to play.

CHARLES THORNTON

HON. JOHN McCAIN

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 19859920

Mr. McCAIN. Mr. Speaker, today I am introducing a resolution which condemns the Soviet Union for the brutal killing of Charles Thornton, an Arizona Republic reporter who was on assignment in Afghanistan. On September 19, without warning or provocation, Soviet soldiers deployed by helicopters ambushed and opened fire on his party, killing Thornton instantly.

He was in Afghanistan to work on a series of stories about medical teams working in that country. His stories, no doubt, would have revealed many horrors—children maimed by booby-trapped toys, thousands of innocent men and women crippled or killed when their villages were bombed. Evidently, the Soviets did not want Charles Thornton's stories read. Nor do they want the world to know that such heinous acts are standard Soviet practice in Afghanistan. For over 5 years, the Soviets have occupied that country, killing tens of thousands of people; 35,000 Afghans have been taken to the Soviet Union for indoctrination. A quarter of the country's population has fled to Pakistan to escape a horror which rivals Guernica and Pnom Penh in the annals of 20th century terror.

Perhaps Charles Thornton's death will not be completely in vain. Perhaps his colleagues will not feel compelled to cover all the Soviet atrocities in Afghanistan—the "migratory genocide," the "scorched Earth policy."

Charles Thornton died trying to cover a story he thought was important. Thousands of Afghans have died fighting for what John Kennedy called the most powerful force in the world—"man's desire to be free and independent." The greatest tribute to Charles Thornton would be to tell the story he never could.

ST. CROIX: FIRST COLUMBUS LANDING ON U.S. TERRITORY

HON. RON de LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. DE LUGO. Mr. Speaker, as most school children in America can tell you, Christopher Columbus made his first landfall in the new world on October 12, 1492. Unfortunately, that same child may not be able to tell you where the first Columbus landing on what is now U.S. territory took place. Unless, of course, that young person is from the U.S. Virgin Islands.

During the second voyage to the New World, on November 14, 1493, Columbus landed on the Island of St. Croix. He was sailing on the ship *Mariagalante* along with 16 other vessels when the fleet anchored outside of the salt river inlet, the eastern headland of which he later named "Cabo de las Flechas," or Cape of the Arrows. He named the whole island "Santa Cruz," now known as St. Croix, after the feast day of the Holy Cross.

When the crew went ashore for exploration and supplies they encountered a village of several Carib Indians. On this site today, there are still remains of an earthen fortress that was built by the early European settlers. Representatives from the National Park Service have visited the area and are very interested in helping us preserve the site.

We in the U.S. Virgin Islands take great pride in this historic encounter. In preparation for the quincentennial celebration planned in 1992, the Christopher Columbus Jubilee Committee has been formed in St. Croix to bring appropriate national attention to this historic event. The committee has already begun to petition for a commemorative stamp and coin to mark the occasion.

I share their enthusiasm in this endeavor because I believe a greater understanding of all of the U.S. territories and their role in this Nation's history is needed. I know that any commemorative marking of the St. Croix landing would serve as an excellent educational vehicle in chronicling the role of the West Indies in the discovery of the New World. It would also serve, secondarily, to bring attention to the strategic importance the U.S Virgin Islands maintain as a Democratic role model for this Nation in the Caribbean basin.

That is why it is appropriate as we adjourn for this Columbus Day weekend, to note the first place Christopher Columbus landed that is now a very proud part of this great Nation.

SAY IT AIN'T SO, MR. JASTROW

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. STARK. Mr. Speaker, for those of our colleagues who adamantly support the Star Wars Program Robert Jastrow, the President's Science Advisor, is a hero who weilds both science and official position in their defense. Mr. Jastrow's recently published book, How to Make Nuclear Weapons Obsolete, is thus something of a bible of space weapons advocates.

I would like to insert in the RECORD a review of Mr. Jastrow's book by David Lynch, a reporter for Defense Week. As every Member of this body undoubtedly knows, Defense Week is anything but an anti-Pentagon publication. I hope my colleagues will read Mr. Lynch's review, and then rethink their perhaps too hasty acceptance of the administration's justifications for Star Wars.

[From Defense Week, Monday, July 22, 1985]

STAR WARS MADE (TOO) SIMPLE

(By David J. Lynch)

The problem with Robert Jastrow's new book is that it makes marvelously entertaining reading—unless you know anything about his subject, the strategic defense initiative. A reader acquainted only in passing with "Star Wars" will blush at how brazenly Jastrow glosses over the numberless complexities associated with the idea in How To Make Nuclear Weapons Obsolete.

Can the United States erect an effective anti-missile shield? Jastrow emphatically says yes. One could be in place today if we had started five years ago, he writes. Is it cheaper for us to build defenses than for the Soviets to overwhelm them? Yes again, says Jastrow. Would SDI spawn an uncontrollable offensive arms race? To the contrary, says Jastrow, it would lead to lower numbers of nuclear weapons—perhaps, he suggests, a nuclear-free world.

The folks in the Pentagon's Strategic Defense Initiative Organization who are busy spending billions trying to find the answers to exactly these questions will be happy to hear that they can stop working so hard.

But for opponents and supporters alike, the picture of the strategic defense initiative is not as clear as Jastrow would like people to believe. There is a need for a book on Star Wars that recognizes this fact and one other: that the debate over the wisdom of SDI turns not so much on whether it can be made to work as on whether making it work is such a hot idea.

Jastrow, however, spends his time in this thin volume worrying about unprovoked Soviet nuclear ambushes and the woefully inadequate state of the U.S. deterrent that has kept the peace for the last 40 years. Sadly, like so many others of the neo-conservative school of strategic thought, he is unconvincing on the imminence of the threat.

A professor of earth sciences at Dartmouth College and the founder of NASA's Institute for Space Studies, Jastrow apparently fears a Soviet first strike, describing in some detail how the massive Soviet arsenal could be employed to defeat the United States. The description is no doubt quite effective for the audience of laymen for which this book was meant. But, in the real world, no one expects—nor should the Pentagon waste much energy planning for—a Soviet "bolt from the blue."

Any nuclear attack is going to be preceded by a period, perhaps brief, perhaps somewhat extended, of heightened tension. A crisis, if you will. During that time, the U.S. president would no doubt have the brains to disperse the U.S. B-52s whose vulnerability apparently causes Jastrow so many sleepless nights and send the Tridents to sea where they would be safe. Facing that array of American nuclear might, Soviet leaders would no doubt find a nuclear strike somewhat less than attractive.

And, importantly, it is in dissuading the Soviets from launching a nuclear first strike that Jastrow thinks the SDI would be of the most use. "They are building a first strike force," he says flatly. "Such a defense, preserving the destructive power of our nuclear arsenal, will virtually foreclose the option of a first strike by Soviet leaders." Thus, Jastrow's goal is defense of the American missiles rather than the American people as originally envisioned by President Reagan. It may well be that defending missiles, such as the beleaguered MX, makes sense; but that could probably be done without spending $33 billion on preliminary research, or rubbing up against any arms control treaties.

Jastrow's argument also rests on an unfair description of the state of the U.S. nuclear arsenal. In the space of a few pages, he dismisses our bombers and land-based missiles as next to useless. "For the present, the triad has been reduced to a monad," Jastrow says. And an impotent one at that, according to Jastrow, because submarine launched missiles are so terribly inaccurate that they aren't much of a deterrent. The radioactive mess they would make of Soviet society apparently doesn't count.

In writing a book obviously intended for the average American who wonders what all this Star Wars fuss is about, Jastrow has simplified things a bit. For example, he repeats an oft-quoted line that sounds ominous until examined a little more closely: that the Soviets have "the world's only operational ballistic missile defense system." This is true; it is also legal. Under the 1972 ABM Treaty, both the Soviets and the Americans are allowed to defend their national capital and one missile field. The Soviets took advantage of that provision; the United States ultimately chose not to.

On the question of whether computational ability would hamstring development of a defense, Jastrow employs an old dodge. He acts as if computing *speed*—not complexity—is at issue. And having set up his straw man, he merrily knocks him flat.

". . . Computing speed is not expected to be a major problem for our defense," he writes. Maybe not, but Jastrow should know that writing error-free software will be.

As more and more Star Wars partisans publish books designed to win the hearts of Americans, they aren't about to let the facts stand in their way. But the real story is that the technical case has yet to be conclusively made either for or against Star Wars. Unfortunately, the partisans on either side of the debate think it has; they're now locked in the kind of attrition warfare into which every political issue in Washington eventually falls.

CUTTING DEFICITS A MUST; LET'S BE ORDERLY ABOUT IT

HON. SHERWOOD L. BOEHLERT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. BOEHLERT. Mr. Speaker, an old Peanuts strip shows Charlie Brown loping toward the dog house during a rainstorm. He tells Snoopy and Woodstock, "I did what you asked. I called the ASPCA, but they said they don't have enough money to buy a raincoat for every dog and bird in the country." As Charlie Brown walks away, Snoopy rolls his eyes skyward and laments, "Every time someone comes up with a good idea somebody has to bring up the budget."

That cartoon captures well the dilemma Congress faces in trying to pare the budget deficit.

One needn't attribute venal motives to Congress to explain why the budget cutting effort has pretty much been a failure up to now. It's just hard to say "no" to programs that keeps us drier and more comfortable. It's also hard to get people to agree on raising the money needed to implement some of those "good ideas."

There has been some progress in the budget battle. We no longer reflexively create new programs each year or throw money at every problem. Congress did pass a budget this year that should trim the deficit by about $50 billion and seems to be sticking to it. Groups like my moderate Republican 92 group have made budget cutting a priority and have shown how budget cuts can be balanced between military and domestic spending.

But for all that, a balanced budget is still nowhere in sight, and our economy is paying a price for that invisibility. Interest on the national debt alone now costs the Nation $360 million a day.

What to do?

I think the answer is making a definite commitment today to balance the budget, and setting up a procedure to guarantee its implementation. Only if we have set targets and enforcement of them now, can we banish those visions of wet dogs and birds and their taxpaying owners that keep preventing us from slashing the deficit.

The Emergency Deficit Reduction Act of 1985, which I've cosponsored would do just that. It would commit Congress to eliminating the deficit, in preset steps, by 1991. If Congress failed to meet its deficit goal in any year, the President would have the power to make fair, across-the-board cuts—only Social Security would be exempt—to reach that year's deficit goal.

Critics have charged that this bill is arbitrary and easy to repeal. To some extent they're right. Setting deficit limits in advance, without knowing what the economy will be like, is arbitrary. But the most serious economic danger we face is the deficit, and we have to take some extraordinary steps to combat it. The risk if we don't pass this bill—that is, the risk that we'll never

get a handle on the deficit—is far more grave than the risk of setting arbitrary targets.

The bill, like any law, could, of course, be repealed. But I think after having made such a strong commitment to deficit reduction, any Congress would be wary of repealing it. Repeal is only likely in the case of a major, unexpected turn of the economy. In such a case, the ability of the bill to be repealed would be seen as an advantage. Repeal allows some flexibility.

This bill is not perfect and should not be necessary. But it is. The new Federal fiscal year just began October 1. This bill is a sort of New Year's resolution—but one with teeth. It will put us on a clear, direct path leading to the goal we all want—a balanced budget.

SAVE CURRENT FEDERAL TAX DEDUCTION FOR STATE AND LOCAL TAXES

HON. MATTHEW G. MARTINEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. MARTINEZ. Mr. Speaker, I rise today in strong support of the effort of many of my colleagues to save the current Federal tax deduction for State and local taxes.

It is only fair that taxes which have already been paid to State and local governments should continue to be deducted from the Federal return. The average Californian pays almost $2,800 per year in State and local taxes. Denying this deduction would certainly increase an individual's or family's tax burden considerably. This is a tax increase, despite what the administration says.

The deduction for State and local taxes is not a new found notion designed to placate certain special interests. In fact, this deduction has been part of the Tax Code since 1913 when the first Federal income tax was enacted.

One of the main reasons that the deduction is part of the Tax Code is to prevent the Government from levying a tax on a tax. Interestingly enough, the President himself said on April 9, 1983, that elimination of this deduction would mean, "You'd pay a tax on a tax." Now, of course, the administration seeks to eliminate this deduction. They like to point out that two-thirds of all

In 1983, more than half of the taxpayers with adjusted gross incomes of $10,000 or more itemized their deductions. This group of taxpayers accounted for 98 percent of taxes paid, and of those with adjusted gross incomes of $20,000 or more, 72 percent itemized their returns.

Clearly, the average taxpayer stands to lose the most from the elimination of this deduction.

Finally, I would be remiss if I didn't point out that eliminating this deduction would seriously impair State and local governments' abilities to collect taxes for essential services. Mr. Speaker, the average American taxpayer would be devastated by the repeal of the deduction for State and local taxes. A truly fair and equitable tax reform bill would not eliminate or change this deduction in anyway. After all isn't this what the President and everyone else is saying we want—a fair tax structure. I ask, do we mean what we say?

SEVEN-UP FLAVORED JELLO

HON. BARBARA BOXER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mrs. BOXER. Mr. Speaker, I would like to call my colleagues' attention to the following article from the September 30, 1985, San Francisco Chronicle about corporate takeovers and mergers.

FOLLY OF A $5.6 BILLION LOAN TO MIX JELLO AND SEVEN-UP

(By Donald K. White)

There goes another $5.6 billion or so that won't be loaned out for new houses, cars, new plants for small businesses. The money has been tied up at a consortium of big banks by Philip Morris for a totally unproductive use.

The cigaret company, which also owns Seven-Up, Miller Brewing and a host of smaller companies in the chemical, packaging and home-building field, doesn't want the money to expand its companies.

It has lined up the $5.6 billion from a nationwide and probably international bank group headed by New York's Citibank. Major California banks presumably are in on the juicy loan.

Philip Morris plans to use the money to buy out the 28,000 individual shareholders of General Foods for $120 a share.

For them and the approximately 700 mutual funds, pension funds and other institutional investors who also hold General Food stock, the proposed buyout is like found money.

Within the last year the diversified food company's stock has sold for as low as $53 a share. Last week alone it jumped $25 a share as rumors that General Foods was the object of another company's lust ran rampant.

General Food's individual share holders can now tell themselves how smart they were in hanging on to a stock that obviously was going nowhere until Philip Morris came riding to their rescue.

And what a bonanza for the money managers who ride herd on institutional funds!

In a year in which the stock market has been a miserable place for most institutions, the General Foods buyout will give them some thing to brag about.

Over the years the company's stock has been about as exciting as one of its major products, Jello.

It was the kind of stock you bought because it was safe, sane and by no means unpleasant, particularly at dividend time. But you didn't buy GF for thrills.

Why Philip Morris decided to put itself deeper in hock to the banks is a question that its share-holders may well ask that company's management if they get a chance.

Six-point-five billion dollars is not play money and why it is being spent to buy out a company that depends on sales of coffee and packaged cold cuts for close to 50 percent of its revenues is one good question.

As Emanuel Goldman, who follows Philip Morris for Montgomery Securities, said: It would make more sense for the company to spend the money on a restaurant chain since more and more people are eating out these days.

Another analyst, David Goldman of Dean Witter Reynolds, was so put off by the planned takeover that he recommended late last week that his firm's clients should consider selling Philip Morris. That was a switch from his "buy" recommendation.

"Any management that would think of buying General Foods at these levels is basically not a safe depository for your funds," Goldman said.

But a broader question has to do with the propriety of Citibank and friends lending that much money for what is basically an ego trip on the part of Philip Morris management.

There is no question that the loan will be repaid. Philip Morris is good for it.

But the money could better be loaned for endeavors that would help economic growth by providing new plants, new jobs. Not one that can only result in consumers being offered a new product—Seven Up-flavored Jello.

TEST DELAYS HAMPER D.C. DRUG PROSECUTIONS

HON. CHARLI B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. RANGEL. Mr. Speaker, as chairman of the Select Committee on Narcotics, I have today introduced legislation to address a serious problem impeding the enforcement of drug laws in the District of Columbia. I am pleased to be joined by WALTER FAUNTROY, the Delegate from the District who serves on the select committee, and by BENJAMIN GILMAN, the ranking minority member on the select committee. Our bill authorizes additional funds for the Drug Enforcement Administration in fiscal year 1986 to enable DEA's Mid-Atlantic Laboratory to meet the needs of the District of Columbia Metropolitan Police Department for analysis of suspected controlled substances.

The Washington Post of Monday, October 7, 1985, reported on page 1 that over 100 misdemeanor drug cases, and possibly as many as several hundred, have been dismissed in the District of Columbia in the past 6 months because chemical analysis reports of suspected drug samples had not been completed in time by the Drug Enforcement Administration. In some cases, charges have been dropped against defendants who have pleaded guilty because the necessary analyses were not ready. In drug cases, the chemical analysis report is the key evidence as to whether a substance is an illegal drug.

Police and prosecutors told the Post that these dismissals, averaging a dozen or more each week, are "putting a serious crimp in their battle against crime." Although no

felony drug charges have been dismissed yet, Federal prosecutors reported experiencing some delays in receiving the required reports from DEA in these cases, too.

According to the Washington Post story, DEA officials admit that the Mid-Atlantic Laboratory in Washington, DC, has a backlog of about 1,200 samples and continues to fall further behind. They attribute the growing delays to the "failure of Federal funding to keep pace with the skyrocketing number of drug cases" being brought in the District. The Post story notes that the 9,400 cases brought in 1984 are more than double the number 5 years ago, and the number for 1985 is expected to exceed the 1984 level. Notwithstanding this phenomenal growth in caseload, funding for DEA's lab to handle this increased work has remained about constant.

Defense attorneys are starting to use the reporting delays to their clients' advantage. Prosecutors told the Post that some lawyers for drug suspects charged with misdemeanor offenses are beginning to ask for quick trials in hopes that the cases will be dismissed due to the lack of drug reports.

The legislation we have proposed today will authorize the funds needed to assure that DEA's Mid-Atlantic Laboratory will be able to analyze suspected drug samples from the Metropolitan Police Department on a timely basis. Based on information provided by DEA, the bill provides funding for eight additional chemists—including one supervisory chemist—two clerical personnel and one scientific intelligence technician. The total salary costs for these positions is approximately $350,000. The bill also provides operating funds estimated at $27,500 and one-time laboratory equipment costs of about $535,000. Our bill authorizes not to exceed $925,000 for the DEA Mid-Atlantic Laboratory, slightly more than the estimated total required to adequately staff the laboratory to meet the District's needs.

The dismissal of drug cases in the District because of lab reporting delays must be stopped. The failure to provide key evidence when needed undermines the operation of the entire criminal justice system in the District and is allowing the guilty to walk free. The current situation breeds contempt for the law, and it destroys the faith of law-abiding citizens in the ability of our legal system to protect them.

We have heard much about the administration's all-out war against drugs in our Nation. It is time we allocated the resources to prosecute drug criminals in the Nation's capital.

The text of the Washington Post article of October 7 entitled, "Test Delays Hamper D.C. Drug Cases," follows, for the information of the Members.

[From the Washington Post, Oct. 7, 1985]

TEST DELAYS HAMPER D.C. DRUG CASES

(By Elsa Walsh)

More than 100 misdemeanor drug cases, including some in which the defendants have pleaded guilty, have been dismissed in the District in the past six months because of lengthy delays in obtaining drug analysis results, and police and prosecutors say the dismissals are putting a serious crimp in their battle against crime.

A high-ranking assistant U.S. attorney and several prosecutors who handle drug cases estimated that an average of a dozen, and often many more, misdemeanor cases have been dismissed each week for the past several months because chemical analysis reports had not been received from the federal Drug Enforcement Administration.

Last Wednesday, for example, three of five misdemeanor drug cases scheduled in a single courtroom were dismissed by D.C. Superior Court Judge Noel A. Kramer because the necessary analyses were not ready.

In addition, prosecutors expected a fourth case to be dismissed because of a missing lab report, but the defendant did not show up and the trial was postponed. The reporters would represent the key trial evidence as to whether a substance was an illegal drug.

"Cases are getting dropped so often. I don't take it personally anymore," said a prosecutor, eating through a sheaf of cases that had been dismissed in the past couple of weeks, including one in which a defendant had pleaded guilty contingent on the drug testing results. "Looking on the bright side, it can't get any worse; it can only get better."

Prosecutors stressed that drug cases involving more serious felony charges have not been dismissed, although they have experienced some delays with the DEA.

DEA officials conceded that their mid-Atlantic laboratory has a backlog of about 1,200 drug samples. They blamed the growing problem on the failure of federal funding levels to keep pace with the skyrocketing number of drug cases being brought here since former president Nixon ordered federal agencies to perform drug analyses for the District police agencies.

"We are trying the best we can; but we keep falling further behind," said Marc Cunningham, DEA's chief laboratory chemist." . . . What we're doing is crime management. That's not proper and adequate support of the criminal justice system, and that's what we're here for."

Prosecutors said that felony cases, which involve sale or distribution of drugs other than marijuana, have not been dismissed largely because the period between arrest and trial is longer.

But more important, they said, misdemeanor charges, which are becoming more difficult to prosecute because of the DEA backlong, often belie a defendant's criminal behavior.

They cited a heroin possession case against a suspected major dealer, believed to employ as many as a dozen persons, that was dismissed this summer because there was no DEA report.

"It was the first time in a long time that the police had found a major dealer with drugs on him," said the prosecutor involved in the case. "Although it was only a misdemeanor, the police looked on the charge as a way to get this guy off the street for a while."

The cases are usually "dismissed without prejudice," which allows prosecutors to charge the defendant again if a report ultimately confirms that the substance was an illict drug. But prosecutors said few charges are lodged a second time. The government's cost of trying a misdemeanor drug case—which usually carries a maximum one-year jail term—is more than $1,000, they said.

Officials said they have not decided whether to charge the suspected dealer again.

Prosecutors said they are experiencing a "tidal wave" of drug cases this year, and expect the number to exceed the more than 9,400 cases in 1984. The number of cases last year was more than double the drug cases here five years earlier. But funding levels for state and local work at the DEA's chemistry lab has remained about constant for the past several years, said Richard S. Frank, chief of the DEA's forensic science laboratory.

U.S. Attorney Joseph E. diGenova said during the weekend that he had not been able to determine how many drug cases have been dismissed. A high-ranking prosecutor in diGenova's office said the number could be as high as several hundred.

"But the fact is there have been delays, and DEA needs to do something about them," diGenova said.

As a result of the problem, he said, Congress is expected in the next couple of weeks to grant a justice Department request for more DEA funding. When drug crimes are up, he said, all crime increases.

DiGenova said the link between drug use and crime is underscored by the fact that nearly 70 percent of the persons arrested for crimes this year in the District have shown traces of drugs in their urine at the time of their arrest.

"All your major crimes are being committed by people directly or indirectly involved with drugs," said a D.C. police narcotics oficer." . . . When you have a chance to pull these people off the street you have a chance to reduce burgiaries, armed robberies."

Cunningham of the DEA said his lab receives about 1,000 requests a month, including about 600 from the District and varying numbers of requests each month for federal drug cases in Maryland, Virginia and West Virginia.

Testing for drugs, Cunningham explained, is a complex, time-consuming process, with each analysis requiring about 3½ hours of "hands-on work" by a chemist. He said the laboratory's 26 chemists spend about half the day completing analysis and are able to perform only about 35 cases during that time.

About a year ago, prosecutors said, drug results were usually returned in about 16 working days, but that turnaround time has stretched to several weeks; and to months in many cases.

Judges initially tolerated delays but. "We are now getting wiped out every day on those cases," said a prosecutor who leads a misdemeanor drug case prosecution team.

Judge Fred B. Ugast, who heads the criminal division at D.C. Superior Court, said the continuous delays in trials have caused "calendars that are already quite heavy to become even heavier."

Although the majority of these problems arise in misdemeanor cases, serious delays in felony cases have occurred. This past summer, D.C. Superior Court judge Virginia L. Riley issued a bench warrant for the arrest of an unidentified DEA chemist. Her action followed repeated requests by the government to continue sentencing because no drug report was available nearly four months after a defendant pleaded guilty to possession of a narcotic with intent to distribute a felony charge that carried a mandatory prison sentence.

"It gives me the greatest concern . . . ," Riley said in August when Cunningham appeared at a hearing in response to the issuance of the bench warrant. At that point,

the report had been received and the defendant sentenced.

"It's very wasteful of court time and also of attorney time," the judge said. "The overall effect is terribly costly."

In another case, a defendant pleaded guilty in May to possession of PCP, but after repeated court appearances and nine requests for the drug report the case was dismissed in August. Several days later, the drug analysis was returned. The results were positive.

Prosecutors made the atypical decision to charge the defendant again after the prosecutor involved complained to supervisors. "I rarely urge that we rebring a case," said this prosecutor, "but this seemed so ludicrous."

According to prosecutors, some defense lawyers are beginning to ask for quick trials, which can occur as soon as six weeks after arrest, for clients charged with misdemeanor drug counts. This is done in hopes that the drug report will not be ready and the charges could be dismissed, prosecutors said.

A delay in the reporting of drug tests does not always work in a defendant's favor. For instance, Moshood Alatishe was held in jail for three months without bond before it was learned that no evidence of narcotics was discovered in the powder seized during a raid at his home. In this U.S. District Court case, the test apparently was completed but the results were not sent to the U.S. attorney's office for more than a month because of a typing backlog.

As a result of the Alatishe case, the DEA has asked to be notified when a defendant is being held in jail pending the test results.

"It is simply unacceptable," said a high-ranking prosecutor. "Here we have the great Reagan war on drug abuse nationally and we have our own little problem right here in the nation's capital. We've made the arrests and the federal government is not coughing up the resources."

A TRIBUTE TO ELLIE HAWKINS

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. COELHO. Mr. Speaker, as one with a so-called "disability"—epilepsy—I am always pleased to share with my colleagues stories of people who challenge their disability and win. Last month, in a remarkable display of courage and endurance, Ellie Hawkins, a dyslexic, completed a 2,000-foot climb on an uncharted route in Yosemite National Park. After climbing for 8 days, Ms. Hawkins named the new route Dyslexia after her learning disability. Despite this disorder, she has become one of the top female climbers in the world. She was the first women to solo climb Yosemite's Half Dome.

Ms. Hawkins brings attention to the problem of dyslexia, a childhood learning disorder. She hopes to encourage routine testing of children and tutorial help for those affected. She is an inspiring example of strength in the face of adversity.

Two articles in the Los Angeles Times document her accomplishment as reprinted below:

A DYSLEXIC WHO HAS BEEN TO THE MOUNTAIN

(By Ann Japenga)

YOSEMITE—Ever since she left the valley floor last Saturday at 7 a.m., Ellie Hawkins has been engaged in a mountain climber's fantasy—pioneering a major route that's never been scaled before.

As of Wednesday, the solo ascent of a 2,000-foot rock face next to El Capitan has gone well. But at some point before she's done—if past climbs are any indication—Hawkins will secure her rope to a carabiner (a metal device that clips to a bolt in the rock) and there will be an instant of distress. Where she thought she had fastened the carabiner, she will see nothing.

The rope will still be fixed to the rock. It's just that a learning disability called dyslexia will have caused Hawkins' senses to fool her.

Similar disappearing acts used to occur when the climber was in grade school. When the teacher accused her of being lazy because she skipped words in a sentence, she would go home and break furniture in her frustration. "I developed quite a temper," said Hawkins, 35, who lives with her husband in Bear Valley, which is northwest of Yosemite.

PERCEPTUAL TRICKS

But on the granite face, there is no teacher and no parent to rail against. There's nothing in the 120-pound bag of gear that Hawkins hauls behind her that she can afford to destroy in a tantrum. If she is to complete this climb, Hawkins has to figure out her own way around the perceptual tricks played by dyslexia, which can be aggravated by fatigue.

If she succeeds in overcoming the vision reversals and vanishing hardware illusions, she'll christen the new route "Dyslexia" in order to draw attention to the condition. She expects to complete the ascent as early as Saturday.

There are no real cures for dyslexia, which affects as many as one in 10 people, interfering with their ability to read and write, and in some cases to listen and speak. Each dyslexic's challenge is to develop his or her own pathways for getting things done, according to the vice president of the Orton Dyslexia Society, Marcia Henry of Los Gatos, who came to Yosemite to see Hawkins off. The Society is helping to sponor the climb.

The methods of compensation for people which dyslexia are time-consuming. Hawkins, for instance, must check each knot she ties three times. If she's tired, a simple figure-eight knot may take her 10 minutes to execute. Although she can't move as quickly as other climbers, she still has managed to become one of the top female climbers in the world, according to Bruce Brossman, director of the Yosemite Mountaineering School.

She was the first woman to solo Yosemite's Half Dome, and the first woman to climb the North American Wall, a demanding route up El Capitan. In June of this year, she was the first woman to solo Never Never Land, another El Capitan route, despite a rope burn that rendered her left hand useless for the final 2½ days of the climb.

MAJOR, MAJOR FEAT

The dyslexia climb, if successful will be a "major, major feat," Brossman said because only a handful of routes in Yosemite Valley have ever been soloed on a first ascent.

In learning to live with a rather severe case of dyslexia, Hawkins has developed a tenacity that allows her to continue where other climbers might turn back. When the start of her current climb was postponed because of rain one morning early this month, she seemed no more disappointed than if she had to reschedule a dentist appointment.

Leaving her gear at the base of the mountain so she would be ready to go when the rain stopped, Hawkins slipped sweat pants over her pink climbing tights and retreated to the Ahwahnee Hotel for breakfast. Her trademark hip-length golden hair—which readily identifies her to those on the ground who watch Yosemite's big-wall climbers through binoculars—was braided into a rope and secured with a gold barrette.

Hawkins initially resisted publicity for her climbing feats. Her mother, Hazel Knepper, said in a telephone interview from her home in Portland, Ore., that when a newspaper reporter called after Hawkins climbed El Capitan at age 23, Ellie told her mother, "Mom, I don't want this attention from people."

In recent years, however, Hawkins has been speaking to grade school classes and showing slides of her climbs, she's granted television and magazine interviews in hopes that she can help adults and children who suffer because of dyslexia.

"It's something people hide, and more and more people I know are hiding it," Hawkins said of her decision to talk publicly about the learning disability. "Dyslexia is not a thing to be ashamed of. I think it motivates me."

Knepper remembers her daughter as a "skinny little girl" who received attention for her hair, which was long and blond even when she was a child. (Hawkins' father died when she was 18 months old; her mother raised Ellie and two brothers.) But when Hawkins got to school age, she began using her hair to hide behind, Knepper said.

"In the fifth grade, my teacher gave me a third-grade math book, then pretended I wasn't there," Hawkins recalled. "They (teachers) just figured I was very lazy." At some point, reacting to her teachers' disapproval, Hawkins said she simply stopped talking.

Physical and emotional abuse is not uncommon among dyslexic children, because parents and teachers mistakenly assume the child isn't trying, according to Henry, who is a research and teaching assistant at Stanford University.

Part of Hawkins' aim is to encourage schools routinely to test children for dyslexia and to provide tutors to assist dyslexic students through what to them is a mysterious realm of written and spoken language. (California Assemblyman Bill Bradley (R-Escondido) has introduced legislation which, if it is signed by the governor, will require schools to screen for dyslexia and other learning disabilities at the kindergarten level.)

Hawkins said she didn't realize that there was a word for her particular difficulty until she was 27 and happened to see a public television show on dyslexia. She knew immediately that the characteristics described applied to her. At that time she had already started to climb with her mountain-climber husband, Bruce Hawkins. Free-climbing came easily to her because she had enjoyed ballet as a youth and found a similar grace in scaling cliffs using only her hands and feet, with no equipment.

But when she advanced to the sort of climbing that requires ropes and hardware, the dyslexia hampered her. Any novice climber can be discouraged by the prospect of figuring out the climbing paraphernalia that winds over, under and around a climber like so many tangled vines.

But Hawkins has a history of not giving up easily.

She didn't get her driver's license until three years ago because she had trouble deciphering one-way signs. She didn't have her own checking account until she was 28 because whenever she tried to sign a check, her signature ended up in the wrong corner of the document.

The way she finally mastered driving and signing checks is the same method that has served her in mountain climbing—she concentrates completely, and she goes at her own pace.

Meeting challenge alone has become the norm for Hawkins.

Yet climbing solo adds considerably to the difficulty and risk of a major ascent. In addition to wrangling with ropes and bolts, Hawkins also must rappel back down to remove the protection she places in the mountainside, and to unhitch an endless up-and-down dance that would be draining even for someone larger and more muscular. Hawkins is 5 feet 2 inches and 104 pounds.

Oft-scaled routes are free of debris and pocked with drill holes where previous climbers have placed their protection. On this climb, however, Hawkins must clean decades of accumulated dirt and moss out of cracks in the rock and pound holes for each step she takes. She said she got in shape for this by beating with a hammer on a railroad spike for 10 to 15 minutes a day. She also supplemented the exercise she gets in teaching climbing at the Yosemite Mountaineering School by working out on a rowing machine and with weights.

For safety reasons, because she could not be seen from the ground if she were injured during certain portions of the climb, Hawkins is checking in regularly by two-way radio with Yosemite Park and Curry Co. spokesman Alan Richmond.

She reported Monday evening that she had taken a day off to rest and to enjoy the view, which, she said, was "spectacular." The route is set inside a natural amphitheater. Hawkins told Richmond that Ribbon Falls, which she had hoped would be dry for the duration of her climb, has started to flow again in an early winter storm, and that she was being splashed now and then.

On Sunday, Hawkins said she placed a pin behind a 50-pound rock, which suddenly gave way and crashed down the wall and out of sight. Hawkins was unhurt.

"It's been very cold and windy (at night)," Hawkins said over the radio. Along with climbing and camping equipment, her haul bag contains several changes of wool clothing. "The guys will wear the same thing throughout the entire ordeal. I won't do it, forget it," Hawkins said before the climb. She favors the colors purple and pink because they contrast well with the granite.

Hawkins' days are spent mostly in the shadow of the rock—the sun doesn't reach her until about 1 o'clock in the afternoon. To compensate for her dyslexia, she works in a trance of concentration that allows for little thought about anything except placement of bolts and tying of knots. "I become like a machine on the rock," she said.

But at night, hanging suspended from three bolts in her sleeping hammock, like a bat on the black mountainside, she can allow her thoughts to drift. She fiddles with her tiny radio to see how many rock 'n' roll stations she can tune in; and she nibbles on chocolate-covered almonds.

She undoubtedly thinks about her husband, who works in real estate and as a construction foreman. Bruce Hawkins plans to rappel down the top of the route to meet Ellie on the final day of her climb.

In the evening, she writes in a log about her frustrations and triumphs during the day. She plans to share parts of this diary with the dyslexic schoolchildren she visits, she said. She wants them to know that the same problem that might cause their teacher to yell at them can also be the thing that motivates someone to strive toward a mountaintop.

DYSLEXIC CLIMBER SCALES 2,000-FOOT ROCK FACE

After climbing for eight days, Ellie Hawkins pulled herself over the top of a 2,000-foot rock face in Yosemite on Sunday afternoon and named the new route "Dyslexia" after her learning disability. Her husband, Bruce, had hiked in to meet her at the finish.

"It ended up being a very difficult climb," Hawkins, of Bear Valley, said from Yosemite, where she was resting this week, "I just took my time, took things slowly."

Hawkins, 35, has become one of the top female climbers in the world despite a severe case of dyslexia, which can make it tricky for her to tie knots and to manipulate the hardware required for a major ascent. In 15 years of climbing, she has developed methods for overcoming perceptual difficulties. (Her efforts were detailed in last Thursday's View section.)

Those methods were tested on this solo first ascent, which Hawkins made in part to increase public awareness of dyslexia. Hawkins graded the climb at 8.4, saying that there were many spots where the splintery rock was barely sufficient to support her body weight (an 8.5 climb is the most difficult).

During the last two days of the climb, fatigue aggravated Hawkins' dyslexia. She said she began to see in mirror images, and her shoelaces and her rope momentarily disappeared from her field of vision.

Hawkins said she worked in such deep concentration to combat the dyslexia that at one point she wasn't aware that it had been raining for several hours. Hawkins said it will be a while before she is able to relax her mental hold on the route. Two days after she crested the rock wall, she said: "I still have my mind clenched on that mountain."—Ann Japenga

FAIRNESS EQUITY, AND SIMPLIFICATION

HON. DEAN A. GALLO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. GALLO. Mr. Speaker, we have all heard these words used to describe the current objectives of tax reform. Unfortunately, at this point in time, these words only apply to individuals—not to States. Basic fairness requires the maintenance of the State and local tax deduction.

If equity is an objective of tax reform, then why should States that lack large quantities of mineral wealth and must rely on local property and income taxes be penalized? If Louisiana and Alaska have vast quantities of oil that can be taxed to subsidize State expenditures while Ohio and Michigan do not, then where is the fairness?

It is also beyond reason to suggest that the problem in so-called high-tax States is caused by excessive spending practices. The problem is on the revenue side; States without natural wealth must rely on local property and income taxes. Furthermore, many, if not most of these States, are also burdened by problems that are national in scope. Declining economies in the Northeast and Midwest are already hard-pressed to collect adequate revenues to finance State expenditures. The withdrawal of the State and local tax deduction would, therefore, add insult to injury and must be maintained.

THE BUDGET DEFICIT

HON. THOMAS N. KINDNESS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. KINDNESS. Mr. Speaker, the need to reduce the budget deficit of the U.S. Government is clear, but that need should not provide an excuse for an action which would corrupt our Republic in an essential part.

The basic power of any government is the power to tax, which has also been equated with the power to destroy. Historically, we have respected the sovereignty of each of the States of the United States and have not imposed Federal taxes upon the States. Similarly, the States have been held to be foreclosed from taxing the United States. In fact, as a young man, I came to believe that it would be unconstitutional for the United States to tax the States or for the States to tax the United States.

Today, there is some doubt about that, but I still believe the principle to be sound, defensible and important. Let me sound a warning: We are about to corrupt that principle by taxing the States for Medicare tax applicable to their employees. The employer portion of the tax would be a direct tax upon the States and their subdivisions of government. No matter what the reason or the rationalization, this would be a stark and severe departure from the principles upon which our Republic was founded, and we should reject the idea.

The Deficit Reduction Amendments of 1985 must not become the excuse for radically reducing the constitutional stature of the States and erasing the meaning of the 9th and 10th amendments to the Constitution of the United States of America.

I take issue with those who would use a faulted interpretation of the recent Supreme Court decision in Garcia against San Antonio Metropolitan Transit Authority to justify bringing State and local government employees under Medicare, although a majority of the U.S. Supreme Court seems to have indicated the willingness to sit back

while the 10th Amendment is subjected to further attack by the Congress. That case did not deal with the most basic power of governments—the power to tax. It dealt with the applicability of the Fair Labor Standards Act to municipal employees—and its effect should be changed by legislation.

A TRIBUTE TO MS. JANET MARKS

HON. ROBERT A. BORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. BORSKI. Mr. Speaker, at a tribute dinner on October 17, 1985, the Northeast Boys and Girls Club will honor Ms. Janet Marks for over three decades of distinguished and outstanding service to that organization.

For more than 30 years, Ms. Marks has served the club with compassion and selfless hard work. Her inexhaustible efforts have touched and bettered the lives of countless residents of the Third Congressional District.

Founded in 1938 to serve the youth of the Frankford and Bridesburg communities, the Northeast Boys and Girls Club now operates after-school and evening programs, day care, and services for senior citizens. Certainly, a large measure of the organization's success must be attributed to the dedicated work of Janet Marks.

In addition to her invaluable involvement with the Boys and Girls Club, she has also participated in a number of service clubs in the Frankford area, including the Kiwanis Club and the Optimist Club.

Mr. Speaker, it is a pleasure to join with the Northeast Boys Club as they honor and thank this outstanding individual. It is gratifying to represent people like Ms. Marks; her example should serve as an inspiration to all of us.

MAIN STREET FAIR COMPETITION ACT OF 1985

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. DORGAN of North Dakota. Mr. Speaker, today, our States and cities are faced with a virtual hemorrhage of tax revenues. Nationwide, one out of every six retail sales dollars now escapes State and local sales tax. The result is an enormous pool of $1 billion or more each year in uncollected tax revenues. Those potential tax dollars are desperately needed by States and cities facing the prospect of further cuts in Federal spending.

The problem stems from a 1967 Supreme Court decision—National Bellas Hess—involving the little known use tax. To protect their revenue bases and local businesses, the 45 States that have sales taxes also have a use tax. Under this tax, a person buying something from an out-of-State store is liable for a use tax at a rate identical to the sales tax in his/her home State.

The U.S. Supreme Court's 1967 decision ended the obligation of out-of-State direct marketers and border sellers to collect use taxes from buyers and then remit the revenue to the home State and/or city of the purchaser. While consumers who buy from out-of-State businesses are legally liable for use taxes, the cost of collection from all but the largest and most frequent buyers would far exceed the revenue recovered. As a result, States and cities now receive very little of the amount owed in use taxes. The State of New York collected just $20,000 in use taxes in 1984 on mail order purchases—an amount estimated to be one-hundredth of 1 percent of the total amount owed in the State.

The beneficiaries of the Supreme Court decision have been the out-of-State order sellers and the direct marketing industry, which will ring up a total of $71 billion in retail sales in 1985 alone, according to the independent Advisory Commission on Intergovernmental Relations [ACIR]. ACIR estimates that cities and States will be deprived this year of $668 million to $1.57 billion in potential sales tax revenues from direct marketing and border sales.

I am concerned that this unfair advantage for untaxed, out-of-State firms threatens the future of Main Street America. Economists tell us that a 1-percent increase in a sales tax results in a lowering of retail sales by 6 percent. Retailers and State officials are caught in a vicious cycle—higher and higher sales tax rates are chasing more and more customers out of the stores of instate merchants. As the collections of sales tax revenues at current rates decline with consumers turning to out-of-State firms, States and cities will be pressured to push their rates even higher—resulting in further declines in traditional retail sales. This vicious cycle will be broken only when out-of-State firms and traditional, instate retailers play by the same set of rules for sales taxes.

The effect is that untaxed, out-of-State firms now have a marginal price advantage equal to the tax rate of the city or State of the consumer. The ACIR concluded that this "virtual tax immunity" enjoyed by the out-of-State firms is distorting consumer purchases in favor of direct marketers and border sellers. The evidence shows that sales by untaxed, out-of-State firms are shooting up much faster than those of traditional retailers. Direct marketing sales are expanding at more than 10 percent annually—double the growth rate for traditional retailers.

Today I am introducing the Main Street Fair Competition Act of 1985, to end this unfair tax advantage for out-of-State direct marketers and border sellers. We need to protect our instate retailers and the tax bases of our cities and States. Art Wheeler, president of the North Dakota Retail Association warns: "If direct sellers continue to replace the American storefront, our Nation's unemployment levels will know no bounds, for there will not be Main Street employers to provide jobs and livable income to wage earners, our neighbors and friends."

This bill will restore the duty of collecting and remitting sales and use taxes on out-of-State businesses which do substantial advertising or solicitation in a State. So that we do not unduly burden truly small businesses, the legislation includes a de minimus threshold which prohibits a State or local government from requiring a retailer to collect the sales tax unless such retailer's annual, nationwide, interstate, gross sales of tangible personal property exceeds $5 million.

I have included an analysis of State-by-State revenue loss estimates from mail order and direct marketing sales for 1985, prepared by the ACIR. The future of the sales tax, now the second most important source of revenues for State Governments, accounting for one out of every four State tax dollars, is seriously threatened by this erosion of its base. It is time to put all retailers on a fair, equal footing when it comes to State and city sales taxes, and to restore this source of State and city revenue.

PATRICK HART TO RECEIVE EAGLE SCOUT AWARD

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. GEKAS. Mr. Speaker, I would like to bring to the attention of my colleagues in the U.S. Congress the achievement of Mr. Patrick Hart, a constituent of mine from Newport, PA. On Sunday, October 20, 1985, family and friends will gather at the United Methodist Church of Newport to witness the presentation of the highest achievement in Boy Scouting—the Eagle Scout Award—to Mr. Hart, a member of troop 222.

As a young citizen, Patrick has displayed his energetic capabilities by participating in many different projects and community services which have won him special merits of honor. An avid gymnast, Patrick plans to graduate from Newport High School at the end of this school term.

I am proud to congratulate Mr. Hart for his outstanding contributions to his community. His unselfish attitude toward others has set an example for the rest of us to follow. I am honored to have an individual like him reside in my district.

DEFICIT REDUCTION FIASCO

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. OWENS. Mr. Speaker, although I regret the need to dignify the Gramm-Rudman deficit reduction proposal with a serious review, I felt compelled to do so in light of all that has been said about previ-

ous contributions by one of the proposal's authors.

The basic thrust of Gramm-Rudman is to set arbitrary deficit reduction targets over a 5-year period. Why do I consider the targets to be arbitrary? After setting a spending target for fiscal year 1986 which is above the fiscal year 1986 budget resolution, Gramm-Rudman proceeds to count the remaining years until 1991, comes up with an accurate count of five and then divides the deficit into five equal parts. Now that's arithmetic which a fourth grader would surely understand, but it is not sound economic policy which makes sense to any economist or public policy analyst.

The Gramm-Rudman proposal goes on to set well nigh impossible legislative schedules to meet the arbitrary one-fifth per year deadline. For example, subcommittees must conform their budgets to the conference report on the budget resolution within 10 days. Committees have no power to conform budgets on a committee level as no shifting of resources among subcommittees under a single committee is permitted under the proposal. In short, the Budget Committees would control expenditures and the authorizing and appropriating committees would have nothing to say about budget priorities. One is almost tempted to ask, why bother with the entire Congress when all that is necessary is two Budget Committees?

After hasty subcommittee action, Gramm-Rudman creates an enrollment road block for appropriations bills until all appropriations required by the budget resolution are enacted. In short, the executive does not have to act on any appropriation until they are before him. This may ease fiscal planning on the Federal level, but it certainly wreaks havoc on the States who will now find the fate of any specific appropriation to be contingent on some other appropriation. This delay will cost the States dearly at a time when some insist that States take on ever increasing responsibilities.

Gramm-Rudman also carries the economic assumptions discussion to a new level. If OMB and CBO cannot agree, an average would be used. Here, again, we have reached down to grammer school level arithmetic. Unfortunately, this simplistic approach does not necessarily lead to the most accurate result. The executive branch OMB will be subject to political pressures to state a more or less optimistic projection. In order to influence the final outcome, the figures need only be stated more extremely to see to it that the average comes out at the point which is desired. It should not escape our notice that OMB has made very optimistic projections since 1981.

In order to keep the budget within the required deficit reduction boundaries, Gramm-Rudman grants inordinate power to the executive to cut spending. Unfortunately, very little of the budget falls into the category of discretionary spending. As a result, those programs which have taken the heaviest cuts since Gramm-Latta, 1981, would once again be up on the chopping block. It is not coincidence that these are the programs which serve our children, our elderly, our sick, and our poor.

Last, but hardly least, it is necessary to understand just how we got into the deficit problem which Gramm-Rudman proports to address. In 1981, Gramm-Latta was the vehicle by which taxes and human services programs were cut, while overall expenditures were increased to accommodate the largest peace time military buildup ever seen in this country. The argument at the time was that the tax cuts, which went primarily to corporations and more affluent individuals, would stimulate the economy and produce greater revenues. Accepting that argument required a leap of faith that seemed somewhat extreme to many of us who viewed the process with skepticism. It turned out that the skepticism was warranted. Expenditures increased and revenues declined. The deficit was on its way to astronomical proportions. Given that history of how the line of budgetary reason was broken, it seems only logical to fix it by reversing the disastrous trend begun in 1981.

A primary author of our present difficulty should hardly be relied upon for guidance on the subject of how to get out of that difficulty. The new and creative approach found enough followers in 1981 to get us into the soup, and it is now time to turn our attention to the steady and reliable approaches to fiscal responsibility which will reverse the disastrous trend we seem caught up in and set us back on a reasonable path which does not continue to increase the distress of our less fortunate people.

The deficit is a serious problem. Our resources are consumed by the interest costs of the deficit. There are those who believe that that is precisely why the deficit was allowed to balloon as it did, thereby making it impossible to meet commitments to human needs. However, it is both Unfair and unjust to allow the fate of our most vulnerable people to be affected by creative fiscal policies which make them the intended or unintended victims of economic experimentation.

I urge all of my colleagues to stand against Gramm-Rudman.

HISPANIC CONCILIO OF SAN MATEO COUNTY HONORS HISPANIC COMMUNITY LEADERS

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. LANTOS. Mr. Speaker, I am delighted to report that the Hispanic Concilio of San Mateo County, CA, will honor two individuals and one family for their contributions to the Hispanic community. The awards will be presented at the Concilio's Sixth Annual Awards Reception in Redwood City on October 16.

The Concilio, a county-wide coalition of representatives of organizations and agencies which serve the Hispanic community, has been a most effective advocate for action on issues of concern to Hispanics. The Concilio also has played an important role in educating county residents on these issues.

Mr. Speaker, the individuals being honored by the Concilio this year reflect its broad concerns as well as the caliber of community service which Hispanic leaders are giving our communities.

Rosa Montes will be honored for her work with the North San Mateo County Community Mental Health Center and her outstanding work in the field of mental health and counseling Hispanic families. Rosa is a 10th generation Californian, who has raised her family in northern San Mateo County. Earlier she served the community at the Guadalupe Health Center of Daly City and at Peninsula Hospital. Mrs. Montes has made an important contribution in her counseling of abused children and their families.

Ike Ortiz is being honored for his contribution to Hispanic affirmative action efforts in San Mateo County. Mr. Ortiz, a sergeant with the San Mateo County Sheriff's Office for the past 10 years, has worked to improve employment opportunities for Hispanics and minorities in order to improve the responsiveness and effectiveness of police service in our communities. His efforts have been a significant reason for many of the improvements in affirmative action which San Mateo County has witnessed.

For the first time, the Concilio is making a "Family Award" in recognition of the Rose Lopez family for its long-term involvement and contributions to the Hispanic community of San Mateo County. The family, long-time residents of Redwood City, have been involved in education, social, and civic activities of benefits to the Hispanic community. Rose Lopez is a bilingual teacher's aide at Garfield Elementary School in Redwood City, and has played a leading role in many community groups, including the Fair Oaks Senior Center, the Fair Oaks Community Center, St. Anthony's Parish Council, Bay Area Girl Scouts, and many others. The example that Rose Lopez has set makes it easier to understand the community involvement of her daughters Rebecca and Linda. The three of them, with other members of the Lopez family, frequently combine efforts in service to the community.

Rebecca serves as a valued member of the staff of my San Mateo County office. In addition to her work in my office, Rebecca is the founding president of the Mexican-American Women's National Association and of the Hispanic Concilio of San Mateo County. She serves as a member of many boards and commissions serving residents of the Peninsula.

Rose Lopez's daughter Linda Lopez-Chavez, a probation officer for San Mateo County, has served as a leader for community involvement in education, child-care, and fair housing. Linda's concerns have focused on juvenile rights and responsibilities and the problems of single parents.

Mr. Speaker, I am pleased to recognize the contributions that all of these outstanding individuals have made to the advance of Hispanics in San Mateo County and to all of the communities on the Peninsula. Their dedication is an inspiration for all of us to renew our own commitment to community service.

1985 HONOREES OF THE CITY OF HOPE

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. GEPHARDT. Mr. Speaker, I would like to recognize two St. Louisans who will be honored on October 19 with a very special award. Mr. Mark Turken and Mr. Robert Kelley have been named the 1985 honorees of the City of Hope for their extraordinary dedication to the St. Louis community and beyond.

Mark A. Turken, 1985 management honoree, is chief executive officer of the Security Mortgage Co., Inc., and has devoted his energies to strengthening our ties with the Republic of Costa Rica and currently serves as Consul General of the Republic of Costa Rica for our region. In this position, he is responsible for promoting public awareness of opportunities for bilateral trade, tourism, and investment.

Mr. Turken has been instrumental in bringing several million dollars of international real estate investment into St. Louis and has been active in the revitalization of the downtown area.

Robert Kelley, 1985 labor honoree, is president of the Greater St. Louis Labor Council, AFL–CIO, and was influential in the development of standardized organizing methods and techniques that are now considered standard for unions everywhere.

Mr. Kelley devotes his time to various philanthropic endeavors. He is vice chairman of the United Way of Greater St. Louis, serves on the Greater St. Louis Area Council of Boy Scouts, the board of directors for Catholic Charities, St. Patrick's Center, and the St. Louis Arts and Education Council.

Mr. Speaker, I congratulate these hard working citizens from St. Louis and only hope that others will follow in their footsteps. I take this opportunity to wish them all the best in the future and continued success in their endeavors.

DEVELOPING POSITIVE CHARACTER TRAITS IN OUR CHILDREN: AN IMPORTANT PART OF PUBLIC EDUCATION

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. GINGRICH. Mr. Speaker, in the October 9, 1985, edition of the Washington Post, William Raspberry wrote a column on one aspect of public education which is frequently overlooked.

While our children are gaining knowledge about different subjects in school, it's also important that they acquire respect for certain values if they're going to succeed in our society. As Raspberry cites from two studies, youthful unemployment is a result of:

The failure of some families to help their children learn such attitudes as industriousness, respect for rules and authority, and self-discipline. And the schools, particularly those with too little structure and discipline, tend to make matters worse.

I'm submitting William Raspberry's column for my colleagues to examine. As leaders of our great Nation, I hope we will commit ourselves to improve youth employment and morale by encouraging schools in our districts to emphasize positive character traits.

The article follows:

[From the Washington Post, Oct. 9, 1985]

DEVELOPING "CHARACTER"—IN PUBLIC SCHOOLS

(By William Raspberry)

There are some things that are so alien to your character that you—almost literally—cannot do them.

You cannot, no matter how much you need the money, cheat the blind news vendor. You cannot, no matter that you will never be found out, snatch a watch off an old lady's arm or inflict gratuitous pain on another human being or deliberately ruin a lovely work of art.

These built-in limits on our behavior seem almost natural. And yet, there are people, including a frightening number of young people, who seem almost devoid of such controls. They may refrain from certain actions out of fear that someone will make trouble for them, or call the police, or punch their lights out, but not because of any self-imposed limits on their behavior.

Nor is this self-contained limitation, this moral gyroscope, merely a negative control. There are also things that some of us almost have to do: keep our commitments, pay our bills, give a reasonably honest day's work for our wages, return found wallets.

There are those who believe the absence of these internal controls are a major reason not just for crime but also for the unemployment that plagues certain segments of the society.

A recent report commissioned by some of the country's top business leaders says the inculcation of these positive character traits constitutes an "invisible curriculum" that the schools are neglecting. The result, according to the report, is that a number of young people leave school with needlessly limited job prospects.

The New York-based Committee for Economic Development, whose 225 trustees are mostly top corporate executives, said the business world counts character and work habits as at least as important as academic skills in determining employability. But, according to the 107-page report, "Investing in Our Children," the schools frequently fail to stress even such basics as teamwork, honesty, self-discipline and reliability.

"If schools tolerate excessive absenteeism, truancy, tardiness, or misbehavior, we cannot expect students to meet standards of minimum performance or behavior, either in school or as adults," the report said.

Its conclusions are strikingly close to those reached by George Washington University's Amitai Etzioni in a study released last spring. According to Etzioni, the reasons most frequently given for youthful unemployment—poor reading and math skills, poor English, "functional illiteracy"—are not the real reasons. The fundamental problem, he said, is the failure of some families to help their children learn such attitudes as industriousness, respect for rules and authority, and self-discipline. And the schools, particularly those with too little structure and discipline, tend to make matters worse. The result, according to Etzioni:

"Many young people are unable, for psychic reasons, first to learn effectively in the schools, and then to function effectively in the adult world of work, community and citizenship. The root problem is not that millions of high school graduates have great difficulties in reading, writing and arithmetic; these all-too common deficiencies are consequences of insufficient self-discipline, of inadequate ability to mobilize self and to commit."

The reports tell us what we already know, even if we haven't quite figured out what to do about it. "Values clarification" clearly hasn't worked, and anything that smacks of teaching "morality" runs the risk of being disallowed as unconstitutional "religious instruction."

Maybe if we call it "character development," we can find a way to instill in our children those traits that, for our sake as well as theirs, they so desperately need.

A TRIBUTE TO DR. EDITH IRBY JONES

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985920

Mr. LELAND. Mr. Speaker, I would like to share with my colleagues an article published by the Houston Informer about a great Houstonian, Dr. Edith Irby Jones. Dr. Jones was the first black American admitted to a southern medical school. She entered the University of Arkansas, College of Medicine, in 1948 as the first student of integration.

Dr. Jones recently returned to her alma mater to be honored as an "outstanding alumnus". She certainly deserves this recognition and I highly recommend this article to my colleagues.

[The article follows:]

[From the Houston Informer and Texas Freeman, September 28, 1985]

ARKANSAS UNIVERSITY MEDICAL SCHOOL'S OUTSTANDING ALUMNUS HONORED

The first black American to be admitted to a southern medical school returned to her point of entry in Arkansas recently to be honored as an "outstanding alumnus."

Dr. Edith Irby Jones, 57, who entered the University of Arkansas College of Medicine in 1948 as its first student of integration, told a luncheon group, made up of faculty members, private physicians, students and reporters, "I don't see how this could happen to me; it seems like such a short

period ago when I walked through some big doors. I must be dreaming."

The luncheon was a part of the unveiling and hanging of an oil portrait of Dr. Jones in the entrance hallway of the College of Medicine.

Dr. Jones has left a clear trail of success since her graduation 33 years ago. She has made every "Who's Who" publication. A native of Conway, Dr. Jones practiced medicine in Hot Springs for six years before moving to Houston in 1959 to establish residency in internal medicine at Baylor affiliated hospitals. She is the owner and operator of a multi-purpose health clinic in Houston, according to Dr. Thomas Allen Bruce, dean of the college, "has the largest group of patients of any physician in the City of Houston."

Dr. Jones, who also holds assistant professorships at the Baylor College of Medicine and at the University of Texas Medical School, was recently elected the new president of the National Medical Association. She is the first woman to head the professional medical association of black-American physicians in its 90-year history.

Dr. Jones said, during her brief luncheon speech, "It was out of love that flowed from the faculty, students, friends and associates that she was able to achieve," while studying under racial segregation practices at the school. She said, "I didn't have the feeling of being unwanted," although she was provided with a separate restroom and private dining room.

Each one of the luncheon guests stood up and expressed their love and appreciation to Dr. Jones for not only her achievements and helping to open doors that were previously closed, but also for her service to humanity. In response, Dr. Jones said, "This recognition encourages me to give more, and I will spend the rest of my life helping those who feel they are fenced in."

Dr. Jones pointed out that the School of Medicine has been affirmative in its efforts to recruit and retain black students, and what's needed now are support and encouragement for the students. "Make them a part of your world, share life experiences with them, bring them into your homes, offices and meetings," Dr. Jones suggested.

Since Dr. Jones' graduation in 1952, until the hanging of her portrait, 74 black students have graduated. Currently UAMS has 50 black students enrolled inclusive of a class of 14 freshmen.

Since Dr. Jones' first efforts as the president-elect of the NMA was the awarding of the "Scroll of Merit" to the UAMS for providing minorities with equal access to medical education and for stimulating minority participation in the medical profession. Dr. Bruce received the award for UAMS at the NMA installation ceremonies for Dr. Jones in Las Vegas in July.

The Scroll of Merit will hang next to Dr. Jones' portrait.

Dr. Katherine Mitchell, president of the Little Rock chapter of Eta Phi Beta Sorority, of which Dr. Jones is a soror, presented Dr. Jones with a dozen red roses prior to the unveiling of her portrait.

Dr. Horace Marvin, faculty member, recalling the era of Dr. Jones' enrollment said, "Several members had been campaigning for it (integration), we were a little tense because if anything had gone wrong it would have set integration at the school back 15 years". He said Dr. Jones entered the school "bright eyed and enthusiastic," and walked "a tight-rope of excellence". He also said Dr. Jones, as a graduate of the school, "made it easier for it (integration) to happen again and again".

OLDER AMERICANS—OUR MOST NEGLECTED NATURAL RESOURCE

HON. LAWRENCE J. SMITH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. SMITH of Florida. Mr. Speaker, I draw my colleagues' attention to an article by David Broder, which appeared in the Miami Herald. Mr. Broder's article should remind each of us that the policy decisions we make determine what options older Americans will have in providing for their future.

Are we forcing these citizens—who have led full and productive lives, contributing enormously to the standard of living that we enjoy today—to become prisoners of their inability to completely provide for themselves in their later years?

We are a youth-oriented society, inclined to banish our elderly and to keep them out of view, ignoring the potential contributions that these vital individuals still can make. Instead of promulgating policies that encourage seniors to maintain independent, productive lifestyles, we have, for example, Medicare and Medicaid laws and regulations that force them to "spend down" their resources, become dependent on Federal dollars and enter a nursing home in order to ensure that the type of care they need is provided. Those who are braver, luckier, or have better family support systems risk situations like the one Mr. Broder describes in the article that follows.

The terrible irony of this situation is that it ultimately costs the Federal Government more money to behave in this manner. We force many seniors into an all-or-nothing situation, where they must either brave their final years with few support services to help them or abandon their dignity and self-respect and commit themselves to total dependence in a structured care facility.

I urge my colleagues to support programs that would shift the flow of dollars away from institutional care into community-based programs designed to encourage and help older Americans to maintain independent and productive lives.

[From the Miami Herald, Sept. 29, 1985]

FOR THE ELDERLY, INDEPENDENCE CARRIES A REAL RISK

(By David S. Broder)

LOS ANGELES.—For 60 years since she was 24, she had been constantly at his side, and that is where she was when the accident happened. He was coming back into the living room from the balcony, where he had been sitting in the afternoon sun, and he lost his balance.

That happens often, despite four-pronged canes or walkers, when you are 90 years old with a long history of Parkinson's disease and the aftereffects of a stroke that weakened the right leg.

She tried to grab him as he fell sideways, but she weighs only 90 pounds, so his weight carried both of them to the floor. He gashed his cheek when he hit, but not seriously. But her legs got tangled with his and he came down on top of her, breaking her right hip.

They then experienced the nightmare that all elderly people, living alone or in couples dread: being injured and without help. They lay there on the living room rug, 15 feet from the nearest phone.

Nina recalls saying to my father, "We're not going to get out of here unless we can holler for help." The sliding door to the balcony was still open, and when they started to shout, people in the neighboring building heard them. Rescuers broke open the front door of the apartment, summoned an ambulance, and by the time I was called, across the country, they had been through the emergency room and were lying in adjoining beds in a Santa Monica hospital.

The next morning, they looked tiny and fragile and, in more than a physical sense, broken. But the two weeks since then have taught me a lesson in human resilience that I hope I will not forget. I write, not just in tribute to them, but to reinforce in my own mind—and in yours, if you need it—the irrepressible character of individual spirit.

I suppose I should not have been surprised. They are fiercely independent people, Nina especially. She has a will of steel. She was a "liberated woman" of the 1920s, but the more-recent women's movement came too late for her to fulfill her full talents.

If she came out of college today, her ability and determination would make her a successful executive. As it was, she ended her formal education with high school, married early, and focused her formidable energy on her one husband, her one son, her volunteer community work, and her unquenchable thirst for reading, learning, and arguing.

She has never been accused of being an easy person. She is blessed—or cursed—with a belief in human perfectibility, and she has fought with everyone of any importance to her who fell short of that standard, as everyone did. But she was usually toughest on herself.

When my father retired after 50 years of small-town Midwest dentistry, they scorned the idea of moving in with (or even close to) their son. At 67 and 73, they left their home and their hometown, came west, found an apartment in a neighborhood where they could walk every day, formed a new circle of close friends, and built a new life on their own.

Long after it became more than she could really handle, long after her own health and well-being could tolerate it, my mother insisted she would keep house for my father. She ragged him constantly to overcome or ignore his own physical handicaps.

This was not without its costs to both of them, and it is certainly not a model everyone would wish to follow, or should attempt. There is a process of gradual isolation that almost all very old people experience, as the friends and family members of their own generation die.

When this is exaggerated by an effort to function as an autonomous household, independence can easily become isolation.

But that does not make it any easier to give up that independence. The real threat of this accident, far greater than the physical injury, was the risk of dependence. The hip can be pinned, but there is no surgery for a broken life-time pattern.

They are fortunate to have found an excellent residential-rehabilitation center, where they can live together while Nina re-

ceives the physical therapy she needs to regain mobility. The change of location and circumstances has tested both of them, and they are responding with a resiliency that would do credit to people 50 years younger.

The long-term housing and living decision is a question they have wisely decided to postpone for a time. When Nina has regained some of her strength and mobility, they will decide. Independently, of course.

They are not in this alone. America has seen a rapid increase in the numbers of very old people and a simultaneous breakdown in the extended family pattern of living. The Census Bureau says that among the 27 million people over 65, more than eight out of 10 live either by themselves or with a spouse. Only one in eight lives with other relatives; only one in 20 in some kind of communal-care facility.

All of us who live long enough will, I suppose, face the choice of how to fashion those final years for ourselves. I hope I have the courage and wisdom to do it as well as the woman and man of whom I write.

CONGRATULATIONS TO FREE CHINA ON DOUBLE TEN DAY

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 198520

Mr. DYSON. Mr. Speaker, today we join our friends in the Republic of China on Taiwan in celebrating Double Ten Day; the day in 1911 when the Chinese Republican revolutionaries successfully overthrew the Manchu provincial government in Hubei province, beginning the downfall of the last imperial dynasty in China. What Dr. Sun Yat-sen and his courageous followers achieved on this day 74 years ago was nothing less than the birth of the first democratic republic in Asia—the Republic of China.

As we congratulate the proud people of this prosperous republic, I believe it is altogether fitting for us to reaffirm the strong and enduring friendship that exists between our two peoples. We should rededicate ourselves to the cause of self-determination for the citizens of Taiwan. We should remain forever mindful that it is in the interest of all of us in the free world for freedom to reign in the Republic of China. To this end, we should steadfastly support Taiwan's security against invasion or coercion.

The spirit of community runs deep between America and Taiwan. In World War II, we joined together as allies to preserve and protect the cause of freedom. In later years, we have shared in the defense of the free world and in the goals of economic, social, and cultural advancement.

On this momentous occasion, Mr. Speaker, let us not only celebrate past accomplishment, but also make a promise to the future. Let us declare unequivocally, that the determined and persistent people of Taiwan will continue to have the vigorous support of our Nation.

MATERIALS PROCESSING AT NASA LEWIS RESEARCH CENTER

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Ms. OAKAR. Mr. Speaker, outer space is the new frontier from which the United States can strengthen and improve its GNP and can foster a competitive posture in world markets. The commercial potential of outer space is enormous but so are the financial and technical risks of space research to private enterprise. NASA has traditionally spun-off to the private sector the knowledge and technology derived from space exploration; the $3 billion communications satellite industry and the fledgling remote sensing industry are commercial applications of NASA-developed technologies.

Materials processing in space is on the threshold of a vast expansion. By studying the attributes of materials under conditions of weightlessness, high vacuum, and intense radiation, we will discover better manufacturing processes. Space will afford us the possibility of manufacturing materials impossible or too expensive to produce on Earth; and it may teach us better manufacturing techniques to use on Earth. There are some very special properties that can be achieved by producing materials in space; for example, the condition of zero gravity nullifies sedimentation, eliminates fluid deformation, prevents the separation of substances due to temperature changes and allows for product purity though containerless processing. Research on the processing of materials in space by the electronics, pharmaceutical, metallurgic, and aerospace industries is already underway.

NASA has established the Microgravity Science and Applications Program to encourage and support research in the science and technology of processing materials in low gravity. The aims of the program are to obtain a clearer understanding of the factors controlling Earth-based processes to guide their improvement; the development of new materials that cannot now be made on Earth; and the evolution of procedures to support long-term space operations.

I am pleased to advise my colleagues that, as part of this program, NASA has opened a new material science laboratory at its Lewis Research Center in Cleveland to aid scientists in determining what is and is not feasible for materials processing in space. The Microgravity Materials Science Laboratory (MMSL) offers a low-cost, low-risk method to test new ideas for materials science research in space before starting formal development efforts.

The MMSL will permit U.S. Government, university, and industry researchers to conduct scientific experiments using equipment that functionally duplicates equipment aboard the space shuttle, access to such a laboratory will give U.S. companies a competitive advantage in developing better materials through microgravity research.

The goal of the new laboratory will be achieved in two ways:

U.S. researchers in the industrial, academic, and Government communities will be encouraged to submit ideas for microgravity materials science experiments.

Experiments conducted in the laboratory will provide a means to determine which proposals have the greatest potential for development in the microgravity environment of space.

In the MMSL, a researcher can establish a scientific baseline toward determining the specific role of gravity in a particular experiment. By conducting carefully planned scientific experiments in a 1-g environment on Earth, scientific research will be more precisely defined before moving toward the more costly phase of experimental work in space. Initially, the MMSL will handle metals, alloys and electronic crystal experiments. Laboratory capabilities will be expanded in the future to include ceramics, glasses and polymers.

The new MMSL is not the only microgravity research facility at Lewis. Lewis also has two drop towers in which experiment packages can free-fall up to 500 feet, achieving a weightless condition for up to 5 seconds. In addition, the Lewis Lear jet can fly parabolic trajectories to achieve a microgravity environment inside the plane for up to 22 seconds. A typical scenario for a microgravity materials experiment at Lewis would begin by establishing 1-g baseline data in the MMSL and then proceed to the drop towers or the Lear jet to qualify the project for space flight.

NASA's strategy in this program is to work upward from ground-based research (the MMSL, drop tubes, drop towers) to air and suborbital research (aircraft and sounding rockets) to orbital research (the space shuttle and Space Station). This strategy commands the most efficient use of space resources by ensuring that experimental procedures in space be based on a firm scientific understanding with extensive prior ground-based examination.

Over the next 5 to 10 years, microgravity research will stress both scientific and commercial goals. Products will include crystals, metals and ceramics, glasses, and biological materials. Processes will include containerless processing and fluid and chemical transport. As research in these areas develops, the benefits will become increasingly apparent on Earth: new materials, more efficient use of Earth's nonrenewable fuel resources, new pharmaceuticals, advanced computers and lasers, and better communications. Like space, the opportunities offered by microgravity science and applications are vast and are only beginning to be explored.

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THE UNTOLD COST OF COMPARABLE WORTH

HON. F. JAMES SENSENBRENNER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 198520

Mr. SENSENBRENNER. Mr. Speaker, now that the House has voted for passage of H.R. 3008, the hidden impact of this legislation has yet to be felt. Besides the substantive difficulties of this bill which I pointed out yesterday, I would like to cite the hidden costs involved.

Mr. Speaker, cost avoidance is never grounds for wage discrimination. Equal pay and civil rights laws address that specific problem. Nevertheless, the magnitude of the hidden costs to implement comparable worth cannot be overlooked. For example, contained within this years' Wisconsin State budget bill was a proposal for a study on comparable worth, a small provision, many of my former colleagues thought. The Wisconsin State Legislature and Governor Tony Earl have allotted $9.1 million in State funds to implement comparable worth legislation, with a total of $20 million in State spending this budget biennium and $60 to $90 million per year when this program is fully implemented.

The costs of comparable worth are mounting, beginning with the realization that 16,000 State employees needed to complete a 30-page job analysis questionnaire. Each employee is spending an estimated 4 to 8 hours on State time completing the survey at a total estimated cost of $1 to $2 million. Even though uncertainty exists on the total number of Federal workers who would be affected, imagine the costs of the study when considering there are 3,760,980 Federal employees.

I think we must look at the hidden costs of the study and overall costs of implementation before we embark on this study.

YES, MR. MULRONEY, WE ARE INTERESTED IN FREE TRADE

HON. STAN LUNDINE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. LUNDINE. Mr. Speaker, last week, Prime Minister Mulroney made an overture to the President of the United States and Congress to sit down and see if we couldn't negotiate a free trade zone between our two great nations. I believe it is in our mutual interest to sit down with our Canadian friends and negotiate such an agreement. The President and the Congress should take Mr. Mulroney up on his offer. I commend the following article which appeared in the New York Times on October 6 to your attention. As James Reston points out, **the United States has much to gain from taking Prime Minister Mulroney up on his offer.**

[From the New York Times, Oct. 6, 1985]

A NEIGHBOR'S VOICE

(By James Reston)

WASHINGTON.—The Canadians, our best and closest friends, have a quiet way of coming up the back porch with sensible and practical suggestions in times of trouble, and they did it the other day when President Reagan needed a helping hand.

He was out at a soap factory in Cincinnati peddling his tax-reform plan, which is next year's issue. He was flying around defending and then withdrawing his support of Israel's 1,700-mile raid on the P.L.O. headquarters in Tunisia. He was responding to Mikhail Gorbachev's mystifying clarifications of Soviet nuclear policy, and he was tossing Margaret Heckler out of the Cabinet into Ireland, which had done nothing to deserve or provoke her "promotion." In short, Mr. Reagan didn't have a very good week.

Amid all this, the Prime Minister of Canada, Brian Mulroney, came forward with a proposal that, unlike all these other tangles, Mr. Reagan might be able to do something about.

"Economics, geography, common sense and the national interest," Mr. Mulroney said, "dictate that we try to secure and expand our trade with our closest and largest trading partner."

This is a sentiment right out of Ronald Reagan's Book if Maxims, and the critical words in Prime Minister Mulroney's sentence are "common sense."

Trade between the United States and Canada this year will exceed $120 billion, which is more than U.S. trade with Europe or Japan. It's not exactly equal: About 75 percent of Canada's exports come to the United States, while only about 22 percent of U.S. exports go to Canada.

LET'S EXPAND TRADE WITH CANADA

Prime Minister Mulroney, like President Reagan, is a smart Irishman, and it can probably be presumed that, in suggesting a more liberal U.S.-Canadian trade agreement, he was not thinking about Washington's problems or being indifferent to Ottawa's.

There are some awkward problems, as between all neighbors. For example, Secretary of Commerce Malcolm Baldrige, one of the most sensible and thoughtful members of the Reagan Cabinet, noted last week that 80 percent of Canada's exports to the U.S. will come in free at the end of the Tokyo round of tariff reductions, compared with 65 percent of our goods going north. Even among friends, that's some difference.

Specifically, the guys who cut and sell lumber in the U.S. are not amused by the fact that in the last 10 years the Canadian share of the U.S. softwood lumber market has increased from 18 percent to 34 percent.

And there are other conflicts: over fish and autos and labor unions and the passage of U.S. ships through the ice at the top of the continent and the cultural influence of U.S. television on the Canadian people.

Okay, says the new Canadian Prime Minister, let's stop fussing about our differences in the press, Congress and the Parliament. Let's get some knowledgeable guys together and show the world what freedom and cooperation can really accomplish.

He's not suggesting a common market, as Mr. Reagan did during one of the most hopeful moments of his election campaign, or even free trade, but instead a practical analysis of the economies, the hopes and anxieties of our two countries.

Also, Prime Minister Mulroney happens to be talking about one of the few Reagan convictions on foreign policy that has the support of all the political parties in Canada; namely, that the firestorm of trade protectionism in the Congress is a threat to the alliance and the economic order of the world.

President Reagan welcomed Prime Minister Mulroney's proposal, but he and his Cabinet are so preoccupied with the problems of outer space and the inner cities, with the budget deficit, the farm deficit in the Middle West, and the terror in the Middle East that they haven't had much time to think about the common problems on our northern border with Canada or even of the tragic human and economic problems in Mexico to the south.

Some powerful Canadian forces, of course, are worried about getting too close to the United States. As former Canadian Prime Minister Pierre Elliott Trudeau once observed, living with the United States is like sleeping with an elephant.

But clarity, like charity, begins at home, not in dreams of "Star Wars" in the 1990's. If we go on concentrating on what is in Mr. Gorbachev's mind or in President Reagan's mind at the summit, we could wind up in the cellar.

Better to make a fair and liberal trade deal with the Canadians, provided of course that Prime Minister Mulroney begins by instructing the Toronto Blue Jays to stop beating up on the New York Yankees.

THE FAMILY FARMER

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. GEPHARDT. Mr. Speaker, on Tuesday, October 8, the House rejected a proposal to give farmers a chance to vote on the future of American agriculture. I was among the minority that supported the Alexander/Stangeland compromise substitute. I supported this legislation because we need an alternative to the current program that is costly to both farmers and taxpayers.

The economic, social, and political fabric of rural America increasingly depends on the survival of the family farm. Yet its future looks bleak. The family farmer is getting hit by high interest rates, an overvalued dollar, unfair trading practices of other nations, and domestic overproduction. Land values have fallen 20 percent or more. Foreign markets have been lost. Commodity prices are at lows not seen since the Depression.

Over 43,000 farms have gone bankrupt in the first 6 months of this year alone. We are losing 1,600 farmers a week. Since 1981, over 200,000 people involved in agribusiness have lost their jobs.

One-third of our family farmers are in deep trouble. Two out of ten could lose their land within 2 years as the tidal wave of foreclosures sweeps the land.

Over the long term, we must save the family farm, not only to preserve a vital way of life, but also to prevent concentra-

tion and control of our food production system.

Over the long term, there is no question that survival of the family farm will help the urban consumer by preventing monopolies by large scale agricultural conglomerates.

Today our farm policy is bankrupting farmers and taxpayers at the same time. We should allow farmers to choose democratically whether to idle 20 percent of their lands.

If controls were approved, farm income could increase by over 50 percent. Because producers would get their price in the market—not from the Government—we could save taxpayers $16 billion over the next 3 years. That's a $16 billion savings over the present bill, according to the Congressional Budget Office, a savings that can directly reduce the hemorrhaging Federal budget deficit.

The ensuing increase in food prices would add less than 1 percent to the CPI, according to the Food Aid Agricultural Policy Research Institute at the University of Missouri. And by increasing farm income, the Alexander/Stangeland substitute would enable many debt strapped farmers to pay off their loans and get back on their feet.

But this is not simply a vote on controls. It's a vote for a referendum to give farmers the opportunity of choice. If 60 percent don't approve the controls, we won't have them. In that case price supports would be targeted to those who need them.

With the Alexander/Stangeland substitute we can save the family farm and reverse the tidal wave of crisis and despair sweeping rural America. The Alexander/Stangeland substitute is a broad, bipartisan bill that is the only hope of relief for the family farmer this year.

MR. ROGER SMITH, CEO OF GENERAL MOTORS CORP., SPEAKS TO HIS CONCERNS ABOUT THE AMERICAN AUTOMOBILE INDUSTRY

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. TRAXLER. Mr. Speaker, the congressional automotive caucus had the opportunity earlier today to meet with Mr. Roger Smith, the chairman of the board of General Motors. He had some very important news for us about his view of the state of our auto industry and the future of General Motors. I am sure that his remarks will be of great interest to all of our colleagues, and I would like to insert them in the RECORD at this point:

REMARKS BY ROGER B. SMITH, CHAIRMAN, GENERAL MOTORS CORP.

I am especially pleased to be with you today. When we last met in 1983, I told you about some of our plans for the future at General Motors. We had just announced our Saturn project and I told you about the concepts we had in mind for that project.

In view of all the public attention to Saturn—and I must say we did not anticipate all this publicity—you are probably aware of the fact that we now have a site for the Saturn plant in Tennessee and have dedicated the Saturn headquarters in Michigan. We have run prototype vehicles, and plans for the manufacturing facility are underway.

Perhaps most important of all, we have signed with the UAW an agreement which we think will be historic and improve relationships with our workforce.

We are excited about the challenge which Saturn represents, but we are now dedicated to talking less about it and working more to make it happen.

Also in that meeting, I told you about our joint venture with Toyota at the Fremont, California plant. We were hoping then for approval by the FTC. Not only was the program approved, but the plant is now up and running and its new Chevrolet Nova is on the market across the country.

Our hope remains that this joint venture will provide an opportunity to learn whether Japanese management and assembly techniques can be applied in the American environment. I can now report that the learning process is going forward even better than expected and we firmly believe the lessons that we are learning will make all of our operations more effective.

Some big things have happened since our last meeting.

We have acquired Electronics Data Systems, a world leader in data processing and computers.

We are in the process of purchasing Hughes Aircraft, a major high-tech company in electronic guidance systems, process engineering, and satellites.

We've bought into a half dozen robotics and machine vision companies.

And we have redoubled our research efforts at the General Motors Technical Center in addition to investing a great deal more in joint technical ventures with companies worldwide, and sponsoring more university research.

The idea is to achieve exponential growth in the technological areas—to leap frog ahead by either our own R&D, or by buying into leading-edge technology wherever we can find it.

At General Motors, we are in the midst of the greatest effort in our history—an unprecedented technical and organizational revolution with the primary purpose of assuring that we roll on into the 21st century—with a full-range of American-made cars—with jobs and with a viable manufacturing base that continues to support this nation's economy.

The challenge, of course, springs from the internationalization of the marketplace—from world competition on a colossal scale—not only in the auto industry, but throughout most of American manufacturing.

Fully 70 percent of the goods we produce in this country now face foreign competition.

That bears restating—70 percent of all American products now compete with merchandise from abroad.

There are no longer any backwaters that are safe from the gunboats of world competition.

It is no exaggeration to say that this is truly a fight for survival—survival of our manufacturing base, of American jobs, and of the high standard of living we have worked so diligently to achieve.

It is a competition in which no company, no matter how large, is safe.

At General Motors, we feel the best answer to world competition is to get out in front and lead it.

We really sprang into action when the going got tough in 1981—at a point when the corner newspaper boy made more profit for the year than General Motors.

From that low point we have invested more than $40 billion in high technology for our products, our processes, and our people.

It's interesting to look back and see that in the early 1950's, the head of the bank of Japan, Hisato Ichimada, proclaimed that Japan should not resume passenger car production, since it would be more economically practical to rely on foreign supply.

Mr. Ichimada, and many others around the world at that time seriously underestimated the vitality of the Japanese people.

Today, many in the U.S. are making a similar mistake about our own people.

We have the best people in the world—the best scientists, the best engineers, the best administrators, and yes, even the best managers.

Yet, we have not utilized our human resources effectively in the past.

Except in times of war, we have squandered a large measure of our talents and energies in adversarial relationships—between labor and management, and between government and business.

Frankly, our competitors in the Pacific Rim Countries are not terribly afraid of us technologically.

They know that technological leadership only gives one a couple of years advantage, at best.

Yet, when we talk about cooperation—about getting our people to act together—our competitors are genuinely concerned.

They know that unity of purpose is their one overriding advantage—for the moment.

Here I am most encouraged about the future because I see America finally realizing the full potential of its people.

At General Motors, we have been making great strides. We've established Quality of Work Life Programs in every one of our plants and offices.

And, we're putting our manufacturing operations through a corporate-wide restructuring.

The aim of this reorganizing is to bring decision making down to the peole who can do the most about it—the men and women actually doing the work.

For the first time, we're recognizing our people as assets.

We're providing training and educational help as never before.

At a typical new plant these days, we now invest more than a million hours of training before the first car is ever produced.

Knowing what to do is critical, but it's only the first step.

Having the confidence to actually do what needs to be done is even more important to success.

You aren't going to assume the role of full participant and decision maker if you fear that your efforts might make your job obsolete.

General Motors and the United Auto Workers addressed this issue head-on in our contract last year.

Jointly, we guaranteed that if an employee is laid off because of the introduction of new technology, outsourcing, or negotiated productivity improvements, he won't be out on the street.

That employee will go into a job bank where he or she is eligible for a variety of assignments, training, and job placement.

People and high technology—that's the general strategy which is going to help us move aggressively into the future—to protect our position as the world leader of car and truck manufacturing.

It is a strategy that already is working on many fronts.

On fuel economy, for example, we have made major strides. GM cars are 22 percent lighter than they were in 1974—an average weight reduction of some 1,100 pounds. And we doubled the fuel economy of the cars we produce.

On safety, the Highway Loss Data Institute reports year after year that overall injury claims of GM car owners are among the lowest in the industry.

The technical sophistication of today's cars, their safety achievements, and our recovery from the worst recession since the 1930's—all of this has been nothing short of miraculous.

I think we've come a very long way—but we also have a long way to go.

Yet, I am encouraged by what I see in my industry—by the technology, and by development of our human resources, the realization of each individual's potential as never before.

I'm equally encouraged by the relationship that has been developing between government and industry.

By that, I do not mean a partnership between government and business.

The kind of interrelationship that Japan and other competitors have with their governments would not work here.

No. Business should dofor itself.

As the National Academy of Engineering put it:

"While public policy has a critical supporting role to play . . . the long-term future of the auto industry is by and large in the hands of its participants."

I agree entirely.

I've never seen any evidence anywhere in history, that government intervention and economic planning have ever worked as well as the decisions people make for themselves in what they buy.

Government, however, does have responsibilities in creating an environment in which the economy can function to everyone's best interest.

I would interject here a few comments on another issue of growing importance. That is, South Africa. A number of U.S. companies with facilities in that country have formed the U.S. Corporate Council on South Africa and you will be hearing more about that as time goes on. Our purpose is to join with our counterparts at the CEO level in South Africa to bring about an end to the policy of apartheid.

We have a history of being very clear about our strong opposition to apartheid and have made this opposition known to the South African government. Our objectives are specific, not general. They include:

The abolition of influx control.

The granting of free hold property rights to all blacks.

The dismantlement of the migratory labor system that separates spouses and families.

Resolution of the citizenship issue.

Facilitiating the dialogue which would lead to black participation in the political arena.

These are objectives shared by responsible South African business leaders. We at General Motors and in the Council have pledged our support. By being in South Africa, we think we may make a difference in moving more rapidly toward these goals, helping to bring an end to the tragic loss of life in that country while accomplishing peaceful but meaningful change.

Now I'd like to leave you with just four points that we in General Motors feel that Washington can, and should, do.

First and foremost is reduction of the federal deficit. That's the surest way to bring the dollar down enough to give American products a chance to compete.

I recognize the difficulties associated with far-reaching restraints on spending, and I know of no easy way to fix the problem.

But, it must be done if we want to continue as a producing country, as a country with jobs, and as a country with a standard of living that remains the envy of the world.

Another important step is tax reform.

In June, I was here in Washington testifying before both House and Senate Committees in support of tax reform.

Now I don't want to take the time to repeat what I said then, except to emphasize that true tax reform should be a top national priority.

The current tax system has the effect of indirectly influencing business decisions in ways that seldom coincide with solid business planning.

In essence, business decisions are too often made to achieve tax benefits that too often run counter to becoming more world competitive.

My third recommendation deals with international competitiveness and world trade.

We are facing a tough, persistent trade deficit.

But world competition will not go away.

We're going to have to fight it out sooner or later, and if not now, . . . then when?

At the same time we must insist on the elimination of those non-tariff barriers that exist in other countries. And we must be effective in helping workers who suffer job loss.

But the way to help them is to foster policies that create jobs—real, viable jobs.

The trade issues are difficult and complex. But I do believe, tough as it is, our long term interests as a nation are best served by an open trading system.

Fourth, and finally, I can't let this opportunity go by without saying something about regulation.

The heavy regulatory burden of the early 1970's had much to do with my industry's inability to respond effectively to rapid market changes.

So much of the energy of our scientists and engineers was taken up in meeting one regulation after another, that we simply did not have the human resources to maximize our competitiveness.

Fuel economy standards are perhaps the best, and most current, case in point.

Recently, the fuel economy standard was relaxed for 1986, which was greatly appreciated but did not completely address the ongoing problem.

A similar adjustment for future model years is equally as important in order to avoid the potential of curtailing production of some car lines and throwing thousands of employes out of work.

In all of this, I guess what I am saying is that we in the auto industry are ready and willing to fight our own competitive battles on the world field of competition.

We at General Motors believe that we're ready for the game. We've trained for this competition as never before—have the best technology, and the greatest faith in our people's critical decision-making ability.

You bet there are risks.

As Peter Drucker once said, "whenever you see a successful business, someone once made some courageous decisions."

To which I'd add, and someone took some colossal risks.

At General Motors we are ready to take the risks, to run in competition all the way into the 21st century and beyond.

We can do it, and with your help, we will win.

Thank you.

PERSONAL EXPLANATION

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. GREEN. Mr. Speaker, yesterday, October 9, 1985, I was absent for two recorded votes due to a longstanding commitment, I had to speak before members of the Anti-Defamation League of the B'nai B'rith in Detroit, MI. I should like to note for the record that had I been present, I would have voted "nay" on rollcall No. 351, the Burton substitute amendment to H.R. 3008, the Federal Equitable Pay Practices Act. On rollcall No. 352, final passage of this measure, I would have voted "aye."

MENTAL HEALTH AWARENESS WEEK

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. LANTOS. Mr. Speaker, under legislation approved by Congress earlier this year, this week has been designated "Mental Health Awareness Week." I was proud to be a cosponsor of this bill, and am glad now to have an opportunity to share with my colleagues some of the sobering facts about mental illness.

Mr. Speaker, the statistics are truly disturbing—mental illness can strike anyone at any time. It is estimated that between 30 and 40 million Americans—nearly 1 in 5 people—suffer from some form of mental illness at any given moment. The problems range widely from schizophrenia and depression, to substance abuse and anxiety disorders. Mental illness strikes both men and women, regardless of race, age, and social background. The sufferers range from street people to some of the most highly educated and talented people in America. We are all vulnerable.

The costs to our society are devastating. It is estimated that the direct costs of mental illness are more than $20.9 billion per year. With the additional costs of substance abuse disorders, that figure rises to well over $185 billion.

But what is still more troubling, Mr. Speaker, is that we have been slow to address these problems and slow to provide the help that is so desperately needed. We need only look at a selection of commonly

available health plans to see that treatment of mental illness is a low priority.

Moreover, the stigma associated with mental disorders prevents many from asking for the help they require. Only 1 in 5 sufferers seeks medical help. For many, it can lead to the tragic and senseless waste of life through suicide, and frequently by the younger and most promising members of our society. I believe that my bill, H.R. 1894, the Youth Suicide Prevention Act will play a highly significant part in addressing the most tragic symptom of mental illness, the act of taking ones own life. This legislation will provide a mechanism to set national priorities for youth suicide prevention, as well as providing preliminary funding for prevention programs.

Mr. Speaker, I would like to commend the American Psychiatric Association for the outstanding symposium it organized this week as part of its contribution to "Mental Health Awareness Week." Through the work of the APA, and that of similar organizations, we will learn more about one of the most tragic illnesses of our time.

Just like other diseases, mental illness has symptoms and it can be effectively treated. It is up to us, however, to seize the initiative and act.

Mr. ADNAN KHASHOGGI

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. ST GERMAIN. Mr. Speaker, I must confess that I hoped Adnan Khashoggi's exploits would be restricted to the gossip pages, where news of his unprecedented $2 billion divorce settlement ran for weeks. So it was with great consternation that I learned that the Saudi arms dealer is again making news headlines, this time courtesy of the Department of Energy. During this era of budget-cutting the DOE, in all its wisdom, has decided to bestow a $72 million Federal loan gaurantee on Mr. Khashoggi, so he can build an alcohol fuels plant in Louisiana.

While some might applaud Mr. Khashoggi for investing the money in this country, rather than funneling it to Saudi Arabia, as he was allegedly wont to do for many a U.S. defense contractor in the 1970s, one might ask why we should subsidize the production of a costly fuel substitute when the world market is glutted with the real thing.

One might also be excused for asking why we should subsidize Mr. Khashoggi, said to be one of the world's richest men. Of course, the Government's largesse is understandable when you consider that the depressed market for real estate and construction has reportedly forced the billionaire to slash expenses—he was only able to host 500 guests at his 50th birthday party this July.

This handout mentality also prompted the Government to bail out Chicago's ailing Continental Illinois Bank at the bargain basement price of $4.5 billion.

Yet, I haven't heard anyone asking the taxpayer if he wants his heard-earned cash used for welfare for the rich.

Finally, has DOE, or anyone else for that matter, done an analysis to determine whether synfuels production makes economic sense when America is alternately conserving—and producing—more natural fuel than ever before? Only Louisiana seems to have determined there is an economic benefit—the synfuels plant will use the surpluse molasses produced by its State's farmers.

However, while creating jobs and new markets is an admirable goal, it does not warrant makework jobs and "White Elephant" industries. Unfortunately, Mr. Khashoggi's Agrifuels Refining Corp. does little to meet the legitimate needs of our country.

WELFARE REFORM

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. SHUMWAY. Mr. Speaker, the recent signing of Greater Avenues for Independence [GAIN] legislation in California is a significant step toward true welfare reform, an accomplishment which will benefit both welfare recipients and taxpayers alike. I commend Governor Deukmejian and members of both chambers of the State legislature for their notable accomplishment.

For years, citizens and legislators have recognized the need to reform the Nation's multibillion-dollar welfare system. Stories of second and third generation welfare recipients, of able-bodied but unemployed participants, lack of coordination among the more than 70 welfare programs currently in existence, and regulations which serve as work disincentives, have intensified interest in reform. Creating a system which would provide appropriate relief to the needy without breeding debilitating dependency, and at the same time safeguarding it against those unneedy individuals who would make a mockery of public assistance, has been a sizable challenge to each State and the Federal Government.

The California initiative, which requires able-bodied welfare recipients with children over the age of 6 to work for up to a year, take job training or go to school, is one way the problems facing some of the Nation's millions of welfare recipients may be addressed. Other States have also enacted reforms, and have enjoyed success through various combinations of workfare, job training, and education.

However, in light of the substantial Federal investment in the welfare system—currently 3 of 4 welfare dollars come from the U.S. Treasury—I believe there need to be some minimal Federal guidelines for administration of Federal assistance. Thus I have introduced legislation to target a mandatory workfare requirement to primary wage earners in AFDC-U—two-parent—families. Requiring able-bodied individuals in two-parent families to work to offset the cost of benefits received will enhance self-esteem, improve job skills, bring about a reduction in long-term welfare dependency, provide useful services that State and local governments could not otherwise afford, and help to restore public confidence in the safety net. Under my bill, States would retain the right to expand these workfare requirements if they so desired.

Mr. Speaker, the time has come for Congress to participate in welfare reform; I urge immediate consideration of my bill.

IMMUNIZING THE WORLD'S CHILDREN BY 1990

HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. HALL of Ohio. Mr. Speaker, today I, along with 12 of my colleagues here in the House and 3 Members of the Senate, am introducing an important resolution. This resolution calls on the President to support expanded access to immunization programs for all the world's children.

Each year over 4 million children die, and another 5 million are disabled from easily preventable diseases. This means that every minute of every day, 8 children die and 10 more are handicapped from the effects of immunizable diseases.

These tragedies need not occur. Vaccines to prevent six leading diseases which kill and cripple children have existed for years. But less than 20 percent of the 90 million children born in developing countries each year are immunized against these common childhood diseases: measles, polio, tuberculosis, diphtheria, pertussis, and tetanus.

The World Health Community has set a goal of immunizing all the world's children against these diseases by 1990. This month, the United Nations General Assembly is expected to pass a resolution calling upon the nations of the world to commit the resources necessary to meet this challenge.

This is not only a very important goal, it is also achievable. The World Health Organization, the United Nations Children's Fund, the United Nations Development Program, the International Bank for Reconstruction and Development, and the Rockefeller Foundation stated at an international meeting in Bellagio, Italy, last year that the goal of universal child immunization by 1990 was indeed possible to reach.

We in the Congress have affirmed our support for immunization programs and other basic health programs for people in less-developed countries by funding such agencies as the Agency for International Development and the Center for Disease Control, by our contributions to UNICEF, and by the establishment of the Child Survival Fund. However, to reach the goal of universal immunization, we must enhance our support of these vital efforts.

This resolution calls upon the President to direct all appropriate Federal agencies to work in the global effort to provide enhanced support toward achieving the goal of universal access to childhood immunization by 1990. I hope you will join us in working toward this goal. The lives and well-being of millions of children around the world are at stake.

NEW LIFE FOR THE BROWNSTONES OF BEDFORD-STUYVESANT

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. TOWNS. Mr. Speaker, often neighborhood revitalization is nothing more than rhetoric in most urban policy debates. However, there are examples of successful community redevelopment efforts. In Brooklyn, the Bedford-Stuyvesant community is experiencing a new interest in preserving and rehabilitating its brownstone houses.

This area, in fact, has the largest concentration of brownstones in the United States. In many cases neighborhood revitalization has meant that minority groups were pushed out of a community. In the case of Bed-Stuy, however, middle class blacks are now coming back into the area and enhancing economic development in the business community as well as the housing market.

Today's New York Times carried an article by Joseph Giovannini on the preservation of Bed-Stuy's brownstones. I have inserted this article for my colleagues' review as an example of good community revitalization.

GIVING NEW LIFE TO THE BROWNSTONES OF BEDFORD-STUYVESANT

(By Joseph Giovannini)

It is a mansion, or nearly a mansion, that Arthur and Esther Bramwell did not know they wanted. "A friend introduced me to the house three years ago," said Mr. Bramwell, a deputy county clerk in State Supreme Court in Brooklyn. "I told him I already had a house nearby that was paid for, that I didn't need it. He said I had to see it."

The doors in the 12-foot-high parlors are faced in oak on one side and mahogany on the other. Virtually every opening in the late-19th-century house—doorways, windows and fireplaces—is surrounded with highly detailed and intact late-Victorian woodwork. Mr. Bramwell, pointing out the patterned brass hinges on the oak front door and the coat hooks made of sterling silver in the entry hall, is proud of the elegant 12-room, four-story brownstone he now owns in the Bedford-Stuyvesant section of Brooklyn.

Often cited for its abandoned buildings, vacant lots and property, Bedford-Stuyvesant also has one of the largest concentrations of well-preserved brownstones in the United States. Within the three-and-a-half-square-mile community there are extensive well-maintained neighborhoods of two-, three-, and four-story owner-occupied houses. The Bramwells' is one of the most elegant of the many such houses built near the turn of the century, when the area was a residential district for well-to-do families. A 10-block area around Stuyvesant Heights is a historic district, and a larger area, nearly 1,000 homes on 40 blocks, has been surveyed for historic designation.

Once regarded as a symbol of the decay of American inner cities, Bedford-Stuyvesant has changed since Robert F. Kennedy made his historic walk there in 1966—a walk that helped lead to federally financed community development programs across the country.

"It's the brownstones that have kept Bedford-Stuyvesant together—they've been the stabilizing force here despite the large pockets of poverty," said Lucille Rose, vice chairperson of Community Board 3, which encompasses the predominantly black Brooklyn community. Mrs. Rose lives in a three-story limestone building that she bought in 1942 for $8,000. Even though her long career in city government took her from a position as a fiscal clerk to Deputy Mayor, she never moved from her home. "What has kept me and many others here has been the brownstones, and the great sense of pride on our blocks," she said.

Kermit Moran, a real estate broker in Bedford-Stuyvesant, said that over the last five years he has seen an acceleration of interest in brownstones in the community and that most people now buying are middle- and upper-middle-income blacks. Their interest has centered in and around the historic brownstone core, especially toward downtown Brooklyn to the west and Broadway to the east.

"The brownstone is not only a house—it's part of a block," said Jacqueline Jones, head of the annual tour sponsored by the Brownstoners of Bedford-Stuyvesant, to be held this year on Oct. 19 (for information about the tour, which visits a cross-section of homes, call 718-443-8919).

The small, owner-occupied brownstones help make neighborhoods cohesive. "We know our neighbors," Mrs. Jones said.

"I felt perfectly safe last night walking home from a meeting," Mrs. Rose said, "because I saw my neighbor looking out her window, and when I got in I waved to her, and she waved to me and then left the window. I do the same for her."

According to Francine Thomas, a senior mortgage officer with the Bedford-Stuyvesant Restoration Corporation, the brownstones have been basic in rebuilding the community after its postwar decline because they have been accessible in price, suitable for families, attractive, adaptable and practical. The brownstone revival of the late 1960's and 70's in the rest of Brooklyn spread to Bedford-Stuyvesant, assisted by locally administered housing programs.

Vonceil and Robert Turner, for example, bought their brownstone on Hancock Street 12 years ago for about $30,000, with the Bedford-Stuyvesant Restoration Corporation advising them how to get an F.H.A. mortgage. Working with a friend, Mr. Turner, a battalion chief with the Fire Department, and Mrs. Turner, who works for the city Social Services Department, did much of the restoration work themselves.

The corporation, which receives both private and Federal funds, rehabilitated about 1,200 apartments and houses and helped finance work on 4,200 facades. Commercial banks now provide most financing for home purchases and improvements.

Mr. Moran said that last year alone the value of brownstones in the community appreciated about 25 percent. A brownstone within the historically important areas, if available, sells for $90,000 to $125,000, and outside those areas, from $70,000 to $90,000, according to Pat Cyrus, director of the local office of the city's Housing Preservation and Development Department. The community's first condominium project—in an apartment building at 2 Macon Street—will be completed in about a year.

Mrs. Rose called the changes a Renaissance: "In the last five years, it's like a Back to Bed-Stuy movement. People are beginning to see it as a stable area."

With homeowners better aware of the value of their brownstones and more confident of their community, there are fewer bargains now, and many of the buildings becoming available require more work.

On Macon Street, Michele Stewart, a placement counselor, recently finished renovating a brownstone that she bought with her brother Michael Stewart, a city assessor, two years ago for about $25,000. They spent $50,000 to convert the two lower floors into rental units and the two upper ones into a duplex apartment for her. (While many brownstones remain single-family, many others have been subdivided.)

The strong sense of neighborhood on many blocks is reinforced by a large number of community churches, many of them architecturally distinguished. Brownstoners of Bedford-Stuyvesant and the Magnolia Tree Earth Center, which plants and landscapes streets, are other active community groups. The community has received various forms of assistance for the houses from such organizations as the Bedford-Stuyvesant Restoration Corporation, the Vann-Guard Urban Improvement Association and the local Housing Preservation and Development office.

"You have to go to the South to find the same sense of warmth," said Earlene Harris, who bought a brownstone in nearly perfect condition with her husband, Dr. Jerome Harris, about two years ago. "You walk up and down the street, and you're always saying hello to people sitting outside," Mrs. Harris said.

The Harrises—he is a school district superintendent in Brooklyn, she, an administrator for the Board of Education—moved from an apartment on the Upper West Side because they wanted more room and because they were attracted to the quality of life in their neighborhood.

As in many of the more elaborate brownstones, the interior of their four-story, 12 room-house is almost a continuous piece of furniture, with detailed paneling, wainscoting, moldings, shutters, mantels, fretwork and staircases. They have furnished the antique interiors with their own antiques, and own a collection of African and Afro-American art.

Rufus and Geraldine Causer—they are with a New York publishing concern, he as a financial adviser and she as a bookkeeper—also own a large brownstone with fine woodwork, which they have furnished with reproduction Colonial antiques. Mr. Causer smiles about his purchase, not only because of the price ($35,000 eight years ago), but also because "I had no idea what I was doing."

"I was looking for a house in Long Island when my brother-in-law suggested I look at it," he said. "I bought it because he said it was a nice house."

Because the woodwork was not intact in the brownstone that Brenda and Wilbert Fryson and their daughter, Kenya, moved

into in the 1970's, they felt free to modernize the interiors. Over a period of years, the Frysons—he is a social worker, she an educational program coordinator—gutted the interiors and built a multilevel modern space designed by an architect. The main parlor floor, for example, became a double-story space, open to the roof and a skylight.

Perhaps the simplest story of setting in Bedford-Stuyvesant is that of Sheryl Shell, a teacher and opera singer, and her husband, Reginald, an accountant. They bought a medium-sized brownstone five years ago for about $30,000. It had not only its original woodwork, fireplace tiles and kitchen, but also the wallpaper and lace curtains, which still hang on the doors and windows. It was owned by two sisters who were members of the family that bought the house when it was built. For the Shells, restoration so far has primarily been a matter of sweeping, dusting and polishing.

HARRY W. PINDER, JR.

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. DYSON. Mr. Speaker, I rise today to honor the memory of a fellow Marylander, Harry W. Pinder, Jr.

Harry will be remembered by his many friends in Maryland as a kind and decent man who worked hard to make his community a better place in which to live. For 26 years, Harry was the conscientious and caring owner and operator of Circus Park Trailer Court in Cecil County, MD.

A lifelong Democrat, Harry's active involvement in our Nation's political system dates back to Franklin Delano Roosevelt's first inauguration. I believe, Mr. Speaker, that it is people like Harry Pinder—people committed to the principles of pluralism and participation—who make our country great.

A fine family man, Harry was devoted to his wife Gladys and his five daughters, Esther L. Pinder, Helen Mae McMullen, Bessie V. Bamberger, H. Christine Handy, and Barbara K. Pinder, as well as his three siblings, Muriel Williams, Beatrice Huester, and William D. Pinder, Sr.

It is with great pride, Mr. Speaker, that I share these words of remembrance of Harry W. Pinder, Jr.

NATIONAL SIDS AWARENESS MONTH

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 9, 1985

Mr. MILLER of California. Mr. Speaker, I am delighted that the House has approved my legislation, House Joint Resolution 322, to designate October 1985 as "National SIDS Awareness Month."

Sudden infant death syndrome—commonly know as SIDS—is a quiet but mighty killer. It takes the lives of about 7,000 infants every year—about 1 out of every 500 babies born—making it the most frequent cause of death between the ages of 1 month and 1 year. Ten percent—about 700 deaths attributable to SIDS—occur in my home State of California annually.

Every day 20 to 30 seemingly healthy infants die unexpectedly of SIDS. SIDS strikes without warning while infants are apparently napping or sleeping peacefully. We now know that the greatest frequency of SIDS deaths occurs among infants 2 to 4 months old, although it does occur among older infants as well. Infants who are premature, low birth weight, born into poverty or who have had a sibling claimed by SIDS appear to be at highest risk.

The death of a child is always catastrophic for a family and loved ones. A SIDS death is especially so because until recently SIDS deaths were unexplained, resulting in much blame and guilt among family members, on top of the enormous grief experienced due to the loss of a child.

We still know very little about SIDS and what we do know has only emerged in recent years. Not so long ago SIDS deaths were simply unexplained. This was a phenomenon that no one really knew about, except those who suffered its tragedy. There was no official name for SIDS until the 1960's, and before the mid 1970's, it was not entered as a cause of death on death certificates.

Since that time we have made progress learning about the disease. It is now a recognized medical entity. However, we need to learn much more. The cause of SIDS and possible effective preventive approaches remain a mystery. We also need to expand awareness efforts that can provide critical emotional support to families who have lost a child to SIDS.

Much of the progress made to date has been stimulated by the hard work and commitment of individuals and groups dedicated to increasing public awareness and promoting research on the causes of SIDS and ways to prevent it. I want to thank Gayla Reiter, who is the mother of a SIDS victim, and her assistant, Bob DePillis, for providing the initial inspiration for this legislation. These individuals along with the National SIDS Foundation and the National Center for Prevention of SIDS have provided unfailing leadership in efforts to conquer SIDS.

I also especially want to commend and thank my colleague. BOB GARCIA, who knows about the tragedy of SIDS firsthand and has been a leader on this issue for us all in this House.

Over 200 Members of the House have joined me in sponsoring this legislation. It will serve to focus greater national attention on the problems of SIDS, with the hope of promoting greater understanding and ways to prevent the terrible tragedy of SIDS.

PROTECTING OUR DOMESTIC INDUSTRIAL BASE WITHIN THE CONTEXT OF INTERNATIONAL AGREEMENTS

HON. STEVE GUNDERSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. GUNDERSON. Mr. Speaker, since May, U.S. exports have declined by 5.2 percent, and in the month of August, the trade deficit came $9.9 billion closer to the $150 billion trade deficit predicted for 1985. International trade economists credit this continued economic slide to the strong dollar and yet, since February, the U.S. dollar has declined against other world currencies by 16 percent. While the administration contends that the devalued dollar cannot favorably impact on the trade deficit for 18 months or more, industrialists verify that, in the meanwhile, we are witnessing the deindustrialization of America.

It's no wonder Congress has decided to intervene and it is, furthermore, no surprise that Members have produced hundreds of trade bills designed to restrict or tax imports.

Before protectionist sentiment overwhelms us, however, we should examine our place in the world market. We do indeed function within an international context and due to the interdependent nature of trading economies, actions we implement abroad invariably impact domestically.

The Ex-Im Bank, for example, which functions as an independent foreign lending agency of the U.S. Federal Government, has a total exposure of $35.4 billion. Payment of these loans are in direct proportion to the debtor nations' ability to export into America. This is problematic when our major debtor nations are also those targeted for import restrictions.

When coupled with private sector commitments abroad, total U.S. exposure multiplies dramatically. For Mexico, the amount exceeds $28 billion while Brazil reportedly owes $26 billion. We simply cannot afford to ignore this commitment.

Despite the trade deficit, total U.S. exports for 1984 exceeded $217.9 billion.

Additionally, we are equally dependent on international agricultural sales. For 1984, U.S. agricultural exports totaled $37.8 billion. For the same period, we imported $19.3 billion. The result is an $18.5 billion trade surplus. We cannot afford to risk this net gain.

Our partnership in world trade, however, does not justify further tolerance of unfair trade practices, particularly in light of the internationally structured provisions for relief.

Accordingly, the first action Members of Congress are obliged to take is enforcement of present trade laws. Since 1948, when the General Agreement on Trade and Tariffs [GATT] was implemented, we have maintained reasonable alternatives to protectionist legislation, which, as structured and

enforced, provide the same relief from imports.

Sections 201 and 301 of the 1974 Trade Act, for example, are intended to restrict imports, based on an International Trade Commission's [ITC] favorable recommendation. Following are three examples of such alternatives, which unfortunately, have been either ignored or not enforced.

The recent ITC ruling for the footwear industry, for example, has been the topic of much debate. The International Trade Commission [ITC] ruled unanimously that imports had imposed serious injury to our domestic counterparts. Consequently, the Commission recommended quotas for 5 years on nonrubber footwear imports valued over $2.50 per pair. However, the President failed to implement the Commission's recommendation. Consequently, stiffer legislation has been introduced for a greater length of time.

Likewise, the textile industry has appealed to Congress for relief. The Commerce Department confirms that had the Multi-Fiber Arrangement [MFA] been enforced, the legislation intended to limit textile imports by 30 percent wouldn't be necessary. The MFA provides the structure for world textile trade and provides for import restrictions when verifiably necessary.

Finally, the National Pork Producers Council is currently appealing an ITC recommendation for import relief. While the Commission rules 3 to 2 that Canadian pork has injured our domestic industry and accordingly restricted the import of live hogs into America, they recommended, nonetheless, to allow unrestricted quantities of fresh pork products into the States. Ultimately, the decision merely benefits Canadian pork processors.

Clearly, these actions warrant congressional intervention in defense of American industry. However, such action need not be as extreme as protectionists might advocate. By making necessary procedural revisions in current law, enforcement can make the difference. Many members are consequently considering the possibility of transferring final decisionmaking authority in these and future ITC cases from the executive branch to a separate trade agency.

Second, it is time to recognize that the subtle subsidies used by many trading partners to enhance their exports, seriously handicap our ability to compete domestically. Accordingly, we must uncover the existing subsidies and either eliminate them or apply countervailing duties. Funds raised from these duties can be applied to assist displaced workers through training assistance or job relocation efforts.

Wage rates are a prime example of these subtle subsidies. Clearly, there is no way American businesses can compete with nations that achieve a wage advantage by paying their employees a substandard wage. Calling for a decrease in U.S. wages is unacceptable. We must make clear that these wage subsidies are unfair and consequently open to retaliation.

Enforcement of current law is the first responsible alternative to the present deficit, if we are to preserve our place in world trade. We must make existing laws work effectively and more expeditiously. Within this framework, we must pursue any action necessary to give American industry a chance to be competitive. Clearly, it is shortsighted to fund defense efforts if the demise of our industrial base leaves us otherwise dependent on our industrialized trading partners.

RED-LETTER DAY IN THE FIGHT AGAINST RADON

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. EDGAR. Mr. Speaker, this is a red-letter day for those of us who have been working to stop radon contamination of homes in eastern Pennsylvania's Reading Prong.

As many of my colleagues know, radon is a colorless, odorless, and tasteless gas that is produced by the decay of naturally-occuring uranium deposits. Radon has collected in hundreds of homes built over the prong, a seam of uranium stretching several hundred miles through Pennsylvania, New Jersey, and New York. When inhaled by the people living in these homes, radon is extremely hazardous drastically increasing the residents' risk of lung cancer.

This morning in my Committee on Public Works and Transportation, we passed a Superfund reauthorization bill which included the text of my bill, H.R. 3172. This legislation directs the Environmental Protection Agency [EPA] to conduct a national assessment of the radon problem and to report to Congress on the levels of radon that pose a threat to human health. Even more important, it directs the EPA Administrator to set up a $4-million demonstration project in the Reading Prong. The purpose of the project is to provide better information on radon mitigation techniques for homes contamination with radon.

The other body has already passed a Superfund reauthorization bill, and it includes an amendment by Senator LAUTENBERG which would cover radon and other indoor air pollution. We're making real progress on the legislative front.

Also this morning, Pennsylvania Governor Dick Thornburgh announced a homeowner assistance program for eliminating radon gas. The $3-million program will allow residents of radon-contaminated areas in Pennsylvania to get low-interest loans to clean up their homes. The State will also continue its free radon testing program.

I am pleased that the Commonwealth of Pennsylvania has finally moved to take positive action in the face of the radon contamination crisis. In July, I had the opportunity to spend a morning with the people of Boyertown, PA, where the radon contamination problem is most serious. Not only do some residents of Boyertown have levels of radon in their homes which exceed the 0.02 working levels [WL] deemed dangerous, they have levels as high as 13.5 WL.

The people of Boyertown are rightly worried about the high cost of remedial action and the continuing danger of exposure while corrective measures are contemplated. The people of Boyertown are rightly terrified about the effect on their children. One couple has been told that the radon level in their home means that their children—aged 13, 11, and 8—are breathing the equivalent of the smoke from 21 packs of cigarettes every day and that their chances of developing lung cancer are one in eight.

It's about time that the Commonwealth takes some concrete action, though I think more than a loan program may be needed. In particular, the State must give people whose homes are contaminated with radon more specific information about which of the various mitigation techniques will work. And it is not yet time to rule out the possibility of grants for those who have radon problems that are very expensive to remediate.

Mr. Speaker, it's a positive sign that on the Federal and State levels we're moving ahead to address the radon crisis; but it's not yet time to stop, and I urge my colleagues to support my actions and those of Senator LAUTENBERG as we attempt to help those plagued with radon contamination. In order to provide them with more information about this threat, I ask that the text of Governor Thornburgh's press release today and the language of my provision in the Public Works and Transportation-reported Superfund bill follow my statement in the RECORD:

STATEMENT OF GOV. DICK THORNBURGH

GILBERTSVILLE, PA. (Oct. 10)—Gov. Dick Thornburgh today announced the nation's first homeowner assistance program to aid in eliminating radon gas from homes through a $3 million low-interest loan program to help residents of Berks, Lehigh, Northampton and Bucks counties in the geologic area known as the Reading Prong.

Thornburgh said he is proposing the initial low-interest loan program by the Pennsylvania Housing Finance Authority and the Department of Community Affairs to subsidize needed repairs for homes found to have high levels of radon, a radioactive, naturally-occurring gas which federal health officials have said can increase the risk of lung cancer.

"Although radon is a national problem certainly not limited to the Reading Prong, we simply can't wait any longer for the development of a national program," the governor said. "Our citizens need help now. The Department of Environmental Resources has done more testing than any agency in any state, and we are now pioneering assistance in helping to rid homes of this threat."

The governor will propose at PHFA's Oct. 18 meeting a program of loans at 2 percent interest for low- and moderate-income families with annual incomes under $36,000. Loans at 8 to 9 percent (still 5 to 6 percent below commercial rates) will be made available to families with incomes over $36,000 annually. Loans will be targeted for the most serious problem areas initially. Details of when and where to apply will be announced later after action by PHFA.

Thornburgh announced the loan program at a news conference at DER's recently-opened radon task force office.

Pennsylvania has led the nation in testing, monitoring and remedial designs to correct radon problems in homes since the discovery last December of a Berks County home near Boyertown with levels 675 times the exposure level generally deemed safe.

A variety of repair methods, from simple venting to exclusion of radon by sealing basement cracks and walls, are available. DER has prepared a list of suggested correction methods that is available to interested residents.

"We are encouraged by the attention this problem is receiving from the federal Environmental Protection Agency (EPA) and the Congress, but understand that any national program is at least six months away," said Thornburgh, who in September wrote EPA Administrator Lee Thomas seeking federal standards and suggesting Pennsylvania's intense work in radon testing be used as a prototype for national program development.

The governor announced that the state is also offering free home testing for radon to more than 20,000 homes in the four-county area of the prong under an additional $1 million program. Radio advertisements on eight radio stations will complement full-page advertisements Sunday, Oct. 13, in the Reading Eagle, the Pottstown Mercury, the Allentown Sunday Call, the Bethlehem Globe-Times and the Easton Express.

The advertisements will include a map of the Reading Prong and a description of the areas of townships and boroughs qualifying for the free tests. Residents living in those areas are asked to fill out the included coupons and send them to DER. Radon detectors will be sent to the residents, who should hang them in a basement or the lowest living space in the house for three months.

"It is important that everyone living within the so-called Reading Prong knows that free testing for radon is available, so we have taken this approach to reach as many people as possible," Thornburgh said. "We hope that people will take the few minutes necessary to send in the coupon."

DER has completed 3,499 tests in homes and schools since last January. Forty percent, or 1,392 tests, have readings above the DER action guideline of .02 Working Levels, a threshold for corrective action based on prior experience in the cleanup of uranium processing plant waste by federal agencies.

A working level is a unit of measure developed to evaluate miners' exposure to radon in uranium mining and relates to radioactive energy in a liter of air. There is at present no national standard for radon from natural sources.

The health threat from radon increases with its concentration. For example, a total of 352 tests so far have readings above .1 Working Levels, which equates to smoking a pack of cigarettes a day or an increased lifetime risk of lung cancer of 5 percent.

Radon gas is colorless, odorless and tasteless and is produced naturally in the ground by the normal decay of uranium and radium. While radon itself is not a major health concern, it continues to decay, producing new radioactive particles called radon daughters. These small alpha-emitting solids can be inhaled and deposit their energy on lung tissue, increasing the risk of lung cancer.

The Reading Prong is a granite rock formation running northeast from Reading through New Jersey and New York to the Connecticut border. As described by DER's Bureau of Geologic Survey, the prong is six to eight miles wide and about 45 miles in length through Pennsylvania.

To facilitate the testing program, borders of the prong were broadened to include some adjacent areas.

H.R. 2817, AS REPORTED BY THE COMMITTEE ON PUBLIC WORKS & TRANSPORTATION, OCTOBER 10, 1985

SEC. 214. RADON GAS.

(a) NATIONAL ASSESSMENT.—The Administrator of the Environmental Protection Agency (hereinafter in this section referred to as the "Administrator") shall—

(1) identify the locations in populated areas in the United States where radon gas and radon daughters are forming from naturally occurring deposits of uranium and are collecting in residences and other structures;

(2) assess for each location identified under paragraph (1) the amounts of radon gas and radon daughters that are forming and the amounts that are present in residences and other structures; and

(3) determine the level of radon gas and radon daughters which poses a threat to human health and assess for each location identified under paragraph (1) the extent of the threat to human health.

The Administrator shall submit a report to Congress on the results of the assessment conducted under this subsection not later that one year after the date of the enactment of this Act.

(b) DEMONSTRATION PROGRAM.—

(1) IN GENERAL.—The Administrator shall conduct a demonstration program to test methods of reducing or eliminating the threat to public health of radon gas and radon daughters. Such methods shall include venting of residences and other structures and any other methods the Administrator determines may be effective in reducing or eliminating such threat. The demonstration program under this section shall be conducted at the Reading Prong, Pennsylvania and New Jersey, and at such other sites as the Administrator considers appropriate.

(2) REPORTS.—The Administrator shall submit interim reports not later than September 30, 1986, and September 30, 1987, on the status of the demonstration program carried out under this subsection. The Administrator shall submit a final report on the results of such program not later than December 31, 1988.

(3) AUTHORIZATION.—There is authorized to be appropriated for fiscal years 1986, 1987, and 1988 a total of $4,000,000 to carry out this subsection.

A&T'S OWN DR. WILLIAM BELL

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. TOWNS. Mr. Speaker, we often have fond memories of our college days. For me, there is no greater memory of my alma mater than my participation in the sports program at North Carolina A&T State University.

A major reason for those happy days was my association with the athletic director and football coach at that time, Dr. William M. Bell. Dr. Bell, who received his Ph.D. from Ohio State University, was the backbone not only of A&T's sports program, but the physical education department as well. His greatest achievement was establishing A&T as a sports power with championship teams in the CIAA conference in football, baseball, and basketball. I was fortunate to be a participant on some of these teams. Yet, Dr. Bell gave us much more than just a great sports history; he helped mold the lives of many young people at A&T along with his able administrative assistant, Mrs. Catherine Truesdell Bonner.

This weekend they will be honored at the homecoming events by the alums from 1946–56 teams. I want to wish them both well and to thank them for enriching my college experience and that of many other students.

SENATE ACTION JEOPARDIZES COAST GUARD ACTIVITIES

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Ms. MIKULSKI. Mr. Speaker, last Thursday the Senate Appropriations Committee, by a vote of 17 to 1, cut $200 million from the operating budget of the U.S. Coast Guard for fiscal year 1986.

The only people who can possibly be happy about the Senate's actions are drug-smugglers and those who want less navigational safety and protection of our waterways from oil pollution.

During an appearance yesterday before the House Subcommittee on Coast Guard and Navigation, the Coast Guard Commandant, Adm. James W. Gracey, made it very clear how this cut would affect Coast Guard operations—it would devastate them. While the $200 million loss would mean a cut of less than 10 percent for the entire Coast Guard, since it must come exclusively from operating expenses it would mean a reduction of almost 15 percent in funds for the Coast Guard's day-to-day activities.

What are the activities that would be affected by these cuts? Things like drug interdiction, search and rescue efforts, oil-spill cleanups, and navigational safety on our coastal waterways.

In addition to losing much of the Coast Guard's presence in these areas, the Senate Appropriations Committee cut would mean the loss of thousands of jobs of Federal employees who have faithfully served the Coast Guard and their country. In particular, I am concerned about the future jobs of the 850 employees who work at the Coast Guard yard in Curtis Bay, MD.

If the Senate Appropriations Committee cut is approved, Mr. Speaker, we are talking about the closing of the Coast Guard yard for all practical purposes. Curtis Bay's employees are completely dependent upon the level of funds provided in the Coast Guard's operating budget to upgrade the

Coast Guard fleet. A 15-percent cut means that most of the anticipated modifications and repairs to the fleet for fiscal year 1986 would be postponed or eliminated. The result would be that there would be little, if any, work left to do at Curtis Bay.

Every Member of Congress recognizes and can appreciate the need to reduce the Federal deficit. The Coast Guard yard, however, does not seem an appropriate or justified place to begin with deficit reduction. The yard has an outstanding record of productivity and efficiency since opened in 1899. In every major armed conflict the United States has participated in since World War I, the Coast Guard yard has performed numerous shipbuilding and repair activities vital to our Nation's defense.

Since 1981, the yard has been subjected to the administration's civilian hiring freeze and the threat of contracting out almost all of the yard's activities. This has cost over 350 jobs despite the fact that Curtis Bay's work has consistently proved less expensive and of better quality than private contractors. In light of these recent sacrifices made by the civilian work force at the yard, the Senate Appropriations Committee action is truly unjustified. It threatens our shipyard mobilization and places a disproportionate share of reducing the deficit on the backs of hard-working Marylanders.

For these reasons, Mr. Speaker, I urge you and every Member of this body to protect needed American jobs and join me and other members of the Subcommittee on Coast Guard and Navigation in opposing this draconian budget cut on the Coast Guard and the workers at Curtis Bay shipyard.

THE DIABOLIC MR. FARRAKHAN

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. LEVINE of California. Mr. Speaker, Tuesday night in New York Louis Farrakhan concluded an across-country speaking tour—a tour that was partly funded by a $5 million loan from Libyan leader Muammar Qaddafi. Throughout his tour large audiences feasted on Farrakhan's evermore repugnant rhetoric—a rhetoric calculated to incite racist, antiwhite, antisemitic feelings—a rhetoric calculated to drive wedges between blacks and Jews, a rhetoric which surely undermines all that black political leaders in this Nation have accomplished.

Mr. Farrakhan's rhetoric is ugly and abusive in addition to being repugnant. Addressing Jews in his speech in New York he said:

If you rise up and try to kill me, then Allah promises you that he will bring on this generation the blood of the righteous.

All of you will be killed outright . . . You cannot say "never again" to God, because when He puts you in the oven, "never again" don't mean a thing.

It is almost unfathomable that a human being would utter these words.

Mr. Speaker, Jack Newfield, one of the most perceptive, articulate writers in the business, has written a masterful analysis of the danger Louis Farrakhan poses to our society. (The Village Voice, October 8, 1985.) He makes many cogent points, one of which is that Mr. Farrakhan poses a much greater danger to blacks in America than to Jews.

Mr. Newfield points out that by supporting Reagan administration policies and opposing programs vitally important to poor black Americans, Mr. Farrakhan plays into the hands of the far right and those who are not at all concerned about the quality of life for this country's blacks.

Ironically, it is Jews, themselves a minority, united by what Mr. Farrakhan has referred to as a gutter religion, who have been most identified with trying to break down barriers to blacks and who have long been in the forefront of efforts to improve the lives and economic status of blacks in America. Mr. Newfield writes:

Farrakhan is a threat to blacks because he is trying to lead them in the wrong direction . . . He scapegoats Jews, but can't see that if Israel did not exist, and if there was not one Jew left in America, blacks would still be disproportionately poor and powerless for systemic reasons of economics and racism.

Additional compelling evidence of the danger Mr. Farrakhan poses to his own people comes in the form of the growing relationship between his organization and the Ku Klux Klan. A California Klan leader, Tom Metzger, attended Mr. Farrakhan's speech at the Los Angeles Forum as the guest of Mr. Farrakhan and his organization. According to press reports, after the speech Mr. Metzger made a $100 contribution to Mr. Farrakhan's organization.

Mr. Newfield ends his article with an important question: Why haven't more black leaders spoken out against Mr. Farrakhan? The author poses two possible explanations. One is fear—fear of violent reprisal from the enforcer. The other is the silence of secret assent. I believe the first answer is more valid than the second. I do not understand why any person of good will, of any religion or race, would hesitate to repudiate bigotry and intolerance—from whatever source.

Mr. Speaker, Louis Farrakhan's rantings are nasty and odious. They should be abhorred and rejected by all people of reason, of whatever race or religion. No good can come from his hateful rhetoric borne of what Mr. Newfield calls his crackpot messianic theology.

I am deeply concerned about the danger Mr. Farrakhan poses to black Americans. I hope that more black leaders will speak out to reject this message of hate and prejudice and, as Mr. Newfield puts it, "save their own constituencies from isolation, intimidation, and doomed fantasy politics."

I include the full text of Mr. Newfield's article at this point in the RECORD:

FARRAKHAN: MORE A MENACE TO BLACKS THAN TO JEWS

(By Jack Newfield)

I was arguing recently with a conservative Jewish acquaintance about Rabbi Meir Kahane. His logic went something like this:

"I would never vote for Kahane, but I agree with enough of what he says that I send him some donations, indirectly. His militancy helps Jews by convincing our enemies that we have resolve and toughness. Personally, I wouldn't want him to have any real governmental power, but as an outside critic he is effective. He makes me feel good when he attacks the Arabs and the doves in Israel. I know he is irreponsible, but I don't care. He serves a purpose."

Listening to this split-level rationalization reminded me of the way some blacks have justified their own halfway attitude toward Reverend Louis Farrakhan, who speaks next Monday at Madison Square Garden as part of his current national tour. At one level, I can understand the feelings of cathartic satisfaction in hearing someone express your own deepest fantasies of revenge and defiance. But at the level of adult politics and citizenship, I object to any evasion that might legitimize bigots like Kahane and Farrakhan. We ought not to compromise our better judgment about leaders who poison the polity. One of the most important reasons to challenge the ideas of demagogic tribal leaders is that often the main victims of these demagogues are their own people.

This argument of self-defeat is the most compelling case against Louis Farrakhan. He is trying to lead blacks into a separatist, nihilistic dead end. He thrills crowds with his oratory, defying The Man and speaking forbidden insults to Jews with ever-increasing frequency. This July he told a crowd of 10,000 in Washington, D.C.:

"Jews know their wickedness, not just Zionism, which is an outgrowth of Jewish transgression. I intend to raise the ante tonight! Black people will not be controlled by Jews. Black leaders will either come out for us, or get the hell away from us. Who is your master—God or Jewish leaders?"

Farrakhan sometimes claims that he likes Jews. He says so with the same sincerity that James Watt exuded whenever he proclaimed his love for the environment.

Farrakhan has no useful ideas about how to improve real life conditions of unemployment, teenage pregnancy, high school dropouts, crime; and the rest. Like Kahane, he is using a crackpot messianic theology that divides and isolates his own tribe, in a country that requires coalitions, toleration, and nonviolence to create progress for both blacks and whites trapped at the bottom of the economic ladder.

I detest Farrakhan for my own reasons. Long ago, my mother taught me not to pretend it's raining when someone is spitting on you. Farrakhan says Judaism is "a gutter religion," and I am a Jew.

But in this time, in this city, in this country, Farrakhan is no menace to me. I feel secure, I don't think anti-Semitism is a direct, physical peril at this moment, the way it is in the Soviet Union, or in Syria, where it is government policy. It is always a danger, but it is now a threat in this county. It is a less consequential threat than racism is, because white nationalism is in power today in the America of Reagan, Meese, Falwell, and Helms. Minister Farrakhan is a much more serious threat to blacks than he

is to Jews, although I fear that only experience will convince blacks of this.

Farrakhan is a threat to blacks because he is trying to lead them in the wrong direction. Because he preaches his own version of racial separation, he has been unable to speak coherently about the clearest moral issue on this planet—the dismantling of apartheid. As a shrewd businessman, he invests his time to a dying to Quaddafi, rather than invoking Bishop Tutu or Nelson Mandela as role models for liberation. He speaks for the demon theology that says the white race are devils created by a mad scientist named Yakob. He scapgoats Jews, but can't see that if Israel did not exist, and if there was not one Jew left in America, blacks would still be disproportionately poor and powerless for systemic reasons of economics and racism. W.E.B. DuBois, Adam Powell, A. Philip Randolph, Martin Luther King, and Malcolm X, during the final months of his life, all understood the double trick bag of class and race, Farrakhan does not.

Farrakhan's singling out of Jews for attack, as distinct from whites, is one proof of his anti-Semitism, but it also shows he has no comprehension of class. I have not heard him condemn the institutional enemies of black equality or the real holders of power, like the CIA, which has no Jews in its top structure, or the six biggest banks (none of which is owned by Jews) or the Surpreme Court, which today includes not one Jew. Or Reagan's cabinet, which has no Jews among its members. Farrakhan frequently speaks approvingly of Reagan, and is in the habit of comparing him to Lincoln, Farrakhan's scapegoating of Jews is a detour from reality for blacks, who, like all of us, need to understand the power structure as it exists.

Farrakhan's understanding of the power structure was reflected in his recent speech in Washington, D.C. Farrakhan told his audience:

"The American people are sick and tired of the president giving, giving, giving their [money] away to the poor and minorities. . . . But in my judgment he [Reagan] is correct that black leaders, in general, have not paid attention to the economic problems of our people."

Minister Farrakhan is an enforcer against blacks, an intimidator of black journalists, an enemy of a free press for blacks. He doesn't bother white reporters. Last year, his public threat against the life of Milton Coleman of The Washington Post created national headlines. But that was not the first time Farrakhan had acted as the enforcer. In February 1965, when he was known as Louis X, Farrakhan taunted and threatened Ben Holman, a black journalist who had just written an expose of the Muslims for the Chicago Daily News, at a public meeting in Boston, Holman, who was in the meeting hall, told Jamie Gangel of NBC Nightly News last year that Farrakhan "was goading the crowd to kill me, to lynch me on the spot."

Paul Delaney is one of the most respected journalists in America. He is now deputy national editor of The New York Times. In 1973, he wrote a series of articles on the factional strife within the National of Islam. Last year, Delaney was also interviewed by Gangel of NBC Nightly News about his experiences as a black free thinker, Delaney said:

"Louis Farrakhan at the time was Minister in New York, and he was quoted (about me) several times in the Muhammad Speaks newspaper, and, of course, during his ceremonies and radio broadcasts."

"Would you say they were threats?" asked Gangel.

"I took them as threats," Delaney replied. "Yes. Absolutely."

Gangel added: "Delaney received police protection and was warned by the Justice Department that the Black Muslims were 'out to get him.'"

In 1984, Farrakhan made three distinct contributions to politics. He helped ruin Jesse Jackson's appeal to white voters. His black supremacy rhetoric ignited a backlash and helped register hundreds of thousands of frightened white voters, and this nullified all the registration drives among blacks. And Farrakhan proved that black anti-Semitism does exist and is not a hoax concocted by the Anti-Defamation League.

His main impact (if not exactly his intent) so far in 1985 has been to go to Los Angeles and drive a wedge between Mayor Tom Bradley and the Jewish community—which has always supported Bradley—on the eve of Bradley's second attempt to run for governor of California. Jewish leaders demanded that Bradley condemn Farrakhan before the speech, but Bradley waited until after the speech to denounce Farrakhan. Whenever Farrakhan goes, he ends up helping the right wing—which is to say, the enemies of both blacks and Jews.

Even beyond his racist and anti-Semitic views, Farrakhan holds some bizarre notions. He predicts that there will be "a race war" in 1986, and that urban black street gangs will play an important role. In March 1984, he announced that an "Israeli hit squad" was coming to America to assassinate Jesse Jackson; this was a paranoid fiction. He has made frequent derogatory remarks about gays and lesbians. He opposes abortion and birth control for women. And he constantly and unreservedly praises the Ayatollah Khomeini and Qaddafi as "great men."

One reason he celebrates a madman dictator and financier of terrorists like Qaddafi is that Qaddafi has given Farrakhan a $5 million interest-free loan to start a toiletries company, which was announced by Farrakhan in May of this year.

In his speech in Los Angeles three weeks ago, Farrakhan said: "We will never forget who sold our fathers, into slavery. Don't push your six million down our throats when we lost 100 million in slavery."

Farrakhan seems to have forgotten the profitable Arab participation in the African end of the slave trade, documented in many histories. It was possible the ancestors of the sainted lender, Qaddafi, who sold Farrakhan's ancestors into slavery.

A few insiders know the story of Louis Farrakhan and Malcolm X. But most of the world does not. The insiders think Farrakhan bears some guilt for Malcolm's death.

In late 1964, when Malcolm broke with Elijah Muhammad, the national Muslim leader assigned Farrakhan (then still Louis X) to replace Malcolm as the Minister of Harlem Mosque No. 7. In that role, Farrakhan became the hatchman for Elijah, leading the hate-the-heretic crusde against Malcolm. he attacked Malcolm for "trying to make friends with white people" instead of calling them "a race of devils."

On December 4, 1964, 10 weeks before Malcolm was assassinated, Farrakhan wrote in *Muhammad Speaks:*

"Only those who wish to be led to hell, or to their doom, will follow Malcolm. The die is set and Malcolm shall not escape. . . .

"Such a man as Malcolm is worthy of death."

These words were read by the cultlike fanatics who hated Malcolm X. Malcolm's widow, his children, and his friends have never forgiven Farrakhan. They hold him accountable for the atmosphere in which Malcolm was killed, and they suspect much more. The suspicions, burning these 20 years, were enflamed in May of 1984 when it was revealed that Farrakhan had written a letter to the New York State Parole Board in support of parole for one of Malcolm's convicted killers.

On May 25 of this year, Farrakhan was interviewed by Tony Brown on PBS. Brown, to his credit, asked Farrakhan two direct questions about the death of Malcolm X:

"Brown: Do you feel that your criticisms of Malcolm during that period contributed to his assassination?

"Farrakhan: I feel that the climate created by Malcolm's revelation of the domestic life of Elijah Muhammed to the press, feeding them information that they could use in a negative way against the honorable Elijah Muhammed, it created an equal and opposite reaction among the followers of Elijah Muhammed. I, being one of those zealous followers, jump to the defense of Elijah Muhammed, and to the attack of Malcolm. And so, in that context, I believe my words and others' words were like fuel on a fire.

"Brown: Did you apologize to Malcolm X's widow, Betty Shabazz?

"Farrakhan: I sat with Betty Shabazz. . . . Last year in February, I was speaking in upstate New York, I think it was Albany, and Betty came and sat on the stage with me. I sat with Betty afterwards, and she told me what she had on her mind. I could not speak back to Betty. She was very angry, as naturally she would be. This is the first time she had confronted one of those whom she would look at as a contributor to the condition that led to her husband's assassination. And naturally, in that first meeting, she was exceedingly angry with me, and a brother was looking over my shoulder and she was blessing me out, if you will. And I took every word that she said, because I feel that it is only when Betty can express herself to those of us whom she feels were involved, and who may have been involved, that the healing can begin." (Emphasis added.)

Minister Farrakhan poses a useful intellectual question for blacks not dissimilar to the questions Rabbi Kahane poses for Jews: what are the prudent limits of group solidarity? At what point does instinctive, protective tribal unity, in defense of a leader under attack by external forces, jeopardize the well-being of the tribe?

Farrakhan is a mirage filling a void. Blacks desperately need militant, incorruptible leaders, and some mistake Farrakhan for this. At a time when the economic gains of the 1960s are being eroded, national black leadership is at a low ebb. (Two recent hopeful signs have been the emergence of Representative William Gray, chairman of the House Committee, and Randall Robinson, who has ignited the anti-apartheid movement in America. Both possess pride, intellect and a capacity to inspire.) Black poverty and unemployment are still twice the rate for whites, and black life—expectancy is 13 years shorter than it is for whites.

Black leadership among trade unions has failed to emerge the way it should have, which is mostly the fault of stubborn white labor leaders. The Black Caucus in Congress shrunk by one member last year (21 to 20) despite all the optimistic talk about register-

ing a million new voters around the Jackson candidacy. I can empathize with the hunger for a strong new leader, but Farrakhan is a tragic case of mistaken identity.

Some people, in good faith, have argued that the media pays too much attention to Farrakhan because of his theatrical extremism, and maintain that if he were ignored, his appeal would dry up. But this has not happened. This year, he drew 6000 people in Detroit, 7000 in Atlanta, and 5000 in Houston. In July, with little advance publicity, he drew 10,000 people on a Monday evening to hear him at the Washington, D.C., Convention Center. According to The Washington Post, the crowd was middle-class as well as poor, and included "young adults in entry-level jobs, college students, entrepreneurs, artists, secretaries, teachers, and government workers." Most were non-Muslims.

Three weeks ago, Farrakhan attracted 17,000 people to hear him speak at the Forum in Los Angeles. His October 7 New York speech likely will fill Madison Square Garden to its 18,000-seat capacity. He is charismatic, and he does have a following of people who may not agree with all he says but admire his image of defiance, and perhaps his subtext of pride, discipline, and self-help. Making believe that he doesn't exist or trying to deny him publicity is not a sensible approach. And no one should even consider challenging his right to speak, because free speech is sacred and belongs to everyone.

I am still puzzled as to why more black leaders haven't spoken the complete, blunt truth about Farrakhan. Last year, in private, quite a few local black leaders told me they were not free to do so because they were part of the Jackson campaign and could not speak publicly until their national candidate had spoken with clarity so they would not be appearing to undercut their champion.

But that excuse—that hiding place—is no longer available. Jesse Jackson is not running now. The only possible justification for silence now is fear. Fear of violent reprisal from the enforcer. The other possible interpretation of silence is secret assent.

Black leaders should say what they think about Farrakhan's ideas. Not to appease Jews. And not because Koch, who does not have clean hands, has challenged them to criticize Farrakhan. They should speak out to save their own constituencies from isolation, intimidation, and doomed fantasy politics.

VIRGIN ISLANDS DEVELOPING ALTERNATIVES TO HIGH UNEMPLOYMENT

HON. RON de LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. DE LUGO. Mr. Speaker, over the past year, the U.S. Virgin Islands has suffered the loss of one of its two major plants, Martin Marietta Alumina, and layoffs from its other major plant. The total employment loss on St. Croix as a result of these layoffs is 5.6 percent for a total unemployment rate of 12 percent. Note that this unemployment rate, while high, does not reflect the outmigration to the mainland that attends loss of jobs in the islands. The Virgin Islands needs to develop alternatives, and one possibility is to extend the wage incentive program in existence for watches to the gold jewelry produced in the U.S. insular areas. Today I have introduced a bill that would do just that.

For some years now, the gold manufacturing industry in the United States has been very healthy, and, in fact, thriving. There has been a substantial amount of gold chain imported from Italy and other countries, and countries benefiting from Generalized System of Preferences status have exported jewelry to the United States duty-free. Also, under the Caribbean Basin Initiative, products entering from the beneficiary countries will enter duty-free, and this should include a good quantity of fine jewelry, particularly since production is labor-intensive.

In view of Congress' commitment to encouraging industry in the U.S. insular areas, and the difficulty the insular areas face in competing with lower wage jurisdictions, it seems most logical and desirable to make the manufacture of jewelry competitive with countries benefiting from GSP and CBI.

The amount of jewelry that could be manufactured in the U.S. insular areas would be totally insignificant in the U.S. market, and, when placed in the context of the GSP duty-free status currently enjoyed by a number of jewelry exporting countries and the CBI status that may be utilized, the proposed bill has only benefits to offer.

The administration of the program proposed by this legislation is already in place, since the watch program would simply be extended to jewelry. I understand, therefore, that there would be no additional administrative costs required to implement the legislation.

The bill I have introduced today will result in much needed employment in my district. I urge my colleagues to support its passage.

REMOVING SOCIAL SECURITY FROM THE POLITICAL FRAY

HON. JIM ROSS LIGHTFOOT

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. LIGHTFOOT. Mr. Speaker, I am glad to see that Congress is moving quickly to depoliticize Social Security. Since the beginning of the year, Congress has been battling about whether or not Social Security should be on the bargaining table when deciding how to reduce the large Federal deficit. I happen to believe that Social Security does not belong in the general budget debate because it is a self-financing program with its own trust funds.

Social Security is not contributing to the Federal debt because its trust funds cannot be used for purposes other than the payment of Social Security benefits and related costs. Any savings from reducing Social Security benefits cannot be used to finance other Federal programs. Therefore, cuts in Social Security should not be a part of deficit reduction efforts.

Including Social Security in the unified budget, as it is now, has caused part of the problem and has made it easier for Congress to consider Social Security cutbacks. It also makes it easier for Congress to use Social Security surpluses to hide the true deficit. Furthermore, it reduces pressure in Congress to attack excessive Government spending because Federal deficits are offset by Social Security surpluses.

Social Security has not always been included in the unified budget. In fact, for over 30 years the funds were in a separate account. It was not until 1969 when former President Johnson wanted to mask the Federal deficit his administration was accumulating that the trust funds were added to the unified budget. Then, through Congress' tacit approval in 1974, the trust funds were made a permanent part of the unified budget.

Since then, there has been some discussion to remove the trust funds from the unified budget. In 1983, Congress voted to display the trust funds as a separate function within the unified budget from now until 1992 when they would be removed entirely from the unified budget. However, since the budget wrangling earlier this year over the Social Security COLA issue, there has been increasing interest in removing the trust funds immediately.

Removing the trust funds now rather than later makes good sense. It would reduce incentives to tamper with Social Security in an effort to cut the deficit, it would allow a truer picture of the Federal deficit, and it would instill confidence in our Nation's seniors that Social Security would not be cut unnecessarily.

Establishing the Social Security Administration as an independent agency outside the control of the Department of Health and Human Services would also help insulate Social Security from political budgetary pressures. It would provide for smoother program administration, better morale within the agency, and more efficient, higher quality public services.

As an independent agency, governed by a three member bipartisan board, politics would be removed from the administration of the Social Security Program. An independent agency would also greatly reduce layers upon layers of bureaucracy and would create more efficient program management. Most important, however, it would provide for greater stability within the Social Security Administration and instill in the American people greater faith in the Social Security system.

During the next few weeks, I expect the House to act on a bill I have cosponsored, H.R. 3470, which would establish the Social Security Administration as an independent agency and would remove the Social Security trust funds from the unified budget. I commend the Ways and Means Committee for its leadership on this issue. The committee's Subcommittee on Social Security has already unanimously approved this bill,

and it is presently awaiting full committee consideration.

Congress should approve this bill before the next round of debate begins on the budget to ensure that the program which affects virtually every American is able to stand on its own feet without political interference. The passage of this bill would send a clear signal to the American people that Congress supports the continuation of the Social Security system and that American workers can count on receiving their earned benefits when they become disabled or when they retire. I urge my colleagues to join me in supporting this bill.

RESOLUTION CONDEMNING MURDER OF LEON KLINGHOFFER

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. WEISS. Mr. Speaker, Leon Klinghoffer, a disabled, 69-year-old American citizen, was murdered this week by the terrorists who hijacked the cruise ship *Achille Lauro* in the Mediterranean.

The perpetrators of this cowardly and barbaric act must not be allowed to go unpunished. Indications are that the murderers of Leon Klinghoffer were given safe passage out of Egypt and placed in the custody of the PLO. It is clearly within the power of Yasir Arafat, the PLO, the Egyptian Government, and the other governments of the region to find, prosecute, and punish these terrorists and to do it quickly.

Beyond that, out of this tragedy there must grow a final resolve by the nations of the world that hijacking and hostage-taking will no longer be tolerated. In Leon Klinghoffer's memory we must insist on it.

I am, therefore, introducing the following concurrent resolution, which does three things:

It condemns the hijacking of the *Achille Lauro* and the cowardly and brutal murder of Leon Klinghoffer;

It calls on the governments, organizations, and people of the region to do whatever is necessary to ensure that the individuals who murdered Leon Klinghoffer are found, prosecuted, and punished; and

It states the sense of the Congress that the President should immediately convene an international meeting to resolve this urgent issue once and for all.

Following is the text of the resolution:

H. CON. RES. 215

Concurrent Resolution condemning the hijacking of the *Achille Lauro* and the murder of Leon Klinghoffer

Whereas, on October 7, 1985, terrorists hijacked the civilian passenger ship *Achille Lauro* with 400 people aboard, during a Mediterranean cruise;

Whereas it has been determined that the hijackers murdered Leon Klinghoffer, a 69-year-old citizen of the United States who was confined to a wheelchair;

Whereas the United States Government has expressed its outrage at this "brutal killing of an innocent American" and has called for the prosecution of the individuals responsible for the killing;

Whereas hijacking and the taking of hostages at sea, in the air, and on land has become a problem of massive international dimensions: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That—

(1) the Congress condemns the hijacking of the *Achille Lauro* and the cowardly and brutal murder of Leon Klinghoffer;

(2) the Congress calls on all governments, organizations, and people of the Mediterranean region to take all necessary measures to ensure that the individuals who murdered Leon Klinghoffer are found, prosecuted, and punished; and

(3) it is the sense of the Congress that the President should immediately convene an international meeting to determine the steps which must be taken to rid the world once and for all of hijacking and the taking of hostages.

PERSONAL EXPLANATION

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. LELAND. Mr. Speaker, under my right to revise and extend my remarks within 5 legislative days on the resolutions considered and passed under unanimous consent on October 9, 1985, I would like to state for the RECORD that I in no way support House Joint Resolution 313, "The Lessons of Grenada" week. Had I been on the floor at the time the resolution was considered, I would have objected.

Our invasion of Grenada should not be interpreted as a triumph for the United States. As a result of the invasion, the world viewed the United States as a patronizing, interventionist nation. Passage of a week commemorating this event and the subsequent events is totally inappropriate.

A BILLION DOLLARS DOWN TWO RATHOLES

HON. JAMES T. BROYHILL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. BROYHILL. Mr. Speaker, we voted in July to shut down the U.S. Synthetic Fuels Corporation. Fearing that the end was near, the Synfuels Corporation decided to try and stave off extinction by using its $8 billion bankroll.

Two weeks ago the Corporation committed $60 million to a heavy oil project in Texas even though owners of adjacent heavy oil reserves claim they are recovering oil and making a profit without any Federal subsidies.

Next week, the SFC plans to do some big-time spending by bestowing more than a billion dollars on two oil shale projects. Secretary of Energy John S. Herrington, in today's Wall Street Journal, explains why funding these two projects would be a waste of taxpayer money. Although we in the House already have voted to end this waste, I commend this article to my colleagues in the hope that we can all work together to bring about the speediest possible end to the Synfuels Corporation and plug the ratholes once and for all.

[From the Wall Street Journal, Oct. 9, 1985]

THE SYNFUELS ENERGY DINOSAUR

(By John S. Herrington)

This week, Congress is struggling to agree on a plan to reduce the deficit. Regardless of the outcome, in the next few days members of both houses will have a unique opportunity to make an early downpayment on deficit reduction. Next Wednesday, the Synthetic Fuels Corporation's board plans to lock up more than $1 billion in taxpayer-supported subsidies for two uneconomical and unneeded oil-shale demonstration projects.

These projects are telling examples of why the SFC was, this July, targeted for extinction by a 312-111 vote in the House. The question now is: Will Congress as a whole put a halt to these projects before the SFC allocates the money for them next week?

The projects in question—$900 million in price supports and guarantees for a Union Oil project in Parachute Creek, Colo., and $184 million in like guarantees for Seep Ridge's Vernal, Utah, project—reflect more than their dollar amounts. They are a microcosm of what is wrong with the SFC. In an era when everyone is striving to reduce the deficit, the SFC could not have picked two more wrongheaded projects to pilot, nor could it be championing them at a more pivotal time in its short-lived history.

Parachute Creek has major technological weaknesses. Both Parachute Creek and Seep Ridge have technologies applicable to only a small portion of U.S. oil-shale resources. Both would have guaranteed price supports at a level several times the market price. Neither would make a lasting contribution to U.S. energy security.

I am opposed to these projects, and these circumstances have raised strong reservations about continued funding of the SFC. Terminating these projects would salvage at least $1 billion—and perhaps more, since the SFC will soon consider additional projects totaling $2.5 billion.

Congressional opponents of these projects need only to look to Union Oil's Parachute Creek operation for ammunition.

Union Oil first began acquiring oil-shale lands in Western Colorado in 1920. Sixty-five years later, its Parachute Creek project still has not been operated successfully beyond a period of a few days, despite the investment of $800 million by the company over the past six years.

Parachute Creek's problems are enormous. The price per barrel of the hoped-for 10,000 barrel-per-day plant is pegged at $72, in an economy where our Strategic Petroleum Reserve is buying oil at about $25 a barrel. Parachute Creek's retort scraper system—a mechanism that ejects spent shale—failed and still hasn't continuously worked as advertised. When it does work, the spent shale is coming out at a too-high temperature (900 degrees Fahrenheit) with an excessively high carbon content, a sign of inefficiency. Its fluid bed combustor, a component that would burn the carbon in the spent shale, is only in conceptual design, both unapproved and untested.

The financial terms of the SFC agreement are such that six to 10 years from now,

when subsidies are exhausted, Union could walk away from the project.

Union has failed to produce the oil that would allow it ultimately to earn $400 million in price supports. Nonetheless, the SFC plans to reward Union with an additional $500 million in loan and price guarantees to support the development of a combustor—and wants to extend Union's right to earn the $400 million in price supports. The total cost to taxpayers: $900 million.

Hand in hand with the Parachute Creek project, the SFC plans to provide $184 million in loan and price guarantees for Seep Ridge. SFC is guaranteeing its price per barrel at $55, more than twice the market rate.

Why the SFC is so ardently interested in Seep Ridge is something of a mystery. The project will offer no technological advance for synfuels development; the technology is already developed, and at full production Seep Ridge will produce only 1,100 barrels per day.

Supporters of these projects will no doubt weave their defense into the cloth of our energy future and national security through energy security.

The fact is that national-security and energy-security arguments do little to justify the Parachute Creeks and the Seep Ridges. When Congress established the Synthetic Fuels Corporation in 1980, oil prices were projected to reach $75 to $125 per barrel by 1990. Since oil prices peaked in 1981 following President Reagan's decontrol of oil prices, the world energy outlook has improved substantially: In nominal terms oil prices are down more than 30% from their 1980 levels.

As a result of these fundamental changes in the energy marketplace, virtually no projects pending before the SFC are likely to become economical in the foreseeable future. Thus, the development of a commercial synthetic-fuels industry at a pace envisioned by Congress in 1980 would require huge expenditures of federal tax dollars that would not be offset by economic benefits.

There is little point in building demonstration projects when the fuel costs are two, three, or four times that of current and anticipated market prices. There is no compelling reason to subsidize construction of model synfuels plants when advanced technology, now under research and develoment by industry and the Department of Energy, will ultimately surpass these plants' existing technologies. Finally, there is little merit to the national-security argument advanced by supporters of synfuels. Were all the SFC projects currently planned ultimately able to produce at their maximum capacity, they would only supply substantially less than 0.5% of U.S. energy requirements over the next 10 years.

The sensible approach for U.S. energy development is to let the free market work its way up to the next band of energy opportunities. And in this respect, the synthetic-fuels industry is several decades away from practicality. Synthetic fuels are not competitive with the next generation of fuels or expected energy gains through conservation and efficiency. Moreover, more exotic techniques such as enhanced oil recovery and the potential application of coal in slurries, advanced clean-burning combustors and high-efficiency turbines are today closer to the realities of the marketplace.

When the Synthetic Fuels Corporation was created in the late 1970s, its founders were acting with vision and patriotism during a time of rising oil prices and limited supplies. But times have changed and so have the circumstances that gave rise to these projects. Now we must adjust to the new realities. The proposed SFC projects offer Congress an opportunity to make meaningful budget savings with little acrimony and without compromising the public trust, national security or our energy future.

ROBERT DEAN STETHEM SCHOLARSHIPS ESTABLISHED

HON. TOM LEWIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. LEWIS of Florida. Mr. Speaker, whenever we Americans hear the name of Navy Petty Officer Robert Dean Stethem, we feel a profound mixture of sadness, pride, and gratitude.

Sadness, because we remember how suddenly, brutually, and unjustly his life was taken from him by terrorists aboard TWA flight 847. Pride, because we feel privileged to live in a society that produces men of the caliber of Robert Stethem. And gratitude, for his dedication to American ideals through service in the Armed Forces of the United States.

A. Harrison Kosove and his wife, Ruth, of Sebring, FL, have memoralized Robert Stethem in a special and lasting way. These outstanding citizens of my district have generously established an endowment fund to be held in trust by the school board of Highlands County, FL. The proceeds from the Kosoves' fund will be used to establish the Robert Dean Stethem Scholarships for students graduating from Sebring High School.

Two of these scholarships will be awarded each year—one to a male graduate and one to a female graduate. The scholarships will go to students who share the qualities that made Robert Stethem a fine young American: Commitment to high goals, honesty, initiative, hard work, perseverance and humility, leadership ability, and patriotism.

The members of the Highlands County School Board have passed a resolution recognizing the generosity of the Kosoves and encouraging others to donate money to this and other scholarship funds. I add my voice to theirs, and hope our call is heeded and other Americans will give generously.

NEW FACILITY IN MAINE TO PROVIDE WIDE RANGE OF CARE FOR ALZHEIMER'S VICTIMS

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Ms. SNOWE. Mr. Speaker, it is with great pleasure that I announce today the creation of a multidimensional facility for the victims of Alzheimer's disease and their families. The project, located in Gardiner, ME, is innovative in its philosophy and will serve as a model for a similar projects around the Nation.

The center will be designed to care for persons in all stages of Alzheimer's disease, both on an inpatient and an outpatient basis, whichever is more appropriate. Diagnostic assessment will be available onsite to determine the level of care necessary for each individual. There will be a 20-bed nursing home for those needing round-the-clock care. For persons requiring only daytime care, an adjacent adult day care center with facilities for 20 will provide respite to their family caregivers, allowing them to work in or out of the home. Five additional beds will also be available to give families a longer rest from the strains of home care. Other services will be available to families through the staff social workers and a statewide network of volunteer support groups.

Not only will this facility offer a full range of options for the care of Alzheimer's victims, but it will also provide onsite teaching for students and caregivers. The combination of a specialized, staff-intensive environment and the availability of a variety of approaches makes this center an ideal place for training and research, as well as optimal care and support.

This is a unique cooperative effort between the public and private sectors. The Bureau of Maine's Elderly will administer a Federal grant from the Administration on Aging; the State of Maine will provide matching funds; the physical plant will be constructed and staffed by Yankee Healthcare and Kennebec Valley Medical Center; and the Family Medicine Institute of Augusta (ME) and the Dartmouth Family Practice Institute will provide professional support.

All too often, there has been no middle ground between home care and institutionalization for the Alzheimer's patient. Soon, a number of alternatives along the continuum of care will be available in one place. For this reason, I applaud the efforts and the vision of those involved in this innovative approach to care for the victims of Alzheimer's disease and their families. I hope this new center will indeed be an example for other facilities to follow as they find ways to help those who suffer from this devastating disease.

PRESERVING THE ENVIRONMENT

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. EDGAR. Mr. Speaker, I take this opportunity to call to the attention of my colleagues the views of Don St. John, of Moravian College in Bethlehem, PA. I recently met Mr. St. John at a hearing in Allentown on toxic wastes sponsored by the Sierra Club. Don brings a unique perspective in assessing the vital need to protect our earth's environment. I commend his re-

marks to my colleagues and insert his statement from the Allentown toxics hearing in the RECORD:

What we have been talking about tonight is nothing less than the right of each of us to breath clean air, eat nutritional food, drink unpolluted water, take nonlethal medicines, and live in uncontaminated houses. But we have also been talking about the rights of nature: of soil, water, air, plants, animals to be healthy, to exercise their God-given natures. We are beginning to see that these two sets of rights are intimately connected, that human wellness and ecological wholeness or wellness are inextricably linked.

Furthermore, as we have heard this evening, the same powerful interests that exhibit a callous disdain for the earth cause severe emotional and physical illnesses to human beings. This arrogant disregard for the natural and social good must be challenged. We can no longer accept that the only consideration and the only bottom line for doing business is profit. We must insist on two more bottom lines: the wellness of the earth and the wellness of its people. Let us, through all of the legal, political and economic means at our disposal, make it clear to anyone wanting to do business in Eastern Pennsylvania that we will no longer tolerate the poisoning of our land, water, air and children.

To back this up, we, the people, must become involved in the decision-making processes that have up till now allowed some public officials and well-heeled developers to run roughshod over the quality of life here in the valley and elsewhere. Let us make participatory democracy a reality and restore control over our future.

One institution that has been too silent on these environmental and human problems has been organized religion. When was the last time you heard a sermon condemning environmental abuse and the wanton disregard for our responsibilities as stewards of creation? And yet the bible drives home the point again and again that the lord of salvation is also the Lord of creation. Religion has not merely to do with the health of the soul, but with the health of the body, the family, the community, the workplace and the good earth that sustains them all. The same God who warns against the oppression of our brothers and sisters warns against the devastation of the land and its creatures. Yet by their continued silence the churches might become a part of the problem rather than of its solution.

We certainly hear enough today from preachers who call for a return to the old-time values of the family. And yet they treat this family as if it exists in a vacuum. As if its members do not drink from poisoned wells and rivers, breathe carcinogens from the air (both inside and outside of buildings), eat food pumped full of sickening chemicals, and watch their children play near abandoned dumping sites. As if these families did not suffer from the destruction of local communities when family farms go under or when companies move their factories to cheap labor markets in the Third World or when the fear of nuclear meltdown, release of deadly gases into the air causes wholesale uprooting or cynical distruct of the government's willingness to help.

The issues we have been talking about tonight are not simply economic, political or social issues—they are that, but beyond that and as a part of that, these issues are moral and ethical issues. Ultimately, they are religious issues, for religion is that which articulates the deeper values and principles that unit us one with the other and as a community with creation. Love, compassion and concern are the true old-time values that should regulate our actions toward one another and the earth. All other values, including the economic, must be subservient to and imbued with these values. These environmental problems have shown us how superficial and ultimately dangerous are those barriers we have built between one another and between ourselves and nature. We are our brothers and sister's keeper. In the midst of plenty we have discovered a terrible proverty of spirit. We need the hope of renewal of healthy communities living in harmony with nature similar to that given long ago by the prophet Isaiah:

The wilderness and the dry land shall be glad, the desert shall rejoice and blossom, like the crocus it shall blossom abundantly, and rejoice with joy and singing . . . .

Strengthen the weak hands, and make firm the feeble knees.

Say to those who are of fearful heart, "Be strong and fear not! . . .

Then the eyes of the blind shall be opened, and the ears of the deaf unstopped.

Then shall the lame man leap like a hart, and the tongue of the dumb sing for joy.

For waters shall break forth in the desert; the burning sand shall become a pool.

And the thirsty ground springs of water; the haunt of jackals shall become a swamp, the grass shall become reeds and rushes.

And a highway shall be there, and it shall be called the Holy Way . . . .

And the ransomed of the Lord shall return . . . everlasting joy shall be upon their heads; they shall obtain joy and gladness, and sorrow and sighing shall flee away. (Is. 35:1-10).

CHINA'S POPULATION CONTROL PROGRAM: A CRIME AGAINST HUMANITY

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. SMITH of New Jersey. Mr. Speaker, although the home of more than one-fifth of the world's population, the People's Republic of China remains an enigma, while projecting a popular image to the West of reform, the totalitarian rulers in Beijing continue to exercise control—pervasive dominance—over virtually every aspect of life.

Earlier today, Mr. Speaker, the Foreign Affairs Committee on which I serve held an important hearing on the status of human rights in the People's Republic of China. I believe this long overdue scrutiny will give the Congress a better understanding of the situation in the People's Republic of China and enable America to separate fact from fiction.

On paper, as a result of the 1982 Constitution, the citizens of the People's Republic of China enjoy considerable freedoms and safeguards, a situation that is analogous in many ways to the paper rights enjoyed by Soviet citizens under their Constitution. Serious human rights violations, however, are widespread in the People's Republic of China. The Communist Party imposes comprehensive restrictions of fundamental freedoms including speech, the press, religion, association, and travel. In 1984, up to 10,000 Chinese were executed under a harsh policy ostensibly designed to combat crime. The People's Republic of China's brutal one child per couple population control policy provides a chilling example of "big brother's" intrusion into individual liberty and violations of women's rights.

In total contravention of U.N. human rights declarations and resolutions concerning voluntarism and noncoercion in birth control, and in direct violation of the U.N. Declaration of the Rights of the Child issued in 1959, the People's Republic of China has promoted a policy of permitting only one child per couple. Adopted in 1979, the policy relies heavily upon coercion, economic penalties and forced abortion—often late in pregnancy—for refusal to comply.

In accordance with the program, authorities in the People's Republic of China have given sanction to family planning workers to enforce a birth quota system established for each community in the country. This repressive system licenses the workers to monitor a woman's menstrual cycle, dictate to couples if and when they may have their one child permitted under the policy and take drastic measures—ranging from forced abortions to involuntary sterilization—to ensure compliance with the quota system.

Moreover, this policy has fostered an increasing incidence of female infanticide, estimated to be in the hundreds of thousands, particularly in rural areas where peasants regard a male child as vital to their economic well-being in retirement years. Except in a few token cases, infanticide has gone unpunished by the authorities in the People's Republic of China, thus directly condoning the heinous practice.

Such atrocities against Chinese women and children, Mr. Chairman, have been documented time and again by State Department officials, reputable journalists, and social scientists. The specifics are recorded in the State Department's "Country Reports on Human Rights Practices for 1984," and by the Washington Post, the Wall Street Journal, the New York Times, PBS "Nova" series, CBS "Sixty Minutes" and other media.

Mr. Speaker, in an incisive three-part expose of the People's Republic of China program, Washington Post reporter Michael Weisskopf wrote earlier this year, and I quote in part:

Publicly, they claim to rely on the powers of persuasion and education, exercising a policy of voluntary consent.

But a closer and longer look reveals a very different picture. China, to be sure, is curbing its population growth, but its success is rooted in widespread coercion, wanton abortion and intrusion by the state into the most intimate of human affairs.

"The size of a family is too important to be left to the personal decision of a couple," Minister of Family planning Qian Xinzhong explained before resigning last year.

"Births are a matter of state planning, just like other economic and social activities, because they are a matter of strategic concern," he said. "A couple cannot have a baby just because it wants to."

Washington Post reporter Weisskopf goes on to say in his article:

Faced with strong popular resistance, Peking resorts to even stronger measures. To this struggle, it brings the full powers of a totalitarian state, operating without fear of political opposition. There is no check on official abuse, no outlet for human rights complaints and no forum for public debate of the policy.

Finally, the article goes on to say:

Any mother who becomes pregnant again without receiving official authorization after having one child is required to have an abortion,

And I repeat,

is required to have an abortion, and the incidence of such operations is stunning—53 million from 1979 to 1984—a 5-year abortion count approximately equal to the population of France.

In 1983 alone, the number of abortions nationwide—14.4 million—exceeded the combined populations of the District of Columbia, Maryland, Virginia, West Virginia and Delaware. . . .

Nor is the timing of abortion usually a factor. Many are performed in the last trimestry of pregnancy—100,000 in Guangdong last year, or 20 percent of the province's total abortions—and some as late as the ninth month. Officals say it often takes that long to get reluctant women to clinics.

Doctors normally terminate late-term pregnancies by injecting an herbal drug into the womb, killing the fetus and inducing labor—a kind of induced stillbirth. The dead fetus is usually expelled in 24 hours.

In the Inner Mongolian capital of Hohhot, however, hospital doctors practice what amounts to infanticide by a different name, according to a Hohhot surgeon, who would not allow his name to be used for fear of reprisal. After inducing labor, he revealed, doctors routinely smash the baby's skull with forceps as it emerges from the womb.

In some cases, he added, newborns are killed by injecting formaldehyde into the soft spot of the head.

"If you kill the baby while it's still partly in the womb, it's considered an abortion," explained the 33-year-old surgeon. "If you do it after birth, it's murder."

Dr. John S. Aird, former Senior Researcher at the U.S. Bureau of the Census specializing in the demographics of China, states in testimony which I will ask to be made part of the record:

Those who get pregnant without a "quota"—the pink slip that confers official permission to have a first, or in a few cases a second, birth—are pressured into having an abortion. An effort is made to detect unauthorized pregnancies as early as possible, but abortions are still performed for pregnancies in the second or third trimester. The pressures used include repeated visits by family planning cadres and activists, who eventually wear down the resistance of the pregnant women and their families, and direct threats and intimidation by local officials. Accounts from Guangdong Province in 1981 told of women arrested, handcuffed, tied with ropes, even imprisoned in cages used to transport hogs, and carted off in trucks to have abortions at the local hospitals.

In a piece entitled "Population Policy Trends in China, 1978–83," by Judith Banister, Chief of the China Branch, U.S. Bureau of the Census it is stated:

In 1982 and 1983 the "Cadre Job Responsibility System" was introduced and required to be implemented around the country. Each local leader is assigned about 10 to 20 households, and that leader has to sign a contract with higher levels of government guaranteeing that no one in those households will have a birth outside the government's very restrictive guidelines. The cadre is given a cash award if every marriage is a "late" marriage, every birth is a "late" birth, and all couples stop childbearing at one child. On the other hand, if anyone marries before approximately age 23, has a birth before the woman is about 24, or bears a second or higher order child, the cadre has to pay a cash penalty from his or her own income. This programme is designed to ensure that the National Compulsory Family Planning programme is not weakened or diluted when implemented at the local level.

Guangdong Vice Governor Wang Pingshan spoke candidly on the technical policy concerning sterilization and childbearing, recorded by Foreign Broadcast Information Service [FBIS], on May 14, 1983:

The basic purpose of this measure is to absolutely prohibit married couples from bearing a second child.

Mr. Speaker, as you know, in response to these abuses, the House voted 2 to 1—289 to 130—last July to condemn China's obscene population control experiment as a crime against humanity. Specifically, the House said:

(iv) The Government of the People's Republic of China has systematically employed coercive abortion and coercive sterilization as a means of enforcing that Government's "one-child-per-couple" policy. The rigid application of the "one-child" policy has also led to large-scale infanticide.

The Congress condemns these practices as crimes against humanity and calls upon the Government of the People's Republic of China to cease these human rights abuses.

Moreover, the U.S. Agency for International Development has taken steps to pressure the U.N. Fund for Population Activities to live up to its own human rights standards and cease comanagement and support of the program in the People's Republic of China.

AN ACTIVIST JUDGE

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. EDWARDS of California. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

(Tuesday evening, hundreds of friends and admirers of David L. Bazelon, former chief judge of the U.S. Court of Appeals for the District of Columbia, gathered in the Pension Building for a personal testimonial to him and what turned out to be a political testimonial as well to the civil liberties he so vigorously upheld during his 36 years on the bench. The American Civil Liberties Union of the National Capital Area presented Judge Bazelon with its Henry W. Edgerton Civil Liberties Award. Here are excerpts of a tribute to Judge Bazelon by correspondent and commentator Daniel Schorr:)

On the subject of David Bazelon, I am hopelessly, irreparably biased.

Under Judge Bazelon, the D.C. circuit became the most important bench after the Supreme Court, the cutting edge of change, the court that expanded the concept of legal justice to embrace social justice.

It was a court called "activist," which has become an X-rated word in some circles. "Activist" meant active in the public interest in dealing with public institutions. It meant making federal agencies responsible to someone other than themselves. It meant supporting environmental and consumer challenges to vested authority, speaking up for the rights of the mentally ill, and of criminal defendants and of tenants in slum tenements.

In 1969, marking his first 20 years on the bench, some of Bazelons' former law clerks gave him a brochure citing their favorite opinions. I was struck by the kind of reasons given for their choices: "Concern for an individual's right to know and to keep what he knows to himself when threatened with civil or criminal sanction. . . . A fine example of DLB's uncanny knack of smoking out the gut issues—and the FCC's derelictions—in TV licensing. . . . A significant contribution to civil liberties in a frightened era. . . The unequivocal creation of a right to treatment on the part of mental patients is characteristic of some of the judge's best legal insights. . ."

David Bazelon has always been ready to question everything and everybody, and especially entrenched centers of power. If defendants were entitled to counsel, David asked if the counsel were competent. But he has also been willing to question, in the light of experience, his own judgments. Having written *Durham* in the hope that psychiatry would open vistas of inquiry into the causes of human behavior, he was among the first to express disappointment at psychiatry's failure to respond to the challenge.

If you asked me to single out the one most striking characteristic of David Bazelon as jurist, it is his sensitivity to pain and suffering. Maybe being the youngest of 10 children—nine of whom survived—taught him what it is like to be the underdog. We do not know what makes a Bazelon. But we see the results in the passion and compassion that are the Bazelon hallmarks.

Who else would say, "Day after day I found myself reviewing the convictions of persons who had committed horrible acts of violence. I needed no experts to tell me who these people were. The overwhelming majority of defendants who came through our court came from the very bottom of our society. They've been called by different names—the underclass, the culture of poverty, the other America. But the reality remained the same. Our courts were and are being filled by this wreckage of our affluent society."

In a speech two years ago, Judge Bazelon asserted that the courtroom is the place to compel society's attention to the root causes of crime, that we will never resolve the problem of crime without addressing poverty and social injustice.

What a quaint idea in the era of President Reagan, who says that we should put reha-

bilitation on the back burner and, "on the front burner, the idea of prosecuting, punishing and putting them away." Well, David, you wore your heart on your judicial sleeve, and hearts on sleeves are out of fashion. But, never mind! The Irish lawyer, Parnell, said that of all the kinds of judges, those with heart and brains are the best, so, in or out of fashion, you're the best.

You may recall Henry Edgerton's story about his partner who, upon retiring, seemed unhappy at being assured of respect and admiration, saying, "more than respect, I wish I had won your affection."

You don't have that problem. In ways that my words cannot convey you know how much you have earned respect, admiration and love from those here assembled but, more importantly, from all the deprived whose pain you shared all those 36 years on the bench, and still today.

David Bazelon, activist judge, liberal, bleeding-heart liberal—phrases that will survive contemporary sneers as America's pendulum swings back to concern for the vulnerable in our society. The Bazelon era lies dormant now, but it has sunk its roots. It will have its flowering again.

UNVEILING OF ALTERNATIVE TRADE LEGISLATION

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. PEASE. Mr. Speaker, today, the House will send a signal of its frustration to the White House. And no wonder. At the same time that it has presided over the largest and most enduring trade deficits in history, the Reagan administration has shut down much of the trade law machinery.

If it had administered the MFA properly, there would be no need for the Jenkins bill. If it were not still sitting on a machine tool industry petition 18 months after it was approved by the Commerce Department, there would be no need for the machine tool industry bill introduced the other week. If it had made judicious, intelligent use of section 201 in the shoe case, there would be no need for the introduction of shoe bills and, for that matter, protectionist bills for other industries. The list goes on and on. All of these matters should be handled by the existing trade laws. That's what they're there for. That's why Congress put them on the books.

The Reagan administration has short-circuited the trade law process. Its response to the problems of tens of thousands of laid off shoe and textile workers has been the initiation of four unfair trade cases.

The unfair trade problem didn't just turn up on the eve of the shoe decision. What's the administration been doing all of this time? It has been sitting on its hands. And Congress is fed up. That's what the textile vote is all about.

Many who are going to vote for this bill aren't voting for its provisions. They're voting to send a signal to the President. But even though they're not voting for the dangerous signal it sends overseas, that signal gets sent anyway.

While Congress trades smoke signals back and forth with the White House, people out there get laid off and plants continue to close down.

We need to do something more than blow smoke.

We need a candid, level-headed assessment of just what our trade problems are. Then we need a pragmatic strategy to take commensurate action.

Our biggest trade problem is the misalignment of the dollar. This is largely a self-inflicted wound caused by our huge budget deficits. To be more precise, today's $200 billion deficits are a creature of yesterday's "supply side" tax cuts. These tax cuts simply did not pay for themselves as advertised by President Reagan in his 1980 campaign.

In this country, if you buy something, you expect it to perform as advertised. If it does not, you expect the necessary repairs to be made by whoever made the sale.

Mr. Reagan has so far failed to live up to this most basic of responsibilities. His "supply side" economic policies have failed to live up to their promise. By artificially propping up the value of the dollar, the resulting budget deficit has indirectly provided foreign products with a 25- to 40-percent price advantage. In effect, our own Government is providing an unfair subsidy to foreigners. As the father of this subsidy, Mr. Reagan owes the American people his full cooperation if not leadership in making the necessary repairs.

Title I of my bill aims to obtain just that. By clarifying existing law, it sets a limit on how long the cause of a trade imbalance and currency misalignment can be ignored without a treatment of the accompanying symptoms. It is designed to force the President to face up to his responsibility and join Congress in putting our fiscal house back in order. On behalf of workers and firms in trade-sensitive sectors of the economy, its message is: Help summon up the will to cure this self-inflicted disease, or treat its most glaring symptom—the trade deficit. It's time to make a choice, Mr. President.

Title II of my bill challenges the President to follow through on his newfound enthusiasm for eliminating foreign unfair trade practices. So far, the President's approach on unfair trade has been all talk, little action. He has initiated a mere four cases.

In general, under this administration it has been like pulling teeth to get any action under the trade laws. In contrast, my bill would give the International Trade Commission a rolling mandate to self-initiate unfair trade investigations. The USTR would be required to devise a plan of action to remedy any unfair cases exposed by the ITC. That plan would then go into effect unless the President intervened and publicly expressed his reasons for doing so.

In this way, the U.S. Government will go to bat for American workers and firms for a change. It will be an active advocate of rather than obstacle to American economic interests. Accordingly, the United States will have more leverage in trying to get our trading partners to the negotiating table to improve the international rules of the game.

Title III addresses the critical question of what to do when highly competitive, fairly traded foreign imports displace American sales and jobs on a large scale in a particular industry. Occasionally, rapidly shifting trade patterns overtake the ability of the market and existing adjustment programs to compensate.

In rejecting the ITC's recommendations to supply temporary import relief to the shoe industry under section 201 of the Trade Act of 1974, the President said that he acted in the national economic interest. He made a cold dollars and cents calculation that simplistically pitted consumers against import-impacted workers and communities.

But can you put a price tag on the death of a community or on the loss of dignity that comes with losing a job and having little immediate prospect of finding another? Is there no room in the national economic interest for human factors that defy quantification?

The people who wrote existing domestic and international law evidently thought there was. Section 201 and GATT Article XIX are on the books for a reason. Their authors realized that consumers have an interest not only in gaining access to cheap goods, but also in minimizing any accompanying social costs.

It is high time this principle be put into practice. In sectors experiencing high import-related unemployment and excess capacity, consumers should be willing to defer for a finite period unfettered access to the cheapest sources of supply in order to give fellow Americans a chance to preserve their communities and sense of dignity.

Accordingly, my bill will refine section 201 to ensure that it fully promotes industrial, labor, and community adjustment during a temporary period of import protection. In this way, consumers will really get something for the extra price they'll temporarily pay for certain imported goods. They'll be buying not only a smoother, more humane transition for their neighbors, but also insurance against the protectionist pot ever boiling over and sending the world economy into a tailspin.

My legislation is intended to lower the flame under their protectionist pot and to come to grips with our trade problems in a forthright, effective manner. There's no better time to start this process than today. And perhaps no better place to launch it than here, where under the stern gaze of Mr. Hawley, the Subcommittee on Trade passed the Jenkins bill without amendment only a couple of weeks ago.

TRIBUTE TO PAUL F. HUGHEY

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. MILLER of California. Mr. Speaker, for the last 15 years, Paul Hughey has been the executive director of the Contra Costa County, CA, Development Association. With his retirement this month, the Development Association and our county lose the leadership of a man who has provided outstanding leadership in the economic expansion of our county.

Paul's tenure as director of the Development Association has covered a period of unprecedented growth in Contra Costa County. New industries and businesses, public works improvements, and thousands of jobs have transformed Contra Costa into one of the most vital, expanding and desirable counties to live in the entire State of California.

Paul Hughey, and the County Development Association, have played a very significant role in promoting and facilitating that modernization. As Dean Lesher, the president of the association as well as chairman of the board of Lesher Communications said recently, "Paul has been an important factor in the history of the CCDA and its growth. It moved from being a publicly financed organization to one supported by the private sector and it's grown to 445 members—he will be missed.

Paul Hughey's contributions to Contra Costa have by no means been limited to his work with the Development Association. He served in the U.S. Navy, and has remained highly active both in the national and local activities of the Navy League. Paul has also taught at St. Mary's College, in Contra Costa County, and served for 3 years as the city manager of my hometown, Martinez, where he was instrumental in developing a controlled growth pattern while retaining the basic character of Martinez.

As one who has known Paul for many years both as a colleague and a personal friend, I am delighted to hear that he has no intention of fading out of public activities. His decision to remain active in public affairs is welcome news to all of us.

I am sure that all members of the House will join me in wishing Paul a happy and active retirement, and many years of happiness with his wife, Lorraine.

REPUBLIC OF CHINA MARKS 74TH ANNIVERSARY

HON. BILL EMERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. EMERSON. Mr. Speaker, today October 10, marks the 74th anniversary of the founding of the Republic of China, more commonly known in the United States as Taiwan. Many Members of the House and millions of Americans are keenly aware of the warm friendship and strong ties that have always existed between the Chinese and American people. We are also very much aware of the ever expanding trade relations between the Republic of China and the United States. We have some serious trade relation problems between our two countries, but we all hope that the spirit of amity existing between our countries will lead to responsible actions and bring our relations into better balance. For these many many reasons I have circulated among my colleagues in the House a letter for signature to President Chiang Ching-kuo of the Republic of China, congratulating him and his people on their national day.

At this time, Mr. Speaker, I include the text of the letter to President Chiang Ching-kuo in the CONGRESSIONAL RECORD as a part of my remarks.

The letter follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, September 30, 1985.

President CHIANG CHING-KUO,
Taipei, Taiwan,
Republic of China.

DEAR MR. PRESIDENT: My colleagues and I wish to congratulate you on the occasion of the 74th anniversary of the founding of the Republic of China. In the past seventy-four years the Republic of China has emerged as one of the strongest economic powers in Asia as well as a democratic nation serving the needs of all her people.

Mr. President, we hope that you will continue to improve the living standards of your people and that you will continue to uphold the democratic ideals that all free people cherish.

We wish to encourage you to hear us in our efforts to solve the many trade issues between our two countries.

We also wish to assure you that we fully support the Taiwan Relations Act.

Again we congratulate you and your people for the many social, political and economic developments that you have made in the last seventy-four years. We wish you continued good fortune in the years ahead.

Truly yours,

FINANCIAL ASSISTANCE FOR FAMILIES CARING FOR VICTIMS OF ALZHEIMER'S DISEASE

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Ms. SNOWE. Mr. Speaker, on October 8, my colleagues, Hon. SILVIO CONTE, Hon. TOM LEWIS, and I introduced a bill which would allow a tax credit for the expenses incurred in the care of dependents with Alzheimer's disease or related organic brain disorders. This sliding, nonrefundable tax credit would help to offset the costs of home care, day care, respite and nursing home care for family members suffering from this disease.

Alzheimer's disease is the fourth leading cause of death in this country. It has been estimated that this devastating disease affects between 5 and 15 percent of Americans over 65 or about 2 to 4 million people. At age 80 and over, 20 percent are believed to have Alzheimer's disease, while 50 percent of nursing home residents are estimated to be afflicted. The cost of treatment and health care for individuals with Alzheimers has been estimated at $25 billion annually. Almost one-half of the long-term care costs will be borne by the families who pay these expenses out-of-pocket. For families with Alzheimer's disease victims the costs they incur will range from $17,000 to $50,000 per year. By allowing the taxpayer a credit toward the care of their dependent family member with Alzheimer's disease, we hope to provide a measure of financial and emotional respite.

I am certain that every one of my colleagues has received heartrending letters from constituents with family members who have Alzheimer's disease. They describe the difficult financial and emotional burden of caring for such victims. They speak of personality changes during the course of the illness which render the Alzheimer patient difficult to manage. Some mention fits of anger and frustration, while others speak to the episodes of wandering, allowing the caregiver little rest. Worst of all is, perhaps, the time when the victim no longer recognizes his or her loved ones. When there is no longer a thank you, a loving smile, a touch or tender look, then caregiving truly becomes a thankless job. To be left with caregiving responsibilities of this magnitude is something no person should have to do without assistance. While H.R. 3523 will not alleviate the emotional burden of watching a loved one's gradual mental deterioration, it will provide some financial relief for the taxpaying caregiver.

For taxpayers with an income of $25,000 or less, H.R. 3523 would allow a tax credit of 30 percent of up to $10,000 in care expenses for one and $20,000 for two dependents. The credit would be reduced by 1 percentage point for each $2,000—or fraction thereof—of the adjusted gross income over $25,000, but not below a minimum of 20 percent. My colleagues and I have introduced this bill as a tax credit in order to help lower and middle income families. A tax credit means that the taxpayer can subtract the credit from the taxes owed rather than from their income, as in the case of a deduction. In order to target this tax credit to those most economically affected by the cost of dependent care, our bill limits participation to families earning $60,000 or less.

Mr. Speaker, several million family members are trying to cope with an increasingly difficult situation with no financial or professional help. While we seek to expand Government programs for victims of Alzheimers, we must also provide some tax relief for those expenses related to their care. I enlist the support of my colleagues for speedy enactment of this bill.

PROTECTIONISM HAS REARED ITS UGLY HEAD ONCE AGAIN TODAY

HON. JIM ROSS LIGHTFOOT

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 198520

Mr. LIGHTFOOT. Mr. Speaker, protectionism has reared its ugly head in the Halls of Congress; 262 Members of the House rushed to its aid and comfort. H.R. 1562, known as the Textile and Apparel Trade Enforcement Act of 1985 should more appropriately be labeled the "Kill America First Bill."

While the bill may protect a few jobs in an industry that has enjoyed some form of protection for well over 25 years, it has the potential to further devastate the agricultural community.

The bill will roll back imports of textiles and apparel from 12 selected major suppliers, regardless of whether such imports cause damage to U.S. producers or are unfairly traded. Among these countries are Taiwan, Korea, Hong Kong, Japan, and the Philippines.

U.S. consumers can expect to pay $28 billion more dollars for the items of clothing they wear. Low-income families will be hardest hit. Our farmers and rural communities do not need another economic hit of the magnitude of this piece of very poor legislation.

I strongly opposed the bill and have signed a letter to the President urging a veto. It takes 145 votes to sustain a veto; 159 Members voted against it, so we do have the potential to kill it.

The dangerous precedent set by the passage of this measure reflects the mentality that was at work in the late 1920's. At that time, a cry of protectionism echoed across the land and Congress came forth with the Smoot-Hawley Act that threw up protectionist barriers around our country. Most economists agree it was largely responsible for triggering the worst worldwide depression in history.

If the liberal, big-Government-oriented Members of Congress are not persuaded to change their ways, they will surely plunge us into an economic downturn that may well be impossible to reverse.

If weakening America in the name of protecting a few textile jobs—at the cost of $140,000 apiece—was their goal, they have hit a home run.

I'll do everything possible to get and sustain a veto on their damaging bill.

JUDGE ABNER J. MIKVA ENDORSES RICO REFORM LEGISLATION

HON. FREDERICK C. BOUCHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. BOUCHER. Mr. Speaker, the Subcommittee on Criminal Justice has held several days of hearings on legislation I have introduced, H.R. 2943, to amend the civil provisions of the Racketeer Influenced and Corrupt Organizations Act [RICO].

On October 9, 1985, we received testimony from U.S. Circuit Court Judge Abner J. Mikva, a former member of this body and a widely respected legislator and jurist.

In his testimony, Judge Mikva endorses H.R. 2943 which would amend the civil provisions of the RICO act to require a prior criminal conviction before a private action could be pursued.

H.R. 2943 will ensure that RICO remains a potent weapon in the fight against organized crime and that it affords those injured by racketeering activity a civil remedy. It will, however, stem the growing use of civil RICO as a weapon to harrass and threaten legitimate businesses.

I urge all of our colleagues to review Judge Mikva's testimony which follows:

TESTIMONY OF ABNER J. MIKVA, U.S. CIRCUIT JUDGE

(H.R. 2517 and H.R. 2943, to amend the Racketeer Influenced and Corrupt Organizations Chapter of Title 18, U.S. Code, October 9, 1985)

Mr. Chairman, Members of the Committee, I appear here wearing more than the normal amount of sackcloth and ashes. It is not that I voted for the Organized Crime Act of 1970. While I was present at the creation, I did not vote for the bill. I am afraid my transgression was greater; I helped create a legislative history that has since been used by various litigants to try to prove that the Act can be stretched to cover almost any kind of lawsuit.

I confess that I used a substantial amount of hyperbole in trying to build opposition to the entire Act when it came up for Floor consideration. I stand amazed, however, to realize that my hyperbolic horrible examples of how far the law would reach pale into insignificance when compared to what has actually happened. The civil RICO provisions use as a weapon in various sorts of commercial disputes is, to my mind, both improper and an acute embarrassment to all concerned.

First of all, even my hyperbolic pronouncements of 1970 did not suggest the sheer volume of RICO claims that would be filed. During the first ten or eleven years after the Act was passed not too many private RICO claims were filed. But since 1981 or 1982 the number of such claims has risen beyond measure. I say "beyond measure" advisedly. As I will discuss a bit later, many civil RICO claims never go to trial: yet their addition to a complaint has a profound impact on a defendant. What started out as a small cottage industry for federal prosecutors has become a common-place weapon in the civil litigator's arsenal. Just a few weeks ago, I received an advertisement from one of the legal publishers urging me to become a subscriber to the Civil RICO Report. Think of it, a whole loose-leaf reporting service was developed from a throw-away section of the Organized Crime Act. In looking through one of the American Bar Association directories I even found that the Corporation Law Section has a separate Subcommittee on Civil RICO.

In preparing for my appearance here today, I looked at some of the cases in which a civil RICO claim has been filed. The range of cases boggles the mind. RICO makes an appearance in everything from divorce suits to religious disputes to suits against one of the national candidates and a major political party, to garden variety contractual disputes between businessmen, to corporate raids, to defenses against corporate raids, to state efforts to collect sales taxes from local businessmen. If you find it hard to relate that potpourri to organized crime, you are not alone. Almost every court that has looked at the problem has wistfully urged the Congress to reexamine what it has wrought. A distinguished circuit judge of the Seventh Circuit who was forced to uphold my home state's use of civil RICO against a gasoline dealer, (who under-reported sales taxes due to the state of Illinois) hoped that this ruling would appear to Congress "as the distress flag that it is" and urged Congress to reexamine the use of civil RICO. One of the few issues on which the majority and the minority agreed in their five-to-four decision in *Sedima, S.P.R.L.* v. *Imrex Co.*, 53 U.S. L.W. 5034 (July 1, 1985) ("*Sedima*") was that civil RICO was being used in ways unintended by Congress, as a weapon against legitimate businessmen in ordinary commercial disputes. The civil RICO count is today almost boiler-plate in commercial lawsuits. Its presence in a complaint frequently forces defendants to settle and pay out for frivolous disputes under pain of having to defend against being labeled a "racketeer." Because of this intimidation factor it is impossible to accurately measure the full impact of civil RICO. The oppressive effect of its use in a complaint does not show up in litigation statistics.

Some judges, including four Justices of the United States Supreme Court, would have tempered the language of civil RICO so as to preclude the incredible results that are being achieved under it; but a majority of the Supreme Court have proclaimed the law of the land to be that the words mean what they say. If civil RICO is not to be used in the extreme fashions that are current, Congress must change the statute.

There are many ways to change the statute, and there are many bills currently pending before this Congress. I would hope that this Committee would give special attention to H.R. 2943 proposed by Congressman Boucher. Congressman Boucher, unlike some of the sponsors and some of the opponents of the original Organized Crime Act of 1970, uses scalpels rather than meat axes. Some of Congressman Boucher's predecessors promised that the Organized Crime Act of 1970 would cure everything from organized crime to hoof-and-mouth disease. Some of his other predecessors, like your witness, insisted that the entire bill be scrapped because it would reach everything from Saturday night social poker games to prosecutorial excesses against innocent people.

While the Organized Crime Act of 1970 has not wiped out organized crime, neither has it led to the prosecutorial abuse that I envisioned. In fact, the guidelines used by the Department of Justice before it proceeds under the criminal RICO provisions of the Act have been a model of self restraint. Various provisions of the Act have in fact proved helpful, if not letal, in the ongoing war against organized crime. However one feels about those other provisions, it is clear that the civil RICO provision as it was written and as it is being used goes way beyond anything that Congress had in mind. (In 1970 even I would not have suggested that this section of the Act would become a tool in resolving divorce disputes or religious controversies.) Since that point is beyond

dispute, Congressman Boucher's bill precisely meets the need.

First, H.R. 2943 amends only the civil RICO provision. Second, it provides that the provision could still be used by private plaintiffs where the defendant had either been convicted of previous racketeering activity or was charged with a violation of the specific racketeering section of the Act itself (Section 1962). The bill also has a proviso that makes it cledar that the government is still free to pursue all of its civil remedies and that the criminal RICO provisions remain intact.

The distinguished chairman of this subcommittee was one of the thirty-six brave souls I identified with in opposing the Organized Crime Act of 1970. I admired then, as I do now, his tenacity and fearlessness in taking on hard issues. But a bill to correct the excesses of civil RICO should not and need not be the catalyst for a repeat of the controversy engendered by the entire Organized Crime Act. Whatever the climate or reasons or passions for revisiting other provisions of the Organized Crime Act of 1970, opponents who engaged in the debate of those October days of 1970 would agree that the present use of civil RICO is excessive to a fault. Judges throughout our system are discomfited by the decisions they must issue under the plain words of civil RICO, particularly as finally construed by the Supreme Court earlier this year.

The very essence of the legislative process requires Congress to revisit and oversee its legislative product. I commend you for doing just that in holding hearings on Congressman Boucher's bill and other bills dealing with this subject matter. I hope you will heed the urgent appeal of my colleague, Judge Bauer, and answer the "distress flag" that has been raised by him and other judges forced to literally apply the words of the civil RICO provision to ridiculous effect.

I believe that the narrow remedy proposed by Congressman Boucher's bill can alleviate these problems without distressing any objective supporter of the Organized Crime Act and its legitimate purpose. The federal government can continue to use all of the tools that are now provided it. A private remedy will remain for use in those instances where there has in fact been racketeering. The only losers will be the publishers of the special civil RICO services and a few hyper-aggressive lawyers who will have to find other ways to harass their opponents.

IN HONOR OF MSGR. GEORGE V. KERR

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 10, 1985

Mr. CONTE. Mr. Speaker, I rise today to pay tribute to Msgr. George V. Kerr, and I know that my sentiments are shared by Mr. BOLAND and Speaker O'NEILL. The loyal son of Boston College, Monsignor Kerr was born in Philadelphia on St. Valentine's Day in 1919. This was the reason for the middle initial "V," standing for valentine. It was not long before the Kerrs saw the light and moved to the Bay State. George was brought up in St. Mary's Parish, Brookline. While attending St. Mary's School, he was a star athlete, receiving his letter in three sports—football, baseball, and basketball.

In September 1937, George walked down Linden Lane as a freshman at the Jesuit college on the Heights. While a student at Boston College, he excelled as a debater and scholar. In addition, he was a talented pianist and athlete. In the latter role, he was both a superb boxer and a fine football player. George played guard on the famous Boston College football team which defeated the Tennessee Volunteers at the Sugar Bowl in New Orleans on New Year's Day 1941. Years later, Frank Leahy, the famous coach of the Eagles' national championship team said of George:

I sincerely believe he is the greatest all-around scholar-athlete that I ever coached, and I feel convinced that he could compare favorably with the finest in history at any school.

Despite his numerous activities at the Heights, he found time to be a fervent sodalist. His religious piety was a manifestation of the holy spirit within him. He would eventually offer one day the sacrifice of the mass led by the paraclete to the altar of God as a priest. He later paid tribute to the Jesuits who influenced him during his happy undergraduate days by the example of their lives. George graduated cum laude with a scholastic average of 90. He was voted by his classmates as the classmate most likely to succeed as the 1941 Sub Turri, the college yearbook, testifies.

Shortly after graduation, George entered St. John's Seminary in Brighton, MA, at the bottom of the hill from Boston College on Lake Street. There he began his preparation for the priesthood. He was ordained by Archbishop—later to become Cardinal—Richard Cushing at the Cathedral of the Holy Cross in the South end of Boston on June 29, 1945.

His first assignment as a curate was at St. Mary's Church in Dedham, MA. His second assignment was as an administrator of St. Linus' Church in Doug Flutie's hometown of Natick. He next worked as an aid in the Catholic Charitable Bureau.

Father Kerr's finest hour came when he volunteered to save the Church of St. Frances de Sales in Roxbury from being torn down. The 89-year-old edifice was in need of major repairs and was slated to be demolished. Cardinal Cushing was impressed by the youthful priest's offer and named him administrator of St. Frances de Sales Church. Wasting no time, Father Kerr commenced a fundraising campaign and within a year the church was renovated along with the parish school. Due to his apostolic zeal and dedication to his impoverished black parishioners on whom he poured his love and made on their behalf countless acts of charity and kindness, he was elevated to the rank of papal chamberlain in 1958 by Pius XII and named a domestic prelate in 1964 by John XXIII.

On the 25th anniversary of the Sugar Bowl Game, Monsignor Kerr addressed a filled hall at an affair sponsored by the Boston College Varsity Club. His speech remains memorable to this day. He said:

A man may glitter athletically on the gridiron, and he may twinkle intellectually in the classroom, but unless his conscience sinks deep into the subsoil of religious faith and shoots its antennae up beyond the stars and space, that man will miss alike the music of divine inspiration and the thunder of divine command.

His final assignment was to be the pastor of St. Francis Xavier Church in South Weymouth. During the last few decades and half of his life, he was the Chaplain of the House of Representatives. He also served as director of the Archdiocesan Nocturnal Adoration Society and chaplain of the Cecilian Guild.

Monsignor Kerr's dedication to his priestly ministry made him an "all-American in life." His broad-shouldered athletic body finally succumbed to lung cancer after a 6-month struggle, during which time his spirit remained unbroken. He died on January 23, 1983.

At his Mass of the Resurrection, one of his intimate clerical friends, Msgr. Francis Dolan, in his magnificent homily preached in the presence of Humberto Cardinal Medeiros and a vast throng of mourning relatives, clergy, friends, and parishioners closed by saying, "We shall scarcely see his kind again."

His brother Peter and his sister Mary stated that they had no idea of their brother's influence on the lives of so many people until strangers came up to them in the street or wrote letters stating how much Monsignor Kerr had meant to them. His classmate, Most Rev. Joseph Maguire, bishop of Springfield, said that in all his years, he had never known a more dedicated priest than Monsignor Kerr.

Such, then, was the life of the scholar athlete and above all a priest of God for whom a scholarship will be established at Boston College.

SENATE—*Friday, October 11, 1985*

(Legislative day of Monday, September 30, 1985)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by Hon. ROBERT DOLE, a Senator from the State of Kansas.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. THURMOND].

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, October 11, 1985.
To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable ROBERT DOLE, a Senator from the State of Kansas, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. DOLE thereupon assumed the chair as Acting President pro tempore.

ADJOURNMENT UNTIL TUESDAY, OCTOBER 15, 1985

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will stand in adjournment until 10 a.m. on Tuesday, October 15, 1985.

Thereupon, at 9:30 and 30 seconds a.m., the Senate adjourned until Tuesday, October 15, 1985, at 10 a.m.

HOUSE OF REPRESENTATIVES—*Friday, October 11, 1985*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

May Your wisdom, O God, be with the leaders of our Nation and all the nations. May Your spirit of justice be with the people of this place and every place. May Your gift of life and all its blessings give hope to every person, and may Your love bind all Your creation together in peace. This we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a joint resolution of the House of the following title:

H.J. Res. 372. Joint resolution increasing the statutory limit on the public debt.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 1078) "An act to amend the Federal Trade Commission Act to provide authorization of appropriations, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. DANFORTH, Mr. KASTEN, Mr. GORTON, Mr. HOLLINGS, and Mr. FORD to be the conferees on the part of the Senate.

CALL OF THE HOUSE

Mr. HOYER. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will announce that 1 minute will be taken after the motion to go to conference and the motion to instruct conferees. We hope that will be within a reasonable time.

The call was taken by electronic device, and the following Members responded to their names:

[Roll No. 356]

Alexander	Annunzio	Applegate
Andrews	Anthony	Armey
Atkins	Fazio	Lundine
Barnard	Feighan	Lungren
Barnes	Fiedler	Mack
Bartlett	Fields	MacKay
Barton	Fish	Manton
Bateman	Flippo	Markey
Bates	Foglietta	Marlenee
Beilenson	Foley	Martin (NY)
Bennett	Fowler	Martinez
Bentley	Franklin	Matsui
Bereuter	Frenzel	Mavroules
Berman	Frost	Mazzoli
Bevill	Fuqua	McCain
Bilirakis	Gallo	McCandless
Bliley	Gaydos	McCloskey
Boggs	Gejdenson	McCollum
Boland	Gekas	McCurdy
Boner (TN)	Gephardt	McDade
Bonker	Gibbons	McEwen
Borski	Gilman	McGrath
Boucher	Glickman	McHugh
Boulter	Gonzalez	McKernan
Boxer	Goodling	McKinney
Breaux	Gordon	McMillan
Brown (CA)	Gradison	Meyers
Brown (CO)	Gray (IL)	Mica
Broyhill	Gray (PA)	Michel
Bruce	Green	Mikulski
Bryant	Grotberg	Miller (CA)
Burton (IN)	Guarini	Miller (OH)
Bustamante	Gunderson	Mineta
Byron	Hall (OH)	Mitchell
Callahan	Hall, Ralph	Moakley
Campbell	Hamilton	Molinari
Carper	Hammerschmidt	Mollohan
Carr	Hansen	Monson
Chapman	Hayes	Montgomery
Cheney	Hefner	Moody
Clinger	Hendon	Moore
Coats	Henry	Moorhead
Cobey	Hertel	Morrison (CT)
Coble	Hiler	Morrison (WA)
Coelho	Hopkins	Mrazek
Coleman (MO)	Howard	Murphy
Coleman (TX)	Hoyer	Murtha
Combest	Huckaby	Myers
Conte	Hughes	Natcher
Conyers	Hunter	Neal
Cooper	Hutto	Nelson
Coughlin	Hyde	Nichols
Courter	Jacobs	Nielson
Coyne	Jeffords	Nowak
Craig	Jenkins	Oakar
Crane	Jones (TN)	Oberstar
Crockett	Kanjorski	Olin
Daniel	Kaptur	Ortiz
Dannemeyer	Kasich	Owens
Darden	Kastenmeier	Packard
Daschle	Kemp	Panetta
Daub	Kennelly	Parris
Davis	Kindness	Pease
DeLay	Kleczka	Penny
DeWine	Kolbe	Pepper
Dingell	Kolter	Perkins
DioGuardi	Kostmayer	Petri
Donnelly	Kramer	Pickle
Dorgan (ND)	LaFalce	Porter
Dornan (CA)	Lagomarsino	Price
Dowdy	Latta	Pursell
Downey	Leach (IA)	Rahall
Dreier	Leath (TX)	Rangel
Duncan	Leland	Ray
Durbin	Lent	Regula
Dwyer	Levin (MI)	Reid
Dymally	Levine (CA)	Richardson
Early	Lewis (CA)	Ridge
Eckart (OH)	Lewis (FL)	Rinaldo
Eckert (NY)	Lightfoot	Roberts
Edwards (CA)	Lloyd	Robinson
Emerson	Loeffler	Rodino
English	Long	Roemer
Erdreich	Lott	Rogers
Evans (IA)	Lowry (WA)	Rostenkowski
Evans (IL)	Lujan	Roth
Fawell	Luken	Roukema
Rowland (CT)	Smith, Robert (OR)	Valentine
Rowland (GA)	Snowe	Vento
Russo	Solarz	Visclosky
Sabo	Spence	Volkmer
Saxton	Spratt	Vucanovich
Schaefer	St Germain	Walgren
Scheuer	Staggers	Walker
Schneider	Stallings	Watkins
Schroeder	Stenholm	Waxman
Schuette	Strang	Weaver
Schulze	Studds	Weber
Schumer	Stump	Wheat
Sharp	Sundquist	Whittaker
Shaw	Sweeney	Whitten
Shumway	Swift	Wirth
Sikorski	Swindall	Wise
Siljander	Synar	Wolf
Sisisky	Tallon	Wolpe
Skeen	Tauke	Wortley
Slattery	Tauzin	Wright
Slaughter	Taylor	Wyden
Smith (FL)	Thomas (CA)	Wylie
Smith (IA)	Thomas (GA)	Yatron
Smith (NE)	Torres	Young (AK)
Smith (NJ)	Torricelli	Young (MO)
Smith, Denny (OR)	Traficant	
Smith, Robert (NH)	Traxler	

□ 1015

The SPEAKER. On this rollcall, 340 Members have recorded their presence by electronic device, a quorum.

Under the rule, further proceedings under the call were dispensed with.

LEGISLATIVE PROGRAM

(Mr. LOTT asked and was given permission to address the House for 1 minute.)

Mr. LOTT. Mr. Speaker, I would like to address the House so that we could, for the edification of all the Members, have a dialog with the majority whip as to what will be happening for the balance of the day; the procedure at this point.

Mr. Speaker, since there has been a great deal of discussion back and forth about what will be the time of debate here today and what the votes will be, I would be happy to yield to the distinguished majority whip so the Members can be notified as to what we can expect.

Mr. FOLEY. Mr. Speaker, I thank the Republican whip for yielding.

At the Chair's direction, 1 minute speeches will be postponed until after the pending business which is an imminent motion to take the joint resolution from the Speaker's desk, which will be offered by the gentleman from Illinois [Mr. ROSTENKOWSKI], and to disagree with the Senate amendment thereto and to request a conference with the Senate thereon.

Following action on that motion, it would be in order for a motion to instruct the conferees to be offered.

Mr. LOTT. Reclaiming my time, I would like to say that we do intend to offer a motion to instruct conferees from this side.

I would like to inquire, is it the intention, as I understand, that there will be an effort made to perhaps shorten the amount of debate time on each of those?

Mr. FOLEY. If the gentleman will yield further, I understand the gentleman from Illinois [Mr. ROSTENKOWSKI] will offer a unanimous-consent request that on the motion he will offer that debate be limited to 15 minutes on each side.

Mr. LOTT. It would be our intent to do the same thing on the motion to instruct on this side.

Mr. FOLEY. Yes.

At the conclusion of the debate and action on the motion to go to conference and the motion to instruct the conferees, the Chair would be able to and could appoint conferees, assuming the motions have been agreed to; at least the motion to go to conference has been agreed to, and following that we will take up 1 minute speeches. That will conclude the legislative business for the day, and I would estimate, Mr. Speaker, that the House should be at the end of its legislative business by noon today.

Mr. LOTT. Mr. Speaker, I thank the whip.

PARLIAMENTARY INQUIRY

Mr. DORNAN of California. Mr. Speaker, I know that our side agreed, but today is an unusual day in American history. In honor of Larry McDonald and Bob Stethem, could we not have the 1 minutes now? It will not take that long.

The SPEAKER. We will have the 1 minutes later.

APPOINTMENT OF CONFEREES ON HOUSE JOINT RESOLUTION 372, EXTENSION OF THE PUBLIC DEBT LIMIT

Mr. ROSTENKOWSKI. Mr. Speaker, by direction of the Committee on Ways and Means, I move to take from the Speaker's table the joint resolution (H.J. Res. 372) increasing the statutory limit on the public debt, disagree to the Senate amendments thereto, and request a conference with the Senate thereon.

The Clerk read the title of the joint resolution.

The SPEAKER. The gentleman from Illinois [Mr. ROSTENKOWSKI] is recognized for 1 hour.

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that the debate on this motion be limited to 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 15 minutes to the gentleman from Tennessee [Mr. DUNCAN], and, pending that, Mr. Speaker, I yield myself such time as I may consume.

□ 1025

Mr. Speaker, I would like to outline for the Members the procedural situation we are in. The Senate has adopted House Joint Resolution 372 with the Gramm-Rudman amendment and has returned it to us. The purpose of my motion is to disagree with the Senate amendments and request a conference with the Senate.

The House finds itself in an unfortunate position. The other body has decided to use the resolution increasing the debt ceiling to play a high stakes game of chicken. The increase in the debt ceiling must be passed. We are all aware of the enormous consequences of the government defaulting on its financial obligations. In 1979, the House recognized the mischief that can be caused by amending resolutions of this sort and provided for the automatic increase of the debt ceiling upon the House's adoption of the budget resolution. This allows for a clean resolution to be passed and prevents political games from being played. The game has begun, however, and we are going to have to play, however reluctantly.

Gramm-Rudman is major legislation. It dramatically alters the roles of the President and the Congress in the legislative process. Normally, legislation of this scope would be carefully considered in committee. The public would have an opportunity to be heard and to understand the proposal. Members of the House and Senate would have time to consider all of its ramifications. The Senate action has robbed us, and the people we represent, of the ability to carefully scrutinize this proposal. And no matter where you stand on the substance of Gramm-Rudman, all of the Members of the House are the victims of this theft.

It is clear we have to deal with this issue in conference and I want my colleagues to understand how I will approach the conference. I am as concerned as any Member about the size of the Federal deficit. I share the substantive concern that gave rise to Gramm-Rudman. I understand the political concern of protecting the role of this House and the rights of all of its Members in the legislative process. The need for this conference is real. Members of the House need to understand this proposal and its ramifications.

In the conference, I am going to be working for a constructive solution that addresses all of these concerns. On paper, the House and Senate positions in conference could not be further apart. In reality, however, I think they are identical—both bodies want a serious, fair, responsible, and real reduction in the deficit. I will be working in conference to achieve this goal.

Mr. Speaker, I reserve the balance of my time.

The SPEAKER. The Chair recognizes the gentleman from Tennessee [Mr. DUNCAN].

Mr. DUNCAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I appreciate the gentlemen's comments and agree that the Federal Government should not default on its obligations. I also agree that the Gramm-Rudman amendment of the other body represents major legislation.

It also represents a potential answer to the deficit reduction puzzle we have been trying to solve, without any measurable degree of real success, for a long time. It puts some feet to the fiscal fire, and I think that is a good step in the right direction.

It also might force us here in the Congress to stop kidding ourselves about where the deficits really begin and continue to grow. It is not the executive branch of Government which bears this burden. It is the legislative branch, and we might as well admit that fact and go on to something achievable. Gramm-Rudman holds that promise for us.

The SPEAKER. Does the gentleman have any further requests for time?

Mr. DUNCAN. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. Mr. Chairman, I support the motion, and I support the statement of the chairman and that of the distinguished ranking member of the Committee on Ways and Means.

This Government does have to pay its bills. We do have to go to conference to settle the debt extension problem. It would be disastrous if the U.S. Government would default on its obligations.

But the House also has an obligation to examine the Gramm-Rudman-Hollings amendment which the Senate laid on our doorstep last night. And the conference committee is the traditional way that we will accomplish this.

I will also support a motion to instruct the conferees to support the budget-balancing goals of the Senate initiative, not because I think it is perfect, and not because I think it cannot be improved, but because I think it offers, here and now, the greatest hope to set Congress on the road to fiscal sobriety.

Nothing is perfect. No future Congress can be bound by past Congresses. The Senate proposal can be improved. Nevertheless, this is the first chance for real progress against the deficit since 1981.

We have found that the budget process will not give us what we need to

cure our spending habits. It provides a useful procedure, but it is not an effective substitute for congressional will.

Perhaps the Gramm-Rudman-Hollings proposal will give us that extra measure of discipline, which in combination with our budget process, will eventually lead us back to fiscal sanity.

This House has had a terrible record on spending. It is time to give our constituents their No. 1 priority and to achieve our own No. 1 priority. In both cases, that is the reduction of the deficit.

Mr. Speaker, I yield back the balance of my time.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri [Mr. GEPHARDT].

Mr. GEPHARDT. Mr. Speaker, I rise to support the motion to go to conference, and I would oppose a motion to instruct if the motion to instruct specifically instructs the conferees to accept the provisions of the Gramm-Rudman proposal. The reason I say that is that I do not think there is a Member of the House today, and I include myself in that description, who understands what is in the final-passed Gramm-Rudman proposal. A lot of us have tried to read that proposal as it has been developed in the other body. We tried to understand the different provisions that affect the date of the trigger that brings in this automatic deficit reduction mechanism. We tried to understand how that mechanism would actually affect spending programs. We tried to understand how much Presidential discretion would be left and how that discretion could be exercised.

We tried to understand exactly what programs would be affected and how they would be affected in monetary terms in 1986, 1987, and beyond. We tried to further understand whether or not alternative approaches would be more effective and more neutral and more successful in dealing with the deficit problem that we face.

It is simply impossible, humanly impossible, to know today whether or not that proposal should be accepted and, if it should be changed, how it should be changed. I urge the Members of the House to allow our conferees to go to this conference with the understanding that they have the latitude and the ability to try to perfect this proposal to make it do what its sponsors want it to do and what I think every Member of the Congress wants to achieve, which is lasting and sensible and intelligent deficit reduction.

Before I close, let me simply make one point about the action that we are taking today, that the Senate took yesterday, and we will take in a few days, to raise the debt ceiling. I would like to quote Ronald Reagan, October 1, 1981. He said,

Last night I signed a bill that raised the debt ceiling to more than $1 trillion. The $1 trillion debt figure can stand as a monument to the policies of the past that brought it about, policies which, as of today, are reversed.

Four short years later we are raising the debt from $1 trillion to $2 trillion.

Mr. DUNCAN. Mr. Speaker, I yield 3 minutes to the distinguished minority whip, the gentleman from Mississippi [Mr. LOTT].

Mr. LOTT. Mr. Speaker, the House is out of order. This is where the spending begins. The budget process is in shambles. I voted for the 1974 Budget and Impoundment Act. I have tried to support it and tried to make it work, but it "ain't working." It has collapsed in a heap of ashes here on the floor of the House of Representatives. We have got to do something to resurrect a budget process that has become a mockery. This is exhibit A of the mockery. This is the reconciliation bill that we are going to be considering soon.

We used this 545-page reconciliation bill to pass authorizations, to increase spending, to try to find ways, frankly, in many instances, of not living up to our own budget resolution.

The budget resolution that we passed this year that I worked on to help get through the House was our last gasp. We are finished. We have got to have a new process.

That is what this whole effort is all about on Gramm-Rudman. We are not looking for a gimmick, we are not looking for a quick fix.

Yes, we like the fact that the deficits and policies have changed on the issue, but what we want is just a process, a mechanism to force ourselves to live with a budget that will reduce our deficits. That is all we are looking for. Gramm-Rudman does not make you vote against a single program, not defense, not the CCC, not AFDC, not anything. It just sets up a mechanism so that we will address the question of the deficits: How are we going to go about this?

Now I do not like going to conference in this instance. I realize that is what we have got to do. But look at what is going to happen in this conference. The House is going to send 43 conferees, 43 conferees from the House. Where are they going to meet? In the Cannon Caucus Room?

We ought to have half that many going over there if we are really going to seriously get to the issue of addressing this question of how we come up with a budget process.

This concept is good in the Gramm-Rudman process that was passed by the Senate.

In fact, the distinguished majority leader and I, JIM WRIGHT, cosponsored a simiar concept in 1981 in a joint press conference right up here, along with PHIL GRAMM. It is not a new idea. It has been around for a good long while.

So we are not being surprised by this process. But the motion to instruct recognizes that we do not know all of the details of what has happened in the other body. We have the Domenici substitute that made some changes that we would like to look at. We are not trying to force this down your throat "whole hog," but we want some results. This motion to instruct should be supported by both sides of this aisle in which we say, "Report back here promptly, do not wait for the debt ceiling to collapse, and bring us back a plan that will really reduce the deficit over a 6-year period and include sequestering." Because if we do not make ourselves do it, we "ain't going to" do it.

This is a great opportunity for the Congress, for the American people, to get our act together.

So all right, let us go to conference, but let us support this motion to instruct conferees.

Mr. Speaker, I rise in strong support of this motion to instruct conferees to accept a deficit reduction mechanism. Even though it's not fashionable for a prospective conferee to say so, I welcome this guidance from the House on such a critical matter as deficit control.

I think it's especially important that the House have this opportunity to go on record now on this issue since it is not a matter we have previously considered. If we had the luxury of time, I would agree that this is the kind of matter we'd want to have hearings on, or, at the least, debate and amend in the Committee of the Whole. But we don't have the luxury of time. And I think my colleagues would agree that this should be a part of this debt limit bill.

Mr. Speaker, I think it is unfortunate that so much attention has been focused on the automatic, across-the-board sequestering of funds that could take place if the deficit is projected to exceed the targets set by this bill. There are those who talk as if this legislation somehow abdicates forever congressional power over the purse strings. Nothing could be further from the truth. We still have the authority to adopt budget resolutions and spending bills within the deficit limits we set, and to determine our own spending priorities. And, if there is a deficit-limit overage, we still have the right to enact further corrective legislation to bring the deficit back within that limit.

The across-the-board cuts in controllables and automatic spending increases is really an action-forcing mechanism to ensure that we and the President take that corrective action in a timely manner. I think most analyses will indicate that sequestration is just as unpallatable to the Executive as to the Congress. It hits defense and social programs equally hard.

Mr. Speaker, there are those who charge that the Gramm-Rudman is a gimmick, and, I suppose, to the extent that it lives up to the definition of being "an attention get-

ting device," I suppose it is. It's like using that two-by-four on the mule—it certainly will command our attention.

There are those who say this is an attempt to substitute a gimmick for guts. I don't agree. It may be a gimmick, but we'll still need the guts to live up to these deficit targets and set our own priorities. As I mentioned before, it's not a pallatable gimmick, and the alternative to our relinquishing our rightful role should turn our stomachs enough to strengthen those stomach muscles and finally force us to get back on the right track.

Finally, there are those who charge that this is a quick fix. It's not that. It's a tough, long-term fix that ratchets down the deficit over a 5-year period. And the deficit certainly is something that needs fixing. Let's adopt this motion to instruct and get on with the fixing that needs doing.

Mr. Speaker, I yield back the balance of my time.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. PANETTA].

Mr. PANETTA. Mr. Speaker, what is before us is perhaps the most significant step that this Congress will take since the adoption of the Budget Act. There is no question that we are dealing with significant legislation that will impact on every program, that will impact on every jurisdiction, and that will impact on every citizen.

We have a responsibility under the Constitution to look at this issue and to protect those citizens in what we do and to be careful in the final product that we put together.

There is no mistake that we will seek to achieve a final product. There is no mistake that we will try to achieve effective tools to balance the budet. But those tools may be tough, they must be effective, and they must be fair.

The genius of our system of democracy is that we ought to take the opportunity to ask the questions and to not regret the final product that we produce here.

Let us understand that whatever process we put into place; there is no process that can replace the guts we need to make tough decisions.

□ 1040

So the process has to be a fair one. There are questions here, questions with regard to the types of targets, whether in fact we ought not to proceed in 1986 to do tough work in reducing the deficit and not postpone it, questions regarding the powers of the President, questions regarding the enforcement tools that are all a part of this.

So there are legitimate questions, and there are Members here who have not even looked at the document that is now coming over to us from the Senate.

So, please, let us take that opportunity, vote to go to conference and fulfill our responsibilities not only to the Constitution but to the citizens of this country.

Mr. DUNCAN. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Ohio [Mr. LATTA].

Mr. LATTA. Mr. Speaker, let me say I am going to support this motion. I am also going to support the motion to instruct conferees, doing so well knowing that instructions are not mandatory but they are advisory. Certainly we would not expect our conferees to come back from conference with merely an increase in the debt ceiling. I am certain they would not want to do that. So for that reason I am going to vote to instruct the conferees.

But, really, this is another sorry day for the Congress. What brings us here, in the first place, is the fact that the Congress of the United States has on its own been unable to step up to the plate and cut, cut, cut expenditures that we do not need and should not have had.

Time after time we have had an opportunity on this floor to bring down expenditures of the Federal Government and we failed. All we have to do is take a look at the appropriations as they come along year after year. We failed. And now we have got to pass the buck through this type of procedural legislation on down to the administration to have some guts to make some reductions that we the Congress of the United States have not done. That is what this is all about. It does not matter whether you follow this procedure or some other procedure. We have not done it in the past and we do not expect to do it in the future. So we have an out, we will be able to say to our favorite few back home or our favorite group, "Oh, we didn't make those reductions, the President did it." Well, we are going to give him the tools and he is going to have the ability and he is going to have the guts needed to bring down expenditures.

We have a $2 trillion national debt that is now going to cost $146 billion a year just in interest charges alone. We have reached a peak, we have reached a point of no return. So we have got to take this action. For that reason I am going to vote to instruct the conferees to bring back a package that will do the job, a job that is long overdo.

Mr. DUNCAN. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. LOEFFLER].

Mr. LOEFFLER. Mr. Speaker, year after year, Congress begins the annual budget process with grandiose intentions of controlling spending and reducing our huge budget deficit. Year after year, Congress fails to realize the goal of fiscal responsibility.

There is no question that the present budget process of setting and meeting spending targets simply has not worked. What we have now is an opportunity to come forth with some good, tough budget rules that cannot be bent, broken or simply ignored, as has been the case in the past.

The pending legislation mandates a balanced budget by means of a stick, and that stick is the sequestering of most spending accounts. But how the balanced budget outcome is achieved is still left up to Congress. The Congress can enact legislation to supersede the sequestering of accounts. It is the threat of automatic sequestering of funds which is central, in my judgment, to the self-enforcing aspect of this proposal. If that sequestering is unacceptable to a majority of the Congress and to the President, other ways can be found to achieve the required deficit reduction. If sequestering is more palatable as a solution, then it will remain in effect. The opportunity will be there for Congress to work its will, but, most importantly, the deficit will be reduced.

Yes, we do need radical surgery because the current budget process is in a coma and is fading fast. This vital legislation presents our best hope of putting the Nation firmly on a path of responsible spending. We need a process with teeth and with truth, and the pending legislation provides an abundance of both.

Mr. Speaker, I urge the body to vote in favor of the motion to instruct conferees.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina [Mr. NEAL].

Mr. NEAL. Mr. Speaker, I really want to raise a question, and I think the gentleman from Ohio [Mr. LATTA] would be most able to answer it, if I can get his attention. First a brief statement and then a question.

In 1978, February 1978, this body adopted a law, and it remains the law of the land since it has been reaffirmed twice, in 1980 and again in 1982. It says that "budget outlays of the U.S. Government for a fiscal year may not be more than the receipts of the Government for that year." This 1978 law said that we would give ourselves 3 years to come into compliance with this law, the intent of the law was that we would have a balanced budget by 1981.

In 1981 we adopted the Gramm-Latta, Reagan, Kemp-Roth, supply-side proposals, proposals which were supported by 100 percent of the Republicans in this body, and a few Democrats, enough to pass them into law. The result has been, as many of us predicted at the time, the most massive budget deficits in history; a doubling of the national debt in just 5 years. Those who supported these proposals which taken all together should be most accurately referred to as national Republican policy, paid no attention to the 1978 law. Year after year the President has proposed budg-

ets with deficits of hundreds of billions of dollars. Year after year the supporters of this national Republican policy in the Congress simply ignored the law.

The question is this. Since the President and a majority in Congress have ignored the law I referred to, routinely violated it, why should the public take seriously any law that we pass on this subject of balanced budgets at this time?

Mr. LATTA. If the gentleman will yield, since he has asked a question, let me say that he has asked two questions and let me answer the last one first. The Gramm-Latta bill made reductions—reductions—in expenditures, it did not increase them.

Mr. NEAL. In the deficit? Certainly not.

Mr. LATTA. And, second, let me answer the first question. The gentleman raised the question about the statute that is on the books that says we should balance the budget, the Byrd amendment.

Mr. NEAL. Right, the Byrd amendment.

Mr. LATTA. As I see this new proposal, that is the only shortcoming in it. It is a statute that could be waived by the Congress of the United States, just like it waives the Budget Act now. So I want to use this time to say that we have got two States to go yet, two States for a constitutional amendment.

Mr. NEAL. The gentleman has answered my question. I am reclaming my time.

Mr. LATTA. We are going to go forward with that, notwithstanding the passage of this legislation.

Mr. NEAL. I am reclaiming my time. Regular order.

Mr. Speaker, I am going to support the motion to go to conference, and the version that I have seen of the motion to instruct seems to make sense to me. But I really think what is going on here is that this opportunity is being used to divert the public's attention from the fact that the economic plan that we are following has doubled the national debt in 5 years and that we are not willing to do what is really necessary to bring the budget into balance and keep it there, and it is a massive sham.

Mr. DUNCAN. Mr. Speaker, I yield 1 minute to the gentleman from Nebraska [Mr. DAUB].

Mr. DAUB. Mr. Speaker, what bothers me the most is that it is not the $1 trillion debt and it is not the $2 trillion debt, it is the terrible prospect by 1990 of our deficit being $3 trillion. And the interest or carrying charge on that debt is not going to be one-ninth of our current fiscal budget, it is going to be one-fifth of the budget by 1990.

So it seems to me that the vote is not on a motion to go to conference. It seems to me that the intention of each Member and the degree of their seriousness about balancing the budget of our country can be expressed in the motion to instruct, and that ought to be a signal to each and every one of our constituents back home about how serious we are about balancing the budget, and that is why I intend to vote for a very well written motion to instruct our conferees.

I thank the gentleman for yielding.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentlewoman from Ohio [Ms. OAKAR].

Ms. OAKAR. Mr. Speaker, I intend to vote for instructing the conferees, not because I favor the Gramm proposal but because it is not, I repeat, is not the Gramm proposal.

We saw what happened with the Gramm budget in 1981. At the 11th hour he came to us with more than a 100-page budget that 99 percent of the Members had not read, and there was an irresponsibility on our part for even considering that budget at that time.

Let us not be irresponsible again, because his ideas led us to a $2 trillion debt ceiling. I think it is about time we acknowledge what his ideas mean when he comes at the 11th hour with these so-called creative ideas.

So let us instruct the conferees responsibly and reasonably.

The SPEAKER. The Chair will notify the House that there shall be no references to the Senate or its Members.

Mr. DUNCAN. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. THOMAS], a member of the committee.

Mr. THOMAS of California. Mr. Speaker, what are we in, a time warp? Is this 1981? No, it is 1985, and we are in fiscal year 1986. Why are we here? Because we lack the will. Budgets are passed by Congress. This House of Representatives failed. And I have to put that failure at the doorstep of the majority. I would tell the majority caucus chairman they had their opportunity. No amount of saying that the budget works will make it work. It simply will not work. Let us show a little will. The American people want us to do something.

The gentleman from California said he has questions about this. We can question it forever. The American people say: Do something.

You failed at your attempt at the budget. We have a second opportunity. Let us try again. All it is is legislation. If it does not work, we can change it. The alternative should not be nothing. That is what you advocate. This is a possible solution. Let us try it.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. GRAY].

Mr. GRAY of Pennsylvania. Mr. Speaker, I am rising in support of the proposition that we go to conference in disagreement. Let me tell you why. And let us get beyond all of the partisan rhetoric.

We have a crisis in this Nation. Four years ago the national debt was $914 billion. Last week it was over $1.8 trillion. And, yes, there are some things that are attractive about the amendment offered by the other body. It promises a balanced budget in 1991, it promises equity in achieving it, and it promises a mechanism to enforce the will, if we do not have the will, and I want to be very clear that the House Budget Committee and the majority in the House want all three of those goals, but there are some serious questions, the constitutional question about the division of power, there are serious economic policy questions about mechanisms in a recession.

Therefore, I would hope that this body would vote that we go to conference in disagreement and there in that conference we can examine very carefully what has been laid on the table by the other body, and let it be clear that the majority of the House Budget Committee agrees with the goals of a balanced budget, but we also want to make sure that what is done is done correctly.

□ 1055

Let it be known right now that you are not talking about a balanced budget, you are talking about a procedure, a change, that hopefully will lead to that. Therefore, before we quickly vote, I think it is important that at a conference we have an opportunity to discuss it.

Many of you supported the budget I brought forth this spring bipartisanly. It was the largest bipartisan majority of a conference report. I told you then and I will tell you now: Yes, we cut spending, but it is not going to dry up the red ink. None of the budgets that were presented would have dried up the red ink in 3 years because it is so deep. What we have got to do is go to conference, examine this and come up with a proposal that gets us there.

I urge the Members to vote to go to conference in disagreement.

Mr. DUNCAN. Mr. Speaker, I yield 1 minute to the gentleman from South Carolina [Mr. CAMPBELL].

Mr. CAMPBELL. Mr. Speaker, a previous speaker has said that we are talking about a procedure, and we are. This is a procedural change. You know, we can balance the budget; we have not. It is in our hands to do it. We have largely put this country on automatic pilot over the last decade or so. We have adopted rule after rule to automatically increase spending, and it is about time that we seize control of the airplane, and it is about time we put her back on course.

We do have a crisis; every speaker has outlined it. We seem to be incapable of dealing with that crisis. Do we

do nothing or do we seize the opportunity? I think that we should seize the opportunity. We should instruct the conferees responsibly, and, yes, we should come out of that conference with a new procedure that will put some discipline in the budget process.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. I thank the gentleman for yielding me this time.

Mr. Speaker, David Stockman, he said it pretty well. He said, "It is not the Democrats, it is the Republicans." But let us not blame today. Let us work together. Let us not fight today. Let us cooperate.

If we look at what is transpiring, we are looking at the greatest problem now facing the American people and the tragedy is, it is only set for 30 minutes of debate, No. 1, and No. 2, from my limited experience in this House, when we do instruct the conferees, let us have the conferees carry out the will of the House this time.

So let us not fight; let us not blame. Let us work together and pursue a course that maybe we can resolve this problem.

Mr. DUNCAN. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. LUNGREN].

Mr. LUNGREN. I thank the gentleman for yielding to me.

Mr. Speaker, the reason why the motion to instruct is so important is, let us face it, it is the one up or down vote we are going to have on the Gramm-Rudman-Hollings amendment. Now, we can talk about whether there is a problem with this or not, but it recalls to my mind what happened with proposition 13 in California: There were a whole host of reasons for being against it, but it was the only available mechanism for dealing with the tremendous problem we had there.

The establishment was against it; newspapers were against it; a lot of the politicians were against it, but the people were for it. I just flew all night to be here for this vote because I had to be in California yesterday. While I was out there, I found something. People came up to me and said for the first time that I had seen in 7 years that they felt they had some hope that we would do something about the deficit because they believe that the Gramm-Rudman solution was the best potential solution they had seen offered.

These are average people off the street coming up to me and saying, "Support it; we need it. You guys have not done anything else back there. At least give us some hope here."

That is what we need to do. Please support this motion to instruct as the only up or down vote.

Mr. DUNCAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Arizona [Mr. KOLBE].

Mr. KOLBE. I thank the gentleman for yielding time to me.

Mr. Speaker, I rise in support of the motion to instruct.

As an original cosponsor of H.R. 3250, the Balanced Budget and Emergency Deficit Control Act of 1985, I rise to express my strongest support for the motion to instruct the House conference.

We have reached a crucial point in addressing the questions of Federal spending and the overwhelming budget deficit that we now face. The deficit has become such a continuing and pervasive problem that in order for the Federal Government to pay its bills and meet its legal commitments, we must raise the public debt ceiling to over $2 trillion.

Only yesterday, this body passed legislation intended to solve a problem—the plight of the textile and apparel industries—with a protectionist approach. But the reality is that the problems facing our textile industry—and steel, and automobiles, and shoes, and copper—are problems caused by the value of the dollar which in turn is driven by high interest rates. And that, Mr. Speaker, is a function of our budget deficit. We must face this situation head on; we can no longer treat only the symptoms of the basic problem—and not the problem itself.

The Congressional Budget and Impoundment Control Act of 1974 is now in shambles. We must amend the spending process in order to get some legal control over the situation. Obviously, Congress itself does not have the self-control necessary to reduce the deficit by reducing Federal spending. Nor is a tax increase the answer. We do, however, have an answer within our grasp. The conferences should accept the Gramm-Rudman-Hollings language contained in House Joint Resolution 372.

Mr. Speaker, the American people are tired of rhetoric. They want action on budget deficits. Let us give them that action.

Mr. DUNCAN. Mr. Speaker, I yield my final minute to the gentleman from Louisiana [Mr. MOORE].

Mr. MOORE. I thank the gentleman for yielding me this time.

Mr. Speaker, everybody knows the No. 1 problem facing the country is the deficit. It causes high interest rates, high unemployment, high trade deficit. They are expecting us to do something. This Congress has erred in not doing more. It has erred on the behalf of discretion. It has erred on the behalf of committee turf. It has erred on the behalf of "let us go slow." It has erred on the behalf of "let us not cut too much," and we have not balanced the budget.

Why do we not err for a change on behalf of a program that guarantees us a balanced budget. I think it is about time we take that risk on behalf of the American people. I am going to urge you to support the motion to instruct. This motion gives us a chance to finally do something instead of continuing the business as usual of trying to cut the deficit but not having done enough. If we are to err, let us err for a change on behalf of finally solving the problems of the country instead of the discretion and caution we have been exhibiting since 1981 that has not done the job.

Mr. BARTON of Texas. Mr. Speaker, will the gentleman yield?

Mr. MOORE. I yield to the gentleman from Texas.

Mr. BARTON of Texas. I thank the gentleman for yielding to me.

Mr. Speaker, I rise in support of this motion.

I rise in opposition to the motion to go to conference in disagreement with the Senate on House Joint Resolution 372. I support that legislation.

My major goals last year in my campaign were to reduce and eliminate the deficit, and pass a balanced budget amendment to permanently limit Federal spending. My biggest disappointment to date has been the failure of the Congress to seriously address these two issues.

Senator PHIL GRAMM has devised a simple, yet powerful, mechanism to balance the budget by 1991. In my opinion, his bill is just the right medicine we need to stop the hemorrhaging of the Federal budget.

One often has to seize upon the moment to win a legislative victory and that, I believe, has happened with the introduction in the House of Senator GRAMM's Emergency Deficit Control Act of 1985. I am one of the original cosponsors of this legislation in the House.

Briefly, the act would force Congress and future administrations to adhere to rigid spending reductions over the next 5 years with the goal of achieving a balanced Federal budget by 1991.

This would mandate spending cuts of $36 to $43 billion annually for each of the next 5 years. The fiscal 1986 deficit would be limited to $180 billion. In any year when it appears the Government is going to exceed those reduced spending limits, automatic across-the-board cuts would take effect until the correct spending level is reached. The Congress or the President could propose alternative spending reductions to the automatic cuts, but the total reductions would have to be the same.

The budget ceilings would not be in effect during times of war or during times of official recessions as confirmed by the Congressional Budget Office and the Office of Management and the Budget. All other waivers would require an act of Congress and approval by the President.

Most Members of Congress are not enthused about voting to raise the Federal debt ceiling to $2 trillion. But they know without it, the Government will quickly grind to a halt. I will not support raising the debt limit unless a key part of that legislation is this bill that requires significant spending reductions by future Congresses.

Senator GRAMM's legislation has come at the right time and has quickly won the support of key Senate leaders. President Reagan has also endorsed the concept of the plan. In the House, I have been busy calling colleagues urging them to support it.

This legislation differs from previous balanced-budget efforts because it contains tough enforcement provisions that Congress would be legally required to follow. A maximum deficit limit would be set for each year and both Congress and the President must prepare budgets within the established limits.

If we do not significantly reduce our budget deficits, we will be mortgaging the future of our children and our grandchildren. Passage of this legislation will send a strong signal to both the American people and our financial markets that Congress has a comprehensive program to solve the deficit problem.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentleman from Arkansas [Mr. ALEXANDER].

Mr. ALEXANDER. I thank the gentleman for yielding me this time.

Mr. Speaker, I think that most all of us will support the motion before us today, and that Congress will do something to improve the budget process. But as many speakers have said this morning, there is nothing that we can do to enact a law that can require the President to do his job.

How many of you have talked to the President about his promise to submit a balanced budget? I have. I asked Ronald Reagan myself: "Mr. President, you have made a career out of promising the American people a balanced budget. Why have you not submitted one? You have had 5 years."

The President said; "That is the most cynical question I ever heard."

The American people will become cynical if the Republican side of the aisle persists on promising them something that cannot be. We cannot promise them that the President will do his job and submit to the Congress a balanced budget.

I support the resolution as I expect all of us will, and I hope that we come out of all of this, this drama, with an improvement in the Budget Act.

The SPEAKER. Without objection, the previous question is ordered on the motion.

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Illinois [Mr. ROSTENKOWSKI].

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. DELLUMS. Mr. Speaker, on that, I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 327, nays 50, not voting 57, as follows:

[Roll No. 357]

YEAS—327

Alexander	Evans (IA)	Lewis (FL)
Andrews	Evans (IL)	Lightfoot
Annunzio	Fawell	Lloyd
Anthony	Fazio	Long
Applegate	Feighan	Lott
Archer	Fiedler	Lowery (CA)
Aspin	Fish	Lowry (WA)
Atkins	Flippo	Lujan
AuCoin	Foglietta	Luken
Barnard	Foley	Lundine
Barnes	Ford (MI)	MacKay
Bateman	Ford (TN)	Madigan
Bates	Fowler	Manton
Bedell	Frank	Markey
Beilenson	Frenzel	Martin (NY)
Bennett	Frost	Martinez
Bentley	Fuqua	Matsui
Bereuter	Gallo	Mavroules
Berman	Gaydos	Mazzoli
Bevill	Gejdenson	McCain
Bilirakis	Gephardt	McCloskey
Bliley	Gibbons	McCollum
Boggs	Gilman	McCurdy
Boland	Glickman	McDade
Boner (TN)	Gonzalez	McEwen
Bonker	Goodling	McGrath
Borski	Gordon	McHugh
Boucher	Gradison	McKernan
Boxer	Gray (IL)	McKinney
Breaux	Gray (PA)	McMillan
Brown (CA)	Green	Meyers
Broyhill	Grotberg	Mica
Bruce	Guarini	Michel
Bryant	Gunderson	Mikulski
Burton (IN)	Hall (OH)	Miller (CA)
Bustamante	Hall, Ralph	Miller (OH)
Byron	Hamilton	Miller (WA)
Campbell	Hammerschmidt	Mineta
Carper	Hansen	Moakley
Carr	Hefner	Mollohan
Chandler	Heftel	Montgomery
Chapman	Hendon	Moody
Cheney	Henry	Moore
Clay	Hertel	Morrison (CT)
Clinger	Hiler	Morrison (WA)
Coats	Holt	Mrazek
Coelho	Hopkins	Murphy
Coleman (MO)	Howard	Murtha
Coleman (TX)	Hoyer	Natcher
Conte	Huckaby	Neal
Cooper	Hughes	Nelson
Coughlin	Hutto	Nichols
Courter	Hyde	Nowak
Coyne	Ireland	Oakar
Craig	Jacobs	Oberstar
Crockett	Jeffords	Obey
Daniel	Jenkins	Olin
Darden	Jones (NC)	Ortiz
Daschle	Jones (OK)	Oxley
Daub	Jones (TN)	Packard
Davis	Kanjorski	Panetta
Derrick	Kaptur	Parris
Dickinson	Kasich	Pease
Dingell	Kastenmeier	Penny
DioGuardi	Kemp	Pepper
Donnelly	Kennelly	Perkins
Dorgan (ND)	Kindness	Petri
Dowdy	Kleczka	Pickle
Downey	Kolbe	Porter
Duncan	Kolter	Price
Durbin	Kostmayer	Pursell
Dwyer	Kramer	Rahall
Dyson	LaFalce	Rangel
Early	Lagomarsino	Ray
Eckart (OH)	Latta	Regula
Eckert (NY)	Leach (IA)	Reid
Edwards (CA)	Leath (TX)	Richardson
Edwards (OK)	Lent	Ridge
Emerson	Levin (MI)	Rinaldo
English	Levine (CA)	Ritter
Erdreich	Lewis (CA)	Roberts
Robinson	Smith (NE)	Udall
Rodino	Smith (NJ)	Valentine
Roemer	Snowe	Vander Jagt
Rogers	Solarz	Vento
Rostenkowski	Solomon	Visclosky
Roth	Spence	Volkmer
Roukema	Spratt	Walgren
Rowland (GA)	St Germain	Watkins
Russo	Staggers	Waxman
Sabo	Stallings	Weaver
Saxton	Stark	Weber
Scheuer	Stenholm	Weiss
Schneider	Studds	Wheat
Schroeder	Stump	Whitley
Schuette	Sundquist	Whittaker
Schulze	Sweeney	Whitten
Schumer	Swift	Williams
Seiberling	Synar	Wirth
Sharp	Tallon	Wise
Shaw	Tauke	Wolf
Sikorski	Tauzin	Wolpe
Siljander	Taylor	Wortley
Sisisky	Thomas (CA)	Wright
Skeen	Thomas (GA)	Wyden
Slattery	Torres	Wylie
Slaughter	Torricelli	Yatron
Smith (FL)	Traficant	Young (AK)
Smith (IA)	Traxler	Young (MO)

NAYS—50

Armey	Dreier	Myers
Bartlett	Dymally	Nielson
Barton	Fields	Owens
Boulter	Franklin	Rowland (CT)
Brown (CO)	Gekas	Savage
Callahan	Gingrich	Schaefer
Carney	Hayes	Shumway
Chappie	Hunter	Smith, Denny (OR)
Cobey	Leland	Smith, Robert (NH)
Coble	Loeffler	Smith, Robert (OR)
Combest	Lungren	Strang
Conyers	Mack	Swindall
Crane	Marlenee	Vucanovich
Dannemeyer	McCandless	Walker
DeLay	Mitchell	
Dellums	Molinari	
DeWine	Monson	
Dornan (CA)	Moorhead	

NOT VOTING—57

Ackerman	Florio	Quillen
Addabbo	Garcia	Roe
Akaka	Gregg	Rose
Anderson	Hartnett	Roybal
Badham	Hatcher	Rudd
Biaggi	Hawkins	Sensenbrenner
Boehlert	Hillis	Shelby
Bonior (MI)	Horton	Shuster
Bosco	Hubbard	Skelton
Brooks	Johnson	Snyder
Broomfield	Kildee	Stangeland
Burton (CA)	Lantos	Stokes
Chappell	Lehman (CA)	Stratton
Collins	Lehman (FL)	Towns
de la Garza	Lipinski	Whitehurst
Dicks	Livingston	Wilson
Dixon	Martin (IL)	Yates
Edgar	O'Brien	Young (FL)
Fascell	Pashayan	Zschau

□ 1115

Messrs. CALLAHAN, SAVAGE, LOEFFLER, ROWLAND of Connecticut, MOLINARI, and SWINDALL changed their votes from "yea" to "nay."

Mr. WHEAT changed his vote from "nay" to "yea."

So the motion was agreed to.

The result of the vote was announced as above recorded.

MOTION OFFERED BY MR. MICHEL

Mr. MICHEL. Mr. Speaker, I offer a motion to instruct conferees.

The Clerk read as follows:

Mr. MICHEL moves that the managers on the part of the House at the conference on the disagreeing votes on the two Houses on the joint resolution, H.J. Res. 372, be instructed to promptly report amendments to

the Budget Control and Impoundment Act which provide mechanisms for deficit reductions, including specific and mandatory budget goals for achieving a balanced budget within the next 6 years.

The SPEAKER. The gentleman from Illinois [Mr. MICHEL] is recognized for 1 hour.

Mr. MICHEL. Mr. Speaker, I would not expect to use the complete hour.

The SPEAKER. Will the gentleman yield a half hour to the Democratic side?

Mr. MICHEL. Mr. Speaker, I would like to yield 15 minutes for the moment and 15 minutes for our side and let us see where we go.

The SPEAKER. Does the gentleman want to ask unanimous consent that the debate be 30 minutes instead of 1 hour?

Mr. MICHEL. Mr. Speaker, I do not want to do anything that is going to upset some Members here, but if we can put a little bit of restraint——

The SPEAKER. Does the gentleman intend to yield equal time to the opponents of the motion, if there is opposition?

Mr. MICHEL. Mr. Speaker, I would certainly intend that the time be equally divided.

The SPEAKER. The gentleman from Illinois [Mr. MICHEL] is recognized for 30 minutes and the gentleman from Illinois [Mr. ROSTENKOWSKI] is recognized for 30 minutes.

Mr. MICHEL. Mr. Speaker, I yield 3 minutes to the gentleman from Florida [Mr. MACK].

Mr. MACK. Mr. Speaker, I thank the minority leader for yielding me this time.

Mr. Speaker, we are being asked to go to conference to increase the debt ceiling, and I would like to approach the discussion this morning to increase the debt ceiling from the perspective of the 16 or so years that I spent in the banking business.

When someone would attempt to raise money either to support their family in times of difficulty or in trying to enhance the capabilities of their business either for expansion or to take care of difficulties, they would end up asking someone for additional money.

I do not think it is unreasonable and I do not think you think it is unreasonable that when you made those requests, that the banker said to you, "What are you going to do to make things different? What changes are you going to make to allow for repayment or to put yourself in the position where you don't have to borrow additional money in the future?" I think that is a fairly reasonable thing to request.

I do not think that this is an unreasonable thing to make a request to instruct the conferees to come back with a proposal that basically says that we ought to be working toward a balanced budget within 6 years, that we set up a mechanism for deficit reduction, including specific and mandatory budget goals for achieving a balanced budget within that time.

Now, I know that many of you disagree with the proposal that the Senate has come forward with, but let me just suggest to you that I think that you can support this motion to instruct, those of you who are serious about wanting to do something about the deficit.

What we are basically saying is, we want to establish specific targets between now and 1991, going from $180 billion to $144 billion, right on down to zero, reducing Federal expenditures over a 6-year period $36 billion a year.

It does not take any power away from this House and from the Senate. What it basically says is that the President and both bodies must come forward with a proposal that does not breach the targets, and then OMB and CBO are going to make projections based on those proposals to see whether in fact we are breaching those targets, and if OMB and CBO indicate we are going to breach those targets, then an automatic sequestering of funds would take place.

The gentleman asked a little bit earlier in the discussion, "What is the difference between this proposal and the Byrd proposal of several years ago?"

The difference is this particular act has some teeth in it. There are some enforcement mechanisms to make this particular proposal work.

So the time has come to do something. The gauntlet has been thrown. The line has been drawn.

I would ask you to support this particular motion to instruct.

We promised the American people 4 years ago that we were going to reduce the deficit.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 2 minutes to the gentleman from North Dakota [Mr. DORGAN].

Mr. DORGAN of North Dakota. Mr. Speaker, I thank the chairman for yielding.

Mr. Speaker, we have a serious deficit problem that we all understand we have to address. I do not expect it is a surprise to any Member in this Chamber that we have come to this point.

The President, in 1981, said that the deficit was a stack of $1,000 bills 67 miles high. Well, 5 years later, it is now a stack of $1,000 bills 130 miles high.

The fact is our fiscal policy is not in balance. We need to do something about it. I wish it had been the House that forced the issue, but the Senate has forced the issue. I do not necessarily agree with the recipe of the Senate soup that they have provided, but I think that we can make some improvements, offer some other suggestions, and move forward.

Let me just say this. If we are going to do something. I do not think we want to do one thing that the Senate suggests and withhold tough action until after the next election. Let us decide what to do, let us decide to do the right thing and roll up our sleeves and start doing it now. Let us not wait 1 more year to prescribe strong fiscal medicine.

Also, if we are going to do something, let us not allow the ceiling on the budget for this fiscal year to increase so that some can avoid the consequences of tough choices until after an election. I do not think we ought to do that. Let us do this thing now if we are going to get it done.

I am going to support the motion to go to conference. I am going to support the carefully drawn motion to instruct this morning. I think that is fine. This has been coming for a long time.

But I also think we need to understand in this House the issue is not just spending—it is also revenue. We have some of the richest people in this country earning millions and millions of dollars, the biggest corporations in this country earning billions of dollars and paying no taxes. I am saying a combination of spending restraints and revenues are necessary to solve this deficit problem.

We are here because there is no leadership downtown. The President talks about balanced budgets, but he asks for the biggest deficits in history. So it is not a surprise we are in this position today.

We have to do something about it. As responsible Members of the House, let us go to conference, let us hammer out an objective that moves us toward fiscal stability, toward a fiscal plan that begins to balance the budget and do it the right way—right away.

Mr. MICHEL. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. Mr. Speaker, I appreciate the gentleman from Illinois [Mr. MICHEL] yielding.

Mr. Speaker, I think that the American people, if they are watching this debate, almost would be sickened. We had people on this side of the aisle cheering and booing and hissing, and people on the other side of the aisle cheering and booing and hissing about who is to blame for the deficit. The Members on that side of the aisle wanted to set over there and blame Ronald Reagan and the Members on this side of the aisle wanted to blame Jimmy Carter.

The simple fact of the matter is, and we all know it in this House, that it's not the President who is responsible for this level of spending, it is the House of Representatives and the U.S. Senate.

Maybe our basic civics class teachers need to start explaining to the young men and women in this country that it is the Congress that passes the bills, it is the Congress that spends.

□ 1130

We all know that Presidents are involved, but we have all been guilty of wrongly blaming people in the White House and misleading the American people, or leading them into believing we have washed our hands of our responsibility and it is the fault of our Presidents.

Let me say this: It is a sad day when the U.S. House of Representatives has to have an artificial mechanism imposed upon it in order to control its spending. It is a sad day when we must talk about balanced-budget amendments, line-item vetoes and Gramm-Mack proposals, but we have no choice because spending by this House is spiraling out of control. I commend the gentleman from North Dakota [Mr. DORGAN] for his comments about this House spiraling out of control. I hope the gentleman from Texas [Mr. WRIGHT] will echo it.

What this measure does, however, is give us the mechanism that forces us to be responsible. Our constituents are going to favor it. Why? Because it is an across-the-board approach and because it is fair. That is all they ask for at home; give us a fair proposal that treats everybody equally. That is what the Gramm-Mack proposal does.

Let us stop blaming the White House, let us stop blaming the Democrats, let us stop blaming the Republicans. Let us work together as Americans because it is what all of us deep in our hearts want, and most important, it is what our constituents want. Let us stand up for America today.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. PICKLE].

Mr. PICKLE. I thank the gentleman for yielding this time to me.

Mr. Speaker, I have read this motion to instruct and I think it is reasonable. I commend the gentleman from Illinois [Mr. MICHEL] for wording the instructions in a manner that many of us can accept. I think we should express our appreciation to him.

In voting for this motion to instruct, I, as one member of the committee and who might be a conferee, want my colleagues to understand that I support the principle of reducing these deficits, the principle of trying to get a balanced budget, but I am not committing myself to any one specific bill.

The clamor that comes from one side of the aisle that they are the only ones who are concerned about the deficit and a balanced budget is not shared by this individual. There are many of us over here who have just as strong a feeling. I would hope that as we approach this thing that we would do it in a bipartisan manner, because reducing the deficit is a critical matter for the entire Nation.

I would hope that the clamor and the loud voices that "We are for the balanced budget and you are not," would be muted. In this hour of national crisis, we ought to be working together. I want to say to this whole group that there are many of us who feel it just as deeply as you do on this side of the aisle. I would hope that we would go forward on a bipartisan basis.

Mr. MICHEL. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. DANNEMEYER].

Mr. DANNEMEYER. I thank the gentleman for yielding this time to me.

Mr. Speaker and Members, we are dealing with a deficit here in the Congress. The country is realizing the problems of inflation and high interest rates. Our trading partners and ourselves recognize that America has a negative trade balance. Third World nations are on the verge if not in default of their loans, and just yesterday we voted on a bill for trade protectionism.

The common thread in all of these problems that I have stated relates back to a decision that this country took in 1971, and the gentleman who put that issue in perspective best was a man who graced these Chambers 153 years ago, and I would like just to draw attention in a small quote to what he said in the well of the House at that time.

> Of all the contrivances for cheating the laboring classes of mankind, none have been more effectual than that which deludes them with paper money. This is the most effectual of inventions to fertilize the rich man's field by the sweat of the poor man's brow. Tyranny, oppression, excessive taxation—these bear lightly, compared with fraudulent currencies and the robberies committed by depreciated paper.—DANIEL WEBSTER (1832).

It was true then. It is true today. We are dealing with a symptom on this deficit as severe and profound as it is. We are going through convolutions about who is to blame for the existing deficit spending and the fact is, we are dealing with depreciated money, a dollar backed by nothing, and until we begin to debate the significance of depreciated currency that we all have in this world, we are not going to get to the root cause.

I support the motion to instruct because it will give to this institution the discipline that is now lacking to reduce the deficit, to somehow bring our budget into balance, but I hope that somehow in this discussion we in this Chamber can begin to talk about the necessity of reforming the monetary system of America, the leader of the Western World, so we can lay the foundation for honest money, a dollar backed by gold, and thereby avoid the pain and suffering that this Congress is going to be facing next year and in the years to come when we attempt to implement the reductions that this package is going to call for.

I would much rather reduce the interest on the national debt and the annual payments, which honest money would bring, than I would go through the trauma of attempting to explain to constituents why we are going to have to cut program after program after program. Politically, who is going to object when we send less money to the bankers in New York City in the way of interest.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 10 minutes to the gentleman from Texas [Mr. WRIGHT].

Mr. WRIGHT. Mr. Speaker, I rise in support of this motion to instruct. It is something that all of us can embrace in good conscience if truly we are serious about finding a mechanism to enforce deficit reduction.

Let us be very careful about what it is we are instructing the conferees to do. I compliment the gentleman who drafted the motion [Mr. MICHEL]. I think it is well drafted. I think it says what the House wants to say.

Under this motion, the conferees would be instructed to report: "amendments to the Budget Control and Impoundment Act which provide mechanisms for deficit reductions, including specific and mandatory budget goals for achieving a balanced budget within the next 6 years."

I am for that. I think almost all of us are for that. The gentleman from Mississippi [Mr. LOTT], together with a bipartisan group of Members including myself, jointly authored a proposal almost 5 years ago, on February 23, 1981, to create just such a mechanism.

We now have reached a point where it clearly is needed. We need to have some binding system to guarantee that the budget is not going to continue so seriously out of balance year after year.

All of us recognize surely the drastic harm that has been inflicted upon future generations by the past 4 years of such dramatic increases in the national debt. We have added more to the national debt in these past 4½ years than was added by all of our predecessors for the first 192 years of constitutional government combined, from the administrations of George Washington through and including that of Jimmy Carter.

I think if we are honest with ourselves we will have to acknowledge that this course of the past 4 years amounts to a financially irresponsible and morally unconscionable thing to do to our children and our children's children and perhaps to generations yet unborn, for what we have been doing has been placing upon them the responsbility to pay for things that we

are using up and wearing out long before they shall ever reach the age of paying taxes. That is not right. It is not fair. It is not responsible.

So the time has come that we must, indeed, take some dramatic action to ensure that we will bring these out-of-balance deficits back into control. A lot has been said here today about whose fault it is. I am not sure that is a productive question. Blame enough exists for all parties. Let us be honest with ourselves.

□ 1140

Many of us on my side of the aisle, myself included, in years past probably have been guilty, in an abundance of humanitarian zeal, of believing that we could cure all problems by throwing money at them. Some and probably a great deal of money has been wasted in well-intentioned but at least partially unproductive efforts to cure social and domestic economic problems.

I do not apologize for the motivation, but I think in honesty I have to acknowledge that some of that money undoubtedly has been wasted.

Martin Feldstein said, when he was president of the President's Council of Economic Advisers, that the principal causes for this enormous growth in the deficit over these last 4 years have been three. The first was the enormous and excessive tax cut of 1981, which adds $135 billion every year to the deficit. The other two were the huge annual increases in military spending and in interest payments.

So let us be clear what we are not instructing the conferees to do. We are not instructing the conferees to perpetuate a system in which 65 of the truly major corporations of this country among them amassed some $50 billion in profits in the last 3 years and paid no Federal income tax at all. In fact they received rebates from the Government amounting to some $3 billion. We are not mandating that this abuse be continued.

We are not mandating in this vote that the President's request be fulfilled to reduce in half, from 70 percent in 1981 to 35 percent as he now insists, the rate at which the wealthiest individuals in our country shall pay taxes. We are not mandating that in these instructions.

Neither are we mandating in these instructions that we shall overturn the constitutional balance which has existed for almost 200 years. Let it not be said that the 99th Congress in the 196th year of the U.S. Constitution abdicated and surrendered the powers that were inherent in that document to the Congress of the United States. We certainly are not asking conferees to give greater powers to the Executive branch at the expense of the Congress.

If I have a bias, it is in behalf of the legislative branch. Yes, we have been too compliant to Presidential requests, not alone in this administration, but in others. In this administration perhaps our greatest sin was our compliance to readily reduce the revenues available to this Government of ours by the massive 1981 tax cuts.

We have not been guilty, however—and let it be clearly understood on the record that this Congress and its immediate predecessors have not been guilty—of spending more than the President requested, because emphatically we have not. The truth is that in 1985, the fiscal year just ended, total appropriations agreed to by the Congress, House and Senate, were $11 billion less than the total requested by the President. We have disagreed on certain priorities of spending, but consistently we have spent less in total than the President has requested.

And I do not lay that charge at the door of this President alone. That has been the case in 32 of the last 35 years. The Congress has appropriated in all less than the Presidents have requested.

So let us not cringe and cower in shame and accept the blame upon the legislative branch alone that we in the Congress have lacked the discipline to control expenditures. But let us accept, let us accept the responsibility that, faced with a crisis such as the one which confronts us now—with the national debt of $2 trillion, and the prospect that current policies and Presidential budget projections, if unchanged, will reach a $3 trillion national debt by 1990—let us accept the responsibility to do something about it.

I salute those in the other body whose imagination has come forward with a mechanism. But I suggest that we need to be at great pain to insure that this mechanism not be used for an alternative purpose, simply as an excuse to shrink, and shrivel, and starve and suffocate the domestic arm of Government. And I speak not alone of welfare programs. The domestic arm of Govenment in controllable expenditures amounts to only about 16 percent of the total budget. Let us not make that 16 percent upon which the American people rely for such things as law enforcement, clean air and clean water, air safety, highways, education for our children—let us not make that 16 percent the scapegoat in order that we may further enhance increases in Pentagon spending with all of its well-advertised waste.

There has been a grave misunderstanding as to just how the Senate-passed language will affect the future balance between domestic and military spending. The sponsors in the other body say that the cuts fall evenly on all expenditures, and yet the President himself insisted in his radio broadcast last Saturday that their provisions guaranteed 3 percent annual increases for the military, after inflation. If that should be true, of course, then all the cuts will fall upon the peaceful activities of Government. Surely we do not mandate that. Somebody is mistaken. The President and the Senate sponsors appear to be in disagreement as to effect of the Senate language. So we give to our conferees the responsibility to discover who is mistaken in those varying interpretations, and responsibility to make certain that we do not starve one arm of our Government simply to allow some affluent citizens and major corporations to get by tax-free, or to guarantee that military spending continues to grow without sharing in the austerity.

Above all, we do demand that the Congress of the United States, as it was written almost 200 years ago in the Constitution, shall continue to be the agency of Government which determines spending priorities, and that the President, under this provision, will be required to honor those priorities and not to change them in his application of the duties which we here confer upon him.

Mr. MICHEL. Mr. Speaker, might I inquire how many minutes are remaining on both sides?

The SPEAKER. The gentleman from Illinois [Mr. MICHEL] is entitled to 22 minutes if he takes the full half hour and the gentleman from Illinois [Mr. ROSTENKOWSKI] has 16 minutes remaining if he takes the full half hour.

Mr. MICHEL. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. KEMP].

Mr. KEMP. Mr. Speaker, I thank my colleague for yielding.

I was fascinated, Mr. Speaker, by the speech of our friend from Texas [Mr. WRIGHT] the majority leader. There is not a loophole, there is not a preference, there is not a credit, there is not a gimmick in the Tax Code that is in there today without the help, and the support, and the acquiescence of the majority party of the U.S. House of Representatives. If someone is escaping his or her fair share of taxes, I would invite the majority party, as some have done, to join with the President in the type of tax reform that will bring down the rates and broaden that base and put an end to the opportunity for some businesses and some wealthy individuals to escape their fair share of taxation.

But I want to remind everybody that it is the majority party that has controlled the House Ways and Means Committee for 30 of the last 34 years. They have an obligation, as the gentleman from Chicago has assumed, to begin the process of reforming the Tax Code.

But to suggest, as the majority leader has done here today, that somehow the blame belongs with this President, who has attempted to bring about that tax reform, seems to me to be unfair.

Another myth in the majority leader's speech is that revenues have gone down. On the contrary, revenues are rising. Revenues, as a percent of GNP today, are as high as they have been under any Presidential term in the past three decades, except for one: President Carter. Had something not been done in 1981 to stop the increase in taxation, taxes as a percent of GNP would be today as 24 percent of gross national product.

I ask you what type of an economy we would have in this Nation had we allowed that to continue? Frankly, the Democratic majority continues to believe that the American people are undertaxed.

But we must recognize that the deficit problem is caused by Government spending, not a shortage of revenues. It is easy to show that deficits are not caused by the undertaxation of the American people. Despite President Reagan's tax cuts, offsetting tax increases have meant that the tax burden on the economy has not declined. Government revenues are about 19 percent of GNP, almost exactly the average between 1964-79. But spending has risen from 20.5 percent of GNP between 1964-79 to a peacetime high of almost 25 percent of GNP in 1985. In short, while Government revenues have stayed a constant share of GNP, Government spending has repidly outpaced the ability of our economy and citizens to finance that spending.

Mr. ALEXANDER. Mr. Speaker, will the gentleman yield?

Mr. KEMP. I will yield later if I have time. I want to continue my remarks.

The point has been made here today that it is impossible to balance the budget without balancing the economy. I agree.

Fiscal policy is only one aspect of economic policy. I congratulate the gentleman from Florida [Mr. MACK] and our colleagues in the other body, on a bipartisan basis, for bringing to the Congress an effort to reduce steadily the deficit over the next 6 years. It is a mechanism. In and of itself it is not enough, and I think the argument has been made on the floor on both sides of this aisle that other things need to be done.

I believe tax reform is essential to getting the economy growing again. Without growth in the economy, there is no way, it seems to me, we can meet these targets. But nonetheless, part of the equation is putting a discipline on the Congress to restrain its spending.

But the majority leader suggested that it is not Congress' fault for spending. Well then, whose fault is it? His party is in control of the House and has been, as I suggested, for 30 out of the last 34 years.

It also seems to me obvious that much of that spending that seems to be uncontrollable, as it has gone from 20 to 24 percent of GNP, is also related to the fact that the economy has not performed up to its potential. But had we not reduced the tax rates in 1981, with the help of a bipartisan consensus the 8½ million new jobs that have been created in the private sector in 2 years would not have occurred. I want to remind everybody that it was the gentleman from Michigan [Mr. BRODHEAD], a member of the Democratic Party, and a Ways and Means Committee member, who first recommended the reduction in the top rate from 70 to 50 percent. Republicans strongly supported this proposal. It passed because it was done on a bipartisan basis. My friends, that tax rate reduction created more new jobs in private enterprise, over 2 years, without setting off inflation than the continent of Europe has been able to create in two decades.

We still have a deficit. We need spending restraints, and I think the Gramm, Rudman, Mack, Cheney bill is an attempt to bring that type of change.

But this is just one aspect of a compehensive solution to our deficit. We need tax reform to put an end to those abuses in the Tax Code alluded to by the gentleman from Texas [Mr. WRIGHT]. We also need what the gentleman from California [Mr. DANNEMEYER] talked about in terms of bringing a healthier, more growth-oriented monetary policy to this country which would help bring down interest rates. But the combination of spending reform, tax reform, monetary reform and the type of trade reform alluded to by the President in his speech seems to me to give us the best chance we have had in this century to reach the full employment without inflation that all of us want on both sides of the aisle. And incidentally, full employment without inflation would bring the budget into balance.

We have got to grow. We have to cut spending. We have got to reform our tax code.

Let us get on with the business of the American people, and let us stop the type of demogoguery that suggests there are loopholes in there for which we are not responsible.

Mr. Speaker, for the record I am supporting the Balanced Budget and Emergency Deficit Control Act of 1985 introduced by Senators GRAMM and RUDMAN and Congressmen MACK and CHENEY because it offers the hope of bringing down the burden of Government spending, and as one element in an overall pro-growth economic agenda could generate a more prosperous and growing economy.

Frankly, this approach is not the best way to reduce Government spending. The preferred way would be for Congress to restrain Government spending and accelerate economic growth under current procedures and by its own initiative. But Congress has refused to act responsibly. It has failed and failed miserably to fight the special interests and eliminate unnecessary Government spending and corporate subsidy programs.

The next best solution, I believe, would be to give the Chief Executive a line-item veto over appropriations to restrain unnecessary spending in a prudent, responsible way. The line-item veto would permit us to lighten the heavy burden of Federal spending without senselessly taking a meat-ax to the budget. It would complement this legislation by giving the President the authority he needs to prudently and methodically scale back Federal outlays in those areas where they are unnecessary, while leaving spending unchanged, or permitting Congress to increase it, where desirable. This means not only overall spending restraint, but also more efficient use of available resources.

With a line-item veto, the President would be able to meet the Mack-Cheney deficit targets without forcing vital defense initiatives or social safety net programs for the elderly, indigent, and needy to bear unwise budget cuts.

Given the opportunity, I would have recommended an amendment to the Mack-Cheney bill which would have added the additional enforcing tool of the line-item veto. Unfortunately, the rules will not permit me to offer this amendment at this time.

Absent an unlikely surge in congressional discipline, however, the third approach is the Mack-Cheney bill. This approach would cut discretionary program spending across the board as an emergency and last resort incentive to spur Congress to devise a budget reduction plan. It may be imperfect, and the legislation would not be necessary if Congress were fiscally disciplined, but it is not the worst choice our country faces. The worst alternative would be to do nothing and allow the special interests and congressional log rolling to perpetuate wasteful spending subsidies that crowd out investment, saving, and consumer spending.

Let me say from the outset: I don't believe there is any way we can responsibly meet the Mack-Cheney deficit targets except with a strong economic expansion and lower interest rates. Otherwise, the deficit targets would be put out of reach and the automatic "sequestering" procedures in the Mack-Cheney could require severe cuts in national defense and in programs for the poor, or stampede

Congress into passing a large tax increase, which would only further erode economic growth. We must avoid these draconian and dangerous results at all costs.

Creating prosperity and reducing unemployment is, I believe, really at the very heart of this legislation. Stronger economic growth will bring in greater tax revenues from having more workers on payrolls, spur more small business starts, and generate more new investment in plant and equipment. A strong expansion will also make further budget cuts more humane as private sector jobs and opportunities cushion the human impact of spending cuts.

Economists tell us that every 1 percentage point decline in unemployment will generate $35 billion or more in deficit reduction. And with the unemployment rate hovering at 7 percent it is clear that we have enormous potential to reduce deficits simply by lowering the unemployment rate through more private sector jobs.

Our economy is being deprived of the production and work and initiative of over 8 million unemployed workers. That is a human tragedy for the people out of work, but it also deprives our entire economy of the work, vigor, growth, and new ideas from millions of unemployed and potential workers; and less workers on payrolls and smaller profits means less revenue for government coffers.

Some economists now believe that full employment could be around 4 percent of our labor force. I believe it could be even lower; Japan has been running a 2.5-percent unemployment rate for years. And Switzerland is enjoying 0.9 percent unemployment, down from 1.1 percent unemployment last year.

Some unique reasons might explain part of these extraordinarily low unemployment rates, but there is no excuse for accepting over 7 percent or 6 percent or even 5 percent unemployment as representing full employment in the United States. And low unemployment is not inconsistent with low inflation or high growth. Both Japan and Switzerland have a combined inflation rate of 5.6 percent. By comparison, the United Kingdom has 13 percent unemployment and still suffers from 9-percent inflation. There is no tradeoff between unemployment and inflation: Stable prices and a prosperous economy go hand in hand.

In fact, our economic potential is even larger than the official unemployment rate would indicate. One and one-half million new workers enter the labor force each year; another 1.2 million are figured as "discouraged" workers who aren't even counted in the unemployment figures because they aren't actively seeking work, not because they don't want it, but because they believe further job search would be futile. And there are millions of workers in poverty or underemployed who, if more fully utilized, trained, and educated could generate billions more dollars of GNP, and more tax revenues as well. And more and better investment could multiply the productivity and efficiency of new and existing workers.

Economist Victor Tanzi of the International Monetary Fund has computed that the U.S. budget deficit would fall to about 0.5 percent of GNP if our economy were at its full economic potential. Reducing interest rates by easing monetary policy would also contribute strongly to deficit reduction. Every 1 percent lower interest charge saves the Government $65 billion in interest costs over 1985–90.

The effect of lower interest rates doesn't end with the Government budget. Imagine what lower interest rates would do to spur the homebuilding industry, the automobile industry, manufacturing, and farming? As a demonstration, automobile industry sales leaped a record amount when interest rates were artificially set at 7.7 percent. Imagine what would happen if we would make that interest rate a permanent and natural feature of the financial marketplace across all industries and for all consumers, rather than just a temporary sales promotion for the auto industry.

When we have reduced unemployment and given every person who wants a job the opportunity to earn a living for his family, when we have freed up the marketplace and unleashed the full creative power of our people, when we have created a stable currency and a predictable store of value that will be worth the same 20 years from now as it is today—then the solution to the deficit problem will be in sight. Any deficit remaining after our economy reaches its full potential will be amenable to prudent budget cuts.

While I support this legislation, we must carefully avoid some of the potential pitfalls. For one, I sincerely hope that the "emergency" provisions of the Mack-Cheney bill never go into effect. Congress must come to grips with overspending, but across-the-board cuts in government are ill-advised, unduly crude, and indiscriminate. Frankly, good and bad programs should not be treated equally. Some wasteful programs should be eliminated entirely, while some, like needed defense initiatives and some social welfare programs, should be maintained or even increased.

We must be especially careful that this budget plan does not lead to tax increases. Deficits are not caused by the undertaxation of the American people. Despite President Reagan's tax cuts, offsetting tax increases have meant that the tax burden on the economy has not declined. And while Government revenues have stayed a constant share of GNP, Government spending has rapidly outpaced the ability of our economy and citizens to finance that spending.

In fact, tax increases would put deficit targets out of reach by undermining economic growth and reducing the pressure for spending restraint. Raising taxes cannot reduce the Government's crowding out of the private sector; it can only change the nature of the crowding out.

Our national security requirements must not be jeopardized by this budget plan. Because defense makes up such a large portion of the discretionary budget, it would bear the brunt of any across-the-board cuts in discretionary spending. Defense is one-third of the budget, but it would bear 50 percent or more of the budget cuts under the automatic and emergency provisions of this bill. Defense spending must be determined by our requirements to meet the threat, not by an artificial budget formula. The modest improvements in the military balance we have set in motion over the past 4 years will be for naught if prudent defense increases are not sustained. Simply said, our national security must be exempt from the automatic sequestering of this bill, as I'm confident it will be.

While I have some obvious reservations about the possible consequences of this legislation, the Balanced Budget and Emergency Deficit Control Act of 1985 is a radical departure from current budget practices. The status quo is unacceptable. Congress must be forced to deal with the special interest spending programs and corporate subsidies. With the addition of the line-item veto and an explicit recognition of the indispensable role of economic growth and the priority of our national security needs, the Gramm-Rudman-Mack-Cheney approach could be a valuable tool for restraining nondefense spending in a prudent, responsible way.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentleman from Arkansas [Mr. ALEXANDER].

Mr. ALEXANDER. I thank the gentleman for yielding.

Just to set the RECORD straight for my friend from New York, I along with a majoirty of my Democratic colleagues voted against the Kemp-Roth Tax Reform Act of 1981. That was the bill which created these enormous loopholes for corporate America, and set into place the most unjust Tax Code ever enacted into law. It was never supported by leadership of this party or by a majority of our Members.

I thank the gentleman for yielding.

51-059 O-86-11 (Pt. 20)

□ 1155

Mr. MICHEL. Mr. Speaker, I yield 3 minutes to the gentlewoman from California [Ms. FIEDLER].

The SPEAKER. The Chair thought there was an earlier understanding that there would be only 15 minutes on each side. Now what the Chair understands, and the gentleman has charge of the time, you are going to go to a full half hour on each side?

Mr. MICHEL. It is quite obvious——

The SPEAKER. The answer is yes or no. Are you going the full half hour?

Mr. MICHEL. Mr. Speaker, I think we want to even up the time, and the author of the amendment, I think, ought to be entitled to at least 3 minutes.

I was willing, right out of the box, at the beginning, to settle it at 15 minutes. Now, you did not want to do that, so now we are up to a half an hour, and we will let it go to a half an hour.

The SPEAKER. All I want the gentleman to know is if that is the agreement, the Democratic side does not plan to use more time.

Mr. MICHEL. I was being told all the time I have got to have a half an hour. The majority leader needs 10 minutes.

The SPEAKER. The party that has made the motion may close the debate.

Mr. MICHEL. Well, we are not going to do that until we at least hear from the gentlewoman from California.

The SPEAKER. You are yielding how much time to the gentlewoman?

Mr. MICHEL. Three minutes.

The SPEAKER. The gentlewoman from California [Ms. FIEDLER] is recognized for 3 minutes.

Mr. ROSTENKOWSKI. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Illinois.

Mr. ROSTENKOWSKI. The gentleman from Illinois is under the impression that he was yielded 30 minutes. Is that not true?

Mr. MICHEL. Yes, that is what the Speaker announced from the Chair.

Mr. ROSTENKOWSKI. I have 30 minutes, and I have 16 or 15 minutes remaining, Mr. Speaker?

The SPEAKER. The Chair was under the impression that when the majority leader rose, he was closing debate on the Democratic side, and that the Republican leader would then close the debate on the opposite side.

The gentleman has the time, although the remarks of the majority leader were to have been the last debate on the majority side. We will continue; and the gentlewoman is recognized for the 3 minutes.

Ms. FIEDLER. Mr. Speaker, the American people are so sick and tired of listening to us talk about what we are going to do, what we ought to do, what we want to do, and what we should do, that they finally have reached a point where they do not care what we have to say; they care about the outcome of our action here.

Now we have a unique opportunity. That opportunity is to make a decision to realistically, in a thoughtful way, to reduce the deficit that we have before us.

We have a unique opportunity today to vote to send to conference a proposal which can actually do something to make a difference. Every day when we get up before the House, we talk about "the process." Well frankly, the process is not working, and thank God there is somebody over on the other side who came up with a recommendation and who had the energy and the forthrightness to push it through on the Senate side in a bipartisan way that will realistically reduce this deficit that is before us.

I urge my colleagues, do not talk about it; do not complain about it; for God's sake, do something about it, and vote to send this to conference with the motion to instruct conferees to accept deficit reduction legislation.

Mr. MICHEL. Mr. Speaker, I yield such time as he may consume to the gentleman from Colorado [Mr. KRAMER].

Mr. KRAMER. Mr. Speaker, I rise in support of the motion to instruct. Mr. Speaker, in the months since the 99th Congress convened, we've heard a lot about the perils of deficits. Unfortunately, there is a tremendous gulf between rhetoric and reality.

During the 60-year period between 1789 and 1849, the Federal Government ran a budget surplus of $70 million. In fact, the general rule of thumb until about 1930 had always been to balance the budget except in times of emergency, such as war. For example, after piling up $22.9 billion in deficits during World War I, the Federal Government ran a budget surplus in each of the next 10 years. In 1930, the total Federal debt from the first 140 years of our Nation's existence stood at $16.2 billion, nearly all of which was attributable to World War I. In 1945, at the end of World War II, the total national debt had risen to $259 billion. However, it was not until the Great Society programs of the 1960's, combined with the cost of financing the Vietnam war, that the debt began to increase by geometric progression. The last time we had a budget surplus was in 1969.

Now we are being asked to increase the debt ceiling above $2 trillion. How big is $2 trillion? A line of 2 trillion 1 dollar bills stretched end to end will reach from the Earth to the Sun and back. A debt of $2 trillion is an $8,500 liability for every man, woman, and child in the country.

The message is clear: Unless we act now to halt this exponential growth, we will see a return to days of high inflation, high interest rates, and high unemployment. No matter how much we in Congress might will it otherwise, huge deficits mean the Federal Government must either print or borrow money. This in turn causes inflation or high interest rates, or both.

On numerous occasions during the last couple of decades, both Congress and Presidents have sought to restrain spending and limit deficit spending—each time without success. Most notable of these attempts was the Byrd amendment of 1978 which required that Congress balance the budget by 1981. Despite this statutory requirement, the deficit for 1981 was $57.9 billion, making it the third largest deficit at that point in our Nation's history. Sheepishly, Congress amended the statute to read, "Congress reaffirms its commitment" to balance the budget.

Today we are faced with the prospect of another statutory requirement to balance the budget by 1991. The Gramm-Rudman amendment to the debt ceiling bill has my full and complete support, and I praise the leadership in the other body for its persistence and determination in passing this balanced budget measure.

Clearly, the Gramm-Rudman measure has more teeth in it than the Byrd amendment, and even allows the President some authority to curtail spending. Nevertheless, as with the Byrd amendment, I have deep concern that the Gramm-Rudman measure, a statutory provision which can be changed by any subsequent congressional enactment and is not binding on future congresses, will not get the job done—a budget that is balanced.

A constitutional amendment is the only true hope for obtaining that result. The foundation for the Constitution is firm only because of the deference it commands from all Americans. Therefore, though Congress can, and has, ignored statutory requirements, Congress must not and cannot ignore the Constitution.

In closing, it is my hope that my colleagues would support the Gramm-Rudman measure. It is better than what we now have. But it is also my hope that my colleagues will take that real step forward and pass an amendment to the Constitution mandating a balanced budget. Therein lies the solution to the Nation's economic problems and the real hope for the fulfillment of the American dream.

Mr. MICHEL. Mr. Speaker, I yield 2 minutes to the gentleman from Idaho [Mr. CRAIG].

Mr. CRAIG. Mr. Speaker, there are now well over 200 Members in a bipartisan sense who have sponsored a constitutional amendment to balance the Federal budget. Some have done it because they believe in it, others have done it out of absolute frustration be-

cause this body has not controlled its spending habits.

Now we are given the opportunity to put in place a mechanism by which to arrive at a balanced budget. The American people do not believe we have the wisdom, the ability and the strength to do it, but we darn well ought to try. It will be the ultimate test, and if we fail that test, then the 75 to 80 percent of the American public who today say on every poll that we must have a constitutional amendment to balance the Federal budget to control the excesses of Congress will not just ask for it; they will demand it.

We are weeks away from a vote in Michigan to give us our 33d State, and then we will have the 34th. And then the Congress must act. We can no longer walk away because the Constitution will tell us we have to respond to the American people.

Give us an opportunity to put a mechanism in place that brings us to a balanced budget, and then let us work to get that constitutional requirement, to keep our excesses in balance, so the American people can have what they deserve; and let us not accept the kind of rhetoric we have heard from the other side today that says once we get this in place, once we have this mechanism, once we have shown it is impossible to do what the mechanism demands of us, we will be able to ask for taxes.

Remember, the issue is not revenue; the issue is spending, and this mechanism addresses spending and forces us to comply with what we should have been doing years ago.

The SPEAKER. The Chair will announce that the gentleman from Illinois [Mr. MICHEL] has 12 minutes remaining, and the gentleman from Illinois [Mr. ROSTENKOWSKI] has 15 minutes remaining.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. FROST].

The SPEAKER. It is the Chair's understanding that we will use the full hour of debate.

The Chair would appreciate it if the House would be in order. There are no back benches in this House.

The Chair recognizes the gentleman from Texas [Mr. FROST].

Mr. FROST. Mr. Speaker, I will be brief. I rise in support of the motion to instruct conferees.

I think that it should be clear what we are instructing and what we are not instructing, at least from our side. This point has been made by several of our speakers, but as one person who is interested in this matter, and I believe who speaks for a number of Members in our caucus, that it be very clear as to what our intention is:

First, that 1986 be included in the process. That unlike the matter that passed the U.S. Senate, that it take effect in fiscal year 1986, not in fiscal year 1987.

Second, that this be truly across the board, and that the defense budget be subject to cuts in the same way as the domestic budget; and

Third, that it not fundamentally alter the balance of power between the executive and the legislative branch. We intend to be constructive on this side. We intend to work for a product that has a chance of being passed by this Congress, but we do not intend to violate some basic principles as to what we think is fair and what we think is sensible.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 2 minutes to the gentleman from Mississippi [Mr. MONTGOMERY].

Mr. MONTGOMERY. Mr. Speaker, I really have no problems with the motion to instruct, but I do have problems with the Gramm-Rudman proposal with the way it treats veterans.

I made a 1-minute speech this week here on the House floor, and I said in my opinion that the Gramm-Rudman-Hollings proposal was unfair to 4 million veterans pertaining to compensation and pensions.

The veterans and veterans organizations really have no objections to be included in a freeze, but you have got to freeze all COLA's, across the board. You cannot exempt one group against the other. That is what the Gramm-Rudman proposal has done.

So if you have a Vietnam veteran who was shot in the neck, paralyzed from the neck down, and you are going to freeze his COLA, yet someone else is going to get an increase who never smelled gunsmoke or heard a gunshot fired, that is just not right, Mr. Speaker.

So I would hope that the conferees would look at this situation that has been proposed by Gramm-Rudman and that the veterans would be given the chance to be treated just like everyone else who draws a COLA.

Mr. MICHEL. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. ARMEY].

Mr. ARMEY. Mr. Speaker, current fiscal and budgetary law allows this body to do three things: Spend, tax, and borrow to make up the difference. That borrowing is what has brought us to a $2 trillion public debt and to what may be a limit to the collateral value of our public signature.

□ 1205

The Gramm-Mack proposal eliminates the option to borrow and leaves us with the requirement that if we are to spend more we must tax more.

Mr. Speaker, the American people have made it clear that they do not want more taxing, as they demanded in the Kemp-Roth tax cuts.

We need Gramm-Mack; the public wants it, and they will deal very severely with us if they do not get it.

I thank the Speaker.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 2 minutes to the gentleman from Louisiana [Mr. ROEMER].

Mr. ROEMER. I thank the Speaker.

I thank my colleague for yielding this time.

I feel like asking a unanimous consent request that JAKE PICKLE come back and give us his 1-minute again. JAKE stood here about 30 minutes ago and asked that we be together on a few things in the House and try to reduce the political rhetoric.

The question has been asked: Whose fault is it that we have got $2 trillion worth of debt?

It is our fault. It is us. The farmers come and say, "We feed America. Don't cut us back."

The generals come and say, "We defend America. Don't cut us back."

The teachers come and say, "We educate your children. Don't cut us back."

It is our fault that we have a $2 trillion deficit.

I came this morning to oppose the motion to instruct. I thought, I had been informed, that the motion said that Gramm-Rudman, as is. I oppose that. As it turns out, the instructions, well written, well done, I compliment the minority leader, a good step forward; I can support him.

But I do not accept Gramm-Rudman as is. Nobody in this House—Dizzy Dean is right, "If you can do it, it ain't bragging"—nobody in this House has any better deficit reduction credentials than I do, nobody. I voted against defense spending, I voted against social spending, I voted against foreign aid, et cetera, et cetera. Endorsed the motion to have a constitutional amendment to balance the budget and all the rest, but how can we accept a proposition that we have never read and not studied? The motions to instruct are good because they give us time to do this wisely and well. And if we do, if we do, it will mean jobs for Americans.

If we do, it will be a plus for the bipartisan nature that this House ought to act upon in times of crisis.

Let us stick together on this.

Mr. MICHEL. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. LAGOMARSINO].

Mr. LAGOMARSINO. I thank the gentleman.

Mr. Speaker, I rise in support of the motion to instruct conferees. There are few Americans who would deny that the most important economic issue of our time is whether fiscal common sense can be reestablished in Washington. Clearly, this Congress during the past few years has not been able to effectively reduce the deficit. These deficits have been the simple result of congressional spending which has doubled from 1960 to 1970 and tri-

pled from 1970 to 1980. The results have been historically high interest rates and a growing trade deficit. If we are truly serious about bringing the Federal deficit under control then we need to consider effective alternates to the same old status quo budget process. The Gramm-Rudman-Hollings-Mack amendment is a results-oriented approach for lowering the deficit ceiling for each of the next 5 years. I urge my colleagues to demonstrate to the American people and the financial markets our resolve to effectively deal with deficit crisis.

Some of the opponents of the Gramm-Mack approach say they don't understand it. Mr. Speaker, I suggest the problem is they do understand—they just don't like it—they don't really want to do what is necessary to cut the deficit in a meaningful way.

I urge adoption of the motion.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey [Mr. HUGHES].

Mr. HUGHES. Mr. Speaker, I rise in strong support of the motion by our colleague, Mr. MICHEL, to instruct the conferees to support amendments to the Budget Control and Impoundment Act, to set benchmarks for balancing the budget within the next 6 years.

There has been a lot of rhetoric, as many of my colleagues have said, about who is responsible for the current large and intolerable imbalances in the Federal budget.

The administration has been quick to blame deficits on Democratic spending policies while Democrats have been just as quick to point to the administration's military spending and tax cuts as responsible for doubling the national debt since 1981.

As a matter of fact, there happens to be some truth, in my judgment, to the claims made on both sides. But there is also an old saying that goes, "If you are in a hole, stop digging."

I think the partisan accusations that I have heard here today hurled back and forth just represent more and more digging of the same nature, and we find ourselves deeper and deeper in debt.

I want to commend Mr. MICHEL. I think he has given us an alternative. For many, many years now HENRY HYDE and I have introduced legislation advocating an amendment to the Budget Control and Impoundment Act to require a balanced budget. The Budget Act has really been helpful in setting targets, in meeting budget targets. Look at the historic record.

Congress has legislated budgets over the past 3 years that have really come within a tiny fraction of the ones called for by the President. The most significant shortcoming of the Budget Control and Impoundment Act is the fact that it does not include fiscal restraint among its goals. That is a problem.

Our legislation, like the Michel proposal before us today, would be specific in saying that we want to achieve a balanced budget over a period of time. Most importantly, it keeps the responsibility for balanced budgeting here, in this institution where it belongs. It does not trample on the Constitution. It does not reorder and reallocate, as the Constitution has so wisely and prudently done over the years, to the executive things that belong in this Congress. To be sure, it would be a most welcome change if we asked the President to submit a balanced budget.

Our colleague, Mr. JONES of Oklahoma, has a measure that has been pending before this Congress for too long that mandates that the President submit a balanced budget. We have to do that also.

I ask you to support the motion.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield such time as he may consume to the gentleman from Georgia [Mr. RAY].

Mr. RAY. Mr. Speaker, I rise in support of the motion to instruct.

Mr. Speaker, I rise today to express my concern regarding the financial deficit of America and to support the motion to instruct, and to talk to you about things that are close to my heart—the things that I believe make America strong.

Our Government is good because it—by our Constitution—has to be responsive to its citizens. When our country was sinking deeper and deeper into the Depression, our Government responded with a program to push economic growth. And for close to 50 years, our country performed miracles—in economic growth, in preserving democracy around the world, and in assuring civil and human rights.

But somewhere, Mr. Speaker, that idea that the Government should be responsive to our citizens got lost. Suddenly, the Government in all its power reared its head and plunged into a headlong rush of overregulation and overspending. I am pointing no fingers because I think we are all to blame—Republicans, Democrats, and those who did not try to change the system.

We are on a runaway course to economic destruction. And we have to stop before it is too late for us, our children, and our grandchildren. Our generation will be the first in American history to leave our children poorer than we were. We will leave them with the largest deficit in our Nation's history—one that has doubled in only 4 years—and we leave them a nation that is in debt. This is not the legacy that I want to leave to our children.

The question then becomes: How do we stop? How do we harness this overspending?

I think we have to make the Congress accountable to the people of America again. It is my opinion that we have to make rules and force the Congress to operate under them. No more waiving sections of the Budget Act to bring late bills to the floor or voting on approprations bills before we even have the money authorized. Mr. Speaker, how can we win the game if we aren't playing by the rules?

Experts argue that Congress will always trample over rules because it makes the rules. But I am here to tell you that we do have a higher authority—the people of the United States of America.

We should have the fortitude to vote for strong deficit controls. And if we do, we will return an important power to our citizens—the power of holding us accountable.

All of us, who have been talking with our constituents back home, know that the people of this Nation want a balanced budget and they want the Congress to stop overspending. Ther is no political danger in voting for deficit reduction, because it has become the No. 1 concern of the American people.

I am on record as being a supporter of Gramm-Rudman as introduced by Congressman MACK, but I want to also go on record as urging our conferees to report back to the House an agreement with the Senate that imposes strong deficit controls and moves us quickly toward a balanced budget.

Now that the American people have realized that we aren't controlling spending, there is real political risk in not supporting deficit-reducing measures. In 1987, if a deficit ceiling of $144 billion is set, my constituents will keep that number in mind. If I vote for 1 penny more than $144 billion, you can be sure they will throw me out of office in 1988. It is that simple. Congress must again be accountable to the citizens of this great land.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. LUNDINE].

Mr. LUNDINE. Mr. Speaker, I rise in support of the motion to instruct.

Mr. Speaker, I strongly support today's motion to send the House to conference on House Joint Resolution 372, the debt limit increase balanced budget plan. Serious action to reduce the deficit is long overdue and I am prepared to support the plan which has been put forth by Senators GRAMM, RUDMAN, and HOLLINGS to put us on course toward a balanced budget.

I have had a sense of urgency for some time regarding mounting deficits and offered one of the biggest deficit reduction plans earlier this year. Under my proposal to enact a temporary, 2-year import surcharge combined with equivalent spending cuts, the Federal deficit would have been reduced by approximately $80 billion in both fiscal years 1986 and 1987. This proposal clearly would put us on a much faster path toward reducing the deficit. It is not too late for my proposal to be considered and I hope to bring it to the forefront of the budget debate in the months to come.

It is clear that we are living on borrowed time. We are financing our budget deficit by borrowing an increasing amount of foreign capital. The United States has become a net debtor country this year, and we are falling further behind by importing almost

twice as much as we export. If present trends continue, the external debt of the United States could reach an historic $1 trillion by 1990, surpassing the combined debt of the rest of the developed nations of the world.

One of the chief causes of our escalating trade deficit is our budget deficit. The deficit is keeping real interest rates at historic highs, thus attracting foreign capital to finance the federal debt. The large flow of capital into the United States is keeping the value of the dollar abnormally inflated and certainly out of balance with other major currencies.

By adopting a responsible enforcement mechanism for reducing the deficit, we will be taking the first steps toward sustaining economic expansion, reducing inflationary risks, lowering interest rates, and increasing the share of GNP devoted to productive investment in physical and human resources.

Obviously, in the few hours since the Senate acted on this measure, I have not had the opportunity to examine, much less analyze, the specific provisions of this plan. However, it is my understanding that we are not being asked to endorse the specific provisions and enforcement mechanisms. Rather, we are being asked to endorse the concept and make it clear that we are committed to going forward with such a plan. I support the concept that is before us today and will vote in favor of making this commitment clear to our conferees.

Let us not underestimate the challenge before us. Reducing the deficit will require strict fiscal discipline which Congress thus far has been unable to muster. The choices will be difficult and it is our responsibility to see that reductions are made across the board, in the fairest way possible. The House leaders that we appoint to conference here today will have the task of ensuring that the process for reducing the deficit in this budget plan is fair. They must ensure that the constitutional requirements are met and that the mechanism for accomplishing our goal is sound. Finally, it is the responsibility of the conferees to see that the process for reducing the deficit is put into place immediately. We cannot afford to delay action on the deficit any longer.

I am hopeful that this can be accomplished and that we can enact a plan to reduce the deficit in the very near future.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentleman from South Carolina [Mr. DERRICK].

Mr. DERRICK. Mr. Speaker, I have been in this body for some time, and I want you to know that I have sponsored every balanced budget amendment that came along. If there are any that I have not cosponsored, if you will bring that to my attention, I will do it.

I just do not want what we are doing here this morning to be another exercise such as these.

Having told you that I have sponsored them all, I will tell you there is not a one worth a tinker's—you know what.

What we are doing is, we mislead the American people. What we are doing as politicians, we are trying to find a mechanism which is going to do the dirty work for us.

You and I know, all of us know, that you balance a budget one of two ways: You either take in more money or you spend less. And there is no way to get around those hard decisions.

I heard someone this morning say, "A constituent of mine ran up to me and told me how wonderful it was, 'You are going to balance the budget.'"

Please do not go home and tell your constituents that you are going to balance the budget, that you have done something courageous this morning, something brave for the country.

All you are doing is talking, and all you are doing is setting, maybe, a road to go. But that is a long road, it is a tough road, and so far we have never been able to travel it like it should be traveled.

I thank the Speaker.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentleman from New Mexico [Mr. RICHARDSON].

Mr. RICHARDSON. Mr. Speaker, I rise in support of the motion to instruct conferees to balance the budget by 1991. There are two issues here that are critical to our motions but: first, the balancing of the budget and how we achieve this necessary goal; and second, the constitutional role of the Congress in spending issues.

Specifically, in the days ahead, we must make a choice on spending priorities: Do we abdicate spending powers to faceless unelected bureaucrats at the OMB or the White House, whether Republican or Democratic administration, or do we keep it in the Congress with men and women, however imperfect, that have been elected by the people?

The Gramm-Rudman proposal is a fiscal Gulf of Tonkin resolution—a complete abdication of responsibilities that our Founding Fathers intended.

I have been working with a budget-deficit task force that will come up with a plan that: First, balances the budget by 1991; second, tightens the congressional budget process by setting spending targets; third, mandates the President to submit a budget which meets deficit targets; and fourth, improves fiscal discipline in the Congress so that deficits are reduced by 20 percent each year and an automatic continuing resolution is triggered at the previous years levels if Congress fails to act within prescribed guidelines.

Let us work together to balance the budget. We are all to blame—Democrats, Republicans, the President, and the Congress. Let us take credit however, for the proper steps that balance the budget.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. STENHOLM].

Mr. SPEAKER. The gentleman from Illinois [Mr. ROSTENKOWSKI] has 5 minutes remaining. The gentleman from Illinois [Mr. MICHEL] has 10 minutes remaining.

Mr. STENHOLM. Mr. Speaker, the gentleman from Texas, the gentleman from Louisiana, and others said it well today when they said the time has come for us to quit pointing the finger, the Congress or the President, at each other.

I accept my 1/536-share of the blame today. I rise in support of this motion because this motion that we debate today puts us in the position of the little dog that chased the bus and finally caught it.

We should not accept, we should not accept the other body's work. We must do better, because if we accept the other body's work we are going to add $569 billion of additional deficit dollars to this Nation and to our children and grandchildren.

We must do better than that, and we can do better than that, and I believe bipartisanly we will do better than that.

But to do it, we are going to need to make spending cuts quicker than postponing until after November 1986. We must balance the budget sooner. But as the gentleman from South Carolina said it so well, if we at this moment, in preparation for the next deadline which will come as the debt ceiling increases upon this House, if we cannot put everything back on the table, everything, no exceptions, defense, Social Security, taxes, if we cannot put everything back on the table, let not one of us go home today and tell our constituents that we are going to bring a balanced budget to this country any time soon.

If we cannot do better, one thing for certain, we will do no worse from this day forward than what Gramm-Rudman has brought to us today.

Mr. MICHEL. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. CLINGER].

Mr. CLINGER. Mr. Speaker, I rise in strong support of the motion to instruct.

Mr. Speaker, for several years now, my congressional district has suffered the ravaging consequences of the Government's deficit spending binge—plant closings, unemployment, and the increasingly unfair balance of trade are damaging the economic vitality of the 23d District of Pennsylvania and eroding their confidence in the ability of Congress to decisively act on these problems. Constructive proposals such as the balanced-budget amendment and the line-item veto have been scuttled by the majority party in the absence of any

plan of their own to bring Federal spending under control.

Well Mr. Speaker, we are now faced with a workable, reasonable measure to balance the budget that I believe a majority of Congress would ahve a hard time opposing. The Balanced Budget and Emergency Deficit Control Act, of which I am proud to be an original cosponsor, would lead to a balanced budget within 5 years by requiring Congress and the President to keep their budgets within fixed limits, eventually eliminating the deficit by 1991.

Certainly, Mr. Speaker, this legislation should not be viewed as a cure for all of our economic ills, but it is a positive step toward harnessing the Federal debt and putting business, industry, and my constituents back to work. I urge support of the motion to instruct conferees.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentleman from Minnesota [Mr. OBERSTAR].

Mr. OBERSTAR. I thank the chairman.

Mr. Speaker, the instruction to conferees to report mechanisms for deficit reductions including specific and mandatory budget goals, to achieve a balanced budget in 6 years, simply stated, is a motion which liberals and conservatives alike can support. The Democratic Study Group has supported deficit reductions for the past 4 years, and it continues to support that goal. But this motion is not what we expected it to be. To accept the tangled, confused web of Gramm-Rudman, still unfolding and still being shaped and created. It is a motion that gives our conferees a free hand to negotiate something that is workable, that is fair, that distributes the burden on all sectors of our economy, and it is something within which this framework can be shaped along the lines of the proposals being developed by our colleagues, Mr. OBEY, Mr. LEATH, Mr. FROST, Mr. MACKAY, and myself, among others, to achieve a balanced budget through deficit reductions expressed as percentage of gross national product and, I would add, that touch both outlays and tax expenditures.

Mr. Speaker, we should vote for this motion.

Mr. MICHEL. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. DORNAN].

Mr. DORNAN of California. Mr. Speaker, there is a spirit of cooperation in this House on both sides of the aisle that I think grows out of a proper fear of our massive deficits, the trade imbalance, and the continuing high interest rates.

I want to associate myself with the remarks of the distinguished gentleman from Louisiana [Mr. ROEMER] who implores us to stop placing blame and to pull together.

This morning's debate would have been over 30 minutes ago if it had not been for a speech riddled with partisanship by the distinguished majority leader. He knows we admire him on this side of the aisle, so why the bad feeling today? And the gentleman from Arkansas, the distinguished deputy whip, comes on here weekly with his cockamamie charts espousing Brazilian economics. These are not the President's massive deficits. It goes back to the fiscally ill conceived Great Society. We know this is the most fiscally responsible President all of us have lived under in our entire lifetime.

Regular order, Mr. Speaker. Please stop the clock.

Mr. ROEMER. Would the gentleman yield? He said he agreed with my remarks. I did not say that.

Mr. DORNAN of California. Say what. I agree with your remarks on sharing blame. Mr. Speaker, I would like the clock stopped and regular order.

Thank you, Mr. Speaker.

I thank the Speaker. You're so imposing—you did not even have to use your gavel.

Now about these Brazilian charts that blame our huge deficits on President Reagan. A high school civics teacher or grade school history teacher knows that the Congresses of the 1960's, particularly the 89th Congress, voted for massive entitlement programs, because a very astute politician who served 12 years here and 12 years in the other body became a veto-proof President and then launched the budget-busting Great Society.

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The deficits are the fault of all the ensuing Congresses. Let us solve the budget problems in the 99th through 101st Congresses. It will be a magnificent gift to history.

Mr. MCCANDLESS. Mr. Speaker, I rise in strong support of the motion to instruct the conferees, and in strong support on the Gramm-Rudman-Mack proposeal to balance the budget, of which I am an original cosponsor in the House.

It took 200 years for the United States to amass a debt of $1 trillion. It only took us 5 years to double that and reach the $2 trillion mark. At the current pace, it is estimated that we will reach the $3 trillion mark in another 3 years. With the $3 trillion debt will come a high price tag. Over 20 percent—one-fifth—of the Federal budget will go just to pay the interest on the debt. There are those who seem to feel that debt is not alarming and that it will go away if we ignore it. I couldn't disagree more. We are going from year to year, creating more and more debt just to pay the interest on past debt. If that is not a sure road to bankruptcy and economic crisis, I don't know what is.

Two and a half months ago, amid much fanfare, we passed the budget resolution for fiscal year 1986. Many claimed that we had acted responsibly and reduced the deficit by $55.5 billion. However, the ink on the resolution was barely dry when OMB estimated that unless additional action was taken, the deficit would remain above $200 billion for at least the next 2 years. Our very own non-partisan Congressional Budget Office estimates that the actual fiscal year 1986 deficit reduction, as passed, will be closer to $37 billion, and then only 8 percent of that savings will actually be achieved.

It is obvious. The budget process does not work. The budget process has no teeth. If we are to reduce the deficit, Congress must reduce spending. Spending is out of control. In a recent syndicated column, economist Warren Brooks correctly pointed out:

"Americans should already know that tax increases won't cut the deficit, only spending cuts will. The best proof is what has happened during the fiscal year just ended. Through the last 11 months of fiscal year 1985, Federal revenues have risen 10.4 percent, one of the strongest rises in our country. Our economic recovery, because of our reduction in tax rates, has started to stimulate the job market and new growth. But Federal spending also soared by 9.2 percent, nearly double the fiscal year 1984 rate of 5.4 percent."

Congress has no incentive to reduce spending. For every Federal dollar that is spent, there is a constituent interest who receives that dollar and who is interested in seeing that program or benefit preserved, if not expanded. When a new program is proposed, there is no incentive to look for outdated or low priority programs from which funds may be diverted. Congress merely borrows more money. Congress and the budget are out of control.

What is needed, and needed today, is the Gramm-Rudman-Mack proposal. The proposal will supply the discipline that Congress lacks. The proposal sets maximum deficit levels for the next 5 years. The proposal does not dictate where budget reductions will be made. That, as it should be, will be left to Congress. We will have to examine the entire budget and make difficult determinations of what our priorities are and what we can afford to spend on them. The only exception is Social Security. The exception is logical and one that I support. Social Security is funded by its own tax and should be removed from the unified Federal budget. I have introduced legislation to accomplish this as I believe that changes in Social Security should be made exclusively on the basis of the objectives and financial constraints of the system, and not the budgetary constraints of the Federal Government as a whole.

The time for talk and posturing on the deficit is over. We simply cannot postpone the day of reckoning any longer. We must seize the opportunity that we have today. If we act responsibly and pass the proposal, by 1991, we will have a balanced budget. The proposal, in conjunction with the next logical and necessary step—passage of the Balanced Budget/Tax Limitation amendment to the Constitution, of which I am also a cosponsor—will put us well on the road to restoring fiscal sanity and responsibility to the budget process.

I urge my colleagues to vote in favor of the motion to instruct conferees and to vote in favor of the Gramm-Rudman-Mack proposal when it emerges from conference.

Mr. OBEY. Mr. Speaker, in his inaugural address in January 1981 President Reagan made a profound observation and asked a pointed question. He said:

An almost unbroken 50 years of deficit spending has finally brought us to a time of reckoning. We've come to a turning point, a moment for hard decisions. I have asked the cabinet and my staff a question and now I put the same question to all of you. If not us, who? And if not now, when?

The Gramm-Rudman amendment boldly claims that it is time to get serious about balancing the budget. But on closer inspection, it is clear that their proposal is a mere election-year gimmick, not a serious attempt to deal with the deficit.

Their proposal sets a target of $180 billion for the fiscal year 1986 deficit, this at a time when CBO is forecasting a deficit of $175 billion for the same fiscal year. They have conveniently built a $5 billion "cushion" into their proposal to prevent any significant deficit reduction during the coming fiscal year.

But to make certain that nothing happens this year, their proposal also allows their $180 billion target to be exceeded by 7 percent before any deficit reduction action is mandated. This "escape clause" means that the deficit could be as high as $192 billion before the President would have to do anything about the fiscal year 1986 deficit.

You cannot claim that Gramm-Rudman is a responsible approach to deficit reduction if it would permit this year's spending levels to be $18 billion higher than the levels specified in this year's budget resolution.

Gramm-Rudman claims to "balance the budget," but on close reading it appears that somebody else is going to balance the budget at some point in the future.

Where is the seriousness of this approach?

It seems clear that this proposal is merely an election-year gimmick. It fools the country into thinking that Congress is getting serious about the deficit, while postponing any serious deficit reduction until after the 1986 elections.

Everybody knows that cutting the deficit will involve painful choices, but no proposal to reduce the deficit should be taken seriously unless it is backed by a willingness to make those painful choices now.

Supporters of Gramm-Rudman think they can have it both ways—making tough speeches about balancing the budget, while quietly putting off any serious attempt to deal with the deficit problem.

Once safely through the elections, supporters may feel very differently about making the hard choices.

The public ought not to trust any approach to deficit reduction which puts off the real pain until some point in the future—especially if putting things off in this fashion enables some politicians to coast through the next election.

If we are going to get serious about reducing the budget deficit, then let's get serious. Any serious approach to deficit reduction ought to demonstrate its seriousness by starting now, with the fiscal year 1986 budget.

President Reagan asked a good question: If not us, who? If not now, when?

Gramm-Rudman answers, in effect: Not us. Not now.

But the time for serious action is now. There is no point in waiting until the national debt has grown to $2.2 trillion, as could happen under Gramm-Rudman, before tackling the political impasse which has created today's deficit mess.

If we are going to deal with the deficit, we need stronger medicine and quicker action than is provided in this piece of election-year gimmickry.

Mr. BROYHILL. Mr. Speaker, the conferees on this legislation should be instructed to report promptly legislation eliminating the Federal budget deficit by 1991.

The American people have spoken. In conversations with each of us, all across this Nation, they have made reduction of the Federal budget deficit their No. 1 priority.

The Senate has spoken. A majority of the Members of the other body on both sides of the aisle voted for the Gramm-Rudman deficit reduction legislation. They believe that stopping the flow of Federal red ink is more important than partisan politics.

Now it is time for the House to speak. We should agree to the Gramm-Rudman amendment. Any delay can only mean that the House Democratic leadership is not interested in reducing the budget deficit. There are no good excuses for failure to act. The American people are watching to see if the House has the will to prescribe the strict fiscal medicine the Federal Government desperately needs. We must act now. They have already waited too long.

Mr. DREIER of California. Mr. Speaker, one of my biggest disappointments this year was when I had to vote against the fiscal year 1986 budget package, which claimed to reduce the Federal deficit by $57 billion. I could not support a budget package riddled with overly optimistic assumptions and a great deal of budget gimmickry. That package failed to reduce deficit spending for the foreseeable future. In fact, the Congressional Budget Office estimated total savings, if any, of $39 billion in fiscal year 1986.

If something had been done then to reduce deficit spending, we wouldn't be here today debating the relative merits of the Gramm-Rudman proposal. We are still faced with massive Federal deficits for as far as the eye can see. I'm just thankful that we have another opportunity this year to restore the faith of our constituents back home who believe Congress doesn't have the guts to make the tough choices necessary to bring the deficit under control. I urge my colleagues not to let this opportunity slip away.

The Gramm-Rudman proposal is a serious and viable opportunity to finally put some teeth into the budget process without raising questions of unlawful shifts in constitutional powers. Unlike those arguments put forth in opposition to balanced budget language and line-item veto authority, the Gramm-Rudman proposal would not take anything away from Congress. It merely says if Congress can't or won't take deficit reduction action to meet specified targets, then the ball will be in the President's court. But that decision will be up to Congress.

Mr. Speaker, I would urge my colleagues to accept the deficit reduction language laid out in the Gramm-Rudman proposal. A vote for this type of plan would be a vote for fiscal sanity, send a message to the American people that we are willing to do more than just talk about reducing the Federal deficit.

Mr. GREEN. Mr. Speaker, I am going to support the motion to instruct the House conferees on the debt ceiling to accept the Senate's deficit reduction proposal.

Since 1974, we have operated under the procedures of the Budget and Impoundment Control Act passed in that year. The result has been the largest deficits in our Nation's history. Plainly, the procedures need a change in the direction of reducing our deficits.

Unlike the initial proposals in the Senate, the final deficit reduction plan passed in that body leaves virtually no discretion to the President. Defense is affected like all other programs. Exceptions are few, principally interest on the Federal debt and old age and survivors insurance payments under Social Security. There are escape clauses in the case of war and recession.

I am also mindful that an instruction to the House conferees, though advising the conferees of the will of the House, is not binding. If there are technical difficulties to iron out, the conferees can do that.

But we do need a change in the process to get our deficits down, and the proposal before us is the best vehicle I have seen to reach that goal.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield myself the remaining time.

The SPEAKER. The gentleman from Illinois [Mr. ROSTENKOWSKI] is recognized for 2 minutes.

Mr. ROSTENKOWSKI. Mr. Speaker, the holiday season has concluded. Now we face the reality of taking down the decorations.

The American people have recognized the problem of the deficit, and I must commend the other body for having formulated some policy to deal with it, which I am sure that we in the conference will have their help in changing, if necessary.

But I do think that I would prefer to see us working on common ground with common purposes, because we are in the homes of the American people constantly. And if there is any reflection on the part of the American people that is credited to us, it is when we work together, it is when we feel that we have a bipartisan effort, rec-

ognizing a crisis and working toward a solution.

So what the minority leader has offered with respect to instructions I feel is certainly flexible enough for those of us who are going to serve on the conference that we can work with it, and I think that there will be and I hope a bipartisan effort to really get down to the core of what our problems are, and that is the deficit.

If we do arrive at a consensus—and I hope with the cooperation of the other body, and thus far, in my conversations with those Members who expect to serve on the conference, the air of bipartisanship and cooperation is in existence—I think we can bring back a product to this body that we could approve and that we could feel is going to settle the nervousness of the American people about the deficit.

I hope, Mr. Speaker, that we adopt this motion. Although any chairman going to any conference likes wide flexibility, I think the minority leader has provided that in his resolution and so, Mr. Speaker, I will vote favorably on the direction of the majority leader.

The SPEAKER. The Chair recognizes the gentleman from Illinois [Mr. MICHEL] to close debate.

Mr. MICHEL. Mr. Speaker, there are two reasons why this motion is important today. The first is because we want to tell the conference to report back quickly and to report something with teeth in it, but the second reason is equally important. In voting for this motion, we are turning back on 40 years of failure. For that long and longer the Washington establishment has been feeding the habit of deficit spending. And I know because I have been here during all those 40 years. We have become the biggest bunch of deficit junkies in the world. And to hear some people talk, you would think that deficit was invented yesterday. Well, it was not. It has been part of this town's official thinking as long as any of us can remember.

Do we want to assign blame for this failure? Look around. Boy, there is plenty of blame to go around. And I look at this gentleman himself. I am intrigued by the gentleman from South Carolina [Mr. DERRICK] on the balanced budget amendment, give me any one you have got, I will quick sign on. The majority of my Members have. I have had a little reservation about that, just because my personal conscience says that unless on a day to day basis I am down here doing what ought to be done to get us there, maybe it is a bit of hypocrisy.

You remember that little tale about Alexander the Great, when he was confronted by an enormously complicated knot. He did not try to unravel it, like everybody else. He cut the Gordian knot.

And that is what we have to do: Stop picking around the edges and cut to the very heart of the problem of the deficit.

Some critics have said this is a simple solution to a complicated problem and it will not work, it cannot work. Well, I have seen all of the complicated solutions for 30 years around here, and none of them have worked. As ranking minority member on the Committee on Appropriations, for any number of years I have heard the rhetoric of responsibility from my colleagues, but I saw them voting rather irresponsibly to spend money we did not have from time to time.

We do not need months of hearings and extensive studies and commissions in order to find out what to do about the deficit. What we need is just old-fashioned guts to do what has to be done in that conference. And because the number of conferees I expect to be appointed, I certainly hope we are not going to get ourselves bogged down in endless rhetorical diatribe in the conference, but get right down to business and then report back something of meaningful purpose here for both Houses of the Congress.

I certainly hope that the Members will in large numbers support the motion to instruct the conferees.

Mr. DELLUMS. Mr. Speaker, I ask unanimous consent to strike the last word.

The SPEAKER. All time has expired.

Mr. DELLUMS. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. DENNY SMITH. Mr. Speaker, I object.

The SPEAKER. The Chair hears an objection.

Mr. MICHEL. Mr. Speaker, I move the previous question on the motion to instruct the conferees.

The previous question was ordered.

Mr. SPEAKER. The question is on the motion to instruct the conferees offered by the gentleman from Illinois [Mr. MICHEL].

The question was taken; and the Speaker announced that the ayes appeared to have it.

REOCRDED VOTE

Mr. MICHEL. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 354, noes 15, not voting 65, as follows:

[Roll No. 358]

AYES—354

Alexander	Armey	Bartlett
Andrews	Aspin	Barton
Annunzio	Atkins	Bateman
Anthony	AuCoin	Bates
Applegate	Barnard	Bedell
Archer	Barnes	Beilenson
Bennett	Gaydos	Meyers
Bentley	Gejdenson	Mica
Bereuter	Gekas	Michel
Berman	Gephardt	Mikulski
Bevill	Gibbons	Miller (CA)
Bilirakis	Gilman	Miller (OH)
Bliley	Gingrich	Miller (WA)
Boggs	Glickman	Mineta
Boland	Goodling	Moakley
Boner (TN)	Gordon	Molinari
Bonior (MI)	Gradison	Mollohan
Bonker	Gray (IL)	Monson
Borski	Gray (PA)	Montgomery
Boucher	Green	Moody
Boulter	Gunderson	Moore
Boxer	Hall (OH)	Moorhead
Breaux	Hall, Ralph	Morrison (CT)
Brown (CA)	Hamilton	Morrison (WA)
Brown (CO)	Hammerschmidt	Mrazek
Broyhill	Hansen	Murphy
Bruce	Hefner	Myers
Bryant	Heftel	Natcher
Burton (IN)	Hendon	Neal
Bustamante	Henry	Nelson
Byron	Hertel	Nichols
Callahan	Hiler	Nielson
Campbell	Holt	Nowak
Carney	Hopkins	Oakar
Carper	Howard	Oberstar
Carr	Hoyer	Obey
Chandler	Huckaby	Olin
Chapman	Hughes	Ortiz
Chappie	Hunter	Oxley
Cheney	Hutto	Packard
Clinger	Hyde	Panetta
Coats	Ireland	Parris
Cobey	Jacobs	Pease
Coble	Jeffords	Penny
Coelho	Jenkins	Pepper
Coleman (MO)	Johnson	Perkins
Combest	Jones (NC)	Petri
Conte	Jones (OK)	Pickle
Cooper	Jones (TN)	Porter
Coughlin	Kanjorski	Price
Courter	Kaptur	Pursell
Coyne	Kasich	Rahall
Craig	Kastenmeier	Ray
Crockett	Kemp	Regula
Daniel	Kennelly	Reid
Dannemeyer	Kleczka	Richardson
Darden	Kolbe	Ridge
Daschle	Kolter	Rinaldo
Daub	Kostmayer	Ritter
Davis	Kramer	Roberts
DeLay	LaFalce	Robinson
Derrick	Lagomarsino	Rodino
DeWine	Leach (IA)	Roemer
Dickinson	Leath (TX)	Rogers
Dingell	Lent	Rostenkowski
DioGuardi	Levin (MI)	Roth
Donnelly	Levine (CA)	Roukema
Dorgan (ND)	Lewis (FL)	Rowland (CT)
Dornan (CA)	Lightfoot	Rowland (GA)
Dowdy	Lloyd	Russo
Downey	Loeffler	Sabo
Dreier	Long	Saxton
Duncan	Lott	Schaefer
Durbin	Lowery (CA)	Scheuer
Dwyer	Lowry (WA)	Schneider
Dyson	Lujan	Schroeder
Eckart (OH)	Luken	Schuette
Eckert (NY)	Lundine	Schulze
Edwards (CA)	Lungren	Schumer
Edwards (OK)	Mack	Seiberling
Emerson	MacKay	Sharp
English	Madigan	Shaw
Erdreich	Manton	Shumway
Evans (IA)	Markey	Sikorski
Evans (IL)	Marlenee	Siljander
Fawell	Martin (NY)	Sisisky
Fazio	Martinez	Skeen
Feighan	Matsui	Slattery
Fiedler	Mavroules	Slaughter
Fields	Mazzoli	Smith (FL)
Fish	McCain	Smith (IA)
Flippo	McCandless	Smith (NE)
Foglietta	McCloskey	Smith (NJ)
Foley	McCollum	Smith, Denny (OR)
Ford (MI)	McCurdy	Smith, Robert (NH)
Fowler	McDade	Smith, Robert (OR)
Frank	McEwen	Snowe
Franklin	McGrath	Solarz
Frenzel	McHugh	Solomon
Frost	McKernan	
Fuqua	McKinney	
Gallo	McMillan	

Spence	Tauzin	Watkins
Spratt	Taylor	Waxman
St Germain	Thomas (CA)	Weaver
Staggers	Thomas (GA)	Weber
Stallings	Torres	Whitley
Stark	Torricelli	Whittaker
Stenholm	Traficant	Whitten
Strang	Traxler	Williams
Studds	Udall	Wirth
Stump	Valentine	Wise
Sundquist	Vander Jagt	Wolf
Sweeney	Vento	Wortley
Swift	Visclosky	Wright
Swindall	Volkmer	Wyden
Synar	Vucanovich	Wylie
Tallon	Walgren	Yatron
Tauke	Walker	Young (MO)

NOES—15

Clay	Gonzalez	Rangel
Conyers	Hayes	Savage
Dellums	Leland	Weiss
Dymally	Mitchell	Wheat
Ford (TN)	Owens	Young (AK)

NOT VOTING—65

Ackerman	Garcia	Pashayan
Addabbo	Gregg	Quillen
Akaka	Grotberg	Roe
Anderson	Guarini	Rose
Badham	Hartnett	Roybal
Biaggi	Hatcher	Rudd
Boehlert	Hawkins	Sensenbrenner
Bosco	Hillis	Shelby
Brooks	Horton	Shuster
Broomfield	Hubbard	Skelton
Burton (CA)	Kildee	Snyder
Chappell	Kindness	Stangeland
Coleman (TX)	Lantos	Stokes
Collins	Latta	Stratton
Crane	Lehman (CA)	Towns
de la Garza	Lehman (FL)	Whitehurst
Dicks	Lewis (CA)	Wilson
Dixon	Lipinski	Wolpe
Early	Livingston	Yates
Edgar	Martin (IL)	Young (FL)
Fascell	Murtha	Zschau
Florio	O'Brien	

□ 1235

The Clerk announced the following pairs:

On this vote:

Mr. Wolpe for, with Mr. Hawkins against.
Mr. Kildee for, with Mr. Stokes against.
Mr. Skelton for, with Mrs. Collins against.

So the motion to instruct was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER. The Chair appoints the following conferees:

From the Committee on Ways and Means: Messrs. ROSTENKOWSKI, GIBBONS, PICKLE, RANGEL, STARK, JONES of Oklahoma, JENKINS, GEPHARDT, RUSSO, DUNCAN, ARCHER, VANDER JAGT, CRANE, and FRENZEL.

From the Committee on Appropriations: Messrs. WHITTEN, BOLAND, NATCHER, SMITH of Iowa, PURSELL, and LOEFFLER.

From the Committee on Rules: Messrs. PEPPER, MOAKLEY, DERRICK, BEILENSON, FROST, LATTA, and LOTT.

From the Committee on Government Operations: Messrs. BROOKS, FUQUA, WAXMAN, SYNAR, HORTON, and KINDNESS.

From the Committee on the Budget: Messrs. GRAY of Pennsylvania, DOWNEY of New York, MILLER of California, LEATH of Texas, KEMP, and GRADISON.

And the following additional conferees: Mr. FOLEY, Mr. OBEY, Ms. OAKAR, Messrs. PANETTA, FAZIO, MICHEL, CHENEY, Ms. MARTIN of Illinois, and Mr. MACK of Florida.

□ 1245

PERMISSION FOR COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO FILE REPORT ON H.R. 3066

Mr. HOWARD. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation may have until midnight tonight to file a report on H.R. 3066.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 2409, HEALTH RESEARCH EXTENSION ACT OF 1985

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the bill (H.R. 2409) to amend the Public Health Service Act to revise and extend the authorities under that act relating to the National Institutes of Health and National Research Institutes, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

COMMENDING THE PRESIDENT FOR FORCEFUL AND SUCCESSFUL ACTION IN ORDERING APPREHENSION OF TERRORISTS IN "ACHILLE LAURO" INCIDENT

Mr. HAMILTON. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be discharged from further consideration of the resolution (H. Res. 294) to commend the President for acting forcefully and successfully in ordering the apprehension of the terrorists who hijacked the Italian cruise liner the *Achille Lauro* and killed a citizen of the United States, and ask for its immediate consideration.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 294

Whereas the scourge of international terrorism represents a threat to the civilized world;

Whereas the United States has been unable or unwilling to avenge terrorist acts against American citizens;

Whereas it is distressing to think that the terrorists who hijacked the Italian cruise liner the Achille Lauro and killed Leon Klinghoffer, a citizen of the United States, would have escaped free of prosecution had the President not successfully intervened;

Whereas when the opportunity presents itself, the United States should take every appropriate measure to apprehend, prosecute, and punish those who perpetrate terrorist acts; and

Whereas the actions of the President will act to deter future terrorist actions: Now, therefore, be it

Resolved, That the President is commended for his courage in making a bold and timely decision to order the interception of the Egyptian airliner that was transporting the terrorists who hijacked the Italian cruise liner the Achille Lauro and killed Leon Klinghoffer, a citizen of the United States. The President is encouraged to continue to pressure the Government of Italy to extradite those terrorists to the United States so they can be brought to justice in the United States for their crimes.

The SPEAKER. The gentleman from Indiana [Mr. HAMILTON] is recognized for 1 hour.

Mr. HAMILTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the resolution is a simple resolution that commends the President for making a bold and timely decision to order the interception of the Egyptian airliner that was transporting the terrorists who hijacked the Italian cruise liner. The resolution is sponsored by myself, the gentleman from Massachusetts [Mr. BOLAND], the gentleman from New York [Mr. GILMAN], the gentleman from New York [Mr. KEMP], the gentleman from Mississippi [Mr. LOTT], the gentleman from Pennsylvania [Mr. GOODLING], the gentleman from California [Mr. DORNAN], the gentleman from California [Mr. LAGOMARSINO], and the gentleman from Montana [Mr. MARLENEE], who is the resolution's chief sponsor.

I think it is an excellent resolution, and I commend it to my colleagues.

Mr. Speaker, I yield to the gentleman from Montana [Mr. MARLENEE] for any comment he may wish to make.

Mr. MARLENEE. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I would like to have time to yield to the ranking member and then take some time myself, if I might have some time and if the gentleman would yield to me.

Mr. HAMILTON. Mr. Speaker, I yield to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Madam Speaker, I want to commend the gentleman from

Indiana [Mr. HAMILTON] and the gentleman from Montana [Mr. MARLENEE] for bringing this measure to the floor at this time.

Today is a day unlike the many days of past frustrations about terrorism. Today we can proudly point to the outstanding work of our naval fliers in helping to apprehend the killers of an American citizen, Leon Klinghoffer.

While the full story of the hijacking of the Italian liner, *Achille Lauro*, and its dramatic end remains to be told, we can congratulate both the President for his able and decisive leadership and our Nation's Armed Forces, which executed their mission with precision and dedication. Our intelligence agencies fulfilled a significant role in providing the Armed Forces the opportunity to capture the hijackers. We should also laud our diplomatic mission in Egypt, led by Ambassador Nicholas Veliotes, who took charge of the delicate question of the welfare of Americans on board the ship while at the same time striving to uphold our policy against negotiations with hostage takers.

Our satisfaction with the capture of the hijacker-murderers is mixed with continuing anger at the scourge of international terrorism, which has taken so many American lives. Let us keep in mind at this time the memory of Leon Klinghoffer, Robert Stethem killed in the TWA hijacking—whose murderers are still free, and Charles Hegna and William Stanford, the American diplomats killed in Iran by airplane hijackers in December 1984, whose murderers are still free. And let us not forget the hundreds of American marines and diplomats killed in Beirut, nor the six Americans still held there, nor the countless victims of terror of all nationalities. Let us remember, in our analysis of this incident, to keep our anger directed at those who perpetrate violence, and let us redouble our efforts, our commitment, not to give in to those who perpetrate terror.

Mr. DORNAN of California. Madam Speaker, if the gentleman will yield, I would like to make a suggestion. Since most of our 1-minutes on this side were on this issue, I think it would add some dignity if all of the 1-minutes were included inside the debate on this resolution by our distinguished chairman of the Subcommittee on Europe and the Middle East of the Committee on Foreign Affairs.

I would say to the ranking minority member that I would like to suggest that we start off with the gentleman from Arizona, Mr. JOHN MCCAIN, the naval aviator, and then just go down the row as we were doing for 1-minutes.

Does anyone have any objection to that?

Mr. GILMAN. Madam Speaker, I have no objection.

Mr. MARLENEE. Madam Speaker, as a parliamentary inquiry on this, I believe the chairman of the subcommittee does control the time, and I would like to know what his wishes are with regard to that. I would like to speak as sponsor of the resolution, and as an inquiry on the procedure, I would ask that question.

Mr. HAMILTON. Madam Speaker, I would be glad to yield 30 minutes to the gentleman from New York [Mr. GILMAN.

Mr. GHLMAN. Madam Speaker, I thank the gentleman.

Mr. HAMILTON. We will retain 30 minutes here, and the gentleman from New York may yield time as he sees fit.

Mr. GILMAN. Madam Speaker, I am pleased to yield 3 minutes to the gentleman from Montana [Mr. MARLENEE].

Mr. MARLENEE. Madam Speaker, I thank the gentleman for yielding this time to me.

Madam Speaker, I want to commend the chairman and the ranking members of the committee. I know the chairman, the gentleman from Indiana, Mr. LEE HAMILTON, has long been concerned about the acts of terrorism, and I know the gentleman from New York, Mr. BEN GILMAN, has also been concerned, and I want to thank them for bringing this up in a very expeditious manner so that we may send a message to the world as to how we feel about the acts of terrorism that are occurring throughout the international world.

America finally acted to deter future terrorism against the United States and its citizens. For once we took a bold and courageous step by apprehending the terrorists who hijacked the Italian ship. It is depressing to think that the cowards who killed a 69-year-old man in a wheelchair would probably have escaped without prosecution had the President not made the timely decision to intercept the airliner that was attempting to carry the terrorists to freedom.

When the opportunity presents itself, Madam Speaker, we should take every appropriate measure to apprehend, prosecute, and punish those who perpetrate terrorist acts. In the past we have been unwilling or unable to avenge such acts, and I think this President should be congratulated for making a prompt decision to intercept the airliner carrying the terrorists.

Again, Madam Speaker, I say that the chairman and ranking member of the subcommittee ought to be commended for bringing my resolution to the floor at this time.

Mr. GILMAN. Madam Speaker, I thank the gentleman from Montana [Mr. MARLENEE] for his supporting remarks and for his taking the initiative in sponsoring the resolution and bringing it to the floor at this appropriate time.

Madam Speaker, I yield 3 minutes to the gentleman from Arizona [Mr. MCCAIN].

Mr. MCCAIN. Madam Speaker, yesterday, I sat in this Chamber while a number of my colleagues, on both sides of the aisle, criticized, condemned, and castigated the President and this administration for their failure to respond to acts of piracy and murder on board the *Achille Lauro*.

Even in the last 24 hours, Madam Speaker, should be a graphic demonstration of the politicians prayer, "May the words I utter today be tender and sweet, for tomorrow I may have to eat them." Our Government did take action, decisive action, which I hope will put those contemplating terrorist acts against our country on notice that we will do what is necessary in response to acts of terror wherever they occur. However, last night's action also demonstrates we will try to avoid precipitous action which could endanger innocent lives needlessly. Whenever possible, we will act according to our Western heritage, that being the rule of law, not the law of the gun.

Unfortunately, last night's action does not remove the terrorist threat from our midst. There will be further acts of terror throughout the world. Even as I speak, there are six American citizens being held in Lebanon, their only crime being the country of their citizenship. We will not end this odious practice until all nations which respect the rule of law band together and declare, enough. No more cooperating, no more negotiating, no more appeasement, but appropriate response, I pray that day comes soon.

But today we all rejoice—we all stand tall. I take personal pride in saluting my Navy comrades for their efforts which have brought honor to us all. Well done, gentlemen. Well done, Mr. President.

□ 1255

Mr. GILMAN. Madam Speaker, I thank the gentleman from Arizona.

I reserve the balance of my time and defer to the gentleman from California [Mr. LEVINE], a member of our committee.

Mr. LEVINE of California. Madam Speaker, I will handle at least the first part of the time on this side.

I yield 2 minutes to the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Madam Speaker, day 12 of the Lebanese hostage crisis.

Day 341 of the Iranian hostage crisis.

For years, Americans have had to count the days of our capitulation to terrorism. Let today mark day one of our response to terrorism, a response that is forward, that is fearless, and

that deals with terrorism as it should be dealt with, appropriately and forcefully.

History teaches us one lesson about terrorism. Failure to apprehend terrorists invites future terrorism.

The PLO, the leading terrorist force in the world, has been applauded, praised, winked at, accepted, condoned in every way.

What is the world to think when the PLO is praised at every step? What is the PLO to think when its terrorists go unapprehended? It is a lesson for future terrorism.

Today people of both parties, people of good will throughout the world, praise the President for what he has done and once again are proud to be free men and women of a free country that will no longer bow to terrorism.

Mr. GILMAN. Madam Speaker, I yield 2½ minutes to the gentleman from California [Mr. LAGOMARSINO].

Mr. LAGOMARSINO. Madam Speaker, the terrorist pirates, who held the Italian cruise ship, *Achille Lauro*, hostage and who ruthlessly murdered an elderly and crippled American, have been brought to justice on the command of President Reagan, and with the assistance and cooperation of Italian Prime Minister Craxi, four U.S. Navy F-14's forced the Egyptian Boeing 737 carrying the terrorists to land earlier at a NATO airbase in Sicily.

Situations such as this one offer proof that responsible governments can and must act against terrorism. President Reagan has successfully used American military power to "retaliate" against international terrorism. No lives were lost in the process, and the capture of the guilty parties brings hope to many across the Nation that there can be effective action against these cowardly murderers.

In this instance, Madam Speaker, effective action required accurate and up-to-the-minute intelligence reporting on the terrorist's whereabouts, and the use of American military power present in the region. All Americans can be proud of the performance of our men and women in uniform, their civilian counterparts in the intelligence services, and the President who ordered these actions.

Let this serve as a lesson, Madam Speaker, to would-be terrorists everywhere that this Nation refuses to sit idly by and let these barbarians take aim against innocent American lives. Robbie Stethem, Leon Klinghoffer, and the others who have had their lives taken because they were Americans, we say to you: Your lives have not been in vain. We will respond, we will be successful, and terrorists who victimize the innocent will be brought to justice.

Mr. LEVINE of California. Madam Speaker, I yield such time as he may consume to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. Madam Speaker, I thank the gentleman from California for yielding time to me.

I rise in strong support of this resolution and congratulate the President and the Armed Forces who participated in this brave and effective response to terrorism.

Madam Speaker, all Americans are united with pride today. Together, we applaud the interception and capture of the terrorists responsible for the hijacking of the *Achille Lauro*.

Our pride is tempered with sadness at the loss of an American brother and our hearts and prayers go out to Mr. Klinghoffer's family in their time of mourning. Our sadness confirms our determination that justice must be done.

Terrorists should take heed that America will not sit idly by while murder and disregard of basic human rights occurs. We will act; we must act to end the scourge of terrorism.

Mr. LEVINE of California. Madam Speaker, I yield 1 minute to the gentleman from New Jersey [Mr. HUGHES].

Mr. HUGHES. Madam Speaker, I thank my colleague for yielding.

Americans—and civilized people all over the world—are justifiably relieved about the end of the hostage crisis aboard the *Achille Lauro*, and the capture of the four terrorists who pirated the luxury liner and murdered one of the American passengers in cold blood.

The terrorists can now be brought to justice before Italian authorities. Additionally, the United States can request Italy to extradite the four to stand trial here in this country.

That step is possible under a statute developed by my Subcommittee on Crime, in cooperation with the State Department, and signed into law by President Reagan last year. That law makes it a Federal offense for anyone, anywhere in the world, to take an American hostage in an effort to force a government to take some specific action. In the event that the four terrorists are brought before our courts and convicted, they could be sentenced up to life in prison.

To be sure, we have not seen the end of terrorism. There will be more crimes and assaults. But the capture of these four criminals and murderers does show what can happen when nations cooperate, within the framework of strong international agreements and laws, in an effort to see that terrorists are held accountable for their acts.

Mr. GILMAN. Madam Speaker, I yield 1 minute to the gentleman from Indiana [Mr. BURTON].

Mr. BURTON of Indiana. Madam Speaker, I thank the gentleman for yielding time to me and congratulate him for cosponsoring this resolution.

Madam Speaker, yesterday, there was a great deal of frustration on this floor because once again it appeared that terrorists had killed an American and had gotten away.

President Reagan was challenged to no longer use harsh rhetoric, but to use swift action to deal with the terrorists. He did—and we're proud of him. The perception of America being weak in dealing with terrorists has been changed in 24 short hours—and all Americans thank President Reagan for the great leadership he has shown during this crisis.

The future will undoubtedly involve more terrorism, but now the terrorists know; they will be pursued and brought to justice.

That gives them a lot to think about.

Thank you, President Reagan.

Well done.

Mr. GILMAN. Madam Speaker, I thank the gentleman from Indiana.

Mr. SMITH of Florida. Madam Speaker, I yield 2 minutes to the gentleman from California [Mr. LEVINE].

Mr. LEVINE of California. Madam Speaker, I thank the gentleman for yielding.

I also rise to compliment the President and the administration on the bold and forceful action that was taken last night. I cannot tell you how much I rejoiced when I learned that we had forced the terrorists out of the sky. All Americans should rejoice in the blow that we struck against terrorism.

I rise also to comment on the courageous pilots of our F-14 fighters for the daring interception of the Egyptian airliner carrying the terrorists who brutally murdered Leon Klinghoffer and who seized the *Achille Lauro*.

I am pleased to see that this resolution on the floor of the House is bipartisan and demonstrates strong support for this type of anti-terrorist activity.

Still, Madam Speaker, important questions remain unanswered. What role did Yassar Arafat's PLO play in this entire episode? Evidence points to PLO participation in this heinous hijacking and slaying. Paramount is the ease with which Arafat's men negotiated with Palestinians alleged to be his "mortal enemies."

According to one hostage, the terrorists tried to have their prisoners repeat while at gunpoint, "Reagan no good, Arafat good."

Yesterday at the United Nations, Arafat's so-called Foreign Minister called reports of Leon Klinghoffer's murder a "big lie." Is this an indication of the PLO's concern for the truth?

What about the Egyptian role? Why were they in such a hurry to release the terrorists? Why do they refuse to release the ship? Why did they lie to our Government about where the ter-

rorists were, and about when the terrorists were released? Is Egypt more committed to the PLO than to combating terrorism? What does this say about their commitment to peace?

These questions, I respectfully submit, must be answered satisfactorily before the final curtain descends on this drama.

Mr. GILMAN. Madam Speaker, I am pleased to yield 1 minute to the gentleman from New Jersey [Mr. SMITH].

Mr. SMITH of New Jersey. Madam Speaker, I thank the gentleman for yielding time to me.

Madam Speaker, Americans are fed up with terrorism. Americans are sick and tired of watching cowards and bullies terrorize innocent men, women, and children. The PLO and the Palestinian Liberation Front and all terrorist factions dishonor their cause and themselves when they commit such serious cowardly crimes.

I therefore rise this afternoon with a great sense of relief and satisfaction to thank the President for taking bold, decisive, and smart action to apprehend the four Palestinians who hijacked the *Achille Lauro* and killed a disabled American Jew, Leon Klinghoffer.

The four will now be brought to justice and the battle against the cancer of terrorism will advance.

Mr. GILMAN. Madam Speaker, I thank the gentleman from New Jersey for his supporting remarks.

Mr. SMITH of Florida. Madam Speaker, I yield 1 minute to the distinguished gentleman from Florida [Mr. BENNETT].

Mr. BENNETT. Madam Speaker, as an American citizen and as chairman of the Seapower Subcommittee and as a Congressman who represents the area from which the *Saratoga* came, I express great gratitude to the President, to Secretary Lehman, to the valiant people who engineered and carried this out and I think there are some congratulations to go to Congress as a whole, because the citizens of America gave the equipment which made this possible.

In congratulating the President and congratulating Secretary Lehman and these heroic people who brought this about, I do not minimize the efforts that were made in the past. We were not without efforts in the past. People lost their lives in efforts in the past, so it is in no way a degradation of what happened in the past; but this was a success and we all ought to be very happy about it.

I am delighted at this point to congratulate the President, the Secretary of the Navy, and all the great naval heroes who had a part in this. I am sure we can all be proud of what has been accomplished.

Mr. GILMAN. Madam Speaker, I am pleased to yield 2 minutes to the gentleman from California [Mr. DORNAN].

Mr. DORNAN of California. Madam Speaker, I salute the U.S. Navy, its aircrews, and particularly the young enlisted men on the flight deck of the U.S.S. *Saratoga* who because of the danger during night jet launches and recoveries perform the most dangerous peacetime service of any of the young enlisted people anywhere throughout our military services.

And I commend and salute all those young Army, Navy, Marine, and Air Force members of our Special Forces and of the Delta Force that were not only ready, but eager to repel onto the deck of the *Achille Lauro* and fight to the death to save the lives of not only their fellow Americans trapped on the ship but to save the lives of all of the various nationalities kidnaped on that cruise ship. You watch how humble our Navy F-14 Tomcat pilots will be when the press finally gets to talk to them. They will correctly say that this was not a combat mission because they were not challenged by Libyan fighters. They will say it was merely another routine night patrol to identify an unidentified bogey. This time the bogey was real, and according to their Commander in Chief's orders asked that the Egyptian 737 please follow them to Sicily for a little important unfinished business.

Our President's courage is inspiring. The toughness of his responsibility is best reflected in the words of President Harry Truman, when he said that the buck stops at the White House Oval Office. That's where the toughest decisions rest on one man's shoulders alone. Because this mission went off perfectly, some people may not comprehend just how brave and decisive a move this was. It might not have gone off perfectly. Ronald Reagan showed us the same guts that President Jimmy Carter did in launching a Delta Force to rescue our 52 hostages in Iran in April 1980. That mission turned into a nightmare. Not Carter's fault. He had tried and he knew that lives of young Americans would be lost trying to save their brothers and sisters.

There is no greater more powerful line in the Scriptures than "Greater love than this hath no man than he who give up his life for another."

I was just thinking of names here. Names of murdered Americans. I do not think I have an unusual imagination. I just have a good memory.

I can see Larry McDonald sitting there in the fifth row aisle seat on the majority side. He always sat in that area. He was a little too tough on Communists for some in this body but not for me. A true gentleman. Our colleague was murdered with 268 other men, women, and children, an act of international terrorism by a superpower. A superpower that may have trained these very four cowards who murdered Mr. Leon Klinghoffer. U.S. Army Maj. Arthur Nicholson murdered by the Soviets this year; Navy Lt. Comdr. Al Shauffelburg, who I spent 3 days with in El Salvador, shot in the face and murdered last year in San Salvador.

Last June 15 PO 2d Class Bob Stethem was murdered by cowardly terrorist thugs on one of our TWA planes. His younger brother has joined the Navy. The older brother is already in the Navy. The father served in the Navy. What a great all American family. They must be proud today of their beloved U.S. Navy. And last June, Lance Cpl. Greg Webber was murdered in San Salvador by terrorists with his marine guard pals, Sgt. Tom Handword, Sgt. Bobby Dickson, and Cpl. Patrick Kwiatkowski. Greg Webber was an honor graduate in his marine guard training, first-in-his-class status earned him the honor to ask for service in El Salvador. He said, "That is where I am needed." He and his three fellow marines gunned down while serving all of us in the free world.

Six other fellow Americans live in fear in terrorist captivity in Beirut. One or two may already be murdered.

And now, the brutal killing of a loved father and husband, a man in his 70th year, in a wheelchair, with his wife suffering his torment at his side. Just look at her face on television, how Mrs. Klinghoffer suffers. Leon Klinghoffer, a decent man enjoying his golden years on a Med cruise. No funeral. His dead body thrown over the ship's railing with cruel contempt. The assassin covered with blood, bragging to the captain that he had killed an American Jew. How sick. Thank you Mr. President for sending a duly deputized posse of U.S. Navy officers to round up those four cowards.

This is a great day in American history. Our Commander in Chief said, "Enough, no more." This is normal conduct for a good people from the land of the free and home of the brave. I commend you, Mr. President, and I am proud to join this resolution.

Mr. SMITH of Florida. Madam Speaker, I yield 2 minutes to the gentleman from New York [Mr. SCHEUER].

Mr. SCHEUER. I thank the gentleman for yielding this time to me.

Madam Speaker, I rise to applaud our President and our military for their finely tuned and precise action which apprehended the *Achille Lauro* terrorists with nary a drop of blood let.

It was a classy military action and President Reagan has shown himself to be our nonviolent Rambo.

On the other hand, our Government and this body should reexamine our relationship with Egypt if that nation doesn't mend it ways.

We don't have all the answers about Egypt's handling of the attempted

freeing of the Palestinian murderers. But it is apparent that a disturbing pattern is emerging on Egypt's part that is less than encouraging.

The Egyptian's attempted release of the terrorists is not an isolated incident.

Only last week, an Egyptian soldier killed seven Israeli tourists bathing in the Sinai. If that was not bad enough, Egyptian authorities refused for 10 hours to allow medical teams access to the victims which resulted in the death of a young boy who probably would have survived with treatment.

Meanwhile, in the Red Sea, reports continue that Egyptian gunboats have been bumping Israeli pleasure boats for no apparent reason.

At the same time, PLO members continue to infiltrate across the Sinai into Israel from Egypt as Egyptian authorities look the other way.

The Egyptian actions I have outlined here are not the kind of conduct we should expect from a nation that is an ally of the United States receiving $2 billion in aid each year, and a nation that is supposed to be at peace with Israel.

The Egyptians seem to want to get back to the bosum of the Arab world, but the question remains:

Are they working to moderate the attitudes of the Arab nations of the Mideast?

Or have they themselves been radicalized and on the way to joining forces with the radical forces that seem to predominate in the region?

Madam Speaker, we deserve forthright answers from the Egyptians—and more clear evidence by their actions that they intend to play a moderating leadership role in the Middle East.

Mr. GILMAN. Madam Speaker, may I inquire how much time we have remaining on our side of the aisle?

The SPEAKER pro tempore. The gentleman from New York [Mr. GILMAN] has 18½ minutes remaining.

Mr. GILMAN. Madam Speaker, I am pleased to yield 1 minute to the gentleman from Pennsylvania [Mr. GEKAS].

Mr. GEKAS. I thank the gentleman for yielding this time to me.

Madam Speaker, the whole world is shocked at the action of the President of the United States. The terrorist world is shocked into a realization that their license to kill has been revoked. The free world is shocked pleasantly that at last the might of the United States has been utilized to stem the tide that the terrorists have hewn for themselves over the past decade.

But there is still one element missing. The deterrent of the death penalty still does not apply to the situation that we have observed that happened over the last few days. The life that was taken cannot be answered for by a possible capital punishment verdict because the laws of the United States do not carry such a penalty on the books at the present moment.

Madam Speaker, I am today introducing a bill that will, in like situations hereafter, if enacted, allow the Federal Government, once it takes jurisdiction over a terrorist, just as we now have, to be able to apply the death penalty when a life is taken on the high seas.

Mr. GILMAN. I thank the gentleman from Pennsylvania.

Mr. SMITH of Florida. Madam Speaker, I yield 2½ minutes to the gentleman from New York [Mr. WEISS], a member of the Committee on Foreign Affairs.

Mr. WEISS. I thank the gentleman for yielding this time to me.

Madam Speaker, I am pleased to add my words of strong support for the resolution that is before us. I am proud to commend the President of the United States and all of the people in the U.S. Government, the Department of Defense, the Department of State, the intelligence services, and anyone else who is responsible for the swift and just and fair execution of a policy which apprehended four of the most barbaric, murdering terrorists that we had occasion to witness in the case of these sad months and years.

There is a sense of reassurance, I think, on the part of the American people, and I suspect on the part of people throughout the world, that finally we have demonstrated that terrorists, international terrorists, will not receive safe haven after their terrorist activities, and that is a very important point of departure. The only reason that terrorists are encouraged, I am convinced, to undertake more and more brazen acts is because of the sense that many nations will turn their backs on their actions and allow them, either wittingly or unwittingly, explicitly or implicitly, to take haven within their borders.

The murder of Leon Klinghoffer, who is a constituent of mine, was so cowardly and brutal and barbaric that even those nations which usually turn their backs on PLO atrocities found themselves wanting to remove themselves from any identification with that action. I would hope that the true memorial to Leon Klinghoffer, beyond the prosecution and bringing to justice of his murderers, will be a movement, on the basis of the actions that have been taken and the revulsion about this most recent hijacking and piracy and murder, that the international community will, under the leadership of President Reagan, meet to declare that they will not stand by and provide haven for international murderers and terrorists.

Mr. GILMAN. Madam Speaker, I am pleased to yield 1 minute to our distinguished minority leader, the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. I thank the gentleman for yielding this time to me.

Madam Speaker, may I first compliment the members of the Committee on Foreign Affairs on both sides of the aisle for initiating this very appropriate resolution today, which I am happy to join as a cosponsor.

President Reagan has made Americans proud of America.

His decision to intercept the murderous Palestinian terrorists was courageous, calculated, and correctly implemented. The exercise represented America at its finest, and we all have to feel good about the highly professional and surgical manner in which our military achieved its mission.

This action sent a message to a world being slowly brought to its knees by ruthless and barbaric individuals who frankly belong behind bars.

We must extract a high price from those who choose to assault our citizens, insult our integrity and threaten our freedom. We did it in Grenada and we have done it in the Mediterranean. We should be ready to do it again.

Mr. GILMAN. I thank our distinguished minority leader for his supportive remarks.

Mr. SMITH of Florida. Madam Speaker, may I inquire how much time we have remaining on this side?

The SPEAKER pro tempore. The gentleman from Florida [Mr. SMITH] has 14½ minutes remaining.

Mr. SMITH of Florida. Madam Speaker, I now yield 1 minute to the gentleman from Oklahoma [Mr. MCCURDY].

Mr. MCCURDY. I thank the gentleman for yielding this time to me.

Madam Speaker, I rise in strong support of this resolution. All I can say is bravo, America; bravo, Mr. President.

After several years of frustration and disappointing inaction combating terrorism, the United States finally moved forcefully into the arena yesterday. The capture of the hijackers was a bold and innovative move. The President and his national security and military advisers should be commended on the successful operation.

Yesterday an American President set a standard for future Presidents, regardless of party or philosophy, of which we can all be proud.

□ 1320

Mr. GILMAN. Madam Speaker, I yield 1 minute to the gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Madam Speaker, I want to commend President Reagan in the way he handled the latest hostage crisis—a job well done. I also would like to take a moment to express my gratitude and to commend the behavior of the Governments of Italy and Tunisia for the assistance and support which they provided the U.S. Government in our efforts to intercept the

Egyptian airliner which carried the four Palestinian hijackers of the Italian cruise ship *Achille Lauro.* It was largely through their support and good judgment which allowed for the apprehension of these terrorists without any further loss of life.

The Governments of Italy and Tunisia have demonstrated by their instinctual behavior last night that they share our principles of right and wrong and that they are true friends of the United States of America.

Given the amount of aggression which American citizens have experienced overseas in the last year, it is heartwarming to receive the care and support which was manifested by the Italian Government throughout this recent crisis.

Mr. MARLENEE. Madam Speaker, will the gentleman yield?

Mr. CONTE. I am happy to yield to the gentleman from Montana.

Mr. MARLENEE. Madam Speaker, I wish to commend the gentleman on his remarks and associate myself with his remarks.

The SPEAKER pro tempore. The time of the gentleman from Massachusetts [Mr. CONTE] has expired.

Mr. GILMAN. Madam Speaker, I thank the gentleman from Massachusetts for his supporting remarks, and I yield 30 seconds to the gentleman from Montana [Mr. MARLENEE], the major sponsor of this measure.

Mr. MARLENEE. I thank the gentleman.

Madam Speaker, terrorism is an act of international violence, and as I said, I associate myself with the remarks of the gentleman from Massachusetts [Mr. CONTE].

I believe from this day forward if all of the nations of the world would cooperate as Tunisia and Italy at least have done, that we will see a lessening of the violent terrorist acts that have occurred.

I thank the gentleman for yielding.

Mr. SMITH of Florida. Madam Speaker, I yield 1 minute to the distinguished chairman of the Rules Committee, the gentleman from Florida [Mr. PEPPER].

Mr. PEPPER. Madam Speaker, I rise in support of this resolution and commend the Foreign Affairs Committee for bringing it forward to the House. I share in the eloquent sentiments that have previously been expressed by my colleagues.

Mr. GILMAN. Madam Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. DEWINE].

Mr. DEWINE. Mr. President, we are proud of you, and we are proud of those Americans who carried out your orders last night.

The arrest of these thugs and the knowledge that prior to the release of the hostages, you had set in motion a military plan to rescue the hostages, these two things should send a message to the terrorists of the world, "You won't be tolerated any longer; you will be punished."

This really is not a change in policy, but rather it is the application of a consistent policy to the particular facts of this case.

You have demonstrated again, Mr. President, that a strong leader of a powerful nation knows when to use restraints, but he also knows when to use force.

You have also demonstrated, Mr. President, that you know that a great nation is judged, yes, by its words, but in the final analysis, by his actions.

Mr. GILMAN. I thank the gentleman for his supporting remarks.

Mr. SMITH of Florida. Madam Speaker, I yield 1 minute to the gentleman from Kansas [Mr. GLICKMAN].

Mr. GLICKMAN. Madam Speaker, the administration took a bold and courageous step against terrorism last night, and I think all Americans must be proud today of the success we achieved in apprehending the hijackers of the *Achille Lauro.* They should, more correctly, be called pirates because that word describes both in mentality and in substance the nature of their crime. The Italian Government has indicated that they intend to prosecute the pirates and our own Government will be seeking extradition to prosecute these international criminals for the cruel coldblooded murder of an American citizen. The Congress should show its strong support for these efforts to bring the pirates to justice.

The message of last night's successful tracking down and capturing of these international hoodlums is clear: The perpetrators of such wanton acts of international terror will not be permitted to run rampant in the world. Concerted efforts on the part of those of us who believe in the rule of law will assure that they are brought to justice and that they will pay for their outrageous acts.

Madam Speaker, I would like to add one more word. We have tried before. During the Iranian hostage crisis, we tried, and in that case we failed. In this case, we tried and we succeeded.

But fail or not, the fact of the matter is this, the strongest Nation in the world, should always be a power in trying and attempting to root out terrorism wherever it exists.

Mr. GILMAN. Madam Speaker, I am pleased to yield 2 minutes to the gentleman from Florida [Mr. MCCOLLUM].

Mr. MCCOLLUM. Madam Speaker, we are all very proud of the President. We are very proud of the State Department, and we are especially proud of the U.S. Navy for apprehending last night the Palestinian terrorists who held hostage quite a number of people on a ship in the Mediterranean for a long time, and did a most dastardly deed of murdering a U.S. citizen.

These terrorists now must be brought to justice. Unfortunately, if they are brought over here to this country to be tried for the murder of Mr. Klinghoffer, they cannot receive the death penalty.

Earlier this morning I was joined by the gentleman from Pennsylvania [Mr. GEKAS] in introducing a bill which will make the death penalty applicable to a situation where a person is involved in an act of holding someone else hostage, or an act of terrorism that results in the death of a citizen of the United States.

Right now it is absolutely absurd that if someone is killed while involved on a plane of the United States or any other country while a skyjacking is in place, then the terrorists in that case can receive the death penalty. But in the case of a ship, or similar physical presence where hostage taking and terrorism is concerned, no death penalty is applicable.

I urge my colleagues to join in support of this legislation. We need to get on with putting the death penalty in place under Federal law for heinous crimes such as this where it is very appropriate. We need deterrence, we need to stop terrorism. Now is the place to follow up on what the President did last night and put the laws of the United States in proper perspective. That is something this body can do.

I yield back the balance of my time.

Mr. GILMAN. I thank the gentleman from Florida for his support of the resolution.

Mr. SMITH of Florida. Madam Speaker, I reserve the balance of my time.

Mr. GILMAN. Madam Speaker, I am pleased to yield 2 minutes and 20 seconds to the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. Madam Speaker, I, obviously, rise in strong support of the resolution before the House at this moment. I join with every American in thanking and praising our great leader, Ronald Reagan, for his decisive action.

We also would like to express our pride in the bravery and the professionalism of the young men in our Armed Forces who carried out this mission.

The question is, What have we learned from this? I think we can look and learn some very valuable lessons from the events of the last 48 to 72 hours. There were several important elements that we must see more of if we are to bring terrorist situations to an end.

First, we had international cooperation, something that has been essentially lacking in the past. As that ship sailed the waters, country after country denied it access to ports, and country after country denounced the activi-

ties of the terrorists. Clearly we had international cooperation while the ship was still at sea.

Second, once the ship did, in fact, enter Port Said, the intelligence community started to work effectively. One of the things that has hamstrung this country in the last few years in combatting terrorism has been the lack of effective intelligence. We all know that we have been rebuilding our intelligence community since this President has taken office. But I think we can all agree we need to do more. We need to examine every side of the laws regulating our intelligence activities. We need to review these laws and we need to beef up the intelligence community to give it the kind of capability that is needed to respond once a terrorist action has occurred. Even more important, we must have the intelligence capability to prevent these terrorist activities from happening in the first place.

Third, capable forces. Once we had international cooperation, once we had the intelligence capability, what we really needed was the ability to deliver the force. Clearly we had the capability to apply the intelligence we gathered with the F-14 and the skill of the people that fly these planes.

And finally, we have the elite corps that is necessary in order to combat terrorism and apply our intelligence. In this instance we saw the Navy SEALS surround the plane in Sicily to complete the action.

International cooperation, improved intelligence capability, the force that is necessary and the elite corps to deliver the goods. Those are the elements that made this a successful mission and will be needed in the future if we are to successfully combat terrorism.

I greatly appreciate the gentleman offering his resolution and I offer my support.

Mr. GILMAN. I thank the gentleman from Ohio for his support of the resolution.

Mr. SMITH of Florida. Madam Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. LUKEN].

Mr. LUKEN. Madam Speaker, today Americans are walking tall. I have already received telephone calls from my constituents who reflect the exhilaration that they feel today.

Unfortunately, terrorism has been on a roll. Terrorism has apparently been successful in every instance, and as the Prime Minister of Israel stated just last night, there can be no real peace while terrorism prevails.

I think that is the importance of this successful effort by the President and the administration. The real significance is that terrorism has taken one on the chin, that terrorism no longer has that aura of success, that we can bring terrorists to justice, and if we are successful in the extradition, we can bring those responsible into an American court where they must answer. And maybe we can find out whether Yasser Arafat, who has been all over the American TV and glorified and catered to by the television networks, maybe we can find out just what the real connection is in this shadowy area in the Middle East, throughout where terrorists prevail in the Palestinian organization.

The principal crime has been committed against the United States and, therefore, the extradition should succeed. And then we will have taken a giant step in the elimination of terrorism and a movement toward peace.

Mr. GILMAN. Madam Speaker, I am pleased to yield 2½ minutes to the gentleman from California [Mr. DREIER].

Mr. DREIER of California. I thank my friend for yielding. I would just like to commend him and the gentleman from Montana [Mr. MARLENEE] for introducing this legislation in a very timely fashion.

Madam Speaker, thanks to Ronald Reagan the terrorist community is on notice. I rise to commend the President for his decisive action to apprehend the terrorist-hijackers of the *Achille Lauro*. President Reagan clearly demonstrated the will of all Americans that justice be done.

Too many times, all America has been held hostage by international terror's flagrant disregard for innocent life and human decency. Repeatedly, we have had to witness these killers commit their ritual violence on prime-time television and then watch as these murderers flashed a victory sign in our faces before walking off the set with impunity.

Well, this morning the American giant stretched out its little finger and exacted a fitting bit of retribution. While the terrorists sat comfortably on their plane anticipating their victory party at home, the President rearranged the welcoming committee a little. Madam Speaker, the President put the terrorist community on notice, America will not tolerate their criminal acts without retribution.

Mr. GILMAN. I thank the gentleman from California for his support of the resolution.

Mr. SMITH of Florida. Madam Speaker, I reserve the balance of my time.

Mr. GILMAN. Madam Speaker, I am pleased to yield 2 minutes to the gentlewoman from Maryland [Mrs. BENTLEY].

Mrs. BENTLEY. Madam Speaker, yesterday, I rose to address this assembly on terrorism and the need for swift action—that because the perpetrators of this horrible act were beyond the border should not mean they were beyond the law.

Today, I rise joyously with my colleagues in support of this resolution to commend and thank the President for his swift and decisive action in detaining these terrorists.

Travel lanes must remain open to promote the interchange of people, of ideas, and of cultures.

We all wanted something to be done, and something was done.

I echo the sentiments of Mr. BENNETT, chairman of the Seapower Subcommittee, and Mr. DORNAN, the gentleman from California, who pointed out the magnificent role of the U.S. Navy in this daring venture to protect freedom.

In this day and age, it has become fashionable to communicate in vague generalities. We have let ourselves become saturated by signals, indicators, and meaningless words. We had forgotten how to speak in a clear and concise manner.

Last night, our President, Mr. Reagan, did not signal, did not indicate, he let the world know in bold terms the United States will not vacillate when it comes to terrorists.

This is what terrorists need to know: There will be measured and certain retribution for their wanton acts.

But, considering the demands made in past terrorist incidents, I urge stepped up security measures by Americans abroad, and by American installations around the world. This was only act II. These terrorists must be tried, convicted, sentenced, and these sentences must be imposed before we can relax.

□ 1335

Mr. GILMAN. Madam Speaker, I thank the gentlewoman from Maryland for her support of the resolution, and I am pleased to yield 1 minute to the gentlewoman from Nebraska [Mrs. SMITH].

Mrs. SMITH of Nebraska. I thank the gentleman for yielding.

Madam Chairman, I rise in strong support of this resolution and in commendation of its sponsors. I want to commend the President for his quick, bold and decisive action along with those young men who so effectively carried out the mission. Without this action, those murderers of a 69-year-old man in a wheelchair would probably have gone unpunished.

It was a message of courage to the whole world. Well done, Mr. President!

Mr. GILMAN. Madam Speaker, I thank the gentlewoman from Nebraska for her support of the resolution, and I am pleased to yield 2 minutes to the gentleman from California [Mr. HUNTER].

Mr. HUNTER. I thank the gentleman for yielding.

Let me say to my colleagues that this incident, this rescuing of Americans, a release of Americans and the subsequent apprehension of the hijackers not only sends us a message

about terrorism and sends a message to the PLO and others who would commit terroristic acts, but I think it puts in perspective the spare parts controversy that has plagued this Nation for the last 6 months or so, the continuing indictment of our military forces.

It brings back to us the reality that American aircraft carriers exist not to satisfy bureaucratic bean counters; not to serve as floating grocery stores, and not to serve as a subject of congressional investigations, but to project American power and to carry out American foreign policy.

Whatever you have to say about the $600 ash tray or the $300 hammer, or any of the other sensationalistic stories that have been brought out recently in defense debates, our readiness is increased.

In hearings the other day, I brought out the fact to some of our CBO people who did not appear to have the numbers that in fact our combat-ready capability of military aircraft that are aboard our 13 carrier battle groups are 40 percent increased over the days of Mr. Carter. We have increased readiness, and we did not do that simply by voting for a resolution such as this, although this is an excellent resolution; we also did it by voting for aircraft carriers, by voting for more money for spare parts and by voting for enough money for the personnel of our Armed Forces so that they could get out of the bread lines, get out of the food stamp lines, and again be proud to wear the uniform of the United States.

The next important piece of legislation that we can pass to assure the security of the American people is a sufficient defense appropriations bill.

Mr. GILMAN. I thank the gentleman from California for his support of the resolution.

Madam Speaker, a number of our colleagues and leaders on both sides of the aisle are necessarily absent today at a NATO conference in California, and while we wanted to act expeditiously to commend the President, I am certain that on their return, our colleagues will want to associate themselves with our actions today.

Madam Speaker, I urge support of the resolution, and I yield back the balance of my time.

Mr. SMITH of Florida. Madam Speaker, I yield myself such time as I may consume.

First of all, I want to commend the gentleman from Montana [Mr. MARLENEE] for bringing House Resolution 294 to the Committee on Foreign Affairs, and commend the chairman of the subcommittee and acting chairman, the gentleman from Indiana [Mr. HAMILTON] for expeditiously bringing this before the House.

I want to commend my good friend and colleague the gentleman from New York [Mr. GILMAN], the ranking member of the Subcommittee on Europe and the Middle East, for forcefully directing this during the stages of bringing it to the floor.

I think, first of all, that it is important that the United States collectively congratulate the President for the step that was necessary to be taken to make a decision to do something that is not usual in the context of American power, but by the same token was a step that was absolutely necessary and vital to be taken to protect the interests of all Americans, especially civilians traveling abroad.

The second thing I think we need to do is to commend the military, who carried out the operation with precision. It is important for us to continue to believe in the ability of the Armed Forces of the United States to in fact execute the decisions that are made by the leadership of the military and by the elected officials of the United States.

More importantly, however, we need to examine these few days of circumstances which led us here to this resolution. The mask is off; the cover has been pulled back; the PLO are now seen for what they are: Lying, murdering terrorists—there is no doubt they conceived, planned, directed, orchestrated, and carried out this monumental attack on the free world, by seizing, hijacking, and keeping the Italian cruise liner; but more than that, 400 innocent civilians, many of whom were very elderly people.

We knew that they had been taking maritime training before this was ever done; our intelligence gives us that. We know that the people who are involved, the hijackers themselves, because of the statements made by the hostages after they were released, were on that ship praising Yassar Arafat as their leader; praising him and denigrating the United States and criticizing the President of the United States.

We know that the go-between who ordered, on behalf of the PLO, the hijackers to turn the ship around from off the coast of Syria to then proceed to Port Said in Egypt was in fact a high ranking official of the PLO. There is no doubt about that; and now we know, because we have them through the Italians, in custody, that when the Egyptian airliner was forced to land in Sicily, there were six people on that plane; four were the hijackers, two were high ranking PLO officials; and we know that that plane was going to land in Algeria.

Tunisia should be congratulated because it refused to allow that plane to land, but the Algerians apparently had given their approval, and we know that when they hit the ground in Algeria, they would have disappeared just as those who hijacked the TWA plane in Beirut disappeared, never to be seen again, never to be punished. That was going to be the same fate, and the terror and misery visited upon the elderly and other occupants of that ship, the American citizens, the dastardly murder of Mr. Klinghoffer—a man who was totally disabled in a wheelchair—executed, that terror and misery would go unpunished.

The elderly people who were forced, men and women, to throw a handgrenade around between them, scared to death. The kind of punishment described by the hostages of what the hijackers perpetrated on them during the course of the time they were in captivity, that would have gone unpunished.

These things would have gone unpunished had we not acted but we did act and now we know who has done it and who will be punished. We know who is responsible and we know what we must do. We must bring them to trial. We hope that the Italians will see fit to allow the American justice system to deal with them, as they have murdered an American citizen and terrorized elderly Americans.

More than that, we must ensure that even if the Italians try them, they are tried and if convicted—and we know they will be—they are punished to the fullest extent of the law, in public, for the world to see; that the civilized nations of this world will no longer tolerate this inhumane, barbaric behavior on the part of any group; especially on the part of Arafat and the PLO, should be the message.

Their professing to be innocent no longer washes in world public opinion, and now we must make the commitment from this day forward, not only to commend ourselves for what we did yesterday but to make the terrorists today and in the future understand they will pay the dearest price if they contemplate or carry out this type of horrendous act against humanity again.

Three of the hostages were elderly widows who reside in my district. What will they think of their country if no one pays for what horror and misery they were put through? What do the TWA hostages think of us when no one has been punished for what was done to them? The time for talk is over, the time for action has begun.

□ 1345

Civilization cannot exist, freedom cannot exist, justice cannot exist, if we allow people like those in the PLO and other terrorist groups to continue to act with impunity against the system of Western civilization that we have in place.

Madam Speaker, I commend those that have brought this to fruition and urge this country to review what happened in the last few days between Egypt and Italy and the other coun-

tries of the Western world, and the Middle Eastern world, to review how best we can avoid these kinds of things from happening again and avoid a strain in the relationship between our country and countries like Egypt which apparently got caught up beyond their control in problems which the terrorists made them assume in the first instance.

We do not know all the facts yet. We hope that when we do know them, we will find that no country, ally of ours, was complicit with the terrorists.

I urge my colleagues to support this resolution. I commend the gentleman who brought it to the floor, and I hope the United States and the whole free world now realizes on what basis we must deal with terrorism.

Let this be the first day of a new era in dealing with those who would bring down civilization as we know it. Let them know that there will be no place in the world far enough away from the United States or secure enough to hide in, no refuge, no sympathy, only swift plus decisive action by a country—no—by a whole world that will not abide these barbarians.

Mr. FORD of Tennessee. Madam Speaker, as most everyone already knows, the Palestinian hijackers of the cruise ship *Achille Lauro* are now in the custody of the Italian authorities in Sicily. While I speak for all Americans in welcoming this dramatic development, let me first express this Chambers condolences to the family of Mr. Leon Klinghoffer. Mr. Klinghoffer, 69, was ailing and according to reports, had difficulty moving about the cruise liner. His murder was an extremely cowardly act by a group of individuals filled with anti-semetic and anti-American rage. It is that hate which makes any solution to the Palestinian problem even more difficult to accomplish.

The apprehension of the terrorists was due in part to a number of parties jointly concerned with the ever-increasing ugliness of international terrorism. The Italian Government, led by Prime Minister Craxi, deserve a great deal of thanks for their cooperation in both ending the hostage crisis and securing the capture of the terrorists. The Tunisian Government showed a great deal of courage in not accepting the airliner at Tunis. While the assistance of the Egyptian Government in this matter was also greatly appreciated, only further inquiry into the events that transpired will answer why the Mubarek government was slow in discovering the true situation on the boat, and why the terrorists were allowed to leave Egyptian soil as late as 4:15 e.d.t. yesterday.

Most of all, this Nation owes a debt of gratitude to the efforts of our own administration. Their behind the scenes work in this matter cannot be underestimated. I was further impressed by the comments of Press Secretary Speakes, who indicated the President would take the same action if need be in the future. The best statement against international terrorism is strong action. World terrorists organizations now know that the United States will act agressively to bring the perpetrators of these acts to justice.

Madam Speaker, perhaps a change is in the wind. It was interesting to note that the Greek Government, whom within this past year had succumbed to terrorist demands in the TWA hijacking, this time refused to let the Egyptian airliner land at Athens. While this is little consolation for the family of Leon Klinghoffer, let us hope that this action is a sign of a new attitude within the international community.

Mr. BROYHILL. Madam Speaker, I wish to take this opportunity to congratulate the President of the United States for the capture of the four Palestinian hijackers.

Terrorism represents an assault on the most fundamental values underpinning our Western civilization—respect for human life, fairness, and decency. We must fight, and fight hard, against this threat to our way of life. But in carrying out this fight, we must always remember who we are, and what we stand for. We need not, and should not, stoop to the brutal methods of these terrorists. If we become like them to defeat them, then we defeat ourselves. Our response should be intelligent, measured, and directed against the perpetrators who are responsible for these evil acts. There must be no asylum for murderers. This will require the cooperation of our allies and indeed all those in the world who wish to preserve international law and order.

I believe that last night's mission by the Navy jet fighters at the order of the Commander in Chief was the proper course of action. Now we must press on to see that these terrorists are brought swiftly to justice.

Mr. BROOMFIELD. Madam Speaker, I am pleased to support House Resolution 294.

Our President bit the bullet and made the right decision concerning the hijackers of the Italian passenger liner. He deserves our praise for his decisive and firm handling of this incident.

As we all know, President Reagan ordered U.S. fighter aircraft to intercept an Egyptian airliner carrying the terrorists who murdered Mr. Leon Klinghoffer.

The plane was forced to land at a U.S. facility in Sicily. Italian authorities now have custody of the terrorists. The United States is seeking their extradition. Let us hope that these criminals can be brought to justice in the United States.

This senseless killing of Mr. Klinghoffer is a classic example of the mindlessness of terrorism. According to initial reports, the Palestinian terrorists randomly chose Mr. Klinghoffer's passport from among a group of American passports and decided to single him out for assassination to show their determination in their efforts to win the release of other Palestinians who were being held in Israeli prisons.

Mr. Klinghoffer was an elderly man who had been confined to a wheelchair because of a serious health problem. I find it hard to believe that those terrorists chose to punish that innocent human being who could not have resisted even if he had wanted to. This crime was not the work of brave men. It was a foolish and shameful act of hatred which in the end accomplished absolutely nothing.

Disputes can never be resolved by unleashing the ugly specter of terrorism on the innocent. Progress on resolving longstanding problems never comes when the advocates of violence are terrorizing the world and killing the innocent. Terrorism leads to nothing but an escalating series of terrorist attacks which worsen, but don't improve, relations between the concerned parties.

International terrorism is a problem which this administration has taken seriously. Our Government's tough position on this issue is the right one.

Well done, Mr. President.

Mr. MACK. Madam Speaker, yesterday our Nation and our President won an important and decisive victory against international terrorism.

The interception by U.S. Navy jet fighters of an Egyptian airliner carrying four Palestinian outlaws in international air space has proven America's resolve to deal swiftly and effectively with terrorists.

After the passengers and crew of the Italian liner *Achille Lauro* were freed, our highest priority was to bring the terrorists to justice. Yesterday's interception of the Egyptian plane by American warplanes and its forced landing in Italy accomplished that objective. The Navy pilots performed their flawless night mission in a precise and professional manner.

Madam Speaker, Americans oppose the use of force on principle, and prefer the rule of law. In this case, the judicious application of the former has brought about the opportunity for international justice. I urge the State Department to seek the immediate extradition of the pirates from Italy for trial here in America for the senseless and brutal murdering of American Leon Klinghoffer.

Beyond this immediate case, our action—and the cooperation shown by the Italians and other governments who refused to capitulate to the terrorist's demands—puts terrorists and international criminals on notice that the United States and the civilized world will aggressively fight those who use terror as a political tool.

We have shown our firm resolve to bring these criminals to justice through the swift and appropriate application of our military might. And let terrorists and those who would consider terrorist acts know that America is on guard and willing to act whenever and wherever to stop them, defeat them, and bring them to justice. If yesterday's events will deter terrorists from acting in the future, we will have saved lives and liberty elsewhere in the world.

Mr. SMITH of Florida. Madam Speaker, I yield back the balance of my time.

Mr. GILMAN. Madam Speaker, I yield back the balance of my time.

Mr. SMITH of Florida. Madam Speaker, I ask for adoption of the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SMITH of Florida. Madam Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks on the resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

PERSONAL EXPLANATION

Mr. STRANG. Madam Speaker, during floor consideration of two bills yesterday, October 10, 1985, I was unavoidably absent during three recorded votes. Had I been able to be present and voting I would have cast my votes in the following manner:

Rollcall No. 353, "nay."

Rollcall No. 354, "nay."

Rollcall No. 355, "yea."

LEGISLATIVE PROGRAM

(Mr. GILMAN asked and was given permission to address the House for 1 minute.)

Mr. GILMAN. Madam Speaker, I yield to the gentleman from California [Mr. COELHO] in order to announce the program for the following week.

Mr. COELHO. I thank the gentleman from New York.

As the gentleman knows, the House will not be in session on Tuesday except for a pro forma session.

On Wednesday we will come in at noon instead of the usual 10 a.m., and we will have H.R. 1409, military construction authorizations, open rule, 2 hours. The rule has already been adopted.

Then on Thursday we will have H.R. 3327, military construction appropriations for fiscal year 1986.

Madam Speaker, provided that we complete both bills on Wednesday and Thursday, there will not be a session on Friday. If we do not, Members should expect to be in session on Friday next.

Mr. GILMAN. May I inquire of the gentleman, could he tell us what the situation is with regard to the DOD conference report?

Mr. COELHO. On the DOD conference report, we expect it to be up the week after next. So the amendments should be prepared for that.

Mr. GILMAN. Could the gentleman inform us with regard to the reconciliation package, as to the status of that measure?

Mr. COELHO. The reconciliation, we expect it to be before the Rules Committee on Wednesday. It will be there, and we will proceed from there.

Mr. GILMAN. Can the gentleman tell us whether the Members can expect a session next Friday?

Mr. COELHO. Next Friday we hope that we will not have a session, but it will depend on how quickly we are able to handle the bills that are up on Wednesday and Thursday.

If we complete the action on both bills there will not be a session, but we have to alert the Members that if we do not complete the work of the House on Wednesday and Thursday there will be a session.

Mr. GILMAN. I thank the gentleman.

Madam Speaker, I yield back the balance of my time.

ADJOURNMENT TO TUESDAY, OCTOBER 15, 1985, AND HOUR OF MEETING ON WEDNESDAY NEXT

Mr. COELHO. Madam Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at noon on Tuesday, October 15, 1985, and that when the House adjourns on Tuesday, it adjourn to meet at noon on Wednesday, October 16, 1985.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. COELHO. Madam Speaker, I ask unanimous consent that the business in order on Calendar Wednesday, October 16, 1985, may be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

BUDGET DEFICIT REDUCTION—LET'S START NOW

(Mrs. SMITH of Nebraska asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SMITH of Nebraska. Madam Speaker, this Chamber has taken a very positive action today in instructing its conferees on House Joint Resolution 372 to return with a measure that will definitively return this Nation from the fairyland of $200 billion deficit spending to fiscal sanity. It's about time!

While I supported the motion to instruct, I agree with the gentleman from Texas [Mr. STENHOLM] that we can do better. And one of the ways we can do this is to start now. Let's not wait for next year or fiscal year 1991. Let's start making some cuts in the days and weeks ahead:

First, cut $10 billion in the Defense conference report.

Second, make meaningful cuts in appropriations as they come back before the House after conference agreements are reached.

Third, make cuts in the foreign aid appropriations bill that will soon be before us.

Madam Speaker, today we have adopted a new philosophy in this Chamber to restore common sense to the checkbook of the Federal Government. Let's put this philosophy in action immediately.

DEATH PENALTY SHOULD APPLY TO ACTS OF PIRACY, ET CETERA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. GEKAS] is recognized for 5 minutes.

Mr. GEKAS. Madam Speaker, I repeat: the world has been shocked by the President's action of yesterday.

When I say "shocked," I mean it in this context: The terrorist world has been shocked with the realization perhaps that from here on, the license to kill on their part has been revoked and the free world has been shocked, pleasantly, that at long last, the President of the United States has acted resourcefully, forcefully, immediately to cure an international incident and the ills that precede and follow.

But the world does not realize some of the implications of what has happened, and the American public may be under some false impressions about the ability of our Nation to deal with these terrorists even though we were able to get them into our hands and have them under our jurisdiction.

Had we had the ability to bring these men directly back to the United States and to try for the action they took on this ship just a few days ago, the American people would be shocked to know that we could not ask for the death penalty for those individuals even though they seized a ship on the high seas, even though they willfully and deliberately killed an American citizen, and even though they were seized properly and taken, through the Italian authorities, and presumably—under my hypothesis—brought back to the United States for trial because, Madam Speaker, Members of the House, as we sit here today, there is no death penalty applicable on the books, on the laws of the Government of the United States, for this type of action.

That is alarming. But it is not so alarming to me because from the very first moment I came to the Congress, I learned about this gigantic loophole in the Federal criminal laws. We do not

have a death penalty for anything except for one narrow situation, and that is for skyjacking, for the hijacking of an airplane in which a death would occur and for whom some criminal we could obtain jurisdiction of in the United States, we could ask for the death penalty. But that is the only circumstance. Not even an attempt to kill the President of the United States, God forbid, would be met with the possibility of capital punishment, as the law stands today.

Why? Because the Congress of the United States has repeatedly refused to pass such legislation.

For the life of me, I cannot understand why. I have pursued it from the very first moment, as I said, that I came to the Congress, and though we take measured steps toward that goal to add to the criminal jurisprudence of our Nation, yet the 98th Congress failed to adopt, the 99th Congress, even though I introduced legislation in the first week of this session, has yet to take it up.

The only hope we have for the American public, which deeply desires to see the death penalty as an alternative remedy, as a possible remedy for these kinds of actions, through all the polls that have been taken over the last decade, more than 70, some as much as 80 percent in some polls of the American public favor the death penalty as a deterrent and as a possible penalty for those vicious crimes.

Despite all of that, the only hope we have in this session that something might occur to allow us to restore capital punishment to the books is that during the debate on our defense appropriations, we did adopt in this House the capability of our military courts-martial to apply the death penalty for the first time to military people in peacetime, so to speak, which was a very small step toward the eventuality, as I see it, of the whole House being given the opportunity to act on my legislation or similar legislation that would allow the death penalty for every kind of vicious crime that is possible.

For instance, as I said, assassination of the President of the United States, which is extremely important; the skyjacking; and now the piracy on the high seas of people among whom might be American citizens and who might die at the hands of terrorists. Now that is no longer a hypthetical situation. It has happened. It has occupied the headlines of the newspapers of the world for the last few days. And for the other vicious crimes for which the death penalty does not apply.

The irony of it is that we have never repealed the death penalty, and these situations which I have described have always been the subject of a possible death penalty remedy.

Madam Speaker, I ask that the House consider as quickly as possible the death penalty legislation that is waiting for action.

□ 1400

THE BALANCED BUDGET PROPOSAL

(Mr. DASCHLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DASCHLE. Madam Speaker, the balanced budget proposal before us now is a good idea. But for some reason, its sponsors seem unwilling to put it into effect right away. It is sensible; it will work. Why wait?

The complete details of the plan aren't available right now, but it does seem that unless we put it into effect right away, it may actually raise deficits at first. None of us want that.

With no plan at all, the deficit for fiscal year 1986 is expected to be $172 billion. If we put it into effect when its sponsors suggest, the deficit would go up to $180 billion, and perhaps as high as $193 billion. But if we start now, we can actually get the deficit down to $161 billion.

If we wait to act, we will not have a balanced budget until 1991. If we act now, we can eliminate the deficit a full year earlier.

All told, if we act now, we can cut over $140 billion from the deficits in the next 5 years.

We must act now.

I would also call attention to the loophole in the plan that will allow deficits to be 5-percent higher than the actual targets. The whole point of this plan is to force ourselves to hit these targets. We all know that if we allow ourselves to go 5 percent higher, we will do so.

Finally, we all recognize that reaching these goals will require real and difficult cuts in spending. We must ensure that everyone shares in the sacrifice. Let's not allow the Pentagon to escape its fair share. And lets not allow profitable corporations that now pay no taxes to continue escaping their responsibilities.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. KILDEE] is recognized for 5 minutes.

Mr. KILDEE. Madam Speaker, I was unavoidably absent from the House of Representatives on October 9, 10, and 11 due to reasons of health.

Had I been present I would have voted in the following manner on matters before the House:

"No" on rollcall No. 349, the Burton amendment to H.R. 3008, the Federal Equitable Pay Practices Act.

"Aye" on rollcall No. 353, the rule providing for consideration of H.R. 1523, the Textile and Apparel Trade Enforcement Act of 1985.

"Aye" on rollcall No. 355, final passage of H.R. 3248, Arts and Humanities Authorization Act.

"Aye" on rollcall No. 357, motion to go to conference with the Senate on House Joint Resolution 372, debt limit extension.

"Aye" on rollcall No. 358, motion to instruct the managers on the part of the House at the conference on House Joint Resolution 372, debt limit extension.

A TRIBUTE TO GEN. CASIMIR PULASKI

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

Mr. ANNUNZIO. Madam Speaker, on October 11, 1779, the great American patriot and courageous military leader, Gen. Casimir Pulaski, sacrificed his life for the cause of American independence during the Battle of Savannah.

Born in 1748 in Poland to an aristocratic and distinguished family, Count Pulaski rejected a life of leisure, and instead spent 31 years of his life fighting to free his native land from the yoke of tyranny. He had fought bravely to prevent the partitioning of Poland, and although he was unsuccessful in his efforts, his deep commitment to the ideals of freedom remained intact. When he first heard of the American Revolution in Paris in 1776, he declared, "Wherever on the globe men are fighting for liberty, it is as if it were my own affair," and then, this heroic Polish nobleman offered his services to our country.

Arriving in Boston during the summer of 1777, Pulaski volunteered his services and expertise to Washington's army, and distinguished himself at the Battle of Brandywine. Because of his meritorious efforts, the Continental Congress granted him a commission as a brigadier general and placed him in charge of the newly created American cavalry.

Following additional military action, Pulaski organized an independent corps of cavalry and light infantry—the Pulaski Legion—and contributed greatly to the successes of the American military cause throughout 1778. Pulaski's courage and determination helped save Charleston, SC, from a superior force, and during the siege of Savannah, he displayed undaunted courage in the face of fierce enemy resistance as he bravely led his cavalry into the thick of battle.

General Pulaski's final act of courage came at this Battle of Savannah. As the British fired from the fortified city, Pulaski volunteered to charge through their line of defense, to enter the city, and confuse the enemy. His untimely death at the head of this famous cavalry charge underscored his dedication to the ideals for which the colonists fought, and his example of sacrifice

and devotion to our Nation's cause is a model of patriotism for all time.

President Reagan has issued a proclamation designating October 11 as General Pulaski Memorial Day, and a copy of that proclamation follows:

[A Proclamation by the President of the United States of America]

GENERAL PULASKI MEMORIAL DAY, 1985

General Casimir Pulaski's life was committed to the cause of freedom. Before coming to America in 1777, he fought bravely and tirelessly for the independence of his beloved Poland. Here, he devoted all his energy and skill to the American War of Independence. His personal contribution to the Revolutionary Army on the field of battle, his tactical innovations, and his creation of a highly effective corps of dragoons, known informally as the Polish Legion, won him the title: "Father of American Cavalry."

On October 11, 1779, General Pulaski gave his life in our struggle for freedom. He died from wounds suffered bravely in the battle of Savannah. Although he died before the goal of a free and independent America had been achieved, his heroic example has inspired Polish and American patriots for over two centuries. George Washington's words written to the Continental Congress in 1778 memorialize General Pulaski: "The Count's valor and active zeal on all occasions have done him great honor."

As we gratefully reflect on the life of this great champion of freedom, we are moved to salute all Americans of Polish descent, who from the settlement in Jamestown through the Revolutionary War and on to the present have contributed so greatly and so generously to the realization of the American dream. Generations of Polish Americans have left a lasting imprint on American life in every field of human endeavor: from science and the arts to politics, sports, and religion. Their achievements have enriched the lives of all Americans.

Now, therefore, I Ronald Reagan, President of the United States of America, do hereby proclaim Friday, October 11, 1985, as General Pulaski Memorial Day, 1985, and I direct the appropriate Government officials to display the flag of the United States on all Government buildings on that day. In addition, I encourage the people of the United States to commemorate this occasion as appropriate throughout the land.

In witness whereof, I have hereunto set my hand this first day of October, in the year of our Lord nineteen hundred and eighty-five, and of the Independence of the United States of America the two hundred and tenth.

RONALD REAGAN.

Mr. Speaker, General Pulaski made the supreme sacrifice in the timeless struggle for freedom, and I am proud to join with Americans of Polish descent, the 11th Congressional District of Illinois which I am honored to represent, and Polish Americans all over this Nation in commemorating the 206th anniversity of General Pulaski's inspiring sacrifice for the noble ideals of freedom during our American War of Independnce.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. NELSON] is recognized for 5 minutes.

Mr. NELSON of Florida. Madam Speaker, in examining my voting record I find that I am not recorded on some rollcalls. They include rollcalls 59, 76, 115, and 293 to approve the House Journal. I would have voted "yea" on these rollcalls. On two other procedural motions to adjourn, rollcalls 77 and 116, I would have voted "nay."

I would have voted "yea" on rollcall 60, the motion to suspend the rules and adopt the resolution to condemn the Government of the Soviet Union for the March 24 shooting in East Germany of U.S. Army Maj. Arthur D. Nicholson, Jr., "nay" on rollcall 61, to suspend the rules and adopt the concurrent resolution to call upon the Government of Chile to negotiate with its opposition; "yea" on rollcall 62, adoption of the rule to provide for House consideration of the joint resolution to approve the release of $14 million in fiscal 1985 for supporting military or paramilitary operations in Nicaragua; "yea" on rollcall 78, the demand for a second on the motion to suspend the rules and adopt Senate Concurrent Resolution 37; "yea" on rollcall 79, the demand for a second on the motion to suspend the rules and adopt House Concurrent Resolution 130; "nay" on rollcall 116, the motion to adjourn; "yea" on rollcall 117, adoption of the rule for House consideration for the Defense authorization bill; "yea" on rollcall 294, adoption of the rule for House consideration of the railroad safety improvement bill; and "yea" on the motion to delete $6.3 from the railroad safety improvement bill.

AMENDING THE CHARTER OF THE COMMISSION OF THE BICENTENNIAL OF THE U.S. CONSTITUTION

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Louisiana [Mrs. BOGGS] is recognized for 15 minutes.

Mrs. BOGGS. Madam Speaker, today I am joining with my colleague, the gentleman from Illinois [Mr. CRANE] to introduce legislation to amend the charter of the Commission on the Bicentennial of the U.S. Constitution. We are offering this legislation in our capacity as members of the Commission. Similar legislation has been introduced in the other body by Senators THURMOND, KENNEDY, and STEVENS, who are members of the Commission, and Senator HATCH.

The Commission on the Bicentennial of the U.S. Constitution was established in September 1983 by Public Law 98-101. The 200th anniversary of the approval of the Constitution by delegates attending the Constitutional Convention in Philadelphia will occur on September 17, 1987. Because the initial members of the Commission were not appointed until July 16 of this year, the Commission is behind schedule in its efforts to plan and coordinate the celebration of the Constitution's bicentenary.

In recognition of the constraints imposed by time on the mandate to "promote and coordinate activities to commemorate the bicentennial of the Constitution," the members of the Commission have requested that Congress modify the Commission's charter (Public Law 98-101). The changes recommended by the Commission are contained in this legislation. They include:

First, authority for the Commission to control the use of the official emblem of the bicentenntial and to license its use by the public;

Second, removal of the limitation on the number of Commission staff who may be compensated through appropriated funds;

Third, exemption from Civil Service regulations of Commission staff paid from privately donated funds; and

Fourth, raising the ceiling on the amount an individual can contribute to the Commission to $250,000 per annum and on the amount a corporation, partnership, or other business organization can contribute to $1 million per annum.

In addition, the legislation includes a provision to extend the life of the Commission from 1989, the anniversary of the ratification of the Constitution and the establishment of the Federal Government, until 1991, the anniversary of the ratification of the first 10 amendments to the Constitution, the Bill of Rights.

Separate legislation has been introduced by my colleagues from Illinois [Mr. ANNUNZIO and Mr. CRANE] and myself to authorize the production of coins and medals by the Treasury to commemorate historic events proceeding and associated with the drafting and ratification of the Constitution. H.R. 3415 is currently pending before the Subcommittee on Coinage.

Madam Speaker, I served as a member of the American Revolution Bicentennial Administration from 1974 until 1977 and I serve on the Commission on the Bicentennial of the U.S. Constitution as the Speaker's designee. From my experiences as an active participant in the commemoration of the American Revolution Bicentennial, I can bring a certain appreciation of the challenge facing this Commission in discharging its responsibilities to promote and coordinate activities to commemorate the bicentennial of the Constitution.

For example, the original agencies charged with preparing for the celebrations of 1976 was the American Revolution Bicentennial Commission [ARBC]. It was established in 1966, fully 10 years prior to the celebration of our independence. While there were problems with the original agency which resulted in its reorganization as the American Revolution Bicentennial Authority [ARBA], there was sufficient time for planning for anniversary of our independence, one of the best patriotic celebrations in our histo-

ry. Unfortunately, the Commission on the Bicentennial of the Constitution was not appointed until 2 months ago. Consequently there is not a great deal of time to plan, promote, and coordinate the commemoration of our Nation's fundamental law, the Constitution.

Another example of the constraints facing this Commission is funding. The two agencies charged with responsibility for the 1976 celebration received more than $51 million in appropriated funds. Another $50 million was appropriated by Congress to other agencies for bicentennial activities in 1975 and 1976 alone. In contrast, the fiscal year 1985 supplemental (Public Law 99-88) appropriated $330,000 to the Commission and the fiscal year 1986 Commerce, Justice, State, and the Judiciary appropriations bill (H.R. 2965) contains another $775,000 for the Commission.

In short, the 1976 commemoration was 10 years in the planning and was supported with more than $100 million in Federal appropriations. This Commission has just 2 years to promote and coordinate the commemoration of the Nation's founding charter, with a fairly lean budget to accomplish its objectives. The changes recommended by the Commission, raising the limit on nongovernmental contributions, authorizing the minting of medals and coins, and permitting the licensing of the celebration's official emblem or logo, will better enable the Commission to successfully execute its responsibilities in the short time remaining until September 17, 1987.

Madam Speaker, I am including the text of H.R. 3559 in the RECORD immediately following my remarks. I am also including remarks of the bill's principal cosponsor, the gentleman from Illinois [Mr. CRANE], immediately following the text, and I would like to simply read the last sentence of Mr. CRANE's remarks:

The Commission on the Bicentennial of the Constitution of the United States desperately needs the support of the 99th Congress to ensure that proper recognition and tribute is paid to this truly great achievement.

H.R. 3559

A bill to amend the Act establishing a Commission on the Bicentennial of the Constitution of the United States to clarify the status of employees of the Commission, to raise the limits on private contributions, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DEFINITIONS; COMMEMORATIONS BY STATE AND LOCAL GOVERNMENT.

(a) DEFINITIONS.—For purposes of this Act, the term—

(1) "Bicentennial logo" means the official logo of the bicentennial of the Constitution, as designed and so designated by the Commission pursuant to section 5(k) (as redesignated herein) of Public Law 98-101, or any likeness of such logo which, in whole or in part, is used in such a manner as to suggest such logo; and

(2) "Commission", unless otherwise indicated, means the Commission on the Bicentennial of the United States Constitution.

(b) COMMEMORATIONS BY STATE AND LOCAL GOVERNMENT.—It is not the purpose of this Act or Public Law 98-101 to preempt any other official governmental entity from celebrating the bicentennial of the Constitution of the United States. Neither this Act nor Public Law 98-101 shall prevent any State or local government entity, acting under its own authority, from establishing and using its own logo, insignia, seal, or similar device.

SEC. 2. AMENDMENTS RELATING TO PERSONNEL.

Section 5 of Public Law 98-101 is amended—

(1) in subsection (b) by striking out ", without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates,";

(2) in subsection (b), by striking out "up to five persons,";

(3) by redesignating subsections (d) through (j) as subsections (e) through (k), respectively;

(4) by adding after subsection (c) the following new subsection:

"(d) Appointments and compensation under this section may be made without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.";

(5) in subsection (f)(2), as redesignated herein, by striking out "twenty employees" and inserting in lieu thereof "forty employees or funds equal to the cost of detailing such forty employees";

(6) in subsection (i)(2)(A), as redesignated herein, by striking out "$25,000" and inserting in lieu thereof "$250,000";

(7) in subsection (i)(2)(B), as redesignated herein, by striking out "$100,000" and inserting in lieu thereof "$1,000,000";

(8) in subsection (k), as redesignated herein, by striking out the matter beginning ", except that under" through the end of such subsection and inserting in lieu thereof a period; and

(9) by adding at the end thereof the following new subsection:

"(1) The Commission may transfer funds received by it to any agency if the Commission determines that such agency's use of such funds would promote the commemoration of the bicentennial of the Constitution of the United States.".

SEC. 3 USE OF LOGO.

Notwithstanding the provisions of section 5(k), as redesignated herein, of Public Law 98-101, the Commission may authorize the use of the Bicentennial logo for noncommercial, educational purposes without charge when such use is essentially a public service, and will, in the judgment of the Commission, contribute to public information and education concerning the commemoration of the bicentennial of the Constitution of the United States.

SEC. 4. COOPERATION BY AGENCIES.

Section 6(c) of Public Law 98-101 is amended by adding at the end thereof the following: "All such governmental agencies and organizations shall cooperate with the Commission to the extent allowed by law, in providing advice and assistance requested by the Commission.".

SEC. 5. LICENSING.

(a) REQUIRED TERMS AND CONDITIONS.—Each commercial license granted by the Commission for the use of the Bicentennial logo shall contain the following terms and conditions—

(1) the establishment of a use charge, royalty payment, or payment in kind which is reasonably related to the commercial value of the license, to be paid by the licensee;

(2) specification of an expiration date;

(3) a provision that the license shall be nonexclusive; and

(4) a provision that licensees are not authorized to grant sublicenses or transfer or reassign licenses to another person in connection with the manufacture or sale of an item or the provision of services, unless approved by the Commission.

(b) ADDITIONAL TERMS AND CONDITIONS.—The Commission may incorporate additional terms and requirements into any commercial license issued by the Commission with respect to the use of the Bicentennial logo.

SEC. 6 REVOCATION.

The Commission may revoke or cancel any license or authorization issued for use of the Bicentennial logo if such Commission determines that—

(1) the terms or conditions of the license or authorization have not been complied with;

(2) the use involved is injurious to the image of the Commission; or

(3) the use involved is offensive or does not meet the standards of the Commission.

SEC. 7. PENALTIES.

(a) CRIMINAL PENALTIES.—Whoever, except as provided in this Act, knowingly and for profit manufactures, reproduces, uses, sells, or otherwise distributes the Bicentennial logo, shall be subject to a fine of not more than $250 or imprisonment of not more than six months, or both.

(b) Whoever, except as provided in this act, manufactures, reproduces, uses, sells, or otherwise distributes the Bicentennial logo without the written permission of the Commission tending falsely to represent any affiliation with or endorsement by the Commission, shall be subject to a fine of not more than $250 or imprisonment of not more than six months, or both.

(c) CIVIL PENALTIES.—Whoever violates the provisions of this Act by manufacturing, reproducing, using, selling, or otherwise distributing any commercial product which uses the Bicentennial logo without authorization by the Commission shall, in addition to any criminal penalty, be subject to a civil penalty in an amount equal to the amount of the royalty or other payment which should have been made to the Commission for such use of such Bicentennial logo plus reasonable attorney fees and costs. The Commission may bring a civil action in any court of competent jurisdiction to enforce the provisions of this Act and to recover such penalty.

SEC. 8. AUTHORIZATION OF APPROPRIATIONS.

(a) Section 8 of Public Law 98-101 is amended by striking out "1989" and inserting in lieu thereof "1991".

(b) There are authorized to be appropriated such sums as are necessary to carry out the provisions of this Act.

Mr. CRANE. Mr. Speaker, I have jointly introduced two bills along with Representatives BOGGS and ANNUNZIO concerning America's Commission on the Bicentennial

of the U.S. Constitution. The first bill would merely amend the original act that established the Commission to clarify the status of employees of the Commission, to raise the limits on private contributions, and to extend the life of the Commission until 1991. The second bill would authorize the minting of commemorative coins and the striking of commemorative medals to celebrate the 200th anniversary of our U.S. Constitution.

In 1983, I introduced the original House legislation to create a Commission on the Bicentennial of the U.S. Constitution. In light of the fact that it has taken 2 years for the President to appoint the Commission, it is imperative that these pending bills get passed so that the Commission can fully undertake the enormous tasks before it.

The American Revolutionary Bicentennial Administration [ARBA] had 12 years to organize and raise funds to celebrate the 200th anniversary of the Declaration of Independence. In contrast, the bicentennial for the U.S. Constitution is already less than 2 years away. As a result of these pressing time constraints, the Commission, on which I serve, deemed it necessary to raise the limits on private contributions. Without sufficient funding from the private sector, the U.S. Constitution will not get the celebration that it so richly deserves.

The only other major change contained in the bill to amend the original Bicentennial Commission Act is a provision that would extend the life of the Commission from 1989 to 1991. The rationale behind this was not to just extend the life of the Commission for a couple more years, but was aimed at commemorating the entire ratifying process of the original document. Although by 1789, the Constitution was ratified by all the original States except for Rhode Island, it was done so with the caveat that a bill of rights would be added shortly thereafter. The Bill of Rights to the U.S. Constitution was not ratified by the requisite number of States until 1791. For this reason, I believe that it is fitting to extend the life of the Commission to correspond with the entire bicentennial celebration of our original Constitution. The Bill of Rights was an integral part of the concept of the U.S. Constitution and deserves recognition by this Commission and the people of the United States.

The other legislation that I cosponsored is Mr. ANNUNZIO's bill, H.R. 3415, authorizing coins and medals to commemorate the constitutional bicentennial. Its purpose is not only to provide sourvenirs to celebrate the bicentennial, but it will also raise funds for the Commission and for the purpose of Federal debt retirement. The proceeds from the sale of coins will go toward reducing our Federal debt, and the profit from the sale of medals will further help the Commission fund its activities.

In closing, it should be remembered that while our Nation may be one of the younger nations in the world, it has the oldest, relatively unchanged form of government in the entire world. The U.S. Constitution is considered such an act of genius that it is the most frequently used constitutional model for developing and restructuring countries. Almost 200 years ago the framers of the U.S. Constitution fashioned a nearly perfect instrument of government, one that has demonstrated the remarkable capacity to adapt to a changing world. The Commission on the Bicentennial of the Constitution of the United States desperately needs the support of the 99th Congress to ensure that proper recognition and tribute is paid to this truly great achievement.

CONFERENCE REPORT ON H.R. 2409

Mr. DINGELL submitted the following conference report and statement on the bill (H.R. 2409) to amend the Public Health Service Act to revise and extend the authorities under that act relating to the National Institutes of Health and National Research Institutes, and for other purposes:

CONFERENCE REPORT (H.R. REPT. 99-309)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2409) to amend the Public Health Service Act to revise and extend the authorities under that Act relating to the National Institutes of Health and National Research Institutes, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

SECTION 1. SHORT TITLE; REFERENCE TO ACT; AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Health Research Extension Act of 1985".

(b) REFERENCE TO ACT.—Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be a reference to a section or other provision of the Public Health Service Act.

(c) TABLE OF CONTENTS.—

Sec. 1. Short title; reference to Act; and table of contents.
Sec. 2. Revision of title IV of the Public Health Service Act.
"TITLE IV—NATIONAL RESEARCH INSTITUTES
"PART A—NATIONAL INSTITUTES OF HEALTH
"Sec. 401. Organization of the National Institutes of Health.
"Sec. 402. Appointment and authority of Director of NIH.
"Sec. 403. Report of Director of NIH.
"PART B—GENERAL PROVISIONS RESPECTING NATIONAL RESEARCH INSTITUTES
"Sec. 405. Appointment and authority of the Directors of the National Research Institutes.
"Sec. 406. Advisory councils.
"Sec. 407. Biennial report.
"Sec. 408. Authorizations of appropriations.
"PART C—SPECIFIC PROVISIONS RESPECTING NATIONAL RESEARCH INSTITUTES
"Subpart 1—National Cancer Institute
"Sec. 410. Purpose of Institute.
"Sec. 411. National cancer program.
"Sec. 412. Cancer control programs.
"Sec. 413. Special authorities of the Director.
"Sec. 414. National cancer research and demonstration centers.
"Sec. 415. President's cancer panel.
"Sec. 416. Associate Director for Prevention.
"Subpart 2—National Heart, Lung, and Blood Institute
"Sec. 418. Purpose of the Institute.
"Sec. 419. Heart, blood vessel, lung, and blood disease prevention and control programs.
"Sec. 420. Information and education.
"Sec. 421. National heart, blood vessel, lung, and blood diseases and blood resources program.
"Sec. 422. National research and demonstration centers for heart, blood vessel, lung, and blood diseases, sickle cell anemia, and blood resources.
"Sec. 423. Interagency technical committee.
"Sec. 424. Associate Director for Prevention.
"Subpart 3—National Institute of Diabetes and Digestive and Kidney Diseases
"Sec. 426. Purpose of the Institute.
"Sec. 427. Data systems and information clearinghouses.
"Sec. 428. Division Directors for diabetes, endocrinology, and metabolic diseases, digestive diseases and nutrition, and kidney, urologic, and hematologic diseases.
"Sec. 429. Interagency coordinating committees.
"Sec. 430. Advisory boards.
"Sec. 431. Research and training centers.
"Sec. 432. Advisory council subcommittees.
"Sec. 433. Biennial report.
"Subpart 4—National Institute of Arthritis and Musculoskeletal and Skin Diseases
"Sec. 435. Purpose of the Institute.
"Sec. 436. National arthritis and musculoskeletal diseases program.
"Sec. 437. Research and training.
"Sec. 438. Data systems and information clearinghouses.
"Sec. 439. Interagency coordinating committees.
"Sec. 440. Arthritis and musculoskeletal diseases demonstration projects.
"Sec. 441. Multipurpose arthritis and musculoskeletal disease centers.
"Sec. 442. Advisory board.
"Subpart 5—National Institute on Aging
"Sec. 443. Purpose of the Institute.
"Sec. 444. Special functions.
"Sec. 445. Alzheimer's Disease Centers.
"Subpart 6—National Institute of Allergy and Infectious Diseases
"Sec. 446. Purpose of the Institute.
"Subpart 7—National Institute of Child Health and Human Development
"Sec. 448. Purpose of the Institute.
"Sec. 449. Sudden infant death syndrome.
"Sec. 450. Mental retardation research.
"Sec. 451. Associate Director for Prevention.
"Subpart 8—National Institute of Dental Research
"Sec. 453. Purpose of the Institute.
"Subpart 9—National Eye Institute
"Sec. 455. Purpose of the Institute.

"Subpart 10—National Institute of Neurological and Communicative Disorders and Stroke
"Sec. 457. Purpose of the Institute.
"Sec. 458. Spinal cord regeneration research.
"Sec. 459. Bioengineering research.
"Subpart 11—National Institute of General Medical Sciences
"Sec. 461. Purpose of the Institute.
"Subpart 12—National Institute of Environmental Health Sciences
"Sec. 463. Purpose of the Institute.
"PART D—NATIONAL LIBRARY OF MEDICINE
"Subpart 1—General provisions
"Sec. 465. Purpose, establishment, and functions of the National Library of Medicine.
"Sec. 466. Board of Regents.
"Sec. 467. Library facilities.
"Subpart 2—Financial Assistance
"Sec. 469. Authorization of appropriations.
"Sec. 470. Definitions.
"Sec. 471. National Medical Libraries Assistance Advisory Board.
"Sec. 472. Grants for training in medical library sciences.
"Sec. 473. Assistance for special scientific projects and for research and development in medical library science and related fields.
"Sec. 474. Grants for establishing, expanding, and improving the basic resources of medical libraries and related instrumentalities.
"Sec. 475. Grants and contracts for establishment of regional medical libraries.
"Sec. 476. Financial support of biomedical scientific publications.
"Sec. 477. Grant payments, records, and audit.
"PART E—OTHER AGENCIES OF NIH
"Subpart 1—Division of Research Resources
"Sec. 479. General purpose.
"Sec. 480. Advisory council.
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"Subpart 2—John E. Fogarty International Center for Advanced Study in the Health Sciences.
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"Sec. 483. Purpose of the Center.
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"PART F—AWARDS AND TRAINING
"Sec. 487. National research service awards.
"Sec. 488. Visiting scientist awards.
"Sec. 489. Studies respecting biomedical and behavioral research personnel.
"PART G—GENERAL PROVISIONS
"Sec. 491. Institutional review boards; ethics guidance program.
"Sec. 492. Peer review requirements.
"Sec. 493. Protection against scientific fraud.
"Sec. 494. Research on public health emergencies.
"Sec. 495. Animals in research.
"Sec. 496. Use of appropriations.
"Sec. 497. Gifts.
"Sec. 498. Fetal Research.
"Sec. 499. Construction of title.".
Sec. 3. Conforming amendments.
Sec. 4. Plan for research involving animals.
Sec. 5. Research on lupus erythematosus.
Sec. 6. National Research Service Award study.
Sec. 7. Interagency Committee on Spinal Cord Injury.
Sec. 8. Study of personnel for health needs of the elderly.
Sec. 9. Interagency Committee on Learning Disabilities.
Sec. 10. Review of disease research programs of the National Institute of Diabetes and Digestive and Kidney Diseases.
Sec. 11. Biomedical ethics.
Sec. 12. Alzheimer's disease registry.

SEC. 2. REVISION OF TITLE IV OF THE PUBLIC HEALTH SERVICE ACT.

Title IV of the Public Health Service Act is amended to read as follows:

"TITLE IV—NATIONAL RESEARCH INSTITUTES

"PART A—NATIONAL INSTITUTES OF HEALTH

"ORGANIZATION OF THE NATIONAL INSTITUTES OF HEALTH

"SEC. 401. (a) The National Institutes of Health is an agency of the Service.

"(b)(1) The following national research institutes are agencies of the National Institutes of Health:

"(A) The National Cancer Institute.

"(B) The National Heart, Lung, and Blood Institute.

"(C) The National Institute of Diabetes and Digestive and Kidney Diseases.

"(D) The National Institute of Arthritis and Musculoskeletal and Skin Diseases.

"(E) The National Institute on Aging.

"(F) The National Institute of Allergy and Infectious Diseases.

"(G) The National Institute of Child Health and Human Development.

"(H) The National Institute of Dental Research.

"(I) The National Eye Institute.

"(J) The National Institute of Neurological and Communicative Disorders and Stroke.

"(K) The National Institute of General Medical Sciences.

"(L) The National Institute of Environmental Health Sciences.

"(2) The following entities are agencies of the National Institutes of Health:

"(A) The National Library of Medicine.

"(B) The Division of Research Resources.

"(C) The John E. Fogarty International Center for Advanced Study in the Health Sciences.

"(D) The National Center for Nursing Research.

"(c)(1) The Secretary may establish in the National Institutes of Health one or more additional national research institutes to conduct and support research, training, health information, and other programs with respect to any particular disease or groups of diseases or any other aspect of human health if—

"(A) the Secretary determines that an additional institute is necessary to carry out such activities; and

"(B) the additional institute is not established before the expiration of 180 days after the Secretary has provided the Committee on Energy and Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate written notice of the determination made under subparagraph (A) with respect to the institute.

"(2) The Secretary may reorganize the functions of any national research institute and may abolish any national research institute if the Secretary determines that the institute is no longer required. A reorganization or abolition may not take effect under this paragraph before the expiration of 180 days after the Secretary has provided the Committee on Energy and Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate written notice of the reorganization or abolition.

"(d) For purposes of this title, the term 'national research institute' means a national research institute listed in subsection (b) or established under subsection (c). A reference to the National Institutes of Health includes its agencies.

"APPOINTMENT AND AUTHORITY OF DIRECTOR OF NIH

"SEC. 402. (a) The National Institutes of Health shall be headed by the Director of the National Institutes of Health (hereafter in this title referred to as the 'Director of NIH') who shall be appointed by the President by and with the advice and consent of the Senate. The Director of NIH shall perform functions as provided under subsection (b) and as the Secretary may otherwise prescribe.

"(b) In carrying out the purposes of section 301, the Secretary, acting through the Director of NIH—

"(1) shall be responsible for the overall direction of the National Institutes of Health and for the establishment and implementation of general policies respecting the management and operation of programs and activities within the National Institutes of Health;

"(2) shall coordinate and oversee the operation of the national research institutes and administrative entities within the National Institutes of Health;

"(3) shall assure that research at or supported by the National Institutes of Health is subject to review in accordance with section 492;

"(4) for the national research institutes and administrative entities within the National Institutes of Health—

"(A) may acquire, construct, improve, repair, operate, and maintain, at the site of such institutes and entities, laboratories, and other research facilities, other facilities, equipment, and other real or personal property, and

"(B) may acquire, without regard to the Act of March 3, 1877 (40 U.S.C. 34), by lease or otherwise through the Administrator of General Services, buildings or parts of buildings in the District of Columbia or communities located adjacent to the District of Columbia for use for a period not to exceed ten years;

"(5) may secure resources for research conducted by or through the National Institutes of Health;

"(6) may, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, establish such technical and scientific peer review groups as are needed to carry out the requirements of this title and appoint and pay the members of such groups, except that officers and employees of the United States shall not receive additional compensation for service as members of such groups;

"(7) may secure for the National Institutes of Health consultation services and advice of persons from the United States or abroad;

"(8) may use, with their consent, the services, equipment, personnel, information, and facilities of other Federal, State, or local public agencies, with or without reimbursement therefor;

"(9) may, for purposes of study, admit and treat at facilities of the National Institutes of Health individuals not otherwise eligible for such treatment;

"(10) may accept voluntary and uncompensated services; and

"(11) may perform such other administrative functions as the Secretary determines are needed to effectively carry out this title. The Federal Advisory Committee Act shall not apply to the duration of a peer review group appointed under paragraph (6). The members of such a group shall be individuals who by virtue of their training or experience are eminently qualified to perform the review functions of such group. Not more than one-fourth of the members of any such group shall be officers or employees of the United States.

"(c) The Director of NIH may make available to individuals and entities, for biomedical and behavioral research, substances and living organisms. Such substances and organisms shall be made available under such terms and conditions (including payment for them) as the Secretary determines appropriate.

"(d)(1) The Director of NIH may obtain (in accordance with section 3109 of title 5, United States Code, but without regard to the limitation in such section on the period of service) the services of not more than two hundred experts or consultants, with scientific or other professional qualifications, for the National Institutes of Health.

"(2)(A) Except as provided in subparagraph (B), experts and consultants whose services are obtained under paragraph (1) shall be paid or reimbursed, in accordance with title 5, United States Code, for their travel to and from their place of service and for other expenses associated with their assignment.

"(B) Expenses specified in subparagraph (A) shall not be allowed in connection with the assignment of an expert or consultant whose services are obtained under paragraph (1) unless the expert or consultant has agreed in writing to complete the entire period of the assignment or one year of the assignment, whichever is shorter, unless separated or reassigned for reasons which are beyond the control of the expert or consultant and which are acceptable to the Secretary. If the expert or consultant violates the agreement, the money spent by the United States for such expenses is recoverable from the expert or consultant as a debt due the United States. The Secretary may waive in whole or in part a right of recovery under this subparagraph.

"(e) The Director of NIH shall—

"(1) advise the agencies of the National Institutes of Health on medical applications of research;

"(2) coordinate, review, and facilitate the systematic identification and evaluation of, clinically relevant information from research conducted by or through the national research institutes;

"(3) promote the effective transfer of the information described in paragraph (2) to the health care community and to entities that require such information; and

"(4) monitor the effectiveness of the activities described in paragraph (3).

"(f) There shall be in the National Institutes of Health an Associate Director for Prevention. The Director of NIH shall delegate to the Associate Director for Prevention the functions of the Director relating to the promotion of the disease prevention research programs of the national research institutes and the coordination of such programs among the national research institutes and between the national research institutes and other public and private entities. The Associate Director shall annually report to the Director of NIH on the prevention activities undertaken by the Associate Director. The report shall include a detailed statement of the expenditures made for the activities reported on and the personnel used in connection with such activities.

"REPORT OF DIRECTOR OF NIH

"SEC. 403. The Secretary shall transmit to the President and to the Congress a biennial report which shall be prepared by the Director of NIH and which shall consist of—

"(1) a description of the activities carried out by and through the National Institutes of Health and the policies respecting the programs of the National Institutes of Health and such recommendations respecting such policies as the Secretary considers appropriate;

"(2) a description of the activities undertaken to improve grants and contracting accountability and technical and scientific peer review procedures of the National Institutes of Health and the national research institutes;

"(3) the reports made by the Associate Director for Prevention under section 402(f) during the period for which the biennial report is prepared; and

"(4) the biennial reports of the Directors of each of the national research institutes, the Director of the Division of Research Resources, and the Director of the National Center for Nursing Research.

The first report under this section shall be submitted not later than July 1, 1986, and shall relate to the fiscal year ending September 30, 1985. The next report shall be submitted not later than December 30, 1988, and shall relate to the two-fiscal-year period ending on the preceding September 30. Each subsequent report shall be submitted not later than 90 days after the end of the two-fiscal-year period for which the report is to be submitted.

"PART B—GENERAL PROVISIONS RESPECTING NATIONAL RESEARCH INSTITUTES

"APPOINTMENT AND AUTHORITY OF THE DIRECTORS OF THE NATIONAL RESEARCH INSTITUTES

"SEC. 405. (a) The Director of the National Cancer Institute shall be appointed by the President and the Directors of the other national research institutes shall be appointed by the Secretary. Each Director of a national research institute shall report directly to the Director of NIH.

"(b)(1) In carrying out the purposes of section 301 with respect to the human diseases or disorders or other aspects of human health for which the national research institutes were established, the Secretary, acting through the Director of each national research institute—

"(A) shall encourage and support research, investigations, experiments, demonstrations, and studies in the health sciences related to—

"(i) the maintenance of health,

"(ii) the detection, diagnosis, treatment, and prevention of human diseases and disorders,

"(iii) the rehabilitation of individuals with human diseases, disorders, and disabilities, and

"(iv) the expansion of knowledge of the processes underlying human diseases, disorders, and disabilities, the processes underlying the normal and pathological functioning of the body and its organ systems, and the processes underlying the interactions between the human organism and the environment;

"(B) may, subject to the peer review prescribed under section 492(b) and any advisory council review under section 406(a)(3)(A)(i), conduct the research, investigations, experiments, demonstrations, and studies referred to in subparagraph (A);

"(C) may conduct and support research training (i) for which fellowship support is not provided under section 487, and (ii) which is not residency training of physicians or other health professionals;

"(D) may develop, implement, and support demonstrations and programs for the application of the results of the activities of the institute to clinical practice and disease prevention activities;

"(E) may develop, conduct, and support public and professional education and information programs;

"(F) may secure, develop and maintain, distribute, and support the development and maintenance of resources needed for research;

"(G) may make available the facilities of the institute to appropriate entities and individuals engaged in research activities and cooperate with and assist Federal and State agencies charged with protecting the public health;

"(H) may accept unconditional gifts made to the institute for its activities, and, in the case of gifts of a value in excess of $50,000, establish suitable memorials to the donor;

"(I) may secure for the institute consultation services and advice of persons from the United States or abroad;

"(J) may use, with their consent, the services, equipment, personnel, information, and facilities of other Federal, State, or local public agencies, with or without reimbursement therefor;

"(K) may accept voluntary and uncompensated services; and

"(L) may perform such other functions as the Secretary determines are needed to carry out effectively the purposes of the institute. The indemnification provisions of section 2354, title 10, United States Code, shall apply with respect to contracts entered into under this subsection and section 402(b).

"(2) Support for an activity or program under this subsection may be provided through grants, contracts, and cooperative agreements. The Secretary, acting through the Director of each national research institute—

"(A) may enter into a contract for research, training, or demonstrations only if the contract has been recommended after technical and scientific peer review required by regulations under section 492; and

"(B) may make grants and cooperative agreements under paragraph (1) for research, training, or demonstrations, except that—

"(i) if the direct cost of the grant or cooperative agreement to be made does not exceed $50,000, such grant or cooperative agreement may be made only if such grant or cooperative agreement has been recommended after technical and scientific peer review required by regulations under section 492, and

"(ii) if the direct cost of the grant or cooperative agreement to be made exceeds $50,000, such grant or cooperative agreement may be made only if such grant or cooperative agreement has been recommended

after technical and scientific peer review required by regulations under section 492 and is recommended under section 406(a)(3)(A)(ii) by the advisory council for the national research institute involved.

"(c) In carrying out subsection (b), each Director of a national research institute—

"(1) shall coordinate, as appropriate, the activities of the institute with similar programs of other public and private entities;

"(2) shall cooperate with the Directors of the other national research institutes in the development and support of multidisciplinary research and research that involves more than one institute; and

"(3) may, with the approval of the advisory council for the institute and the Director of NIH, appoint technical and scientific peer review groups in addition to those appointed under section 402(b)(6).

"ADVISORY COUNCILS

"SEC. 406. (a)(1) Except as provided in subsection (h), the Secretary shall appoint an advisory council for each national research institute which (A) shall advise, assist, consult with, and make recommendations to the Secretary and the Director of such institute on matters related to the activities carried out by and through the institute and the policies respecting such activities, and (B) shall carry out the special functions prescribed by part C.

"(2) Each advisory council for a national research institute may recommend to the Secretary acceptance, in accordance with section 2101, of conditional gifts for study, investigation, or research respecting the diseases, disorders, or other aspect of human health with respect to which the institute was established, for the acquisition of grounds, or for the construction, equipping, or maintenance of facilities for the institute.

"(3) Each advisory council for a national research institute—

"(A)(i) may on the basis of the materials provided under section 492(b)(2) respecting research conducted at the institute, make recommendations to the Director of the institute respecting such research,

"(ii) may review applications for grants and cooperative agreements for research or training and for which advisory council approval is required under section 405(b)(2) and recommend for approval applications for projects which show promise of making valuable contributions to human knowledge, and

"(iii) may review any grant, contract, or cooperative agreement proposed to be made or entered into by the institute;

"(B) may collect, by correspondence or by personal investigation, information as to studies which are being carried on in the United States or any other country as to the disease, disorders, or other aspect of human health with respect to which the institute was established and with the approval of the Director of the institute make available such information through appropriate publications for the benefit of public and private health entities and health professions personnel and scientists and for the information of the general public; and

"(C) may appoint subcommittees and convene workshops and conferences.

"(b)(1) Each advisory council shall consist of ex officio members and not more than eighteen members appointed by the Secretary.

"(2) The ex officio members of an advisory council shall consist of—

"(A) the Secretary, the Director of NIH, the Director of the national research institute for which the council is established, the Chief Medical Director of the Veterans' Administration or the Chief Dental Director of the Veterans' Administration, and the Assistant Secretary of Defense for Health Affairs (or the designees of such officers), and

"(B) such additional officers or employees of the United States as the Secretary determines necessary for the advisory council to effectively carry out its functions.

"(3) The members of an advisory council who are not ex officio members shall be appointed as follows:

"(A) Two thirds of the members shall be appointed by the Secretary from among the leading representatives of the health and scientific disciplines (including public health and the behavioral or social sciences) relevant to the activities of the national research institute for which the advisory council is established.

"(B) One third of the members shall be appointed by the Secretary from the general public and shall include leaders in fields of public policy, law, health policy, economics, and management.

"(4) Members of an advisory council who are officers or employees of the United States shall not receive any compensation for service on the advisory council. The other members of an advisory council shall receive, for each day (including traveltime) they are engaged in the performance of the functions of the advisory council, compensation at rates not to exceed the daily equivalent of the annual rate in effect for grade GS-18 of the General Schedule.

"(c) The term of office of an appointed member of an advisory council is four years, except that any member appointed to fill a vacancy for an unexpired term shall be appointed for the remainder of such term and the Secretary shall make appointments to an advisory council in such a manner as to ensure that the terms of the members do not all expire in the same year. A member may serve after the expiration of the member's term until a successor has taken office. A member who has been appointed for a term of four years may not be reappointed to an advisory council before two years from the date of expiration of such term of office. If a vacancy occurs in the advisory council among the appointed members, the Secretary shall make an appointment to fill the vacancy within 90 days from the date the vacancy occurs.

"(d) The chairman of an advisory council shall be selected by the Secretary from among the appointed members, except that the Secretary may select the Director of the national research institute for which the advisory council is established to be the chairman of the advisory council. The term of office of the chairman shall be two years.

"(e) The advisory council shall meet at the call of the chairman or upon the request of the Director of the national research institute for which it was established, but at least three times each fiscal year. The location of the meetings of each advisory council is subject to the approval of the Director of the national research institute for which the advisory council was established.

"(f) The Director of the national research institute for which an advisory council is established shall designate a member of the staff of the institute to serve as the executive secretary of the advisory council. The Director of such institute shall make available to the advisory council such staff, information, and other assistance as it may require to carry out its functions. The Director of such institute shall provide orientation and training for new members of the advisory council to provide them with such information and training as may be appropriate for their effective participation in the functions of the advisory council.

"(g) Each advisory council may prepare, for inclusion in the biennial report made under section 407, (1) comments respecting the activities of the advisory council in the fiscal years respecting which the report is prepared, (2) comments on the progress of the national research institute for which it was established in meeting its objectives, and (3) recommendations respecting the future directions and program and policy emphasis of the institute. Each advisory council may prepare such additional reports as it may determine appropriate.

"(h)(1) Except as provided in paragraph (2), this section does not terminate the membership of any advisory council for a national research institute which was in existence on the date of enactment of the Health Research Extension Act of 1985. After such date—

"(A) the Secretary shall make appointments to each such advisory council in such a manner as to bring about as soon as practicable the composition for such council prescribed by this section;

"(B) each advisory council shall organize itself in accordance with this section and exercise the functions prescribed by this section; and

"(C) the Director of each national research institute shall perform for such advisory council the functions prescribed by this section.

"(2)(A) The National Cancer Advisory Board shall be the advisory council for the National Cancer Institute. This section applies to the National Cancer Advisory Board, except that—

"(i) appointments to such Board shall be made by the President;

"(ii) the term of office of an appointed member shall be 6 years;

"(iii) of the members appointed to the Board not less than five members shall be individuals knowledgeable in environmental carcinogenesis (including carcinogenesis involving occupational and dietary factors);

"(iv) the chairman of the Board shall be selected by the President from the appointed members and shall serve as chairman for a term of two years;

"(v) the ex officio members of the Board shall be the Secretary, the Director of the Office of Science and Technology Policy, the Director of NIH, the Chief Medical Director of the Veterans' Administration, the Director of the National Institute for Occupational Safety and Health, the Director of the National Institute of Environmental Health Sciences, the Secretary of Labor, the Commissioner of the Food and Drug Administration, the Administrator of the Environmental Protection Agency, the Chairman of the Consumer Product Safety Commission, and the Assistant Secretary of Defense for Health Affairs (or the designees of such officers); and

"(vi) the Board shall meet at least four times each fiscal year.

"(B) This section applies to the advisory council to the National Heart, Lung, and Blood Institute, except that the advisory council shall meet at least four times each fiscal year.

"BIENNIAL REPORT

"SEC. 407. The Director of each national research institute, after consultation with the advisory council for the institute, shall

prepare for inclusion in the biennial report made under section 403 a biennial report which shall consist of a description of the activities of the institute and program policies of the Director of the institute in the fiscal years respecting which the report is prepared. The Director of each national research institute may prepare such additional reports as the Director determines appropriate. The Director of each national research institute shall provide the advisory council for the institute an opportunity for the submission of the written comments referred to in section 406(g).

"AUTHORIZATIONS OF APPROPRIATIONS

"SEC. 408. (a) In addition to amounts otherwise authorized to be appropriated under this title for the National Institutes of Health, the following amounts are authorized to be appropriated:

"(1)(A) For the National Cancer Institute (other than its programs under section 412), there are authorized to be appropriated $1,194,000,000 for fiscal year 1986, $1,270,000,000 for fiscal year 1987, and $1,344,000,000 for fiscal year 1988.

"(B) For the programs under section 412, there are authorized to be appropriated $68,000,000 for fiscal year 1986, $74,000,000 for fiscal year 1987, and $80,000,000 for fiscal year 1988.

"(2)(A) For the National Heart, Lung, and Blood Institute (other than its programs under section 419), there are authorized to be appropriated $809,000,000 for fiscal year 1986, $871,000,000 for fiscal year 1987, and $927,000,000 for fiscal year 1988. Of the amount appropriated under this subsection for such fiscal year, not less than 15 percent of such amount shall be reserved for programs respecting diseases of the lung and not less than 15 percent of such amount shall be reserved for programs respecting blood diseases and blood resources.

"(B) For the programs under section 419, there are authorized to be appropriated $82,000,000 for fiscal year 1986, $90,000 for fiscal year 1987, and $98,000 for fiscal year 1988.

"(b)(1) Except as provided in paragraph (2), the sum of the amounts obligated in any fiscal year for administrative expenses of the National Institutes of Health may not exceed an amount which is 5.5 percent of the total amount appropriated for such fiscal year for the National Institutes of Health.

"(2) Paragraph (1) does not apply to the National Library of Medicine, the National Center for Nursing Research, the John E. Fogarty International Center for Advanced Study in the Health Sciences, the Warren G. Magnuson Clinical Center, and the Office of Medical Applications of Research.

"(3) For purposes of paragraph (1), the term 'administrative expenses' means expenses incurred for the support of activities relevant to the award of grants, contracts, and cooperative agreements and expenses incurred for general administration of the scientific programs and activities of the National Institutes of Health. In identifying expenses incurred for such support and administration the Secretary shall consult with the Comptroller General of the United States.

"(4) Not later than December 31, 1987, and December 31 of each succeeding year, the Secretary shall report to the Congress the amount obligated in the fiscal year preceding such date for administrative expenses of the National Institutes of Health and the total amount appropriated for the National Institutes of Health for such fiscal year. The Secretary shall consult with the Comptroller General of the United States in preparing each report.

"PART C—SPECIFIC PROVISIONS RESPECTING NATIONAL RESEARCH INSTITUTES

"Subpart 1—National Cancer Institute

"PURPOSE OF INSTITUTE

"SEC. 410. The general purpose of the National Cancer Institute (hereafter in this subpart referred to as the 'Institute') is the conduct and support of research, training, health information dissemination, and other programs with respect to the cause, diagnosis, prevention, and treatment of cancer and the continuing care of cancer patients and the families of cancer patients.

"NATIONAL CANCER PROGRAM

"SEC. 411. The National Cancer Program shall consist of (1) an expanded, intensified, and coordinated cancer research program encompassing the research programs conducted and supported by the Institute and the related research programs of the other national research institutes, including an expanded and intensified research program for the prevention of cancer caused by occupational or environmental exposure to carcinogens, and (2) the other programs and activities of the Institute.

"CANCER CONTROL PROGRAMS

"SEC. 412. The Director of the Institute shall establish and support demonstration, education, and other programs for the detection, diagnosis, prevention, and treatment of cancer and for rehabilitation and counseling respecting cancer. Programs established and supported under this section shall include—

"(1) locally initiated education and demonstration programs (and regional networks of such programs) to transmit research results and to disseminate information respecting—

"(A) the detection, diagnosis, prevention, and treatment of cancer,

"(B) the continuing care of cancer patients and the families of cancer patients, and

"(C) rehabilitation and counseling respecting cancer,

to physicians and other health professionals who provide care to individuals who have cancer;

"(2) the demonstration of and the education of students of the health professions and health professionals in—

"(A) effective methods for the prevention and early detection of cancer and the identification of individuals with a high risk of developing cancer, and

"(B) improved methods of patient referral to appropriate centers for early diagnosis and treatment of cancer; and

"(3) the demonstration of new methods for the dissemination of information to the general public concerning the prevention, early detection, diagnosis, and treatment and control of cancer and information concerning unapproved and ineffective methods, drugs, and devices for the diagnosis, prevention, treatment, and control of cancer.

"SPECIAL AUTHORITIES OF THE DIRECTOR

"SEC. 413. (a) The Director of the Institute shall establish an information and education center to collect, identify, analyze, and disseminate on a timely basis, through publications and other appropriate means, to cancer patients and their families, physicians and other health professionals, and the general public, information on cancer research, diagnosis, prevention, and treatment (including information respecting nutrition programs for cancer patients and the relationship between nutrition and cancer). The Director of the Institute may take such action as may be necessary to insure that all channels for the dissemination and exchange of scientific knowledge and information are maintained between the Institute and other scientific, medical, and biomedical disciplines and organizations nationally and internationally.

"(b) The Director of the Institute in carrying out the National Cancer Program—

"(1) shall establish or support the large-scale production or distribution of specialized biological materials and other therapeutic substances for cancer research and set standards of safety and care for persons using such materials;

"(2) shall, in consultation with the advisory council for the Institute, support (A) research in the cancer field outside the United States by highly qualified foreign nationals which can be expected to benefit the American people, (B) collaborative research involving American and foreign participants, and (C) the training of American scientists abroad and foreign scientists in the United States;

"(3) shall, in consultation with the advisory council for the Institute, support appropriate programs of education and training (including continuing education and laboratory and clinical research training);

"(4) shall encourage and coordinate cancer research by industrial concerns where such concerns evidence a particular capability for such research;

"(5) may obtain (with the approval of the advisory council for the Institute and in accordance with section 3109 of title 5, United States Code, but without regard to the limitation in such section on the period of service) the services of not more than one hundred and fifty-one experts or consultants who have scientific or professional qualifications;

"(6)(A) may, in consultation with the advisory council for the Institute, acquire, construct, improve, repair, operate, and maintain laboratories, other research facilities, equipment, and such other real or personal property as the Director determines necessary;

"(B) may, in consultation with the advisory council for the Institute, make grants for construction or renovation of facilities; and

"(C) may, in consultation with the advisory council for the Institute, acquire, without regard to the Act of March 3, 1877 (40 U.S.C. 34), by lease or otherwise through the Administrator of General Services, buildings or parts of buildings in the District of Columbia or communities located adjacent to the District of Columbia for the use of the Institute for a period not to exceed ten years;

"(7) may, in consultation with the advisory council for the Institute, appoint one or more advisory committees composed of such private citizens and officials of Federal, State, and local governments to advise the Director with respect to the Director's functions;

"(8) may, subject to section 405(b)(2) and without regard to section 3324 of title 31, United States Code, and section 3709 of the Revised Statutes (41 U.S.C. 5), enter into such contracts, leases, cooperative agreements, as may be necessary in the conduct of functions of the Director, with any public agency, or with any person, firm, association, corporation, or educational institution;

"(9) shall maintain and operate the International Cancer Research Data Bank, which shall collect, catalog, store, and dis-

seminate insofar as feasible through the use of information systems accessible to the public, general practitioners, and oncologic investigators, the results of cancer research and treatment undertaken in any country for the use of any person involved in cancer research and treatment in any country; and

"(10)(A) shall, notwithstanding section 405(a), prepare and submit, directly to the President for review and transmittal to Congress, an annual budget estimate (including an estimate of the number and type of personnel needs for the Institute) for the National Cancer Program, after reasonable opportunity for comment (but without change) by the Secretary, the Director of NIH, and the Institute's advisory council; and (B) may receive from the President and the Office of Management and Budget directly all funds appropriated by Congress for obligation and expenditure by the Institute.

Except as otherwise provided, experts and consultants whose services are obtained under paragraph (5) shall be paid or reimbursed, in accordance with title 5, United States Code, for their travel to and from their place of service and for other expenses associated with their assignment. Such expenses shall not be allowed in connection with the assignment of an expert or consultant whose services are obtained under paragraph (5) unless the expert or consultant has agreed in writing to complete the entire period of the assignment or one year of the assignment, whichever is shorter, unless separated or reassigned for reasons which are beyond the control of the expert or consultant and which are acceptable to the Director of the Institute. If the expert or consultant violates the agreement, the money spent by the United States for such expenses is recoverable from the expert or consultant as a debt due the United States. The Secretary may waive in whole or in part a right of recovery under the preceding sentence.

"NATIONAL CANCER RESEARCH AND DEMONSTRATION CENTERS

"SEC. 414. (a)(1) The Director of the Institute may enter into cooperative agreements with and make grants to public or private nonprofit entities to pay all or part of the cost of planning, establishing, or strengthening, and providing basic operating support for centers for basic and clinical research into, training in, and demonstration of advanced diagnostic, prevention, and treatment methods for cancer.

"(2) A cooperative agreement or grant under paragraph (1) shall be entered into in accordance with policies established by the Director of NIH and after consultation with the Institute's advisory council.

"(b) Federal payments made under a cooperative agreement or grant under subsection (a) may be used for—

"(1) construction (notwithstanding any limitation under section 496);

"(2) staffing and other basic operating costs, including such patient care costs as are required for research;

"(3) clinical training, including training for allied health professionals, continuing education for health professionals and allied health professions personnel, and information programs for the public respecting cancer; and

"(4) demonstration purposes.

As used in this paragraph, the term 'construction' does not include the acquisition of land, and the term 'training' does not include research training for which National Research Service Awards may be provided under section 487.

"(c) Support of a center under subsection (a) may be for a period of not to exceed five years. Such period may be extended by the Director for additional periods of not more than five years each if the operations of such center have been reviewed by an appropriate technical and scientific peer review group established by the Director and if such group has recommended to the Director that such period should be extended.

"PRESIDENT'S CANCER PANEL

"SEC. 415. (a)(1) The President's Cancer Panel (hereafter in this section referred to as the 'Panel') shall be composed of three persons appointed by the President who by virtue of their training, experience, and background are exceptionally qualified to appraise the National Cancer Program. At least two members of the Panel shall be distinguished scientists or physicians.

"(2)(A) Members of the Panel shall be appointed for three-year terms, except that (i) any member appointed to fill a vacancy occurring prior to the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of such term, and (ii) a member may serve until the member's successor has taken office. If a vacancy occurs in the Panel, the President shall make an appointment to fill the vacancy not later than 90 days after the date the vacancy occurred.

"(B) The President shall designate one of the members to serve as the chairman of the Panel for a term of one year.

"(C) Members of the Panel shall each be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule for each day (including traveltime) during which they are engaged in the actual performance of duties as members of the Panel and shall be paid or reimbursed, in accordance with title 5, United States Code, for their travel to and from their place of service and for other expenses associated with their assignment.

"(3) The Panel shall meet at the call of the chairman, but not less often than four times a year. A transcript shall be kept of the proceedings of each meeting of the Panel, and the chairman shall make such transcript available to the public.

"(b) The Panel shall monitor the development and execution of the activities of the National Cancer Program, and shall report directly to the President. Any delays or blockages in rapid execution of the Program shall immediately be brought to the attention of the President. The Panel shall submit to the President periodic progress reports on the National Cancer Program and shall submit to the President, the Secretary, and the Congress an annual evaluation of the efficacy of the Program and suggestions for improvements, and shall submit such other reports as the President shall direct.

"ASSOCIATE DIRECTOR FOR PREVENTION

"SEC. 416. (a) There shall be in the Institute an Associate Director for Prevention to coordinate and promote the programs in the Institute concerning the prevention of cancer. The Associate Director shall be appointed by the Director of the Institute from individuals who because of their professional training or experience are experts in public health or preventive medicine.

"(b) The Associate Director for Prevention shall prepare for inclusion in the biennial report made under section 407 a description of the prevention activities of the Institute, including a description of the staff and resources allocated to those activities.

"Subpart 2—National Heart, Lung, and Blood Institute

"PURPOSE OF THE INSTITUTE

"SEC. 418. The general purpose of the National Heart, Lung, and Blood Institute (hereafter in this subpart referred to as the 'Institute') is the conduct and support of research, training, health information dissemination, and other programs with respect to heart, blood vessel, lung, and blood diseases and with respect to the use of blood and blood products and the management of blood resources.

"HEART, BLOOD VESSEL, LUNG, AND BLOOD DISEASE PREVENTION AND CONTROL PROGRAMS

"SEC. 419. The Director of the Institute, under policies established by the Director of NIH and after consultation with the advisory council for the Institute, shall establish programs as necessary for cooperation with other Federal health agencies, State, local, and regional public health agencies, and nonprofit private health agencies in the diagnosis, prevention, and treatment (including the provision of emergency medical services) of heart, blood vessel, lung, and blood diseases, appropriately emphasizing the prevention, diagnosis, and treatment of such diseases of children.

"INFORMATION AND EDUCATION

"SEC. 420. The Director of the Institute shall collect, identify, analyze, and disseminate on a timely basis, through publications and other appropriate means, to patients, families of patients, physicians and other health professionals, and the general public, information on research, prevention, diagnosis, and treatment of heart, blood vessel, lung, and blood diseases, the maintenance of health to reduce the incidence of such diseases, and on the use of blood and blood products and the management of blood resources. In carrying out this section the Director of the Institute shall place special emphasis upon—

"(1) the dissemination of information regarding diet and nutrition, environmental pollutants, exercise, stress, hypertension, cigarette smoking, weight control, and other factors affecting the prevention of arteriosclerosis and other cardiovascular diseases and of pulmonary and blood diseases; and

"(2) the dissemination of information designed to encourage children to adopt healthful habits respecting the risk factors related to the prevention of such diseases.

"NATIONAL HEART, BLOOD VESSEL, LUNG, AND BLOOD DISEASES AND BLOOD RESOURCES PROGRAM

"SEC. 421. (a)(1) The National Heart, Blood Vessel, Lung, and Blood Diseases and Blood Resources Program (hereafter in this subpart referred to as the 'Program') may provide for—

"(A) investigation into the epidemiology, etiology, and prevention of all forms and aspects of heart, blood vessel, lung, and blood diseases, including investigations into the social, environmental, behavioral, nutritional biological, and genetic determinants and influences involved in the epidemiology, etiology, and prevention of such diseases;

"(B) studies and research into the basic biological processes and mechanisms involved in the underlying normal and abnormal heart, blood vessel, lung, and blood phenomena;

"(C) research into the development, trial, and evaluation of techniques, drugs, and devices (including computers) used in, and approaches to, the diagnosis, treatment (including the provision of emergency medical

services), and prevention of heart, blood vessel, lung, and blood diseases and the rehabilitation of patients suffering from such diseases;

"(D) establishment of programs that will focus and apply scientific and technological efforts involving the biological, physical, and engineering sciences to all facets of heart, blood vessel, lung, and blood diseases with emphasis on the refinement, development, and evaluation of technological devices that will assist, replace, or monitor vital organs and improve instrumentation for detection, diagnosis, and treatment of such diseases;

"(E) establishment of programs for the conduct and direction of field studies, large-scale testing and evaluation, and demonstration of preventive, diagnostic, therapeutic, and rehabilitative approaches to, and emergency medical services for, such diseases;

"(F) studies and research into blood diseases and blood, and into the use of blood for clinical purposes and all aspects of the management of blood resources in the United States, including the collection, preservation, fractionation, and distribution of blood and blood products;

"(G) the education (including continuing education) and training of scientists, clinical investigators, and educators, in fields and specialties (including computer sciences) requisite to the conduct of clinical programs respecting heart, blood vessel, lung, and blood diseases and blood resources;

"(H) public and professional education relating to all aspects of such diseases, including the prevention of such diseases, and the use of blood and blood products and the management of blood resources;

"(I) establishment of programs for study and research into heart, blood vessel, lung, and blood diseases of children (including cystic fibrosis, hyaline membrane, hemolytic diseases such as sickle cell anemia and Cooley's anemia, and hemophilic diseases) and for the development and demonstration of diagnostic, treatment, and preventive approaches to such diseases; and

"(J) establishment of programs for study, research, development, demonstrations and evaluation of emergency medical services for people who become critically ill in connection with heart, blood vessel, lung, or blood diseases.

"(2) The Program shall be coordinated with other national research institutes to the extent that they have responsibilities respecting such diseases and shall give special emphasis to the continued development in the Institute of programs related to the causes of stroke and to effective coordination of such programs with related stroke programs in the National Institute of Neurological and Communicative Disorders and Stroke. The Director of the Institute, with the advice of the advisory council for the Institute, shall revise annually the plan for the Program and shall carry out the Program in accordance with such plan.

"(b) In carrying out the Program, the Director of the Institute, under policies established by the Director of NIH—

"(1) may, after approval of the advisory council for the Institute, obtain (in accordance with section 3109 of title 5, United States Code, but without regard to the limitation in such section on the period of such service) the services of not more than one hundred experts or consultants who have scientific or professional qualifications;

"(2)(A) may, in consultation with the advisory council for the Institute, acquire and construct, improve, repair, operate, alter, renovate, and maintain, heart, blood vessel, lung, and blood disease and blood resource laboratory, research, training, and other facilities, equipment, and such other real or personal property as the Director determines necessary;

"(B) may, in consultation with the advisory council for the Institute, make grants for construction or renovation of facilities; and

"(C) may, in consultation with the advisory council for the Institute, acquire, without regard to the Act of March 3, 1877 (40 U.S.C. 34), by lease or otherwise, through the Administrator of General Services, buildings or parts of buildings in the District of Columbia or communities located adjacent to the District of Columbia for the use of the Institute for a period not to exceed ten years;

"(3) subject to section 405(b)(2) and without regard to section 3324 of title 31, United States Code, and section 3709 of the Revised Statutes (41 U.S.C. 5), may enter into such contracts, leases, cooperative agreements, or other transactions, as may be necessary in the conduct of the Director's functions, with any public agency, or with any person, firm, association, corporation, or educational institutions; and

"(4) may make grants to public and nonprofit private entities to assist in meeting the cost of the care of patients in hospitals, clinics, and related facilities who are participating in research projects.

Except as otherwise provided, experts and consultants whose services are obtained under paragraph (1) shall be paid or reimbursed, in accordance with title 5, United States Code, for their travel to and from their place of service and for other expenses associated with their assignment. Such expenses shall not be allowed in connection with the assignment of an expert or consultant whose services are obtained under paragraph (1) unless the expert or consultant has agreed in writing to complete the entire period of the assignment or one year of the assignment, whichever is shorter, unless separated or reassigned for reasons which are beyond the control of the expert or consultant and which are acceptable to the Director of the Institute. If the expert or consultant violates the agreement, the money spent by the United States for such expenses is recoverable from the expert or consultant as a debt due the United States. The Secretary may waive in whole or in part a right of recovery under the preceding sentence.

"NATIONAL RESEARCH AND DEMONSTRATION CENTERS FOR HEART, BLOOD VESSEL, LUNG, AND BLOOD DISEASES, SICKLE CELL ANEMIA, AND BLOOD RESOURCES

"SEC. 422. (a)(1) The Director of the Institute may provide, in accordance with subsection (c), for the development of—

"(A) ten centers for basic and clinical research into, training in, and demonstration of, advanced diagnostic, prevention, and treatment methods (including methods of providing emergency medical services) for heart and blood vessel diseases;

"(B) ten centers for basic and clinical research into, training in, and demonstration of, advanced diagnostic, prevention, and treatment methods (including methods of providing emergency medical services) for lung diseases (including bronchitis, emphysema, asthma, cystic fibrosis, and other lung diseases of children); and

"(C) ten centers for basic and clinical research into, training in, and demonstration of, advanced diagnostic, prevention, and treatment methods (including methods of providing emergency medical services) for blood diseases and research into blood, in the use of blood products and in the management of blood resources.

"(2) The centers developed under paragraph (1) shall, in addition to being utilized for research, training, and demonstrations, be utilized for the following prevention programs for cardiovascular, pulmonary, and blood diseases:

"(A) Programs to develop improved methods of detecting individuals with a high risk of developing cardiovascular, pulmonary, and blood diseases.

"(B) Programs to develop improved methods of intervention against those factors which cause individuals to have a high risk of developing such diseases.

"(C) Programs to develop health professions and allied health professions personnel highly skilled in the prevention of such diseases.

"(D) Programs to develop improved methods of providing emergency medical services for persons with such diseases.

"(E) Programs of continuing education for health and allied health professionals in the diagnosis, prevention, and treatment of such diseases and the maintenance of health to reduce the incidence of such diseases and information programs for the public respecting the prevention and early diagnosis and treatment of such diseases and the maintenance of health.

"(3) The research, training, and demonstration activities carried out through any such center may relate to any one or more of the diseases referred to in paragraph (1) of this subsection.

"(b) The Director of the Institute shall provide, in accordance with subsection (c), for the development of ten centers for basic and clinical research into the diagnosis, treatment, and control of sickle cell anemia.

"(c)(1) The Director of the Institute may enter into cooperative agreements with and make grants to public or private nonprofit entities to pay all or part of the cost of planning, establishing, or strengthening, and providing basic operating support for centers for basic and clinical research into, training in, and demonstration of the management of blood resources and advanced diagnostic, prevention, and treatment methods for heart, blood vessel, lung, or blood diseases.

"(2) A cooperative agreement or grant under paragraph (1) shall be entered into in accordance with policies established by the Director of NIH and after consultation with the Institute's advisory council.

"(3) Federal payments made under a cooperative agreement or grant under paragraph (1) may be used for—

"(A) construction (notwithstanding any limitation under section 496);

"(B) staffing and other basic operating costs, including such patient care costs as are required for research;

"(C) training, including training for allied health professionals; and

"(D) demonstration purposes.

As used in this subsection, the term 'construction' does not include the acquisition of land, and the term 'training' does not include research training for which National Research Service Awards may be provided under section 487.

"(4) Support of a center under paragraph (1) may be for a period of not to exceed five years. Such period may be extended by the Director for additional periods of not more than five years each if the operations of

such center have been reviewed by an appropriate technical and scientific peer review group established by the Director and if such group has recommended to the Director that such period should be extended.

"INTERAGENCY TECHNICAL COMMITTEE

"SEC. 423. (a) The Secretary shall establish an Interagency Technical Committee on Heart, Blood Vessel, Lung and Blood Diseases and Blood Resources which shall be responsible for coordinating those aspects of all Federal health programs and activities relating to heart, blood vessel, lung, and blood diseases and blood resources to assure the adequacy and technical soundness of such programs and activities and to provide for the full communication and exchange of information necessary to maintain adequate coordination of such programs and activities.

"(b) The Director of the Institute shall serve as chairman of the Committee and the Committee shall include representation from all Federal departments and agencies whose programs involve health functions or responsibilities relevant to the functions of the Committee, as determined by the Secretary.

"ASSOCIATE DIRECTOR FOR PREVENTION

"SEC. 424. (a) There shall be in the Institute an Associate Director for Prevention to coordinate and promote the programs in the Institute concerning the prevention of heart, blood vessel, lung, and blood diseases. The Associate Director shall be appointed by the Director of the Institute from individuals who because of their professional training or experience are experts in public health or preventive medicine.

"(b) The Associate Director for Prevention shall prepare for inclusion in the biennial report made under section 407 a description of the prevention activities of the Institute, including a description of the staff and resources allocated to those activities.

"Subpart 3—National Institute of Diabetes and Digestive and Kidney Diseases

"PURPOSE OF THE INSTITUTE

"SEC. 426. The general purpose of the National Institute of Diabetes and Digestive and Kidney Diseases (hereafter in this subpart referred to as the 'Institute') is the conduct and support of research, training, health information dissemination, and other programs with respect to diabetes mellitus and endocrine and metabolic diseases, digestive diseases and nutritional disorders, and kidney, urologic, and hematologic diseases.

"DATA SYSTEMS AND INFORMATION CLEARINGHOUSES

"SEC. 427. (a) The Director of the Institute shall (1) establish the National Diabetes Data System for the collection, storage, analysis, retrieval, and dissemination of data derived from patient populations with diabetes, including, where possible, data involving general populations for the purpose of detection of individuals with a risk of developing diabetes, and (2) establish the National Diabetes Information Clearinghouse to facilitate and enhance knowledge and understanding of diabetes on the part of health professionals, patients, and the public through the effective dissemination of information.

"(b) The Director of the Institute shall (1) establish the National Digestive Diseases Data System for the collection, storage, analysis, retrieval, and dissemination of data derived from patient populations with digestive diseases, including, where possible, data involving general populations for the purpose of detection of individuals with a risk of developing digestive diseases, and (2) establish the National Digestive Diseases Information Clearinghouse to facilitate and enhance knowledge and understanding of digestive diseases on the part of health professionals, patients, and the public through the effective dissemination of information.

"(c) The Director of the Institute shall (1) establish the National Kidney and Urologic Diseases Data System for the collection, storage, analysis, retrieval, and dissemination of data derived from patient populations with kidney and urologic diseases, including, where possible, data involving general populations for the purpose of detection of individuals with a risk of developing kidney and urologic diseases and (2) establish the National Kidney and Urologic Diseases Information Clearinghouse to facilitate and enhance knowledge and understanding of kidney and urologic diseases on the part of health professionals, patients, and the public through the effective dissemination of information.

"DIVISION DIRECTORS FOR DIABETES, ENDOCRINOLOGY, AND METABOLIC DISEASES, DIGESTIVE DISEASES AND NUTRITION, AND KIDNEY, UROLOGIC, AND HEMATOLOGIC DISEASES

"SEC. 428. (a)(1) In the Institute there shall be a Division Director for Diabetes, Endocrinology, and Metabolic Diseases, a Division Director for Digestive Diseases and Nutrition, and a Division Director for Kidney, Urologic, and Hematologic Diseases. Such Division Directors, under the supervision of the Director of the Institute, shall be responsible for—

"(A) developing a coordinated plan (including recommendations for expenditures) for each of the national research institutes within the National Institutes of Health with respect to research and training concerning diabetes, endocrine and metabolic diseases, digestive diseases and nutrition, and kidney, urologic, and hematologic diseases;

"(B) assessing the adequacy of management approaches for the activities within such institutes concerning such diseases and nutrition and developing improved approaches if needed;

"(C) monitoring and reviewing expenditures by such institutes concerning such diseases and nutrition; and

"(D) identifying research opportunities concerning such diseases and nutrition and recommending ways to utilize such opportunities.

"(2) The Director of the Institute shall transmit to the Director of NIH the plans, recommendations, and reviews of the Division Directors under subparagraphs (A) through (D) of paragraph (1) together with such comments and recommendations as the Director of the Institute determines appropriate.

"(b) The Director of the Institute, acting through the the Division Director for Diabetes, Endocrinology, and Metabolic Diseases, the Division Director for Digestive Diseases and Nutrition, and the Division Director for Kidney, Urologic, and Hematologic Diseases, shall—

"(1) carry out programs of support for research and training (other than training for which National Research Service Awards may be made under section 487) in the diagnosis, prevention, and treatment of diabetes mellitus and endocrine and metabolic diseases, digestive diseases and nutritional disorders, and kidney, urologic, and hematologic diseases, including support for training in medical schools, graduate clinical training, graduate training in epidemiology, epidemiology studies, clinical trials, and interdisciplinary research programs; and

"(2) establish programs of evaluation, planning, and dissemination of knowledge related to such research and training.

"INTERAGENCY COORDINATING COMMITTEES

"SEC. 429. (a) For the purpose of—

"(1) better coordination of the research activities of all the national research institutes relating to diabetes mellitus, digestive diseases, and kidney, urologic, and hematologic diseases; and

"(2) coordinating those aspects of all Federal health programs and activities relating to such diseases to assure the adequacy and technical soundness of such programs and activities and to provide for the full communication and exchange of information necessary to maintain adequate coordination of such programs and activities;

the Secretary shall establish a Diabetes Mellitus Interagency Coordinating Committee, a Digestive Diseases Interagency Coordinating Committee, and a Kidney, Urologic, and Hematologic Diseases Coordinating Committee (hereafter in this section individually referred to as a 'Committee').

"(b) Each Committee shall be composed of the Directors of each of the national research institutes and divisions involved in research with respect to the diseases for which the Committee is established, the Division Director of the Institute for the diseases for which the Committee is established, the Chief Medical Director of the Veterans' Administration, and the Assistant Secretary of Defense for Health Affairs (or the designees of such officers) and shall include representation from all other Federal departments and agencies whose programs involve health functions or responsibilities relevant to such diseases, as determined by the Secretary. Each Committee shall be chaired by the Director of NIH (or the designee of the Director). Each Committee shall meet at the call of the chairman, but not less often than four times a year.

"(c) Each Committee shall prepare an annual report for—

"(1) the Secretary;

"(2) the Director of NIH; and

"(3) the Advisory Board established under section 430 for the diseases for which the Committee was established,

detailing the work of the Committee in carrying out paragraphs (1) and (2) of subsection (a) in the fiscal year for which the report was prepared. Such report shall be submitted not later than 120 days after the end of each fiscal year.

"ADVISORY BOARDS

"SEC. 430. (a) The Secretary shall establish in the Institute the National Diabetes Advisory Board, the National Digestive Diseases Advisory Board, and the National Kidney and Urologic Diseases Advisory Board (hereafter in this section individually referred to as an 'Advisory Board').

"(b) Each Advisory Board shall be composed of eighteen appointed members and nonvoting ex officio members as follows:

"(1) The Secretary shall appoint—

"(A) twelve members from individuals who are scientists, physicians, and other health professionals, who are not officers or employees of the United States, and who represent the specialties and disciplines relevant to the diseases with respect to which the Advisory Board is established; and

"(B) six members from the general public who are knowledgeable with respect to such diseases, including at least one member who

is a person who has such a disease and one member who is a parent of a person who has such a disease.

Of the appointed members at least five shall by virtue of training or experience be knowledgeable in the fields of health education, nursing, data systems, public information, and community program development.

"(2)(A) The following shall be ex officio members of each Advisory Board:

"(i) The Assistant Secretary for Health, the Director of NIH, the Director of the National Institute of Diabetes and Digestive and Kidney Diseases, the Director of the Centers for Disease Control, the Chief Medical Director of the Veterans' Administration, the Assistant Secretary of Defense for Health Affairs, and the Division Director of the National Institute of Diabetes and Digestive and Kidney Diseases for the diseases for which the Board is established (or the designees of such officers).

"(ii) Such other officers and employees of the United States as the Secretary determines necessary for the Advisory Board to carry out its functions.

"(B) In the case of the National Diabetes Advisory Board, the following shall also be ex officio members: The Director of the National Heart, Lung, and Blood Institute, the Director of the National Eye Institute, the Director of the National Institute of Child Health and Human Development, and the Administrator of the Health Resources and Services Administration (or the designees of such officers).

"(c) Members of an Advisory Board who are officers or employees of the Federal Government shall serve as members of the Advisory Board without compensation in addition to that received in their regular public employment. Other members of the Board shall receive compensation at rates not to exceed the daily equivalent of the annual rate in effect for grade GS-18 of the General Schedule for each day (including traveltime) they are engaged in the performance of their duties as members of the Board.

"(d) The term of office of an appointed member of an Advisory Board is four years, except that no term of office may extend beyond the expiration of the Advisory Board. Any member appointed to fill a vacancy for an unexpired term shall be appointed for the remainder of such term. A member may serve after the expiration of the member's term until a successor has taken office. If a vacancy occurs in an Advisory Board, the Secretary shall make an appointment to fill the vacancy not later than 90 days from the date the vacancy occurred.

"(e) The members of each Advisory Board shall select a chairman from among the appointed members.

"(f) The Secretary shall, after consultation with and consideration of the recommendations of an Advisory Board, provide the Advisory Board with an executive director and one other professional staff member. In addition, the Secretary shall, after consultation with and consideration of the recommendations of the Advisory Board, provide the Advisory Board with such additional professional staff members, such clerical staff members, such services of consultants, such information, and (through contracts or other arrangements) such administrative support services and facilities, as the Secretary determines are necessary for the Advisory Board to carry out its functions.

"(g) Each Advisory Board shall meet at the call of the chairman or upon request of the Director of the Institute, but not less often than four times a year.

"(h) The National Diabetes Advisory Board and the National Digestive Diseases Advisory Board shall—

"(1) review and evaluate the implementation of the plan (referred to in section 433) respecting the diseases with respect to which the Advisory Board was established and periodically update the plan to ensure its continuing relevance;

"(2) for the purpose of assuring the most effective use and organization of resources respecting such diseases, advise and make recommendations to the Congress, the Secretary, the Director of NIH, the Director of the Institute, and the heads of other appropriate Federal agencies for the implementation and revision of such plan; and

"(3) maintain liaison with other advisory bodies related to Federal agencies involved in the implementation of such plan, the coordinating committee for such diseases, and with key non-Federal entities involved in activities affecting the control of such diseases.

"(i) In carrying out its functions, each Advisory Board may establish subcommittees, convene workshops and conferences, and collect data. Such subcommittees may be composed of Advisory Board members and nonmember consultants with expertise in the particular area addressed by such subcommittees. The subcommittees may hold such meetings as are necessary to enable them to carry out their activities.

"(j) Each Advisory Board shall prepare an annual report for the Secretary which—

"(1) describes the Advisory Board's activities in the fiscal year for which the report is made;

"(2) describes and evaluates the progress made in such fiscal year in research, treatment, education, and training with respect to the diseases with respect to which the Advisory Board was established;

"(3) summarizes and analyzes expenditures made by the Federal Government for activities respecting such diseases in such fiscal year; and

"(4) contains the Advisory Board's recommendations (if any) for changes in the plan referred to in section 433.

"(k) Each Advisory Board shall expire on September 30, 1988.

"(l) The National Diabetes Advisory Board and the National Digestive Diseases Advisory Board in existence on the date of enactment of the Health Research Extension Act of 1985 shall terminate upon the appointment of a successor Board under subsection (a). The Secretary shall make appointments to the Advisory Boards established under subsection (a) before the expiration of 90 days after such date. The members of the Boards in existence on such date may be appointed, in accordance with subsections (b) and (d), to the Boards established under subsection (a) for diabetes and digestive diseases, except that at least one-half of the members of the National Diabetes Advisory Board in existence on the date of enactment of the Health Research Extension Act of 1985 shall be appointed to the National Diabetes Advisory Board first established under subsection (a).

"RESEARCH AND TRAINING CENTERS

"SEC. 431. (a)(1) Consistent with applicable recommendations of the National Commission on Diabetes, the Director of the Institute shall provide for the development or substantial expansion of centers for research and training in diabetes mellitus and related endocrine and metabolic diseases. Each center developed or expanded under this subsection shall—

"(A) utilize the facilities of a single institution, or be formed from a consortium of cooperating institutions, meeting such research and training qualifications as may be prescribed by the Secretary; and

"(B) conduct—

"(i) research in the diagnosis and treatment of diabetes mellitus and related endocrine and metabolic diseases and the complications resulting from such diseases;

"(ii) training programs for physicians and allied health personnel in current methods of diagnosis and treatment of such diseases and complications, and in research in diabetes; and

"(iii) information programs for physicians and allied health personnel who provide primary care for patients with such diseases or complications.

"(2) A center may use funds provided under paragraph (1) to provide stipends for nurses and allied health professionals enrolled in research training programs described in paragraph (1)(B)(ii).

"(b) Consistent with applicable recommendations of the National Digestive Diseases Advisory Board, the Director shall provide for the development or substantial expansion of centers for research in digestive diseases and related functional, congenital, metabolic disorders, and normal development of the digestive tract. Each center developed or expanded under this subsection—

"(1) shall utilize the facilities of a single institution, or be formed from a consortium of cooperating institutions, meeting such research qualifications as may be prescribed by the Secretary;

"(2) shall develop and conduct basic and clinical research into the cause, diagnosis, early detection, prevention, control, and treatment of digestive diseases and nutritional disorders and related functional, congenital, or metabolic complications resulting from such diseases or disorders;

"(3) shall encourage research into and programs for—

"(A) providing information for patients with such diseases and the families of such patients, physicians and others who care for such patients, and the general public;

"(B) model programs for cost effective and preventive patient care; and

"(C) training physicians and scientists in research on such diseases, disorders, and complications; and

"(4) may perform research and participate in epidemiological studies and data collection relevant to digestive diseases and disorders and disseminate such research, studies, and data to the health care profession and to the public.

"(c) The Director shall provide for the development or substantial expansion of centers for research in kidney and urologic diseases. Each center developed or expanded under this subsection—

"(1) shall utilize the facilities of a single institution, or be formed from a consortium of cooperating institutions, meeting such research qualifications as may be prescribed by the Secretary;

"(2) shall develop and conduct basic and clinical research into the cause, diagnosis, early detection, prevention, control, and treatment of kidney and urologic diseases;

"(3) shall encourage research into and programs for—

"(A) providing information for patients with such diseases, disorders, and complications and the families of such patients, physicians and others who care for such patients, and the general public;

"(B) model programs for cost effective and preventive patient care; and

"(C) training physicians and scientists in research on such diseases; and

"(4) may perform research and participate in epidemiological studies and data collection relevant to kidney and urologic diseases in order to disseminate such research, studies, and data to the health care profession and to the public.

"(d) Insofar as practicable, centers developed or expanded under this section should be geographically dispersed throughout the United States and in environments with proven research capabilities. Support of a center under this section may be for a period of not to exceed five years and such period may be extended by the Director of the Institute for additional periods of not more than five years each if the operations of such center have been reviewed by an appropriate technical and scientific peer review group established by the Director and if such group has recommended to the Director that such period should be extended.

"ADVISORY COUNCIL SUBCOMMITTEES

"SEC. 432. There are established within the advisory council for the Institute appointed under section 406 a subcommittee on diabetes and endocrine and metabolic diseases, a subcommittee on digestive diseases and nutrition, and a subcommittee on kidney, urologic, and hematologic diseases. The subcommittees shall be composed of members of the advisory council who are outstanding in the diagnosis, prevention, and treatment of the diseases for which the subcommittees are established and members of the advisory council who are leaders in the fields of education and public affairs. The subcommittees are authorized to review applications made to the Director of the Institute for grants for research and training projects relating to the diagnosis, prevention, and treatment of the diseases for which the subcommittees are established and shall recommend to the advisory council those applications and contracts that the subcommittees determine will best carry out the purposes of the Institute. The subcommittees shall also review and evaluate the diabetes and endocrine and metabolic diseases, digestive diseases and nutrition, and kidney, urologic, and hematologic diseases programs of the Institute and recommend to the advisory council such changes in the administration of such programs as the subcommittees determine are necessary.

"BIENNIAL REPORT

"SEC. 433. The Director of the Institute shall prepare for inclusion in the biennial report made under section 407 a description of the Institute's activities—

"(1) under the current diabetes plan under the National Diabetes Mellitus Research and Education Act; and

"(2) under the current digestive diseases plan formulated under the Arthritis, Diabetes, and Digestive Diseases Amendments of 1976.

The description submitted by the Director shall include an evaluation of the activities of the centers supported under section 431.

"Subpart 4—National Institute of Arthritis and Musculoskeletal and Skin Diseases

"PURPOSE OF THE INSTITUTE

"SEC. 435. The general purpose of the National Institute of Arthritis and Musculoskeletal and Skin Diseases (hereafter in this subpart referred to as the 'Institute') is the conduct and support of research and training, the dissemination of health information, and other programs with respect to arthritis and musculoskeletal and skin diseases, including sports-related disorders.

"NATIONAL ARTHRITIS AND MUSCULOSKELETAL DISEASES PROGRAM

"SEC. 436. (a) The Director of the Institute, with the advice of the Institute's advisory council, shall prepare and transmit to the Director of NIH a plan for a national arthritis and musculoskeletal diseases program to expand, intensify, and coordinate the activities of the Institute respecting arthritis and musculoskeletal diseases. The plan shall include such comments and recommendations as the Director of the Institutes determines appropriate. The Director of the Institute shall periodically review and revise such plan and shall transmit any revisions of such plan to the Director of NIH.

"(b) Activities under the national arthritis and musculoskeletal diseases program shall be coordinated with the other national research institutes to the extent that such institutes have responsibilities respecting arthritis and musculoskeletal diseases, and shall, at least, provide for—

"(1) investigation into the epidemiology, etiology, and prevention of all forms of arthritis and musculoskeletal diseases, including sports-related disorders, primarily through the support of basic research in such areas as immunology, genetics, biochemistry, microbiology, physiology, bioengineering, and any other scientific discipline which can contribute important knowledge to the treatment and understanding of arthritis and musculoskeletal diseases;

"(2) research into the development, trial, and evaluation of techniques, drugs, and devices used in the diagnosis, treatment, including medical rehabilitation and prevention of arthritis and musculoskeletal diseases;

"(3) research on the refinement, development, and evaluation of technological devices that will replace or be a substitute for damaged bone, muscle, and joints and other supporting structures; and

"(4) the establishment of mechanisms to monitor the causes of athletic injuries and identify ways of preventing such injuries on scholastic athletic fields.

"(c) The Director of the Institute shall carry out the national arthritis and musculoskeletal diseases program in accordance with the plan prepared under subsection (a) and any revisions of such plan made under such subsection.

"RESEARCH AND TRAINING

"SEC. 437. The Director of the Institute shall—

"(1) carry out programs of support for research and training (other than training for which National Research Service Awards may be made under section 487) in the diagnosis, prevention, and treatment of arthritis and musculoskeletal and skin diseases, including support for training in medical schools, graduate clinical training, graduate training in epidemiology, epidemiology studies, clinical trials, and interdisciplinary research programs; and

"(2) establish programs of evaluation, planning, and dissemination of knowledge related to such research and training.

"DATA SYSTEM AND INFORMATION CLEARINGHOUSE

"SEC. 438. (a) The Director of the Institute shall establish the National Arthritis and Musculoskeletal and Skin Diseases Data System for the collection, storage, analysis, retrieval, and dissemination of data derived from patient populations with arthritis and musculoskeletal and skin diseases, including where possible, data involving general populations for the purpose of detection of individuals with a risk of developing arthritis and musculoskeletal and skin diseases.

"(b) The Director of the Institute shall establish the National Arthritis and Musculoskeletal and Skin Diseases Information Clearinghouse to facilitate and enhance, through the effective dissemination of information, knowledge and understanding of arthritis and musculoskeletal and skin diseases by health professionals, patients, and the public.

"INTERAGENCY COORDINATING COMMITTEES

"SEC. 439. (a) For the purpose of—

"(1) better coordination of the research activities of all the national research institutes relating to arthritis, musculoskeletal diseases, and skin diseases, including sports-related disorders; and

"(2) coordinating the aspects of all Federal health programs and activities relating to arthritis, musculoskeletal diseases, and skin diseases in order to assure the adequacy and technical soundness of such programs and activities and in order to provide for the full communication and exchange of information necessary to maintain adequate coordination of such programs and activities,

the Secretary shall establish an Arthritis and Musculoskeletal Diseases Interagency Coordinating Committee and a Skin Diseases Interagency Coordinating Committee (hereafter in this section individually referred to as a 'Committee').

"(b) Each Committee shall be composed of the Directors of each of the national research institutes and divisions involved in research regarding the diseases with respect to which the Committee is established, the Chief Medical Director of the Veterans' Administration, and the Assistant Secretary of Defense for Health Affairs (or the designees of such officers), and representatives of all other Federal departments and agencies (as determined by the Secretary) whose programs involve health functions or responsibilities relevant to arthritis and musculoskeletal diseases or skin diseases, as the case may be. Each Committee shall be chaired by the Director of NIH (or the designee of the Director). Each Committee shall meet at the call of the chairman, but not less often than four times a year.

"(c) Not later than 120 days after the end of each fiscal year, each Committee shall prepare and transmit to the Secretary, the Director of NIH, the Director of the Institute, and the advisory council for the Institute a report detailing the activities of the Committee in such fiscal year in carrying out paragraphs (1) and (2) of subsection (a).

"ARTHRITIS AND MUSCULOSKELETAL DISEASES DEMONSTRATION PROJECTS

"SEC. 440. (a) The Director of the Institute may make grants to public and private nonprofit entities to establish and support projects for the development and demonstration of methods for screening, detection, and referral for treatment of arthritis and musculoskeletal diseases and for the dissemination of information on such methods to the health and allied health professions. Activities under such projects shall be coordinated with Federal, State, local, and regional health agencies, centers assisted under section 441, and the data system established under subsection (c).

"(b) Projects supported under this section shall include—

"(1) programs which emphasize the development and demonstration of new and improved methods of screening and early de-

tection, referral for treatment, and diagnosis of individuals with a risk of developing arthritis and musculoskeletal diseases;

"(2) programs which emphasize the development and demonstration of new and improved methods for patient referral from local hospitals and physicians to appropriate centers for early diagnosis and treatment;

"(3) programs which emphasize the development and demonstration of new and improved means of standardizing patient data and recordkeeping;

"(4) programs which emphasize the development and demonstration of new and improved methods of dissemination of knowledge about the programs, methods, and means referred to in paragraphs (1), (2), and (3) of this subsection to health and allied health professionals;

"(5) programs which emphasize the development and demonstration of new and improved methods for the dissemination to the general public of information—

"(A) on the importance of early detection of arthritis and musculoskeletal diseases, of seeking prompt treatment, and of following an appropriate regimen; and

"(B) to discourage the promotion and use of unapproved and ineffective diagnostic, preventive treatment, and control methods for arthritis and unapproved and ineffective drugs and devices for arthritis and musculoskeletal diseases; and

"(6) projects for investigation into the epidemiology of all forms and aspects of arthritis and musculoskeletal diseases, including investigations into the social, environmental, behavioral, nutritional, and genetic determinants and influences involved in the epidemiology of arthritis and musculoskeletal diseases.

"(c) The Director shall provide for the standardization of patient data and recordkeeping for the collection, storage, analysis, retrieval, and dissemination of such data in cooperation with projects assisted under this section, centers assisted under section 441, and other persons engaged in arthritis and musculoskeletal disease programs.

"MULTIPURPOSE ARTHRITIS AND MUSCULOSKELETAL DISEASES CENTERS

"SEC. 441. (a) The Director of the Institute shall, after consultation with the advisory council for the Institute, provide for the development, modernization, and operation (including staffing and other operating costs such as the costs of patient care required for research) of new and existing centers for arthritis and musculoskeletal diseases. For purposes of this section, the term 'modernization' means the alteration, remodeling, improvement, expansion, and repair of existing buildings and the provision of equipment for such buildings to the extent necessary to make them suitable for use as centers described in the preceding sentence.

"(b) Each center assisted under this section shall—

"(1)(A) use the facilities of a single institution or a consortium of cooperating institutions, and (B) meet such qualifications as may be prescribed by the Secretary; and

"(2) conduct—

"(A) basic and clinical research into the cause, diagnosis, early detection, prevention, control, and treatment of arthritis and musculoskeletal diseases and complications resulting from arthritis and musculoskeletal diseases, including research into implantable biomaterials and biomechanical and other orthopedic procedures;

"(B) training programs for physicians, scientists, and other health and allied health professionals;

"(C) information and continuing education programs for physicians and other health and allied health professionals who provide care for patients with arthritis and musculoskeletal diseases; and

"(D) programs for the dissemination to the general public of information—

"(i) on the importance of early detection of arthritis and musculoskeletal diseases, of seeking prompt treatment, and of following an appropriate regimen; and

"(ii) to discourage the promotion and use of unapproved and ineffective diagnostic, preventive, treatment, and control methods and unapproved and ineffective drugs and devices.

A center may use funds provided under subsection (a) to provide stipends for health professionals enrolled in training programs described in paragraph (2)(B).

"(c) Each center assisted under this section may conduct programs to—

"(1) establish the effectiveness of new and improved methods of detection, referral, and diagnosis of individuals with a risk of developing arthritis and musculoskeletal diseases;

"(2) disseminate the results of research, screening, and other activities, and develop means of standardizing patient data and recordkeeping; and

"(3) develop community consultative services to facilitate the referral of patients to centers for treatment.

"(d) The Director of the Institute shall, insofar as practicable, provide for an equitable geographical distribution of centers assisted under this section. The Director shall give appropriate consideration to the need for centers especially suited to meeting the needs of children affected by arthritis and musculoskeletal diseases.

"(e) Support of a center under this section may be for a period of not to exceed five years. Such period may be extended by the Director of the Institute for one or more additional periods of not more than five years if the operations of such center have been reviewed by an appropriate technical and scientific peer review group established by the Director and if such group has recommended to the Director that such period should be extended.

"ADVISORY BOARD

"SEC. 442. (a) The Secretary shall establish in the Institute the National Arthritis Advisory Board (hereafter in this section referred to as the 'Advisory Board').

"(b) The Advisory Board shall be composed of eighteen appointed members and nonvoting, ex officio members, as follows:

"(1) The Secretary shall appoint—

"(A) twelve members from individuals who are scientists, physicians, and other health professionals, who are not officers or employees of the United States, and who represent the specialties and disciplines relevant to arthritis, musculoskeletal diseases, and skin diseases; and

"(B) six members from the general public who are knowledgeable with respect to such diseases, including at least one member who is a person who has such a disease and one member who is a parent of a person who has such a disease.

Of the appointed members at least five shall by virtue of training or experience be knowledgeable in health education, nursing, data systems, public information, or community program development.

"(2) The following shall be ex officio members of the Advisory Board:

"(A) The Assistant Secretary for Health, the Director of NIH, the Director of the National Institute of Arthritis and Musculoskeletal and Skin Diseases, the Director of the Centers for Disease Control, the Chief Medical Director of the Veterans' Administration, and the Assistant Secretary of Defense for Health Affairs (or the designees of such officers), and

"(B) such other officers and employees of the United States as the Secretary determines necessary for the Advisory Board to carry out its functions.

"(c) Members of the Advisory Board who are officers or employees of the Federal Government shall serve as members of the Advisory Board without compensation in addition to that received in their regular public employment. Other members of the Advisory Board shall receive compensation at rates not to exceed the daily equivalent of the annual rate in effect for grade GS-18 of the General Schedule for each day (including traveltime) they are engaged in the performance of their duties as members of the Advisory Board.

"(d) The term of office of an appointed member of the Advisory Board is four years. Any member appointed to fill a vacancy for an unexpired term shall be appointed for the remainder of such term. A member may serve after the expiration of the member's term until a successor has taken office. If a vacancy occurs in the Advisory Board, the Secretary shall make an appointment to fill the vacancy not later than 90 days after the date the vacancy occurred.

"(e) The members of the Advisory Board shall select a chairman from among the appointed members.

"(f) The Secretary shall, after consultation with and consideration of the recommendations of the Advisory Board, provide the Advisory Board with an executive director and one other professional staff member. In addition, the Secretary shall, after consultation with and consideration of the recommendations of the Advisory Board, provide the Advisory Board with such additional professional staff members, such clerical staff members, and (through contracts or other arrangements) with such administrative support services and facilities, such information, and such services of consultants, as the Secretary determines are necessary for the Advisory Board to carry out its functions.

"(g) The Advisory Board shall meet at the call of the chairman or upon request of the Director of the Institute, but not less often than four times a year.

"(h) The Advisory Board shall—

"(1) review and evaluate the implementation of the plan prepared under section 436(a) and periodically update the plan to ensure its continuing relevance;

"(2) for the purpose of assuring the most effective use and organization of resources respecting arthritis, musculoskeletal diseases and skin diseases, advise and make recommendations to the Congress, the Secretary, the Director of NIH, the Director of the Institute, and the heads of other appropriate Federal agencies for the implementation and revision of such plan; and

"(3) maintain liaison with other advisory bodies for Federal agencies involved in the implementation of such plan, the interagency coordinating committees for such diseases established under section 439, and with key non-Federal entities involved in

activities affecting the control of such diseases.

"(i) In carrying out its functions, the Advisory Board may establish subcommittees, convene workshops and conferences, and collect data. Such subcommittees may b*** BAD MAG TAPE ***e composed of Advisory Board members and nonmember consultants with expertise in the particular area addressed by such subcommittees. The subcommittees may hold such meetings as are necessary to enable them to carry out their activities.

"(j) The Advisory Board shall prepare an annual report for the Secretary which—

"(1) describes the Advisory Board's activities in the fiscal year for which the report is made;

"(2) describes and evaluates the progress made in such fiscal year in research, treatment, education, and training with respect to arthritis, musculoskeletal diseases, and skin diseases;

"(3) summarizes and analyzes expenditures made by the Federal Government for activities respecting such diseases in such fiscal year for which the report is made; and

"(4) contains the Advisory Board's recommendations (if any) for changes in the plan prepared under section 436(a).

"(k) The National Arthritis Advisory Board in existence on the date of enactment of the Health Research Extension Act of 1985 shall terminate upon the appointment of a successor Board under subsection (a). The Secretary shall make appointments to the Advisory Board established under subsection (a) before the expiration of 90 days after such date. The member of the Board in existence on such date may be appointed, in accordance with subsections (b) and (d), to the Advisory Board established under subsection (a).

"Subpart 5—National Institute on Aging

"PURPOSE OF THE INSTITUTE

"SEC. 443. The general purpose of the National Institute on Aging (hereafter in this subpart referred to as the 'Institute') is the conduct and support of biomedical, social, and behavioral research, training, health information dissemination, and other programs with respect to the aging process and the diseases and other special problems and needs of the aged.

"SPECIAL FUNCTIONS

"SEC. 444. (a) In carrying out the training responsibilities under this Act or any other Act for health and allied health professions personnel, the Secretary shall take appropriate steps to insure the education and training of adequate numbers of allied health, nursing, and paramedical personnel in the field of health care for the aged.

"(b) The Director of the Institute shall conduct scientific studies to measure the impact on the biological, medical, social, and psychological aspects of aging of programs and activities assisted or conducted by the Department of Health and Human Services.

"(c) The Director of the Institute shall carry out public information and education programs designed to disseminate as widehy as possible the findings of research sponsored by the Institute, other relevant aging research and studies, and other information about the process of aging which may assist elderly and near-elderly persons in dealing with, and all Americans in understanding, the problems and processes associated with growing older.

"(d) The Director of the Institute shall make grants to public and private nonprofit institutions to conduct research relating to Alzheimer's Disease.

"ALZHEIMER'S DISEASE CENTERS

"SEC. 445. (a)(1) The Director of the Institute may enter into cooperative agreements with and make grants to public or private nonprofit entities to pay all or part of the cost of planning, establishing, or strengthening, and providing basic operating support for centers for basic and clinical research into, training in, and demonstration of advanced diagnostic, prevention, and treatment methods for Alzheimer's Disease.

"(2) A cooperative agreement or grant under paragraph (1) shall be entered into in accordance with policies established by the Director of NIH and after consultation with the Institute's advisory council.

"(b) Federal payments made under a cooperative agreement or grant under subsection (a) may be used for—

"(1) construction (notwithstanding any limitation under section 496);

"(2) staffing and other basic operating costs, including such patient care costs as are required for research;

"(3) training, including training for allied health professionals; and

"(4) demonstration purposes.

As used in this subsection, the term 'construction' does not include the acquisition of land, and the term 'training' does not include research training for which National Research Service Awards may be provided under section 487.

"(c) Support of a center under subsection (a) may be for a period of not to exceed five years. Such period may be extended by the Director for additional periods of not more than five years each if the operations of such center have been reviewed by an appropriate technical and scientific peer review group established by the Director and if such group has recommended to the Director that such period should be extended.

"Subpart 6—National Institute of Allergy and Infectious Diseases

"PURPOSE OF THE INSTITUTE

"SEC. 446. The general purpose of the National Institute of Allergy and Infectious Diseases is the conduct and support of research, training, health information dissemination, and other programs with respect to allergic and immunologic diseases and disorders and infectious diseases.

"Subpart 7—National Institute of Child Health and Human Development

"PURPOSE OF THE INSTITUTE

"SEC. 448. The general purpose of the National Institute of Child Health and Human Development (hereafter in this subpart referred to as the 'Institute') is the conduct and support of research, training, health information dissemination, and other programs with respect to maternal health, child health, mental retardation, human growth and development, including prenatal development, population research, and special health problems and requirements of mothers and children.

"SUDDEN INFANT DEATH SYNDROME

"SEC. 449. The Director of the Institute shall conduct and support research which specifically relates to sudden infant death syndrome.

"MENTAL RETARDATION RESEARCH

"SEC. 450. The Director of the Institute shall conduct and support research and related activities into the causes, prevention, and treatment of mental retardation.

"ASSOCIATE DIRECTOR FOR PREVENTION

"SEC. 451. (a) There shall be in the Institute an Associate Director for Prevention to coordinate and promote the programs in the Institute concerning the prevention of health problems of mothers and children. The Associate Director shall be appointed by the Director of the Institute from individuals who because of their professional training or experience are experts in public health or preventive medicine.

"(b) The Associate Director for Prevention shall prepare for inclusion in the biennial report made under section 407 a description of the prevention activities of the Institute, including a description of the staff and resources allocated to those activities.

"Subpart 8—National Institute of Dental Research

"PURPOSE OF THE INSTITUTE

"SEC. 453. The general purpose of the National Institute of Dental Research is the conduct and support of research, training, health information dissemination, and other programs with respect to the cause, prevention, and methods of diagnosis and treatment of dental and oral diseases and conditions.

"Subpart 9—National Eye Institute

"PURPOSE OF THE INSTITUTE

"SEC. 455. The general purpose of the National Eye Institute (hereafter in this subpart referred to as the 'Institute') is the conduct and support of research, training, health information dissemination, and other programs with respect to blinding eye diseases, visual disorders, mechanisms of visual function, preservation of sight, and the special health problems and requirements of the blind. The Director of the Institute may carry out a program of grants for public and private nonprofit vision research facilities.

"Subpart 10—National Institute of Neurological and Communicative Disorders and Stroke

"PURPOSE OF THE INSTITUTE

"SEC. 457. The general purpose of the National Institute of Neurological and Communicative Disorders and Stroke (hereafter in this subpart referred to as the 'Institute') is the conduct and support of research, training, health information dissemination, and other programs with respect to neurological disease and disorder, stroke, and disorders of human communication.

"SPINAL CORD REGENERATION RESEARCH

"SEC. 458. The Director of the Institute shall conduct and support research into spinal cord regeneration.

"BIOENGINEERING RESEARCH

"SEC. 459. The Director of the Institute shall make grants or enter into contracts for research on the means to overcome paralysis of the extremities through electrical stimulation and the use of computers.

"Subpart 11—National Institute of General Medical Sciences

"PURPOSE OF THE INSTITUTE

"SEC. 461. The general purpose of the National Institute of General Medical Sciences is the conduct and support of research, training, and, as appropriate, health information dissemination, and other programs with respect to general or basic medical sciences and related natural or behavioral sciences which have significance for two or more other national research institutes or are outside the general area of responsibility of any other national research institute.

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"Subpart 12—National Institute of Environmental Health Sciences

"PURPOSE OF THE INSTITUTE

"SEC. 463. The general purpose of the National Institute of Environmental Health Sciences is the conduct and support of research, training, health information dissemination, and other programs with respect to factors in the environment that affect human health, directly or indirectly.

"PART D—NATIONAL LIBRARY OF MEDICINE

"Subpart 1—General Provisions

"PURPOSE, ESTABLISHMENT, AND FUNCTIONS OF THE NATIONAL LIBRARY OF MEDICINE

"SEC. 465. (a) In order to assist the advancement of medical and related sciences and to aid the dissemination and exchange of scientific and other information important to the progress of medicine and to the public health, there is established the National Library of Medicine (hereafter in this part referred to as the 'Library').

"(b) The Secretary, through the Library and subject to subsection (d), shall—

"(1) acquire and preserve books, periodicals, prints, films, recordings, and other library materials pertinent to medicine;

"(2) organize the materials specified in paragraph (1) by appropriate cataloging, indexing, and bibliographical listings;

"(3) publish and disseminate the catalogs, indexes, and bibliographies referred to in paragraph (2);

"(4) make available, through loans, photographic or other copying procedures, or otherwise, such materials in the Library as the Secretary determines appropriate;

"(5) provide reference and research assistance; and

"(6) engage in such other activities as the Secretary determines appropriate and as the Library's resources permit.

"(c) The Secretary may exchange, destroy, or otherwise dispose of any books, periodicals, films, and other library materials not needed for the permanent use of the Library.

"(d)(1) The Secretary may, after obtaining the advice and recommendations of the Board of Regents, prescribe rules under which the Library will—

"(A) provide copies of its publications or materials,

"(B) will make available its facilities for research, or

"(C) will make available its bibliographic, reference, or other services,

to public and private entities and individuals.

"(2) Rules prescribed under paragraph (1) may provide for making available such publications, materials, facilities, or services—

"(A) without charge as a public service,

"(B) upon a loan, exchange, or charge basis, or

"(C) in appropriate circumstances, under contract arrangements made with a public or other nonprofit entity.

"(e) Whenever the Secretary, with the advice of the Board of Regents, determines that—

"(1) in any geographic area of the United States there is no regional medical library adequate to serve such area;

"(2) under criteria prescribed for the administration of section 475, there is a need for a regional medical library to serve such area; and

"(3) because there is no medical library located in such area which, with financial assistance under section 475, can feasibly be developed into a regional medical library adequate to serve such area,

the Secretary may establish, as a branch of the Library, a regional medical library to serve the needs of such area.

"(f) Section 2101 shall be applicable to the acceptance and administration of gifts made for the benefit of the Library or for carrying out any of its functions, and the Board of Regents shall make recommendations to the Secretary relating to establishment within the Library of suitable memorials to the donors.

"(g) For purposes of this part, the terms 'medicine' and 'medical', except when used in section 466, include preventive and therapeutic medicine, dentistry, pharmacy, hospitalization, nursing, public health, and the fundamental sciences related thereto, and other related fields of study, research, or activity.

"BOARD OF REGENTS

"SEC. 466. (a)(1)(A) The Board of Regents of the National Library of Medicine consists of ex officio members and ten members appointed by the Secretary.

"(B) The ex officio members are the Surgeons General of the Public Health Service, the Army, the Navy, and the Air Force, the Chief Medical Director of the Veterans' Administration, the Dean of the Uniformed Services University of the Health Sciences, the Assistant Director for Biological, Behavioral, and Social Sciences of the National Science Foundation, the Director of the National Agricultural Library, and the Librarian of Congress (or their designees).

"(C) The appointed members shall be selected from among leaders in the various fields of the fundamental sciences, medicine, dentistry, public health, hospital administration, pharmacology, health communications technology, or scientific or medical library work, or in public affairs. At least six of the appointed members shall be selected from among leaders in the fields of medical, dental, or public health research or education.

"(2) The Board shall annually elect one of the appointed members to serve as chairman until the next election. The Secretary shall designate a member of the Library staff to act as executive secretary of the Board.

"(b) The Board shall advise, consult with, and make recommendations to the Secretary on matters of policy in regard to the Library, including such matters as the acquisition of materials for the Library, the scope, content, and organization of the Library's services, and the rules under which its materials, publications, facilities, and services shall be made available to various kinds of users. The Secretary shall include in the annual report of the Secretary to the Congress a statement covering the recommendations made by the Board and the disposition thereof. The Secretary may use the services of any member of the Board in connection with matters related to the work of the Library, for such periods, in addition to conference periods, as the Secretary may determine.

"(c) Each appointed member of the Board shall hold office for a term of four years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which the predecessor of such member was appointed shall be appointed for the remainder of such term. None of the appointed members shall be eligible for reappointment within one year after the end of the preceding term of such member.

"LIBRARY FACILITIES

"SEC. 467. There are authorized to be appropriated amounts sufficient for the erection and equipment of suitable and adequate buildings and facilities for use of the Library. The Administrator of General Services may acquire, by purchase, condemnation, donation, or otherwise, a suitable site or sites, selected by the Secretary in accordance with the direction of the Board, for such buildings and facilities and to erect thereon, furnish, and equip such buildings and facilities. The amounts authorized to be appropriated by this section include the cost of preparation of drawings and specifications, supervision of construction, and other administrative expenses incident to the work. The Administrator of General Services shall prepare the plans and specifications, make all necessary contracts, and supervise construction.

"Subpart 2—Financial Assistance

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 469. For the purpose of grants and contracts under sections 472, 473, 474, 475, and 476, there are authorized to be appropriated $12,000,000 for fiscal year 1986, $13,000,000 for fiscal year 1987, and $14,000,000 for fiscal year 1988. Funds appropriated under this section shall remain available for such purposes until the end of the fiscal year immediately following the fiscal year for which they were appropriated.

"DEFINITIONS

"SEC. 470. As used in this subpart—

"(1) the term 'medical library' means a library related to the sciences related to health; and

"(2) the term 'sciences related to health' includes medicine, osteopathy, dentistry, and public health, and fundamental and applied sciences when related thereto.

"NATIONAL MEDICAL LIBRARIES ASSISTANCE ADVISORY BOARD

"SEC. 471. (a) The Board of Regents of the National Library of Medicine shall also serve as the National Medical Libraries Assistance Advisory Board (hereafter in this subpart referred to as the 'Board').

"(b) The Board shall advise and assist the Secretary in the preparation of general regulations and with respect to policy matters arising in the administration of this subpart.

"(c) The Secretary may use the services of any member of the Board, in connection with matters related to the administration of this part for such periods, in addition to conference periods, as the Secretary may determine.

"(d) Appointed members of the Board who are not otherwise in the employ of the United States, while attending conferences of the Board or otherwise serving at the request of the Secretary in connection with the administration of this subpart, shall be entitled to receive compensation, per diem in lieu of subsistence, and travel expenses in the same manner and under the same conditions as that prescribed under section 208(c) when attending conferences, traveling, or serving at the request of the Secretary in connection with the Board's function under this section.

"GRANTS FOR TRAINING IN MEDICAL LIBRARY SCIENCES

"SEC. 472. The Secretary shall make grants—

"(1) to individuals to enable them to accept traineeships and fellowships leading to postbaccalaureate academic degrees in the field of medical library science, in related fields pertaining to sciences related to health, or in the field of the communication of information;

"(2) to individuals who are librarians or specialists in information on sciences relating to health, to enable them to undergo intensive training or retraining so as to attain greater competence in their occupations (including competence in the fields of automatic data processing and retrieval);

"(3) to assist appropriate public and private nonprofit institutions in developing, expanding, and improving training programs in library science and the field of communications of information pertaining to sciences relating to health; and

"(4) to assist in the establishment of internship programs in established medical libraries meeting standards which the Secretary shall prescribe.

"ASSISTANCE FOR SPECIAL SCIENTIFIC PROJECTS, AND FOR RESEARCH AND DEVELOPMENT IN MEDICAL LIBRARY SCIENCE AND RELATED FIELDS

"SEC. 473. (a) The Secretary shall make grants to physicians and other practitioners in the sciences related to health, to scientists, and to public or nonprofit private institutions on behalf of such physicians, other practitioners, and scientists for the compilation of existing, or the writing of original, contributions relating to scientific, social, or cultural advancements in sciences related to health. In making such grants, the Secretary shall make appropriate arrangements under which the facilities of the Library and the facilities of libraries of public and private nonprofit institutions of higher learning may be made available in connection with the projects for which such grants are made.

"(b) The Secretary shall make grants to appropriate public or private nonprofit institutions and enter into contracts with appropriate persons, for purposes of carrying out projects of research, investigations, and demonstrations in the field of medical library science and related activities and for the development of new techniques, systems, and equipment, for processing, storing, retrieving, and distributing information pertaining to sciences related to health.

"GRANTS FOR ESTABLISHING, EXPANDING, AND IMPROVING THE BASIC RESOURCES OF MEDICAL LIBRARIES AND RELATED INSTRUMENTALITIES

"SEC. 474. (a) The Secretary shall make grants of money, materials, or both, to public or private nonprofit medical libraries and related scientific communication instrumentalities for the purpose of establishing, expanding, and improving their basic medical library or related resources. A grant under this subsection may be used for—

"(1) the acquisition of books, journals, photographs, motion picture and other films, and other similar materials;

"(2) cataloging, binding, and other services and procedures for processing library resource materials for use by those who are served by the library or related instrumentality;

"(3) the acquisition of duplication devices, facsimile equipment, film projectors, recording equipment, and other equipment to facilitate the use of the resources of the library or related instrumentality by those who are served by it; and

"(4) the introduction of new technologies in medical librarianship.

"(b)(1) The amount of any grant under this section to any medical library or related instrumentality shall be determined by the Secretary on the basis of the scope of library or related services provided by such library or instrumentality in relation to the population and purposes served by it. In making a determination of the scope of services served by any medical library or related instrumentality, the Secretary shall take into account—

"(A) the number of graduate and undergraduate students making use of the resources of such library or instrumentality;

"(B) the number of physicians and other practitioners in the sciences related to health utilizing the resources of such library or instrumentality;

"(C) the type of supportive staffs, if any, available to such library or instrumentality;

"(D) the type, size, and qualifications of the faculty of any school with which such library or instrumentality is affiliated;

"(E) the staff of any hospital or hospitals or of any clinic or clinics with which such library or instrumentality is affiliated; and

"(F) the geographic area served by such library or instrumentality and the availability within such area of medical library or related services provided by other libraries or related instrumentalities.

"(2) Grants to such medical libraries or related instrumentalities under this section shall be in such amounts as the Secretary may by regulation prescribe with a view to assuring adequate continuing financial support for such libraries or instrumentalities from other sources during and after the period for which grants are provided, except that in no case shall any grant under this section to a medical library or related instrumentality for any fiscal year exceed $500,000.

"GRANTS AND CONTRACTS FOR ESTABLISHMENT OF REGIONAL MEDICAL LIBRARIES

"SEC. 475. (a) The Secretary, with the advice of the Board, shall make grants to and enter into contracts with existing public or private nonprofit medical libraries so as to enable each of them to serve as the regional medical library for the geographical area in which it is located.

"(b) The uses for which grants and contracts under this section may be employed include the—

"(1) acquisition of books, journals, and other similar materials;

"(2) cataloging, binding, and other procedures for processing library resource materials for use by those who are served by the library;

"(3) acquisition of duplicating devices and other equipment to facilitate the use of the resources of the library by those who are served by it;

"(4) acquisition of mechanisms and employment of personnel for the speedy transmission of materials from the regional library to local libraries in the geographic area served by the regional library; and

"(5) planning for services and activities under this section.

"(c)(1) Grants and contracts under this section shall only be made to or entered into with medical libraries which agree—

"(A) to modify and increase their library resources, and to supplement the resources of cooperating libraries in the region, so as to be able to provide adequate supportive services to all libraries in the region as well as to individual users of library services; and

"(B) to provide free loan services to qualified users and make available photoduplicated or facsimile copies of biomedical materials which qualified requesters may retain.

"(2) The Secretary, in awarding grants and contracts under this section, shall give priority to medical libraries having the greatest potential of fulfilling the needs for regional medical libraries. In determining the priority to be assigned to any medical library, the Secretary shall consider—

"(A) the adequacy of the library (in terms of collections, personnel, equipment, and other facilities) as a basis for a regional medical library; and

"(B) the size and nature of the population to be served in the region in which the library is located.

"(d) Grants and contracts under this section for basic resource materials to a library may not exceed—

"(1) 50 percent of the library's annual operating expense (exclusive of Federal financial assistance under this part) for the preceding year; or

"(2) in case of the first year in which the library receives a grant under this section for basic resource materials, 50 percent of its average annual operating expenses over the past three years (or if it had been in operation for less than three years, its annual operating expenses determined by the Secretary in accordance with regulations).

"FINANCIAL SUPPORT OF BIOMEDICAL SCIENTIFIC PUBLICATIONS

"SEC. 476. (a) The Secretary, with the advice of the Board, shall make grants to, and enter into appropriate contracts with, public or private nonprofit institutions of higher education and individual scientists for the purpose of supporting biomedical scientific publications of a nonprofit nature and to procure the compilation, writing, editing, and publication of reviews, abstracts, indices, handbooks, bibliographies, and related matter pertaining to scientific works and scientific developments.

"(b) Grants under subsection (a) in support of any single periodical publication may not be made for more than three years, except in those cases in which the Secretary determines that further support is necessary to carry out the purposes of subsection (a).

"GRANT PAYMENTS, RECORDS, AND AUDIT

"SEC. 477. (a) Payments under grants made under sections 472, 473, 474, 475, and 476 may be made in advance or by way of reimbursement and in such installments as the Secretary shall prescribe by regulation after consultation with the Board.

"(b)(1) Each recipient of a grant under this subpart shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such grant, the total cost of the project or undertaking in connection with which such grant is given or used, and the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(2) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of such recipients that are pertinent to any grant received under this subpart.

"PART E—OTHER AGENCIES OF NIH

"Subpart 1—Division of Research Resources

"GENERAL PURPOSE

"SEC. 479. The general purpose of the Division of Research Resources is to strengthen and enhance the research environments of entities engaged in health-related research by developing and supporting essential research resources.

"ADVISORY COUNCIL

"SEC. 480. (a)(1) The Secretary shall appoint an advisory council for the Division of Research Resources which shall advise,

assist, consult with, and make recommendations to the Secretary and the Director of the Division on matters related to the activities carried out by and through the Division and the policies respecting such activities.

"(2) The advisory council for the Division of Research Resources may recommend to the Secretary acceptance, in accordance with section 2101, of conditional gifts for study, investigations, and research and for the acquisition of grounds or construction, equipping, or maintenance of facilities for the Division.

"(3) The advisory council for the Division—

"(A)(i) may make recommendations to the Director of the Division respecting research conducted at the Division,

"(ii) may review applications for grants and cooperative agreements for research or training and recommend for approval applications for projects which show promise of making valuable contributions to human knowledge, and

"(iii) may review any grant, contract, or cooperative agreement proposed to be made or entered into by the Division;

"(B) may collect, by correspondence or by personal investigation, information as to studies which are being carried on in the United States or any other country as to the diseases, disorders, or other aspects of human health with respect to which the Division is concerned and with the approval of the Director of the Division make available such information through appropriate publications for the benefit of public and private health entities and health professions personnel and scientists and for the information of the general public; and

"(C) may appoint subcommittees and convene workshops and conferences.

"(b)(1) The advisory council shall consist of ex officio members and not more than eighteen members appointed by the Secretary.

"(2) The ex officio members of the advisory council shall consist of—

"(A) the Secretary, the Director of NIH, the Director of the Division of Research Resources, the Chief Medical Director of the Veterans' Administration, and the Assistant Secretary of Defense for Health Affairs (or the designees of such officers), and

"(B) such additional officers or employees of the United States as the Secretary determines necessary for the advisory council to effectively carry out its functions.

"(3) The members of the advisory council who are not ex officio members shall be appointed as follows:

"(A) Two thirds of the members shall be appointed by the Secretary from among the leading representatives of the health and scientific disciplines (including public health and the behavioral or social sciences) relevant to the activities of the Division.

"(B) One third of the members shall be appointed by the Secretary from the general public and shall include leaders in fields of public policy, law, health policy, economics, and management.

"(4) Members of the advisory council who are officers or employees of the United States shall not receive any compensation for service on the advisory council. The other members of the advisory council shall receive, for each day (including traveltime) they are engaged in the performance of the functions of the advisory council, compensation at rates not to exceed the daily equivalent of the annual rate in effect for grade GS-18 of the General Schedule.

"(c) The term of office of an appointed member of the advisory council is four years, except that any member appointed to fill a vacancy for an unexpired term shall be appointed for the remainder of such term and the Secretary shall make appointments to an advisory council in such a manner as to ensure that the terms of the members do not all expire in the same year. A member may serve after the expiration of the member's term until a successor has taken office. A member who has been appointed for a term of four years may not be reappointed to an advisory council before two years from the date of expiration of such term of office. If a vacancy occurs in the advisory council among the appointed members, the Secretary shall make an appointment to fill the vacancy within 90 days from the date the vacancy occurs.

"(d) The chairman of the advisory council shall be selected by the Secretary from among the appointed members, except that the Secretary may select the Director of the Division of Research Resources to be the chairman of the advisory council. The term of office of the chairman shall be two years.

"(e) The advisory council shall meet at the call of the chairman or upon the request of the Director of the Division of Research Resources, but at least three times each fiscal year. The location of the meetings of the advisory council is subject to the approval of the Director of the Division.

"(f) The Director of the Division of Research Resources shall designate a member of the staff of the Division to serve as the executive secretary of the advisory council. The Director of the Division shall make available to the advisory council such staff, information, and other assistance as it may require to carry out its functions. The Director of the Division shall provide orientation and training for new members of the advisory council to provide them with such information and training as may be appropriate for their effective participation in the functions of the advisory council.

"(g) The advisory council may prepare, for inclusion in the biennial report made under section 481, (1) comments respecting the activities of the advisory council in the fiscal years respecting which the report is prepared, (2) comments on the progress of the Division of Research Resources in meeting its objectives, and (3) recommendations respecting the future directions and program and policy emphasis of the Division. The advisory council may prepare such additional reports as it may determine appropriate.

"(h) This section does not terminate the membership of the advisory council for the Division of Research Resources which was in existence on the date of enactment of the Health Research Extension Act of 1985. After such date—

"(1) the Secretary shall make appointments to such advisory council in such a manner as to bring about as soon as practicable the composition for such council prescribed by this section;

"(2) the advisory council shall organize itself in accordance with this section and exercise the functions prescribed by this section; and

"(3) the Director of the Division of Research Resources shall perform for such advisory council the functions prescribed by this section.

"BIENNIAL REPORT

"SEC. 481. The Director of the Division of Research Resources, after consultation with the advisory council for the Division, shall prepare for inclusion in the biennial report made under section 403 a biennial report which shall consist of a description of the activities of the Division and program policies of the Director of the Division in the fiscal years respecting which the report is prepared. The Director of the Division may prepare such additional reports as the Director determines appropriate. The Director of the Division shall provide the advisory council of the Division an opportunity for the submission of the written comments referred to in section 480(g).

"Subpart 2—John E. Fogarty International Center for Advanced Study in the Health Sciences

"GENERAL PURPOSE

"SEC. 482. The general purpose of the John E. Fogarty International Center for Advanced Study in the Health Sciences is to—

"(1) facilitate the assembly of scientists and others in the biomedical, behavioral, and related fields for discussion, study, and research relating to the development of health science internationally;

"(2) provide research programs, conferences, and seminars to further international cooperation and collaboration in the life sciences;

"(3) provide postdoctorate fellowships for research training in the United States and abroad and promote exchanges of senior scientists between the United States and other countries;

"(4) coordinate the activities of the National Institutes of Health concerned with the health sciences internationally; and

"(5) receive foreign visitors to the National Institutes of Health.

"SUBPART 3—NATIONAL CENTER FOR NURSING RESEARCH

"PURPOSE OF THE CENTER

"SEC. 483. The general purpose of the National Center for Nursing Research (hereafter in this subpart referred to as the 'Center') is the conduct and support of, and dissemination of information respecting, basic and clinical nursing research, training, and other programs in patient care research.

"SPECIFIC AUTHORITIES

"SEC. 484. To carry out section 483, the Director of the Center may provide research training and instruction and establish, in the Center and other nonprofit institutions, research traineeships and fellowships in the study and investigation of the prevention of disease, health promotion, and the nursing care of individuals with and the families of individuals with acute and chronic illnesses. The Director of the Center may provide individuals receiving such training and instruction or such traineeships or fellowships with such stipends and allowances (including amounts for travel and subsistence and dependency allowances) as the Director determines necessary. The Director may make grants to nonprofit institutions to provide such training and instruction and traineeships and fellowships.

"ADVISORY COUNCIL

"SEC. 485. (a)(1) The Secretary shall appoint an advisory council for the Center which shal. advise, assist, consult with, and make recommendations to the Secretary and the Director of the Center on matters related to the activities carried out by and through the Center and the policies respecting such activities.

"(2) The advisory council for the Center may recommend to the Secretary acceptance, in accordance with section 2101, of conditional gifts for study, investigations, and research and for the acquisition of

grounds or construction, equipping, or maintenance of facilities for the Center.

"(3) The advisory council for the Center—

"(A)(i) may make recommendations to the Director of the Center respecting research conducted at the Center,

"(ii) may review applications for grants and cooperative agreements for research or training and recommend for approval applications for projects which show promise of making valuable contributions to human knowledge, and

"(iii) may review any grant, contract, or cooperative agreement proposed to be made or entered into by the Center;

"(B) may collect, by correspondence or by personal investigation, information as to studies which are being carried on in the United States or any other country as to the diseases, disorders, or other aspects of human health with respect to which the Center is concerned and with the approval of the Director of the Center make available such information through appropriate publications for the benefit of public and private health entities and health professions personnel and scientists and for the information of the general public; and

"(C) may appoint subcommittees and convene workshops and conferences.

"(b)(1) The advisory council shall consist of ex officio members and not more than eighteen members appointed by the Secretary.

"(2) The ex officio members of the advisory council shall consist of—

"(A) the Secretary, the Director of NIH, the Director of the Center, the Chief Nursing Officer of the Veterans' Administration, the Assistant Secretary of Defense for Health Affairs, the Director of the Division of Nursing of the Health Resources and Services Administration (or the designees of such officers), and

"(B) such additional officers or employees of the United States as the Secretary determines necessary for the advisory council to effectively carry out its functions.

"(3) The members of the advisory council who are not ex officio members shall be appointed as follows:

"(A) Two thirds of the members shall be appointed by the Secretary from among the leading representatives of the health and scientific disciplines (including public health and the behavioral or social sciences) relevant to the activities of the Center. Of the members appointed pursuant to this subparagraph, at least seven shall be professional nurses who are recognized experts in the area of clinical practice, education, or research.

"(B) One third of the members shall be appointed by the Secretary from the general public and shall include leaders in fields of public policy, law, health policy, economics, and management.

"(4) Members of the advisory council who are officers or employees of the United States shall not receive any compensation for service on the advisory council. The other members of the advisory council shall receive, for each day (including traveltime) they are engaged in the performance of the functions of the advisory council, compensation at rates not to exceed the daily equivalent of the annual rate in effect for grade GS-18 of the General Schedule.

"(c) The term of office of an appointed member of the advisory council is four years, except that any member appointed to fill a vacancy for an unexpired term shall be appointed for the remainder of such term and the Secretary shall make appointments to an advisory council in such a manner as to ensure that the terms of the members do not all expire in the same year. A member may serve after the expiration of the member's term until a successor has taken office. A member who has been appointed for a term of four years may not be reappointed to an advisory council before two years from the date of expiration of such term of office. If a vacancy occurs in the advisory council among the appointed members, the Secretary shall make an appointment to fill the vacancy within 90 days from the date the vacancy occurs.

"(d) The chairman of the advisory council shall be selected by the Secretary from among the appointed members, except that the Secretary may select the Director of the Center to be the chairman of the advisory council. The term of office of the chairman shall be two years.

"(e) The advisory council shall meet at the call of the chairman or upon the request of the Director of the Center, but at least three times each fiscal year. The location of the meetings of the advisory council is subject to the approval of the Director of the Center.

"(f) The Director of the Center shall designate a member of the staff of the Center to serve as the executive secretary of the advisory council. The Director of the Center shall make available to the advisory council such staff, information, and other assistance as it may require to carry out its functions. The Director of the Center shall provide orientation and training for new members of the advisory council to provide them with such information and training as may be appropriate for their effective participation in the functions of the advisory council.

"(g) The advisory council may prepare, for inclusion in the biennial report made under section 486, (1) comments respecting the activities of the advisory council in the fiscal years respecting which the report is prepared, (2) comments on the progress of the Center in meeting its objectives, and (3) recommendations respecting the future directions and program and policy emphasis of the Center. The advisory council may prepare such additional reports as it may determine appropriate.

"BIENNIAL REPORT

"SEC. 486. The Director of the Center after consultation with the advisory council for the Center, shall prepare for inclusion in the biennial report made under section 403 a biennial report which shall consist of a description of the activities of the Center and program policies of the Director of the Center in the fiscal years respecting which the report is prepared. The Director of the Center may prepare such additional reports as the Director determines appropriate. The Director of the Center shall provide the advisory council of the Center an opportunity for the submission of the written comments referred to in section 485(g).

"PART F—AWARDS AND TRAINING

"NATIONAL RESEARCH SERVICE AWARDS

"SEC. 487. (a)(1) The Secretary shall—

"(A) provide National Research Service Awards for—

"(i) biomedical and behavioral research at the National Institutes of Health and the Alcohol, Drug Abuse, and Mental Health Administration in matters relating to the cause, diagnosis, prevention, and treatment of the diseases or other health problems to which the activities of the National Institutes of Health and Administration are directed;

"(ii) training at the National Institutes of Health and at the Administration of individuals to undertake such research;

"(iii) biomedical and behavioral research and health services research (including research in primary medical care) at public and nonprofit private entities; and

"(iv) pre-doctoral and post-doctoral training at public and private institutions of individuals to undertake biomedical and behavioral research; and

"(B) make grants to public and nonprofit private institutions to enable such institutions to make National Research Service Awards for research (and training to undertake biomedical and behavioral research) in the matters described in subparagraph (A)(i) to individuals selected by such institutions. A reference in this subsection to the National Institutes of Health or the Alcohol, Drug Abuse, and Mental Health Administration shall be considered to include the institutes, agencies, divisions, and bureaus included in the National Institutes of Health or under the Administration, as the case may be.

"(2) National Research Service Awards may not be used to support residency training of physicians and other health professionals.

"(3) In awarding National Research Service Awards under this section, the Secretary shall take account of the Nation's overall need for biomedical research personnel by giving special consideration to physicians who agree to undertake a minimum of two years of biomedical research.

"(b)(1) No National Research Service Award may be made by the Secretary to any individual unless—

"(A) the individual has submitted to the Secretary an application therefor and the Secretary has approved the application;

"(B) the individual provides, in such form and manner as the Secretary shall by regulation prescribe, assurances satisfactory to the Secretary that the individual will meet the service requirement of subsection (c); and

"(C) in the case of a National Research Service Award for a purpose described in subsection (a)(1)(A)(iii), the individual has been sponsored (in such manner as the Secretary may by regulation require) by the institution at which the research or training under the award will be conducted.

An application for an award shall be in such form, submitted in such manner, and contain such information, as the Secretary may by regulation prescribe.

"(2) The making of grants under subsection (a)(1)(B) for National Research Service Awards shall be subject to review and approval by the appropriate advisory councils within the Department of Health and Human Services (A) whose activities relate to the research or training under the awards, or (B) for the entity at which such research or training will be conducted.

"(3) No grant may be made under subsection (a)(1)(B) unless an application therefor has been submitted to and approved by the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary may by regulation prescribe. Subject to the provisions of this section (other than paragraph (1)), National Research Service Awards made under a grant under subsection (a)(1)(B) shall be made in accordance with such regulations as the Secretary shall prescribe.

"(4) The period of any National Research Service Award made to any individual under subsection (a) may not exceed—

"(A) five years in the aggregate for predoctoral training; and

"(B) three years in the aggregate for postdoctoral training;

unless the Secretary for good cause shown waives the application of such limit to such individual.

"(5) National Research Service Awards shall provide for such stipends, tuition, fees, and allowances (including travel and subsistence expenses and dependency allowances), adjusted periodically to reflect increases in the cost of living, for the recipients of the awards as the Secretary may deem necessary. A National Research Service Award made to an individual for research or research training at a non-Federal public or nonprofit private institution shall also provide for payments to be made to the institution for the cost of support services (including the cost of faculty salaries, supplies, equipment, general research support, and related items) provided such individual by such institution. The amount of any such payments to any institution shall be determined by the Secretary and shall bear a direct relationship to the reasonable costs of the institution for establishing and maintaining the quality of its biomedical and behavioral research and training programs.

"(c)(1) Each individual who is awarded a National Research Service Award (other than an individual who is a pre-baccalaureate student who is awarded a National Research Service Award for research training) shall, in accordance with paragraph (3), engage in health research or teaching or any combination thereof which is in accordance with the usual patterns of academic employment, for a period computed in accordance with paragraph (2).

"(2) For each month for which an individual receives a National Research Service Award which is made for a period in excess of twelve months, such individual shall engage in one month of health research or teaching or any combination thereof which is in accordance with the usual patterns of academic employment.

"(3) The requirement of paragraph (1) shall be complied with by any individual to whom it applies within such reasonable period of time, after the completion of such individual's award, as the Secretary shall by regulation prescribe. The Secretary shall by regulation prescribe the type of research and teaching in which an individual may engage to comply with such requirement and such other requirements respecting research and teaching as the Secretary considers appropriate.

"(4)(A) If any individual to whom the requirement of paragraph (1) is applicable fails, within the period prescribed by paragraph (3), to comply with such requirements, the United States shall be entitled to recover from such individual an amount determined in accordance with the formula—

$$A=\phi(t-\sigma/t)$$

in which 'A' is the amount the United States is entitled to recover; 'ϕ' is the sum of the total amount paid under one or more National Research Service Awards to such individual; 't' is the total number of months in such individual's service obligation; and 's' is the number of months of such obligation served by such individual in accordance with paragraphs (1) and (2) of this subsection.

"(B) Any amount which the United States is entitled to recover under subparagraph (A) shall, within the three-year period beginning on the date the United States becomes entitled to recover such amount, be paid to the United States. Until any amount due the United States under subparagraph (A) on account of any National Research Service Award is paid, there shall accrue to the United States interest on such amount at a rate fixed by the Secretary of the Treasury after taking into consideration private consumer rates of interest prevailing on the date the United States becomes entitled to such amount.

"(5)(A) Any obligation of an individual under paragraph (1) shall be canceled upon the death of such individual.

"(B) The Secretary shall by regulation provide for the waiver or suspension of any such obligation applicable to any individual whenever compliance by such individual is impossible or would involve substantial hardship to such individual or would be against equity and good conscience.

"(d) There are authorized to be appropriated to make payments under National Research Service Awards and under grants for such awards $244,000,000 for fiscal year 1986, $260,000,000 for fiscal year 1987, and $275,000,000 for fiscal year 1988. Of the amounts appropriated under this subsection—

"(1) not less than 15 percent shall be made available for payments under National Research Service Awards provided by the Secretary under subsection (a)(1)(A);

"(2) not less than 50 percent shall be made available for grants under subsection (a)(1)(B) for National Research Service Awards;

"(3) one-half of one percent shall be made available for payments under National Research Service Awards which (A) are made to individuals affiliated with entities which have received grants or contracts under section 780, 784, or 786, and (B) are for research in primary medical care; and one-half of one percent shall be made available for payments under National Research Service Awards made for health services research by the National Center for Health Services Research and Health Care Technology Assessment under section 304(a)(3); and

"(4) not more than 4 percent may be obligated for National Research Service Awards for periods of three months or less.

"VISITING SCIENTIST AWARDS

"SEC. 488. (a) The Secretary may make awards (hereafter in this section referred to as 'Visiting Scientist Awards') to outstanding scientists who agree to serve as visiting scientists at institutions of postsecondary education which have significant enrollments of disadvantaged students. Visiting Scientist Awards shall be made by the Secretary to enable the faculty and students of such institutions to draw upon the special talents of scientists from other institutions for the purpose of receiving guidance, advice, and instruction with regard to research, teaching, and curriculum development in the biomedical and behavioral sciences and such other aspects of these sciences as the Secretary shall deem appropriate.

"(b) The amount of each Visiting Scientist Award shall include such sum as shall be commensurate with the salary or remuneration which the individual receiving the award would have been entitled to receive from the institution with which the individual has, or had, a permanent or immediately prior affiliation. Eligibility for and terms of Visiting Scientist Awards shall be determined in accordance with regulations the Secretary shall prescribe.

"STUDIES RESPECTING BIOMEDICAL AND BEHAVIORAL RESEARCH PERSONNEL

"SEC. 487. (a) The Secretary shall, in accordance with subsection (b), arrange for the conduct of a continuing study to—

"(1) establish (A) the Nation's overall need for biomedical and behavioral research personnel, (B) the subject areas in which such personnel are needed and the number of such personnel needed in each such area, and (C) the kinds and extent of training which should be provided such personnel;

"(2) assess (A) current training programs available for the training of biomedical and behavioral research personnel which are conducted under this Act, at or through national research institutes under the National Institutes of Health and institutes under the Alcohol, Drug Abuse, and Mental Health Administration, and (B) other current training programs available for the training of such personnel;

"(3) identify the kinds of research positions available to and held by individuals completing such programs;

"(4) determine, to the extent feasible, whether the programs referred to in clause (B) of paragraph (2) would be adequate to meet the needs established under paragraph (1) if the programs referred to in clause (A) of paragraph (2) were terminated; and

"(5) determine what modifications in the programs referred to in paragraph (2) are required to meet the needs established under paragraph (1).

"(b)(1) The Secretary shall request the National Academy of Sciences to conduct the study required by subsection (a) under an arrangement under which the actual expenses incurred by such Academy in conducting such study will be paid by the Secretary. If the National Academy of Sciences is willing to do so, the Secretary shall enter into such an arrangement with such Academy for the conduct of such study.

"(2) If the National Academy of Sciences is unwilling to conduct such study under such an arrangement, then the Secretary shall enter into a similar arrangement with other appropriate nonprofit private groups or associations under which such groups or associations will conduct such study and prepare and submit the reports thereon as provided in subsection (c).

"(3) The National Academy of Sciences or other group or association conducting the study required by subsection (a) shall conduct such study in consultation with the Director of NIH.

"(c) A report on the results of the study required under subsection (a) shall be submitted by the Secretary to the Committee on Energy and Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate at least once every four years.

"PART G—GENERAL PROVISIONS

"INSTITUTIONAL REVIEW BOARDS; ETHICS GUIDANCE PROGRAM

"SEC. 491. (a) The Secretary shall by regulation require that each entity which applies for a grant, contract, or cooperative agreement under this Act for any project or program which involves the conduct of biomedical or behavioral research involving human subjects submit in or with its application for such grant, contract, or cooperative agreement assurances satisfactory to the Secretary that it has established (in accordance with regulations which the Secretary shall prescribe) a board (to be known as an 'Institutional Review Board') to review biomedical and behavioral research involving

human subjects conducted at or supported by such entity in order to protect the rights of the human subjects of such research.

"(b)(1) The Secretary shall establish a program within the Department of Health and Human Services under which requests for clarification and guidance with respect to ethical issues raised in connection with biomedical or behavioral research involving human subjects are responded to promptly and appropriately.

"(2) The Secretary shall establish a process for the prompt and appropriate response to information provided to the Director of NIH respecting incidences of violations of the rights of human subjects of research for which funds have been made available under this Act. The process shall include procedures for the receiving of reports of such information from recipients of funds under this Act and taking appropriate action with respect to such violations.

"PEER REVIEW REQUIREMENTS

"SEC. 492. (a)(1) The Secretary, acting through the Director of NIH, shall by regulation require appropriate technical and scientific peer review of—

"(A) applications made for grants and cooperative agreements under this Act for biomedical and behavioral research; and

"(B) applications made for biomedical and behavioral research and development contracts to be administered through the National Institutes of Health.

"(2) Regulations promulgated under paragraph (1) shall require that the review of applications made for grants, contracts, and cooperative agreements required by the regulations be conducted—

"(A) to the extent practical, in a manner consistent with the system for technical and scientific peer review applicable on the date of the date of enactment of the Health Research Extension Act of 1985 to grants under this Act for biomedical and behavioral research, and

"(B) to the extent practical, by technical and scientific peer review groups performing such review on or before such date,

and shall authorize such review to be conducted by groups appointed under sections 402(b)(6) and 405(c)(3).

"(b) The Director of NIH shall establish procedures for periodic technical and scientific peer review of research at the National Institutes of Health. Such procedures shall require that—

"(1) the reviewing entity be provided a written description of the research to be reviewed, and

"(2) the reviewing entity provide the advisory council of the national research institute involved with such description and the results of the review by the entity,

and shall authorize such review to be conducted by groups appointed under sections 402(b)(6) and 405(c)(3).

"PROTECTION AGAINST SCIENTIFIC FRAUD

"SEC. 493. (a) The Secretary shall by regulation require that each entity which applies for a grant, contract, or cooperative agreement under this Act for any project or program which involves the conduct of biomedical or behavioral research submit in or with its application for such grant, contract, or cooperative agreement assurances satisfactory to the Secretary that such entity—

"(1) has established (in accordance with regulations which the Secretary shall prescribe) an administrative process to review reports of scientific fraud in connection with biomedical and behavioral research conducted at or sponsored by such entity; and

"(2) will report to the Secretary any investigation of alleged scientific fraud which appears substantial.

"(b) The Director of NIH shall establish a process for the prompt and appropriate response to information provided the Director of NIH respecting scientific fraud in connection with projects for which funds have been made available under this Act. The process shall include procedures for the receiving of reports of such information from recipients of funds under this Act and taking appropriate action with respect to such fraud.

"RESEARCH ON PUBLIC HEALTH EMERGENCIES

"SEC. 494. (a) If the Secretary determines, after consultation with the Director of NIH, the Commissioner of the Food and Drug Administration, or the Director of the Centers for Disease Control, that a disease or disorder constitutes a public health emergency, the Secretary, acting through the Director of NIH—

"(1) shall expedite the review by advisory councils under section 406 and by peer review groups under section 492 of applications for grants for research on such disease or disorder or proposals for contracts for such research;

"(2) shall exercise the authority in section 3709 of the Revised Statutes (41 U.S.C. 5) respecting public exigencies to waive the advertising requirements of such section in the case of proposals for contracts for such research;

"(3) may provide administrative supplemental increases in existing grants and contracts to support new research relevant to such disease or disorder; and

"(4) shall disseminate, to health professionals and the public, information on the cause, prevention, and treatment of such disease or disorder that has been developed in research assisted under this section.

The amount of an increase in a grant or contract provided under paragraph (3) may not exceed one-half the original amount of the grant or contract.

"(b) Not later than 90 days after the end of a fiscal year, the Secretary shall report to the Committee on Energy and Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate on actions taken under subsection (a) in such fiscal year.

"ANIMALS IN RESEARCH

"SEC. 495. (a) The Secretary, acting through the Director of NIH, shall establish guidelines for the following:

"(1) The proper care of animals to be used in biomedical and behavioral research.

"(2) The proper treatment of animals while being used in such research. Guidelines under this paragraph shall require—

"(A) the appropriate use of tranquilizers, analgesics, anesthetics, paralytics, and euthanasia for animals in such research; and

"(B) appropriate pre-surgical and post-surgical veterinary medical and nursing care for animals in such research.

Such guidelines shall not be construed to prescribe methods of research.

"(3) The organization and operation of animal care committees in accordance with subsection (b).

"(b)(1) Guidelines of the Secretary under subsection (a)(3) shall require animal care committees at each entity which conducts biomedical and behavioral research with funds provided under this Act (including the National Institutes of Health and the national research institutes) to assure compliance with the guidelines established under subsection (a).

"(2) Each animal care committee shall be appointed by the chief executive officer of the entity for which the committee is established, shall be composed of not fewer than three members, and shall include at least one individual who has no association with such entity and at least one doctor of veterinary medicine.

"(3) Each animal care committee of a research entity shall—

"(A) review the care and treatment of animals in all animal study areas and facilities of the research entity at least semi-annually to evaluate compliance with applicable guidelines established under subsection (a) for appropriate animal care and treatment;

"(B) keep appropriate records of reviews conducted under subparagraph (A); and

"(C) for each review conducted under subparagraph (A), file with the Director of NIH at least annually (i) a certification that the review has been conducted, and (ii) reports of any violations of guidelines established under subsection (a) or assurances required under paragraph (1) which were observed in such review and which have continued after notice by the committee to the research entity involved of the violations.

Reports filed under subparagraph (C) shall include any minority views filed by members of the committee.

"(c) The Director of NIH shall require each applicant for a grant, contract, or cooperative agreement involving research on animals which is administered by the National Institutes of Health or any national research institute to include in its application or contract proposal, submitted after the expiration of the twelve-month period beginning on the date of enactment this section—

"(1) assurances satisfactory to the Director of NIH that—

"(A) the applicant meets the requirements of the guidelines established under paragraphs (1) and (2) of subsection (a) and has an animal care committee which meets the requirements of subsection (b); and

"(B) scientists, animal technicians, and other personnel involved with animal care, treatment, and use by the applicant have available to them instruction or training in the humane practice of animal maintenance and experimentation, and the concept, availability, and use of research or testing methods that limit the use of animals or limit animal distress; and

"(2) a statement of the reasons for the use of animals in the research to be conducted with funds provided under such grant or contract.

Notwithstanding subsection (a)(2) of section 553 of title 5, United States Code, regulations under this subsection shall be promulgated in accordance with the notice and comment requirements of such section.

"(d) If the Director of NIH determines that—

"(1) the conditions of animal care, treatment, or use in an entity which is receiving a grant, contract, or cooperative agreement involving research on animals under this title do not meet applicable guidelines established under subsection (a);

"(2) the entity has been notified by the Director of NIH of such determination and has been given a reasonable opportunity to take corrective action; and

"(3) no action has been taken by the entity to correct such conditions;

the Director of NIH shall suspend or revoke such grant or contract under such conditions as the Director determines appropriate.

"(e) No guideline or regulation promulgated under subsection (a) or (c) may require a research entity to disclose publicly trade secrets or commercial or financial information which is privileged or confidential.

"USE OF APPROPRIATIONS UNDER THIS TITLE

"SEC. 496. Appropriations to carry out the purposes of this title shall be available for the acquisition of land or the erection of buildings only if so specified. Such appropriations, unless otherwise expressly provided, may be expended in the District of Columbia for—

"(1) personal services;

"(2) stenographic recording and translating services;

"(3) travel expenses (including the expenses of attendance at meetings when specifically authorized by the Secretary);

"(4) rental;

"(5) supplies and equipment;

"(6) purchase and exchange of medical books, books of reference, directories, periodicals, newspapers, and press clippings;

"(7) purchase, operation, and maintenance of passenger motor vehicles;

"(8) printing and binding (in addition to that otherwise provided by law); and

"(9) all other necessary expenses in carrying out this title.

Such appropriations may be expended by contract if deemed necessary, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5).

"GIFTS

"SEC. 497. The Secretary may, in accordance with section 2101, accept conditional gifts for the National Institutes of Health or a national research institute or for the acquisition of grounds or for the erection, equipment, or maintenance of facilities for the National Institutes of Health or a national research institute. Donations of $50,000 or over for the National Institutes of Health or a national research institute for carrying out the purposes of this title may be acknowledged by the establishment within the National Institutes of Health or national research institute of suitable memorials to the donors.

"FETAL RESEARCH

"SEC. 498. (a) The Secretary may not conduct or support any research or experimentation, in the United States or in any other country, on a nonviable living human fetus ex utero or a living human fetus ex utero for whom viability has not been ascertained unless the research or experimentation—

"(1) may enhance the well-being or meet the health needs of the fetus or enhance the probability of its survival to viability; or

"(2) will pose no added risk of suffering, injury, or death to the fetus and the purpose of the research or experimentation is the development of important biomedical knowledge which cannot be obtained by other means.

"(b) In administering the regulations for the protection of human research subjects which—

"(1) apply to research conducted or supported by the Secretary;

"(2) involve living human fetuses in utero; and

"(3) are published in section 46.208 of part 46 of title 45 of the Code of Federal Regulations;

or any successor to such regulations, the Secretary shall require that the risk standard (published in section 46.102(g) of such part 46 or any successor to such regulations) be the same for fetuses which are intended to be aborted and fetuses which are intended to be carried to term.

"(c)(1) The Biomedical Ethics Advisory Committee appointed under section 381 shall conduct a study of the nature, advisability, and biomedical and ethical implications of exercising any waiver of the risk standard published in section 46.102(g) of such part 46 (or any successor to such regulations). The Committee shall complete the study and report its findings to the Biomedical Ethics Board established under section 381 not later than the expiration of thirty months after the date of enactment of this section. The report shall include the recommendations, if any, of the Committee on the advisability of the authority for such a waiver and the circumstances under which such a waiver might be granted. The Biomedical Ethics Board shall transmit the report to the Secretary, the Committee on Energy and Commerce of the House of Representatives, and the Committee on Labor and Human Resources of the Senate.

"(2) During the thirty-six-month period beginning on the date of enactment of this section, the Secretary may not grant (under section 46.211 of part 45 of title 46 of the Code of Federal Regulations or any successor to such section) a modification or waiver for fetal research.

"(3) Effective October 31, 1988, paragraph (2) is repealed.

"CONSTRUCTION OF TITLE

"SEC. 499. This title shall not be construed as limiting (1) the functions or authority of the Secretary under section 301 or of any officer or agency of the United States, relating to the study, prevention, diagnosis, and treatment of any disease for which a separate national research institute is established under this title, or (2) the expenditure of any funds therefor.".

SEC. 3. CONFORMING AMENDMENTS.

(a) ADVISORY COUNCILS.—(1) The National Advisory Health Council established under section 217 is terminated.

(2) Section 217(a) (42 U.S.C. 218(a)) is amended—

(A) in the first sentence—

(i) by striking out "National Advisory Health Council, the National Advisory Mental Health Council, the National Advisory Council on Alcohol Abuse and Alcoholism, and the National Advisory Dental Research Council" and inserting in lieu thereof "National Advisory Mental Health Council and the National Advisory Council on Alcohol Abuse and Alcoholism"; and

(ii) by striking out "by the Surgeon General with the approval of the Secretary of Health, Education, and Welfare" and inserting in lieu thereof "by the Secretary";

(B) in the second sentence—

(i) by striking out "in the case of the National Advisory Health Council, are skilled in the sciences related to health, and";

(ii) by striking out "the National Advisory Mental Health Council, the National Advisory Council on Alcohol Abuse and Alcoholism, the National Advisory Heart Council, and the National Advisory Dental Research Council" and inserting in lieu thereof "the National Advisory Mental Health Council and the National Advisory Council on Alcohol Abuse and Alcoholism"; and

(iii) by striking out ", alcohol abuse and alcoholism, and dental diseases and conditions" and inserting in lieu thereof "and alcohol abuse and alcoholism"; and

(C) by striking out the third sentence.

(3) Subsection (b) of section 217 is repealed and subsections (c) through (e) and subsection (g) are redesignated as subsections (b) through (e), respectively.

(4) Section 222(c) (42 U.S.C. 217a(c)) is amended to read as follows:

"(c) Upon appointment of any such council or committee, the Secretary may delegate to such council or committee such advisory functions relating to grants-in-aid for research or training projects or programs, in the areas or fields with which such council or committee is concerned, as the Secretary determines to be appropriate.".

(5) Section 301(a) (42 U.S.C. 241(a)) is amended—

(A) in paragraph (3), by striking out "as are recommended" through "for such fiscal year" and inserting in lieu thereof "as are recommended by the advisory council to the entity of the Department supporting such projects or, in the case of mental health projects, by the National Advisory Mental Health Council; and make, upon recommendation of the advisory council to the appropriate entity of the Department or the National Advisory Mental Health Council, grants-in-aid to public or nonprofit universities, hospitals, laboratories, and other institutions for the general support of their research"; and

(B) in paragraph (8), by striking out "recommendations of the National Advisory Health Council" through "as he deems" and inserting in lieu thereof "recommendations of the advisory councils to the appropriate entities of the Department or, with respect to mental health, the National Advisory Mental Health Council, such additional means as the Secretary considers".

(6) Section 1122(a) (42 U.S.C. 300c-12(a)) is amended by striking out "under section 441".

(b) NATIONAL LIBRARY OF MEDICINE.—Parts I and J of title III are repealed.

(c) ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH RESEARCH.—Section 506 is amended by adding at the end the following:

"(e)(1) If the direct cost of a grant, cooperative agreement, or contract (described in subsection (a)) to be made does not exceed $50,000, the Secretary may make such grant, cooperative agreement, or contract only if such grant, cooperative agreement, or contract is recommended after technical and scientific peer review required by regulations under subsections (a) and (b).

"(2) If the direct cost of a grant, cooperative agreement, or contract (described in subsection (a)) to be made exceeds $50,000, the Secretary may make such grant, cooperative agreement, or contract only if such grant, cooperative agreement, or contract is recommended—

"(A) after technical and scientific peer review required by regulations under subsections (a) and (b), and

"(B) by the National Advisory Council on Alcohol Abuse and Alcoholism, the National Advisory Council on Drug Abuse, or the National Mental Health Advisory Council, as is appropriate.".

(d) ORPHAN DRUG ACT.—Section 8(w) of the Orphan Drug Act (Public Law 97-414) is repealed.

SEC. 4. PLAN FOR RESEARCH INVOLVING ANIMALS.

(a) ESTABLISHMENT OF PLAN.—The Director of the National Institutes of Health shall establish a plan for—

(1) research to be conducted by or through the National Institutes of Health and the national research institutes into methods of biomedical research and experimentation—

(A) which do not require the use of animals;

(B) which reduce the number of animals used in such research; or

(C) which produce less pain and distress in such animals than methods currently in use;

(2) establishing the validity and reliability of the methods described in subparagraph (A);

(3) the development of such methods which have been found to be valid and reliable; and

(4) the training of scientists in the use of such methods.

The plan required by this paragraph shall be prepared not later than October 1, 1986.

(b) DISSEMINATION OF INFORMATION.—The Director of the National Institutes of Health shall take such actions as may be appropriate to convey to scientists and others involved with research or experimentation involving animals information respecting the methods found to be valid and reliable under subsection (a)(2).

(c) INTERAGENCY COORDINATING COMMITTEE.—The Director of the National Institutes of Health shall establish within the National Institutes of Health an Interagency Coordinating Committee to assist the Director of the National Institutes of Health in the development of the plan required by subsection (a). The Director of each national research institute shall serve on the Committee.

SEC. 5. RESEARCH ON LUPUS ERYTHEMATOSUS.

(a) ESTABLISHMENT OF COMMITTEE.—The Secretary shall establish a Lupus Erythematosus Coordinating Committee to plan, develop, coordinate, and implement comprehensive Federal initiatives in research on Lupus Erythematosus.

(b) COMMITTEE COMPOSITION AND MEETINGS.—(1) The Committee shall be composed of—

(A) the Director of the National Institute of Neurological and Communicative Disorders and Stroke (or the designee of such Director);

(B) the Director of the National Institute of Allergy and Infectious Diseases (or the designee of such Director);

(C) the Director of the National Institute of Arthritis and Musculoskeletal and Skin Diseases (or the designee of such Director);

(D) the Director of the National Institute of General Medical Sciences (or the designee of such Director);

(E) the Director of the National Heart, Lung, and Blood Institute (or the designee of such Director);

(F) the Director of the National Institute of Diabetes and Digestive and Kidney Diseases (or the designee of such Director); and

(G) the Director of the Centers for Disease Control (or the designee of such Director).

(2) The Committee shall meet at least four times a year. The Secretary shall designate as chairman of the Committee the Director of the National Institute of Arthritis and Musculoskeletal and Skin Diseases.

(c) REPORT.—The Committee shall prepare a report for Congress on its activities. The report shall include a description of research projects on Lupus Erythematosus conducted or supported by Federal agencies in the fiscal year for which the report is made, the nature and purpose of each such project, the amounts expended for each such project, and an identification of the entity which conducted the research under each such project. Such report shall be submitted not later than 18 months after the date of the date of enactment of this Act. The Committee shall terminate one month after the report is submitted.

SEC. 6. NATIONAL RESEARCH SERVICE AWARD STUDY.

The Secretary of Health and Human Services shall conduct a study of—

(1) the effect of the service obligation requirement of section 487(c) of the Public Health Service Act on the number and quality of individuals who apply for National Research Service Awards;

(2) the effect of section 487(c)(4) of such Act on the number of persons who engage in health research or training as a career;

(3) the number of persons who receive National Research Service Awards and who engage in health research or training as a career; and

(4) the effectiveness of the grant authority under section 487(a)(1)(B) of such Act in encouraging individuals to engage in health research and training as a career.

The Secretary shall complete the study within one year after the date of enactment of this Act and shall report the results of the study to the Committee on Energy and Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate.

SEC. 7. INTERAGENCY COMMITTEE ON SPINAL CORD INJURY.

(a) ESTABLISHMENT.—Within 90 days after the date of enactment of this Act, the Secretary of Health and Human Services shall establish in the National Institute of Neurological and Communicative Diseases and Stroke an Interagency Committee on Spinal Cord Injury (hereafter in this section referred to as the "Interagency Committee"). The Interagency Committee shall plan, develop, coordinate, and implement comprehensive Federal initiatives in research on spinal cord injury and regeneration.

(b) COMMITTEE COMPOSITION AND MEETINGS.—(1) The Interagency Committee shall consist of representatives from—

(A) the National Institute on Neurological and Communicative Disorders and Stroke;

(B) the Department of Defense;

(C) the Department of Education;

(D) the Veterans' Administration;

(E) the Office of Science and Technology Policy; and

(F) the National Science Foundation;

designated by the heads of such entities.

(2) The Interagency Committee shall meet at least four times. The Secretary of Health and Human Services shall select the Chairman of the Interagency Committee from the members of the Interagency Committee.

(c) REPORT.—Within the 18 months after the date of enactment of this Act, the Interagency Committee shall prepare and transmit to the Congress a report concerning its activities under this section. The report shall include a description of research projects on spinal cord injury and regeneration conducted or supported by Federal agencies during such 18-month period, the nature and purpose of each such project, the amounts expended for each such project, and an identification of the entity which conducted the research under each such project.

(d) TERMINATION.—The Interagency Committee shall terminate 90 days after the date on which the Interagency Committee transmits the report required by subsection (c) to the Congress.

SEC. 8. STUDY OF PERSONNEL FOR HEALTH NEEDS OF THE ELDERLY.

(a) STUDY.—The Secretary shall conduct a study on the adequacy and availability of personnel to meet the current and projected health needs (including needs for home and community-based care) of elderly Americans through the year 2020.

(b) REPORT.—The Secretary shall report the results of the study to the Congress by March 1, 1987. The report on the study shall contain recommendations on—

(1) the number of primary care physicians, dentists, and other health personnel needed to provide adequate care for the elderly;

(2) the training needs of other physicians, dentists, and health personnel to provide care responsive to the particular needs of the elderly;

(3) necessary changes in medicare and other third party reimbursement programs necessary to support training of primary care and other physicians to meet the needs of the elderly; and

(4) necessary program changes in third party reimbursement programs (including changes in medicare programs) to support training of other health personnel in the care of the elderly.

SEC. 9. INTERAGENCY COMMITTEE ON LEARNING DISABILITIES.

(a) ESTABLISHMENT.—Not later than 90 days after the date of enactment of this Act, the Director of the National Institutes of Health shall establish an Interagency Committee on Learning Disabilities to review and assess Federal research priorities, activities, and findings regarding learning disabilities (including central nervous system dysfunction in children).

(b) COMPOSITION.—The Committee shall be composed of such representatives as the Director may designate, but shall include representatives from the National Institute of Neurological and Communicative Disorders and Stroke, the National Institute of Child Health and Human Development, the National Institute of Allergy and Infectious Diseases, the National Eye Institute, the National Institute of Environmental Health Sciences, the Division of Research Resources of the National Institutes of Health, the Food and Drug Administration, the National Institute of Mental Health, and the Department of Education.

(c) REPORT.—Not later than 18 months after the date of enactment of this Act, the Committee shall report to the Congress on its activities under subsection (a) and shall include in the report—

(1) the number of persons affected by learning disabilities and the demographic data which describes such persons;

(2) a description of the current research findings on the cause, diagnosis, treatment, and prevention of learning disabilities; and

(3) recommendations for legislation and administrative actions—

(A) to increase the effectiveness of research on learning disabilities and to improve the dissemination of the findings of such research; and

(B) respecting specific priorities for research in the cause, diagnosis, treatment, and prevention of learning disabilities.

(d) TERMINATION.—The Committee shall terminate 90 days after the date of the submission of the report under subsection (c).

SEC. 10. REVIEW OF DISEASE RESEARCH PROGRAMS OF THE NATIONAL INSTITUTE OF DIABETES AND DIGESTIVE AND KIDNEY DISEASES.

The Secretary of Health and Human Services shall conduct an administrative review of the disease research programs of the National Institute of Diabetes and Digestive and Kidney Diseases to determine if any of such programs could be more effectively and efficiently managed by other national research institutes. The Secretary shall complete such review within the one-year period

beginning on the date of enactment of this Act.

SEC. 11. BIOMEDICAL ETHICS.

Title III (as amended by section 3) is amended by adding at the end the following:

"PART I—BIOMEDICAL ETHICS

"SEC. 381. (a) There is established in the legislative branch of the Government the Biomedical Ethics Board (hereinafter referred to as the 'Board').

"(b)(1) The Board shall consist of twelve members as follows:

"(A) Six Members of the Senate appointed as follows: Three members appointed by the Majority Leader of the Senate from the majority party and three members appointed by the Minority Leader from the minority party.

"(B) Six Members of the House of Representatives appointed by the Speaker of the House of Representatives, three from the majority party and three from the minority party.

"(2) The term of office of a member of the Board shall expire when the member leaves the office of Senator or Representative, as the case may be, or upon the expiration of eight years after the date of the member's appointment to the Board, whichever occurs first.

"(3) Vacancies in the membership of the Board shall not affect the power of the remaining members to execute the functions of the Board and shall be filled in the same manner as in the case of the original appointment.

"(4) The Board shall select a chairman and a vice chairman from among its members at the beginning of each Congress. The vice chairman shall act as chairman in the absence of the chairman or in the event of the incapacity of the chairman. The chairmanship and vice chairmanship shall alternate between the Senate and the House of Representatives with each Congress. The chairman during each even-numbered Congress shall be selected by the Members of the House of Representatives on the Board from among their number. The vice chairman during each Congress shall be chosen in the same manner from that House of Congress other than the House of Congress of which the chairman is a Member.

"(5) The Board shall meet once every three months unless such meeting is dispensed with by the chairman, and may meet at any time upon the request of four or more members of the Board or upon the call of the chairman.

"(c)(1) The Board shall study and report to the Congress on a continuing basis on the ethical issues arising from the delivery of health care and biomedical and behavioral research, including the protection of human subjects of such research and developments in genetic engineering (including activities in recombinant DNA technology) which have implications for human genetic engineering.

"(2)(A) Except as provided in subparagraph (B), an annual report shall be transmitted to the Congress identifying the issues which were the subject of the study conducted under paragraph (1) and identifying areas, programs, and practices of medicine and biomedical and behavioral research which have significant ethical implications and which would be appropriate subjects for study.

"(B) A report on research and developments in genetic engineering (including activities in recombinant DNA technology) which have implications for human genetic engineering shall be transmitted to the Congress not later than eighteen months after the appointment of the Committee under subsection (d).

"(d)(1) To conduct the studies and make the reports required by subsection (c), the Board shall appoint a Biomedical Ethics Advisory Committee (hereinafter referred to as the 'Committee'). The Committee shall consist of fourteen members as follows:

"(A) Four of the members shall be appointed by the Board from individuals who are distinguished in biomedical or behavioral research.

"(B) Three of the members shall be appointed by the Board from individuals who are distinguished in the practice of medicine or otherwise distinguished in the provision of health care.

"(C) Five of the members shall be appointed by the Board from individuals who are distinguished in one or more of the fields of ethics, theology, law, the natural sciences (other than the biomedical or behavioral sciences), the social sciences, the humanities, health administration, government, and public affairs.

"(D) Two of the members shall be appointed by the Board from individuals who are representatives of citizens with an interest in biomedical ethics but who possess no specific expertise.

"(2)(A) The Committee, by majority vote, shall elect from its members a chairman and a vice chairman and appoint an executive director who shall serve for such time and under such conditions as the Committee may prescribe. In the absence of the chairman, or in the event of the incapacity of the chairman, the vice chairman shall act as chairman.

"(B) The term of office of each member of the Committee shall be four years, except that any such member appointed to fill a vacancy occurring prior to the expiration of the term for which such member's predecessor was appointed shall be appointed for the remainder of such term. Terms of the members shall be staggered so as to establish a rotating membership.

"(C) The members of the Committee shall receive no pay for their services as members of the Committee, but shall be allowed necessary travel expenses (or, in the alternative, mileage for use of privately owned vehicles and a per diem in lieu of subsistence at not to exceed the rate prescribed in sections 5702 and 5704 of title 5, United States Code) and other necessary expenses incurred by them in the performance of duties as a member of the Committee, without regard to the provisions of subchapter 1 of chapter 57 and section 5731 of title 5, United States Code, and regulations promulgated thereunder.

"(D) The executive director of the Committee, with the approval of the Committee, may employ such staff and consultants as necessary to prepare studies and reports for the Committee.

"(3)(A) The Committee may, for the purpose of carrying out its functions, hold such public hearings, sit and act at such times and places, and take such testimony, as the Committee considers appropriate.

"(B) Upon request of the Committee, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Committee to assist the Committee in carrying out its functions.

"(C) The Committee may secure directly from any department or agency of the United States information necessary to enable it to carry out its functions. Upon request of the chairman of the Committee, the head of such department or agency shall furnish such information to the Committee.

"(D) The Committee may accept, use, and dispose of gifts or donations or services or property.

"(E) The Committee may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

"(e) To enable the Board and the Committee to carry out their functions there are authorized to be appropriated $2,000,000 for fiscal year 1986, $2,500,000 for fiscal year 1987, and $3,000,000 for fiscal year 1988.".

SEC. 12. ALZHEIMER'S DISEASE REGISTRY.

(a) GRANT AUTHORITY.— The Director of the National Institute on Aging may make a grant to develop a registry for the collection of epidemiological data about Alzheimer's disease and its incidence in the United States, to train personnel in the collection of such data, and for other matters respecting such disease.

(b) QUALIFICATIONS.—To qualify for a grant under subsection (a) an applicant shall—

(1) be an accredited school of medicine or public health which has expertise in the collection of epidemiological data about individuals with Alzheimer's disease and in the development of disease registries, and

(2) have access to a large patient population, including a patient population representative of diverse ethnic backgrounds.

(c) AUTHORIZATION.—For grants under subsection (a), there are authorized to be appropriated $2,500,000 which shall remain available until expended or through fiscal year 1989, whichever occurs first.

And the Senate agree to the same.

JOHN D. DINGELL,
HENRY A. WAXMAN,
JAMES SCHEUER,
EDWARD MADIGAN,
Managers on the Part of the House.

ORRIN G. HATCH,
DAN QUAYLE,
DON NICKLES,
EDWARD M. KENNEDY,
CHRIS DODD,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2409) to amend the Public Health Service Act to revise and extend the authorities under that Act relating to the National Institutes of Health and National Research Institutes, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The difference between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

INTRODUCTORY STATEMENT

House and Senate conferees met to consider the text of H.R. 2409, as amended by the Senate amendment reflecting the provisions of S. 1309 which passed the Senate on July 19, 1985.

The purpose of the conference agreement is to preserve America's preeminence in medical research. The legislation does this by extending for three fiscal years the programs administered by the National Institutes of Health (NIH) and making technical revisions in the statutory authority for NIH programs.

The conference agreement extends the authorization of appropriations for the National Cancer Institute, the National Heart, Lung and Blood Institute, the National Library of Medicine's Medical Library Assistance Act and the National Research Service Award Program. The NIH is also required to conduct and support research in Alzheimer's Disease, spinal cord regeneration, mental retardation and bioengineering as a means to overcome paralysis.

The conference agreement provides explicit statutory authority for the NIH and its institutes and agencies. In addition, while there are provisions under current law for the appointment of the NIH Director, no statutory duties are prescribed or assigned. By clarifying the authority of NIH in statute, the conference agreement recognizes the importance and permanence of the NIH and its institutes and agencies. The conferees believe that give the critical role of health research in understanding the causes of human disease and the development of more effective treatments, this recognition is long overdue.

The conference agreement promotes the more effective and efficient management of the NIH by strengthening procedures for peer review of intramural research and the investigation of scientific misconduct involving NIH grantees.

The conference agreement authorizes the Secretary to establish additional national research institutes administratively and to reorganize or abolish unnecessary institutes after submitting a report, six months in advance of such changes, to the Committee on Energy and Commerce in the House and the Committee on Labor and Human Resources in the Senate. The agreement describers the method of appointment and delineates the authorities of the NIH Director.

The conferees have also agreed on the need to establish at long last the National Institute of Arthritis and Musculoskeletal and Skin Diseases. The new institute will provide a national focus on research into the cause and treatment of these widely prevalent, often debilitating and sometimes fatal diseases.

RECODIFICATION OF NIH AUTHORITY

The conferees note that the statutory authority of the NIH was last revised in 1944 and now requires technical revisions to provide consistent, coordinated authority for all of the national research institutes and associated programs. The recodification is a significant step in clarifying and delineating the research function of the national research institutes and other agencies of the NIH. This rewrite of the law does not change the general authority of the Secretary of Health and Human Services to conduct research, investigations, experiments, and demonstrations relating to physical and mental diseases provided under Section 301 of the Public Health Service Act.

ESTABLISHMENT OF NEW NATIONAL RESEARCH INSTITUTES

The conference agreement establishes a new National Institute of Arthritis and Musculoskeletal and Skin Diseases. Establishment of this new institute necessitates revisions in current law to also establish a National Institute of Diabetes and Digestive and Kidney Diseases (NIDDKD). The conference agreement will assure ongoing and improved research efforts in these disease categories.

Arthritis is actually more than 100 different disorders which afflict some 49 million of our citizens and, along with skin disorders, collectively result in an extraordinary loss to our economy from lost productivity as well as from medical expense. The conferees agree with the motto of the Arthritis Foundation—"It's time we took arthritis seriously." This new institute will provide a major increased focus on arthritis and musculoskeletal and skin diseases.

The conferees note that there is much promise held by research devoted to finding a cure for diabetes. Youngsters who develop diabetes early in life may, in fact, be suffering the consequences of an infectious disease which could be entirely preventable. Persons who already have insulin-dependent diabetes may eventually be cured if improved methods of pancreatic cell transplantation can be found. There is justifiable optimism about finding a cure for diabetes; we may dare to begin hoping that diabetes may soon join the ranks of other diseases which have become part of medical history.

Revisions made in the authorities of NIDDKD are necessary to assure that the three clusters have adequate and parallel authority to conduct and support necessary research and education activities. Accordingly, the conference agreement establishes in statute a new Interagency Coordinating Committee for Kidney, Urologic and Hematologic Diseases in addition to the existing committees for Diabetes Mellitus and for Digestive Diseases. In addition, a new Kidney and Urologic Diseases Advisory Board is created to parallel the Natianl Diabetes Advisory Board and the National Digestive Diseases Advisory Board. The authorization for each advisory board is extended for three fiscal years and expires on September 30, 1988.

The conference agreement provides for establishment of research center programs for digestive diseases and related disorders and kidney and urologic diseases to parallel those for diabetes and related endocrine and metabolic diseases. The conferees intend that these new centers be developed on a timetable that will promote research endeavors of the highest quality.

Section 10 of the conference agreement requires the Secretary to conduct an administrative review of the disease research programs of NIDDKD to determine if any program might, from both scientific and management standpoints, be more effectively and efficiently administered by other existing NIH institutes.

In revising the authorities for the National Diabetes Advisory Board and the National Digestive Diseases Advisory Board, the conferees intend to give the Secretary broad discretion in determining which present members of these Boards will be reappointed for additional terms. The conferees expect that the Secretary will give full consideration to present Board members in making appointments to the Boards. Advisory Board members will be appointed to four year terms, although the Secretary may stagger the appointment of new members as permitted under the current Board charters and consistent with the rotational membership patterns of NIH advisory councils.

NATIONAL CENTER FOR NURSING RESEARCH

The House bill provided for the establishment of a National Institute of Nursing at the National Institutes of Health. The Senate amendment did not contain a similar provision.

The Senate receded to the House with an amendment establishing a National Center for Nursing Research located within the National Institutes of Health. The Center is intended to be administered in a fashion similar to the Fogarty International Center and will be headed by a Director. The Center is intended to provide a focal point for promoting the growth and quality of research related to nursing and patient care, to provide leadership to expand the pool of experienced nursing researchers and to promote closer interaction with other bases of health care research. The conferees intend that nursing research and research training activities supported by the Division of nursing in the Health Resources and Services Administration be transferred to the NIH's National Center for Nursing Research.

The conferees believe that nursing research should be included in the mainstream of scientific investigation. The conferees are convinced that a significant amount of our health care dollars could be saved if research related to improved patient care, patient education, and health promotion wer substantially supported. The conferees believe nursing plays a vital role in the delivery of health care in many underserved areas and as such should play a significant role in health services research.

The conferees anticipate that the programs of the new Center will be directed primarily toward basic and applied research related to patient care, the promotion of health, the prevention of illness, and the understanding of individual, family, and community responses to acute and chronic illness and disability. Patient care research may also address ethical and public policy concerns that will have a profound effect on the delivery of patient care. The Center may sponsor training of nursing research personnel, career development of new and established scientists, evaluation of specific nursing interventions, dissemination of new information about nursing and health, and demonstrations of alternatives means of delivery of nursing care.

PEER REVIEW OF INTRAMURAL RESEARCH

The conference agreement requires the Director of NIH to establish procedures for periodic technical and scientific peer review of all intramural research conducted at the National Institutes of Health. It is not the conferees' intent that the review procedures for intramural research be the same as those for extramural research. The conferees recognize that there are significant differences between intramural and extramural activities. The conferees do not intend that the review procedures established by the Director rely on the extramural model of prospective peer review of research on a project-by-project basis as a condition for support of future work. Peer review of intramural research should consider the work—past, present and future—conducted by either an entire laboratory or section of a laboratory.

Peer review may encompass the research projects of several investigators. Peer review should be conducted and reported on to the

Congress at regular intervals but not less than every three years. The conferees agreed that the Director of NIH should submit, as part of the biennial report required by section 403 of the Act, an analysis of the Institute's intramural peer review procedures.

The entity conducting the peer review of an intramural laboratory is to be provided a written description of the overall research to be reviewed prior to the time of the review. This written description should present the overall past accomplishment of the laboratory and its investigators since the last review was conducted. The written description might also present: the general aims, objectives and projected directions of the research projects to be conducted; appropriate background information on possible future research projects; a brief summary of the general research plan; and an indication of the importance of the research projects.

An entity conducting peer review of intramural research is to provide the institute's advisory council with a written description of the research, the results of the review and the recommendations of the reviewing entity. The conference agreement authorizes, but does not require, the advisory council to make recommendations to the institute director regarding intramural activities conducted by the institute.

The conferees note that the NIH has in place a review mechanism to evaluate its intramural research programs. Each institute has a Board of Scientific Counselors composed of outside scientists who meet two or three times a year to appraise the work of its laboratories and scientists. The written reports prepared by the Boards and submitted to the Institute Director summarize the research and the Boards' judgments of its quality. The reports are also reviewed by the Director and Deputy Director for Intramural Research of NIH. The bill's requirement that these reports be furnished to the appropriate National Advisory Council is intended to encourage Council members to review the Board's efforts in program evaluation.

REVIEW OF RESEARCH CONTRACTS

Sections 490(a)(1)(B) and 405(b)(2) include provisions requiring technical and scientific peer review of applications for research contracts. The conferees long have recognized the invaluable role of peer review in ensuring high quality in the research activities funded and conducted by NIH. By referring to "contracts" and not to "contract projects" it is intended that peer review of research contracts not be limited to review at the concept-development phase. The conference agreement requires peer review and approval by peer review groups and all applications for research, training and demonstration contracts. It is expected that peer review by nonfederal employees will provide for more careful scrutiny of contracting practices by the national research institutes.

Regulations now require that agency heads, including the Director of NIH, "identify individual contracts or classes of contracts which may not be awarded unless all pertinent contract proposals have been reviewed by a peer review group . . ." It is not the conferees intent that scientific peer review of contracts for "research resources" such as the purchase of laboratory equipment, materials and supplies used in the conduct or support of research would be necessary. Such review is not required by these provisions.

BIENNIAL REPORT

The conference agreement consolidates current NIH reporting requirements to Congress by providing for the submission once every two years of a single, comprehensive report from the NIH Director. The conferees intend that the report be written, edited and organized in a manner that will assist the Congress in its oversight responsibilities, and that it be submitted on a timetable that will permit the report to be useful to the Congress.

The biennial report submitted by the NIH Director will contain separate reports from the Directors of each national research institute. Reports from the individual directors of the national research institutes should include reports from their respective advisory councils if the council desires to submit such a report. Comments included in the biennial report from the advisory councils of the individual national research institutes should present candid discussions of controversies regarding institute policies. The advisory council reports should indicate those research programs that its members consider to be no longer important to the missions of the institutes. Reports and comments from institute advisory councils should be submitted to Congress unchanged, except that comments by officials or officers of the government may be included as clearly identified and ascribed "additional views". Reports prepared by the Directors of the national research institutes under Section 407 should include an analysis of the rationale for the institute's policy recommendations and priorities as well as possible alternatives to policy recommendations considered or proposed by the advisory councils to the national research institutes.

The conferees do not intend that Section 407 of the revisions to Title IV be construed to prevent individual institute directors or advisory councils from reporting on their activities to the Congress on a more frequent basis, so long as they comply fully with the requirements of the biennial report. Section 407 and Section 406(g) authorize each institute director and advisory council to prepare, as they deem appropriate, additional reports to the Congress.

HEALTH PROMOTION AND DISEASE PREVENTION

The conferees believe it is time for NIH to place greater emphasis on research on health maintenance and the prevention of disease. To emphasize this aspect of the research spectrum, the conference agreement requires that the Director of the National Cancer Institute, the Director of the National Institute of Child Health and Human Development and the Director of NIH appoint an Associate Director for Prevention. A similar position is now provided by current law, and has functioned well for many years, in the National Heart, Lung and Blood Institute.

The conferees do not believe the position of Associate Director for Prevention at an individual institute should duplicate an existing administrative unit. Existing institute activities, programs and personnel involved with prevention activities should be incorporated, as appropriate, into a revised administrative framework.

Individuals appointed to these positions should be selected from among the nation's outstanding health promotion and public health professionals. They should not be appointed from those current NIH officials who have little or no background in the prevention field. Each Associate Director should devote full time to prevention-related activities and not have significant responsibilities for other non-prevention activities.

Among the principal responsibilities of the Associate Directors should be assuring that research regarding the prevention of disease is a high priority of their respective institutes. Prevention research refers to research that is directly related to reducing the incidence of diseases or disorders within the authority of the respective national research institutes, reducing the high-risk precursors of such diseases or disorders, and reducing the adverse consequences of such precursors and early manifestations of such diseases or disorders.

The Associate Directors for Prevention should assure that each institute's research plan include sections dealing with such prevention related research as: investigations into the epidemiology of disease; studies of the etiology of diseases (including the effect of diet and other personal habits on the development of disease, and the effect of environmental factors, including air, water, radiation, and toxic substances, on the development of disease); research into immunizations against disease (particularly toward development of an improved pertussis vaccine); studies of the means to preclude the development of disease through changes in personal habits and environmental factors; and studies of methods for, and the cost-effectiveness of, population screening programs. The Associate Directors should submit recommendations annually to the Director of the institute for the specific activities and resources required by the institute to carry out the prevention-related activities.

The Associate Director for Prevention within the Office of the NIH Director has responsibility for promoting and coordinating the research programs of the national research institutes regarding the prevention of disease. The Associate Director is also responsible for coordinating NIH prevention activities with similar programs in other entities of the Department of Health and Human Services. The conferees believe the Associate Director should be a forceful, competent representative for research regarding the prevention of disease. In appointing the Associate Director, the Director of NIH should seek an individual from among the nation's outstanding public health and prevention researchers.

Although the conference agreement does not provide for establishment of a position of Associate Director for Prevention in all the national research institutes, each institute should give serious consideration to establishing such a position administratively.

Section 402(f) of the conference agreement requires the Associate Director to report annually to the Director of NIH on the prevention related activities undertaken during the previous year. Section 403 provides that these annual reports should be included in the NIH Director's biennial report to the Congress.

The conferees reduced the frequency of required NIH reports to biennial but have required the new reports on prevention activities to be submitted annually. The House Committee on Energy and Commerce and the Senate Committee on Labor and Human Resources will closely monitor these reports and the activities of the Associate Directors. It is the conferees intent to require this report on a biennial basis if it is evident that sufficient progress has been made in the prevention area.

ADVISORY COUNCILS

Section 406 of the conference agreement provides for the establishment of an advisory council consisting of up to 18 appointed members for each of the national research institutes. Currently, each national research institute has an advisory council, established either by statute or by regulation, consisting of 12 to 18 appointed members.

The purpose of the advisory councils is to advise and consult with the Director of each national research institute on the complete spectrum of activities and policies of the institute. The conference agreement retains provisions of existing law requiring the Directors of national research institutes to consult with advisory councils in carrying out institute functions related to education and research. Advisory councils are also permitted to review intramural research and contracts, although this authority is optional and advisory council approval of contracts is not required.

As in existing law or regulation, advisory councils are required to review applications for grants and to recommend for approval those applications that show promise of making valuable contributions to human knowledge. Advisory councils may review any grant application, but are only requried to review those applications requesting over $50,000 in direct costs per annum. No grants with direct costs in excess of $50,000 may be awarded without approval of an Institute's Advisory Council. The conference agreement is consistent with but represents an increase of $15,000 over the existing statutory and administrative requirements that advisory councils review and approve all grants with direct costs in excess of $35,000.

Each advisory council may periodically review intramural research programs being carried out at the institute and make recommendations to the Director respecting such program. Based on materials provided to the advisory council pursuant to Section 490(b)(2) from entities charged with assessing the technical and scientific merits of intramural research, the advisory councils may review and make recommendations to the respective directors of the institutes regarding the importance and quality of the various intramural research programs.

Advisory council review of the intramural program under Section 406(a)(3)(A)(i) is not intended to be equivalent to advisory council review of grants and cooperative agreements. For example, while prospective advisory council review is required before grants are awarded, advisory council review of intramural work might be performed on a retrospective basis. The conferees believed advisory council review and recommendations can provide useful advice to the institute directors and the Director of NIH respecting the operation of the intramural program. Section 406 does not provide advisory councils approval authority over intramural research projects.

Section 406(b)(1) revises the composition of institute advisory councils to increase representation by experts in public health and the behavioral or social sciences. The membership of each advisory council must include two-thirds scientists with expertise in the disciplines of the respective institute and include experts in public health and the behavioral or social sciences. The remaining one-third should be from the general public who are knowledgeable with respect to diseases funded under the respective institutes, including leaders in such fields as social policy, law, health policy, economics and management. Ex officio members of the councils include the Secretary, the Director of NIH, the Director of the national research institute for which the council is established, the Chief Medical or Dental Director of the Veterans' Administration and the Assistant Secretary of Defense for Health Affairs.

It is intended that the chair of each advisory council be selected from among the appointed members. The director of a national research institute is not precluded from chairing an advisory council if the Secretary chooses to select the institute director. The Chairman of an advisory council may be reappointed.

The proposal also provides for staff assistance to the advisory councils and should include the services of an executive secretary to assist the council in its review of the activities and policies of the institute. The position of executive secretary need not be a full-time position, although some advisory council activities may require a greater allocation of staff resources than others. The functions of advisory councils will necessitate a minimum of three meetings per year and, in the case of the larger national research institutes, a minimum of four meetings per year.

NATIONAL CANCER INSTITUTE

The conference agreement revises and extends for three fiscal years the authorities for the National Cancer Institute. These sections are, for the most part, identical to provisions currently found in Sections 401 through 409 and commonly known as the "National Cancer Program." The conference agreement reemphasizes the importance of the National Cancer Act by maintaining the special authorities of the Director of the National Cancer Institute (NCI). The special authorities that have enabled the NCI to become one of the most productive of the national research institutes have been retained in their entirety. These authorities include the guidance of the President's Cancer Panel (Section 415), the submission of an annual budget request directly to the Congress (Section 413(b)(10)(A)) and the appointment of special peer review groups (Section 405(c)(3)) to evaluate the scientific merit of NCI research.

The conference agreement revises current law to extend the support period for cancer centers from three years to five years and removes the annual limitation on support for individual cancer centers.

The basic mission of the NCI was revised to require sponsorship of research on the continuing care of cancer patients and their families. The conferees agreed that a critical problem in cancer research is the growing number of patients suffering from cancer who seek alternative and unproven therapies when they have not responded to traditional methods of treatment. The cost and emotional suffering to dying patients and their families is significant. The conferees believe the Institute should give high priority to research related to the long term care of cancer patients and to the training of physicians in providing compassionate care to the terminally ill in addition to efforts to find cures and means of preventing malignant disease.

The proposal provides explicit authority under Section 412 for support of clinical cancer education programs. The achievements of these programs in medical and dental schools across the nation is well known and it is intended that support for such programs be extended through fiscal year 1988. Activities funded under this authority are distinct from support for the training of future researchers under the provisions of the National Research Service Award Program. This section does not authorize NCI funds to be used in any way to support individuals, or institutions to operate residency or fellowship post-graduate physician programs in the various medical, surgical or other specialties or subspecialties.

The conferees also believe that the National Cancer Institute should increase the emphasis it places upon research on the relationship between diet and cancer. Under Section 416, one of the initial activities of the Associate Director for Prevention should be to conduct a thorough review of the current understanding of the relationship between diet and cancer, and consider appropriate means to increase NCI support for research in this area.

The conference agreement continues support for the NCI cancer center program. The conferees believe the centers program to be among the NCI's most important activities and that the Institute should expand the number of centers of excellence in underserved or demographically unique areas.

For example, the conferees recognize the lack of an organized, state-of-the-art cancer research and treatment center in the Appalachia region. It is estimated that about one-third of those West Virginians dying from cancer might have been saved by earlier diagnosis and treatment. The lack of organized statewide approaches to cancer prevention, detection, and accessibility to specialized care underscores the need for an academically based cancer center program for the State of West Virginia and the region of Appalachia that it would serve.

Another example of need is the state of Utah, which offers a number of specialized opportunities for cancer research. Scientific literature has documented that the Mormon population offers unique research opportunities in cancer prevention related to diet and nutrition. Low rates of cancer in this population appear to be related to specific dietary factors. Utah is also the site of exposure to low-level radiation which occurred secondary to above ground testing of nuclear weapons in the 1940's and 1950's. Therefore, this state's population offers distinct opportunities for epidemiologic studies of the consequence of radiation exposure. Cancer screening is a logical extenson of this activity, and the establishment of a cancer center in Utah will assist in serving not only the state, but the central northwest region of the country, by providing treatment now unavailable to patients in large rural areas in this region of the country.

NATIONAL RESEARCH SERVICE AWARDS

The conference agreement emphasizes the importance of a continued commitment to the research training programs necessary to ensure an adequate number of able, highly trained investigators. New scientists are essential to continue the excellence of this country's biomedical, behavioral and health services research programs into the next century. The success of the nation's research program is closely tied to the number and quality of young professionals choosing research as a career. Since 1974, the National Research Service Award (NRSA) program has been a vital part of the Federal effort to support the quality and integrity of biomedical and behavioral research.

Subsection 485(d) authorizes appropriations for NRSA awards and requires that portions of such appropriations be allocated for four specific programs. These authorizations for NRSA appropriations are $244 million in fiscal year 1986, $260 million in 1987 and $275 million in 1988. The following mandatory set-asides apply to funds appropriated under this authority: (1) Not less than 15% individual investigator awards; (2) Not less than 50% for institutional awards; (3) One-half of one percent for awards in family medicine and primary care; and (4) one-half of one percent for awards in health services research under the auspices of the National Center for Health Services Research and Health Care Technology Assessment. Thus, if in fiscal year 1986 the full $244 million authorized were appropriated, not less than $36.6 million could be used only for individual investigator awards, not less than $122 million only for institutional awards, $1.22 million only for family medicine and primary care awards and $1.22 million only for health services research awards.

The conference agreement reflects a long overdue broadening of the health and scientific research disciplines whose trainees will benefit from the availability of research training opportunities. By placing a restriction on the provision of National Research Service Awards for individuals involved in family medicine, primary medical care and health services research, the conferees recognize that during Fiscal Years 1986, 1987 and 1988 the pool of such persons is likely to be limited. The requirement that one percent of NRSA appropriations be evenly divided between NRSAs for researchers in family medicine, primary care and health services research is intended to represent a strict floor and ceiling on use of NRSA awards for these purposes. Compliance with these requirements does not require additional appropriations.

It is intended that funds appropriated under this authority for National Research Service Awards be used for research training and not for the support of research for which funds are available under sections 405 and 408 of this Title.

The conference agreement also requires the Secretary to undertake a study of the NRSA program. A major focus of the study is to determine the effect of the payback requirement, both benefits and problems, on the number and quality of individuals who apply for National Research Service Awards and become career researchers.

FETAL RESEARCH

The conference agreement includes provisions to define the circumstances under which research involving living human fetuses may be conducted.

In the case of living human nonviable fetuses ex utero or living human fetuses for whom viability has not yet been determined, the Secretary may support only those research projects that (1) may enhance the well-being or meet the health needs of the fetus, (2) enhance the probability of the fetus' survival to viability, or (3) whose purpose is to develop important biomedical knowledge that cannot be obtained by other means and that will pose no added risk of suffering, injury, or death to the fetus. This standard is to be applied equally to fetuses that are aborted spontaneously or by induced abortion. It is not the intention of the Conferees that the phrase "no added risk of suffering" be construed to restrict routine diagnostic or medical procedures, such as the drawing of blood, that may themselves involve transient pain but pose no risk to the fetus of long-term suffering or injury.

In the case of living human fetuses in utero, the agreement requires that the Secretary administer regulations regarding the standard of risk in such a manner that a fetus that is intended for abortion is exposed to no greater risk than that to which a fetus that is intended to be carried to term may be exposed.

The conference agreement further provides that the Biomedical Ethics Advisory Committee, created by this legislation, is to conduct a study of the nature, advisability, and biomedical and ethical implications of exercising any waiver of the current "minimal risk" standard (or any successor to this standard) in research involving fetuses. The Committee is to complete its report within thirty months of the enactment of this legislation and shall report its findings to the Biomedical Ethics Board. The Board is to transmit the Committee's report to the Secretary, as well as to the Senate Committee on Labor and Human Resources and the House Committee on Energy and Commerce. The Conferees note that while the charge to the Biomedical Ethics Advisory Committee is limited under this provision, that Committee is empowered under other provisons of this legislation to review and investigate other issues involving the protection of human subjects, including fetuses.

The conference agreement also prohibits the Secretary from granting a waiver of the requirements of current regulations regarding research that is of unknown or greater-than-minimal risk. In addition, the conference agreement does not prohibit the Secretary from revising any regulations in effect on the day prior to the enactment of this legislation, including the waiver provision. This prohibition is intended to last for three years and is repealed as of October 31, 1988.

BIOMEDICAL ETHICS

The conference agreement amends Title 3 of the Public Health Service Act to establish an independent Congressional Biomedical Ethics Board patterned after the Office of Technology Assessment. The activities of the Biomedical Ethics Board (Board) would be supported by a Biomedical Ethics Advisory Committee. The Board would examine a broad range of biomedical issues and report to the Congress and the public. Two studies are specifically mandated in the legislation: (1) an examination of the nature, advisability, and biomedical and ethical implications of exercising any waiver of existing Federal protections of human fetuses in research and (2) a study of the ethical implications of developments in genetic engineering for human genetic engineering. The legislation authorizes appropriations of $2 million for the activities of the Board in Fiscal Year 1986, $2.5 million in 1987 and $3.0 in 1988.

JOHN E. FOGARTY INTERNATIONAL CENTER

Section 483 of the conference agreement authorizes the John E. Fogarty International Center for Advanced Study in the Health Sciences to facilitate the assembly of scientists and others in the biomedical, behavioral, and related fields. To do this the Fogarty Center will require appropriate facilities which the Director of NIH should make available for such purposes. The conferees believe such NIH facilities as the "Stone House" would be appropriate sites for such activities.

INSTITUTIONAL REVIEW BOARDS

Section 489 restates existing Section 474, which requires the Secretary, by regulation, to obtain assurances of Institutional Review Board (IRB) review of behavioral or biomedical research. Effective IRBs are an important safeguard against abuse of human subjects involved in federally assisted or conducted research or demonstration projects.

In 1974 and 1978 Congress created special commissions on biomedical and behavioral research to address concerns about the dangers associated with experiments and demonstrations conducted or supported by the Department of Health and Human Services or other Federal agencies. Commission recommendations serve as an official record on the issue of safeguards for human subjects. The Secretary of the Department of Health and Human Services was required to accept the findings and recommendations of the commissions or give substantial reasons for rejecting their views. One basic safeguard in the resulting regulations is IRB review of research or demonstrations which may have an impact on the rights or benefits conferred by Federal law and which pose more than a minimal risk for subjects.

SCIENTIFIC MISCONDUCT

Published reports detailing instances of scientific misconduct by Federal research grantees are rare, but are of serious concern to the public, the Congress and scientific community. While such instances are relatively infrequent, they are destructive of the public trust so necessary for the continued growth and expansion of scientific inquiry and Federal support for health research. Biomedical research—particularly that supported with public funds—must be conducted with the highest ethical and intellectual standards.

At present, NIH's procedures regarding scientific misconduct are informal and investigations of specific cases of alleged scientific misconduct have been handled on an *ad hoc* basis. Even cases in which the subject of an NIH investigation has admitted wrong-doing, the agency has taken months, and in some cases over a year, to complete its reviews, announce its findings and impose sanctions. The current debarment process of the Department of Health and Human Services does not adequately meet the need of NIH for a prompt, fair response to allegations of misconduct.

The Director of NIH should now take appropriate steps to establish a system for standardizing investigative procedures and post-investigatory sanctions in this area. Section 491 requires the Director of NIH to establish a process for responding promptly to information concerning scientific fraud and violations of the rights of human subjects. The Conferees expect the system established to supplement existing Department-wide debarment regulations. The system should include procedures for the recover of Federal funds when appropriate.

Section 4901 requires each institution which receives NIH funds to establish an administrative process to review reports of scientific fraud. The conferees note that an institution need not have a standing committee to review reports of misconduct. Such institutions must, however, have a formal mechanism to establish such a committee quickly to investigate specific reports of fraudulent activity. Many institutions will find it appropriate to establish a standing committee on scientific misconduct. It is not the intent of the conferees to specify in detail the requirements for institutional procedures, but rather to underscore the responsibility of awardees promptly to investi-

gate and report evidence of misconduct in publicly funded research programs.

The conference agreement also requires institutions to report to the Secretary any investigation of scientific fraud at such time that it appears that the report is substantial. It is not the Conferees' intent that the institution conclude its investigation prior to notifying the NIH. The NIH has a substantial interest in preserving the integrity of the research it supports and accordingly should become involved in misconduct inquiries as soon as there is reasonable evidence that an allegation of scientific fraud is substantive. The conferees expect the Director of NIH to ensure that the provisions of this system are widely publicized within the scientific and lay community.

RESEARCH AND PUBLIC HEALTH EMERGENCIES

Section 492 provides authority for the Secretary to expedite NIH's response to a disease or disorder that constitutes a public health emergency. The mission of NIH is not generally the day-to-day control or treatment of disease. In the case of complex biomedical emergencies, however, the resources of NIH are sometimes necessary for the Public Health Service to provide a comprehensive response to threats to the public health.

In conducting or supporting research on diseases or disorders that create a health crisis, the routine reviews that have served NIH so well in its development of a strong and diverse research portfolio have resulted in inappropriate delays. The conference agreement requires the Secretary—after determining that a public health emergency exists—to expedite scientific peer review and advisory council review of research grants, exercise exigency contract authority, and disseminate relevant information.

The Secretary is also authorized to provide administrative supplemental increases to existing grants and contracts of up to 50 percent of the original amount of such grants and contracts. The conferees believe that administrative supplemental increases to scientists working on related questions are a particularly appropriate way to initiate quickly research concerning a public health emergency.

The Secretary should use all of the components of this authority to provide a strong research response to public health emergencies. In doing so, the Secretary should coordinate efforts of NIH with those of other agencies of the Public Health Service.

CARE AND TREATMENT OF ANIMALS IN RESEARCH

Section 493 provides certain conditions with respect to the proper care and treatment of animals used in research which must be met by institutions that conduct reseach supported by NIH.

For the past twenty years, institutions receiving NIH grants and contracts have been required to meet NIH guidelines regarding the treatment of laboratory animals. These guidelines are presently based on the "Guide for the Care and Use of Laboratory Animals" developed by the Institute of Laboratory Animal Resources of the National Research Council.

It is important to provide statutory authority and recognition for these requirements. In order to ensure professionally appropriate direction for these conditions, the guidelines should remain under the control and direction of the Director of the NIH.

Subsection (b) requires entities that receive NIH support for research involving animals to establish and maintain animal-care committees to monitor care and treatment of animals used in research. The membership of these committees would consist of at least three members, of which one must be a veterinarian and one an individual with no financial ties to the institution. This "outside" member is intended to provide representation for the general community interest in the proper care and treatment of animals.

The animal care committees are responsible for reviewing semi-annually the care and treatment of animals in all animal study areas and facilities for compliance with NIH guidelines, for keeping appropriate records of such reviews, and for certifying to NIH that such reviews have been conducted. Animal care committees must report violations of NIH guidelines first to their institutions and, if a violation continues, then to NIH. The committees must only certify to NIH that reviews have taken place. Paperwork and reporting requirements are therefore minimal.

The requirement to establish animal care committees is intended to provide the most constructive assurance that NIH guidelines for the care and treatment of animals are met. It is far preferable to place primary responsibility for assuring compliance with NIH guidelines on committees within institutions rather than relying on intrusive Federal inspections as is presently the case. Testimony presented to the Subcommittee on Health and the Environment indicates that the cost of complying with this requirement would be minimal because service on animal care committees in many institutions is voluntary.

Under subsection (b)(2), the Chief Executive Officer of each research institution is charged with the authority to appoint all members of the animal care committees. As a result, the committees will serve as a constructive element within their institutions. The animal care committees' role will be to assure compliance with the NIH guidelines. The animal care committees have no authority to interfere with research decisions, goals or methods. The committees have no authority to "second guess" or review the appropriateness of research. The authority of the committees is limited to review of the care and treatment of animals pursuant to guidelines established by the NIH.

The animal care committees are important because their presence will create an ongoing discussion within the nation's research institutions of sensitivity to the care and treatment of research animals. This ongoing process recognizes that such sensitivity cannot be captured in any set of rules, that standards of care will change in the future as science advances, and that the value of medical research requires such judgments to be professionally and scientifically sound. The consultation inherent in the review of the care and treatment of animals by animal care committees is essential. Within such a framework, the public can have confidence that the proper sensitivity, whatever the sensitivity may be, to the care and treatment of animals will occur.

Two out of three research institutions receiving NIH funds already have animal care committees. Further, many of the nation's most respected research institutions already include a veterinarian and an "outside" member on their animal care committees.

Under subsection (c) the Secretary, acting through the NIH Director, shall issue regulations requiring applicants for NIH funds to provide assurances that the applicant will meet the NIH guidelines for the care and treatment of animals and that the applicant's institution has an animal care committee. Applicants must also assure NIH of the availability of instruction at their institution in humane practices of animal care and in research methods that minimize the use of animals and limit animal distress. All applications for NIH support will include a statement of the reasons for using animals in the research project in order to allow peer review committees to consider possible alternatives to or duplication of research.

If NIH determines that a research entity is not meeting the guidelines, and if after notification of its noncompliance, no action is taken, subsection (d) provides that the Director of NIH shall suspend or revoke a grant or contract. Since all institutions will make a commitment to meet the guidelines, effective animal care committees will virtually eliminate the possibility of revocation of funds. Animal care committees and NIH should give research institutions and grant recipients maximum opportunity to correct any instances of noncompliance. However, if after appropriate notification and consultation, inappropriate activities continue, NIH is authorized to suspend funds or revoke grants and contracts under such conditions as the Director of NIH determines are appropriate.

Subsection (e) provides that no guideline or regulation promulgated under subsection (a) or (c) may require a research entity to disclose trade secrets or commercial or financial information which is privileged or confidential. This provision is intended to prevent the improper disclosure of trade secrets and other confidential information. Guidelines established by the Secretary under subsection (a) and regulations promulgated by the Director of NIH under subsection (c), should affirm the authority of the Secretary to assure compliance with guidelines on the proper care and treatment of laboratory animals and assure that trade secrets or proprietary research information in the possession of a research entity is protected. The conferees do not intend that subsection (e) be applied so as to restrict effective functioning of the animal care committees or inhibit authorized NIH investigations into allegations of improper care or use of laboratory animals involved in research supported by the NIH.

These requirements are consistent with both the values of humane treatment of animals and criteria for high quality scientific research. Both are already common practices in many research institutions.

NATIONAL LIBRARY OF MEDICINE

Part D (Sections 468-480) of the conference agreement technically revises the existing statutory authority of the National Library of Medicine (NLM). In addition, the conference agreement extends the authorization of appropriations for the important programs of the Medical Library Assistance Act through Fiscal Year 1988. This will ensure the continuation of a coordinated national effort to establish library and information services to improve the dissemination of health knowledge.

The support provided by the conference agreement represents an investment in promoting rapid transfer of medical information. Such rapid transfer is essential to reduce the critical time lag between discovery and practice. The conferees believe the continuing "information explosion" calls for innovative methodologies, technologies and systems and trained manpower to meet the information needs of medical science.

Rapid advances in medical science and technology and in human genetics require the thoughtful attention of scholars and students who must explore and learn about the beneficial as well as potentially harmful consequences of these developments. Bioethical issues require in-depth attention, for clinical and educational purposes as well as for the purposes of scholarly activities. During the last four to five years, there has been an explosion of literature related to bioethics that is not readily available to interested parties throughout the United States and around the world.

The Director of NIH, acting through the National Library of Medicine or the national research institutes, should take steps to support the acquisition and dissemination of information on bioethical issues. Such steps might include providing support for a centralized referral center, including library resources, through which the public, scholars, theologians and health personnel may obtain ready access to information on bioethics.

A 1982 General Accounting Office study [HRD-82-66] reported on the National Library of Medicine's (NLM) pricing policies for MEDLARS services. That study concludes that the NLM's pricing policies for establishing user charges to recover costs associated with accessing the MEDLARS data bases are consistent with existing statutes and regulations. The present cost-sharing arrangement, wherein the Federal government supports the creation of the MEDLARS system and the users in the biomedical community pay the full costs to access the system, has been effective and should be continued.

Section 475(c) of the authority for the National Library of Medicine authorizes grants to medical libraries. Potential grantees must assure that they will provide free library loan services to qualified users. The conferees do not intend this requirement to be unduly burdensome but believe that libraries should be public institutions and that their services, to the extent practicable, should be available to the general public at no cost.

RESEARCH ON ALTERNATIVE RESEARCH METHODS

As a result of recent important advancements in the understanding of the mechanisms of cell biology, there is great potential for the development of new research methods. These methods would, in certain instances, provide more accurate research results and reduce the costs of research while concurrently reducing the number of laboratory animals required and reducing the pain and distress to animals involved in such research.

Research involving the use of animals should and will continue. Nevertheless, the development of non-animal research methods deserves the focused attention of the NIH. Section 4 of the conference agreement directs the Director of NIH to develop and implement a plan for research on research methods which do not require the use of animals, reduce the number of animals used in research or reduce the pain and distress of animals used in research. Some research in this area is presently supported by the National Toxicology Program administered by the National Institute of Environmental Health Sciences. Funds allocated pursuant to this new authority are intended to increase the prevent level of effort by NIH.

The conferees note that the NIH has recently received a report entitled "Models for Biomedical Research: A New Perspective" which was prepared by the National Academy of Sciences under NIH contract. This report should be of use to the Director of NIH in developing the plan called for in this section.

INTERAGENCY COMMITTEE ON SPINAL CORD INJURY

The conferees believe that research on spinal cord regeneration should receive more attention within the Federal government. The Federal government is the only entity capable of supporting a major effort to find a cure for spinal cord injury.

In 1980, the Council of State Vocational Rehabilitation Administrators testified before the Subcommittee on Health and the Environment that: "Much more research will be required to develop and perfect techniques and to determine how such regeneration can be applied in cases of traumatic spinal cord injury to humans, but the findings at this point are most encouraging. With adequate financial support to enable this research to continue and to expand, a cure may be possible."

Similarly, the National Spinal Cord Injury Foundation testified that more than $20 million will be needed each year to conduct the research to meet presently identified research opportunities.

In 1980, President Carter established an Interagency Task Force on Spinal Cord Injury to coordinate the programs of the various Federal agencies and to develop and implement Federal medical initiatives related to spinal cord injury. The conferees are disappointed that this Task Force was not continued despite the continuing need for this kind of effort.

The conference agreement recognizes the need for Federal agencies to bring increased and concentrated attention to research on spinal cord injury. The section establishes a temporary Interagency Committee on Spinal Cord Injury to continue the work of the previous Task Force. This Interagency Committee is to be composed of representatives from the National Institute of Neurological and Communicative Disorders and Stroke, the Department of Defense, the Department of Education, the Veterans Administration, the Office of Science and Technology Policy and the National Science Foundation. The Interagency Committee is intended to prompt all Federal agencies to give research regarding spinal cord regeneration a higher priority as they set their research agendas. The Committee is directed to report to Congress on related research being conducted by the various agencies. The tenure of the Committee is time limited in order to give the Congress the opportunity to review its activities. The Committee will terminate 18 months after the effective date of this Act.

STUDY OF PERSONNEL TO MEET THE HEALTH NEEDS OF THE ELDERLY

The conference agreement requires the Secretary to conduct a study which will provide a description of the health personnel needed to meet the health needs of the elderly for the next four decades.

The rapidly increasing number of persons over 65, and especially of those over 75, has been accompanied by increasing demand both for general medical care and for care directed specifically to diseases of the aging. Unfortunately, there has been inadequate attention paid to the need to train doctors and other health professionals to deal with both those aspects of the health needs of the elderly.

The Subcommittee on Health and the Environment held a hearing on this issue in September 1981, to gain insight into the dimensions of the problem and to receive some ideas for its solution. Testimony indicated that the medical profession is indeed aware that a problem exists in ensuring an adequate number of doctors working with the elderly and providing appropriate training for doctors, both in primary care and in the specialties most often needed by the elderly. There are, however, many barriers to implementing needed changes.

Among those barriers are long-held negative attitudes about the elderly and patterns of reimbursement both for training and care, which support treatment for acute illnesses in a hospital. Much of the care of the elderly is for chronic conditions and many elderly need to be treated in settings other than hospitals.

Personnel other than physicians are vital to good treatment. Nurses and social workers, in particular, need to be trained to provide appropriate intervention to ensure high level health care.

This report is to be presented to the Congress by March 1, 1987. The report is to include recommendations for specific numbers of personnel that will be required, including primary care physicians, psychiatrists and other physician specialists, as well as other health personnel.

There is growing recognition of the need to develop leadership cadres of teachers and researchers in geriatrics. The Secretary's report should indicate ways such individuals may be developed and whether current demonstrations such as long-term care gerontology centers and teaching nursing homes should be continued.

The study should include legislative and other policy recommendations necessary to assure the training of an adequate supply of health personnel to meet the expected health care needs of the elderly.

INTERAGENCY COMMITTEE ON LEARNING DISABILITIES

Over the past years, much of the research into learning disabilities has centered on the educational and behavioral aspects of the problem. Neurophysiological investigations are emerging as crucial to the understanding and treatment of this disorder. Learning disabilities are now seen as among the most complicated of neurological impairments. While the incidence of learning disabilities exceeds that of all other neurologically handicapping conditions, they often go unrecognized and are among the ones least researched. Many agencies within NIH are involved in neurophysiological research into some aspects of this dysfunction, as are several other government institutions, yet efforts are fragmented and information is neither shared nor integrated among the various research groups.

Therefore, the conference agreement mandates the Director of NIH to appoint a task force composed of members of national research institutes which have been involved in research efforts into learning disabilities. These include the National Institute of Neurological and Communicative Disorders and Stroke (NINCDS), the National Institute of Child Health and Human Development (NICHD), the National Institute of Allergy and Infectious Diseases (NIAID), the National Institute of Environmental Health Sciences (NIEHS), and the Division of Research Resources (DRR) of NIH; the National Institute of Mental Health of the Alcohol, Drug Abuse, and Mental Health Administration; the Food and Drug Administration; and the Depart-

ment of Education. The Director also may appoint others to the task force, including public members who have expertise and interest in this area. It is expected as well that appropriate representatives from the Centers for Disease Control and the Environmental Protection Agency will be included on the task force.

The role of this task force is to bring to the attention of Congress the best thinking in the field on the incidence of learning disabilities, and any available epidemiological information; current research findings into the cause, diagnosis and treatment of these disorders; and administrative and legislative recommendations to focus research efforts more clearly, and to disseminate research findings.

A report of the task force is due to be presented to Congress within 18 months of enactment and should include specific research priorities on learning disabilities to ensure that future efforts represent the best thinking in the field. The task force is temporary and will terminate 90 days after the date of the submission of the report to Congress.

DIET THERAPY AND CHRONIC KIDNEY DISEASE

The conferees are encouraged with recent progress following up on a meeting of a panel of distinguished nephrologists convened by the National Institute of Arthritis, Diabetes, Digestive and Kidney Diseases to review the state of research on the role of diet therapy in the treatment of end stage renal disease. The panel concluded, in a May 1982 letter to the Secretary of Health and Human Services, that "there is a distinct possibility that nutritional therapy can significantly retard the progression of chronic renal failure, as well as reducing uremic symptoms." Following this report the institute issued a request for cooperative agreements to explore this possibility. The planning phase of this study is being completed.

The conferees continue to be interested in the scope of the work to be conducted. In particular, as extremely low-protein diets are studied, supplementation, not only with keto analogues but also with essential amino acids, should be considered, as it now appears will be the case. In addition, action on the nephrology panel's recommendation for studies on the effects of nutritional therapy upon growth, development and renal function in children has only recently been initiated. The conferees look forward to progress on these important studies, including the important issues related to renal failure in childhood.

ACQUIRED IMMUNE DEFICIENCY SYNDROME

In the summer of 1981, a new syndrome of acquired immune deficiency syndrome (AIDS) was indentified in the United States. The House Committee on Energy and Commerce first reported on the incidence of this disease in 1983, and by April of that year almost 1,400 cases had been identified and over 500 people had died. By 1985, the incidence of this disease has risen to frightening proportions. As of October 1985, some 14,000 cases have been identified and over 7,000 people have died.

The outbreak is continuing, with twenty to twenty-five new cases per day being reporting to the Centers for Disease Control (CDC). As yet, there is little knowledge of either the prevention or treatment of the disease.

The conferees anticpate that CDC will continue its epidemiological and laboratory investigations into the cause and scope of the outbreak. The conferees intend that NIH—in cooperation with CDC's investigation—undertake and significantly expand intramural and extramural multidisciplinary research on the nature of the immune deficiency and its treatment. Continued progress of the outbreak dictates a sense of urgency in supporting and conducting research into AIDS. The conferees intend that research funds be made available as quickly as possible, both through the provisions made by this legislation for research on public health emergencies and through routine research solicitations and proposals, as well as interagency agreements and contracts. NIH should act with dispatch in funding clinical trials on pharmaceutical agents which are promising as effective remedies for AIDS related illness.

SEXUALLY TRANSMITTED DISEASES

From information received in legislative an oversight hearings, the conferees have concluded that sexually transmitted diseases have become a major public health threat to this nation. In 1980 the National Institute of Allergy and Infectious Diseases Sexually Transmitted Diseases Study Group stated that more babies are affected each year by a sexually transmitted disease than children affected by polio during the entire polio epidemic.

The conferees are concerned that control of these diseases has been hampered by a lack of information and adequate diagnostic and treatment techniques regarding these diseases and by the lack of priority ascribed this area of investigation by NIH. Despite strong report language in appropriations bills each year, very little growth in research on these diseases has taken place, although their spread through the population has been rapid. The conferees intend that a strong, well-defined research program be developed and believe that the National Institute of Allergy and Infectious Diseases must begin to take a more aggressive and responsible posture in confronting this epidemic through basic and clinical investigation as well as prevention research strategies.

JOHN D. DINGELL,
HENRY A. WAXMAN,
JAMES SCHEUER,
EDWARD MADIGAN,
Managers on the Part of the House.

ORRIN G. HATCH,
DAN QUAYLE,
DON NICKLES,
EDWARD M. KENNEDY,
CHRIS DODD,
Managers on the Part of the Senate.

LEAVE OF ABSENCE

By unanimous consent, leave of absense was granted to:

Mr. CHAPPELL (at the request of Mr. WRIGHT), on account of a death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mrs. BENTLEY) to revise and extend their remarks and include extraneous material:)

Mr. GEKAS, for 5 minutes, today.

Mr. GROTBERG, for 5 minutes, today.

(The following Members (at the request of Mrs. BOGGS) to revise and extend their remarks and include extraneous material:)

Mr. KILDEE, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. NELSON of Florida, for 5 minutes, today.

Mrs. BOGGS, for 15 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mrs. BENTLEY) and to include extraneous matter:)

Mr. JEFFORDS.
Mr. FRANKLIN.
Mr. BROOMFIELD.
Mr. BROYHILL.
Mr. GALLO.
Mr. MADIGAN.
Mr. PORTER.
Mr. CONTE.

(The following Members (at the request of Mrs. BOGGS) and to include extraneous matter:)

Mr. KILDEE.
Mr. HAMILTON.
Mr. CHAPMAN.
Mr. DOWNEY of New York in two instances.
Mr. RANGEL.
Mrs. BOGGS in two instances.
Mr. MILLER of California.
Mr. VENTO in two instances.
Ms. OAKAR.
Mr. LANTOS.
Mr. OBEY.
Mr. KANJORSKI.
Mr. STARK in two instances.

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S.J. Res. 72. Joint resolution to designate October 16, 1985, as "World Food Day."

ADJOURNMENT

Mrs. BOGGS. Madam Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 9 minutes p.m.), under its previous order, the House adjourned until Tuesday, October 15, 1985, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

2136. Under clause 2 of rule XXIV, a letter from the Secretary of Agriculture, transmitting the 1984 annual report on the Youth Conservation Corps Program, pursuant to Public Law 92-597, section 5, was taken from the Speaker's table and referred to the Committee on Education and Labor.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HOWARD: Committee on Public Works and Transportation. H.R. 3066. A bill to authorize the Architect of the Capitol to redesign and reconstruct the East Plaza of the U.S. Capitol in order to provide increased security and for esthetic purposes; with an amendment (Rept. 99-308). Referred to the Committee of the Whole House on the State of the Union.

Mr. DINGELL: Committee of Conference. Conference report on H.R. 2409 (Rept. 99-309). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BENNETT (for himself and Mr. WRIGHT):

H.R. 3558. A bill to establish the title of States in certain abandoned shipwrecks, and for other purposes; jointly, to the Committees on Interior and Insular Affairs, and Merchant Marine and Fisheries.

By Mrs. BOGGS (for herself and Mr. CRANE):

H.R. 3559. A bill to amend the act establishing a Commission on the Bicentennial of the Constitution of the United States to clarify the status of employees of the Commission, to raise the limits on private contributions, and for other purposes: to the Committee on Post Office and Civil Service.

By Mr. DYMALLY:

H.R. 3560. A bill to require criminal prosecutions concerning violations of the laws of the District of Columbia to be conducted in the name of the District, to provide permanent authority for hearing commissioners in the District of Columbia courts. to modify certain procedures of the District of Columbia Judicial Nomination Commission and the District of Columbia Commission on Judicial Disabilities and Tenure, and for other purposes; to the Committee on the District of Columbia.

By Mr. EVANS of Iowa:

H.R. 3561. A bill to amend the Farm Credit Act of 1971 to authorize the farm credit system to repurchase certain of the system's obligations and to pay certain costs associated with that repurchase; to the Committee on Agriculture.

By Mr. GEKAS:

H.R. 3562. A bill to establish rational criteria for the imposition of the sentence of death for the offense of hostage taking; to the Committee on Judiciary.

By Mr. GUARINI:

H.R. 3563. A bill to require applicants for passports to provide their Social Security account number, and for other purposes; to the Committee on Foreign Affairs.

By Mr. JEFFORDS:

H.R. 3564. A bill to amend the Nuclear Waste Policy Act of 1982 to require the Secretary of Energy to consider certain additional factors in selecting sites for repositories for the disposal of high-level radioactive waste and spent nuclear fuel, and for other purposes; jointly, to the Committees on Interior and Insular Affairs and Energy and Commerce.

By Mr. McCOLLUM (for himself and Mr. GEKAS):

H.R. 3565. A bill to amend title 18 of the United States Code to establish a Federal death penalty for hostage taking and terrorist acts; to the Committee on Judiciary.

By Mr. SEIBERLING:

H.R. 3566. A bill to amend the Internal Revenue Code of 1954 to provide a refundable credit of $30 to any taxpayer who votes in a Federal election; to the Committee on Ways and Means.

By Mr. MARLENEE (for himself, Mr. HAMILTON, Mr. BROOMFIELD, Mr. GILMAN, Mr. CONTE, Mr. KEMP, Mr. LOTT, Mr. BOLAND, Mr. GOODLING, Mr. DORNAN of California, Mr. LAGOMARSINO, Mr. FEIGHAN, Mr. MICHEL, Mr. DREIER of California, Mr. HOYER, Mr. DURBIN, Mr. HUGHES, Mr. BENNETT, Mr. SMITH of Florida, Mrs. SCHROEDER, Mr. LEVINE of California, Mr. SCHEUER, Mr. SCHUMER, Mr. MINETA, Mr. GLICKMAN, Mr. GARCIA, Mr. SMITH of New Hampshire, Mr. HUNTER, Mrs. SMITH of Nebraska, and Mrs. BENTLEY):

H. Res. 294. Resolution to commend the President for acting forcefully and successfully in ordering the apprehension of the terrorists who hijacked the Italian cruise liner the *Achille Lauro* and killed a citizen of the United States; to the Committee on Foreign Affairs; the Committee on Foreign Affairs discharged; considered and agreed to.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 780: Mr. STALLINGS.

H.R. 979: Mr. SHAW.

H.R. 983: Mr. HARTNETT, Mr. BONER of Tennessee, Mr. SOLARZ, Mr. MARKEY, and Mr. ROE.

H.R. 1348: Mr. GLICKMAN, Mr. LEVIN of Michigan, Mr. CROCKETT, Mr. MARTINEZ, and Mr. WEAVER.

H.R. 1950: Mr. LEHMAN of Florida, Mr. ORTIZ, Mr. STARK, Mr. VENTO, Mr. MARKEY, Mr. LUKEN, Mr. RINALDO, Mr. GINGRICH, Mr. MCGRATH, Mr. HORTON, Mr. STALLINGS, Mr. LUJAN, Mr. MOODY, Mr. WORTLEY, and Mr. NEAL.

H.R. 2857: Mr. CONYERS, Mr. HAWKINS, Mr. ANDREWS, Mr. MARTINEZ, Mr. VENTO, and Mr. FISH.

H.R. 3028: Mr. WILLIAMS and Mr. FORD of Michigan.

H.R. 3035: Mr. ATKINS and Mr. GUNDERSON.

H.R. 3258: Mr. FRANK, Mr. MORRISON of Connecticut, Mr. BARNES, Mr. WORTLEY, Mr. SMITH of Florida, Mrs. BOXER, Mrs. BOGGS, Mr. GREEN, Mr. GILMAN, Mr. SCHUMER, Mr. BUSTAMANTE, Mr. LEVINE of California, and Mr. KOSTMAYER.

H.R. 3505: Mr. BURTON of Indiana, Mr. WHITEHURST, Mr. GINGRICH, Mr. KINDNESS, and Mr. LAGOMARSINO.

H.R. 3515: Mr. FAWELL.

H.J. Res. 131: Mr. SHELBY, Mr. WHITTAKER, and Mr. KOSTMAYER.

H.J. Res. 230: Mr. COLEMAN of Missouri.

H.J. Res. 282: Mr. FRANK, Mr. ARMEY, Mr. OLIN, Mrs. BENTLEY, Mr. PACKARD, Mr. LANTOS, Mr. BILIRAKIS, Mrs. COLLINS, Mr. KINDNESS, Mr. SMITH of Florida, Mr. MOODY, Mr. MCKINNEY, Mr. COOPER, Mr. COELHO, Mr. ANDERSON, Mr. BOUCHER, Mr. MOAKLEY, Mr. YOUNG of Alaska, Mr. HERTEL of Michigan, Mr. SYNAR, Mr. DWYER of New Jersey, Mr. DURBIN, Mr. SPRATT, Mr. COYNE, Mr. GAYDOS, Mr. MARKEY, Mr. GARCIA, Mr. GEJDENSON, Mr. HENDON, Mr. BUSTAMANTE, Mr. BROYHILL, Mr. BONIOR of Michigan, Mr. ROSE, Mr. CALLAHAN, Mr. TRAXLER, Mr. PERKINS, Mr. DE LA GARZA, Mr. STRATTON, Mr. SKELTON, Mr. MATSUI, Mr. SHELBY, Mr. O'BRIEN, Mr. MORRISON of Connecticut, Mr. HAYES, Mr. UDALL, Mr. RICHARDSON, Mr. MOLLOHAN, Mr. MCCANDLESS, Mr. FOGLIETTA, Mr. LOTT, Mr. CONTE, Mr. PORTER, Mr. STRANG, Mr. LEVINE of California, Mr. SOLOMON, Mr. EARLY, Mr. CARPER, Mr. GUARINI, Mr. LEVIN of Michigan, Mr. BOSCO, Mr. WOLF, Mr. EDGAR, Mr. KANJORSKI, Mr. WALGREN, Mr. BEREUTER, Mr. RALPH M. HALL, Mr. SABO, Mr. BARNES, Mr. TAUKE, Mr. MACK, Mr. DASCHLE, Mr. DAVIS, Mr. FEIGHAN, Mrs. JOHNSON, Mr. GREEN, Mr. DOWDY of Mississippi, Mr. DYMALLY, Mr. FOLEY, Mr. DE LUGO, Mr. CARR, Mr. FRENZEL, Mr. DIOGUARDI, Mr. MONTGOMERY, Mr. GRAY of Pennsylvania, Mr. HENRY, Mr. ACKERMAN, Mr. TORRICELLI, Mr. HYDE, Mr. LEACH of Iowa, Mr. MCDADE, Mr. SCHULZE, Mr. SCHUMER, Mr. SCHEUER, Mr. HOYER, Mr. ASPIN, Mr. MURTHA, Mr. SOLARZ, Mr. KEMP, Mr. LATTA, Mr. CLINGER, Mrs. LLOYD, Mr. HOWARD, Mr. LUNGREN, Mr. SIKORSKI, Mr. HALL of Ohio, Mr. RANGEL, and Mr. MRAZEK.

H.J. Res. 308: Mr. BARNES, Mr. FASCELL, Mr. MACK, Mr. STRATTON, and Mr. SPRATT.

H. Con. Res. 180: Mr. ANDERSON, Mr. EDWARDS of California, and Mrs. BURTON of California.

H. Res. 112: Mr. LANTOS, Mr. FOGLIETTA, Mr. ROE, Mr. FRANKLIN, Mr. ORTIZ, Mr. CONYERS, Ms. MIKULSKI, Mr. CROCKETT, Mr. PORTER, Mr. PANETTA, Mr. FEIGHAN, Mr. OWENS, Mr. LEHMAN of Florida, Mr. RICHARDSON, Ms. KAPTUR, Mr. TOWNS, Mr. VENTO, Mr. DOWNEY of New York, Mrs. BOXER, Mrs. BOGGS, Mr. FOWLER, Mr. WOLPE, Mr. PURSELL, and Mr. MITCHELL.

EXTENSIONS OF REMARKS

U.S. ARMS CONTROL POLICY

HON. LEE H. HAMILTON
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES

Friday, October 11, 1985

Mr. HAMILTON. Mr. Speaker, on March 25, 1985, I initiated correspondence with the Department of State concerning U.S. policy in the arms control negotiations in Geneva. It is my belief that the substance of our policy deserves greater public attention and exposition than it has heretofore received.

I was disappointed that the State Department delayed replies to my letter until September 11, 1985, and sought to provide briefings in the interim instead of a written reply. This reply is useful, but I believe that several aspects of the reply to my letter need to be answered or further clarified. For this reason I am writing a followup letter.

In the meantime I would like to share with my colleagues the correspondence to date:

COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC, March 25, 1985.

Hon. GEORGE P. SHULTZ,
Secretary, Department of State,
Washington, DC.

DEAR MR. SECRETARY: I am writing you to request a statement of our policy toward the new arms control negotiations in Geneva including specific reference to our short- and long-term objectives for the negotiations. So far, your discussions with Members of the Committee on Foreign Affairs have focused primarily on the background and procedures of the talks. I am anxious to know the substance of our policy and the specific goals we are seeking through negotiations.

I would like answers to the following questions with as much detail as possible in unclassified form and a second reply, if necessary, in classified form:

1. Does the United States seek a comprehensive agreement in Geneva or a more limited agreement?

Can an agreement in one of the three negotiating areas be completed while negotiations in the other areas continue?

Will accords reached in Geneva, whether comprehensive or limited, be submitted to Congress as treaties or agreements?

2. For each of the three sets of negotiations—strategic weapons, intermediate-range weapons, and space-defense weapons—I would like your answers to the following questions:

What are the current weapons in U.S. and Soviet arsenals?

What future weapons systems are planned, and how will they affect the quantitative and qualitative arms balance?

What is the U.S. objective, both in the interim and in the long-term structure of force levels?

What is the Soviet proposal on the table?

What is the U.S. proposal on the table?

What are the chief differences between these proposals?

Which will be the most difficult to resolve?

What are the prospects for agreement? When?

What is the verification capability of the U.S. in each area?

Can we get adequate verification without on-site inspection?

3. Is it our objective in Geneva to build on the SALT II agreement, to incorporate the basic limitations of SALT, respect its provisions, and extend them?

Will we adhere to the SALT II limits as long as the Soviet Union does?

If the Soviet Union adheres to SALT II limits until the end of 1985, will it be our policy to try to extend the limits beyond the expiration date?

4. What is our response to the new Soviet deployment of mobile SS-24 and SS-25 missiles?

Are the SS-24s and SS-25s barred by SALT II or are they replacements for the old SS-11s and SS-13s?

Do you intend to address this issue with a proposal in Geneva?

What is our view of the development of new mobile missiles by the Soviets?

Do our views differ if those mobile missiles are single rather than multi-warhead?

5. Is the "build-down" idea still part of our strategic arms proposal in Geneva?

What is our policy with respect to the Midgetman missile?

Would deployment of the MX and the Midgetman be within SALT limits?

6. What is the purpose of the Strategic Defense Initiative—to protect people or missiles?

Which aspects, if any, in the space-defense program are open to limitation in the negotiations—research, developmemt, testing, production or deployment?

Have you ruled out any limits on SDI at this time?

Will decisions to continue development of the Strategic Defense Initiative be based on Ambassador Nitze's requirement that it be a survivable and cost-effective system?

Why would the Soviet Union ever want to reduce its offensive missiles when the U.S. is working on its missile defense?

7. Does our policy allow trading off reductions or limitations between the three groupings of strategic, intermediate-range, and space-defense weapons?

If so, what systems are we prepared to trade off?

What systems are we not prepared to trade off?

Are deep cuts in Soviet land-based missiles one of our primary objectives in Geneva?

What systems are we willing to trade for those deep cuts—MX, bombers, Cruise missiles?

8. The Soviet Union has linked "radical" reductions in offensive arms to curtailment of space-based defense. Are we willing to consider some possible trade-offs between offensive weapons and the space-based program, such as limitations on development and/or testing if not on research?

9. British and French nuclear missiles continue to be an issue of concern to the Soviet Union. In which working group will these systems be discussed?

What is our policy related to these systems?

Will our policy position recognize the existence of these systems and allow for some accounting for these systems?

10. Do you plan to raise the question of the future of the 1972 ABM Treaty at these talks?

Is it our policy to continue to adhere to this treaty?

Do you plan to discuss any modifications of the ABM Treaty?

11. To what extent do you intend to raise treaty compliance at the Geneva talks?

If so, why do you choose to raise them at this set of talks rather than address them in the forum of the Standing Consultative Commission?

Have any of the Soviet violations jeopardized the national security of the U.S.?

If so, which ones?

12. Do you plan to propose a limitation or a ban on anti-satellite weapons systems (ASAT)?

What limitations on ASAT weapons do you believe are verifiable?

What is the Soviet view of an ASAT ban at this time?

I appreciate your attention to these questions regarding our policy and objectives in the Geneva arms control negotiations and I look forward to receiving your responses soon.

Sincerely yours,

LEE H. HAMILTON,
Chairman, Subcommittee on
Europe and the Middle East.

U.S. DEPARTMENT OF STATE,
Washington, DC, September 11, 1985.

Hon. LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East, House of Representatives.

DEAR MR. CHAIRMAN: I am replying on behalf of the Secretary to your letter of March 25, 1985, which contains a list of questions related to United States arms control policy and objectives. I have tried to answer your questions as succinctly as possible.

1. The United States seeks a "comprehensive" agreement in Geneva in the sense that the whole range of questions concerning nuclear and outer space arms will be addressed and accounted for in three negotiating groups. It is our view that if an agreement can be reached on some issues in one negotiating forum then formalizing that agreement should not be delayed pending the completion of negotiations in the other fora. Accords reached in Geneva will be submitted to Congress in accordance with US law. The form of such accords has not been determined.

2. In the strategic offensive arms area, the Soviet Union has about 9,000 warheads on ballistic missiles in its operational inventory. The US currently has about 7,600 warheads on ballistic missiles in the operational inventory. The Soviet Union has 170 Bear and Bison strategic aviation aircraft and about 250 Backfire bombers. The US has 264 B-52s in the active inventory. Of the

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● This "bullet" symbol identifies statements or insertions which are not spoken by the Member of the Senate on the floor.
Boldface type indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

operational Soviet bomber inventory about 25 Bears are ALCM carriers while the US has ALCMs deployed on 98 B-52s.

Soviet strategic capabilities today reflect more than a decade of major qualitative and quantitative force improvements that have significantly altered the strategic balance. Current Soviet ICBM forces pose concern for strategic stability because of the counterforce capability that is not available on the US side. The new Soviet ICBMs, the SS-X-24 and SS-X-25, will afford the USSR significant improvements in survivability and reliability. Their mobility will most likely significantly complicate US targeting and the verification of future arms control agreements.

Planned US force improvements, including the D-5 SLBM, the MX ICBM, and the small ICBM, will only partially redress that imbalance. Continued deployment of the Trident SSBN will also help insure the continued effectiveness of our sea-based deterrent. The deployment of the MX will significantly improve the capability, accuracy and reliability of the ICBM force, and the deterrent credibility of the Triad as a whole. The deployment of the small ICBM will add significantly to the survivability of US ICBM forces as a whole, and will enhance stability.

The Soviets are also continuing to modernize their bomber force, through the addition of the Bear H ALCM carrier and the development and expected deployment of the new Blackjack bomber. The US is continuing to deploy long-range ALCMs on B-52 bombers in order to ensure the continued effectiveness of these bombers by providing them a stand-off capability against increasingly capable Soviet air defenses.

The US objective is to establish a more stable balance between US and Soviet strategic forces than exists today. In order to do this, it is essential that we continue to modernize our aging nuclear deterrent in order to maintain its credibility. At the same time, we seek significant and verifiable reductions in the START negotiations.

To achieve these arms control objectives, the United States has tabled a draft treaty detailing our proposed approach for strategic arms reduction. The US has emphasized in Geneva that it is flexible on the means by which an agreement achieves enhanced strategic stability at substantially reduced levels of arms. The US has consistently conveyed its commitment to reductions in ballistic missile throw-weight and warhead numbers and has also proposed limitations on long-range ALCMs. The Soviets so far has been unwilling to offer any specific proposal on reductions until the US accepts a number of preconditions including a proposed ban on SDI research and the elimination of NATO's LRINF deployments. The Soviets have only presented a broad and, regrettably, vague concept dealing with possible reductions in strategic forces. No indications of how this concept might address US concerns has been provided.

In the INF area, the Soviet system of greatest concern is the SS-20 MIRVed LRINF missile. The Soviets now have 423 launchers, having a total of over 1,260 nuclear warheads. In addition, the Soviets have continued to construct additional SS-20 bases in both the eastern and western areas of the USSR.

In response to this major Soviet deployment of advanced LRINF range ballistic missiles, NATO has begun the deployment of 108 Pershing II ballistic missiles and 464 LRINF cruise missiles.

The US objective in the INF negotiations is to eliminate the entire class of longer-range INF missiles. Failing that, the US seeks an equal global level of LRINF missile warheads at the lowest possible level. On the other hand, the Soviets' current proposal would eliminate US deployments of LRINF missiles in Europe, while the Soviets would actually be free to increase their missile force in Europe. The Soviets have offered to freeze the level of SS-20 deployments in Asia provided an agreement on INF systems in Europe is reached, and there is no change in the Asian "strategic situation". The Soviets have also proposed, as a temporary measure "to improve the negotiating climate", a freeze on further LRINF missile deployments in Europe.

The current Soviet proposal would leave the Soviet Union with a monopoly in LRINF missile warheads. The Soviets have been unwilling to accept the principle that the US has a right to LRINF missile deployments in Europe. There are no immediate prospects for agreement because of this Soviet intransigence and their refusal to accept NATO's right to respond to Soviet nuclear missile deployments. Persistence and patience will be required, but the US hopes that the Soviets will seriously negotiate when their public posturing has failed.

In the space and defense area, the Soviets maintain vigorous research programs in the field of ballistic missile defense and space weaponry, including ASATs, beam weapons such as lasers and other advanced ballistic missile defense technologies; they probably have the technological ability to conduct electronic warfare against space weapons.

Operational Soviet space and defense weapons include an anti-satellite weapon and the world's only operational ABM system, (around Moscow), which is currently being upgraded, as well as a huge defensive network of anti-aircraft radars, surface-to-air missiles, and interceptor aircraft.

In contrast, the US is engaged in a research program in support of the President's announced Space Defense Initiative (SDI). This research program is fully consistent with the ABM Treaty and will examine the feasibility of advanced technologies to create a defense against ballistic missiles which would strengthen deterrence and increase our security and that of our Allies. The US has no operational space weapons and no operational ballistic missile defense system. We maintain only a small number of air defense interceptor aircraft.

The President has made clear that the US goal is to seek military stability at the lowest possible force levels that can be effectively verified.

The Geneva negotiations are conducted in strict confidence and it would thus be inappropriate to discuss specific proposals under discussion. However, the general characteristics of both the US and Soviet positions are covered above.

Information about US verification capabilities is among the most sensitive in the government. The most complete unclassified discussion of verification associated with ASAT arms control can be found in the President's Report to Congress on ASAT Arms Control, dated March 31, 1984, which I previously sent to you. In the case of limitations on nuclear forces to date, we have relied principally on National Technical Means (NTM) to monitor treaty compliance. With the introduction of mobile missile systems such as the Soviet road-mobile SS-X-25 and the rail-mobile SS-X-24, and small, dual-capable systems such as the various types of cruise missiles being deployed by both sides, it is likely that we will require cooperative verification measures that supplement NTM to improve our ability to verify Soviet compliance with limits on these systems. Further, Soviet non-compliance and probable non-compliance with many provisions of existing arms control agreements highlights the need for tighter treaty drafting and more comprehensive verification measures in future agreements.

To this end, as the President has stated, we are analyzing the utility of cooperative measures that go beyond NTM; on-site inspection is one area we are examining. While the Soviets have long been opposed to on-side inspection, we have had recent indications—in both actions and public statements by responsible Soviet officials—that they would not rule out on-site inspection under all circumstances.

3. It is the Administration's objective to draw from the SALT experience where it is beneficial. However, the Administration's objectives in Geneva are far more ambitious than were those that resulted in the SALT agreements. As for adhering to SALT II, the Soviets have violated significant portions of the agreement. Despite Soviet actions, the President announced on June 10, 1985 that the US would "go the extra mile" by dismantling a Poseidon SSBN when the 7th Trident goes on sea trials. This is to allow the USSR additional time to come into compliance with its arms control obligations.

4. The Soviets have declared the SS-X-24 ICBM to be their one new type of ICBM permitted under SALT II. Thus, the President concluded in his two reports to the Congress on Soviet non-compliance that the SS-X-25 is a second new ICBM and a violation of the Soviet's political commitment to observe the provisions of the SALT II agreement.

5. The Administration is pursuing with the Soviets all paths that lead to substantial and verifiable reductions in the levels of strategic arms. The US first proposed the build-down concept to the Soviets in 1983, and that offer remains on the table for their consideration.

6. The Strategic Defense Initiative (SDI) is a research program to assess the feasibility of advanced technologies to support an effective defense against ballistic missiles. In the event relevant technologies prove feasible, we envisage that defenses might provide a more stable basis for deterrence in the future. The current strategic regime seeks to deter through the threat of imposing unacceptable costs for aggression and, indirectly, through denying gains. This is accomplished primarily through offensive force retaliation. Effective defenses would increase the role of goal denial in the deterrent relationship. Therefore, the dichotomy that some observers draw between deterrence and defense is false. We would seek to protect people through deterring attack in the first place.

Nor would a defense-reliant environment seek to defend US ICBM silos per se. Through the capability to degrade some substantial portion of attacking weapons, defenses would enhance deterrence by denying an aggressor any likelihood of launching a militarily significant first strike.

The SDI research program is not open to negotiated constraints. Neither US nor Soviet advanced technology research programs are suited to verifiable limitations. The US is committed to determining whether defenses can provide a more stable and long-term basis for national security.

If SDI demonstrates that defensive systems should figure prominently in future US national security strategy, deployment decisions would be based on criteria that defensive systems be survivable and cost-effective at the margin.

We are attempting to secure Soviet cooperation in a transition to greater defensive reliance. While we hope a transition could be jointly-managed and subject to negotiations, the USSR would not be given a veto over US deployment decisions. Reductions in offensive systems would likely play an integral role in such a transition. On the one hand, substantial reductions could limit the threat with which defenses would have to cope; on the other, sufficiently robust defenses might themselves motivate arms reductions, since there would be little value in retaining obsolete forces, and since defenses would negate any advantage accruing to the clandestine stockpiling of weapons.

7. We believe that the best route to progress in the current negotiations is to move forward in each negotiating group whenever possible, rather than trying to resolve all issues at once. The primary US goal in the START negotiating group is to achieve an agreement which reduces ballistic missiles and their warheads in a way that enhances stability, especially by reducing incentives for a first strike. With this in mind, we have proposed, as part of our plan to achieve deep reductions, to explore tradeoffs based on areas of advantage and concern in offensive nuclear weapons.

Our negotiators have been granted unparalleled flexibility to work with the Soviets toward the achievement of effective arms control agreements that will enhance our national security. Our goal in START is significant and verifiable reductions in strategic force numbers and throw-weight to achieve a stable nuclear balance. At the same time, to achieve the desired objectives, it is necessary to modernize our forces in light of Soviet force modernizations.

8. The Geneva talks are not served by Soviet intransigence and attempts to link progess in one negotiating forum with that in another. As noted, a research program does not lend itself to negotiated, verifiable constraints. In any case, we are not going to abandon the possibility of a more secure future—based on defenses which threaten no one—to current Soviet propaganda exercises.

9. Third-country nuclear systems are not a subject for negotiation in Geneva. As was our policy during the negotiation of both SALT I and II, we would not presume to, and cannot legally, negotiate limitations on systems which belong to nations not party to the negotiations. The Soviet argument for the inclusion of British and French systems appears to be a tactical negotiation ploy designed to justify unequal limits between the United States and the Soviet Union. Britain and France are sovereign nations, each with strategic security interests of their own. The US does not determine the composition of, or control the employment of, their independent forces. Soviet demands that the US negotiate an agreement which includes these forces in a US ceiling are unacceptable not only to the US but also to the Allies concerned. The forces of Britain and France represent independent national deterrents. They differ in role and characteristics from the US and Soviet longer-range INF missiles which are the focus of the INF negotiations. In essence, the Soviet position that UK and French nuclear forces be included in INF amounts to a demand that the Soviet Union be granted the right to have nuclear forces equal to those of all other powers combined. Such a demand completely contradicts the principle of equality which is fundamental to US-Soviet arms control and, thus, this demand is patently unacceptable.

10. The US is committed to reversing the erosion of the ABM Treaty caused by Soviet treaty violations. We have repeatedly expressed in Geneva our serious concern about the large phased array radar (LPAR) at Krasnoyarsk which violates the Soviet legal obligation under the ABM Treaty. We have also raised many other ABM related compliance concerns with the Soviets. If we can ever hope to move forward in a cooperative manner to a reliance on defense, the Soviet must take a more constructive approach to resolving our compliance concerns.

If, at some time in the future, SDI technologies prove feasible, modifications of the ABM Treaty would be a subject for negotiations with the Soviets in accordance with the Treaty provision on revisions. This commitment was reconfirmed by President Reagan and Prime Minister Thatcher when they agreed to their four points in December 1984.

11. The US has repeatedly raised compliance questions with the Soviet Union in diplomatic channels, at the US-USSR Standing Consultative Commission, and during the current Geneva talks. Raising Soviet noncompliance issues in the Geneva Nuclear and Space Talks underscores the importance we attach to the resolution of these issues, in that it clearly indicates to the Soviet Union that the prospects for reaching new arms control agreements will be affected by their record of compliance with existing treaties.

While all of the Soviet non-compliance activities have some degree of military significance, several are particularly noteworthy.

The large phased-array radar being constructed near Krasnoyarsk in central Siberia is assessed to be a radar whose siting, orientation, and capability make it a violation of the ABM Treaty and, together with other Soviet activities, suggests that the Soviet Union may be preparing an ABM defense of its national territory which is prohibited by the Treaty. Such a defensive system, for which the Krasnoyarsk radar may be a first step, would create a dangerously unstable situation if the US continued to adhere to the ABM Treaty.

The SS-X-25 ICBM, which has been flight-tested and deployed contrary to the Soviet political commitment under SALT II, represents a significant modernization of the Soviet ICBM force.

Soviet chemical and toxin weapons activities have potentially great military significance since they have allowed the Soviet Union to increase its chemical and biological war-fighting capabilities.

The US approach to ASAT arms control is to seek measures that will reduce the risk of conflict and enhance international stability. This requires measures that are equitable, verifiable, and compatible with our national interest.

While for some time, the United States has been examining possible ASAT arms control measures, we have been unable, to date, to identify a specific ASAT proposal which meets the requirements identified by the Congress in 1984 that it be verifiable and contribute to US national security. We will continue to study possible ASAT limitations in good faith to see whether such limitations are consistent with the national security interests of the United States.

The recent Soviet proposal to destroy existing "space strike arms," to including ASAT weapons, would preserve existing Soviet advantages in ASATs, constrain US programs, and be virtually impossible to verify effectively.

I hope that this has been responsive to your request. Please let me know if I can be of further assistance.

With best wishes,

Sincerely,

WILLIAM L. BALL III,
Assistant Secretary Legislative and Intergovernmental Affairs.

PROGRESS IN CYSTIC FIBROSIS RESEARCH

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 11, 1985

Mr. CONTE. Mr. Speaker, cystic fibrosis, the most lethal genetic disease in children, has been one of the most intractable and mysterious diseases facing biomedical research. I am pleased today to make note of an article in the Wall Street Journal indicating that a key step has been taken in developing a diagnostic test for cystic fibrosis. Cystic fibrosis is beginning to yield to all of the effort being put in to research in this area, and it becomes even more important that we persevere in our research efforts until we have the answers to this disease.

[From the Wall Street Journal, Oct. 10, 1985]

SCIENTISTS CLOSER TO DEVELOPING TEST FOR CYSTIC FIBROSIS

(By Jerry E. Bishop)

Geneticists in the U.S. and Canada said they have taken a key step toward developing a prenatal diagnostic test for cystic fibrosis.

Scientists from Collaborative Research Inc., a small biotechnology company in Lexington, Mass., and from Toronto's Hospital for Sick Children, said they had pinpointed a genetic abnormality, or "marker," that appears to accompany the still-undiscovered genetic defect that causes cystic fibrosis. If a second genetic market can be found, then the scientists said they could devise a relatively simple test that could determine whether a fetus has cystic fibrosis.

Cystic fibrosis is an inherited disease that afflicts the pancreas and other glands. A patient suffers crippling breathing and digestive problems. The disease is incurable, although with adequate treatment about half of the patients live to young adulthood and many lead productive lives.

The disease occurs in one of every 2,000 births. If both parents, who may be healthy, carry the genetic defect, there's a 25% chance that their children will have cystic fibrosis. It is believed about 10 million people in the U.S. carry the genetic defect, and about 33,000 people have the disease.

Several medical centers and biotechnology companies have been racing to develop a diagnostic test for cystic fribrosis. The test would be useful primarily for families who are known to carry the cystic fibrosis genetic defect by virtue of having had a close relative born with the disease. The test would allow the prospective parents to make a de-

cision about an abortion or to be reassured that the fetus is healthy.

In a report to a meeting in Salt Lake City of the American Society of Human Genetics, the U.S. and Canadian scientists said a genetic probe developed by Collaborative Research had been tested on the genes of 50 Canadian families who had had two or more children with cystic fibrosis. The probe binds to a genetic abnormality that appears to occur only in carriers of the cystic fibrosis genetic defect.

The newly discovered genetic marker doesn't itself cause cystic fibrosis. Scientists know only that, on a strand of genetic material, it lies near the cystic fibrosis defect. To make the test accurate, a second abnormality lying on the opposite side of the cystic fibrosis defect must be found. By having two markers that straddle the cystic fibrosis gene, the scientists said they can be positive that the presence of both markers signifies the presence of the defect. How soon the second marker will be found is uncertain, although at the current rate of progress in genetic research, it could be within one or two years, the researchers indicated.

INJUSTICE UNDER ATTORNEY GENERAL MEESE

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 11, 1985

Mr. VENTO. Mr. Speaker, I was recently astonished and outraged to read a statement published in U.S. News & World Report by our Attorney General, Edwin Meese, regarding his views of the Miranda ruling and the rights of criminal suspects. In response to the U.S. News & World Report question, "You criticize the Miranda ruling, which gives suspects the right to have a lawyer present before police questioning. Shouldn't people, who may be innocent, have such protection?", Mr. Meese states, "Suspects who are innocent of a crime should. But the thing is, you don't have many suspects who are innocent of a crime. That's contradictory. If a person is innocent of a crime, then he is not suspect."

Mr. Meese has publicly stated that innocent people are not suspects, thus assuming that all suspects are guilty. The proposition in our Bill of Rights that one is innocent until proven guilty is obviously foreign to Mr. Meese. Suspicion does not prove guilt. It is inconceivable to me that the person who has taken an oath to uphold the Constitution has made such an abhorrent statement which contradicts the Bill of Rights, the document which was created to protect the innocent people who may become suspects.

This statement cannot be left to fade with the passage of time. Our civil liberties are at stake. This Miranda ruling protects our basic right to due process. Mr. Meese believes not only that this decision was wrong, but that the fifth amendment of our Constitution is wrong.

The position of Attorney General is much too important to the preservation of our civil liberties to be left in unknowledgeable hands. Mr. Meese should take a beginners course in our Constitution and if he does not agree with the basic tenets of our Nation and constitutional rights we are guaranteed, he should submit his resignation!

At this time I would like to bring to the attention of my colleagues an Aaron Epstein news report on the Meese statement.

[From the St. Paul Press and Dispatch, Oct. 10, 1985]

PRESUMPTION OF INNOCENCE ROTATED 180 DEGREES BY MEESE—SUSPECTS ARE GUILTY BY HIS DEFINITION

(By Aaron Epstein)

WASHINGTON.—Legal scholars and civil libertarians are reacting with bewilderment and outrage to a published statement by Attorney General Edwin Meese that criminal suspects are not innocent and therefore should not have the right to an attorney when the police question them.

Meese made the statement in an interview appearing in the current issue of U.S. News & World Report. It includes this dialogue:

"Q. You criticize the Miranda ruling, which gives suspects the right to have a lawyer present before police questioning. Shouldn't people, who may be innocent, have such protection?

"A. Suspects who are innocent of a crime should. But the thing is, you don't have many suspects who are innocent of a crime. That's contradictory. If a person is innocent of a crime, then he is not a suspect."

Harvard law professor Laurence Tribe, an expert in constitutional law, said Wednesday that Meese "obviously does not believe in the presumption of innocent. Mere accusation does not transform one into a criminal. Civilized society could not long survive if Mr. Meese's views became prevalent."

"It's dangerous to have the attorney general spouting such nonsense," declared Paul Hoeber, professor of criminal law at the University of California's Boalt School of Law. "Obviously, many people are suspected who turn out to be innocent of a crime. The fact of suspicious is not the equivalent of guilt."

"For an attorney general of the United States to be speaking that way shows an unbelievable lack of understanding of the Bill of Rights, and he should be ashamed of himself," agreed Arthur Spitzer, legal director of the American Civil Liberties Union office in Washington, DC.

"Not everyone who is arrested is guilty. Innocent people are arrested every day, mostly by mistake and occasionally by frameup. The Bill of Rights is meant to protect those innocent people who become suspects," Spitzer said.

"He's got the whole thing backwards," said University of Michigan criminal law professor Yale Kamisar. "It's incredible. A person who is a suspect does not have to do anything to establish his innocence; the government has to come up with the evidence to justify prosecuting you and proving you guilty beyond a reasonable doubt."

Kamisar said he found it "mind-boggling" that the statement came from a man who recently benefited from the presumption of innocence himself. Before being confirmed as attorney general early this year, Meese was cleared by a special prosecutor of "what amounted to criminal activity," Kamisar recalled.

Terry Eastland, chief spokesman for Meese, said that U.S. News had permitted Meese to examine his answers before they were published.

Eastland said that Meese believed that the first part of his response to the Miranda question, though accurate, "was not very clear." Meese asked the magazine editors to omit it, but "they declined, as they had a right to do," Eastland said.

Actually, he added, the attorney general "believes that a person is innocent until proven guilty. . . . What he's trying to say is that there are suspects who turn out to be criminals but that Miranda is used in a way as to release them . . . on a technicality."

Sen. Joseph Biden, top Democrat on the Senate Judiciary Committee, after learning of Meese's published statement, exclaimed:

"My God . . . Ed Meese's answer is the overwhelming proof of why we need Miranda . . . because there are people like Ed Meese who believe that anyone who's a suspect is guilty until proven innocent. My God, this guy's beginning to worry me."

GLICKMAN HAS EYES ON DOLE SENATE SEAT

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, October 11, 1985

Ms. OAKAR. Mr. Speaker, my friend and colleague Representative DAN GLICKMAN is being urged to run for the Senate from the State of Kansas. I believe that Congressman GLICKMAN would pose a worthy challenge to the majority leader of the Senate, Mr. DOLE. DAN GLICKMAN is one of the strong voices and fine leaders in the House. We will sorely miss him if he decides to seek the Senate seat.

I would like to submit to the RECORD an article which appeared in the Washington Times on my colleague from the State of Kansas:

GLICKMAN HAS EYES ON DOLE SENATE SEAT

(By Thomas D. Brandt)

Down the street from the Kansas State Fair in Hutchinson last month, in the heart of the home turf of Senate Majority Leader Robert Dole, about 500 folks gathered for an increasingly common Midwestern affair, a "Farm Crisis Rally."

The organizer was Rep. Dan Glickman, a slightly built fellow with a perpetual 5 o'clock shadow, a sunflower lapel pin and a 12-year string of electoral wins all the more remarkable because he is a Democrat in a Republican state.

Somebody pushed in a wheelbarrow of fresh manure labeled "Administration Farm Policy." Somebody else wrote in "Dump Dole," which is the name of an organization started in February after Mr. Dole helped President Reagan kill an emergency farm relief bill.

Imported Democrats like Sen. Tom Harkin of Iowa and Texas Agriculture Secretary Jim Hightower attacked Reagan administration farm policy and gave fulsome praise to Mr. Glickman, the five-term congressman most capable of challenging Mr. Dole for re-election next year.

Such is life around Mr. Dole, one of the dominant figures of American politics whose concerns go from the earthy to the international, from the farm house to the White House. If there is one mandatory checkpoint in the legislative go-round between

the White House and Capitol Hill, it is probably in the chambers of Mr. Dole.

While few serious observers now think Mr. Dole could be beaten by Mr. Glickman in next fall's elections, the majority leader's status demonstrates a fact of American politics: The higher one's career rises inside the Beltway, the greater the strains in the hometown base.

Back at home there is always a Glickman chipping away at the foundation.

Few lawmakers have an ambitious an agenda as Mr. Dole, which falls into four political divisions: getting re-elected next year; running the Senate; getting enough Republicans elected to the Senate so they remain the majority and he remains majority leader; and using that post as a base for a probable presidential bid in 1988.

To protect the base of this pyramid Mr. Dole has taken the political veteran's approach:

In August he sent a top Washington aide, John Peterson, back to Kansas to supervise the state staff who operate four permanent and one mobile office.

He already has amassed nearly $2 million of the $3 million that his state political advisers recommended. He spent $1 million for his 1980 re-election. The formidible size of the fund—Mr. Glickman has less than $200,000—makes it more an insurance policy that can be converted into a campaign warchest. If no challenge materializes the fund can be converted for a 1988 presidential bid.

He has tried to include at least two trips a month back to Kansas in his heavy national and international travel schedule.

He has worked to repair the damage to his farm record caused by his February support of the president's veto of emergency farm credit.

He has criticized Mr. Glickman's record.

"Somebody like Glickman, all he ever does is go around and criticize what everyone does," Mr. Dole said in August. "He can criticize me, criticize whatever, but he's never met a federal program he didn't like. As far as I know he never voted to cut spending anywhere."

The support Mr. Dole gave to the president's February farm veto spawned a Kansas movement against him that demonstrates the hazards of pyramid building. A leader maneuvering on the national stage might not always do what Kansas wants. Potomac Fever can be life threatening to a Kansan.

"He [Dole] certainly has lost favor in the rural areas of Kansas," said Charles Hardenburger, 49, a Republican and lifelong farmer who helped found "Dump Dole." But in a recent telephone interview, he said "some decent farm legislation would temper the situation considerably."

Mr. Glickman, in an interview in his House office, concedes that if he were to run against Mr. Dole today, "I would lose."

Mr. Dole has maintained his standing with the large, powerful and conservative Farm Bureau.

Still, Mr. Glickman believes that farm policy strikes at the soft underbelly of Mr. Dole and many other Midwestern Republicans in the 1986 elections.

"The plight of rural America and its ability to survive would be at probably the heart of any campaign that I or anybody in our region of the country would run," Mr. Glickman said.

"It [farm economy] wasn't perfect before 1981 [when Republicans took over the White House and Senate], but it's a heck of a lot worse today and it's gone down hill much faster than anyone would have anticipated in terms of crop prices, farm land values, small towns, banks, just the whole process.

Meanwhile back at the fairgrounds, while Mr. Glickman was having his nearby rally, Mr. Dole had returned to the core practice of politicians—working the crowd. Because of a minor flap in the Kansas press a few days before, Mr. Dole's office had canceled plans for a fairgrounds press conference scheduled for exactly the same time as the Glickman rally, 2:30 p.m.

Mr. Dole's office said the timing had been an oversight by a junior staff member, but the episode was another sign of the long-term friction between Mr. Dole and Mr. Glickman.

The flap illustrates that while Mr. Glickman cannot yet draw blood from Mr. Dole, he can raise a welt at a time when the senator wants to remain focused on running the Senate and laying a base for a presidential bid.

To challenge Mr. Dole, Mr. Glickman must convince Democratic party operatives that he is not a fool's mission before they invest funds, Mr. Glickman also said that he will not run as a "sacrificial lamb," beneficial as it might be to Democrats in Congress to have Mr. Dole distracted by a strong challenge in Kansas.

This party and candidate examination process will move ahead on Wednesday when the Democratic National Committee, as one of the events around their largest annual fundraising dinner, will have Mr. Glickman address a policy council in Washington on "the farm crisis."

Commenting on the many demands on Mr. Dole, his press spokesman, Walt Riker, said, "It's a very difficult juggling act. It's the price of leadership. You've got to be a very special person to pull it off."

By many accounts he is so far succeeding.

Sen. Phil Gramm, Texas Republican, who said he did not vote for Mr. Dole for majority leader in the first round of party balloting last year, now says "my opinion of and respect for Bob Dole has grown every day I've been in the Senate."

Sen. Slade Gorton, R-Wash., said, "I haven't heard a whisper of criticism of his leadership." Among Senate Republicans, he said. Mr. Dole is "rock solid."

Sen. Daniel Evans, Washington Republican, commenting on a Dole trip to the Far East in August for delicate talks on trade, said he did a "masterful job. He represented the United States very well. He represented the Senate very well."

During his first nine months as majority leader, the Senate has lurched steadily through enormously controversial issues such as the MX missile, funds for the anti-Sandinista Nicaraguan rebels, the budget wars and South African economic sanctions. It has been done with a relative minimum of floor debate and minor use of the filibuster, the sledgehammer of parliamentary tools that had been overworked during the frustrating last two years of the term of Mr. Dole's predecessor, Sen. Howard Baker, Tennessee Republican.

There was a maximum of closed-door conferences in Mr. Dole's chambers, and a remarkable level of independence from the White House.

All this has apparently kept his Senate Republicans happy, which is critical to Mr. Dole's short and long-term political plans as he works to maintain the GOP's 53-47 majority control of the Senate.

Should the Democrats regain the majority, which could happen since they have only 12 seats up for reelection next year compared with 22 for Republicans, Mr. Dole would suffer a double blow that could cripple his hopes for a presidential run in 1988.

Blame for loss of the Senate would be partly laid to him. Also he would no longer be majority leader, one of the premier posts for commanding headlines, second only to the president and equal to the speaker of the House.

Mr. Glickman, while relatively unknown in Washington, has excellent political capital in Kansas. His hometown is Wichita which is the major city and media market in his district and the state. He was elected to the school board there when he was 28.

He is an activist member of the House Agriculture Committee, which endears him to Kansas' farm bloc.

Wichita also is the nation's center for production of general aviation aircraft—everything short of jetliners—with Cessna, Piper, Beechcraft and Boeing having plants there.

Mr. Glickman happens to be chairman of the House aviation subcommittee that oversees general aviation. He also enjoys the prestige of service on the Judiciary Committee.

In 1980 he was re-elected with a 69 percent margin, which grew to 74 percent in both 1982 and 1984. He campaigns well and is an effective debater on the floor of the House where he is seen as a champion of farm interests. The record of this 40-year-old politician has created the assumption that he is destined for greater things.

In July the Congressional Quarterly, handicapping Senate races, said "Dole is secure unless Rep. Dan Glickman runs." CQ's political editor, Alan Ehrenhalt, stood by the assessment last week. "There's no question people are angry in Kansas," he said.

As things stand now, Mr. Dole would be expected to beat but not crush Mr. Glickman, Mr. Ehrenhalt said.

"I am cognizant that he is a very clever, creative individual that I would be dealing with who has bundles and bundles of money," Mr. Glickman said in speculating on a challenge to Mr. Dole.

"But he's never dealt with anyone like me before either. I'm a pretty creative, clever person myself, and pretty non-traditional. One does not win a race like this by being traditional."

None of this is lost on Mr. Dole who, as a veteran politician, takes nothing for granted. "He never understimates his opponent," his spokesman, Mr. Riker, said

The Dole organization has done its own polling, especially on the farm issue and how the senator stands relative to President Reagan. The results, according to Mr. Riker, are that Mr. Dole has twice the approval of the president, about 30 percent to 60 percent, on farm policy.

"No doubt it's an issue and it's a big issue," Mr. Riker said. By most accounts Mr. Dole is regaining much of the ground he lost in February when he took a stand that was based on his anti-deficit commitment.

He has pushed a farm bill to the Senate floor, expected to come up within the next two weeks, that is much more generous to agricultural interests than anything the Reagan administration had supported.

"In the end they [Kansans] know that he will do what is right," Mr. Riker said.

HATS OFF TO EDDIE ROBINSON

HON. LINDY (MRS. HALE) BOGGS
OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 11, 1985

Mrs. BOGGS. Mr. Speaker, I would like to join in offering my congratulations to the "King of Collegiate Coaches," Eddie Robinson of Grambling State University in Louisiana. Coach Robinson has surpassed Alabama Coach Bear Bryant's miraculous record by coaching 324 winning football games during his career. Eddie Robinson has become college football's all-time winningest coach.

Coach Robinson and Grambling State University are synonymous with success and are legends in their own right. When Eddie Robinson joined Grambling, then Louisiana Negro Normal College, in 1941, he had no assistants; there was no budget; and training equipment was scarce. Attracting college football players who had the potential of becoming professional football stars was not easy. Today, 45 years later, Robinson has produced one of the most successful collegiate football programs in history. He has recruited for collegiate play more future NFL players than any other college in the United States. Willie Davis, Charlie Joiner, and Willie Brown are among the many well-known professional football players who have nothing but praise for their mentor, Coach Robinson. Louisiana loves him and he certainly is an outstanding role model for our young people.

This most recent issue of Sports Illustrated highlights his exemplary work Mr. Speaker, I would like to insert the article on our wonderful college football coach into the CONGRESSIONAL RECORD for my colleagues' consideration. I am sure everyone will agree that it is the national recognition Coach Eddie Robinson deserves.

HERE'S TO YOU, MR. ROBINSON

(By Rick Reilly)

Set 'em up bartender and pour it like you don't own it. Tonight we toast Eddie Robinson, college football's Old Man River, flowing sweeter and stronger than ever. Here's to what he helped us forget. In a year when it's an upset if a game comes off without an IRS audit, Robinson hit us with a stadium wave of nostalgia: a good coach with a simple program proving that with a little luck and 44 years of hard work a man can still win his way onto the front page.

And here's to sport, which has a funny way of making amends. From the muck of baseball's worst drug scandal rose Pete and 4,192. From the dank of college football's Dole Bowls comes Robinson and win No. 324, the magic number that put him one ahead of Alabama's Paul (Bear) Bryant and made him history's winningest college football coach, bit or small, thin or stout, black or white. The victory came on Saturday night at the Cotton Bowl, where Robinson's Grambling Tigers beat Prairie View A&M 27-7 before an almost entirely black crowd of 36,652, 35,908 of whom had purloined sideline passes as the clock counted down to history . . . 3 . . . 2 . . . 1. . . . Sensing impending mayhem, Grambling's players formed a human retaining wall around the 66-year-old Robinson, chanting "No mo' Bear!" and inching their way to the tunnel like a giant, 160-pod beetle. The sight was so strange that, as they moved, Robinson abandoned his worried look and loosed a lovely grin.

Once inside the locker room, the incurable sentimentalist tried to keep his ducts dry. He had already cried that day at an 11 a.m. team meeting. Now, with the full realization in his throat of what he had done, Robinson scarcely made it past a postgame paragraph. "It has been my privilege [pause] to coach [pause] you young men. . . ." With that, the players began hollering, "Let it out, Coach! Let it out!" He did, and let it be written that he was not the only one.

This day's tears had been a long time coming. To begin with, Robinson's father, Frank, was gravely ill with Hodgkin's disease in Baton Rouge General Hospital, and with the hoopla of the record, Robinson couldn't visit him last week. "He doesn't know what's going on," Robinson said. Too, the nation's media had crammed into tiny Grambling, and elbows were knocking.

"Seems like every writer and TV man in the country has been here the last two weeks," Robinson's wife, Doris, said one day in their four-bedroom brick house, less than a long punt from the practice field. "And every one of 'em is hoping Eddie doesn't drop dead before he does *their* piece." Nightly, Robinson apologized to his team for being tardy to practice. "I believe I've been late more this week than in my previous 43 years coachin'," he said. That, says Doris, "Makes him like an old soreheaded bear."

The record would soon be broken, but when it was, would Bear loyalists be soreheaded themselves? Before the game they had seemed not. Robinson insists that he received not a single hate letter. Perhaps the only skittish moment came in Robinson's office two days before the game. A white man with a goatee, a black leather vest and a Johnny Cash hat showed up unannounced. "Coach, I drove all the way from Hartselle, Alabama to do this," he said. The room became quiet. Then the man stuck out his hand to shake. "I just want to tell you that if somebody has to beat the Bear, we are shore 'nuff glad it's you, 'cause you are a gentleman, sir."

Whether the South goes as Hartselle goes is unknown, but even Robinson—especially Robinson—knows that legends don't budge easily. And when the budgee is one of the most beloved names in the South and the new King of Coaches happens to be black, collars could get tight. Robinson worked hard to loosen them. "I could win 1,000 games and never replace the Bear," Robinson said, and he meant it.

Indeed, the Bear and the Heir were friends. Bryant presented Robinson with the Walter Camp Foundation's 1982 Distinguished American Award, though somebody else was scheduled to do it. When Bryant died, Robinson couldn't get a flight, so he drove 400 miles through the night to Tuscaloosa, Ala. to attend the funeral. Once there, Robinson could not get past church guards and might have missed it had not some Alabama players escorted him into the service.

Still, not everybody was ready to let Robinson have his coronation, humble as he tried to make it. Enter the Asterisk Army, the writers and fans who sit in dimly lit booths in the backs of bars and try to stop time with pocket calculators. Their asterisk dogs Roger Maris and Henry Aaron, and now it hunts Robinson, charging that more than 300 of his victories came against Division I-AA caliber teams.

Robinson doesn't try to refute that. "I grew up in the South," he says. "I was told where to attend elementary school, where to attend junior high school, where to attend high school. When I became a coach, I was told who I could recruit, who I could play, where I could play and when I could play. I did what I could within the system." More simply, Booker T. Washington once said, "Cast down your bucket where you are." Robinson's bucket is right where he left it—at the end of the rainbow.

According to Grambling associate athletic director Fred Hobdy, Bryant told the Grambling staff in the late 1970s, "Whatever league you're in, whatever level, win there." At times that required extraordinary perseverance at Grambling. "No man but Eddie would have worked under these conditions," says Hobdy, who played for him in 1942 and '46-48 and hasn't left since. In the '40s, Robinson was a one-man athletic department. He would mow the football field, mark the lines, drill the drill squad, tape ankles, drive the injured to the doctor and write the game story for the local papers. One started, "Outlined against a blue-gray October sky. . . ."

The not so good old days lasted a long time. "Guys would come back to visit us, and they'd say, 'Hey, you guys got *grass* to practice on?'" says defensive coordinator Fred Collins. True enough. Says Tank Younger, now the assistant general manager of the San Diego Chargers, "We practiced on dirt."

Sometimes even dirt was a luxury. Once, in Montgomery, Ala., Grambling wasn't allowed to work out on a football field the day before the game, so Robinson stopped the bus on an empty parking lot and held practice there. Another time, after a Friday dinner, Robinson got the players to push the tables and chairs aside and practice right there, in a hotel ballroom. *Do a down-and-out to the raisin salad and I'll fake it to you.*

Discrimination and anorexic budgets were just two of the trapdoors the Bear didn't encounter. Robinson recruited some 200 future NFL players—more than any other school—with a yearly budget about equal to Alabama's outlay for stamps. He has recruited against major colleges offering prestigious scholarships, luxurious dorm rooms, plentiful training tables, big-time bowls, TV exposure and, as the NCAA is loath to find out, Lord knows what else.

Robinson's achievement is that he worked for 44 seasons within the white system and then, on a Saturday night in Dallas, beat that system. "He has overcome the shackles," Hobdy says. "He won in spite of the handicaps."

Now he was winging toward more wins than any other man, courtesy of Prairie View, the team he had beaten 17 of the previous 18 years, but the team he was suddenly likening to Leahy's Irish. During one interview, Robinson got a sour look on his face and said, "I'll just bet you Prairie View is practicin' right this minute." If Prairie View was, it didn't help. Grambling scored on its first and third possessions to go ahead 14-0. Tiger defensive backs intercepted five passes, returning one for a touchdown and a 20-0 halftime lead. All that remained was to wait and wonder how to act when The Moment came, a feeling not unlike holding a pose while waiting for the electronic flash to warm up.

Still, all one had to do was look down the Grambling sideline to get a jolt: Young and old Robinson products had come to the Cotton Bowl, from Younger, the first NFL star from an all-black school, to Hall-of-Famer Willie Davis to Doug Williams, the most successful black NFL quarterback, to Grambling president Dr. Joseph B. Johnson, who had been recruited by Robinson. "This is a record made of players," Robinson told his team before the game. "It's a record made up of men like you for the last 40 years. This is your chance to leave your footprints in the sands of time."

Footprints were fine for some, but as The Moment drew nigh, one player, defensive end Chris Adams, wanted something more tangible. He had sneaked a Kodak Instamatic onto the bench and was snapping his own pictures of Robinson as the seconds dwindled down. "I want to have something to remember this by," he said.

"People can do what they want with the record," Robinson said. "They can put an asterisk on it if they want. That's their business. But look, I got my inspiration from all coaches, from college coaches and high school coaches, black and white. I remember Willie Davis would come back and tell me all about Vince Lombardi. Man, that lit *fires* under me. That got me *burnin'*. I took my inspiration from the great American coaches—Warner and Stagg. Man, I got to watch the Bear work! And I worked hard, too. I busted my butt. I always knew my part to play, and if my part ended up having something to do with history, then I'm happy. I never let anybody change my faith in this country. All I want is for my story to be an American story, not black and not white. Just American. I want it to belong to everybody."

When will the story end? Robinson's record may stand as long as Rose's. He can coach four more seasons—Louisiana state law requires that he retire at 70—but by then, he could have 360 wins, a fur piece from No. 2 John Gagliardi of St. Johns-Minnesota at 235, No. 3 Bo Schembechler of Michigan at 190 and No. 4 Joe Paterno of Penn State at 180. "I hope somebody will break it," says Robinson. "I'd like to see it."

Here's hoping. And here's to you, Mr. Robinson. You grow old like a river, deeper and swifter every day. And we, lucky we, are carried away with you.

WE NEED A COMPREHENSIVE TRADE POLICY

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 11, 1985

Mr. VENTO. Mr. Speaker, the House approved H.R. 1562, the Textile and Trade Enforcement Act. I voted for this legislation for several reasons.

The primary reason is the inability of the President and his administration to come to grips with our trade deficit and particularly the impact of imports on our own domestic industries.

To be sure, the President has finally come to realize the devastating impacts of our projected record $150 billion trade deficit and has proposed a series of steps to increase U.S. international exports. Certainly we should support these steps and I have cosponsored legislation designed to carry out some of these goals.

However, these policies will not benefit our textile industry, our machine tool industry and many of those other industries so crucial to our manufacturers industrial base. To effectively meet the needs of those industries, we must develop a comprehensive trade policy.

As I stated earlier, I did support the textile measure. However, we in Congress must realize that this bill is limited in nature and does not address the entire equation of our foreign trade deficit. It is rather a temporary solution to the very real problems facing our textile and apparel industries.

It is my hope that the President will use H.R. 1562 and the overwhelming expression of congressional concern about our trade imbalance to build upon his limited trade program and develop a comprehensive trade policy. In the long run, such an approach can benefit America, consumers, business, workers, and farmers, who need the security and certainty such a trade policy would provide.

Mr. Speaker, at this time I would like to share with my colleagues a statement by the Business Roundtable on the U.S. trade crisis. Finally even business groups are beginning to understand the urgency, concern, and horrors visited upon our economy because of the lack of a clear deliberate U.S. administration trade policy. While I do not agree with every aspect of this statement, I believe it is an appropriate formulation of the problem and a responsible recommendation for action. It is my hope that the administration and we in Congress will use this statement as a reference in tackling the trade deficit and lack of trade policy in a meaningful manner.

STATEMENT BY THE BUSINESS ROUNDTABLE ON THE TRADE CRISIS

As Congress and the Administration consider major actions on the trade crisis, the Business Roundtable has developed the following statement of principles to guide U.S. actions on trade. The statement is also being used by the Roundtable Task Force on International Trade & Investment to develop positions on specific trade proposals that are before Congress.

STATEMENT

The United States today faces a crisis in international trade. Unless strong leadership is provided by the President and Congress, this country's response to the crisis could trigger a disastrous trade war and permanently weaken the competitiveness of American industry.

In 1985, the United States trade deficit is expected to reach $150 billion.

In 1986, the United States will become the largest foreign debtor in the world. Total foreign debt could exceed $1 trillion in 1990.

Growth in the U.S. economy has slowed and unemployment remains high.

Nearly every major industry sector in this country is facing intense foreign competition, and an alarming number are seeking some form of import relief.

The value of the dollar remains at unacceptably high levels.

To date, the Administration has not been sufficiently responsive to the crisis. It has not made reduction of the trade deficit a major priority, nor has it demonstrated that it considers the trade crisis to be a serious problem.

Congress, on the other hand, has grown increasingly impatient with the lack of leadership by the Administration. It now appears likely to respond by enacting trade legislation which could threaten the international trading system.

The trade crisis urgently calls for strong and creative leadership by the President and the Congress. The Business Roundtable strongly urges the President to develop, announce and implement a detailed and aggressive trade policy that responds to the trade crisis. The Roundtable is encouraged by reports that the President intends to make a major statement on trade shortly. At the same time, we urge Congress as it reconvenes this fall to evaluate carefully trade proposals on the basis of facts, not emotions or perceptions. It is essential that the long-term implications of trade proposals be clearly understood.

U.S. trade policy should:

1. First and foremost, recognize that the trade deficit is linked to, and impacted by, budget, fiscal and monetary policy. Significant further reductions in the budget deficit and enactment of tax policies that encourage investment and savings are necessary steps to restoring U.S. international competitiveness and reducing the trade deficit.

2. Make restoration of U.S. international competitiveness a top priority and designate as a national goal the reduction of our current and trade account deficits.

3. More aggressively use existing U.S. trade laws, including Section 301 and the other trade laws directed at unfair trade practices, and more expeditiously resolve trade disputes.

4. Make better use of Section 201 (the "escape clause"), and utilize truly effective adjustment mechanisms, to enable U.S. industries to adjust more effectively to foreign competition.

5. Support a new round of multilateral trade negotiations. Such trade negotiations should be part of, and not a substitute for, a more aggressive trade policy.

6. Initiate parallel discussions with our major trading partners on economic and monetary issues affecting trade, including the exchange rate system.

7. Give higher priority to the promotion of exports through the adoption of export control policies and export finance programs that respond to international competition.

The U.S. Government should urge our trading partners to do the following:

8. Foreign governments need to act more quickly to reduce and eliminate their own tariff and non-tariff trade barriers. Japan should take more aggressive steps to increase imports and thereby reduce the bilateral trade imbalance.

9. Developed countries, most notably West Germany and Japan, should shift their domestic policies to encourage expansion of their domestic consumption and to achieve better balance in international accounts.

10. Newly industrialized countries, in recognition of their increased role in international trade, must also take prompt action to remove investment and trade barriers.

MR. MEESE—THERE YOU GO AGAIN

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 11, 1985

Mr. DOWNEY of New York. Mr. Speaker, over the past 5 years we have become accustomed to the startling views of Edwin Meese. Yet, today, the Attorney General surpassed even himself.

This morning's Washington Post reported the following remarks of the Attorney General, which are part of a longer interview with U.S. News & World Report:

But the thing is, you don't have many suspects who are innocent of a crime. That's contradictory. If a person is innocent of a crime, then he is not a suspect.

Mr. Speaker, in a single stroke the Attorney General of the United States removed one of our cherished constitutional provisions—that a person is innocent until proven guilty. We now have an Attorney General who believes in the presumption of guilt.

Before Mr. Meese rounds up the usual suspects, I really hope he stops and thinks about his own experience last year. Was he one of the chosen few—an innocent person who was wrongly suspected of improper conduct? Didn't he learn anything about the rights of the accused?

I am not sure which is more frightening: To have an Attorney General who cares so little for the Constitution of the United States, or to have one who learns so little from his own tragic experience. I urge Mr. Meese to repudiate his comments, or at least to allow them to be clarified by someone with a clearer sense of what is demanded of the Nation's chief law enforcement official.

THE NUCLEAR WASTE POLICY IMPROVEMENT ACT OF 1985

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Friday, October 11, 1985

Mr. JEFFORDS. Mr. Speaker, today I am introducing legislation to refine and improve the Nuclear Waste Policy Act of 1982. This legislation is specifically designed to revise the Department of Energy's [DOE] implementation of the 1982 act.

Under the provisions of the Nuclear Waste Policy Act, my home State of Vermont is one of 17 Eastern States with crystalline rock bodies being assessed as potential candidate sites for a high-level nuclear waste repository. As you can well imagine, the prospect of a nuclear waste site being located in Vermont has caused a furor in the State as intense as I can remember on any one single issue. The Department of Energy has held three public information meetings that were very well attended, to say the least, and a consortium of interested parties held a statewide meeting that was attended by some 900 people. I have been personally involved in these meetings and I can safely say that the overwhelming reaction at each meeting was one of concern and fear.

I voted in favor of the Nuclear Waste Policy Act because I feel strongly that the continued storage of nuclear waste materials in temporary facilities at nuclear powerplants across the Nation is the worst possible answer to the waste disposal problem. Before supporting this act, however, I insisted that the Governor of a chosen State have veto power over the final site selection. And as you know, this veto can only be overridden by a majority vote of both Houses of Congress.

At the present time, we are at a stage where the Department of Energy has identified approximately 200 rock bodies for further consideration and final guildelines for the screening of these sites has just been announced. This screening process, as outlined by the 1982 act, considers various environmental, geological, and socioeconomic parameters to determine the suitability of an area as a potential waste site. Reviewing these guidelines has revealed not only deficiencies in the screening process but also basic inadequacies in the original law.

It is clear that the Nuclear Waste Policy Act did not place enough emphasis on the importance of considering the adequacy of regional and local transportation systems, and the potential transboundary impacts of a waste site in the population centers and hydrogeological resources of our foreign neighbors. In interpreting the act's requirements regarding population centers, DOE's screening guidelines creates a bias against the unique rural population centers that are prevalent in Vermont and throughout New England.

Mr. Speaker, I think you would agree that the immense task of finding a safe, suitable location for a high-level nuclear waste facility is equaled only by devising a safe and effective means of transporting this waste to the repository. With this in mind, I feel it is imperative that the condition of a region's transportation routes be fully assessed and considered a potential disqualifying factor if found to be inadequate. This survey must include an assessment of the status of these routes under varying climatic conditions.

In assigning various factors that would disqualify a location as a waste site, the 1982 act did not include any reference to the potential impacts of a site on the physical and biological environment of our foreign neighbors. This is an unfortunate oversight. As we all know, environmental and geological features know no political boundaries. This point was voiced by numerous Canadian citizens and officials attending the informational meetings held in Vermont.

The act did identify proximity to highly populated areas as a factor that would disqualify an area for further consideration as a potential waste site. The guidelines established by the Department of Energy regarding population, unfortunately, are not sensitive to the distribution of population in a rural area like Vermont. The Department has decided that municipaiities of 2,500 or more that meet the Bureau of Census definition of "incorporated place" will be considered a highly populated area. This census classification excludes the incorporated towns of Vermont.

The result of DOE's decision to use this classification is to ignore 3: Vermont municipalities with populations of 2,500 or more. Unless the problem with the definition of a highly populated area is corrected, these Vermont municipalities will be treated on a different basis then comparable municipalities in other States in the crystalline rock study area. The safety of those living in these uncounted populated areas requires that the guidelines be adjusted to include their consideration.

It would be inappropriate to locate a waste site in Vermont due to the fractured, water-saturated nature of our granite formations, the proximity of these rock regions to our rural community centers, and our relative location, geologically and along surface water routes, to major United States and Canadian population centers. I am confident that the screening process established by the DOE will bear out these obvious flaws and limitations in a Vermont site.

However to ensure that all sites in the crystalline rock study area are fully assessed on their limitations and merits, the legislation I am introducing today will refine the Nuclear Waste Policy Act to include a better assessment of the adequacy of a region's transportation routes, a more equitable consideration of rural population centers and an assessment of the impacts of a repository on Canadian population centers and hydrogeologic resources. This is indeed a very hazardous and dangerous undertaking and we must proceed with the utmost caution.

Mr. Speaker, I urge all my colleagues to give this initiative their full consideration and support.

PUBLIC SENTIMENT IN WHITE SOUTH AFRICA

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 11, 1985

Mr. RANGEL. Mr. Speaker, I rise to bring to my colleagues' attention a little known element in the antiapartheid equation. This element is the widespread desire among South Africa's whites for sweeping change in that country's racial policies.

President Botha has indicated that he has been forced into a balancing act between those who want an immediate end to apartheid, and those who would fight to the bitter end. If one is to accept Botha's argument, one would believe that he has been exceedingly flexible in turning South Africa away from racial separation. The problem is, of course, that Botha's sup-

posed middle course is nothing more than maintenance of the status quo.

Most white South Africans now favor the dismantling of racial separation as the fundamental tenet of apartheid. They have not taken the next step of favoring universal franchise, but they are certainly not in step with Botha's hardline policies. Our colleague STEPHEN SOLARZ has written an excellent article on this subject. I would like to submit it for inclusion in the CONGRESSIONAL RECORD, and urge my colleagues to give it close scrutiny.

[From the New York Times, Oct. 8, 1985]

TACKLING APARTHEID FROM THE INSIDE

(By Stephen J. Solarz)

WASHINGTON.—Defenders of the status quo in South Africa have resorted to the convenient fiction that the unyielding resistance of the white electorate prevents Pretoria from abolishing apartheid. In fact, the Government actually trails white opinion rather than being constrained by it. Public opinion polls indicate that roughly 70 percent of English-speaking whites and 40 percent of Afrikaners—or a slight majority of the white population—would support a unified South Africa with a universal franchise and a multiracial parliament. They would also back the elimination of such essential elements of apartheid as pass laws and influx controls, which separate blacks from their families.

This significant shift in white opinion can be traced in part to the movement of many Afrikaners from the country to the city. This has created a new class of businessmen and technocrats, who are more sophisticated and more skeptical of the illusions and sophistries of apartheid. The secret organization of Afrikaners known as the Broederhood, which has long been a bulwark of apartheid, now favors genuine power-sharing with blacks. And leading Afrikaner businessmen have joined their English-speaking counterparts in calling for fundamental political, social and economic changes.

To be sure, most South African whites would reject a unitary state based on the principle of one-man, one-vote, in which 51 percent of the voters could work their untrammeled will. But they might well accept a system of checks and balances based on a combination of majority rule and minority rights, with Federal arrangements providing for a devolution of power to regional and local authorities. While such a formula clearly falls short of maximum black aspirations, it would probably be an acceptable starting point for a long overdue dialogue between the races.

A move by the Government to enter into negotiations for power-sharing with blacks would undoubtedly trigger a backlash from hardline Afrikaners, leading to a fundamental political realignment among whites. The resulting fragmentation of the National Party's Afrikaner base might well deprive it of an absolute majority in Parliament. But it could still remain in power by forming a governing coalition—committed to ending apartheid—with the main opposition party, the Progressive Federal Party.

Unfortunately, such an act of surpassing statesmanship seems beyond the ability—or even the imagination—of President P.W. Botha. The Government is unwilling to further divide the Afrikaner community and risk relying on English-speaking whites for its parliamentary majority. Most importantly, the Government fears that sharing power with blacks would be the first step on a slippery slope toward the political chaos and economic disintegration that have overcome other African countries.

But whites in South Africa have a highly selective vision of the rest of Africa. They focus on Uganda under Idi Amin but forget about the Ivory Coast under Félix Houphouët-Boigny. They recall civil war in Nigeria but not social stability in Kenya. They remember internecine tribal conflicts in Burundi but overlook political pluralism in Botswana.

In fact, the chances that genuine power-sharing will be compatible with prosperity and stability are probably greater in South Africa than anywhere else on the continent. South Africa benefits from extraordinarily rich natural resources and an advanced industrial infrastructure. Furthermore, compared to most other African nations, South Africa has a substantially larger number of educated and urbanized blacks—and thus much less chance of being plagued by the kinds of tribal conflicts that have created problems elsewhere in Africa.

Yet the Government clearly has no intention of sharing significant political power with blacks, let alone negotiating with recognized black leaders. Its list of appropriate negotiators is comprised primarily of coopted blacks, such as homeland leaders, who are acceptable to whites but anathema to blacks. Meanwhile, it keeps Nelson Mandela in jail, excoriates white business leaders for talking to the head of the African National Congress, Oliver Tambo, charges the Rev. Allen Bosesak with treason and ignores Bishop Desmond Tutu.

Pretoria has recently tried to create the impression that it is prepared to fundamentally alter the political system. Yet it has declared it would permit the independence of additional homelands, even though the reintegration of the existing ones into South Africa is an essential condition for a peaceful settlement. And it has insisted that any future black political participation must reflect tribal affiliations—something that is utterly unacceptable to moderate as well as radical blacks.

What about the reforms that Pretoria has initiated, such as the repeal of the Mixed Marriages and Immorality Act? Whites see them as cosmic, but blacks feel they are merely cosmetic. For blacks, the issue is no longer the segregation of the races but the distribution of political power. Arrangements designed to create the illusion of black participation while preserving the reality of white domination are a formula not for peaceful reconciliation but for prolonged resistance.

Only South Africans can rescue their country from the looming abyss of civil war. Just as President Reagan's policy of constructive engagement could not bring Pretoria to its senses, American economic sanctions alone will not bring it to its knees. It will take a combination of increasing internal and international pressure to convince the South African Government that the price of maintaining apartheid exceeds the cost of abandoning it.

Here, the United States is poised to play a useful role, as anti-apartheid actions spread from Capitol Hill to the White House, and from college campuses to the board rooms of some of our largest banks. We can only hope that Pretoria will heed the calls from within and outside the country to abolish apartheid and share real political power with blacks. Such an initiative would undoubtedly unleash bitter opposition from many of the Government's traditional supporters. But it would also generate widespread support abroad and, most importantly, surprising sympathy from much of the white community at home.

DEMOCRATIZATION OF THE PHILIPPINES

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 11, 1985

Mr. MILLER of California. Mr. Speaker, during the last election, President Reagan said that the choice for America in the Philippines was between the Government and the Communists. It would certainly have been interesting to have the President explain his statement to the widow and followers of assassinated opposition leader Benigno S. Aquino, Jr., who was far from being a Communist.

While clearly the statement was not true at the time the President made it, it may very well become true in the not-too-distant future. The failure of the Reagan administration to send strong clear signals to the Marcos government that its current policies are unacceptable will lead to a strengthening of New Peoples Army. This failure will also undermine the ability of non-Communist opposition forces to offer leadership for the post-Marcos era which hopefully will be the dawning of the democratization of the Philippines.

Recent articles in the New Republic point out the all too familiar patterns occurring in the Philippines that could undermine the interests of the United States. While the administration fails to take action, the position of moderates is threatened. As American taxpayer aid continues to flow to the Philippines, the privileged class sends an almost equal amount of money out of the country.

It will be a shame if America should stand in the way of those opposition factions which are seeking to bring democracy and economic justice to the people of the Philippines.

The article by Pete Carey, Katherine Ellison, and Lewis M. Simons, which elaborates on these observations, follows:

MARCOS'S NEST EGG

As the Philippines sink deeper into poverty, foreign debt, and political unrest, many of their most prominent citizens are systemically draining vast amounts of wealth from their nation and hiding it overseas. These political and business leaders, who largely determine the Philippines' economic destiny, have poured their personal fortunes into investments in the United States, including condominiums, luxury homes, office buildings, businesses, and banks in California and New York.

Overseas investments have emerged as a potent political issue in the Philippines. President Ferdinand Marcos and his so-called "cronies" have used their leadership position to accumulate large fortunes in the 20 years Marcos has been in power. Some opposition leaders abroad have made it their bitter vocation to track the holdings of the Marcos circle. Over articles last June in

the San Jose, California, *Mecury News* about the extensive U.S. investments of Marcos and his associates were reprinted in major opposition newspapers and discussed in radio broadcasts and sermons. More than 50 members of parliament signed a resolution calling for impeachment hearings. Marcos countered the resolution with a threat to dissolve Parliament and hold presidential elections in November. Marcos has now apparently dropped the idea of early elections, but the political fallout continues.

At the center of the controversy are Marcos and his wife, Imelda. Like many Filipinos who have invested overseas, they use holdings corporations or business associates to handle their transactions. The complex system makes it difficult to identify the real owners and to identify the relationships between business involved in the investments. But Pablo Figueroa, a former business partner of Mrs. Marcos, charged in a lawsuit filed in March 1984 that Mrs. Marcos "does business in New York State systematically and continuously" and that her activities included "extensive real estate purchasing, improving, developing and managing." Figueroa also said that Mrs. Marcos used agents and nominees "to keep hidden her personal . . . involvement" in the transactions.

Figueroa said that in 1981 Mrs. Marcos and several partners, using a Curaçao corporation called Ancor Holdings N.V., bought an estate on several acres of property in suburban Long Island known as Lindenmere, planning to expand it into a $19 million resort. Mrs. Marcos abandoned those plans and converted Lindenmere into a private estate. In the process, Figueroa said that she failed to pay him one million dollars she had promised as his share in the deal.

Figueroa has since agreed to drop his lawsuit, according to his attorney. (Mrs. Marco's attorney refused to comment on the suit.) But Figueroa's suit was identical to its allegations to one filed in 1984 by a partner of Figueroa, August M. Camacho. That suit, which also named Mrs. Marcos as defendant, ended with a substantial settlement for Camacho.

There is also evidence to support allegations that the Marcoses own other properties in the United States. A home in Princeton, New Jersey, is owned by an offshore corporation that is represented by the same law firm that represents Ancor Holdings. Police officials in Princeton say the home is used by Marcos family members.

The Marcoses are also linked to three condominiums in a Fifth Avenue apartment building in Manhattan. According to real estate records, the adjoining condominiums are owned by a Hong Kong corporation whose agent is a woman named Vilma Bautista. Bautista is also Mrs. Marcos's personal secretary in New York and a staff member for the Philippines U.N. delegation. She denies knowing about the condominiums. "There are so many names, there are so many numbers," she told us. "This could be another Vilma Bautista."

Other prominent Filipino government officials also often employed surrogates or offshore corporations for their overseas investments. Defense Minister Juan Ponce Enrile and his wife, for example, purchased a $1.8 million mansion in San Francisco through a company called Renatsac Inc., which is Enrile's wife's maiden name spelled backward. Enrile claims the mansion "was bought by a company and has been sold. We—my wife—was acting for someone. I won't tell you who it was. It's since been sold." Geronimo Velasco, Marcos's energy minister, occasionally resides at a $925,000 estate in a suburb of San Francisco, whose registered owner is a Hong Kong company called Decision Research Management Ltd.

Businessmen intimate with Marcos rely on the same methods. Antonio Floirendo is a banana baron of the Philippines. His business has thrived since Marcos came to power in 1972. Floirendo is also a director of Ancor Holdings N.V. Floirendo's own properties in the United States include three sugar refineries in Boston, Chicago, and Brooklyn, for which he paid $11.7 million, according to U.S. Securities Exchange Commission documents. He owns a one-million-dollar mansion in the Makaki Heights area of Honolulu and maintains a residence in the same Fifth Avenue apartment building where the three condominiums linked to Mrs. Marcos are located. A company called United Motors is listed as the owner of the condominium; Philippine records show that United Motors & Equipment is owned by Floirendo. Jose Y. Campos, a businessman said to be a close financial adviser to Marcos, used a firm called UNAM Investment Corp., registered in the Netherlands Antilles, to buy nine million dollars in property in downtown Seattle.

In other cases, real estate is held in the name of trusted American lawyers or agents. "I 'own' more goddamn property," said one American lawyer in San Francisco who has invested for prominent Filipinos for 15 years. "Tomorrow, if I wanted, I could sell $50 million worth of real property, get the money, and abscond. I could go to Rio and just say, 'Bye-bye, baby.' I just wouldn't 'cause they trust me."

Capital flight from the Philippines surged shortly after the assassination of opposition leader Benigno S. Aquino Jr. in 1983, according to a special study last year by the Northern California Interfaith Committee on Corporate Responsibility in San Francisco. The study found, "Out of fear of political and economic turbulence, over a billion dollars left the Philippines" in three months after the Aquino assassination. Marcos has issued a decree making it illegal for Filipinos to export large sums of cash or hold foreign exchange accounts without approval from the nation's Central Bank. But even Philippine government officials acknowledge deficiencies in the laws, which do not forbid overseas investments per se.

In fact, U.S. real estate agents relate instances in which their Filipino clients have plopped shopping bags stuffed with cash on their desks, no questions asked, to be used for investment in property. "It is illegal, and every once in a while, there'll be fines and confiscations," said the San Francisco lawyer who represents Filipinos and who insisted on anonymity. "But if the Philippine government really did anything about this, they'd be indicting all their own officials. They're the biggest offenders."

In the view of the opposition, extravagant foreign purchases compound the injustice of a regime that has favored a loyal few at the expense of millions of others. As reports of corruption proliferated between 1971 and 1979, the Philippines' large income-distribution gap widened even further. According to a study released last year by economists at the University of the Philippines, the poorest 60 percent of the households, which had received only 25 percent of total income in 1971, saw their share drop to 22.5 percent in 1979. The richest ten percent of the population, on the other hand, increased their share of total income to 41.7 percent from 37.1 percent in the same period.

Capital flight has probably made matters worse. According to Verne Dickey, an economist at the State Department, some Philippine factories have laid off workers or closed because there were no foreign currency reserves with which to buy raw materials and spare parts. U.S. Ambassador Stephen Bosworth relayed official American concern over the problem at a news conference in Manila in August 1984. Citing a leading Filipino economist's estimate that residents had removed more than ten billion dollars in recent years, Bosworth said, "Now, if even half of that would return to the Philippines for private investment, it would make a considerable difference here."

Some Filipino officials, including the Marcoses, denied that they owned any property in the United States. But the Marcos's statement added that the government's policy is to allow overseas investment: "So long as the acquisitions are legal, nobody can question the owner's right to these properties."

Energy Minister Velasco also flatly denied owning any property abroad, although his nephew Patrick de Borja told us that the Woodside mansion is a family house," and that Velasco stays there when he is in the area. Soon after the Mercury News series was published, Velasco offered to resign, but was reportedly persuaded to stay on by Marcos.

Defense Minister Enrile said that the propriety of U.S. investment "depends on the magnitude of money." In the past Enrile and his wife have owned three San Francisco properties, and Enrile acknowledged currently owning one condominium there. "If the holdings are of such a magnitude as billions of dollars, I'd say it would be just to get it out of the Philippines and I'd agree that it was harmful. But when I acquired mine, the economy of the Philippines was not what it is today. It was stable and strong," he said.

One Filipino leader who spoke freely was Nemesio I. Yabut, mayor of Makati, the financial district of Manila. A former policeman and cargo handler, Yabut has served as major of Makati since 1971 and is a strong supporter of Marcos. He comes to the Bay Area twice a year for medical checkups at Stanford University Medical Center.

Early one evening in May, Yabut answered the door of his $520,000 pink-stucco home in San Francisco's exclusive St. Francis Woods in pajamas and a bathrobe, and agreed to discuss his properties. He confirmed real estate records indicating he has owned, over the past few years, not only the two-story home, in his wife's name, but a $900,000 apartment building, at least two condominiums, and a San Francisco seafood restaurant called the Old Clam House. "But I'm only a lowly mayor," Yabut said. "I have very little money. . . .I'm small-fry."

Yabut confessed that he worried about publicity concerning his U.S. holdings, most of which have been in his own name, but insisted he had done nothing illegal. Although he has taken money out of the Philippines, he said, he also has brought money back. Nor, he said, has he illegally traded currency or neglected to pay U.S. taxes. "I remember the story of Al Capone," he said. "Al Capone was never convicted of anything but tax evasion."

U.S. real estate investments by Marcos' inner circle are merely the "tip of the iceberg," according to a senior executive with one of the largest banks in the Philippines. "You're not seeing the securities, the Swiss

bank vaults," he said in an interview in Manila. "The important thing is, it's unlikely that any of this money will return to the Philippines when transition is complete and we have stability. When their patron saint [Marcos] goes, most of them will go overseas to stay; most of them already hold green cards. These people have not bought U.S. real estate as a financial investment; it's for their retirement when they can no longer stay in the Philippines."

SHORT-TERM PROTECTIONISM VERSUS LONG-TERM SOLUTIONS

HON. DEAN A. GALLO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, October 11, 1985

Mr. GALLO. Mr. Speaker, I rise today to clarify my position with regard to our trade policy.

Earlier this year, representatives of both labor and management from within the textile industry visited my office to describe the impact that foreign competition has had on their industry.

The impact has been devastating. Our textile trade balance is substantially in the red. This situation has caused the loss of thousands of jobs.

At the time that these individuals visited my office, I was asked to join as a cosponsor of H.R. 1562. I glady joined this bill because there was no other alternative approach, and certainly our trade deficit needs to be addressed.

But now there is an alternative. Now, after very careful consideration and development, a real approach to balancing our foreign trade exists.

That alternative measure is actually the combination of a number of positive steps which will create a long-term solution to our foreign trade problems. These steps are all embodied in H.R. 3522, sponsored by Mr. MICHEL and 99 original cosponsors, of which I am one.

Protectionism just won't work. While we may have a large deficit, we are also the largest exporter in the world. A protectionist trade battle would ultimately harm American exporters more than it would encourage foreign nations to increase their American imports.

While I sympathize with our textile workers and manufacturers, I am convinced that the best way to encourage a recovery in the textile industry is not a part of the bill before the the House today.

The best means to encourage a recovery in the textile industry is not to start a trade war. Rather, the answer is to once again forge a working partnership that fosters growth for all of our exports.

The answer is in H.R. 3522.

The well-conceived package of ideas in H.R. 3522 would improve the international trade climate by causing adjustments to our monetary policy and interest rates. It would call for the enforcement of international trade laws, the strengthening of unfair trade and counterfitting restrictions, and the use of north shore oil as an inducement to the Japanese to bring about greater trade concessions.

Mr. Speaker, 1 month ago there was little else but to support a protectionist approach to our trade deficit. Today there is an alternative. The alternative is correct and is worthy of the support of all of the Members of this House.

ACTION NEEDED ON FIREARMS OWNERS PROTECTION ACT

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 11, 1985

Mr. DASCHLE. Mr. Speaker, over 8 months ago our colleague, Mr. VOLKMER, introduced the Firearms Owners Protection Act. In July, the Senate passed its version of this act by a wide margin.

The Firearms Owners Protection Act is badly needed; it has bipartisan support; it has passed the other body. And yet, Members of our House are being denied the opportunity to even consider it.

I strongly support this legislation. As an original cosponsor, I share its author's belief that the way to curb firearm abuse is by attacking criminal abusers, not miring law abiding sports people in redtape.

I can understand and respect, Mr. Speaker, the views of those Members who may disagree with me on this issue. But I can neither understand nor accept those who would deny me and the other Members of the House of Representatives the opportunity to debate the merits of this legislation and to cast votes on behalf of our constituents.

The plain fact is that this bill does just what it says it will do; it protects law abiding gun owners. It does not weaken protection against law breakers; in fact, it strengthens it. The people of South Dakota understand the folly of trying to stop criminals with paperwork. They understand that paperwork may hinder them in enjoying a sport, but it will never stop the determined criminal. They resent the fact they can be jailed as felons for inadvertent errors in complying with current gun laws and, most of all, they demand that their voice receive a fair hearing on this issue.

I have been elected to be their voice. I desire to speak for South Dakota by voting in favor of the Firearms Owners Protection Act. Like the vast majority of the Members of this House who favor this bill, I would like to know why my rights, and those of my State, are being denied.

UPDATE ON THE COMMISSION ON THE BICENTENNIAL OF THE UNITED STATES CONSTITUTION

HON. LINDY (MRS. HALE) BOGCS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 11, 1985

Mrs. BOGGS. Mr. Speaker, I would like to report that the Commission on the Bicentennial of the United States Constitution is now in full operation under the leadership of its chairman, Chief Justice Warren Burger. The 23-member Commission now has a full complement of members, its core staff has been selected, and it issued its first report to the President and Congress.

The members of the Commission are:

LIST OF MEMBERS

Warren E. Burger (Chairman), Frederick K. Biebel, LINDY BOGGS, Herber Brownell, Lynne V. Cheney, PHILIP M. CRANE, William J. Green, Edward Victor Hill, Cornelia G. Kennedy, EDWARD M. KENNEDY, Harry McKinley Lightsey, Jr., William Lucas, Edward P. Morgan, Betty Southard Murphy, Thomas H. O'Connor, Phyllis Schlafly, Bernard H. Siegen, TED STEVENS, Obert C. Tanner, STROM THURMOND, Ronald H. Walker, Charles E. Wiggins, and Charles Alan Wright.

The Commission has selected Mark W. Cannon as staff director and Ronald Mann as deputy staff director. The Commission's offices are located at 734 Jackson Place NW., Washington, DC, and its telephone number is USA-1789.

Last month the Commission submitted its first report on its activities to the President and Congress. A summary of this report follows:

EXECUTIVE SUMMARY OF FIRST REPORT: COMMISSION ON THE BICENTENNIAL OF THE UNITED STATES CONSTITUTION

The twenty-three member Commission on the Bicentennial of the United States Constitution was established by Act of Congress, Public Law 98-101. The President designated Chief Justice Warren E. Burger as Chairman of the Commission, and 20 members of the Commission were sworn in by Vice President Bush on July 30, 1985. The Commission appointed Mark W. Cannon as Staff Director and Ronald Mann as Deputy Staff Director.

The Commission met July 29-30 in Washington, D.C., and August 22-23 in Salt Lake City, Utah. Today, September 17, the Commission conducts public hearings at the Supreme Court of the United States at which 19 public and private organizations describe their plans and activities to commemorate the Bicentennial of the Constitution. This meeting helps inform the Commission as well as interested groups about current and contemplated Bicentennial activities.

The Commission will emphasize the educational opportunities afforded by the Bicentennial of the United States Constitution. The most lasting honor we can bestow upon the generation that gave us our form of government is to foster among the people of the United States a just appreciation and a clearer understanding of their constitutional heritage. In the words of the Com-

mission's Chairman it is an occasion for "a history and civics lesson for all of us." This commemoration can help us understand better the conditions that underlie human freedom, and it can enlighten our approaches to constitutional and policy issues that lie ahead.

The Commission proposes that the celebration of the historical aspects of the Constitution's Bicentennial have three phases, corresponding to the three-year period from 1987 through 1989. From now until September 17, 1987—the Bicentennial of the signing of the Constitution in the Philadelphia Convention—some emphasis will be placed on the events leading up to the Convention, the writings of the Founders, and analysis of the Constitution itself. The year 1988 should be one of public enlightenment about the deliberations during 1788 by the people in every State on the merits of the proposed Constitution, which led to ratification. The year 1989 will be dedicated to the formation of the first government and to the 200 years of the historical development of the three branches of government under the Constitution, and will prepare the way for a celebration of the Bicentennial of the Bill of Rights.

The success of the commemoration of the Bicentennial of the Constitution depends in a major way on the widespread and enthusiastic involvement of private groups and organizations to enlarge public understanding and appreciation of the Constitution. Accordingly, a major goal of the Commission will be to stimulate pervasive activity by thousands of organizations at the grass roots level that will educate their members and others about the Constitution and the unique aspects of that document to ensure freedom under law. The Commission will also work closely with State Bicentennial Commissions, federal agencies, and Congress in planning and coordinating government support and involvement.

A TRIBUTE TO T. JOHN CAREY

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, October 11, 1985

Mr. HUGHES. Mr. Speaker, I rise today to pay tribute to an outstanding civic leader of Ocean City, NJ, Mr. T. John Carey, who passed away on August 30, 1985. A longtime personal friend, "T.J." as he was called by many, will be sorely missed by the community he so dearly loved.

John lived in Ocean City since the age of 2. He set numerous sports records at the same high school where he was later a teacher and football coach. He loved the water and became south Jersey's champion rower. In 1935, John won the National Life Guard Championship. Later he was to become a moving force in the founding of the beach patrol and over the years he was its greatest booster.

As one of Ocean City's most prominent realtors, John is best remembered for his community work. He truly cared about his community and its people. His contributions to the city are numerous, the respect he received was great. John was the foremost expert on beach nourishment—a term he coined—to describe sand replenishment. He studied the ocean currents and wave action from boyhood days, and he had a deep understanding of the natural process that takes place along our coastal area. I would often see John on the beach after a severe Northeaster inspecting the damage and checking the effect of the groins, jetties, and wings that he helped to make possible.

As an avid conservationist, it was natural that he became a leader on the beach erosion committees in Ocean City and Cape May County. He coordinated projects for the build-up of dunes on the beachfront, and encouraged experimentation with innovative techniques to reduce the erosion of our beaches—one of our most precious natural resources.

John will also be remembered by the many wooden art plaques commemorating people and events that he so skillfully crafted in his shop. Several of his plaques have been presented here in Washington to Presidents of the United States, the Speaker of the House, to Senators and other dignitaries. I am proud of the one he presented to me many years ago.

John was one of Ocean City's leading citizens. He won the City's Community Service Award in 1966 and the Mason Lodge's Citizen of the Year Award in 1983.

To say that John will be sadly missed is really inadequate. He was one of a kind—a man whose life exemplified decency, a sense of community, personal integrity, kindness and commitment. His hardworking wife, Betty, was the perfect partner—loving, supportive, principled and public spirited.

I know that I speak for all who knew him when I say we will miss him greatly. Ocean City will feel this loss. I extend to Betty, his two brothers, Fenton of Ocean City, and Lewis Z. of Houston, and sister, Acelia Hall of Greenville, ME, my heartfelt sympathy on the passing of T. John Carey—a most remarkable man.

TRIBUTE TO BILL GAY, FOUNDER OF THE COTTON-PICKIN' FAIR

HON. RICHARD RAY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 11, 1985

Mr. RAY. Mr. Speaker, this past weekend, the 23d Cotton-Pickin' Fair was held in Gay, GA. Over the years, this twice yearly fair has become a big event in Georgia, attracting visitors and exhibitors from throughout the South.

There was a change at this month's fair, however, which was noticed by all who attended. For the first time, the fair's founder, Bill Gay, was not present.

In May of this year, Bill Gay died after an extended illness. Although he wasn't in Gay on Saturday and Sunday for the festival, his memory and presence was strongly felt by those who have worked with him to organize the event over the years.

Bill was always active in protecting the interests and concerns of the people of Gay, and he served as mayor of the town for 8 years.

With the decline in the value of cotton—one of Gay's major products—Bill and his wife, Joanne, looked for a way to bolster the community's falling economy.

By 1972, they had formulated a plan and put it into action—and the Cotton-Pickin' Fair was born.

The couple turned the old family cotton gin complex into a fairground. Twice a year, the first week in May and October, the area is open for an enormous fair, featuring exhibitions including crafts, food, antiques, personal items, and household goods. Almost anything anyone wants can be found in Gay during the Cotton-Pickin' Fair. But, the thousands of visitors who make their way to this rural Georgia town each year are impressed by more than simply the size of the fair. The most notable aspect of the Cotton-Pickin' Fair is the efficiency with which it's run.

The area is well-laid out, and every possible circumstance is planned for. A visit to the Cotton-Pickin' Fair is a pleasant and enjoyable day, and the planning done by Bill and Joanne Gay has made it that way.

This weekend, at the church service held on the fairgrounds, a memorial stone honoring Bill Gay was unveiled. Contributions for this tribute came from the exhibitors who have worked with Bill Gay over the years.

There is no location more fitting to place a memorial to Bill Gay than the site of the fair he planned, organized, and loved.

The Cotton-Pickin' Fair will continue even though Bill Gay is gone, for his hard work has established its reputation through the South. Although the stone will be a reminder to new visitors of the man who dreamed of this event, those of us who have been going to Gay for years will think of Bill Gay each time we join the thousands of others who come to the Cotton-Pickin' Fair to enjoy a day in the sunshine in one of the most beautiful areas of rural Georgia.

1986—TEXAS SESQUICENTENNIAL/SOUTH AUSTRALIA JUBILEE

HON. JIM CHAPMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 11, 1985

Mr. CHAPMAN. Mr. Speaker, as you know, Texas and South Australia are both celebrating their 150th anniversary in 1986. It is our sesquicentennial and their jubilee.

I would like to take this opportunity to join with my fellow Texans, the Vice President of the United States and the Governor of Texas in paying tribute to the grit and determination of a group of horse men and women who are celebrating this joint 150th anniversary of the States of Texas and South Australia.

This weekend, two of my constituents, Vickie Speir and Leana Rideout of Marshall, will begin a 600-mile trail ride on

horseback across Texas in commemoration of the independence of the Republic of Texas. Last month, Ms. Speir joined with two riders in Australia, Peter Knudsen and Mickey McKeown, in a 600-mile ride to celebrate the 150th anniversary of the founding of South Australia. Dubbed the "Jubilee Overlanders," these men and women are recreating the conditions that existed on the trail in the 1830's to help demonstrate the importance of horses to the heritage of our States and the conquering of the Texan and Australian frontiers.

The Texas ride, which begins this weekend, will cover some of the wildest and most scenic frontier country in my State. Beginning in San Antonio, the Overlanders will ride to YO Ranch—between Kerrville and Mountain Home—then down to Del Rio and Langtry, across to Marathon and down through Big Bend National Park, ending the ride along El Camino del Rio at Presidio.

With the inspiration of our forefathers who established our independence on the San Jacinto battlefield in 1836, let us all renew our commitment to building a stronger community, a stronger Texas—a stronger and safer world for all—so that our children—and our children's children as well—may dream of a future that has no bounds.

God speed.

VOTING TAX CREDIT

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, October 11, 1985

Mr. SEIBERLING. Mr. Speaker, today I am reintroducing legislation, by request, which would amend the Internal Revenue Code of 1954 to provide a $30 refundable tax credit to taxpayers who vote in Federal general elections.

The concept of a voting tax credit is the brainchild of Frank Martino, president of the International Chemical Workers Union. The ICWU proposal puts forth a voting tax credit as a method to get more Americans out to vote in Federal elections. According to the ICWU, the credit "is designed to provide an incentive for all Americans, rich and poor alike, to exercise their franchise as reponsible citizens of our country."

The low percentage of voter turnout in Federal elections has become a deplorable situation in this country. Apathy on the part of eligible voters has soared, and more and more Americans seem to believe that their vote is not really important anymore.

The extent of voter alienation is apparent in statistics compiled by the Census Bureau. In the 1968 Presidential election there was a 60.9-percent voter turnout, while in 1972, after 18-year-olds got the vote, turnout dropped to 55.6 percent. Voter participation in the 1980 election was 52.6 percent, down 1 percent from the level of the 1976 election and well below the highest participation level of 62.8 percent in the 1960 Kennedy-Nixon election. In 1984, of the 173.9 million Americans eligible to vote, only 92.65 million did vote or 53.3 percent. The figures are even more alarming for off-year elections. In 1970 there was a 43.5-percent turnout compared to 35.5 percent in 1978—with a population increase of 21 percent.

The nationwide decline in voting should be of serious concern to anyone who believes in democracy. One of our basic freedoms as Americans is to choose our public officials through the election process. Then if we are not satisfied with those in office we can make changes by exercising our right to vote. Those who cite disillusionment or disgust with the system as their reason for not casting a ballot are simply perpetuating the situation they dislike. We cannot stand back. It is time for all American's to realize that our votes do count, and we must do something to encourage eligible voters to participate.

The voting tax credit is one way to encourage eligible voters to take the time to vote. Taxpayers who vote in a Federal general election, or the equivalent thereto, would receive the credit—$60 for a joint return—by attaching their ballot stub to their Federal income tax return. In those States where a ballot stub is not used, a stamp or other document which is evidence of voting should be issued.

Critics of a voting tax credit argue that increased voter turnout does not guarantee an improvement in the quality of legislators being elected. Certainly there is some merit to that argument, but we have to examine the overall picture. We all have to work for improved voter turnout, but at the same time we have to help educate voters so that they can cast a responsible vote.

I think we owe it to the country to give this proposal our attention.

HONORING JOHN J. MEEHAN

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 11, 1985

Mr. STARK. Mr. Speaker, I rise today to honor a constituent and friend of mine, John J. Meehan, the Alameda County District Attorney.

For the past 4½ years, Jack Meehan has led what is generally recognized as one of the finest district attorney's offices in the country. He is tough, smart, honest, and fair, and his energy for his job is complemented by his scholarly legal acumen, his administrative ability and his sense of community involvement.

Jack's father was a member of the San Francisco Police Department for 40 years, retiring as a captain, and he passed on to Jack his concern with law enforcement. Jack joined the district attorney's office in 1960 and has held every trial and administrative position, including chief assistant. He successfully prosecuted over 150 felony jury trials in superior court without ever having a prosecutorial or trial error cited by the court of appeals. He has supervised, briefed, and presented a number of cases to the California Supreme Court, many relating to rules governing the collection and presentation of evidence. In 1980, Jack received the prestigious "Prosecutor of the Year Award" from the California District Attorney's Association.

Jack has passed on the benefits of his experience and education to others. As assistant district attorney, he organized and headed the training/education division. He created, edits and authors Point of View, a law journal distributed to local legal and peace officers. He created and edits Point and Authorities, a weekly videotape presentation of appellate decisions with analysis and perspective. And, he established a "Brief Bank" of research and legal memoranda with over 6,000 entries, which is available to all deputies.

In addition, Jack has lectured extensively on all aspects of criminal law and has been certified as a criminal law specialist by the State bar. He has testified many times before the State legislature and is a recognized expert on substantive, evidentiary, and procedural criminal law. He has authored numerous amicus curiae briefs to the California Supreme Court dealing with the constitutionality of the death penalty, the exclusionary rule and like topics. Jack is a true scholar.

Jack and his wife, Janet, live in Alameda. They have three sons, Matthew, James, and Mark, and I am pleased to be included in their long list of friends. Mr. Speaker, Jack Meehan is a scholar and an activist. A man of toughness and a man of compassion. A community man and a family man. He is an excellent district attorney and a superior person. I am proud to have Jack as a constituent and a friend, and I am pleased to salute him before my colleagues in the House of Representatives.

A DAY OF HOPE

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 11, 1985

Mr. DOWNEY of New York. Mr. Speaker, two very fine things happened yesterday which give us all hope for the future.

One was the remarkable performance of the U.S. Navy and its intelligence support in capturing four terrorist murderers over the Mediterranean.

This operation appears to have been carried out to perfection. It shows us that technically the United States has the means to deal with the problem of terrorism. It sends a clear and unmistakeable message that terrorists will no longer be able to slink away into the night, unnoticed and unpunished. In the aftermath of the tragic murder of Leon Klinghoffer, the Navy has delivered the murderers into the hands of justice. Surely this offers us hope that we will see an end to the international plague of terrorism.

The second event which gives us hope, Mr. Speaker, is the announcement that the

International Physicians Against Nuclear War have been awarded the Nobel Prize for Peace. This organization fully deserves this award for the splendid work they've done in trying to alert the governments and the people of the world to the horror of nuclear war. Clearly there is much to be done, but with groups such as the International Physicians Against Nuclear War working to bring peace to the world, there is hope that the nuclear arms race can be brought to an end.

Mr. Speaker, I congratulate the U.S. Navy and the International Physicians Against Nuclear War.

TAX REFORM

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 11, 1985

Mr. GINGRICH. Mr. Speaker, I would like to have the following article placed in the CONGRESSIONAL RECORD. As Congress begins to consider the House Ways and Means tax reform proposal, we must not forget the impact tax reform can have on all sections of the economy.

[From the Wall Street Journal, Oct. 10, 1985]

TAX REFORM AIMS AT VERY INDUSTRIES UP FOR PROTECTION

(By Paul Craig Roberts and Gary Robbins)

Washington is practicing a new form of economics that has replaced both demand-side and supply-side economics. It is called blind-side. Policy makers in both the administration and Congress have failed to make the obvious connection between taxation and international competitiveness. A tax-reform package is taking shape that will further erode the U.S. competitive position, especially in those sectors of the economy where the demand for production is strongest.

Taxation is a major factor in the cost of production. Countries with tax systems that raise the cost of labor and capital relative to their trading partners suffer a self-imposed competitive disadvantage. Since the U.S. already suffers such a disadvantage—particularly with regard to the Japanese—tax reform is an opportunity to improve the U.S. competitive position.

However, the opportunity is being lost. The original impetus within the Reagan administration for tax reform was the supply-side emphasis on lowering the cost of production and increasing economic growth. However, this goal was largely subordinated in favor of making the tax code "fairer." In the hands of its proponents, fairness means the redistribution of income from business and upper-income taxpayers to lower-income taxpayers.

In the regard Treasury I was so "fair" that the administration realized, belatedly, that it was a threat to the investment climate in the U.S., and it was replaced by Treasury II. But it was too late. The Reagan administration had already unleased the fairness issue. Claiming that Treasury II is not fair enough, the Ways and Means Committee staff and Chairman Dan Rostenkowski have developed a tax-reform plan that by our calculations would raise the cost of capital by 14% overall, compared with current law.

Moreover, it would hit the hardest those industries that are suffering the most on the trade front. Agriculture, for example, which is in line for a budget-busting multi-billion-dollar bailout, would find its cost of capital raised 22%. Textiles and shoes, which are in the forefront of protectionist legislation, would be further undermined competitively by a 14% higher cost of capital. Primary metals would be saddled with a cost of capital about 15.5% higher, and semiconductors would experience a 12.5% increase.

Protection forces consumers to pay higher prices and is a high-cost program for temporarily saving jobs in the protected industries. Protection makes no sense whatsoever when nullified by changes in tax law that raise the cost of capital. It is extraordinary that an administration that intended to renovate U.S. economic performance is on the verge of protectionist legislation and a tax reform that would increase protectionist pressures. Somewhere along the way the politics of policy making crowded out the substance.

JUDGE BROMINSKI NAMED MAN OF THE YEAR

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 11, 1985

Mr. KANJORSKI. Mr. Speaker, it is a great pleasure for me to bring to your attention the accomplishments of Bernard C. Brominski, judge of the Court of Common Pleas of Luzerne County, PA. Judge Brominski personifies the best qualities of America's judicial system, and this evening he will be honored as the recipient of the annual "Man of the Year Award" by the General Pulaski Day Committee of Wyoming Valley.

As a practicing attorney in Luzerne County, I have known Judge Brominski for more than 20 years and have always held him in the highest esteem. Rarely does one come across a man of such high integrity and with such unwavering dedication to the ideals of his profession. Originally appointed to the Court of Common Pleas of Luzerne County by Gov. George Leader in 1958, Judge Brominski was reelected to 10-year terms in 1959, 1969, and 1979. He was named president judge of the Court of Common Pleas of Luzerne County in 1968 and resigned this position in 1981.

A lifelong resident of the Wyoming Valley, Judge Brominski was born in Swoyersville, PA, and is a graduate of Swoyersville High School, Blair Academy, Franklin and Marshall College, and Dickinson College. He received his doctor of jurisprudence and doctor of laws degrees from the Dickinson School of Law. His experiences include general law practice, serving as special deputy attorney general, as well as judge of Domestic Court and Juvenile Court of Luzerne County. During World War II he served his country in the Navy aboard a destroyer in the Pacific theater.

As a leader in his community, Judge Brominski is a past grand knight of Assumpta Council, Knights of Columbus; a past district deputy of district No. 19, Pennsylvania; a member of Bishop Hafey Assembly, fourth degree Knights of Columbus; Tatra Club of Wyoming Valley, General Pulaski Day Committee of Wyoming Valley and president from 1960 to 1968. He is a member of the American Bar Association, Pennsylvania State Bar Association, Wilkes-Barre Law and Library Association and Luzerne County Bar Association.

Mr. Speaker, it is an honor for me to take this opportunity to draw the attention of my colleagues in the House of Representatives to an excellent judge, an outstanding member of the community, and a personal friend, Judge Bernard C. Brominski. I join with the Pulaski Committee in congratulating Judge Brominski, and I commend the committee for its fine choice of "Man of the Year."

JOE ANDRY—AN OUTSTANDING FEDERAL EMPLOYEE

HON. BOB McEWEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, October 11, 1985

Mr. McEWEN. Mr. Speaker, this week Joe Andry, the State Director for Veterans' Employment and Training Service, in Columbus, OH was honored by the Federal Government as one of the 10 outstanding handicapped Federal employees for 1985.

Joe was selected for this award because of his dedication, hard work and commitment to helping America's veterans secure employment. Because of his effectiveness and positive approach to this job, Joe has earned the title, "Mr. Can Do." Ohio currently ranks fifth nationally in job placements under the Emergency Veterans Job Training Act. The process and success can be directly attributed to Joe's community involvement and ability to provide the maximum assistance to veterans.

Mr. Speaker, I would be remiss if I did not comment on Joe's contribution to America's veterans organizations. He is a lifetime member of the Disabled American Veterans [DAV] and has served as Ohio's State commander of this fine organization. He is active and plays a leading role in the Veterans of Foreign Wars, AMVETS, and the Military Order of the Purple Heart.

Throughout the years, Joe has demonstrated a tremendous capacity for giving of himself to others. He serves on several civic advisory committees and is also the publicity chairman of the Boy Scouts of America, pack 191. But perhaps the most noteworthy comment one can make about Joe Andry is that he is a man of great character. I join with his wife, Pat, and their children, Bret, Kristin, Ryan and Tommy, and their proud parents and friends in congratulating Joe for his latest achievement. His work and high standards serve as a model for all citizens to exemplify.

JOSEPH E. ANDRY

Joseph E. Andry has overcome personal adversity to assist other veterans through his work as the State Director for Veterans' Employment and Training Service (VETS). He was promoted to his position because of the outstanding job he did as Assistant State Director for VETS.

Since assuming his current position, the Department of Labor's VETS has become a positive force in Ohio's veterans' programs. Ohio currently ranks 5th nationally in job placements under the Emergency Veterans Job Training Act of 1983. The progress and success in Ohio can be directly attributed to Mr. Andry's community involvement. He uses his broad knowledge of services and benefits of other agencies and organizations and coordinates them to maximize assistance given to veterans. Because of this positive approach, he earned the title, "Mr. Can Do."

Previously employed with the Veterans' Administration (VA), he was recognized as the Outstanding Handicapped VA Employee in 1976, 1977, and 1978, for performance on the job and in service to veterans. Additionally, he received recognition and honor from city, State, and National elected officials and community leaders. In 1979, he received from the President, the Disabled American Veteran (DAV) of the Year Award. In 1980, he was honored by the President's Committee on Employment of the Handicapped for meritorious service.

Mr. Andry has been interviewed by television and radio stations covering such topics as VETS programs, Americanism, disabled persons, and POW/MIAs. PM Magazine did a television feature in March of 1982 focusing on Mr. Andry's handicap and his ability to rise above it.

Mr. Andry is also actively involved in community service. From 1982-1984, he was voluntary chairman of Service to Military Families and Veterans for the American Red Cross. He assisted in counseling in personal and family problem areas and received recognition for his efforts by Ohio's House of Representatives.

He is a life member of the Disabled American Veterans, and held the top post of Commander of the Ohio Department in 1984-85. He also coordinated the POW/MIA observance in 1984 and 1985. He has contributed to the success of many organizations. He serves on The Rehabilitation and Employment Committees on State and National levels; as State Department Employment Director of the DAV; on Mercy Hospital's "Project Pride" Advisory Council; with the DAV Amputation Chapter; with the American Legion and Italian War Veterans; and as Boy Scouts of America, Pack 191, Publicity Chairman. He is active with all and plays a leading part in many organizations. He is active in the AMVETS (American Veterans of World War II, Korea, and Vietnam), Veteran of Foreign Wars, and Military Order of the Purple Heart, and is currently President of the Veterans Association of State Commanders and Adjutants, and of the Mayor's (of Columbus) Veterans Advisory Committee.

Mr. Andry is a Vietnam veteran retired from active duty due to the nature of his many war wounds. He received a BBA degree in 1974 and a BSBE in 1975 from Cleveland State University. His hobbies include public speaking, horseback riding, coaching baseball, basketball, and soccer, and ink sketches. He and his wife Patricia have four children: Bret, Kristin, Ryan, and Tommy.

ADMINISTRATION PROPOSES TAXING STATE AND LOCAL TAXES

HON. EDWARD F. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, October 11, 1985

Mr. FEIGHAN. Mr. Speaker, under the guise of tax reform, the administration is proposing to impose a new tax on State and local taxes. The administration would transfer needed revenues from State and local treasuries to special interests which currently enjoy special tax treatment. This give-away could cripple our ability to revive our industrial base and to maintain the recent improvements in our educational system.

The administration places an inordinate burden on taxpayers in the Northeast and Midwest; 44 percent of America's population lives in that region, yet they bear 57 percent of the increased tax burden, draining resources that are desperately needed to rebuild our industrial base. Yet, even worse, the administration's double taxation proposal will place an untolerable burden on America's educational needs; 36 percent of all State and local revenues in our country are spent on educating our children. By taxing those revenues, the administration would be cutting school revenues nationwide by 20 percent. We should also note that the States hit hardest by this proposal use the least Federal funding for education. While the effects of cutting funds for education may first be felt only locally, in the long term the effects on our economic vitality may be devastating.

Mr. Speaker, there is a certain irony in the administration's defense of a double tax that hits America's educational and industrial potential. While willing to fight for this totally misguided proposal, they ignore the tax credit used by corporations and individuals who pay taxes abroad. The credit cost the U.S. Treasury $22 billion each year. Yet, the administration opposes a repeal of the credit, claiming that a repeal would be double taxation.

Clearly, Mr. Speaker, taxing local and State taxes can only have a disasterous effect on the United States.

A TRIBUTE TO DR. AARON HENRY

HON. WEBB FRANKLIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Friday, October 11, 1985

Mr. FRANKLIN. Mr. Speaker, for many years, Dr. Aaron Henry of Clarksdale, MS, has been a champion on behalf of black people in Mississippi and throughout the United States.

Next month will mark the 25th year that Dr. Henry has served as chairman of the Mississippi chapter of the National Association for the Advancement of Colored People, and I want to recognize him at this time for his many years of hard work.

As NAACP chairman, as a State legislator and as an adviser to many of the agencies of our Federal Government, Aaron Henry has helped to contribute in a number of ways toward improving the quality of life for the Mississippians he represents. He has shown courageous leadership in working to call attention to the interests of minorities and poor people, and that leadership has helped to make a difference in the lives of many Americans. His work on behalf of programs such as the Aaron Henry Health Center, the Job Corps and the National Center for Black Aged speaks for itself.

Dr. Henry's commitment to improving the opportunities available to all the people of Mississippi remains as strong as ever. I congratulate him on his years of service to the NAACP.

NATIONAL DAY OF JUSTICE FOR IMMIGRANTS AND REFUGEES

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 11, 1985

Mr. GARCIA. Mr. Speaker, Saturday, October 19 is the "National Day of Justice for Immigrants and Refugees." At least 19 cities across the Nation are holding activities on immigrants and refugees, discussing their problems and their contributions to the United States.

There will be a press conference on Thursday, October 17 at 10 a.m. in room 1310 of the Longworth House Office Building to better explain planned activities. If any of my colleagues are interested in finding out more about activities in their districts, I urge them to either attend the press conference or send a staff person to get further information.

I am submitting a press release put out by the Steering Committee for the day's activities for my colleagues' perusal so that they better understand the purpose of this commemoration:

NATIONAL DAY OF JUSTICE FOR IMMIGRANTS AND REFUGEES

October 19, 1985 has been designated the National Day of Justice for Immigrants and Refugees. We call upon all who support equality and justice for immigrants and refugees to join in nationwide activities on October 19 to both honor our immigrant population and to draw attention to the many problems which continue to plague those who have come to the United States seeking economic survival and freedom from repression.

Today, while millions of dollars are being spent to refurbish the Statue of Liberty, a much-heralded symbol of the "generous welcome" the United States has extended to the "tired . . . poor . . . huddled masses" of the world, immigrants to this country—both documented and undocumented—have been met with a growing distrust for "foreigners."

In recent years, the number of immigrants from underdeveloped countries has dramati-

cally increased, a response to the growing improvement and political repression of their homelands. For these people, the U.S. government's relations—politically and economically—to their countries has largely determined their immigration status and fate. While millions of dollars in U.S. military and economic aid go to the Salvadoran and Guatemalan regimes and the threat of direct U.S. intervention hangs in the balance, refugees from the civil turmoil in these and other countries have consistently been denied political asylum. Less than 1% of Guatemalan asylum claims and less than 3% of Salvadoran asylum claims are granted in the United States.

The present immigration bill pending before Congress could potentially undermine the democratic rights of all immigrants and legislate further exploration of their cheap labor. In addition Government cutbacks on bilingual education, bilingual social and health services, termination of free legal services to the undocumented, and limiting immigrants' access to public benefits are all part of the growing move to make immigrants and refugees more vulnerable.

The many activities organized in recognition of the National Day of Justice for Immigrants and Refugees will bring to the U.S. public an exposure of these and other violations of the democratic and civil rights of immigrants and refugees, and create a vehicle to reach the immigrant population by launching a nationwide "Know Your Rights" campaign in conjunction with the National Day of Justice. These efforts will be an important contribution to building a national movement united to defend the rights of all immigrants and refugees.

Join us in endorsing and actively participating in the National Day of Justice for Immigrants and Refugees on October 19, 1985.

Join us in our efforts to:

Prevent the passage of repressive immigration legislation.

Condemn all INS abuses

Stop the deportation of Central American and Caribbean refugees.

Stop the attacks on the sanctuary movement and others seeking to defend the rights of immigrants and refugees.

Support the movement to gain democratic and civil rights for all immigrants.

LOSS OF JACK PARADEE

HON. EDWARD R. MADIGAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 11, 1985

Mr. MADIGAN. Mr. Speaker, for over 10 years Jack Paradee worked among us representing the United Transportation Union. Jack was State director of the UTU for the State of Delaware. From 1972 to 1982 Jack worked with Jim Snyder, the national legislative director of the UTU, here in Washington. In 1982 he retired after 42 years of service in the railroad industry.

During his years in Washington, Jack was a friend and advisor to those of us in Congress who worked on problems affecting the railroad industry. Jack also gave us advice and counsel concerning the treatment of alcoholism and drug abuse. He was an active member of Alcoholics Anonymous for 25 years. He used his own experience and strength gained from AA in helping us provide legislation to tackle the problems of alcoholism both within society in general and the railroad industry in particular.

Yesterday Jack died in Wilmington, DE. At the time of his death he was helping another alcoholic gain sobriety. In recent months he was also helping Norfolk Southern Corp. in its efforts to buy Conrail.

We shall all miss Jack Paradee. I extend to his family and many friends my condolences and want them to know that Jack's contributions to the railroad industry and his fellow man will not be forgotten.

CONGRATULATIONS TO EDDIE ROBINSON

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 11, 1985

Mr. HAWKINS. Mr. Speaker, I wish to pay a special tribute to a truly remarkable individual, Eddie Robinson, the coach of the Grambling College football team. With his team's victory at the Cotton Bowl against Prairie View A&M, Robinson surpassed Alabama's Paul (Bear) Bryant and became the winningest college football coach of all time.

The road was not easy as the article in the October 14, 1985 issue of Sports Illustrated indicated:

Sometimes even dirt was a luxury. Once, in Montgomery, AL, Grambling wasn't allowed to work out on a football field the day before the game, so Robinson stopped the bus on a empty parking lot and held practice there. Another time, after a Friday dinner, Robinson got the players to push the tables and chairs aside and practice right there, in a hotel ballroom.

I think I speak for all my colleagues in wishing coach Eddie Robinson our special congratulations for attaining such a significant milestone. His unique character and contributions have added immeasurably to sports in America.

EXPLANATION OF VOTES NOT CAST

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 11, 1985

Mr. PORTER. Mr. Speaker, yesterday I had the honor of accompanying the President on his visit to my district in Illinois. For this reason I was necessarily absent and did not vote on three rollcalls. Had I been present and voting, I would have voted "nay" on rollcall No. 353, "nay" on rollcall No. 354, and "aye" on rollcall No. 355.

STRIKING BACK!

HON. BOB McEWEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, October 11, 1985

Mr. MCEWEN. Mr. Speaker, terrorism is the umbrella term for the most heinous and despicable crimes imaginable. For its victims, it is a chilling and frightening experience whose scar remains long after the incident itself.

The descriptions yesterday and this morning of those aboard the Italian cruise ship *Achille Lauro* are a terrifying account of a ship of fear.

One woman reported going into her cabin after hearing shots and remaining cowering under her bed for 62 hours. Another said, "one minute they would try to be kind, the next minute they would do the cruelist things."

These Palestinian thugs displayed their terrorist power with total disregard for human feelings and life. They fired their weapons intermittently; released pins from grenades held near huddled hostages; beat and threatened crew and passengers; and finally, in the ultimate act of horror and contempt for human life—murdered an elderly and disabled American—Leon Klinghoffer—throwing him and his wheelchair into the Mediterrean.

Well, this morning, Mr. Speaker, we struck back. The long arm of American justice reached out and grabbed these murderous thugs so that they may be subject to swift retribution.

Let this serve as a reminder to those around the globe thinking of similar acts. They had better think twice. The freedom loving people of the world have had enough.

TRIBUTE TO INTERNATIONAL PHYSICIANS FOR THE PREVENTION OF NUCLEAR WAR

HON. CHESTER G. ATKINS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 11, 1985

Mr. ATKINS. Mr. Speaker, it is with great pleasure that I rise to offer much-deserved congratulations to the International Physicians for the Prevention of Nuclear War, the newly named recipients of the Nobel Peace Prize. As a representative from the great Commonwealth of Massachusetts, it gives me special pride that this Boston-based group has been honored for its work to spread the message of the medical consequences of nuclear war.

The two copresidents of the group are Dr. Bernard Lown of the Harvard School of Public Health and Dr. Evgueny Chavof, director of the cardiological institute in the U.S.S.R. Together, they have pursued a course that, in Dr. Lown's words, is neither left-wing nor right-wing, neither East nor

West, but that seek to advance the politics of human survival.

The Nobel committee noted that the IPPNW doesn't take positions on the specific policies of any government, but does advocate steps to prevent nuclear war. One of those steps is the end of nuclear weapons testing, including approvel of the Comprehensive Test Ban Treaty. As we congratulate the IPPNW, let's make our own contribution to reducing the dangers of nuclear war by ending the testing that adds momentum to the nuclear arms race.

HOUSE OF REPRESENTATIVES—*Tuesday, October 15, 1985*

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore [Mr. FOLEY].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
October 11, 1985.

I hereby designate the Honorable THOMAS S. FOLEY to act as Speaker pro tempore on Tuesday, October 15, 1985.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Reverend Charles A. Mallon, Holy Family Church, Mitchellville, MD, offered the following prayer:

Deign, O God, to rescue me; O Lord, make haste to help me. Let them be put to shame and confounded who seek my life. Let them be turned back in disgrace who desire my ruin.—(Psalm 70:2-3)

Father, we ask that Your spirit be upon us and that Your wisdom counsel us. Protect us from vengeful acts of frustration by giving us a pluralistic mind capable of anticipating unconscionable acts of human behavior.

Father, help us to act in the peoples interest by having an inspired awareness of the brotherhood of man. We ask You to raise the level of moral consciousness within all nations and grant that this sense of family within the global community will secure world peace.

We ask this through Christ Our Lord. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1726. An act to amend section 51(b) of the Arms Export Control Act, relating to the funding of the Special Defense Acquisition Fund, and

S. 1760. An act to extend the authority to compute hourly rates of basic pay of employees of the Federal Government in the manner provided in the Omnibus Budget Reconciliation Act of 1982.

DISPENSING WITH CALL OF PRIVATE CALENDAR

Mr. SYNAR. Mr. Speaker, I ask unanimous consent that the call of the Private Calendar be dispensed with today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

CONDEMNING EGYPTIAN ACTIONS IN THE "ACHILLE LAURO" AFFAIR

(Mr. REID asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REID. Mr. Speaker, over the past several years, Egypt and the United States have built an extremely deep and important friendship—one not susceptible to easy dissolution. Egypt is the only Arab country to have directly negotiated a peace agreement with Israel and the Congress has not forgotten this courageous act. Nonetheless, I have been greatly disappointed by Egypt's conduct in the recent *Achille Lauro* affair.

International terrorism is a scourge all nations must unite against to guarantee a measure of civility in international affairs. Those who attacked the *Achille Lauro*, whom the PLO admits came from their own ranks, claimed their actions were justified by a political cause. I am sorry. People who kill an innocent aged cripple deserve nothing except their due punishment in a court of law. It is therefore incomprehensible how Egypt could have negotiated safe conduct for Leon Klinghoffer's four murderers.

The Egyptian Government asserts it did not know the terrorists had killed Mr. Klinghoffer. This does not excuse Egypt's conduct, especially when we consider how the Egyptians gave the United States Government false information regarding the status of the terrorists whereabouts.

President Mubarak of Egypt understands the insidious threat that international terrorism poses to everyone. His very predecessor, Anwar Sadat, was gunned down by Islamic fundamentalist terrorists. This makes Mubarak's actions in the *Achille Lauro* incident all the more difficult to accept.

The Egyptian-United States friendship is still important, still strong. The *Achille Lauro* affair must not alter this relationship. Egypt must understand, however, that capitulation to terrorist will serve neither our purposes nor theirs.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. MCKERNAN) to revise and extend his remarks and include extraneous material:)

Mr. IRELAND, for 5 minutes, on October 16.

(The following Members (at the request of Mr. SYNAR) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GAYDOS, for 30 minutes, today.

Mr. OBEY, for 60 minutes, today.

Mr. GONZALEZ, for 60 minutes, today.

Mr. OBEY, for 60 minutes, on October 16.

Mr. OBEY, for 60 minutes, on October 17.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. SYNAR) and to include extraneous matter:)

Mr. ANDERSON in 10 instances.

Mr. GONZALEZ in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Mr. JONES of Tennessee in 10 instances.

Mr. BONER of Tennessee in five instances.

Mr. LELAND.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1760. An act to extend the authority to compute hourly rates of basic pay of employees of the Federal Government in the manner provided in the Omnibus Budget Reconciliation Act of 1982; to the Committee on Post Office and Civil Service.

BILL PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on the following day present to the President, for his approval, a bill of the House of the following title:

On October 11, 1985:

H.R. 2410. An Act to amend the Public Health Service Act to revise and extend the programs under title VII of that act.

ADJOURNMENT

Mr. SYNAR. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 5 minutes p.m.), under its previous order, the House adjourned until tomorrow, Wednesday, October 16, 1985, at 12 o'clock noon.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 72: Mr. SHUMWAY and Mr. HAMMERSCHMIDT.

H.R. 79: Mr. MILLER of Ohio.

H.R. 1587: Mr. GONZALEZ, Mr. CLAY, and Mr. BEREUTER.

H.R. 1710: Mr. BIAGGI, Mr. MRAZEK, and Mrs. LLOYD.

H.R. 1719: Mr. THOMAS of California.

H.R. 1769: Mr. WEBER, Mr. MURPHY, and Mr. MCCAIN.

H.R. 2778: Mr. LEHMAN of Florida, Mr. CONYERS, Mr. NOWAK, Mr. TOWNS, Mr. FRANK, Mr. FUSTER, Mr. MURPHY, Mr. ADDABBO, Mr. BERMAN, Mr. DIXON, Ms. KAPTUR, Mr. BIAGGI, Mr. TORRES, Mr. VENTO, Mr. RANGEL, Mr. LELAND, Mrs. BENTLEY, Mr. MITCHELL, Mr. RICHARDSON, Mr. STOKES, Mr. CROCKETT, Mr. FAZIO, Mr. OWENS, Mr. KOLTER, Ms. MIKULSKI, Ms. OAKAR, Mrs. BURTON of California, Mr. STUDDS, Mr. LANTOS, and Mr. DUNCAN.

H.R. 3298: Mr. SCHAEFER, Mr. LIVINGSTON, and Mrs. LLOYD.

H.J. Res. 127: Mr. ROWLAND of Georgia, Mr. CONTE, Mr. BROOMFIELD, Mr. BOLAND, and Mr. FRANK.

H. Con. Res. 117: Mr. PRICE.

SENATE—*Tuesday, October 15, 1985*

The Senate met at 10 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Father in Heaven, the Senate is back and the problems are still here—waiting. They will not go away! Help the Senators to get a good start on their work and grant that these next weeks will be productive in ways which will be a source of satisfaction to the Senators and their staffs.

Some Senators have been busier than if they had remained in Washington, but we trust, Lord, that one change of venue has at least been refreshing. Some were under necessity to change their plans, but we trust the change proved to be constructive. Some families were disappointed, but we trust Your grace compensated and blessed.

Meanwhile, Lord, as the Senate convenes, the problems are here to challenge, to frustrate, to anger—and to be solved. Give to our leaders all the grace, wisdom, and patience they will need to guide their parties and the Senate to progress and fulfillment as the Senate addresses a heavy agenda and works its way through profound issues as well as conflict and trivia. In His name Whose agenda was always for others. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The distinguished majority leader is recognized.

RESERVATION OF LEADERSHIP TIME

Mr. DOLE. Mr. President, I ask unanimous consent that the time for the distinguished minority leader (Mr. BYRD), be reserved.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DOLE. I ask unanimous consent that any time I do not use be reserved.

The PRESIDING OFFICER. Without objection, it is so ordered.

SCHEDULE

Mr. DOLE. Mr. President, under the standing order, the leaders have 10 minutes each.

Following the leaders' standing order, there will be a special order in favor of the Senator from Wisconsin [Mr. PROXMIRE] for not to exceed 15 minutes, followed by routine morning business not to extend beyond 11 o'clock, with statements therein limited to 5 minutes each.

Following that, it is my intention to begin consideration H.R. 3037, the Agriculture appropriations bill and, later in the afternoon, to turn to the reconciliation bill, S. 1730. There will be no rollcall votes during today's session, but we do hope to conduct business. I urge my colleagues who have amendments to either proposal to be available.

It is my hope that we can have general consent to double track this week, with appropriations bills in the mornings and the reconciliation bill in the afternoons.

It seems to me that there will not be any question about a Friday session. I think it will be all day Friday and probably a very late evening Thursday evening. Tomorrow evening, I know, there is a function which many Senators on each side will be attending. I guess we will not go much beyond 6:30 tomorrow evening, and probably not too late this evening.

I alert my colleagues that there will probably be a late Thursday night session and probably all day on Friday, so they can make plans accordingly, but no Saturday session this week.

We shall try to advise what may be the program between now and Thanksgiving. I hope we can indicate that sometime today. I shall indicate to the distinguished minority leader as soon as we have some idea what we might be able to do by that time.

It now seems that we will not be able to finish our work prior to the Thanksgiving Day recess, but we shall see how quickly it goes in the next 2 or 3 weeks.

Hopefully, the Agriculture appropriations bill can be disposed of today, with the exception of one or two amendments, where I understand Senators are not in town. I hope we could reach some agreement to conclude that early tomorrow morning, because we have seven appropriations bills—HUD, District of Columbia, Agriculture, Interior, State-Justice-Commerce, Labor-HHS, and Department of Transportation—and we would like to double track until we have completed action on all the appropriations bills and reconciliation.

Then, as I promised, we still have the textile bill to turn to and dispose of, favorably or unfavorably. Finally, I hope that we will have the farm bill before us by next week. It should not take 2 weeks, but it probably will take 2 weeks.

Mr. President, I reserve the remainder of my time.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER (Mr. ANDREWS). Under the previous order, the Senator from Wisconsin is recognized for not to exceed 15 minutes.

WHY WE SHOULD END ANTI-SATELLITE RESEARCH AND DEVELOPMENT NOW

Mr. PROXMIRE. Mr. President, why does it make a difference if the superpowers proceed with their antisatellite technology? First and above all, it means the nuclear arms race continues. It also means the antisatellite superpower competition now extends the arms race into space with a vengeance. So what's wrong with that? Why will we, with our far better technology not win the antisatellite arms race? Well, we will not. Here we have a race in which there can only be losers. Consider: what is the most critical ingredient in any arms control agreement?

It is that both sides be able to verify compliance, so that they know whether the other side is cheating. Each side should have confidence that it can determine whether the adversary is in fact complying with the arms control treaty or violating it.

How do we determine whether we and the Soviets can verify the arms control agreements already reached and that we hope to reach in the future? One kind of equipment and only one is quintessential for verification of arms control on which we can rely. What is it? It is satellite observation. Here is a technology that provides truly magical observation of any significant production or deployment of nuclear weapons by either superpower.

As expert and experienced an authority as William Colby, the former head of the Central Intelligence Agency, has testified to the Senate Appropriations Committee as recently as this year that satellites provide far and away our prime source of reliable intelligence on the Soviet record of compliance with arms control treaties. On the basis of the Colby testimony and other evidence, this Senator concludes that if both superpowers develop an antisatellite capability, we can virtually kiss off arms control.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

If an opponent of arms control wanted to develop a technology that would surely kill arms control, the antisatellite program would be it. Here is why: Obviously, an antisatellite technology that worked would make verification of arms control agreements by both sides highly vulnerable. We could almost certainly not enter into future arms agreements because verification could disappear instantly with the destruction by the Russians of our verification satellites. Why is the administration insisting on pursuing this destructive policy? The answer is simple. The administration believes American antisatellite technology is vastly superior to Soviet technology. Is it? Absolutely. The administration believes that the United States will develop a far superior technology well before the Russians do. That technology will give this country a clear advantage over the Russians.

Is this a race we cannot lose. Think about it. We will have the capability of destroying Soviet reconnaissance satellites no matter how high their altitude or how sophisticated their construction. But will we win? No way.

Here is a race we cannot win. Both superpowers are sure to be losers. Here is why. In the case of just about every nuclear weapon, the United States makes the first breakthrough. We did, for example, with the multiindependently targeted reentry vehicles or MIRV's that enabled this country to achieve a spectacular weapons breakthrough. The United States was first, No. 1, in the race that enabled us to arm missiles with several warheads on every missile. That break-through swiftly permitted a vast increase in nuclear power and on the cheap. We zoomed ahead of the U.S.S.R. with this technology. But did we win or did we lose? Within a very few years the U.S.S.R., too, mastered the MIRV technology. When they did they found it even more advantageous. Because of the greater size and throw-weight of the Soviet missiles than U.S. missiles they could deploy more warheads per missile than we could. So what was the consequence of this "winning" arms race? Our technological breakthrough armed both sides with new, more devastating nuclear weapons. The United States lost its advantage. Both superpowers became losers. Sure, both ended up with greater nuclear power. But because each adversary was more destructive and more dangerous than before, each superpower lost a big measure of security.

Our vigorous pursuit of an antisatellite technology and our success in achieving it will truly and surely drive a spike into the heart of arms control for another reason. Suppose the fondest dreams of the antisatellite proponents come true. Suppose we soar ahead of the Soviet Union and stay ahead. Won't that be a triumph? No. Why not? Well, think about it. What would be our reaction if the Soviet Union developed and lead in antisatellite capability?

Suppose they could at will destroy our quintessential verification instrument and we could not kill theirs. Would we enter into new arms control agreements that would inevitably have to depend on satellites for verification? Of course not. So, will the Soviets agree to further arms control agreements if we nullify their satellites? No way. In fact, if we proceed with antisatellite research the Soviet Union might renounce most of the arms control agreements now in effect on the grounds that they cannot in the future expect to be able to verify them. So, is our antisatellite program a sure loser? Absolutely.

HIRELINGS AND ACCOMPLICES

Mr. PROXMIRE. Mr. President, the Congressional Coalition for Soviet Jews has shown a documentary I would recommend to anyone concerned about human rights. This documentary, "Hirelings and Accomplices," is an excellent example of the virulent anti-Semitic propaganda the Soviet Union has been issuing under the guise of anti-Zionism. The title alone explains a great deal about the level of this propaganda.

The Soviet Union has been pursuing policies which seem to be designed to destroy the last remaining remnants of Jewish culture in the U.S.S.R.

Emigration to Israel has dropped drastically over the past few years, from a high of 50,000 in 1979 to less than 1,000 last year. The KGB has threatened persons requesting to emigrate and has even placed some in psychiatric hospitals. Over 20,000 Jews have applied to emigrate and have been refused. Some families have been waiting as long as 10 years. Who knows how many wish to emigrate but are afraid to apply?

The Soviet Union's most concentrated effort has been against Hebrew teachers in an attempt to eliminate Jewish culture and education. Soviet authorities have arrested Hebrew teachers, sent them to labor camps, and even tortured them. The police and other authorities have planted drugs and weapons on teachers in an effort to discredit them. Many teachers have been fired from their jobs and, when they can't find work, they are arrested for "parasitism."

The United States should condemn this systematic destruction of Jewish culture. The U.S.S.R. has ratified the Genocide Convention, yet violates it; the United States follows its tenets but has not ratified the treaty.

Let us condemn the Soviets from equal moral ground. Let us ratify the Genocide Convention.

MYTH OF THE DAY

Mr. PROXMIRE. Mr. President, a powerful myth sometimes stalks this body—the idea that we should be part-time legislators. Our real interests should be with our farms, law practices, businesses or whatever we did before being elected to this body. Our Senate work would be best approached as though we were skilled amateurs.

What makes this myth so attractive is that it has a grounding in American history. Thomas Jefferson was not only a great President but also a farmer. Whenever he was in Washington, he always wanted to return to his native Virginia.

That view of Jefferson—the skilled amateur—has a continuing hold on our imaginations. But is it a realistic view of Jefferson, even during his time, and does it apply to today's world—a far different place.

To begin with, politics, a very practical politics, were never far from Mr. Jefferson's mind. He extolled the virtues of agriculture not only because he loved to farm but also because small farmers were an important constituency.

During his time, he could best advance his political interests by being away from Washington. But he wrote letter after letter explaining his politics, justifying his position on the issues. Those letters were as effective a political instrument as this country has ever seen.

Such an approach would fail today. In Jefferson's time, the Nation had a population about the size of a medium-sized State today. Where Jefferson could speak to one person, today's politician must reach 50. Working with newspapers and television—the media—has allowed us to adjust to this exploding population.

Mr. President, one other hurdle stands in the way of a part-time legislator—conflict of interest. In Jefferson's day, society was simple and so was the Government. Even so, many a part-time legislator was up to his neck in scandal. In fact, if we apply today's standards, many of the Founding Fathers were truly founding finaglers.

Imagine the potential for scandal today. What lawyer, what businessman, what farmer can do business today without an intimate involvement with the Federal Government? Who would believe that the part-time legislator was voting for the public good and not for his private interest?

Mr. President, like it or not, we have a big, complicated, far-reaching Government to go along with our big, complicated society. And we need full-time legislators to oversee a full-time Government.

Mr. President, I yield the floor.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business not to extend beyond 11 a.m., with statements therein limited to 5 minutes each.

MRS. DESSIE DEAN PITTS—A ONE-OF-A-KIND TEACHER

Mr. THURMOND. Mr. President, the Greenwood Index-Journal of Greenwood, SC, and the Edgefield Citizen News of Edgefield, SC, recently carried an editorial in tribute of a one-of-a-kind teacher, the late Mrs. Dessie Dean Pitts.

This fine individual is to be remembered and commended for her selfless efforts and dedication to her students, church, and community. It is refreshing to know that she touched so many lives in her 91 years, and not only left a positive imprint, but inspired many to enjoy and benefit from the educational experience.

Mr. President, I ask unanimous consent that the following editorial be printed in the RECORD as a tribute to this great American.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Greenwood Index-Journal, Greenwood, SC, and the Edgefield Citizen News, Edgefield, SC]

ONE-OF-A-KIND TEACHER

(The following editorial from the Greenwood Index-Journal is of interest to many people, particularly in the Johnston area where Mrs. Pitts was a teacher for a number of years. She also lived a goodly number of her retirement years in Johnston, was a member of St. John's Lutheran Church, and made many friends among those of a later generation as well as renewing friendships and associations that went back to earlier times before she left for other fields.)

Mrs. Dessie Dean Pitts was special. When she died here recently at age 91, she left her imprint on the lives of many.

That imprint was all positive. She had a good word for everyone with whom she came in contact. And they were many during the half century of teaching in Ninety Six, Saluda, Johnston, Orangeburg and Erskine College.

In today's world, when there's so much discussion about the qualifications of teachers, it's a joy to note how "Miss Dessie" approached her profession. She received numerous honors, but none to compare with the pleasure she got from helping her students. Shortly after her retirement she wrote, "Really it seems presumptive for me to try to present a data sheet. To teach so many years and enjoy every day of it, and to love every student as a special individual, reaching for some kind of goal in life, is to create memories that bless one's days of retirement. The teacher loses herself in every success of the young men and women. One's only success is the student's achievement."

Those are refreshing words. But they weren't merely words to Miss Dessie . . . they were a way of life. She backed them up, too, by giving of herself and all the finances she could muster for scholarships.

She was truly one of a kind. Always finding a positive word for everyone and everything is a rare quality that's rarer to find in today's world. She did indeed create memories to bless her retirement. She also created good memories for those students who benefitted from her caring.

NATIONAL 4-H WEEK

Mr. ANDREWS. Mr. President, last week during our continuing discussions on the debt ceiling, a special event inadvertently passed by, so today I rise in honor of the 85th anniversary of the founding of one of our Nation's most creative, forward-looking organizations, the 4-H. 4-H has become the model of harmonious interaction between the private sector, educators, individuals, and the Government in an effort to better the lives of both the community and its people.

4-H was founded in 1900 and currently has a nationwide membership of 4,979,846 individuals. Almost every rural and urban county in the United States, the District of Columbia, Puerto Rico, Guam, and the Virgin Islands has a 4-H program. In this broad spectrum, there is amazing interaction between the Extension Service of the U.S. Department of Agriculture, State land-grant universities, and counties.

The four H's stand for head, heart, hands, and health. This pledge should be the motto of every youth and adult in our nation. It reads:

I pledge
my head to clearer thinking
my heart to greater loyalty
my hands to larger service,
and
my health to better living
for my club, my community, and my country.
for my club, my community, my country, and my world.

These words ring true for Americans of all ages—to strive to improve one's mental, physical, and moral strength, not only for themselves, but for their community and world as well. This is truly a noble goal. Through this experience, young people by the millions are learning how to be competent, productive citizens in an ever-changing world.

In North Dakota, my home State, many of our young people have grown both spiritually and emotionally with the help of 4-H. Melissa Tronson of Hillsboro has served faithfully in the 4-H and now participates in an ambassadorship program. As an ambassador, Melissa serves as the youth representative on the North Dakota Board of Higher Education. With her training, she is helping to ensure that 4-H'ers and other young people have the opportunity to expand their minds as the pledge encourages them to do.

Two other North Dakotans, Jeff Willer of Gladstone and Randi Larson of Grand Forks, have taken 4-H fundamentals and carried them abroad. Jeff Willer has recently participated in the InterAmerican Rural Youth Conference. He conveyed the virtues taught by 4-H to an international group in a conference of representatives from the Americas and Spain. In similar fashion, Randi Larson participated in an exchange program that took her to Japan. Both of these young people have diligently completed one of the most significant requirements of their pledge—they have shared their knowledge with peoples of other countries in an effort to build a better world.

There are numerous other self-improvement and community programs offered by the 4-H. For example, in 1983, there were 9,214,111 young people enrolled in 4-H projects; most young men and women were enrolled in an average of two projects per member. The nature of these projects range from animal and poultry husbandry, energy, citizenship and community involvement, and individual and family resources.

Through this training, 4-H has guided several generations to a better understanding of themsevles, their community, and their society. Only with a better, clearer understanding of ourselves and others can we expect to improve our ties with the world community. This to me is the greatest contribution of the 4-H.

ANNUAL 8TH AIR FORCE REUNION

Mr. DOLE. Mr. President, the veterans of the 8th Air Force will be celebrating their 11th annual reunion in Wichita, KS, October 17-20. This is an especially exciting reunion because it coincides with the 50th anniversary of the Boeing B-17 Flying Fortress.

I am pleased to include a brief history of the 8th Air Force from the 8th Air Force Historical Society:

The Eighth Air Force was constituted in the U.S. Army Air Forces on 19 January 1942. The 8AF was activated on 28 January 1942 in the Chatham Armory, 1108 Bull Street, Savannah, Georgia (Hunter Field). Colonel Asa N. Duncan was named the first commander.

In World War Two, the 8th Air Force became the greatest air armada of any country in any war, reaching a total strength of nearly 200,000 persons by mid-1944. By conservative estimate, it is believed that more than 350,000 Americans served in the 8AF in the three years of that war in Europe. At peak strength, the 8AF could put up more than 2,000 four-engined bombers and more than 1,000 fighters on a mission. For these reasons the 8AF has become known as The Mighty Eighth.

Half of the casualties in World War Two were suffered by the 8AF (over 47,000 casualties including more than 26,000 dead). Seventeen Medals of Honor were awarded to 8AFers in WWII. By war's end, 8AFers were awarded a number of other medals: 220 Distinguished Service Crosses, 850 Silver Stars, 7,000 Purple Hearts, 46,000 Distinguished Flying Crosses, and 442,300 Air Medals.

Many more awards were made after the war. They remain uncounted. There were 261 fighter aces in the 8AF in WWII. 31 of them had more than 15 aircraft kills.

The 8AF has continued in active service, with its units serving in every armed conflict the USA has faced since WWII. It is estimated that 650,000 persons have been assigned or attached to the 8AF since WWII. It presently consists of most of the Strategic Air Command units in the eastern half of the USA, plus Greenland, England, Germany and Turkey. The headquarters is located at Barksdale AFB, Shreveport, Louisiana. About 50,000 persons are presently assigned to the 8AF. 8AFers fly B-52's, FB-111's, tankers, reconnaissance and command-and-control aircraft. Titan, Minuteman and Air-Launched Cruise Missiles are also in the 8AF arsenal. Without doubt, the 8AF remains the most powerful air striking force in the world.

I know I speak for my colleagues in wishing the nearly 3,000 veterans gathered in Wichita for the 8th Air Force reunion a successful meeting. We must never lose sight of the tremendous debt owed to our Nation's veterans.

INNOCENT UNTIL PROVEN GUILTY

Mr. METZENBAUM. Mr. President, the October 14 issue of U.S. News & World Report magazine contains an interview with Attorney General Edwin Meese in which Mr. Meese asserts a philosophy of criminal justice that is shocking to anyone who believes in our system of constitutional government.

One of the first things that an elementary school child learns about the U.S. system of government is that all persons are considered innocent of a crime until proven guilty.

It is the rock on which our system of justice rests.

But Mr. Meese has his own theory of justice.

In the interview, Mr. Meese was asked:

You criticize the *Miranda* ruling, which gives suspects the right to a lawyer before police questioning. Shouldn't people, who may be innocent, have such protection?

Here is his amazing answer:

Suspects who are innocent of a crime should. But the thing is, you don't have many suspects who are innocent of a crime. That's contradictory. If a person is innocent of a crime, then he is not a suspect.

Mr. Meese goes on to say that he opposes the Supreme Court's Miranda decision because it prevents police "from talking to the person who knows the most about the crime—namely, the perpetrator."

That is the new "Meese system of justice"—you are guilty until proven innocent.

This would be troublesome if it was uttered by any member of the legal profession. It would be offensive if said by any public officeholder. For that matter, it would be of concern if stated by any private citizen.

But for the Attorney General of the United States to hold to such a code of criminal justice is irreconcilable with the oath of office for that position.

Mr. Meese owes the Nation, the administration, his legal profession, and the American people not only an apology for making such an outrageous statement, but also must give an unqualified assurance that "innocent until proven guilty" remains as the hallmark of justice in this country.

Mr. President, I ask unanimous consent that the text of the Meese interview in U.S. News & World Report be printed in the RECORD, along with editorials from the October 8 edition of the New York Times and the October 9 edition of the Los Angeles Times regarding the interview.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REAGAN SEEKS JUDGES WITH "TRADITIONAL APPROACH"

[Interview with Edwin Meese, Attorney General of the United States]

Q. Mr. Attorney General, what are the factors that this administration considers in selecting a federal judge?

A. Our objective is to find people of the highest quality, and this includes, obviously, intellectual ability, experience on the bench or in law practice and the highest standards of integrity. We also want people who have what we consider to be a proper judicial approach to the bench—that is, an understanding that the function of a judge is to interpret the law, not to make the law.

Q. Could someone who advocates a woman's right to an abortion be named a judge by this administration?

A. I doubt we would ask a candidate about how he or she would rule on a particular case or disqualify someone based on that person's view of a narrow issue. We are not trying to influence the administration of justice or individual cases beyond insuring we have people who have a traditional approach to the judiciary.

Q. Critics say the Supreme Court has established a sound Constitutional basis for rulings on abortion, affirmative action and religion. Why re-examine these rulings?

A. Most decisions of the Supreme Court are relatively new in these categories. They're not settled law, because cases in these areas keep coming up time and time again. Also, in these issues the Supreme Court has gotten itself involved in matters that previously had been left primarily to the legislative branch, including legislative branches of states. That's why we have a problem, for example, with *Roe v. Wade.* Even if it did not relate to abortion at all, the case, we feel, is wrongly decided because it usurped both a legislative function and a function that has traditionally been handled by the states.

We have taken a strong position that government should not get involved in matters of religion. This stance does not prevent government from doing such things as giving special educational assistance to church-affiliated schools, when such aid is available to all private shcools. To do otherwise would discriminate against schools sponsored by religious organizations.

Q. Didn't you label as "racist" court rulings that order school busing and endorse job quotas giving preferences to minorities?

A. I never said that. What I said was that job quotas that discriminate against any person on the basis of race or gender are wrong. The Supreme Court has held that way, so I was commending the Supreme Court for that. The only thing I've said about busing is that almost everyone now agrees that busing has been an ineffective and often counterproductive tool for achieving integration.

Q. You criticize the Miranda ruling, which gives suspects the right to have a lawyer present before police questioning. Shouldn't people, who may be innocent, have such protection?

A. Suspects who are innocent of a crime should. But the thing is, you don't have many suspects who are innocent of a crime. That's contradictory. If a person is innocent of a crime, then he is not a suspect.

The Miranda decision was wrong. We managed very well in this country for 175 years without it. Its practical effect is to prevent the police from talking to the person who knows the most about the crime—namely, the perpetrator. As it stands now under Miranda, if the police obtain a statement from that person in the course of the initial interrogation, the statement may be thrown out at the trail. Therefore, Miranda only helps guilty defendants. Most innocent people are glad to talk to the police. They want to establish their innocence so that they're no longer a suspect.

Remember, Miranda has nothing to do with coercive or abusive police tactics. Those are outlawed by other cases. So it only has to do with the normal questioning of suspects, the people who have information about a crime.

Q. Is the government being tougher on the poor and disadvantaged than on corporate executives?

A. No. We have prosecuted more individuals for white-collar crime, as well as more corporations, than in any other period in recent history. So far as I know, the only case where we were not able to prosecute individuals was in the E.F. Hutton check-kiting case. No high corporate officials were involved in that case, and prosecutors and the investigators had to grant immunity to several others in order to determine the details of a very complex operation.

Q. By seeking to end the Legal Services Corporation, aren't you blocking the needy from access to the justice system—

A. We have continued to be vigilant in protecting the needs of the poor, but we were faced when we took office with tremendous abuses by the Legal Services Corporation, such as illegal lobbying, as well as class-action suits that primarily benefits specific political groups or political causes. Much of that has been cleaned up by more-effective management of the Legal Services Corporation and new regulations. I'm a great advocate of the concept of providing legal services to the poor, but the Legal Services Corporation through the years hasn't been doing that job in a cost-effective and capable way. The money that goes to Legal Services could be better used by bar associations and law schools to expand their own legal-aid programs for the poor.

Q. What lasting impact will this administration have on the nation's system of justice?

A. First of all, we think our communities will be safer from crime. Secondly, I would hope that we would be able to make a major advance against drug trafficking, not only be effective enforcement actions but also by public-information programs aimed at re-

ducing the demand for narcotcis. I also hope that we will be known as an administration that protected constitutional values and restored meaning to the concept of federalism, separation of powers and religious liberty. Finally, I hope we will have appointed the best possible judges to enhance the entire judiciary.

[From the New York Times, Oct. 8, 1985]

VERDICT NOW, TRIAL LATER

Attorney General Edwin Meese has a vision of justice that would eliminate court backlogs and facilitate the cumbersome process of deciding guilt and innocence. It would even end argument about innovative versus strict-constructionist judges—by eliminating judges altogether. Let the police adjudicate, Mr. Meese says. Consider this exchange in the current U.S. News & World Report:

Q. You criticize the Miranda ruling, which gives suspects the right to have a lawyer present before police questioning. Shouldn't people, who may be innocent, have such protection?

A. Suspects who are innocent of crime should. But the thing is, you don't have many suspects who are innocent of a crime. That's contradictory. If a person is innocent of a crime, then he is not a suspect.

From this strange perception flows the Attorney General's further wisdom: Miranda's practical effect is "to prevent the police from talking to the person who knows the most about the crime—namely, the perpetrator. . . . Miranda only helps guilty defendants."

In the 1966 case of Miranda v. Arizona, the Supreme Court ruled that arrested suspects are entitled to warnings of their rights to silence and a lawyer. The police are not prevented from talking to suspects who know they have those rights and voluntarily waive them. Mr. Meese fears that some suspects will learn that they have those rights.

"We managed very well in this country for 175 years without it," says Mr. Meese. Americans have had a constitutional privilege against forced self-incrimination for two centuries, but it took a long line of cases, culminating in Miranda, to make it available to everyone. Enforcing that privilege undoubtedly frees a few guilty persons, but it benefits all Americans by elevating police practices and deterring interrogation and arrest on mere suspicion.

The classic police warning that "anything you say may be used against you," familiar to everyone who has seen a television arrest, was part of America's ideal of justice long before the Supreme Court made it legally binding. The Miranda rule has not seriously inhibited police work. Even those who think it does would be ashamed of the Attorney General's concept of justice.

[From the Los Angeles Times, Oct. 9, 1985]

MARSHAL MEESE

Atty. Gen. Edwin Meese III seems to go out of his way to demonstrate his unfitness for the high office he holds. Virtually everything he says in public about legal issues flies in the face of good sense, accepted jurisprudence and the American system of government.

Meese's latest foray into absurdity appears in an interview in this week's issue of U.S. News & World Report. He was asked to explain his opposition to the Supreme Court's Miranda ruling, which requires that before the police question a suspect, they must advise him of his right to have a lawyer and to remain silent. Meese was asked, whether a suspect, who may be innocent, shouldn't have that protection. He replied:

"Suspects who are innocent of a crime should. But the thing is, you don't have many suspects who are innocent of a crime. That's contradictory. If a person is innocent of a crime, then he is not a suspect."

If it weren't the attorney general speaking, this would be a joke. In fact, there is such a joke: Everyone who is arrested is guilty or he wouldn't have been arrested. But coming from the attorney general, this view evokes more tears than laughter. Surely it is beyond the pale for the nation's highest legal officer to say such things or even to think them. It is an outrage against the rule of law for anyone so insensitive to the basic principles of American justice to run the Justice Department.

Hasn't he heard of "innocent until proven guilty?" Apparently not. His view is guilty until proven innocent, and he also wants to limit the ability of an accused person to mount a defense in the first place. Following Meese's logic would mean doing away with trials. What's the point in all that rigmarole if we know from the outset that suspects are guilty or they wouldn't be suspects?

Meese has said many other nonsensical things recently. He opposes the exclusionary rule; he opposes applying the Bill of Rights against the states; he opposes a strict separation of church and state. All of these positions are bad enough. But the latest takes the prize. This man is a menace to the administration of justice and an embarrassment to the ideal of "Equal Justice Under Law."

Mr. METZENBAUM. Mr. President, I would like to read separately into the RECORD the last line of the Los Angeles Times editorial of October 9, 1985.

This man is a menace to the administration of justice and an embarrassment to the idea of "equal justice under law."

CONGRATULATIONS TO REV. C. DENNIS EDWARDS

Mr. BUMPERS. Mr. President, this Sunday, October 20, marks the 17th anniversary of distinguished service at St. John's Missionary Baptist Church in Little Rock for Rev. C. Dennis Edwards. Reverend Edwards has spent 17 of his 37 years as pastor of St. Johns, a congregation 1,200 strong. He is a remarkable man who is a living example of the Biblical admonitions to love the Lord with all your heart and love your neighbor as yourself.

Reverend Edwards is widely loved, admired, and respected in his community and throughout Arkansas. In addition to tending to the spiritual needs of his congregation at St. Johns, he is president of the Greater Little Rock Baptist Pastor's Conference, which under his direction raised $21,000 this year to aid the people of Ethiopia. The conference worked closely in this project with the 6 million member National Baptist Convention, U.S.A. Reverend Edwards has also found time to serve on the board of the Criminal Justice Ministry, as an instructor for the Union District Association Sunday School and Baptist Training Union, and as a member of the board of directors of Madison Guaranty Savings & Loan.

It is truly an honor and privilege for me to take this time to congratulate Reverend Edwards on this occasion and to commend him for his fine and effective work in the community and State. I wish him Godspeed, and he will be in my thoughts and prayers.

TRIBUTE TO MR. EDWARD DONLEY

Mr. SPECTER. Mr. President, I would like to recognize a fellow Pennsylvanian, a leader both in the business community of my State and the Nation as a whole, who will be honored tomorrow with a special award. Edward Donley, chairman and chief executive officer of Air Products & Chemicals, Inc., based in Allentown, PA, will be recognized as a top business leader and manager by the Pennsylvania Chamber of Commerce during its annual day in Washington, DC.

Edward Donley stands out as casebook example of business success. He joined Air Products in 1943 following his graduation from Lawrence Institute of Technology, where he received a bachelor of mechanical engineering degree. Rather than climbing the normal corporate ladder, Mr. Donley leapt upwards, being elected a director in 1957, president in 1966, chief executive officer in 1973, and chairman in 1978.

Mr. President, under Mr. Donley's guidance, Air Products now represents a model of industry success. It is one of America's largest companies, responsible for much technological innovation, providing many products at home and abroad, and employing thousands of persons.

At the same time, Mr. Donley has been active in many community organizations, including the U.S. Chamber of Commerce. Mr. Donley was elected a member of the U.S. Chamber's board of directors in 1982 and to vice chairman in 1985. I have every expectation that he will be selected to lead the chamber next year.

The U.S. Chamber of Commerce, as the world's largest federation of companies, chambers of commerce and trade/professional associations, is one of the principal groups speaking for the American business community. More than 85 percent of the members are small firms with fewer than 100 employees. Yet, virtually all of the Nation's largest companies are also active members.

The mission of the chamber is to "advance human progress through an economic, political and social system based on individual freedom, incentive,

initiative, opportunity, and responsibility."

After analyzing economic and social problems that are national in scope, the chamber seeks ways of resolving them by making optimum use of the free enterprise economic system and, through its membership, works to put its resolutions into effect.

It informs Congress and the administration of the views and recommendations of the business community on important legislative issues and government policies, showing why these views and recommendations are sound and in the public interest.

While the chamber's major activities are domestic, its international reach is substantial as well. The organization believes that global economic and business interdependence provide greater opportunity for all.

In recognition of this, Mr. Donley has undertaken great efforts to study America's competitiveness in the global economy. The chamber is now seeking different ways in which U.S. companies can secure greater and greater foreign markets—increasing employment at home and ensuring realistic value of our dollars. Mr. President, I am sure you and all of our colleagues applaud him in this effort.

Justly, Mr. Donley's many accomplishments have not gone unrecognized. The numerous degrees he has been awarded include a doctor of industrial management from Lawrence Institute of Technology; doctor of laws from Lehigh University and Allentown College; doctor of commercial science from Villanova University; doctor of humane letters from Muhlenberg College; and doctor of science from Cedar Crest College.

A member of the Economic Club of New York, Mr. Donley has received a number of professional and civic awards, including the Chemical Industry Medal Award by the Society of Chemical Industry, Allentown-Lehigh County Chamber Distinguished Service Award, Distinguished Pennsylvanian Award, Lawrence Institute of Technology Alumni Achievement Award, and the Commercial Development Association Man of the Year Award.

Mr. President, it is with great pride that I join with the Pennsylvania Chamber of Commerce in honoring Mr. Donley and wishing him continued success in these important endeavors which so vitally affect Pennsylvania and America.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEATH OF FORMER GOV. PAUL JOHNSON, JR., OF MISSISSIPPI

Mr. COCHRAN. Mr. President, during this weekend Mississippi lost one of its outstanding citizens when former Gov. Paul Johnson, Jr., died.

Governor Johnson served as Governor of our State during a period of its most turbulent history. He was chief executive of our State from 1964 to 1968. He had served as Lieutenant Governor during the previous administration of former Gov. Ross Barnett.

Governor Johnson came to office at a time when there were those who were seeking to dominate our State through the use of violence, intimidation, fear, and hatred. But because of his calm and confident leadership, our State overcame the turbulence of that era; and he led us into a new era of pride, growth, and of economic progress, for which we all in Mississippi are very grateful.

Of course, he did not do this by himself. There were many who contributed to the new image that our State began to enjoy during that period. But his leadership was very, very important.

To me, Mr. President, Governor Johnson was not only a personal friend but a friend of my family's, and he and his wife had been our friends for many years.

In thinking back over some of the experiences I had as a young boy growing up in Mississippi, I could not help but recall yesterday as I was calling the family to extend my condolences, that it had been in 1951 in Governor Johnson's first race for Governor that I first became active in a political campaign. I recall my mother, who was a very close friend of Dorothy Power Johnson, the widow of Governor Johnson, assuming the responsibility for canvassing some of the towns and communities in our county in behalf of the Johnson candidacy. We folded up newspapers that had been published by the campaign entitled "Election Truths," and we passed those out door to door in Utica, Raymond, in the community of Learned and in our own community of Byram. All of these communities are in Hinds County, MS.

Paul Johnson was defeated in the Democratic primary for Governor in 1951 and again in 1955. But he was eventually elected Lieutenant Governor in 1959, and then became Governor in the election of 1963.

There were many who assumed that his Governorship would be characterized by more of the same—intransigence, efforts to frustrate progress in racial relations, and sluggish economic development. As it turned out, however, his service was very progressive. His administration was characterized by calm, progressive leadership.

During his term of office and with the cooperation of the members of the State legislature, he created the State's research and development center, which is located in Jackson. The Agricultural and Industrial Board was begun, along with the Board of Economic Development, both of which were designed to attract industry, to help create new jobs, and they did.

I suppose the centerpiece for economic development in that period, Mr. President, was the legislative work and contract negotiations that culminated in the locating and constructing of the "shipyard of the future" in Pascagoula, MS, by Litton Industries. It is now know as the Ingalls Shipbuilding Division of Litton Industries and is one of the Nation's most modern, well equipped shipyards.

As Members of the Senate know, it constructs some of the best ships for our Navy, and enjoys one of the best reputations of any shipyard in the United States.

It was because of Paul Johnson's leadership and his ability to work with others to get things done that brought together the legislative leaders, businessmen and women, both with Litton Industries and in our State of Mississippi, and locally elected officials, to put together a legislative package and a group of contracts and agreements that made it possible for our State to be the home of this great manufacturing enterprise. It is our State's largest single employer today.

I recall, too, that in spite of some criticism in the legislature, Governor Johnson urged that we establish in our State a statewide educational television system that would be owned by the State and operated by the State. Today there is located at the site of the research and development center, which was also created in his administration, the educational television system that was the first to have statewide coverage of any educational television system in the United States. It actually became a statewide system during the administration of former Gov. John Bell Williams.

Incidentally, my father had the pleasure and honor of serving as chairman of the Educational Television Authority under the administration of Governor Williams when that system became operational statewide.

It was a pleasure for me just recently, on the occasion of the dedication of the Federal Courthouse in Jackson, MS, to former Senator James O. Eastland, to be with Governor and Mrs. Johnson. I am so happy I got to see them that day. I will remember Governor Johnson always as a person of strong character, commitment, and courage as a political leader. He was also a person of great warmth, person-

al charm, and wonderful ability as a speaker.

I join with his many friends throughout the State of Mississippi today in wishing comfort for the family of Gov. Paul Johnson, his lovely wife, Dot, and his three children as well, our good friends.

Mississippi has truly lost one of its great leaders.

Mr. President, I ask unanimous consent that articles from the Jackson Daily News of Jackson, MS, and the Washington Post concerning the death of former Gov. Paul Johnson be printed in the RECORD immediately following my remarks on that subject.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

FORMER GOVERNOR OF MISSISSIPPI—PAUL B. JOHNSON JR.

Former Gov. Paul B. Johnson Jr., who led Mississippi through the often-violent civil rights conflicts of the mid-1960s, died early today at Forrest General Hospital in Hattiesburg of apparent cardiac arrest. He was 69.

Johnson, son of the former Gov. Paul B. Johnson Sr., served as the state's 54th chief executive from 1964 to 1968.

Johnson was brought to the hospital from his Hattiesburg home Sunday night and died about 12:30 a.m., officials said. Officials said Johnson has suffered a stroke several years ago and had been in ill health and in a wheelchair for some time.

"In his passing, Mississippi has lost one of its most outstanding sons. It was my privilege to serve in state government for about 44 years, and I can truly say he rendered excellent service to the people of Mississippi while he was governor," said former Secretary of State Heber Ladner, who was in office during Johnson's 1964-68 term.

Johnson, born Jan. 23, 1916 in Hattiesburg where he lived most of his life, started his political career as the only sophomore elected student body president at the University of Mississippi.

He married his Ole Miss sweetheart, Dorothy Power, in the governor's mansion in 1941 during the term of his father. They had three children.

Armed with a law degree from Ole Miss, Johnson practiced law in Jackson and Hattiesburg and from 1948 to 1951 served as assistant U.S. attorney for the Southern District of Mississippi.

Johnson enlisted in the Marine Corps shortly after the Japanese attack on Pearl Harbor and rose from the rank of private to captain, having an outstanding combat record in the South Pacific. He later earned the rank of major in the Marine Corps Inactive Reserve.

In 1959, Johnson was elected lieutenant governor in the first primary and served under former Gov. Ross Barnett.

In the 1963 run for governor, Johnson defeated former Gov. J. P. Coleman and Republican Rubel Phillips with the help of the slogan "Stand Tall With Paul." The slogan referred to Johnson physically blocking James Meredith from integrating all-white Ole Miss in September 1962.

The lanky Johnson stood head and shoulders above Meredith, keeping him from entering the admissions building before Barnett arrived.

Johnson mellowed on his racial stance once assuming the job of governor. "Hate or prejudice will not lead Mississippi while I sit in the governor's chair," he said in his inaugural address.

Johnson was responsible for steering the state through much-needed industrial and agricultural growth. More than 500 new or expanded industries located in the state, creating more than 40,000 new jobs during his term in office.

Johnson is also remembered for his role in locating the multimillion-dollar Ingalls Shipbuilding yard at Pascagoula.

His record reflected his campaign promises of economic growth through industry and research and development. Johnson helped create the state's Research and Development Center, the Agricultural and Industrial Board, now the Board of Economic Development, and expanded the role of the state Marketing Council.

Johnson's administration saw the development of the state parks system, the construction of the Sillers and Gartin state office buildings in Jackson, and the creation of the Air and Water Pollution Control Committee.

In much-disputed moves, the former governor proposed consolidating counties to streamline state government. He also attempted to create a powerful state police force in 1964 to combat racial disorder.

Johnson persuaded the legislature to remove voting restrictions on blacks before the federal Voting Rights Act of 1965 was passed into law. Johnson also urged the FBI to pursue the Philadelphia civil rights murders through federal court, knowing state courts would produce no substantial results.

"In my opinion, he made a mighty fine governor. He was the son of former governor. That put an extra burden on him to do well as a governor. I feel a great loss," said Hinds Circuit Judge Charles T. Barber, who had known Johnson for almost 40 years and was appointed to his first judgeship by him.

"He was a man of his word," Barber said. "If he told you something, you could bank on it. He didn't let politics get in his way."

"Any man's death diminishes me. I'm sorry that he's dead," said state NAACP President Aaron Henry of Clarksdale.

Attorney General Ed Pittman, who served in the Mississippi Senate during Johnson's term, said the death is "a tremendous loss for the state and his family."

He said the former governor was proud of his economic developments for the state but it should also be remembered that "Johnson served during the difficult civils rights era, Johnson kept the peace."

Survivors include his wife, Dorothy Power, sons Pual "Chipper" B. Johnson III and Shelby V. Johnson of Hattiesburg, daughter Patricia Ross of the Gulf Coast, sister Peggy H. Segrest of Athens, Ala., and great aunt Mary Venable of Hattiesburg.

EX-MISSISSIPPI GOV. PAUL JOHNSON

HATTIESBURG, MISS.—Paul B. Johnson Jr., 69, a former governor of Mississippi whose moderate policies were credited with a decrease in violence tied to racial desegregation, died Oct. 14 at a hospital in Hattiesburg, Miss., after an apparent heart attack. He lived in Hattiesburg.

A Democrat and son of former governor Paul B. Johnson Sr., he was the state's chief executive from 1964 to 1968 after serving a term as lieutenant governor during the administration of Ross Barnett.

Gov. Johnson's approach was credited with ending violence that had marked the middle years of the civil rights struggle. He deplored violence and chose "Pursuit of Excellence" as the theme of his four-year term.

But he was unable to read off violence early in his administration. Nightrider attacks, church burnings and beatings erupted as thousands of civil rights workers flocked to Mississippi from across the nation to join local blacks in what became known as "Freedom Summer—1964," the year Michael Schwerner, Andrew Goodman and James Chaney were killed on a dark and isolated road in Neshoba County.

If his governorship began in days of racial turmoil, it evolved into a time of economic and industrial growth, including approval of a $130 million bond issue to finance a major expansion of Ingalls Shipyard in Pascagoula.

Gov. Johnson was a graduate of the University of Mississippi and its law school. He practiced law in Jackson and Hattiesburg and served with the Marine Corps in the South Pacific during World War II before entering politics. He ran losing races for governor in 1947 and for the U.S. Senate in a special election the same year. He then spent three years as assistant U.S. attorney for the southern district of Mississippi.

He also lost gubernatorial bids in 1951 and 1955. He won the post in 1963, defeating Reubel Phillips, Mississippi's first serious Republican gubernatorial candidate of this century.

Gov. Johnson served as a member of the executive committee of the National Governors' Conference and as vice chairman of the Southern Governors' Conference. In 1966, he was elected chairman of the Tennessee-Tombigbee Waterway Authority.

He married his college sweetheart, Dorothy Power, in the governor's mansion in 1941. They had three children.

Mr. COCHRAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

RECESS UNTIL 12:15 P.M.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Senate stand in recess until 12:15 today.

There being no objection, the Senate, at 11:39 a.m., recessed until 12:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mrs. KASSEBAUM].

Mr. BYRD. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. COCHRAN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

AGRICULTURE APPROPRIATIONS, 1986

Mr. COCHRAN. Madam President, I ask unanimous consent that the Senate now turn to Calendar No. 311, H.R. 3037, the Agriculture appropriations bill.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 3037) making appropriations for Agriculture, Rural Development, and Related Agencies Programs for the fiscal year ending September 30, 1986, and for other purposes.

There being no objection, the Senate proceeded to consider the bill (H.R. 3037) making appropriations for Agriculture, Rural Development, and Related Agencies Programs for the fiscal year ending September 30, 1986, and for other purposes, which had been reported from the Committee on Appropriations, with amendments, as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets, and the parts of the bill intended to be inserted are shown in italic.)

H.R. 3037

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for Agriculture, Rural Development, and Related Agencies programs for the fiscal year ending September 30, 1986, and for other purposes; namely:

TITLE I—AGRICULTURAL PROGRAMS

PRODUCTION, PROCESSING AND MARKETING

OFFICE OF THE SECRETARY

For necessary expenses of the Office of the Secretary of Agriculture, including not to exceed $75,000 for employment under 5 U.S.C. 3109, **[**$1,750,000**]** *$5,360,000: Provided,* That not to exceed **[**$8,000**]** *$15,000* of this amount shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary.

[OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

[For necessary expenses of the Office of the Assistant Secretary for Administration to carry out the programs funded in this Act, $484,000.**]**

STANDARD LEVEL USER CHARGES (USDA)

(INCLUDING TRANSFERS OF FUNDS)

For payment of Standard Level User Charges pursuant to Public Law 92-313 for programs and activities of the Department of Agriculture which are included in this Act, **[**$49,454,000**]** *$57,100,000: Provided,* That in the event an agency within the Department of Agriculture should require modification of space needs, the Secretary of Agriculture may transfer a share of that agency's appropriation made available by this Act to this appropriation, or may transfer a share of this appropriation to that agency's appropriation, but such transfers shall not exceed 10 per centum of the funds made available for Standard Level User Charges to or from this account.

BUILDING OPERATIONS AND MAINTENANCE

For the operation, maintenance, and repair of the Washington, D.C. Agriculture building complex pursuant to the delegation of authority from the Administrator of General Services authorized by 40 U.S.C. 486, $17,800,000.

ADVISORY COMMITTEES (USDA)

For necessary expenses for activities of Advisory Committees of the Department of Agriculture which are included in this Act, $1,323,000: *Provided,* That no other funds in this Act shall be available to the Department of Agriculture for support of activities of Advisory Committees.

DEPARTMENTAL ADMINISTRATION

(INCLUDING TRANSFERS OF FUNDS)

For Budget and Program Analysis, $3,796,000; for Personnel, Finance and Management, Operations, Information Resources Management, Equal Opportunity, Small and Disadvantaged Business Utilization, and Administrative Law Judges and Judicial Officer, $15,334,000; making a total of $19,130,000 for Departmental Administration to provide for necessary expenses for management support services to offices of the Department of Agriculture and for general administration of the Department of Agriculture, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department of Agriculture, of which not to exceed $10,000 is for employment under 5 U.S.C. 3109: *Provided,* That this appropriation shall be reimbursed from applicable appropriations in this Act for travel expenses incident to the holding of hearings as required by 5 U.S.C. 551-558.

WORKING CAPITAL FUND

An amount of $6,000,000 is hereby appropriated to the Departmental Working Capital Fund to increase the Government's equity in this fund and to provide for the purchase of automated data processing, data communication, and other related equipment necessary for the provision of Departmental centralized services to the agencies.

[OFFICE OF THE ASSISTANT SECRETARY FOR GOVERNMENTAL AND PUBLIC AFFAIRS

[For necessary expenses of the Office of the Assistant Secretary for Governmental and Public Affairs to carry out the programs funded in this Act, $337,000.

PUBLIC AFFAIRS**]**

OFFICE OF GOVERNMENTAL AND PUBLIC AFFAIRS

For necessary expenses to carry on services relating to the coordination of programs involving public affairs, and for the dissemination of agricultural information and the coordination of information, work and programs authorized by Congress in the Department, $6,758,000, of which not to exceed $10,000 shall be available for employment under 5 U.S.C. 3109, and not to exceed $2,000,000 may be used for farmers' bulletins and not fewer than two hundred thirty-two thousand two hundred and fifty copies for the use of the Senate and House of Representatives of part 2 of the annual report of the Secretary (known as the Yearbook of Agriculture) as authorized by 44 U.S.C. 1301: *Provided,* That in the preparation of motion pictures or exhibits by the Department, this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225).

[LEGISLATIVE LIAISON**]**

For necessary expenses for liaison with the Congress on legislative matters, $495,000.

[INTERGOVERNMENTAL AFFAIRS**]**

For necessary expenses for programs involving intergovernmental affairs, emergency preparedness, and liaison within the executive branch, $467,000.

OFFICE OF THE INSPECTOR GENERAL

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Office of the Inspector General, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), $30,756,000, including such sums as may be necessary for contracting and other arrangements with public agencies and private persons pursuant to section 6(a)(8) of the Inspector General Act of 1978 (Public Law 95-452), and including a sum not to exceed $50,000 for employment under 5 U.S.C. 3109; and including a sum not to exceed $75,000 for certain confidential operational expenses including the payment of informants, to be expended under the direction of the Inspector General pursuant to Public Law 95-452 and section 1337 of Public Law 97-98; and in addition, $15,924,000 shall be derived by transfer from the appropriation, "Food Stamp Program", and merged with this appropriation.

OFFICE OF THE GENERAL COUNSEL

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses, $15,077,000; and in addition, $786,000 shall be derived by transfer from the appropriation, "Food Stamp Program", and merged with this appropriation.

[OFFICE OF THE ASSISTANT SECRETARY FOR ECONOMICS

[For necessary expenses of the Office of the Assistant Secretary for Economics to carry out the programs funded in this Act, $418,000.**]**

ECONOMIC RESEARCH SERVICE

For necessary expenses of the Economic Research Service in conducting economic research and service relating to agricultural production, marketing, and distribution, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627), and other laws, including economics of marketing; analyses relating to farm prices, income and population, and demand for farm products, use of resources in agriculture, adjustments, costs and returns in farming, and farm finance; research relating to the economic and marketing aspects of farmer cooperatives; and for analyses of supply and demand for farm products in foreign countries and their effect on prospects for United States exports, progress in economic development and its relation to sales of farm products, assembly and analysis of agricultural trade statistics and analysis of international financial and monetary programs and policies as they affect the competitive position of United States farm products; $46,305,000; of which not less than $200,000 shall be available for investigation, determination and finding as to the effect upon the production of food and upon the agricultural economy of any proposed action affecting such subject matter pending before the Administrator of the Environmental Protection Agency for presenta-

tion, in the public interest, before said Administrator, other agencies or before the courts: *Provided*, That not less than $350,000 of the funds contained in this appropriation shall be available to continue to gather statistics and conduct a special study on the price spread between the farmer and consumer: *Provided further*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225): *Provided further*, That not less than $145,000 of the funds contained in this appropriation shall be available for analysis of statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis.

STATISTICAL REPORTING SERVICE

For necessary expenses of the Statistical Reporting Service in conducting statistical reporting and service work, including crop and livestock estimates, statistical coordination and improvements, and marketing surveys, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627) and other laws, $59,079,000: *Provided*, That no part of the funds herein appropriated shall be available for any expense incident to publishing estimates of apple production for other than the commercial crop: *Provided further*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $40,000 shall be available for employment under 5 U.S.C. 3109.

WORLD AGRICULTURAL OUTLOOK BOARD

For necessary expenses of the World Agricultural Outlook Board to coordinate and review all commodity and aggregate agricultural and food data used to develop outlook and situation material within the Department of Agriculture, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1622g), $1,680,000: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225).

[OFFICE OF THE ASSISTANT SECRETARY FOR SCIENCE AND EDUCATION

[For necessary salaries and expenses for the Office of the Assistant Secretary for Science and Education to administer the laws enacted by the Congress for the Agricultural Research Service, Cooperative State Research Service, Extension Service, and National Agricultural Library, $371,000.]

AGRICULTURAL RESEARCH SERVICE

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses to enable the Agricultural Research Service to perform agricultural research and demonstration relating to production, utilization, marketing, and distribution (not otherwise provided for), home economics or nutrition and consumer use, and to coordinate and provide program leadership for higher education work of the Department, and for acquisition of lands by donation, exchange, or purchase at a nominal cost not to exceed $100; [$492,806,000] *$501,043,000*: *Provided*, That appropriations hereunder shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $115,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That funds appropriated herein can be used to provide financial assistance to the organizers of national and international conferences, if such conferences are in support of agency programs: *Provided further*, That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed one for replacement only: *Provided further*, That uniform allowances for each uniformed employee of the Agricultural Research Service shall not be in excess of $400 annually: *Provided further*, That of the appropriations hereunder not less than $10,526,600 shall be available to conduct marketing research: *Provided further*, That appropriations hereunder shall be available pursuant to 7 U.S.C. 2250 for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided the cost of constructing any one building shall not exceed $150,000, except for headhouses connecting greenhouses which shall each be limited to $500,000, and except for ten buildings to be constructed or improved at a cost not to exceed $275,000 each, and the cost of altering any one building during the fiscal year shall not exceed 10 per centum of the current replacement value of the building or $150,000 whichever is greater: *Provided further*, That the limitations on alterations contained in this Act shall not apply to a total of $250,000 for facilities at Beltsville, Maryland: *Provided further*, That the foregoing limitations shall not apply to replacement of buildings needed to carry out the Act of April 24, 1948 (21 U.S.C. 113a): *Provided further*, That the limitation on purchase of land shall not apply to the purchase of land at Fresno, California, or to an option to purchase land at Florence, South Carolina, for a term of not to exceed one year: *Provided further*, That the limitations on construction contained in this Act shall not apply to the establishment of the National Clonal Germplasm Repository for Citrus, Riverside, California: *Provided further*, That not to exceed $200,000 of this appropriation may be transferred to and merged with the appropriation for the Office of the [Assistant Secretary for Science and Education] *Secretary* for the scientific review of international issues involving agricultural chemicals and food additives.

Special fund: To provide for additional labor, subprofessional, and junior scientific help to be employed under contracts and cooperative agreements to strengthen the work at Federal research installations in the field, $2,000,000.

BUILDINGS AND FACILITIES

For acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities of or used by the Agricultural Research Service, where not otherwise provided, [$3,600,000] *$3,350,000*.

COOPERATIVE STATE RESEARCH SERVICE

For payments to agricultural experiment stations, for cooperative forestry and other research, for facilities, and for other expenses, including $156,484,000 to carry into effect the provisions of the Hatch Act approved March 2, 1887, as amended by the Act approved August 11, 1955 (7 U.S.C. 361a-361i), and further amended by Public Law 92-318 approved June 23, 1972, and further amended by Public Law 93-471 approved October 26, 1974, including administration by the United States Department of Agriculture, and penalty mail costs of agricultural experiment stations under section 6 of the Hatch Act of 1887, as amended, and payments under section 1361(c) of the Act of October 3, 1980 (7 U.S.C. 301n.); $13,053,000 for grants for cooperative forestry research under the Act approved October 10, 1962 (16 U.S.C. 582a—582a-7), as amended by Public Law 92-318 approved June 23, 1972, including administrative expenses, and payments under section 1361(c) of the Act of October 3, 1980 (7 U.S.C. 301n.); $23,474,000 for payments to the 1890 land-grant colleges, including Tuskegee Institute, for research under section 1445 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (Public Law 95-113), as amended, including administration by the United States Department of Agriculture, and penalty mail costs of the 1890 land-grant colleges, including Tuskegee Institute; [$27,310,000] *$26,718,000* for contracts and grants for agricultural research under the Act of August 4, 1965, as amended (7 U.S.C. 450i); [$34,000,000] *$46,500,000* for competitive research grants, including administrative expenses; $5,760,000 for the support of animal health and disease programs authorized by section 1433 of Public Law 95-113, including administrative expenses; $1,202,000 for research authorized by the Critical Agricultural Materials Act of 1984; $500,000 for rangeland research grants as authorized by subtitle M of the National Agricultural Research, Extension, and Teaching Policy Act of 1977, as amended; $10,000,000 for grants to upgrade 1890 land-grant college research facilities as authorized by section 1433 of Public Law 97-98, to remain available until expended; [$3,000,000] *$5,000,000* for higher education strengthening grants under section 1417(a)[(2)(A)] of Public Law 95-113, as amended (7 U.S.C. 3152(a)[(2)(A)]); and $1,645,000 for necessary expenses of Cooperative State Research Service activities, including administration of payments to State agricultural experiment stations, funds for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed [$50,000] *$150,000* for employment under 5 U.S.C. 3109; in all, [$276,428,000] *$290,336,000*.

EXTENSION SERVICE

(INCLUDING TRANSFERS OF FUNDS)

Payments to States, Puerto Rico, Guam, the Virgin Islands, Micronesia, and American Samoa: For payments for cooperative agricultural extension work under the Smith-Lever Act, as amended by the Act of June 26, 1953, the Act of August 11, 1955, the Act of October 5, 1962 (7 U.S.C. 341-349), section 506 of the Act of June 23, 1972, and the Act of September 29, 1977 (7 U.S.C. 341-349), as amended, and section 1361(c) of the Act of October 3, 1980 (7 U.S.C. 301n.), to be distributed under sections 3(b) and 3(c) of the Act, for retirement and employees' compensation costs for extension agents, and for costs of penalty mail for cooperative extension agents and State extension directors, $241,484,000; payments for the nutrition and family education program for low-income areas under section 3(d) of the Act, $60,354,000[, of which $38,627,000 shall be derived by transfer from the appropriation, "Food Stamp Program", and merged with this appropriation]; payments for the urban gardening program under section 3(d) of the Act, [$3,500,000] *$1,750,000*; payments for the pest management program under section 3(d) of the Act, $7,531,000; [payments for the farm safety program under section 3(d) of the Act, $1,020,000; payments for the integrated re-

productive management program under section 3(d) of the Act, $50,000;] payments for the pesticide impact assessment program under section 3(d) of the Act, $1,716,000; *payments for the rural development centers under section 3(d) of the Act, $1,000,000;* payments for a financial management assistance program under section 3(d) of the Act, [$1,000,000] *$2,000,000*; payments for extension work under section 209(c) of Public Law 93-471, $983,000; *payments for carrying out the provisions of the Renewable Resources Extension Act of 1978, $2,500,000;* payments for extension work by the colleges receiving the benefits of the second Morrill Act (7 U.S.C. 321-326, 328) and Tuskegee Institute, $17,741,000; in all, [$296,752,000] *$337,059,000*; of which not less than $79,400,000 is for Home Economics: *Provided*, That funds hereby appropriated pursuant to section 3(c) of the Act of June 26, 1953, and section 506 of the Act of June 23, 1972, as amended, shall not be paid to any State, Puerto Rico, Guam, or the Virgin Islands, Micronesia, and American Samoa prior to availability of an equal sum from non-Federal sources for expenditure during the current fiscal year.

Federal administration and coordination: For administration of the Smith-Lever Act, as amended by the Act of June 26, 1953, the Act of August 11, 1955, the Act of October 5, 1962, section 506 of the Act of June 23, 1972, section 209(d) of Public Law 93-471, and the Act of September 29, 1977 (7 U.S.C. 341-349), as amended, and section 1361(c) of the Act of October 3, 1980 (7 U.S.C. 301n.), and to coordinate and provide program leadership for the extension work of the Department and the several States and insular possessions, [$5,979,000] *$5,279,000*; of which not less than $2,300,000 is for Home Economics.

NATIONAL AGRICULTURAL LIBRARY

For necessary expenses of the National Agricultural Library, $11,340,000: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $35,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That not to exceed $575,000 shall be available pursuant to 7 U.S.C. 2250 for the alteration and repair of buildings and improvements.

[OFFICE OF THE ASSISTANT SECRETARY FOR MARKETING AND INSPECTION SERVICES

[For necessary salaries and expenses for the Office of the Assistant Secretary for Marketing and Inspection Services to administer programs under the laws enacted by the Congress for the Animal and Plant Health Inspection Service, Food Safety and Inspection Service, Federal Grain Inspection Service, Agricultural Cooperative Service, Agricultural Marketing Service, (including Office of Transportation) and Packers and Stockyards Administration, $347,000.]

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For expenses, not otherwise provided for, including those pursuant to the Act of February 28, 1947, as amended (21 U.S.C. 114b-c), necessary to prevent, control, and eradicate pests and plant and animal diseases; to carry out inspection, quarantine, and regulatory activities; and to protect the environment, as authorized by law, [$281,165,000] *$309,502,000*; of which $3,000,000 shall be available for the control of outbreaks of insects, plant diseases and animal diseases to the extent necessary to meet emergency conditions: *Provided*, That $1,000,000 of the funds for control of the fire ant shall be placed in reserve for matching purposes with States which may come into the program: *Provided further*, That no funds shall be used to formulate or administer a brucellosis eradication program for the current fiscal year that does not require minimum matching by the States of at least 40 per centum: *Provided further*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $40,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That this appropriation shall be available for the operation and maintenance of aircraft and the purchase of not to exceed two, of which one shall be for replacement only: *Provided further*, That, in addition, in emergencies which threaten any segment of the agricultural production industry of this country, the Secretary may transfer from other appropriations or funds available to the agencies or corporations of the Department such sums as he may deem necessary, to be available only in such emergencies for the arrest and eradication of contagious or infectious diseases or pests of animals, poultry, or plants, and for expenses in accordance with the Act of February 28, 1947, as amended, and section 102 of the Act of September 21, 1944, as amended, and any unexpended balances of funds transferred for such emergency purposes in the next preceding fiscal year shall be merged with such transferred amounts: *Provided further, That effective upon the date of enactment of this Act and notwithstanding any other provision of law, the authorities of the Secretary of Agriculture under the Act of March 2, 1931 (46 Stat. 1468; 7 U.S.C. 426-426b), (transferred to the Secretary of the Interior pursuant to section 4(f) of 1939 Reorganization Plan No. II) and all personnel, property, records, unexpended balances of appropriations, allocations and other funds of the Fish and Wildlife Service, United States Department of the Interior used, held, available or to be made available in connection with the administration of such Act, are hereby transferred from the Secretary of the Interior to the Secretary of Agriculture, and this appropriation shall be available to carry out such authorities.*

BUILDINGS AND FACILITIES

For plans, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities, as authorized by 7 U.S.C. 2250, and acquisition of land as authorized by 7 U.S.C. 428a, $4,262,000.

FOOD SAFETY AND INSPECTION SERVICE

For necessary expenses to carry on services authorized by the Federal Meat Inspection Act, as amended, and the Poultry Products Inspection Act, as amended, [$358,494,000] *$370,000,000*: *Provided*, That this appropriation shall be available for field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $75,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 per centum of the current replacement value of the building.

FEDERAL GRAIN INSPECTION SERVICE

SALARIES AND EXPENSES

For necessary expenses to carry out the provisions of the United States Grain Standards Act, as amended, and the standardization activities related to grain under the Agricultural Marketing Act of 1946, as amended, including field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $20,000 for employment under 5 U.S.C. 3109, $7,045,000: *Provided*, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but, unless otherwise provided, the cost of altering any one building during the fiscal year shall not exceed 10 per centum of the current replacement value of the building: *Provided further*, That none of the funds provided by this Act may be used to pay the salaries of any person or persons who require, or who authorize payments from fee-supported funds to [persons] *any person* or persons who require, nonexport, nonterminal interior elevators to maintain records not involving official inspection or official weighing in the United States under Public Law 94-582 other than those necessary to fulfill the purposes of such Act.

INSPECTION AND WEIGHING SERVICES

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed $36,856,000 (from fees collected) shall be obligated during the current fiscal year for Inspection and Weighing Services.

AGRICULTURAL COOPERATIVE SERVICE

For necessary expenses to carry out the Cooperative Marketing Act of July 2, 1926 (7 U.S.C. 451-457), and for activities relating to the marketing aspects of cooperatives, including economic research and analysis and the application of economic research findings, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627), and for activities with institutions or organizations throughout the world concerning the development and operation of agricultural cooperatives (7 U.S.C. 3291), $4,713,000; of which $139,000 shall be available for a field office in Hawaii: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $15,000 shall be available for employment under 5 U.S.C. 3109.

AGRICULTURAL MARKETING SERVICE

MARKETING SERVICES

For necessary expenses to carry on services related to consumer protection, agricultural marketing and distribution and regulatory programs as authorized by law, and for administration and coordination of payments to States; including field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $70,000 for employment under 5 U.S.C. 3109, [$31,455,000] *$32,208,000*; of which not less than $1,582,000 shall be available for the Wholesale Market Development Program for the design and development of wholesale and farmer market facilities for the major metropolitan areas of the country: *Provided*, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but, unless otherwise provided, the cost of altering any one building during the fiscal year shall not

exceed 10 per centum of the current replacement value of the building.

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed $27,253,000 (from fees collected) shall be obligated during the current fiscal year for administrative expenses.

FUNDS FOR STRENGTHENING MARKETS, INCOME, AND SUPPLY (SECTION 32)

(INCLUDING TRANSFERS OF FUNDS)

Funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) shall be used only for commodity program expenses as authorized therein, and other related operating expenses, except for: (1) transfers to the Department of Commerce as authorized by the Fish and Wildlife Act of August 8, 1956; (2) transfers otherwise provided in this Act; and (3) not more than $6,193,000 for formulation and administration of Marketing Agreements and Orders pursuant to the Agricultural Marketing Agreement Act of 1937, as amended, and the Agricultural Act of 1961.

PAYMENTS TO STATES AND POSSESSIONS

For payments to departments of agriculture, bureaus and departments of markets, and similar agencies for marketing activities under section 204(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623(b)), $990,000.

OFFICE OF TRANSPORTATION

For necessary expenses to carry on services related to agricultural transportation programs as authorized by law; including field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $20,000 for employment under 5 U.S.C. 3109, $2,466,000: *Provided*, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but, unless otherwise provided, the cost of altering any one building during the fiscal year shall not exceed 10 per centum of the current replacement value of the building.

PACKERS AND STOCKYARDS ADMINISTRATION

For necessary expenses for administration of the Packers and Stockyards Act, as authorized by law, including field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $5,000 for employment under 5 U.S.C. 3109, $9,201,000.

FARM INCOME STABILIZATION

[OFFICE OF THE UNDER SECRETARY FOR INTERNATIONAL AFFAIRS AND COMMODITY PROGRAMS

[For necessary salaries and expenses for the Office of the Under Secretary for International Affairs and Commodity Programs to administer the laws enacted by Congress for the Agricultural Stabilization and Conservation Service, Office of International Cooperation and Development, Foreign Agricultural Service, and the Commodity Credit Corporation, $502,000.]

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For necessary administrative expenses of the Agricultural Stabilization and Conservation Service, including expenses to formulate and carry out programs authorized by title III of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1301-1393); the Agricultural Act of 1949, as amended (7 U.S.C. 1421 et seq.); sections 7 to 15, 16(a), 16(f), and 17 of the Soil Conservation and Domestic Allotment Act, as amended and supplemented (16 U.S.C. 590g-590o, 590p(a), 590p(f), and 590q); sections 1001 to 1004, 1006 to 1008, and 1010 of the Agricultural Act of 1970 as added by the Agriculture and Consumer Protection Act of 1973 (16 U.S.C. 1501 to 1504, 1506 to 1508, and 1510); the Water Bank Act, as amended (16 U.S.C. 1301-1311); the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101); sections 401, 402, and 404 to 406 of the Agricultural Credit Act of 1978 (16 U.S.C. 2201 to 2205); and laws pertaining to the Commodity Credit Corporation, [$395,119,000] *$406,524,000*: *Provided*, That not to exceed [$395,119,000] *$406,524,000* may be transferred to this account from the Commodity Credit Corporation fund: *Provided further*, That other funds made available to the Agricultural Stabilization and Conservation Service for authorized activities may be advanced to and merged with this account: *Provided further*, That these funds shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $100,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That no part of the funds appropriated or made available under this Act shall be used (1) to influence the vote in any referendum; (2) to influence agricultural legislation, except as permitted in 18 U.S.C. 1913; or (3) for salaries or other expenses of members of county and community committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, for engaging in any activities other than advisory and supervisory duties and delegated program functions prescribed in administrative regulations.

DAIRY INDEMNITY PROGRAM

For necessary expenses involved in making indemnity payments to dairy farmers for milk or cows producing such milk and manufacturers of dairy products who have been directed to remove their milk or dairy products from commercial markets because it contained residues of chemicals registered and approved for use by the Federal Government, and in making indemnity payments for milk, or cows producing such milk, at a fair market value to any dairy farmer who is directed to remove his milk from commercial markets because of (1) the presence of products of nuclear radiation or fallout if such contamination is not due to the fault of the farmer, or (2) residues of chemicals or toxic substances not included under the first sentence of the Act of August 13, 1968, as amended (7 U.S.C. 450j), if such chemicals or toxic substances were not used in a manner contrary to applicable regulations or labeling instructions provided at the time of use and the contamination is not due to the fault of the farmer, $100,000, *to remain available until expended*: *Provided*, That none of the funds contained in this Act shall be used to make indemnity payments to any farmer whose milk was removed from commercial markets as a result of his willful failure to follow procedures prescribed by the Federal Government.

CORPORATIONS

The following corporations and agencies are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for such corporation or agency, except as hereinafter provided:

FEDERAL CROP INSURANCE CORPORATION

ADMINISTRATIVE AND OPERATING EXPENSES

For administrative and operating expenses, as authorized by the Federal Crop Insurance Act, as amended (7 U.S.C. 1516), [$200,502,000] *$240,194,000*: *Provided*, That not to exceed $700 shall be available for official reception and representation expenses, as authorized by 7 U.S.C. 1506(i).

FEDERAL CROP INSURANCE CORPORATION FUND

For payments as authorized by section 508(b) of the Federal Crop Insurance Act, as amended, $135,000,000.

COMMODITY CREDIT CORPORATION

REIMBURSEMENT FOR NET REALIZED LOSSES

[To reimburse the Commodity Credit Corporation for net realized losses sustained, but not previously reimbursed, pursuant to the Act of August 17, 1961 (15 U.S.C. 713a-11, 713a-12), $9,195,240,000.]

For fiscal year 1986, there is appropriated an amount sufficient to reimburse the Commodity Credit Corporation for net realized losses sustained, but not previously reimbursed, pursuant to the Act of August 17, 1961 (15 U.S.C. 713a-11, 713a-12).

GENERAL SALES MANAGER

(ALLOTMENT FROM COMMODITY CREDIT CORPORATION)

(INCLUDING TRANSFERS OF FUNDS)

Not to exceed $6,089,000 may be transferred from the Commodity Credit Corporation funds to support the General Sales Manager who shall work to expand and strengthen sales of United States commodities (including those of the Corporation) in world markets pursuant to existing authority (including that contained in the Corporation's charter), and that such funds shall be used by the General Sales Manager to carry out the above activities. The General Sales Manager shall report directly to the Board of Directors of the Corporation of which the Secretary of Agriculture is a member. The General Sales Manager shall obtain, assimilate, and analyze all available information on developments related to private sales, as well as those funded by the Corporation, including grade and quality as sold and as delivered, including information relating to the effectiveness of greater reliance by the General Sales Manager upon loan guarantees as contrasted to direct loans for financing commercial export sales of agricultural commodities out of private stocks on credit terms, as provided in titles I and II of the Agricultural Trade Act of 1978, Public Law 95-501, and shall submit quarterly reports to the appropriate committees of Congress concerning such developments.

TITLE II—RURAL DEVELOPMENT PROGRAMS

RURAL DEVELOPMENT ASSISTANCE

[OFFICE OF THE UNDER SECRETARY FOR SMALL COMMUNITY AND RURAL DEVELOPMENT

[For necessary salaries and expenses for the Office of the Under Secretary for Small Community and Rural Development to administer programs under the laws enacted by the Congress for the Farmers Home Administration, Rural Electrification Administration, Office of Rural Development Policy, and Federal Crop Insurance Corporation, $415,000.

[OFFICE OF RURAL DEVELOPMENT POLICY

[For necessary expenses, not otherwise provided for, of the Office of Rural Development Policy in providing leadership, coordination, and related services in carrying out the rural development activities of the Department of Agriculture, as authorized by section 603 of the Rural Development Act of 1972, as amended (7 U.S.C. 2204b); section 2 of the Rural Development Policy Act of 1980 (7 U.S.C. 1921), and grants pursuant to the Consolidated Farm and Rural Development Act, as amended (7 U.S.C. 1926(a)(11) and 7 U.S.C. 1932(c)), $2,037,000: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $5,000 of this appropriation shall be available for employment under 5 U.S.C. 3109.]

FARMERS HOME ADMINISTRATION

RURAL HOUSING INSURANCE FUND

For direct loans and related advances pursuant to section 517(m) of the Housing Act of 1949, as amended, [$17,000,000] *$10,200,000* shall be available from funds in the Rural Housing Insurance Fund, and for insured loans as authorized by title V of the Housing Act of 1949, as amended, [$3,221,000,000] *$1,932,600,000*; of which not less than [$3,220,000,000] *$1,932,000,000* shall be available for subsidized interest loans to low-income borrowers, as determined by the Secretary, and for subsequent loans to existing borrowers or to purchasers under assumption agreements or credit sales; and not to exceed $10,000,000 to enter into collection and servicing contracts pursuant to the provisions of section 3(f)(3) of the Federal Claims Act of 1966 (31 U.S.C. 952).

[During fiscal year 1986, no more than 15,000 units may be assisted under rental assistance agreements entered into or extended during the year pursuant to authority under section 521(a)(2) of the Housing Act of 1949, as amended, and the total new obligation incurred over the life of these agreements shall not exceed $198,000,000 to be added to and merged with the authority provided for this purpose in prior fiscal years: *Provided*, That the life of the agreements entered into or extended during fiscal year 1986 shall not exceed five years.]

For rental assistance agreements entered into are renewed pursuant to the authority under section 521(a)(2) of the Housing Act of 1949, as amended, total new obligations shall not exceed $132,513,000 to be added to and merged with the authority provided for this purpose in prior fiscal years: Provided, that agreements entered into or renewed during fiscal year 1986 shall be funded for a five-year period, although the life of any such agreement may be extended to fully utilize amounts obligated: Provided further, That agreements entered into or renewed during fiscal years 1983, 1984, and 1985, may also be extended beyond five years to fully utilize amounts obligated.

For an additional amount to reimburse the Rural Housing Insurance Fund for interest subsidies and losses sustained in prior years, but not previously reimbursed, in carrying out the provisions of title V of the Housing Act of 1949, as amended (42 U.S.C. 1483, 1487e, and 1490a(c)), including $2,757,000 as authorized by section 521(c) of the Act, [$1,843,927,000] *$2,136,784,000*, and for an additional amount as authorized by section 521(c) of the Act as may be necessary to reimburse the fund to carry out a rental assistance program under section 521(a)(2) of the Housing Act of 1949, as amended.

AGRICULTURAL CREDIT INSURANCE FUND

Loans may be insured, or made to be sold and insured, under this fund in accordance with and subject to the provisions of 7 U.S.C. 1928–1929, or guaranteed, as follows: real estate loans, [$732,000,000] *$532,000,000*, including not less than [$700,000,000] *$500,000,000* for farm ownership loans of which [$200,000,000] *$250,000,000* shall be guaranteed loans; and not less than $28,000,000 for water development, use, and conservation loans of which $6,000,000 shall be guaranteed loans; operating loans, [$3,400,000,000] *$4,772,000,000* of which [$1,480,000,000] *$1,772,000,000* shall be guaranteed loans; and emergency insured and guaranteed loans in amounts necessary to meet the needs resulting from natural disasters.

For an additional amount to reimburse the Agricultural Credit Insurance Fund for interest subsidies and losses sustained in prior years, but not previously reimbursed, in carrying out the provisions of the Consolidated Farm and Rural Development Act, as amended (7 U.S.C. 1988(a)), [$1,089,943,000] *$1,477,565,000*.

RURAL DEVELOPMENT INSURANCE FUND

For loans to be insured, or made to be sold and insured, under this fund in accordance with and subject to the provisions of 7 U.S.C. 1928 and 86 Stat. 661–664, as follows: insured water and sewer facility loans, $340,000,000; guaranteed industrial development loans, $100,000,000; and insured community facility loans, [$115,000,000] *$75,000,000*.

For an additional amount to reimburse the Rural Development Insurance Fund for interest subsidies and losses sustained in prior years, but not previously reimbursed, in carrying out the provisions of the Consolidated Farm and Rural Development Act, as amended (7 U.S.C. 1988(a)), [$560,005,000] *$612,098,000*.

RURAL WATER AND WASTE DISPOSAL GRANTS

For grants pursuant to sections 306(a)(2) and 306(a)(6) of the Consolidated Farm and Rural Development Act, as amended (7 U.S.C. 1926), $115,000,000, to remain available until expended, pursuant to section 306(d) of the above Act.

VERY LOW-INCOME HOUSING REPAIR GRANTS

For grants to the very low-income elderly for essential repairs to dwellings pursuant to section 504 of the Housing Act of 1949, as amended, $12,500,000.

RURAL HOUSING FOR DOMESTIC FARM LABOR

For financial assistance to eligible nonprofit organizations for housing for domestic farm labor, pursuant to section 516 of the Housing Act of 1949, as amended (42 U.S.C. 1486), $10,000,000.

MUTUAL AND SELF-HELP HOUSING

For grants and contracts pursuant to section 523(b)(1)(A) of the Housing Act of 1949 (42 U.S.C. 1490c), $8,000,000.

RURAL COMMUNITY FIRE PROTECTION GRANTS

For grants pursuant to section 7 of the Cooperative Forestry Assistance Act of 1978 (Public Law 95-313), $3,250,000 to fund up to 50 per centum of the cost of organizing, training, and equipping rural volunteer fire departments.

COMPENSATION FOR CONSTRUCTION DEFECTS

For compensation for construction defects as authorized by section 509(c) of the Housing Act of 1949, as amended, [$1,000,000] *$500,000*.

RURAL HOUSING PRESERVATION GRANTS

Funds made available by Public Laws 98-396 and 98-473 for rural housing preservation grants shall remain available through September 30, 1986.

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Farmers Home Administration, not otherwise provided for, in administering the programs authorized by the Consolidated Farm and Rural Development Act (7 U.S.C. 1921-1995), as amended; title V of the Housing Act of 1949, as amended (42 U.S.C. 1471-1490h); the Rural Rehabilitation Corporation Trust Liquidation Act, approved May 3, 1950 (40 U.S.C. 440-444), for administering the loan program authorized by title III A of the Economic Opportunity Act of 1964 (Public Law 88-452 approved August 20, 1964), as amended, and such other programs for which Farmers Home Administration has the responsibility for administering, [$356,297,000] *$394,197,000*, together with not more than $3,000,000 of the charges collected in connection with the insurance of loans as authorized by section 309(e) of the Consolidated Farm and Rural Development Act, as amended, and section 517(i) of the Housing Act of 1949, as amended, or in connection with charges made on borrowers under section 502(a) of the Housing Act of 1949, as amended: *Provided*, That, in addition, not to exceed $1,000,000 of the funds available for the various programs administered by this agency may be transferred to this appropriation for temporary field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), to meet unusual or heavy workload increases: *Provided further*, That not to exceed $500,000 of this appropriation may be used for employment under 5 U.S.C. 3109: *Provided further*, That not to exceed [$1,600,000] *$2,100,000* of this appropriation shall be available for contracting with the National Rural Water Association or other equally qualified national organization for a circuit rider program to provide technical assistance for rural water systems: *Provided further*, That, in addition to any other authority that the Secretary may have to defer principal and interest and forego foreclosure, the Secretary may permit, at the request of the borrower, the deferral of principal and interest on any outstanding loan made, insured, or held by the Secretary under this title, or under the provisions of any other law administered by the Farmers Home Administration, and may forego foreclosure of any such loan, for such period as the Secretary deems necessary upon a showing by the borrower that due to circumstances beyond the borrower's control, the borrower is temporarily unable to continue making payments of such principal and interest when due without unduly impairing the standard of living of the borrower. The Secretary may permit interest that accrues during the deferral period on any loan deferred under this section to bear no interest during or after such period: *Provided further*, That if the security instrument securing such loan is foreclosed, such interest as is included in the purchase price at such foreclosure shall become part of the principal and draw interest from the date of foreclosure at the rate prescribed by law.

RURAL ELECTRIFICATION ADMINISTRATION

To carry into effect the provisions of the Rural Electrification Act of 1936, as amended (7 U.S.C. 901-950(b)), as follows:

RURAL ELECTRIFICATION AND TELEPHONE REVOLVING FUND LOAN AUTHORIZATIONS

Insured loans pursuant to the authority of section 305 of the Rural Electrification Act of 1936, as amended (7 U.S.C. 935), shall be made as follows: rural electrification loans, not less than $650,000,000 nor more than [$1,100,000,000] *$850,000,000*; and rural telephone loans, not less than $250,000,000 nor more than $325,000,000; to remain available until expended: *Provided*, That loans made pursuant to section 306 of that Act are in addition to these amounts but during 1986 total commitments to guarantee loans pursuant to section 306 shall be not less than $975,000,000 nor more than [$2,345,000,000] *$2,045,000,000* of contingent liability for total loan principal: *Provided further*, That as a condition of approval of insured electric loans during fiscal year 1986, borrowers shall obtain concurrent supplemental financing in accordance with the applicable criteria and ratios in effect as of July 15, 1982*: Provided further, That no funds appropriated in this Act may be used to deny or reduce loans or loan advances based upon a borrower's level of general funds.*

[REIMBURSEMENT TO THE RURAL ELECTRIFICATION AND TELEPHONE REVOLVING FUND

[For an additional amount to reimburse the rural electrification and telephone revolving fund for interest subsidies and losses sustained in prior years, but not previously reimbursed, in carrying out the provisions of the Rural Electrification Act of 1936, as amended (7 U.S.C. 901-950(b)), $225,395,000.]

RURAL TELEPHONE BANK

For the purchase of Class A stock of the Rural Telephone Bank, $30,000,000, to remain available until expended (7 U.S.C. 901-950(b)).

The Rural Telephone Bank is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to such corporation in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out its authorized programs for the current fiscal year. During 1986, and within the resources and authority available, gross obligations for the principal amount of direct loans shall be not less than $185,000,000 nor more than $220,000,000*: Provided, That no funds appropriated in this Act may be used to deny or reduce loans or loan advances based upon a borrower's level of general funds.*

RURAL COMMUNICATION DEVELOPMENT FUND

To reimburse the Rural Communication Development Fund for interest subsidies and losses sustained in prior years, but not previously reimbursed, in making Community Antenna Television loans and loan guarantees under sections 306 and 310B of the Consolidated Farm and Rural Development Act, as amended, $1,203,000.

SALARIES AND EXPENSES

For administrative expenses to carry out the provisions of the Rural Electrification Act of 1936, as amended (7 U.S.C. 901-950(b)), and to administer the loan and loan guarantee programs for Community Antenna Television facilities as authorized by the Consolidated Farm and Rural Development Act (7 U.S.C. 1921-1995), and for which commitments were made prior to fiscal year 1985, including not to exceed $7,000 for financial and credit reports, funds for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $103,000 for employment under 5 U.S.C. 3109, $30,990,000.

CONSERVATION

[OFFICE OF THE ASSISTANT SECRETARY FOR NATURAL RESOURCES AND ENVIRONMENT

[For necessary salaries and expenses for the Office of the Assistant Secretary for Natural Resources and Environment to administer the laws enacted by the Congress for the Forest Service and the Soil Conservation Service, $386,000.]

SOIL CONSERVATION SERVICE

CONSERVATION OPERATIONS

For necessary expenses for carrying out the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-590f) including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irrigation and land drainage and such special measures for soil and water management as may be necessary to prevent floods and the siltation of reservoirs and to control agricultural related pollutants); operation of conservation plant materials centers; classification and mapping of soil; dissemination of information; acquisition of lands by donation, exchange, or purchase at a nominal cost not to exceed $100; purchase and erection or alteration or improvement of permanent and temporary buildings; and operation and maintenance of aircraft, [$365,629,000] *$365,400,000*; of which not less than $3,973,000 is for snow survey and water forecasting and not less than $4,089,000 is for operation of the plant materials centers: *Provided*, [That of the foregoing amounts $290,204,000 is for personnel compensation and benefits and $75,425,000 is for other expenses: *Provided further*,] That the cost of any permanent building purchased, erected, or as improved, exclusive of the cost of constructing a water supply or sanitary system and connecting the same to any such building and with the exception of buildings acquired in conjunction with land being purchased for other purposes, shall not exceed $10,000, except for one building to be constructed at a cost not to exceed $100,000 and eight buildings to be constructed or improved at a cost not to exceed $50,000 per building and except that alterations or improvements to other existing permanent buildings costing $5,000 or more may be made in any fiscal year in an amount not to exceed $2,000 per building: *Provided further*, That when buildings or other structures are erected on non-Federal land that right to use such land is obtained as provided in 7 U.S.C. 2250a: *Provided further*, That no part of this appropriation may be expended for soil and water conservation operations under the Act of April 27, 1935 (16 U.S.C. 590a-590f) in demonstration projects: *Provided further*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225) and not to exceed $25,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the Service.

RIVER BASIN SURVEYS AND INVESTIGATIONS

For necessary expenses to conduct research, investigations and surveys of the watersheds of rivers and other waterways, in accordance with section 6 of the Watershed Protection and Flood Prevention Act approved August 4, 1954, as amended (16 U.S.C. 1006-1009), $14,906,000: *Provided*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $60,000 shall be available for employment under 5 U.S.C. 3109.

WATERSHED PLANNING

For necessary expenses for small watershed investigations and planning, in accordance with the Watershed Protection and Flood Prevention Act, as amended (16 U.S.C. 1001-1008), $8,922,000: *Provided*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $50,000 shall be available for employment under 5 U.S.C. 3109.

WATERSHED AND FLOOD PREVENTION OPERATIONS

For necessary expenses to carry out preventive measures, including but not limited to research, engineering operations, methods of cultivation, the growing of vegetation, rehabilitation of existing works and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act approved August 4, 1954, as amended (16 U.S.C. 1001-1005, 1007-1009), the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), and in accordance with the provisions of laws relating to the activities of the Department, $183,843,000 (of which $27,617,000 shall be available for the watersheds authorized under the Flood Control Act approved June 22, 1936 (33 U.S.C. 701, 16 U.S.C. 1006a), as amended and supplemented): *Provided*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $5,000,000 shall be available for emergency measures as provided by sections 403-405 of the Agricultural Credit Act of 1978 (16 U.S.C. 2203-2205), and not to exceed $200,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That $14,000,000 in loans may be insured, or made to be sold and insured, under the Agricultural Credit Insurance Fund of the Farmers Home Administration (86 Stat. 663): *Provided further*, That not to exceed $1,000,000 of this appropriation is available to carry out the purposes of the Endangered Species Act of 1973 (Public Law 93-205), as amended, including cooperative efforts as contemplated by that Act to relocate endangered or threatened species to other suitable habitats as may be necessary to expedite project construction.

RESOURCE CONSERVATION AND DEVELOPMENT

For necessary expenses in planning and carrying out projects for resource conservation and development and for sound land use pursuant to the provisions of section 32(e) of title III of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C. 1010-1011; 76 Stat. 607), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), and the provisions of the Agriculture and Food Act of 1981 (16 U.S.C. 3451-3461), $26,320,000: *Provided*, That $2,000,000 in loans may be insured, or made to be sold and insured, under the Agricultural Credit

Insurance Fund of the Farmers Home Administration (86 Stat. 663): *Provided further,* That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $50,000 shall be available for employment under 5 U.S.C. 3109.

GREAT PLAINS CONSERVATION PROGRAM

For necessary expenses to carry into effect a program of conservation in the Great Plains area, pursuant to section 16(b) of the Soil Conservation and Domestic Allotment Act, as added by the Act of August 7, 1956, as amended (16 U.S.C. 590p(b)), $21,531,000, to remain available until expended.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

AGRICULTURAL CONSERVATION PROGRAM

For necessary expenses to carry into effect the program authorized in sections 7 to 15, 16(a), 16(f), and 17 of the Soil Conservation and Domestic Allotment Act approved February 29, 1936, as amended and supplemented (16 U.S.C. 590g–590o, 590p(a), 590p(f), and 590q), and sections 1001–1004, 1006–1008, and 1010 of the Agricultural Act of 1970, as added by the Agriculture and Consumer Protection Act of 1973 (16 U.S.C. 1501–1504, 1506–1508, and 1510), and including not to exceed $15,000 for the preparation and display of exhibits, including such displays at State, interstate, and international fairs within the United States, [$190,000,000] *$165,000,000,* to remain available until expended for agreements, excluding administration but including technical assistance and related expenses, except that no participant in the Agricultural Conservation Program shall receive more than $3,500 *per year,* except where the participants from two or more farms or ranches join to carry out approved practices designed to conserve or improve the agricultural resources of the community, *or where a participant has a long-term agreement, in which case the total payment shall not exceed the annual payment limitation multiplied by the number of years of the agreement*: *Provided,* That no portion of the funds for the current year's program may be utilized to provide financial or technical assistance for drainage on wetlands now designated as Wetlands Types 3 (III) through 20 (XX) in United States Department of the Interior, Fish and Wildlife Circular 39, Wetlands of the United States, 1956: *Provided further,* That such amounts shall be available for the purchase of seeds, fertilizers, lime, trees, or any other conservation materials, or any soil-terracing services, and making grants thereof to agricultural producers to aid them in carrying out approved farming practices as authorized by the Soil Conservation and Domestic Allotment Act, as amended, as determined and recommended by the county committees, approved by the State committees and the Secretary, under programs provided for herein: *Provided further,* That such assistance will not be used for carrying out measures and practices that are primarily production-oriented or that have little or no conservation or pollution abatement benefits: *Provided further,* That not to exceed 5 per centum of the allocation for the current year's program for any county may, on the recommendation of such county committee and approval of the State committee, be withheld and allotted to the Soil Conservation Service for services of its technicians in formulating and carrying out the Agricultural Conservation Program in the participating counties, and shall not be utilized by the Soil Conservation Service for any purpose other than technical and other assistance in such counties, and in addition, on the recommendation of such county committee and approval of the State committee, not to exceed 1 per centum may be made available to any other Federal, State, or local public agency for the same purpose and under the same conditions: *Provided further,* That for the current year's program $2,500,000 shall be available for technical assistance in formulating and carrying out rural environmental practices: *Provided further,* That no part of any funds available to the Department, or any bureau, office, corporation, or other agency constituting a part of such Department, shall be used in the current fiscal year for the payment of salary or travel expenses of any person who has been convicted of violating the Act entitled "An Act to prevent pernicious political activities" approved August 2, 1939, as amended, or who has been found in accordance with the provisions of title 18 U.S.C. 1913 to have violated or attempted to violate such section which prohibits the use of Federal appropriations for the payment of personal services or other expenses designed to influence in any manner a Member of Congress to favor or oppose any legislation or appropriation by Congress except upon request of any Member or through the proper official channels.

FORESTRY INCENTIVES PROGRAM

For necessary expenses, not otherwise provided for, to carry out the program of forestry incentives, as authorized in the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101), including technical assistance and related expenses, $12,500,000, to remain available until expended, as authorized by that Act.

WATER BANK PROGRAM

For necessary expenses to carry into effect the provisions of the Water Bank Act (16 U.S.C. 1301–1311), $8,800,000, to remain available until expended.

[EMERGENCY CONSERVATION PROGRAM

[For necessary expenses to carry into effect the program authorized in sections 401, 402, and 404 of title IV of the Agricultural Credit Act of 1978 (16 U.S.C. 2201–2205), $5,000,000, to remain available until expended, as authorized by 16 U.S.C. 2204.]

TITLE III—DOMESTIC FOOD PROGRAMS

[OFFICE OF THE ASSISTANT SECRETARY FOR FOOD AND CONSUMER SERVICES

[For necessary salaries and expenses for the Office of the Assistant Secretary for Food and Consumer Services to administer the laws enacted by the Congress for the Food and Nutrition Service and the Human Nutrition Information Service, $350,000.]

FOOD AND NUTRITION SERVICE

CHILD NUTRITION PROGRAMS

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses to carry out the National School Lunch Act (42 U.S.C. 1751–1761, and 1766), and the applicable provisions other than section 3 of the Child Nutrition Act of 1966 (42 U.S.C. 1773–1785, and 1788); $4,114,140,000, to remain available through fiscal year 1987, of which $842,548,000 is hereby appropriated and $3,271,592,000 shall be derived by transfer from funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c): *Provided,* That, of funds provided herein, $665,015,000 shall be available only to the extent an official budget request is transmitted to the Congress: *Provided further,* That funds appropriated for the purpose of section 7 of the Child Nutrition Act of 1966 shall be allocated among the States but the distribution of such funds to an individual State is contingent upon that State's agreement to participate in studies and surveys of programs authorized under the National School Lunch Act and the Child Nutrition Act of 1966, when such studies and surveys have been directed by the Congress and requested by the Secretary of Agriculture: *Provided further,* That if the Secretary of Agriculture determines that a State's administration of any program under the National School Lunch Act or the Child Nutrition Act of 1966 (other than section 17), or the regulations issued pursuant to these Acts, is seriously deficient, and the State fails to correct the deficiency within a specified period of time, the Secretary may withhold from the State some or all of the funds allocated to the State under section 7 of the Child Nutrition Act of 1966 and under section 13(k)(1) of the National School Lunch Act; upon a subsequent determination by the Secretary that the programs are operated in an acceptable manner some or all of the funds withheld may be allocated: *Provided further,* That if the funds available for Nutrition Education and Training grants authorized under section 19 of the Child Nutrition Act of 1966, as amended, require a ratable reduction in those grants, the minimum grant for each State shall be $50,000: *Provided further,* That only final reimbursement claims for service of meals, supplements, and milk submitted to State agencies by eligible schools, summer camps, institutions, and service institutions within sixty days following the month for which the reimbursement is claimed shall be eligible for reimbursement from funds appropriated under this Act. States may receive program funds appropriated under this Act for meals, supplements, and milk served during any month only if the final program operations report for such month is submitted to the Department within ninety days following that month. Exceptions to these claims or reports submission requirements may be made at the discretion of the Secretary.

SPECIAL MILK PROGRAM

For necessary expenses to carry out the special milk program, as authorized by section 3 of the Child Nutrition Act of 1966 (42 U.S.C. 1772), $11,500,000, to remain available through September 30, 1987: *Provided,* That only final reimbursement claims for milk submitted to State agencies within sixty days following the month for which the reimbursement is claimed shall be eligible for reimbursement from funds appropriated under this Act. States may receive program funds appropriated under this Act only if the final program operations report for such month is submitted to the Department within ninety days following that month. Exceptions to these claims or reports submission requirements may be made at the discretion of the Secretary.

FEEDING PROGRAM FOR WOMEN, INFANTS AND CHILDREN (WIC)

For necessary expenses to carry out the special supplemental food program as authorized by section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), $1,570,000,000: *Provided,* That funds provided herein shall remain available through September 30, 1987.

COMMODITY SUPPLEMENTAL FOOD PROGRAM

For necessary expenses to carry out the commodity supplemental food program as authorized by section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c (note)), including not less than $2,950,000 for the projects in Detroit, New Orleans, and Des Moines, $36,999,000: *Provided*, That funds provided herein shall remain available through September 30, 1987.

FOOD STAMP PROGRAM

For necessary expenses to carry out the Food Stamp Act (7 U.S.C. 2011-2027, 2029) $11,891,570,000: *Provided*, That funds provided herein shall remain available through September 30, 1986, in accordance with section 18(a) of the Food Stamp Act: *Provided further*, That up to 5 per centum of the foregoing amount may be placed in reserve to be apportioned pursuant to section 3679 of the Revised Statutes, as amended, for use only in such amounts and at such times as may become necessary to carry out program operations: *Provided further*, That funds provided herein shall be expended in accordance with section 16 of the Food Stamp Act: *Provided further*, That this appropriation shall be subject to any work registration or workfare requirements as may be required by law: *Provided further*, That $345,000,000 of the funds provided herein shall be available only to the extent necessary after the Secretary has employed the regulatory and administrative methods available to him under the law to curtail fraud, waste and abuse in the program.

NUTRITION ASSISTANCE FOR PUERTO RICO

For monthly payments to the Commonwealth of Puerto Rico for nutrition assistance as authorized by 7 U.S.C. 2028, $825,000,000.

FOOD DONATIONS PROGRAMS

For necessary expenses to carry out section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c (note)) and section 4(b) of the Food Stamp Act (7 U.S.C. 2013), [$187,622,000] *$194,573,000, of which up to $7,000,000 may be used to pay outstanding claims for meals served in fiscal year 1985.*

TEMPORARY EMERGENCY FOOD ASSISTANCE PROGRAM

For necessary expenses to carry out the Temporary Emergency Food Assistance Act of 1983, as amended, $50,000,000: *Provided*, That, in accordance with section 202 of Public Law 98-92, these funds shall be available only if the Secretary determines the existence of excess commodities.

FOOD PROGRAM ADMINISTRATION

For necessary administrative expenses of the Domestic Food Programs funded under this Act, $82,502,000; of which $5,000,000 shall be available only for simplifying procedures, reducing overhead costs, tightening regulations, improving food stamp coupon handling, and assistance in the prevention, identification and prosecution of fraud and other violations of law: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $150,000 shall be available for employment under 5 U.S.C. 3109.

HUMAN NUTRITION INFORMATION SERVICE

For necessary expenses to enable the Human Nutrition Information Service to perform applied research and demonstrations relating to human nutrition and consumer use and economies of food utilization, $13,562,000: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225).

TITLE IV—INTERNATIONAL PROGRAMS

FOREIGN AGRICULTURAL SERVICE

For necessary expenses of the Foreign Agricultural Service, including carrying out title VI of the Agricultural Act of 1954, as amended (7 U.S.C. 1761-1768), market development activities abroad, and for enabling the Secretary to coordinate and integrate activities of the Department in connection with foreign agricultural work, including not to exceed $110,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), $83,547,000: *Provided*, That not less than $255,000 of the funds contained in this appropriation shall be available to obtain statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis.

PUBLIC LAW 480

(INCLUDING TRANSFERS OF FUNDS)

For expenses during the current fiscal year, not otherwise recoverable, and unrecovered prior years' costs, including interest thereon, under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1691, 1701-1715, 1721-1726, 1727-1727f, 1731-1736g), as follows: (1) financing the sale of agricultural commodities for convertible foreign currencies and for dollars on credit terms pursuant to titles I and III of said Act, not more than $1,030,000,000; of which $657,000,000 is hereby appropriated and the balance derived from proceeds from sales of foreign currencies and dollar loan repayments, repayments on long-term credit sales and carryover balances, and (2) commodities supplied in connection with dispositions abroad, pursuant to title II of said Act, not more than $650,000,000, of which $650,000,000 is hereby appropriated: *Provided*, That not to exceed [10] *15* per centum of the funds made available to carry out any title of this paragraph may be used to carry out any other title of this paragraph.

OFFICE OF INTERNATIONAL COOPERATION AND DEVELOPMENT

For necessary expenses of the Office of International Cooperation and Development to coordinate, plan, and direct activities involving international development, technical assistance and training, and international scientific and technical cooperation in the Department of Agriculture, including those authorized by the Food and Agriculture Act of 1977 (7 U.S.C. 3291), [$3,917,000] *$5,417,000*; and the Office may utilize advances of funds, or reimburse this appropriation for expenditures made on behalf of Federal agencies, public and private organizations and institutions under agreements executed pursuant to the agricultural food production assistance programs (7 U.S.C. 1736) and the foreign assistance programs of the International Development Cooperation Administration (22 U.S.C. 2392).

SCIENTIFIC ACTIVITIES OVERSEAS (FOREIGN CURRENCY PROGRAM)

For payments in foreign currencies owed to or owned by the United States for market development research authorized by section 104(b)(1) and for agricultural and forestry research and other functions related thereto authorized by section 104(b)(3) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704(b)(1), (3)), $5,000,000: Provided, That this appropriation shall be available, in addition to other appropriations for these purposes, for payments in the foregoing currencies: Provided further, That funds appropriated herein shall be used for payments in such foreign currencies as the Department determines are needed and can be used most effectively to carry out the purposes of this paragraph: Provided further, That not to exceed $25,000 of this appropriation shall be available for payments in foreign currencies for expenses of employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), as amended by 5 U.S.C. 3109.

TITLE V—RELATED AGENCIES

FOOD AND DRUG ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses of the Food and Drug Administration; for rental of special purpose space in the District of Columbia or elsewhere; and for miscellaneous and emergency expenses of enforcement activities, authorized and approved by the Secretary and to be accounted for solely on the Secretary's certificate, not to exceed $25,000; [$392,370,000] *$394,044,000*[: *Provided*, That none of the funds in this Act shall be used to develop, establish, or operate any program of user fees authorized by 31 U.S.C. 9701]: *Provided, That not to exceed $5,000,000 in collections from user fees may be credited to this appropriation, and shall remain available until expended.*

BUILDINGS AND FACILITIES

For plans, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities of or used by the Food and Drug Administration, where not otherwise provided, $1,450,000.

STANDARD LEVEL USER CHARGES (FDA)

(INCLUDING TRANSFERS OF FUNDS)

For payment of Standard Level User Charges pursuant to Public Law 92-313 for programs and activities of the Food and Drug Administration which are included in this Act, $25,888,000: *Provided*, That in the event the Food and Drug Administration should require modification of space needs, a share of the salaries and expenses appropriation may be transferred to this appropriation, or a share of this appropriation may be transferred to the salaries and expenses appropriation, but such transfers shall not exceed 10 per centum of the funds made available for Standard Level User Charges to or from this account.

COMMODITY FUTURES TRADING COMMISSION

For necessary expenses to carry out the provisions of the Commodity Exchange Act, as amended (7 U.S.C. 1 et seq.), including the purchase and hire of passenger motor vehicles; the rental of space (to include multiple year leases) in the District of Columbia and elsewhere; and not to exceed $25,000 for employment under 5 U.S.C. 3109; [$28,416,000] *$30,307,000*; including not to exceed $700 for official reception and representation expenses.

FARM CREDIT ADMINISTRATION

LIMITATION ON REVOLVING FUND FOR ADMINISTRATIVE EXPENSES

Not to exceed $21,175,000 (from assessments collected from farm credit system

banks) shall be obligated during the current fiscal year for administrative expenses, as authorized under 12 U.S.C. 2249.

TITLE VI—GENERAL PROVISIONS

SEC. 601. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive Order issued pursuant to existing law.

SEC. 602. Within the unit limit of cost fixed by law, appropriations and authorizations made for the Department of Agriculture for the fiscal year 1986 under this Act shall be available for the purchase, in addition to those specifically provided for, of not to exceed seven hundred thirty-four (734) passenger motor vehicles of which seven hundred six (706) shall be for replacement only, and for the hire of such vehicles.

SEC. 603. Funds in this Act available to the Department of Agriculture shall be available for uniforms or allowances therefore as authorized by law (5 U.S.C. 5901-5902).

SEC. 604. Not less than $1,500,000 of the appropriations of the Department of Agriculture in this Act for research and service work authorized by the Acts of August 14, 1946, July 28, 1954, and September 6, 1958 (7 U.S.C. 427, 1621-1629; 42 U.S.C. 1891-1893), shall be available for contracting in accordance with said Acts.

SEC. 605. No part of the funds contained in this Act may be used to make production or other payments to a [person, persons, or corporations who harvest or knowingly permit to be harvested for illegal use, marihuana, or other] *person, persons or corporations who grow, cultivate, harvest, process or store or knowingly permit to be grown, cultivated, harvested, processed or stored for illegal use, marijuana, or other* such prohibited drug-producing plants on any part of lands owned or controlled by such persons or corporations.

SEC. 606. Advances of money from any appropriation in this Act for the Department of Agriculture may be made by authority of the Secretary of Agriculture to chiefs of field parties.

SEC. 607. The cumulative total of transfers to the Working Capital Fund for the purpose of accumulating growth capital for data services and National Finance Center operations shall not exceed $2,000,000: *Provided*, That no funds in this Act appropriated to an agency of the Department shall be transferred to the Working Capital Fund without the approval of the agency administrator[: *Provided further*, That not to exceed $40,001,000 shall be charged against the Working Capital Fund for personnel compensation and benefits].

SEC. 608. New obligational authority provided for the following appropriation items in this Act shall remain available until expended: Public Law 480; Mutual and Self-Help Housing; Watershed and Flood Prevention Operations; Resource Conservation and Development; Animal and Plant Health Inspection Service, Buildings and Facilities; Agricultural Stabilization and Conservation Service Salaries and Expenses funds made available to county committees; the Federal Crop Insurance Corporation Fund; *Rural Housing for Domestic Farm Labor; Agricultural Research Service, Buildings and Facilities; Scientific Activities Overseas (Foreign Currency Program);* and Buildings and Facilities, Food and Drug Administration.

SEC. 609. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 610. Not to exceed $50,000 of the appropriation available to the Department of Agriculture in this Act shall be available to provide appropriate orientation and language training pursuant to Public Law 94-449.

SEC. 611. Notwithstanding any other provision of law, employees of the agencies of the Department of Agriculture, including employees of the Agricultural Stabilization and Conservation county committees, may be utilized to provide part-time and intermittent assistance to other agencies of the Department, without reimbursement, during periods when they are not otherwise [full] *fully* utilized, and ceilings on full-time equivalent staff years established for or by the Department of Agriculture shall exclude overtime as well as staff years expended as a result of carrying out programs associated with natural disasters, such as forest fires, droughts, floods, and other acts of God.

SEC. 612. Funds provided by this Act for personnel compensation and benefits shall be available for obligation for that purpose only.

SEC. 613. No part of any appropriation contained in this Act shall be expended by any executive agency, as referred to in the Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), pursuant to any obligation for services by contract, unless such executive agency has awarded and entered into such contract as provided by law.

SEC. 614. None of the funds appropriated or otherwise made available by this Act shall be available to implement, administer, or enforce any regulation which has been disapproved pursuant to a resolution of disapproval duly adopted in accordance with the applicable law of the United States.

[SEC. 615. Certificates of beneficial ownership sold by the Farmers Home Administration in connection with the Agricultural Credit Insurance Fund, Rural Housing Insurance Fund, and the Rural Development Insurance Fund shall be not less than 75 per centum of the value of the loans closed during the fiscal year.]

SEC. [616.] *615.* No funds appropriated by this Act may be used to pay negotiated indirect cost rates on cooperative agreements or similar arrangements between the United States Department of Agriculture and nonprofit institutions in excess of 10 per centum of the total direct cost of the agreement when the purpose of such cooperative arrangements is to carry out programs of mutual interest between the two parties. This does not preclude appropriate payment of indirect costs on grants and contracts with such institutions when such indirect costs are computed on a similar basis for all agencies for which appropriations are provided in this Act.

SEC. [617.] *616.* None of the funds in this Act shall be used to carry out any activity related to phasing out the Resource Conservation and Development Program.

SEC. [618.] *617.* None of the funds in this Act shall be used to prevent or interfere with the right and obligation of the Commodity Credit Corporation to sell surplus agricultural commodities in world trade at competitive prices as authorized by law.

SEC. [619.] *618.* Notwithstanding any other provision of this Act, commodities acquired by the Department in connection with Commodity Credit Corporation and section 32 price support operations may be used, as authorized by law (15 U.S.C. 714c and 7 U.S.C. 612c), to provide commodities to individuals in cases of hardship as determined by the Secretary of Agriculture.

SEC. [620.] *619.* During fiscal year 1986, notwithstanding any other provision of law, no funds may be paid out of the Treasury of the United States or out of any fund of a Government corporation to any private individual or corporation in satisfaction of any assurance agreement or payment guarantee or other form of loan guarantee entered into by any agency or corporation of the United States Government with respect to loans made and credits extended to the Polish People's Republic, unless the Polish People's Republic has been declared to be in default of its debt to such individual or corporation or unless the President has provided a monthly written report to the Speaker of the House of Representatives and the President of the Senate explaining the manner in which the national interest of the United States has been served by any payments during the previous month under loan guarantee or credit assurance agreement with respect to loans made or credits extended to the Polish People's Republic in the absence of a declaration of default.

SEC. [621.] *620.* None of the funds in this Act shall be available to reimburse the General Services Administration for payment of Standard Level User Charges in excess of the amounts specified in this Act.

SEC. [622.] *621.* In fiscal year 1986, the Secretary of Agriculture shall initiate construction on not less than twenty new projects under the Watershed Protection and Flood Prevention Act (Public Law 566) and not less than five new projects under the Flood Control Act (Public Law 534).

SEC. [623.] *622.* Funds provided by this Act may be used for translation of publications of the Department of Agriculture into foreign languages when determined by the Secretary to be in the public interest.

SEC. [624.] *623.* None of the funds appropriated by this or any other Act may be used to relocate the Hawaii State Office of the Farmers Home Administration from Hilo, Hawaii, to Honolulu, Hawaii.

SEC. [625.] *624.* Provisions of law prohibiting or restricting personal services contracts shall not apply to veterinarians employed by the Department to take animal blood samples, test and vaccinate animals, and perform branding and tagging activities on a fee-for-service basis.

SEC. [626.] *625.* None of the funds provided in this Act may be used to reduce programs by establishing an end-of-year employment ceiling on full-time equivalent staff years below the level set herein for the following agencies: Farmers Home Administration, 12,400; Agricultural Stabilization and Conservation Service, 2,550; and Soil Conservation Service, 14,177.

SEC. [627.] *626.* Funds provided in this Act may be used for one-year contracts which are to be performed in two fiscal years so long as the total amount for such contracts is obligated in the year for which the funds are appropriated.

SEC. [628.] *627.* Funds appropriated by this Act shall be applied only to the objects for which the appropriations were made except as otherwise provided by law, as required by 31 U.S.C. 1301.

SEC. 628. None of the funds provided for fiscal year 1986 in this or any other act shall be available to restrict the authority of the Commodity Credit Corporation to lease space for its own use or to lease space on

behalf of other agencies of the Department of Agriculture when such space will be jointly occupied.

Mr. COCHRAN. Madam President, the bill now before the Senate is the appropriations bill for Agriculture, Rural Development, and Related Agencies.

The bill funds all of the activities of the Department of Agriculture, except the Forest Service. It also provides funding for the Food and Drug Administration and the Commodity Futures Trading Commission. And it sets a limitation on the administrative expenses of the Farm Credit Administration. The bill represents many hours of very careful consideration to determine the funding levels necessary to permit these agencies and the Department of Agriculture to fulfill their responsibilities as directed by the Congress. We have received very important advice and counsel from many quarters, including the administration, fellow Senators, and from persons who are directly affected by or interested in the programs funded by the bill.

We have also tried to keep the funding levels within the targets that have previously been set by the Congress for spending this year. The total budget authority contained in the bill is $28.1 billion. In our efforts to stay below fiscal year 1985 levels, we are recommending funding which is $185 million below last year's levels.

There is one particular change that we have made in this bill which I need to describe in some detail. This year we are recommending a current, indefinite appropriation for the reimbursement of the Commodity Credit Corporation. Traditionally, the committee has recommended a specific amount of funding that is approved in this appropriations bill to reimburse the CCC for losses which it has sustained in its operation. These are not realized losses that occur when deficiency payments are made, when loans that have been extended are not repaid, or other expenses incurred under the charter and the authority of the Commodity Credit Corporation. Last year, Senators may remember that the Commodity Credit Corporation actually shut down its operation in July because it ran out of spending authority or funding that was to be made available through the passage of a supplemental appropriations bill.

But that bill got bogged down in conference and the CCC ran out of money.

We hope that the new appropriations process we have included in the Senate bill, will prevent that kind of crisis from occurring again.

We make available the authority for the Commodity Credit Corporation to spend an indefinite amount, but we retain the right to monitor and to have oversight over the spending of the CCC.

The administration, some may recall, had recommended a permanent indefinite appropriation for the CCC, but I am afraid that if we granted that request we would lose authority over the spending of the CCC and this would be an inappropriate relinquishment of authority by the Congress to the administration over the operations of the Commodity Credit Corporation. So we are not recommending that to the Senate.

In comparing, therefore, the $28.1 billion funding level of this bill with the House-passed bill, Senators will notice that the total amount of our bill is substantially less than the total amount of the House-passed bill. As a matter of fact, the difference largely is reflected by the difference that I have just described in that $9,396,240,000 is not included in the Senate bill for CCC reimbursement.

Let me also point out a number of factors in addition to that which should be considered when comparing the Senate bill to the bill passed by the other body.

The House provides a specific amount for CCC reimbursement. But let me mention, too, that the amount provided by the House is $201 million less than the amount estimated to be needed for reimbursement of the CCC for net realized losses.

It appears that the House has intentionally used a figure lower than that estimated to be needed in that account. It could be that that $201 million is then used by the other body to fund other accounts in larger amounts than would otherwise have been possible.

It is also noticed that in the House-passed bill the reimbursement accounts for the Farmers Home Administration are funded at less than the amount estimated to be needed to provide fully for those accounts.

It seems that the Farmers Home Administration accounts may be funded at a figure that is really $733 million less than the amount that will eventually be needed to operate those revolving funds.

The legislative notice which has been circulated by the U.S. Senate Republican Policy Committee does an excellent job of pointing out some of the differences between our committee bill and the bill passed by the other body, particularly as it relates to the way the House funds these revolving accounts.

I would like to read into the RECORD this excellent treatment of the subject and commend editor Judy Myers and the Republican Policy Committee, and its chairman, BILL ARMSTRONG, for the work that they do, particularly on this subject because it is very complicated.

The Legislative Notice says:

Committee Recommendations: The Committee has made every attempt to stay within the limits in the first concurrent budget resolution. Probably the most difficult decision by the Committee to conform to the budget resolution was the reduction of FmHA rural housing programs to 60 percent of the levels appropriated last year. Because of the complexity of the bill and the variety of on-budget, off-budget, entitlement, and discretionary programs, the various parties (OMB, CBO, Senate Budget Committee and Appropriations Committee) which must score this bill disagree on many issues.

Another difficulty is the appearance that the bill grossly exceeds the House bill in budget authority. The House arrived at its lower numbers and false savings by reducing certain accounts which will have to be replenished later in the fiscal year. The House reduced the reimbursement accounts of FmHA revolving funds which provided an additional $732.6 million to fund other programs, while claiming to be under the budget request. Similar treatment of the Commodity Credit Corporation reimbursement for net realized losses provided an additional $201 million and a transfer from the Food Stamp Program to the Expanded Food and Nutrition Education Program provided $38.6 million. Thus, in just these accounts, the House bill total is understated by $972,199,000.

That is a quotation from the legislative notice.

The Appropriations Committee has included in our recommendation funding for many programs at the fiscal year 1985 or current law level. For the Food Stamp Program and Child Nutrition Program, including the School Lunch Program, the committee included sufficient funds to carry out these programs based on current law, although pending authorization bills could eventually change those programs.

The committee appropriated funds for the Women, Infants, and Children Feeding Program based on the fiscal year 1985 caseload level, about 3 million participants.

In other programs, the committee provides roughly the fiscal year 1985 levels of fundings. These include research programs, most of the extension service programs, the Soil Conservation Service programs, and most of the cost-sharing programs of the Agricultural Stabilization and Conservation Service.

The bill as recommended by the committee is within the subcommittee's 302(b) allocation for both budget authority and outlays.

Madam President, I am convinced that this bill represents fiscal restraint on the one hand and funding levels on the other that will provide needed assistance for distressed farmers and important assistance in the nutrition areas for those who need that assistance. I urge the Senate to support the bill as reported by the committee.

Before yielding the floor, I want to express my appreciation to the ranking minority member of the subcommittee, the distinguished Senator from North Dakota [Mr. BURDICK]. He has

done an excellent job. He has been most helpful to me and to the committee in developing this bill and bringing it to the floor for the consideration of the Senate. I thank him for that cooperation and for that important assistance.

I shall be happy, Madam President, to yield the floor to the Senator from North Dakota at this point.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. BURDICK. Madam President, I would like to extend my sincere appreciation and commendation to the chairman of the Agricultural Appropriations Subcommittee for his hard and thoughtful work on this bill. As he has indicated, the bill contains overall funding levels below those of last year. In addition, the budget resolution calls for substantial cuts in agriculture programs and charges that we find unspecified savings in our bill. Given the dire straits of agriculture today, this would seem an almost insurmountable task, but the chairman, as well as the other members of the committee, have done so, and I hope my colleagues will approve the bill.

Madam President, I would like briefly to mention some of the highlights of the bill as I see them.

I believe we have done a good job of addressing the funding needs of the nutrition programs. The administration proposed legislative savings in child nutrition programs which would save $685,960,000. Since these changes have not been made, we have made this funding available upon the submission of a budget request so that these programs would not be interrupted. The bill contains a $70 million increase for the WIC Program so that the current caseload level will not have to be cut. The WIC Program is one of the most effective nutrition assistance programs we have.

We have also provided full funding for the Commodity Supplemental Food Program and for the Food Stamp Program. Like Child Nutrition, the administration proposed legislative changes in the Food Stamp Program which have not been enacted, and the committee therefore provides for full funding under current law. The administration's budget also proposed terminating the Temporary Emergency Food Assistance Program and capping the Elderly Feeding Program. The committee has wisely rejected both of these proposals.

This bill also contains substantial funding for conservation over the budget request. The administration proposed cutting over $366,000,000 out of conservation, or roughly 45 percent. This ill-advised reduction was proposed at a time when the conservation of our land and water is more important than ever and fundamental to the future of agriculture in this country. Although I am disappointed that the bill does not contain the full amount of funding that was provided in 1985, it restores the great majority of the cuts proposed by the President.

I am also pleased that the committee has seen fit to transfer the Animal Damage Control Program from the Department of the Interior to the Department of Agriculture. The purpose of the program is the protection of agriculture; the original act rests authority for ADC with the Secretary of Agriculture; in short, USDA is the proper administrator of this important program.

This bill provides an additional $1,920 million in credit for our farmers over what the President requested. We are all aware, or at least we should be, of the serious problems our farmers are facing. We are also aware that the situation has not improved at all, and if we expect our farmers to stay in business this next year, we need to provide the financial assistance to keep them in business. Therefore, this bill makes $5,320 million available in farm loans—the same amount as was provided in 1985 due in large part to the transfer of over $2 billion from the Emergency Disaster Loan Program.

The bill also provides an additional $41,900,000 over 1985 available for Farmers Home Administration salaries and expenses. This increase is necessary in order to have sufficient staff available to process the increased number of loan applications on a timely basis. When a farmer is set to put in his crop, time does not stand still waiting for his loan application to be approved. With this level of funding, FmHA will be able to meet these needs.

Madam President, I am especially pleased that the committee has accepted my recommendation that we preclude the Rural Electrification Administration from denying loans, or refusing to make loan funds available, to qualified electric and telephone borrowers under a general funds policy. While the REA claims that it cannot meet the minimum loan levels set by Congress, it continues to deny these funds to borrowers who desperately need the money. This practice is merely an attempt by the administration to phase out the REA Program, which is still desperately needed today and whose purpose Congress has consistently supported.

The productivity of agriculture in the United States is a model which the whole world can emulate. This preeminence is due, in large part, to the tremendous achievements we have made in research on growing techniques, pest and disease control, food and fiber use, genetics, and every other facet of agriculture. The committee has continued funding for the Agricultural Research Service, the Cooperative State Research Service, the Animal and Plant Health Inspection Service, and the Extension Service. If we want to maintain our status in world agriculture; and keep our farmers and agribusinesses competitive with the rest of the world, these programs are essential.

Madam President, these are a few of the highlights of this year's bill. I congratulate Senator Cochran for the job he has done in bringing the bill to the floor. And I urge my colleagues to support it.

(Senator STEVENS assumed the chair.)

Mr. COCHRAN. Mr. President, I ask unanimous consent that the committee amendments to H.R. 3037 be considered and agreed to en bloc and that the bill as thus amended be treated as original text for the purpose of further amendment and that no point of order be waived thereby.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. COCHRAN. Mr. President, the distinguished Senator from North Dakota has provided, I think, a very helpful overview of the provisions of this appropriations bill. We have sought, by providing funding for many programs administered by the Department of Agriculture, to be sure that essential services and technical assistance in both the farm credit and soil conservation areas, which are very critical to our farmers throughout the country, be maintained at levels that will permit them to have a chance to work their way out of this current economic difficulty. We realized in working on this bill that we were not going to be able to solve all of the problems of agriculture by bringing one appropriations bill to the floor and seeing it passed and signed by the President. So we did not seek to solve every problem confronting agriculture. There are some that are not within our jurisdiction. The problem that exporters encounter when trying to deal with the imbalance in the value of the dollar with foreign currencies is one example. We can try, however, to make a contribution toward reducing our own budget deficit by having a bill that is responsible from a fiscal policy point of view. I think this bill is a responsible appropriations bill.

We have stayed very near to the funding levels that were provided for these activities and programs in 1985. To do so and provide the needed assistance in some program areas, we have had to make changes in some of the more popular programs. One that I personally have a great deal of difficulty with is the reduction in funding that we have provided in this bill for the Farmers Home Rural Housing Program. I know of no program that is more popular from a political point of view than the Rural Housing Program. We know many people in this country

live out in the rural areas who are not able to provide fully for their own housing needs without some assistance with interest rates as high as they are, and so this program meets a special need with which we are all familiar. Yet we recommend to the Senate that we reduce the funding level in that program this year by 40 percent so that we can bring to the floor and we can pass and have enacted a bill which makes an important contribution toward deficit reduction.

I hope Senators will refrain from offering amendments which undo these changes that are so important to the bill now before the Senate. I know some Senators have changes or suggestions they would like to discuss and present to the Senate and that since we are probably not having any votes today, a number of Senators who have amendments are not here. But I hope those who do have amendments which they would like to discuss or present to the Senate and they are able to bring them to the attention of the Senate today, will take advantage of this opportunity to present them and see if we can discuss them and resolve the issues that are raised.

In some other specific areas, I want to let Senators know that we are aware of special problems which have been brought to our attention. In the animal and plant health inspection service area, the brucellosis program, which is of particular concern in the South I know and many other areas of the country as well, is funded at a level of $63.5 million. We are encouraged that the 5-year eradication program that has now been approved and put into place by the Department of Agriculture will be successful and that those interested and involved in the cattle industry will have that problem resolved. We cannot solve the problem with a 1-year appropriation. It is going to take some more time and a continual effort to ensure compliance with a controlled program for us to be successful in eradicating this infection.

Senator McCLURE, during committee consideration of the bill, brought to our attention the terrible problem with the pest grasshoppers out in his part of the country, Idaho and the West. We have provided $18 million in the bill, more than ever at this stage in a year, for eradication work, pest control to help in that area.

In the agriculture credit area, one that has been discussed and is the subject of hearings in the legislative committees in the Senate as well as the other body this month, we have provided funding levels for Farmers Home Administration credit to farmers at the same levels which were used last year, the 1985 fiscal year. Almost $5 billion in lending authority is made available to the Farmers Home Administration. What we hope to see, though, is a transition from direct lending by the Farmers Home Administration to guaranteed lending. This is going to take I think some imaginative work by the Department of Agriculture to administer a credit program that moves toward a guaranteed lending program where loans are actually processed and handled by loan officers who are affiliated with the traditional lenders—banks, production credit associations, insurance companies, and others who might be involved in making loans to agriculture customers. What we are finding is that the Farmers Home Administration offices, because of shortages in personnel and other difficulties, are simply not able to handle the increasing problem. Senator BURDICK pointed out that we are adding money in this bill over and above that provided in the House for salaries and expenses for Farmers Home Administration office employees, $38 million over the amount provided in the House, to try to provide the personnel levels necessary to handle this increased volume of business.

More and more farmers are having to turn to the Farmers Home Administration as a lender of last resort because adequate credit is not available from the traditional sources. And this needs the attention of the legislative committees. They have hearings scheduled and I hope, with the cooperation of the financial community, farm credit problems can be solved.

It does not appear that the way to solve the problem is simply to provide more direct lending through the Farmers Home Administration. Nonetheless, we are not cutting that program. We are not recommending any reduction in funding in farm credit in this bill. We are recommending that the same amount be made available in 1986 as was used in 1985 for Farmers Home lending. We are suggesting a division between operating loans and guaranteed loans, direct and guaranteed loans that will begin a transition toward more guaranteed lending and less direct lending.

In conservation, which is another very important area, we know that the Agriculture Committee has reported a bill to the Senate which provides one of the most ambitious soil and water conservation programs in the history of this country, and it is going to take some money to get it started. We are providing authority for Commodity Credit Corporation funding in the initial stages of this conservation program. We hope this helps. We hope this gives impetus to the effort to remove from cultivation fragile, marginal lands, lands that are highly erodible, that should not be in the production of row crops, some of which should not be in pasture but should be in pine trees or wildlife habitat. Incentives are being written into the law now to encourage better use, sounder management of land resources than we have seen in the past.

We have had the incentives upside down in many areas of the country. The incentives have been to cultivate and get Government income support, soil conservation, technical assistance programs. Be the beneficiary of the Federal Government's largesse and get into farming. Those who act on those incentives have ruined some very fragile lands. Those lands will never be what they once were, and they are being washed away, blown away. They are not producing the yields they did at first, because the nutrients in the soil are gone.

We are trying to do something about that in this bill, too, by providing the authority to begin this new program to take out of cultivation and put into conservation use or better use much of the land that is in production now or in cultivation that should not be.

In these other programs administrated by the Soil Conservation Service and the ASCS, we are providing funding at current levels. The nutrition programs, as was pointed out by the Senator from North Dakota, are funded at levels that will permit the current caseload to be served. This means that we have had to increase the amount allocated to those accounts in some cases in order to achieve that current caseload of assistance.

We notice here, again, that the other body has underfunded the Food Stamp Program by transferring funds from that account to the EFNET Program, the Nutrition Education Program. That may require a supplemental.

We are recommending that we not go along with that funding level. We are suggesting that the current estimates of need be used and funding be made available on the basis of current facts and information. We have done that in the nutrition programs—WIC, Food Stamps, Child Nutrition.

We are trying to bring to the Senate a recommendation that is consistent with the facts as we know them and that contains funding levels based on that information. The same is true for the Farmers Home Administration revolving accounts and the Commodity Credit Corporation.

I will be glad to respond to any questions. I know that the Senator from North Dakota is prepared to try to help answer questions that Senators may have about the bill. If any suggestions are made for changes, we will be happy to discuss and debate those with Senators who may want to offer amendments.

I know there are some who have said they intend to offer amendments.

We hope there will not be many amendments. We hope there will not be any amendments that seek to add

funding to the bill, because right now we are at the 302(b) allocation level, and we hope that this bill will help show that the Senate is serious about fiscal restraint. We think it does at this time.

Mr. President, I see no other Senators seeking recognition, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER [Mr. SIMPSON]. Without objection, it is so ordered.

(By request of Mr. COCHRAN, the following statement was ordered printed in the RECORD:)

TRANSFER OF ANIMAL DAMAGE CONTROL FROM INTERIOR TO USDA

● Mr. SYMMS. Mr. President, I rise today to commend the Senate Appropriations Committee for funding the Federal Animal Damage Control Program in the Department of Agriculture.

The measure reported by the committee also provides for the transfer of all personnel, property, aircraft, and so forth currently used in the U.S. Fish and Wildlife Service for administration of the program. This action on the part of the committee will be welcomed by producers of food and fiber across the Nation.

It is under this program that the U.S. Government fulfills its responsibility to minimize the losses caused by wildlife coming off Federal lands. In Idaho, where almost two-thirds of the land is federally owned, those losses can be costly. The Idaho sheep industry suffered $1.37 million in predator-caused losses last year. In an industry which often operates with a negative margin of profit, losses of that magnitude can be devastating. If the Federal Government is not willing to relinquish its ownership of such a large portion of Idaho, it must be least fulfill the duties of a responsible landlord.

The sheepman is not the only one who needs protection against wildlife depredations. Animals cause damage to many areas of agriculture and forestry. Blackbirds and starlings in the South, pocket gophers in eastern forests, rats and mice in Hawaii—this program affects the entire Nation.

In 1931, Congress authorized the Secretary of Agriculture to carry out a cooperative program to reduce the losses caused by predatory animals, birds and rodents. At the time, the program was used as a basic wildlife management tool to protect deer and elk populations. Predators were considered a liability to the wildlife resource, and predator control was an inherent part of the wildlife managers job.

When President Roosevelt transferred what is now the Fish and Wildlife Service from Agriculture to Interior, animal damage control responsibilities related to wildlife conservation were transferred along with it. In 1939, the Secretaries of each Department signed a memorandum of understanding, making the Department of Interior lead agency in animal damage control.

Since that time, however, wildlife management philosophy has changed dramatically. Congress has passed numerous laws mandating conservation of wildlife, and assigning the Fish and Wildlife Service primary responsibility for enforcement. Since the reduction of animal damages is no longer considered essential to conservation efforts—as noted wildlife biologist Dr. Walter Howard commented:

Placing animal damage control in a fish and wildlife organization makes as much sense as putting weed control under the supervision of the national arboretum.

The transfer of the ADC Program, as it is called, better reflects our current wildlife conservation philosophy. Because of this, conservation interests across the Nation have supported the transfer of the program. Mr. President, I ask that the paper entitled "A Conservationist's View of Why ADC Should Be in the USDA" be printed in the RECORD.

The material follows:

A CONSERVATIONIST'S VIEW OF WHY ADC SHOULD BE IN THE USDA—THE PROBLEMS OF INTERIOR'S ADC PROGRAM

1. As long as animal damage control is a responsibility of a wildlife management agency, the program will inherently be directed at the management of wildlife. Alternatives which involve the management of agriculture will be discouraged.

2. Interior is not responsible to show any positive results from its control work. Animals are killed without adequately determining whether this will effectively reduce the agricultural damages being sustained.

3. Interior cannot constructively criticize its own program. The conflict of interests present within the agency results in the stifling of both ADC and conservation interests.

4. Interior's ADC funding must be prioritized against programs for wildlife conservation, competing for resources that would otherwise be devoted to conservation.

5. The controversy of Interior's ADC authority has deflected congressional scrutiny from the program itself. Needed program reforms will be delayed as long as the issue of jurisdiction is in question.

HOW AN ADC PROGRAM IN AGRICULTURE SOLVES THESE PROBLEMS

1. The USDA has extensive expertise in livestock and crop management. Its approach to ADC has historically centered more in prevention and protection against damages.

2. The USDA has already announced its plan to implement "a risk management mode of animal damage, measuring productivity gains against target species damage."

3. Agriculture's program would be carefully reviewed and regulated by objective agencies such as the Fish and Wildlife Service or the Environmental Protection Agency.

4. ADC would be appropriately prioritized among other Government programs for the benefit of farmers and ranchers.

5. With the question of jurisdiction out of the way, program activities would be open for review. The USDA has already proposed that a task force of conservation and agriculture interests be established to recommend possible future program reforms.

Ninety cents of every Federal ADC dollar go to purchase protection for farmers and ranchers. While the ADC Program is in the U.S. Fish and Wildlife Service, that 90 cents must come from a basically wildlife conservation budget. Funding ADC out of the USDA budget puts the program in perspective with other programs which benefit agriculture. This, in turn, will help Congress to prioritize ADC funds more consistently and with much less controversy.

In 1939, Secretary of Agriculture Henry Wallace noted "the wildlife resource is just one of several important resources of the public domain. It must be managed on the multiple use principle under which the management of all resources and all uses of Government lands are coordinated. No one resource, or use, can be given an exclusive right-of-way or managed independently of the others."

"If turned over to any other agency, predator control goals will likely be lost in a vacuum of responsibility. The reduction of predator damages is as much agricultural as any other function of the Department (of Agriculture). If these damages are not controlled, our ability to produce food and fiber is threatened. It was for the protection against such threats that this Department was created."

Time has proven the truth of Henry Wallace's warning. The replacement of animal damage control in the Department of Agriculture is now 20 years overdue. It was 20 years ago that former Senator Tower introduced legislation to re-establish the ADC Program in agriculture.

Since 1965, an attempt has been made to transfer the ADC Program to Agriculture at least once in every session of Congress. Now, due to the cooperative efforts of many of my Senate and House colleagues, the Secretaries of Interior and Agriculture, and Agricultural interests throughout the Nation, the program has finally arrived at its original and most appropriate home in the Department of Agriculture.●

● Mr. SARBANES. Mr. President, will my distinguished colleague from Mississippi yield for a question?

● Mr. COCHRAN. I am glad to yield to my good friend from Maryland.

● Mr. SARBANES. I thank the Senator.

During consideration of the fiscal year 1985 supplemental appropriations bill, language was included which prohibited the closing of local and State Agricultural Stabilization and Conservation Service [ASCS] offices for the remainder of the fiscal year. This language was included in the bill to prevent the Department of Agriculture from proceeding with their ASCS office consolidation and relocation plan.

Although the bill we are now considering does not include similar language regarding ASCS offices, the management efficiency initiatives section of the committee report states on page 8 the following:

. . . The Committee, however, remains concerned about the closing of any State or county offices and will expect the Department to notify the appropriate committees of Congress at least 4 months in advance of any proposed changes in organization or location of offices.

It is my understanding that this language applies to all ASCS offices and the Department's consolidation and relocation plan. Is that my distinguished colleague's understanding of this language?

● Mr. COCHRAN. Yes. By including that language in the report, it was the intention of the committee that before any action is taken to close or relocate any ASCS offices, the Department should notify the appropriate committees of Congress, including the Subcommittee on Agriculture, Rural Development, and Related Agencies, at least 4 months in advance.

● Mr. SARBANES. I thank my good friend from Mississippi for clarifying this matter for me.●

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE OFFICES

Mr. COCHRAN. I yield to my distinguished colleague from New Jersey.

Mr. LAUTENBERG. I am pleased that my distinguished colleague from Mississippi concurs that the language contained in the fiscal year 1986 agriculture appropriations bill referring to closing of State or county offices refers to all ASCS offices, and that the proposed changes in organization or location of offices refers to the Department's consolidation and relocation plan. It was my intention in offering this language in the Senate Appropriations Committee that it be so understood.

I agree with my colleagues that the Agricultural Stabilization and Conservation Service [ASCS] offices play an important role in assisting our States' agricultural communities. The New Jersey ASCS center serves as a valuable link between the U.S. Department of Agriculture and the State of New Jersey. It has worked closely with the New Jersey Department of Agriculture and the Department of Environmental Protection to ensure that New Jersey's agricultural needs are addressed. Conservation programs, water quality assessments, and price stabilization plans, all vital to the health of New Jersey's farm community have been effectively administered through the ASCS State office.

Regionalization of the State offices would cause great problems, forcing New Jersey farmers to travel to another State to get assistance from the ASCS. New Jersey and other States will be better served by having their own ASCS offices in their own States.

My intention in seeking to include this language in the bill was to protect that right by providing for adequate notice in the event that the Department of Agriculture seeks to consolidate or close the New Jersey ASCS office. I thank my colleague from Mississippi for engaging in this colloquy on the intent and meaning of the committee report language. I very much appreciate his acceptance of my language in committee.

Mr. BRADLEY. I thank the Senator. I would also like to thank the distinguished Senator from Mississippi for clarifying this passage of the committee report.

I know that my good friend from Maryland agrees that the Agricultural Stabilization and Conservation Service [ASCS] offices play a vital role in assisting each State's agricultural community. A move to regionalize or close New Jersey's ASCS centers would directly effect the 4,000 farm operators who rely on broad range of sevices provided by the ASCS.

Furthermore, a regionalization of the State offices would result in a breakdown of Federal agricultural programs administered at the State level. Today, if a farmer living in Cumberland County, NJ, needs the help of the ASCS, he or she need only travel to the ASCS office located in Rosehayn. There a person familiar with the country's agricultural community can offer assistance. Regionalization of the ASCS offices would only create inefficiency in a system that is charged with helping widely divergent needs and interests. It is not difficult to imagine the problems New Jersey farmers would encounter if they had to travel to another State in order to get assistance from the ASCS.

Simply put, each State can be served best by its own ASCS center. I would like to thank my colleague from Mississippi for taking the time to address the questions posed by my friend from Maryland, and for allowing me a moment to relay my concern for this important program.

ON THE USDA SURPLUS COMMODITIES PROGRAM FOR THE ELDERLY

Mr. GRASSLEY. Mr. President, this bill includes a provision offered as an amendment by Senator COCHRAN, the chairman of the Subcommittee on Agriculture of the Appropriations Committee, during full committee markup of the bill on September 24, 1985, which should enable the Older Americans Act network to avoid what could have been a cutback in the coming months of 18 million meals nationwide in congregate and home-delivered meals.

As chairman of the Subcommittee on Aging, which oversees the Older Americans Act programs, I can assure my colleagues that the congregate and home-delivered meals programs provide a vital service for older people, most of whom are needy. I thank my colleague from Mississippi for responding to the concerns about this program expressed to him by myself and others.

There is one question I would like to address to Senator COCHRAN about his amendment:

As I understand it, his amendment states that the Department of Agriculture may use up to $7 million in fiscal year 1986 funds to meet obligations incurred by the States in fiscal year 1985 for this program. Was it the committee's intention that the Department should spend up to all of the $7 million to retire fiscal year 1985 obligations for this program?

Mr. COCHRAN. This is correct. It was the intention that the Department should pay for outstanding fiscal year 1985 obligations incurred by the States for this program. I am aware that area agencies on aging are reporting substantial increases in need for the meals programs, and particularly for the home-delivered program; therefore, this hardly seems the time to permit substantial cutbacks in this program.

Mr. GORTON. Mr. President, I am concerned that one small part of the committee bill may do serious damage to the effort to provide low-income farmworkers with decent housing, both in my State and across the Nation. The level of funding for rental assistance payments contained in the committee's bill provides no assistance for new units that will be constructed under the farmworker housing program. What this means is that new units will be completed, and we will not be able to put families into them, because the small additional rental assistance funding is not available. Not only will this mean that some low-income farmworkers will not be housed, but it appears to be inconsistent with the committee's overall goal of preserving the program—we are appropriating 90 percent of the money for this effort in the construction program, but the overall effort only makes sense if we provide the small rental assistance moneys that go with it.

I understand that the House bill has a higher appropriation figure for rental assistance, but also neglects to set aside any funds for assistance attached to new construction coming on stream this year. Quite apart from the question of the funding level, I hope that the chairman of the committee can try to get the conference committee to address this issue, and see if a small amount of assistance—on the order of 500 units—can be set aside for farmworker housing new construction units.

Mr. COCHRAN. I appreciate the Senator's raising this issue. I understand his concern. It is always difficult, as I am sure the Senator understands, to be certain going into a conference just how a problem is going to be dealt with. But I assure the Senator that I will keep this problem in mind during the conference.

Mr. GORTON. I thank the Senator.

Mr. COCHRAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. COCHRAN). Without objection, it is so ordered.

Mr. DOLE. Mr. President, I thank the distinguished Presiding Officer for bringing up H.R. 3037, the agriculture appropriations bill.

I only wish now that some of the Members who have amendments would come to the Chamber and offer those amendments.

We have seven appropriations bills on which we need fairly immediate action because we will have another continuing resolution in the next 2 or 3 weeks and we have a number of other matters, including reconciliation, the so-called textile bill, the farm bill, a number of other matters we hope to bring up before the Thanksgiving break which starts on November 22.

But there are amendments of Senators QUAYLE, GORE, CHILES, LEVIN, DIXON, DOLE/EXON, LAUTENBERG, GRASSLEY, METZENBAUM, and PROXMIRE.

It seems to me that some of those can be disposed of today.

I can only indicate to my colleagues that I do not know anything else to do but come in at 8 a.m. in the morning and have a vote at 8:30 a.m. on attendance check. Otherwise, we will never get started.

We have been on this bill since 11:15 a.m. It is now 3 p.m. and, as I understand it, there have been opening statements made and the managers, both the distinguished Presiding Officer and the distinguished Senator from North Dakota, Senator BURDICK, have been cooling their heels most of the day.

So I urge my colleagues to come to the Chamber because we must dispose of a number of these appropriations bills and reconciliation this week.

I know there are some Members who prefer to do their amendments tomorrow, but if they can do it today, we can order the votes, have the rollcall vote tomorrow, and move on to the next appropriations bill as well as reconciliation.

So I say to my colleagues, some of whom have indicated an interest in recessing or adjourning this year, this is a good example why we will probably be here until after Thanksgiving.

AMENDMENT NO. 775

(Purpose: To appropriate funds to carry out the orphan drug grant and contract program)

Mr. METZENBAUM. Mr. President, I rise to offer an amendment, but first I wish to talk for about a minute and then I will submit the amendment.

The amendment that I offer is supported by the Alexander Medical Foundation, the American Narcolepsy Association, the Amyotrophic Lateral Sclerosis Society of America, the Center for Neurologic Study, the Cornelia de Lange Syndrome Association, and about 35 other organizations, a total list of which I ask unanimous consent be printed in the RECORD at this point.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

The Alexander Medical Foundation.
American Narcolepsy Association.
Amyotrophic Lateral Scleriosis Society of America.
Center for Neurologic Study.
Cornelia de Lange Syndrome Association.
Cystic Fibrosis Foundation.
Cystinosis Foundation.
Dysautonomia Foundation, Inc.
Dystrophic Epidermolysis Bullosa Research Association.
Epilepsy Foundation of America.
Family Survival Project for Brain Damaged Adults.
Friedreich's Atazia Group in America, Inc.
Gaucher's Disease Registry.
Guillain-Barre Syndrome Support Group.
Huntington's Disease Foundation of America.
International Joseph Diseases Foundation.
Myoclonus Families United.
National Association for Sickle Cell Disease.
National Ataxia Foundation.
National Head Injury Foundation.
National Huntington's Disease Association.
National Multiple Sclerosis Society.
National Neurofibromatosis Foundation.
National Foundation for Ectodermal Dysplasias.
National Retinitis Pigmentosa Foundation.
National Tay-Sachs & Allied Diseases Association, Inc.
National Tuberous Sclerosis Association.
Osteogenesis Imperfecta-N.C.A., Inc.
Paget's Disease Foundation.
Parkinson's Disease Foundation.
Parkinson's Educational Program ● USA (PEP●USA).
Prader-Willi Syndrome Association.
The Sarcoidosis Family Aid & Medical Research Foundation.
Scleraderma Society, Inc.
Tourette Syndrome Association, Inc.
United Leukodystrophy Foundation, Inc.
United Parkinson Foundation.
Wilson's Disease Association.

Mr. METZENBAUM. Mr. President, I might say that it includes the National Head Injury Foundation, the National Huntington's Disease Association, the Tourette Syndrome Association, Inc., the United Parkinson Foundation, and many others.

Then what is this amendment that I am about to offer? It is an amendment having to do with additional appropriation of $4 million in research in connection with the subject of orphan drugs. What are orphan drugs?

Orphan drugs are used to treat rare diseases that afflict a relatively small number of people.

An estimated 8 million Americans suffer from over 5,000 rare diseases. Over half of these are childhood diseases.

Drugs for rare diseases are not profitable for pharmaceutical companies to develop, and we can all well understand that.

But the bottom line is and the result is many drugs which could be used to treat these afflictions never get developed.

The Orphan Drug Act was originally signed into law in January 1983. It authorized $4 million a year for research grants. That was the congressional intent, that was the law.

This $4 million authorization, however, has never been appropriated. A small amount for grants has been available through the Agriculture Committee.

Again, this was a separate appropriation, and it was not under the Orphan Drug Act authorization bill.

In the years between 1983 and 1985 combined, less than $4 million has been spent on research grants—Congress intended to spend $4 million a year.

The word going around in the scientific community is that the Orphan Drug Program is dying, due to the lack of funding. Fewer researchers are bothering to submit applications for this program.

For instance: in 1983, only one-half of a million dollars was appropriated for research; 55 applications were received; 44 were approved; but only 8 of the 44 were funded.

In 1984, only $1.03 million was appropriated, 43 applications were received; 33 were approved; and again only 11 were funded.

In 1985, only $1.42 million was appropriated; 41 applications were received; and 34 were approved.

I offered an amendment to the appropriations bill which gave the program an additional $1 million, and with that 19 new grants were awarded.

Obviously, many of the grants awarded must be funded for more than 1 year. Therefore, obligations for money are often committed before new projects are even considered.

In order for a research program to be viable, it must be able to award grants annually, not once every 2 or 3 years.

This amendment simply carries out the intent of the Congress.

It appropriates a funding authority that has been denied for over 3 years.

It breathes life into a program that desperately needs it.

It gives hope to millions of Americans who today have nowhere else to turn.

To those who would talk about costs, first let me point out we are talking about a very, very small amount of money. When you are dealing with a subject such as illness of children, illness of adults, $4 million is but a drop in the bucket when we talk about the billions that are spent for medical research in this country.

But that $4 million can be extremely valuable in coming up with some of the answers for the rare diseases about which we are speaking. And I would say to those who are managing the bill, $4 million does not even become a decimal point let alone a number on any appropriations bill. It is such an insignificant amount compared with the amount of dollars that are in this bill and in the other bills that we deal with in the U.S. Congress that I would urge upon you, I would beseech you, I would entreat you, and I would also ask you if you would be good enough to accept this amendment which I have not as yet been able to send to the desk because I am waiting for legislative counsel to get the draft of it over to me.

Under those circumstances, Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METZENBAUM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Ohio [Mr. METZENBAUM] proposes an amendment numbered 775.

On page 57, line 10, strike out "$394,044,000" and insert in lieu thereof "$398,044,000, of which $4,000,000 shall be available for grants and contracts under section 5 of the Orphan Drug Act".

(Mr. HELMS assumed the chair.)

Mr. COCHRAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GRAMM). Without objection, it is so ordered.

Mr. COCHRAN. Mr. President, the Senator from Ohio [Mr. METZENBAUM] has brought to the attention of the Senate a subject matter area that is very important and needs the attention of Congress, in my opinion. His amendment seeks to add $4 million to a drug grants program administered by the Food and Drug Administration. Specifically the reason this program exists is to encourage research and development of drugs to combat rare diseases.

The economic problem for drug manufacturers and research scientists is that even if you find a drug that is effective against a rare disease there is not much market for it. It is hard to generate revenue after such a drug is developed and put on the market, and so the economic consequences are such that there is not much research being done in this area since drug manufacturers and retailers are in business to make money and you cannot make money doing research and marketing drugs to deal with the effects and problems of rare diseases.

I recall joining with the distinguished Senator from Kansas [Mrs. KASSEBAUM] a few years ago in sponsoring legislation to create a program to encourage more research in these areas. That bill was enacted into law as Public Law 97-414. It was enacted January 4, 1983. It amends the Federal Food, Drug and Cosmetic Act to facilitate the development of drugs for rare diseases and conditions and for other purposes. Among the provisions of this act is a Drug Grants Program, and that is the program the Senator from Ohio hopes we will fund. For just a matter of history we have made available under this bill, the committee recommends, the sum of $1.8 million in the Food and Drug Administration appropriation.

This is specifically for the Orphan Product Grants Program.

The amendment, therefore, we hope can be modified so that we do add some funds for this program. Even though we have recommended this prior level of $1.8 million, we think that it is an important program. It is meritorious. The only issue really before the Senate as I see it is the budget constraint problem. We are operating under a budget resolution, for instance, which assumes $409 million for the Food and Drug Administration for this next fiscal year.

But the President's budget requested $420,995,000. Our committee has brought a bill here that provides $421,382,000 for the operation of the Food and Drug Administration for this year. And within that, as I say, we have the $1.8 million.

Incidentally, there is another provision of this act I referred to that provides a tax credit to corporations who conduct research and testing of drugs for rare diseases to encourage more work in that area, and that tax credit is available as an incentive in addition to the grant program which is sought to be fully funded by this amendment.

May I suggest, Mr. President, that rather than accepting the amendment of the Senator from Ohio, which would add $4 million to the bill, I would be prepared to recommend that the Senate accept an amendment that would add $2.2 million to this account which would bring up to the authorized level of $4 million the appropriation for research grants for orphan products and orphan drugs to be administered by the Food and Drug Administration.

I hope the Senator can consider that request and that suggestion as a way to resolve the issue. It is an important problem. It does need solving, and I commend and thank the Senator from Ohio for bringing this important subject to the attention of the Senate.

The PRESIDING OFFICER (Mr. GRASSLEY). The Senator from Ohio is recognized.

Mr. METZENBAUM. Mr. President, I wish to respond two ways to my friend and colleague from Mississippi, a man for whom I have tremendous respect. I appreciate what he is saying and I appreciate his willingness to compromoise the issue. But I point out that if the agriculture appropriations measure stands as is, no new grants will be funded, and some multiyear projects may not survive.

So, as a consequence, we are talking about new grants for orphan drug research of $1.8 million that is presently in the bill itself, and the fact that some of that can be used for research but some of it also can be used for other purposes as well. It is not limited alone to research.

It is my strong feeling that having anything less than a minimum of $4 million for research would do violence to the needs that are to be found in this area. There are so many different organizations and so many different illnesses about which we are speaking, and I would feel that to cut back the $4 million to $2.2 million would be less than it should be.

But being a conciliatory human being, I am prepared to compromise and see if my colleague would be willing instead of the $2.2 million and my $4 million perhaps we could compromise at $3.2 million and make it a total of $5 million.

Mr. COCHRAN. Mr. President, if the Senator will yield, let me suggest this: he and I have no quarrel over the fact that $4 million ought to be used from the funds appropriated in the act for the Food and Drug Administration for the Orphan Drug Grants Program. I agree with the Senator on that issue.

The only disagreement and the only suggestion of difference that might exist is that instead of writing in, as this amendment seeks to do, that the appropriated level on page 57, line 10 should be $398,044,000, this Senator is suggesting that instead that figure should be $396,244,000.

If I could get the Senator to agree to make simply that change and leave the rest of the amendment as it is, which would leave the earmarking of $4 million unchanged, so that the amendment would then read: "On page 57, line 10, strike out $394,044,000 and insert in lieu thereof $396,244,000, of which $4 million shall be available for grants and contracts of section 5 of the Orphan Drug Act," then he and I would have no disagreement.

Mr. METZENBAUM. Mr. President, I think that is all right. As I understand the shaving of the extra $2 million, we would find that in some other programs or the Department would be expected to find it. Is that what the Senator is suggesting?

Mr. COCHRAN. Mr. President, our suggestion is that we specifically earmark $4 million, the authorized level, for the Orphan Drug Grants Program, and that we make that total number simply $2.2 million more than was provided by the committee. This requires the FDA to make some adjustments; it certainly does. They have to make some adjustments. They have to make some choices. But it requires them to have a program, to administer a program of $4 million for that Orphan Drug Grant Program.

Mr. METZENBAUM. What concerns me is whether or not this $4 million would encompass the $1.8 million that is already in the bill, and that concerns me because the need for that $1.8 million is so demanding that it will be required just to cover those programs that are ongoing on a year-to-year basis. I believe that I would, in effect, be cutting back an addition of $2.2 million, and I am frankly reluctant to do that.

Let me make another suggestion. Could we add a line, and I do not know where the $1.8 million figure is, could we add a line indicating that this $4 million shall specifically not include those funds heretofore or hereafter appropriated in some section of the bill?

Mr. COCHRAN. Mr. President, I am reluctant to include language like that. The fact of the matter is we have identified the public law that is the authority for the Orphan Drug Grant Program. It provided, when it was enacted, a $4 million a year grant program. It was reauthorized and the authorized limits are $4 million each year.

Mr. METZENBAUM. I accept the Senator's suggestion.

Mr. President, I send a modification of my pending amendment to the desk.

The PRESIDING OFFICER. The Senator has the right to change or modify his amendment.

Mr. METZENBAUM. Mr. President, I do not need the Chair's permission. The yeas and nays have not been asked for.

The PRESIDING OFFICER. The Senator has the right. The amendment at this point is modified because of the author's right to so modify.

The amendment (No. 775), as modified, reads as follows:

On page 57, line 10, strike out "$394,044,000" and insert in lieu thereof "$396,244,000, of which $4,000,000 shall be available for grants and contracts under section 5 of the Orphan Drug Act".

Mr. METZENBAUM. Mr. President, the modification is just the language that the manager of the bill has suggested. If he is prepared to accept it, I am prepared to bring this matter to a conclusion.

Mr. COCHRAN. Mr. President, let me thank the distinguished Senator from Ohio for the modification to his amendment. I am prepared to recommend that the amendment be accepted.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment of the Senator from Ohio [Mr. METZENBAUM].

The amendment (No. 775), as modified, was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. METZENBAUM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. METZENBAUM. Mr. President, I wish to express my appreciation for the cooperation of the managers on both sides of the aisle in connection with the handling of this amendment.

Mr. COCHRAN. Mr. President, I yield the floor.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I thank the Chair.

Mr. President, first, I wish to express my admiration and gratitude to the distinguished managers of this bill. I know of the enormous amount of work that they have done and the incredible detail that is involved in preparing an appropriations measure for agricultural development and related agencies.

I do want to pose this inquiry to the distinguished manager of the bill, Mr. COCHRAN. I have run some figures through my head and on paper and I asked staff to use the computer, and I find what appears to be a $1.8 billion differential in what the Agriculture Committee authorized for farm credit and food stamps. I wonder if the distinguished Senator would comment on what appeared to be a $1.8 billion overage for these two items alone.

Mr. COCHRAN. Mr. President, if the Senator will yield, I would be happy to provide the information that we have about the cost of these programs, the way they are estimated, and the way that the committee is recommending funding.

The Senator speaks of an authorizing level, I believe.

Mr. HELMS. Correct.

Mr. COCHRAN. The authorized level that this committee is bringing its bill to the floor under is current law level. The Agriculture Committee, as I understand the Senator, has written the farm bill. It is on the calendar, and will be taken up by the Senate next week. The work done by the Appropriations Committee is based on the law as it exists now—as it has been enacted, and signed by the President. If changes are made in the law, and funding is not authorized it cannot be used; that is, the controlling authority is the legislative process. Or, if changes are made to require additional funding, a supplemental appropriations bill may have to be considered. But I think the bill as presented to the Senate, if I am not mistaken, is consistent with current law levels of authorization both in the farm credit area and in the food stamp area.

Mr. HELMS. Mr. President, I thank the Senator. I want the Senator to know that in no way am I being critical. I was just interested in what appeared to me to be a $1.8 billion overage.

I wonder if I might ask the Senator to do this. Can a member of the Senator's staff confer with a member of mine about these figures overnight and let me take a look at it? Of course, the distinguished chairman of the subcommittee wants the same thing. But I look at the components of the appropriation. For example, it says the bill as reported to the Senate, amount of change by the Senate subcommittee, and so forth. But in any case, overnight let us run the computers and see if there is that overage. If there is, the Senator knows that I have some problem with the cost of the farm bill. When it was reported out of the Agriculture Committee I became first chairman of that committee in history to have to vote against the reported bill simply because of the cost of it. But I know the Senator is acting in completely good faith. If the Senator will accord me the consultation between his staff and mine, I would appreciate it.

Mr. COCHRAN. Mr. President, I will be very happy to instruct the staff to meet with the Senator's staff to go over the figures. We want the appropriations bill to be consistent with cur-

rent legal authority, statutory authority, and we think it is.

I might say in this farm credit area I know the distinguished chairman of the Agriculture Committee has scheduled a hearing to look into the farm credit difficulties, to analyze, and consider the suggestions that may be made by lending institutions, administration officials, and others about reform in that area. We will be following very closely those hearings and hope that we will be able to come up with some solutions to these farm credit problems.

We hear about farmers having difficulty getting credit. I know in my State we have almost 60 percent of the farm credit being extended directly to borrowers through the Farmers Home Administration. That is how bad the situation is in just one State. I know there are others where you can point to situations where there are very real difficulties in the farm credit area. In this bill we brought to the floor, for instance, we are recommending a level of lending authority through the Farmers Home Administration of almost $5 billion. That is the same level of lending that is available, was available this past fiscal year that just ended September 30—$4.7 billion; some of that in direct operating loan moneys and some in guaranteed lending authority.

We are suggesting in this legislation—and in our committee report—that we phase in a guaranteed loan assistance program as an alternative to the direct lending program of the Farmers Home Administration. That, I know, is consistent with the bill as reported from the Agriculture Committee. That is a suggestion that is being made by the Senator from North Carolina.

The question, I guess, is, How much authority do you provide under the bill for the Farmers Home Administration? We do not have jurisdiction over the Farm Credit Administration, over the banks, or over insurance companies, or any other lenders. But we can provide a limit to the authority of the Farmers Home Administration.

Last year they borrowed from other accounts and loaned money directly to farmers under this program. That, I was told, was consistent with current law. We are trying to make available an adequate amount of money here to relieve the distress of the farmers, but at the same time make a contribution toward deficit reduction because that is important, too. I recognize that.

I am certainly hoping that the Senate will be restrained as we deal with this bill and other appropriations bills to be sure that we stay within our targets, and that we give effect to the rhetoric about reducing the deficit because I think that is about as important a contribution as we can make right now toward bringing down interest rates and creating a better economic environment—environment for growth, more exports, and more chance of farmers operating at a profit. I know that is what the distinguished Senator from North Carolina wants, too.

In the food stamp area, we have provided funding that will ensure that the existing caseload—those who are deriving benefits under that program in the 1985 fiscal year—will be eligible and able to participate in the program in 1986. Our funding authority is a little over that of the House because the House basically underfunds the estimated expense in that program. And they use the money, it appears, for other purposes. And then that lays the stage, lays the predicate, for a supplemental later on to add to the program. We are trying not to do that in this bill. We are trying to state what the estimates are, what the facts are, and then recommend a level of funding that is based on those facts as they exist today.

So we hope we have not overfunded that program. We do not think we have any of the other nutrition programs. But to be sure that our figures are consistent with those of the legislative committee staff, we will be happy to get together, go over them, and try to answer any questions that anybody has about them.

Mr. HELMS. I thank the Senator, Mr. President, and I say to him that trying to get these hearings moving on the credit situation is something else again. I have now scheduled for the third time; each time the credit system has said we need a little more time to get up our analysis. Now the distinguished Secretary of the Treasury, Mr. Baker, has sent word that he would like for us to defer a few more days. So we have had to reschedule for the third time our credit period. I do not like that because I think we ought to get about the business of finding out what is the scope of the problems, and what the possible remedies are.

But I thank the Senator for his kindness, his tolerance with raising questions about this amount of money; $1.8 billion is not so much any more, but I think as Senator Dirksen said one time, a billion here and a billion there, it soon adds up to real money. I would like to have the answer to it. I know the Senator would.

I thank the Senator for his accommodations.

Thank you, Mr. President. I yield the floor.

Mr. COCHRAN. Mr. President, I know that we have other Senators who are interested in bringing up amendments to the bill. A few have discussed suggested changes in the bill with me. I know we will be considering amendments—if not later today, then certainly tomorrow. We are prepared to debate those amendments, consider them, and try to resolve the issues that are raised by those amendments. I hope Senators who do have amendments can come to the floor at this time and offer them.

I see no other Senators in the Chamber who are seeking recognition or who have amendments.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. EXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ABDNOR). Without objection, it is so ordered.

AMENDMENT NO. 777.

(Purpose: To extend the termination date for loan guarantees under the Biomass Energy and Alcohol Fuels Act of 1980 and affirm the authority of the Secretary of Energy to modify conditional loan guarantees)

Mr. EXON. Mr. President, I send an amendment to the desk, on behalf of myself and Mr. DOLE, Mr. ZORINSKY, Mr. DURENBERGER, Mr. BOSCHWITZ, Mr. COHEN, and Mr. MITCHELL, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for himself, Mr. DOLE, Mr. ZORINSKY, Mr. DURENBERGER, Mr. BOSCHWITZ, Mr. COHEN, and Mr. MITCHELL, proposes an amendment numbered 777.

Mr. EXON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill insert the following:

SEC. . Section 221 of the Biomass Energy and Alcohol Fuels Act of 1980 (Public Law 96-294; 42 U.S.C. 8821) is amended by—

(1) striking out "September 30, 1984" and inserting in lieu thereof "June 30, 1986"; and

(2) adding at the end thereof the following: "The Secretary may modify the terms and conditions of any conditional commitment for a loan guarantee under this subtitle made before October 1, 1984, including the amount of the loan guarantee. Enactment of this section shall not be interpreted as indicating Congressional approval with respect to any pending conditional commitments under this act."

Mr. EXON. Mr. President, today I join the majority leader in offering an amendment to extend for 9 months the authority of the Department of Energy to negotiate three remaining Federal loan guarantees to construct ethanol plants in the United States. I believe a brief summation would be in order, and I will be brief.

In 1980, Congress passed a Biomass Energy and Alcohol Fuels Act, which set this Loan Guarantee Program in place. When this program initially expired on September 30, 1984, four proposed projects were still being considered by the Energy Department. Rather than having those four projects die while there was still a chance for them to be approved, I introduced legislation at that time, with the help of the majority leader, to extend the approval deadline to September 30, 1985. The Senate passed this legislation on March 28, and the President signed it into law on October 16.

Since then, unfortunately, only one of the four remaining projects has been approved. Three others, in Nebraska, Minnesota and Maine, are still the subject of negotiation. What today's amendment will accomplish is to further extend the deadline and clarify the authority of the Secretary of Energy to give him sufficient flexibility so these three projects can continue to be considered. This measure involves no new program and it does not approve these projects. It simply provides more time for the Energy Department to complete its evaluation of these proposals which have been pending for so long.

The majority leader, Senator BOB DOLE of Kansas, has been enormously helpful through these last several months and has joined me in monitoring this program and the negotiations involved. My Nebraska colleague, Senator ED ZORINSKY, has also been very helpful. Additionally, I want to thank Senator METZENBAUM for his cooperation.

If eventually approved, these facilities will help expand the domestic fuel ethanol industry's ability to provide critically needed domestic outlets for U.S. farm commodities. In addition, fuel ethanol is a proven octane enhancer and a leading replacement for lead additives which the Environmental Protection Agency is rapidly phasing out of gasoline.

Time is of the essence. These projects have spent a great deal of money each in a good faith response to the Energy Department solicitation and deserve the opportunity to finalize those efforts. The Congress did not intend to bring these projects to the brink of completion only to abandon them in the midst of ongoing negotiations.

Again, Mr. President, this measure does not provide approval of the loan guarantees for these projects. It merely gives each project the opportunity to meet the Energy Department's financial scrutiny and hopefully close on the loan guarantee. These projects offer a valuable contribution to our Nation's energy supply and new markets for our hard-pressed farmers.

Mr. President, I appreciate the consideration of the Senate and everyone concerned with this matter and hope we can act expeditiously and provide this clarification so the evaluation and approval process can go ahead.

Mr. METZENBAUM. Mr. President, I hope that this is the last time that we have to extend the negotiation period for these three ethanol projects. It is time for both DOE and the sponsors to come to some final decision.

I would like to make two points for the record.

First, this amendment clearly states that its adoption should not be interpreted as indication of congressional approval of any of the projects in question. Nor should it be viewed as a direct order to DOE to make award to projects if they have not fulfilled all requirements of the conditional contracts.

Second, I strongly agree with my colleagues that it is still important for this Nation to encourage the development of alternative energy sources. Therefore, if these projects fulfill the terms and conditions of the preliminary contracts, and show themselves to be economically viable and in the national interest, DOE should not delay in awarding assistance.

It is time to come to a final decision on these projects, and I hope that this amendment will facilitate a sound decision.

Mr. EXON. Mr. President, this matter has been cleared on this side of the aisle and I understand that there have been no objections from the other side that I know of. I have talked with the majority leader about this. I assume that we can pass the amendment by voice vote.

Therefore, I would say that I think a rollcall would not be necessary, but I would like to hear at this time from the managers of the bill.

Mr. BURDICK. Mr. President, will the Senator from Nebraska yield for a question?

Mr. EXON. Mr. President, I am pleased to yield to my friend and colleague from North Dakota for a question.

Mr. BURDICK. Mr. President, it is my understanding that the total cost of the three remaining projects would be about $150 million and that the Department of Energy would be expected to guarantee 90 percent of that amount, or $135 million.

Mr. EXON. In answer to that question, I believe that the figures just stated by my colleague from North Dakota are essentially correct. This was the way that the program was set up in the original instance.

I would only remind the Senator, of course, these are loan guarantee programs with 10 percent cash up front by the originators of the project.

I would certainly emphasize at this time that all that this amendment extending time would do—not to change any of the projects whatsoever, but it certainly would not give the stamp of approval to any one or all three of the projects—all that it would do is extend the time for the Department of Energy to make the determination as to whether or not one or all three of these projects were feasible and if they were they would have the authority under the law to make the loan guarantee.

Mr. BURDICK. Is the able Senator from Nebraska aware that this sum would exceed the balance left in the DOE loan guarantee default reserve by $10 million?

Mr. EXON. I was not aware of that fact. We are not so advised by the Department of Energy. There is some indication that the Department of Energy may not be in a position to guarantee all three of these loans. They may not concede to guarantee for any of them. I would not be particularly worried at this particular juncture as to whether or not there is $10 million over the committed amount.

If that were the case, I suppose that the Department of Energy might have to so notify Congress for any appropriate action before they made the final of the three guarantees, if indeed it is their determination that they are loans worthy of acceptance.

Mr. BURDICK. Could the Senator advise me what subcommittee the scoring would take place—Agriculture or Interior?

Mr. EXON. It would take place in the Department of Energy. We are using the vehicle of the agriculture appropriation because this is a matter, as the Senator from North Dakota knows, that has a great deal to do with regard to agriculture and, therefore, we think this is a proper vehicle to simply grant the extension of time.

Further to enlighten the Senator with regard to the matter at hand, it could be that the loan guarantees on one or more of these contracts may have to be increased somewhat because of the extensive delay, and many of those delays not as a result of what the applicants have done but because the Department of Energy has not been timely in their determination of either go or no go on the project.

Mr. BURDICK. My question really is which subcommittee will the defaults be scored against, Agriculture or Interior?

Mr. EXON. It would be in Interior. It is my feeling that it would be in the Interior Department. This comes under Energy and therefore under the Department of Interior, and it would take some cooperation between those agencies to get this handled, it seems to me.

Mr. BURDICK. I thank the Senator.

Mr. COCHRAN. Mr. President, I know the distinguished Senator from Nebraska has worked with the distinguished majority leader, Mr. DOLE, in the development and presentation of this amendment to the Senate.

I am also aware of the fact that there has been a discussion between the distinguished Senator from Idaho who not only is chairman of the Energy Committee but also is chairman of the Interior Appropriations Subcommittee.

I have no objection to the amendment personally. I do feel some concern, however, for this amendment being attached to the agriculture appropriations bill since we do not normally exercise jurisdiction over this subject matter area.

I hope the Senate will nonetheless understand this is an unusual circumstance; it is not the usual problem that is considered.

Is the Senator seeking recognition? I will be happy to yield.

Mr. EXON. I appreciate the remarks by my friend from Mississippi. I think they have been well stated. The facts of the matter are, as I stated in my opening remarks, that this expired September 30 last. So in the meantime everything is in abeyance. If, for example, the decision were made today that all three, and this is limited to just these three projects—none others can be considered—the Department of Energy would decide right today that all three of these projects should go ahead, they do not have the legal authority to do it.

So we are using this agriculture appropriations vehicle as a means merely to extend the time that they have to work out if these are feasible and if the Department feels that they are loans that should be made they could go ahead and authorize them.

So, we are using this as a vehicle. It may not be an appropriate vehicle. But under the circumstances, with the delicate negotiations that are going on between them who propose to build these plants, their financial interests, right now they are tied up because even if all agreed today they should be made, they could not be and, therefore, after my visitation with the majority leader we felt that this was something that is deserving of enough credit to put this on the agriculture appropriations bill, although I would agree that the agriculture bill itself is not directly connected therewith but indirectly, since this further would lend further stability to the agriculture sector that the two managers of the bill know very well is in deep difficulty today.

Mr. DURENBERGER. Mr. President, I rise in support of the amendment offered by the distinguished majority leader and my friend, Senator DOLE. I appreciate his leadership in finding an appropriate vehicle to move this vital legislation.

This amendment is particularly important to the farmers in Minnesota. The ethanol industry is an infant industry, we have two facilities operating at a capacity of 4.5 million gallons a year. We are poised on the edge of a growing, booming, ethanol market in Minnesota which provides a valuable outlet for our agricultural surpluses.

In December 1984, only 1.5 percent of the gasoline burned in Minnesota was gasohol. That increased to 2.4 percent in February and to 6.4 percent in May. Then it took off. Consumption was 9.2 percent in June and shot up to 21 percent.

The demand for ethanol is there and it is only going one way, up. It is growth and the market it creates for surplus agricultural commodities is a critical stimulant to the faltering farm economy.

The Minnesota alcohol producer's facility in Mankato which is salvaged by this extension is a 15 million gallon per year project. It would consume 6.3 million bushels of corn annually, which would put roughly $15 billion into Minnesota's farm economy. It would create 55 permanent jobs and about 250 to 300 construction jobs.

This project is supported not only by the local community and developers but by the State of Minnesota. I appreciate Senator DOLE's leadership in bringing about the timely passage of this legislation which is vitally important to the people of Minnesota.

Mr. DOLE. Mr. President, I believe I join all the Senators from Nebraska, Minnesota, and Maine, in offering an amendment which extends the time for the Department of Energy to close loan guarantee agreements on certain alcohol fuels projects for which conditional commitments were made prior to October 1, 1984. In addition, this amendment would settle a question relative to the flexibility of the Secretary's authority in closing these deals by making clear that he has all the authority he had on September 30, 1984, the day the program originally expired.

A brief history is in order so that this reference to 1984 makes sense. In 1980, Congress passed the Biomass Energy and Alcohol Fuels Act which originally established this Loan Guarantee Program. When this program initially expired on September 30, 1984, four proposed projects were still being considered by the Energy Department and in fact conditional commitments by the Department had been made. In order to allow for these four projects to close, and only these four, Congress extended the law last spring to allow for up until September 30, 1985, for the projects to close.

For a variety of reasons, these projects couldn't all close by the end of fiscal year 1985—and in fact the only one which did close was a controversial agrifuels plant in Louisiana. In part because all of the resources of the Department of Energy and of the Bank of New England, which is the lead bank in financing these projects, were focused on closing the agrifuels closing, it was impossible to close the other projects—the Circle Energies project, the Minnesota Alcohol Producers [MAP] project, and the New England Energy Producers project [NEEP], by the end of fiscal year 1985.

It is anticipated that the Department of Energy will need most if not all of this 9-month period to review the complicated documents involved in the closing of the remaining loan guarantee agreements. But it is the hope of this Senator that the Department can close those projects they find economically viable.

Mr. President, let me briefly amplify section two of the amendment. On September 30, 1984, the parties to whom conditional commitments were made were asked by the Department how large of a loan guarantee would be needed. In the Circle Energies project, the principals responded that $35 million was the appropriate amount. Subsequent to that time, conditions changed somewhat and the owners of the circle plant found that insurance requirements and construction costs had increased slightly. When they asked the Department of Energy to increase the amount of the loan guarantee, the Department concluded that it did not have sufficient authority to do so. Had Circle asked for $45 or $50 million on September 30, 1984, the Department admittedly would have set aside that amount. This amendment thus reaffirms that the Secretary has all the authority he had prior to October 1, 1984, including the authority to increase the amount of the loan guarantee.

Mr. President, this program does not reopen the Alcohol Fuels Program. It only gives the Department of Energy the authority and the flexibility to close the remaining projects for which conditional commitments have been made.

It is fitting that we consider the Alcohol Fuels Program as part of the Agriculture appropriations bill. As we ponder solutions to the troubled ag economy, we'd be delighted to invent a program involving the potential for large increases in U.S. demand for agricultural products. While alcohol fuels is certainly not a magic solution, it is a ray of hope for farmers that we will continue to seek alternative ways to build demand for their products. It would be exceedingly bad judgment for the administration to turn its back on the alcohol fuels industry at this time. Mr. President, I urge the adoption of this amendment.

ETHANOL FUEL PROJECTS

Mr. BOSCHWITZ. Mr. President, I am very pleased to cosponsor and support the amendment offered by my distinguished colleague from Nebraska, Senator EXON, to extend the alcohol fuels loan guarantee program. I greatly appreciate the work of Senator DOLE on this matter and the support of my colleagues from Nebraska and Maine to achieve a workable extension of this important program. Our amendment effectively extends by 9 months the date of termination for the alcohol fuel loan guarantee program under the Biomass Energy and Alcohol Fuels Act of 1980. Unfortunately, the program expired on September 30 without time for a number of alcohol fuels projects, which had already received conditional commitments by the Department of Energy, to be issued loan guarantees. Among these projects is an ethanol plant targeted for Mankato, MN.

Congress passed the Biomass Energy and Alcohol Fuels Act to promote alternative energy production and lessen our dependence on foreign fuel supplies. The alcohol fuels loan guarantees program under the act was intended to assist the private sector in securing loans to construct energy facilities to meet this valuable objective. Initial goals established by this legislation called for production of 60,000 barrels a day after 2 years and a minimum production level by 1990 to meet 10 percent of our domestic gasoline consumption needs.

In Minnesota, the Minnesota Alcohol Producers (MAP) have planned to build a significant alcohol plant in Mankato. A 90-percent DOE loan guarantee under the act was requested to secure a $45 million project loan to initiate this $63 million alcohol plant.

Mr. President, the support for this project in Minnesota is strong. Already, Minnesota project backers have spent considerable time, effort, and resources on project development. By authority of the Minnesota Department of Energy and Economic Development, additional loan guarantees have also been approved. However, Department delays have postponed the project's approval. Although the project could have been closed and approved prior to the termination of the program, without today's extension, the Minnesota project and several others cannot proceed.

The need for ethanol fuel production in Minnesota is clear. It is reported that ethanol consumption is dramatically on the rise. In February of this year, ethanol fuel represented 2.4 percent of Minnesota's total gasoline consumption. That increased to 6.4 percent in May and 9.2 percent in June. July's figures show a record ethanol consumption of 21 percent. Nationally, due to the EPA's phaseout of lead in our gasoline, domestic ethanol needs are expected to reach 60 billion gallons over the next decade. However, our domestic industry presently has a capacity of only 60 million gallons a year. Estimates suggest that total 1985 ethanol demand will surpass 1984 levels by 10 percent and by the early 1990's, it is predicted that ethanol fuel will capture up to 25 percent of the entire gasoline market.

In Minnesota, the project will produce over 15 million gallons per year of alcohol fuel and initially consume some 6.3 million bushels of surplus corn. Between 200 to 300 construction jobs and 55 permanent jobs will also be created.

Mr. President, the Midwest agricultural community is clearly hurting. Corn producers need markets for their corn and reliable outlets to consume corn surpluses. Ethanol fuel industry consumption is clearly an attractive and appropriate alternative. Accordingly, I strongly support this amendment which will allow the alcohol fuels projects to continue.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. BURDICK. Mr. President, I will not object, either. I have some reservations about the jurisdiction. But I will not object.

Mr. EXON. I thank the managers of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 777) was agreed to.

Mr. DOLE. Mr. President, will the Senator from Mississippi yield?

Mr. COCHRAN. I am happy to yield to the distinguished majority leader.

Mr. DOLE. Mr. President, I have indicated to the Senator from Mississippi, and the record should reflect, that there should not be a motion to reconsider made at this time because if the distinguished chairman of the Energy Committee has a question, he could properly raise that tomorrow and could move to reconsider and it would be back before the body.

Senator MCCLURE may have a question. I know he feels it ought to be on the Interior bill plus he has a couple of other areas he has an interest in. I think the distinguished Senator from Nebraska intends to visit with him personally in the morning, and if he wants to reconsider it, we would be happy to do that.

Mr. EXON. Mr. President, I also want to thank at this time the distinguished majority leader for his help and assistance, in addition to the managers of the bill, in accepting the amendment that we have just accepted. We have made it clear that we will not proceed at this time to a motion to reconsider.

There is some question as to what the feelings are of Senator MCCLURE on this matter and we certainly want to protect his rights. He has not placed a hold on this bill. I hope that he will not. But with the actions we have agreed to, he would have an opportunity to bring this up if he feels very strongly about it.

What I understand is at issue here is whether or not we tie an ethanol assistance package in with a synfuels package. I happen to generally be a supporter of some moderate means of providing for research and development, at a minimum to protect this country in case we should have a sudden cutoff of important oil import supplies from certain parts of the world.

I would think that maybe we ought to learn a lesson sometime, Mr. President. It was only a few days ago that we had the greatest of relations with both Egypt and Italy. Developments happen very quickly. Things can change very quickly in the uncertain world in which we live today.

While it is true that we have relatively "cheap" imports of oil today, I am not sure, as one Senator, that is always going to remain. And if there is one way we could cripple America and cripple it in a hurry, it seems to me, is if the traditional oil imports to this country were suddenly cut off by some presently unforeseen developments in the international situation.

Therefore, I would think and hope that ethanol and ethanol plants and ethanol guarantees should stand by themselves on the strength of those programs and, likewise, we should separate from that the synfuels law which this Senator has generally supported. Although I would say, obviously, we are going to have to make some drastic cuts in that program, I do not think it should be eliminated.

So I hope that all of my colleagues will agree that it would be best to have ethanol fuel additive programs stand on their own, as they always have in the past, and have the synfuels program, the merits or demerits of that program, what we are going to do with that now and in the future, stand on its own and not have a marriage of the two as we try to run some kind of a fast track through the Congress.

Mr. President, I yield the floor.

Mr. COCHRAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unaimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

51-059 O-86-14 (Pt. 20)

THE CONSOLIDATED OMNIBUS BUDGET RECONCILIATION ACT OF 1985

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Senate now turn to the consideration of Calendar No. 333, Senate bill 1730, the reconciliation bill, for not to exceed 30 minutes today to be equally divided for debate only.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 1730) to provide for reconciliation pursuant to section 2 of the first concurrent resolution on the budget for fiscal year 1986 (S. Con. Res. 32, Ninety-ninth Congress).

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on the Budget as follows:

S. 1730

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Consolidated Omnibus Budget Reconciliation Act of 1985".

TITLE I—COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

AGRICULTURE, FORESTRY, AND RELATED PROGRAMS

Subtitle A—Agricultural Exports

Sec. 101. Export sales of dairy products

Subtitle B—Food Stamps and Commodity Distribution

PART 1—FOOD STAMPS

Sec. 111. Publicly operated community health centers.
Sec. 112. Thrifty food plan.
Sec. 113. Disabled members.
Sec. 114. Food distribution program on Indian reservations.
Sec. 115. Third-party payments.
Sec. 116. Educational loans.
Sec. 117. Nonrecurring lump-sum payments.
Sec. 118. Child support payments.
Sec. 119. Homeownership component of shelter costs.
Sec. 120. Energy assistance payments.
Sec. 121. Self-employment income.
Sec. 122. Monthly reporting and retrospective budgeting.
Sec. 123. Burial plots.
Sec. 124. Categorical eligibility.
Sec. 125. Job training benefits.
Sec. 126. Employment and training program.
Sec. 127. Aliens.
Sec. 128. Sales tax.
Sec. 129. Alternative means of coupon issuance.
Sec. 130. Simplified applications and standardized benefits.
Sec. 131. Redemption of coupons.
Sec. 132. Eligibility of the homeless.
Sec. 133. Certification of information.
Sec. 134. Verification.
Sec. 135. Photographic identification cards.
Sec. 136. Staggered issuance of coupons.
Sec. 137. Fraud detection.
Sec. 138. Food stamp information and applications at Social Security Administration offices.
Sec. 139. Special supplemental food program.
Sec. 140. Disqualification of retail food stores and civil money penalties.
Sec. 141. Liability for overissuance of coupons.
Sec. 142. Interest on claims against State agencies.
Sec. 143. Collection of claims.
Sec. 144. Food stamp intercept of unemployment benefits.
Sec. 145. Administrative and judicial review.
Sec. 146. Hours of operation.
Sec. 147. Error rate reduction program.
Sec. 148. Geographical error-prone profiles.
Sec. 149. Cash payment pilot projects.
Sec. 150. Cash change pilot project.
Sec. 151. Authorization for appropriations.
Sec. 152. Transfer of funds.
Sec. 153. Puerto Rico block grant.

PART 2—COMMODITY DISTRIBUTION

Sec. 160. Transfer of section 32 commodities.
Sec. 161. Commodity distribution program.
Sec. 162. Commodity supplemental food program.
Sec. 163. Temporary emergency food assistance program.
Sec. 164. Distribution of surplus commodities to special nutrition projects.
Sec. 165. Donations by military commissaries.

PART 3—EFFECTIVE DATES

Sec. 170. Effective dates.

Subtitle C—Agricultural Credit

Sec. 181. Eligibility for real estate and operating loans.
Sec. 182. Water, waste facility, and community facility loans and grants.
Sec. 183. Sale of notes and security.
Sec. 184. Rural industrialization assistance.
Sec. 185. Farm recordkeeping training for limited resource borrowers.
Sec. 186. Emergency loans.
Sec. 187. Settlement of claims.
Sec. 188. Transfer of loan accounts.
Sec. 189. Oil and gas royalties.
Sec. 190. Processing of loan applications.
Sec. 191. Appeals.
Sec. 192. Disposition and leasing of farmland.
Sec. 193. Release of normal income security.
Sec. 194. Loan summary statements.
Sec. 195. Authorization of loan amounts.
Sec. 196. Interest rate reduction program.
Sec. 197. Study of Farm and Home Plan.
Sec. 198. Study of Farm Credit System.

TITLE I—AGRICULTURE, FORESTRY, AND RELATED PROGRAMS

Subtitle A—Agricultural Exports

EXPORT SALES OF DAIRY PRODUCTS

SEC. 101. (a) In each of the fiscal years ending September 30, 1986, September 30, 1987, and September 30, 1988, the Secretary of Agriculture shall sell for export, at such prices as the Secretary determines appropriate, not less than 150,000 metric tons of dairy products owned by the Commodity Credit Corporation.

(b) Such sales shall be made through the Commodity Credit Corporation under existing authority available to the Secretary or the Commodity Credit Corporation.

(c) Through September 30, 1988, the Secretary shall report semiannually to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on the volume of sales made under this section.

Subtitle B—Food Stamps and Commodity Distribution

PART 1—FOOD STAMPS

PUBLICLY OPERATED COMMUNITY HEALTH CENTERS

SEC. 111. (a) Section 3 of the Food Stamp Act of 1977 (7 U.S.C. 2012) is amended—

(1) in subsection (f), by striking out "which" and all that follows through "providing" and inserting in lieu thereof ", or a publicly operated community health center, under part B of title XIX of the Public Health Service Act (42 U.S.C. 300x et seq.) to provide"; and

(2) by inserting ", or a publicly operated community health center," after "private nonprofit institution" in the last sentence of subsection (i).

(b) Section 10 of such Act (7 U.S.C. 2019) is amended by inserting "publicly operated community health centers or" after "purchased, and".

THRIFTY FOOD PLAN

SEC. 112. The first sentence of section 3(o) of the Food Stamp Act of 1977 (7 U.S.C. 2012(o)) is amended by striking out "fifty-four" and inserting in lieu thereof "fifty".

DISABLED MEMBERS

SEC. 113. Section 3(r) of the Food Stamp Act of 1977 (7 U.S.C. 2012(r)) is amended—

(1) by inserting "or" after the semicolon at the end of clause (1); and

(2) by striking out clauses (2) through (6) and inserting in lieu thereof the following new clause:

"(2) receives benefits, assistance, or payments under a Federal law based on a determination of blindness or disability, or for whom such determination is made, under criteria that the Secretary determines are the same as, or provide for substantially the same degree of disability or blindness as, the criteria for disability or blindness established under sections 216(i), 221(i), and 223(d) of the Social Security Act (42 U.S.C. 416(i), 421(i), and 423(d)).".

FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS

SEC. 114. (a) Section 4(b) of the Food Stamp Act of 1977 (7 U.S.C. 2013(b)) is amended by inserting after the third sentence the following new sentence: "For purposes of preventing dual participation in the food stamp program and the commodity distribution program established under section 4(a) of the Agriculture and Consumer Protection Act (7 U.S.C. 612c note), the Secretary and State agencies may match the social security account numbers of participants in the food stamp program against the account numbers of applicants for assistance under the commodity distribution program.".

(b) Section 4(a) of the Agriculture and Consumer Protection Act (7 U.S.C. 612c note) is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end thereof the following new paragraph:

"(2) In carrying out the program described in paragraph (1), the Secretary shall—

"(A) require, as a condition of eligibility for participation in such program, that each household member furnish to the State agency the social security account number or numbers of such member; and

"(B) use such account numbers in the administration of such program.".

THIRD-PARTY PAYMENTS

SEC. 115. Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(1) by inserting "except as provided in subsection (k)," after "household," in subsection (d)(1); and

(2) by adding at the end thereof the following new subsection:

"(k)(1) For purposes of subsection (d)(1), except as provided in paragraph (2), assistance provided to a third party on behalf of a household by a State or local government shall be considered money payable directly to the household if the assistance is provided in lieu of—

"(A) a regular benefit payable to the household for living expenses under a State plan for aid to families with dependent children approved under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); or

"(B) a benefit payable to the household for living expenses under—

"(i) a State or local general assistance program; or

"(ii) other basic assistance program (as determined by the Secretary).

"(2) Paragraph (1) shall not apply to—

"(A) medical assistance;

"(B) child care assistance;

"(C) energy assistance;

"(D) assistance provided by a State or local housing authority; or

"(E) emergency and special assistance, to the extent excluded in regulations prescribed by the Secretary.".

EDUCATIONAL LOANS

SEC. 116. (a) The proviso of section 5(d)(5) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)(5)) is amended by inserting after "child care expenses," the following: "and no portion of any educational loans on which payment is deferred, grants, scholarships, fellowships, veterans' educational benefits, and the like,".

(b) Section 5(k) of such Act (as added by section 115(2)) is amended by adding at the end thereof the following new paragraph:

"(3) For purposes of subsection (d)(1), educational loans on which payment is deferred, grants, scholarships, fellowships, veterans' educational benefits, and the like, provided to a third party on behalf of a household, shall be treated as money payable directly to the household.".

NONRECURRING LUMP-SUM PAYMENTS

SEC. 117. Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) (as amended by section 115(2)) is further amended—

(1) by inserting ", except as provided in subsection (l)" after "settlements" in subsection (d)(8); and

(2) by adding at the end thereof the following new subsection:

"(l) If the amount of benefits received by a household under a State plan for aid to families with dependent children approved under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or the supplemental security income program established under title XVI of such Act (42 U.S.C. 1381 et seq.) is reduced or terminated as the result of the receipt of a nonrecurring lump-sum payment, the income of the household for purposes of the food stamp program shall include the amount of such benefits the household would have received but for such payment.".

CHILD SUPPORT PAYMENTS

SEC. 118. Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) (as amended by section 117(2)) is further amended—

(1) in subsection (d)—

(A) by striking out "and" at the end of clause (11); and

(B) by inserting before the period at the end thereof the following: ", and (13) at the option of a State agency and subject to subsection (m), child support payments that are excluded under section 402(a)(8)(A)(vi) of the Social Security Act (42 U.S.C. 602(a)(8)(A)(vi))"; and

(2) by adding at the end thereof the following new subsection:

"(m) If a State agency excludes payments from income for purposes of the food stamp program under subsection (d)(13), such State agency shall pay to the Federal Government, in a manner prescribed by the Secretary, the cost of any additional benefits provided to households in such State that arise under such program as the result of such exclusion.".

HOMEOWNERSHIP COMPONENT OF SHELTER COSTS

SEC. 119. Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended—

(1) by striking out "the homeownership component of shelter costs" in clause (1) of the second sentence and inserting in lieu thereof "the homeowners' cost, maintenance, and repair component of shelter costs"; and

(2) by striking out "homeownership costs" in subclause (i) of the proviso of clause (2) of the fourth sentence and inserting in lieu thereof "the homeowners' cost, maintenance, and repair component of shelter costs".

ENERGY ASSISTANCE PAYMENTS

SEC. 120. Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended—

(1) by inserting ", excluding expenses of the household paid (directly or indirectly) under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.)," after "for shelter" each place it appears in clause (2) of the fourth sentence and subclause (C) of the last sentence; and

(2) by inserting after the fifth sentence the following new sentences: "If a State agency elects to use a standard utility allowance, the agency shall use a separate allowance for households receiving assistance under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.) and a separate allowance for other households or a combined allowance for all such households. In the case of a standard utility allowance that applies to households receiving such assistance, such allowance shall reflect utility expenses in excess of such expenses paid, directly or indirectly, under such Act.".

SELF-EMPLOYMENT INCOME

SEC. 121. Section 5(f)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2014(f)(1)) is amended—

(1) by redesignating subparagraph (B) as subparagraph (C); and

(2) by inserting after subparagraph (A) the following new subparagraph:

"(B) If the average amount of self-employment income of a household does not reflect accurately the actual monthly circumstances of such household because such household experienced a substantial increase or decrease in business earnings, the self-employment income of such household shall be calculated on the basis of the anticipated earnings of such household.".

MONTHLY REPORTING AND RETROSPECTIVE BUDGETING

SEC. 122. (a) Section 5(f)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(f)(2)) is amended—

(1) by amending subparagraph (A) to read as follows:

"(A) Household income shall be calculated on a prospective basis, as provided in paragraph (3)(A), in the case of—

"(i) migrant farmworker households; and

"(ii) households—

"(I) that have no earned income; and

"(II) in which all adult members are elderly or disabled members.";

(2) in subparagraph (B)—

(A) in clause (i)—

(i) by inserting "under the first sentence of section 6(c)(1)" after "permitted"; and

(ii) by striking out "under section 6(c)(1) of this Act,";

(B) by striking out "(ii)" and all that follows through "members,"; and

(C) in clause (iii)—

(i) by striking out "(iii)" and inserting in lieu thereof "(ii)";

(ii) by striking out "other than a migrant household" and inserting in lieu thereof "other than a household described in subparagraph (A)";

(iii) by inserting "under the first sentence of section 6(c)(1)" after "not required"; and

(iv) by striking out "under section 6(c)(1) of this Act"; and

(3) by striking out subparagraph (C) and inserting in lieu thereof the following new subparagraphs:

"(C) Except as provided in subparagraphs (A) and (B), household income for households that have earned income, and for households that include any member who has recent work history, shall be calculated on a retrospective basis, as provided in paragraph (3)(B).

"(D) Household income for all other households may be calculated, at the option of the State agency, on a prospective basis as provided in paragraph (3)(A) or on a retrospective basis as provided in paragraph (3)(B).".

(b) Section 6(c)(1) of such Act (7 U.S.C. 2015(c)(1)) is amended—

(1) in the first sentence, by striking out "certain" and all that follows through "members," and inserting in lieu thereof "households with respect to which household income is required by section 5(f)(2)(C) to be determined on a retrospective basis"; and

(2) by inserting after the second sentence the following new sentence: "State agencies may require households, other than households with respect to which household income is required by section 5(f)(2)(A) to be calculated on a prospective basis, to file periodic reports of household circumstances in accordance with standards prescribed under the preceding provisions of this paragraph by the Secretary.".

BURIAL PLOTS

SEC. 123. Section 5(g) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)) is amended by adding at the end thereof the following new sentence: "The Secretary shall exclude from financial resources the value of a burial plot for each member of a household.".

CATEGORICAL ELIGIBILITY

SEC. 124. (a) Subsection (j) of section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014(j)) is amended to read as follows:

"(j) Notwithstanding subsections (a) through (i), a State agency may consider a household to have satisfied the income and resource limitations for participation in the food stamp program prescribed under this section if—

"(1) each member of the household receives benefits under—

"(A) a State plan for aid to families with dependent children approved under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

"(B) the supplemental security income program established under title XVI of such Act (42 U.S.C. 1381 et seq.); or

"(C) a State plan approved under title I, X, XIV, or XVI of such Act (42 U.S.C. 301 et seq.); and

"(2) the income of the household does not exceed the applicable income standards of eligibility established under subsection (c)(2).".

(b) Section 11(i) of such Act (7 U.S.C. 2020(i)) is amended by adding at the end thereof the following new sentence: "A State agency may not deny or terminate benefits to a household under the food stamp program solely on the basis of the denial or termination of benefits to such household under a State plan for aid to families with dependent children approved under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), the supplemental security income program established under title XVI of such Act (42 U.S.C. 1381 et seq.), or a State plan approved under title I, X, XIV, or XVI of such Act (42 U.S.C. 301 et seq.) without a separate determination by such agency that such household has failed to satisfy the eligibility requirements for participation in the food stamp program.".

(c) Section 17 of such Act (7 U.S.C. 2026) is amended—

(1) by striking out subsection (d); and

(2) by redesignating subsections (e) and (f) as subsections (d) and (e), respectively.

JOB TRAINING BENEFITS

SEC. 125. Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) (as amended by section 118(2)) is further amended by adding at the end thereof the following new subsection:

"(n) Notwithstanding section 142(b) of the Job Training Partnership Act (29 U.S.C. 1552(b)), allowances, earnings, and payments received by individuals as a result of participation in a program authorized under such Act shall be considered income for purposes of the food stamp program.".

EMPLOYMENT AND TRAINING PROGRAM

SEC. 126. (a) Section 6(d) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)) is amended—

(1) in paragraph (1)—

(A) by striking out "eighteen" in the matter preceding clause (i) of the first sentence and inserting in lieu thereof "sixteen";

(B) by striking out clause (ii) of the first sentence and inserting in lieu thereof the following new clause: "(ii) refuses without good cause to participate in an employment and training program under paragraph (4), to the extent required under such paragraph, including such reasonable employment requirements as are prescribed by the State agency in accordance with such paragraph, except that the period of ineligibility under this clause shall be two months;"; and

(C) by adding at the end thereof the following new sentences: "A period of ineligibility for a violation of a requirement of this paragraph shall terminate when the household member who committed the violation complies with such requirement. If the household member who committed the violation leaves the household during the period of ineligibility, such household shall no longer be subject to a sanction for such violation and, if the household is otherwise eligible, may resume participation in the program. Any other household that such person thereafter joins shall be ineligible for the balance of the period of ineligibility.";

(2) in paragraph (2)—

(A) by striking out "a dependent child under age six or of an incapacitated person" in clause (B) and inserting in lieu thereof "(i) a dependent child under age six, except that a State agency may require such parent or guardian to comply with such work requirements if the child is age three or over and adequate child care is available, or (ii) an incapacitated person";

(B) by striking out "or" at end of clause (D); and

(C) by inserting before the period at the end thereof the following: "; or (F) a person between the ages of sixteen and eighteen who is not a head of a household or who is attending school on a full-time basis"; and

(3) by adding at the end thereof the following new paragraph:

"(4)(A) A State agency shall implement an employment and training program designed by the State agency, pursuant to guidelines established by the Secretary, to assist members of households receiving benefits under this Act in gaining skills, training, or experience that will increase their ability to obtain regular employment.

"(B) In the case of persons who participated in the food stamp program for a period of more than 30 consecutive days and who are subject to employment requirements under this section, a State agency shall place in such program not less than—

"(i) by September 30, 1987, 25 percent of such persons;

"(ii) by September 30, 1988, 35 percent of such persons; and

"(iii) by September 30, 1990 and thereafter, 45 percent of such persons.

"(C) For purposes of this Act, an 'employment and training program' means a program that—

"(i) contains one or more of the components described in subparagraph (D), (E), (F), or (G); and

"(ii) meets criteria established by the Secretary.

"(D) A job search training program described in this subparagraph shall include, to the extent determined appropriate by the State agency, reasonable job search training and support activities that may consist of jobs skills assessments, job finding clubs, training in techniques for employability, job placement services, or other direct training or support activities, including education programs, determined by the State agency to expand the job search abilities or employability of persons subject to the program.

"(E)(i) A program described in this subparagraph shall be designed—

"(I) to improve the employability of household members through actual work experience or training, or both; and

"(II) to enable individuals employed under such program to become employed promptly in regular public or private employment.

"(ii) A State agency may use a facility of a State public employment office or agency operating a program under the Job Training Partnership Act (29 U.S.C. 1501 et seq.) to find employment and training opportunities for household members under the program described in this subparagraph.

"(iii) A State agency shall limit an employment or training experience assignment under such program to a project that serves a useful public purpose in a field such as health, social services, environmental protection, education, urban and rural development and redevelopment, welfare, recreation, public facilities, public safety, or day care.

"(iv) To the extent possible, a State agency shall use the prior training, experience, and skills of a member participating in such program in making appropriate employment experience assignments under such program.

"(v) In carrying out a program under this subparagraph, a State agency—

"(I) shall not provide any work that has the effect of replacing the employment of an individual not participating in such program; and

"(II) shall provide the same benefits and working conditions that are provided at the job site to employees performing comparable work for comparable hours.

"(F) A program described in this subparagraph shall include a workfare program operated under section 20.

"(G) A program described in this subparagraph shall include other programs, projects, and experiments (such as a supported work program), approved by the Secretary, that are aimed at accomplishing the purposes of employment and training programs established under this paragraph.

"(H) A State agency may provide that participation in an employment and training program established under this paragraph may supplement or supplant other requirements imposed on individuals subject to such program.

"(I)(i) In carrying out a program under this paragraph, a State agency may exempt, in accordance with criteria established by the Secretary, a category of household members from a requirement imposed under such program if the State agency determines that the application of such requirement to such category is impracticable due to factors such as the availability of work opportunities and the cost effectiveness of employment requirements.

"(ii) In making a determination under clause (i), a State agency may designate a category consisting of all such household members residing in a specified area of a State.

"(iii) A State agency shall also exempt from such requirement, or suspend the application of such requirement to, an individual household member not included in such category but with respect to whom the State agency determines that the application of such requirement is impracticable due to personal circumstances such as a lack of job readiness and employability, the remote location of work opportunities, and unavailability of dependent care.

"(iv) An exemption of a category or member by a State agency under this subparagraph shall not affect the requirement of such agency to comply with subparagraph (B).

"(J)(i) The total number of hours of work in an employment and training program carried out under this paragraph required of members of a household in any month collectively, together with the hours of work of such members in any program carried out under section 20, may not exceed a number of hours equal to the allotment of the household for such month divided by the higher of the applicable State minimum wage or the Federal minimum hourly rate under the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.).

"(ii) The total number of hours of participation in such program required of any member of a household, individually, in any

month, together with any hours worked in any program carried out under section 20 and any hours worked for compensation (in cash or in kind) in any other capacity, may not exceed 120 hours per month.

"(K)(i) A State agency shall establish such requirements as the State agency determines to be appropriate for individuals required to participate in a program described in subparagraph (C) that the State agency has not selected as a result of such subparagraph. Such requirements may vary among participants.

"(ii) A State agency may operate a program described in subparagraph (C) that the State agency has not selected as a result of such subparagraph.

"(iii) A State agency shall permit individuals not required to participate in an employment and training program, or who have completed or are in the process of participating in such program, to participate in any program established under this paragraph.

"(L) The Secretary shall issue guidelines that, to the maximum extent practicable, enable a State agency to design and operate an employment and training program under this paragraph that is compatible and consistent with similar programs operated within the State.

"(M) A State agency shall reimburse participants for the actual costs of transportation, and other actual costs, that are reasonably necessary and directly related to participation in the program but not to exceed $25 in the aggregate per month.

"(N)(i) The Secretary shall assure that State agencies comply with the requirements of this paragraph and section 11(e)(22).

"(ii) If the Secretary determines that a State agency has failed to comply with such a requirement, the Secretary may withhold from such State in accordance with section 16 (a), (c), and (h) such funds as the Secretary determines to be appropriate, subject to administrative and judicial review under section 14.

"(O) The Secretary shall ensure, to the extent practicable and in cooperation with the Secretary of Labor, that employment and training programs are provided to Indians residing on an Indian reservation in proportion to the number of persons described in subparagraph (B) that reside on such reservation.".

(b) Section 11(e) of such Act (7 U.S.C. 2020(e)) is amended—

(1) by striking out "and" at the end of paragraph (20);

(2) by striking out the period at the end of paragraph (21) and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following new paragraph:

"(22) the plans of the State agency for carrying out employment and training programs under section 6(d)(4), including the nature and extent of such programs and the geographic areas and households to be covered under such programs;".

(c) Section 16 of such Act (7 U.S.C. 2025) is amended by adding at the end thereof the following new subsection:

"(h)(1) For the payment to each State agency of the full cost (except as otherwise provided in this subsection) of carrying out an employment and training program under section 6(d)(4), the Secretary shall allocate from funds appropriated for such fiscal year under section 18(a)(1)—

"(A) for the fiscal year ending September 30, 1986, $40,000,000;

"(B) for the fiscal year ending September 30, 1987, $50,000,000;

"(C) for the fiscal year ending September 30, 1988, $60,000,000; and

"(D) for the fiscal year ending September 30, 1989, $75,000,000.

"(2) If in carrying out such program a State agency incurs costs that exceed the amount payable to the State agency under paragraph (1), the Secretary shall pay such State agency in accordance with subsection (a) an amount equal to 50 percent of such additional costs.

"(3) The Secretary shall in accordance with subsection (a) reimburse each State agency in an amount equal to 50 percent of the total amount of payments made or costs incurred by the State agency to reimburse participants for the actual costs of transportation, and other actual costs, that are reasonably necessary and directly related to participation in an employment and training program established under section 6(d)(4) but not to exceed $25 in the aggregate per month.

"(4) Funds provided to a State agency under this subsection—

"(A) may be used only for operating an employment and training program under section 6(d)(4); and

"(B) may not be used for carrying out other provisions of this Act.

"(5)(A) The Secretary shall monitor the employment and training programs carried out by State agencies under section 6(d)(4) to measure their effectiveness in terms of—

"(i) the increase in the numbers of household members who obtain employment; and

"(ii) the numbers of such members who retain such employment,

as a result of their participation in such programs.

"(B) Not later than January 1, 1989, the Secretary shall report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on the effectiveness of such employment and training programs.".

(d) Subsection (b) of section 20 of such Act (7 U.S.C. 2029(b)) is amended to read as follows:

"(b)(1) A household member shall be exempt from workfare requirements imposed under this section if such member is—

"(A) exempt from section 6(d)(1) as the result of clause (B), (C), (D), (E), or (F) of section 6(d)(2); or

"(B) at the option of the operating agency, subject to and currently actively and satisfactorily participating at least 20 hours a week in a work training program required under title IV of the Social Security Act (42 U.S.C. 601 et seq.).

"(2)(A) Subject to subparagraphs (B) and (C), in the case of a household that is exempt from work requirements imposed under this Act as the result of participation in a community work experience program established under section 409 of the Social Security Act (42 U.S.C. 609), the number of hours in a month for which all members of such household may be required to participate in such program shall equal the result obtained by dividing—

"(i) the amount of assistance paid to such household for such month under title IV of such Act, together with the value of the food stamp allotment of such household for such month; by

"(ii) the higher of the Federal or State minimum wage in effect for such month.

"(B) In no event may any such member be required to participate in such program more than 120 hours per month.

"(C) For the purpose of subparagraph (A)(i), the value of the food stamp allotment of a household for a month shall be determined in accordance with regulations governing the issuance of an allotment to a household that contains more members than the number of members in an assistance unit established under title IV of such Act.".

ALIENS

SEC. 127. (a) Clause (2) of the first sentence of section 6(f) of the Food Stamp Act of 1977 (7 U.S.C. 2015(f)) is amended—

(1) in subclause (D), by striking out "section" and all that follows through "calamity" and inserting in lieu thereof "sections 207 and 208 of the Immigration and Nationality Act (8 U.S.C. 1157 and 1158)"; and

(2) in subclause (F), by striking out "because" and all that follows through "opinion".

(b) The last sentence of section 6(f) of such Act is amended by striking out "(less a pro rata share)".

SALES TAX

SEC. 128. (a) Section 7(b) of the Food Stamp Act of 1977 (7 U.S.C. 2106(b)) is amended by inserting ", except that the transaction of coupons may not be a taxable event" after "such stores".

(b) The amendment made by subsection (a) shall apply to a State (or political subdivision thereof) beginning on the first day of the fiscal year that commences in the calendar year during which the first session of the legislature of such State is convened following the date of enactment of this Act.

ALTERNATIVE MEANS OF COUPON ISSUANCE

SEC. 129. Section 7(g)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2016(g)(1)) is amended by striking out "may" in the matter preceding clause (A) and inserting in lieu thereof "shall".

SIMPLIFIED APPLICATIONS AND STANDARDIZED BENEFITS

SEC. 130. Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017) is amended by adding at the end thereof the following new subsection:

"(e)(1) The Secretary may permit a State, on request, to operate a program under which a household shall be considered to have satisfied the application requirements prescribed under section 5(a) and the income and resource requirements prescribed under subsections (d) through (g) of section 5 if such household—

"(A) includes one or more members who are recipients of—

"(i) aid to families with dependent children under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

"(ii) supplemental security income under title XVI of such Act (42 U.S.C. 1381 et seq.); or

"(iii) medical assistance under title XIX of such Act (42 U.S.C. 1396 et seq.); and

"(B) has an income that does not exceed the applicable income standard of eligibility described in section 5(c).

"(2) Except as provided in paragraph (3), a State that elects to operate a program under this subsection shall base the value of an allotment provided to a household under subsection (a) on—

"(A)(i) the size of the household; and

"(ii)(I) benefits paid to such household under a State plan for aid to families with

dependent children approved under part A of title IV of the Social Security Act; or

"(II) the income standard of eligibility for medical assistance under title XIX of such Act; or

"(B) at the option of the State, the standard of need for such size household under the programs referred to in clause (A)(ii).

"(3) The Secretary shall adjust the value of allotments received by households under a program operated under this subsection to ensure that the average allotment by household size for households participating in such program and receiving such aid to families with dependent children, such supplemental security income, or such medical assistance, as the case may be, is not less than the average allotment that would have been provided under this Act but for the operation of this subsection, for each category of households, respectively, in a State, for any period during which such program is in operation.

"(4) The Secretary shall evaluate the impact of programs operated under this subsection on recipient households, administrative costs, and error rates.

"(5) The administrative costs of such programs shall be shared in accordance with section 16.

"(6) In implementing this section, the Secretary shall consult with the Secretary of Health and Human Services to ensure that to the extent practicable, in the case of households participating in such programs, the processing of applications for, and determinations of eligibility to receive, food stamp benefits are simplified and are unified with the processing of applications for, and determinations of eligibility to receive, benefits under such titles of the Social Security Act (42 U.S.C. 601 et seq.).".

REDEMPTION OF COUPONS

SEC. 131. Section 10 of the Food Stamp Act of 1977 (7 U.S.C. 2019) is amended by adding at the end thereof the following new sentence: "A financial institution may not impose on, or collect from, a retail food store a fee or other charge for the redemption of coupons that are submitted to the financial institution in order to defray the costs of complying with a requirement, other than a requirement relating to the cancellation of coupons, for the presentation of coupons by the financial institution to a Federal Reserve bank.".

ELIGIBILITY OF THE HOMELESS

SEC. 132. Section 11(e)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(2)) is amended—

(1) by striking out the semicolon at the end thereof and inserting in lieu thereof a period; and

(2) by adding at the end thereof the following new sentences: "The State agency shall provide a method of certifying and issuing coupons to eligible households that do not reside in permanent dwellings or who do not have fixed mailing addresses. In carrying out the preceding sentence, the State agency shall take such steps as are necessary to ensure that participation in the food stamp program is limited to eligible households.".

CERTIFICATION OF INFORMATION

SEC. 133. Section 11(e)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(2)) (as amended by section 132) is further amended by adding at the end thereof the following: "Each adult member of a household that is applying for a coupon allotment (or in the case of a household described in paragraph (9)(A), an adult member of such household that is applying for a coupon allotment) or is required to file a periodic or other report under section 6(c)(1) shall be required to certify in writing, under penalty of perjury, the truth of the information contained in the application for the allotment or the report, respectively;".

VERIFICATION

SEC. 134. Section 11(e)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(3)) is amended—

(1) by striking out "only" after "verification";

(2) by inserting ", household size (in any case such size is questionable)," after "Act)"; and

(3) by striking out "any factors" and all that follows through "by the Secretary" and inserting in lieu thereof "such other eligibility factors as the State agency determines are necessary".

PHOTOGRAPHIC IDENTIFICATION CARDS

SEC. 135. Section 11(e)(16) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(16)) is amended—

(1) by striking out "last sentence" and inserting in lieu thereof "fourth sentence";

(2) by inserting "and would be cost effective" after "integrity";

(3) by striking out the semicolon at the end thereof and inserting in lieu thereof a period; and

(4) by adding at the end thereof the following: "The State agency may permit a member of a household to comply with this paragraph by presenting a photographic identification card used to receive assistance under a welfare or public assistance program;".

STAGGERED ISSUANCE OF COUPONS

SEC. 136. Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)) (as amended by section 126(b)) is further amended by adding at the end thereof the following new paragraph:

"(23) at the option of the State agency, for the staggered issuance of coupons to recipients throughout a month, except that not more than 40 days may elapse between the issuance of coupons to a household as a result of such staggered issuance;".

FRAUD DETECTION

SEC. 137. Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)) (as amended by section 136) is further amended by adding at the end thereof the following new paragraph:

"(24) in a project area in which 5,000 or more households participate in the food stamp program, for the establishment and operation of a unit for the detection of fraud in the food stamp program, including the investigation, and assistance in the prosecution, of such fraud; and".

FOOD STAMP INFORMATION AND APPLICATIONS AT SOCIAL SECURITY ADMINISTRATION OFFICES

SEC. 138. (a) Clause (2) of the first sentence of section 11(i) of the Food Stamp Act of 1977 (7 U.S.C. 2020(i)) is amended—

(1) by inserting "applicants for or" after "members are"; and

(2) by striking out "permitted" and all that follows through "office" and inserting in lieu thereof "informed of the availability of benefits under the food stamp program, and the availability of assistance in making a simple application to participate in such program, at a local office of the Social Security Administration".

(b) Subsection (j) of section 11 of such Act is amended to read as follows:

"(j)(1) Under regulations prescribed by the Secretary in conjunction with the Secretary of Health and Human Services, an individual who is an applicant for or recipient of benefits under title II of the Social Security Act (42 U.S.C. 401 et seq.) shall be informed of the availability of benefits under the food stamp program, and the availability of a simple application to participate in such program, at a local office of the Social Security Administration.

"(2) The Secretary and the Secretary of Health and Human Services shall revise the memorandum of understanding in effect on the date of enactment of the Consolidated Omnibus Budget Reconciliation Act of 1985, regarding services to be provided in such an office under this subsection and subsection (i), in a manner to ensure that—

"(A) an applicant for or recipient of benefits under title II of the Social Security Act is adequately notified in such office that assistance may be available to such applicant or recipient under this Act;

"(B) an application for assistance under this Act received from a household in which all members of such household are applicants for or recipients of assistance under the supplemental security income program established under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.) be forwarded immediately after receipt to the State agency in an efficient and timely manner; and

"(C) the Secretary of Health and Human Services receives from the Secretary reimbursement for costs incurred to carry out this subsection and subsection (i).".

(c) Not later than 180 days after the date of the enactment of this Act, the Secretary of Health and Human Services shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the nature and extent of costs incurred by such Secretary to comply with subsections (i) and (j) of section 11 of the Food Stamp Act of 1977 (as amended by subsections (a) and (b), respectively).

SPECIAL SUPPLEMENTAL FOOD PROGRAM

SEC. 139. (a) Section 12 of the Food Stamp Act of 1977 (7 U.S.C. 2021) is amended by adding at the end thereof the following new subsection:

"(e) Notwithstanding section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), a retail food store or wholesale food concern that has been disqualified under subsection (a) shall be ineligible during the period of disqualification to participate in the special supplemental food program established under section 17 of such Act.".

(b) The second sentence of section 9(c) of the Food Stamp Act of 1977 (7 U.S.C. 2018(c)) is amended by striking out "this Act or the regulations issued pursuant to this Act" and inserting in lieu thereof "this Act or section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) or the regulations issued to carry out this Act or such section".

DISQUALIFICATION OF RETAIL FOOD STORES AND CIVIL MONEY PENALTIES

SEC. 140. (a) Section 12 of the Food Stamp Act of 1977 (7 U.S.C. 2021) (as amended by section 139(a)) is further amended by adding at the end thereof the following new subsection:

"(f)(1)(A) If a retail food store or wholesale food concern disqualified under subsection (a) is sold or otherwise transferred, such store or concern shall be subject to a civil money penalty.

"(B) The amount of such penalty shall—

"(i) be established by the Secretary through regulations; and

"(ii) reflect that portion of the disqualification period that has not yet expired.

"(C) If such store or concern has been disqualified permanently, the amount of such penalty shall be double the penalty imposed for a 10-year disqualification period, as determined under regulations issued by the Secretary.

"(D) Notwithstanding the imposition of such penalty, the disqualification period imposed under subsection (b) shall continue in effect as to the seller or transferor of such store or concern.

"(2)(A) After a civil money penalty imposed under paragraph (1) has become final pursuant to section 14(a), the Secretary may request the Attorney General to institute a civil action to collect such penalty in a district court of the United States for any district in which the person against whom the penalty is imposed is found, resides, or transacts business.

"(B) Such court shall have jurisdiction to hear and decide such action.

"(C) The validity and amount of such penalty shall not be subject to review in such action.".

(b) Section 9(b) of such Act (7 U.S.C. 2018(b)) is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end thereof the following new paragraph:

"(2)(A) If a buyer or transferee of a retail food store or wholesale food concern has actual or constructive notice of an outstanding civil penalty imposed under section 12(f) at the time of the sale or transfer of such store or concern, such store or concern may not accept or redeem coupons until the Secretary receives full payment of such penalty.

"(B) To the extent permitted under law, the Secretary shall ensure that an encumbrance created under this paragraph is recorded in an appropriate State or local public office.

"(C) The seller or transferor of such store or concern shall advise a buyer or transferee prior to the sale or transfer of the limitation imposed by this paragraph.

"(D) The store or concern of the buyer or transferee may not, as a result of the sale or transfer of such store or concern, be required to furnish a bond under section 12(d).".

LIABILITY FOR OVERISSUANCE OF COUPONS

SEC. 141. Section 13(a) of the Food Stamp Act of 1977 (7 U.S.C. 2022(a)) is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end thereof the following new paragraph:

"(2) Each adult member of a household shall be jointly and severally liable for the value of any overissuance of coupons.".

INTEREST ON CLAIMS AGAINST STATE AGENCIES

SEC. 142. Section 13(a) of the Food Stamp Act of 1977 (7 U.S.C. 2022(a)) (as amended by section 141) is further amended by adding at the end thereof the following new paragraph:

"(3) A State agency shall be liable for interest on a claim assessed against the State agency under this Act from the date of the final administrative determination made with respect to such claim under section 14(a).".

COLLECTION OF CLAIMS

SEC. 143. (a) Section 13(b)(1)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2022(b)(1)(B)) is amended—

(1) by striking out "may" and inserting in lieu thereof "shall"; and

(2) by inserting ", unless the State agency demonstrates to the satisfaction of the Secretary that such other means are not cost effective" before the period at the end thereof.

(b) Section 13(b)(2)(A) of such Act is amended—

(1) by inserting after the first sentence the following new sentence: "State agencies may collect any claim against a household arising from the overissuance of coupons as the result of an error of the State agency by reducing the monthly allotments of the household."; and

(2) by striking out "These collections" in the last sentence and inserting in lieu thereof "Collections under this subparagraph".

FOOD STAMP INTERCEPT OF UNEMPLOYMENT BENEFITS

SEC. 144. (a) Section 13 of the Food Stamp Act of 1977 (7 U.S.C. 2022) is amended by adding at the end thereof the following new subsection:

"(c)(1) As used in this subsection, the term 'uncollected overissuance' means the amount of an overissuance of coupons, as determined under subsection (b)(1), that has not been recovered pursuant to subsection (b)(1).

"(2) A State agency may determine on a periodic basis, from information supplied pursuant to section 3(b) of the Wagner-Peyser Act (29 U.S.C. 49b(b)), whether an individual receiving compensation under the State's unemployment compensation law (including amounts payable pursuant to an agreement under a Federal unemployment compensation law) owes an uncollected overissuance.

"(3) A State agency may recover an uncollected overissuance—

"(A) by—

"(i) entering into an agreement with an individual described in paragraph (2) under which specified amounts will be withheld from unemployment compensation otherwise payable to the individual; and

"(ii) furnishing a copy of the agreement to the State agency administering the unemployment compensation law; or

"(B) in the absence of an agreement, by obtaining a writ, order, summons, or other similar process in the nature of garnishment from a court of competent jurisdiction to require the withholding of amounts from the unemployment compensation.".

(b)(1) Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)) (as amended by section 137) is further amended by adding at the end thereof the following new paragraph:

"(25) at the option of the State, for procedures necessary to obtain payment of uncollected overissuance of coupons from unemployment compensation pursuant to section 13(c).".

(2) Section 3(b) of the Wagner-Peyser Act (29 U.S.C. 49b(b)) is amended—

(A) by striking out "or" the second place it appears and inserting in lieu thereof a comma; and

(B) by inserting after "such Act," the following: "or of a State agency charged with the administration of the food stamp program in a State under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.),".

(3) Section 303(d) of the Social Security Act (42 U.S.C. 503(d)) is amended—

(A) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(B) by inserting after paragraph (1) the following new paragraph:

"(2)(A) For purposes of this paragraph, the term 'unemployment compensation' means any unemployment compensation payable under the State law (including amounts payable pursuant to an agreement under a Federal unemployment compensation law).

"(B) The State agency charged with the administration of the State law—

"(i) may require each new applicant for unemployment compensation to disclose whether the applicant owes an uncollected overissuance (as defined in section 13(c)(1) of the Food Stamp Act of 1977) of food stamp coupons,

"(ii) may notify the State food stamp agency to which the uncollected overissuance is owed that the applicant has been determined to be eligible for unemployment compensation if the applicant discloses under clause (i) that the applicant owes an uncollected overissuance and the applicant is determined to be so eligible,

"(iii) may deduct and withhold from any unemployment compensation otherwise payable to an individual—

"(I) the amount specified by the individual to the State agency to be deducted and withheld under this clause,

"(II) the amount (if any) determined pursuant to an agreement submitted to the State food stamp agency under section 13(c)(3)(A) of the Food Stamp Act of 1977, or

"(III) any amount otherwise required to be deducted and withheld from the unemployment compensation pursuant to section 13(c)(3)(B) of such Act, and

"(iv) shall pay any amount deducted and withheld under clause (iii) to the appropriate State food stamp agency.

"(C) Any amount deducted and withheld under subparagraph (B)(iii) shall for all purposes be treated as if it were paid to the individual as unemployment compensation and paid by the individual to the State food stamp agency to which the uncollected overissuance is owed as repayment of the individual's uncollected overissuance.

"(D) A State food stamp agency to which an uncollected overissuance is owed shall reimburse the State agency charged with the administration of the State unemployment compensation law for the administrative costs incurred by the State agency under this paragraph that are attributable to repayment of uncollected overissuance to the State food stamp agency to which the uncollected overissuance is owed.".

(c)(1) The proviso of the first sentence of section 16(a) of the Food Stamp Act of 1977 (7 U.S.C. 2025(a)) is amended by striking out "13(b)(1) of this Act" and inserting in lieu thereof "13 (b)(1) and (c)".

(2) The first sentence of section 18(e) of such Act (7 U.S.C. 2027(e)) is amended by striking out "13(b) of this Act" and inserting in lieu thereof "13 (b) and (c)".

ADMINISTRATIVE AND JUDICIAL REVIEW

SEC. 145. The last sentence of section 14(a) of the Food Stamp Act of 1977 (7 U.S.C. 2023(a)) is amended—

(1) by striking out "an application" and inserting in lieu thereof "on application"; and

(2) by striking out "showing of irreparable injury" and inserting in lieu thereof "show-

ing that the applicant is likely to prevail on the merits of the case".

HOURS OF OPERATION

SEC. 146. Section 16(b)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2025(b)(1)) is amended by inserting ", including standards for the periodic review of the hours that food stamp offices are open during the day, week, or month to ensure that employed individuals are adequately served by the food stamp program," after "States".

ERROR RATE REDUCTION PROGRAM

SEC. 147. Section 16(d) of the Food Stamp Act of 1977 (7 U.S.C. 2025(d)) is amended—

(1) by striking out paragraphs (2) and (3) and inserting in lieu thereof the following new paragraphs:

"(2) If the payment error rate of a State agency for a fiscal year exceeds 5 percent, the State agency shall, other than for good cause shown, be liable to the Secretary for such fiscal year in an amount equal to—

"(A) the sum of—

"(i) the product obtained by multiplying—

"(I) the number of percentage points (or a fraction thereof) by which such rate exceeds 5 percent (but not to exceed 2 points); by

"(II) 75 percent of the total value of all coupons issued by the State agency for such fiscal year; and

"(ii) the product obtained by multiplying—

"(I) the number of percentage points (or a fraction thereof) by which such rate exceeds 7 percent; by

"(II) the total value of all coupons issued by the State agency for such fiscal year; less

"(B) 75 percent of the value of any amounts that—

"(i) are recovered or collected by the State agency during such fiscal year under this Act for allotments—

"(I) issued to ineligible households; or

"(II) overissued to eligible households; and

"(ii) are not retained by the State agency in accordance with subsection (a).

"(3) If the liability of a State agency under this subsection is not contested by such agency or is ultimately determined to be valid, such penalty shall be collected by the Secretary by means of—

"(A) payment by such State agency;

"(B) withholding amounts otherwise payable to such agency under subsection (a); or

"(C) other means of collection authorized under chapter 37 of title 31, United States Code.";

(2) by striking out "the appropriate level of a State agency's federally funded share of administrative costs under this subsection" in paragraph (4) and inserting in lieu thereof "the payment error rate of a State agency"; and

(3) by striking out "reduces a State agency's federally funded share of administrative costs" in paragraph (5) and inserting in lieu thereof "determines that a State agency is liable".

GEOGRAPHICAL ERROR-PRONE PROFILES

SEC. 148. Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025) (as amended by section 126(c)) is further amended by adding at the end thereof the following new subsection:

"(i)(1) The Inspector General of the Department of Agriculture may use quality control information made available under this section to determine which project areas have payment error rates (as defined in subsection (d)(1)) that impair the integrity of the food stamp program.

"(2) The Secretary may require a State agency to carry out new or modified procedures for the certification of households in areas identified under paragraph (1) if the Secretary determines such procedures would improve the integrity of the food stamp program and be cost effective.

"(3) Not later than 12 months after the date of enactment of the Consolidated Omnibus Budget Reconciliation Act of 1985, and each 12 months thereafter, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that lists project areas identified under paragraph (1) and describes any procedures required to be carried out under paragraph (2).".

CASH PAYMENT PILOT PROJECTS

SEC. 149. The last sentence of section 17(b)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)) is amended by striking out "1985" and inserting in lieu thereof "1989".

CASH CHANGE PILOT PROJECT

SEC. 150. Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) (as amended by section 124(c)) is further amended by adding at the end thereof the following new subsection:

"(f) The Secretary may conduct a pilot project to test the effect on households and retail food stores that participate in the food stamp program of requiring households that use coupons to purchase food to pay cash for the amount of such purchase that exceeds the value of the lowest coupon denomination issued.".

AUTHORIZATION FOR APPROPRIATIONS

SEC. 151. The first sentence of section 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended—

(1) by striking out "and" after "1984;"; and

(2) by inserting before the period at the end thereof the following: "; not in excess of $12,984,000,000 for the fiscal year ending September 30, 1986; not in excess of $13,572,000,000 for the fiscal year ending September 30, 1987; not in excess of $14,154,000,000 for the fiscal year ending September 30, 1988; and not in excess of $14,695,000,000 for the fiscal year ending September 30, 1989".

TRANSFER OF FUNDS

SEC. 152. (a) Section 18 of the Food Stamp Act of 1977 (7 U.S.C. 2027) is amended by adding at the end thereof the following new subsection:

"(f) No funds appropriated to carry out this Act may be transferred to the Office of the Inspector General, or the Office of the General Counsel, of the Department of Agriculture.".

(b) The amendment made by this section shall become effective on October 1, 1986.

PUERTO RICO BLOCK GRANT

SEC. 153. Section 19 of the Food Stamp Act of 1977 (7 U.S.C. 2028) is amended—

(1) by striking out "noncash" in subsection (a)(1)(A); and

(2) in the second sentence of subsection (b)(1)(A)—

(A) by striking out "July 1" and inserting in lieu thereof "April 1"; and

(B) by striking out "a single agency which shall be" in clause (i) and inserting in lieu thereof "the agency or agencies directly".

PART 2—COMMODITY DISTRIBUTION

TRANSFER OF SECTION 32 COMMODITIES

SEC. 160. Section 32 of the Act entitled "An Act to amend the Agricultural Adjustment Act, and for other purposes", approved August 24, 1935 (7 U.S.C. 612c), is amended by adding at the end thereof the following new sentence: "A public or private nonprofit organization that receives agricultural commodities or the products thereof under clause (2) of the second sentence may transfer such commodities or products to another public or private nonprofit organization that agrees to use such commodities or products to provide, without cost or waste, nutrition assistance to individuals in low-income groups.".

COMMODITY DISTRIBUTION PROGRAM

SEC. 161. (a) Section 4(a)(1) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note) (as amended by section 114(b)) is amended by striking out "during fiscal years 1982, 1983, 1984, and 1985" and inserting in lieu thereof "during the period beginning October 1, 1985, and ending September 30, 1989".

(b) Section 4(b) of such Act is amended by striking out "18" and inserting in lieu thereof "19".

COMMODITY SUPPLEMENTAL FOOD PROGRAM

SEC. 162. (a) Section 5(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note) is amended—

(1) in clause (1)—

(A) by striking out "two pilot projects" and inserting in lieu thereof "three pilot projects"; and

(B) by striking out "two years" and inserting in lieu thereof "September 30, 1989"; and

(2) by striking out "1985" in clause (2) and inserting in lieu thereof "1989".

(b) Section 5 of such Act is amended by adding at the end thereof the following new subsections:

"(f)(1) If the Secretary determines that the amount of funds appropriated to carry out this section exceeds the requirement for operating sites in existence, and at levels of assistance, in effect on the date of such determination, the Secretary shall approve additional applications made for eligible projects to participate in the commodity supplemental food program.

"(2) In making such determination, the Secretary shall consider the funding needs of existing operating sites for both the current and succeeding fiscal years.

"(g) If a local agency that administers the commodity supplemental food program determines that the amount of funds made available to the agency to carry out this section exceeds the amount of funds necessary to provide assistance under such program to women, infants, and children, the agency, with the approval of the Secretary, may permit low-income elderly persons to participate in and be served by such program under such terms and conditions as are prescribed by the Secretary.".

TEMPORARY EMERGENCY FOOD ASSISTANCE PROGRAM

SEC. 163. (a) Section 202 of the Temporary Emergency Food Assistance Act of 1983 (7 U.S.C. 612c note) is amended by adding at the end thereof the following new subsections:

"(c) In addition to any commodities described in subsection (a), in carrying out this Act, the Secretary may use agricultural commodities and the products thereof made available under clause (2) of the second sen-

tence of section 32 of the Act entitled 'An Act to amend the Agricultural Adjustment Act, and for other purposes', approved August 24, 1935 (7 U.S.C. 612c).

"(d) Commodities made available under this Act shall include, but not be limited to, dairy products, wheat or the products thereof, rice, honey, and cornmeal.

"(e) Effective January 1, 1986, the Secretary shall submit semiannually to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the types and amounts of commodities made available for distribution under this Act.".

(b) Section 203B(b) of such Act is amended by adding at the end thereof the following new sentence: "Each State agency shall encourage distribution of such commodities in rural areas.".

(c) Section 203C(a) of such Act is amended by adding at the end thereof the following new sentence: "The Secretary shall submit annually to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the existence and extent of such displacements and substitutions.".

(d) Section 204(b) of such Act is amended—

(1) by inserting "(1)" after the subsection designation;

(2) by striking out "the fiscal years ending September 30, 1984, and September 30, 1985" and inserting in lieu thereof "each of the fiscal years ending September 30, 1984, through September 30, 1987"; and

(3) by adding at the end thereof the following new paragraph:

"(2) Effective January 1, 1986, to be eligible to receive payments for storage and distribution costs under paragraph (1), a State must match on a dollar for dollar basis the amount of such payments made to such State.".

(e) Subsection (c) of section 210 of such Act is amended to read as follows:

"(c)(1) Not later than October 1, 1985, and October 1, 1986, the Secretary shall publish in the Federal Register an estimate of the types and quantities of commodities that the Secretary anticipates are likely to be made available under this Act during each of the fiscal years ending September 30, 1986, and September 30, 1987, respectively.

"(2) The actual types and quantities of commodities made available under this Act may differ from such estimates.".

(f) Section 212 of such Act is amended to read as follows:

"PROGRAM TERMINATION

"SEC. 212. (a) Except for section 207 and as provided in subsections (b) and (c), this Act shall terminate on September 30, 1987.

"(b) Section 203 shall terminate on June 30, 1987.

"(c) The amendment made by section 209 shall terminate on September 30, 1989.".

DISTRIBUTION OF SURPLUS COMMODITIES TO SPECIAL NUTRITION PROJECTS

SEC. 164. Section 1114(a) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e) is amended by adding at the end thereof the following new sentence: "Commodities made available under this section shall include, but not be limited to, dairy products, wheat or the products thereof, rice, honey, and cornmeal.".

DONATIONS BY MILITARY COMMISSARIES

SEC. 165. (a) Section 2482 of title 10, United States Code, is amended—

(1) by inserting "(a)" after the section designation; and

(2) by adding at the end thereof the following new subsection:

"(b) A commissary store of the Department of Defense may donate surplus, unmarketable food to a local food bank.".

(b) The caption of section 2482 of such title is amended by striking out ": private operation".

PART 3—EFFECTIVE DATES

EFFECTIVE DATES

SEC. 170. (a) Except as otherwise provided in this subtitle, this subtitle and the amendments made by this subtitle shall become effective on the date of enactment of this Act.

(b) Notwithstanding any provision of the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) or chapter 5 of part I of title 5, United States Code—

(1) the Secretary of Agriculture shall prescribe interim regulations to ensure that this subtitle and the amendments made by this subtitle are implemented as soon as practicable after such date, but in no event later than March 1, 1986; and

(2) any change in such interim regulations that is made in final regulations issued by the Secretary to implement this subtitle and the amendments made by this subtitle shall be effective on such date as is prescribed by the Secretary.

Subtitle C—Agricultural Credit

ELIGIBILITY FOR REAL ESTATE AND OPERATING LOANS

SEC. 181. (a) Section 302 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922) is amended—

(1) by inserting "(a)" after the section designation; and

(2) by adding at the end thereof the following new subsection:

"(b) The Secretary may not restrict eligibility for loans made or insured under this subtitle for purposes set forth in section 303 solely to borrowers of loans that are outstanding on the date of enactment of the Consolidated Omnibus Budget Reconciliation Act of 1985.".

(b) Section 311 of such Act (7 U.S.C. 1941) is amended by adding at the end thereof the following new subsection:

"(c) The Secretary may not restrict eligibility for loans made or insured under this subtitle for purposes set forth in section 312 solely to borrowers of loans that are outstanding on the date of enactment of the Consolidated Omnibus Budget Reconciliation Act of 1985.".

WATER, WASTE FACILITY, AND COMMUNITY FACILITY LOANS AND GRANTS

SEC. 182. (a) Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) is amended by adding at the end thereof the following paragraph:

"(16)(A) In the approval and administration of a loan made under paragraph (1) for a water or waste disposal facility, the Secretary shall consider fully any recommendation made by the loan applicant or borrower concerning the technical design and choice of materials to be used for such facility.

"(B) If the Secretary determines that a design or materials, other than those that were recommended, should be used in the water or waste disposal facility, the Secretary shall provide such applicant or borrower with a comprehensive justification for such determination.".

(b) Section 307(a)(3)(A) of such Act (7 U.S.C. 1927(a)(3)(A)) is amended—

(1) by striking out "the poverty line prescribed by the Office of Management and Budget as adjusted under section 624 of the Economic Opportunity Act of 1964 (42 U.S.C. 2971d)" and inserting in lieu thereof "the higher of (i) 80 percent of the statewide nonmetropolitan median household income, or (ii) the poverty line as defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2),"; and

(2) by adding at the end thereof the following new sentence: "The interest rate on a loan for such facility may not exceed 7 percent per annum if such facility does not qualify for the 5 percent per annum interest rate, but is located in an area where the median household income of the persons to be served by the facility does not exceed 100 percent of the statewide nonmetropolitan median household income.".

(c)(1) The Secretary of Agriculture shall conduct a study of the practicality and cost effectiveness of making loans and grants under section 306 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926) for the construction of water and waste disposal facilities in rural areas at individual locations, rather than central or community locations.

(2) Not later than 120 days after the date of enactment of this Act, the Secretary shall submit a report on the results of the study required under paragraph (1) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

SALE OF NOTES AND SECURITY

SEC. 183. (a) Section 309(d) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929(d)) is amended by striking out the period at the end of the second sentence and inserting in lieu thereof the following: ", including sale on a nonrecourse basis. The Secretary and any subsequent purchaser of such notes sold by the Secretary on a nonrecourse basis shall be relieved of any responsibilities that might have been imposed, had the borrower remained indebted to the Secretary. All such notes sold on a nonrecourse basis must have been held in the fund for at least 4 years.".

(b) Section 309A(e) of such Act (7 U.S.C. 1929a(e)) is amended by striking out the period at the end of the second sentence and inserting in lieu thereof the following: ", including sale on a nonrecourse basis. The Secretary and any subsequent purchaser of such notes sold by the Secretary on a nonrecourse basis shall be relieved of any responsibilities that might have been imposed, had the borrower remained indebted to the Secretary.".

RURAL INDUSTRIALIZATION ASSISTANCE

SEC. 184. (a) Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) is amended—

(1) in subsection (a)—

(A) in the first sentence—

(i) by striking out "also make and insure loans" and inserting in lieu thereof "guarantee loans made"; and

(ii) by striking out "(1)" and all that follows through the period and inserting in lieu thereof "financing the production and distribution of ethanol in rural areas."; and

(B) by striking out the second and fourth sentences;

(2) by striking out subsections (b) and (c);

(3) by striking out the sentence preceding paragraph (1) of subsection (d);

(4) by striking out subsection (e); and

(5) by redesignating subsection (d) (as amended by clause (3)) as subsection (b).

(b)(1) Section 307(a)(4) of such Act (7 U.S.C. 1927(a)(4)) is amended by striking out "sections 304(b), 306(a)(1), and 310B" and inserting in lieu thereof "sections 304(b) and 306(a)(1)".

(2) Section 307(a)(6)(B) of such Act is amended—

(A) by inserting "and" at the end of clause (v);

(B) by striking out clauses (vi) and (vii); and

(C) by redesignating clause (viii) as clause (vi).

(3) Section 309A(g)(8) of such Act (7 U.S.C. 1929a(g)(8)) is amended by striking out "sections 306(a) and 310B" and inserting in lieu thereof "section 306(a)".

FARM RECORDKEEPING TRAINING FOR LIMITED RESOURCE BORROWERS

SEC. 185. The first sentence of section 312(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1942(a)) is amended—

(1) by striking out "and" at the end of clause (10); and

(2) by inserting before the period at the end thereof the following new clause: ", and (12) training in maintaining records of farming and ranching operations for limited resource borrowers receiving loans under section 310D".

EMERGENCY LOANS

SEC. 186. (a) Subsection (b) of section 321 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(b)) is amended to read as follows:

"(b) An applicant shall be ineligible for financial assistance under this subtitle for crop losses if crop insurance was available to the applicant for such crop under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.).".

(b) Subsection (a) of section 324 of such Act (7 U.S.C. 1964(a)) is amended to read as follows:

"(a)(1) No loan made or insured under this subtitle may exceed the amount of the actual loss caused by the disaster or $200,000, whichever is less, for each disaster.

"(2) The total principal indebtedness outstanding at any one time for loans made or insured to a borrower under this subtitle may not exceed $400,000.".

(c) Section 324(b)(1) of such Act (7 U.S.C. 1964(b)(1)) is amended by striking out "but (A)" and all that follows through "Secretary" and inserting in lieu thereof "but not in excess of 8 percent per annum".

(d) Section 330 of such Act (7 U.S.C. 1971) is repealed.

(e) The amendment made by subsection (a) shall not apply to a person whose eligibility for an emergency loan is the result of damage to an annual crop planted before the date of enactment of this Act.

SETTLEMENT OF CLAIMS

SEC. 187. Subsection (d) of the second paragraph of section 331 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981(d)) is amended to read as follows:

"(d) compromise, adjust, reduce, or charge-off claims, and adjust, modify, subordinate, or release the terms of security instruments, leases, contracts, and agreements entered into or administered by the Farmers Home Administration under any of its programs, as circumstances may require, to carry out this title. The Secretary may release borrowers or others obligated on a debt incurred under this title from personal liability with or without payment of any consideration at the time of the compromise, adjustment, reduction, or charge-off of any claim, except that no compromise, adjustment, reduction, or charge-off of any claim may be made or carried out—

"(1) on terms more favorable than those recommended by the appropriate county committee utilized pursuant to section 332; or

"(2) after the claim has been referred to the Attorney General, unless the Attorney General approves;".

TRANSFER OF LOAN ACCOUNTS

SEC. 188. Subtitle D of the Consolidated Farm and Rural Development Act is amended by inserting after section 331B (7 U.S.C. 1981b) the following new section:

"SEC. 331C. The Secretary shall permit a borrower of a loan made or insured under this title, with the approval of the head of the appropriate State office of the Farmers Home Administration, to transfer, on a one-time basis, the accounts of such borrower for such loans to a county office of the Farmers Home Administration in an adjacent county.".

OIL AND GAS ROYALTIES

SEC. 189. (a) Subtitle D of the Consolidated Farm and Rural Development Act (as amended by section 188) is amended by inserting after section 331C the following new section:

"SEC. 331D. (a) The Secretary shall permit a borrower of a loan made or insured under this title to make a prospective payment on such loan with proceeds from—

"(1) the leasing of oil, gas, or other mineral rights to real property used to secure such loan; or

"(2) the sale of oil, gas, or other minerals removed from real property used to secure such loan if—

"(A) the value of the rights to such oil, gas, or other minerals has not been used to secure such loan; and

"(B) the security for such loan is otherwise adequate.

"(b) Subsection (a) shall not apply to a borrower of a loan made or insured under this title with respect to which a liquidation or foreclosure proceeding is pending on the date of enactment of the Consolidated Omnibus Budget Reconciliation Act of 1985.".

(b) Section 204 of the Emergency Agricultural Credit Adjustment Act of 1978 (7 U.S.C. 1947 note) is amended by adding at the end thereof the following new subsection:

"(e)(1) The Secretary shall permit a borrower of a loan made or insured under this title to make a prospective payment on such loan with proceeds from—

"(A) the leasing of oil, gas, or other mineral rights to real property used to secure such loan; or

"(B) the sale of oil, gas, or other minerals removed from real property used to secure such loan if—

"(i) the value of the rights to such oil, gas, or other minerals has not been used to secure such loan; and

"(ii) the security for such loan is otherwise adequate.

"(2) Paragraph (1) shall not apply to a borrower of a loan made or insured under this title with respect to which a liquidation or foreclosure proceeding is pending on the date of enactment of the Consolidated Omnibus Budget Reconciliation Act of 1985.".

PROCESSING OF LOAN APPLICATIONS

SEC. 190. (a) Subtitle D of the Consolidated Farm and Rural Development Act is amended by inserting after section 333 (7 U.S.C. 1983) the following new section:

"SEC. 333A. (a)(1) The Secretary shall approve or disapprove an application for a loan or loan guarantee made under this title, and notify the applicant of such action, not later than 90 days after the Secretary has received a complete application for such loan or loan guarantee.

"(2) If an application for a loan or loan guarantee under this title is incomplete, the Secretary shall inform the applicant of the reasons such application is incomplete not later than 20 days after the Secretary has received such application.

"(3) If an application for a loan or loan guarantee under this title is disapproved by the Secretary, the Secretary shall state the reasons for the disapproval in the notice required under paragraph (1).

"(b)(1) Except as provided in paragraph (2), if an application for an insured loan under this title is approved by the Secretary, the Secretary shall provide the loan proceeds to the applicant not later than 15 days (or such longer period as the applicant may approve) after the application for the loan is approved by the Secretary.

"(2) If the Secretary is unable to provide the loan proceeds to the applicant within such 15-day period because sufficient funds are not available to the Secretary for such purpose, the Secretary shall provide the loan proceeds to the applicant as soon as practicable (but in no event later than 15 days unless the applicant agrees to a longer period) after sufficient funds for such purpose become available to the Secretary.

"(c) In carrying out the approved lender program established by exhibit A to subpart B of part 1980 of title 7, Code of Federal Regulations, the Secretary shall ensure that each request of a lending institution for designation as an approved lender under such program is reviewed, and a decision made on the application, not later than 15 days after the Secretary has received a complete application for such designation.

"(d)(1) As soon as practicable after the date of enactment of the Consolidated Omnibus Budget Reconciliation Act of 1985, the Secretary shall take such steps as are necessary to make personnel and other resources of the Department of Agriculture available to the Farmers Home Administration as are sufficient to enable the Farmers Home Administration to expeditiously process loan applications that are submitted by farmers and ranchers.

"(2) In carrying out paragraph (1), the Secretary may use any authority of law provided to the Secretary, including—

"(A) the Agricultural Credit Insurance Fund established under section 309; and

"(B) the employment procedures used in connection with the emergency loan program established under subtitle C.".

(b) Section 333A (a), (b), and (c) of the Consolidated Farm and Rural Development Act (as added by subsection (a)) shall be effective with respect to applications received by the Secretary of Agriculture after the date of enactment of this Act.

APPEALS

SEC. 191. (a) Subtitle D of the Consolidated Farm and Rural Development Act is amended by inserting after section 333A (as added by section 190) the following new section:

"SEC. 333B. (a) The Secretary shall provide an applicant for or borrower of a loan, or an applicant for or recipient of a loan guarantee, under this title who has been directly and adversely affected by a decision of the Secretary made under this title (here-

after in this section referred to as the 'appellant') with written notice of the decision, an opportunity for an informal meeting, and an opportunity for a hearing with respect to such decision, in accordance with regulations issued by the Secretary consistent with this section.

"(b)(1) Not later than 10 days after such adverse decision, the Secretary shall provide the appellant with written notice of the decision, an opportunity for an informal meeting, an opportunity for a hearing, and the procedure to appeal such decision (including any deadlines for filing appeals).

"(2) Upon the request of the appellant and in order to provide an opportunity to resolve differences and minimize formal appeals, the Secretary shall hold an informal meeting with the appellant prior to the initiation of any formal appeal of the decision of the Secretary.

"(c)(1) An appellant shall have the right to have—

"(A) access to the personal file of the appellant maintained by the Secretary, including a reasonable opportunity to inspect and reproduce the file at an office of the Farmers Home Administration located in the area of the appellant; and

"(B) representation by an attorney or nonattorney during the inspection and reproduction of files under subparagraph (A) and at any informal meeting or hearing.

"(2) The Secretary may charge an appellant for any reasonable costs incurred in reproducing files under paragraph (1)(A).".

(b)(1) The Secretary of Agriculture shall conduct a study concerning the administrative appeals procedure used in the farm loan programs of the Farmers Home Administration.

(2) In conducting such study, the Secretary shall examine—

(A) the number and type of appeals initiated by loan applicants and borrowers;

(B) the extent to which initial administrative actions are reversed on appeal;

(C) the reasons that administrative actions are reversed, modified, or sustained on appeal;

(D) the number and disposition of appeals in which the loan applicant or borrower is represented by legal counsel;

(E) the quantity of time required to complete action on appeals and the reasons for delays;

(F) the feasibility of the use of administrative law judges in the appeals process; and

(G) the desirability of electing members of county committees established under section 332 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1982).

(c) Not later than September 1, 1986, the Secretary shall submit a report describing the results of the study required under this section to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

DISPOSITION AND LEASING OF FARMLAND

SEC. 192. Section 335 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1985) is amended—

(1) by striking out "Real" in subsection (b) and inserting in lieu thereof "Except as provided in subsection (e), real";

(2) by striking out "The" in the first sentence of subsection (c) and inserting in lieu thereof "Except as provided in subsection (e), the"; and

(3) by adding at the end thereof the following new subsection:

"(e)(1) The Secretary shall to the extent practicable sell or lease farmland administered under this title in the following order of priority:

"(A) Sale of such farmland to operators (as of the time immediately before such sale) of not larger than family-size farms.

"(B) Lease of such farmland to operators (as of the time immediately before such lease is entered into) of not larger than family-size farms.

"(2)(A) The Secretary shall consider granting, and may grant, to an operator of not larger than a family-size farm, in conjunction with paragraph (3), a lease with an option to purchase farmland administered under this title.

"(B) The Secretary shall issue regulations providing for leasing such land, or leasing such land with an option to purchase, on a fair and equitable basis.

"(C) In leasing such land, the Secretary shall give special consideration to a previous owner or operator of such land if such owner or operator has financial resources, and farm management skills and experience, that the Secretary determines are sufficient to assure a reasonable prospect of success in the proposed farming operation.

"(3)(A)(i) The Secretary may sell farmland administered under this title through an installment sale or similar device that contains such terms as the Secretary considers necessary to protect the investment of the Federal Government in such land.

"(ii) The Secretary may subsequently sell any contract entered into to carry out clause (i).

"(B) The Secretary shall offer such land for sale to operators of not larger than family-size farms at a price that reflects the average annual income that may be reasonably anticipated to be generated from farming such land.

"(C) If two or more qualified operators of not larger than family-size farms desire to purchase, or lease with an option to purchase, such land, the appropriate county committee shall, by majority vote, select the operator who may purchase such land, on such basis as the Secretary may prescribe by regulation.

"(4)(A) If the Secretary determines that farmland administered under this title is not suitable for sale or lease to an operator of not larger than a family-size farm because such farmland is in a tract or tracts that the Secretary determines to be larger than that necessary for family-size farms, the Secretary shall subdivide such land into tracts suitable for such operator.

"(B) The Secretary shall dispose of such subdivided farmland in accordance with this subsection.

"(5) If suitable farmland is available for disposition under this subsection, the Secretary shall—

"(A) publish an announcement of the availability of such farmland in at least one newspaper that is widely circulated in the county in which the farmland is located; and

"(B) post an announcement of the availability of such farmland in a prominent place in the local office of the Farmers Home Administration that serves the county in which the farmland is located.

"(6) In the case of farmland administered under this title that is highly erodible land (as defined in paragraph (7)), the Secretary may require the use of specified conservation practices on such land as a condition of the sale or lease of such land.

"(7) As used in paragraph (6), the term 'highly erodible land' means land classified by the Soil Conservation Service as class IIIe, IVe, VI, VII, or VIII land under the land capability classification system in effect on the date of enactment of the Consolidated Omnibus Budget Reconciliation Act of 1985.".

(b) The Secretary of Agriculture shall implement the amendment made by this section not later than 90 days after the date of enactment of this Act.

RELEASE OF NORMAL INCOME SECURITY

SEC. 193. Section 335 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1985) (as amended by section 192(3)) is further amended by adding at the end thereof the following new subsection:

"(f)(1) As used in this subsection, the term 'normal income security' has the same meaning given such term in section 1962.17(b) of title 7, Code of Federal Regulations (as of January 1, 1985).

"(2) Until such time as the Secretary determines that a loan made or insured under this title should be liquidated, the Secretary shall release from the normal income security provided for such loan an amount sufficient to pay the essential household and farm operating expenses of the borrower, as determined by the Secretary.".

LOAN SUMMARY STATEMENTS

SEC. 194. Section 337 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1987) is amended—

(1) by inserting "(a)" after the section designation; and

(2) by adding at the end thereof the following new subsection:

"(b)(1) As used in this subsection, the term 'summary period' means—

"(A) the period beginning on the date of enactment of the Consolidated Omnibus Budget Reconciliation Act of 1985 and ending on the date on which the first loan summary statement is issued after such date of enactment; or

"(B) the period beginning on the date of issuance of the preceding loan summary statement and ending on the date of issuance of the current loan summary statement.

"(2) On the request of a borrower of a loan made or insured (but not guaranteed) under this title, the Secretary shall issue to such borrower a loan summary statement that reflects the account activity during the summary period for each loan made or insured under this title to such borrower, including—

"(A) the outstanding amount of principal due on each such loan at the beginning of the summary period;

"(B) the interest rate charged on each such loan;

"(C) the amount of payments made on and their application to each such loan during the summary period and an explanation of the basis for the application of such payments;

"(D) the amount of principal and interest due on each such loan at the end of the summary period;

"(E) the total amount of unpaid principal and interest on all such loans at the end of the summary period;

"(F) any delinquency in the repayment of any such loan;

"(G) a schedule of the amount and date of payments due on each such loan; and

"(H) the procedure the borrower may use to obtain more information concerning the status of such loans.".

AUTHORIZATION OF LOAN AMOUNTS

SEC. 195. (a) Subsection (b) of section 346 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1994(b)) is amended to read as follows:

"(b)(1)(A) For each of the fiscal years ending September 30, 1986, through September 30, 1988, real estate and operating loans may be insured, made to be sold and insured, or guaranteed in accordance with subtitles A and B, respectively, from the Agricultural Credit Insurance Fund established under section 309 in an amount equal to $4,000,000,000, of which not less than $520,000,000 shall be for farm ownership loans under subtitle A.

"(B) Subject to subparagraph (C), such amount shall be apportioned as follows:

"(i) For the fiscal year ending September 30, 1986—

"(I) $2,000,000,000 for insured loans, of which not less than $260,000,000 shall be for farm ownership loans; and

"(II) $2,000,000,000 for guaranteed loans, of which not less than $260,000,000 shall be for guarantees of farm ownership loans.

"(ii) For the fiscal year ending September 30, 1987—

"(I) $1,500,000,000 for insured loans, of which not less than $195,000,000 shall be for farm ownership loans; and

"(II) $2,500,000,000 for guaranteed loans, of which not less than $325,000,000 shall be for guarantees of farm ownership loans.

"(iii) For the fiscal year ending September 30, 1988—

"(I) $1,000,000,000 for insured loans, of which not less than $130,000,000 shall be for farm ownership loans; and

"(II) $3,000,000,000 for guaranteed loans, of which not less than $390,000,000 shall be for guarantees of farm ownership loans.

"(C) For each of the fiscal years referred to in subparagraph (A), the Secretary may transfer not more than 25 percent of the amounts authorized for guaranteed loans to amounts authorized for insured loans.

"(D) For each of the fiscal years ending September 30, 1986, through September 30, 1988, emergency loans may be insured, made to be sold and insured, or guaranteed in accordance with subtitle C from the Agricultural Credit Insurance Fund in such amounts as are necessary to meet the needs resulting from natural disasters.

"(2)(A) For each of the fiscal years ending September 30, 1986, through September 30, 1988, loans for the production and distribution of ethanol in rural areas may be guaranteed in accordance with section 310B from the Rural Development Insurance Fund established under section 309A in the amount of $150,000,000.

"(B) For the fiscal year ending September 30, 1986, water and waste facility loans may be insured, or made to be sold and insured, in accordance with section 306 from the Rural Development Insurance Fund in the amount of $75,000,000.".

(b) Section 346(e)(1) of such Act is amended—

(1) by striking out "20" each place it appears and inserting in lieu thereof "25"; and

(2) by striking out "fiscal year 1984" and inserting in lieu thereof "each fiscal year".

(c) Section 346 of such Act (as amended by subsection (b)) is amended—

(1) by striking out subsection (d); and

(2) by redesignating subsection (e) as subsection (d).

INTEREST RATE REDUCTION PROGRAM

SEC. 196. Effective only for the period beginning on the date of enactment of this Act and ending September 30, 1988, the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 349. (a) The Secretary shall establish and carry out in accordance with this section an interest rate reduction program for loans guaranteed under this title.

"(b) Under such program, the Secretary shall enter into a contract with, and make payments to, a legally organized institution to reduce during the term of such contract the interest rate paid by a borrower on a guaranteed loan made by such institution if—

"(1) the borrower—

"(A) is unable to obtain sufficient credit elsewhere to finance the actual needs of the borrower at reasonable rates and terms, taking into consideration private and cooperative rates and terms for a loan for a similar purpose and period of time in the community in or near which the borrower resides;

"(B) is otherwise unable to make payments on such loan in a timely manner; and

"(C) has a total estimated cash income during the 12-month period beginning on the date such contract is entered into (including all farm and nonfarm income) that will equal or exceed the total estimated cash expenses to be incurred by the borrower during such period (including all farm and nonfarm expenses); and

"(2) the lender reduces during the term of such contract the annual rate of interest payable on such loan by a minimum percentage specified in such contract.

"(c) In return for a contract entered into by a lender under subsection (b) for the reduction of the interest rate paid on a loan, the Secretary shall make payments to the lender in an amount equal to not more than 50 percent of the cost of reducing the annual rate of interest payable on such loan, except that such payments may not exceed the cost of reducing such rate by more than 2 percent.

"(d) The term of a contract entered into under this section to reduce the interest rate on a guaranteed loan may not exceed the outstanding term of such loan, or 3 years, whichever is less.

"(e)(1) Notwithstanding any other provision of this title, the Agricultural Credit Insurance Fund established under section 309 may be used by the Secretary to carry out this section.

"(2) The total amount of funds used by the Secretary to carry out this section may not exceed $490,000,000.".

STUDY OF FARM AND HOME PLAN

SEC. 197. (a) The Secretary of Agriculture shall conduct a study of the appropriateness of the Farm and Home Plan (Form FmHA 431-2) used by the Farmers Home Administration in connection with loans made or insured under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.).

(b) After carrying out such study, if the Secretary finds the plan is inappropriate, the Secretary shall—

(1) evaluate other alternative farm plan forms for use in connection with such loans;

(2) evaluate the need to develop a new farm plan form for such use; and

(3) specify the steps that should be taken to improve or replace the current form.

(c) Not later than 120 days after the date of enactment of this Act, the Secretary shall report the results of the study required under subsection (a) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

STUDY OF FARM CREDIT SYSTEM

SEC. 198. (a) The Governor of the Farm Credit Administration shall conduct a study of the need for the establishment of a fund to be used—

(1) to insure institutions of the Farm Credit System against losses on loans made by such institutions; or

(2) for any other purpose that would—

(A) assist in stabilizing the financial condition of such System; and

(B) provide for the protection of the capital that borrowers of such loans have invested in such System.

(b) In conducting such study, the Governor shall—

(1) consider the advisability of using the revolving funds provided for under section 4.1 of the Farm Credit Act of 1971 (12 U.S.C. 2152) to provide initial capital for the fund referred to in subsection (a); and

(2) estimate the amount and level of future assessments levied on institutions of the Farm Credit System that would be necessary to ensure the long-term liquidity of such fund.

(c) Not later than 180 days after the date of enactment of this Act, the Farm Credit Administration shall submit a report containing the results of the study required under subsection (a) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

TITLE II—COMMITTEE ON ARMED SERVICES

SEC. 201. LIMITATION ON AMOUNTS AVAILABLE FOR OBLIGATION FOR BASIC PAY AND FOR RETIRED PAY ACCRUAL CHARGE.

From amounts appropriated or otherwise available to the Department of Defense for military personnel accounts for fiscal year 1986, the total amount obligated from each such account for military basic pay and payments into the Department of Defense Military Retirement Fund pursuant to section 1466(a) of title 10, United States Code, may not exceed the following:

(1) For the Department of the Army—

(A) for payments from the appropriation account "Military Personnel, Army", $15,951,800,000;

(B) for payments from the appropriation account "Reserve Personnel, Army", $1,595,500,000; and

(C) for payments from the appropriation account "National Guard Personnel, Army", $2,503,600,000.

(2) For the Department of the Navy—

(A) for payments from the appropriation account "Military Personnel, Navy", $11,689,900,000;

(B) for payments from the appropriation account "Military Personnel, Marine Corps", $3,659,600,000;

(C) for payments from the appropriation account "Reserve Personnel, Navy", $939,300,000; and

(D) for payments from the appropriation account "Reserve Personnel, Marine Corps", $202,200,000.

(3) For the Department of the Air Force—

(A) for payments from the appropriation account "Military Personnel, Air Force", $13,533,500,000;

(B) for payments from the appropriation account "Reserve Personnel, Air Force", $437,300,000; and

(C) for payments from the appropriation account "National Guard Personnel, Air Force", $754,500,000.

SEC. 202. LEGISLATIVE PROPOSAL TO AMEND MILITARY RETIREMENT SYSTEM FOR NEW ENTRANTS.

(a) REQUIREMENT FOR SUBMISSION OF LEGISLATIVE PROPOSAL MAKING CHANGES IN MILITARY RETIREMENT SYSTEM.—(1) Not later than 10 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report (including draft legislation) proposing two separate sets of changes in the military nondisability retirement system.

(2)(A) Each of the sets of changes to be proposed in the report under paragraph (1) shall include changes which, if enacted, would result in reductions in the amount required to be paid by the Secretary of Defense into the Department of Defense Military Retirement Fund pursuant to sect'on 1466(a) of title 10, United States Code, during fiscal year 1986 in a total amount that would enable the Department of Defense to remain within the limits on obligations for basic pay and payments into such Fund prescribed by section 201 solely through such reductions.

(B) One of the sets of changes to be proposed in such report shall consist only of changes in the military retirement system other than changes in the procedure for periodic cost-of-living adjustments in retired or retainer pay which, if enacted, would result in the required reductions.

(3) Structural changes in the military retirement system to be proposed by the Secretary of Defense in either set of changes proposed in the report under paragraph (1)—

(A) should apply only to individuals who initially become members of the Armed Forces after the effective date of such changes; and

(B) should, to the maximum extent possible and consistent with military requirements, encourage members who are eligible for retirement to remain on active duty beyond 20 years of service.

(4) At the same time the Secretary of Defense submits the report required by paragraph (1), the Secretary shall submit separate reports on the following:

(A) The anticipated effects that the changes proposed in the report under paragraph (1) would have on recruiting and retention in the Armed Forces.

(B) Proposals for additional changes in other elements of the military compensation system or in other military personnel programs, including changes in promotion and retention policies.

(C) A description of the changes in military retirement, compensation or personnel programs that would be necessary if the reductions resulting from the funding limitations set forth in section 201 were $1,800,000,000, $2,900,000,000, $3,600,000,000, $4,000,000,000, or $5,400,000,000, as well as an evaluation of the effects such changes would have on recruiting and retention in the Armed Forces.

(D) A plan that could be used to implement over a period of four or more years the changes proposed in the report under paragraph (1).

(b) SPECIFICATION OF ACTUARIAL METHODS AND ASSUMPTIONS FOR FY86 RETIREMENT LEGISLATION.—In determining the cost, or the amount to be saved, as the result of the enactment of any legislative proposal that would make changes in the military retirement system effective during fiscal year 1985 or 1986, the actuarial methods and assumptions used shall be the same as those approved by the Board of Actuaries (in accordance with section 1465(d) of title 10, United States Code) for use in calculating the military retirement accrual percentage for the President's budget for fiscal year 1986.

(c) RECALCULATION OF ACCRUAL PERCENTAGE UPON CHANGE IN BENEFITS.—(1) If a significant change in the military retirement system is enacted into law that takes effect during fiscal year 1985 or 1986, the accrual percentage shall be recalculated taking into account that change in law. Any such recalculation shall be made using the actuarial methods and assumptions described in subsection (b).

(2) In making determinations under section 1466(a) cf title 10, United States Code, for months during fiscal years 1985 and 1986 beginning on or after the effective date of any such change in law, the accrual percentage as recalculated under paragraph (1) shall be used in lieu of the accrual percentage that would otherwise be applicable.

(d) DEFINITION OF ACCRUAL PERCENTAGE.—For purposes of this section, the term "accrual percentage" means the single level percentage of basic pay determined under section 1465(c)(1) of title 10, United States Code, for the purposes of computations under sections 1465(b) and 1466(a) of that title.

SEC. 203. DELAY IN EFFECTIVE DATE OF PAY RAISE FOR MEMBERS OF THE UNIFORMED SERVICES.

In the enrollment of the bill (S. 1160) to authorize appropriations for the military functions of the Department of Defense and to prescribe personnel levels for the Department of Defense for fiscal year 1986, to authorize certain construction at military installations for such fiscal year, to authorize appropriations for the Department of Energy for national security programs for such fiscal year, and for other purposes, the Secretary of the Senate is directed to make the following change:

In the section relating to an increase in the basic pay, basic allowance for subsistence, and basic allowance for quarters for members of the uniformed services, strike out the effective date "October 1, 1985" and insert in lieu thereof "November 1, 1985".

SEC. 204. STUDY OF USE BY CHAMPUS OF MEDICARE PROSPECTIVE PAYMENT SYSTEM.

(a) CONGRESSIONAL FINDINGS.—The Congress finds that—

(1) costs of providing medical care under the program administered by the Department of Defense known as the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) have escalated rapidly in recent years;

(2) new and innovative methods for control and containment of costs under the CHAMPUS program must be explored; and

(3) the adoption for the CHAMPUS program of a prospective payment system for inpatient hospital services like that used by Department of Health and Human Services under title XVIII of the Social Security Act for the Medicare program could provide significant savings for the CHAMPUS program.

(b) STUDY REQUIREMENT.—The Secretary of Defense and the Secretary of Health and Human Services shall jointly study the possible effects of the adoption for the CHAMPUS program of a prospective payment system for inpatient hospital services such as that used by the Department of Health and Human Services for the Medicare program. The study shall address—

(1) the advisability and feasibility of requiring by law that a hospital participate in the CHAMPUS program as a condition of participating in Medicare and whether such a requirement is needed in order to ensure adequate participation by hospitals in the CHAMPUS program if a prospective payment system were to be adopted for the CHAMPUS program; and

(2) the changes that might be expected if such a system were adopted in the CHAMPUS patient workload and the CHAMPUS aggregate payment levels to various segments of the provider community (including private, public, nonprofit, and teaching facilities).

(c) REPORT.—Not later than December 1, 1985, the Secretaries shall submit a report to the Committees on Armed Services and Finance of the Senate and the Committees on Armed Services and Ways and Means of the House of Representatives of their findings under the study under subsection (b). The report shall include—

(1) such recommendations for changes in the CHAMPUS system of reimbursement as the Secretaries consider appropriate; and

(2) the recommendations of the Secretaries on the need for and appropriateness of a requirement by law relating to hospital participation in the CHAMPUS and Medicare programs such as that described in subsection (b)(1).

SEC. 205. REQUIREMENT FOR MEDICARE PROVIDERS OF HOSPITAL SERVICES TO PARTICIPATE IN CHAMPUS AND CHAMPVA PROGRAMS.

(a) AMENDMENTS TO THE SOCIAL SECURITY ACT.—Section 1866(a)(1) of the Social Security Act (42 U.S.C. 1395cc(a)(1)), relating to agreements to provide care for the aged and disabled, is amended—

(1) by striking out "and" at the end of subparagraph (G);

(2) by striking out the period at the end of subparagraph (H) and inserting in lieu thereof ", and"; and

(3) by inserting after subparagraph (H) the following new subparagraph:

"(I) in the case of hospitals which provide inpatient hospital services for which payment may be made under this title, to be a participating provider of medical care under any health plan contracted for under section 1079 or 1086 of title 10, United States Code, or section 613 of title 38, United States Code, in accordance with admission practices, payment methodology, and amounts as prescribed under joint regulations issued by the Secretaries of Defense, Health and Human Services, and Transportation in implementation of sections 1079 and 1086 of title 10, United States Code, and under regulations issued by the Administrator of Veterans' Affairs in implementation of section 613 of title 38, United States Code.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 1986, and shall apply to inpatient admissions at hospitals subject to section 1866(a)(1) of the Social Security Act (42 U.S.C. 1395cc(a)(1)) (as amended by subsection (a) of this section) that occur on and after such date.

TITLE III—COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

TABLE OF SECTIONS

Sec. 301. Short title.
Sec. 302. Purchase of CDBG guaranteed obligations by the Federal Financing Bank.
Sec. 303. Public housing operating subsidies.
Sec. 304. Public and Indian housing financ-

ing reforms.
Sec. 305. Rural housing authorizations.
Sec. 306. Management of insured loans.
Sec. 307. Urban development action grants.

SHORT TITLE

SEC. 301. This title may be cited as the "Housing and Community Development Reconciliation Amendments of 1985".

PURCHASE OF CDBG GUARANTEED OBLIGATIONS BY THE FEDERAL FINANCING BANK

SEC. 302. (a) Section 108 of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following:

"(l) Notes or other obligations guaranteed under this section may not be purchased by the Federal Financing Bank.".

(b) The amendment made by paragraph (1) shall take effect on July 1, 1986.

(c) The Secretary of Housing and Urban Development shall take such administrative actions as are necessary to provide by the effective date of subsection (a) private sector financing of loans guaranteed under section 108 of the Housing and Community Development Act of 1974.

PUBLIC HOUSING OPERATING SUBSIDIES

SEC. 303. Section 9(c) of such Act is amended by striking out "and by" after "1983," and by inserting after "1984" the following ", and not to exceed $1,279,000,000 on or after October 1, 1985".

PUBLIC AND INDIAN HOUSING FINANCING REFORMS

SEC. 304. (a) Section 4 of the United States Housing Act of 1937 is amended by adding at the end thereof the following new subsection:

"(c)(1) On September 30, 1985, or the date of enactment of the Housing and Community Development Reconciliation Amendments of 1985, whichever is later, in accordance with such accounting and other procedures as the Secretary may prescribe, each loan made by the Secretary pursuant to subsection (a) that has any principal amount outstanding or any interest amount outstanding or accrued shall be forgiven; the terms and conditions of any contract, or any amendment to a contract, for such loan with respect to any promise to repay such principal and interest shall be canceled. This cancellation shall not affect any other terms and conditions of such contract, which shall remain in effect as if the cancellation had not occurred. This paragraph shall not apply to any loan, the repayment of which was not to be made using annual contributions, or to any loan, all or part of the proceeds of which are due a public housing agency from contractors or others.

"(2) On September 30, 1985, or on the date of enactment of the Housing and Community Development Reconciliation Amendments of 1985 into law, whichever is later, each note or other obligation issued by the Secretary to the Secretary of the Treasury pursuant to subsection (b), together with any promise to repay the principal and unpaid interest which has accrued on each obligation, is forgiven; and any other term or condition specified by each such obligation is canceled.

"(3) Nothing in paragraph (1) or (2) shall be construed to terminate the obligations of a public housing agency with respect to the management or operation of, or tenant eligibility for, units financed with the notes or obligations canceled earlier than such obligations would have terminated without such cancellation.".

RURAL HOUSING AUTHORIZATIONS

SEC. 305. (a) Section 513 of the Housing Act of 1949 is amended to read as follows:

"PROGRAM LEVELS AND AUTHORIZATIONS

"SEC. 513. (a)(1) The Secretary may insure and guarantee loans under this part during fiscal year 1986 in an aggregate amount not to exceed $2,027,180,000, of which—

"(A) $1,370,580,000 shall be for loans under section 502; and

"(B) $630,000,000 shall be for loans under section 515.

"(2) Notwithstanding any other provision of law, insured and guaranteed loan authority in this title for any fiscal year beginning after September 30, 1984, shall not be transferred or used for any purpose not specified in this part.

"(b) There are authorized to be appropriated for fiscal year 1986—

"(1) $13,000,000 for grants pursuant to section 504;

"(2) $1,000,000 for the purposes of section 509(c);

"(3) such sums as may be necessary to meet payments on notes or other obligations issued by the Secretary under section 511 equal to (A) the aggregate of the contributions made by the Secretary in the form of credits on principal due on loans made pursuant to section 503, and (B) the interest due on a similar sum represented by notes or other obligations issued by the Secretary;

"(4) $12,000,000 for financial assistance pursuant to section 516; and

"(5) $8,000,000 for the purposes of section 523.

"(c) The Secretary may enter into rental assistance contracts aggregating $240,200,000 under section 521(a)(2)(A) during fiscal year 1986.".

(b) Section 523(g) of the Housing Act of 1949 is amended—

(A) by striking out "$5,000,000" and inserting in lieu thereof "$700,000"; and

(B) by striking out "fiscal year 1985" and inserting in lieu thereof "fiscal year 1986".

MANAGEMENT OF INSURED LOANS

SEC. 306. (a) Section 517(d) of the Housing Act of 1949 is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end thereof the following:

"(2) The Secretary shall, to the extent practicable, sell loans insured or guaranteed under this part to the public. Each loan made by the Secretary or other lender under this part that is insured in accordance with this subsection shall, when offered for sale to the public, be accompanied by an agreement by the Secretary to pay to the holder of such loan (through an agreement to purchase such loan or through such other means as the Secretary determines to be appropriate) the difference between the rate of interest paid by the borrower of such loan and the market rate of interest (as determined by the Secretary) on obligations having comparable periods to maturity on the date of such sale.

"(3) Each loan made by the Secretary or other lender under this part that is insured in accordance with this subsection shall, when offered for sale to the public, be accompanied by agreements for the benefit of the borrower under the loan that provide that—

"(A) the purchaser or any assignee of the loan shall not diminish any substantive or procedural right of the borrower arising under this part;

"(B) upon any substantial default of the borrower, but prior to foreclosure, the loan shall be assigned to the Secretary for the purpose of avoiding foreclosure; and

"(C) following any assignment under subparagraph (B) and before commencing any action to foreclose or otherwise dispossess the borrower, the Secretary shall afford the borrower all substantive and procedural rights arising under this part, including consideration for interest subsidy, moratorium, reamortization, refinancing, and appeal of any adverse decision to an impartial officer.

"(4) From the proceeds of loan sales under paragraph (2), the Secretary shall set aside as a reserve against future losses not less than 5 per centum of the outstanding face amount of the loans held by the public at any time.".

(b) Section 517(j) of the Housing Act of 1949 is amended—

(1) by striking out "and" at the end of paragraph (4);

(2) by striking out the period at the end of paragraph (5) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(6) to make payments and take other actions in accordance with agreements entered into under paragraphs (2) and (3) of subsection (d).".

(c) Section 517 of the Housing Act of 1949 is amended by striking out subsection (n).

URBAN DEVELOPMENT ACTION GRANTS

SEC. 307. (a) Section 119(a) of the Housing and Community Development Act of 1974 is amended by striking out the last sentence and inserting in lieu thereof the following: "There are authorized to be appropriated to carry out the provisions of this section not to exceed $440,000,000 for each of the fiscal years 1984 and 1985, not to exceed $352,000,000 for fiscal year 1986, and not to exceed $366,000,000 for fiscal year 1987. Any amount appropriated under the preceding sentence shall remain available until expended.".

(b)(1) Section 119(d) of the Housing and Community Development Act of 1974 is amended—

(A) by indenting clauses (A) and (B) of paragraph (1);

(B) by striking out "as the primary criterion," in clause (A);

(C) by striking out clause (C) of paragraph (1) and inserting in lieu thereof the following:

"(C) at least the following other criteria:

"(i) the extent to which the grant will stimulate economic recovery by leveraging private investment;

"(ii) the number of permanent jobs to be created and their relation to the amount of grant funds requested;

"(iii) the proportion of permanent jobs accessible to lower income persons and minorities, including persons who are unemployed;

"(iv) the impact of the proposed activities on the fiscal base of the city or urban county and its relation to the amount of grant funds requested;

"(v) the extent to which State or local government funding or special economic incentives have been committed;

"(vi) the extent to which the project is located in the portion of the applicant city or urban county with the highest comparative degree of economic distress and the project will directly improve the quality of housing or employment opportunities for low and moderate income residents of that portion;

"(vii) the extent to which the project will produce goods or services the majority of

which can be expected to be exported from the applicant's economy; and

"(viii) to the extent the Secretary deems appropriate, the extent to which other Federal assistance is to be made available shall be considered in applying the criteria referred to in clauses (i), (ii), and (iv) of this subparagraph;

"(D) additional consideration for the extent to which the project, in the determination of the Secretary, would—

"(i) retain jobs which would be lost without the provision of a grant under this section; and

"(ii) relieve the applicant's most pressing employment or residential needs by—

"(I) reemploying workers in a skill that has recently suffered a sharp increase in unemployment locally,

"(II) retraining recently unemployed residents in new skills,

"(III) providing training to increase the local pool of skilled labor; or

"(IV) producing decent housing for low- and moderate-income persons in cases where such housing is in severe shortage in the applicant's area and where Federal assistance for production of such housing would not otherwise be available; and

"(E) additional consideration for projects with the following characteristics:

"(i) projects to be located within a city or urban county to which no grant under this section was made during the preceding twelve-month period; and

"(ii) twice the amount of the additional consideration provided under clause (i) in the case of a grant for projects to be located in cities or urban counties to which no grant under this section was made during the preceding twenty-four month period."; and

(D) by adding at the end thereof the following:

"(3) The Secretary may not award a grant under paragraph (1) unless he determines that the project would have a substantial impact on physical and economic development of the city or urban county, that the proposed activities are likely to be accomplished in a timely fashion within the grant amount available, and that the city or urban county has demonstrated performance in housing and community development programs.

"(4) The Secretary shall award points to each application as follows:

"(A) not more than 35 points on the basis of the factors referred to in subparagraph (A) of paragraph (1);

"(B) not more than 35 points on the basis of the factors referred to in subparagraph (B) of paragraph (1);

"(C) not more than 30 points on the basis of the factors referred to in subparagraph (C) of paragraph (1), of which not more than 3 points in the aggregate shall be awarded for the factors referred to in clauses (vi) and (vii) of subparagraph (C);

"(D) not more than 3 additional points as the Secretary deems appropriate for projects described in subparagraph (D) of paragraph (1); and

"(E) not more than 2 additional points as the Secretary deems appropriate for projects described in subparagraph (E) of paragraph (1).

"(5) The Secretary shall distribute grant funds under this section so that to the extent practicable during each funding cycle—

"(A) two-thirds of the funds are first made available utilizing all of the criteria set forth in paragraph (1); and

"(B) one-third of the funds is then made available solely on the basis of the factors referred to in subparagraphs (C), (D), and (E) of paragraph (1).".

(2) Notwithstanding any provision of section 119 of the Housing and Community Development Act of 1974, for purposes of funding decisions made before February 1, 1986, the Secretary of Housing and Urban Development shall give additional consideration, equal to the points otherwise awarded under clause (C) of paragraph (1) of section 119(d) of the Housing and Community Development Act of 1974, as amended by paragraph (1) of this subsection, in the case of a project to be located in a city or urban county to which no grant under section 119 of such Act was made during the preceding twenty-four month period if such project has met the criteria for preliminary approval in the three consecutive funding cycles immediately preceding the date of enactment of this paragraph.

(3) The provisions of paragraphs (1)(E), (4)(E), and (5) of section 119(d) of the Housing and Community Development Act of 1974, as amended by paragraph (1) of this subsection, and the provisions of paragraph (2) of this subsection shall take effect on the date of enactment of this Act, except that in applying section 119(d)(5)(B) of such Act prior to the issuance of implementing regulations under the second sentence of this paragraph, the Secretary shall exclude those criteria for which regulations are required to be issued. The remainder of the amendments made by paragraph (1) shall take effect upon the issuance of implementing regulations, which the Secretary shall issue not later than four months after the date of enactment of this Act.

(4) Not later than March 15, 1986, the Secretary of Housing and Urban Development shall prepare and submit to the Congress a report evaluating the Urban Development Action Grant standards for eligibility and project selection under section 119 of the Housing and Community Development Act of 1974. Such report shall include an evaluation of the effect of those standards, taken individually and as a whole, in targeting eligibility on the Nation's economically most distressed cities and in stimulating the maximum economic development activity, as well as any legislative recommendations of the Secretary for improvement and the reasons for such recommendations.

(c) Section 119(f) of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following: "In any case where the project proposes the repayment to the applicant of the grant funds, such funds shall be made available by the applicant for economic development activities which are or would be eligible activities under this section or section 104. The applicant shall annually provide the Secretary with a statement of the projected receipt and use of repaid grant funds during the next year together with a report acceptable to the Secretary on the use of such funds during the most recent preceding full fiscal year of the applicant.".

(d) Section 119(n)(1) of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following: "Such term also includes the counties of Kauai, Maui, and Hawaii in the State of Hawaii, except that in the case of such counties grants shall be made only to assist projects that, in the determination of the Secretary, are located in and will improve the employment base of urban areas within such counties.".

(e) Section 119(r) of the Housing and Community Development Act of 1974 is amended by striking out "among programs" and inserting in lieu thereof "against projects".

TITLE IV—COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

LOCAL RAIL SERVICE ASSISTANCE

SEC. 401. Notwithstanding any other provision of law, no appropriation shall be made for purposes of section 5 (f) through (p) of the Department of Transportation Act (49 App. U.S.C. 1654 (f) through (p)) which, for the fiscal year ending September 30, 1986, is in excess of $11,800,000; for the fiscal year ending September 30, 1987, is in excess of $12,200,000; and for the fiscal year ending September 30, 1988, is in excess of $12,800,000.

NATIONAL RAILROAD PASSENGER CORPORATION

SEC. 402. Notwithstanding any other provision of law, no appropriation in excess of $582,000,000 for the fiscal year ending September 30, 1986, $606,100,000 for the fiscal year ending September 30, 1987, and $630,300,000 for the fiscal year ending September 30, 1988, shall be made for purposes of carrying out activities of the National Railroad Passenger Corporation under the Rail Passenger Service Act (45 U.S.C. 501 et seq.).

CORPORATION FOR PUBLIC BROADCASTING

SEC. 403. (a) Section 391 of the Communications Act of 1934 (47 U.S.C. 391) is amended—

(1) by striking "and" after "1983,"; and

(2) by inserting ", $24,000,000 for fiscal year 1986, $28,000,000 for fiscal year 1987, and $32,000,000 for fiscal year 1988," immediately after "1984,".

(b) Section 393 of the Communications Act of 1934 (47 U.S.C. 393) is amended—

(1) by striking subsection (c); and

(2) by redesignating subsection (d) as subsection (c).

(c)(1) Section 396(k)(1)(C) of the Communications Act of 1934 (47 U.S.C. 396(k)(1)(C)) is amended—

(A) by striking "and 1986" and inserting in lieu thereof "1986, 1987, 1988, 1989, and 1990";

(B) by striking "and" after "fiscal year 1985,"; and

(C) by inserting ", $200,000,000 for fiscal year 1987, $214,000,000 for fiscal year 1988, $238,000,000 for fiscal year 1989, and $254,000,000 for fiscal year 1990" immediately before the period at the end thereof.

(2) Section 396(k)(3)(A)(i)(II) of the Communications Act of 1934 (47 U.S.C. 396(k)(3)(A)(i)(II)) is amended by striking "research, training, technical assistance, engineering, instructional support, payment of interest on indebtedness,".

(d) Section 396(k) of the Communications Act of 1934 (47 U.S.C. 396(k)) is amended—

(1) by striking paragraph (8); and

(2) by redesignating paragraphs (9) and (10) as paragraphs (8) and (9), respectively.

FEDERAL COMMUNICATIONS COMMISSION

SEC. 404. (a)(1) Section 6 of the Communications Act of 1934 (47 U.S.C. 156) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 6. There are authorized to be appropriated for the administration of this Act by the Commission $98,100,000 for fiscal year 1986 and $97,600,000 for fiscal year 1987, together with such sums as may be necessary for increases resulting from adjustments in salary, pay, retirement, other employee benefits required by law, and other nondiscre-

tionary costs, for each of the fiscal years 1986 and 1987.".

(2) The amendment made by paragraph (1) of this subsection shall apply with respect to fiscal years beginning after September 30, 1985.

(b) Section 4(g)(2) of the Communications Act of 1934 (47 U.S.C. 154(g)(2)) is amended—

(1) in subparagraph (D), by striking "1985" and inserting in lieu thereof "1987"; and

(2) by adding at the end thereof the following new subparagraph:

"(E) Funds which are received by the Commission as reimbursements under the provisions of this paragraph after the close of a fiscal year shall remain available for obligation.".

(c) Section 5(g) of the Communications Act of 1934 (47 U.S.C. 155(g)) is amended by striking "January 31" and inserting in lieu thereof "March 31".

(d) For provisions of law which, through relocation of the Fort Lauderdale, Florida, Monitoring Station of the Federal Communications Commission, reduce spending for fiscal year 1986 in satisfaction of the reconciliation requirements imposed by section 2(e) of S. Con. Res. 32 (99th Congress), see the material under the heading "FEDERAL COMMUNICATIONS COMMISSION" in the Supplemental Appropriations Act, 1985 (Public Law 99-88).

(e) The Communications Act of 1934 (47 U.S.C. 151 et seq.) is amended by inserting immediately after section 7 the following new section:

"CHARGES

"SEC. 8. (a) The Commission shall assess and collect charges listed in this subsection at the rates listed or at such modified rates as it shall establish pursuant to the provisions of subsection (b) of this section.

Schedule of Charges

	Service	Fee amount
	PRIVATE RADIO BUREAU	
1.	Marine Coast Stations (New, Modifications, Renewals).	$60.00
2.	Operational Fixed Microwave Stations (New, Modifications, Renewals)	135.00
3.	Aviation (Ground Stations) (New, Modifications, Renewals).	60.00
4.	Land Mobile Radio Licenses (New, Modifications, Renewals).	30.00
	EQUIPMENT APPROVAL SERVICE	
1.	Certification	
	a. Receivers (Except TV & FM Receivers).	250.00
	b. All Other Devices	650.00
2.	Type Acceptance	
	a. Approval of Subscription TV Systems.	2,000.00
	b. All Others	325.00
3.	Type Approval	
	a. Ship (Radio Telegraph) Automatic Alarm Systems.	6,500.00
	b. Ship and Lifeboat (Radio Telegraph) Transmitters.	3,250.00
	c. All Others (With Testing).	1,300.00
	d. All Others (Without Testing).	150.00
4.	Notifications	100.00
	MASS MEDIA BUREAU	
1.	Commercial TV Stations	
	a. New and Major Change Construction Permits Application Fees.	2,250.00
	b. Minor Changes Application Fee.	500.00
	c. Hearing Charge	6,000.00
	d. License Fee	150.00
2.	Commercial Radio Stations	
	a. New and Major Change Construction Permits.	
	(1) Application Fee AM Station.	2,000.00
	(2) Application Fee FM Station.	1,800.00
	b. Minor Changes Appl. Fee-AM & FM.	500.00
	c. Hearing Charge	6,000.00
	d. License Fee	
	(1) AM	325.00
	(2) FM	100.00
	e. Directional Antenna License Fee (AM only).	375.00
3.	FM/TV Translators and LPTV Stations (New & Major Change Construction Permits)	
	a. Application Fee	375.00
	b. License Fee	75.00
4.	Station Assignment and Transfer Fees	
	a. AM, FM and TV Commercial Stations	
	(1) Application Fee (Forms 314/315).	500.00
	(2) Application Fee (Form 316).	70.00
	b. FM/TV Translators & LPTV Stations.	75.00
5.	Auxiliary Services Major Actions—Application Fee.	75.00
6.	Renewals—All Services	30.00
7.	Cable Television Service	
	a. Cable Television Relay Service—Construction Permits, Assignments & Transfers, Renewals & Modifications.	135.00
	b. Cable Special Relief Petitions—Filing Fee.	700.00
8.	Direct Broadcast Satellite New & Major Change CPs	
	a. Application for Authorization to Construct a Direct Broadcast Satellite.	1,800.00
	b. Issuance of CP & Launch Authority.	17,500.00
	c. License to Operate Satellite.	500.00
	d. Hearing Charge	6,000.00
	COMMON CARRIER BUREAU	
1.	Domestic Public Land Mobile Stations (Base, Dispatch, Control & Repeater Stations)	
	a. New or Additional Facility Authorizations, Assignments & Transfers (Per transmitter/per station).	200.00
	b. Renewals and Minor Modifications (Per station).	20.00
	c. Air-Ground Individual License Renewals & Modifications.	20.00
2.	Cellular Systems	
	a. Initial Construction Permits & Major Modification Applications (Per cellular systems).	200.00
	b. Assignments & Transfers (Per station).	200.00
	c. Initial covering license (Per cellular system).	
	(1) Wireline carrier	525.00
	(2) Nonwireline carrier.	50.00
	d. Renewals	20.00
	e. Minor modifications and additional licenses.	50.00
3.	Rural Radio (Central Office, Interoffice or Relay Facilities)	
	a. Initial Construction Permit, Assignments & Transfers (Per transmitter).	90.00
	b. Renewals & Modifications (Per station).	20.00
4.	Offshore Radio Service	
	a. Initial Construction Permit, Assignments & Transfers (Per transmitter).	90.00
	b. Renewals & Modifications (Per station).	20.00
5.	Local Television or Point To Point Microwave Radio Service	
	a. Construction Permits, Modifications of Construction Permits, and Renewals of Licenses.	135.00
	b. Assignments & Transfers of Control (Per Station).	45.00
	c. Initial License for New Frequency.	135.00
6.	International Fixed Public Radio (Public & Control Stations)	
	a. Initial Construction Permits, Assignments & Transfers.	450.00
	b. Renewals & Modifications.	325.00
7.	Satellite Services	
	a. Transmit Earth Stations	
	(1) Initial Station Authorization.	1,350.00
	(2) Assignments & Transfers of Station Authorizations.	450.00
	(3) All Other Applications.	90.00
	b. Small Transmit/Receive Earth Stations (2 meters or less).	
	(1) Lead Authorization.	3,000.00
	(2) Routine Authorization.	30.00
	(3) All Other Applications.	90.00
	c. Receive Only Earth Stations.	
	(1) Initial Station Authorization.	200.00
	(2) All Other Applications.	90.00
	d. Applications For Authority To Construct a Space Station.	1,800.00
	e. Applications For Authority To Launch & Operate a Space Station.	18,000.00
	f. Satellite System Application.	
	(1) Initial Station Authorization.	5,000.00
	(2) Assignments & Transfers of Systems.	1,333.00
	(3) All Other Applications.	90.00
8.	Multipoint Distribution Service	
	a. Construction Permits, Renewals & Modifications of Construction Permits.	135.00
	b. Assignments & Transfers of Control (Per Station).	45.00
	c. Initial License (per channel).	400.00
9.	Section 214 Applications	
	a. Applications for Overseas Cable Construction.	8,100.00
	b. Applications for Domestic Cable Construction.	540.00
	c. All Other 214 Applications.	540.00
10.	Tariff Filings	
	a. Filing Fee	250.00
	b. Special Permission Filings.	200.00
11.	Telephone Equipment Registration	135.00
12.	Digital Electronic Message Service	
	a. Construction Permits, Renewals & Modifications of Construction Permits.	135.00
	b. Assignments & Transfers of Control (Per Station).	45.00

Schedule of Charges—Continued

Service	Fee amount
c. Initial License (First License or License Adding a New Frequency).	135.00

The Schedule of Charges established by this subsection shall be implemented not later than 360 days after the date of enactment of this subsection.

"(b)(1) The Schedule of Charges established by this section shall be reviewed by the Commission every two years after the date of enactment of this section and adjusted by the Commission to reflect changes in the Consumer Price Index. Increases or decreases in charges shall apply to all categories of charges, except that individual fees shall not be adjusted until the increase or decrease, as determined by the net change in the Consumer Price Index since the date of enactment of this section, amounts to at least $5.00 in the case of fees under $100.00, or 5 percent in the case of fees of $100.00 or more. All fees which require adjustment will be rounded upward to the next $5.00 increment. The Commission shall transmit to the Congress notification of any such adjustment not later than 90 days before the effective date of such adjustment.

"(2) Increases or decreases in charges made pursuant to this subsection shall not be subject to judicial review.

"(c)(1) The Commission shall prescribe by regulation an additional charge which shall be assessed as a penalty for late payment of charges required by subsection (a) of this section. Such penalty shall be 25 percent of the amount of the charge which was not paid in a timely manner.

"(2) The Commission may dismiss any application or other filing for failure to pay in a timely manner any charge or penalty under this section.

"(d)(1) The charges established in this section shall not be applicable to the following radio services: Local Government, Police, Fire, Highway Maintenance, Forestry-Conservation, Public Safety, and Special Emergency Radio, or to governmental entities licensed in other services.

"(2) The Commission may waive or defer payment of a charge in any specific instance for good cause shown, where such action would promote the public interest.

"(e) Moneys received from charges established in or prescribed pursuant to this section shall be deposited in the general fund of the Treasury to reimburse the United States for amounts appropriated for use by the Commission in carrying out its functions under this Act.

"(f) The Commission shall prescribe appropriate rules and regulations to carry out the provisions of this section.".

CONSTRUCTION-DIFFERENTIAL SUBSIDY

SEC. 405. For provisions of law which, through repayment of construction-differential subsidies made for the purpose of assisting the construction of certain new vessels, reduce spending for fiscal year 1986 in an amount not to exceed $200,000,000 in satisfaction of the reconciliation requirements imposed by section 2(e) of S. Con. Res. 32 (99th Congress), see sections 204(b), 207, 506 and 714 of the Merchant Marine Act, 1936 (46 App. U.S.C. 1114(b), 1117, 1156 and 1204, respectively), and regulations promulgated pursuant to such sections.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

SEC. 406. (a) There are authorized to be appropriated to the Department of Commerce to enable the National Oceanic and Atmospheric Administration to carry out its executive direction and administration duties under law, $47,954,000 for fiscal year 1986 and $50,111,930 for fiscal year 1987. Moneys appropriated pursuant to this authorization shall be used to fund those duties relating to executive direction and administration specified by the Act entitled "An Act to clarify the status and benefits of commissioned officers of the National Oceanic and Atmospheric Administration, and for other purposes", approved December 31, 1970 (33 U.S.C. 857-1 et seq.), and any other law involving such duties. Such duties include management, administrative support, retired pay of National Oceanic and Atmospheric Administration commissioned officers, and policy development.

(b) There are authorized to be appropriated to the Department of Commerce to enable the National Oceanic and Atmospheric Administration to carry out its marine services duties under law, $64,886,000 for fiscal year 1986 and $67,805,870 for fiscal year 1987. Moneys appropriated pursuant to this authorization shall be used to fund those duties relating to marine services specified by the Act entitled "An Act to define the functions and duties of the Coast and Geodetic Survey, and for other purposes", approved August 6, 1947 (33 U.S.C. 883a et seq.), and any other law involving such duties. Such duties include ship operations, maintenance, and support.

(c) There are authorized to be appropriated to the Department of Commerce to enable the National Oceanic and Atmospheric Administration to carry out its aircraft services duties under law, $12,744,000 for fiscal year 1986 and $13,317,480 for fiscal year 1987. Moneys appropriated pursuant to this authorization shall be used to fund those duties relating to aircraft services specified by the Act entitled "An Act to increase the efficiency and reduce the expenses of the Signal Corps of the Army, and to transfer the Weather Service to the Department of Agriculture", approved October 1, 1890 (15 U.S.C. 311 et seq.), and any other law involving such duties. Such duties include aircraft operations, maintenance, and support.

(d) For the purpose of enabling the National Oceanic and Atmospheric Administration to carry out its duties under the National Advisory Committee on Oceans and Atmosphere Act of 1977 (33 U.S.C. 857-13 et seq.), there are authorized to be appropriated to the Department of Commerce $630,000 for fiscal year 1986 and $658,350 for fiscal year 1987.

(e) There are authorized to be appropriated to the Department of Commerce to enable the National Oceanic and Atmospheric Administration to carry out its programs at current levels such sums as may be necessary to accommodate salary, pay, and other employee benefits authorized by law for fiscal years 1986 and 1987.

(f) For the purpose of enabling the National Oceanic and Atmospheric Administration to carry out its duties under title II of the Marine Protection, Research, and Sanctuaries Act of 1972 (33 U.S.C. 1441 et seq.), there are authorized to be appropriated to the Department of Commerce $10,635,000 for fiscal year 1986 and $11,113,575 for fiscal year 1987.

(g) For the purpose of enabling the National Oceanic and Atmospheric Administration to carry out its duties under the National Ocean Pollution Planning Act of 1978 (33 U.S.C. 1701 et seq.), there are authorized to be appropriated to the Department of Commerce $3,571,000 for fiscal year 1986 and $3,731,695 for fiscal year 1987.

(h)(1) There are authorized to be appropriated to the Department of Commerce to enable the National Oceanic and Atmospheric Administration to carry out its nonliving marine resource duties under law, $2,000,000 for fiscal year 1986 and $2,090,000 for fiscal year 1987. Moneys appropriated pursuant to this authorization shall be used to fund those duties relating to nonliving marine resources specified by the Act entitled "An Act to define the functions and duties of the Coast and Geodetic Survey, and for other purposes", approved August 6, 1947 (33 U.S.C. 883a et seq.), and any other law involving such duties. Such duties include research, development, and licensing responsibilities pertaining to ocean thermal energy conversion and the seabed mining of manganese nodules, and polymetallic sulfide analyses and research.

(2) The authorization provided for under paragraph (1) of this subsection shall be in addition to moneys authorized under the Deep Seabed Hard Minerals Resources Act (30 U.S.C. 1401 et seq.), and the Ocean Thermal Energy Conversion Act of 1980 (42 U.S.C. 9101 et seq.), for the purpose of carrying out such duties relating to nonliving marine resources.

(i)(1) There are authorized to be appropriated to the Department of Commerce to enable the National Oceanic and Atmospheric Administration to carry out its ocean research duties under law, $28,471,000 for fiscal year 1986 and $29,752,195 for fiscal year 1987. Moneys appropriated pursuant to this authorization shall be used to fund those duties relating to ocean research specified by the Act entitled "An Act to define the functions and duties of the Coast and Geodetic Survey, and for other purposes", approved August 6, 1947 (33 U.S.C. 883a et seq.), and any other law involving such duties. Such duties include undersea marine resources, air-sea interaction, and ocean and Great Lakes environmental research.

(2) The authorization provided for under paragraph (1) of this subsection shall be in addition to ocean research moneys authorized under the National Ocean Pollution Planning Act of 1978 (33 U.S.C. 1701 et seq.) for the purpose of carrying out such duties relating to ocean research.

(j)(1) There are authorized to be appropriated to the Department of Commerce to enable the National Oceanic and Atmospheric Administration to carry out its ocean service duties under law, $20,314,000 for fiscal year 1986 and $21,228,130 for fiscal year 1987. Moneys appropriated pursuant to this authorization shall be used to fund those duties relating to ocean services specified by the Act entitled "An Act to define the functions and duties of the Coast and Geodetic Survey, and for other purposes", approved August 6, 1947 (33 U.S.C. 883a et seq.), and any other law involving such duties. Such duties include coordination of interagency research in ocean dumping and marine pollution, and provision of tide and current data for the safe and efficient use of the oceans and Great Lakes by government, commerce, and the private sector.

(2) The authorization provided for under paragraph (1) of this subsection shall be in addition to moneys authorized under the

Marine Protection, Research, and Sanctuaries Act of 1972 (33 U.S.C. 1441 et seq.), the Coastal Zone Management Act of 1972 (16 U.S.C. 1451 et seq.), and the National Ocean Pollution Planning Act of 1978 (33 U.S.C. 1701 et seq.), for the purpose of carrying out such duties relating to ocean services.

(k)(1) There are authorized to be appropriated to the Department of Commerce to enable the National Oceanic and Atmospheric Administration to carry out its mapping, charting, and geodesy duties under law, $50,474,000 for fiscal year 1986 and $52,745,330 for fiscal year 1987. Moneys appropriated pursuant to this authorization shall be used to fund those duties relating to mapping, charting, and geodesy specified by the Act entitled "An Act to define the functions and duties of the Coast and Geodetic Survey, and for other purposes", approved August 6, 1947 (33 U.S.C. 883a et seq.), and any other law involving such duties. Such duties include aeronautical and nautical mapping and charting activities, and geodetic data collection and analysis.

(2) Section 1307 of title 44, United States Code, is amended to read as follows:

"§ 1307. National Oceanic and Atmospheric Administration: charts, sale and distribution

"(a)(1) All aeronautical and nautical charts, tide and tidal current tables, tidal current charts, coast pilots, water level products and associated data bases (nautical and aeronautical products) created or published by the National Oceanic and Atmospheric Administration shall be sold at such prices as the Secretary of Commerce shall establish annually, in accordance with the provisions of this subsection. The Secretary shall publish annually the prices at which nautical and aeronautical products are sold to the public.

"(2)(A) Subject to subparagraph (B) of this paragraph, the prices of nautical and aeronautical products may be increased over a period of not less than three years after the date of enactment of this section so as to recover all costs attributable to data base management, compilation, printing, and distribution of such products. The prices of such products may be maintained to recover all such costs thereafter. At the end of such period and every three years thereafter, the Secretary shall report to the Congress on the effect of imposing or maintaining such increased prices, including any impact on air and marine safety.

"(B) The Secretary shall adjust the prices of nautical or aeronautical products in such manner as is necessary to avoid any adverse impact on air and marine safety attributable to the prices specified in subparagraph (A) of this paragraph.

"(3) This section shall not be construed to require the establishment of any price for a nautical or aeronautical product where, in the judgment of the Secretary, furnishing of that product to a recipient is a reasonable exchange for voluntary contribution of information by the recipient to a program of the National Oceanic and Atmospheric Administration.

"(b) Fees collected from the sale of nautical or aeronautical products under this section and from any licensing of such products which is permitted under any other provision of law shall be deposited in the miscellaneous receipts fund of the United States Treasury.

"(c) The Secretary may distribute nautical and aeronautical products—

"(1) without charge to each foreign government or international organization with which the Secretary or a Federal department or agency has an agreement for exchange of these products without cost; and

"(2) at prices which the Secretary establishes, to the departments and officers of the United States requiring them for official use.

"(d) The fees provided for in this section are for the purpose of reimbursing the United States Government for the costs of creating, publishing or distributing aeronautical and nautical products of the National Oceanic and Atmospheric Administration. The collection of fees authorized by this section shall not alter or expand any duty or liability of the United States under existing law for the performance of functions for which fees are collected, nor shall the collection of fees constitute an express or implied undertaking by the United States to perform any activity in a certain manner.".

(3) The item relating to section 1307 in the analysis of chapter 13 of title 44, United States Code, is amended to read as follows:

"1307. National Oceanic and Atmospheric Administration: charts, sale and distribution.".

MARITIME PROGRAMS

SEC. 407. (a) Funds are authorized to be appropriated without fiscal year limitation as the appropriation Act may provide for the use of the Department of Transportation for fiscal year 1986 as follows:

(1) for payment of obligations incurred for operating-differential subsidy, not to exceed $335,084,000;

(2) for expenses necessary for research and development activities, not to exceed $9,900,000; and

(3) for expenses necessary for operations and training activities, not to exceed $71,967,000, including not to exceed—

(A) $34,847,000 for maritime education and training expenses, including not to exceed $19,633,000 for maritime training at the Merchant Marine Academy at Kings Point, New York, $10,915,000 for financial assistance to State maritime academies, $3,000,000 for fuel oil assistance to State maritime academy training vessels, and $1,299,000 for expenses necessary for additional training;

(B) $9,277,000 for national security support capabilities, including not to exceed $7,932,000 for reserve fleet expenses, and $1,345,000 for emergency planning/operations; and

(C) $27,843,000 for other operations and training expenses.

(b) Funds are authorized to be appropriated for the use of the Federal Maritime Commission, in the amount of $11,940,000 for fiscal year 1986.

(c) Section 2342(3) of title 28, United States Code, is amended to read as follows:

"(3) all final orders of the Federal Maritime Commission entered under title 46, United States Code;".

UNITED STATES TRAVEL AND TOURISM ADMINISTRATION

SEC. 408. Section 304 of the International Travel Act of 1961 (22 U.S.C. 2126) is amended by inserting immediately after "1982" the following: ", not to exceed $12,000,000 for the fiscal year ending September 30, 1986, not to exceed $13,000,000 for the fiscal year ending September 30, 1987, and not to exceed $14,000,000 for the fiscal year ending September 30, 1988".

TITLE V—COMMITTEE ON ENERGY AND NATURAL RESOURCES

Subtitle A—Department of Energy Programs

PART 1—STRATEGIC PETROLEUM RESERVE

AUTHORIZATIONS OF APPROPRIATIONS FOR FISCAL YEARS 1986, 1987, AND 1988

SEC. 501. Funds are hereby authorized to be appropriated in accordance with section 660 of the Department of Energy Organization Act for operating expenses for the Strategic Petroleum Reserve—

(1) to carry out part B of title I of the Energy Policy and Conservation Act, except acquisition, transportation, and injection of petroleum products for the Reserve and the carrying out of any drawdown and distribution of the Reserve—

(A) for the fiscal year ending September 30, 1986, $135,912,000;

(B) for the fiscal year ending September 30, 1987, $358,996,000; and

(C) for the fiscal year ending September 30, 1988, $156,692,000; and

(2) for the acquisition, transportation, and injection of petroleum products for the Reserve and the carrying out of any drawdown and distribution of the Reserve—

(A) for the fiscal year ending September 30, 1986, $357,548,000;

(B) for the fiscal year ending September 30, 1987, $333,695,000; and

(C) for the fiscal year ending September 30, 1988, $357,454,000.

CONFORMING AMENDMENTS

SEC. 502. (a) Section 160(c) of the Energy Policy and Conservation Act, as amended (42 U.S.C. 6240), is amended by adding the following new paragraph as follows:

"(3) Notwithstanding paragraph (2), during each of fiscal years 1986, 1987 and 1988, the President shall immediately seek to undertake, and thereafter continue, petroleum acquisition, transportation, and injection activities at a level sufficient to assure a minimum average annual fill-rate of 35,000 barrels per day.".

(b) Section 160(d)(1) of the Energy Policy and Conservation Act (42 U.S.C. 6240), is amended by—

(1) replacing the period with a semicolon and the word "or" and adding the following new subparagraph:

"(D) for each of the fiscal years 1986, 1987 and 1988, acquisition, transportation, and injection activities for the Strategic Petroleum Reserve are being undertaken for that fiscal year at a level sufficient to assure that petroleum products in storage in the Strategic Petroleum Reserve will be increased at an average annual rate of at least 35,000 barrels per day for that fiscal year.".

PART 2—URANIUM ENRICHMENT PROGRAM

AUTHORIZATION OF APPROPRIATIONS

SEC. 521. (a) In accordance with section 660 of the Department of Energy Organization Act (42 U.S.C. 7270), there is authorized to be appropriated to the Department of Energy for each of fiscal years 1986, 1987, and 1988 to carry out uranium enrichment activities amounts equal to the revenues to be received during each such fiscal year by the Department of Energy in providing uranium and enrichment service activities, as estimated in the applicable budget submitted by the President to the Congress for such fiscal year.

(b) In partial repayment of amounts appropriated from the general fund of the Treasury of the United States for uranium enrichment service activities, the Secretary

of Energy shall deposit in the general fund any revenues in excess of expenditures in the provision of such activities over the three-year period referred to in subsection (a).

URANIUM ENRICHMENT REPORT

SEC. 522. The Secretary of Energy shall report within 60 days after the date of the enactment of this section to the Committee on Energy and Natural Resources of the Senate and the Committees on Energy and Commerce and on Interior and Insular Affairs of the House of Representatives regarding the effects of the September 19, 1985 decision of the U.S. District Court for the District of Colorado holding that the Department's Utility Services Uranium Enrichment Contracts are null and void (Western Nuclear Inc. v. F. Clark Huffman, Civil No. 84-C-2315). To the extent that it would not compromise the appeals process or DOE's competitive position in uranium enrichment, the report shall identify what the effects, if any, of the decision will be (1) on the operation of the Department's uranium enrichment facilities, (2) on the revenues of the uranium enrichment program, and (3) how the Department's response may mitigate these effects.

PART 3—ENERGY CONSERVATION

SEC. 523. This Part may be cited as the "Federal Energy Cost Reduction Act of 1985."

SEC. 524. Part 3 of title V of the National Energy Conservation Policy Act (P.L. 95-619) is amended by adding a new section after section 551 to read as follows:

"SEC. 552. ENERGY SAVINGS CONTRACTS.

"(a) Notwithstanding any other law, the head of a Federal agency may contract for energy savings for periods of not more than 25 years. As used in this section "energy savings" means a reduction in the energy consumption or in energy-related costs of an existing building or community of buildings caused by new equipment or supplies, altered operation and maintenance, technical services, or other means or the increased efficient use of existing energy sources by cogeneration, heat recovery, or other means.

"(b) The costs of contracts authorized under this section for any year may be paid from moneys made available for utility costs and related operations and maintenance costs.

"(c) In the event funds are not made available for the continuance of a contract authorized by this section for a subsequent fiscal year, the contract shall be cancelled or terminated and the costs of cancellation or termination may be paid from—

"(1) funds appropriated for the performance of the contract concerned;

"(2) appropriated funds otherwise available for the payment of those costs; or

"(3) funds appropriated for those costs.

"(d) The Secretary's annual report under section 550 and the information each Federal agency is required to furnish to the Secretary under section 550 shall include:

"(1) a description of the progress made in conforming to this section the regulations applicable to each Federal agency so as to permit contracts for energy savings, and

"(2) a description of each Federal agency's progress in the use of such contracts.".

PART 4—FEDERAL ENERGY REGULATORY COMMISSION

PROHIBITION

SEC. 525. The Federal Energy Regulatory Commission may issue a final rule pursuant to its Notice of Proposed Rulemaking on Regulation of Natural Gas Pipelines After Partial Wellhead Decontrol (RM 85-1-000) only insofar as such rule is necessary to provide nondiscriminatory transportation. This section expires six months after the date of enactment of this Act.

Subtitle B—Department of the Interior Programs

SHORT TITLE

SEC. 531. This subtitle may be referred to as the "Outer Continental Shelf Lands Act Amendments of 1985".

REVISION OF SECTION 8(g)

SEC. 532. Delete paragraphs 8(g) (2) through (4) of the Outer Continental Shelf Lands Act, as amended (43 U.S.C. 1337(g)) and insert in lieu thereof—

"(2) Notwithstanding any other provision of this Act, the Secretary shall deposit into a separate account in the Treasury of the United States all bonuses, rents, and royalties derived from any lease of any Federal tract which lies wholly or partially within three nautical miles of the seaward boundary of any coastal State. Except as provided in paragraph (5), not later than the last business day of the month following the month in which those revenues are deposited in the Treasury, the Secretary shall transmit to such coastal State 27 percent of those revenues, together with all accrued interest thereon. The remaining balance of such revenues shall be transmitted simultaneously to the miscellaneous receipts account of the United States Treasury.

"(3) Whenever the Secretary or the Governor of a coastal State determines that a common potentially hydrocarbon-bearing area may underlie the Federal and State boundary, the Secretary or the Governor shall notify the other party in writing of his determination and the Secretary shall provide to the Governor notice of the current and projected status of the tract or tracts containing the common potentially hydrocarbon-bearing area. If the Secretary has leased or intends to lease such tract or tracts, the Secretary and the Governor of the coastal State may enter into an agreement to divide the revenues from production of any common potentially hydrocarbon-bearing area, by unitization or other royalty sharing agreement, pursuant to existing law. If the Secretary and the Governor do not enter into an agreement, the Secretary may nevertheless proceed with the leasing of the tract or tracts. Any revenues received by the United States under such an agreement shall be subject to the requirements of paragraph (2).

"(4) The deposits in the Treasury account described in this section shall be invested by the Secretary of the Treasury in securities backed by the full faith and credit of the United States having maturities suitable to the needs of the account and yielding the highest reasonably available interest rates as determined by the Secretary of the Treasury.

"(5)(A) When there is a boundary dispute between the United States and a State under section 7 of this Act, the Secretary shall credit to the account referred to in section 533 of the Outer Continental Shelf Lands Act Amendments of 1985 revenues from oil and gas lease sales in the area within three nautical miles of the boundary asserted by the State, if that money has not otherwise been deposited in the separate account established under section 7. Proceeds of the account established under section 7, and the account referred to in section 533 of the Outer Continental Shelf Lands Act Amendments of 1985 shall be distributed as follows:

"(i) If a State is wholly successful in its claim under section 7, such claim shall be satisfied by the money deposited in the escrow account established by section 7. Any excess monies in the section 7 account attributable to such State shall be transferred to the 8(g) account, and any monies due that State, both retrospectively and prospectively, as a result of the 8(g) zone created by the newly established boundary shall be distributed to the State in accordance with the terms of section 533 of the Outer Continental Shelf Lands Act Amendments of 1985.

"(ii) If the United States is wholly successful in its claim under section 7, the amount of money that is necessary to satisfy the State's share as set forth under section 533 of the Outer Continental Shelf Lands Act Amendments of 1985 shall be distributed from the revenues deposited in the section 7 escrow account. The amounts remaining after the distributions described in this subparagraph shall be paid to the United States pursuant to this section.

"(iii) If the United States or the affected State is partially successful in its claim under section 7, after the distribution under that result, the amount of money that is necessary to satisfy the State as set forth under section 533 of the Outer Continental Shelf Lands Act Amendments of 1985 shall be distributed first from the remaining monies in the section 7 escrow account, and then from the amounts deposited or credited in the account referred to in section 533 of the Outer Continental Shelf Lands Act Amendments of 1985. For amounts credited, the distribution shall be in accordance with clause (iv). The amounts remaining after the distributions described in this subparagraph shall be paid to the United States pursuant to this section.

"(iv) If there is insufficient money from the applicable oil and gas lease sales deposited in either the account established by section 7 or the account referred to in section 533 of the Outer Continental Shelf Lands Act Amendments of 1985, the recoupment provisions of section 535 of the Outer Continental Shelf Lands Act Amendments of 1985 shall be applicable.

"(B) This paragraph applies to all Federal oil and gas lease sales, under this Act, including joint lease sales, occurring after September 18, 1978.

"(6) This section shall be deemed to take effect on October 1, 1985, for purposes of determining the amounts to be deposited in the separate account and the States' shares described in paragraph (2).

"(7) When the Secretary leases any tract which lies wholly or partially within three miles of the seaward boundary of two or more States, the revenues from such tract shall be distributed as otherwise provided by this section, except that the State's share of such revenues that would otherwise result under this section shall be divided equally among such States.".

DISTRIBUTION OF 8(g) ACCOUNT

SEC. 533. (a) Prior to January 1, 1986, the Secretary shall distribute to the designated coastal States the sum of:

(1) The amounts due and payable to each such State under paragraph (2) of section 8(g) of the Outer Continental Shelf Lands Act, as amended by this Act, for the period between October 1, 1985, and the date of such distribution, and

(2) The amounts due each such State under subsection (b) for the period prior to October 1, 1985.

(b)(1) The funds which were deposited in the separate account in the Treasury of the United States under section 8(g)(4) of the Outer Continental Shelf Lands Act, as amended (43 U.S.C. 1337(g)(4)), as it was in effect prior to the date of enactment of Section 532 of this Act shall be distributed in the following manner as a fair and equitable disposition of such funds derived from bonuses and rents and accrued interest thereon through September 30, 1985:

State	(In millions of dollars)
Louisiana	635
Texas	424
California	375
Alabama	73
Alaska	46
Mississippi	15
Florida	0.03

(2) The Secretary shall distribute to each coastal State 27 percent of the royalties derived from any lease of Federal lands within three miles of the seaward boundary of such coastal State and accrued interest thereon which have been deposited through September 30, 1985, in the separate account described in paragraph (1), as a fair and equitable disposition of such royalties.

(3) The amounts derived from bonuses, rents and royalties and accrued interest thereon through September 30, 1985, remaining in the account after distribution to the States under this subsection shall be transmitted to the miscellaneous receipts account of the United States Treasury.

(c) The acceptance of payment under this section shall satisfy and release any and all claims against the United States arising under, or related to, section 8(g) of the Outer Continental Shelf Lands Act, as amended, as it was in effect prior to the date of enactment of Section 532 of this Act.

IMMOBILIZATION OF BOUNDARIES

SEC. 534. Section 2(b) of the Submerged Lands Act (43 U.S.C. 1301(b)) is amended by inserting before the semicolon at the end of the subsection add a comma and the following: "except that any boundary between a State and the United States under this Act which has been or is hereafter fixed by coordinates under a final decree of the United States Supreme Court shall remain immobilized at the coordinates provided under such decree and shall not be ambulatory.".

RECOUPMENT

SEC. 535. (a) As a fair and equitable disposition of revenues derived between September 18, 1978, and September 30, 1985, from all bonuses, rents, and royalties from any Federal leases within three miles of the seaward boundary of any coastal State, including all such revenues which should have been, but which were not, deposited in the separate account in the Treasury of the United States under section 8(g)(4) of the Outer Continental Shelf Lands Act, as amended (43 U.S.C. 1337(g)(4)) as it was in effect prior to the date of enactment of section 532 of this Act, such coastal State shall be entitled to an additional amount equal to:

(1) 27 percent of all bonuses, rents, and royalties derived from any lease of any Federal tract which lies wholly or partially within three nautical miles of the seaward boundary of such coastal State, less

(2) The amounts paid to such coastal State under section 533(b) of this Act.

(b) The additional amount due each State under subsection (a) shall be paid from a separate Treasury account which is constituted as set forth in subsection (c). The total amount contained in such account on the last business day of each month shall be paid to each State in an amount proportional to that State's share of the total additional amounts due to all States under subsection (a).

(c) Beginning on October 1, 1986, the Secretary shall deposit into the account described in subsection (b) from the separate account described in section 8(g)(2) of the Outer Continental Shelf Lands Act, as amended by this Act, 10 percent of all bonuses, rents, and royalties deposited after October 1, 1986, into the account described in such section 8(g)(2) until such time as the additional amounts due to all coastal States under subsection (a) have been paid.

TITLE VI—COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

OBLIGATION LIMITATION

SEC. 601. (a) Notwithstanding any other provisions of law, the total of all obligations for Federal-aid highways and highway safety construction programs shall not exceed $12,750,000,000 for fiscal year 1986, $13,250,000,000 for fiscal year 1987, and $13,800,000,000 for fiscal year 1988. These limitations shall not apply to obligations for emergency relief under section 125 of title 23, United States Code, obligations under section 157 of title 23, United States Code, projects covered under section 147 of the Surface Transportation Assistance Act of 1978, section 9 of the Federal-Aid Highway Act of 1981, section 118 of the National Visitors Center Facilities Act of 1968, or section 320 of title 23, United States Code.

(b) For the fiscal years 1986, 1987, and 1988, the Secretary of Transportation shall distribute the limitation imposed by subsection (a) by allocation in the ratio which sums authorized to be appropriated for Federal-aid highways and highway safety construction which are apportioned or allocated to each State for such fiscal years bears to the total of the sums authorized to be appropriated for Federal-aid highways and highway safety construction which are apportioned or allocated to all the States for such fiscal years.

(c) During the period October 1 through December 31, 1985, October 1 through December 31, 1986, and October 1 through December 31, 1987, no State shall obligate more than 35 per centum of the amount distributed to such State under subsection (b) for fiscal years 1986, 1987 and 1988 respectively, and the total of all State obligations during such period shall not exceed 25 per centum of the total amount distributed to all States under such subsection for such fiscal year.

(d) Notwithstanding subsections (b) and (c), the Secretary shall—

(1) provide all States with authority sufficient to prevent lapses of sums authorized to be appropriated for Federal-aid highways and highway safety construction which have been apportioned or allocated to a State, except in those instances in which a State indicates its intention to lapse sums apportioned under section 104(b)(5)(A) of title 23, United States Code;

(2) after August 1, 1986, August 1, 1987, and August 1, 1988, revise a distribution of the funds made available under subsection (b) for such fiscal year if a State will not obligate the amount distributed during such fiscal year and redistribute sufficient amounts to those States able to obligate amounts in addition to those previously distributed during such fiscal year giving priority to those States having large unobligated balances of funds apportioned under section 104 of title 23, United States Code, and giving priority to those States which, because of statutory changes made by the Surface Transportation Assistance Act of 1982 and the Federal-Aid Highway Act of 1981, have experienced substantial proportional reductions in their apportionments and allocations; and

(3) not distribute amounts authorized for administrative expenses and Federal lands highways.

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PART 1—PROVISIONS RELATING TO PART A OF MEDICARE

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SEC. 701. RATE OF INCREASE IN PAYMENTS FOR INPATIENT HOSPITAL SERVICES.

(a) APPLICABLE PERCENTAGE INCREASE.—Section 1886(b)(3)(B) of the Social Security Act is amended to read as follows:

"(B)(i) For purposes of subparagraph (A) and subsection (d), the 'applicable percentage increase' for any 12-month cost reporting period or fiscal year shall be—

"(I) 0.5 percent with respect to discharges occurring in any cost reporting period or fiscal year beginning on or after October 1, 1985, and before October 1, 1986;

"(II) a percentage determined by the Secretary pursuant to subsection (e)(4), but which does not exceed the 'market basket percentage increase', with respect to discharges occurring in any cost reporting period or fiscal year beginning on or after October 1, 1986, and before October 1, 1988; and

"(III) the percentage determined by the Secretary pursuant to subsection (e)(4) with respect to discharges occurring in any cost reporting period or fiscal year beginning on or after October 1, 1988.

"(ii) For purposes of clause (i), the term 'market basket percentage increase' means the percentage, estimated by the Secretary before the beginning of the period or year, by which the cost of the mix of goods and services (including personnel costs but excluding nonoperating costs) comprising routine, ancillary, and special care unit inpatient hospital services, based on an index of appropriately weighted indicators of changes in wages and prices which are representative of the mix of goods and services included in such inpatient hospital services, for such cost reporting period or fiscal year will exceed the cost of such mix of goods and services for the preceding 12-month cost reporting period or fiscal year.".

(b) CONFORMING AMENDMENTS.—(1) Section 1886(e) of such Act is amended by striking out "fiscal year 1986" each place it appears in paragraphs (2), (3), (4), and (5), and inserting in lieu thereof in each instance "fiscal year 1987".

(2) Section 1886(e)(3) of such Act is amended by striking out "(instead of the applicable percentage increase described in subsection (b)(3)(B))".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to discharges occurring in any cost reporting period or fiscal year beginning on or after October 1, 1985.

SEC. 702. APPLICATION OF REVISED HOSPITAL WAGE INDEX.

(a) APPLICATION OF REVISED INDEX PROSPECTIVELY.—Section 2316(b) of the Deficit Reduction Act of 1984 is amended to read as follows:

"(b) The Secretary shall adjust the payment amounts for hospitals for discharges occurring during fiscal year 1986 to reflect the changes the Secretary has promulgated in final regulations (on September 3, 1985) relating to the hospital wage index under section 1886(d)(3)(E) of the Social Security Act, as that provision relates to the use of total gross hospital wages. For discharges occurring after September 30, 1986, the Secretary shall provide for such periodic adjustments in the appropriate wage index used under that section as may be necessary, taking into account changes in the wage differences of full-time and part-time workers.".

(b) EFFECTIVE DATE.—The amendment made by this section shall be effective as if it had been included in the Deficit Reduction Act of 1984.

SEC. 703. PAYMENTS TO HOSPITALS FOR INDIRECT COSTS OF MEDICAL EDUCATION.

(a) PAYMENT FOR INDIRECT COSTS OF MEDICAL EDUCATION.—Section 1886(d)(5)(B) of the Social Security Act is amended to read as follows:

"(B) Effective with respect to discharges occurring on or after October 1, 1985, the Secretary shall provide for an additional payment amount for subsection (d) hospitals with indirect costs of medical education, in an amount computed in the same manner as the adjustment for such costs under regulations (in effect as of January 1, 1983) under subsection (a)(2), except as follows:

"(i) The amount of such additional payment shall be equal to the DRG payment multiplied by an educational adjustment factor equal to—

"(I) in the case of discharges occurring on or after October 1, 1985, and before October 1, 1987, $((1+r)^{.467}-1)(1.67)$, and

"(II) in the case of discharges occurring on or after October 1, 1987, $((1+r)^{.5795}-1)(1.50)$,

with r being the ratio of interns and residents to beds.

"(ii) In determining such adjustment the Secretary shall not distinguish between those interns and residents who are employees of a hospital and those interns and residents who furnish services to a hospital but are not employees of such hospital.

"(iii) Effective on and after July 1, 1986, such additional payments shall not be made with respect to any intern or resident whose costs are not recognized as reasonable by reason of clauses (ii), (iii), and (iv) of section 1861(v)(1)(P).".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to discharges occurring on or after October 1, 1985.

SEC. 704. ADJUSTMENT FOR INDIRECT COSTS OF TEACHING HOSPITALS RELATED TO OUTPATIENT ACTIVITIES.

(a) INCLUSION OF OUTPATIENT ACTIVITIES.—Section 1886(d)(5)(B) of the Social Security Act (as amended by section 703 of this Act) is further amended by adding at the end thereof the following new clause:

"(iv) The Secretary shall continue to count interns and residents-in-training assigned to outpatient services of the hospital as part of the calculation of the full-time equivalent number of interns and residents-in-training.".

(b) EFFECTIVE DATE.—The amendment made by this section shall become effective on October 1, 1985.

SEC. 705. PAYMENTS FOR HOSPITALS WHICH SERVE A DISPROPORTIONATE SHARE OF LOW-INCOME MEDICARE PATIENTS.

(a) PAYMENT FOR HOSPITALS WHICH SERVE A DISPROPORTIONATE SHARE OF LOW-INCOME MEDICARE PATIENTS.—Section 1886(d)(5) of the Social Security Act is amended by adding at the end thereof the following new subparagraph:

"(F)(i) For fiscal years 1986 and 1987, the Secretary shall provide for an additional payment amount for subsection (d) hospitals which serve a significantly disproportionate number of low-income patients entitled to benefits under part A of this title.

"(ii) A payment under this subparagraph for a fiscal year shall be made to any hospital described in clause (i) which—

"(I) has 100 or more beds, and for which, for such fiscal year, the percentage determined under clause (iii) is 15 percent or greater, or

"(II) has fewer than 100 beds, and for which, for such fiscal year, the percentage determined under clause (iii) is 55 percent or greater.

"(iii) The percentage for a hospital is the fraction (expressed as a percentage), the numerator of which is the number of such hospital's patient days for such fiscal year which were made up of patients who (for such days) were entitled to benefits under part A of this title and were entitled to supplementary security income benefits (excluding any State supplementation) under title XVI of this Act, and the denominator of which is the number of such hospital's patient days for such fiscal year which were made up of patients who (for such days) were entitled to benefits under part A of this title.

"(iv) The amount of the additional payment under this subparagraph for each of the fiscal years 1986 and 1987 shall be equal to a percentage of the hospital's DRG payment, determined as follows: $((P-15)(.25))+2$, where P is the lesser of the hospital's percentage under clause (iii) or 55.".

(b) STATISTICAL FILE.—For purposes of implementing section 1886(d)(5)(F) of the Social Security Act, the Secretary of Health and Human Services shall, prior to October 1, 1986, develop for each State statistical files of individuals in such State who are eligible under both title XVIII of such Act and under title XVI of such Act (excluding any State supplementation). For purposes of establishing such files, any State having a

plan approved under title XIX of such Act shall provide to the Secretary any data necessary to carry out this subsection.

(c) RATES.—(1) For the 12-month period beginning on October 1, 1985, the Secretary of Health and Human Services shall make payments under section 1886(d)(5)(F) of the Social Security Act on the basis of rates developed on the basis of available historical data, such as data available from the Congressional Budget Office. In the case of any hospital where historical data is not available for purposes of determining such rates, the Secretary shall make such payments on the basis of historical data available with respect to similar hospitals in the same region.

(2) Any hospital may have payments under section 1886(d)(5)(F) of the Social Security Act made on the basis of data provided by such hospital if the hospital shows, and the Secretary agrees, that such data is more accurate than the data which would otherwise be used by the Secretary.

(d) CONFORMING AMENDMENT.—Section 1886(d)(5)(C)(i) of the Social Security Act is amended by striking out ", and of public or other hospitals that serve a significantly disproportionate number of patients who have low income or are entitled to benefits under part A of this title".

(e) PAPERWORK REDUCTION.—Chapter 35 of title 44, United States Code, shall not apply to information required for purposes of carrying out this section and the amendments made by this section.

(f) EFFECTIVE DATE.—The amendments made by this section shall become effective on October 1, 1985.

SEC. 706. PAYMENTS TO HOSPITALS FOR DIRECT COSTS OF MEDICAL EDUCATION.

(a) FREEZE AND LIMITATIONS.—Section 1861(v)(1) of the Social Security Act is amended by adding at the end thereof the following new subparagraph:

"(P) Payments relating to the direct costs of approved educational activities at hospitals shall be made in accordance with the regulations in effect on January 1, 1985, except as follows:

"(i) For a hospital's first cost accounting period which begins on or after July 1, 1985 (the freeze accounting period), the amount of such costs recognized as reasonable by the Secretary shall not exceed the amount so recognized with respect to such hospital for such hospital's most recent cost accounting period ending prior to October 1, 1985 (the base accounting period), disregarding any salary or wage increases, and any cost center shifting or reallocation, implemented after May 1, 1985. If a hospital's cost accounting periods do not begin on July 1, the Secretary shall increase the limit established under the preceding sentence by an appropriate factor to reflect general increases in the costs of approved educational activities which took place between the end of the hospital's base accounting period and the beginning of its freeze accounting period, disregarding any increases in salaries or wages after May 1, 1985.

"(ii)(I) Effective on and after July 1, 1986, the Secretary shall not recognize as reasonable any such costs incurred with respect to any intern or resident-in-training for years in training which exceed the lesser of—

"(a) five years, or

"(b) the minimum number of years of formal training necessary to satisfy the requirements (as specified in the 1985-1986 Directory of Residency Training Programs published by the Accreditation Council on Graduate Medical Education) for initial board eligibility in the particular specialty for which such intern or resident-in-training is preparing, or, after July 1, 1989, in the event that the required number of years in training increases, the number of years which the Secretary may specify, after consultation with the Accreditation Council on Graduate Medical Education.

"(II) Notwithstanding subclause (I), the Secretary may recognize costs incurred with respect to additional years of training of interns or residents-in-training who are participating in geriatric fellowship programs which meet such criteria as the Secretary may establish, and who began their participation in such programs prior to July 1, 1991.

"(iii) Effective on and after July 1, 1986, the Secretary shall not recognize as reasonable any such costs incurred with respect to any intern or resident who is not a graduate of a school of medicine accredited by the Liaison Committee on Medical Education of the American Medical Association and the Association of American Medical Colleges (or approved by such Committee as meeting the standards necessary for such accreditation), or of a school of osteopathy accredited by the American Osteopathic Association (or approved by such Association as meeting the standards necessary for such accreditation), or of a school of dentistry or podiatry which is accredited (or meets the standards for accreditation) by an organization recognized by the Secretary for such purpose; except that—

"(I) for the 12-month period beginning on July 1, 1986, there shall be included, on an average cost per intern and resident basis, a number of interns and residents equal to the lesser of—

"(a) two-thirds of the number of such hospital's interns and residents for such 12-month period who are not graduates of such a school but who began their formal training required for initial board eligibility in the specialty for which they are preparing prior to July 1, 1986, or

"(b) two-thirds of the number of interns and residents who are not graduates of such a school, but with respect to whom such hospital received payments under this subparagraph for the 12-month period beginning July 1, 1985; and

"(II) for the 12-month period beginning on July 1, 1987, there shall be included, on an average cost per intern and resident basis, a number of interns and residents equal to the lesser of—

"(a) one-third of the number of such hospital's interns and residents for such 12-month period who are not graduates of such a school but who began their formal training required for initial board eligibility in the specialty for which they are preparing prior to July 1, 1986, or

"(b) one-third of the number of interns and residents who are not graduates of such a school, but with respect to whom such hospital received payments under this subparagraph for the 12-month period beginning July 1, 1985.

"(iv) In the case of a hospital at which, on October 1, 1985, more than 50 percent of the interns and residents-in-training for which such hospital receives payments under this subparagraph are not graduates of a school described in clause (iii), the provisions of clause (iii)(I) shall apply for the 24-month period beginning on July 1, 1986, and the provisions of clause (iii)(II) shall apply to the 36-month period beginning on July 1, 1988.".

(b) STUDIES BY SECRETARY.—(1) The Secretary of Health and Human Services shall conduct a study with respect to approved educational activities relating to nursing and other health professions for which reimbursement is made to hospitals under title XVIII of the Social Security Act. The study shall address—

(A) the types and numbers of such programs, and number of students supported or trained under each program;

(B) the fiscal and administrative relationships between the hospitals involved and the schools with which the programs and students are affiliated; and

(C) the types and amounts of expenses of such programs for which reimbursement is made, and the financial and other contributions which accrue to the hospital as a consequence of having such programs.

The Secretary shall report the results of such study to the Congress prior to December 31, 1986.

(2) The Secretary shall conduct a separate study of the advisability of continuing the exemption under section 1861(v)(1)(P)(ii)(II) of the Social Security Act for geriatric fellowships, and of expanding such exemption to cover other educational activities, particularly those which are necessary to meet the projected health care needs of Medicare beneficiaries. Such study shall also examine the adequacy of the supply of faculty in the field of geriatrics. The Secretary shall report the results of such study to the Congress prior to July 1, 1990.

(c) GAO STUDY.—(1) The Comptroller General shall conduct a study of the difference between the amounts of payments made under title XVIII of the Social Security Act with respect to inpatients in teaching hospital settings and the amounts of such payments which are made with respect to comparable patients who are treated in a nonteaching hospital setting. Such study shall identify the components of such payments (including payments with respect to inpatient hospital services, physicians' services, and capital costs, and, in the case of teaching hospital patients, payments with respect to direct and indirect teaching costs) and shall account, to the extent feasible, for any differences between the amounts of the payment components in teaching and nonteaching settings.

(2) In carrying out such study, the Comptroller General may utilize a sample of teaching hospital patients and any other data sources which he deems appropriate, and shall, to the extent feasible, control for differences in severity of illness levels, area wage levels, levels of physician reasonable charges for like services and procedures, and for other factors which could affect the comparability of patients and of payments between teaching and nonteaching settings. The information obtained in the study shall be coordinated with the information obtained in conducting the study of teaching physicians' services under section 2307(c) of the Deficit Reduction Act of 1984.

(3) The Comptroller General shall report the results of the study to the Congress prior to December 31, 1986.

(d) PAPERWORK REDUCTION.—Chapter 35 of title 44, United States Code, shall not apply to information required for purposes of carrying out this section and the amendments made by this section.

SEC. 707. CONTINUATION OF MEDICARE REIMBURSEMENT WAIVERS FOR CERTAIN HOSPITALS PARTICIPATING IN REGIONAL HOSPITAL REIMBURSEMENT DEMONSTRATIONS.

(a) CONTINUATION OF WAIVERS.—A hospital reimbursement control system which, on January 1, 1985, was carrying out a demonstration under a contract which had been approved by the Secretary of Health and Human Services pursuant to section 222(a) of the Social Security Amendments of 1972 shall be deemed to meet the requirements of section 1886(c)(1)(A) of the Social Security Act if such system applies—

(1) to substantially all non-Federal acute care hospitals (as defined by the Secretary) in the geographic area served by such system on January 1, 1985, and

(2) to the review of at least 75 percent of—

(A) all revenues or expenses in such geographic area for inpatient hospital services, and

(B) revenues or expenses in such geographic area for inpatient hospital services provided under the State's plan approved under title XIX.

(b) APPROVAL.—The Secretary shall approve the request for a system under paragraph (1) of section 1886(c) of the Social Security Act with respect to a hospital cost control system if—

(1) the requirements of subparagraphs (B), (C), (D), and (E) of such paragraph are met with respect to the system; and

(2) the requirements of subparagraph (A) of such paragraph are met with respect to the geographic area served by such system by reason of subsection (a) of this section.

(c) EFFECTIVE DATE.—This section shall become effective on the date of the enactment of this Act, and shall continue to be effective with respect to a hospital cost control system for so long as such system continues to be approved pursuant to subsection (b).

SEC. 708. CONTINUATION OF HOSPITAL COST CONTROL SYSTEMS FOR CERTAIN STATES.

(a) CONTINUATION OF STATE SYSTEMS.—Section 1886(c) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"(7) If a State makes a request under paragraph (5) prior to December 31, 1984, for approval of a State hospital reimbursement control system, and such request is approved, the Secretary may not discontinue payments under the system pursuant to paragraph (3)(B) prior to July 1, 1986, for so long as such State is taking steps to assure that such State will meet the requirements of paragraph (1)(C) for the applicable 36-month period.".

(b) EFFECTIVE DATE.—The amendment made by this section shall become effective on the date of the enactment of this Act.

SEC. 709. ASSET VALUATION FOR DONATIONS OF STATE PROPERTY TO NONPROFIT CORPORATIONS.

(a) GENERAL RULE.—Section 1861(v)(1)(O) of the Social Security Act is amended—

(1) by inserting ", except as provided in clause (iv)," in clause (i) after "such regulations shall provide", and

(2) by adding at the end the following new clause:

"(iv) In the case of the transfer of a hospital from ownership by a State to ownership by a nonprofit corporation without monetary consideration, the basis for capital allowances to the new owner shall be the book value of the hospital to the State at the time of the transfer.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall be applied as though they were originally included in the Deficit Reduction Act of 1984.

SEC. 710. INDIRECT TEACHING ADJUSTMENT FOR CERTAIN CLINICS.

In the case of a hospital which is receiving payments under title XVIII of the Social Security Act pursuant to a waiver under section 602(k) of the Social Security Amendments of 1983, payment of the adjustment for indirect costs of approved educational activities shall be made as if such hospital were receiving under part A of such title all the payments which are made under part B of such title solely by reason of such waiver.

SEC. 711. PSYCHOLOGISTS' SERVICES.

(a) CLARIFICATION OF INCLUSION AS INPATIENT HOSPITAL SERVICE.—Section 1861(b)(3) of the Social Security Act is amended by inserting before the semicolon at the end thereof "(including the services of a clinical psychologist, as defined by the Secretary)".

(b) EFFECTIVE DATE.—The amendment made by this section shall become effective on the date of the enactment of this Act.

Subpart B—Benefits

SEC. 712. EXTENSION AND PAYMENT FOR HOSPICE CARE.

(a) ELIMINATION OF SUNSET.—Section 122(h)(1) of the Tax Equity and Fiscal Responsibility Act of 1982 is amended—

(1) in subparagraph (A)—

(A) by striking out "(h)(1)(A) Subject to subparagraph (B), the" and inserting in lieu thereof "(h)(1) The", and

(B) by striking out ", and before October 1, 1986", and

(2) by striking out subparagraph (B).

(b) INCREASE IN PAYMENT OF DAILY RATES FOR HOSPICE CARE FOR FISCAL YEAR 1986.—(1) Section 1814(i)(1)(B) of the Social Security Act is amended to read as follows:

"(B) Notwithstanding subparagraph (A), for hospice care furnished on or after October 1, 1985, the daily rate of payment per day for routine home care shall be $63.17 and the daily rate of payment for other services included in hospice care shall be the daily rate of payment recognized under subparagraph (A) as of July 1, 1985, increased by $10.".

(2) Section 1814(i)(1)(C) of such Act is amended by striking out "1985" and inserting in lieu thereof "1986".

SEC. 713. MORATORIUM ON LABORATORY PAYMENT DEMONSTRATION.

(a) MORATORIUM.—Prior to January 1, 1987, the Secretary of Health and Human Services shall not conduct any demonstration projects relating to competitive bidding as a method of purchasing laboratory services under title XVIII of the Social Security Act. The Secretary may contract for the design of, and site selection for, such demonstration projects.

(b) COOPERATION IN STUDY.—The Secretary of Health and Human Services and the Comptroller General shall cooperate with representatives of clinical laboratories in conducting a study to determine whether methods exist which are better than competitive bidding for purposes of utilizing competitive market forces in setting payment levels for laboratory services under title XVIII of the Social Security Act. If such a study is conducted, the Secretary and the Comptroller General shall comment on such study and submit such comments and the study to the Senate Committee on Finance and the House Committees on Ways and Means and Energy and Commerce.

SEC. 714. HOME HEALTH WAIVER OF LIABILITY.

The Secretary of Health and Human Services shall, for purposes of determining whether payments to a home health agency should be denied pursuant to section 1862(a)(1)(A) of the Social Security Act, apply a presumption of compliance (2.5 percent) in the same manner as under the regulations in effect as of July 1, 1985. Such presumption shall apply until 12 months after the date on which ten regional intermediaries have commenced operations to service home health agencies, as required under section 1816(e)(4) of the Social Security Act.

SEC. 715. MORATORIUM ON IMPLEMENTATION OF HOME HEALTH PAYMENT REGULATIONS.

The Secretary of Health and Human Services shall not, prior to July 1, 1986, implement the regulations issued effective July 1, 1985, with respect to payments for home health services under title XVIII of the Social Security Act.

SEC. 716. STUDIES RELATING TO PHYSICAL THERAPISTS AND OTHER PROFESSIONALS.

(a) SUPERVISION OF HOME HEALTH SERVICES.—The Secretary of Health and Human Services shall conduct a study of the advisability of changing the requirements of title XVIII of the Social Security Act to allow home health services to be provided under the supervision of a physical therapist or other health care professional, rather than requiring the supervision of a physician or registered nurse.

(b) OFFICE REQUIREMENT.—The Secretary of Health and Human Services shall conduct a study on the advisability of deleting the requirement under such title that a physical therapist must have an office equipped with specified equipment, even if such therapist provides all such services in patients' homes.

(c) REPORTS.—The Secretary shall report the results of the studies to the Congress prior to April 1, 1986.

PART 2—PROVISIONS RELATING TO PARTS A AND B OF MEDICARE

SEC. 717. EXTENSION OF WORKING AGED PROVISION.

(a) EXTENSION OF SECONDARY PAYOR STATUS BEYOND AGE 70.—(1) Section 1862(b)(3)(A)(i) of the Social Security Act is amended by striking out "to an individual who is under 70 years of age during any part of such month (or to the spouse of such individual, if the spouse is under 70 years of age during any part of such month) who is employed at the time such item or service is furnished" and inserting in lieu thereof "to an individual who is employed at the time such item or service is furnished, or to the spouse of such individual,".

(2) Section 1862(b)(3)(A)(iii) of such Act is amended by striking out "and ending with the month before the month in which such individual attains the age of 70".

(b) ENROLLMENT PERIOD.—(1) Section 1837(i)(3) of such Act is amended to read as follows:

"(3) The special enrollment period referred to in paragraphs (1) and (2) is the period beginning with the first day of the first month in which the individual is no longer enrolled in a group health plan described in section 1862(b)(3)(A)(iv) by reason of current employment and ending seven months later.".

(2) Section 1838(e) of such Act is amended to read as follows:

"(e) Notwithstanding subsection (a), in the case of an individual who enrolls during a special enrollment period pursuant to section 1837(i)(3)—

"(1) in the first month of the special enrollment period, the coverage period shall begin on the first day of that month, or

"(2) in a month after the first month of the special enrollment period, the coverage period shall begin on the first day of the month following the month in which he so enrolls.".

(c) AMENDMENTS TO AGE DISCRIMINATION IN EMPLOYMENT ACT.—(1) Section 4(g)(1) of the Age Discrimination in Employment Act of 1967 (29 U.S.C. 623(g)(1)) is amended by striking out "aged 65 through 69" each place it appears, and inserting in lieu thereof in each instance "aged 65 or older".

(2) Section 12 of such Act (29 U.S.C. 631) is amended by adding at the end thereof the following new subsection:

"(d) Section 4(g) shall apply to individuals who are at least 40 years of age.".

(3) Section 12(a) of such Act (29 U.S.C. 631(a)) is amended by striking out "The prohibitions" and inserting in lieu thereof "Except as otherwise provided in this section, the prohibitions".

(4) Section 4 of such Act (29 U.S.C. 623) is amended by redesignating the second subsection (g), added by section 802 of the Older Americans Act Amendments of 1984, as subsection (h).

(d) EFFECTIVE DATES.—(1) The amendments made by subsection (a) shall apply to items and services furnished on or after January 1, 1986.

(2) The amendments made by subsections (b) and (c) shall become effective on January 1, 1986.

SEC. 718. CONTINUATION OF END STAGE RENAL DISEASE NETWORKS.

The Secretary of Health and Human Services shall maintain the renal disease network organizations established under section 1881(c) of the Social Security Act, and may not merge the network into other organizations or entities.

SEC. 719. EXTENSION OF CERTAIN MEDICARE MUNICIPAL HEALTH SERVICES DEMONSTRATION PROJECTS.

The Secretary of Health and Human Services shall extend, for a period of three additional years, approval of four municipal health services demonstration projects (located in Baltimore, Cincinnati, Milwaukee, and San Jose) authorized under section 402(a) of the Social Security Amendments of 1967.

SEC. 720. COVERAGE OF RESPIRATORY CARE SERVICES FOR VENTILATOR-DEPENDENT INDIVIDUALS.

(a) UNDER MEDICARE PROGRAM.—

(1) AS PART OF HOME HEALTH SERVICES.—(A) Section 1861(m)(2) of the Social Security Act is amended by inserting before the semicolon at the end the following: ", or respiratory care for a qualified respiratory care patient (as defined in subsection (ee))".

(B) Sections 1814(a)(2)(C) and 1835(a)(2)(A) of such Act are amended by inserting after "speech therapy" the following: ", or, in the case of a qualified respiratory care patient (as defined in section 1861(ee)), respiratory care,".

(2) AS PART OF EXTENDED CARE SERVICES.—(A) Section 1861(h)(3) of such Act is amended by inserting after "speech therapy" the following: ", or respiratory care for a qualified respiratory care patient (as defined in subsection (ee)),".

(B) Section 1814(a)(2)(B) of such Act is amended by inserting after "rehabilitation services," the following: "or, in the case of a qualified respiratory care patient (as defined in section 1861(ee)), respiratory care,".

(C) Section 1813(a)(3) of such Act is amended by inserting after "one-eighth" the following: "(or one-sixteenth in the case of a qualified respiratory care patient, as defined in section 1861(ee))".

(3) DEFINITION OF QUALIFIED RESPIRATORY CARE PATIENT.—Section 1861 of such Act is amended by adding at the end the following new subsection:

"Qualified Respiratory Care Patient

"(ee) The term 'qualified respiratory care patient' means—

"(1) with respect to respiratory care furnished as part of extended care services during a spell of illness, an individual who—

"(A) is medically dependent on a ventilator for life support at least six hours per day;

"(B) before admission to the skilled nursing facility, was so dependent (for life support at least six hours per day) as part of inpatient hospital services for at least 30 consecutive days during the spell of illness; and

"(C) but for the provision of respiratory care as part of the extended care services, would require respiratory care as part of inpatient hospital services; and

"(2) with respect to respiratory care furnished as part of home health services during or following a spell of illness, an individual who—

"(A) is medically dependent on a ventilator for life support at least six hours per day;

"(B) before first being furnished home health services during the spell of illness, was so dependent (for life support at least six hours per day) as part of inpatient hospital services or post-hospital extended care services for at least 30 consecutive days during the spell of illness;

"(C) but for the provision of respiratory care as part of the home health services, would require respiratory care as part of inpatient hospital services or extended care services;

"(D) has adequate social support services to be cared for at home; and

"(E) wishes to be cared for at home.".

(b) UNDER MEDICAID PROGRAM.—Section 1902(a)(10) of such Act is amended by striking out "and" at the end of subparagraph (C), by adding "and" at the end of subparagraph (D), and by inserting after subparagraph (D) the following new subparagraph:

"(E) for the inclusion of home respiratory care for any individual who—

"(i) is medically dependent on a ventilator for life support at least six hours per day;

"(ii) has been so dependent for at least 30 consecutive days or the maximum number of days authorized under the State plan, whichever is less, as an inpatient in one or more hospitals, skilled nursing facilities, or intermediate care facilities;

"(iii) but for the inclusion of home respiratory care, would require respiratory care as an inpatient in a hospital, skilled nursing facility, or intermediate care facility;

"(iv) has adequate social support services to be cared for at home; and

"(v) wishes to be cared for at home;".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to services performed on or after October 1, 1988.

SEC. 721. AUDIT AND MEDICAL CLAIMS REVIEW.

In addition to any funds otherwise provided for fiscal years 1986, 1987, and 1988 for payments to intermediaries and carriers under agreements entered into under sections 1816 and 1842 of the Social Security Act, there are transferred from the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Fund in such proportions as the Secretary of Health and Human Services determines to be appropriate, an additional $105,000,000 for each of such fiscal years for payments to such intermediaries and carriers under such agreements to be used exclusively for the purpose of carrying out provider cost audits and reviews of medical necessity, consistent with the provisions of sections 1816 and 1842 of the Social Security Act.

SEC. 722. ACCESS TO SKILLED NURSING FACILITIES.

(a) OPTIONAL PROSPECTIVE RATES FOR CERTAIN SKILLED NURSING FACILITIES.—Section 1888 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(d)(1) Any skilled nursing facility may choose to be paid under this subsection on the basis of a prospective payment for all routine service costs (including capital and return on equity) of extended care services provided in a fiscal year if such facility had, in the preceding fiscal year, fewer than 1,500 patient days with respect to which payments were made under this title. Such prospective payment shall be in lieu of payments which would otherwise be made for routine service costs pursuant to section 1861(v) and subsections (a) through (c) of this section. This subsection shall not apply to a facility for any fiscal year immediately following a fiscal year in which such facility had 1,500 or more patient days with respect to which payments were made under this title, without regard to whether payments were made under this subsection during such preceding fiscal year.

"(2) The amount of the payment under this section shall be determined on a per diem basis. For skilled nursing facilities located in an urban area the amount shall be equal to 105 percent of the mean of the per diem reasonable routine service costs of extended care services for skilled nursing facilities in urban areas within the same region, determined without regard to the limitations of subsection (a), and for skilled nursing facilities located in a rural area the amount shall be equal to 105 percent of the mean of the per diem reasonable routine service costs of extended care services for skilled nursing facilities in rural areas within the same region, determined without regard to the limitations of subsection (a).

"(3) For purposes of this subsection, urban and rural areas shall be determined in the same manner as for purposes of subsection (a), and the term 'region' shall have the same meaning as under section 1886(d)(2)(D).

"(4) The Secretary shall establish the prospective payment amounts for each fiscal year at least 90 days prior to the beginning of such fiscal year, on the basis of the most recent data available for a 12-month period. A skilled nursing facility must notify the Secretary of its intention to be paid pursuant to this subsection for a fiscal year within 60 days after the Secretary establishes the final prospective payment amounts for such fiscal year.

"(5) The Secretary shall provide for a simplified cost report to be filed by facilities being paid pursuant to this subsection, which shall require only the cost information necessary for determining prospective payment amounts pursuant to paragraph (2) and reasonable costs of ancillary services.

"(6) In lieu of payment on a cost basis for ancillary services provided by a facility which is being paid pursuant to this subsection, the Secretary may pay for such ancillary services on a reasonable charge basis if

the Secretary determines that such payment basis will provide an equitable level of reimbursement and will ease the reporting burden of the facility.".

(b) REDUCTION IN NUMBER OF FISCAL INTERMEDIARIES.—Section 1816(e) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"(6) Notwithstanding subsections (a) and (d) and paragraphs (1), (2), and (3) of this subsection, the Secretary shall designate regional agencies or organizations which have entered into an agreement under this section to perform functions under such agreement with respect to freestanding skilled nursing facilities in the region. By not later than April 1, 1987, the Secretary shall limit the number of such regional agencies to not more than ten.".

(c) PUBLICATION OF DATA RELATING TO ADJUSTMENTS TO SNF LIMITS.—Section 1888(c) of the Social Security Act is amended by adding at the end thereof the following: "The Secretary shall publish the data and criteria to be used for purposes of this subsection on an annual basis.".

(d) REINSTATEMENT OF WAIVER OF LIABILITY PRESUMPTION.—The Secretary of Health and Human Services shall, for purposes of determining whether payments to a skilled nursing facility should be denied pursuant to section 1862(a)(1)(A) of the Social Security Act, apply the same presumption of compliance (5 percent) as in effect under regulations as of July 1, 1985. Such presumption shall apply for the 30-month period beginning with the first month beginning after the date of the enactment of this Act.

(e) EFFECTIVE DATES.—(1) The amendment made by subsection (a) shall apply to fiscal years beginning on or after October 1, 1985. The Secretary shall establish interim prospective payment rates for the fiscal year beginning on October 1, 1985, within 90 days after the date of the enactment of this Act, and shall establish final rates within 180 days after such date of enactment.

(2) The amendment made by subsection (b) shall be implemented by the Secretary prior to April 1, 1987.

(3) The amendment made by subsection (c) shall become effective on the date of the enactment of this Act.

SEC. 723. CHARGES BY PHYSICIANS FOR SERVICES BILLED TO A HEALTH MAINTENANCE ORGANIZATION.

(a) PARTICIPATING PHYSICIAN.—Section 1842(h)(1) of the Social Security Act is amended by inserting after the second sentence the following: "Such agreement shall also provide that the reasonable charge shall be the full charge in the case where such participating physician or supplier furnishes items or services (which were immediately required as described in section 1876(c)(4)(B)) to an individual who is enrolled in a health maintenance organization or competitive medical plan pursuant to section 1876 during such period.".

(b) NONPARTICIPATING PHYSICIAN.—Section 1842(j)(1) of such Act is amended by inserting "(or bills such an individual's health maintenance organization or competitive medical plan for services furnished to such individual which were immediately required as described in section 1876(c)(4)(B))" after "bills individuals enrolled under this part".

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to items and services furnished on or after October 1, 1985, and before October 1, 1986.

SEC. 724. TIMELY PUBLICATION OF PAYMENT RATES FOR HEALTH MAINTENANCE ORGANIZATIONS.

(a) PUBLICATION DEADLINE.—Section 1876(a)(1) of the Social Security Act is amended by adding at the end thereof the following new subparagraph:

"(F) The Secretary shall establish, and publish in the Federal Register, the annual per capita rate of payment for each class which shall apply to a calendar year within 10 days after publication of the hospital prospective payment rates which will become effective on the October 1 preceding such calendar year.".

(b) EFFECTIVE DATE.—The amendment made by this section shall become effective on January 1, 1986.

PART 3—PROVISIONS RELATING TO PART B OF MEDICARE

SEC. 725. EXTENSION OF PHYSICIAN FEE FREEZE FOR NONPARTICIPATING PHYSICIANS AND IMPROVEMENTS IN THE PARTICIPATING PHYSICIAN PROGRAM.

(a) ONE-YEAR EXTENSION FOR NONPARTICIPATING PHYSICIANS.—

(1) EXTENSION.—Section 1842(b)(4) of the Social Security Act is amended—

(A) in subparagraph (A)—

(i) by inserting "(i)" after "(4)(A)", and

(ii) by adding at the end the following new clauses:

"(ii) In determining the prevailing charge levels under the third and fourth sentences of paragraph (3) for physicians' services furnished during the 12-month period beginning October 1, 1985, by a physician who is not a participating physician (as defined in subsection (h)(1)) at the time of furnishing the services, the Secretary shall not set any level higher than the same level as was set for the 12-month period beginning July 1, 1983.

"(iii) In determining the prevailing charge levels under the third and fourth sentences of paragraph (3) for physicians' services furnished during any 12-month period beginning on or after October 1, 1986, by a physician who is not a participating physician (as defined in subsection (h)(1)) at the time of furnishing the services, the Secretary shall not set any level higher than the same level as was set for services furnished during the previous fiscal year for physicians who were participating physicians during that year.";

(B) in subparagraph (B)—

(i) by inserting "(i)" after "(B)", and

(ii) by adding at the end the following new clause:

"(ii) In determining the reasonable charge under paragraph (3) for physicians' services furnished during the 12-month period beginning October 1, 1985, by a physician who is not a participating physician (as defined in subsection (h)(1)) at the time of furnishing the services—

"(I) if such physician was not a participating physician at any time during the 15-month period beginning on July 1, 1984, the customary charges shall be the same customary charges as were recognized under this section for the 12-month period beginning July 1, 1983; and

"(II) if such physician was a participating physician during the 15-month period beginning on July 1, 1984, the Secretary shall not recognize increases in actual charges above the level of the physician's actual charges billed during the 12-month period beginning on April 1, 1984.".

(C) in subparagraph (C)—

(i) by inserting "(i)" after "(C)",

(ii) by striking out "(A)" and inserting in lieu thereof "(A)(i)" each place it appears, and

(iii) by adding at the end the following new clause:

"(ii) In determining the prevailing charge levels under the third and fourth sentences of paragraph (3) for physicians' services furnished during the periods beginning after September 30, 1986, by a physician who was not a participating physician on that date, the Secretary shall treat the level as set under subparagraph (A)(ii) as having fully provided for the economic changes which would have been taken into account but for the limitations contained in subparagraph (A)(ii).".; and

(D) in subparagraph (D)—

(i) by striking out "who at no time" and all that follows through "subsection (h)(1))" and insert in lieu thereof "who was not a participating physician (as defined in subsection (h)(1)) on September 30, 1985",

(ii) by inserting "(i)" after "(D)", and

(iii) by adding at the end the following new clause:

"(ii) In determining the customary charges for physicians' services furnished during the 12-month period beginning October 1, 1986, or October 1, 1987, by a physician who is not a participating physician (as defined in subsection (h)(1)) on September 30, 1986—

"(I) if such physician was not a participating physician at any time during the 15-month period beginning on July 1, 1984, the Secretary shall not recognize increases in actual charges for services furnished during the 12-month period beginning on October 1, 1985, above the level of the physician's actual charges billed during the 3-month period ending on June 30, 1984; and

"(II) if such physician was a participating physician during the 15-month period beginning on July 1, 1984, the Secretary shall not recognize increases in actual charges for services furnished during the 12-month period beginning on October 1, 1985, above the level of the physician's actual charges billed during the 12-month period beginning on April 1, 1984.".

(2) CONTINUED ENFORCEMENT.—The first sentence of section 1842(j)(1) of such Act is amended to read as follows: "In the case of a physician who is not a participating physician for items and services furnished during a portion of the 27-month period beginning July 1, 1984, the Secretary shall monitor the physician's actual charges to individuals enrolled under this part for physicians' services during that portion of that period.".

(3) PERIOD FOR ENTERING AGREEMENTS TO BE PARTICIPATING PHYSICIAN.—The Secretary of Health and Human Services shall provide for a 30-day period, beginning on the date of the enactment of this Act, in which physicians may enter into an agreement under section 1842(h)(1) of the Social Security Act for the 12-month period beginning October 1, 1985, or terminate such an agreement previously entered into for such period.

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply to services furnished on or after October 1, 1985.

(b) INCENTIVES FOR PARTICIPATING PHYSICIAN PROGRAM.—

(1) ONE-YEAR EXTENSION OF TRANSFER OF FUNDS FOR CARRIERS.—Section 2306(e) of the Deficit Reduction Act of 1984 is amended—

(A) by striking out "and 1985" and inserting in lieu thereof ", 1985, and 1986";

(B) by striking out "the amendments made by this section" and inserting in lieu thereof "subsections (b)(4), (h), and (j) of section 1842 of the Social Security Act";

(C) by striking out "for fiscal year 1985" and inserting in lieu thereof "for each of fiscal years 1985 and 1986"; and

(D) by adding at the end thereof the following new sentence: "A significant proportion of such funds shall be used for the expansion of the participating physician and supplier program and for the development of professional relations staffs dedicated to addressing the billing and other problems of physicians and suppliers participating in that program.".

(2) IMPROVEMENT OF PARTICIPATING PHYSICIAN DIRECTORIES.—Section 1842(i) of the Social Security Act is amended—

(A) in the first sentence of paragraph (2)—

(i) by striking out "a directory" and inserting in lieu thereof "directories (for appropriate local geographic areas)"; and

(ii) by inserting "for that area" before "for that fiscal year";

(B) in the second sentence of paragraph (2), by striking out "The directory" and inserting in lieu thereof "Each directory";

(C) in paragraph (3)—

(i) by striking out "directory" the first place it appears and inserting in lieu thereof "the directories"; and

(ii) by striking out "directory" the second place it appears and inserting in lieu thereof "the appropriate area directory or directories"; and

(D) in paragraph (4)—

(i) by striking out "directory" and inserting in lieu thereof "the directories"; and

(ii) by adding at the end the following: "The Secretary shall provide that each appropriate area directory is sent to each participating physician located in that area.".

(3) ELIMINATION OF PHYSICIAN ASSIGNMENT RATE LIST.—Section 1842(i) of such Act is further amended—

(A) by striking out "(i)(1)" and all that follows through the end of paragraph (1);

(B) by striking out "subsection (h)(1)" in paragraph (2) and inserting in lieu thereof "paragraph (1)";

(C) by striking out "such list and" and "the list and" each place either appears in paragraphs (3) and (4); and

(D) by redesignating paragraphs (2) through (4) as paragraphs (4) through (6) of subsection (h), respectively.

(4) INFORMATION ON THE PARTICIPATING PHYSICIAN AND SUPPLIER PROGRAM IN EXPLANATIONS OF MEDICARE BENEFITS FOR UNASSIGNED CLAIMS.—Section 1842(h) of such Act, as previously amended by this subsection, is further amended by adding at the end the following new paragraphs:

"(7) The Secretary shall provide that each explanation of benefits provided under this part for services furnished in the United States, in conjunction with the payment of claims under section 1833(a)(1) (made other than on an assignment-related basis, described in paragraph (8)), shall include—

"(A) a reminder of the participating physician and supplier program established under this subsection (including the limitation on charges that may be imposed by such physicians and suppliers); and

"(B) the toll-free telephone number or numbers, maintained under paragraph (2), at which an individual enrolled under this part may obtain information on participating physicians and suppliers.

"(8) For purposes of this title, a claim is considered to be paid on an 'assignment-related basis' if the claim is paid on the basis of an assignment described in subsection (b)(3)(B)(ii), in accordance with subsection (b)(6)(B), or under the procedure described in section 1870(f)(1).".

(5) EFFECTIVE DATE.—Section 1842(b)(7) of the Social Security Act, as added by paragraph (4) of this subsection, shall apply to explanations of benefits provided on or after such date (not later than April 1, 1986) as the Secretary of Health and Human Services shall specify.

(c) CHARGES BY PHYSICIAN WHERE MEDICARE IS NOT BILLED.—

(1) INAPPLICABILITY OF PENALTIES.—Section 1842(j) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"(5) Paragraph (1) shall not apply in any case where no payment is requested or billed under this part by any party with respect to the particular physicians' services involved.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to services furnished after the date of the enactment of this Act.

SEC. 726. PART B PREMIUM.

(a) ONE-YEAR EXTENSION.—Section 1839(e) of the Social Security Act is amended by striking out "1988" each place it appears in paragraphs (1) and (2), and inserting in lieu thereof in each instance "1989".

(b) NO NET REDUCTION IN BENEFIT CHECK.—Section 1839(f) of such Act is amended to read as follows:

"(f)(1) If no cost-of-living increase becomes effective under section 215(i) in December of 1985, 1986, or 1987, the monthly premium of each individual enrolled under this part for each month in the succeeding year shall (except as otherwise provided in subsection (b)) be the same as the monthly premium (disregarding subsection (b)) of the individual for such December.

"(2)(A) If a cost-of-living increase does become effective under section 215(i) in December of 1985, 1986, or 1987, the monthly premium for the months in the succeeding calendar year for any individual described in subparagraph (B) shall (except as otherwise provided in subsection (b)) be reduced to the extent necessary to provide that the individual's 'net check amount' for any month in such succeeding calendar year for which he is entitled to a benefit under section 202 or 223 is not less than such individual's 'net check amount' for such December.

"(B) Subparagraph (A) shall apply to any individual—

"(i) who is entitled to a benefit under section 202 or 223 for the applicable December and the preceding November, and

"(ii) whose monthly premium for such December and the following January is deducted from those benefits under section 1840(a)(1).

"(C) For purposes of this paragraph, an individual's 'net check amount' for a given month is the amount of his benefit under section 202 or 223 for the month preceding such given month, minus the amount of the monthly premium for such given month (determined without regard to subsection (b)).

"(D) For purposes of this paragraph, retroactive adjustments or payments and deductions on account of work shall not be taken into account in determining the monthly benefits to which an individual is entitled under section 202 or 223.".

(c) EFFECTIVE DATE.—The amendments made by this section shall become effective on the date of the enactment of this Act.

SEC. 727. CORRECTION OF INAPPROPRIATE MEDICARE REASONABLE CHARGE DETERMINATIONS FOR HOSPITAL-BASED PHYSICIANS.

(a) DETERMINATION OF CUSTOMARY CHARGES.—Notwithstanding the provisions of section 1842(b) of the Social Security Act, in the case of a physician whose customary charges are based on compensation which was paid to him by a hospital and who subsequently changes his arrangement with such hospital on or after September 30, 1982, to an arrangement under which such physician bills for his services on his own behalf, such customary charges shall be determined, effective with respect to services furnished on and after October 1, 1985, and prior to October 1, 1986, by—

(1) ascertaining the actual charges such physician billed for his services on his own behalf during the billing period specified in subsection (b);

(B) deflating such actual charges in accordance with the provisions of subsection (c); and

(C) calculating such customary charges in accordance with the provisions of section 1842(b) of the Social Security Act, except that such deflated actual charges shall be deemed to have been billed by such physician during the period described in subsection (d).

(b) BILLING PERIOD.—For purposes of this section, a billing period shall be the 12-month period ending on March 31, 1985; except that, if a physician does not have sufficient billings during such 12-month period to determine his customary charges, the billing period shall be the first 3-month period which begins on or after February 1, 1985, for which such physician has sufficient billings to serve as a basis for the determination of such physician's customary charges.

(c) DEFLATING OF ACTUAL CHARGES.—The actual charges for a billing period shall be deflated by multiplying them by a fraction—

(1) the numerator of which is—

(2) the value of the physicians' services component of the Consumer Price Index (U.S. City Average for All Urban Consumers) for September 1984, in the case of a physician who is a participating physician prior to October 1, 1985, or

(3) the average value of such component for the calendar year 1982, in the case of a physician who is not a participating physician prior to October 1, 1985; and

(2) the denominator of which is the value of such component for the midpoint of the billing period applicable to such physician as determined under subsection (b).

(d) DEEMED TIME OF BILLING.—For purposes of subsection (a)(3), the deflated actual charges referred to in subsection (c) shall be deemed to have been billed—

(1) in the 12-month period ending on March 31, 1985, in the case of a physician who was a participating physician prior to October 1, 1985; or

(2) in 1982 in the case of a physician who was not a participating physician prior to October 1, 1985.

SEC. 728. PAYMENTS FOR MEDICAL AND OTHER HEALTH SERVICES.

(a) PAYMENT FREEZE.—Section 1842(b)(4) of the Social Security Act is amended by adding at the end thereof the following new subparagraph:

"(E) In the case of medical and other health services (as defined in section 1861(s)) for which payment is based on rea-

sonable charge, other than physicians' services and clinical laboratory services—

"(i) the customary and prevailing charges under paragraph (3), and the lowest charge referred to in the fourth sentence of such paragraph, for such services (other than durable medical equipment purchased, or leased under a purchase agreement) furnished during the 12-month period beginning on October 1, 1985, may not exceed such charges recognized under this section for the 12-month period beginning on October 1, 1984, increased by 1 percent; and

"(ii) the prevailing charge under paragraph (3), and the lowest charge referred to in the fourth sentence of such paragraph, for such services (including all durable medical equipment) furnished during any 12-month period beginning on or after October 1, 1986, may not exceed such charges for the preceding 12-month period increased by the same percentage as the percentage increase in the Consumer Price Index for All Urban Consumers (United States city average) for the 12-month period ending on the preceding June 30.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to services furnished on or after October 1, 1985.

SEC. 729. PAYMENT FOR ASSISTANTS AT SURGERY FOR CERTAIN CATARACT OPERATIONS AND OTHER OPERATIONS.

(a) LIMITATION ON PAYMENT.—Section 1862(a) of the Social Security Act is amended—

(1) by striking out "or" at the end of paragraph (13),

(2) by striking out the period at the end of paragraph (14) and inserting in lieu thereof "; or", and

(3) by adding at the end the following new paragraph:

"(15) which are for services of an assistant at surgery in a cataract operation unless, before the surgery is performed, the appropriate utilization and quality control peer review organization (under part B of title XI) has approved of the use of such an assistant in the surgical procedure based on the existence of complicating medical condition.".

(b) ADDITIONAL PRO FUNCTIONS.—Section 1154(a)(8) of such Act is amended by inserting before the period at the end the following: "or as may be required to carry out section 1862(a)(15)".

(c) PROHIBITION FOR SUBMITTING BILL FOR WHICH PAYMENT MAY NOT BE MADE.—Section 1842 of such Act is amended—

(1) in subsection (j)(2), by inserting "or subsection (k)" after "paragraph (1)", and

(2) by adding at the end thereof the following new subsection:

"(k)(1) If a physician knowingly and willfully bills an individual enrolled under this part charges for services as an assistant at surgery for which payment may not be made by reason of section 1862(a)(15), the Secretary may apply sanctions against such physician in accordance with subsection (j)(2).

"(2) If a physician knowingly and willfully bills an individual enrolled under this part charges that include a charge for an assistant at surgery for which payment may not be made by reason of section 1862(a)(15), the Secretary may apply sanctions against such physician in accordance with subsection (j)(2).".

(d) EXTENSION OF PROHIBITION TO OTHER PROCEDURES.—The Secretary of Health and Human Services, after consultation with the Prospective Payment Assessment Commission, shall develop recommendations and guidelines relating to other surgical procedures for which an assistant at surgery is generally not medically necessary and the circumstances under which the use of an assistant at surgery is generally medically appropriate but should be subject to prior approval of an appropriate entity. The Secretary shall report to Congress, not later than April 1, 1986, on these recommendations and guidelines.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to services performed on or after October 1, 1985.

SEC. 730. LIMITATION ON MEDICARE PAYMENT FOR POST-CATARACT SURGERY PATIENTS.

(a) PAYMENT FOR REPLACEMENT OF LOST OR DAMAGED CATARACT EYEGLASSES AND CATARACT CONTACT LENSES.—With respect to the payment for replacement cataract eyeglasses and cataract contact lenses under title XVIII of the Social Security Act in the case of an individual beneficiary—

(1) payment may be made for the replacement only once every year of lost or damaged cataract eyeglasses, and

(2) payment may be made—

(A) in the first year after surgery, for one original cataract contact lens for each eye and for the replacement only twice of a lost or damaged cataract contact lens for each eye, and

(B) in each subsequent year, for the replacement only twice of a lost or damaged cataract contact lens for each eye.

(b) DETERMINATION OF SEPARATE PAYMENT AMOUNTS FOR PROSTHETIC LENSES AND PROFESSIONAL SERVICES.—Section 1842(b) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"(8) In providing payment for cataract eyeglasses and cataract contact lenses, and professional services relating to them, under this part, each carrier shall—

"(A) provide for separate determinations of the payment amount for the eyeglasses and lenses and of the payment amount for the professional services of a physician (as defined in section 1861(r)); and

"(B) not recognize as reasonable for such eyeglasses and lenses more than such amount as the Secretary establishes in guidelines relating to the inherent reasonableness of charges for such eyeglasses and lenses.".

(c) EFFECTIVE DATE.—(1) The amendments made by this section shall apply to items and services furnished on or after October 1, 1985.

(2) In applying the amendment made by subsection (a), there shall not be taken into account any cataract eyeglasses or contact lenses replaced before October 1, 1985.

SEC. 731. DEMONSTRATION OF PREVENTIVE HEALTH SERVICES UNDER MEDICARE.

(a) DEMONSTRATION PROGRAM.—The Secretary of Health and Human Services (hereafter in this section referred to as the "Secretary") shall establish a 4-year demonstration program designed to reduce disability and dependency through the provision of preventive health services to individuals entitled to benefits under title XVIII of the Social Security Act (hereafter in this section referred to as "medicare beneficiaries").

(b) PREVENTIVE HEALTH SERVICES UNDER DEMONSTRATION PROGRAM.—The preventive health services to be made available under the demonstration program shall include—

(1) health screenings,

(2) health risk appraisals,

(3) immunizations, and

(4) counseling on and instruction in—

(A) diet and nutrition,

(B) reduction of stress,

(C) exercise and exercise programs,

(D) sleep regulation,

(E) injury prevention,

(F) prevention of alcohol and drug abuse,

(G) prevention of mental health disorders,

(H) self-care, including use of medication, and

(I) reduction or cessation of smoking.

(c) CONDUCT OF PROGRAM.—The demonstration program shall—

(1) be conducted under the direction of accredited public or private nonprofit schools of public health, or preventive medicine departments of accredited schools of medicine;

(2) be conducted in no fewer than five sites, which sites shall be chosen so as to be geographically diverse and shall be readily accessible to a significant number of medicare beneficiaries;

(3) involve community outreach efforts at each site to enroll the maximum number of medicare beneficiaries in the program; and

(4) be designed—

(A) to test alternative methods of payment for preventive health services, including payment on a prepayment basis as well as payment on a fee-for-service basis,

(B) to permit a variety of appropriate health care providers to furnish preventive health services, including physicians, health educators, nurses, allied health personnel, dieticians, and clinical psychologists, and

(C) to facilitate evaluation under subsection (d).

(d) EVALUATION.—The Secretary shall evaluate the demonstration project in order to determine—

(1) the short-term and long-term costs and benefits of providing preventive health services for medicare beneficiaries, including any reduction in inpatient services resulting from providing the services, and

(2) what practical mechanisms exist to finance preventive health services under title XVIII of the Social Security Act.

(e) REPORTS TO CONGRESS.—(1) Not later than three years after the date of the enactment of this Act, the Secretary shall submit a preliminary report to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate on the progress made in the demonstration program, including a description of the sites at which the program is being conducted and the preventive health services being provided at the different sites.

(2) Not later than five years after the date of the enactment of this Act, the Secretary shall submit a final report to those Committees on the demonstration program and shall include in the report—

(A) the evaluation described in subsection (d), and

(B) recommendations for appropriate legislative changes to incorporate payment for cost-effective preventive health services into the medicare program.

(f) FUNDING.—Expenditures made for the demonstration program shall be made from the Federal Supplementary Medical Insurance Trust Fund (established by section 1841 of the Social Security Act). Grants and payments under contracts may be made either in advance or by way of reimbursement, as may be determined by the Secretary, and shall be made in such installments and on such conditions as the Secretary finds necessary to carry out the purpose of this section. Funding for the demonstration program shall not exceed $4,000,000 over the duration of the program.

(g) WAIVER OF MEDICARE REQUIREMENTS.—The Secretary shall waive compliance with such requirements of title XVIII of the Social Security Act to the extent and for the period the Secretary finds necessary for the conduct of the demonstration program.

SEC. 732. AMBULATORY SURGERY.

(a) LIMITATION ON REASONABLE COST OR CHARGE.—

(1) AMBULATORY SURGICAL CENTERS AND PHYSICIAN OFFICES.—Section 1833(i)(2) of the Social Security Act is amended by adding at the end thereof the following new subparagraph:

"(C) In no case shall the standard overhead amount established with respect to a surgical procedure under subparagraph (A) or (B) exceed the DRG rate for the same surgical procedure when provided on an inpatient basis in a hospital in the same area, as determined under section 1886.".

(2) HOSPITAL OUTPATIENT DEPARTMENTS.—(A) Section 1833(a)(4) of such Act is amended to read as follows:

"(4) in the case of facility services described in section 1832(a)(2)(F), and outpatient hospital services furnished in connection with surgical procedures specified by the Secretary pursuant to section 1833(i)(1)(A), the applicable amount as determined under section 1833(i).".

(B) Section 1833(i)(3) of such Act is amended to read as follows:

"(3) The amount of the payment to be made under this part for outpatient hospital services furnished in connection with a surgical procedure specified under paragraph (1)(A) shall be equal to 80 percent of the standard overhead amount with respect to the same surgical procedure when provided in an ambulatory surgical center in the same area, as determined under paragraph (2)(A); except that additional payment shall be made with respect to 80 percent of the direct costs of approved educational activities, capital related costs, or costs of anesthesia services provided by a certified registered nurse anesthetist, in the same manner as such payments are made with respect to outpatient hospital services not paid for under this subsection.".

(3) ANNUAL UPDATING.—(A) Subparagraphs (A) and (B) of section 1833(i)(2) of such Act are each amended by striking out "shall be reviewed periodically" and inserting in lieu thereof "shall be reviewed and updated not less often than annually,".

(B) Section 1833(i)(1) of such Act is amended by adding at the end thereof (after and below subparagraph (B)) the following:

"The lists of procedures established under subparagraphs (A) and (B) shall be reviewed and updated not less often than annually.".

(b) FACILITY SERVICES TO INCLUDE RELATED SERVICES.—(1) Section 1833(i) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"(5)(A) For purposes of this section, 'facility services' shall include all medical and other health services (as defined in section 1861(s)) which are furnished in connection with a surgical procedure specified under paragraph (1), other than the physicians' services and anesthesia services furnished by a certified registered nurse anesthetist.

"(B) The Secretary shall establish a method of payment for anesthesia services furnished by a certified registered nurse anesthetist in connection with a surgical procedure for which payment is made pursuant to this subsection and which are furnished in an ambulatory surgical center or in a physician's office. Such method may be based on the payment method under paragraph (3) or any other basis which the Secretary finds appropriate. Such method shall not, to the extent feasible, create financial incentives or disincentives for the use of certified registered nurse anesthetists employed by an ambulatory surgical center or by a physician.".

(2) Section 1832(a)(2)(F) of such Act is amended by striking out "services (including all pre- and post-operative services) described in paragraphs (1) and (2)(A) of section 1861(s) and" and inserting in lieu thereof "physicians' services, facility services, and anesthesia services furnished by a certified registered nurse anesthetist, including all preoperative and postoperative services,".

(3) Section 1833(i)(4)(A) of such Act is amended by striking out "and with respect to all related services (including physicians' services, laboratory, X-ray, and diagnostic services)" and inserting in lieu thereof ", the physicians' services, and anesthesia services furnished by a certified registered nurse anesthetist".

(c) PRO REVIEW.—(1) Section 1154(a)(1) of the Social Security Act is amended by inserting "and subject to the requirements of subsection (d)" after "subject to the terms of the contract".

(2) Section 1154 of such Act is amended by adding at the end thereof the following new subsection:

"(d) Each contract under this part shall require that the utilization and quality control peer review organization's review responsibility pursuant to subsection (a)(1) will include all ambulatory surgical procedures described in section 1833(i)(1)(A) which are performed in the area, or, at the discretion of the Secretary, a sample of selected procedures.".

(d) COINSURANCE AND DEDUCTIBLE TO APPLY WITHOUT REGARD TO SETTING OF AMBULATORY SURGERY OR ASSIGNMENT.—(1) Section 1832(a)(2)(F)(i) of the Social Security Act is amended by inserting "standard overhead" before "amount determined under section 1833(i)(2)(A)".

(2) Section 1832(a)(2)(F)(ii) of such Act is amended by inserting "standard overhead" before "amount determined under section 1833(i)(2)(B)".

(3) Section 1833(a)(1) of such Act is amended—

(A) by inserting "and" before "(E)"; and

(B) by striking out ", and (F)" and all that follows and inserting in lieu thereof a semicolon.

(4) Section 1833(a)(4) of such Act is amended by striking out "the applicable amount described in paragraph (2) of section 1833(i)" and inserting in lieu thereof "80 percent of the applicable standard overhead amount described in subsection (i)(2) of this section".

(5) Section 1833(b) of such Act is amended by striking out "(3) such total amount shall not include expenses incurred for services the amount of payment for which is determined under subsection (a)(1)(F) or under subsection (i)(2) or (i)(4), and (4)" and inserting in lieu thereof "and (3)".

(6) Subparagraphs (A) and (B) of section 1833(i)(2) of such Act are each amended by inserting "80 percent of" before "a standard overhead amount".

(e) EFFECTIVE DATES.—(1) Except as otherwise provided, the amendments made by this section shall apply to services furnished on or after October 1, 1985.

(2) The amendments made by subsection (a)(3) shall apply on and after January 1, 1986. Prior to January 1, 1986, the Secretary of Health and Human Services shall update the amounts established under subparagraphs (A) and (B) of section 1833(i)(2) of the Social Security Act on the basis of current data to account more appropriately for the costs actually incurred.

(3) The amendments made by subsection (c) shall apply to contracts entered into or renewed on or after October 1, 1985.

PART 4—MISCELLANEOUS MEDICARE PROVISIONS

SEC. 733. EXTENSION OF ON LOK WAIVER.

(a) CONTINUED APPROVAL.—

(1) MEDICARE WAIVERS.—Notwithstanding any limitations contained in section 222 of the Social Security Amendments of 1972 and section 402(a) of the Social Security Amendments of 1967, the Secretary of Health and Human Services shall continue approval of the risk-sharing application described in section 603(c)(1) of the Social Security Amendments of 1983 for waivers of certain requirements of title XVIII of the Social Security Act after the end of the period described in that section.

(2) MEDICAID WAIVERS.—Notwithstanding any limitations contained in section 1115 of the Social Security Act, the Secretary shall approve any application of the Department of Health Services, State of California, for a waiver of requirements of title XIX of such Act in order to continue carrying out the demonstration project referred to in section 603(c)(2) of the Social Security Amendments of 1983 after the end of the period described in that section.

(b) TERMS, CONDITIONS, AND PERIOD OF APPROVAL.—The Secretary's approval of an application (or renewal of an application) under this section—

(1) shall be on the same terms and conditions as applied with respect to the corresponding application under section 603(c) of the Social Security Amendments of 1983 as of July 1, 1985, except that requirements relating to collection and evaluation of information for demonstration purposes (and not for operational purposes) shall not apply; and

(2) shall remain in effect until such time as the Secretary finds that the applicant no longer complies with the terms and conditions described in paragraph (1).

SEC. 734. ADDITIONAL MEMBERS OF PROSPECTIVE PAYMENT ASSESSMENT COMMISSION.

(a) EXPANSION OF MEMBERSHIP.—Section 1886(e)(6)(A) of the Social Security Act is amended by striking out "15 individuals" and inserting in lieu thereof "17 individuals".

(b) APPOINTMENTS.—The Director of the Congressional Office of Technology Assessment shall appoint the two additional members of the Prospective Payment Assessment Commission, as required by the amendment made by subsection (a), no later than 60 days after the date of the enactment of this Act, for terms of three years.

SEC. 735. REMOVAL OF PROHIBITION ON COMMENTS BY MEDICARE AND SOCIAL SECURITY ACTUARIES RELATING TO ECONOMIC ASSUMPTIONS.

(a) FEDERAL OLD-AGE AND DISABILITY INSURANCE TRUST FUND.—Section 201(c) of the Social Security Act is amended by striking out "; *Provided*, That the certification shall not refer to economic assumptions underlying the Trustee's report, and shall" and inserting in lieu thereof ". Such report shall".

(b) MEDICARE TRUST FUNDS.—Sections 1817(b) and 1841(b) of such Act are each amended by striking out ": *Provided*, That the certification shall not refer to economic

assumptions underlying the Trustee's report".

(c) EFFECTIVE DATE.—The amendments made by this section shall become effective on the date of the enactment of this Act.

SEC. 736. EXTENSION OF GAO REPORTING DATE.

(a) EXTENSION.—Section 2326(e)(2) of the Deficit Reduction Act of 1984 is amended by striking out "12 months" and inserting in lieu thereof "18 months".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply as though it were included in the Deficit Reduction Act of 1984 as originally enacted.

PART 5—PEER REVIEW ORGANIZATIONS

SEC. 737. HEALTH MAINTENANCE ORGANIZATION MEMBERSHIP ON PEER REVIEW ORGANIZATION BOARDS.

(a) REMOVAL OF ONE-MEMBER LIMITATION.—Section 1153(b)(2)(A) of the Social Security Act is amended by striking out "consists only of one individual member of the governing board" and inserting in lieu thereof "consists only of members of the governing board".

(b) EFFECTIVE DATE.—The amendment made by this section shall become effective on the date of the enactment of this Act.

SEC. 738. PEER REVIEW ORGANIZATION REIMBURSEMENT.

(a) REIMBURSEMENT AMOUNTS.—Section 1866(a)(1)(F) of the Social Security Act is amended—

(1) by striking out clause (iii);

(2) by inserting "and" at the end of clause (ii);

(3) by redesignating clause (iv) as clause (iii); and

(4) by striking out "1982" in clause (iii) as so redesignated and inserting in lieu thereof "1985".

(b) MONTHLY PAYMENTS.—Section 1153(c)(8) of such Act is amended to read as follows:

"(8) reimbursement shall be made to the organization on a monthly basis, with payments for any month being made not later than 15 days after the close of such month.".

(c)(1) The amendments made by subsection (a) shall become effective on the date of the enactment of this Act.

(2) The amendment made by subsection (b) shall apply to contracts entered into or renewed on or after the date of the enactment of this Act.

SEC. 739. PEER REVIEW ORGANIZATION REVIEW OF HEALTH MAINTENANCE ORGANIZATIONS.

(a) REVIEW REQUIRED.—Section 1154(a)(1) of the Social Security Act is amended by adding at the end thereof (after and below subparagraph (C)) the following:

"Review under this paragraph shall include review of items and services under parts A and B provided by health maintenance organizations and competitive medical plans pursuant to contracts under section 1876.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contracts entered into or renewed under section 1153 of the Social Security Act on or after the date of the enactment of this Act.

SEC. 740. SUBSTITUTE REVIEW PENDING TERMINATION OF A PEER REVIEW ORGANIZATION CONTRACT.

(a) SUBSTITUTE REVIEW.—Section 1153(d) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"(4) During the period after the Secretary has given notice of intent to terminate a contract, and prior to the time that the Secretary enters into a contract with another utilization and quality control peer review organization, the Secretary may transfer review responsibilities of the organization under the contract being terminated to another utilization and quality control peer review organization, or to an intermediary or carrier having an agreement under section 1816 or a contract under section 1842.".

(b) EFFECTIVE DATE.—The amendment made by this section shall become effective on the date of the enactment of this Act.

SEC. 741. DENIAL OF PAYMENT FOR SUBSTANDARD CARE.

(a) DENIAL AUTHORITY FOR PRO.—Section 1154(a)(2) of the Social Security Act is amended—

(1) by striking out "subparagraphs (A) and (C)" and inserting in lieu thereof "subparagraphs (A), (B), and (C)"; and

(2) by adding at the end thereof (after and below subparagraph (D)) the following:

"Determinations that payment should not be made by reason of subparagraph (B) of paragraph (1) shall be made only on the basis of criteria developed by the organization pursuant to a plan approved by the Secretary.".

(b) EFFECTIVE DATE.—The amendments made by this section shall become effective on the date of the enactment of this Act.

Subtitle B—Medicaid and Maternal and Child Health

PART 1—MEDICAID

SEC. 742. SERVICES FOR PREGNANT WOMEN.

(a) SERVICES.—Section 1902(a)(10) of the Social Security Act is amended, in the matter following subparagraph (D)—

(1) by striking out "and" before "(IV)" and inserting in lieu thereof a comma; and

(2) by inserting before the semicolon at the end thereof the following: ", and (V) the making available to pregnant women of any pregnancy-related services (including prenatal, delivery, or post partum services) shall not require the making available of such services, or of services of the same amount, duration, and scope, to any other individuals, provided such services are made available (in the same amount, duration, and scope) to all pregnant women covered under the State plan".

(b) EXTENSION OF ELIGIBILITY.—Section 1902(e) of such Act is amended by adding at the end thereof the following new paragraph:

"(5) At the option of the State, the State may provide that the eligibility of pregnant women for medical assistance under the State plan shall be extended for a period of 60 days after the end of such pregnancy if such eligibility would otherwise have ceased during such period, provided that such eligibility is extended for all pregnant women covered under the State plan. The State may provide that such extended eligibility be limited to services related to post partum care.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to services furnished on or after the first day of the first calendar quarter beginning after the date of the enactment of this Act.

SEC. 743. TECHNOLOGY-DEPENDENT CHILDREN.

(a) APPOINTMENT OF TASK FORCE.—The Secretary of Health and Human Services, within six months after the date of the enactment of this Act, shall establish a task force concerning alternatives to institutional care for technology-dependent children (as defined in subsection (e)).

(b) MEMBERSHIP.—The task force shall include representatives of Federal and State agencies with responsibilities relating to child health, health insurers, large employers (including those that self-insure for health care costs), providers of health care to technology-dependent children, and parents of technology-dependent children.

(c) FUNCTIONS OF TASK FORCE.—The task force shall—

(1) identify barriers that prevent the provision of appropriate care in a home or community setting to meet the special needs of technology-dependent children, and

(2) recommend changes in the provision and financing of health care in private and public health care programs (including appropriate joint public-private initiatives) so as to provide home and community-based alternatives to the institutionalization of technology-dependent children.

(d) REPORT.—The task force shall make a final report to the Secretary and to the Congress on its activities not later than two years after the date of the enactment of this Act.

(e) DEFINITION.—In this section, the term "technology-dependent child" means a child who has a chronic illness which makes the child dependent upon the continuing use of medical care technology (such as a ventilator).

SEC. 744. OPTIONAL HOSPICE CARE.

(a) HOSPICE CARE.—Section 1905(a) of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (17);

(2) by redesignating paragraph (18) as paragraph (19); and

(3) by inserting after paragraph (17) the following new paragraph:

"(18) hospice care (as defined in section 1861(dd)(1)) provided by a hospice program (as defined in section 1861(dd)(2)); and".

(b) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to services furnished on or after the date of the enactment of this Act.

SEC. 745. EXTENSION OF TEXAS LONG-TERM CARE WAIVER.

The Secretary of Health and Human Services shall continue the waiver in effect under section 1115 of the Social Security Act for the demonstration project operated by the State of Texas which provides community care alternatives for certain institutionalized individuals under the State's plan approved under title XIX of such Act (project 11-P-97473/6-06). Such waiver shall be continued until January 1, 1989.

SEC. 746. THIRD-PARTY LIABILITY.

(a) AMENDMENTS TO STATE PLAN REQUIREMENTS.—(1) Section 1902(a)(25) of the Social Security Act is amended to read as follows:

"(25) provide—

"(A) that the State or local agency administering such plan will take all reasonable measures to ascertain the legal liability of third parties (including health insurers) to pay for care and services available under the plan, including—

"(i) the collection of sufficient information (as specified by the Secretary in regulations) to enable the State to pursue claims against such third parties, with such information being collected at the time of any determination or redetermination of eligibility for medical assistance, and

"(ii) the submission to the Secretary of a plan (subject to approval by the Secretary) for pursuing claims against such third parties, which plan shall—

"(I) be integrated with, and be monitored as a part of the Secretary's review of, the State's mechanized claims processing and

information retrieval system under section 1903(r), and

"(II) be subject to the provisions of section 1903(r)(4) relating to reductions in Federal payments for failure to meet conditions of approval, but shall not be subject to any other monitoring, quality control, audit, or penalty provision;

"(B) that where the State or local agency knows that a third party has such a legal liability such agency will treat such legal liability as a resource of the individual on whose behalf the care and services are made available for purposes of paragraph (17)(B);

"(C) that in any case where such a legal liability is found to exist after medical assistance has been made available on behalf of the individual and where the amount of reimbursement the State can reasonably expect to recover exceeds the costs of such recovery, the State or local agency will seek reimbursement for such assistance to the extent of such legal liability;

"(D) that in the case of an individual who is entitled to medical assistance under a State plan with respect to a service for which a third party is liable for payment, the person furnishing the service may not seek to collect from the individual (or any financially responsible relative or representative of that individual) payment of an amount for that service (i) if the total of the amount of the liabilities of third parties for that service is at least equal to the amount payable for that service under the plan (disregarding section 1916), or (ii) in an amount which exceeds the lesser of (I) the amount which may be collected under section 1916, or (II) the amount by which the amount payable for that service under the plan (disregarding section 1916) exceeds the total of the amount of the liabilities of third parties for that service; and

"(E) that a person who furnishes services and is participating under the plan may not refuse to furnish services to an individual (who is entitled to have payment made under the plan for the services the person furnishes) because of a third party's potential liability for payment for the service;".

(2) Section 1902 of such Act is amended by inserting after subsection (f) the following new subsection:

"(g) In addition to any other sanction available to a State, a State may provide for a reduction of any payment amount otherwise due with respect to a person who furnishes services under the plan in an amount equal to up to three times the amount of any payment sought to be collected by that person in violation of subsection (a)(25)(D).".

(b) PERFORMANCE STANDARDS AND REVIEW FOR MECHANIZED CLAIMS PROCESSING AND INFORMATION RETRIEVAL SYSTEMS.—(1) Section 1903(r)(6)(J) of such Act is amended by read as follows:

"(J) develop and disseminate performance standards for assessing the State's third party collection efforts in accordance with section 1902(a)(25)(A)(ii).".

(2) Section 1903(r)(4)(A) of such Act is amended—

(A) by striking out "once each fiscal year" and inserting in lieu thereof "once every three years"; and

(B) by adding at the end thereof the following: "Reviews may, at the Secretary's discretion, constitute reviews of the entire system or of only those standards, systems requirements, and other conditions which have demonstrated weakness in previous reviews.".

(c) REGULATIONS.—The Secretary of Health and Human Services shall promulgate final regulations necessary to carry out sections 1902(a)(25) and 1903(r)(6)(J) of the Social Security Act within 6 months after the date of the enactment of this Act.

(d) ERISA AMENDMENT.—Section 402 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1102) is amended by adding at the end thereof the following new subsection:

"(d) No employee benefit plan shall limit or exclude benefits because a participant is eligible for or is provided medical assistance under a State plan under title XIX of the Social Security Act.".

(e) CONDITIONS OF ELIGIBILITY.—(1) Section 1912(a)(1) of the Social Security Act is amended by striking out "and" at the end of subparagraph (A), and by adding at the end thereof the following new subparagraph:

"(C) to cooperate with the State in identifying and pursuing any third party who may be liable to pay for care and services available under the plan, unless such individual has good cause for refusing to cooperate as determined by the State agency in accordance with standards prescribed by the Secretary, which standards shall take into consideration the best interests of the individuals involved; and".

(2) Section 402(a)(26) of such Act is amended—

(A) by striking out the comma at the end of subparagraph (A) and inserting in lieu thereof "; and"; and

(B) by adding at the end thereof the following new subparagraph:

"(C) to cooperate with the State in identifying and pursuing any third party who may be liable to pay for care and services available under the State's plan for medical assistance under title XIX, unless such individual has good cause for refusing to cooperate as determined by the State agency in accordance with standards prescribed by the Secretary, which standards shall take into consideration the best interests of the individuals involved;".

(3) Section 1631(e)(1)(A) of such Act is amended by adding at the end thereof the following: "Such requirements shall include a requirement that each applicant or recipient shall cooperate with the Secretary in identifying and pursuing any third party who may be liable to pay for care and services available under the State plan for medical assistance (of the State in which such individual resides) under title XIX, unless such individual has good cause for refusing to cooperate as determined under standards prescribed by the Secretary, which standards shall take into consideration the best interests of the individuals involved. The Secretary shall take all reasonable measures to ascertain any such liability.".

(4) Section 1634 of such Act is amended by inserting after "title XIX" the following: ", including the collecting and forwarding of information with respect to third party liability as required under section 1631(e)(1)(A).".

(f) DISREGARD FROM ERRONEOUS PAYMENTS.—Section 1903(u)(1)(D) of such Act is amended by adding at the end thereof the following new clause:

"(iv) In determining the amount of erroneous excess payments, there shall not be included any error resulting from a failure of an individual to cooperate or give correct information with respect to third party liability as required under section 1912(a)(1)(C), 402(a)(26)(C), or 1631(e)(1)(A).".

(g) EFFECTIVE DATE.—(1) Except as otherwise provided, the amendments made by this section shall apply to calendar quarters beginning on or after October 1, 1985.

(2) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation in order for the plan to meet the additional requirements imposed by the amendments made by this section, the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State Legislature that begins after the date of the enactment of this Act.

(3) No penalty may be applied against any State for a violation of section 1902(a)(25) of the Social Security Act occurring prior to the effective date of the amendments made by this section.

(4) The amendment made by subsections (c) and (d) shall become effective on the date of the enactment of this Act.

SEC. 747. OPTIONAL TARGETED CASE MANAGEMENT SERVICES.

(a) EXEMPTION FROM CERTAIN REQUIREMENTS.—Section 1915 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(g)(1) A State may provide case management services under the plan without regard to the requirements of section 1902(a)(1) and section 1902(a)(10).

"(2) For purposes of this subsection, the term 'case management services' means services which will assist individuals eligible under the plan in gaining access to needed medical, social, educational, and other services.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to services furnished on or after October 1, 1985.

SEC. 748. REVALUATION OF ASSETS UNDER MEDICAID PROGRAM.

(a) REVALUATION OF ASSETS.—Section 1902(a)(13) of the Social Security Act is amended—

(1) in subparagraph (B), by striking out "hospitals, skilled nursing facilities, and intermediate care facilities" and inserting in lieu thereof "hospitals";

(2) by striking out "and" at the end of subparagraph (B);

(3) by redesignating subparagraph (C) as subparagraph (D); and

(4) by inserting after subparagraph (B) the following new subparagraph:

"(C) that the State shall provide assurances satisfactory to the Secretary that the valuation of capital assets, for purposes of determining payment rates for skilled nursing facilities and intermediate care facilities, will not be increased (as measured from the date of acquisition by the seller to the date of the change of ownership), solely as a result of a change of ownership, by more than the lesser of—

"(i) one-half of the percentage increase (as measured over the same period of time, or, if necessary, as extrapolated retrospectively by the Secretary) in the Dodge Construction Systems Costs for Nursing Homes, applied in the aggregate with respect to those facilities which have undergone a change of ownership during the fiscal year, or

"(ii) one-half of the percentage increase (as measured over the same period of time) in the Consumer Price Index for All Urban Consumers (United States city average);".

(b) EFFECTIVE DATES.—(1) Except as provided in paragraphs (2) and (3), the amendments made by this section shall apply to medical assistance furnished on or after October 1, 1985, but only with respect to changes of ownership occurring on or after such date.

(2) The amendments made by this section shall not apply with respect to a change of ownership pursuant to an enforceable agreement entered into prior to October 1, 1985.

(3) In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation in order for the plan to meet the requirements imposed by the amendments made by this section, the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet the requirements imposed by the amendments made by this section before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act.

(c) GAO STUDY.—The Comptroller General shall conduct a study of the effects of the amendments made by this section, and shall report the results of such study to the Congress two years after the date of the enactment of this Act.

SEC. 749. BEGINNING DATE OF OPTIONAL COVERAGE FOR INDIVIDUALS IN MEDICAL INSTITUTIONS.

(a) COVERAGE.—Section 1902(a)(10)(A)(ii)(V) of the Social Security Act is amended by inserting "for a period of not less than 30 consecutive days (with eligibility by reason of this subclause beginning on the first day of such period)" after "are in a medical institution".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to payment for services furnished on or after October 1, 1985.

SEC. 750. OPTIONAL COVERAGE OF CHILDREN.

(a) STATE OPTION.—Section 1905(n)(2) of the Social Security Act is amended by inserting "(or such earlier date as the State may designate)" after "September 30, 1983".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to services furnished on or after January 1, 1986.

SEC. 751. OVERPAYMENT RECOVERY RULES.

(a) OVERPAYMENT RECOVERY.—Section 1903(d)(2) of the Social Security Act is amended—

(1) by inserting "(A)" after "(2)";

(2) by designating the second sentence as subparagraph (B), properly indented and aligned below subparagraph (A); and

(3) by adding at the end thereof the following new subparagraphs:

"(C) For purposes of this subsection, when an overpayment is discovered, which was made by a State to a person or other entity, the State shall have a period of 60 days in which to recover or attempt to recover such overpayment before adjustment is made in the Federal payment to such State on account of such overpayment. Except as otherwise provided in subparagraph (D), the adjustment in the Federal payment shall be made at the end of the 60 days, whether or not recovery was made.

"(D) In any case where the State is unable to recover a debt which represents an overpayment (or any portion thereof) made to a person or other entity on account of such debt having been discharged in bankruptcy or otherwise being uncollectable, no adjustment shall be made in the Federal payment to such State on account of such overpayment (or portion thereof).".

(b) EFFECTIVE DATE.— The amendments made by this section shall apply to overpayments identified for quarters beginning on or after October 1, 1985.

SEC. 752. WAIVER EXTENSIONS FOR HOME AND COMMUNITY-BASED SERVICES.

The Secretary of Health and Human Services shall extend, upon request of the State, any waiver under section 1915(c) of the Social Security Act which expires on or after September 30, 1985, and before October 1, 1986. Such extension shall be for a period of not less than one year nor more than five years.

SEC. 753. WAIVER RENEWALS FOR HOME AND COMMUNITY-BASED SERVICES.

(a) RENEWAL TERMS.—Section 1915(c)(3) of the Social Security Act is amended—

(1) by striking out "additional three-year periods" and inserting in lieu thereof "additional five-year periods"; and

(2) by striking out "previous three-year period" and inserting in lieu thereof "previous waiver period".

(b) EFFECTIVE DATE.—The amendments made by this section shall become effective on September 30, 1986.

SEC. 754. COORDINATED SERVICES BETWEEN MCH PROGRAM AND HOME AND COMMUNITY-BASED SERVICE PROGRAMS.

(a) IN GENERAL.—Section 1915(c) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"(5) The State agency administering the plan under this title shall, whenever appropriate, enter into cooperative arrangements with the State agency responsible for administering the program for children with special health care needs under title V. Such arrangements shall provide that—

"(A) individuals under 18 years of age eligible for home or community-based care under a waiver granted in accordance with this subsection shall be referred to such State title V agency; and

"(B) the State title V agency shall assure—

"(i) the establishment of an individual service plan for the child;

"(ii) the designation of a case manager to assist the family in carrying out the plan; and

"(iii) the monitoring of the utilization, quality, and costs of services provided for appropriateness and reasonableness.".

(b) EFFECTIVE DATE.—The amendment made by this section shall become effective on the date of the enactment of this Act.

SEC. 755. EXPANSION OF SERVICES UNDER WAIVER AUTHORITY.

(a) INCREASE IN NUMBER OF SERVICES.—Section 1915(b) of the Social Security Act is amended—

(1) by inserting "(1)" after "(b)";

(2) by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D); and

(3) by adding at the end thereof the following new paragraph:

"(2) The Secretary may waive the requirements of section 1903(m)(2)(A) with respect to an entity providing services under the State's waiver under this subsection if such entity does not provide more than 5 of the services listed in section 1903(m)(2)(A), and does not provide inpatient hospital services.".

(b) EFFECTIVE DATE.—The amendments made by this section shall become effective on the date of the enactment of this Act.

SEC. 756. LIFE SAFETY CODE RECOGNITION.

For purposes of sections 1861(j)(13) and 1905(c) of the Social Security Act, the Secretary of Health and Human Services shall specify the 1985 edition of the Life Safety Code of the National Fire Protection Association until such time as a new edition is published.

SEC. 757. REGULATIONS FOR INTERMEDIATE CARE FACILITIES FOR THE MENTALLY RETARDED.

The Secretary of Health and Human Services shall promulgate proposed regulations revising standards for intermediate care facilities for the mentally retarded under title XIX of the Social Security Act within 60 days after the date of the enactment of this Act.

SEC. 758. MODIFYING APPLICATION OF MEDICAID HMO PROVISIONS FOR CERTAIN HEALTH CENTERS.

(a) WAIVING APPLICATION OF 75 PERCENT RULE AND CERTAIN ORGANIZATIONAL REQUIREMENTS.—Section 1903(m)(2) of the Social Security Act is amended—

(1) in subparagraph (A), by striking out "(B) and (C)" and inserting in lieu thereof "(B), (C), and (G)";

(2) in subparagraph (F)—

(A) by striking out "(F)(i) In the case of a contract with a health maintenance organization described in clause (ii)" and inserting in lieu thereof "(F) in the case of a contract with an entity described in subparagraph (G) or with a qualified health maintenance organization (as defined in section 1310(d) of the Public Health Service Act) which meets the requirement of subparagraph (A)(ii)";

(B) by striking out "such organization" and inserting in lieu thereof "such entity or organization"; and

(C) by striking out clause (ii); and

(3) by adding at the end thereof the following new subparagraph:

"(G) In the case of an entity which is receiving (and has received during the previous two years) a grant of at least $100,000 under section 329(d)(1)(A) or 330(d)(1) of the Public Health Service Act or is receiving (and has received during the previous two years) at least $100,000 (by grant, subgrant, or subcontract) under the Appalachian Regional Development Act of 1965, clauses (i) and (ii) of subparagraph (A) shall not apply.".

(b) PERMITTING 6-MONTH CONTINUATION OF BENEFITS.—Section 1902(e)(2) of such Act is amended—

(1) in subparagraph (A)—

(A) by inserting "or with an entity described in section 1903(m)(2)(G)" after "Public Health Service Act)"; and

(B) by inserting "or entity" before the period; and

(2) in subparagraph (B)—

(A) by striking out "a health maintenance organization" and inserting in lieu thereof "an organization or entity"; and

(B) by inserting "or entity" after "the organization".

SEC. 759. ANNUAL CALCULATION OF FEDERAL MEDICAL ASSISTANCE PERCENTAGE.

(a) ANNUAL CALCULATION.—Section 1101(a)(8)(B) of the Social Security Act is amended—

(1) by striking out "evennumbered"; and

(2) by striking out "eight quarters" and inserting in lieu thereof "four quarters".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to the Federal percentage for fiscal years 1988 and thereafter.

SEC. 759A. USE OF SAMPLING FOR REVIEW OF MENTAL HOSPITALS, SKILLED NURSING FACILITIES, AND INTERMEDIATE CARE FACILITIES.

(a) USE OF SAMPLING.—(1) Section 1902(a)(26)(B) of the Social Security Act is amended by inserting "(or, as permitted by the Secretary, each person in a sample group of individuals receiving medical assistance)" after "each person receiving medical assistance".

(2) Section 1902(a)(31)(B) of such Act is amended by inserting "(or, as permitted by the Secretary, each person in a sample group of individuals receiving medical assistance)" after "each person receiving medical assistance".

(3) Section 1903(g)(1) of such Act is amended by inserting "(or, as permitted by the Secretary, each case in a sample group)" after "each case".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to surveys in progress or begun after the date of the enactment of this Act.

SEC. 759B. WISCONSIN HEALTH MAINTENANCE ORGANIZATION WAIVER.

The waiver granted to the State of Wisconsin pursuant to section 1915(b) of the Social Security Act relating to the requirements of section 1903(m) of such Act in conjunction with a waiver of the requirements of section 1902(a)(23) of such Act shall, upon request by the State, be reinstated, and shall be renewable for terms of 2 years, subject to the showings required generally under section 1915(b) of such Act.

SEC. 759C. CLARIFICATION OF MEDICAID MORATORIUM PROVISIONS OF DEFICIT REDUCTION ACT OF 1984.

(a) CLARIFICATION.—Section 2373(c) of the Deficit Reduction Act of 1984 is amended—

(1) in paragraph (1)—

(A) by inserting "(whether or not approved)" after "such State's plan",

(B) by inserting "(including any part of the plan operating pursuant to section 1902(f) of that Act), or the operation thereunder," after "Social Security Act", and

(C) by inserting "(or its operation's)" after "such plan's"; and

(2) by adding at the end thereof the following new paragraph:

"(5) In this subsection, a State plan is considered to include any amendment or other change in the plan which is submitted by a State, or for which the Secretary otherwise has notice, whether before or after the date of enactment of the Deficit Reduction Act of 1984 and whether or not the amendment or change was approved, disapproved, acted upon, or not acted upon by the Secretary.".

(b) SALE OF HOME.—Section 2373(c) of the Deficit Reduction Act of 1984 is further amended by adding at the end thereof the following new paragraph:

"(6) During the moratorium period, the Secretary shall implement (and shall not change by any administrative action) the policy in effect at the beginning of such moratorium period with respect to—

"(A) the point in time at which an institutionalized individual must sell his home (in order that it not be counted as a resource); and

"(B) the time period allowed for sale of a home of any such individual,

who is an applicant for or recipient of medical assistance under the State plan as a medically needy individual (described in section 1902(a)(10)(C) of the Social Security Act) or as an optional categorically needy individual (described in section 1902(a)(10)(A)(ii) of such Act).".

(c) EFFECTIVE DATES.—The amendments made by this section shall apply as though they were included in the Deficit Reduction Act of 1984 as originally enacted.

SEC. 759D. HOME AND COMMUNITY-BASED SERVICES DEMONSTRATIONS.

(a) DEMONSTRATION PROJECTS.—The Secretary of Health and Human Services shall allow four States (to be selected by the Secretary) to conduct demonstration projects to determine whether, and to what extent, State controlled home and community-based service programs for elderly, disabled, and developmentally disabled individuals, who are eligible under the State's plan approved under title XIX of the Social Security Act, can reduce expenditures for the society as a whole, for the Federal Government, and for the States.

(b) DURATION.—Each demonstration project shall be for a period of three years.

(c) MEDICAID EXPENDITURE LEVELS.—Expenditures under the demonstration projects shall exceed the amounts which would otherwise be expended under the States' plans under title XIX of the Social Security Act for services provided to the same individuals by not less than $700,000 nor more than $800,000 for all four projects over the 3-year period of the projects. Such additional amounts may be used to provide additional services such as habilitative services not otherwise covered under the State plan, or care provided in small facilities not otherwise eligible for payments under such plan, but all standards for quality of care otherwise applicable under the State plan shall apply.

(d) STATES SELECTED.—In selecting the four States to carry out the demonstration projects, the Secretary shall select programmatically and demographically disparate States.

(e) EVALUATION.—The Secretary shall evaluate the demonstration projects and submit a preliminary report during the third year of the projects. Such evaluation shall be funded at a level of not less than $150,000 nor more than $200,000.

SEC. 759E. PARTICIPANTS UNDER HOME AND COMMUNITY-BASED SERVICES WAIVERS.

(a) REPLACEMENT OF PARTICIPANTS.—Section 1915(c) of the Social Security Act (as amended by section 754 of this Act) is further amended by adding at the end thereof the following new paragraph:

"(6) In the case of any waiver under this subsection which contains a limit on the number of individuals who shall receive home or community-based services, the State may substitute additional individuals to receive such services to replace any individuals who die or become ineligible for services under the State plan.".

(b) EFFECTIVE DATE.—The amendments made by this section shall become effective on the date of the enactment of this Act.

SEC. 759F. NEW JERSEY DEMONSTRATION PROJECT RELATING TO TRAINING OF AFDC RECIPIENTS AS HOME HEALTH AIDES.

The Secretary of Health and Human Services shall continue for one additional year the demonstration project conducted by the State of New Jersey pursuant to section 966 of the Omnibus Reconciliation Act of 1980. Federal matching for such demonstration project shall be 50 percent.

SEC. 759G. CORRECTION PLANS FOR INTERMEDIATE CARE FACILITIES FOR THE MENTALLY RETARDED.

(a) CORRECTION PLANS.—Section 1910(c) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"(3)(A) If the Secretary finds that an intermediate care facility for the mentally retarded has substantial deficiencies which do not pose an immediate threat to the health and safety of residents, the State may elect to submit a written plan of correction which details the extent of the facility's current compliance with the standards promulgated by the Secretary, including all deficiencies identified during a validation survey. The plan must provide for—

"(i) a timetable for completion of necessary steps to correct all staffing deficiencies within 6 months, and a timetable for rectifying all physical plant deficiencies within 6 months; or

"(ii) a timetable (which includes the information required by subparagraph (B)) for permanently reducing the number of certified beds, within a maximum of 36 months, in order to permit any noncomplying buildings (or distinct parts thereof) to be vacated and any staffing deficiencies to be corrected.

"(B) A timetable under subparagraph (A)(ii) must—

"(i) identify the number and service needs of existing facility residents to be placed in home or community alternatives and the sequencing of such placements, in 6 month intervals, within the 36-month period;

"(ii) describe the methods to be used to select such residents for placement and develop the home and community-based resources to meet their needs effectively; and

"(iii) describe the necessary safeguards that will be taken to protect the health and welfare of former residents that are placed in home or community-based alternatives, including adequate standards for consumer and provider participation and assurances that applicable State licensure and certification requirements will be met in such home or community facilities and programs.

"(C) If the Secretary at the conclusion of the initial 6 month period, or any subsequent 6 month period in the case of a plan described in subparagraph (A)(ii), finds that a State has substantially failed to meet its obligations under clause (i) or (ii) of subparagraph (A)—

"(i) the Secretary may terminate the facility's provider agreement in accordance with the provisions of paragraph (1); or

"(ii) if the State elected to reduce the number of facility residents in accordance with subparagraph (A)(ii) and the Secretary subsequently finds that, despite good faith efforts to execute its reduction plan, the State has failed to meet its interim reduction goals, the Secretary may disallow, for purposes of Federal financial participation, an amount equal to 5 percent of the cost of care for all eligible individuals in the institution for each month for which the State fails to meet its interim reduction or other plant and staffing goals.".

(b) EFFECTIVE DATE.—The amendment made by this section shall become effective on the date of the enactment of this Act.

PART 2—MATERNAL AND CHILD HEALTH

SEC. 759H. ELIMINATION OF TWO-YEAR LIMIT FOR OBLIGATION OF FUNDS UNDER MATERNAL AND CHILD HEALTH BLOCK GRANT.

(a) ELIMINATION OF LIMIT.—Section 503(b) of the Social Security Act is amended by striking out "during the next fiscal year" and all that follows, and inserting in lieu thereof "during any subsequent fiscal year.".

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(b) EFFECTIVE DATE.—The amendment made by this section shall become effective on the date of the enactment of this Act.

SEC. 7591. CHILDREN WITH SPECIAL HEALTH CARE NEEDS.

(a) Section 501(a)(4) of the Social Security Act is amended by striking out "children who are crippled or who are suffering from conditions leading to crippling" and inserting in lieu thereof "children who are 'children with special health care needs' or who are suffering from conditions leading to such status".

(b) Section 501(a) of such Act is amended by striking out "crippled children" in the matter following paragraph (4) and inserting in lieu thereof "children with special health care needs".

(c) Section 501(b)(1)(A) of such Act is amended by striking out "crippled children's services" and inserting in lieu thereof "services for children with special health care needs".

(d) Section 502(a)(2)(B) of such Act is amended—

(1) by striking out "crippled children's programs" and inserting in lieu thereof "programs for children with special health care needs"; and

(2) by striking out "crippled children's services" and inserting in lieu thereof "services for children with special health care needs".

(e) Sections 504(b)(1) and 509(b) of such Act are each amended by striking out "crippled children" and inserting in lieu thereof "children with special health care needs".

Subtitle C—OASDI

SEC. 760. DEMONSTRATION PROJECTS INVOLVING THE DISABILITY INSURANCE PROGRAM.

(a) EXTENSION OF WAIVER AUTHORITY.—Section 505(a)(3) of the Social Security Disability Amendments of 1980 is amended by inserting "which is initiated before June 10, 1990" after "demonstration project under paragraph (1)".

(b) INTERIM REPORTS.—Section 505(a)(4) of such Amendments is amended to read as follows:

"(4) On or before June 9 in each of the years 1986, 1987, 1988, and 1989, the Secretary shall submit to the Congress an interim report on the progress of the experiments and demonstration projects carried out under this subsection together with any related data and materials which the Secretary may consider appropriate.".

(c) FINAL REPORT.—Section 505(c) of such Amendments is amended by striking out "under this section no later than five years after the date of the enactment of this Act" and inserting in lieu thereof "under subsection (a) no later than June 9, 1990".

(d) INCORPORATION OF CERTAIN REPORTS INTO SECRETARY'S ANNUAL REPORT TO CONGRESS.—Section 1110(b) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"(3) All reports of the Secretary with respect to projects carried out under this subsection shall be incorporated into the Secretary's annual report to the Congress required by section 704.".

SEC. 761. DISABILITY ADVISORY COUNCIL.

(a) APPOINTMENT OF COUNCIL.—Within ninety days after the date of the enactment of this Act, the Secretary of Health and Human Services shall appoint a special Disability Advisory Council.

(b) MEMBERSHIP OF COUNCIL.—The Disability Advisory Council shall consist of a Chairman and not more than twelve other persons, appointed by the Secretary without regard to the provisions of title 5, United States Code, governing appointments in the competitive service. The appointed members shall, to the extent possible, represent organizations of employers and employees in equal numbers, medical and vocational experts from the public or private sector (or from both such sectors), organizations representing disabled people, and the public. The Council shall meet as often as may be necessary for the performance of its duties under this section, but not less often than quarterly.

(c) DUTIES OF COUNCIL.—(1) The Advisory Council shall conduct studies and make recommendations with respect to the medical and vocational aspects of disability under both title II and title XVI of the Social Security Act, including studies and recommendations relating to—

(A) the effectiveness of vocational rehabilitation programs for recipients of disability insurance benefits or supplemental security income benefits;

(B) the question of using specialists for completing medical and vocational evaluations at the State agency level in the disability determination process, including the question of requiring, in cases involving impairments other than mental impairments, that the medical portion of each case review (as well as any applicable assessment of residual functional capacity) be completed by an appropriate medical specialist employed by the appropriate State agency before any determination can be made with respect to the impairment involved;

(C) alternative approaches to work evaluation in the case of applicants for benefits based on disability and recipients of such benefits undergoing reviews of their cases, including immediate referral of any such applicant or recipient to a vocational rehabilitation agency for services at the same time he or she is referred to the appropriate State agency for a disability determination;

(D) the feasibility and appropriateness of providing work evaluation stipends for applicants for and recipients of benefits based on disability in cases where extended work evaluation is needed prior to the final determination of their eligibility for such benefits or for further rehabilitation and related services;

(E) the standards, policies, and procedures which are applied or used by the Secretary of Health and Human Services with respect to work evaluations in order to determine whether such standards, policies, and procedures will provide appropriate screening criteria for work evaluation referrals in the case of applicants for and recipients of benefits based on disability; and

(F) possible criteria for assessing the probability that an applicant for or recipient of benefits based on disability will benefit from rehabilitation services, taking into consideration not only whether the individual involved will be able after rehabilitation to engage in substantial gainful activity but also whether rehabilitation services can reasonably be expected to improve the individual's functioning so that he or she will be able to live independently or work in a sheltered environment.

(2) For purposes of this subsection, "work evaluation" includes (with respect to any individual) a determination of—

(A) such individual's skills,

(B) the work activities or types of work activity for which such individual's skills are insufficient or inadequate,

(C) the work activities or types of work activity for which such individual might potentially be trained or rehabilitated,

(D) the length of time for which such individual is capable of sustaining work (including, in the case of the mentally impaired, the ability to cope with the stress of competitive work), and

(E) any modifications which may be necessary, in work activities for which such individual might be trained or rehabilitated, in order to enable him or her to perform such activities.

(d) PROVISION OF ASSISTANCE TO COUNCIL; COMPENSATION OF MEMBERS.—(1) The Disability Advisory Council is authorized to engage such technical assistance, including actuarial services, as may be required to carry out its functions, and the Secretary of Health and Human Services shall, in addition, make available to the Council such secretarial, clerical, and other assistance and such actuarial and other pertinent data prepared by the Department of Health and Human Services as the Council may require to carry out such functions.

(2) Appointed members of the Council, while serving on business of the Council (inclusive of traveltime), shall receive compensation at rates fixed by the Secretary, but not exceeding $100 per day, and, while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government employed intermittently.

(e) REPORTS.—The Disability Advisory Council shall submit a report (including any interim reports the Council may have issued) of its findings and recommendations to the Secretary of Health and Human Services not later than December 31, 1986; and such report and recommendations shall thereupon be transmitted to the Congress and to the Board of Trustees of the Federal Disability Insurance Trust Fund.

(f) TERMINATION.—After the date of the transmittal to the Congress of the report required by subsection (e), the Disability Advisory Council shall cease to exist.

(g) CONFORMING AMENDMENTS.—(1) Section 706 of the Social Security Act is amended—

(A) by inserting "except as provided in subsection (e)," immediately before "the Secretary shall appoint" in subsection (a); and

(B) by adding at the end thereof the following new subsection:

"(e) No Advisory Council on Social Security shall be appointed under subsection (a) in 1985 (or in any subsequent year prior to 1989).".

(2) Section 12 of the Social Security Disability Benefits Reform Act of 1984 is repealed.

SEC. 762. TAXATION OF SOCIAL SECURITY BENEFITS RECEIVED BY CERTAIN CITIZENS OF POSSESSIONS OF THE UNITED STATES.

(a) GENERAL RULE.—Section 932 of the Internal Revenue Code of 1954 (relating to citizens of possessions of the United States) is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c) TAXATION OF SOCIAL SECURITY BENEFITS.—If, for purposes of an income tax imposed in the possession, any social security benefit (as defined in section 86(d)) received by an individual described in subsection (a) is treated in a manner equivalent to that provided by section 86, then—

"(1) such benefit shall be exempt from the tax imposed by section 871, and

"(2) no amount shall be deducted and withheld from such benefit under section 1441.

Any income tax imposed in a possession which treats social security benefits (as defined in section 86(d)) in a manner equivalent to section 86, and which first becomes effective within 15 months after the date of the enactment of this subsection, shall, for purposes of this section, be deemed to have been in effect as of January 1, 1984.".

(b) CROSS REFERENCE.—Paragraph (3) of section 871(a) of such Code is amended by adding at the end thereof (after and below subparagraph (B)) the following new sentence:

"For treatment of certain citizens of possessions of the United States, see section 932(c)."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to benefits received after December 31, 1983, in taxable years ending after such date.

SEC. 763. APPLICATION OF DEPENDENCY TEST TO ADOPTED GREAT-GRANDCHILDREN FOR PURPOSES OF CHILD'S INSURANCE BENEFITS.

(a) TREATMENT OF GRANDCHILDREN AND GREAT-GRANDCHILDREN ALIKE.—Section 202(d)(8)(D)(ii)(III) of the Social Security Act is amended by inserting "or great-grandchild" after "grandchild".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to benefits for which application is filed after the date of the enactment of this Act.

SEC. 764. ELIMINATION OF REQUIREMENT FOR PUBLICATION OF REVISIONS IN PRE-1979 BENEFIT TABLE.

Section 215(i)(4) of the Social Security Act is amended by striking out "the Secretary shall publish" and all that follows in the last sentence and inserting in lieu thereof the following: "the Secretary shall revise the table of benefits contained in subsection (a), as in effect in December 1978, in accordance with the requirements of paragraph (2)(D) of this subsection as then in effect, except that the requirement in such paragraph (2)(D) that the Secretary publish such revision of the table of benefits in the Federal Register shall not apply.".

SEC. 765. FORMULA CLARIFICATION.

Section 709(b)(1) of the Social Security Act is amended to read as follows:

"(1) the balance in such Trust Fund as of the beginning of such year, including the taxes transferred under section 201(a) on the first day of such year and reduced by the outstanding amount of any loan (including interest thereon) theretofore made to such Trust Fund under section 201(l) or 1817(j), to".

SEC. 766. EXTENSION OF 15-MONTH REENTITLEMENT PERIOD TO CHILDHOOD DISABILITY BENEFICIARIES SUBSEQUENTLY ENTITLED.

(a) IN GENERAL.—Section 202(d)(6)(E) of the Social Security Act is amended by striking out "the third month following the month in which he ceases to be under such disability" and inserting in lieu thereof "the termination month (as defined in paragraph (1)(G)(i)), subject to section 223(e),".

(b) CONFORMING AMENDMENT.—Section 223(e) of such Act is amended by inserting "(d)(6)(A)(ii), (d)(6)(B)," after "(d)(1)(B)(ii),".

(c) EFFECTIVE DATE.—The amendments made by this section are effective December 1, 1980, and shall apply with respect to any individual who is under a disability (as defined in section 223(d) of the Social Security Act) on or after that date.

SEC. 767. CHARGING OF WORK DEDUCTIONS AGAINST AUXILIARY BENEFITS IN DISABILITY CASES.

(a) IN GENERAL.—(1) Section 203(a)(4) of the Social Security Act is amended by striking out "preceding" in the first sentence.

(2) Section 203(a)(6) of such Act is amended—

(A) by striking out "and (5)" and inserting in lieu thereof "(4), and (5)"; and

(B) by striking out ", whether or not" and all that follows down through "further reduced" and inserting in lieu thereof "shall be reduced".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to benefits payable for months after December 1985.

SEC. 768. PERFECTING AMENDMENTS TO DISABILITY OFFSET PROVISION.

(a) IN GENERAL.—(1) Section 224(a)(2) of the Social Security Act is amended to read as follows:

"(2) such individual is entitled for such month to—

"(A) periodic benefits on account of his or her total or partial disability (whether or not permanent) under a workmen's compensation law or plan of the United States or a State, or

"(B) periodic benefits on account of his or her total or partial disability (whether or not permanent) under any other law or plan of the United States, a State, a political subdivision (as that term is used in section 218(b)(2)), or an instrumentality of two or more States (as that term is used in section 218(k)), other than (i) benefits payable under title 38, United States Code, (ii) benefits payable under a program of assistance which is based on need, (iii) benefits based on service all or substantially all of which was included under an agreement entered into by a State and the Secretary under section 218, and (iv) benefits under a law or plan of the United States based on service all or part of which is employment as defined in section 210,".

(2) Section 224(a)(2)(B) of such Act (as amended by paragraph (1) of this subsection) is further amended by striking out "all or part of which" in clause (iv) and inserting in lieu thereof "all or substantially all of which".

(b) EFFECTIVE DATES.—(1) The amendment made by subsection (a)(1) shall be effective as though it had been included or reflected in the amendment made by section 2208(a)(3) of the Omnibus Budget Reconciliation Act of 1981.

(2) The amendment made by subsection (a)(2) shall apply only with respect to monthly benefits payable on the basis of the wages and self-employment income of individuals who become disabled (within the meaning of section 223(d) of the Social Security Act) after the month in which this Act is enacted.

SEC. 769. STATE COVERAGE AGREEMENTS.

(a) MAXIMUM PERIOD OF RETROACTIVE COVERAGE.—Section 218(f)(1) of the Social Security Act is amended by striking out "is agreed to by the Secretary and the State" and inserting in lieu thereof "is mailed or delivered by other means to the Secretary".

(b) POSITIONS COMPENSATED SOLELY ON FEE BASIS.—Section 218(u)(3) of such Act is amended by striking out "is agreed to by the Secretary and the State" and inserting in lieu thereof "is mailed or delivered by other means to the Secretary".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to agreements and modifications of agreements which are mailed or delivered to the Secretary of Health and Human Services (under section 218 of the Social Security Act) on or after the date of the enactment of this Act.

SEC. 769A. EFFECT OF EARLY DELIVERY OF BENEFIT CHECKS.

(a) FOR OASDI PURPOSES.—Section 708 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(c) For purposes of computing the 'OASDI trust fund ratio' under section 201(l), the 'OASDI fund ratio' under section 215(i), and the 'balance ratio' under section 709(b), benefit checks delivered before the end of the month for which they are issued by reason of subsection (a) of this section shall be deemed to have been delivered on the regularly designated delivery date.".

(b) FOR INCOME TAX PURPOSES.—Section 86(d) of the Internal Revenue Code of 1954 (relating to taxation of social security and tier 1 railroad retirement benefits) is amended by adding at the end thereof the following new paragraph:

"(5) EFFECT OF EARLY DELIVERY OF BENEFIT CHECKS.—For purposes of subsection (a), in any case where section 708 of the Social Security Act causes social security benefit checks to be delivered before the end of the calendar month for which they are issued, the benefits involved shall be deemed to have been received in the succeeding calendar month.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to benefit checks issued for months ending after the date of the enactment of this Act.

SEC. 769B. PRESERVATION OF BENEFIT STATUS FOR DISABLED WIDOWS AND WIDOWERS WHO LOST SSI BENEFITS BECAUSE OF 1983 CHANGES IN ACTUARIAL REDUCTION FORMULA.

(a) IN GENERAL.—Section 1634 of the Social Security Act is amended—

(1) by inserting "(a)" after "SEC. 1634.", and

(2) by adding at the end the following new subsection:

"(b)(1) An eligible disabled widow or widower (described in paragraph (2)) who is entitled to a widow's or widower's insurance benefit based on a disability for any month under section 202(e) or (f) but is not eligible for benefits under this title in that month, and who applies for the protection of this subsection under paragraph (3), shall be deemed for purposes of title XIX to be an individual with respect to whom benefits under this title are paid in that month if he or she—

"(A) has been continuously entitled to such widow's or widower's insurance benefits from the first month for which the increase described in paragraph (2)(C) was reflected in such benefits through the month involved, and

"(B) would be eligible for benefits under this title in the month involved if the amount of the increase described in paragraph (2)(C) in his or her widow's or widower's insurance benefits, and any subsequent cost-of-living adjustment in such benefits under section 215(i), were disregarded.

"(2) For purposes of paragraph (1), the term 'eligible disabled widow or widower' means an individual who—

"(A) was entitled to a monthly insurance benefit under title II for December 1983,

"(B) was entitled to a widow's or widower's insurance benefit based on a disability under section 202(e) or (f) for January 1984

and with respect to whom a benefit under this title was paid in that month, and

"(C) because of the increase in the amount of his or her widow's or widower's insurance benefits which resulted from the amendments made by section 134 of the Social Security Amendments of 1983 (Public Law 98-21) (eliminating the additional reduction factor for disabled widows and widowers under age 60), was ineligible for benefits under this title in the first month in which such increase was paid to him or her (and in which a retroactive payment of such increase for prior months was not made).

"(3) This subsection shall only apply to an individual who files a written application for protection under this subsection, in such manner and form as the Secretary may prescribe, during the 15-month period beginning with the month in which this subsection is enacted.

"(4) For purposes of this subsection, the term 'benefits under this title' includes payments of the type described in section 1616(a) or of the type described in section 212(a) of Public Law 93-66.".

(b) IDENTIFICATION OF BENEFICIARIES.—(1) As soon as possible after the date of the enactment of this Act, the Secretary of Health and Human Services shall provide each State with the names of all individuals receiving widow's or widower's insurance benefits under subsection (e) or (f) of section 202 of the Social Security Act based on a disability who might qualify for medical assistance under the plan of that State approved under title XIX of such Act by reason of the application of section 1634(b) of the Social Security Act.

(2) Each State shall—

(A) using the information so provided and any other information it may have, promptly notify all individuals who may qualify for medical assistance under its plan by reason of such section 1634(b) of their right to make application for such assistance,

(B) solicit their applications for such assistance, and

(C) make the necessary determination of such individuals' eligibility for such assistance under such section and under such title XIX.

(c) EFFECTIVE DATE.—The amendment made by subsection (a)(2) shall not have the effect of deeming an individual eligible for medical assistance for any month which begins less than two months after the date of the enactment of this Act.

SEC. 769C. EXEMPTION FROM SOCIAL SECURITY COVERAGE FOR RETIRED FEDERAL JUDGES ON ACTIVE DUTY.

(a) AMENDMENT TO SOCIAL SECURITY ACT.—Section 209 of the Social Security Act is amended in the third to the last paragraph thereof (added by section 101(c)(1) of the Social Security Amendments of 1983) by striking out "shall, subject to the provisions of subsection (a) of this section, include" and inserting in lieu thereof "shall not include".

(b) AMENDMENT TO INTERNAL REVENUE CODE.—Section 3121(i)(5) of the Internal Revenue Code of 1954 is amended by striking out "shall, subject to the provisions of subsection (a)(1) of this section, include" and inserting in lieu thereof "shall not include".

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to service performed after December 31, 1983.

SEC. 769D. RECOVERY OF OVERPAYMENTS.

(a) OASDI PAYMENTS.—Section 204(a) of the Social Security Act is amended—

(1) by inserting "(1)" after "204(a)";

(2) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B); and

(3) by adding at the end thereof the following new paragraph:

"(2) Notwithstanding any other provision of this section, when any payment of more than the correct amount is made to or on behalf of an individual who has died, and such payment—

"(A) is made by direct deposit to a financial institution;

"(B) is credited by the financial institution to a joint account of the deceased individual and another person; and

"(C) such other person was entitled to a monthly benefit on the basis of the same wages and self-employment income as the deceased individual for the month preceding the month in which the deceased individual died,

the amount of such payment in excess of the correct amount shall be treated as a payment of more than the correct amount to such other person.".

(b) SSI PAYMENTS.—Section 1631(b) of the Social Security Act is amended by redesignating paragraphs (2) through (4) as paragraphs (3) through (5), and by inserting after paragraph (1) the following new paragraph:

"(2) Notwithstanding any other provision of this section, when any payment of more than the correct amount is made to or on behalf of an individual who has died, and such payment—

"(A) is made by direct deposit to a financial institution;

"(B) is credited by the financial institution to a joint account of the deceased individual and another person; and

"(C) such other person is the surviving spouse of the deceased individual, and was eligible for a payment under this title (including any State supplementation payment paid by the Secretary) as an eligible spouse (or as either member of an eligible couple) for the month in which the deceased individual died,

the amount of such payment in excess of the correct amount shall be treated as a payment of more than the correct amount to such other person.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply only in the case of deaths of which the Secretary is first notified on or after the date of the enactment of this Act.

SEC. 769E. STUDY OF BENEFIT FORMULA NOTCH.

(a) STUDY BY PANEL.—(1) The Secretary of Health and Human Services shall appoint a special panel to conduct studies with respect to the so-called "notch" under the present formula (established by the Social Security Amendments of 1977) for determining primary insurance amounts under title II of the Social Security Act, including studies relating to—

(A) the extent to which inequities are actually resulting from the implementation of such formula;

(B) the nature and desirability of the actions that might be taken to correct any inequities which are found to exist; and

(C) the effect that any such actions would have upon the short- and long-term financial condition of the social security trust funds and upon the state of the national economy generally.

(2) In carrying out its duties under paragraph (1), the special panel shall consult with such outside experts as it may consider appropriate.

(b) REPORT.—The Secretary shall submit a report of the findings and recommendations of the special panel to the Senate Committee on Finance and the House Committee on Ways and Means not later than December 15, 1986.

SEC. 769F. GENERAL EFFECTIVE DATE.

Except as otherwise specifically provided, this subtitle and the amendments made by this subtitle shall take effect on the first day of the month following the month in which this Act is enacted.

Subtitle D—AFDC, SSI, Adoption Assistance, Foster Care, and Unemployment Compensation

SEC. 770. QUALITY CONTROL STUDIES AND PENALTY MORATORIUM.

(a) STUDIES.—(1) The Secretary of Health and Human Services (hereafter referred to in this section as the "Secretary") shall conduct a study of quality control systems for the Aid to Families with Dependent Children Program under title IV-A of the Social Security Act and for the Medicaid Program under title XIX of such Act. The study shall examine how best to operate such systems in order to obtain information which will allow program managers to improve the quality of administration, and provide reasonable data on the basis of which Federal funding may be withheld for States with excessive levels of erroneous payments.

(2) The Secretary shall also contract with the National Academy of Sciences to conduct a concurrent independent study for the purpose described in paragraph (1). For purposes of such study, the Secretary shall provide to the National Academy of Sciences any relevant data available to the Secretary at the onset of the study and on an ongoing basis.

(3) The Secretary and the National Academy of Sciences shall report the results of their respective studies to the Congress within one year after the date of the enactment of this Act.

(b) MORATORIUM ON PENALTIES.—(1) During the 24-month period beginning with the first calendar quarter which begins after the date of the enactment of this Act (hereafter in this section referred to as the "moratorium period"), the Secretary shall not impose any reductions in payments to States pursuant to section 403(i) or 1903(u) of the Social Security Act, or pursuant to any comparable provision of law relating to the programs under titles IV-A and XIX of such Act in Puerto Rico, Guam, the Virgin Islands, American Samoa, or the Northern Mariana Islands.

(2) During the moratorium period, the Secretary and the States shall continue to operate the quality control systems in effect under titles IV-A and XIX of the Social Security Act, and to calculate the error rates under the provisions referred to in paragraph (1).

(c) RESTRUCTURED QUALITY CONTROL SYSTEMS.—(1) Not later than 18 months after the date of the enactment of this Act, the Secretary shall publish regulations which shall—

(A) restructure the quality control systems under titles IV-A and XIX of the Social Security Act to the extent the Secretary determines to be appropriate, taking into account the studies conducted under subsection (a); and

(B) establish, taking into account the studies conducted under subsection (a), criteria for adjusting the reductions which shall be made for quarters prior to the implementation of the restructured quality control systems so as to eliminate reduc-

tions for those quarters which would not be required if the restructured quality control systems had been in effect during those quarters.

(2) Beginning with the first calendar quarter after the moratorium period, the Secretary shall implement the revised quality control systems, and shall reduce payments to States—

(A) for quarters after the moratorium period in accordance with the restructured quality control systems; and

(B) for quarters in and before the moratorium period, as provided under the regulations described in paragraph (1)(B).

(d) EFFECTIVE DATE.—This section shall become effective on the date of the enactment of this Act.

SEC. 771. AFDC AUTOMATION REQUIREMENTS.

(a) IN GENERAL.—Section 402(e)(2) of the Social Security Act is amended by adding at the end thereof the following new subparagraph:

"(C) If the Secretary determines that such a system has not been implemented by the State by the date specified for implementation in the State's advance automatic data processing planning document, then the Secretary shall reduce payments to such State, in accordance with section 403(b), in an amount equal to 40 percent of the expenditures referred to in section 403(a)(3)(B) with respect to which payments were made to the State under section 403(a)(3)(B). The Secretary may extend the deadline for implementation if the State demonstrates to the satisfaction of the Secretary that the State cannot implement such system by the date specified in such planning document due to circumstances beyond the State's control.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on the date of the enactment of this Act, but shall apply only with respect to sums expended by the States for the purposes described in section 403(a)(3)(B) of the Social Security Act on or after the date of the enactment of this Act.

SEC. 772. TREATMENT OF PER CAPITA PAYMENTS TO INDIANS.

(a) IN GENERAL.—Section 7 of the Act of October 19, 1973 (25 U.S.C. 1407) is amended by striking out "taxes, nor shall" and all that follows, and inserting in lieu thereof the following: "taxes. Such funds and their availability shall not be considered as income or resources, or otherwise utilized as the basis for denying or reducing the financial assistance or other benefits to which such household or member would otherwise be entitled under a program established by or pursuant to the Social Security Act or any other Federal or federally assisted program, except so much of such funds as exceed (in the aggregate) $2,000 per year per family unit (or other relevant unit applicable under the program involved) and which are paid as per capita shares.".

(b) REGULATIONS.—Each department or agency which issues regulations for the purpose of implementing the amendment made by subsection (a) shall, to the extent feasible, coordinate such regulations with those of the other such departments and agencies so as to avoid inconsistent requirements relating to such amendment and inappropriate duplicative counting of such income.

(c) EFFECTIVE DATE.—The amendment made by this section shall become effective on January 1, 1986.

SEC. 773. SSI PASSTHROUGH RELATING TO STATE SUPPLEMENTATION.

(a) RESTORATION OF STATE OPTION IN COMPLYING WITH PASSTHROUGH REQUIREMENTS.—Section 1618(e)(1) of the Social Security Act is amended by striking out "a State which is not treated as meeting the requirements imposed by paragraph (4) of subsection (a) by reason of subsection (b) shall be treated as meeting such requirements if and only if" and inserting in lieu thereof "a State shall be deemed to have met the requirements of paragraph (4) of subsection (a) if".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to months after March 1983.

SEC. 774. PROVISIONS RELATING TO MEDICAID COVERAGE UNDER THE ADOPTION ASSISTANCE PROGRAM.

(a) IN GENERAL.—Section 473(b) of the Social Security Act is amended to read as follows:

"(b) For purposes of title XIX, any child—

"(1) who is a child described in subsection (a)(1); and

"(2) with respect to whom an adoption assistance agreement is in effect under this section (whether or not adoption assistance payments are provided under the agreement or are being made under this section), including any such child who has been placed for adoption in accordance with applicable State and local law (whether or not an interlocutory or other judicial decree of adoption has been issued);

shall be deemed to be a dependent child as defined in section 406 and shall be deemed to be a recipient of aid to families with dependent children under part A of this title in the State where such child resides.".

(b) CONFORMING AMENDMENTS.—(1) Section 473(c)(2) of such Act is amended—

(A) by striking out "without providing adoption assistance" in clause (A) and inserting in lieu thereof "without providing adoption assistance under this section or medical assistance under title XIX"; and

(B) by inserting "or medical assistance under title XIX" before the period at the end thereof.

(2) Section 475(3) of such Act is amended by striking out "the adoption assistance payments and any additional services and assistance" in clause (A) of the first sentence and inserting in lieu thereof "any adoption assistance payments and any other services and assistance".

(3) Section 1902(a)(10)(A)(i)(I) of such Act is amended by striking out "or 406(h)" and inserting in lieu thereof ", 406(h), or 473(b)".

(c) EFFECTIVE DATE.—The amendments made by this section shall become effective on October 1, 1985.

SEC. 775. EXTENSION OF VOLUNTARY PLACEMENT, AND CEILING AND TRIGGER PROVISIONS, RELATING TO FOSTER CARE.

(a) Section 474(b) of the Social Security Act is amended—

(1) in paragraphs (1), (2)(B), and (4)(B), by striking out "1985" and inserting in lieu thereof "1987";

(2) in paragraph (2)(A)—

(A) by inserting "and" at the end of clause (ii), and

(B) by striking out clauses (iii), (iv), and (v) and inserting in lieu thereof the following:

"(iii) with respect to each of the fiscal years 1983 through 1987, only if the amount appropriated under section 420 for such fiscal year is equal to $266,000,000."; and

(3) in paragraph (5)(A)—

(A) by striking out "October 1, 1985" and inserting in lieu thereof "October 1, 1987", and

(B) in clause (ii), by striking out "1984 and 1985" and inserting in lieu thereof "1984 through 1987".

(b) Paragraphs (1) and (2) of section 474(c) of such Act are each amended by striking out "1985" and inserting in lieu thereof "1987".

(c)(1) Section 102(a)(1) of the Adoption Assistance and Child Welfare Act of 1980 (Public Law 96-272) is amended by striking out "1985" and inserting in lieu thereof "1987".

(2) Section 102(c) of such Act is amended by striking out "1985" each place it appears and inserting in lieu thereof "1987".

SEC. 776. INDEPENDENT LIVING INITIATIVES.

(a) INDEPENDENT LIVING INITIATIVES.—Part E of title IV of the Social Security Act is amended by adding at the end thereof the following new section:

"INDEPENDENT LIVING INITIATIVES

"SEC. 477. (a) Payments shall be made in accordance with this section for the purpose of assisting States and localities in establishing and carrying out programs designed to assist children, with respect to whom foster care maintenance payments are being made by the State under this part and who have attained age 16, in making the transition from foster care to independent living. Any State which provides for the establishment and carrying out of one or more such programs in accordance with this section for a fiscal year shall be entitled to receive payments under this section for such fiscal year, in an amount determined under subsection (e). Such payments shall be made only for the fiscal years 1986 and 1987.

"(b) The State agency administering or supervising the administration of the State's programs under this part shall be responsible for administering or supervising the administration of the State's programs described in subsection (a). Payment under this section shall be made to the State, and shall be used for the purpose of conducting and providing in accordance with this section (directly or under contracts with local governmental entities or private nonprofit organizations) the activities and services required to carry out the program or programs involved.

"(c) In order for a State to receive payments under this section for any fiscal year, the State agency must submit to the Secretary, in such manner and form as the Secretary may prescribe, a description of the program together with satisfactory assurances that the program will be operated in an effective and efficient manner and will otherwise meet the requirements of this section. In the case of payments for fiscal year 1986, such description and assurances must be submitted within 90 days after the Secretary promulgates regulations as required under subsection (i), and in the case of payments for fiscal year 1987, such description and assurances must be submitted prior to January 1, 1987.

"(d) In carrying out the purpose described in subsection (a), it shall be the objective of each program established under this section to help the individuals participating in such program to prepare to live independently upon leaving foster care. Such programs may include (subject to the availability of funds) programs to—

"(1) enable participants to seek a high school diploma or its equivalent or to take part in appropriate vocational training;

"(2) provide training in daily living skills, budgeting, locating and maintaining housing, and career planning;

"(3) provide for individual and group counseling;

"(4) integrate and coordinate services otherwise available to participants;

"(5) provide for the establishment of outreach programs designed to attract individuals who are eligible to participate in the program;

"(6) provide each participant a written transitional independent living plan which shall be based on an assessment of his needs, and which shall be incorporated into his case plan, as described in section 475(1); and

"(7) provide participants with other services and assistance designed to improve their transition to independent living.

"(e)(1) The amount to which a State shall be entitled under section 474(a)(4) for each of the fiscal years 1986 and 1987 shall be an amount which bears the same ratio to $500,000 as such State's average number of children receiving foster care maintenance payments under this part in fiscal year 1984 bears to the total of the average number of children receiving such payments under this part for all States for fiscal year 1984.

"(2) If any State does not apply for funds under this section for any fiscal year within the time provided in subsection (c), the funds to which such State would have been entitled for such fiscal year shall be reallocated to one or more other States on the basis of their relative need for additional payments under this section (as determined by the Secretary).

"(3) Any amounts payable to States under this section shall be in addition to amounts payable to States under subsections (a)(1), (a)(2), and (a)(3) of section 474, and shall supplement and not replace any other funds which may be available for the same general purposes in the localities involved.

"(f) Payments made to a State under this section for any fiscal year—

"(1) shall be used only for the specific purposes described in this section;

"(2) may be made on an estimated basis in advance of the determination of the exact amount, with appropriate subsequent adjustments to take account of any error in the estimates; and

"(3) shall be expended by such State in such fiscal year or in the succeeding fiscal year.

"(g)(1) Not later than March 1, 1987, each State shall submit to the Secretary a report on the programs carried out with the amounts received under this section. Such report—

"(A) shall be in such form and contain such information as may be necessary to provide an accurate description of such activities, to provide a complete record of the purposes for which the funds were spent, and to indicate the extent to which the expenditure of such funds succeeded in accomplishing the purpose described in subsection (a); and

"(B) shall specifically contain such information as the Secretary may require in order to carry out the evaluation under paragraph (2).

"(2) Not later than July 1, 1987, the Secretary, on the basis of the reports submitted by States under paragraph (1) for the fiscal year 1986, and on the basis of such additional information as the Secretary may obtain or develop, shall evaluate the use by States of the payments made available under this section for such fiscal year with respect to the purpose of this section, with the objective of appraising the achievements of the programs for which such payments were made available, and developing comprehensive information and data on the basis of which decisions can be made with respect to the improvement of such programs and the necessity for providing further payments in subsequent years. The Secretary shall report such evaluation to the Congress. As a part of such evaluation, the Secretary shall include, at a minimum, a detailed overall description of the number and characteristics of the individuals served by the programs, the various kinds of activities conducted and services provided and the results achieved, and shall set forth in detail findings and comments with respect to the various State programs and a statement of plans and recommendations for the future.

"(h) Notwithstanding any other provision of this title, payments made and services provided to participants in a program under this section, as a direct consequence of their participation in such program, shall not be considered as income or resources for purposes of determining eligibility (or the eligibility of any other persons) for aid under the State's plan approved under section 402 or 471, or for purposes of determining the level of such aid.

"(i) The Secretary shall promulgate final regulations for implementing this section within 60 days after the date of the enactment of this section.".

(b) CASE PLANS.—Section 475(1) of such Act is amended by adding at the end thereof the following: "Where appropriate, for a child age 16 or over, the case plan must also include a written description of the programs and services which will help such child prepare for the transition from foster care to independent living.".

(c) PAYMENTS TO STATES.—Section 474(a) of such Act is amended—

(1) by striking out the period at the end of subparagraph (3) and inserting in lieu thereof "; plus"; and

(2) by adding at the end thereof the following new subparagraph:

"(4) an amount for transitional independent living programs as provided in section 477.".

(d) CONFORMING AMENDMENT.—Section 470 of such Act is amended by striking out "foster care and adoption assistance" and inserting in lieu thereof "foster care, adoption assistance, and transitional independent living programs".

SEC. 776A. RECOVERY OF UNEMPLOYMENT BENEFITS OVERPAYMENTS.

(a) IN GENERAL.—(1) Section 303(a)(5) of the Social Security Act is amended by inserting before the semicolon at the end thereof the following: ": *Provided further*, That amounts may be deducted from unemployment benefits and used to repay overpayments as provided in subsection (g)".

(2) Section 303 of such Act is amended by adding at the end thereof the following new subsection:

"(g)(1) A State may deduct from unemployment benefits otherwise payable to an individual an amount equal to any overpayment made to such individual under an unemployment benefit program of the United States or of any other State, and not previously recovered. The amount so deducted shall be paid to the jurisdiction under whose program such overpayment was made. Any such deduction shall be made only in accordance with the same procedures relating to notice and opportunity for a hearing as apply to the recovery of overpayments of regular unemployment compensation paid by such State.

"(2) Any State may enter into an agreement with the Secretary of Labor under which—

"(A) the State agrees to recover from unemployment benefits otherwise payable to an individual by such State any overpayments made under an unemployment benefit program of the United States to such individual and not previously recovered, in accordance with paragraph (1), and to pay such amounts recovered to the United States for credit to the appropriate account, and

"(B) the United States agrees to allow the State to recover from unemployment benefits otherwise payable to an individual under an unemployment benefit program of the United States any overpayments made by such State to such individual under a State unemployment benefit program and not previously recovered, in accordance with the same procedures as apply under paragraph (1).

"(3) For purposes of this subsection, 'unemployment benefits' means unemployment compensation, trade adjustment allowances, and other unemployment assistance.".

(b) CONFORMING AMENDMENT.—Section 3304(a)(4) of the Internal Revenue Code of 1954 is amended—

(1) by striking out "and" at the end of subparagraph (B);

(2) by adding "and" at the end of subparagraph (C); and

(3) by adding at the end thereof the following new subparagraph:

"(D) amounts may be deducted from unemployment benefits and used to repay overpayments as provided in section 303(g) of the Social Security Act;".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to recoveries made on or after October 1, 1985, and shall apply with respect to overpayments made before, on, or after such date.

Subtitle E—Customs Fees

SEC. 777. FEES FOR CERTAIN CUSTOMS SERVICES.

(a) In addition to any other fees authorized by law, the Secretary of the Treasury shall charge and collect the following fees for the provision of customs services in connection with the following:

(1) For the arrival of a commercial vessel of 100 net tons or more, $397.

(2) For the arrival of a commercial vessel of less than 100 net tons, $25.

(3) For the arrival of a commercial truck, $5.

(4) For the arrival of each railroad car, whether passenger or freight, $5.

(5) For each arrival made by a private vessel or private aircraft, $25.

(6) For the arrival of each passenger aboard a commercial vessel or commercial aircraft from a place outside the United States (other than a place referred to in subsection (b)), $5.

(7) For each informal entry for which a document is prepared by a customs officer, $5.

(8) For each item of dutiable mail for which a document is prepared by a customs officer, $5.

(9) For the initial transportation of a shipment of merchandise in bond, $10.

(10) For each customs broker permit held by an individual, partnership, association, or corporate customs broker, $125 per year.

(b)(1) No fee shall be charged under subsection (a) for customs services provided in connection with—

(A) the arrival of any passenger whose journey originated in—

(i) Canada,

(ii) Mexico,

(iii) a territory or possession of the United States, or

(iv) any adjacent island (within the meaning of section 101(b)(5) of the Immigration and Nationality Act (8 U.S.C. 1101(b)(5)), or

(B) the arrival of any railroad car that is part of a train which originates and terminates in the same country, but only if—

(i) such car is part of such train when such train departs from the United States, and

(ii) no passengers board or disembark from such train, and no cargo is loaded or unloaded from such train, while such train is within any country other than the country in which such train originates and terminates.

(2) No fee shall be charged under paragraph (7) of subsection (a) for the provision of customs services in connection with an informal entry if a fee is charged under paragraph (6) of subsection (a) for the provision of such services.

(c) For purposes of this section—

(1) The term "vessel" does not include any ferry.

(2) The term "arrival" means arrival at a port of entry in the customs territory of the United States.

(3) The term "customs territory of the United States" has the meaning given to such term by headnote 2 of the General Headnotes and Rules of Interpretation of the Tariff Schedules of the United States.

(4) The term "customs broker permit" means a permit issued under section 641(c) of the Tariff Act of 1930 (19 U.S.C. 1641(c)).

(d)(1) Each person providing transportation for hire into the customs territory of the United States by vessel or aircraft shall—

(A) collect from each passenger on such vessel or aircraft the fee charged under subsection (a)(6) at the time the document or ticket for such transportation is issued to such passenger, and

"(B) separately identify on such document or ticket the fee charged under subsection (a)(6) as a Federal inspection fee.

(2) If—

(A) a document or ticket for transportation of a passenger into the customs territory of the United States is issued in a foreign country, and

(B) the fee charged under subsection (a)(6) is not collected at the time such document or ticket is issued, the person providing transportation to such passenger shall collect such fee at the time such passenger departs from the customs territory of the United States and shall provide such passenger a receipt for the payment of such fee.

(3) The person providing transportation shall remit the fees collected under paragraph (1) or (2) to the Secretary of the Treasury at any time before the date that is 31 days after the close of the calendar quarter in which such fees are collected from the passengers.

(e)(1) Notwithstanding section 451 of the Tariff Act of 1930 (19 U.S.C. 1451) or any other provision of law (other than paragraph (2)), the customs services required to be provided to passengers upon arrival in the United States on scheduled airline flights at customs serviced airports shall be adequately provided when needed and at no cost (other than the fees imposed under subsection(a)) to airlines and airline passengers.

(2) This subsection shall not apply with respect to any airport designated under section 236(c) of the Trade and Tariff Act of 1984 (19 U.S.C. 58b(c)).

(f)(1) All—

(A) fees (including those collected under subsection (a)), and

(B) receipts from reimbursable expenses which have been paid for out of any appropriation for collecting the revenue from customs,

that are covered into the Treasury of the United States as miscellaneous receipts under the first section of the Act of March 4, 1907 (19 U.S.C. 527) shall be placed in a separate account within the general fund of the Treasury of the United States.

(2) This subsection shall not apply to fees charged under section 236 of the Trade and Tariff Act of 1984 (19 U.S.C. 58b).

(g) The Secretary of the Treasury may prescribe such rules and regulations as may be necessary to carry out the provisions of this section.

(h)(1) Section 524 of the Tariff Act of 1930 (19 U.S.C. 1524) is repealed.

(2) Subsection (i) of section 305 of the Rail Passenger Service Act (45 U.S.C. 545(i)) is amended by striking out the last sentence thereof.

(3) Subsection (e) of section 53 of the Airport and Airway Development Act of 1970 (49 U.S.C. 1741(e)) is repealed.

(i) The provisions of this section, and the amendments and repeals made by this section, shall apply with respect to customs services rendered after the date that is 90 days after the date of enactment of this Act.

Subtitle F—Trade Adjustment Assistance

SEC. 778. SHORT TITLE.

This subtitle may be cited as the "Trade Adjustment Assistance Reform and Extension Act of 1985".

SEC. 778A. ELIGIBILITY OF WORKERS AND FIRMS FOR TRADE ADJUSTMENT ASSISTANCE.

(a)(1) Section 221(a) of the Trade Act of 1974 (19 U.S.C. 2271(a)) is amended by inserting "(including workers in any agricultural firm or subdivision of an agricultural firm)" after "group of workers".

(2) Section 222 of the Trade Act of 1974 (19 U.S.C. 2272) is amended to read as follows:

"SEC. 222. GROUP ELIGIBILITY REQUIREMENTS.

"(a) The Secretary shall certify a group of workers (including workers in any agricultural firm or subdivision of an agricultural firm) as eligible to apply for adjustment assistance under this chapter if the Secretary determines that—

"(1) a significant number or proportion of the workers in such workers' firm or an appropriate subdivision of the firm have become totally or partially separated, or are threatened to become totally or partially separated,

"(2) sales or production, or both, of such firm or subdivision have decreased absolutely, and

"(3) increases of imports of articles like or directly competitive with articles—

"(A) which are produced by such workers' firm or appropriate subdivision thereof, or

"(B) to which such workers' firm, or appropriate subdivision thereof, provides essential parts or essential services,

contributed importantly to such total or partial separation, or threat thereof, and to such decline in sales or production.

"(b) For purposes of subsection (a)(3), the term 'contributed importantly' means a cause which is important but not necessarily more important than any other cause.".

(b)(1) Subsection (a) of section 251 of the Trade Act of 1974 (19 U.S.C. 2341(a)) is amended by inserting "(including any agricultural firm)" after "a firm".

(2) Subsection (c) of section 251 of the Trade Act of 1974 (19 U.S.C. 2341(c)) is amended to read as follows:

"(c)(1) The Secretary shall certify a firm (including any agricultural firm) as eligible to apply for adjustment assistance under this chapter if the Secretary determines that—

"(A) a significant number or proportion of the workers in such firm have become totally or partially separated, or are threatened to become totally or partially separated,

"(B) sales or production, or both, of such firm have decreased absolutely, and

"(C) increases of imports of articles like or directly competitive with articles—

"(i) which are produced by such firm, or

"(ii) to which such firm provides essential parts or essential services,

contributed importantly to such total or partial separation, or threat thereof, and to such decline in sales or production.

"(2) For purposes of paragraph (1)(C), the term 'contributed importantly' means a cause which is important but not necessarily more important than any other cause.".

SEC. 778B. CASH ASSISTANCE FOR WORKERS.

(a)(1) Subsection (a) of section 231 of the Trade Act of 1974 (19 U.S.C. 2291) is amended by adding after paragraph (4) the following new paragraph:

"(5) Such worker—

"(A) is enrolled in a training program approved by the Secretary under section 236(a),

"(B) has, after the date on which the worker became totally separated, or partially separated, from the adversely affected employment, completed a training program approved by the Secretary under section 236(a), or

"(C) has received a written statement certified by the Secretary under subsection (c)(1) after the date described in subparagraph (B).".

(2) Subsection (b) of section 231 of the Trade Act of 1974 (19 U.S.C. 2291(b)) is amended to read as follows:

"(b) If the Secretary determines that—

"(1) the adversely affected worker—

"(A) has failed to begin participation in the training program the enrollment in which meets the requirement of subsection (a)(5), or

"(B) has ceased to participate in such training program before completing such training program, and

"(2) there is no justifiable cause for such failure or cessation,

no trade adjustment allowance may be paid to the adversely affected worker under this part on or after the date of such determination until the adversely affected worker begins or resumes participation in a training program approved under section 236(a).".

(3) Section 231 of the Trade Act of 1974 (19 U.S.C. 2291) is amended by adding at the end thereof the following new subsection:

"(c)(1) If the Secretary is unable to approve a training program for a worker under section 236(a), the Secretary shall submit to such worker a written statement certifying that the Secretary was unable to approve a training program for such worker. The authority of the Secretary to issue such a statement may not be delegated to a State

or State agency under an agreement entered into under section 239.

"(2) If a State or State agency has entered into an agreement with the Secretary under section 239 and the State or State agency determines that it is unable to approve a training program for a worker pursuant to the requirements of section 236(a), the State or State agency shall submit to the Secretary a written statement certifying such determination and the reasons for such determination. The Secretary shall review such determination and shall certify the written statement described in paragraph (1) only if the Secretary finds that the determination of the State or State agency is justified.

"(3) The Secretary shall submit to the Finance Committee of the Senate and to the Ways and Means Committee of the House of Representatives an annual report on the number of certifications made by the Secretary under paragraph (1) during the preceding year.".

(4) The last sentence of section 231(a)(2) of the Trade Act of 1974 (19 U.S.C. 2291(a)(2)) is amended by striking out all that follows after subparagraph (C) and inserting in lieu thereof "shall be treated as a week of employment at wages of $30 or more, but not more than 7 weeks, in case of weeks described in paragraph (A) or (C), or both, may be treated as weeks of employment under this sentence.".

(b) Section 232 of the Trade Act of 1974 (19 U.S.C. 2292) is amended—

(1) by striking out "under any Federal law," in subsection (c) and inserting in lieu thereof "under any Federal law other than this Act",

(2) by striking out "under section 236(c)" in subsection (c) and inserting in lieu thereof "under section 231(b)", and

(3) by striking out "If the training allowance" in subsection (c) and inserting in lieu thereof "If such training allowance".

(c)(1) Subsection (a) of section 233 of the Trade Act of 1974 (19 U.S.C. 2293(a)) is amended—

(A) by striking out "52" in paragraph (1) and inserting in lieu thereof "78", and

(B) by striking out "52-week period" in paragraph (2) and inserting in lieu thereof "78-week period".

(2) Paragraph (3) of section 233(a) of the Trade Act of 1974 (19 U.S.C. 2293(a)(3)) is amended to read as follows:

"(3) If the adversely affected worker has received a written statement certified by the Secretary under section 231(c) after the date the worker became totally separated, or partially separated, from adversely affected employment, this subsection shall be applied with respect to such worker—

"(A) by substituting '52' for '78' in paragraph (1), and

"(B) by substituting '52-week period' for '78-week period' in paragraph (2).".

(3) Subsection (b) of section 233 of the Trade Act of 1974 (19 U.S.C. 2293(b)) is amended to read as follows:

"(b) No trade readjustment allowance shall be paid to a worker under this part for any week during which the worker is receiving on-the-job training.".

SEC. 778C. JOB TRAINING FOR WORKERS.

(a) Section 236 of the Trade Act of 1974 (19 U.S.C. 2296) is amended—

(1) by striking out "for a worker" in subsection (a)(1)(A) and inserting in lieu thereof "for an adversely affected worker",

(2) by striking out "is available" in subsection (a)(1)(D) and inserting in lieu thereof "is reasonably available",

(3) by striking out "may approve" in the first sentence of subsection (a)(1) and inserting in lieu thereof "shall approve",

(4) by inserting "directly or through a voucher system" after "by the Secretary" in the second sentence of subsection (a)(1),

(5) by striking out "under paragraph (1)" in subsection (a)(2) and inserting in lieu thereof "under subsection (a)",

(6) by striking out "this subsection" in subsection (a)(3) and inserting in lieu thereof "this section",

(7) by striking out subsection (c),

(8) by redesignating paragraphs (2) and (3) of subsection (a) as subsections (d) and (e), respectively,

(9) by inserting at the end of subsection (a) the following new paragraphs:

"(2)(A) The aggregate amount of payments that may be made under paragraph (1) for any worker shall not exceed $4,000 for each partial separation or total separation.

"(B) The Secretary may issue more than one voucher under paragraph (1) to a worker with respect to any partial separation or total separation, but the aggregate value of such vouchers shall not exceed the amount of the limitation imposed by subparagraph (A) with respect to such separation.

"(3)(A) If the costs of a training program are paid by the Secretary under paragraph (1), no other payment for such costs may be made under any other provision of Federal law.

"(B) No payment may be made under paragraph (1) of the costs of a training program if such costs—

"(i) have already been paid under any other provision of Federal law, or

"(ii) are reimbursable under any other provision of Federal law and a portion of such costs have already been paid under such other provision of Federal law.

"(4) The training programs that may be approved under paragraph (1) include, but are not limited to, the following:

"(A) on-the-job training,

"(B) any training program provided by a State pursuant to section 303 of the Job Training Partnership Act,

"(C) any training program approved by a private industry council established under section 102 of such Act, and

"(D) any other training program approved by the Secretary.", and

(10) by inserting after subsection (b) the following new subsection:

"(c)(1) The Secretary may pay the costs of on-the-job training of an adversely affected worker under subsection (a)(1) only if—

"(A) the employer certifies to the Secretary, on such periodic basis as the Secretary may require, that the worker's training will not result in—

"(i) the displacement of currently employed workers (including partial displacement such as reduction in the hours of nonovertime work or in wages or employment benefits), or

"(ii) the hiring of the trainee to fill a job opening created by the action of the employer in laying off or terminating the employment of any regular employee,

"(B) the worker's training does not result in the actions described in clause (i) or (ii) of subparagraph (A),

"(C) such training is not for the same occupation from which the worker was separated and with respect to which such worker's group was certified pursuant to section 222, and

"(D) the employer certifies to the Secretary that the employer will continue to employ such worker for at least 26 weeks after completion of such training.

"(2) If—

"(A) on-the-job training of an adversely affected worker results in an action described in clause (i) or (ii) of paragraph (1)(A), or

"(B) the employer fails to continue to employ the worker for at least 26 weeks after the completion of such training,

the employer shall be liable for a civil penalty not to exceed $12,000 for each of such violations committed with respect to each adversely affected worker.".

(b) Section 247 of the Trade Act of 1974 (19 U.S.C. 2319) is amended by adding at the end thereof the following new paragraph:

"(16) The term 'on-the-job training' means training provided by an employer to an individual who is employed by the employer.".

SEC. 778D. JOB SEARCH ALLOWANCES.

Section 237 of the Trade Act of 1974 (19 U.S.C. 2297) is amended by adding at the end thereof the following new subsection:

"(d)(1) The Secretary shall reimburse any adversely affected worker for necessary expenses incurred by such worker in participating in a job search program approved by the Secretary.

"(2) For purposes of this subsection—

"(A) The term 'job search program' means a job search workshop or job finding club.

"(B) The term 'job search workshop' means a short (1 to 3 days) seminar designed to provide participants with knowledge that will enable the participants to find jobs. Subjects are not limited to, but should include, labor market information, resume writing, interviewing techniques, and techniques for finding job openings.

"(C) The term 'job finding club' means a job search workshop which includes a period (1 to 2 weeks) of structured, supervised application in which participants attempt to obtain jobs.".

SEC. 778E. ADJUSTMENT ASSISTANCE FOR FIRMS.

(a) Paragraph (1) of section 252(b) of the Trade Act of 1974 (19 U.S.C. 2342(b)(1)) is amended to read as follows:

"(1) Adjustment assistance under this chapter consists of technical assistance. The Secretary shall approve a firm's application for adjustment assistance only if the Secretary determines that the firm's adjustment proposal—

"(A) is reasonably calculated to materially contribute to the economic adjustment of the firm,

"(B) gives adequate consideration to the interests of the workers of such firm, and

"(C) demonstrates that the firm will make all reasonable efforts to use its own resources for economic development.".

(b) Section 254 of the Trade Act of 1974 (19 U.S.C. 2344) is amended by adding at the end thereof the following new subsection:

"(d) Notwithstanding any other provision of this chapter, no direct loans or guarantees of loans may be made under this chapter after the date of enactment of the Trade Adjustment Assistance Reform and Extension Act of 1985.".

SEC. 778F. TERMINATION OF TRADE ADJUSTMENT ASSISTANCE.

(a) Section 285 of the Trade Act of 1974 (19 U.S.C. 2271, preceding note) is amended—

(1) by striking out the first sentence thereof and inserting in lieu thereof "(a)",

(2) by striking out the section heading and inserting in lieu thereof "sec. 285. termination.", and

(3) by adding at the end thereof the following new subsection:

"(b) No assistance, vouchers, allowances, or other payments may be provided under chapter 2, no technical assistance may be provided under chapter 3, and no duty shall be imposed under section 287, after the date that is 6 years after the date of enactment of the Trade Adjustment Assistance Reform and Extension Act of 1985.".

(b) The table of contents of the Trade Act of 1974 is amended by striking out the item relating to section 285 and inserting in lieu thereof the following:

"Sec. 285. Termination.".

SEC. 778G. FUNDING OF TRADE ADJUSTMENT ASSISTANCE.

(a)(1) Section 245 of the Trade Act of 1974 (19 U.S.C. 2317) is amended by striking out "1982 through 1985" and inserting in lieu thereof "1986, 1987, 1988, and 1989".

(2) Subsection (b) of section 256 of the Trade Act of 1974 (19 U.S.C. 2346(b)) is amended—

(A) by inserting "for fiscal years 1986, 1987, 1988, and 1989" after "to the Secretary",

(B) by striking out "from time to time", and

(C) by striking out the last sentence thereof.

(b) Chapter 5 of title II of the Trade Act of 1974 (19 U.S.C. 2391, et seq.) is amended by inserting after section 285 the following new section:

"SEC. 286. TRADE ADJUSTMENT ASSISTANCE TRUST FUND.

"(a) There is hereby established within the Treasury of the United States a trust fund to be known as the Trade Adjustment Assistance Trust Fund (hereinafter in this section referred to as the "Trust Fund"), consisting of such amounts as may be transferred or credited to the Trust Fund as provided in this section or otherwise appropriated to the Trust Fund.

"(b)(1) The Secretary of the Treasury shall transfer to the Trust Fund out of the general fund of the Treasury of the United States amounts determined by the Secretary of the Treasury to be equivalent to the amounts received into such general fund that are attributable to the duty imposed by section 287.

"(2) The amounts which are required to be transferred under paragraph (1) shall be transferred at least quarterly from the general fund of the Treasury of the United States to the Trust Fund on the basis of estimates made by the Secretary of the Treasury of the amounts referred to in paragraph (1) that are received into the Treasury. Proper adjustments shall be made in the amounts subsequently transferred to the extent prior estimates were in excess of, or less than, the amounts required to be transferred.

"(c)(1) The Secretary of the Treasury shall be the trustee of the Trust Fund, and shall submit an annual report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives on the financial condition and the results of the operations of the Trust Fund during the fiscal year preceding the fiscal year in which such report is submitted and on the expected condition and operations of the Trust Fund during the fiscal year in which such report is submitted and the 5 fiscal years succeeding such fiscal year. Such report shall be printed as a House document of the session of the Congress to which the report is made.

"(2)(A) It shall be the duty of the Secretary of the Treasury to invest such portion of the Trust Fund as is not, in his judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States. For such purpose, such obligations may be acquired—

"(i) on original issue at the issue price, or

"(ii) by purchase of outstanding obligations at the market price.

"(B) Any obligation acquired by the Trust Fund may be sold by the Secretary of the Treasury at the market price.

"(C) The interest on, and the proceeds from the sale or redemption of, any obligations held in the Trust Fund shall be credited to and form a part of the Trust Fund.

"(d) Amounts in the Trust Fund shall only be available for making expenditures to carry out the provisions of chapters 2 and 3 of this title. None of the amounts in the Trust Fund shall be available for the payment of loans guaranteed under chapter 3 or for any other expenses relating to financial assistance provided under chapter 3 of this title.".

(c) Chapter 5 of title II of the Trade Act of 1975 (19 U.S.C. 2391, et seq.), as amended by subsection (b) of this section and by section 778H(b) of this Act, is further amended by adding at the end thereof the following new section:

"SEC. 288. APPROPRIATION OF FUNDS.

"The Secretary of the Treasury is authorized and directed to pay out of the Trade Adjustment Assistance Trust Fund all expenses incurred by the Secretary of Labor or the Secretary of Commerce in carrying out the provisions of chapters 2 and 3 of this title.".

(d) The table of contents for the Trade Act of 1974 is amended by inserting, after the item relating to section 285, the following new items:

"Sec. 286. Trade Adjustment Trust Fund.

"Sec. 287. Imposition of additional duty.

"Sec. 288. Appropriation of funds.".

SEC. 778H. IMPOSITION OF SMALL UNIFORM DUTY ON ALL IMPORTS.

(a)(1) The President shall undertake negotiations necessary to achieve changes in the General Agreement on Tariffs and Trade that would allow any country to impose a small uniform duty on all imports to such country for the purpose of using the revenue from such duty to fund any program which assists adjustment to import competition.

(2) On the date that is 6 months after the date of enactment of this Act, the President shall submit to the Congress a report on the progress of negotiations conducted under paragraph (1).

(3) On the first day after the date of enactment of this Act on which the General Agreement on Tariffs and Trade allows any country to impose a duty described in paragraph (1), the President shall submit to the Congress a written statement certifying that the General Agreement on Tariffs and Trade allows such a duty.

(b) Chapter 5 of title II of the Trade Act of 1974 (19 U.S.C. 2391, et seq.), as amended by section 778G(b) of this Act, is further amended by adding at the end thereof the following new section:

"SEC. 287. IMPOSITION OF ADDITIONAL DUTY.

"(a) In addition to any other duty imposed by law, there is hereby imposed a duty on the entry, or withdrawal from warehouse, of any article for consumption in the customs territory of the United States.

"(b)(1) The rate of the duty imposed by subsection (a) shall be a uniform ad valorem rate proclaimed by the President at least 30 days prior to the date such rate takes effect which is equal to the lesser of—

"(A) 1 percent, or

"(B) a percentage that is sufficient to provide the funding necessary to carry out the provisions of chapters 2 and 3 of title II of the Trade Act of 1974.

"(c) Duty-free treatment provided with respect to any article under any other provision of law shall not prevent the imposition of the duty imposed with respect to such article by subsection (a).".

SEC. 778I. TAXATION OF TRADE READJUSTMENT ASSISTANCE.

Section 85(c) of the Internal Revenue Code of 1954 is amended by inserting ", but not including payments of training costs, or training vouchers, provided under section 236 of the Trade Act of 1974 (19 U.S.C. 2296)" after "nature of unemployment compensation".

SEC. 778J. EFFECTIVE DATES.

(a) The amendments made by sections 778E, 778F, and 778G(a) and the provisions of section 778H(a), shall take effect on the date of enactment of this Act.

(b)(1) The amendment made by section 778H(b) shall apply to any article entered, or withdrawn from warehouse, for consumption after the earlier of—

(A) the date that is 2 years after the date of enactment of this Act, or

(B) the date that is 30 days after the date on which the President submits to the Congress the written statement described in section 778H(a)(3).

(2) The amendments made by subsections (b) and (d) of section 778G shall take effect on the earlier of—

(A) the date that is 2 years after the date of enactment of this Act, or

(B) the date that is 30 days after the date described in subsection (b)(1)(B).

(c) The amendments made by sections 778A, 778B, 778C, 778D, and 778G(c) shall take effect on the earlier of—

(1) the date that is 3 years after the date of enactment of this Act, or

(2) the date that is 1 year after the date described in subsection (b)(1)(B).

(d) The amendment made by section 778I shall apply to taxable years ending on or after the earlier of—

(1) the date that is 3 years after the date of enactment of this Act, or

(2) the date that is 1 year after the date described in subsection (b)(1)(B).

Subtitle G—Revenue Sharing

SEC. 779. TERMINATION OF GENERAL REVENUE SHARING.

(a) Chapter 67 of title 31, United States Code, is repealed.

(b)(1) The table of chapters for subtitle V of title 31, United States Code, is amended by striking out the item relating to chapter 67.

(2) Paragraph (2) of section 1115(b) of the Social Security Act (42 U.S.C. 1315(b)(2)) is amended—

(A) by adding "and" at the end of subparagraph (A),

(B) by striking out "; and" at the end of subparagraph (B) and inserting in lieu thereof a period, and

(C) by striking out subparagraph (C).

(3) Section 501(b)(6) of the Housing Act of 1949 (42 U.S.C. 1471(b)(6)) and section 102(a)(17) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)(17)) are each amended by striking

out "under the State and Local Fiscal Assistance Act of 1972 (Public Law 92-512)" and inserting in lieu thereof ", prior to October 1, 1986, under chapter 67 of title 31, United States Code".

(4) Section 302 of the Age Discrimination Act of 1975 (42 U.S.C. 6101) is amended by striking out ", including programs or activities receiving funds under the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. 1221 et seq.)".

(5) Paragraph (3) of section 3 of the Coastal Barrier Resources Act (16 U.S.C. 3502(3)) is amended by striking out subparagraph (A) and redesignating subparagraphs (B), (C), (D), and (E) as subparagraphs (A), (B), (C), and (D), respectively.

(6) Subparagraph (B) of section 119(n)(2) of the Housing and Community Development Act of 1974 (42 U.S.C. 5318(n)(2)(B)) is amended by striking out "is an eligible recipient" and inserting in lieu thereof "was an eligible recipient, prior to October 1, 1986,".

(7) Paragraph (1) of section 248(h) of the National Housing Act (12 U.S.C. 1715z-13(h)(1)) is amended by striking out "is an eligible recipient" and inserting in lieu thereof "was an eligible recipient, prior to October 1, 1986,".

(c) The repeal and amendments made by this section shall take effect on October 1, 1986.

Subtitle H—Pension Benefit Guaranty Corporation

SEC. 779A. INCREASE IN PENSION BENEFIT GUARANTY CORPORATION PREMIUMS FOR SINGLE-EMPLOYER PLANS.

(a) IN GENERAL.—Clause (i) of section 4006(a)(3)(A) of the Employee Retirement Income Security Act of 1974 is amended by striking out "for plan years beginning after December 31, 1977, an amount equal of $2.60" and inserting in lieu thereof "for plan years beginning after December 31, 1985, an amount equal to $8.10".

(b) TECHNICAL AMENDMENTS.—

(1) Clause (iii) of section 4006(a)(3)(C) of such Act is amended by striking out "The maximum" and inserting in lieu thereof "In the case of a multiemployer plan, the maximum".

(2) Clause (iv) of section 4006(a)(3)(C) of such Act is amended by striking out "The provisions" and inserting in lieu thereof "In the case of a multiemployer plan, the provisions".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 1985.

Subtitle I—Revenue Provisions

SEC. 780. SHORT TITLE; AMENDMENT OF 1954 CODE.

(a) SHORT TITLE.—This subtitle may be cited as the "Comprehensive Omnibus Budget Reconciliation Revenue Act of 1985".

(b) AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

PART 1—INCOME TAX PROVISIONS

SEC. 781. FULL-TIME STUDENTS NOT ELIGIBLE FOR INCOME AVERAGING.

(a) IN GENERAL.—Subsection (d) of section 1303 (defining eligible individuals for income averaging) is amended to read as follows:

"(d) ELIGIBLE INDIVIDUALS NOT TO INCLUDE FULL-TIME STUDENTS.—

"(1) IN GENERAL.—For purposes of this part, an individual shall not be an eligible individual for the computation year if, at any time during any base period year, such individual was a student.

"(2) EXCEPTION FOR MARRIED STUDENTS PROVIDING 25 PERCENT OR LESS OF JOINT INCOME.—Paragraph (1) shall not apply to any individual for any computation year if—

"(A) the individual makes a joint return for the computation year, and

"(B) not more than 25 percent of the aggregate adjusted gross income of such individual and the spouse of such individual for such computation year is attributable to such individual.

"(3) STUDENT DEFINED.—For purposes of this subsection, the term 'student' means, with respect to a taxable year, an individual who during each of 5 calendar months during such taxable year—

"(A) was a full-time student at an educational organization described in section 170(b)(1)(A)(ii); or

"(B) was pursuing a full-time course of institutional on-farm training under the supervision of an accredited agent of an educational organization described in section 170(b)(1)(A)(ii) or of a State or political subdivision of a State.".

(b) REPEAL OF NON-FULL-TIME STUDENT SUPPORT EXCEPTION.—Paragraph (2) of section 1303(c) (relating to individuals receiving support from others) is amended—

(1) by striking out subparagraph (A),

(2) by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), and

(3) by striking out "subparagraph (C)" in the second sentence and inserting in lieu thereof "subparagraph (B)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to taxable years beginning after December 31, 1985.

SEC. 782. EMPLOYERS REQUIRED TO PROVIDE CERTAIN EMPLOYEES AND FAMILY MEMBERS WITH CONTINUED HEALTH INSURANCE COVERAGE AT GROUP RATES.

(a) DENIAL OF DEDUCTION FOR EMPLOYER CONTRIBUTION TO PLAN.—Subsection (i) of section 162 (relating to deduction for trade or business expenses with respect to group health plans) is amended by redesignating paragraph (2) as paragraph (3) and by inserting after paragraph (1) the following new paragraph:

"(2) PLANS MUST PROVIDE CONTINUED COVERAGE TO CERTAIN INDIVIDUALS.—

"(A) IN GENERAL.—No deduction shall be allowed under this section for expenses paid or incurred by an employer unless all such plans maintained by such employer meet the continuing coverage requirements of subsection (k).

"(B) EXCEPTION FOR CERTAIN SMALL EMPLOYERS, ETC.—Subparagraph (A) shall not apply to any plan described in section 106(b)(2).".

(b) DENIAL OF EXCLUSION FOR HIGHLY COMPENSATED INDIVIDUALS.—Section 106 (relating to contributions by employer to accident and health plans) is amended by inserting "(a)" before "Gross" and by inserting at the end thereof the following new subsection:

"(b) EXCEPTION FOR HIGHLY COMPENSATED INDIVIDUALS WHERE PLAN FAILS TO PROVIDE CERTAIN CONTINUING COVERAGE.—

"(1) IN GENERAL.—Subsection (a) shall not apply to any amount contributed by an employer on behalf of a highly compensated individual (within the meaning of section 105(h)(5)) to a group health plan maintained by an employer unless all such plans maintained by such employer meet the continuing coverage requirements of section 162(k).

"(2) EXCEPTION FOR CERTAIN PLANS.—Paragraph (1) shall not apply to any group health plan established and maintained for employees by—

"(A) an employer which normally employed 25 or fewer employees on a typical business day during the preceding calendar year,

"(B) the Government of the United States, the government of any State or political subdivision thereof, or any agency or instrumentality of any of the foregoing, or

"(C) a church or a convention or association of churches which is exempt from tax under section 501, or an organization described in section 501(c)(3) which is operated, supervised, or controlled by any of the foregoing.

Under regulations, rules similar to the rules of subsections (a) and (b) of section 52 (relating to employers under common control) shall apply for purposes of subparagraph (A).

"(3) GROUP HEALTH PLAN.—For purposes of this subsection, the term 'group health plan' has the meaning given such term by section 162(i)(3).".

(c) CONTINUING COVERAGE REQUIREMENTS.—Section 162 is amended by redesignating subsection (k) as subsection (l) and by inserting after subsection (j) the following new subsection:

"(k) CONTINUING COVERAGE REQUIREMENTS OF GROUP HEALTH PLANS.—

"(1) IN GENERAL.—For purposes of subsection (i)(2) and section 106(b)(1), a group health plan meets the requirements of this subsection only if—

"(A) each qualified beneficiary who would lose coverage under the plan as a result of a qualifying event is entitled to elect, within the 60-day period beginning with the qualifying event, continuation coverage under the plan, and

"(B) the plan meets such notification requirements with respect to such election as the Secretary may prescribe.

"(2) CONTINUATION COVERAGE.—For purposes of paragraph (1), the term 'continuation coverage' means coverage under the plan which meets the following requirements:

"(A) TYPE OF BENEFIT COVERAGE.—The coverage must consist of coverage which is identical to the coverage which was provided to the qualified beneficiary immediately before the qualifying event (taking into account any changed marital status), except that—

"(i) such coverage may be modified in the same manner as such coverage is modified for all similarly situated beneficiaries for whom a qualifying event has not occurred, and

"(ii) each qualified beneficiary shall be entitled to modify such coverage at the same time and in the same manner as any other similarly situated beneficiary under the plan.

"(B) PERIOD OF COVERAGE.—The coverage must extend for at least the period beginning on the date of the qualifying event and ending on the earlier of—

"(i) the last day of the 18-month period beginning on the date of the first qualifying event with respect to the qualified beneficiary (or such earlier day as the qualified beneficiary specifies), or

"(ii) the date on which the employer ceases to provide any group health plan to any employee.

"(C) PREMIUM REQUIREMENTS.—The plan may require a qualified beneficiary to pay a premium for the coverage, except that such premium—

"(i) shall not exceed 102 percent of the applicable premium, and

"(ii) may, at the election of the qualified beneficiary, be made in monthly installments.

"(D) NO REQUIREMENTS OF INSURABILITY.—The coverage may not be conditioned upon, or discriminate on the basis of lack of, evidence of insurability.

"(3) QUALIFYING EVENT.—For purposes of this subsection, the term 'qualifying event' means, with respect to any covered employee, any of the following events which, but for subsection (i)(2), result in the loss of coverage of a qualified beneficiary:

"(A) The death of the covered employee.

"(B) The separation from service of the covered employee.

"(C) The divorce or legal separation of the covered employee from the employee's spouse.

"(D) The covered employee becoming entitled to benefits under title XVIII of the Social Security Act.

"(E) A dependent child ceasing to be a dependent child under the generally applicable requirements of the plan.

"(4) APPLICABLE PREMIUM.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'applicable premium' means, with respect to any coverage of a qualified beneficiary, the cost to the plan for the period of the coverage for a similarly situated beneficiary with respect to whom a qualifying event has not occurred (without regard to whether such cost is paid by the employer or employee).

"(B) SPECIAL RULE FOR SELF-INSURED PLANS.—

"(i) IN GENERAL.—Except as provided in clause (ii), in the case of a self-insured plan, the applicable premium for any calendar year shall be the cost for a similarly situated beneficiary for the preceding calendar year, adjusted by the percentage increase or decrease in the implicit price deflator of the gross national product (calculated by the Department of Commerce and published in the Survey of Current Business) for the 12-month period ending on June 30 of such preceding calendar year.

"(ii) SELF-INSURED PLAN TO USE REASONABLE ESTIMATES WHERE SIGNIFICANT CHANGE.—In any case in which there is any significant change in coverage under, or in employees covered by, a self-insured health plan, an employer shall determine the employer contribution for any calendar year on the basis of a reasonable estimate of the cost of providing coverage. To the extent practicable, such estimate shall be made on an actuarial basis, and in the making of any such estimate, there shall be taken into account such factors as may be required under regulations.

"(5) DEFINITIONS AND SPECIAL RULES.—For purposes of this subsection—

"(A) COVERED EMPLOYEE.—The term 'covered employee' means an individual who is (or was) provided coverage under a group health plan by virtue of the individual's employment or previous employment with an employer.

"(B) QUALIFIED BENEFICIARY.—

"(i) IN GENERAL.—The term 'qualified beneficiary' means, with respect to a covered employee under a group health plan, any other individual who, on the day before the qualifying event for that employee, is a beneficiary under the plan—

"(I) as the spouse of the covered employee, or

"(II) as the dependent child of the employee.

"(ii) SPECIAL RULE FOR TERMINATIONS.—In the case of a qualifying event described in paragraph (3)(B), the term 'qualified beneficiary' includes the covered employee.".

(d) CONFORMING AMENDMENT.—Paragraph (1) of section 162(i) is amended by striking out "General rule" and inserting in lieu thereof "Coverage relating to end stage renal disease".

(e) EFFECTIVE DATES.—

(1) GENERAL RULE.—The amendments made by this section shall apply to plan years beginning on or after July 1, 1986.

(2) SPECIAL RULE FOR COLLECTIVE BARGAINING AGREEMENTS.—In the case of a group health plan maintained pursuant to one or more collective bargaining agreements between employee representatives and one or more employers ratified before the date of the enactment of this Act, the amendments made by this section shall not apply to plan years beginning before the earlier of—

(A) the date on which the last of the collective bargaining agreements relating to the plan terminates (determined without regard to any extension thereof agreed to after the date of the enactment of this Act), or

(B) January 1, 1987.

For purposes of subparagraph (A), any plan amendment made pursuant to a collective bargaining agreement relating to the plan which amends the plan solely to conform to any requirement added by this section shall not be treated as a termination of such collective bargaining agreement.

SEC. 783. APPLICATION OF FRINGE BENEFIT RULES TO AIRLINES AND THEIR AFFILIATES.

(a) PARENTS OF AIRLINE EMPLOYEES TREATED AS EMPLOYEES IN APPLYING FRINGE BENEFIT RULES.—

(1) IN GENERAL.—Section 132(f) (relating to certain individuals treated as employees with respect to certain fringe benefits) is amended by adding at the end thereof the following new paragraph:

"(3) SPECIAL RULE FOR PARENTS IN THE CASE OF AIR TRANSPORTATION.—Any use of air transportation by a parent of an employee (determined without regard to paragraph (1)(B)) shall be treated as use by the employee.".

(2) EFFECTIVE DATE.—The amendment made by this subsection shall take effect on January 1, 1985.

(b) LINE OF BUSINESS TEST FOR AFFILIATES PROVIDING AIRLINE-RELATED SERVICES.—

(1) IN GENERAL.—Section 132(h) (relating to special rules) is amended by adding at the end thereof the following new paragraph:

"(6) SPECIAL RULE FOR AFFILIATES OF AIRLINES.—

"(A) IN GENERAL.—If—

"(i) a qualified affiliate is a member of an affiliated group another member of which operates an airline, and

"(ii) employees of the qualified affiliate who are directly engaged in providing airline-related services are entitled to no-additional-cost service with respect to air transportation provided by such other member,

then, for purposes of applying paragraph (1) of subsection (a) to such no-additional-cost service provided to such employees, such qualified affiliate shall be treated as engaged in the same line of business as such other member.

"(B) QUALIFIED AFFILIATE.—For purposes of this paragraph, the term 'qualified affiliate' means any corporation which is predominantly engaged in airline-related services.

"(C) AIRLINE-RELATED SERVICES.—For purposes of this paragraph, the term 'airline-related services' means any of the following services provided in connection with air transportation:

"(i) Catering.

"(ii) Baggage handling.

"(iii) Ticketing and reservations.

"(iv) Flight planning and weather analysis.

"(v) Restaurants and gift shops located at an airport.

"(vi) Such other similar services provided to the airline as the Secretary may prescribe.

"(D) AFFILIATED GROUP.—For purposes of this paragraph, the term 'affiliated group' has the meaning given such term by section 1504(a).".

(2) EFFECTIVE DATE.—The amendment made by this section shall take effect on January 1, 1985.

(c) TRANSITIONAL RULE FOR DETERMINATION OF LINE OF BUSINESS IN CASE OF AFFILIATED GROUP OPERATING AIRLINE.—If, as of September 12, 1984—

(1) an individual—

(A) was an employee (within the meaning of section 132 of the Internal Revenue Code of 1954, including subsection (f) thereof) of one member of an affiliated group (as defined in section 1504 of such Code), hereinafter referred to as the "first corporation", and

(B) was eligible for no-additional-cost service in the form of air transportation provided by another member of such affiliated group, hereinafter referred to as the "second corporation",

(2) at least 50 percent of the individuals performing service for the first corporation were or had been employees of, or had previously performed services for, the second corporation, and

(3) the primary business of the affiliated group was air transportation of passengers,

then, for purposes of applying paragraphs (1) and (2) of section 132(a) of the Internal Revenue Code of 1954, with respect to no-additional-cost services and qualified employee discounts provided after December 31, 1984, for such individual by the second corporation, the first corporation shall be treated as engaged in the same air transportation line of business as the second corporation. For purposes of the preceding sentence, an employee of the second corporation who is performing services for the first corporation shall also be treated as an employee of the first corporation.

SEC. 784. TAX TREATMENT OF FACULTY HOUSING.

(a) IN GENERAL.—Section 119 (relating to meals or lodging furnished for the convenience of the employer) is amended by adding at the end thereof the following new subsection:

"(d) LODGING FURNISHED BY CERTAIN EDUCATIONAL INSTITUTIONS TO EMPLOYEES.—

"(1) IN GENERAL.—For purposes of determining under section 61 the amount includible in gross income for any taxable year with respect to qualified campus lodging furnished to an employee of an educational institution, the value of the use of such lodging shall be treated as not greater than 5 percent of the appraised value of such lodging for such taxable year.

"(2) PARAGRAPH (1) ONLY TO APPLY IF QUALIFIED APPRAISAL.—Paragraph (1) shall apply only if the appraised value is deter-

mined by an appraisal which meets such requirements as the Secretary may prescribe.

"(3) QUALIFIED CAMPUS LODGING.—For purposes of this subsection, the term 'qualified campus lodging' means lodging to which subsection (a) does not apply and which is—

"(A) located on, or in the proximity of, a campus of the educational institution, and

"(B) furnished to the employee, his spouse, or any of his dependents by or on behalf of such institution for use as a residence.

"(4) EDUCATIONAL INSTITUTION.—For purposes of this subsection, the term 'educational institution' means an institution described in section 170(b)(1)(A)(ii).".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1985.

SEC. 785. CERTAIN INSOLVENT TAXPAYERS ALLOWED TO REDUCE CAPITAL GAINS PREFERENCE ITEM FOR PURPOSES OF THE INDIVIDUAL MINIMUM TAX.

(a) IN GENERAL.—Paragraph (9) of section 57(a) (relating to capital gains as items of tax preference) is amended by adding at the end thereof the following new subparagraph:

"(E) SPECIAL RULE FOR CERTAIN INSOLVENT TAXPAYERS.—

"(i) IN GENERAL.—The amount of the tax preference under subparagraph (A) shall be reduced (but not below zero) by the excess (if any) of—

"(I) the applicable percentage of gain from any insolvency transaction, over

"(II) the applicable percentage of any loss from any insolvency transaction which offsets such gain.

"(ii) REDUCTION LIMITED TO AMOUNT OF INSOLVENCY.—The amount of the reduction determined under clause (i) shall not exceed the amount by which the taxpayer is insolvent immediately before the transaction (reduced by any portion of such amount previously taken into account under this clause).

"(iii) INSOLVENCY TRANSACTION.—For purposes of this subparagraph, the term 'insolvency transaction' means—

"(I) the transfer by a taxpayer of real property used by the taxpayer in the active conduct of a trade or business of the taxpayer to a creditor in cancellation of indebtedness, or

"(II) the sale or exchange by the taxpayer of property described in subclause (I) under the threat of foreclosure,

but only if the taxpayer is insolvent immediately before such transaction.

"(iv) INSOLVENT.—For purposes of this subparagraph, the term 'insolvent' means the excess of liabilities over the fair market value of assets.

"(v) APPLICABLE PERCENTAGE.—For purposes of this subparagraph, the term 'applicable percentage' means that percentage of net capital gain with respect to which a deduction is allowed under section 1202(a).".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to transfers or sales or exchanges made after December 31, 1981, in taxable years ending after such date.

SEC. 786. TREATMENT OF CERTAIN POLLUTION CONTROL BONDS.

(a) GENERAL RULE.—For purposes of subparagraph (F) of section 103(b)(4) of the Internal Revenue Code of 1954 (relating to pollution control facilities), any obligation issued after December 31, 1985, shall be treated as described in such subparagraph if it is part of an issue substantially all of the proceeds of which are used by a qualified regional pollution control authority to acquire existing air or water pollution control facilities which the authority itself will operate in order to maintain or improve control of pollutants. The provisions of section 103(b)(17) of such Code (relating to prohibition on acquisition of existing property not permitted) shall not apply to any obligation described in the preceding sentence.

(b) $200,000,000 LIMITATION.—The aggregate amount of obligations to which subsection (a) applies shall not exceed $200,000,000, except that the amount of such obligations issued during calendar year 1986 to which subsection (a) applies shall not exceed $100,000,000.

(c) RESTRICTIONS.—Subsection (a) shall apply only if—

(1) the amount paid (directly or indirectly) for the facilities does not exceed their fair market value,

(2) the fees or charges imposed (directly or indirectly) on any seller for the use of any facilities after the sale are not less than the amounts charged for the use of such facilities to persons other than the seller,

(3) the original use of the facilities acquired with the proceeds of such obligations commenced before September 3, 1982, and

(4) no person other than the qualified regional pollution control authority is considered after the sale as the owner of the facilities for purposes of Federal income taxes.

(d) QUALIFIED REGIONAL POLLUTION CONTROL AUTHORITY DEFINED.—For purposes of this section, the term "qualified regional pollution control authority" means an authority which—

(1) is a political subdivision created by State law to control air or water pollution,

(2) has within its jurisdictional boundaries all or part of at least 2 counties (or equivalent political subdivisions),

(3) operates air or water pollution control facilities, and

(4) was created on September 1, 1969.

(e) REPEAL OF SECTION 103(b)(11).—Paragraph (11) of section 103(b) is hereby repealed.

SEC. 787. TREATMENT OF THE NETTING OF GAINS AND LOSSES BY COOPERATIVES.

(a) IN GENERAL.—Section 1388 (relating to definitions and special rules applicable to cooperatives) is amended by redesignating subsection (j) as subsection (k) and by inserting after subsection (i) the following new subsection:

"(j) SPECIAL RULES FOR THE NETTING OF GAINS AND LOSSES BY COOPERATIVES.—For purposes of this subchapter, in the case of any organization to which part I of this subchapter applies—

"(1) OPTIONAL NETTING OF PATRONAGE GAINS AND LOSSES PERMITTED.—The net earnings of such organization may, at its option, be determined by offsetting patronage losses (including any patronage loss carried to such year) which are attributable to 1 or more allocation units (whether such units are functional, divisional, departmental, geographic, or otherwise) against patronage earnings of 1 or more other such allocation units.

"(2) EXISTENCE OF OBLIGATIONS TO PAY.—In determining under subsection (a)(2) whether any obligation of such organization to pay a patronage dividend exists, there shall not be taken into account the right to offset losses described in paragraph (1).

"(3) NOTICE REQUIREMENTS.—

"(A) IN GENERAL.—In the case of any organization which exercises its option under paragraph (1) for any taxable year, such organization shall, on or before the 15th day of the 9th month following the close of such taxable year, provide to each patron a written notice which—

"(i) states that the organization has offset earnings and losses from 1 or more of its allocation units and that such offset may have affected the amount which is being, or would have been, distributed to such patron,

"(ii) states generally the identity of the offsetting allocation units, and

"(iii) states briefly what rights, if any, such patron may have to additional financial information of such organization under terms of its charter, articles of incorporation, or bylaws, or under any provision of law.

"(B) CERTAIN INFORMATION NEED NOT BE PROVIDED.—An organization may exclude from the information required to be provided under clause (ii) of subparagraph (A) any detailed or specific data regarding earnings or losses of such units which such organization determines would disclose commercially sensitive information which—

"(i) could result in a competitive disadvantage to such organization, or

"(ii) could create a competitive advantage to the benefit of a competitor of such organization.

"(C) FAILURE TO PROVIDE SUFFICIENT NOTICE.—If the Secretary determines that an organization failed to provide sufficient notice under this paragraph—

"(i) the Secretary shall notify such organization, and

"(ii) such organization shall, upon receipt of such notification, provide to each patron a revised notice meeting the requirements of this paragraph.

Any such failure shall not affect the treatment of the organization under any provision of this subchapter or section 521.

"(4) PATRONAGE EARNINGS OR LOSSES DEFINED.—For purposes of this subsection, the terms 'patronage earnings' and 'patronage losses' means earnings and losses, respectively, which are derived from business done with or for patrons of the organization.".

(b) TAX-EXEMPT STATUS NOT AFFECTED BY NETTING.—Section 521(b) (relating to applicable rules) is amended by adding at the end thereof the following new paragraph:

"(6) NETTING OF LOSSES.—Exemption shall not be denied any such association because such association computes its net earnings for purposes of determining any amount available for distribution to patrons in the manner described in paragraph (1) of section 1388(j).".

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 1962.

(2) NOTIFICATION REQUIREMENT.—The provisions of section 1388(j)(3) of the Internal Revenue Code of 1954 (as added by subsection (a)) shall apply to taxable years beginning on or after the date of the enactment of this Act.

SEC. 788. ALLOCATION UNDER SECTION 861 OF RESEARCH AND EXPERIMENTAL EXPENDITURES.

Subsection (c)(1) of section 126 of the Deficit Reduction Act of 1984 is amended by striking out "1985" and inserting in lieu thereof "1986".

PART 2—SUPERFUND

SEC. 789. SHORT TITLE.

This part may be cited as the "Superfund Revenue Act of 1985".

SEC. 789A. 5-YEAR EXTENSION OF TAX ON PETROLEUM AND CERTAIN CHEMICALS; CERTAIN EXEMPTIONS.

(a) 5-YEAR EXTENSION; TERMINATION IF FUNDS UNSPENT OR $7,500,000,000 COLLECTED.—

(1) IN GENERAL.—Subsection (d) of section 4611 (relating to termination) is amended to read as follows:

"(d) TERMINATION.—

"(1) IN GENERAL.—Except as otherwise provided in this section, the tax imposed by this subsection shall not apply after September 30, 1990.

"(2) NO TAX IF UNOBLIGATED BALANCE IN FUND IS MORE THAN CERTAIN AMOUNT.—If, on September 30, 1988, or September 30, 1989—

"(A) the unobligated balance in the Hazardous Substance Superfund exceeds $2,225,000,000 or $3,000,000,000, respectively, and

"(B) the Secretary, after consultation with the Administrator of the Environmental Protection Agency, determines that such unobligated balance will exceed $2,225,000,000, or $3,000,000,000 on September 30, 1989, or September 30, 1990, respectively, if no tax is imposed under section 4001, 4611, or 4661 during calendar year 1989 or 1990, respectively,

then no tax shall be imposed under this section during calendar year 1989 or 1990, as the case may be.

"(3) NO TAX IF AMOUNTS COLLECTED EXCEED $7,500,000,000.—

"(A) ESTIMATES BY SECRETARY.—The Secretary as of the close of each calendar quarter (and at such other times as the Secretary determines appropriate) shall make an estimate of—

"(i) the amount of taxes which will be collected under sections 4001, 4611, and 4661 and credited to the Hazardous Substance Superfund, and

"(ii) the amount of interest which will be credited to such Fund under section 9602(b)(3),

during the period beginning October 1, 1985, and ending September 30, 1990.

"(B) TERMINATION IF $7,500,000,000 CREDITED BEFORE SEPTEMBER 30, 1990.—If the Secretary estimates under subparagraph (A) that more than $7,500,000,000 will be credited to the Fund before September 30, 1990, no tax shall be imposed under this section after the date on which the Secretary estimates $7,500,000,000 will be so credited to the Fund.

"(4) PROCEDURES FOR TERMINATION.—The Secretary shall by regulation provide procedures for the termination under paragraph (2) or (3) of the tax under this section and section 4661.".

(2) CONFORMING AMENDMENT.—Section 303 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (relating to expiration of revenue provisions) is repealed.

(b) EXEMPTION FOR EXPORTS OF TAXABLE CHEMICALS.—

(1) IN GENERAL.—Section 4662 (relating to definitions and special rules) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

"(e) EXEMPTION FOR EXPORTS OF TAXABLE CHEMICALS.—

"(1) TAX-FREE SALES.—

"(A) IN GENERAL.—No tax shall be imposed under section 4661 on the sale by the manufacturer or producer of any taxable chemical for export, or for resale by the purchaser to a second purchaser for export.

"(B) PROOF OF EXPORT REQUIRED.—Rules similar to the rules of section 4221(b) shall apply for purposes of subparagraph (A).

"(2) CREDIT OR REFUND WHERE TAX PAID.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), if—

"(i) a tax under section 4661 was paid with respect to any taxable chemical, and

"(ii) such chemical was exported by any person,

credit or refund (without interest) of such tax shall be allowed or made to the person who paid such tax.

"(B) CONDITION TO ALLOWANCE.—No credit or refund shall be allowed or made under subparagraph (A) unless the person who paid the tax establishes that such person—

"(i) has repaid or agreed to repay the amount of the tax to the person who exported the taxable chemical, or

"(ii) has obtained the written consent of such exporter to the allowance of the credit or the making of the refund.

"(3) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this subsection.".

(2) REFUND OR CREDIT.—Paragraph (1) of section 4662(d) (relating to refund or credit for certain uses) is amended—

(A) by striking out "the sale of which by such person would be taxable under such section" in subparagraph (B) and inserting in lieu thereof "which is a taxable chemical", and

(B) by striking out "imposed by such section on the other substance manufactured or produced" in the last sentence and inserting in lieu thereof "imposed by such section on the other substance manufactured or produced (or which would have been imposed by such section on such other substance but for subsection (e) of this section)".

(c) EXEMPTION FOR CERTAIN RECYCLED CHEMICALS.—

(1) IN GENERAL.—Section 4662(b) (relating to exceptions and other special rules) is amended by adding at the end thereof the following new paragraph:

"(7) RECYCLED CHROMIUM, COBALT, AND NICKEL.—

"(A) IN GENERAL.—No tax shall be imposed under section 4661(a) on any chromium, cobalt, or nickel which is diverted or recovered from any solid waste as part of a recycling process (and not as part of the original manufacturing or production process).

"(B) EXCEPTION FOR IMPORTS.—This paragraph shall not apply to the sale of any chromium, cobalt, or nickel which is diverted or recovered outside the United States and then imported into the United States.

"(C) CERTAIN PERSONS NOT ELIGIBLE.—

"(i) IN GENERAL.—This paragraph shall not apply to any taxpayer during any period during which the taxpayer is a potentially responsible party for a site which is listed on the National Priorities List published by the Environmental Protection Agency under section 105 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, except that such period shall not begin until the Administrator of the Environmental Protection Agency notifies the taxpayer that the taxpayer is such a party.

"(ii) EXCEPTION WHERE TAXPAYER IS IN COMPLIANCE.—Clause (i) shall not apply to any portion of the period during which the taxpayer is in compliance with each order, decree, or judgment issued against the taxpayer with respect to the site in any action or proceeding under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, the Solid Waste Disposal Act, or both.

"(D) SOLID WASTE.—For purposes of this paragraph, the term 'solid waste' has the meaning given such term by section 1004 of the Solid Waste Disposal Act, except that such term shall not include any byproduct, coproduct, or other waste from any process of smelting, refining, or otherwise extracting any metal.".

(2) CREDIT OR REFUND.—Paragraph (1) of section 4662(d), as amended by subsection (b)(2), is amended by inserting "(b)(7) or" before "(e)" in the last sentence thereof.

(d) TAX EXEMPTION FOR ANIMAL FEED SUBSTANCES.—

(1) IN GENERAL.—Subsection (b) of section 4662 (relating to definitions and special rules with respect to the tax on certain chemicals), as amended by subsection (c)(1), is amended by adding at the end thereof the following paragraph:

"(8) SUBSTANCES USED IN THE PRODUCTION OF ANIMAL FEED.—

"(A) IN GENERAL.—In the case of nitric acid, sulfuric acid, ammonia, or methane used to produce ammonia, which is a qualified animal feed substance, no tax shall be imposed under section 4661(a).

"(B) QUALIFIED ANIMAL FEED SUBSTANCE.—For purposes of this section, the term 'qualified animal feed substance' means any substance—

"(i) used in a qualified animal feed use by the manufacturer, producer or importer,

"(ii) sold for use by any purchaser in a qualified animal feed use, or

"(iii) sold for resale by any purchaser for use, or resale for ultimate use, in a qualified animal feed use.

"(C) QUALIFIED ANIMAL FEED USE.—The term 'qualified animal feed use' means any use in the manufacture or production of animal feed or animal feed supplements, or of ingredients used in animal feed or animal feed supplements.

"(D) TAXATION OF NONQUALIFIED SALE OR USE.—For purposes of section 4661(a), if no tax was imposed by such section on the sale or use of any chemical by reason of subparagraph (A), the first person who sells or uses such chemical other than in a sale or use described in subparagraph (A) shall be treated as the manufacturer of such chemical.".

(2) REFUND OR CREDIT FOR SUBSTANCES USED IN THE PRODUCTION OF ANIMAL FEED.—Subsection (d) of section 4662 (relating to refunds and credits with respect to the tax on certain chemicals) is amended by adding at the end thereof the following new paragraph:

"(4) USE IN THE PRODUCTION OF ANIMAL FEED.—Under regulations prescribed by the Secretary, If—

"(A) a tax under section 4661 was paid with respect to nitric acid, sulfuric acid, ammonia, or methane used to produce ammonia, without regard to subsection (b)(8), and

"(B) any person uses such substance as a qualified animal feed substance,

then an amount equal to the excess of the tax so paid over the tax determined with regard to subsection (b)(8) shall be allowed as a credit or refund (without interest) to such person in the same manner as if it were an overpayment of tax imposed by this section.".

(e) CERTAIN EXCHANGES BY TAXPAYERS NOT TREATED AS SALES.—Subsection (c) of section 4662 (relating to use by manufactures) is amended to read as follows:

"(c) USE AND CERTAIN EXCHANGES BY MANUFACTURER, ETC.—

"(1) USE TREATED AS SALE.—Except as provided in subsection (b), if any person manufactures, produces, or imports any taxable chemical and uses such chemical, then such person shall be liable for tax under section 4661 in the same manner as if such chemical were sold by such person.

"(2) SPECIAL RULES FOR INVENTORY EXCHANGES.—

"(A) IN GENERAL.—Except as provided in this paragraph, in any case in which a manufacturer, producer, or importer of a taxable chemical exchanges such chemical as part of a inventory exchange with another person—

"(i) such exchange shall not be treated as a sale, and

"(ii) such other person shall, for purposes of section 4661, be treated as the manufacturer, producer, or importer of such chemical.

"(B) EXCEPTION FOR EXCHANGES WHERE RECIPIENT NOT TAXABLE.—Subparagraph (A) shall not apply to any inventory exchange if the person receiving the taxable chemical would not be subject to tax on the sale of such chemical (other than by reason of subsection (b)).

"(C) REGISTRATION REQUIREMENT.—Subparagraph (A) shall not apply to any inventory exchange unless—

"(i) both parties are registered with the Secretary as manufacturers, producers, or importers of taxable chemicals, and

"(ii) the person receiving the taxable chemical has, at such time as the Secretary may prescribe, notified the manufacturer, producer, or importer of such person's registration number and the internal revenue district in which such person is registered.

"(D) INVENTORY EXCHANGE.—For purposes of this paragraph, the term 'inventory exchange' means an exchange in which a person exchanges property which, in the hands of such person, is property described in section 1221(1) for property of another person which, in such other person's hands, is so described.".

(f) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall take effect on October 1, 1985.

(2) INVENTORY EXCHANGES.—

(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), the amendment made by subsection (e) shall apply as if included in the amendments made by section 211 of the Hazardous Substance Response Revenue Act of 1980.

(B) EXCEPTION WHERE MANUFACTURER PAID TAX.—In the case of any inventory exchange before January 1, 1986, the amendment made by subsection (e) shall not apply if the manufacturer, producer, or importer treated such exchange as a sale for purposes of section 4661 of the Internal Revenue Code of 1954 and paid the tax imposed by such section.

(C) REGISTRATION REQUIREMENTS.—Section 4662(c)(2)(C) of such Code (as added by subsection (e)) shall apply to exchanges made after December 31, 1985.

SEC. 789B. IMPOSITION OF SUPERFUND EXCISE TAX.

(a) IN GENERAL.—Subtitle D (relating to miscellaneous excise taxes) is amended by inserting before chapter 31 the following new chapter:

"CHAPTER 30—SUPERFUND EXCISE TAX

"SUBCHAPTER A. Imposition of tax.

"SUBCHAPTER B. Taxable transaction.

"SUBCHAPTER C. Taxable amount; exempt transactions; credit against tax.

"SUBCHAPTER D. Administration.

"SUBCHAPTER E. Definitions; special rules.

"Subchapter A—Imposition of Tax

"Sec. 4001. Imposition of tax.

"Sec. 4002. Termination.

"SEC. 4001. IMPOSITION OF TAX.

"(a) GENERAL RULE.—A tax is hereby imposed on each taxable transaction.

"(b) AMOUNT OF TAX.—Except as otherwise provided in this chapter, the amount of the tax shall be .08 percent of the taxable amount.

"SEC. 4002. TERMINATION.

"(a) IN GENERAL.—No tax shall be imposed under this section after December 31, 1990.

"(b) NO TAX IF FUNDS UNSPENT OR $7,500,000,000 COLLECTED.—No tax shall be imposed under subsection (a) during any period during which no tax is imposed under section 4611(a) by reason of paragraph (2) or (3) of section 4611(d), except that section 4611(d)(3) shall, for purposes of this subsection, be applied by substituting 'December 31, 1990' for 'September 30, 1990' each place it appears.

"(c) PROCEDURES FOR TERMINATION.—

"(1) PRORATION OVER TAXABLE PERIOD.—In the case of any taxable period which begins before and ends after the date of any termination under this section, the tax imposed by section 4001 (and the credit allowable under section 4013) for such taxable period shall be equal to an amount which bears the same ratio of the amount of such tax (and credit) for such taxable period (determined without regard to the termination) as—

"(A) the number of days in such taxable period up to and including the date of termination, bears to

"(B) the number of days in such taxable period.

"(2) OTHER PROCEDURES.—The Secretary shall by regulation provide such procedures for a termination under this section as the Secretary determines necessary.

"Subchapter B—Taxable Transaction

"Sec. 4003. Taxable transaction.

"Sec. 4004. Taxable person.

"SEC. 4003. TAXABLE TRANSACTION.

"(a) IN GENERAL.—For purposes of this chapter, the term 'taxable transaction' means—

"(1) the sale or leasing of tangible personal property in the United States by a taxable person in connection with a trade or business, or

"(2) the importing of tangible personal property into the customs territory of the United States by a taxable person.

"(b) EXEMPT TRANSACTIONS.—For exempt transactions, see section 4012.

"SEC. 4004. TAXABLE PERSON.

"Except as otherwise provided in this chapter, for purposes of this chapter, the term 'taxable person' means—

"(1) in the case of a taxable transaction described in paragraph (1) of section 4003(a)—

"(A) the manufacturer of the tangible personal property, or

"(B) any person who included the costs of the tangible personal property in such person's qualified inventory costs, and

"(2) in the case of a taxable transaction described in paragraph (2) of section 4003(a), the importer of the tangible personal property.

"Subchapter C—Taxable Amount; Exempt Transactions; Credit Against Tax

"Sec. 4011. Taxable amount.

"Sec. 4012. Exempt transactions.

"Sec. 4013. Credit against tax on sales and leases.

"SEC. 4011. TAXABLE AMOUNT.

"(a) SALE.—For purposes of this chapter, the taxable amount for any sale shall be the price (in money or fair market value of other consideration) charged the purchaser of the property by the seller thereof—

"(1) including items payable to the seller with respect to such transaction, but

"(2) excluding the tax imposed by section 4001 with respect to such transaction.

"(b) IMPORTS.—For purposes of this chapter, the taxable amount in the case of any import shall be—

"(1) the customs value plus customs duties and any other duties which may be imposed, or

"(2) if there is no such customs value, the fair market value (determined as if the importer had sold the property).

"(c) LEASES.—For purposes of this chapter, the taxable amount in the case of any lease shall be the gross payments under the lease.

"(d) CONTAINERS, PACKING AND TRANSPORTATION CHARGES; CONSTRUCTIVE SALES PRICE.—Under regulations, rules similar to the rules of subsections (a) and (b) of section 4216 (relating to containers, packing and transportation charges, etc., and constructive sales price) shall apply in computing the taxable amount.

"(e) SPECIAL RULE WHERE SALE OR LEASE PAYMENTS RECEIVED IN MORE THAN 1 TAXABLE PERIOD.—

"(1) SALES.—In the case of a sale where the consideration is received by the seller in more than 1 taxable period, the taxable amount for each such taxable period shall include that portion of the taxable amount which is includible in the gross income of the taxable person for purposes of chapter 1 for taxable years ending with or within such taxable period (or would be so includible if it were not excludable from gross income).

"(2) LEASES.—In the case of a lease with a term which includes more than 1 taxable period, the taxable amount for each such taxable period shall include the gross lease payments received by the taxable person during such taxable period.

"SEC. 4012. EXEMPT TRANSACTIONS.

"(a) IMPORTS OF $10,000 OR LESS.—No tax shall be imposed under section 4001 on any tangible personal property imported into the customs territory of the United States as part of a shipment (within the meaning of section 498(1) of the Tariff Act of 1930; 19 U.S.C. 1498(1)) the aggregate taxable amount of which is $10,000 or less.

"(b) EXPORTS.—Under regulations, no tax shall be imposed under section 4001 on the sale of any property which is to be exported outside the United States.

"(c) GOVERNMENTAL ENTITIES AND EXEMPT ORGANIZATIONS EXEMPT FROM TAX ON SALES AND LEASES.—

"(1) GOVERNMENTAL ENTITIES.—No tax shall be imposed under section 4001 on the sale or leasing of any tangible personal property by the United States, any State or political subdivision, the District of Columbia, a Commonwealth or possession of the United States, or any agency or instrumentality of any of the foregoing.

"(2) EXEMPT ORGANIZATIONS.—No tax shall be imposed under section 4001 on the sale or leasing of any tangible personal property by any organization which is exempt from taxation under chapter 1 by reason of section 501(a), unless the taxable transaction is part

of an unrelated trade or business (within the meaning of section 513).

"SEC. 4013. CREDIT AGAINST TAX ON SALES AND LEASES.

"(a) GENERAL RULE.—There shall be allowed as a credit against the tax imposed by section 4001 for any taxable period on taxable transactions described in paragraph (1) of section 4003(a) an amount equal to the greater of—

"(1) .08 percent of the qualified inventory costs of the taxable person for the taxable period, or

"(2) the amount of the tax imposed by section 4001 on such taxable transactions, to the extent such amount does not exceed $4,000.

"(b) LIMITATION BASED ON TAX LIABILITY; CARRYFORWARD OF EXCESS CREDIT.—

"(1)" LIMITATION BASED ON AMOUNT OF TAX.—The amount of the credit allowed by subsection (a) for any taxable period shall not exceed the liability for tax imposed by section 4001 for such period.

"(2)" CARRYFORWARD OF EXCESS CREDIT.—If the credit allowable under subsection (a) for any taxable period exceeds the limitation imposed by paragraph (1), such credit shall be carried to the succeeding taxable period and added to the credit allowable under subsection (a) for such succeeding taxable period.

"(c) QUALIFIED INVENTORY COSTS.—For purposes of this chapter—

"(1) IN GENERAL.—Except as provided in paragraph (2), the term 'qualified inventory costs' means, with respect to any taxable period, the costs of tangible personal property which—

"(A) are allocable to the inventory of a manufacturer under the full absorption method of accounting under section 471, and

"(B) are paid or incurred by the taxable person during such taxable period.

"(2) SPECIAL RULES.—For purposes of this subsection—

"(A) EXPENSING RATHER THAN DEPRECIATION OR AMORTIZATION.—The qualified inventory costs of any taxpayer for any taxable period shall, in lieu of any allowance for depreciation or amortization, include any amount paid or incurred during such taxable period for tangible personal property acquired or leased incident to, and necessary for, production or manufacturing operations or processes.

"(B) TAXPAYERS USING METHODS OF ACCOUNTING OTHER THAN THE FULL ABSORPTION METHOD.—In the case of a taxable person using a method of accounting other than the full absorption method used in determining the inventory of a manufacturer under section 471, the qualified inventory costs of such person shall, except as provided in regulations, include only those costs included in the inventory of a manufacturer under such full absorption method.

"(C) PROPERTY MANUFACTURED FOR LEASE BY MANUFACTURER.—For purposes of computing qualified inventory costs, any tangible personal property which is manufactured for lease by the manufacturer shall be treated in the same manner as property which is manufactured for sale by the manufacturer.

"(d) SPECIAL RULE FOR TAXPAYERS UNDER COMMON CONTROL.—

"(1) IN GENERAL.—All persons which are—

"(A) members of the same controlled group of corporations (within the meaning of section 52(a)), or

"(B) under common control (within the meaning of section 52(b)),

shall be treated as 1 person for purposes of applying the $4,000 amount under subsection (a)(2).

"(2) ALLOCATION OF $4,000.—The $4,000 amount under subsection (a)(2) shall be allocated among persons described in paragraph (1) in such manner as the Secretary may prescribe by regulations.

"Subchapter D—Administration

"Sec. 4021. Liability for tax.

"Sec. 4022. Return requirement; taxable period; depositary requirements.

"Sec. 4023. Regulations.

"SEC. 4021. LIABILITY FOR TAX.

"The taxable person shall be liable for the tax imposed by section 4001.

"SEC. 4022. RETURN REQUIREMENT; TAXABLE PERIOD; DEPOSITARY REQUIREMENTS.

"(a) RETURN REQUIREMENT.—

"(1) IN GENERAL.—Except as provided in this subsection, each taxable person shall file a return of the tax imposed by section 4001 for any taxable period not later than—

"(A) the due date (including extensions) for filing the taxpayer's return of tax under chapter 1, or

"(B) if there is no return of tax under chapter 1, the due date (including extensions) under chapter 1 for a taxable year which is the calendar year.

"(2) EXCEPTION FOR SALES OR LEASES OF $5,000,000 OR LESS.—A taxable person shall not be required to file a return for any taxable period for taxable transactions described in paragraph (1) of section 4003(a) if the aggregate taxable amount for such transactions is $5,000,000 or less.

"(3) OTHER EXCEPTIONS.—The Secretary may by regulation exempt any taxable person from the requirement of paragraph (1).

"(b) TAXABLE PERIOD.—For purposes of this chapter, the term 'taxable period' means—

"(1) the taxable person's taxable year for purposes of chapter 1, or

"(2) if there is no taxable year for purposes of chapter 1, the calendar year.

"(c) DEPOSITARY REQUIREMENTS.—

"(1) IN GENERAL.—In the case of any person with respect to whom a tax is imposed under section 4001 for any taxable period on any taxable transaction described in paragraph (1) of section 4003(a), such person shall make quarterly deposits of the estimated amount of such tax for the succeeding taxable period.

"(2) SPECIAL RULE FOR 1ST TAXABLE PERIOD.—Notwithstanding paragraph (1), a deposit shall be required for the first taxable period of any taxable person to which this chapter applies if the gross receipts of such person during the first taxable year ending before such taxable period from the sale or leasing of tangible personal property manufactured by such person exceed $50,000,000.

"SEC. 4023. REGULATIONS.

"The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this chapter.

"Subchapter E—Definitions; Special Rules

"Sec. 4031. Definitions; special rules.

"SEC. 4031. DEFINITIONS; SPECIAL RULES.

"(a) MANUFACTURING.—For purposes of this chapter—

"(1) PRODUCTION INCLUDED.—The term 'manufacturing' includes the production of tangible personal property, including raw materials.

"(2) CERTAIN ACTIVITIES NOT INCLUDED IN MANUFACTURING.—The term 'manufacturing' does not include—

"(A) the furnishing of services incidental to storage or transportation of property,

"(B) the preparation of food in a restaurant or other retail food establishment, or

"(C) the incidental preparation of property by a retailer or wholesaler (including routine assemblage).

"(b) MANUFACTURER.—For purposes of this chapter, the term 'manufacturer' includes any producer of tangible personal property (including raw materials), but does not include any person conducting an activity described in subsection (a)(2).

"(c) PERSON.—For purposes of this chapter, the term 'person' includes any governmental entity.

"(d) UNITED STATES.—For purposes of this chapter, the term 'United States', when used in a geographical sense, includes a Commonwealth and any possession of the United States.

"(e) TANGIBLE PERSONAL PROPERTY.—For purposes of this chapter, the term 'tangible personal property' does not include unprocessed agricultural products or unprocessed food products.

"(f) UNPROCESSED AGRICULTURAL PRODUCTS.—For purposes of this chapter, the term 'unprocessed agricultural product' includes timber and fish.

"(g) CUSTOMS TERRITORY OF THE UNITED STATES.—For purposes of this chapter, the term 'customs territory of the United States' has the meaning given such term by headnote 2 of the General Headnotes and Rules of Interpretation of the Tariff Schedules of the United States (19 U.S.C. 1202).

"(h) TAX ON IMPORT IN ADDITION TO DUTY.—The tax imposed by section 4001 on the importing of any tangible personal property shall be in addition to any duty imposed on such importation.

"(i) DISPOSITION OF REVENUES FROM PUERTO RICO AND THE VIRGIN ISLANDS.—The provisions of subsections (a)(3) and (b)(3) of section 7652 and any similar provision of law which requires an internal revenue tax collected by the United States to be paid to a Commonwealth or possession of the United States shall not apply to any tax imposed by section 4001.

"(j) SPECIAL RULE FOR SHORT TAXABLE PERIODS.—In the case of a taxable period which is less than 1 calendar year, there shall be substituted for the $4,000 amounts in subsections (a) and (d) of section 4013 and the $5,000,000 amount in section 4022(a)(2) the amount which bears the same ratio to such amounts as the number of days in the taxable period bears to 365.

"(k) SALE TO INCLUDE CERTAIN EXCHANGES AND TRANSFERS.—For purposes of this chapter, except as provided in regulations, the term 'sale' includes any exchange or transfer other than a gift (within the meaning of section 102 or section 170).".

(b) APPLICATION OF CERTAIN PENALTIES.—

(1) FAILURE TO FILE RETURN OR PAY TAX.—Paragraph (1) of section 6651(a) (relating to addition to tax) is amended by inserting "section 4022 (relating to Superfund excise tax)," before "subchapter A of chapter 51".

(2) NEGLIGENCE PENALTY.—Section 6653(a) (relating to negligence or intentional disregard of rules and regulations) is amended—

(A) by inserting ", by chapter 30 (relating to Superfund excise tax)," after "subtitle B" in paragraph (1) thereof, and

(B) by striking out "Windfall Profit" in the heading thereof and inserting in lieu thereof "Certain Excise".

(3) FAILURE TO MAKE DEPOSITS.—Section 6656 (relating to failure to make deposit of taxes or overstatement of deposits) is amended by adding at the end thereof the following new subsection:

"(c) SPECIAL RULE FOR SUPERFUND EXCISE TAX.—For purposes of subsection (a), in the case of the tax imposed by section 4001, the tax required to be deposited shall be equal to the lesser of—

"(1) 90 percent of the tax imposed by section 4001 during the taxable period on taxable transactions described in paragraph (1) of section 4003(a), or

"(2) the amount of such tax imposed during the preceding taxable period (determined on an annual basis).

Paragraph (2) shall not apply if no tax was imposed during the preceding taxable period.".

(c) CLERICAL AMENDMENT.—The table of chapters for subtitle D is amended by inserting before the item relating to chapter 31 the following new item:

"CHAPTER 30. Superfund Excise Tax.".

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in this subsection, the amendments made by this section shall apply with respect to taxable amounts received in taxable periods beginning after December 31, 1985.

(2) SPECIAL RULE FOR IMPORTS.—In the case of imports, the amendments made by this section shall apply to articles entered, or withdrawn from warehouse, for consumption after December 31, 1985.

(3) SPECIAL RULE FOR TAXABLE PERIOD INCLUDING JANUARY 1, 1985.—In the case of any taxable period which begins before January 1, 1985, and ends after January 1, 1985, the tax imposed by section 4001 of the Internal Revenue Code of 1954 (and the credit allowable under section 4013 of such Code) for such taxable period shall be equal to an amount which bears the same ratio to the amount of such tax (and credit) for such taxable period (determined as if such tax and credit had been in effect for the entire taxable period) as—

(A) the number of days in such taxable period after December 31, 1985, bears to

(B) the number of days in such taxable period.

SEC. 789C. HAZARDOUS SUBSTANCE SUPERFUND.

(a) IN GENERAL.—Subchapter A of chapter 98 (relating to establishment of trust funds) is amended by adding at the end thereof the following new section:

"SEC. 9505. HAZARDOUS SUBSTANCE SUPERFUND.

"(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the 'Hazardous Substance Superfund' (hereinafter in this section referred to as the 'Superfund'), consisting of such amounts as may be—

"(1) appropriated to the Superfund as provided in this section, or

"(2) credited to the Superfund as provided in section 9602(b).

"(b) TRANSFERS TO SUPERFUND.—

"(1) IN GENERAL.—There are hereby appropriated to the Superfund amounts equivalent to—

"(A) the taxes received in the Treasury under section 4001 (relating to Superfund excise tax),

"(B) the taxes received in the Treasury under section 4611 or 4661 (relating to taxes on petroleum and certain chemicals),

"(C) amounts recovered on behalf of the Superfund under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (hereinafter in this section referred to as 'CERCLA'),

"(D) all moneys recovered or collected under section 311(b)(6)(B) of the Clean Water Act,

"(E) penalties assessed under title I of CERCLA, and

"(F) punitive damages under section 107(c)(3) of CERCLA.

"(2) TRANSFER OF CERTAIN OTHER FUNDS.—There shall be transferred to the Superfund—

"(A) the amounts appropriated under section 504(b) of the Clean Water Act during any fiscal year, and

"(B) the unobligated balance in the Post-closure Liability Trust Fund as of October 1, 1985.

"(c) EXPENDITURES FROM THE SUPERFUND.—

"(1) IN GENERAL.—Amounts in the Superfund shall be available in connection with releases or threats of releases of hazardous substances into the environment only for purposes of making expenditures which are described in section 111 of CERCLA (other than subsection (j) thereof) as in effect on the date of the enactment of the Superfund Improvement Act of 1985, including—

"(A) response costs,

"(B) claims asserted and compensable but unsatisfied under section 311 of the Clean Water Act,

"(C) claims for injury to, or destruction or loss of, natural resources, and

"(D) related costs described in section 111(c) of CERCLA.

"(2) LIMITATIONS ON EXPENDITURES.—At least 85 per centum of the amounts appropriated to the Superfund shall be reserved—

"(A) for the purposes specified in paragraphs (1), (2), and (4) of section 111(a) of CERCLA, and

"(B) for the repayment of advances made under subsection (d), other than advances subject to the limitation of subsection (d)(2)(B).

"(d) AUTHORITY TO BORROW.—

"(1) IN GENERAL.—There are authorized to be appropriated to the Superfund, as repayable advances, such sums as may be necessary to carry out the purposes of the Superfund.

"(2) LIMITATIONS ON ADVANCES TO SUPERFUND.—

"(A) AGGREGATE ADVANCES.—The maximum aggregate amount of repayable advances to the Superfund which is outstanding at any one time shall not exceed an amount which the Secretary estimates will be equal to the sum of the amounts described in paragraph (1) of subsection (b) which will be transferred to the Superfund during the following 12 months.

"(B) ADVANCES FOR CERTAIN COSTS.—The maximum aggregate amount advanced to the Superfund which is outstanding at any one time for purposes of paying costs other than costs described in section 111 (a)(1), (2), or (4) of CERCLA shall not exceed 15 percent of the amount of the estimate made under subparagraph (A).

"(C) FINAL REPAYMENT.—No advance shall be made to the Superfund after September 30, 1990, and all advances to such Fund shall be repaid on or before December 31, 1990.

"(3) REPAYMENT OF ADVANCES.—

"(A) IN GENERAL.—Advances made pursuant to this subsection shall be repaid, and interest on such advances shall be paid, to the general fund of the Treasury when the Secretary determines that moneys are available for such purposes in the Superfund (or when required by paragraph (2)(C)).

"(B) RATE OF INTEREST.—Interest on advances made pursuant to this subsection shall be at a rate determined by the Secretary of the Treasury (as of the close of the calendar month preceding the month in which the advance is made) to be equal to the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the anticipated period during which the advance will be outstanding and shall be compounded annually.

"(e) LIABILITY OF UNITED STATES LIMITED TO AMOUNT IN TRUST FUND.—

"(1) GENERAL RULE.—Any claim filed against the Superfund may be paid only out of the Superfund.

"(2) COORDINATION WITH OTHER PROVISIONS.—Nothing in CERCLA or the Superfund Improvement Act of 1985 (or in any amendment made by either of such Acts) shall authorize the payment by the United States Government of any amount with respect to any such claim out of any source other than the Superfund.

"(3) ORDER IN WHICH UNPAID CLAIMS ARE TO BE PAID.—If at any time the Superfund is unable (by reason of paragraph (1)) to pay all of the claims payable out of the Superfund at such time, such claims shall, to the extent permitted under paragraph (1), be paid in full in the order in which they were finally determined.".

(b) CONFORMING AMENDMENTS.—

(1) Subtitle B of the Hazardous Substance Response Revenue Act of 1980 (relating to establishment of Hazardous Substance Response Trust Fund) is hereby repealed.

(2) Paragraph (11) of section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is amended to read as follows:

"(11) 'Fund' or 'Trust Fund' means the Hazardous Substance Superfund established by section 9505 of the Internal Revenue Code of 1954;".

(c) CLERICAL AMENDMENT.—The table of sections for subchapter A of chapter 98 is amended by adding at the end thereof the following new item:

"Sec. 9505. Hazardous Substance Superfund.".

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on October 1, 1985.

(2) SUPERFUND TREATED AS CONTINUATION OF OLD TRUST FUND.—The Hazardous Substance Superfund established by the amendments made by this section shall be treated for all purposes of law as a continuation of the Hazardous Substance Response Trust Fund established by section 221 of the Hazardous Substance Response Revenue Act of 1980. Any reference in any law to the Hazardous Substance Response Trust Fund established by such section 221 shall be deemed to include (wherever appropriate) a reference to the Hazardous Substance Superfund established by the amendments made by this section.

SEC. 789D. REPEAL OF POST-CLOSURE TAX AND TRUST FUND.

(a) REPEAL OF TAX.—

(1) Subchapter C of chapter 38 (relating to tax on hazardous wastes) is hereby repealed.

(2) The table of subchapters for such chapter 38 is amended by striking out the item relating to subchapter C.

(b) REPEAL OF TRUST FUND.—Section 232 of the Hazardous Substance Response Revenue Act of 1980 is hereby repealed.

(c) REFUND OF UNOBLIGATED BALANCE.—An amount equal to the unobligated balance in the Post-Closure Liability Trust Fund as of October 1, 1985, which is transferred into the Hazardous Substance Superfund pursuant to section 9505(b)(2) of the Internal Revenue Code of 1954, shall be paid out from such Superfund, effective March 1, 1989, as refunds of the taxes paid under section 4681 of such Code (as in effect prior to October 1, 1985), unless, prior to March 1, 1989, congressional action has been taken pursuant to section 107(k)(6) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980. Such refunds shall be paid on a proportional basis to the amounts of such taxes paid, and without interest.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1985.

SEC. 789E. INDUSTRIAL DEVELOPMENT BONDS FOR HAZARDOUS WASTE TREATMENT FACILITIES.

(a) IN GENERAL.—Paragraph (4) of section 103(b) (relating to certain exempt activities) is amended—

(1) by inserting ", facilities subject to final permit requirements under subtitle C of title II of the Solid Waste Disposal Act for the treatment of hazardous waste," after "solid waste disposal facilities" in subparagraph (E), and

(2) by adding at the end thereof the following new sentence: "For purposes of subparagraph (E), the terms 'treatment' and 'hazardous waste' have the meanings given to such terms by section 1004 of the Solid Waste Disposal Act.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to obligations issued after the date of the enactment of this Act.

SEC. 789F. REPORT ON METHODS OF FUNDING SUPERFUND.

Not later than January 1, 1988, the Comptroller General of the United States or his delegate shall study and report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives with respect to various methods of funding the Hazardous Substances Superfund, including a study of the effect of taxes on the generation and disposal of hazardous wastes.

SEC. 789G. CERTAIN COSTS OF PRIVATE FOUNDATION IN REMOVING HAZARDOUS SUBSTANCES TREATED AS QUALIFYING DISTRIBUTIONS.

(a) IN GENERAL.—In the case of any taxable year beginning after December 31, 1982, the distributable amount of a private foundation for such taxable year for purposes of section 4942 of the Internal Revenue Code of 1954 shall be reduced by any amount paid or incurred (or set aside) by such private foundation for the investigatory costs and direct costs of removal or taking remedial action with respect to a hazardous substance released at a facility which was owned or operated by such private foundation.

(b) LIMITATIONS.—Subsection (a) shall apply only to costs—

(1) incurred with respect to hazardous substances disposed of at a facility owned or operated by the private foundation but only if—

(A) such facility was transferred to such foundation by bequest before December 11, 1980, and

(B) the active operation of such facility by such foundation was terminated before December 12, 1980, and

(2) which were not incurred pursuant to a pending order issued to the private foundation unilaterally by the President or the President's assignee under section 106 of the Comprehensive Environmental Response, Compensation and Liability Act, or pursuant to a judgment against the private foundation issued in a governmental cost recovery action under section 107 of such Act.

(c) HAZARDOUS SUBSTANCE.—For purposes of this section, the term "hazardous substance" has the meaning given such term by section 9601(14) of the Comprehensive Environmental Response, Compensation and Liability Act.

PART 3—TOBACCO PROVISIONS

Subpart A—Tobacco Products Excise Taxes

SEC. 790. INCREASE IN TAX ON CIGARETTES MADE PERMANENT.

Subsection (c) of section 283 of the Tax Equity and Fiscal Responsibility Act of 1982 (relating to increase in tax on cigarettes) is amended by striking out "and before October 1, 1985".

SEC. 791. TAX ON SMOKELESS TOBACCO.

(A) IN GENERAL.—Section 5701 (relating to rate of tax) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

"(e) SMOKELESS TOBACCO.—On smokeless tobacco, manufactured in or imported into the United States, there shall be imposed the following taxes:

"(1) SNUFF.—On snuff, 24 cents per pound and a proportionate tax at the like rate on all fractional parts of a pound.

"(2) CHEWING TOBACCO.—On chewing tobacco, 8 cents per pound and a proportionate tax at the like rate on all fractional parts of a pound.".

(b) CONFORMING AMENDMENTS.—

"(1) The heading of chapter 52 is amended by inserting "SMOKELESS TOBACCO," after "CIGARETTES,".

(2) Section 5702(c) (defining tobacco products) is amended by striking out "and cigarettes" and inserting in lieu thereof ", cigarettes, and smokeless tobacco".

(3) Section 5702(d) (defining manufacturers of tobacco products) is amended by striking out "cigars or cigarettes" each place it appears and inserting in lieu thereof "cigars, cigarettes, or smokeless tobacco".

(4) Section 5702 is amended by adding at the end thereof the following new subsection:

"(n) DEFINITIONS RELATING TO SMOKELESS TOBACCO.—

"(1) SMOKELESS TOBACCO.—The term 'smokeless tobacco' means any snuff or chewing tobacco.

"(2) SNUFF.—The term 'snuff' means any finely cut, ground, or powdered tobacco that is not intended to be smoked.

"(3) CHEWING TOBACCO.—The term 'chewing tobacco' means any leaf tobacco that is not intended to be smoked.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to smokeless tobacco removed after September 30, 1985.

Subpart B—Tobacco Program Improvements

FINDINGS AND PURPOSES

SEC. 792. (a) Congress finds that—

(1) the maintenance of a viable tobacco price support and production adjustment program is in the interests of tobacco producers, purchasers of tobacco, persons employed directly or indirectly by the tobacco industry, and the localities and States whose economies and tax bases are dependent on the tobacco industry;

(2) the present tobacco price support program is in jeopardy and in need of reform;

(3) under present law, the levels of price support for tobacco have resulted in market prices for tobacco that are not competitive on the world market;

(4) as a consequence, extremely large quantities of domestic tobacco have been put under loan and placed in the inventories of the producer-owned cooperative marketing associations that administer the tobacco price support program;

(5) the increased inventories have led to a significant increase in the assessments producers are required to pay to maintain the tobacco price support program on a "no net cost" basis;

(6) such increasingly large assessments are creating a severe hardship on producers;

(7) the existence of such large inventories poses a threat to the orderly marketing of future crops of tobacco;

(8) inventories of producer associations must be significantly reduced or the tobacco price support program will collapse;

(9) the Commodity Credit Corporation is threatened with substantial losses on disposition of these inventories should the tobacco price support program collapse;

(10) it is imperative that such excess inventories of tobacco be disposed of, under the supervision of the Secretary of Agriculture, in a manner that—

(A) will not disrupt the orderly marketing of new tobacco crops;

(B) will minimize any losses to the Federal Government; and

(C) will be fair and equitable to all tobacco producers and purchasers;

(11) the mutual cooperation of tobacco producers, tobacco purchasers, producer associations, and the Secretary of Agriculture is necessary—

(A) to restore the tobacco price support program to a stable condition; and

(B) to prevent substantial losses to taxpayers that would result from the collapse of the program;

(12) restoration of stability to the tobacco price support program through a sharing of the cost of that program by purchasers of tobacco along with producers of tobacco is necessary to prevent undue burdens on, or obstruction of, interstate and foreign commerce in tobacco; and

(13) the system of grading tobacco should be thoroughly reviewed to ensure that grades are assigned to tobacco that properly state the quality of such tobacco.

(b) The purposes of this subpart are—

(1) to encourage cooperation among tobacco producers, tobacco purchasers, and the Secretary of Agriculture in reducing tobacco price support levels, assessment costs, the size of inventories of producer associations, and the exposure of taxpayers to large budget outlays;

(2) to adjust the method by which price support levels and production quotas are calculated to reflect actual market conditions;

(3) to facilitate the purchase and sale of Flue-cured and Burley tobacco presently in the inventories of producer associations through which producers of Flue-cured and Burley tobacco are provided price support;

(4) to provide that purchasers and producers of domestic tobacco share equally in the cost of maintaining the tobacco price support program at no net cost to the taxpayers; and

(5) to expedite reform of the system of grading tobacco so that grades assigned to tobacco more accurately reflect the quality of such tobacco.

PRICE SUPPORT ADJUSTMENTS

SEC. 792A. (a) Effective for the 1985 and subsequent crops of tobacco, section 106(f) of the Agricultural Act of 1949 (7 U.S.C. 1445(f)) is amended—

(1) by striking out "and for the 1985 crop of any kind of tobacco (other than Flue-cured and Burley tobacco) for which marketing quotas are in effect or are not disapproved by producers" in the first sentence of paragraph (3); and

(2) by striking out paragraph (4) and inserting in lieu thereof the following new paragraphs:

"(4) For the 1985 crop of Burley tobacco, the support level shall be $1.449 per pound.

"(5)(A) Except as provided in subparagraph (B), for the 1985 and each subsequent crop of any kind of tobacco (other than Flue-cured and Burley tobacco) for which marketing quotas are in effect or are not disapproved by producers, the support level shall be the level in cents per pound at which the immediately preceding crop was supported, plus or minus, respectively, the amount by which—

"(i) the support level for the crop for which the determination is being made, as determined under subsection (b); is greater or less than

"(ii) the support level for the immediately preceding crop, as determined under subsection (b),

as that difference may be adjusted by the Secretary under subsection (d) if the support level under clause (i) is greater than the support level under clause (ii).

"(B) Notwithstanding subparagraph (A) and subsection (d), if requested by the board of directors of an association through which price support for the respective kind of tobacco specified in subparagraph (A) is made available to producers, the Secretary may reduce the support level for such kind of tobacco to the extent requested by the association to more accurately reflect the market value and improve the marketability of such tobacco.

"(6)(A) For the 1986 and each subsequent crop of Flue-cured and Burley tobacco for which marketing quotas are in effect or are not disapproved by producers, the support level shall be the level in cents per pound at which the immediately preceding crop was supported, plus or minus, respectively, an adjustment of not less than 65 percent nor more than 100 percent of the total, as determined by the Secretary after taking into consideration the supply of the kind of tobacco involved in relation to demand, of—

"(i) 66.7 percent of the amount by which—

"(I) the average price received by producers for Flue-cured and Burley tobacco, respectively, on the United States auction markets, as determined by the Secretary, during the 5 marketing years immediately preceding the marketing year for which the determination is being made, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period, is greater or less than

"(II) the average price received by producers for Flue-cured and Burley tobacco, respectively, on the United States auction markets, as determined by the Secretary, during the 5 marketing years immediately preceding the marketing year prior to the marketing year for which the determination is being made, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period;

"(ii) 33.3 percent of the change, expressed as a cost per pound of tobacco, in the index of prices paid by tobacco growers from January 1 to December 31 of the calendar year immediately preceding the year in which the determination is made.

"(B) For purposes of subparagraph (A)—

"(i) the average market price for Burley tobacco for the 1984 and each prior applicable marketing year shall be reduced by $0.30 per pound;

"(ii) the average market price for Flue-cured tobacco for the 1985 and each prior applicable marketing year shall be reduced by $0.30 per pound;

"(iii) the support level for the 1985 crop of Flue-cured tobacco shall be considered to be $1.399 per pound; and

"(iv) the index of prices paid by tobacco producers shall include items representing general, variable costs of producing tobacco, as determined by the Secretary, but shall not include the cost of land, risk, overhead, management, purchase or leasing of quotas, marketing contributions or assessments, and other costs not directly related to the production of tobacco.".

(b) Effective for the 1986 and subsequent crops of tobacco, section 106 of the Agricultural Act of 1949 (7 U.S.C. 1445) is further amended by striking out subsection (g).

DETERMINATION OF MARKETING QUOTAS FOR FLUE-CURED AND BURLEY TOBACCO

SEC. 792B. (a) Section 301(b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1301(b)) is amended—

(1) by adding at the end of paragraph (14) the following new subparagraphs:

"(C) 'Reserve stock level', in the case of Flue-cured tobacco, shall be the greater of—

"(i) 100,000,000 pounds (farm sales weight); or

"(ii) 15 percent of the national marketing quota for Flue-cured tobacco for the marketing year immediately preceding the marketing year for which the level is being determined.

"(D) 'Reserve stock level', in the case of Burley tobacco, shall be the greater of—

"(i) 50,000,000 pounds (farm sales weight); or

"(ii) 15 percent of the national marketing quota for Burley tobacco for the marketing year immediately preceding the marketing year for which the level is being determined."; and

(2) by adding at the end thereof the following new paragraph:

"(17) 'Domestic manufacturer of cigarettes' means a person that produces and sells more than 1 percent of the cigarettes produced and sold in the United States.".

(b) Section 317(a)(1) of such Act (7 U.S.C. 1314c(a)(1)) is amended—

(1) by striking out " 'National marketing quota' " in the first sentence and inserting in lieu thereof "(A) Except as provided in subparagraph (B), 'national marketing quota' "; and

(2) by adding at the end thereof the following new subparagraphs:

"(B) For the 1986 and each subsequent crop of Flue-cured tobacco, 'national marketing quota' for a marketing year means the quantity of Flue-cured tobacco, as determined by the Secretary, that is not more than 103 percent nor less than 97 percent of the total of—

"(i) the aggregate of the quantities of Flue-cured tobacco that domestic manufacturers of cigarettes estimate the manufacturers intend to purchase on the United States auction markets or from producers during the marketing year, as compiled and determined under section 320A;

"(ii) the average annual quantity of Flue-cured tobacco exported from the United States during the 3 marketing years immediately preceding the marketing year for which the determination is being made; and

"(iii) the quantity, if any, of Flue-cured tobacco that the Secretary, in the discretion of the Secretary, determines is necessary to increase or decrease the inventory of the producer-owned cooperative marketing association that has entered into a loan agreement with the Commodity Credit Corporation to make price support available to producers of Flue-cured tobacco to establish or maintain such inventory at the reserve stock level for Flue-cured tobacco.

"(C) In determining the quantity of Flue-cured tobacco necessary to establish or maintain the inventory of the producer association at the reserve stock level under subparagraph (B)(iii), the Secretary shall provide for attaining the reserve stock level over a period of 5 years.".

(c) Section 319 of such Act (7 U.S.C. 1314e) is amended—

(1) in subsection (c)—

(A) by striking out "The national marketing quota" in the first sentence and inserting in lieu thereof "(1) Except as provided in paragraph (3), the national marketing quota";

(B) by striking out the second sentence;

(C) by designating the third sentence as paragraph (2); and

(D) by adding at the end thereof the following new paragraph:

"(3)(A) For the 1986 and each subsequent crop of Burley tobacco, the national marketing quota for any marketing year shall be the quantity of Burley tobacco, as determined by the Secretary, that is not more than 103 percent nor less than 97 percent of the total of—

"(i) the aggregate of the quantities of Burley tobacco that domestic manufacturers of cigarettes estimate the manufacturers intend to purchase on the United States auction markets or from producers during the marketing year, as compiled and determined under section 320A;

"(ii) the average annual quantity of Burley tobacco exported from the United States during the 3 marketing years immediately preceding the marketing year for which the determination is being made; and

"(iii) the quantity, if any, of Burley tobacco that the Secretary, in the discretion of the Secretary, determines is necessary to increase or decrease the inventories of the producer-owned cooperative marketing associations that have entered into loan agreements with the Commodity Credit Corporation to make price support available to producers of Burley tobacco to establish or maintain such inventories, in the aggregate, at the reserve stock level for Burley tobacco.

"(B) In determining the quantity of Burley tobacco necessary to establish or maintain the inventories of the producer associations at the reserve stock level under subparagraph (A)(iii)—

"(i) the Secretary shall provide for attaining the reserve stock level over a period of 5 years; and

"(ii) any downward adjustment in such inventories of Burley tobacco may not exceed the greater of—

"(I) 35,000,000 pounds; or

"(II) 50 percent of the quantity by which—

"(aa) the total inventories of Burley tobacco of the producer-owned cooperative marketing associations that have entered into loan agreements with the Commodity Credit Corporation to make price support available to producers of Burley tobacco; exceed

"(bb) the reserve stock level for Burley tobacco,"; and

(2) by inserting ", except in the case of Burley tobacco," after "*Provided*, That" in the fourth sentence of subsection (e).

(d) Effective for the 1986 and each subsequent crop of tobacco, such Act is amended by inserting after section 320 (7 U.S.C. 1314f) the following new section:

"SUBMISSION OF PURCHASE INTENTIONS BY CIGARETTE MANUFACTURERS

"SEC. 320A. (a)(1) Not later than December 1 of any marketing year with respect to Flue-cured tobacco (or, in the case of the 1986 crop, December 1, 1985) and January 15 of any marketing year with respect to Burley tobacco (or, in the case of the 1986 crop, January 15, 1986), each domestic manufacturer of cigarettes shall submit to the Secretary a statement, by kind, of the quantity of Flue-cured tobacco and Burley tobacco (for which a national marketing quota is in effect or for which the Secretary has proclaimed a national marketing quota for the next succeeding marketing year) that the manufacturer intends to purchase, directly or indirectly, on the United States auction markets or from producers during the next succeeding marketing year (hereafter in this section referred to as the 'quantity of intended purchases').

"(2) The Secretary shall aggregate the quantities of intended purchases in a manner that will not allow the identification of the quantity of intended purchases of any manufacturer.

"(b) If any domestic manufacturer of cigarettes fails to submit to the Secretary a statement of the quantity of intended purchases of the manufacturer, as required by this section, the Secretary shall establish the quantity of intended purchases to be attributed to such manufacturer for purposes of this Act, based on—

"(1) the quantity of intended purchases submitted by such manufacturer under this section for the marketing year immediately preceding the marketing year for which the determination is being made; or

"(2) if such manufacturer did not submit a statement of the quantity of intended purchases of the manufacturer for the marketing year immediately preceding the marketing year for which the determination is being made, the most recent information available to the Secretary.

"(c)(1) All information relating to the quantity of intended purchases that is submitted by domestic manufacturers of cigarettes under this section shall be kept confidential by all officers and employees of the Department of Agriculture.

"(2) Such information may only be disclosed by such officers or employees in a suit or administrative hearing—

"(A)(i) brought at the direction, or on the request, of the Secretary; or

"(ii) to which the Secretary or any officer of the United States is a party; and

"(B) involving enforcement of this Act.

"(3) Nothing in this section shall be considered to prohibit the publication, by direction of the Secretary, of the name of any person violating this Act, together with a statement of the particular provisions of the Act violated by such person.

"(4) Any officer or employee of the Department of Agriculture who violates this subsection, on conviction, shall be—

"(A) subject to a fine of not more than $1,000 or to imprisonment for not more than 1 year, or to both; and

"(B) removed from office.

"(d) Notwithstanding any other provision of law, a statement of the quantity of intended purchases that is submitted under this section shall be exempt from disclosure under section 552 of title 5, United States Code.".

MARKETING QUOTA ANNOUNCEMENT DATE

SEC. 792C. (a) Section 312 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1312) is amended—

(1) by striking out "and February 1 of any marketing year with respect to other kinds of tobacco" in the matter preceding clause (1) of subsection (a) and inserting in lieu thereof "February 1 of any marketing year with respect to Burley tobacco, and March 1 of any marketing year with respect to other kinds of tobacco"; and

(2) by striking out "and not later than the first day of February with respect to other kinds of tobacco" in the first sentence of subsection (b) and inserting in lieu thereof ", not later than the first day of February with respect to Burley tobacco, and not later than the first day of March with respect to other kinds of tobacco".

(b) Section 319(b) of such Act (7 U.S.C. 1313e(b)) is amended by striking out "February 1" each place it appears in the fourth paragraph and inserting in lieu thereof "March 1".

REDUCTION IN EXCESS TOBACCO NOT SUBJECT TO MARKETING PENALTY

SEC. 792D. (a) Effective for the 1986 and subsequent crops of tobacco, the Agricultural Adjustment Act of 1938 is amended—

(1) by striking out "110" in section 317(g)(1) (7 U.S.C. 1314c(g)(1)) and inserting in lieu thereof "103"; and

(2) by striking out "110" in section 319(i)(1) (7 U.S.C. 1314e(i)(1)) and inserting in lieu thereof "103".

(b) Effective for the 1986 and subsequent crops of tobacco, section 106(c)(1) of the Agricultural Act of 1949 (7 U.S.C. 1445(c)(1)) is amended by striking out "110" and inserting in lieu thereof "103".

PURCHASE REQUIREMENTS; PENALTY

SEC. 792E. (a) Effective for the 1986 and subsequent crops of tobacco, the Agricultural Adjustment Act of 1938 (as amended by section 792B(d)) is further amended by inserting after section 320A the following new section:

"PURCHASE REQUIREMENTS; PENALTY

"SEC. 320B. (a)(1) At the conclusion of each marketing year, on or before a date prescribed by the Secretary, each domestic manufacturer of cigarettes shall submit to the Secretary a statement, by kind, of the quantity of Flue-cured and Burley quota tobacco purchased, directly or indirectly, by such manufacturer during such marketing year.

"(2) The statement shall include, but not be limited to, the quantity of each such kind of tobacco purchased by the manufacturer on the United States auction markets, from producers, and from the inventories of tobacco from the 1985 and subsequent crops of the producer-owned cooperative marketing associations that have entered into loan agreements with the Commodity Credit Corporation to make price support available to producers of Flue-cured or Burley tobacco.

"(b)(1) Except as otherwise provided in this subsection, any domestic manufacturer of cigarettes that fails, as determined by the Secretary after notice and opportunity for a hearing, to purchase during a marketing year on the United States auction markets, from producers, or from the inventories of tobacco from the 1985 and subsequent crops of the producer associations described in subsection (a)(2) a quantity of Flue-cured quota tobacco and a quantity of Burley quota tobacco equal to at least 90 percent of the quantity of the intended purchases of Flue-cured tobacco and Burley tobacco, respectively, submitted by such manufacturer or established by the Secretary for such manufacturer for that marketing year under section 320A (as that quantity may be reduced under paragraph (2)) shall be subject to a penalty as prescribed in subsection (c).

"(2)(A) If the total quantity of Flue-cured or Burley quota tobacco, respectively, marketed by producers at auction in the United States during the marketing year in question is less than the national marketing quota (including any adjustments for overmarketings or undermarketings) for that kind of tobacco for that marketing year, the quantity of intended purchases of each domestic manufacturer of cigarettes, for purposes of paragraph (1), shall be reduced by a percentage equal to the percentage by which the total quantity marketed at auction in the United States during the marketing year is less than the national marketing quota (including any adjustments for overmarketings or undermarketings) for that kind of tobacco for the marketing year.

"(B) For purposes of this section, the term 'marketed' shall include disposition of tobacco by consigning the tobacco to a producer association described in subsection (a)(2) for a price support advance.

"(c) The amount of any penalty to be imposed on a manufacturer under this section shall be determined by multiplying—

"(1) twice the per pound assessment (as determined under section 106A or 106B of the Agricultural Act of 1949 (7 U.S.C. 1445-1 or 1445-2)) for the kind of tobacco involved; by

"(2) the quantity by which—

"(A) the purchases by such manufacturer on the United States auction markets, from producers, or from the inventories of tobacco from the 1985 and subsequent crops of the producer associations described in subsection (a)(2) of Flue-cured and Burley quota tobacco, respectively, for the marketing year; are less than

"(B) 90 percent of the quantity of intended purchases of such kinds of tobacco, respectively, submitted by the manufacturer or established by the Secretary for such manufacturer for that marketing year under section 320A (as that quantity may be reduced under subsection (b)(2)).

"(d)(1) An amount equivalent to the penalty collected by the Secretary under this section shall be transmitted by the Secretary to the appropriate producer-owned cooperative marketing association that has entered into a loan agreement with the Commodity Credit Corporation to make price support available to producers of Flue-cured or Burley tobacco, as the case may be.

"(2) Each association to which amounts are transmitted by the Secretary under this section shall deposit such amounts in the No Net Cost Fund or Account of such association in accordance with section 106A or 106B of the Agricultural Act of 1949.

"(e) Subsections (c) and (d) of section 320A shall apply to information submitted by domestic manufacturers of cigarettes under this section with respect to the quantity of purchases of Flue-cured and Burley quota tobacco during a marketing year.

"(f) As used in this section, the term 'quota tobacco' means any kind of tobacco for which marketing quotas are in effect or for which marketing quotas are not disapproved by producers.".

(b) Effective for the 1986 and subsequent crops of tobacco, the last sentence of section 372(b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1372(b)) is amended by striking out "The" and inserting in lieu thereof "Except as provided in section 320B, the".

ASSESSMENTS TO NO NET COST FUNDS OR ACCOUNTS

SEC. 792F. (a) Effective for the 1986 and subsequent crops of tobacco, section 106A of the Agricultural Act of 1949 (7 U.S.C. 1445-1) is amended—

(1) in subsection (a)—

(A) by striking out "and" at the end of paragraph (5);

(B) by redesignating paragraph (6) as paragraph (7); and

(C) by inserting after paragraph (5) the following new paragraph:

"(6) the term 'purchaser' means any person who purchases in the United States, either directly or indirectly for the account of such person or another person, Flue-cured or Burley quota tobacco; and";

(2) by inserting "or paid by or on behalf of purchasers" after "producer-members" in the second sentence of subsection (c);

(3) in subsection (d)—

(A) by striking out "and" at the end of clause (i) of paragraph (1)(A);

(B) by inserting after clause (ii) of paragraph (1)(A) the following new clause:

"(iii) each purchaser of Flue-cured and Burley quota tobacco shall pay to the appropriate association, for deposit in the Fund of the association, an assessment, in an amount determined from time to time by the association with the approval of the Secretary, with respect to purchases of all such kind of tobacco marketed by a producer from a farm (including purchases of such tobacco from the 1986 and subsequent crops from the association); and";

(C) by striking out "The" in the last sentence of paragraph (1) and inserting in lieu thereof the following: "The amount of producer contributions and purchaser assessments shall be determined in such a manner that producers and purchasers share equally, to the maximum extent practicable, in maintaining the Fund of an association. In making such determination with respect to the assessment of a purchaser, only 1985 and subsequent crops of Flue-cured and Burley quota tobacco shall be taken into account. The";

(D) by inserting "and assessments" after "contributions" in the last sentence of paragraph (1);

(E) by striking out paragraph (2) and inserting in lieu thereof the following new paragraph:

"(2) require that any producer contribution or purchaser assessment due under paragraph (1) shall be collected—

"(A) from the person who acquired the tobacco involved from the producer, except that if the tobacco is marketed by sale, an amount equal to the producer contribution may be deducted by the purchaser from the price paid to such producer;

"(B) if the tobacco involved is marketed by a producer through a warehouseman or agent, from such warehouseman or agent, who may—

"(i) deduct an amount equal to the producer contribution from the price paid to the producer; and

"(ii) add an amount equal to the purchaser assessment to the price paid by the purchaser; and

"(C) if the tobacco involved is marketed by a producer directly to any person outside the United States, from the producer, who may add an amount equal to the purchaser assessment to the price paid by the purchaser;";

(F) by striking out "producers who contribute" in the proviso of paragraph (3) and inserting in lieu thereof "producers and purchasers who contribute or pay";

(G) by striking out "and" at the end of paragraph (5);

(H) by inserting "effective for the 1982 through 1985 crops of quota tobacco," after the paragraph designation in paragraph (6);

(I) by striking out the period at the end of paragraph (6) and inserting in lieu thereof "; and"; and

(J) by inserting after paragraph (6) the following new paragraph:

"(7) effective for the 1986 and subsequent crops of quota tobacco, provide, in loan agreements between the Corporation and an association, that if the Secretary determines that the amount in the Fund or the net gains referred to in paragraph (5) exceeds the amounts necessary for the purposes specified in this section, the association, with the approval of the Secretary, may suspend the payment and collection of contributions and assessments under this section on terms and conditions established by the association, with the approval of the Secretary."; and

(4) by adding at the end thereof the following new subsection:

"(h)(1)(A) Each person who fails to collect any contribution or assessment as required by subsection (d)(2) and remit such contribution or assessment to the association, at such time and in such manner as may be prescribed by the Secretary, shall be liable, in addition to any amount due, to a marketing penalty at a rate equal to 75 percent of the average market price (calculated to the nearest whole cent) for the kind of tobacco involved for the immediately preceding year on the quantity of tobacco as to which the failure occurs.

"(B) The Secretary may reduce any such marketing penalty in such amount as the Secretary determines equitable in any case in which the Secretary determines that the failure was unintentional or without knowledge on the part of the person concerned.

"(C) Any penalty provided for under this paragraph shall be assessed by the Secretary after notice and opportunity for a hearing.

"(2)(A) Any person against whom a penalty is assessed under this subsection may obtain review of such penalty in an appropriate district court of the United States by filing a civil action in such court not later than 30 days after such penalty is imposed.

"(B) The Secretary shall promptly file in such court a certified copy of the record on which the penalty is based.

"(3) The district courts of the United States shall have jurisdiction to review and enforce any penalty imposed under this subsection.

"(4) An amount equivalent to any penalty collected by the Secretary under this subsection shall be transmitted by the Secretary to the appropriate association, for deposit in the Fund of such association.

"(5) The remedies provided in this subsection shall be in addition to, and not exclusive of, other remedies that may be available.".

(b) Effective for the 1986 and subsequent crops of tobacco, section 106B of the Agricultural Act of 1949 (7 U.S.C. 1445-2) is amended—

(1) in subsection (a)—

(A) by striking out "and" at the end of paragraph (6);

(B) by striking out the period at the end of paragraph (7) and inserting in lieu thereof "; and"; and

(C) by adding at the end thereof the following new paragraph:

"(8) the term 'purchaser' means any person who purchases in the United States, either directly or indirectly for the account of such person or another person, Flue-cured or Burley quota tobacco.";

(2) by inserting "and purchasers" after "producers" in subsection (c)(1);

(3) in subsection (d)—

(A) by inserting at the end of paragraph (1) the following new sentence: "The Secretary shall also require (in lieu of any requirement under section 106A(d)(1)) that each purchaser of Flue-cured and Burley quota tobacco shall pay to the Corporation, for deposit in the Account of such association, an assessment, as determined under paragraph (2) and collected under paragraph (3), with respect to purchases of all such kind of tobacco marketed by a producer from a farm (including purchases of such tobacco from the 1986 and subsequent crops from the association).";

(B) by striking out "area. Such amount" in paragraph (2) and inserting in lieu thereof "area and the amount of the assessment to be paid by purchasers of tobacco. The amount of the assessment to be paid by producers and purchasers shall be determined in such a manner that producers and purchasers share equally, to the maximum extent practicable, in maintaining the Account of an association. In making such determination with respect to the assessment of a purchaser, only 1985 and subsequent crops of Flue-cured and Burley quota tobacco shall be taken into account. The amount of the assessment";

(C) by inserting at the end of paragraph (2) the following: "Notwithstanding the foregoing provisions of this paragraph, the amount of any assessment that is determined by the Secretary for the 1986 and subsequent crops of Burley quota tobacco shall be determined without regard to any net losses that the Corporation may sustain under the loan agreements of the Corporation with such association with respect to the 1983 crop of such tobacco."; and

(D) by amending paragraph (3) to read as follows:

"(3)(A) Except as provided in subparagraphs (B) and (C), any assessment to be paid by a producer or a purchaser under paragraph (1) shall be collected from the person who acquired the tobacco involved from such producer, except that if the tobacco is marketed by sale, an amount equal to the producer assessment may be deducted by the purchaser from the price paid to such producer.

"(B) If tobacco of the kind for which an Account is established is marketed by a producer through a warehouseman or agent, both the producer and the purchaser assess-

ment shall be collected from such warehouseman or agent, who may—

"(i) deduct an amount equal to the producer assessment from the price paid to the producer; and

"(ii) add an amount equal to the purchaser assessment to the price paid by the purchaser.

"(C) If tobacco of the kind for which an Account is established is marketed by a producer directly to any person outside the United States, both the producer and the purchaser assessment shall be collected from the producer, who may add an amount equal to the purchaser assessment to the price paid by the purchaser."; and

(4) by adding at the end thereof the following new subsection:

"(j)(1)(A) Each person who fails to collect any assessment as required by subsection (d)(3) and remit such assessment to the Corporation, at such time and in such manner as may be prescribed by the Secretary, shall be liable, in addition to any amount due, to a marketing penalty at a rate equal to 75 percent of the average market price (calculated to the nearest whole cent) for the kind of tobacco involved for the immediately preceding year on the quantity of tobacco as to which the failure occurs.

"(B) The Secretary may reduce any such marketing penalty in such amount as the Secretary determines equitable in any case in which the Secretary determines that the failure was unintentional or without knowledge on the part of the person concerned.

"(C) Any penalty provided for under this paragraph shall be assessed by the Secretary after notice and opportunity for a hearing.

"(2)(A) Any person against whom a penalty is assessed under this subsection may obtain review of such penalty in an appropriate district court of the United States by filing a civil action in such court not later than 30 days after such penalty is imposed.

"(B) The Secretary shall promptly file in such court a certified copy of the record on which the penalty is based.

"(3) The district courts of the United States shall have jurisdiction to review and enforce any penalty imposed under this subsection.

"(4) An amount equivalent to any penalty collected by the Secretary under this subsection shall be transmitted by the Secretary to the Corporation, for deposit in the Account of the appropriate association.

"(5) The remedies provided in this subsection shall be in addition to, and not exclusive of, other remedies that may be available.".

(c) The Secretary of Agriculture shall implement sections 792A through 792G, and the amendments made by such sections, without regard to the provisions requiring notice and other procedures for public participation in rulemaking contained in section 553 of title 5, United States Code, or in any directive of the Secretary.

(d) The section heading of section 106A of the Agricultural Act of 1949 (7 U.S.C. 1445-1) is amended to read as follows:

"PRODUCER CONTRIBUTIONS AND PURCHASER ASSESSMENTS FOR NO NET COST TOBACCO FUND".

PURCHASE OF INVENTORY STOCK

SEC. 792G. Notwithstanding any other provision of law, in order to reduce or eliminate the excessive inventories of Flue-cured and Burley tobacco held by associations from the 1976 through 1984 crops, and in order to provide for the orderly disposition of such excessive inventories of tobacco in a manner that will not disrupt the orderly marketing of new tobacco crops and minimize any losses to the Federal Government:

(a)(1) The producer-owned cooperative marketing association that has entered into a loan agreement with the Commodity Credit Corporation to make price support available to producers of Flue-cured tobacco shall offer to sell the stocks of Flue-cured tobacco of the association from the 1976 through 1984 crops as provided in this section.

(2) Each producer-owned cooperative marketing association that has entered into a loan agreement with the Commodity Credit Corporation to make price support available to producers of Burley tobacco shall offer to sell its stocks of Burley tobacco from the 1982 and 1984 crops as provided in this section.

(3)(A)(i) Not later than 30 days after the date of enactment of this subpart, the Commodity Credit Corporation shall acquire title to the Burley tobacco from the 1983 crop that is pledged as security for loans on such tobacco by calling the loans on such tobacco.

(ii) The Corporation shall, then, offer such tobacco for sale at such times, in such quantities, and subject to such conditions as the Corporation considers appropriate.

(B) If the Commodity Credit Corporation has not sold all of the stocks of the 1983 crop of Burley tobacco within 2 years from the date the Corporation calls the loans on such tobacco, the Corporation may offer to sell to domestic manufacturers of cigarettes the remaining stocks of such tobacco as provided in this section.

(b)(1)(A) The stocks of Flue-cured tobacco from the 1976 through 1984 crops shall be offered for sale at the base prices, including carrying charges, in effect as of the date of the offer, reduced by—

(i) 90 percent for Flue-cured tobacco from the 1976 through 1981 crops; and

(ii) 10 percent for Flue-cured tobacco from the 1982 through 1984 crops.

(B) The purchasers of the stocks of Flue-cured tobacco from the 1976 through 1984 crops shall pay the full carrying charges that have accrued to such tobacco from the date of the offer made under this section to the date that such tobacco is removed from the inventory of the association.

(2)(A) The stocks of Burley tobacco from the 1982 crop shall be offered for sale at the listed base price in effect as of July 1, 1985.

(B) The stocks of Burley tobacco from the 1984 crop shall be offered for sale at the costs of the association for such tobacco as of the date of enactment of this subpart.

(C) The purchasers of the stocks of Burley tobacco from the 1982 crop shall pay the full carrying charges that have accrued to such tobacco.

(D) The purchasers of the stocks of Burley tobacco from the 1984 crop shall pay the full carrying charges that have accrued to such tobacco from the date of enactment of this subpart to the date such tobacco is removed from the inventories of the associations.

(3)(A) After the 2-year period specified in subsection (a)(3)(B) has expired, if the Commodity Credit Corporation offers to sell the stocks of the Corporation of Burley tobacco from the 1983 crop to domestic manufacturers of cigarettes, such stocks shall be offered for sale at the costs of the association, including carrying charges, as of the date on which the Corporation calls the loans on such tobacco, reduced by 90 percent.

(B) Neither tobacco producers nor tobacco purchasers shall be responsible for carrying charges that accrue to the 1983 crop Burley tobacco after the date on which the Commodity Credit Corporation calls the loans on such tobacco.

(c)(1)(A) Each domestic manufacturer of cigarettes may enter into agreements to purchase inventory stocks of Flue-cured and Burley tobacco, in accordance with this section.

(B) To be eligible for the reductions in price specified in this section, such manufacturer shall enter into such agreements as soon as practicable, but not later than 90 days, after the date of enactment of this subpart.

(C)(i) Such agreements shall provide that, over a period of time, each participating domestic manufacturer of cigarettes shall purchase a percentage of the stocks of Flue-cured and Burley tobacco held—

(I) by the producer-owned cooperative marketing associations at the close of the 1984 marketing year; or

(II) in the case of the 1983 crop of Burley tobacco, by the Commodity Credit Corporation at the time the Corporation offers such tobacco for sale to domestic manufacturers of cigarettes under this section.

(ii) The period of time referred to in clause (i) may not exceed—

(I) in the case of Flue-cured tobacco, 8 years from the date of enactment of this subpart;

(II) in the case of Burley tobacco from the 1982 and 1984 crops, 5 years from the date of enactment of this subpart; and

(III) in the case of the 1983 crop of Burley tobacco, 5 years from the end of the 2-year period referred to in subsection (a)(3)(B).

(2)(A)(i) The percentage to be purchased by each participating manufacturer shall be at least equal to the respective percentage of the participating manufacturer of the total quantity of net cigarettes manufactured for use as determined by the Secretary of Agriculture under this paragraph on the basis of the monthly reports ("Manufacturer of Tobacco Products—Monthly Reports") submitted (on ATF Form 3068) by manufacturers of tobacco products to the Bureau of Alcohol, Tobacco and Firearms of the Department of the Treasury.

(ii) The Secretary of Agriculture shall request from the Secretary of the Treasury copies of such monthly reports necessary to make the determinations required under this section.

(iii) Notwithstanding any other provision of law, the Secretary of the Treasury may release and disclose such information to the Secretary of Agriculture.

(B) "Net cigarettes manufactured for use" shall be computed by subtracting—

(i) the cumulative figures entered for large and small cigarettes in item 16f of ATF Form 3068 ("Reduction to tobacco"); from

(ii) the cumulative figures entered for large and small cigarettes in item 7 of such form ("Manufactured").

(C)(i) The percentage to be purchased by each participating manufacturer shall be determined—

(I) on the date of enactment of this subpart; and

(II) annually thereafter over the course of the respective buy-out periods specified in this subsection.

(ii) Such percentage shall be determined by dividing—

(I) the average net cigarettes manufactured by a manufacturer for use for the 12-month period immediately preceding the appropriate determination date (the date of

enactment of this subpart and annually thereafter over the course of the respective buy-out periods specified in this subsection); by

(II) the aggregate average net cigarettes manufactured by all domestic cigarette manufacturers for use for such 12-month period.

(D)(i) The quantity of tobacco to be purchased by each participating manufacturer shall be determined annually.

(ii) Such quantity shall be based on—

(I) the percentage of net cigarettes of a manufacturer manufactured for use, as determined under subparagraph (C); multiplied by

(II) the appropriate annual quantity to be withdrawn from the inventories of the associations or the Commodity Credit Corporation.

(iii) The appropriate annual quantity to be withdrawn from inventories shall be—

(I) 12½ percent of the inventories of Fluecured tobacco from the 1976 through 1984 crops on hand on the date of enactment of this subpart;

(II) 20 percent of the inventories of Burley tobacco from the 1982 and 1984 crops on hand on the date of enactment of this subpart; and

(III) 20 percent of the inventories of Burley tobacco from the 1983 crop held by the Commodity Credit Corporation on the date that is 2 years after the call of the loans on such tobacco by the Corporation.

(E) Any purchases by a manufacturer from the inventories of the associations or from the Commodity Credit Corporation for a crop covered by this section in any year of the buy-out period that exceed the quantity of the purchases of the manufacturer required under the agreement, as determined under this section, shall be applied against future purchases required of such manufacturer.

(3) In carrying out this section, manufacturers may confer with one another and, separately or collectively, with associations, the Secretary of Agriculture, and the Commodity Credit Corporation, as may be necessary or appropriate to carry out this section and the purposes of this subpart.

(d)(1)(A) Each agreement entered into under this section shall be submitted to the Secretary of Agriculture for review and approval.

(B) In the case of an agreement to purchase tobacco from the inventory of a producer association, the agreement shall be submitted by the association.

(C) No agreement may become effective until approved by the Secretary.

(2) The Secretary of Agriculture shall not approve any agreement submitted under this section unless the Secretary has determined that—

(A) the agreement—

(i) will not unduly impair or disrupt the orderly marketing of current and future tobacco crops during the term of the agreement; and

(ii) is otherwise consistent with the purposes of this subpart; and

(B) the price and other terms of sale are uniform and nondiscriminatory among various purchasers.

(e) Subsections (c) and (d) of section 320A of the Agricultural Adjustment Act of 1938 (as added by section 792B(d)) shall apply to information submitted by domestic manufacturers of cigarettes under this section with respect to net cigarettes manufactured for use, including information provided on ATF Form 3068.

REVIEW OF TOBACCO GRADING SYSTEM AND DISASTER CROP DESIGNATION

SEC. 792H. (a)(1)(A) The Secretary of Agriculture shall conduct a comprehensive study of the methods and procedures for grading tobacco marketed in the United States.

(B) In carrying out such study, the Secretary shall evaluate, among other things—

(i) the extent to which grades assigned to tobacco accurately reflect the quality of such tobacco;

(ii) the extent to which the number of grades of tobacco affects the operation of the grading system; and

(iii) the competence and independence of tobacco graders.

(2) The Secretary shall also study the feasibility and desirability of—

(A) providing for a grade that would be used to designate tobacco that is of such poor quality as a result of a natural disaster as to affect substantially the marketability of such tobacco; and

(B) establishing a price support level, if any, for such tobacco that may be adjusted by the Secretary as necessary to facilitate the sale of such tobacco and protect the no net cost funds or accounts.

(b)(1) Not later than 120 days after the date of enactment of this subpart, the Secretary of Agriculture shall report the results of the studies required under subsection (a), together with any recommendations for necessary legislation, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(2) As soon as practicable after submission of the report required under paragraph (1), but not later than the opening of the marketing season for the 1986 crop of Fluecured tobacco, the Secretary shall implement any recommendations made in such report that may be implemented by the Secretary under existing authority.

INVESTMENT OF TOBACCO INSPECTION FEES

SEC. 792I. Section 5 of The Tobacco Inspection Act (7 U.S.C. 511d) is amended—

(1) by inserting "late payment penalties, and interest earned from the investment of such funds," after "The fees and charges," in the ninth sentence;

(2) by inserting after the ninth sentence the following new sentences: "Any funds realized from the collection of fees or charges authorized under this section and section 6 and credited to the current appropriation account incurring the cost of services provided under this section and section 6, late payment penalties, and interest earned from the investment of such funds may be invested by the Secretary in insured or fully collateralized, interest-bearing accounts or, at the discretion of the Secretary, by the Secretary of the Treasury in United States Government debt instruments. Any income realized from this activity may be used to pay the expenses of the Secretary of Agriculture incident to providing services under this Act or reinvested in the manner authorized in the preceding sentence."; and

(3) by striking out "Such fees and charges" in the tenth sentence (as it existed before the amendment made by clause (2)) and inserting in lieu thereof "The fees and charges authorized in this section".

EFFECTIVE DATE

SEC. 792J. Except as otherwise provided in this subpart, this subpart and the amendments made by this subpart shall become effective on the date of enactment of this subpart.

PART 4—EMPLOYMENT TAX PROVISIONS

SEC. 793. MEDICARE COVERAGE OF, AND APPLICATION OF HOSPITAL INSURANCE TAX TO, STATE AND LOCAL GOVERNMENTAL EMPLOYMENT.

(a) APPLICATION OF HOSPITAL INSURANCE TAX TO STATE AND LOCAL GOVERNMENTAL EMPLOYMENT.—

(1) IN GENERAL.—Subsection (u) of section 3121 (relating to definitions) is amended to read as follows:

"(u) APPLICATION OF HOSPITAL INSURANCE TAX TO FEDERAL, STATE, AND LOCAL GOVERNMENTAL EMPLOYMENT.—

"(1) IN GENERAL.—The taxes imposed by sections 3101(b) and 3111(b) shall apply to medicare qualified governmental employment.

"(2) MEDICARE QUALIFIED GOVERNMENTAL EMPLOYMENT.—The terms 'medicare qualified governmental employment' means any service which is medicare qualified Federal employment (as defined in paragraph (3)) or medicare qualified State and local governmental employment (as defined in paragraph (4)).

"(3) MEDICARE QUALIFIED FEDERAL EMPLOYMENT.—Medicare qualified Federal employment means any service which would constitute 'employment' as defined in subsection (b) but for the application of subsection (b)(5).

"(4) MEDICARE QUALIFIED STATE AND LOCAL GOVERNMENTAL EMPLOYMENT.—Medicare qualified State and local governmental employment means any service which would constitute 'employment' as defined in subsection (b) but for the application of subsection (b)(7), and which is not covered pursuant to an agreement under section 218 of the Social Security Act.".

(2) CONFORMING AMENDMENTS.—

(A) The second sentence of section 1402(b) is amended by striking out "medicare qualified Federal employment" in subparagraph (C) thereof and inserting in lieu thereof "medicare qualified governmental employment".

(B) Section 3122 is amended by striking out "3121(u)(2)" and inserting in lieu thereof "3121(u)(3)".

(C)(i) Section 3125 is amended by redesignating subsections (a), (b), and (c) as subsections (b), (c), and (d), respectively, and by inserting before subsection (b) (as so redesignated) the following new subsection:

"(a) STATES AND POLITICAL SUBDIVISIONS.—Except as otherwise provided in this section, in the case of the taxes imposed by sections 3101(b) and 3111(b) with respect to medicare qualified State and local governmental employment performed in the employ of a State or any political subdivision thereof (or any instrumentality of any one or more of the foregoing which is wholly owned thereby), the return and payment of such taxes may be made by the head of the agency or instrumentality having the control of such employment, or by such agents as such head may designate. The person making such return may, for convenience of administration, make payments of the tax imposed under section 3111 with respect to the service of such individuals without regard to the contribution and benefit base limitation in section 3121(a)(1).".

(ii) The section heading for such section 3125 is amended by inserting "STATES AND POLITICAL SUBDIVISIONS," before "GUAM".

(iii) The item relating to section 3125 in the table of sections for subchapter C of chapter 21 is amended by inserting "States and political subdivisions," before "Guam".

(D) Section 6205(a) is amended by adding at the end thereof the following new paragraph:

"(5) STATES AND POLITICAL SUBDIVISIONS AS EMPLOYER.—For purposes of this subsection, in the case of remuneration received from a State or any political subdivision thereof (or any instrumentality of any one or more of the foregoing which is wholly owned thereby) during any calendar year, each head of an agency or instrumentality, and each agent designated by either, who makes a return pursuant to section 3125(a) shall be deemed a separate employer.".

(E)(i) Section 6413(a) is amended by adding at the end thereof the following new paragraph:

"(6) STATES AND POLITICAL SUBDIVISIONS AS EMPLOYER.—For purposes of this subsection, in the case of remuneration received from a State or any political subdivision thereof (or any instrumentality of any one or more of the foregoing which is wholly owned thereby) during any calendar year, each head of any agency or instrumentality, and each agent designated by either, who makes a return pursuant to section 3125(a) shall be deemed a separate employer.".

(ii) Section 6413(c)(2) is amended—

(I) by striking out "3125(a)", "3125(b)", and "3125(c)" in subparagraphs (D), (E), and (F), respectively, and inserting in lieu thereof "3125(b)", "3125(c)", and "3125(d)", respectively, and

(II) by adding at the end thereof the following new subparagraph:

"(G) EMPLOYEES OF STATES AND POLITICAL SUBDIVISIONS.—In the case of remuneration received from a State or any political subdivision thereof (or any instrumentality of any one or more of the foregoing which is wholly owned thereby) during any calendar year, each head of an agency or instrumentality, and each agent designated by either, who makes a return pursuant to section 3125(a) shall, for purposes of this subsection, be deemed a separate employer.".

(3) REGULATIONS.—Taxes paid under sections 3101(b) and 3111(b) of the Internal Revenue Code of 1954 by States or political subdivisions thereof (or any instrumentality of any one or more of the foregoing which is wholly owned thereby) with respect to medicare qualified State and local governmental employment shall be collected pursuant to the regulations issued by the Secretary of the Treasury under section 6302 of such Code in the same manner as if such entity was a private employer.

(b) ENTITLEMENT TO HOSPITAL INSURANCE BENEFITS.—

(1) DEFINITION.—Section 210(p) of the Social Security Act is amended to read as follows:

"Medicare Qualified Governmental Employment

"(p)(1) For purposes of sections 226 and 226A, the term 'medicare qualified governmental employment' means any service which is medicare qualified Federal employment (as defined in paragraph (2)) or medicare qualified State and local governmental employment (as defined in paragraph (3)).

"(2) Medicare qualified Federal employment means any service which would constitute 'employment' as defined in subsection (a) but for the application of subsection (a)(5).

"(3) Medicare qualified State and local governmental employment means any service which would constitute 'employment' as defined in subsection (a) but for the application of subsection (a)(7), and which is not covered pursuant to an agreement under section 218.".

(2) ENTITLEMENT TO HOSPITAL INSURANCE BENEFITS.—Sections 226(a)(2)(C)(i), 226(b)(2)(C)(ii)(I), 226A(a)(1)(A)(ii), and 226A(a)(1)(B)(iii) of the Social Security Act are each amended by striking out "medicare qualified Federal employment (as defined in section 210(p))" and inserting in lieu thereof in each instance "medicare qualified governmental employment (as defined in section 210(p)(1))".

(3) CONFORMING AMENDMENTS.—Section 1811 of the Social Security Act is amended by striking out "Federal employment" each place it appears in clauses (1) and (2), and inserting in lieu thereof in each instance "governmental employment".

(c) EFFECTIVE DATES.—

(1) HOSPITAL INSURANCE TAXES.—The amendments made by subsection (a) shall apply to service performed after September 30, 1986.

(2) MEDICARE COVERAGE.—

(A) IN GENERAL.—The amendments made by subsection (b) are effective on and after October 1, 1986, and the amendments made by paragraph (2) of that subsection apply to service performed after September 30, 1986.

(B) TREATMENT OF CURRENT DISABILITIES.—For purposes of establishing entitlement to hospital insurance benefits under part A of title XVIII of the Social Security Act pursuant to the amendments made by subsection (b) or the provisions of subsection (d), on the basis of medicare qualified State and local employment, no individual may be considered to be under a disability for any period before October 1, 1986.

(d) TRANSITIONAL PROVISIONS.—

(1) IN GENERAL.—For purposes of sections 226, 226A, and 1811 of the Social Security Act, in the case of any individual who—

(A) performs service during October 1986 which constitutes medicare qualified State and local governmental employment (as defined in section 210(p)(1) of such Act); and

(B) performed service prior to October 1, 1986, which would constitute medicare qualified State and local governmental employment if performed after October 1, 1986,

such individual's State and local governmental employment performed before October 1, 1986, shall be considered to be "employment" (as defined for purposes of title II of such Act), but only for the purpose of providing the individual (or another person) with entitlement to hospital insurance benefits under part A of title XVIII of such Act.

(2) APPROPRIATIONS.—There are authorized to be appropriated to the Federal Hospital Insurance Trust Fund from time to time such sums as the Secretary of Health and Human Services deems necessary for any fiscal year, on account of—

(A) payments made or to be made during such fiscal year from such Trust Fund with respect to individuals who are entitled to benefits under title XVIII of the Social Security Act solely by reason of paragraph (1) of this subsection,

(B) the additional administrative expenses resulting or expected to result therefrom, and

(C) any loss in interest to such Trust Fund resulting from the payment of those amounts,

in order to place such Trust Fund in the same position at the end of such fiscal year as it would have been in if this subsection had not been enacted.

SEC. 794. RAILROAD UNEMPLOYMENT INSURANCE REFORM.

(a) RATE OF RAILROAD UNEMPLOYMENT REPAYMENT TAX.—Subsection (c) of section 3321 (relating to rate of railroad unemployment repayment tax) is amended to read as follows:

"(c) RATE OF TAX.—For purposes of this section—

"(1) IN GENERAL.—The applicable percentage for any taxable period shall be the sum of—

"(A) the basic rate for such period, and

"(B) the surtax rate (if any) for such period

"(2) BASIC RATE.—For purposes of paragraph (1)—

"(A) FOR PERIODS BEFORE 1989.—The basic rate shall be—

"(i) 4.3 percent for the taxable period beginning on July 1, 1986, and ending on December 31, 1986,

"(ii) 4.7 percent for the 1987 taxable period, and

"(iii) 6 percent for the 1988 taxable period.

"(B) FOR PERIODS AFTER 1988.—For any taxable period beginning after December 31, 1988, the basic rate shall be the sum of—

"(i) 2.9 percent, plus

"(ii) 0.3 percent for each preceding taxable period after 1988.

In no event shall the basic rate under this subparagraph exceed 5 percent.

"(3) SURTAX RATE.—For purposes of paragraph (1), the surtax rate shall be—

"(A) 3.5 percent for any taxable period if, as of September 30 of the preceding calendar year, there was a balance of transfers (or unpaid interest thereon) made after September 30, 1985, to the railroad unemployment insurance account under section 10(d) of the Railroad Unemployment Insurance Act, and

"(B) zero for any other taxable period.

"(4) BASIC RATE NOT TO APPLY TO RAIL WAGES PAID AFTER SEPTEMBER 30, 1990.—The basic rate under paragraph (1)(A) shall not apply to rail wages paid after September 30, 1990.".

(b) BASE OF TAX TO BE COMPENSATION USED FOR RAILROAD RETIREMENT TAX PURPOSES.—Subsection (b) of section 3323 (defining rail wages) is amended to read as follows:

"(b) RAIL WAGES.—

"(1) IN GENERAL.—For purposes of this chapter, the term 'rail wages' means compensation (as defined in section 3231(e) for purposes of the tax imposed by section 3201(a)) with the modifications specified in paragraph (2).

"(2) MODIFICATIONS.—In applying subsection (e) of section 3231 for purposes of paragraph (1)—

"(A) ONLY EMPLOYMENT COVERED BY RAILROAD UNEMPLOYMENT INSURANCE ACT TAKEN INTO ACCOUNT.—Such subsection (e) shall be applied—

"(i) by substituting 'rail employment' for 'service' each place it appears,

"(ii) by substituting 'rail employer' for 'employer' each place it appears, and

"(iii) by substituting 'rail employee' for 'employee' each place it appears.

"(B) $7,000 WAGE BASE.—Such subsection (e) shall be applied by substituting for 'the applicable base' in paragraph (2)(A)(i) thereof—

"(i) except as provided in clauses (ii) and (iii), '$7,000',

"(ii) '$3,500' for the taxable period beginning on July 1, 1986, and ending on December 31, 1986, and

"(iii) for purposes of applying the basic rate under section 3321(c)(1)(A), '$5,250' for the taxable period beginning on January 1, 1990.

"(C) SUCCESSOR EMPLOYERS.—For purposes of this subsection, rules similar to the rules applicable under section 3231(e)(2)(C) shall apply.".

(c) USE OF TAXES.—

(1) IN GENERAL.—Paragraph (2) of section 232(a) of the Railroad Retirement Revenue Act of 1983 (relating to tax used to repay loans made to railroad unemployment insurance account) is amended to read as follows:

"(2) TAXES CREDITED AGAINST LOANS TO RAILROAD UNEMPLOYMENT INSURANCE ACCOUNT.—

"(A) TAXES ATTRIBUTABLE TO BASIC RATE TO REDUCE RAILROAD UNEMPLOYMENT LOANS MADE BEFORE OCTOBER 1, 1985.—So much of the amount transferred under paragraph (1) as is attributable to the basic rate under section 3321(c)(1)(A) of the Internal Revenue Code of 1954 shall be credited against, and operate to reduce, the outstanding balance of railroad unemployment loans made before October 1, 1985.

"(B) TAXES ATTRIBUTABLE TO SURTAX RATE TO REDUCE RAILROAD UNEMPLOYMENT LOANS MADE AFTER SEPTEMBER 30, 1985.—So much of the amount transferred under paragraph (1) as is attributable to the surtax rate under section 3321(c)(1)(B) of such Code shall be credited against, and operate to reduce, the outstanding balance of railroad unemployment loans made after September 30, 1985.".

(2) TRANSFERS TO RAILROAD UNEMPLOYMENT FUND AFTER LOAN REPAID.—Subsection (c) of section 232 of such Act is amended—

(A) by striking out "the amount" in paragraph (1) and inserting in lieu thereof "the amount described in subparagraph (A) or (B) of subsection (a)(2)", and

(B) by inserting before the comma at the end of paragraph (2) "against which the amount described in such paragraph may be credited under such subparagraph".

(d) EXTENSION OF AUTHORITY TO BORROW FROM RAILROAD RETIREMENT ACCOUNT; USE OF RETRANSFERS.—

(1) LOAN AUTHORITY EXTENSION.—Section 10(d) of the Railroad Unemployment Insurance Act is amended by striking out the last sentence.

(2) USE OF RETRANSFERS.—Section 10(d) of such Act is amended by inserting after the second sentence the following new sentence: "The amounts retransferred to the Railroad Retirement Account shall first be credited against, and operate to reduce, the outstanding balance of transfers, including interest, made to the railroad unemployment insurance account from the Railroad Retirement Account under this subsection prior to October 1, 1985.".

(e) USE OF 1 PERCENT OF TIER 2 PAYROLL TO REPAY LOANS.—

(1) IN GENERAL.—Section 10 of the Railroad Unemployment Insurance Act is amended by adding at the end thereof the following new subsection:

"(e) In addition to the moneys credited to the account in accordance with subsections (a) and (d) of this section, there shall, notwithstanding any other law, be credited to the account, and the Secretary of the Treasury is directed to so credit, such part of the amount appropriated to the Railroad Retirement Account attributable to the taxes collected under sections 3211(a)(2) and 3221(b) of the Internal Revenue Code of 1954 for calendar year 1986, calendar year 1987, calendar year 1988, and calendar year 1989 and the first quarter of calendar year 1990 as is equal to 1 percent of the total compensation on which such taxes are based for each such period. The amounts credited to the account under this subsection shall be credited against, and operate to reduce, the outstanding balance of loans made to the account from the Railroad Retirement Account under subsection (d) of this section prior to October 1, 1985, including interest. The Board shall from time to time request the Secretary of the Treasury to transfer amounts credited to the account pursuant to this subsection from the account to the credit of the Railroad Retirement Account and the Secretary shall make such transfer. If any moneys credited to the account under this subsection remain in the account after the outstanding balance of the loans made to the account prior to October 1, 1985, has been totally repaid with interest, the Board shall request the Secretary of the Treasury to transfer from the account to the Railroad Retirement Account such remaining moneys and the Secretary shall make such transfer.".

(2) CONFORMING AMENDMENT.—Subsection (b) of section 10 of the Railroad Unemployment Insurance Act is amended by striking out "All moneys" and inserting in lieu thereof "Except as provided in subsections (d) and (e), all moneys".

(f) TECHNICAL AMENDMENTS.—

(1) Subsection (a) of section 3322 (relating to taxable period) is amended—

(A) by adding "and" at the end of paragraph (1), and

(B) by striking out paragraphs (2) and (3) and inserting in lieu thereof the following: "(2) each calendar year after 1986."

(2) Subsection (b) of section 3322 (relating to earlier termination if loans to rail unemployment fund repaid) is amended—

(A) by striking out "The tax imposed by this chapter shall not apply" and inserting in lieu thereof "The basic rate under section 3321(c)(1)(A) of the tax imposed by section 3321 shall not apply", and

(B) by inserting "made before October 1, 1985," after "no balance of transfers" in paragraph (1) thereof.

(g) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), the amendments made by this section shall apply to remuneration paid after June 30, 1986.

(2) LOAN AUTHORITY EXTENSION.—The amendment made by subsection (d) shall become effective on October 1, 1985.

(3) TIER 2 TAXES DIVERSION.—The amendments made by subsection (e) shall become effective on January 1, 1986.

SEC. 795. TERMINATION OF REPAYABLE ADVANCES TO BLACK LUNG DISABILITY TRUST FUND.

Section 9501(c) (relating to repayable advances to the Black Lung Disability Trust Fund) is amended by adding at the end thereof the following new paragraph:

"(4) TERMINATION.—No advance shall be made to the Black Lung Disability Trust Fund after September 30, 1986.".

SEC. 796. CERTAIN PERMANENT EXEMPTIONS FROM THE FEDERAL UNEMPLOYMENT TAX ACT.

(a) CERTAIN AGRICULTURAL LABOR.—Paragraph (1)(B) of section 3306(c) (defining employment) is amended by striking out "before January 1, 1986,".

(b) FULL-TIME STUDENTS EMPLOYED BY SUMMER CAMPS.—Notwithstanding paragraph (3) of section 276(b) of the Tax Equity and Fiscal Responsibility Act of 1982, the amendments made by paragraphs (1) and (2) of such section 276(b) shall also apply to remuneration paid after September 19, 1985.

(c) SERVICES PERFORMED ON CERTAIN FISHING BOATS.—

(1) IN GENERAL.—Section 822(b) of the Economic Recovery Tax Act of 1981 is amended to read as follows:

"(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to remuneration paid after December 31, 1980.".

(2) TECHNICAL AMENDMENT.—Paragraph (20) of section 3121(b) (defining employment for purposes of Federal Insurance Contributions Act) is amended by inserting "(other than service described in paragraph (3)(A))" after "service".

PART 5—MISCELLANEOUS PROVISIONS

SEC. 797. AUTHORIZATION OF ADDITIONAL FUNDS TO INTERNAL REVENUE SERVICE FOR REVENUE ENFORCEMENT AND RELATED PURPOSES.

There is authorized to be appropriated $46,500,000 for each of the fiscal years 1986, 1987, and 1988 for the use of the Internal Revenue Service to employ 1,550 additional agents and examination employees.

SEC. 798. LIMITATION ON ISSUANCE OF UNITED STATES BONDS.

Subsection (a) of section 3102 of title 31, United States Code, is amended by striking out "$200,000,000,000" and inserting in lieu thereof "$250,000,000,000".

SEC. 799. LIMITATIONS ON AWARDING OF COURT COSTS AND CERTAIN FEES MODIFIED.

(a) MAXIMUM DOLLAR LIMITATION REMOVED.—Subsection (b) of section 7430 (relating to awarding of court costs and certain fees) is amended by striking out paragraph (1) and redesignating paragraphs (2), (3), and (4) as paragraphs (1), (2), and (3), respectively.

(b) AWARDING OF COURT COSTS AND CERTAIN FEES DENIED IF UNITED STATES PROVES ITS POSITION IS SUBSTANTIALLY JUSTIFIED OR SPECIAL CIRCUMSTANCES EXIST OR IF PREVAILING PARTY PROTRACTS PROCEEDINGS.—

(1) IN GENERAL.—Section 7430(b) (relating to limitations to awarding of court costs and certain fees) is amended by adding at the end thereof the following new paragraphs:

"(4) POSITION OF UNITED STATES SUBSTANTIALLY JUSTIFIED OR SPECIAL CIRCUMSTANCES EXIST.—A judgment for reasonable litigation costs shall not be awarded under subsection (a) if the court determines that—

"(A) the position of the United States was substantially justified, or

"(B) special circumstances exist which would make such a judgment unjust.

"(5) COSTS DENIED WHERE PARTY PREVAILING PROTRACTS PROCEEDINGS.—No award for reasonable litigation costs may be made under subsection (a) with respect to any portion of the civil proceeding during which the prevailing party has unreasonably protracted such proceeding.".

(2) CONFORMING AMENDMENT.—Subparagraph (A) of section 7430(c)(2) (defining prevailing party) is amended by striking out clauses (i) and (ii) and inserting in lieu thereof the following new clauses:

"(i) has substantially prevailed with respect to the amount in controversy, or

"(ii) has substantially prevailed with respect to the most significant issue or set of issues presented.".

(c) ADDITIONAL LIMITATIONS ON FEES OF EXPERT WITNESSES AND ATTORNEYS.—Subparagraph (A) of section 7430(c)(1) (defin-

ing reasonable litigation costs) is amended to read as follows:

"(A) IN GENERAL.—The term 'reasonable litigation costs' includes—

"(i) reasonable court costs, and

"(ii) based upon prevailing market rates for the kind and quality of services furnished—

"(I) the reasonable expenses of expert witnesses in connection with the civil proceeding, except that no expert witness shall be compensated at a rate in excess of the highest rate of compensation for expert witnesses paid by the United States,

"(II) the reasonable cost of any study, analysis, engineering report, test, or project which is found by the court to be necessary for the preparation of the party's case, and

"(III) reasonable fees paid or incurred for the services of attorneys in connection with the civil proceeding, except that such fees shall not be in excess of $75 per hour unless the court determines that an increase in the cost of living or a special factor, such as the limited availability of qualified attorneys for such proceeding, justifies a higher rate.".

(d) POSITION OF UNITED STATES INCLUDES ADMINISTRATIVE ACTION.—Section 7430(c) (relating to definitions) is amended by adding at the end thereof the following new paragraph:

"(4) POSITION OF UNITED STATES.—The term 'position of the United States' includes—

"(A) the position taken by the United States in the civil proceeding, and

"(B) the administrative action or inaction by the United States upon which such proceeding is based.".

(e) PROVISIONS MADE PERMANENT.—Section 7430 is amended by striking out subsection (f).

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to civil actions or proceedings commenced after December 31, 1985.

SEC. 799A. ADDITIONAL CUSTOMS PERSONNEL.

(a) IN GENERAL.—

(1) AUTHORIZATION OF APPROPRIATIONS.—In addition to any other amounts authorized to be appropriated for the United States Customs Service for fiscal years 1986, 1987, and 1988, there are authorized to be appropriated $27,900,000 for each of such fiscal years to fund the 800 additional full-time equivalent positions required under paragraph (2).

(2) CREATION OF ADDITIONAL POSITIONS.—The Commissioner of Customs shall create 800 full-time equivalent positions in the United States Customs Service which shall be in addition to the number of full-time equivalent positions existing in the United States Customs Service on September 30, 1985. Such additional full-time equivalent positions shall be distributed among customs inspectors, import specialists, customs patrol officers, and special agents and shall be used to enhance the efficiency and availability of the commercial operations of the United States Customs Service at the regional and district level.

(b) ALLOCATION OF RESOURCES.—The Commissioner of Customs shall ensure that sufficient resources are devoted to customs headquarters in newly created customs districts to facilitate the role of such headquarters as headquarters for the region of which such headquarters are a part.

TITLE VIII—COMMITTEE ON GOVERNMENTAL AFFAIRS, POSTAL SERVICE PROGRAMS, CIVIL SERVICE PROGRAMS, AND CIVILIAN AGENCY GOVERNMENT CONTRACTS

PART A—POSTAL SERVICE PROGRAMS

CEILING FOR FISCAL YEAR 1986 APPROPRIATION FOR REVENUE FOREGONE

SEC. 801. Notwithstanding section 2401(c) of title 39, United States Code, the total amount authorized to be appropriated for fiscal year 1986 for revenue foregone for free and reduced-rate mail is $749,000,000.

DEFERRAL OF TRANSITIONAL APPROPRIATION FOR WORKERS' COMPENSATION

SEC. 802. Notwithstanding section 2004 of title 39, United States Code, no funds shall be appropriated for any fiscal year beginning prior to October 1, 1988, to carry out the request by the Postal Service for amounts for fiscal year 1986 for reimbursement to the Department of Labor for workers compensation arising from operations of the former Post Office Department.

DELAY OF STEP 16 RATES TO JANUARY 1, 1986

SEC. 803. (a) The increase in postage rates for nonprofit and certain other mailers announced by the Board of Governors of the Postal Service in Resolution No. 85-7 (adopted September 6, 1985) shall not take effect until January 1, 1986.

(b)(1) Section 3626(a) of title 39, United States Code, is amended to read as follows:

"(a) Each time rates of postage are established under this chapter for a class of mail or kind of mailer under former sections 4358, 4452(b), 4452(c), 4554(b), and 4554(c) of this title, the estimated revenues to be received for such class or kind shall be equal to the direct and indirect postal costs attributable to mail of such class or mailer of such kind, excluding all other costs of the Postal Service.".

(2) The amendment made by this subsection shall take effect January 1, 1986.

APPROPRIATION CEILING AND STUDY CONCERNING THIRD-CLASS COMMERCIAL MATERIAL MAILED AT REDUCED RATES

SEC. 804. (a) Notwithstanding section 2401(c) of title 39, United States Code, the total amount authorized to be appropriated for each of the fiscal years 1987 and 1988 for revenue foregone for reduced rates of postage under former sections 4452(b) and 4452(c) of such title for mail which advertises or promotes the sale of, recommends the purchase of, or announces the availability of any article, product, service, insurance, or travel arrangements, shall not exceed 50 percent of the amount which would have been authorized to be appropriated for revenue foregone for reduced rates of postage for such mail under such section 2401(c) if this subsection had not been enacted.

(b)(1) Not less than six months after the date of enactment of this Act, the Postal Rate Commission shall prepare and transmit to the Committee on Governmental Affairs of the Senate and the Committee on Post Office and Civil Service of the House of Representatives a report which contains recommendations for legislation to change the eligibility of mail described in subsection (a) for reduced rates of postage under former sections 4452(b) and 4452(c) of title 39, United States Code, in order to reduce the amount of revenue foregone for reduced rates of postage for such mail for each of the fiscal years 1987 and 1988 to an amount which is less than or equal to the amount authorized to be appropriated by subsection (a) for each such fiscal year.

(2) In preparing the report required by paragraph (1), the Commission shall invite and consider the views of all interested parties.

RESTRICTIONS ON ELIGIBILITY FOR IN-COUNTY SECOND-CLASS RATES OF POSTAGE

SEC. 805. Section 3626 of title 39, United States Code, is amended by adding at the end thereof the following new subsection:

"(f)(1)(A) In the administration of this section, the rates of postage for mail under subsections (a), (b), and (c) of former section 4358 of this title shall not apply to an issue of a publication if the number of copies of such issue distributed within the county of publication is less than the number equal to the sum of 50 percent of the total paid circulation of such issue plus one.

"(B) Subparagraph (A) of this paragraph shall not apply to an issue of a publication if the total paid circulation of such issue is less than 10,000 copies.

"(2) In the administration of this section, the rates of postage for mail under subsections (a), (b), and (c) of former section 4358 of this title shall apply to not more than 20,000 copies of each issue of a publication mailed at such rates.".

CURBING OF SUBSIDIES FOR ADVERTISING-ORIENTED "PLUS ISSUES" MAILED TO SUBSCRIBERS AT IN-COUNTY RATES

SEC. 806. Section 3626 of title 39, United States Code (as amended by section 805 of this Act) is further amended by adding at the end thereof the following new subsection:

"(g) In the administration of this section, the number of copies of a subscription publication mailed to nonsubscribers during a calendar year at rates of postage under subsections (a), (b), and (c) of former section 4358 of this title may not exceed 10 percent of the number of copies of such publication mailed at such rates to subscribers.".

ELIMINATION OF REDUCED-RATE ELIGIBILITY FOR NON-TAX-EXEMPT POLITICAL ADVOCACY GROUPS

SEC. 807. (a) Section 3626 of title 39, United States Code (as amended by sections 804 and 805 of this Act) is further amended by adding at the end thereof the following new subsection:

"(h) An organization shall not be entitled to reduced rates under this section as a qualified nonprofit organization during any period during which such organization is ineligible for tax-exempt status under section 501(c)(3) of the Internal Revenue Code of 1954 by reason of—

"(1) section 501(h) of such Code, or

"(2) any other provision of law relating to eligibility for tax-exempt status in connection with activities to influence legislation or to participate or intervene in a political campaign.".

(b) The amendment made by subsection (a) shall apply to mail sent on or after the date of enactment of this Act.

PART B—CIVIL SERVICE PROGRAMS

PAY ADJUSTMENTS

SEC. 811. (a)(1) The rates of pay under the General Schedule and the rates of pay under the other statutory pay systems referred to in section 5301(c) of title 5, United States Code, shall not be adjusted under section 5305 of such title during fiscal year 1986.

(2) Notwithstanding any other provision of law, the wage schedules and rates of pay for prevailing rate employees described in section 5342(a)(2) of title 5, United States Code (including employees covered under section 9(b) of Public Law 92-392 (86 Stat. 574; 5 U.S.C. 5342 note) and section 704(b) of Public Law 95-454 (92 Stat. 1218; 5 U.S.C. 5343 note)), and for officers and members of crews of vessels shall not be increased under the provisions of subchapter IV of chapter 53 of title 5, United States Code, or any other applicable provision of law as a result of a wage survey or negotiation during fiscal year 1986, except to the extent permitted by section 616(a)(2) of the conference report on H.R. 5798, agreed to by the House of Representatives on September 12, 1984, as contained in House Report 98-993 (referred to in Public Law 98-473, 98 Stat. 1963).

(b)(1) For fiscal years 1987 and 1988, the President shall provide for the adjustment of rates of pay under section 5305 of title 5, United States Code, as appropriate to reduce outlays, relating to pay of officers and employees of the Federal Government, by at least $746,000,000 in fiscal year 1987 and $1,264,000,000 in fiscal year 1988 (without regard to reductions in outlays which result by reason of subsections (a), (c), and (d) of this section and the application of section 1009 of title 37, United States Code), computed using the baseline used for the First Concurrent Resolution on the Budget for Fiscal Year 1986 (S. Con. Res. 32, 99th Congress, 1st Session), agreed to on August 1, 1985.

(2) Paragraph (1) shall not be construed to suspend the requirements of section 5305 of title 5, United States Code, with respect to fiscal years 1987 and 1988.

(c) Notwithstanding any other provision of law, any adjustment in a wage schedule or rate of pay that—

(1) applies to—

(A) a prevailing rate employee described in section 5342(a)(2) of title 5, United States Code, including employees covered under section 9(b) of Public Law 92-392 (86 Stat. 574; 5 U.S.C. 5342 note) and section 704(b) of Public Law 95-454 (92 Stat. 1218; 5 U.S.C. 5343 note), or

(B) to an employee covered by section 5348 of such title,

(2) results from a wage survey or negotiation, and

(3) would take effect, but for this subsection, on or after October 1, 1986,

shall not take effect until the first day of the first applicable pay period beginning not less than 90 days after the day on which such adjustment would, but for this subsection, otherwise have taken effect. The Office of Personnel Management shall take such actions as may be necessary to carry out this subsection.

(d)(1) Section 5305 of title 5, United States Code, is amended—

(A) in subsection (a)(2), by striking out "October 1 of the applicable year" and inserting in lieu thereof "January 1 of the next year after the date the report is submitted to the President";

(B) in subsection (c)(2), by striking out "October 1 of the applicable year" and inserting in lieu thereof "January 1 of the next year after the year in which the alternative plan is transmitted to the Congress; and

(C) in subsection (m), by striking out "October 1" and inserting in lieu hereof "the applicable January 1".

(e)(1)(A) Subchapter IV of chapter 53 of title 5, United States Code, is amended—

(i) in section 5342(b)(3) by striking out "section 5348" and inserting in lieu thereof "sections 5345 and 5348";

(ii) by inserting after section 5344 the following new section 5345:

"§ 5345. Effect of an alternative plan under the pay comparability system

"Notwithstanding any other provision of this title or of any other law, if, in any fiscal year, an adjustment in rates of pay under section 5305 of this title is limited or delayed by reason of an alternative plan under subsection (c) of such section, the Office of Personnel Management shall take such action as may be necessary to extend the application of the limitation or delay to any adjustment of wage schedules, rates, or pay that would otherwise take effect in such fiscal year as prescribed in or pursuant to—

"(1) section 5343, 5344, or 5348 of this title; or

"(2) section 9(b) of Public Law 92-392 (86 Stat. 574; 5 U.S.C. 5343 note) and section 704(b) of Public Law 95-454 (92 Stat. 1218; 5 U.S.C. 5343 note).

The Office may provide for such exceptions as the Office may determine to be necessary and in the public interest.";

(iii) in section 5348(a) by inserting "section 5345 of this title and" after "provided by"; and

(iv) in the first sentence of section 5349(a) by inserting "section 5345, relating to applicability of an alternative plan," after "retroactive pay,".

(B) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 5344 the following new item:

"5345. Effect of an alternative plan under the pay comparability system.".

(2) Section 704(b)(B) of Public Law 95-454 (92 Stat. 1218; 5 U.S.C. 5343 note) is amended by inserting "(except section 5345)" after "chapter 53".

(3) Section 5345(2) of title 5, United States Code (as added by paragraph (1)(A)(ii)) and the amendment made by paragraph (2) shall not apply to any increase in wage schedules or rates required by a contract entered into before October 1, 1984.

COMPUTATION OF HOURLY RATES OF PAY

SEC. 812. (a) Section 5504(b) of title 5, United States Code, is amended—

(1) by striking out the first sentence;

(2) in the second sentence, by striking out "When" and inserting in lieu thereof "When, in the case of an employee,";

(3) in paragraph (1), by striking out "2,080" and inserting in lieu thereof "2,087"; and

(4) in the last sentence, by striking out "title." and inserting in lieu thereof "title other than an employee or individual excluded by section 5541(2)(xvi) of this title.".

(b) The amendments made by subsection (a) shall take effect as of the beginning of the first applicable pay period commencing on or after October 1, 1985.

HEALTH CARE FURNISHED UNDER THE FEDERAL EMPLOYEES HEALTH BENEFITS PROGRAM IN MEDICALLY UNDERSERVED AREAS

SEC. 813. (a)(1) Section 3 of the Act entitled "An Act to amend chapter 89 of title 5, United States Code, to establish uniformity in Federal employee health benefits and coverage by preempting certain State or local laws which are inconsistent with such contracts, and for other purposes", approved September 17, 1978 (Public Law 95-368; 92 Stat. 606; 5 U.S.C. 8902 note), is amended by striking out "; except that such provisions shall not apply to services provided after December 31, 1984".

(2) Section 5(b) of the Act entitled "An Act to amend the provisions of chapters 83 and 89 of title 5, United States Code, which relate to survivor benefits for certain dependent children, and for other purposes", approved January 2, 1980 (Public Law 96-179; 93 Stat. 1300; 5 U.S.C 8902 note), is amended by striking out "and before January 1, 1985,".

(b) The amendments made by subsection (a) shall take effect with respect to services provided after December 31, 1984.

FEDERAL EMPLOYEES HEALTH BENEFITS PROGRAM RESERVES

SEC. 814. (a) The purposes of this section are—

(1) to ensure that the Federal Government's share of the reserves which are refunded under subsection (b) to the Employees Health Benefits Fund from the special reserve funds maintained by carriers under the Federal Employees Health Benefits program for the purposes of such program is held in the Employees Health Benefits Fund and is used to fund increases in the amounts of the Government's contributions for payment of the subscription charges of health benefits plans under such program; and

(2) to ensure that financial reserves maintained for the purposes of the Federal Employees Health Benefits program will be held in the Employees Health Benefits Fund to the maximum extent that is consistent with the stable and efficient operation of such program.

(b) Notwithstanding the provisions of any contract entered into by the Office of Personnel Management under section 8902 of title 5, United States Code, the Office shall require the carriers of health benefits plans under chapter 89 of such title to refund to the Employees Health Benefits Fund (referred to in section 8909(a) of such title) from reserves held by the carriers for the purposes of such plans the total amount of—

(1) not less than $800,000,000 in fiscal year 1986; and

(2) not less than $300,000,000 in fiscal year 1987.

(c) Each carrier of a health benefits plan referred to in subsection (b) shall refund, under this section, such share of the total amounts prescribed in such subsection as the Office of Personnel Management in its sole discretion determines appropriate.

(d) The Government's share of the amounts refunded under subsection (b) shall be held in the Employees Health Benefits Fund and shall be available and used to fund increases in the amounts of the Government's contributions for payment of the subscription charges of health benefits plans under such program.

COMPUTATION OF RETIREMENT ANNUITY FOR PART-TIME EMPLOYMENT

SEC. 815. (a)(1) Section 8339 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(o)(1) Notwithstanding section 8331(4) of this title, or any other subsection of this section, except as provided in paragraph (3) of this subsection, the amount of the annuity of an employee whose service includes service that was performed on less than a full-time basis shall be computed under this section as provided in paragraph (2) of this subsection.

"(2) In computing an annuity in the case of an employee referred to in paragraph (1) of this subsection—

"(A) the average pay of the employee, to the extent that it includes pay for service performed in any position on less than a full-time basis, shall be determined by using the annual rate of basic pay that would be payable for full-time service in the position; and

"(B) the benefit so computed shall then be multiplied by a fraction equal to the ratio which the employee's actual service, as determined by prorating an employee's total service to reflect the service that was performed on less than a full-time basis, bears to the total service that would be creditable for the employee if all of the service had been performed on a full-time basis.

"(3) This subsection shall not apply to computations made under subsection (f) or (g) of this section.".

(2) Section 8341 of such title is amended—

(A) by striking out "and (n)" in subsection (b)(1) and inserting in lieu thereof ", (n), and (o)"; and

(B) by striking out "and (n)" in subsection (d) and inserting in lieu thereof "(n), and (o)".

(b) Section 4109(b) of title 38, United States Code, is repealed.

(c) The amendments made by this section shall take effect with respect to service performed on or after the date of enactment of this Act.

PART C—CIVILIAN AGENCY GOVERNMENT CONTRACTS

CIVILIAN AGENCY MULTIYEAR CONTRACTING AUTHORITY

SEC. 821. (a)(1) Title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251 et seq.) is amended by inserting after section 305 (41 U.S.C. 255) the following new section:

"MULTIYEAR CONTRACTS

"SEC. 306. (a) For the purposes of this section, the term 'multiyear contract', means a contract in effect for a period not exceeding five years.

"(b) Subject to subsection (e), an agency head may enter into a multiyear contract for the acquisition of property or services when—

"(1)(A) appropriations are available and adequate for the payment for such acquisition for the first fiscal year during which the contract is in effect; and

"(B) there is a reasonable expectation that, during the period the contract is in effect, such agency head will request funding for the contract at the level necessary to avoid cancellation of the performance under the contract; and

"(2) such agency head determines that—

"(A) such a contract will serve the best interests of the Government by—

"(i) reducing costs under the contract;

"(ii) achieving economies in administration, performance, and operation;

"(iii) increasing quality of performance by or service from the contractor; or

"(iv) encouraging full and open competition;

"(B) during the proposed contract period—

"(i) there will be a continuing or recurring need for the property or services; and

"(ii) the minimum need for the property or services to be acquired is expected to remain substantially unchanged in terms of rate of production or performance, rate of acquisition, and total quantity or extent of services;

"(C) the specifications for the property or services are expected to be reasonably stable, and the technical risks associated with the acquisition are not excessive; and

"(D) such a contract will not inhibit small business concerns from submitting a bid or proposal for such contract.

"(c) A multiyear contract authorized by this section may include—

"(1) a provision that the performance under the contract during the second or any subsequent fiscal year included in the contract period is contingent on the appropriation of funds for such year; and

"(2) a provision for the payment of a reasonable cancellation charge to the contractor if the performance is canceled pursuant to a provision described in clause (1).

"(d)(1) If appropriated funds are not available for expenditure on a multiyear contract during the second or subsequent fiscal year included in the contract period, the performance under the contract shall be canceled.

"(2) Any cost of the cancellation of performance under the contract may be paid from appropriated funds which—

"(A) were originally available for performance of the contract;

"(B) are then currently available for the acquisition of similar property or services and are not otherwise obligated; or

"(C) are made available for the payment of such costs.

"(e)(1) Nothing in this section is intended to modify or affect any other provision of law which authorizes multiyear contracting.

"(2) This section does not authorize an agency head to acquire property or services by means of a multiyear contract unless the agency head is otherwise authorized by law to acquire such property or services.".

(2) The table of contents at the beginning of such Act is amended by striking out the item relating to section 306 and inserting in lieu thereof the following:

"306. Multiyear contracts.".

(b) The amendments made by subsection (a) shall take effect with respect to contracts entered into on or after the date of enactment of this Act.

TITLE IX—COMMITTEE ON LABOR AND HUMAN RESOURCES EDUCATION PROGRAMS

SHORT TITLE; TABLE OF PARTS

SEC. 901. (a) This title may be cited as the "Labor and Human Resources Budget Reconciliation Act".

TABLE OF PARTS

Part A—Student loan program savings amendments.
Part B—Savings on improved student loan collection.
Part C—Savings attributable to loan consolidation.
Part D—Savings attributable to operation of guaranty agencies.
Part E—Savings attributable to operation of the student loan marketing association.
Part F—Flextime provisions.
Part G—Health and hospitals.
Part H—Graduate medical education.
Part I—Single employer pension plans.

(b) Parts A through E of this title may be cited as the "Student Loan Amendments Act of 1985".

PART A—STUDENT LOAN PROGRAM SAVINGS AMENDMENTS

MULTIPLE DISBURSEMENT OF GUARANTEED STUDENT LOANS

SEC. 911. (a) FEDERALLY INSURED STUDENT LOAN PROGRAM.—Section 427(a) of the Higher Education Act of 1965 (hereafter in this Act referred to as the "Act") is amended—

(1) by striking out "and" at the end of paragraph (1);

(2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following:

"(3) in the case of a loan made for any period of enrollment of more than one semester, two quarters, or 600 clock hours, the proceeds of the loan will be disbursed in two or more installments, none of which exceeds one-half of the loan, with the interval between the first and second installment being not less than one-third of the period of enrollment for which the student received the loan.".

(b) MULTIPLE DISBURSEMENT REQUIRED IN GUARANTEED STUDENT LOAN PROGRAM.—Section 428(b)(1) of the Act is amended—

(1) by striking out "and" at the end of clause (O);

(2) by redesignating clause (P) as clause (Q); and

(3) by inserting after clause (O) the following new clause:

"(P) provides that the proceeds of any loan for any period of enrollment of more than one semester, two quarters, or 600 clock hours will be disbursed in two or more installments, with the interval between the first and second installment being not less than one-third of the period of enrollment for which the student received the loan, and provides that, for purposes of this clause, all loans made within any period of 90 days shall be considered as a single loan; and".

(c) REPEAL OF EXISTING INCENTIVES TO MAKE MULTIPLE DISBURSEMENTS.—Section 428(a) of the Act is amended by striking out paragraph (8).

(d) PAYMENT OF ORIGINATION FEE.—Section 438(c) of the Act is amended—

(1) by redesignating paragraph (4) as paragraph (5); and

(2) by adding after paragraph (3) the following new paragraph:

"(4) For the purpose of section 428(b)(1)(P), the origination fee shall be charged against the first installment of the loan.".

(e) ADDITIONAL CONFORMING CHANGES.—(1) Section 425(a)(1) of the Act is amended—

(A) by inserting "and" at the end of clause (A);

(B) by striking out clause (B) and by redesignating clause (C) as clause (B); and

(C) by striking out the last sentence.

(2) Section 428(b)(1)(A) of the Act is amended—

(A) by inserting "and" at the end of division (i);

(B) by striking out division (ii) and by redesignating division (iii) as division (ii); and

(C) in the matter following such division, by striking out "annual limit," and all that follows through "division (ii)" and inserting in lieu thereof "annual limit".

SPECIAL ALLOWANCE

SEC. 912. Section 438(b)(2)(A) of the Act is amended by striking out "3.5 per centum" and inserting in lieu thereof "3.25 per centum".

PROMPT PAYMENT OF SUPPLEMENTAL GUARANTY ADMINISTRATIVE COST AGREEMENT

SEC. 913. (a) PURPOSE.—It is the purpose of the amendments made by this section to assure the prompt payment of the amount due under the supplemental guaranty administrative cost agreement made under section 428(f)(2) in order to encourage improved collection of student loans and preclaims assistance to prevent default on student loans.

(b) PROMPT PAYMENT REQUIRED.—(1) Section 428(f)(1) of the Act is amended—

(A) by striking out "is authorized to" and inserting in lieu thereof "shall";

(B) by striking out "shall not exceed" and inserting in lieu thereof "shall be equal to"; and

(C) by striking out the third and fourth sentences of such section.

(2) Section 428(f)(2) of the Act is amended—

(A) by striking out "is authorized to" and inserting in lieu thereof "shall";

(B) by striking out "shall not exceed" and inserting in lieu thereof "shall be equal to"; and

(C) by striking out the third and fourth sentences of such section.

EFFECTIVE DATE

SEC. 914. (a) GENERAL RULE.—The amendments made by sections 911 and 912 of this Act shall take effect—

(1) with respect to loans made on or after October 1, 1985, or

(2) with respect to any loan for which the completed note or other written evidence of the loan was sent or delivered to the borrower on or after 10 days after the date of enactment of this Act,

whichever occurs later.

(b) SPECIAL RULE.—The amendments made by section 913(b) shall take effect with respect to fiscal years beginning after September 30, 1984.

PART B—SAVINGS ON IMPROVED STUDENT LOAN COLLECTION

SUBPART 1—GUARANTEED AND FEDERALLY INSURED STUDENT LOANS

TERMS OF FEDERALLY INSURED LOANS

SEC. 921. Section 427(a)(2) of the Act is amended—

(1) by striking out clause (ii) of subparagraph (B) and by redesignating clauses (iii) and (iv) of subparagraph (B) as clauses (ii) and (iii), respectively;

(2) by striking out "or the fifteen-year period" in the matter following clause (viii) of subparagraph (C); and

(3) by amending subparagraph (I) to read as follows:

"(I) shall be treated by the lender as follows: (i) the funds borrowed (except by a borrower under section 428B) shall be disbursed by check, sent to the eligible institution the student attends or plans to attend, and made payable to the order of the student and such institution as copayees, with the endorsement of both parties required, or (ii) in the case of funds borrowed by a borrower under section 428B, such funds shall be disbursed by check, sent to the borrower, and made payable to the order of the borrower, with the endorsement of the borrower required, and a notice of such disbursement shall be sent by the lender or the Secretary to such eligible institution, and".

TERMS OF GUARANTEED LOANS

SEC. 922. Section 428(b)(1) of the Act is amended—

(1) by striking out subclause (ii) of clause (D);

(2) by inserting "and" at the end of subclause (i);

(3) by redesignating subclause (iii) of clause (D) as subclause (ii); and

(4) by amending clause (O) to read as follows:

"(O)(i) provides that funds borrowed (except by a borrower under section 428B) shall be disbursed by check, sent to the eligible institution the student attends or plans to attend, and made payable to the order of the student and such institution as copayees, with the endorsement of both parties required, or (ii) in the case of funds borrowed by a borrower under section 428B, such funds shall be disbursed by check, sent to the borrower and made payable to the order of the borrower, with the endorsement of such borrower required, and a notice of such disbursement shall be sent by the lender or the guaranty agency to such institution;".

AGREEMENT FOR AUDITS

SEC. 923. Section 428(b)(2)(C) of the Act is amended—

(1) by inserting "(i)" immediately after "provide for"; and

(2) by inserting before the period at the end thereof a semicolon and the following: "(ii)(I) except as provided in subdivision (II), conducting financial and compliance audits of the guaranty agency at least once every two years and covering the period since the most recent audit, conducted by a qualified independent auditor in accordance with the standards established by the Comptroller General for the audit of governmental organizations, programs, activities, and functions, and as prescribed in regulations of the Secretary, the results of which shall be submitted in an audit report to the Secretary, or (II) with regard to a guaranty program of a State agency which is audited under chapter 75 of title 31, United States Code, such audit shall be deemed to satisfy the requirements of subdivision (I) for the period of time covered by such audit; and (iii) recovery by the Secretary, by recoupment or other means, under procedures established by the Secretary, from the guaranty agency of amounts, plus interest as set by the Secretary, determined by such audits to be owing".

COLLECTION PROCEDURES

SEC. 924. Section 428(d) of the Act is amended—

(1) by redesignating clauses (A) and (B) of paragraph (2) as clauses (i) and (ii), respectively;

(2) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(3) by inserting "(1)" before "No provision of any law"; and

(4) by adding at the end thereof the following new paragraphs:

"(2) Notwithstanding any provision of State law that would set an earlier deadline for filing suit—

"(A) a guaranty agency which has an agreement with the Secretary under subsection (c) may file suit for collection of the amount due from a borrower on a loan made under this part during a period of time extending at least until a date six years (exclusive of periods during which the State statute of limitations period otherwise applicable to the suit would be tolled under State law) after the date such guaranty agency reimburses the previous holder of the loan for its loss on account of the default of the borrower; and

"(B) subject to the provisions of section 2416 of title 28 of the United States Code, the Attorney General may file suit for collection of the amount due the Secretary from a borrower pursuant to subsection (c)(2)(D) of this section until six years following the date on which the loan is assigned to the Secretary under this part.

"(3) Notwithstanding any provision of State law to the contrary, in collecting any obligation arising from a loan made under this part, a guaranty agency which has an agreement with the Secretary under subsection (c) shall not be subject to a defense raised by any borrower based on (A) a claim of infancy, or (B) the action or omission of an eligible institution or lender, if such agency did not have actual notice of such defense when such agency reimbursed the previous holder of the loan for its loss.".

RECOVERY COSTS

SEC. 925. Section 430(b) of the Act is amended—

(1) by striking out in paragraph (1) "(including reasonable administrative costs)" and inserting in lieu thereof the following: "(including reasonable administrative and collection costs, to the extent set forth in regulations issued by the Secretary)";

(2) by striking out paragraph (2); and

(3) by striking out "(1)".

CREDIT BUREAU REPORTS

SEC. 926. Part B of title IV of the Act is amended by adding immediately after section 430 the following new section:

"REPORTS TO CREDIT BUREAUS AND INSTITUTIONS OF HIGHER EDUCATION

"SEC. 430A. (a) For the purpose of promoting responsible repayment of loans covered by a guaranty agreement pursuant to section 428, each guaranty agency having such an agreement with the Secretary, eligible lender, or subsequent holder shall enter into agreements with credit bureau organizations to exchange information concerning student borrowers, in accordance with the requirements of this section. For the purpose of assisting such organizations in complying with the Fair Credit Reporting Act, such agreements may provide for timely response by a guaranty agency, eligible lender, or subsequent holder concerning loans covered by a guaranty agreement, to requests from such organizations for responses to objections raised from such organizations for responses to objections raised by such borrowers. Subject to the requirements of subsection (c), such agreements shall require the guaranty agency, eligible lender, or subsequent holder to disclose to such organizations with respect to any loan dispersed to a student—

"(1) the date of disbursement and the amount of the loan;

"(2) the date of default and information concerning collection of the loan, including information concerning the repayment status of any defaulted loan on which the guaranty agency has made a payment to the previous holder of the loan; and

"(3) the date of cancellation of the note upon completion of repayment by the borrower of the loan or payment by the Secretary pursuant to section 437.

"(b) Such agreements may also provide for the disclosure by such organizations to the guaranty agency, eligible lender, or subsequent holder upon receipt of a notice under subsection (a)(2) that such a loan is in default, or information which may assist the guaranty agency, eligible lender, or subsequent holder in collecting the loan.

"(c) Agreements entered into pursuant to this section shall contain such provisions as may be necessary to ensure that—

"(1) no information is disclosed by the guaranty agency, eligible lender, or subsequent holder unless its accuracy and completeness have been verified and the guaranty agency, eligible lender, or subsequent holder has determined that disclosure would carry out the purpose of this section;

"(2) as to any information so disclosed, such organizations will be promptly notified of, and will promptly record, any change submitted by the guaranty agency, eligible lender, or subsequent holder with respect to such information, as required by section 611 of the Fair Credit Reporting Act (15 U.S.C. 168i);

"(3) no use will be made of any such information which would result in the use of collection practices with respect to such a borrower that are not fair and reasonable or that involve harassment, intimidation, false or misleading representations, or unnecessary communication concerning the existence of such loan or concerning such information; and

"(4) with regard to notices of default under subsection (a)(2) of this section, except for disclosures made to obtain the borrower's location, the guaranty agency, eligible lender, or subsequent holder (A) shall not disclose any such information until the guaranty agency, eligible lender, or subsequent holder has notified the borrower that such information will be disclosed to credit bureau organizations unless the borrower enters into repayment of the loan, but (B) shall, if the borrower has not entered into repayment within a reasonable period of time, but not less than thirty days, from the date such notice has been sent to the borrower, disclose the information required by this subsection.

"(d) A guaranty agency, eligible lender, subsequent holder, or credit bureau organization which discloses or receives information under this section shall not be considered a Government contractor within the meaning of section 552a of title 5 of the United States Code (the Privacy Act of 1974).

"(e) Each guaranty agency, eligible lender, and subsequent holder is authorized to disclose information described in subsections (a) and (b) concerning student borrowers to the eligible institutions such borrowers attend or previously attended.

"(f) Notwithstanding paragraphs (4) and (6) of subsection (a) of section 605 of the Fair Credit Reporting Act (15 U.S.C. 1681c(a)(4), (a)(6)), a consumer reporting agency may make a report containing information received from a guaranty ager.cy, eligible lender, or subsequent holder regarding the status of a borrower's account on a loan guaranteed under this part until the later of—

"(1) seven years from the date on which the agency paid a claim to the holder on the guaranty, or

"(2) seven years from the date the guaranty agency, eligible lender, or subsequent holder first reported the account to a consumer reporting agency.".

COLLECTION PROCEDURES AGAINST UNITED STATES

SEC. 927. Section 432(a)(2) of the Act is amended by adding at the end thereof a comma and the following: "and notwithstanding any provision of State law to the contrary, in collecting any obligation arising from a loan made under this part, the United States shall not be subject to a defense raised by any borrower on (A) a claim of infancy, or (B) the action or omission of an eligible institution or lender, if the Secretary and his agents did not have actual notice of such defense when the Secretary reimbursed the previous holder of the loan for its loss;".

CIVIL PENALTIES

SEC. 928. Section 432 of the Act is amended by adding at the end thereof the following new subsections:

"(f)(1) Whenever the Secretary determines, after reasonable notice and opportunity for a hearing on the record, that a lender or a guaranty agency—

"(A) has violated or failed to carry out any provision of this part or any regulation prescribed under this part, or

"(B) has engaged in substantial misrepresentation of the nature of its financial charges,

the Secretary may impose a civil penalty upon such lender or agency of not to exceed $5,000 for each violation, failure, or substantial misrepresentation.

"(2) No civil penalty may be imposed under this subsection unless it is determined that—

"(A) the violation, failure, or substantial misrepresentation referred to in that subsection resulted from—

"(i) a clear and consistent pattern or practice of violations, failures, or substantial misrepresentations in which the lender or guaranty agency did not maintain procedures reasonably adapted to avoid the violation, failure, or substantial misrepresentation;

"(ii) gross negligence; or

"(iii) willful actions on the part of the lender or guaranty agency; and

"(B) the violation, failure, or substantial misrepresentation is material.

"(3) A lender or guaranty agency is not liable under this subsection if, prior to the institution of an action under that subsection, the lender or guaranty agency cures or corrects the violation or failure or notifies the person to which the substantial misrepresentation was made of the actual nature of the financial charges involved.

"(4) For the purposes of this subsection, violations, failures, or substantial misrepresentations arising from a specific practice of a lender or guaranty agency shall be deemed to be a single violation, failure, or substantial misrepresentation even if the violation, failure, or substantial misrepresentation affects more than one loan or more than one borrower, or both, and the Secretary may only impose a single civil penalty for each such violation, failure, and substantial misrepresentation.

"(5) If a loan affected by a violation, failure, or substantial misrepresentation is assigned to another holder, the lender or guaranty agency responsible for the violation, failure, or substantial misrepresentation shall remain liable for any civil money penalty provided for under this subsection, but the assignee shall not be liable for any such civil money penalty.

"(6) Until a matter is referred to the Attorney General, any civil penalty under this subsection may be compromised by the Secretary. In determining the amount of such penalty, or the amount agreed upon in compromise, the appropriateness of the penalty to the resources of the lender or guaranty agency subject to the determination; the gravity of the violation, failure, or substantial misrepresentation; the frequency and persistence of the violation, failure or substantial misrepresentation; and the amount of any losses resulting from the violation, failure or substantial misrepresentation shall be considered. The amount of such penalty, when finally determined, or the amount agreed upon in compromise, may be deducted from any sums owing by the United States to the lender or agency charged (unless the lender or agency has in the case of a final agency determination commenced proceedings for judicial review within 90 days of the determination, in which case the deduction may not be made during the pendency of the proceeding).".

SUBPART 2—NATIONAL DIRECT STUDENT LOANS

TERMS OF AGREEMENT

SEC. 931. (a) STRENGTHENING ASSIGNMENT PROVISION.—Section 463(a)(5) of the Act is amended by striking out "for at least 2 years".

(b) MAINTENANCE OF COLLECTION RECORDS.—Section 463(a) of the Act is amended by redesignating clause (9) as clause (10) and by adding after clause (8) the following new clause:

"(9) provide assurances that the institution will maintain acceptable collection records, in accordance with criteria established by the Secretary, with respect to loans made under this part; and".

REPORTING BY CONSUMER REPORTING AGENCY

SEC. 932. Section 463(c) of the Act is amended by adding the following new paragraph:

"(3) Notwithstanding paragraphs (4) and (6) of subsection (a) of section 605 of the Fair Credit Reporting Act (15 U.S.C. 1681c(a)(4), (a)(6)), a consumer reporting agency may make a report containing information received from the Secretary regarding the status of a borrower's account on a loan made under this part until the later of—

"(A) seven years from the date on which the Secretary accepted an assignment or referral of a loan, or

"(B) seven years from the date the Secretary first reported the account to a consumer reporting agency, if that account had not been previously reported by any other holder of the note.".

DEFAULT PENALTY

SEC. 933. Section 463A(a)(7) of the Act is amended by inserting immediately before the semicolon at the end thereof the following: "and a description of any penalty imposed as a consequence of default, such as liability for expenses reasonably incurred in attempts by the Secretary or the institution to collect on a loan".

COLLECTION TERMS

SEC. 934. Section 464(c) of the Act is amended—

(1) by amending clause (H) of paragraph (1) to read as follows:

"(H) pursuant to regulations of the Secretary, (i) shall provide for an assessment of a charge with respect to the loan for failure of the borrower to pay all or part of an installment when due, and (ii) may provide for an assessment of a charge with respect to the loan for the failure of the borrower to file timely and satisfactory evidence of an entitlement of the borrower to deferment or cancellation benefits under this part; and"; and

(2) by amending paragraph (4) to read as follows:

"(4) The amount of any charge under clause (H)(i) of paragraph (1) shall include the expenses reasonably incurred in attempting such collection with respect to

such loan, to the extent imposed by the Secretary.".

REFERRAL FOR COLLECTION

SEC. 935. Section 467(a) of the Act is amended—

(1) by inserting immediately after "attempt to collect" a comma and the following: "by any means authorized by law, including referral to the Attorney General for litigation, for collecting claims of the United States,"; and

(2) by striking out the comma after "any loan".

FEDERAL COLLECTION PROCEDURE

SEC. 936. Section 467(b) of the Act is amended to read as follows:

"(b) The Secretary shall continue to attempt to collect any loan assigned under section 465(a)(5) until all appropriate collection efforts, as determined by the Secretary, have been expended.".

STATUTE OF LIMITATIONS

SEC. 937. Part E of title IV of the Act is amended by adding immediately after section 467 the following new section:

"STATUTE OF LIMITATIONS

"SEC. 467A. Notwithstanding any provision of State law that would set an earlier deadline for filing suit—

"(1) an institution which has an agreement with the Secretary pursuant to section 463(a) may file suit for collection of the amount due from a borrower on a loan made under this part during a period of time extending at least until a date six years (exclusive of periods during which the State statute of limitations period otherwise applicable to the suit would be tolled under State law) after the date of the default of the borrower with respect to that amount; and

"(2) subject to the provisions of section 2416 of title 28 of the United States Code, the Attorney General may file suit for collection of the amount due from a borrower on a loan made under this part until six years following the date on which the loan is assigned or referred to the Secretary under this part.".

SUBPART 3—GENERAL PROVISIONS

STUDENT ELIGIBILITY

SEC. 941. Section 484(a) of the Act is amended—

(1) by striking out the word "such" each place it appears in paragraph (4) and inserting in lieu thereof "any"; and

(2) by striking out "(which need not be notarized)" in paragraph (5) and inserting in lieu thereof "(which need not be notarized but which shall include such student's social security number)".

STATUTE OF LIMITATIONS

SEC. 942. Part F of title IV of the Act is amended by adding immediately after section 484 the following new section:

"STATUTE OF LIMITATIONS

"SEC. 484A. (a) Notwithstanding any provision of State law that would set an earlier deadline for filing suit—

"(1) an institution which receives funds under this title may file suit for collection of a refund due from a student on a grant made or work assistance awarded under this title during a period of time extending at least until a date six years (exclusive of periods during which the State statute of limitations period otherwise applicable to the suit would be tolled under State law) after the date the refund first became due; and

"(2) subject to the provisions of section 2416 of title 28 of the United States Code, the Attorney General may file suit for payment of a refund due from a student on a grant made under this title until six years following the date on which the refund first became due.

"(b) Notwithstanding any provision of State law to the contrary, a borrower who has defaulted on a loan made under this title shall be required to pay, in addition to other charges specified in this title, reasonable collection costs.".

PROGRAM PARTICIPATION AGREEMENTS

SEC. 943. (a) Section 487(a)(1) of the Act is amended to read as follows:

"(1) The institution will use funds received by it for any program under this title and any interest earned thereon solely for the purposes specified in, and in accordance with the provision of, that program.".

(b) Section 487(b)(1)(A) of the Act is amended to read as follows:

"(A)(i)(I) except as provided in subdivision (II), a financial and compliance audit of an eligible institution, with regard to any funds obtained by it under this title or obtained from a student or parent who has a loan insured or guaranteed under this title, at least once every two years and covering the period since the most recent audit, conducted by a qualified, independent organization or person in accordance with the standards established by the Comptroller General for the audit of governmental organizations, programs, and functions, and as prescribed in regulations of the Secretary, the results of which shall be submitted in an audit report to the Secretary, or (II) with regard to an eligible public institution which is audited under chapter 75 of title 31, United States Code, such audit shall be deemed to satisfy the requirements of subdivision (I) for the period of time covered by such audit; and (ii) recovery by the Secretary, by recoupment or other means, under procedures established by the Secretary, from the eligible institution of amounts, plus interest as set by the Secretary, determined by such audits to be owing;".

EFFECTIVE DATES

SEC. 944. (a) PROSPECTIVE PROVISIONS; LOANS.—The amendments made by sections 921, 922, 933, and 934 shall apply to loans to cover the cost of attendance for any period of enrollment beginning on or after October 1, 1985.

(b) RETROACTIVE PROVISIONS; LOANS.—The amendments made by sections 923, 924, 925, 926, 927, 928, 931, 932, 935, 936, and 937 shall apply to all loans, including loans made before the enactment of this Act, and shall take effect 90 days after the enactment of this Act.

(c) PROSPECTIVE PROVISION; ALL ASSISTANCE.—The amendment made by section 941 shall apply to grants, loans, or work assistance to cover the cost of attendance for any period of enrollment beginning on or after October 1, 1985.

(d) RETROACTIVE PROVISION; GRANTS.—The amendment made by section 942 shall apply to all grants, including grants awarded before the enactment of this Act, and shall take effect 90 days after the enactment of this Act.

(e) RETROACTIVE PROVISIONS; ALL ASSISTANCE.—The amendment made by section 943 shall apply to all grants, loans, or work assistance, including such assistance awarded before the enactment of this Act, and shall take effect 90 days after the enactment of this Act.

PART C—SAVINGS ATTRIBUTABLE TO LOAN CONSOLIDATION

SHORT TITLE

SEC. 951. This part may be cited as the "Student Loan Consolidation Act of 1985".

STUDENT LOAN CONSOLIDATION

SEC. 952. (a) LOAN CONSOLIDATION AUTHORIZED.—Part B of title IV of the Higher Education Act of 1965 (hereafter in this part referred to as the "Act") is amended by inserting after section 428B the following new section:

"CONSOLIDATION LOANS

"SEC. 428C. (a)(1) For the purpose of providing loans to eligible borrowers for consolidation of their obligations with respect to student loans made, insured, or guaranteed under this part or made under part E of this title, the Secretary or a State or nonprofit private institution or organization with which the Secretary has an agreement under section 428(b) shall enter into agreements in accordance with subsection (b) with the following eligible lenders:

"(A) the Student Loan Marketing Association;

"(B) agencies described in subparagraphs (D) and (F) of section 435(g)(1); and

"(C) eligible lenders described in subparagraphs (A), (B), (C), and (E) of such section.

"(2) Except as provided in section 429(e), no contract of insurance under this part shall apply to a consolidation loan unless such loan is made under an agreement pursuant to this section and is covered by a certificate issued in accordance with subsection (b)(2). Loans covered by such a certificate that is issued by a State or nonprofit private institution or organization shall be considered to be insured loans for the purposes of reimbursements under section 428(c), but no payment shall be made with respect to such loans under section 428(f) to any such State, institution, or organization.

"(3) For the purpose of this section, the term 'eligible borrower' means a borrower who—

"(A) has an outstanding indebtedness, at the time of application for a consolidation loan, to one or more lenders or programs under this title of not less than $5,000;

"(B) has not during the previous 4 months carried at an eligible institution at least one-half the normal full-time academic workload;

"(C) if in repayment status, is not delinquent with respect to any required payment on such indebtedness by more than 90 days; and

"(D) is not a parent borrower under section 428B(a)(1).

"(4) An individual's status as an eligible borrower under this section terminates upon receipt of a consolidation loan under this section except with respect to loans received under this title after the date of receipt of the consolidation loan. For the purpose of computing the outstanding indebtedness of such an individual, only loans received after such date shall be taken into account.

"(b)(1) Any lender described in clause (A), (B), or (C) of subsection (a)(1) who wishes to make consolidation loans under this section shall enter into an agreement with the Secretary or a State or nonprofit private institution or organization with which the Secretary has an agreement under section 428(b) which provides—

"(A)(i) that, in the case of lenders described in subsection (a)(1)(C), the lender will make a consolidation loan to any eligi-

ble borrower on request of that borrower, if the lender holds an outstanding loan of that borrower which is selected by the borrower for consolidation under this section, and will make such loans to other eligible borrowers only to the extent permitted by the Secretary in an agreement under subsection (d);

"(ii) that, in the case of lenders described in subsection (a)(1)(B), the lender will make, subject to the availability of funds allocated for such purpose, a consolidation loan to any eligible borrower—

"(I) who is, or was at the time of receiving a loan which is selected for consolidation, a resident of the State of such lender; or

"(II) who received loans under this title while attending an institution of higher education in the State of such lender,

except that the lender may elect to limit further the availability of its loans under this section to those borrowers for whom the lender is the holder of a loan selected for consolidation; or

"(iii) that, in the case of the Student Loan Marketing Association, the lender will make a consolidation loan to any eligible borrower on request of that borrower;

"(B) that each consolidation loan made by the lender will bear interest, and be subject to repayment, in accordance with subsection (c);

"(C) that each consolidation loan will be made, notwithstanding any other provision of this part limiting the maximum principal amount for all insured loans made to a borrower, in an amount (i) which is not less than the minimum amount required for eligibility of the borrower under subsection (a)(3)(A)(i), and (ii) which is equal to the sum of the unpaid principal, accrued unpaid interest and late charges of all loans received by the eligible borrower under this title which are selected by the borrower for consolidation;

"(D) that the proceeds of each consolidation loan will be paid by the lender to the holder or holders of the loans so selected to discharge the liability on such loans;

"(E) that, in the case of any lender, such lender will not make consolidation loans under this part from the proceeds of bonds or other obligations, the income from which is exempt from taxation under the Internal Revenue Code of 1954, issued subsequent to the enactment date of the Student Loan Consolidation Act of 1985; and

"(F) such other terms and conditions as the Secretary or State or nonprofit private institution or organization (whichever is party to the agreement) may specifically require of the lender to carry out this section.

"(2) The Secretary shall issue a certificate of comprehensive insurance coverage under section 429(b) to a lender which has entered into an agreement with the Secretary under paragraph (1) of this subsection. A State or nonprofit private institution or organization with which the Secretary has an agreement under section 428(b) may issue a certificate of comprehensive insurance coverage to a lender if the lender has entered into an agreement under paragraph (1) of this subsection. The Secretary shall not issue such a certificate under this paragraph to a lender described in clause (B) or (C) of subsection (a)(1) if the Secretary determines that such lender has reasonable access in its State, for the purpose of obtaining such a certificate, to a State or nonprofit private institution or organization with which the Secretary has an agreement under section 428(b). In either case, such certificate shall, at a minimum, provide—

"(A) that all consolidation loans made by such lender in conformity with the requirements of this section will be insured against loss of principal and interest by the issuer of such certificate;

"(B) that a consolidation loan will not be insured unless the lender has determined to its satisfaction, in accordance with reasonable and prudent business practices, for each loan being consolidated (i) that the loan is a legal, valid, and binding obligation of the borrower; (ii) that each such loan was made and serviced in compliance with applicable laws and regulations; and (iii) in the case of loans under this part, that the insurance on such loan is in full force and effect;

"(C) the effective date and expiration date of the certificate;

"(D) the aggregate amount to which the certificate applies;

"(E) that, if the lender prior to the expiration of the certificate no longer proposes to make consolidation loans, the lender will so notify the issuer of such certificate in order that the certificate may be terminated (without affecting the insurance on any consolidation loan made prior to such termination); and

"(F) the terms upon which the issuer of the certificate may limit, suspend, or terminate the lender's authority to make consolidation loans under the certificate (without affecting the insurance on any consolidation loan made prior to such limitation, suspension, or termination).

"(3) A consolidation loan made pursuant to this section shall be insurable under a certificate issued pursuant to paragraph (2) only if the loan is made to an eligible borrower who has agreed to notify the holder of the loan promptly concerning any change of address and the loan is evidenced by a note or other written agreement which—

"(A) is made without security and without endorsement, except that if the borrower is a minor and such note or other written agreement executed by him would not, under applicable law, create a binding obligation, endorsement may be required;

"(B) provides for the payment of interest and the repayment of principal in accordance with subsection (c) of this section and contains notice of the possibility of a revised repayment schedule under paragraph (2) of such subsection;

"(C) provides that periodic installments of principal need not be paid, but interest shall accrue and be paid, during any period—

"(i) during which the borrower is pursuing a full-time course of study at an eligible institution, is pursuing a course of study pursuant to a graduate fellowship program approved by the Secretary, or pursuant to a rehabilitation training program for disabled individuals approved by the Secretary;

"(ii) not in excess of 2 years during which the borrower is serving an internship, the successful completion of which is required in order to receive professional recognition;

"(iii) not in excess of 3 years during which the borrower is temporarily totally disabled, as established by sworn affidavit of a qualified physician, or during which the borrower is unable to secure employment by reason of the care required by a spouse who is so disabled; or

"(iv) which is a single period, not in excess of 12 months, at the request of the borrower, during which the borrower is seeking and unable to find full-time employment; and

that any such period shall not be included in determining the repayment period provided pursuant to subsection (c)(2) of this section;

"(D) entitles the borrower to accelerate without penalty repayment of the whole or any part of the loan; and

"(E)(i) contains a notice of the system of disclosure concerning such loan to credit bureau organizations under section 430(b)(2), and (ii) provides that the lender on request of the borrower will provide information on the repayment status of the note to such organizations.

"(c)(1) Consolidation loans made under this section shall bear interest at the rate of 10 per centum per annum on the unpaid principal balance of the loan, except that, if the consolidation loan is used for the purpose of discharging liability on a loan made pursuant to section 428B, the consolidation loan shall bear interest at a rate per annum on such unpaid balance which is equal to the highest applicable interest rate under section 427A on any loan which is selected for consolidation by the borrower. For the purposes of payment of special allowances under section 438(b)(2), the interest rate required by this subsection is the applicable interest rate with respect to a consolidation loan.

"(2) Notwithstanding any other provision of this part, to the extent authorized by its certificate of insurance under subsection (b)(2)(F) and approved by the issuer of such certificate, the lender of a consolidation loan, with the agreement of the borrower, may establish such repayment terms as will promote the objectives of this section, including the establishment of graduated and income sensitive repayment schedules. In each case a consolidation loan shall be repaid as follows:

"(A) in the case of a consolidation loan the original amount of which is less than $7,500, such loan shall be repaid in not more than 10 years;

"(B) in the case of a consolidation loan the original amount of which equals or exceeds $7,500 but is less than $11,000, such loan shall be repaid in not more than 13 years; or

"(C) in the case of a consolidation loan the original amount of which equals or exceeds $11,000, such loan shall be repaid in not more than 15 years.

"(3) Repayment of a consolidation loan shall commence within 60 days after all holders have, pursuant to subsection (b)(1)(D), discharged the liability of the borrower on the loans selected for consolidation.

"(4) No origination fee or insurance premium shall be charged to the borrower on any consolidation loan, and no insurance premium shall be payable by the lender to the issuer of the certificate of insurance with respect to any such loan.

"(d)(1) If, within 18 months after the effective date of this section, an eligible lender described in subsection (a)(1)(B) for a State has not entered into an agreement with the Secretary or a State or nonprofit private institution or organization for purposes of making consolidation loans under this section, the Secretary may, after a hearing and upon a determination of need therefor, enter into an agreement for the purposes of making consolidation loans to eligible borrowers in such State with an eligible lender described in clause (B) or (C) of subsection (a)(1) from another State.

"(2) Notice of the hearing required by paragraph (1) of this subsection shall be sent to the Governor of the affected State and the eligible lenders described in subsec-

tion (a)(1)(B) for that State. At any such hearing representatives of such Governor and lenders may present evidence and testimony and examine witnesses, and full consideration shall be given to the views of such Governor and lenders with respect to the interests of the eligible borrowers in that State and with respect to the impact on programs of such lenders of allowing a lender described in clause (B) or (C) of subsection (a)(1) from another State to make consolidation loans pursuant to an agreement under this subsection in such State.

"(3) An agreement under this subsection may contain such terms and conditions as the Secretary may specifically require of the lender to carry out this section.

"(4) The requirements of paragraphs (1) and (2) of this subsection shall not apply if, in any State, an eligible lender described in subsection (a)(1)(B) from another State is functioning as a secondary market described in subparagraph (D) or (F) of section 435(g)(1) prior to the date of enactment of the Student Loan Consolidation Act of 1985 and such lender agrees to make consolidation loans to eligible borrowers in such State.

"(e) The authority to make loans under this section expires at the close of September 30, 1991. Nothing in this section shall be construed to authorize the Secretary to promulgate rules or regulations governing the terms or conditions of the agreements and certificates under subsection (b). Loans made under this section shall not be considered to be new loans made to students for purposes of section 424(a).".

(b) CONFORMING AMENDMENTS.—(1) Section 427(a) of the Act is amended by striking out "A loan" and inserting in lieu thereof "Except as provided in section 428C, a loan".

(2) Section 435(g)(1) of the Act is amended—

(A) by striking out "section 439 (o) and (q)" in subparagraph (G) and inserting in lieu thereof "sections 428C and 439(q)"; and

(B) by striking out "section 428(j)" in subparagraph (H) and inserting in lieu thereof "sections 428(h) and 428C".

(3) Section 438 of the Act is amended—

(A) in subsection (b)(5)(A)(ii), by inserting ", 428C," after "428B"; and

(B) in subsection (c)(2), by striking out "section 428B and section 439(o)" and inserting in lieu thereof "sections 428B and 428C".

(4) Section 439(d)(1)(C) of the Act is amended by striking out "428(A), and except with respect to loans under section 439(o)," and inserting in lieu thereof "428A, and except with respect to loans under section 428C,".

(c) SPECIAL ALLOWANCE.—(1) Section 438(b)(2)(A) of the Act is amended by striking out "subparagraph (B)" and inserting in lieu thereof "subparagraphs (B) and (C)".

(2) The first sentence of section 438(b)(2)(B)(i) of the Act is amended—

(A) by inserting "appropriate" before "quarterly rate" the second time it appears; and

(B) by inserting "or subparagraph (C)" before the period.

(3) Section 438(b)(2) of the Act is amended by adding at the end thereof the following new subparagraph:

"(C) In the case of loans made in accordance with section 428C, the applicable per centum to be added under clause (iii) of subparagraph (A) shall be 3 per centum.".

(d) COST EVALUATION REPORT.—The Secretary of Education shall evaluate the cost, efficiency, and impact of the consolidation loan program established by the amendments made by this section and shall report to the Congress not later than June 30, 1988, on the findings and recommendations required by this subsection.

PART D—SAVINGS ATTRIBUTABLE TO OPERATION OF GUARANTY AGENCIES

RECOVERY OF OUTSTANDING ADVANCES TO GUARANTY AGENCIES

SEC. 961. Section 422 of the Higher Education Act of 1965 (hereafter in this part referred to as "the Act") is amended by adding at the end thereof the following new subsection:

"(d)(1) Notwithstanding any other provision of this section, advances made by the Secretary under this section shall be repaid in accordance with this subsection and shall be deposited in the fund established by section 431. The Secretary shall, in accordance with the requirements of paragraph (2), recover (and so deposit) an amount equal to $75,000,000 during fiscal year 1988.

"(2) In determining the amount of advances which shall be repaid by a State or nonprofit private institution or organization under paragraph (1), the Secretary—

"(A) shall consider the solvency and maturity of the reserve and insurance funds of the State or nonprofit private institution or organization assisted by such advances; and

"(B) shall not seek repayment of such advances from any State described in subsection (c)(5)(B) during any year of its eligibility under such subsection.".

PRECLAIM COLLECTION ACTIVITIES

SEC. 962. (a) DELAY REQUIRED BEFORE SUBMISSION OF CLAIMS BY GUARANTY AGENCIES.—Section 428(c)(1)(A) of the Act is amended by adding at the end thereof the following new sentence: "In no case shall a State or nonprofit private institution or organization with which the Secretary has an agreement pursuant to subsection (b) file a claim for such reimbursement with respect to such losses prior to 240 days after the loan becomes delinquent with respect to any loan installment.".

(b) SUPPLEMENTAL PRECLAIMS ASSISTANCE.—(1) Section 428(c)(6)(A) of the Act is amended—

(A) by inserting after "assistance for default prevention," the following: "the administrative costs of supplemental preclaim assistance for default prevention,"; and

(B) by striking out "as such terms are defined in subparagraph (B)" and inserting in lieu thereof "as such terms are defined in subparagraph (B) or (C)".

(2) Section 428(c)(6) of the Act is amended by adding at the end thereof the following new subparagraph:

"(C)(i) For purposes of this paragraph, 'administrative costs of supplemental preclaim assistance for default prevention' means (subject to divisions (ii) through (iv)) any administrative costs—

"(I) incurred by a guaranty agency in connection with a loan on which the guarantor has exercised preclaims assistance required or permitted under sections 428(c)(2)(A) and 428(f)(2), and which has been in delinquent status for at least 120 days; and

"(II) which are directly related to providing collection assistance to the lender on a delinquent loan, prior to a claim being filed by the guaranty agency,

including the attributable compensation of appropriate personnel (and in the case of personnel who perform several functions, only the portion of compensation attributable to the collection assistance), fees paid to locate a missing borrower, postage, equipment, supplies, telephone, and similar charges, but does not include overhead costs.

"(ii) The administrative costs for which reimbursement is authorized under this subparagraph must be clearly supplemental to the preclaim assistance for default prevention which the guaranty agency is required to provide pursuant to section 428(c)(2)(A) and section 428(f)(2) of this Act.

"(iii) The services associated with carrying out this subparagraph may be provided by the guaranty agency directly or under contract, except that such services may not be carried out by an organization or entity (other than the guaranty agency)—

"(I) that is the holder or servicer of the loan or an organization or entity that owns or controls the holder or servicer of the loan; or

"(II) that is owned or controlled by the same corporation, partnership, association, or individual that owns or controls the holder or servicer of the loan.

"(iv) The costs associated with carrying out this subparagraph may not exceed 2 percent of the outstanding principal balance of each delinquent loan subject to the supplemental preclaim assistance authorized by this subparagraph or $100, whichever is less.".

GUARANTY AGENCY; LENDER OF LAST RESORT

SEC. 963. Section 428(b)(1) of the Act, as amended by section 911(b), is further amended—

(1) by striking out "and" at the end of clause (P);

(2) by striking out the period at the end of clause (Q) and inserting in lieu thereof a semicolon and the word "and"; and

(3) by adding at the end thereof the following new clause:

"(R) provides for a lender of last resort in the State for all eligible borrowers who are unable to obtain a loan under this part and who are legal residents of the State or are accepted for enrollment in or are attending an eligible institution in the State.".

EFFECTIVE DATES

SEC. 964. (a) RECOVERY OF OUTSTANDING ADVANCES.—The amendment made by section 961 shall take effect on the date of enactment of this Act.

(b) PRECLAIM COLLECTION.—(1) The amendments made by section 962(a) of this Act shall apply to all loans, including loans made before the enactment of this Act, and shall take effect on the date of enactment of this Act.

(2) The amendments made by section 962 shall take effect on the date of enactment of this Act.

(c) LENDER OF LAST RESORT.—The amendments made by section 463 of this Act shall take effect 30 days after the date of enactment of this Act.

PART E—SAVINGS RELATED TO THE OPERATION OF THE STUDENT LOAN MARKETING ASSOCIATION

TREATMENT OF CERTAIN OBLIGATIONS

SEC. 971. (a) GENERAL RULE.—In order to contribute to carrying out the directions in the first concurrent resolution on the budget for the fiscal year 1986 (S. Con. Res. 32, 99th Congress, agreed to August 1, 1985) designed to reduce the Federal budget deficit, the Student Loan Marketing Association shall, during the fiscal year 1986, reduce the level of obligations owed to the Federal Financing Bank by $30,000,000 which, but for

this section, will be paid to the Federal Financing Bank after October 1, 1986.

(b) SPECIAL RULE.—The amount described in subsection (a) may not be credited by the Student Loan Marketing Association to reduce the obligation to repay the Federal Financing Bank amounts which the Student Loan Marketing Association owes to the Federal Financing Bank in each of the fiscal years 1987 and 1988.

(c) SAVINGS PROVISION.—Nothing in this section shall be construed to authorize or require the Student Loan Marketing Association or the Federal Financing Bank to renegotiate the contract or other agreement under which the Student Loan Marketing Association agreed to pay amounts made available by the Federal Financing Bank to carry out section 439 of the Higher Education Act of 1965.

PART F—FLEXTIME PROVISIONS

AMENDMENTS TO CONTRACT WORK HOURS AND SAFETY STANDARDS ACT

SEC. 981. (a) Section 102(a) of the Contract Work Hours and Safety Standards Act (40 U.S.C. 328(a)) is amended to read as follows:

"(a) Notwithstanding any other provision of law, the wages of every laborer and mechanic employed by any contractor or subcontractor in his performance of work on any contract of the character specified in section 103 shall be computed on the basis of a standard workweek of forty hours, and work in excess of such standard workweek shall be permitted subject to provisions of this section. For each workweek in which any such laborer or mechanic is so employed such wages shall include compensation, at a rate not less than one and one-half times the basic rate of pay, for all hours worked in excess of forty hours in the workweek.".

(b) Section 102(b) of such Act is amended—

(1) by striking out "eight hours in any calendar day or in excess of" in paragraph (1); and

(2) by striking out "eight hours or in excess of" in paragraph (2).

AMENDMENT TO THE WALSH-HEALEY ACT

SEC. 982. Subsection (c) of the first section of the Act entitled "An Act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes" (41 U.S.C. 35(c)), commonly known as the Walsh-Healey Act, is amended by striking out "eight hours in any one day or in excess of".

EFFECTIVE DATE

SEC. 983. The amendments made by this part shall be effective upon enactment.

PART G—HEALTH AND HOSPITALS

CONTINUATION OF HEALTH INSURANCE FOR INDIVIDUALS LOSING EMPLOYMENT-RELATED COVERAGE

SEC. 984. (a) IN GENERAL.—The Public Health Service Act is amended by adding at the end the following new title:

"TITLE XXII—REQUIREMENTS FOR CERTAIN GROUP HEALTH INSURANCE POLICIES

"REQUIREMENT OF CONTINUATION COVERAGE AND OPEN ENROLLMENT PERIOD

"SEC. 2201. (a) In accordance with regulations which the Secretary shall prescribe—

"(1) each employer—

"(A) which is now or hereafter required during any calendar quarter to pay its employees the minimum wage prescribed by section 6 of the Fair Labor Standards Act of 1938 (or would be required to pay its employees such wage but for section 13(a) of such Act), and

"(B) which during such calendar quarter employed an average number of employees of not less than 25,

shall include in any health benefits plan, and

"(2) any State and each political subdivision thereof which during any calendar quarter employed an average number of employees of not less than 25, as a condition of payment to the State of funds under section 314(d), 317, 318, 1002, 1525, or 1613, shall include in any health benefits plan,

offered to such employees in the calendar year beginning after such calendar quarter of the Secretary (i) the option of continuation coverage specified in section 2202, and (ii) the spousal open enrollment period specified in section 2203.

"(b) For purposes of this section, the term 'employer' does not include—

"(1) the Government of the United States, the government of the District of Columbia or any territory or possession of the United States or any agency or instrumentality (including the United States Postal Service and Postal Rate Commission) of any of the foregoing, except that such term includes nonappropriated fund instrumentalities of the Government of the United States;

"(2) a church, convention or association or churches, or any organization operated, supervised or controlled by a church, convention or association of churches which organization is an organization described in section 501(c)(3) of the Internal Revenue Code of 1954; or

"(3) a State or any political subdivision thereof, or any agency or instrumentality thereof.

"OPTION OF CONTINUATION COVERAGE

"SEC. 2202. (a) The requirement of continuation coverage referred to in clause (i) of section 2201(a) is that each covered employee or other qualified beneficiary, who would lose coverage under the health benefits plan because of a qualifying event, is given, in accordance with this section, the option of electing continuation coverage under the plan.

"(b)(1) The option of electing continuation coverage must be offered during a period that—

"(A) begins not later than the termination date (as defined in subsection (c)(2)),

"(B) is of at least 60 days duration, and

"(C) ends not earlier than 60 days after the date the qualified beneficiary is notified under subsection (f)(4) or the termination date, whichever date is later.

"(2) Unless otherwise specified in the election—

"(A) any such election by a covered employee shall be deemed to include an election with respect to all other qualified beneficiaries of the employee whose coverage would, but for continuation coverage provided in accordance with this section, be affected by the qualifying event; and

"(B) except as provided in subparagraph (A), any such election by an individual who is a qualified beneficiary described in subsection (g)(2)(A) shall be deemed to include an election of continuation coverage on behalf of any other qualified beneficiary (other than the covered employee) whose coverage would, but for continuation coverage provided in accordance with this section, be affected by the qualifying event.

"(c) For purposes of this section:

"(1) A 'qualifying event' under a health benefits plan, with respect to a covered employee, is any of the following events if the coverage of a qualified beneficiary under the plan would, but for continuation coverage provided in compliance with this section, be terminated by the occurrence of the event:

"(A) The termination, or reduction of hours, of the covered employee's employment (other than for cause).

"(B) The death of the covered employee.

"(C) The divorce or separation of the covered employee from his or her spouse.

"(D) The covered employee becoming entitled to benefits under title XVIII of the Social Security Act.

"(2) The term 'termination date' means, with respect to a qualifying event, the date on which coverage of a qualified beneficiary under a group health plan would be terminated under the plan but for continuation coverage provided in compliance with this section.

"(d) Any continuation coverage elected by or on behalf of a qualified beneficiary shall meet the following requirements:

"(1) The coverage may not be conditioned upon, or discriminate on the basis of lack of, evidence of insurability.

"(2) The coverage shall consist of coverage which is identical to the coverage provided under the plan to similarly situated beneficiaries under the plan with respect to whom a qualifying event has not occurred.

"(3) If, at the time of the qualifying event, an individual was covered under the health benefits plan because of the individual's relationship to a covered employee and the individual is a qualified beneficiary, the option must be provided of continuing coverage of the individual.

"(4) The coverage shall be for a period commencing upon the expiration date and ending not earlier than the earliest of the following:

"(A) In the case of a qualifying event described in subsection (c)(1)(A) (relating to unemployment or reduction of employment), 18 months after the date the continued coverage begins.

"(B) In the case of a qualifying event not described in subsection (c)(1)(A), thirty-six months after the date the continued coverage begins.

"(C) The date on which the employer ceases to provide any health benefits plan to employees.

"(D) The date on which there is a failure in making timely payment of any premium required under the plan with respect to the qualified beneficiary.

"(E) The date on which the qualified beneficiary first becomes, after the date of the election, a covered employee under any other health benefits plan offered by an employer or becomes entitled to benefits under title XVIII of the Social Security Act.

"(F) In the case of a qualified beneficiary spouse described in subsection (g)(2)(A), the date on which the qualified beneficiary remarries and becomes covered under a health benefits plan as the spouse of a covered employee.

"(G) In the case of any individual who is a qualified beneficiary by reason of having been a covered dependent child of a covered employee, the date on which the individual ceases to be a covered dependent child of the qualified beneficiary.

"(5) In the case of a qualified beneficiary whose period of continued coverage expires under subparagraph (A) or (B) of paragraph (4), the plan must provide to the beneficiary, during the 180-day period ending on the date of expiration of the period of con-

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tinued coverage, the option of enrollment under a conversion health plan otherwise generally available to beneficiaries under the plan.

"(e)(1) The total premium charged by a health benefits plan with respect to any qualified beneficiary for continuation coverage under the plan shall not exceed the sum of employer premiums and employee premiums generally charged with respect to coverage under the plan of similarly situated beneficiaries with respect to whom a qualifying event has not occurred. The total of all premiums charged by the plan in any plan year may be based upon reasonably anticipated community costs for such plan year of the entire pool of covered employees and other beneficiaries under the plan, including qualified beneficiaries receiving continuation coverage under the plan under this section.

"(2) The plan may provide for payment of the total premium by the qualified beneficiary receiving such coverage, or for payment of all or part of such premium by the employer or other party and payment of the remainder of such premium by such beneficiary. The plan shall provide for payment of any premium by a qualified beneficiary in monthly installments if so elected by the beneficiary. If an election is made during an election period but after the termination date, the plan shall permit payment of any premium for continuation coverage during the preceding period to be made within 45 days of the date of the election.

"(3) As used in this subsection, the term 'premium' means any amount payable with respect to the provision of coverage under a health benefits plan.

"(f) In accordance with regulations of the Secretary—

"(1) the health benefits plan must provide, at the time of commencement of coverage under the plan, for written notice to each covered employee and spouse of the employee (if any) of the rights under this section;

"(2) the employer of a covered employee under the plan must notify the health benefits plan administrator if the employee dies;

"(3) each covered employee is responsible for notifying the health benefits plan administrator of the occurrence of any qualifying event (other than that described in subsection (c)(1)(B)) respecting that employee; and

"(4) the health benefits plan administrator must notify each qualified beneficiary, within a period of 14 days after the date the administrator is notified concerning a qualifying event affecting that beneficiary, of—

"(A) the termination date with respect to the beneficiary, and

"(B) the beneficiary's right to elect continuation coverage under this section and the election period established under subsection (b)(1) during which the beneficiary can exercise that right.

"(g) For purposes of this section:

"(1) The term 'covered employee' means a individual who is (or was) provided coverage under a health benefits plan by virtue of the individual's employment or previous employment with an employer.

"(2) The term 'qualified beneficiary' means, with respect to a covered employee under a health benefits plan, the covered individual and any other individual who, on the date before the date of a qualifying event for that employee—

"(A) is a beneficiary under the plan as the spouse of the employee and had been married to the employee for at least the immediately preceding 30-day period, or

"(B) is a beneficiary under the plan as a covered dependent child of the employee.

"(3) The term 'covered dependent child' means, with respect to a covered employee, an individual who meets the generally applicable requirements of the plan for treatment as a dependent child covered under the plan by reason of the coverage of the employee under the plan.

"(4) The term 'health benefits plan administrator' means, in connection with a health benefits plan, any person who provides for administrative functions relating to enrollment of individuals under the plan. For purposes of this subparagraph, the term 'person' includes one or more individuals, governments or agencies of the United States or any State or political subdivision thereof, labor unions, partnerships, associations, corporations, legal representatives, mutual companies, joint ventures, joint stock companies, societies, trusts, unincorporated organizations, trustees, trustees in bankruptcy, receivers, and fiduciaries.

"ENFORCEMENT

"SEC. 2204. (a) Any employer (other than a State or political subdivision thereof, or any agency or instrumentality thereof) who knowingly does not comply with one or more of the requirements of this title shall be subject to a civil penalty of not more than $10,000. If such noncompliance continues, a civil penalty may be assessed and collected under this subsection for each 30-day period such noncompliance continues. Such penalty may be assessed by the Secretary and collected in a civil action brought by the United States in a United States district court.

"(b) In any proceeding by the Secretary to assess a civil penalty under this section, no penalty shall be assessed until the employer charged shall have been given notice and an opportunity to present its views on such charge. In determining the amount of the penalty, or the amount agreed upon in compromise, the Secretary shall consider the gravity of the noncompliance and the demonstrated good faith of the employer charged in attempting to achieved rapid compliance after notification by the Secretary of a noncompliance.

"(c) In any civil action brought to review the assessment of a civil penalty assessed under this section, the court shall, at the request of any party to such action, hold a trial de novo on the assessment of such civil penalty and in any civil action to collect such a civil penalty, the court shall, at the request of any party to such action, hold a trial de novo on the assessment of such civil penalty unless in a prior civil action to review the assessment of such penalty the court held a trial de novo on such assessment.

"(d) Any employer (other than a State or political subdivision thereof, or any agency or instrumentality thereof) who knowingly does not comply with one or more of the requirements of this title shall be liable to individuals for damages (including health care costs incurred) resulting from the employer's failure to comply with the requirements.

"(e) If the Secretary, after reasonable notice and opportunity for a hearing to a State, finds that it or any of its political subdivisions has failed to comply with one or more requirements of this title, the Secretary shall terminate payments to such State under section 314(d), 317, 318, 1002, 1525, and 1613 and notify the Governor or such State that further payments under such sections will not be made to the State until the Secretary is satisfied that there will no longer be any such failure to comply.".

(b) EFFECTIVE DATES.—

(1) GENERAL RULE.—The amendments made by this section shall apply to plan years beginning on or after January 1, 1986.

(2) SPECIAL RULE FOR COLLECTIVE-BARGAINING AGREEMENTS.—In the case of a health benefits plan maintained pursuant to one or more collective-bargaining agreements between employee representatives and one or more employers ratified before the date of the enactment of this Act, the amendments made by this section shall not apply to plan years beginning before the earlier of—

(A) the date on which the last of the collective-bargaining agreements relating to the plan terminates (determined without regard to any extension thereof agreed to after the date of the enactment of this Act), or

(B) January 1, 1987.

For purposes of subparagraph (A), any plan amendment made pursuant to a collective-bargaining agreement relating to the plan which amends the plan solely to conform to any requirement added by this section shall not be treated as a termination of such collective-bargaining agreement.

(c) NOTIFICATION TO COVERED EMPLOYEES.—At the time that the amendments made by this section apply to a health benefits plan described in section 2201 of the Public Health Service Act, the plan shall notify each covered employee, and spouse of the employee (if any), who is covered under the plan at that time of the continuation coverage and open enrollment period required under sections 2202 and 2203 of that Act. The notice furnished under this subsection is in lieu of notice that may otherwise be required under section 2202(f)(1) of that Act.

PROHIBITING REFUSAL OF EXAMINATION OR APPROPRIATE CARE TO STABILIZE PATIENTS IN MEDICAL EMERGENCIES

SEC. 985. (a) MEDICAL SCREENING REQUIREMENT.—In the case of a hospital (as defined in subsection (e)(3)) that has a hospital emergency department, if any individual comes to the emergency department and a request is made on the individual's behalf for examination or treatment for a medical condition, the hospital must provide for an appropriate medical screening examination to determine whether or not an emergency medical condition (within the meaning of subsection (e)(1)) exists or to determine if the individual is in active labor (within the meaning of subsection (e)(2)).

(b) NECESSARY STABILIZING TREATMENT FOR EMERGENCY MEDICAL CONDITIONS AND ACTIVE LABOR.—If any individual comes to the hospital and the individual is determined (through the screening described in subsection (a) or otherwise) by qualified medical personnel to have an emergency medical condition or to be in active labor, the hospital must provide either—

(1) within the staff and facilities available at the hospital, for such further medical examination and such treatment as may be required to stabilize the medical condition or to provide for treatment of the labor, unless the examination or treatment is refused, or

(2) for transfer of the patient to another medical facility in accordance with subsection (c).

(c) RESTRICTING TRANSFERS UNTIL PATIENT STABILIZED.—

(1) RULE.—If a patient at a hospital has an emergency medical condition which has not been stabilized (within the meaning of sub-

section (e)(4)(B)) or is in active labor, the hospital may not transfer the patient unless—

(A) there has been a written determination by a physician (within the meaning of section 1861(r)(1) of the Social Security Act) that, based upon the reasonable risks and benefits to the patient, and based upon the information available at the time, the benefits obtained from the provision of appropriate medical treatment at another medical facility outweigh the increased risks to the individual's medical condition from effecting the transfer, and

(B) the transfer is an appropriate transfer (within the meaning of paragraph (2)) to that facility.

(2) APPROPRIATE TRANSFER.—An appropriate transfer to a medical facility is a transfer—

(A) in which the receiving facility—

(i) has available space and qualified personnel for the treatment of the patient,

(ii) has agreed to accept transfer of the patient and to provide appropriate medical treatment, and

(iii) is being provided appropriate medical records (or copies thereof) of the examination and treatment effected at the transferring facility;

(B) in which the transfer is effected through qualified personnel and transportation equipment, including the use of medically appropriate life support measures during the transfer; and

(C) which meets such other requirements as the Secretary may find necessary in the interest of the health and safety of patients transferred.

(d) ENFORCEMENT.—

(1) AS CONDITION OF MEDICARE PROVIDER AGREEMENT.—Failure of a hospital to meet the requirements of this section subjects the hospital to termination of its Medicare provider agreement under title XVIII of the Social Security Act, in accordance with section 1866(b) of that Act.

(2) CIVIL MONETARY PENALTIES.—In addition to the other grounds for imposition of a civil money penalty under section 1128A(a) of the Social Security Act, a hospital that has entered into a participation agreement under section 1866 of that Act that knowingly violates a requirement of this section is subject, under that section 1128(a) of that Act, to a civil money penalty of not more than $25,000 for each such violation.

(3) CIVIL ENFORCEMENT.—Any person that is adversely affected directly by a hospital's violation of a requirement of this section may bring an appropriate action, in an appropriate court of general jurisdiction of the State in which the hospital is located or in the appropriate Federal district court, for damages to the person arising from the violation and for such other equitable relief as may be appropriate to remedy the violation or deter subsequent violations.

(e) DEFINITIONS.—In this section:

(1) The term "emergency medical condition" means a medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) such that the absence of immediate medical attention could reasonably be expected to result in—

(A) placing the patient's health in serious jeopardy,

(B) serious impairment to bodily functions, or

(C) serious dysfunction of any bodily organ or part.

(2) The term "active labor" means labor at a time at which—

(A) delivery is imminent,

(B) there is inadequate time to effect safe transfer to another hospital, or

(C) a transfer may pose a threat of the health and safety of the patient or the unborn child.

(3) The term "hospital" includes only a hospital that receives Federal financial assistance (including payments under title XVIII of the Social Security Act).

(4)(A) The term "to stabilize" means, with respect to a medical condition, to provide such medical treatment of the condition as may be necessary to assure that no material deterioration of the condition is likely to result from the transfer of the individual from a facility.

(B) The term "stabilized" means, with respect to a medical condition, that no material deterioration of the condition is likely to result from the transfer of the individual from a facility.

(5) The term "transfer" means the movement (including the discharge) of a patient outside a hospital's facilities at the direction of any person employed by (or affiliated or associated, directly or indirectly, with) the hospital, but does not include such a movement of a patient who (A) has been declared dead, or (B) leaves the facility without the permission of any such person.

(f) PREEMPTION.—The provisions of this section do not preempt any State or local law requirement respecting hospitals, except to the extent that the requirement directly conflicts with a requirement of this section.

(g) EFFECTIVE DATE.—This section shall apply to individuals who come to hospitals on or after October 1, 1985.

SEC. 986. (a) Title VII of the Public Health Service Act is amended by adding at the end thereof the following new part:

"PART H—GRADUATE MEDICAL EDUCATION

"DEFINITIONS

"SEC. 799. For purposes of this part:

"(1) The term 'Council' means the Council on Graduate Medical Education established under section 799D.

"(2) The term 'graduate medical education' means a program sponsored by a school of medicine, a school of osteopathy, a hospital, or a public or private institution which—

"(A) offers postgraduate medical training in the specialties and subspecialties of medicine; and

"(B)(i) meets the general and special requirements of the 'Essentials for Accredited Residencies' adopted by the Accreditation Council for Graduate Medical Education (or any successor to such Council); or

"(ii) has been accredited by the American Osteopathic Association through its Committee on Postdoctoral Training (or any successor to such Committee).

"(3) The term 'primary care specialty' means the medical specialty of internal medicine, pediatrics, or family practice, or any other medical specialty determined by the Secretary after consultation with the Council.

"(4) The term 'minimum percentage' means the ratio (stated as a percentage) which the total number of graduate medical education positions in primary care specialties in a hospital or a group of hospitals shall bear to the total number of graduate medical education positions in such hospital or group of hospitals, as established by the Secretary under section 799B.

"TEACHING HOSPITAL REGISTRY

"SEC. 799A. A hospital may register with the Secretary for each fiscal year by submitting an application to the Secretary. Each such application shall—

"(1) contain assurances that the hospital, individually or as part of a group of hospitals, will comply with the minimum percentage for its class of hospitals for such fiscal year; and

"(2) contain assurances that the hospital will comply with section 799C for such fiscal year.

"ESTABLISHMENT OF MINIMUM PERCENTAGES FOR PRIMARY CARE SPECIALTY POSITIONS

"SEC. 799B. (a)(1) Within one year after the date of enactment of this part, the Council shall make recommendations to the Secretary with respect to the establishment of national targets for primary care specialties for a four-fiscal-year period. To achieve the national targets, the Council shall make recommendations to the Secretary for the establishment of different minimum percentages for different classes of hospitals, based on the graduate medical education programs of such hospitals in fiscal year 1985 and such other criteria as the Secretary determines relevant.

"(2) Within six months after receiving recommendations from the Council under paragraph (1), the Secretary shall by regulation establish the minimum percentages recommended by the Council for a four-fiscal-year period or shall remand such recommendations to the Council.

"(3) The minimum percentages established by the Secretary pursuant to paragraph (2) of this subsection or subsection (b)(2), as the case may be, shall take effect not later than 24 months after the date on which the Secretary establishes such percentages under such paragraph or such subsection.

"(b)(1) Within four years after submitting recommendations to the Secretary under subsection (a)(1), and every four years thereafter, the Council shall submit recommendations to the Secretary with respect to the establishment of minimum percentages for a four-fiscal-year period.

"(2) Within six months after receiving recommendations from the Council under paragraph (1), the Secretary shall by regulation establish minimum percentages for a four-fiscal-year period or shall remand such recommendations to the Council.

"(c)(1) For purposes of determining whether a hospital or a group of hospitals has complied with the applicable minimum percentage for a fiscal year, the following types of positions are positions in primary care specialties:

"(A) Positions leading to eligibility for board certification in a primary care specialty.

"(B) Positions for years of fellowship training in a primary care specialty which are in addition to the years of the graduate medical education positions specified in subparagraph (A).

"(2) For purposes of determining whether a hospital or a group of hospitals has complied with the applicable minimum percentage for a fiscal year, the following types of positions shall not be considered to be graduate medical education positions:

"(A) Graduate medical education positions which provide research training and for which Federal or extramural private grants are provided.

"(B) Graduate medical education positions in cancer hospitals, psychiatric hospitals, rehabilitation hospitals, eye hospitals, and ear, nose, and throat hospitals which are

designated as specialty hospitals by the Secretary.

"(C) Graduate medical education positions which are held by individuals who are admitted to the United States as nonimmigrant aliens under section 101(a)(15)(J) of the Immigration and Nationality Act and who comply with the requirements of section 212(j) of such Act.

"(D) Graduate medical education positions in hospitals operated by the Department of Defense.

"(E) Graduate medical education positions in a medical specialty which has a relative shortage of physicians, as determined by the Secretary after consultation with the Council.

"(d)(1) For any fiscal year, the Secretary may waive the applicability of the applicable minimum percentage to a hospital or group of hospitals if—

"(A) the State department of health applies to the Secretary for such a waiver; and

"(B) such application contains assurances that the ratio (stated as a percentage) which the total of all graduate medical education positions in primary care specialties in all hospitals in the State bears to the total of all graduate education positions in such hospitals will equal or exceed the State minimum percentage.

"(2) For purposes of paragraph (1), the term 'State minimum percentage' means the weighted average of the minimum percentages applicable to all hospitals in the State.

"REQUIREMENTS FOR POSITIONS TO BE FILLED BY GRADUATES OF APPROVED SCHOOLS OF MEDICINE AND OSTEOPATHY

"SEC. 799C. (a) Except as provided in subsection (b), at least 75 percent of all graduate medical education positions in each specialty and subspecialty graduate medical education program in any hospital for a fiscal year shall be held in such fiscal year by individuals who are graduates of schools of medicine accredited by the Liaison Committee on Medical Education (or any successor to such Committee) or schools of osteopathy accredited by the American Osteopathic Association through its Committee on Postdoctoral Training (or any successor to such Committee).

"(b) Notwithstanding subsection (a)—

"(1) not more than 25 percent of all graduate medical education positions in each specialty and subspecialty graduate medical education program in any hospital for a fiscal year may be held in such fiscal year by individuals who—

"(A) are not graduates of schools of medicine or schools of osteopathy described in subsection (a); and

"(B) are admitted to the United States as nonimmigrant aliens under section 101(a)(15)(J) of the Immigration and Nationality Act and who comply with the requirements of section 212(j) of such Act; and

"(2) not more than 25 percent of the graduate medical education positions in each such program may be held in such fiscal year by—

"(A) individuals who are citizens of the United States and who are not graduates of schools of medicine or schools of osteopathy described in subsection (a); and

"(B) individuals who—

"(i) are not graduates of schools of medicine or schools of osteopathy described in subsection (a); and

"(ii) are aliens admitted to the United States under provisions of the Immigration and Nationality Act other than the provisions specified in paragraph (1)(B).

"(c) The provisions of subsections (a) and (b) shall not apply to a specialty or subspecialty graduate medical education program which has fewer than eight positions in a hospital in a fiscal year, if, as determined in the aggregate (rather than by specialty or subspecialty), graduate medical education positions in such hospital in such fiscal year comply with such subsections.

"(d) The Secretary may waive the provisions of subsections (a) and (b) with respect to a particular specialty or subspecialty graduate medical education program in a hospital in a State for a fiscal year if—

"(1) the State department of health applies to the Secretary for such a waiver;

"(2) such application contains—

"(A) a detailed discussion of the specific problems that the State anticipates will occur with respect to the delivery of health care services in the State if the provisions of subsections (a) and (b) are implemented in such fiscal year;

"(B) a description of the alternative resources and methods (including the use of physician extenders and other paraprofessionals) that the State has considered and that the State has applied and will apply to reduce and eliminate such problems;

"(C) a detailed description of changes in graduate medical education programs in the State which have been considered and which have been made or which will be made to make such programs more attractive to graduates of schools of medicine and schools of osteopathy described in subsection (a);

"(D) a detailed description of the recruiting efforts which have been undertaken and which will be undertaken to attract graduates of schools of medicine and schools of osteopathy described in subsection (a) to graduate medical education programs in the State; and

"(E) a detailed description and analysis of how the State, in each fiscal year—

"(i) has reduced and will reduce the dependence of graduate medical education programs in the State on individuals described in paragraphs (1) and (2) of subsection (b); and

"(ii) will decrease the need for filling graduate medical education positions in the State with such individuals within 36 months after the effective date of this part; and

"(3) the Secretary determines, after receipt and consideration of the application required under paragraph (2), that the implementation of subsections (a) and (b) in the fiscal year for which the application is made would result in a substantial disruption of health care services provided in the State by individuals holding graduate medical education positions in the State.

"COUNCIL ON GRADUATE MEDICAL EDUCATION

"SEC. 799D. (a) There is established the Council on Graduate Medical Education. Within one year after the date of enactment of this part, and every four years thereafter, the Council shall make recommendations to the Secretary with respect to—

"(1) current and future needs for physicians to practice in primary care specialties and in medical specialties which the Council determines to have a relative shortage of physicians;

"(2) the minimum percentages which the Secretary should establish under section 799B; and

"(3) voluntary and cooperative efforts to be carried out by hospitals, schools of medicine, and schools of osteopathy as may be appropriate to achieve the purposes of this part.

"(b) The Council shall be composed of—

"(1) the Assistant Secretary for Health or the designee of the Assistant Secretary;

"(2) the Chief Medical Director of the Veterans' Administration; and

"(3) nineteen members appointed by the Secretary from representatives of health care providers, health care insurers, national and specialty physician organizations, schools of medicine, and hospitals which provide graduate medical education.

"(c) Members of the Council appointed under subsection (c)(3) shall be appointed for a term of four years, except that the term of office of the members first appointed shall expire, as designated by the Secretary at the time of appointment, five at the end of one year, five at the end of two years, five at the end of three years, and four at the end of four years.

"(d) The Council shall elect one of its members as Chair of the Council.

"(e) Eleven members of the Council shall constitute a quorum, but a lesser number may hold hearings.

"(f) Any vacancy in the Council shall not affect its power to function.

"(g) Each member of the Council who is not otherwise employed by the United States Government shall receive compensation at a rate equal to the daily rate prescribed by GS-18 under the General Schedule under section 5332 of title 5, United States Code, for each day, including traveltime, such member is engaged in the actual performance of duties as a member of the Council. A member of the Council who is an officer or employee of the United States Government shall serve without additional compensation. All members of the Council shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties.

"(h) In order to carry out the provisions of this section, the Council is authorized to—

"(1) collect such information, hold such hearings, and sit an act at such times and places, either as a whole or by subcommittee, and request the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents as the Council or such subcommittee may consider advisable; and

"(2) request the cooperation and assistance of Federal departments, agencies, and instrumentalities in carrying out the provisions of this section, and such departments, agencies, and instrumentalities are authorized to provide such cooperation and assistance.".

(b) Part H of title VII of the Public Health Service Act (as added by the amendment made by subsection (a) of this section) shall take effect 42 months after the date of enactment of this Act, except that sections 799B and 799D of the Public Health Service Act (as added by the amendment made by such subsection) shall take effect on the date of enactment of this Act.

PART I—SINGLE EMPLOYER PENSION PLANS

SEC. 987. SHORT TITLE.

This part may be cited as the "Single-Employer Pension Plan Amendments Act of 1985".

SEC. 988. FINDINGS AND DECLARATION OF POLICY.

(a) FINDINGS.—The Congress finds that—

(1) single-employer defined benefit pension plans have a substantial impact on

interstate commerce and affect a national interest;

(2) the continued well-being and retirement income security of millions of workers, retirees, and their dependents are directly affected by such plans;

(3) the existence of a sound termination insurance system is fundamental to the retirement income security of participants and beneficiaries of such plans; and

(4) the current termination insurance system may encourage employers to terminate pension plans, to evade their obligations to pay benefits, and to shift unfunded pension liabilities onto the termination insurance system and the other premium payers.

(b) ADDITIONAL FINDINGS.—The Congress further finds that modification of the current termination insurance system and an increase in the insurance premium for single-employer defined benefit pension plans is necessary—

(1) to increase the likelihood that full benefits will be paid to participants and beneficiaries of such plans;

(2) to provide for the transfer of liabilities to the termination insurance system only in cases of severe hardship;

(3) to maintain the premium costs of such system at a reasonable level; and

(4) to finance properly current funding deficiencies and future obligations of the single-employer pension plan termination insurance system.

(c) DECLARATION OF POLICY.—It is the policy of this part—

(1) to foster and facilitate interstate commerce;

(2) to encourage the maintenance and growth of single-employer defined benefit pension plans;

(3) to increase the likelihood that participants and beneficiaries under single-employer defined benefit pension plans will receive their full benefits;

(4) to provide for the transfer of unfunded pension liabilities onto the single-employer pension plan termination insurance system only in cases of severe hardship;

(5) to maintain the premium costs of such system at a reasonable level; and

(6) to assure the prudent financing of current funding deficiencies and future obligations of the single-employer pension plan termination insurance system by increasing termination insurance premiums.

SEC. 989. AMENDMENT OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.

Except as otherwise specifically provided, whenever in this part an amendment is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1001 et seq.).

SEC. 990. DEFINITIONS.

(a) IN GENERAL.—Section 4001(a) (29 U.S.C. 1301(a)) is amended—

(1) by striking out "and" at the end of paragraph (11);

(2) by striking out the period at the end thereof and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraphs:

"(13) 'contributing sponsor' means, with respect to a single-employer plan, a person who is responsible for meeting the funding requirements prescribed under section 302 of this Act and section 412 of the Internal Revenue Code of 1954, other than a person who is so responsible solely by reason of section 302(c)(11) of this Act or section 412(c)(11) of such Code;

"(14) 'controlled group' means, with respect to a single-employer plan, a group consisting of a person and all other persons under common control with such person under the principles prescribed in subsection (b)(1);

"(15) 'single-employer plan' means, except as otherwise specifically provided in this title, any plan which is not a multiemployer plan;

"(16) 'composite single-employer plan' means a single-employer plan that has two or more contributing sponsors, all of whom are not within the same controlled group;

"(17) 'amount of unfunded guaranteed benefits' means, with respect to a single-employer plan, an amount equal to the excess of—

"(A) the actuarial present value of the benefits under the plan guaranteed under this title, determined on the basis of assumptions prescribed by the corporation for purposes of section 4044, over

"(B) the current value of the assets of the plan which are allocated to such benefits in accordance with section 4044;

"(18) 'final benefit obligation' means, with respect to a plan termination, all benefits of a participant or beneficiary described in section 4044(a) as of the close out date for a standard termination specified in section 4041(b)(3), and for a distress termination, or termination by the corporation, the termination date specified in section 4048; and

"(19) 'person' has the meaning set forth in section 3(9).".

(b) TECHNICAL CORRECTION OF ERROR IN MULTIEMPLOYER PENSION PLAN AMENDMENTS ACT OF 1980.—Section 4001 (29 U.S.C. 1301) is further amended—

(1) by striking out the amendments made by section 402(a)(1)(F) of the Multiemployer Pension Plan Amendments Act of 1980 (94 Stat. 1297) (adding new paragraphs after a subsection (c)(1));

(2) by inserting "(1)" after the subsection designation of subsection (b); and

(3) by adding at the end of subsection (b) the following new paragraphs:

"(2) For purposes of this title, except as otherwise provided in this title, contributions or other payments shall be considered made under a plan for a plan year if they are made within the period prescribed under section 412(c)(10) of the Internal Revenue Code of 1954 (determined, in the case of plan termination, as if the plan had continued beyond the termination date).

"(3) For purposes of subtitle E, 'Secretary of the Treasury' means the Secretary of the Treasury or such Secretary's delegate.".

SEC. 991. SINGLE-EMPLOYER PLAN TERMINATION.

(a) IN GENERAL.—Section 4041 (29 U.S.C. 1341) is amended—

(1) by striking out subsections (a) through (d);

(2) by redesignating subsections (e) and (f) as subsections (d) and (e), respectively; and

(3) by inserting after the section designation the following new subsection:

"(a)(1) Except as provided in section 4042, a single-employer plan may be terminated only in a standard termination under subsection (b) or a distress termination under subsection (c).

"(2)(A) If the plan to be terminated is the subject of one or more collective bargaining agreements between one or more employee organizations (within the meaning of section 3(4)) and one or more employers, the plan administrator shall, not less than 30 days before filing any notice of intent to terminate such plan under subsection (b)(1)(A) or (c)(1)(A) submit to each such employee organization a separate notification that such notice of intent to terminate will be filed with the corporation on a specified date.

"(B) The plan administrator shall provide the separate notification required under subparagraph (A) to—

"(i) the person who has been designated by the employee organization to receive such notification under the collective bargaining agreement or the plan, or

"(ii) such other person as the employee organization may designate in writing.

"(C) The plan administrator shall certify compliance with this paragraph in the notice of intent to terminate such plan filed under subsection (b)(1)(A) or (c)(1)(A).".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to terminations for which notices of intent to terminate under section 4041 are filed on or after the date of the enactment of this Act.

SEC. 992. STANDARD TERMINATION OF SINGLE-EMPLOYER PLANS.

(a) IN GENERAL.—Section 4041 (29 U.S.C. 1341) (as amended by section 99 of this Act) is further amended by inserting after subsection (a) the following new subsection:

"(b)(1)(A) A single-employer plan is considered to have terminated in a standard termination only if—

"(i) the plan administrator has filed with the corporation a notice of intent to terminate the plan in a standard termination on a specified termination date and such date is not earlier than 10 days after the date of the filing of such notice, and such notice includes information that the corporation may require; and

"(ii) the plan has been amended to provide that (effective on the termination date), accrued benefits, as defined in section 411 of the Internal Revenue Code, shall not increase after the termination date, except as required to meet the qualification requirements of subchapter D of chapter 1 of the Internal Revenue Code.

"(B) On or before the date of the filing of the notice of intent to terminate, the plan administrator shall—

"(i) notify each plan participant that such notice of intent to terminate has been or will be filed, and

"(ii) provide a copy of the notice of intent to terminate to each employee organization (within the meaning of section 3(4) of this Act) representing participants under such plan as of such date.

"(C)(i) Such standard termination shall be effective as of the termination date set forth in such notice of intent to terminate filed under subparagraph (A)(i).

"(ii) For purposes of subparagraph (B), in the case of a notice of intent to terminate that must be provided to an employee organization, the required notice shall be provided to—

"(I) the person who has been designated by the employee organization to receive notice under the collective bargaining agreement or the plan, or

"(II) such other person as the employee organization may designate in writing.

"(2) If, after the termination of the plan, it has insufficient assets to pay when due all benefits payable under the plan during a plan year, the contributing sponsors of the plan and the members of their controlled groups shall be jointly and severally liable to contribute to the plan, when necessary,

such additional amounts as are necessary to pay such benefits when due.

"(3)(A) A single-employer plan terminated in a standard termination under this subsection may close out its affairs only if—

"(i) such plan has assets sufficient to discharge when due all final benefit obligations of the plan, and

"(ii) such closing out is carried out in accordance with this paragraph.

"(B)(i) The plan administrator shall, not later than 30 days before the close out date, notify each plan participant and each employee organization (within the meaning of section 3(4)) representing participants under such plan as of a close out date specified in the notification, that—

"(I) the plan will close out its affairs on such date, and

"(II) a final distribution of assets will take place on a proposed date of distribution.

"(ii) The proposed date of distribution shall be as soon as practicable after the close out date.

"(C) If the close out date of the plan falls on the same date as the termination date of the plan, the notification requirements of this paragraph with respect to the corporation, each participant, and each employee organization referred to in subparagraph (B) are met if the notice of intent to terminate required under paragraph (1)(A)(i) also contains the information necessary to meet the requirements of this paragraph.

"(D)(i) At least 30 days before the proposed date of distribution of assets pursuant to the closing out of the plan, the plan administrator shall send a notice to the corporation setting forth certification by an enrolled actuary—

"(I) of the amount (as of the proposed date of distribution) of the assets of the plan,

"(II) of the actuarial present value (as of the proposed date of distribution) of the final benefit obligations under the plan (in accordance with regulations of the corporation), and

"(III) that the assets of the plan are sufficient (under regulations of the corporation) to discharge when due such final benefit obligations.

"(ii)(I) If the corporation determines that the requirements of clause (i) have not been met, within 30 days after receipt of such notice, the corporation shall provide the plan administrator with a notice of noncompliance with such clause.

"(II) The corporation and the plan administrator may agree to extend such 30-day period by written agreement or the corporation may apply to the United States district court for an order extending such period.

"(III) This clause does not apply to plans described in subparagraph (F).

"(iii) Except as provided in subparagraph (F), the plan may commence the final distribution of assets pursuant to the closing out of the plan only if—

"(I) the period described in clause (ii) has expired, and

"(II) the plan administrator has not received such a notice of noncompliance from the corporation during such period.

"(E) In connection with the final distribution of assets pursuant to the closing out of the plan, the plan administrator shall distribute plan assets in accordance with section 4044 by—

"(i) purchasing irrevocable commitments to provide when due all benefits described in subparagraph (A) to all participants and beneficiaries, or

"(ii) otherwise fully satisfying the obligation to provide when due all such benefits in accordance with the provisions of the plan and any applicable regulations of the corporation.

"(F)(i) With respect to plans described in this subparagraph, a final distribution of assets cannot occur until the corporation (I) determines that the assets of the plan are sufficient to provide when due all final benefit obligations, and (II) issues a notice of sufficiency.

"(ii) A plan is described in this subparagraph if—

"(I) the plan has filed—

"(aa) a notice of intent to terminate with the corporation before the date of enactment of the Single-Employer Pension Plan Amendments Act of 1985 and for which the corporation has not issued a notice of sufficiency before such date of enactment in accordance with this subsection as in effect prior to such date of enactment, or

"(bb) a notice of intent to terminate in a standard termination with the corporation on or after such date of enactment and before March 1, 1986, and

"(II) the lesser of 10 participants or 10 percent of the participants under the plan have filed complaints with the corporation regarding such termination within 15 days of such date of enactment for plans described in subdivision (aa) or within 45 days of the filing of the notice described in subdivision (bb).

"(iii)(I) Except as provided in subclause (II), the corporation shall consider and respond to such complaints no later than 90 days after the date the corporation makes the determination described in clause (i)(I). The corporation may hold an informal hearing to expedite consideration of such complaints. Any such hearing shall be exempt from the requirements of chapter 5 of part I of title 5, United State Code.

"(II) In the case of a plan described in subclause (ii)(I)(aa) that has been granted an extension at the request of the corporation pursuant to section 4041(d) as in effect prior to the date of enactment of the Single-Employer Pension Plan Amendments Act of 1985, because of circumstances wholly within the control of the corporation, the period within which the corporation shall consider and respond to such complaints shall be 14 days.

"(iv)(I) Except as provided in subclause (II), the corporation shall not issue a notice of sufficiency in accordance with this subparagraph until 90 days after the date the corporation makes the determination described in clause (i)(I), except in the case of a plan described in clause (iii)(II) for which this period shall be 14 days.

"(II) The corporation may issue a notice of sufficiency at any time after the corporation makes the determination described in clause (i)(I) if the contributing sponsor demonstrates to the satisfaction of the corporation (except in the case of an acquisition, takeover, or leveraged buyout) that it is experiencing substantial business hardship or if the risk of loss to the corporation is increasing. For purposes of this subclause, substantial business hardship means that the contributing sponsor has been operating, and can demonstrate that it will continue to operate, at an economic loss.

"(G) The corporation shall audit a random selection of participants benefits within a plan closed out in accordance with this paragraph to ascertain whether their assets have been distributed in compliance with the requirements of this title.

"(4)(A) Except as provided in subparagraph (B), if a court of competent jurisdiction determines in a civil action after the final distribution of assets is completed that a plan has failed to discharge when due the final benefit obligations of the plan to any participant or beneficiary in accordance with paragraph (3) and the final benefit obligations are not fully satisfied by the defendant in such action within 90 days after such court issues such determination (or such additional period of time as the court may order), the final benefit obligations of a participant or beneficiary shall be—

"(i) treated by the corporation as though they were benefits provided under a single-employer plan that terminated in a distress termination under section 4041(c) on the close-out date, and

"(ii) guaranteed by the corporation under section 4022 in the same manner and to the same extent as such benefits would have been guaranteed under section 4022.

"(B) The corporation may not guarantee under subparagraph (A)(ii) any portion of the final benefit obligations of a participant or beneficiary which has been discharged when due by the plan or satisfied by the defendant in the civil action described in subparagraph (A).".

(b) AMENDMENTS RELATING TO FUNDING.—

(1) Section 210 (29 U.S.C. 1060) is amended by adding at the end thereof the following new subsection:

"(e) In the case of a plan terminated in a standard termination under section 4041(b), all contributing sponsors and members of their controlled groups shall be jointly and severally liable for the minimum funding standard established under section 302(c)(11).".

(2) Section 301(c) (29 U.S.C. 1081(c)) is amended by adding at the end thereof the following new sentence: "This part applies with respect to a single-employer plan until the last day of the plan year in which the plan terminates (within the meaning of section 4041(c) or 4042) or all assets are distributed pursuant to section 4041(b).".

(3) Section 302(c) (29 U.S.C. 1082(c)) is amended by adding at the end thereof the following new paragraph:

"(11) In the case of a plan terminated in a standard termination under section 4041(b), if, for any plan year ending after such termination, the plan has insufficient assets to pay when due all benefits payable under the plan during the plan year, the accumulated funding deficiency for such plan year shall equal the greater of—

"(A) the accumulated funding deficiency determined without regard to this paragraph, or

"(B) the amount of benefits payable under the plan for that plan year and for prior plan years less the sum of—

"(i) such benefits paid for that plan year and for prior plan years, and

"(ii) the value of the plan's assets at the end of the plan year.".

(4) The last sentence of section 304(b)(1) (29 U.S.C. 1084(b)(1)) is amended by inserting "or the plan is terminated other than in a standard termination pursuant to section 4041(b)" after "preceding sentence".

SEC. 993. DISTRESS TERMINATION OF SINGLE-EMPLOYER PLANS.

(a) IN GENERAL.—Section 4041 (29 U.S.C. 1341) (as amended by sections 991 and 992 of this Act) is further amended by inserting after subsection (b) the following new subsection:

"(c)(1)(A)(i) A single-employer plan may terminate in a distress termination only if—

"(I) the plan administrator files with the corporation a notice of intent to terminate the plan in a distress termination as of a proposed termination date and such date is not earlier than 10 days after the date of the filing of such notice, and such notice includes information that the corporation may require; and

"(II) the plan administrator receives from the corporation a notice that the corporation has determined that one of the requirements described in paragraph (2)(A) has been met.

"(ii) On or before the date of the filing of the notice, the plan administrator shall—

"(I) notify each plan participant that such notice of intent to terminate has been or will be filed, and

"(II) provide a copy of the notice of intent to terminate to each employee organization (within the meaning of section 3(4) of this Act) representing participants under such plan as of such date.

"(B)(i) Such distress termination shall be effective as of the termination date specified under section 4048(a).

"(ii) For purposes of subparagraph (A)(ii)(II), in the case of a notice of intent to terminate under this subsection that must be provided to an employee organization, the required notice shall be provided to—

"(I) the person who has been designated by the employee organization to receive notice under the collective bargaining agreement or the plan, or

"(II) such other person as the employee organization may designate in writing.

"(2)(A) In order to terminate a plan in a distress termination, the plan administrator must demonstrate to the satisfaction of the corporation that the requirements of any of the following clauses have been met:

"(i) The contributing sponsors and the substantial members of their controlled groups (if any) have each filed, or have had filed against them, as of the termination date, a petition seeking liquidation in a case under title 11, United States Code (or under any similar law of a State or political subdivision of a State) which has not, as of the termination date, been dismissed or converted to a case under chapter 11 of such title (or under any similar law of a State or political subdivision of a State) in which reorganization is sought.

"(ii)(I) The contributing sponsors and the substantial members of their controlled groups (if any) have each filed, or have had filed against them, as of the termination date a petition seeking reorganization in a case under title 11, United States Code (or under any similar law of a State or political subdivision of a State) which has not, as of the termination date, been dismissed; and

"(II) the bankruptcy court approves the termination.

"(iii) A contributing sponsor provides to the corporation substantial evidence that, unless a distress termination occurs, the contributing sponsors and the substantial members of such sponsors' controlled groups (if any) will each be unable to pay their respective debts when due and will be unable to continue in business.

"(B)(i) For purposes of this paragraph, the term 'substantial member' means, with respect to a controlled group, a person whose assets comprise at least 5 percent of the total assets of the controlled group.

"(ii) Such term includes any member of the controlled group who does not meet the requirements of clause (i) but did meet such requirements for purposes of subparagraphs (A)(i) and (A)(ii), as of the date of the filing of the petition referred to therein.

"(3)(A)(i) Not later than 90 days after the date on which the corporation determines that the requirements of one or more of the clauses of paragraph (2)(A) have been met (or such extended period of time as may be provided for pursuant to subparagraph (D)), the corporation shall make a determination under subparagraph (B) or (C).

"(ii) The plan administrator may not distribute plan assets pursuant to the termination unless and until the plan administrator receives a notification under subparagraph (B).

"(B)(i) If the corporation finds under subparagraph (A) that plan assets are sufficient to pay when due all basic benefits under the plan, the corporation shall notify the plan administrator of such finding as soon as practicable after such finding.

"(ii) If a plan administrator receives a notice under clause (i), such administrator shall distribute the assets of the plan in accordance with section 4044 and regulations of the corporation.

"(C)(i) If the corporation finds under subparagraph (A) that it is unable to determine that plan assets are sufficient to pay when due all basic benefits under the plan, the corporation shall notify the plan administrator as soon as practicable after such finding.

"(ii) If the corporation issues a notice under clause (i), the corporation shall institute proceedings under section 4042.

"(iii) If a plan administrator receives a notice under clause (i), such administrator shall refrain from taking any action to carry out the proposed termination under this subsection.

"(D)(i) The 90-day period referred to in subparagraph (A) may be extended—

"(I) by a written agreement signed by the corporation and the plan administrator before the expiration of the 90-day period, or

"(II) by court order requested by the corporation and issued by an appropriate court (as defined in section 4042(g)).

"(ii) Such 90-day period may be further extended—

"(I) by subsequent written agreements signed by the corporation and the plan administrator before the expiration of any existing extension, or

"(II) by subsequent order of the court.

"(iii) Any extension of such 90-day period may be made upon such terms and conditions (including the payment of benefits) as are agreed upon by the corporation and the plan administrator or as are specified in the court order.

"(4)(A) Upon the filing of a notice of intent to terminate under paragraph (1)(A), the plan administrator—

"(i) shall pay benefits attributable to employer contributions, other than death benefits, only in the form of an annuity, and

"(ii) may not use plan assets to purchase irrevocable commitments to provide benefits from an insurer.

"(B) If the plan administrator knows or has reason to know that plan assets are not sufficient to pay when due benefits guaranteed under this title, the plan administrator shall limit the payment of benefits (in accordance with regulations of the corporation) so that the amount of such payment is equal to the sum of—

"(i) the estimated amount of benefits of the plan which are guaranteed by the corporation, and

"(ii) the estimated amount of other benefits to which plan assets are allocated under section 4044.

"(5) If a single-employer plan has been terminated under a distress termination solely on the basis of the filing of a petition seeking liquidation in a case under title 11, United States Code (or under a similar law of a State or a political subdivision of a State) as provided in paragraph (2)(A)(ii) and such case is dismissed or converted to a case under chapter 11 of such title (or under a similar law of a State or a political subdivision of a State) in which reorganization is sought, unless the corporation determines that such restoration is impracticable, the distress termination shall be void and the plan shall be restored to pretermination status (effective as of the termination date).".

(b) CONFORMING AMENDMENTS.—Section 4041(e) (as redesignated by section 991(a)(2) of this Act) is amended by striking out "under paragraph (1) or (2) of subsection (a)" and inserting in lieu thereof "in a standard termination under this section".

SEC. 994. APPOINTMENT OF RECEIVERS; CLARIFICATION OF AMOUNTS DUE THE CORPORATION; MEMBERSHIP OF SECTION 4042 TRUSTEE ON CREDITORS COMMITTEES.

(a) APPOINTMENT OF RECEIVERS BY THE CORPORATION.—Section 4004 (29 U.S.C. 1304) is amended—

(1) by striking out the caption and inserting in lieu thereof the following:

"APPOINTMENT OF RECEIVERS BY THE CORPORATION",

(2) by striking out "described in section 4042, appoint" in the first sentence of subsection (a) and inserting in lieu thereof "that—

"(1) the plan has not met the minimum funding standard required under section 412 of the Internal Revenue Code of 1954, or has been notified by the Secretary of the Treasury that a notice of deficiency under section 6212 of such Code has been mailed with respect to the tax imposed under section 4971(a) of such Code,

"(2) the plan is unable to pay benefits when due, or

"(3) the plan has been abandoned, appoint", and

(3) by striking out subsections (e) and (f).

(b) CLARIFICATION OF AMOUNTS DUE THE CORPORATION.—Section 4042(d)(1)(B)(ii) (29 U.S.C. 1342(d)(1)(B)(ii)) is amended by inserting before the semicolon at the end thereof the following: ", including the collection of such amounts from the persons obligated to meet the requirements of section 302 of this Act, section 412 of the Internal Revenue Code of 1954, or the terms of the plan".

(c) MEMBERSHIP OF SECTION 4042 TRUSTEE ON CREDITORS COMMITTEES.—Section 4042 (29 U.S.C. 1342) is further amended by adding at the end thereof the following new subsection:

"(i)(1) A trustee appointed under subsection (b) or (c) shall have the power to serve as a member on—

"(A) any committee of creditors in any proceeding under title 11, United States Code, or

"(B) any proceeding to effect a composition, extension, settlement, or assignment with or for the benefit of creditors.

"(2) If the corporation serves as trustee under subsection (b) or (c), it shall be considered, for purposes of such title 11, to be a

person (within the meaning of section 101(30) of such title 11).".

SEC. 995. RESTORATION OF PLANS TERMINATED UNDER STANDARD OR DISTRESS TERMINATIONS.

Section 4047 (29 U.S.C. 1347) is amended by adding at the end thereof the following new sentence: "Under regulations which the corporation may prescribe with respect to the procedure to be followed, the plan administrator may at any time take such actions as are necessary to restore a plan which has been terminated under section 4041 to its status before the termination, except that no plan which has been terminated in a distress termination under section 4041(c) may be so restored without the prior approval of the corporation.".

SEC. 996. AMENDMENTS TO PRIMARY LIABILITY PROVISIONS.

(a) PART 1 OF SUBTITLE D OF TITLE IV.—Subtitle D of title IV (29 U.S.C. 1361 et seq.) is amended—

(1) by amending the subtitle heading to read as follows:

"SUBTITLE D—OBLIGATIONS OF THE CORPORATION; LIABILITY OF EMPLOYERS AND OTHER PERSONS";

and

(2) by inserting after the subtitle heading the following:

"Part 1—Obligations of the Corporation; Primary Liability for Single-Employer Plan Termination".

(b) LIABILITY FOR DISTRESS TERMINATIONS AND TERMINATIONS BY THE CORPORATION.—Section 4062 (29 U.S.C. 1362) is amended to read as follows:

"LIABILITY TO THE CORPORATION FOR TERMINATION OF SINGLE-EMPLOYER PLANS UNDER A DISTRESS TERMINATION OR A TERMINATION BY THE CORPORATION

"SEC. 4062. (a)(1) Any person who is, on the termination date of a single-employer plan terminated under section 4041(c) or 4042, a contributing sponsor of such plan or a member of such sponsor's controlled group shall incur liability as provided in this section.

"(2) If two or more persons are liable under this section in connection with such a termination and are, on the termination date, under common control, each person shall be jointly and severally liable under this section.

"(b)(1)(A) Except as provided in paragraph (2), a person described in subsection (a) shall be liable to the corporation (with interest calculated from the termination date) in an amount equal to the sum of—

"(i) an amount (in cash or securities acceptable to the corporation) equal to the outstanding balance (determined as of the termination date) of any accumulated funding deficiencies (within the meaning of section 302(a)(2) of this Act and section 412(a) of the Internal Revenue Code of 1954) of the plan, including any amounts that would have been due but for a waiver or an extension of an amortization period, and

"(ii) the amount of the unfunded guaranteed benefits under the plan (as of the termination date), determined after taking into account the value of any amounts described in clause (i).

"(B) The amount of liability described in subparagraph (A) shall be due and payable as of the termination date of the plan.

"(C) For purposes of subparagraph (A)(ii), in determining the amount of unfunded guaranteed benefits, the cost of administrative services related to termination of the plan (without regard to the date incurred) shall be subtracted when computing the current value of assets of the plan allocated to benefits.

"(D) For purposes of this paragraph, in any case in which a waiver of the minimum funding standards under section 303 of this Act and section 412(d) of the Internal Revenue Code of 1954 or an extension of an amortization period under section 304 of this Act and section 412(e) of such Code is requested with respect to a single-employer plan for a plan year ending on or after the date of enactment of the Single-Employer Pension Plan Amendments Act of 1985, and such request has been neither granted nor denied (as of the termination date), the amount of the increase in the plan's accumulated funding deficiency under section 302 of this Act and section 412 of such Code which would result if the request is denied shall be considered an increase in the plan's accumulated funding deficiency.

"(2)(A) If the amount described in paragraph (1)(A)(ii) is greater than 30 percent of the sum of the individual net worth of all persons who each have a net worth greater than zero and who are (as of the termination date) contributing sponsors of the terminated plan or members of their controlled groups, a person described in subsection (a) shall be liable to the corporation (in lieu of the amount described in paragraph (1)(A)(ii) and not to exceed, in the aggregate, such amount plus interest accrued from the termination date) in an amount equal to the sum of—

"(i) such 30-percent amount plus interest accrued from the termination date (payable only in cash or securities acceptable to the corporation), and

"(ii) the annual liability payments required under subparagraph (C).

"(B) For purposes of subparagraph (A), determinations of net worth shall be—

"(i) made as of a day chosen by the corporation (but not more than 120 days before the termination date), and

"(ii) computed without regard to any liability under this section.

"(C)(i)(I) Each person whose liability is determined under this paragraph shall be liable to the corporation, for each of the liability payment years described in clause (ii), in an amount equal to 10 percent of the sum of the individual pretax profits of all persons who are liable under this section in connection with the plan termination, and who have a profit, for their respective fiscal years ending during such liability payment year.

"(II) Notwithstanding subclause (I), the liability to the corporation of any such person under this subparagraph for any liability payment year is satisfied upon receipt by the corporation of liability payments under this subparagraph for such liability payment year in connection with the same plan termination which equal, in the aggregate, such 10-percent amount.

"(ii) The liability payment years referred to in clause (i) are the 10 consecutive 1-year periods beginning with the earlier of—

"(I) the first 1-year period beginning 1 year after the end of the last plan year preceding the termination date in which any person liable under this section in connection with the plan termination earns a pretax profit, or

"(II) the fourth 1-year period beginning 1 year after the end of the last plan year preceding the termination date.

Notwithstanding the preceding provisions of this subparagraph, all liability of any person under this paragraph may be satisfied at any time by payment of any outstanding balance of the total amount of liability described in paragraph (1)(A)(ii) together with any accrued interest.

"(D)(i) The amount of liability referred to in subparagraph (A)(i) shall be due and payable as of the termination date.

"(ii) A person's liability for each annual liability payment referred to in subparagraph (A)(ii) for a liability payment year shall—

"(I) accrue as of the end of such year, and

"(II) be paid (with interest accrued from the end of such year) not later than 30 days after the latest date on which any such person files a Federal income tax return for a fiscal year ending during such liability payment year.

"(E) The corporation and any person liable under this section may agree to alternative arrangements for the satisfaction of the liability for which payments are required under subparagraph (A)(ii).

"(c)(1) For purposes of subsection (b)(2), the net worth of an employer shall be—

"(A) determined on whatever basis best reflects, in the determination of the corporation, the current status of the employer's operations and prospects at the time chosen for determining the net worth of the employer, and

"(B) increased by the amount of any transfers of assets made by the employer determined by the corporation to be improper under the circumstances, including any such transfers which would be inappropriate under title 11, United States Code, if the employer were the subject of a proceeding under such title.

"(2)(A) For purposes of subsections (b)(2), the term 'pretax profits' means—

"(i) except as provided in clause (ii), in the case of any fiscal year of any person, such person's consolidated net income (excluding any extraordinary charges to income and including any extraordinary credits to income) for such fiscal year, as shown on audited financial statements prepared in accordance with generally accepted accounting principles, or

"(ii) in the case of any fiscal year of an organization described in section 501(c) of the Internal Revenue Code of 1954, the excess of income over expenses (as such terms are defined for such organizations under generally accepted accounting principles).

"(B) Such profits shall be calculated before provision for or deduction of—

"(i) Federal or other income tax,

"(ii) any contribution to any single-employer plan of which such such person is a contributing sponsor at any time during the period beginning on the termination date and ending with the end of such fiscal year, and

"(iii) any amounts required to be paid for such fiscal year under this section.

"(C) The corporation may by regulation require such information to be filed on such forms as may be necessary to determine the existence and amount of such pretax profits.

"(d) If an employer ceases operations at a facility in any location and, as a result of such cessation of operations, more than 20 percent of the total number of the employees of the employer who are participants under a plan established and maintained by the employer are separated from employment, the employer shall be treated with respect to that plan as if the employer were a substantial employer under a plan under which more than one employer makes contributions and the provisions of sections 4063, 4064, and 4071 shall apply.".

(c) LIABILITY FOR FAILURE TO SATISFY FINAL BENEFIT OBLIGATIONS UNDER STANDARD TERMINATION.—Subtitle D of title IV (29 U.S.C. 1361 et seq.) is amended—

(1) by redesignating sections 4065 through 4068 (29 U.S.C. 1365 through 1368) as sections 4071 through 4074, respectively; and

(2) by inserting after section 4064 (29 U.S.C. 1364) the following new section:

"LIABILITY FOR FAILURE TO SATISFY FINAL BENEFIT OBLIGATION UNDER STANDARD TERMINATION

"SEC. 4065. If a court of competent jurisdiction determines in a civil action after the final distribution of assets is completed pursuant to the closing out of a plan terminated in a standard termination under section 4041(b) that the plan has failed to discharge when due the final benefit obligations of the plan to any participant or beneficiary in accordance with section 4041(b)(3), and the final benefit obligations are not fully satisfied by the defendant in such action, any person who was (as of the termination date of such plan) a contributing sponsor of the plan or a member of such sponsor's controlled group shall be liable—

"(1) to the corporation for all final benefit obligations which the corporation guarantees under section 4022 in accordance with section 4041(b)(4), and

"(2) to each participant or beneficiary for any final benefit obligations which are not otherwise guaranteed by the corporation, discharged when due by the plan, or satisfied by the defendant in such action.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to—

(1) terminations with respect to which section 4041(c) of the Employee Retirement Income Security Act of 1974 (as amended by section 993 of this Act); applies, and

(2) terminations under section 4042 of such Act with respect to which proceedings are instituted on or after the date of the enactment of this Act.

SEC. 997. LIABILITY TO PARTICIPANTS AND BENEFICIARIES UPON A DISTRESS TERMINATION OR TERMINATION BY THE CORPORATION.

(a) Each person who is, on the termination date of a single-employer plan terminated under section 4041(c) or 4042, a contributing sponsor of such plan or a member of such sponsor's controlled group shall, for any year following the date of termination in which such contributing sponsor or member of a control group earns a pretax profit, be liable to participants and beneficiaries of the terminated plan for that portion of their final benefit obligations (if any), which are not otherwise paid by the corporation of the plan. The liability of any contributing sponsor or member of a control group under this paragraph for any year shall not exceed 5 percent of such person's pretax profit. The liability of any person liable under this subsection shall run for the 10-year period described in 4062 (b)(2)(C)(ii).

(b) Any payment made in accordance with this section shall be treated as a contribution under section 404(g) of the Internal Revenue Code of 1954, as amended.

SEC. 998. EFFECT OF CORPORATE REORGANIZATION.

Subtitle D of title IV (as amended by section 996(c)(1) of this Act) is further amended by adding after section 4074 the following new section:

"EFFECT OF CORPORATE REORGANIZATION

"SEC. 4075. For purposes of this subtitle, the following rules apply in the case of certain corporate reorganizations:

"(1) If a person ceases to exist by reason of a reorganization which involves a mere change in identity, form, or place of organization, however effected, a successor corporation resulting from such reorganization shall be treated as the person to whom this subtitle applies.

"(2) If a person ceases to exist by reason of liquidation into a parent corporation, the parent corporation shall be treated as the person to whom this subtitle applies.

"(3) If a person ceases to exist by reason of a merger, consolidation, or division, the successor corporation or corporations shall be treated as the person to whom this subtitle applies.".

SEC. 999. CONFORMING, CLARIFYING, TECHNICAL, AND MISCELLANEOUS AMENDMENTS.

(a) CONFORMING AMENDMENTS RELATING TO PLAN TERMINATIONS.—

(1) CREDITS TO PENSION BENEFIT GUARANTY FUNDS.—Section 4005(b)(1)(C) (29 U.S.C. 1305 (b)(1)(C)) is amended by inserting "terminated under section 4041(c) or" after "a plan".

(2) ESTIMATED BENEFITS FOR CERTAIN SINGLE-EMPLOYER PLANS.—Section 4005(b)(2) (29 U.S.C. 1305(b)(2)) is amended—

(A) by striking out "and" at the end of subparagraph (C);

(B) by striking out the period at the end of subparagraph (D) and inserting in lieu thereof ", and"; and

(C) by adding at the end thereof the following:

"(E) to pay to participants and beneficiaries the estimated amount of benefits which are guaranteed by the corporation under this title and the estimated amount of other benefits to which plan assets are allocated under section 4044, under single-employer plans which are unable to pay benefits when due or which are abandoned.".

(3) APPROVAL BY JOINT RESOLUTION OF RECOMMENDATIONS OF THE PENSION BENEFIT GUARANTY CORPORATION.—

(A) The last sentence of section 4006(a)(2) (29 U.S.C. 1306(a)(2)) is amended by striking out "the Congress approves such revised schedule by a concurrent resolution" and inserting in lieu thereof "a joint resolution approving such revised schedule is enacted"

(B) Section 4006 (a)(4) (29 U.S.C. 1306(a)(4)) is amended by striking out "approval by the Congress" and inserting in lieu thereof "the enactment of a joint resolution".

(C) Section 4006(b)(3) (29 U.S.C. 1306 (b)(3)) is amended (i) by striking out "concurrent" and inserting in lieu thereof "joint"; (ii) by striking out "That the Congress favors the" and inserting in lieu thereof "The"; and (iii) by inserting "is approved" after the blank space.

(D) Section 4022A(f)(2)(B) (29 U.S.C. 1322a(f)(2)(B)) is amended by striking out "Congress by concurrent resolution" and inserting in lieu thereof "enactment of a joint resolution".

(E) Section 4022A(f)(2)(C) (29 U.S.C. 1322a(f)(2)(C)) is amended by striking out "approved" and inserting in lieu thereof "enacted".

(F) Section 4022A(f)(3)(B) (29 U.S.C. 1322a(f)(3)(B)) is amended by striking out "Congress by a concurrent resolution" and inserting in lieu thereof "enactment of a joint resolution".

(G) The first sentence of section 4022A(f)(4)(A) (29 U.S.C. 1322a(f)(4)(A) is amended by striking out "concurrent" and inserting in lieu thereof "joint".

(H) Section 4022A(f)(4)(B) (29 U.S.C. 1322a(f)(4)(B)) is amended (i) by striking out "concurrent" each place it appears and inserting in lieu thereof "joint"; (ii) by striking out "That the Congress favors the" and inserting in lieu thereof "The"; and (iii) by inserting "is approved" after the blank space.

(I) Section 4022A(g)(4)(A)(ii) (29 U.S.C. 1322a(g)(4)(A)(ii)) is amended (i) by striking out "concurrent" and inserting in lieu thereof "joint"; and (ii) by striking out "adopted" and inserting in lieu thereof "enacted".

(J) Section 4022A(g)(4)(B) (29 U.S.C. 1322a(g)(4)(B)) is amended (i) by striking out "That the Congress disapproves the" and inserting in lieu thereof "The"; and (ii) by inserting "is disapproved" after the blank space.

(4) BENEFITS NOT GUARANTEED UNDER STANDARD TERMINATION.—Subsections (a) and (b) of section 4022 (29 U.S.C. 1322) are amended by inserting "under section 4041(c) or 4042" after "terminates" each place it appears.

(5) APPLICABILITY OF ASSET ALLOCATION RULES.—Section 4044 (29 U.S.C. 1344) is amended—

(A) by inserting "under section 4041(c) or 4042, or in the case of the closing out of a plan under section 4041(b)(3)" after "single employer defined benefit plan" in the matter preceding paragraph (1) of subsection (a);

(B) in the first sentence of subsection (c)—

(i) by striking out "the later of (1)",

(ii) by striking out "or (2)" and inserting in lieu thereof "and ending on", and

(iii) by inserting "under section 4041(c) or 4042" after "is terminated"; and

(C) by inserting "under section 4041(c) or 4042" after "is terminated" in the second sentence of subsection (c).

(6) TERMINATION DATE.—Section 4048(a) (29 U.S.C. 1348(a)) is amended—

(A) by redesignating paragraphs (1) through (3) as paragraphs (2) through (4), respectively;

(B) by inserting before paragraph (2) (as redesignated) the following new paragraph:

"(1) in the case of a plan terminated in a standard termination in accordance with the provisions of section 4041(b), the date specified in the notice of intent to terminate,";

(C) in paragraph (2) (as redesignated)—

(i) by inserting "in a distress termination" after "terminated"; and

(ii) by striking out "section 4041" and inserting in lieu thereof "section 4041(c)"; and

(D) by striking out "in accordance with the provisions of either section" in paragraph (4) (as redesignated) and inserting in lieu thereof "under section 4041(c) or 4042".

(7) ADDITIONAL AMENDMENTS TO LIABILITY PROVISIONS.—

(A) Section 4063(c) (29 U.S.C. 1363(c)) is amended—

(i) by inserting "under section 4041(c) or 4042" after "terminated" in paragraph (2); and

(ii) by inserting "under section 4041(c) or 4042" after "terminates" in the matter preceding subparagraph (A) of paragraph (3).

(B) Section 4064(a) (29 U.S.C. 1364(a)) is amended by inserting "under section 4041(c) or 4042" after "terminated".

(C) Section 4073 (as redesignated by section 996(c)(1) of this Act) is amended—

(i) by inserting ", contributing sponsors, and members of such sponsors' controlled groups," after "employers"; and

(ii) by inserting "of amounts of liability to the corporation accruing as of the termination date" after "deferred payment".

(D)(i) Section 4074 (as redesignated by section 996(c)(1) of this Act) is amended—

(I) in subsection (a)—(aa), by striking out "employers" the first place it appears and inserting in lieu thereof "person"; (bb) by striking out "neglect or refuse" and inserting in lieu thereof "neglects or refuses"; and (cc) by striking out "employer or employers" and inserting in lieu thereof "person";

(II) by striking out "employer" in subsection (d)(1) and inserting in lieu thereof "liable person";

(III) by striking out "employer" each place it appears in subsection (d)(2) and inserting in lieu thereof "liable person"; and

(IV) by striking out "employer or employers" in subsection (e) and inserting in lieu thereof "liable person".

(ii) Paragraph (1) of section 4074(c) (as redesignated by section 996(c)(1) of this Act) is amended to read as follows:

"(1)(A) Except as otherwise provided under this section, the priority of a lien imposed under subsection (a) shall be determined in the same manner as under section 6323 of the Internal Revenue Code of 1954 with respect to liens thereunder.

"(B) For purposes of this section, section 6323 of such Code shall be applied by substituting—

"(i) 'lien imposed by section 4074 of the Employee Retirement Income Security Act of 1974' for 'lien imposed by section 6321' each place it appears in subsections (a), (b), (c)(1), (c)(4)(B), (d), (e), and (h)(5),

"(ii) 'the Pension Benefit Guaranty Corporation' for 'the Secretary' in subsections (a) and (b)(9)(C),

"(iii) 'the payment of the amount on which the lien is based' for 'the collection of any tax under this title' in subsection (b)(3),

"(iv) 'the person whose property is subject to the lien' for 'the taxpayer' in subsections (b)(8), (c)(2)(A)(i) (the first place it appears), (c)(2)(A)(ii), (c)(2)(B), (c)(4)(B), and (c)(4)(C) (in the matter preceding clause (i)),

"(v) 'such person' for 'the taxpayer' in subsections (c)(2)(A)(i) (the second place it appears) and (c)(4)(C)(ii),

"(vi) 'payment of the loan value is made to the corporation' for 'satisfaction of a levy pursuant to section 6332(b)' in subsection (b)(9)(C),

"(vii) 'section 4074 lien' for 'tax lien' each place it appears in subsections (c)(1), (c)(2)(A), (c)(2)(B), (c)(3)(B)(iii), (c)(4)(B), (d), and (h)(5),

"(viii) 'the date on which the lien is first filed' for 'the date of the assessment of the tax' in subsection (g)(3)(A), and

"(ix) 'if the lien arising under section 4075(a) of the Employee Retirement Income Security Act of 1974 is first filed before January 1, 1986, the first required refiling period shall be the calendar year 1991' for 'if the assessment of the tax was made before January 1, 1962, the first required filing period shall be the calendar year 1967' in subsection (g)(4).".

(b) ADDITIONAL AMENDMENTS.—

(1) Section 3 (29 U.S.C. 1002) is amended by adding at the end thereof the following new paragraph:

"(41) The term 'single-employer plan' means any pension plan which is not a multiemployer plan.".

(2) Part (4) of subtitle B of title I is amended by inserting after section 413 (29 U.S.C. 1113) the following new section:

"LIMITATION ON DEPARTMENT OF LABOR REGULATIONS

"SEC. 413A. (a)(1) Except as a defense, no regulation issued pursuant to the Department of Labor's proposed regulation defining 'plan assets' for purposes of this Act (50 Fed. Reg. 961, January 8, 1985, as modified by 50 Fed. Reg 6361, February 15, 1985) shall apply to any assets of a real estate entity in which a plan subject to this Act invests if—

"(A) interests in the entity are first offered to plans subject to this Act on or before a date 120 days after the date of the Department of Labor's publication of such final regulation;

"(B) no plan acquires an interest in the entity at any time on or after a date 270 days after the date of publication of such final regulation (except pursuant to a contract binding on the plan entered into before the expiration of such 270-day period); and

"(C) every interest in the entity acquired by a plan before the expiration of such 270-day period is a security which is held by 100 or more persons, freely transferable and part of a class of securities that is registered under the Securities Act of 1933 (15 U.S.C. 77a et seq.) and the Securities and Exchange Act of 1934 (15 U.S.C. 78a et seq.) (or a class of securities that is registered under the Securities Act of 1933 and which subsequently is registered under the Securities and Exchange Act of 1934 as soon as practicable after the issuance of such securities).

"(2) No asset of any entity described in paragraph (a)(1) shall be treated as an asset of any plan for any purpose under this Act if the assets of such entity would not have been assets of such plan under the provisions of Interpretive Bulletin 75-2 (29 C.F.R. §2509.75-2) or under the provisions of the regulations proposed by the Department of Labor and published—

"(A) on August 28, 1979, at 44 Fed. Reg. 50363,

"(B) on June 6, 1980, at 45 Fed. Reg. 38084,

"(C) on January 8, 1985, at 50 Fed. Reg. 961, or

"(D) on February 15, 1985, at 50 Fed. Reg. 6361,

without regard to any limitation of any effective date proposed therein.

"(b) For purposes of this section—

"(1) The term 'real estate entity' means an entity which is—

"(A) registered with the Securities and Exchange Commission;

"(B) is owned by more than 100 investors, and;

"(C) at least 75 percent of the value of net assets available for investment consists of direct or indirect ownership of 'real estate assets' or 'interests in real property' at any time within two years of the closing of its offering period.

"(2) The term 'real estate assets' means—

"(A) real property (including interests in real property and interests in mortgages on real property); or

"(B) shares (or transferable certificates of beneficial interest) in other real estate entities.

"(3) The term 'interests in real property' includes—

"(A) direct or indirect fee ownership and co-ownership and mortgages of land or improvements thereon;

"(B) leaseholds of land or improvements thereon;

"(C) options to acquire land or improvements thereon; and

"(D) options to acquire leaseholds of land or improvements thereon,

but it does not include mineral, oil, and gas royalty interests.

"(c) Nothing in this section shall limit the authority of the Department of Labor to issue regulations or otherwise interpret section 3(21) of this Act.".

(3) Section 105 (29 U.S.C. 1025) is amended by adding at the end thereof the following new subsection:

"(e) In the case of a standard termination of a single employer defined benefit plan, at the same time as the plan administrator notifies any participant or beneficiary of the benefits to which such participant or beneficiary is entitled upon such termination, the plan administrator shall notify the participant or beneficiary of the information that was used in computing the amount of such benefits, including—

"(1) the length of service,

"(2) the age of the participant or beneficiary,

"(3) wages, and

"(4) such other information as the corporation may require.".

(4) The first sentence of section 4003(f) (29 U.S.C. 1303(f)) is amended by striking out "employee" and inserting in lieu thereof "employer".

(5) Section 4005 (29 U.S.C. 1305) is amended by adding at the end thereof the following new subsection:

"(g) Any stock issued by a person liable to the corporation under this title which is paid to the corporation by such person in satisfaction of such person's liability under this title may be voted only by the corporation's custodial trustees or outside money managers.".

(6) The second sentence of section 4022(b)(7) (29 U.S.C. 1322(b)(7)) is amended by striking out "following" and inserting in lieu thereof "beginning with".

(7) Section 4042(d)(3) (29 U.S.C. 1342(d)(3)) is amended by striking out "same duties as a trustee appointed under section 47 of the Bankruptcy Act" and inserting in lieu thereof "same duties as those of a trustee under section 704 of title 11, United States Code".

(8) Section 4044(a)(4) (29 U.S.C. 1344(a)(4)) is amended—

(A) by striking out "section 4022(b)(5)" in subparagraph (A) and inserting in lieu thereof "section 4022B(a)"; and

(B) by striking out "section 4022(b)(6)" in subparagraph (B) and inserting in lieu thereof "section 4022(b)(5)".

(9) Paragraph (2) of section 4074(c) (as redesignated by section 996(c)(1) of this Act) is amended to read as follows:

"(2)(A)(i) In any case subject to title 11, United States Code, any lien imposed under this section and perfected shall be treated as securing an allowed claim under section 506 of such title, subject only to the limitations imposed by section 6323 of the Internal Revenue Code of 1954.

"(ii) The lien and perfection of the lien shall be treated as a fixing of a statutory lien that is not avoidable under section 545 of title 11, United States Code.

"(B) Any claim for the amount of liability under sections 4062, 4063, or 4064 (including interest) for which a lien has not been perfected shall be treated in the same manner as a claim for a tax on income having priority under section 503(b)(1)(B) or section 507(a)(7) of title 11, United States Code.

"(C) For purposes of section 3713 of title 31, United States Code—

(i) any claim for the amount of liability under sections 4062, 4063, or 4064 (including interest) shall be treated in the same manner as a claim of the United States, and;

(ii) any lien imposed under this section shall be treated in the same manner as a lien securing a claim of the United States.".

(10) Section 4074(e) (as redesignated by section 109(c)(1) of this Act) is amended by striking out ", with the consent of the board of directors,".

SEC. 999A. AMENDMENTS TO THE TABLE OF CONTENTS OF ERISA.

The table of contents in the first section is amended—

(1) by inserting after the item relating to section 413 the following new item:

"Sec. 413A. Limitation on Department of Labor regulations.";

(2) by striking out the item relating to section 4004 and inserting in lieu thereof the following new item:

"Sec. 4004. Appointment of receivers by the corporation.";

and

(3) by striking out the items relating to subtitle D of title IV and inserting in lieu thereof the following new items:

"Subtitle D—Obligations of the Corporation; Liability of Employers and Other Persons

"PART 1—OBLIGATIONS OF THE CORPORATION; PRIMARY LIABILITY FOR SINGLE-EMPLOYER PLAN TERMINATION

"Sec. 4061. Amount payable by the corporation.

"Sec. 4062. Liability to the corporation for termination of single-employer plans under a distress termination or a termination by the corporation.

"Sec. 4063. Liability of substantial employer for withdrawal.

"Sec. 4064. Liability of employers on termination of plan maintained by more than one employer.

"Sec. 4065. Liability for failure to satisfy final benefit obligation under standard termination.

"PART 2—ADMINISTRATION AND ENFORCEMENT

"Sec. 4071. Annual report of plan administrator.

"Sec. 4072. Annual notification to substantial employers.

"Sec. 4073. Recovery of employer liability for plan termination.

"Sec. 4074. Lien for liability of employer.

"Sec. 4075. Effect of corporate reorganization.".

SEC. 999B. EFFECTIVE DATE.

Except as otherwise provided in this title, this part and the amendments made by this part shall become effective on the date of the enactment of this Act.

SEC. 999C. STUDIES.

(a)(1) As soon as practicable after the date of enactment of this Act, the Secretary of Labor shall conduct a study of terminations to which section 4044(d) applies.

(2) No later than February 1, 1986, the Secretary shall submit a report on the study conducted under paragraph (1), together with any recommendations for statutory changes, to the chairmen of the Committee on Ways and Means of the House of Representatives and the Committee on Labor and Human Resources and the Committee on Finance of the Senate.

(b)(1) As soon as practicable after the date of enactment of this Act, the Pension Benefit Guaranty Corporation shall conduct a study on the purchase of insurance contracts from an insurer in satisfaction of all final benefit obligations under title IV.

(2) No later than one year after the date of enactment of this Act, the Pension Benefit Guaranty Corporation shall submit a report on the study conducted under paragraph (1) to the chairman of the Committee on Education and Labor and the Committee on Ways and Means of the House of Representatives and the Committee on Labor and Human Resources and the Committee on Finance of the Senate.

TITLE X—COMMITTEE ON SMALL BUSINESS

TABLE OF SECTIONS

Sec. 1001. Small Business Administration program levels.
Sec. 1002. Business lending reforms.
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Sec. 1009. Size standard for agricultural enterprises.
Sec. 1010. Formation of Veterans Business Resource Councils.

SMALL BUSINESS ADMINISTRATION PROGRAM LEVELS

SEC. 1001. Section 20 of the Small Business Act is amended—

(1) by adding at the end thereof the following new subsections:

"(u) The following program levels are authorized for fiscal year 1986:

"(1) For the programs authorized by section 7(a) of this Act, the Administration is authorized to make $35,000,000 in direct and immediate participation loans; and of such sums, the Administration is authorized to make $15,000,000 in loans as provided in paragraph (10), and $20,000,000 in loans to be made only to disabled veterans, and veterans of the Vietnam era, as defined in section 1841, title 38, United States Code, under the general terms and conditions of title III of Public Law 97-72.

"(2) For the programs authorized by section 7(a) of this Act and section 503 of the Small Business Investment Act of 1958, the Administration is authorized to make $2,930,000,000 in deferred participation loans and guarantees of debentures; and of such sum, the Administration is authorized to make $5,000,000 in loans as provided in paragraph (10), $60,000,000 in loans as provided in paragraph (11), $15,000,000 in loans as provided in paragraph (12), and $200,000,000 in loans as provided in paragraph (13) and guarantees and debentures as provided in section 503.

"(3) For the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make $41,000,000 in direct purchases of debentures and preferred securities and to make $250,000,000 in guarantees of debentures.

"(4) For the programs authorized by part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $1,115,000,000.

"(5) For the programs authorized in sections 404 and 405 of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $150,000,000.

"(6) There are hereby authorized to be appropriated such sums as may be necessary and appropriate for the carrying out of the provisions and purposes, including administrative expenses, of sections 7(b)(1) and 7(b)(2) of this Act; and there are authorized to be transferred from the disaster loan revolving funds such sums as may be necessary and appropriate for such administrative expenses.

"(v) There are authorized to be appropriated to the Administration for fiscal year 1986, $534,000,000. Of such sum $312,000,000 shall be available for carrying out the programs referred to in subsection (u), paragraphs (1) through (3); $12,000,000 shall be available for the purpose of carrying out the provisions of section 412 of the Small Business Investment Act of 1958; and $210,000,000 shall be available for salaries and expenses of the Administration.

"(w) The following program levels are authorized for fiscal year 1987:

"(1) For the programs authorized by section 7(a) of this Act, the Administration is authorized to make $35,000,000 in direct and immediate participation loans; and of such sum, the Administration is authorized to make $15,000,000 in loans as provided in paragraph (10), and $20,000,000 in loans to be made only to disabled veterans, and veterans of the Vietnam era, as defined in section 1841, title 38, United States Code, under the general terms and conditions of title III of Public Law 97-72.

"(2) For the programs authorized by section 7(a) of this Act and section 503 of the Small Business Investment Act of 1958, the Administration is authorized to make $3,050,000,000 in deferred participation loans and guarantees of debentures; and of such sum, the Administration is authorized to make $5,000,000 in loans as provided in paragraph (10), $63,000,000 in loans as provided in paragraph (11), $16,000,000 in loans as provided in paragraph (12), and $200,000,000 in loans as provided in paragraph (13) and guarantees of debentures as provided in section 503.

"(3) For the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make $41,000,000 in direct purchases of debentures and preferred securities and to make $261,000,000 in guarantees of debentures.

"(4) For the programs authorized by part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $1,164,000,000.

"(5) For the programs authorized in sections 404 and 405 of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $157,000,000.

"(6) There are hereby authorized to be appropriated such sums as may be necessary and appropriate for the carrying out of the provisions and purposes, including administrative expenses, of sections 7(b)(1) and 7(b)(2) of this Act; and there are authorized to be transferred from the disaster loan revolving funds such sums as may be necessary and appropriate for such administrative expenses.

"(x) There are authorized to be appropriated to the Administration for fiscal year 1987, $561,000,000. Of such sum $331,000,000 shall be available for carrying out the programs referred to in subsection (w), paragraphs (1) through (3); $16,000,000 shall be available for the purpose of carrying out the provisions of section 412 of the Small Busi-

ness Investment Act of 1958; and $214,000,000 shall be available for salaries and expenses of the Administration.

"(y) The following program levels are authorized for fiscal year 1988:

"(1) For the programs authorized in section 7(a) of this Act, the Administration is authorized to make $35,000,000 in direct and immediate participation loans; and of such sum, the Administration is authorized to make $15,000,000 in loans as provided in paragraph (10), and $20,000,000 in loans to be made only to disabled veterans, and veterans of the Vietnam era, as defined in section 1841, title 38, United States Code, under the general terms and conditions of title III of Public Law 97-72.

"(2) For the programs authorized by section 7(a) of this Act and section 503 of the Small Business Investment Act of 1958, the Administration is authorized to make $3,169,000,000 in deferred participation loans and guarantees of debentures; and of such sum, the Administration is authorized to make $6,000,000 in loans as provided in paragraph (10), $65,000,000 in loans as provided in paragraph (11), $16,000,000 in loans as provided in paragraph (12), and $200,000,000 in loans as provided in paragraph (13) and guarantees of debentures as provided in section 503.

"(3) For the programs authorized by title III of the Small Business Investment Act of 1958, the Administration is authorized to make $41,000,000 in direct purchases of debentures and preferred securities and to make $272,000,000 in guarantees of debentures.

"(4) For the programs authorized by part B of title IV of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $1,213,000,000.

"(5) For the programs authorized in sections 404 and 405 of the Small Business Investment Act of 1958, the Administration is authorized to enter into guarantees not to exceed $163,000,000.

"(6) There are hereby authorized to be appropriated such sums as may be necessary and appropriate for the carrying out of the provisions and purposes, including administrative expenses, of sections 7(b)(1) and 7(b)(2) of this Act; and there are authorized to be transferred from the disaster loan revolving funds such sums as may be necessary and appropriate for such administrative expenses.

"(z) There are authorized to be appropriated to the Administration for fiscal year 1988, $566,000,000. Of such sum $333,000,000 shall be available for carrying out the programs referred to in subsection (y), paragraphs (1) through (3); $15,000,000 shall be available for the purpose of carrying out the provisions of section 412 of the Small Business Investment Act of 1958; and $218,000,000 shall be available for salaries and expenses of the Administration.";

(2) in subsection (t), as added by section 302 of Public Law 98-270—

(A) by inserting "(1)" after "(t)";

(B) by striking out "each of fiscal years 1985 and 1986," and inserting in lieu thereof "fiscal year 1985"; and

(C) by striking out "for each of such years"; and

(3) in subsection (t), as added by section 3 of Public Law 98-395—

(A) by striking out "(1)", "(2)", and "(3)" and inserting in lieu thereof "(A)", "(B)", and "(C)", respectively; and

(B) by striking out "(t)" and inserting in lieu thereof "(2)".

BUSINESS LENDING REFORMS

SEC. 1002. Section 7(a) of the Small Business Act is amended by striking out "90" each place it appears and inserting in lieu thereof "80".

GUARANTEE FEE

SEC. 1003. Section 7(a) of the Small Business Act is amended by adding at the end thereof the following:

"(16) The Administration shall collect a guarantee fee equal to 2 per centum of the amount of the deferred participation share of any loan under this subsection other than a loan repayable in one year or less or a loan under paragraph (13). The fee shall be payable by the participating lending institution and may be charged to the borrower.".

PROGRAM GUARANTEE AUTHORITY

SEC. 1004. Section 20(a) of the Small Business Act is amended—

(1) by inserting "(1)" after "SEC. 20. (a)"; and

(2) by adding at the end thereof the following:

"(2) Notwithstanding any other provision of law, the Administration shall enter into commitments to guarantee loans, debentures, payment of rentals, or other amounts due under qualified contracts and other types of financial assistance and enter into commitments to guarantee sureties against loss pursuant to programs under this Act and the Small Business Investment Act of 1958, in the full amounts provided by law subject only to (A) the availability of qualified applications for such guarantees, and (B) limitations contained in appropriations Acts. Nothing in this paragraph authorizes the Administration to reduce or limits its authority to enter into commitments for such guarantees to qualified applicants.".

DISASTER LENDING REFORMS

SEC. 1005. (a) Section 7(b) of the Small Business Act is amended—

(1) by striking out "The" after "(b)" and inserting in lieu thereof "Except as to agricultural enterprises as defined in section 18(b)(1) of this Act, the";

(2) by striking out the semicolon at the end of paragraph (2) and inserting in lieu thereof a period; and

(3) by striking out paragraphs (3) and (4).

(b) Section 7(c)(4) of such Act is amended by striking out the last two sentences.

(c) Section 18(a) of such Act is amended by striking out all that follows "Federal Government" and inserting in lieu thereof a period.

FEDERAL FINANCING BANK PURCHASE OF GUARANTEED OBLIGATIONS

SEC. 1006. (a) Title III of the Small Business Investment Act of 1958 is amended by adding at the end thereof the following new section:

"GUARANTEED OBLIGATIONS NOT ELIGIBLE FOR PURCHASE BY FEDERAL FINANCING BANK

"Sec. 320. Nothing in any provision of law shall be construed to authorize the Federal Financing Bank to acquire after September 30, 1985—

"(1) any obligation the payment of principal or interest on which has at any time been guaranteed in whole or in part under this title,

"(2) any obligation which is an interest in any obligation described in paragraph (1), or

"(3) any obligation which is secured by, or substantially all of the value of which is attributable to, any obligation described in paragraph (1) or (2).".

(b) The table of sections for such title III is amended by adding at the end thereof the following new item:

"SEC. 320. Guaranteed obligations not eligible for purchase by Federal Financing Bank.".

SURETY GUARANTEES

SEC. 1007. (a) Section 411(a) of the Small Business Investment Act of 1958 (15 U.S.C. 694b(a)) is amended by striking out "$1,000,000" and inserting in lieu thereof "$1,500,000".

(b) Section 411(e)(2) of such Act is amended by striking out "$1,000,000" and inserting in lieu thereof "$1,500,000".

ELIGIBILITY OF SMALL BUSINESSES OWNED BY INDIAN TRIBES

SEC. 1008. (a) Section 2(e)(1)(C) of the Small Business Act (15 U.S.C. 631(e)(2)(C)) is amended by inserting "Indian tribes," after "Native Americans,".

(b) Paragraph (4) of section 8(a) of the Small Business Act (15 U.S.C. 637(a)) is amended to read as follows:

"(4)(A) For purposes of this section, the term 'socially and economically disadvantaged small business concern' means any small business concern which meets the requirements of subparagraph (B) and—

"(i) which is at least 51 per centum owned by—

"(I) one or more socially and economically disadvantaged individuals, or

"(II) an economically disadvantaged Indian tribe, or

"(ii) in the case of any publicly owned business, at least 51 per centum of the stock of which is owned by—

"(I) one or more socially and economically disadvantaged individuals, or

"(II) an economically disadvantaged Indian tribe.

"(B) A small business concern meets the requirements of this subparagraph if the management and daily business operations of such small business concern are controlled by one or more—

"(i) socially and economically disadvantaged individuals described in subparagraph (A)(i)(I) or subparagraph (A)(ii)(I), or

"(ii) members of the economically disadvantaged Indian tribe described in subparagraph (A)(i)(II) or subparagraph (A)(ii)(II).".

(c) Paragraph (6) of section 8(a) of the Small Business Act (15 U.S.C. 637(a)) is amended by adding at the end thereof the following new sentence: "In determining the economic disadvantage of an Indian tribe, the Administration shall consider, where available, information such as the following: the per capita income of members of the tribe excluding judgment awards, the percentage of the local Indian population below the poverty level, and the tribe's access to capital markets.".

(d) Subsection (a) of section 8 of the Small Business Act (15 U.S.C. 637) is amended by adding at the end thereof the following new paragraph:

"(13) For purposes of this subsection, the term 'Indian tribe' means any Indian tribe, band, nation, or other organized group or community of Indians, including any Alaska Native village or regional or village corporation (within the meaning of the Alaska Native Claims Settlement Act) which—

"(A) is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians, or

"(B) is recognized as such by the State in which such tribe, band, nation, group, or community resides.".

SIZE STANDARD FOR AGRICULTURAL ENTERPRISES

SEC. 1009. Not later than ten days after the date of enactment of this Act, the Administrator of the Small Business Administration shall issue a regulation setting the annual receipts size standard under section 3(a) of the Small Business Act for agricultural enterprises, as defined in section 18(b) of such Act (other than beef cattle feedlot operators and chicken egg producers), at $500,000. The standard established under the preceding sentence shall be deemed to have taken effect on June 21, 1985.

FORMATION OF VETERANS BUSINESS RESOURCE COUNCILS

SEC. 1010. (a) The Congress finds that—

(1) Veterans Business Resource Councils have been established in the following ten States: California, Ohio, Texas, New York, Massachusetts, Indiana, Louisiana, Maryland, Minnesota, and Missouri;

(2) the concept of Veterans Business Resource Councils to establish networks of veterans with business experience assisting fellow veterans seeking to establish small businesses merits serious consideration; and

(3) the majority of our Nation's Vietnam era veterans fall within the thirty-five to forty-five-year old age range, in which most people decide to enter into small business ownership.

(b) Therefore, the Congress urges the Small Business Administration—

(1) to evaluate the effectiveness of the Veterans Business Resource Councils which are currently operating and to recommend improvements in their operations;

(2) to develop guidelines to assist in the establishment of Veterans Business Resource Councils; and

(3) to work with the remaining States and any interested organizations to encourage the establishment of Veterans Business Resource Councils in those States.

TITLE XI—COMMITTEE ON VETERANS' AFFAIRS

PART A—ENTITLEMENTS AND ELIGIBILITIES FOR HEALTH CARE FROM THE VETERANS' ADMINISTRATION

ENTITLEMENT AND ELIGIBILITY FOR HOSPITAL CARE

SEC. 1101. Section 610(a) is amended by striking out "(a)" and all that follows through "care;" at the end of clause (1)(B) and inserting in lieu thereof the following:

"(a)(1)(A)(i) Except as provided in division (ii) of this subparagraph, the Administrator, through Veterans' Administration facilities or through non-Veterans' Administration facilities to the extent authorized in section 603 of this title, shall furnish such hospital care as the Administrator determines to be reasonably necessary for—

"(I) a veteran for a disability rated as service connected; and

"(II) any disability of a veteran who has a service-connected disability rated at 50 percent or more.

"(ii) In the case of a veteran who is under incarceration, the Administrator (I) may decide not to furnish care under division (i) of this subparagraph in a Veterans' Administration facility if the Administrator determines that to do so would not be feasible in terms of the security necessary in connection with the custody of the veteran or the safety of other individuals receiving care in such facility, and (II) may furnish care under such division in a non-Veterans' Administration facility (as authorized in section 603 of this title).

"(B) The Administrator, through Veterans' Administration facilities or through non-Veterans' Administration facilities to the extent authorized in section 603 of this title, may furnish such hospital care as the Administrator determines to be reasonably necessary for—

"(i)(I) a non-service-connected disability of a veteran who has a service-connected disability rated at less than 50 percent;

"(II) a veteran who, but for the receipt of retired pay, would be entitled to disability compensation;

"(III) a veteran who is entitled to disability compensation pursuant to section 351 of this title or, but for a suspension pursuant to such section, would be entitled to disability compensation, but only to the extent that such veteran's continuing eligibility for such care is not limited in the judgment or settlement described in such section; and

"(IV) a veteran whose discharge or release from active military, naval, or air service was for a disability incurred or aggravated in line of duty;

"(ii) a veteran who is a former prisoner of war;

"(iii) a veteran exposed to a toxic substance or radiation, as provided in subsection (e) of this section;

"(iv) a veteran of the Spanish-American War, Mexican border period, or World War I; and

"(v) a non-service-connected disability of a veteran who is unable to defray the expenses of necessary care.

"(C) The Administrator, through Veterans' Administration facilities or through non-Veterans' Administration facilities to the extent authorized in section 603 of this title, may (to the extent facilities and resources are otherwise available and subject to subparagraph (D) of this paragraph) furnish such hospital care as the Administrator determines to be reasonably necessary for a non-service-connected disability of a veteran who agrees to make payment to the United States under section 612B of this title in connection with such care.

"(D) The Administrator may prescribe regulations under which a veteran having an annual income above an amount specified in such regulations, or an estate with a corpus above an amount specified in such regulations, would not be eligible for care under subparagraph (C) of this paragraph. For the purpose of this subparagraph, the Administrator shall determine annual income in accordance with section 503 of this title and shall count as income of the veteran any income of a veteran's family member that would be taken into account under section 521(c) of this title.".

ENTITLEMENT AND ELIGIBILITY FOR NURSING HOME CARE

SEC. 1102. Section 610(a) is further amended by striking out "(2)" and all that follows and inserting in lieu thereof the following:

"(2)(A) The Administrator, through Veterans' Administration facilities or as provided in section 620 of this title, shall furnish such nursing home care as the Administrator determines to be reasonably necessary to a veteran for a service-connected disability.

"(B) The Administrator, through Veterans' Administration facilities or as provided in section 620 of this title, may furnish such nursing home care as the Administrator determines to be reasonably necessary to any veteran eligible for hospital care under subparagraphs (A) and (B) of paragraph (1) of this subsection for any disability other than a service-connected disability.

"(C) The Administrator, through Veterans' Administration facilities or as provided in section 620 of this title, may (to the extent facilities and resources are otherwise available and subject to subparagraph (D) of this paragraph) furnish such nursing home care as the Administrator determines to be reasonably necessary for a veteran eligible for hospital care under subparagraph (C) of paragraph (1) of this subsection who agrees to make payment to the United States under section 612B of this title in connection with such care.

"(D) The Administrator may prescribe regulations under which a veteran having an annual income above an amount specified in such regulations, or an estate with a corpus above an amount specified in such regulations, would not be eligible for care under subparagraph (C) of this paragraph. For the purpose of this subparagraph, the Administrator shall determine annual income in accordance with section 503 of this title and shall count as income of the veteran any income of a veteran's family member that would be taken into account under section 521(c) of this title.".

ELIGIBILITY FOR DOMICILIARY CARE

SEC. 1103. Section 610(b) is amended to read as follows:

"(b) The Administrator, through Veterans' Administration facilities, may furnish such domiciliary care as the Administrator determines to be reasonably necessary to a veteran who is in need of domiciliary care if the Administrator finds, pursuant to regulations which the Administrator shall prescribe, that such veteran is incapacitated from earning a living and has no adequate means of support.".

ENTITLEMENT AND ELIGIBILITY FOR AMBULATORY OR OUTPATIENT MEDICAL SERVICES

SEC. 1104. (a) Section 612 is amended—

(1) in subsection (a)—

(A) by amending the first sentence to read as follows:

"(1) Except as provided in paragraph (2) of this subsection and in subsection (b) of this section, the Administrator, through Veterans' Administration facilities or through private facilities to the extent authorized by section 603 of this title, shall furnish such medical services as the Administrator determines to be reasonably necessary (A) to any veteran for a service-connected disability (including a disability that was incurred or aggravated in line of duty and for which the veteran was discharged or released from the active military, naval, or air service), and (B) for any disability of a veteran who has a service-connected disability rated at 50 percent or more.";

(B) in the second sentence by striking out "may" and inserting in lieu thereof a comma and "as part of medical services furnished under the preceding sentence, shall";

(C) by striking out the third sentence; and

(D) by inserting at the end the following new paragraph:

"(2) In the case of a veteran who is under incarceration, the Administrator (A) may decide not to furnish services under the first sentence of paragraph (1) of this subsection in a Veterans' Administration facility if the Administrator determines that to do so would not be feasible in terms of the security necessary in connection with the custody of the veteran or the safety of other individuals receiving care in such facility, and (B) may furnish services under such sentence in

a non-Veterans' Administration facility (as authorized in section 603 of this title).";

(2) in subsection (f)—

(A) in the first sentence—

(i) by striking out "within the limits of Veterans' Administration facilities" and inserting in lieu thereof "through Veterans' Administration facilities or through non-Veterans' Administration facilities to the extent authorized in section 603 of this title";

(ii) by inserting "and" after the semicolon at the end of clause (1);

(iii) by striking out clause (2); and

(iv) by redesignating clause (3) as clause (2);

(B) in the second sentence by striking out "also" and inserting in lieu thereof "as part of medical services furnished under the preceding sentence"; and

(C) in the third sentence by inserting a comma and "through Veterans' Administration facilities or through non-Veterans' Administration facilities to the extent authorized in section 603 of this title," after "may";

(3) in subsection (g) by striking out "within the limits of Veterans' Administration facilities" and inserting in lieu thereof "through Veterans' Administration facilities or through non-Veterans' Administration facilities to the extent authorized in section 603 of this title"; and

(4) by striking out subsection (i) and redesignating subsection (j) as subsection (i).

(b) Section 612A is amended—

(1) in subsections (a) and (b)(1) by striking out "within the limits of Veterans' Administration facilities" and inserting in lieu thereof "through Veterans' Administration facilities"; and

(2) in subsection (e)(1) by striking out "sections 612(f)(2) and 601(4)(C)(ii)" and inserting in lieu thereof "sections 612(a)(1)(B) and 603(2)(A)".

PAYMENTS BY CERTAIN VETERANS FOR, AND PRIORITIES IN THE FURNISHING OF, HOSPITAL AND NURSING HOME CARE AND MEDICAL SERVICES

SEC. 1105. (a) Subchapter II of chapter 17 is amended by inserting the following new sections:

"§ 612B. Payment in connection with hospital and nursing home care and medical services

"(a)(1) A veteran who is eligible for care or services under section 610 or 612(f)(1) of this title because of section 610(a)(1)(C) or (2)(C) of this title may not under this subchapter be furnished hospital care, nursing home care (including such care under section 620 of this title), or medical services on an outpatient or ambulatory basis unless the veteran agrees to pay to the United States—

"(A) in the case of each episode of hospital care or nursing home care, for each 60 days of care, an amount equal to the lesser of—

"(i) an amount equal to the amount of the inpatient hospital deductible in effect under section 1813 of the Social Security Act (42 U.S.C. 1395e(b)) at the time such care is furnished; or

"(ii) the cost of furnishing such care, as determined by the Administrator; and

"(B) in the case of each visit in which medical services are furnished on an outpatient or ambulatory basis under section 612(f) of this title, an amount equal to the percentage referred to in paragraph (2) of this subsection of the estimated average cost of an outpatient visit in a Veterans' Administration facility during the fiscal year in which the services are furnished, as determined by the Administrator pursuant to regulations which the Administrator shall prescribe.

"(2) The percentage described in paragraph (1)(B) of this subsection is the percentage of reasonable charges not paid from the Federal Supplementary Medical Insurance Trust Fund pursuant to section 1833(a)(1) of the Social Security Act (42 U.S.C. 1395l(a)(1)), not taking into account the provisions of the subclauses of such section 1833(a)(1) (42 U.S.C. 1395l(a)(1)).

"(3) In any case in which the Administrator determines, pursuant to regulations which the Administrator shall prescribe, that it is not feasible to request a veteran (or other individual authorized to act on the veteran's behalf) for the veteran's (or such other individual's) agreement pursuant to paragraph (1) of this subsection prior to commencing the furnishing of care or services to the veteran, an obligation to make payments pursuant to such paragraph shall nevertheless be incurred.

"(b) Any moneys collected or received by the Veterans' Administration under this section shall be deposited in the Treasury as miscellaneous receipts.

"(c) For the purpose of subsection (a) of this section:

"(1) The term 'episode of hospital or nursing home care' with respect to a veteran means a period of consecutive days—

"(A) beginning with the first day (not included in a prior episode of such care) on which such veteran is furnished hospital or nursing home care under this subchapter, and

"(B) ending with the close of the first period of 60 consecutive days thereafter on each of which such veteran is not being furnished either hospital care or nursing home care under this subchapter.

"(2) The term '60 days of care' means (A) in the case of a veteran who during an episode of hospital or nursing home care is furnished 60 days or less of care, up to 60 days of hospital or nursing home care (or of any combination thereof), or (B) in the case of a veteran who during an episode of hospital or nursing home care is furnished care for a number of days greater than 60, each period of hospital or nursing home care (or of any combination thereof) of 60 days and, if such number of days is not evenly divisible by 60, the remaining period of care that is less than 60 days.

"§ 612C. Priorities in furnishing hospital, nursing home, and domiciliary care and medical services

"(a) The Administrator shall prescribe regulations to ensure that, except in cases involving medical emergencies which pose a serious threat to life or health, priority in furnishing hospital or domiciliary care or medical services under this chapter shall be accorded to veterans in the following order:

"(1) To a veteran for a service-connected disability.

"(2) To a veteran with a service-connected disability rated at 50 percent or more.

"(3) To a veteran who has a service-connected disability rated at less than 50 percent and as compensable in degree (including any veteran being examined to determine the existence or rating of a service-connected disability, for the purposes of such examination).

"(4) To a veteran who, but for the receipt of retirement pay, would be entitled to disability compensation.

"(5) To a veteran who is entitled to disability compensation pursuant to section 351 of this title, or, but for a suspension pursuant to such section, would be entitled to disability compensation, but only if such veteran's continuing eligibility for such care is not limited under a judgment or settlement described in such section.

"(6) To a veteran (A) whose discharge or release from active military, naval, or air service was for a disability incurred or aggravated in line of duty, or (B) with a disability which is service-connected but not compensable in degree.

"(7) To a veteran (A) who is a former prisoner of war, or (B) who, as a result of exposure to a toxic substance or radiation is eligible for care under section 610(a)(1)(B)(iii) of this title, for care as specified in section 610(e) of this title.

"(8) To a veteran of the Spanish-American War, the Mexican border period, or World War I, or who is otherwise being furnished services under section 612(g) of this title.

"(9) To a veteran in receipt of pension under chapter 15 of this title.

"(10) To a veteran who is unable to defray the expenses of necessary care.

"(11) To a veteran being furnished care or services because of section 610(a)(1)(C) or (2)(C) of this title and who is 65 years of age or older.

"(b)(1) The Administrator shall prescribe regulations to ensure that priority in furnishing nursing home care under this chapter shall be accorded in the order set forth in paragraph (2) of this subsection and, within each of the categories specified in such paragraph, in the order specified in subsection (a) of this section.

"(2) The priority order referred to in paragraph (1) of this subsection is as follows:

"(A) Care for a veteran in need of a level of type of nursing home care that (i) is not readily available in a nursing home care facility for which the Administrator may contract under section 620 of this title and which is located in a geographic area where it is reasonable, as determined by the Administrator, for the veteran to be furnished such care, and (ii) is available in a nursing home care facility under the jurisdiction of the Administrator.

"(B) Care for a veteran in need of a level or type of nursing home care that is readily available in such a contract facility in such geographic area.

"(c) The Administrator shall ensure that no guideline, regulation, or other issuance of the Veterans' Administration has the effect of encouraging, directly or indirectly, the furnishing of care or services to a veteran eligible because of section 610(a)(1)(C) or (2)(C) of this title in any fashion not fully consistent with the priorities established by this section.".

(b) The table of sections at the beginning of chapter 17 is amended by inserting after the item relating to section 612A the following new items:

"612B. Payment in connection with hospital and nursing home care and medical services.

"612C. Priorities in furnishing hospital, nursing home, and domiciliary care and medical services.".

DETERMINATION OF A VETERAN'S INABILITY TO DEFRAY NECESSARY EXPENSES

SEC. 1106. Section 622 is amended—

(1) by inserting "(a)" before "For the purposes";

(2) by striking out "610(a)(1)(B)" and inserting in lieu thereof "610(a)(1)(B)(v)";

(3) by striking out "610(b)(2),"; and

(4) by adding at the end the following new subsection:

"(b)(1)(A) Subject to subparagraph (B) of this paragraph and except as provided in paragraph (3) of this subsection, a veteran who does not meet one of the eligibility criteria referred to in subsection (a) shall be determined by the Administrator to be unable to defray necessary expenses for the purpose of the sections of this title referred to in such subsection if the veteran's income (as determined under paragraph (2) of this subsection) during the calendar year preceding the date of the veteran's application for care is not greater than $25,000 (or the applicable greater amount calculated under subparagraph (B) of this paragraph).

"(B)(i) Whenever, after December 1, 1985, maximum annual rates of pension are increased under section 3112(a) of this title, the Administrator shall, effective on the date that the increase in such rates of pension takes effect, increase the dollar amount specified in subparagraph (A) of this paragraph as such amount was in effect immediately prior to the effective date of such increase in such rates of pension, by the same percentage as the percentage by which such rates of pension are increased.

"(ii) In order to avoid hardship, the Administrator, pursuant to regulations which the Administrator shall prescribe, may, in any fiscal year, increase for a specified geographic area the income level established pursuant to subparagraph (A) of this paragraph.

"(2) For the purpose of this subsection, the Administrator shall determine a veteran's income in accordance with section 503 of this title and shall count as income of the veteran any income of a veteran's family member that would be taken into account under section 521(c) of this title.

"(3)(A) The Administrator shall not make a determination that a veteran is unable to defray necessary medical expenses for the purpose of the sections of this title referred to in subsection (a) of this section if the corpus of the estate of the veteran (and of the veteran's spouse and dependent children, if any) is such that, under all the circumstances (including consideration of the annual income of the veteran and of such spouse and dependent children), the Administrator finds it is unreasonable to make such determination.

"(B) In evaluating the corpus of a veteran's estate for the purpose of this paragraph, the Administrator shall consider the same items to be part of the corpus of the veteran's estate as would be so considered under section 522 of this title.".

CONTRACT HOSPITAL CARE AND MEDICAL SERVICES

SEC. 1107. (a) Section 601 is amended—

(1) in paragraph (4)—

(A) in clause (A), by inserting "and" after the semicolon; and

(B) by striking out the semicolon in clause (B) and all that follows through the end of such paragraph and inserting in lieu thereof a period; and

(2) by adding at the end the following new paragraph:

"(9) The term 'non-Veterans' Administration facilities' means facilities other than Veterans' Administration facilities.".

(b)(1) Subchapter I of chapter 17 is amended by adding at the end the following new section:

"§ 603. Contract hospital care and medical services

"When Veterans' Administration facilities are not capable of furnishing economical hospital care or medical services because of geographical inaccessibility or of furnishing the care or services required, a requirement or an authority in section 610 or 612 of this title to furnish care or services includes a requirement or authority, as the case may be, to contract with non-Veterans' Administration facilities for the furnishing of hospital care or medical services in order to provide—

"(1) hospital care or medical services to a veteran for the treatment of a service-connected disability or a disability for which a veteran was discharged or released from the active military, naval, or air service;

"(2) medical services for the treatment of any disability of (A) a veteran described in section 612(a)(1)(B) of this title, (B) a veteran described in clause (1)(B) of the first sentence, or in the third sentence (but only to the extent authorized therein), of section 612(f) of this title, or (C) a veteran described in section 612(g) of this title if the Administrator has determined, based on an examination by a physician employed by the Veterans' Administration (or, in areas where no such physician is available, by a physician carrying out such function under a contract or fee arrangement), that the medical condition of such veteran precludes appropriate treatment in Veterans' Administration facilities;

"(3) hospital care or medical services for the treatment of medical emergencies which pose a serious threat to the life or health of a veteran receiving medical services in a Veterans' Administration facility until such time following the furnishing of care in the non-Veterans' Administration facility as the veteran can be safely transferred to a Veterans' Administration facility;

"(4) hospital care for women veterans;

"(5) hospital care, or medical services that will obviate the need for hospital admission, for veterans in a State not contiguous to the forty-eight contiguous States, except that the annually determined hospital patient load and incidence of the provision of medical services to veterans hospitalized or treated at the expense of the Veterans' Administration in Government and private facilities in each such noncontiguous State shall be consistent with the patient load or incidence of the provision of medical services for veterans hospitalized or treated by the Veterans' Administration within the forty-eight contiguous States, but the authority of the Administrator under this subclause (except with respect to Alaska and Hawaii) shall expire on October 31, 1985, and until such date the Administrator may, if necessary to prevent hardship, waive the applicability to the Commonwealth of Puerto Rico and to the Virgin Islands of the restrictions in this subclause with respect to hospital patient loads and incidence of provision of medical services; or

"(6) diagnostic services necessary for determination of eligibility for, or of the appropriate course of treatment in connection with, the provision of medical services at independent Veterans' Administration outpatient clinics to obviate the need for hospital admission.

In the case of any veteran for whom the Administrator contracts to provide care or services in a private facility pursuant to a provision of this section, the Administrator shall periodically review the necessity for continuing such contractual arrangement pursuant to such provision.".

(2) The table of sections at the beginning of chapter 17 is amended by inserting after the item relating to section 602 the following new item:

"603. Contract hospital care and medical services.".

IMPLEMENTATION REPORT

SEC. 1108. Not later than December 1, 1985, the Administrator of Veterans' Affairs shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report on procedures that the Administrator has established for implementation of section 612B of title 38, United States Code, as added by section 1105(a) of this Act. Such report shall contain information with respect to the guidelines and processes for (1) implementation of income criteria established by and under the amendments made by this Part for Veterans' Administration health-care eligibility, and (2) for the collection of payments required by the amendments made by this Part.

EFFECTIVE DATE

SEC. 1109. (a) Except as provided in subsection (b), the amendments made by this part shall apply to hospital care, nursing home care, domiciliary care, and medical services furnished on or after November 1, 1985.

(b)(1) The provisions of sections 610 and 622 of title 38, United States Code, as in effect on the day before the date of the enactment of this Act, shall apply with respect to hospital and nursing home care furnished on or after November 1, 1985, to veterans who were furnished such care on October 31, 1985, but only to the extent that such care is furnished with respect to the same period of care for which it was furnished on October 31, 1985, as determined by the Administrator pursuant to regulations which the Administrator shall prescribe.

(2) During the month of November 1985, the Administrator may, in order to continue a course of treatment begun prior to November 1, 1985, furnish medical services to a veteran on an ambulatory or outpatient basis without regard to the amendments made by this Part.

(3) For the purpose of this subsection—

(A) the term "period of care" means a period of consecutive days—

(i) beginning with the first day on which a veteran is furnished hospital or nursing home care, and

(ii) ending with the veteran's discharge from the hospital or nursing home facility, as the case may be;

(B) the terms "hospital care", "medical services", and "domiciliary care" have the meanings given those terms in paragraphs (5), (6), and (8), respectively, of section 601 of title 38, United States Code; and

(C) the terms "veteran" and "nursing home care" have the meanings given those terms in paragraphs (2) and (28), respectively, of section 101 of such title.

PART B—RECOVERY OF THE COST OF CERTAIN HEALTH CARE AND SERVICES FURNISHED BY THE VETERANS' ADMINISTRATION

SEC. 1111. (a) Section 629 of title 38, United States Code, is amended to read as follows:

"§ 629. Recovery by the United States of the cost of certain care and services

"(a)(1) Subject to the provisions of this section, in any case in which a veteran is furnished care or services under this chapter for a non-service-connected disability described in paragraph (2) of this subsection, the United States has the right to recover or collect the reasonable cost of such care or

services (as determined by the Administrator) from a third party to the extent that the veteran (or the provider of the care or services) would be eligible to receive payment for such care or services from such third party if the care or services had not been furnished by a department or agency of the United States.

"(2) Paragraph (1) of this subsection applies to a non-service-connected disability—

"(A) that is incurred incident to the veteran's employment and that is covered under a workers' compensation law or plan that provides for payment for the cost of health care and services provided to the veteran by reason of the disability;

"(B) that is incurred as the result of a motor vehicle accident to which applies a State law that requires the owners or operators of motor vehicles registered in that State to have in force automobile accident reparations insurance;

"(C) that is incurred as the result of a crime of personal violence that occurred in a State, or a political subdivision of a State, in which a person injured as the result of such a crime is entitled to receive health care and services at such State's or subdivision's expense for personal injuries suffered as the result of such crime; or

"(D) that is incurred by a veteran who does not have a service-connected disability and who is entitled to care (or payment of the expenses of care) under a health-plan contract.

"(3) In the case of a health-plan contract that contains a requirement for a deductible or copayment by the veteran—

"(A) the veteran's not having paid such deductible or copayment with respect to care or services furnished under this chapter shall not preclude recovery or collection under this section; and

"(B) the amount that the United States may collect or recover under this section shall be reduced by the appropriate deductible or copayment amount, or both.

"(b)(1) The United States shall, as to the right provided in subsection (a) of this section, be subrogated to any right or claim that the veteran (or the veteran's personal representative, successor, dependents, or survivors) may have against a third party.

"(2)(A) In order to enforce any right or claim to which the United States is subrogated under paragraph (1) of this subsection, the United States may intervene or join in any action or proceeding brought by the veteran (or the veteran's personal representative, successor, dependents, or survivors) against a third party.

"(B) If—

"(i) no such action or proceeding is begun within 180 days after the first day on which care or services for which recovery is sought were furnished to the veteran by the Administrator under this chapter, and

"(ii) the United States has sent written notice by certified mail to the veteran at the veteran's last-known address (or to the veteran's personal representative or successor) of the intention of the United States to institute legal proceedings,

the United States may, after 60 days have lapsed from the mailing of such notice, institute and prosecute legal proceedings against the third party.

"(c)(1) The Administrator may compromise, settle, or waive any claim which the United States has under this section.

"(2)(A) The Administrator, after consultation with the Comptroller General of the United States, shall prescribe regulations for the purpose of determining the reasonable cost of care or services under subsection (a)(1) of this section. Any determination of such cost shall be made in accordance with such regulations.

"(B) Such regulations shall provide that in no event may the reasonable cost of care or services sought to be recovered or collected from a third-party liable under a health-plan contract exceed an amount equal to the prevailing rate that such third party can demonstrate to the satisfaction of the Administrator it would pay for the care or services under comparable health-care contracts with facilities (other than facilities of departments or agencies of the United States) in the same geographic area.

"(C) Not later than 45 days after the date on which the Administrator prescribes such regulations or any amendment to such regulations, the Comptroller General shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives the Comptroller General's comments on and recommendations regarding such regulations or amendment.

"(d) Any contract or agreement into which the Administrator enters with a person under section 3718 of title 31 for collection services to recover indebtedness owed the United States under this section shall provide, with respect to such services, that such person is subject to sections 3301 and 4132 of this title.

"(e) A veteran eligible for care or services under this chapter (1) may not be denied such care or services by reason of this section, and (2) shall not be required by reason of this section to make any copayment or deductible payments in order to receive such care.

"(f) No law of any State or of any political subdivision of a State, and no provision of any contract or other agreement, shall operate to prevent recovery or collection by the United States under this section or with respect to care or services furnished under section 611(b) of this title.

"(g) Any moneys collected or recovered on behalf of the United States under this section shall be deposited into the Treasury as miscellaneous receipts.

"(h) Medical records of a veteran who is a beneficiary of a health-plan contract under which recovery or collection is sought under this section from the third party concerned for the cost of the care or services furnished to such veteran shall be made available, under such conditions to protect the confidentiality of such records as the Administrator shall prescribe in regulations, for inspection and review by representatives of such third party for the sole purpose of permitting the plan to verify that the care or services for which recovery or collection is sought were furnished and that the provision of such care or services meets criteria generally applicable under the contract.

"(i) For purposes of this section—

"(1) The term 'health-plan contract' means an insurance policy or contract, medical or hospital service agreement, membership or subscription contract, or similar arrangement, under which health services for individuals are provided or the expenses of such services are paid.

"(2) The term 'payment' includes reimbursement and indemnification.

"(3) The term 'third party' means a State or political subdivision of a State, an employer, an employer's insurance carrier, automobile accident reparations insurance carrier, or a person obligated to provide, or to pay the expenses of, health services under a health-plan contract, except that such term does not include an insurance program described in section 1811 of the Social Security Act or established by section 1831 of such Act or a State plan for medical assistance approved under title XIX of such Act.".

(b)(1)(A) Except as provided in subparagraph (B), the amendment made by subsection (a) shall apply to care and services provided on or after the date of the enactment of this Act.

(B)(i) The amendment made by subsection (a) shall not apply so as to nullify any provision of a health-plan contract (as defined in subsection (i) of section 629 of title 38, United States Code, as amended by subsection (a)) that was entered into before such date and is not modified or renewed on or after such date.

(ii) In the case of a health-plan contract (as so defined) that was entered into before such date but which is modified or renewed on or after such date, the amendment made by subsection (a) shall apply with respect to such plan as of the day after the date that it is so modified or renewed and with respect to care and services provided after such date of modification or renewal.

(2) For purposes of paragraph (1), the term "modified" includes any change in premium or coverage.

(c)(1) Not later than 6 months after the date of the enactment of this Act, the Administrator of Veterans' Affairs shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report on the process for and results (including costs of administration and the amount of receipts and collections) of the implementation of the amendment made by this section.

(2) Not later than February 1, 1987, and February 1 of each year thereafter, the Administrator shall submit to such Committees a report updating the information in the most recent report under this subsection and providing information on the process and results of such implementation with respect to the most recent full fiscal year preceding the date on which the report is required to be submitted under this paragraph.

PART C—LIMITATION ON INCREASE IN RATES OF VETERANS' ADMINISTRATION COMPENSATION

SEC. 1121. No legislation shall be enacted that would (1) effective in fiscal year 1986, increase one or more rates of the benefits under chapter 11 or 13 of title 38, United States Code, by a percentage greater than 3.7 percent, or (2) cause the total costs of legislation increasing such rates in fiscal year 1986 to exceed $311,000,000 in budget authority or $280,000,000 in outlays in fiscal year 1986.

Mr. DOMENICI. Mr. President, this first session of the 99th Congress should go down in history as the time when we began to seriously address one of the most challenging problems facing this country's future. I am, of course, speaking about the problem of our domestic Federal deficit. At times, I must admit, the problem has seemed almost intransigent, but the adoption of the Balanced Budget and Emergency Deficit Control Act of 1985 by this Chamber last Thursday, following the completion of the largest deficit reduction resolution in this country's history on August 1, and the completion of

the measure we are about to begin debate on today, have given me reassurance and hope that we are all truly serious about the dangers of deficit spending and are willing to act now. I certainly am not suggesting that the 99th Congress, 1st session, has agreed entirely on the means by which deficits will be reduced, but at least we have surely agreed that it is the first and foremost domestic policy issue facing the country today.

Mr. President, I do not want to impose on my colleagues by continuing the debate of last week, but let me point out what should be obvious to all. The Balanced Budget and Emergency Deficit Control Act we have adopted will, upon final agreement with the House, set into place a procedure by which the Congress and the administration will make those decisions necessary to bring about a balanced budget by fiscal year 1991. It does not automatically make those decisions for us. We must still make the hard policy choices and act responsibly to meet the deficit targets specified in that legislation.

The bill before the Senate today begins to give credence to those fundamental goals embodied in the measure we adopted last week. Up to this point in the 99th Congress, I think it is fair to say we have been debating the blueprint for building the edifice, now it is time to begin actually digging the foundation and raising the walls.

The first concurrent resolution on the budget for fiscal year 1986, adopted on August 1, agreed on a blueprint to lower deficits over the next 3 years by $276.2 billion. Of this total deficit reduction, $75.5 billion was to be achieved through the reconciliation procedure authorized in the Budget Act and which will be strengthened upon final adoption of the Balanced Budget Act. The resolution included reconciliation instructions to 11 Senate and 14 House committees requiring them to recommend changes in laws in their jurisdiction which would reduce Federal outlays by $67.1 billion over the next 3 years. In addition to outlay reductions, the Senate Finance and House Ways and Means Committees were instructed to recommend revenue increases totalling $8.4 billion over the same time period.

All reconciled committees were instructed to report their recommended legislative changes to their respective Budget Committees. The Budget Committees of both Chambers are responsible for combining these recommended legislative changes into a single bill and reporting the bill to their respective Chambers for full consideration.

Mr. President, S. 1730 the Consolidated Omnibus Budget Reconciliation Act of 1985 [COBRA], is that single bill embodying the recommendations of the 11 Senate committees instructed by the resolution. The bill contains 11 titles, one title for each respective committee instructed by the resolution.

I am proud to report, Mr. President, that the total reductions in the deficit as reported by the 11 Senate committees exceeded by $10.1 billion the total deficit reduction instructions given them. This $10.1 billion was achieved through $2.8 billion in additional outlay savings, not reconciled, and $7.4 billion in higher revenues, not reconciled. I must quickly point out, however, that while the resolution we adopted did not reconcile the higher revenue figure in this bill, nonetheless the resolution assumed the exact revenue figure included in this bill.

Mr. President, I ask unanimous consent that two tables summarizing the aggregate savings and committee specific savings as included in the bill be included in the RECORD at this point.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE 1.—SUMMARY OF SAVINGS

[In millions of dollars]

	Fiscal year 1986	Fiscal year 1987	Fiscal year 1988	Total fiscal year 1986–88
Recommendations in bill:				
Reductions in outlays	−19,397	−22,071	−28,426	−69,895
Increase in revenues	2,225	6,269	7,263	15,757
Reduction in deficit	−21,622	−28,340	−35,689	−85,652
Reconciliation instructions to Committees:				
Reductions in outlays	−17,582	−21,036	−28,517	−67,135
Increase in revenues	1,800	3,000	3,600	8,400
Reduction in deficit	−19,382	−24,036	−32,117	−75,535

TABLE 2.—SUMMARY OF OUTLAY REDUCTIONS BY COMMITTEE

[In millions of dollars]

	Fiscal year 1986	Fiscal year 1987	Fiscal year 1988	Total fiscal year 1986–88
Agriculture, Nutrition, and Forestry	−2,222	−2,561	−3,301	−8,084
Armed Services	−146	−118	−150	−414
Banking, Housing and Urban Affairs	−2,898	−3,706	−3,860	−10,464
Commerce, Science and Transportation	−349	−204	−222	−775
Energy and Natural Resources	−5,919	−298	−412	−6,034
Environment and Public Works	−250	−1,200	−1,550	−3,000
Finance	−3,017	−8,042	−11,348	−22,407
Governmental Affairs	−3,473	−4,532	−5,167	−13,172
Labor and Human Resources	−340	−500	−835	−1,675
Small Business	−503	−1,026	−1,044	−2,573
Veterans' Affairs	−280	−480	−537	−1,297
Total outlay reductions in bill	−19,397	−22,071	−28,426	−69,895
Total outlay instruction to Committees	−17,582	−21,036	−28,517	−67,135

Mr. DOMENICI. Mr. President, the bill before us includes some very tough policy decisions. It includes major reductions in rural housing expenditures; significant modifications in how we provide credit to farmers and ranchers through FmHA programs; it reduces Amtrak's authorization by 15 percent; it establishes a 35,000-barrel-per-day fill rate for SPRO; it significantly reduces the rate of growth in the Medicare Program; it terminates the General Revenue-Sharing Program beginning 1 year from now; it extends Medicare coverage to State and local workers; it modifies the Guaranteed Student Loan Program; reforms veterans' medical care programs; and freezes civilian pay this year.

While none of those should come as a surprise, in that they were all thoroughly debated under reconciliation when we debated the budget resolution on the floor, as a matter of fact, some up-and-down votes on the assumptions that are now encapsulated in these legislative changes did take place. But this is now the real McCoy and the laws are being changed by the respective committees of the U.S. Senate so as to carry out the changes which I have just enumerated, and many more.

I am sure there will be those Senators who, in disagreeing with the tough proposals recommended by the various committees, will desire to amend those particular sections they find offensive. Certainly, the Budget Act accommodates amendments to a reconciliation bill in the same manner as with bills on which cloture has been invoked. But let me close with a few thoughts for all those who may contemplate amendments that would reduce the deficit reduction included in this bill

This bill, as it stands, is estimated by the Congressional Budget Office to reduce the deficit by $21.6 billion this year—and I must note that assumes, in some instances, that the savings or revenues are retroactive to October 1. Over the total 3-year period, the bill would reduce deficits by $85.7 billion. If we add to this the amount of nonreconciled savings we expect to achieve through the appropriations process this year—about $31 billion—and if outyear nonreconcilied appropriation savings we assumed in the resolution are achieved, and if the economic assumptions we used to develop the resolution hold true, then it is possible that we could meet the deficit targets for the next 3 years that were specified in the bill we adopted last Thursday. These are some pretty big if's, but I can assure you that things will not get any better and it will not be any easier, if we fail to adopt savings as contemplated by this omnibus bill.

If we begin to amend this bill with the result being that the deficit reduction estimates begin to decline, based on the facts I have described, then I am confident that we, or the President, will be forced to deal with the problem under the procedures mandated in the Balanced Budget and

Emergency Deficit Control Act of 1985 once that becomes law.

I hope we can maintain the courage that has brought us this far this year, and that we can act expediously to enact this bill with as few amendments as possible.

Obviously, when the U.S. Senate and the U.S. House of Representatives came together on a resolution out of conference and instructed the committees in their respective bodies to do what is now encapsulated in this omnibus bill, it was then that the will of the Congress, not the Budget Committee, was telling those committees what they must do. They have done it and they have done it well. I compliment them all.

I urge that Senators over the evening, since we are only going to lay the bill down tonight, give serious consideration to the words I have just expressed here in the Senate.

Committees, by a significant number of votes, most generally by rather substantial majorities, have found within their jurisdiction that these laws could be changed and it was in the interest of deficit reduction that they should be changed. They have provided within their jurisdiction the ways to get there.

I urge that we not disturb their recommendations encapsulated in this bill and that we clearly understand that any significant disturbance to those recommendations can do nothing but increase the deficit this year and in the outyears, making our job ever more difficult and giving credence to some who believe that we are not terribly serious about trying to reduce the deficit.

Mr. President, I ask unanimous consent that the presence and use of small electronic calculators be permitted on the floor of the Senate during the consideration of S. 1730.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I send a list of staff members to the Chair and ask unanimous consent that the persons named therein be granted the privilege of the floor during consideration of S. 1730. Incidentally, this includes both the majority and minority staffs as agreed to by the minority.

The PRESIDING OFFICER. Without objection, it is so ordered.

The list of staff members is as follows:

REGULAR FLOOR PRIVILEGES FOR SENATE BUDGET COMMITTEE STAFF

MAJORITY STAFF

Steve Bell, Sid Brown, Gabriella Carducci, Michael Carozza, Charles Flickner, Gail Fosler, Tom Foxwell, Carol Hartwell, Paul Heilig, Bill Hoagland, Bill Hughes, Chuck Konigsbery, Jan Grassmuck Lilija, Deborah Schwartz Lipman, David Malpass, S. Anthony McCann, Carole Baker McGuire, Margo Miller, Michelle Mrdeza, Sue Nelson, Mary Nell Payne, Virginia Pounds, Cheri Janas Reidy, Austin Smythe, Sonya Taylor, and Sue Yurko.

MINORITY STAFF

Dennis Beal, Rick Brandon, James Carr, Barbara Chow, Alan Cohen, Doug Cook, Kathy Deignen, Lisa Faulkner, John Hilley, Janet Holtzblatt, Bentley Lipscomb, Doug Olin, John Rand, Jim Stasny, and Barry Strumpf.

REGULAR FLOOR PRIVILEGES FOR STAFF OF MAJORITY MEMBERS

Tony Coppolino on behalf of Senator Armstrong.

Brian Waidmann on behalf of Senator Armstrong.

Guy Clough on behalf of Sentor Kassebaum.

Dave Bartel on behalf of Sentor Kassebaum.

Dan Meyer on behalf of Senator Boschwitz.

Barbara Thomson on behalf of Senator Boschwitz.

Hayden Bryan on behalf of Senator Hatch.

Monica McGuire on behalf of Senator Hatch.

John Rand on behalf of Senator Andrews.

Sherry Kaiman on behalf of Senator Andrews.

Margaret Calhoun on behalf of Senator Symms.

Grant Loebs on behalf of Senator Symms.

Kris Kolesnik on behalf of Senator Grassley.

Ken Cunningham on behalf of Senator Grassley.

Elise Paylan on behalf of Senator Kasten.

Dawn Gifford on behalf of Senator Kasten.

Dave Juday on behalf of Senator Quayle.

Bob Guttman on behalf of Senator Quayle.

John Wills on behalf of Senator Gorton.

Gwendolyn van Paasschen on behalf of Senator Gorton.

Reid Detchon on behalf of Senator Danforth.

Tom Dwyer on behalf of Senator Danforth.

REGULAR FLOOR PRIVILEGES FOR STAFF OF MINORITY MEMBERS

Barry Strumpf on behalf of Senator Hollings.

Laura Hudson on behalf of Senator Johnston.

Lance Simmens on behalf of Senator Sasser.

Keith Keener on behalf of Senator Hart.

James Wagoner on behalf of Senator Metzenbaum.

David Krawitz on behalf of Senator Riegle.

Susan Slater on behalf of Senator Moynihan.

Chris McLean on behalf of Senator Exon.

Mitchell Ostrer on behalf of Senator Lautenberg.

FIFTEEN MINUTE FLOOR PRIVILEGES FOR BUDGET COMMITTEE STAFF

MAJORITY STAFF

Elizabeth Beall, Tyrone Cole, Kathryn Hamilton Cummings, Brenda Gompers, Stefanie Holmberg, Judee Klepec, Anne Miller, Tish Niffenegger, Debbie Paul, Elizabeth Strader, Lorrie Tainter, Suzanne Watson, Laura White, Carolyn Willis, Catherine Woods, Susan Yurko, and Lynne Zeeger.

MINORITY STAFF

Michelle Adams, E. Vanessa Palmer, and Anne Willis.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

H.R. 1562—U.S. TEXTILE AND APPAREL INDUSTRY

Mr. THURMOND. Mr. President, I ask that the bill, H.R. 1562, be read the first time.

The PRESIDING OFFICER. The clerk will report the bill.

The assistant legislative clerk read as follows:

A bill (H.R. 1562) to achieve the objectives of the Multi-Fiber Arrangement and to promote the economic recovery of the United States textile and apparel industry and its workers.

Mr. THURMOND. Mr. President, I ask that the bill be read the second time.

The PRESIDING OFFICER. Is there objection?

Mr. COCHRAN. I object.

The PRESIDING OFFICER. Objection has been heard to the second reading of the bill. The bill will be held at the desk and have a second reading on the next legislative day.

Mr. THURMOND. Mr. President, I understand that it will be necessary to wait another day now before any further action can be taken?

The PRESIDING OFFICER. The Senator from South Carolina is correct.

INCREASE OF PERMANENT PUBLIC DEBT LIMIT

Mr. DOLE. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on House Joint Resolution 372.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House disagree to the amendments of the Senate to the resolution (H.J. Res. 372) entitled "Joint resolution increasing the statutory limit on the public debt", and ask a conference with the Senate on the disagreeing votes of the two Houses thereon.

Ordered, That the following are appointed as conferees:

From the Committee on Ways and Means: Mr. Rostenkowski, Mr. Gibbons, Mr. Pickle, Mr. Rangel, Mr. Stark, Mr. Jones of Oklahoma, Mr. Jenkins, Mr. Gephardt, Mr. Russo, Mr. Duncan, Mr. Archer, Mr. Vander Jagt, Mr. Crane, and Mr. Frenzel.

From the Committee on Appropriations: Mr. Whitten, Mr. Boland, Mr. Natcher, Mr.

Smith of Iowa, Mr. Pursell, and Mr. Loeffler.

From the Committee on Rules: Mr. Pepper, Mr. Moakley, Mr. Derrick, Mr. Beilenson, Mr. Frost, Mr. Latta, and Mr. Lott.

From the Committee on Government Operations: Mr. Brooks, Mr. Fuqua, Mr. Waxman, Mr. Synar, Mr. Horton, and Mr. Kindness.

From the Committee on the Budget: Mr. Gray of Pennsylvania, Mr. Downey of New York, Mr. Miller of California, Mr. Leath of Texas, Mr. Kemp, and Mr. Gradison.

Appointed as additional conferees: Mr. Foley, Mr. Obey, Ms. Oakar, Mr. Panetta, Mr. Fazio, Mr. Michel, Mr. Cheney, Ms. Martin of Illinois, and Mr. Mack.

Mr. DOLE. I move that the Senate insist on its amendments and agree to the conference requested by the House, and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer [Mr. ABDNOR] appointed Mr. PACKWOOD, Mr. ROTH, Mr. DOMENICI, Mr. DANFORTH, Mr. ARMSTRONG, Mr. LONG, Mr. BENTSEN, Mr. CHILES, and Mr. LEVIN conferees on the part of the Senate.

TRANSFER OF JUDGMENTS AWARDED CONFEDERATED TRIBES OF THE COLVILLE RESERVATION

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate turn to H.R. 2174, a bill to provide for the transfer to the Colville Business Council of any undistributed portion of amounts appropriated in satisfaction of certain judgments awarded the confederated tribes of the Colville Reservation before the Indians Claims Commission, being held at the desk.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The clerk will state the bill by title.

The assistant legislative clerk read as follows:

A bill (H.R. 2174) to provide for the transfer to the Coleville Business Council of any undistributed portion of amounts appropriated in satisfaction of certain judgments awarded the confederated tribes of the Colville Reservation before the Indian Claims Commission.

Mr. DOLE. Mr. President, I ask unanimous consent that the bill be considered as having been read the first and second times and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill is open to amendment.

Mr. GORTON. Mr. President, I support the passage of H.R. 2174, a bill to authorize the transfer and expenditure of judgment funds by the Colville Indian Business Council. H.R. 2174 is a housekeeping measure. No new appropriations are required. The administration supports it. The bill passed the House by unanimous consent.

The Colvilles were awarded judgments from the Indian Claims Commission under dockets 161, 222, and 224, in 1965. The plan for the use and distribution of these judgment funds became effective in 1976. In order to implement the plan, certain funds were set aside for a per capita distribution to the tribal members. Starting in 1978 and thereafter, judgment distribution plans routinely provide that any balance remaining in the Treasury, after the allocation of funds for the payment of per capita shares, automatically reverts to the governing body of the tribe. Because the plan for these dockets was approved in 1976, such a provision is missing. H.R. 2174 would provide for the transfer of any such remaining funds to the Colville Business Council. As of 1985, the remaining balances for the dockets and accrued interest approximated $211,000.

This legislation addresses a unique situation. It is my understanding that the Colville Business Council will notify the Secretary of the Interior of its plan to spend the funds. The council has informed me that the money will be used for ongoing tribal programs.

I thank the chairman and ranking minority member of the Select Committee on Indian Affairs for their cooperation in expediting the passage of this legislation.

The PRESIDING OFFICER. Are there any amendments? If there be no amendments to be offered, the question is on the third reading of the bill.

The bill (H.R. 2174) was read the third time and passed.

Mr. DOLE. I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CORRECTION IN ENROLLMENT OF H.R. 2409

Mr. DOLE. Mr. President, I send a concurrent resolution to the desk on behalf of Senator HATCH and ask for its immediate consideration. It corrects the enrollment of H.R. 2409.

The PRESIDING OFFICER. The concurrent resolution will be stated by title.

The assistant legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 79) correcting the enrollment of H.R. 2409.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution was considered and agreed to, as follows:

S. CON. RES. 79

Resolved by the Senate (the House of Representatives concurring), That in the enrollment of the bill (H.R. 2409) to amend the Public Health Service Act to revise and extend the authorities under that Act relating to the National Institutes of Health and National Research Institutes, and for other purposes, the Clerk of the House of Representatives shall make the following corrections:

(1) In the proposed section 406(a)(3)(B), strike out "disease" and insert in lieu thereof "diseases"

(2) In the proposed section 408(a)(2)(B), strike out "$90,000 for fiscal year 1987, and $98,000" and insert in lieu thereof "$90,000,000 for fiscal year 1987, and $98,000,000".

(3) In the proposed section 436(b)(2), insert a comma after "rehabilitation".

(4) Redesignate the proposed section entitled "Studies Respecting Biomedical and Behavioral Research Personnel" as section 489.

(5) In the proposed section 495(c), insert "of" after "date of enactment".

(6) In the proposed section 497, strike out "or national" and insert in lieu thereof "or a national".

(7) In the proposed section 442(f), strike out "Advi-sory" and insert in lieu thereof "Advisory".

(8) In the proposed section 487(c)(4)(A), strike out "$A=\Phi(t-s/t)$" and insert in lieu thereof

$$"A \Phi\left(\frac{t}{t}-\frac{s}{t}\right)"$$

MESSAGE FROM THE HOUSE RECEIVED DURING THE ADJOURNMENT

ENROLLED JOINT RESOLUTION SIGNED

Under the authority of the order of the Senate of January 3, 1985, the Secretary of the Senate, on October 11, 1985, during the adjournment of the Senate, received a message from the House of Representatives announcing that the Speaker had signed the following enrolled joint resolution:

S.J. Res. 72. Joint resolution to designate October 16, 1985, as "World Food Day."

The enrolled joint resolution was signed on today, October 15, 1985, by the President pro tempore (Mr. THURMOND).

MESSAGES FROM THE HOUSE

At 12:23 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House disagrees to the amendments of the Senate to the joint resolution (H.J. Res. 372) increasing the statutory limit on the public debt; it asks a conference with the Senate on the disagreeing votes of the two Houses thereon, and appoints the following as managers of the conference on the part of the House:

From the Committee on Ways and Means: Mr. Rostenkowski, Mr. Gibbons, Mr. Pickle, Mr. Rangel, Mr. Stark, Mr. Jones of Oklahoma, Mr. Jenkins, Mr. Gephardt, Mr. Russo, Mr. Duncan, Mr. Archer, Mr. Vander Jagt, Mr. Crane, and Mr. Frenzel.

From the Committee on Appropriations: Mr. Whitten, Mr. Boland, Mr. Natcher, Mr. Smith of Iowa, Mr. Pursell, and Mr. Loeffler.

From the Committee on Rules: Mr. Pepper, Mr. Moakley, Mr. Derrick, Mr. Beilenson, Mr. Frost, Mr. Latta, and Mr. Lott.

From the Committee on Government Operations: Mr. Brooks, Mr. Fuqua, Mr. Waxman, Mr. Synar, Mr. Horton, and Mr. Kindness,

From the Committee on the Budget: Mr. Gray of Pennsylvania, Mr. Downey of New York, Mr. Miller of California, Mr. Leath of Texas, Mr. Kemp, and Mr. Gradison.

Appointed as additional conferees: Mr. Foley, Mr. Obey, Ms. Oakar, Mr. Panetta, Mr. Fazio, Mr. Michel, Mr. Cheney, Mrs. Martin of Illinois, and Mr. Mack.

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 1562. An act to achieve the objectives of the Multi-Fiber Arrangement and to promote the economic recovery of the U.S. textile and apparel industry and its workers.

MEASURE READ THE FIRST TIME

The following bill was read the first time:

H.R. 1562. An act to achieve the objectives of the Multi-Fiber Arrangement and to promote the economic recovery of the United States textile and apparel industry and its workers.

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, October 15, 1985, she had presented to the President of the United States the following enrolled joint resolution:

S.J. Res. 72. Joint resolution to designate October 16, 1985, as "World Food Day".

REPORTS OF COMMITTEES SUBMITTED DURING THE ADJOURNMENT

Under the authority of the order of the Senate of October 10, 1985, the following reports of committees were submitted on October 11, 1985, during the adjournment of the Senate:

By Mr. HATCH, from the committee of conference:

Report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2409) to amend the Public Health Service Act to revise and extend the authorities under that Act relating to the National Institutes of Health and National Research Institutes, and for other purposes (Rept. No. 99-157).

FOREIGN CURRENCY REPORTS

In accordance with the appropriate provisions of law, the Secretary of the Senate herewith submits the following report(s) of standing committees of the Senate, certain joint committees of the Congress, delegations and groups, and select and special committees of the Senate, relating to expenses incurred in the performance of authorized foreign travel:

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON APPROPRIATIONS, FOR TRAVEL FROM APRIL 1 TO JUNE 30, 1985

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Dwight Dyer:									
Belgium	Franc	20,111	324.00					20,111	324.00
France	Franc	5,593	595.00					5,593	595.00
Switzerland	Franc	282.80	109.00					282.80	109.00
Richard Ladd:									
United States	Dollar				1,323.64				1,323.64
Germany	Dollar		66.00						66.00
England	Dollar		106.00		7.00				113.00
Total			1,200.00		1,330.64				2,530.64

MARK HATFIELD,
Chairman, Committee on Appropriations, July 15, 1985.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON APPROPRIATIONS, AS AMENDED, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1984

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
J. Keith Kennedy:									
Japan	Yen	56,810	230.00					56,810	230.00
People's Republic of China	Yuan	2,813.74	1,011.01	2,979.92	1,070.72			5,793.66	2,081.73
Hong Kong	Dollar	1,857.60	238.00					1,857.60	238.00
United States	Dollar				4,153.00				4,153.00
Richard Spees:									
Japan	Yen	56,810	230.00					56,810	230.00
People's Republic of China	Yuan	2,813.74	1,011.01	2,979.92	1,070.72			5,793.66	2,081.73
Hong Kong	Dollar	3,715.20	476.00					3,715.20	476.00
United States	Dollar				4,153.00				4,153.00
Total			3,196.02		10,447.44				13,643.46

MARK HATFIELD,
Chairman, Committee on Appropriations, May 7, 1985.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, PUB. L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON ARMED SERVICES, FOR TRAVEL FROM JAN. 1 TO MAR. 31, 1985

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator William S. Cohen:									
Germany	Deutsche mark	251.16	78.00					251.16	78.00
Senator Gary Hart:									
Germany	Deutsche mark	483	150.00					483	150.00
Judith Freedman:									
Germany	Deutsche mark	483	150.00					483	150.00
Cynthia Waters:									
Germany	Deutsche mark	483	150.00					483	150.00
James Dykstra:									
Germany	Deutsche mark	483	150.00					483	150.00
James Steinberg:									
Switzerland	Deutsche mark	217.50	75.00					217.50	75.00
James Smith:									
Taiwan	Dollar	14,416	170.00					14,416	170.00
Korea	Won	167,000	200.00					167,000	200.00
Senator Jeff Bingaman:									
Japan	Yen	58,650	230.00					58,650	230.00
South Korea	Won	68,000	81.93					68,000	81.93
Edward McGaffigan:									
Japan	Yen	205,275	805.00					205,275	805.00
South Korea	Won	83,000	100.00					83,000	100.00
Arnold Punaro:									
Belgium	Franc	10,193	150.00					10,193	150.00
Total			2,489.93						2,489.93

BARRY GOLDWATER,
Chairman, Committee on Armed Services.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS, FOR TRAVEL FROM APR. 1 TO JUNE 30, 1985

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Patrick A. Mulloy:									
Thailand	Baht	6,635	241.00					6,635	241.00
United States	Dollar				2,883.00				2,883.00
Hong Kong	Dollar		119.00						119.00
W. Lamar Smith:									
Thailand	Baht	6,635	241.00					6,635	241.00
United States	Dollar				2,334.28				2,334.28
Steven B. Harris:									
Thailand	Baht	6,635	241.00						241.00
United States	Dollar				2,883.00				2,883.00
Hong Kong	Dollar		119.00						119.00
Total			961.00		8,100.28				9,061.28

JAKE GARN,
Chairman, Committee on Banking, Housing and Urban Affairs, June 28, 1985.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION, FOR TRAVEL FROM APR. 1 TO JUNE 30, 1985

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Thomas W. Cohen:									
England	Pound	399.21	504.00	48.92	61.76			448.13	565.76
United States	Dollar				932.02				932.02
Ralph B. Everett:									
England	Pound	209.70	268.00			25.27	32.30	234.97	300.30
United States	Dollar				596.00				596.00
Bradley D. Gilman:									
Japan	Yen	120,000	480.00					120,000	480.00
United States	Dollar				2,375.00				2,375.00
W. Allen Moore:									
England	Pound	271.68	343.00					271.68	343.00
United States	Dollar				709.00				709.00
Kathy L. Meier:									
England	Pound	188.18	237.57	83.50	105.42			271.68	342.99
United States	Dollar				1,371.00				1,371.00
Total			1,832.57		6,150.20		32.30		8,015.07

JOHN C. DANFORTH,
Chairman, Committee on Commerce, Science, and Transportation, Sept. 12, 1985

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON FINANCE, FOR TRAVEL FROM APR. 1, TO JUNE 30, 1985

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Lloyd Bentsen:									
France	Franc	4,042	430.00					4,042	430.00
Total			430.00						430.00

BOB PACKWOOD,
Chairman, Committee on Finance, June 21, 1985.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON FOREIGN RELATIONS, FOR TRAVEL FROM APR. 1 TO JUNE 30, 1985

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator John F. Kerry:									
Philippines	Peso	7,404	400.00					7,404	400.00
Great Britain	Pound	173.74	210.00					173.74	210.00
United States	Dollar				5,019.72				5,019.72
Claude Allen:									
England	Pound	86	105.00					86	105.00
South Africa	Rand	1,176	600.00					1,176	600.00
United States	Dollar				2,605.00				2,605.00
Geryld Christianson:									
Germany	Deutsche mark	1,181.40	383.06					1,181.40	383.06
Phil Christenson:									
England	Pound	86	105.00					86	105.00
South Africa	Rand	1,176	600.00					1,176	600.00
United States	Dollar				2,605.00				2,605.00
Richard McCall:									
Philippines	Peso	7,404	400.00					7,404	400.00
Great Britain	Pound	173.74	210.00					173.74	210.00
United States	Dollar				5,019.72				5,019.72
Gareth Porter:									
Philippines	Peso	7,404	400.00					7,404	400.00
United States	Dollar				2,853.00				2,853.00
Nancy Stetson:									
South Africa	Rand	1,176	600.00					1,176	600.00
United States	Dollar				2,704.00				2,704.00
John B. Ritch III:									
Federal Republic of Germany	Deutsche mark	1,400	450.00					1,400	450.00
Total			4,463.06		20,806.44				25,269.50

DICK LUGAR,
Chairman, Committee on Foreign Relations, Aug. 22, 1985.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(B), COMMITTEE ON FOREIGN RELATIONS, FOR TRAVEL FROM APR. 1 TO JUNE 30, 1985

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Richard G. Lugar:									
Israel	Dollar		300.00		417.60				717.60
Jordan	Dinar	34.255	85.00					34.255	85.00
Egypt	Dollar		220.00						220.00
Morocco	Dirham	789.83	85.00					789.83	85.00
M. Graeme Bannerman:									
Israel	Dollar		300.00		417.60				717.60
Jordan	Dinar	34.255	85.00					34.255	85.00
Egypt	Dollar		220.00						220.00
Morocco	Dirham	789.83	85.00					789.83	85.00
Jeffery T. Bergner:									
Israel	Dollar		300.00		417.60				717.60
Jordan	Dinar	34.255	85.00					34.255	85.00
Egypt	Dollar		220.00						220.00
Morocco	Dirham	789.83	85.00					789.83	85.00
Mark Helmke:									
Israel	Dollar		300.00		417.60				717.60
Jordan	Dinar	34.255	85.00					34.255	85.00
Egypt	Dollar		220.00						220.00
Morocco	Dirham	789.83	85.00					789.83	85.00
Total			2,760.00		1,670.40				4,430.40

Note.—Delegation expenses include direct payments and reimbursements to the State Department and to the Defense Department under authority of sec. 502(b) of the Mutual Security Act of 1954, as amended by sec. 22 of P.L. 95-384, and S. Res. 179, agreed to May 25, 1977.

DICK LUGAR,
Chairman, Committee on Foreign Relations, Aug. 22, 1985.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON GOVERNMENTAL AFFAIRS, FOR TRAVEL FROM JAN. 1, TO MAR. 31, 1985

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator William V. Roth:									
Japan	Yen	146,050	575.00					146,050	575.00
William L. Scully:									
Japan	Yen	321,310	1,265.00		2,089.00			321,310	3,354.00
Total			1,840.00		2,089.00				3,929.00

WILLIAM V. ROTH, JR.,
Chairman, Committee on Governmental Affairs, July 1, 1985.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON THE JUDICIARY, FOR TRAVEL FROM APR. 1 TO JUNE 30, 1985

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Joel S. Lisker:									
Switzerland	Franc	799.20	300.00	2,134	778.48			2,933.20	1,078.48
United States	Dollar				981.00				981.00
Alice Milder:									
Canada	Dollar	158.13	115.00					158.13	115.00
United States	Dollar				610.50				610.50
Senator Alan K. Simpson:									
Philippines	Peso	2,961.60	160.00					2,961.60	160.00
Thailand	Baht	11,500	415.00					11,500	415.00
Hong Kong	Dollar	1,849.25	238.00					1,849.25	238.00
United States	Dollar				1,153.00				1,153.00
Richard W. Day:									
Philippines	Peso	2,961.60	160.00					2,961.60	160.00
Thailand	Baht	11,500	415.00					11,500	415.00
Hong Kong	Dollar	1,849.25	238.00					1,849.25	238.00
United States	Dollar				1,153.00				1,153.00
Total			2,041.00		4,675.98				6,716.98

STROM THURMOND,
Chairman, Committee on the Judiciary, July 2, 1985.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON THE JUDICIARY, FOR TRAVEL FROM JAN. 1 TO MAR. 31, 1985

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Edward Kennedy:									
United States	Dollar				4,609.00				4,609.00
Ethiopia	Birr	1,974	935.00	2,050	1,000.00			4,024	1,935.00
Sudan	Dollar		672.00		1,070.00				1,742.00
England	Pound	74.32	89.00					74.32	89.00
Jerry M. Tinker:									
United States	Dollar				4,609.00				4,609.00
England	Pound	74.32	89.00					74.32	89.00
Ethiopia	Birr	1,974	935.00	2,050	1,000.00			4,024	1,935.00
Sudan	Dollar		672.00		1,065.00				1,737.00
Switzerland	Franc	388.45	150.00					388.45	150.00
Switzerland	Franc	582	225.00					582	225.00
France	Franc	2,531.34	246.00					2,531.34	246.00
United States	Dollar				2,287.00				2,287.00
Total			4,013.00		15,640.00				19,653.00

STROM THURMOND,
Chairman, Committee on the Judiciary, Apr. 2, 1985.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON LABOR AND HUMAN RESOURCES, FOR TRAVEL FROM APR 1 TO JUNE 30, 1985

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
James M. Stephens:									
Switzerland	Franc	1,972.95	760.00					1,972.95	760.00
United States	Dollar				1,481.43				1,481.43
Kevin S. McGuiness:									
Switzerland	Franc	1,188.34	496.00					1,188.34	496.00

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON LABOR AND HUMAN RESOURCES, FOR TRAVEL FROM APR 1 TO JUNE 30, 1985—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
United States	Dollar				1,481.43				1,481.43
Total			1,256.00		2,962.86				4,218.86

ORRIN G. HATCH,
Chairman, Committee on Labor and Human Resources, Aug. 6, 1985.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), JOINT ECONOMIC COMMITTEE , FOR TRAVEL FROM APR. 1 TO JUNE 30, 1985

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Richard Kaufman:									
United States	Dollar				1,095.00		28.00		1,123.00
England	Pound	401.30	494.00					401.30	494.00
Sandra Masur:									
Greece	Drachma	10,145	75.00					10,145	75.00
Egypt	Pound		174.00						174.00
Michael Marek:									
Greece	Drachma		75.00						75.00
Egypt	Pound		174.00						174.00
Jordan			85.00						85.00
Syria			97.00						97.00
Israel			266.00						266.00
England	Pound		105.00						105.00
Ruth Kurtz:									
Hong Kong	Dollar	4,611.25	595.00						595.00
Total			2,140.00		1,095.00		28.00		3,263.00

DAVID R. OBEY,
Chairman, Joint Economic Committee, July 1, 1985.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON RULES AND ADMINISTRATION, FOR TRAVEL FROM JAN. 30 TO FEB. 10, 1985

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Charles McC. Mathias, Jr.:									
United States	Dollar				2,601.00				2,601.00
Russia	Dollar		270.00						270.00
England	Sterling	147.28	164.95						164.95
Margaret S. Nalle:									
United Kingdom	Sterling	209.2	122.00					209.2	122.00
Russia	Dollar		470.00						470.00
United Kingdom	Sterling	207.6	232.00					207.6	232.00
United States	Dollar				2,601.00				2,601.00
Total			1,258.95		5,202.00				6,460.95

CHARLES McC. MATHIAS,
Chairman, Committee on Rules and Administration, Apr. 22, 1985.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22. P.L. 95-384—22 U.S.C. 1754(b), COMMISSION ON SECURITY AND COOPERATION IN EUROPE, FOR TRAVEL FROM APRIL 1 TO JUNE 30, 1985

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Michael Hathaway:									
Canada	Dollar	1,261.91	920.00		1,150.15			1,261.91	2,070.15
Samuel Wise:									
Canada	Dollar	3,467.53	2,530.00		776.25			3,467.53	3,306.25
Orest Deychakiwsky:									
Canada	Dollar	4,111.18	2,990.00		517.50			4,111.18	3,507.50
Senator Alphonse D'Amato:									
Canada	Dollar	158.13	115.00		610.50			158.13	725.50
Senator James McClure:									
Canada	Dollar	158.13	115.00		610.50			158.13	725.50
Representative Steny Hoyer:									
Canada	Dollar	158.13	115.00		610.50			158.13	725.50
Representative John E. Porter:									
Canada	Dollar	158.13	115.00		610.50			158.13	725.50

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22. P.L. 95-384—22 U.S.C. 1754(b), COMMISSION ON SECURITY AND COOPERATION IN EUROPE, FOR TRAVEL FROM APRIL 1 TO JUNE 30, 1985—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
John Finerty:									
Canada	Dollar	158.13	115.00		610.50			158.13	725.50
Mary Sue Hafner:									
Canada	Dollar	158.13	115.00		610.50			158.13	725.50
Catherine Cosman:									
Canada	Dollar	3,627.71	2,645.00		416.10			3,627.71	3,061.10
Robert Hand:									
Canada	Dollar	4,765.16	3,450.00		258.75			4,765.16	3,708.75
James McDonald:									
Canada	Dollar	2,043	1,495.00		258.75			2,043.00	1,753.75
Lynee Davidson:									
Canada	Dollar	1,736.28	1,260.00		258.75			1,736.28	1,518.75
John Finerty:									
Sweden	Krona	30,612.40	3,429.00		1,760.00			30,612.40	5,189.00
Total			19,409.00		9,059.25				28,468.25

ALFONSE D'AMATO,
Chairman, Commission on Security and Cooperation in Europe, July 11, 1985.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE MAJORITY LEADER, FOR TRAVEL FROM APR. 1 TO JUNE 30, 1985

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Ted Stevens:									
Switzerland	Franc	416.34	162.00					416.34	162.00
United States	Dollar				1,921.00				1,921.00
Alan Safran:									
Switzerland	Franc	423.00	165.00					423.00	165.00
United States	Dollar				1,651.00				1,651.00
William Phillips:									
Hong Kong	Dollar	1,849.25	238.00					1,849.25	238.00
Japan	Yen	53,212	212.00	66,690	264.09			119,902	476.09
Korea	Won	255,390	300.00					255,390	300.00
Yvonne L. Hopkins:									
Greece	Drachma	14,472	134.00					14,472	134.00
Turkey	Lira	56,872	108.00					56,872	108.00
Pakistan	Rupee	1,853.30	117.00					1,853.30	117.00
India	Rupee	2,851.10	227.00					2,851.10	227.00
Thailand	Baht	5,922.75	216.00					5,922.75	216.00
Senator Warren B. Rudman:									
Switzerland	Franc	565.60	218.00					565.60	218.00
United States	Dollar				1,411.40				1,411.40
Total			2,097.00		5,247.49				7,344.49

ROBERT DOLE,
Majority Leader.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE MINORITY LEADER, FOR TRAVEL FROM APR 1, TO JUNE 30, 1985

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Cecilia Swensen:									
Canada	Dollar	158.13	115.00					158.13	115.00
Total			115.00						115.00

ROBERT C. BYRD,
Democratic Leader.

CONSOLIDATED REPORT, AS AMENDED, OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22 P.L. 95-384—22 U.S.C. 1754(b); FOR TRAVEL AUTHORIZED BY THE MINORITY LEADER, FOR TRAVEL FROM JAN. 1 TO MAR 31, 1985

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Gary Hart:									
United Kingdom	Pound	312.28	356.00					312.28	356.00
France	Franc	774	86.00					774	86.00

CONSOLIDATED REPORT, AS AMENDED, OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22 P.L. 95–384—22 U.S.C. 1754(b); FOR TRAVEL AUTHORIZED BY THE MINORITY LEADER, FOR TRAVEL FROM JAN. 1 TO MAR 31, 1985—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Switzerland	Franc	401.10	150.00	334.48	127.18			735.58	277.18
Russia	Dollar		188.00						188.00
United States	Dollar				2,599.00				2,599.00
Douglas B. Wilson:									
United Kingdom	Pound	312.28	356.00					312.28	356.00
France	Franc	774	86.00					774	86.00
Switzerland	Franc	401.10	150.00	334.48	127.18			735.58	277.18
Russia	Dollar		188.00						188.00
United States	Dollar				2,599.00				2,599.00
Janne Nolan:									
United Kingdom	Pound	312.28	356.00					312.28	356.00
France	Franc	774	86.00					774	86.00
Switzerland	Franc	401.10	150.00	334.48	127.18			735.58	277.18
Russia	Dollar		188.00						188.00
United States	Dollar				2,599.00				2,599.00
Total			2,340.00		8,178.54				10,518.54

ROBERT C. BYRD,
Democratic Leader, May 8, 1985.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384–22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE MAJORITY LEADER, FOR TRAVEL APR. 5–13, 1985

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Robert J. Dole:									
England	Pound	307.05	374.91					307.05	374.91
France	Franc	1,962	204.37					1,962	204.37
Italy	Lira	697,198	347.21					697,198	347.21
Senator Strom Thurmond:									
England	Pound	339.07	414.00					339.07	414.00
France	Franc	2,009.5	209.33					2,009.5	209.33
Italy	Lira	261,381	130.17					261,381	130.17
Senator James McClure:									
England	Pound	339.07	414.00					339.07	414.00
France	Franc	2,208	230.00					2,208	230.00
Italy	Lira	753,000	375.00					753,000	375.00
Senator Paul Laxalt:									
England	Pound	325.14	397.00					325.14	397.00
France	France	2,208	230.00					2,208	230.00
Italy	Lira	726,896	362.00					726,896	362.00
Senator Thad Cochran:									
England	Pound	339.07	414.00					339.07	414.00
France	Franc	2,208	230.00					2,208	230.00
Italy	Lira	753,000	375.00					753,000	375.00
Senator Larry Pressler:									
England	Pound	339.07	414.00					339.07	414.00
France	Franc	2,208	230.00					2,208	230.00
Italy	Lira	753,000	375.00					753,000	375.00
Jo-Anne L. Coe:									
England	Pound	170	207.00					170	207.00
France	Franc	2,208	230.00					2,208	230.00
Italy	Lira	753,000	375.00					753,000	375.00
Howard O. Greene, Jr.:									
England	Pound	339.07	414.00					339.07	414.00
France	Franc	2,208	230.00					2,208	230.00
Italy	Lira	753,000	375.00					753,000	375.00
Elizabeth Baldwin:									
England	Pound	339.07	414.00					339.07	414.00
France	Franc	2,208	230.00					2,208	230.00
Italy	Lira	753,000	375.00					753,000	375.00
Shelia Burke:									
England	Pound	339.07	414.00					339.07	414.00
France	Franc	2,208	230.00					2,208	230.00
Italy	Lira	753,000	375.00					753,000	375.00
Dean Burridge:									
England	Pound	339.07	414.00					339.07	414.00
France	Franc	2,208	230.00					2,208	230.00
Italy	Lira	753,000	375.00					753,000	375.00
Robert B. Dove:									
England	Pound	339.07	414.00					339.07	414.00
France	Franc	2,208	230.00					2,208	230.00
Italy	Lira	753,000	375.00					753,000	375.00
Al Lehn:									
England	Pound	339.07	414.00					339.07	414.00
France	Franc	2,208	230.00					2,208	230.00
Italy	Lira	753,000	375.00					753,000	375.00
Betty Meyer:									
England	Pound	339.07	414.00					339.07	414.00
France	Franc	2,208	230.00					2,208	230.00
Italy	Lira	753,000	375.00					753,000	375.00
Jan Novins:									
England	Pound	339.07	414.00					339.07	414.00
France	Franc	2,208	230.00					2,208	230.00
Italy	Lira	753,000	375.00					753,000	375.00
Alan Porter:									
England	Pound	339.07	414.00					339.07	414.00
France	Franc	2,208	230.00					2,208	230.00
Italy	Lira	753,000	375.00					753,000	375.00

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384–22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE MAJORITY LEADER, FOR TRAVEL APR. 5–13, 1985—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Walt Riker:									
England	Pound	339.07	414.00					339.07	414.00
France	Franc	2,208	230.00					2,208	230.00
Italy	Lira	753,000	375.00					753,000	375.00
Linda White:									
England	Pound	339.07	414.00					339.07	414.00
France	Franc	2,208	230.00					2,208	230.00
Italy	Lira	753,000	375.00					753,000	375.00
Delegation expenses:[1]									
England							4,778.94		4,778.94
France							2,239.46		2,239.46
Germany							229.31		229.31
Italy							6,048.51		6,048.51
Total			17,746.99				13,296.22		31,043.21

[1] Delegation expenses include direct payments and reimbursements to the State Department and to the Defense Department under authority of sec. 502(b) of the Mutual Security Act of 1954, as amended by sec. 22 of P.L. 95–384, and S. Res. 179, agreed to May 25, 1977.

ROBERT J. DOLE,
Majority Leader, June 28, 1985.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), ARMS CONTROL OBSERVER GROUP, FOR TRAVEL AUTHORIZED BY THE MAJORITY AND THE MINORITY LEADERS, MAR. 9–15, 1985

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Robert J. Dole:									
Switzerland	Franc	928	320.00					928	320.00
Senator Ted Stevens:									
Switzerland	Franc	1,879.20	648.00	1,812	624.83			3,691.20	1,272.83
Senator Richard Lugar:									
Switzerland	Franc	1,252.80	432.00					1,252.80	432.00
Senator John Warner:									
Switzerland	Franc	962.80	332.00					962.80	332.00
Senator Don Nickles:									
Switzerland	Franc	1,252.80	432.00					1,252.80	432.00
Senator Robert C. Byrd:									
Switzerland	Franc	890.30	307.00					890.30	307.00
Senator Claiborne Pell:									
Switzerland	Franc	1,152.80	397.52					1,152.80	397.52
Senator Sam Nunn:									
Switzerland	Franc	1,085.70	374.38	1,812	624.83			2,897.70	999.21
Senator Edward Kennedy:									
Switzerland	Franc	1,566	540.00					1,566	540.00
Senator Albert Gore:									
Switzerland	Franc	1,879.20	648.00	1,812	624.83			3,691.20	1,272.83
Jo-Anne L. Coe:									
Switzerland	Franc	1,252.80	432.00					1,252.80	432.00
Howard O. Greene, Jr.:									
Switzerland	Franc	1,252.80	432.00					1,252.80	432.00
David Pratt:									
Switzerland	Franc	1,252.80	432.00					1,252.80	432.00
George W. Ashworth:									
Switzerland	Franc	1,252.80	432.00					1,252.80	432.00
Robert Bell:									
Switzerland	Franc	1,879.20	648.00	1,812	624.83			3,691.20	1,272.83
Wally Burnett:									
Switzerland	Franc	1,879.20	648.00	1,812	624.83			3,691.20	1,272.83
C. Richard D'Amato:									
Switzerland	Franc	1,252.80	432.00					1,252.80	432.00
Roderick DeArment:									
Switzerland	Franc	1,252.80	432.00					1,252.80	432.00
Al Lehn:									
Switzerland	Franc	1,252.80	432.00					1,252.80	432.00
Elizabeth A. Meyer:									
Switzerland	Franc	1,252.80	432.00					1,252.80	432.00
George F. Murphy, Jr.:									
Switzerland	Franc	1,252.80	432.00					1,252.80	432.00
Kenneth Myers:									
Switzerland	Franc	1,252.80	432.00					1,252.80	432.00
Jan Novins:									
Switzerland	Franc	1,252.80	432.00					1,252.80	432.00
Alan Porter:									
Switzerland	Franc	1,252.80	432.00					1,252.80	432.00
Delegation expenses: [1]									
Switzerland							15,048.95		15,048.95
Total			10,910.90		3,124.15		15,048.95		29,084.00

[1] Delegation expenses include direct payments and reimbursements to the Department of State and to the Department of Defense under authority of sec. 502(b) of the Mutual Security Act of 1954, as amended by sec. 22 of P.L. 95-384, and S. Res. 179, agreed to May 25, 1977.

ROBERT J. DOLE,
Majority Leader, Sept. 16, 1985

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. TRIBLE:

S. 1764. A bill to require emergency position indicating radio beacons on uninspected United States fishing, fish processing and fish tender vessels; to the Committee on Commerce, Science, and Transportation.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (for acted upon), as indicated:

By Mr. DOLE (for Mr. HATCH):

S. Con. Res. 79. Concurrent resolution correcting the enrollment of H.R. 2409; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. TRIBLE:

S. 1764. A bill to require emergency position indicating radio beacons on uninspected U.S. fishing, fish processing and fish tender vessels; to the Committee on Commerce, Science, and Transportation.

EMERGENCY RADIO BEACONS

● Mr. TRIBLE. Mr. President, I am pleased to introduce legislation to require emergency position indicating radio beacons [EPIRB's] on American fishing vessels.

EPIRB's are inexpensive homing devices, costing $300 to $500 apiece, which permit the Coast Guard to immediately locate a distressed vessel. When a vessel has capsized—or is in danger of doing so—in high seas or frigid weather, an EPIRB can literally mean the difference between life and death.

Let me give a real world example of the great need for EPIRB's. Late last year, the fishing vessel *Amazing Grace* sank off the Delaware coast. All seven crew members perished and the bodies were never recovered. The National Transportation Safety Board concluded:

> If the *Amazing Grace* had been equipped with an EPIRB, its sinking might have been detected earlier by a satellite or an airplane and the search effort concentrated in a much narrower area, increasing the likelihood of finding the location of the sinking vessel and possible survivors.

The Merchant Marine Subcommittee heard testimony this morning on the safety record of the fishing industry. Commercial fishing is one of the most dangerous occupations in America today, and solutions to the safety problems will require a concerted and determined effort by the industry, its insurers, the Coast Guard and the Congress. This EPIRB legislation is the first of many necessary steps to protect America's watermen from today's dangers.

I note that my colleague from Virginia, Congressman HERB BATEMAN, has introduced an identical bill in the House of Representatives, and the National Transportation Safety Board and Coast Guard have each endorsed this legislative concept. I ask unanimous consent that correspondence from each agency be included at this point in the RECORD, and I urge prompt action on this essential legislation.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

NATIONAL TRANSPORTATION SAFETY BOARD,
Washington, DC, June 26, 1985.

Adm. JAMES S. GRACEY,
Commandant,
U.S. Coast Guard,
Washington, DC.

DEAR ADMIRAL GRACEY: A 1984 study [1] by the U.S. Coast Guard indicates that an average of 185 U.S. fishing vessels and 43 lives were lost in accidents each year between 1970 and 1982. Many of these vessels sank before the crews could transmit a distress message, and the crews perished before rescue units were alerted. On November 14, 1984, the U.S. fishing vessel *Amazing Grace* sank about 80 nautical miles east of Delaware with seven people aboard. The Coast Guard was not notified for 24 hours because the crew either did not, or was unable to, transmit a distress message. The Coast Guard conducted a 16-day search for the vessel and crew without success. The search effort included U.S. Navy and Air Force aircraft and is estimated to have cost more than $12 million.

The Coast Guard requires that most commercial vessels except fishing vessels be equipped with emergency position indicating radio beacons (EPIRBs) which transmit on the frequencies of 121.5 and 243 MHZ. Commercial and private aircraft, and recently a satellite, monitor the 121.5 MHz frequency, and military aircraft monitor the 243 MHz frequency. If the *Amazing Grace* had been equipped with an EPIRB, its sinking might have been detected earlier by a satellite or an airplane and the search effort concentrated in a much narrower area, increasing the likelihood of finding the location of the sinking vessel and possible survivors.

On April 24, 1980, as a result of its investigation of the sinking of the fishing vessel M/V LOBSTA-1 [2] about 50 nautical miles southeast of Rhode Island, the Safety Board issued Safety Recommendation M-80-23 to the Coast Guard: "Seek authority to require the carriage of emergency position indicating radio beacons (EPIRB) on documented U.S. fishing vessels and, in the interim period pursue all available means to encourage their use."

On December 23, 1980, the Coast Guard replied that it did not intend to seek legislative authority to require current EPIRBs on fishing vessels, since a new satellite system could be ready before the 4- to 5-year period needed to obtain the enabling legislation and to adopt implementing regulations. In the response it was stated that the Coast Guard intends to seek legislative authority to require the satellite EPIRB system on U.S. vessels, including fishing vessels at some yet unspecified date when the satellite system becomes operational.

An international satellite system project, COSPAS-SARSAT, that began in 1982 is now in its demonstration and operational phase, with four polar orbiting satellites that monitor two frequencies, 121.5 and 406 MHz. According to available information, the system has provided alert and location data in 112 marine and aviation distress incidents worldwide, involving 333 persons and resulting in the rescue of 289 survivors. Among these distress incidents were 12 involving fishing vessels from which 67 persons were rescued. In each marine incident, rescuers were alerted to the vessel by an EPIRB from the vessel transmitting on the 121.5 MHz frequency. In each aviation incident, rescuers were alerted by an emergency locator transmitter (ELT), a device similar to an EPIRB, which transmits on the 121.5 MHz frequency and is carried onboard most aircraft.

Before the COSPAS-SARSAT system design is made final, the participating countries must decide which frequency is the best to use, determine the extent of system use beyond the marine and aviation modes, and adopt user identifications. Until these issues are resolved, which may take much longer than the current target date of 1990, U.S. fishing vessels should avail themselves of the safety offered by the existing satellite detection system which has been proven to successfully detect signals emitted by EPIRBs on the 121.5 MHz frequency.

In the 5 years since the Safety Board made Safety Recommendation M-80-23, about 1,000 fishing vessels and more than 200 lives have been lost in accidents. Although the Coast Guard has actively promoted EPIRBs on fishing vessels, most fishing vessels still do not carry them. The cost of providing the approximately 33,000 documented U.S. fishing vessels with EPIRBs is estimated at less than $10 million. The search for the *Amazing Grace* alone cost about $12 million. Because the date for implementation of a full satellite system is still indefinite, and many issues are yet to be resolved, the Safety Board believes there is no justification for the Coast Guard to delay establishing a requirement for EPIRBs on U.S. fishing vessels. The Safety Board believes that the Coast Guard should seek legislative authority immediately so that regulations requiring U.S. fishing vessels to be equipped with current EPIRBs can be promulgated without further delay. Safety Recommendation M-80-23 is being held in an "Open—Unacceptable Action" status pending further response from the Coast Guard.

Respectfully yours,

JIM BURNETT,
Chairman.

U.S. DEPARTMENT OF TRANSPORTATION,
U.S. COAST GUARD,
Washington DC, September 19, 1985.

Hon. JAMES E. BURNETT,
Chairman, National Transportation Safety Board, Washington, DC.

DEAR MR. CHAIRMAN: We have reviewed your letter dated June 26, 1985, concerning safety recommendation M-80-023 for the

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[1] T.E. Hart and F. Perrini, "Analyses of U.S. Commercial Fishing Vessel Losses, 1970-1982," May 5, 1984.

[2] Marine Accident Report—"Fishing Vessel M/V LOBSTA-1 Capsizing and Sinking in the Atlantic Ocean, Point Judith, Rhode Island, September 23, 1978" (NTSB-MAR-80-6).

carriage of emergency position indicating radio beacons (EPIRBs) on documented U.S. fishing vessels. This safety recommendation was issued as a result of the investigation of the sinking of the fishing vessel LOBSTA-1. The following is our response to the Board's further discussion of this safety recommendation.

RECOMMENDATION M-80-023

Seek authority to require the carriage of emergency position indicating radio beacons (EPIRB) on documented U.S. fishing vessels and, in the interim period, pursue all available means to encourage their use.

STATUS

This recommendation is concurred with. The Coast Guard will seek legislative authority to require EPIRBs on documented U.S. fishing vessels. In the intrim, the Coast Guard continues to stress the importance of carrying EPIRBs on fishing vessels. Coast Guard District Commanders are presently required to use any practicable means to encourage fishing vessels going more than twenty miles offshore to carry EPIRBs. The Coast Guard's position on this subject has recently been reiterated in Navigation and Vessel Inspection Circular (NVIC) 6-85, dated June 4, 1985. This NVIC (copy enclosed) establishes voluntary minimum standards for radio and shipboard navigation equipment on U.S. uninspected commercial fishing vessels.

Sincerely,

J.S. GRACEY,
Admiral U.S. Coast Guard
Commandant.●

ADDITIONAL COSPONSORS

S. 571

At the request of Mr. D'AMATO, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 571, a bill to amend subchapter II of chapter 53 of title 31, United States Code, relating to currency reports.

S. 1233

At the request of Mr. DOLE, the name of the Senator from Nevada [Mr. HECHT] was added as a cosponsor of S. 1233, a bill to amend the Animal Welfare Act to ensure the proper treatment of laboratory animals.

S. 1382

At the request of Mr. CHAFEE, the name of the Senator from Missouri [Mr. EAGLETON] was added as a cosponsor of S. 1382, a bill to amend the Securities Exchange Act of 1934 with respect to insider trading.

S. 1440

At the request of Mr. STEVENS, the name of the Senator from Minnesota [Mr. DURENBERGER] was added as a cosponsor of S. 1440, a bill to restrict smoking to designated areas in all U.S. Government buildings.

S. 1570

At the request of Mr. METZENBAUM, his name, and the names of the Senator from Massachusetts [Mr. KENNEDY], the Senator from Hawaii [Mr. MATSUNAGA], the Senator from Rhode Island [Mr. PELL], the Senator from Connecticut [Mr. DODD], the Senator from Massachusetts [Mr. KERRY], the Senator from Illinois [Mr. SIMON] and the Senator from Connecticut [Mr. WEICKER] were added as cosponsors of S. 1570, A bill to amend the Fair Labor Standards Act of 1938 to exclude the employees of States and political subdivisions of States from the provisions of that act relating to maximum hours, to clarify the application of that act to volunteers, and for other purposes.

S. 1629

At the request of Mr. GRASSLEY, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 1629, a bill to amend the Tariff Act of 1930 to treat certain agricultural products as like products for purposes of antidumping and countervailing duty investigations.

SENATE JOINT RESOLUTION 122

At the request of Mr. DURENBERGER, the names of the Senator from Maryland [Mr. SARBANES], and the Senator from Utah [Mr. HATCH] were added as cosponsors of Senate Joint Resolution 122, a joint resolution to authorize the President to proclaim the last Friday of April each year as "National Arbor Day."

SENATE JOINT RESOLUTION 188

At the request of Mrs. KASSEBAUM, the names of the Senator from Alabama [Mr. HEFLIN], the Senator from Iowa [Mr. GRASSLEY], and the Senator from Tennessee [Mr. GORE] were added as cosponsors of Senate Joint Resolution 188, a joint resolution to designate July 6, 1986, as "National Air Traffic Control Day."

SENATE JOINT RESOLUTION 195

At the request of Mr. KASTEN, the names of the Senator from South Carolina [Mr. HOLLINGS], the Senator from Arkansas [Mr. PRYOR], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Rhode Island [Mr. CHAFEE], and the Senator from Hawaii [Mr. MATSUNAGA] were added as cosponsors of Senate Joint Resolution 195, a joint resolution to designate the week of October 20, 1985, through October 26, 1985, as "National Temporary Services Week."

SENATE CONCURRENT RESOLUTION 60

At the request of Mr. DANFORTH, the name of the Senator from West Virginia [Mr. ROCKEFELLER] was added as a cosponsor of Senate Concurrent Resolution 60, a concurrent resolution to strengthen support for the national investment in research and advanced education capabilities.

SENATE CONCURRENT RESOLUTION 79—CORRECTING THE ENROLLMENT OF H.R. 2409

Mr. DOLE (for Mr. HATCH) submitted the following concurrent resolution; which was considered and agreed to:

S. CON. RES. 79

Resolved by the Senate (the House of Representatives concurring), That in the enrollment of the bill (H.R. 2409) to amend the Public Health Service Act to revise and extend the authorities under that Act relating to the National Institutes of Health and National Research Institutes, and for other purposes, the Clerk of the House of Representatives shall make the following corrections:

(1) In the proposed section 406(a)(3)(B), strike out "disease" and insert in lieu thereof "diseases".

(2) In the proposed section 408(a)(2)(B), strike out "90,000 for fiscal year 1987, and $98,000" and insert in lieu thereof "$90,000,000 for fiscal year 1987, and $98,000,000".

(3) In the proposed section 436(b)(2), insert a comma after "rehabilitation".

(4) Redesignate the proposed section entitled "Studies Respecting Biomedical and Behavioral Research Personnel" as section 489.

(5) In the proposed section 495(c), insert "of" after "date of enactment".

(6) In the proposed section 497, strike out "or national" and insert in lieu thereof "or a national".

(7) In the proposed section 442(f), strike out "Advi-sory" and insert in lieu thereof "Advisory".

(8) In the proposed section 487(c)(4)(A), strike out "$A=\Phi(t-s/t)$" and insert in lieu thereof

"$A = \Phi\left(\frac{t-s}{t}\right)$"

AMENDMENTS SUBMITTED

DEPARTMENT OF AGRICULTURE, RURAL DEVELOPMENT, AND RELATED AGENCIES APPROPRIATIONS, 1986

METZENBAUM AMENDMENT NO. 775

Mr. METZENBAUM proposed an amendment to the bill (H.R. 3037) making appropriations for Agriculture, Rural Development, and Related Agencies for the fiscal year ending September 30, 1986, and for other purposes; as follows:

On page 57, line 10, strike out "$394,044,000" and insert in lieu thereof "$396,244,000, of which $4,000,000 shall be available for grants and contracts under section 5 of the Orphan Drug Act".

DIXON-SIMON AMENDMENT NO. 776

Mr. DIXON (for himself and Mr. SIMON) submitted an amendment intended to be proposed by them to the bill H.R. 3037, supra; as follows:

On page 11, line 26, strike out "$3,350,000" and insert in lieu thereof "$6,650,000, of which not less than $3,000,000 shall be used for the planning, design, and development of a plant and animal sciences research center of the University of Illinois located in Champaign-Urbana, Illinois".

EXON (AND OTHERS) AMENDMENT NO. 777

Mr. EXON (for himself, Mr. DOLE, Mr. ZORINSKY, Mr. DURENBERGER, Mr. BOSCHWITZ, Mr. COHEN, and Mr. MITCHELL) proposed an amendment to the bill H.R. 3037, supra, as follows:

At the appropriate place in the bill insert the following:

SEC. . Section 221 of the Biomass Energy and Alcohol Fuels Act of 1980 (Public Law 96-294; 42 U.S.C. 8821) is amended by—

(1) striking out "September 30, 1984" and inserting in lieu thereof "June 30, 1986"; and

(2) adding at the end thereof the following: "The Secretary may modify the terms and conditions of any conditional commitment for a loan guarantee under this subtitle made before October 1, 1984, including the amount of the loan guarantee. Enactment of this Section shall not be interpreted as indicating Congressional approval with respect to any pending conditional commitments under this Act."

NOTICES OF HEARINGS

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. ANDREWS. Mr. President, I would like to announce for the information of the public that the Select Committee on Indian Affairs will be holding the following hearings:

On October 23, 1985, beginning at 10 a.m., in 562 Dirksen Senate Office Building, on S. 1684, a bill to declare that the United States holds certain Chilocco Indian School lands in trust for the Kaw, Otoe-Missouria, Pawnee, Ponca, and Tonkawa Indian Tribes of Oklahoma; S. 1724, a bill to authorize the Cherokee Nation of Oklahoma to design and construct hydroelectric power facilities at W.D. Mayo Lock and Dam; and, S. 1728, a bill to authorize the Cherokee Nation of Oklahoma to lease certain lands held in trust for up to 99 years, and for other purposes. Those wishing additional information on these bills should contact Peter Taylor, staff director, John Vance, staff attorney, of Michael Mahsetky, staff attorney, of the committee, at 224-2251.

On October 25, 1985, a field hearing, commencing at 9:30 a.m., at the Federal Building, Courtroom No. 3, 701 C Street, Anchorage, AK, on S. 1298, a bill to coordinate and expand services for the prevention, identification, and treatment of alcohol and drug abuse among Indian youth, and for other purposes. Those wishing additional information should contact Mary Jane Wrenn, special counsel, at 224-2251, or Sheila Rogan, professional staff member at 224-6665, both of the committee.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. HELMS. Mr. President, I wish to announce that a hearing by the Committee on Agriculture, Nutrition, and Forestry, regarding the Farm Credit System, has been postponed.

The hearing was scheduled for Thursday, October 17, 1985, at 9:30 a.m. in room 328-A Russell Senate Office Building. The committee will announce the rescheduling of the hearing at a later time.

ADDITIONAL STATEMENTS

GAO FINDS TEAMSTERS CENTRAL STATES PENSION FUND HAS IMPROVED MANAGEMENT

● Mr. NUNN. Mr. President, since its formation 30 years ago, the $5.2 billion Teamsters Central States Pension Fund had been plagued by mismanagement and the influence of organized criminals.

The largest of the Nation's multiemployer retirement programs, the fund was known as "the bank for the mob" because of its hundreds of millions of dollars in loans to casinos, resorts, and other enterprises, several of which were controlled by persons with ties to organized crime.

The fund was an embarrassment to the many competently and honestly managed pension and welfare benefit plans. It was also a source of concern to the 298,563 active participants and the 124,075 retirees and beneficiaries whose economic futures and well-being depended on the solvency of this giant trust. As recently as 1981, fears were expressed that the fund had been looted and that it might not be able to meet its long-range commitments.

However, the fund's future looks much brighter today. A General Accounting Office report indicates the fund management has improved.

The turnaround in the fund's fortunes came about for several reasons, one of the principal ones being successful application of the historic pension reform law of 1974, ERISA.

With passage of the Employee Retirement Income Security Act, Congress authorized the Labor Department to monitor the activities of pension plans, to intervene if necessary to protect plan assets and to work with the Internal Revenue Service and the Justice Department in identifying and controlling gross mismanagement and criminal exploitation.

As chairman of the Senate Permanent Subcommittee on Investigations in the late 1970's and as its ranking minority member since 1981, I strongly recommended to Labor Department officials that, using the authority vested in them by ERISA, they act promptly and forcefully to protect fund assets and install honest, competent management.

The first year of ERISA's life, 1975 coincided with growing revelations of corrupt practices within the Teamsters Central States Fund. Concern about these practices was evident among the public and in Congress.

Recently released from prison for crimes that included fraud against the fund he had founded, Jimmy Hoffa was kidnapped in 1975 and presumed to have been murdered by organized crime figures who allegedly did not want him to return to leadership of the union or the fund.

Also in 1975, Federal prosecutors lost a major case involving alleged conspiracy to defraud the fund of $4 million in part because potential witnesses were gunned down.

These events, coupled with a Labor Department study in 1975, showed significant influence of organized crime in the Teamsters fund, and caused the Department to mount what it termed a full-scale investigation of the Central States retirement trust.

Meanwhile, the Investigations Subcommittee was considering beginning its own inquiry into corruption in the labor-management field, focusing on pension and welfare benefit plans. However, Labor Department officials assured us in December of 1975 that a subcommittee investigation would not be necessary and that they were invoking ERISA for the first time against a major fund, that of the Central States, and against other large retirement and welfare trusts.

Unfortunately, the Labor Department's inquiry got off to an uncertain start and never did get on track. Principal shortcomings in the Department's 7-year effort were cited in detail in a 191-page report issued on August 3, 1981, by the Senate Investigations Subcommittee.

In its report, the subcommittee strongly recommended that the Labor Department use its ERISA powers to have the fund enter into a consent decree wherein the fund, without admitting guilt, would agree to a series of operational and administrative reforms under the supervision of a Federal court. GAO, which had monitored the Labor Department's inquiry in coordination with the Investigations Subcommittee, made the same recommendation.

The following year, on September 22, 1982, the Labor Department did enter a consent decree with the fund which, under the supervision of a Federal court in Chicago, contained most of the safeguards that the Government set out to achieve in 1975, including an agreement by the trustees of the fund: First, to operate the pension plan in compliance with ERISA; second, to continue to use a "named fiduciary who is also independent asset manager"; third, to remove trustees and employees if they are convicted of embezzlement and certain other crimes; and fourth, to provide for the appointment by the court of an independent special counsel with full authority to examine the fund's future activities and report on compliance of

the trustees with the terms of the consent decree.

The GAO report, entitled "The Department of Labor's Oversight of the Management of the Teamsters Central States Pension and Health and Welfare Funds," indicates that the fund and its trustees are complying with the terms of the consent decree; have instituted, or are instituting, most of the reforms called for in the consent decree; and are cooperating with the operation of the outside independent asset manager.

From information provided by GAO, then, we can now be more hopeful that the fund has taken a major step toward being managed competently and according to established procedures.

This is a tribute to the effectiveness of the ERISA statute and to the work of the Labor Department. In carrying out as complex, precedent-setting and comprehensive a law as ERISA, the Department initially made some missteps, some of them serious, as members of the Investigation Subcommittee have noted. However, today it appears that the fund is moving in the right direction and the interests of the participants and beneficiaries are being protected.

I would also commend the new managers of the fund. They came into office at a time of great internal difficulty at the Fund and appear to have steered a course of reform. This is not, however, the end of the road. With all the problems of the past, the Labor Department, the trustees, and the fund managers should continue to regularly monitor progress in the future.

I would like to add my commendations to the General Accounting Office. Over the last 10 years, beginning in 1975 when the subcommittee considered conducting its own inquiry into pension and welfare plans, we have benefited significantly from the assistance of GAO auditors and executives. The Central States Pension Fund case is a good illustration of what an important resource GAO is for Congress. All too often the dedicated men and women of this arm of the Congress do not receive the credit they deserve.●

● Mr. ROTH. Mr. President, I would like to join Senator NUNN in commending the Department of Labor and the current management of the Teamsters Central States Pension Fund for their efforts to ensure that the fund has improved the management of its considerable assets.

The Permanent Subcommittee on Investigations has historically reviewed labor racketeering issues, and during the last decade, considerable time and effort has been devoted to oversight of the Central States Fund. The findings have not always been favorable; in fact, they have often been miserable. Therefore, the report issued by the General Accounting Office on July 18, which concludes that the fund has improved its management procedures, is particularly welcome.

Of course, GAO's report cannot be taken as a signal to allow prudent practices to become lax, given the billions of dollars contributed in and invested by the fund, and the hundreds of thousands of participants who rely on the fund for present and future income. Further, the GAO report only concentrated on several items, albeit important ones: a civil suit initiated by the Department of Labor against former trustees of the fund, the administration of a consent decree between DOL and the fund, the impact of loans made by the fund to three hotels in Las Vegas, and the processing of claims by the health and welfare fund. Proper management of the fund's assets encompasses more than these discrete topics and requires constant vigilence. The fund, like other large welfare funds, remains a natural target for organized crime and other unscrupulous groups.

I would like to thank GAO for its continued assistance to the Permanent Subcommittee on Investigations, and to commend the Department of Labor and the new managers of the fund and express the hope that recent progress will continue.●

TRIBUTE TO JERSEY FEDERATION OF TEMPLE YOUTH URBAN MITZVAH CORPS

● Mr. LAUTENBERG. Mr. President, I would like to draw my colleagues' attention to the Jersey Federation of Temple Youth Urban Mitzvah Corps, a New Jersey-based youth group which devotes itself each summer to aiding the handicapped, elderly, and underprivileged.

The JFTY Urban Mitzvah Corps is a 6-week summer program sponsored by the Jersey Federation of Temple Youth. It consists of 24 high school students, selected every year from both the United States and abroad. These students live and work together from June to August to better the lives of the less fortunate members of an urban New Jersey community.

Based at Rutgers University in New Brunswick, the group seeks to interact and establish understanding with disadvantaged New Brunswick residents. In its 16 years of existence the Urban Mitzvah Corps has had members volunteer their services at a senior citizens resource center, at a day camp for the underprivileged, at a Jewish home for the aged, at a children's day care center, at two inner-city playgrounds, and at a day camp for mentally and physically handicapped children. These experiences have made possible the open exchange of values and ideas, benefiting both the participants and those with whom they have shared their time and their concern.

Mr. President, the JFTY Urban Mitzvah Corps is to be commended for its fine efforts and for its success in aiding the disadvantaged. The Urban Mitzvah Corps has also fostered understanding between various segments of the community. The concern and dedication shown by its participants are truly worthy of recognition.●

WEEKLY BUDGET SCOREKEEPING REPORT

● Mr. DOMENICI. Mr. President, I hereby submit to the Senate the budget scorekeeping report for the week of October 7, 1985, prepared by the Congressional Budget Office in response to section 5 of the first budget resolution for fiscal year 1986. This report also serves as the scorekeeping report for the purposes of section 311 of the Congressional Budget Act.

The report follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, October 15, 1985.

Hon. PETE V. DOMENICI,
Chairman, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The attached report shows the effect of Congressional action on the budget for fiscal year 1986. The estimated totals of budget authority, outlays, and revenues are compared to the appropriate or recommended levels contained in the most recent resolution, S. Con. Res. 32. This report meets the requirements for Senate scorekeeping of Section 5 of S. Con. Res. 32 and is current through October 11, 1985. The report is submitted under Section 308(b) and in aid of Section 311(b) of the Congressional Budget Act.

No changes have occurred since my last report.

With best wishes,
Sincerely,

RUDOLPH G. PENNER.

CBO WEEKLY SCOREKEEPING REPORT FOR THE U.S. SENATE, 99TH CONGRESS, 1ST SESSION AS OF OCTOBER 11, 1985

FISCAL YEAR 1986

[In billions of dollars]

	Budget authority	Outlays	Revenues	Debt subject to limit
Current level [1]	1,067.0	980.1	793.0	1,823.8
Budget resolution, Senate Concurrent Resolution 32	1,069.7	967.6	795.7	[2] 2,078.7
Current level is:				
Over resolution by		12.5		
Under resolution by	2.7		2.7	255.0

[1] The current level represents the estimated revenue and direct spending effects (budget authority and outlays) of all legislation that Congress has enacted in this or previous sessions or sent to the President for his approval. In addition, estimates are included of the direct spending effects for all entitlement or other programs requiring annual appropriations under current law even though the appropriations have not been made. The current level excludes the revenue and direct spending effects of legislation that is in earlier stages of completion, such as reported from a Senate Committee or passed by the Senate. Thus, savings from reconciliation action assumed in Senate Concurrent Resolution 32 will not be included until Congress sends the legislation to the President for his approval. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

[2] The current statutory debt limit is $1,823.8 billion.

FISCAL YEAR 1986 SUPPORTING DETAILS FOR CBO WEEKLY SCOREKEEPING REPORT, U.S. SENATE, 99TH CONGRESS, 1ST SESSION AS OF OCTOBER 11, 1985

[In millions of dollars]

	Budget authority	Outlays	Revenues
I. Enacted in previous sessions:			
Revenues			792,800
Permanent appropriations and trust funds.	717,652	631,009	
Other appropriations		185,348	
Offsetting receipts	−162,006	−162,006	
Total enacted in previous sessions.	555,645	654,351	792,800
II. Enacted this session:			
Famine Relief and Recovery in Africa (Public Law 99–10).		421	
Federal Supplemental Compensation Phaseout (Public Law 99–15).			10
Appropriations for the MX missile (Public Law 99–18).		368	
Contemporaneous recordkeeping repeal bill (Public Law 99–44).			13
United States-Israel Free Trade Act (Public Law 99–47).			−8
Statue of Liberty—Ellis Island Coin Act (Public Law 99–61).	−15	31	
International Security and Development Cooperation Act (Public Law 99–83).	−25	−25	
Supplemental appropriations bill (Public Law 99–88).	36	3,138	
State Department authorization (Public Law 99–93).			2
Emergency Extension Act of 1985 (Public Law 99–107).	−49	−230	210
Total enacted this session.	−53	3,702	227
III. Continuing resolution authority:			
Continuing appropriations, 1986 (Public Law 99–103).	535,987	347,011	
Offsetting receipts	−27,233	−27,233	
Total continuing resolution authority.	508,754	319,778	
IV. Conference agreements ratified by both Houses:			
Simplification of imputed interest rules (H.R. 2475).			−31
Health professions educational assistance (H.R. 2410).		−8	
Total conference agreements.		−8	−31
V. Entitlement authority and other mandatory items requiring further appropriation action:			
Payment to the CIA retirement fund.	10	10	
Claims, defense	7	3	
Payment to the Foreign Service retirement trust fund [1].	(7)	(7)	
Range improvements	1		
BLM: Miscellaneous trust fund.	(2)		
Payment to air carriers, DOT.	18	17	
Retired pay—Coast Guard.	21	19	
Maritime, Operating-differential subsidies.		3	
BIA: Miscellaneous trust funds.	(2)	(2)	
Higher education facilities loans and insurance.	4		
Retirement pay for PHS officers.	12	6	
Medicaid	1,617	1,285	
Payment to health care trust funds [1].	(1,011)	(1,011)	
Child nutrition programs.	254	234	
Advances to unemployment trust fund [1].	(516)	(516)	
Special benefits (general retirement and Federal employee retirement).	48	48	
Black lung disability trust fund.	85	85	
Assistance payments	573	573	
Veterans pensions	10		
Salaries of judges	3	1	
Payment to civil service retirement [1].	(214)	(214)	
National wildlife refuge fund.	(2)	(2)	
General revenue sharing [1].	(1,142)	(1,142)	
Total entitlements	2,663	2,284	
Total current level as of October 11, 1985.	1,067,010	980,107	792,995
1986 budget resolution (S. Con. Res. 32).	1,069,700	967,600	795,700
Amount remaining:			
Over budget resolution		12,507	
Under budget resolution.	2,690		2,705

[1] Interfund transactions do not add to budget totals.
[2] Less then $500 thousand.
Note: Numbers may not add due to rounding.

WORLD FOOD DAY IN BALTIMORE

● Mr. SARBANES. Mr. President, October 16, 1985, will hold very special significance for communities around our Nation and around the world. It will mark the fifth anniversary of World Food Day, an occasion to focus attention on the continuing tragedy of hunger and malnutrition, and an opportunity to join together in a commitment to ending it.

In my own city of Baltimore, concerned citizens have devised an innovative new project in observance of World Food Day which I feel to be especially valuable, and to which I would like to bring particular attention. Called RSVVP—Restaurants Sharing V + V Percent (10%)—the event represents a coordinated efforts by antihunger organizations, area restaurants and their patrons, and the local media, wherein almost 200 Baltimore-area restaurants will donate 10 percent of their gross receipts on October 16 to help fight hunger. Five percent will go to the Maryland Food Committee for emergency feeding programs in the State, while the other 5 percent will be donated to the Emergency Task Force on Africa for famine relief. If this project, to date the only one of its kind, were to be duplicated around the country the effect could be monumental, bringing not only immediate relief to the hungry on an annual basis, but increased involvement by a broad cross section of our society in developing long-term solutions.

Mr. President, I would like to commend and congratulate the business people whose generosity has made the RSVVP projects possible, as well as the organizers, sponsors, and participants of this tremendous effort. I ask that the following articles about World Food Day and the RSVVP projects be printed in the RECORD.

The articles follow.

[From the Baltimore Sun, Oct. 9, 1985]

WORLD FOOD DAY IN BALTIMORE

Wednesday, October 16, is World Food Day and many Baltimore area restaurants are supporting a project to share with the hungry. It is called RSVVP.

You can participate!

Restaurants throughout the Baltimore area will donate 10% of their gross receipts on World Food Day. Half the revenue will be given to the Maryland Food Committee and half will be given to the Emergency Taskforce on Africa. The project is RSVVP.—Restaurants Sharing Ten (V plus V) Percent. Respond, please.

Select and dine at one of them on World Food Day, October 16. Ten percent of the cost will be donated to help the hungry.

OCTOBER 16—A DAY TO DINE OUT—OCTOBER 16—A DAY TO SHARE

List of Participating RSVVP Restaurants

Admiral's Cup—Fells Point.
Akbar—Charles Street.
Alex's Chicken Plus—Charles Street.
Alley-Oops!—Federal Hill.
Allview Inn—Columbia.
American Cafe—Harborplace.
Andy's Restaurant and Lounge—Govans.
Bamboo House—Harborplace.
Bamboo House—Cockeysville.
Bertha's—Fells Point.
Blue Sky Restaurant—Park Avenue.
Brass Elephant—Charles Street.
Brass Kettle Inn—Hamilton.
Brasserie at Peabody Court—Mt. Vernon.
Bridge Restaurant—Downtown.
Brocato's Italian Restaurant—Eastpoint Mall.
Brown's Cafe—Charles Street.
Bud Paolino's—Highlandtown.
Buddy Chipp's—Midtown Belvedere.
Bulkoki Corner—Lexington Market.
Burke's Cafe—Inner Harbor.
Caesar's Restaurant—Downtown.
Cafe Park Plaza—Charles Street.
Cafe des Artistes—Mount Washington.
Cafe Tattoo—Bel Air Road.
Candlelight Inn—Catonsville.
Capriccio's—Little Italy.
Captain Harvey's—Owings Mills.
Carolyn's of Glenmont—Towson.
Casa Giannerini—North Hamilton.
Castello d'Abruzzo—Brooklyn.
Charles Street Pantry—Charles Street.
Charles Village Pub—Charles Village.
Charlie Chiapparelli's—Towson.
Chiapparelli's—Little Italy.
Chesapeake Restaurant—Charles Street.
Chez Fernand—Downtown.
China Doll Restaurant—Park Avenue.
China House Restaurant—Charles Street.
Chinese Gourmet Restaurant—Park Avenue.
Chung Wah—Westview.
Cinnabar—Downtown.

City Lights—Harborplace.
Conservatory at Peabody Court—Mount Vernon.
Construction Company—Downtown.
Cross Roads Restaurant—Cross Keys.
Cultured Pearl Cafe—Hollins Market.
Da Mimmo Restaurant—Little Italy.
Della Rose's Belair Inn—Overlea.
Dici Naz Vellegia—Towson.
Dino's—Glen Burnie.
Duffy's—Irvington.
Dynasty—Randallstown.
8 East—Tremont Hotel.
Ethel's Place—Mount Royal.
European Cafe—Highlandtown.
Flying Fruit Fantasy—Harborplace.
Fitzgerald's Havilah Inn—Taneytown.
Frank's Pizza—Bel Air.
Frazier's Restaurant & Tap Room—Hampden.
Friends at Fells Point—Fells Point.
Gallery Restaurant—Hilton Hotel/Columbia.
GAMPY's—Charles Street.
Gelato Cafe—Fells Point.
Georgetown North—Bel Air.
Gianni's—Harborplace.
Golden Crown Restaurant—Belair Road.
Golden Star—Charles Village.
Golden Temple—Charles Street.
Golden Town Inn—Towson.
Great Wall Restaurant—Glen Burnie.
Grubby's—East Baltimore.
Hamilton's Landing—Fells Point.
Harvest Moon Cafe—Mount Royal.
Harvey's—Greenspring Station.
Henninger's Ale House—Fells Point.
Hersh's Orchard Inn—Towson.
Horn and Horn Cafeteria—Bel Air.
Horn and Horn Cafeteria—Westminster.
House of Hess—Edgewood.
House of Welsh—Downtown.
Howard's Delly—Charles Street.
Hunan Restaurant—Owings Mills.
Hunan Taste—Randallstown.
Hunt Ridge—Lutherville.
Hunt Valley Szechuan—Hunt Valley.
Imperial Palace—Randallstown.
Irish Pub—Mount Royal.
Jai Hind—Govans.
Jean Claude's—Harborplace.
Jimmy's Restaurant—Fells Point.
Jockey Club Restaurant—Holiday Inn/Columbia.
Kent Lounge—Towson.
Kibby's—Arbutus.
Kid's Diner—City Hall.
Kosmakos—Cockeysville.
La Parisienne—Downtown.
Landmark Restaurant—Downtown.
Louie's Bookstore Cafe—Charles Street.
Lums Restaurant—Randallstown.
Manor Tavern—Fallston.
Maria D's—Federal Hill.
Mariner's Pier One—Harborplace.
Martick's Restaurante Francais—Downtown.
Maison Marconi—Downtown.
Midtown Yacht Club—Charles Street.
Ming's—Timonium.
Minnick's—Dundalk.
Morning Edition—East Baltimore.
Mount Vernon Saloon—Charles Street.
Mount Washington Seafood—Mount Washington.
Mount Washington Tavern—Mount Washington.
Ms. Desserts—Harborplace.
Neil's Italian Pizzaria—Hampstead.
Never on Sunday—Charles Street.
Nichi Bei Kai—Charles Street.
Nick's Inner Harbor Seafood—Cross Street Market.
Olde Obrycki's Crab House—East Baltimore.
Old Philadelphia Inn—Middle River.
Open Hearth Inn—Dundalk.
Owl Bar—Belvedere Hotel.
P.J. Crickett's—Inner Harbor.
Paul Chao's Szechuan Gourmet—Charles Street.
Pacifica—Charles Street.
Palmer House—Downtown.
Peerce's—Downtown.
Peerce's Plantation—Phoenix.
Perry's Ordinary—Cross Keys.
Phillips' Seafood Restaurant—Harborplace.
Piccadeli's—Charles Street.
Pinocchio—Charles Street.
Polo's Restaurant—Ramada Inn/Security.
Poor Richard's—Towson.
Prime Rib—Downtown.
Puffins Cafe—Pikesville.
Pump Room—Downtown.
Queen of Sheba Ethiopian Restaurant—Downtown.
Rax Restaurant—Woodlawn.
Restaurant 2110—Charles Street.
Rita's Place—Charles Street.
Regi's—Federal Hill.
Romeo's Filipino Restuarant—Bolton Hill.
Roost Cafe—Cross Keys.
Ruggerio's—Highlandtown.
Rumours—Rosedale.
Sabatino's—Little Italy.
Shamrock Inn—Hamilton.
Smitty's Steak and Lobster—Highlandtown.
Snyder's Willow Grove—Linthicum.
Something Fishy—Fells Point.
Sony's—Park Avenue.
Soup Kitchen—Harborplace.
Spanish Meson—Fells Point.
Squire's Cafe—Dundalk.
St. Honore—Fells Point.
Subway Sandwiches—various locations.
Suzy Liquors and Restaurant—Mount Vernon.
TJ's Chicken—Washington Boulevard.
Tall Oaks—Pasadena.
Tandoor—Harborplace.
Taneytown Sandwich Company—Catonsville.
Taverna Athena—Harborplace.
Thai Restaurant—Charles Village.
The Crease—Towson.
The Orchard—Charles Street.
The Real Thing—Towson.
The Score—Charles Street.
Tio Pepe—Downtown.
Tommy's Lounge—South Baltimore.
Tony Cheng's—Charles Street.
Trattoria Petrucci—Little Italy.
Tree Restaurant—Charles Street.
Tug's—Tremont Hotel.
Turf Bar and Lounge—Downtown.
Vellegia's—Little Italy.
Washington Place Grill—Charles Street.
Water Street Exchange—Downtown.
Waterfront Hotel—Fells Point.
William Fell Overture—Fells Point.
Women's Industrial Exchange—Charles Street.
Zingaro—Inner Harbor.

[From the Evening Sun Oct. 11, 1985]

DO YOUR PART TO FIGHT HUNGER: EAT OUT—RSVVP

(By Sara Engram)

Rock musicians produced Live Aid, asking listeners to pledge money for starving Africans; their country counterparts chimed in with Farm Aid to show support for endangered family farms. Now Baltimore restaurants have come up with their own way to say they care.

Next Wednesday, World Food Day, one-third of the metropolitan area's 600 restaurants will give us all a chance to contribute to the fight against hunger simply by going out to eat. The program is called RSVVP, a zippy way to summarize the purpose—Restaurants Sharing 10 Percent (the two Vs equal a Roman numeral X).

That day, 10 cents of every dollar you spend on breakfast, lunch or dinner in any of these restaurants goes directly to the fight against hunger. Half of the proceeds will stay at home to help fund the activities of the Maryland Food Committee. The other half will go toward famine relief through the Emergency Task Force on Africa. Participating restaurants will have large signs in the window.

RSVVP is only one of several activities planned for Oct. 16, but it illustrates Baltimore's leadership in commemorating World Food Day and bringing together community groups to devise solutions to hunger—a problem that stubbornly persists despite record levels of food production.

World Food Day marks the anniversary of the founding of the U.N.'s Food and Agriculture Organization on Oct. 16, 1945. In 1979, the 147 nations attending an FAO conference agreed to commemorate the day each year as a way of increasing public awareness of hunger.

That idea has flourished in Baltimore. Patricia Young, national coordinator for World Food Day celebrations, commends the Baltimore World Food Day committee for helping set the pace for other cities, both in the number of people and organizations who participate and in the diversity of activities.

RSVVP is a good example. It grew out of efforts led by Gina Wilson, a waitress at Louie's Bookstore Cafe on Charles Street. Last spring, after Louie's sponsored an evening to benefit famine victims in Africa, Wilson got together with leaders of the World Food Day committee and came up with RSVVP.

Another activity planned for the day has also drawn national attention. The World Food Day Expo, a public food fair scheduled for Hopkins Plaza from 11:30 to 2 o'clock, will bring together exhibitors representing the different links in Maryland's own food chain, from food industries to government agencies and private relief organizations.

The expo will give Baltimoreans a better idea of their connection to the chain of food production and distribution—and how tenuous those links can be.

It's also a good way to strengthen the budding network of people who are trying to eliminate hunger in Maryland and around the world. Local anti-hunger activists credit last year's World Food Day events for creating the momentum that made fundraising efforts for famine relief so successful in Baltimore.

For those who want to learn more about hunger as a political issue, St. Mary's Seminary on Roland Avenue is holding the local gathering for a nationwide teleconference from noon until 3 p.m.

The panelists will include Peter McPherson, administrator of the Agency for International Development, Sen. Paul Simon (D-Ill.), Barbara Huddleston, chief of Food Security and Information Services for the FAO, and Marie Angelique Savana of Senegal, president of the Association of African Women for Research and Development.

The food chain links together all living things. It is resilient, but it's not indestructible. When a link breaks, a species can disappear or a group of people can starve to death.

51-059 O-86-17 (Pt. 20)

Television has brought the reality of starvation in Africa into our living rooms. But hunger also thrives closer to home. The Governor's Task Force on Food and Nutrition estimated that about 700,000 people in Maryland are "at risk" of hunger.

In times of plenty, people celebrate food; others are obsessed with avoiding too much of it. Either way, most Americans are free not to worry much about it, confident that there is plenty there.

With the earth's abundant resources, all people should enjoy that same freedom. But they don't. World Food Day will be a success if each of us pauses a moment to ask the simple question: Why not?

[From the Catholic Review, Oct. 9, 1985]

WORLD FOOD DAY

World Food Day will be observed on Wednesday, Oct. 16. This is an occasion for all of us to reflect seriously on the fact that so many people in our world do not have sufficient nourishment and to plan what we can do to advance the goal of food security for all peoples of the earth.

Over the past couple of years, the media have given much attention to the situation in Ethiopia. This has helped all of us to be far more aware of the struggles of so many simply to find adequate nutrition just to stay alive. Personally, I have been very impressed by the extraordinary response to this crisis. The Media, the lively arts, the churches and synagogues, civic institutions and businesses, individuals, all have generous in their attempt to alleviate such a disastrous situation.

All of this is to be commended and I hope that such activity will continue. But I do have one word of caution. I wonder if all the attention that has been focused on Ethiopia and other nations of the third world has not perhaps distracted us just as little from the problems right here in our own back yard. We do not have to go any farther than the city of Baltimore and the state of Maryland to find hungry people who deserve our assistance. I would like to suggest that our zeal for the helpless of far-away places not cause us to neglect our own community.

This year a variety of activities has been planned for World Food Day to help raise both consciousness and funds:

World Food Day Expo: Food for All, sponsored by Mayor William D. Schaefer and the Baltimore Committee for World Food Day, of which the Archdiocese is a member, will take place in Hopkins Plaza from 11 a.m. to 2 p.m. Its aim is to educate the public about hunger and food issues and to network with multiple agencies and organizations to coordinate and highlight the food system in the metro area.

RSVVP: Restaurants sharing ten percent. Participating restaurants will contribute ten percent of their day's proceeds to the Maryland Food Committee and the Emergency Task Force on Africa. Watch and listen for listing of restaurants.

Teleconference: At St. Mary's Seminary, the Archdiocesan Telecommunications Center will participate in a national teleconference on the relationship between poverty and hunger, environmental degradation and resource depletion, and the continuing African famine. For more information please call Fr. Dennis Diehl at the Telecommunications Center (301/532-2284).

Local school children will cook for and feed street people in Festival Hall under the sponsorship of the Mayor's Executive Research Group and the City Schools, from 11 a.m. to 2 p.m.

I would urge Catholics of the archdiocese to be part of one or more of these activities. I would further encourage parishes to find similar creative ways of presenting the world food situation to their people not just on World Food Day, but throughout the coming year.

Above all we must remember that the hungry of the world, whether near or far, are our brothers and sisters, and, therefore, they are our responsibility. The God who made us all and who filled the world with an abundance of good things, will not fail to bless our efforts to share his goodness with others.

—Archbishop William D. Borders.●

CALL TO CONSCIENCE

● Mr. ARMSTRONG. Mr. President, many Members of the Senate have joined in the Call to Conscience to bring attention to the plight of Jews in the Soviet Union. While I am truly thankful that so many have shown their commitment to this effort, it should be noted that we are not alone in reminding the world that Americans will not idly stand by while people are suffering under Soviet tyranny. In fact, efforts are being made by small groups of people all over this country who work unceasingly to aid others seeking freedom.

Recently, during a storm in Denver, a group of dedicated citizens which included the Colorado Committee of Concern for Soviet Jewry picketed outside a hotel during a reception for four Soviet doctors on tour to promote peace. Among those speaking was a man whose appearance on behalf of promoting peace and brotherhood is questionable at best. His name was Dr. Marat Vartanyan, deputy director of the U.S.S.R. Center for Mental Health—a man who has been referred to as the Dr. Mengele of the Soviet Union.

As my colleagues here in the Senate know, Soviet psychiatric hospitals include facilities that serve as amazingly advanced torture chambers. In addition to standard forms of Soviet "persuasion," they have perfected the use of mind-altering drugs which are used to elicit information, to confuse the truth, and to still the voices of those who cannot or will not give up their beliefs—whether they might be religious, ethnic, or political.

While the deputy director of these psychiatric hospitals was attempting to explain why the United States should lay down its arms, literally thousands of Soviet men and women are locked up in his torture chambers, never knowing a moment's peace. And why are many of them there? Because they dared to speak out for the freedom to worship as they choose, the freedom to disagree publicly with their leaders, and that most basic freedom of all—the freedom to leave.

I am proud that Coloradans stood up to show the hypocrisy of Dr. Vartanyan's visit, and I commend groups like them who perform a great service in keeping the light of freedom burning. Their vigilance reminds us that we cannot be complacent in the face of ever-growing Soviet repression of religious, ethnic, and political activities, and it reminds us that we must not fall prey to those who wish to mislead us into complacency with soft words.

As long as this Senate and groups throughout the Nation stand up for Soviet Jews and others suffering under Soviet tyranny, they will know they are not alone. And the leaders in the Kremlin will know that this Nation is absolutely serious in its commitment to freedom and true world peace.●

THE BARNETTS OF BATESVILLE, AR

● Mr. PRYOR. Mr. President, I want to pay special recognition today to a family and a town and a way of life. The family is the Nelson Barnetts, and the town is Batesville, AR, and the way of life is one that many in this country would say is fast disappearing. I do not think it is, though, Mr. President—not as long as people like the Barnetts are alive and thriving in my home State.

Batesville is a beautiful town in the foothills of the Ozarks. It is blessed with natural resources and is rich in historical significance. Each year, the White River Water Carnival Parade makes its way down Main Street with thousands lining up to watch in front of beautiful homes, churches, and businesses along the route.

At 267 Main Street, the parade passes a living tradition, and that is Barnett Bros. Department Store.

This year, Mr. President, Barnett Brothers is celebrating its 100th anniversary, and recently members of the Barnett family came from all over the country to take part in the festivities. Let me add that members of the Barnett family include hundreds who are not related by blood but who feel themselves part of this clan.

Throughout the years, members of the immediate Barnett family have played significant roles in developing Batesville and Independence County. And their department store has been a vital partner in economic development.

The people who work at Barnett's are especially friendly and hospitable. They are the old-fashioned kind who come out from behind the counter and talk to you and ask about the family. Their warmth is genuine. I have campaigned there many times, and it is a wonderful place where you can find ahything under the sun and have it gift wrapped.

Mr. President, on this special occasion for the people of Batesville, I want to wish the Barnetts and their

store a happy century and many years of progress ahead. It is encouraging to know that their way of life is still a part of America.●

PROPOSED ARMS SALES

● Mr. LUGAR. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $50 million or, in the case of major defense equipment as defined in the act, those in excess of $14 million. Upon such notification, the Congress has 30 calendar days during which the sale may be reviewed. The provision stipulates that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

In keeping with the committee's intention to see that such information is immediately available to the full Senate, I ask to have printed in the RECORD at this point the notification which has been received. The classified annex referred to in the covering letter is available to Senators in the office of the Foreign Relations Committee, room SD-423.

The notification follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, DC, Oct. 10, 1985.

Hon. RICHARD C. LUGAR,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 86-04 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Air Force's proposed Letter of Offer to Oman for defense articles and services estimated to cost $22 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

PHILIP C. GAST,
Director.

[Transmittal No. 86-04]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Oman.

(ii) Total Estimated Value:

	Millions
Major defense equipment [1]	$20
Other	2
Total	22

[1] As defined in Section 47(6) of the Arms Export Control Act.

(iii) Description of Articles or Services Offered: Three hundred AIM-9P-4 Sidewinder missiles, test set modification kits, support equipment, training and publications.

(iv) Military Department: Air Force (YEA).

(v) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: See Annex under separate cover.

(vii) Section 28 Report: Included in report for quarter ending 30 June 1985.

(viii) Date Report Delivered to Congress: Oct. 1985.

POLICY JUSTIFICATION

OMAN—AIM-9P-4 SIDEWINDER MISSILES

The Government of Oman has requested the purchase of 300 AIM-9P-4 Sidewinder missiles, test set modification kits, support equipment, training and publications. The estimated cost is $22 million.

This sale is consistent with the stated U.S. policy of assisting other nations to provide for their own self-defense by allowing the transfer of reasonable amounts of defense articles and services. Oman's strategic location at the entrance to the Persian Gulf closely links the national interests of Oman and the United States. Along with the formal Access Agreement signed by the Governments of Oman and the U.S. in June 1980, this sale of AIM-9P-4 Sidewinder missiles will enhance our country-to-country relationship.

Oman intends to use these missiles to arm its British-made Jaguar aircraft. They will provide a deterrent against the threat of Iranian air interdiction of Persian Gulf shipping thus making less likely the requirement for U.S. action in the region. The AIM-9P-4 missiles will augment remaining stocks of the 300 AIM-9P-3 missiles purchased five years ago.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be Ford Aerospace of Newport Beach, California.

Implementation of this sale will not require the assignment of any additional U.S. Government personnel or contractor representatives to Oman.

There will be no adverse impact on U.S. defense readiness as a result of this sale.●

ADVANCE NOTIFICATION—PROPOSED ARMS SALES

● Mr. LUGAR. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $50 million or, in the case of major defense equipment as defined in the act, those in excess of $14 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be reviewed. The provision stipulates that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senate that two such notifications have been received.

Interested Senators may inquire as to the details of these advance notifications at the office of the Committee on Foreign Relations, room SD-423.

The notifications follow:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, DC, October 10, 1985.

In reply refer to I-13855/85 ct.

Dr. M. GRAEME BANNERMAN,
Deputy Staff Director, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR DR. BANNERMAN: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a European country tentatively estimated to cost $50 million or more.

Sincerely,

PHILIP C. GAST,
Director.

TRANSMITTAL NO. 86-AA

Advance Notification of Possible Section 36(b) Statements—Foreign Military Sales

a. Prospective Purchaser: [Deleted].

b. Description and Quantity or Quantities of Articles or Services under Consideration for Purchase: [Deleted].

c. Estimated Value(s) of this Case: [Deleted].

d. Description of Total Program of which this Case is a Part: [Deleted].

e. Estimated Value of Total Program of which this Case is a Part: [Deleted].

f. (U) Prior Related Cases, if any: None.

g. Military Department: [Deleted].

h. Estimated Date Letter of Offer/Acceptance (LOA) Ready for Formal Notification to Congress: [Deleted].

i. Date Advance Notification Delivered to Congress: [Deleted].

POLICY JUSTIFICATION

[Deleted.]

[Deleted.]

[Deleted.]

(U) The prime contractor will be the Ford Aerospace Corporation of Newport Beach, California. [Deleted.]

(U) There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, DC, October 10, 1985.

In reply refer to I-15155/85ct.

Dr. M. GRAEME BANNERMAN,
Deputy Staff Director, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR MR. BANNERMAN: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Middle Eastern country for major defense equipment tentatively estimated to cost $14 million or more.

Sincerely,

PHILIP C. GAST,
Director.

TRANSMITTAL No. 86-AB

Advance Notification of Possible Section 36(b) Statements Foreign Military Sales

a. Prospective Purchaser: [Deleted].

b. Description and Quantity or Quantities of Articles or Services under Consideration for Purchase: [Deleted].

c. Estimated Value(s) of this Case: [Deleted].

d. Description of Total Program of which this Case is a Part: [Deleted].

e. Estimated Value of Total Program of which this Case is a Part: [Deleted].

f.(U) Prior Related Cases, if any: None.

g. Military Department: [Deleted].

h. Estimated Date Letter of Offer/Acceptance (LOA) Ready for Formal Notification to Congress: [Deleted].

i. Date Advance Notification Delivered to Congress: [Deleted].

POLICY JUSTIFICATION

[Deleted.]

[Deleted.]

[Deleted.]

[Deleted.]

(U) The prime contractor will be the Hughes Aircraft Corporation of Fullerton, California. [Deleted.]

(U) There will be no adverse impact on U.S. defense readiness as a result of this sale.●

PITTSBURGH'S KQV NEWSRADIO CELEBRATES 10TH ANNIVERSARY

● Mr. HEINZ. Mr. President, I rise today to salute KQV Newsradio on the occasion of its 10-year anniversary and to commend the station for a decade of news service to its millions of listeners in Pittsburgh and western Pennsylvania.

On October 15, 1975, KQV became the only station in western Pennsylvania with an all-news format, with the avowed goal of informing listeners of events which affect their daily lives. Truly, KQV lives by its slogan: "Give us 22 minutes and we will give you the world." For the most up-to-date and informative news, Pittsburghers, government officials, and opinion leaders alike tune in to KQV.

It should also be noted that KQV radio will soon mark its 66th anniversary in broadcasting, making it one of the oldest radio stations in the United States. In 1919, KQV began experimental broadcasting; and by 1921, it had become a regular commercial broadcasting station. In fact, KQV Radio, which was known as "8ZAE" in its earlier years, predates the Federal Communications Commission. Along the same lines, KQV also predates me, Mr. President!

I commend KQV for its 10 years of hard news reporting and for its long and illustrious broadcasting history. I join all Pittsburghers in wishing KQV and its employees much success and many more.●

NATIONAL SUDDEN INFANT DEATH SYNDROME AWARENESS WEEK

(By request of Mr. DOLE the following statement was ordered to be printed in the RECORD:)

● Mr. DURENBERGER. Mr. President, I would like to thank my distinguished colleagues, Senators ZORINSKY, BURDICK, HOLLINGS, KASSEBAUM, BOSCHWITZ, DOLE, PROXMIRE, ABDNOR, MATHIAS, WEICKER, FORD, MCCLURE, LEAHY, CHAFEE, CRANSTON, PACKWOOD, DANFORTH, HEINZ, BAUCUS, LEVIN, MURKOWSKI, METZENBAUM, BYRD, LUGAR, and SARBANES, for lending their support to this most important issue.

Mr. President, each year more than 7,000 American infants succumb to sudden infant death syndrome. Normal and healthy infants between the ages of 1 week and 1 year are stricken by SIDS without any regard to social class, ethnic group, economic stratum, or region of the country.

Most infants die unobserved during a normal sleep period without warning and without prior medical indicators. Mr. President, sudden infant death syndrome has become known as the leading cause of post neonatal death in the United States. A SIDS death or crib death often causes unique and particularly traumatic problems for the families of victims. Because SIDS is neither well known nor understood among the general public, families of SIDS victims often survive the initial shock of the death of their child, only to find themselves suspected of child abuse or neglect. Even when an autopsy results in a formal finding of SIDS as the cause of death, the veil of suspicion can result in an additional burden of guilt to the lives of these families.

The death of any child is a terrible tragedy which can totally disrupt the lives of parents and siblings. Greater public awareness and understanding would be invaluable in helping the parents of victims avoid the added mental anguish of guilt and dispair.

Indeed, my own experience with SIDS has had a profound effect on my commitment to eliminating this pernicious killer. It was less than 3 years ago when I received a phone call about 5 o'clock in the morning from one of my legislative assistants who said only, "something terrible has happened, our baby is dead." SIDS is an issue we struggle to understand and resolve, and certainly an issue which needs our support and resources.

Mr. President, I call attention to the fact that in 1974, Congress passed legislation to provide for counseling projects and medical protocols in SIDS cases. Our commitment to SIDS has strengthened during the 11 years since this legislation was passed. There continues to be however, a clear need for greater awareness of sudden infant death syndrome.

The National Institute of Child Health and Human Development [NICHD] has the primary Federal responsibility for SIDS research. Due to the suspected implication of the nervous system as well as the circulatory and respiratory systems as the cause of death, the National Institute of Neurological and Communicative Disorders and Stroke, and the National Heart, Lung and, Blood Institute have pooled their resources with NICHD in order to find the cause of SIDS.

Although there are no specific line-item appropriations or authorizations for SIDS—funding for 1984 was $13,603,000; is estimated $21,217,000 in 1985; and it is estimated that funding may exceed $20,116,000 for 1986. Although significant progress has been made over the last few years, still more research needs to be conducted in order to discover ways to prevent losses due to sudden infant death.

Mr. President, it is important to recognize the unselfish contributions made by thousands of individuals who have devoted their own personal resources to the discovery of infants at risk. Mr. President, I am proud to bring to the attention of my colleagues and the American public a SIDS conference which brought doctors, researchers, and parents from around the country to Baylor University Medical Center, Dallas, TX, on October 9, 1985.

The conference was sponsored by the Dallas/Fort Worth Area SIDS Chapters and the North Texas SIDS Information and Counseling Project. The conference is made possible through a grant in aid from the Meed Johnson Nutrition Division.

Dr. Ralph Franciosi, medical director of Minnesota SIDS Center and chief of pediatric pathology at Children's Medical Center in Minneapolis, MN, was the main speaker at this conference. For the 10 years I have known Dr. Ralph Franciosi, he has dedicated his life to the study of SIDS and to generating greater public education and community resources.

A great deal has been accomplished by the willingness of volunteers who cared the most about this issue. It is imperative that we continue to broaden public knowledge and recommit national resources to the development of technology needed to eradicate SIDS in our lifetime.●

RETIREMENT OF JOSEPH V. CHARYK

● Mr. DANFORTH. Mr. President, I would like to bring to the attention of my colleagues an event that in many respects marks the end of an era. Yesterday, October 14, 1985, Dr. Joseph V. Charyk, chairman of the board of directors and chief executive officer of Communications Satellite Corp.

[Comsat], retired. His departure comes after more than 40 years of distinguished service to his country and to his chosen fields of aerospace and telecommunications.

This remarkable man's contributions to telecommunications are such that people the world over who today enjoy the benefits of satellite telecommunications services have been affected by his activities. For over two decades, Joe Charyk, as the chief officer of Comsat, has helped to guide and direct the development of the modern world of satellite communications. From its formation in 1963, to the 1965 launch of Early Bird, the world's first commercial communications satellite, to the present era of modern high-powered communications satellite, under the leadership of Joe Charyk, Comsat has had a prime role in advancing the state of the art. In addition, Joe Charyk was instrumental in the establishment and development of the International Telecommunications Satellite Organization. Intelsat, which started with just a few nations, has grown to a 110-member organization which today is providing a full range of communications services throughout the world.

Mr. President, Dr. Charyk began his distinguished career at Comsat in 1963 when President John F. Kennedy asked him to serve as chief operating officer for the then fledgling new company created by Congress in the Communications Satellite Act of 1962. The corporation had as its mandate the establishment of a global satellite communications system, and President Kennedy felt he had located the right man for the job. Indeed, Dr. Charyk's credentials were impressive.

Before joining Comsat, Dr. Charyk was with the U.S. Air Force as Chief Scientist and Assistant Secretary for Research and Development in 1959, and Under Secretary from January 1960 until February 1963.

In 1955 he served as director of the Aerophysics and Chemistry Laboratory of Lockheed Aircraft Corp. In 1956 he was with Aeronutronic Systems, Inc., a subsidiary of Ford Motor Co., as director of the Missile Technology Laboratory and later became general manager of the space technology division.

From 1943 to 1946 he was an engineer with the Jet Propulsion Laboratory at California Institute of Technology and was an instructor in aeronautics at California Institute of Technology in 1945. From 1946 to 1955 he was a professor of aeronautics at Princeton University, where he helped establish the Guggenheim Jet Propulsion Center.

Mr. President, Dr. Charyk's educational achievements match his professional accomplishments. He holds a B.S. degree in engineering physics from the University of Alberta, an M.S. in aeronautics, and a Ph.D. in aeronautics, magna cum laude, from California Institute of Technology. He also holds an honorary LL.D. from the University of Alberta and an honorary Dr. Ing. from the University of Bologna.

He is a fellow of the American Institute of Aeronautics and Astronautics and a member of the National Academy of Engineering, the International Academy of Astronautics, the National Institute of Social Sciences, a fellow of the Institute of Electrical and Electronics Engineers, a member of the National Space Club, and the Armed Forces Communications & Electronics Association.

In April 1984, Dr. Charyk was appointed Chairman of the National Telecommunications Security Advisory Council by President Reagan. He is also the recipient of numerous awards including the Distinguished Service Medal, the Guglielmo Marconi International Award, and the Goddard Astronautics Award.

Mr. President, through his role in the development of international communication satellites, Dr. Charyk has had a positive impact on efforts to make our world a better place in which to live. He has helped to make the concept of a global village a reality.

Following his retirement, Dr. Charyk will continue to serve as a member of the board of directors of Comsat and will pursue other interests in telecommunications.

Mr. President, the formation of the Communications Satellite Corp., and the realization of its mandate to achieve a global communications satellite system was an immense undertaking. There were many in Congress who wondered if the United States had set a goal that was unattainable. Joe Charyk saw to it that the United States met this challenge. It is with pride that I take this opportunity to recognize him for his achievements.●

JAMES R. SPIRKO

● Mr. HEINZ. Mr. President, I should like to take this opportunity to honor James R. Spirko on the occasion of his retirement after 19 years of outstanding service to Pennsylvania's Allegheny County, the last 12 of which were spent in an exceptionally successful and effective fashion as jury commissioner.

Jim received statewide and national acclaim in that position by developing and implementing the one day/one trial jury system. Since its inception in 1978, the system has provided Allegheny County with more representative juries while saving county taxpayers $100,000 per year, or more than $700,000 to date.

A lifelong resident of Allegheny County, Jim has served the area in a number of capacities. His 25 years of active involvement in local, State, and Federal elections have earned him the distinguished title of "Mr. Republican."

Jim's dedication to the high ideals of service to community and country is reflected in his professional accomplishments and in the high esteem in which he is held by his many friends in Pittsburgh's public and private sectors.

Mr. President, I ask my colleagues to join me and Jim's many other friends in wishing him continued success and fulfillment as he pursues new challenges in the years ahead.●

ORDERS FOR TOMORROW

RECESS UNTIL 8 A.M.

Mr. DOLE. Mr. President, I ask unanimous consent that once the Senate completes its business today, it stand in recess until 8 a.m. on Wednesday, October 16, 1985.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR PROXMIRE

Mr. DOLE. I further ask unanimous consent, Mr. President, that following the two leaders under the standing order, there be a special order in favor of the Senator from Wisconsin [Mr. PROXMIRE] for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. DOLE. Following the special order just identified, Mr. President, I ask unanimous consent there be a period of the transaction of routine morning business not to extend beyond 8:45 a.m., with Senators permitted to speak therein for not more than 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. DOLE. Following routine morning business, Mr. President, the Senate will resume consideration of H.R. 3037, the agriculture appropriations bill. It is my hope that we can have an amendment to vote on early in the morning. If not, we will have something else early in the morning, because it seems we cannot make any headway unless Members are aware we are going to have votes. I do not like to have attendance checked in the morning, but if we cannot get someone on the floor to offer amendments, I would say there will be votes prior to 10 a.m. It is my hope we can complete action on the appropriations bill by noon or 1 o'clock and then return to consideration of the budget reconciliation bill.

Again, as I have indicated, we will not be in late tomorrow evening be-

cause nearly half or more of the Senators will be involved in a function, and that includes Senators on each side of the aisle. So I hope that we can complete action on the appropriations bill.

It would appear on Thursday evening we will probably be in fairly late and that there will be a full day on Friday but not a Saturday session.

Mr. BYRD. Mr. President, will the distinguished majority leader yield?

Mr. DOLE. I am happy to yield.

Mr. BYRD. Senators on both sides will depend upon the RECORD with respect to the information therein about the timing of the first rollcall vote. Does the distinguished majority leader mean for a fact that there will be rollcall votes before 10 o'clock? I can understand his position. It is difficult to call matters up sometimes and have much debate on them; Senators understand there will be no rollcall votes.

What I am saying is, there are Senators who, I am sure, can be here by 12 o'clock who might not be able to be here by 10 o'clock. If the distinguished majority leader would indicate clearly that there will be rollcall votes before 10, then that is what we will have to depend upon. If he says before noon, that might be helpful to Senators to understand that they would have at least until noon.

Mr. DOLE. If Senators would come to the floor, I would be very happy to postpone the votes until noon and have two or three back to back. Our problem is getting Senators with amendments that require rollcall votes to come to the floor. I tried myself today to do it and I struck out.

Mr. BYRD. I have had the same problem many times.

Mr. DOLE. I am afraid if I say noon, it will be 2 or 3 and tomorrow will be gone, and then it will be Thursday and people will want to go home on Thursday evening and not be in on Friday. But I can assure them we will be in on Friday.

Let us make it 10:30 a.m. I know that some Senators are coming back in the morning. They were told there would be no votes today. I do not fault them for not being here today, unless they had amendments.

If we can debate a couple of required rollcall amendments early in the morning, I will be pleased to accommodate all my colleagues by postponing those votes until, say, around noon.

Mr. BYRD. Mr. President, the majority leader has been very accommodating in this regard, time and time again, and I wish to thank him on behalf of Senators on my side.

I think we now have a clear understanding that there is a very good possibility that there will be rollcall votes about 10:30 a.m., and there will be rollcall votes throughout the day tomorrow.

Mr. DOLE. That is correct.

Mr. BYRD. I think Senators have been given sufficient advance notice, and I thank the majority leader.

RECESS UNTIL 8 A.M. TOMORROW

Mr. DOLE. Mr. President, there being no further business to come before the Senate, I move that the Senate stand in recess until 8 a.m., on Wednesday, October 16, 1985.

The motion was agreed to, and at 6:16 p.m., the Senate recessed until tomorrow, Wednesday, October 16, 1985, at 8 a.m.

EXTENSIONS OF REMARKS

THE POLITICS OF IMMIGRATION

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 15, 1985

Mr. LELAND. Mr. Speaker, in light of the continuing interest and debate on immigration reform, I feel it is vital for Members to explore all angles of this complex issue.

I'd like to share with my colleagues "The Politics of Immigration," an article which appeared in the August 16, 1985, issue of the Texas Observer. The article contains a very candid interview with Dr. Jorge Bustamante of the National University's Center for Border Studies of Northern Mexico. His thoughts and observations provide a very interesting alternative to the immigration reform legislation currently being discussed.

I urge my colleagues to read it:

THE POLITICS OF IMMIGRATION

(By Louis Dubose)

TIJUANA, MEXICO.—Dr. Jorge A. Bustamante is considered by many to be Mexico's demographer. He is director of the National University's (UNAM) Centro de Estudios Fronterizos del Norte de Mexico (Center for Border Studies of Northern Mexico). The center, funded by the government through UNAM, maintains offices along the U.S.-Mexican border and is essentially the nation's border-study think tank. Bustamante and the staff that he directs have devoted considerable time and resources to "outmigration" to the United States. Often, they find themselves at odds with their counterparts in government and academia north of the border.

Bustamante has been an outspoken critic of North American attempts at immigration reform. Across the pages of Excelsior—the Mexico City daily to which Bustamante contributes a column—and in other publications where he is regularly quoted, Bustamante has warned Mexicans that immigration reform is an ill—and unilateral—wind that blows one way: from the North. He has maintained that amnesty provisions offered in Simpson-Mazzoli (now Simpson-Rodino) would have Mexicans admit guilt when they have broken no law. They are, he argues, participants in an international labor market. He has also described proposed guest-worker provisions as an exploitive system that would have Mexican workers contribute—through taxation—to a system of social welfare programs from which they would receive no benefit.

Recently Bustamante broadened his attack: in the pages of Hispano, a national news weekly, he claimed that the Reagan administration has given Immigration and Naturalization Service (INS) personnel "a green light to pursue a policy of force" when dealing with undocumented Mexicans. Investigators from the Tijuana-based center have, according to Bustamante, detected a pattern of heavy-handed, often brutal, treatment of Mexicans apprehended by Border Patrol officers. Included among documented incidents is the shooting of an unarmed 11 year old by an INS officer in California.

What follows is an interview with Bustamante, conducted in English in July at his office in Tijuana.

You were quoted in the most recent issue of Hispano as describing current INS policy as a "politica de fuerza" (policy of force) when dealing with the undocumented immigrant. Would you elaborate on that quote?

Yes, very definitely. Yes, the objective element that I have on this is the unprecedented increase in the budget for INS that was requested by President Reagan. This is a fact—there is no other Administration that has obtained such a tremendous increase in the budget for INS as President Reagan. The result of this is not necessarily a more efficient control of the border. The result is a much better control of the labor cost. That is, the more strict the INS and the Border Patrol becomes, then the cheaper the cost of the labor. It cheapens the price because the threat of being expelled is more available for the employers. What you have is the increase of the element of criminalization of the undocumented immigrant in the United States; the result, in reality, is the cheapening of the labor force. So what has happened is that undocumented immigration has not been reduced by the increase of the budget. What has been affected is the price of that labor force. It is easier for the employer to have a take-it-or-leave-it situation.

Then you see the Border Patrol as controlling labor rather than stopping immigration.

Exactly. That is my conclusion. What you don't see, and I would invite you to take a look at what is called the soccer field here: you can see people congregating in the United States territory, under the light of the Border Patrol; anyone who wants to can see that. And they [the Border Patrol] can see if the crowd here is normal or if it is more than normal. And they have a very clear way to know how many are going to pass and how many are not going to pass. The Border Patrol is operating, and has always operated, in reality, as some sort of a sluice gate.

If the United States government wanted to stop the flow, they could stop it right here. But they don't want to do that. They just want to give the impression to the American public that they want to do that. This is the most intensive crossing point of the whole border. Go there and you will be able to see what I mean by a sluice gate. What I mean by an international labor market, where the demand in the United States is as real as the supply from Mexico.

It is not a domestic phenomenon. It is not a question of law enforcement in the United States. It is an economic phenomenon with costs and benefits for the two countries. And this is the challenge we have. To measure the costs and benefits. Except the problem we have is that, from the United States' perspective, particularly from the perspective of the administration of President Reagan, this has been defined number one, as a domestic problem, number two, as a problem of law enforcement—a problem of crime, and number three, as the solution being one that is domestic—that is unilateral. But for us in Mexico: number one, that is an economic phenomenon, number two, it is a bilateral phenomenon, and number three, you can not solve it with a unilateral solution. It must be addressed, analyzed, and negotiated at through bilateral mechanisms.

What would you consider the terms of a good immigration bill?

Well, none actually. An immigration bill is a unilateral decision by definition. There is nothing like bilateral legislation. That would be a treaty. So legislation does not correspond to the bilateral nature of the phenomenon. The fact that the United States insists on a unilateral approach to this, to us, is an act of power. To us, it is a reflection of the asymmetry of the bargaining capabilities of the two countries. To us, this is the imposition of one's view, of one side's criteria, upon the other. If this is a situation in which the solution can only be the one coming from the United States, that's only because the United States is more powerful. Not because it is a situation that is approached based on reason and facts. It is an act of power.

How do you respond to those who argue that it is a question of national sovereignty and control of the American border?

Well, I agree that immigration matters are related to the question of sovereignty. And I agree with the notion that it is the right, the sovereign right, of every country to decide who should come, who should be in and out. That's a sovereign right of every country and that's one very basic point. But the United States is the only country in the world where immigration laws that derive from a sovereign right allow the alien to be hired. It is the only country in the world where immigration laws allow the alien that has entered illegally to be hired. It allows the employer to hire those who have violated the laws. And that has been in the books ever since 1952. And the fact that the United States has not changed this is not an act of God or nature. It is because it benefits very powerful interests in the United States. And that is an important distortion of the sovereign right of a country to determine who should enter and who should not. That sovereign right has been distorted by the immigration laws in the United States. And, in fact, you could argue that it has become the sovereign right of the United States to decide that that's the way it should be. It is indeed the sovereign right of the United States to invent undocumented immigration. And that, in reality, is what they have done, by designing a law that allows employers to hire undocumented aliens. They have created the magnet. They have created the elements for an economic phenomenon to persist.

But the current legislation includes employer sanctions.

Yes, and in this context you can argue, well, that several projects—legislative projects ever since the Rodino bill in 1970 all the way to the present—have asked for

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● This "bullet" symbol identifies statements or insertions which are not spoken by the Member of the Senate on the floor.

Boldface type indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

sanctions on employers. And the current bill, the Simpson bill, includes sanctions on employers. My answer to that is: but those have been projects; they have not passed, yet. That is, again, not just by chance. And, at the same time, you ought to see what sanctions on employers mean in the current legislation. Number one, the question of undocumented immigration is maintained because these current projects establish an exemption: employers who have less than four employees. It doesn't apply to employers who have less than four employees. Therefore, this is part of the contradiction.

The American public is led to believe that the law responds to control the border. But at the same time it leaves a loophole, tremendous loophole, for those employers who employ less than four. Well, it just happens that Mexican undocumented immigrants are hired—the majority of them—by employers who have less than 15 employees. A great, great proportion of the employers of undocumented immigrants are in the area of small businesses, houses, small units. Big employers don't hire undocumented immigrants, by and large. . . . This bill reflects a very common view that demand has to be protected, that the demand of the labor force from Mexico has to be protected. So it is totally incongruent with the vision that the United States has to take, to regain control of its borders. That to us is a mockery. Because if that would be the case, why leave a loophole of less than four workers for an employer to be in a situation where he is subjected to the law?

And even then you find that there are no mechanisms for enforcement. The enforcement of that particular law is something that is so lax that, again, sanctions for employers are not going to end the demand. It is not designed to end the demand. The whole purpose of the bill is basically political. The whole purpose of the bill is to lead the American public to believe that something has been done, while the economic basis of the phenomenon has not been, is not going to be, touched. . . . The economic forces at play are going to continue and are not going to be affected significantly if this bill becomes law. Except one thing, that it's going to increase the criminalization process of the undocumented immigrants. And that is going to cheapen their labor.

Will the amnesty provision in the current bill serve to decriminalize the status of the undocumented immigrant and perhaps increase the value of their labor?

One of the most significant changes in the current Simpson proposal, as compared to the Simpson-Mazzoli proposal, is precisely in that notion of amnesty. The dates have been changed, making it more restrictive for people who have been there since 1980. That puts the Mexican undocumented alien in a situation which is not going to be beneficial. Except for a very small, very minute proportion of the Mexican undocumented immigrants.

The reason, of course, is that the great majority of Mexican undocumented immigrants tend to stay in the country for a period that is far shorter than the law allows. We have estimated this based on our research. Even though the length of the stay of undocumented immigrants has been experiencing a certain growth. It is longer now than five years ago, due to the more strict operations of the INS and Border Patrol—this more strict operation of the Border Patrol has produced the paradoxical effect of prolonging the average stay of the undocumented immigrant. Even with these changes, very few undocumented Mexicans will qualify for this proposed amnesty. In Texas, we have found the average stay is eight to ten months. And the stay in California is from one year to a year and eight months. The proposed amnesty will probably benefit undocumented immigrants from countries other than Mexico, countries that do not share a border with the United States.

Consider the supply of labor. I recently read a Brookings Institution prediction that some 900,000 people per year are entering the Mexican work force. Do you agree with that figure?

More or less yes.

How much of that can be absorbed by the Mexican economy?

Well, before the crisis, before 1982, there was a six-year period where the Mexican economy was absorbing more than that. After 1982, there was a tremendous diminishing of that, but even then there were new jobs for as few as 400,000. That has been increasing steadily, ever since 1982 to the present. It is to the point that you can ask here in Tijuana and you will find that there is labor shortage here in Tijuana. Something that people just don't even imagine. In this country, Mexico, labor shortages? Yes . . . you can ask any maquiladora [border factory] industry representative. They will tell you the difficulty they have looking for plumbers, painters, carpenters, electricians. That's almost a vanishing species. Why? Because they go to the United States. And employers in Tijuana have to compete with employers in the United States for the same workers. And that's something that's affecting very negatively the economic growth of Tijuana.

Do maquiladoras along the border attract labor that would otherwise emigrate to the United States?

They don't hire migrants. They might attract migrants, but they don't hire migrants. There are some exceptions . . . in certain areas like Nogales for instance. Nogales is a place where there are labor shortages; they have to resort to recruiters to bring migrants to Nogales. The place where you find the highest concentration of maquiladoras is Ciudad Juárez. This is what we have studied the most. What we have found in Ciudad Juárez is that maquiladora industry prefers permanent residents. They have higher levels of education. In fact the maquiladora can be very choosy. It's something that is very interesting. They have a minimum and a maximum. They don't hire beyond certain levels of education.

Do you consider American investment programs, as they are occasionally proposed by American legislators, as a potential long-term solution to Mexico's unemployment problem?

No, no, not necessarily. I would be in favor of United States investment in Mexico but not as a solution to immigration. We need more investment from the United States. But, in fact, you could argue that sometimes investment, United States investment in Mexico, produces outmigration. That is something that could be documented in the case of the capital and technology invested in certain agricultural productions, such as tomato in Sinaloa. The most intensive use of capital displaced workers that ended up in the United States. So, in that way, my answer to your question is definitley no. Because there is no relation between investment and no migration. I'm not suggesting, by the example that I just gave you, that outmigration is produced by foreign investment. By no means. But I'm saying that there is no relation between capital investment and no migration. Sometimes it operates the opposite.

When the investment is not directed toward labor-intensive industry?

There is one important factor. And that is, outmigration is not produced by unemployment. That's a very common notion that I used to have, until we found that more than 85 percent of the undocumented emigrants that we were able to detect had a job in Mexico prior to crossing into the United States. The most important factor in going to the United States is higher wages, not necessarily unemployment. So you could have zero unemployment in Mexico and still have emigration to the United States because of higher wages. Investment does produce more jobs, but not necessarily better wages. If they don't produce higher wages, the incentive for going to the United States is going to be maintained. Of course, it is higher wages in combination with other factors. Otherwise, I wouldn't be here. Everybody would be in the United States.

What is the potential, as you see it, for emigration to the United States?

Number one, migration is not an illness. Migration is a fact of life, an economic fact, in terms of development. You find that, in a process of development, migration tends to intensify rather than the opposite. So, migration is not bad, economically speaking, for the place of origin and the place of destiny. In fact, it's good, it's positive, economically speaking, for the two. This is something that I demonstrated in my research looking for the impact of migration on income distribution in the places of origin or the place of destiny. The most recent result of that study I published in Commercio Exterior last year.

And migration within Mexico is changing. Places that were net receivers of population in the past, such as Tijuana and Mexico City, are now points of outmigration. And internal immigration to border cities has diminished tremendously in the last ten years. Internal migration patterns are changing; this is a process of going from underdevelopment to development. And migration is affected by a lot of factors.

Migration to the United States has been affected by inflation, in a very significant way. In a survey that we did in October of 1981, compared to a survey that we did in May of 1984, we found a cost increase of eight to ten times in traveling from the central part of Mexico—the traditional area of outmigration—to the State of California. In 1981 the average cost was between ten thousand to fifteen thousand pesos. Now it is between one hundred and one hundred fifty thousand. What I'm suggesting is that the increase between eight to ten times, in less than three years, has diminished the possibilitity of migrating to the favorite place, which is California. Forty-five percent of the undocumented aliens go to California, and about 30 percent go to Texas.

Have those figures changed with the increased cost of migration?

Apparently, yes. I don't have hard data on that. But apparently there has been some increase in the State of Texas. We have offices throughout the border, and we try to monitor the flows. Our monitoring in Matamoros and Nuevo Laredo seems to indicate some increase in the flow in that part of the border. Whereas we have some decrease in the flow on this part of the border, Tijuana. Contrary, totally contrary, to what INS is saying.

Is the Lower Rio Grande Valley the most popular area of access to the United States for the undocumented immigrants? Several sources suggest that it is the most popular, and perhaps easiest, crossing point.

Yes, yes, but that has to be qualified. In fact, it is as easy to cross here as it is in the Lower Rio Grande Valley. Except, as I have said, to get here is more expensive than to get to the border of Tamaulipas and Texas. The access to that border from the traditional areas of outmigration is cheaper. In that respect, it is more difficult to come here than it is to go to Texas. But once you are here, the process of crossing is as easy here as it is in Texas.

But—this a very important concept for me—it is not the same to border southwest Texas as to border California. As you know, if California would be an independent country, it would be the seventh power in the economy of the world. And, of course, you know that southwest Texas is one of the most deprived areas of the United States, the most underdeveloped area of the whole country. That makes a lot of difference. It makes a difference in terms of the working conditions for the undocumented immigrant. It makes a difference in terms of the length of stay, the type of migrant. It makes a lot of difference. Because everybody in the trade, so to speak, of undocumented immigrants knows that Texas is not the best place to go because it's going to be the lowest wages, primitive or the worst working conditions; it's not the best place. But a lot of people go to Texas because it's cheaper. The best scenario that an undocumented immigrant has, departing from the central part of Mexico, is: I will cross the border as soon as possible, and as close as possible—that means Texas—and then I will make some money in Texas to go to California. That's the best scenario the undocumented immigrant has. They want to go to Texas because they want to make enough money to get to California. Because they could not afford to go directly from the traditional areas of outmigration to California.

Do you consider this a long-term relationship between one country with a labor surplus and one with a constant demand for foreign labor?

Yes, a long trend but not a permanent trend. I think that the possibility for Mexico to continue this supply is going to be limited by two factors. One is demographic. As you know, the birth rate in Mexico, the fertility rate, has diminished tremendously. From 3.6 [percent] in 1970 to 2.4 in 1985. As this trend continues—and it can not be reversed—there is going to be a point near the year 2000 where the Mexican economy is going to start producing a better balance between job creation and population growth. . . . At that point, the outmigration is going to diminish drastically.

The other element is, if the Mexican economy continues a normal rate of growth—let's say an average of three percent per year—then you will find a greater competition between Mexican employers and the United States employers. So we are proceeding toward a certain point of equilibrium. And Mexico is not going to be in a situation of having an excess supply of labor toward the year 2015, more or less.

But from here to the year 2015, we're going to have this problem. And, in fact, in terms of economic pressures in Mexico, we have not seen the worst. The peak of the population growth was 1970. That means that the people that were born at the peak of the population growth are entering the labor force right now. So for some years to come the population pressure in Mexico is going to be very high.

The Simpson-Mazzoli bill is often discussed as if it pertains only to the Mexican undocumented immigrants in the United States, or as if there were no immigration from other countries. Do you perceive Simpson-Mazzoli and the current Simpson bill as being directed primarily at Mexican immigrants?

That's correct. And, economically speaking, in terms of the criminalization, yes, because that would cheapen Mexican undocumented immigrants in the United States—their labor force. No, in the sense that it is not directed to any benefit to Mexico. Totally the opposite. You find absolutely nothing that would represent a benefit. As far as Mexico is concerned, no bill would be better than this bill. Which is not to say that we favor the status quo. We favor a bilateral approach.

And what would a good bilateral agreement include?

A bilateral agreement would have to contain a notion of costs and benefits for each country. That's a basic premise. And once we know what are the costs and benefits, we can rationally negotiate. We don't know that because the United States has focused on this as a unilateral question, and not enough research has been done on the demand side of the problem. So we have very limited information in the understanding of the demand side of the international labor market of undocumented immigrants.

Is job displacement a valid issue? Do undocumented immigrants displace American workers, or take jobs that would go to American workers?

Well, there's no displacement in the way that has been presented to the American public because employment in the United States is a regional problem, in certain sectors of the economy. It is not a general problem in the United States but a problem more in the Northeast and Midwest, in sectors of heavy industry that are losing in today's competitive world, steel, automobiles, etc. Undocumented immigrants are basically unskilled. Unemployment in the United States is not in the area of unskilled labor.

As a matter of fact, the United States is in a trend where it is developing shortages in unskilled labor. The United States' occupational structure is leaving vacuums in the area of the least paid sectors. And the United States is not reproducing its labor force. There are certain vacuums that are left at certain levels of the wage scale, at the unskilled level, that are not going to be filled by Americans. This is a trend that is going to continue, and the United States is going to find itself in an increasing need for unskilled workers from abroad.

What is your estimate of the number of undocumented Mexicans presently working in the United States? I have heard estimates as high as 12 million.

Massive numbers are again another political construction rather than a reality. You probably have heard of the latest report sponsored by the National Science Institute: their estimate was 1.2 million. And General Chapman said, in 1974, that there could be 20 million. So just imagine a drop from 20 million to 1.2 million. That shows you the politicization of this question.

And your best estimate of this number?

It varies, depending on the time of the year. You are now at the peak of the volume. This is the month of July. Our estimate is, at this point, at the peak of volume you have probably a million-and-a-half Mexican undocumented immigrants in the United States. That number will go as low as 400,000 or 500,000 in December. And that is not related to agricultural seasonability. It's related to this pattern of going back and forth that characterizes Mexican immigration to the United States.

What is your estimate of the economic benefits of the money sent home by Mexicans working in the United States?

We have an estimate of that that I don't have here with me. But one thing that I can say is that it has been grossly exaggerated in the United states, parallel to the exaggeration of the numbers of people. To the extent that you believe that there are 12 million, then you believe that the remittances are astronomical. To the extent that you believe that there are one million and a half, then it doesn't go so high. Though we have estimated lower numbers in the past, we think that it is a very important avenue of dollars in Mexico. In fact, we have estimated that it is approximately one third of what we receive from tourism. So it is substantial, but not as astronomical as people have been led to believe in the United States. And I think that our workers are working hard for that money.

Last summer, when it seemed that the Simpson-Mazzoli bill was about to pass, the mood in the Mexico City press was one of near panic. Were their fears justified? What does the passage of the current bill portend for Mexico?

It was not justified at all. They were influenced by news coming from the United States. And the idea of massive deportations was the ghost. It was just that, a ghost. The United States would not have engaged in a massive deportation, sending back everybody. That would represent shooting yourself in the foot. That would not happen because this is an economic phenomenon, not because of anything else. The United States could resort to massive deportation as a political gesture. That has been done in the past. You remember Operation Jobs. They send the police to make raids, and it is in the papers that they are deporting a number of people, opening jobs and all that. That is not true. That is for political consumption in the United States. The truth of the matter is that the people who are expelled come back the following day and fill the same job. So the United States is more than capable of massive deportations, except that they don't sustain the practice of enforcement of the law in that way. That fear, as you saw it in Mexico, was totally unjustified.

We were pressed ourselves to do a study of what would be the impact of the passage of the Simpson-Mazzoli bill. We found some very interesting situations. Number one, it probably would benefit certain cities, such as Tijuana. It would end these labor shortages that I'm talking about. Also, it would not come in the massive numbers that people think because massive numbers are again a political construction rather than a reality.

Let me ask you about another class of emigrant. Do you detect the beginning of an exodus of middle-class Mexicans, perhaps because of a decreased standard of living and fewer opportunities? Are small entrepreneurs and professionals leaving Mexico?

Not to the extent of calling that a pattern, as you seem to be suggesting. What you find is not a result of frustration, but a result of sheer objective fact. There are some people

in the lower middle class here in Tijuana who cannot maintain the same standard of living they had in the past, not even close to it if they don't have some extra income. And that income often comes from a part-time job in the United States, or sometimes a full-time job in the United States.

Just as an illustration of that: I published an account of a friend of mine who is a lawyer. He told me that he had solved his problems by finding a job across the border as a watchman. A lawyer. He was making twelve hundred dollars a month by working from 8 p.m. to 4 a.m. He was doing that, and, at the same time, he was maintaining his law practice here. And he was making about the same amount of money here. So he had doubled his income by working as a nightwatch. He was working harder, but he was very happy because he had solved his most pressing economic problem, a professional working as a nightwatch. This is just one illustration, but it provides some idea of our economic situation here in Mexico. . . . But in this case, this guy was able to resolve his problem without leaving his home. And that is an option not available to everyone.

HOUSE OF REPRESENTATIVES—*Tuesday, October 16, 1985*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Gracious God, we are appreciative of those people whose love has graced our lives and whose support has been our strength. We are thankful for family and friends who have encouraged us and whose concern has been with us in all the seasons of life. We remember their names in our hearts and pray Your special blessing upon them. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. BROWN of Colorado. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BROWN of Colorado. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 242, nays 103, answered "present" 7, not voting 82, as follows:

[Roll No. 359]

YEAS—242

Ackerman	Brown (CA)	Davis
Akaka	Broyhill	de la Garza
Andrews	Bruce	Dellums
Annunzio	Bryant	Derrick
Anthony	Burton (CA)	Dicks
Applegate	Byron	Dingell
Archer	Callahan	DioGuardi
Atkins	Campbell	Donnelly
Barnard	Carper	Dorgan (ND)
Barnes	Carr	Dowdy
Bateman	Chapman	Downey
Bates	Chappell	Duncan
Beilenson	Clinger	Durbin
Bennett	Coats	Dwyer
Berman	Coelho	Dyson
Biaggi	Coleman (TX)	Early
Bliley	Combest	Eckart (OH)
Boner (TN)	Cooper	Eckert (NY)
Bonior (MI)	Courter	Edgar
Borski	Coyne	Edwards (CA)
Boxer	Crockett	Erdreich
Breaux	Daniel	Evans (IL)
Brooks	Darden	Fascell
Broomfield	Daschle	Fazio
Feighan	Leland	Rinaldo
Fish	Levin (MI)	Robinson
Flippo	Levine (CA)	Roe
Florio	Lipinski	Rostenkowski
Foley	Lowry (WA)	Rowland (CT)
Ford (TN)	Luken	Rowland (GA)
Fowler	Lundine	Roybal
Frost	Manton	Rudd
Fuqua	Markey	Russo
Garcia	Martinez	Savage
Gaydos	Matsui	Scheuer
Gejdenson	Mavroules	Schulze
Gephardt	Mazzoli	Schumer
Gibbons	McCloskey	Seiberling
Gilman	McDade	Sharp
Glickman	McHugh	Shumway
Gonzalez	McKinney	Sisisky
Gradison	McMillan	Skelton
Gray (IL)	Mica	Slattery
Gray (PA)	Mikulski	Smith (FL)
Green	Miller (CA)	Smith (IA)
Guarini	Miller (WA)	Smith (NE)
Hall (OH)	Moakley	Smith (NJ)
Hall, Ralph	Mollohan	Smith, Denny (OR)
Hamilton	Montgomery	Spratt
Hammerschmidt	Moore	Stallings
Hansen	Morrison (CT)	Stark
Hawkins	Mrazek	Stenholm
Hayes	Murphy	Stokes
Hefner	Murtha	Stratton
Heftel	Myers	Studds
Henry	Natcher	Swift
Hertel	Neal	Synar
Holt	Nichols	Tauzin
Howard	Nielson	Taylor
Hoyer	Nowak	Thomas (GA)
Hubbard	Oakar	Torres
Huckaby	Oberstar	Towns
Hughes	Obey	Traficant
Hutto	Olin	Valentine
Hyde	Ortiz	Vander Jagt
Jeffords	Owens	Visclosky
Johnson	Panetta	Volkmer
Jones (NC)	Pease	Walgren
Jones (OK)	Pepper	Weiss
Kanjorski	Perkins	Wheat
Kastenmeier	Petri	Whitehurst
Kemp	Pickle	Whitley
Kennelly	Porter	Whitten
Kildee	Price	Wirth
Kleczka	Quillen	Wise
Kolter	Rahall	Wolpe
LaFalce	Rangel	Wortley
Lantos	Ray	Wyden
Latta	Regula	Wylie
Leath (TX)	Reid	Yatron
Lehman (FL)	Richardson	

NAYS—103

Armey	Fawell	Lott
Bartlett	Fiedler	Lungren
Barton	Fields	Mack
Bentley	Frenzel	Madigan
Bereuter	Gallo	Marlenee
Bilirakis	Gekas	Martin (IL)
Boehlert	Gregg	Martin (NY)
Brown (CO)	Grotberg	McCandless
Burton (IN)	Gunderson	McEwen
Carney	Hendon	McGrath
Chandler	Hiler	McKernan
Clay	Hopkins	Meyers
Cobey	Hunter	Michel
Coleman (MO)	Ireland	Miller (OH)
Conte	Jacobs	Molinari
Craig	Kindness	Monson
Crane	Kolbe	Moorhead
Dannemeyer	Kramer	Morrison (WA)
Daub	Lagomarsino	Packard
DeLay	Leach (IA)	Parris
DeWine	Lent	Penny
Dornan (CA)	Lewis (FL)	Ridge
Dreier	Lightfoot	Roberts
Edwards (OK)	Livingston	Roemer
Emerson	Lloyd	Roth
Evans (IA)	Loeffler	Roukema
Saxton	Skeen	Stangeland
Schaefer	Slaughter	Strang
Schuette	Smith, Robert (NH)	Stump
Sensenbrenner	Smith, Robert (OR)	Sundquist
Shaw	Snowe	Swindall
Shelby	Solomon	Thomas (CA)
Shuster	Spence	Weber
Sikorski		Wolf
Siljander		Zschau

ANSWERED "PRESENT"—7

Anderson	Hatcher	Snyder
Dymally	Sabo	
Gordon	Schroeder	

NOT VOTING—82

Addabbo	Goodling	Rogers
Alexander	Hartnett	Rose
Aspin	Hillis	Schneider
AuCoin	Horton	Solarz
Badham	Jenkins	St Germain
Bedell	Jones (TN)	Staggers
Bevill	Kaptur	Sweeney
Boggs	Kasich	Tallon
Boland	Kostmayer	Tauke
Bonker	Lehman (CA)	Torricelli
Bosco	Lewis (CA)	Traxler
Boucher	Long	Udall
Boulter	Lowery (CA)	Vento
Bustamante	Lujan	Vucanovich
Chappie	MacKay	Walker
Cheney	McCain	Watkins
Coble	McCollum	Waxman
Collins	McCurdy	Weaver
Conyers	Mineta	Whittaker
Coughlin	Mitchell	Williams
Dickinson	Moody	Wilson
Dixon	Nelson	Wright
English	O'Brien	Yates
Foglietta	Oxley	Young (AK)
Ford (MI)	Pashayan	Young (FL)
Frank	Pursell	Young (MO)
Franklin	Ritter	
Gingrich	Rodino	

□ 1225

Mr. RICHARDSON changed his vote from "present" to "yea."

So the Journal was approved.

The result of the vote was announced as above recorded.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Saunders, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 2174. An act to provide for the transfer to the Colville Business Council of any undistributed portion of amounts appropriated in satisfaction of certain judgments awarded the Confederated Tribes of the Colville Reservation before the Indian Claims Commission.

The message also announced that the Senate insists upon its amend-

ments to the joint resolution (H.J. Res. 372) "Joint resolution increasing the statutory limit on the public debt," disagreed to by the House, agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. PACKWOOD, Mr. ROTH, Mr. DOMENICI, Mr. DANFORTH, Mr. ARMSTRONG, Mr. LONG, Mr. BENTSEN, Mr. CHILES, and Mr. LEVIN to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 79. Concurrent resolution correcting the enrollment of H.R. 2409.

HOUR OF MEETING ON TOMORROW

Mr. MAVROULES. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 a.m. tomorrow.

The SPEAKER pro tempore (Mr. PERKINS). Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

COMPETITION IN PAY TELEVISION

(Mr. TAUZIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TAUZIN. Mr. Speaker, I rise today to alert the House to a new American invasion—the invasion of the encryptors. Although this warning may seem a bit amusing, it is a most serious one.

Encryption or scrambling of satellite television signals is being tested now and is planned for full-time use early next year by most major producers of satellite television programming. In other words, Americans who have paid for, and installed home satellite reception systems will soon face a situation where more and more of the programming they now receive will be scrambled, and, thus, denied to them without the benefit of a decoding or descrambling device.

Pay television programmers, like HBO, Cinemax, Showtime, the Disney channel and others, are planning to scramble to protect their right to compensation. That is well and good—provided. Provided that home satellite systems have a fair right to pay for, receive, and descramble those signals.

Last year this House voted to deregulate a relatively new industry—cable television. And we did so because we expected cable TV to operate in a competitive environment. But if cable TV is ever granted the legal or practical exclusive right to distribute America's pay television programming, we will have been responsible for deregulating a virtual monopoly.

H.R. 1840, the Satellite Viewing Rights Act of 1985 seeks to guarantee a competitive environment—ensuring that your constituents and mine will have a real choice between cable and home satellite systems.

I urge you to consider cosponsoring H.R. 1840 before the invasion of the encryptors is upon us.

CONGRESS ADDRESSES PROBLEM OF INTERSERVICE RIVALRY

(Mr. ROTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROTH. Mr. Speaker, at long last, Congress is finally addressing the problem of interservice rivalry in our Armed Forces. Wonderful. It is about time we are doing something about the Pentagon and the infighting that goes on there. The rivalry among the branches of our services, the Navy, Army, Air Force, Marines, is legendary, as anyone who has served in the Armed Forces can tell you. Most Americans believe that one branch of our Armed Forces would rather win a fight with another branch than win a battle with one of our Nation's adversaries.

Also, because of the sharp separation among our Armed Forces, there are endless duplications and unconscionable added costs. This is one of the reasons our defense budget is so high. The effectiveness of our military is also impaired because of the lack of communication and coordination among the different branches in our Armed Forces. Yes, it is about time that the overweight Pentagon gets down into fighting trim and that we are not caught flatfooted in an increasingly dangerous world.

THE DOD AUTHORIZATION CONFERENCE AGREEMENT

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONTGOMERY. Mr. Speaker, the delayed floor action on the DOD authorization conference agreement is resulting in serious repercussions for our enlisted personnel.

An example is the 3-percent military pay raise which was to be effective October 1, 1985. Another example involves the National Guard and Reserve bonus programs. Authority to pay enlistment and reenlistment bonuses expired on September 30, 1985. Once reestablished, the authority cannot be used retroactively.

It is not right that we continue to delay accepting the military conference agreement. It's not the big weapons systems that are affected by this delay—they will eventually come on line. It is the people, those in uniform and those waiting to wear the uniform, who are being hurt.

Mr. Speaker, it is time to bring this military conference agreement to the floor. Let's get with it.

THE COMMUNIST SANDINISTAS

(Mr. LAGOMARSINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAGOMARSINO. Mr. Speaker, not long ago, many in this body asked: Are the Sandinistas really Communists? Are they really dedicated to making Nicaragua a totalitarian police state, modeled after Cuba?

Well, no longer should there be any doubt. Last night Sandinista Commandante Daniel Ortega suspended human and civil rights in that nation, including the right to free speech, free expression, public assembly, the right to strike, and freedom of the press. Justice Minister Rodrigo Reyes says news censorship "will be total." All sections of the media will now be required to submit their material to the Interior ministry prior to publication or broadcast.

Ortega said,

In response to the terrorist politics of the United States * * * internal pawns of imperialism supported by some political parties, news media outlets, and religious institutions have redoubled their actions to sabotage the defense forces of our homeland.

Cardinal Obando y Bravo a "saboteur"? la prensa a "saboteur" and "pawn of imperialism"? come on, Commandante!

The people of Nicaragua deserve better than this, Mr. Speaker. They wish to live free from totalitarianism, from repression and suppression and, yes, free from communism. The actions, again, on the part of the Sandinistas in Nicaragua, are testament to their own war being waged against freedom here in our own hemisphere. Once again, the Communist Sandinistas are showing the world their true colors.

A MORAL OUTRAGE

(Mr. SILJANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SILJANDER. I just recently came back, Mr. Speaker, from the dedication of the new Holocaust Museum. The speakers there were moving, asking us to remember, remember prejudice, remember hatred, remember racism. So it is fitting to continue this desire we have with the Soviet Jews, the starvation in Ethiopia, the suffering blacks in South Africa, as we have in Romania, with

religious and ethnic persecution, and so many other countries, to continue our moral outrage at racist comments such as those made by Reverend Farrakhan regarding the Jewish religion.

I have introduced a resolution condemning Mr. Farrakhan and his association with the Ku Klux Klan and his incredibly wild statements such as quoting Hitler as "a very great man." He said that Israel is "structured on injustice, theory, lying and deceit, using God's name to shield your dirty religion."

While some have said this resolution would only help promote Mr. Farrakhan, he has had rallies with thousands and thousands, recently almost 20,000 in New York, cheering him on. Our moral outrage must stand up and speak out somewhere along the line. How far can we allow Mr. Farrakhan to go before this Congress should speak up and exercise its freedom of speech and condemn Mr. Farrakhan and ask him to please cease and desist in his racist comments toward the Jewish faith.

TERRORISM

(Mr. DORNAN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN of California. Mr. Speaker, I, too, had the honor this morning of being at the groundbreaking ceremony for the Holocaust Memorial. Mr. Eli Weisel, as the distinguished preceding speaker said, is truly the chronicler and conscience of the Holocaust. This morning, Mr. Weisel involved the memory of an American whose mortal remains are at this moment slowly making their way back to his homeland, the U.S.A. The bullet-punctured remains of Leon Klinghoffer bear cruel testimony to the horror of terrorism in our world today. No one is safe. Not children. Not senior citizens in wheelchairs. As Eli Weisel said at the ceremony this morning, this murder of Mr. Klinghoffer was so vicious, so ugly, so absurd, the shooting of an American in his wheelchair, in the 70th year of his life—organized crime hiding behind political rhetoric. But Leon did not disappear beneath the waves. William Shakespeare said it well in his play, "Hamlet," that "murder, though it has no tongue, will speak with most miraculous organ • • •."

Leon Klinghoffer in death has given the lie to the absurd remarks of terrorist Mr. Abbas and those apologists of terror around the world who have said that Mr. Klinghoffer probably died of a heart attack. Yes, a Mafia heart attack—that's a bullet in the brain.

I address you, President Mubarak. There are many of us in this House who are glad that you are the President of Egypt, but we implore you, before a stronger message is sent to you from the Congress of the United States, a financial message, please knock off this embarrassing rhetoric and stop responding to terrorism in a weak way. It is so unlike all the rest of your career. You're a fighter pilot; act like one. You sat next to President Sadat, your friend and mentor, as his blood was splattered on you by terrorist bullets. You survived by God's will alone. You took care of those killers permanently and avenged your President. Why so weak now? Stop widening this gap between our two countries. Let us stay together again in friendship, furthering peace in the Mideast. Do not let this terrorist hijacking of a pleasure ship succeed by damaging our good relations. Get real, Mr. President. Remember October 6, 1981.

EL SALVADORAN REFUGEES

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, as a parent, my heart ached as I watched El Salvador's President Duarte send his children thousands of miles away to our country for protection. President Duarte and the people of his country have endured so much that this seems blatantly unfair.

As a Congresswoman, I am also angry that the same administration that would receive President Duarte's children for protection would continue to press criminal charges against American church people engaged in the sanctuary movement who are trying to protect other El Salvadoran refugees.

I hope, with all my heart, that this administration rethinks its position and stops prosecuting American citizens who are trying to aid refugees from El Salvador. When we admit the children of the President of that country, saying they cannot be protected, how can we possibly say that regular citizens can be safe? I also hope that this House moves as rapidly as it can on the Moakley bill, because that will help solve the problem.

□ 1240

THE ROLE OF GOVERNMENT IN ECONOMIC AND SOCIAL POLICY

(Mr. CLINGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CLINGER. Mr. Speaker, recently, I was pleased to have attended an excellent dinner-seminar held by the House Wednesday Group which I currently chair. The event was titled "The Role of Government in Economic and Social Policy" and proved to be a superb opportunity to have an informal exchange of ideas between Members of Congress and members of the business and academic communities.

The evening was highlighted by remarks from our colleague BILL GRADISON, Brad Butler, chairman of Procter & Gamble, and David Saxon, president of MIT. Following short informal presentations, we also heard from Paul Volcker, Martin Feldstein, Charles Schultze, Paul McCracken, and a variety of other outstanding individuals.

Not surprisingly, although we sought to explain specific policy questions in education, civil rights, and a range of other important topics, the bulk of our discussion kept coming back to the Federal budget deficit, its macro and micro effects, and the inability of our national political institutions to deal effectively with it.

We learned from our guests, Mr. Speaker, that the budget deficit is the fundamental problem behind our trade deficit and unbalanced economic recovery. We cannot continue to avoid the tough choices that come with running a government. At the same time, our guests learned from us that while government never quite moves fast enough to address all our problems, our approach to the deficit has changed substantially in recent years. We may not have done enough but at least we are moving in the right direction.

SUPPORT URGED FOR THE JCS REORGANIZATION ACT

(Mr. SKELTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SKELTON. Mr. Speaker, since 1982, the House Armed Services Investigation Subcommittee has looked long and hard into ways to improve the workings of the Joint Chiefs of Staff. Gen. David Jones, the Chairman of the Joint Chiefs of Staff, and Gen. Shy Meyer, the Army Chief of Staff, triggered this effort in 1982. Both generals in articles described the poor advice and even poorer staff procedures on the Joint Chiefs of Staff.

After a series of very thorough hearings, the House passed JCS bills in 1982 and again in 1983 with broad, bipartisan support. On both occasions, the Senate was unable to draft its own Joint Chiefs of Staff bill. This year, the House Armed Services Investigation Subcommittee has again put together another JCS bill. This session, however, the chances are very good that the Senate will address this important matter.

Over the past 2 weeks, two highly respected Members of the other body have given a series of speeches about the very serious problems in the orga-

nization of our national defense establishment. I commend them for their efforts. Having worked on this issue since 1982, I am pleased about the bright prospect of the Joint Chiefs of Staff reform becoming a reality. I hope that the Members here will support the JCS Reorganization Act of 1985 that was recently adopted by the House Armed Services Investigation Subcommittee.

HIGH TECHNOLOGY MONTH

(Mr. LEWIS of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEWIS of Florida. Mr. Speaker, the technology that is developed in this country is one of our most important national assets and affects nearly every facet of our lives.

Our homes are filled with the wonders of high technology making our lives richer and more comfortable.

The technological advances in the medical profession have increased the length and quality of our lives.

Space and ground communication systems have drawn the world community closer together thereby changing, for the better, our concepts of the world.

Technology has produced an unparalleled national defense capability and is a major factor in providing the proper climate for resumption of arms control talks.

Our developing high technologies also provide for our significant international competitive edge, producing both jobs and products.

The high return on our national investments in research and technology continues to be one of the best bargains available and I ask my colleagues to join with me this month, National High Technology Month, in recognizing and saluting the Nation's aspirations and achievements in the various and far-reaching fields of high technology.

CUT OFF AID TO EGYPT

(Mr. DARDEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DARDEN. Mr. Speaker, Egypt's freeing of the hijackers of the *Achille Lauro*—who killed an American passenger—and its condemnation of our entirely justifiable operation to bring those outlaws to justice, should prompt reassessment of our aid program to Cairo.

When Anwar Sadat made peace with Israel under the Camp David accords, the United States swiftly rewarded Egypt. Economic and military aid was only $21 million in 1974—today it totals almost $2½ billion.

Now, President Mubarak, after giving misleading statements about the location of these hijackers, insinuates that our interception of the criminals, whom he allowed to escape, is an act of piracy. And he has the gall to demand an apology from us.

We supported President Sadat for an act of peace by greatly increasing assistance to Egypt. President Mubarak's tolerance of terrorism warrants an inverse response—a cutoff of that aid.

THE PEOPLE WANT ACTION ON THE DEFICIT NOW

(Mr. KOLBE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KOLBE. Mr. Speaker, the people of my district want action on the deficit—and they want that action now.

While I was at home this last weekend, I stopped at a service station in Sunsites—the rural part of my district—to fix a leaky radiator hose. While the mechanic struggled under the hood of our car, he took the chance to tell me what he thought about our spending habits back here: "If you guys don't do something about that deficit, and stop all that spending," he told me, poking a greasy finger in my chest, "I'm not going to have this service station or any job * * * and you'll darn well be out of a job, too!"

You know, Mr. Speaker, he's right. And you know something else? The people of America have caught on to what we are doing back here. They've figured out that we can't have it both ways: voting for so-called "tough" budget resolutions to cut spending, and then voting for spending bills that waive the budget resolution.

Who are we kidding? Not the American people.

We need the Gramm-Rudman amendment to impose some discipline on us and on this budget process. Not next year. Not next month. We need it now.

RETAIN THE FULL DEDUCTIBILITY OF STATE AND LOCAL TAXES

(Mr. MANTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MANTON. Mr. Speaker, tax reform will be successful only if it increases fairness and reduces the tax burden for middle America. This should be the test for any tax reform proposal. A major component of President Reagan's tax plan falls far short of meeting this test. That, of course, is the President's proposal to eliminate the deductibility of State and local taxes.

The State and local deduction has been a part of the Federal Tax Code since its creation in 1913. It is designed to prevent double taxation and to preserve the historic right of local governments to raise revenues.

A majority of middle-income taxpayers deduct their State and local taxes. In New York, the administration's proposal to end deductibility would add more than $1,600 to the tax bill of the average middle-income taxpayer.

Furthermore, ending deductibility would have a devastating effect on the ability of State and local governments to provide basic services. Education, police and fire, aid to the poor and elderly, health programs, all would suffer.

This proposal is even worse because it comes at a time when State governments are being forced to bear a greater responsibility for public services.

Finally, eliminating the State and local deduction would erode property values and dramatically increase the cost of home ownership.

Mr. Speaker, if we are to make certain tax reform fair and equitable, the full deductibility of State and local taxes must be maintained.

FAVORABLE CONSIDERATION URGED FOR BUY AMERICAN PROVISIONS IN H.R. 2959

(Mrs. BENTLEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mr. BENTLEY. Mr. Speaker, I call upon my colleagues to weigh several factors when they consider funding for the Bonneville Power Administration. Last month, Westinghouse announced it will no longer make large power circuit breakers. If access to foreign markets were consistent with access to U.S. markets, Westinghouse would still be making circuit breakers.

They will now be made abroad; another example of exporting not products but jobs. Twelve hundred jobs. The 1979 trade agreements did not incorporate Government procurement of heavy electrical equipment and our trading partners have taken advantage of this by selling here while U.S. manufacturers have been excluded over there.

In the last 5 years, foreign penetration in the U.S. market has gone from 15 to 95 percent. There is no reciprocity. Yet in the last 4 years, over 80 percent of the items purchased by Bonneville Power Administration and funded in large part by American taxpayers have been for foreign-made equipment. Why? These are American taxpayers' dollars. We, the Congress, are the trustees for that money. In good conscience, we must make certain

American taxpayers' money is spent to insure American jobs.

Please consider favorably the buy American provisions in H.R. 2959.

□ 1250

NATO PARLIAMENTARIANS SUPPORT STRATEGIC DEFENSE INITIATIVE

(Mr. STRATTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STRATTON. Mr. Speaker, the city of Washington, DC, is generally regarded as the news capital of the world, but, surprisingly, with respect to a very historic event that took place yesterday in the city of San Francisco, I have not seen that event reported anywhere since it took place. That event was a convening of the North Atlantic Assembly made up of parliamentary representatives from the 16 NATO countries who, after a 3-day discussion of the issue and after listening to outstanding and very informative speeches by Secretary Shultz and Ambassador Nitze, voted overwhelmingly to support the Strategic Defense Initiative of President Reagan.

In fact, that voting margin was 4 to 1 when the votes were counted by our NATO allies, and I think that is an outstanding and surprising success for the SDI.

This remarkable result, Mr. Speaker, was made possible by the tireless efforts of the leaders of our North Atlantic Assembly House delegation, the gentlemen from Texas, Mr. BROOKS, a former President of the Assembly, and the chairman of the House delegation, the gentleman from Florida, Mr. FASCELL, the chairman of the great House committee on Foreign Affairs. Both of these leaders worked tirelessly with the delegations from Europe and Canada to convince them of the wisdom of the SDI.

I might also point out that both of these leaders who made this important victory possible for the Reagan administration were both Democrats. In that great legislative body, there was no partisanship; we worked as a team.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 3520

Mr. WOLF. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 3520.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON MERCHANT MARINE OF COMMITTEE ON MERCHANT MARINE AND FISHERIES TO SIT DURING THE 5-MINUTE RULE ON THURSDAY, OCTOBER 17, 1985

Mr. BIAGGI. Mr. Speaker, I ask unanimous consent that the Subcommittee on Merchant Marine of the Committee on Merchant Marine and Fisheries be permitted to sit at 10 a.m. on Thursday, October 17, 1985, for the purpose of holding a hearing on H.R. 277—a bill to amend the laws on limitation of a shipowner's liability—and on chapter 311 of H.R. 3156 pertaining to limitation of liability.

The ranking minority member of the committee, the gentleman from New York [Mr. LENT] and the ranking minority member of the subcommittee, the gentleman from Kentucky [Mr. SNYDER] have been apprised of the hearing date and time and are in accord with this request.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

LET'S ADD A LOTTERY TO THE DEFICIT REDUCTION PLAN

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Mr. Speaker, in the last 2 weeks, the House and Senate have passed separate plans with one common goal—to eliminate the Federal deficit by 1991. Both plans would do this mostly through spending cuts with no new sources of revenue.

That does not have to be the only way. I have a modest proposal for the House-Senate conferees that would make the final deficit reduction plan less painful. Simply provide authority to conduct a national lottery in any of the 6 years of the plan. What a painless but potentially powerful source of new revenues.

States have a successful track record with lotteries. In 1983, revenues from 18 State lotteries exceeded $5.2 billion. Consider that in New York, in the week before the $40 million lottery award, tickets were selling at a rate of 20,000 a minute. Consider that our Nation's newest lottery in California saw 30 million tickets sold in just the first 2 days of operation.

Conservative estimates show a national lottery could raise between $12 and $18 billion a year depending on participation. The goal of the deficit reduction plan is $36 billion in savings a year. This means a national lottery could represent between one-third and one-half of these savings.

As the author of a national lottery bill, I urge it be given consideration. Its time has come.

SANDINISTA REPRESSION AGAINST THE NICARAGUAN PEOPLE INCREASES

(Mr. LIVINGSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LIVINGSTON. Mr. Speaker, from the inception of their regime, the Sandinistas have made no pretense of being anything other than committed Marxist-Leninists. Since coming to power in 1979, they have not deviated from establishing a totalitarian society against the wishes of the Nicaraguan people. We see increasing evidence of this repression in reports from Managua.

Now the ruling-junta has suspended civil liberties for 1 year, reducing the already restricted freedoms of the Nicaraguan people. And, in true Communist fashion, they shut down the Catholic Church newspaper, Iglesia, and intimidated its employees.

The Sandinistas claim this action was in response to the U.S. threat against Nicaragua. But this is the same excuse we've heard since they marched into Managua.

These recent measures aren't a result of U.S. actions; rather they're just part of the standard methods of Communist consolidation.

The threat, Mr. Speaker, to Nicaragua is not from the United States, but from the Nicaraguan Government. It is they who are oppressing their people. These latest Sandinista actions should be seen for what they really are—proof that the Communist in Managua are becoming more desperate, and their policies bankrupt.

ELIMINATING STATE AND LOCAL TAX REDUCTION IS BOTH UNPOPULAR AND UNFAIR

(Mr. MAVROULES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAVROULES. Mr. Speaker, I would like to take this opportunity to comment on the proposal to eliminate the deduction for State and local taxes.

Eliminating this deduction would constitute double taxation for millions of hard-working middle-income taxpayers.

Must the middle class be asked to take on an even greater share of the financial burden of this country? Of my constituents responding to a recent survey I conducted, 82.4 percent say no.

Across the Nation an estimated 70 to 80 percent of all taxpayers, again, say no. This figure includes over 60 percent of those from low-tax States, as well as nonitemizers. Eliminating the State and local tax deduction is not only unpopular, it is unfair.

I urge my colleagues on the Ways and Means Committee to preserve the State and local tax deductions. Let us not add to the existing tax burden of the middle class who is more than contributing its fair share.

DEFICIT REDUCTION ISSUE NEEDS MORE ACTION, LESS TALK

(Mr. MONSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONSON. Mr. Speaker, a weekend visit to my district does not go by without hearing the question: "When are you going to do something about the deficit?"

Given the rhetoric that we hear almost daily in these Chambers, one would get the impression that that action is imminent, but last Friday, when given an opportunity to do something specific about reducing our national deficit, we passed the issue off again and sent it to conference so we could talk about it some more. That is somewhat consistent with the action we traditionally take of waiving budget resolution requirements and of voting to increase spending on appropriation bills.

The facts are that we are not dealing with this issue. The people of America want it dealt with, and they want it dealt with now. We have an opportunity to do it through a specific proposal that sets targets and gives discipline to the Congress.

Mr. Speaker, I hope that we will quit talking and get on with the action that is necessary.

AMERICA'S ALLIES OFFER SCANT SUPPORT OF ANTITERRORISM EFFORTS

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUDD. Mr. Speaker, as the *Achille Lauro* drama continues to unfold, we are basking in the glory of finally having done something against terrorists.

But unfortunately, relations with some of our allies have hit rock bottom over this incident. President Mubarak of Egypt lied to the press and personally lied to the American Government. Italy allowed a known terrorist and murderer to quietly leave their country after United States warrants had been issued for his arrest.

These actions are a damning indictment of the commitment of our allies to support us and stand firm in the face of terrorism. It also questions the very substance of our relationships with these nations and the continued wisdom of pouring billions of U.S. aid dollars from American taxpayers into foreign coffers.

Mr. Speaker, one daring intercept does not an antiterrorist policy make. Clearly these events have shown us that a coordinated, formal policy of combating terrorism must be formulated and ratified by the United States and its allies.

We must learn to work together and depend on each other to lick this international menace.

A WRONG APPROACH TO SOLVING THE DEFICIT PROBLEM

(Mr. DORGAN of North Dakota asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORGAN of North Dakota. Mr. Speaker, let us be clear about the deficit problem and what is being done. First of all, it is obvious to all of us and to all Americans that we have a serious problem with this Federal deficit.

□ 1300

We are now in conference with the Senate to try to resolve it. Two things ought to come from that, in my judgment. No. 1, we ought to require this President, who continually talks about balanced budgets, to send balanced budgets to Congress; and No. 2, we ought to require Congress to balance the Federal budget.

Now there were two things wrong that came from this missive that came from the other body. First, they say, "Let's do all of these things, but we want to wait until after the next election to get it done."

I say that is baloney. Let us roll up our sleeves and get it done. You want to do it, let us do it now. Let us not wait until after the next election.

And second, they say, "We want a little escape hatch here for this fiscal year leading up to the election. We might want to spend $20 billion more in this fiscal year."

So let us be clear about what is going on. We want to solve this deficit problem. I want this President to be required to submit balanced budgets to Congress, and I want this Congress to be required to balance the Federal budget at some point in the future.

But what came from the other body does not make sense at all for those two reasons. First, it does not take effect until after the next election; and second, in my judgment, it is not the right kind of medicine to solve this kind of problem and it would allow for more spending in the first fiscal year.

A WIDE RANGE OF CIVIL RIGHTS SUSPENDED IN NICARAGUA

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, as other Members have already mentioned, President Daniel Ortega of Nicaragua suspended yesterday a wide range of civil rights in his country. These rights include the right to public meetings, the right to strike, the right to freedom of expression, the right to move about freely within the country, and the right to organize into labor groups.

To make sure everybody understood he was serious, he sent people in, security agents of his Government, to the offices of the Roman Catholic Church's printing press to prevent the publication of a new magazine.

So maybe we ought to pay attention to his words and his actions and understand what he is doing. He is doing what many of us have warned about for some period of time. He is making sure that they entrench their Marxist-Leninist government in Nicaragua.

Just before the so-called elections in Nicaragua last year, he suspended the suspension of these civil rights for a short time in a showing of good faith; that is to try to dupe us into believing that those were free elections.

The folks who were down there, the folks who were elements of the other parties, refused to participate in the elections because they said they were not given an opportunity to freely participate. And some in this country suggested that those people were being less than forthcoming and, in fact, those elections were fairly free.

Let us just look at the record now. I think it is fairly clear what Daniel Ortega and his compatriots are doing down there. They are making sure that they are entrenched. They are violating civil liberties, and now they are doing it openly and efficiently. Let us take them at their word and take them at their actions.

FINANCIAL INSTITUTIONS EXAMINATION IMPROVEMENT ACT OF 1985

(Mr. CARPER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CARPER. Mr. Speaker, in 1985, almost 1,000 American banks are being maintained on a list of troubled institutions. Approximately 100 banks will fail this year in our country. Despite a return of profitability by a number of savings institutions, the situation in the savings industry is even more ominous, posing a threat to the vitality of the FSLIC which insures deposits in savings and loan institutions. Today, there are fewer than 4,000 remaining S&L's in America, as 1,000 of them have been liquidated and merged in the past 5 years.

Mr. Speaker, this afternoon I am introducing, along with my colleague, the gentleman from New York [Mr. LUNDINE], legislation that will represent a major step forward in our attempt to ensure the safety and soundness of our financial institutions—banks, thrifts, and credit unions. I am pleased to be able to tell you that the bill is being introduced with over half of the members of the House Banking Committee as original cosponsors.

As our financial institutions have become more complex in their products and services, State and Federal examiners are being overwhelmed by their ever-growing responsibility for supervising these institutions. Low pay for examiners has led to high turnover rates and the loss of experience on the job. Without an experienced pool of expert examiners, early detection of risk in financial institutions is difficult. There is no question that identifying problems sooner is one of the keys to lowering the number of bank and thrift failures.

This legislation grew out of hearings conducted by the Banking Committee over the past year and meetings Congressman LUNDINE and I have held with representatives from the financial industry and the regulatory agencies. Many suggestions have evolved from these discussions, ranging from risk-based premiums and risk-based capital to market-based accounting. However, there was no consensus on any of these proposals. During this lengthy process, many witnesses did testify to the importance of improving the compensation and training of examiners as a fundamental first step, regardless of what other changes may be made.

Briefly, my bill would authorize the development of a reasonable system of compensation for all Federal examiners. Additionally, the bill provides for better training of these examiners, and it authorizes a graduate degree program in financial management analysis. Finally, the legislation would require the establishment of a uniform procedure for reviewing, with the consent of the States, State examinations of institutions which are also subject to examinations by Federal agencies.

I hope that these steps will help provide Federal and State examiners of financial institutions with the expertise to identify problem institutions sooner—restoring confidence in our banks, thrifts, and credit unions. It is a logical first step toward enhancing the safety and soundness of our financial system.

COSPONSORS INVITED FOR LEGISLATION TO IMPROVE QUALITY OF BANK EXAMINATION

(Mr. LUNDINE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNDINE. Mr. Speaker, I would like to commend my colleague, the gentleman from Delaware, for this cooperative effort with respect to improving the quality of bank examinations and I take pride in being a cosponsor of that legislation.

I am also today introducing legislation requiring the President to call an international conference to reform the monetary exchange system in this country and in relation to other currencies around the world.

We all know that the overvalued, inflated dollar, is a major aspect of our international trade problem. Various economists have tried to quantify it, some saying that it is as much as 70 percent of our trade deficit problem.

Now, what can we do about the overvalued dollar? Last week I joined our colleague in the other body, the Senator from New Jersey, Mr. BRADLEY, in cosponsoring a strategic capital reserve designed to intervene on a strategic basis in capital markets to bring the value of the dollar into line.

Today I am introducing a long-term program to bring monetary reform to international exchange and I invite the attention of the House and the cosponsorship of my colleagues for this legislation.

BLACK CAUCUS BUDGET WOULD HAVE REDUCED DEFICIT

(Mr. DELLUMS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DELLUMS. Mr. Speaker, I would just like to take a moment to comment on this issue of the budget deficit. There has been a great deal of discussion with respect to the need for Members of the House of Representatives to in effect bite the bullet or make the difficult decisions to govern this country and simultaneously bring down the budget deficit.

I would like to submit, Mr. Speaker, that the 20 Members of the House who make up the Congressional Black Caucus did just that. We submitted a national budget for all of America and in so doing we brought down the budget deficit over the out years more efficiently and more effectively and more drastically than any other budget submitted to the Congress of the United States and we did so for 5 consecutive years.

In effect, we did bite the bullet. We did make the difficult political decision that we were prepared to defend politically, intellectually, ethically, as well as morally.

I would submit, Mr. Speaker, that embracing the Gramm-Rudman formula that would bring down the deficit by 1991 is really a flight into fantasy. It really does not require the Members of the House to bite the bullet. As a matter of fact, it takes us off the hook. We tend to cling tenaciously to the magic carpet ride or a new formula that would not require that we make difficult decisions.

We embraced the nuclear freeze. We did not have to make decisions about bringing down the incredibly dangerous levels of nuclear weapons.

We had an across-the-board freeze cut so that we would not have to make difficult decisions that we would have to stand up and defend intellectually, politically, as well as morally.

Now we have a new formula, the Gramm-Rudman formula, which does not require us to make difficult decisions. We just hurt people across the board. I think it is inappropriate, Mr. Speaker.

AVOIDING RESPONSIBILITY FOR THE DEFICIT

(Mr. LOWRY of Washington asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LOWRY of Washington. Mr. Speaker, I would like to compliment the gentleman from California [Mr. DELLUMS] for the statement he just made. I am proud of the fact that for 5 years I voted for the Black Caucus budget, which did make the tough choices.

Nothing is better to show what a political sham the missioe that came over from the other side is than the fact that the day after they voted, 75 to 25, for the Gramm-Rudman, they voted overwhelmingly against cutting the defense budget, voted overwhelmingly against cutting Social Security, voted overwhelmingly against raising taxes. They voted overwhelmingly against the only really tough things which will do something about this budget deficit.

It is obvious that Gramm-Rudman is a way by which to get 33 Senators past the next election and avoid the tough votes. It is a political sham. We ought to throw it aside and come up with a real deficit reduction plan.

REPORT ON ADMINISTRATION OF RADIATION CONTROL FOR HEALTH AND SAFETY ACT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Energy and Commerce.

(For message, see proceedings of the Senate of today, Wednesday, October 16, 1985.)

MILITARY CONSTRUCTION AUTHORIZATION ACT, 1986

The SPEAKER pro tempore. Pursuant to House Resolution 196 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1409.

□ 1310

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1409) to authorize certain construction at military installations for fiscal year 1986, and for other purposes, with Mr. GLICKMAN in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from California [Mr. DELLUMS] will be recognized for 1 hour, and the gentleman from Colorado [Mr. KRAMER] will be recognized for 1 hour.

The Chair recognizes the gentleman from California [Mr. DELLUMS].

Mr. DELLUMS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, today the Committee on Armed Services, the Subcommittee on Military Facilities and Military Installations, brings to the floor of this body H.R. 1409, as amended, the fiscal year 1986 military construction authorization bill.

In presenting this legislation, Mr. Chairman, I want to express my deep appreciation to my distinguished colleague, the gentleman from Colorado [Mr. KRAMER], the ranking Republican member of the Subcommittee on Military Installations and Facilities, for his leadership and assistance during extensive hearings on the bill before the body today.

Also, Mr. Chairman, I would hasten to indicate that I would like very much to thank all the other members of the subcommittee for their extraordinary diligence on this bill, particularly at a time when we face severe budgetary constraints and difficult choices.

Overall, Mr. Chairman, the committee believes that H.R. 1409, as amended, is a good bill. It represents a balanced effort that sought to meet both the fiscal constraints that face us and to respond to the most pressing construction requirements of the military services.

For the benefit of the Members, Mr. Chairman, I would briefly review the development of this legislation. The purpose of the bill is to provide new military construction authorization and related authority in support of the military department, defense agencies, Guard and Reserve forces. Its enactment is necessary before appropriations can be provided to finance these activities.

Mr. Chairman, the Department of Defense originally requested new authorization in the amount of $10.3 billion for fiscal year 1986. On May 14, by vote of 43 to 1, the Committee on Armed Services approved the bill before us, H.R. 1409, as amended, providing for $9.55 billion in authorization for the new fiscal year. This amount is $759 million below the administration's budget request.

The full committee action on H.R. 1409, as amended, followed extensive hearings and review by the Subcommittee on Military Installations and Facilities. In order to be consistent with the expected final form of the first concurrent budget resolution, the committee adopted certain procedures as outlined in the committee report for reducing the budget request. These procedures resulted in a number of reductions being made and some projects being deferred that may otherwise be considered valid requirements.

In the interest of time, Mr. Chairman, I would not detail some of the individual actions taken by the committee. For your convenience, however, I have included in my statement a summary of those actions which are more fully explained in the committee report.

[In thousands of dollars]

Military department	Fiscal year 1986 budget request	Committee changes	Total approved by committee
Army	$3,649,674	−$250,263	$3,399,441
Navy	2,886,249	−284,015	2,602,234
Air Force	2,917,048	−107,487	2,809,561
Defense agencies	329,900	−124,140	205,760
NATO	98,000	−43,000	55,000
Guard and Reserves	428,600	+49,963	478,563
Totals	10,309,471	−758,942	9,550,529

But just to review, the fiscal year 1986 budget request from the administration was a figure of $10.3 billion. The committee then cut $758.9 million, for a total authority of $9.55 billion.

Mr. Chairman, I want to fully explain to my colleagues that the military construction authorization bill, although coming to the floor as a separate piece of legislation—and I would just add parenthetically that I think perhaps the only reason why the military construction budget comes to the floor as a separate item is simply because of the enormous number of individual contracts that are involved in the bill; and second, perhaps simply out of convenience and out of tradition; but this gentleman who chairs the subcommittee is seriously considering next year bringing the military construction budget as part of the total military authorization bill so that my colleagues will not become confused with respect to the notion that in some way the military construction budget indeed stands separate and apart from the total military authorization bill. Nothing can be further from the truth.

□ 1315

So that if we brought the bill in total, it would simply be another title of the military authorization bill, and the Chair thinks that next year that it probably would be more appropriate to do so, so that our colleagues can look at our military requirements in their aggregate, in effect embracing the Gestalt, rather than dealing with this particular bill as a separate item.

But to go further, as will be recalled, Mr. Chairman, during the debate on the first concurrent resolution on the budget, in the wisdom of this body they decided that the military budget for fiscal year 1986 would be frozen at last year's authorization levels. We agreed to that in the budget resolution. So we meant that the ceiling for the military budget of fiscal year 1986 would be $292 billion.

As a result of that budget debate and that budget decision that took place on the floor of this House, that was communicated to the Committee on Armed Services: That although the President of the United States had asked in the aggregate for a military budget approximately $322 billion in total, that the House of Representatives had given the Committee on Armed Services a maximum figure of $292 billion, which represented the authorization of last year so that we, in effect, froze it at 1985 levels.

The leadership of the House Committee on Armed Services, both Democrat and Republican, sat down and said, "We now are faced with a $292 billion figure. How do we then shift the priorities within that $292 billion figure?"

My colleagues on the Committee on Armed Services decided that if they had to cut down to a freeze level, $292 billion, that they wanted the heaviest cuts to come from procurement and research and development; that those two areas that over the last several years made a rather dramatic increase, that those two categories of the military budget should take the largest cuts, therefore providing that the No. 1 constructive priority would be in readiness and in quality of life.

Mr. Chairman, as most of my colleagues know, readiness and quality of life over the years has not been the highest of priorities. In this body we tended to be more preoccupied with the technology, with sophisticated weapons systems, but with not as much consideration for the human dimension of the military, where people work, how they live, how they function.

There are 2.1 million men and women serving in the U.S. military. So in the wisdom of my colleagues on the Committee on Armed Services, attempting to respond favorably to the first concurrent resolution on the budget, dealing with the budget for fiscal year 1986, decided that within that $292 billion figure that the Subcommittee on Military Facilities and Installations that this gentleman chairs, responsible for bringing a military construction budget to the floor, that we would take a lower cut, so they allocated cuts across the board to each subcommittee, and that those cuts would in the aggregate total $292 billion and not exceed it.

In that formula, this subcommittee was given a figure of $718 million to cut, and they said:

You guys deal with the issues of quality of life, family housing, et cetera. So you will take a cut of a minimum of $718 million.

Mr. Chairman, my colleagues on the subcommittee took that responsibility very diligently and, as a matter of fact, not only did we reach the $718 million figure, we exceeded it. So we went to $759 million. So the President's request was at $10.3 billion. We then, given our allocation within the $292 billion, $718 million to stay within the freeze figure, exceeded that by a few million dollars, to $759 million.

I go into this elaborate explanation because there are some of my colleagues who have an unfortunate and misguided view, and that is that the military construction budget is indeed a separate piece of legislation because it tends to come to the floor separately, but it is not. The leadership of the Committee on Armed Services, carrying out its responsibilities beautifully, attempted to establish priorities and they said for the first time that quality of life will be a high priority issue.

So that means we came to the floor with a figure of $9.55 billion. Last year's authorization was at $9.1 billion. If one did not know, one would say, "Well, is this $450 million over and above last year's authorization? Does that take us beyond the freeze?"

The answer to that is no; that the figure that we brought to the floor of $9.55 billion is within the $292 billion freeze figure, simply allocated based upon priorities.

The Chair would like to point out one further thing with respect to these numbers. At some point one of our colleagues, or some of our colleagues, will offer an amendment to freeze back at appropriation levels. There are arguments that I will raise at that time, but I want to notify my colleagues that at the appropriate point we will offer a substitute amendment that would bring the authorization, notwithstanding any action we take on the floor of this body, that we would not authorize beyond $9.2 billion.

Let me explain where we get the $9.2 billion; $9.55 billion was within the $292 billion freeze level. As my colleagues know, we went to conference with the Senate and my colleagues decided that they would acquiesce to the Senate's figure of $302 billion. This was a decision that this gentleman did not agree with, and on the record opposed that decision. But the majority will was there and we came back from conference with a figure of $302 billion.

One would assume logically that if we came back with a larger figure, $10 billion over the freeze level, that the military construction budget would then have a higher figure. The interesting thing is that once the smoke settled and we realized all the deals that were made in the conference, the figure that was assumed in the $302 billion conference report actually was lower. It brought us down to $9.2 billion. The practical effect is that our budget was, in effect, cut prior to the time that we bring the authorization bill.

So the chairman believes that in carrying out the dutiful responsibilities of this subcommittee that we then have a responsibility to make this authorization bill conform to the conference report, even though it means a lower figure. So we will now be reducing, at the appropriate point in the proceeding this afternoon, from $9.55 billion and whatever add-ons we accept on the floor, back down to $9.2 billion maximum authorization, bringing us not only in compliance with the conference report, but several hundred million dollars under what was our responsibility under the $292 billion.

So the Chair would like to, in explaining this in some detail, Mr. Chairman, point out that this committee is clearly hundreds of millions of dollars within the freeze figure.

I might just add one other note parenthetically, Mr. Chairman. The figure that this body authorized for military construction last year was at $9.1 billion, I believe, so the $9.2 billion is only a few dollars over and above the authorization level. If we then go to conference at $9.2 billion, the Chair believes without fear of contradiction that this committee will more than likely come back probably with a figure even lower than the $9.2 billion, but that remains to be seen, given the comity between this body and the other body as we go to conference.

So I took that time to explain this in some detail. Just further and briefly, Mr. Chairman, because of the decision of establishing quality of life as the high priority of military construction, we were able to bring to the floor today a military construction bill with over 5,500 units of family housing, barracks, maintenance facilities to improve the living and working conditions of our men and women in uniform.

I might point out, Mr. Chairman, that some of us traveled to different military installations in this country and overseas as well. What we have come to realize is that the American military is rapidly becoming a married military, Mr. Chairman. A very high percentage of our military personnel are married people. That, then, means that we have to engage in certain kinds of policy decisions. How will these people live? We make a number of policies on the floor of this body that affect human beings in the military in very profound and dramatic ways. We have decided to have thousands of troops stationed in Europe. This gentleman has gotten up on the floor on numerous occasions and argued against that deployment, but the majority of my colleagues have seen fit to deploy. So if we deploy, we go overseas and ask these young people who are living on the economy, "How are you surviving?" We suddenly find out that many of them are subsidizing their service in the military, that their housing allowance is not adequate, that many of them live far away from the military base. They have to put a phone in and it comes out of their pocket. They have to purchase an automobile that they cannot afford. They are married. They have one, two, or three children.

□ 1325

I talked to young American military personnel in Germany who said, "I am not being given any dignity, Mr. Chairman, I am not living in dignity. If I were living in the United States, I would live better than this."

We talked to troops in the United States who cannot quite make it on their allowances, and so we have to address the human reality. We have to address the problems that are all too real among the people.

I might just point out the very dramatic case that took place at Fort Ord when a young child, a member of a military family, chose to take his life, to commit suicide because he felt that if his family did not have him to feed, one less mouth to feed, that that family could survive.

Consider the enormous and frightening and painful implications of having people in the military and we do not take care of the quality of their lives adequately.

I would argue that we ought to be dealing with the human misery of all people in this country, all people. I happen in this particular instance to have come to the floor dealing with the problems of young men and young women who serve in the military. So we tried to take this responsibility, Mr. Chairman, very seriously. And we expanded family housing. We tried to

bring in child care facilities, community service facilities, other kinds of facilities that are very real.

We talked to military commanders who said there was a time in my military career when I only had to deal with the tactical and strategic issues, but now I have to deal with the problems of marriage, the psychological problems, the problems of taking care of children, because I know that if a military person serving somewhere away from home is worrying about their children, worrying about their spouse back home, that 100 percent of their emotional, and intellectual, and psychological resources are not where they are because they are back home worrying. So our military commanders now realize that child care centers are not some frivolous addition, that family housing is not a frivolous addition, that community centers that serve people and serve married personnel in the military are not frivolous issues.

I would say to my colleagues, you have to put up or shut up. If you make the decision to deploy these troops, you have to deal with them in dignity.

People say, "Gee, is this RON DELLUMS, the progressive from Berkeley, making these kinds of statements? This is the guy that comes to the floor that challenges the military budget." But my response to that is we are not knee-jerk people, we are not saying, and we do not come here to say, that we are antimilitary.

What we are challenging are the specific roles we have the military playing, specific missions and policies that we have them carrying out, that one can intellectually debate, politically differ with, and we also oppose certain weapons that we place in the military's hands that we believe ultimately will bring devastation and destruction to the world.

So this notion are you promilitary or antimilitary, that is really a non sequitur. What we have to do is address the realities we are confronted with, and military construction is dragged by other kinds of decisions.

If you choose to build that B-1, you are going to have to construct landing pads. If you choose to build the MX, you are going to have to engage in construction around it. If you choose to deploy the Euromissile, you have to build support facilities. If you choose to forwardly deploy American troops in different places around the world, you have to take care of where they work, and where they live, and provide them with some dignity, some respect, and some sense of integrity.

So you have to look at the totality of the decisions that are made.

So this gentleman finds himself in a position of saying we must enhance the quality of life. I would like to see us do it for all people. In this instance, we are talking about the military, and we have to do it that way.

My colleagues on the Armed Services Committee with whom I often disagree strongly, we agree on enhancing the quality of life.

I pointed out earlier, and will go into it, on a vote of 43 to 1, the bill passed out. This gentleman was the one opposing vote. So they said how can you bring a bill to the floor and oppose it.

It is not that we did not do good work, and I commend everybody on the committee for doing extraordinary work in making the issue of quality of life a much more magnificent effort on our part. And so that is a good piece of this bill. But we cannot vote on that separate, it is a total bill.

My opposition was not a slap in the face of the work of my colleagues, because they worked diligently, and with honesty, and with integrity. What my opposition was is to simply say that this budget reflects the general bill. The decisions that are made in the big bill drag along this bill.

So where we had discretion; that is, quality of life, we exercised it. Where we did not have discretion, this bill conforms to the larger military authorization bill for fiscal year 1986.

So those persons, Mr. Chairman, who supported the military authorization bill, they can support this bill and there are probably reasons why they can be even more enthusiastic because there are a number of benign, quality-of-life projects that do not kill anyone, but do enhance the dignity of the human condition. Those persons who opposed the bill on policy and on principle, you still can oppose the bill, not because there are not good items in this legislation, but it embraces policies that are consistent with the other bill. I will go into that later.

Let me just in conclusion, Mr. Chairman, give a few highlights of what the committee did in terms of some of the dollar items. Briefly I will highlight some of the major adjustments made by the committee, and then reserve time.

A $22.7 million reduction in the Ground-Launched Cruise Missile Program. The decrease reflects the committee's action to defer $22.7 million for supporting facilities in the Netherlands until the country-to-country agreement has been finalized.

A $19.2 million reduction for construction in Spain. Renewal of the base rights agreement is in question due to the Spanish Government's recent restated desire to reduce U.S. forces in Spain.

A $39 million reduction for a binary component production facility. The cost estimate is questionable because it is based on zero design.

A $19.5 million reduction for controlled humidity warehouses in Korea. The committee questioned the scope and the cost and directed the Army to consider less expensive construction methods.

A $148 million reduction for a water reclamation and flood control project at Camp Pendleton, CA. For the second time, the committee deferred the Navy's share of the proposed $270 million project until the scope is resolved and independent action is taken by the Interior and Insular Affairs Committee.

A $20.5 million reduction for airfield improvements in Keflavik, Iceland. The deferral of this project reflects committee concern that Iceland should share the cost since improvements would mostly benefit the new civilian air terminal under construction.

A $21.5 million reduction for a fleet operational control center in Japan. The committee deferred the project and directed the Navy to reevaluate the scope and the cost.

Mr. Chairman, then $43 million reduction in NATO infrastructure funds to reflect the U.S. dollar's strength against other NATO currencies.

Finally, in the general provisions, the committee approved the following major items:

Provisions that would increase the number of affordable housing units available for service personnel both in the United States and overseas, and I have alluded to that.

A provision authorizing the services to use funds appropriated for planning and design purposes to assist communties in planning for a major military growth impact.

Three fair-market-value land exchanges and three land conveyances were authorized.

Mr. Chairman, the committee believes that this is a balanced bill, a bill that on the one hand reflects the consensus of this body with respect to the policies established in the larger bill. It reflects from a monetary perspective the commitment to freeze at last year's level that this body adopted. And finally, it also is a bill that attempted to expand the quality of life and enhance the living and working conditions of our young men and women who happen to serve in the military.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. DELLUMS. I would be very pleased to yield to the gentleman from New York.

Mr. STRATTON. I just wanted to commend the gentleman from California for his activities in this bill. As I have already told him, I had the privilege during the recess period to visit Germany in the so-called quick-look arrangement that the Secretary of the Army favors. We visited in the course of 3 days most of the headquarters of American units in Germany, and we were particularly impressed with the

construction that is going on with the 3d Armored Division in Friedberg.

The thing that was most remarkable was that in place of the old German kasernes, where many of our troops are still housed, in place of that, they are building new structures that were dramatically much more attractive, much more comfortable, more spacious for our enlisted personnel. I asked the commanding general, are these new modern structures not something that the Congress has directed, that the gentleman from California [Mr. DELLUMS] has innovated to improve the quality of life? Yes indeed, the general said these are the designs that Congressman DELLUMS insisted on to provide more space and more light.

As we walked through these buildings—they are not yet complete but they are pretty well completed—you could see the pleasure on the faces of the young men and women that were serving there and they were looking forward to the day when they could move into these modern facilities.

So when the gentleman talks about the quality of life, "you ain't just whistling Dixie." You have really put these ideas into reality over there. I am sure the enlisted personnel will certainly give their congratulations to you for what you have done. I think that is what the gentleman was talking about in this bill about improving the quality of life and I think it is a very remarkable achievement.

I hope that the House will approve this legislation overwhelmingly.

Mr. DELLUMS. I thank my colleague, and I was very pleased to yield to him. I would simply say that I appreciate the personal references. They are always obviously gratifying.

But I would hasten to add that all of my colleagues on the subcommittee agree with respect to making this a major priority. And whatever accolades are given out, I would like to share them with all of my colleagues, because that is an area where we have all come together. We have our political differences. That is very obvious in the 15 years I have been here. But the rewarding thing is on these matters we have managed to close ranks and we have come together to enhance the quality of life.

I thank my colleague and, Mr. Chairman, I reserve the balance of my time.

Mr. KRAMER. Mr. Chairman, I yield myself so much time as I may consume.

Mr. Chairman, I rise in support of the fiscal year 1986 military construction authorization bill that is before us this afternoon.

In that process, let me commend the members of the subcommittee and our staff for doing what I consider to be an excellent job. Let me especially commend the chairman of our subcommittee, the gentleman from California [Mr. DELLUMS], not only for his fair leadership, but also because of his, I think, farsightedness. I think he is far too modest in terms of his own role increating a new emphasis within the committee on quality-of-life issues.

Obviously the committee has for a long time been concerned that our military personnel around the world are well-housed and well cared for as an important ingredient in morale. But I think under his subcommittee chairmanship, more has been done quickly than certainly at any time that I have been privileged to be a member of this committee, and I think this body owes him a great debt of thanks for his efforts in this regard.

□ 1340

As the gentleman from California [Mr. DELLUMS] explained, this legislation represents an effort by the Committee on Armed Services to respond to the military services' most pressing construction needs and at the same time to do it within the fiscal constraints that face us.

Earlier, some of the major adjustments to this bill were explained, and I will not take the time of the Members of this body to reintroduce those subjects at this juncture.

Suffice it to say that the Department of Defense requested approximately $10.3 billion for fiscal year 1986 military construction. This represented some significant growth over the amount authorized by Congress for the 1985 fiscal year military construction program, and after a careful review of that request, this committee was able to reduce that number by $759 million; well within our overall objective of no real growth in the defense function.

The bottom line, I think, is as the gentleman aptly pointed out and must be remembered, is that this bill at its present funding level of $9.55 billion actually represents a figure that is $32 million below a freeze level compared to 1985 expenditures and authorizations.

I believe we were able to do this without damaging our defense readiness, without postponing badly needed projects to improve the facilities where our personnel live and work.

Even with the changes made by our committee, this bill provides a level of authorization that maintains the committee's propriety for quality of life projects. This means that besides providing facilities for new weapons systems, many substandard structures built during World War II can be replaced; modern barracks and working spaces will be provided for our forces at home and overseas, and programs to comply with environmental laws and for conserving energy will continue at an uninterrupted pace.

Although the committee has brought to the House a bill that entails a smaller total program than that requested by the administration, it preserves our defense readiness and in many instances improves our fighting capabilities.

I think this is a bill that the House can pass upon favorably, proudly, and I urge that this bill be passed by the House.

The CHAIRMAN. The gentleman from Colorado [Mr. KRAMER] has consumed 4 minutes.

Mr. DELLUMS. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Mississippi [Mr. MONTGOMERY] who is the ranking Democrat on the committee and a very diligent worker.

Mr. MONTGOMERY. Mr. Chairman, I rise in support of H.R. 1409, the fiscal year 1986 military construction authorization bill. As the ranking majority member on the Subcommittee on Installations and Facilities, I would like to compliment the chairman of the subcommittee, Mr. DELLUMS, on the fine work he has accomplished in bringing this bill to the floor. With the cooperation of the ranking minority member, Mr. KRAMER, and the other members of the subcommittee and staff members most helpful, we were able to draft a bill which represents fiscal responsibility and, at the same time, provides the authorization levels required to fund the essential projects needed by our Active and Reserve Forces.

The total $9.6 billion figure in this bill reflects a reduction of some $700 million in the $10.3 billion amount requested by the administration. After extensive hearings and deliberations, the members of the Armed Service Committee considered the projects in the administration's request as well as requests for additional projects and made some very conscious decisions. However, I am particularly pleased to point out the emphasis placed on Guard and Reserve facilities, family housing, and other quality-of-life projects.

In arriving at its decisions, the committee felt that it was time to address the needs which have become so critical; needs such as family housing, antiquated barracks, and inadequate training and work areas. We cannot continue year after year to fund facilities for expensive weapons systems and let the needs of the men and women in uniform go unanswered.

Guard and Reserve military construction requirements also received particular attention by the committee. Mr. Chairman, as we all know, Congress has placed increasing emphasis on the Nation's Guard and Reserve Forces. This emphasis reflects, not only a desire to provide a first line of defense under the total force concept,

but also a desire to reduce defense expenditures. Reliance on our Reserve Forces has proven to be an effective means of achieving overall budget reductions.

Increased reliance, however, also requires increased support of these forces. The area of facilities is no exception. When the administration submitted its military construction request, I was dismayed to see that only 4.1 percent, or some $429 million, was intended to fund Reserve requirements. This was particularly alarming in light of the testimony we had heard indicating a backlog of more than $3 billion in Guard and Reserve construction projects.

I am pleased that this bill reflects action taken by the Armed Services Committee to help correct this Reserve and National Guard situation and make a dent in this backlog. I would hope that next year's request will reflect a more responsible evaluation on the part of the administration of Guard and Reserve requirements.

Mr. Chairman, this bill provides authorization for the essential military construction projects and also represents a responsible approach to resolving some very critical problems. I, therefore, ask my colleagues for their support.

Mr. KRAMER. Mr. Chairman, I yield 7 minutes to the distinguished ranking member of the full committee, the gentleman from Alabama [Mr. DICKINSON].

Mr. DICKINSON. I thank the gentleman for yielding.

Mr. Chairman, I rise in strong support of the bill pending here, on the military construction for this year, and I would like to join with my colleagues from Mississippi [Mr. MONTGOMERY] and from Colorado [Mr. KRAMER] in paying tribute to the chairman of the subcommittee, the gentleman from California [Mr. DELLUMS], for his diligence, his hard work, his fairness and accommodation anytime I have had to deal with him, and as far as I know any other member of the committee.

We have a good subcommittee; a very good subcommittee. We approach it with dedication; we approach it with the interest of the American taxpayer in mind, and I think that we—even patting myself on the back as a member of that subcommittee—I think we do a darn good job.

We scrubbed the figures that were given to us; we reduced them; and then when the Budget Committee gave us a figure, to the full committee; the senior members got together and they said, "Well, all right, this is the size of the pie that we have, how do we divide it up? Do we take a pro rata part and have everybody take a certain percent, or what do we do?"

It was a joint decision of the full Committee on Armed Services that one thing that we wanted to protect was the quality of life of our enlisted men as well as our officers, and the things that make it worthwhile to serve on the Committee on Armed Services.

So because of this, it was the agreement of the Research and Development Subcommittee, the Procurement Subcommittee, the Seapower Subcommittee, all the other subcommittees that whatever retrenchments that were made in the spending levels that we wanted to make sure that our servicemen at home and overseas had a dignity to their military existence; themselves, their families, that their quality of life was not minimized by the cuts that we might be faced with here on the floor.

We did this, and so as was pointed out by the chairman of the subcommittee, when we had to take the cuts, we took them in other areas, but this is a part of the total bill. So when the total bill is, as we will mandate it by our Budget Committee on the House side at least, we were given $292 billion as the total bill. Then we went to conference with the Senate, and we came up with $302 billion. We have yet to come back to the floor and get the conference report approved, but then the Appropriations Committee gets into the process.

□ 1350

It is my understanding now that they have reported out again a reduction back to $292 billion. Well, that is all right. Whatever works out between the House and the Senate.

But what we must do is to see that our equipment is under canopies, in storage. It is going to ruin if it stands out in the rain or in the weather. We have to see that our people are living in dignified conditions, and this is not the case universally. It is especially not the case in Europe. It has not been the case historically. We have been working very diligently on the committee to increase and to enhance the quality of life because, you see, it is very pennywise and pound foolish not to spend what is needed and to lose that man that we have had 4 years of training invested in, plus his transportation, or even 8 years. When he says, "Hey, I don't like it here any more, my family is not being adequately cared for, my children are not proud to be in the military, we are living in substandard conditions," then we lose him because we have not provided for him.

I am the ranking member of the Subcommittee on Research and Development, and I am here to tell you that some of the exotic, far out research and development programs that we have tightened our belt and made substantial reductions in research and development. But when it gets to a question of buying new weapons, of getting into the SDI star wars, and all these "big buck" programs, and you compare that to getting the troops out of the rain, putting them in decent housing conditions, I really do not think there is any comparison. So we have tried to protect, in the total budget, what we need for our people in uniform. We have not been extravagant.

We have come up with a figure less than what was asked for by the administration. I think any amendment that might be offered to decrease what we have done will really be short-sighted because I think we can justify everything that is within this bill, and I would certainly urge the Members, so far as the military construction part of the total military bill, I would urge all the Members to support this. If they are unhappy with the total spending on the military, if they do not want to buy weapon systems, if they do not want to do research and development, fine, attack those when they come in another section of the bill. But not out of the military construction part of it.

Mr. Chairman, I yield back the balance of my time.

Mr. DELLUMS. Mr. Chairman, I yield 2 minutes to another very diligent and hard-working member of the subcommittee, the distinguished gentleman from Virginia

Mr. SISISKY. I thank the gentleman for yielding time to me.

Mr. Chairman, most of the information that I was going to provide to the committee was already talked about.

Mr. Chairman, I rise in strong support of this piece of legislation.

Mr. Chairman, the Military Installations and Facilities Subcommittee, chaired by the very able gentleman from California, held 2 weeks of hearings on this legislation. Our task was not an easy one, for we had to find ways to reduce the budget request and yet provide sufficient funds to field various new weapons, replace deteriorated World War II facilities at many bases, and provide better facilities where our military personnel live and work. I believe this bill accomplishes that goal.

We reduced the request by a net amount of $759 million by taking the following actions:

First, projects were disapproved when no clear requirement existed or because they failed to meet established construction design thresholds;

Second, project estimates were lowered wherever possible to reflect the currently favorable construction bidding climate, reduced inflation rates and favorable overseas dollar exchange rates; and

Third, available unobligated balances of prior-year authorization of appropriations were carried forward and applied wherever possible.

As a result of these actions, the committee was able to reduce the $10.3 billion request by $1 billion. At the same time, additional projects totaling approximately $250 million were included because of their relative priority in terms of contributing to

military readiness, morale, and operational capability.

We on the committee believe this is a good bill and deserves the support of the House. I urge its passage.

Mr. KRAMER. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. MARTIN].

Mr. MARTIN of New York. Mr. Chairman, I rise in strong support of H.R. 1409, and I salute the members of the committee who have already spoken concerning the importance of this piece of legislation. But in particular, I would like to embrace the comments made by the chairman of the Subcommittee on Military Installations and Facilities, the gentleman from California [Mr. DELLUMS].

As a matter of fact, he so accurately described the importance and the scenario of how we got here that it leaves very little to be said. As a matter of fact, I would like to say that, for anyone, a Member of this body, who was here and listened to what our chairman had to say, it would be beyond me how they could oppose this piece of legislation.

When we started back in February of this year to address how we were going to spend our military construction dollars, we were working up to a budget figure that was, for the whole committee, $30 billion below what the President requested for all DOD spending.

This gentleman, quite frankly, did not agree with those figures, but that is what we had to live with. When the chairman and the ranking members of all the committees got together, they parceled up and responsibly made a decision as to how they wanted to spend those dollars.

Under any scheme of things, whether you go with the figures that came out of our conference or whether you go with the figures that came out of this body, we are below any freeze figure as for as Milcon is concerned. The only people that could oppose this bill under that set of circumstances are people who do not understand what we are trying to do here.

Just to put things in perspective, that cut, that $30 billion reduction from what the Commander in Chief, the President of the United States, requested, and of itself, is three times as big as the entire expenditure for military construction in this bill.

This total expenditure for military construction, for the quality of life for our troops, for their readiness, for the defense of this country amounts to just a little over 3 percent of the Department of Defense authorization bill.

If you have problems with defense expenditures, wait until that bill, the defense authorization bill, comes along. In the meantime, I think every Member ought to take into consideration what we are trying to do here is allocate some $9.2 billion, less than 3 percent of the total DOD budget, and I think we have acted very responsibly.

I would like to say to the chairman of the subcommittee, the gentleman from California, and for the benefit of the other Members, that I have served on this committee now for 3 years. When we started marking up and having hearings early this year, it was quite a challenge for us, notwithstanding the fact that some of the bigger cuts have been allocated to other subcommittees. We had to look at situations where we have people living in uninhabitable premises and deny them improvements. Yet they are supposed to proudly wear the uniform of the U.S. Army, the Navy, the Air Force, or the Marine Corps. When we had to make some pretty tough decisions and cut more and more, we did the right thing; we did it within the framework of the mark the subcommittee was given. When people come back and suggest that we were not responsible and did not allocate appropriately, I would suggest to them that if they have a problem with the size of the overall defense budget, wait until the other bill comes along. If you want to do something responsible, debate this bill and show us where we went wrong. The fact of the matter is, the chairman, the gentleman from California, has done an outstanding job. In all the time I have served in Government, I want to say that I have yet to serve with anyone who has been as fair, or more reasonable, and open to the Members when they wanted to come and plead their case.

So I say to the people who do not want to think about it but instead are a little concerned about the perception of what we are doing here in Washington, I would suggest you have missed an opportunity in the past to come before our subcommittee and find out where it is at. And I would suggest that if you had problems with the way we do our business, I know this chairman would welcome you to come before our subcommittee in the future and state specifically where you think we ought to beat up on the men and women in uniform in this country or upon the readiness of the defense of the United States of America.

So I salute the chairman for all the outstanding work he has done this year and in prior years, and, believe me, it is a privilege to serve on that subcommittee.

Mr. Chairman, I yield back the balance of my time.

Mr. DELLUMS. Mr. Chairman, I yield 1 minute to the gentleman from California

Mr. FAZIO. Mr. Chairman, I appreciate the chairman yielding to me.

Mr. Chairman, I would like to commend the gentleman from California and the members of his subcommittee for the excellent work they have done in providing the military construction authorization in support of the missions of our active duty and reserve forces.

The needs and demands for construction projects far exceed the available funds. Thus, it required a careful review by Mr. DELLUMS and his subcommittee of the Department of Defense's budget submission to Congress and the concerns of individual Members before a final decision could be made as to which projects would be authorized.

Besides providing the construction required to support the weapon systems Congress has approved, the committee gave careful consideration to quality of life programs for our service men and women, and their dependents.

Further, the subcommittee was very supportive of projects that will improve our military readiness through the enhancement of our in-house maintenance and repair capabilities.

My own district, the Fourth Congressional District of California, is home to two major Air Force facilities: McClellan AFB and Travis AFB, and in the surrounding areas we have Mather AFB, Sacramento Army Depot, and Mare Island Naval Shipyard. Chairman DELLUMS and his subcommittee have been very supportive of these bases both this year and in years past.

In this bill, the following projects have been approved: McClellan AFB receives $16.9 million for an aircraft accessory maintenance complex, $3.5 million for an ammunition storage complex, $13.1 million for a depot electronic warfare communication facility, $10.3 million for a logistics systems operations center, $12.8 million for a medical and occupational health clinic, and $700,000 for sound suppressor support.

Additionally, $5.8 million is approved to hook up McClellan's wastewater disposal system to the Sacramento regional system.

The Sacramento Army Depot will receive $1.9 million to construct a communication repair facility, and $4.5 million to construct an optical facility.

Mather Air Force Base will receive $1.5 million to construct an accounting-finance facility and $1.2 million to construct a central life support equipment facility.

Travis Air Force Base will receive $78 million for phase III of the David Grant Memorial Hospital and medical complex. This 298-bed facility will include outpatient clinics, a 52-room dental clinic, an aeromedical staging facility, and a hyperbasic chamber. It will serve over 70,000 people.

Other projects approved by the committee for Travis include a $2 million addition to the flight simulator train-

ing facility, a $2.1 million facility for hazardous storage, and $6.2 million for a weapons systems maintenance support facility. Total funding for Travis construction projects amount $81.1 million.

Mare Island will receive $815,000 for security lighting and $5.1 million for a sewage treatment program.

Again, I applaud the gentleman from California and his subcommittee for their outstanding work and I urge my colleagues to support this measure.

Mr. DELLUMS. Mr. Chairman, I yield 1 minute to the gentleman from Arkansas [Mr. ALEXANDER].

Mr. ALEXANDER. I thank the chairman for yielding.

Mr. Chairman, the job of managing the military construction bill is one that embraces all of our military facilities. I want to say publicly that the gentleman from California, the chairman of the subcommittee, is always open to listen to the literally thousands of requests that are made of him concerning the military installations in our country and around the world. And I want to say that the chairman has done an outstanding job.

I appreciate the time, the effort, the energy, and the intellect that the chairman has given to the subject over which he presides.

Mr. DELLUMS. I thank the gentleman very much.

Mr. Chairman, I yield myself such time as I may consume.

For the purposes of entering into a colloquy, I yield at this time to the gentleman from California [Mr. STARK].

Mr. STARK. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I would like to ask the distinguished chairman of the subcommittee [Mr. DELLUMS] if he could take a minute to discuss the very difficult Navy housing situation facing us in the San Francisco Bay area.

Currently, for Navy families in the bay area, we need about 1,000 units of housing beyond what is now available. Within a couple of years, the battleship *Missouri* and its escorts will be stationed in the bay, increasing the need for family housing to a total of 3,700 units by 1989.

Yet as you well know, the bay area is one of the most congested, expensive housing areas in the Nation. I think I can catch our colleagues' attention when I say it is even more expensive than housing in the Washington, DC, area!

There are very few open spaces suitable for masses of housing, but there is a large amount of housing that is suitable for rehabilitation and repair near some of the large naval facilities. Does the gentleman have any thoughts on how we can best meet the current shortfall in housing and prepare for the arrival of the *Missouri* personnel?

Mr. DELLUMS. There are severe Navy housing problems in the bay area and we must begin as soon as possible to solve those problems. But it is going to take the cooperation of all the parties involved—the Navy, the local government officials, and the community—if a solution is to be found to reduce the housing shortage.

I would hope we could provide housing near the bases, because in addition to housing shortages, the traffic congestion bottlenecks in the bay area are crippling. We don't need a lot of new long distance commuters.

I believe the city of Alameda is doing some work on ways to produce new rental units through the substantial rehabilitation of existing housing and mixed-use structures. I think we should look more deeply into this approach and if it is workable for the military, see if other bay area cities would be interested in similar approaches.

As you know, I have made the issue of improving the quality-of-life of our service members a top priority of this subcommittee. We are certainly open to exploring any proposals that appear to provide a solution to reducing this deficit. It is clear that no one approach alone will solve the military family housing problem.

Mr. STARK. Mr. Chairman, I thank the gentleman. The Alameda-type proposal is the kind of mixed housing project that I like. It can help shore up older communities and keep those cities vibrant.

The Navy has expressed some interest in buying—for somewhere between $7 and $20 million—some vacant land on a ridge between San Leandro and Castro Valley, to place hundreds of units of Navy housing. There is some earthquake danger in the area, there is a lack of local support services, and none of the surrounding communities want this open land turned into a housing project. I hope the subcommittee chairman could ask the Navy to avoid this kind of expensive, compound-type housing in the bay area and to explore scatter-site and rehab housing as by far the best choice.

Mr. DELLUMS. Mr. Chairman, I agree that large compounds of military housing apart from a military base have caused problems in other parts of the country. I can assure the gentleman that the subcommittee will look into this situation and that the concerns you raised will be brought to the attention of the Navy, as we attempt to provide additional military family housing in the bay area.

Mr. STARK. Mr. Chairman, I thank the gentleman for his leadership in providing good housing for our Nation's Service personnel.

□ 1405

Mr. DELLUMS. I thank my colleague for his comments, and I am very pleased to work with him.

Mr. Chairman, I yield to another one of my colleagues from California [Mr. COELHO], for the purposes of entering into a brief colloquy.

Mr. COELHO. I would like to join in the remarks made by my colleague from California about the role of the gentleman from California as chairman of this subcommittee and what he is doing for the Armed Services personnel throughout the world. We appreciate that leadership that he has provided.

Mr. Chairman, I thank the gentleman for yielding and would first of all like to commend him and the members of his subcommittee for the time and attention they have devoted to programs to improve the quality of life of our men and women in uniform.

The tragic suicide of a 13-year-old boy at Fort Ord last year, brought into sharp focus the widespread shortage of affordable housing for military families. Therefore, I applaud the subcommittee for increasing the authorization for construction, operation and maintenance, and leasing of military family housing by more than $460 million over the appropriation for fiscal year 1985.

I am particularly interested in the build-lease program. A 1984 Air Force housing survey disclosed that there was insufficient housing available for Air Force families in the communities adjacent to Castle Air Force Base, which is located in my district. In April of this year, Castle was notified that it was 1 of 4 bases selected by SAC Headquarters to receive build-lease housing. Anticipating that in fiscal year 1986 the Congress would expand the test program authorized under Public Law 98-115, Castle was told to solicit community support for building 200 additional units of family housing.

I can understand the committee's reluctance to approve any further build-lease projects until the two demonstration projects are completed, and the results analyzed. At the same time, I want to emphasize that there is already an urgent need for more family housing at Castle Air Force Base, and I would hope that the committee will be prepared to authorize construction of additional family housing either under build-lease or some other program in the not too distant future. Can the chairman shed some light on the committee's timetable on this?

Mr. DELLUMS. Yes. I think the gentleman raises a good question. For the record, I would like to make the following response:

As my colleague is aware, this subcommittee has given very special attention to the needs of the military

for additional affordable family housing. The test program the gentleman has mentioned is but one of the avenues we are following to increase the family housing inventory around our military bases.

Earlier this year, this gentleman, along with others and staff, toured several military bases in California to look specifically into the issue of family housing. I can assure my colleague that as a result of those visits I became increasingly aware that renewed efforts must be made both within the Department of Defense as well as by the local communities to find solutions to increasing housing availability for our military families.

I might add, parenthetically, that this is becoming a problem where military and civilian people both are competing for the shrinking inventory of affordable housing. So this is becoming an issue of crisis proportions that we have to address, and I think this subcommittee certainly is moving down that road.

Mr. COELHO. I would like to add, Mr. Chairman, it is particularly acute with the trainees that are coming into Castle, and so forth, to be able to afford some type of housing.

Mr. DELLUMS. I appreciate the gentleman's statement. I might just add that, however, this issue cannot be viewed in isolation, as I said, from the shortages of housing in the civilian population, since housing is a problem both outside as well as inside the military. It seems to me that we must find a way to work together. Although I cannot give the gentleman a specific timetable, I feel that I can speak for all of my colleagues on the committee when I say that we will not only continue to fund traditional family housing construction but also explore other approaches that may provide housing as quickly and as economically as possible at such bases as Castle Air Force Base that my colleague is very concerned about and understands the issues in a very intimate and profound way.

Mr. COELHO. I appreciate the gentleman's remarks.

Mr. DELLUMS. Mr. Chairman, I reserve the balance of my time.

Mr. KRAMER. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. GEKAS].

Mr. GEKAS. Mr. Chairman, sometime earlier this year there was widely circulated a scare list of possible base closures. This list struck fear into the hearts of the very communities in which these bases were located, because many times we would find that such a facility is the very core of the economic activity of a particular region. On that scare list appeared the base located in New Cumberland in central Pennsylvania. We know, firsthand, of the adverse consequences felt just by the publication of that scare list. Since that time, because of the diligent work of this subcommittee and by the considered ear of the gentleman from California who listened to the concerns expressed as to the scare list, the cloud has been removed. This has adverse consequences, the publication of such a list, in 2 different fashions: Not only does it hurt the people whose jobs and whose economy and whose situations in life are surrounding a particular facility, but also it throws a monkey wrench into the very program of national defense which we are so carefully trying to construct.

If indeed in the middle of construction projects, in the middle of new facilities geared for the modernization of our national security, there comes a scare list of possible base closures, this can do serious harm to the steady, proper, progressive planning for the maintenance of our national security. It is, therefore, with deep gratitude that I, who have observed this phenomenon, say to the gentleman from California that his inclusion in the committee report of an end of speculation as to this national list of base closures and of possible realignment of missions does a service not only to the people affected but also to our Nation in its plans for modernization and continuance of national security.

I thank the gentleman. I can report back to the people in New Cumberland: Your mission is safe, your mission must go on, your mission is to contribute to the national security of the United States of America.

Mr. DELLUMS. Mr. Chairman, I yield 5 minutes to my distinguished colleague, the gentleman from Texas [Mr. ORTIZ], another very diligent member of the committee.

Mr. ORTIZ. I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in strong support of this legislation, H.R. 1409—the Military Construction Authorization Act for 1986 and compliment our chairman, Mr. DELLUMS, on his leadership in bringing this bill to the floor today. I find it a privilege and a pleasure to work with such a hard-working committee and staff that are truly professional. I recognize the great responsibility that this committee has, not only to this distinguished House, but to our people and this great Nation.

Many times in the past, funding for the living and working conditions of our men and women in uniform have been deferred, out of necessity, to the operational requirements of our force modernization programs. This has been accomplished in order that the peace we strive for may be maintained through our military preparedness and strength. Thus, we can demonstrate to our adversaries the military readiness and deterrence from war that our Nation possesses. This is as it should be. However, there comes a time when the quality of life for the men and women in uniform must not take a back seat to the driving forces of upgrading our weapons and support equipment required to enhance, should the need arise, a smooth transition from peace to a full wartime footing. I believe this bill, H.R. 1409, does just that.

A high priority has been placed on the quality of life for our men and women in uniform, their families, and their various needs, especially the construction of new housing units here in the United States and overseas. I fully realize that the military construction authorization does not exist in a vacuum. It should be considered in the full context of the Department of Defense Authorization Act for 1986. It is with this understanding that this bill provides funding for the beddown of weapons systems. These systems include the MX missile, B-1B bomber, ground-launched cruise missiles, F-15 fighter aircraft, the C-5B cargo plane, and the space defense initiatives, as well as first year funding to support construction of two new homeport sites for the Navy. This proposed bill is within the overall House approved Defense authorization and budget guidelines.

As was stated by the Honorable John O. Marsh, Jr., Secretary of the Army, and Gen. John A. Wickham, Jr., Chief of Staff, U.S. Army, in hearings before our subcommittee and the House Armed Services Committee, "our most important mission is to maintain the readiness of the Army in order to protect this great Nation. Readiness is inextricably tied to solders' morale and discipline, and to sustaining their families' strength." As the pool of potential enlistees decline, we need to provide those tangible benefits that let our service personnel and their families know that we support them and that we will provide for their welfare. Truly, this bill provides those living facilities and support systems so necessary to promote the quality of life and facilities that will maintain our force of excellence.

Mr. DELLUMS. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Oklahoma [Mr. ENGLISH].

Mr. ENGLISH. Mr. Chairman, I rise in support of H.R. 1409, the military construction authorization bill under consideration today by this body. I particularly want to express support for authorized projects at Vance AFB and Tinker AFB, both of which are in Oklahoma.

Vance AFB, a pilot training base, is part of the Air Training Command [ATC]. As we all know, ATC bases are

where Air Force pilot trainees learn to fly before going on to advanced training and regular flying duty for the Air Force. It is training such as that offered at Vance that enables pilots to develop the flying skills later applied in the operation of advanced fighters, bombers, and support aircraft. H.R. 1409 contains two authorized projects for Vance, a central life support equipment facility authorized at $660,000 and a mission support facility authorized at $3,550,000. These two projects are desperately needed.

The central life support equipment facility will provide a safe and environmentally secure structure for aircrew life support systems; items such as parachutes and oxgen masks. Current facilities at Vance are woefully inadequate for the storage and maintenance of these vital systems.

The mission support facility at Vance AFB will provide a centrally located facility designed to house 15 missions support functions, including those for administration and base personnel. These closely related offices are currently located in widely dispersed, inefficient, World War II-vintage buildings. In addition, it is estimated that the modern, centralized facility will result in annual operation and maintenance cost savings of more than $474,000 and a 55-percent reduction in energy usage that saves and addditional $15,000 annually. The mission support facility is urgently needed now.

Tinker AFB, a vital cog in our Nation's Air Logistics Command, has several authorized projects totaling $33.1 million. Authorized are funds for: First, a transient munitions facility and land acquisitions; second, and E-3A maintenance hanger; third, alterations for Tinker's petroleum operations storage complex and base unaccompanied enlisted personnel housing; and fourth, additions and alternations for the heating plant and recreation center.

While it would require to much time to detail the need for each of these authorized projects, I would like to briefly address the authorizations for the transient munitions facility authorized at $6,900,000 and the E-3A maintenance hangar authorized at $6,800,000.

The transient munitions facility is a safety and security improvement. It will provide the air depot at Tinker with the capability to respond to crises throughout the world in a safe and expeditious manner. The handling and transshipment of the munitions is a hazardous business. This facility will provide an extra measure of safety for those who work in this area.

The E-3A, or AWAC's, has become an indispensible tool of the Air Force. Tinker AFB is the home of AWAC's. The AWAC's and its crew, must be prepared to deploy at a moments notice to any part of the globe. This requirement makes an up-to-date maintenance facility vital to the mission of this aircraft. That is why the E-3A maintenance hangar authorized in H.R. 1409 is so very important.

And so, Mr. Chairman and my colleagues, I urge the adoption of H.R. 1409, the military construction authorization bill.

□ 1420

Mr. DELLUMS. Mr. Chairman, I yield 9 minutes to the gentleman from New York [Mr. WEISS].

Mr. WEISS. I thank the gentleman for yielding me this time.

Mr. Chairman, I wish to add my words of compliment for the gentleman from California to those that have been expressed by so many other Members on the floor in the course of this general debate.

Indeed, as I listened to the comments coming from so many varied philosophical sources on this floor, I am almost awestruck. It seems to me that the gentleman from California [Mr. DELLUMS] has taken the admonition of our former distinguished President, Lyndon Johnson, who said: "Come let us reason together," and has managed to have people from all shades of opinion in the armed services community come and reason together and to find him to be a most reasonable and sensitive chairman of that important subcommittee.

Given the view that I have of the job that the gentleman has done and the commendation that he justifiably received, I would therefore rise with some sense of trepidation under normal circumstances in opposing the Military Construction Authorization Act of 1986. In doing so. however, I know the gentleman from California knows that not only is there no criticism of him intended, but that he and I share the very sentiments that he expressed when he cast his vote against the very bill that he reported out of committee in which he so eloquently set forth the reasons and concerns he had for voting against that bill.

Among my reasons and his reasons for opposing this bill is the inclusion of money for the home ports that the Navy is proposing to build in a number of locations, including one in New York Harbor. The Home Port Fleet, which is a surface action group, in New York would consist of the battleship *Iowa* and six support vessels which would be equipped to carry nuclear weapons.

A total of $86.2 million in first-year funding is authorized in this bill for land acquisition, housing, site improvement, and berthing pier/bulkhead construction. This bill contains initial funding for two of the five new homeports the Navy seeks to build in an effort to disperse its fleet.

Now, the dispersal is supposed to be a strategic dispersal, according to the Secretary of the Navy. However, there have been some questions raised both in the gentleman's committee as well as in the equivalent committee over in the other body as to whether in fact this is a strategic dispersal for military purposes or political purposes. I think in any event there are going to be studies undertaken in both Houses to determine the real purpose of this dispersal and to determine the dangers they may represent.

I strongly object to this funding—an increase of more than $65 million over the amount requested by the Defense Department—because the Navy has failed to satisfy the concerns of my constituents and thousands of other area residents about the risks associated with stationing nuclear weapons in their backyard.

The importance of the Navy's failure to communicate with New York residents—and their elected representatives—cannot be overstated. Only recently we learned that the Defense Department failed to inform State officials in New Jersey about the extent of radioactive contamination resulting from a Bomarc missile explosion and fire at McGuire Air Force Base that occurred in 1960. New Jersey environmental officials only learned the details by accident—25 years later.

We still do not fully know whether population areas were exposed, but we do know that the true magnitude of the radioactive release was kept from the public and Government agencies. In a 1981 report, the Defense Department asserted that the radioactive contamination was restricted "to an area immediately beneath the weapon and an adjacent elongated area approximately 100 feet long." However, it was recently revealed that about 400,000 square feet, or nearly 10 acres of the base property, had been sealed in concrete to contain the contamination.

Moreover, the Defense Department is reportedly still not cooperating with State officials attempting to identify the risk and eliminate the hazard.

New Jersey residents have every right to demand more responsible conduct from the Air Force. And they, along with New Yorkers, have every right to insist that the Navy respond to their health and safety concerns before a single nuclear weapon is brought into our harbor.

Unfortunately, the Navy's response to date has been silence. The environmental impact statement prepared by the Navy looked at the impact of the Staten Island home port on air quality and harbor dredging; it even studied its effect on traffic. Yet there is no mention of the single aspect which could pose more of a threat to the health and welfare of the area's resi-

dents, and of all life in the area, than any other conceivable impact: a nuclear weapons accident.

This constitutes a clear violation of the National Environmental Policy Act [NEPA]. Federal agencies, according to NEPA, must conduct a thorough environmental impact analysis of all aspects of a proposed action that affect the environment in any way.

The Navy has been equally deficient in its attitude toward emergency preparedness planning. The general lack of communication to date between the Defense Department, and State, and local enforcement and health officials in this area is truly disturbing. In the absence of a workable, highly coordinated area emergency response and evacuation plan, the home port plan should simply not go forward.

The EIS, in claiming substantial economic benefit to the New York area without providing convincing evidence, is faulty in a second, serious respect. The Navy reached its economic conclusions without waiting for a fiscal impact analysis currently underway by the Pentagon, a study prompted by concerns in the Defense Department itself, that the home ports economic benefits were overstated. An accurate assessment, I believe, would show the home port to be a costly cousin to alternative investment at Staten Island.

Two recent developments underscore the inadvisability of providing funding for the home port.

First, a coalition of individuals and groups filed suit against the Navy this past April, charging gross violations of NEPA. The coalition includes Friends of the Earth, Physicians for Social Responsibility, New York PIRG and seven members of the New York City Council.

The suit, which is pending, argues that the EIS prepared by the Navy was deficient because it fails to: First, discuss the risks or potential environmental impacts of a nuclear weapons accident; second, consider less populous alternatives sites for the proposed home port; and, third, adequately discuss the adverse economic impacts of the home port on the Metropolitan New York area.

The plaintiffs are seeking an injunction prohibiting the Navy from advancing its New York plans until it prepares a new EIS that complies with NEPA.

In another recent development, the Navy recently announced that it will prepare a supplemental EIS to address a number of changes in its Staten Island proposal. Primarily, the Navy reports that it seriously underestimated the supply of adequate, affordable housing available to the 2,200 families it will move to the New York area. The draft supplemental will not be released until December.

Mr. MOLINARI. Mr. Chairman, will the gentleman yield?

Mr. WEISS. I only have limited time. The gentleman from Colorado has a great deal of time left.

In addition to that, a referendum is now on the ballot for the November 5 election to allow the people of the city of New York to state for themselves whether they want a floating nuclear silo in the midst of the most densely populated area in the country.

□ 1430

I concur with the views of the distinguished chairman of the Subcommittee on Military Installations and Facilities of the Committee on Armed Services. The Navy's homeporting policy should be examined more closely before we commit millions of dollars to building new naval facilities and locate nuclear weapons in New York and in the ports of some of our other more densely populated cities.

The funding authorized in this bill would permit the Navy to proceed rapidly in building its base on Staten Island without having addressed a number of highly controversial issues.

While my main concern is with the authorization of the ill-considered home port on Staten Island, I am also opposed to a number of expenditures envisioned, expenditures for the MX missiles, for the Trident II or D-5 missile, and for a number of other destabilizing first-strike weapons.

Mr. Chairman, I thank my distinguished colleague for yielding the time to me, and for all the reasons I set forth, I oppose this bill.

Mr. KRAMER. Mr. Chairman, I yield 30 seconds to the gentleman from Virginia [Mr. WHITEHURST].

Mr. WHITEHURST. Mr. Chairman, I thank my friend, the gentleman from Colorado.

Mr. Chairman, I listened carefully to the words of my colleague, the gentleman from New York, and I would just say this: I expect to vote for the bill, but if the bill should lose, I would just like to say for the record that we in the Second District of Virginia, the great Port of Hampton Roads, and the Navy capital of the world, the city of Norfolk, would love to have those ships, nuclear weapons notwithstanding. We would take every one we can get, and we would welcome those Navy families to our bosom.

Mr. KRAMER. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. MOLINARI].

Mr. MOLINARI. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, let me say on behalf of the great city of New York that we are not going to give up the ships so easily to anyplace else. I appreciate this feeling about it, but I could not let this opportunity go by, Mr. Chairman, and fail to respond to the comments of the gentleman from New York [Mr. WEISS].

As we listen to his arguments opposing the home port, he starts off talking about it being a safety issue, but then he goes from safety, to ship dispersal, to economic benefits. The fact is that I think the objection of the gentleman from New York [Mr. WEISS] is because it is a military project.

I would like to respond point by point, if I may. What do we get by ship dispersal? If we look today at the number of ships that we have at some of our ports, I think we will have an idea or we should have an idea as to how vulnerable we are. At Charleston, there are 70-some-odd ships based there today; at Norfolk, 120-plus ships; and at San Diego, 120-plus ships.

Now, I am deeply concerned that over 50 percent of our naval fleet is homeported at three centers. It only makes sense, I think, that if we are going to be building more ships and retrofitting others, we do not put them all in three locations. Have we not learned any lessons from Pearl Harbor?

The gentleman from New York [Mr. WEISS] talks about the support of some members of the city council for his position. What he did not say was that this project for New York City has been heavily endorsed by Governor Cuomo of New York, by Governor Kean of New Jersey, by both Senators from New York, Mr. D'AMATO and Mr. MOYNIHAN, and by both Senators from New Jersey, Mr. LAUTENBERG and Mr. BRADLEY, and as a matter of fact, it was endosed by every Member of Congress from New York and every Member of Congress from New York City, with the exception of the gentleman who just spoke, the gentleman from New York [Mr. WEISS].

So I say to the gentleman from New York [Mr. WEISS], you stand all by yourself or you have stood all by yourself as a member of the congressional delegation opposing the project from its inception.

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. MOLINARI. No; I will not yield. I will give the gentleman the same courtesy he gave me.

Mr. Chairman, let us talk about the safety items. The gentleman from New York [Mr. WEISS] was not satisfied with the safety issues. He was not satisfied because he did not get the decision his way, so he went to the General Accounting Office and requested a study. It took 18 bloody months to get the General Accounting Office to release the study that the gentleman from New York [Mr. WEISS] requested, and when it came out, it was certainly not supportive of his position.

So what did he do? He accused the General Accounting Office and said they did a terrible job. I say to the gentleman from New York [Mr.

WEISS], you cannot have it both ways. What the General Accounting Office said was that in this surface action group, one of the ships would be capable of carrying nuclear-tipped missiles, the Tomahawk missile, and GAO said that it was the safest nuclear missile in the entire missile fleet.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. MOLINARI. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, I just want to express my support for the gentleman from New York [Mr. MOLINARI]. As he well knows, the decision to seek a naval surface action group was supported by a large majority of the New York congressional delegation.

Over the past weekend, I had the privilege of attending the deliberation of the North Atlantic assembly, at its meeting which was held in San Francisco. At our luncheon I happened to sit next to Mayor Feinstein, who mentioned to me that in San Francisco some months ago, there had been the same kind of irrational fear of the homeporting of the battleship *Missouri* in San Francisco. Mayor Feinstein told me that in spite of the opposition that was building up, as it has been doing in New York City as well, she appealed to the business community of that great naval city, San Francisco, and they came up with overwhelming support for welcoming a great historic battleship.

The CHAIRMAN. The time of the gentleman from New York [Mr. MOLINARI] has expired.

Mr. KRAMER. Mr. Chairman, I yield 5 additional minutes to the gentleman from New York [Mr. MOLINARI].

Mr. STRATTON. Mr. Chairman, will the gentleman yield further?

Mr. MOLINARI. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, the mayor of the city of New York our former colleague, Ed Koch, doing the same thing, because, as the gentleman in the well knows, and other members of the delegation know, bringing that naval action force into New York City is going to generate some $500 million every year. So certainly that economic benefit cannot be ignored.

I feel certain that perhaps if Mayor Koch were to consult with Mayor Feinstein, she might be able to give him some other hints as to how to overcome this very irrational antinuclear opposition to bringing back naval ships into New York City, which over the years has always been a great naval town, a major part of the U.S. fleet on the east coast so that we can protect ourselves from those enemies that maybe around us.

Mr. Chairman, I thank the gentleman for yielding.

Mr. MOLINARI. Mr. Chairman, I thank the gentleman for his contribution.

When this project was first announced, there were two main objections that were raised by the gentleman from New York and others. The first, and the one that put fear into everybody's heart, was the thought of an accidental explosion of a nuclear device, and, of course, everybody should be concerned about that.

It is interesting, though, after we started getting information from the Navy and others, I understand that the position of the gentleman from New York [Mr. WEISS], today is that even he acknowledges the fact that the possibility of accidental explosion is so remote, just like the General Accounting Office said, that it does not exist.

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. MOLINARI. I yield to the gentleman from New York—yes.

Mr. WEISS. Mr. Chairman, I thank my distinguished friend for yielding.

I have said from the very beginning that the problem was the release of radioactive material. It does not have to be an explosion; it can be fire, it can be an accident, it can be damage, it can be sabotage. In any one of those ways, radioactive material can be released into New York Harbor.

Mr. MOLINARI. If I understand the gentleman now—and this is important because we do have a referendum coming up, and we do have other issues coming up in debates—he does recognize in fact and he concedes, as I understand it, that there is no possibility and he is not concerned about an accidental nuclear explosion? Is that correct?

Mr. WEISS. Mr. Chairman, will the gentleman yield to me?

Mr. MOLINARI. I yield to the gentleman from New York.

Mr. WEISS. I have said from the very beginning that the possibility of explosion as such is extremely remote, very unlikely.

Mr. MOLINARI. All right. The issue of plutonium, then, is the only other safety issue that has been raised in the floor debate. As far as the information from the Navy is concerned—and I think the gentleman from New York is absolutely incorrect in terms of sharing information—the Navy has been extremely forthright in giving us requested information. There has been an exchange of correspondence from the Department of Energy, from the Navy, from the Defense Department, and from Mr. Weinberger back and forth to the mayor, to every elected official, and to others.

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. MOLINARI. I am happy to yield to the gentleman from New York.

Mr. WEISS. Would the gentleman please share with his colleagues his information as to what planning has been done for emergency action in case of an accident? Will the gentleman tell us what the Navy has told him about that?

□ 1440

Mr. MOLINARI. The Navy has not planned any emergency action. I do not think it is the province of the Navy to do that. I think that is the province of your local government. That is the position they have taken throughout the country.

Now, they will work with local government in planning. They have said that. They will work with you to implement the plan.

Mr. WEISS, Mr. Chairman, will the gentleman yield further?

Mr. MOLINARI. Yes, I will yield further.

Mr. WEISS. Mr. Chairman, does the gentleman know whether in fact the Navy has shared information with the local governments as to whether and what kind of accidents the localities ought to be preparing for?

Mr. MOLINARI. Mr. Chairman, let me respond this way perhaps. I took advantage of something that every Member of Congress has, and that is the opportunity to get a classified briefing at the Pentagon. I do not know if the gentleman from New York [Mr. WEISS] did so, but I did.

Mr. WEISS. I did.

Mr. MOLINARI. I came away after 3 hours fully satisfied and had no apprehensions or fears whatsoever. I stand in the well here and I can say to my constituents back home, please accept it without any fear or trepidation whatsoever. There are 30 years of record that the Navy has had with nuclear weapons, a superb record, without one single nuclear accident.

Mr. WEISS. Mr. Chairman, will the gentleman yield on that point?

Mr. MOLINARI. I would be happy to yield even though the gentleman did not want to yield to me.

Mr. WEISS. I had no time. The gentleman has all kinds of time.

The gentleman is not suggesting to this body, or to his constituents, or my constituents that in private briefings the gentleman was given information as to existing information which the Navy has shared with localities as to how they could prepare for emergencies; the gentleman is not saying that, is the gentleman?

Mr. MOLINARI. No, I am not.

Mr. WEISS. Mr. Chairman, I thank the gentleman, because I was given no such information.

Mr. MOLINARI. The issue of economic benefits I think we should dispense with very quickly.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. KRAMER. Mr. Chairman, I yield 2 additional minutes to the gentleman from New York [Mr. MOLINARI].

Mr. MOLINARI. Mr. Chairman, I thank the gentleman for yielding these 2 additional minutes.

On the issue of economic benefits, I think there has been a great deal of debate in the New York City area about economic benefits. There is no question that there are substantial economic benefits. We may debate as to how much, but I do not think there is any question remaining that the benefits are indeed substantial.

I would like to close, however, by referring to something that the chairman mentioned before. I think it is very important, and this is related to the home port issue; that is the aspect of the funding level in the bill dealing with the quality of life.

I do not know how many Members of this body have taken the time out to go to military bases and see how our military people are living. It is shocking. It is absolutely shocking if you visit the areas where I live and see how our military people are living. If they were ordinary citizens and not in the military, I think they would be asking for public assistance from local governments.

How we, as Members of Congress, can permit that is something that is deeply disturbing to me.

So I commend the gentleman from California, the chairman, and the other members of the committee for what they have done here and I hope that we support the chairman in his efforts here today.

Mr. KRAMER. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. HUNTER].

Mr. HUNTER. Mr. Chairman, I thank the gentleman for yielding.

I want to rise on behalf of San Diego and the Navy families in San Diego and thank the committee and the chairman and the ranking member for the work and the consideration that they gave us in regard to the housing that will be built, some 200 units for Navy housing.

I would like to thank the chairman especially for the time that he spent and the trip that he took to San Diego examining the situation very closely.

I just would like to say one last thing, and that is that in California our big problem generally with regard to military construction and housing is the land prices. I very much like the ideas that have been floated several times during the debate and during the discussion concerning the possibility of leasing land, having contractors come on and build units and then pay over a period of time based on the capability of our enlisted people to pay for their Navy housing or Army housing allowance, to pay for those units; in other words, the idea of not having in the future perhaps to spend up front appropriation money for the military construction itself.

I commend the committee for taking a look at that and I hope we can do that in the next several years.

Mr. KRAMER. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. MARTIN].

Mr. MARTIN of New York. Mr. Chairman, I thank the ranking member.

I just want to make one point on the home port issue.

The gentleman from New York [Mr. MOLINARI], a gentleman I also served with in the State legislature in New York, is a very thoughtful person and someone who has worked very hard ferreting out all the answers to the questions that were brought up concerning home ports.

We would all certainly agree that it is ludicrous at best to home port half our naval fleet in three ports; so once the decision was made, which as I say makes eminent good sense, the competition was on as to where these ships would be home ported.

In the State of New York and city of New York, the State and Federal legislators worked very hard convincing the Navy that this was the most appropriate cost-efficient place to home port this battle group.

I want to point out that there is no doubt in anybody's mind that as far as the vast majority of the elected officials and opinion leaders in the State of New York, they want very much to have that battle group in New York Harbor.

I salute the gentleman from New York [Mr. MOLINARI]. I salute the Governor. I salute the mayor. I salute both U.S. Senators from New York and from New Jersey, and the vast majority of the delegation from New York headed by the gentleman from New York [Mr. STRATTON] who support home porting.

Mr. OWENS. Mr. Chairman, I rise in opposition to the military construction authorization of funds for New York City homeporting for the *Iowa*. The homeporting is being sold to New Yorkers as safe and economically beneficial. Unfortunately, both the safety and economic aspects have not been explored sufficiently to allow New Yorkers to know with any degree of certainty whether or not they will benefit from the homeporting.

Advocates of homeporting argue that it will bring jobs to New York and help the economy. After the initial building is over, it is unclear that the naval base will bring any jobs to New Yorkers. Yes, it will bring another payroll to New York but there is no certainty that it will bring jobs which will be filled by the local residents who must contend with the hardships and risks related to the base. The naval jobs will be filled with men and women from all over the country. Base-related jobs are usually reserved for the families of service members who are assigned to that base. From the beginning the economic facts of this situation have not been stated honestly.

On the safety issue, some Members of Congress have been reassured that there is no safety problem. I am one of those who has not been so reassured. In the end this is an important judgment call. It would appear that safety, like beauty, is in the eye of the beholder and I cannot believe that the various nuclear mishaps which have happened here in the States and in Europe were intentional so I must conclude that serious accidents can happen. To accept, as an article of faith, that there will be no accidents in densely populated New York is to gamble needlessly with the lives of human beings. The New York Port represents one of the most densely populated areas in the world. When nuclear accident risk possibilities are being weighed, special allowances should be made for New York City.

The homeporting issue is on the ballot in New York. The people will have the opportunity to express their will directly. It is only reasonable for Members who represent New York City to wait upon this expression of support or lack of support. No commitment should be made prior to the results of the referendum on this issue. This is an important judgment call which all interested citizens should be given an opportunity to make.

Mr. PANETTA. Mr. Chairman, I am pleased to rise today and address the subjects of military housing and the military construction authorization for fiscal year 1986. I would first like to address the issue of military housing.

Those of my distinguished colleagues who have heard me speak on the issue of military housing in the past know that this is a very important issue to me and it is one about which I feel deeply. Not just because I, too, experienced the military family life, and not just because a young boy hanged himself at a military installation in my district last year because the hardships imposed on his family by shortages in military family housing and moving expenses; but because I am convinced that our Nation's defense is only as strong as the men and women who serve as the cogs of our great defensive wheel.

In the past, my comments on the issue of military family housing have been tinged with sadness, and filled with determination. Today, however, I am glad to report to this distinguished body that I am optimistic that we are on our way to meeting the challenges faced by our military personnel and their families; not just in my district on the Monterey Peninsula, but all over the country, and the world.

I am optimistic because the House has approved a Department of Defense authorization that contains numerous provisions that seek to address the challenges, financial and emotional challenges, facing our military personnel and their families. I am

pleased to have introduced the first legislative package to address these challenges, and I am hopeful that relief for our men and women in uniform and their dependents may soon be on the way.

I am also pleased today to lend my support to the military construction authorization for fiscal year 1986. This bill calls for $9.5 billion in military construction during the next fiscal year. That might seem like a small sum compared to the rest of entire Department of Defense authorization recommendation of $302.6 billion, and indeed it is—the military construction request is only 3 percent of the total budget recommended by the House Armed Services Committee. But, ladies and gentlemen, let me tell you what a mere 3 percent can do.

This money will provide for the construction of 600 units of housing at Ford Ord, CA, and the upgrading of almost 600 more units that have been found by the Army to be substandard. Think of that, ladies and gentlemen, some of our military personnel live in substandard housing—but not for long. This money will also provide for 70 mobile home spaces at Ford Ord—a post where 2,500 families are currently on waiting lists for on-post housing.

Plans also call for the construction of barracks for enlisted personnel that will house nearly 1,000 individuals, at a cost of $23 million. I speak of Fort Ord because I happen to represent that area, because I once served at Ford Ord, and because that is where 13-year-old Danny Holley hanged himself. The average wait for on-post housing at that facility is 5 to 7 months. Fort Ord has recently awarded a contract to a local construction firm that will provide more than 200 mobile home spaces for military personnel. Where the housing situation has been critical, there is now hope.

These construction plans will mean a great deal to an estimated 2,500 military families at Fort Ord alone. And yet the total price tag is $84 million—only three-tenths of 1 percent of the total Department of Defense authorization for fiscal year 1986. And that is at Fort Ord alone.

Military housing construction plans call for 50 mobile home spaces at Fort Riley, KS; 50 more at Fort Bragg, NC; and 282 housing units at the Marine Corps Air Station in El Toro, CA. The military housing plans reach across the seas to the Netherlands and West Germany, as well. And we can do all this, and virtually change the lives of an estimated 5,570 persons with only 3 percent of the total Defense authorization recommended by the House Armed Services Committee.

While family housing is certainly the most visible component of the Military Construction Act, it is not the only issue that I would like to address today, because military construction can take many forms, other than military housing. I am talking about the construction plans for military facilities such as Fort Hunter Liggett, the Presidio of Monterey, and the Naval Postgraduate School, as well as Fort Ord—facilities which have been able to contribute so much to our national security and defensive capabilities. But facilities which are also in desperate need of expansion, or upgrading, in order to continue to perform these valuable functions to their full potential.

Fort Hunter Liggett, for example, has asked for $11.1 million for the construction of a multipurpose range complex and a technical documentation facility. The House Armed Services Committee, recognizing the value of these projects, has recommended full funding of the administration's request. For the Presidio of Monterey, the Department of Defense has set aside $2.65 million for the construction of a military personnel administration center. This center is required to provide a consolidated Army/USAF center together with administration headquarters for Army/Navy/Air Force/Marine Corps contingents at the Defense Language Institute. The Department of Defense concluded in a recent study that the failure to provide this center would result in a growing inefficiency in operation at the Presidio. Again, the House Committee on Armed Services has recommended full funding.

The Navy has requested $13 million for an ocean science academic building which would greatly increase the oceanographic study capabilities at Monterey, an area that has long been recognized as the center for oceanographic study, research, and fleet communications. This building would complement an already impressive array of marine and oceanographic feacilities on the Monterey Bay, including the Monterey Bay Aquarium funded by Hewlett-Packard, the Moss Landing Marine Lab, the Naval Environmental Prediction Research Facility, and the Fleet Numerical Oceanography Center.

The Army has asked for $3 million to be spent on the energy monitoring and control system, a medical supply warehouse, and an operations building at Fort Ord. The operations building is needed to provide an operational facility for the Criminal Investigation District Headquarters at Fort Ord. Current investigations are conducted out of a substandard and deteriorating temporary facility that was constructed in 1941. The Department of Defense has determined that the building is not suitable for modification, and the House Armed Services Committee has recommended full funding for construction of a new facility.

Mr. Chairman, I am not talking about a major weapons system. I am not talking about changing the nature of our warfighting machine. I am not even talking about charges of waste and fraud in our Defense Department. In other words, I am not addressing a controversial or partisan issue. I am talking about the welfare of our men and women in uniform and their dependent families.

Why is it, after all, that in the strongest and richest nation on Earth some of our military personnel are forced to live in substandard housing unit that was built as a temporary facility prior to World War II? Why is it that military families are forced to separate, or squeeze a family of 5 into a camping trailer in a campground along with 30 other families that has only one hot shower? There is no reason for this situation. But there is a solution. And that solution will cost less than the price of two F-14A Tomcat aircraft—and Navy has requested 18 of these aircraft for the next fiscal year alone.

In examining the important issue of our national defense, I believe it essential that we not overlook that element of our military that is most vulnerable and most in need of our assistance—the human element. We can, after all, talk until we are blue in the face about weapons systems and strategic superiority or inferiority, but it does not mean a thing unless we address needs of our military personnel in housing and facilities.

After extensive hearings and testimonies, the House Armed Services Committee has forwarded a balanced proposal that would meet the immediate needs of housing and military construction at a reasonable cost. I urge this body to accept that proposal.

Mr. MCEWEN. Mr. Chairman, I rise in strong support for the $12.8 million authorization for the proposed construction of the Air Force Institute of Technology [AFIT] at Wright-Patterson Air Force Base.

The Institute is a U.S. Air Force organization which is responsible for providing and coordinating advanced degree programs, professional continuing education, and support for basic and applied research. Many of its courses are unique and are offered only by AFIT. These educational programs are designed to meet the highly specialized needs of the Department of Defense. Because of its special location at Wright-Patterson, which is the largest center for defense research and development, AFIT offers rare opportunities for engineering and logistics instruction.

The student load at this center is increasing substantially. Moreover, the AFIT has greater demands for computer space. There is currently a total space deficiency of 256,000 square feet based upon existing needs. This project is designed to enhance the existing facility at Wright-Patterson which is in dire need of a new building to alleviate the problem of overcrowding. The proposed facility improvements will provide a better learning environment for those persons enrolled at this science and research center.

Mr. Chairman, I strongly urge my colleagues to support this authorization. It will enhance AFIT's ability to serve the Air Force and our national security interests by providing first-rate instruction to Air Force officers and airmen.

Mr. KOSTMAYER. Mr. Chairman, I rise today in support of H.R. 1409, the Military Construction Authorization Act for fiscal year 1986. This bill authorizes all funds for military construction and military family housing in the United States and overseas.

This bill authorizes $4.2 million for the construction of a navigation equipment laboratory at the Naval Air Development Center [NADC] in Warminster, PA, which is located in my district. I want to thank my colleague from Wisconsin, Representative LES ASPIN, the distinguished chairman

of the House Armed Services Committee, for his support of this important project. I also want to again thank the distinguished chairman for visiting NADC with me on April 19, 1985.

The NADC is vitally important to the Department of the Navy since it is the leading naval air research laboratory in the United States. It is responsible for research in such critical areas as air warfare analysis, air combat systems engineering, aircraft navigation, surface ship navigation, submarine navigation, and air command and control systems. No other naval research facility performs the functions assigned to the NADC, particularly in both land-based and carrier-based antisubmarine warfare. The NADC also recently developed the reconnaissance module for the FA-18 aircraft.

The NADC is also very important to my constituents in the Eighth District as it is the second largest employer in my district. It is a modern and expanding facility that employs 2,633 people, including 2,385 civilians. The growing role of the NADC is highlighted by the fact that this year there have been 300 vacant engineering and technical positions at the Center, positions which the Navy has been filling.

Obviously, Mr. Chairman, I am deeply concerned about the continued vitality of one of the most important facilities in my district. Beyond that, however, I am convinced based on the visits I have made to the Center that the NADC is fulfilling its vital national security mission for the Navy. It is in the best interest of the country that the NADC continue its important operations in Warminster. Therefore, I urge my colleagues to support the military construction bill which includes the authorization for this new laboratory.

Mr. WOLF. Mr. Chairman, I rise in support of H.R. 1409, the military construction authorizations for fiscal year 1986. This legislation authorizes the transfer of the Army's Arlington Hall Station to the jurisdiction of the U.S. State Department through the General Services Administration for location of the Foreign Service Institute.

My constituents, Defense Department officials and the administration agree that development of the FSI at Arlington Hall would be an asset for the Arlington community. I think it is fair to say that it is unusual when a Member of Congress supports the closing of a military installation in his or her congressional district. However, the relocation of Arlington Hall's current tenant, the Intelligence and Security Command to Fort Belvoir, VA, is a positive move for the military and for the intelligence community. This is also an efficient use of Federal property and presents a rare opportunity for the people of northern Virgnia to be a part of plans to locate the facility where the prestigious corps of foreign service officials and diplomats will be trained.

The necessary first step for this proposed transfer is congressional funding of $30 million for a new headquarters for the Intelligence Command and Control Facility at Fort. Belvoir. The Senate has included this amount as part of its military construction legislation and it is my hope that a joint House-Senate conference on this bill can resolve this difference in spending priorities.

Mr. GLICKMAN. Mr. Chairman, I rise in support of H.R. 1409, the military construction authorization for next fiscal year, but more importantly, I rise to commend the committee and the bill's manager, Chairman DELLUMS, for not being stampeded into slashing away at the military construction authorization based on a list of possible bases to be closed that surfaced in response to a request from the other body and which was never fully explained. That list became known as a hit list inspite of the fact that the Defense Department attached disclaimers to it and indicated that it was only illustrative. Those of us who represent areas of the country where those based are located knew all too well that a decision this year to halt needed work on those bases could turn illustrative into fait accompli. I personally am deeply indebted to the Armed Services Committee for the rational manner in which it put its bill together and its insistence on substantiation and explanation of that list which, without the good work of the committee, could very well have taken on a life of its own.

The House of Representatives has been well served by its committee, and I want the record to show that I, for one, am most appreciative.

Mr. KRAMER. Mr. Chairman, we have no more requests for time, and I yield back the balance of my time.

Mr. DELLUMS. Mr. Chairman, just very briefly, we are now concluding with the general debate on the military construction bill for fiscal year 1986. I think my colleagues and I have done an adequate job in presenting to this body what we have done, how we did it and where we are at this particular moment.

I would just like for a brief moment to comment on the last debate that took place between and among my colleagues from New York. Without in any way commenting to the merits of the case, simply to say that this debate only underscores the desire of the Chair to bring the military construction budget within the umbrella of the total authorization bill, because these are policy matters that cut across the entire length and breadth of the military budget.

The debate to some extent becomes relatively distorted, Mr. Chairman, when it gets debated at the military construction level with these policies that were made far before we get to this particular level; so my hope is that next year when we look at the total military budget that my colleagues can see the implications of their policies all the way from the tactical and strategic implications all the way to their quality of life and community implications.

So I would simply say that it only underscores the need for an indepth policy, oriented, rational, and intelligent debate, devoid of rancor, devoid of name calling, devoid of posturing at a rather superficial level, so that we can meaningfully come to grips with what is an appropriate military policy within the framework of an enlightened and intelligent foreign policy.

With that, Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. Pursuant to the rule, the committee amendment in the nature of a substitute now printed in the reported bill shall be considered as an original bill for the purpose of amendment, and each title shall be considered as having been read.

The Clerk will designate section 1.

The text of section 1 is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Military Construction Authorization Act, 1986".

Mr. DELLUMS. Mr. Chairman, I ask unanimous consent that my distinguished colleague, the gentleman from Florida [Mr. HUTTO], be permitted to offer an amendment out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

AMENDMENTS OFFERED BY MR. HUTTO

Mr. HUTTO. Mr. Chairman, because I have a committee to chair, I appreciate very much the willingness of the gentleman from California to allow me to offer three noncontroversial amendments that have been agreed to. Actually, one of these will be presented by the gentleman from Arkansas [Mr. ROBINSON] since we both have an interest in that.

The CHAIRMAN. Does the gentleman have one amendment he wishes to offer at this time?

Mr. HUTTO. I have two, Mr. Chairman, and the gentleman from Arkansas [Mr. ROBINSON] has one. They are tied together.

The CHAIRMAN. Does the gentleman ask unanimous consent that all three amendments be considered en bloc?

Mr. HUTTO. Mr. Chairman, I ask unanimous consent that the three amendments be considered out of order.

The CHAIRMAN. And en bloc?

Mr. HUTTO. And en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

Mr. DELLUMS. Mr. Chairman, reserving the right to object, would the gentleman amend his unanimous consent request to state that the amendments be considered en bloc, for purposes of saving some time?

Mr. HUTTO. Mr. Chairman, if the gentleman will yield, I have no problem with that.

Mr. DELLUMS. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. The Chair understands that the gentleman from Florida has two amendments.

Mr. HUTTO. Two amendments, Mr. Chairman, and the gentleman from Arkansas [Mr. ROBINSON] has one.

The CHAIRMAN. And the gentleman from Arkansas [Mr. ROBINSON] has one; but the gentleman asks unanimous consent that his two amendments be considered en bloc?

Mr. HUTTO. Mr. Chairman, I ask unanimous consent that my amendments, Nos. 1 and 3, be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mr. HUTTO: Insert the following new section at the end of title VIII (page 71, after line 9):

SEC. 819. TERMINATION DATE FOR CERTAIN AUTHORITY.

Section 808 of the Military Construction Authorization Act, 1983, is amended by adding the following new subsection at the end thereof:

"(d) The authority of the Secretary to carry out this section shall terminate in October 1, 1990.".

Add the following new section at the end of the title VIII (page 71, after line 9):

SEC. 819. TRANSFER OF CERTAIN LAND AT THE NAVAL AIR STATION, PENSACOLA, FLORIDA.

(a) TRANSFER.—The Secretary of the Navy shall transfer, without reimbursement, to the Administrator of Veterans' Affairs approximately 15.31 acres of real property, including improvements thereon, at the Naval Air Station, Pensacola, Florida.

(b) USE OF LAND.—The real property transferred pursuant to subsection (a) shall become part of the Barrancas National Cemetery and shall be administered by the Administrator of Veterans' Affairs under chapter 24 of title 38, United States Code.

(c) CONDITION.—If the real property transferred pursuant to subsection (a) is not used for the purpose described in subsection (b), the Administrator of Veterans' Affairs shall transfer such property, without reimbursement, to the Secretary of the Navy.

(d) DESCRIPTION OF LAND,—The exact acreage and location of the land and improvements described in subsection (a) shall be determined in a survey approved by the Secretary.

Mr. HUTTO (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. HUTTO. Mr. Chairman, just briefly, on the first amendment, this merely adds a sunset date of September 30, 1990, to the authority granted to the Secretary of the Air Force by section 808, Land Conveyances, Eglin Air Force Base, FL.

The second amendment relates to a parcel of land that would be shifted from the Navy to the Veterans' Administration for extension to the Barrancas National Cemetery. They were to build a brig on that, but we prevailed upon them to allow the cemetery to be extended so that we could carry through.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. HUTTO. I yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, I thank my colleague for yielding and for his explanation.

The Chairman would like to indicate that these two amendments were offered after the subcommittee met and the full committee met, but we have subsequently come together as a committee, we have reviewed the two amendments offered by my distinguished colleague, the gentleman from Florida, and the committee is in support of the amendments on this side of the aisle and accepts the two amendments offered en bloc by the gentleman from Florida.

Mr. HUTTO. Mr. Chairman, I thank the gentleman.

Mr. KRAMER. Mr. Chairman, will the gentleman yield?

Mr HUTTO. I yield to the ranking minority member.

Mr. KRAMER. Mr. Chairman, we have had an opportunity to consider the amendments on this side and we have no objection.

Mr. HUTTO. Mr. Chairman, I thank the gentleman.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Florida [Mr. HUTTO].

The amendments were agreed to.

Mr. DELLUMS. Mr. Chairman, I ask unanimous consent that the gentleman from Arkansas [Mr. ROBINSON] be permitted the opportunity to offer an amendment out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

AMENDMENT OFFERED BY MR. ROBINSON

Mr. ROBINSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROBINSON: Add the following new section to the end of title VIII (page 71, after line 9):

SEC. 819. AVIGATION RIGHTS ON SANTA ROSA ISLAND, FLORIDA.

The Act entitled "An Act to authorize the Secretary of the Army to sell and convey to Okaloosa County, State of Florida, all right, title, and interest in the United States in and to a portion of Santa Rosa Island, Florida, and for other purposes", approved July 2, 1948 (62 Stat. 1229), is amended by adding at the end thereof the following new section:

"SEC. 5. The prohibition contained in subdivision d. of the first section against the erection of any structure or obstacle on the land conveyed under this Act in excess of seventy-free feet above mean low-water level shall be deemed to be a prohibition against the erection of a structure or obstacle in excess of two hundred feet above mean low-water level in the case of that portion of such land on Santa Rosa Island which is east of the Destin East Pass and known as Holiday Isle.".

Mr. ROBINSON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. ROBINSON. Mr. Chairman, I will simply say in order to save time and get right to the bottom line, this amendment simply amends the avigation rights on Santa Rosa Island, FL. There was a prohibition in the law that restricted building buildings higher than 75 feet. This allows that law to be amended to allow buildings in excess of 200 feet.

Mr. Chairman, I yield to my distinguished colleague, the gentleman from Florida [Mr. HUTTO] if he has any comment about this.

Mr. HUTTO. Mr. Chairman, I appreciate the gentleman yielding.

This merely agrees with the Air Force that buildings in this area can be extended upward of 200 feet, instead of the original 75 feet, which was out of date.

It is my understanding that no one objects to it. It has all been worked out.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. ROBINSON. I yield to the distinguished Chairman.

Mr. DELLUMS. Mr. Chairman, I thank the gentleman for yielding.

Again, Mr. Chairman, this is an amendment that was fashioned after the subcommittee and the full committe had worked its will on the fiscal year 1986 authorization bill. The subcommittee subsequently met, reviewed all these amendments, including the one before the body at this time, and the subcommittee agrees to accept the gentleman's amendment, without objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas [Mr. ROBINSON].

The amendment was agreed to.

Mr. DELLUMS. Mr. Chairman, I also ask unanimous consent that my distinguished colleague, the gentleman from Texas [Mr. BROOKS] be permitted the opportunity to offer an amendment out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

AMENDMENT OFFERED BY MR. BROOKS

Mr. BROOKS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROOKS: Page 67, beginning on line 13, strike out section 816 and insert in lieu thereof the following:

SEC. 816. AUTHORITY TO TRANSFER CERTAIN EXCESS PROPERTY WITHOUT REIMBURSEMENT.

(a) TRANSFERS UNDER EXCESS PROPERTY PROVISIONS AUTHORIZED.—In accordance with the provisions of section 202 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483) governing transfers of excess property—

(1) the Administrator of General Services is authorized to transfer the real property described in subsection (b) of this section without reimbursement, if such property is transferred to the Secretary of the Army; and

(2) the Administrator of General Services is authorized to transfer the real property described in subsection (c) of this section without reimbursement, if such property is transferred to the Secretary of State.

(b) REAL PROPERTY LOCATED AT FORT MCNAIR.—For purposes of subsection (a)(1), the property described in this subsection is a tract of land of approximately 10.5 acres, together with improvements thereon, adjacent to Fort McNair in the District of Columbia.

(c) REAL PROPERTY LOCATED AT ARLINGTON HALL STATION.—For purposes of subsection (a)(2), the property decribed in this subsection is a tract of land of approximately 72 acres, together with improvements thereon, known as Arlington Hall Station in Arlington County, Virginia.

Mr. BROOKS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BROOKS. Mr. Chairman, the amendment I am offering today deals with two proposed transfers of property that are included as section 816 of H.R. 1409. As reported by the Committee on Armed Services, section 816(a) provideds for the Administrator of General Services to transfer, without reimbursement, to the Secretary of the Army, an 18.5-acre tract of land adjacent to Fort McNair in the District of Columbia. This land was declared excess by the Army in 1982 and control passed to GSA. Although around 8 acres of property are the subject of a legally binding sale agreement and are not available for disposition, some 10 acres remain as excess property and would be available to be returned to the Army for its needs.

Section 816(b) of the bill as reported provides for the Secretary of the Army to transfer approximately 72 acres of the Arlington Hall station property in Arlington County, VA, to the Secretary of State to be used as a center for training in foreign affairs and for other purposes. This transfer likewise would be without reimbursement.

Mr. Chairman, let me say at the outset that I am sympathetic to the underlying purposes of these transfers. In the case of Fort McNair, it makes sense that this property should be returned to fill the needs of the agency that held it until just 3 years ago. And, in the case of the Arlington Hall station property, I appreciate the desirability of relocating the State Department's Foreign Service Institute to a permanent location, and the Arlington Hall station would be extremely suitable for this purpose. In addition, relocating FSI out of leased space and into a Government-owned facility would be a sensible and cost-effective step.

At the same time, I am deeply concerned that the integrity of the Federal Property and Administrative Services Act, which sets out a government-wide system for the utilization of federally owned property, be maintained. In order to achieve the goals of the original provisions of the bill in a manner which is consistent with current law and regulations, I am offering this amendment today. It provides authorization for the Administrator of General Services to transfer the Fort McNair property, without reimbursement, if such property is transferred to the Secretary of the Army, and for the nonreimbursable transfer of the Arlington Hall station property by the Administrator, if such property is transferred to the Secretary of State.

The current Federal property management regulations provide that, in cases where the Congress specifically authorizes a nonreimbursable transfer, the interagency transfer of excess property shall be without reimbursement. The amendment I am offering today constitutes such a specific congressional authorization.

I urge support for this amendment.

I yield to the gentleman from California [Mr. DELLUMS].

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Mr. DELLUMS. I thank the gentleman for yielding.

Mr. Chairman, I would simply like to point out to the body that this amendment is technical in nature and is offered to bring section 816 into conformance with the Federal Property and Administrative Services Act. It is offered to satisfy jurisdictional concerns of the Committee on Government Operations.

The amendment changes no substantive provision and the committee is prepared to accept the gentleman's amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. BROOKS].

The amendment was agreed to.

Mr. DELLUMS. Mr. Chairman, I ask unanimous consent that the gentleman from Arizona [Mr. UDALL] also be provided with the opportunity to offer an amendment out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

AMENDMENT OFFERED BY MR. UDALL

Mr. UDALL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. UDALL: Page 71, after line 9, insert the following:

SEC. 819. LAND CONVEYANCE, DAVIS-MONTHAN AIR FORCE BASE, TUCSON, ARIZONA.

(a) AUTHORITY TO CONVEY.—Subject to subsection (b), the Secretary of the Air Force (hereinafter in this section referred to as the "Secretary") is authorized to convey to the city of Tucson, Arizona (hereinafter in this section referred to as the "city") all right, title, and interest of the United States in and to approximately 61 acres of real property adjacent to Golf Links/Craycroft Intersection, Davis-Monthan Air Force Base, Tucson, Arizona.

(b) CONSIDERATION.—(1) In consideration for the conveyance, the city shall extend the existing lease with the Air Force covering 4,348.81 acres of real property owned by the city at Davis-Monthan Air Force Base for an additional fifty years commencing in 2002 at the existing rental rate of $773 per year.

(2) The total value of the consideration received by the United States shall be at least equal to the fair market value of the real property conveyed under subsection (a), as determined by the Secretary.

(c) LEGAL DESCRIPTION OF LAND.—The exact acreage and legal descriptions of the real property to be conveyed under this section shall be determined by surveys that are satisfactory to the Secretary. The cost of such surveys shall be borne by the city.

(d) CONDITION.—(1) The conveyance to the city under this section shall be subject to the condition that the real property to be conveyed shall be used for public park purposes or other purposes agreed upon by the Secretary and the city which are consistent with the primary mission of Davis-Monthan Air Force Base.

(2) If the real property is used for any purpose other than a purpose described in paragraph (1), title to the real property shall revert to the United States.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions with respect to the conveyance made under this section as the Secretary considers appropriate to protect the interests of the United States.

Mr. UDALL (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. UDALL. Mr. Chairman, this amendment would convey 61 acres of land at Davis-Monthan Air Force Base to the city of Tucson for use as a public park and refuse transfer station. In exchange the city of Tucson would extend a 50-year lease to the Air

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Force for 4,348 acres on the Poorman Gunnery Range.

The land to be conveyed to the city of Tucson was recently severed from the main portion of Davis-Monthan Air Force Base by extension of a major public thoroughfare across the northern boundary of the base. This land is no longer needed by the Air Force for base operations and the uses of the land by the city of Tucson are consistent with the overall objectives and mission of the base.

In fact, the park facilities and refuse transfer station would serve base personnel and the Air Force has fully endorsed this land conveyance.

The extension of an additional 50-year lease on the Poorman Gunnery Range is essential to the continued operations at Davis-Monthan Air Force Base. The city of Tucson would lease the land to the U.S. Government for $773 a year. The value of the lease far exceeds the fair market value of the land to be conveyed to the city of Tucson.

This is an amendment which is in the best interests of the U.S. Government and the city of Tucson. I hope my colleagues will support this amendment.

AMENDMENT OFFERED BY MR. BROOKS AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. UDALL

Mr. BROOKS. Mr. Chairman, I offer an amendment as a substitute for the amendment, and I ask unanimous consent that my amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The text of the amendment is as follows:

Amendment offered by Mr. BROOKS as a substitute for the amendment offered by Mr. UDALL: In lieu of the matter proposed to be inserted by the amendment of the gentleman from Arizona insert the following:

SEC. 819. LAND CONVEYANCE, DAVIS-MONTHAN AIR FORCE BASE, TUCSON, ARIZONA.

(a) CONGRESSIONAL FINDINGS.—The Congress finds that—

(1) the highest and best use of the lands described or identified in subsection (b) is public park and recreational use or public health use;

(2) the city of Tucson, Arizona, has indicated a willingness to extend the existing lease to the United States Air Force of the lands described in subsection (c) for an additional fifty years commencing in 2002 at the existing rental rate of $773 per year;

(3) therefore, the Administrator of General Services should—

(A) assign to the Secretary of the Interior lands described in subsection (b)(1) for use as a park or recreational area; and

(B) assign to the Secretary of Health and Human Services lands identified pursuant to subsection (b)(2) for public health use;

(4) the Secretary of the Interior or the Secretaries of the Interior and Health and Human Services, as the case may be, should simultaneously with the acceptance of the extension of the lease for the lands described in subsection (c), convey to the city of Tuscon, Arizona—

(A) the property described in subsection (b)(1) for use as a park or recreational area through a public benefit discount conveyance under section 203(k)(2) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(k)(2)), and

(B) such land as is identified in subsection (b)(2) for public health use through a public benefit discount conveyance under section 203(k)(1)(B) of such Act (40 U.S.C. 484(k)(1)(B)).

(b) DESCRIPTION OF LAND SUITABLE FOR PARK OR RECREATIONAL USE AND FOR PUBLIC HEALTH USE.—(1) The property described in this paragraph is 61 acres of real property adjacent to Golf Links/Craycroft Intersection, Davis-Monthan Air Force Base, Tucson, Arizona.

(2) The property identified in this paragraph is such portion (not exceeding eight acres) of the land described in paragraph (1) as the Secretary of Health and Human Services, with the concurrence of the Secretaries of the Interior and Defense, determines to be suitable for conveyance for public health use.

(c) DESCRIPTION OF PROPERTY SUBJECT TO LEASE. —The property described in this subsection is 4,348.81 acres of real property owned by the city of Tucson, Arizona, at Davis-Monthan Air Force Base.

(d) SURVEYS OF PROPERTY.—The exact acreage and legal descriptions of the real property to be conveyed under this section shall be determined by surveys that are satisfactory to the Secretary of the Interior, or the Secretaries of the Interior and Health and Human Services, as the case may be. The cost of such surveys shall be borne by the city of Tucson, Arizona.

Mr. BROOKS. Mr. Chairman, the amendment that I am offering regarding the conveyance of land at Davis-Monthan Air Force Base in Tucson, AZ, would allow this transfer to go forward in a manner consistent with the Federal Property and Administrative Services Act's provisions on public benefit discount conveyance of excess Federal property. The amendment would establish a congressional finding that the highest and best use of specified property at Davis-Monthan is for park and recreation use or public health use, and that the city of Tucson has indicated a willingness to extend an existing lease of 4,348.81 acres of property to the Air Force for an additional 50 years at $773 per year. The amendment states that the Administrator of General Services therefore should assign the property to the Secretary of the Interior and the Secretary of Health and Human Services for park and public health uses, respectively, and that the Secretaries, simultaneously with the acceptance of the lease extension from the city, should convey the property to the city through a public benefit discount conveyance under the Federal Property Act.

Mr. Chairman, this conveyance appears to serve both the interests of the Federal Government and the city of Tucson. My amendment would allow the transaction to take place in conformity with the Federal Property Act. I urge its acceptance.

Mr. DELLUMS. Mr. Chairman, the gentleman from Arizona [Mr. UDALL] is exactly correct that we have reviewed this amendment. The people in Arizona and the military have come together, and there is no objection to the amendment. This side has no objection to the amendment.

The full subcommittee has reviewed the amendment and the Chair knows of no objection, and we certainly would be willing to accept the gentleman's amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. BROOKS] as a substitute for the amendment offered by the gentleman from Arizona [Mr. UDALL].

The amendment offered as a substitute for the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arizona [Mr. UDALL], as amended.

The amendment, as amended, was agreed to.

Mr. DELLUMS. Mr. Chairman, we are now going back to regular order, title I.

The CHAIRMAN. The Clerk will designate title I.

The text of title I is as follows:

TITLE I—ARMY

SEC. 101. AUTHORIZED ARMY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—The Secretary of the Army may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations inside the United States:

UNITED STATES ARMY FORCES COMMAND

Fort Bragg, North Carolina, $57,580,000.
Fort Campbell, Kentucky, $32,530,000.
Fort Carson, Colorado, $55,450,000.
Fort Devens, Massachusetts, $610,000.
Fort Drum, New York, $2,990,000.
Fort Greely, Alaska, $2,500,000.
Fort Hood, Texas, $80,000,000.
Fort Hunter-Liggett, California, $11,100,000.
Fort Indiantown Gap, Pennsylvania, $5,300,000.
Fort Irwin, California, $30,050,000.
Fort Lewis, Washington, $110,880,000.
Fort McCoy, Wisconsin, $940,000.
Fort Meade, Maryland, $18,930,000.
Fort Ord, California, $25,820,000.
Fort Polk, Louisiana, $27,230,000.
Fort Richardson, Alaska, $3,600,000.
Fort Riley, Kansas, $49,290,000.
Fort Sam Houston, Texas, $1,440,000.
Fort Sheridan, Illinois, $3,500,000.
Fort Stewart, Georgia, $29,600,000.
Fort Wainwright, Alaska, $14,000,000.
Presidio of Monterey, California, $2,650,000.
Yakima Firing Center, Washington, $16,430,000.

UNITED STATES ARMY WESTERN COMMAND

Fort Shafter, Hawaii, $6,300,000.
Pohakuloa Training Area, Hawaii, $2,150,000.
Schofield Barracks, Hawaii, $32,460,000.

UNITED STATES ARMY TRAINING AND DOCTRINE COMMAND

Fort A.P. Hill, Virginia, $6,450,000.
Fort Belvoir, Virginia, $7,100,000.
Fort Benjamin Harrison, Indiana, $5,300,000.
Fort Benning, Georgia, $39,650,000.
Fort Bliss, Texas, $31,760,000.
Fort Dix, New Jersey, $6,100,000.
Fort Gordon, Georgia, $46,040,000.
Fort Knox, Kentucky, $20,770,000.
Fort Leavenworth, Kansas, $6,900,000.
Fort Lee, Virginia, $15,471,000.
Fort Leonard Wood, Missouri, $12,350,000.
Fort McClellan, Alabama, $39,350,000.
Fort Pickett, Virginia, $420,000.
Fort Rucker, Alabama, $9,695,000.
Fort Sill, Oklahoma, $52,000,000.
Fort Story, Virginia, $1,950,000.

MILITARY DISTRICT OF WASHINGTON

Fort Myer, Virginia, $8,300,000.

UNITED STATES ARMY MATERIEL COMMAND

Aberdeen Proving Ground, Maryland, $4,670,000.
Anniston Army Depot, Alabama, $8,960,000.
Army Materiel and Mechanics Research Center, Massachusetts, $770,000.
Corpus Christi Army Depot, Texas, $4,400,000.
Detroit Arsenal, Michigan, $320,000.
Dugway Proving Ground, Utah, $8,650,000.
Fort Wingate, New Mexico, $490,000.
Lake City Army Ammunition Plant, Missouri, $19,000,000.
McAlester Army Ammunition Plant, Oklahoma, $2,300,000.
Navajo Depot Activity, Arizona, $240,000.
New Cumberland Army Depot, Pennsylvania, $88,000,000.
Picatinny Arsenal, New Jersey, $1,000,000.
Pine Bluff Arsenal, Arkansas, $19,000,000.
Pueblo Depot Activity, Colorado, $200,000.
Red River Army Depot, Texas, $820,000.
Redstone Arsenal, Alabama, $25,750,000.
Rock Island Arsenal, Illinois, $29,000,000.
Sacramento Army Depot, California, $6,450,000.
Savanna Army Depot, Illinois, $510,000.
Seneca Army Depot, New York, $1,410,000.
Sierra Army Depot, California, $2,600,000.
Tooele Army Depot, Utah, $11,490,000.
Umatilla Depot Activity, Oregon, $260,000.
Yuma Proving Ground, Arizona, $240,000.

AMMUNITION FACILITIES

Holston Army Ammunition Plant, Tennessee, $320,000.
Indiana Army Ammunition Plant, Indiana, $210,000.
Iowa Army Ammunition Plant, Iowa, $810,000.
Kansas Army Ammunition Plant, Kansas, $570,000.
Lake City Army Ammunition Plant, Missouri, $930,000.
Louisiana Army Ammunition Plant, Louisiana, $640,000.
Radford Army Ammunition Plant, Virginia, $2,910,000.

UNITED STATES ARMY INFORMATION SYSTEMS COMMAND

Fort Huachuca, Arizona, $2,050,000.

UNITED STATES MILITARY ACADEMY

United States Military Academy, New York, $23,700,000.

UNITED STATES ARMY HEALTH SERVICES COMMAND

Fort Detrick, Maryland, $7,600,000.
Tripler Army Medical Center, Hawaii, $970,000.
Walter Reed Army Medical Center, Washington, District of Columbia, $1,150,000.

MILITARY TRAFFIC MANAGEMENT COMMAND

Bayonne Military Ocean Terminal, New Jersey, $3,200,000.
Oakland Army Base, California, $330,000.
Sunny Point Military Ocean Terminal, North Carolina, $1,200,000.

UNITED STATES ARMY CORPS OF ENGINEERS

Humphreys Engineer Center, Supt. Activity, Virginia, $11,000,000.

ASSISTANT CHIEF OF ENGINEERS

Various, United States, $3,000,000.

(b) OUTSIDE THE UNITED STATES.—The Secretary of the Army may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations outside the United States:

UNITED STATES ARMY, JAPAN

Japan, $1,050,000.

EIGHTH UNITED STATES ARMY

Camp Carroll, Korea, $25,380,000.
Camp Casey, Korea, $12,920,000.
Camp Castle, Korea, $1,100,000.
Camp Colbern, Korea, $550,000.
Camp Edwards, Korea, $1,090,000.
Camp Gary Owen, Korea, $580,000.
Camp Giant, Korea, $1,050,000.
Camp Greaves, Korea, $420,000.
Camp Hovey, Korea, $8,300,000.
Camp Howze, Korea, $1,980,000.
Camp Humphreys, Korea, $9,750,000.
Camp Kittyhawk, Korea, $1,600,000.
Camp Kyle, Korea, $3,580,000.
Camp Liberty Bell, Korea, $800,000.
Camp Market, Korea, $710,000.
Camp Page, Korea, $32,650,000.
Camp Pelham, Korea, $2,400,000.
Camp Red Cloud, Korea, $1,730,000.
Camp Stanley, Korea, $5,500,000.
K-16 Army Airfield, Korea, $2,350,000.
Location 177, Korea, $2,290,000.
Yongin, Korea, $2,550,000.
Yongson, Korea, $9,800,000.

BALLISTIC MISSILE DEFENSE SYSTEMS COMMAND

Kwajalein, $14,600,000.

UNITED STATES ARMY FORCES COMMAND OVERSEAS

Panama, $5,480,000.

UNITED STATES ARMY, EUROPE AND SEVENTH ARMY

Amberg, Germany, $850,000.
Ansbach, Germany, $14,390,000.
Bad Kreuznach, Germany, $1,100,000.
Bad Toelz, Germany, $1,850,000.
Bamberg, Germany, $6,490,000.
Baumholder, Germany, $900,000.
Darmstadt, Germany, $29,200,000.
Frankfurt, Germany, $18,680,000.
Friedberg, Germany, $9,150,000.
Fulda, Germany, $7,200,000.
Giessen, Germany, $1,700,000.
Goeppingen, Germany, $10,250,000.
Grafenwoehr, Germany, $2,450,000.
Haingruen, Germany, $680,000.
Hanau, Germany, $48,140,000.
Heidelberg, Germany, $8,800,000.
Heilbronn, Germany, $2,200,000.
Hohenfels, Germany, $6,300,000.
Kaiserslautern, Germany, $3,450,000.
Karlsruhe, Germany, $4,020,000.
Mainz, Germany, $820,000.
Neu Ulm, Germany, $1,000,000.
Nuremberg, Germany, $9,360,000.
Pirmasens, Germany, $14,000,000.
Schoeninger, Germany, $700,000.
Schweinfurt, Germany, $17,840,000.
Stuttgart, Germany, $4,500,000.
Vilseck, Germany, $10,290,000.
Wiesbaden, Germany, $2,900,000.
Wildflecken, Germany, $20,000,000.
Wuerzburg, Germany, $48,070,000.
Various Locations, Greece, $1,440,000.
Various Locations, Italy, $1,850,000.
Various Locations, Turkey, $7,440,000.

SEC. 102. FAMILY HOUSING.

The Secretary of the Army may construct or acquire family housing units (including acquisition of land) at the following installations in the number of units shown, and in the amount shown, for each installation:

Fort Ord, California, six hundred units and seventy manufactured home spaces, $50,640,000.
Fort Carson, Colorado, fifty manufactured home spaces, $712,000.
Fort Stewart, Georgia, twenty manufactured home spaces, $253,000.
Bamberg, Germany, one hundred and six units, $7,209,000.
Grafenwoehr, Germany, one hundred and thirty-eight units, $6,120,000.
Vilsek, Germany, three hundred and seventy units, $26,830,000.
Fort Riley, Kansas, fifty manufactured home spaces, $700,000.
Fort Campbell, Kentucky, fifty manufactured home spaces, $689,000.
Army Materials and Mechanics Research Center, Massachusetts, one unit, $154,000.
Fort Devens, Massachusetts, twenty manufactured home spaces, $317,000.
Fort Drum, New York, eight hundred units, $67,500,000.
Fort Bragg, North Carolina, two units by reconfiguration and fifty manufactured home spaces, $637,000.
Dugway Proving Ground, Utah, one hundred and four units and twenty-four manufactured home spaces, $8,674,000.
Fort Myer, Virginia, six units, $596,000.

SEC. 103. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

(a) AMOUNT AUTHORIZED.—Subject to section 2825 of title 10, United States Code, the Secretary of the Army may make expenditures to improve existing military family housing units in an amount not to exceed $167,521,000, of which $10,950,000 is available only for energy conservation projects.

(b) WAIVER OF MAXIMUM PER UNIT COST FOR CERTAIN IMPROVEMENT PROJECTS.—Notwithstanding the maximum amount per unit for an improvement project under section 2825(b) of title 10, United States Code, the Secretary of the Army may carry out projects to improve existing military family housing units at the following installations in the number of units shown, and in the amount shown, for each installation:

Walter Reed Army Medical Center, Washington, District of Columbia, one unit, $99,000.
Fort Bragg, North Carolina, one hundred and sixty-four units, $4,712,000.
Aberdeen Proving Ground, Maryland, eighty-one units, $2,762,000.

AMENDMENT OFFERED BY MR. DICKINSON

Mr. DICKINSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DICKINSON: Page 3, line 26, strike out "$9,695,000" and insert in lieu thereof "$11,950,000".

Mr. DICKINSON. Mr. Chairman, this is an amendment which adds a little less than $2½ million for the purpose of building an Army aviation museum to house the historic artifacts, memorabilia, and so forth, of the Army Air Corps, which as everyone knows was the predecessor of the Air Force.

We have $75 million worth of aircraft.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON. I would be very pleased to yield to my chairman, the gentleman from California.

Mr. DELLUMS. I thank the gentleman for yielding.

Mr. Chairman, this is an amendment that arrived before the subcommittee after we had met our time constraints with respect to markup, but the subcommittee has subsequently met.

All of the members reviewed the amendment offered by my distinguished colleague, the gentleman from Alabama, and there is no objection to the amendment on this side and, as far as the Chair knows, no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. DICKINSON].

The amendment was agreed to.

AMENDMENTS OFFERED BY MR. DELLUMS

Mr. DELLUMS. Mr. Chairman, I offer three amendments to title I, and I ask unanimous consent that the three amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. DELLUMS: Page 8, strike out line 19.

Page 8, line 21, strike out "$9,360,000" and insert in lieu thereof "$8,500,000".

Page 9, after line 4, insert the following: Various Locations, Germany, $101,000,000.

Page 9, line 21, strike out "Grafenwoehr, Germany, one hundred and thirty-eight units" and insert in lieu thereof "Various locations, ninety-eight units".

Mr. DELLUMS (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DELLUMS. Mr. Chairman, I appreciate the acceptance of the unanimous-consent request.

Mr. Chairman, we have three amendments that we have offered en bloc. The first amendment is a technical amendment that simply corrects clerical and printing errors in the bill, and it changes no substantive provision in the bill.

The second amendment, Mr. Chairman, would provide authorization of $101 million for Army to construct a number of facilities necessary from their perspective to increase the security and safety of our Pershing missile deployment in various locations in Germany.

Mr. Chairman, the Pentagon, the Army, approached the subcommittee after the markup on a matter that they considered of grave significance, and that is the question of security and safety. We indicated that the process was over for such a relatively substantial amount of money in a serious area. We asked them why they had not come before the committee at the appropriate time. They said that the issue just manifested itself, and they were not able to get to us during the markup process.

They also indicated that because of the strength of the dollar and the savings that they have been able to realize as a result of the strong dollar in Europe that they can fund these safety and security facilities without any additional moneys being allocated. Therefore, this authority is to the tune of $101 million but it adds no additional money to the bill. It can be funded out of savings from prior funded programs.

There is no question that the problem exists. In fact, our distinguished colleague from Virginia [Mr. SISISKY] was able to make an onsite visit to some of these facilities and underscored to my colleagues on the subcommittee that these problems of security and safety, do, in fact, exist. The subcommittee reviewed this request and agreed to accept it without objection.

Mr. Chairman and members of the committee, the third part of the three amendments offered en bloc deals with the Divad appropriation. The third amendment would reduce the Army's minor construction request from $1.68 million by deleting two ammunition storage projects in Germany. These two projects are no longer required. They were intended for the so-called Sergeant York air defense gun, commonly known as Divad, which the Department of Defense has subsequently canceled.

Therefore, this amendment brings this bill into conformity with the decision made by the Office of the Secretary of Defense to cancel the weapon system and there is no need for this accompanying construction.

Mr. Chairman, with that explanation of a technical amendment, an amendment dealing with security on the deployment issue; and third, an amendment that would delete a certain amount of money from the bill to make it conform with the decision of the Department of Defense with respect to the Divad is what I present, and I hope that my colleagues will support the amendment.

The CHAIRMAN. The question is on the amendments offered by the gentleman from California [Mr. DELLUMS].

The amendments were agreed to.

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Mr. WOLF. Mr. Chairman, I move to strike the last word.

Mr. Chairman, it is my understanding that the Army will vacate Arlington Hall in the summer of 1988 and that the State Department must adhere to a very tight timetable to accomplish site planning, architectural design, and contract negotiations necessary to begin construction of the Foreign Service Institute as soon as the Army unit departs.

The existing language guarantees the site for the State Department, thereby allowing expenditure of substantial funds to implement the timetable. But the proposed amendment appears to be specific only as to the conditions of the transfer if the transfer is made to the State Department.

Would the proposed amendment that the gentleman offered allow this transfer to take place in an orderly manner?

Mr. MICA. Mr. Chairman, will the gentleman yield?

Mr. WOLF. I will be glad to yield to the gentleman from Florida.

Mr. MICA. Mr. Chairman, that is my question as well. As the gentleman knows, we passed an authorization and we would like to see this transfer take place in a time period that would be coordinated with the authorization, and that there be no unnecessary slowdown.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. WOLF. I yield to the gentleman from Texas.

Mr. BROOKS. Mr. Chairman, I want to assure both gentleman, the gentleman from Virginia [Mr. WOLF] and the gentleman from Florida [Mr. MICA] that it is not my intent to slow down this transfer. My amendment just authorized the nonreimbursable transfer to the Secretary of State consistent with the Federal Property Act. And given the Secretary of State's high-priority interest in the establishment of a training facility for the FSI, it should provide as much assistance as does the existing language that the State Department will receive this property. And anything I can do to expedite that, I will be glad and happy to do.

Mr. MICA. I thank the gentleman.

Mr. WOLF. I thank the gentleman and I yield back the balance of my time.

AMENDMENT OFFERED BY MR. ROSE

Mr. ROSE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROSE: Page 2, line 10, strike out "$57,580,000" and insert in lieu thereof "$68,390,000".

Mr. ROSE. Mr. Chairman, the purpose of this amendment is to take advantage of an unusual opportunity which will greatly benefit the operations and training capability of the Fort Bragg military reservation.

Fort Bragg has recently completed a land-use requirements study which has shown a requirement for addition-

al land to train our increasingly mobile Army units to attack and defend on wider battlefronts than they did in World War II. The modernized weapon systems of the Army move faster and have longer ranges and thus require more training space. Increased reliance on our National Guard and Reserve Forces requires additional training which causes competition for the existing heavily used training areas.

We have recently learned the International Paper Co., is reducing its timber-harvesting operations and 12,760 acres of timberland will be available for sale. This land is immediately adjacent to the overcrowded, overused training area at Fort Bragg and shares 7.8 miles of the reservation's Little River boundary.

The opportunity to purchase a single, large parcel of land for the necessary expansion of one of our military installations is rare indeed. The price proposed in this amendment is a fair market value for the land. It behooves us to act quickly rather than wait 1 year for a routine project request and run the risk of having the land lost by sale to private developers.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. ROSE. I yield to the gentleman from California.

Mr. DELLUMS. I thank the gentleman for yielding.

Simply in the interest of time, Mr. Chairman, I would like to point out that the gentleman offered this amendment again after the committee met. The subcommittee subsequently met, reviewed all of the amendments, including the amendment offered by the distinguished gentleman from North Carolina, Mr. ROSE, and we have no objection to the amendment and urge that it be approved.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. ROSE].

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title I?

If not, the Clerk will designate title II.

The text of title II is as follows:

TITLE II—NAVY

SEC. 201. AUTHORIZED NAVY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—The Secretary of the Navy may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations inside the United States:

UNITED STATES MARINE CORPS

Marine Corps Logistics Base, Barstow, California, $530,000.

Marine Corps Air Station, Beaufort, South Carolina, $6,905,000.

Marine Corps Mountain Warfare Training Center, Bridgeport, California, $1,470,000.

Marine Corps Camp Detachment, Camp Elmore, Norfolk, Virginia, $3,995,000.

Marine Corps Base, Camp Lejeune, North Carolina, $24,140,000.

Marine Corps Base, Camp Pendleton, California, $25,175,000.

Marine Corps Air Facility, Camp Pendleton, California, $14,310,000.

Marine Corps Air Station, Cherry Point, North Carolina, $36,450,000.

Marine Corps Air Station, El Toro, California, $30,375,000.

Marine Corps Air Station, Kaneohe Bay, Hawaii, $17,420,000.

Marine Corps Air Station, New River, North Carolina, $10,780,000.

Marine Corps Recruit Depot, Parris Island, South Carolina, $3,610,000.

Marine Corps Air Station, Tustin, California, $17,970,000.

Marine Corps Air-Ground Combat Center, Twentynine Palms, California, $22,670,000.

Marine Corps Development and Education Command, Quantico, Virginia, $7,060,000.

Marine Corps Air Station, Yuma, Arizona, $14,700,000.

CHIEF OF NAVAL RESEARCH

Naval Research Laboratory, Washington, District of Columbia, $28,900,000.

OFFICE OF THE COMPTROLLER OF THE NAVY

Navy Finance Center, Cleveland, Ohio, $2,940,000.

CHIEF OF NAVAL OPERATIONS

Naval Academy, Annapolis, Maryland, $1,880,000.

Naval Space Command, Dahlgren, Virginia, $4,700,000.

Navy Regional Data Automation Center, Jacksonville, Florida, $10,300,000.

Naval Space Surveillance Field Station, Lewisville, Arkansas, $675,000.

Navy Tactical Interoperability Support Activity, Mayport, Florida, $470,000.

Naval Postgraduate School, Monterey, California, $13,000,000.

Navy Tactical Interoperability Support Activity, North Island, California, $585,000.

Navy Regional Data Automation Center, Norfolk, Virginia, $10,880,000.

Intelligence Center, Pacific, Pearl Harbor, Hawaii, $2,900,000.

Naval Space Surveillance Field Station, San Diego, California, $600,000.

Commandant Naval District, Washington, District of Columbia, $6,300,000.

COMMANDER IN CHIEF, ATLANTIC FLEET

Naval Air Station, Brunswick, Maine, $3,040,000.

Naval Air Station, Cecil Field, Florida, $29,835,000.

Naval Station, Charleston, South Carolina, $9,960,000.

Naval Air Station, Jacksonville, Florida, $5,800,000.

Naval Amphibious Base, Little Creek, Virginia, $16,370,000.

Naval Station, Mayport, Florida, $10,820,000.

Naval Submarine Base, New London, Connecticut, $365,000.

Naval Station, New York, New York, $86,260,000.

Naval Air Station, Norfolk, Virginia, $10,675,000.

Naval Station, Norfolk, Virginia, $800,000.

Naval Air Station, Oceana, Virginia, $16,940,000.

Naval Facility, Radio Island, North Carolina, $17,640,000.

COMMANDER IN CHIEF, PACIFIC FLEET

Naval Facility, Adak, Alaska, $2,650,000.

Naval Air Station, Alameda, California, $8,650,000.

Naval Submarine Base, Bangor, Washington, $5,200,000.

Amphibious Task Force, Camp Pendleton, California, $9,020,000.

Naval Amphibious Base, Coronado, California, $16,150,000.

Naval Station, Everett, Washington, $17,640,000.

Naval Air Station, Fallon, Nevada, $36,500,000.

Naval Air Station, Lemoore, California, $2,300,000.

Naval Station, Long Beach, California, $17,230,000.

Naval Air Station, Miramar, California, $385,000.

Naval Air Station, North Island, California, $18,593,000.

Commander, Oceanographic System, Pacific, Pearl Harbor, Hawaii, $1,180,000.

Naval Submarine Base, Pearl Harbor, Hawaii, $2,900,000.

Naval Station, San Diego, California, $16,197,000.

Naval Submarine Base, San Diego, California, $14,120,000.

Naval Station Mare Island, Vallejo, California, $735,000.

Naval Air Station, Whidbey Island, Washington, $2,650,000.

CHIEF OF NAVAL EDUCATION AND TRAINING

Fleet and Mine Warfare Training Center, Charleston, South Carolina, $1,180,000.

Naval Amphibious School, Coronado, California, $9,330,000.

Surface Warfare Officers School Command Detachment, Coronado, California, $5,200,000.

Naval Air Station, Corpus Christi, Texas, $4,360,000.

Fleet Combat Training Center, Atlantic, Dam Neck, Virginia, $9,640,000.

Naval Explosive Ordnance Disposal School, Eglin, Florida, $13,700,000.

Naval Training Center, Great Lakes, Illinois, $20,740,000.

Naval Construction Training Center, Gulfport, Mississippi, $2,460,000.

Naval Amphibious School, Little Creek, Virginia, $420,000.

Naval Air Station, Memphis, Tennessee, $11,695,000.

Naval Air Station, Meridian, Mississippi, $450,000.

Naval Submarine School, New London, Connecticut, $13,300,000.

Naval Education and Training Center, Newport, Rhode Island, $19,580,000.

Naval Training Center, Orlando, Florida, $9,400,000.

Naval Air Station, Pensacola, Florida, $225,000.

Naval Technical Training Center, Pensacola, Florida, $5,670,000.

Naval Construction Training Center, Port Hueneme, California, $4,800,000.

Fleet Anti-Submarine Warfare Training Center, Pacific, San Diego, California, $7,850,000.

Fleet Combat Training Center, Pacific, San Diego, California, $305,000.

Fleet Training Center, San Diego, California, $4,750,000.

Naval Training Center, San Diego, California, $2,900,000.

Naval Technical Training Center, San Francisco, California, $1,570,000.

Naval Air Station, Whiting Field, Florida, $810,000.

NAVAL MILITARY PERSONNEL COMMAND

Navy Band, Washington, District of Columbia, $1,900,000.

NAVAL MEDICAL COMMAND

Naval Medical Clinic, Annapolis, Maryland, $12,540,000.

Naval Hospital, Groton, Connecticut, $8,720,000.

Naval Hospital, Jacksonville, Florida, $18,600,000.
Naval Hospital, Long Beach, California, $6,300,000.
Naval Hospital, Oak Harbor, Washington, $13,900,000.
Naval Hospital, Pensacola, Florida, $7,250,000.
Naval Hospital, San Diego, California, $450,000.

CHIEF OF NAVAL MATERIEL

Naval Air Rework Facility, Alameda, California, $24,980,000.
Puget Sound Naval Shipyard, Bremerton, Washington, $30,945,000.
Naval Supply Center, Bremerton, Washington, $1,520,000.
Naval Weapons Station, Charleston, South Carolina, $4,070,000.
Polaris Missile Facility, Atlantic, Charleston, South Carolina, $1,620,000.
Naval Air Rework Facility, Cherry Point, North Carolina, $17,620,000.
Naval Weapons Center, China Lake, California, $9,315,000.
Naval Weapons Station, Earle, New Jersey, $3,720,000.
Naval Construction Battalion Center, Gulfport, Mississippi, $2,550,000.
Naval Ordance Station, Indian Head, Maryland, $1,570,000.
Naval Supply Center, Jacksonville, Florida, $1,555,000.
Naval Undersea Warfare Engineering Station, Keyport, Washington, $2,440,000.
Naval Submarine Base, Kings Bay, Georgia, $388,360,000.
Naval Air Engineering Center, Lakehurst, New Jersey, $600,000.
Long Beach Naval Shipyard, Long Beach, California, $7,160,000.
Naval Ordnance Station, Louisville, Kentucky, $16,950,000.
Naval Air Rework Facility, Norfolk, Virginia, $13,080,000.
Naval Supply Center, Norfolk, Virginia, $2,350,000.
Naval Air Rework Facility, North Island, California, $9,465,000.
Naval Supply Center, Oakland, California, $7,890,000.
Pearl Harbor Naval Shipyard, Pearl Harbor, Hawaii, $1,860,000.
Navy Public Works Center, Pearl Harbor, Hawaii, $13,700,000.
Navy Public Works Center, Pensacola, Florida, $8,430,000.
Pacific Missile Test Center, Point Mugu, California, $10,200,000.
Naval Construction Battalion Center, Port Hueneme, California, $23,650,000.
Naval Ship Weapon Systems Engineering Station, Port Hueneme, California, $10,780,000.
Naval Electronic Systems Engineering Center, Portsmouth, Virginia, $3,255,000.
Norfolk Naval Shipyard, Portsmouth, Virginia, $6,690,000.
Naval Electronic Systems Engineering Center, San Diego, California, $27,450,000.
Naval Supply Center, San Diego, California, $7,100,000.
Naval Electronic Systems Engineering Activity, Saint Inigoes, Maryland, $15,550,000.
Mare Island Naval Shipyard, Vallejo, California, $5,915,000.
Naval Air Development Center, Warminster, Pennsylvania, $4,220,000.
Naval Mine Warfare Engineering Activity, Yorktown, Virginia, $4,120,000.

NAVAL OCEANOGRAPHY COMMAND

Naval Oceanography Command Facility, Jacksonville, Florida, $390,000.
Naval Western Oceanography Center, Pearl Harbor, Hawaii, $4,500,000.

NAVAL TELECOMMUNICATIONS COMMAND

Naval Radio Station, Sugar Grove, West Virginia, $785,000.

NAVAL SECURITY GROUP COMMAND

Naval Security Group Activity, Adak, Alaska, $980,000.
Naval Security Group Activity, Northwest, Chesapeake, Virginia, $1,385,000.
Naval Security Group Activity, Skaggs Island, California, $395,000.
Naval Security Group Activity, Winter Harbor, Maine, $3,280,000.

(b) OUTSIDE THE UNITED STATES.—The Secretary of the Navy may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations outside the United States:

MARINE CORPS

Marine Corps Air Station, Iwakuni, Japan, $1,775,000.
Marine Corps Air Station, Futenma, Okinawa, Japan, $2,990,000.
Marine Corps Base Camp Smedley D. Butler, Okinawa, Japan, $2,250,000.

COMMANDER IN CHIEF, ATLANTIC FLEET

Naval Facility, Argentia, Newfoundland, Canada, $700,000.
Naval Station, Guantanamo Bay, Cuba, $22,410,000.
Naval Station, Keflavik, Iceland, $1,270,000.
Atlantic Fleet Weapons Training Facility, Roosevelt Roads, Puerto Rico, $7,100,000.
Naval Station, Roosevelt Roads, Puerto Rico, $14,700,000.

COMMANDER IN CHIEF, PACIFIC FLEET

Navy Support Facility, Diego Garcia, Indian Ocean, $16,530,000.
Naval Air Facility, Diego Garcia, Indian Ocean, $22,450,000.
Naval Magazine, Guam, $11,270,000.
Naval Supply Depot, Guam, $6,550,000.
Naval Station, Guam, $10,200,000.
Naval Ship Repair Facility, Guam, $990,000.
Naval Magazine, Subic Bay, Republic of the Philippines, $250,000.
Naval Ship Repair Facility, Subic Bay, Republic of the Philippines, $13,270,000.

COMMANDER IN CHIEF, UNITED STATES NAVAL FORCES EUROPE

Naval Activities, London, United Kingdom, $7,635,000.
Naval Support Activity, Naples, Italy, $7,750,000.
Naval Air Station, Sigonella, Italy, $5,930,000.
Personnel Support Activity, London, United Kingdom, $450,000.

CHIEF OF NAVAL MATERIEL

Navy Public Works Center, Guam, $1,080,000.
Navy Public Works Center, Yokosuka, Japan, $4,400,000.

NAVAL TELECOMMUNICATIONS COMMAND

Naval Communication Area Master Station, Western Pacific, Guam, $8,945,000.
Naval Communication Station, Harold E. Holt, Exmouth, Australia, $2,690,000.

NAVAL SECURITY GROUP COMMAND

Naval Security Group Detachment, Diego Garcia, Indian Ocean, $3,700,000.

HOST NATION INFRASTRUCTURE SUPPORT

Various Locations, $980,000.

SEC. 202. FAMILY HOUSING.

(a) IN GENERAL.—The Secretary of the Navy may construct or acquire family housing units (including acquisition of land) at the following installations in the number of units shown, and in the amount shown, for each installation:

Naval Air Station, Adak, Alaska, one hundred units, $15,500,000.
Marine Corps Air Station, El Toro, California, two hundred and eighty-two units, $29,800,000.
Marine Corps Air-Ground Combat Center, Twentynine Palms, California, one hundred units, $8,400,000.
Navy Public Works Center, San Diego, California, two hundred units, $15,200,000.
Fleet Training Group Pacific, Warner Springs, California, forty-four units, $4,400,000.
Naval Weapons Station, Earle, New Jersey, two hundred units, $15,400,000.
Aviation Supply Office, Philadelphia, Pennsylvania, one unit, $170,000.
Navy Public Works Center, Subic Bay, Republic of the Philippines, three hundred units, $24,180,000.

(b) NAVAL PUBLIC WORKS CENTER, SAN DIEGO.—The Secretary of the Navy may construct the two hundred housing units authorized by subsection (a) for the Navy Public Works Center, San Diego, California, at Telegraph Point or at any other suitable and appropriate site.

SEC. 203. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS

(a) AMOUNT AUTHORIZED.—Subject to section 2825 of title 10, United States Code, the Secretary of the Navy may make expenditures to improve existing military family housing units in an amount not to exceed $34,020,000.

(b) WAIVER OF MAXIMUM PER UNIT COST FOR CERTAIN IMPROVEMENT PROJECTS.—Notwithstanding the maximum amount per unit for an improvement project under section 2825(b) of title 10, United States Code, the Secretary of the Navy may carry out projects to improve existing military family housing units at the following installations in the number of units shown, and in the amount shown, for each installation:

Navy Public Works Center, San Diego, California, three hundred seventy-two units, $17,610,000.
Naval air Station, Whidbey Island, Washington, one unit, $56,500.

SEC. 204. TRANSIENT HOUSING UNITS, CHINHAE, KOREA

The Secretary of the Navy may convert the four existing transient housing units contained in Building 706 in Chinhae, Korea, to family housing units.

The CHAIRMAN. Are there amendments to title II?

If not, the Clerk will designate title III.

The text of title III is as follows:

TITLE III—AIR FORCE

SEC. 301. AUTHORIZED AIR FORCE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—The Secretary of the Air Force may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations inside the United States:

AIR FORCE LOGISTICS COMMAND

Hill Air Force Base, Utah, $28,280,000.
Kelly Air Force Base, Texas, $41,699,000.
McClellan Air Force Base, California, $63,129,000.
Robins Air Force Base, Georgia, $7,350,000.
Tinker Air Force Base, Oklahoma, $33,100,000.
Wright-Patterson Air Force Base, Ohio, $21,890,000.

AIR FORCE SYSTEMS COMMAND

Brooks Air Force Base, Texas, $2,500,000.
Edwards Air Force Base, California, $7,250,000.
Eglin Air Force Base, Florida, $14,560,000.
Hanscom Air Force Base, Massachusetts, $27,150,000.
Sunnyvale Air Force Station, California, $2,700,000.

AIR FORCE RESERVE

Billy Mitchell Field, Wisconsin, $500,000.

AIR NATIONAL GUARD

Buckley Air National Guard Base, Colorado, $12,370,000.

AIR TRAINING COMMAND

Chanute Air Force Base, Illinois, $1,730,000.
Goodfellow Air Force Base, Texas, $29,950,000.
Keesler Air Force Base, Mississippi, $10,500,000.
Lackland Air Force Base, Texas, $22,750,000.
Laughlin Air Force Base, Texas, $1,900,000.
Lowry Air Force Base, Colorado, $6,850,000.
Mather Air Force Base, California, $2,700,000.
Randolph Air Force Base, Texas, $3,200,000.
Reese Air Force Base, Texas, $3,250,000.
Sheppard Air Force Base, Texas, $16,150,000.
Vance Air Force Base, Oklahoma, $4,210,000.
Williams Air Force Base, Arizona, $660,000.

AIR UNIVERSITY

Gunter Air Force Station, Alabama, $6,000,000.
Maxwell Air Force Base, Alabama, $12,000,000.

ALASKAN AIR COMMAND

Attu Research Site, Alaska, $910,000.
Eielson Air Force Base, Alaska, $44,950,000.
Elmendorf Air Force Base, Alaska, $5,000,000.
King Salmon Airport, Alaska, $8,600,000.
Shemya Air Force Base, Alaska, $45,900,000.

MILITARY AIRLIFT COMMAND

Altus Air Force Base, Oklahoma, $13,160,000.
Andrews Air Force Base, Maryland, $10,120,000.
Base 24, Classified Location, $6,170,000.
Bolling Air Force Base, District of Columbia, $250,000.
Charleston Air Force Base, South Carolina, $1,620,000.
Dover Air Force Base, Delaware, $3,090,000.
Eglin Auxiliary Field 9, Florida, $1,700,000.
Kirtland Air Force Base, New Mexico, $60,330,000.
McChord Air Force Base, Washington, $2,240,000.
McGuire Air Force Base, New Jersey, $16,100,000.
Norton Air Force Base, California, $4,570,000.
Pope Air Force Base, North Carolina, $440,000.
Scott Air Force Base, Illinois, $17,150,000.
Travis Air Force Base, California, $10,300,000.

PACIFIC AIR FORCES

Hickam Air Force Base, Hawaii, $480,000.
Wheeler Air Force Base, Hawaii, $5,050,000.

SPACE COMMAND

Cape Cod Air Force Station, Massachusetts, $600,000.
Cavalier Air Force Station, North Dakota, $950,000.
Clear Air Force Station, Alaska $4,500,000.
Peterson Air Force Base, Colorado, $5,200,000.

SPECIAL PROJECT

Various Locations, $55,000,000.

STRATEGIC AIR COMMAND

Barksdale Air Force Base, Louisiana, $1,400,000.
Base 34, Classified Location, $8,920,000.
Beale Air Force Base, California, $6,950,000.
Belle Fourche Air Force Station, South Dakota, $4,080,000.
Blytheville Air Force Base, Arkansas, $4,260,000.
Carswell Air Force Base, Texas $3,150,000.
Castle Air Force Base, California $3,300,000.
Dyess Air Force Base, Texas, $16,950,000.
Ellsworth Air Force Base, South Dakota, $72,064,000.
Fairchild Air Force Base, Washington, $12,500,000.
F.E. Warren Air Force Base, Wyoming, $12,550,000.
Grand Forks Air Force Base, North Dakota, $62,730,000.
Griffiss Air Force Base, New York, $2,740,000.
Grissom Air Force Base, Indiana, $1,700,000.
K.I. Sawyer Air Force Base, Michigan, $22,580,000.
Malmstrom Air Force Base, Montana, $1,300,000.
March Air Force Base, California, $9,000,000.
McConnell Air Force Base, Kansas, $71,490,000.
Minot Air Force Base, North Dakota, $5,000,000.
Offutt Air Force Base, Nebraska, $4,740,000.
Pease Air Force Base, New Hampshire, $1,200,000.
Plattsburgh Air Force Base, New York, $1,050,000.
Vandenberg Air Force Base, California, $1,960,000.
Whiteman Air Force Base, Missouri, $4,650,000.
Wurtsmith Air Force Base, Michigan, $5,300,000.

TACTICAL AIR COMMAND

Bergstrom Air Force Base, Texas, $770,000.
Davis-Monthan Air Force Base, Arizona, $8,230,000.
England Air Force Base, Louisiana, $4,900,000.
George Air Force Base, California, $12,640,000.
Holloman Air Force Base, New Mexico, $16,850,000.
Homestead Air Force Base, Florida, $7,015,000.
Langley Air Force Base, Virginia, $8,680,000.
Luke Air Force Base, Arizona, $14,780,000.
MacDill Air Force Base, Florida, $8,850,000.
Moody Air Force Base, Georgia, $24,030,000.
Mountain Home Air Force Base, Idaho, $14,600,000.
Myrtle Beach Air Force Base, South Carolina, $430,000.
Nellis Air Force Base, Nevada, $17,860,000.
Seymour-Johnson Air Force Base, North Carolina, $2,320,000.
Shaw Air Force Base, South Carolina, $13,300,000.
Tyndall Air Force Base, Florida, $8,780,000.

UNITED STATES AIR FORCE ACADEMY

Air Force Academy, Colorado, $10,310,000.

(b) OUTSIDE THE UNITED STATES.—The Secretary of the Air Force may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations outside the United States:

MILITARY AIRLIFT COMMAND

Lajes Field, Portugal, $25,285,000.
Rhein-Main Air Base, Germany, $11,600,000.

PACIFIC AIR FORCES

Camp Zama, Japan, $1,500,000.
Kadena Air Base, Japan, $27,650,000.
Misawa Air Base, Japan, $9,500,000.
Yokota Air Base, Japan, $13,750,000.
Kimhae Air Base, Korea, $10,400,000.
Kunsan Air Base, Korea, $9,000,000.
Kwang-Ju Air Base, Korea, $16,310,000.
Osan Air Base, Korea, $24,510,000.
Sachon Air Base, Korea, $310,000.
Diego Garcia Air Base, Indian Ocean, $5,300,000.
Clark Air Base, Republic of the Philippines, $15,050,000.

SPACE COMMAND

Thule Air Base, Greenland, $12,350,000.
Sondrestrom Air Base, Greenland, $5,750,000.
GEODSS Site 5, Portugal, $14,650,000.
Pirinclik Air Station, Turkey, $2,600,000.
BMEWS Site III, Fylingdales, United Kingdom, $3,100,000.

TACTICAL AIR COMMAND

Howard Air Force Base, Panama, $2,172,000.

UNITED STATES AIR FORCES IN EUROPE

Florennes Air Base, Belgium, $5,860,000.
Ahlhorn Air Base, Germany, $350,000.
Bitburg Air Base, Germany, $9,050,000.
Einsiedlerhof, Germany, $2,900,000.
Hahn Air Base, Germany, $8,160,000.
Hessisch Oldendorf Air Station, Germany, $1,230,000.
Kapaun Air Station, Germany, $900,000.
Leipheim Air Base, Germany, $350,000.
Marienfelde Communications Station, Germany, $2,550,000.
Norvenich Air Base, Germany, $350,000.
Pruem Air Station, Germany, $1,250,000.
Ramstein Air Base, Germany, $17,470,000.
Sembach Air Base, Germany, $6,460,000.
Spangdahlem Air Base, Germany, $14,860,000.
Various Locations, Germany, $940,000.
Vogelweh Air Station, Germany, $1,250,000.
Wenigerath Storage Site, Germany, $1,700,000.
Zweibrucken Air Base, Germany, $4,550,000.
Aviano Air Base, Italy, $5,070,000.
Comiso Air Station, Italy, $6,280,000.
Decimomannu Air Base, Italy, $2,800,000.
San Vito Air Station, Italy, $1,590,000.
Morocco, $3,100,000.
Camp New Amsterdam, The Netherlands, $2,710,000.
Keizerveer Air Base, The Netherlands, $270,000.
Vught, The Netherlands, $310,000.
Ankara Air Station, Turkey, $950,000.
Incirlik Air Base, Turkey, $11,570,000.
Karatas, Turkey, $2,330,000.
RAF Alconbury, United Kingdom, $20,910,000.

RAF Bentwaters, United Kingdom, $12,050,000.
RAF Chicksands, United Kingdom, $1,630,000.
RAF Fairford, United Kingdom, $7,400,000.
RAF Greenham Common, United Kingdom, $2,840,000.
RAF Lakenheath, United Kingdom, $10,320,000.
RAF Mildenhall, United Kingdom, $8,230,000.
RAF Molesworth, United Kingdom, $21,063,000.
RAF Sculthorpe, United Kingdom, $2,350,000.
RAF Upper Heyford, United Kingdom, $4,640,000.
Various Locations, United Kingdom, $3,600,000.
Base 25, Classified Location, $4,500,000.
Base 29, Classified Location, $3,500,000.
Base 30, Classified Location, $4,830,000.
Base 33, Classified Location, $9,450,000.
Various Locations, Europe, $4,450,000.

SEC. 302. FAMILY HOUSING.

The Secretary of the Air Force may construct or acquire family housing units (including acquisition of land) at the following installations in the number of units shown, and in the amount shown, for each installation:
Florennes, Belgium, four hundred units, $29,200,000.
Hahn Air Base, Germany, four hundred and forty units, $33,000,000.
Ramstein Air Base, Germany, four hundred units, $30,000,000.
Osan Air Base, Korea, family housing support facilities, $1,200,000.
Camp New Amsterdam, The Netherlands, one hundred and forty units, $11,000,000.
Clark Air Base, Republic of the Philippines, four hundred and fifty units, $37,900,000.
Belle Fourche Air Force Station, South Dakota, fifty units, $4,000,000.

SEC. 303. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

(a) AMOUNT AUTHORIZED.—Subject to section 2825 of title 10, United States Code, the Secretary of the Air Force may make expenditures to improve existing military family housing units in an amount not to exceed $61,300,000, of which $19,939,000 is available only for energy conservation projects.

(b) WAIVER OF MAXIMUM PER UNIT COST FOR CERTAIN IMPROVEMENT PROJECTS.—Notwithstanding the maximum amount per unit for an improvement project under section 2825(b) of title 10, United States Code, the Secretary of the Air Force may carry out projects to improve existing military family housing units at the following installations in the number of units shown, and in the amount shown, for each installation:
Bolling Air Force Base, District of Columbia, twenty-four units, $1,200,000.
Scott Air Force Base, Illinois, three hundred and twenty-eight units, $12,532,000.
Offutt Air Force Base, Nebraska, thirty-two units, $2,873,000.
Kirtland Air Force Base, New Mexico, one hundred and ten units, $3,724,000.
Ramstein Air Base, Germany, two hundred and eighty units, $10,279,000.
Andersen Air Force Base, Guam, one hundred units, $6,605,000.
Kadena Air Base, Japan, two hundred and thirty-five units, $12,163,000.
Clark Air Base, Philippines, twenty-nine units, $1,042,000.

AMENDMENT OFFERED BY MR. KRAMER

Mr. KRAMER. Mr. Chairman, I offer an amendment, and I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The text of the amendment is as follows:

Amendment offered by Mr. KRAMER: Page 35, after line 16, insert the following new subsection:

(c) IMPROVEMENT PROJECT AT PETERSON AIR FORCE BASE, COLORADO.—(1) To support the United States Space Command (USSPACECOM), the Secretary of the Air Force may carry out an improvement project at Peterson Air Force Base, Colorado, to add to and alter an existing facility and (notwithstanding section 2826 of title 10, United States Code) convert it to a family housing unit with a maximum net floor area of 3,100 square feet at a cost not to exceed $81,000.

(2) The amount of the project authorized by this subsection shall not be considered to increase the amount authorized to be appropriated by this Act for functions of the Department of the Air Force.

(3) For purposes of this subsection, the term "net floor area" has the same meaning given that term by section 2826(f) of title 10, United States Code.

Mr. KRAMER. Mr. Chairman, this amendment does not require any funds to be authorized in this bill in addition to what is already authorized. It is needed for the purpose of allowing the alteration of an existing facility at the Peterson Air Force Base which is necessary because of the activation of the U.S. Space Command.

I ask the House to approve the amendment.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. KRAMER. I yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, I thank my colleague for yielding.

Mr. Chairman, this amendment was presented by my colleague to the chairman of the committee and other Members. During the review process, we reviewed this amendment. There is no objection to the amendment from the subcommittee or from this side of the aisle, and I understand there is no objection to the amendment and urge its adoption.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado [Mr. KRAMER].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ATKINS

Mr. ATKINS. Mr. Chairman, I offer an amendment, and I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The text of the amendment is as follows:

Amendment offered by Mr. ATKINS: Page 34, after line 8, insert the following:

Hanscom Air Force Base, Massachusetts, one hundred and sixty-three units, $14,200,000.

Mr. ATKINS. Mr. Chairman, this amendment adds no additional spending authorization to the bill. It simply allows the Air Force to proceed with its plans for building 164 units of housing at Hanscom Air Force Base in Bedford.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. ATKINS. I yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, the subcommittee has reviewed the gentleman's amendment. We feel that it is meritorious and it does not add any money to the bill.

There is a family housing shortage in that particular area. What this simply does is move money from maintenance to construction to provide the opportunity for the housing to be built.

We have no objection to the amendment and accept the gentleman's amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. ATKINS].

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title III?

If not, the Clerk will designate title IV.

The text of title IV is as follows:

TITLE IV—DEFENSE AGENCIES

SEC. 401. AUTHORIZED CONSTRUCTION PROJECTS AND LAND ACQUISITION FOR THE DEFENSE AGENCIES.

(a) INSIDE THE UNITED STATES.—The Secretary of Defense may acquire real property and carry out military construction projects in the amounts shown for each of the following installations and locations inside the United States:

DEFENSE LOGISTICS AGENCY

Defense Property Disposal Office, Anchorage, Alaska, $1,390,000.
Defense Property Disposal Office, Alameda, California, $1,320,000.
Defense Property Disposal Office, Barstow, California, $825,000.
Defense Fuel Support Point, San Diego, California, $600,000.
Defense Fuel Support Point, San Pedro, California, $700,000.
Defense Property Disposal Office, Groton, Connecticut, $625,000.
Defense Fuel Support Point, Port Tampa, Florida, $595,000.
Defense Property Disposal Office, Fort Riley, Kansas, $965,000.
Defense Fuel Support Point, Newington, New Hampshire, $1,040,000.
Defense Fuel Support Point, Verona, New York, $1,395,000.
Defense Depot, Mechanicsburg, Pennsylvania, $470,000.
Defense Depot, Memphis, Tennessee, $8,085,000.
Defense Property Disposal Office, Texarkana, Texas, $2,635,000.
Defense Depot, Ogden, Utah, $3,825,000.
Defense Property Disposal Office, Hill Air Force Base, Ogden, Utah, $750,000.

Defense General Supply Center, Richmond, Virginia, $5,355,000.
Defense Property Disposal Office, Richmond, Virginia, $650,000.
Defense Fuel Support Point, Manchester, Washington, $565,000.
Defense Property Disposal Office, F.E. Warren Air Force Base, Cheyenne, Wyoming, $1,020,000.

DEFENSE MAPPING AGENCY

Repromat Secure Storage Facility, Mineral Wells, Texas, $900,000.

NATIONAL SECURITY AGENCY

Fort Meade, Maryland, $7,078,000.

OFFICE OF THE SECRETARY OF DEFENSE

Classified Location, $12,000,000.
Fort McNair, Washington, District of Columbia, $25,000,000.
Classified Location, $3,142,000.

(b) OUTSIDE THE UNITED STATES.—The Secretary of Defense may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations outside the United States:

DEFENSE LOGISTICS AGENCY

Defense Property Disposal Office, Kaiserslautern, Germany, $360,000.
Defense Fuel Support Point, Chimu Wan, Okinawa, Japan, $8,160,000.
Defense Fuel Support Point, Pyongtaek, Korea, $5,820,000.
Defense Fuel Support Point, Uijongbu, Korea, $6,200,000.

NATIONAL SECURITY AGENCY

Classified Locations, $7,150,000.

DEPARTMENT OF DEFENSE OVERSEAS DEPENDENTS SCHOOLS

Florennes, Belgium, $7,420,000.
Naval Air Station, Bermuda, $2,290,000.
Babenhausen, Germany, $760,000.
Bamberg, Germany, $5,800,000.
Butzbach, Germany, $3,420,000.
Hanau, Germany, $7,480,000.
Heidelberg, Germany, $1,910,000.
Heilbronn, Germany, $2,520,000.
Pirmasens, Germany, $1,630,000.
Schweinfurt, Germany, $3,930,000.
Sembach Air Base, Germany, $2,170,000.
Vilseck, Germany, $6,680,000.
Sigonella, Italy, $5,360,000.
Misawa Air Base, Japan, $4,780,000.
Okinawa, Japan, $745,000.
Osan Air Base, Korea, $2,780,000.
Pusan, Korea, $1,540,000.
Taegu, Korea, $730,000.
Soesterberg Air Base, Netherlands, $4,460,000.
Clark Air Base, Republic of the Philippines, $7,190,000.
Bicester, United Kingdom, $4,570,000.
Upwood, United Kingdom, $3,240,000.
Woodbridge RAF Station, United Kingdom, $1,060,000.

SEC. 402. FAMILY HOUSING.

The Secretary of Defense may construct or acquire twenty family housing units (including acquisition of land) at classified installations in the total amount of $1,800,000.

SEC. 403. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, the Secretary of Defense may make expenditures to improve existing military family housing units in an amount not to exceed $110,000.

AMENDMENT OFFERED BY MR. DELLUMS

Mr. DELLUMS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DELLUMS: Page 38, strike out line 17.

Page 39, line 4, strike out "$745,000" and insert in lieu thereof "$300,000".

Mr. DELLUMS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DELLUMS. Mr. Chairman, this amendment would reduce the authorization for the Department of Defense overseas dependent schools by $2.735 million by deleting two elementary school projects. One is a proposed school in Bermuda which has a current cost estimate greatly in excess of the original estimate of $2.3 million. We have asked them to revise the estimate.

The other is a proposed $445,000 school in Okinawa. Because of a site change, the project should be deferred, and we are told that both projects will be resubmitted on the next fiscal year, 1987, military construction authorization budget request.

Simply to summarize, we are at this point on this amendment asking to reduce the figure by $2.7 million, and the two projects will be resubmitted in the next fiscal year military construction budget. At that time, we think the concerns that the subcommittee had with respect to these two projects will have been dealt with.

I ask that the amendment be favorably disposed of.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. DELLUMS].

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title IV?

If not, the Clerk will designate title V.

The text of title V is as follows:

TITLE V—NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE

SEC. 501. AUTHORITY OF THE SECRETARY OF DEFENSE TO MAKE CONTRIBUTIONS.

The Secretary of Defense may make contributions for the North Atlantic Treaty Organization infrastructure program as provided in section 2806 of title 10, United States Code, in an amount not to exceed the amount authorized to be appropriated in section 605 plus the amount collected from the North Atlantic Treaty Organization as a result of construction previously financed by the United States.

The CHAIRMAN. Are there any amendments to title V?

If not, the Clerk will designate title VI.

The text of title VI is as follows:

TITLE VI—AUTHORIZATION OF APPROPRIATIONS AND RECURRING ADMINISTRATIVE PROVISIONS

SEC. 601. AUTHORIZATION OF APPROPRIATIONS, ARMY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1985, for military construction, land acquisition, and military family housing functions of the Department of the Army in the total amount of $3,399,411,000 as follows:

(1) For military construction projects inside the United States authorized by section 101(a), $1,107,056,000.

(2) For military construction projects outside the United States authorized by section 101(b), $451,970,000.

(3) For military construction projects inside the United States authorized by section 101 of the Military Construction Authorization Act, 1985, $26,000,000.

(4) For unspecified minor construction projects under section 2805 of title 10, United States Code, $31,000,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $136,100,000.

(6) For military family housing functions—

(A) for construction and acquisition of military family housing and facilities, $356,491,000; and

(B) for support of military family housing (including the functions described in section 2834 of title 10, United States Code), $1,290,794,000, of which not more than $1,520,000 may be obligated or expended for the leasing of military family housing units in the United States, the Commonwealth of Puerto Rico, and Guam, and not more than $132,047,000 may be obligated or expended for the leasing of military family housing units in foreign countries.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS AUTHORIZED IN TITLE I.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 101 may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a), and $73,000,000 (the amount authorized for the construction of the Eastern Distribution Center, New Cumberland Army Depot, Pennsylvania.

SEC. 602. AUTHORIZATION OF APPROPRIATIONS, NAVY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1985, for military construction, land acquisition, and military family housing functions of the Department of the Navy in the total amount of $2,602,234,000 as follows:

(1) For military construction projects inside the United States authorized by section 201(a), $1,521,450,000.

(2) For military construction projects outside the United States authorized by section 201(b), $178,265,000.

(3) For unspecified minor construction projects under section 2805 of title 10, United States Code, $21,560,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $139,260,000.

(5) For advances to the Secretary of Transportation for construction of defense access roads under section 210 of title 23, United States Code, $2,960,000.

(6) For military family housing functions—

(A) for construction and acquisition of military family housing and facilities, $154,000,000; and

(B) for support of military housing (including functions described in section 2834 of title 10, United States Code), $584,739,000, of which not more than $3,545,000 may be obligated or expended for the leasing of military family housing units in the United States, the Commonwealth of Puerto Rico, and Guam, and not more than $18,934,000 may be obligated or expended for the leasing of military family housing units in foreign countries.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS AUTHORIZED IN TITLE II.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 201 may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

SEC. 603. AUTHORIZATION OF APPROPRIATIONS, AIR FORCE.

IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1985, for military construction, land acquisition, and military family housing functions of the Department of the Air Force in the total amount of $2,809,561,000 as follows:

(1) For military construction projects inside the United States authorized by section 301(a), $1,224,617,000.

(2) For military construction projects outside the United States authorized by section 301(b), $446,710,000.

(3) For unspecified minor construction projects under section 2805 of title 10, United States Code, $22,000,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $144,096,000.

(5) For advances to the Secretary of Transportation for construction of defense access roads under section 210 of title 23, United States Code, $30,240,000.

(6) For military family housing functions—

(A) for construction and acquisition of military family housing and facilities, $212,600,000; and

(B) for support of military housing (including functions described in section 2834 of title 10, United States Code), $729,298,000, of which not more than $2,711,000 may be obligated or expended for the leasing of military family housing units in the United States, the Commonwealth of Puerto Rico, and Guam, and not more than $45,402,000 may be obligated or expended for the leasing of military family housing units in foreign countries.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS AUTHORIZED IN TITLE III.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 301 may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

SEC. 604. AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1985, for military construction, land acquisition, and military family housing functions of the Department of the Defense (other than the military departments), in the total amount of $205,760,000 as follows:

(1) For military construction projects inside the United States authorized by section 401(a), $53,132,000.

(2) For military construction projects outside the United States authorized by section 401(b), $95,928,000.

(3) For unspecified minor construction projects under section 2805 of title 10, United States Code, $4,000,000.

(4) For construction projects contingency construction authority of the Secretary of Defense under section 2804 of title 10, United States Code, $5,000,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $27,400,000.

(6) For military family housing functions—

(A) for construction and acquisition of military family housing and facilities, $1,910,000; and

(B) for support of military housing (including functions described in section 2834 of title 10, United States Code), $18,390,000, of which not more than $14,933,000 may be obligated or expended for the leasing of military family housing units in foreign countries.

(b) AUTHORIZATION OF UNOBLIGATED FUNDS.—Funds appropriated to the Department of Defense for fiscal years before fiscal year 1986 for military construction functions of the Defense Agencies that remain available for obligation are hereby authorized to be made available, to the extent provided in appropriations Acts, for military construction projects authorized in section 401 in the amount of $42,025,000.

(c) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS AUTHORIZED IN TITLE IV.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variations authorized by law, the total cost of all projects carried out under section 401 may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a) and the amount specified in subsection (b).

SEC. 605. AUTHORIZATION OF APPROPRIATIONS, NATO.

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1985, for contributions by the Secretary of Defense under section 2806 of title 10, United States Code, for the share of the United States of the cost of construction projects for the North Atlantic Treaty Organization Infrastructure Program, as authorized by section 501, in the amount of $55,000,000.

SEC. 606. EXPIRATION OF AUTHORIZATIONS; EXTENSION OF CERTAIN PREVIOUS AUTHORIZATIONS.

(a) EXPIRATION OF AUTHORIZATIONS AFTER TWO YEARS.—(1) Except as provided in paragraph (2), all authorizations contained in titles I, II, III, IV, and V for military construction projects, land acquisition, family housing projects and facilities, and contributions to the NATO Infrastructure Program (and authorizations of appropriations therefor contained in sections 601 through 605) shall expire on October 1, 1987, or the date of the enactment of the Military Construction Authorization Act for fiscal year 1988, whichever is later.

(2) The provisions of paragraph (1) do not apply to authorizations for military construction projects, land acquisition, family housing projects and facilities, and contributions to the NATO Infrastructure Program (and authorizations of appropriations therefor), for which appropriated funds have been obligated before October 1, 1987, or the date of the enactment of the Military Construction Authorization Act for fiscal year 1988, whichever is later, for construction contracts, land acquisition, family housing projects and facilities, or contributions to the NATO Infrastructure Program.

(b) EXTENSION OF AUTHORIZATION OF CERTAIN FISCAL YEAR 1984 PROJECTS.—Notwithstanding the provisions of section 607(a) of the Military Construction Authorization Act, 1984 (Public Law 98-115; 97 Stat. 780), authorizations for the following projects authorized in sections 101, 201, and 301 of that Act shall remain in effect until October 1, 1986, or the date of enactment of the Military Construction Authorization Act for fiscal year 1987, whichever is later:

(1) Consolidated heating system in the amount of $1,850,000 at Stuttgart, Germany.

(2) Consolidated heating system in the amount of $1,750,000 at Stuttgart, Germany.

(3) Range modernization in the amount of $2,450,000 at Wildflecken, Germany.

(4) Unaccompanied personnel housing in the amount of $1,400,000 at Argyroupolis, Greece.

(5) Operations building in the amount of $370,000 at Argyroupolis, Greece.

(6) Multipurpose recreation facility in the amount of $480,000 at Argyroupolis, Greece.

(7) Unaccompanied Officer housing in the amount of $600,000 at Perivolaki, Greece.

(8) Operations building in the amount of $410,000 at Perivolaki, Greece.

(9) Multipurpose recreation facility in the amount of $620,000 at Perivolaki, Greece.

(10) Physical fitness training center in the amount of $1,000,000 at Elefsis, Greece.

(11) Operations control center in the amount of $7,800,000 at the Naval Air Station, Brunswick, Maine.

(12) Engine test cell modifications in the amount of $1,180,000 at the Naval Air Station, Cecil Field, Florida.

(13) Land acquisition in the amount of $830,000 at the Naval Weapons Station, Concord, California.

(14) Unaccompanied enlisted personnel housing in the amount of $10,000,000 at the Naval Air Station, Jacksonville, Florida.

(15) Electrical distribution lines in the amount of $7,200,000 at the Naval Shipyard Mare Island, Vallejo, California.

(16) Family housing in the amount of $33,982,000 at RAF Upper Heyford, United Kingdom.

(17) Air freight terminal in the amount of $10,200,000 at Elmendorf, Alaska.

SEC. 607. ESTABLISHMENT OF CERTAIN AMOUNTS REQUIRED TO BE SPECIFIED BY LAW.

For projects or contracts initiated during the period beginning on the date of the enactment of this Act or October 1, 1985, whichever is later, and ending on the date of the enactment of the Military Construction Authorization Act for fiscal year 1987 or October 1, 1986, whichever is later, the following amounts apply:

(1) The maximum amount for an unspecified minor military construction project under section 2805 of title 10, United States Code, is $1,000,000.

(2) The amount of a contract for architectural and engineering services or construction design that makes such a contract subject to the reporting requirement under section 2807 of title 10, United States Code, is $300,000.

(3) The maximum amount per unit for an improvement project for family housing

units under section 2825 of title 10, United States Code, is $30,000.

(4) The maximum annual rental for a family housing unit leased in the United States, Puerto Rico, or Guam under section 2828(b) of title 10, United States Code, is $10,000.

(5)(A) The maximum annual rental for a family housing unit leased in a foreign country under section 2828(c) of title 10, United States Code, is $16,800.

(B) The maximum number of family housing units that may be leased at any one time in foreign countries under section 2828(c) of title 10, United States Code, is 34,000.

(6) The maximum rental per year for family housing facilities, or for real property related to family housing facilities, leased in a foreign country under section 2828(f) of title 10, United States Code, is $250,000.

SEC. 608. EFFECTIVE DATE FOR PROJECT AUTHORIZATIONS.

Titles I, II, III, IV, and V of this Act shall take effect on October 1, 1985.

AMENDMENT OFFERED BY MR. DELLUMS

Mr. DELLUMS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DELLUMS: Page 40, line 20, strike out "$3,399,411,000" and insert in lieu thereof $3,410,786,000".

Page 40, line 23, strike out "$1,107,056,000" and insert in lieu thereof "$1,120,111,000".

Page 41, line 3, strike out "$451,970,000" and insert in lieu thereof "$450,290,000".

Page 41, line 21, strike out "$1,520,000" and insert in lieu thereof "2,520,000".

Page 41, line 25, strike out "$132,047,000" and insert in lieu thereof "$131,047,000".

Page 42, line 12, insert the following before the period: ", and $101,000,000 (the amount authorized under section 101(b) for Various Locations, Germany)".

Page 45, line 6, strike out "$212,600,000" and insert in lieu thereof "$226,800,000".

Page 45, line 10, strike out "$729,298,000" and insert in lieu thereof "$715,098,000".

Page 46, line 8, strike out "$205,760,000" and insert in lieu thereof "$203,025,000".

Page 46, line 14, strike out "$95,928,000" and insert in lieu thereof "$93,193,000".

Page 49, line 10, strike out "and 301" and insert in lieu thereof "301, and 401".

Page 51, insert the following after line 2:

(18) Sewage system in the amount of $2,760,000 at the Naval Training Center, Orlando, Florida.

(19) Physical fitness training center in the amount of $1,000,000 at Fort Hunter Liggett, California.

(20) Child care center in the amount of $3,000,000 at Fort Polk, Louisiana.

(21) Physical fitness training center in the amount of $2,200,000 at Sierra Army Depot, California.

(22) Special Process Laboratories Building in the amount of $39,100,000 at Fort Meade, Maryland.

Mr. DELLUMS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DELLUMS. Mr. Chairman, this amendment is a technical and conforming amendment in nature. It corrects clerical and printing errors in the bill. It brings title VI, which authorizes appropriations, in conformance with the other titles and extends certain prior-year authorizations to allow the military departments additional time to award projects, award contracts on projects that have been delayed for various reasons. This amendment changes no substantive provisions, and I ask that the amendment be agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. DELLUMS].

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title VI?

If not, the Clerk will designate title VII.

The text of title VII is as follows:

TITLE VII—GUARD AND RESERVE FORCES FACILITIES

SEC. 701. AUTHORIZATION FOR GUARD AND RESERVE FACILITIES.

There are authorized to be appropriated for fiscal years beginning after September 30, 1985, for the costs of acquisition, architectural and engineering services, and construction of facilities for the Guard and Reserve Forces, and for contributions therefor, under chapter 133 of title 10, United States Code (including the cost of acquisition of land for those facilities), the following amounts:

(1) For the Department of the Army—

(A) for the Army National Guard of the United States, $142,624,000, and

(B) for the Army Reserve, $66,289,000.

(2) For the Department of the Navy, for the Naval and Marine Corps Reserves, $61,800,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, $137,200,000, and

(B) for the Air Force Reserve, $70,650,000.

AMENDMENT OFFERED BY MR. MONTGOMERY

Mr. MONTGOMERY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MONTGOMERY: Page 53, line 5, strike out "$142,624,000" and insert in lieu thereof "$145,924,000".

Mr. MONTGOMERY. Mr. Chairman, the purpose of this amendment is to provide for authorization of funds to acquire land to expand the training area at Camp McCain in my home State of Mississippi. Camp McCain is an Army National Guard training site where Army Guard units from Mississippi and several surrounding States conduct weapons and maneuver training each year.

Due to the limited training area currently available at Camp McCain, any firing of weapons larger than 30 caliber requires travel to other training sites resulting in great expense to the Government. In addition to solving the weapons firing problems, this new acquisition will provide terrain badly needed for maneuver areas for the new M-1 tank already deployed at Camp McCain because the tanks can now be used only for stationary training, soldiers are experiencing loss of proficiency in their driving and firing-while-moving skills.

Although I considered doing so, I did not offer this project for consideration during committee markup because the required environmental studies had not been completed. These studies have since been completed and I have been advised that there has been a finding of "no significant impact."

Thus, there no longer seems to be any reason for delaying this land acquisition. The land owners are willing to sell at this time and, in fact, are wanting to know why the purchase is being delayed. The Army estimates that savings derived from this purchase will pay for the land in less than 10 years.

Mr. Chairman, I believe this will prove to be a very cost-effective expenditure of funds. Apparently, members of the Appropriations Committee feel the same since the funds for this project have been included in the fiscal year 86 military construction appropriations bill as reported, "subject to appropriations."

For these reasons, I ask my colleagues to support this amendment.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I am glad to yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, I thank the gentleman for yielding.

Again, Mr. Chairman, this is an amendment that was submitted after the committee carried out its responsibilities to mark up. The subcommittee reviewed the matter and agreed to support the gentleman's amendment. We have no objection and urge its approval.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. MONTGOMERY].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. MC DADE

Mr. McDADE. Mr. Chairman, I offer an amendment, and I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The text of the amendment is as follows:

Amendment offered by Mr. McDADE: Page 53, line 5, insert before "and" the following: "plus $7,565,000 for facilities at Scranton/Wilkes-Barre, Pennsylvania,".

Mr. McDADE. Mr. Chairman, this is an amendment that I had to present for the consideration of the distinguished chairman and ranking minority member after the committee had completed its deliberations. It involves an effort to solve a safety problem that exists because the National

Guard has decided to put a new helicopter unit in the State of Pennsylvania. The current facilities are not adequate to assure that the safety of the young men who must fly and maintain these choppers would be adequate unless we provide additional facilities.

I have discussed this with the distinguished chairman, the gentleman from California [Mr. DELLUMS] and I have discussed it as well with the ranking minority member, the gentleman from Colorado [Mr. KRAMER]. I am not aware of any objection to the amendment.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. McDADE. I will be delighted to yield to the gentleman from California, my friend.

Mr. DELLUMS. I thank my colleagues for yielding.

The Chair would like to indicate, Mr. Chairman, that the gentleman did present this amendment. In fact, it was right after the markup. The gentleman was very concerned and raised an important safety matter. As a matter of fact, as I understand, some people lost their lives as a result of this situation.

The gentleman also presented the amendment to the minority side. When the Chair convened a meeting of the full subcommittee to review all amendments, the gentleman's amendment was reviewed and the subcommittee agreed to accept the gentleman's amendment. So it is not only this side, but the entire subcommittee sees the gentleman's amendment as meritorous, and we ask it be accepted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. McDADE].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BEVILL

Mr. BEVILL. Mr. Chairman, I offer an amendment, and I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The text of the amendment is as follows:

Amendment offered by Mr. BEVILL: Page 53, line 5, insert before "and" the following: "plus $2,671,000 for facilities at various locations in Alabama,".

Mr. BEVILL. Mr. Chairman, this is an authorization for four Army National Guard armories to be included in the bill. The gentleman from Alabama [Mr. NICHOLS] as well as the gentleman from Alabama [Mr. SHELBY] and myself have consolidated this amendment for the three congressional districts involved.

The Alabama Military Department points out that these are badly needed. I have discussed them with the chairman and the ranking minority member, and as far as I know, there is no objection. As a matter of fact, we did not have the design already at the time the markup was held. The design is ready now, and Alabama is ready to make its local participation, which, as I understand it, is 25 percent.

So I urge the committee to adopt the amendment.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. BEVILL. I yield to the gentleman from California.

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Mr. DELLUMS. Mr. Chairman, Members of the Committee, the chair would like to point out that this amendment also was reviewed by the subcommittee, and the members agreed to support and accept the gentleman's amendment. We have no objection to the amendment on this side of the aisle.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. BEVILL].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. SKELTON

Mr. SKELTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SKELTON: Page 53, line 5, insert before "and" the following: "plus $2,186,000 for facilities located in Missouri,".

Mr. SKELTON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SKELTON. Mr. Chairman, without further explanation, I have discussed this with the chairman. It deals with the DISCOM headquarters in Jefferson City, MO, Lexington, MO.

I yield to the distinguished chairman.

Mr. DELLUMS. Mr. Chairman, this amendment was reviewed by the members of the subcommittee. The members chose to support the amendment. We have no objection to it and urge its adoption.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. SKELTON].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. DAVIS

Mr. DAVIS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DAVIS: Page 53, line 11, strike out "$137,200,000" and insert in lieu thereof "$139,000,000".

Mr. DAVIS. Mr. Chairman, I would like to offer an amendment to winterize the dormitories at Phelps Collins Air National Guard Base in Alpena, MI. This is the kind of wise use of our precious defense resources that I know the American taxpayer would support as well as an opportunity to positively effect defense readiness.

Phelps Collins ANG has been used for Guard training since 1953. It has an excellent reputation as an air training facility, but suffers from some deficiencies in its buildings.

The biggest problem revolves around its dormitories, which are not properly winterized. While Phelps Collins is a hustling, bustling center of activity during the warm weather months, training slows to a crawl during the winter. Northern Michigan winters make it prohibitive to use dormitories that are not insulated. If these dormitories were insulated, the Air National Guard would have additional training facilities that would increase Phelps Collins year-around capacity from 6,000 to an estimated 10,000 personnel annually. In other words, for a relatively small amount of money we could increase this important facility's usefulness by almost double. It is rare when we are given an opportunity to get that much bang for our military buck.

There is another important point that should be considered. There are only four permanent Air Guard training sites in the country, and if there is no room for units to train here, units must be deployed overseas for training. While there are some obvious benefits from sending a unit overseas for training, there is also one great disadvantage—cost. If, by winterizing Phelps Collins, we can keep one unit from having to train overseas, we can probably save enough money to immediately offset this $1.8 million outlay. A side benefit, of course, is that the economic impact which accompanies an activity such as this occurs here in this country rather than overseas.

Phelps Collins plays an important part in our total defense mission. It is a frequently used, popular site for guardsmen from all over the country. In one case, Phelps Collins played host to 59 F-15's and 1,300 personnel from the 1st Tactical Fighter Wing from Langley Air Force Base, VA. My amendment today is an important opportunity to add substantially to Phelps Collins capabilities.

Mr Chairman, I urge the adoption of this important amendment.

Mr. DELLUMS. Will the gentleman yield?

Mr. DAVIS. I yield to the chairman.

Mr. DELLUMS. Mr. Chairman, as the gentleman said, this amendment entails a relatively small amount of money. It deals with a weatherizing program in an area that needs it, and members of the subcommittee believe that the gentleman's amendment is a meritorious one, and we have no objection to the amendment and would urge its adoption.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. DAVIS].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. RICHARDSON

Mr. RICHARDSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RICHARDSON: Page 53, line 5, insert before "and" the following: "plus $755,000 for a facility in New Mexico,".

Mr. RICHARDSON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

Mr. RICHARDSON. Mr. Chairman, first, I would like to commend my colleagues, Mr. DELLUMS and Mr. KRAMER for their hard work on this legislation. Their efforts are appreciated by us all. I am offering an amendment to H.R. 1409 today for Mr. SKEEN and myself to authorize an additional $755,000 for the construction of an Army armory in Hobbs, NM.

Mr. Chairman, I hesitate to offer an amendment authorizing additional funds for anything at this time when we are giving such careful consideration to all budget requests. In this instance, however, I feel the ultimate result will mean a savings—rather than a deficit—to the Federal Treasury.

Earlier this year, the State of New Mexico, in reasonable anticipation of receiving Federal funds for much-needed improvements at three New Mexico armories, appropriated matching funds of 25 percent for each facility under consideration. The New Mexico Legislature appropriated $299,000 for the facility to be built outside of Hobbs. Believing it had clear assurances from the Federal Government on this project, the State proceeded to expend $15,604 on architect/engineer services for the proposed facility. The Federal Government also spent $29,000 to complete the design phase of the project—as clear an indication as I know that all signals were go for the Hobbs Armory.

On top of these compelling facts, the proposed armory just outside of Hobbs is scheduled to replace two existing armories which are in such a state of disrepair, the construction of one new facility will cost less than the renovation and operation of the two armories in the area. This proposed consolidation move is part of an overall effort by the Guard to improve efficiency and effectiveness at its armories—the National Guard anticipates a net savings in the long term as a result of the consolidation of the two existing facilities.

Mr. Chairman, even if funds are not appropriated for this facility, there is a slim chance that it could receive funds if, for some reason, additional funds become available at DOD over the course of the fiscal year—but only if the project is authorized by us today.

Obviously, everyone is ready to proceed on this project—the State has appropriated the matching funds, the plans are complete, the initial investment has been made by both the State and the Federal Government and, most importantly, the National Guard in New Mexico is in desperate need of new facilities. The project was not dropped from the DOD budget request for lack of need—need is clearly indicated in all plans and studies. It was dropped from the DOD military construction request simply because not enough funds were anticipated to meet military construction needs in fiscal year 1986. While we are hoping DOD will come back with a request for fiscal year 1987, we are uncertain whether the State matching funds will still be around to supplement the building of the facility.

I urge my colleagues to support this amendment which is important to both New Mexico and the training and military preparedness of our national guardsmen.

Mr. DELLUMS. Will the gentleman yield?

Mr. RICHARDSON. I yield to the gentleman.

Mr. DELLUMS. Mr. Chairman, as the gentleman explained, this is a project that has already received priority in that it was scheduled to be in the military construction authorization bill for fiscal year 1987.

The gentleman presented the subcommittee with a number of reasons why that program ought to be moved from fiscal year 1987 to fiscal year 1986, and the subcommittee sees no objection to it. We would urge its adoption.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Mexico [Mr. RICHARDSON].

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title VII?

If not, the Clerk will designate title VIII.

The text of title VIII is as follows:

TITLE VIII—GENERAL PROVISIONS

SEC. 801. EXTENSION OF AUTHORITY FOR CERTAIN PILOT PROGRAMS.

(a) BUILD-TO-LEASE PROGRAM.—Paragraph (9) of section 2828(g) of title 10, United States Code, is amended by striking out "October 1, 1985" and inserting in lieu thereof "September 30, 1986".

(b) RENTAL GUARANTEE PROGRAM.—Subsection (h) of section 802 of the Military Construction Authorization Act, 1984 (Public Law 98-115; 97 Stat. 783, 789), is amended by striking out "September 30, 1985" and inserting in lieu thereof "September 30, 1986".

SEC. 802. FAMILY HOUSING OCCUPANT LIABILITY.

(a) LIABILITY FOR FAILURE TO CLEAN SATISFACTORILY.—Subsection (a) of section 2775 of title 10, United States Code, is amended—

(1) by inserting "(1)" after "(a)"; and

(2) by adding at the end thereof the following new paragraph:

"(2) A member of the armed forces—

"(A) who is assigned or provided a family housing unit; and

"(B) who fails to clean satisfactorily that housing unit (as determined under regulations prescribed by the Secretary of Defense) upon termination of the assignment or provision of that housing unit,

shall be liable to the United States for the cost of cleaning made necessary as a result of that failure.".

(b) CONFORMING AMENDMENTS.—(1) Subsection (b) of such section is amended by inserting "(in the case of liability under subsection (a)(1))" after "including".

(2) Subsection (c)(1) of such section is amended by striking out "subsection (a)" and inserting in lieu thereof "subsection (a)(1), or the cost of any cleaning made necessary by a failure to clean satisfactorily a family housing unit referred to in subsection (a)(2),".

(3) Subsection (d) of such section is amended by inserting "or failure to clean satisfactorily a family housing unit" after "(or the equipment or furnishings of a family housing unit)".

(4) Subsection (e) of such section is amended to read as follows:

"(e) The Secretary of Defense shall prescribe regulations to carry out this section. Such regulations shall include—

"(1) regulations for determining the cost of repairs and replacements made necessary as the result of abuse or negligence for which a member is liable under subsection (a)(1);

"(2) regulations for determining the cost of cleaning made necessary as a result of the failure to clean satisfactorily for which a member is liable under subsection (a)(2); and

"(3) provisions for limitations of liability, the compromise or waiver of claims, and the collection of amounts owed under this section.".

(c) CLERICAL AMENDMENTS.—(1) The heading of such section is amended to read as follows:

"§ 2775. Liability of members assigned to military housing".

(2) The item relating to such section in the table of sections at the beginning of chapter 165 of such title is amended to read as follows:

"2775. Liability of members assigned to military housing.".

SEC. 803. PREOCCUPANCY TERMINATION COSTS.

(a) IN GENERAL.—Section 2828(d) of title 10, United States Code, is amended—

(1) by inserting "(1)" after "(d)"; and

(2) by adding the following new paragraph at the end thereof:

"(2) The Secretary may enter into an agreement under this paragraph in connection with a lease entered into under subsection (c). Any such agreement shall be for any period not in excess of three years and shall be for the purpose of compensating a developer for any costs resulting from the termination of the lease during the construction of the housing units that are to be occupied pursuant to the lease. Any agreement entered into under this paragraph shall include a provision that the obligation of the United States to make payments under the

agreement in any fiscal year is subject to the availability of appropriations.".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 1985.

SEC. 804. ACTIVITIES INCLUDED WITHIN AUTHORIZATIONS FOR MILITARY FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION OF FAMILY HOUSING.—Section 2821 of title 10, United States Code, is amended by adding at the end thereof the following new subsection:

"(d) Amounts authorized by law for construction and acquisition of military family housing and facilities include amounts for—

"(1) minor construction;

"(2) improvements to existing military family housing units and facilities;

"(3) relocation of military family housing units under section 2827 of this title; and

"(4) architectural and engineering services and construction design.".

(b) FAMILY HOUSING SUPPORT.—(1) Chapter 169 of such title is amended by adding after section 2832 the following new section:

"§ 2833. Family housing support

"Amounts authorized by law for support of military family housing include amounts for—

"(1) operating expenses;

"(2) leasing expenses;

"(3) maintenance of real property expenses;

"(4) payments of principal and interest on mortgage debts incurred; and

"(5) payments of mortgage insurance premiums authorized under section 222 of the National Housing Act (12 U.S.C. 1715m).".

(2) The table of sections at the beginning of subchapter II of such chapter is amended by adding after the item relating to section 2832 the following new item:

"2833. Family housing support.".

SEC. 805. DOMESTIC FAMILY HOUSING LIMITATIONS.

(a) IN GENERAL.—Section 2828(b)(3) of title 10, United States Code, is amended—

(1) by striking out "(3) Not" and inserting in lieu thereof "(3)(A) Except as provided in subparagraph (B), not"; and

(2) by adding the following new subparagraph at the end thereof:

"(B) During fiscal years 1986 and 1987, the number of housing units that may be leased pursuant to the provisions of subparagraph (A) may be increased by 500 units for each such fiscal year. The Secretary concerned shall provide written notification to the Committees on Armed Services of the Senate and House of Representatives concerning the location, purpose, and cost of the additional units permitted by this subparagraph. Such notification shall be made periodically as the leases are entered into.".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1985.

SEC. 806. SALE-AND-REPLACEMENT TRANSACTIONS.

(a) EXTENSION OF AUTHORITY FOR SALE-AND-REPLACEMENT TRANSACTIONS.—Section 807(c) of the Military Construction Authorization Act, 1984 (Public Law No. 98.115; 97 Stat. 786), is amended by striking out "October 1, 1985" and inserting in lieu thereof "October 1, 1986".

(b) APPROVAL OF TRANSACTIONS.—The Secretary of Defense may carry out the following sale-and-replacement transactions under the provisions of section 2667a of title 10, United States Code:

(1) The sale and replacement of warehousing facilities at Schofield Barracks, Hawaii.

(2) The sale and replacement of a noncommissioned officers professional education center, a band center, and a combat operations center at March Air Force Base, California.

SEC. 807. TURN-KEY SELECTION PROCEDURES.

(a) IN GENERAL.—Chapter 169 of title 10, United States Code, is amended by adding at the end of subchapter III the following new section:

"§ 2862. Turn-key selection procedures

"(a)(1) The Secretaries of the military departments, with the approval of the Secretary of Defense, may use one-step turn-key selection procedures for the purpose of entering into contracts for the construction of authorized military construction projects.

"(2) In this section, 'one-step turn-key selection procedures' means procedures used for the selection of a contractor on the basis of price and other evaluation criteria to perform, in accordance with the provisions of a firm fixed-price contract, both the design and construction of a facility using performance specifications supplied by the Secretary concerned.

"(b) The Secretary of a military department may not, during any fiscal year, enter into more than three contracts for military construction projects using procedures authorized by this section.

"(c) The authority of a Secretary of a military department under this section shall expire on October 1, 1991.".

(b) CONFORMING AMENDMENT.—The table of sections at the beginning of such subchapter is amended by adding after the item relating to section 2861 the following:

"2862. Turn-key selection procedures.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1985.

SEC. 808. COMMUNITY PLANNING ASSISTANCE.

The Secretary of Defense may use funds appropriated for fiscal year 1986 for planning and design purposes to provide community planning assistance when local resources are not sufficient, by grant or otherwise, as follows:

(1) To assist communities located near newly established Light Infantry Division Posts, $2,000,000.

(2) To assist communities located near newly established homeports under the Naval Strategic Dispersal Program, $3,000,000.

SEC. 809. MADIGAN ARMY MEDICAL CENTER, FORT LEWIS WASHINGTON.

(a) IN GENERAL.—Section 601(c) of the Military Construction Authorization Act, 1985 (Public Law 98-407; 98 Stat. 1512), is amended by striking out "and the amount specified in subsection (b)" and inserting in lieu thereof ", the amount specified in subsection (b)(1), and $326,800,000 (the amount authorized for the construction of the Madigan Army Medical Center, Fort Lewis, Washington)".

(b) EFFECTIVE DATE.—The amendment made by this section shall become effective on October 1, 1985.

SEC. 810. INTERSERVICE EXCHANGES.

Section 2571 of title 10, United States Code, is amended by adding at the end thereof the following new subsection:

"(d) No agency or official of the executive branch of the Federal Government may establish any regulation, program, or policy or take any other action which precludes, directly or indirectly, the Secretaries concerned from carrying out this section.".

SEC. 811. PLAN FOR CLEANUP OF ROCKY MOUNTAIN ARSENAL.

(a) IN GENERAL.—The Secretary of the Army shall develop and transmit, by December 31, 1985, to the Congress a report setting forth a comprehensive plan for completing the cleanup of contaminated sites, structures, equipment, and natural resources at or near the Rocky Mountain Arsenal near Denver, Colorado, by September 30, 1993.

(b) SPECIFIC REQUIREMENTS.—In such plan, the Secretary shall—

(1) describe in detail the various phases for the project, along with the completion dates and a priority ranking of the goals for each such phase;

(2) provide cost estimates for each such phase and for the total project;

(3) provide findings and conclusions reached as a result of consultation, before the transmittal of the plan, with State and local officials (including officials of water districts) and the general public;

(4) provide that consultation and coordination with such officials and the general public will be carried out throughout the process of cleaning up the Arsenal;

(5) provide for priority cleanup of—

(A) the most seriously contaminated areas at the Arsenal, including the areas known as Basin F, Basin A, and section 36;

(B) other areas at the Arsenal which should be afforded priority treatment for the benefit of the general public, including the areas known as sections 7, 8, 11, and 12; and

(C) any sites, structures, equipment, or natural resources located outside the Arsenal that have been contaminated by activities carried out at the Arsenal;

(6) provide for the cleanup of the areas described in paragraph (5) without regard to whether a final disposal site for hazardous substances from the Arsenal has been selected;

(7) establish, as a priority, the use of waste-treatment technologies that will reduce significantly the amount and toxicity level of hazardous substances at or near the Arsenal;

(8) provide for selection of a final disposal site for hazardous substances from the Arsenal in a manner that will take into consideration sites, within and outside of Colorado, that—

(A) are geologically suitable to serve as such a disposal site; and

(B) are located within areas the governing bodies of which have expressed a willingness to have such a disposal site located therein;

(9) provide that all activities in the plan will be carried out in compliance with the requirements of applicable Federal and State environmental laws, but, in the case of State laws, only to the extent that such laws are in effect on May 15, 1985;

(10) provide findings and conclusions reached as a result of studying the feasibility and cost of cleansing groundwater on an expedited basis at the sources of contamination on the Arsenal; and

(11) include a statement concerning any reprogramming or supplemental appropriation of funds that may be necessary for fiscal year 1986 in order to assure an expeditious implementation of the plan.

SEC. 812. PROJECT AMOUNT FOR FORT DRUM, NEW YORK.

(a) IN GENERAL.—The amount established for a project at Fort Drum, New York, by section 101 of the Military Construction Authorization Act, 1985 (Public Law 98-407; 98 Stat. 1495) is hereby increased by $82,500,000.

(b) FUNDING.—Funds appropriated to the Department of Defense for fiscal years before fiscal year 1985 for military construction functions of the Army that remain available

for obligation are hereby authorized to be made available, to the extent provided in appropriation Acts, for the military construction project described in subsection (a), in the amount of $82,500,000.

(c) COST OF PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variations authorized by law, the limit established by section 601(c) of the Military Construction Authorization Act, 1985, on the total cost of all projects carried out under section 101 of that Act is hereby increased by $82,500,000.

(d) EFFECTIVE DATE.—This section shall take effect on October 1, 1985.

SEC. 813. MATERIAL AT NAVAL BASE, NORFOLK, VIRGINIA.

The Secretary of the Navy may provide, without compensation, to the City of Norfolk, Virginia, not more than 50,000 cubic yards of dredged material located at the Naval Base, Norfolk, Virginia, if such city agrees to bear all costs and liabilities associated with loading, transporting, using, or otherwise handling such material.

SEC. 814. LAND CONVEYANCE TO THE UNITED STATES OLYMPIC COMMITTEE; COLORADO SPRINGS, COLORADO.

(a) IN GENERAL.—Subject to subsections (b) and (c), the Secretary of the Air Force (hereinafter in this section referred to as the "Secretary") is authorized to convey to the United States Olympic Committee, without monetary consideration, all right, title, and interest of the United States in and to the approximately 3.98 acres of land and improvements near Colorado Springs, Colorado, that are being leased to such Committee by the Secretary pursuant to section 806 of the Military Construction Authorization Act, 1980.

(b) CONDITIONS.—The conveyance described in subsection (a) shall be subject—

(1) to the condition that the land and improvements so conveyed shall be used by the United States Olympic Committee solely for facilities and activities of such Committee;

(2) to the condition that if such land and improvements are not used for the purpose described in paragraph (1), all right, title, and interest in and to them shall revert to the United States, which shall have the right of immediate entry thereon; and

(3) to such other conditions as the Secretary may prescribe to protect the interests of the United States.

(c) DESCRIPTION OF LAND.—The exact description of the land and improvements described in subsection (a) shall be determined by a survey approved by the Secretary.

SEC. 815. ALTERATION IN TRAILER PARK EXPANSION, HANSCOM AIR FORCE BASE, MASSACHUSETTS.

(a) IN GENERAL.—In providing for the trailer park at Hanscom Air Force Base, Massachusetts, and the expansion of such park as authorized by section 302 of the Military Construction Authorization Act, 1985, the Secretary of the Air Force may enter into an agreement with the Massachusetts Port Authority to terminate leasehold rights of the Department of the Air Force in exchange for—

(1) leasehold rights to other land held by such Authority; and

(2) the construction, by such Authority or its designee, of roads, utilities, and trailer pads on such other land in accordance with specifications made by the Secretary.

(b) LIMITATION.—The termination of the leasehold rights by the Secretary shall not become effective until the completion of the construction described in subsection (a)(2).

SEC. 816. TRANSFERS CONCERNING THE SECRETARY OF THE ARMY.

(a) TRANSFER TO THE SECRETARY OF THE ARMY.—The Administrator of General Services shall transfer, without reimbursement, to the Secretary of the Army a tract (with any improvements thereon) of 18.5 acres (more or less) adjacent to Fort McNair in the District of Columbia.

(b) TRANSFER BY THE SECRETARY OF THE ARMY.—Upon the relocation of the Army Intelligence and Security Command and other defense activities from Arlington Hall Station to new quarters, the Secretary of the Army shall transfer, without reimbursement, approximately 72 acres of the tract of land known as Arlington Hall Station, together with improvements thereon, to the Secretary of State to be used as a center for training in foreign affairs, and for other purposes as deemed appropriate by the Secretary of State.

SEC. 817. LAND EXCHANGE, JACKSONVILLE, FLORIDA.

(a) IN GENERAL.—Subject to subsections (b) through (f), the Secretary of the Navy (hereinafter in this section referred to as the "Secretary") is authorized to convey to the NEW MET Company (hereinafter in this section referred to as the "Company") all right, title, and interest of the United States in and to approximately 39.5 acres of unimproved land comprising a portion of the Naval Station, Mayport, Florida, located adjacent to the Ribault Bay Village Navy housing area.

(b) CONSIDERATION.—In consideration for the conveyance by the Secretary under subsection (a), the Company shall convey to the United States a parcel of land consisting of approximately 31.7 acres located in the vicinity of the Ribault Bay Village Navy housing area.

(c) OBLIGATIONS OF PARTIES.—The specific obligations of the Secretary and the Company are set forth in a memorandum of understanding between the parties dated February 19, 1985.

(d) PAYMENT BY THE COMPANY.—If the fair market value of the land conveyed under subsection (a) exceeds the fair market value of the land conveyed under subsection (b), as determined by the Secretary, the Company shall pay the difference to the United States.

(e) SURVEY.—The exact acreages and legal descriptions of the lands to be conveyed under this section shall be determined by surveys which are satisfactory to the Secretary. The cost of any such survey shall be borne by the Company.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the transaction authorized by this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 818. CONVEYANCE OF LAND AT NAVAL WEAPONS STATION, CHARLESTON, SOUTH CAROLINA.

(a) AUTHORITY TO CONVEY.—Subject to subsections (b) through (g), the Secretary of the Navy (hereinafter in this section referred to as the "Secretary") is authorized to convey to the Westvaco Corporation (the principal address and place of business of which is 299 Park Avenue, New York, New York, and hereinafter in this section referred to as the "Corporation") all right, title, and interest of the United States in and to approximately 47.83 acres of improved land comprising that portion of the Navy Weapons Station, Charleston, South Carolina, located at Remount Road and Virginia Avenue, in the city of North Charleston.

(b) CONSIDERATION.—In consideration for the conveyance authorized by subsection (a), the Corporation shall pay all costs for construction and occupancy by the Navy of "in kind" facilities to replace those on the land to be conveyed. The replacement facilities shall be constructed by the Navy on the Naval Weapons Station described in subsection (a) at a site to be determined by the Secretary.

(c) OBLIGATIONS OF PARTIES.—The specific obligations of the Secretary and the Corporation are set forth in a memorandum of understanding between the parties that became effective April 17, 1985. The Secretary is authorized to receive, obligate, and disburse funds received under subsection (b) to cover design, construction, relocation, and related costs specified in the memorandum of understanding.

(d) VACATING PROPERTY.—Upon completion and occupancy of the replacement facilities by the Navy and payment of all costs by the Corporation, the Navy shall promptly vacate the property described in subsection (a) and convey it by quitclaim deed to the Corporation.

(e) PAYMENT OF ANY EXCESS.—If the fair market value of the improved land conveyed under subsection (a) exceeds the consideration paid under subsection (b), as determined by the Secretary, the Corporation shall pay the difference to the United States.

(f) LEGAL DESCRIPTION OF LAND.—The exact acreage and legal description of any land conveyed under this section shall be determined by a survey which is satisfactory to the Secretary. The cost of such survey shall be borne by the Corporation.

(g) ADDITIONAL TERMS.—The Secretary may require such additional terms and conditions under this section as the Secretary considers appropriate to protect the interest of the United States.

AMENDMENT OFFERED BY MR. DELLUMS

Mr. DELLUMS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DELLUMS: Page 59, line 5, strike out "Section" and insert in lieu thereof "Effective as of September 30, 1985, section".

Page 64, line 20, strike out "1985" and insert in lieu thereof "1986".

Mr. DELLUMS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California.

There was no objection.

Mr. DELLUMS. Mr. Chairman, this amendment is strictly technical in nature; it simply corrects clerical and printing errors in the bill; it changes no substantive provision. I ask that the amendment be agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. DELLUMS].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. WHITEHURST

Mr. WHITEHURST. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITEHURST: Page 54, line 13, strike out "Secretary of De-

fense" and insert in lieu thereof "Secretary of Defense or Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy".

Page 54, after line 17, insert the following:

(b) AUTHORITY OF SECRETARY OF TRANSPORTATION.—Section 2775 of such title is amended—

(1) in subsections (a) and (b), by inserting after "the Secretary of Defense" the following: "and the Secretary of Transportation when the Coast Guard is not operating as a service in the Navy"; and

(2) in subsection (d), by inserting after "or defense agency concerned" the following: ", or the operating expenses account of the Coast Guard, as appropriate".

Page 54, line 18, strike out "(b)" and insert in lieu thereof "(c)".

Page 55, line 7, insert after "Defense" the following: ", and the Secretary of Transportation when the Coast Guard is not operating as a service in the Navy,".

Page 55, line 21, strike out "(c)" and insert in lieu thereof "(d)".

Mr. WHITEHURST (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. WHITEHURST. Mr. Chairman, this amendment would extend authority for the Secretary of Transportation to collect for damages to Government-furnished quarters and related equipment and furnishings administered by the Coast Guard. The current law authorizes the Department of Defense to collect for damages to quarters controlled by the Department and to credit the funds collected to the family housing and operational account of the appropriate service. The Department of Transportation does not have that same authority with respect to the Coast Guard. To date, the Coast Guard has had to absorb annual losses of approximately $70,000 due to this oversight.

I consider this as really a conforming amendment since the existing language of section 2775 technically includes the Coast Guard, and my amendment would merely clarify that the Secretary of Transportation could take action with respect to the Coast Guard when it is not operating as a service in the Navy.

Mr. DELLUMS. Will the gentleman yield?

Mr. WHITEHURST. I yield to the gentleman.

Mr. DELLUMS. Mr. Chairman, Members of the Committee, the distinguished gentleman from Virginia [Mr. WHITEHURST] is a very diligent and hard-working member of the subcommittee; one of the senior members of the full Committee on Armed Services. He offered this amendment; we reviewed the amendment to make certain that we were within our appropriate committee jurisdiction, and the way the amendment is written and presented, Mr. Chairman, it conforms with the jurisdiction. We have no objection, and urge its approval.

Mr. WHITEHURST. I thank the chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. WHITEHURST].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. SKELTON

Mr. SKELTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SKELTON: Add the following new section at the end of title VIII (page 71, after line 9):

SEC. 819. ARCHITECTURAL AND ENGINEERING SERVICES RELATED TO CONSTRUCTION OF NATIONAL GUARD ARMORIES.

(a) CONTRIBUTIONS TO STATES.—Subsection (e) of section 2233 of title 10, United States Code, is amended to read as follows:

"(e) The Secretary of Defense may procure, or contribute to any State such amounts as the Secretary determines to be necessary to procure, architectural and engineering services and construction design in connection with facilities to be established or developed under this chapter which are not otherwise authorized by law."

(b) AMOUNT OF CONTRIBUTION.—Subsection (b) of section 2236 of such title is amended to read as follows:

"(b) A contribution made for an armory under section 2233(a) (4) or (5) of this title may not exceed the sum of—

"(1) 100 percent of the cost of architectural, engineering and design services (including advance architectural, engineering and design services under section 2233(e) of this title); and

"(2) a percentage of the cost of construction (exclusive of the cost of architectural, engineering and design services) calculated so that upon completion of construction the total contribution (including the contribution for architectural, engineering and design services) equals 75 percent of the total cost of construction (including the cost of architectural, engineering and design services).

For the purpose of computing the cost of construction under this subsection, the amount contributed by the State or Territory, Puerto Rico, or the District of Columbia, whichever is concerned, may not include the cost or market value of any real property that it has contributed."

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1985.

Mr. SKELTON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SKELTON. Mr. Chairman, the purpose of this amendment is to permit the Secretary of Defense to advance to a State in connection with a contribution under section 2233 of title X for the construction of National Guard facilities, 100 percent of that cost of architectural, engineering and design services related to the construction.

Now, Mr. Chairman, may I point out that this proposed amendment would break the logjam that now exists by permitting the Secretary of Defense to advance 100 percent of the cost for architectural, engineering and design services for these projects such as armories and the like. It would not change the present, overall cost-sharing ratio of 75/25 percent.

Mr. DELLUMS. Will the gentleman yield?

Mr. SKELTON. I yield to the gentleman.

Mr. DELLUMS. Mr. Chairman, the gentleman's amendment adds no additional funds to the amendment. It is a language change amendment, the authority to advance Federal funds for architect and engineering services for design of National Guard armories on a reimbursable basis.

The subcommittee has reviewed the gentleman's amendment and believes the language is meritorious and we urge the adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. SKELTON].

The amendment was agreed to.

Mr. SKELTON. Mr. Chairman, I move to strike the last word. I wish to engage the chairman in a short colloquy.

Mr. Chairman, the Members of the Missouri delegation are interested in a project in the St. Louis area, and I raise this issue because my colleague and friend, Congressman YOUNG from the St. Louis area is presently out of the country on business at this time, and there is the proposed project of renovating and putting back in better mobilization state the facility to manufacture ammunition in the St. Louis area, and I wish to direct this to the chairman; I know he is familiar with it, and would appreciate his comments at this time.

Mr. DELLUMS. I thank the gentleman for yielding to me, and I appreciate the gentleman's concern about the well-being of my colleague's interest, who happens to be out of the country on important business.

Our staff has conversed with the gentleman's staff; and we have learned that the gentleman is prepared to submit the project in fiscal year 1987, and we have assured the gentleman that his request will receive serious consideration and hopefully be incorporated into the fiscal year 1987 military construction budget.

So we appreciate the gentleman's concern, as we understand that his prerogatives are being preserved, and we will simply move it back to next year's authorization bill.

Mr. SKELTON. That is certainly fine. I appreciate the gentleman's con-

sideration and his understanding on this issue.

AMENDMENT OFFERED BY MR. DANIEL

Mr. DANIEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DANIEL: At the end of the title VIII (page 71, after line 9) add the following new section:

SEC. 819. FURNISHING OF BEDDING FOR HOMELESS.

Section 2546 of title 10, United States Code, is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following new subsection (d):

"(d) The Secretary concerned may provide bedding for support of shelters for the homeless that are operated by entities other than the Department of Defense. Bedding may be provided under this subsection without reimbursement, but may only be provided to the extent that the Secretary determines that the provision of such bedding will not interfere with military requirements.".

Mr. DANIEL (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

□ 1530

Mr. DANIEL. Mr. Chairman, as the Members will recall, 2 years ago I offered a floor amendment to the Defense Authorization Act, 1984 (sec. 305, Public Law 98-94) giving the Secretary of Defense authority to assist efforts to provide shelter for the homeless. Specifically, it authorized the Secretary of Defense to repair and rehabilitate Department of Defense [DOD] facilities to make them more suitable for use as shelters. In addition, my amendment gave DOD the authority to spend money to provide transportation, bedding, utilities, security and insurance incidental to the establishment of a shelter.

Since that time, some progress has been made. Eight shelters have been opened and negotiations are underway for seven more. Altogether, DOD has spent over $1.7 million and this level of funding will steadily increase as the program becomes more established in the years ahead.

At the same time, however, I have been somewhat concerned about the lack of progress at some sites due to the reluctance of communities and charitable organizations to operate available facilities as shelters for the homeless. For example, DOD spent $200,000 to rehabilitate a barracks at Camp Parks, CA, but repeated efforts to find a qualified party to operate a shelter there have been unsuccessful. I think it is important to remember that DOD can only be a partner in these efforts. DOD can provide the facilities and pay some of the support costs, but DOD cannot manage or operate the shelters. This partnership can only work if communities and charitable organizations are willing to come forth with the assistance and effort needed to make an available facility into a functioning shelter.

The amendment I am offering today addresses an effort by DOD to increase its assistance of the homeless. For some time, DOD has been providing cots and blankets to non-DOD shelters on the basis of a temporary loan. Currently, DOD has about 2,000 cots and 4,000 blankets on loan to various shelters around the country.

By law, DOD cannot provide cots and blankets outright and this creates a number of problems. First, a temporary loan of cots or blankets is patently unrealistic and DOD does not expect to have these items returned after use by the homeless. Second, the accounting process involved with a temporary loan results in a lot of unnecessary red tape. For example, every 90 days, the Defense Logistics Agency is required to send out inspectors to verify the need to continue the loan. In addition, the stock fund carries these items as "open items" requiring reimbursement, but it is not legal to reimburse the stock fund from the O&M account for this purpose.

My amendment would remedy this situation by authorizing DOD to provide bedding to non-DOD shelters on a nonreimbursable basis. This will eliminate the need for "temporary loans" of these items and the resulting unnecessary bookkeeping and redtape. Finally, it will allow the O&M account to reimburse the stock fund for the cots and blankets provided so that they can be replaced with newer items.

In sum, my amendment supports DOD efforts to provide cots and blankets to non-DOD shelters as "free issue" items to the extent that it does not interfere with military requirements. Cold weather is almost upon us and the adoption of my amendment will insure that DOD is able to provide the maximum amount of assistance to these unfortunate people in their time of greatest need.

I urge the adoption of my amendment.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. DANIEL. I yield to the subcommittee chairman, the gentleman from California [Mr. DELLUMS].

Mr. DELLUMS. I thank the gentleman for yielding.

Mr. Chairman, the gentleman [Mr. DANIEL] is offering, in the Chair's estimation, a meritorious amendment.

What the gentleman seeks to do is to amend that portion of the bill to enable the Department of Defense to provide blankets and cots to nine DOD shelters for the homeless without reimbursement. This happens to be the "last train leaving."

My distinguished colleague is the chairman of the Subcommittee on Readiness of the Committee on Armed Services which has as its jurisdiction the operation and maintenance account.

The gentleman is simply offering an amendment to this bill that by virtue of how it is written is appropriate in this bill. We think it is meritorious, and we have no objection whatsoever, and we urge enthusiastic support of the amendment of the gentleman from Virginia.

Mr. DANIEL. I thank the gentleman for his comments.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. DANIEL].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. KRAMER

Mr. KRAMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KRAMER: Page 62, line 26, insert after "Basin A," the following: "the South Plants Area,".

Page 64, line 3, strike out ", but" and all that follows through line 5 and insert in lieu thereof a semicolon.

Mr. KRAMER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. KRAMER. Mr. Chairman, this amendment is technical in nature. It simply is intended to clarify the intent of section 811 of H.R. 1409.

Mr. Chairman, I urge approval of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado [Mr. KRAMER].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. PENNY

Mr. PENNY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment Offered By Mr. PENNY: At the end of title VIII, add the following new section:

SEC. 819. LIMITATION ON TOTAL APPROPRIATIONS AUTHORIZED BY TITLES I THROUGH VIII.

Notwithstanding any other provision of this Act, the total amount authorized to be appropriated by this Act shall not exceed $8,405,206,000.

Mr. PENNY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

Mr. KRAMER. Reserving the right to object, Mr. Chairman, may I ask

the gentleman what the nature of the amendment is?

Mr. PENNY. If the gentleman will yield, it is a freeze at fiscal year 1985 levels.

Mr. KRAMER. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Clerk will continue to read.

The Clerk concluded the reading of the amendment.

Mr. PENNY. Mr. Chairman, I offer this amendment together with my colleague from Michigan [Mr. PURSELL]. We all know that in this House authorizations fuel appropriations. If we continue to increase authorization levels as we have done in this military construction bill, we are going to lock ourselves into higher appropriation levels than we can afford in future years.

We have huge Federal budget deficits facing this Nation, and many of us in this House felt that one way to stop those deficits from growing is to freeze the budget across the board.

So far this year we have offered freeze amendments to most appropriations and authorization bills that have been brought forward. In almost every instance those amendments have been adopted, and in fact in many instances we have reduced spending in those measures below last year's levels.

In this area, in the area of military construction, we have seen phenomenal growth in the last 5 years. There has been a 250-percent increase in funding in this area of the Federal budget in just that 5-year timeframe. So if there is any one area in the budget where we certainly can live within a freeze level, it ought to be the military construction authorization programs.

In addition, we are now in conference committee with the other body on something called Hollings-Gramm-Rudman. That proposal will require us to make across-the-board reductions in the next several fiscal years in which we exceed certain spending targets. Those spending targets call for us to reduce by $36 billion per year the Federal deficit until we reach a balanced budget.

That is going to call for us to make some tough choices in the Federal budget. I think we can begin by making those tough choices here in the military construction bill today, and I advocate adoption of this freeze.

AMENDMENT OFFERED BY MR. DELLUMS AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. PENNY

Mr. DELLUMS. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. DELLUMS as a substitute for the amendment offered by Mr. PENNY: Add the following new section at the end of title VIII (page 71, after line 9):

SEC. 819. LIMITATION ON AUTHORIZATIONS OF APPROPRIATIONS.

Notwithstanding any other provision of this Act, the maximum amount authorized to be appropriated by this Act is $9,200,000.

Mr. DELLUMS. Mr. Chairman, I would first like to commend my distinguished colleague for offering his amendment. Certainly in my estimation, the thrust of the amendment is meritorious. We have chosen to offer a substitute amendment rather than challenging my colleague's amendment, simply reiterating why we are offering this amendment. With your indulgence, Mr. Chairman and members of the committee, I would like to rehash recent history.

The President of the United States submitted to the Congress a military construction authorization bill at the level of $10.3 billion in a military budget in excess of $322 billion.

The House of Representatives, in the first concurrent budget resolution, agreed, in the course of that debate that waged over several days, that the military function would be frozen at fiscal year 1985 levels, which meant a reduction of approximately $3 billion from the President's request of $322 billion down to a figure of $292 billion, which would freeze the military budget at fiscal year 1985 authorization levels. That figure, $292 billion, was a figure given to the House Armed Services Committee as a ceiling against which they could not exceed. The Committee on Armed Services of the House, attempting to allocate its responsibilities within the framework of that charge to freeze at fiscal year 1985 levels the $292 billion, agreed to establish priorities within that. They decided that, based on rather rapid escalation in our procurement and R&D function, that those two functions would take the largest part of the cut. Therefore, the priorities would gravitate toward readiness and quality of life which, over the years, had not been a high priority but, I would submit, a secondary priority, because we have tended in this body to be grossly preoccupied with the technology of death and all the instruments therefor. But we have not focused as diligently as many of us think we should on the human side of this equation.

Therefore, the Committee on Armed Services gave the Subcommittee on Military Installations and Facilities, Military Construction, a smaller percentage cut but still within the framework of the $292 billion. We were given the figure of $718 million to cut. The subcommittee went about its business and not only achieved that mark but it exceeded that mark by a few million dollars.

We came in with a budget figure of $759 million below the President's request of $10.3 billion. We therefore reported to the full Committee on Armed Services, with their ratification, to the floor of this body a figure of $9.55 billion fully within the $292 billion freeze figure.

Now a very interesting thing, I would say to my colleague, that my colleague went to the conference with the other body and agreed to a $10 billion increase in the authorization level from $292 to $302 billion.

One would think then that the military construction budget would be increased. But when the smoke settled from the agreements that were arrived at in the large conference, the figure that was given to the military construction function was not $9.55 billion but $9.2 billion. What this amendment does is say, simply, notwithstanding any other action that we have taken on this floor, that this bill would not authorize appropriations in excess of the $9.2 billion, which would leave us at the amount agreed to in the conference, it would take us almost $4 billion below the $9.55 billion which was below the freeze level.

Interestingly enough, Mr. Chairman and members of the committee, we authorized $9.16 billion last year. So we are only a pittance above the authorization level. I would simply say to my colleague that I understand freeze that appropriation level, but just one final point I would make: Authorization bills, unfortunately, by their nature, are always higher than appropriation bills because you must fund the entire project.

For example, if you fund a project at $30 million, we have to authorize $30 million.

The CHAIRMAN. The time of the gentleman from California [Mr. DELLUMS] has expired.

(By unanimous consent, Mr. DELLUMS was allowed to proceed for 1 additional minute.)

Mr. DELLUMS. The Appropriations Committee can look at that $30 million authorization and say, "Look, you can only spend $6 million in this fiscal year." We therefore appropriate $6 million. You see, but you cannot authorize $6 million, you have to authorize the entire project. It may be funded over several years, and that is one of the reasons why the authorization bills tend to be a little higher.

What I would say to my colleague, as the gentleman knows, I take second to no one in this body to challenging the efficacy of the military budget—I have offered several alternatives myself, and believe that we ought to cut the military budget by substantial billions of dollars—but I would simply say that in this process we worked very diligently to enhance the quality of life. I would say if the gentleman were willing to accept the substitute, this gentleman certainly can promise that we

would not come in here higher than $9.02 billion, and we will try diligently to come in below that figure.

Mr. Chairman, I ask unanimous consent that I be permitted to proceed for 1 additional minute so that I may yield to my distinguished colleague.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DELLUMS. I yield to the gentleman from Minnesota.

Mr. PENNY. I thank the chairman for yielding.

Mr. Chairman, I find the approach that the gentleman has suggested a reasonable middle ground because in fact it will leave us in this authorization bill with an authorization level that is about the same as it was for fiscal year 1985.

Mr. Chairman, I thank the chairman for his cooperation.

Mr. DELLUMS. Mr. Chairman, by reason of the diligence of our staff, I note a technical error, and I ask unanimous consent to modify my substitute amendment to read "$9,200,000,000."

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The text of the amendment, as modified, is as follows:

Amendment offered by Mr. DELLUMS as modified as a substitute for the amendment offered by Mr. PENNY: Add the following new section at the end of title VIII (page 71, after line 9):

SEC. 819. LIMITATION ON AUTHORIZATIONS OF APPROPRIATIONS.

Notwithstanding any other provision of this Act, the maximum amount authorized to be appropriated by this Act is $9,200,000,000.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. DELLUMS], as modified, as a substitute for the amendment offered by the gentleman from Minnesota [Mr. PENNY].

The amendment, as modified, offered as a substitute for the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. PENNY], as amended.

The amendment as amended, was agreed to.

Mr. NICHOLS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, as we are about to conclude debate on the bill, I want to say to the members of the committee that I want to rise and congratulate my friend, the chairman of the committee, for his perseverance in behalf of junior enlisted people. He has a long-time record in this field. I remember several years back when we were debating a bill that came out of my Personnel Subcommittee at that time involving housing for junior enlisted personnel, the gentleman from California came to me and said, "Coach, I am ready to go in any time you need me."

He went to the well of this House, and we were able to pass that bill with his help.

It came about at a time a lot of people over in the other body were saying that we do not need junior enlisted quarters, "If the Army had intended for you to have a wife, they would have issued you one." I want to tell you how much I appreciate his efforts. The gentleman has always been a strong supporter in behalf of junior people in our military, so-called "grunts," as we call them.

I just felt that I should take the microphone and express to him my appreciation. I am sure other senior members of the committee share that as well.

Mr. DELLUMS. I thank the gentleman very much.

AMENDMENT OFFERED BY MR. EDWARDS OF OKLAHOMA

Mr. EDWARDS of Oklahoma. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EDWARDS of Oklahoma: Add the following new section at the end of title VIII (page 71, after line 9):

SEC. 819. AVAILABILITY OF APPROPRIATIONS.

(a) IN GENERAL.—Section 2860 of title 10, United States Code, is amended to read as follows:

"SEC. 2860. AVAILABILITY OF APPROPRIATIONS.

"Funds appropriated to a military department or defense agency for a fiscal year for military construction or military family housing purposes may remain available beyond such fiscal year to the extent provided in appropriation Acts."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to funds appropriated after the date of the enactment of Public Law 99-103.

Mr. EDWARDS of Oklahoma (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

□ 1545

Mr. EDWARDS of Oklahoma. Mr. Chairman, this amendment is essentially a technical amendment which amends existing law under section 2860 of title 10. It is a necessary amendment as a part of an initiative to reform and oversee the actual use of appropriated funds for military construction. The provisions of existing law had their origin in a prior Appropriations Committee bill which became permanent law in the Military Construction Codification Act (Public Law 97-115). The provisions were initially adopted at the request of the Defense Department to give the services flexibility in the use of appropriated funds. However, the services have used this authority to excess in financing prior year projects with current year appropriations and funding current year projects with prior year appropriations. In other words, it has permitted the services to move projects between fiscal years without ever having to report it to the Congress or even to the Office of the Secretary of Defense. This has obviously created confusion and made it virtually impossible for the Defense Department or the Congress to determine the financial status of military construction accounts. For this reason, I am proposing the existing flexibility be rescinded by amending the existing law.

As the chairman of the authorizing subcommittee knows, our Appropriations Subcommittee on Military Construction had appeared before the Rules Committee seeking a waiver of clause 2 of rule 21 to our bill which contains this same basic provision. Mr. MONTGOMERY of your committee had objected to such a waiver strictly on procedural grounds indicating that it was legislation and should be included in this authorization bill. My understanding is that your committee has no objections to this amendment. Therefore, I urge its adoption.

Mr. DELLUMS. Mr. Chairman, will my colleague yield?

Mr. EDWARDS of Oklahoma. I yield to the gentleman from California.

Mr. DELLUMS. I thank the gentleman for yielding.

Mr. Chairman, we believe that the gentleman's amendment is a contribution to the legislation before us. We have reviewed it. We accept it. We have no objection, and we urge adoption of the gentleman's amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. EDWARDS].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. PANETTA

Mr. PANETTA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PANETTA: Add the following new section at the end of title VIII (page 71, after line 9):

SEC. 819. OFF-POST RENTAL HOUSING LEASE INDEMNITY PILOT PROGRAM.

(a) ESTABLISHMENT OF PROGRAM BY SECRETARY OF DEFENSE.—(1) The Secretary of Defense shall establish a pilot program to test the feasibility of implementing a program under which each Secretary of a military department may guarantee compensation of any person who leases a rental unit to any member of the armed forces under the jurisdiction of the Secretary for any breach of the lease or any damage to the rental unit by the member.

(2) The program referred to in paragraph (1) shall be established before the expiration of the 90-day period following the date of the enactment of this Act, but not before October 1, 1985.

(b) ACTIONS BY SECRETARIES OF MILITARY DEPARTMENTS.—(1) In accordance with

action taken by the Secretary of Defense under subsection (a), each Secretary of a military department shall designate one military installation in the United States that is under the jurisdiction of such Secretary to participate in the program established under subsection (a).

(2) For purposes of carrying out this section, any Secretary of a military department, to the extent approved in advance in appropriation Acts, may enter into an agreement with any person who leases a rental unit to any member of the armed forces who is under the jurisdiction of the Secretary. Any agreement under this paragraph shall provide that—

(A) the term of the agreement shall not be for more than one year;

(B) the member shall not pay a security deposit;

(C) the Secretary (except as provided in subparagraphs (D) and (E)) shall compensate the lessor for any breach of the lease by the member and for any damage to the rental unit caused by the member or by any guest or dependent of the member;

(D) the total liability of the Secretary for any breach of the lease or for any damage described in subparagraph (C) shall not exceed an amount equal to the amount that the Secretary determines would have been required by the lessor as a security deposit absent the agreement authorized in this paragraph;

(E) the Secretary shall not compensate the lessor for any breach of the lease or for any damage described in subparagraph (C) until the lessor exhausts any remedies available to the lessor against the member for the breach or damage; and

(F) the Secretary shall be subrogated to the rights of the lessor in any case in which the Secretary compensates the lessor for any breach of the lease or for any damage described in subparagraph (C).

(3) Any authority of a Secretary of a military department under this subsection shall be exercised pursuant to regulations issued by the Secretary of Defense.

(c) GARNISHMENT OF PAY OF MEMBER OF ARMED FORCES.—Any Secretary who compensates any lessor under subsection (b) for any damage to a rental unit or any breach of a lease by a member of the armed forces may issue a special order under section 1007 of title 37, United States Code, to authorize the withholding from the pay of the member of an amount equal to the amount paid by the Secretary to the lessor as compensation for the breach or damage.

(d) REPORT REQUIREMENT.—(1) The Secretary of Defense shall submit to the Congress a report concerning the pilot program established under subsection (a), including—

(A) findings and conclusions of the Secretary with respect to the pilot program; and

(B) recommendations as to the feasibility of implementing a program similar to the pilot program on all military installations.

(2) The report referred to in paragraph (1) shall be submitted before the expiration of the 18-month period following the date of the establishment of the pilot program under subsection (a).

(e) TERMINATION OF AUTHORITY.—The authority of any Secretary of a military department to enter into any contract under subsection (b) shall terminate upon the expiration of the 18-month period following the date of the establishment of the pilot program under subsection (a).

(f) DEFINITIONS.—For purposes of this section:

(1) The term "armed forces" has the meaning given such term in section 101(4) of title 10, United States Code.

(2) The term "military department" has the meaning given such term in section 101(7) of title 10, United States Code.

Mr. PANETTA (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PANETTA. Mr. Chairman, I rise to offer an amendment to the military construction authorization, H.R. 1409, which directs the Secretary of Defense to establish a pilot program involving military personnel and their civilian landlords. This amendment would give the Secretary of each branch the authority to designate one military installation in the United States for participation in this program. Under this pilot program, landlords would agree to waive security deposits when renting housing units to military personnel. In return, the Secretary of Defense would agree to guarantee payment on any breach of lease or damage, and to take that money out of the service member's paycheck. This pilot program would run for 1 year, and at the end of that time, we could evaluate its results and consider the possibility of enlarging the program.

All of my colleagues are aware of the tremendous financial and emotional pressures inflicted on our military personnel and their families. This already tense situation is made even worse during a permanent change of station move. Travel and relocation expenses come out of the pockets of our service men and women. Reimbursement comes later, although only $1 out of every $4 spent on a PCS move are reimbursed under the existing system, according to an Air Force study. And when a military family arrives in a new location, it must meet the immediate costs of security deposits, first and last months' rent, utility deposits, and more. Before you can even blink, the military family can be $4,000 in debt. And 2 years later, the military family has to go through the whole process again.

This year, I am proud to say, the Congress has come a long way in dealing with the pressures and inequities inflicted on our men and women in uniform and their families. I am pleased that my own legislation, H.R. 1371, was the first legislative effort in this area. Many of my proposals regarding PCS moves and travel expenses were incorporated in the Department of Defense authorization passed by the House last month.

One of my proposals, however, and one which I feel could lead us even further down the road toward easing the financial burden on our military family, is my proposal to initiate a pilot program involving military personnel and their landlords. Under this program, a landlord would agree not to require a security deposit or last month's rent of a service member. In return, the military post at which the individual is stationed would agree to meet any financial obligations involved in damage or a breach of lease by the service member when that individual is transferred to another post. The amount of the reimbursement could not exceed the amount the Secretary determines would have been required by the lessor as a security deposit if no pilot program were in effect. The Secretary of Defense would then have the authority to garnish the wages of the service member in order to cover any funds paid out to the landlord.

Thus, no appropriation of funds is necessary because the service member would be ultimately responsible for meeting the costs of any damage or breach of lease. Although this pilot program would involve an initial outlay of funds to reimburse landlords, this outlay of funds would be done at the same time money was being withheld from the paycheck of the individual service member. Thus, this program would guarantee that any outlay of funds would be matched with incoming funds, so that no expenditure or appropriation is involved.

I know from my own experience that landlords on the Monterey Peninsula are interested in this program. They understand the hardships imposed on the military family, and they understand that this program guarantees payment for damages and breach of lease, so long as the payment does not exceed the amount of the usual security deposit. They realize, also, that this program would relieve some of the difficulties they experience in renting to military personnel. This program would give landlords one point of contact for all their military tenants and a source of information regarding military personnel who may soon be transferred, thus enabling landlords to prepare for a change in the lease.

Mr. Chairman, I believe the success of this pilot program could lead to a service wide program that would permanently solve one of the major problems facing our military personnel, and do away with certainly one of their largest financial burdens. What is more, no one loses in this program; everybody wins. Landlords are guaranteed their payment, our military personnel are able to use their much-needed money for necessities, and the services are guaranteed reimbursement for any outlays to jilted landlords. It is almost inconceivable that so much good can come from a program that will not cost us anything, and yet imagine the benefits.

When the House voted earlier to accept many of my proposals to ease the burdens on our military personnel, service men and women all over the world breathed a sigh of relief. But we have not yet addressed one of the most pressing, and financially disabling, issues. The test program I propose would address this issue, and I urge my colleagues to support it, so that one day our military men and women will not look on military service as a financially crippling and emotionally draining experience.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I yield to the gentleman from California.

Mr. DELLUMS. I thank the gentleman for yielding.

Mr. Chairman, we believe that this is a meritorious amendment. This amendment establishes a pilot program to allow the branches of services to establish a program whereby the security deposits can be waived for military personnel. I have toured a number of military bases in this country. You find a young married person with a couple of children. Let us say that they come back from overseas into the United States. They move into the Fort Ord area, which is a resort area, where the cost of living is rather high, and there is a dearth of affordable housing. That young couple has to come up with the first month's rent, the last month's rent, and, in some instances, exorbitant security deposits that force them to have to take advances on their salaries, and they seem to never catch up. Many of them say, "We are lucky if we catch up by the time we are ready to move to our new duty station."

We think that if our young people are going to serve in the military, they should certainly not be adversely affected in that respect. We think that this kind of a demonstration program may lead us to other rules and regulations that would make it much easier for our young married personnel to serve. As my distinguished colleague said, the day is over when we can make the statement that if the military wanted you to have a wife, they would have requisitioned you one. The military is indeed a married military, and we have to face that reality and face up to what our responsibilities are in light of that. The gentleman has offered an important amendment. We agree with it, and we urge its adoption.

Mr. PANETTA. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. PANETTA].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. MARLENEE

Mr. MARLENEE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MARLENEE: Add the following new section at the end of title VIII (page 71, after line 9):

SEC. 819. CONVEYANCE OF LAND AT FORT WILLIAM H. HARRISON, MONTANA.

(a) IN GENERAL.—Subject to subsection (b), the Secretary of the Army (hereinafter in this section referred to as the "Secretary") is authorized to convey, without monetary consideration, to the State of Montana all right, title, and interest of the United States in and to approximately 65.4 acres of unimproved land located in the southeast corner of Fort William H. Harrison, Montana, and presently under license to the State of Montana for National Guard use.

(b) CONDITIONS.—(1) The conveyance authorized by subsection (a) shall be subject to the condition that the real property conveyed be used to establish a Montana State Veterans' Cemetery.

(2) If the property conveyed pursuant to subsection (a) is not used for the purposes described in paragraph (1), all right, title, and interest in and to such property shall revert at no cost to the United States, which shall have the right of immediate entry thereon.

(3) The Secretary shall reserve to the United States a waterline easement for use by the Veterans' Administration Hospital.

(c) LEGAL DESCRIPTION OF LAND.—The exact acreage and legal description of the property to be conveyed under subsection (a) and of the easement to be reserved under subsection (b)(3) shall be determined by surveys that are satisfactory to the Secretary. The cost of any such survey shall be borne by the State.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such other terms and conditions with respect to the conveyance as the Secretary considers appropriate to protect the interests of the United States.

Mr. MARLENEE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. MARLENEE. Mr. Chairman, the amendment I offer adding a new section to title VIII of H.R. 1409 would allow for 65.4 acres of Department of Defense land at Fort William H. Harrison in Montana, that is on long-term lease to the Montana National Guard to be used by the State of Montana for a veteran's cemetery. The reason for this transfer is to allow the State of Montana through the Montana National Guard to develop and maintain a cemetery for veterans. The Montana State Legislature has already appropriated funds for the establishment of the cemetery contingent upon our actions here today. In addition, the Montana Veterans' Association plans to donate $10,000 in startup funds. The State will, in their biennial appropriation process, fund the maintenance of the cemetery. This will not cost the Federal taxpayer one red cent.

As background, Montana does not have a national veteran's cemetery. The only cemetery accepting veterans in Montana was the Custer Battlefield National Monument in eastern Montana which has been full since January 1978. It is estimated that nearly 37,000 Montana veterans will pass away between now and the turn of the century. This amendment would provide a burial site for those who served our country.

In summary, my amendment has the support of the Army, the Montana National Guard, the Montana Governor and State Legislature, and the Montana Veterans' Association. Further and of great importance, and I repeat in this day of deficit budgets, is this measure will not cost the U.S. taxpayer any money, plus fully protecting the interests on the United States in seeing that the land is used for the intended purpose.

I urge all Members to support this amendment because it is the right thing to do. Mr. Chairman, thank you, and I yield back the balance of my time.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. MARLENEE. I yield to the gentleman from California.

Mr. DELLUMS. I thank my colleague for yielding.

Mr. Chairman and Members of the Committee, the gentleman has shared his amendment with those of us on the committee. What this entails is a land conveyance from the Army to the State of Montana for a veterans' cemetery. We certainly can find no objection to this utilization of land. Everyone who is a party to the matter is in agreement with it. We appreciate the gentleman offering the amendment. This side of the aisle finds no objection to it and we urge its adoption.

Mr. MARLENEE. I appreciate the cooperation of the chairman of the committee and the ranking minority member and the good work that they have done in this Congress.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Montana [Mr. MARLENEE].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. HOWARD

Mr. HOWARD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOWARD: Add the following new section at the end of title VIII of the bill (page 71, after line 9):

SEC. 819. FAMILY HOUSING IMPROVEMENTS AT FORT MONMOUTH, NEW JERSEY.

The Secretary of the Army may, notwithstanding the maximum amount per unit for an improvement project under section 2825(b) of title 10, United States Code, carry out a project to improve 366 existing military family housing units at Fort Monmouth, New Jersey, in the amount of $14,800,000. These housing units include 135 housing units authorized by section 101 of this Act and 231 housing units authorized in section 101 of the Military Construction Authorization Act, 1985.

Mr. HOWARD (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. HOWARD. Mr. Chairman, I would like to congratulate the chairman and the ranking minority member and the members of the subcommittee for this fine legislation.

Mr. Chairman, I rise to offer an amendment to H.R. 1409 which would allow Fort Monmouth, a major military installation in my district, to exceed the $30,000 statutory limit per dwelling unit for major improvements to Wherry Housing.

Fort Monmouth needs the limit raised to $38,000 per dwelling unit so that the electrical distribution system can be upgraded to support the installation of kitchen areas, heating and air conditioning systems, hot water heaters, and other items in the Wherry Housing which will enhance the quality of life for Fort Monmouth junior enlisted soldiers and their families. The current electrical distribution system cannot provide the necessary power.

Fort Monmouth does not need a new appropriation to fund this increase. The additional expense will be paid with Army savings. All that is needed is an increased authorization.

Officials at Fort Monmouth have stated that, with this increased authorization, Fort Monmouth will be able to award contracts in fiscal year 1986 that would allow the major interior improvements and the upgrading of the electrical distribution system to be performed concurrently, thereby accelerating completion of the renovation program by 1½ years.

Mr. Chairman, I urge my colleagues to support this amendment and provide Fort Monmouth with the authorization it needs.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. HOWARD. I yield to the gentleman from California.

Mr. DELLUMS. I thank the gentleman for yielding.

Mr. Chairman, as the gentleman points out, there is no need for money. This is a language amendment. The amendment is a meritorious amendment. The subcommittee reviewed the amendment subsequent to markup and we have agreed to accept the amendment on this side. We urge its adoption.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey.

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title VIII?

Mr. DELLUMS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, we now come to the end of the debate and end of the markup on this important bill. The Chair tried to carry out his responsibilities that have been bestowed upon me by my colleagues to chair this committee. It is a responsibility that I accept and I appreciate very much. I think all of the Members at some point in our careers serving in this body would hope that we could have the opportunity to serve as subcommittee chairpersons or full committee chairpersons or exercise some leadership in this body. After 15 years, I have been granted that opportunity to do it. This is my third opportunity to come to the floor of this body to bring the military construction authorization bill to the floor. I have tried to carry out that responsibility. I have tried to address my colleagues on both sides of the aisle, Republican and Democrat, senior Member, junior Member. We have tried to carry out our business without discrimination, without prejudice, without rancor.

As everyone in this body knows, this gentleman has been a critic of our military policy over the years. I want to take a few moments to indicate why at this particular point, now that we have brought the bill to fruition, that this gentleman will rise in opposition to the legislation.

First, let me say why I am not rising in opposition to the legislation. I am not rising in opposition to this bill to cast any doubt or aspersions upon any of my colleagues on the subcommittee. Every single one of my colleagues worked very diligently to bring this bill to the floor. Every single one of my colleagues agreed with me that there was a great need for us to enhance the quality of human life. But where we all agreed to disagree is on the basic implications of our military policy. As the Members know, this gentleman felt strongly enough to bring an alternative military budget to the floor of this House, in the hope that my colleagues would engage in a serious and substantive debate on the principles and values upon which a rational and intelligent military policy ought to be about. We have, for the most part, tended to dance around that, Mr. Chairman, but I hope that, in the future, circumstances will force us to begin to debate more fully and more comprehensively the policies that we ought to be developing that act as the basis for our military budget.

Mr. Chairman, with that, I would like to say that when we chair subcommittees, we not only function institutionally, we not only have that responsibility, but we continue to have our responsibility to represent our respective constituencies. I do not give up my politics in order to chair a subcommittee. I accept it from my colleagues graciously, with a great sense of honor and respect, and with a great deal of appreciation. But all of my colleagues know that I would not abandon the integrity of my political beliefs in order to carry out that responsibility. I am trying to demonstrate that one can indeed be in the progressive wing of the body politic and bring a military bill to the floor of this House. I am also trying to point out that I do not think people ought to be one-man or one-woman or one-person shows, that this is a group-oriented process; so I have not tried to use the prerogatives of the chair to enhance myself on a personal basis, I have not tried to use the subcommittee in any political form whatsoever. I have simply tried to accommodate my colleagues where it was appropriate and where it made sense and where it was effective and where it attempted to take this country in the direction that the majority of my colleagues saw fit.

I can see lightening and hear thunder with the best of them, Mr. Chairman. I understand at this particular moment that my politics stand outside of the consensus that has been established by the majority of my colleagues. But nevertheless I still believe that it is important to those of us who have an alternative perspective to take the opportunity to stand up and articulate that point of view. I hope that I have communicated to my colleagues that I am able to carry out my institutional responsibilities, but I also hope that I am able to say to my colleagues and to everyone else assembled that chairing a committee does not require one to abandon one's politics. This bill came forward 43 to 1. That is not because I voted against family housing. I worked diligently to get family housing in the bill. I am not voting against the bill because we oppose the quality of life issue. I have worked like hell, Mr. Chairman, to try to get us to embrace issues of quality of life. But more I vote against the bill not for the specific work that we did on this tiny little committee trying to carry out its responsibilities with diligence and with a sense of responsibility, but more I cast my vote in opposition because this bill simply reflects back, with the exception of the quality of life issue, the priorities and principles that we have established in the larger bill.

So I would say to those colleagues who voted "no" on the larger bill that this bill simply reflects the same priorities. Those persons who voted for it, I see no reason why they would vote against this bill. In fact, I think that because of some of the attractive aspects of this bill, in my estimation, because it does indeed embrace the quality of life aggressively, that it probably has some more favorable reasons why people would want to support it.

The CHAIRMAN. The time of the gentleman from California [Mr. DELLUMS] has expired.

(By unanimous consent, Mr. DELLUMS was allowed to proceed for 4 additional minutes.)

Mr. DELLUMS. So, Mr. Chairman, let me just say this in more specific terms and read at least part of the dissenting views that I prepared to accompany the report that accompanies this bill, just to point out and explain why this gentleman voted no:

DISSENTING VIEWS OF HON. RONALD V. DELLUMS

As Chairman of the Subcommittee on Military Installations and Facilities that reported this legislation, I know there are some very good projects included in H.R. 1409, as amended. This committee has placed a high priority on the quality of life of our military members, particularly the problems of the military families and their housing needs more specifically. This bill authorizes the construction of 5488 new housing units both in the United States and overseas for a total of over $430 million. While this bill has many benign aspects, such as accompanied and unaccompanied housing, child care centers, physical fitness facilities, family service centers, chapels, and recreational facilities, the majority of the funds are still used to carry out foreign and military policies which I disapprove or with which I disagree.

I support the housing needs of military personnel stationed overseas and believe that once assigned there they must be treated appropriately. However, I still question the policy decision that mandates the level of troop deployment in many of these countries. Overseas deployments continue to support policy decisions with which I disagree and believe should be reexamined.

The military construction budget does not exist in a vacuum, but rather exists in this larger context. It is separated from the larger defense authorization bill merely for legislative convenience. Both of these bills contain money for weapon systems to which I am opposed.

H.R. 1409, as amended, includes funding for the beddown of the following weapon systems which I continue to question:

B-1B manned bomber at $211 million;

C-5B cargo plane at $7 million;

F-15 fighter at $9 million;

Trident submarine and its missile system at $302.8 million;

M-X missile at $42 million;

Ground Launched Cruise Missile (GLCM) at $641.2 million;

Air Launched Cruise Missile (ALCM) at $29 million;

Sgt. York (DIVAD) gun at $8.9 million; and

Space Defense System at $15 million.

This bill also contains around $80 million first year funds to begin construction on two new homeports for the Navy. These two bases are estimated to cost at a minimum $300 million and the Navy is proposing to build five. I believe this decision by the Navy needs to be reexamined and looked at more carefully before we commit to spending millions of dollars on these facilities. Fuller answers must be given to determine the dangers involved with locating weapons so closely to major metropolitan areas, as well as a fuller explanation of the expected costs to the taxpayer and the local communities.

I believe that my analysis of the defense budget must be consistent and that the military construction budget is not a benign part of that process, but reflects the larger policy decisions. I stand in opposition to the military and foreign policy decisions of those who proposed these budgets and continue to oppose the results of the committee action.

There are also parts of the defense authorization bill that I support, yet it continues to impose a set of policies to which I am opposed. It assumes a military solution is possible to settle all conflicts in the world and does not accept the fact that many issues cannot be settled through the use of military force. Most conflicts are mainly political, economic and social in nature and must be met through diplomacy, not force. Therefore I believe that those who view the world in the same way I do would also come to the same conclusion about these bills.

I appreciate the responsibility which my colleagues on the committee have entrusted to me to chair this subcommittee and I hope that I have discharged my responsibilities as well as possible. However, the concerns of the constituency that elected me to Congress are not represented in this military construction budget and therefore I must cast my vote against the bill.

□ 1600

Mr. SKELTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I just wish to add, and I recall mentioning this on a previous occasion. I do understand, for one, the policy differences that the gentleman has on this. But looking at it from the institutional point of view, I compliment you and I commend you and your committee, as the gentleman so aptly pointed out, the committee work under your leadership, for the institutional work that you have done, the many, many servicemen and servicewomen who will benefit and have a better life in the service because of the work that the gentleman has done on this bill.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. SKELTON. I yield to the gentleman.

Mr. DELLUMS. I thank the gentleman for yielding to me.

Mr. Chairman, I appreciate the gentleman's compliments and I appreciate his respect. It is not an easy thing, the first time this gentleman brought up a bill and said that he would oppose it, that was a joke. I think we have to deal with our dual responsibilities here and try to think them through clearly. Once the process was over, I took my lumps in the committee; I lost my political battles. I won a few and I lost a few.

At the end of that process, I had to step back and say, "If RON DELLUMS was not in the chair, would I support the bill?" If my answer was "no," then getting back in the chair did not change that. I hope that my remarks point out why I am opposing the bill, and I would like to believe that it is on policy and that it is on principle.

I appreciate the respect of my colleagues and I think my colleagues did a fantastic job in bringing what I believe to be a much better bill than might have been brought some years ago.

Mr. SKELTON. The gentleman certainly has our commendation and our respect.

The CHAIRMAN. Are there further amendments? If not, the question is on the Committee amendment in the nature of a substitute, as amended.

The Committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. PANETTA] having assumed the chair, Mr. GLICKMAN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1409) to authorize certain construction at military installations for fiscal year 1986, and for other purposes, pursuant to House Resolution 196, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the Committee amendment in the nature of a substitute adopted by the Committee of the Whole?

If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. WEISS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 354, nays 38, not voting 42, as follows:

[Roll No. 360]

YEAS—354

Akaka	Archer	Bateman
Alexander	Armey	Beilenson
Anderson	Atkins	Bennett
Andrews	Barnard	Bentley
Annunzio	Barnes	Bereuter
Anthony	Bartlett	Berman
Applegate	Barton	Bevill

Biaggi	Gejdenson	McCollum
Bilirakis	Gekas	McDade
Bliley	Gephardt	McEwen
Boehlert	Gibbons	McHugh
Boggs	Gilman	McKernan
Boland	Gingrich	McKinney
Boner (TN)	Glickman	McMillan
Bonior (MI)	Gonzalez	Meyers
Bonker	Goodling	Mica
Borski	Gordon	Michel
Boucher	Gradison	Mikulski
Boulter	Gray (IL)	Miller (CA)
Boxer	Gray (PA)	Miller (OH)
Breaux	Green	Moakley
Brooks	Gregg	Molinari
Broomfield	Grotberg	Mollohan
Brown (CA)	Guarini	Monson
Brown (CO)	Hall (OH)	Montgomery
Broyhill	Hall, Ralph	Moore
Bruce	Hamilton	Moorhead
Bryant	Hammerschmidt	Morrison (CT)
Burton (IN)	Hansen	Morrison (WA)
Byron	Hartnett	Mrazek
Callahan	Hatcher	Murphy
Campbell	Hawkins	Murtha
Carney	Hefner	Myers
Carper	Heftel	Natcher
Chandler	Hendon	Neal
Chapman	Henry	Nichols
Chappell	Hertel	Nielson
Cheney	Hiler	Nowak
Clinger	Hillis	Oakar
Coats	Holt	Olin
Cobey	Hopkins	Ortiz
Coble	Howard	Oxley
Coelho	Hoyer	Packard
Coleman (MO)	Hubbard	Panetta
Coleman (TX)	Huckaby	Parris
Combest	Hughes	Pease
Conte	Hunter	Penny
Cooper	Hutto	Pepper
Courter	Hyde	Perkins
Coyne	Ireland	Petri
Craig	Jacobs	Pickle
Daniel	Jeffords	Porter
Dannemeyer	Jenkins	Price
Darden	Johnson	Pursell
Daschle	Jones (NC)	Quillen
Daub	Jones (OK)	Rahall
Davis	Kanjorski	Ray
de la Garza	Kasich	Regula
DeLay	Kemp	Reid
Derrick	Kennelly	Richardson
DeWine	Kildee	Ridge
Dickinson	Kindness	Rinaldo
Dicks	Kleczka	Roberts
Dingell	Kolbe	Robinson
DioGuardi	Kolter	Roe
Donnelly	Kostmayer	Roemer
Dorgan (ND)	Kramer	Rose
Dornan (CA)	LaFalce	Rostenkowski
Dowdy	Lagomarsino	Roth
Downey	Lantos	Roukema
Dreier	Latta	Rowland (CT)
Duncan	Leach (IA)	Rowland (GA)
Durbin	Leath (TX)	Rudd
Dwyer	Lehman (FL)	Russo
Dyson	Lent	Sabo
Early	Levin (MI)	Saxton
Eckart (OH)	Levine (CA)	Schaefer
Eckert (NY)	Lewis (FL)	Schuette
Edgar	Lightfoot	Schulze
Edwards (OK)	Lipinski	Schumer
Emerson	Livingston	Seiberling
English	Lloyd	Sensenbrenner
Erdreich	Loeffler	Sharp
Evans (IL)	Long	Shaw
Fascell	Lott	Shelby
Fawell	Lowery (CA)	Shumway
Fazio	Lowry (WA)	Shuster
Feighan	Luken	Sikorski
Fiedler	Lungren	Siljander
Fields	Mack	Sisisky
Fish	MacKay	Skeen
Flippo	Madigan	Skelton
Florio	Manton	Slattery
Foglietta	Marlenee	Slaughter
Foley	Martin (IL)	Smith (FL)
Ford (MI)	Martin (NY)	Smith (IA)
Ford (TN)	Martinez	Smith (NE)
Fowler	Matsui	Smith (NJ)
Franklin	Mavroules	Smith, Robert (NH)
Frost	Mazzoli	Smith, Robert (OR)
Fuqua	McCain	Snowe
Gallo	McCandless	Snyder
Gaydos	McCloskey	Solarz
		Solomon
		Spence
		Spratt
		St Germain
		Staggers
		Stallings
		Stangeland
		Stenholm
		Strang
		Stratton
		Stump
		Sundquist
		Sweeney
		Swift
		Swindall
		Synar
		Tallon
		Tauzin
		Taylor
		Thomas (CA)
		Thomas (GA)
		Torres
		Traficant
		Traxler
		Udall
		Valentine
		Vander Jagt
		Visclosky
		Volkmer
		Watkins
		Weber
		Wheat
		Whitehurst
		Whitley
		Whittaker
		Whitten
		Wirth
		Wise
		Wolf
		Wolpe
		Wortley
		Wyden
		Yatron
		Young (FL)
		Zschau

NAYS—38

Ackerman	Gunderson	Savage
Bates	Hayes	Scheuer
Burton (CA)	Kastenmeier	Schroeder
Clay	Leland	Smith, Denny (OR)
Crane	Lundine	Stark
Crockett	Markey	Stokes
Dellums	Miller (WA)	Studds
Dymally	Mitchell	Tauke
Edwards (CA)	Oberstar	Towns
Evans (IA)	Obey	Walgren
Frank	Owens	Weiss
Frenzel	Rangel	Yates
Garcia	Roybal	

NOT VOTING—42

Addabbo	Jones (TN)	Rogers
Aspin	Kaptur	Schneider
AuCoin	Lehman (CA)	Torricelli
Badham	Lewis (CA)	Vento
Bedell	Lujan	Vucanovich
Bosco	McCurdy	Walker
Bustamante	McGrath	Waxman
Carr	Mineta	Weaver
Chappie	Moody	Williams
Collins	Nelson	Wilson
Conyers	O'Brien	Wright
Coughlin	Pashayan	Wylie
Dixon	Ritter	Young (AK)
Horton	Rodino	Young (MO)

□ 1620

The Clerk announced the following pairs:

On this vote:

Mr. Jones of Tennessee for with Mr. Moody against.

Mr. Torricelli for with Mrs. Collins against.

Mr. Nelson of Florida for with Mr. Dixon against.

Mr. Rodino for with Mr. Williams of Montana against.

Messrs. RANGEL, OWENS, DYMALLY, DENNY SMITH, and LUNDINE changed their votes from "yea" to "nay."

Mr. TORRES and Mr. VISCLOSKY changed their votes from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. DELLUMS. Mr. Speaker, pursuant to the provisions of House Resolution 196, I call up from the Speaker's table the Senate bill (S. 1042) to authorize certain construction at military installations for fiscal year 1986, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

MOTION OFFERED BY MR. DELLUMS

Mr. DELLUMS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. DELLUMS moves, pursuant to House Resolution 196, to strike out all after the enacting clause of the Senate bill S. 1042, and to insert in lieu thereof the provisions of the bill, H.R. 1409, as passed by the House, as follows:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Military Construction Authorization Act, 1986".

TITLE I—ARMY

SEC. 101. AUTHORIZED ARMY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—The Secretary of the Army may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations inside the United States:

UNITED STATES ARMY FORCES COMMAND

Fort Bragg, North Carolina, $68,380,000.
Fort Campbell, Kentucky, $32,530,000.
Fort Carson, Colorado, $55,450,000.
Fort Devens, Massachusetts, $610,000.
Fort Drum, New York, $2,990,000.
Fort Greely, Alaska, $2,500,000.
Fort Hood, Texas, $80,000,000.
Fort Hunter-Liggett, California, $11,100,000.
Fort Indiantown Gap, Pennsylvania, $5,300,000.
Fort Irwin, California, $30,050,000.
Fort Lewis, Washington, $110,880,000.
Fort McCoy, Wisconsin, $940,000.
Fort Meade, Maryland, $18,930,000.
Fort Ord, California, $25,820,000.
Fort Polk, Louisiana, $27,230,000.
Fort Richardson, Alaska, $3,600,000.
Fort Riley, Kansas, $49,290,000.
Fort Sam Houston, Texas, $1,440,000.
Fort Sheridan, Illinois, $3,500,000.
Fort Stewart, Georgia, $29,600,000.
Fort Wainwright, Alaska, $14,000,000.
Presidio of Monterey, California, $2,650,000.
Yakima Firing Center, Washington, $16,430,000.

UNITED STATES ARMY WESTERN COMMAND

Fort Shafter, Hawaii, $6,300,000.
Pohakuloa Training Area, Hawaii, $2,150,000.
Schofield Barracks, Hawaii, $32,460,000.

UNITED STATES ARMY TRAINING AND DOCTRINE COMMAND

Fort A.P. Hill, Virginia, $6,450,000.
Fort Belvoir, Virginia, $7,100,000.
Fort Benjamin Harrison, Indiana, $5,300,000.
Fort Benning, Georgia, $39,650,000.
Fort Bliss, Texas, $31,760,000.
Fort Dix, New Jersey, $6,100,000.
Fort Gordon, Georgia, $46,040,000.
Fort Knox, Kentucky, $20,770,000.
Fort Leavenworth, Kansas, $6,900,000.
Fort Lee, Virginia, $15,471,000.
Fort Leonard Wood, Missouri, $12,350,000.
Fort McClellan, Alabama, $39,350,000.
Fort Pickett, Virginia, $420,000.
Fort Rucker, Alabama, $11,950,000.
Fort Sill, Oklahoma, $52,000,000.
Fort Story, Virginia, $1,950,000.

MILITARY DISTRICT OF WASHINGTON

Fort Myer, Virginia, $8,300,000.

UNITED STATES ARMY MATERIEL COMMAND

Aberdeen Proving Ground, Maryland, $4,670,000.
Anniston Army Depot, Alabama, $8,960,000.
Army Materiel and Mechanics Research Center, Massachusetts, $770,000.

Corpus Christi Army Depot, Texas, $4,400,000.
Detroit Arsenal, Michigan, $320,000.
Dugway Proving Ground, Utah, $8,650,000.
Fort Wingate, New Mexico, $490,000.
Lake City Army Ammunition Plant, Missouri, $19,000,000.
McAlester Army Ammunition Plant, Oklahoma, $2,300,000.
Navajo Depot Activity, Arizona, $240,000.
New Cumberland Army Depot, Pennsylvania, $88,000,000.
Picatinny Arsenal, New Jersey, $1,000,000.
Pine Bluff Arsenal, Arkansas, $19,000,000.
Pueblo Depot Activity, Colorado, $200,000.
Red River Army Depot, Texas, $820,000.
Redstone Arsenal, Alabama, $25,750,000.
Rock Island Arsenal, Illinois, $29,000,000.
Sacramento Army Depot, California, $6,450,000.
Savanna Army Depot, Illinois, $510,000.
Seneca Army Depot, New York, $1,410,000.
Sierra Army Depot, California, $2,600,000.
Tooele Army Depot, Utah, $11,490,000.
Umatilla Depot Activity, Oregon, $260,000.
Yuma Proving Ground, Arizona, $240,000.

AMMUNITION FACILITIES

Holston Army Ammunition Plant, Tennessee, $320,000.
Indiana Army Ammunition Plant, Indiana, $210,000.
Iowa Army Ammunition Plant, Iowa, $810,000.
Kansas Army Ammunition Plant, Kansas, $570,000.
Lake City Army Ammunition Plant, Missouri, $930,000.
Louisiana Army Ammunition Plant, Louisiana, $640,000.
Radford Army Ammunition Plant, Virginia, $2,910,000.

UNITED STATES ARMY INFORMATION SYSTEMS COMMAND

Fort Huachuca, Arizona, $2,050,000.

UNITED STATES MILITARY ACADEMY

United States Military Academy, New York, $23,700,000.

UNITED STATES ARMY HEALTH SERVICES COMMAND

Fort Detrick, Maryland, $7,600,000.
Tripler Army Medical Center, Hawaii, $970,000.
Walter Reed Army Medical Center, Washington, District of Columbia, $1,150,000.

MILITARY TRAFFIC MANAGEMENT COMMAND

Bayonne Military Ocean Terminal, New Jersey, $3,200,000.
Oakland Army Base, California, $330,000.
Sunny Point Military Ocean Terminal, North Carolina, $1,200,000.

UNITED STATES ARMY CORPS OF ENGINEERS

Humphreys Engineer Center, Supt. Activity, Virginia, $11,000,000.

ASSISTANT CHIEF OF ENGINEERS

Various, United States, $3,000,000.

(b) OUTSIDE THE UNITED STATES.—The Secretary of the Army may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations outside the United States:

UNITED STATES ARMY, JAPAN

Japan, $1,050,000.

EIGHTH UNITED STATES ARMY

Camp Carroll, Korea, $25,380,000.
Camp Casey, Korea, $12,920,000.
Camp Castle, Korea, $1,100,000.
Camp Colbern, Korea, $550,000.
Camp Edwards, Korea, $1,090,000.
Camp Gary Owen, Korea, $580,000.
Camp Giant, Korea, $1,050,000.
Camp Greaves, Korea, $420,000.
Camp Hovey, Korea, $8,300,000.
Camp Howze, Korea, $1,980,000.
Camp Humphreys, Korea, $9,750,000.
Camp Kittyhawk, Korea, $1,600,000.
Camp Kyle, Korea, $3,580,000.
Camp Liberty Bell, Korea, $800,000.
Camp Market, Korea, $710,000.
Camp Page, Korea, $32,650,000.
Camp Pelham, Korea, $2,400,000.
Camp Red Cloud, Korea, $1,730,000.
Camp Stanley, Korea, $5,500,000.
K-16 Army Airfield, Korea, $2,350,000.
Location 177, Korea, $2,290,000.
Yongin, Korea, $2,550,000.
Yongson, Korea, $9,800,000.

BALLISTIC MISSILE DEFENSE SYSTEMS COMMAND

Kwajalein, $14,600,000.

UNITED STATES ARMY FORCES COMMAND OVERSEAS

Panama, $5,480,000.

UNITED STATES ARMY, EUROPE, AND SEVENTH ARMY

Amberg, Germany, $850,000.
Ansbach, Germany, $14,390,000.
Bad Kreuznach, Germany, $1,100,000.
Bad Toelz, Germany, $1,850,000.
Bamberg, Germany, $6,490,000.
Baumholder, Germany, $900,000.
Darmstadt, Germany, $29,200,000.
Frankfurt, Germany, $18,680,000.
Friedberg, Germany, $9,150,000.
Fulda, Germany, $7,200,000.
Giessen, Germany, $1,700,000.
Goeppingen, Germany, $10,250,000.
Grafenwoehr, Germany, $2,450,000.
Haingruen, Germany, $680,000.
Hanau, Germany, $48,140,000.
Heidelberg, Germany, $8,800,000.
Heilbronn, Germany, $2,200,000.
Hohenfels, Germany, $6,300,000.
Kaiserslautern, Germany, $3,450,000.
Karlsruhe, Germany, $4,020,000.
Neu Ulm, Germany, $1,000,000.
Nuremberg, Germany, $8,500,000.
Pirmasens, Germany, $14,000,000.
Schoeninger, Germany, $700,000.
Schweinfurt, Germany, $17,840,000.
Stuttgart, Germany, $4,500,000.
Vilseck, Germany, $10,290,000.
Wiesbaden, Germany, $2,900,000.
Wildflecken, Germany, $20,000,000.
Wuerzburg, Germany, $48,070,000.
Various Locations, Germany, $101,000,000.
Various Locations, Greece, $1,440,000.
Various Locations, Italy, $1,850,000.
Various Locations, Turkey, $7,440,000.

SEC. 102. FAMILY HOUSING.

The Secretary of the Army may construct or acquire family housing units (including acquisition of land) at the following installations in the number of units shown, and in the amount shown, for each installation:

Fort Ord, California, six hundred units and seventy manufactured home spaces, $50,640,000.
Fort Carson, Colorado, fifty manufactured home spaces, $712,000.
Fort Stewart, Georgia, twenty manufactured home spaces, $253,000.
Bamberg, Germany, one hundred and six units, $7,209,000.
Various locations, ninety-eight units, $6,120,000.
Vilsek, Germany, three hundred and seventy units, $26,830,000.
Fort Riley, Kansas, fifty manufactured home spaces, $700,000.
Fort Campbell, Kentucky, fifty manufactured home spaces, $689,000.
Army Materials and Mechanics Research Center, Massachusetts, one unit, $154,000.
Fort Devens, Massachusetts, twenty manufactured home spaces, $317,000.
Fort Drum, New York, eight hundred units, $67,500,000.
Fort Bragg, North Carolina, two units by reconfiguration and fifty manufactured home spaces, $637,000.
Dugway Proving Ground, Utah, one hundred and four units and twenty-four manufactured home spaces, $8,674,000.
Fort Myer, Virginia, six units, $596,000.

SEC. 103. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

(a) AMOUNT AUTHORIZED.—Subject to section 2825 of title 10, United States Code, the Secretary of the Army may make expenditures to improve existing military family housing units in an amount not to exceed $167,521,000, of which $10,950,000 is available only for energy conservation projects.

(b) WAIVER OF MAXIMUM PER UNIT COST FOR CERTAIN IMPROVEMENT PROJECTS.—Notwithstanding the maximum amount per unit for an improvement project under section 2825(b) of title 10, United States Code, the Secretary of the Army may carry out projects to improve existing military family housing units at the following installations in the number of units shown, and in the amount shown, for each installation:

Walter Reed Army Medical Center, Washington, District of Columbia, one unit, $99,000.
Fort Bragg, North Carolina, one hundred and sixty-four units, $4,712,000.
Aberdeen Proving Ground, Maryland, eighty-one units, $2,762,000.

TITLE II—NAVY

SEC. 201. AUTHORIZED NAVY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—The Secretary of the Navy may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations inside the United States:

UNITED STATES MARINE CORPS

Marine Corps Logistics Base, Barstow, California, $530,000.
Marine Corps Air Station, Beaufort, South Carolina, $6,905,000.
Marine Corps Mountain Warfare Training Center, Bridgeport, California, $1,470,000.
Marine Corps Camp Detachment, Camp Elmore, Norfolk, Virginia, $3,995,000.
Marine Corps Base, Camp Lejeune, North Carolina, $24,140,000.
Marine Corps Base, Camp Pendleton, California, $25,175,000.
Marine Corps Air Facility, Camp Pendleton, California, $14,310,000.
Marine Corps Air Station, Cherry Point, North Carolina, $36,450,000.
Marine Corps Air Station, El Toro, California, $30,375,000.
Marine Corps Air Station, Kaneohe Bay, Hawaii, $17,420,000.
Marine Corps Air Station, New River, North Carolina, $10,780,000.
Marine Corps Recruit Depot, Parris Island, South Carolina, $3,610,000.
Marine Corps Air Station, Tustin, California, $17,970,000.
Marine Corps Air-Ground Combat Center, Twentynine Palms, California, $22,670,000.
Marine Corps Development and Education Command, Quantico, Virginia, $7,060,000.
Marine Corps Air Station, Yuma, Arizona, $14,700,000.

CHIEF OF NAVAL RESEARCH

Naval Research Laboratory, Washington, District of Columbia, $28,900,000.

OFFICE OF THE COMPTROLLER OF THE NAVY

Navy Finance Center, Cleveland, Ohio, $2,940,000.

CHIEF OF NAVAL OPERATIONS

Naval Academy, Annapolis, Maryland, $1,880,000.

Naval Space Command, Dahlgren, Virginia, $4,700,000.

Navy Regional Data Automation Center, Jacksonville, Florida, $10,300,000.

Naval Space Surveillance Field Station, Lewisville, Arkansas, $675,000.

Navy Tactical Interoperability Support Activity, Mayport, Florida, $470,000.

Naval Postgraduate School, Monterey, California, $13,000,000.

Navy Tactical Interoperability Support Activity, North Island, California, $585,000.

Navy Regional Data Automation Center, Norfolk, Virginia, $10,880,000.

Intelligence Center, Pacific, Pearl Harbor, Hawaii, $2,900,000.

Naval Space Surveillance Field Station, San Diego, California, $600,000.

Commandant Naval District, Washington, District of Columbia, $6,300,000.

COMMANDER IN CHIEF, ATLANTIC FLEET

Naval Air Station, Brunswick, Maine, $3,040,000.

Naval Air Station, Cecil Field, Florida, $29,835,000.

Naval Station, Charleston, South Carolina, $9,960,000.

Naval Air Station, Jacksonville, Florida, $5,800,000.

Naval Amphibious Base, Little Creek, Virginia, $16,370,000.

Naval Station, Mayport, Florida, $10,820,000.

Naval Submarine Base, New London, Connecticut, $365,000.

Naval Station, New York, New York, $86,260,000.

Naval Air Station, Norfolk, Virginia, $10,675,000.

Naval Station, Norfolk, Virginia, $800,000.

Naval Air Station, Oceana, Virginia, $16,940,000.

Naval Facility, Radio Island, North Carolina, $17,640,000.

COMMANDER IN CHIEF, PACIFIC FLEET

Naval Facility, Adak, Alaska, $2,650,000.

Naval Air Station, Alameda, California, $8,650,000.

Naval Submarine Base, Bangor, Washington, $5,200,000.

Amphibious Task Force, Camp Pendleton, California, $9,020,000.

Naval Amphibious Base, Coronado, California, $16,150,000.

Naval Station, Everett, Washington, $17,640,000.

Naval Air Station, Fallon, Nevada, $36,500,000.

Naval Air Station, Lemoore, California, $2,300,000.

Naval Station, Long Beach, California, $17,230,000.

Naval Air Station, Miramar, California, $385,000.

Naval Air Station, North Island, California, $18,593,000.

Commander, Oceanographic System, Pacific, Pearl Harbor, Hawaii, $1,180,000.

Naval Submarine Base, Pearl Harbor, Hawaii, $2,900,000.

Naval Station, San Diego, California, $16,197,000.

Naval Submarine Base, San Diego, California, $14,120,000.

Naval Station Mare Island, Vallejo, California, $735,000.

Naval Air Station, Whidbey Island, Washington, $2,650,000.

CHIEF OF NAVAL EDUCATION AND TRAINING

Fleet and Mine Warfare Training Center, Charleston, South Carolina, $1,180,000.

Naval Amphibious School, Coronado, California, $9,330,000.

Surface Warfare Officers School Command Detachment, Coronado, California, $5,200,000.

Naval Air Station, Corpus Christi, Texas, $4,360,000.

Fleet Combat Training Center, Atlantic, Dam Neck, Virginia, $9,640,000.

Naval Explosive Ordnance Disposal School, Eglin, Florida, $13,700,000.

Naval Training Center, Great Lakes, Illinois, $20,740,000.

Naval Construction Training Center, Gulfport, Mississippi, $2,460,000.

Naval Amphibious School, Little Creek, Virginia, $420,000.

Naval Air Station, Memphis, Tennessee, $11,695,000.

Naval Air Station, Meridian, Mississippi, $450,000.

Naval Submarine School, New London, Connecticut, $13,300,000.

Naval Education and Training Center, Newport, Rhode Island, $19,580,000.

Naval Training Center, Orlando, Florida, $9,400,000.

Naval Air Station, Pensacola, Florida, $225,000.

Naval Technical Training Center, Pensacola, Florida, $5,670,000.

Naval Construction Training Center, Port Hueneme, California, $4,800,000.

Fleet Anti-Submarine Warfare Training Center, Pacific, San Diego, California, $7,850,000.

Fleet Combat Training Center, Pacific, San Diego, California, $305,000.

Fleet Training Center, San Diego, California, $4,750,000.

Naval Training Center, San Diego, California, $2,900,000.

Naval Technical Training Center, San Francisco, California, $1,570,000.

Naval Air Station, Whiting Field, Florida, $810,000.

NAVAL MILITARY PERSONNEL COMMAND

Navy Band, Washington, District of Columbia, $1,900,000.

NAVAL MEDICAL COMMAND

Naval Medical Clinic, Annapolis, Maryland, $12,540,000.

Naval Hospital, Groton, Connecticut, $8,720,000.

Naval Hospital, Jacksonville, Florida, $18,600,000.

Naval Hospital, Long Beach, California, $6,300,000.

Naval Hospital, Oak Harbor, Washington, $13,900,000.

Naval Hospital, Pensacola, Florida, $7,250,000.

Naval Hospital, San Diego, California, $450,000.

CHIEF OF NAVAL MATERIEL

Naval Air Rework Facility, Alameda, California, $24,980,000.

Puget Sound Naval Shipyard, Bremerton, Washington, $30,945,000.

Naval Supply Center, Bremerton, Washington, $1,520,000.

Naval Weapons Station, Charleston, South Carolina, $4,070,000.

Polaris Missile Facility, Atlantic, Charleston, South Carolina, $1,620,000.

Naval Air Rework Facility, Cherry Point, North Carolina, $17,620,000.

Naval Weapons Center, China Lake, California, $9,315,000.

Naval Weapons Station, Earle, New Jersey, $3,720,000.

Naval Construction Battalion Center, Gulfport, Mississippi, $2,550,000.

Naval Ordnance Station, Indian Head, Maryland, $1,570,000.

Naval Supply Center, Jacksonville, Florida, $1,555,000.

Naval Undersea Warfare Engineering Station, Keyport, Washington, $2,440,000.

Naval Submarine Base, Kings Bay, Georgia, $388,360,000.

Naval Air Engineering Center, Lakehurst, New Jersey, $600,000.

Long Beach Naval Shipyard, Long Beach, California, $7,160,000.

Naval Ordnance Station, Louisville, Kentucky, $16,950,000.

Naval Air Rework Facility, Norfolk, Virginia, $13,080,000.

Naval Supply Center, Norfolk, Virginia, $2,350,000.

Naval Air Rework Facility, North Island, California, $9,465,000.

Naval Supply Center, Oakland, California, $7,890,000.

Pearl Harbor Naval Shipyard, Pearl Harbor, Hawaii, $1,860,000.

Navy Public Works Center, Pearl Harbor, Hawaii, $13,700,000.

Navy Public Works Center, Pensacola, Florida, $8,430,000.

Pacific Missile Test Center, Point Mugu, California, $10,200,000.

Naval Construction Battalion Center, Port Hueneme, California, $23,650,000.

Naval Ship Weapon Systems Engineering Station, Port Hueneme, California, $10,780,000.

Naval Electronic Systems Engineering Center, Portsmouth, Virginia, $3,255,000.

Norfolk Naval Shipyard, Portsmouth, Virginia, $6,690,000.

Naval Electronic Systems Engineering Center, San Diego, California, $27,450,000.

Naval Supply Center, San Diego, California, $7,100,000.

Naval Electronic Systems Engineering Activity, Saint Inigoes, Maryland, $15,550,000.

Mare Island Naval Shipyard, Vallejo, California, $5,915,000.

Naval Air Development Center, Warminster, Pennsylvania, $4,220,000.

Naval Mine Warfare Engineering Activity, Yorktown, Virginia, $4,120,000.

NAVAL OCEANOGRAPHY COMMAND

Naval Oceanography Command Facility, Jacksonville, Florida, $390,000.

Naval Western Oceanography Center, Pearl Harbor, Hawaii, $4,500,000.

NAVAL TELECOMMUNICATIONS COMMAND

Naval Radio Station, Sugar Grove, West Virginia, $785,000.

NAVAL SECURITY GROUP COMMAND

Naval Security Group Activity, Adak, Alaska, $980,000.

Naval Security Group Activity, Northwest, Chesapeake, Virginia, $1,385,000.

Naval Security Group Activity, Skaggs Island, California, $395,000.

Naval Security Group Activity, Winter Harbor, Maine, $3,280,000.

(b) OUTSIDE THE UNITED STATES.—The Secretary of the Navy may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations outside the United States:

MARINE CORPS

Marine Corps Air Station, Iwakuni, Japan, $1,775,000.

Marine Corps Air Station, Futenma, Okinawa, Japan, $2,990,000.
Marine Corps Base Camp Smedley D. Butler, Okinawa, Japan, $2,250,000.

COMMANDER IN CHIEF, ATLANTIC FLEET

Naval Facility, Argentia, Newfoundland, Canada, $700,000.
Naval Station, Guantanamo Bay, Cuba, $22,410,000.
Naval Station, Keflavik, Iceland, $1,270,000.
Atlantic Fleet Weapons Training Facility, Roosevelt Roads, Puerto Rico, $7,100,000.
Naval Station, Roosevelt Roads, Puerto Rico, $14,700,000.

COMMANDER IN CHIEF, PACIFIC FLEET

Navy Support Facility, Diego Garcia, Indian Ocean, $16,530,000.
Naval Air Facility, Diego Garcia, Indian Ocean, $22,450,000.
Naval Magazine, Guam, $11,270,000.
Naval Supply Depot, Guam, $6,550,000.
Naval Station, Guam, $10,200,000.
Naval Ship Repair Facility, Guam, $990,000.
Naval Magazine, Subic Bay, Republic of the Philippines, $250,000.
Naval Ship Repair Facility, Subic Bay, Republic of the Philippines, $13,270,000.

COMMANDER IN CHIEF, UNITED STATES NAVAL FORCES EUROPE

Naval Activities, London, United Kingdom, $7,635,000.
Naval Support Activity, Naples, Italy, $7,750,000.
Naval Air Station, Sigonella, Italy, $5,930,000.
Personnel Support Activity, London, United Kingdom, $450,000.

CHIEF OF NAVAL MATERIEL

Navy Public Works Center, Guam, $1,080,000.
Navy Public Works Center, Yokosuka, Japan, $4,400,000.

NAVAL TELECOMMUNICATIONS COMMAND

Naval Communication Area Master Station, Western Pacific, Guam, $8,945,000.
Naval Communication Station, Harold E. Holt, Exmouth, Australia, $2,690,000.

NAVAL SECURITY GROUP COMMAND

Naval Security Group Detachment, Diego Garcia, Indian Ocean, $3,700,000.

HOST NATION INFRASTRUCTURE SUPPORT

Various Locations, $980,000.

SEC. 202. FAMILY HOUSING.

(a) IN GENERAL.—The Secretary of the Navy may construct or acquire family housing units (including acquisition of land) at the following installations in the number of units shown, and in the amount shown, for each installation:
Naval Air Station, Adak, Alaska, one hundred units, $15,500,000.
Marine Corps Air Station, El Toro, California, two hundred and eighty-two units, $29,800,000.
Marine Corps Air-Ground Combat Center, Twentynine Palms, California, one hundred units, $8,400,000.
Navy Public Works Center, San Diego, California, two hundred units, $15,200,000.
Fleet Training Group Pacific, Warner Springs, California, forty-four units, $4,400,000.
Naval Weapons Station, Earle, New Jersey, two hundred units, $15,400,000.
Aviation Supply Office, Philadelphia, Pennsylvania, one unit, $170,000.
Navy Public Works Center, Subic Bay, Republic of the Philippines, three hundred units, $24,180,000.

(b) NAVAL PUBLIC WORKS CENTER, SAN DIEGO.—The Secretary of the Navy may construct the two hundred housing units authorized by subsection (a) for the Navy Public Works Center, San Diego, California, at Telegraph Point or at any other suitable and appropriate site.

SEC. 203. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

(a) AMOUNT AUTHORIZED.—Subject to section 2825 of title 10, United States Code, the Secretary of the Navy may make expenditures to improve existing military family housing units in an amount not to exceed $34,020,000.

(b) WAIVER OF MAXIMUM PER UNIT COST FOR CERTAIN IMPROVEMENT PROJECTS.—Notwithstanding the maximum amount per unit for an improvement project under section 2825(b) of title 10, United States Code, the Secretary of the Navy may carry out projects to improve existing military family housing units at the following installations in the number of units shown, and in the amount shown, for each installation:
Navy Public Works Center, San Diego, California, three hundred seventy-two units, $17,610,000.
Naval Air Station, Whidbey Island, Washington, one unit, $56,500.

SEC. 204. TRANSIENT HOUSING UNITS, CHINHAE, KOREA.

The Secretary of the Navy may convert the four existing transient housing units contained in Building 706 in Chinhae, Korea, to family housing units.

TITLE III—AIR FORCE

SEC. 301. AUTHORIZED AIR FORCE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—The Secretary of the Air Force may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations inside the United States:

AIR FORCE LOGISTICS COMMAND

Hill Air Force Base, Utah, $28,280,000.
Kelly Air Force Base, Texas, $41,699,000.
McClellan Air Force Base, California, $63,129,000.
Robins Air Force Base, Georgia, $7,350,000.
Tinker Air Force Base, Oklahoma, $33,100,000.
Wright-Patterson Air Force Base, Ohio, $21,890,000.

AIR FORCE SYSTEMS COMMAND

Brooks Air Force Base, Texas, $2,500,000.
Edwards Air Force Base, California, $7,250,000.
Eglin Air Force Base, Florida, $14,560,000.
Hanscom Air Force Base, Massachusetts, $27,150,000.
Sunnyvale Air Force Station, California, $2,700,000.

AIR FORCE RESERVE

Billy Mitchell Field, Wisconsin, $500,000.

AIR NATIONAL GUARD

Buckley Air National Guard Base, Colorado, $12,370,000.

AIR TRAINING COMMAND

Chanute Air Force Base, Illinois, $1,730,000.
Goodfellow Air Force Base, Texas, $29,950,000.
Keesler Air Force Base, Mississippi, $10,500,000.
Lackland Air Force Base, Texas, $22,750,000.
Laughlin Air Force Base, Texas, $1,900,000.
Lowry Air Force Base, Colorado, $6,850,000.
Mather Air Force Base, California, $2,700,000.
Randolph Air Force Base, Texas, $3,200,000.
Reese Air Force Base, Texas, $3,250,000.
Sheppard Air Force Base, Texas, $16,150,000.
Vance Air Force Base, Oklahoma, $4,210,000.
Williams Air Force Base, Arizona, $660,000.

AIR UNIVERSITY

Gunter Air Force Station, Alabama, $6,000,000.
Maxwell Air Force Base, Alabama, $12,000,000.

ALASKAN AIR COMMAND

Attu Research Site, Alaska, $910,000.
Eielson Air Force Base, Alaska, $44,950,000.
Elmendorf Air Force Base, Alaska, $5,000,000.
King Salmon Airport, Alaska, $8,600,000.
Shemya Air Force Base, Alaska, $45,900,000.

MILITARY AIRLIFT COMMAND

Altus Air Force Base, Oklahoma, $13,160,000.
Andrews Air Force Base, Maryland, $10,120,000.
Base 24, Classified Location, $6,170,000.
Bolling Air Force Base, District of Columbia, $250,000.
Charleston Air Force Base, South Carolina, $1,620,000.
Dover Air Force Base, Delaware, $3,090,000.
Eglin Auxiliary Field 9, Florida, $1,700,000.
Kirtland Air Force Base, New Mexico, $60,330,000.
McChord Air Force Base, Washington, $2,240,000.
McGuire Air Force Base, New Jersey, $16,100,000.
Norton Air Force Base, California, $4,570,000.
Pope Air Force Base, North Carolina, $440,000.
Scott Air Force Base, Illinois, $17,150,000.
Travis Air Force Base, California, $10,300,000.

PACIFIC AIR FORCES

Hickam Air Force Base, Hawaii, $480,000.
Wheeler Air Force Base, Hawaii, $5,050,000.

SPACE COMMAND

Cape Cod Air Force Station, Massachusetts, $600,000.
Cavalier Air Force Station, North Dakota, $950,000.
Clear Air Force Station, Alaska $4,500,000.
Peterson Air Force Base, Colorado, $5,200,000.

SPECIAL PROJECT

Various Locations, $55,000,000.

STRATEGIC AIR COMMAND

Barksdale Air Force Base, Louisiana, $1,400,000.
Base 34, Classified Location, $8,920,000.
Beale Air Force Base, California, $6,950,000.
Belle Fourche Air Force Station, South Dakota, $4,080,000.
Blytheville Air Force Base, Arkansas, $4,260,000.
Carswell Air Force Base, Texas, $3,150,000.
Castle Air Force Base, California, $3,300,000.
Dyess Air Force Base, Texas, $16,950,000.
Ellsworth Air Force Base, South Dakota, $72,064,000.
Fairchild Air Force Base, Washington, $12,500,000.

F.E. Warren Air Force Base, Wyoming, $12,550,000.
Grand Forks Air Force Base, North Dakota, $62,730,000.
Griffiss Air Force Base, New York, $2,740,000.
Grissom Air Force Base, Indiana, $1,700,000.
K.I. Sawyer Air Force Base, Michigan, $22,580,000.
Malmstrom Air Force Base, Montana, $1,300,000.
March Air Force Base, California, $9,000,000.
McConnell Air Force Base, Kansas, $71,490,000.
Minot Air Force Base, North Dakota, $5,000,000.
Offutt Air Force Base, Nebraska, $4,740,000.
Pease Air Force Base, New Hampshire, $1,200,000.
Plattsburgh Air Force Base, New York, $1,050,000.
Vandenberg Air Force Base, California, $1,960,000.
Whiteman Air Force Base, Missouri, $4,650,000.
Wurtsmith Air Force Base, Michigan, $5,300,000.

TACTICAL AIR COMMAND

Bergstrom Air Force Base, Texas, $770,000.
Davis-Monthan Air Force Base, Arizona, $8,230,000.
England Air Force Base, Louisiana, $4,900,000.
George Air Force Base, California, $12,640,000.
Holloman Air Force Base, New Mexico, $16,850,000.
Homestead Air Force Base, Florida, $7,015,000.
Langley Air Force Base, Virginia, $8,680,000.
Luke Air Force Base, Arizona, $14,780,000.
MacDill Air Force Base, Florida, $8,850,000.
Moody Air Force Base, Georgia, $24,030,000.
Mountain Home Air Force Base, Idaho, $14,600,000.
Myrtle Beach Air Force Base, South Carolina, $430,000.
Nellis Air Force Base, Nevada, $17,860,000.
Seymour-Johnson Air Force Base, North Carolina, $2,320,000.
Shaw Air Force Base, South Carolina, $13,300,000.
Tyndall Air Force Base, Florida, $8,780,000.

UNITED STATES AIR FORCE ACADEMY

Air Force Academy, Colorado, $10,310,000.

(b) OUTSIDE THE UNITED STATES.—The Secretary of the Air Force may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations outside the United States:

MILITARY AIRLIFT COMMAND

Lajes Field, Portugal, $25,285,000.
Rhein-Main Air Base, Germany, $11,600,000.

PACIFIC AIR FORCES

Camp Zama, Japan, $1,500,000.
Kadena Air Base, Japan, $27,650,000.
Misawa Air Base, Japan, $9,500,000.
Yokota Air Base, Japan, $13,750,000.
Kimhae Air Base, Korea, $10,400,000.
Kunsan Air Base, Korea, $9,000,000.
Kwang-Ju Air Base, Korea, $16,310,000.
Osan Air Base, Korea, $24,510,000.
Sachon Air Base, Korea, $310,000.
Diego Garcia Air Base, Indian Ocean, $5,300,000.
Clark Air Base, Republic of the Philippines, $15,050,000.

SPACE COMMAND

Thule Air Base, Greenland, $12,350,000.
Sondrestrom Air Base, Greenland, $5,750,000.
GEODSS Site 5, Portugal, $14,650,000.
Pirinclik Air Station, Turkey, $2,600,000.
BMEWS Site III, Fylingdales, United Kingdom, $3,100,000.

TACTICAL AIR COMMAND

Howard Air Force Base, Panama, $2,172,000.

UNITED STATES AIR FORCES IN EUROPE

Florennes Air Base, Belgium, $5,860,000.
Ahlhorn Air Base, Germany, $350,000.
Bitburg Air Base, Germany, $9,050,000.
Einsiedlerhof, Germany, $2,900,000.
Hahn Air Base, Germany, $8,160,000.
Hessisch Oldendorf Air Station, Germany, $1,230,000.
Kapaun Air Station, Germany, $900,000.
Leipheim Air Base, Germany, $350,000.
Marienfelde Communications Station, Germany, $2,550,000.
Norvenich Air Base, Germany, $350,000.
Pruem Air Station, Germany, $1,250,000.
Ramstein Air Base, Germany, $17,470,000.
Sembach Air Base, Germany, $6,460,000.
Spangdahlem Air Base, Germany, $14,860,000.
Various Locations, Germany, $940,000.
Vogelweh Air Station, Germany, $1,250,000.
Wenigerath Storage Site, Germany, $1,700,000.
Zweibrucken Air Base, Germany, $4,550,000.
Aviano Air Base, Italy, $5,070,000.
Comiso Air Station, Italy, $6,280,000.
Decimomannu Air Base, Italy, $2,800,000.
San Vito Air Station, Italy, $1,590,000.
Morocco, $3,100,000.
Camp New Amsterdam, The Netherlands, $2,710,000.
Keizerveer Air Base, The Netherlands, $270,000.
Vught, The Netherlands, $310,000.
Ankara Air Station, Turkey, $950,000.
Incirlik Air Base, Turkey, $11,570,000.
Karatas, Turkey, $2,330,000.
RAF Alconbury, United Kingdom, $20,910,000.
RAF Bentwaters, United Kingdom, $12,050,000.
RAF Chicksands, United Kingdom, $1,630,000.
RAF Fairford, United Kingdom, $7,400,000.
RAF Greenham Common, United Kingdom, $2,840,000.
RAF Lakenheath, United Kingdom, $10,320,000.
RAF Mildenhall, United Kingdom, $8,230,000.
RAF Molesworth, United Kingdom, $21,063,000.
RAF Sculthorpe, United Kingdom, $2,350,000.
RAF Upper Heyford, United Kingdom, $4,640,000.
Various Locations, United Kingdom, $3,600,000.
Base 25, Classified Location, $4,500,000.
Base 29, Classified Location, $3,500,000.
Base 30, Classified Location, $4,830,000.
Base 33, Classified Location, $9,450,000.
Various Locations, Europe, $4,450,000.

SEC. 302. FAMILY HOUSING.

The Secretary of the Air Force may construct or acquire family housing units (including acquisition of land) at the following installations in the number of units shown, and in the amount shown, for each installation:

Florennes, Belgium, four hundred units, $29,200,000.
Hahn Air Base, Germany, four hundred and forty units, $33,000,000.
Ramstein Air Base, Germany, four hundred units, $30,000,000.
Osan Air Base, Korea, family housing support facilities, $1,200,000.
Camp New Amsterdam, The Netherlands, one hundred and forty units, $11,000,000.
Clark Air Base, Republic of the Philippines, four hundred and fifty units, $37,900,000.
Belle Fourche Air Force Station, South Dakota, fifty units, $4,000,000.
Hanscom Air Force Base, Massachusetts, one hundred and sixty-three units, $14,200,000.

SEC. 303. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

(a) AMOUNT AUTHORIZED.—Subject to section 2825 of title 10, United States Code, the Secretary of the Air Force may make expenditures to improve existing military family housing units in an amount not to exceed $61,300,000, of which $19,939,000 is available only for energy conservation projects.

(b) WAIVER OF MAXIMUM PER UNIT COST FOR CERTAIN IMPROVEMENT PROJECTS.—Notwithstanding the maximum amount per unit for an improvement project under section 2825(b) of title 10, United States Code, the Secretary of the Air Force may carry out projects to improve existing military family housing units at the following installations in the number of units shown, and in the amount shown, for each installation:

Bolling Air Force Base, District of Columbia, twenty-four units, $1,200,000.
Scott Air Force Base, Illinois, three hundred and twenty-eight units, $12,532,000.
Offutt Air Force Base, Nebraska, thirty-two units, $2,873,000.
Kirtland Air Force Base, New Mexico, one hundred and ten units, $3,724,000.
Ramstein Air Base, Germany, two hundred and eighty units, $10,279,000.
Andersen Air Force Base, Guam, one hundred units, $6,605,000.
Kadena Air Base, Japan, two hundred and thirty-five units, $12,163,000.
Clark Air Base, Philippines, twenty-nine units, $1,042,000.

(c) IMPROVEMENT PROJECT AT PETERSON AIR FORCE BASE, COLORADO.—(1) To support the United States Space Command (USSPACECOM), the Secretary of the Air Force may carry out an improvement project at Peterson Air Force Base, Colorado, to add to and alter an existing facility and (notwithstanding section 2826 of title 10, United States Code) convert it to a family housing unit with a maximum net floor area of 3,100 square feet at a cost not to exceed $81,000.

(2) The amount of the project authorized by this subsection shall not be considered to increase the amount authorized to be appropriated by this Act for functions of the Department of the Air Force.

(3) For purposes of this subsection, the term "net floor area" has the same meaning given that term by section 2826(f) of title 10, United States Code.

TITLE IV—DEFENSE AGENCIES

SEC. 401. AUTHORIZED CONSTRUCTION PROJECTS AND LAND ACQUISITION FOR THE DEFENSE AGENCIES.

(a) INSIDE THE UNITED STATES.—The Secretary of Defense may acquire real property and carry out military construction projects in the amounts shown for each of the follow-

ing installations and locations inside the United States:

DEFENSE LOGISTICS AGENCY

Defense Property Disposal Office, Anchorage, Alaska, $1,390,000.
Defense Property Disposal Office, Alameda, California, $1,320,000.
Defense Property Disposal Office, Barstow, California, $825,000.
Defense Fuel Support Point, San Diego, California, $600,000.
Defense Fuel Support Point, San Pedro, California, $700,000.
Defense Property Disposal Office, Groton, Connecticut, $625,000.
Defense Fuel Support Point, Port Tampa, Florida, $595,000.
Defense Property Disposal Office, Fort Riley, Kansas, $965,000.
Defense Fuel Support Point, Newington, New Hampshire, $1,040,000.
Defense Fuel Support Point, Verona, New York, $1,395,000.
Defense Depot, Mechanicsburg, Pennsylvania, $470,000.
Defense Depot, Memphis, Tennessee, $8,085,000.
Defense Property Disposal Office, Texarkana, Texas, $2,635,000.
Defense Depot, Ogden, Utah, $3,825,000.
Defense Property Disposal Office, Hill Air Force Base, Ogden, Utah, $750,000.
Defense General Supply Center, Richmond, Virginia, $5,355,000.
Defense Property Disposal Office, Richmond, Virginia, $650,000.
Defense Fuel Support Point, Manchester, Washington, $565,000.
Defense Property Disposal Office, F.E. Warren Air Force Base, Cheyenne, Wyoming, $1,020,000.

DEFENSE MAPPING AGENCY

Repromat Secure Storage Facility, Mineral Wells, Texas, $900,000.

NATIONAL SECURITY AGENCY

Fort Meade, Maryland, $7,078,000.

OFFICE OF THE SECRETARY OF DEFENSE

Classified Location, $12,000,000.
Fort McNair, Washington, District of Columbia, $25,000,000.
Classified Location, $3,142,000.

(b) OUTSIDE THE UNITED STATES.—The Secretary of Defense may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations outside the United States:

DEFENSE LOGISTICS AGENCY

Defense Property Disposal Office, Kaiserslautern, Germany, $360,000.
Defense Fuel Support Point, Chimu Wan, Okinawa, Japan, $8,160,000.
Defense Fuel Support Point, Pyongtaek, Korea, $5,820,000.
Defense Fuel Support Point, Uijongbu, Korea, $6,200,000.

NATIONAL SECURITY AGENCY

Classified Locations, $7,150,000.

DEPARTMENT OF DEFENSE OVERSEAS DEPENDENTS SCHOOLS

Florennes, Belgium, $7,420,000.
Babenhausen, Germany, $760,000.
Bamberg, Germany, $5,800,000.
Butzbach, Germany, $3,420,000.
Hanau, Germany, $7,480,000.
Heidelberg, Germany, $1,910,000.
Heilbronn, Germany, $2,520,000.
Pirmasens, Germany, $1,630,000.
Schweinfurt, Germany, $3,930,000.
Sembach Air Base, Germany, $2,170,000.
Vilseck, Germany, $6,680,000.
Sigonella, Italy, $5,360,000.
Misawa Air Base, Japan, $4,780,000.
Okinawa, Japan, $300,000.
Osan Air Base, Korea, $2,780,000.
Pusan, Korea, $1,540,000.
Taegu, Korea, $730,000.
Soesterberg Air Base, Netherlands, $4,460,000.
Clark Air Base, Republic of the Philippines, $7,190,000.
Bicester, United Kingdom, $4,570,000.
Upwood, United Kingdom, $3,240,000.
Woodbridge RAF Station, United Kingdom, $1,060,000.

SEC. 402. FAMILY HOUSING.

The Secretary of Defense may construct or acquire twenty family housing units (including acquisition of land) at classified installations in the total amount of $1,800,000.

SEC. 403. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, the Secretary of Defense may make expenditures to improve existing military family housing units in an amount not to exceed $110,000.

TITLE V—NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE

SEC. 501. AUTHORITY OF THE SECRETARY OF DEFENSE TO MAKE CONTRIBUTIONS.

The Secretary of Defense may make contributions for the North Atlantic Treaty Organization infrastructure program as provided in section 2806 of title 10, United States Code, in an amount not to exceed the amount authorized to be appropriated in section 605 plus the amount collected from the North Atlantic Treaty Organization as a result of construction previously financed by the United States.

TITLE VI—AUTHORIZATION OF APPROPRIATIONS AND RECURRING ADMINISTRATIVE PROVISIONS

SEC. 601. AUTHORIZATION OF APPROPRIATIONS, ARMY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1985, for military construction, land acquisition, and military family housing functions of the Department of the Army in the total amount of $3,410,786,000 as follows:

(1) For military construction projects inside the United States authorized by section 101(a), $1,120,111,000.

(2) For military construction projects outside the United States authorized by section 101(b), $450,290,000.

(3) For military construction projects inside the United States authorized by section 101 of the Military Construction Authorization Act, 1985, $26,000,000.

(4) For unspecified minor construction projects under section 2805 of title 10, United States Code, $31,000,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $136,100,000.

(6) For military family housing functions—

(A) for construction and acquisition of military family housing and facilities, $356,491,000; and

(B) for support of military family housing (including the functions described in section 2834 of title 10, United States Code), $1,290,794,000, of which not more than $2,520,000 may be obligated or expended for the leasing of military family housing units in the United States, the Commonwealth of Puerto Rico, and Guam, and not more than $131,047,000 may be obligated or expended for the leasing of military family housing units in foreign countries.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS AUTHORIZED IN TITLE I.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 101 may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a), and $73,000,000 (the amount authorized for the construction of the Eastern Distribution Center, New Cumberland Army Depot, Pennsylvania), and $101,000,000 (the amount authorized under section 101(b) for Various Locations, Germany).

SEC. 602. AUTHORIZATION OF APPROPRIATIONS, NAVY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1985, for military construction, land acquisition, and military family housing functions of the Department of the Navy in the total amount of $2,602,234,000 as follows:

(1) For military construction projects inside the United States authorized by section 201(a), $1,521,450,000.

(2) For military construction projects outside the United States authorized by section 201(b), $178,265,000.

(3) For unspecified minor construction projects under section 2805 of title 10, United States Code, $21,560,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $139,260,000.

(5) For advances to the Secretary of Transportation for construction of defense access roads under section 210 of title 23, United States Code, $2,960,000.

(6) For military family housing functions—

(A) for construction and acquisition of military family housing and facilities, $154,000,000; and

(B) for support of military housing (including functions described in section 2834 of title 10, United States Code), $584,739,000, of which not more than $3,545,000 may be obligated or expended for the leasing of military family housing units in the United States, the Commonwealth of Puerto Rico, and Guam, and not more than $18,934,000 may be obligated or expended for the leasing of military family housing units in foreign countries.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS AUTHORIZED IN TITLE II.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 201 may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

SEC. 603. AUTHORIZATION OF APPROPRIATIONS, AIR FORCE.

IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1985, for military construction, land acquisition, and military family housing functions of the Department of the Air Force in the total amount of $2,809,561,000 as follows:

(1) For military construction projects inside the United States authorized by section 301(a), $1,224,617,000.

(2) For military construction projects outside the United States authorized by section 301(b), $446,710,000.

(3) For unspecified minor construction projects under section 2805 of title 10, United States Code, $22,000,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $144,096,000.

(5) For advances to the Secretary of Transportation for construction of defense access roads under section 210 of title 23, United States Code, $30,240,000.

(6) For military family housing functions—

(A) for construction and acquisition of military family housing and facilities, $226,800,000; and

(B) for support of military housing (including functions described in section 2834 of title 10, United States Code), $715,098,000, of which not more than $2,711,000 may be obligated or expended for the leasing of military family housing units in the United States, the Commonwealth of Puerto Rico, and Guam, and not more than $45,402,000 may be obligated or expended for the leasing of military family housing units in foreign countries.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS AUTHORIZED IN TITLE III.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 301 may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

SEC. 604. AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1985, for military construction, land acquisition, and military family housing functions of the Department of the Defense (other than the military departments), in the total amount of $203,025,000 as follows:

(1) For military construction projects inside the United States authorized by section 401(a), $53,132,000.

(2) For military construction projects outside the United States authorized by section 401(b), $93,193,000.

(3) For unspecified minor construction projects under section 2805 of title 10, United States Code, $4,000,000.

(4) For construction projects contingency construction authority of the Secretary of Defense under section 2804 of title 10, United States Code, $5,000,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $27,400,000.

(6) For military family housing functions—

(A) for construction and acquisition of military family housing and facilities, $1,910,000; and

(B) for support of military housing (including functions described in section 2834 of title 10, United States Code), $18,390,000, of which not more than $14,933,000 may be obligated or expended for the leasing of military family housing units in foreign countries.

(b) AUTHORIZATION OF UNOBLIGATED FUNDS.—Funds appropriated to the Department of Defense for fiscal years before fiscal year 1986 for military construction functions of the Defense Agencies that remain available for obligation are hereby authorized to be made available, to the extent provided in appropriations Acts, for military construction projects authorized in section 401 in the amount of $42,025,000.

(c) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS AUTHORIZED IN TITLE IV.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variations authorized by law, the total cost of all projects carried out under section 401 may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a) and the amount specified in subsection (b).

SEC. 605. AUTHORIZATION OF APPROPRIATIONS, NATO.

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1985, for contributions by the Secretary of Defense under section 2806 of title 10, United States Code, for the share of the United States of the cost of construction projects for the North Atlantic Treaty Organization Infrastructure Program, as authorized by section 501, in the amount of $55,000,000.

SEC. 606. EXPIRATION OF AUTHORIZATIONS; EXTENSION OF CERTAIN PREVIOUS AUTHORIZATIONS.

(a) EXPIRATION OF AUTHORIZATIONS AFTER TWO YEARS.—(1) Except as provided in paragraph (2), all authorizations contained in titles I, II, III, IV, and V for military construction projects, land acquisition, family housing projects and facilities, and contributions to the NATO Infrastructure Program (and authorizations of appropriations therefor contained in sections 601 through 605) shall expire on October 1, 1987, or the date of the enactment of the Military Construction Authorization Act for fiscal year 1988, whichever is later.

(2) The provisions of paragraph (1) do not apply to authorizations for military construction projects, land acquisition, family housing projects and facilities, and contributions to the NATO Infrastructure Program (and authorizations of appropriations therefor), for which appropriated funds have been obligated before October 1, 1987, or the date of the enactment of the Military Construction Authorization Act for fiscal year 1988, whichever is later, for construction contracts, land acquisition, family housing projects and facilities, or contributions to the NATO Infrastructure Program.

(b) EXTENSION OF AUTHORIZATION OF CERTAIN FISCAL YEAR 1984 PROJECTS.—Notwithstanding the provisions of section 607(a) of the Military Construction Authorization Act, 1984 (Public Law 98-115; 97 Stat. 780), authorizations for the following projects authorized in sections 101, 201, 301, and 401 of that Act shall remain in effect until October 1, 1986, or the date of enactment of the Military Construction Authorization Act for fiscal year 1987, whichever is later:

(1) Consolidated heating system in the amount of $1,850,000 at Stuttgart, Germany.

(2) Consolidated heating system in the amount of $1,750,000 at Stuttgart, Germany.

(3) Range modernization in the amount of $2,450,000 at Wildflecken, Germany.

(4) Unaccompanied personnel housing in the amount of $1,400,000 at Argyroupolis, Greece.

(5) Operations building in the amount of $370,000 at Argyroupolis, Greece.

(6) Multipurpose recreation facility in the amount of $480,000 at Argyroupolis, Greece.

(7) Unaccompanied Officer housing in the amount of $600,000 at Perivolaki, Greece.

(8) Operations building in the amount of $410,000 at Perivolaki, Greece.

(9) Multipurpose recreation facility in the amount of $620,000 at Perivolaki, Greece.

(10) Physical fitness training center in the amount of $1,000,000 at Elefsis, Greece.

(11) Operations control center in the amount of $7,800,000 at the Naval Air Station, Brunswick, Maine.

(12) Engine test cell modifications in the amount of $1,180,000 at the Naval Air Station, Cecil Field, Florida.

(13) Land acquisition in the amount of $830,000 at the Naval Weapons Station, Concord, California.

(14) Unaccompanied enlisted personnel housing in the amount of $10,000,000 at the Naval Air Station, Jacksonville, Florida.

(15) Electrical distribution lines in the amount of $7,200,000 at the Naval Shipyard Mare Island, Vallejo, California.

(16) Family housing in the amount of $33,982,000 at RAF Upper Heyford, United Kingdom.

(17) Air freight terminal in the amount of $10,200,000 at Elmendorf, Alaska.

(18) Sewage system in the amount of $2,760,000 at the Naval Training Center, Orlando, Florida.

(19) Physical fitness training center in the amount of $1,000,000 at Fort Hunter Liggett, California.

(20) Child care center in the amount of $3,000,000 at Fort Polk, Louisiana.

(21) Physical fitness training center in the amount of $2,200,000 at Sierra Army Depot, California.

(22) Special Process Laboratories Building in the amount of $39,100,000 at Fort Meade, Maryland.

SEC. 607. ESTABLISHMENT OF CERTAIN AMOUNTS REQUIRED TO BE SPECIFIED BY LAW.

For projects or contracts initiated during the period beginning on the date of the enactment of this Act or October 1, 1985, whichever is later, and ending on the date of the enactment of the Military Construction Authorization Act for fiscal year 1987 or October 1, 1986, whichever is later, the following amounts apply:

(1) The maximum amount for an unspecified minor military construction project under section 2805 of title 10, United States Code, is $1,000,000.

(2) The amount of a contract for architectural and engineering services or construction design that makes such a contract subject to the reporting requirement under section 2807 of title 10, United States Code, is $300,000.

(3) The maximum amount per unit for an improvement project for family housing units under section 2825 of title 10, United States Code, is $30,000.

(4) The maximum annual rental for a family housing unit leased in the United States, Puerto Rico, or Guam under section 2828(b) of title 10, United States Code, is $10,000.

(5)(A) The maximum annual rental for a family housing unit leased in a foreign country under section 2828(c) of title 10, United States Code, is $16,800.

(B) The maximum number of family housing units that may be leased at any one time in foreign countries under section 2828(c) of title 10, United States Code, is 34,000.

(6) The maximum rental per year for family housing facilities, or for real property related to family housing facilities, leased in a foreign country under section 2828(f) of title 10, United States Code, is $250,000.

SEC. 608. EFFECTIVE DATE FOR PROJECT AUTHORIZATIONS.

Titles I, II, III, IV, and V of this Act shall take effect on October 1, 1985.

TITLE VII—GUARD AND RESERVE FORCES FACILITIES

SEC. 701. AUTHORIZATION FOR GUARD AND RESERVE FACILITIES.

There are authorized to be appropriated for fiscal years beginning after September 30, 1985, for the costs of acquisition, architectural and engineering services, and construction of facilities for the Guard and Reserve Forces, and for contributions therefor, under chapter 133 of title 10, United States Code (including the cost of acquisition of land for those facilities), the following amounts:

(1) For the Department of the Army—

(A) for the Army National Guard of the United States, $145,924,000, plus $7,565,000 for facilities at Scranton/Wilkes-Barre, Pennsylvania, plus $2,671,000 for facilities at various locations in Alabama, plus $2,186,000 for facilities located in Missouri, plus $755,000 for a facility in New Mexico, and

(B) for the Army Reserve, $66,289,000.

(2) For the Department of the Navy, for the Naval and Marine Corps Reserves, $61,800,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, $139,000,000, and

(B) for the Air Force Reserve, $70,650,000.

TITLE VIII—GENERAL PROVISIONS

SEC. 801. EXTENSION OF AUTHORITY FOR CERTAIN PILOT PROGRAMS.

(a) BUILD-TO-LEASE PROGRAM.—Paragraph (9) of section 2828(g) of title 10, United States Code, is amended by striking out "October 1, 1985" and inserting in lieu thereof "September 30, 1986".

(b) RENTAL GUARANTEE PROGRAM.—Subsection (h) of section 802 of the Military Construction Authorization Act, 1984 (Public Law 98-115; 97 Stat. 783, 789), is amended by striking out "September 30, 1985" and inserting in lieu thereof "September 30, 1986".

SEC. 802. FAMILY HOUSING OCCUPANT LIABILITY.

(a) LIABILITY FOR FAILURE TO CLEAN SATISFACTORILY.—Subsection (a) of section 2775 of title 10, United States Code, is amended—

(1) by inserting "(1)" after "(a)"; and

(2) by adding at the end thereof the following new paragraph:

"(2) A member of the armed forces—

"(A) who is assigned or provided a family housing unit; and

"(B) who fails to clean satisfactorily that housing unit (as determined under regulations prescribed by the Secretary of Defense or Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy) upon termination of the assignment or provision of that housing unit,

shall be liable to the United States for the cost of cleaning made necessary as a result of that failure.".

(b) AUTHORITY OF SECRETARY OF TRANSPORTATION.—Section 2775 of such title is amended—

(1) in subsections (a) and (b), by inserting after "the Secretary of Defense" the following: "and the Secretary of Transportation when the Coast Guard is not operating as a service in the Navy"; and

(2) in subsection (d), by inserting after "or defense agency concerned" the following: ", or the operating expenses account of the Coast Guard, as appropriate".

(c) CONFORMING AMENDMENTS.—(1) Subsection (b) of such section is amended by inserting "(in the case of liability under subsection (a)(1))" after "including".

(2) Subsection (c)(1) of such section is amended by striking out "subsection (a)" and inserting in lieu thereof "subsection (a)(1), or the cost of any cleaning made necessary by a failure to clean satisfactorily a family housing unit referred to in subsection (a)(2),".

(3) Subsection (d) of such section is amended by inserting "or failure to clean satisfactorily a family housing unit" after "(or the equipment or furnishings of a family housing unit)".

(4) Subsection (e) of such section is amended to read as follows:

"(e) The Secretary of Defense, and the Secretary of Transportation when the Coast Guard is not operating as a service in the Navy, shall prescribe regulations to carry out this section. Such regulations shall include—

"(1) regulations for determining the cost of repairs and replacements made necessary as the result of abuse or negligence for which a member is liable under subsection (a)(1);

"(2) regulations for determining the cost of cleaning made necessary as a result of the failure to clean satisfactorily for which a member is liable under subsection (a)(2); and

"(3) provisions for limitations of liability, the compromise or waiver of claims, and the collection of amounts owed under this section.".

(d) CLERICAL AMENDMENTS.—(1) The heading of such section is amended to read as follows:

"§ 2775. Liability of members assigned to military housing".

(2) The item relating to such section in the table of sections at the beginning of chapter 165 of such title is amended to read as follows:

"2775. Liability of members assigned to military housing.".

SEC. 803. PREOCCUPANCY TERMINATION COSTS.

(a) IN GENERAL.—Section 2828(d) of title 10, United States Code, is amended—

(1) by inserting "(1)" after "(d)"; and

(2) by adding the following new paragraph at the end thereof:

"(2) The Secretary may enter into an agreement under this paragraph in connection with a lease entered into under subsection (c). Any such agreement shall be for any period not in excess of three years and shall be for the purpose of compensating a developer for any costs resulting from the termination of the lease during the construction of the housing units that are to be occupied pursuant to the lease. Any agreement entered into under this paragraph shall include a provision that the obligation of the United States to make payments under the agreement in any fiscal year is subject to the availability of appropriations.".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 1985.

SEC. 804. ACTIVITIES INCLUDED WITHIN AUTHORIZATIONS FOR MILITARY FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION OF FAMILY HOUSING.—Section 2821 of title 10, United States Code, is amended by adding at the end thereof the following new subsection:

"(d) Amounts authorized by law for construction and acquisition of military family housing and facilities include amounts for—

"(1) minor construction;

"(2) improvements to existing military family housing units and facilities;

"(3) relocation of military family housing units under section 2827 of this title; and

"(4) architectural and engineering services and construction design.".

(b) FAMILY HOUSING SUPPORT.—(1) Chapter 169 of such title is amended by adding after section 2832 the following new section:

"§ 2833. Family housing support

"Amounts authorized by law for support of military family housing include amounts for—

"(1) operating expenses;

"(2) leasing expenses;

"(3) maintenance of real property expenses;

"(4) payments of principal and interest on mortgage debts incurred; and

"(5) payments of mortgage insurance premiums authorized under section 222 of the National Housing Act (12 U.S.C. 1715m).".

(2) The table of sections at the beginning of subchapter II of such chapter is amended by adding after the item relating to section 2832 the following new item:

"2833. Family housing support.".

SEC. 805. DOMESTIC FAMILY HOUSING LIMITATIONS.

(a) IN GENERAL.—Section 2828(b)(3) of title 10, United States Code, is amended—

(1) by striking out "(3) Not" and inserting in lieu thereof "(3)(A) Except as provided in subparagraph (B), not"; and

(2) by adding the following new subparagraph at the end thereof:

"(B) During fiscal years 1986 and 1987, the number of housing units that may be leased pursuant to the provisions of subparagraph (A) may be increased by 500 units for each such fiscal year. The Secretary concerned shall provide written notification to the Committees on Armed Services of the Senate and House of Representatives concerning the location, purpose, and cost of the additional units permitted by this subparagraph. Such notification shall be made periodically as the leases are entered into.".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1985.

SEC. 806. SALE-AND-REPLACEMENT TRANSACTIONS.

(a) EXTENSION OF AUTHORITY FOR SALE-AND-REPLACEMENT TRANSACTIONS.—Effective as of September 30, 1985, section 807(c) of the Military Construction Authorization Act, 1984 (Public Law No. 98.115; 97 Stat. 786), is amended by striking out "October 1, 1985" and inserting in lieu thereof "October 1, 1986".

(b) APPROVAL OF TRANSACTIONS.—The Secretary of Defense may carry out the following sale-and-replacement transactions under the provisions of section 2667a of title 10, United States Code:

(1) The sale and replacement of warehousing facilities at Schofield Barracks, Hawaii.

(2) The sale and replacement of a noncommissioned officers professional education center, a band center, and a combat operations center at March Air Force Base, California.

SEC. 807. TURN-KEY SELECTION PROCEDURES.

(a) IN GENERAL.—Chapter 169 of title 10, United States Code, is amended by adding at the end of subchapter III the following new section:

"§2862. Turn-key selection procedures

"(a)(1) The Secretaries of the military departments, with the approval of the Secretary of Defense, may use one-step turn-key selection procedures for the purpose of entering into contracts for the construction of authorized military construction projects.

"(2) In this section, 'one-step turn-key selection procedures' means procedures used for the selection of a contractor on the basis of price and other evaluation criteria to perform, in accordance with the provisions of a

firm fixed-price contract, both the design and construction of a facility using performance specifications supplied by the Secretary concerned.

"(b) The Secretary of a military department may not, during any fiscal year, enter into more than three contracts for military construction projects using procedures authorized by this section.

"(c) The authority of a Secretary of a military department under this section shall expire on October 1, 1991.".

(b) CONFORMING AMENDMENT.—The table of sections at the beginning of such subchapter is amended by adding after the item relating to section 2861 the following:

"2862. Turn-key selection procedures.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1985.

SEC. 808. COMMUNITY PLANNING ASSISTANCE.

The Secretary of Defense may use funds appropriated for fiscal year 1986 for planning and design purposes to provide community planning assistance when local resources are not sufficient, by grant or otherwise, as follows:

(1) To assist communities located near newly established Light Infantry Division Posts, $2,000,000.

(2) To assist communities located near newly established homeports under the Naval Strategic Dispersal Program, $3,000,000.

SEC. 809. MADIGAN ARMY MEDICAL CENTER, FORT LEWIS WASHINGTON.

(a) IN GENERAL.—Section 601(c) of the Military Construction Authorization Act, 1985 (Public Law 98-407; 98 Stat. 1512), is amended by striking out "and the amount specified in subsection (b)" and inserting in lieu thereof ", the amount specified in subsection (b)(1), and $326,800,000 (the amount authorized for the construction of the Madigan Army Medical Center, Fort Lewis, Washington)".

(b) EFFECTIVE DATE.—The amendment made by this section shall become effective on October 1, 1985.

SEC. 810. INTERSERVICE EXCHANGES.

Section 2571 of title 10, United States Code, is amended by adding at the end thereof the following new subsection:

"(d) No agency or official of the executive branch of the Federal Government may establish any regulation, program, or policy or take any other action which precludes, directly or indirectly, the Secretaries concerned from carrying out this section.".

SEC. 811. PLAN FOR CLEANUP OF ROCKY MOUNTAIN ARSENAL.

(a) IN GENERAL.—The Secretary of the Army shall develop and transmit, by December 31, 1985, to the Congress a report setting forth a comprehensive plan for completing the cleanup of contaminated sites, structures, equipment, and natural resources at or near the Rocky Mountain Arsenal near Denver, Colorado, by September 30, 1993.

(b) SPECIFIC REQUIREMENTS.—In such plan, the Secretary shall—

(1) describe in detail the various phases for the project, along with the completion dates and a priority ranking of the goals for each such phase;

(2) provide cost estimates for each such phase and for the total project;

(3) provide findings and conclusions reached as a result of consultation, before the transmittal of the plan, with State and local officials (including officials of water districts) and the general public;

(4) provide that consultation and coordination with such officials and the general public will be carried out throughout the process of cleaning up the Arsenal;

(5) provide for priority cleanup of—

(A) the most seriously contaminated areas at the Arsenal, including the areas known as Basin F, Basin A, the South Plants Area, and section 36;

(B) other areas at the Arsenal which should be afforded priority treatment for the benefit of the general public, including the areas known as sections 7, 8, 11, and 12; and

(C) any sites, structures, equipment, or natural resources located outside the Arsenal that have been contaminated by activities carried out at the Arsenal;

(6) provide for the cleanup of the areas described in paragraph (5) without regard to whether a final disposal site for hazardous substances from the Arsenal has been selected;

(7) establish, as a priority, the use of waste-treatment technologies that will reduce significantly the amount and toxicity level of hazardous substances at or near the Arsenal;

(8) provide for selection of a final disposal site for hazardous substances from the Arsenal in a manner that will take into consideration sites, within and outside of Colorado, that—

(A) are geologically suitable to serve as such a disposal site; and

(B) are located within areas the governing bodies of which have expressed a willingness to have such a disposal site located therein;

(9) provide that all activities in the plan will be carried out in compliance with the requirements of applicable Federal and State environmental laws;

(10) provide findings and conclusions reached as a result of studying the feasibility and cost of cleansing groundwater on an expedited basis at the sources of contamination on the Arsenal; and

(11) include a statement concerning any reprogramming or supplemental appropriation of funds that may be necessary for fiscal year 1986 in order to assure an expeditious implementation of the plan.

SEC. 812. PROJECT AMOUNT FOR FORT DRUM, NEW YORK.

(a) IN GENERAL.—The amount established for a project at Fort Drum, New York, by section 101 of the Military Construction Authorization Act, 1985 (Public Law 98-407; 98 Stat. 1495) is hereby increased by $82,500,000.

(b) FUNDING.—Funds appropriated to the Department of Defense for fiscal years before fiscal year 1986 for military construction functions of the Army that remain available for obligation are hereby authorized to be made available, to the extent provided in appropriation Acts, for the military construction project described in subsection (a), in the amount of $82,500,000.

(c) COST OF PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variations authorized by law, the limit established by section 601(c) of the Military Construction Authorization Act, 1985, on the total cost of all projects carried out under section 101 of that Act is hereby increased by $82,500,000.

(d) EFFECTIVE DATE.—This section shall take effect on October 1, 1985.

SEC. 813. MATERIAL AT NAVAL BASE, NORFOLK, VIRGINIA.

The Secretary of the Navy may provide, without compensation, to the City of Norfolk, Virginia, not more than 50,000 cubic yards of dredged material located at the Naval Base, Norfolk, Virginia, if such city agrees to bear all costs and liabilities associated with loading, transporting, using, or otherwise handling such material.

SEC. 814. LAND CONVEYANCE TO THE UNITED STATES OLYMPIC COMMITTEE; COLORADO SPRINGS, COLORADO.

(a) IN GENERAL.—Subject to subsections (b) and (c), the Secretary of the Air Force (hereinafter in this section referred to as the "Secretary") is authorized to convey to the United States Olympic Committee, without monetary consideration, all right, title, and interest of the United States in and to the approximately 3.98 acres of land and improvements near Colorado Springs, Colorado, that are being leased to such Committee by the Secretary pursuant to section 806 of the Military Construction Authorization Act, 1980.

(b) CONDITIONS.—The conveyance described in subsection (a) shall be subject—

(1) to the condition that the land and improvements so conveyed shall be used by the United States Olympic Committee solely for facilities and activities of such Committee;

(2) to the condition that if such land and improvements are not used for the purpose described in paragraph (1), all right, title, and interest in and to them shall revert to the United States, which shall have the right of immediate entry thereon; and

(3) to such other conditions as the Secretary may prescribe to protect the interests of the United States.

(c) DESCRIPTION OF LAND.—The exact description of the land and improvements described in subsection (a) shall be determined by a survey approved by the Secretary.

SEC. 815. ALTERATION IN TRAILER PARK EXPANSION, HANSCOM AIR FORCE BASE, MASSACHUSETTS.

(a) IN GENERAL.—In providing for the trailer park at Hanscom Air Force Base, Massachusetts, and the expansion of such park as authorized by section 302 of the Military Construction Authorization Act, 1985, the Secretary of the Air Force may enter into an agreement with the Massachusetts Port Authority to terminate leasehold rights of the Department of the Air Force in exchange for—

(1) leasehold rights to other land held by such Authority; and

(2) the construction, by such Authority or its designee, of roads, utilities, and trailer pads on such other land in accordance with specifications made by the Secretary.

(b) LIMITATION.—The termination of the leasehold rights by the Secretary shall not become effective until the completion of the construction described in subsection (a)(2).

SEC. 816. AUTHORITY TO TRANSFER CERTAIN EXCESS PROPERTY WITHOUT REIMBURSEMENT.

(a) TRANSFERS UNDER EXCESS PROPERTY PROVISIONS AUTHORIZED.—In accordance with the provisions of section 202 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483) governing transfers of excess property—

(1) the Administrator of General Services is authorized to transfer the real property described in subsection (b) of this section without reimbursement, if such property is transferred to the Secretary of the Army; and

(2) the Administrator of General Services is authorized to transfer the real property described in subsection (c) of this section without reimbursement, if such property is transferred to the Secretary of State.

(b) REAL PROPERTY LOCATED AT FORT MCNAIR.—For purposes of subsection (a)(1), the property described in this subsection is a tract of land of approximately 10.5 acres, to-

gether with improvements thereon, adjacent to Fort McNair in the District of Columbia.

(c) REAL PROPERTY LOCATED AT ARLINGTON HALL STATION.—For purposes of subsection (a)(2), the property described in this subsection is a tract of land of approximately 72 acres, together with improvements thereon, known as Arlington Hall Station in Arlington County, Virginia.

SEC. 817. LAND EXCHANGE, JACKSONVILLE, FLORIDA.

(a) IN GENERAL.—Subject to subsections (b) through (f), the Secretary of the Navy (hereinafter in this section referred to as the "Secretary") is authorized to convey to the NEW MET Company (hereinafter in this section referred to as the "Company") all right, title, and interest of the United States in and to approximately 39.5 acres of unimproved land comprising a portion of the Naval Station, Mayport, Florida, located adjacent to the Ribault Bay Village Navy housing area.

(b) CONSIDERATION.—In consideration for the conveyance by the Secretary under subsection (a), the Company shall convey to the United States a parcel of land consisting of approximately 31.7 acres located in the vicinity of the Ribault Bay Village Navy housing area.

(c) OBLIGATIONS OF PARTIES.—The specific obligations of the Secretary and the Company are set forth in a memorandum of understanding between the parties dated February 19, 1985.

(d) PAYMENT BY THE COMPANY.—If the fair market value of the land conveyed under subsection (a) exceeds the fair market value of the land conveyed under subsection (b), as determined by the Secretary, the Company shall pay the difference to the United States.

(e) SURVEY.—The exact acreages and legal descriptions of the lands to be conveyed under this section shall be determined by surveys which are satisfactory to the Secretary. The cost of any such survey shall be borne by the Company.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the transaction authorized by this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 818. CONVEYANCE OF LAND AT NAVAL WEAPONS STATION, CHARLESTON, SOUTH CAROLINA.

(a) AUTHORITY TO CONVEY.—Subject to subsections (b) through (g), the Secretary of the Navy (hereinafter in this section referred to as the "Secretary") is authorized to convey to the Westvaco Corporation (the principal address and place of business of which is 299 Park Avenue, New York, New York, and hereinafter in this section referred to as the "Corporation") all right, title, and interest of the United States in and to approximately 47.83 acres of improved land comprising that portion of the Navy Weapons Station, Charleston, South Carolina, located at Remount Road and Virginia Avenue, in the city of North Charleston.

(b) CONSIDERATION.—In consideration for the conveyance authorized by subsection (a), the Corporation shall pay all costs for construction and occupancy by the Navy of "in kind" facilities to replace those on the land to be conveyed. The replacement facilities shall be constructed by the Navy on the Naval Weapons Station described in subsection (a) at a site to be determined by the Secretary.

(c) OBLIGATIONS OF PARTIES.—The specific obligations of the Secretary and the Corporation are set forth in a memorandum of understanding between the parties that became effective April 17, 1985. The Secretary is authorized to receive, obligate, and disburse funds received under subsection (b) to cover design, construction, relocation, and related costs specified in the memorandum of understanding.

(d) VACATING PROPERTY.—Upon completion and occupancy of the replacement facilities by the Navy and payment of all costs by the Corporation, the Navy shall promptly vacate the property described in subsection (a) and convey it by quitclaim deed to the Corporation.

(e) PAYMENT OF ANY EXCESS.—If the fair market value of the improved land conveyed under subsection (a) exceeds the consideration paid under subsection (b), as determined by the Secretary, the Corporation shall pay the difference to the United States.

(f) LEGAL DESCRIPTION OF LAND.—The exact acreage and legal description of any land conveyed under this section shall be determined by a survey which is satisfactory to the Secretary. The cost of such survey shall be borne by the Corporation.

(g) ADDITIONAL TERMS.—The Secretary may require such additional terms and conditions under this section as the Secretary considers appropriate to protect the interest of the United States.

SEC. 819. TERMINATION DATE FOR CERTAIN AUTHORITY.

Section 808 of the Military Construction Authorization Act, 1983, is amended by adding the following new subsection at the end thereof:

"(d) The authority of the Secretary to carry out this section shall terminate on October 1, 1990.".

SEC. 820. TRANSFER OF CERTAIN LAND AT THE NAVAL AIR STATION, PENSACOLA, FLORIDA.

(a) TRANSFER.—The Secretary of the Navy shall transfer, without reimbursement, to the Administrator of Veterans' Affairs approximately 15.31 acres of real property, including improvements thereon, at the Naval Air Station, Pensacola, Florida.

(b) USE OF LAND.—The real property transferred pursuant to subsection (a) shall become part of the Barrancas National Cemetery and shall be administered by the Administrator of Veterans' Affairs under chapter 24 of title 38, United States Code.

(c) CONDITION.—If the real property transferred pursuant to subsection (a) is not used for the purpose described in subsection (b), the Administrator of Veterans' Affairs shall transfer such property, without reimbursement, to the Secretary of the Navy.

(d) DESCRIPTION OF LAND.—The exact acreage and location of the land and improvements described in subsection (a) shall be determined in a survey approved by the Secretary.

SEC. 821. AVIGATION RIGHTS ON SANTA ROSA ISLAND, FLORIDA.

The Act entitled "An Act to authorize the Secretary of the Army to sell and convey to Okaloosa County, State of Florida, all right, title, and interest in the United States in and to a portion of Santa Rosa Island, Florida, and for other purposes", approved July 2, 1948 (62 Stat. 1229), is amended by adding at the end thereof the following new section:

"SEC. 5. The prohibition contained in subdivision d. of the first section against the erection of any structure or obstacle on the land conveyed under this Act in excess of seventy-five feet above mean low-water level shall be deemed to be a prohibition against the erection of a structure or obstacle in excess of two hundred feet above mean low-water level in the case of that portion of such land on Santa Rosa Island which is east of the Destin East Pass and known as Holiday Isle.".

SEC. 822. LAND CONVEYANCE, DAVIS-MONTHAN AIR FORCE BASE, TUCSON, ARIZONA.

(a) CONGRESSIONAL FINDINGS.—The Congress finds that—

(1) the highest and best use of the lands described or identified in subsection (b) is public park and recreational use or public health use;

(2) the city of Tucson, Arizona, has indicated a willingness to extend the existing lease to the United States Air Force of the lands described in subsection (c) for an additional fifty years commencing in 2002 at the existing rental rate of $773 per year;

(3) therefore, the Administrator of General Services should—

(A) assign to the Secretary of the Interior lands described in subsection (b)(1) for use as a park or recreational area; and

(B) assign to the Secretary of Health and Human Services lands identified pursuant to subsection (b)(2) for public health use;

(4) the Secretary of the Interior or the Secretaries of the Interior and Health and Human Services, as the case may be, should, simultaneously with the acceptance of the extension of the lease for the lands described in subsection (c), convey to the city of Tucson, Arizona—

(A) the property described in subsection (b)(1) for use as a park recreational area through a public benefit discount conveyance under section 203(k)(2) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(k)(2)), and

(B) such land as is identified in subsection (b)(2) for public health use through a public benefit discount conveyance under section 203(k)(1)(B) of such Act (40 U.S.C. 484(k)(1)(B)).

(b) DESCRIPTION OF LAND SUITABLE FOR PARK OR RECREATIONAL USE AND FOR PUBLIC HEALTH USE.—(1) The property described in this paragraph is 61 acres of real property adjacent to Golf Links/Craycroft Intersection, Davis-Monthan Air Force Base, Tucson, Arizona.

(2) The property identified in this paragraph is such portion (not exceeding eight acres) of the land described in paragraph (1) as the Secretary of Health and Human Services, with the concurrence of the Secretaries of the Interior and Defense, determines to be suitable for conveyance for public health use.

(c) DESCRIPTION OF PROPERTY SUBJECT TO LEASE.—The property described in this subsection is 4,348.81 acres of real property owned by the city of Tucson, Arizona, at Davis-Monthan Air Force Base.

(d) SURVEYS OF PROPERTY.—The exact acreage and legal descriptions of the real property to be conveyed under this section shall be determined by surveys that are satisfactory to the Secretary of the Interior, or the Secretaries of the Interior and Health and Human Services, as the case may be. The cost of such surveys shall be borne by the city of Tucson, Arizona.

SEC. 823. ARCHITECTURAL AND ENGINEERING SERVICES RELATED TO CONSTRUCTION OF NATIONAL GUARD ARMORIES.

(a) CONTRIBUTIONS TO STATES.—Subsection (e) of section 2233 of title 10, United States Code, is amended to read as follows:

"(e) The Secretary of Defense may procure, or contribute to any State such amounts as the Secretary determines to be necessary to procure, architectural and engineering serv-

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ices and construction designs in connection with facilities to be established or developed under this chapter which are not otherwise authorized by law.".

(b) AMOUNT OF CONTRIBUTION.—Subsection (b) of section 2236 of such title is amended to read as follows:

"(b) A contribution made for an armory under section 2233(a) (4) or (5) of this title may not exceed the sum of—

"(1) 100 percent of the cost of architectural, engineering and design services (including advance architectural, engineering and design services under section 2233(e) of this title); and

"(2) a percentage of the cost of construction (exclusive of the cost of architectural, engineering and design services) calculated so that upon completion of construction the total contribution (including the contribution for architectural, engineering and design services) equals 75 percent of the total cost of construction (including the cost of architectural, engineering and design services).

For the purpose of computing the cost of construction under this subsection, the amount contributed by the State or Territory, Puerto Rico, or the District of Columbia, whichever is concerned, may not include the cost or market value of any real property that it has contributed.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1985.

SEC. 824. FURNISHING OF BEDDING FOR HOMELESS.

Section 2546 of title 10, United States Code, is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following new subsection (d):

"(d) The Secretary concerned may provide bedding for support of shelters for the homeless that are operated by entities other than the Department of Defense. Bedding may be provided under this subsection without reimbursement, but may only be provided to the extent that the Secretary determines that the provision of such bedding will not interfere with military requirements.".

SEC. 825. LIMITATION ON AUTHORIZATIONS OF APPROPRIATIONS.

Notwithstanding any other provision of this Act, the maximum amount authorized to be appropriated by this Act is $9,200,000,000.

SEC. 826. AVAILABILITY OF APPROPRIATIONS.

(a) IN GENERAL.—Section 2860 of title 10, United States Code, is amended to read as follows:

"§ 2860. Availability of appropriations

"Funds appropriated to a military department or defense agency for a fiscal year for military construction or military family housing purposes may remain available beyond such fiscal year to the extent provided in appropriation Acts.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to funds appropriated after the date of the enactment of Public Law 99-103.

SEC. 827. OFF-POST RENTAL HOUSING LEASE INDEMNITY PILOT PROGRAM.

(a) ESTABLISHMENT OF PROGRAM BY SECRETARY OF DEFENSE.—(1) The Secretary of Defense shall establish a pilot program to test the feasibility of implementing a program under which each Secretary of a military department may guarantee compensation of any person who leases a rental unit to any member of the armed forces under the jurisdiction of the Secretary for any breach of the lease or any damage to the rental unit by the member.

(2) The program referred to in paragraph (1) shall be established before the expiration of the 90-day period following the date of the enactment of this Act, but not before October 1, 1985.

(b) ACTIONS BY SECRETARIES OF MILITARY DEPARTMENTS.—(1) In accordance with action taken by the Secretary of Defense under subsection (a), each Secretary of a military department shall designate one military installation in the United States that is under the jurisdiction of such Secretary to participate in the program established under subsection (a).

(2) For purposes of carrying out this section, any Secretary of a military department, to the extent approved in advance in appropriation Acts, may enter into an agreement with any person who leases a rental unit to any member of the armed forces who is under the jurisdiction of the Secretary. Any agreement under this paragraph shall provide that—

(A) the term of the agreement shall not be for more than one year;

(B) the member shall not pay a security deposit;

(C) the Secretary (except as provided in subparagraphs (D) and (E)) shall compensate the lessor for any breach of the lease by the member and for any damage to the rental unit caused by the member or by any guest or dependent of the member;

(D) the total liability of the Secretary for any breach of the lease or for any damage described in subparagraph (C) shall not exceed an amount equal to the amount that the Secretary determines would have been required by the lessor as a security deposit absent the agreement authorized in this paragraph;

(E) the Secretary shall not compensate the lessor for any breach of the lease or for any damage described in subparagraph (C) until the lessor exhausts any remedies available to the lessor against the member for the breach or damage; and

(F) the Secretary shall be subrogated to the rights of the lessor in any case in which the Secretary compensates the lessor for any breach of the lease or for any damage described in subparagraph (C).

(3) Any authority of a Secretary of a military department under this subsection shall be exercised pursuant to regulations issued by the Secretary of Defense.

(c) GARNISHMENT OF PAY OF MEMBER OF ARMED FORCES.—Any Secretary who compensates any lessor under subsection (b) for any damage to a rental unit or any breach of a lease by a member of the armed forces may issue a special order under section 1007 of title 37, United States Code, to authorize the withholding from the pay of the member of an amount equal to the amount paid by the Secretary to the lessor as compensation for the breach or damage.

(d) REPORT REQUIREMENT.—(1) The Secretary of Defense shall submit to the Congress a report concerning the pilot program establishing under subsection (a), including—

(A) findings and conclusions of the Secretary with respect to the pilot program; and

(B) recommendations as to the feasibility of implementing a program similar to the pilot program on all military installations.

(2) The report referred to in paragraph (1) shall be submitted before the expiration of the 18-month period following the date of the establishment of the pilot program under subsection (a).

(e) TERMINATION OF AUTHORITY.—The authority of any Secretary of a military department to enter into any contract under subsection (b) shall terminate upon the expiration of the 18-month period following the date of the establishment of the pilot program under subsection (a).

(f) DEFINITIONS.—For purposes of this section:

(1) The term "armed forces" has the meaning given such term in section 101(4) of title 10, United States Code.

(2) The term "military department" has the meaning given such term in section 101(7) of title 10, United States Code.

SEC. 828. CONVEYANCE OF LAND AT FORT WILLIAM H. HARRISON, MONTANA.

(a) IN GENERAL.—Subject to subsection (b), the Secretary of the Army (hereinafter in this section referred to as the "Secretary") is authorized to convey, without monetary consideration, to the State of Montana all right, title, and interest of the United States in and to approximately 65.4 acres of unimproved land located in the southeast corner of Fort William H. Harrison, Montana, and presently under license to the State of Montana for National Guard use.

(b) CONDITIONS.—(1) The conveyance authorized by subsection (a) shall be subject to the condition that the real property conveyed be used to establish a Montana State Veterans' Cemetery.

(2) If the property conveyed pursuant to subsection (a) is not used for the purposes described in paragraph (1), all right, title, and interest in and to such property shall revert at no cost to the United States, which shall have the right of immediate entry thereon.

(3) The Secretary shall reserve to the United States a waterline easement for use by the Veterans' Administration Hospital.

(c) LEGAL DESCRIPTION OF LAND.—The exact acreage and legal description of the property to be conveyed under subsection (a) and of the easement to be reserved under subsection (b)(3) shall be determined by surveys that are satisfactory to the Secretary. The cost of any such survey shall be borne by the State.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such other terms and conditions with respect to the conveyance as the Secretary considers appropriate to protect the interests of the United States.

SEC. 829. FAMILY HOUSING IMPROVEMENTS AT FORT MONMOUTH, NEW JERSEY.

The Secretary of the Army may, notwithstanding the maximum amount per unit for an improvement project under section 2825(b) of title 10, United States Code, carry out a project to improve 366 existing military family housing units at Fort Monmouth, New Jersey, in the amount of $14,800,000. These housing units include 135 housing units authorized by section 101 of this Act and 231 housing units authorized in section 101 of the Military Construction Authorization Act, 1985.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

A similar House bill (H.R. 1409) was laid on the table.

APPOINTMENT OF CONFEREES ON S. 1042

Mr. DELLUMS. Mr. Speaker, pursuant to the provisions of House Resolution 196, I move that the House insist

on its amendment to the Senate bill, S. 1042, to authorize certain construction at military installations for fiscal year 1986, and for other purposes, and request a conference with the Senate thereon.

The motion was agreed to.

The SPEAKER pro tempore. The Chair, without objection, appoints the following conferees: Messrs. ASPIN, DELLUMS, MONTGOMERY, HUTTO, LEATH of Texas, DICKINSON, WHITEHURST, and KRAMER.

There was no objection.

GENERAL LEAVE

Mr. DELLUMS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

AUTHORIZING CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF HOUSE AMENDMENT TO S. 1042, MILITARY CONSTRUCTION AUTHORIZATION ACT, 1986

Mr. DELLUMS. Mr. Speaker, I ask unanimous consent that in the engrossment of the House amendment to the Senate bill, S. 1042, the Clerk be authorized to make such technical and conforming changes, including section numbers, punctuation, and cross-references, as may be necessary to reflect the actions of the House in amending the Senate bill, S. 1042.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

LEGISLATION REQUIRING DEATH PENALTY FOR HIJACK MURDERERS

(Mr. MOORE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOORE. Mr. Speaker, the unfortunate hijacking recently which resulted in the death of Leon Klinghoffer gave us an example of a loophole that exists in our current law. Only last year this Congress passed a law making it a crime for a terrorist to strike against the United States or Americans anywhere in the world, to make that a Federal crime. That is the first time that ever happened; however, the harshest sentence we can mete out to such a terrorist is life imprisonment. I think the murder of Leon Klinghoffer has pointed out that that is not strong enough or good enough. We currently have a death penalty for someone who commits a killing during an aircraft hijacking, but that is not the case in these other forms of terrorism. There should be no difference.

Therefore, a terrorist who kills an American in a case like this in terrorism should be given the same kind of sentence as one who does it in an aircraft hijacking.

We need to close this loophole in the law. Today I have introduced legislation that will authorize capital offense, or the death penalty, for anyone who commits murder during an act of terrorism against U.S. citizens anywhere in the world.

I urge my colleagues to join with me to correct this loophole in the law and to mete out a proper sentence for people like these terrorists who struck against Mr. Klinghoffer recently.

EXTENDED VOLUNTARY DEPARTURE

(Mr. MOAKLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MOAKLEY. Mr. Speaker, it has been 7 long years since the civil war in El Salvador erupted. The war has claimed thousands of innocent lives and has devastated this tiny country—which is about the size of my home State of Massachusetts.

Today, the violence, the indiscriminate killings, and the terror continue.

President Duarte, convinced that the current climate in El Salvador is unsafe, recently sent his family members to the United States to wait out the storm. In a sense, President Duarte is affording his family members a sort of extended voluntary departure status.

Mr. Speaker, the understandable anguish and fear that President Duarte has over the safety of his family should also be extended to the thousands of refugees who have fled El Salvador in search of a temporary safe haven.

For this reason, I have sent President Reagan a letter today urging that he reconsider his stand against granting Salvadoran refugees extended voluntary departure. The general conditions of violence and civil unrest in El Salvador are a clear justification for Salvadorans to be afforded this temporary status.

In the meantime, I urge my colleagues in the House to support my legislation, H.R. 822, which would grant Salvadorans now in the United States a temporary stay of deportation.

Mr. Speaker, I would like to submit to the RECORD a copy of my letter to President Reagan as well as two excellent articles describing the current situation in El Salvador:

HOUSE OF REPRESENTATIVES,
Washington, DC, October 15, 1985.

The PRESIDENT,
The White House, Washington, DC.

DEAR MR. PRESIDENT: I share your concerns over the future of El Salvador and pray that a peaceful resolution to the current conflict can soon be reached.

However, the violence and civil unrest which has plagued El Salvador since 1979 continues to be a fact of life in that tiny country. In fact, as the Roman Catholic Archbishop of San Salvador, Arturo Rivera y Damas, has said, "Many are feeling the sensation that they are returning to the worst years of social intranquillity."

Two recent reports published by the Americas Watch Committee and Amnesty International document a recent resurgence of death squad activity in El Salvador, numerous civilian casualties as a result of the indiscriminate nature of aerial bombardments and an increase in civilian deaths due to the harsh tactics of the Salvadoran guerrillas. In short, El Salvador is a country still very much in turmoil.

The recent decision by President Jose Napoleon Duarte to send his family members to the United States to wait out the storm, dramatizes the fear that so many Salvadoran refugees who have fled their country must feel. We can all understand President Duarte's anguish in sending his family to the United States for temporary safety. However, I believe we should also recognize that the Salvadoran refugees who are now in the United States have the same concerns.

Therefore, I respectfully urge you to reconsider your stated position against granting Salvadoran refugees extended voluntary departure. Granting Salvadorans temporary safety from the current violence in their homeland would be a great humanitarian gesture, and could very well result in the saving of many innocent lives.

Sincerely,

JOHN JOSEPH MOAKLEY,
Member of Congress.

[From the New York Times, Oct. 14, 1985]

A YEAR AFTER TALKS, SALVADOR PEACE RECEDES

(By James LeMoyne)

SAN SALVADOR, October 13.—A year ago, Salvadoran leftist guerrillas and President Jose Napoleon Duarte met for the first time in the mountain village of La Palma and raised the hopes of their countrymen that peace might come after five years of civil war.

Those hopes may have been impossibly high, but their loss today is palpable and has even reached into Mr. Durate's home. The President, who walked unarmed into the heart of a war zone to meet the guerrillas, is now imploring them to release his kidnapped daughter.

Conversations with dozens of Salvadorans from all classes of society give the strong impression that exhaustion is gaining hold in a country that has joined Northern Ireland and Lebanon as a land in which violence is normal. Resignation, cynicism and a simple hunger to survive have replaced the fragile faith that many placed in Mr. Duarte and the rebels' promise to try to stop fighting 12 months ago.

In a grim sermon last Sunday, the Roman Catholic Archbishop of San Salvador, Arturo Rivera y Damas, said, "Many are feeling the sensation that they are return-

ing to the worst years of social intranquillity."

"What one sees most of all," said an elderly Catholic priest who often works with refugees here, "is the suffering of the common people. They don't see an exit. There isn't an exit."

In two meetings last October and November, the Government and rebels failed to narrow the differences between their separate visions of El Salvador's future.

The Government insists the rebels give up their guns and stand in elections. The rebels insist on being given a share of power first. Each side accuses the other of demanding total surrender and each has returned to the battlefields with a vengeance.

Someone is killed for political reasons virtually every day somewhere in this small, overcrowded country. Rebel sabotage frequently knocks out electricity and there is seldom an evening when gunfire or an exploding bomb does not echo in some part of the capital.

At least 4,000 soldiers, guerrillas and civilians are estimated to have been killed or wounded in the year since La Palma. At least 40 soldiers and 10 guerrillas died in a single rebel attack four days ago. It is difficult to meet a Salvadoran who has not lost a friend or relative in the years of fighting.

A new development in a war that has been noted for its inhumanity has been a sharp increase in human rights abuses by the rebels of the Farabundo Marti National Liberation Front. In a newly declared "war of attrition" the guerrillas have carried out indiscriminate mining of roads, two attacks in which 27 unarmed people were killed, the kidnapping of 23 mayors, and several shootings of civilians who refused to accept the rebels' demand that all highway traffic cease.

In the last week the guerrillas machinegunned a pickup truck, killing four civilians. A young boy died when he stepped on a rebel mine.

300,000 ARE REFUGEES

Right-wing death squad killings have fallen dramatically, but they are more frequent than the Government cares to admit. A teen-ager was found beheaded last week, a university lecturer was shot dead and three other men were found tied and shot through the head.

Government security forces have largely stopped killing prisoners, but the police arrest hundreds of suspects each month and detainees frequently say they are beaten or threatened with death. More than 300,000 Salvadorans are refugees from the war. Army troops have forced hundreds of rebel supporters to leave their homes, burning their fields and ordering them to enter refugee camps.

There are other markers to measure the emotional and political distance the country has slid from the giddy heights of last year's talks. According to one of Mr. Duarte's closest aides, Julio Adolfo Rey Prendes, the rebels' decision to kidnap Mr. Duarte's daughter a month ago has "changed the rules of the game" by making targets of family members of political leaders. He said the action has set back the possibility of peace. "We have regressed rather than advanced in the question of humanizing the conflict," Mr. Rey Prendes said.

Nidia Diaz, one of the rebel commanders who sat down with Mr. Duarte at the La Palma bargaining table, is recovering in a police cell, shot five times by an army helicopter gunship that ambushed a guerrilla patrol. Her diary recording each side's statements at La Palma was shot through by machine-gun bullets.

DEADLOCK SEEN DEVELOPING

Though they will not say it on the record, American diplomats privately concede that a deadlock is developing. The Government, they say, can contain the rebels but not defeat them. And though the guerrillas have never had, and probably will never gain, the support of the majority of the population, they appear capable of carrying out sabotage, assassinations, kidnappings and ambushings indefinitely.

"Things have gotten worse because they have not gotten better," a foreign diplomat here said, noting a hardening in the guerrillas' position. "I was very optimistic a year ago. I'm not now."

The handful of Social Democrats who make up the democratic wing of the largely Marxist rebel movement have never looked weaker or appeared to have a smaller say in guerrilla actions than today. Guillermo Ungo, head of the small band of political representatives in the Democratic Revolutionary Front, who attended La Palma and called it the "first step of a positive dialogue," now warns of more war to come. "The Reagan administration no longer talks of a quick victory in El Salvador," he said in a recent interview.

Mr. Duarte has also moved closer to Government army commanders. He frequently lauds the army's performance in the field, and has made a special point of wooing army support as he moves into his second year of war as leader of the country.

The senior guerrilla military commander, Joaquin Villalobos, emphasized the guerrillas' new determination when he invited reporters to his mountain headquarters four months ago. The rebels, he said, will never lay down their arms until the United States withdraws its assistance from El Salvador.

DUARTE "THE MAIN ENEMY"

The guerrillas' verbal attacks on Mr. Duarte and his Christian Democratic Party reflect the tougher line.

"Napoleon Duarte is not a simple executioner like Roberto d'Aubuisson," the rebel radio, Venceremos, said last week. "He is the main enemy, the Christian Democratic Party is the main enemy, the criminal of today only with a new style." Mr. d'Aubuisson is a right-wing political leader who has frequently been accused of leading death squads.

Guerrilla commanders say their strategy is to wear the Government down and force it to make concessions.

The continuing war reflects the militarism and sectarianism that have characterized Salvadoran politics and society for a century.

But as the country's head of state, Mr. Duarte is stuck with the burden of office and he risks being blamed for a conflict that continues to defy political solutions. This week El Salvador will begin its seventh year at war.

[From the Washington Post, Oct. 15, 1985]

DUARTE SENDS THREATENED FAMILY MEMBERS TO U.S.

(By Edward Cody)

SAN SALVADOR, October 14.—President Jose Napoleon Duarte, reacting to threats of more kidnapings against his family, sent three daughters and their children to the United States today aboard a U.S. Air Force jet.

The Salvadoran leader, whose daughter Ines was abducted by gunmen Sept. 10, said an unknown caller has telephoned several times since then claiming to have plans to kidnap more members of his family. As a result, they have been living "penned up" for security, he added. One bodyguard was killed and an other wounded in the kidnaping of Ines.

"Even this morning there was a car following up on my daughter, and we had to take special precautions," Duarte said after seeing his children depart on the white-and gray DC9 from the capital's Ilopongo military airport.

The president's decision to send threatened relatives to the United States was interpreted as a measure of concern here over the possibility of more attacks on Salvadoran or U.S. officials and their families by urban commandos working with the leftist rebels' Farabundo Marti National Liberation Front.

Although only a precaution, it amounted to indirect recognition that the threat is considered serious enough that already tight security measures surrounding Duarte and his family are seen as insufficient.

The rebel front, known by its Spanish initials as the FMLN, has not officially acknowledged kidnaping Duarte's daughter and has made no public threats against his other children. But Information and Culture Minister Julio Rey Prendes has said repeatedly that the rebels are holding the daughter and that the government is dealing with FMLN officials in two-way radio contacts designed to gain her freedom in exchange for captured rebel leaders.

U.S. soldiers also have been threatened with capture or assassination by the rebels' official Radio Venceremos, leading to what one diplomat described as sharply increased worry among U.S. personnel stationed here.

Four U.S. marines who were embassy guards and two other Americans were killed at a sidewalk cafe June 19 in assassinations later acknowledged by the FMLN. More recently, the front said in a communique that the main objective of its attack last Thursday on the Salvadoran Army's main training base was killing or capturing U.S. military advisers stationed there.

U.S. Ambassador Edwin Corr, who accompanied Duarte at the airport, said no American diplomats, military advisers or their families have left the country.

Duarte has four daughters, the kidnaped Ines Guadalupe Duarte de Duran, 35, and the three who left today with their children. He also has two sons. One of them, Alejandro, also accompanied the president as he saw off his daughters and grandchildren. "The men of the family and my wife are remaining here," he said.

[El Salvador's ambassador in Washington, Pablo Alberge, said he was expecting Duarte's daughters, Maria Elena and Lorena, and Lorena's husband and child in Washington. He said the four would stay with him indefinitely at the embassy residence. One of Duarte's sons, Napoleon, a World Bank employe, already lives in Virginia.

[Alberge also said Alejandro Duarte's wife and three children were flown to Miami and would remain there, while the other daughter of Duarte, Maria Eugenia, was flown to Atlanta with her husband and one child.]

Corr said the plane was a scheduled government flight from U.S. Southern Command headquarters in Panama bound for Washington with possible stops on the way.

Duarte emphasized that he continues to act as president and that the government continues to function. This was seen as a re-

sponse to reports that some military officers have expressed fears that the government, by negotiating with the kidnapers and seeming willing to bow to their demands for releasing prisoners, would appear weak and give the rebels the status of a legitimate belligerent in the war.

The president's decision came one year after his first meeting with rebel officials at the mountain town of La Palma for what was intended to be the beginning of a dialogue aimed at ending El Salvador's five-year-old civil war.

"The guerrillas have forgotten the spirit of La Palma," he declared.

GROUNDBREAKING CEREMONY FOR THE U.S. HOLOCAUST MEMORIAL MUSEUM

(Mr. LANTOS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LANTOS. Mr. Speaker, this morning in the company of distinguished colleagues from the House, Senate, the President's Cabinet, and ambassadors of many countries, I had the moving privilege of participating in the groundbreaking ceremonies for the Holocaust Memorial Museum.

It is my intention, when the proceedings of this whole event are available, to place them in the CONGRESSIONAL RECORD in their entirety.

This morning I wish to share with my colleagues the words of the witness, victim, chronicler, and conscience of the Holocaust—Elie Wiesel—who lifted the occasion to its appropriate historical height:

In this place, dedicated to the noble and urgent cause of remembrance, we pledge to tell as much as possible, as truthfully as possible, what Nazi Germany and its accomplices did to six million Jews and to the other millions of victims of Nazi atrocities.

We realize that the full story of that crime, and the resistance to that crime, can never be told. Yet we know that we must try.

We shall tell the tale, not to divide people, but on the contrary to bring them closer together. We shall evoke past suffering, not to inflict more suffering, but, on the contrary, to diminish it. We shall remind of what took place in Auschwitz and Treblinka, sites of ultimate degradation and humiliation, not to humiliate anyone, but, on the contrary, to teach future generations, and our own, to humiliate no one.

In this place we shall try to bear witness for the dead and the living.

The text of Elie Wiesel's moving speech follows:

ADDRESS BY ELIE WIESEL

Secretary Hodel, Ambassador Rosenne, Distinguished Members of the Senate and House, your Excellencies, Mark Talisman, Linda Chavez, and friends.

Today, as we begin to lend a physical dimension to our relentless quest to remembrance, it is fitting to express our profound gratitude to Congress and to the people of the United States for the help and encouragement they have offered us in carrying out our historical mandate.

Outside of Israel, ours is the only nation in the world that has made a commitment to establish such a national museum.

The help we have received has always been bipartisan in both Houses of Congress now and since years ago when, at the initiative of Jimmy Carter, we began this historic project. The administration—irrespective of its political party—has never refused to assist us in our various efforts. The Secretary of the Interior, the Secretary of the Army, the Secretary of State and their respective staffs have given us their indispensble support. The general public has responded to our appeals with the characteristic generosity of the American people. As for the President of the United States, not only has he often participated in our Remebrance Ceremonies, but he has also graciously accepted to serve as Honorary Chairman of our Campaign to Remember. On behalf of the United States Holocaust Memorial Council, its advisers and staff, I thank them, and I thank you—from the depths of my heart.

Now it is up to us to continue. If we fulfill our mission, future generations will benefit from it. But the task is neither simple nor easy. The story we must tell cannot be told—not in its entirety. In our case, the sum of the fragments does not convey the full message. Words, images, memories, prayers, fears, agonies: How does one communicate the burning of a ghetto? Or the arrival of a convoy at Birkenau at midnight? Or the daily massacre of ten thousand men, women, and children, some buried alive, at Babi Yar? Woe unto us, for the killer's imagination surpassed that of his victims. Furthermore, by pushing the crime to its ultimate limits he deprived us of the language to speak of his crime.

What, then, do we wish the future visitor to remember, to learn? The fragility of the human condition? The vulnerability of culture and education? The monstrous powers of political fanaticism? The dangers inherent in indifference? The fact that it was possible for an evil regime to consider cynically, calmly, scientifically, the annihilation of an entire people and be persuaded of its right and obligation to do so? All this is part of the tale—and more, much more.

Some lessons may have an immediate and urgent effect. Terror must be fought wherever it is aimed against innocent civilians. Individual terror that cost the life of an old Jewish invalid is today as abhorrent as state terror was when, from Hitler's Berlin, it dominated part of Europe from 1933 to 1945.

Terror must be outlawed as must genocide. We cannot leave this place today without appealing once more to the United States Senate to ratify the Genocide Treaty introduced by CHRIS DODD. I am not sure whether such treaties will prevent mass murder, but the absence of such treaties may give the enemy of humankind the wrong signal. Would a Genocide Treaty have prevented the murder of the Jews by the Nazis? I doubt it. But its absence gave the enemy of humankind the wrong signal.

In killing Jews the killer has killed more than Jews. This tragedy has affected more than its Jewish victims. Whoever kills Jews ends up killing other minorities, other adversaries, other religious groups, other nationalities.

In occupied Europe, the Nazis and their local accomplices, oppressed, tormented, persecuted, imprisoned and executed French heroes of the resistance, Yugoslav and Greek and Russian partisans, Ukrainian peasants, Bulgarian and Polish patriots, Dutch workers, Belgian students, Norwegian intellectuals, Danish policemen, German and Austrian anti-Nazi militants, Italian anti-Fascists, Czechoslovakian freedom fighters. Lidice and Oradour are but extreme examples of what SS rulers intended to do—and often did—throughout their universe in order to crush those who refused to submit to their terror. And they eliminated Gypsies, homosexuals, the mentally retarded, the mentally sick. Using death as an instrument, they sought to rearrange the universe so as to give violence and injustice the attributes of divinity.

But their main effort was directed against the Jewish people. "Who remembers the Armenians?" Hitler asked with disdain. Who will remember the Jews?

In a perverse way, he was right. No one cared about the Jews. They were abandoned. The world knew and kept silent. Hitler knew that the world knew—and thus felt reassured in his belief that he was doing humankind a favor by cleansing it of its Jewish elements. And so more ghettos were erected and emptied, more communities uprooted and massacred. How are we to remember them? If we could inscribe their names on stone, the monument would be larger than this entire city. What other way is there for us to turn past experiences into acts of remembrance? What should we emphasize first? The helplessness of the victim? The inexorable urge of the killer to destroy? The children, frightened children, marching quietly in procession toward the flames? The old men and women chased toward mass graves? In those times we were a people without children, and children without grandparents. We have seen them vanish into darkness and ascend an invisible ladder of fire reaching the sky.

One enters those memories with fear and trembling; for one's sanity is endangered. But we must enter them. We open them as one opens gates to secret kingdoms. Come and see. Come and learn. Learn what human beings can do to other human beings. Learn the limits of humanity. Learn, and hope is possible—forget, and despair is inevitable.

This Museum is not intended to awaken hatred nor to separate people—quite the opposite: it is meant to bring people closer together. Faced with our memories, the visitor will have no choice but to become more sensitive to his or her fellow being's anguish.

One day a child will stop here and ask his father: what is this building about? They will go inside. After a while the child will ask his father: is all this true? have so many killers really killed so many victims in so many cruel ways? Yes—will say the father. In those times the angel of death had many faces and many allies. But, why? the child will ask. Why have all those victims perished?

Why has the catastrophe occurred? I wonder what the father's answer will be.

I know what mine is: I do not know. I do not know why the Holocaust happened. I will never know; no one ever will.

Why Theresienstadt? Why Ravensbruck? Why Belzec? Why Treblinka? Why Auschwitz?

Why the indifference of allied leaders? Why the silence our common enemies? Why the abandonment of the Jews?

In this Museum we shall try to tell the story. We shall try to recall what happened—to whom—by whom—and how it happened. But not why it happened. God alone may have some answers—and, in the

case of one million Jewish children consumed by flames—all answers are the wrong answers.

The killer killed them once—and there is nothing on earth that we can do about it. But, if they are forgotten, they will be killed a second time—and this we can—and must—prevent.

A great Hasidic Master once said, "if you wish to find the spark, look for it in the ashes."

GOOD NEWS ABOUT SMALL BUSINESS IN AMERICA

The SPEAKER pro tempore (Mr. VALENTINE). Under a previous order of the House, the gentleman from Florida [Mr. IRELAND] is recognized for 5 minutes.

Mr. IRELAND. Mr. Speaker, we hear a lot these days about the plight of business in America. People everywhere are talking about trade deficits and the threat of imports to our domestic manufacturing base. But we need to take a few moments and look beyond this smokescreen of bad news.

There is an incredible new spirit of personal initiative rising in this country—and the credit belongs to individual Americans across the Nation. We, as a country, enjoy a unique place in history—our energy comes from one of our most abundant resources—the hearts and minds of the American people.

This Nation has no mission of mediocrity—we were never meant to be second best. It is this bold spirit—one of pride, confidence, and courage—that continues to allow us to achieve our dreams.

Let's talk a moment about small business in America.

Small business is the backbone of Main Street America. American entrepreneurs continue to be the frontrunners in innovation, research, and development. And they create jobs.

As a member of the Small Business Committee, I take a very personal interest in the continued success of small business; and I am always encouraged when I hear new success stories—high startup rates, rising sales, and increased innovation.

The Census Bureau gave us more good news last week—the number of black-owned firms in this country rose substantially from 1977 to 1982. It is estimated that there could be more than 434,000 black-owned businesses by yearend.

Black entrepreneurs are discovering new opportunities at every turn, they are reaching out in new directions, especially high technological and service industries. And the vast majority of these black businesses are sole proprietorships where families are working together to succeed. This is indeed good news for America.

The story, however, is more than just plain statistics.

According to the Census Bureau, much of the recent growth among black-owned businesses is attributed to the economic recession of the 1970's. As many individuals were laid off, these same people went into business on their own. Now, while a recession is never good news, there is a point here worth recognizing. We as Americans, have the ability—when the going gets rough—to dig deep down inside that strong will and creative spirit which helped build this great Nation. And we are successful.

We lead the world in innovations. Do you realize that from 1980 to 1983, Americans received a total of 68 percent of the Nobel Prize awards for science? In 1983, we actually took them all. Not a bad track record.

Yes, business is booming in America. The youth of today, no matter what their ethnic or social background, can have great hopes for their future. America is embarking on a massive peaceful revolution, and the revolutionaries come from all sectors of our melting pot society, blacks, whites, orientals, hispanics—who recognize the great promise of opportunity which America offers.

We must ignore the prophets of failure who are paralyzed with fear. We must set our sights ever and ever higher. We can achieve our dreams by continuing to be the America whose initiative, ingenuity and audacity have made us the envy of the world. Ours is an opportunity society, and we must continue to offer an environment in which individuals, no matter how humble their beginnings, can develop their full potential.

Yes, Mr. Speaker, the vitality of our small businesses is another reason we can truly—feel good about America.

□ 1635

INSURED FINANCIAL INSTITUTIONS ACT OF 1985

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. LUNDINE] is recognized for 5 minutes.

Mr. LUNDINE. Mr. Speaker today my colleague from Delaware, Mr. CARPER, and I are introducing legislation which addresses one of the most fundamental problems facing our Nation's network of financial institutions.

One of the basic ingredients of a sound national banking system must be consistent and effective examination of federally insured financial institutions. Through regular and rigorous reviews of banks, thrifts and credit unions, potential problems can be caught early. Many of the problems which our system has experienced in the last year or so could have been caught and dealt with earlier through more diligent examination procedures. For example, inadequacies in our current examination procedures were cited during congressional hearings and other discussions are contributing to last year's near failure of Continental Illinois.

The key to an effective, efficient examination system is competent and highly trained examiners. The periodical examination of financial institutions is, as one can imagine, a very time consuming and arduous process which requires a high level of training. Examiners are required to travel a great deal and work under very stressful conditions. In many parts of the country, the pay for these professionals is far below what they could earn in the private sector. Consequently, many of the best examiners do not remain in Government service for more than 4 or 5 years.

The bill which Congressman CARPER and I are introducing today, the "Insured Financial Institutions Examination Act of 1985," addresses many of the problems currently plaguing our Federal examination structure. First, the bill removes Federal examiners from Federal civil service pay scales and establishes pay scales that are roughly comparable to those in private industry. These new pay scales would be based upon geographic location, length of service and experience, and levels of training and responsibility. Second, the bill provides for the consolidation and upgrading of the training of all Federal examiners. Presently, each regulatory agency trains its own examiners. Our bill would require that the examiners of the Federal Reserve Board, The Comptroller of the Currency, and the Federal Home Loan Bank Board all undergo the same training program. Because training for examiners is paid for through assessments on the various insurance funds, these changes will not cost the taxpayer any money, nor will such changes have any budgetary impact. In fact, we estimate that there will be an overall savings from such consolidation, and our bill dictates that any such savings be used to hire more examiners. Finally, our bill will provide for more coordination between Federal and State examiners for State-chartered institutions that are federally insured.

While there have been hearings in both the House and Senate on proposals to reform the Federal deposit insurance system, and while I applaud the committees' efforts in this area, the question of the adequacy of current review and examination procedures must also be addressed. In a very real sense, the competence and experience of those who examine our Nation's financial institutions affect us all. We must recruit the most talented people to perform this difficult task. We cannot afford to have the most knowledgeable and conscientious ex-

aminers leave Government service after a few years for the more lucrative world of the private sector.

Over 25 members of the House Banking Committee are already cosponsors of this bill, and I hope that other Members of the House will join us in this effort. Thank you.

WORLD FOOD DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. GILMAN] is recognized for 60 minutes.

Mr. GILMAN. Mr. Speaker, I am pleased to rise to focus the attention of this body on today's observance of World Food Day. Recent events such as the "live aid" concert and the USA for Africa production of "We Are the World" only in part document the incredible contribution that thousands of Americans are making toward ending world hunger.

Since 1979, the National Committee for World Food Day, under the leadership of its distinguished chairwoman, Patricia Young, and the auspices of the World Food and Agriculture Organization [FAO] has undertaken hundreds of projects and programs related to the world's hunger problem. Without World Food Day and the organizations involved with its celebration, the groundswell needed that made the recent media events possible would never have existed.

Americans can be proud of the fact that one-half of all the food committed this year to Africa has been donated by the United States. Individuals have contributed over $125 million to private voluntary organizations such as "care" and "save the children."

Additionally, the U.S. Government has sent a total of $1.25 billion for the drought since the emergency first came to national attention last October. This is in addition to $1 billion the U.S. Government is spending on non-emergency projects in Africa this year.

Yet, despite this impressive outpouring of support, the problem of world hunger persists. According to a recent FAO report, some countries in Africa are still being impacted by drought—over 150 million people. And 13 million are at immediate risk of dying. Unicef informs us that every 24 hours, 42,000 children under the age of 5 die as a result of hunger and related diseases.

These grim statistics underscore the critical need for a continued commitment of private and Government funds to ending hunger. But emergency relief aid is not enough. A concerted effort must be made to improve the deteriorating conditions that result in tragedy after tragedy—the same conditions that allow famine and starvation to persist and remain a reality in a world with more than enough resources to feed its population. It is time for us, for our Nation and the world of nations, to work to prevent disasters from occurring—to solve the problems which face Africa now.

Recently, I introduced H.R. 2782, legislation to prevent famine in Africa, which responds to the root of the problem that faces a continent whose population is growing at the fastest rate in the world—3 percent per year—while at the same time the productivity of its land is declining rapidly. Since 1967, Africa's grain output per person has dropped by nearly one-third and 40 percent of the continent's people live in countries where grain yields are lower than a generation ago.

In order to help Africa become self-sufficient and economically independent, there must be a global effort made to restore and preserve its own productive resources.

Reversing Africa's decline will involve immediate response to the crisis of decertification—that is, degeneration of land's productivity—which results from overly intensive and exploitative use of land in response to the needs of the growing population. At this point in time, 77.2 percent of the 4,500 million hectares of dryland in the world are already affected by decertification and 21 million of these per year are reduced to near or total uselessness. If this trend is not reversed, there will be no end to Africa's dependency on more developed countries for food and economic assistance.

A major cause of Africa's current problems is the lack of a renewable energy supply. Firewood, the most widely used source of fuel, is becoming increasingly scarce due to the overharvesting of trees. Forests in coastal West Africa were being cleared at a rate of 5 percent per year in the early eighties; at that rate, in 13 years those forests will be half of their original size. The scarcity of trees also has implications for soil and crop quality. Trees help to prevent soil erosion caused by damaging winds and floods. Without any protection, soil ceases to be fertile enough to produce significant quantitiesr of food.

Simply to maintain Africa's present per capita food consumption, agricultural output will have to grow 50 to 60 percent between the year 1980-2000. Considering the monumental suffering that exists with the present level of food consumption, it is clear that drastic measures must be taken to revive Africa's capacity to produce.

The time has come to begin to turn back the tide of the degradation of Africa's agricultural resource base that should be providing food for that continent's people. The decertification and deforestation which have played a major role in causing the present catastrophe in Africa needs our immediate attention if we are to put an end to this cycle of famine.

Mr. Speaker, we have the ability, the technology and the wherewithall to end world hunger. All we need is the commitment—and I urge my colleagues to help rally that kind of commitment.

□ 1645

Mr. Speaker, I am pleased to yield to the gentleman from Texas [Mr. LELAND], who has been the chairman of our Select Committee on Hunger, and who for so many years has led the fight in this Congress to stamp out world hunger.

Mr. LELAND. I thank the gentleman from New York for yielding and certainly want to commend him for his leadership, not just now to present this issue to the American people today because this is, indeed, a very special day, but also for his leadership historically, for what he has done to bring to the attention of the Congress the matter of ending hunger, world hunger, that is.

So I am happy also to associate myself with all of the remarks the gentleman has made.

Today, World Food Day 1985, is the occasion for the issuance by the U.S. Postal Service of the "help end hunger" stamp throughout the Nation. Please allow me, as chairman of the House Select Committee on Hunger and as chairman of the Postal Operations and Services Subcommittee of the Post Office and Civil Service Committee, to express my pride in the issuance of the stamp. Let me at this time thank especially former Postmaster General Bolger and the current Postmaster General Carlin for their efforts. Without their help the stamp never would have been created.

The Postal Service has made a great contribution to the effort to end hunger by enabling us to send 120 million messages calling on our brother and sister Americans to "help end hunger."

The stamp captures the pathos and vulnerability of hungry individuals, young and old. It evokes a compassionate response, similar to that awakened last year by the visual appearance of the famine stricken Ethiopians on television last year. Mr. Jerry Pinkney, designer of the stamp, reminds us that every person who suffers hunger is unique. In his artistry we see in a child or an old person someone we might know, weakened by lack of adequate nutrition. Aggregate numbers, no matter how startling, do not have the same effect.

The American people have always responded magnificently to such appeals. The magnanimity of our citizens during the past year as hunger stalked much of Africa and the homeless stood in souplines in our cities was extraordinary. Although the countless opportunities for giving in a free socie-

ty make a precise calculation of donated funds and services impossible, an example of the generosity of Americans giving through private agencies can be gained from interaction. This coalition of over 100 private, voluntary organizations involved in developing countries reports its member agencies have received over $125 million in donations from the American public for famine recovery activities in sub-Saharan Africa. Additionally, more than $100 million has been raised to help victims of drought and famine in Africa by USA for Africa and live aid efforts.

The same spirit is being demonstrated in response to domestic hunger and malnutrition. The private sector in the United States has responded to those poor who need food aid regularly or occasionally. There are now more food banks, soup kitchens and church pantries providing food than ever before. An estimate of the food contributed through the Second Harvest, a single organization serving food banks throughout the Nation, is $114 million in 1984.

Private individuals, corporations and voluntary, nonprofit organizations have greatly expanded their efforts to alleviate hunger. But their resources are not sufficient. The interfaith hunger appeal released a report yesterday stating that chronic malnutrition affects 500 million people in the world.

All the needs are not far away. In my own city, Houston, the private agencies report a 30-percent increase in requests for emergency food in 1985. Bread for the World, a broad coalition of Christian churches, surveyed 36 localities across the Nation. In most of the cities and counties surveyed the food need requirements were well beyond the capacities of voluntary groups.

It is clear that food assistance and a new commitment to attacking the conditions that allow hunger in a world of plenty are required. Every individual and every government must act in the consciousness that indeed, "we are the world." Morally, most of us acknowledge that the human family suffers with the pain or loss of any of its members. Yet, we live in a world where 2 million children die each year of measles complicated by malnutrition and lack of health care.

In 1974, the first World Food Conference was convened by the United Nations in Rome. The conference adopted recommendations and pledged to eliminate hunger within 10 years. The failure to achieve that goal was acknowledged last year at a 10th anniversary conference in Addis Ababa. Clearly the task is difficult and requires more than rhetoric. It requires hard choices and sacrifice.

The Interfaith Hunger Appeal report is a clear guide to the challenge ahead. It states the emergency needs and long-term development requirements. It was prepared by Church World Services, Catholic Relief Services and the American Jewish Joint Distribution Committee, three experienced agencies who joined together in an educational effort to address hunger in 1978.

The report states that "famine and hunger are more the products of human neglect than of natural phenomena." It calls on all who are in a position to affect public and private policy to do so on behalf of the world's hungry. In a democracy, that's all of us.

The Interfaith Hunger Appeal has given us a document that gives substance to the message of the postal stamp, help end hunger. I commend to your attention on World Food Day an important document significantly entitled "World Food Security: A Personal Responsibility."

Mr. Speaker, I thank you for your time and certainly want to thank the gentleman from New York [Mr. GILMAN] for not only his time, but also his leadership.

Mr. GILMAN. I thank the gentleman from Texas for not only being our leader of our Select Committee on Hunger and for his long-term devotion and dedication to the cause, but for his very comprehensive and moving statement in support of World Food Day.

Mr. LELAND. I thank the gentleman.

Let me at this time also commend the gentlewoman from New Jersey [Mrs. ROUKEMA] for her leadership. She happens to be the ranking minority member on the Select Committee on Hunger.

Mr. GILMAN. I thank the gentleman.

Mr. Speaker, I yield to the gentleman from Iowa [Mr. TAUKE], who also has been involved in this issue for many years, and has been a strong supporter of World Food Day concerns.

Mr. TAUKE. I thank the gentleman and certainly want to express my appreciation to the gentleman from New York [Mr. GILMAN] for his leadership on this issue, and to commend the gentleman from Texas [Mr. LELAND] and the gentlewoman from New Jersey [Mrs. ROUKEMA], the leaders of our Select Committee on Hunger for their ongoing effort that has been under way for some time now to bring this issue to the attention of the House.

This morning I left the State of Iowa, and as I took off on the plane and flew over our State, I saw hundreds of farmers out there in their fields harvesting crops. It is indeed an abundant crop that they are harvesting in Iowa and across the Midwest this year, because this year our Nation will bring into the bins record amounts of grain and record amounts of food will be stored.

At a time when we are trying to figure out where we can find more storage capacity for food, it must seem strange to many Americans that we still have this problem of world hunger.

As we watch nightly newscast footage of refugee camps for the starving in Ethiopia and other nations of the world, looking at the wasted bodies, the eyes devoid of hope, the barren land, we begin to sense the magnitude of the problem and the scope of the effort that is required to meet the immediate needs of the starving and malnourished of the world. Starvation continues to claim 25 victims worldwide every minute. For nations afflicted with hunger, the road to recovery is long and hard.

But the twin problems of food production and food distribution can be solved if the will of the nations and the peoples of the world is strong enough and our commitment deep enough. I have reason to be optimistic about that will and that commitment. I am optimistic when I read that Americans have contributed $143 million to 34 private voluntary organizations to feed the starving in Africa and that more than 35 million starving people have received nourishment.

I am most optimistic about our ability to sustain this commitment over the long haul ahead when I think of the letter I received last December from Grant Weeks, a fourth-grader from Clinton, IA. I want to share Grant's letter with you:

DEAR MR. TAUKE: I have seen on the news these people starve in Ethiopia. I know you are a leader in Washington. Could you maybe see that the children have food? I am willing to give the allowance I have been saving. I know you will do what you can do.

GRANT WEEKS.

Grant had enclosed $3.

Grant's letter gives me hope. Our Nation's children realize and understand the problem of world hunger and the need for nations and peoples to work together to solve that problem.

Let us renew our will and our commitment today, World Food Day, to a world in which starvation and malnourishment are specters of the past.

□ 1700

Mr. GILMAN. I thank the gentleman for his supportive remarks and thank him for his long-term commitment to this very important issue.

Mr. Speaker, I am pleased to yield to the gentlewoman from New Jersey [Mrs. ROUKEMA], who has been the outstanding minority leader of our Select Committee on Hunger, and who has for so many years been concerned and dedicated to this issue.

Mrs. ROUKEMA. Mr. Speaker, I am pleased to join my colleague on the

House Select Committee on Hunger, Mr. BENJAMIN GILMAN, in celebrating this October 16 as World Food Day.

Today, the United States is joined by about 150 other countries around the world in highlighting the crucial importance of agriculture and food distribution for survival and good health of individuals and nations.

Today is a time to reflect upon the problem of hunger, how far we have come, and how far we have yet to travel. The problem as I see it, has been to answer the question of why do we even have this problem at all? Since we, as a nation, produce more and spend more on food aid, why do we have overabundance and the tragedy of hunger at the same time? Why does this problem continue to stay ahead of our capacity to solve it? Why with all our resources, can we not better match supply and need? We know the questions. We must search for answers.

The African famine has captured the hearts and souls of the American people, and illuminated the problem of hunger in tragic proportions. As the ranking Republican on the Select Committee on Hunger, I had the opportunity to view this crisis first-hand with a group of my House colleagues during a trip to Ethiopia last year. Words cannot describe the anguish I felt at Korem and Mekele and other refugee camps. My sense of helplessness was overwhelming.

When I saw with my own eyes tens of thousands of persons in Ethiopia weakened by hunger and near starvation, I joined with my Hunger Committee colleagues and sent an urgent message to President Reagan. We informed him that food aid was needed immediately. Our action and the President's answer to our call led to the diversion of a ship that was en route elsewhere and its grain was made available to famine victims of Ethiopia.

Actually, the past year has seen one of the worst famines in human history. For the third year in a row, half or more of the countries of Africa have faced food emergencies. Tens of millions of persons faced the threat of death by starvation and hunger-related illness. U.S. resources were mobilized and massive food shipments were sent by our Agency for International Development [AID] to many African countries.

Our President and the Congress embraced as a national policy of our country the principle that "the starving child knows no politics." This principle has been applied by AID, under the able and energetic leadership of Mr. M. Peter McPherson, in providing aid to all those African countries suffering food shortages in the current African famine. The United States has led all donor nations in providing 3 million metric tons of food to the African nations in need. Those numbers are truly impressive. More meaningful is the fact that they have saved millions of lives.

However, there is a great deal that remains to be done.

There is an excellent new book, edited by the Hunger Project, entitled "Ending Hunger, an Idea Whose Time Has Come." The idea of ending hunger has been brought home to tens of millions of Americans by news reports of the African famine, the "We Are the World" song of United Support of Artists for Africa—USA for Africa—the Live-Aid Concert, and hundreds of hunger-related activities across our land. Americans' private contributions in the past year exceeded $200 million in lifesaving assistance.

We know the problems are severe. We know that many lives depend each day on our work. We know that the massive efforts required have been begun. We have a lot more to do.

Yesterday, the U.S. Postal Service issued a new national stamp. Its message is simple: "Help End Hunger." It was private citizen Phyllis Alroy of Princeton, NJ, who led a national campaign to obtain the signatures of tens of thousands of Americans in support of the "Help End Hunger" stamp. Hunger Committee Chairman LELAND pressed the idea in the House Post Office and Civil Service Committee and won key support for it. As World Food Day comes and goes, I am hopeful that this national stamp will help seal our efforts throughout the year in alleviating hunger. I urge that all of us who can buy this special stamp now, while it is available, and use it to send out our mail through the coming months. It will help keep the "end hunger" message going across our land and around the world, as we send our mail to other countries.

In my home State of New Jersey, Governor Kean issued a special call to the people of our State to capture the spirit of World Food Day. Rev. John Barton, working with Church World Service/Crop, is a leader of New Jersey's impressive array of World Food Day activities. I am sure that the people of New Jersey will heed the call of World Food Day, as will millions of others across the land. Indeed, many in New Jersey have been leading the call already.

One such person is Victor Cino. This May, a resident of Tenafly, NJ, through his own desire to help the world's neediest, with untiring energy, organized the New Jersey Council on African Relief. He now chairs this council, comprised of many organizations in the State that are active in overseas hunger relief efforts, including emergency shipments of medicines. Mr. Cino's success certainly shows that an individual with commitment and hard work can work with others and save lives. If there were time, I could report on the individual, corporate, and group contributions of many others, as well. They all deserve our hearty commendation.

To carry the spirit of World Food Day forward, I have cosponsored the House resolution to have November 24, the Sunday before Thanksgiving, designated as the "National Day of Fasting to Raise Funds to Combat Hunger." The resolution encourages Americans who are able to forgo one or more meals and contribute the money saved to a hunger-relief organization of their choice. This will give us each a special chance to experience hunger concerns more personally while raising substantial sums help to those who suffer from hunger.

Crisis intervention does not substitute for our long-term development goals. We must take care to help prepare the recipient nations to begin to provide for their own basic needs. There is a point at which emergency food can deter local food production. We must avoid that counterproductive result. Our goal must be to meet critical emergency needs while promoting self-sufficiency, not dependency. We must ensure that these nations do not become permanent wards of the world.

We must help bring the benefits of a new "green revolution" to Africa. The United States supports African development through the transfer of agricultural technology and aid assistance. Indeed, our participation in the World Bank's International Development Association [IDA], the International Fund for Agricultural Development [IFAD], and the FAO has created many local success stories. For instance, IFAD's role is to work with the poorest rural farmers in the developing world to assist them in enhancing their food production. If we are to help the sub-Saharan region of Africa overcome the current crisis and move toward self-sufficiency, we must direct our attention to the small farmer on whom this region relies. Each of these programs remains crucial to the momentum of agricultural innovation.

However, without fundamental changes in the agricultural, economic, and population policies of governments, the seeds of progress sown by agricultural innovation will fail to flower. We must work to change the ill-conceived and regressive perceptions of governments that view agriculture as the primitive sector of their economies, to be tolerated and taxed solely for the benefit of the urban and industrial sectors. Only when this antiagricultural mindset of post-colonial Africa changes, can genuine progress be made toward the elimination of the conditions that foster these catastrophic famines.

Clearly, a massive effort by numerous governments, international organizations, private groups, and millions of

individuals is required to end the scourge of hunger. I stand with my fellow Members of Congress, with the President and our executive agencies, and with those in the private sector who are dedicated to ending hunger in our time.

I wish to commend Hunger Committee member, BENJAMIN GILMAN, for proposing the World Food Day resolution, the President for again answering our call and leading our national observance, the more than 300 American groups and organization members of the National Committee for World Food Day for their mobilization of local support, and the United Nations' Food and Agriculture Organization [UN/FAO] for its leading work toward food security for all peoples.

We can all be proud of the leading role our country and so many of its private citizens and organizations have played in the alleviation of hunger and malnutrition in the United States and in other countries around the world. Sadly, we cannot rest on our past accomplishments and just return to our every day lives satisfied that we have done what we could and more than any others have done.

We cannot because the crisis of food shortages in many countries and in many individual households in all countries persists. The solutions lie in long-term efforts to increase food production in the poorest countries and to improve international distribution and incountry delivery systems.

World Food Day is based on the important idea that the people of the world should share in a partnership in the search for solutions to the problems of hunger and malnutrition. I hope that our national commemoration of World Food Day will lead millions of Americans to listen, read, and reflect on the continuing problems of hunger affecting millions of persons daily. More importantly, I hope that it will encourage many to contact domestic and international organizations that are working to solve hunger problems and to form lasting links with them in their ongoing efforts to alleviate hunger and malnutrition in our time.

Mr. GILMAN. I want to thank the gentlewoman from New Jersey [Mrs. ROUKEMA] not only for her leadership as our ranking minority member of our Select Committee on Hunger, but also for her extensive work in finding new initiatives for helping us to resolve this critical issue of world hunger.

Mrs. ROUKEMA. I thank the gentleman again.

□ 1710

Mr. GILMAN. Mr. Speaker, I yield as much time as he may consume to the gentleman from California [Mr. MARTINEZ].

Mr. MARTINEZ. I thank the gentleman for yielding.

Mr. Speaker, as we take this time to commemorate World Food Day and to reflect on the problem of world hunger, very few of us can help from feeling a great sense of the tragedy that hunger represents. The fact that hunger will claim the lives of millions of people throughout the world each year is truely distressing. It is easy to be overwhelmed by the magnitude of the problem, and by what seems to be our inability to ease the pain of all those who suffer. However, we have a responsibility both as legislators and as concerned Americans to continue the fight against hunger with vigor that cannot be relaxed.

While the extent of hunger throughout the world is undoubtedly a great tragedy, what seems to me to be an even greater atrocity is the fact that here, in the land of plenty, we have millions of people who too will go to bed every night hungry, and who suffer the ill effects of malnutrition. An estimated 34.4 million people live below the poverty line, and, as a result, are denied a nutritionally adequate diet. The evidence of hunger in America is pouring in as souplines and pantry kitchens throughout the Nation report a doubling, even a tripling of people seeking their assistance. Sadly, those who are seeking emergency food assistance are families with children who were once able to make it financially. Unfortunately, unemployment and the rising cost of living and energy have forced many of our citizens to seek the assistance of private charities. I am touched by the effort of our courageous citizens who donate so much of their time, energy, and resources to aid the hungry. Here or abroad however, the message they are sending to Washington is clear: Private charities and food banks simply do not have the resources or ability to meet the needs of the rising population of hungry Americans.

Much has been said over the past 6 years about the need to reduce the Federal deficit. I wholeheartedly agree that this is a major problem and must be addressed. However, I question the wisdom on cutting back on programs that are designed to assist the hungry. A healthy population is as essential to America as is our national defense. It seems ironic to me that so much of our resources will be placed on bombs and nuclear weaponry, while many of our children will suffer from malnutrition. Across the street from the White House there is a park full of the homeless and hungry who live in the streets, picking through trash for their meals, and seeking shelter in subways from the cold winter nights. This scenario occurs in every city throughout the Nation. Do we not have a responsibility to these people? Are they not our brothers and sisters? I believe that our budget priorities should incorporate the basic values of human rights, which include the right to a sound and healthy diet.

Mr. GILMAN. I thank the gentleman from California for his pertinent comments and for his dedication to this issue.

Mr. Speaker, I would like to call to my colleagues' attention a recent article, a feature article, prepared by the Christian Science Monitor entitled "Africa, a Blueprint for Survival," written by David K. Willis, who has been the Monitor's Third World correspondent for a number of years.

I would like to quote from a portion of that which is headed, "A Blueprint for African Survival," which summarizes the principles set forth in this article.

Mr. Speaker, it states as follows:

A BLUEPRINT FOR AFRICAN SURVIVAL

Recognize that to fight famine in the long term, African earth, water, trees, and livestock need urgent help to survive.

Help to lower population growth rates, the highest in the world, with sustained cooperation between aid donors and local governments, stressing positive benefits rather than negative fears.

Help primarily the small African farmer by:

1. Refocusing aid away from huge, showcase projects originated by urban planners largely to benefit urban populations, and into local, specific ideas to boost subsistence crops.

2. Involving African women much more in aid planning and projects at all levels. Women perform up to 80 percent of all tasks connected with food production. No longer can plans be laid by males for males on the assumption that males grow the food Africans eat.

Aid local farmers not in high-tech but in low-tech ways.

Provide more money for intensified research into the higher-yielding, hardier, drought-resistant crops that are eaten in tropical and arid climates (millet, sorghum, maize [corn], cassava, yams, cowpeas, and more).

Finance much more drilling for underground water across the Sahel region, in Ethiopia, Sudan, and northern Kenya, as well as more catchments, mini-ponds, terracing, and no-till farming techniques to conserve the rain that does fall.

Vastly expand farm extension work, especially to spread the word that "slash and burn" shifting cultivation no longer works, because populations are growing too fast to allow land to lie fallow for the long periods it takes to recover.

Adopt plans drawn up by a UNESCO unit in Kenya to limit the number of livestock carried on semiarid lands. Nomadic pastoralists who settle around grain-distribution points must send out herders to keep moving their camels from pasture to pasture rather than keeping them near the home base.

Balance the competing needs of livestock and wild game where drought hits hard.

Persuade the United States and Europe to concentrate much more on diplomacy aimed at easing Africa's ruinous civil wars, which divert resources, block distribution, and

keep too many eyes focused on the short term rather than on the future.

Mr. Speaker, I thought these suggestions were worthy of our review, and I hope that my colleagues will take a good, hard look at these constructive proposals.

Mr. HAYES. Mr. Speaker, distinguished colleagues, today I rise to speak to you about world hunger. Given that we live in a kind of "media age," what we pay attention to often depends on what is prominent in the media at the moment.

An apartment-house fire, an airplane crash, a murder—these are the items of interest that make up our daily news diet. As discrete events, relevant largely only to the current moment, they come and go in our lives with little real impact. They speak to no enduring concern.

The persistence of world hunger is one of those issues that permeates the background of life. With the exception of the occasional news making events, typically, a famine, in which the human disaster is so acute that it cannot be ignored, hunger lives as a process, a persistent, and chronic condition. People are dying from hunger everyday and because this is the norm, it is not news.

For those of us who are adequately fed and for whom food is commonplace in our daily life, hunger—if it is thought of at all—is something out there—something tragic—horrible—awful—something we wish did not exist. It is not, however something we keep front and center as one of our primary and fundamental concerns.

According to a recent study by "The Hunger Project," 1 billion people are chronically undernourished; 13 to 18 million people die a year from hunger, 35,000 people a day, 24 people a minute, 18 of whom are children, die from hunger. Yet, because we view hunger in the background of life, this terrible toll does not enter our headlines, nor, for most of us, our concerns.

As I stated during the debate on the Food Security Act, the policy of our Government has been to pay farmers not to produce crops in an effort to keep commodity prices at profitable levels. Meanwhile, millions of people go undernourished here and in Third World countries. Whatever the reasons were or are for this policy, growing domestic and world hunger begs this question—"Should we be in the business of paying farmers not to grow food? In light of both domestic and world hunger, the answer is a crystal clear "no."

We need to really reassess and re-think the guiding principals on which we base our farm policies. If there is a problem with storing excess commodities—lets correct it. If there is a problem with marketing excess commodities—lets correct it. If there is a problem with giving food to hungry people, by all means—let's correct it. In light of domestic and world hunger, how long can we continue to pay farmers not to produce food? How long are we going to suppress the resources of our food producing industry simply to line the pockets of a few with inflated profits?

All of us have been "hungry" at some time or other. This usually means simply that we have an appetite. But the hunger experienced by hundreds of millions of people is not an appetite that comes and goes; it is a consuming, debilitating, minute-by-minute, day-after-day experience. Hunger—the presistent, chronic, relentless condition—keeps people from working productively and thinking clearly. It decreases their resistance to disease, and is intensely painful. Prolonged hunger can result in permanent damage to the body and mind. Ultimately, as the number of deaths I mentioned earlier indicate, if hunger goes on long enough, it kills.

Mr. Speaker, we must address the hunger crisis now. It is widespread and it is increasing. The time to react has passed. The time to act is now.

Mr. JEFFORDS. Mr. Speaker, I would like to commend my colleagues on the Select Committee on Hunger for organizing this colloquy in celebration of World Food Day. There is no doubt that hunger is a very real and pressing problem in today's world.

We can be proud of the fact that by all measures, the United States has taken the lead in providing relief of all kinds to the drought-stricken areas of Africa. In the last year, we have provided over 3 million metric tons of food to Africa, valued at just over $1 billion. This is roughly 6 times the amount provided in fiscal year 1984.

Funds appropriated in fiscal year 1985 and added to in the March supplemental appropriations bill should be sufficient to meet the critical food needs for most of Africa. Substantial rains have come to many drought areas, however, due to population displacement and land damage, the upcoming harvest will still be subnormal. The situation is certainly not great, but it is considerably better than at this time last year.

The most critical problem at the moment is the lack of transportation to get the food to those who need it. While the supplemental provided adequate funds for food relief, it was clearly insufficient in the transportation and other nonfood aid provisions. Food in Ethiopia is not rotting on the docks, as some have said, but it is piling up in storage facilities and backing up in the system. If there is not an immediate effort to provide trucks, gasoline, spare parts, and some airplanes, the food storage will become critical. The deplorable state of Ethiopia's infrastructure is not atypical of most of the other famine-stricken nations. At this time, AID has no plans to provide further transportation assistance.

Another serious need in the famine-effected areas is health assistance. Disease is a big problem, and could become an even greater threat if living conditions are not improved and medical assistance does not reach large numbers of people.

A new supplemental request for nonfood aid may well be needed to address the critical problems of transportation and health assistance. I hope that this body will continue to monitor the situation closely and be ready to take action if necessary.

I feel strongly that we must carefully assess not only the efficiency of our relief efforts in response to the Africa famine crisis, but also the background of economic development and foreign assistance prior to the crisis. While providing emergency food assistance is obviously of great importance, it is even more crucial that we restructure our ongoing development efforts so as to help prevent these types of disasters. We must evaluate the effectiveness of our foreign aid efforts in addressing the long-range needs of Africa and other developing nations. We must also lend our support to those international organizations, such as the U.N. Food and Agriculture Organization and the International Fund for Agricultural Development, that are doing such a commendable job of addressing the long-term development needs of the Third World. For after all, these countries do not want our food so much as they want to be able to feed themselves.

While world hunger is a well recognized problem, there is also a growing hunger problem here at home. Reports done in recent years point to large increases in the demand for emergency food. Bread for the World's recently released 1985 "Hunger Watch U.S.A." survey reports a 16.2-percent increase in the average number of people served monthly by emergency food assistance sites in the past year. Other disturbing statistics show that increasing numbers of families are finding it difficult to feed their children. The U.S. Conference of Mayors reports that the number of families and children requesting emergency food aid increased by over 35 percent in 1984 alone. Adequate funding for Domestic Nutrition Assistance Program is the key to bringing hunger in the United States under control.

There is no doubt that the resources exist to solve the problems of hunger. What is needed is the will to do so. I encourage all my colleagues in Congress to join in working for a solution to this problem.

Mr. TOWNS. Mr. Speaker, today marks the fifth observance of World Food Day and the 40th anniversary of the founding of the U.N. Food and Agriculture Organization. These events make today's special order an appropriate time to address hunger concerns.

There are many people at home and abroad who are suffering from serious nutrition deficiencies. The number of men, women, and children who are dying from starvation and dietary deficiencies has reached crisis proportions. It shocks the conscience to know that this day of highly advanced technology and agricultural development, we still have millions of people, here at home and abroad, whose basic dietary needs are not being met. This situation is indeed a very sad commentary on the world community and perhaps more importantly, our Nation.

On this day of observance, we must rededicate ourselves to the elimination of world hunger. However, let me add these words of caution. It will be very difficult to show the world community that we are genuinely committed to this just and noble

cause if we are not equally committed and determined to elimnate hunger in America. We cannot very well attack the problem of world hunger without first eliminating domestic hunger.

There are still too many hungry Americans across this Nation and the figures are rising. The sharp increase in the early 1980's was thought to be a short-term increase caused primarily by the recession, high unemployment, and reductions in Federal public assistance programs; that is, AFDC families, food stamps and other nutritional programs. The trend since the early 1980's has been one of declining Federal support to those who need Federal assistance the most. According to the most recent report of Hunger Watch U.S.A., between fiscal year 1982 and fiscal year 1985, the Food Stamp Program was cut by over $7 billion from its pre-1982 levels. Furthermore, the effect of the reduction has been to terminate benefits to over 1 million people and reduce benefits to virtually all other eligible beneficiaries. These cutbacks and the resulting ramifications are not indicative of a Congress which has committed itself to the elimination of hunger throughout the world. The Food Stamp Program desperately needs to be expanded to allow more households to participate.

This program is only one avenue which should be pursued in an effort to reduce the level of hunger in the United States. Let's us demonstrate to the world that we view hunger as the No. 1 issue at home and abroad in the 1980's.

Mr. MOORHEAD. Mr. Speaker, yesterday in a Capitol Hill setting, at a ceremony hosted by the Select Committee on Hunger and attended by the Postmaster General of the United States, 10 individuals received citations for their extraordinary efforts to end world hunger. From all parts of the country, all ages and walks of life they came, in honor of the first day of issue of a U.S. Postal Service stamp bearing the legend "Help End Hunger." One of the persons honored, Dorsey Lawson of Pasadena, CA, came from the 22d District of California which I represent.

Dorsey Lawson is not just dedicated to this cause; for her it is a way of life. The name of her support group really says it all, "Results." Dorsey by her steadfast devotion to a cause shows us all what it takes to make a difference in the lives of others. Dorsey represents the meaning of individual effort at its very best. She never forgets, and she never lets you forget, and we are all the better for it.

Today is World Food Day 1985; a day on which we can truly celebrate the good news that since 1961, 51 countries representing over 1.5 billion people have ended hunger as a national issue within their borders. It is also a day during which we can pay homage to Dorsey Lawson and her counterparts all over this Earth for their remarkable efforts to first bring the crisis to our attention, to take action and then most important of all to be able to show "results." That is what this day is all about and that is what Dorsey Lawson is all about.

Mr. BROWN of California. Mr. Speaker, I rise today in recognition of World Food Day.

In 1979, the then 147-member nations of the Food and Agricultural Organization of the United Nations passed the resolution establishing World Food Day. They hoped that an internationally celebrated event would focus public attention on the gravity of the world food situation, particularly in developing countries, and would stimulate public participation in efforts to over come hunger.

Today, hundreds of thousands will gather to express and reaffirm in their own way, their commitment to end hunger. They will focus compassion, energy, and vision on helping to develop comprehensive farm, food, and health policies—policies which increase the availability of nutritious food for all. In this individual commitment, by people in countries throughout the world, lies the true strength and ability to eliminate hunger and malnutrition.

As I look back over the years, I can see the result of increased concern and united compassion for the hungry. Hunger groups have grown and developed into widely effective organizations. Through efforts of these groups, individuals and policymakers have become more educated and directed in their approach to eliminate hunger permanently.

While our country has not yet succeeded in eliminating domestic hunger, indeed we have witnessed an increase in the past few years, our country has been able to respond to hunger with a broad and often successful attack, using mechanisms which have taken years to develop.

Today we have established food banks, procedures for commercial and governmental contributions to food distribution programs, school lunch and breakfast programs, distribution of surplus commodities, child nutrition, and the Women, Infant and Children [WIC] Programs, and food stamps.

This ability to respond has improved tremendously since 1935, when Congress first directed the U.S. Department of Agriculture to operate food assistance programs aiding the low-income population, and to purchase and donate surplus farm commodities to school lunch programs serving low-income populations.

In the late 1960's, President Kennedy launched an all-out campaign to eliminate hunger. And we made strong progress. In 1961, the first pilot Food Stamp Program began operation. Over a decade later, in 1972, the first supplemental food program for Women, Infants and Children [WIC] was mandated. These programs were expanded and improved through the 1970's, and they seemed to be working.

However, 1980 was a hard year on food assistance programs. Child Nutrition Program funds were reduced, school lunch subsidy rates were reduced, nutrition education programs, breakfast programs and others suffered setbacks. Since 1980, the Nation, and the world as a whole, has suffered from the recession. Reports have indicated that there is a growing number of children admitted into hospitals who are showing symptoms likely to be nutrition related. Demand for emergency assistance has risen faster than the ability of food assistance programs to respond.

The occurrence of hunger internationally has been underlined by the tragic drought in Africa. Millions of Africans face hunger and the threat of starvation daily. Yet, there has been an incredible response to this famine. Shortly after the BBC broadcast last fall, the relief organizations from the United States witnessed a flood of contributions for the drought victims. While the U.S. Government has sent emergency food aid, and other assistance, private citizens have also contributed food, money, and their time. We have seen a variety of group efforts—the live-aid concert, fundraising functions, and community benefits—to raise funds. The concern felt for the plight of the famine victims has resulted in one of the largest broad-reaching fundraising efforts to battle hunger in history, and has saved millions of lives.

No; we have not yet eliminated hunger. We have not been successful in feeding all the Africans or those who are starving in other areas of our world. Yet, we have established a momentum. And, we have proved what can be accomplished when we try.

World Food Day is an event to encourage this determination to eliminate hunger. And, we must be careful not to let our enthusiasm wane.

As the richest nation in the world, we feel a moral obligation to share our abundance of food with others less fortunate than ourselves.

The United States is the No. 1 agricultural producer in the world. It is a national shame to have people go hungry in a land as wealthy as ours.

We are now viewing hunger and malnutrition as a health risk as we learn more about the effects of inadequate nutrition and its impact on the health of the elderly, expectant mothers, newborn and growing children.

We must recognize the ills of hunger from an educational point of view; hunger and inadequate nutrition can reduce the ability of our children, tomorrow's leaders, to concentrate and learn.

Finally, policymakers are beginning to view hunger from a cost perspective. It has been estimated that for every dollar we spend on providing good nutrition domestically, we can save up to $3 dollars in health care costs and in the loss of good education.

Yet, an effective program for eliminating hunger requires much more than emergency food assistance. We must develop a more permanent approach which addresses the causes of hunger and malnutrition.

Hunger and malnutrition occur for a variety of reasons: unfair and uneven distribution of wealth; lack of a social system to help the disabled, the young, and the old; shortages or uneven distribution of food—created by natural or political restrictions; inability for a community to be food self-

sufficient; social and cultural factors regarding right to food; and ignorance.

In America, hunger is not a result of a limited food supply, but the inability to pay for it. Government benefits alone will not be the solution to eliminating this problem. What we really must strive for is insuring an adequate supply of nutritious foods at affordable prices to all citizens.

Avoiding artifically high prices, encouraging urban and individual gardening projects, instituting direct farmer-to-consumer marketing, reducing unemployment, and encouraging food and personal contributions to community assistance programs for the needy will all serve as important foundations for increasing the availability of nutritious foods.

Increasing our understanding of nutrition, both nationally through research, and individually through education is vital. It is estimated that one out of every seven Americans is malnourished or has a deficiency in one or more essential vitamins or minerals. For a large portion of these people, this is not due to hunger, but rather poor eating habits and ignorance regarding nutrition. Our schools can and should offer nutrition education, but more needs to be done to educate all our citizens regarding food consumption and the need for proper nutrition.

Because I feel strongly that nutrition research and on-going nutrition monitoring of our citizens is essential to assessing and increasing our country's health, I have introduced, along with my colleagues Congressmen MACKAY and WALGREN, the National Nutrition Monitoring and Related Research Act of 1985.

On an international level, communication and cooperation is important to win the battle against hunger. The famine in Africa has resulted in increased efforts to coordinate food assistance with other countries. And I hope this trend will continue in the future.

However, just as in America, direct food assistance will not result in a permanent reduction of hunger. Increased education, technology transfer, developing low-resource, sustainable agriculture systems applicable to each area, natural resource conservation and maintenance programs, and social and political involvement is needed.

Today, we have the resources, the knowledge, and the ability to reduce—even eliminate—hunger. What we lack is the needed commitment of our world leaders, of our community leaders, and individuals. World Food Day was created to help bring hunger to our attention, and to help foster this commitment.

I commend everyone who has taken part in this effort. From those who have contributed their time to volunteer in food assistance programs or joined education efforts, to those who have contributed or raised money for hunger-related projects, to those who have educated policymakers, to all who have participated in research and the development of technology and knowledge needed to eliminate hunger completely.

We have taken great steps in reducing hunger in our world. I encourage all to join these efforts and to continue to press toward our goal of eliminating hunger in our lifetime.

Mr. GARCIA. Mr. Speaker, I want to thank my colleagues for arranging this special order on hunger. Representatives MICKEY LELAND, BEN GILMAN, and MARGE ROUKEMA have done an excellent job with the Select Committee on Hunger in making us all aware of the plight of the world's hungry.

Certainly there is no greater cause facing us than to insure that all the world's people are fed. Without this basic need fulfilled, we cannot even begin to hope that the millions of people throughout the world that are hungry—particularly those in the developing world—will be able to have any kind of normal life.

Politics must be cast aside when we consider this issue. Our efforts must, instead, be focused on feeding the hungry no matter where they are, no matter what kind of government they labor under. The best way for us to do this is to continue with efforts such as this—getting Members of Congress together to talk about hunger and what can be done to eliminate it. That's the first step, making people aware of the magnitude of this problem, Hunger is not confined to Ethiopia; it exists throughout Africa, as well as throughout the world.

There is no reason for hunger to continue. I am convinced that if we work together, we have it within our power to end hunger. We, as Members of Congress, must join together and speak with one voice in the fight against hunger. Ending hunger would be the best foreign policy initiative we could possibly undertake.

Mr. MARTINEZ. Mr. Speaker, as we take this time to commemorate World Food Day and to reflect on the problem of world hunger, very few of us can help from feeling a great sense of the tragedy that hunger represents. The fact that hunger will claim the lives of millions of people throughout the world each year is truly distressing. It is easy to be overwhelmed by the magnitude of the problem, and by what seems to be our inability to ease the pain of all those who suffer. However, we have a responsibility both as legislators and as people to continue the fight against hunger with a vigor that cannot be relaxed.

While the extent of hunger throughout the world is undoubtedly a great tragedy, what seems to me to be an even greater atrocity is the fact that here, in the land of plenty, we have millions of people who also will go to bed every night hungry, and who suffer the ill effects of malnutrition. An estimated 34.4 million people live below the poverty line, and, as a result, are denied a nutritionally adequate diet. The evidence of hunger in America is pouring in as soup lines and pantry kitchens throughout the Nation report a doubling, even tripling of people seeking their assistance. Sadly, those who are seeking emergency food assistance are families with children who were once able to make it financially. Unfortunately, unemployment and rising costs of living and energy have forced many of our citizens to seek the assistance of private charities. I am touched by the effort by our courageous citizens who donate so much of their time, energy, and resources to aid the hungry. However, the message they are sending to Washington is clear: Private charities and food banks simply do not have the resources or ability to meet the needs of the rising population of hungry Americans.

Much has been said over the past 6 years about the need to reduce the Federal deficit. I wholeheartedly agree that this is a major problem and must be addressed. However, I question the wisdom in cutting back on programs that are designed to assist the hungry. A healthy population is as essential to America as is our national defense. It seems ironic to me that so much of our resources will be placed on bombs and nuclear weaponry, while many of our children will suffer from brain damage due to malnutrition. Across the street from the White House there is a park full of the homeless and hungry who live in the streets, picking through trash for their meals, and seeking shelter in subways from the cold winter nights. This scenario occurs in every city throughout the Nation. Do we not have a responsibility to these people? Are they not our brothers and sisters? I believe that our budget priorities should incorporate the basic values of human rights, which include the right to a sound and healthy diet.

Thank you.

Mr. FASCELL. Mr. Speaker, World Food Day gives us an opportunity to express thankfulness again for the agricultural plenty of the United States, and to renew our resolve in the campaign against the hunger afflicting the poor populations of the world.

The continuing, long-term solution for hunger in developing countries is to raise their own agricultural production to achieve food self-reliance. To this end, America and other donors have been providing assistance for self-help programs in many countries over the years.

There has been marked success in this compaign in Asia and most other parts of the Third World. The U.N. Food and Agriculture Organization [FAO] 1985 World Food Report says global food and agricultural production rose by more than 4 percent in 1984 for one of the best results in the past decade. It reports production increases mainly in the United States, West Europe, and also in the larger developing countries, including China and India, were led by a stunning 8.5 percent growth in cereal output to 1,780 million tons—a new record.

The notable exception to date has been in Africa, where population has been growing at 3 percent a year but grain yields have been declining for more than a decade, causing massive malnutrition.

In short, we have done much in the anti-hunger campaign. But much remains to be done.

On this World Food Day in 1985, it seems particularly appropriate that we take encouragement over the gains—and the ameliorating of tragedies which could have been worse—over the past 12 months.

We have just been through an extraordinary and heart-rending year with the famine catastrophies of sub-Sahara Africa. A year ago at this time the attentions of affluent populations in the Western world were gripped by television scenes of starving men, women, and children in the parched highlands of Ethiopia. International experts were reporting that tens of millions of Africans were at risk of death from drought. The "gap" which needed to be filled by emergency food aid was vast and nowhere near filled by existing donor pledges. Even where emergency food shipments could be landed at ocean ports, it was feared that inland transportation bottlenecks in various places could impair distribution to some of the neediest populaces. The international community rushed to mount a massive rescue effort.

Today the experts are reporting the risk of starvation in sub-Sahara Africa is facing far fewer people than a year ago. Some officials calculate that only about one-third as many now require emergency feeding, and those are in a relatively small number of countries where emergency programs are already underway.

Indeed, from some sub-Sahara countries we are now getting reports warning against having too much emergency food aid around at harvest time—the shipments from abroad could have a price-depressing effect on produce the local farmers are trying to sell! And from much of the continent, we have word of agricultural rehabilitation that will be helped by long-term development assistance from foreign donors, rather than further emergency food aid at this time.

The FAO's latest special report on the food situation in the 21 African countries affected by emergencies speaks of improved prospects generally although exceptional food aid will continue to be needed in the 1985–86 crop year for 5 of them—Angola, Botswana, Ethiopia, Mozambique and Sudan. "Reflecting good harvests in 1985 in most of the affected countries in eastern, southern, and northern Africa and the favorable crop prospects in the Sahelian countries of West Africa, the overall food supply position for most of the 21 affected countries is expected to improve and it is back to normal in a number of them," the FAO report states.

U.S. Government analysts are currently revising significantly their assessments of last July which were issued in the U.S. Department of Agriculture's report on "World Food Needs and Availabilities, 1985." Because of improvements greater than expected, they now estimate that global food aid needs covering 69 countries will be around 9 million tons in the 1985–86 crop year, down from the 11.4 million tons they had forecast in July. For sub-Sahara Africa, they are estimating 2.7 million tons needed in the coming year, sharply less than the 4 million tons estimate in July.

As these reports show, the act of Divine Providence in returning more favorable weather to many of the afflicted countries has been the key element in the improvement.

Another major element has been the hardiness, the resourcefulness, the determination of the drought-stricken populaces themselves to survive in the face of food adversities far worse than we encounter in the West.

And credit must be given to one of the most impressive international emergency food aid efforts of recent times, which has saved untold numbers of lives.

In the 1984–85 year, donor nations shipped an estimated 11.7 million tons of cereal food aid to needy countries, the first time the 10-million-ton annual target set by the World Food Conference in 1974 was surpassed. The United States provided 7.4 million tons, 63 percent of the total. The surge in the global total was of course due to the response to the desperate situation in Africa.

The United States in fiscal 1985 shipped more than 3 million tons of food to the afflicted African countries, valued at more than $1 billion, helping to reach more than 40 million hungry people. We in the Congress ensured a massive U.S. response with passage of emergency legislation providing $812.5 million in supplemental funding.

American private and voluntary agencies have been in the vanguard of the relief effort. They merit our highest praise for their unstinting devotion to saving lives and helping rehabilitation in this emergency.

They have had enormous support from the American people. INTERACTION, the association of 105 American PVO's, has reported receiving more than $140 million in donations for African/Ethiopian relief. Funds have come from individuals, schools, churches, businesses, and other private groups. Further large amounts have come from special promotions such as Live Aid.

On this World Food Day, we know much further, sustained effort will be needed in coming years to combat hunger where it still exists around the globe. But we can look with considerable pride at what has been done so far.

Mr. SEIBERLING. Mr. Speaker, I am very pleased to be among those who today are celebrating the fifth annual World Food Day and the 40th anniversary of the founding of the U.N. Food and Agriculture Organization [FAO]. I would like to commend Representatives LELAND, ROUKEMA, and GILMAN for their work on the issue of world hunger, and for organizing this special order.

Recently the press has been highlighting the plight of those who are hungry around the world. While the latest media attention focuses on the immediate crisis in Ethopia and other places in sub-Sahara Africa, the problems of world hunger and malnutrition are extremely complex, making long range solutions very difficult. Although crises such as droughts and civil wars exacerbate existing food shortages in various parts of the world, hundreds of millions of people around the world suffer from a chronic lack of sufficient food. The most vulnerable are women, infants, and children. While over one-fourth of the people in developing countries are suffering from malnutrition, hunger is also a problem for many here in the United States.

World Food Day is a perfect opportunity to point out the immediate need to get food to the hungry, as well as to discuss possible long range solutions to the problem of world hunger. I am pleased to say that several groups in my district are observing World Food Day through activities designed to highlight both the short-term and the long range facets of the world hunger problem.

Today in downtown Akron, OH, residents of the Akron-Canton area are loading over 200,000 pounds of edible soybean oil, nonfat dry milk, and soy-fortified corn meal for shipment to West Africa. This may be the largest privately funded mercy shipment of food sent to Africa from the United States to date. The event is being organized by a group of local citizens who call themselves ACT—Akron and Canton Together—for Africa, in cooperation with World Vision, a nonprofit international relief and development organization.

Most of the food to be shipped to Africa was grown in Ohio and purchased at less than wholesale rates. Both the manpower and the equipment for the loading of the food were donated. Transportation services were provided by various donors within the trucking industry, and other services were provided at reduced rates.

ACT for Africa was created last spring when a group of religious, civic, education, business, labor, and professional leaders in the Akron-Canton area decided to mobilize a local response to Africa's famine crisis. Led by Dan Cormany, associate dean of students at Malone College in Canton, the group has raised over $100,000 for relief efforts. In addition to collecting money and arranging the food shipments to Africa, the group has helped to educate the local residents about the long-term causes and solutions of the world hunger problem. I want to commend the members of ACT for Africa for their hard work and dedication to this effort.

Another group in my district is working to end hunger, but this time the hungry people are living in this country. The Akron Area Foodbanc serves hungry people in a five-county area of northeast Ohio. The Foodbanc provides assistance to over 150 food pantries and 12 soup kitchens in the region. In 1984, the Foodbanc served 153,670 meals to hungry people in the area, and it distributed 182,684 food baskets to needy families. The Foodbanc reports a 13-percent increase in requests for food assistance from 1983 to 1984. On World Food Day, the Akron Area Foodbanc will continue its work to feed the hungry who live in the Akron-Canton area. The many volunteers and workers in this organization also deserve our praise and support.

We must all feel a deep sadness that hunger remains a real problem both in our country and around the world. But we can be proud that thousands of people, in Ohio and elsewhere, are giving and working to end this tragic situation.

Mr. ROE. Mr. Speaker, today's observance of the fifth celebration of World Food Day and the 40th anniversary of the United Nation's Food and Agriculture Organization makes us pause in our daily affairs and reflect upon the increasing rate of hunger in this world and the pain and suffering, both physical and mental, resulting from not being able to eat or drink. By participating in this special order, I hope to join my colleagues in calling attention to the tragic plight of the hungry and the undernourished, here in America and abroad, particularly in Africa.

The sad but true fact is that the number of hungry Americans is still growing and increasing from day to day, month to month, year to year. The Federal food assistance programs are not meeting the food and nutrition needs of millions of Americans, and private relief organizations have been stretched to the limit. Recent studies confirm these alarming statistics. The Food Stamp Program is the Nation's primary assistance program, designed to serve entire families of low income people. In 1985, this program has served 20 million Americans at a cost of approximately $12 billion. Yet the number of people participating in the Food Stamp Program has declined at a large rate, and not simply because they have suddenly found the means to pay for their food out of their own pockets. Federal cutbacks, pride, social stigma, and lack of information are the major causes for the lack of participation in the program by those who are otherwise eligible for it. There appears to be an unwillingness on the part of those who need public assistance to seek it, and a societal disdain toward those who receive food stamps. This prevailing negative attitude toward the recipients of food stamps causes many individuals to hesitate to seek assistance, especially in small towns where the would-be recipients are well known.

For those who are eligible and want to take part in the Food Stamp Program, other barriers exist. Complex application procedures, inconvenient office hours and locations, tremendous delays in processing applications, stricter eligibility guidelines, and complicated paperwork requirements prevent some people from receiving the food stamps and cause those who are getting this assistance to lose it. Even those who manage to receive food stamps still suffer from shortages. In short, the Food Stamp Program, the country's major weapon against hunger and malnutrition, has not been improved or expanded in the past 4 years.

Other alarming trends in America point to the rising increase of hunger here. Fewer and fewer women are taking part in the supplemental feeding programs available to them, the WIC program, and fewer and fewer children are participating in the school breakfast and school lunch programs. Senior citizens and elderly Americans are not receiving the federally subsidized meals to which they are entitled. Private charities and religious organizations, seeking to make up for the cutbacks in Federal aid, are strapped and can no longer help the hungry and the undernourished as they once could. It is indeed a sad state of affairs that today in America, in the so-called land of plenty, the hungry and the ill-fed are not receiving the basic elements necessary for subsistence.

A similar story can be heard abroad, especially in Africa. We daily read about the disastrous effects of the hunger and the drought in Ethiopia, the Sudan, Chad, and other African nations. The United States alone has sent this year almost 2 billion metric tons of food to the African Continent, has contributed $10.5 million in emergency funding for African refugees, and the problems still endure, unabated. People are dying daily from starvation and thirst, children are suffering even now from dysentery and distended stomaches caused by malnutrition, and human beings are expiring simply because they have lost all hope for ever living on the basic levels of subsistence.

The command of "feeding the hungry and giving drink to the thirsty" harks back to pre-Biblical days. Every society has a moral and ethical obligation to help those who are suffering from hunger and drought, to give them aid in their time of need, and to make the maximum effort to help them to end their suffering and travail. In this country, we must redouble our measures to end world hunger, as we mark World Food Day. In that way, we may yet live to see the day when the human race will no longer be afflicted by this terrible condition and all Americans will be able to enjoy the fruits of our own society.

Mr. GILMAN. Mr. Speaker, I yield back the balance of my time.

GENERAL LEAVE

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. WEAVER (at the request of Mr. WRIGHT), for today, on account of necessary absence.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. YOUNG of Florida) to revise and extend their remarks and include extraneous material:)

Mr. MOORE, for 5 minutes, today.

Mrs. BENTLEY, for 10 minutes, on October 17.

(The following Members (at the request of Mr. OBERSTAR) to revise and extend their remarks and include extraneous material:)

Mr. LUNDINE, for 5 minutes, today.

Mr. ROE, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GAYDOS, for 30 minutes, today.

Mr. CARPER, for 60 minutes, today.

Mr. ALEXANDER, for 30 minutes, on October 17.

Mr. FRANK, for 60 minutes, on October 17.

Mr. OWENS, for 60 minutes, on October 22.

Mr. OWENS, for 60 minutes, on October 23.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. YOUNG of Florida) and to include extraneous matter:)

Mr. GROTBERG.
Mr. GILMAN in two instances.
Mr. SAXTON.
Mr. GALLO.
Mr. LIVINGSTON.
Mr. BILIRAKIS.
Mr. LENT in two instances.
Mr. SWINDALL.
Mr. GREEN in two instances.
Mr. MOORHEAD.
Mr. BOEHLERT.
Mr. KEMP.
Mr. LOWERY of California.
Mr. COURTER.
Ms. SNOWE.
Mr. WOLF.
Mr. EVANS of Iowa.
Ms. FIEDLER.

(The following Members (at the request of Mr. OBERSTAR) and to include extraneous matter:)

Mr. KOSTMAYER.
Mr. TORRICELLI.
Mr. LEHMAN of Florida.
Mr. MARTINEZ in two instances.
Mr. DINGELL in two instances.
Mr. ROE.
Mr. MANTON.
Mr. RANGEL.
Mr. RODINO.
Mr. BIAGGI.
Mr. FUSTER.
Mr. DOWNEY of New York.
Mr. DIXON.
Mr. RICHARDSON.
Mr. SIKORSKI.
Mr. ECKART of Ohio.
Mr. MATSUI in two instances.
Mr. KILDEE.
Mr. GARCIA.
Mrs. SCHROEDER.

Mr. HUBBARD.
Mr. KOLTER in two instances.
Mr. DYMALLY.
Mr. GORDON.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

S. 1349. An act to provide for the use and distribution of funds awarded in docket 363 to the Mdewakanton and Wahpekute Eastern or Mississippi Sioux before the U.S. Court of Claims and Claims Court;

S.J. Res. 158. Joint resolution designating February 1986 as "National Community College Month"; and

S.J. Res. 175. Joint resolution to designate the week of October 20, 1985, through October 26, 1985, as "National CPR Awareness Week."

ADJOURNMENT

Mr. GILMAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 20 minutes p.m.) under its previous order, the House adjourned until Thursday, October 17, 1985, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2137. A letter from the Director, Defense Security Assistance Agency, transmitting a report that no U.S. personnel either took part or were injured in an attack presumably upon them at La Union, El Salvador, on October 10, 1985, pursuant to 22 U.S.C. 2761(c)(2); to the Committee on Foreign Affairs.

2138. A letter from the Chairman, U.S. Consumer Product Safety Commission, transmitting a report on compliance with the laws relating to open meetings of agencies of the Government (Government in the Sunshine Act), pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

2139. A letter from the Deputy Chief of Staff for Installations and Logistics, U.S. Marine Corps, transmitting a report of the Retirement Plan for Civilian Employees of the U.S. Marine Corps Exchanges, etc., for the year ending December 31, 1984, pursuant to 31 U.S.C. 9503(a)(1)(B); to the Committee on Government Operations.

2140. A letter from the Acting Assistant Attorney General, transmitting an update of the 1983 evaluation report on the trustee pilot program for bankruptcy administration; to the Committee on the Judiciary.

2141. A letter from the Director, Office of Personnel Management, transmitting a draft of proposed legislation to amend the Ethics in Government Act of 1978 to improve the confidential disclosure system, and for other purposes; to the Committee on Post Office and Civil Service.

2142. A letter from the Administrator, Agency for International Development and First Vice President and Vice Chairman, Export-Import Bank of the United States, transmitting a report on the amount and extension of credit under the Trade Credit Insurance Program, jointly, to the Committees on Banking, Finance and Urban Affairs and Foreign Affairs.

2143. A letter from the Comptroller General of the United States, transmitting a report entitled "Financial Condition of American Agriculture" (GAO/RCED-86-09, October 10, 1985); jointly, to the Committees on Government Operations and Agriculture.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CARPER (for himself, Mr. LUNDINE, Mr. ST GERMAIN, Mr. WYLIE, Mr. BARTLETT, Mr. BEREUTER, Mr. CHANDLER, Mr. COOPER, Mr. DREIER of California, Mr. ERDREICH, Mr. FRANK, Mr. FUSTER, Mr. GORDON, Mr. HILER, Mr. HUBBARD, Mr. KANJORSKI, Ms. KAPTUR, Mr. LAFALCE, Mr. LEVIN of Michigan, Mr. MCCANDLESS, Mr. MCKINNEY, Mr. MCMILLAN, Mr. MANTON, Mr. MITCHELL, Mr. NEAL, Mr. NELSON of Florida, Mr. RIDGE, Mr. ROTH, Mrs. ROUKEMA, Mr. SCHUMER, Mr. SHUMWAY, Mr. WIRTH, Mr. GROTBERG, and Mr. WORTLEY):

H.R. 3567. A bill to improve the quality of examinations of depository institutions, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. DOWNEY of New York (for himself and Mr. MARKEY):

H.R. 3568. A bill to amend the Public Utility Regulatory Policies Act of 1978 to require regulated retail electric utilities to undertake reasonably prudent response activities when natural disasters cause interruptions in electric service, and for other purposes; to the Committee on Energy and Commerce.

By Mr. HOWARD (for himself, Mr. HUGHES, Mr. SAXTON, Mr. ATKINS, Mr. ROE, Mr. GALLO, and Mr. FLORIO):

H.R. 3569. A bill to restrict the dumping of sewage sludge in the ocean site off the coast of New York and New Jersey known as the "106-Mile Ocean Waste Dump Site" to certain authorities currently authorized to dump sewage sludge in the New York Bight Apex; to the Committee on Merchant Marine and Fisheries.

By Mr. KASTENMEIER (for himself, Mr. MOORHEAD, Mr. MAZZOLI, Mr. SYNAR, Mrs. SCHROEDER, Mr. FRANK, Mr. MORRISON of Connecticut, Mr. BERMAN, Mr. BOUCHER, Mr. HYDE, Mr. KINDNESS, Mr. DEWINE, Mr. SWINDALL, Mr. SHAW, and Mr. GREEN):

H.R. 3570. A bill to amend title 28, United States Code, to reform and improve the Federal justices and judges survivors' annuities program, and for other purposes; to the Committee on the Judiciary.

By Mr. LENT (for himself, Mr. JONES of North Carolina, Mr. BIAGGI, and Mr. SNYDER) (by request):

H.R. 3571. A bill to amend section 1110 of title 11, United States Code; to the Committee on the Judiciary.

H.R. 3572. A bill to amend chapter 13 of title 11, United States Code; to the Committee on the Judiciary.

By Mr. LUNDINE (for himself, Mr. GEPHARDT, and Mr. BONKER):

H.R. 3573. A bill to achieve stable and reasonable exchange rates for international currencies to strengthen the international economy and provide for international economic growth; jointly, to the Committees on Banking, Finance and Urban Affairs, and Ways and Means.

By Mr. McEWEN:

H.R. 3574. A bill to require that employees of defense contractors be required to undergo a criminal history information check before performing work on military installations and to provide the Department of Defense the right to access to such information; jointly, to the Committees on Armed Services, and Judiciary.

By Mr. MOORE:

H.R. 3575. A bill to amend chapter 51 to title 18, United States Code, to impose criminal penalties, including the death penalty, for homicide in the commission of a terrorist act outside the United States; to the Committee on the Judiciary.

By Mr. SWINDALL:

H.R. 3576. A bill to amend the Internal Revenue Code of 1954 to allow deductions from gross income for contributions not in excess of $3,000 for any calendar year to an education savings account established to accumulate savings to pay the elementary, secondary, and postsecondary education expenses of any individual, and for other purposes: to the Committee on Ways and Means.

By Mr. BARTLETT (for himself, Mr. FROST, Mr. SWEENEY, Mr. BRYANT, Mr. BUSTAMANTE, and Mr. DELAY):

H.J. Res. 421. Joint resolution designating the month of January 1986 as "United States Savings Bonds Month"; to the Committee on Post Office and Civil Service.

By Mr. SILJANDER (for himself, Mr. FRANK, Mr. KRAMER, Mr. SCHEUER, Mr. LAGOMARSINO, Mr. BORSKI, Mr. GROTBERG, Mr. SHELBY, Mr. DORNAN of California, Mr. LAFALCE, Mr. WAXMAN, Mr. FAZIO, Ms. FIEDLER, Mrs. MARTIN of Illinois, and Mr. BURTON of Indiana):

H. Con. Res. 216. Concurrent resolution condemning the racism and antisemitism of Louis Farrakhan and finding his racism and divisiveness morally repugnant to the people of the United States; to the Committee on the Judiciary.

By Mr. WEISS:

H. Con. Res. 217. Concurrent resolution condemning the hijacking of the *Achille Lauro* and the murder of Leon Klinghoffer and commending President Reagan and others who assisted in the apprehension of the perpetrators of such acts; to the Committee on Foreign Affairs.

By Mr. SCHUMER:

H. Res. 295. Resolution urging a joint United States-Soviet effort to achieve worldwide disease immunization by 1990; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XII, memorials were presented and referred as follows:

271. By the SPEAKER: Memorial of the State Assembly of California, relative to nuclear crisis control centers; to the Committee on Foreign Affairs.

272. Also, memorial of the House of Representatives of the Commonwealth of Pennsylvania, relative to the deduction for State and local taxes; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. TAYLOR introduced a bill (H.R. 3577) for the relief of Milanie C. Escobal Norman and Angela Dawn Norman; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 776: Mr. LOWERY of California.

H.R. 864: Mr. ROBINSON, Mr. HORTON, and Mr. STENHOLM.

H.R. 887: Mr. RICHARDSON.

H.R. 999: Mr. RICHARDSON.

H.R. 1017: Mr. WYLIE.

H.R. 1145: Mr. BOLAND.

H.R. 1207: Mr. LEACH of Iowa, Mr. SHARP, Mr. CHAPPIE, Mrs. BENTLEY, and Ms. MIKULSKI.

H.R. 1316: Mr. MCCAIN.

H.R. 1318: Mr. TORRICELLI and Mr. RICHARDSON.

H.R. 1338: Mr. KINDNESS.

H.R. 1353: Mr. GROTBERG.

H.R. 1393: Mr. EVANS of Illinois.

H.R. 1479: Mr. WORTLEY and Mr. WEISS.

H.R. 1584: Mr. RICHARDSON.

H.R. 1674: Mr. HAWKINS.

H.R. 1769: Mr. OBERSTAR, Mr. FROST, and Mr. VANDER JAGT.

H.R. 1875: Mr. MANTON, Mr. DAVIS, Mr. HEFTEL of Hawaii, Mr. MILLER of Washington, Mr. TAUZIN, Mr. NOWAK, Mr. BERMAN, Mr. BLILEY, Mr. LEVIN of Michigan, Mr. NIELSON of Utah, Mr. ANTHONY, and Mr. DELAY.

H.R. 2080: Mr. GUARINI, Mr. ACKERMAN, and Mr. MCCAIN.

H.R. 2205: Mr. BOUCHER, Mr. CARNEY, Mr. CARPER, Mr. MOAKLEY, and Mr. SAXTON.

H.R. 2580: Mr. SAVAGE, Mrs. BOXER, Mr. ATKINS, and Ms. KAPTUR.

H.R. 2588: Mr. CONYERS, Mr. DANNEMEYER, Mr. DAVIS, Mr. YOUNG of Florida, Mr. BERMAN, Ms. SNOWE, Mr. HATCHER, Mr. STRATTON, Mr. FISH, Mr. WOLPE, Mr. WEISS, Mr. LANTOS, Mr. MACK, Mr. LEHMAN of California, Mr. COBEY, Mr. MARTIN of New York, Mr. SHUMWAY, Mr. MILLER of Washington, Mr. MOORE, and Mr. CHAPPELL.

H.R. 2659: Mr. GREGG.

H.R. 2741: Mr. SUNIA and Mr. DEWINE.

H.R. 2768: Mr. WORTLEY, Mr. HYDE, and Mr. MARTINEZ.

H.R. 2782: Mr. CONTE, Mr. OBERSTAR, and Mr. YATRON.

H.R. 2833: Mr. WILLIAMS and Ms. KAPTUR.

H.R. 2834: Ms. KAPTUR.

H.R. 2863: Mr. FORD of Tennessee and Mr. WISE.

H.R. 2876: Mr. DWYER of New Jersey, Mr. WEISS, Mr. SEIBERLING, Ms. KAPTUR, Mr. PANETTA, Mr. MATSUI, Mr. BARNES, Mrs. BURTON of California, Mr. RANGEL, Mr. LEHMAN of California, Mr. MRAZEK, Mr. BEILENSON, and Mr. COELHO.

H.R. 2943: Mr. SHELBY, Mr. COBLE, Mr. SWINDALL, Mr. ROEMER, Mr. BRYANT, Mr. OXLEY, and Mr. LEHMAN of Florida.

H.R. 2954: Mr. COBEY, Mr. RALPH M. HALL, Mr. MURPHY Mr. BEREUTER, and Mr. CHAPPIE.

H.R. 3042: Mr. EDGAR and Mr. SEIBERLING.

H.R. 3059: Mr. EVANS of Illinois, Mr. DEWINE, Mr. CHANDLER, and Mr. KOLBE.

H.R. 3064: Mr. WHITTAKER.

H.R. 3087: Mr. CHANDLER, Mr. TORRICELLI, Mr. SEIBERLING, Mr. YATES, Mr. FISH, Mr. VENTO, Mr. PANETTA, Mr. PEPPER, Mr. COYNE, Mr. ERDREICH, Mr. FLORIO, Mr. MCKINNEY, Mr. RICHARDSON, Mr. SOLARZ, Mr. TOWNS, Mr. DASCHLE, Mr. FOWLER, Mr. RANGEL, Mr. BOUCHER, Ms. KAPTUR, Mr. BOSCO, Mr. FAZIO, Mr. SCHEUER, Mr. SUNIA, Mr. GEJDENSON, and Mr. SMITH of Florida.

H.R. 3131: Mr. BEDELL, Mr. WORTLEY, Mr. FAZIO, Mr. MOAKLEY, Mr. SIKORSKI, Mr. BUSTAMANTE, Mr. DYSON, Mr. NELSON of Florida, Mr. MANTON, Mr. TOWNS, and Ms. KAPTUR.

H.R. 3132: Mr. DURBIN Mr. SUNIA, and Mr. CARPER.

H.R. 3147: Mr. EDWARDS of Oklahoma.

H.R. 3190: Mr. RANGEL, Mr. TRAFICANT, and Mr. FLORIO.

H.R. 3260: Mr. MCKINNEY, Mr. NEAL, Mr. ROBINSON, Mr. TAUKE, Mr. BEDELL, and Mr. MORRISON of Connecticut.

H.R. 3263: Mr. CHANDLER and Mr. WOLPE.

H.R. 3326: Mr. RANGEL, Mr. FUQUA, Mr. GEJDENSON, Mr. SENSENBRENNER, Mr. HAYES, Mr. BERMAN, Mrs. SCHROEDER, Ms. KAPTUR, Mr. CONYERS, Mr. FAZIO, Mr. TALLON, Mr. WEISS, and Mr. MARTINEZ.

H.R. 3328: Mr. DORGAN of North Dakota, Mr. KINDNESS, Mrs. MARTIN of Illinois, Mr. VOLKMER, Mr. LATTA, and Mr. JONES of Tennessee.

H.R. 3339: Mr. OBERSTAR, and Mr. NELSON of Florida.

H.R. 3344: Mr. BERMAN, Mr. WEISS, Mr. SAXTON, Mr. SABO, Mrs. BURTON of California, Mr. EDGAR, Mr. MITCHELL, Mrs. BOXER, Mr. ROBERTS, Mr. BEVILL, Mr. STOKES, Mr. OWENS, and Mr. SUNIA.

H.R. 3346: Mr. CRANE, Mr. DORNAN of California, Mr. GINGRICH, Mr. BLILEY, and Mr. HAMMERSCHMIDT.

H.R. 3357: Mr. BOULTER.

H.R. 3371: Mr. DREIER of California, Mr. KOLBE, and Ms. KAPTUR.

H.R. 3372: Mr. MCKINNEY and Mr. CARPER.

H.R. 3420: Mr. DUNCAN, Mr. EDWARDS of Oklahoma, and Mr. CHANDLER.

H.R. 3436: Mr. WOLF and Mrs. BENTLEY.

H.R. 3444: Mr. JONES of Oklahoma.

H.R. 3448: Mr. VALENTINE.

H.R. 3511: Mr. LUNGREN and Mr. KINDNESS.

H.R. 3512: Mr. DELLUMS, Mr. SMITH of Florida, Mr. MURPHY, Mr. PRICE, Mr. FROST, Mr. DANIEL, and Mr. WORTLEY.

H.R. 3515: Mr. DANIEL.

H.R. 3521: Mr. LEATH of Texas.

HJ. Res. 127: Mr. RODINO, Mr. LOWRY of Washington, Mr. MORRISON of Washington, Mr. JONES of Oklahoma, Mr. GALLO, Mr. ADDABBO, and Mr. MARKEY.

H.J. Res. 245: Mr. DANIEL, Mr. O'BRIEN, Mr. FAZIO, Mr. PASHAYAN, Mr. BENNETT, Mr. GINGRICH, Mr. HATCHER, and Mr. SUNIA.

H.J. Res. 381: Mr. EDGAR.

H.J. Res. 416: Mr. PACKARD.

H. Con. Res. 69: Mr. MANTON.

H. Con. Res. 117: Mr. DANIEL and Mr. MONSON.

H. Con. Res. 197: Mr. PARRIS, Mr. DAVIS, Mr. EDWARDS of Oklahoma, Mr. DARDEN, Mr. CONYERS, Mr. ARMEY, Mr. ERDREICH, and Ms. MIKULSKI.

H. Con. Res. 210: Mr. KOSTMAYER, Mr. HAYES, Mr. DWYER of New Jersey, Mr. LOWERY of California, Mr. BRYANT, Mr. MANTON, Mr. BERMAN, and Mr. MORRISON of Connecticut.

H. Res. 76: Mr. BERMAN, Mr. NIELSON of Utah, Mr. DAUB, and Ms. MIKULSKI.

H. Res. 105: Mr. CONYERS.

H. Res. 194: Mr. ATKINS, Mr. TAUZIN, Mrs. COLLINS, and Mr. SISISKY.

H. Res. 219: Mr. BEREUTER, Mr. PRICE, Mr. CHAPMAN, Mr. HEFTEL of Hawaii, Mr. ENGLISH, Mr. YOUNG of Missouri, Mrs. BENTLEY, Mr. RICHARDSON, and Mr. WEAVER.

H. Res. 245: Mr. CLINGER, Mr. CHAPPELL, Mr. DOWDY of Mississippi, Mr. FISH, Mr. GONZALEZ, Mr. HOYER, Ms. KAPTUR, Mr. LEATH of Texas, Mrs. MARTIN of Illinois, Mr. NICHOLS, Mr. OLIN, Ms. SNOWE, Mr. SUNIA, Mr. TALLON, Mr. VOLKMER, and Mr. YOUNG of Missouri.

H. Res. 270: Mr. KOSTMAYER, Mr. MATSUI, Mr. FISH, Mr. GRAY of Pennsylvania, Mr. SCHEUER, Mr. CROCKETT, Mr. LELAND, and Mr. HOYER.

H. Res. 271: Mr. TOWNS, Mr. MARTINEZ, Mr. MURPHY, Mr. SCHEUER, Mr. DWYER of New Jersey, and Mr. CARNEY.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 3520: Mr. WOLF.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3500

By Mr. UDALL:

—Page 412, line 19, through page 420, line 23, strike out sections 5101 through 5104 and insert in lieu thereof the following:

SEC. 5101. DISTRIBUTION OF SECTION 8(g) ACCOUNT.

(a) Any and all rights under section 8(g) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(g)) with respect to bonuses and rents received before the date of enactment of this Act are hereby extinguished. In lieu of such rights, and in accordance with the provisions of this section, the Secretary of the Interior shall, from the separate account in the United States Treasury established under section 8(g)(4), pay—

(1) $376,916,681 to the State of Texas;

(2) $492,576.427 to the State of Louisiana;

(3) $374,035,443 to the State of California;

(4) $56,255,324 to the State of Alaska;

(5) $63,932,966 to the State of Alabama;

(6) $14,910,958 to the State of Mississippi; and

(7) $27,706 to the State of Florida;

plus interest from April 1, 1985, to the date of enactment of this Act at a rate determined by the Secretary of the Treasury. All funds attributable to bonuses and rents remaining in such account after payment is made in accordance with this section shall be credited to the miscellaneous receipts of the Treasury.

(b) The acceptance of payment under this section shall satisfy and release any and all claims against the United States arising under, or related to, section 8(g) of the

Outer Continental Shelf Lands Act with respect to bonuses and rents.

and renumber subsequent sections accordingly, and

Page 427, line 17 through page 437, line 7, strike out all of sections 6401 through 6406 and renumber subsequent sections accordingly.

H.R. 3327

By Mr. BROWN of California:

—Page 3, line 17, insert ": *Provided further*, That none of such funds may be used for anti-satellite system facilities at Langley Air Force Base" after "therefor".

—Page 3, line 9, strike out "$1,600,040,000" and insert in lieu thereof "$1,585,140,000".

SENATE—*Wednesday, October 16, 1985*

(Legislative day of Tuesday, October 15, 1985)

The Senate met at 8 a.m., on the expiration of the recess, and was called to order by the Honorable ALAN K. SIMPSON, a Senator from the State of Wyoming.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Father in Heaven, as the Senate Page School is being examined this week for continuing accreditation, we acknowledge with praise to Thee our gratitude for those dedicated men and women who so admirably bear responsibility for its affairs. We thank Thee for Leo L. Balducci, Jerry Ainsfield, Gwenellen Corley-Bowman, Zachary Jeffers, and Blanche Williams, who, with tender loving care, under difficult circumstances, provide quality education for those young men and women who provide such faithful service to the Senators. Guide the accreditation team as they evaluate the school, and bless abundantly the committed faculty as they pursue their incalculable contribution to the Senate. In the name of Him Who is truth. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. THURMOND].

The bill clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, October 16, 1985.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable ALAN K. SIMPSON, a Senator from the State of Wyoming, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. SIMPSON thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MINORITY LEADER

The ACTING PRESIDENT pro tempore. The acting Democratic leader is recognized.

Mr. PROXMIRE. Mr. President, I would be delighted to handle this any way that the acting majority leader wants to handle it.

What I can do is to suggest the absence of a quorum and preside briefly while the acting majority leader delivers whatever statement he would like to deliver. I can reserve his time until later in the day, or whatever he wishes at his preference.

The ACTING PRESIDENT pro tempore. The Chair would indicate that we have another Senator who will assume the chair very shortly.

And the Senator from Wisconsin may wish to proceed at this time.

Mr. PROXMIRE. I thank my good friend.

Mr. President, if at any time the Chair would prefer to have the Senator desist temporarily while someone else takes the floor so that he can deliver his statement, I would be delighted to do that.

RECOGNITION OF SENATOR PROXMIRE

The ACTING PRESIDENT pro tempore. The Senator from Wisconsin is recognized.

WILL THE REAGAN-GORBACHEV MEETING ADVANCE ARMS CONTROL?

Mr. PROXMIRE. Mr. President, what real prospect is there that the on-coming summit conference at Geneva will advance arms control? Next month the Reagan-Gorbachev meeting takes place. The No. 1 issue on the agenda must be the superpowers' nuclear arms race. That November meeting will mark the first time in 5 years that the top leaders of the two great nuclear giants have met. Both march to the meeting armed to the nuclear teeth. Think of it. The American Academy of Science, America's most prestigious scientific organization, has found that the Soviet Union's nuclear arsenal is right now so destructive that if only 1 percent of its power reached American cities, between 36 and 56 million of our citizens would die immediately and many more would suffer terminal illness. American cities would lie in ruins. That is 1 percent, 1 percent, Mr. President, of the Soviet nuclear arsenal could cause that devastation. Fires far more devastating than any human beings have ever suffered would ravage what was left of our civilization. And how about the damage the United States would wreak on Russia? An American counterattack, again even with a tiny fraction of the American arsenal, would impose a corresponding devastation in Russian cities. Doubt it? If you do, consider this. Without firing a single one of our powerful land-based missiles, without dropping even one nuclear bomb from the greatest force of long-range nuclear armed bombers in the world, but using only a single one of our great nuclear armed submarines, this country with that one submarine could utterly devastate the Soviet Union. That one single lone American Trident submarine could as it moved about the world's oceans obliterate every major city in the Soviet Union.

Even this does not tell the most forboding part of the story. Terrible as is the present destructive nuclear power of the two great nuclear giants, unless we stop the arms race now, the next 10 or 15 years will enormously increase even the present awesome power of nuclear destruction. Here is why. Both Russian and American scientific weapons laboratories are feverishly at work on new weapons. For example, the United States is pursuing an antimatter bomb that will, when perfected, have a destructive power per pound more than 100 times greater than our most potent fusion or fission bomb. Any such American development would be swiftly followed as usual by a corresponding Soviet nuclear weapon breakthrough. Because these new antimatter bombs would be light and small, they would be very cheap to deliver, made to order for the scores of countries that cannot afford the cost of the present nuclear warheads that require immensely expensive submarines, bombers, and missiles to carry them.

Do you get the insane picture? The super powers careening along toward a world in which a single, unstable megalomaniac in any of a number of countries will literally be able to light the torch that can set the entire world on fire.

So what do we do? The answer is arms control. What is the first step? Simple: Stop the nuclear weapons tests on which effective research absolutely depends. And now on the verge of the Reagan-Gorbachev summit what is the prospect for a superpower arms control agreement that will stop the arms race? The answer is virtually nil. President Reagan has flatly refused to consider such a cessation of nuclear arms testing. So here we sit in the most dangerous situation in all human history. The Catholic bishops

were exactly right when they said that this is the first generation since Genesis with the power to destroy mankind forever. Unfortunately, there is only one player for the United States in arms control negotiations. It is the President. The rest of us can talk, can plead, can beg, but we cannot act. How about President Reagan? Will he press for an end to the arms race in this crucial summit meeting? What do you think? This President is the only American President since the dawn of the nuclear age who has opposed every single arms control initiative or nuclear weapons agreement with the Soviet Union. He and he alone will decide whether to reverse that lifelong opposition next month. Will he? Don't count on it.

THE AMERICAN DEBT IS FAR BIGGER THAN MOST OF US REALIZE

Mr. PROXMIRE. Mr. President, all of us are aware that this Federal Government plunges deeper and deeper into debt every year. All of us know that our constituents are so concerned about this Federal debt that they tell us when we go back to our States that the Federal deficit and the national debt have become our prime national problem. All of us know that the Federal Government's debt will, within a few months, exceed $2 trillion. This does, indeed, constitute a grim problem for our country. In fact, Mr. President, most of us have underestimated the seriousness of the problem. Sure the Federal debt is bad news but the problem gets worse, much worse. Here is why: How do we finance this debt or any debt? We finance it out of savings. For every borrower—and the Government is now the big-boy borrower—there has to be a saver who lends his savings to the borrower. This is where the problem comes in. If the savings of the American people were growing in tandem with the borrowing of the Government, the Government would still be a mess but the country as a whole would be able to handle it. So how about the savings of the American people? Prepare for a jolt. Savings as a percentage of income in this country has just dropped to a record low of 2½ percent of income. This is far below the typical 5 or 6 percent of income that has on the average characterized American savings. That 2½ percent savings rate is especially pitiful compared to the Japanese savings rate of about 20 percent of income.

It gets still worse. In July, the latest month for which we have figures, another facet of the American debt was dramatized. The installment debt of the American people rose to an all-time high of 18.7 percent of after-tax income. That means the American people are breaking all records in rushing to get in hock in their buying cars, refrigerators, and other big items. Now, of course, installment debt, is sharply exceeded by mortgage debt and mortgage debt is also very high. All this is just the personal side of the debt picture. In addition, American corporations are more heavily in debt than either the Federal Government or American individuals.

So what does all this mean? The Federal Government is now in hock to the tune of more than $1.8 trillion. Individual Americans today owe well in excess of $2 trillion. American corporations are on the cuff for about $3 trillion. All of this debt is rising rapidly. In total, it is now probably well in excess of $7 trillion. Meanwhile, the savings of the American people, from which these mammoth sums must be borrowed, has fallen to a record low in relation to income of only 2½ percent. So where is the money coming from?

The answer is that we are funding our borrowing from two sources. Neither source will serve the national interest in the long run. First, we have now just eliminated our favorable balance of foreign investment, that is the net debt owed by foreigners to Americans that had endured for more than 60 years. Ever since World War I, in about 1916, this country has been a lender to the rest of the world. But no more. Over past years, we built a huge investment abroad that brought billions of dollars in dividends and interest payments to this country. But not today. Today, we owe more to foreigners than they owe to us. Every month that foreign debt increases. Our huge spending, public and private, in excess of savings, guarantees that this adverse situation will continue. Net borrowing from abroad, briefly and in times of emergency or back when America was a struggling, developing country, made sense. Today, with America boasting the biggest, most prosperous economy in the world by far, net borrowing from abroad makes no sense.

The second source of funding for America's improvident borrowing is even worse. This country is slipping into the habit of spending more and more and refusing to raise the taxes to pay for that spending. Our corporations and citizens are also building huge burdens of debt. Neither our savings nor foreign lending are providing enough at a convenient rate of interest so the Federal Reserve in effect is printing the money to make up the difference. Do you challenge that statement? Well, then consider the fact that, in the first 6 months of this year, the gross national product grew only a little faster than 1 percent in real terms—that is fully allowing for inflation. But the money supply grew in that period by more than 10 percent, or literally 10 times as fast. That, Mr. President, is printing money at its worst, 10 times as fast as our economy is growing. In effect, the Government printed money to make up the difference between what we were spending and what we had available from the savings of American and foreign lenders.

What is so bad about that? What is so bad, Mr. President, is that printing money is in the short run a lot less painful than cutting spending or raising taxes. But in the long run, printing money paves the sure way to double-digit and eventually triple-digit inflation. Just ask any old codger who lived in Germany 65 years ago when printing money after World War I gave Germany the worst inflation in the world's history. Or ask any Argentinian today where printing money to pay for 25 percent of their Federal Government's expenditure has given Argentina a literally 1,000-percent inflation rate.

So what do we do? What we should do will be painful and very unpopular. We should do everything that makes our constituents unhappy. That means we cut popular spending programs, all of them. It means raise taxes on everybody. It means following a monetary policy that will raise interest rates so savers will find a bigger reward for savings and borrowers will suffer a bigger penalty for borrowing. If that sounds like a prescription for how to lose the next election, it is. It also happens to be a prescription for how to put this country slowly and painfully back on its feet.

KLAUS BARBIE TRIAL TO BE LIMITED IN SCOPE

Mr. PROXMIRE. Mr. President, Klaus Barbie, more appropriately known as the Butcher of Lyon, is expected to be tried by French prosecutors before the end of this year.

Barbie has received wide attention since he was expelled from Bolivia in 1983 and brought back to France to stand trial. His capture has helped keep the memory of Hitler's final solution at the forefront of the world's conscience.

The Butcher of Lyon's legacy of terror involved a ruthless campaign to exterminate Jews and stamp out the French resistance. He sought the domination of the French through tyrannical rule, sending thousands of Jews to their deaths at Auschwitz, torturing others, and murdering France's greatest resistance hero, Jean Moulin.

But now he has returned to France—this time not as a conqueror, but as a figure of history about to be held accountable for his pathetic, deranged past. His trial has been narrowed in scope because of the statute of limitations but remains a universal declaration against the actions of his past. He will not be charged in the death of Jean Moulin; he will not be charged in

the deaths and tortures of thousands of underground leaders; but he will be charged for crimes against humanity, including genocide and racial persecution.

Mr. President, the statute of limitations narrows the scope of Barbie's trial, but does not limit the degree to which we can speak out against Barbie and his contemporaries. But we must do even more than this. We cannot be satisfied by bringing yesterday's perpetrators of genocide to justice, but must act to assure punishment of today's and prevent those of tomorrow from rising to power. There are many practical problems to achieving total elimination of genocidal turmoil, but we can state this as a goal we are eager to strive toward. Let us have the foresight to act now, so that we will not need to search through the world's jungles to find the criminals in the years ahead. We have waited long enough. I urge you to ratify the genocide treaty.

MYTH OF THE DAY

Mr. PROXMIRE. Mr. President, to declare that the fairness doctrine is, in fact, fair is to believe in mythology. In reality, the fairness doctrine is anything but fair.

The fairness doctrine of the Federal Communications Commission requires that broadcasters afford reasonable opportunities for the presentation of contrasting viewpoints on controversial issues of public importance.

What is wrong with that? Plenty. Here are just some of the reasons why the fairness doctrine is not fair and not right.

First, the fairness doctrine is an unconstitutional governmental control on our free press. It violates the first amendment's guarantee of freedom of the press.

Second, the kind of governmental regulation imposed by the fairness doctrine is unnecessary. Newspapers, operating without government control, have improved vastly in fairness, objectivity, accuracy, and relevance over the years. Broadcasters deserve that same opportunity to be free.

Third, denying broadcasters their first amendment rights is self-defeating. The fairness doctrine does not stimulate the free expression of diverse ideas. Rather, it promotes the "sameness" of ideas. Stations avoid the airing of controversial issues because they fear a challenge to their license renewal or expensive litigation resulting from a fairness complaint.

Fourth, governmental controls like the fairness doctrine are dangerous. Letting the Government be the final arbiter of "fairness" confers immense power. This is especially true when that same government decides on the granting of broadcast licenses.

Finally, those who favor continuing governmental regulation of the broadcasting media rely on an argument that is fast becoming obsolete: The so-called scarcity/rationale. In almost every city in America—regardless of size—there are more television signals available than daily newspapers. If radio stations are counted, as they must be, general audience broadcasting stations far outnumber general circulation newspapers. Moreover, economic pressures make it nearly impossible to establish a daily newspaper in a community where one already exists.

Freedom of the press is for the benefit of all Americans. If television and radio, the most popular disseminators of news and opinion, continue to be tied down by governmental controls like the fairness doctrine, the people of our Nation will continue to be the losers.

As far as this Senator is concerned, these arguments make it crystal clear that it is a myth to call the fairness doctrine "fair."

RESERVATION OF LEADERSHIP TIME

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may reserve the time of both leaders until later in the day.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business for not to extend beyond the hour of 8:45 a.m., with statements therein limited to 5 minutes each.

PRESIDENT DWIGHT EISENHOWER'S BIRTHDAY

Mr. ANDREWS. Mr. President, I would like to call attention to the fact that while we celebrated Columbus Day 2 days ago, another significant moment was passing: the birthday of Dwight Eisenhower. On October 14, 1890, Ike was born in Denison, TX. Thus began the life and career of one of the more forward-looking men of the 20th century and one of the most astute military leaders of his time.

After graduating from West Point in 1915 and marrying Mamie Doud in 1916, Dwight Eisenhower began a slow rise to an impressive, if not phenomenal, career. Eisenhower made his first notable mark as a distinguished aide to General MacArthur in the Philippines, but returned to the United States in 1939 to become chief of staff of the 3d Army. Soon thereafter, he gained recognition and distinction for his talents; most notably, he drew the attention of Gen. George C. Marshall, U.S. Chief of Staff. Then, when World War II broke out, he became assistant chief to the War Plans Division of the Army General Staff, and in May 1942, he became Supreme Commander of Allied Forces in Europe.

In the position of Supreme Commander, Ike's qualities were fully tested. In this time of leadership crisis for the free world, he remained tactful and unwavering; a unifier of both armies and egos, including both Winston Churchill and Charles de Gaulle—a monumental task in itself. Eisenhower's understated resolve and determination to succeed in the face of interallied rivalries were essential. These qualities allowed him to move the Allied Forces toward the 1944 invasion of Europe despite strong reluctance on the part of the British. The invasion of Europe was key to the defeat of Hitler and the restoration of peace and hope to the world.

Ike retired from military service in 1948, and served briefly as president of Columbia University. In 1950, he returned to public service when President Harry Truman asked him to become the first commander of a new organization: the North Atlantic Treaty Organization, NATO. However, his return to Europe was a shortlived one, for he returned to the United States in 1952 to run for the Republican nomination and to become the 34th President of the United States.

Eisenhower's calm resolve served him well as President. He neither postured nor pontificated for narrow partisan ends. He served the national interest well. Ike will be remembered for many things, but his straightforward concerns about the need for arms control and the danger to the American democratic system inherent in the rise of a single-minded, military-industrial complex rank among his major contributions as President.

On April 4, 1956, in a personal letter to publisher Richard Simon, the President wrote movingly of the need to control nuclear weapons. His words are even more meaningful today than almost three decades ago, especially in light of the upcoming November summit meeting between President Reagan and Premier Gorbachev.

> When we get to the point, as we one day will, that both sides know that in any outbreak of general hostilities, regardless of the element of surprise, destruction will be both reciprocal and complete, possibly we will have sense enough to meet at the conference table with the understanding that the era of armaments has ended and the human race must conform its actions to this truth or die.

Six years later, in his "farewell" speech to the Nation, the President clearly spelled out the conflict between a free society and one in which the military-industrial establishment ruled unchecked.

It is well to remember his words as we remember the anniversary of this 95th birthday.

[The] conjunction of an immense military establishment and a large arms industry is new in the American experience. The total influence—economic, political, even spiritual—is felt in every city, every State house, every office of the Federal Government. We recognize the imperative need for this development. Yet we must not fail to comprehend its grave implications. Our toil, resources, and livelihood are all involved; so is the very structure of our society. In the councils of government, we must guard against the acquisition of unwarranted influence, whether sought or unsought, by the military-industrial complex. The potential for the disastrous rise of misplaced power exists and will persist. We must never let the weight of this combination endanger our liberties or democratic processes. . . . Only an alert and knowledgeable citizenry can compel the proper meshing of the huge industrial and military machinery of defense with our peaceful methods and goals, so that security and liberty may prosper together.

Let us rededicate ourselves as a people and as a nation to President Eisenhower's foresight, wisdom, and leadership.

LEAVE OF ABSENCE

Mr. MATHIAS. Mr. President, pursuant to the provisions of rule VI of the Senate, I ask unanimous consent that I may be absent from the Senate on the 17th, 18th, 21st, and 22d of this month.

The PRESIDING OFFICER. Without objection, it is so ordered.

JOSEPH LEONARD GOLDSTEIN

Mr. HOLLINGS. Mr. President, I should like to call to the attention of my esteemed colleagues the great contributions made to science by Joseph Leonard Goldstein, a South Carolina native and recipient of the 1985 Nobel Prize in medicine.

Dr. Goldstein, the son of Isadore and Fannie Goldstein, was born in Sumter and grew up in Kingstree, SC. He attended Kingstree Grammar School and Kingstree High School, where he was valedictorian in his graduating class of 1958. Certainly Mr. Goldstein's parents are to be congratulated for the fine job of parenting they have done. And Mr. Goldstein's public school teachers in Kingstree should be proud as well, for the excellent educational foundation they provided him to build upon. Mr. Goldstein was valedictorian again when he graduated from Washington and Lee University in Virginia, and upon graduation from the University of Texas Medical School in Dallas, he was the recipient of the prestigious Ho Din Medical Award.

After graduating from medical school, Dr. Goldstein was a resident in medicine at Massachusetts General Hospital in Boston, a clinical associate at NIH, and a postdoctoral fellow at the University of Washington in Seattle. In 1972, he returned to the University of Texas Medical School as a faculty member and opened the university's department of genetics.

Dr. Goldstein won the Nobel Prize with his colleague and fellow molecular geneticist, Michael S. Brown. According to the Nobel Assembly at Stokholm's Karolinska Institute, their research "revolutionized our knowledge" of the role of cholesterol in heart disease and pointed the way toward practical means of prevention and treatment.

Dr. Goldstein's research is considered of utmost significance in the prevention and treatment of coronary artery disease and heart attacks—the No. 1 killer in the United States.

In addition to receiving the Nobel Prize, Dr. Goldstein has been the recipient of numerous other awards in his distinguished career. Among them are the Heinrich-Wieland Prize in 1974; the Pfizer Award in enzyme chemistry from the American Chemical Society in 1976; the Passano Award from Johns Hopkins University in 1978; the Gairdner Foundation Award in 1981; the award in biology and medical sciences from the New York Academy of Sciences in 1981; the Lita Annenberg Hazen Award in 1982; and the award for excellence in science and medicine from the South Carolina Drug Science Foundation in 1984.

I thank my colleagues for joining me in congratulating Dr. Goldstein on his impressive contributions to science and medicine and the knowledge of man.

IN RECOGNITION OF MRS. S. HENRY EDMUNDS

Mr. HOLLINGS. Mr. President, I should like to call to the attention of the Members of this body the significant contributions to historic preservation, as well as the other considerable life achievements, of Mrs. S. Henry Edmunds, one of Charleston's finest daughters.

Mrs. Edmunds, director of the Historic Charleston Foundation, retired this summer after 38 years of nurturing historic preservation in Charleston. She joined the foundation in 1947 and became director in 1955. Under her leadership, the foundation instituted its reproduction shop, started the festival of houses tours, and established two house museums to support preservation in the city. In 1958, Mrs. Edmunds developed the foundation's revolving preservation fund to purchase endangered houses and sell them to buyers who agree to restore and maintain their architectural integrity.

For the Historic Charleston Foundation's leadership in restoration in Charleston, Mrs. Edmunds was awarded the Louise DuPont Crowninshield Award, the highest honor of the National Trust. She is also a recipient of the Department of Interior's Conservation Service Award and has been honored with recognition from the Association of Charleston Realtors, the Historic Savannah Foundation, the Preservation Society of Charleston, the American Institute of Architects, and the Rotary Club, which gave her its "Service Above Self" Award this year.

Mrs. Edmunds' record of public service does not stop with the enormous contributions she has made to Charleston's historic preservation. She also serves as chairman of the Drayton Hall Council, as a trustee of the Thomas Jefferson Memorial Foundation (Monticello), and as a director of the Spoleto Festival USA. She is a former member of the President's Advisory Council for Historic Preservation. And she is a current member of the National Trust, the American Museum Association, and the American Association of State and Local History.

I wish to congratulate Mrs. Edmunds today on her many accomplishments and express my hope that she will continue to contribute her enormous talents and knowledge in the field of historic preservation to the city of Charleston and the Nation.

TEXTILES: INDUSTRY IN CRISIS

Mr. HOLLINGS. Mr. President, with today's edition, the Washington Post completes a most enlightening and comprehensive three part series written by Rudolph A. Pyatt, Jr., describing the serious problems facing the Nation's textile and apparel industry. As one who has spent a great deal of his public career making the case for this important industry, I commend the newspaper for the thoroughness of the articles and urge my colleagues to take the time to read it. In the event that any missed the series due to the long holiday weekend, Mr. President, I will, at the appropriate time, ask unanimous consent that the complete text of the articles be included at the conclusion of my remarks.

With the introduction of the Textile and Apparel Trade Enforcement Act of 1985 last March, many in this body have sought to bring a solution to the tide of textile and apparel imports that threaten to destroy the domestic industry before it has the opportunity to realign itself and regain a competitive position in the world market. What we are seeking is enforcement of present bilateral agreements that have been agreed to between us and our competitors under the aegis of the multifiber arrangements. While our competitors have toed the line and maintained enforcement of the bilat-

erals we have done just the opposite and consequently the unfair trade that has resulted has seriously weakened the industry, and, if continued at the same pace, will consume it entirely within 5 years. Many will, no doubt, argue that the high dollar is the culprit here, and that with that burden and the uncompetitive posture of the textile and apparel industry in general, it is no wonder that it is going out of business. Nothing could be further from the truth. True, overvaluation of the dollar has an impact, but if we were to lower the deficit and reduce the value of the dollar, a very significant problem of unfair trade practices would still exist and still threaten the industry. Mr. Pyatt points this out in his series and gives specific examples. The textile industry does not want subsidies, or quotas, or protection. What we want and need is enforcement of the laws on the books. The industry can compete and is trying to compete. The $7.91 billion invested by the industry from 1980 to 1984, and the $2 billion to be invested for this year and next, is testimoney to that fact. Put another way, and quoting the economist Robert Kuttner, the textile "industry has reinvested more than 80 percent of its retained earnings in modernization, and its impressive productivity growth has been exceeded only by the microelectronics industry." Clearly the commitment is there and has been made. Without, however, similar commitment by our Government to enforce the trade laws, we will not have a textile industry to be concerned about in a few short years.

Mr. President, I ask unanimous consent that the series of articles by Mr. Pyatt be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD as follows:

FACTORY'S SHUTDOWN TEARS FABRIC OF SMALL COMPANY TOWN

(By Rudolph A. Pyatt, Jr.)

Signs posted at the town limits of this small rural community in South Carolina's rolling Piedmont hills proclaim it as one of the state's "Great Towns."

The award was made by the governor in recognition of local efforts to attract industry to rural areas. More important, however, economic profiles of towns receiving the award are used by the state to help business prospects identify possible relocation sites.

Ware Shoals' profile shows that it has a skilled work force, an abundant water supply, and adequate waste-treatment facility, and nearly 1 million square feet of manufacturing space under one roof. There is also access to rail and major highways, as well as to airports in nearby Greenville and Greenwood.

Those are the legacies of the Riegel Textile Corp., which built Ware Shoals and ran it for nearly 80 years.

But last November, Riegel closed down its mill here, the town's only industry, and now there are other, less appealing legacies as well: Severe unemployment. Mortgage foreclosures. Outmigration. Empty stores. An eroding tax base.

On the banks of the Saluda River and tucked away in the corners of three counties. Ware Shoals is only 17 miles north of the bustling county seat of Greenwood. Nonetheless, it has thrived in near isolation for most of the 20th century as Riegel's company town.

Now the company's name is visible only on parts of the mammoth green-and-gray brick textile mill and a truck depot at the edge of town. But the mark of Riegel remains deeply imprinted here.

Green and white frame bungalows, built by Riegel for its employes around the turn of the century, stand as mute reminders of a paternalistic' era. Spotless, tree-lined streets radiating from the former mill are uncommonly free of children.

This enclave around the mill has become a haven for retired Riegel employes like 78-year-old Butler (Buck) Koon, who spends hours fetching "the best fishing worms in the world" from a catalpa tree at the edge of his front yard.

Elsewhere evidence of Ware Shoals' decline is plain. Empty stores and shuttered buildings dominate North Greenwood Avenue, a moribund commercial strip that has lost at least 60 percent of its former businesses. In residential areas away from the center of town, boarded-up windows and doors on brick ramblers identify young families, former Riegel workers, who were unable to find other jobs and could not continue mortgage payments on their homes.

"The parental effect was very evident in that Riegel built everything and supplied everything and just took care of all the people in the town," Mayor Manly Ballentine recalled. "It was a very good setup, and if the people needed a job, Riegel needed people to work. So they had a mutual agreement, and it worked out real fine for a long time."

The relationship ended with devastating suddenness and consequences for 900 Riegel employes last November when the company, squeezed by the massive influx of imported textile products, closed its Ware Shoals mill. Riegel had laid off more than 800 workers at the same mill in 1982.

Riegel manufactures a variety of products for apparel, industrial uses and home furnishings in plants in the Carolinas, Georgia, and Virginia. The Ware Shoals plant produced fabrics for consumer items but it was also a major supplier of finished cloth to the military. Since closing the Ware Shoals plant, Riegel has farmed out some of the work that was done here while dropping other lines of business altogether.

In a statement explaining the decision to close the Ware Shoals plant, Riegel blamed the surge of textile imports for a sharp decline in the company's output and earnings. Officials of the privately owned company have declined to discuss the possible long-term effects of the plant's closing on the residents of Ware Shoals.

Nearly half of those workers are still unemployed. The despair of Ware Shoals' unemployed and the optimism of its officials are the essence of a town trying to cope with an economic disaster. Individual profiles of Ware Shoals' 2,350 residents provide a different picture from the "Great Towns" economic profile in the state's industrial development office.

COPING WITH UNEMPLOYMENT

For Thomas and Rhoda Brooks, life after Riegel is operating a vegetable stand from the back of a pickup truck in the shade of an abandoned service station across from City Hall.

"I try to sell this produce in the spring and summer 'cause people got to eat," said Brooks, an unemployed construction worker.

Rhoda Brooks lost her job in the early round of layoffs at Riegel and suffered the same fate at three other textile mills in this part of the state. The experience hasn't embittered her, she says, but she confesses that being unemployed "has hurt terrible. It's discouraging a lot."

She and her husband do "pretty good" selling vegetables when they can get enough to operate the produce stand, which doubles as the town's unofficial center for the exchange of information about job possibilities.

"It's helping to buy gas," said Rhoda Brooks. "We've not making that much, but sometimes somebody will come along and say, 'Well, you ought to go to so-and-so and put your application in.' "

The search for work "is discouraging a lot," she added. "You got to have money to move someplace else, and you've got to have money to go and hunt for a job. You can't take a $66 [weekly unemployment compensation] check and go huntin' everywhere for work."

There are few businesses in Ware Shoals, so there are few jobs to be had here.

The mill, which employed as many as 5,000 at the peak of its manufacturing operations in the 1950s and '60s, attracted workers from miles away. Variety stores, consumer finance offices, service stations, and clothing and furniture stores that were open when Riegel began cutting its work force stand empty today.

"We've got two grocery stores uptown, two drugstores, a couple of filling stations, one cafe and a couple of beer joints. That's about it now," Thomas Brooks said.

About three miles west, James Williams pulls up to a small neighborhood convenience store and hurries inside to escape the oppressive late summer heat. He has been unemployed since Riegel pulled out. This was the last week for which he would be eligible for unemployment conpensation.

Williams has managed to keep creditors at bay, but now he is threatened with foreclosure on his home. "I just about got it paid for. I got three more years on it."

Time ran out several months ago for other less fortunate Riegel employes. Padlocked and boarded-up houses in the Pine Hill subdivision are grim reminders of foreclosures.

Sitting in the living room of her home in the community of modest brick and frame houses, Mary E. Norman told of her brother's determined—but futile—bid to keep his house, which sits empty across the street.

"He lived on social services and food stamps, and my momma and daddy helped him, but he had to give the house up. About nine or 10 houses [in Pine Hills] are empty, and I'm just hanging on," she said.

She added that she works at a textile plant in Greenwood but "it's not looking too good there, either. People are really hurting."

"You can't find a job around here," complained Todd Cullen, a friend of Norman's.

Cullen, 51, had hoped to get a job at Ware Shoals Printing and Dye Co., which occupies a section in the Riegel mill that it purchased earlier this year. But "things don't look too good there, either," he said.

LOOKING FOR WORK

The employment outlook is especially bleak for Cullen and dozens of former Riegel employes who are age 50 and older.

Other big textile companies with plants in this region of the state—J. P. Stevens Co. and Milliken & Co.—also are cutting back in the face of import pressures. The same is true in other sections of a broad textile manufacturing belt that extends into nearly North Carolina. The two states are at the heart of the textile industry's operations in the South.

The North Carolina Employment Security Commission reported there were 14,465 unemployed textile workers receiving unemployment insurance at the beginning of August. Unemployment among textile workers in North Carolina is 6.5 percent, followed by 6.1 percent in the apparel industry—the highest rates among all employment categories.

South Carolina's textile industry employs 29,000 fewer workers than it did as recently as 1981.

Meanwhile, other industries haven't shown much interest in hiring and retaining older unemployed textile workers. Many workers in that category have decided to retire rather than move and start over.

Complete unemployment figures for Ware Shoals are unavailable, but Mayor Ballentine estimates that at least 400 of the last 900 employes to be laid off by Riegel are still without jobs. The other 500 either have taken early retirement or have gone to work in other areas, he said.

"Our population is made up of a lot of senior citizens, and with our situation as it is, a lot of young people are moving to find jobs and end up not coming back."

Ballentine, who was elected mayor the day after Riegel announced its decision to close the mill, recalled there were "an awful lot of problems to overcome."

Sitting at a picnic table in a park outside the town hall, Ballentine bemoaned the fact that Ware Shoals' business section has "dried up."

A COMMON PATTERN

The story of what happened in Ware Shoals is fairly typical of what has occurred in many communities where textile manufacturers have closed plants over the past four years. Invariably, the closing of a plant is followed by an exodus of small businesses and a virtual collapse of local economies.

"Our last clothing store went out of business about three months ago," Ballentine said. "It hurts considerably in that our people end up going out of town to buy and spend their money. We lose from the standpoint of jobs as well as business licenses and that kind of thing."

The loss of Riegel not only wiped out the lion's share of business license taxes but took away more than 50 percent of Ware Shoals' property taxes that the textile manufacturer contributed to the town treasury.

"If you just wipe out that total tax dollar that Riegel was putting in, you're talking about reducing services by 30 to 50 percent," Ballentine calculated.

Glancing at the huge multi-story brick mill towering behind the town hall, Ballentine underscored the magnitude of the community's loss: "Riegel built this town. They started in 1906 and built these houses [near the mill] and provided everything a person needed for survival: the company store, the power, the streets, everything."

So far, Ware Shoals has managed to maintain services without raising taxes, but Ballentine anticipates "a bigger pinch" next year.

"We've got more empty houses in Ware Shoals than I've ever seen," said Marion P. Carnell, Democratic representative to the state General Assembly and owner of the Ware Shoals Piggly Wiggly supermarket. "I'm losing a lot of my younger customers. They're moving out of town. We've been left with a lot of senior citizens. We had about 7,000 people in our trading area. It's down to about 6,000 now."

While Carnell has no intention of moving—business at his supermarket is down about 8 percent from a year ago—most buildings along the commercial strip have been abandoned. "We've lost about 14 businesses in the last two or three years," Carnell estimated.

SHAKY OPTIMISM

Still, Ballentine is optimistic about Ware Shoals' ability to rebound. Town officials have hired an economic development specialist to bring in new industry and have joined Greenwood County in developing a broader business attraction program.

In the meantime, Ballentine hopes to buy time and "break even" by selling water from the water works, inherited from Riegel, to residents and to the Ware Shoals Printing and Dye Co. The printing and dye company bought the mill from Riegel but utilizes only part of the manufacturing facility, hoping to rent space to other businesses.

Marvin Crawford, owner of one of two drugstores in town, shares Ballentine's optimism, though he believes it will take several years to resolve many of Ware Shoals' problems.

As chairman of the town's nonprofit development corporation, Crawford took the lead in persuading a small shoe manufacturer to locate in Ware Shoals. The plant will employ about 50 persons initially.

"If we can get five small industries that will employ at least 100 persons each, with the diversification, then more people would actually be working for longer periods of time than they were with the textile industry," said Crawford, who once served as chairman of the Greenwood County Council.

"Even though we won't have an employer the size of Riegel, hopefully we'll be able to wake people up to the fact that we will have to diversify our economic base in Ware Shoals. I think we will be better off as a town than we were just depending on Riegel as the sole employer here.

"I think, in retrospect, as we look back, hopefully in five years, [the closing of Riegel] will be a blessing in disguise," Crawford added. "We just have to hitch up our belts and get after it."

[From the Washington Post, Oct. 13, 1985]

PROTEST OVER IMPORTS CHANGING COURSE OF U.S. TRADE POLICY

(By Rudolph A. Pyatt, Jr.)

Like giant pieces of fabric woven into the economy, the American textile and clothing industries spread far and wide, into nearly every state of the Union.

Cotton farmers and ginners; textile plants spinning miles of natural and man-made fibers into fabric; factories turning out clothing and home furnishings as well as fabrics for automobile tires, electronic circuit boards and countless other products—all are part of a $45 billion industry that accounts for one of every eight manufacturing jobs in the United States.

From that vast constituency has come a cry of anguish and protest that is helping to change the course of American trade policy.

"We're in a war, and we're going to fight like hell. We're not going to give up," said Ellison S. McKissick Jr., president of the American Textile Manufacturing Institute.

The American textile industry is reeling under a tide of imports that threatens it with ruin.

Shipments of fabrics and clothes from abroad doubled between 1976 and 1984, with most of the increase coming in the past two years. Imports took nearly 23 percent of U.S. textile market last year, double the 1979 level, and imported clothes captured an even larger share—33 percent, compared with 22 percent in 1979.

Nearly 50 textile plants have been closed this year and at least 20 others have imposed permanent layoffs. More than 10,000 textile workers have been laid off so far this year and the industry's unemployment rate stands at 13 percent, compared with a national rate of 7 percent.

The industry has won wide support in Congress for legislation that would drastically limit this huge surge of imports.

The textile bill, backed by executives and labor representatives of both the textile and apparel industries, has become the first major test in a political firestorm over America's declining position in world trade. With nearly 300 pieces of trade legislation pending in Congress, the passage of the textile bill could spark a stampede by various constituent groups to win approval of single-issue trade measures, many lawmakers say.

This in turn could touch off a trade war, with unforeseeable consequences for the world economy.

President Reagan has vowed to veto the textile bill—passed by the House last Thursday, 262 to 159—while promising much tougher action against unfair trade by foreign countries.

"If our legislative effort fails and our government is determined to continue the same policies that it has adopted over the last four years, you're going to see a demise of our industry," warned McKissick of the ATMI, the industry's Washington-based trade group.

The problems of the U.S. textile industry epitomize America's trade quandary.

In the industry's eyes, the problem is unfair trade—a boom in imports since 1980 that violates an international agreement signed by the United States and other major textile producers. The industry is penalized as well by economic factors beyond its control—particularly low wages abroad and the high value of the dollar, which effectively cuts import prices while boosting prices of American exports.

Critics of the textile bill call it the worst form of protectionist legislation. The House version would cut textile imports by up to 40 percent, denying American consumers access to foreign clothes and cloth that are often much cheaper than competing American goods. To save jobs of textile and apparel workers, the legislation would prop up non-competitive parts of the industry—a wasteful, inefficient bargain for consumers, say the critics, who are led by the nation's retail industry.

Is the issue fair trade or protectionism? Would imports lead to retaliation by foreign countries or force open the door to a fairer, more open trading environment? Is this the first step toward a raising of barriers to trade around the world?

Those are crucial questions on which the current debate on textile trade legislation will turn.

There is no one factor that is clearly responsible for the problems of the U.S. tex-

tile and apparel industries, and thus no one solution to them. But scholars, economists, government trade specialists and industry officials point to these in particular:

Imports produced by low-cost labor. The huge disparity in wages paid here and abroad gives a distinct cost advantage to foreign producers, according to industry and government officials. Wages received by apparel workers in Taiwan, Hong Kong, Korea and China, for example, average one-fifth to one-tenth of those paid to their counterparts in the United States, industry and government studies show. U.S. textile workers are paid between $6 and $8 an hour.

Although the dramatic rise in imports has been attributed mainly to increased production in the Far East, the United States is also being targeted producers in an increasing number of developing countries in other parts of the world where labor costs are low.

Subsidies by foreign governments to their manufacturers: Commerce Department officials here say that subsidies pose a major problem and that the practice is fairly sophisticated. It is "almost impossible under our current law to prove subsidy activities in centrally planned economies" where governments are integrally involved in manufacturing, says Walter A. Lenahan, deputy assistant secretary of commerce for textile trade.

Protectionism abroad: While the textile trade bill pending in Congress is being widely attacked as a protectionist measure, American made products are systematically barred by the governments of many foreign competitors.

Fraud: U.S. Customs officials say fraud compounds the textile import problem. Practices range from false labeling to smuggling to transshipment of products from one country to another to circumvent quotas.

The dollar: The huge increase in textile imports, which have grown by 20 percent per year since 1980, corresponds with the soaring increase in the value of the dollar Textile imports actually declined between 1972 and 1980, when the dollar's value was relatively low.

But attributing the imports problem mainly to the dollar misses the mark, say textile industry leaders. The same factors—protectionism, cheap labor, subsidized foreign production, fraud and expansionist trade policies of nations with central economies—were at work before the rise in the dollar and will be when it drops, their officials say. An expanding number of less-developed countries capable of supplying textiles has sharpened the competition for the U.S. market, Commerce Department studies show.

"One of the basic problems of our domestic textile industry is that it is basically excluded from major markets where I think they could be competitive," Lenahan noted. "Our ability to ship to Korea is almost nil, despite the fact that Korea ships over $1 billion a year in textiles and apparel, plus our ability to ship to Taiwan as well, even though they ship $2 billion in textiles. The Philippines, Indonesia, Thailand, India, Pakistan—major supplier after major supplier effectively excludes us from their markets.

"If we could have an equal footing in those markets I think we could compete both domestically and internationally."

But textile industry officials express doubts about their competitiveness both here and abroad.

"You simply can't compete with a government that is absolutely dedicated to keeping its people working for 16 to 18 cents an hour," complained James H. Martin Jr., vice chairman of Ti-Caro Inc., a Gastonia, N.C., textile company. "We've seen the pattern in the destruction of American jobs and we're not just whistling in the graveyard. If this thing continues, we'll have segments of this industry that will be totally, absolutely forever gone."

"You can't entirely overcome [the wage disadvantage]," Lenahan acknowledged. "I don't think anyone should fool themselves. At the capital-intensive end of the industry, I can see the wage differential being overcome. It gets more difficult in apparel because of labor intensity."

The import explosion over the past decade has been fueled primarily by the so-called Big Five—Hong Kong, Taiwan, Korea, Japan and China. Average annual growth in textiles and apparel from Hong Kong and Japan declined slightly during the period but import trends tracked by international trade specialists in the Commerce Department show a rapid growth in volume shipped by Taiwan and Korea. China also became a major supplier of textiles and apparel to this country, increasing its shipments from 1.7 million square yard equivalents in 1976, to 268 million SYE in 1984.

While the United States has absorbed an estimated 95 percent of the increase in world exports from developing countries, the growth rate for the total U.S. apparel market over the past 10 years has been only 1 percent. Thus while textile shipments have been a key source economic growth for these countries, the results have been disastrous for domestic American producers.

In the meantime, imports from the European Community—an economic union of 10 nations—increased at an average annual rate almost 7 percent faster than those from Hong Kong. Taken together, the EC-10 would constitute the second-largest supplier—after Taiwan—of textile products to the United States, according to the Commerce Department.

Ostensibly, the textile trade bill would ensure an orderly flow of imports by establishing global quotas. Supporters of the bill say it is intended to strengthen existing provisions of the Multi-Fiber Arrangement (MFA), which went into effect in 1974 and which was extended in 1981 for five more years.

The MFA, to which the United States and most major textile-producing countries are parties, provides for the orderly growth in textile and apparel imports through bilateral agreements or unilateral controls. But it hasn't worked that way.

The textile industry is comprised mostly of family owned or small privately controlled companies. Unable to compete against the flood of imports, several have either been forced to declare bankruptcy or are on the brink of collapse.

Although the industry is generally thought to be concentrated mainly in the South, it is, perhaps, more a national industry than most major manufacturing sectors. Textile plants are located in at least 42 states. Forty-five states have apparel plants and 48 produce raw products such as cotton and wool or man-made fibers.

The industry generates a gross national product in excess of $48 billion, compared with $51 billion for the auto industry, $43.1 billion for primary metals and $31.6 billion for petroleum refining.

The import damage extends beyond the smaller companies. Textile manufacturing giants are also at risk. At Milliken & Co., the industry's third-largest manufacturer, for example, employment is down 25 percent after the company was forced to close 11 of its plants in the Carolinas and Georgia the past couple of years.

J. P. Stevens, meanwhile, in an action stemming directly from the impact of imports, has decided to sell off its finished apparel fabrics business. Chairman Whitney Stevens said the company will concentrate on its home furnishings business and industrial products to ensure a better return on the company's investment.

Stevens, one of only a few publicly held textile manufacturing companies, attributed a $4.8 million loss in the second quarter to a major restructuring, which included the closings of three plants. The closings led to the layoff of nearly 1,100 Stevens workers, bringing the total to more than 7,000 since 1980. The big New York-based manufacturer has closed 17 plants since 1980, and plans to close at least two more by the end of this year.

"There was a time when you used to go to a managers' meeting to see how high your profits were," mused Paul J. Poston, a Stevens plant manager in Piedmont, S.C. "Now you go to count your losses. It's gotten to the point where [managers] call the meetings the blood bank now."

Subsidies to Foreign Firms Sophisticated, Illusive

When a U.S. textile company goes up against a foreign competitor chances are the competitor isn't just another company. More likely, the competitor will have the full weight of its government on its side, American textile industry officials have charged repeatedly in recent years.

If the foreign competitors were simply companies, "a case could be made that the American firms were simply not up to the challenge and have not earned the right to ask for relief," the American Textile Manufacturers Institute contends.

It is one of the sticking points in the current debate over special trade legislation for the textile/apparel industry.

There can never be free trade as long as foreign textile companies receive preferential loans, grants, tax breaks and other subsidies from their governments in support of centrally planned economies, say U.S. textile industry spokesmen.

Trade experts describe subsidies as government assistance given to exporters to promote shipment of goods. Such trade practices are illegal unless it can be proved that imports do not harm an industry of a country receiving the goods.

The ATMI has filed at least 17 cases since 1981, alleging unfair trade practices involving the use of foreign subsidies. In cases where subsidies were provided, penalty duties were applied. Nevertheless, many foreign manufacturers continue to receive subsidies, provoking stronger allegations in this country of unfair competition from abroad.

Commerce Department officials concede that subsidies are a bigger problem than fraud, but they add that the violations are very sophisticated and probably haven't been studied adequately.

Centrally planned economies are substantial shippers of textiles and apparel to the United States, but it is "almost impossible under our current law to prove subsidy activities in those countries," said Walter A. Lenahan, deputy assistant secretary of commerce for textile trade. Lenahan said subsi-

dies are "an area to which we ought to devote more attention."

The ATMI says it knows that some countries try to lure textile companies with the promise of rebates to manufacturers, exchange rate subsidies, special low-rate government financing and government payments.

"Our lawyers estimate that if we had pursued all of the cases we filed [alleging the use of illegal subsidies], it would have cost us $50 million," said Carlos Moore, the ATMI's executive vice president.

Among those cases, said Moore, the ATMI alleged that:

Peru paid subsidies to companies if they produced goods in Lima and offered bigger grants if products were manufactured outside the city in more economically depressed areas.

China offered an exchange-rate subsidy. "If you earned dollars for exporting, you got a higher exchange rate when you converted the dollars" to Chinese currency, Moore explained.

Indonesia, Turkey, Thailand and Argentina provided financing for textile and apparel manufacturers in those countries at preferential rates.

The ATMI's success in showing the existence of subsidies "acted as a deterrent," Moore said, but proving it now has become an expensive and time-consuming process.

Before 1979, it was only necessary to show that subsidies were being paid and the amount. The United States, however, later agreed to accept another criterion for proof: that the import of certain products cause injury to an industry. Thus, a country is subject to a so-called injury test if they are found to be using subsidies to enhance their competitive positions in the global marketplace.

[From the Washington Post, Oct. 15, 1985]

LITTLE CONSENSUS ON NATURE OF CHANGE

(By Rudolph A. Pyatt, Jr.)

The U.S. textile industry, reeling from a decade-long explosion of imports, must undergo a massive restructuring to continue as a viable competitor in global markets, according to economists and researchers who have studied the industry at length.

But there is little consensus in the industry on what the nature of this transformation should be, or whether it is even possible.

For the time being, the industry is counting heavily on the passage of a bill in Congress that ostensibly would create a more favorable competitive environment by limiting imports and halting unfair trade practices.

Trade and manufacturing experts admit that reducing the levels of fabric and apparel imports is only a partial solution to a much broader problem. But it would buy the textile industry some breathing room at least, its advocates say. They contend that, without the respite, within five years there won't be an industry to restructure.

These experts say that textile and apparel producers must begin planning now to:

Diversify their companies to achieve growth in areas where foreign competitors aren't strong.

Develop more specialized product lines and market segments.

Make greater use of advanced technology.

Consolidate through mergers.

Develop stronger markets for exports.

Textile and apparel manufacturers must "assess where their combination of management talent and relatively high productivity can be the differential between foreign labor costs," said Walter A. Lenahan, deputy assistant secretary of Commerce for textile trade.

Intensive lobbying by the industry for a special textile trade bill notwithstanding, few among even the staunchest advocates of government intervention really believe that a new trade policy or new trade legislation will lessen competition among the world's fabric and apparel producers.

A special trade bill "doesn't guarantee that we will prosper and survive, only that we have a fair chance," said Ellison S. McKissick Jr., president of the American Textile Manufacturers Institute.

At the moment, the U.S. textile and apparel industries obviously are losing ground fast. They have lost more than 300,000 jobs and have closed more than 200 plants in the past decade. At the same time, the imports surge has increased at an average annual rate of 18 percent since 1980. Last year, in fact, textile imports were up 32 percent, totaling $19 billion. Increases in imports have far outpaced the expansion in U.S. consumption of textiles, according to the Commerce Department. More than one-third of the U.S. market for clothes and fabric for clothes has been taken over by imports.

There are few indications, however, that the industry is ready to implement comprehensive long-range planning and marketing strategies that would make it more competitive. It is a very scattered industry, dominated by small, family-owned companies, making it difficult to amass the capital for major technology research or to obtain the clout to enlist the retail industry in its cause.

Technology is often cited as holding the most promise, but many in the industry say they feel that they have squeezed most of the juice from that apple. Indeed, new technology has made the industry far more efficient than other large manufacturing sectors of the American economy, the American Textile Manufacturers Institute (ATMI) maintains. Productivity and quality in manufacturing domestic textile fabrics is unsurpassed by foreign competitors, the group says.

Textile manufacturers have invested more than $1 billion annually in new plants and equipment over the past two decades. Virtually every major aspect of the manufacturing process that converts naturally or semi-automated. Sophisticated machinery in most plants today weaves yarn into fabric twice as fast as the industry could 10 years ago. Extensive use of computers has speeded up the manufacturing process while increasing efficiency and quality.

"We run at about 95 percent efficiency, and I don't think you can do any better without using a computer," said Rudolph Owens, manager at an Alice Manufacturing Co. plant in Easley, S.C.

"Our company knows of no machine we can buy to improve quality and productivity," said Roger Milliken, chairman of Milliken & Co.

Even traditionally labor-intensive clothing makers are using computerized equipment to create designs, cut patterns and knit garments.

Further opportunities for apparel firms to take advantage of technological improvements are limited, according to a study by the Commerce Department. Fashion changes often require frequent adjustments of equipment and technique, giving an advantage to labor-intensive producers, the study continued. What's more, the smaller size of many firms and the scarcity of funds make development of new equipment difficult.

Still, there have been breakthroughs that could revolutionize key segments of the domestic apparel industry, enabling it to speed up production and assure retailers faster turnaround time between orders and shipments.

An example of this new technology is a machine that was developed in a cooperative program called $(TC)^2$. The project, which was developed to produce flexible automated systems for apparel manufacturers, is funded and directed by a consortium of textile and apparel manufacturers, suppliers to the industries, organized labor and the Department of Commerce.

The joint venture, with Draper Laboratory of Cambridge, Mass., as developer, has produced a revolutionary machine capable of automatically assembling and stitching together pieces of a garment. The new machine is being tested in factories following successful laboratory tests last year.

Further technological breakthroughs are necessary, however, if the textile/apparel industry is to remain competitive, studies indicate. Indeed, the key to the future of the U.S. industry lies in its movement into a "new age of technology," according to North Carolina State University officials. Thus, the university last year proposed development of a National Center for Manufacturing Technology in Apparel, Textiles and Fibers. It envisions the center as a hub for development of new technologies that would enhance the competitive posture of the textile/apparel industry.

The apparel industry is so segmented that no single company can afford a major research effort "even approaching the level needed to solve the current and foreseeable problems," North Carolina State officials said in making the proposal last year. The textile industry is similar. Most of the 5,000 or so companies are small businesses.

Attempts to close the trade gap through the use of new technology face one other difficulty: No U.S. company builds textile machinery. American manufacturers relinquished the market to Europeans 20 years ago, thus forcing U.S. textile firms to import basic equipment or buy it from foreign-owned plants in this country.

Europeans improved on American machinery and became dominant in the market, according to Peter R. Philipp, a young German executive with PSP Marketing Inc., a textile machinery distributor in Charlotte, N.C. In fact, he said, foreign textile machinery builders played a key role in building up the textile production abroad that has caused the problem here. First Europeans, and then Japanese machine manufacturers, expanded their markets by subsidizing sales to developing countries, granting them low-interest, long-term credit terms.

The combination of advanced low-cost machinery and low labor costs has made developing countries formidable competitors.

To overcome that competitive edge, U.S. textile and apparel companies "must use the American genius for innovation, efficiency, reliable service, styling and promotion," according to the American Textile Manufacturers Institute.

While not advocating that U.S. manufacturers relinquish their remaining share of the clothing market, some analysts suggest that they seek a broader market for non-apparel products. At the same time, textile manufacturers are being urged to segment their markets, or specialize in the manufac-

ture of products that are less import-sensitive.

With the apparel market shrunken by import saturation, most of the bigger textile companies with research capabilities have begun concentrating on new fibers and fabrics that foreign competitors find difficult to duplicate.

There is a large and growing market, for example, in several industrial areas, observed Jeffrey S. Arpan, professor of international business and director of the Center for Industry Policy and Strategy at the University of South Carolina. But there are market niches also in apparel and home furnishings, Arpan emphasized. What's more, he said, U.S. firms can capture a bigger market share in the manufacture of textile products that foreign competitors find too bulky and costly to ship.

Moreover, said Arpan, domestic manufacturers should put greater emphasis on apparel products tailored to U.S. fashion tastes. Palm Beach, for example, has developed a special market in men's wear, which "hasn't been duplicated" by foreign competitors, he pointed out.

Levi Strauss enjoys a similar position in the market. "Levi Strauss has had tremendous success" despite fierce competition from foreign manufacturers of jeans, Arpan pointed out. Foreign-made jeans enjoyed early success among U.S. consumers but lost considerable appeal eventually "because they didn't fit and didn't hold up." Thus, if U.S. manufacturers concentrate more on marketing, newer products and durability, they can remain competitive in the apparel area, Arpan said.

Even with improved technology and products, a major hurdle for the textile and apparel industries is persuading retailers to increase their purchases from domestic suppliers. Joseph P. O'Neill, chief operating officer of the American Retail Federation, concedes there are built-in advantages to retailers who buy apparel from domestic sources and that long lead times and other factors involved in buying imports present some drawbacks. Nonetheless, import penetration is far less than textile and apparel manufacturers claim, according to O'Neill, who also is a spokesman for the Retail Industry Trade Action Coalition (RITAC).

RITAC opposes special textile trade legislation, contending that import restrictions would prove too costly for consumers and that thousands of retail jobs would be lost.

Textile industry officials charge, on the other hand, that U.S. retailers oppose limits on imports because sales of imported apparel products guarantee higher profit margins.

"As everyone knows, imports are marked up 300 to 400 percent and are sold at prices equal to or, in some cases, higher than, similar domestically produced goods," McKissick charged. "What we're talking about here is not higher costs to the consumer but reduced profits for importers."

But O'Neill said that to suggest retailers are guilty of price-gouging by selling imports at inflated prices as "ludicrous."

Such sharp differences between the retail sector and textile and apparel manufacturers appear to stand in the way of developing cooperative programs to improve their relative competitive positions.

"One of the industry's greatest challenges will be to gain consumer support for the domestic textile industry," said Jack Krol, vice president in charge of the textile fibers division at E. I. du Pont de Nemours & Co., a major producer of man-made fibers. "We need to help consumers understand the long-term implications of the import situation and its relevance to their own lives."

Beyond that, a key question is whether the U.S. textile industry will be in a position to compete in domestic and world markets in the coming decade and beyond.

A University of South Carolina study recommends, among other things, that textile manufacturers initiate joint technology and marketing research programs with suppliers and customers. "Closer cooperation among firms in the major segments of the U.S. textile complex would prove mutually beneficial, particularly in the research and development and marketing research areas where the U.S. firms could reap the greatest returns in international competition," the study's authors conclude.

In the meantime, the industry "lacks a strong export orientation and has failed to develop needed skills in international management and international markets vital for the 1980s," they added.

On the other hand, there are indications that some major U.S. textile manufacturers may be prepared to shift their product emphasis for foreign as well as domestic markets. This is especially true in the case of apparel fabrics, where the influx of imports has had its most devastating impact.

J. P. Stevens & Co., for example, announced this past summer that it plans to divest its apparel fabrics divisions and devote more of its resources to the company's home furnishings and industrial segments, where new applications in the use of textiles are creating suostantial growth opportunities.

Some industry studies suggest, however, that U.S. manufacturers should adopt a comprehensive marketing strategy aimed at deeper penetration of foreign markets. The key to establishing niches here and abroad, however, probably lies in stepped-up research to produce new products that surpass those of foreign producers in quality and appeal, industry sources acknowledge.

Yet another avenue for U.S. textile manufacturers appears to lie in diversification, which permits growth in areas where foreign producers are not strong. For example, American Enka Co., a subsidiary of a Netherlands company, has expanded its man-made-textile-fiber business in the United States by producing a nylon matting for reinforcement in construction projects.

Under any scenario, competition in the textile and apparel industries will increase and lead to further contraction, as smaller companies wilt under the pressure of competition, analysts predict.

"I don't think we will ever see an increase in employment and the number of [textile] plants in this country," Arpan said. "After decades of protectionism, the [U.S.] textile industry is reeling under the pressure of international competition."

If the industry is to survive as a viable competitor, "We've got to do a better job; manufacturers, cutters, sewers . . ." McKissick said. "It's a matter of the American people doing a better job."

THE PLIGHT OF SOVIET JEWRY

Mr. TRIBLE. Mr. President, I rise today to take part in the Congressional Call to Conscience for Soviet Jewry, and to call attention to the brave efforts of one particular Jewish family.

The United States and other Western nations must always remain vigilant with respect to the repression of Jews by the U.S.S.R. But our vigilance takes on an added sense of urgency when a meeting between the heads of our respective Governments is imminent. The Soviet-American summit is only weeks away, and it is at this meeting that the Soviet leadership must be told that America regards the religious freedoms and emigration rights of Soviet Jews as a matter of the highest importance.

I am proud to serve in a body that cares about these fundamental freedoms. At the request of the majority leader, all 100 Senators recently signed a letter to President Reagan in behalf of those Jews who are persecuted by the Soviet regime. This appeal and others like it could not have come at a better time.

The situation facing all Jews in the Soviet Union is worsening. Emigration remains at abysmally low levels, and persecution and anti-Semitic propaganda are on the rise.

The cumulative impact of such oppression on Soviet Jews is immeasurable. When the leaders of the faith are imprisoned, and when children are denied religious instruction, the future of Judaism in the U.S.S.R. is jeopardized.

The impact of such official repression on individual families is also abhorrent. Several days ago, I had the opportunity to talk with a young Jewish woman who was fortunate enough to emigrate from the Soviet Union 11 years ago. Anna Rosnovski is a brave and gifted woman, who now travels the world with the Israel Philharmonic Orchestra performing concerts to benefit Soviet Jews.

But Anna's sister, Helena Keiss-Kuna, has not been as fortunate. Helena applied to emigrate from the Soviet Union at about the same time as her sister. But Helena's request was turned down, and like so many refuseniks, she has been refused employment ever since her attempt to leave the U.S.S.R.

Helena's husband was refused emigration rights at the same time. Though he has since been able to find odd jobs, his wages are not nearly enough for himself, Helena, and their son.

Every day, Anna Rosnovski labors to free her sister and family from the Soviet Union. During our meeting, Anna delivered a plea that I would like to share with my colleagues. It is an eloquent statement that reminds us of the difficulties faced by all Jews in the Soviet Union. I ask unanimous consent that a copy of Anna's letter be reprinted in the RECORD at this time.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AN URGENT APPEAL FOR HELP

I appeal for help to all, who feel the suffering of others!

My sister Helena Keiss-Kuna, her husband George Kuna, and her son Andrew are the sole members of our family remaining in U.S.S.R. My sister and I applied approximately the same time for exit-visas, but my sister's request had been refused. Consequently to her application, she lost her work and is unemployed since 1975. Her husband Ingenieur, like her, earns a feable living, as truckdriver. Her son Andrew, a brilliant student in mathematics, has to go to the army in one and half year. If this would happen, hope for "Alyah" must be given up for several years. Life for the family should become a very sad perspective in U.S.S.R., because of their wish for "Alyah".

I came to Israel in 1974 with my husband and daughter. I am a violinist, member of the Israel Philharmonic Orchestra. My husband Dr. Rosnovski is the physician of the national soccer team. I was obliged to leave U.S.S.R. without my violin; a thing which had tragic consequences for my family. My father (former concertmaster of the Leningrad Philharmonic Orch.) followed us to Israel alone; my mother tried to send me my violin and had been arrested and imprisoned. Shortly after, she was send to a closed psychiatric hospital to "treatment". There my mother has really became ill, and suffered irreversible damages. After the intervention of international authoritys in psychiatry, she was released and send to Israel. She lives now in a psychiatric hospital, near Tel-Aviv.

My father and mother, both are very aged and ill. Their only wish in life is to see their daughter and the reunion of the family.

It is a first rate humanitarian act to help my sister and her family to arrive to Israel.

ANNA ROSNOVSKI,
Israel, Tel-Aviv, Ben-Gurion Blvd. 56.
Tel: (03) 228-514.

My sister's address is: U.S.S.R., Leningrad, ul. Plehanova 26-27 kw.48. Tel: 212-3160. Elena Keiss-Kuna.

WASHBURN-NORLANDS CENTER

Mr. COHEN. Mr. President, I would like to call the attention of my colleagues to an article from the Christian Science Monitor concerning the Washburn-Norlands Center in Livermore, ME.

When the glare and glitter of the 20th century become too corrosive, a visit to the Washburn-Norlands Center provides a welcome dose of 19th century reality and simplicity. The authenticity of the center helps attract more than 25,000 visitors each year who want more than a tourist's-eye view of how life was 100 years ago.

The article does an excellent job of portraying the many charms of the Washburn-Norlands Center, and I ask unanimous consent that the article be included in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LIVING HISTORY

(By Cynthia B. Marquand)

LIVERMORE, ME.—I remember just last winter when we hauled 50-pound blocks up from the lake to the horse-drawn pung while the wind whipped a chill through the February air, and out in the barn a calf was trying to be born. Now, with the breath of summer gone, it's harvest time. The icehouse is only half-full from summer's use. Apple pies steam to a cool in the kitchen while we line the storage shelves with minced meat and pickles. The soil is laid to rest, and potatoes, carrots, and turnips nestle in barrels in the musty confines of the root cellar, ready to sustain the long winter lull.

Although this could be an entry from a farmer's journal in the 1870s, it's actually an account of a city-dweller's country respite in the 1980s. The passage describes a bucolic farm site enriched by woodlands and fields, perched atop a wind-swept hill in Livermore, Maine. Here, visitors can forsake microwaves and hot tubs, erase the pall of nuclear war, and for $160 immerse themselves in a weekend of the 19th century.

Weekend "live-ins" are a small portion of the nearly 25,000 adults and children who visit the Washburn-Norlands Living History Center each year. Teachers can come here to get recertification credit; students can get college credit. Writers come seeking insights into post-Civil War history. Peace Corps hopefuls come to learn about primitive farming techniques. Computer salesmen and bank tellers venture here for a back-to-nature reprieve. But few escape the Norlands without glimpsing something of the innate values of 1870 Maine farm life—hard work, personal responsibility, and close family ties.

The setting is reminiscent of a 19th-century novel, with spinning wheel, wooden butter churn, soap savers, cornhusk mattresses, and kerosene lanterns. Volunteers bustle about in post-Civil War dress, portraying characters who lived in the area during that time. They speak the lingo, and feign ignorance of a world beyond the 1870s.

The five-building estate, including a church and library, is on the original site. It once housed the prominent Washburn family—renowned for its sons, who became congressmen, governors, and influential businessmen.

CHANGING SEASONS, CHANGING TASKS

Ulysses S. Grant is President. The war has just ended. Our week-end live-in group enters a time warp for three days to assume the identities of the Pray and Water families. A stroll through the cemetery at dusk reveals family gravestones, and for the next few days we scour stained and faded journals for facts about our new characters.

The historical setting is presented as closely "as they or anybody else can portray," says Terry Sharer, former secretary-treasurer of the Association for Living Historical Farms and Agricultural Museums at the Smithsonian Institution. "Our association has about 700 members. . . . None offer the program like they have at Norlands, where you assume a historical identity for 72 hours."

Indeed, the days following are spent in the nitty-gritties of farm chores—mucking stalls, collecting eggs, tilling the soil, harvesting crops, feeding pigs and sheep, grinding corn into meal, and familiarizing participants with the nuances of 1870 rural life. Come Monday morning, participants take up quill pens and slates, sit in double seats, and do arithmetic problems in their heads, reciting the answers to the satisfaction of Eunice, the stern schoolmarm.

Changing seasons prompt changing tasks. October is harvesttime, with a gushing supply of freshly squeezed cider to quench the thirst after a day's hard labor. March is maple syrup time; April brings horse and oxen out of the barn and into the fields for the tilling.

Robert Hjort, a bread salesman in New Sharon, Maine, attended the July live-in with his wife, Anita. "We spent three or four hours on our hands and knees picking potato bugs off potatoes," he says. "It gets you away from the idea of picking up a bag of potatoes at the supermarket and bringing it home.

"I loved the idea that you can go back to 1870, and everything since that time is forgotten—no phones, no TV, no radio. . . . I'd split wood before at my own house and had my own private garden, but I'd never worked with oxen, milked a cow, or for that matter, baked a pie."

RUGGED FAMILIES

Much is authentic at Washburn-Norlands. Participants forgo showers, use a three-holer in the barn, and bed down for the night on sloping, cornhusk mattresses. The Washburns were inveterate journal keepers, so meals are concocted from actual menus found in the records.

Yet there are minor flaws in the program's historical representation. The most obvious incongruency is when men and women switch gender roles on Saturday and Sunday to experience a wider variety of farm chores. The house is not the original, but was rebuilt in the 1920s after a fire, and the cookstove doesn't suit the era. But unless one scours for them, exceptions to 1870 are hard to find.

Farm demands of the era fostered strong family ties and dependencies. Children had scant schooling and were bound to the farm as laborers, while male and female roles were rigidly structured. "You get the distinct impression that, in the past, the family rather than the individual was the basic building block of society," says Mr. Sharer. "Today, the individual seems much more the building block of society than a long time ago, when we thought society was built on rugged individualism. But it's my opinion that it was built more on rugged families."

These values, as much as the rigors of farm life, are what the Norlands conveys. "Any museum, including Norlands, is a kind of church," Sharer adds. "They exist to give everlasting life to some esteemed value, a permanence to the values associated with a life style that doesn't exist anymore."

SUNDAY MORNING BREAKFAST

In this day and age, "lots of families only get one meal a day together," says Glenda Richards, a volunteer who plays the role of the warm, sprightly, marginally literate Emiline Hilton. Here, she says, "we say grace before every meal, and that kind of thing."

The epitome of family and community togetherness comes during the Sunday morning breakfast hour. The table is laden with food—blue-trimmed pitchers brimming with fresh milk, pancakes piled high, newly churned butter, and the sweet fruit of the March workers' labor—maple syrup. We're served substantial portions of food, but nothing is wasted. Roles are switched, and the men now dart about in gingham aprons and floppy caps, pancake flippers fanning the air.

A handful of neighbors stop in, and each character maintains his or her role to the tee. Rubin Wing appears from the poorhouse with customary ragged beard and disheveled work overalls to exchange a meal for a day's labor. Miz. Lovejoy, a pauper, hobbles in begging and mumbling about her lot in life. Brother Otis Holmes Johnson

joins in with an austere presence, and later gives a tedious, yet authentic, afternoon sermon "mercifully short, relative to how it really was," he says with a mischievous twinkle.

James Bliven, a biologist from Georgia, plays Israel Martel, a French Canadian was a hired hand for the Washburns. "In 1870, the census shows Israel as 25 years old; he was my age and came down here [from Canada] with some other fellow to work. The farms in Canada were drying up. He played the accordion and he lived in the farmer's cottage. He was a real girl chaser, and went on trips out of town to chase girls."

The encounters are meant to teach something about the past, and the roles are based on real people. The atmosphere is inviting, bubbling with conversation. Billy Gammons, a former teacher who came up with the idea for Washburn-Norlands back in 1972, says responses from live-in participants range from "I feel so close to these people—it makes me realize I'm cheating my own family" to "I hadn't prayed since I was a kid until I came here."

For some, the experience at Washburn-Norlands is so genuine that by the end of the weekend, they balk when it comes time to return home. A car passing by looks oddly out of place. The simplicity of the 1870s must be left behind. "If I had my choice, if I could get away with it, I'd sell my house and go back and live there," Mr. Hjort says. "I would gladly work there for nothing."

THE DEATH OF ALEX ODEH

Mr. CRANSTON. Mr. President, I rise today to express my horror at the shocking attack which took the life of Alex Odeh, the west coast regional director of the Arab-American Anti-Discrimination Committee, and wounded seven others in Santa Ana late last week. Like all acts of terrorism, this action does nothing to advance any cause. It simply escalates violence, pain, and destruction.

Alex Odeh was, by all accounts, a gentle man who spoke passionately for his ideals. Many Americans disagreed with his ideals, particularly his defense of the Palestine Liberation Organization and acts it has committed and sponsored. But no political disagreement can justify this kind of murderous attack particularly in a nation founded on democracy and freedom. We cannot tolerate such terrorist violence in our country. The perpetrators of this act of terrorism must be brought to justice.

I wish to extend my heartfelt condolences to Mr. Odeh's family and friends.

PHYSICIANS GROUP WINS NOBEL PRIZE

Mr. CRANSTON. Mr. President, one of the greatest contributions individual citizens can make in our society is to apply their professional skills to the signal challenges of our time. Very often this is how new insight is brought to bear on old problems.

Thus, it was with great joy that I learned of the award of this year's Nobel Peace Prize to the organization of the International Physicians for the Prevention of Nuclear War. Initiated by Dr. Bernard Lown of Boston and cofounded by Dr. Yevgeny I. Chazov of Moscow, this group has performed a marvelous service. They have successfully taken esoteric discussions of nuclear targeting doctrine out of the realm of chess playing military strategists and into the real world. They have helped us to comprehend what the use of even a fraction of our nuclear weapons would actually mean for you, for me, for our children, our land, our water. They have helped more than any general or tactician to translate into clear and stark terms the utter catastrophe nuclear war would bring.

In so doing, the doctors' group has helped to increase the pressure for mutual, verifiable United States-Soviet arms reductions. In particular, the physicians' group has focussed its efforts on a mutual testing halt, an essential interim step if arms reductions negotiations are not—as in the past—to be outpaced by the deployment of new arms.

I offer this group my heartfelt congratulations and add my hope that our mutual efforts to achieve meaningful arms reductions can finally bear fruit.

Mr. President, I ask unanimous consent that an article from Saturday's New York Times on the Nobel Peace Prize Award be included in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NOBEL PEACE PRIZE GIVEN TO DOCTORS OPPOSED TO WAR

(By Fox Butterfield)

BOSTON, Oct. 11.—The 1985 Nobel Peace Prize was awarded today to the International Physicians for the Prevention of Nuclear War, a five-year-old Boston-based group that was jointly founded by American and Soviet doctors.

The physicians group has a membership of 135,000 people in 41 countries. One of its co-founders, Dr. Yevgeny I. Chazov, has been the personal physician of the top Soviet leadership and a member of the Communist Party Central Committee since 1982. He has also been a Deputy Minister of Health since 1968.

After learning of the award today, Dr. Bernard Lown, the American co-founder of the group, immediately urged President Reagan to stop all nuclear testing.

STOP ALL NUCLEAR EXPLOSIONS

Speaking in Geneva with Dr. Chazov, Dr. Lown said their group was pleased that Moscow began a five-month moratorium on nuclear tests last August and suggested President Reagan could now halt the nuclear arms race "with one stroke of the pen."

"We physicians have a medical prescription" for how to avoid a nuclear holocaust, said Dr. Lown, a professor of cardiology at the Harvard School of Public Health. "Stop all nuclear explosions."

"Now the Americans have a wonderful opportunity and I hope my country takes that initiative and makes nuclear testing stop forever," Dr. Lown told a press conference in Geneva where he and Dr. Chazov had gone for a fifth anniversary meeting of the group.

GROUP CREATED AN AWARENESS

In August, Mikhail S. Gorbachev announced that the Soviet Union was halting all of its nuclear tests until the end of the year and invited the United States to follow suit. American officials declined, characterizing the offer as disingenuous because, they said, the Russians had just completed a round of tests. Officials also said that in the absence of absolute verification, tests are needed for maintaining a viable nuclear arsenal.

The Norwegian Nobel Committee, in announcing the choice of the physicians group, said it had "performed a considerable service to mankind by spreading authoritative information and by creating an awareness of the catastrophic consequences of atomic warfare."

Egil Aarvik, the chairman of the prize committee, linked the decision to the United States-Soviet arms talks in Geneva. "If this award has any message, it is for the two superpowers to come up with results of their negotiations," he told journalists this morning.

It was only the second Nobel Peace prize that involved a Soviet citizen, the earlier one having been given to Andre Sakharov, the dissident physicist and human rights activist, in 1975. At the time, the Soviet press branded the award to Mr. Sakharov a "prize for anti-Sovietism" and forbade him to go to Oslo to collect it.

By contrast, the Soviet press reported the award to the doctors group today less than two hours after it was announced in Oslo, suggesting official pleasure in Moscow that Dr. Chazov had been honored.

Two years ago when Lech Walesa, the leader of the banned Polish trade union Solidarity, was awarded the Nobel Peace Prize, the Russian press did not immediately report it but later denounced Mr. Walesa as a moneygrubbing, foul-mouthed demagogue.

99 NOMINEES FOR PRIZE

The award of the prize last year to Desmond Tutu, the South African Anglican bishop and anti-apatheid campaigner, also received little attention in the Soviet media.

The Norwegian prize committee does not make public the reasons for its choices, and in fact, does not even keep a record of its deliberations, according to a Norwegian source close to the committee. This year it had to pick from a record list of 99 nominees that included President Reagan and Elie Wiesel, the chronicler of the holocaust.

The source said the choice of the physicians group was "a safe one." "You don't get too much criticism for choosing a group, there is no personality you can argue about," he explained.

The selection of the physicians organization was something of a surprise, he added, because they were not well-known in Norway.

Dr. Lown, a distinguished cardiologist who developed several machines and drugs to prevent sudden death by heart attacks, said today he hoped the award would mean greater publicity for the International Physicians group.

Dr. Lown has said he first became interested in the nuclear war issue in 1959 after he heard a talk in England by Sir Philip

John Noel Baker, who had just won the Nobel Peace prize himself, on the danger of atomic conflict. On his return to Boston Dr. Lown called together a group of eight doctors in his living room, out of which grew a group called Physicians for Social Responsibility and a special issue of the New England Journal of Medicine devoted to the medical effects of nuclear war. The articles in that issue are still considered one the best sources of information on the consequences of a nuclear war.

Mr. Lown's group lost its momentum in the late 1960's and 1970's, overwhelming by other causes like the Civil Rights movement and the Vietnam war. But in 1979 he decided to try to resurrect it with two younger men, Eric Chivian, a psychiatrist at the Massachusetts Institute of Technology who was interested in children's fear of nuclear war, and James Muller, an assistant professor of cardiology at the Harvard Medical School who had studied in Russia.

Dr. Lown then arranged the 1980 meeting in Geneva with Dr. Chazov, whom he had met earlier when he was invited to give lectures in Moscow on his medical research.

The group's first international conference, held near Washington in 1981, coincided with the beginning of a new wave of national concern about nuclear war and attracted widespread attention because doctors had not previously been so openly involved in the peace movement.

Although the group's leaders insist they have tried to keep a balanced approach, not tilting toward either Moscow or Washington, there was criticism of the group's naïveté in 1982 when Dr. Muller appeared with Dr. Chazov on an hourlong television program shown across the Soviet Union on the danger of nuclear war. Mr. Muller stressed at the time that the action showed a new willingness by Moscow to seriously debate the nuclear threat.

PROPAGANDA ASPECT DENIED

At a press conference today in Boston, Dr. Muller rejected suggestions that the doctors group has become a propaganda agent for the Soviet Union. "We are a medical organization," he said. "We look at nuclear weapons and what they do to an individual and a country. If the Soviet Government wants to endorse our position, we're pleased," he added, referring to the group's call for a moratorium on all nuclear explosions.

At the news conference, Dr. John O. Pastore, the group's secretary, said it had 28,000 members in the United States, with 60,000 in the Soviet Union. "Physicians in both the Soviet Union and the United States will be very pumped up and proud of receiving this," he said. "What their governments do with this is their business."

The physicians group has proved that doctors around the world agree "that a nuclear war must not be fought and cannot be won," Dr. Pastore said. "Modern medicine will have nothing to offer the victims of a nuclear conflict."

In addition to advocating a ban on nuclear explosions, the group has also called for a verifiable freeze on the development and deployment of all nuclear weapons and a declaration of no-first-use by the world's nuclear powers.

The Nobel Peace Prize carries an award of about $225,000, which will be presented in December.

IRRIGATION WATER MANAGEMENT

Mr. DOLE. Mr. President, published in the September 1985 issue of the National Geographic magazine is a picture of two men examining a tape used to measure the depth of water in an irrigation field. Their concern is one that could potentially effect all Americans as it involves the depletion of our most valuable and precious commodity.

The caption beneath the print points dramatically to the seriousness of the situation and I quote—

Tale of the tape gets grimmer each year, particularly in the dry regions of western Kansas where irrigation depends mainly on the groundwater of the Ogallala Aquifer. At Colby, Agricultural Engineer Freddie Lamm holds a 300 foot steel tape read by Ground Water Management Chief Wayne Bossert. Some officials estimate that the aquifer will remain in irrigation source for only another 20 to 30 years unless steps are taken to increase conservation.

A HELPFUL STUDY

Mr. President, for this very reason, Servi-Tech Inc., a Kansas based crop consulting firm and the world's largest crop consulting organization employing 125 professional argronomists, has conducted a survey using "on the farm" techniques and found that water savings by sprinkler irrigation ranged from 33 percent to 70 percent of that used by flooding. This is the type of information needed in our efforts to conserve our most precious natural resource—water. Mr. President, I ask that this document be printed in the CONGRESSIONAL RECORD and made available to all Americans.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

INTRODUCTION

Servi-Tech Incorporated is the largest crop consulting organization in the United States. This year our 125 professional agronomists will advise farmers in Kansas, Texas, Oklahoma, Colorado and Nebraska on irrigation water management. These Crop Specialists work intimately with farmers providing guidance and recommendations on nearly every facet of farming. This year they will help farmers farm more efficiently on 750,000 acres with the goal of making each farm operation more profitable.

THE PROBLEM

Farmers are not efficiently utilizing the rapidly declining groundwater reserves of the western Great Plains, particularly the Ogallala aquifer. Economics dictate continued use of relatively wasteful methods of conventional flood irrigation. More efficient methods of irrigating are readily available but the cost on conversion is prohibitive in the current farm economy.

If the present rate of groundwater level decline continues, the economic well-being of farmers and their communities will be further threatened as will the viability of our nation as a food producer and exporter.

OUR POSITION

We have found that flood irrigators often use two or three times the amount of water necessary to supply a crop. Even the most efficient will use 25 percent more water by flooding than with sprinklers. In this document five case studies are reviewed. They compare water use by farmers with land that is both flood and sprinkler irrigated or contrast usage from records before and after conversion to sprinklers. Water savings by sprinkler irrigation ranged from 33 percent to 70 percent of that used by flooding.

Our projections show that at least 772,200 acre/feet (1 acre foot equals 325,848 gallons) of groundwater could be saved annually in southwestern Kansas alone if sprinklers were installed on all irrigated acreage. In addition to sprinklers, there are other water conserving technologies such as special tillage implements, surge valves and trickle irrigation which can be employed in the effort to conserve our groundwater reserves. To succeed, these technologies must become easier for farmers to purchase.

GROUNDWATER

The primary source of groundwater to the western Great Plains is the Ogallala aquifer. For the last thirty years it has been a reliable source of irrigation water but has recently been severely depleted in some areas. This has caused concern in the agriculturally based communities of the region. Depletion date projections run from 20 to 60 years at present usage rates depending on the depth of the aquifer in a particular location. Unfortunately, in many areas it is being depleted about ten times faster than it is replenished by rainfall and streamflow.

In an effort to inform the public of the tremendous water savings available through current technology, our Research Division produced this document. We have drawn upon the findings of Kansas Groundwater Management District No. 3, which covers southwestern Kansas and the records and experiences of our staff located within that district. The district contains 1.8 million irrigated acres and uses 3.6 million acre/feet of water annually, most of which comes from the Ogallala aquifer.

We have compared the conventional flood irrigation method with the most common water conserving method—center pivot sprinkler irrigation. There are other water conserving methods, such as surge and trickle irrigation, but they are not commonly used at this time and we have few records of their efficacy.

DEFINITION AND CONTRAST OF PRIMARY IRRIGATION METHODS

The two irrigation methods most commonly used are flood and sprinkler. Flood irrigation is the predominant method used in most of the areas where we work. Sprinklers are most popular where furrow irrigation is not feasible because the ground is too hilly or too sandy.

Water for flood irrigation is pumped into ditches or pipe. Ditches are earthen or concrete lined and convey water to the field areas to be irrigated. They are dammed just beyond the area to be irrigated and siphon tubes convey water from the ditch into furrows between plant rows or flat areas between border dikes. The pipelines used are made of plastic or light metal and have small adjustable openings, called gates, which are located along the pipe at common furrow spacing distances.

Center pivot sprinklers are used most extensively in the region which we serve. However, there are a few sprinkler systems which move laterally across fields. Center pivot systems are fed by an underground

pipeline emanating from a pump. The systems consist of pipeline mounted on a frame work and wheels. They are propelled by electric motors or hydraulic pressure. They usually cover a circular area, while some can make a square pattern if specially equipped.

Both methods have their advantages and disadvantages which are contrasted below.

FLOOD IRRIGATION

Pros:

(1) The system is simple to operate as there are few moving parts or mechanical devices.

(2) Pumping costs are lower than sprinkler because little pressure is needed.

(3) The method is adaptable to almost any field shape with reasonable slope.

(4) The capital investment is generally lower than sprinkler unless extensive land levelling is needed.

Cons:

(1) This method ultimately uses more water for same crop than sprinkler. In some cases more water is used for one irrigation than is used by a sprinkler in an entire growing season.

(2) Excessive water application leaches plant nutrients like nitrate out of plant root zones cutting fertilizer use efficiency and threatening domestic wells with pollutants.

(3) Water distribution is poorer than sprinkler because of unequal watering depth form top to bottom of field and lateral soaking varies widely with soil type, slope and number of applications.

(4) More time is required to water than by sprinkler.

(5) It is less versatile than sprinkler.

(6) It is labor intensive as gates or siphon tubes must be set by hand. Pipe is carried to field location. Furrows must be made and cared for which requires extra tillage.

(7) Not adaptable to hilly or very sandy ground. Land levelling is usually necessary.

CENTER PIVOT SPRINKLER IRRIGATION

Pros:

(1) It requires little manual labor, as it is self propelled and controlled at a central location. System only needs to be checked once or twice daily.

(2) System can irrigate fields with undulating topography or having a variety of soil types.

(3) Irrigator has control of water application rates and greater flexibility in timing irrigation.

(4) System applies water uniformly across field.

(5) No special tillage is needed with this method. It works well on no-till fields.

(6) Uses less water than flood methods.

Cons:

(1) The initial capital investment for a sprinkler system is high. The cost for the average 130 acre system is about $30,000 and is normally depreciated over ten years.

(2) Pumping costs are higher due to the need for higher water pressure.

(3) Mechanical breakdowns occur and usually require technical expertise in making repairs.

(4) Center pivot systems do not usually utilize whole fields. The attachments that water the field corners are often not cost effective.

(5) Water use efficiency can be cut by wind and runoff if the system is not properly adjusted to field conditions.

OUR FINDINGS

We have long been aware that more water is used by flood than sprinkler irrigation. Our Crop Specialists keep weekly records of their watering recommendations and can closely estimate the amount of water applied to specific fields by knowing field size, well capacity and length of watering time. The most accurate method of determining water use is by metering at the well head. Farmers rarely installed meters in the past but new well permits now require meter installation.

In order to assess the difference in water application rate between sprinkler and flood irrigation we checked the records of some of our specialists in southwestern Kansas where our company has the most experience. They were asked to compare rates of water application of fields that had been converted from flood to sprinkler or to compare water use for the same crop on adjacent fields of similar soil type. In all cases flood used more water to produce the same crop.

Five case studies are reported here. They are all from southwestern Kansas where climatic conditions are generally hot and dry during summer. Annual rainfall ranges from 15 to 20 inches. All of the farms mentioned are located within Kansas Groundwater Management District #3 which is the largest district in Kansas.

Case 1.—Daryl Puckett farm near Ulysses, Kansas, Crop Specialist, Tom Koranek.

Daryl Puckett farms two 100 acre parcels of ground that are near one another, one is sprinkler irrigated and the other flood irrigated. Either field has very little slope, less than one percent, and the soils are a silt loam. In fall 1984 he planted winter wheat on both parcels.

We pre-irrigated the ground before planting to ensure adequate moisture for seed germination. In order to get water across the dry flood field he applied about 9 acre/inches per acre. To pre-irrigate with the sprinkler he applied 1.5 acre/inches. The problem encountered on this first irrigation was that the water was soaked up by the dry soil at the top end of the field to a much greater depth than was necessary. The water did not run to the lower end of the field until the top was saturated causing excessive water use. To finish out the crop on the flood field another 6 acre/inches was applied. This brought the total to 15 acre/inches per acre on the flood field. The sprinkler irrigated field also used another 6 acre/inches after pre-irrigation which brought the total to 7.5 acre/inches per acre used on that field.

Flood irrigation on winter wheat fields uses considerably more water than is necessary for top production. This is largely because of pre-irrigation of very dry soils. The crop depletes all moisture before it is harvested in late June or early July and little rainfall comes during July or August to replenish the soil moisture before planting in September.

In this case we found the farmer used 15 acre/inches water per acre with flood irrigation and 7.5 acre/inches with sprinkler irrigation. Therefore 50 percent less water was used by sprinkler to produce a winter wheat crop. Puckett also noted that his yields were better on the sprinkler field.

Case 2.—Larry Winger farm near Minneola, Kansas Crop Specialists, Rolan Stukenholtz.

Larry Winger converted a field from flood to sprinkler irrigation. He cited an example of when he has grown two crops per year on the field, winter wheat and grain sorghum. The field has more slope than is ideal for flood irrigation and he used two wells together which made the total capacity 650 gallons per minute.

Before converting to a sprinkler, he could only irrigate 70 acres of the field and applied over 30 acre/inches per acre to produce the double crop. His problem was excessive slope which caused water to move too quickly through certain parts of the field. In order to get the water to soak deeply enough on the steep parts he was forced to overwater the rest of the field.

The sprinkler increased his efficiency enough to allow him to water 130 acres with the same two wells. He now applies approximately 20 acre/inches to grow a double crop. The water savings is at least 33 percent and he also reports better yields due to even water distribution.

Case 3.—Robert Newell from near Dodge City, Kansas Crop Specialist, Russell French.

Robert Newell has five similar fields of silt loam soil, two of which are 160 acre flood and three are 130 acre sprinkler irrigated parcels. Specialist Russell French reported that Newell uses about 35 acre/inches of water per acre to produce corn on the flood fields and 20 acre/inches on the sprinkler irrigated fields.

The problem that Newell faces is getting the flood water to soak laterally across the furrows. The water tends to run through steeper parts of the field too fast to penetrate the soil. To get top production from the flood fields he must irrigate more frequently and apply more than is needed by the crop. Consequently, Newell uses about 40 percent less water on his sprinkler irrigated fields to grow a corn crop.

Case 4.—Bill Polkinghorn farm near Dodge City, Kansas Crop Specialist, Randall Brady.

There are two fields which are very level and lie on the flood plain of the Arkansas River east of Dodge City. The flood field has been leveled according to specifications set forth by the Soil Conservation Service for border dike flood irrigation. Polkinghorn grew winter wheat on both fields during the 1984-85 season.

He used 20 acre/inches of water per acre on the flood field versus 6 acre/inches with the sprinkler. Specialist Randall Brady reported that most of the water was consumed in the fall flood irrigation. Only 6 acre/inches of the total 20 were used in spring watering. Planting was delayed on the flood ground until rainfall made it possible in late fall. In the meantime the sprinkler ground was planted and sufficient growth was made to use it for cattle pasture in late fall and early spring. The sprinkler provided Polkinghorn with versatility and a timing advantage over flooding. Besides getting a crop that yielded 20 percent more grain and useful cattle pasture, he used 70 percent less water with sprinkler irrigation.

Case 5.—Dana Lupton farm near Montezuma, Kansas Crop Specialist—Stan Schield.

Lupton converted this field from flood to sprinkler irrigation. The well capacity is 600 gallons per minute. Before installing the sprinkler he could only irrigate 80 acres of grain sorghum on this parcel of land. His main problem was poor water infiltration primarily due to soil compaction. Now due to increased water use efficiency he is able to grow 120 acres of grain sorghum with this well.

Prior to the sprinkler he applied over 18 acre/inches of water per acre to produce grain sorghum and now he only applies about 12 acre/inches. This is a water savings of 33 percent.

CONCLUSIONS

These case histories are but a sampling of the many situations which our people have dealt with. Accurate records are difficult to ascertain on this subject because farmers generally have not kept good records of water use. The weekly records and trained observations of our field staff are probably the best record of any agricultural practices in our service area.

Tom Koranek, Servi-Tech Western Regional Manager, is responsible for some 260,000 acres in western Kansas, western Oklahoma, the Texas Panhandle and southeastern Colorado. He provided some guidelines from his experience for Table 1 which outlines the water needs of important crops in his region and the amounts typically applied by irrigation methods.

Water needs of crops grown in Servi-Tech Western Region contrasted with average application rates in acre/inches per acre for sprinkler and flood irrigation methods.

TABLE 1

Crop:	Total water needs	Average sprinkler	Average flood
Corn	26	20	35
Grain sorghum	20	12	20
Winter wheat	18	12	18
Alfalfa	28	26	36

Koranek pointed out that most of the excessive water use from flood irrigation comes at the first irrigation. He noted that the main problem stems from over-application at the head of the field and under-application at the bottom. In the case of over-application, leachable soil nutrients, like nitrate, are lost from the crop root zone and may eventually contaminate drinking water supplies.

Based on these case studies we can project a large potential water savings in southwestern Kansas by conservatively estimating with the lowest example of 33 percent less water used by sprinkler irrigators. Koranek estimates that 35 percent of the 1.8 million acres in Groundwater Management District No. 3 are sprinkler irrigated and the remaining 65 percent are flood. If 3.6 million acre/feet per year are being extracted from the ground then 772,200 acre/feet per year could be saved by conversion to sprinklers alone.

By encouraging improvement of efficiency on existing sprinkler systems even greater water savings could be realized.

There are also tillage implements such as row dammers and inter-row rippers which increase water infiltration and virtually eliminate runoff.

These water savings projections if extrapolated to the entire Ogallala aquifer would be enormous. Unfortunately, they will never occur if water conserving irrigation equipment remains unaffordable.

THE PEACE CORPS 25TH ANNIVERSARY

Mr. DOLE. Mr. President. 25 years ago, John F. Kennedy first envisioned a "Peace Corps" during an impromptu speech on the steps of the student union at the University of Michigan. The following year, President Kennedy made that vision a reality by issuing an Executive order establishing this new, independent Agency to help promote peace and friendship throughout the world. Congress subsequently passed the Peace Corps Act, giving the Agency the permanence of statute. Since then, more than 11,000 American volunteers have joined the Peace Corps, including the 6,000 currently working on grassroots, self-help projects in 61 nations around the world.

A PROUD SYMBOL OF AMERICA'S COMMITMENT

The world has changed dramatically over the past quarter of a century. Throughout its existence, however, the Peace Corps has remained constant as a proud symbol of our Nation's commitment to helping people help themselves. In a single month, Peace Corps volunteers touch the lives of over 1 million people. These selfless, dedicated men and woman feed malnourished children, irrigate deserts, plant forests and crops, and build hospitals, schools, and bridges.

Just as importantly, Peace Corps volunteers build bridges between people. When they become members of local villages, they not only share their skills and knowledge—they share themselves. They offer people of other nations a chances to learn about Americans—and they, in turn, come back home with an intimated knowledge of other lands and cultures—knowledge which they share with their families and friends.

A VITALLY NEEDED AGENCY

Twenty-five years ago, Peace Corps was a great idea. Today, it is a vital link in our relations with developing nations, an integral part of efforts to promote world peace, and the source of a vast reservoir of international good will. In a time of dwindling global resources, scarce energy, international tensions, and troubled economies. Peace Corps is needed more than ever before. I urge all my colleagues to join me in wishing the Agency a happy birthday and many happy returns. We stand proud of the thousands of Peace Corps volunteers who, over the past 25 years, have sacrificed and donated their time, knowledge, and skills to helping those who are less fortunate around the world.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DIXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. WEICKER). Without objection, it is so ordered.

UNDERSTANDING DIPLOMATIC RAGES

Mr. DIXON. Mr. President, in my State of Illinois, we have an exceedingly interesting man, and a great writer for the Chicago Tribune, by the name of Mike Royko. I have been in his company many times. I have read his articles for years. I can honestly represent to the Senate that this man is neither a liberal nor a conservative. He is not a Republican or a Democrat. He is simply a person who profoundly understands the thinking process, the attitudes, the beliefs, the dreams, the hopes, and the aspirations of middle-class America.

He wrote an article yesterday which I would like to read, along with some citations of pertinent Federal statutes that I think might excite some thought process here in Washington.

The article appeared in the Chicago Tribune of October 15, by Mike Royko, and is entitled "Understanding Diplomatic Rages." This is what Mr. Royko says:

UNDERSTANDING DIPLOMATIC RAGES

I think the average American has difficulty understanding high-level diplomatic relations. And there's a good reason for this. Most Americans have common sense and see things in simple but practical terms.

In contrast, many of the people who engage in big-time diplomacy often sound like they're nuts.

There can be no better example of this than the hysterical indignation of President Hosni Mubarak of Egypt.

He's demanding that President Reagan apologize to him. And not just to him personally. He wants Reagan to apologize to his entire country—every man, woman and child. I'm not sure if the apology is supposed to cover camels too.

He's in a terrible snit because our fighter planes intercepted one of his country's airliners and forced it to land in Italy so the fleeing boat hijackers could be arrested.

He says that if he doesn't get an apology, our countries might not be close pals for very long.

And he's not alone. It appears that just about everybody in Egypt feels that way. News stories are filled with accounts of gnashing of teeth and tearing of hair by Egyptians who feel their national honor has been stomped on like a helpless bug.

Mubarak is so upset that he says he has even refused to read a friendly, conciliatory letter that Reagan sent him. If it's not a groveling apology, he doesn't want to be bothered.

That's what I mean about the strange workings of the diplomatic mind.

For the last few days, most Americans thought that we were the ones who were supposed to be mad at Egypt.

And with good cause. It was to Egypt that the four young terrorists finally surrendered after they struck a great blow for their cause by putting a couple of bullets into an elderly, crippled American and tossing him and his wheelchair over the side of a ship.

In our simple-minded way, we thought that people who hijack ships, terrorize the innocent and murder the helpless ought to be brought to justice.

But what did Mubarak do? He said, gosh, he didn't know anybody had been murdered. And by the time he did know, it was too late. He had already let the murderers out of his country. To show what a compassionate guy he really is, though, he said that if

he had known about the murder, he'd have never let them get away.

Right there, you have to wonder what kind of stiff the guy is. The least you would expect is that he'd wait for a head count on the ship before he sends the killers on their way.

But it turns out that what Mubarak did was far worse than being dumb.

Even while the terrorists were still in his country, he knew the murder had been committed. People in his government have admitted it.

So he flat-out lied to us and let the killers sneak out of his country anyway. The reason he lied is that he doesn't want the PLO or any other Palestinian terrorists mad at him.

Let us be charitable for a moment. Let us take the position that it's a tendency of most people to look out for their own hides. And that's what Mubarak was doing.

Fine. As the old saying goes: The Lord can't stand a coward. But he doesn't think much of fools either.

But after he gave shelter to known murderers and provided the known murderers with a plane to fly them to safety, he seems astonished that we wouldn't go along with his self-serving game.

When we saw the chance, we did exactly what we should have done. We intercepted the plane, persuaded it to land and saw that the killers were pinched. It wasn't really any different than cop cars chasing down crooks trying to make a getaway. They don't always have time to get a warrant or a legal opinion.

Now, any self-respecting lying coward would know what to do when caught in his lies and cowardice. He should have the decency to shut his mouth, maybe look sheepish and lie low until it blows over.

But what has Mubarak done? He's howling that we are terrorists for forcing down the plane carrying the murdering terrorists. He's claiming that by catching him in his lies and doing something about it, we have insulted and betrayed him and his entire country.

If that makes sense to Mubarak, maybe he's been out in the Egyptian sun too often without a hat.

Despite the intensity of Mubarak's indignation, I've noticed that he hasn't said a word about rejecting the $2 billion a year in welfare that his country gets from us, without which the Egyptians couldn't survive.

I guess there are some limits to a fellow's nationalistic pride.

That, Mr. President, is an article by a man who understands the thoughts of middle America.

Now, Mr. President, I want to read two pertinent statutes concerning this subject matter. I say to my colleagues who may read this later that the full citations are as follows: The first is United States Code, title 22, section 286e-11, which provides:

ASSISTANCE BY FUND TO ANY COUNTRY HARBORING INTERNATIONAL TERRORISTS

The Secretary of the Treasury shall instruct the Executive Director of the United States to the International Monetary Fund to work in opposition to any extension of financial or technical assistance by the Supplemental Financing Facility or by any other agency or facility of such Fund to any country the government of which—

(1) permits entry into the territory of such country to any person who has committed an act of international terrorism, including any act of aircraft hijacking, or otherwise supports, encourages, or harbors such person; or

(2) fails to take appropriate measures to prevent any such person from committing any such act outside the territory of such country.

The other section, and an even stronger one, in the United States Code is title 22, section 2371, which reads as follows:

TERMINATION OF ASSISTANCE TO COUNTRIES WHICH GRANT SANCTUARY TO INTERNATIONAL TERRORISTS; PERIOD OF INELIGIBILITY; NATIONAL SECURITY EXCEPTION; REPORT BY PRESIDENT

(a) Except where the President finds national security to require otherwise, the President shall terminate all assistance under this chapter to any government which aids or abets, by granting sanctuary from prosecution to, any individual or group which has committed an act of international terrorism and the President may not thereafter furnish assistance to such government until the end of the one year period beginning on the date of such termination, except that if during its period of ineligiblity for assistance under this section such government aids or abets, by granting sanctuary from prosecution to, any other individual or group which has committed an act of international terrorism, such government's period of ineligiblity shall be extended for an additional year for each such individual or group.

(b) If the President finds that national security justifies a continuation of assistance to any government described in subsection (a) of this section, he shall report such finding to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate.

So, Mr. President, that is what Mike Royko says, that is what the Federal statutes say, and I just wish to say this in conclusion:

How much aid did we authorize for Egypt?

For fiscal year 1986 here is what is authorized but not yet appropriated for Egypt. A total of—this is astounding—$2,339,118,000, broken down as follows: $1.3 billion in foreign military sales, all in forgiven loans; $815 million in economic support funds, all in grant form; $2 million for the international military education training program; $213 million under Public Law 480, title I, whereby commodities are given to the Egyptian Government; and $9.118 million in Public Law 480, title II, whereby aid is given to private voluntary organizations to be distributed directly to the Egyptian people.

I want to add, Mr. President, that Egypt is the second-largest bilateral aid recipient in the U.S. Foreign Aid Program.

Mr. President, I say only in conclusion that Illinoisans, and I think Americans generally, and certainly this Senator from Illinois, agree completely with Mike Royko.

I thank the President.

THANKS TO SENATORS GRAMM, RUDMAN, AND HOLLINGS

Mr. SIMPSON. Mr. President, this morning I found myself opening the Senate, then in the Chair, but not here. It was like a one-acrobat troupe at the big top.

Therefore, I did not get an opportunity to even briefly thank three very persistent and dedicated men who performed a remarkable service for us in the last few days, and they are Senators GRAMM, RUDMAN, and HOLLINGS. They proved indeed that they are a very dogged, patient, and persistent trio.

I always get a great bang out of the comments that we in the Senate and in Congress could take care of all these vexing budgetary things if we would but use our willpower and self-discipline to attack the deficit.

That will never happen because we have marvelous people sitting in our offices all day long who want money out of the Federal Treasury, and if they do not want money out of the Federal Treasury then they want a tax credit, a tax break, a guarantee, or whatever it may be.

So here we are and we are much like drug abusers in a sense. Our opiate is green in color. It is called money. We cannot say no. That is impossible for us.

So these three Senators have taken the accursed substance from our palsied hands, since we cannot do it ourselves. We have proven that beautifully.

Now the President and Congress will do it if this measure comes to pass and these limits must then be set.

I just want to say that these three fine Senators have pushed us on that course. We owe them a great deal.

It is a very interesting trio, the former NCAA champion boxer from Syracuse, Mr. RUDMAN; the bright economics professor from Texas, Mr. GRAMM; and the man who took his message of fiscal soundness to the American people as a Presidential candidate, which is quite a risk to take in this place, Mr. HOLLINGS; and they are all very long on courage and spirit.

I compliment them. The conference has started. There are some excellent conferees from this Senate from both parties. We should be proud of them. We wish them strength and courage.

I think something very good for America will come out of it all. Thank you.

NATIONAL SCHOOL LUNCH WEEK

Mr. COCHRAN. Mr. President, since 1946, the National School Lunch Program has helped make it possible for America's schoolchildren to be served nutritious lunches. I rise today to express my appreciation and support for

51-059 O-86-20 (Pt. 20)

this program on the observance of this week, October 13-19, 1985, as National School Lunch Week.

The National School Lunch Program is the cornerstone of our child nutrition efforts. The record will show that this program has assisted schools in providing minimum daily nutritional requirements to millions of schoolchildren since its inception.

On an average school day in fiscal year 1984, an estimated 23.5 million children participated in the School Lunch Program, compared to 23.2 million children in fiscal year 1983.

Not only is the National School Lunch Program the oldest of our national child nutrition programs, it is the largest. Eligible school and institutions include public schools of high school grades or under, nonprofit private schools of high school grades or under whose average yearly tuition does not exceed $1,500 per student, and nonprofit child care institutions such as orphanages, homes for retarded children, and temporary shelters for runaways.

It is important to note that the National School Lunch Act of 1946 was adopted with the intent of providing all schoolchildren with access to a lunch program. On a matching basis and according to a need formula, we have uniform national guidelines that provide for free, reduced price, and paid meals for our schoolchildren.

While the Federal Government has taken the lead in providing financial assistance for school lunches, States also play a vital role. States are required to contribute as much as 30 percent of the total amount of Federal funds provided for all general assistance and for the three categories of lunch assistance.

In fiscal year 1984, the School Lunch Program served 1.8 billion paid lunches, 248 million reduced price lunches, and 1.7 billion free lunches.

Mr. President, the performance of our educational system has been the subject of much critical review. As the result of widespread concern, there has been a renewed commitment to education, ranging from legislative efforts to enhance educational opportunities, to action at the local level. In that regard, it certainly seems worth remembering that a good nutritional diet is essential if we are to keep our Nation's children healthy and attentive in the classroom.

The National School Lunch Program has proven to be an efficient and effective way to guarantee that the schoolchildren of this country have the benefit of a sound nutrition program. I commend those who are charged with the responsibility of carrying out this effort and I want to reaffirm my support for it.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is now closed.

REQUEST FOR COMMITTEE TO MEET

(Later the following occurred:)

Mr. McCLURE. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet past the hour of 10 a.m. on Wednesday, October 16, 1985, solely for the purpose of reporting the nomination of Anthony G. Sousa, to be reappointed as an FERC Commissioner.

Mr. BYRD. Mr. President, reserving the right to object.

I personally do not have any objection. But I am constrained to object on behalf of others at least for now. Maybe it can be withdrawn later in the day. But at least for now I do object.

The PRESIDING OFFICER. Objection is heard.

Mr. McCLURE. Mr. President, I appreciate the indulgence of the Senator from Mississippi for allowing us to break into the discussion at this point. I do not want to burden that unduly. I appreciate the comments made by the Senator from West Virginia, the distinguished Democratic leader. I understand the responsibilities of the leader to represent people who may have an objection for whatever reason. But I take this occasion to indicate why it is important, why I made this request, and went to the point of making the request even though I knew that the distinguished Democratic leader would be compelled to object.

Mr. Sousa is a member of the Federal Energy Regulatory Commission. That is a five-member board. They are down to three members sitting. Mr. Sousa's appointment is a reappointment. His term expires on Sunday. Following Sunday, FERC does not have a quorum. Even if we get one other nomination cleared and acted on, there is a substantial question as to whether or not that other commissioner could then immediately on next Monday start voting on matters which have been heard before the Commission where they have taken testimony over weeks or months of time, and whether or not the Commission could act with a quorum based upon a Commissioner who had not been a party to the proceedings upon which he would then be ruling.

There is a reason for some sense of urgency with respect to the reappointment of Mr. Sousa. And I would hope that we do find a way in which that can be cleared so that we can act upon Mr. Sousa yet this week, and not run into that situation starting on Monday when the Federal Energy Regulatory Commission would be totally incapable of acting. It is not just large issues that come before that Commission. There are literally thousands of small license applications under PURPA rules, under the Small Hydro Act, and a whole list of different actions that they have to take that are underway and have been underway for months. A lot of people, a lot of the small investors, have a great deal riding upon the ability of the Federal Energy Regulatory Commission to act in a timely manner. FERC is having a tremendous difficulty dealing with that backlog even without the interruption or without being shorthanded.

So I hope indeed whoever it is who finds it necessary to object today will perhaps find it possible to withhold that objection, or that somehow we will be able to accommodate the fact that the Senate comes in at an unusually early hour which then disrupts the scheduled planning and the scheduled actions of committees. Somehow we have to arrive at an accommodation by which committees which find it necessary to act can hold those necessary meetings even though the Senate at the same time finds it necessary to come in at an unusually early hour.

I thank the Senator from West Virginia, the distinguished Democratic leader for the comments he has made. I thank the Senator from Mississippi for allowing us to make this request and remarks at this time.

(Conclusion of late proceedings.)

AGRICULTURE APPROPRIATIONS, 1986

The PRESIDING OFFICER. The clerk will report the pending business.

The legislative clerk read as follows:

A bill (H.R. 3037) making appropriations for agriculture, rural development, and related agencies programs for the fiscal year ending September 30, 1986, and for other purposes.

The Senate resumed consideration of the bill.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. COCHRAN. Mr. President, we turn now to the agricultural appropriations bill which we had on the floor yesterday. There was an opportunity on yesterday to consider a few amendments. We resolved some issues which were raised by Senators. We hope today to complete action on this bill. The majority leader has indicated that we need to complete action on this and other appropriations bills. We need to turn to the consideration of the reconciliation bill and other matters that require the action of the Senate.

I hope that Senators will be cooperative today and assist us in completing the bill by presenting their amendments in a timely fashion. I had un-

derstood that the Senator from Iowa, Mr. GRASSLEY, was interested in presenting an amendment and that he was here on the floor prepared to do that earlier today. I hope that his amendment could be considered now or any other amendment that could be presented now. We are here. We are open for business and ready to discuss any suggested changes in the bill that Senators choose to bring up at this time.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SPECTER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 778

(Purpose: To strike out provisions crediting user fees to the Food and Drug Administration)

Mr. SPECTER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SPECTER] proposes an amendment numbered 778.

Mr. SPECTER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 57, beginning with the colon in line 12, strike out through "expended" in line 15.

Mr. SPECTER. Mr. President, this amendment simply stated calls for a deletion from the bill of the provisions with respect to user fees for drug applications to the Food and Drug Administration. This is a matter which occupied some attention at the full committee markup and at that time an amendment was offered by the distinguished Senator from New Jersey [Mr. LAUTENBERG], which would have prohibited the imposition of any program of user fees. A substitute amendment was adopted by the full committee. It is our thought that the best approach on this issue would be to have this matter proceed to conference without any lanuguage entered on the Senate side. Senator LAUTENBERG has agreed to that according to information provided to me, and I have discussed this matter with the distinguished chairman of the subcommittee, Senator COCHRAN of Mississippi. It is our thought that this would be the best approach at this time.

Mr. COCHRAN. Mr. President, the Senator from Pennsylvania brings to the attention of the Senate a suggested change in this bill which I think is a good one to make. We were confronted in our markup in the Appropriations Committee with a suggestion first, I think, raised by the Senator from Pennsylvania [Mr. SPECTER] about writing in a provision that would prohibit the Food and Drug Administration from implementing regulations imposing user fees on the approval process where drugs are certified to be in compliance with FDA regulations. Of course, this committee does not have jurisdiction over the legislation that is said to give the FDA the power and authority to implement user fee regulations. We simply appropriate funds to permit the Food and Drug Administration to carry out its duties and responsibilities. We do not purport to write in our appropriations bills their authorities, such as the authority to impose user fees. So the Senator does make a very good point; since the bill as it now is drafted contains language that does restrict and impose conditions on the imposition of user fees, it is not appropriate and should be deleted.

In the markup, the Senator from New Jersey [Mr. LAUTENBERG] wanted to have language included in the bill which would in effect prohibit user fees from being imposed. While this Senator argued against that amendment in the markup session, it appeared that a consensus existed for some kind of language to be included and so it was agreed in the full committee that there would be some language in the bill on that subject. But I think, since we have all had a chance to look at it and realize that the House has language on this subject in its bill, it may be better for the Senate not to try to solve this problem with language in its appropriations bill and try to work out some solution to the problem if we can during conference; if not, leave to the Committee on Labor and Human Resources, the committee of legislative jurisdiction, the task of deciding whether or not congressional action is needed in this area.

I have a letter from Senator ORRIN HATCH, chairman of the committee, which is also signed by Senator KENNEDY, the ranking minority member, on this subject.

I ask unanimous consent, Mr. President, to have included in the RECORD at this point a copy of that letter.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON LABOR AND
HUMAN RESOURCES,
Washington, DC, October 3, 1985.

Senator THAD COCHRAN,
Chairman, Subcommittee on Agriculture, Rural Development, and Related Agencies, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: We are writing as Chairman and Ranking Minority Member of the Committee on Labor and Human Resources to request that you delete from H.R. 3037, the Agricultural, Rural Development, and Related Agencies Appropriations Bill, 1986, that provision in Title V confirming by implication the Food and Drug Administration's announced plan to impose user fees for the approval of pharmaceutical applications.

As you are aware, federal policy under 31 U.S.C. Sec. 9701, the user fee authority for federal agencies, is that such fees should not be charged for governmental services which benefit the general public. The FDA's proposed levying of user fees in the pharmaceutical approval process, which insures the marketing of safe and effective drugs, raises doubts that this policy is being followed.

We very much share your desire that additional funds be made available to the FDA to improve and shorten the drug approval process. However, the imposition of user fees, even if a portion of them is to be devoted to this purpose, is an unusual step which we feel should be subjected to Labor and Human Resources Committee oversight.

Therefore, we request that you delete the referenced language from the FY 1986 appropriations bill, and that you support instead language prohibiting the use of appropriated funds for any program of FDA user charges for the processing of pharmaceutical applications. A stay of the FDA program in this manner would give the authorizing committee the opportunity to thoroughly review the matter in the context of normal committee deliberations.

We welcome your consideration of this request and, of course, would be glad to discuss it further with you.

Sincerely yours,

ORRIN G. HATCH,
Chairman.
EDWARD M. KENNEDY,
Ranking Minority Member.

Mr. COCHRAN. We also, however, have received a communication from the administration on this subject. The Secretary of Health and Human Services, Margaret Heckler, has written to me as chairman of the subcommittee expressing hope that the authority of the Food and Drug Administration to impose user fees be protected and that the Congress not attempt to prohibit the imposition of user fees by this agency.

To complete the record, I ask unanimous consent that a copy of Secretary Heckler's letter be included in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF HEALTH
AND HUMAN SERVICES,
Washington, DC, October 1, 1985.

Hon. THAD COCHRAN,
Chairman, Subcommittee on Agriculture, Rural Development and Related Agencies, Committee on Appropriations, U.S. Senate, Washington, DC.

DEAR MR. COCHRAN: The Administration strongly endorses language adopted during Senate Appropriations Committee consideration of H.R. 3037, FY 1986 agriculture appropriations, which would permit the Food and Drug Administration appropriation to be credited initially with up to $5 million from user fees. This is language which was

proposed in the President's budget, and we urge you to reject any attempt on the floor to delete the provision from H.R. 3037 or to amend the bill to prohibit the FDA from crediting to its appropriation user fee collections.

As you are aware, the FDA has proposed regulations to implement user fees for new drug applications filed by both domestic and foreign pharmaceutical companies. While the agency's activities protect consumers, industry clearly receives marketing benefits from regulations as well. The regulations proposed by the FDA are being developed under the authority of the user Charge Act (32 U.S.C. 9701). The resources obtained through the charges will be used to enhance productivity and thus accelerate the New Drug Review process.

Accordingly, it is our belief that implementation of the user fee regulations at the Food and Drug Administration will benefit the public and will aid in our efforts to reduce the deficit. We are hopeful the Senate will reject any attempts to modify the language adopted by the Appropriations Committee.

Sincerely,

MARGARET M. HECKLER,
Secretary.

Mr. COCHRAN. With the statement of the distinguished Senator from Pennsylvania and the indication that he has discussed this matter with the Senator from New Jersey, who is also interested in the matter, I am prepared to recommend to the Senate that we accept the amendment, and I congratulate the Senator for bringing this to the attention of the Senate.

Mr. PROXMIRE addressed the Chair.

The PRESIDING OFFICER (Mr. TRIBLE). The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I have had an opportunity to discuss this with the minority staff and it is my understanding the minority has no objection to the amendment.

Mr. SPECTER. Mr. President, I thank the distinguished chairman of the subcommittee. I thank the Senator from Wisconsin for his statement and for yielding to me to present this brief amendment.

I would just like to add a word or two on the underlying facts relating to the fact that there is some $94 million spent a year in developing new chemical entities and obtaining FDA approval for marketing of such new products. This research is vital for saving lives and working against illnesses and disease.

There is a real concern that certification user fees will be a regulatory cost requirement imposed in addition to these expenditures which would discourage this kind of research.

It is also a fact that there is no other industry which pays the Federal Government any such fee as part of fulfilling the regulatory process; and since this is a tax on innovation that directly benefits mankind, it seems to me inappropriate that the fees be imposed.

By deleting this language from the Senate bill, I concur with the distinguished chairman of the subcommittee that the best process is to leave it to conference. The House already has language.

Therefore, Mr. President, I urge adoption of the amendment.

Mr. RIEGLE. Mr. President, I want the RECORD to indicate that I too am concerned about the proposal being forwarded by the Food and Drug Administration to impose user fees on the drug approval process.

Last year, Congress enacted a compromise bill providing the brand-name pharmaceutical companies with greater patent protection for more recently introduced brand-name drugs. In exchange for this added protection, generic drug companies were provided with simplified and expedited drug approval procedures.

Now, the FDA is proposing to upset this delicate arrangement by instituting "user fees" for evaluating drug approval applications. Because generic drug companies are small—compared to the multinational brand-name pharmaceutical companies—in most cases they would be unable to introduce new generics because they would be unable to pay the relatively large application fees. This would completely undermine the important legislation we enacted last year.

Mr. President, for these reasons I support the amendment being offered by the Senator from Pennsylvania [Mr. SPECTER] and hope the House language, prohibiting the imposition of user fees, is adopted in conference.

Mr. LAUTENBERG. Mr. President, I want to indicate my support for the amendment to delete the crediting of Food and Drug Administration user fee revenues.

FDA has published in the Federal Register a notice of a proposed rulemaking to initiate a program of user fees. The comment period on this proposal ends on November 4.

During Appropriations Committee consideration of this bill, I proposed that the FDA should be prohibited from moving ahead with its user fee proposal. A provision banning these user fees was included in the bill passed by the House of Representatives. Instead of a prohibition on user fees, the Senate Appropriations Committee decided to earmark a portion of any user fee imposed for FDA. Although I support an increase in resources available to FDA for improvements in the drug approval process, I do not believe that the Senate committee's approach is a satisfactory means of resolving this issue. This is a complicated issue and should be reviewed by the Labor and Human Resources Committee.

I support the deletion of the earmarking of user fee revenues from the fiscal year 1986 agriculture appropriations bill. I hope that the conference committee, which will work out the differences between the House and Senate versions of this bill, will accept the House position to block the imposition of FDA user fees. The committees with oversight responsibility for the FDA need to look carefully at the implications of user fees before they are imposed.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 778) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. SPECTER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PROXMIRE. Mr. President, I have an amendment to offer, but I should like to make a preliminary statement.

The amendment I am offering developed out of the action we took last week on the debt limit bill. Last week, the Senate took a far-reaching step and made a number of changes in the Congressional Budget Act, with one purpose in mind, and that is to reduce the staggering deficits.

In view of that amendment to the debt limit bill, we face an entirely new budget ball game.

Are deficits that dangerous? To answer that question, Mr. President, talk to any farmer.

The Federal Government is borrowing more than two-thirds of all the new savings in the country. That borrowing drives up interest rates, and the farmer pays the bill. He must borrov to plant a crop; he must borrow to buy essential equipment; he must borrow to buy feed; he must borrow to pay taxes; he must borrow to pay insurance. American farmers move on credit, and the price of credit is the interest rate. Thanks to the Federal deficit, that interest rate is killing the farmer.

Hold on to your hats, because the worst is yet to come. Not only is the Federal Government absorbing most of this country's savings, but also, we are borrowing from foreign sources. This foreign borrowing means that foreigners sell their currencies to buy the dollar. They sell the pound, the mark, the lira, the yen, the Canadian dollar. All those drop in value. The American dollar goes up. Who does this hurt? Answer: the farmer, because the farmer is our big exporter. He must sell his soybeans and wheat and corn abroad in order to live.

So an overvalued dollar means that American cotton or wheat or soybeans cost more in comparison to their foreign-grown counterparts. We sell less; they sell more; and the farmer's income takes a beating.

So, how do farmers benefit when we start to bring the deficit under control? Their interest costs go down. They sell more overseas. The price they get goes up. Why? Because the dollar will drop in value. If economists can agree on anything, it is that the one way to bring down the value of the dollar, and keep it down, is to reduce the deficit. By that one action, reducing the deficit, Congress would do more to help the Nation's farmers than any other single action we could take.

So, let us start to cut the deficit now and, in the process, make some progress for the Nation's farmers.

The problem for the Nation's farmers, in addition to the high-valued dollar, is overproduction.

Unfortunately, what we provide in the bill before us—and as we have provided year after year in the 28 years I have been here—is programs that help the farmers produce more. Those programs have a good motive, and the individual farmer who is assisted feels it; but, overall, farmers suffer.

Flood control, pest eradication—those are good programs. But if we cut down moderately those programs—and that constitutes a significant part of this bill, a very big part of the bill—what will happen with modest cutbacks? The farmer will produce less, and that is precisely what our farmers must do. They are drowning in their surplus production. They are producing too much. The Department of Agriculture, highly competent people, go out to help the farmers produce more and more. The more they produce, the more they suffer.

Mr. President, this money we appropriate comes from the general revenues of the United States. It is not a self-contained trust fund. I believe that farmers would not want to be exempt from cuts. They recognize the dangers posed by $200 billion deficits and the benefits from reducing those deficits.

Mr. President, I am going to make a prediction. Talk to any farmer. Ask them whether they thought the Department of Agriculture could operate next week with 4 percent less money, if other Federal departments were going to face the same type of cuts. I believe that not only would they say, "Yes;" I believe they would ask, "What took you so long to get to it?"

In that answer, I believe they would be joined by virtually every citizen of this country. Once again, they are ahead of us. When I go back to Wisconsin, what do I hear? "A $2 trillion national debt—you've got to be kidding. A $200 billion deficit—get it down." Should we wait until next year? No. Start now. We should have started yesterday.

Farmers have an instinctive feeling that these deficits are going to eat away at our economy until little is left. They do not feel comfortable with the idea of the United States becoming a large debtor country. They may not understand the fine points of economics, but they know that we are going to have to pay a heavy price down the road for these deficits. And they are right.

We should not wait until next year to make a start at cutting deficits. Who knows what will happen next year? Let us start now. By making these cuts in new obligational authority, we will be making our job next year a lot easier. Like most Federal departments, the Department of Agriculture takes some time to spend the money we appropriate. Each account spends out at a different rate. But if we cut $1.1 billion in new obligational authority for fiscal year 1986, we will save somewhere in the neighborhood of $200 million—not a great deal—in outlays for Department of Agriculture spending down the road in 1987 and subsequent years, most of it in 1987.

We have set ourselves a target deficit of $144 billion or $151 billion if you add the statistical adjustment for next year. Unless we start the process now, we will be faced with a Herculean task next year. In fact, cutting outlays of perhaps $40 billion next year could provide to be all but impossible unless we start cutting budget authority this year and not wait until next year.

AMENDMENT NO. 779

(Purpose: To reduce amounts appropriated or otherwise made available by 4 percent)

Mr. PROXMIRE. Mr. President, I send to the desk an amendment to H.R. 3037, the agriculture, rural development, and related agencies appropriation bill for fiscal year 1986 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Wisconsin [Mr. PROXMIRE] proposes an amendment numbered 779.

At the end of the bill, add the following new section:

SEC. . Notwithstanding any other provision of this Act, the amount of budget authority appropriated, or otherwise made available, by this Act for each appropriation account shall be reduced by 4 percent.

Mr. PROXMIRE. Mr. President, my amendment is straightforward. It speaks for itself:

Notwithstanding any other provision of this act, the amount of budget authority appropriated, or otherwise made available, by this act for each appropriation account shall be reduced by 4 percent.

Mr. President, this amendment, and I will repeat it, would provide for a 4-percent cut in each appropriation account that is before us.

Through this amendment, I am proposing an across-the-board cut of 4 percent as I say in each and every account in this bill. Enactment of this amendment into law would mean that the agriculture appropriations bill that we approve would approximate—in budget authority—the President's budget for fiscal year 1986.

I understand they are now willing to sign off on the bill that is before us, but I think we should go back to their initial budget in view of the action we took just last week.

The amount of budget authority in the bill, as reported to the Senate, is $24,848,619,000. This exceeds the President's budget by $1,011,642,000.

Again, the purpose of my amendment is to cut this bill—leaving no account untouched—down to the level originally set forth in President Reagan's fiscal year 1986 budget proposals.

Mr. President, there was a popular song during the Great Depression entitled, "Brother, Can you Spare a Dime?" My amendment is much more modest than that. It simply asks, Uncle Sam, can you spare a mere 4 cents out of every $1 in the USDA budget for fiscal year 1986? I think the answer to that one should be: Brother, you bet I can—and I hope a majority of my colleagues agree with me.

And believe me, there is plenty to work on in each account. Where should we start? Administrative costs would be an ideal place. Mr. President, let me give you some examples of what I have in mind.

The Office of the Secretary of Agriculture has 92 full-time employees. The bill before us proposes to spend better than $2,500 for each and every employee in that small office for travel. Surely, the Secretary can cut more than 4 percent from this.

The Advisory Committees provided for in the bill before us have a combined travel budget of about $497,000 out of a total budget of $1.3 million, or nearly 40 percent for travel. Is there anyone who doubts that this cannot be cut by much more than 4 percent?

USDA's Office of Governmental and Public Affairs has a staff of 150. If vacancies are not filled for 1 year in the Office of Governmental and Public Affairs this Office alone would save around $200,000. A cut greatly exceeding 4 percent is certainly within reason.

These are but a few examples of the kinds of cuts I have in mind.

What else does my amendment do? Mr. President, it gets us started down the responsibility road. It is not clear what the conference will do with the limitations on the deficit the Senate put into the debt limit bill. But, clearly, limitations are sure to be a fact of life.

And now is the time to get moving on the budget cuts. Do we have to increase taxes? This Senator believes the answer to that question is, very probably yes. But more taxes cannot

begin to do the job alone. We must cut spending sharply.

My amendment helps us face the realities of life with tough limitations on overall spending. To quote that well-known television ad, "You can pay me now or you can pay me later." Mr. President, I would paraphrase that slightly, in this way: "You can pay me now or you can pay me a lot more later."

Acceptance of my amendment means that we begin paying now and thereby avoid paying a lot more later. And by later, I have in mind next year, when some kind of sequestering process will begin.

Let us get started now. That is what my amendment enables us to do.

And there is one other key point, Mr. President. My amendment enables us to go forward under the banner of congressional priorities. As I have made clear, my amendment would cut—across the board—4 percent in budget authority from each appropriation account in this bill. We are, in other words, dealing with our own priorities, those debated and agreed upon by our Agriculture Appropriations Subcommittee and the full Appropriations Committee.

So in some cases, Mr. President, we would be below the President; in some cases we would be above the President; but they are the priorities established by the Senate and the Senate's committee, not the priorities established by the President.

Doesn't this preserve congressional involvement and prerogatives in a positive and constructive way? I think so. The approach embodied in my amendment keeps Congress in the ball game and lets us call the shots.

Mr. President, this amendment is the first step. I expect to work with other Senators to offer a series of amendments to every appropriations bill that comes before the Senate in the next few weeks. In those bills where the President's recommendations are low we will propose to proceed on the same principle embodied in this amendment. That is, we will preserve the Senate committee priorities but at the President's recommended overall level for the agencies in the bill. Where the President's recommendations are higher as in the proposed military spending and foreign aid, we will still retain the Senate committee priorities but propose an amendment at the lower of the Senate proposal, the House proposal, or possibly the 1985 actual level.

Mr. President, this amendment represents the right medicine at the right time. Let us not wait for the patient to get sicker and then have to call the doctor from the White House down the street to operate. Let us do the job ourselves. Let us fill our own prescription and do it now.

I urge my colleagues to support my amendment.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. WALLOP). The Senator from Mississippi is recognized.

Mr. COCHRAN. Mr. President, I have a great deal of respect for my friend and colleague, the distinguished Senator from Wisconsin [Mr. PROXMIRE], and I share his view that we need to give effect to the rhetoric that we all engage in about reducing the deficit. We need to do something about the deficit, not just talk about it. So I respect what he is trying to do, and that is to force the Senate to make reductions on the spending side of the ledger, so that we can bring this budget closer in balance, that we can change the habit that Congress has had for many years to overspend.

So, I feel as though I am one of those in the Senate who is sympathetic to the effort that he is making, and I share many of the thoughts and beliefs that he has about the serious consequences of runaway spending and the fact that we are going to cause more economic difficulties by having and running up these budget deficits. We need to change that approach. We need to do a better job of controlling spending.

Having said that, though, I do have to disagree with the proposal that he makes today on this bill, and I do so not because I object to the effort to reduce the cost of Government programs. We are all trying to find ways to cut back on the spending side. This committee, as a matter of fact, has already gone through all of the accounts that are funded in the bill in an effort to identify those which could sustain reductions without jeopardizing those who depend and benefit from the programs.

We have, I think, made some unpopular political decisions in doing that. As an example, we have made a decision to recommend, and this decision has been sustained by the full committee, a 40-percent reduction in the funding of the rural housing programs that are administered by the Farmers Home Administration, and that is no fun politically. It really is not, because there are a lot of unmet housing needs out there in the countryside. A lot of people live in houses that are not adequate. I suggest that in my States we have a more serious problem in this area than any other State in the Union per capita, as a percentage of our total population.

So, it pains me personally to be here on the floor of the Senate today managing a bill which contains a reduction of that kind on the spending side. But it is that kind of change that we are recommending to the Senate today, and in absence of the Senator's suggested 4-percent across-the-board cut, we are making some substantial reductions in the spending that is under the jurisdiction of this committee. What would happen then, if we agreed now to the amendment offered by the Senator from Wisconsin, if we would impose an additional 4-percent cut on that program, which has already sustained a 40-percent reduction.

So I disagree with the across-the-board nature of the reduction and the fact that it is a large across-the-board cut, a 4-percent cut, because it will do an inordinately large amount of damage to some of these accounts which have already sustained big cuts. In particular, Mr. President, I think of the brucellosis account under the Animal and Plant Health Inspection Service. This is an infection in cattle that we are trying to eradicate. We have embarked upon a 5-year program to eradicate this dreaded infection. It costs money. It has a devastating economic impact on those in the cattle industry. It escalates the cost of food to the consumer.

We are trying to ensure that this program is carried on in an effective way, but we have had to reduce the funding from the House level by about $10 million, only because of budget constraints. So this is another example of an account, if you then impose another 4 percent cut on the Brucellosis Program, you have set that program back to the point where I do not think you can achieve eradication in 5 years, as the Department of Agriculture is trying to do. What you would have on your hands then is an effort that would be ineffective. We would be spending money, but it would not be enough to do the job, and we would just see this problem continue unabated then for a year, 2, 3, or 4 more years. Who knows.

But the fact is that if we are going to make cuts, if we are going to make changes on the spending side, I think we need to be selective. We need to look at the individual accounts, because they are not all alike.

In this bill, for instance, we have the nutrition programs. You can just put your pencil to paper and figure it up. If you put a 4-percent cut on the Women, Infants, and Children Feeding Program, what you would do, in effect, you would actually reduce the number of people who could be served by this program by 120,000. So what you are saying to 120,000 poor women, infants, or children, who are not able to provide for their own nutritional needs without assistance from the Government, is that they are off the program, and they are on their own.

We have decided to recommend to the Senate, as a committee, that this program be funded at a level that would provide nutrition assistance to the same number of persons who were served during fiscal year 1985. We are trying to maintain the same caseload.

That is level funding, in effect. We are freezing that program. We are not increasing that program. What we are trying to do is just maintain the current level of service. And we are doing that in all these nutrition programs. We can afford that under the budget resolution passed by the Congress.

To accept the amendment offered by the Senator from Wisconsin, you would actually be reducing the number of those to be served by these nutrition programs, and you are talking about hundreds of thousands of poor citizens who benefit from the Child Nutrition Program, from the Women, Infants and Children Program, the Food Stamp Program, and to the Commodity Supplemental Food Program where commodities are donated to the elderly. These are the people who need help the most, and we are treating them just the same as we are treating beneficiaries of other programs in this bill.

I think if we are going to make substantial reductions in spending, which this committee says it already has—I contend we already have made substantial reductions—then it should be done on a case-by-case basis, an account-by-account basis.

Another program, Mr. President, which would come under the knife for a bigger cut now, after having already sustained large budget reductions, is the Special Milk Program. The Special Milk Program was originally designed, as everybody knows, to encourage the consumption of fluid whole milk by children in schools and summer camps. The authority for that program is the Child Nutrition Act. This week we are celebrating School Lunch Week, October 13 through 18. I made some remarks earlier in the day on that subject. I know the Senator from Wisconsin has supported this and other programs, as well. But adopting his amendment would cut the Special Milk Program by 4 percent, and it is already down from $17,600,000 in 1985 to $11,500,000 this year. We have already made a reduction of $6 million.

I can remember, whenever this bill would come to the floor, Senators, and Congressmen, too, in the other body when I served there, would offer amendments to increase the appropriation. It was a tough vote not to vote to increase it. I think I used to vote to increase that appropriation, because it is a good program. I think it serves a very important need, and it has been a contributor to the improved health of schoolchildren all over the country.

This is another example, though, of a program that has already been cut. And to just come in, without concentrating the effort to identify waste or fraud, ineffective programs or programs that are not working and should be modified or should be reduced, in terms of their level of funding, just to make an across-the-board 4-percent cut would be, I think, injurious to those programs that already have sustained large reductions.

We are confronted today in the agriculture sector with a crisis in the farm credit area. We have tried as a committee to analyze what can be done in terms of support for the Farmers Home Administration credit program to make it more sensitive, to ensure that there are enough personnel in county offices to handle applications for loans, to monitor the caseload, to try to do a better job, really, of helping the farmers who are in distress and who need credit assistance and cannot get credit from traditional lending sources. And what do we see? In my State, we have a RIF going on right now, a reduction in force, in the county Farmers Home Administration offices because of budget constraints. At a time when the problem is getting worse, the number of farmers who are turning to the Farmers Home Administration for loans is getting higher. We have tried to analyze that account, that program, to see how much money is needed for salaries and expenses.

Mr. President, we looked at the amount of money included in the bill of the other body for salaries and expenses of the Farmers Home Administration, and found that in our judgment it would be inadequate to meet current needs—needs that are reflected in more borrowers coming to the Farmers Home Administration because of inability to get adequate credit elsewhere from traditional sources.

The House of Representatives has in its bill, we think, less money than is really going to be needed to provide for the number of personnel needed to handle the loan portfolio of the Farmers Home Administration for this coming fiscal year. So we have provided an increase of $38 million over the other body's recommended level to fund personnel which are required to manage the portfolio which now exceeds $60 billion. If we agree with the amendment offered by the Senator from Wisconsin, the Senate would be imposing a 4-percent reduction in this critical area, an area of critical need, at a time when more personnel are needed, not less; when we have a bigger job to do, not a smaller one. I urge the Senate to agree that it would be inappropriate to impose a 4-percent reduction in the Farmers Home Administration account where we are trying to provide assistance in the farm credit crisis. These are the farmers who are the most distressed, who are the least able to deal with the problems of low commodity prices, imbalance in the value of the dollar which causes us to have difficulty exporting our products now overseas, lower land costs, land values which make it difficult to obtain the credit that is needed to continue to operate many of the farms in the country today.

So what I am trying to do, Mr. President, is to illustrate that there are some accounts funded in this bill that are very sensitive to further reductions. Some have already sustained substantial cuts in the levels of funding for next year. I have mentioned a few of those. Others are in particular need of additional funding next year, because of changes in circumstances, but what the Senator seeks to do is to treat all of them just alike, all of the accounts in this bill just alike, whether they have sustained cuts or not, whether the programs are important and needed, whether they are critical to the survival of certain citizens in this country, whether it is a nutrition program or assistance program that provides credit to continue operating a farm, or providing jobs.

I will make one additional point, Mr. President. That is that this bill is within the section 302(b) allocation under the Budget Act, and therefore it is consistent with the previously passed budget resolution agreed upon by Senate-House conferees earlier this year. We are bringing to the floor of the Senate today a bill that reflects the concern of the Senate for budget restraint, for spending restraint. We bring to the floor a bill that has been shaped through discussion at hearings, through subcommittee markup, where Senators who are on this subcommittee carefully have reviewed all of the accounts, the needs, reviewed the guidelines and targets set in the budget resolution and have decided that these are the levels of funding that are supported by the evidence at hearings, by the facts as they exist today that meet our obligations under the budget resolution.

So we hope the Senate will reject the amendment offered by the Senator from Wisconsin. This bill is not over budget. It represents restraint. It is sensitive to the needs of those who are served by the programs funded in this bill. So I urge the Senate to reject the amendment of the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, in response to my good friend from Mississippi, the chairman of the subcommittee and the manager of the bill, there is nobody in the Senate on either side of the aisle for whom I have more admiration and respect than the Senator from Mississippi. He has done a marvelous job in our Appropriations Committee. He has again and again spoken out on the floor in behalf of the farmer very eloquently in terms I could warmly support. I think he spoke the truth when he said the subcommittee has made some painful and some useful cuts in the ag-

ricultural bill before us, as well as some necessary increases.

Nevertheless, Mr. President, I do think that if we are going to cut we have to cut and we cannot make exceptions. We cannot say, "Well, we have to cut housing or we are going to cut military, we are going to cut foreign aid but we are not going to cut the farmers."

As I say, the farmers are the ones who will benefit more than anybody else if we can straighten out this budget deficit. All of us recognize that. The interest cost is a huge cost for the farmer. That is No. 1.

No. 2 is that sales overseas are being slaughtered, killed, by the bloated dollar which is the result of our deficit.

Now, Mr. President, let me answer the distinguished Senator from Mississippi one for one.

On page 36 of the committee report, brucellosis is discussed and the Senator from Mississippi points out that my amendment would make a 4-percent cut which would be very painful.

The fact is that the committee went 6 percent over the President's budget, roughly 6 percent of the brucellosis account. My amendment would still be over the President's budget.

With all due respect for Members of the Senate, the true expertise has to be in the Department of Agriculture. Sometimes they are wrong, but on matters that are technical affecting brucellosis and these other areas, they have the personnel; they devote their whole life to this; they have fine people down there. They recommended that we get along on an amount of money that is substantially less than what I propose in my amendment, and a great deal less, of course, than what the committee recommended.

Now, Mr. President, the distinguished Senator from Mississippi also raises the Women, Infants and Children Nutrition Program, a program which is a very good program. I support that program and almost every other Member of the Senate supports it. It is a good program. But, again, on page 97 of the report, the figures that are given there show that we are $30 million over the President in my amendment, after my amendment is adopted. It is not as much over as the committee is, but well over what the President has proposed.

The Senator from Mississippi also mentioned the Commodity Supplemental Food Program. The Commodity Supplemental Food Program is another program which the committee greatly increased. They increased it from less than $25 million in 1985 to $37 million, about a 50-percent increase in 1 year.

The experience of all of us in the Senate shows that by and large if you make that kind of increase in 1 year it is too much. My amendment would simply cut slightly the committee recommendation from $37 million down to $35.5 million. It is still far, far, far above what we did in 1985, and a big increase as the committee recommends. So it would be a modest cut.

Mr. President, I do not think there is anybody in the Senate who can speak about cutting milk programs or dairy programs with greater pain than the Senator from Wisconsin. I realize that special milk is something that helps our State, not only from the standpoint of helping our children but helping our farmers. We are the No. 1 dairy State in the country. We produce a large proportion of all dairy products produced in this country, depending on whose statistics you take, about 20 or 25 percent of all that is produced. It is the very heart of our farm program.

But I think we can recognize, as pointed out on page 97, that this reduction that we propose is a reduction which is in a large program. I wish I could exempt my State, but I do not think I can do so without discrediting this amendment. I think we can justify spending more for special milk. But when we have the kind of deficit we have, we have to make sacrifices.

On page 60 of the report, the Senator from Mississippi discussed farm credit. He pointed out that the Farm Credit Administration is going to have to manage a $60 billion portfolio. Of course, it is not $60 billion that has to be reduced or is going to be reduced or anything like it. We have to reduce the personnel necessary to handle that enormous amount of money, that credit, and it takes a number of people to do that, a very large number.

What we are doing here is to make a modest 4 percent reduction.

Mr. President, President Reagan has often spoken out about how important it is for us to get the private sector involved. I have had some experience in my State with farm disasters and other areas where we have called on the banks to provide volunteer expert assistance. The banks have always responded and responded very well. It seems to me that to the extent it is necessary to call on the private sector for volunteer help in this area that is so crucial, and particularly because bankers are so concerned in the farm areas because they by and large are agricultural banks, it seems to me we can put far more emphasis on bringing the volunteer help into this area and recognize that we can handle the problem of people who work for the Farm Credit Administration being called upon to work harder, put in longer hours. As I say, the cut that I am making here is not a cut in the credit available to the farmers or the procedures that would be available to them.

I cannot resist pointing out that as far as farm credit is concerned, what the farmers need is lower interest rates, more available credit. The way to get that is to get the deficit under control. There is nothing that would help farm credit more than to cut the deficit and we cannot make an exception of farm credit or WIC or any other programs, in the judgment of this Senator. We have to cut everybody equally and fairly.

I would like to point out, Mr. President, one more item with respect to farm credit. The President recommended $244 million for Farmers Home Administration. The committee recommended $398 million. That is an enormous increase for salaries and expenses. That is an increase of 50 percent.

What my amendment would do would provide $382 million or a very large increase, very nearly 50 percent—in fact, more than 50 percent—over what the President recommended. As we all know, as I have said, the Department of Agriculture makes these recommendations to the President and represents the top expertise in our Government. They have thousands of people who specialize in this, who do nothing else. They have good judgment. The committee is going far more than 50 percent over what they recommend and what the President recommends. So my proposal would cut back slightly from $398 to $382 million, compared to the President's recommendation of $144 million. It still leaves plenty.

In summary, Mr. President, I have great respect for my friend from Mississippi, but I must say that the amendment offered by the Senator from Wisconsin still makes it possible for the Department of Agriculture to function and to function effectively but to play its part in holding down the deficit.

Mr. President, I yield the floor.

Mr. LAUTENBERG. Mr. President, I am going to vote to table the amendment of the Senator from Wisconsin. A 4-percent across-the-board cut in the agriculture appropriations bill has an obvious appeal in our present fiscal situation but it is bad budgetary policy.

I would be last to deny that there are programs in this bill that might be further reduced. Anyone familiar with my record knows that I am a strong critic of current agriculture policy.

Far too many of our farm programs make use of outdated, excessive, and poorly targeted subsidies. The results have been disastrous—inflated consumer prices combined with plummeting farm income and growing concentration of farmownership. So there is plenty of room for further reform and economy in our farm programs.

The problem is that an across-the-board cut does not really address these issues. This amendment does not apply just to programs that need to be reformed or curtailed; it applies liter-

ally across the board. Like the rain, the 4-percent reduction would fall on the just and the unjust alike. True, it would cut some farm subsidies by 4 percent, but it would also cut funds for Soil Conservation, School Lunches, Women, Infants, and Children's Nutrition, Food Stamps, Food for Peace, and other important programs.

Finally, Mr. President, I believe the Appropriations Committee has done a responsible job in drafting this legislation. The bill is within the Agriculture Subcommittees' allocation under the budget resolution. It is $12,471,135,000 below the fiscal year 1985 levels; it is $8,363,653,000 below the administration's request; and it is $8,272,282,000 below the House allowance. So I think the committee has produced a pretty tight bill, on the whole. If further reductions are, indeed required, the place to make them is in the committees—not on the floor with an across the board meat cleaver.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. BURDICK. Mr. President, I rise in support of the committee report. I believe it is well done and treats all areas fairly. I have heard the opposition speak and I have followed the arguments quite carefully.

I do not think it is necessary that we have to cut everything equally. I think there are programs that are good and there are some programs that are less good.

For example, if the Senator comes on the floor with an amendment to cut foreign aid by 8 percent, I will support him. But I am not going to be on the floor to support a cut of 4 percent for children's milk. So you cannot treat all these areas the same.

First of all, I would like to associate myself with all the points raised by my chairman, but I would like to add a few others.

Conservation, which is the lifeblood of this Nation, has already been cut $25 million. Another 4-percent cut would reduce that even more. A 4-percent cut would cut another $32 million from conservation programs.

A 4-percent cut would cut $16 million from salaries and expenses in the Farmers Home Administration.

Mr. President, there is trouble in the Farm Belt, real, genuine trouble. It has been reported that up to one-third of the farmers today are not creditworthy. That means they cannot borrow money. So, to meet the problem, to meet what is going on out there, we have to have personnel to service these loans. This is absolutely necessary. When we talk about cutting programs, we are cutting the very heart of this country—we are cutting women, children, poor farmers. These are the areas that should be increased, not decreased.

I am going along with the bill, but my preference, if I had it, would be to increase some of these items. If the able Senator from Wisconsin wants to put out a bill on this floor to cut foreign aid 8 percent, not 4 percent, I will join him. But we cannot treat everybody alike. These are people programs we are dealing with here today. I think it would be unjust, unfair, and unreasonable to cut it any further than we have.

I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

Mr. COCHRAN. Mr. President, could the Senator withhold that suggestion?

Mr. HELMS. Yes, Mr. President.

Mr. COCHRAN. Mr. President, I understand there are Senators who are not available at this time. They are at a function which is occurring in Washington. They will not be back in the Chamber for at least 15 more minutes, maybe somewhat longer.

It is the intention of this manager to move to lay on the table the amendment of the distinguished Senator from Wisconsin at the appropriate time. I do not want to cut off anybody who wishes to speak on it. May I suggest, though, that if there are no Senators on the floor at this time who wish to speak on the amendment, we lay it aside for a time and proceed with the amendment of the Senator from North Carolina [Mr. HELMS]?

Mr. PROXMIRE. Mr. President, I do hope that when the Senator from Mississippi moves to table my amendment, he will get the yeas and nays or permit me to ask for them, because I do want a rollcall vote on it.

Mr. COCHRAN. Mr. President, I have no problem with that. At the time I move to table the Senator's amendment, I shall move to get the yeas and nays or the Senator from Wisconsin may do so.

Mr. PROXMIRE. I thank the Senator.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the amendment of the Senator from Wisconsin be temporarily laid aside in order to consider the amendment of the Senator from North Carolina.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 780

(Purpose: To reduce the amounts of moneys authorized to be loaned from the Agricultural Credit Insurance Fund and the Rural Development Insurance Fund and to redirect those moneys in accordance with the authorizations contained in the farm bill, S. 1714, as reported by the Committee on Agriculture, Nutrition, and Forestry, and to reduce the appropriations for the food stamp program to conform to the budget authority levels for that program as estimated by the Congressional Budget Office)

Mr. HELMS. Mr. President, I thank the Chair for recognizing me and, of course, I thank the distinguished Senator from Mississippi.

(Mr. KASTEN assumed the chair.)

Mr. HELMS. Mr. President, yesterday, on this floor, a bit of an anomaly occurred when this Senator felt obliged to call attention to the fact that, according to our check of the figures, this appropriations bill exceeds the amount of funds authorized in the 1985 farm bill reported by the Senate Committee on Agriculture, Nutrition, and Forestry. The anomaly occurs because the procedure in the Senate with respect to this appropriations bill is a little bit out of whack.

As all Senators know, the usual procedure is for an authorization bill to be considered by the Senate and then the appropriations bill but, because of the long, protracted hearings, markup, and consideration of the 1985 farm bill, it was reported fairly late. We did the best we could to expedite it, but there were some Senators on the Agriculture Committee who wanted to discuss various items at some length.

I might add, Mr. President, that the farm bill reported by the Committee on Agriculture contains 22 titles and some 2,500 or 2,600 provisions, so it is an enormous piece of legislation involving the proposed spending of an enormous amount of money.

In any case, Mr. President, during a colloquy with the distinguished Senator from Mississippi yesterday on this floor, I pointed out that the agriculture appropriations bill for fiscal 1986 proposes to spend $1.8 billion more than authorized by the farm bill reported by the Agriculture Committee. This excess spending is in two major areas, the credit program of the Farmers Home Administration and food stamps.

I might add parenthetically, Mr. President, that this Senator is chairman of the Senate Committee on Agriculture, Nutrition, and Forestry. He is doing his best to expedite hearings and therefore consideration of credit legislation. We have been delayed two or three times because those who possess far more information of a statistical, arithmetical nature than I possess—that is to say, the officials of the credit system itself—have pleaded that they need more time to get their act together so that they will be well informed when they appear before our committee. So we are moving along on credit legislation as best we can and I anticipate the hearings will begin in the next couple of weeks.

As for the two areas—the Farmers Home Administration and food stamps—to which I referred earlier, these areas are especially critical from a budget perspective because they are also included in title I of the reconciliation bill. Failure to address this problem by bringing agricultural appropriations in line with the recommenda-

tion of the authorizing committee will begin what amounts to a hemorrhage in the budget and reconciliation process that will not reflect what we have just voted in the Senate to do; that is, to proceed to balance the Federal budget.

I listened with great interest and admiration to my distinguished friend from Wisconsin a moment ago when he said that farmers have more at stake in deficit reduction than perhaps any other segment of our society, because they are the ones who are victimized by the high interest rate, which will not and cannot come down until some fiscal sanity is found in this place where we work, the U.S. Senate. I just had a private conversation with Senator PROXMIRE, and I made the observation that the best farm bill that we could write around this place need not have the words "farm" or "agriculture" or "commodities" or anything else in it: Just get that deficit down. That would benefit the farmers of America far more than any Band-aid approach that we undertake with a farm bill or with an appropriation bill. The heaviest burden that many farmers are carrying is the high rate of interest they are having to pay.

Mr. President, we all remember last week, when the Senate passed the debt limit bill containing major provisions to strengthen the congressional budget process. The Senator from North Carolina has often been called "Senator No" because, since the day I arrived in this town in January 1973, I have been urging, promoting, and fighting for a balanced Federal budget. I do not mention that as any "I told you so" philosophy; I am just saying it is a fact. Finally, last week, amidst great debate and some confusion, the Senate did approve the so-called Gramm-Rudman-Hollings package, which I cosponsored. And here we are, the following week; we see the first horse out of the gate, so to speak; and what color is that horse wearing?

We have an appropriations bill that not only busts the budget but undermines the reconciliation process and adds, as I said earlier, $1.8 billion to the cost of a farm bill that is already $8.9 billion more than the budget resolution.

So what goes on, Mr. President? With all due respect to my distinguished colleagues, and I do respect them, my good friend from Mississippi, the distinguished chairman of the Appropriations Subcommittee on Agriculture, is not a budget buster. Let me make that clear. He has concerns. He has his own concepts of how to approach the farm problems, and he may very well be right.

The point I am making, Mr. President, is that unless we are faithful to what we did last week with respect to deficit reduction, and certainly unless we are faithful to appropriating no more money than is authorized by the relevant committee, then we are headed for the cliff and we are not going to solve anybody's problem. Senator COCHRAN serves ably on the Senate Agriculture Committee. Frankly, I do not know what I would do without him. He possesses a wisdom and a persuasiveness that is rare. So the amendment I shall propose shortly certainly is not directed at Senator COCHRAN nor at Senator BURDICK. It is simply pleading for what I believe to be common sense in the performance of our duties and responsibilities as Senators.

Now, we all go home and we talk about the deficit as too big we say we have to cut spending, we have to hold the line, and everybody cheers and we bask in the praise of our constituents. Then we come right back up here and here comes a proposal to bust the budget $1.8 billion over what is proposed in the authorization bill reported by the Agriculture Committee.

True enough, that authorization bill has not been considered by the Senate, but it is about the only yardstick I know from which to start, and hopefully there will be consideration of the farm bill in the next week or two. We were supposed to start this very day, but we have been racing the Senate's activities at a snail's pace all year long and we have not gotten to it. But we will get to it.

Mr. President, unfortunately, this year our process of consideration of legislation, as I said earlier, has been turned around. The Agriculture Committee was not able to report a farm bill until September, long after the May 15 deadline for authorization legislation. However, the committee did take specific steps that are reflected in a number of bipartisan votes to make specific corrections to both the credit programs of the Farmers Home Administration and the Food Stamp Program. These policy decisions, particularly the action on credit, are rooted in agreements contained in the budget resolution as well as in the farm bill.

In fact, to be quite honest, the original Senate budget resolution assumed that we would spend even less on Farmers Home Administration credit programs than we actually proposed to spend in the farm bill.

Now, Senator COCHRAN pointed out yesterday, as I recall—and I totally agreed with him—that there are no problems with spending in the agriculture appropriations bill as it relates to the instructions given to the Appropriations Committee. As far as I know, they met all the budget tests required of them by the Senate. However, the budget process was not constructed to deal with and does not envision the process of considering appropriations bills before consideration of authorization bills. That is the point I made at the outset, and that is the anomaly to which I referred in my opening remarks.

Now, the amendment I shall offer shortly is intended to ensure that the food stamp and credit appropriation remains within the level estimated by the CBO to reflect legislative changes approved by the Committee on Agriculture, Nutrition, and Forestry in S. 1714, which is the number of the farm bill, and in S. 1730, the 1985 reconciliation bill.

Now, Mr. President, unless the appropriation is established at $11.725 billion for food stamps, the appropriation bill will exceed the level provided for in the 1985 reconciliation and farm bills. Exceeding the budget authority for the Food Stamp Program will obliterate savings achieved by the Agriculture Committee to meet our reconciliation instructions, when in fact the committee did meet the mark established for us.

Now, the bill from the Senate Appropriations Committee like the House bill does not include any savings attributable to reforms passed by the Senate Agriculture Committee.

Additionally, the appropriations bill is based on administration rather than CBO budget projections resulting in a further increase in food stamp spending. These two factors account for the $166,570,000 by which the appropriations bill exceeds the budget authority assumed in the farm bill and the reconciliation bill. There are many budgetary inventions around this place, but one budgetary factor all Senators are aware of, or should be, is that when money is appropriated it may be spent. It probably will be. If all of this appropriation is spent, it will exeed the spending approved in the authorization bill reported by the Senate Agriculture Committee—the farm bill, in other words.

Furthermore, Mr. President, the Agriculture Committee in adopting authorization levels for the agricultural credit programs carefully considered the anticipated needs of our farmers. After substantial debate in committee, the committee provided $4 billion annually for farm borrowers under the Farm Operating and Farm Ownership Loan Programs. This amount is about $800 million over the appropriated levels for fiscal year 1985.

Now, I recognize, Mr. President, that the amount actually obligated for farm operating and farm ownership loans in fiscal year 1985 exceeded this amount. But the fact remains that it is essential that we bring this agency back to fiscal responsibility, and the action taken by the Agriculture Committee in the authorization level does precisely that.

The Agriculture Committee, as I stated, provided $4 billion annually for insured and guaranteed loans for the Farm Operating and Farm Ownership

Loan Programs. The appropriation level for these two programs total $5,272 million which is $1,272 million over the authorization limit set by the Agriculture Committee.

In addition, the Agriculture Committee provided no authorization for several programs that are funded in this appropriation bill. The Soil and Water Programs, Indian Land Acquisition, and Soil Conservation Loan Programs have total spending under this bill of $48 million.

The action by the Agriculture Committee in the credit title of the farm bill was to target our spending to those programs deemed most critical.

It was felt that these programs, in this time of fiscal belt-tightening, could no longer be justified, in light of the crucial need of farmers for production credit.

That is why, Mr. President, this Senator considers it essential that the spending limitations imposed by the Agriculture Committee on the programs I have just discussed be maintained in the appropriations bill. Otherwise, the horse is out of the barn, and our hopes of having some degree of unanimity in deficit reduction, as the saying used to be, "went thataway."

Our committee, in its deliberations, was especially mindful of the difficult financial situation facing many farm producers, and we believe that our spending priorities reflect this.

However, I have stated many times, both this morning and on countless occasions previously, that what farmers need most is lower interest rates. I agree with the Senator from Wisconsin that this can be accomplished only through substantial reductions in Federal spending. That is the reason why I have reached the conclusion that it is necessary that we hold the line on all essential programs, and certainly on those that are nonessential.

So, that is the purpose of the amendment which I will send to the desk in a moment. I do so, I repeat, with the highest respect for my friend from Mississippi, who, along with the Senator from North Carolina, finds himself in this anomalous position. If further appropriations are needed, the administration may make an additional request in 1986. However, following the procedures of the Senate, as we should, I believe that we should not approve a higher amount at this time.

Mr. President, I ask unanimous consent to have a table printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

COMPARISON OF CERTAIN RECOMMENDATIONS IN AGRICULTURAL APPROPRIATIONS WITH BUDGET AUTHORITY PROVIDED IN THE FARM BILL

	Budget authority in pending farm bill	Recommendation by Appropriations Committee	Amount over farm bill budget authority
Agricultural Credit Insurance Fund			
Farm operating loans (insured)		3,000.0	
Farm ownership loans (insured)		250.0	
Subtotal	2,000.0	3,250.0	1,250.0
Farm operating loans (guaranteed)		1,772.0	
Farm ownership loans (guaranteed)		250.0	
Subtotal	2,000.0	2,022.0	22.0
Soil and water (insured)	.0	22.0	22.0
Soil and water (guaranteed)	.0	6.0	6.0
Indian land acquisition	.0	4.0	4.0
Soil conservation loans	.0	16.0	16.0
Subtotal	.0	48.0	48.0
Total—ACIF	4,000.0	5,320.0	1,320.0
Rural Development Insurance Fund			
Water and waste disposal loans	75.0	340.0	265.0
Community facility loans	0.0	75.0	75.0
Total—RDIF	75.0	415.0	340.0
Food stamps and Puerto Rico	12,550.0	12,716.6	166.6
Grand total	16,625.0	18,451.6	1,826.6

Mr. HELMS. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from North Carolina [Mr. HELMS] proposes an amendment numbered 780.

Mr. HELMS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 32, line 9, strike out "real" and all that follows through "shall be guaranteed loans; and" on line 17 and insert in lieu thereof the following:

"real estate and operating loans in an amount equal to $4,000,000,000; $2,000,000,000 of which shall be for insured loans and $2,000,000,000 for guaranteed loans. Not less than $260,000,000 of the monies authorized for insured loans shall be for farms ownership purposes and not less than $260,000,000 of the monies authorized for loan guarantees shall be for guarantees of farm ownership loans. The Secretary may transfer not more than 25 per centum of the amounts authorized for guaranteed loans to the amounts authorized for insured loans. In addition, the Secretary is authorized to make".

On page 33, line 5, strike out "$340,000,000" and insert in lieu thereof "$75,000,000".

On page 33, line 6, strike out ", $100,000,000" and all that follows through line 7 and insert in lieu thereof "for the production and distribution of ethanol in rural areas, $150,000,000".

On page 33, strike out lines 14 through 18.

On page 51, line 24, strike out "$11,891,570,000" and insert in lieu thereof "$11,725,000,000".

Mr. HELMS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. COCHRAN. Mr. President, I have the honor of serving on both the Appropriations Committee and the Committee on Agriculture, Nutrition, and Forestry, which is chaired by the distinguished Senator from North Carolina. I have the greatest respect and admiration for him as chairman of our Agriculture Committee. I have enjoyed serving on that committee and can say that I appreciate the effort that has gone into the development of a farm bill this year by the Senate Agriculture Committee, under the leadership of Senator HELMS.

He is a strong leader, a fine chairman, and has led us in the development of the farm bill in a very sensitive way—sensitive to the interests of our committee members, sensitive to the interests of the farmers, and sensitive to the interests of those who are affected by the legislation we have drafted in that committee.

So I begin my remarks by saluting him and paying tribute to his leadership and to him personally as a friend of mine, and as someone who has been very kind to me in many ways since I have been in the Senate.

Therefore, it is difficult for me to be in the position of opposing an amendment which he seeks to have added to our appropriations bill today. But I do have to oppose the amendment, not because it is not well intended or that the motivation is not of a most meritorious type, but because there does seem to be a difference of opinion, which I think is a legitimate difference of opinion, about the procedures that are followed in the appropriations process and the effect of pending legislation on an appropriations bill. That is basically what we are talking about.

The Senator from North Carolina is asking the Senate to modify an appropriations bill to make it consistent with a bill that has not yet been acted upon by the Senate. He is suggesting that appropriations levels in the bill before the Senate today must be consistent with authorization levels in a bill that has not yet been enacted into law.

I suggest to the Senate that this would not be the thing to do, to force an Appropriations Committee bill to be changed on the floor so that it is consistent with a piece of legislation that has just been reported by a legislative committee. That is the issue.

I hope the Senate will reject the amendment and say, in effect, by doing so, that the appropriations bill must be based on current statutory authority. Our bill is consistent with the authorization for funding programs

that are now on the books, authorized by law.

Let's look at the food stamp account, which is one of those identified by the Senator in which the amount of money appropriated in this bill exceeds the amount claimed to be authorized by the farm bill as reported by the Senate Agriculture Committee. The farm bill as reported by that committee contains a cap, a legally binding limit on spending. That cap in the farm bill is $12,984 million for fiscal year 1986. The bill before the Senate today provides an appropriation amount of $12,716 million.

That is below the cap in the farm bill.

So in the food stamp account, even if the Senate decided that this committee's recommendations for appropriations did not have to be consistent with the authorization in a reported farm bill, we would still be within the legal authority in the food stamp account.

What the Senator complains about is the fact that the appropriations exceed the estimated amount of money needed in the Food Stamp Program if the changes in that program recommended in the farm bill are enacted into law.

There are other assumptions that are made, too, in order to get to that estimate. There are assumptions about the rate of unemployment. There are assumptions about the cost of food in the marketplace, because those factors affect the expense to the Government in the operation of the Food Stamp Program. It is difficult at best, at the beginning of a fiscal year, to estimate the exact amount of money that will be needed in the coming year for that program because these factors change day by day.

If the Appropriations Committee has made an error in its estimate of the amount of money needed in the Food Stamp Program and we have included an amount which is somewhat higher than that actually needed, the higher amount will not be spent. Only the amount of money needed under the eligibility rules and laws of the Food Stamp Program can be spent. So our appropriations bill does not require the Department of Agriculture, through the Food and Nutrition Service—the administrators of this program—to spend all that is appropriated. We have simply estimated the amount that will be needed next year and have taken into account the authorization of current law, the estimate of food costs, an estimate of expected caseload by reason of unemployment, and other factors, and have presented the Senate our best judgment on the exact amount that will be needed. And it is within the cap of the committee-reported farm bill.

Farm credit is the other area identified where this committee has recommended appropriations that exceed the authorized levels in the reported farm bill. It is true, as the distinguished chairman says, that there is an authorization in the reported farm bill of $4 billion for lending by the Farmers Home Administration during fiscal year 1986. Some of that is identified as authority to make guaranteed loans; some of that authority is direct loan authority of insured loan authority.

As a bit of background, during the negotiations with the administration over the level of lending authority that would be included in the budget resolution passed by the Senate, it was decided that we would continue next year with the same amount of lending through Farmers Home as was available in fiscal year 1985.

At the time the negotiations were taking place, the Farmers Home Administration's lending programs amounted to about $4 billion, if you counted direct and guaranteed lending. I recall those discussions and the fact that some of us agreed at that time to support an effort to begin a transition in the Famers Home Lending Program from the direct lending that had grown so much in the past few years to a program of guaranteed lending.

Since that time, the amount of lending by the Farmers Home Administration has increased by almost $2 billion above the level of lending that was being made available through that agency when these early negotiations and discussions were taking place.

I am convinced that now is not the time to reduce the credit available to distressed farmers through the Farmers Home Administration.

I may join other Senators when the farm bill comes to the floor of the Senate to change the authority for lending under the Farmers Home Administration from $4 billion to a level that is more consistent with the facts and the real distress that exists on the Nation's farms today. I think that level may be too low. There may be other Senators who think it is too low.

But is it not unrealistic to say today that the Appropriations Committee is bound by the level authorized in the farm bill reported by the Senate Agriculture Committee? I think that is unrealistic. That is a standard to which this committee should not be held. If that were law, if those levels of authority were enacted into law, we would be bound by it.

We are not bound by those levels and should not be. If Senators think the level of funding is too high in the Farmers Home account, of course, they should vote to reduce those funding levels. I would urge them not to. We are having hearings in both the Senate Agriculture Committee coming up and over in the other body, as well, as trying to identify ways to solve the farm credit crisis.

I do not think the way to solve it is to cut the program that provides needed credit assistance to distressed farmers before the hearings are even held.

We are recommending a level of funding that is simply the same for next year as is being provided in 1985 by the Farmers Home Administration; $4.77 billion is in this bill. It is needed. More is needed, probably, if the truth is known. We have attempted to stay within the limits of the resolutions previously agreed to under the Budget Act, but to be as sensitive as we possibly can to the credit needs to farmers today. Our committee is recommending $4.772 billion for operating loans, including $3 billion for direct loans, and $1.772 billion for guaranteed loans.

I hope the Senate will agree that this is not out of line and that it is a reasonable amount of money to be included in this appropriations bill. So I hope the Senate will reject the amendment offered by the distinguished Senator from North Carolina.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. GORE. Mr. President, I ask unanimous consent that we temporarily lay aside the pending amendment.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee?

Mr. COCHRAN. Mr. President, reserving the right to object, I think that, because we have an amendment of the Senator from Wisconsin pending, which has been temporarily laid aside, so that the Senator from North Carolina could offer his amendment and we could debate it, the appropriate thing to do might be to go to a vote on a motion to table the amendment of the Senator from Wisconsin.

We were attempting to accommodate Senators who were away from the Hill. I am told that some who were away are now back on the Hill.

So before taking up any further amendments, I would like for us to have a quorum call at this time and check with the majority leader to see about his wishes as to whether we should proceed to a vote now. There was some discussion about getting a vote before noon. I would ask the Senator, if he could, to withhold his unanimous-consent request until we could check with the majority leader on whether a vote should now occur on the motion to table the amendment of the Senator from Wisconsin.

Mr. GORE. Mr. President, I will be delighted to go ahead and speak about the substance of an amendment which I intend to offer at the appropriate time.

Mr. COCHRAN. If I might, since the request is pending, I object to the unanimous-consent request of the Senator from Tennessee.

The PRESIDING OFFICER. Objection is heard.

Mr. GORE. Mr. President, later on today, I will introduce an amendment to this bill and I will describe it more fully at that time. But on this occasion, I would like to preview for my colleagues the issue encompassed by this amendment to be introduced later.

It involves something called sulfiting agents. For several years, we have known of the danger posed by sulfiting agents. These agents are food and drug preservatives, odorless and colorless, that have been linked to 21 deaths and at least 800 other adverse reactions, including putting people in comas and causing irreversible brain damage.

As many as 1 million Americans are ultrasensitive to sulfites and live in fear of these deadly chemicals. And yet these chemicals are common in our food supply. The Food and Drug Administration has, unfortunately, dragged its feet on this important public health issue. Therefore, it is with the greatest sense of urgency that I will offer this amendment to require FDA to complete the safety evaluation of sulfites by June 1, 1986.

The longer we wait for FDA to act, the more people die from reactions to sulfites. It has taken FDA almost 3 years to issue a proposal to ban sulfites from fresh fruits and vegetables. They finally have done so. But there are hundreds of other uses of sulfites in foods and drugs that can kill or cause life-threatening harm. And the FDA does not intend to take quick action on these other uses.

Recently, the New York Times reported two more deaths from sulfite-treated potatoes and white wine, and both uses are unaffected by the FDA's current proposed ban on fresh fruits and vegetables.

Last year, the Senate Appropriations Committee urged the FDA to complete the safety evaluation of sulfites by the end of fiscal year 1985. I was encouraged by this constructive action on the part of the Senate Appropriations Committee.

However, the FDA chose to completely ignore that deadline which was established in the committee's report. And now, in spite of the fact that there are a million American consumers who stand to experience life-threatening reactions to sulfites if they inadvertently consume them in a restaurant or wherever, in spite of that fact, the FDA now says that it expects to drag its feet until late in 1987 before completing its study and proposed regulations on sulfites. And there is, of course, nothing to keep them from missing even that sluggishly determined deadline.

The FDA is capable of endlessly delaying action on sulfites. Initially, the FDA assigned only one staff person to the safety evaluation. In response to recent hearings and prospective legislation, the agency increased the staff level to two. Considering the number of lives in jeopardy because of sulfites, that commitment is not nearly enough to complete the evaluation in an acceptable time frame.

As part of its review of additives generally recognized as safe, or GRAS, the FDA has determined that 24 of its 40 food categories now contain sulfites. Yet, so far, it has completed the safety evaluation for only 2 of those 24 groups—fresh fruits and fresh vegetables. The FDA must bolster its efforts and hasten to complete the review for all food groups, especially cut potatoes. By June 1, 1986, we expect them to complete the GRAS review, including publication of proposed rules on all uses of sulfite agents.

How many more people must pay for FDA's delay with their lives? How many more people must be carried out of restaurants on stretchers in comas because they walked in not knowing that deadly chemicals were used in the food prepared for them?

One of the cases reported to FDA—at least one, I believe there are several—but one with which I am quite familiar involved a woman who knew she was allergic to sulfites. When she entered the restaurant, she went to the management of the restaurant, as was her custom, and specifically asked:

Do you use sulfites in your food? Please let me know, because it could kill me if I consume them.

The manager of the restaurant, believing that no sulfites were present because he and his staff had not added sulfites, gave assurances to the woman that no sulfites were in the food.

She then went ahead and enjoyed her meal believing she was safe. But unknown to the manager of the restaurant, sulfites had been added to some of the food before it arrived at the restaurant. The woman suffered irreversible brain damage, went into a coma, and she is still in that coma.

How many more such incidents will it take before the FDA stops dragging its feet? Previously the committee urged the FDA to move forward. But the FDA ignored the committee's report language. And this year in the committee's report instead of stepping up the pressure on FDA, the committee report backs off and removes any reference to a date. That may not matter that much because the FDA has already shown that it will ignore a date in a committee report. But in the meantime many more deaths and serious injuries have been reported as a result of consumers continuing to eat sulfites.

What I am going to propose is that we amend this bill to put into the language of the bill the following: Provided further than a portion of the funds appropriated under this heading shall be used to complete by June 1, 1986, to complete the safety evaluation of sulfiting agents.

Let me say, Mr. President, that for anybody who thinks this is unreasonable, the FDA's own internal work schedules call for the completion of this study by August of 1986. A vote on this amendment would be a clear signal from the Senate that we are concerned about the 1 million Americans who face the threat of death and serious injury just from going into a restaurant. It is also a message from the Senate to the FDA that we want them to place a little higher priority on completing the review of sulfites in food, and moving forward more expeditiously with proposed rules to protect consumers.

I would like to share with my colleagues a list of the food categories that are currently known to contain sulfites. I mentioned earlier that out of the 40 food categories, 24 of them contain sulfites. And out of those 24, only 2—fresh fruit and fresh vegetables—have been the subject of FDA action. but the other groups include baked goods, and within baked goods, cookies, crackers, crepes, mixes with dried fruits and dried vegetables, pie crusts, pizza crust, quiche crust, soft pretzels, tortillas, tortilla shells, and waffles. Within the category of alcoholic beverages, beer, cocktail mixes, and wine. Within the category of nonalcoholic beverages and beverage bases, the cola type drinks and the fruit type drinks. Within the category of coffee and tea, instant tea. Within the category of condiments and relishes, horseradish relish, onion relish, pickled relish, pickles, olives, salad dressing mixes, and wine vinegars. Within the category of confections and frostings, brown sugar, raw sugar, and powdered sugar. Within the category of dairy product analogs, filled milk. Within the category of fish products—processed, frozen, canned, and dried—we find sulfites in clams, shrimp, lobster, crab, scallops, and dried cod. Within the category of fresh fish, clams, shrimp, lobster, crabs, and scallops. Within the categories of gelatines, puddings, and fillings, fruit fillings including apple, flavored gelatin, pectin jelling agents, and unflavored gelatin. Grain products and pastas include corn starch, modified food starch, spinach pasta, breadings, batters, noodle and rice mixes. Within the category of gravies and sauces, gravies including milk-based gravies.

Hard candy, including clear hard candy, jams, and jellies, within the

category of nuts and nut products shredded coconut, within the category of plant protein products, soy protein.

Within the category of processed fruits, canned, bottled, or frozen fruit juices, including lemon, lime, grape, apple, and orange; dried fruit, including apples, apricots, pineapples, peaches, pears, golden raisins, and prunes, canned, bottled, or frozen dietetic fruit juices or juices, marachino cherries, glaced fruit.

Within the category of processed vegetables and vegetable juices, canned vegetables including potatoes and hominy, pickled vegetables including sauerkraut, cauliflower, and peppers, dried vegetables, instant mashed potatoes, frozen vegetables including potatoes, spinach, other green vegetables, avocado mix, and potato salad.

Within the category of snack foods, dried fruit snacks, trail mixes, filled crackers, tortilla chips, and potato chips. Within the category of soups and soup mixes, canned seafood soups, dried soup mixes. And in the next category, white granulated sugar. And then in the final category, sweet sauces, toppings and syrups, corn syrup, maple syrup, fruit toppings, high glucose corn syrup, and pancake syrup.

Mr. President, as you can see from this list, if you happen to be one of the 1 million Americans who faces the threat of death from sulfites, you have a real problem on your hands. We are not telling the FDA, however, what their decision should be. With a list this complicated, obviously the Senate cannot get into the details of how each and every single one of these items should be dealt with. That is a job for the FDA.

All we are asking the FDA to do is to complete their evaluation.

Let me say to my colleagues who have constituents among the 1 million who were threatened by sulfite, that this matter is of utmost urgency to them, utmost urgency. They are scared by the prospect of consuming these sulfites.

Let me also say to my colleagues who might be concerned about the food processing industry and the restaurant industry, they have been supporting a reasonable effort to go forward with the regulations on sulfite. In fact, the National Restaurant Association was leading the charge, saying, "We want to be able to say to our customers that our products are safe."

That is a wise position for them to take. Unless we deal with this in a responsible way, those 1 million Americans are going to get the idea that it is not safe for them to go into food establishments. We want to reassure them that it is. That is part of the job of the FDA.

Let me repeat again, we are not telling the FDA what their decisions should be. In some cases very low levels of sulfites may be able to be used. But my amendment says the FDA must go ahead and make the numerous decisions involved here and make them now, so that we can reassure the public.

Mr. President, because of the procedural situation in which we find ourselves, I have not offered this amendment at this time, but when the time is appropriate I will offer the amendment and I will urge my colleagues to support it.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I ask the Senator if he will withhold his call for a quorum.

Mr. GORE. I withhold.

Mr. COCHRAN. Let me say it is the intention of the managers of the bill to secure votes beginning at 2:30 on motions to table both the amendment offered by the Senator from Wisconsin [Mr. PROXMIRE] and the amendment offered by the Senator from North Carolina [Mr. HELMS]. We will be submitting a unanimous-consent request in a few moments to try to limit the number of amendments that will then be in order on the bill.

I would suggest to the Senator from Tennessee that if at this time I can be permitted to move to table both of the pending amendments and we can secure the yeas and nays on those motions to table, that the Senator could then offer his amendment, which would be the pending business before the Senate.

I know the Senator from Idaho, Senator MCCLURE, wants to be heard on the amendment of the Senator from Tennessee. I hope we can work it out with a colloquy. Possibly we can deal with it after we have the votes on the motions to table the pending amendments.

Mr. GORE. If my colleague will yield, I would certainly be willing to withhold the offering of my amendment until the Senator from Idaho is able to be present and debate the issue. If the distinguished chairman wishes to make his unanimous-consent request and include in it a request that at 2:30 this amendment be the pending business and that the yeas and nays be ordered on it.

Mr. COCHRAN. I have no personal problems with that suggestion. I do not know the schedule of the Senator from Idaho, whether or not he could be in the Chamber between now and then. I would not want a vote to occur——

Mr. GORE. I did not mean that the vote would begin at 2:30, but that debate would begin at 2:30 and that the yeas and nays would be ordered.

Mr. COCHRAN. We have in mind that the votes on the motions to table would begin at 2:30, and thereafter begin with the other amendments that will be offered to the bill. After I secure the yeas and nays on the motions to table those two amendments, the Senator could offer his amendment. The bill would be open to amendment by anyone who wants to offer an amendment. I am suggesting that rather than go through all of that, in just about 2 minutes the Senator would be able to offer his amendment.

Mr. GORE. That would be fine with me.

Mr. COCHRAN. Mr. President, I would also like at this time to express the hope that we could get an agreement that a list of amendments be the only amendments in order to the bill. I know we are checking with Senators to see if we have all the amendments which are to be offered to the bill. We are having a report on that soon, I hope. Then we could include that in a unanimous-consent request to stack these two votes at 2:30.

I suppose I should withhold making the motion to table either of those amendments at this time until we know whether that can all be included in one unanimous-consent agreement.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. DOLE. Mr. President, I understand we are making progress on the agriculture appropriations bill. I thank the managers on both sides for their patience and diligence and also my colleagues on both sides for coming forth with amendments.

I have been discussing this bill with the distinguished minority leader [Mr. BYRD]. I believe we are now prepared to propound a unanimous-consent agreement which has been cleared on both sides.

Mr. President, I ask unanimous consent that the following amendments be the only amendments in order to H.R. 3037, the agriculture appropriations bill: an amendment by Senator QUAYLE requiring that commodity purchases and transportation services under the Public Law 480 title II program be conducted on the lowest landed cost basis; an amendment by Senator LEVIN allowing 1985 Commodity Supplemental Food Programs carryover funds to be used to reimburse sites for costs incurred in the distribution of bonus commodities not included in the food package; an amendment by Senator GORE requiring the Food and Drug Administration to complete

the safety evaluation of sulfites by June of 1986; an amendment by Senator DIXON restoring $3 million in planning funds for a plant and animal sciences research center at the University of Illinois; an amendment by Senator GRASSLEY restoring a special grant for the Agriculture Policy Institute, $450,000, in Missouri and Iowa; an amendment by Senator CRANSTON to add $3.4 million for AIDS; an amendment numbered 779 by Senator PROXMIRE which has already been offered; and an amendment by Senator HELMS which has already been offered and debated, numbered 780.

I also ask unanimous consent that any votes ordered prior to the hour of 2:30 p.m. today with respect to H.R. 3037 be postponed, to begin at 2:30 p.m. today in the order in which yeas and nays were ordered, excluding passage.

I ask unanimous consent that no motions to recommit H.R. 3037 with instructions be in order.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. COCHRAN. Mr. President, I ask for regular order.

The PRESIDING OFFICER. The regular order is consideration of the amendment of the Senator from Wisconsin.

Mr. COCHRAN. I move to lay on the table the amendment of the Senator from Wisconsin. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Under the previous order, the vote will be put off to occur at 2:30 p.m.

Mr. COCHRAN. Mr. President, I move to lay on the table the amendment of the Senator from North Carolina, No. 780. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Under the previous order, the vote will occur following the vote on the amendment of the Senator from Wisconsin, which will occur at 2:30 p.m.

AMENDMENT NO. 781

(Purpose: To require the Food and Drug Administration to complete the safety evaluation of sulfiting agents by June 1, 1986)

Mr. GORE. Mr. President, I send an amendment to the desk and ask for its consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Tennessee [Mr. GORE], for himself, Mr. BAUCUS, Mr. GOLDWATER, Mr. METZENBAUM, and Mr. BINGAMAN, proposes an amendment numbered 781.

Mr. GORE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 57, line 15, insert before the period a colon and "*Provided further*, That a portion of the funds appropriated under this heading shall be used to complete, by June 1, 1986, the safety evaluation of sulfiting agents".

Mr. GORE. Mr. President, I offer this amendment on behalf of myself and the following Senators: Mr. BAUCUS, Mr. GOLDWATER, Mr. METZENBAUM, and Mr. BINGAMAN. It embodies the intent of legislation I previously introduced, S. 573, the Sulfite Safety Act, in behalf of myself, Senator BURDICK, Senator DOMENICI, Senator DURENBERGER, Senator SASSER, Senator STENNIS, and Senator GOLDWATER.

Mr. President, for nearly 3 years we have known of the great danger posed by sulfiting agents—food and drug preservatives that have been linked to perhaps 21 deaths and 800 other adverse reactions, including coma and brain damage. As many as 1 million sulfite-sensitive consumers live in fear of these deadly chemicals. The Food and Drug Administration [FDA] has dragged its feet on this important public health issue. It is with the greatest sense of urgency that I offer this amendment to require FDA to complete the safety evaluation of sulfites by June 1, 1986.

The longer we wait for FDA, the more people will die from reactions to sulfites. It has taken FDA almost 3 years to issue a proposal to ban sulfites from fresh fruits and vegetables. There are hundreds of other uses of sulfites in foods and drugs that can kill or cause life-threatening harm—uses the FDA does not intend to take quick action on. In fact, the New York Times recently reported two additional deaths from sulfite-treated potatoes and white wine—uses that are unaffected by FDA's proposed ban on fresh fruits and vegetables.

Last year, the Senate Appropriations Committee urged FDA to complete the safety evaluation of sulfites by the end of fiscal year 1985. FDA has ignored that deadline. Instead, FDA says it expects evaluation to drag on until late 1987. Left to its own devices, FDA is capable of endlessly delaying action on sulfites.

Initially, FDA assigned only one staff person to the safety evaluation. In response to recent hearings and prospective legislation, the agency increased the staff level to two. Considering the number of lives in jeopardy because of sulfites, that commitment is not nearly enough to complete the evaluation in time.

As part of its review of additives generally recognized as safe [GRAS], the FDA has determined that 24 of its 40 food categories contain sulfites. Yet so far it has completed the safety evaluation for only two groups—fresh fruits and fresh vegetables. The FDA must bolster its efforts, and hasten to complete the review for all food groups—especially cut potatoes. By June 1, 1986 we expect them to complete the GRAS review, including publication of proposed rules on all uses of sulfiting agents.

How many more people must pay for FDA's delay with their lives? A vote is support of this amendment is a vote to save those lives. Completing the safety review is the only hope we have that FDA will restrict any uses of sulfites besides fresh fruits and vegetables.

The great dangers posed by sulfites demand immediate actions. Mr. President, I hope that my colleagues on both sides of the aisle will join in support of this amendment.

Mr. COCHRAN. Mr. President, the distinguished Senator from Tennessee [Mr. GORE] is suggesting by his amendment that we impose a deadline, in effect, on the Food and Drug Administration for completing a study and issuing regulations that relate to the use of sulfiting agents.

On page 115 of the committee report on this bill, we attempt to deal with this issue. We recognize that the Senator has brought to the attention of the Senate, by his amendment, a very important health problem we have in the country today. He has cited in his discussion of the issue some of the harmful consequences to citizens who have come in contact with sulfiting agents and who are susceptible to injury, even to death in some cases.

This is a subject that is in need of the most careful review and study, to be sure that, as a government, we come up with a procedure, a process, for labeling or warning about the use of these agents, or maybe even restricting their use, so that the chances of harm to public will be lessened—eliminated, possibly.

Knowing that problem, therefore, the committee provided this language in its report:

Sulfiting agents.—Given the fact that the Food and Drug Administration has received reports of 21 deaths involving the use of sulfites, and over 800 reports involving other injuries, the Committee remains extremely concerned about the safety of sulfites as a food additive. The Committee commends FDA for instituting action to ban the use of sulfites on fresh fruits and vegetables and urges the earliest implementation of the ban.

The Committee further understands that the Commissioner is considering the safety of sulfites in two other areas—the use on potatoes and all other uses—and it will expect FDA to continue its safety review of sulfites and report to the Committee in a timely manner.

The Senator from Tennessee is suggesting that not only should this language be changed to include a date,

but also, as I understand the amendment, that the deadline date be included in the bill.

I hope the Senate will not agree to the amendment as it is proposed by the Senator, although I am very sympathetic to and share with him the concern he has expressed about the need for timely action by the Food and Drug Administration. We demand that in the language of our report. We insist that the ban on the use of sulfites on fruits and vegetables be implemented at the earliest possible date.

What I hope we will refrain from doing, however, is getting ourselves into the business of substituting our decisions on effective dates for the decisions of the administrators of this program. They are best suited to make a decision of that kind. They have direct access to the scientific information, the studies that are ongoing, and those that have been completed. That is their job. That is really not our job.

I hope that, especially on a bill that simply provides funds for the operation of that agency, we not get into the business of legislating and directing in an area that is so sensitive and has such an impact as such a decision would have.

It could be—and I urge the Senator to consider—that we may be able to amend the language to make it reflect a stronger concern over the urgency of the matter. I am not suggesting that this language is the best possible language to include in the report on this subject. Maybe the Senator has a better idea, and if he does I am willing to discuss it with him. I know that there is a way to improve the language in our report. But I hope we could refrain, in this instance, from putting a deadline date in the bill.

That is the problem I have with the amendment, and I hope the Senate will reject the amendment.

Mr. GORE. Mr President, will the Senator yield?

Mr. COCHRAN. I yield the floor.

Mr. GORE. Mr. President, a date was previously set by the Committee on Appropriations 2 years ago. Let me read from the report in the first session of the last Congress. It says:

> Sulfiting agents.—The Committee is concerned about the quality and pace of FDA's safety evaluation of sulfiting agents. The agency's July 1982 proposal to declare these chemicals as safe was based on a study of the relevant scientific literature completed back in 1976. In recent months there has been a report of at least one death which is suspected of being a result of a reaction to sulfite-treated food. Therefore, the Committee expects FDA, within the funds and resources at the agency's disposal, to expedite its safety evaluation of sulfiting agents. The Committee urges that FDA set aside whatever funds and staff resources are necessary to publish a final rule governing the uses of these agents by the end of 1985.

So, 2 years ago, when we had one reported death, a specific date was set. Now we have 21 reported deaths and 800 reports of serious adverse reactions, including a coma and irreversible brain damage; and now all we do is tell the FDA that we want them to proceed in a timely fashion. And timely to the FDA sometimes means never. In this case, I am a little more hopeful since according to their internal work schedule, they are planning on the end of 1987.

It is curious to me how it can be considered appropriate for us to set a firm date when we have one reported death and then turn around when we have 21 reported deaths and 800 serious injuries and eliminate any mention of that deadline and just say let us proceed in a timely fashion; particularly when the FDA has shown that it cannot proceed in a timely fashion on this matter.

Let me give you a little more detail, Mr. President, on the latest two people to die as a result of sulfites.

Mr. McCLURE. Mr. President, will the Senator yield for a comment and a question?

Mr. GORE. I am delighted to yield.

Mr. McCLURE. Before going into that detail, and I apologize for interrupting, because I do wish to commend the Senator for his leadership in the area of using sulfite agents in food and I know from my own personal conversations with him of his genuine concern for the safety of foods and I think that is expressed by the introduction of the Senator's bill, S. 573.

Many of us in Congress share the Senator's concern and in addition to the concern for the safety of those who consume the products, I have a concern, too, as I am sure the Senator does, with the industries which use sulfiting agents to produce those foods.

I, of course, have a very keen interest with respect to the potato dehydrating industry in Idaho and in other States as well that make use of sulfiting agents to extend the life of potato products.

In the potato granulating industry, the need for sulfiting agents is critical. Because of the nature of the processing of granulated potatoes, sulfiting agents must be used. At this time there is no acceptable alternative available. The potential damages to the potato industry from a ban on sulfite agents must be weighed against the danger posed to sulfite-sensitive individuals.

Sulfites have been used as an additive in dehydrated potatoes for more than 30 years, and in that time there has been no substantiated case of allergic reaction to that product by a sulfite-sensitive individual. Recent research and ongoing research by the Food Research Institute at the University of Wisconsin by Dr. Steve Taylor has shown that dehydrated potatoes are not a food that affects sulfite-sensitive individuals. Even the FDA admits that dehydrated potatoes have not been implicated in any sulfite-sensitivity reactions.

I know that in the Senator's bill, S. 573, dehydrated potatoes are specifically exempt from a ban on sulfite use. I judge from that from my own conversations that the Senator has concluded that the evidence is persuasive that there is no, at least—let me put it in the other context—that there is no evidence of damage even to sensitive persons in the population from the use of sulfites in potato products. Am I not correct?

Mr. GORE. The evidence indicates that there are no confirmed deaths as a result of freeze-dried dehydrated, granulated potatoes containing sulfites.

The evidence is not entirely clear with respect to adverse reactions but because this particular use is one for which a substitute is not readily available and due to the fact that there is no evidence of deaths here, the bill I introduced did carve out this exception.

But we do want the FDA to look carefully at the matter to see what the evidence really shows, and this is a decision for them to make and one uniquely inappropriately for us to make.

Mr. McCLURE. Mr. President, will the Senator yield further on that question?

Mr. GORE. Surely.

Mr. McCLURE. I appreciate the comments of the able Senator.

My understanding is that it is expected that the FDA will make a proposed rule in December of this year, that they are ahead of the date the Senator has established.

Mr. GORE. The Senator is quite correct, with respect to this single item. However, there are 21 other food categories that have not been examined by the FDA and they are dragging their feet on them. There are 1 million Americans out there who are highly sensitive to these chemicals and what we want to say to FDA is, "Come on, give it a little higher priority, and let's get moving on this thing."

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. GORE. Yes, I am glad to yield back.

Mr. McCLURE. The Senator is correct, and that is a matter of concern for many.

But I just want to make the point that as far as dehydrated potatoes are concerned, the studies are further along, they are more comfortable with the data base. They are aware of the fact that there is no suitable alternative that can be used and, therefore, both the Senator and I would conclude at this time probably that FDA is likely not to move but they have a ca-

pacity to move with respect to the use of sulfiting agents in the potato industry.

Mr. GORE. If the Senator will allow me to comment on that, I want to clarify for the record that I agree with the Senator that the FDA does not necessarily have to ban uses of this kind. If their studies indicate that the public can be adequately protected through the use of other measures, such as mandating low levels of sulfites below those levels which are known to cause some harm, or even labeling for this single use, that might well be an appropriate action.

Mr. McCLURE. So that sensitive individuals who know that they have the possibility of allergic reactions will be able to know that this product had been treated by sulfites and avoid its use if they are in that target population.

Mr. GORE. I would not want to prejudge the correct decisions in something as complicated as this, but I think they should move forward, and the comments of the Senator with respect to the dehydrated granulated potatoes I think are well taken. I do not disagree with him.

Mr. McCLURE. I understand the Senator's desire to prod the FDA into doing something else.

I would express a more broad, general concern that if, indeed, they are not comfortable with the factual basis upon which to make a ruling with respect to the other products, they might well feel compelled to issue a blanket rulemaking without the detailed data with respect to individual products, and we might indeed run into the problem where setting an arbitrary date which they cannot meet adequately would force them into actions that would be successfully challenged in court as being overbroad based upon the factual basis that they have.

I am very much in favor of the research that is going on. I hope it will continue that research. We will learn more about it.

I have no hesitancy at all in commending the Senator for his leadership in the area, but I do express some concern as to whether the knowledge base, the factural base will be sufficient to move by the date that is established by the Senator in his amendment.

But I thank the Senator for his comments.

Mr. GORE. I thank the Senator from Idaho for his contribution to this debate, and I greatly respect the study he has given this matter, and our disagreement lies within a narrow range.

But in responding to some comments made by the able Senator from Idaho, let me assure him and my other colleagues that the date set by the amendment is not arbitrary. The Department of Health and Human Services has published a lengthy task force report entitled "The Reexamination of the GRAS Status of Sulfiting Agents." This was published in January 1985. Based on this document, in the Regulatory Program for the U.S. Government published by OMB, they have set forth their own work schedule of where sulfiting agents are concerned. According to this schedule, they believe that it is perfectly feasible to complete the study called for in this amendment by August 1986. This amendment would merely move that date up 2 months.

Let me say that the effect of an amendment like this is very clear. What it does is encourage the FDA to assign more resources to this task and give it a little bit higher priority.

Now, why do we want to do that? I have said it before and I will say it again, 1 million Americans face the threat of death or serious incapacitating if they consume these chemicals. Now why not urge them to speed this thing up? We know they could do it. They know they can do it because they have published this schedule.

So I would say that this issue seems very clear to me. There are competing concerns. There are the concerns that have been expressed a moment ago on the one hand and there are the concerns about the health and safety of the 1 million Americans at risk. Do we want to say to those 1 million Americans: "You will continue to be at risk indefinitely because we do not want to urge FDA to speed up their work"?

A vote to table this amendment would be a message to those 1 million Americans, saying to them: "We don't care quite enough about the health risks that you face to urge the FDA to finish this thing 8 months from now."

It would be a message saying: "We are a little more concerned about the possible harm that could come within the FDA or industry of them speeding up their work."

I think it is pretty clear. Let me read you the cases of the last two people who died.

On July 30 of this year, Ann Weltman, 30 years old, of Los Angeles, walked into a restaurant and ordered some hash brown potatoes. The hash brown potatoes killed her. She knew she was sensitive to sulfites and she asked the owner of the restaurant, "Do you use sulfites?" And the owner of the restaurant said, "No, we don't use sulfites."

What the restaurant did not know was that processor had put sulfites on the hash brown potatoes. They took them off the grill and served them to Ann Weltman and the hash brown potatoes killed Ann Weltman.

There are a million others like her out there. Do we want to tell the rest of them: "You might die because we don't want to rush up the FDA. We don't want to hurry them along. Just hold your horses and play Russian roulette with hash brown potatoes for the next 2 years or longer?"

The second case was in Dallas, TX, the second of these most recent cases. Daniel Tsevat, 33 years old, of Dallas. He walked into a restaurant and ordered a nice meal, ordered a bottle of wine with his meal, German wine. He poured a glass of wine and drank the wine. The wine killed him, because it had sulfites in it and because he is one of the 1 million who are ultrasensitive to sulfites.

What do we say to the rest of them? What do we say to the rest of the 1 million? "Hold your horses. Just play Russian roulette with German wine for 2 years or more because we don't want to rush up the FDA."

What does this amendment do? It does not go so far as to say ban the sulfites in these uses. No, it is not an amendment that goes that far. We are talking about something that is very mild here. I can hardly believe that the Senate would not just accept this amendment. We have 1 million Americans out there who face the threat of death or permanent brain damage or going into a coma just from eating a meal at a restaurant or drinking some wine. And all this amendment proposes to do is to say to the FDA: "You have to complete your evaluation of these life-threatening chemicals and publish proposed rules 2 months earlier than your own internal documents say you plan to do it."

Come on. What is unreasonable or radical about that? If we care about the threat facing these 1 million Americans, we will vote in favor of this amendment.

Now let me say again that previously the Committee on Appropriations agreed that we should set a date and they set a date in their report language. But that did not do any good because the FDA just ignored the report language.

When the FDA decided to ignore the report language, did the committee get upset? No, evidently not, because the report language the following year took out the deadline and just called upon them to expedite the study. Well, they did not expedite the study. So did the committee get upset? I do not know, but I do know, in the report language this year, the language was toned down even more and instead of setting a date, instead of telling them to expedite it, the report just says, "Do it in a timely fashion."

Well, bureaucrats understand the nuances of those kinds of words. But the one million Americans at risk do not understand the nuances of those kinds of words because they have not been here and seen how agencies and departments downtown feel like they can just ignore report language.

So, on behalf of the 1 million Americans at risk and on behalf of the persons who have cosponsored the bill and this amendment, which include, let me say again, Senator GOLDWATER, Senator STENNIS, Senator BAUCUS, Senator DURENBERGER, Senator DOMENICI, Senator METZENBAUM, Senator BINGAMAN, and Senator BURDICK, I again ask the Senate for favorable action on this amendment—21 deaths, 800 adverse reactions, including anaphylaxis, coma, and irreversible brain damage.

I personally believe this is one of the easiest amendments to vote for that I have ever seen. Every single Member of this Senate has constituents who are threatened with death if they walk in and order some hash brown potatoes or wine or some of the other items on the lengthy list that I read into the RECORD not long ago.

And what is the argument against doing this? The argument, as I understand it, is that the life-threatening consequences for these 1 million Americans are less important than the concern that the bureaucracy might not be able to handle a 2-month speedup in their internal work schedule.

I can hardly believe that a Member of this body can balance those two concerns on the scales of justice, and come to the conclusion that the necessity to avoid discombobulating the bureaucracy should take precedence over the threat to the life and health of 1 million Americans. I can hardly believe that. So I hope that when the vote comes on this amendment my colleagues will see it the way I do, and place the top priority on these 1 million Americans.

Mr. President, I ask the chairman of the subcommittee whether or not he wishes to debate this amendment further at this time, or whether or not he would join me in a request for the yeas and nays on the amendment. What is the Senator's pleasure?

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, it is my intention to move to table the amendment of the Senator from Tennessee, to help him secure the yeas and nays on that motion, and to have the vote occur after the votes that have already been ordered to occur beginning at 2:30. I had hoped we would be able to work out some compromise, or some arrangement that would be satisfactory with the Senator from Tennessee. I do not know what this is. We have made some suggestions about strengthening the language in the committee report, and we have not been encouraged with that. I am told now that the chairman of the Labor and Human Resources Committee, the Senator from Utah [Mr. HATCH], is willing to join with the Senator from Tennessee in a letter that would urge the Food and Drug Administration to expedite the research, and the issuance of regulations in the sulfiting agents area. I do not know what else we can do other than accept the amendment of the Senator from Tennessee. I am not prepared to recommend that.

Mr. GORE. Will the chairman of the subcommittee yield?

Mr. COCHRAN. I am happy to yield to the distinguished Senator.

Mr. GORE. I would be glad to offer a compromise, and that would be to change the date in the amendment to comply precisely with the date suggested by the FDA in this public document which is the regulatory program of the United States. I do not relish that prospect.

Mr. COCHRAN. What is the date?

Mr. GORE. August of 1986.

Mr. COCHRAN. The amendment now, as drawn, requires the action to be taken by June of 1986.

Mr. GORE. That is correct. That is 2 months faster than they have publicly declared in their schedule.

Mr. COCHRAN. Mr. President, I still have a reluctance to write into the bill the legislative date beyond or about which the agency has to act in a matter of this kind. They tell us that they are going to act by that date as the Senator says in his discussions of the issue. I believe them. I think they will act. I think they want to act expeditiously. They told us that they consider this a matter of great urgency. Every effort is being made to expedite it. With our language in the report urging immediate action as prompt as possible, I think we should be satisfied with the actions of the agency.

I do not know that there is any way to work this out. Mr. President, assuming there are no other Senators who want to discuss the issue, I move to table the amendment of the Senator from Tennessee, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The vote on the amendment will occur following the 2:30 p.m. vote on the two previous amendments.

Mr. COCHRAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate lay aside the pending business and turn to S. 1730, the reconciliation bill, until not to exceed 2:30 p.m. today, and for debate only.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSOLIDATED OMNIBUS BUDGET RECONCILIATION ACT OF 1985

The Senate resumed consideration of the bill (S. 1730).

Mr. GARN. Mr. President, I have a brief statement about title III of the pending reconciliation bill. This title is the submission from the Banking, Housing and Urban Affairs Committee to meet the reconciliation requirements. The savings from the submission are nearly $8.3 billion in budget authority and $10.5 billion in outlays over 3 years.

The Senate Banking Committee submitted the following items essentially as assumed in the Budget Reconciliation Joint Resolution:

First, termination of direct Federal loans through the Federal Financing Bank under the Section 108 Program of Community Development Block Grants, while maintaining authority for private sector financing of guaranteed loans.

Second, authorization of the necessary reduction in public housing operating subsidies.

Third, authorization of forgiveness of public housing debt of approximately $14 billion.

Fourth, authorization of the required reduction in over-all loan levels in the Farmers Home Administration Rural Housing Programs with new authority for selling loans directly to the public.

In addition, a majority of the committee decided to make changes in the UDAG selection criteria in an attempt to make the program more equitable. I support the UDAG program, but I believe that it should be changed even more toward awarding grants on the merits of the project. The program would then achieve more "bang for the buck" with increasingly limited economic development dollars. My personal preference would have been to work within the strict parameters of reconciliation and then come back to a separate housing bill that accomplishes that further change in the UDAG selection system.

I also point out for the record that the House Banking Committee has gone far beyond the requirements of reconciliation and submitted 226 pages of substantive legislation now in the companion House reconciliation bill. Reconciliation should not be a procedure for rewriting the housing laws and creating new programs. Such substantive legislative provisions are simply not acceptable in conference on a reconciliation bill. If the House passes a separate housing bill under

the normal procedures, I am sure that the Senate will go to a conference and consider substantive housing law changes.

TITLE I OF S. 1730

Mr. ZORINSKY. Mr. President, under Senate Concurrent Resolution 32, the Committee on Agriculture, Nutrition, and Forestry was instructed to recommend changes in legislation under its jurisdiction that would result in outlay savings of $7.9 billion over the 3 fiscal years 1986 through 1988. The recommendations of the committee are contained in title I of S. 1730. According to the estimates of the Congressional Budget Office, these provisions, if enacted, would achieve savings for the 3 fiscal years of $8.084 billion.

Title I makes changes in three areas: First, mandatory sale for export of dairy products owned by the Commodity Credit Corporation, second, the Food Stamp and Commodity Distribution Programs, and third agricultural credit.

The major portion of the savings would be achieved through the provisions involving agricultural credit and would provide savings over the 3-year period of $7.167 billion. The 3-year savings from the Food Stamp and dairy sales provisions would total $586 million and $331 million, respectively.

AGRICULTURAL CREDIT PROVISIONS

The provisions in S. 1730 that relate to agricultural credit were developed by the Committee on Agriculture, Nutrition, and Forestry in connection with the committee's formulation of the 1985 farm bill, S. 1714. S. 1714 was developed as a result of numerous hearings held by the committee on the continuing crisis in American agriculture.

In developing the agricultural credit provisions included in title I of S. 1730, the objective was to make improvements in the Farmers Home Administration [FmHA] loan programs that directly benefit agricultural producers in this country while reducing Federal expenditures.

I believe that the legislation meets the objective very well.

CONSOLIDATION AND AUTHORIZATION OF FARM OWNERSHIP AND OPERATING LOAN PROGRAMS

Under the provisions of the bill relating to agricultural credit, the authorization for FmHA Farm Ownership and Farm Operating Loan Programs would be consolidated; $4 billion would be authorized annually for these programs for fiscal years 1986 through 1988. These authorizations would be apportioned between insured loans and guaranteed loans as follows:

First, for fiscal year 1986, $2 billion would be provided for insured loans and $2 billion for guaranteed loans.

Second, for fiscal year 1987, $1.5 billion would be designated for insured loans and $2.5 for guaranteed loans.

Third, for fiscal year 1988, $1 billion would be designated for insured loans and $3 billion for guaranteed loans.

The gradual increase in the Guaranteed Loan Program is the primary source of savings under the legislation.

The Secretary of Agriculture would be authorized to transfer up to 25 percent of the funds designated for guaranteed loans to the insured loan program.

AVAILABILITY OF DIRECT LOANS TO NEW FARMERS HOME ADMINISTRATION BORROWERS

The legislation would ensure that eligibility for insured loans could not be restricted to current borrowers, as the Department of Agriculture had planned to do by regulation. This provision is very important in view of the current agricultural crisis in the United States. If eligibility were to be so restricted at this time, it could have a devastating effect on a large number of our farmers and ranchers who do not qualify for commercial or guaranteed loans because their current cash flow cannot support repayments at the current rates of interest on such loans. If FmHA loans having favorable interest rates are available, a number of these agricultural producers would have a reasonable chance of overcoming economic stress and continuing in business.

INTEREST RATE BUY-DOWN PROGRAM

The legislation also contains a number of other provisions that would help alleviate the financial problems of American agricultural producers, including a program for interest-rate reductions on FmHA guaranteed loans.

The program would require the Secretary to enter into contracts with lending institutions that reduce the interest rate on guaranteed loans for a period not to exceed 3 years. The contract would specify the amount by which the interest rate on such loans would be reduced. The Secretary would pay the lender not more than 50 percent. The Secretary would pay the lender not more than 50 percent of the cost of making the reduction. Any payment made by the Secretary under the program could not exceed the cost of reducing the annual rate of interest by more than 2 percent.

The interest rate buy-down progam would be available only to borrowers who cannot locally obtain sufficient credit under reasonable rates and terms to meet their actual needs. In addition, a borrower would be required to have an estimated cash income for the following 12-month period equal to, or in excess of, the estimated cash expenses to be incurred by the borrower during such period. The program would not, however, be available to a borrower if the borrower could otherwise make payments on the guaranteed loan in a timely manner.

The bill would authorize up to $490 million from the agricultural credit insurance fund to be used to carry out the program. This authorization level would permit the Secretary to effectuate an interest rate reduction of 4 percent for 3 years on approximately $8 billion of loans guaranteed by the FmHA. The program is designed to deal directly with one of the gravest problems facing many agricultural producers today—that is, the problem of high rates of interest on outstanding indebtedness. By reducing the rate of interest on guaranteed loans, the program would provide immediate assistance to thousands of financially troubled farmers and ranchers in the United States.

EMERGENCY LOAN PROGRAM AMENDMENTS

The legislation would make a number of changes in the Emergency Loan Program administered by the Farmers Home Administration. These changes are expected to reduce Federal outlays under the program with no significant adverse effect on agriculture. The provisions would, among other things, repeal the authority for the Secretary to make emergency loans to producers who can receive credit elsewhere and encourage the use of Federal crop insurance by precluding the making of a loan on the basis of the loss of a crop that could have been covered by such insurance.

The limit on the size of an emergency loan under the program would be reduced to $200,000 for each disaster. Current law provides for similar limits of $500,000. The total amount of indebtedness that a borrower could have outstanding under the program would be reduced to $400,000.

SETTLEMENT OF CLAIMS

Under current law, there is limited authority for the settlement of debt obligations of FmHA borrowers. The legislation would broaden this authority to provide the Secretary with greater flexibility to compromise repayment obligations. This would allow the Secretary and the borrower, prior to any liquidation of the loan, to negotiate what assets the borrower may retain as the result of the liquidation. Currently, a borrower is required to liquidate all property securing the loan until the debt is settled. In some cases, the indebtedness exceeds the value of the collateral, which can result in the borrower remaining liable for substantial loan repayments even after all the property securing the loan is liquidated. Under these circumstances, there is little incentive for a borrower to voluntarily liquidate, and often the Government becomes involved in protracted legal proceedings to liquidate the loan.

With the new expanded authority to settle debts, the Secretary would be able to negotiate, on a case-by-case basis, agreements that would allow severely delinquent borrowers to retain some property—including their home—in order that the borrower may

make a transition from agriculture to another means of livelihood—thereby permitting FmHA loans to be liquidated in a more timely manner.

RELEASE OF NORMAL INCOME SECURITY

The legislation would also require the Secretary to release from the normal income security for a FmHA loan amounts that are sufficient to enable the borrower to pay essential household and farm operating expenses unless the Secretary determines that the loan should be liquidated. Such security consists of, among other things, crops produced on the farm by the borrower.

When the crops securing the loan are sold, the borrower generally repays the indebtedness. However, the sale of the crops, in some cases, does not generate sufficient proceeds to allow the borrower to repay the loan and have enough money left over to cover necessary living and operating expenses. In such cases, the borrower would be allowed to receive from the proceeds of the sale enough money to meet these essential expenses. The release of the funds would help many farmers to continue their operation and meet essential expenses without undue financial stress.

DISPOSITION AND LEASING OF FARMLAND IN THE INVENTORY OF THE FARMERS HOME ADMINISTRATION

Because of the continuing financial crisis in American agriculture, the Farmers Home Administration had liquidated an increasingly large number of loans, and as a result, the inventory of farms owned by the Farmers Home Administration has vastly increased. Prior to 1981, the Farmers Home Administration had never owned more than 260 farms. By April 1984, the inventory increased to 2,135 farms with 506,642 acres in total. The number of farms in FmHA inventory currently is around 3,000.

The legislation would make a number of important changes in the manner in which such farmland is leased or sold by the Secretary. Included among these are the following:

First, to the extent practicable, the farmland would be first offered for sale or lease to operators of family-sized farms.

Second, farmland may be leased, with the option to purchase, to operators of family-sized farms.

Third, farmland would be offered for sale at a price that reflects the annual income that may be expected from farming the land.

Fourth, in leasing farmland, the Secretary would be required to give special consideration to a previous owner or operator of the farm if there is a reasonable prospect that such operator will be successful in the proposed farming operation.

Fifth, farmland may be sold through installment sales contracts or similar devises if the interest of the Government in the land is protected.

Sixth, if the farmland is in tracts larger than that necessary for family-sized operations, the land would have to be subdivided and sold in units suitable to such operations.

The legislation would help to ensure that family farmers would be given the opportunity to purchase farmland from the Government at affordable prices and that such farmers would not be placed at a disadvantage in competing with large operators or nonfarmers for the purchase of additional farmland.

OTHER CREDIT PROVISIONS BENEFITTING FARMERS AND RANCHERS

Several provisions are designed to directly or indirectly assist farmers and ranchers. These include:

First. Improved procedures for the prompt processing of loan applications by the Farmers Home Administration.

Second. Improved appeals procedures for prompt and fair review of adverse determinations affecting FmHA borrowers.

Third. Availability of FmHA borrowers of summary loan statements.

Fourth, authorization for loan funds to be used by the borrower for training in the maintenance of records of farming and ranching operations.

Fifth, authorization for a borrower to make prospective payments on a loan from the proceeds of the lease or sale of mineral rights from real estate that secures the loan.

WATER, WASTE, AND COMMUNITY FACILITIES LOANS AND GRANTS

The legislation would also make certain changes in the Farmers Home Administration's programs that provide loans and grants to rural communities for the purpose of constructing or improving water, waste disposal, and other essential community facilities.

Under current law, eligibility for water and waste facility loans at interest rates not to exceed 5 percent are restricted to communities in which the median family income is below the Federal poverty line. This requirement is very restrictive and precludes the granting of assistance to many communities that need to construct or upgrade facilities to meet applicable health standards but cannot meet repayment terms on loans at higher rates of interest. The bill would address this problem by amending the eligibility requirement for these loans so that communities in which the median family income is below 80 percent of the statewide nonmetropolitan median household income would qualify for such loans. In addition, the bill would provide for loans at rates between 5 and 7 percent for communities in which the median family income does not exceed 100 percent of the statewide standard.

SUMMARY OF AGRICULTURAL CREDIT PROVISIONS

The agricultural credit provisions of S. 1730 would provide substantial savings to the Federal Government in a manner that would not adversely affect American agriculture. Indeed, many of the credit provisions are designed to provide direct and immediate benefits to our nation's financially troubled farmers and ranchers. However, in view of the stressful situation facing agriculture, I would note that adjustments may be necessary in the level of loans authorized for certain of the FmHA lending programs as the Senate and the House complete action on the reconciliation bill, the 1985 farm bill, and the agriculture appropriations bill for fiscal year 1986.

FOOD STAMP AND COMMODITY DISTRIBUTION PROGRAMS AMENDMENTS

The provisions of S. 1730 involving the Food Stamp Program, the Commidity Distribution Program, and related programs are identical to provisions in the 1985 farm bill, S. 1714, reported by the Committee on Agriculture, Nutrition, and Forestry. According to the estimates of the Congressional Budget Office, these provisions would save $586 million during fiscal years 1986 through 1989. The savings would result from amendments made to the Food Stamp Act of 1977.

A majority of the provisions that would result in savings would not adversely affect food stamp recipients. A number of the provisions would, in fact, be beneficial to certain eligible low-income households. However, it should be noted that some of the provisions would result in higher costs to the States.

FOOD STAMP PROGRAM SAVINGS

The savings in the Food Stamp Program would be accomplished by—

First, maintaining the Puerto Rico nutritional assistance block grant at the current level of $825 million per fiscal year—estimated 3-year savings of $230 million;

Second, ending the current exclusion from income under the Food Stamp Program of allowances, earnings, and payments under the Job Partnership Training Act—estimated 3-year savings of $163 million;

Third, providing that low-income energy assistance payments must be considered in calculating a food stamp household's excess shelter deduction—estimated 3-year savings of $165 million;

Fourth, authorizing States to collect food stamp overissuances that result from agency-caused errors—estimated 3-year savings of $30 million;

Fifth, modifying the Food Stamp Program error rate sanction provisions to require States with error rates in excess of 5 percent to repay to the Federal Government the sum of (A) 75 percent of the dollar value of benefits

overissued between 5 and 7 percent, and (B) 100 percent of the amount overissued in excess of 7 percent, less (C) 75 percent of value of any overissued benefits collected by the States that would otherwise be returned to the Federal Government—estimated 3-year savings of $41 million; and

Sixth, prohibiting a household's food stamp allotment from being adjusted to reflect a reduction in AFDC or SSI benefits made as a result of the receipt by such household of a nonrecurring lump-sum payment—estimated 3-year savings of $18 million.

OTHER FOOD STAMP PROGRAM PROVISIONS

The food stamp provisions would make numerous other changes in the program, most of which would have little budgetary impact.

Among other things, the legislation would—

First, prohibit the imposition of State and local sales taxes upon food stamp transactions. Currently, such taxes are imposed in about 17 States. This prohibition would result in the loss of revenue in those States. However, the imposition of sales taxes on food stamp purchases has the effect of reducing food stamp recipients' benefits by the rate of the tax imposed, which may be as high as 6 percent. This prohibition against the imposition of such taxes on food stamp transactions would allow recipients to use the full value of their benefits for food—which is the purpose of the Food Stamp Program;

Second, require States to establish employment and training programs and place in such programs 25 percent of food stamp work registrants by the end of fiscal year 1987, 35 percent of such persons by the end of fiscal year 1988, and 45 percent by the end of fiscal year 1990. To assist States in the implementation of these programs, the Federal Government would allocate to States $40 million for fiscal year 1986, $50 million for fiscal year 1987, $60 million for fiscal year 1988, and $75 million for fiscal year 1989, and would share 50 percent of any additional costs that a State may incur over its allocation. The Congressional Budget Office has estimated that under these levels of funding, the increased 3-year cost to the Federal Government would be $10 million. It should be noted that this requirement may result in higher administrative costs to the States in operating these work and training programs. However, if such programs are successfully operated, savings to the States under other programs, such as AFDC and unemployment compensation, should offset these increased costs;

Third, expand the definition of disabled member to cover anyone receiving a Federal benefit based on a determination of blindness and disability under criteria similar to those used under the Supplemental Security Income Program. Under current law, certain blind or disabled veterans, railroad retirement recipients, and other Federal program beneficiaries are not covered under the definition of disabled member even though they have the same degree of disability as others who are considered blind and disabled for Food Stamp Program purposes. The expanded definition would ensure that all similarly blind or disabled persons who receive benefits under Federal law would be treated the same under the Food Stamp Program;

Fourth, provide for categorical eligibility under the Food Stamp Program for most AFDC and SSI recipients; and

Fifth, require educational grants, loans, and scholarships, to the extent that they cover more than tuition and mandatory fees, to be counted as income if they are provided in the form of a vendor payment. The costs of required textbooks for courses covered by such grants, loans, and scholarships would not be considered mandatory fees for this purpose; therefore, any portion of a grant, loan, or scholarship paid to a educational institution or other supplier on behalf of a student for required textbooks would be considered income for Food Stamp Program purposes.

There are also a number of provisions in the bill that are intended to reduce fraud and abuse in the program and to provide for greater collections by State agencies of overissued benefits. These provisions should provide for better administration of the program by the States.

COMMODITY DISTRIBUTION PROGRAM

S. 1730 would extend, through fiscal year 1989, the Secretary's authority to purchase commodities for distribution to institutions, commodity supplemental food programs, disaster relief areas, summer camps for needy children, needy families on Indian reservations and in the Trust Territory of the Pacific Islands, and other commodity distribution programs.

COMMODITY SUPPLEMENTAL FOOD PROGRAM

The Commodity Supplemental Food Program would also be extended through fiscal year 1989. This program provides food packages of USDA-purchased commodities to low-income pregnant, breastfeeding, and postpartum women, and infants and children up to 6 years of age. The Commodity Supplemental Food Program currently operates in Nebraska and 11 other States as well as the District of Columbia. In addition, the legislation would extend, through fiscal year 1989, three demonstration food projects for low-income elderly persons.

The Secretary would also be authorized to permit State agencies to serve low-income elderly persons when unused caseload slots are available at any of the Commodity Supplemental Food Program sites.

TEMPORARY EMERGENCY FOOD ASSISTANCE PROGRAM

The legislation would extend the temporary Emergency Food Assistance Program through fiscal year 1987.

To assist States in meeting the costs of storing and distributing commodities made available to them under the program, Congress appropriated $50 million for fiscal years 1983 and 1984 and $57 million for fiscal year 1985. Under current law, there is no requirement for the States to match the funds provided for this purpose.

Under S. 1730, annual appropriations of $50 million would be authorized. However, beginning January 1, 1986, any funds provided to a State by the Federal Government from the appropriation would be required to be matched dollar for dollar by the State. No in-kind contributions would be counted as satisfying the matching requirement.

OTHER PROVISIONS RELATING COMMODITY DISTRIBUTION

The legislation would extend the Naitonal Commodity Processing Program through June 30, 1986, and would authorize a public or private nonprofit organization to transfer to another such organization perishable agricultural commodities purchased under section 32 of Public Law 74-320 if the other organization agrees to use the commodities in providing nutrition assistance to low-income individuals without cost or waste.

The provisions of S. 1730 relating to the commodity distribution programs would not have any suifficient budgetary effect.

EXPORT SALES OF DAIRY PRODUCTS

The legislation would require the Secretary of Agriculture to sell, on the international market, 150,000 metric tons of dairy products owned by the Commodity Credit Corporation during each fiscal year 1986 through 1988. The sale prices for these dairy products would be determined by the Secretary.

As of September 1, 1985, the Commodity Credit Corporation had uncommitted inventories of dairy products with a milk equivalent of 9.6 billion pounds. These inventories include 149.6 million pounds of butter, 660 million pounds of American cheese, and 982.4 million pounds of nonfat dry milk.

The sale of dairy products as required by this legislation would help reduce these inventories. It would also generate revenue for the Government and reduce Government storage costs. The Congressional Budget Office's estimate of the 3-year savings from the sale of these products is $331 million.

In recent years, exports of dairy products from the United States has declined from 3,988 million pounds in 1982 to 2,938 million pounds in 1984. The decline can be partially attributed

to the unfair trade practices in the international market.

S. 1730 would allow the United States to compete on a more equal basis with countries that use unfair trade practices to export their dairy products. Such competition from the United States may encourage these countries to enter into negotiations to establish a system for fair and open international dairy trade.

CONCLUSION

Mr. President, the provisions of title I of S. 1730 proposed by the Committee on Agriculture, Nutrition, and Forestry would accomplish savings in excess of the amounts the committee was required to make under its reconciliation instructions. I believe that this legislation is responsible, and I urge my colleagues to join me in supporting its passage.

Mr. DOLE. Mr. President, I understand that if there are quorum calls, the time will be charged equally to both sides under the Budget Act.

The PRESIDING OFFICER. The majority leader is correct.

Mr. DOLE. It would have the effect of reducing the time.

The PRESIDING OFFICER. The majority leader is correct.

Mr. DOLE. That last part was the important part.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DURENBERGER). Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. DOLE. Mr. President, the quorum call has been in place for about an hour. It is being charged equally to both sides on the budget reconciliation measure.

Starting at 2:30, we will have three votes that I know of on motions to table amendments. There has been some advance notice and I hope that those votes will move rather rapidly. It may be possible to reduce the time on the roll calls on the second and third votes to 10 minutes each.

Mr. President, I also met with the President just a few moments ago and he would like very much to have nominations confirmed today. There are over 5,000 nominations pending. They have been held for some time. It is my hope that the distinguished minority leader would have an opportunity today to take up that subject in the Democratic caucus. I can indicate that the President asked me personally to try to speed up the process with reference to all nominations. Hopefully we can dispose of those today.

As indicated, there will not be a late night session tonight because of an engagement that Members on both sides have which starts fairly early this evening. We will probably be in until about 6 or 6:30.

Mr. BUMPERS. Mr. President, will the majority leader yield for a question?

Mr. DOLE. I am plesed to yield.

Mr. BUMPERS. On the question of the Executive Calendar, as I understand it, there are about 5,000 military officers on that. Is that correct?

Mr. DOLE. That is correct.

Mr. BUMPERS. Has an offer been made by the minority leader to let those go through?

Mr. DOLE. There was an offer last week to let those go through, but not some 70 or 80 others on the calendar, yes. I do not see any reason to hold any of them up. We had a meeting with White House counsel and agreed to a suggestion made by distinguished minority leader that if there are any recess appointments to be made, both majority and minority leaders be advised well in advance so they would have an opportunity to do or say something. That seemed to satisfy everyone there. I hope that, based on that understanding, those nominations can be released, unless there is some specific reason not to do so.

Obviously, if a Senator or Senators have problems with a nominee, they have no obligation to do anything except to bring it up and have a vote on it.

Mr. BUMPERS. Mr. President, I know the majority leader knows there has been strong feeling on this side about recess appointments. That is the reason for the donnybrook. I was hoping that whole thing could be compromised but I was also hoping that at least until it was, confirmation on these military appointments could go forward. We could do that in about 5 minutes and get these military officers off the calendar. I am not involved in that debate and I do not presume to speak for the minority leader. He is quite capable of handling any discussion on that point.

Mr. DOLE. the proposal on military officers was only made a few days ago. They have been held for quite some time, around 30 days. There are a number of others that have been held for some time. We do not want to quarrel about it. We would just as soon let them go, let everyone go, unless there are some specific objections. We have one on this side, one nominee for ambassador that we have not been able to clear.

Mr. BUMPERS. He is the one I would like to see let go, Mr. President.

Mr. DOLE. I share that feeling.

Mr. BUMPERS. Would the majority leader yield further?

Mr. DOLE. Yes, I yield.

Mr. BUMPERS. We are on the reconciliation bill right now. I had a 5- or 10-minute statement I wanted to deliver on the agriculture appropriation bill, unless somebody else wants to speak on the reconciliation bill right now, I wonder if we could get an agreement to let me speak until someone comes to present something on the reconciliation bill.

Mr. DOLE. Sounds like a winner to me.

Mr. BUMPERS. I would like to make that request, Mr. President, with the time to be charged equally on both sides as it is on the reconciliation bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

AGRICULTURE APPROPRIATIONS, 1986

The Senate continued with consideration of the bill.

Mr. BUMPERS. Mr. President, later today, there will be a vote on a motion made by Senator COCHRAN, chairman of the Agriculture Appropriations Subcommittee, to table the Helms amendment. It is a rather broad amendment which I strongly oppose. As I understand it, he tries to make the agriculture appropriations figures conform to a yet unpassed agriculture authorization bill. I am extremely concerned about a lot of items there but perhaps none more than the Farmers Home Administration Water and Sewer Facility Loans Program and the Rural Water and Waste Disposal Grants Program.

Mr. President, I am very pleased that H.R. 3037, the fiscal year 1986 agriculture appropriations bill, includes an amendment I offered that was accepted during the committee's markup providing level funding—in effect a funding freeze instead of a rather dramatic cut—for two vitally important programs included in the Farmers Home Administration's rural development insurance fund. The water and sewer facility loans and rural water and waste disposal grants enable thousands of rural communities to have a means of obtaining essential water and sewer services which they couldn't otherwise afford. The bill now contains $340 million for the Water and Sewer Facility Loans Program and $115 million for the Rural Water and Waste Disposal Grants Program. These levels are the same as those included in the House bill and the same level provided for both programs in fiscal year 1985. I certainly recognize the need for spending restraint and commend the chairman and ranking minority member on their fine efforts to report a good bill under such difficult circumstances. I do want to emphasize that these particular funding levels do not bust the budget, but

rather merely maintain the programs at last year's levels.

If the Helms amendment should prevail, the $340 million for the Water and Sewer Facilities Loans Program for rural areas would be reduced to $75 million and the $115 million in the Rural Water and Waste Disposal Grants Program would be totally eliminated. I want to make a few points to dramatize to my colleagues how important, how absolutely essential, these programs are to rural America.

I speak as a Senator from a rural, agricultural State. Given the current critical state of the rural economy, State and local resources for even the most vital services such as water and waste disposal are extremely limited. For rural communities, which are defined as "having a population of 20,000 citizens or less," the Farmers Home Administration is frequently the only available source of assistance.

To qualify for FmHA rural water and waste disposal grants, the median family income of the area must be a mere $10,650 or less. That is almost below the poverty level. As of August 1984, at least 50 percent of Arkansas' water and waste projects required significant funding assistance from FmHA grants. Even with these funds, monthly water bills average $18 to $20 per customer. That monthly obligation can be a severe strain to those families earning $10,650 or less. It is highly unlikely in such poor areas that any significant local funds exist to replace cuts in Federal funds. Available State funds must be shared with urban areas, which have their own unique needs.

In Arkansas, the State Soil and Water Conservation Agency is the only agency putting State money into rural areas for assistance with these important needs. That agency has only $2 million available for fiscal year 1986; $2 million becomes pretty thinly stretched when it is distributed among many communities, all of which have dire needs for clean water and adequate waste disposal, due to critical ground water contamination problems.

In my State, since 1963, we have funded at least 530 programs with these FmHA loans, and 50 percent of them qualified for grants as well. If you want to know what Senator HELMS' proposal will do to a State like Arkansas, and I know I speak for a lot of other agricultural States as well, here is an illustration.

The amendment of the Senator from North Carolina reduces the loan program from $340 million to $75 million for the entire Nation. You might as well eliminate the whole thing if you are going to make cuts like that. Right now, the Farmers Home Administration in the State of Arkansas has somewhere between 140 and 150 preapplications on their desk. A significant percentage of them will qualify for loans. A minimum of $75 million, and possibly over $100 million, will be needed just in the State of Arkansas alone to fund the programs that meet the qualifications and the criteria. What the Helms amendment would do is reduce this entire program to only $75 million for all 50 States, when my State alone has a demonstrable need for that amount of money for only part of the applications on file.

Last year, it was discovered in the little community of Green Forest, AR, which has a population of about 1,000 to 1,500 people, that the underground wells which were used for their municipal water supply were polluted. The National Guard carried water to that area for 6 months. Why? The Farmers Home Administration said the income level out there was too high. It was just a little above this $10,650 figure. Finally, the Farmers Home Administration worked out a solution to the problem so these people could get a Farmers Home grant and solve their pollution problem.

As more and more of our underground water supplies are contaminated in rural areas from toxic waste, polluting industries, and what have you, the need for these funds grows more acute. It has become a convenient way to oppose something in this body to call it a budget buster.

We all know what budget constraints are. You cannot get any money for education, and yet the illiteracy rate in this country continues to go up. We are the only developed Nation on Earth that has a continually rising illiteracy rate. It is the shame of the Nation. And the poverty rate among children under 18 years of age in the States has grown to 22 percent since the mid-1960's. Every time you try to do something about those very serious problems, you are accused of being a bleeding-heart liberal trying to bust the budget.

Ask the taxpayers of this Nation what is important to them. They will tell you that they believe in a strong defense, but they will also tell you that they believe in education and our children's future. They will tell you that they believe in cleaning up these toxic waste dumps and helping people solve their water and waste water treatment facility problems.

You may get an argument on Amtrak. You may get an argument on the urban development action grants or the community development block grants. You may get arguments on the National Endowment for the Humanities. Those are all nice, and I support them. But we are talking about the most basic needs of people here. We are talking about human needs, essential needs.

The other day, testimony for the National Institutes of Health was presented before the committee which Mr. WEICKER chairs. There was about $126 million in the bill for research on AIDS, which has the potential for being a real blight on civilization if it is not conquered. Senator WEICKER told the witness, "You tell us what you want, and we will give it to you." Not many people in this country will oppose that, because we all know the potential disaster that AIDS holds for this entire Nation.

So everything around here is always a matter of priorities. There are priorities that the American taxpayers do not object to seeing their money spent for, and those are to save lives and to prevent further polluting. They believe in trying to bring all the people of this country up to a high standard.

So I trust and certainly hope that our colleagues will vote to table the Helms amendment. Because citizens of rural communities continue to have critical water and waste disposal needs and health needs, I believe it is crucial that the important FmHA loan and grant programs be maintained at existing levels.

I want to express my appreciation to my colleagues on the Appropriations Committee for their support of my efforts to see these funding levels continued, and to ask them now to vote to table that amendment.

Mr. President, another program of vital importance to my State and several others across the South is the Brucellosis Eradication Program. Brucellosis is a serious infectious disease that mainly affects cattle, although it may affect humans. In cattle, it causes a somewhat reduced growth rate and abortion. In Arkansas, which continues to be one of the most seriously infected States, brucellosis causes losses of $5 million in direct production per year.

The centerpiece of the Brucellosis Eradication Program is the quarantine and herd examination process. Once an infected herd is located, the whole herd is quarantined and clearly infected cattle are given a "B" brand and slaughtered within 15 days. This program is of critical importance to States such as Arkansas, Mississippi, Florida, Oklahoma, Alabama, Texas, and Louisiana. Florida, for example, has had an infected herd rate of 28.79 per 1,000. At least 4,585 herds nationally have been quarantined.

Arkansas has made some progress in dealing with the problem because of tough State laws and a concerted Federal and State effort. In July 1984, Arkansas had 572 infected herds. By last month that had dropped to 400, still a very serious problem. We are making progress, but I certainly don't believe that warrants cutting funds now for this successful program. The House-passed bill includes $73.4 million for brucellosis eradication, and the Senate's bill includes $63.5 million.

I had given serious consideration to offering a floor amendment to increase funding in the Senate bill to the House-passed level. This would not have been an increase in funding over fiscal year 1985, but would in effect have been a funding freeze. Again, I recognize and respect the severe budgetary restraints the chairman was under in reporting this bill, and I know he, too, is keenly aware of the serious nature of the problem.

I therefore do not intend to offer an amendment to increase funds for this program. However, I would like to urge that the Senate's conferees give every consideration to concurring with the House's funding level during conference. If the Senate's 13- to 14-percent cut is implemented, we might expect a corresponding increase in the number of infected herds in Arkansas, Mississippi, Texas, Florida, and across the entire South. The modest budget savings that would be achieved would not be worth the devastating costs incurred.

Mr. President, I thank you for the opportunity to express my concerns on these issues of critical importance to citizens throughout rural Arkansas and rural America.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 779

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Mississippi to lay on the table the amendment of the Senator from Wisconsin.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. DECONCINI (when his name was called). Mr. President, on this vote I have a pair with the distinguished Senator from Iowa [Mr. HARKIN]. If he were present and voting, he would vote "aye." If I were at liberty to vote, I would vote "nay." Therefore, I withhold my vote.

Mr. SIMPSON. I announce that the Senator from Rhode Island [Mr. CHAFEE], the Senator from Nevada [Mr. LAXALT], and the Senator from Alaska [Mr. MURKOWSKI] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Delaware [Mr. BIDEN] and the Senator from Iowa [Mr. HARKIN] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 66, nays 28, as follows:

[Rollcall Vote No. 223 Leg.]

YEAS—66

Abdnor	Garn	Mathias
Andrews	Glenn	Matsunaga
Boschwitz	Goldwater	McClure
Bumpers	Gore	McConnell
Burdick	Gorton	Melcher
Byrd	Grassley	Metzenbaum
Chiles	Hart	Packwood
Cochran	Hatch	Pressler
Cohen	Hatfield	Pryor
Cranston	Heflin	Riegle
D'Amato	Heinz	Rockefeller
Danforth	Hollings	Sarbanes
Denton	Inouye	Sasser
Dixon	Johnston	Simon
Dodd	Kassebaum	Specter
Dole	Kasten	Stafford
Domenici	Kennedy	Stennis
Durenberger	Kerry	Stevens
Eagleton	Lautenberg	Thurmond
Evans	Leahy	Wallop
Exon	Levin	Weicker
Ford	Long	Zorinsky

NAYS—28

Armstrong	Helms	Quayle
Baucus	Humphrey	Roth
Bentsen	Lugar	Rudman
Bingaman	Mattingly	Simpson
Boren	Mitchell	Symms
Bradley	Moynihan	Trible
East	Nickles	Warner
Gramm	Nunn	Wilson
Hawkins	Pell	
Hecht	Proxmire	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

DeConcini, against

NOT VOTING—5

Biden	Harkin	Murkowski
Chafee	Laxalt	

So the motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mrs. HAWKINS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

(Later the following occurred:)

Mr. LAUTENBERG. Mr. President, this is just a unanimous consent request to change a vote that I cast before on tabling the Proxmire motion. I ask unanimous consent to have that vote changed from nay to yea. It will not affect the outcome of the vote, and I appreciate getting unanimous consent to make that change.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The foregoing tally has been changed to reflect the above order.)

AMENDMENT NO. 780

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Mississippi to lay on the table the amendment of the Senator from North Carolina. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Rhode Island [Mr. CHAFEE], the Senator from Nevada [Mr. LAXALT], and the Senator from Alaska [Mr. MURKOWSKI] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Iowa [Mr. HARKIN] and the Senator from Delaware [Mr. BIDEN] are necessarily absent.

I further announce that, if present and voting, the Senator from Iowa [Mr. HARKIN] would vote "yea."

The PRESIDING OFFICER (Mr. BOSCHWITZ). Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 68, nays 27, as follows:

[Rollcall Vote No. 224 Leg.]

YEAS—68

Abdnor	Ford	Melcher
Andrews	Glenn	Metzenbaum
Baucus	Gore	Mitchell
Bentsen	Gorton	Moynihan
Bingaman	Grassley	Nickles
Boren	Hart	Nunn
Bradley	Hatfield	Packwood
Bumpers	Heflin	Pell
Burdick	Heinz	Pressler
Byrd	Hollings	Pryor
Chiles	Inouye	Riegle
Cochran	Johnston	Rockefeller
Cohen	Kassebaum	Sarbanes
Cranston	Kasten	Sasser
D'Amato	Kennedy	Simon
Danforth	Kerry	Specter
DeConcini	Lautenberg	Stafford
Dixon	Leahy	Stennis
Dodd	Levin	Stevens
Durenberger	Long	Trible
Eagleton	Mathias	Weicker
Evans	Matsunaga	Zorinsky
Exon	McConnell	

NAYS—27

Armstrong	Hatch	Quayle
Boschwitz	Hawkins	Roth
Denton	Hecht	Rudman
Dole	Helms	Simpson
Domenici	Humphrey	Symms
East	Lugar	Thurmond
Garn	Mattingly	Wallop
Goldwater	McClure	Warner
Gramm	Proxmire	Wilson

NOT VOTING—5

Biden	Harkin	Murkowski
Chafee	Laxalt	

So the motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I ask unanimous consent that the next vote be 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. HATCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 781

The PRESIDING OFFICER. The question now is on agreeing to the motion of the Senator from Mississippi [Mr. COCHRAN] to lay on the table the amendment (No. 781) of the Senator from Tennessee [Mr. GORE].

The vote on this motion has an agreed limitation of 10 minutes. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Rhode Island [Mr. CHAFEE], the Senator from Nevada [Mr. LAXALT], and the Senator from Alaska [Mr. MURKOWSKI] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Delaware [Mr. BIDEN] and the Senator from Iowa [Mr. HARKIN] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 18, nays 77, as follows:

[Rollcall Vote No. 225 Leg.]

YEAS—18

Abdnor	Gorton	Kassebaum
Armstrong	Gramm	Mathias
Boschwitz	Hatch	McClure
Cochran	Hawkins	Nickles
Denton	Hecht	Symms
East	Helms	Wallop

NAYS—77

Andrews	Goldwater	Nunn
Baucus	Gore	Packwood
Bentsen	Grassley	Pell
Bingaman	Hart	Pressler
Boren	Hatfield	Proxmire
Bradley	Heflin	Pryor
Bumpers	Heinz	Quayle
Burdick	Hollings	Riegle
Byrd	Humphrey	Rockefeller
Chiles	Inouye	Roth
Cohen	Johnston	Rudman
Cranston	Kasten	Sarbanes
D'Amato	Kennedy	Sasser
Danforth	Kerry	Simon
DeConcini	Lautenberg	Simpson
Dixon	Leahy	Specter
Dodd	Levin	Stafford
Dole	Long	Stennis
Domenici	Lugar	Stevens
Durenberger	Matsunaga	Thurmond
Eagleton	Mattingly	Trible
Evans	McConnell	Warner
Exon	Melcher	Weicker
Ford	Metzenbaum	Wilson
Garn	Mitchell	Zorinsky
Glenn	Moynihan	

NOT VOTING—5

Biden	Harkin	Murkowski
Chafee	Laxalt	

So the motion to lay on the table was rejected.

Mr. GORE. Mr. President, I ask unanimous consent that Senator GOLDWATER, Senator METZENBAUM, and Senator BINGAMAN be added as original cosponsors of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORE. Mr. President, it is not my intention to ask for the yeas and nays on the amendment itself unless someone else does.

I yield back the time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee.

The amendment (No. 781) was agreed to.

Mr. GORE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. COCHRAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEVIN. Mr. President, I would like to discuss a problem related to the Commodity Supplemental Food Program with the chairman. Focus: HOPE, a nonprofit organization operating a CSF Program in Detroit, has experienced a deficit during fiscal year 1985 as a result of distributing cheese and other bonus commodities that are technically not a part of the food package for mothers and infants. Current law provides administrative funds for the distribution of only those items administratively designated as part of the food package. As a result, bonus commodities which are being distributed by Focus: HOPE to needy persons just like every other commodity in the food package are not being taken into account in determining the level of administrative funding for the CSF Program.

Although the current law does not provide administrative funds for the distribution of these bonus items, in practice food program operators have received administrative funds from the USDA every year since 1982. In fiscal year 1982 and 1983, CSF Program operators received 15 percent of the value of these bonus commodities for administrative expenses after the Congress approved special appropriations to take care of the problem. In fiscal year 1984, the USDA administratively provided 5 percent of the value of the bonus commodities to offset administrative costs incurred by program operators.

Furthermore, the House farm bill contains a provision which would amend the administrative funding formula for the Commodity Supplemental Food Program to include all commodities distributed to program recipients. This issue will therefore be resolved in the farm bill and all CSF operators will have fair warning of congressional policy with respect to bonus commodities.

I am told that there are funds remaining from the CSFP appropriations for fiscal year 1985. Does the chairman of the Subcommittee on Agriculture Appropriations agree that any unspent funds should be used by the Secretary of Agriculture to reimburse Commodity Supplemental Food Program operators for administrative costs they incurred by distributing bonus commodities that are not a regular part of the CSFP food package?

Mr. COCHRAN. The Senator from Michigan is correct. In practice, CSF Program operators have been receiving administrative funds for the distribution of bonus commodities that are not a regular part of the food package. Hopefully, this issue will be resolved in the farm bill. I agree with the Senator from Michigan that in the interim, the Department of Agriculture should use any unspent funds from fiscal year 1985 for the Commodity Supplemental Food Program to reimburse CSFP operators for the administrative costs associated with storing and distributing bonus commodities that are not a regular part of the CSFP food package.

Mr. RIEGLE. Mr. President, along with my colleague from Michigan, I would also like to share my thoughts on this issue with the chairman of the subcommittee. As you know, Focus: Hope has incurred a deficit for fiscal year 1985 because they have distributed bonus commodities, like cheese and nonfat dry milk, that are not a regular part of the Commodity Supplemental Food Program. Under current law, administrative funding is not provided for the distribution of bonus commodities not considered a part of the Commodity Supplemental Food Program. We have been unsuccessful in past attempts to change this administrative formula to be based on the value of all commodities actually received. As a result, we have had to ask for additional funds each year to cover the debt. These funds have been provided from any left over moneys from the Commodity Supplemental Food Program during that fiscal year.

Focus: Hope is the largest Commodity Supplemental Food Program in the Nation for pregnant and post-pregnant mothers, infants and preschool children. Each month Focus: Hope distributes U.S. Department of Agriculture commodities to more than 47,000 low-income persons, on prescription from 450 cooperating clinics, hospitals and health service agencies. Study after study has shown that the Commodity Supplemental Feeding Program is effective in meeting the essential needs of its participants at the least possible cost to the Government.

In addition, studies have proven the program's effectiveness in reducing infant mortality, morbidity, and the incidence of low birthweight babies, virtual elimination of anemia among children, and assurance of normal height and weight growth patterns. For these reasons, I urge the chairman to provide any remaining funds from the Commodity Supplemental Food Program during fiscal year 1985 to be made available to Focus: Hope to cover their deficit.

AMENDMENT NO. 782

(Purpose: To provide additional appropriations to the Food and Drug Administration for activities related to acquired immune deficiency syndrome (AIDS))

Mr. CRANSTON. Mr. President, on behalf of myself and Senator RIEGLE, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from California [Mr. CRANSTON], for himself and Mr. RIEGLE, proposes an amendment numbered 782.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the read-

ing of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 57, line 10, strike out the first amount and insert in lieu thereof an amount that is $3,385,000 greater.

Mr. CRANSTON. Mr. President, this amendment would provide additional funds for the Food and Drug Administration for AIDS-related activities. Specifically, the amendment would add $3.385 million to the fiscal year 1986 appropriation for the FDA to enable it to keep pace with the acceleration in AIDS research. My understanding is that a supplemental budget request from FDA is now pending at OMB for this amount. I have discussed this amendment with the distinguished Chairman [Mr. COCHRAN] and ranking minority member [Mr. BURDICK] of the Appropriations Subcommittee on Agriculture, Nutrition, and Forestry, and understand that they are prepared to acccept it.

Mr. President, only $6.63 million was initially requested by the administration for AIDS-related activities—$2.2 million less than the amount appropriated for the FDA for this purpose in fiscal year 1985. Yet, during fiscal year 1986, our Nation's scientists will be greatly accelerating their research efforts in order to find effective treatments for AIDS patients.

In this connection, I am very pleased to note that the fiscal year 1986 Labor-HHS-Education-Related Agencies Appropriations Act, H.R. 3424, as reported from the Appropriations Committee on October 4, includes a total of $205 million for AIDS research and public health activities. That measure should be before the Senate shortly. I congratulate the chairman of the Labor/HHS Subcommittee [Mr. WEICKER] for proposing that level, which would increase the AIDS budget in that measure by $87 million over the administration's amended budget request.

That increase in the Labor/HHS bill was a result of testimony received at a Labor/HHS Appropriations Subcommittee hearing on AIDS on September 26—2 days after the full committee reported the Agriculture Appropriation Act, H.R. 3037—and consultations between the distinguished subcommittee chairman [Mr. WEICKER] and individual researchers, During that hearing, the Acting HHS Assistant Secretary for Health, Dr. James Mason, testified that he had requested an additional $70 million for AIDS activities, although that request has not yet been forwarded to the Congress. His request included the $3.385 million for the FDA that I am now proposing.

Of the additional funding included in the Labor/HHS appropriations measure, $57 million will be used by the National Institutes of Health to initiate and expand several AIDS research projects. Specifically, this funding will enable scientists to make an accelerated effort to see that promising drugs—to inhibit the virus which causes AIDS, to stimulate the immune system, and to treat "opportunities" infections—are vigorously pursued and properly tested.

It is anticipated such an effort to find safe and effective AIDS treatments will stimulate many new drug applications and investigational new drug submissions. The FDA must be ready to respond as quickly as possible to these product applications.

In addition, the Labor/HHS Appropriations Act for fiscal year 1986 as reported includes $6.9 million for the Centers for Disease Control to fund the purchase and distribution of drugs for the treatment of AIDS patients not included in the NIH clinical trials. When a drug is determined to be safe and effective for the treatment of AIDS, but before it is licensed by FDA, the drugs will be made available for the treatment of AIDS patients under a treatment IND to help improve the quality of life of the people with AIDS. Because of the severity of the AIDS illness, these IND applications necessitate immediate action by the FDA.

The additional $3.385 million I am proposing would enable the FDA to carry out effectively its work in the screening, testing, and approving of drugs for treating AIDS, of vaccines, and of blood-screening tests.

Mr. President last year, at just about the same time, we were faced with a similar situation. The Senate had recently completed action on the fiscal year 1985 Labor/HHS Appropriations Act. I had offered an amendment to that measure, which was accepted, to add $14.6 million for AIDS research. (CONGRESSIONAL RECORD, S11800 daily ed. Sept. 25, 1984.) These funds had been recommended by the then-Assistant Secretary for Health, Dr. Edward N. Brandt, Jr., in a May, 1984 memorandum. Although Dr. Brandt's request for additional AIDS funding was never formally transmitted to Congress, Congress recognized his expertise, as the highest ranking individual in the Federal Government, in assessing the overall needs of the Federal AIDS Research Program and heeded his recommendations. When the continuing resolution was considered on October 3, 1984, I offered an amendment to increase the FDA's budget for AIDS by $8.35 million. This amendment, too, was derived from Dr. Brandt's recommendation, and, again, it was accepted. (CONGRESSIONAL RECORD, S13003, daily ed. Oct. 3, 1984.) Those funds were urgently needed to fill out the research package that Dr. Brandt had compiled; the additional funding gave FDA the capacity to keep pace with the rapid movement then underway on AIDS.

Mr. President, in a similar fashion, the amendment I offer today will serve to bring the budget for FDA's AIDS activities in line with that of the other Public Health Service agencies. It would be tragic if our ability to provide AIDS patients with effective treatments were needlessly delayed because the FDA did not have the means to screen and approve the necessary drug applications.

Mr. President, the additional amount I am seeking is modest, but the stakes are very high. It is absolutely essential to finding the means to treat and, ultimately, prevent and cure the AIDS. As our Nation's biomedical scientists move forward in finding treatments for AIDS, the FDA must have the resources to facilitate that progress.

Therefore, Mr. President, I urge my colleagues to support this vitally important amendment. Adoption of this amendment is one more important step in our efforts to halt the spread of this killer disease.

Mr. COCHRAN. Mr. President, I understand that this amendment would provide funding for 31 full-time employees to conduct in-house work and to provide funds for related equipment and support.

I further understand that there is a request for this funding now pending at the Office of Management and Budget.

We have no objection to the amendment, Mr. President, and we urge the Senate to approve it.

Mr. CRANSTON. Mr. President, I am very grateful to the distinguished floor managers for their assistance on this amendment and for agreeing to it.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment of the Senator from California.

The amendment (No. 782) was agreed to.

Mr. CRANSTON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. COCHRAN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SASSER. Mr. President, earlier this year, the junior Senator from Tennessee [Mr. GORE] and I brought a proposal to the attention of the chairman of the Agriculture Subcommittee to initiate funding for a Center for Appropriate Technology Transfer for Rural Areas.

Mr. President, an ATTRA Center would proving a useful and cost-effective tool to the American farmer at a time of severe need for assistance, including technical assistance. After careful study, I have concluded that such a center would be a wise expendi-

ture of taxpayers' dollars and would yield substantial benefit to the American farmer and, thus, the American consumer.

Mr. GORE. If the distinguished senior Senator will yield, I would like to add my strong support for a Center for Appropriate Technology Transfer for Rural Areas. This Center would establish a much needed data base of national and international technologies on rural resource management, including soil and water conservation, energy efficiency, sustainable agriculture, water quality management, and land management. The center would further provide specialized, site-specific technical assistance on these resource management technologies. The center staff would work closely with existing agencies and would complement their activities. A complete data base of this nature and a staff of specialists trained to work with rural communities, farmers, extension agents, and others in applying appropriate technologies currently do not exist.

Mr. SASSER. I thank the Senator for his comments. Let me say that I endorse his comments and would add that I hope the chairman of the subcommittee will carefully consider our proposal in a later appropriations measure.

Mr. COCHRAN. I thank the Senators from Tennessee for bringing this matter to my attention. As you are aware, the appropriations committee has had to make some difficult decisions in order to live within the budget resolution constraints. Unfortunately, we have had to make reductions in many USDA programs. In view of the need to cut the Federal budget, the committee was unable to approve funding the proposal for an ATTRA Center. However, I do want to assure my colleagues from Tennessee that we will carefully consider this matter when the opportunity to initiate new programs is established.

Mr. SASSER. I thank the chairman of the subcommittee for his comments. Many valuable programs are going unfunded this year because of the severity of the budget crisis. The ATTRA Center is one of them. I just want the chairman to know that I believe such a center could provide American farmers some very valuable and necessary assistance. The American farmer faces an uncertain future. He will need every tool at his disposal. He will need to adopt appropriate technologies and will need the kind of assistance that would be provided by an ATTRA Center.

Mr. GORE. If the Senator would yield further, I would add that an ATTRA Center would provide farmers and rural communities valuable assistance about cost-saving technological developments at a time when the Nation's farmers clearly would benefit from such assistance. I understand that because of the extremely serious nature of the current deficit, many worthy programs cannot be funded and others will have their funding reduced. However, I thank the chairman for having given this proposal the serious consideration it deserves and for his willingness to consider it further at the appropriate time.

Mr. COCHRAN. Mr. President, we have under the unanimous-consent agreement limited amendments that can be offered.

I might state to the Senate that the colloquy that was entered into the RECORD a few moments ago between Senator LEVIN and myself took care of the issue that was to be raised by the distinguished Senator from Michigan.

I understand that we have two or three other amendments under this agreement that have not been offered, that may be offered: An amendment to be offered by the Senator from Indiana, Senator QUAYLE, dealing with cargo preference; an amendment to be offered by Senator DIXON, of Illinois, dealing with a plant and animal science research center; and an amendment to be offered by the Senator from Iowa [Mr. GRASSLEY] which deals with the Agricultural Policy Institute.

We have now completed action on all of the other amendments in the unanimous-consent agreement.

I hope that we can now complete action on these remaining three amendments and then go to final passage of the bill.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DIXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 776

Mr. DIXON. Mr. President, I wonder if the distinguished manager of the bill would yield for a series of questions?

Mr. COCHRAN. Mr. President, I am happy to yield to the Senator from Illinois. I understand the Senator has an amendment which would provide for a $3 million appropriation for a plant and animal science research center. We are hoping that we can discuss that proposal and that the Senator will agree to withhold the offering of the amendment or to withdraw the amendment. I do not think the amendment is at the desk.

Mr. DIXON. I say to my colleague, the manager of the bill, that the amendment is at the desk. It is amendment No. 776 to H.R. 3037.

Mr. President, I say to the distinguished manager, I express on behalf of my colleague, the junior Senator from Illinois [Mr. SIMON] and myself the profound respect for the important work that he and the manager on this side, Mr. BURDICK, are doing in respect to this legislation.

I think my colleague knows that this particular subject matter is included in the House bill. My understanding is that my colleague and friend from Mississippi has talked to his old friend and colleague from the House side, Representative ED MADIGAN, who supports this amendment with great enthusiasm. I believe this $3 million, to be used for the planning, design, and development of a plant and animal science research center at the University of Illinois—located in Champaign-Urbana, IL, which, I tell my colleague, is my alma mater—is of great importance to our State. My colleagues on the House side, particularly his old friend, ED MADIGAN, has suggested that I talk to him about the importance and the merits of this legislation.

Mr. COCHRAN. Mr. President, let me say to my colleague that I had an opportunity to talk by telephone just a few minutes ago with my good friend, Representative ED MADIGAN, who had requested an appropriation on the House side for this plant and animal science research center. He tells me that this is an important project. I am sure that it is and could provide many benefits in the area of plant and animal science research.

Our problem with the amendment here is not whether this is a worthy project or has merit; I am sure that it does. We are constrained by the budget resolution and the 302(b) allocation that we have had imposed upon the subcommittee's prerogatives. We have tried to live within those guidelines and targets, and we have, by and large.

Let me say, Mr. President, that in spite of that, we will have an opportunity to discuss this issue with the House conferees when we meet to work out the differences between the House- and Senate-passed bills. I hope we can reach agreement on many of the differences that do exist in the bill. That is one that will be subject to discussion.

Let me say to my friend that it will have a high priority in our discussions. I am not able to make a commitment that we will come out of conference with an agreement to provide these funds, but for my part, I shall have an open mind about it and shall remember the discussions that I have had with the Senator from Illinois [Mr. DIXON] about the project and his interest in it and his strong feeling that it is important that it be included in the bill.

Mr. President, I hope the amendment can be withdrawn with the assurance that it will be looked at carefully, it will be a matter of discussion

with the House conferees, and we shall try to work out something that is satisfactory. I hope we can. If he could accommodate us on this, it would be appreciated.

Mr. DIXON. Mr. President, may I say to my warm friend from Mississippi that all of us have such great and profound respect for him as the manager of this bill and for the manager on our side, the distinguished Senator from North Dakota [Mr. BURDICK], and I appreciate the expressions of interest in this matter by the Senator from Mississippi. I express the thanks of my colleague [Mr. SIMON] and myself and Representative ED MADIGAN and others on the House side, Representative BRUCE from the affected district and others, and Representaive DURBIN as well. We thank the Senator for his indication that this will have a high priority and will receive his careful evaluation in the conference.

On that basis, Mr. President, we are willing at this time to withdraw this amendment with our profound appreciation for the managers' consideration of the matter in conference.

Mr. COCHRAN. Mr. President, I thank the Senator.

The amendment (No. 776) was withdrawn.

Mr. COCHRAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COCHRAN. Mr. President, we have been operating under a unanimous-consent agreement providing that certain amendments would be the only amendments in order to H.R. 3037, the agriculture appropriations bill. All of them have been disposed of except an amendment to be offered by the Senator from Indiana [Mr. QUAYLE], and an amendment to be offered by the Senator from Iowa [Mr. GRASSLEY].

The managers of the bill have been advised that neither Senator QUAYLE nor Senator GRASSLEY intend to call up and offer their amendments. We had been advised by the Senator from Washington [Mr. GORTON], that he had an amendment that he was interested in offering. His amendment is not listed among those amendments that are in order to be offered.

At this point we are prepared to go to third reading. But I do not want to cut anyone off, or to in any way impinge upon the rights of any Senator either under the unanimous-consent agreement or otherwise. It is my purpose in rising to address the Senate now to state that it will be the intention of the managers of the bill, unless otherwise notified by those who are listed in the unanimous-consent agreement, to go on to third reading, and dispose of the bill. If there is any further debate on the bill, of course, Senators are not cut off. We have a right to discuss the provisions of the bill.

But I make that announcement, Mr. President, and say that it is the intention of the manager to go to third reading, unless we are notified that there are other amendments.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. PRESSLER). Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the following nominations on the Executive Calendar: under the Navy, Calendar Nos. 372, 373, 374, 375, and 376; under the Judiciary, Calendar Nos. 380 through 386; Calendar No. 387, No. 388, Nos. 389 through 391, No. 392, Nos. 396, 397, and 398, No. 399, Nos. 400 through 406, No. 407, No. 408, Nos. 409 through 413, No. 417, skipping 414, 415, and 416; Calendar Nos. 417, 418, 419, and No. 421.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Mr. President, reserving the right to object.

Mr. DOLE. Calendar Nos. 423, 424, 425, 426, and 427; Nos. 428, 429, and 430; Nos. 431, 434, 435, 437, 438, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, and 461.

Under the Army, Calendar No. 463 and all nominations placed on the Secretary's desk.

Mr. BYRD. Mr. President, reserving the right to object, if the distinguished majority leader would indulge me, I wrote a letter to the President last year and I also wrote to the President in July of this year expressing concern about recess appointments, at the instructions of the Democratic Conference. I received no response to the letters, the last of which, I think, was dated July 30 of this year.

I spoke to the distinguished majority leader about the matter and indicated that the White House had not responded to the letter which I had written at the instruction of the Democratic Conference.

About 1 or 2 days after I had spoken to the distinguished majority leader, I received a response from the White House, for which I was grateful, and for which I thank the majority leader. I am not at all sanguine as to whether or not, but for the majority leader's intervention, the White House would have responded at all.

I had indicated a readiness to discuss the subject of recess appointments with representatives of the White House and on two occasions I had had to cancel such appointments because of business on the floor which kept me occupied. On last Thursday a meeting was arranged in my office with Mr. Fielding and Mr. Friedersdorf. I invited the distinguished majority leader, and he came and was there awhile and then he had to leave.

The representatives who were in my office from the White House, Mr. Friedersdorf and Mr. Fielding, indicated, in response to a question that I asked as to whether or not there were any recess appointments planned during the Columbus Day break, that they knew of none but would double check. Indeed, no such appointments were planned and no recess appointments occurred.

They also, in response to a request that I voiced, indicated that in the future, prior to any recess breaks, the White House would inform the majority leader and me of any recess appointment which might be contemplated during such recess. They would do so in advance sufficiently to allow the leadership on both sides to perhaps take action to fill whatever vacancies that might be imperative during such a break.

As I stated to Messrs. Friedersdorf and Fielding, I did not question or challenge the President's right under the Constitution to fill vacancies that may happen during such a recess; however, I did not feel that the Senate should be circumvented in its constitutional role of advice and consent; that I felt on behalf of my colleagues, there have been entirely too many recess appointments and all too often they had been made in situations which were not of an emergency nature or of a nature that such recess appointments could be justified.

The White House response was satisfactory to me, and that response was made while the distinguished majority leader was present; namely, that he and I would be informed in the future, prior to a recess, if there were any plans to make recess appointments or if there were any offices, the filling of which constituted an emergency or it were imperative that action be taken before the Senate would return from its recess. My colleagues and I thought the responses were satisfactory. I brought them to the attention of my conference earlier today and there seemed to be all-around satisfaction as to the work that had been done and the results that had been produced.

Mr. METZENBAUM was present in my office upon that occasion, Mr. INOUYE and Mr. CRANSTON were there—that having been the ad hoc committee which I appointed in conference to work with me on this matter.

Now, on last Thursday, late in the day, following that meeting with administration officials, the distinguished majority leader and I had a colloquy on the Senate floor about the appointments of certain nominees that were on the calendar. I indicated that we on this side were ready to give our approval to 16 out of 17 judgeship nominations that were on the calendar, also to 5,000, perhaps, 5,600—in any event, circa 5,000—military nominations. We were ready to confirm them. I also indicated that we were ready to confirm the nominee for the Ambassadorship to the People's Republic of China. As it turned out, however, that particular nominee had not been cleared on the other side of the aisle.

Mr. DOLE stated that the White House had requested of him that unless all of the nominations on the calendar—with the possible exception of one here or one there, against whom a particular Senator or group of Senators had placed a hold—none should be confirmed. The White House felt that all of the other nominations ought to be cleared and that if all could not be cleared then the White House would not want any to be confirmed as of that date. The indication was that the White House felt that to confirm some and leave others on the calendar would be prejudicial or discriminatory toward those remaining on the calendar.

The majority leader was not, as far as I am concerned, voicing his personal opinion. I think he was voicing the White House's wishes. I do not find any fault with him for that. He had been in touch with the White House and that was the position that they took, that is, all or nothing. So I said, "Well, OK, if that is the way they want it, it is OK with me. We are ready to go forward on 16 out of 17 judges and 5,000 who are military nominations." I also indicated that I, as an agent of my conference, would bring the matter to the attention of the conference today—at that point I said next Wednesday—and I expressed a feeling there would not be any problem with respect to most of the other nominees because our discussions with the White House representatives led to a satisfactory resolution of the matter by which we Democrats had been concerned, namely, the recess appointments.

I wish to thank the distinguished majority leader for his courtesies, No. 1, of telling the White House that they ought to answer their mail and, No. 2, in helping to arrange meetings. In every way he has been helpful and understanding.

Now, today I was somewhat amused by the following excerpt from today's White House briefing.

I am reading from the excerpt:

Mr. SPEAKES. Okay. It's our understanding that Senator Byrd, the Minority Leader, is meeting today, perhaps even at this hour, wtih the Democratic Caucus, to discuss whether he will release more than 5,000 "hostages" that he is holding—(laughter)—that one man is holding, that one man is holding, in the United States Senate. These include more than 100 Executive Branch appointees, at a time when we're receiving criticism for not having fully staffed positions in the government. They are holding 17—about 20 judges, when caseloads are backing up in the federal courts, and they are holding 5,000 military promotions, innocent people, who are being denied pay raises——

Q. This is a job for the Delta Force.

Mr. SPEAKES [continuing]. Being denied pay raises and promotions, all because of the whim of one individual sitting up there in Congress, who has put a hold on 'em.

Q. Are you putting a warrant out for Byrd? [Laughter.]

Mr. SPEAKES. When Jesse Helms decided to hold——

Mr. DONALDSON. Yeah, he did.

Mr. SPEAKES [continuing]. A handful of nominees, it was big front page news. When Bob Byrd——

Q. He helped make it so.

Mr. SPEAKES [continuing]. When Bob Byrd decides to—well, what about this?

Mr. PLANTE. Helms was in the same party as the President.

Mr. SPEAKES. When have you ever heard me stand here and talk about the Minority Leader of the Senate in this fashion?

Mr. WALLACE. About a week ago.

Mr. SPEAKES. One man is taking—and it didn't scratch. It didn't scratch.

Mr. DONALDSON. Is he a terrorist? Are you saying he's a terrorist?

Mr. SPEAKES. One man is holding the entire 5,000 "hostages" in the United States Senate. We call on the Minority Leader, one man, to release these hostages, set them free.

Mr. WALLACE. "Let my people go." [Laughter.]

Mr. SPEAKES. All right, let's see what kind of reporting. A wire guy didn't make a single note, and I expected only the wires to do it. The Post put it on the bottom of the federal page. The Times put it on page A or B-18, wasn't it?

[Several speak at once.]

Mr. SPEAKES. Yes, we do want our Ambassador to China appointed.

Ms. MITCHELL. Helms——

Mr. SPEAKES. It's over 5,000, compared to one.

Q. Thanks!

Q. Let's go!

Mr. President, I realize that President Reagan used to be associated with a television program about the old frontier—"Death Valley Days," but I did not realize that the President was so fond of the program or that period of history that he had returned the White House to the days of frontier communications. Apparently, the news of what happened here in the Senate Chamber last Thursday evening, to which I have alluded earlier, in open view of the world, has not yet reached the White House, 6 days later. Even the pony express could deliver a message faster than that on "Death Valley Days."

I have already discussed the meeting that occurred in my office, and I would close by saying that if there are any "hostages" in this case, they have been held by the White House, in their refusal to allow the distinguished majority leader to proceed on last Thursday. Or, maybe the pony express rider who delivers information to the White House about what happens 16 blocks away in the Capitol, is being held "hostage" somewhere along that wild and woolly frontier route known as Pennsylvania Avenue.

Well, I hope that the administration will be able to find all these today, together with the pony express rider, and I hope that we hear from him soon that the fearsome wilderness passage known as Pennsylvania Avenue has been reopened to allow the vital communications flow on which the most powerful Nation on the face of the Earth must depend.

Mr. President, I ask unanimous consent to have printed in the RECORD letters which I wrote to the President on July 30, 1985, and August 6, 1984, together with the September 19 White House response to my letter, written by Richard A. Hauser, Deputy Counsel to the President; a statement by the principal Deputy Press Secretary as of October 8, 1985; a reprint of the colloquies between the distinguished majority leader and myself on last Thursday; and an editorial which appeared in the New York Times on Thursday, October 10, carrying the caption "Who Has the Power To Appoint?"

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
OFFICE OF THE DEMOCRATIC LEADER,
Washington, DC, July 30, 1985.

The PRESIDENT,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: As the Congress approaches adjournment for the August break, I would like once again to convey my views, and those of the Democratic Conference, on the subject of recess appointments. This same matter was the subject of my letter to you on August 6 of last year when I expressed my deep concern about the number of recess appointments which had been made during our brief July 1984 recess.

The forthcoming August recess should not, in our judgment, be considered the kind of extended recess contemplated by Article III, Section 2, Clause 3, of the Constitution. Rather, recess appointments should be limited to circumstances when the Senate, by reason of a protracted recess, is incapable of confirming a vitally needed public officer. Any other interpretation of the Recess Appointments clause could be seen as a deliberate effort to circumvent the Constitutional responsibility of the Senate to advise and consent to such appointments.

I would therefore ask that you refrain from making any recess appointments during the August break.

Your personal attention to this matter would be appreciated.

Sincerely,

ROBERT C. BYRD.

U.S. SENATE,
DEMOCRATIC POLICY COMMITTEE,
August 6, 1984.

The PRESIDENT,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: I am writing to express my deep concern about the number of recent recess appointments and to urge you to refrain from making similar appointments when the Senate is fully capable of exercising its constitutional function of advising and consenting to executive nominations.

The latest in a series of recess appointments was made on July 20, scarcely 72 hours before the Senate reconvened following the July 4 and Democratic Convention recess. At the beginning of the same recess, sixteen recess appointments were made to a number of different federal bodies. In my view, none of the most recent recess appointments were made in the circumstances that induced the Framers to allow for appointments "that may happen during the recess of the Senate". As indicated in a long line of opinions by Attorneys General, presidential powers arising in the event of an adjournment of the Congress are to be determined by the ability of the Senate to perform its functions. In overturning an exercise of the presidential pocket veto power during an abbreviated congressional recess, the Court of Appeals for the District of Columbia Circuit in 1974 observed that "(t)he modern practice of Congress with respect to intra-session adjournments creates neither . . . the hazards (of) long delays (nor) public uncertainty. . . ." At no time has the Senate been out of session long enough to prevent the filling of vacancies which, in the public interest, may not be left open for any protracted period.

In brief, the appointments of Dr. Martha Seger to the Federal Reserve Board, Vice Admiral Lando N. Zech, Jr., to the Nuclear Regulatory Commission, six members of the National Council on the Humanities, and other recent appointments could and should have followed the constitutionally prescribed manner. In the words of the Supreme Court:

"The Appointments Clause could, of course, be read as merely dealing with the etiquette or protocol in describing 'Officers of the United States,' but the drafters had a less frivolous purpose in mind. . . . We think its fair import is that any appointee exercising significant authority pursuant to the laws of the United States is an 'Officer of the United States,' and must, therefore, be appointed in the manner prescribed by S 2, cl. 2, of . . . Article (II)."

Over the course of the last three and one-half years, some 80 recess appointments have been made to a wide variety of agencies and commissions. The Senate has demonstrated its willingness to support these selections by subsequently confirming the bulk of the recess appointments.

In the early days of the Republic, a recess was interpreted to mean the period between the first and the second sessions of a Congress. More recently, recess appointments have been made during intra-session recesses of several weeks duration. But the unstated rationale has remained the same. Recess appointments should be made when the Senate is recessed for a protracted period and where the lack of an appointee will seriously hamper the operations of the government.

The line between what is and what is not an extended recess during which an appointment can be made has not been clearly delineated by the courts. Most of the doctrine on the matter has emerged from historical practice and infrequent opinions from the Justice Department. No doubt, that line should be more carefully defined at some point in the future.

The occasion for making a recess appointment can be questioned on practical as well as constitutional grounds. Both grounds are involved when a recess appointment is made to evade the proper role of the Senate or to avoid controversy surrounding a nominee.

I am especially concerned about the appointment of Dr. Martha Seger whose nomination is a case in point. At stake is a fourteen-year appointment to what many consider the country's most influential economic body, the institution that controls the money supply, and plays a lead role in regulating the nation's financial system. A July 2, 1984 recess appointment to the Board of Governors of the Federal Reserve System, Dr. Seger's nomination was sent forward only a month earlier on June 2, 1984. The Senate Banking, Housing and Urban Affairs Committee held four days of hearings and favorably reported her nomination on June 28. The Senate then recessed for twenty-three days. The recess appointment was made the following Monday.

I know of no compelling reasons that justify Dr. Seger's appointment on that basis. There are six other sitting Governors on the Federal Reserve Board. Her presence was not required at the July Federal Open Market Committee meeting to make a quorum or to debate policy. Because of doubts regarding her qualifications, Dr. Seger's nomination was highly controversial. All the Democratic Committee members opposed her nomination and several indicated they would oppose her nomination on the floor. A recess appointment sidesteps a full and timely airing of such controversies in a manner that does not, in my view, serve the nation's best interests. And, as you may know, there have been similar objections raised to several of the recess appointments to the National Council on the Humanities.

Because a recess appointee can be removed by a subsequent, differing nomination by the President or rejected by the Senate, there is a real danger that the independence of the appointee could be undermined by his or her recess status. It is just this kind of objection that has been raised to a recent recess appointment to the Nuclear Regulatory Commission. According to press reports, ". . . both officials and critics of the . . . nuclear industry questioned the appointment . . . saying the Commission's ruling would be more credible if its members were confirmed normally." The appointment to the Nuclear Regulatory Commission is rendered all the more questionable because the committee of jurisdiction was not even given an opportunity to hold hearings on the nominee.

I must again emphasize my objection to the excessive use of the recess appointment power, and urge that no recess appointment be made to circumvent the constitutional function of the Senate. Instead, I urge that recess appointments be limited to circumstances when the Senate, by reason of a protracted recess, is incapable of confirming a vitally needed public officer. Existing law gives the Executive more than ample authority to shift personnel about to fill vacancies for temporary periods. Resort to recess appointments in questionable circumstances serves neither the Constitution nor the appointee. It fuels cynicism and builds disrespect for law and deprives the appointee of the national perspective that inheres in senatorial confirmation.

Sincerely yours,

ROBERT C. BYRD.

THE WHITE HOUSE,
Washington, DC, September 19, 1985.

Hon. ROBERT C. BYRD,
U.S. Senate,
Washington, DC.

DEAR SENATOR BYRD: I have been asked to respond to your letter to the President dated July 30, 1985, concerning recess appointments.

In your letter, you expressed the view that the recent August recess "should not * * * be considered the kind of extended recess contemplated by Article III [sic], Section 2, Clause 3, of the Constitution," and that "recess appointments should be limited to circumstances when the Senate, by reason of a protracted recess, is incapable of confirming a vitally needed public officer." Such limitations on the President's power, however, do not appear in the Constitution. Article II, Section 2, Clause 3 of the Constitution simply provides: "The President shall have Power to fill up all Vacancies that may happen during the Recess of the Senate, by granting Commissions which shall expire at the End of their next Session."

The courts have rejected the suggestion that the recess appointment power was intended to be used only in rare and exceptional cases. Perhaps the clearest statement may be found in an opinion rejecting a challenge to one of former President Carter's recess appointments:

"There is nothing to suggest that the Recess Appointments Clause was designed as some sort of extraordinary and lesser method of appointment, to be used only in cases of extreme necessity. * * * There is no justification for implying additional restrictions not supported by the Constitutional language. Recess appointments have traditionally not been made only in exceptional circumstances, but whenever Congress was not in session." *Staebler* v. *Carter*, 464 F. Supp. 585, 597 (D.D.C. 1979).

Your letter also suggests that use of the recess appointment power is somehow an improper circumvention of the advice and consent role of the Senate. We do not share this view. The power to make recess appointments is found in the Constitution, as is the Senate's advice and consent role. As the Supreme Court has stated, "The Constitution * * * must be regarded as one instrument, all of whose provisions are to be deemed of equal validity." *Prout* v. *Starr*, 188 U.S. 537, 543 (1903). In no way is the provision for Senate confirmation constitutionally superior to the provision for recess appointments.

In conclusion, the decision to make a recess appointment is not made lightly. For example, there were over ninety-seven nominations pending when the Senate recessed in August, but only seven recess appointments were made. The power to make such appointments, however, is an important part of the system of checks and bal-

ances crafted by the Framers, and the President would do a disservice to that system and the insitution of the Presidency were he to acquiesce in the reading of the Recess Appointments Clause set forth in your letter.

Sincerely,

RICHARD A. HAUSER,
Deputy Counsel
to the President.

STATEMENT BY THE PRINCIPAL DEPUTY PRESS SECRETARY

The President is deeply displeased that 70 key appointments touching virtually every area of the Executive Branch are being deliberately held up by Senate Democratic Leader Robert Byrd. These are Assistant Secretaries, Ambassadors, Federal Circuit and District Judges, and members of important agencies, commissions and boards. Over 5,000 mid-level career military personnel alone are being denied promotions and pay raises. It is the largest backlog of Presidential appointments in modern history.

Senator Byrd has decided to block these and other nominations because of what he terms his "deep concern" about the seven recess appointments made last August.

The President's power to make recess appointments is grounded in the Constitution, and this issue was decided long ago. George Washington made three recess appointments between the sessions of the First Congress. President Carter made 17 direct appointments during temporary Senate breaks, including a Cabinet member. Fifteen recess appointments have been made to the United States Supreme Court, including one sitting Justice.

President Reagan did not evade the Senate's power to confirm. The individuals he appointed had already been nominated before the recent Senate recess—the Senate just hadn't acted on the nominations. And those appointees were renominated when the Senate returned.

The Constitution speaks without equivocation on the power and right of the President to make recess appointments. The courts have held the President has the power. And history dating to the First President confirms it. These individuals stand ready to serve.

The President respectfully requests Senator Byrd's cooperation in freeing up his nominations without further delay.

[From the CONGRESSIONAL RECORD, Oct. 10, 1985]

EXECUTIVE CALENDAR

Mr. DOLE. Mr. President, earlier today at the request of the distinguished minority leader or the suggestion of the distinguished minority leader, I attended a meeting in his office concerning nominations on the Executive Calendar, and present were Senator Byrd, myself, Senator Inouye, Senator Ford, Senator Thurmond, Senator Metzenbaum, and White House representative Mr. Friedersdorf, and the counsel at the White House, Mr. Fielding.

The discussion concerned recess appointments, and it seemed to me that we had reached some general agreement that there would be notice given to the majority and minority leaders prior to the time of a recess and enough in advance so that if we had comments on any of the recess appointments which would be made, both minority and majority leaders would have an opportunity to comment on those potential recess appointments.

I believe that the meeting was satisfactory, and I would hope that we would now be in position to clear the nominations on the Executive Calendar, including military and judicial and all other nominations except in cases where we are waiting further information on a certain nominee or certain Senators have asked for additional information or have asked to hold a nomination.

I know on this side a number of Senators have a hold on the nomination of Winston Lord to be Ambassador to the People's Republic of China. There may be similar requests on the other side of the aisle. But it would be my hope that we might be able to take action on the nominations.

Mr. MOYNIHAN. Mr. President, will the majority leader yield for a comment?

Mr. DOLE. Yes.

Mr. MOYNIHAN. Mr. President, the Vice President of the United States is to visit the People's Republic of China. For him to do so without being accompanied by the President's newest nominee for the ambassadorship to China would be, in my view, a disservice to our country.

The Vice President has an opportunity to introduce Mr. Lord as a friend of the President, as he is, a representative of our country, as he would be, and not to do that seems to me a serious disservice to our Nation.

And I hope this can be done.

Mr. DOLE. Mr. President, I share the view expressed by the Senator from New York. I understood there is still a chance that might be resolved today, that the President had taken a personal interest in the matter, and was going to contact Senators on this side.

But I share the view that it does not reflect well on the system, that the Vice President arrives and we have no ambassador.

Mr. BYRD. Mr. President, the following calendar items under the Judiciary have been approved on this side of the aisle. As a matter of fact, all nominees on the calendar listed under the Judiciary have been cleared on this side of the aisle, with the exception of one, and that would be Calendar Order No. 379 on page 3. The rest, Calendar Order Nos. 380, 381, 382, 383, 384, 385, 386, 396, 397, 398, 425, 426, 427, 449, 450, and 451—in other words 16 out of the 17 nominations under the Judiciary—are cleared on this side.

Additionally, Calendar No. 436, Winston Lord of New York to be Ambassador, Extraordinary and Plenipotentiary of the United States of America to the People's Republic of China has been cleared; all nominations placed on the Secretary's desk in the Air Force, Army, Coast Guard, Marine Corps, Navy—a little over 5,000—are cleared on this side of the aisle.

Mr. DOLE. Mr. President, I thank the distinguished minority leader. I earlier had indicated to the White House representatives that there might be a possibility of confirming the military, and maybe all or nearly all of the judiciary. As I understand it, a call was then made to Air Force One which is coming back from Chicago. The Chief of Staff talked with the President. The President said that he wanted his nominees, they were all important, and he felt there was no reason to hold any of the nominees except where there were specific objections. I was advised that unless that could be accommodated they would all remain on the executive calendar.

Mr. BYRD. Mr. President, Mr. Friedersdorf called me back after the meeting in my office, and indicated he had been in touch, I believe, with Mr. Reagan. My understanding of what Mr. Friedersdorf said was that the President was pleased that the nominees for the judiciary and the military were going to be cleared, and that he would hope that all the other nominees on the calendar could also be cleared. And I told Mr. Friedersdorf that I was an agent of the conference, that those nominees which we had indicated in our meeting in my office earlier in the afternoon were being cleared, and that it would be necessary for me to report back to my conference with respect to the remaining nominees. So I should think that I would have some further word when my conference meets at sometime on Wednesday of next week. It usually meets on Tuesday. But inasmuch as there will be no rollcall votes on Tuesday, I doubt that our conference attendance would justify a meeting. We probably would not have a quorum.

In any event, we will have a conference on Wednesday, and at that time I will make a report to the conference. I would hope that the rest of the nominees can be cleared at that time. The ad hoc group that I appointed earlier in conference to advise me on the nominations proposed that the judiciary members be cleared, and that the military nominations—numbering I believe about 5,000—be cleared. And that is why I have been pleased to announce their clearance to the distinguished majority leader.

Mr. DOLE. I again thank the distinguished minority leader. I double checked. I again called after the President had landed, and they were in the White House. I called the Chief of Staff, Mr. Regan, to ask him again if it had been discussed with the President. He said it had. The President felt very strongly that these nominations had been available for some time, been on the calendar, and if no one had raised objections—they have in some cases—they felt that it would discriminate against a number of people who have done nothing but wait and wait if we started selecting out certain judicial or military nominees, and leave others—whether it be the Commodity Futures Trading Commission, or the Department of Energy, or a number of others. I guess the point is they feel they are all equally as important, and they would rather not do it on a piecemeal basis unless there are specific objections to one or more of the nominations. So perhaps we should take it up again next week.

Mr. BYRD. Mr. President, may I ask, is the nomination of Winston Lord cleared on the other side? It is cleared on this side.

Mr. DOLE. That is the one that we have not cleared on this side. There is specific objection. There was to be a phone call to certain Senators on our side. I understand that phone call was made but it was not completed. So that nomination is being held up on this side. I think one of those who was holding is the Senator from South Carolina, who just removed his hold. There could be others.

Mr. BYRD. Mr. President, the Senate often confirms some nominees very quickly and just as often leaves other nominees on the calendar to another day. They are not being discriminated against. However, it is entirely up to the majority leader.

The White House will be taking the wrong position in thinking that other nominations on the calendar are being discriminated against just because they have not been cleared tonight.

As I say, I will be glad on Wednesday to take the matter up with my conference and through the regular procedures, try to get

cleared the remaining nominations on the calendar. I do not anticipate at the moment any great problem in that regard.

If the White House feels that way, it is not the majority leader's fault nor is it mine. We will just leave it the way they want it.

We did have a good meeting, may I say, with Mr. Fielding and Mr. Friedersdorf. The majority leader was able to attend a part of the meeting. He was not able to stay for the entire meeting.

At the meeting there was a good understanding, and I feel certain that come Wednesday there may not be any problem.

I would hope that the nominees who have been cleared for tonight can be confirmed, but I cannot do anything about that if the majority leader feels he cannot go forward with them because the White House has asked him not to do so.

[From the New York Times, October 10, 1985]

WHO HAS THE POWER TO APPOINT?

"The President is deeply displeased" with Senate Democrats for holding up 70 appointments to executive and judicial posts, says a spokesman. Well, Robert Byrd, the minority leader, is displeased too. He's blocking some Senate confirmations because the President keeps ignoring his plea to stop making appointments when Congress is in brief recess.

President Reagan, having tried the Senate's patience with his misuse of the recess-appointment power, would be well advised to seek an accommodation rather than confrontation.

The Constitution lets the President "fill up all vacancies that may happen during the recess of the Senate." These recess appointments expire at the end of the following session of Congress, ousting the officeholders unless they are by then nominated and confirmed.

That provision, in Senator Byrd's judgment, was designed for the long Congressional absences common early in the nation's history. Plainly they don't apply to the vacation breaks of today's year-round Congress. They certainly should not be used to circumvent the Senate's constitutional duty to advise on and consent to appointments.

That is what Mr. Reagan tried to do concerning the Legal Services Corporation. He used the recess appointment power 40 times in an attempt to destroy Legal Services by appointing directors unacceptable to the Senate to run it into the ground. He has, additionally, used the recess-appointment authority almost casually, 146 times in five years.

Senator Byrd's specific protest concerns seven appointments made in August, following a similar ruse during last year's summer recess. The seven are not crucial. They fill vacancies at a safety review commission, the Agriculture Department, a farm agency and the United Nations delegation.

This contest between two branches can't be resolved by the third; courts can only confirm that each side has considerable power to check the other. Mr. Reagan could make his cause more appealing by finally acknowledging that the power to fill vacancies is not his alone. He may not like the Senate's advice, but he is bound to secure its consent.

Mr. BYRD. Mr. President, I apologize to the distinguished majority leader for not responding immediately and to the point to his request. I am now ready to respond.

Mr. President, cleared on this side of the aisle are the following calendar order numbers: 372, 373, 376, 380, 381, 382, 383, 384, 385, 386—in other words, all nominees on pages 2 and 3 of the executive calendar, with the exception of Calendar Order No. 379.

On pages 4 and 5, all nominees have been cleared on this side of the aisle—namely, Calendar Order Nos. 387, 388, 389, 390, 391, 392, 394, 395.

All nominees on pages 6 and 7 : Calendar Order Nos. 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407.

All nominees on pages 8 and 9: Calendar Order Nos. 407, 408, 409, 410, 411, 412.

On page 10: 412 and 413.

On page 11: Calendar Order Nos. 417, 418, 419.

On page 12: Calendar Order Nos. 420, 421, and 423.

On page 13: All nominees—424, 425, 426, 427, 428, 429, 430.

On page 14: 431; skip 433. Cleared are 434, 435, 436, 437.

On page 15: Calendar Order Nos. 438, 439, 440, 441.

On page 16, Calendar Order Nos. 442, 443, 444, 445, 446, 447, 448.

On page 17, Calendar Order Nos. 449, 450, 451, 452, 453, 454, and 455.

All nominees on page 18, Calendar Order Nos. 456, 457, 458, 459, 460, and 461. Delete for the moment, pass over 462.

I said all nominees on page 18. I was in error. All except 462.

Then on page 19, all nominees, Calendar Order Nos. 463 and 464.

Mr. PROXMIRE will have a statement that he will make in connection with 464.

On page 20 and page 21, all nominations placed on the Secretary's desk in the Air Force, Army, Coast Guard, Marine Corps, and Navy.

I am glad to respond to the distinguished majority leader's request. I am glad that the stumbling block to confirmations of these nominees has been removed—rather late in the instances to which I addressed my remarks earlier which occurred on last Thursday when the White House said all or nothing after they had gone public and had been critical of the Senate Democrats for having held up some appointments.

All is well that ends well, and I think it has ended well, so all is well.

Mr. DOLE. Mr. President, I wonder if the distinguished Senator from Wisconsin might wish to speak to Calendar No. 464, William Seidman.

Mr. PROXMIRE. I would like to speak to that. Is this the time to offer that?

Mr. DOLE. Yes.

Mr. PROXMIRE. I thank the majority leader.

NOMINATION OF WILLIAM SEIDMAN TO THE FDIC

Mr. PROXMIRE. Mr. President, I rise in opposition to the nomination of Mr. William Seidman to the Board of Directors of the Federal Deposit Insurance Corporation. Mr. Seidman is a man of considerable ability and talent with an excellent educational and business background. He has served with distinction in the Ford administration. In many ways, the Government will be fortunate to get a man of his ability and experience. Nonetheless, I will reluctantly vote against this nomination.

Why?

My reasons for opposing the nomination are twofold: First, his former accounting firm, Seidman and Seidman, was strongly criticized by the SEC in 1976 for not fulfilling its responsibilities in the manner required by the standards of the accounting profession. As the firm's managing director when the failures occurred, Mr. Seidman must bear ultimate responsibility. Second, he was deficient in responding to a question from Chairman GARN asking whether he was ever deposed by the SEC in connection with the accounting firm's difficulties. A more detailed explanation of these two incidents follows.

THE 1976 SEC REPORT

In 1974, the SEC began an investigation of fraudulent activity on the part of several of Seidman and Seidman clients including Equity Funding, Omni-Rx and SaCom. The collapse of Equity Funding in 1973 involving $120 million in fictitious assets was one of the major financial scandals of the decade. Two employees of Seidman and Seidman were eventually convicted of criminal fraud for their role in the Equity Funding scandal. These employees were formerly with a smaller accounting firm, Wolfson and Weiner, acquired by Seidman and Seidman in early 1972 along with the Equity Fund account managed formerly by Wolfson and Weiner.

The SEC eventually expanded its investigation to include an investigation of Seidman and Seidman itself. In 1976, the SEC reached a settlement agreement with Seidman and Seidman. Without admitting or denying guilt, the firm agreed to appoint a special committee to review its auditing practices and to implement any reasonable recommendations of the special committee. The firm also agreed not to accept any new auditing clients for 6 months and to submit to another SEC inspection following the report of the special committee.

The SEC release announcing the settlement agreement with Seidman and Seidman includes the following determinations by the SEC: (SEC release No. 196, Sept. 1, 1976; Exchange Act Release No. 12752)

Seidman and Seidman did not fulfill its reponsibilities in the manner required by the standards of the profession.

Seidman and Seidman's conduct represented a breach of its ethical and professional responsibilities in practicing before the Commission.

Seidman and Seidman failed to undertake a reasonable investigation prior to the combination of the firms and failed to properly review practices and professional qualifications of staff members of the Wolfson/Weiner office or to adequately inquire into factors bearing on their independence from clients. After the combination, Seidman and Seidman failed to take reasonable steps to ensure the maintenance of professional audit review practices and independence in connection with former Wolfson/Weiner clients.

There is no evidence that Mr. William Seidman or other partners or employees of Seidman and Seidman—other than the convicted former Wolfson/Weiner personnel—had any personal knowledge of the fraudulent activities at Equity Funding. Nor is there any indication of any other troubles with the SEC on the part of Seidman and Seidman. Nonetheless, Mr. Seidman was the managing director of the firm during the time the SEC's criticisms were directed. As managing director, I believe the ultimate responsibility for failing to maintain proper standards must rest on his shoulders.

COMMITTEE REQUEST FOR INFORMATION

Following his nomination hearing before the Senate Banking Committee, Mr. Seidman was given the following written question by Mr. GARN:

QUESTION. Were you ever deposed by the SEC in connection with this case? Could you tell us what the substance of your testimony was? Was this the only time you were deposed in this matter?

ANSWER. I do not recall that I was ever deposed in the SEC investigation of Equity Funding. I believe that my testimony in the stockholder actions v. S&S, et al., is the only testimony I gave in the Equity Funding matter. Seidman & Seidman states that they can find no other deposition in their records.

In fact, Mr. Seidman was deposed twice by the SEC in connection with its investigation of Omni-RX and SaCom. The deposition also covered Equity Funding and went at length into the circumstances surrounding the purchase of Equity Funding's former accounting firm, Wolfson and Weiner, by Seidman and Seidman. The first deposition was taken on October 2 of 1974 and the second on August 4, 1975. The entire deposition runs 137 pages. It is true that Mr. Seidman qualified his negative answer with the statement that he did not recall any deposition. Nonetheless, considering the fact that he was responding to a committee of the U.S. Senate in connection with his nomination to a responsible position within the Federal Government, I believe he should have made a greater effort to ensure that his reply to this question was accurate and complete. I feel strongly on this point even though a review of the SEC deposition does not implicate Mr. Seidman in any fraudulent activity or indicate personal knowledge of such activity.

Under the Constitution, the Senate has an important duty in the nomination process. I take that responsibility seriously, especially for independent regulatory agencies such as the FDIC which are not under the direct supervision of the President. By his careless response to the committee's inquiry, I believe Mr. Seidman demonstrated a less than full appreciation of the seriousness of the advise and consent process. He had ample time to refresh his memory and search his records in response to the committee's inquiry and yet he failed to do so. I know of no better way to express my deep concern on this failure other than to vote no on the nomination.

Mr. President, I will do so.

Mr. President, I yield the floor.

Mr. DOLE. Mr. President, I thank the distinguished colleague from Wisconsin and I also thank the distinguished minority leader.

I think we then do have an agreement now that we can follow on recess appointments. It did result from the meeting in the minority leader's office with Mr. Fielding, White House Counsel, Mr. Friedersdorf, Assistant to the President for Legislative Affairs, and I would hope that we can avoid any future problems.

Obviously from time to time Senators have strong feelings on a nominee and they have a perfect right to express those concerns. In fact, even after the minority leader's efforts today there will still be six nominees who are being held on this side by different Senators for different reasons.

Again, as I understand it, we may be able to clear two or three additional nominees if not today, tomorrow on the Senator's side.

Mr. BYRD. Mr. President, I call attention to the one nominee on which I either misstated myself or an objection came in following.

Mr. DOLE. That is Calendar No. 439?

Mr. BYRD. 439, yes.

Mr. DOLE. Yes; we will withhold that one.

Mr. BYRD. Yes; so I cannot clear that.

I have since, however, been able to clear two which I did not name earlier, Calendar No. 414 and Calendar No. 415, the Commodity Future Trading Commission and the Farm Credit Administration, respectively.

Mr. DOLE. Then I would ask unanimous consent that Calendar No. 414 and 415 be added.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Also, I think the distinguished minority leader pointed out Calendar No. 440 is now cleared, is that correct, but not Calendar No. 439?

Mr. BYRD. Not Calendar No. 439, that is correct; 440, yes.

Mr. DOLE. And also I add to my request Calendar No. 464, which was not being held but just awaiting comment by the distinguished Senator from Wisconsin.

Mr. BYRD. The distinguished majority leader is correct.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I ask unanimous consent that all Members may be entitled to insert statements in support of particular nominees at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I would also indicate that Calendar Order Nos. 394, 395, 420, and 436, which have been cleared by the minority leader, have not been cleared on this side, so he might want to make that notation on his list.

Mr. BYRD. I thank the majority leader.

Mr. DOLE. Mr. President, I ask unanimous consent that the nominations just identified be considered en bloc and confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

IN THE NAVY

The following-named officer for appointment as Vice Chief of Naval Operations pursuant to title 10, United States Code, section [redacted]:

Vice Adm. James B. Busey IV. [redacted] 3214/1310, U.S. Navy.

The following-named officer having been designated for command and other duties of importance and responsibility within the contemplation of title 10, United States Code, section 601, for appointment to the grade of admiral while so serving.

Vice Adm. James B. Busey IV. [redacted] /1310, U.S. Navy.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be admiral

Adm. Lee Baggett, Jr., [redacted] /1110, U.S. Navy.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be admiral

Vice Adm. Arthur S. Moreau, Jr., [redacted], U.S. Navy.

THE JUDICIARY

Ralph B. Guy, Jr., of Michigan, to be U.S. circuit judge for the sixth circuit.

Stephen H. Anderson, of Utah, to be U.S. circuit judge for the 10th circuit.

51-059 O-86-21 (Pt. 20)

Ferdinand F. Fernandez, of California, to be U.S. district judge for the central district of California.

Glen H. Davidson, of Mississippi, to be U.S. district judge for the northern district of Mississippi.

Robert B. Maloney, of Texas, to be U.S. district judge for the northern district of Texas.

David Bryan Sentelle, of North Carolina, to be U.S. district judge for the western district of North Carolina.

Brian B. Duff, of Illinois, to be U.S. district judge for the northern district of Illinois.

DEPARTMENT OF COMMERCE

Donald James Quigg, of Virginia, to be Commissioner of Patents and Trademarks.

DEPARTMENT OF DEFENSE

Robert B. Sims, of Tennessee, to be an Assistant Secretary of Defense.

IN THE NAVY

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be admiral

Adm. Sylvester R. Foley, Jr., [redacted]/1310, U.S. Navy.

The following-named commodore of the line of the Navy for promotion to the permanent grade of rear admiral, pursuant to title 10, United States Code, section 624, subject to qualification therefor as provided by law:

RESTRICTED LINE—SPECIAL DUTY OFFICER (CRYPTOLOGY)

Charles Francis Clark.

The following-named captains of the U.S. Navy for promotion to the permanent grade of commodore, pursuant to title 10, United States Code, section 624, subject to qualifications therefor as provided by law:

MEDICAL CORPS

Lewis Mantel.

SUPPLY CORPS

James Edward Miller.
James Elton Eckelberger.
William Egbert Powell, Jr.

CHAPLAIN CORPS

Alvin Berthold Koeneman.

CIVIL ENGINEER CORPS

Benjamin Franklin Montoya.

DEPARTMENT OF JUSTICE

Richard Kennon Willard, of Virginia, to be an Assistant Attorney General.

THE JUDICIARY

Edmund V. Ludwig, of Pennsylvania, to be U.S. district judge for the eastern district of Pennsylvania.

Stephen V. Wilson, of California, to be U.S. district judge for the central district of California.

David Sam, of Utah, to be U.S district judge for the district of Utah.

COPYRIGHT ROYALTY TRIBUNAL

J.C. Argetsinger, of Virginia, to be a Commissioner of the Copyright Royalty Tribunal for the term of 7 years.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

William Barclay Allen, of California, to be a member of the National Council on the Humanities.

Mary Joseph Conrad Cresimore, of North Carolina, to be a member of the National Council on the Humanities.

Leon Richard Kass, of Illinois, to be a member of the National Council on the Humanities.

Kathleen S. Kilpatrick, of Connecticut to be a member of the National Council on the Humanities.

Robert Laxalt, of Nevada, to be a member of the National Council on the Humanities.

James V. Schall, of California, to be a member of the National Council on the Humanities.

George D. Hart, of California, to be a member of the National Council on the Humanities.

IN THE AIR FORCE

The following officers for appointment in the U.S. Air Force to the grades indicated, under the provisions of section 624, title 10 of the United States Code:

To be major general

Brig. Gen. Stuart E. Barstad, [redacted]FR, U.S. Air Force, chaplain.

To be brigadier general

Col. John P. McDonough, [redacted]FR, U.S. Air Force, chaplain.

IN THE ARMY

The following-named Army Medical Service Corps officer for appointment in the U.S. Army to the grade indicated under the provisions of title 10, United States Code, sections 611(a) and 624:

To be permanent brigadier general

Col. Walter F. Johnson, III, [redacted], Medical Service Corps, U.S. Army.

IN THE NAVY

The following-named officer to be placed on the retired list in the grade indicated under title 10, United States Code, section 1370:

To be vice admiral

Vice Adm. Richard A. Miller, [redacted]/1310, U.S Navy.

The following named officer, under the provisions of title 10, United States Code, section 711, to be reassigned in his current grade to be senior Navy member of the Military Staff Committee of the United Nations and to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

Vice Adm. Donald S. Jones, [redacted]/1310, U.S. Navy.

The following-named officer, under the provisions of title 10. United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under Title 10, United States Code, section 601:

To be vice admiral

Rear Adm. Joseph B. Wilkinson, Jr., [redacted]/1310, U.S. Navy.

The following-named captains of the Reserve of the U.S. Navy for permanent promotion to the grade of commodore in the line and staff corps, as indicated, pursuant to the provisions of title 10, United States Code, section 5912:

UNRESTRICTED LINE OFFICERS

John William Gates, Jr.
Stephen Gordon Yusem.
Richard Squier Fitzgerald.
Samuel Edward McWilliams.

ENGINEERING DUTY OFFICER

Paul Keith Arthur.

MEDICAL CORPS OFFICERS

Robert Layman Summitt.
Robert Conrad Nuss.

SUPPLY CORPS OFFICER

James Hock Mayer.

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be vice admiral

Vice Adm. Thomas R. Kinnebrew, [redacted]/1110, U.S. Navy.

COMMODITY FUTURES TRADING COMMISSION

Susan Meredith Phillips, of Iowa, to be a Commissioner and Chairman of the Commodity Futures Trading Commission.

FARM CREDIT ADMINISTRATION

Larry L. DeVuyst, of Michigan, to be a member of the Federal Farm Credit Board, Farm Credit Administration.

INTERNATIONAL ATOMIC ENERGY AGENCY

The following-named persons to be the Representative and Alternate Representatives of the United States of America to the 29th session of the General Conference of the International Atomic Energy Agency:

Representative:
Danny J. Boggs of Kentucky.
Alternate Representatives:
Richard T. Kennedy of the District of Columbia.
Richard J. Palladino of Pennsylvania.
Bruce Chapman of Washington.

DEPARTMENT OF TRANSPORTATION

Leo C. McKenna, of New York, to be a member of the Advisory Board of the Saint Lawrence Seaway Development Corporation.

DEPARTMENT OF STATE

Jean Broward Shevlin Gerard, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Luxembourg.

UNITED NATIONS

The following-named persons to be Representatives and Alternate Representatives of the United States of America to the 40th session of the General Assembly of the United Nations:

Representatives:
Vernon A. Walters of Florida.
Herbert Stuart Okun of the District of Columbia.
Daniel A. Mica, U.S. Representative from the State of Florida.
Gerald B. H. Solomon, U.S. Representative from the State of New York.
John Davis Lodge of Connecticut.
Alternate Representatives:
Patricia Mary Byrne of Ohio.
Hugh Montgomery of Virginia.
Joseph Verner Reed of New York.
Robinson Risner of Texas.

INTER-AMERICAN FOUNDATION

Elliott Abrams, of the District of Columbia, to be a member of the Board of Directors of the Inter-American Foundation.

AFRICAN DEVELOPMENT FOUNDATION

Mark L. Edelman, an Assistant Administrator of the Agency for International Development, to be a member of the Board of Directors of the African Development Foundation.

THE JUDICIARY

David A. Nelson, of Ohio, to be U.S. circuit judge for the sixth circuit.

James L. Ryan, of Michigan to be U.S. circuit judge for the sixth circuit.

Henry T. Wingate, of Mississippi, to be U.S. district judge for the southern district of Mississippi.

DEPARTMENT OF JUSTICE

Brian P. Joffrion, of Louisiana, to be U.S. Marshal for the western district of Louisiana for the term of 4 years.

Stepehn M. McNamee, of Arizona, to be U.S. attorney for the district of Arizona for the term of 4 years.

Patrick M. McLaughlin, of Ohio, to be U.S. attorney for the northern district of Ohio for the term of 4 years.

ADMINISTRATIVE CONFERENCE OF THE UNITED STATES

Marshall Jordan Breger, of the District of Columbia, to be chairman of the Administrative Conference of the United States for the term of 5 years.

NATIONAL CREDIT UNION ADMINISTRATION

Elizabeth Flores Burkhart, of Texas, to be a member of the National Credit Union Administration Board for the term of 6 years.

DEPARTMENT OF STATE

Patricia Mary Byrne, of Ohio, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Deputy Representative of the United States of America in the Security Council of the United Nations, with the rank of Ambassador.

Hugh Montgomery, of Virginia, to be the Alternate Representative of the United States of America for Special Political Affairs in the United Nations, with the rank of Ambassador.

Herbert Stuart Okun, of the District of Columbia, a career member of the Senior Foreign Service, class of Minister-Counselor, to be the Deputy Representative of the United States of America to the United Nations, with the rank and status of Ambassador Extraordinary and Plenipotentiary.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Bill D. Colvin, of Virginia, to be Inspector General, National Aeronautics and Space Administration.

U.S. SENTENCING COMMISSION

Stephen G. Breyer, of Massachusetts, to be a member of the U.S. Sentencing Commission for a term of 2 years.

Paul H. Robinson, of New Jersey, to be a member of the U.S. Sentencing Commission for a term of 2 years.

Michael K. Block, of Arizona, to be a member of the U.S. Sentencing Commission for a term of 4 years.

Helen G. Corrothers, of Arkansas, to be a member of the U.S. Sentencing Commission for a term of 4 years.

George E. MacKinnon, of Maryland, to be a member of the U.S. Sentencing Commission for a term of 4 years.

Ilene H. Nagel, of Indiana, to be a member of the U.S. Sentencing Commission for a term of 6 years.

William W. Wilkins, Jr., of South Carolina, to be a member of the U.S. Sentencing Commission for a term of 6 years.

William W. Wilkins, Jr., of South Carolina, to be chairman of the U.S. Sentencing Commission.

THE JUDICIARY

Alan H. Nevas, of Connecticut, to be U.S. district judge for the district of Connecticut.

Paul N. Brown, of Texas, to be U.S. district judge for the eastern district of Texas.

Alan A. McDonald, of Washington, to be U.S. district judge for the eastern district of Washington.

DEPARTMENT OF JUSTICE

William A. Maddox, of Nevada, to be U.S. attorney for the district of Nevada for the term of 4 years.

Roger Hilfiger, of Oklahoma, to be U.S. attorney for the eastern district of Oklahoma for the term of 4 years.

DEPARTMENT OF LABOR

Roger Dale Semerad, of Maryland, to be an Assistant Secretary of Labor.

NATIONAL LABOR RELATIONS BOARD

James M. Stephens, of Virginia, to be a member of the National Labor Relations Board for the term of 5 years.

NATIONAL CREDIT UNION ADMINISTRATION

Roger William Jepsen, of Iowa, to be a member of the National Credit Union Administration Board.

ENVIRONMENTAL PROTECTION AGENCY

Lawrence J. Jensen, of Virginia, to be an Assistant Administrator of the Environmental Protection Agency.

Jennifer Joy Manson, of Virginia, to be an Assistant Administrator of the Environmental Protection Agency.

NATIONAL SCIENCE FOUNDATION

Craig C. Black, of California, to be a member of the National Science Board, National Science Foundation.

Charles L. Hosler, of Pennsylvania, to be a member of the National Science Board, National Science Foundation.

William J. Merrell, Jr. of Texas, to be an Assistant Director of the National Science Foundation.

IN THE ARMY

The following officers for appointment as Reserve commissioned officers in the Adjutant General's Corps, Army National Guard of the United States, Reserve of the Army, under the provisions of title 10, United States Code, Sections 593(a) and 3392:

To be major general

Brig. Gen. Edward D. Baca, [redacted]
Brig. Gen. Alfredo J. Mora, [redacted]
Brig. Gen. Ernest R. Morgan, [redacted]
Brig. Gen. Nathaniel G. Troutt, [redacted]

FEDERAL DEPOSIT INSURANCE CORPORATION

L. William Seidman, of Arizona, to be a member of the Board of Directors of the Federal Deposit Insurance Corporation for a term of 6 years.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE AIR FORCE, ARMY, COAST GUARD, MARINE CORPS, NAVY

Air Force nominations beginning Theodore M. Sahd, and ending James M. Kinsella, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 9, 1985.

Air Force nominations beginning Charles D. Ables, and ending Kenneth W. Welsh, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 9, 1985.

Air Force nominations beginning Maj. Dennis M. Anderson, and ending Maj. John H. Elledge, Jr., which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 9, 1985.

Air Force nomination of James M. Kinsella, which was received by the Senate and appeared in the CONGRESSIONAL RECORD of September 9, 1985.

Air Force nominations beginning Raymond A. Abole, and ending Daniel R. Zink, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 9, 1985.

Air Force nomination of Lt. Col. Richard O. Covey, which was received by the Senate and appeared in the CONGRESSIONAL RECORD of September 11, 1985.

Air Force nominations beginning Maj. John M. Lounge, and ending Maj. James D. Vanhoften, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 20, 1985.

Army nominations beginning William F. Norris, and ending Loraine G. Goodman, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 9, 1985.

Army nominations beginning Johnny R. Abbott, and ending Donald B. Zamora, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 9, 1985.

Army nominations beginning Marc A. Abramowitz, and ending Henry J. Zielinski, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 16, 1985.

Army nominations beginning William F. Reade, and ending James L. Yates, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 17, 1985.

Army nominations beginning Jon W. Day, and ending Gary B. Williamson, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 20, 1985.

Army nominations beginning Henry W. Adams, and ending Joseph A. Siegel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 20, 1985.

Army nominations beginning Giorgio S. Tureila, and ending William J. Howard III which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 20, 1985.

Coast Guard nominations beginning Thomas P. Vieten, and ending Neal D. Shadix, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 16, 1985.

Marine Corps nominations beginning Paul D. Allen, Jr., and ending Robin F. Wirching, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of July 30, 1985.

Marine Corps nomination of James M. Johnson, which was received by the Senate and appeared in the CONGRESSIONAL RECORD of September 9, 1985.

Marine Corps nominations beginning Harold D. Jones, and ending Wellington Y. Wheaton, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 9, 1985.

Navy nominations beginning Robert P. Burroughs, and ending Walter F. Threlkeld, Jr., which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 9, 1985.

Navy nominations beginning Nicholas Sabalos, and ending George J. Thielemann III, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 9, 1985.

Navy nominations beginning Orlando A. Alfred, and ending James W. Crawford, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 9, 1985.

Navy nominations beginning Donald Jacob Beyer, Jr., and ending Edwin Frank Zupinski, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 11, 1985.

Navy nominations beginning Robert A. Fabrini, and ending Lewis L. Ware, which

nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of October 2, 1985.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the nominations were confirmed.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has given its consent to these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOMINATION OF GLEN H. DAVIDSON, TO BE U.S. DISTRICT JUDGE FOR THE NORTHERN DISTRICT OF MISSISSIPPI

Mr. COCHRAN. Mr. President, it gives me great pleasure to endorse the Senate Judiciary Committee's recommendation of Mr. Glen H. Davidson for confirmation as U.S. district judge for the northern district of Mississippi.

I was honored to have recommended this fine young attorney to the President for this position, and I urge the Senate to support his nomination.

Glen Davidson is eminently qualified for service on the Federal bench. He is a graduate of the University of Mississippi, where he earned both his undergraduate and law degrees. His experience as an attorney includes both public service and private practice, civil and criminal cases, in Federal and State courts.

Mr. Davidson's career includes 3 years active duty in the U.S. Air Force Judge Advocate Corps, where he earned the rank of captain. For a number of years, he was in private law practice in Tupelo, MS. In the public sector, he served terms as city prosecutor, assistant district attorney, and later, as district attorney for the First Judicial District of Mississippi. In 1973, he formed a partnership that resulted in extensive trial practice experience. In 1981, I was honored to recommend Mr. Davidson to the President to serve as U.S. attorney for the northern district of Mississippi, and he has served in that position with distinction.

In addition to his exemplary performance as an attorney and as a public servant, the nominee has been a leader in community groups such as the Boy Scouts and the chamber of commerce. He has a keen intellect and a willingness to work hard and effectively in any job he undertakes.

Glen Davidson possesses the sense of fairness, good judgement, judicial temperament, and solid reputation among his fellow citizens which will enable him to be an outstanding Federal judge.

I commend the chairman and the Judiciary Committee for their prompt approval of this nomination.

NOMINATION OF ROBERT B. SIMS, TO BE ASSISTANT SECRETARY OF DEFENSE FOR PUBLIC AFFAIRS

Mr. SASSER. Mr. President, I am pleased to rise today to endorse the nomination of Mr. Robert B. Sims to be Assistant Secretary of Defense for Public Affairs. Bob Sims is a native of Alamo, TN. Since October 1983, he has served at the White House as Deputy Press Secretary for Foreign Affairs.

Bob Sims' career in journalism began in the printing rooms of the Crockett County Times, then owned by his father. He started at the bottom and worked his way to the top. The insights and perspectives gained from experiences in all aspects of journalism have served him well over his career in the Government as a public affairs officer. He understands the ways of reporters and appreciates the role a free press plays in a democratic society.

Bob Sims is a professional military officer. He joined the Navy in 1958 and retired in 1984 with the rank of captain. His service in the Navy has been primarily in the public affairs field, including positions as deputy chief of information for the Navy in 1978 to 1981 and special assistant for public affairs to the Secretary of the Navy from 1974 to 1978. This military service provides valuable insight into the operation of the military.

Finally, Mr. President, Bob Sims is a scholar and an author. He holds a masters degree in both political science and journalism from the University of Wisconsin. He was a Rotary Foundation Fellow at the University of Sydney, Australia. And, he is a graduate of the National War College. While at the war college he wrote "The Pentagon Reporters" a book describing the reporters who cover the Pentagon. The purpose of his book was to enlighten Government officials on the news services and reporters who cover the Pentagon, and the role played by the press.

Not only will the Government be well served by Bob Sims, but the press knows that it has an official who is honest, fair, and straightforward. Charles Corddry, of the Baltimore Sun, describes Bob Sims as, "undeviatingly pleasant. He is low key in that he never tries to sell you anything. He simply tells you as he sees it."

As the new Assistant Secretary for Public Affairs, Bob Sims is uniquely qualified. He will be an asset to the press and to his Government.

In closing, my statement, I would like to read a passage from Bob Sims book, "The Pentagon Reporters." I think the following passage provides a good assessment of how he will approach his position. In addition it is wise advice to all public officials who interact with the press.

In the final analysis, policies and programs that cannot be successfully explained to the public are usually ill-conceived. Therefore, a realistic policy of dealing with the media makes good sense. Some things can not and should not be discussed with reporters; some American military battlefields of the future may be closed to the immediacy of modern news coverage. But the major subjects of keenest interest to defense reporters can be discussed with them, and should be. Good policies and good programs ought to be explainable—and good officials ought to know how to do the explaining.

Mr. President, I urge my colleagues to approve the nomination of Robert Sims as the Assistant Secretary of Defense for Public Affairs.

NOMINATION OF HENRY T. WINGATE, TO BE U.S. DISTRICT JUDGE FOR THE SOUTHERN DISTRICT OF MISSISSIPPI

Mr. COCHRAN. Mr. President, I commend the chairman and Judiciary Committee for its recommendation of Mr. Henry T. Wingate for confirmation as U.S. district judge for the southern district of Mississippi.

It was with utmost confidence in his abilities that I recommended Mr. Wingate to the President for this position. I urge the Senate to confirm him.

Mr. Wingate's legal experience clearly demonstrates that he is well qualified to serve in this position. He is a graduate of Grinnell College and Yale Law School, and has extensive trial experience in both the State and Federal court systems.

Mr. Wingate served for 3 years as a criminal trial attorney and senior assistant defense counsel for the Judge Advocate General's Corps in the U.S. Navy. He continues to serve as a lieutenant commander in the U.S. Navy Reserve.

Following his release from active duty, the nominee served 4 years as special assistant attorney general for the State of Mississippi, and 4 years as assistant district attorney for the seventh circuit court district. Since 1984, Mr. Wingate has served as assistant U.S. attorney for the southern district of Mississippi.

In addition to his exemplary performance as an attorney and public servant, the nominee serves as an adjunct professor of law and as a lecturer on criminal law and procedure, and has been published in these areas. He is a community leader and member of numerous charitable and service organizations.

Henry Wingate is highly regarded among his peers and fellow citizens as an individual of great intellect, sense of fairness, and moral character. I am confident that his service will reflect credit on the Federal bench.

NOMINATION OF STEPHEN H. ANDERSON TO BE UNITED STATES CIRCUIT JUDGE FOR THE TENTH CIRCUIT COURT OF APPEALS

Mr. HATCH. Mr. President, it is with great pleasure that I recommend to this body Mr. Stephen H. Anderson of Salt Lake City, UT, for appointment to the Tenth Circuit Court of

Appeals. I was proud and happy when President Reagan nominated Mr. Anderson for this position, and I am now proud to urge my colleagues in the Senate to enthusiastically confirm his nomination.

Having known Steve for many years, I have developed the highest respect and admiration for his professional skills and his interpersonal qualities. He is a man of extraordinary character. His dedication to law and justice is exemplary. In a legal career spanning over 25 years, he has served in a wide variety of positions, public, private, and philanthropic. In every one, he has served with distinction.

He has been President of the Utah State Bar, president of the Salt Lake County Bar Association, and has served as an active participant on dozens of important commissions, committees, and organizations. Throughout them all, Steve has demonstrated a consistent dedication to the well-being and improvement of our judicial system. He was responsible for establishing a small claims court program in Utah which utilized the voluntary services of practicing lawyers as part-time judges in the evening hours. In so doing, he opened the courtroom doors to thousands of good, hard-working citizens whose disputes were genuine and who very much needed a civilized place for litigation resolution. If it is true that plagiarism is the purest form of compliment, then Mr. Anderson's small claims court program was an unqualified masterpiece, because it has been copied in a large number of other jurisdictions.

There is no question in my mind that Steve Anderson, who is the managing partner of one of Salt Lake City's largest, oldest, and most prestigious firms, is making a financial sacrifice to accept a judgeship on our Federal appellate bench. But I am also sure that he has a genuine desire to take the bench and serve the public. He really wants to help, to continue to do what he can to improve the judicial system.

Because I feel he is extraordinarily well qualified for the job, I vigorously support Mr. Anderson's nomination and ask my fellow Senators that we now give him our unanimous bipartisan consent. He will be a significant asset on our Federal appellate bench.

NOMINATION OF DAVID SAM TO BE UNITED STATES DISTRICT JUDGE FOR THE DISTRICT OF UTAH

Mr. HATCH. Mr. President, I would like to take this opportunity to recommend to my fellow Senators, Judge David Sam of Springville, Utah for appointment to the U.S. District Court for the district of Utah. David Sam is one of the most outstanding Americans I know. He is hardworking, dedicated, and scrupulously honest. From personal experience and association with this fine gentleman, I know for a fact he is especially deserving of our respect and admiration. In my estimation he is extremely well qualified to serve as a Federal district judge.

Throughout an illustrious legal career, David Sam has consistently distinguished himself. Early in his professional career, he spent years honing his skills while representing the ranchers and the farmers of the mostly agrarian communities of Utah's Uintah Basin. He knows and understands the common man. Then, in 1976, he accepted a prestigious appointment to the State district bench in Provo, UT, where he has served with distinction for the past 10 years.

To sum up my feelings about David Sam's suitability for the Federal bench, I would simply say that Mr. Sam is one of those rare individuals who I am absolutely convinced will bring a temperament to the trial bench that is perfectly suited for the task at hand. He will be fair while being just, and he will treat every man or woman, regardless of rank or stature, with courtesy and patience.

More than most people I know, David Sam really cherishes his citizenship as an American. It is not something he takes for granted. For it wasn't all that long ago that a young Romanian by the name of Andrew Sirb traveled by foot across the entire country of Romania to escape the ravages and hopelessness of a freedom-destroying monarchy to start all over again with his new wife in a land across the Atlantic where hope and freedom were allged to be in abundance.

Fortunately for us, Andrew Sirb successfully made that journey, crossing the border into Austria, then Germany, then aboard a steamer to the United States where he finally fulfilled his dream. He selected the most American name he could possibly find—Sam, in honor of his newest favorite uncle—and Andrew Sirb became Andrew Sam. Then, he and his wife settled in Gary, IN, and had 11 children. A little boy named David was No. 11.

Now David Sam appears before this body for confirmation to the Federal bench. He and his family have been through a lot to get him here; and I am satisfied that the end result will be a credit to Utah's Federal district bench. I strongly support his nomination and ask my colleagues that we now give him our unanimous bipartisan consent.

NOMINATION OF JENNIFER JOY MANSON TO BE ASSISTANT ADMINISTRATOR OF THE ENVIRONMENTAL PROTECTION AGENCY

Mr. WARNER. Mr. President, I rise today in strong support of the nomination of Jennifer Joy Manson, a resident of Alexandria, VA, who has been nominated by President Reagan to be the Assistant Administrator of EPA for External Affairs.

Leading EPA's communications and legislative activities will be a heavy responsibility and I am confident Miss Manson will rise to the challenge.

I have known Miss Manson for nearly 9 years and have always been impressed with her professionalism, intelligence, honesty, and dedication to serving the public.

She is an effective and organized manager who knows how to work on a bipartisan basis to achieve the best policy results.

Mr. Chairman, Miss Manson brings to EPA an impressive and varied background of achievement.

She attended high school in Norfolk, VA, and then graduated from the University of North Carolina.

As a member of the White House staff, she has worked on national domestic issues.

She was the chief of staff for the former distinguished Governor of Virginia John Dalton.

Subsequently, she joined my staff and became my senior legislative strategist and advisor.

Miss Manson's ability to quickly grasp complex issues has enabled her to effectively go to the heart of a policy debate.

I can't think of any better qualifications to manage the Office of External Affairs for EPA.

I also want to take this opportunity to commend her parents, Captain and Mrs. Frank Manson, who deserve so much of the credit for providing the values and judgement by which their daughter lives.

I know I speak for the Members of the Virginia Congressional Delegation, Governor Dalton, and especially myself, in providing Miss Jennifer Joy Manson our highest recommendation.

She will undertake her responsibilities, as she has in the past, with the utmost dedication and integrity.

I am confident she will do a truly outstanding job for the people of the United States, the President, and the distinguished Administrator Lee Thomas.

I urge my colleagues to support this nomination.

NOMINATION OF PAUL ROBINSON

Mr. BRADLEY. Mr. President, I am pleased that the Senate today has confirmed the appointment of Prof. Paul Robinson to serve on the Federal Sentencing Commission.

Professor Robinson is a resident of New Jersey and a professor at the Rutgers University School of Law; where he has achieved a level of recognition for his outstanding criminal law scholarship which is remarkable for a person his age. Rutgers has promoted him to the rank of distinguished professor, its highest rank. I am told that he is the youngest person holding that position in the university. He also has an extremely broad background in the

criminal justice system, having served as an attorney with the Department of Justice, with the U.S. Attorney's Office and with the Senate Judiciary Committee. He has also written extensively on a wide range of criminal law and criminal procedure issues.

I look forward to the contribution the Sentencing Commission will hopefully make to rationalize the often irrational differences in sentencing and parole practices for similar crimes. Hopefully, the Commission will establish guidelines that will not only help the Federal judiciary, but will give the public greater confidence that fair, impartial, yet firm dispensation will be made where individuals have been convicted of crimes. I am sure that Professor Robinson can contribute greatly to the work of the new Commission.

LEGISLATIVE SESSION

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate resume legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I thank my colleagues from Mississippi and North Dakota for yielding.

Mr. BYRD. I thank the distinguished majority leader.

AGRICULTURE APPROPRIATIONS, 1986

The Senate resumed consideration of the bill (H.R. 3037).

Mr. COCHRAN. Mr. President, while there will be no other amendments to dispose of in connection with the agriculture appropriations bill and we will be ready to go to third reading very shortly, we did want to indicate before we went to third reading that the distinguished Senator from Washington [Mr. GORTON] had brought to the attention of the committee earlier in the year and we had considered a funding request for a facility in his State. I want to, at this time, thank him for bringing that to the attention of the committee and express my hope that we can work out some accommodation of his request at a later time.

For the purpose of discussing the proposal and whatever other comments the Senator would like to make, I yield to the distinguished Senator from Washington at this time.

Mr. GORTON. Mr. President, I thank the distinguished Senator from Mississippi, the manager of the bill.

Washington State University in Pullman, WA, has for some time been seeking funding under the Research Facilities Act for a research facility of immense importance to the Pacific Northwest. The university has proposed the creation of a food-human nutrition facility in the heart of the Northwest wheat country. The regional support for this facility is very strong and its construction is vital to the future of the Northwest agriculture economy. The State of Washington has already appropriated $12.9 million in matching funds for the facility which is, of course, an indication of its strong support there.

The food-human nutrition center will provide the region with invaluable research in the areas of food marketing, processing, and animal and plant biotechnology. The result of this research will help the wheat and feed grain industry to establish new markets around the world and, just as important, to reestablish the markets we have lost to subsidized foreign competition. The WSU center has the support of the National Association of Wheat Growers, the Department of Agriculture, and universities in the Northwest.

Mr. President, the difficulty has been that the Research Facilities Act has been inadequate to facilitate either this kind of project or any other. The Research Facilities Act has been substantially amended or rather proposals substantially to amend it are included in both the farm bill which has passed the House and the farm bill which is about to come before the Senate. That authorization is, of course, not complete and is one of the primary reasons that no appropriation is included either in the House bill or in the Senate bill for carrying out the purposes of the Research Facilities Act.

I would like the Senator from Mississippi to assure me, if he can, that appropriations for these purposes and specifically for Washington State University will be considered very seriously and as priority matters, either in any supplemental appropriations bill which should come along later or, alternatively, in next year's agriculture appropriations bill.

Mr. COCHRAN. Mr. President, if the Senator will yield, I am happy to respond in this way. The Research Facilities Act, under which funding is being urged by the Senator from Washington, is included in the farm bill that has been approved by the Senate Agriculture Committee, and will be considered by the Senate maybe next week. Under that authorization, the first $4 million of appropriations must be divided among the land grant colleges and universities which are eligible for funding under that authorization.

It is my hope that we will be able to secure funding of that program. It is an important program. This Senator supported its inclusion in the farm bill. However, it is not possible at this time to provide funding. It could be, as we take up a supplemental appropriations bill, that it would be ripe for consideration, and we might be able to add funds at that time for facilities under that authority.

I am convinced from my conversations with the Senator from the State of Washington that this is a project that is meritorious, and that it is a facility that could provide important benefits and information in the areas that would be included in its research activities.

So I commend the Senator for bringing to the attention of the Senate the need for funds for this project. I wish we had money available to fund this project and the projects that have been discussed earlier today, which were not included in the bill. But we are operating under some severe budget constraints. We know that, and the distinguished Senator from Washington is aware of that. I appreciate his understanding of our inability to provide funding at this time in this bill for this project. But I hope we can find a way to provide funds later on. We will work with the Senator. We will have hearings next year, if we do not include it in the supplemental appropriations bill, and we will try to get the support of the Department of Agriculture for this project.

But I pledge to the Senator to work with him to try our best to find ways to help ensure the construction of this facility.

Mr. GORTON. I thank the Senator from Mississippi.

THE SOIL CONSERVATION SERVICE'S WORK IN THE CHESAPEAKE BAY

Mr. MATHIAS. Mr. President, with the passage of the fiscal year 1986 agriculture appropriations bill, we assure the continuation of the important work by the Department of Agriculture's Soil Conservation Service to help save Chesapeake Bay. I am pleased to share with my colleagues information on what the SCS is doing to control nonpoint sources of pollution—a major culprit of the problems of the bay.

Last November, the Soil Conservation Service signed a memorandum of understanding with the Environmental Protection Agency, pleading to devote its resources to the Chesapeake Bay Cleanup Program. To effectively and immediately carry out its bay responsibilities, SCS needs 21 more positions to provide technical assistance to farmers and landowners. This is in addition to 10 staff positions, which Congress last year directed the SCS to devote to the bay cleanup. On September 24, the Appropriations Committee approved $840,000 for the 21 positions. With 21 new field positions, SCS will have a total of 31 additional staffers working with State, county, and local people on alleviating the bay's pollution.

Earlier this year, the SCS celebrated 50 years of dedicated service to the citizens of the United States. The SCS grew out of the turbulent Dust Bowl era when much of the Nation's agri-

cultural productivity was threatened by natural disaster and detrimental farming practices on fragile lands. The pollution problems we face today in the Chesapeake Bay are akin to those earlier experiences on the land. Our desire to enjoy the bay and make a living from it has pushed the bay beyond its carrying capacity and capability to restore itself to its former productivity.

A significant part of the bay's recent decline results from adverse effects of sediment, nutrients, and animal waste, and their detrimental interaction on the bay's ecosystem. In July, my colleague, the Senator from Maryland, Mr. SARBANES, the EPA Administrator, Lee Thomas, Secretary of the Interior, Donald Hodel, SCS Chief, Wilson Scaling, the Governors of Maryland and Virginia, and others joined me for a tour of Chesapeake Bay. We viewed the problems of the bay and the progress being made by the Federal agencies working on those problems. We saw firsthand those problems related to sediment and nutrients.

Sediment is a ferry, delivering toxic cargoes to the bay every day. The bay has over 6,000 miles of shoreline, with much of it eroding at a rapid rate. Additionally, large amounts of sediment from distant parts of the bay's six-State watershed are carried to the bay by the Susquehanna, Potomac, James, and other rivers. Sediment particles attract and tightly hold substances, such as phosphate nutrients and many pesticides. Thus, every time a sediment particle is delivered to the bay, it potentially carries thousands or even millions of attached pollutant molecules.

In its report on the Chesapeake Bay, the EPA stated that farmland is a major contributor of sediment to the bay. The SCS estimates that gross erosion from Maryland cropland exceeds 9 million tons of soil annually. Of this amount, more than 1½ million tons were lost last year from cropland at the "T" or "tolerance" level up to twice "T".

Obviously, not all of this soil reaches the bay, but the sediment problem is significant in all the States bordering the bay. This does not mean that the SCS is sitting idly by. Last year, the SCS in Maryland prevented the loss of more than 600,000 tons of soil, an amount equivalent to a line of loaded dump trucks stretching across the 4-mile Chesapeake Bay bridge 80 times.

Animal waste is another bay concern. Animal wastes, high in nutrient value and organic matter, have been used for generations as a source of fertilizer. Spreading manure on fields eliminates the immediate problem of what to do with tons of animal waste, but the number of livestock in the bay watershed has increased dramatically in recent years, creating local situations of too much manure for the available land. Excess nutrients and organic matter make their way to the bay, further degrading it.

To help combat nonpoint source pollution entering the bay, the State of Maryland has started a new 5-year $40 million Agricultural Erosion Control Program. But Maryland must depend on the SCS to help train all the new people working in this program. The SCS has the only readily available expertise and training capability needed for the newly hired personnel of the States, counties, and soil conservation districts.

Sediment, nutrients, and animal wastes—a deadly trio—can and must be controlled if Chesapeake Bay is to be restored to its former role as the Nation's most productive estuary. The Soil Conservation Service has the technology and capability to help control nonpoint source pollution problems in the Chesapeake Bay—including keeping erosion rates on agricultural lands within tolerances compatible with good water quality, a safe environment, and high productivity.

Mr. DOMENICI. Mr. President, I rise in support of H.R. 3037, the fiscal year 1986 Agriculture and related agencies appropriation bill, as reported by the Senate Appropriations Committee.

Mr. President, H.R. 3037 as reported provides $28.2 billion in budget authority and $23.0 billion in outlays for fiscal year 1986 for important programs of the Department of Agriculture and related agencies. The bill, together with outlays from prior-year budget authority and other adjustments, is at the subcommittee's 302(b) allocation.

I want to congratulate the chairman of the subcommittee, Senator COCHRAN, for a number of tough decisions he had to make in bringing this bill to the floor today. I particularly want to congratulate the chairman on his courageous efforts to reduce expenditures in the rural housing accounts. I know this was difficult for him.

Let me also congratulate the chairman of the subcommittee for reporting a bill that is devoid of the usual budget gimmicks we have come to know in this bill. The bill fully funds those things that have to be funded, such as the losses incurred in the credit funds, and, unlike past years, it provides full year funding for the nutrition programs.

Most importantly, the bill does something that has long been sought after by budget process people, it recognizes the limited control the Appropriations Committee has over CCC expenditures. The bill makes funding for CCC a current indefinite appropriation. I hope the Senate can prevail in this position when it goes to conference with the House.

The bill does provide for a major reexpansion in FmHA direct farm operating loans. While I understand the pressures that have developed for this, I do believe that the issue of farm credit will need to be addressed again in the authorizing bill we will be debating shortly.

Mr. President, I ask unanimous consent that two tables showing the relationship of the reported bill to the congressional budget, the House-passed bill, and the President's budget request, and a summary of total appropriations action to date, be printed in the RECORD at the conclusion of my remarks.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

SPENDING TOTALS—SENATE-REPORTED BILL

[Dollars in billions]

	Fiscal year 1986	
	BA	O
Outlays from prior-year budget authority and other action completed	$0.4	$2.2
H.R. 3037, as reported in the Senate	28.2	23.0
Possible later requirement:		
Agricultural Stabilization and Conservation Service—salaries and expenses	0.1	
Adjustment to conform mandatory programs to Budget Resolution assumptions	−0.5	−0.1
Subcommittee total	28.2	25.2
Subcommittee 302(b) allocation	28.2	25.2
House-passed level [1]	28.2	25.2
President's request [1]	27.6	24.1
Subcommittee total compared to:		
Subcommittee 302(b) allocation	−(*)	−(*)
House-passed level [1]	+(*)	−(*)
President's request [1]	+0.5	+1.1

(*) Less than $50 million.
[1] Reflects CCC adjustment for comparability with Senate crosswalk.
Note: Details may not add to totals due to rounding.

STATUS OF APPROPRIATION BILLS IN THE SENATE

[In billions of dollars]

Subcommittee	Appropriations Committee's 302(b) allocation		Adjusted bill totals [1]		Bill compared to crosswalk		Bill status
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	
Agriculture	28.2	25.2	28.2	25.2	−(*)	−(*)	Senate-reported.
Commerce-Justice	12.0	11.9	11.9	12.0	−0.1	+0.1	Senate-reported.
Defense	285.5	252.2					
District of Columbia	0.5	0.5	0.5	0.5	+(*)	+(*)	Senate-reported.

STATUS OF APPROPRIATION BILLS IN THE SENATE—Continued

[In billions of dollars]

Subcommittee	Appropriations Committee's 302(b) allocation		Adjusted bill totals [1]		Bill compared to crosswalk		Bill status
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	
Energy-Water	15.3	15.6	15.3	15.6	−(*)	−(*)	Conference.
Foreign Ops	15.2	14.7					
HUD-Independent	58.7	61.2	58.7	62.0	+(*)	+0.8	Senate-reported.
Interior	8.2	8.9	8.2	9.3	+(*)	+0.4	Senate-reported.
Labor-HHS	108.0	115.3	108.0	115.3	−(*)	−(*)	Senate-reported.
Legislative Branch	1.7	1.7	1.7	1.7	−(*)	+(*)	Senate-passed.
Military Construction	9.0	7.6					
Transportation	10.5	26.6	10.0	26.7	−0.5	+0.1	Senate-reported.
Treasury-Postal	13.1	13.1	13.1	13.1	−(*)	−(*)	Senate-passed.
Unassigned	1.2	−0.4			−1.2	+0.4	
Total, Appropriations Committee	567.1	554.1	255.8	281.5	−1.7	+1.8	

[1] In addition to the bill, includes outlays from budget authority enacted in prior years, possible later requirements, adjustments to conform mandatory items to the budget resolution level, and other adjustments.
(*) Less than $50 million.

Note.—Details may not add to totals due to rounding.

Source: Senate Budget Committee Staff.

Mr. LAUTENBERG. Mr. President, H.R. 3037, the fiscal year 1986 Agriculture appropriations bill, contains several provisions which are of special concern to New Jersey.

Mr. President, The Department of Agriculture has considered closing New Jersey's Agricultural Stabilization and Conservation Service [ASCS] office and consolidating it with Maryland's office into an office in Delaware. I am concerned about the adverse impact a regionalization of agriculture centers could have on the agricultural community in New Jersey.

The New Jersey ASCS Center in Robbinsville serves as a valuable link between the U.S. Department of Agriculture and the State of New Jersey. The center has worked closely with the New Jersey Department of Agriculture and the Department of Environmental Protection to ensure that New Jersey's agricultural needs are addressed. Conservation programs, water quality assessments, and price stabilization plans, all vital to the health of the New Jersey farm community, have been effectively administered through the ASCS State office. The individual needs and interests of each State's agricultural community require the maintenance of individual State offices.

I am pleased that language I sought concerning the closing of New Jersey's ASCS offices was included in the committee report which accompanies this bill. The committee report states that the committee is concerned about the closing of any State or county offices and expects the Department of Agriculture to notify the Congress at least 4 months in advance of any changes in organization or location of offices. The inclusion of this language insures that if the Department of Agriculture decides to move ahead with plans to consolidate New Jersey's ASCS office, we will have sufficient notice to react to such a plan.

I am also pleased, Mr. President, that language I sought directing the U.S. Department of Agriculture's Agricultural Plant and Animal Health Inspection Service [APHIS] to continue its program of certifying logs as free of gypsy moths was included in the committee report. APHIS had announced that as of october 1, 1985, it would discontinue its program of certifying that logs traveling to Canada or interstate are free of gypsy moths. The State of New Jersey notified me that if APHIS had discontinued this program, the State could not set up its own certification program. Since Canada and some States refuse to accept any logs without certification, the discontinuation would have posed a real problem for New Jersey businesses which ship about $3 million worth of logs to Canada and interstate each year.

Another provision of this bill which I strongly supported was funding for programs to reduce the use of pesticides. The committee approved $7.531 million in the Extension Service account and $10.117 million in the Agricultural Research Service account for the Integrated Pest Management [IPM] Program. IPM has been instrumental in helping New Jersey to reduce pesticides. Although currently only a relatively small percentage of the 1 million acres under cultivation in new Jersey benefit from IPM, the volume of pesticides used in the State has been reduced by over 500,000 pounds per year as a result of this program. Reductions in pesticide nationally are estimated to be 50 million pounds per year. In New Jersey, the program is run through the New Jersey Agricultural Experiment Station and the Cooperative Extension Service of Cook College at Rutgers University.

The decreased use of pesticides resulting from the IPM programs has saved New Jersey farmers $1.08 million and farmers throughout the country $100.8 million per year in production costs. IPM has also had a beneficial impact on the environment by decreasing the deposit of excess residues. New Jersey's farmers support for the IPM program is demonstrated by the fact that they contribute to the IPM effort each year.

Finally, Mr. President, I call the Senate's attention to an unusual but worthwhile program provided for in this bill: the Urban Gardening Program. In the Appropriations Committee, I sought funding for the Urban Gardening Program, and am pleased that at least $1.75 million was included for this program. The Urban Gardening Program has made it possible for urban dwellers in Newark, NJ, and 20 other cities to grow their own fruits and vegetables in community gardens. It has created an additional food source for inner city residents, and fostered community pride by teaching its participants to transform urban wasteland and unused city plots into productive vegetable gardens. By growing their own fruits and vegetables last year, 186,000 program participants added fresh foods to their diet that are not always readily available or affordable.

Mr. President, last year, the $3.5 million allocated for the program enabled 186,000 urban gardeners to grow $20 million worth of produce, a 5 to 1 return on the Federal dollar. The program also attracted $1 million in contributions from private companies and city governments and 2,000 volunteers last year, a reflection of the program's recognized value to the community. The House of Representatives has approved $3.5 million, a freeze at last year's level, for this program.

Mr. President, I am pleased to support the 1986 Agriculture appropriations bill, and urge my colleagues to approve it. I very much appreciate the consideration of our chairman, Senator COCHRAN, and our ranking minority member, Senator LEAHY, in accommodating my requests.

Mr. COCHRAN. Mr. President, I know of no other amendments to the bill and no other Senator seeking to offer amendments. I think we are ready for third reading.

The PRESIDING OFFICER. If there be no further amendments to be

proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. COCHRAN. Mr. President, I ask for the yeas and nays on the bill.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Rhode Island [Mr. CHAFEE], the Senator from Nevada [Mr. LAXALT], the Senator from Maryland [Mr. MATHIAS], and the Senator from Alaska [Mr. MURKOWSKI] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Louisiana [Mr. LONG] is necessarily absent.

The PRESIDING OFFICER (Mr. GORTON). Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 81, nays 14, as follows:

[Rollcall Vote No. 226 Leg.]

YEAS—81

Abdnor	Exon	McConnell
Andrews	Ford	Melcher
Baucus	Garn	Metzenbaum
Bentsen	Glenn	Mitchell
Biden	Gore	Moynihan
Bingaman	Gorton	Nickles
Boren	Grassley	Nunn
Boschwitz	Harkin	Packwood
Bradley	Hart	Pressler
Bumpers	Hatch	Pryor
Burdick	Hatfield	Quayle
Byrd	Hawkins	Riegle
Chiles	Heflin	Rockefeller
Cochran	Heinz	Rudman
Cohen	Hollings	Sarbanes
Cranston	Inouye	Sasser
D'Amato	Johnston	Simon
Danforth	Kassebaum	Simpson
DeConcini	Kasten	Specter
Denton	Kennedy	Stafford
Dixon	Kerry	Stennis
Dodd	Lautenberg	Stevens
Dole	Leahy	Thurmond
Domenici	Levin	Trible
Durenberger	Matsunaga	Warner
Eagleton	Mattingly	Weicker
Evans	McClure	Zorinsky

NAYS—14

Armstrong	Helms	Roth
East	Humphrey	Symms
Goldwater	Lugar	Wallop
Gramm	Pell	Wilson
Hecht	Proxmire	

NOT VOTING—5

Chafee	Long	Murkowski
Laxalt	Mathias	

So the bill (H.R. 3037), as amended, was passed.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. COCHRAN. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives on the disagreeing votes thereon and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to and the Presiding Officer [Mr. GORTON] appointed Mr. COCHRAN, Mr. MCCLURE, Mr. ANDREWS, Mr. ABDNOR, Mr. KASTEN, Mr. MATTINGLY, Mr. SPECTER, Mr. HATFIELD, Mr. BURDICK, Mr. STENNIS, Mr. CHILES, Mr. SASSER, Mr. BUMPERS, and Mr. HARKIN, conferees on the part of the Senate.

Mr. COCHRAN. Mr. President, let me express my appreciation to the distinguished Senator from North Dakota again for his very able assistance in the development of this legislation, the handling of it, the management of the bill on the floor of the Senate, and its successful passage this evening. There were others, of course, who assisted, who are members of the subcommittee, members of the full committee, and other Senators. We appreciate very much the cooperation of these Senators in the passage of the legislation.

I also want to let the Senate know that we have had very capable and professional assistance from our staff members—Irma Hanneman, who is the chief clerk of the subcommittee, Forest Thigpen, assistant clerk, and Rocky Kuhn, who is a member of the minority staff. Koni Gleason also was very helpful to the committee. All of these staff members worked very hard. We appreciate their help in the passage of the legislation.

NATIONAL DAY OF FASTING TO RAISE FUNDS TO COMBAT HUNGER

Mr. SIMPSON. Mr. President, having conferred with the Democratic leader and obtaining his approval, I ask unanimous consent that the Senate now turn to House Joint Resolution 386, National Day of Fasting, now being held at the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the resolution by title.

The assistant legislative clerk read as follows:

A House joint resolution (H.J. Res. 386) to designate November 24, 1985, as "National Day of Fasting to Raise Funds to Combat Hunger."

The PRESIDING OFFICER. Without objection, the joint resolution will be considered as having been read the second time by title.

Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. HATCH. Mr. President, I wish to urge my colleagues to vote in favor of House Joint Resolution 386, a joint resolution designating Sunday, November 24, 1985, the Sunday before Thanksgiving, as the National Day of Fasting to Raise Funds to Combat Hunger. Senator KENNEDY and I had the honor of sponsoring the resolution here in the Senate, along with 35 of our fellow members.

As I am sure many of you know, today is World Food Day, a day for celebrating national and international efforts to feed the world. Obviously, it is also a day for remembering that, despite these efforts 35,000 people are still dying daily from starvation, malnutrition, and famine. World Food Day is an appropriate time for us to recommit ourselves to working together to end the tragedy of hunger, and thus, a most appropriate time for Congress to be considering the resolution before us.

The resolution we will vote on today will provide another opportunity to help those who so desperately need our assistance. It would designate Sunday, November 24, 1985, as National Day of Fasting to Raise Funds to Combat Hunger. We hope that on this Sunday, Americans will join us in forgoing a meal or two and contributing the savings to the fight against hunger. Obviously, all contributions will be welcome and the sponsors hope every American will choose to participate in some way, even if fasting is not possible.

Participants will be asked to send their contributions to either the charity of their choice or to the following post office box:

Fast to End Famine,
Post Office Box 33219,
Farragut Station,
Washington, DC 20033.

The congressional sponsors of the resolution are thrilled that InterAction, the world renowned umbrella organization of groups fighting hunger, has agreed to distribute the funds collected through the post office box. InterAction has agreed to reserve 15 percent of all funds to fight hunger here in the United States. They intend to spend 45 percent of the funds on long term assistance in Africa, 35 percent on emergency food and medical relief, and the remaining 5 percent on educational needs.

I am especially pleased that the American Federation of Teachers, the National Education Association, and the National Association of Manufacturers have endorsed the resolution and if it is enacted they will work with us to publicize the fast. All three organizations have demonstrated quite clearly their interest and commitment

to defeating famine and should be commended for their involvement.

I hope it is recognized that in passing this resolution, we have no intention of interfering with the panoply of events already planned for this fall, such as the upcoming World Food Day or Oxfam America's program of events. It is our hope that the national day of fasting will heighten awareness and provide another opportunity for Americans to help defeat famine, malnutrition and starvation.

Mr. President, what better time than the Sunday before Thanksgiving, our national day of gratitude and prayer, to give up a little or the bounty we enjoy each and every day and share our fortune with those who are staring? I am sure that the fast can only enhance our appreciation of the Thanksgiving holiday.

Before concluding, I want to acknowledge the work of several of my colleagues who have done so much to move this legislation through the Senate. First of all, I thank Senator KENNEDY for his dedicated support and efforts to ensure that the resolution has bipartisan support. Also, a special thanks should go to Senator TRIBLE, who has played such a large part in the development of the Resolution. Senator THURMOND's leadership has been critical to our being able to vote on the resolution today. And, let us not forget Representative RON PACKARD who developed the idea of a national fast and has worked so diligently to see it implemented.

Finally, Mr. President, I thank the distinguished majority and minority leaders for their help in bringing up the resolution during such a busy period in the Senate.

Famine knows no politics and our response to it has and should continue to transcend political beliefs and ideologies. By working together, we can end famine, feed the hungry and enrich the lives of all mankind. Passage of this resolution will move us closer to this worthy objective, and I ask all of my colleagues for their support.

Mr. President, I ask unanimous consent that Senators BIDEN, DURENBERGER, and GORE be added as cosponsors of Senate Joint Resolution 218, the Senate version of House Joint Resolution 386.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. The question is on the third reading and passage of the joint resolution.

The joint resolution (H.J. Res. 386) was ordered to a third reading, was read the third time, and passed.

The preamble was agreed to.

Mr. SIMPSON. Mr. President, I move to reconsider the vote.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

ANNUAL REPORT ON ADMINISTRATION OF RADIATION CONTROL FOR HEALTH AND SAFETY ACT—MESSAGE FROM THE PRESIDENT—PM 88

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

In accordance with Section 360D of the Public Health Service Act (42 U.S.C. 263 1), I am transmitting the report of the Department of Health and Human Services regarding the administration of the Radiation Control for Health and Safety Act. The report discusses the progress of the Food and Drug Administration's (FDA) Center for Devices and Radiological Health toward the accomplishment of its objectives during calendar year 1984.

The report recommends that Section 360D of the Public Health Service Act that requires the completion of this annual report be repealed. All of the information found in this report is available to the Congress on a more immediate basis through congressional committee oversight and budget hearings and the FDA Annual Report. This annual report serves little useful purpose and diverts Agency resources from more productive activities.

RONALD REAGAN,

THE WHITE HOUSE, *October 16, 1985.*

MESSAGES FROM THE HOUSE

At 11:08 a.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the bill (S. 1264) to amend the National Foundation on the Arts and Humanities Act of 1965, the Museum Services Act, and the Arts and Artifacts Indemnity Act, to extend the authorization of appropriations for such acts, and for other purposes, with amendments, it insists upon its amendments and asks a conference with the Senate on the disagreeing votes of the two Houses thereon, and appoints Mr. HAWKINS, Mr. FORD of Michigan, Mr. BIAGGI, Mr. WILLIAMS, Mr. OWENS, Mr. HAYES, Mr. JEFFORDS, Mr. COLEMAN of Missouri, Mr. BARTLETT, and Mr. ARMEY as managers of the conference on the part of the House.

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 2100. An act to extend and revise agricultural price support and related programs, to provide for agricultural export, resource conservation, farm credit, and agricultural research and related programs, to continue food assistance to low-income persons, to ensure consumers an abundance of food and fiber at reasonable prices, and for other purposes.

ENROLLED BILL AND JOINT RESOLUTIONS SIGNED

At 1:21 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the Speaker had signed the following enrolled bill and joint resolutions:

S. 1349. An act to provide for the use and distribution of funds awarded in docket 363 to the Mdewakanton and Wahpekute Eastern or Mississippi Sioux before the United States Court of Claims and Claims Court;

S.J. Res. 158. Joint resolution designating February 1986 as "National Community College Month"; and

S.J. Res. 175. Joint resolution to designate the week of October 20, 1985, through October 26, 1985, as "National CPR Awareness Week".

The enrolled bill and joint resolutions were subsequently signed by the President pro tempore (Mr. THURMOND).

MEASURE PLACED ON THE CALENDAR

The following bill was read the first and second times by unanimous consent, and placed on the calendar:

H.R. 2100. An act to extend and revise agricultural price support and related programs, to provide for agricultural export, resource conservation, farm credit, and agricultural research and related programs, to continue food assistance to low-income persons, to ensure consumers an abundance of food and fiber at reasonable prices, and for other purposes.

ENROLLED JOINT RESOLUTIONS PRESENTED

The Secretary of the Senate reported that on today, October 16, 1985, she had presented to the President of the United States the following enrolled joint resolutions:

S.J. Res. 158. Joint resolution designating February 1986 as "National Community College Month"; and

S.J. Res. 175. Joint resolution to designate the week of October 20, 1985, through October 26, 1985, as "National CPR Awareness Week".

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1877. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a cumulative report on budget rescissions and deferrals dated October 1, 1985; pursuant to the order of January 30, 1975, referred jointly to the Committee on the Budget and the Committee on Appropriations.

EC-1878. A communication from the Secretary of Transportation, transmitting, pursuant to law, the Urban Mass Transportation Administration Quarterly Report for the third Quarter of fiscal year 1985; to the Committee on Banking, Housing, and Urban Affairs.

EC-1879. A communication from the Secretary of Agriculture, transmitting, pursuant to law, the annual report on the 1984 Youth Conservation Corps program; to the Committee on Energy and Natural Resources.

EC-1880. A communication from the Secretary of the Interior, transmitting, pursuant to law, the financial exhibits of the Colorado River Storage Project and Participating Projects for fiscal year 1984; to the Committee on Energy and Natural Resources.

EC-1881. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 6-87 adopted by the Council on September 24, 1985; to the Committee on Governmental Affairs.

EC-1882. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 6-90 adopted by the Council on September 24, 1985; to the Committee on Governmental Affairs.

EC-1883. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 6-88 adopted by the Council on September 24, 1985; to the Committee on Governmental Affairs.

EC-1884. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 6-92 adopted by the Council on October 8, 1985; to the Committee on Governmental Affairs.

EC-1885. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 6-86 adopted by the Council on October 8, 1985; to the Committee on Governmental Affairs.

EC-1886. A communication from the Director of the Office of Personnel Management, transmitting a draft of proposed legislation to amend the Ethics in Governmental Act of 1978 to improve the Confidential Disclosure System"; to the Committee on Governmental Affairs.

EC-1887. A communication from the Director of the Administrative Office of the United States Courts, transmitting a draft of proposed legislation to amend Revised Statutes section 722 (42 U.S.C. 1998) to exempt State judges and judicial officers from assessment of attorney's fees in cases in which such judge or judicial officer would be immune from actions for damages arising out of the same act or omission about which complaint is made; to the Committee on the Judiciary.

EC-1888. A communication from the Acting Assistant Attorney General (Legislative and Intergovernmental Affairs), transmitting pursuant to law, an update of the 1983 evaluation report on the U.S. Trustee pilot program for Bankruptcy Administration; to the Committee on the Judiciary.

EC-1889. A communication from the Director of ACTION, transmitting, pursuant to law, a copy of a final regulation entitled "Denial of Application for Refunding"; to the Committee on Labor and Human Resources.

EC-1890. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Financial Condition of American Agriculture"; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1891. A communication from the Commandant of the United States Coast Guard, transmitting, pursuant to law, a list of functions to be examined as functions and services presently performed by Coast Guard personnel which are not inherently governmental in nature and which may be performed with equal effectiveness at lower cost under contract to the private sector; to the Committee on Commerce, Science, and Transportation.

EC-1892. A communication from the National Treasurer of the Navy Wives Clubs of America, transmitting, pursuant to law, the audit report of the Club for the year ending August 31, 1985; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. STAFFORD, from the Committee on Environment and Public Works, with amendments:

S. 1706: A bill to authorize the Architect of the Capitol, in cooperation with the Union Station Redevelopment Corporation, to design a building or buildings adjacent to Union Station in Washington, DC (Rept. No. 99-158).

By Mr. STAFFORD, from the Committee on Environment and Public Works, without amendment:

S. Res. 238: An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to consideration of S. 1706; referred to the Committee on Budget.

By Mr. HATCH, from the Committee on Labor and Human Resources, without amendment and with a preamble:

S. Con. Res. 71: Concurrent resolution to commemorate the accomplishments of Public Law 94-142, "The Education for All Handicapped Children Act" on the 10th anniversary of its enactment.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. WARNER, from the Committee on Armed Services:

Mr. WARNER. Mr. President, from the Committee on Armed Services, I report favorably the attached listing of nominations.

Those identified with a single asterisk (*) are to be placed on the Executive Calendar. Those identified with a double asterisk (**) are to lie on the Secretary's desk for the information of any Senator since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing again.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD of October 4, October 7, and October 8, 1985, at the end of the Senate proceedings.)

**1. In the Air Force and Air Force Reserve there are 39 appointments to the grade of colonel and below (list begins with John R. Sharp). (Ref. No. 627)

**2. In the Air National Guard there are 28 promotions to the grade of lieutenant colonel (list begins with Mitchell J. Catoe). (Ref. No. 628)

**3. In the Air Force Reserve there are 4 appointments to the grade of colonel and below (list begins with Armin B. Olsen). (Ref. No. 629)

*4. Major General John H. Moellering, U.S. Army, to be lieutenant general. (Ref. No. 634)

**5. In the Air Force there are 744 promotions to the grade of colonel (list begins with John C. Aarni, Jr.) (Ref. No. 638

**6. In the Air Force there are 5 appointments to the grade of colonel (list begins with Francis G. Andrews). (Ref. No. 639)

**7. In the Air Force there are 3 promotions to the grade of lieutenant colonel and below (list begins with Willie W. Gray, Jr.) (Ref. No. 640)

**8. In the Air Force there is 1 appointment to a grade not higher than major (Susan Parker-Hotchkiss). (Ref. No. 641)

**9. In the Air Force there is 1 appointment to a grade not higher than major (Robert A. Ferguson). (Ref. No. 642)

**10. In the Air Force there is 1 appointment to the grade of major (Robert A. Ferguson). (Ref. No. 643)

**11. In the Air Force there are 1,851 appointment to the grade of captain (list begins with Paul E. Abt). (Ref. No. 644)

Total, 2,678.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. GORE:

S. 1765. A bill to amend the Earthquake Hazards Reduction Act of 1977 in order to provide for the establishment of national seismic data centers, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. MATHIAS (for himself and Mr. SARBANES):

S. 1766. A bill to designate the Cumberland terminus of the Chesapeake and Ohio Canal National Historical Park in honor of J. Glenn Beall, Sr; to the Committee on Energy and Natural Resources.

By Mr. LEVIN:

S. 1767. A bill to designate certain public lands in the State of Michigan as wilderness, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. LEVIN:

S. 1768. A bill for the relief of Golumbinka Jakimova; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. STAFFORD, from the Committee on Environment and Public Works:

S. Res. 238. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to consideration of S. 1706; to the Committee on the Budget.

STATEMENTS ON INTRODUCED BILLS AND RESOLUTIONS

By Mr. GORE:

S. 1765. A bill to amend the Earthquake Hazards Reduction Act of 1977 in order to provide for the establishment of national seismic data centers, and for other purposes; to the Committee on Commerce, Science, and Transportation.

NATIONAL SEISMIC DATA ACT

● Mr. GORE. Mr. President, I am today introducing the National Seismic Data Act of 1985.

The legislation establishes two regional seismic data centers—one in the Eastern United States and one in the West. The purpose of these centers is to collect, analyze, catalog, and disseminate data about earthquake activity in this country.

As a Member of the U.S. House of Representatives, I chaired the Science and Technology Subcommittee on Investigations and Oversight. In that capacity, I held a number of hearings on earthquakes in the United States, particularly east of the Rocky Mountains. Those hearings convinced me that there are still serious gaps in what we know about the causes of earthquakes and how we can limit the damage from them. This is especially true for earthquakes in the Eastern United States.

The most powerful earthquake ever to hit the continental United States occurred along the New Madrid Fault in 1811. That quake was so tremendous that it is said to have caused the Mississippi River to run backwards. Shock waves from it rang church bells in Boston. In fact, the force released from the quake was greater than that from all other earthquakes in the United States combined.

Public awareness of the potential dangers of earthquakes was heightened recently by the great tragedy in Mexico City. Earlier this month I participated in a hearing by the Commerce Subcommittee on Science, Technology, and Space, on which I serve, on the cause of the Mexican quake and why so many lives were lost and so much destruction occurred. I was especially anxious to take part in the hearing to find ways to ensure that a similar disaster never happens in this country.

During the hearing one item was emphasized again and again. This was the absolute necessity for reliable information on earthquake activity. Accurate information is vital if we are to predict the likelihood of earthquakes in our country and to minimize the damage that could otherwise be caused by them.

The importance of having accurate and thorough data on earthquake activity cannot be overemphasized. Dr. Arch Johnston, the director of the Tennessee Earthquake Information Center at Memphis State University and one of the foremost authorities on the New Madrid Fault, has estimated that there is a 40- to 60-percent likelihood that a major quake measuring at least 6 on the Richter scale will strike the New Madrid area in the next 15 years. He has further estimated that the odds of such a quake occurring before the year 2035 increase to 97 percent. Even in making these estimates, however, Dr. Johnston has made it clear that our knowledge of earthquake activity along the New Madrid Fault is lacking. Because the historical experience with earthquakes in the East is limited, we have not yet developed the detailed data base necessary to understand them completely.

Currently, most of our data on earthquakes in this country is generated by some 1,600 seismic stations operating as part of 50 separate seismic networks. Unfortunately, because the seismic networks are independent of each other, most of this data is never analyzed in a comprehensive fashion. Information exchange among the networks is erratic, and research into earthquake activity suffers significantly.

The legislation I am introducing corrects this problem by establishing two regional seismic data centers to serve as focal points for the information gathering activities of the various seismic networks. One center would be located west of the Continental Divide, and the other would be located east of it.

Under the bill, each network would provide its data to the seismic data center in its region. The regional center would then analyze the data it has collected from the network and catalog it into a format that is easily accessible and understandable to earthquake researchers. The centers would also make this data available to the public.

Mr. President, the legislation I am introducing today is simple and straightforward. Its central purpose is to improve our national ability to collect and analyze data on earthquake activity in this country in order that we will be able to understand better the causes of quakes and avoid a great tragedy like that in Mexico City. Earthquakes are a matter about which we should all be concerned. This legislation will do much to help minimize the dangers from them.●

By Mr. MATHIAS (for himself and Mr. SARBANES):

S. 1766. A bill to designate the Cumberland terminus of the Chesapeake & Ohio Canal National Historical Park in honor of J. Glenn Beall, Sr.; to the Committee on Energy and Natural Resources.

MEMORIAL FOR SENATOR J. GLENN BEALL, SR.

Mr. MATHIAS. Mr. President, I consider it a personal privilege to be able to introduce a bill that would dedicate the Cumberland terminus of the C&O Canal National Historic Park to Senator J. Glenn Beall, Sr., in recognition of his efforts to protect and preserve the canal and towpath, that are the principal feature of this magnificent park. I am joined in this effort by the Senator from Maryland [Mr. SARBANES].

Senator Beall's career in Congress spanned 22 years, including 10 years in the other body as the Representative from western Maryland followed by 12 years in the Senate. During that time, he gained the respect and admiration of millions of Marylanders for his service to the State. His distinguished career was marked by a myriad of accomplishments. One project that was particularly dear to his heart and that occupies a prominent place in his record of service was the C&O National Historical Park.

The 184-mile C&O Canal, built between 1828 and 1850, parallels the Potomac River from Washington, DC., to Cumberland, MD. At the groundbreaking for the canal in Georgetown, on July 4, 1828, an occasion of great pomp and ceremony, President John Quincy Adams declared:

> The project contemplates a conquest over physical nature, such as has never yet been achieved by man. The wonders of the ancient world, the Pyramids of Egypt, the Collossus of Rhodes, the Temples of Eqhesus, the Mausoleum of Artemis, the Wall of China, sink into insignificance before it—insignificance in the mass and momentum of human labor required for the execution—insignificance in the comparison of the purposes to be accomplished by the work when exceuted.

While Adams' remarks may have seemed somewhat overstated at the time, it is difficult to exaggerate the significance of the canal.

However, for more than three decades in this century, from the end of commercial operations in 1924 until the midfifties, it lay neglected, except for such preservation as the local resi-

dents, who have been staunch friends and caretakers, were able to provide.

By the 1950's, there was so little regard for the importance of the canal that they proposed to convert it into a highway. But Justice William O. Douglas and other persons with environmental interests launched a campaign to prevent that from happening. Justice Douglas led an 8-day hike along the canal to bring to public attention its unique values and the need to preserve it. That hike quickly became part of the lore of the canal. More importantly, it achieved its purpose.

J. Glenn Beall, Sr., introduced, in 1956, the first piece of legislation recognizing the historic importance of the canal and creating a vehicle for its preservation and restoration. Many other similar bills were introduced in the House and the Senate by myself and others over the next 16 years. Finally, Congress passed the legislation in 1971, 1 year after Senator Beall's death.

It took the concentrated, and collective, efforts of many citizens, legislators, and Government officials to make the C&O Canal National Historic Park a reality. But the first legislative initiative clearly came from Senator Beall in 1956. His first bill laid the groundwork for the legislation ultimately enacted into law.

A fitting way to honor Senator Beall for his leadership would be to develop the Cumberland terminus of the C&O Canal as an interpretive park that would relate the area's rich history, recognize Senator Beall's role, and enhance both his home county of Allegany and the national park he championed.

Between 1850, when the full 185-mile waterway was finally opened, and its shutdown in 1924, Cumberland, the seat of Allegany County, was the center of a boatbuilding industry and the port where the canal's principal cargo—western Maryland coal—was collected and loaded for the trip downriver. The area was a commercial crossroads where the trade routes of the upper Potomac Valley intersected with the National Road and the railroads, which unlike the canal, actually spanned the mountains to the Ohio Valley and the West.

The Beall family has lived in western Maryland since 1783 when Thomas Beall moved to a farm on Evitts Creek near Cumberland. The family's leadership in Maryland's business and civic affairs is an integral part of the region's history. Senator Beall's efforts to preserve the canal testified to his own appreciation of western Maryland's heritage and its continuing national significance.

The Cumberland terminus is an appropriate place to honor Senator Beall's great contributions to the development of the C&O Canal National Historic Park. It is prominently located in the heart of Cumberland, where river, rail, and road corridors still intersect. However, since most of the physical remains of the canal were buried and the area's appearance greatly changed by construction of a flood control project in the 1950's, visitors must rely largely on exhibits, brochures, and their own imaginations to grasp how the terminus looked and bustled a century ago.

Congressional designation of the terminus as a memorial to Senator Beall would provide the impetus for developing the site as an open, inviting, interpretive park with permanent exhibits, landscaping, and walkways, miniplazas, and benches to draw people to the river and the canal lock area. Durable displays, like those in place elsewhere along the canal, could be used to depict the 19th century scene, describe the canal's history, and significance, and recall Senator Beall's role in creating the park. Special brochures and other materials in the nearby visitor center could complement the outdoor exhibits.

In accord with the park's successful tradition of open planning, detailed plans for enhancing the terminus would be developed by the National Park Service in consultation with the community, other interested groups, and the park's advisory commission. This process could also spur cooperative efforts to improve parking and vehicular access to the terminus. Although no cost estimates have been developed, the kind of park envisioned would not involve large outlays and might well be accomplished within available funds.

Senator Beall was a distinguished Member of this body and an outstanding representative of the State of Maryland and its citizens. This bill pays tribute to him and serves the public interest of the people of Maryland and of the Nation to whom the C&O Canal National Historic Park is forever dedicated.

I ask unanimous consent that the text of the legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1766

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Cumberland terminus of the Chesapeake and Ohio Canal National Historical Park is hereby dedicated to J. Glenn Beall, Sr., in grateful recognition of his outstanding efforts to preserve and protect the canal and towpath from development.

(b) In order to carry out the provisions of this Act, the Secretary of the Interior is authorized and directed to provide such identification by signs, including changes in existing signs, materials, maps, markers, or other means as will appropriately inform the public of the contributions of J. Glenn Beall, Sr.

(c) The Secretary of the Interior is further authorized and directed to cause to be erected and maintained, within the exterior boundaries of the Cumberland terminus of the Chesapeake and Ohio Canal National Historical Park, an appropriate memorial to J. Glenn Beall, Sr. Such memorial shall be of such design and be located at such place as the Secretary shall determine.

(d) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

ADDITIONAL COSPONSORS

S. 3

At the request of Mr. CRANSTON, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 3, a bill to amend title II of the Social Security Act to provide that the combined earnings of a husband and wife during the period of their marriage shall be divided equally and shared between them for benefit purposes, so as to recognize the economic contribution of each spouse to the marriage and ensure that each spouse will have social security protection in his or her own right.

S. 259

At the request of Mr. DANFORTH, the name of the Senator from Oregon [Mr. HATFIELD] was added as a cosponsor of S. 259, a bill to protect the public interest in stable relationships among communities, professional sports teams and leagues and in the successful operation of such teams in communities throughout the Nation, and for other purposes.

S. 549

At the request of Mr. RIEGLE, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 549, a bill to amend title II of the Social Security Act to repeal the separate definition of disability presently applicable to widows and widowers, and to provide in turn that the months of a widow's or widower's entitlement to SSI benefits on the basis of disability may be used in establishing his or her entitlement to medicare benefits on that basis.

S. 570

At the request of Mr. WALLOP, the names of the Senator from Wyoming [Mr. SIMPSON] and the Senator from Utah [Mr. HATCH] were added as cosponsors of S. 570, a bill to amend the Mineral Lands Leasing Act of 1920 to improve the administration of the Federal Coal Leasing Program, and for other purposes.

S. 670

At the request of Mr. PELL, the names of the Senator from New York [Mr. MOYNIHAN], the Senator from Pennsylvania [Mr. HEINZ], and the Senator from Michigan [Mr. RIEGLE] were added as cosponsors of S. 670, a bill to amend the National Labor Relations Act to give employers and performers in the performing arts rights

given by section 8(e) of such act to employers and employees in similarly situated industries, and to give to employers and performers in the performing arts the same rights given by section 8(f) of such act to employers and employees in the construction industry, and for other purposes.

S. 1093

At the request of Mr. MATHIAS, the name of the Senator from Hawaii [Mr. MATSUNAGA] was added as a cosponsor of S. 1093, a bill to amend the patent law to restore the term of the patent grant in the case of certain products for the time of the regulatory review period preventing the marketing of the product claimed in a patent.

S. 1126

At the request of Mr. GORTON, the name of the Senator from Virginia [Mr. TRIBLE] was added as a cosponsor of S. 1126, a bill to provide that certain activities performed in space, the use of certain property in space and certain articles produced in space shall be treated as activities performed, property used and articles produced within the United States for purposes of any tax laws of the United States.

S. 1207

At the request of Mr. THURMOND, the name of the Senator from West Virginia [Mr. ROCKEFELLER] was added as a cosponsor of S. 1207, a bill to amend title 38, United States Code, to provide equal benefits, under certain educational assistance programs administered by the Veterans' Administration, to eligible veterans or other eligible persons enrolled in degree courses and eligible veterans or other eligible persons enrolled in nondegree courses offered by fully accrediated institutions of higher learning which offer courses leading to a standard college degree and courses not leading to a standard college degree.

S. 1209

At the request of Mr. CHILES, the name of the Senator from Ohio [Mr. METZENBAUM] was added as a cosponsor of S. 1209, a bill to establish the National Commission To Prevent Infant Mortality.

S. 1244

At the request of Mr. INOUYE, the name of the Senator from West Virginia [Mr. ROCKEFELLER] was added as a cosponsor of S. 1244, a bill to provide that services provided by a clinical psychologist in a rural health clinic need not be provided under the direct supervision of a physician in order to qualify for payment under the Medicare and Medicaid programs.

S. 1296

At the request of Mr. MATHIAS, the name of the Senator from Pennsylvania [Mr. SPECTER] was added as a cosponsor of S. 1296, a bill to amend the Immigration and Nationality Act to modify the requirement for naturalization of an understanding of the English language.

S. 1381

At the request of Mr. QUAYLE, the names of the Senator from West Virginia [Mr. ROCKEFELLER], and the Senator from South Carolina [Mr. HOLLINGS] were added as cosponsors of S. 1381, a bill to amend the General Education Provisions Act to improve and expand the Assessment Policy Committee.

S. 1451

At the request of Mr. CHAFEE, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of S. 1451, a bill to allocate funds appropriated to carry out section 103 of the Foreign Assistance Act of 1961 for nutrition programs which reduce vitamin A deficiency.

S. 1733

At the request of Mr. CRANSTON, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 1733, a bill to extend, improve, and authorize additional appropriations for the Emergency Veterans' Job Training Act of 1983, and for other purposes.

SENATE JOINT RESOLUTION 184

At the request of Mr. DENTON, the names of the Senator from South Carolina [Mr. HOLLINGS] and the Senator from North Carolina [Mr. EAST] were added cosponsors of Senate Joint Resolution 184, a joint resolution to authorize the "Korean War Memorial, Inc." to erect a memorial in the District of Columbia or its environs.

SENATE JOINT RESOLUTION 193

At the request of Mr. SYMMS, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of Senate Joint Resolution 1983, a joint resolution to authorize the President to issue a proclamation designating the week beginning October 20, 1985, as "The Lessons of Greneda Week."

SENATE JOINT RESOLUTION 218

At the request of Mr. HATCH, the names of the Senator from Delaware [Mr. BIDEN], the Senator from Minnesota [Mr. DURENBERGER], and the Senator from Tennessee [Mr. GORE] were added as cosponsors of Senate Joint Resolution 218, a joint resolution to designate November 24, 1985, as "National Day of Fasting to Raise Funds to Combat Hunger."

SENATE CONCURRENT RESOLUTON 71

At the request of Mr. WEICKER, the names of the Senator from New Jersey [Mr. BRADLEY], the Senator from West Virginia [Mr. BYRD], the Senator from Oklahoma [Mr. BOREN], the Senator from Arkansas [Mr. BUMPERS], the Senator from Alaska [Mr. STEVENS], and the Senator from Florida [Mrs. HAWKINS] were added as cosponsors of Senate Concurrent Resolution 71, a concurrent resolution to commemorate the accomplishments of Public Law 94-142, the Education for All Handicapped Children Act on the 10th anniversary of its enactment.

SENATE RESOLUTION 210

At the request of Mr. LEVIN, the name of the Senator from Rhode Island [Mr. CHAFEE] was added as a cosponsor of Senate Resolution 210, a resolution expressing the sense of the Senate regarding the system of political representation in South Africa.

SENATE RESOLUTION 227

At the request of Mr. LUGAR, the name of the Senator from Kansas [Mrs. KASSEBAUM] was added as a cosponsor of Senate Resolution 227, a resolution urging a joint United States-Soviet effort to achieve worldwide disease immunization by 1990.

SENATE RESOLUTION 238—ORIGINAL RESOLUTION REPORTED WAIVING CONGRESSIONAL BUDGET ACT

Mr. STAFFORD, from the Committee on Environment and Public Works, reported the following original resolution; which was referred to the Committee on the Budget:

S. RES. 238

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 1706, a bill to authorize the Architect of the Capitol, in cooperation with the Union Station Redevelopment Corporation, to design a building or buildings adjacent to Union Station in Washington, DC.

The waiver of section 402(a) is necessary to permit consideration of provisions authorizing new budget authority of $2,000,000 in fiscal year 1986 to make a report on the design of a new building or buildings to be used by the administrative agencies of the Federal judiciary.

AMENDMENTS SUBMITTED

AGRICULTURE, RURAL DEVELOPMENT, AND RELATED AGENCIES APPROPRIATION ACT, 1986

SPECTER AMENDMENT NO. 778

Mr. SPECTER proposed an amendment of the bill (H.R. 3037) making appropriations for Agriculture, Rural Development, and Related Agencies programs for the fiscal year ending September 30, 1986, and for other purposes; as follows:

On page 57, beginning with the colon in line 12, strike out through "expended" in line 15.

PROXMIRE AMENDMENT NO. 779

Mr. PROXMIRE proposed an amendment to the bill H.R. 3037, supra; as follows:

At the end of the bill, add the following new section:

Sec. ——. Notwithstanding any other provision of this Act, the amount of budget authority appropriated, or otherwise made available, by this Act for each appropriation account shall be reduced by 4 percent.

HELMS AMENDMENT NO. 780

Mr. HELMS proposed an amendment to the bill H.R. 3037, supra; as follows:

On page 32, line 9, strike out "real" and all that follows through "shall be guaranted loans; and" on line 17 and insert in lieu thereof the following:

"real estate and operating loans in an amount equal to $4,000,000,000; $2,000,000,000 of which shall be for insured loans and $2,000,000,000 for guaranteed loans. Not less than $260,000,000 of the monies authorized for insured loans shall be for farms ownership purposes and not less than $260,000,000 of the monies authorized for loan guarantees shall be for guarantees of farm ownership loans. The Secretary may transfer not more than 25 percentum of the amounts authorized for guaranteed loans to the amounts authorized for insured loans. In addition, the Secretary is authorized to make".

On page 33, line 5, strike out "$340,000,000" and insert in lieu thereof "$75,000,000".

On page 33, line 6, strike out". $100,000,000" and all that follows through line 7 and insert in lieu thereof "for the production and distribution of ethanol in rural areas, $150,000,000".

On page 33, strike out lines 14 through 18.

On page 51, line 24, strike out "$11,891,570,000" and insert in lieu thereof "$11,725,000,000".

GORE (AND OTHERS) AMENDMENT NO. 781

Mr. GORE (for himself, Mr. BAUCUS, Mr. GOLDWATER, Mr. METZENBAUM, and Mr. BINGAMAN) proposed an amendment to the bill H.R. 3037, supra; as follows:

On page 57, line 15, insert before the period a colon and "*Provided further*, That a portion of the funds appropriated under this heading shall be used to complete, by June 1, 1986, the safety evaluation of sulfiting agents".

CRANSTON AMENDMENT NO. 782

Mr. CRANSTON proposed an amendment to the bill H.R. 3037, supra; as follows:

On page 57, line 10, strike out the first amount and insert in lieu thereof an amount that is $3,385,000 greater.

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES APPROPRIATION ACT, 1986

HAWKINS AMENDMENT NO. 783

(Ordered to lie on the table.)

Mrs. HAWKINS submitted an amendment intended to be proposed by her to the bill (H.R. 3424) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1986, and for other purposes; as follows:

On page 36, line 18, strike out "$2,006,422,000" and insert in lieu thereof "$2,012,122,000".

● Mrs. HAWKINS. Mr. President, today I am submitting an amendment to H.R. 3424, the Labor, HHS, Education appropriations bill to increase the funding for the Runaway and Homeless Youth Act by $5.7 million in fiscal year 1986.

Currently both the House and Senate versions of H.R. 3424 provide level funding of $23.25 million for the Runaway and Homeless Youth Act. I feel that an increase of $5.7 million to $28.95 million for these programs is not only justified, it is essential if we are to avoid increased financial expenditures for children that are lost to the streets.

I recently chaired a hearing in my Subcommittee on Children, Family, Drugs and Alcoholism on the exploitation of runaways. Testimony presented at that hearing clearly demonstrated the effectiveness of the Runaway and Homeless Youth Programs. Dorcas Hardy, the Assistant Secretary for Human Development Services of the Department of Health and Human Services testified as to the success of the 273 youth centers and shelters financially supported by the Runaway and Homeless Youth Program. HDS acknowledges the need for Federal financial support of new runaway and homeless youth centers. Last year, they funded 10 new programs in underserved areas. However, because this expansion took place without a corresponding increase in Federal funds, many existing programs had their Federal financial support reduced. This is taking place at a time when existing runaway and homeless youth centers are having to turn away children needing their services and when the children being served by these programs appear to be much more troubled, and thus in need of many more services than in the past.

June Bucy, the executive director of the National Network of Runaway and Homeless Youth Services, Inc. also testified at my hearing. She summarized the findings of the July 1985 report by the National Network entitled, "To Whom Do They Belong? A Profile of America's Runaway and Homeless Youth and the Programs That Help Them." That report indicated a positive determination rate of 57 percent, that is, 57 percent of more than 50,000 youth who received services under the programs were either reunited with their families or placed in a safe living environment. But this same report indicated that only 22 to 25 percent of the runaway and homeless youth who need shelter and support are getting them due to a lack of beds and facilities.

Mr. President, I realize that budget constraints make it difficult to fund all the worthwhile programs in the Labor, HHS, Education appropriations bill. However, I feel that funding these programs which have proven successful in assisting homeless and runaway youth is more cost effective than funding programs for juvenile detention, alcohol and drug treatment, suicide prevention, and other problems directly attributable to their life on the street.●

NOTICES OF HEARINGS

SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS

Mr. DURENBERGER. Mr. President, I wish to announce that the Subcommittee on Intergovernmental Relations will hold a hearing on Innovative State and Local Programs to Expand Choice in Education, on Tuesday, October 22, at 2 p.m. in room 342 of the Dirksen Senate Office Building.

Mr. President, I wish to announce for the information of the public that the Subcommittee on Intergovernmental Relations will be holding a hearing on October 31, 1985, in the auditorium of Laboure Hall at Providence Hospital, 1150 Varnum Street, NE., Washington, DC 20017, at 9:30 a.m., on the problem of infant mortality and on legislation (S. 1209) which would establish a National Commission to Prevent Infant Mortality. Those wishing additional information should contact Robert Harris 224-4067, or Lynn Blewett 224-3244, of the subcommittee staff.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. ROTH. Mr. President, on Wednesday, October 23, at 9:30 a.m., the Committee on Governmental Affairs will hold a hearing on the following nominations:

William R. Barton to be Inspector General of the General Services Administration;

Julius W. Becton, Jr. to be Director of the Federal Emergency Management Agency, and

James P. McNeill to be an Associate Director of the Federal Emergency Management Agency.

For further information, please contact Carol Fox at 224-4751.

SUBCOMMITTEE ON PUBLIC LANDS, RESERVED WATER AND RESOURCE CONSERVATION

Mr. WALLOP. Mr. President, I would like to announce for the information of the Senate and the public that the Public Lands, Reserved Water and Resource Conservation Subcommittee of the Energy and Natural Resources Committee will conduct a hearing on Tuesday, October 29, 1985, at 10 a.m. in room SD-366 of the Senate Dirksen Office Building, Wash-

ington, DC. The subcommittee will receive testimony on the following bills:

S. 1107, to authorize the Society of the 3d Infantry Division to erect a memorial in the District of Columbia or its environs.

S. 1223, to authorize the erection of a memorial on Federal land in the District of Columbia or its environs to honor members of the Armed Forces of the United States who served in the Korean war.

S. 1379, to authorize the erection of a monument given to the American people as a gift of the Kingdom of Morocco, on public grounds in the District of Columbia.

Senate Joint Resolution 143, to authorize the Black Revolutionary War Patriots Foundation to establish a memorial in the District of Columbia at an appropriate site in Constitution Gardens.

Senate Joint Resolution 184, to authorize the Korean War Memorial, Inc. to erect a momorial in the District of Columbia or its environs.

Those wishing to testify should contact the Subcommittee on Public Lands, Reserved Water and Resource Conservation of the Committee on Energy and Natural Resources, room SD-308, Dirksen Senate Office Building, Washington, DC 20510. Oral testimony may be limited to 3 minutes per witness. Written statements may be longer. Witnesses may be placed in panels, and are requested to submit 25 copies of their testimony 24 hours in advance of the hearing, and 50 copies on the day of the hearing. For further information, please contact Tony Bevinetto or Patty Kennedy of the subcommittee staff at (202) 224-2878.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON THE JUDICIARY

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, October 16, in order to receive testimony concerning the following nominations:

U.S. DISTRICT JUDGE

Richard H. Battey, of South Dakota, to be U.S. District Judge for the District of South Dakota;

Jose Antonio Fuste, of Puerto Rico, to be U.S. District Judge for the District of Puerto Rico;

John S. Rhoades, Sr., of California, to be U.S. District Judge for the Southern District of California;

Lyle E. Strom, of Nebraska, to be U.S. District Judge for the District of Nebraska.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, October 16, in order to receive testimony concerning S. 1363, to prohibit the use of the mails to send dangerous martial arts weapons.

The PRESIDING OFFICER. Without objection it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet in closed session during the session of the Senate on Wednesday, October 16, to conduct a hearing on phase II development of national intelligence strategy.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet in closed session during the session of the Senate on Wednesday, October 16, to conduct a hearing on international terrorism.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Wednesday, October 16, 1985, in order to conduct a hearing to present the full committee with copies of the staff study on the DOD organization.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

REFUGEES: A NEVER-ENDING STORY

● Mr. KENNEDY. Mr. President, a constant theme in all the international problems and conflicts we have seen in recent decades is the movement of refugees—fleeing their lands and homes for all the reasons that lie behind the violence, conflicts, suffering and catastrophes that afflict our time.

As I have noted many times, Mr. President, refugee problems are of special concern to the United States, not only because of our country's long and proud humanitarian tradition in helping them, but because we know that refugees pose critical foreign policy problems that we and the international community cannot ignore. We know from recent history that massive movements of refugees can unbalance the world's peace and stability as much as any arms race or political or military confrontation.

This point is thoughtfully made in the current issue of the Foreign Affairs journal by Richard Smyser, the Deputy United Nations High Commissioner for Refugees. He provides a thorough review of the global refugee crisis we face today, and outlines how dramatically the refugee problem has changed in recent years.

Not only have the numbers of refugees escalated, their location and length of stay have also changed—tragically, for the worse. Moreover, the frequency of refugee crises has increased, confronting the international community with more, and more difficult, refugee problems every year.

As he writes:

The nature of the refugee issue has been transformed in very fundamental ways over four decades. It has grown from a continental to a global problem, from one that could be kept at a distance to one that may be very near. The world's refugee population has expanded manyfold. It has changed from a transient to a semi-static population. Assistance requirements have multiplied. Any crisis anywhere can now produce refugees everywhere.

Mr. President, I commend Mr. Smyser's article to the attention of the Senate, because he makes as thoughtful a case as I have read on the need to give greater priority and attention to the problems of the world's refugees. I ask that it be printed in the RECORD.

The article follows:

[From Foreign Affairs, Fall 1985]

REFUGEES: A NEVER-ENDING STORY

(By W.R. Smyser)

When Eleanor Roosevelt received the 1947 Nansen Award for her work with refugees in postwar Europe, she said she was depressed to know that 70,000 refugees still remained in camps. She and the other humanitarians of her times saw refugees as a transitory phenomenon caused by the great world wars, a problem that could and should be solved promptly with goodwill and appropriate resources.

Yet today, 38 years later, there are more refugees than ever, and the refugee problem has become a permanent factor of international affairs. Barely a month passes without yet another refugee flow clamoring for attention. Current concepts of refugee protection and assistance now face critical tests, as even long-term advocates of generous asylum and relief wonder whether the world will be able to care for all of its refugees and their seemingly interminable needs.

Refugees have existed throughout recorded history and probably since the dawn of the human community. In 1283 B.C., Pharaoh Ramses II sought the return of refugees to Egypt in a treaty with the Hittites. Greek antiquity left us both the concept of asylum and the word (from "asylon") that expresses it. Orestes was a refugee. So were Dante, Wagner, Einstein and innumerable other creative, political or religious personalities. So were whole nations or groups, such as the Huguenots of France or the Jews of Spain.

Most cultures have traditionally offered hospitality to the stranger in need. Before the existence of nation-states, religious faith or a sense of common experience gave birth to concepts such as Christian refuge, Islamic sanctuary in African brotherhood. Temples, pagodas, churches, sometimes entire free cities represented potential havens. With the establishment of the modern state system, national governments increasingly assumed the asylum responsibility. Asylum constituted one of the early doctrines of international law and passed in-

creasingly into practice to protect outcasts from forcible repatriation.

The second half of the twentieth century has witnessed an unprecedented explosion in the number and impact of refugees. The numbers since 1945 are estimated to be as high as 60 million, more than twice the number of the preceding 50 years and far beyond any historical experience. In many states, refugee arrivals have shifted population patterns, altered domestic politics and shaped or even determined foreign policy. No serious study of such diverse regions as central Europe, Southeast Asia, Africa or the Middle East could be undertaken without considering the impact of refugees—both on the regions themselves and on the attitudes of others toward them.

To deal with this challenge, especially as it first emerged in Europe after World War II, the international community has created a widespread system of refugee protection and assistance, centered around the U.N. High Commissioner for Refugees and based on two international agreements ratified by almost 100 states: the 1951 Convention Relating to the Status of Refugees and the 1967 Protocol. These documents defined refugees as persons compelled to seek asylum abroad "owing to a well-founded fear of being persecuted." The 1969 Refugee Convention of the Organization of African Unity expanded that definition, for African refugees, to include those fleeing "external aggression, foreign occupation, foreign domination, or events seriously disturbing public order." These agreements have provided a legal foundation on which refugees can base their appeals for asylum. Internationally coordinated assistance arrangements have helped refugees survive in exile, and have enabled asylum states to sustain the impact of mass refugee arrivals, overcoming the potentially destabilizing effects of refugee crises and later permitting refugees to reestablish themselves in normal lives.

Today, however, the system designed to cope with the refugees that emerged from the debris of war, although modified and expanded in the face of subsequent crises, is strained by the demensions of what has become an immense, tenacious and omnipresent phenomenon. The system was able to deal with one type of crisis—essentially a trans-European refugee flow—and even with many crises since, yet it is now laboring under a much wider burden, no different in its legal and humanitarian fundamentals but much broader and more complex in its dimensions and its demands.

II

Statistics reveal the basic extent of the problem. Some ten million refugees are now to be found on every continent and in virtually every country. They include not only exiled political figures, disaffected intellectuals, professionals and students, but millions of peasants, nomads, laborers and their families, fleeing for their convictions and often for their lives.

The largest single refugee population is four million Afghans, almost three million in Pakistan and over a million in Iran.

The next largest concentration is in the Horn of Africa, with perhaps a million and a quarter in Sudan, over half a million in Somalia and smaller but significant numbers in Ethiopia and Djibouti.

More than a million refugees are scattered over 15 countries in central and east Africa, from Cameroon to Kenya, from the Central African Republic to Lesotho. The largest groups are in Angola, Tanzania, Zambia and Zaire.

Southeast Asia's refugee population has been reduced to 150,000 as almost 1.5 million "boat people" and others who fled Indochina have moved to new homes in resettlement countries, but those who remain—and others who continue to arrive—still constitute a major problem for Thailand and other first asylum states.

Countries in Latin America harbor over 300,000 refugees, the largest groups having fled from several Central American states into Mexico, Honduras and Costa Rica.

Over a million refugees live in the United States and over 300,000 in Canada. Most are Indochinese intending permanent settlement in North America, but there are many from other parts of the world as well. In addition, there are tens of thousands of asylum seekers in North America.

Another million live in various other Asian and European countries of asylum or permanent settlement. There are major concentrations in Australia, Britain, China, France, West Germany and the Scandinavian countries. Virtually every one of those countries also faces major dilemmas dealing with new asylum seekers.

Significant groups of refugees have found temporary asylum in dozens of other countries in north and west Africa, Asia and the Middle East.

Omitted from this enumeration are the Palestinian refugees, numbering over two million. The United Nations and the international community at large have long considered the Palestinians as distinct from other refugee groups, and their fate has assumed significance far beyond their status as refugees.

Refugees are a reflection of our unsettled time. They spill forth out of the full range of foreign and domestic quarrels and upheavals, war, revolution, communal strife, the post-colonial struggle. Modern techniques of conflict and population control have driven more people than ever into exile because more feel or fear the effects of combat or repression. Stricter border delimitation and policing have meant that refugees now attract more attention and need more formal recognition than in the past. Refugees seem to have become an inevitable and often highly visible by-product of almost every conflict and every crisis.

The common drive that compels refugees to leave their homes is fear: fear for their lives, for their families, for their future. Their stories have a depressing, even numbing, sameness. They may have seen their houses, shops or land burned, seized, pillaged or invaded, their countrymen—often friends or relatives—taken away without explanation. They may have been expelled from their jobs or from their homes. Their lives may have been threatened. They may have been injured, raped or robbed in their escape, and that escape may have taken them over hundreds of miles and many borders. They may reach their country of refuge exhausted, emaciated or dying. They often care little what happens to themselves but will do anything to ensure a safe future for their children. They worry continuously about those they left behind.

III

What is most worrisome about the current refugee burden is not only the sheer number of refugees, however large it may be, but also the long periods of time that they have spent in asylum. The major exodus of the Indochinese refugees came in 1978 and 1979, but may still remain in camps. Most refugees in Pakistan and Iran fled between 1979 and 1981, as did those in Somalia. Major refugee groups in many other African asylum countries arrived in massive numbers as far back as the mid-1970s. Though new refugees constantly appear, the substantial majority of today's refugees have been in exile for five years or more. Most have little immediate prospect of going home or moving on.

The long-lasting refugee presence in many countries has fundamentally altered the nature of the global refugee problem. It has kept aid requirements at a continuously high level. In 1970, the annual budget of the U.N. High Commissioner was $8 million; by the mid-1970s, it had grown to around $50 million. Since 1980, the budget has consistently stood between $400 and $500 million. Other international organizations with significant refugee assistance programs, such as the World Food Program or the Intergovernmental Committee on Migration, have also seen their budgets grow. So have a number of voluntary agencies.

Efforts to find durable solutions continue, whether by returning refuges voluntarily to their countries of origin, settling them in countries of asylum, or resettling them in third countries. In the last five years, major refugee groups have been able to return to Argentina, Chad, Ethiopia, Uganda, Zimbabwe and elsewhere. Some limited repatriation has been possible in Southeast Asia. Many refugees, perhaps in the hundreds of thousands, have repatriated informally in the Horn of Africa.

Refugees have also in many instances settled permanently in their countries of first asylum, especially in Africa where numerous countries have generously offered land, permanent residence and even citizenship. Hundreds of thousands have settled in Burundi, Rwanda, Sudan, Tanzania, Uganda, Zaïre and Zambia. During the summer of 1985, for example, Tanzania formally accepted the settlement of 35,000 Barundi refugees in the highlands of western Tanzania at Mishamo, an agricultural project almost as large as the state of Rhode Island. Most Indochinese refugees have moved to resettlement countries in North America, Europe and Asia, and for other refugee groups there has also been some, though more limited, settlement in third countries.

These steps have not, however, reduced the total world refugee population because some of the largest groups have stayed in place and even grown, and new groups have appeared. From July 1984 to July 1985 alone, about 550,000 new refugees arrived in the Central African Republic, Papua New Guinea, Somalia, Sudan, Zaïre and Zimbabwe, with smaller groups or individuals arriving in dozens of other countries. The global number of refugees has thus remained constant at a very high level. As crisis has followed crisis, and as new conflicts have obscured old ones, the world has been unable fully to absorb the consequences of one refugee flow before being faced with yet another.

Around seven million refugees, the overwhelming majority, wait out their asylum in camps, where aid can be provided to large numbers of needy persons in a systematic manner. Yet an extended stay in a camp can have detrimental effects on refugees even if their protection, nutrition, medical and basic education needs are met.

Camp life disrupts normal patterns of existence, especially in traditional societies, disturbing or threatening established family and community roles. Men can no longer

work, trade, farm or otherwise provide. Women cannot take care of their homes and gardens. Professional persons cannot pursue careers. Children cannot practice their customarily assigned tasks, such as herding, chores or handicrafts. Refugees can suffer deeply from prolonged dependency; extended camp life robs human beings of the opportunity for purposeful activity for themselves and their families, the pride of being useful. From the visible emergency of flight, camp refugees pass to the invisible emergency of stagnation.

To escape from dependency, many male refugees leave the camps, sometimes abandoning their families for long periods or permanently. Some look for employment in neighboring villages or towns. Nomads take the remnants of their herds and flee to the open countryside, relying on the camp system only for essential supplies such as medicine and care for their families. Other refugees leave for educational opportunities or to try to reach other countries. They may even go home on a temporary and clandestine basis. A growing number of men do not come to camps in the first place but immediately attempt to find asylum in distant countries. Ultimately, only the most vulnerable and most dependent remain.

The effect of large, standing refuge populations on the response to new refugee crises can be as troubling as the effect on the refugees themselves. Donors the world over may turn their attention away from old problems and provide insufficient financial support and resettlement opportunities. With available resources already stretched tightly, they sometimes must meet new crises by reallocating funds from ongoing programs. In 1985, for the first time in memory, the High Commissioner has had to make major reductions in planned relief programs. for long-standing refugee populations because funds have not been available. Since existing resources have to be used to pay for basic survival needs, less can go toward enduring solutions. Dependency is only prolonged.

IV

Not only has the nature of the refugee problem changed, but also its location. The primary concentration has moved from Europe to the Third World. The overwhelming majority of refugees are now from developing countries and have found asylum in developing countries. Forty percent are in countries listed as "least developed" by the United Nations; these societies are ill-prepared to bear the shock of refugee arrivals, with their political, economic and ecological consequences. If refugees are unable to go home or to move on, those same countries must also bear the long-term effects of the refugee presence.

A visit to virtually any refugee camp or settlement area in such a country is a sobering experience. as one approaches, one enters an empty expanse of many miles—dusty in the dry season, slick with mud after the rains—where trees, shrubs and other vegetation have disappeared as refugees have scoured for firewood. Nearby hospitals or clinics may have many of their beds occupied by refugees while national citizens have to wait. Secondary schools are crowded with refugee children. Roads or tracks in the area are cracked and rutted by heavy trucks bearing relief supplies. The area and the people around the camps feel the impact of the refugees' presence in their daily lives. When there are many camps, entire provinces and even countries can be affected.

Prolonged refugee stays deepen the dilemma. The government of the asylum country and the local population might regard a large refugee presence, with its effect on their resources, as an acceptable burden over the short run. But, even if they originally welcomed the refugees, they begin to express serious concern if they sense that they themselves are being continually crowded out and disadvantaged. They see their environment ravaged. They fear that refugees will lower wages and raise prices. They are often envious of some of the care received by refugees, especially in medicine and special foods.

The presence of large long-term refugee populations in Third World countries generates four different but related types of demands:

The cost of refugee care in those environments is high. The asylum countries have little to share. Virtually all supplies must be brought in, often from far away and sometimes, in emergencies, by air. Food, tents, blankets, medicines, all basic necessities, have to come from abroad, because the asylum country either does not have them or they could not be made available through local markets without escalating prices. Even if the cost for each individual refugee is low, the total assistance requirement is vast. This has been a principal factor driving up refugee relief budgets over the past few years.

Substantial resources are needed to overcome damage to the local infrastructure. Governments of the African asylum countries during the second Conference on International Assistance to Refugees in Africa, held in Geneva in July 1984, presented a number of requests for various infrastructural projects to compensate for the presence of refugees. The projects included new or expanded hospitals, schools, roads and water systems, as well as reforestation and irrigation.

Projects for local settlement of refugees require considerable resources to get started. Although refugees need not be regarded as a permanent drain on asylum countries, since they are able as well as anxious to work once they get over the trauma of flight, they cannot become productive in developing countries without some services and infrastructure to permit them to work effectively.

As evidenced in the current African famine crisis, refugee populations cannot be helped in isolation when the surrounding population is also suffering. Local villagers have at times settled in large numbers around refugee camps to share refugees' food and water. They have blocked relief shipments to call attention to their own needs. Concerned that refugees were carrying epidemics, they have insisted on also obtaining medicines originally intended for refugees. Such requests cannot reasonably be denied.

Long-lasting refugee problems in developing countries, therefore, engender assistance requirements that are longer in duration as well as greater in scope and complexity than those known in Europe during the postwar era or those experienced in the briefer refugee situations of the past. But the requirements must be met if the refugees are to be accepted, to remain any length of time or to settle permanently. Moreover, the lines between aid to refugees and national development cannot be neatly drawn. Both the refugees and the nationals may need assistance, but these different forms of aid come from different sources, through separate channels, and according to a whole range of planning and implementation schedules. Coordination can be and has been a formidable problem.

V

The refugee problems in the Third World cannot, however, be confined and isolated there, with the industrialized donor nations providing aid and selecting qualified refugees for resettlement on an orderly basis while the vast bulk of the refugees remain in camps. With rapid communication and air travel, the refugee problems of the Third World are being visited on the industrialized democracies in a new and intrusive manner, in the form of a dramatic upsurge in the number of asylum applicants arriving directly from far away.

Over the last few years, and especially in 1984 and the first half of 1985, there has been a pronounced rise in the number of persons from the Third World applying for asylum in the West, particularly Western Europe. The level of asylum applicants in Western Europe had remained constant, between about 20,000 and 35,000, during much of the 1970s. It surged in 1979 and 1980, reaching a 1980 high of 150,000, largely because the world recession led a number of unemployed foreign workers to apply for asylum so as to avoid repatriation. After that peak, application numbers declined, although not to the previous level. In 1984 they leaped up again to 103,000 and have been running at an even higher level during the first six months of 1985. To help respond to the crisis, High Commissioner Poul Hartling called a special seminar on asylum seekers in Europe in May 1985.

The current applicants are not only greater in number but also different in origin from the past. Formerly, at least two-thirds of the asylum seekers in Western Europe came from Eastern or southeastern Europe. Now, two-thirds come from Asia, Africa and the Middle East, from Ethiopia, Ghana, Iran, Iraq, Sri Lanka, Syria and Zaire. In 1984, persons from almost 100 different countries sought asylum in France, Britain and Western Germany. Many applicants fly directly to major European airports from distant countries of origin or asylum. Once in Europe, they move on by train, car or ferry. They apply for asylum at airports or border entry points. Some attempt to make their way to North America, but few are able to afford the ticket and to obtain the documentation needed before they can get on a flight to Canada or the United States. North American asylum applicants still come predominantly from the western hemisphere, but pose problems similar to those faced by the West European asylum countries.

The number of new arrivals in Western Europe or North America is small compared to the number of refugees arriving in African and Asian countries over the same span of time, but it still far exceeds the capacity of Western countries even to process the flow, especially when asylum applicants have no documentation and come from distant places where the details of their claims are hard to investigate and even harder to substantiate. In recent times, for example, the backlog of applicants in West Germany was 100,000, in Switzerland 22,000 and in the United States 150,000.

Such backlogs only encourage further applications. Since refugees often lose everything in flight, many Western nations give asylum seekers special benefits, including temporary housing, modest living allow-

ances, work permits and freedom of movement while their applications are being considered. Those privileges were intended as minimum humanitarian compensation to persons who had nothing left. They now often appear, however, as a magnet for migrants—all the more powerful when backlogs delay processing. Migrants know that by applying for asylum they not only improve their chances for admission but can draw on various forms of support for a long time while they try to establish a permanent foothold, no matter what may be the final decision on their asylum claim.

There have been instances in which asylum applicants have arrived in whole planeloads, deliberately destroying their travel documents before arrival, or have attempted to travel from one asylum country to another on fraudulent documentation. Public opinion in the asylum countries resents these abuses of the asylum process, suspects commercial exploitation and begins to question the bona fides of all asylum applicants.

It is important to distinguish migrants from refugees. Migration has, in itself, been one of the major phenomena of the twentieth century. Since 1900 an estimated 150-175 million persons—other than refugees—have migrated, many of them permanently but many others as temporary foreign workers in the industrialized or industrializing countries. The migrant stream has helped fuel economic progress over the past 40 years in Western Europe, North America and the Middle East. Those regions long welcomed migrants as low-cost laborers willing to take jobs scorned by others.

With the economic slowdown in the late 1970s and early 1980s, however, many industrialized countries have accepted fewer migrants and temporary foreign workers, and some of the migrants have indeed tried to enter as refugees. Moreover, many refugees, like many migrants, want to settle in the industrialized democracies of the northern hemisphere because they hope to find a safe, free and promising future there. Unlike migrants, however, refugees leave their homes because of fear, not because of opportunity. Whereas migrants travel to escape stagnation and poverty, refugees travel to escape persecution, conflict, and perhaps death. Migrants seek opportunity. Refugees seek haven. A migrant does not *wish* to return home; a refugee does not *dare*.

In recognition of this difference, asylum countries have generally made careful distinctions between migrants and refugees, trying to ensure that asylum is granted to those who need it but not to others. They base their decisions on the information provided by the asylum seekers and on their own knowledge and perception of conditions in the asylum seekers' countries of origin. Entry procedures vary from country to country, but usually include a central office that decides on the criteria for regular immigrants as well as refugees. The authorities attempt to determine if the asylum seeker, in accordance with the refugee definition, cannot return to his or her country of origin because of a "well-founded" fear of being persecuted. They are deeply conscious of the example that they set and of the standards that they have helped to establish and propagate, since the asylum nations are among the founders of the current international system for protecting and assisting refugees. They normally try to give the benefit of the doubt to asylum applicants since forcible return can have the most serious consequences.

Nonetheless, as popular skepticism has grown, national authorities have been under intense pressure to curtail entry. Asylum officials also find it easier to be convinced that persons are really in danger when they come from countries near at hand, where conditions that might expose the applicants to persecution are broadly understood and appreciated, and when asylum applicants are from familiar nationalities. Judgments become more difficult, and more controversial, when asylum seekers come from far away. In this respect, the jet refugee is at a particular disadvantage.

Beyond migrants and traditional refugees, a third group has not begun to emerge clearly. They are persons who may not be specifically and personally targets of persecution under the terms of the 1951 convention, but who flee the random cruelties that war, civil disturbance and revolution inflict upon the innocent as well as the partisans. Such persons are often described not as refugees but as "humanitarian" cases, persons who may not be subject to the pointed fear of personal persecution but who are, indeed, at risk in the country from which they flee. Many of those persons are urban professionals, anxious to avoid the stultifying experience of a semi-permanent camp or dormitory existence while they await resettlement. They want to get directly into a Western country.

These three streams—migrants, refugees, and "humanitarian" cases—are now crossing and occasionally merging. It has become the solomonic task of overburdened immigration authorities, appeals boards and courts in the traditional asylum and resettlement countries of Western Europe and North America to establish what person fits properly into what stream and to take appropriate action.

The industrialized democracies are granting asylum to those persons who are clearly seen as victims of persecution. They are rejecting persons who are clearly seen as migrants, dismissing them by the oxymoron "economic refugees." With respect to the third category, the "humanitarian" cases, the asylum countries have reacted with some hesitation and in various ways. They may grant refugee status in specific hardship cases. They may refuse refugee status but permit the applicants to remain temporarily in a kind of legal limbo. They may deport applicants either to their countries of origin or to some other countries where the applicants stopped on the way. Since those transit countries often feel no particular responsibility to readmit the asylum seekers, the latter become "refugees in orbit," individuals or families shuttling from airport to airport and from one immigration counter to another, modern Flying Dutchmen searching for a place to rest.

Over the last 40 years, refugees have traveled farther and farther away from their countries of origin in geographic, cultural and ethnic terms. As they come from distant areas not in the public spotlight, the problems that they are fleeing are less known or are differently perceived. The "jet people" are not accepted as the "boat people" were. Countries that were and are willing to make considerable sacrifices to support refugees abroad or to select refugees for permanent settlement are reluctant to grant asylum to all those who come directly and from far away.

A long humanitarian tradition could be in jeopardy, even in nations that have been the most generous pillars of the international system for refugee support. All applicants for refugee status may not really need asylum, but they must at least be given a fair chance to state their case and to be sympathetically heard if international refugee conventions are to have any meaning. In the backlash against all foreigners, not only could refugees risk being returned to face persecution, but the world could risk losing global asylum concepts and practices that many states, organizations and individuals have over the years worked or suffered to achieve.

VI

The nature of the refugee issue has been transformed in very fundamental ways over four decades. It has grown from a continental to a global problem, from one that could be kept at a distance to one that may be very near. The world's refugee population has expanded manyfold. It has changed from a transient to a semi-static population. Assistance requirements have multiplied. Any crisis anywhere can now produce refugees everywhere. The resulting problems now need close and urgent attention.

Solutions to these problems cannot and will not be found quickly or easily, since they have arisen out of a combination of political, sociological and technical realities that are not likely to be altered or reversed soon, if at all. Therefore, currently available measures cannot solve the problem but they should at least offer some hope for alleviating human distress.

Among the steps to be taken are the following:

Making clear to concerned publics and governments how the refugee problem has evolved over the last several years. All agencies, whether private, official or international, need to make sure that their constituencies understand that long-standing refugee groups must not be consigned to oblivion by neglect or fatigue.

Organizing refugee assistance to cope simultaneously with emergencies, long-lasting refugee situations, and more concentrated efforts at durable solutions. Given the present budgetary environment in the donor countries, this must all be done in the most cost-effective manner.

Improving coordination between agencies involved in refugee relief and those involved in other forms of assistance, from emergency to development, within and outside the United Nations.

Expanding efforts for voluntary repatriation, local settlement or third country resettlement. As part of this effort, the proportion of assistance budgets devoted to such solutions should be increased.

Introducing more productive activities for refugees where such solutions are not available, in ways that support rather than undercut the economies of asylum countries.

Assigning highest priority to the processing of aslyum applications in all asylum countries, devoting the necessary resources and making decisions as rapidly as possible consistent with fairness and thorough consideration of each case. This should discourage spurious applications, enable truly needy asylum applicants to leave the state of uncertainty in which many now find themselves, and also reduce support costs for pending cases.

Examining the relationship between refugee status, as defined in internationally agreed conventions, and the status of those whose applications for asylum rest on "humanitarian" considerations. This should be done through continuous international consultations without altering the current refu-

gee definition that has served well. It must also be done in such a way that refugees from distant countries are not regarded as less deserving of asylum merely because they come from far away.

These steps cannot in themselves solve the global refugee problem. They can, however, reverse current trends and offer some confidence that we are moving in the right direction to help those in need and to avoid stagnation. Several steps are already under way, and others should follow.

The solutions also complement and reinforce each other because the problems are linked. Reducing long camp stays by instituting durable solutions sooner can help stem refugee flight to more distant asylum countries and can help to relieve public concern in the present asylum countries about the refugee presence. Assisting the poorer asylum countries to bear the infrastructural impact of refugees can help to promote local solutions and further reduce the number needing to look elsewhere for settlement. Helping public opinion in Western asylum countries to surmount current fears of being overrun by migrants posing as refugees should sustain the readiness of those countries and their people to assist refugees everywhere.

The entire system of refugee protection and support rests on a foundation of voluntary action and willing sacrifice. Assistance for refugees comes from voluntary funds, in part from private sources but now mainly from governments because of the immensity of the needs. Many agencies and persons from many countries and backgrounds work with refugees under grueling conditions in camps, villages, towns or settlements. Individuals, families and organizations—secular and religious—receive refugees, care for them and help to plead their cause. Young people just out of high school or college, as well as retired professionals such as administrators, doctors or dentists, reinforce the human touch that is essential in dealing with persons desperately worried about their future. The housewife in the station wagon who greets a Vietnamese refugee family in California or New Zealand, the camp worker in Pakistan or Sudan, the nurse in Thailand or Zaire, the volunteer relief assistant in France, Germany or Sweden, all form part of an extensive, undocumented but essential chain of welcome and care for refugees. It is vital that this chain not be broken.

The new characteristics of the refugee situation have not invalidated the basic principles by which refugees have historically been received and helped. Nations have in the past found ways to respect refugees and treat them fairly. Over the last few decades, a considerable structure for protection and assistance has developed to perform the traditional tasks in accordance with the requirements of our particular age. It did not develop during times of peace and prosperity but during times of crisis, fear and mass population movements as disturbing then as those we know today. The structure has to date accomplished its mandate. It has evolved as necessary. It can evolve further to meet present and future needs. What it cannot do, and must not do, is to abandon principles and policies that have served both stability and humanity.●

EXPORT CONTROL ENFORCEMENT

● Mr. GARN. Mr. President, section 12(a)(7) of the Export Administration Act of 1979 [EAA], as amended by the Export Administration Amendments Act of 1985, requires that the Secretary of Commerce publish in the Federal Register "procedures setting forth . . . the responsibilities of the Department of Commerce and the U.S. Customs Service in the enforcement of" the Export Administration Act. Such publication may also include procedures for the sharing of information. This information is to be published in the Federal Register within 90 days from enactment of the EAA authorization legislation.

Although 1 day late, such procedures were published in the Federal Register on October 11, and appear to be in accordance with the legal requirements in the EAA for sharing enforcement responsibility between these two agencies.

Mr. President, our export control enforcement efforts have been damaged in the past through lack of cooperation among Federal agencies. The amendments to the EAA passed by this Congress earlier this year, and the procedures recently published, if followed in practice, should bring about a significant enhancement of our export control efforts. I hope that the information sharing procedures outlined by Commerce will allow for a full and uninhibited sharing of information between the two agencies.

I compliment the Administration on meeting this first of many deadlines and requirements under the Export Administration Act, as it has been amended. I hope that this very fruitful beginning is a sign of things to come.●

NEW YORK METS AND NEW YORK YANKEES

● Mr. MOYNIHAN. Mr. President, I had hoped to purchase the first ticket for the first subway series in New York City in 29 years. Disappointingly, neither the New York Yankees nor the New York Mets will participate in this year's World Series. New York baseball fans, however, cannot be long disappointed with the 1985 season. Both the Mets and the Yankees played with great skill, and were competitive until the season's very end.

Young Dwight Gooden of the Mets pitched masterfully, his skill and composure on the mound inspiring team and fans alike. Catcher Gary Carter's determination in the face of injury was matched by his performance when games hung in the balance. The efforts of these men and their teammates and the winning record their efforts produced have helped to continue the revival of baseball spirit in New York. A New York record 2,719,546 fans turned out to see the Mets this year, testimony to the enormous enthusiasm they have generated.

As for the Yankees, their doggedness was evident throughout the year. Given little chance at the American League East Championship at the year's beginning, they never gave up, and threatened the Toronto Blue Jays even into the final weekend. In the season's finale, the venerable Phil Niekro became the 18th pitcher ever to win 300 games, a feat accomplished earlier this year by the great Tom Seaver, most of whose 300 victories came during his cherished stay with the New York Mets.

Mr. President, I should like to congratulate the New York Mets and the New York Yankess on such fine seasons. In the immortal words of baseball fans everywhere, "Wait'll next year."●

THE ORGAN TRANSPLANTATION AND PROCUREMENT ACT

● Mr. NICKLES. Mr. President, last year at this time Congress passed the Organ Transplantation and Procurement Act to aid those Americans whose lives depend on transplant surgery. This new law provided for the establishment of a Task Force on Organ Transplantation, a national network to match patients with donors, and authorized financial assistance for organ procurement organizations.

I cosponsored this bill and helped move it through the Senate Labor and Human Resources Committee. Additionally, I served on the conference committee between House and Senate Members and was very pleased it was signed into law by President Reagan because I believe this bill will make the difference between life and death for hundreds of waiting Americans.

In Oklahoma alone, I know of several children and adults who are waiting for the right organ, including 9-year-old Kimberly Fuller of Yukon, OK, who, if the right donor is found, would be the youngest recipient of a heart-lung transplant in the United States. Unfortunately, Kimberly has been waiting for over a year now.

Mr. President, I take this opportunity to commend the Department of Health and Human Services and its Secretary, Margaret M. Heckler, for their efforts in administering the beginnings of this program and for attempting to raise national awareness of the critical need for more organ donors. On October 11, 100 high school students of the Connelly School in Potomac, MD, distributed posters to the offices of each Member of Congress as part of a community service project. These 20-inch by 16-inch posters, which were designed under Secretary Heckler's direction, featured 28 photos of children across the Nation needing transplant surgery and are meant to represent many other children throughout the United

States who are also waiting. With the able assistance of the thousands of members of the American Association of Critical Care Nurses, these posters also will be placed in hospital waiting rooms, emergency and critical care wards, and other appropriate locations to inform the public of the possibility of saving a life through donation of a body organ.

I might add that the critical care nurses deserve recognition for the vital role they have played in the effort to bring together patient and donor. They have instituted an informal program by which they circulate among their membership information about a patient when he or she has reached a critical stage in their waiting for a replacement organ in order to double efforts to locate an appropriate donor.

I encourage my colleagues to assist the Secretary in this lifesaving program by spreading the information they have received through newsletters and other forms of communication to their constituents.

The Secretary, her Department, the critical care nurses association, and the high school students who have delivered these posters all deserve to be recognized for their efforts in meeting the health needs of children in communities throughout the United States. Declared President Reagan about these important needs: "The most precious gift that one human being can bestow upon another is the gift of life. It can be given simply by making arrangements to donate our organs or those of our loved ones after death."●

CONGRATULATIONS TO SAINT XAVIER COLLEGE SCHOOL OF NURSING

● Mr. DIXON. Mr. President, this Saturday and Sunday, October 19 and 20, Saint Xavier College in Chicago, IL, will celebrate the 50th anniversary of the founding of its school of nursing.

In 1935, the Sisters of Mercy, who have made many memorable contributions to the city of Chicago, collaborated to design a program for the purpose of preparing college educated professional nurses. The nursing program was the first in the State of Illinois to be officially accredited by the National League for Nursing. Until this day, both the undergraduate and graduate nursing programs at Saint Xavier are fully accredited, having graduated more than 2,200 professionally trained nurses.

Mr. President, I feel confident that my colleagues join me in congratulating Saint Xavier College School of Nursing on the 50th anniversary of its founding.

I commend the Sisters of Mercy for all the good they have done, and I wish them and everyone else involved with Saint Xavier College many more productive, successful years.●

CONFERENCE ON CHILD ABUSE AND NEGLECT

● Mr. GORE. Mr. President, I want to take this opportunity to focus the attention of my colleagues on the important upcoming seventh National Conference on Child Abuse and Neglect, to be held November 10-13, at the Chicago Hilton and Towers in Chicago, IL.

The Nation's leading experts on the effect and prevention of child abuse will gather at the conference to present the most accurate and up-to-date information available on this terrible problem facing our society. Authorities and celebrities committed to ending the abuse and neglect of our young people, from Captain Kangaroo (Bob Keeshan) to actor Henry Winkler, will be featured speakers at the conference, entitled "Reaching for the Rainbow—A National Commitment To End Child Abuse."

The event will be jointly sponsored by the U.S. National Center on Child Abuse and Neglect [NCCAN] and the National Committee for the Prevention of Child Abuse [NCPCA], along with many other important cooperating organizations. More than 3,000 delegates representing various groups, including social service, law enforcement, education, the military, the legal community, and business, are expected to attend.

The conference organizers have asked me to invite my colleagues to attend or to send a staff representative.

I strongly urge my colleagues to join in this battle to educate our society on the problem of child abuse and neglect. The time has come for us to dedicate our resources to promoting awareness.

If my colleagues have any questions about the conference or would like to know more about its program, I advise them to call NCPCA at 312-663-3520.

Thank you.●

HONORING CHRISTOPHER COLUMBUS

● Mr. RIEGLE. Mr. President, October is the month in which Americans celebrate the most remarkable accomplishment of the great Italian explorer, Christopher Columbus—his voyage in 1492 to the New World.

Although he initially mistook the New World for the Orient, to which a westward passage was being sought, Columbus quickly came to appreciate the implications of his discovery. His contemporaries, however, failed to recognize the enormous contribution Columbus had made to the expansion of European civilization, and to the creation of a new one.

But we, who are the beneficiaries of his great achievement, each day enjoy the fruits of his discovery, and each year honor the man whose vision, courage, and commitment brought him to the shores of America.

As we reflect upon the accomplishments of Christopher Columbus, we are reminded of the many ways in which Americans of Italian descent, who followed Columbus' path to the America, have contributed to the growth of our Nation.

The story of the voyages of hundreds of thousands of Italians to America during the late 19th and early 20th century is a familiar one. Countless numbers of immigrants endured hardships and difficulties in search of a brighter future for themselves and for their children. Supported by a strong value system and a commitment to hard work, Italian immigrants used their special talents to make their vision of a better life a reality.

Today, we continue to benefit from the contributions of Italian Americans. Among the many accomplished Americans of Italian descent are Chrysler Corp. Chairman Lee Iacocca and former Congresswoman and Vice Presidential running mate, Geraldine Ferraro.

Lee Iacocca, with a keen sense of his Italian heritage, is a shining example of integrity and success. His ability to successfully tackle enormous problems, such has the revival of the Chrysler Corp., has inspired others to entend themselves in pursuit of excellence. I cannot think of a more appropriate individual to head the effort to restore the Statue of Liberty and Ellis Island than Lee Iacocca.

Another Italian-American, Geraldine Ferraro, recently charted unexplored territory by becoming the first woman in American history to run for Vice President on the ticket of a major political party. Her courage and determination in that effort paved the way for the future election of women to high political office.

The outstanding characteristics of these two individuals are shared by many other Americans of Italian descent who continue to contribute to the growth of this country.

Like other immigrants, the Italians left behind them the hardships and inequalities which made life in their homeland intolerable. Among the things they brought with them to their new home, however, was their rich cultural heritage. That gift continues to enhance the quality of life of all Americans.

Just as the Italian culture provides a link for Italian-Americans to their homeland, so too can it provide a bridge for others seeking a better understanding of the Italian people and their past. Italian-Americans are anxious to share their heritage with

others, and are doing so through activities such as those sponsored by the Italian-American Cultural Society in Warren, MI.

As we prepare to celebrate the 500th anniversary of Columbus' voyage to America in 1992, we, as a nation, must also renew the effort to develop a keener appreciation for the Italian cultural treasures. With the help of Italian-Americans, we can derive new meaning and inspiration from them. In no other way can we truly demonstrate our profound gratitude for this eternal gift.●

IMPACT OF DEFECTS ON THE FUTURE

● Mr. SIMON. Mr. President, one of the more thoughtful economic writers in this Nation is Bill Neikirk of the Chicago Tribune.

He recently had a pointed column about the impact of the huge deficits on the future. Among other things, he said this:

Any hope that future politicians have of reviving moribund government programs will be crushed by the overwhelming debt burden.

He also points out that "the fastest-growing government program is interest on the public debt."

The reality is, if we continue to let interest rates escalate there will be no possibility of tax cuts from the conservative perspective, or for increased governmental assistance to education and health care and other things that those of us of more progressive bent favor.

I urge my colleagues to read the Bill Neikirk column, and I ask that it be printed in the RECORD.

The column follows:

LIBERALS' ECONOMIC AGENDA DROWNING IN REAGAN'S SEA OF RED INK

Washington—Democrats hoping to win points by attacking the exploding public debt under President Reagan may find any resulting successes at the polls to be extremely bittersweet.

Reagan not only has bequeathed gallons of red ink and billions of IOUs but also a conservative economic future for the country. Any hope that future politicians have of reviving moribund government programs will be crushed by the overwhelming debt burden.

This point is not too well perceived yet by many candidates, but slowly it will dawn on them as they ponder the fragility of the nation's public finances. It seems ironic that liberalism is dying because of spending and tax-cut excesses by one of the most conservative presidents of modern times.

When Reagan asked Congress last week to boost the federal debt ceiling to more than $2 trillion [double what it was when he took office], the handwriting should have been on the wall. The way things are going, the public debt will top $3 trillion by the time Reagan leaves office.

The fastest-growing government programs interest on the public debt. It is eating up any "fiscal dividend" that might accue because of economic growth.

"Whether the next president is Bush, Kemp, Cuomo or Kennedy, they are all boxed in by the deficit problem," said Larry Kudlow, economist at Rodman & Renshaw Economics Inc. Kudlow previously worked as a top aide to former Budget Director David Stockman.

The deficit problem has already inhibited Reagan in some ways. His effort to expand the miltiary budget has been trimmed back by Congress, and he has had to sign two tax-increase bills that he wasn't especially crazy about. Reagan's tax-overhaul plan is taking a back seat to the deficit and debt problem. Indeed, Reagan may have to violate his own campaign promise and raise taxes.

"I think it's going to dominate the economic policy scene for many years to come," Kudlow said, "It will prevent future spending increases. It may prevent tax cuts. . . We're talking about a 5- to 10-year period to work this out."

The deficit problem is the major reason why Democrats are having a difficult time developing something to be for. Many of them have become "neoliberals," but the liberal label is only a veneer. What they are preaching is basically conservative economics.

Some say that Rap. Jack Kemp [R., N.Y.], darling of the supply-side economics camp, will play down the deficit if he should be elected president. But Reagan's experience shows that a president does this at his own peril. Financial markets, domestic and international, are extremely sensitive to the deficit and debt issues, and any politician who minimizes it may find a financial crisis on his hands.

Some Democrats, including Sen. Daniel Patrick Moynihan [D., N.Y.], believe that Reagan's fiscal excesses were part of a deliberate political plot to extend conservative influence into the 1990s.

Kudlow denies it. "It was unplanned," he said. "At no time did anyone foresee that we would have this kind of deficit on our hands."

Another former Stockman aide, J. Gregory Ballentine, economist at De Seve Economic Associates, agrees but acknowledges that the administration decided to use the deficit aggressively this year in arguing for spending reductions. Reagan, in effect, turned the deficit issue on the Democrats, saying that raising taxes to close the gap would only condemn the nation to a high rate of spending for generations.

The ultimate test of the theory that the deficit is expanding conservative influence came during the 1981-82 recession, said Ballentine. Contrary to past recessions, there was not a major increase in federal spending.

Kudlow said one reason the deficit exploded was that the economy fell deeper than anyone thought, because of tight-money policies. He added that the President never got all the spending cuts he asked for, and the whole process of disinflation proved to be deeper and more prolonged than anyone expected.

Politicians finally are recognizing that the debt and deficit are slowly sapping the economy's strength, inhibiting the accumulation of real wealth. Even as business picks up in the United States, much of our income will flow overseas to repay foreigners who have invested in our public debt.

"Even if a liberal president is elected, he's going to be in a very difficult situation, Said Ballentine.

The deficit problem dogged Walter Mondale during his 1984 campaign. His previous association with big-spending programs and his advocacy of a tax increase turned off a public worried about the ultimate problem of the federal debt. Democrats haven't forgotten the Mondale lesson. They'll be more conservative in 1988.●

THE 1985 FARM BILL

● Mr. BOREN. Mr. President, I have made very clear my intentions to hold up consideration of the 1985 farm bill until hearings are held on the condition of the Farm Credit System.

I was disappointed to learn late yesterday afternoon that the Senate Agriculture Committee had canceled the hearing on this subject which had been scheduled for tomorrow.

In late July, a group of farm State senators met with members of the Farm Credit System. We requested, at that time, that they be prepared to discuss the problem in depth and suggest possible legislative remedies by September 10. They did not hesitate to agree to be prepared. The next thing I knew, it was announced that they would not be ready until the end of September, then I heard it would be the first week in October. I understand that it sometimes takes longer than expected to come up with viable options, but it is crucial that we deal with this threatening situation in credit immediately.

It is my understanding that the legislative committee of the Farm Credit System is now prepared to testify as to the condition of the system and to discuss suggested legislative solutions. Now, I understand that the administration does not want the hearing to be held. Could it be that the administration does not like the suggested remedies? Or, could it be that the administration does not want everyone to know, before the farm bill is considered, how serious things really are? Maybe, it's both. In any event, I do not feel that it would be fair to any of our farmers to enact a farm bill without knowing the full extent of the problem confronting the Farm Credit System.

The most logical way to solve these credit problems is to increase farm income. There are some, however, who will argue that the only way to deal with credit problems is with financial instruments—that is, more credit or more flexible repayment schedules. One can give a farmer, or anyone for that matter, all the credit and flexible repayment schedules in the world, but if his or her income is not high enough to make the payments, that is just not sufficient.

Financial instruments are only one small part of the solution, as we should know by now from experience. When farm income dropped drastically in the midseventies and triggered financial problems for farmers, the Government responded, not by increasing

income, but by giving farmers more credit—more than they could ever hope to repay unless income rose steadily from then on. Income did not rise, and, in fact, began a drastic decline 5 years ago which has not been reversed yet. The massive amounts of credit and credit instruments used in the seventies have left farmers holding the bag, so to speak, in the eighties, merely awaiting foreclosure actions. In fact, many of the farmers facing foreclosure today are those who received Government "help"—in the form of credit—in the seventies. It's crazy, but there are still some who feel we need to do this all over again and solve farmers problems with credit instruments. We cannot afford to allow this to happen.

Mr. President, the farm bill gives us a prime opportunity to deal with the problems of farmers and additional problems confronting the Farm Credit System and other agricultural lenders. It would be so much cheaper in the long run and so much more worthwhile to invest in a plan to increase farm income than to be pennywise on farm income now and in the spring pay billions for a credit bailout which won't keep farmers in business and won't pay the local retailers.

I have heard some estimates that the Farm Credit System needs $10 billion in order to remain viable. Would it not be better to spend $5 billion to improve farm income and help everyone—not just the Farm Credit System? I believe it's not only wiser, but fairer as well.

Mr. President, again I reconfirm my intentions to delay action on the farm bill until hearings are held on a subject that is unquestionably linked to the makeup of the farm bill. It is my hope that hearings will immediately be rescheduled for early next week.●

KEITH AND SVETLANA BRAUN

● Mr. GORE. Mr. President, I would like to alert my colleagues to the plight of Keith and Svetlana Braun. Their first year as man and wife has been far from idyllic: they are forced to live apart from one another in a state of political exile. Keith is an American citizen. His bride, however, is a resident of the Soviet Union.

Svetlana Ilyinichna (Shteingardt) Braun was born in Orsk—Russian Republic—on June 3, 1963. The Brauns were united in a Soviet wedding ceremony in August 1984. The Soviets did not hinder their marriage. But since then, the Soviet Union has done everything to prevent the permanent union of Keith and Svetlana. It is profoundly ironic that the Brauns find themselves separated by the very ceremony they so fervently hoped would bring them together. The Soviets have repeatedly refused Svetlana's petitions to emigrate to the United States.

Mr. President, Mr. and Mrs. Braun's case is not unique. My distinguished colleague, Senator PAUL SIMON, is leading an effort to assist the Brauns and 23 other couples in similar situations in their search for unity and freedom. In each case, an American citizen is married to a Soviet resident who has been refused permission to leave on political grounds. Today, I join with Senator SIMON in urging you to assist us in our efforts to aid these refuseniks. I would solicit your signature on two letters, one to President Reagan, the other to Soviet Premier Mikhail Gorbachev. These letters urge the consideration of this matter during their upcoming summit talks.

The interest of the United States in the plight of these people does not represent any desire to interfere with Soviet domestic affairs. Rather, we seek to protect the interests of American citizens who are being affected by the Soviet's refusal to allow certain of their citizens to emigrate. The U.S.S.R. should be reminded that as a signatory to the Helsinki accords they are called to "work in a positive and humanitarian spirit with the applications of persons who wish to reunite with members of their family."

About his wife Keith Braun writes, "It is a shame to see someone so innocent begin to understand the way the world works." How much more of a shame it would be, Mr. President, if we in the U.S. Senate do not do all that we can to see that the world may work better, and to show these innocent victims the care they deserve.

VA MEDICAL CARE APPROPRIATION

● Mr. MURKOWSKI. Mr. President, I submit for the RECORD a Dear Colleague letter from Senator CRANSTON and myself dated October 15, 1985. Senator CRANSTON and I plan to offer an amendment to H.R. 3038, the HUD/Independent Agencies appropriations bill, when it comes to the floor, to restore the Veterans' Administration medical care appropriation to the level established in the first concurrent resolution on the budget for fiscal year 1986. The Dear Colleague letter explains our position on the amendment.

The letter follows:

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC, October 15, 1985.

DEAR COLLEAGUE: We are writing regarding Veterans' Administration medical care appropriations in H.R. 3038, the HUD-Independent Agencies Appropriations Act, FY 1986, reported by the Appropriations Committee on August 28 (S. Rept. No. 99-129), which is due to be considered by the Senate in the near future. On October 3, the Appropriations Committee voted to propose a $296 million reduction from the VA medical care level ($9,358,694,000) it had approved in markup on July 30 and included in its reported bill.

We do not agree with the Appropriations Committee's subsequent action. When the Senate takes up H.R. 3038, we will propose a funding level for the VA's medical care account that is consistent with the overall VA funding level provided for in the First Concurrent Resolution on the Budget. Our amendment would thus restore $166 million of the $296-million proposed cut in that account, which funds the provision of VA health-care services to our Nation's veterans.

The Appropriations Committee, on October 3, in an effort to bring total outlays under the HUD-Independent Agencies bill into line with certain assumptions under the FY 86 Budget Resolution, adopted cuts with an outlay impact in 17 "discretionary" accounts. The outlay impact of these cuts totaled $381 million—with $258 million, or 68 percent, coming from VA medical care. In contrast, the VA medical care account represents only 15 percent of total outlays under the bill (and only 50 percent of total outlays for discretionary accounts).

Based on information that has come to light since the Appropriations Committee's original recommendations for the VA were adopted almost 2½ months ago and in order to provide for VA appropriations to share appropriately in reductions needed to bring the appropriations bill in line with allocations under the Budget Resolution, we are proposing a VA medical-care appropriation of $9,228,694,000, which is $130 million less than the Appropriations Committee's original recommendation.

We wish to emphasize that the outlay level resulting from our amendment—$144 million over that now proposed by the Appropriations Committee—would bring the VA within the overall outlay levels for the VA under Function 700, Veterans' Benefits and Services, in the FY 1986 Budget Resolution (as calculated by the Budget Committee at the time of the Appropriations Committee's October 3 markup), taking into account the savings that would result from title XI of the FY 1986 reconciliation bill, S. 1730.

The Committee on Veterans' Affairs has recommended reconciliation legislation, currently pending (as noted above) in S. 1730, that will yield an estimated $1.3 billion in outlay savings over fiscal years 1986-88, which is $150 million more than required under its reconciliation instructions. This is in addition to the $1.6 billion in savings that have already been achieved in veterans' produced by the Committee on Veterans' Affairs during the past four years.

Thus, we believe it is clear that veterans' programs are bearing at least their fair share of the burden of reducing the Federal Government's enormous deficits for the current and upcoming years, which we agree are far too large and must be reduced. But the essentail effort to reduce the federal deficit should not be achieved by major reductions in health-care services to our Nation's veterans or damage to the VA health-care system.

If our amendment carries, we trust that the Appropriations Committee will produce further recommendations to reduce outlays by the $144 million needed to bring this bill in line with its allocation under section 302(b) of the Congressional Budget Act of 1974.

Attached is a description of how we intend that the $130 million BA/$114 million outlay reduction we propose from the levels in the reported bill be allocated—about three-fourths in specific areas and one-

fourth at the discretion of the Administrator of Veterans' Affairs—without reducing the medical care personnel level specified by the Appropriations Committee in its report and for which supplemental appropriations were specifically made in August (193,941 FTEE).

If you would like to join us in sponsoring this amendment or have any questions, please call Cathy McTighe (49126) for Senator Murkowski or Ed Scott (42074) for Senator Cranston.

Sincerely,

FRANK MURKOWSKI,
Chairman.
ALAN CRANSTON,
Ranking Minority Member.

Proposed reductions from VA medical care account appropriations in H.R. 3038 as reported to conform with Function 700 levels in FCR

	Millions
Federal employee health benefits (reduced cost of Federal share)	$16
Appropriations Committee add-on for advanced technology equipment	20
Community nursing home care (reduced per diem; no census reduction)	10
Annualization of fiscal year 1985 rescission (public affairs, printing, and consultancies)	3
Telephone improvements	20
Maintenance and repair of facilities	12
Net reconciliation savings in medical care account	19
Unspecified savings	30
Total appropriation reduction	130
Corresponding outlay reduction	114

WORLD FOOD DAY

● Mr. SIMON. Mr. President, Alfred Toynbee once said:

When history looks back on the twentieth century, the greatest development of the century will not be the discovery of nuclear or atomic energy. It will be the act of one of the great powers in the world, with no expectation of recompense, to lean down and help other nations of the world rebuild so that they might maintain their freedom.

Today, we are observing World Food Day for the fifth year. In communities around the country and throughout the world, activities have been planned to demonstrate our continued commitment to ending hunger and malnutrition worldwide.

And yet, famine still plagues the less fortunate in epidemic proportions. Still, every 3 days, as many people die from famine as died from the bomb dropped on Hiroshima. Still, the most afflicted group is the most defenseless group, the world's children. And still, the countries with the most famine are the countries with the fastest growing population.

None of us has the complete solution to continued hunger and famine throughout the world. But it is worth considering that, after World War II, when the Marshall plan was in full effect, the United States spent 2.9 percent of our GNP in order to help the poor beyond our borders. Today, we spend less than one-fifth of 1 percent.

There are a number of reasons for this downward trend in our aiding developing countries. But given the effects of the Marshall plan, is it still not in our Nation's best interest to aid developing countries? Today, we have allies throughout the world who benefited from the Marshall plan. They have rebuilt their cultures and regained their independence. These allies have proven the value of the Marshall plan.

Today, in Africa, and other developing countries, we are confronted with a similar situation to the one we faced after World War II. The nations who need our help today are vastly different from those who needed this help after World War II. But, the wisdom we used years ago is as useful today.

In the short term, I think we must increase efforts to aid those in need of food and proper medical care, We have this potential—farmers in Illinois and throughout the country are facing decreased grain prices due to their bumper crop. There is something intrinsically wrong with this being viewed as a crisis. Our great Nation should be able to help both our farmers and those facing hunger and starvation in the developing world.

But, we must start today to reexamine our long-term aid programs. We have to find the ways to make the developing world less dependent for their sake and ours. We must first learn to understand their culture, their values, and their hopes and dreams. With this understanding and our own human and financial resources, we must assume a greater responsibility for supporting these nations and these people as they move toward greater independence and self-sufficiency.

Over the past year, the international community has come together in unprecedented ways to help those facing starvation in Africa. It often seems that from crisis often comes good. Americans and those in developed countries throughout the world have a better understanding of the problems in developing countries and, I believe, are willing to put time, energy, and money into long-term solutions. On this, World Food Day, 1985, I hope my colleagues in the Senate will join me in recommitting ourselves to finding those long-term solutions that will help eliminate hunger and malnutrition throughout the world.●

WORLD FOOD DAY

● Mr. RIEGLE. Mr. President, I am pleased to be a cosponsor of Senate Joint Resolution 172, designating October 16, 1985, "World Food Day." Since 1981, World Food Day has become an important vehicle in the drive to end hunger and malnutrition in the world. In each of the last 4 years, approximately 150 nations observed World Food Day. It is fitting that, on October 15, 1985, the U.S. Postal Service introduced, for the first time, a 22-cent postage stamp with the message: "help end hunger."

The means of physical sustenance is fundamental to the existence of all life. It is a basic human need which must be met before people can focus their efforts on ways of improving and nurturing their own lives, as well as the lives of those around them. It is because of our universal need to be nourished that today we take time to reflect seriously on the problem of world hunger and recommit ourselves to finding ways to combat it.

In 1985 the issue of food has received worldwide attention. Day after day, the expressionless faces of Africa's famine-afflicted children were brought into the homes of Americans through the nightly news broadcasts. In Ethiopia alone it is estimated that 8 million people were touched by famine this year. About 1,000 children die there each day from famine-related sickness. The malnourished children who do survive the effects of lack of food will forever carry the scars of malnourishment in the form of impeded brain development and disease susceptibility.

Worldwide hunger statistics are equally alarming. This year, it is estimated that 15 million children worldwide will die of malnutrition and related diseases. Each day, more than 42,000 children under the age of 5 die from hunger and malnutrition, and, in some poorer countries, as many as 40 percent of this same age group die each year from nutrition-related causes.

The problem of hunger transcends national boundaries and cultures. Despite our own vast resources, we still have not been able to eliminate hunger and malnutrition here at home.

The stake that America has in monitoring the world food situation is enormous. In addition to our moral and humanitarian concerns for the hungry and impoverished people of the world, the direct impact of world hunger on U.S. national security and the security of the world makes resolution of the world hunger crisis imperative. Indeed, the very existence of world peace is directly related to how we face up to the challenge of eliminating world hunger.

The generosity shown by the American people in providing short-term emergency aid to the famine victims in Ethiopia dramatically demonstrated the sense of responsibility felt by citizens of this country for the less fortunate people of the world. With the same determination shown in the past, we must now turn our efforts to pre-

venting or, at the very least, minimizing the effects of future hunger crises.

Experts say that, with worldwide political commitment, the worst aspects of death by hunger and starvation can be eliminated by the end of this century. Let us mark the fifth annual observance of World Food Day by committing ourselves to achieving that goal.●

FIRE PROTECTION

● Mr. SIMON. Mr. President, my distinguished colleagues have no doubt wondered why they were not consulted, or at least informed, about the new construction evident on The Mall, just south of the Air and Space Museum. The fact is that the block wall erected there is not part of some new Federal building. It is, rather, a dramatic statement of concern about the safety of much of the residential housing being constructed in the country today.

The wall remains unscathed after having been torched on October 1 to underscore the level of fire protection available in an increasingly common type of residential construction: Multiple dwellings of three stories or less. It is estimated that 500,000 dwelling units of this kind will be constructed in 1985 alone.

Most people assume that their apartments or town homes have firewalls as effective as the block wall on the mall. Like your assumption that the wall is new construction, this is plausible but incorrect. In fact, fire codes vary enormously from locality to locality. The requirement that firewalls be noncombustible has long since disappeared from building codes. Misguided efforts to restrain building costs at the expense of fire safety have resulted in a fire rating and testing system with no more relation to actual fire performance than EPA mileage figures have to driving experience—with the enormously important difference that no one requires the builder to publish a disclaimer.

Analysis of U.S. Fire Administration data on actual fire experience shows significant variation in the level of fire losses, depending on firewall material. The situation is illustrated even more starkly by insurance premium data. The National Loss Control Service Corp., a subsidiary of the Kemper Corp., reports that, for a 50-foot by 40-foot, three-story building in Illinois, with wood frame walls, floors, and roof, built to code, $200,000 of fire insurance coverage on the building and $50,000 on its contents costs $3,570.11 annually. For the same building with precast concrete roof and floors and 4-inch block, 4-inch brick walls, the premium is $239.32, a differential of 15 to 1. As you are aware, these rates are not hypothetical; they are based on actuarial experience.

The sponsors of the October 1 event, the National Concrete Masonry Association and the Expanded Shale, Clay, and Slate Institute are embarking on a national fire safety campaign through a series of public service announcements timed to coincide with National Fire Prevention Week. As their animated character, Tom E. Townhouse, fulfills his potential as the urban Smokey the Bear, we can expect to hear from our constitutents on this issue. As the International Association of Fire Fighters expresses its concern as a town home development is destroyed with firemen unable to fight the fire safely as walls and floors collapse, we will need to explain how it is possible that the buildings met relevant code requirements and were destroyed anyway.

As you are aware, Mr. President, I have long been a proponent of privation of standards. I am a firm believer in the ability of American industry to regulate itself through voluntary standards. The questions that have arisen in this area are troubling, indeed. The building industry needs to understand the significance of this test of its ability to be self-regulating.●

NOBEL LAUREATE FRANCO MODIGLIANI

● Mr. MOYNIHAN. Mr. President, for the 13th time in 17 years, an American has won or shared the Nobel Prize in economics. This year's distinguished recipient is Franco Modigliani, a professor at the Massachusetts Institute of Technology.

The winning of a Nobel Prize by an American is always a welcome occasion, and Professor Modigliani's honor is to be cheered. However, even at this happy time, the good professor sends us a sobering economic message that we ignore at our peril.

This morning's Toronto Globe and Mail carries a story by the Reuters news agency in which Professor Modigliani says that our Federal budget deficits have created:

> A tragedy much greater than I had expected. The longer this lasts, the poorer the future generations will be. The Government deficit is a disastrous policy which is going to be very costly—not to me because I am old, but to you who are very, very young.

Mr. President, our newest Nobel laureate has spoken wisely of the need to cut these ruinous budget deficits. Will he be heeded? I ask that articles about Professor Modigliani's well-deserved award be included in the RECORD.

The material follows:

[From the Toronto Globe & Mail, Oct. 16, 1985]

NOBEL LAUREATE CRITICIZES REAGAN

CAMBRIDGE, MA.—The winner of the 1985 Nobel Prize for Economics criticized President Ronald Reagan's economic policies sharply yesterday and said massive federal budget deficits mean disaster for future generations.

Economist Franco Modigliani, a professor at the Massachusetts Institute of Technology, called the U.S. deficit and its impact on the world "a tragedy much greater than I had expected.

"The longer this lasts, the poorer the future generations will be," he told a press conference. "The Government deficit is a disastrous policy which is going to be very costly—not to me because I am old, but to you who are very, very young.

The spry, 67-year-old professor, who was born in Italy and became a U.S. citizen in 1939, leavened his somber remarks with humor, joking and laughing with reporters and obviously enjoying the spotlight.

He was joined at the press conference by economist Paul Samuelson, another MIT professor and Nobel economics laureate. The two drank a champagne toast.

Prof. Modigliani said he was awakened at 7 a.m. yesterday by a telephone call from the Royal Swedish Academy of Sciences informing him of his selection by the Nobel Committee. "The best alarm clock I've had in a long time," he said.

He said that in his own household, his wife Serena makes all the major financial decisions.

"Frequently she lets me make my own, and I often wish she had made mine, too," he said.

Prof. Modigliani said he was puzzled that Mr. Reagan originally campaigned for the U.S. presidency on the platform of a balanced budget but, once elected, failed to come to grips with the deficit problem.

He said that, in the interests of a balanced budget, the U.S. Administration could cut military spending and "some fat" from other budget areas. "If there is nothing you can cut, then you must raise taxes," he added.

The Administration "stumbled into" a solution to the recently ended recession by employing Keynesian, rather than supply-side economic policies, he said.

Prof. Modigliani is known for two economic theorems: one concerns individuals' and nations' habits in putting money into savings; the other deals with corporate financing.

Prof. Modigliani is a consultant to the U.S. Treasury, the Federal Reserve Board, the Bank of Italy and the Bank of Spain; honorary president of the International Economic Association; and a member of the American Academy of Arts and Sciences and the National Academy of Sciences.

[From the New York Times, Oct. 16, 1985]

A PROFESSOR AT M.I.T. WINS NOBEL IN ECONOMICS FOR WORK ON SAVING

(By Steve Lohr)

STOCKHOLM, Oct. 15.—Franco Modigliani, a 67-year-old professor at the Massachusetts Institute of Technology, today won the Nobel Memorial Prize in Economic Science for his pioneering work in analyzing the behavior of household savers and the functioning of financial markets.

The five-member selection committee drew particular attention to the practical applications of Mr. Modigliani's work. His analysis of savings, they said, has been "extremely important" in determining the effects of different types of national pension programs. Moreover, Mr. Modigliani's work in the area of financial markets, they noted, has helped lay the foundation for the entire field of corporate finance.

13TH AMERICAN TO WIN HONOR

Mr. Modigliani was born in Rome in 1918. He earned a doctorate in law at the University of Rome in 1939. The next year he and his wife moved to the United States to escape the Mussolini regime. Mr. Modigliani added a doctorate in social science at the New School for Social Research in New York City in 1944. He is now an American citizen.

The selection of Mr. Modigliani is the 13th time since the Nobel economics prize was awarded in 1969 that an American has won or shared it. He is also the second M.I.T. economics professor to be chosen; Paul A. Samuelson won the prize in 1970. The prize carries a cash award of 1.8 million Swedish kronor, worth about $225,000.

In his work with financial markets, Mr. Modigliani analyzed the effect of any company's finanical structure on the stock market's view of its value. He and an associate, Merton Miller, concluded that the market value of a company had no genuine relationship to the size and structure of its debt. Instead, they found, stock market values are determined mainly by what enterprises are expected to earn in the future.

Today the notion that investors focus on the future and that profitability is a paramount consideration, with less attention paid to the kind of financing required to achieve high profits, is conventional wisdom in business schools, corporate board rooms and on Wall Street. But that was not the case in 1958, when the Modigliani-Miller findings were presented.

At first, the theory was considered to be somehow mistaken, said Assar Lindbeck, a professor at the University of Stockholm and a member of the Nobel selection committee. As years of accumulating evidence in the marketplace supported the theory, however, it became regarded as self-evident.

"That is the true test of a brilliant theory," Mr. Lindbeck said. "What first is thought to be wrong is later shown to be obvious."

Futhermore, the methods employed by Mr. Modigliani in the late 1950's for determining corporate values are, in refined form, used commonly today in business by everyone from executives plotting long-range strategy to corporate raiders looking for acquisition candidates. A key technique in Mr. Modigliani's 1958 analysis—a technique routinely used today—was figuring the value of expected future earnings.

"His work in the late 50's provided the basis for modern corporate finance," said Karl-Goran Maler, a professor at the Stockholm School of Economics and another member of the selection committee.

Mr. Modigliani's basic research in savings, called the life-cycle theory, was published in 1954. Like his work in financial markets, the savings theory was built on previous research but differed in significant ways. Mr. Modigliani was helped in his savings research by Richard Brumberg, a student of his who died several years later.

The life-cycle theory explains household saving by linking it to individual behavior, economic growth and demography. The theory holds that people save for their retirement—but only for their own old age and not for their descendants.

BUILDING UP WEALTH IN YOUTH

Accordingly, people and societies tend to build up a stock of wealth in youth that is consumed during old age. This helps explain why younger populations with a relatively long life expectancy generally have higher rates of saving than older populations. According to the life-cycle theory, an increase in the rate of economic growth entails a redistribution of income in favor of younger generations.

Mr. Modigliani's life-cycle work amplified research on savings done by the economists John Maynard Keynes, Simon Kuznets and Milton Friedman.

The Modigliani theory that people save only for their own retirement, Professor Lindbeck said, seems to be confirmed by a trend in Sweden. Over the last few decades, Sweden has established a comprehensive pension program financed by the Government. And since the 1960's the household savings rate in Sweden, as a percentage of disposable income, has gone from 7 percent to zero, according to Mr. Lindbeck. When Swedes no longer had to save for their old age, they no longer saved at all.

POLICY LEFT TO GOVERNMENTS

Mr. Modigliani's theory does not deal with the larger question of whether societies are better served if the state taxes individuals and provides them with pensions or if individuals save for their own retirement.

"It is a theory, so it does not tell you what to do," said Ragnar Bentzel, a professor at Sweden's University of Uppsala and a member of the Nobel selection committee. "Policy is up to the governments to decide."

The economics prize was established in 1968 as a memorial to Alfred Nobel, the Swede who invented dynamite, by the Swedish central bank to mark its 300th birthday, and was first awarded the following year.

Mr. Modigliani will receive a diploma and medal, along with the cash award, which is financed by the central bank. The Nobel prizes in physics, chemistry, medicine, literature and peace were established under the terms of Mr. Nobel's will and are financed from his legacy.

[From the New York Times, Oct. 16, 1985]

TRAILBLAZER AND TEAM PLAYER FRANCO MODIGLIANI

(By Eric N. Berg)

The choice of Franco Modigliani as winner of the Nobel Memorial Prize in Economic Science is a popular one among economists, a tribe often given to highly refined and sometimes vocal dispute. Yesterday congratulatory telephone calls and laudatory telegrams poured in to his office at the Massachusetts Institute of Technology.

"Economists all over the world are students, admirers and friends of Franco Modigliani," said Paul A. Samuelson of M.I.T., himself a Nobel laureate,

Like previous winners of the award, Professor Modigliani (pronounced "mo-deel-YAH-nee") is considered a consummate academic and an intellectual pathfinder. But unlike some others, whose work was either obscure or accessible only to specialists, his ideas have shaped generations of students.

"If you took finance at business school, if you studied economics, or if you studied corporations in law school, chances are you will have heard of Franco's propositions," said Eugene Flood, professor of finance at the Stanford Business School. He studied in graduate school under Professor Modigliani.

"His instincts are good, and he just throws off ideas," said Robert M. Solow, another economics colleague at M.I.T. "He is also happy to work with students."

Professor Modigliani is part of a small group of economists and finance professors at M.I.T. who together have contributed vital research over the last 20 years. Others in the group include Professor Solow, a specialist in macroeconomics, and Charles P. Kindleberger, a professor emeritus whose expertise is in international economics.

Professors Modigliani and Kindleberger are on the faculty of the Alfred P. Sloan School of Management at M.I.T.

The new Nobel laureate, a small, bouncy man with silver hair, fulfills the popular image of a professor. "His hair is usually in disarray, and his clothes are always out of control," an acquaintance said. "He is forgetful, and his office is stacked with books, articles and journals."

Associates describe Professor Modigliani as a man who quickly grasps complex issues and cuts to their core, pinpointing the assumptions upon which an academic argument is made. Professor Flood tells how, as one of Professor Modigliani's doctoral students in 1980, he visited his office to have a paper critiqued, one that had been submitted earlier to other scholars. "Right off the top of his head, Franco came up with such intricate and interesting and insightful comments," Professor Flood said. "They were a level above what other people had offered."

VIEWPOINT OF COLLEAGUES

For all that, his colleagues describe Professor Modigliani as a team player, someone who shows no hesitation about working in a group or sharing research ideas.

"There is something about him that lowers the feeling of anxiety," commented Robert L. Heilbroner, the economic historian.

Although Professor Modigliani won the 1985 Nobel award alone, his theory that individuals save heavily when their income is highest so as to smooth consumption throughout life was co-authored with a student, Richard Brumberg, who has since died. Similarly, the Modigliani theory on corporate finance, which stated that a company could not affect its market value by altering the percentage of shares or bonds in its balance sheet, was written with Merton Miller of the University of Chicago.

Franco Modigliani (he has no middle name) was born June 18, 1918, in Rome. His father was a physician, and his mother was a volunteer in social service organizations.

As a young man, he was urged to study medicine, but instead he chose law. Entering a nationwide essay contest on the topic of price controls, he won first prize and was urged by the judges to consider a career in economics. He began studying economics on his own.

Mr. Modigliani, a Jew, fled Italy and its Fascist regime at the outset of World War II. Arriving in New York City with his wife, Serena, they settled in an apartment on Central Park West. Two sons were born to them in this country—Andre, now a professor of social psychology at the University of Michigan, and Sergio, an architect in Brookline, Mass.

Soon after arriving here in 1940, Mr. Modigliani enrolled at the New School for Social Research in Manhattan, then a mecca for refugee intellectuals from Europe.

At the New School, he met Jacob Marschak, a leading macroeconomist. He studied under Professor Marschak. To this day, Professor Modigliani calls Professor Marschak one of the most important influences in his intellectual development.

"I recognized him as my most important teacher," Professor Modigliani said in a recent interview for a book on economists.

"We were warm friends, and I loved him very dearly."

It was Professor Marschak, in fact, who got Professor Modigliani his first teaching job after receiving his Ph.D. from the New School. The job was at the New Jersey College for Women.

After one year of teaching there, Professor Modigliani spent three years on the faculty of Bard College of Columbia University.

AT M.I.T. FOR PAST 23 YEARS

He then returned to the New School where he taught six years, spent one year each at the University of Chicago and the University of Illinois and eight years at Carnegie-Mellon University in Pittsburgh.

In 1962 he joined M.I.T. where he has been ever since. He now holds joint appointments to the departments of finance and economics and holds the title of institute professor at M.I.T.

MIT's MODIGLIANI WINS NOBEL

(By John M. Berry)

Franco Modigliani, an ebullient professor at the Massachusetts Institute of Technology, yesterday was awarded the Nobel Prize in economics for work on how people save and consume over their life-times and on how corporate assets should be valued.

Modigliani is among the most highly respected economists in the United States, both because of the seminal nature of his research and its extraordinarily wide scope. In addition to the work cited by the Nobel Committee, he is well known for his analysis of the role of money in the economy and as one of the creators of the short-term mathematical model used by the Federal Reserve for forecasting and analyzing the economy.

"I'm very, very pleased . . . that my work has been recognized. This is a nice way to crown my career," Modigliani said. "I will use [the prize money] in accordance with my own theories of how people behave—namely, distribute it over the rest of my life. I'm not going to go on a binge. I will use it gradually. That's what my theory says people do."

Modigliani, 67, was born in Rome and became a U.S. citizen in 1946. He still has close ties with Italy, and many of his articles have been written in Italian. Some of his research has focused on the Italian economy as well.

Some other prominent economists praised the Royal Swedish Academy's selection. James Tobin of Yale, one of the dozen American Nobel laureates in economics chosen since the award was begun in 1969, reacted with "jubilation. I am only wondering why it took them so long," Tobin declared.

Tobin described Modigliani as "a very versatile guy" whose work stretches back to the World War II period, when he wrote the first formal theoretical analysis that incorporated monetary factors into the theories of Lord Maynard Keynes on which so much of modern economic analysis has been based.

In the 1950s, Modigliani turned his attention to the issues of saving and consumption because, he said yesterday, "saving plays a very important role in economic life because it is what permits investment and capital formation, which is in turn what is behind growth and well-being.

"I have been studying why people accumulate or don't, and I have a view that is quite different from what used to be believed before," Modigliani said. "It is related to the notion that the major reason why people save is for retirement or for major expenditure."

The so-called life-cycle hypothesis, developed with the assistance of a student, the late Richard Brumberg, holds that individuals accumulate savings primarily in anticipation of retirement needs. Since its publication in 1954, the theory has been used as the theoretical basis for the study of pension and retirement systems the Royal Swedish Academy said.

"In particular, it has proved an ideal tool for analyses of the effects of different pension systems," the academy said, "Most of these analyses have indicated that the introduction of a general pension system leads to a decline in private saving."

The validity of the life-cycle theory has been challenged in recent years by economists such as Lawrence Summers of Harvard, partly on the difficult analytical issue of bequests of wealth not consumed during an individual's lifetime. Nevertheless, said Tobin, Modigliani's theoretical and empirical work on the subject has served as a point of departure for a great deal of additional research. "There has been a lot of discussion, but Franco is coming out pretty well," Tobin said.

Modigliani's other work for which he was honored was published in 1958 with Merton Miller of the University of Chicago. Together they provided what is known as the Modigliani-Miller theorem, which states that the value of a corporation is not dependent on the relative amounts of debt and equity used to finance it. Instead, it is the value of the underlying assets themselves, as shown by the market value of the company's shares.

Prior to that work, "people had used crude measures" that produced erroneous results in looking at how corporate assets should be valued, said Allan H. Meltzer of Carnegie-Mellon University, where Modigliani was teaching when the theorem's proof was published. Meltzer called the theorem "one of two main forces in the modern theory of finance," at least from the point of view of economics. The work in asset-price theory for which Tobin received his prize is the other, Meltzer said.

Modigliani's work "explains what we see and helps us understand the world," Prof. Assar Lindbeck, a member of the prize committee, said after the award was announced.

The Modigliani-Miller theorem has had important implications for the theory of investment decisions, the academy said, and represents "a decisive breakthrough for the theory of corporate finance."

The announcement marked the 13th time in 17 years that an American has won or shared the prize, known as the Alfred Nobel Memorial Prize in Economics. It was established in 1969 by Sweden's central bank, the Riksbank. The other Nobel prizes were begun in 1895 under terms of the will of Nobel, the inventor of dynamite.

Among the other American winners was Milton Friedman, widely known for his work linking changes in the money supply to changes in the economy. Friedman was honored for his "permanent-income" hypothesis, which holds that consumption in an economy does not respond completely to short-term fluctuations in income. In many ways, Friedman's permanent-in-come hypothesis represents a sort of averaging across an entire economy of the individual life-cycle behavior described by Modigliani.

Modigliani was born in Rome in 1918. He received a doctorate in jurisprudence from the University of Rome in 1939 and a doctorate in social science from the New School for Social Research in New York in 1944, and holds a half-dozen honorary degrees. He came to the United States in 1939 with his wife after fleeing the fascist regime of Benito Mussolini.

All the awards, including the memorial economics prize, carry a cash award this year set at 1.8 million Swedish kronor, about $225,000. It currently is tax free, but the Reagan administration's tax reform plan would make such awards taxable beginning next year.●

ORDERS FOR TOMORROW

RECESS UNTIL 8 A.M.

Mr. SIMPSON. Mr. President, having conferred with the minority leader, I ask unanimous consent that once the Senate completes its business today, it stand in recess until 8 a.m. on Thursday, October 17, 1985.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. SIMPSON. Following the recognition of the two leaders under the standing order, Mr. President, I ask unanimous consent there be a period for the transaction of routine morning business not to extend beyond 8:30 a.m., with Senators permitted to speak therein for not more than 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE AND RECOGNITION OF CERTAIN SENATORS

Mr. SIMPSON. Mr. President, at 8:30 a.m., it will be the intention of the majority leader to turn to the consideration of H.R. 3038, the HUD appropriations bill.

I further ask unanimous consent that at 12:30 p.m., there be special orders in favor of the following Senators for not to exceed 15 minutes each: WALLOP, QUAYLE, HATCH, and HELMS.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. SIMPSON. Then, at 1:30 p.m., the Senate will resume consideration of H.R. 3038, the HUD appropriations bill, and also at some point during the afternoon the Senate will turn to S. 1730, the reconciliation measure. Votes will occur throughout the day on Thursday. However, no votes will occur prior to 11 a.m.

Mr. President, we are most appreciative of the fine skill with which the Senator from Mississippi, Mr. COCHRAN—the Cardinals must have done something in the top of the ninth. Well, truly there is joy in Mudville somewhere.

But I do commend the Senator from Mississippi for his excellent progress with the agriculture issue. He does a

very capable job and he is very skilled. He has produced another fine result, and we appreciate that very much. He is a very capable legislator.

RECESS UNTIL 8 A.M. TOMORROW

Mr. SIMPSON. Mr. President, there being no further business to come before the Senate, I move that the Senate stand in recess until 8 a.m. on Thursday, October 17, 1985.

The motion was agreed to, and at 6:32 p.m., the Senate recessed until tomorrow, Thursday, October 17, 1985, at 8 a.m.

NOMINATIONS

Executive nominations received by the Senate October 16, 1985:

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

James Curtis Mack II, of California, to be Deputy Administrator of the National Oceanic and Atmospheric Administration, vice Anthony J. Calio.

IN THE ARMY

The following-named officers for appointment in the Regular Army of the United States, in their active duty grades, under the provisions of title 10, United States Code, sections 531, 532, 533:

MEDICAL CORPS

To be colonels

Charbonnel, Thomas, xxx-xx-xxxx
Pearl, William R., xxx-xx-xxxx

To be lieutenant colonel

Humm, Gayle, xxx-xx-xxxx

MEDICAL SERVICE CORPS

To be lieutenant colonel

Sutton, Stanley D., xxx-xx-xxxx

To be majors

Adams, James L., xxx-xx-xxxx
Aiken, Anthony C., xxx-xx-xxxx
Allen, Joseph T., xxx-xx-xxxx
Artz, Lyle R., xxx-xx-xxxx
Beaty, Edward T., xxx-xx-xxxx
Beck, William G., xxx-xx-xxxx
Blatterman, Alan L., xxx-xx-xxxx
Bratt, Gary M., xxx-xx-xxxx
Brencick, Matthew E., xxx-xx-xxxx
Brooks, James H., xxx-xx-xxxx
Brown, James E., xxx-xx-xxxx
Burns, Patrick, H., xxx-xx-xxxx
Buryk, Ronald H., xxx-xx-xxxx
Byrne, Clyde D., xxx-xx-xxxx
Calderon, Oscar, xxx-xx-xxxx
Calvert, John W., xxx-xx-xxxx
Case, Larry M., xxx-xx-xxxx
Cohen, Stephen R., xxx-xx-xxxx
Coleman, Michael E., xxx-xx-xxxx
Cotton, Jerry, xxx-xx-xxxx
Crago, Michael G., xxx-xx-xxxx
Crandell, Edward D., xxx-xx-xxxx
Critz, Walter J., xxx-xx-xxxx
Czekala, Daniel S., xxx-xx-xxxx
Davis, Charles H., xxx-xx-xxxx
Davis, James S., xxx-xx-xx...
Deffer, Melinda E., xxx-xx-xxxx
Drifmeyer, Jeffrey, xxx-xx-xxxx
Druss, Raymond A., xxx-xx-xxxx
Duda, Frances C., xxx-xx-xxxx
Dunston, Samuel G., xxx-xx-xxxx
Eaton, Donald G., xxx-xx-xxxx
Edwards, Charles M., xxx-xx-xxxx
Edres Michael A., xxx-xx-xxxx
Fancher, Ronald D., xxx-xx-xxxx
Foxhall, Roger W., xxx-xx-xxxx
Galarza, Jose G., xxx-xx-xxxx
Geiger, Victor S., xxx-xx-xxxx
Giesige, Samuel M., xxx-xx-xxxx
Glaudel, Robert J., xxx-xx-xxxx
Goeders, Peter A., xxx-xx-xxxx
Goddard, Richard L., xxx-xx-xxxx
Hammel, George E., xxx-xx-xxxx
Hately, William W., xxx-xx-xxxx
Hatten, John A., xxx-xx-xxxx
Henderson, Doris H., xxx-xx-xxxx
Jimmerson, Vernon R., xxx-xx-xxxx
Jones, Richard O., xxx-xx-xxxx
Howes, John K., xxx-xx-xxxx
Jackson, Marjorie A., xxx-xx-xxxx
Kagawa, Gary K., xxx-xx-xxxx
Kennedy, Gordon T., xxx-xx-xxxx
Kennedy, Susan M., xxx-xx-xxxx
Kissane, Jonathan M., xxx-xx-xxxx
Kitsopoulos, John G., xxx-xx-xxxx
Kohler, James C., xxx-xx-xxxx
Kussman, Richard L., xxx-xx-xxxx
Lacy Edward L., xxx-xx-xxxx
Langlois, James M., xxx-xx-xxxx
Lantis, James R., xxx-xx-xxxx
Makarsky, Joseph G., xxx-xx-xxxx
Matthews, Larry W., xxx-xx-xxxx
Masi, George V., xxx-xx-xxxx
McIntosh, Harold B., xxx-xx-xxxx
McNabb, Ronald L., xxx-xx-xxxx
Menard, Dennis L., xxx-xx-xxxx
Miller, David D., xxx-xx-xxxx
Mueller, Michael W., xxx-xx-xxxx
Nathanson, Jon E., xxx-xx-xxxx
Nichols, William M., xxx-xx-xxxx
O'Keefe, Hugh J., xxx-xx-xxxx
Parry, Richard A., xxx-xx-xxxx
Patterson, Virgil J., xxx-xx-xxxx
Pelton, Douglas A., xxx-xx-xxxx
Perez, Reynaldo M., xxx-xx-xxxx
Platoff, Gennady E., xxx-xx-xxxx
Prentiss, James T., xxx-xx-xxxx
Quebbeman, Harry J., xxx-xx-xxxx
Quick, Roy D., xxx-xx-xxxx
Uinlan, Sherman L., xxx-xx-xxxx
Quinn, Mark A., xxx-xx-xxxx
Remund, Daniel D., xxx-xx-xxxx
Reznik, Richard T., xxx-xx-xxxx
Rinehart, Douglas S., xxx-xx-xxxx
Robbins, Orville C., xxx-xx-xxxx
Roberson, Kelley C., xxx-xx-xxxx
Robertson, John T., xxx-xx-xxxx
Shin, Sung H., xxx-xx-xxxx
Wilson, Edward B., xxx-xx-xxxx
Wolf, Perry L., xxx-xx-xxxx
Wyssling, Philip W., xxx-xx-xxxx

ARMY NURSE CORPS

To be lieutenant colonels

Serpeingold, Brooke, xxx-xx-xxxx

To be majors

Ackerman, Steven C., xxx-xx-xxxx
Aubin, Brian A., xxx-xx-xxxx
Berry, David G., xxx-xx-xxxx
Blankemeier, William, xxx-xx-xxxx
Bonnie, Don W., xxx-xx-xxxx
Brown, Judson S., xxx-xx-xxxx
Carnahan, Michael L., xxx-xx-xxxx
Chartoff, Betty J., xxx-xx-xxxx
Clapper, Wayne E., xxx-xx-xxxx
Conder, Kathryn M., xxx-xx-xxxx
Connors, Erlinda D., xxx-xx-xxxx
Dobbins, Darrell G., xxx-xx-xxxx
Farkas, Rene M., xxx-xx-xx...
Galeas, Brenda L., xxx-xx-xxxx
Garver, Jenny B., xxx-xx-xxxx
George, Linda, xxx-xx-xx...
George, Pam I., xxx-xx-xxxx
Goldberg, Cynthia A., xxx-xx-xxxx
Griffith, Raymond W., xxx-xx-xxxx
Hartz, Kenneth I., xxx-xx-xx...
Hass, Jeanette S., xxx-xx-xxxx
Hernandez, Henry, xxx-xx-xxxx
Higgins, Catherine, xxx-xx-xxxx
Hill, Glenda, xxx-xx-xxxx
Hines, Joseph F., xxx-xx-xxxx
Hinson, Kathleen M., xxx-xx-xxxx
Hooper, Susan J., xxx-xx-xxxx
Housing, Therese M., xxx-xx-xxxx
Jackson, Barbara A., xxx-xx-xxxx
Jones, Vicki L., xxx-xx-xxxx
Kochansky, Christeen, xxx-xx-xxxx
Long, Ray E., xxx-xx-xxxx
Lund, Monica M., xxx-xx-xxxx
Machman, Marian J., xxx-xx-xxxx
Maroun, Cynthia A., xxx-xx-xxxx
Martin, Susan J., xxx-xx-xxxx
Mason, Teresa A., xxx-xx-xxxx
McAnnany, Doyle J., xxx-xx-xxxx
Nhambure, Linda A., xxx-xx-xxxx
Nichols, Debra J., xxx-xx-xxxx
Oxley-Yedo, Linda C., xxx-xx-xxxx
Parham, James W., xxx-xx-xxxx
Pfander, Nancy A., xxx-xx-xxxx
Przykucki, Jean M., xxx-xx-xxxx
Reynolds, Paula J., xxx-xx-xxxx
Riley, Christina E., xxx-xx-xxxx
Robb, Renee V., xxx-xx-xxxx
Robinson, Gale E., xxx-xx-xxxx
Scott, Timothy J., xxx-xx-xxxx
Sherer, Stephen I., xxx-xx-xxxx
Snow, Debra A., xxx-xx-xxxx
Swan, Wendy S., xxx-xx-xxxx
Talentino, Carolyn, xxx-xx-xxxx
Taylor, Andrea C., xxx-xx-xxxx
Valdez, Jesse S., xxx-xx-xxxx
Wagner, Francis M., xxx-xx-xxxx
Waltman, Josephine, xxx-xx-xxxx
Weir, Patricia J., xxx-xx-xxxx
Wilber, Jennifer T., xxx-xx-xxxx

ARMY MEDICAL SPECIALIST CORPS

To be colonels

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Garfield, Mary M., xxx-xx-xxxx

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Bronstein, Alan, xxx-xx-xxxx
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Sandifer, Alan D., xxx-xx-xxxx

IN THE ARMY

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Coolbaugh, Gerald A., xxx-xx-xxxx
Cooley, William L., xxx-xx-xxxx
Corley, James H., xxx-xx-xxxx
Cramblet, Peter B., xxx-xx-xxxx
Crissey, James E., xxx-xx-xxxx
Crumrine, Martin H., xxx-xx-xxxx
Crutchfield, Michael P., xxx-xx-xxxx
Davis, Brian K., xxx-xx-xxxx
Davis, Keith L., xxx-xx-xxxx
Day, Rodney G., xxx-xx-xxxx
Dicks, Louie A., xxx-xx-xxxx
Dilly, Brechenridge C., xxx-xx-xxxx
Dohanos, Dennis W., xxx-xx-xxxx
Drost, Leonard S., xxx-xx-xxxx
Duvall, Garry D., xxx-xx-xxxx

East, Virgil R., xxx-xx-xxxx
Emery, Homer C., xxx-xx-xxxx
Fitzgerald, William J., xxx-xx-xxxx
Fox, Alan J., xxx-xx-xxxx
Frame, Robert V., xxx-xx-xxxx
Frost, Charles F., xxx-xx-xxxx
Furbish, Bruce G., xxx-xx-xxxx
Gemmill, Robert H., xxx-xx-xxxx
George, David T., xxx-xx-xxxx
Gifford, Robert K., xxx-xx-xxxx
Gingrich, John B., xxx-xx-xxxx
Gisin, George J., xxx-xx-xxxx
Goeringer, Fred, xxx-xx-xxxx
Gonzales, Joseph P., xxx-xx-xxxx
Greenfield, Gary R., xxx-xx-xxxx
Grill, Dennis J., xxx-xx-xxxx
Griswold, Richard H., xxx-xx-xxxx
Gunn, Bruce A., xxx-xx-xxxx
Hamlin, Elwood R., II, xxx-xx-xxxx
Hapner, Arthur W., xxx-xx-xxxx
Harlan, Harold J., xxx-xx-xxxx
Harrison, Thomas G., xxx-xx-xxxx
Hatcher, Robert W., xxx-xx-xxxx
Haugen, Lawrence A., xxx-xx-xxxx
Heim, Franklin C., xxx-xx-xxxx
Hiller, Frank W., Jr., xxx-xx-xxxx
Huebner, Michael F., xxx-xx-xxxx
Huether, Ronald A., xxx-xx-xxxx
Hussey, Robert T., xxx-xx-xxxx
Jackson, Duane L., xxx-xx-xxxx
Jackson, Terry G., xxx-xx-xxxx
Jaeger, James J., xxx-xx-xxxx
Kautzman, Dennis J., xxx-xx-xxxx
Keller, Raymond L., xxx-xx-xxxx
Kershner, Ronald C., xxx-xx-xxxx
Kirby, Bruce L., xxx-xx-xxxx
Kreger, Harold A., Jr., xxx-xx-xxxx
Kremenak, Kenneth J., xxx-xx-xxxx
Krieger, Donald A., xxx-xx-xxxx
Lake, Douglas A., II, xxx-xx-xxxx
Lamy, Joel R., xxx-xx-xxxx
Landry, Alfred J., Jr., xxx-xx-xxxx
Lankford, John M., xxx-xx-xxxx
Lanway, Merle S., xxx-xx-xxxx
Ledford, Kenneth, Jr., xxx-xx-xxxx
Lineweaver, James E., Jr., xxx-xx-xxxx
Liter, Melvin E., xxx-xx-xxxx
Long, William C., xxx-xx-xxxx
Love, Alan L., xxx-xx-xxxx
Love, James E. Jr., xxx-xx-xxxx
MacDonough, Tomi S., xxx-xx-xxxx
Maertens, Kenneth R., xxx-xx-xxxx
Magill, Samuel W., Jr., xxx-xx-xxxx
Manning, Johnnie R., xxx-xx-xxxx
Mantia, William M., xxx-xx-xxxx
McClelland, Howard A., xxx-xx-xxxx
McQueen, Samuel G., xxx-xx-xxxx
Minkley, Thomas E., xxx-xx-xxxx
Monroe, Anthony M., xxx-xx-xxxx
Moore, Robert E., xxx-xx-xxxx
Naehr, Lawrence S., xxx-xx-xxxx
Newborn, Jesse P., xxx-xx-xxxx
Newman, James M., xxx-xx-xxxx
O'Brien, John C., Jr., xxx-xx-xxxx
Parker, Raymond A., xxx-xx-xxxx
Parrett, Ethan E., xxx-xx-xxxx
Perkins, Peter V., xxx-xx-xxxx
Pierce, Phillip E., xxx-xx-xxxx
Pinkson, Reuben G., xxx-xx-xxxx
Piotrowski, Stanley L., xxx-xx-xxxx
Poux, Robert J., Jr., xxx-xx-xxxx
Proctor, Michael I., xxx-xx-xxxx
Rakickas, Ronald J., xxx-xx-xxxx
Ray, Reginald D., xxx-xx-xxxx
Reid, Michael J., xxx-xx-xxxx
Rembold, John M., xxx-xx-xxxx
Richardson, James C., xxx-xx-xxxx
Rickett, Daniel L., xxx-xx-xxxx
Ristroph, Joseph D., Jr., xxx-xx-xxxx
Roach, Thomas W., xxx-xx-xxxx
Roberts, Chester R., xxx-xx-xxxx
Roberts, Lyman W., xxx-xx-xxxx
Robinson, George S., xxx-xx-xxxx
Rogers, Michael J., xxx-xx-xxxx
Schroeder, David L., xxx-xx-xxxx
Seidel, Frederick J., xxx-xx-xxxx
Sewell, Benjamin C., II, xxx-xx-xxxx
Siedor, Christopher M., xxx-xx-xxxx
Sittingdown, Quincy D., xxx-xx-xxxx
Smith, Peter P., xxx-xx-xxxx
Smith, Robert F., xxx-xx-xxxx
Smith, William R., xxx-xx-xxxx
Stephens, Elwood L., xxx-xx-xxxx
Sternal, Thomas M., xxx-xx-xxxx
Stropko, Andrew J., xxx-xx-xxxx
Swingler, Ralph S., Jr., xxx-xx-xxxx
Szurek, John L., xxx-xx-xxxx
Tanaka, Robert Y., xxx-xx-xxxx
Thiel, Brian P., xxx-xx-xxxx
Thies, Paul R., xxx-xx-xxxx
Thompson, Garold K., Jr., xxx-xx-xxxx
Thornton, Dale E., xxx-xx-xxxx
Thornton, William H.J., xxx-xx-xxxx
Waddell, Thomas R., xxx-xx-xxxx
Waibel, Klaus J., xxx-xx-xxxx
Watson, Douglas L., xxx-xx-xxxx
Wells, Dawn L., xxx-xx-xxxx
Whiddon, Robert G., Jr., xxx-xx-xxxx
Whisenant, Allen D., xxx-xx-xxxx
Whiting, Robert E., xxx-xx-xxxx
Wigger, James R., Jr., xxx-xx-xxxx
Wilcox, John T., xxx-xx-xxxx
Wilkinson, Gene C., xxx-xx-xxxx
Wilson, James P., xxx-xx-xxxx
Wingate, James C., xxx-xx-xxxx
Witte, Carlton R.V., xxx-xx-xxxx
Wozniak, Arthur, xxx-xx-xxxx
Wright, David V., xxx-xx-xxxx
Yaryan, Robert A., xxx-xx-xxxx
Yasalonis, John W., xxx-xx-xxxx
Young, Charles, xxx-xx-xxxx
Zielmanski, Kenneth P., xxx-xx-xxxx
Zolock, David T., xxx-xx-xxxx

ARMY MEDICAL SPECIALIST CORPS

To be lieutenant colonel

Ambrose, Lona K., xxx-xx-xxxx
Anderson, John E., xxx-xx-xxxx
Daigle, Wade W., xxx-xx-xxxx
Gehlhausen, Grace A., xxx-xx-xxxx
Hobson, Karen P. V., xxx-xx-xxxx
Miller, Carol P., xxx-xx-xxxx
Neveux, Catherine J., xxx-xx-xxxx
Patterson, Richard F., xxx-xx-xxxx
Reed, Judith A., xxx-xx-xxxx
Ritter, Richard C., Jr., xxx-xx-xxxx
Rose, Madeleine S., xxx-xx-xxxx
Smutok, Michael A., xxx-xx-xxxx
Sosa, Gilbert, xxx-xx-xxxx
Woerman, Allyn L., xxx-xx-xxxx
Wolf, Rita J., xxx-xx-xxxx
Wright, Adulia T., xxx-xx-xxxx

VETERINARY CORPS

To be lieutenant colonel

Agnew, Eugene W., Jr., xxx-xx-xxxx
Bartz, Curtis R., xxx-xx-xxxx
Boyle, Dale D., xxx-xx-xxxx
Hanna, Gary D., xxx-xx-xxxx
Hoedebecke, Edward L., xxx-xx-xxxx
Hoyt, Robert F., Jr., xxx-xx-xxxx
Jaax, Nancy K. D., xxx-xx-xxxx
Johnson, John B., Jr., xxx-xx-xxxx
McNamee, George A., Jr., xxx-xx-xxxx
Morrill, John C., xxx-xx-xxxx
Rice, Robert M., xxx-xx-xxxx
Sherman, Stephanie J. G., xxx-xx-xxxx
Venard, Thomas G., xxx-xx-xxxx

ARMY NURSE CORPS

To be lieutenant colonel

Adams, Carolyn E., xxx-xx-xxxx
Addison, Shirley G., xxx-xx-xxxx
Allen, Judith M., xxx-xx-xxxx
Allen, Susanne M., xxx-xx-xxxx
Amendolair, Darlene M., xxx-xx-xxxx
Amidon, Janice M. D., xxx-xx-xxxx
Anderson, Patricia J., xxx-xx-xxxx
Aureli, Dinah L., xxx-xx-xxxx
Baird, Margaret M., xxx-xx-xxxx
Baker, Beverly J., xxx-xx-xxxx
Ball, Bettye H., xxx-xx-xxxx
Bassett, Sally A., xxx-xx-xxxx
Beaty, James M., xxx-xx-xxxx
Belew, Beverly A., xxx-xx-xxxx
Bird, Carita A., xxx-xx-xxxx
Booker, Roslyn D., xxx-xx-xxxx
Brace, Brenda L., xxx-xx-xxxx
Bradshaw, Troy W., xxx-xx-xxxx
Brown, Margaret J. L., xxx-xx-xxxx
Bulliner, Carolyn R., xxx-xx-xxxx
Callahan, Michael F., xxx-xx-xxxx
Capps, Erie D., xxx-xx-xxxx
Carle, Marcia L., xxx-xx-xxxx
Carter, Arlene M., xxx-xx-xxxx
Celio, Mary P., xxx-xx-xxxx
Cheney, Virginia R., xxx-xx-xxxx
Christensen, Donald G., xxx-xx-xxxx
Christian, Shelby J., xxx-xx-xxxx
Cobb, Jean M., xxx-xx-xxxx
Coffey, Shirley E., xxx-xx-xxxx
Collins, Susan F., xxx-xx-xxxx
Combs, Maureen W., xxx-xx-xxxx
Cooke, Paulette A., xxx-xx-xxxx
Criswell, Mary L. H., xxx-xx-xxxx
Crompton, Melenna J., xxx-xx-xxxx
Curry, Laura L., xxx-xx-xxxx
Curry, Patricia L., xxx-xx-xxxx
Daniels, Nancy M., xxx-xx-xxxx
Deangelis, Richard, xxx-xx-xxxx
Deardorff, Mary T., xxx-xx-xxxx
Deweese, Paul M., xxx-xx-xxxx
Dolenar, Daniel J., xxx-xx-xxxx
Dunn, Linda J.T., xxx-xx-xxxx
Dvorchak, Barbara T., xxx-xx-xxxx
Evans, Rosalie K., xxx-xx-xxxx
Evans, Suzanne S., xxx-xx-xxxx
Faupel, Mary F., xxx-xx-xxxx
Firth, Joan M., xxx-xx-xxxx
Fitzgerald, Donna K.M., xxx-xx-xxxx
Fitzgerald, Patricia A., xxx-xx-xxxx
Florine, James E., xxx-xx-xxxx
Frank, Mary E.V., xxx-xx-xxxx
Funk, Donna K., xxx-xx-xxxx
Funk, Margaret A., xxx-xx-xxxx
Garefino, Margaret M.G., xxx-xx-xxxx
Gifford, Karen A., xxx-xx-xxxx
Gilbert, Deri H., xxx-xx-xxxx
Goyne, June I.S., xxx-xx-xxxx
Granberg, Jeannine W., xxx-xx-xxxx
Graski-Backs, S.L., xxx-xx-xxxx
Gruner, Betty S., xxx-xx-xxxx
Gwaltney, George A., xxx-xx-xxxx
Hagey, Antionette, xxx-xx-xxxx
Hamparian, Phyllis B., xxx-xx-xxxx
Hayward, Carole D., xxx-xx-xxxx
Heil, Elizabeth A., xxx-xx-xxxx
Henricson, Lawrence K., xxx-xx-xxxx
Heresa, Sadonyia J., xxx-xx-xxxx
Holliday, Beverly V., xxx-xx-xxxx
Hughes, Harold P., xxx-xx-xxxx
Jeanpierre, Patricia L., xxx-xx-xxxx
Jenkins, Pamela R.C., xxx-xx-xxxx
Jessup, James W., xxx-xx-xxxx
Johnson, Mary B.W., xxx-xx-xxxx
Jones, Carol A., xxx-xx-xxxx
Keeler, Jill R., xxx-xx-xxxx
Kelly, Shelley H., xxx-xx-xxxx
Kemp, Elizabeth F., xxx-xx-xxxx
Kendall, James J., III, xxx-xx-xxxx
Kildea, John, Jr., xxx-xx-xxxx
King, David A., xxx-xx-xxxx
King, Mary M.P., xxx-xx-xxxx
Kinsinger, Daniel H., xxx-xx-xxxx
Kossman, Marcia L., xxx-xx-xxxx
Krom, Frances A.K., xxx-xx-xxxx
Lambert, Mary H., xxx-xx-xxxx
Lashlee, Jo L., xxx-xx-xxxx
Lee, Vivian Z.W., xxx-xx-xxxx
Level, Dennis F., xxx-xx-xxxx
Levinson, Carolyn H., xxx-xx-xxxx
Lewis, Jane L., xxx-xx-xxxx
Marsh, Frances L., xxx-xx-xxxx

Marsh, Linda J., xxx-xx-xxxx
Mathis, Donald L., xxx-xx-xxxx
Mauro, Kathleen B., xxx-xx-xxxx
Maynard, Georgia G.H., xxx-xx-xxxx
McBride, Patricia B., xxx-xx-xxxx
Mehling, Beverly A., xxx-xx-xxxx
Miller, Dwayne E., xxx-xx-xxxx
Miller, Janet J., xxx-xx-xxxx
Mizell, Doris M., xxx-xx-xxxx
Moore, Barbara S., xxx-xx-xxxx
Moran, Margaret L. C., xxx-xx-xxxx
Mull, Ellen A., xxx-xx-xxxx
Mustelier, Christine J., xxx-xx-xxxx
Naleski, Gary J., xxx-xx-xxxx
Nett, Kathleen M., xxx-xx-xxxx
Odom, James D., xxx-xx-xxxx
O'Niel, Mary K., xxx-xx-xxxx
Parry, Barbara A. P., xxx-xx-xxxx
Peacock, Benjamin A., Jr., xxx-xx-xxxx
Penn, Barbara K., xxx-xx-xxxx
Phillips, Jolynn S., xxx-xx-xxxx
Prentiss, Patricia C., xxx-xx-xxxx
Probst, Cynthia B. J., xxx-xx-xxxx
Purdom, Jean M., xxx-xx-xxxx
Rak, Doris J., xxx-xx-xxxx
Ramsey, Barbara J., xxx-xx-xxxx
Rea, Ruth E., xxx-xx-xxxx
Reeder, Jean M., xxx-xx-xxxx
Robertson, Katherine E., xxx-xx-xxxx
Robinson, Sylvia P., xxx-xx-xxxx
Robison, Gary D., xxx-xx-xxxx
Robison, Patricia, xxx-xx-xxxx
Roscow, John C., xxx-xx-xxxx
Ross, Patricia A. W., xxx-xx-xxxx
Ross, Susan W., xxx-xx-xxxx
Rupkalvis, Carol A., xxx-xx-xxxx
Russo, Joan D. F., xxx-xx-xxxx
Salacinski, Lynnda W., xxx-xx-xxxx
Sandberg, Julie K., xxx-xx-xxxx
Sarnecky, Mary T., xxx-xx-xxxx
Sautter, Dawn P., xxx-xx-xxxx
Schade, Elsie R., xxx-xx-xxxx
Scheidt, Kathryn B., xxx-xx-xxxx
Schodt, Dana P., xxx-xx-xxxx
Schwaier, Sandra L., xxx-xx-xxxx
Sealy, Mary L., xxx-xx-xxxx
Shank, Joyce G., xxx-xx-xxxx
Shelton, Lanette M., xxx-xx-xxxx
Shepard, Rosamond R., xxx-xx-xxxx
Sikes, Patricia A. H., xxx-xx-xxxx
Skowronski, Eileen F., xxx-xx-xxxx
Slimowicz, Carolyn M., xxx-xx-xxxx
Smeltzer, Lola K. F., xxx-xx-xxxx
Smith, Eddy A., xxx-xx-xxxx
Smith, Lonnie R., xxx-xx-xxxx
Stark, Dianne M., xxx-xx-xxxx
Stegura, Frank H., xxx-xx-xxxx
Stepanik, Dianna S., xxx-xx-xxxx
Stone, Mary A., xxx-xx-xxxx
Stowe, Harvey O., xxx-xx-xxxx
Sullivan, Elizabeth A., xxx-xx-xxxx
Swafford, Catherine G., xxx-xx-xxxx
Tobiasson, Michael E., xxx-xx-xxxx
Treiber, Maureen S., xxx-xx-xxxx
Troop, Michael P., xxx-xx-xxxx
Vandell, Donna L., xxx-xx-xxxx
Vanhook, Thomas J., xxx-xx-xxxx
Wacks, Gloria J.S., xxx-xx-xx...
Wanersdorfer, Elizabeth M., xxx-xx-xxxx
Ward, Mary H., xxx-xx-xxxx
Washburn, Theresa A., xxx-xx-xxxx
Watkins, Betty L.S., xxx-xx-xxxx
Waxdahl, Karen A., xxx-xx-xxxx
Wells, Susan E., xxx-xx-xxxx
West, Janet A., xxx-xx-xxxx
White, Brenda L.J., xxx-xx-xxxx
Wiegand, Joyce L., xxx-xx-xxxx
Williams, Paulette L., xxx-xx-xxxx
Wilson, Margaret M., xxx-xx-xxxx
Wynohrad, Julia E.S., xxx-xx-xxxx
Zuelke, Lorene E., xxx-xx-xxxx
Zunino, Jeannette M., xxx-xx-xxxx
Zwerner, Darlene A., xxx-xx-xxxx

THE JUDICIARY

James L. Buckley, of Connecticut, to be U.S. circuit judge for the District of Columbia circuit vice Edward Allen Tamm, deceased.

John T. Noonan, Jr., of California, to be U.S. circuit judge for the ninth circuit vice a new position created by Public Law 98-353, approved July 10, 1984.

Glenn L. Archer, Jr., of Virginia, to be U.S. circuit judge for the Federal circuit vice Jack R. Miller, retired.

Jane R. Roth, of Delaware, to be U.S. district judge for the district of Delaware vice Walter K. Stapleton, elevated.

Albert I. Moon, Jr., of Hawaii, to be U.S. district judge for the district of Hawaii vice a new position created by Public Law 98-353, approved July 10, 1984.

Patrick A. Conmy, of North Dakota, to be U.S. district judge for the district of North Dakota vice Bruce M. Van Sickle, retired.

Lynn N. Hughes, of Texas, to be U.S. district judge for the southern district of Texas vice Robert O'Conor, Jr., resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate October 16, 1985:

DEPARTMENT OF COMMERCE

Donald James Quigg, of Virginia, to be Commissioner of Patents and Trademarks.

DEPARTMENT OF DEFENSE

Robert B. Sims, of Tennessee, to be an Assistant Secretary of Defense.

DEPARTMENT OF JUSTICE

Richard Kennon Willard, of Virginia, to be an Assistant Attorney General.

COPYRIGHT ROYALTY TRIBUNAL

J.C. Argetsinger, of Virginia, to be a Commissioner of the Copyright Royalty Tribunal for the term of 7 years from September 27, 1984.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

William Barclay Allen, of California, to be a member of the National Council on the Humanities for a term expiring January 26, 1990.

Mary Joseph Conrad Cresimore, of North Carolina, to be a Member of the National Council on the Humanities for a term expiring January 26, 1990.

Leon Richard Kass, of Illinois, to be a member of the National Council on the Humanities for a term expiring January 26, 1990.

Kathleen S. Kilpatrick, of Connecticut, to be a member of the National Council on the Humanities for a term expiring January 26, 1990.

Robert Laxalt, of Nevada, to be a member of the National Council on the Humanities for a term expiring January 26, 1990.

James V. Schall, of California, to be a member of the National Council on the Humanities for a term expiring January 26, 1990.

George D. Hart, of California, to be a member of the National Council on the Humanities for a term expiring January 26, 1990.

COMMODITY FUTURES TRADING COMMISSION

Susan Meredith Phillips, of Iowa, to be a Commissioner of the Commodity Futures Trading Commission for the term expiring April 13, 1990.

Susan Meredith Phillips, of Iowa, to be chairman of the Commodity Futures Trading Commission.

FARM CREDIT ADMINISTRATION

Larry L. DeVuyst, of Michigan, to be a member of the Federal Farm Credit Board, Farm Credit Administration, for a term expiring March 31, 1991.

INTERNATIONAL ATOMIC ENERGY AGENCY

The following-named persons to be the Representative and Alternate Representatives of the United States of America to the 29th session of the General Conference of the International Atomic Energy Agency:

Representative:

Danny J. Boggs of Kentucky.

Alternate Representatives:

Richard T. Kennedy of the District of Columbia.

Nunzio J. Palladino of Pennsylvania.

Bruce Chapman of Washington.

DEPARTMENT OF TRANSPORTATION

Leo C. McKenna, of New York, to be a member of the Advisory Board of the Saint Lawrence Seaway Development Corporation.

DEPARTMENT OF STATE

Jean Broward Shevlin Gerard, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Luxembourg.

UNITED NATIONS

The following-named persons to be Representatives and Alternate Representatives of the United States of America to the 40th session of the General Assembly of the United Nations:

Representatives:

Vernon A. Walters of Florida.

Herbert Stuart Okun of the District of Columbia.

Daniel A. Mica, U.S. Representative from the State of Florida.

Gerald B.H. Solomon, U.S. Representative from the State of New York.

John Davis Lodge of Connecticut.

Alternative Representatives:

Patricia Mary Byrne of Ohio.

Hugh Montgomery of Virginia.

Joseph Verner Reed of New York.

Robinson Risner of Texas.

INTER-AMERICAN FOUNDATION

Elliott Abrams, of the District of Columbia, to be a member of the Board of Directors of the Inter-American Foundation for a term expiring September 20, 1990.

AFRICAN DEVELOPMENT FOUNDATION

Mark L. Edelman, an Assistant Administrator of the Agency for International Development, to be a member of the Board of Directors of the African Development Foundation for a term expiring September 22, 1991.

ADMINISTRATIVE CONFERENCE OF THE UNITED STATES

Marshall Jordan Breger, of the District of Columbia, to be chairman of the Administrative Conference of the United States for the term of 5 years.

NATIONAL CREDIT UNION ADMINISTRATION

Elizabeth Flores Burkhart, of Texas, to be a member of the National Credit Union Administration Board for the term of 6 years expiring April 10, 1991.

DEPARTMENT OF STATE

Patricia Mary Byrne, of Ohio, a career member of the Senior Foreign Service, class of Minister-Counselor, to be Deputy Representative of the United States of America in the Security Council of the United Nations, with the rank of Ambassador.

Hugh Montgomery, of Virginia, to be the Alternate Representative of the United States of America for Special Political Affairs in the United Nations, with the rank of Ambassador.

Herbert Stuart Okun, of the District of Columbia, a career member of the Senior Foreign Service, class of Minister-Counselor, to be the Deputy Representative of the United States of America to the United Nations, with the rank and status of Ambassador Extraordinary and Plenipotentiary.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Bill D. Colvin, of Virginia, to be inspector general, National Aeronautics and Space Administration.

U.S. SENTENCING COMMISSION

Stephen G. Breyer, of Massachusetts, to be a member of the U.S. Sentencing Commission for a term of 2 years, subject to the conditions prescribed by Public Law 98-473 of October 12, 1984, as amended.

Paul H. Robinson, of New Jersey, to be a member of the U.S. Sentencing Commission for a term of 2 years, subject to the conditions prescribed by Public Law 98-473 of October 12, 1984, as amended.

Michael K. Block, of Arizona, to be a member of the U.S. Sentencing Commission for a term of 4 years, subject to the conditions prescribed by Public Law 98-473 of October 12, 1984, as amended.

Helen G. Corrothers, of Arkansas, to be a member of the U.S. Sentencing Commission for a term of 4 years, subject to the conditions prescribed by Public Law 98-473 of October 12, 1984, as amended.

George E. MacKinnon, of Maryland, to be a member of the U.S. Sentencing Commission for a term of 4 years, subject to the conditions prescribed by Public Law 98-473 of October 12, 1984, as amended.

Ilene H. Nagel, of Indiana, to be a member of the U.S. Sentencing Commission for a term of 6 years, subject to the conditions prescribed by Public Law 98-473 of October 12, 1984, as amended.

William W. Wilkins, Jr., of South Carolina, to be a member of the U.S. Sentencing Commission for a term of 6 years, subject to the conditions prescribed by Public Law 98-473 of October 12, 1984, as amended.

William W. Wilkins, Jr., of South Carolina, to be chairman of the U.S. Sentencing Commission.

DEPARTMENT OF LABOR

Roger Dale Semerad, of Maryland, to be an Assistant Secretary of Labor.

NATIONAL LABOR RELATIONS BOARD

James M. Stephens, of Virginia, to be a member of the National Labor Relations Board for the term of 5 years expiring August 27, 1990.

NATIONAL CREDIT UNION ADMINISTRATION

Roger William Jepsen, of Iowa, to be a member of the National Credit Union Administration Board for the remainder of the term expiring August 2, 1987.

ENVIRONMENTAL PROTECTION AGENCY

Lawrence J. Jensen, of Virginia, to be an Assistant Administrator of the Environmental Protection Agency.

Jennifer Joy Manson, of Virginia, to be an Assistant Administrator of the Environmental Protection Agency.

NATIONAL SCIENCE FOUNDATION

Craig C. Black, of California, to be a member of the National Science Board, National Science Foundation, for a term expiring May 10, 1990.

Charles L. Hosler, of Pennsylvania, to be a member of the National Science Board, National Science Foundation, for the remainder of the term expiring May 10, 1988.

William J. Merrell, Jr., of Texas, to be an Assistant Director of the National Science Foundation.

FEDERAL DEPOSIT INSURANCE CORPORATION

L. William Seidman, of Arizona, to be a member of the Board of Directors of the Federal Deposit Insurance Corporation for a term of 6 years.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

THE JUDICIARY

Ralph B. Guy, Jr., of Michigan, to be U.S. circuit judge for the sixth circuit.

Stephen H. Anderson, of Utah, to be U.S. circuit judge for the 10th circuit.

Ferdinand F. Fernandez, of California, to be U.S. district judge for the central district of California.

Glen H. Davidson, of Mississippi, to be U.S. district judge for the northern district of Mississippi.

Robert B. Maloney, of Texas, to be U.S. district judge for the northern district of Texas.

David Bryan Sentelle, of North Carolina, to be U.S. district judge for the western district of North Carolina.

Brian B. Duff, of Illinois, to be U.S. district judge for the northern district of Illinois.

Edmund V. Ludwig, of Pennsylvania, to be U.S. district judge for the eastern district of Pennsylvania.

Stephen V. Wilson, of California, to be U.S. district judge for the central district of California.

David Sam, of Utah, to be U.S. district judge for the district of Utah.

David A. Nelson, of Ohio, to be U.S. circuit judge for the sixth circuit.

James L. Ryan, of Michigan, to be U.S. circuit judge for the sixth circuit.

Henry T. Wingate, of Mississippi, to be U.S. district judge for the southern district of Mississippi.

Alan H. Nevas, of Connecticut, to be U.S. district judge for the district of Connecticut.

Paul N. Brown, of Texas, to be U.S. district judge for the eastern district of Texas.

Alan A. McDonald, of Washington, to be U.S. district judge for the eastern district of Washington.

DEPARTMENT OF JUSTICE

Brian P. Joffrion, of Louisiana, to be U.S. Marshal for the western district of Louisiana for the term of 4 years.

Stephen M. McNamee, of Arizona, to be U.S. attorney for the district of Arizona for the term of 4 years.

Patrick M. McLaughlin, of Ohio, to be U.S. attorney for the northern district of Ohio for the term of 4 years.

William A. Maddox, of Nevada, to be U.S. attorney for the district of Nevada for the term of 4 years.

Roger Hilfiger, of Oklahoma, to be U.S. attorney for the eastern district of Oklahoma for the term of 4 years.

IN THE NAVY

The following-named officer for appointment as Vice Chief of Naval Operations pursuant to title 10, United States Code, section 5085:

Vice Adm. James B. Busey IV, [redacted]/1310, U.S. Navy.

The following-named officer having been designated for command and other duties of importance and responsibility within the contemplation of title 10, United States Code, section 601, for appointment to the grade of admiral while so serving:

Vice Adm. James B. Busey IV, [redacted]/1310, U.S. Navy.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be admiral

Adm. Lee Baggett, Jr., [redacted]/1110, U.S. Navy.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be admiral

Vice Adm. Arthur S. Moreau, Jr., [redacted], U.S. Navy.

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be admiral

Adm. Sylvester R. Foley, Jr., [redacted]/1310, U.S. Navy.

The following-named commodore of the line of the Navy for promotion to the permanent grade of rear admiral, pursuant to title 10, United States Code, section 624, subject to qualifications therefor as provided by law:

RESTRICTED LINE—SPECIAL DUTY OFFICER (CRYPTOLOGY)

Charles Francis Clark.

The following-named captains of the U.S. Navy for promotion to the permanent grade of commodore, pursuant to title 10, United States Code, section 624, subject to qualifications therefor as provided by law:

MEDICAL CORPS

Lewis Mantel.

SUPPLY CORPS

James Edward Miller.
James Elton Eckelberger.
William Egbert Powell, Jr.

CHAPLAIN CORPS

Alvin Berthold Koeneman.

CIVIL ENGINEER CORPS

Benjamin Franklin Montoya.

IN THE AIR FORCE

The following officers for appointment in the U.S. Air Force to the grades indicated, under the provisions of section 624, title 10 of the United States Code:

To be major general

Brig. Gen. Stuart E. Barstad, [redacted]FR, U.S. Air Force, chaplain.

To be brigadier general

Col. John P. McDonough, [redacted]FR, U.S. Air Force, chaplain.

IN THE ARMY

The following-named Army Medical Service Corps officer for appointment in the U.S. Army to the grade indicated under the provisions of title 10, United States Code, sections 611(a) and 624:

To be permanent brigadier general

Col. Walter F. Johnson III, [redacted], Medical Service Corps, U.S. Army.

IN THE NAVY

The following-named officer to be placed on the retired list in the grade indicated under title 10, United States Code, section 1370:

To be vice admiral

Vice Adm. Richard A. Miller, xxx-xx-xxxx 1310, U.S. Navy.

The following-named officer, under the provisions of title 10, United States Code, section 711, to be reassigned in his current grade to be senior Navy member of the Military Staff Committee of the United Nations and to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

Vice Adm. Donald S. Jones, xxx-xx-xxxx 1310, U.S. Navy.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be vice admiral

Rear Adm. Joseph B. Wilkinson, Jr., xxx-xx-.../1310, U.S. Navy.

The following-named captains of the Reserve of the U.S Navy for permanent promotion to the grade of commodore in the line and staff corps, as indicated, pursuant to the provisions of title 10, United States Code, section 5912:

UNRESTRICTED LINE OFFICERS

John William Gates, Jr.
Stephen Gordon Yusem.
Richard Squier Fitzgerald.
Samuel Edward McWilliams.

ENGINEERING DUTY OFFICER

Paul Keith Arthur.

MEDICAL CORPS OFFICERS

Robert Layman Summitt.
Robert Conrad Nuss.

SUPPLY CORPS OFFICER

James Hock Mayer.

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be vice admiral

Vice Adm. Thomas R. Kinnebrew, xxx-xx-... xxx-.../1110. U.S. Navy.

IN THE ARMY

The following officers for appointment as Reserve commissioned officers in the Adjutant General's Corps, Army National Guard of the United States, Reserve of the Army, under the provisions of title 10, United States Code, sections 593(a) and 3392:

To be major general

Brig. Gen. Edward D. Baca, xxx-xx-xxxx
Brig. Gen. Alfredo J. Mora, xxx-xx-xxxx
Brig. Gen. Ernest R. Morgan, xxx-xx-xxxx
Brig. Gen. Nathaniel G. Troutt, xxx-x...

IN THE AIR FORCE

Air Force nominations beginning Theodore M. Sahd, and ending James M. Kinsella, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 9, 1985.

Air Force nominations beginning Charles D. Ables, and ending Kenneth W. Welsh, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 9, 1985.

Air Force nominations beginning Maj. Dennis M. Anderson, and ending Maj. John H. Elledge, Jr., which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 9, 1985.

Air Force nomination of James M. Kinsella, which was received by the Senate and appeared in the CONGRESSIONAL RECORD of September 9, 1985.

Air Force nominations beginning Raymond A. Abole, and ending Daniel R. Zink, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 9, 1985.

Air Force nomination of Lt. Col. Richard O. Covey, which was received by the Senate and appeared in the CONGRESSIONAL RECORD of September 11, 1985.

Air Force nominations beginning Maj. John M. Lounge, and ending Maj. James D. Vanhoften, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 20, 1985.

IN THE ARMY

Army nominations beginning William F. Norris, and ending Loraine G. Goodman, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 9, 1985.

Army nominations beginning Johnny R. Abbott, and ending Donald B. Zamora, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 9, 1985.

Army nominations beginning Marc A. Abramowitz and ending Henry J. Zielinski, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 16, 1985.

Army nominations beginning William F. Reade and ending James L. Yates, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 17, 1985.

Army nominations beginning Jon W. Day, and ending Gary B. Williamson, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 20, 1985.

Army nominations beginning Henry W. Adams, and ending Joseph A. Seigel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 20, 1985.

Army nominations beginning Giorgio S. Tureila and ending William J. Howard III, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 20, 1985.

IN THE COAST GUARD

Coast Guard nominations beginning Thomas P. Vieten, and ending Neal D. Shadix, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 16, 1985.

IN THE MARINE CORPS

Marine Corps nominations beginning Paul D. Allen, Jr., and ending Robin F. Wirsching, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of July 30, 1985.

Marine Corps nomination of James M. Johnson, which were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 9, 1985.

Marine Corps nominations beginning Harold D. Jones, and ending Wellington Y. Wheaton, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 9, 1985.

IN THE NAVY

Navy nominations beginning Robert P. Burroughs, and ending Walter F. Threlkeld, Jr., which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 9, 1985.

Navy nominations beginning Nicholas Sabalos and ending George J. Thielemann, III, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 9, 1985.

Navy nominations beginning Orlando A. Alfred, and ending James W. Crawford, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 9, 1985.

Navy nominations beginning Donald Jacob Beyer, Jr., and ending Edwin Frank Zupinski, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 11, 1985.

Navy nominations beginning Robert A. Fabrini, and ending Lewis L. Ware, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of October 2, 1985.

EXTENSIONS OF REMARKS

401(k) PLANS SHOULD BE PRESERVED

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. KOSTMAYER. Mr. Speaker, as the Congress continues to study and debate tax reform, I rise to strenuously object to the Treasury Department's latest tax proposal which would eliminate the 401(k) savings plan, and urge my colleagues who serve on the Ways and Means Committee to reject this aspect of tax reform.

President Reagan's tax reform plan has three objectives: First, simplification; second, economic growth; and third, fairness. I share these goals, and hope a bipartisan effort can be sustained to achieve a meaningful reform package.

But the President's package is flawed in some respects, Mr. Speaker, not the least of which is the proposal to eliminate 401(k) savings plans.

The Johnson Companies, a corporate constituent from Newtown, PA, is one of the country's leading pension and benefits consulting firms and administers hundreds of 401(k) plans.

The Johnson Companies has surveyed 480 firms around the country which have 401(k) plans to determine employee sentiment regarding their savings and pension goals.

The findings indicate high employee participation in 401(k) plans, and importantly, participation by employees of all income levels. A 401(k) plan has so many advantage for working men and women—advantages which make it clearly preferable to an individual retirement account, for example—that in many retirement plans administered by the Johnson Companies, 80 percent or more of employees participate. In fact, one concern I visited myself, Ferag, Inc., of Bristol, PA, with 130 employees, has 100 percent participation.

And contrary to Treasury Department objections concerning withdrawal features of 401(k) and other employee-sponsored savings plans, the figures compiled in the Johnson survey show that less than 2 percent of all participants have withdrawn money from the plans during the last 3 years. Over 80 percent of these withdrawals have been for home purchases, education, and medical expenses, statistics which indicate employees are utilizing the hardship withdrawal provisions in a responsible manner. The important point is that for an employee, the withdrawal option for an emergency is there. This feature, rather than being objectionable, actually promotes retirement savings and encourages employees to commit themselves to saving for this purpose.

Mr. Speaker, Ms. Trisha Brambley, a constituent and an account executive at the Johnson Companies, has been kind enough to provide me with a memorandum summarizing the advantages of 401(k) plans, and the support for these savings plans expressed by participants.

I would like to share with my colleagues, Mr. Speaker, Ms. Brambley's memo, and I ask that it be reprinted at this point in the RECORD:

MEMO

To: Rep. Peter H. Kostmayer.
From: Trisha Brambley.

A few years ago, The Johnson Companies, a benefit consulting firm, offered me the opportunity to communicate 401(k) Salary Reduction plans to employees. At that time, 401(k) was little more than a great idea—only a handful of companies had adopted a plan. My task was to give the average employee enough information so he/she could decide if the plan was right for them. My initial thinking was that, as with IRA's, only relatively high paid workers would choose to defer income, and that employees would make frequent hardship withdrawal requests. The good news is that I was wrong. 80 to 90% of eligible employees of all salary and age levels do participate, and withdrawals are minimal. The bad news is that our government officials want to drastically stifle the growth of this plan which encourages people to do something for themselves.

I believe that government representatives are under the same misconceptions I had before I had the experience of talking to thousands of workers about 401(k) plans. The Johnson Companies has assisted hundreds of companies in adopting a plan. I think you should hear what our clients and their employees have to say about the proposed legislation.

ON SAVING FOR THE FUTURE

"This is the best benefit our company provides. I would never have this much saved without this plan. I would have spent the money who knows where."—Mechanic, Age 42, Pontiac dealership

I have seen the plan welcomed and accepted by people in all walks of life—factory workers, welders, bank tellers, nurses, etc. Payroll deduction, company matching contributions and tax deferrals make the plan attractive to virtually every worker. Many smaller corporations (those under 500 employees) cannot afford the expense of a pension plan. Their 401(k) plan represents their primary source of retirement income.

ON HARDSHIP WITHDRAWALS

"I'm planning to use my 401(k) savings for retirement, but if something really serious comes up, it's nice to know I can withdraw enough to cover the hardship without penalty; can't do that with an IRA. That's why I don't have an IRA."—Secretary, Age 31, law firm.

The Johnson Companies' survey of 650,000 participants proved that less than 2% of plan participants have requested a hardship withdrawal. Clearly, this privilege is not being abused. The misconception that these are short term savings plans needs to be corrected.

Ideally, all funds would be used for retirement. Realistically, young employees need to know they can withdraw funds for a serious reason or for a future financial burden. In order to achieve high participation from the younger employees, while encouraging retirement savings, I suggest that 25% or 50% of the account balance be available for hardship, and the balance be subject to a penalty if distributed before age 59½ and not rolled over.

ON THE FUTURE OF SOCIAL SECURITY

"I'd rather depend on my own savings than rely on Social Security."—Bank Teller, Age 27, area savings bank.

Many employees, particularly those under age 45, have expressed skepticism toward the possibility of getting any benefits from Social Security. Historically, adequate retirement income levels come from three sources: company contributions in a qualified plan, Social Security, and the employee's own savings. As reliance on Social Security decreases, reliance on a convenient, pretax method of individual savings must be encouraged.

ON REDUCING CONTRIBUTION AMOUNTS

"If they severely limit the amount the company's decision makers can put aside, they aren't going to decide to adopt a plan they can't use. Everybody loses."—CFO, communications firm.

Proposals to drastically reduce the dollar amount that can be contributed is equivalent to lowering the deferral percentage for management. Many of our clients have expressed anger, and feel they are being discriminated against.

There is an expense to a company to adopt and administer a plan. While some maximum amount is necessary, if benefits to management are little or nil, it is unlikely that these expenses can be justified. A maximum deferral of 10%, rather than a dollar amount, would be fair to employees of all salary levels.

ON CHANGING THE DISCRIMINATION TESTS

"We spent money and time to develop the computer system to calculate the discrimination test. Now they want to change it? We'd rather spend our time on projects that are more productive to our company."—President, mid-sized company.

The Actual Deferral Percentage (ADP) testing is quite complex. Corporations and recordkeeping systems have incurred considerable expense in order to comply with these regulations. The current ADP test prevents abuse, makes it impossible for the plan to favor the highly compensated, and ensures participation from all salary levels. There is no valid reason for changing what is already accomplishing non-discrimination.

401(k) plans are a social and economic benefit. The Johnson Companies, our clients, and approximately 25 million participants (voters) urge you to take action to encourage the continuation of the country's most highly perceived benefit plan.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member of the Senate on the floor.

Boldface type indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

I urge my colleagues, Mr. Speaker, to reject tax proposals which would destroy the 401(k) concept. These employer-sponsored savings plans are good for working men and women and their families, and good for the country.

DON'T ARM THE ARABS

HON. THOMAS J. MANTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. MANTON. Mr. Speaker, I recently had the pleasure and the privilege of meeting Mr. David Bar-Illan. Mr. Bar-Illan, a world-renowned concert pianist, is a founding member of Artists and Writers for Peace in the Middle East. He is also an active member of the Council for a Secure America, a bipartisan group concerned about America's energy future and America's support for Israel.

An editorial by Mr. Bar-Illan entitled is "Don't Arm the Arabs," appeared in the New York Times on October 14. Mr. Bar-Illan makes a compelling argument against the sale of additional sophisticated military hardware to Jordan or Saudi Arabia.

As a strong supporter of Israel, I believe the administration's proposal to allow Jordan to purchase $1.9 billion in advanced military weapons would seriously jeopardize Israel's ability to exist. I strongly urge my colleagues to read the editorial which follows. The United States has no greater friend and ally in the Middle East than Israel. We must not allow Israel's security to be weakened in any way.

The article follows:

[From the New York Times, Oct. 14, 1985]

DON'T ARM THE ARABS

(By David Bar-Illan)

Despite overwhelming Congressional disapproval—73 Senators have co-sponsored a resolution opposing the sale of arms to Jordan and 64 have co-signed a letter objecting to the sale of arms to Saudi Arabia—the Administration has proposed a $1.9 billion package of advanced weaponry for immediate sale to Jordan and is seriously considering a similar sale to Saudi Arabia.

Such sales would be politically counterproductive and militarily senseless. They would vitiate American credibility in the region and enhance the prospects of another war.

Two reasons are forwarded for such sales—that they are needed for the defense of "moderate" Arab regimes against radical antagonists, and that they will encourage these regimes to join the peace process.

The first argument, about Arab defense needs, disregards the realities of the region. Jordan may justifiably fear a Syrian move to annex it, but no amount of weaponry can appreciably change the balance of power between them. Only a strong Israel can serve as a deterrent to such an attack, as it did in 1970 and in 1980, when it prevented a Syrian invasion of Jordan.

Saudi Arabia needs such weapons even less. Iran, bogged down in war, is no longer menacing. There is no other external threat in sight, and the Saudi military cannot efficiently absorb equipment it already has. It is more likely that these arms are intended for use, directly or by proxy, against Israel. Though called moderate, both Jordan and Saudi Arabia have participated in every major war against Israel.

The second contention, that arms sales advance the peace process, is belied by the record. In 1981, President Reagan set specific conditions for selling AWACS planes to Saudi Arabia: Deliveries would take place only if peace initiatives were "sucessfully completed or significant progress toward that goal has been accomplished with the substantial assistance of Saudi Arabia." These conditions have not been met.

The Saudis are still in the state of war with Israel and refuse to recognize its legitimacy. They continue to wage economic war against it by boycotting companies dealing with Israel. They disseminate anti-Semitic propaganda of unmatched virulence and support rejectionist Syria and the Palestine Liberation Organization with handsome stipends. They have refused to join the peace process. In August, at the Pan-Arab Conference in Morocco, they failed to support talks between King Hussein, the Palestinians and Israel.

Unlike the Saudis, King Hussein speaks the language of moderation, but shows a discouraging disinclination to match word to deed. In return for American arms and support for his claim to Judea and Samaria, Jordan was expected to disavow violence and identify Palestinian leaders who would negotiate directly with Israel. Instead, Hussein has parroted Yasir Arafat's insistence on an international conference with Soviet participation and allowed Palestinian terrorists, banished from Jordan since 1970, to return to its soil. Under these circumstances, the sale of sophisticated arms can only be interpreted as a reward for intransigence.

True, if we do not sell arms to these countries, our European allies undoubtedly will, thus beating us to a tidy sum of petrodollars. But deplorable as such sales may be, they do not deal as severe a blow to Israel's security as American sales would. It is not only the superiority of American arms that makes them dangerous in the hands of Israel's enemies, but also that they are identical to Israeli arms. If Arab pilots, technicians and soldiers become familiar with the capabilities of the most sophisticated weapons in Israel's arsenal, Israel's qualitative edge—the only kind it can hope to maintain—will vanish. There is, too, the danger that in this totally unpredictable region of the world, the next upheaval will cause these advanced American weapons to fall into Soviet or P.L.O. hands.

Courting Arab regimes with arms sales in the hope that "just one more sale" will bring them to the conference table would be futile and would not serve American interests. The least we can do is demand that after 37 years of Arab wars against Israel those who wish to buy our deadliest conventional weapons first contribute to bringing peace and stability to the region by renouncing belligerency and negotiating directly with Israel.

EMBASSY ROW; ONE OF THE TOUGHEST IMAGE PROBLEMS IN TOWN

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. RANGEL. Mr. Speaker, one role of an ambassador in a foreign country is to promote a positive image of his native country in the country to which he is assigned. This is an ambassadorial duty which ordinarily does not receive too much attention in the press. Recently, however, I ran across an interesting article about the efforts of Rodrigo Lloreda, Colombia's Ambassador to the United States, to promote a positive image of his country in the United States. As my colleagues know, Colombia is a principal source of the supply of marijuana and cocaine to the United States. While not meaning to minimize the impact of the flow of narcotics from Colombia to America, I want to alert my colleagues to the steps which Ambassador Lloreda is taking to enhance the image of Colombia in the United States.

The article entitled "Embassy Row; One of the Toughest Image Problems in Town" from the August 30, 1985, edition of the New York Times states "Still, he contends that not enough credit is given for his country's progress in the last 2 years against drug trade. More important, he complains that Colombians and Colombian organizations tend to be singled out by United States law enforcement agencies for harassment and suspicion." To support his statement Mr. Lloreda says "I just got a call today from Atlantic City. Of the 10,000 illegal aliens in the city, the district attorney decided to crack down on the 500 Colombians. He didn't do anything about the Europeans, the Asians, the Africans. Just the Colombians because they're supposedly all drug dealers."

Another case cited by Ambassador Lloreda is that of a Boeing 747 owned by Avianca, the Colombian airline, that was seized earlier this year. The Ambassador reported that "United States Customs officials found cocaine in the nightly shipment of flowers from Bogota, and even though the Colombian police had alerted Customs that the narcotics were on the plane, they impounded the plane anyway, forcing Avianca to give Customs the right to revoke its flying rights here if another case occurred."

A more pleasant task for Ambassador Lloreda was to announce a $1-billion loan by a syndicate of 200 private banks, led by Chemical Bank of New York, to develop oil and coal facilities in Colombia. "It was one of the largest extensions of new credit by American banks to a Latin America country in 2 years, and Colombia could get that much credit because it had subjected itself to some very close monitoring and austerity measures recommended by the International Monetary Fund."

Mr. Speaker, based on my visit to Colombia and other South American nations in August 1985, I am convinced there is a new awareness of the problems associated with drug use and drug trafficking among the leaders of South America. Most importantly, these leaders are now prepared to work with us to curtail the continuous flow of narcotics to American drug users. This changed attitude on the part of the leaders of some of the world's major drug-producing countries is a most welcome development. I take the time to bring this matter to the attention of my colleagues and the public, because amidst an ever-increasing supply of foreign drugs, Colombia is making a start in curtailing illicit drug production and traffic and this should not be overlooked.

Mr. Speaker, I insert the article from the New York Times of August 30, 1985, entitled "Embassy Row; One of the Toughest Image Problems in Town" into the CONGRESSIONAL RECORD at this point. The article follows:

EMBASSY ROW; ONE OF THE TOUGHEST IMAGE PROBLEMS IN TOWN

It is a fact of ambassadorial life that much time is spent polishing the image of one's country. But for some on Embassy Row, that is a harder task than just attending state functions and being seen with the right people.

Rodrigo Lloreda, Colombia's Ambassador to the United States, acknowledges that his country has an image problem. Mention Colombia, and pictures of drug traffickers, bales of marijuana and cocaine factories spring to mind.

Mr. Lloreda despairingly concedes that this is rightly so, for Colombia is a major source of drugs in the international market. Still, he contends that not enough credit is given for his country's progress in the last two years against drug trade. More important, he complains that Colombians and Colombian organizations tend to be singled out by United States law enforcement agencies for harassment and suspicion. As a result, he says, he regularly is called upon to settle minor political crises throughout the 50 states.

At least one United States official defends the stance on Colombia.

"We're not just picking on Colombians or Colombian airlines," said Dennis Murphy, a spokesman for the Customs Service. "We're going to stop drugs coming in from any country. And it will continue."

Whatever the case, Mr. Lloreda (pronounced your-RAY-dah) has embarked on what amounts to a public relations campaign to tell the "positive story" of Colombia in this country and try to persuade middle-level law enforcement officials to avoid immediate suspicion toward everything Colombian.

He says results do not seem to be immediately forthcoming.

"I just got a call today from Atlantic City," he said the other day in discussing the image problem. "Of the 10,000 illegal aliens in the city, the district attorney decided to crack down on the 500 Colombians. He didn't do anything about the Europeans, the Asians, the Africans. Just the Colombians because they're supposedly all drug dealers."

Such diplomatic fires, both big and small, have often been Mr. Lloreda's lot in his nine months in Washington, as he races to the scene as Colombia's top diplomatic official to work out an amicable solution. Perhaps it is good training for a man who admits he would like to be President of Colombia and might well have a chance.

Indeed, a number of Colombia's recent presidents have held the position as Ambassador to the United States. And Mr. Lloreda, having served as a Senator, Minister of Education, Foreign Minister and Vice President, is well positioned for higher office when he returns to Colombia, State Department officials say.

But the Ambassador is vexed by what he sees as a pattern of bias against his country. Take the case, he said, of the Boeing 747 owned by Avianca, the Colombia airline, that was seized earlier this year.

United States Customs officials found cocaine in the nightly shipment of flowers from Bogota, and even though the Colombian police had alerted Customs that the narcotics were on the plane, "they impounded the plane anyway," Mr. Lloreda said, forcing Avianca to give Customs the right to revoke its flying rights here if another case occurred.

"Now where in the world do you see that happening?" he said in objecting to the severity of the restriction. "It was just the need on the part of the Customs agents to show the American public they were being tough on Colombian drugs."

Today the Customs Service again showed a tough arm, fining Eastern Airlines more than $1 million after finding nearly a ton of cocaine on Colombia-Miami flights.

Continuing his argument, the Ambassador said, "I saw a TV spot recently that the United States wiped out 432,000 marijuana plants. Well, last year, we killed 9 million plants, and we didn't get any TV for that."

He recalled another incident this spring when the United States Attorney's office for the Southern District of New York froze on a Friday afternoon all the accounts of Colombia's Banco Cafetero in New York because three transactions had been traced to suspected money-laundering operations in Panama. "But why did they shut down the whole bank?" he asked. "What if they found the same transactions at Citibank or Chemical? It's absurd."

As a result of such incidents, Mr. Lloreda is trying to convince United States law agencies that Colombia is cooperating with drug eradication efforts. "The top officials know we are doing a good job," he said. "It's the middle level people who think they need publicity that give us the hardest time."

As a step, he held a news conference last week in New York to announce a $1 billion loan by a syndicate of 200 private banks, led by Chemical Bank of New York, to develop oil and coal facilities in Colombia.

It was one of the largest extensions of new credit by American banks to a Latin American country in two years, and Colombia could get that much credit because it had subjected itself to some very close monitoring and austerity measures recommended by the International Monetary Fund. But again, Mr. Lloreda complains about the treatment Colombia received from the American banks.

A BLANKET POLICY

"All through the debt crisis, we continued to pay our principle and interest," he said. "But the banks adopted a blanket policy for all Latin American countries. They treated us just as if we were in default."

Mr. Lloreda is keenly aware of the effects of negative and positive publicity. For eight years, he was the editor in chief of El Pais, the largest newspaper in his hometown of Cali.

Still, for all his country's image problems in the United States, the Ambassador's tasks sometimes have a lighter side.

"I've been working on apples lately," he said, explaining that in exchange for Colombian exports to the United States, Colombia has agreed to certain imports from this country, among them apples.

"When too many apples end up in Bogota, I'm the one who get the calls," he said

GEORGIA JONES AYERS

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. LEHMAN of Florida. Mr. Speaker, a few weeks ago, eight outstanding south Floridians received the coveted Miami Herald Spirit of Excellence Award. The final selections were made by an independent, distinguished panel of judges representing a wide range of community leadership. One of the recipients was Georgia Jones Ayers, a longtime friend and resident of the 17th Congressional District. I believe they could not have chosen a more worthy honoree.

Georgia and I go back many years, and we worked together long before I was elected to Congress. She served the community as director of the Community Action Agency in Brownsville, where she proved that she is a "doer" of extraordinary ability.

Most of all, I remember Georgia Jones Ayers in the streets during the riots of the late 1960's and early 1970's. She was a commanding presence and a calming voice in the midst of the storm. Without her, as bad as it was, our community would have been a lot more devastated.

Georgia is an achiever who can cut through redtape and bureaucratic doubletalk. She never takes no for an answer when she knows she's right. She is a bedrock of strength, truth, and perseverance who has a profound impact on our community and everyone she touches.

I would like to share with my colleagues a recent newspaper article which further describes the work of this remarkable leader:

[From Tropic Magazine, Sept. 22, 1985]

THE BEST AND THE BRIGHTEST—GEORGIA AYERS, CIVIC ACTIVIST

(By Joel Achenbach)

Georgia Jones Ayers accosts one of her clients outside a courtroom.

"What do you do in your spare time?" she says in her preacher voice.

"Church. Singin' group," the man says, hangdog.

"How long you been in the church?"

"Since I was 9 years old."

"If you'd been going to church since you were 9 you wouldn't've committed all them crimes."

"Everybody backslides some," he mumbles.

"When was the last time you had a drink?"

"Well . . . Friday night. . . ."

"No more alcohol! No more Friday nights! How can you talk about the Lord on Sunday and drink on Friday?"

Sheepish, the man promises to do better. She tells him that she has made a deal with a judge and a prosecutor, and that he has to take a lie detector test to prove he hasn't committed any crimes in the past five years. Otherwise the state is going to throw him in jail on a 5-year-old attempted murder charge. He nods vigorously.

"I tell you, you better walk tall," Ayers says. "Don't you mess up."

She leaves him and goes down the escalator on her way to the jail. She says to a reporter, "If he blows it, my credibility's on the line. All I got is my name and my word."

Even by themselves the name and the word of Georgia Jones Ayers are formidable assets. She is simultaneously feared and respected, earning in a week enough enemies and friends to fill a cellblock. She roams the corridors of the criminal justice system, where she has lobbied for two decades to give another chance to the accused, where she has labored to turn bent and twisted lives on a straight path.

Ayers, 57, is an old-style black activist—fiery, militant, charismatic. She is extraordinary in her self-possession, her clarity of vision; to be in her presence is to witness a fully realized personality. She believes. She *knows*. She goes to bed with no confusion, rises with her mind made up. Her occupation is utterly out of step with the conservative mood of the '80s—she tries to keep people *out* of jail—but no critic would stand a chance against her in a staring match.

"I don't take no for an answer," she says as she corsses the street toward the jail. "If I believe in something, if I believe it's right, I'm going to do it."

A native Miamian, her will was forged in the heyday of racism, in segregated schools, in segregated neighborhoods, in a society run by and for white people. A white police officer exposed himself to her and some fellow schoolchildren when she was 13; she hasn't forgotten. In 1947 her family and her neighbors were forcibly evicted by white police from the black Railroad Shop neighborhood to make way for a white school and city park. In 1970 she was dispatched by the county manager to Liberty City to try to help quell a growing riot, only to be arrested by white police officers who she says had a grudge against her. The disorderly conduct charges were dropped. To this day, Ayers maintains that many people charged with crimes are flatly innocent.

A mother of six and life insurance saleswoman by trade, she became a courthouse gadfly in the late 1960s, an advocate for blacks who she felt had been wrongly accused or treated. In 1982 she managed to turn her passion into a profession, gaining funding from the county to start a program called Alternatives to Incarceration, under the umbrella of Transition, Inc. Her budget, now funded by the state, is at $200,000. Her salary recently jumped to $30,000 a year, but she claims she saves taxpayers many times that by keeping men and woman out of prison and returning them to productive lives. Ayers admits that she doesn't have the manpower to keep an eye on all the people she accepts into her program, but she claims that only 5 percent of her clients return to jail.

That's where she goes every day—to the county jail, where she is such a well-known and intimidating character that she barges in with her purse tucked under her arm, even though that's against the rules and gets the guards agitated. They trust her, and besides, she's got that purse in a vise grip. No one wants to pick a fight with Georgia Ayers.

"How's your son doing?" an infirmary nurse says to Ayers inside the jail.

"Fine, where he is," Ayers replies. Her son, Cecil Jones, 37, is in prison in Immokalee. She says he was convicted of selling cocaine, then got out, only to get in trouble again with drugs. She says she personally went to court to have his probation revoked. "Drugs ruined my son," she says.

She spots another client, a burly career criminal whose latest rap is robbery. He's been in jail awaiting trial for 34 months, and his kidneys don't work. He requires dialysis treatment three times a week or he'll die. Ayers is trying to get him into a halfway house.

Without a guard, Ayers leads the man into a closet-sized cell with bench seats. They face each other, knees almost touching. He's wearing pajama bottoms, sandals, a sleeveless shirt and a hair net. He has a goatee and a weathered face.

"You do have a long record. It ain't pretty," Ayers says to him.

"I'm innocent," he says, and he goes into a long explanation about how he is suing his public defender for not representing him adequately.

"You're spinning your wheels," Ayers tells him. "You're going to antagonize the system toward you."

He persists, talks about going to the Florida Bar, and she gets angry, says, "If I think you're going to do that, I'll leave your ass right where it is."

She goes up to the eighth floor and gives the guard a name, then waits in another small room. In a moment a thin 19-year-old kid comes in, looking groggy, in a T-shirt, cords and slippers. He sits down and stares at the floor, hands clasped tight, lids half mast.

"Willie. Did you know they had a shooting in the South End last week?"

"Nnnnn." Neither a yes or a no.

"Are you ready to change your company?"

"Yeah," he says, barely audible.

"I'm gonna have a talk with your mother," Ayers says sternly. "I know your family background. I know what your mother wants you to do. You have violated everything you were supposed to do. You are so hardheaded. You have had opportunities that other blacks wish they had."

She tells him to write a letter to the judge, explaining what he wants to do with his life, and maybe then he can get out of jail.

Then she goes down to the jail cafeteria for a cup of coffee. She needs a break. It's only 10:30 in the morning, and there's a lot of work still to be done.

WELCOME TO OUR NEWLY NATURALIZED AMERICANS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. GILMAN. Mr. Speaker, it is with sincere pleasure that I congratulate the residents of New York's 22d Congressional District who have recently chosen to become citizens of the United States, with all of the privileges, freedoms, and responsibilities that American citizenship entails.

Our Hudson Valley region in New York State is proud of its newest citizens, and I invite my colleagues to join in welcoming the following newly naturalized Americans and in extending to them our best wishes for a happy and prosperous life in their new homeland:

Mr. Leopoldo Adelino Abad, Ms. Teresita Marinas Abad, Mrs. Fauzia Abdul-Quader, Ms. Melissa Abrigo Abordo, Mrs. Elnora Cruz Abraham, Mr. Elva Abreu, Mr. Ramon Antonio Abreu, Mr. Enver R. Acevedo, Ms. Chana Ackerman, Mrs. Cristina Acosta, Mrs. Fabiola Acosta, Mr. Tindalo Adaniel, Alba & Juan Afif, Mrs. Santosh Agarwal, Mr. Satish C. Agarwal, Mrs. Helena Guedes Agostinho, Ms. Marcia Guedes Agostinho.

Mr. Paulo Rodrigues Agostinho, Ms. Darshan Kaur Ahluwalia, Mr. Horacio Ahumada, Ms. Camie Aine, Mr. Daniel Elie Alam, Elie Fayaz Alam, Fayez Elie Alam, Mr. Jean-Frederic Elie Alam, Mrs. Odette Saad Alam, Mr. Charles Jacquelin Alexis, Mr. Prosper Alexis, Bruce Anthony Alfero, Mr. Syed Hamid Ali, Mr. Keld Alstrup, Mrs. Eleonor Elizabeth Alzate, Mr. Manuel D. Amador.

Mr. and Mrs. Marciano Amador, Mr. Riadh Abdul-Majed Ameen, Mr. Sergio Amendola, Mrs. Emanuela Andreoli, Mrs. Marie Andruseczko, Mr. George Angelakis, Jule Ann Antonecchia, Mr. Andres Cruz Antonio, Ms. Iluminada Antonio, Ms. Esther Appel, Mr. Zev Appel, Ernesto B. Arayata, Mrs. Juliana Arellano, Mr. Miguel Angel Arellano, Mrs. Luz Helena Arias, Mr. Cesar Augusto Arnao.

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Mr. Dalton Dwight Thomas, Ms. Mary Thomaskutty, Mr. David Hsiung Ting, Mr. Wilson Zoen Gee Ting, Ms. Ivonne Tirro, Mr. Peter Tolentino, Ms. Visitacion Ranchez Tolentino, Ms. Sciencia Torshon, Mr. Louis Theart Touzin, Ms. Marie Martine Trevil, Ms. Sue-Jen Tsai-Chen, Mr. Chi Hong Tsang, Ms. Marisa Chui Mee Tsang, Mrs. Belkis Fatma Tugal, Ms. Ana Maria Auxiliadora Uribe, Mr. Suavi Dogan Usluca.

Mr. Giovanni Vairo, Mrs. Marisa Vairo, Ms. Marjorie Valbrun, Mr. Domenico Valente, Mr. Luis Valenzeula, Ms. Teodosia Valenzuela, Mr. Victor Valenzuela, Mr. Rolando A. Valle, Mr. Hai Van Nguyen, Mr. Yusuf Venjara, Ms. Venice Verdieu, Mr. Bruno Vesuvio, Ms. Martha Vidueira, Mrs. Mercedes Julia Villaflor, Mr. Antonio Villanueva, Ms. Josephine Baltazar Villanueva, Mrs. Maria Cruz Villegas, Mr. Alberto Viloria, Mr. Jovencio Ronquillo Viloria.

Ms. Caren Vilson, Mrs. Miriam Georgina Vinas, Ms. Ivorine Virgo, Mr. Ernest S. Voyard, Mrs. Eveline Voyard, Ms. Naina Tara Vunnam, Mrs. Wendy Patricia Waithe, Mr. Paramjit Singh Walia, Mr. Lloyd George Walker, Mrs. Ana Dolores Walters, Mr. Luis A. Walters, Ms. Adina Waltzer, Ms. Cindy Ruey-Tsang Wang, Mr. Howard Tsung Haou Wang, Mr. Karl Ke-Lu Wang, Ms. Kathy Kuei-Hwa Wang, Mr. John Joseph Ward, Ms. Rose Ward, Ms. Shahla Weg, Mr. David Weiss, Ms. Edith Weiss, Mr. and Mrs. Eliezer Weisz, Mr. Young Whi Kim.

Ms. Barbara Millicent Wilkins, Honor R. Williams, Ms. Nellie Marcia Melody Williams, Mr. Daniel Kamwah Wong, Mr. and Mrs. Jen-Chun Wu, Mrs. Shen P. Wu, Ms. Kei Yamamoto, Mr. Yoshihiro Yamazaki, Mr. Leon Luna Yasay, Ms. Chang Young, Mrs. Parvin Youssefyeh, Mr. Raymond Youssefyeh, Mr. Juan Francisco Yumart, Mr. Anatoly Zabludovsky, Mr. Michelet Zamor, Mr. Wiktor Donat Zarczynski, Ms. Sarit Georgia Zeidman, Mr. Tibor Zelig, Ms. Yanina Zeltser, Mr. German Zhuravlev, Ms. Iffat Ziaullah.

Ms. Hilda Celeste Franjul de Gomez, Mr. Macario Arabejo de la Paz, Mr. William Raul Hernandez, Sheila Neier.

DICK ARCARA TESTIFIES BEFORE HOUSE COMMITTEE

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. KEMP. Mr. Speaker, I rise today to call the attention of my colleagues to the testimony of Erie County District Attorney Richard J. Arcara before the House Judiciary Committee's Crime Subcommittee on September 12, 1985. Mr. Arcara's extensive experience and excellent record in the area of law enforcement, as well as his role with the National District Attorney's Association, make him a valuable source of information on the subject of money laundering.

I urge my colleagues to carefully consider Mr. Arcara's thoughtful suggestions concerning this matter.

The testimony follows:

TESTIMONY OF RICHARD J. ARCARA

Mr. Chairman and members of the House Crime Subcommittee, my name is Richard Arcara. I am a former United States attorney for the western district of New York and the district attorney for Erie County, Buffalo, New York and I speak to you today on behalf of the National District Attorneys Association. Our association represents

6,300 local prosecutors from around the country.

We thank you for this opportunity to address our concerns regarding the various money laundering bills which you consider today. My remarks will be confined to those proposed legislative changes which would create the new crime of money laundering and to forfeiture proceedings. The Nataional District Attorney's Association's primary concerns are that the legislation be broad enough to provide the Government a most effective tool to combat organized criminal groups, from drug trafficking rings to more traditional organized crime (families), yet narrow enough to avoid cumbersome, unnecessary and undesirable intrusions into matters of State concern.

Mr. Chairman, we feel that you have our latter concern in mind when you offered House Resolution 1474. You eliminate the intrusive aspects of the legislation by including as a crime only those transactions involving a financial institution. You further limit the scope of the proposed crime by including those transactions involving property derived from a crime under the Rico statute. In so limiting the offense, H.R. 1474 avoids the possibility of Federal intrusion into the province of the State. I think that all parties would agree, however, that organized crime does not confine its money laundering operation to financial institutions, nor does organized crime limit its illegal but profitable operations to violation of the Rico statute. While we understand that rationale for these restrictions, we feel that the desired harmony with State law may be achieved through means which would afford the Federal Government a greater opportunity to assail money laundering operations.

While the administration's proposals, H.R. 2785 and 2786, attempt to provide the Government with the ability to strike at virtually all money laundering operations, we feel that a literal interpretation of the administration's legislation may result in unintended Federal intrusions into crimes which are better suited to State prosecution. Specifically, any crime involving the transfer of money, checks, or other monetary instruments could be considered a money laundering "transaction" under the administration's proposal. A theft, a robbery, a bad, forged or altered check would become a Federal money laundering offense.

We came not to criticize, but to offer constructive alternatives which may reconcile the two important concerns of Federalism and effective law enforcement. Firstly, we recommend as an alternative to the limitation in scope to Rico offenses that the prohibited transaction be defined in such a manner that State crimes would not constitute a "transaction." Perhaps the transaction could be defined as a voluntary, nonfraudulent transaction between the parties. This should eliminate conflict with existing State laws. As an additional safeguard, we recommend that a jurisdictional threshold be imposed, such as a $10,000 minimum, in the definition of the proscribed transaction. This limit should not hinder the money laundering legislation's effectiveness, since the Federal Government lacks the resources to pursue smaller incidents. Also, it is unlikely that organized crime would engage to any great degree in laundering operations smaller in size.

Secondly, we recommend that the offense include the laundering of money obtained from State crimes. Since little, if any, State regulation exists in this area, and since the control of organized crime is historically and logically an area for Federal legislation, we feel comfortable with the application of the proposed money laundering offense to the illicit proceeds of State crimes.

Finally, we are quite concerned that the forfeiture provisions of the administration's proposals could lead to unnecessary interference with State forfeiture proceedings. Currently, approximately one half of the States provide for the forfeiture of proceeds of illicit activities. It would cause serious discord between the Federal and State enforcement agencies if Federal agencies were allowed to institute proceedings which would conflict with State forfeiture actions. Therefore, if this committee is inclined to include a forfeiture provision, we would urge you to codify a policy granting deference to State forfeiture laws or at the very least, prohibiting Federal preemptions of previously initiated State forfeiture proceedings. I thank you for your attention and stand ready to answer questions.

DAV OPPOSES GRAMM-RUDMAN-HOLLINGS

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. DINGELL. Mr. Speaker, although many of us in the House and Senate support the objective of fiscal responsibility and the elimination of the Federal deficit, it is becoming clear that the so-called Gramm-Rudman-Hollings balanced budget amendment is not what it purports to be. As passed by the Senate, the proposal would certainly eliminate the Federal deficit by 1991. It would do so, however, on the backs of the underprivileged and unfortunate in our society. This vehicle to balance the budget is rigged with a time bomb that will destroy the fabric of our society.

The Disabled American Veterans argue in the letter I insert into the CONGRESSIONAL RECORD that the Gramm-Rudman-Hollings amendment would unfairly discriminate against some 2.2 million service-connected disabled American veterans. The DAV correctly points out that in our quest to deal with the Federal deficit we cannot permit the wholesale pillaging of legitimate and essential social programs.

DISABLED AMERICAN VETERANS,
Washington, DC, October 10, 1985.

GRAMM/RUDMAN/HOLLINGS BALANCED BUDGET AMENDMENT HAS BROKEN THIS NATION'S COMMITMENT TO ITS DISABLED VETERANS

DEAR MEMBER: Our nation's 2.2 million service-connected disabled veterans' disability compensation payments will be *cut* by *3% immediately* and almost *25%* over the next five years. In addition, *11,000* VA health care personnel will be *terminated* if the Senate-passed Gramm/Rudman/Hollings so-called "balanced budget amendment" is accepted by the House of Representatives.

As you know, this measure was stampeded through the Senate and slaps the burden for reducing the federal deficit squarely on the backs of this nation's disabled veterans and their families, while, at the same time, leaving Social Security intact.

While the DAV has no quarrel with any *fair* proposal that seeks to remedy our nation's economic problems, we are, however, adamantly opposed to any measure that fails to treat service-connected disabled veterans comparably with any other categories of federal beneficiaries.

Clearly, the Gramm/Rudman/Hollings balanced budget amendment proposes disparate treatment for our nation's disabled veterans.

Therefore, on behalf of the one and one-quarter million members of the DAV and its Ladies Auxiliary, I strongly urge you to reject the Gramm/Rudman/Hollings amendment.

Sincerely yours,

ALBERT H. LINDEN, Jr.,
National Commander.

ON "REAGAPOLICY" AND THE POOR

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. GARCIA. Mr. Speaker, today I want to share a letter with my distinguished colleagues, a letter from one of my constituents. She is a charming senior citizen who is socially conscious and is also a Social Security recipient. Her personal experience, a part of which is conveyed in the letter, can provide us with valuable insight.

While President Reagan gladly slashes funds from the Food Stamp Program, more of our fellow citizens suffer from hunger. Indeed, my constituent, with a keen eye, conveys dire distress at seeing men "taking food from the garbage bags in front of restaurants."

President Reagan pours a colossal, nearly incomprehensible, amount of money into the National Defense Program and cares very little for desperately needed social programs. Are defense needs truly met? If so, where is the defense for the poor?

My constituent lives in a maelstrom of proverty. She suffers poverty everyday of her life and has done so even before Reagan's election. I ask you: Is this a person who is supposedly better off than before, as President Reagan consistently argues about the status of the poor?

What has happened to the ideal of helping our neighbors when they are in distress? What has happened to the close companions of democarcy, that of sharing bread when there is little, that of looking foward to a brighter future?

My constituent and, no doubt, millions like her have little hope for the future. Yet, she graciously thanks us all for stopping the President from freezing Social Security benefits. Clearly, she's grateful for the little we can do.

I hope we all remember this letter when we vote on issues reflecting on the plight of the needy.

I appeal to the President's sense of humanity and compassion.

The letter follows:

SEPTEMBER 28, 1985.

I thank you for remembering my birthday. I'm grateful to Congress for not letting President Reagan freeze Social Security. Some of us get very little.

I'm concerned about unemployment and crime. Since Reagan became President, he cut out a lot of social programs. I've seen men taking food from garbage bags in front of restaurants. It's very sad. My son completed computer programming and can't even get a job in that field.

The next time we have an election, I hope a Democrat wins because they're for the poor and not the rich. The building I live in is city-owned. It used to be taken care of by agents and it became run-down. Now the city is fixing the building and the apartments. It will be better to live here. There is not place to move to.

I appreciate your newsletter. Keep them coming. I enjoy them.

Sincerely,

MRS. GENEVA WARLEY,
Bronx, NY.

UNFAIR TAXATION OF PENSION PLANS AND RETIREMENT BENEFITS

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. HUBBARD. Mr. Speaker, our colleagues on the House Committee on Ways and Means are currently deliberating tax reform proposals. I have received a timely letter from one of my constituents, H. Samuel Spradling of my hometown of Mayfield, KY, who is manager of Mayfield's J.C. Penney Co.

Sam Spradling is opposed to changes to the income tax code which will limit the amount a person can contribute on a tax deferred basis to his or her savings and profit sharing plan. He is also opposed to other changes that will adversely affect a person's retirement benefits.

I agree with my constituent's comments about these proposals. I urge my colleagues to read his excellent comments. The letter to me from Sam Spradling follows:

August 28, 1985.

Congressman CARROLL HUBBARD,
2182 Rayburn House Office Building, Washington, DC.

DEAR CARROLL: I am writing to voice my concern over the Treasury Two Tax Proposals, as regards changes which will affect retirement benefits.

The proposed changes, as I understand them, would limit the amount which the participant can contribute on a tax deferred basis to my company's Savings and Profit Sharing Plan. Changes would also limit the amount which the Company contributes to this plan. Changes would also abolish the 10 year averaging provision, taxing the lump sum distribution at retirement as current year income.

I cannot understand the logic of this proposal in a time in which we have a national debt beyond comprehension, largely due to individual dependence on the Federal Government to provide for their personal needs. This proposal if passed will only remove the incentive for our associates and others to provide for themselves in the retirement years.

Although I agree with the proposal in principle, I must take exception to this part of the proposal in particular.

Much has been done in recent years to give incentive to the American taxpayer to provide for retirement needs, and not depend entirely on Social Security, Medicaid, and Medicare, plus other Government programs to provide for him.

I would hate to see this incentive removed, and millions of taxpayers become disenchanted with Retirement Savings Programs, becoming more dependent on the Federal Government to provide for them that which they could have provided for themselves.

I am personally counting on you to vote the voice of thousands in Kentucky who will be adversely affected by this proposal, and which will add a continuing burden on the Federal Budget for years to come. Your vote is needed NOW, to help provide for the needs of this and future generations, by encouraging them to provide for themselves.

I offer you my help and support, in any way possible, to defeat this proposal.

Sincerely,

H. SAMUEL SPRADLING,
Manager, J.C. Penney Co., Inc.

KEEPING AMERICA STRONG

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. MATSUI. Mr. Speaker, I rise today in support of H.R. 1409, military construction authorization for fiscal year 1986. The military construction package, put together by the House Armed Services Subcommittee on Military Installations and Facilities, benefited from the great leadership of Chairman DELLUMS.

We from the Sacramento area are very proud of our bases and concerned about their having the resources and facilities to do their jobs as well and economically as possible.

I endorse the military construction legislation as it presently stands before the House of Representatives. However, our colleagues in the Senate conference omitted one important provision, that of the Logistics Systems Operations Center at McClellan Air Force Base. I urge my colleagues to reinstate that funding in conference.

I call to the attention of the House a letter I have received, in support of the Logistics Systems Operations Center, from Maj. Gen. Dewey K.K. Lowe, former commander at McClellan.

The letter follows:

DEPARTMENT OF THE AIR FORCE,
McClellan AFB, CA, July 19, 1985.

Hon. ROBERT T. MATSUI,
House of Representatives, Washington, DC.

DEAR MR. MATSUI: Soon you will be considering Military Construction Authorizations for FY86 in joint committee. As you do, I ask that you keep in mind the mission of McClellan AFB, and the importance of the Logistics Systems Operations Center to that mission.

As one of the five Air Logistics Centers in the Air Force Logistics Command, McClellan AFB must render critical support to logistics systems contributing to the readiness of our Armed Forces. Many of these systems are not as visible as the aircraft which populate other bases; however, the complex radar systems, electronic warfare and counter measures devices, world-wide communications equipment and aircraft embedded computers serviced at McClellan AFB are no less critical to a complete national defense posture. The operation of managing these logistics systems is a monumental challenge, and one which can only be met successfully and cost effectively by automated data processing equipment (ADPE). The ADPE must, in turn, be housed in a facility that provides adequate space, security and an efficient layout. The weakest link in this chain of technological support at McClellan AFB is the building, which is a scattered conglomeration of former warehouses. The existing facilities are poorly configured, physically impossible to secure to current standards, and incapable of supporting the growth of expanding systems. Failure to provide the facility will curtail the ability to support new ADPE for managing weapons systems and logistics programs affecting the entire Air Force. It will also derail a major improvement in information security and exposure to terrorist action.

The rapidly expanding technology support which McClellan AFB is tasked to provide makes it crucial that this facility be provided. The project is supported by the Administration's current budget and by the House Armed Services Committee; however, it was omitted from the Senate's authorization bill, due only to budgetary constraints. I am confident it merits your support for retention in the joint conference. If I may be of assistance, please do not hesitate to contact me or members of my staff.

Sincerely,

DEWEY K.K. LOWE,
Major General, USAF,
Commander.

I believe that the other projects at the three Sacramento bases, agreed to by the House Armed Services Committee, are equally essential to the maintenance and support of our conventional forces.

The bill includes two facilities at Mather Air Force Base: A life support equipment building and an accounting and finance building.

Currently, life support equipment for aircraft crews at Mather AFB is stored in four separate substandard buildings. These structures have become increasingly inadequate to protect sensitive and sophisticated equipment.

The accounting building is in similarly unsatisfactory condition. The environment is inadequate for the expensive computers housed inside.

The Sacramento Army Depot, Mr. Speaker, is in need of $4.5 million for an expanded electro-optics facility. The depot is the Army's principal base for repair and maintenace of night vision systems, thermal imaging systems, laser rangefinders, and laser target designation systems. In the next few years, it will be the prime maintenance center for a number of related systems. The principal structure housing this work was built in 1946. It makes no sense to house

more than $40 million worth of sensitive test and calibration machinery under old, leaky wooden roofs. This bill will provide an adequate shelter.

Another worthy project in the committee report is a new facility to service, adjust and test microwave communications and tactical radar equipment. The major repair of this equipment is now being done in three trailers and an old plywood barn. What is needed and is provided in this bill is one facility in which to locate all of the repair functions for this equipment. That building will serve to protect the test and repair machinery adequately and to shield the microwave radiation and sensitive signal information from damage.

The committee report requests five projects at our largest facility, McClellan Air Force Base, totaling almost $54 million. We from Sacramento are pleased that McClellan is being recognized as the only Air Force facility for repair and maintenance of aircraft on the west coast.

Three of the McClellan projects concern buildings where the repair and maintenance of airplanes is performed: One building is where work on airborne and ground generators and electromechanical components is being done, the second building is for electronic warfare and communications components and the third building is for automated data processing. The three functions are currently performed at more than 30 buildings on the base, separated by as much as 3 miles.

Because McClellan is a massive industrial complex, it needs an up-to-date facility for occupational medicine. That function is currently performed in a string of World War II-era buildings. A new clinic can provide primary care for the active duty personnel at the base and appropriate care for the large number of employees.

The construction work necessary to support a hush house will relieve noise problems on the west side of the base and allow increased jet engine testing in that area of the base.

I regret that funding for a regional waste water reclamation system was cut from the McClellan request for fiscal year 1986. I testified at hearings before the Readiness Subcommittee on the problem of toxic wastes at military bases. The objective is to do whatever is necessary to clean up existing contamination and prevent it in the future. This is not a problem which lends itself to deferred solutions. The growing production of water, used in the plant and treated, simply cannot continue to be permitted to flow into small ground streams; it needs to be conducted into the local sewage system.

Mr. Speaker, I very much appreciate the leadership of the Armed Services Committee and Subcommittee on Military Installations and Facilities. During the relatively brief period of time in which I have served as the elected representative of the citizens of Sacramento in Congress I have seen numerous improvements at our bases. Each of these improvements have enhanced the readiness of our conventional forces through increased productivity and improved morale among the people who work in those facilities.

ESSEX COUNTY COLLEGE DEDICATES GYMNASIUM

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. RODINO. Mr. Speaker, next week marks the beginning of a new era for a very important institution in my home district. Essex County College will hold a week-long open house to acquaint the people of Essex County with its educational programs. Two dedications will highlight the week's ceremonies—the new physical education building and day care center at the main Newark campus, and the newly expanded West Essex Extension Center in West Caldwell.

I am very proud to be participating in the dedication of the physical education building on Monday, October 21. Essex County College has functioned for seventeen years as an open admissions institution providing quality education at an affordable cost. There are currently 6,000 students enrolled at the main campus in Newark and at satellite centers throughout the county. The college has maintained a dedication to excellence in education, with academic programs specifically designed to meet the diverse needs of a diverse student body. In all its activities, Essex County College strives to consider the needs of each student, and to prepare them for life's future challenges.

The new gymnasium is a welcome addition to Essex County College. Even without such a facility, Essex County College has produced an impressive athletic achievement record, including 24 championship teams in track and men's and women's basketball. Eight student athletes from Essex County College track teams have participated in Olympic competition, and many others have gained all-American honors in soccer, track, and basketball.

Now, with this fine new physical education building, we can look to an even more impressive athletics program. The pursuit of excellence at Essex County College will be furthered by this new facility.

Mr. Speaker, it is a privilege for me to salute some of the people responsible for making Essex County College the fine institution it is today. First of all, President A. Zachary Yamba, provides outstanding leadership, and is the guiding force behind the college. Another employee of Essex County College is my dear friend, Connie Woodruff, who brings tremendous commitment and professionalism to the college's public relations department. And all of the members of the board of trustees share a deep sense of dedication to Essex County College: Clara Dasher, chairperson of the board of trustees; Ann Cooper, vice chairperson; Sarah Bost, secretary-treasurer; and board members Frank Alexander, Alwin Arce, Stephen Edelstein, Thomas Ercolana, Alfonso Roman, Dr. Elena Scambio, Barbara Thomas, and Junius Williams.

JCRC STATEMENT ON APARTHEID

HON. WILLIAM H. GRAY III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. GRAY of Pennsylvania. Mr. Speaker, on September 29, 1985, thousands of Philadelphians took part in a rally to express their outrage at the evils of the South Africa system of apartheid. The rally—and counterparts across the Nation—was sponsored of the National Association for the Advancement of Colored People and the Opportunities Industrialization Center.

I offer for the RECORD, Mr. Speaker, the remarks by one participant at the rally, Mr. Barry Ungar, a respected Philadelphia attorney who serves as president of the Jewish Community Relations Council of Greater Philadelphia:

REMARKS BY BARRY UNGAR

We in the Jewish community well understand what apartheid means. We well understand what it means to be singled out, because of your birth, for deprivation, for persecution, and even for death. We know what it means when others do not realize that all you want for your family is what they want for their family—freedom and the right to participate in the shaping of your own future—and most importantly, the right to equal dignity to which all of God's children are entitled.

That is why, over 5 years ago, the Jewish Community Relations Council of Philadelphia publicly called for a common struggle against apartheid, declaring "that the South African apartheid system is incompatible with our traditional belief in the dignity of all humans and our commitment to secure full freedom for every man, woman and child. We find the concept that a person's rights and status in society can be defined by his birth to be totally repugnant."

And that is why over 5 years ago all of the major national Jewish organizations and 111 Jewish communities throughout the United States publicly reiterated and reaffirmed their unanimous and total denunciation of apartheid as repugnant to Jewish tradition and incompatible with the commitment of the Jewish community to equality and equal justice without regard to race, religion, nationality or sex.

And that is why the Jewish Community in South Africa itself has publicly recorded, and I quote "its support and commitment to justice, equal opportunity and removal of all provisions in the laws of South Africa which discriminate on grounds of color and race, and rejects apartheid."

Apartheid is a sin and an abomination. It is a sin and an abomination not only for the despicable principle upon which it is based, but also because it brings so much pain and suffering to real, individual, human beings. There are many brave people who risk their freedom and their very lives to resist this oppressive regime. We must resist with them. As Eli Wiesel has said, "Without such resistance, we would all be accomplices."

RADIO FREE AFGHANISTAN BEGINS SERVICE

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Ms. SNOWE. Mr. Speaker, I am pleased to bring to the attention of my colleagues the fact that, on October 1, 1985, Radio Free Europe/Radio Liberty began a new service broadcasting to Soviet-occupied Afghanistan. Radio Free Afghanistan has become a reality.

The Soviet occupation of Afghanistan remains the most blatant example of aggression in the world today. Immediately upon invading the country in 1979, Soviet forces murdered the Afghan head of state who had invited them in. The Soviets then installed their own puppet government, which continues to exist only because of the more than 100,000 Soviet troops still in Afghanistan. But because of the fierce Afghan resistance, the Soviets have become bogged down. They feel confident of their control only over the handful of major cities in Afghanistan. But even in the cities, including the capital of Kabul, resistance is strong, making life perilous for the occupying forces.

This fact was broadcast to the people of Afghanistan on Radio Free Afghanistan's first day of operations. In addition to reporting the Soviets' unsuccessful efforts to regain control of the town of Khost, the Afghans learned that a Soviet transport plane near Kabul had been downed, and heard confirmation of rumors of a rocket attack against the Soviet Embassy and the demolition of a depot in Kabul. It is revealing that in the democratic Republic of Afghanistan, the only objective source for news on the war comes from outside of the country.

As the ranking Republican member of the Foreign Affairs Subcommittee on International Operations, I was concerned about the lack of surrogate home broadcasting to Afghanistan similar to the highly respected services provided to the Soviet-dominated countries of Eastern Europe by Radio Free Europe/Radio Liberty. During hearings on legislation reauthorizing the activities of the Board for International Broadcasting, we were informed that Afghanistan was not on the list of countries legally considered Soviet-occupied nations. Without such designation, broadcasts to Afghanistan were prohibited. The Department of State authorization bill, which passed Congress in July, corrected this glarirg omission. As the Member who offered the amendment permitting broadcasting to Afghanistan, it is gratifying that Radio Free Europe/Radio Liberty acted swiftly, and had Radio Free Afghanistan on the air the first day the legislation took effect.

Throughout history, truth has always been tyranny's greatest enemy. I would like to submit for the delectation of my colleagues the reaction of the Soviet official news service, TASS, to the initiation of radio broadcasting to Afghanistan:

INCITING ENEMIES OF THE REVOLUTION

(By TASS Commentator Pyotr Parkhitko)

Moscow, September 30, 1985.—Disinformation is Washington's favorite trick used whenever it wants to justify its policy of terror in interstate relations—the policy spearheaded against national liberation movements. The latest proof of that is the report that a new radio station, provocatively calling itself "Free Afghanistan Radio" and payrolled by the United States, begins its broadcasts from Munich, West Germany, starting from October 1.

Why should the White House start a new operation in its "undeclared war" on sovereign Afghanistan? That's because the reality in that country contradicts the picture which U.S. propaganda is trying to spread. The Democratic Republic of Afghanistan made a notable headway in economic development and in the social sphere. The high jirgah of frontier tribes held in Kabul recently took note of the growing unity of the Afghan people and its determination to defeat the forces of international imperialism and internal reaction. Refugees deceived by western mass media are returning home by the thousands. Former counter-revolutionaries down arms and take the side of the people's government. Despite intimidation and terror, the peasants who received land from the people's government for their free use are unwilling to meet the demands of the bandits sent into Afghanistan from Pakistani territory.

All this contradicts the plans of the White House which prods the enemies of the revolution into staging new operations against the legitimate authorities and the people of the Democratic Republic of Afghanistan, and provokes a military conflict in the region. That is why in a bid to intensify the anti-Afghan campaign Washington chose to spend the taxpayer's money in order to fund another lie-mongering radio station.

For the eighth year now the Afghan people is successfully building a new life and is courageously countering the designs of imperialism and reaction. And no radio station financed by Washington can reverse by means of lies and slander the ongoing development of sovereign and democratic Afghanistan.

IN RECOGNITION OF THE RETIREMENT OF THE REVEREND JAMES E. JONES

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. DIXON. Mr. Speaker, on October 26, 1985, the family and friends of Rev. James E. Jones will honor his 36 years of service to the Los Angeles community at a retirement luncheon to be held at the Airport Marriott Hotel. I join them in wishing him a happy and fulfilling retirement, and would like to share with my colleagues a brief glimpse of the man we have long admired and respected.

Pastor of the Westminster Presbyterian Church, Reverend Jones has been an integral part of the lives of hundreds of parishioners. His wise counsel and patient guidance has been a welcome and constant influence in the everyday decisions made by citizens of the Westminister community.

Over the years, Reverend Jones has been actively involved in summer remedial classes for elementary school children; coordinated a food, clothing, a book and medical supply drive for the people of Hattiesburg, MS; brought high school graduates to Los Angeles for a college education; counseled gang leaders and their followers; and maintained church classes for the mentally handicapped.

Reverend Jones also served on the Los Angeles School Board from 1965 through 1969, and was elected president of the board in 1968. During his tenure, he was a forceful leader in advocating programs that promoted educational excellence within the school system and encouraged academic achievement by LA students.

A member of numerous religious and civic groups, Reverend Jones exemplary organizational and leadership skills found additional outlets in his work as an innovator of Project IMAGE; advisor and supporter of the exceptional Children's Foundation; consultant to the Rockefeller Fund on Seminary Recruitment; playwright, director and producer of Religious Readers' Theater; and, as a lecturer and spiritual leader at various college campuses.

Even though he is retiring, I am certain Reverend Jones will remain a vibrant force in Los Angeles and in his ministry. His accomplishments at Westminster and in the Southern California community will always be remembered, and will serve as the yardstick by which the rest of us will forever measure our own sense of purpose.

Rev. James E. Jones is a thinker, a dreamer, and a doer. In acknowledging the accomplishments of his service to God and community, I give special recognition to a human spirit we should all strive to emulate.

I join his wife, Mimi, his children, Roger, Judith, and Lois, and his three grandchildren, Nicole, David, and Matthew, in welcoming him to a well-deserved retirement, and echo the sentiments of his friends in wishing him the very best as he begins this new chapter of his life.

DEPARTMENT OF TRANSPORTATION LEGISLATIVE PROPOSAL

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. LENT. Mr. Speaker, I have introduced today, at the request of the administration, legislation to correct an oversight in the Bankruptcy Code that has severely affected the ability of the Secretary of Transportation and the Secretary of Commerce to administer the Loan Guarantee Program for U.S.-flag vessels and fishery facilities. This proposal was prepared by the Department of Transportation and is related to a similar bill prepared by the Department of Commerce, which I have also introduced today.

Pursuant to the Loan Guarantee Program (title XI of the Merchant Marine Act

of 1936) the Government guarantees obligations to finance the construction, reconstruction, or reconditioning of U.S.-flag vessels. The Secretary of Transportation administers the program for U.S.-flag commercial vessels, and the Secretary of Commerce has similar authority with respect to fishing vessels and fishery facilities. The availability of title XI aid in financing various vessel construction and related projects has provided an incentive for modernizing and expanding our merchant fleet and fishing industry. The title XI Program has attracted capital from private investors on a long-term basis, because the purchaser of title XI guaranteed obligations knows that if the shipowner or facility owner does not pay the obligations, the U.S. Government will. This debt capital would not otherwise be available to applicants for title XI guarantees, except at a higher rate of interest and with much shorter maturities, or would not be available at all.

The security of the Government for issuing a title XI guarantee is usually a preferred mortgage on the vessel or a realty mortgage on the fishery facility. When there is a default by a shipowner or a facility owner on a title XI obligation, the Secretaries are responsible for the payment of outstanding obligations, and generally will foreclosure on the ship mortgage at an admiralty foreclose sale or on the realty mortgage at a foreclosure sale.

Prior to the enactment of the Bankruptcy Code—Public Law 95–598, approved November 6, 1978—section 703 of the act of July 1, 1898, prohibited the Bankruptcy Court from enjoining the Secretaries from foreclosing on a vessel mortgage of a debtor shipowner. The Bankruptcy Code did not continue the Secretaries' absolute immunity from these bankruptcy stay provisions. Instead, the Secretaries, as well as other secured creditors with interests in various types of transportation equipment, are now only entitled to partial immunity from a stay in chapter 11 reorganizations. However, the class of vessels to which partial immunity applies was inadvertently limited to certain inland and domestic vessels regulated by the Interstate Commerce Commission.

Moreover, almost all of the vessels currently covered by title XI guarantees are not ICC-regulated inland and domestic vessels. As a result, the enactment of chapter 11 of the Bankruptcy Code removed the Secretaries' authority to seek relief from the bankruptcy stay or injunctive powers for vessels used as security for a title XI guarantee. The consequence is that both the Secretary of Transportation and the Secretary of Commerce are now blocked by the automatic stay provisions of the Bankruptcy Code from foreclosing on their title XI security for vessels and must resort to the time-consuming and often arduous procedure required to seek relief from the stay under section 362 of the Bankruptcy Code.

At a time when significant parts of the maritime and fishing industries are undergoing economic strain, losing the ability to foreclose in a timely manner on the mortgages taken as security for the title XI guarantee has further exacerbated an already bad situation. In addition, with respect to vessels in default, most of these vessels are being operated by their owners under the protection of the Bankruptcy Courts with little or no capital cost to cover, and they are causing significant injury to those operators who continue to honor their financial commitments. This has resulted in widespread rate cutting and has compounded the financial difficulties in the maritime industry, increasing the risk of further title XI defaults.

The legislation I have introduced today addresses these problems by restoring some of the protection accorded the Secretaries prior to the enactment of Public Law 95–598. The bill would amend section 1110 of the Bankruptcy Code to extend partial immunity from the automatic stay to creditors with preferred ship mortgages or mortgages on fishery facilities. It would broaden the class of vessels included within the exemption to all vessels potentially covered by title XI guarantees. The shipowner in chapter 11 bankruptcy who has defaulted on title XI obligation will be entitled to continue to use the vessel for 60 days. Thereafter, such continued use would be permitted only if the debtor cures all of the outstanding defaults. This includes all amounts, for example, advances, full payoffs, or assumption payments, paid by the Government under a title XI loan guarantee as a result of the default.

Section 1110, as amended by this bill, will not conflict with the Secretaries' obligations to the bondholders or noteholders under the Title XI Guarantee Program. It will, however, correct an unintended exclusion from the automatic stay provision and in so doing, greatly enhance the Secretaries' abilities to foreclose on a security for a title XI guarantee in the event of a default.

PUERTO RICO TRAGEDY PROVIDES INSIGHT

HON. JAIME B. FUSTER

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. FUSTER. Mr. Speaker, sometimes we gain insight into the lives of others through the shock that comes from witnessing stark tragedy. I believe this is demonstrated by the reaction of many compassionate Americans to news of the landslides and floods that have afflicted Puerto Rico with staggering loss of life. We are grateful for the emergency assistance which the Federal Government, private agencies, and individuals have given to alleviate the suffering of thousands of homeless survivors.

We may never know how many people were actually killed. Probably around 500. What we do know is that these were very poor people, living in a dangerous situated shantytown in poverty so grim that it cannot help but tug at the hearts of more fortunate Americans.

But this tragedy should also be viewed from a larger perspective. The harsh fact is that these people—fathers, mothers, and children—died because they were too poor to afford decent housing, and because Puerto Rico has been too poor to construct all the housing its people need. Some 200,000 American citizens are forced to live in such shantytowns. Most, if not all, are among the 23 percent of Puerto Ricans who are unemployed. Very properly, the overwhelming policy thrust of Governor Rafael Hernández Colón and his government is to create new jobs, so our people can lead a decent and productive life, free from the misery and dangers of such shantytowns.

During the past months, I have been trying to convey to my colleagues the importance to Puerto Rico of retaining section 936 of the Internal Revenue Code, rather than eliminating or modifying it in an ill-considered attempt to achieve tax reform. I have argued that any change in section 936 would deprive Puerto Rico of a tested and vital tool to cope with its very adverse economic circumstances. Last week, the terrible natural disaster suffered by Puerto Rico dramatized the fragility of the island's economic infrastructure and the fearful vulnerability of many of its inhabitants.

The description offered by the New York Times article on October 11 titled "Shantytowns Termed Widespread in Puerto Rico" helps explain the vehemence of my plea not to hit Puerto Rico with a so-called reform that would be a devastating blow to our efforts to cope with the very difficult economic and social situation we face today. It reads in part:

[From the New York Times, Oct. 11, 1985]

SHANTYTOWNS TERMED WIDESPREAD IN PUERTO RICO

Tens of thousands of poor Puerto Ricans are living in unhealthy and dangerously situated shantytowns like the one that was struck by a landslide here four days ago, Government officials and housing experts said today.

The communities of squatters, so poor that they cannot pay any amount of rent, have sprouted on the outskirts of the island's main cities.

Many of them cling perilously to steep hillsides, as did the community of Mameyes on the northern edge of this city. The landslide early Monday morning literally wiped it off the earth, burying, the authorities say, as many as 500 people. Others, built of castoff scraps of lumber and tin by people who often have not even heard of building codes, sprawl across river flood plains and low-lying coastal strips where tidal flooding is common.

Aides to Gov. Rafael Hernandez Colon and other Government officials estimated in interviews today that more than 200,000 people lived in the shantytowns built here, as in many countries of Latin America, Africa and Asia, by people who abandoned the countryside in search of better jobs and were unable to find affordable housing.

For many government officials, the disaster at Mameyes has served to underscore the gravity of Puerto Rico's increasingly serious housing shortage. Some officials say that as many as 250,000 new housing units are needed to eliminate the shantytowns and ease the crowding in more substantial housing across the island.

Mayor Dapena said Ponce's housing shortage was closely related to the economic decline of the city that followed the closing of the oil refinery here and numerous small byproducts factories in 1980 and 1981. Some government officials estimate that unemployment rate is up to nearly 50 percent and they said approximately 90 percent of the people were receiving food stamps and other kinds of Federal aid.

The Mayor said he had created an agency to try to attract industry and that a project for growing citrus, mangoes and other fruit had recently been started. He said the city, with assistance from the government in San Juan, was investing $30 million in its port, hoping it would be a center for Caribbean trade.

"If we can't solve our economic problem," he said, "no matter what we do in housing, people will still be scratching. People won't be able to pay even a minimum amount for housing."

Mr. Speaker, dear colleagues, I ask you, in light of the already difficult conditions in the island, does it make sense to undermine the only mechanism of hope and social rehabilitation that Puerto Rico has? Does it make human or economic sense to eliminate section 936, a proven tax incentive to spur development, under the guise of saving negligible dollars while running the risk of plunging Puerto Rico into even deeper poverty and despair?

Mr. Speaker, even if the Puerto Rican Government and people had all the tools needed for improving their economy and living standards—of which section 936 is first and foremost—they still face a formidable job, requiring unrelenting tenacity and energy. The instrinsic handicaps under which the island labors are formidable, including probably the heaviest pressure in the world of population against livable space and resources. Even with decades of effort, our per capita income has risen to only one-third the average in the continental United States.

Retaining section 936 as an essential tool lies at the heart of the struggle of 3.5 million American citizens living in Puerto Rico who are fighting for a decent life and for an end to shantytowns. Amid the suffering and shock in our hard-hit island, Puerto Ricans more than ever are determined to work to create jobs that would end the need for people to live in such poverty and danger.

Without the help of section 936, Puerto Rico has little hope of succeeding in its uphill fight against poverty. With it, it has at least a good fighting chance. We need and deserve that chance, a chance which Congress can provide by retaining section 936.

THE SYNFUELS ENERGY DINOSAUR

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. CONTE. Mr. Speaker, I want to call the attention of my colleagues to an important and well written article by the Secretary of Energy, John S. Herrington. In this Wall Street Journal piece, the Secretary develops a cogent argument for closing down the poorly managed and misguided Synfuels Corporation.

Back in July, the House of Representatives started the process of killing the SFC by adopting my amendment to the Interior appropriations bill by an overwhelming margin, 312 to 111. Even though the House clearly demonstrated its opposition to spending more Federal funds on Synfuels projects, the Corporation Board of Directors has arrogantly proceeded to award millions in price supports for the most questionable projects, and this wanton spending may continue before the Congress has the opportunity to close the Synfuels tap for good.

In my 27 years as a Member of this House, I have never observed such disrespect for the will of Congress and wreckless spending of the taxpayer's money. Putting the rhetoric aside, recent actions by the Synfuels' Board are disgraceful and an embarrassment to the Federal Government.

Mr. Speaker, I urge my colleagues to carefully review this informative article:

[From the Wall Street Journal, Oct. 9, 1985]

THE SYNFUELS ENERGY DINOSAUR

(By John S. Herrington)

This week, Congress is struggling to agree on a plan to reduce the deficit. Regardless of the outcome, in the next few days members of both houses will have a unique opportunity to make an early downpayment on deficit reduction. Next Wednesday, the Synthetic Fuels Corporation's board plans to lock up more than $1 billion in taxpayer-supported subsidies for two uneconomical and unneeded oil-shale demonstration projects.

These projects are telling examples of why the SFC was, this July, targeted for extinction by a 312-111 vote in the House. The question now is: Will Congress as a whole put a halt to these projects before the SFC allocates the money for them next week?

The projects in question—$900 million in price supports and guarantees for a Union Oil project in Parachute Creek, Colo., and $184 million in like guarantees for Seep Ridge's Vernal, Utah, project—reflect more than their dollar amounts. They are a microcosm of what is wrong with the SFC. In an era when everyone is striving to reduce the deficit, the SFC could not have picked two more wrongheaded projects to pilot, nor could it be championing them at a more pivotal time in its short-lived history.

Parachute Creek has major technological weaknesses. Both Parachute Creek and Seep Ridge have technologies applicable to only a small portion of U.S. oil-shale resources. Both would have guaranteed price supports at a level several times the market price. Neither would make a lasting contribution to U.S. energy security.

I am opposed to these projects, and these circumstances have raised strong reservations about continued funding of the SFC. Terminating these projects would salvage at least $1 billion—and perhaps more, since the SFC will soon consider additional projects totaling $2.5 billion.

Congressional opponents of these projects need only to look to Union Oil's Parachute Creek operation for ammunition.

Union Oil first began acquiring oil-shale lands in Western Colorado in 1920. Sixty-five years later, its Parachute Creek project still has not been operated successfully beyond a period of a few days, despite the investment of $800 million by the company over the past six years.

Parachute Creek's problems are enormous. The price per barrel of the hoped-for 10,000 barrel-per-day plant is pegged at $72, in an economy where our Strategic Petroleum Reserve is buying oil at about $25 a barrel. Parachute Creek's retort scraper system—a mechanism that ejects spent shale—failed and still hasn't continuously worked as advertised. When it does work, the spent shale is coming out at a too-high temperature (900 degrees Fahrenheit) with an excessively high carbon content, a sign of inefficiency. Its fluid bed combustor, a component that would burn the carbon in the spent shale, is only in conceptual design, both unproved and untested.

The financial terms of the SFC agreement are such that six to 10 years from now, when subsidies are exhausted, Union could walk away from the project.

Union has failed to produce the oil that would allow it ultimately to earn $400 million in price supports. Nonetheless, the SFC plans to reward Union with an additional $500 million in loan and price guarantees to support the development of a combustor—and wants to extend Union's right to earn the $400 million in price supports. The total cost to taxpayers: $900 million.

Hand in hand with the Parachute Creek project, the SFC plans to provide $184 million in loan and price guarantees for Seep Ridge. SFC is guaranteeing its price per barrel at $55, more than twice the market rate.

Why the SFC is so ardently interested in Seep Ridge is something of a mystery. The project will offer no technological advance for synfuels development; the technology is already developed, and at full production Seep Ridge will produce only 1,100 barrels per day.

Supporters of these projects will no doubt weave their defense into the cloth of our energy future and national security through energy security.

The fact is that national-security and energy-security arguments do little to justify the Parachute Creeks and the Seep Ridges. When Congress established the Synthetic Fuels Corporation in 1980, oil prices were projected to reach $75 to $125 per barrel by 1990. Since oil prices peaked in 1981 following President Reagan's decontrol of oil prices, the world energy outlook has improved substantially: In nominal terms oil prices are down more than 30% from their 1980 levels.

As a result of these fundamental changes in the energy marketplace, virtually no projects pending before the SFC are likely to become economical in the foreseeable future. Thus, the development of a commercial synthetic-fuels industry at a pace envisioned by Congress in 1980 would require huge expenditures of federal tax dollars that would not be offset by economic benefits.

There is little point in building demonstration projects when the fuel costs are two, three or four times that of current and anticipated market prices. There is no compelling reason to subsidize construction of model synfuels plants when advanced technology, now under research and development by industry and the Department of Energy, will ultimately surpass these plants' existing technologies. Finally, there is little merit to the national-security argument ad-

vanced by supporters of synfuels. Were all the SFC projects currently planned ultimately able to produce at their maximum capacity, they would only supply substantially less than 0.5% of U.S. energy requirements over the next 10 years.

The sensible approach for U.S. energy development is to let the free market work its way up to the next band of energy opportunities. And in this respect, the synthetic-fuels industry is several decades away from practicality. Synthetic fuels are not competive with the next generation of fuels or expected energy gains through conservation and efficiency. Moreover, more exotic techniques such as enhanced oil recovery and the potential application of coal in slurries, advanced clean-burning combustors and high-efficiency turbines are today closer to the realities of the marketplace.

When the Synthetic Fuels Corporation was created in the late 1970s, its founders were acting with vision and partriotism during a time of rising oil prices and limited supplies. But times have changed and so have the circumstances that gave rise to these projects. Now we must adjust to the new realities. The proposed SFC projects offer Congress an opportunity to make meaningful budget savings with little acrimony and without compromising the public trust, national security or our energy future.

STATES' EXPERIENCE WITH EMPLOYER SANCTIONS

HON. MATTHEW G. MARTINEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. MARTINEZ. Mr. Speaker, as you know, the House Judiciary Committee is now considering H.R. 3080, the Immigration Control and Legislation Amendments of 1985. As in the past, the proposal has raised concerns among many individuals and organizations about the fairness and effectiveness of employer sanctions as the means of controlling undocumented workers into this country. For too long employer sanctions have been billed as the only workable solution to this problem with little attention paid to the enforcement of existing labor laws.

I would like to bring to the attention of my colleagues some very interesting information on employer sanctions as they already exist in the United States. The report, entitled "Employer Sanctions Laws, Worker Identification Systems, and Undocumented Aliens: The States Experience and Federal Proposals," looks very closely at States' sanctions laws and concludes that they have not worked. I hope that a thoughtful review of this material will shed some light on employer sanctions effectiveness in States that have already imposed them.

Twelve of our 50 States have sanctions—and they don't work. Obviously, these considerations are very important to overall debate on how best to reform this Nation's immigration laws. I therefore offer an excerpt from the study for insertion into the RECORD.

If you should wish to obtain the complete study, please contact the author, Carl E. Schwarz, professor, Political Science Department, Fullerton College, 321 Chapman Ave., Fullerton, CA.

V. SUMMARY AND CONCLUSIONS

Renewed proposals for a national employer sanctions law, particularly as contained in the Simpson-Mazzoli bill now before Congress, should not be considered without careful examination of the enforcement experiences of the eleven states and one city that have similar laws. This study represents an analysis of how evidentiary requirements, penalties, residency criteria, and enforcement mechanisms in eight states compare with the versions introduced in Congress. Based on the experiences of the states under study, the author predicts severe problems with any national employer sanctions.

All jurisdictions with employer sanctions laws require a showing that the employer "knowingly" hired an alien unauthorized to work in the United States, such knowledge being attributed to the employer where the applicant failed to prove "legal residency" or to produce the necessary permits or identification documents. A similar provision exists in the federal proposal. Court decisions in both Connecticut and California have struck down the "lawful residence" requirement. *Marin v. Smith* and *Dolores Canning Co. v. Howard* both noted the discriminatory effect of such a narrow ground for worker eligibility on aliens otherwise "authorized to work" by INS or Department of Labor certification.

The proposed federal legislation does differ from sanctions laws already in effect in the various states. For example, state penalties for employers found to have violated the statutes are mild in comparison with those of the Simpson-Mazzoli bill. What particulary invites comparison and suggests some hard lessons for the proponents of federal employer sanctions, then, are the varying evidentiary requirements for establishing scienter on the part of the employer; that is, whether the law requires an affirmative, "good faith," or "reasonable" effort to check documents to determine worker eligibility at the time of hire or application, or merely a threshold inquiry as to immigration or citizenship status with a document check only upon a negative or suspicious response from the applicant. The Simpson-Mazzoli bill, as well as the legislation in the states of Connecticut, Montana, Vermont, and Virginia, places the more stringent requirement on the employer; California, Florida, Kansas and Massachusetts, the less burdensome. The 1981 report of the Select Commission on Immigration and Refugee Policy opted for a similarly light verification requirement for employers in the absence of "a dependable mechanism for determining a potential employee's eligibility."

Both sets of verification requirements produce negative results. The less stringent evidentiary proposals, such as those contained in the Select Commission recommendations, seek to avoid forcing an employer to act as a surrogate immigration agent or to discriminate against U.S. citizens and legal aliens who share ethnic or racial characteristics with undocumented migrants. Even though the Supreme Court has limited challenges to private-sector employment discrimination on the ground of alienage, one commentator has warned employers of the risk of sanctions from the federal courts and the Equal Employment Opportunities Commission for discrimination against job applicants on the basis of race, national origin, or ancestry. The several federal court rulings that protect undocumented workers under civil rights statutes and the National Labor Relations Act reinforce this admonition. Because of the lesser evidentiary burden they place on employers, however, these laws provide for easy evasion of their central purpose: deterrence of hiring of illegal aliens by elimination of one of the "pull" factors attracting migrant workers to the United States.

On the other hand, if the law is more stringent and requires the employer to show that a "good faith" inquiry was conducted by looking at specific documentation on the mere suspicion that the applicant is illegal, then it encourages the employer to discriminate against anyone with ethnic or racial characteristics similar to those of most undocumented aliens. It also converts the employer into a surrogate police or immigration officer. Both of these effects were mentioned by the state trial court in *Dolores Canning*. Some employers have conditioned support of employer sanctions on the development of a secure form of worker identification to be used to verify an applicant's eligibility to work. But both Senator Simpson, chairman of the Immigration Subcommittee of the Senate Judiciary Committee, and Representative Schroeder have said that they believe that such an onus on employers and workers would end up denying Hispanic workers access to the labor market. The Select Commission reflected these countervailing pressures. It agreed that there was a need for an effective verification system, one that would incorporate reliability, protection of individual rights, and "cost effectiveness." It could reach no consensus on a "dependable mechanism" to prove intent to hire illegals, however. The Simpson-Mazzoli proposal would handle the problem by requiring employers to check up to two standard pieces of identification, and the bill would require that the President establish a non-destructible and "fraud-resistant" card or number that could be verified through a call-in computer bank within three years of its enactment.

The problem with this hard-line approach is that it would encourage an employer to check all worker applicants with Hispanic characteristics simply because they compose the largest single group of undocumented aliens in the country. The rule consistently espoused by the federal courts in determining the constitutionality of INS searches and detentive questioning of suspected illegal aliens in businesses, highways, and neighborhoods is apt here: "Except at the border and its functional equivalents, officers on roving patrol may stop vehicles only if they are aware of specific, articulable facts, together with rational inferences from those facts, that reasonably warrant suspicion that vehicles contain aliens who may be illegally in the country." In *United States v. Cortez* the Supreme Court said, "Based upon the whole picture, the detaining officers must have a particularized and objective basis for suspecting the particular person stopped of criminal activity." Finally and most recently the Ninth Circuit in *International Ladies' Garment Workers Union v. Sureck* pronounced: "We feel the Fourth Amendment rights of workers would be impermissibly diminished were we to sanction the unconstrained use of warrantless, detentive questioning of the sort depicted by this record—questioning which is

frightening to the workers, intrusive, and often 'based on nothing more than inarticulate hunches.' " Thus, by converting the employer into an INS agent, the Simpson-Mazzoli bill will leave him to face a Hobson's choice. Underzealous compliance could lead to the employer's prosecution, while overzealousness could produce massive civil rights violations, including violation of the citizen's or resident alien's right to privacy. A whole new line of case and administrative law might well develop out of the complaints of ethnic and racial discrimination that would be filed against employers instead of the INS. Recall the holding of *Apollo Tire* where the court faced the choice of either subjecting an employer to prosecution under the California employer sanctions law, or upholding the rights of undocumented alien workers to reinstatement and back pay. The court chose to uphold the workers' rights.

Asked why their own employer sanctions laws were not enforced, state and local prosecutors most frequently cited "due process" concerns of the INS and judicial rulings on evidence of the employer's intent. This is similar to the experience of the twenty countries investigated by the General Accounting Office in its recent report to Congress. It also helps explain the current difficulties experienced in attempts to persuade courts to imprison farm labor contractors for knowingly recruiting and transporting undocumented alien workers. The perception of the fight against illegal alien employment as "a low priority task" constitutes another major reason for the prevailing reluctance of the states to prosecute. A corollary to this is the perception that prosecution is "someone else's business," in particular belonging to the local district attorney, the INS, or even the state legislature. The state legislature was most frequently mentioned in states, such as California, where the employer sanctions law had come under court challenge. A final and related reason for non-enforcement mentioned in these interviews was the feeling of frustration with or dependence upon the INS and the U.S. Department of Justice to secure the data and witnesses needed for successful prosecution. These officials characterized the INS as "effective but numerically inadequate" as an information provider, and even charged that the agency "operated in a separate orbit" and failed to cooperate consistently with local and state prosecutors.

A punitive approach to curtailing the employment of illegal migrants will serve only to create enormous bureaucratic costs, a police-state mentality, and widespread threats to the civil rights of job applicants. Enforcement of fair labor standards, coupled with generous amnesty program for permanent residents, on the other hand, could help to end economic exploitation of the undocumented "underclass." Recent studies show that a large proportion of undocumented workers receive less that the minimum wage and work in substandard conditions. Increased enforcement of existing fair labor statutes would direct the energies of federal and state authorities toward the goal of social justice with less administrative cost. Such enforcement might even make many jobs now held by illegal aliens more enticing to legal workers and, thus, deter undocumented migrants from entering the U.S. labor market as employers' incentives to hire them fall.

The reduction of undocumented workers would be particularly evident in urban commerce, where the FLSA and comparable statutes can be applied most rigorously. Politically, the effects of such a program would be much less divisive than those of a national employer sanctions law and its certain companion, a national worker identification system. Allowing the competitive forces of the free labor market system to prevent the economic exploitation of undocumented workers and to deter illegal immigration seems far better than militarizing the border, computerizing the labor force, and making the INS a "hit squad" against U.S. businessmen.

THE SOLUTION TO ACID RAIN IS CLEAR

HON. GERRY SIKORSKI

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. SIKORSKI. Mr. Speaker, acid rain continues its destructive rampage, with little regard for our environment or human health. Recent developments build a strong foundation for the argument that we must act now to control acid rain. In August two EPA studies determined that two otherwise immune regions of the country, California and Florida, are highly susceptible to acidic deposition poisoning of these States' lakes and streams. In the same month a study by the Environmental Defense Fund determined a direct correlation between smelter emissions in the West and higher acidity levels in the upper western part of California. Following on the heels of these new developments, Drew Lewis, the administration's special envoy on acid rain, admitted that saying sulfates do not cause acid rain is like saying cigarettes does not cause lung cancer. And a new study issued by the GAO finds that the EPA has put its stamp of approval on State implementation plans allowing for a net increase of 1.5 million tons of sulfur dioxide emissions during a 3-year period.

With this series of events pointing to the urgency to control acid rain at a national level, the administration continues to turn its back on the problem. I recently hosted an international conference on acid rain where international experts from Europe and Canada stressed that the United States must learn a lesson from its European counterparts before it is too late. We learned that acid deposition has reached advanced levels in many regions of Europe resulting in the destruction of historical monuments, the loss of aquatic life, and the death of huge forest areas.

I wish to enter a recent editorial from the Twin Cities' Minneapolis Star and Tribune which urges the administration to confront reality and attack acid rain.

The editorial follows:

[From the Minneapolis Star & Tribune, Oct. 6, 1985]

THE SOLUTION TO ACID RAIN IS CLEAR

Years after discovery of the damage it does, acid rain continues to fall over Canada and the United States. Dying lakes and forests now dot the continent—a tragedy for which President Reagan must accept some blame. He refuses to support legislation that would reduce sulfur-dioxide emissions and thereby reduce the threat. That shortsighted stand, as members of the newly formed International Council on Acid Rain observed last week, is an invitation to environmental disaster.

Few would deny that such a disaster is looming. Research by the Environmental Protection Agency shows that acid rain has already taken a toll in lakes from the Rockies to the east coast—a far larger area than originally thought. A University of North Carolina study indicates that trees in the southern Appalachians are dying at an increasing rate, mimicking the acid rain-related devastation of West German forests. And the EPA now estimates acid rain's corrosion damage to buildings at $5 billion a year.

Experts worldwide agree that the solution is simple. Reducing sulfur-dioxide emissions from coal-fired power plants would curb the damage; cutting such emissions in half would bring the problem under control. Scores of studies, including one conducted by White House-appointed scientists, confirm the link and the need for legislation. Even the president's acid-rain envoy, Drew Lewis, now concedes the point.

Spurred on by the facts, the Canadian government this spring adopted a new nine-year program to reduce its eastern sulfur emissions by half. Yet President Reagan still declines to support any kind of American counterpart. His intractability has prompted others to fill the leadership gap. The new international council, convened by Minnesota Rep. Gerry Sikorski in Navarre last week, offers lawmakers from Canada, the United States and several European countries a forum to develop a unified acid-rain strategy. Once the rest of the world agrees on an acid-rain plan, the council members theorize, Reagan will have to go along.

But why should such global pressure be necessary? The cause of the acid-rain problem is obvious. The solution is simple. The president should bow to reality, and embrace a program to attack acid rain at the source.

SCULPTOR HANBURY HONORED FOR LIFETIME ACHIEVEMENT

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. RICHARDSON. Mr. Speaker, I would like to take a moment this morning to recognize the lifetime contributions of sculptor Una Hanbury. Una Hanbury has successfully communicated to the world her entire life through her gift of sculpting and for that reason she has recently received a "Celebration of a Lifetime of Achievement." I would like to insert into the RECORD an article that further points out her contributions to the art world.

SCULPTOR HANBURY HONORED FOR LIFETIME ACHIEVEMENT

Internationally acclaimed sculptor Una Hanbury recently returned from Palo Alto, Calif., where she was honored in a "Celebration of a Lifetime of Achievement."

Her 7½-foot cold-cast bronze cut out relief "Dancing Along the Beach" was installed at the Webster House, a new building designed to contain 37 apartments for retired people.

"I enjoyed the trip," the artist said, "but it is heavenly to be back home. My first visit to Santa Fe was in 1946 and I have been in love with the light, the desert, the mountains and the people since that time."

Among the many bronze busts carved by the English-born Hanbury are those of Rachel Carson, Georgia O'Keeffe (both in the National Portrait Gallery of the Smithsonian Institution), J. Robert Oppenheimer, Andres Segovia and Santa Fe's beloved photographer, Laura Gilpin.

Artist Hanbury, who is also a member of the proposed Board of The Club of Santa Fe, which will be located in the Greer Mansion at 505 Don Gaspar opposite the State Capitol, studied at Chelsea Polytechnic and La Grande Chaumiere L'Academie.

She has exhibited at well-known institutions including the Royal Academy of London, Salon d'Automme in Paris, National Academy of Design, Corcoran Gallery of Art and Cowboy Hall of Fame.

"For me, search for the eternal values and endeavor to communicate to others what the artists may have been privileged to perceive is the role (of the artist)," Hanbury said. "To communicate the findings in a clear language is the struggle."

SEATBELT LAW SUCCEEDS IN MICHIGAN

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. DINGELL. Mr. Speaker, on July 1 of this year, the State of Michigan began to implement its mandatory seatbelt use law. Although the enactment of this important measure was met with tough opposition within the State, it appears Michigan did the right thing in making it mandatory to buckle up. During the first 2 months of the Seatbelt Use Program, the Michigan Secretary of State, Richard H. Austin, and the director of the Michigan State Police, Col. Gerald Hough, report that the rising pattern of traffic related deaths has reversed itself. Data for the first 2 months of the safety belt law show a reduction of 28 fatalities in July and a reduction of 30 in August when compared to 1984 fatalities for the same months and where safety belts were known to be available. These 58 fewer deaths amount to a 30-percent reduction from 1984. Whether this dramatic reduction in accident fatalities can be directly attributed to the enactment of a mandatory seatbelt law must be determined over the long run. However, I applaud the State of Michigan and the 14 other States which have enacted seatbelt use laws for taking this courageous step in saving lives on our Nation's highways. It is clear to me that increased seatbelt use saves lives by the simple and inexpensive act of buckling up.

For the benefit of my colleagues, I insert the letter to me from the Michigan Secretary of State, Richard H. Austin, and the director of the Michigan State Police, Col. Gerald Hough, detailing their preliminary findings on the implementation of Michigan's seatbelt use law.

The letter follows:

STATE OF MICHIGAN,
DEPARTMENT OF STATE POLICE,
Lansing, MI, September 24, 1985.

Hon. JOHN D. DINGELL,
U.S. Representative,
Washington, DC.

DEAR CONGRESSMAN DINGELL: September 1, 1985, marked the end of the second month of Michigan's safety belt law. Preliminary traffic accident data are now available to allow a comparison between these two months and the same period in 1984. While we believe it is too early to draw conclusions from the data, there are interesting statistical patterns beginning to emerge.

It should be noted at the outset that there has been a noticeable increase in total miles driven this year compared to 1984. An increase in driving is usually accompanied by an increase in accidents and fatalities, but not since July 1 of this year.

In order to establish a relationship between traffic fatalities and safety belt usage, the data for the first six months of 1985 must be examined. Through June of this year and prior to the safety belt law, there was an increase of 50 fatalities from the same period last year.

With the implementation of the safety belt law on July 1, this pattern of increasing highway deaths has reversed itself. Data for the first two months of the safety belt law show a reduction of 28 fatalities in July and a reduction of 30 in August when compared to 1984 fatalities for the same months and where safety belts were known to be available. These 58 fewer fatalities amount to a 30 percent reduction from 1984.

As stated earlier, it is perhaps too soon to attribute all of the decrease in highway deaths to the safety belt law. But, we have every reason to expect a continued decrease in traffic fatalities. We are confident by the end of 1985 the number of lives saved will be so dramatic, that the correlation between safety belt usage and safety can no longer be questioned.

Sincerely,

RICHARD H. AUSTIN,
Secretary of State.
Col. GERALD HOUGH,
Director, Michigan State Police.

SALVADORAN UPDATE

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. GARCIA. Mr. Speaker, Central America has not been on our front pages for the past few months, but unfortunately, problems continue to plague that region. Nowhere is that more evident than in El Salvador.

Edward Cody of the Washington Post wrote an excellent synopsis of the situation in El Salvador in today's paper. I submit that article for my colleagues' perusal, just to remind them that things are far from calm in El Salvador.

[From the Washington Post, Oct. 16, 1985]

PEACE TALKS' PROMISE UNFULFILLED—A YEAR AFTER DUARTE'S INITIATIVE, SALVADORAN WAR SEEMS ENTRENCHED

(By Edward Cody)

SAN SALVADOR, Oct. 15.—A year after peace talks between the government and leftist insurgents lit a beacon of hope for Salvadorans, it has dimmed to a glimmer, eclipsed by bloodshed and recrimination.

Statements from rebel leaders, government officials and diplomats here indicate that even if another formal meeting can be arranged at some point, both sides have become resigned to a long military struggle. The civil war is generally considered to have started with a military coup on this date six years ago.

The war now will be on a smaller scale, they predict, but still violent enough to leave El Salvador's 5 million inhabitants without the peace and tranquility their leaders all say they want.

President Jose Napoleon Duarte's bold gesture—unexpectedly suggesting the talks and sitting down with rebel leaders last Oct. 15 in the mountain town of La Palma—has produced political dividends, burnishing his peacemaker image and helping win his party a legislative majority in elections last March.

The Reagan administration seems to have shared the perception of flexibility, without ceding in its determination to keep El Salvador's rebels from gaining a share of power.

But two events have punctuated the anniversary of Duarte's initiative and dramatized the effects of a stalemate likely to continue unless Duarte and his U.S. backers or the insurgents and their Nicaraguan and Cuban allies depart from longstanding positions in the conflict.

One came in the attack last Thursday on the Salvadoran Army's main training base by guerrillas of the Farabundo Marti National Liberation Front, the alliance of five rebel armies. The attackers killed more than 40 soldiers, by Army count.

The guerrilla forces showed they retain ability to mount occasional direct attacks on the Army despite massive infusion of U.S. money and equipment that has reduced rebel actions significantly in the last 18 months and prompted some Salvadoran officers to start taking about victory.

The other event was the abduction of Duarte's daughter Sept. 10 by gunmen who demand release of rebel prisoners in exchange for her safety. Duarte sent two other daughters and a daughter-in-law to the United States yesterday after saying his family had been threatened anew. He has offered to release most of 34 prisoners listed by the captors. But nine cannot be accounted for, according to Communications and Culture Minister Julio Rey Prendes.

The kidnaping of Ines Guadalupe Duarte Duran, 35, and her 23-year-old friend, Ana Cecilia Villeda, thus has put new venom into the atmosphere between Duarte and his rebel opponents for several reasons, making more remote the prospect of renewing the peace dialogue.

Rey Prendes, Duarte's closest aide, said the abduction "has changed the rules of the game with respect to humanizing the war." In the hope that followed the La Palma meeting, both sides had talked of small, concrete steps to "humanize" the conflict as a way to foster agreement on more difficult political issues.

"This is a new development that we have to come back and analyze with respect to the position of the Farabundo Marti National Liberation Front," Rey Prendes added, working on the government's conviction that the rebel alliance sponsored the kidnaping.

In addition, the kidnapers' demands for a prisoner release created a potential new source of tension in Duarte's relations with the Salvadoran officer corps, which has to

approve any decision to renew the peace contacts, cut off since a sour second meeting Nov. 30 in Ayagualo, just south of the capital.

The armed forces long have been the ultimate font of authority in El Salvador. But they have bowed to Duarte's leadership since his U.S.-backed election in May 1984. Despite reticence by some officers wary of setting a precedent, the high command also has endorsed the president's willingness to hand over rebel prisoners in exchange for his daughter.

This willingness could be shaken, however, by demands from the captors for detailed explanations of what happened to any prisoner on the list who cannot be turned over. Underlying the demands is an often repeated rebel charge that the armed forces have killed some rebel prisoners during torture.

Duarte, in radio conversations with the kidnapers, and Rey Prendes, in talks with reporters, have insisted that government investigations have turned up no trace of nine prisoners on the list.

Diplomats and other observers with long experience here said pushing the military hard on such investigations could disrupt a tacit understanding Duarte seems to have worked out with the armed forces: that his government will not embarrass officers with prosecution of past human rights abuses as long as the military halts such practices in the future.

Upholding his end of the understanding could delay release of Duarte's daughter and expose him to new rebel charges that he condones the abuses despite his frequent proclamations to the contrary, the diplomats pointed out, while discarding it could endanger his support in the military.

Duarte has encountered no known trouble from the military over his gesture in La Palma a year ago, largely because the talks quickly bogged down in mutual charges that both sides were only using the dialogue to gain propaganda points and never approached genuine bargaining.

Ruben Zamora, a leader of the rebel movement's political wing, the Democratic Revolutionary Front, told reporters recently that the dialogue got nowhere because Duarte and his U.S. backers never really wanted to negotiate. Duarte has contended for months that this was the rebels' position as well, labeling the talks mere "tactics" on their part.

Rey Prendes said Duarte nevertheless had been on the point of agreeing to a rebel demand that the next round of talks be held publicly in El Salvador rather than privately in another country as sought by Duarte and U.S. diplomats. But even that procedural concession has now been thrown into doubt, he declared.

REMEMBERING ANATOLY SHCHARANSKY

HON. BILL LOWERY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. LOWERY of California. Mr. Speaker, I would like to address the House of Representatives to express my strong disapproval of the Soviet Government's disregard for human rights as witnessed in their treatment of Anatoly Shcharansky and other Soviet Jews.

As a member of the Congressional Coalition on Soviet Jewry, I have signed more than 100 letters to the leaders of the Soviet Union and have many times expressed to President Reagan and administration officials the urgency of vocalizing our concern over the blatant denial of liberty to Jews and others in the Soviet Union.

Mr. Speaker, as one form of outreach to these persecuted people, my wife, Katie, has joined the Congressional Committee of 21. As a member of this group of congressional wives, Katie has adopted Anatoly Shcharansky as her own "prisoner of conscience." As a way of expressing her special concern for his well-being, Katie has written Mr. Shcharansky and has also written President Reagan to urge him to bring the issue of Soviet Jewry before Mr. Gorbachev at the Geneva summit.

I would like to share with my colleagues the contents of these letters:

CONGRESS OF THE UNITED STATES,
August 27, 1985.

Mrs. AVITAL SHCHARANSKY,
Jerusalem, Israel

DEAR MRS. SHCHARANSKY, It was a surprise and a rewarding experience to have met you in May in Washington at the press conference for the Committee of 21.

Since I am the congressional wife who has "adopted" your husband, meeting you gave new meaning to my commitment to the goals of our group. As I have written in my letters to your husband, I am deeply angered and saddened by the conditions and injustice of your separation and his imprisonment.

The day-to-day events and the memorable occasions in my life serve as a reminder of those things denied your husband. As we baptized our infant son this month, and experienced the blessings of God for our children, it made me all the more aware that such simple expressions of faith are forbidden to Anatoly.

Please know that there are those of us who care a great deal and have pledged to continue to work towards the freedom of all the prisoners of conscience.

May the celebration of the Jewish New Year and the solemnity of Yom Kippur give you the strength to endure the separation and the wait until you are reunited with your loved one.

Most sincerely,

KATHLEEN B. LOWERY.

CONGRESS OF THE UNITED STATES,
September 13, 1985.

President RONALD REAGAN,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: The moving and sorrowful letter of Avital Shcharansky, that was published in the "Washington Times", compelled me to write to you as well.

As you may be aware, a number of Congressional wives have formed the Committee of 21. Its purpose is to work toward the freedom of those dissidents imprisoned in the Soviet Union.

Each of us "adopted" a particular prisoner of conscience, and in my case it is Anatoly Shcharansky. For that reason, you can understand why I feel a particular concern and would like to echo some of the pleas voiced by his wife.

I had the privilege of meeting Avital and hearing her speak to our committee. She was plainly dressed and wore no makeup. But when she began to talk, her love and her dedication to freeing her husband, made her beautiful.

At that moment, I felt so blessed to be a part of this country and to have the freedoms we enjoy, that I felt an even stronger conviction to stand up for those who are denied the most basic of rights.

Mr. President, as you engage in talks with Mr. Gorbachev, I would like to encourage you to speak of human rights and the unfortunate plight of all those imprisoned without cause by the Soviet Union.

Sincerely,

KATHLEEN B. LOWERY.

THE WHITE HOUSE,
Washington, September 19, 1985.

Mrs. KATHLEEN LOWERY,
Longworth House Office Building, House of Representatives, Washington, DC.

DEAR KATIE: On behalf of the President, I would like to thank you for your September 13 letter indicating your concern over the plight of Anatoly Shcharansky and relaying the nature of your meeting with Mr. Shcharansky's wife, Avital.

We appreciate receiving your comments on the human rights situation in the Soviet Union and your recommendation that this issue be on the agenda when President Reagan meets with General Secretary Gorbachev in November. You may be assured that during these meetings, President Reagan intends to discuss the full range of issues impacting on U.S.-Soviet relations, including human rights.

Thank you again for letting us know of your personal interest in this regard.

With best wishes,

Sincerely,

M.B. OGLESBY, Jr.,
Assistant to the President.

Make no mistake, Mr. Speaker, the Soviets cannot be ignorant as to the gravity with which the American people and Congress view the continuing atrocities perpetrated against Jews who are either forced to remain in the Soviet Union against their will or simply wish to exercise their right to live and worship freely. We will not forget the plight of Anatoly Shcharansky.

ORPHAN DISEASES

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. KEMP. Mr. Speaker, I have written a letter to Dr. James Wyngaarden, Director of the National Institutes of Health, about the problems facing victims, and the families of victims, of Tay-Sachs and Dysautonomia. I would like to share this letter with you and our colleagues in Congress.

These two diseases are commonly known as "orphan diseases." They affect only a small percentage of the general population, mostly Jews of Ashkenazy descent. But their effect is felt by many, and research into possible cures would affect many more.

The Jewish community has conducted an extremely aggressive campaign of education and treatment, but they need our help. I urge my colleagues to work with NIH to look into further possibilities for cooperation between the Government and the com-

munity to find a solution to these debilitating diseases, which wreak havoc on those afflicted, their families, and their communities.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, October 11, 1985.

Dr. JAMES B. WYNGAARDEN,
Director, National Institutes of Health, Bethesda, MD.

DEAR DR. WYNGAARDEN, Dysautonomia and Tay Sachs are two diseases directly affecting primarily the Jewish Ashkenazy population, but which have an effect on us all.

Although NIH has done some work on Tay-Sachs, research into this disease depends almost exclusively upon non-government fund-raising. In the case of Dysautonomia, all work is funded by private sources. In both cases, the donations usually come from the victims' families. Since the diseases are fatal, the contributions are made in the victim's memory.

I would urge your assistance in helping to make these donations vital ones, dedicated to living victims who have benefitted from our research. These diseases are classified in the "orphan" category, but research into both would benefit the population at large.

Tay Sachs is a fatal genetic disorder in children causing progressive destruction of the central nervous system caused by absence of a vital enzyme. Victims die by the age of five as the functions gradually fail until life can no longer be supported.

The educational campaign among the members of the target group is an exemplary one. Since the screening test for Tay-Sachs was developed, the Jewish community has engaged in an on-going educational campaign designed to test potential carriers of this genetic disease.

Dysautonomia affects the nervous system and the autonomic nervous system. Its victims have a decreased ability to feel pain, and the vital functions are affected. It is difficult to spot, but early diagnosis is essential to survival.

There is no federal funding for research for any aspect of Dysautonomia. New York University Hospital runs the only clinic in the world. One of the clinic's primary goals is to develop a screening test, but it cannot spare the resources it devotes to the treatment and education of the victims and their families.

A great deal can be learned from the N.Y.U. clinic's approach to the disease. Until recently 80% of the victims of Dysautonomia died before reaching the age of six; with the proper education and nutrition provided by the clinic, this statistic has been reversed and victims have the possibility of leading productive lives through their thirties.

Enzyme replacement as a cure for Tay-Sachs has been explored, but there is a problem because the disease affects brain cells which affect the blood barrier. Dysautonomia has been able to be controlled with an aggressive nutritional program, but the cure envisioned by specialist in the disease would be a specific drug to make nerves grow properly.

Both of these cures would be geared directly toward the victims of these diseases, but successful enzyme replacement, or a drug to make nerves grow properly, would have a much wider general applicability. We have already learned so much from the Jewish community's program of education, prevention and treatment, but they cannot find the cure without our help.

I urge you to do whatever possible to support funding for research into cures for Tay-Sachs and Dysautonomia.

Sincerely,

JACK KEMP,
Member of Congress.

THE 25TH ANNIVERSARY OF THE INDEPENDENCE OF CYPRUS

HON. MATTHEW G. MARTINEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. MARTINEZ. Mr. Speaker, October 1, marked a quarter century of independence for the Republic of Cyprus. Remembering our own roots, we rejoice on this occasion. But we also are sobered by the fact that for almost half of its young life, Cyprus has been a nation divided and occupied.

In July 1974, Turkish forces crossed the 40 miles of water between their shores and those of Cyprus, and, declaring that the 70,000 Turkish Cypriots were endangered by Cyprus' political unrest, invaded the small island. After negotiating with the Cypriot Government for 1 month, they broke off talks and advanced again, occupying over one-third of the country and wrenching 200,000 Greek Cypriots from their homes. Today, this emergency measure has become fait accompli, as 30,000 Turkish soldiers guard what the Turkish Cypriots have declared to be an independent state.

Since 1950, when the proindependence Archbishop Makarios III became political leader of Cyprus, the island has convulsed repeatedly in struggles for self-determination. Yet these battles have been fueled less by interior strife than by foreign interests in the strategically important region. For 5 years, Makarios sought independence from British colonial rule through diplomatic means, but seeing little progress, Greek Cypriots launched an armed revolt in 1955. After 4 years of fighting, Britain signed a treaty with Greek and Turkish Cypriot leaders, and invited Greece and Turkey to sign as guarantors. In 1960, the same parties signed the Constitution that established the Republic of Cyprus. Yet both these documents were shaped almost wholly by the guarantor powers, who were motivated chiefly by cold war concerns, and reflected poorly the internal realities of the new nation.

With Greece and Turkey distrustful of each other, and Britain lowering its profile in the region, America stepped in as the keeper of the peace. Yet rather than learn from Britain's mistakes, we continued in her wreckless course, which, regrettably, we still follow in other regions of the world, of fueling the Cypriot time bomb by viewing the country only through the geopolitical looking glass. Instead of ensuring the integrity of a Cypriot state under the overwhelmingly popular Makarios, we tacitly supported two rightist military revolts against him in 1963 and 1967, neither of which succeeded. We then proposed to solve Cyprus' problems by partitioning it essentially between Greece and Turkey, a plan rejected not only by Makarios, but by Greece and Turkey as well. Finally, in our haste to be rid of the Cypriot President who was growing closer to Moscow and weakening NATO's southern flank, we looked the other way when the Greek military launched another coup against Makarios in July 1974, and when Turkey invaded 5 days later.

Yet despite our country's flawed approach toward Cyprus' complex domestic problems, we have proven our ability to use our influence effectively to avert crises when we so choose. When civil violence erupted in Cyprus in 1963 and 1967, the United States acted decisively each time to prevent a Turkish invasion and a possible war between Greece and Turkey. American diplomatic intervention also helped keep Greek and Turkish troops on the island to levels dictated by the 1960 treaty. Thus, given our manifest interest in protecting Cyprus against foreign aggression, our acquiescence during the Turkish advance on Cyprus in 1974 represented an unfortunate and unexplainable turnaround in U.S. policy.

The United Nations has played an active and commendable role in Cyprus. Peacekeeping forces arrived on the island in 1964 and remain to this day. Thirty-five Security Council and General Assembly resolutions have kept the world attentive to Cyprus' plight. And the great efforts by the U.N. Secretary General over the past decade to bring the two sides to the negotiating table deserve the highest recognition. Yet even despite the U.N.-sponsored summit meeting between Greek Cypriot President Kyprianou and Turkish Cyriot leader Rauf Denktash last January, progress in this forum remains excruciatingly slow, while Turkish consolidation of the occupied territory, through such measures as illegal settlements and unilateral declarations, continues at an alarming rate.

This leaves the impetus for a solution to us. Congress met the task firmly in 1975 by placing an embargo on U.S. military aid to Turkey. In 1978, however, this embargo was replaced by a 7-to-10 ratio of U.S. arms to Turkey and Greece, in hopes that this would address Greek concerns and encourage Turkish cooperation. Yet while Turkey has since become our third largest foreign aid recipient, our hopes for its cooperation were dashed in 1983 by the declaration of an independent Turkish Cypriot state, which was recognized by Turkey alone. Congress responded by cutting military aid to Turkey and conditioning $215 million in grant military aid upon Turkey's progress in intercommunal talks on the reunification of Cyprus. Similarly, Congress authorized a special $250 million fund for Cyprus contingent on a successfully negotiated settlement. Yet while Turkish participation in talks at many levels may be seen as a sign of good will, their substantive movement toward an agreement has been minimal. While Kyprianou and Perez de Cuellar spent much of this year laboring over a new agreement, Denktash postponed action

to hold a constitutional referendum and general elections in the occupied territory last May and June.

The United States has been instrumental in bringing Greek and Turkish Cypriots back to the table. As relations between the two parent countries have deteriorated, so have our relations with each become more delicate. The Reagan Administration is to be commended for its attention to the issue, and for addressing our bilateral concerns with Turkey and Greece, our concerns with NATO, and the Cyprus problem. However, the administration's policy is still unbalanced; pushing for more aid to Turkey, and meeting with Turkish Prime Minister Ozal last April, while not being able to make time for President Kyprianou, have made many skeptical about the current administration's commitment to peace in Cyprus.

Such skepticism is unfortunate. Cyprus has befriended us repeatedly: It gave us crucial assistance after the catastrophic bombing of our marine barracks, it has been vigilant in controlling drug traffic from the Middle East, and, most recently, it refused to allow an ocean liner on which Palestinian terrorists were holding Americans hostage into its ports. Moreover, our considerable aid to both Greece and Turkey, and our unquestioned presence in the Eastern Mediterranean, give us the leverage to firmly press all parties involved toward a negotiated settlement. We should use this leverage to: Work actively through the executive branch for a just and peaceful solution of the problem. Support a solution based on past U.N. resolutions and the recent actions of the Secretary General. Call for a withdrawal of all foreign troops from Cyprus. Reaffirm our support of the principle of respect for independence, sovereignty, and territorial integrity as it applies to Cyprus.

By letting global concerns blind us to critical local factors, the United States missed opportunities to build stronger bilateral and multilateral relations with the Eastern Mediterranean nations, and to thus better ensure regional and global security. We have seen how this blindness can have most serious repercussions when it applies to our own hemisphere. With Turkey bordering the Soviet Union and Cyprus a 20-minute flight from Lebanon, we cannot afford a similar eruption in the southern flank of NATO, the bedrock of Western security.

THE DAVIS CAROUSEL BALL FOR CHILDREN'S DIABETES

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mrs. SCHROEDER. Mr. Speaker, Marvin and Barbara Davis held their eighth annual Carousel Ball to benefit the Children's Diabetes Foundation at Denver. Incredibly, the ball raised $5 million. Through the love that these very devoted parents have for their daughter, a special caring and sharing has spread and the best day will be when a cure is found and there is no need for an annual ball.

Until then, it is very important to list the six stages a person goes through when they get this serious disease:

First. Anger ("Why is this interfering with my life?").

Second. Denial ("Forget it. I'm just not going to worry about it. If I ignore it, everybody else will.").

Third. Bargaining (With parents or God: "Please take this away * * * I'll go to church every day of my life. * * *").

Fourth. Depression ("Why me?").

Fifth. Acceptance (But not real willingness: "I'll still eat what I want.").

Sixth. Responsibility (Getting on with life and taking care of yourself.).

Dealing wth these stages honestly and understanding they are normal is very important.

If the dream of these loving parents becomes reality and a cure is found, then these difficult stages will not have to be dealt with. Until then, dealing with them is far superior to denying them.

A TRIBUTE TO THE NEW YORK RANGERS

HON. JOSEPH J. DioGUARDI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. DIOGUARDI. Mr. Speaker, many Members of Congress have spoken in the House Chamber to extol the accomplishments of their local sports teams. While the on-field exploits of talented athletes is commendable, it is their actions off the field which represent the mark of a true sportsman.

I rise today to commend not only a great organization with a rich hockey tradition, but also a group of individuals who are dedicated to the betterment of life for all of us. Mr. Speaker, I refer to the New York Rangers, who have joined the fight with thousands of others to prevent child abuse.

The New York Rangers are an integral part of the Westchester County community and we are greatly appreciative that their participation in county activities extends beyond their practice sessions in Rye. Early next week, the New York Rangers charity fund will be honored for their support of the Exchange Club Child Abuse Prevention Center of New York, Inc. The Ranger players and their wives have been able to raise vital funds for this organization and their efforts have greatly assisted Westchester County's ability to prevent child abuse.

I would also like to take this opportunity to praise all of the Exchange Clubs of Westchester County who have held numerous benefits to support the Child Abuse Prevention Center. The combined efforts of the Exchange Clubs and the New York Rangers will go a long way toward reducing the tragic occurrence of child abuse.

KILDEE LAUDS DAVID A. BRODY

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. KILDEE. Mr. Speaker, I would like to take this opportunity to bring to the attention of my colleagues the good work of David A. Brody, an outstanding person who travels among us during our daily life here at the Capitol. Mr. Brody has befriended many of us over the years and has won the respect of us all.

David is one of the rare few who, with his humor and personal magnetism, has the ability to bring together friend and foe alike. I am pleased to enter into the RECORD an article that appeared in the National Journal as a tribute to his many years of involvement in the B'nai B'rith Anti-Defamation League.

[From the National Journal, Sept. 14, 1985]

THE INFLUENCE INDUSTRY—MAKING MATCHES MEANS ACCESS

Most Washington lobbyists boast about having connections. David A. Brody takes pride in making them.

The veteran Washington representative of the B'nai B'rith Anti-Defamation League is an inveterate matchmaker who wends his way through the capital's power circles on the lookout for people who ought to know one another.

No sooner do his antennae pick up a nugget of conversational information about somebody's past or present interests than the next words out of his mouth are invariably, "I'd like to put you together with . . ."

The very next day, if not later the same day, Brody will be on the telephone proposing a luncheon involving himself and the two people he wants to bring together. Invariably, they are people who would have gotten together on their own at some point but, as Brody said in an interview, he finds that it advances his long-term interests if he can be the "facilitator or catalytic force."

"I do it so that the two people will know each other, so they will not be strangers when they need to deal with one another. Both parties usually welcome it," he explained. Those involved may run the gamut from Members of Congress, White House aides and ambassadors to reporters, fund raisers and constituents.

Twenty years at his job has taught Brody that at some point, his gestures of good will are likely to be returned in some form. "It's not so much that people are beholden to me, as it's a matter of providing greater access for me," he said, stressing the golden word of the lobbyist's trade—access.

The autographed pictures on the wall of Brody's office attest to his success in gaining access at the very highest levels. They also attest to his skill at hearing what people say and sensing what makes them tick and what their current concerns are.

"In this town, so many people talk rather than listen," explained Brody, giving away a major secret of his success. It also helps to be quick-witted enough to put information to immediate use. "If I happen to be in a Member's office and a name comes up, we'll often set up a lunch right then."

Brody is constantly on the lookout for likely connections, two Members of Congress who haven't met each other yet, a re-

porter who is starting out on a project involving principals he hasn't met, new arrivals at the Israeli Embassy who need to meet the people they will be dealing with in Washington.

"It's just a matter of having almost an intuitive sense about people's needs," Brody said. "I guess it is just a matter of knowing how to relate to people. I will occasionally bring Members of Congress together whose views may be divergent. In bringing them together, they find that they are able to work together on other issues."

Those other issues, with luck, may turn out at some point to be the very ones upon which Brody is lobbying. And, even if their votes do not always go his way, Brody at least gets a chance to have his say. In 1981, when Congress approved the sale of military aircraft to Saudi Arabia, Brody recalled, "a number of good friends of mine voted for the sale, but I still had the opportunity to sit down and talk to the principal—to the man who cast the vote."

That statement is also revealing. In lobbying, as in matchmaking, the permanence of relationships is important. Accordingly, significance attaches to Brody's reference to "good friends" who voted against his position. They still are his good friends, and maybe next time they will be with him.

Besides putting his lunch hour to regular use, Brody and his wife, Bea, entertain at their home, throwing dinner parties that may bring anywhere from a dozen to three dozen Washington notables together to trade information and get to know one another better.

"From time to time, press people are invited to my parties at home as friends," Brody explained. What goes on is not intended for publication, Brody noted, but it is recognized "a reporter may pick something up at a party." But, he added, "the story won't be that I had that group of people to dinner."

Brody added that he has never hesitated to bring politicians and journalists together in a social setting. "I don't draw any lines," he said. "When I find it useful to play that catalytic role, I do it." With reference to the politicians, he observed, "I think they welcome the opportunity too, otherwise they wouldn't agree to it."

To the best of his recollection, Brody over the years has never become a matchmaker in the romantic sense. He says that he knows of no marriages that have resulted between people he has brought together and quickly adds in a businesslike tone that "if it has happened, that would not be the purpose that the meeting started out with."

There is more than a bit of a Horatio Alger aspect to Brody's career. The man who now wines, dines and facilitates friendships among the high and mighty started out in life as the son of an immigrant garment worker who entered this country through Ellis Island. He grew up in Brooklyn, attended public schools and ended up studying law at Columbia University on a scholarship. He came to Washington in 1940 to work as a lawyer for the government and has been with the Anti-Defamation League since 1949.

Brody said he has developed his skills as a lobbyist-social connecter as he has gone along. "I like to say that the things I do, I never learned in law school." Nonetheless, the 69-year-old lobbyist makes it clear that he enjoys what he does. "I have no plans to retire," he said.

The matchmaker is obviously well matched to his calling.

SUPERFUND

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. GEJDENSON. Mr. Speaker, a strong Superfund Program is crucial to the health of this Nation. The longer we wait to combat the problem of toxic waste, the more serious this problem will become. It is vitally important that we do all we can to protect and preserve our environment, not only for our well-being, but for the well-being of all future generations.

Earlier this year, the House Energy and Commerce Committee reported out a bill, H.R. 2817, to reauthorize the Superfund Program. A reauthorization bill is desperately needed and the $10 billion provided by H.R. 2817 should provide the financial resources needed to clean up toxic waste dumps. Nevertheless, I think that many improvements are needed in H.R. 2817. Some of these improvements have been made by the House Public Works Committee, which recently considered H.R. 2817.

Three particular areas that are of primary concern are: The standards for cleanup, the timetable for cleanup, and the public's right to know. Strict cleanup standards are essential to an effective Superfund Program. In the past, the Environmental Protection Agency [EPA] has declared toxic sites clean when they were still causing pollution. During hurricane Gloria, the toxic waste site certified as clean by EPA began leaking thousands of gallons of toxic waste into a river in Pennsylvania. It is not enough to say that a toxic waste site is clean—it must be clean according to precise guidelines.

The EPA should also be required to follow a strict but realistic timetable for the cleanup of toxic sites. We cannot afford to give EPA the discretion to wait for years before conducting the cleanup process. Since Superfund was enacted in 1980, cleanup work has been completed on only six sites. (Ironically, one of them is the site that began leaking during hurricane Gloria.) We cannot afford to let toxic waste cleanup become a victim of bureaucratic inertia.

Superfund legislation should also contain a strong "Right-To-Know" provision. Citizens and public officials must have accessibility to information concerning toxic chemicals and wastes in their community. Requiring this information to be available is an important first step to providing for the safety of the public. There is just no excuse for keeping people in the dark and not letting them know when their communities and their very health may be endangered by toxic hazards.

The residents of Connecticut's Second District expect strong and decisive action from the Congress on Superfund. We have a Superfund site in our own backyard at the Yaworski Lagoon in Canterbury. We cannot wait for years and years for the EPA to clean up the Yaworski Lagoon. It will not be enough for the EPA to say Yaworski is clean; it must be clean. I urge my colleagues in the House to support a strong Superfund so that the Yaworski Lagoon and all the other Superfund sites in the country are cleaned up quickly and completely. The health of our Nation depends on it.

DISASTER RESPONSE ACT OF 1985

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. DOWNEY of New York. Mr. Speaker, today I am introducing legislation that will provide strong oversight to protect millions of electric utility customers from the hidden costs of natural disasters.

My interest in this legislation was sparked over the past 2 weeks as Long Islanders and their neighbors across the Long Island Sound struggled through the aftermath of Hurricane Gloria. While Gloria did not deliver the knockout punch that many expected, her winds played havoc with electric utilities throughout the Northeast. On Long Island, the storm disrupted service for 750,000 of the Long Island Lighting Co.'s 900,000 customers. Power was disrupted for 163,000 Virginians and 669,000 people in Connecticut. While the storm damage was equally severe across the Northeast, the response of individual utilities was not.

Many Long Islanders and Connecticut residents suffered without power for nearly a week. Long Islanders endured a multitude of problems as a result. Unlit traffic lights turned intersections into no-man's land, drinking water wells evaporated without electric pumps, and tons of unrefrigerated food in stores and homes rotted. Communities that regained their power one day lost it the next day as overloads, short circuits, and mistakes occurred. Unbelievably, Gloria's most powerful blow has yet to be dealt to Long Islanders.

LILCO has announced that, because it does not have storm insurance, the $40 million of storm damage to its system will be foisted on to the backs of LILCO customers. Reports from the Connecticut media indicate that Connecticut consumers may face the same fate. Suffering through a week of disrupted electrical service is one thing; paying for that privilege is another.

Hurricanes are not rare events in the Northeastern United States, and many States and utilities were ready for Gloria. Most of Long Island was prepared for a major storm this year. In the hours before the storm struck, State and local officials did a yeoman's job in evacuating people from low-lying areas and setting up shelters. Street-cleaning crews were out immediately after the storm clearing debris from the streets and they worked around the clock in the days that followed. LILCO field workers worked diligently, too. However, the solid preparation and quick action by local agencies stands in stark contrast

to the management of LILCO's chaotic response to Gloria.

I am introducing the Disaster Response Act of 1985 to guarantee that electric utilities in storm-prone areas like Long Island and southern New England take strong precautions to minimize storm damage. The bill mandates that, after a natural disaster, State utility commissions investigate the preparation for and response to a natural disaster by an electric utility. If the commission finds that the utility's managers did not take prudent and reasonable precaution against a disaster, the costs of the damage cannot be passed on to utility customers. Consumers who suffer greatly as a result of an unreasonable delay in the restoration of service can receive compensation from the utility.

Natural disasters obviously upset the daily activities of thousands of people. Governments generally act quickly to restore and maintain order in the wake of disaster. That is why the National Guard is often called out after a storm or tornado. But just as these events are not occasions for looting and general lawlessness, neither should they be excuses to throw fair and orderly business practices to the wind. My legislation is necessary to see that electric utilities prepare for disasters and act responsibly after they strike. And if they aren't ready, their customers will not be forced to pay for their lack of foresight. The text of the bill follows:

H.R. 3568

A bill to amend the Public Utility Regulatory Policies Act of 1978 to require regulated retail electric utilities to undertake reasonably prudent response activities when natural disasters cause interruptions in electric service, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ELECTRIC UTILITY RESPONSE TO NATURAL DISASTERS.

(a) AMENDMENT OF PURPA.—Title VI of the Public Utility Regulatory Policies Act of 1978 is amended by adding the following new section at the end thereof:

"SEC. 609. ELECTRIC UTILITY RESPONSE TO NATURAL DISASTERS.

"(a) INVESTIGATIONS BY STATE COMMISSIONS.—Each State regulatory authority which exercises ratemaking authority over a State regulated electric utility shall undertake an investigation under this subsection following each natural disaster which causes an interruption in the electric service of the State regulated electric utility. The investigation shall make an assessment of each of the following:

"(1) PREPARATION.—The degree to which the interruption in electric service associated with the natural disaster could have been avoided or mitigated by reasonable and prudent preparation on the part of the electric utility. Preparation shall not be deemed reasonable and prudent in any case in which repeated service interruptions have been experienced due to successive natural disasters.

"(2) INSURANCE.—The adequacy of insurance coverage maintained by the utility to cover the costs of repairs and reconstruction necessary to restore electric service following damage to transmisson equipment and other facilities resulting from natural disasters.

"(3) RESTORATION OF SERVICE.—The manner in which repairs and restoration of service was carried out, including the time involved and the measures used to avoid health, safety, and economic problems for electric power customers served by the utility.

"(b) TREATMENT OF REPAIR COSTS.—After an evidentiary hearing each State regulatory authority which exercises ratemaking authority over a State regulated electric utility shall make each of the following determinations, based upon the investigation under subsection (a) and upon any other available information:

"(1) PRUDENCY OF REPAIR COSTS.—A determination as to whether any costs incurred for the repairs of transmission equipment and other equipment necessary to restore service following a natural disaster were caused by imprudent action or inaction of the utility.

"(2) DAMAGES.—A determination of the amount of damages (if any) caused to electric power customers served by the utility as a result of any unreasonable delay in the restoration of electric service to any such customers.

Any electric power customer or group of electric power customers shall be permitted to intervene as a matter of right in the proceeding required under this subsection. If the State regulatory authority finds that any costs referred to in paragraph (1) were caused by imprudent action or inaction of the electric utility, such costs may not be charged to the customers of the such utility. In addition, if a determination is made under paragraph (2) that electric power customers served by the utility incurred damages as a result of an unreasonable delay in the restoration of electric service following a natural disaster, the State regulatory authority shall require the utility to compensate electric power customers for such damages. The costs of such compensation shall not be charged to the customers of such utility.

"(c) DEFINITIONS.—The terms used in this section shall have the same meaning as when used in title I of this Act.".

(b) TABLE OF CONTENTS.—The table of contents for title VI of the Public Utility Regulatory Policies Act of 1978 is amended by adding the following new item at the end thereof: "Sec. 609. Electric utility response to natural disasters.".

BILL DOHERTY AND A.I.F.L.D. AT WORK ABROAD

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. COURTER. Mr. Speaker, the development of free labor unions abroad is an important goal of America's international democratic strategy. But that is not to say that it is always government officials who can best carry forward such a strategy. A most impressive privately directed American program in this respect is the AFL–CIO's Free Trade Union Institute. Aided in its work by Federal funding from the National Endowment for Democracy and the Agency for International Development, the institute is the sponsor of the Asian American Free Labor Institute, the African American Labor Center, and the American Institute for Free Labor Development, A.I.F.L.D.

The letter is directed by the dynamic William C. Doherty, Jr. Mr. Doherty was recently the subject of a profile in Reader's Digest which well deserves reprinting for those of my colleagues who might not have seen it.

Mr. Speaker, the fight for democracy and freedom is waged by many other means than military ones. This House owes much gratitude to Americans like Bill Doherty.

The article from Reader's Digest follows:

BILL DOHERTY'S BLUE-COLLAR FREEDOM FIGHTERS

(By Donald Robinson)

Led by a gutsy U.S. labor leader, members of a brave band of trade unionists are risking their lives to keep democracy alive in Latin America

Hours after U.S. troops landed on Grenada in October 1983, communist propaganda blasted the invasion as an "imperialist assault" on the Grenadan people.

A gutsy U.S. labor leader answered the communist' big lie. William C. Doherty, Jr., executive director of the AFL–CIO's American Institute for Free Labor Development (AIFLD), wangled his way into Grenada before the shooting had stopped and contacted the heads of two unions. Both had fought Grenada's Marxist dictators with Doherty's support. He told them that a resolution condemning the American landing was about to be introduced at an international labor conference in Barbados. The three raced to the meeting.

"What do you mean we were invaded?" the Grenadans declared. "We were *rescued*." When the resolution was defeated overwhelmingly, democratic unionists everywhere took heart.

A hidden army of Soviet and Cuban agents is seeking control of Latin America's 50-million-member labor movement. Command of the trade unions would give the Kremlin a pivotal weapon against pro-Western governments. AIFLD, a band of brave men and women led by Doherty for 23 years, is spearheading resistance not only to the communists but to right-wing extremists as well.

It's been a savage struggle. More than 50 of Doherty's allies have been murdered, including two of his closest aides, and Doherty has received many death threats himself. But despite the odds, AIFLD has won notable victories.

In Honduras it helped to recapture the fruit workers' union from the communists, who had stolen union elections by casting votes for countless "ghost" workers.

In Ecuador the communists got a stranglehold on the Confederation of Ecuadoran Workers (CFE), the major labor organization. CFE was so strong that no Ecuadoran worker could drive a truck without its approval. AIFLD helped organize the Ecuadoran Confederation of Free Trade Unions (CEOSL) to oppose the Marxists. When CFE called a general strike to topple the democratic government, CEOSL licked it. Today, every major union in Ecuador is led by pro-democratic elements.

The Marxist dictator of Surinam was forced to reorganize his cabinet last year to include labor and business representatives after a series of strikes and international protests spearheaded by AIFLD.

A strapping man of 58, Bill Doherty has white hair, a full beard and bright-blue eyes that make him look like Santa Claus. But he can be tough. One day in 1980, he drove 30 miles through Paraguayan jungle to a barbarous prison in Ypacaray that few, if any, North Americans had ever visited. There he demanded to meet with 19 union leaders incarcerated for advocating democracy. When soldiers pointed machine guns at him, Doherty promptly held a press conference.

"When I see this Hitler-like concentration camp, I think I'm in Havana," he told reporters who had accompanied him. "This is how Fidel Castro treats labor leaders." After the press published Doherty's remarks, rightist dictator Alfredo Stroessner released the labor leaders and later closed the prison.

Doherty is a quick-witted speaker. In 1956, he debated Chilean communist Clotario Blest before 2,500 communications workers in Santiago. Doherty wanted the workers to affiliate with the pro-Western Postal, Telephone and Telegraph International (PTTI). Blest was bitterly opposed.

"Why do these well-dressed gringos come here, stay in first-class hotels, go to our best restaurants and tell us they represent the working class?" Blest sneered.

"Because we will not feel successful, Brother Blest," Doherty responded, "until you and all the workers in Chile dress well, stay in those hotels and eat the best meals. We're not here to destroy the capitalists. We want to live like them." The workers roared approval and voted to affiliate with the PTTI.

Doherty was born into the labor movement. His father was president of the National Association of Letter Carriers for 21 years. After air-combat duty during World War II, young Bill spent two years in a Catholic seminary before going to law school.

Doherty went to work in 1954 as Latin American representative of the PTTI. In those days, collective bargaining was nonexistent for most unions in Latin America; pay raises were obtained through rioting.

Determined to fight this, Doherty founded AIFLD and, with the backing of AFL-CIO president George Meany, built it into an activist organization that now has offices in 16 countries, a staff of 56 trade unionists and an $8-million annual budget. Ninety percent of its funds come from the U.S. Agency for International Development, the remainder from the AFL-CIO. Says Doherty: "Communists target organized labor for one reason—to secure power over foreign governments. We believe in a trade-union movement independent of governments, political parties, employers."

I recently traveled throughout Latin America observing AIFLD close up. Here's what I learned:

In war-torn El Salvador, AIFLD has helped organize 350,000 Salvadoran farmers and urban workers into democratic unions. With AIFLD's help, the farmers have formed cooperatives that buy land and pay workers to cultivate it.

The cost is blood of AIFLD's Salvadoran successes has been high. In January 1981, two AIFLD staffers and the director of the Salvadoran land-reform program were machine-gunned to death while drinking coffee in the Hotel Sheraton in San Salvador. But the AIFLD staff has resolved to stay. "We want to make sure the blood of our colleagues was not spilled in vain," says Doherty.

In Guatemala, AIFLD has helped to revive a democratic labor movement enfeebled by repressive dictatorships. Doherty's people had to risk their lives to accomplish it. In 1970, Guatemalan soldiers broke into the house of José Estrada, an American citizen who was the AIFLD director, and dragged him off to prison.

The U.S. embassy obtained Estrada's release. But five days later his home was searched; his books and papers were confiscated. This time the U.S. embassy suggested he leave the country.

Estrada left, but returned a month later. But last year, when elections were held in Guatemala for an assembly to draft a constitution, several labor leaders ran for office, and one was elected.

Castro's Cuba is another battlefield. Working closely with Cuban exiles, AIFLD exposes the tyrannies of the regime. Not long ago, AIFLD raised an international furor that saved the lives of farmers sentenced to death for trying to organize a union in the Cuban sugar fields.

AIFLD is also in the vanguard of the struggle against the Marxist-Leninist government of Nicaragua. AIFLD has been working with Nicaraguan exiles in the United States and Latin America to rally international opinion against the Sandinista regime.

AIFLD's greatest effort is in education. To date, 469,067 trade unionists have studied comparative economic systems, union leadership, collective bargaining and theories of democracy under AIFLD teachers in 17 Latin American countries. AIFLD has brought more than 4000 labor leaders to the George Meany Center for Labor Studies in Silver Spring, Md. Many graduates of the six-week course have risen high in the Latin American trade-union movement.

AIFLD has also helped establish hospitals, schools, credit unions and labor centers throughout Latin America. No project is too small. In Guyana, AIFLD representative John Heberle constructed a footbridge over a creek so children could get to school without dodging crocodiles.

Latin America's strong desire for democracy and economic aid and the efforts of AIFLD and similar organizations have had quite an impact. Six years ago, two-thirds of the people in Latin America and the Caribbean lived under dictatorships or military-dominated governments. Today, 90 percent of them live in democracies or under governments strongly leaning toward democracy.

House Majority Leader Jim Wright (D., Texas) and Rep. Jack Kemp (R., N.Y.), among our most knowledgeable legislators on Latin America, have praised AIFLD for its tireless work in fostering a democratic labor movement throughout the hemisphere. "It was the drive and commitment of Bill Doherty that made this possible," says Wright. Adds Kemp, "Freedom-loving people everywhere owe Doherty and his colleagues an eternal debt of gratitude.

INTRODUCTION OF INTERNATIONAL TRADE EQUITY AND GROWTH ACT OF 1985

HON. STAN LUNDINE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. LUNDINE. Mr. Speaker, at least 50 percent of the projected U.S. trade deficit for 1985 will be due to the inflated value of the dollar when compared to other major international currencies. Earlier this month, I introduced legislation to establish a short-term program to address our exchange rate problem. It mandates intervention in international currency markets to help bring the value of the dollar down gradually and creates a strategic capital reserve in the Department of Treasury to provide short-term stability in exchange rates movements.

Today, I am introducing legislation which seeks long term fundamental reform of our international monetary system. The bill I am introducing today, in cooperation with my colleagues, Mr. GEPHARDT and Mr. BONKER, mandates that President Reagan immediately take the leadership in calling for an international conference to reform the international monetary system. The bill requires Congress to withhold authority for another round of trade negotiations under the GATT until an international conference on monetary reform is convened.

I believe that the international monetary system is in serious need of reform. Such reform should move hand in hand with the effort to complete another round of trade negotiations under the GATT. To proceed with another GATT round without monetary reform is like stepping on an accelerator and brake at the same time. GATT talks cannot liberalize trade while monetary exchange is retarding it.

Since the world adopted floating exchange rates 12 years ago, the volatility of the dollar's exchange rate against the 10 major foreign currencies has substantially increased. Between 1976 and 1978, the dollar declined by 20 percent until it was halted by intervention by the Carter administration in the international currency markets. After a 21-month plateau, it then rose by an unprecedented 60 percent from mid-1980 to early 1985. Finally, we seem to have topped out, and are once again trying to use some limited intervention to push the dollar down to a more acceptable level. But the dollar remains 30 to 40 percent overvalued against other currencies. Long-term reform is needed to appropriately adjust and stabilize international exchange rates.

When the world was under a system of fixed exchange rates, the commitment to defend exchange rates made it difficult for countries to freely pursue their domestic economic objectives. Theorists and practitioners alike expected that floating exchange rates would enable countries to maintain rough balance in their international trade accounts while still affording them flexibility to pursue domestic economic objectives. They were wrong. What they failed to perceive adequately was the very large and independent role that capital flows would play in determining exchange rates, and the negative impact this would have on the trade accounts.

It is time to reassert some control over exchange rate patterns. We must find new ways to cooperate to provide greater stability in exchange rate patterns. Some have advocated a system of target zones or

crawling pegs whereby currency values would only be allowed to fluctuate within an internationally agreed-upon range before triggering intervention or other actions by trading nations.

Reasserting control will involve domestic economic tradeoffs to a greater degree. It may mean that the United States must reduce its budget deficit to lower U.S. interest rates and reduce the capital attraction to the U.S. market. It probably means that the Europeans and Japanese must accelerate their economies. It may mean greater liberalization of the Japanese capital markets. Some have even suggested that it may mean the creation of an entirely new international currency.

I think all of us welcome the recent initiatives by the Reagan administration which for the first time in 5 years acknowledge that the inflated value of the dollar is distorting international trade patterns and costing the United States jobs and markets. But the recent Reagan initiative is a beginning, not a conclusion of what must become an ongoing process of short-term actions leading to long-term fundamental reform.

To achieve competitive equilibrium and stability in international exchange rates will require reform of our international monetary system. For the last 5 years, dollar exchange rate trends have perplexed economists and policymakers in all nations. It is unhealthy for the world trading system to be subjected to such uncontrollable and unpredictable trends in our exchange rate patterns. For sure, more and more protectionist actions will be the only recourse of nations whose trading patterns are distorted by artificially inflated currencies. Tieing another round of GATT negotiations to a parallel international negotiating effort on exchange rates makes sense politically and economically. I urge you to join me in urging adoption of this bill to demonstrate our commitment to stable and reasonable exchange rates.

IN RECOGNITION OF THE HOLOCAUST MEMORIAL MUSEUM

HON. H. JAMES SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. SAXTON. Mr. Speaker, I was very pleased today to attend the groundbreaking ceremony for the Holocaust Memorial Museum, and I was pleased to see the hard work of many people coming to fruition.

Mr. Speaker, this is a significant day, as the museum will serve as a reminder for generations to come of the awful manifestation of man's inhumanity to man that took place during the Holocaust. Remembrance of the Holocaust teaches us that racism of any kind is a curse to all mankind.

It was for that very reason that I sponsored legislation in the New Jersey Assembly in 1979 which eventually provided for an educational curriculum on the Holocaust in my home State. I believed then, as I believe now, that our children must know the full history of the Nazi rise to power, and the resulting horrors perpetrated against humanity.

And, I would like to invite my colleagues here in the House to join me in cosponsoring House Concurrent Resolution 133, a bill expressing the sense of Congress that each State should develop a curriculum for instructing schoolchildren in the history of the Holocaust. In this way, we can provide future generations the insight to prevent such travesties from ever occurring again.

MICKEY LELAND'S WAR ON HUNGER

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. RANGEL. Mr. Speaker, I rise to pay tribute to the very fine work of our distinguished colleague, Congressman MICKEY LELAND of Texas. I would particularly like to bring his dedicated work as chairman of the Select Committee on Hunger to the attention of the House.

Hunger does exist in our country. It may be found in our cities, in our rural areas, and deep in the mountains of Appalachia. It does not take on the horrible magnitude of the famine in Africa or the desperate struggle for survival in the Indian subcontinent. But, Mr. Speaker, it is a reality for many of our fellow Americans.

We are the wealthiest nation on Earth, and yet we have millions of poor people. We grow more food than any nation, and yet we have children who go to bed hungry at night. There is no excuse for this situation, Mr. Speaker.

Congressman LELAND has committed himself to eliminating hunger in the United States and abroad. He is to be commended for his efforts on behalf of those who would otherwise have no one to champion their cause. He is a true humanitarian and deserves the highest praise and recognition.

I would like to enter the following article for inclusion in the CONGRESSIONAL RECORD:

[From the Washington Post, Sept. 27, 1985]

LELAND AND THE WAR ON HUNGER

FOR THE TEXAS CONGRESSMAN, AN ACTIVIST'S PATH

(By Jacqueline Trescott)

Rep. Mickey Leland (D-Tex.) was in an Ethiopian refugee camp, standing at what he calls "the end of the Earth." An official was explaining the desolation; Leland was looking at it.

"I was asking him about this little girl who looked to be about 70 or 80 years old—a skeleton of a person with a thin layer of brown skin draped on her, who had just a faint breath of life in her," says Leland, speaking slowly, with a sorrowful resonance. "While I was talking to him, she died. I can see her face right now. Every day I see her face."

The girl was 14.

Filled with hopelessness and impatient with the talk of statistics and plans, Leland walked away from the visiting congressional delegation. Then he ran into a child who spoke English and who wanted to know his name. "He started repeating 'Mickey, Mickey,'" recalls Leland. And in that instant, Leland found a way to "give them some good feelings about themselves." The U.S. congressman and the Ethiopian children chanted together. First, "Mickey, Mickey" for about 30 minutes. Then a kid yelled "Disco," and a new chant echoed around the barren camp.

By this point the entire delegation was watching the exchange of instant love. "Then I said 'I,' they said 'I,' I said 'love,' they said 'love,' and I said 'you' and they said 'you.' They were happy kids at that point," says Leland, 10 months and 7,000 miles away in a congressional dining room, recalling the moment he gained "an even larger heart."

In the past year, the 40-year old four-term congressman from Houston has applied what his friends call his "humanity" to influential tasks as chairman of the House Select Committee on Hunger and of the Congressional Black Caucus, which is holding its annual legislative weekend through Sunday. "I am now an activist on behalf of humanity everywhere, whether it is in Ethiopia . . . South Africa . . . Chile . . . in any part of the world where people are desperate and hungry for the freedoms and rights they serve as human beings," he says. "That is my community, that is my battleground."

But Leland's world is not limited to the 1980s wars on hunger. He also plunges into more politically risky business. He currently opposes the U.S. Conference of Bishops in their support of an antiabortion amendment to the proposed Civil Rights Restoration Act of 1985; Leland, a practicing Roman Catholic, says the fight causes him "a terrible internal struggle." He is the member of Congress closest to Fidel Castro and has been an emissary of the State Department to the Cuban president; "White I disagree with his fundamental ideology . . . I respect him for his intellect," he says.

In the 1984 presidential primary, he supported former vice president Walter Mondale over the Rev. Jesse Jackson, a position that angered many black colleagues and ultimately cost him his post as chairman of the Democratic National Committee's black caucus; he says he "still has the scars." He has bicycled through Israel, sends Houston youngsters to a kibbutz and describes himself as a "staunch friend of Israel," but he says he is also for the self-determination of the Palestinians. He has tangled repeatedly with television executives over off-camera employment and the image of minorities in prime-time programming, and with the Federal Communications Commission over affirmative action policies in the industry. A full year before Diahann Carroll and Billy Dee Williams showed up on "Dynasty," he grilled ABC executives about why the show didn't have any black characters. Now he is livid with Williams for saying his recent roles weren't due to any pressure.

In the Washington places where criticism of a liberal politician like Leland naturally breeds, he appears to have ruffled few feathers. "We vote 100 percent different," says Rep. Jack Fields (R-Tex.), but "we are able to dialogue and I find it ironic that I am teaching him how to play basketball." Rep. Bill Emerson (R-Mo.), a conservative who voted against forming the Hunger Committee but later joined it, says, "We agree on the problems. We disagree on most

of the solutions, but we do talk about those issues."

But some of his colorful retorts have angered Black Caucus colleagues. Earlier this year, for example, Roland Burris, an Illinois politician, was defeated in the black caucus of the DNC he ran for party vice chairman. Paul Kirk, the chairman of the DNC, then let the full DNC vote on the job and Burris won. "Burris let himself be used," says Leland, who says he supported Burris in the caucus but felt Burris should stand by the caucus' vote. In a press conference after the February vote, Leland used the analogy of the loyalty house slaves felt toward plantation masters. A reporter asked him what he was trying to say and Leland recalls saying, "The conventional term is Uncle Tom" "They are the ones who called him an Uncle Tom," he says. "I didn't . . . I opposed what Burris had done. And if the shoe fits wear it."

"I am not a conventional politican—by no means," he says.

Leland grew up in a working class neighborhood of Houston. He says he learned his values from the sacrifices of his mother, a teacher who had put herself through school working as a short-order cook.

Health and hunger issues aren't new to him. As a pharmacy student at Texas Southern, Leland was attracted to the work of the Medical Committee for Human Rights, a group of health professionals who established free health clinics, and the Black Panther Party, which was giving free breakfasts to school children and operating free clinics. He led a student group to invite Stokely Carmichael and other young civil rights leaders to campus. "They were expressing the anger and anguish of black people at that time. They were the ones who would step up and be bold enough to challenge the white establisment. I was impressed with that," says Leland.

Houston, which was not in the vanguard of civil rights and antiwar activities, was surprised at this emerging leader, who formed a group called The Black Community Action Team—or The Black Cats.

His political influences—which ranged from Malcolm X to writer Amiri Baraka to Tanzanian president Julius Nyerere—along with his look at the time—dashikis and a seven-inch Afro—naturally led to his being labeled a radical. "I never considered myself to be radical because I fought for the rights of human beings," he says. In the years between college and politics, he helped establish three health clinics in Houston and then taught at Texas Southern for a year.

In 1972 Leland began to focus on establishment politics as a continuation of his activism and won his first race for the Texas House of Representatives. In Austin, he championed health issues, battling the pharmaceutical lobby by pushing for a generic substitution bill and for legislation to make it harder for kids to buy over-the-counter cough medicine, which they were using as a stimulant.

But his impact was broader than the issues he focused on. "He could legitimately have been called a focal point in changing attitudes toward minorities. He showed that minorities in Texas were a coming political force," says Rep. Ronald Coleman (D-Tex.), who shared a desk with Leland in Austin.

When former Texas representative Barbara Jordan announced she was retiring, Leland decided to go for the national arena. "The legislature had closed in on me." So the summer he had planned to spend on a kibbutz he ran for Congress instead, and at age 33 beat two more-established politicians.

In the 13 years Leland has been an elected politician, he has developed a reputation for coalition building. "There are people inside [the House] who are more effective. But Mickey just needs more time in a day. His strength is in building that network inside and out," says Rep. Bill Richardson (D-N.M.) A close friend, Richardson talks about Leland's hyperactivity. "When we are both in town on Saturdays, we have gone to see three movies in a day to catch up with the way normal people live. One time we saw 'Rambo,' 'Missing in Action' and 'Back to the Future.' Mickey works and plays hard and he is effective both ways."

Leland started to advocate a caucus on world hunger when he joined Congress in 1979. At first he ran up against a stone wall. He was opposed by people who thought another select committee was crazy. And he was opposed by congressmen who thought he was infringing on their turf of foreign relations, agriculture and appropriations. He kept trying.

After four years, when even the horrors he described from a 1983 trip to Ethiopia didn't sway the sentiment, Leland, as he puts it, "went to the people." He rallied all the organizations that had hunger issues on their portfolio. Then he called in the celebrities, such as John Denver, Valerie Harper and Cliff Robertson. Then Speaker of the House Thomas P. (Tip) O'Neill Jr. lent his prestige. Finally turf was being threatened to be members of the caucus. Authorized in the spring of 1984, the committee in one year has provided the momentum and visibility that resulted in $800 million appropriated for famine relief.

In the range of telecommunications issues Leland has advocated, be has met greatest resistance on his push for stricter hiring percentages for minorities and women. "Two or three years ago, he wanted more stringent percentages of minorities and women for all jobs. Our position was that the commission's guidelines were adequate," explains John Summers, executive vice president, government relations for the National Association of Broadcasters. "But he is a good advocate for what he believes in. On an issue like that we understand where he is coming from."

But some groups feel Leland's work on the important House Energy and Commerce Committee hasn't gone far enough. "They have been jumping up and down about minority ownership and employment. But we work with these companies every day, we are always pressuring. His efforts could have been more effective if he worked with us on a regular basis," says Pluria Marshall, the president of the National Black Media Coalition.

Yet it is in lobbying for minority ownership that Leland has had his greatest success. Earlier this year when Capital Cities Communications announced it was buying the American Broadcasting Companies Inc., Leland initiated a meeting of Cap Cities executives and minority investors to discuss any acquisitions by minorities or women. As a result, a television station and two radio stations are minority-owned.

The Black Caucus, currently 20 Democratic members, has a role magnified beyond its numbers. It is regarded as representing a national constituency and acts as spokesman on a realm of topics touching minority America.

Traditionally, the Caucus has boxed vigorously with the White House, whether its residents were Democrats or Republicans, and more often than not the Caucus has found itself shadow-boxing.

That's true in the Leland regime. President Reagan hasn't met with the Caucus since 1981, but Leland met with him last December to discuss famine relief after the congressional trip to Ethiopia.

"He immediately upon our request diverted a ship that was going to India with food to Ethiopia. I was really happy—for the first time proud—that President Reagan was our president. He was far greater concerned than I had seen him on any issue dealing with human beings. That was a rare occasion, I might add," says Leland.

Otherwise, he says, the relationship between the Caucus and the White House is "very bad"—then reconsiders and continues—"It is not bad, it is not good, it is nonexistent." Not meeting with the Black Caucus, says Leland, "is past being just insensitive. It is an evil character who refuses to spend time with people who have a deep abiding concern about humanity when we are in severe jeopardy."

Each fall the Caucus sponsors a five-day round of panels, hearings, speeches and receptions. It's an unusual effort for a congressional body, and the events attract at least 10,000 people each year. They come here to listen, they come here to help us develop agendas for the next year," says Leland.

Some find romance. At the Caucus weekend three years ago, Leland met Alison Walton, then 24 and a Georgetown University law student. Nine months later they were married. "Well, I wasn't about to marry an older woman," he says archly of the teasing that came because of the couple's age difference. Leland, who looks both impish and handsome, was considered quite a catch. He is broad-shouldered and muscular with just enough swagger to give his Giorgio Amani suits some personal flair. He has an expansive smile and his light green eyes have that "who-are-you-kidding" skepticism.

Right now, the anticipation of fatherhood for the first time early next year makes Leland come alive even more than global questions. "One of the happiest occasions of my life was getting married and the knowledge I am going to be a father. I have always wanted to be a father," says Leland, who used to memorize the names of all the children of the fellow members of the Texas legislature, worked in the Big Brother program with a teenager in the Shaw area of Washington, and is trying to get a posthumous Presidential Medal of Freedom for David, the Houston youngster who spent most of his life living in a bubble.

His interest in young people seems constant. A few nights ago, outside Sen. Claiborne Pell's (D-R.I.) home, Leland struck up a conversation in Spanish—which he has used on the House floor—with a student parking cars. "When he said he was from Puerto Rico, Mickey said, 'Did you know Raul Julia is inside?' The student's eyes just lit up and Mickey took the guy back inside," recounts Alison Leland. "I turned to someone and jokingly said, 'This kid is probably coming over for dinner tomorrow night.' When he got in the car Mickey said, 'We are having dinner together on Sunday.' "

CHINESE CHAMBER OF COMMERCE 80 YEARS OLD

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. GREEN. Mr. Speaker, I rise today to acknowledge and congratulate the Chinese Chamber of Commerce of New York on its 80th anniversary this month. Economically and culturally, the Chinese community has contributed enormously to the city of New York, and a great deal of hard work and successful enterprise can be attributed to the work of the chamber.

The work of the chamber is very evident in the prospering sections of commerce, international trade, and manufacturing. The chamber has been instrumental as a communication link between the city and merchants in the Chinese community. The chamber works very hard to educate Chinese merchants on American business relations offering, among other things, workshops and seminars.

Again, I congratulate the Chinese Chamber of Commerce on its 80th anniversary, and I applaud its valuable services not only to the Chinese community, but also to the city of New York.

STRATEGIC TRADE INITIATIVE

HON. SHERWOOD L. BOEHLERT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. BOEHLERT. Mr. Speaker, I rise today to urge my colleagues to support the Trade Partnership Act of 1985—the first comprehensive package designed to reverse the deterioration of our trade balance.

I call this bill the strategic trade initiative: it is an innovative, forward-looking alternative to the mutual assured destruction that will befall our Nation and our allies if we invoke protectionism and provoke trade wars.

Instead of repeating the mistakes of the past, the strategic trade initiative seeks to build our exporting capability, while making it easier for companies that face unfair competition or trade barriers to gain relief.

It is a constructive approach rather than a destructive one.

And the strategic trade initiative also recognizes the plight of workers who have already lost their jobs to import competition or who will as industry adjusts to the more competitive environment.

By continuing trade adjustment assistance, this bill will ensure that these workers are not just cast off and forgotten. They must be retrained for jobs in growing industries.

As an aside, let me once again commend the attention of my colleagues to the Individual Training Account Act Congressman DURBIN and I have introduced. The bill would set up a broader, employer- and employee-funded job training program.

The strategic trade initiative would provide a comprehensive shield for the American economy, fending off unfair competitors, opening foreign markets, building exporters and aiding workers. Those are goals Members on both sides of the aisle share. I hope we can work together to achieve them through this bill.

THE 30TH ANNIVERSARY OF FAIRLEIGH DICKINSON UNIVERSITY SCHOOL OF DENTISTRY

HON. ROBERT G. TORRICELLI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. TORRICELLI. Mr. Speaker, I rise today to commemorate the 30th anniversary of the Fairleigh Dickinson University School of Dentistry in Hackensack, NJ. The university will be celebrating this milestone with a reception to be held on October 16, 1985. I could not allow this occasion to pass without officially going on record to honor the faculty, administrators, and students associated with the school of dentistry.

Since it opened with its first class in 1956, New Jersey's only private dental school has educated more than 1,500 students, many of whom practice in the State. Another 300 students, most of them State residents, have become specialists after earning postdoctoral degrees at the school.

Thousands of patients, including children, the handicapped, and the elderly, have benefited from the school's clinical services. In addition to the 195-patient chairs at the school, there are more than 50 chairs in satellite clinics that serve an urban school district, a prison, several hospitals, and a physical and mental rehabilitation center.

On the occasion of the 30th anniversary of the school, I particularly wish to recognize the work of Dr. Ralph S. Kaslick, dean of the dental school, Dr. Anthony Picozzi, director of development and professional relations, and F.D.U. president, Robert H. Donaldson. I am proud to commend them for their many years of public service and am pleased to acknowledge their accomplishments on this special occasion.

It is important that we continue to support academic institutions such as the Fairleigh Dickinson University School of Dentistry in Hackensack. Their commitment to service and development should be an example to us all.

HONORING WINNERS OF YOUNG PRESIDENT'S ORGANIZATION CONTEST ON "EXPLORING FREEDOM AND DEMOCRACY"

HON. BOBBI FIEDLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Ms. FIEDLER. Mr. Speaker, I rise to call the attention of the House to the accomplishment of four very outstanding young people. They are the grand prize winners of the essay contest sponsored by the Young President's Organization, a contest that over 15,000 fifth and sixth graders entered. The Young President's Organization is awarding the winners a $5,000 scholarship bond and a personal computer in honor of their achievement. The topic for these essays was "Exploring Freedom and Democracy."

I congratulate Shane W. Finkel of Plymouth Valley, PA; Christopher Matthew Peter of Quincy, IL; Christopher J. Dall of Lavaca, KA; and Jason Hunsberger of Boise, ID; for their incisive essays on the concept of freedom.

We can all commend this youthful appreciation of the principles on which this country was founded, and the hope it expresses for the future of this country. The four winners and their parents can be justly proud of their accomplishment.

H.R. 3008

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. GEKAS. Mr. Speaker, I would like to take this opportunity to clarify why I decided to withdraw the amendment I had offered to H.R. 3008, the Equitable Pay Practices on the Civil Service Act, on Wednesday, October 9, 1985, when this legislation was considered by the House of Representatives.

As you know, H.R. 3008, as passed by the House of Representatives, establishes a study to determine whether Federal pay practices impermissibly consider factors such as an employee's sex or race. The meaning of these terms is well understood in employment discrimination law. In fact, both terms are used in title VII of the Civil Rights Act of 1964. But, H.R. 3008 goes on to add a new term which doesn't appear in the Civil Rights Act. The word is "ethnicity." This is a new term. Section 10 of H.R. 3008 defines the term "ethnicity" as used in this bill by stating it "refers to the quality of being, or not being, of Hispanic origin."

I assume that the term "ethnicity" as used in this context means that a person's ethnic background may not be used as a factor in setting that person's pay. I, of course, have no quarrel with that principle. In title VII law, however, the term we use to express this principle is "national

origin." That is, no person should be discriminated against because of his or her "national origin."

I felt that this bill should also use the term "national origin" rather than inventing a new term, "ethnicity." But, if the bill is going to use this new term, it should be defined in the same manner as national origin, rather than the contrived definition which the bill now contains. Thus, I had intended to introduce my amendment which would have amended that portion of section 10 stating that "'ethnicity' refers to the country where a person was born or the country from which his or her ancestors came."

This country includes many people of many different ethnic backgrounds and many national origins. Yet, with great insensitivity, H.R. 3008 defines away all of these ethnic backgrounds and tries to make the term "ethnic" a synonym for the word "Hispanic." I think that it is offensive to many people in our country, both Hispanics and non-Hispanics, for Congress to define ethnic background as meaning only "Hispanic."

I had intended to offer my amendment which would change the definition of "ethnicity" to be the same as the definition of "national origin" used in title VII of the Civil Rights Act. However, it was brought to my attention during my discussion with Ms. OAKAR when I was introducing my amendment that the term "national origin" had been previously clarified to mean all nationalities that have been historically discriminated against. This clarification occurred when Mr. SIKORSKI offered an amendment to expand the bill to include a study in the Federal Government of hiring and promotion policies with regard to discrimination on race, sex, and national origin. The discussion that transpired between Mr. LIPINSKI and Ms. OAKAR regarding the definition of "national origin" can be found on page 26937 of the CONGRESSIONAL RECORD of Wednesday, October 9, 1985. Mr. LIPINSKI determined with Ms. OAKAR at that time that the meaning of the term "national origin" as used in Mr. SIKORSKI'S amendment would include individuals of all ethnic backgrounds that have been historically discriminated against, not just Hispanics.

It is therefore my understanding that the amendment as offered by Mr. SIKORSKI and as accepted by Ms. OAKAR would adequately satisfy my concerns that a person's ethnic background may not be used as a factor in setting that person's pay. If I find at a later date that the amendment offered by Mr. SIKORSKI does not adequately clarify that concern I was addressing with my amendment, I will attempt to see that this point is clarified legislatively when the bill is discussed in the Senate.

A TRIBUTE TO JOSEPH COOPER

HON. JOE KOLTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. KOLTER. Mr. Speaker, today I rise to salute an individual who has tirelessly served the New Castle community of the Fourth District of Pennsylvania.

Dedicated to the betterment of education and improvement of the school system, Mr. Joseph Cooper has been a member of the New Castle Area School Board for over 28 years. In addition to the position of vice president of the New Castle Area School Board, he has been a member of the Lawrence County Area Vocational Technical School Board since 1964 and president since 1978, as well as president of Midwestern Intermediate Unit 4 Board in Grove City, PA.

It is surely with sadness that friends, neighbors, and coworkers see Mr. Cooper, who has sat on the New Castle Area School Board longer than any other member, serve in his last year.

Since he was first elected to the board, Mr. Cooper has witnessed the growth and decline of the district. When first sworn in as a board member, the district, faced with a wave of enrollments, was building new schools. It was a prosperous era—a healthy economic environment, no teacher strikes, and rigorous athletic programs.

Now, the district is consolidating, having closed one school and considering the closing of others, due to a decline in enrollment. Mr. Cooper acknowledges that closing a school is one of the most difficult, yet necessary, decisions a director may have to make.

In addition to his steadfast commitment to the school board, Mr. Cooper has been dedicated to the athletics programs, as well. As chairman of the athletic committee, his influence on the system has been pervasive. He was largely responsible for the head football coach appointment at New Castle of Lyndo Lauro, who has brought back the winning tradition established by former coach Philip Bridenbaugh. For years, Mr. Cooper helped line the field before home games and handled the yard markers during the games. A loyal spectator, he has attended all New Castle High School football and basketball games in the past 50 years, except the ones he was too ill to attend.

The long-time efforts and accomplishments of Mr. Cooper have benefited the schools of the New Castle area. The community will certainly miss his knowledge and experience. I am proud to share with my colleagues, Mr. Speaker, the achievements of such a fine and dedicated individual as Mr. Joseph Cooper of the Fourth District of Pennsylvania.

CONGRESSIONAL SALUTE TO UNITED CEREBRAL PALSY ASSOCIATION

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. MATSUI. Mr. Speaker, I would like to call your attention to the Sacramento-Yolo/Mother Lode Chapter of the United Cerebral Palsy Association, which is celebrating its 30th anniversary of inspirational service to the disabled citizens of the Sacramento metropolitan area on October 24, 1985.

This fine organization's dedication and concern is exemplified through the many high quality programs and services it offers to the community. Among them are the community living arrangements, services and programs, and independent living skills training program for disabled adults. Respite care is also available to the families of disabled persons to relieve parents and allow them time outside the home. A daily transportation service takes 160 disabled individuals to various educational and vocational training programs. Adult growth experience offers severely retarded adults classroom training in basic self-help skills and verbal and nonverbal communications.

In addition, the Cerebral Palsy Guild sponsors a car seat rental and sales program to prevent cerebral palsy due to head injuries children receive in automobile accidents. The association also conducts an annual telethon to raise funds to continue and expand its programs. All of these activities help to educate and inform the entire community on the challenges and the potential of disabled persons.

Mr. Speaker, I would like to congratulate and commend the United Cerebral Palsy Association for its many years of outstanding service and its ready willingness to help others who are less fortunate strive to return to productive and meaningful lives. I salute all of the association's hard work and offer my best wishes for continued success in all of its programs and services.

GOOLCHER GRAZIER: A MARYLAND ARTIST INTRODUCES A NEW ART FORM

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. DYSON. Mr. Speaker, I would like to bring to the attention of my colleagues in Congress a truly unique artistic achievement born of the inspired and creative efforts of a fellow Marylander, Ms. Goolcher Grazier. On September 9, 1985, at the Robinson Gallery in New York City, Ms. Grazier, a native of Bombay, India, and now an American citizen who resides in Berlin, MD, combined for the first time

ever music and still art—with a cassette on the frame, the music to play at the touch of a button.

For her first art-music creation, Ms. Grazier chose her painting, "Banyan," a close view of the Banyan and Pipul trees of India, intertwining in a forest of central India. The original music composed especially for "Banyan" comes from internationally reknowned jazz bassist, Bill Goodall. Speaking of his contribution to this new art form, Mr. Goodall had this to say: "Goolcher's 'Banyan' inspired me to compose an original composition whilst looking at the painting—its colors radiating and stirring my brain to move my fingers in notes, tones, and chords to create a whole impression."

Ms. Grazier's concept in "Banyan" is a source of genuine pride for many of us in Maryland's First Congressional District. It takes a very special type of person to traverse new territory, to act on new ideas. So, Mr. Speaker, it is with great pleasure that I commend Ms. Grazier for developing this new and exciting art form.

A CONGRESSIONAL TRIBUTE TO ROBERT C. McGRATH

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. ANDERSON. Mr. Speaker, I rise to pay tribute to Robert C. McGrath, whose work as financial secretary of local 120 of the Bakery, Confectionery & Tobacco Workers International Union will be honored at a retirement dinner in Long Beach, CA, on October 24.

Born in Seattle, WA, Bob joined the U.S. Navy in 1941 and was at Pearl Harbor on the "day that has lived in infamy." He saw the battleship *Arizona* go down. After serving for the duration of World War II on a destroyer tender, Bob went to work as a baker in San Francisco. In remembrance of his experience, he also became a member of the Pearl Harbor Survivors Association.

In February 1958, Bob joined the Bakery, Confectionery & Tobacco Workers International Union, and by September, he became financial secretary of local 120 in Stockton, CA. Bob came to local 31 in Long Beach in April 1962 and served as financial secretary of this local until his retirement.

Although he will continue to be active in the community, Bob will now have more time to enjoy his hobbies of reading, traveling, and horticulture.

My wife, Lee, joins me in wishing Robert C. McGrath, his wife, Bette, and his two sons, Claude and Terry, continued success in their future endeavors.

PERSONAL EXPLANATION

HON. BOB LIVINGSTON

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. LIVINGSTON. Mr. Speaker, because of pre-existing commitments to my constituents, I was unable to be present for votes last Friday, October 11.

Had I been present I would have supported all efforts to enact the Gramm-Rudman-Mack-Cheney Deficit Reduction, Balanced Budget Plan. Since no vote on that specific issue was permitted, I would have voted for the Michel motion to instruct the House conferees to promptly report amendments to the Budget Control and Impoundment Act which provide mechanisms for deficit reductions, including specific and mandatory budget goals for achieving a balanced budget within the next 6 years.

TRIBUTE TO COACH HERSHEL MOORE

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. GORDON. Mr. Speaker, I would like to take this opportunity to commend the work of an outstanding citizen and coach.

For 35 years, Hershel Moore has worked with young men in middle Tennessee and they will gather to honor him October 18 with special homecoming festivities.

His players have been very successful both on and off the field and are a testament to his dedication and integrity.

Many of Moore's players have said that they learned "a lot more than just football" from him. He does not measure success just by the number of games a team wins, but in each team's ability to work together and in each athlete's efforts to achieve academic and athletic excellence.

Historian Henry Brooks Adam once wrote that "a teacher affects eternity; he can never tell where his influence stops." Coach Moore is one of those rare individuals who has deeply affected the lives of hundreds of students and we are fortunate to have him in our community.

I know that my colleagues join me in saluting this fine coach who has given not only of his time, but his spirit, to help shape middle Tennessee's young men into conscientious citizens.

IN LOVING TRIBUTE TO RONA GALLICK

HON. JOE KOLTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. KOLTER. Mr. Speaker, I rise today to pay special tribute to an especially compassionate and generous constituent of my Fourth Congressional District in Pennsylvania.

Billie Dawn Gallick of New Castle has shown her neighborliness by again hosting a second annual fashion and hair styling benefit show for the Hospice of St. Francis Hospital in New Castle, PA.

For the second year, Billie Dawn Gallick has performed this tribute to honor her sister Rona, who succumbed to cancer at age 30, following the best of care at St. Francis' Hospice during the last month of her life, which ended January 22, 1984.

I commend Billie Dawn Gallick for her loving and caring ways, and for devoting her energy throughout the year, to this worthy fundraising cause.

As coordinator of this fashion gala to support hospice and help others—such as her sister—she also helps hospice patients face their future with faith and dignity.

Billie Dawn Gallick's fundraiser enables her and the other employees of her hair-styling salon to donate their time and energy creating outstanding hair styles for models who will display the latest clothing fashions.

The clothing for the fashion show will be provided by The Duchess of West Gate Plaza in Union Township, Lawrence County, and Gary's Place of New Castle in Lawrence County.

Today, before the U.S. House of Representatives, I salute Billie Dawn Gallick and offer my congratulations and best wishes for success in her annual affair of the heart.

NATIONAL DICTIONARY DAY PROCLAMATION

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. GREEN. Mr. Speaker, as Representative of the district housing Simon & Schuster, Inc., publisher of America's most honored dictionary, I should like to take a moment of this Chamber's time to recognize the importance of lexicography on this, National Dictionary Day.

As noted in Webster's New World Dictionary 2d College Edition, "Americanism" is defined as "A word, phrase, or usage orginating in, or peculiar to, American English," I would like to share a number of these with my esteemed colleagues: Champ, geek, hoagie, gizmo, scuba, snafu, beeline, thinktank, clipboard, movie, cloudburst, stevedore, sidewalk, freightcar, French toast, Canadian bacon, Chinatown, English muffin, chow mein, chicken a la king, caramba, cloverleaf, coffee table, preempt, paycheck, riproaring, ripsnorting, shovelhead, teddy bear, internal revenue, sideburs, belly flop, letterman, jigsaw, bathtub, barbeque, jumbo, babysitter, chili, lacrosse, teepee, roughneck, floozy, Mickey Mouse, smog, catnap, coyote, crackerjack, and of course, caucus.

Thanks to David Guralnick, editor-in-chief of Webster's New World Dictionary

for supplying us with 14,000 Americanisms, in addition to the small sample listed above.

SOCIAL SECURITY NOTCH

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. GOODLING. Mr. Speaker, yesterday several hundred senior citizens visited the Capitol to deliver petitions in support of higher benefits for so-called notch babies—Social Security recipients who were born between 1917 and 1921.

These Social Security beneficiaries believe they are receiving lower benefits than they rightfully deserve and that they have been the victims of discrimination.

Mr. Speaker, the attached editorial from the October 11 edition of the Washington Post speaks to this issue and I urge my colleagues to read it.

"NOTCH BABIES" MARCH

Even as Congress considers deep new cuts in spending, a group of beneficiaries is planning a march on Washington to demand higher benefits. The self-styled "notch babies"—what a term!—claim that, by virtue of having been born in the years 1917-1921, they have been unjustly deprived of higher Social Security pensions. In fact, their treatment has been perfectly fair. The only unfairness is that excessive benefits were paid to slightly older retirees.

The Social Security marchers point to the fact that people in their age group are having their initial retirement benefits calculated according to a formula that is less generous on average than the one applied to persons a year or more older than they are. As a result, they claim, they are victims of a government program "notch"—a quirk in social policy that makes one group of people substantially worse off than other people from whom they differ only slightly.

The shift in program rules came about because in 1977 Congress belatedly corrected a faulty formula added to the Social Security law in 1972. That error, which involved the way benefits were adjusted for inflation, had alredy resulted in a sharp—and unintended—increase in benefits received by people retiring in the late 1970s. If the error had not been corrected, people retiring in this decade would have received benefits equal, on average, to 50 to 60 percent of their prior earnings as compared with an average rate of only 36 percent when Congress put the inflation formula into law. If this situation had continued, Social Security would have been put into permanent bankruptcy in short order.

However, by the time Congress realized what was the matter and got around to fixing it, many people had already been overcompensated. Since taking away benefits from people who already have them is very harsh treatment, Congress decided to leave alone those people who had already retired or passed the age of 62 under the faulty rules, but straighten things out for following generations—starting with the "notch babies."

Inevitably this meant that younger retirees would get somewhat less on average than those slightly older. But the marchers' claim for special compensation lacks merit because they have not received any less than they were entitled—the people before them simply got too much. Congress even included transitional rules giving the 1917-1921 generation somewhat favored treatment compared with those, with comparable earnings records, who are younger than they. In fact, like all Social Security retirees to date, the marchers can expect to receive benefits far exceeding their actual contributions. Instead of demanding extra benefits, they should be glad that Congress corrected an error that might have put all Social Security benefits in jeopardy—including their own.

LABOR ZIONIST ALLIANCE HONORS HUMAN RIGHTS LEADER MAX MONT

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. DYMALLY. Mr. Speaker, I feel it a privilege to have the opportunity to inform my colleagues here in the House that the Labor Zionist Alliance will bestow the first Tzedek Award on Max Mont, a dear and long-time friend of many in this Chamber. That ceremony will take place at the Ambassador Hotel in Los Angeles this Sunday. The award is inspired by the words of the Hebrew prophet Micah: "Tzedek, Tzedek Tirdof"—"Justice, justice shall you pursue." Those of us who know Max know exactly why this particular honor could not be bestowed on a more deserving man. Max's life has been spent in the pursuit of justice for the downtrodden.

Most people in California political life are well aware of the esteem in which Max is held by organized labor for his many years of service to the members of AFL-CIO. But I remember a Max Mont whose dedication to those without adequate representation stretches back decades. He was one of Cesar Chavez's earliest and strongest allies in the effort to bring decency to the lives of farmworkers in California. Those early efforts were hard and thankless. Attempts has been made to organize farmworkers as early as the 1920's, and always the attempts were crushed. It took people like Chavez and Mont to make the decisive difference.

Max's devotion to justice has never known bounds of color, ethnic background or border. When Martin Luther King, Jr., came to Los Angeles to help cut a nationwide swath of civil rights reform for black people, Max was right there by Dr. King's side. It was Max and people like him who helped to cement the close ties between Jewish people and black people that has survived to the present day despite efforts to break the alliance.

Members of the black legislative delegation in California, and in that delegation I include the black Members of Congress and the black members of the California Legislature, have always considered Max one of their most solid and dedicated friends. In my nearly 30 years in California politics, I cannot remember a time when Max was not there for us.

And so, it is my abiding honor to pay tribute to this selfless man, this man of justice, this man of love. The Tzedek Award is elevated in prestige by having been presented to as great a man as Max Mont.

CHARLES KRAUTHAMMER ON THE MYTH OF PLO MODERATION

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. COURTER. Mr. Speaker, the distinguished columnist Charles Krauthammer is suggesting that the diplomatic din over the *Achille Lauro* case is the reverberation of an explosion—the explosion of the myth of the PLO's moderation. That myth is an enduring one, however, and the present scandal might be forgotten by the world's opinion makers as swiftly as where so many others.

The Krauthammer essay from today's Washington Post deserves to be placed in the RECORD for just that reason: We cannot afford to forget again:

ITALY'S SHAME

Rarely has a single terrorist incident created such international commotion. The Achille Lauro affair has produced anger between Egypt and the United States, strains between the United States and Italy, a convulsion in Italy's ruling coalition, anti-government riots in Egypt and cancellation of a breakthrough meeting of the British foreign minister with the PLO. Even the General Assembly, under heavy American pressure, tabled a planned invitation to Yasser Arafat. The diplomatic din you hear is the sound of a myth exploding. The myth is PLO moderation, its vaunted turn from terror to diplomacy.

On this assumption has been built the Middle East policies (its centerpiece: engaging the PLO in the "peace process") of Egypt, Italy, Britain and, increasingly, the United States. Policies, alliances, even governments are now being rearranged not because of individual blunders or lies, but because of the logic of the situation: after the Achille Lauro, to talk of a new, moderate, post-terror PLO is to risk ridicule.

To avoid the risk, the British government took the precaution of asking the PLO delegation it was to meet with in London to sign a statement renouncing terror and recognizing Israel's right to exist. As if to confirm everything that had happened aboard the Achille Lauro, the PLO delegation refused. The British foreign minister then called off the meeting.

Not everyone decided (for the time being at least) to bend before the facts. Italy decided to send the facts to Yugoslavia. At the first available moment, it released Abul Abbas, the notorious Palestinan terrorist (the White House's phrase) who was aboard the highjackers' getaway plane that the United States diverted to Italy.

With Abbas, the PLO double game—commit terror, talk peace—is up. Here is the man sent by Yasser Arafat as an "intermediary" between civilization and the Achille

Lauro hijacker-murderers. Abbas turns out, in fact, to be the man who sent them. He turns out further to be neither a freelancer, nor a PLO renegade, nor head of a PLO "offshoot," as the chronically apologetic Western press speculated for as long as it could. He is a top Arafat aide, a loyalist whom Arafat himself placed on the PLO's highest body, its 11-man executive committee.

Why did Italy let him go? Incomprehensible, said the White House. Ever mindful of alliance sensibilities, the administration was being kind. It is entirely comprehensible.

The first consideration is fear. After a 1973 PLO attack on a Pan Am airliner at Rome airport, foreign minister Guilio Andreotti (who was then prime minister) worked out a deal with the PLO: Italy agrees not to get in the way of the PLO, and the PLO finds non-Italian targets for its terror. In case Andreotti had forgotten the arrangement, Arafat reminded him last week, warning Italy of "uncontrollable reactions" if it did not release Abbas.

A more grandiose but no less cynical consideration is Italy's diplomatic *amour-propre.* A pro-PLO policy to win the favor of the Arab states is the cornerstone of Andreotti's Medpolitik. This policy not only guarantees Italy access to oil but allows one of the weakest of the former imperial powers to puff itself up as the most influential European power in the Mediterranean. It ain't Abyssinia, but it's something. That this "power" is gained purely by appeasement—for example, acquiescing to Arab demands for releasing a criminal whom Italy was treaty-bound to the United States to hold for at least 45 days—is an inconvenient but apparently not insupportable detail.

Above all, releasing Abbas was for Andreotti and prime minister Craxi a kind of cognitive necessity. Their entire Middle East policy is built on the assumption that the PLO has turned moderate. Abbas—and his association with Arafat, sure to come out at any trial—is its refutation. Theory and fact collided aboard the Achille Lauro. Italy, not for the first time, chose theory.

The facts, after all, are intolerable. Abbas' group issued a communique in Cyprus explaining that its men had really planned to land at "Ashdod harbor in occupied Palestine" to attack "military targets." Now, Ashdod is not on the West Bank or Gaza. It is within pre-1967 Israel, the Israel that Andreotti & Co. insist the PLO is ready to accept. If Ashdod is "occupied," then all of Israel is occupied. So much for recognizing Israel's right to exist.

As for "military targets," Israelis are painfully familiar with Abbas' targets. In its most successful raid, Abbas' group kidnapped a family in Nahariya, shot the father and dashed the head of his 5-year-old daughter against a rock. The man who did this was at the top of the list of 50 "fighters" the Achille Lauro hijackers demanded released from Israeli jails.

As if to confirm the point, on the very day the U.S. Navy intercepted the hijackers' getaway plane, a booby-trapped soft drink bottle exploded in a cafe in Tel Aviv. The owner was slightly wounded. In Tunis the PLO took credit for the blast, in which, it said, "many Israeli security agents were injured." Every cafe owner, a security agent. So much of renouncing terror.

On the Achille Lauro, one man was murdered. The defense of the man who sent the killers—when not absurdly denying the fact of the murder—is that he intended instead the killing of other innocents. That is a kind of defense, a PLO defense.

What is Italy's?

DEPARTMENT OF COMMERCE LEGISLATIVE PROPOSAL

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. LENT. Mr. Speaker, I have introduced today, at the request of the administration, legislation that is intended to solve problems created by the Bankruptcy Code. This bill, which was prepared by the Department of Commerce, will complement similar legislation prepared by the Department of Transportation.

The legislation would add a new section to chapter 13 of the Bankruptcy Reform Act of 1978 (Public Law 95-598) to permit the Secretary of Commerce to foreclose on mortgages of small fishing vessels and fishery facilities financed under the Loan Guarantee Program of title XI of the Merchant Marine Act of 1936.

Title XI authorizes the Secretary of Commerce to guarantee obligations in the private market for financing or refinancing the construction, reconstruction, or reconditioning of domestic fishing vessels and fish processing facilities. The Secretary of Transportation has similar authority for other U.S.-flag commercial vessels.

Prior to enactment of the Bankruptcy Code, the Secretaries of Commerce and Transportation could foreclose on vessel mortgages of debtor shipowners who filed for bankruptcy if such foreclosures were deemed to be in the best interest of the United States. The Bankruptcy Code eliminated the authority of the Secretaries to foreclose on the mortgages in a timely manner while the vessel owners are before the Bankruptcy Court. Although section 1110 of the Bankruptcy Code partially exempts a limited class of parties with security interests in common carrier aircraft and certain inland and domestic vessels from the automatic stay provision (11 U.S.C. 362), the exemption does not extend to the secured interests of the Secretaries under the title XI Loan Guarantee Program.

The administration, through the Department of Transportation, has proposed legislation to restore some of the protection accorded the Secretaries in the administration of the Title XI Program prior to enactment of the Bankruptcy Code. That bill, which I have also introduced today, would amend chapter 11 to extend partial immunity from the automatic stay to creditors with preferred ship and fishery facilities mortgages.

The proposed amendment to chapter 11 would provide protection for the Government's interests only in cases of business reorganization covered by that chapter. It would not solve an additional problem unique to the fisheries Title XI Program regarding bankruptcy cases filed under chapter 13.

The primary purpose of chapter 13 is to allow individuals to develop a plan for repayment of their debts over an extended period of time. Sole proprietorships and so-called mom and pop businesses are eligible for the protections of chapter 13, including the automatic stay provision, if their noncontingent, liquidated, unsecured debts are less than $100,000 and their noncontingent, liquidated, secured debts are less than $350,000.

The vessel ownership under the Department of Transportation program are not eligible for chapter 13 filings because their levels of secured and unsecured debts are too high; however, many Department of Commerce fishing vessel ownerships and fishery facility ownerships are eligible for chapter 13. For example, almost every fishing vessel in the Gulf of Mexico and the southeastern shrimp fleet, as well as portions of other fishing fleets, would qualify for chapter 13 coverage, and many of the vessels are owned by individuals. The shrimp fleet is heavily financed by Department of Commerce title XI guarantees. If chapter 11 were amended to allow the Secretary to foreclose on ship and fishery facility mortgages, owners who are eligible for chapter 13 filings could avoid repossessions under chapter 11 by filing for bankruptcy under chapter 13.

The legislative changes to chapter 13 and to chapter 11 are necessary to protect the interests of the Federal Government specifically in the administration of the title XI.

PERSONAL EXPLANATION

HON. JOHN E. GROTBERG

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. GROTBERG. Mr. Speaker, due to a commitment in my district, I was not present and voting when the House agreed to the Michel motion to instruct House conferees on House Joint Resolution 372, increasing the statutory limit on the public debt. The instructions called for the conferees to promptly report amendments to the Budget Control and Impoundment Act which provide mechanisms for deficit reductions, including specific and mandatory budget goals for achieving a balanced budget by fiscal year 1991. Had I been present, I would have voted "aye" on the motion to instruct.

THE HIGH COST OF EDUCATION

HON. PAT SWINDALL

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. SWINDALL. Mr. Speaker, autumn is a season which brings several time-honored occurrences to mind such as football games and falling leaves. Yet for many people with school-age children, fall signals the return of a steadily increasing financial burden—the cost of education.

The annual average cost of sending one child to college in the 1984-85 academic

year was $4,881 for public schools and $9,022 for private institutes. As for private elementary and secondary schools, the average cost of tuition last year was $1,029.

Few citizens make enough money to afford such high costs, and because of our current tax policy, it is extremely difficult for parents to plan ahead to save money for their child's education. Over the years the Federal Government has extended a helping hand to students, particularly college students, by establishing several student aid programs. However, this student aid has cost the Federal Government a staggering $12 billion in 1984 alone, and still not all students who sought this aid qualified.

Where should we turn to find a solution? Some suggest that we turn to the Government and expand our Federal aid program. Yet, with the 1985 Federal deficit looming at over $200 billion, increasing Federal aid hardly seems a viable solution.

Because of my commitment to making quality education available to our future generations and because I believe families ought to bear the primary responsibility for educating our Nation's young people, I am today introducing legislation to help American families plan for their children's education.

My legislation will create a method whereby individuals may set aside money in a nontaxable savings account to be used for any child's future education. Similar to an individual retirement account, an individual education account allows tax deductions for money set aside in a savings account for a child's future education. This legislation will provide all Americans, including those in middle and lower income families an incentive to save for their children's education and, at the same time, will encourage a real increase in savings for economic growth.

According to the provisions of my individual education account bill, relatives, friends, neighbors or any interested individual can contribute up to $3,000 annually to be used for elementary, secondary, or postsecondary education expenses.

One of the most appealing aspects of the individual education account which I am proposing is that it is equally beneficial to families who have children in public and private schools.

Passage of this legislation would not only give Americans the freedom to educate their children as they see fit, but would grant them that right without further burdening the Federal budget.

CONGRESSIONAL SALUTE TO HON. JOHN A. GIRGENTI OF NEW JERSEY—1985 MAN OF THE YEAR

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. ROE. Mr. Speaker, on Saturday, October 19, residents of the city of Paterson, my congressional district and State of New Jersey will join with the congregation of St. Gerard R.C. Church in testimony to an outstanding community leader, distinguished citizen, and good friend, Hon. John A. Girgenti of Paterson, NJ, whose standards of excellence throughout his lifetime have earned him the highly prestigious citation of merit award of St. Gerard's parish—the Man of the Year. I know that you and our colleagues here in the Congress will want to join with me in extending our warmest greetings and felicitations to him and his good wife Rose upon this milestone of achievement in their family endeavors.

Mr. Speaker, there is much that can be said of John Girgenti and his most dynamic and active leadership in public affairs. Since his election in 1978 to the New Jersey State General Assembly he has been reelected to each succeeding term to the present and has served the people of our State of New Jersey with distinction as a full-time legislator.

Assemblyman Girgenti received his B.A. degree cum laude in political science at Seton Hall University in 1969 and attained his M.A. degree in government and political science, specializing in public administration, at St. John's University, Jamaica, NY in 1972. From 1973 to 1977 he served as legislative aid to New Jersey State Assemblyman Vincent "Ozie" Pellecchia, was commissioner of the Hawthorne Board of Education (1973–76) and by unanimous vote of the board served as vice president of the Hawthorne Board of Education for 2 consecutive years (1974–76).

As a member of the New Jersey State Legislature, he served on the following legislative committees: municipal government (chairman 1982 to present), county government (vice chairman 1980–82), commerce, industry, and professions, penal study, and blue laws study (chairman 1978–80).

Mr. Speaker, the quality of leadership and sincerity of purpose that John Girgenti has imparted to our people in government, political and civil affairs are mirrored in his many accomplishments and the warmth of his friendship that have won him the confidence and support of all of us who have the good fortune to know him. He is a major bulwark of strength in the Democratic Party. He was President of the passaic County Young Democrats (1973–78); president, State Young Democrats (1975); executive committee member, Passaic County Regular Democratic Organization (1975 to present); first president and charter member of the Hawthorne Democratic Unit (1975–79) and Hawthorne District Borough Leader (1976 to present).

John has been a staunch supporter and active participant in many civic and community improvement programs and we applaud his leadership endeavors in the vanguard of service to people's needs. He was a member of the board of directors of Big Brothers/Big Sisters of Passaic and Bergen Counties (1980–83); chairman, "Friends of Scouting Campaign," North Valley District, Passaic Valley Council, Boy Scouts of America (1981 and 1983); member, Great Falls Development Corp., Paterson (1979 to present); member, Paterson Elks, B.P.O.E. No. 6 (1979 to present); member, Paterson Boy's Club Board of Directors (1978 to present), Hawthorne Columbus Circle (1978 to present), Italian Circle of Patterson (1977 to present), Passaic County Mental Health Board (1976–77), Hawthorne Lions Club (1975 to present), Passaic County Manpower Advisory Board (1975–77); and Hawthorne municipal chairman, National Cancer Crusade (1973).

Prior to his election to the New Jersey General Assembly, John Girgenti was employed as director of mental health for the County of Passaic (1977–78); director of public relations and development, Straight and Narrow, Inc. of Patterson (1975–77) and financial aid counselor, Passaic County Community College, Paterson (1974–75).

Mr. Speaker, John has received many citations of merit and honor for his many charitable and rewarding contributions to the quality of life and way of life for all of our people. He was honored by the New Jersey Jaycees in 1982 as one of Ten Outstanding Young Citizens and in 1978 as Outstanding Young Man of America. In 1978 he was selected as Man of the Year by the Charles Alfano Association of Paterson, NJ.

Mr. Speaker, it is indeed appropriate that we reflect on the deeds and achievements of our people who have contributed to the quality of life here in America. As we gather together on October 19 in tribute to John's leadership endeavors and personal commitment dedicated to service to people, we do indeed salute a great American—The Honorable John A Girgenti of New Jersey—1985 St. Gerard R.C. Church's Man of the Year.

CLEARWATER JAZZ HOLIDAY

HON. MICHAEL BILIRAKIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. BILIRAKIS. Mr. Speaker, if music can be considered a "salve for the soul" then Clearwater, FL, will be providing a cool and refreshing retreat for thousands of people this weekend. From October 17 until October 20, Clearwater celebrates its sixth annual "Clearwater Jazz Holiday" and will feature jazz performers known around the world.

What makes the "Jazz Holiday" so very special is that the entire event, considered one of the best in the country, is run totally through volunteer efforts. The Greater Clearwater Chamber of Commerce is the overall sponsor with a special task force providing the muscle that will net countless toes to tapping.

This year that task force includes: Bob Booth of Smith Barney & Co., Linda Burger of Merrill Lynch Realty, Steve Carlisle of Carlisle Lincoln Mercury, Valerie Clay of Creative Graphics International, Lynn Fuller of the chamber of commerce, Commissioner Rita Garvey of Clearwater,

Marge Hofacre of Jazz Publications, Nancy Kaylor of Pioneer Savings Bank, Mark Lapham of the Aegean Sands Motel, Bonnie Prinse of Bell & Associates, Frank Spena of the St. Petersburg Junior College, Mary Vaughn of the First National Bank of Clearwater, and Donna Yarbrough of Delta Airlines. The task force is being chaired for the second year in a row by Cozee Smith of Barnett Bank. Together, these people create an event so full of enthusiasm that everyone catches the excitement of "Jazz Holiday."

In addition to the Clearwater Chamber of Commerce other businesses making an investment in their community through sponsorship of the "Jazz Holiday" include: Barnett Bank of Pinellas, Carlisle Lincoln Mercury, city of Clearwater, Eckerd Drugs, Merrill Lynch, Pierce, Fenner & Smith, Merrill Lynch Realty/Florida Inc., Pioneer Savings Bank, St. Petersburg Times, Surfside Holiday Inn, and WRBQ-AM/FM Q105 radio.

I would like to commend the chamber of commerce task force and the business sponsors of the "Jazz Holiday." It is through their commitment to their community that thousands of individuals will be able to enjoy 4 days of wonderful music along a beautiful bayfront park of downtown Clearwater.

Mr. Speaker, let Clearwater, FL, and her citizens be an example to all of us. For a community in celebration of itself is, indeed, the sweetest melody an Amercian could ever hear.

THE ROBOTS ARE COMING

HON. SHERWOOD L. BOEHLERT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. BOEHLERT. Mr. Speaker, on October 7, I was pleased to have the House Science, Research and Technology Subcommittee hold a hearing in my upstate New York district on robotics.

Chairman WALGREN and I heard a great deal of interesting testimony, which summarized both the promise and the challenge posed by the growth of robotics.

I am placing in the RECORD an editorial from the Utica Observer-Dispatch of October 9 which faithfully reviews some of the testimony we heard and underscores the issues we face as robotics develops.

I believe the Federal Government must continue to play a leading role in robotics research and must develop new retraining programs to help workers that robots may displace. The individual training account [ITA] bill—H.R. 26—introduced by Congressman DURBIN and I, is one such effort to help dislocated workers.

I hope my colleagues will pay attention to the points made by the Utica paper:

[From the Utica (NY) Observer-Dispatch, Oct. 9, 1985]

THE ROBOTS ARE COMING, THE ROBOTS ARE COMING!

Lots of science fiction movies have been made about robots taking over the world. Man is portrayed as being at the mercy of machines with superhuman intelligence.

That's not going to happen. The most sophisticated of computer-driven machines are no match for the human brain.

Some robots can do some tasks better and faster than man, but the machines only can do what scientists program them to do. Man is still master and always will be. Which is not to say that man has nothing to fear from robots.

The increasing use of robotic machinery in the workplace is a threat to human jobs. That was one of the main concerns discussed at a meeting of the U.S. House Subcommittee on Science, Research and Technology at the SUNY College of Technology this week.

The session was organized by Rep. Sherwood Boehlert, R-25, the ranking minority member of the committee. One of the reasons he scheduled the committee. One of the reasons he scheduled the meeting here is that robotics research is very much a part of SUNY Tech's curriculum.

It was a valuable session. Based on the views of several experts who testified at the hearing, it is clear that America and its workers must adapt to the new robotics technology.

There will be difficulties. Some people will lose their jobs, but many new jobs will be created. People who lose their places on the assembly line will have to learn new jobs building, installing, repairing and running high-tech equipment. Companies and workers must learn to cope with changes that are inevitable.

The inevitability is dictated by the marketplace. The plain fact is that machines can do many jobs more effectively and cheaply than human workers. All of the speakers at the hearing agreed that U.S. industry must turn increasingly to robots, computer technology and automation if it is to remain competitive with foreign markets.

George Peace of Robotics International, a research organization, said that U.S. domestic sales of robots are about 5,000 units annually, while Boehlert pointed out that Japan has more than 100,000 operational factory robots.

Peace predicted that robots would replace 4.3 percent of this country's workforce by 1995—and as many as 20 percent of the workers in some industries. But Peace also said that the manufacture of robots will create new jobs.

The importance of hearings such as the one at SUNY Tech is to make the public aware of these changes and to encourage national debate on problems related to the emerging new technology.

Peter Cayan, president of SUNY Tech, put the issue in perspective when he said that increased automation will mean "a painful adjustment for some workers and different opportunities requiring different skills for others." But he said it also could mean "more challenging jobs, better products and an enhanced quality of life."

The immediate problem is that of job displacement, which Cayan called one of the most serious issues facing the robotics industry. "Increasing use of robots in the next decade will vastly improve the efficiency of American industry, but it could also displace, at least temporarily, hundreds of thousands of workers," Cayan said.

This transition in the workplace may sound frightening, but in the long run American industry will be the better for it. If U.S. firms do not pursue automation aggressively, they may be swept aside by foreign competitors who do.

The robots are coming. America must be prepared to meet the challenge. Government and industry should do all they can to ease the transition for human workers. Retraining programs must be set up to prevent wholesale layoffs. Robots don't have to eat; humans do.

PORN ROCK AND THE PMRC

HON. JOSEPH J. DioGUARDI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. DIOGUARDI. Mr. Speaker, I would like to submit the following remarks as food for thought:

[From Radio 85 Conference, Dallas, TX, Sept. 12, 1985]

PORN ROCK AND THE PMRC

"WITHOUT THE BANNER—THE PARADE WILL GO ON"

(Remarks of William O'Shaughnessy, President, WVOX and WRTN, Westchester, Director, National Association of Broadcasters)

This is a great and good profession, as Ward Quaal refers to it.

I believe, as my Westchester neighbor Julian Goodman (a former chairman of NBC) once observed, that we broadcasters have an "awesome trust." It is a lovely and graceful phrase.

And so here we are again at this high council in Dallas—churning and struggling with this difficult problem—and trying, as is our custom, to do what Mario Cuomo, the gifted Governor of my state would call: "the right thing".

We've come a long way since Mitch Miller telephoned Oscar Brand, the brilliant folk singer who wrote "A Guy is a Guy" for Doris Day. Mitch Miller told Brand it was a great song—"But", said Mitch Miller, "they have to get married at the end." And so Oscar Brand was made to add the memorable line: "So I walked down the aisle—like a good girl should!"

First, for my part, I want to thank you Eddie Fritts for having the foresight, and perhaps even some courage, to put this on our agenda and before us. The keen interest of Martha Dale Fritts, the First Lady of our profession, also commends this to our attention. It will even be discussed next week in the Halls of Congress. So it is timely that we treat with this. Here and now.

I want to acknowledge as well my respect and admiration for Mrs. Tipper Gore. And Susan Baker—and Pam Howar—and Sally Nevius. Instead of Buzzing around Washington in an endless round of polite teas and receptions as the wives of powerful senators, or the Secretary of the Treasury, they have decided to climb into the arena and do battle for something in which they deeply believe—the environment in which their children will be raised.

As I have acknowledged, we struggle and we churn about this and we worry with the Parents Music Resource Committee—and we are mindful, most of us, of that prophecy of John Kennedy: "When the dust of centuries has fallen over our cities—we will be remembered not for the battles we have won—and we would add, not for the numbers or rating points we have achieved or the advertising sales we have made—but

rather for our contributions to the human spirit."

We broadcasters are permittees and trustees and we have a fiduciary relationship to the airwaves which rightly and properly belong to the people of this country. Many, perhaps even most, of us believe that a radio station achieves its highest calling when it resembles a platform, a soapbox for the expression of many different viewpoints.

We speak out on controversial issues and try to provide leadership in our community. The First Amendment is very important, almost sacred, to us. We will fight anyone who would dare to stifle one of our newscasts or editorial pronouncements. I'm not sure that the popular songs of our day might not deserve the same sensitivity and protection and consideration as our own pronouncements. No matter how gross, no matter how clumsy, no matter how outrageous.

My son Matthew Thayer O'Shaughnessy, in whom I am so well pleased—most of the time—has his very own program on one of our stations and I should tell you, in the intimacy of this room, that he plays a lot of that drodsome heavy metal stuff Mrs. Gore has mentioned here today, in all too graphic detail.

A song is like an eyewitness report. The writers of those songs write of the daily life in America . . . the daily passions of our countrymen, the milieu in which they live. They write in the vernacular and with the currency of the day.

In any society there is a fine line of taste which constantly changes. The populace redraws it every season. And we can't stop it. People have been making songs to reflect their environment since the beginning of time. The first music was probably a repeated note similar to the insistent rhythm of an Indian tom-tom. (And incidentally, the American Indian has a marvelous trove of baudy songs.)

I make a living playing the songs of Fred Astaire—and Mabel Mercer—and Bobby Short. I don't even understand most of the songs on today's hit parade. But I'm persuaded they deserve respect and sensitivity from us.

The immortal Cole Porter was a genius at detecting shifts in social behavior and standards. What would Cole Porter write today? Would he write of the chic, sophisticated world of high society which has expired and no longer exists? Would he write for the approval and edification of his classmates at Yale?

There are lovely songs being written by Murray Grand and Dave Frishberg and Rupert Holmes and Sondheim. But they are heard only on the lips of lonely and often obscure saloon and cabaret singers, the minstrels of the night.

Puritan America would not let us use the word "hell" on radio for many years. Indeed, and somewhat ironically, the word "virgin" was considered unacceptable for a good, long time. But to assume that popular songs could be apart from the vernacular itself is a mistake.

What is the difference between a suggestive lyric and a dirty lyric? What is the difference between prurient and risque? I'm afraid that the scraggly haired, unshaven songwriter of gross, clumsy, prurient—even vulgar—lyrics has to be treated with the same protection and sensitivity we now give, in retrospect and with great affection, to Cole Porter or Johnny Mercer or Johnny Burke.

Today's songwriter and record producer and artist have been accused of "doing it for money". And yet Cole Porter, we know, considered his songs as "goods, merchandise". And as the introduction to that stunning collection of his lyrics which was published last year pointed out "The primary aim of popular music's songwriters and publishers then (in the pristine 20's) was unabashedly commercial."

Few people then, including the creators of songs, thought of songwriting as one of the higher arts. Just as today, the great, classic American songs, the playing of which on WRTN provides me with a handsome income, began as "product"—meant to become as automatically obsolescent as last year's fashions. It's too easy and perhaps risky to say that the music of today will never emerge as enduring work.

Are the songs of Cyndi Lauper or Venom or Def Leppard or Prince any worse than those of some of the ikons of the musical stage? Listen again to Noel Coward's "Mrs. Worthington—Don't Let Your Daughter Go On The Stage." Listen again to the great Cole Porter: "Some get a kick from cocaine . . ." and listen to the orgasmic suggestion and pulsating rhythm as the airplane goes higher and higher. Or the girl in "Kiss Me Kate" who is "Always true to you darling, in my fashion." Or "Love For Sale." Or "Let's Do It." And that lovely song: "Bewitched, Bothered and Bewildered." "He's a joke, but I love him . . . because the jokes on me."

The so-called great songwriters wrote of sugar daddies . . . and mistresses with such anthems as "My Heart Belongs to Daddy." Listen carefully to that classic Abe Burrows' song, "Adelaide's Lament" from "Guys and Dolls" and Frank Loesser's lyrics about the travails of a single girl getting "a kind of a name for herself." Or Eddie Cantor's "Making Whoopee." Making whoopie was doing "you know what" in the vernacular of the day. Scandalous and shocking indeed. "What they do for . . . is all for . . . making whoopee!" "They had a child . . . where did it come from? . . . making whoopee!"

It was probably Voltaire who said nobody was ever raped by a book. At least it sounds like Voltaire.

I come from a place in the east where once lived an obscure printer called Zenger. John Peter Zenger. He risked all to be able to rage against the despotic governor. He chose to do this with his pen and with a printing press. But what of the songwriter—the bard—the poet—the minstrel of the day who talks of his demons and the things which oppress him—whether that song is a polemic, a political statement, or just a lonely cry for understanding?

A Justice of the United States Supreme Court wrote pornography. Look up "Humoresque": "Passengers will Please Refrain from Flushing Toilets While the Train is in the Station."

"We go strolling through the park, goosing statues in the dark. If Sherman's horse can take it, why can't you?"

His Honor, Mr. Justice William O. Douglas wrote that!

Rudyard Kipling wrote: "The Bastard King of England" and a somewhat lesser known work: "The Great Farting Contest."

We're talking about lyrics and words.

William Shakespeare, the Bard of Stratford-on-Avon called someone "a hoarsome-bitch" and his character Flewellyn in "Falstaff" made great jokes about urinating.

Benjamin Franklin wrote songs that would shock some of those senators who will consider this subject next week.

And so did Ogden Nash.

And "The Ballad of the Joking Jesus" was not written by Michael Jackson. Or Prince. The writer was James Joyce.

Nothing "encourages" people to sin or change history. Not an anthem like "La Marseillaise" or "Lili Burero" which is often incorrectly accused of encouraging the British to destroy the Irish. Damn them!

Songs are signs . . . banners: They do not make history.

In Elizabethan times the language was much broader. The vernacular included words we would not accept in daily usage or in the media. Restricting language is only possible in a totalitarian atmosphere.

It was possible in Germany. It is possible in Bulgaria. It is possible today in Cuba. It is possible where one mode of communication predominates. You can't sing an off-color song in Bulgaria. And yet, absent these songs, they have drunkedness—and adultery—and masturbation. And suicide.

But not on the radio.

Mrs. Gore and her colleagues, about whom I have already expressed my considerable admiration, want the atmosphere and the milieu of their homes to prevail in society at large. They are of good heart and motive. We all want our ideas to predominate . . . to be the ideas of the marketplace.

But that wonderful, warm, stable, secure atmosphere in the Gore home—or the Baker home—or the Fritts home—is not the same as the atmosphere or milieu which confronts a ghetto kid in Harlem—or the farm boy in Bismarck—or a beach boy in Berkeley—or even an oil rig worker in Houston or Dallas.

It is all different.

So perhaps there is a larger question here than an X rating for a specific song.

Perhaps we're considering what the editor Don West calls the more "cosmic" issue: Who owns America?

And: Is it possible to restrict language in a democratic world?

The Parents Music Resource Center wants a world which is: uncomplicated; without pain for their children; not obscene; and not profane.

But, the hard truth is that their children, our children, in their private lives, are meeting the very influences we are trying to restrict. Indeed, if you've ever debriefed a child on returning from summer camp . . . you will realize that children make up their own songs which are a lot worse than those on the radio!

I'm afraid we have a great fear of what we already know.

Those who fight pornography know the meanings of the words. They have used and lived them. But nothing had happened to them. They are upstanding and respectable. Because nothing takes the place of an honest home.

We are concerned about children, our most precious resource. They are of us. They are ours. But the only thing we can hope for is that what we give them at home will prevail and carry them through life. If parents give our children the right kind of vehicle those kids will float on any kind of debris. The censors and the blue noses can't, however, get rid of the debris.

It's always been there. It's part of the landscape. It's called life.

A song is a banner.

But without the banner, the parade will go on.

John Updike writes that "Popular composers from generation to generation, if

they do not teach us how to love, do lend our romances a certain accent and give our courting rites and their milieu . . . a tribal background, a background of communal experience."

I'm afraid we parents have just simply got to hold on . . . until that happy day when our youngster walks in to say, as he will: "You know, Mom . . . that Frank Sinatra really knows how to sing!" Or, "Dad . . . that fellow Fred Astaire . . . what's the story on him?" But even that great occasion should be observed with a bit of caution and perhaps some skepticism. The fear, of course, is that as sophistication sets in—like rigor mortis—there is always, in society, a tendency to restrict the language.

It was not too long ago in this nation that Richard Nixon established a "Presidential Commission on Pornography." And when the report came back with the finding that pornography was an outlet for passions which might have been expressed in violence, the story is told that the President used some unprintable and very bad words indeed. We survived Richard Nixon's colorful language. And we will survive porn rock.

I do indeed believe there is such a thing as evil in the world. And my remarks should not be interpreted as a denial of its existence. I also believe we should resist evil . . . on whatever battlefield or with whatever franchise is provided us. But first in our personal lives and in our own families.

And then as we go forth to do battle in society at large, we should do it with a careful, generous attitude and with a loving heart—armed always with the knowledge that we could be wrong sometimes. We could make some mistakes along the way.

We could—strike at us. Or, at our own children. In this, as in everything else, actions speak louder than words. Or songs.

And now finally . . . as that good man Senator Mac Mathias of Maryland said on C-SPAN this week about one of the other great issues of the day: "I have thought a lot about this . . . and I acknowledge the possibility that I could be wrong."

I could be wrong.

WORLD FOOD DAY

HON. COOPER EVANS

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. EVANS of Iowa. Mr. Speaker, with today designated as World Food Day, I thought it would be appropriate to bring to the attention of my colleagues the work being done by the Food and Agriculture Organization in the area of consumer protection and food standards in the world marketplace.

In conjunction with the World Health Organization, the U.N. Food and Agriculture Organization continues to work on a vitally important aspect of its charter to secure internationally negotiated agreements on food standards and other recommendations to facilitate fair trade in food products and to protect consumers against food health hazards and fraud. Both the Government of the United States and the country's food industry have been continuing and strong supporters of this effort.

A joint FAO/WHO Food Standards Program was initiated in 1962. Its principal organ, established in 1963, is the Codex Alimentarius Commission, which now has 129 member countries.

The importance of agriculture to the U.S. economy and the importance of food trade to U.S. agriculture are too well documented to need embellishing: one out of every three American farm acres produces for export, earning more than $38 billion in 1984. USDA estimates that these exports provide more than one million jobs in food production, transport, and processing, even without calculating purchases of goods and services along the food chain from tractors to insurance.

Food trade involves highly complex interrelationships of production, prices, marketing, transport, and national policies. But underpinning these basic economic and political factors is an equally complex world of national laws and regulations, and international agreements, in such areas as food hygiene, use of food additives, methods of processing, weights and measures, permissible levels of pesticide residues, labeling of manufactured products, methods of analysis and sampling—and the possible use of any of these as intentional or unintentional nontariff barriers to trade. Harmonization of national regulations in these areas is the work of the FAO/WHO Codex Alimentarius Commission.

The United States, as the world's largest food exporter and food importer, has a vital interest in both the consumer protection and trade aspects of Codex, and has been one of the most influential national contributors to this work owing to its expertise and the size of its market. This U.S. interest has also fostered a unique and valuable partnership between Federal agencies and the private food sector, which has proved to be of great benefit to both and to the world as a whole.

Mr. Speaker, the following is a description and explanation of the Codex Alimentarius System which has been supplied by the FAO:

THE CODEX ALIMENTARIUS SYSTEM

The Codex Alimentarius Commission has created 29 committees and also uses the findings of two FAO/WHO expert groups to carry out its work. Five Codex committees deal with general policy and coordination, seven with subject matters relevant to all commodity groups, and 17 with specific groups of food. In addition there are the Joint FAO/Who Expert Committee on Food Additives and the Joint FAO/WHO Meeting on Pesticide Residues. The Commission also receives the findings of the joint FAO/IAEA/WHO Committee on Food Irradiation.

All of the general subject committees and most of the commodity committees are chaired and hosted by member governments, which work closely with the Codex secretariat, located at FAO headquarters in Rome. Committee activities are funded by the host countries, and governments actively seek the host function.

As of the last meeting of the Codex Alimentarius Commission in July of this year, actions taken included: 170 product standards, with at least 10 more under development; 22 codes of hygienic and/or technical practices; maximum limits for pesticide residue for 138 pesticides covering more than 3,000 potential pesticide/plant and animal combinations; and 54 methods of sampling and analysis.

At its July meeting, the Codex Alimentarius Commission created a new Committee on Residues of Veterinary Drugs. This new committee will be hosted—and its chairman chosen—by the United States. Owing to the importance of its meat, poultry and animal feed exports, the United States had actively sought the right to host this committee. Three other committees are hosted by the United States—the Committee on Food Hygiene, the Committee on Processed Fruits and Vegetables, and the Committee on Cereals and Cereal Products, Pulses and Legumes. Two other committees—the Committee on Food Labeling and the Committee on Vegetable Proteins—are hosted by Canada, with the United States has close working relationships.

WHY THE U.S. GOVERNMENT VALUES CODEX

Internally, the United States sets mandatory standards for many processed foods and voluntary grading standards for many more fresh and processed foods. These U.S. standards and regulations are designed and monitored by USDA and FDA. Along similar lines, the Codex Alimentarius Commission recommends international standards, although these are in no way mandatory. Because the United States looms so large in international food trade, both as exporter and importer, this country has an obvious interest in harmonization of national and world regulations. Codex provides an impartial, international forum in which scientific and technological expertise are used to prepare recommendation for use by governments. One point cannot be overemphasized: the United States—more than any other country—has a vital interest in sensible and safe food processing and manufacturing systems and sound food law regulations, with the highest possible degree of harmonization among all its trading partners. Codex provides the vehicle for achieving this goal.

The first chairman of the Codex Alimentarius Commission was an American, as is the current chairman. U.S. delegations, nearly always combing government officials with private food industry representation, attend virtually all Codex meetings. U.S. scientists regularly serve on FAO/WHO regular or ad hoc expert committees, in which scientific and technical information is analyzed without regard to national political interests. The United States has approved, despite its own highly complex food regulatory laws, more Codex standards, codes and practices than any other country.

U.S. governmental support for Codex was underscored in July 1983 at the 15th session of the Commission by Assistant Secretary of Agriculture C.W. McMillan:

"This meeting provides me an opportunity to reaffirm the commitment of the United States to the goals of the Codex Alimentarius Commission. We look at it as the international group with the scientific, technical and professional capability to address and solve food standards issues. In fact, the United States considers Codex the primary organization for the promotion of food safety and consumer protection internationally."

The U.S. Government has two other reasons for its support of Codex:

First, inside and outside the UN system there are a number of other bodies, both regional and international, which are studying and sometimes promulgating food safety

and food trade laws and codes which overlap and even contradict the work of Codex Alimentarius. FAO, WHO and the scientists and technicians which provide the solid grounding for Codex standards have striven successfully over many years to keep political partisanship to a minimum and to maintain scientific integrity. The U.S. Government has always strongly opposed any fragmentation of this responsibility and is eager to maintain the Codex Alimentarius Commission as the principal agency for recommending international food standards.

Second, although most of the funding for the Codex secretariat and expert committees is provided by FAO, the funding system places primary emphasis directly on governments through the committee host system. Furthermore, as pointed out by Assistant Secretary McMillan: "By adjourning committees when their work is accomplished and by maintaining a non-expanding and efficient secretariat the Codex Commission is unique. It gets maximum use of its funds and it benefits all countries."

WHY THE PRIVATE SECTOR SUPPORTS CODEX

The U.S. food industry understands fully the importance of international standards to the promotion and free flow of trade. U.S. delegations to Codex meetings, usually the largest of any country, combine representatives of Federal agencies concerned, private industries and associations, and often consumer groups. Because of their technical expertise, despite the intergovernmental nature of Codex, private sector representatives are welcomed at these sessions, and play an important role in assisting in the preparation of technically sound U.S. contributions to the standards discussions.

At a recent symposium on Codex Alimentarius work, the industry view was given by Mr. Charles Feldberg, a director of CPC International and U.S. representative to the International Federation of Grocery Manufacturers Associations:

"Codex provides a balanced forum—Its strength derives from the system it has developed which welcomes input from all interested parties: governments, industry and consumers. The Codex deliberations are open to representatives of all these groups. Full debate is encouraged so that decisions can be reached by consensus—A spirit of compromise exists, and political rhetoric and demagoguery are avoided. The decisions reached are generally balanced, technically sound and in line with the best interests of the public—The Codex system has stood the test of time and I consider it one of the best systems for international agreement."

A measure of industry interest in Codex can be taken by the make-up of the U.S. delegation to the July meeting of the Commission. Apart from 10 delegates from federal agencies it included 15 representatives from the private food sector and consumer groups. On this list were: Hershey Technical Center, Ralston Purina Co., Coca-Cola Co., Institute of Food Technologists, Dole Processed Food Co., International Minerals and Chemicals Corp., General Foods Corp., International Frozen Foods Assn., Corn Refiners Assn., the Nestle Co., McNeil Specialty Products, American Assn. of Cereal Chemists, General Mills Inc., Kraft Inc., and the Food and Drug Law Institute.

At commodity committee meetings, depending on the standard or code under review, these and dozens of other companies, trade associations, technical institutes and consumer oriented private voluntary organizations attend as official delegates or observers.

Above all, industry welcomes the complete openness of the Codex system. It is not, as is sometimes the case in other international bodies, that private industry views are "heard," but that they are welcomed and anticipated as part of the scientific and technical material on which decisions are based. In most cases, no realistic appraisal of an issue could be made without industry expertise, and this is fully understood by all governments in the Codex Alimentarius Commission.

TEN BENEFITS FROM THE CODEX SYSTEM

The bottom line in any country's decision to participate in an international organization is, at least in part, "How do we benefit?" Here are 10 kinds of benefit from participation in the Codex Alimentarius Commission which are widely recognized by the U.S. Government, the food industry and consumer protection groups:

Consumer protection from contaminants and fraudelent practices in food imports;

Uniform, internationally recommended rules and procedures for food processors and manufacturers seeking export markets;

Protection for exporters against non-tariff barriers arising from different laws and regulations in importing countries;

New foreign market opportunities stemming from the Codex commitment to equality of treatment between national and imported food products;

Simplification of trade negotiations through mutually agreed international standards and codes;

Facilitation of foreign investment for food processors and manufacturers through internationally agreed standards and processes;

Facilitation of customs procedures and diminution of shipment detentions affecting both exporters and importers;

International scientific and professional review of new products, processes and techniques, thus speeding their acceptance in international trade;

Periodic technical review of existing standards and practices in the light of new scientific findings; and

Routinized identification of national market requirements through published Codex listings of standard and code acceptance.

In these and other ways, the Codex Alimentarius Commission, created and serviced by FAO and WHO, serves all its member governments in facilitating trade and protecting the health of consumers.

THE ANCIENT ORDER OF HIBERNIANS CONTRIBUTION TO THE MEDAL OF HONOR GROVE AT VALLEY FORGE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mr. BIAGGI. Mr. Speaker, as chairman of the Bipartisan Ad Hoc Congressional Committee for Irish Affairs I wish to share with my colleagues an account of an event which occurred several months ago but is still etched firmly in the minds of those who participated. I refer to the dedication of the memorial obelisk by the Ancient Order of Hibernians in the Medal of Honor Grove at Valley Forge, PA.

The purpose of the ceremony sponsored by Freedom's Foundation at Valley Forge was for the AOH to pay tribute to the estimated 150 foreign born recipients of the Medal of Honor who cannot be accredited to a state due to a lack of documentation. It is estimated that of this group 65 are Irish. These 65 join the other 254 Medal of Honor recipients born on the Emerald Isle.

The Medal of Honor is the highest distinction that can be awarded to a member of the U.S. Armed Forces. It is awarded for acts of extreme bravery or heroism. The Ancient Order of Hibernians, our Nation's oldest and largest Irish Catholic organization, and from whose ranks hail many men who fought to keep freedom in America, wanted to have this memorial obelisk added to the Medal of Honor Grove. It joins obelisks representing every State in the Union and that State's respective Medal of Honor recipients.

In 1986, the Ancient Order of Hibernians will observe their 150th anniversary. On August 24 at Valley Forge, the AOH as they have done so many times since 1836 gathered from near and far to once again pay tribute to the achievements of their fellow Irish and fellow Americans. A highlight of the ceremony was the moving address offered by the national president of the AOH, my good friend Joseph A. Roche. Joe vested with the responsibility of officially dedicating the memorial reminded us of the valor of the 65 honorees from Ireland and of the still familiar struggle for justice that their countrymen in Northern Ireland endure to this day.

The AOH Memorial, which was provided through the generosity of the distinguished former Prime Minister of the Republic of Ireland, Charles Haughey, is but another effort by the AOH to remind us of the pivotal role which Irish Americans have and continue to play in American history and society. In Valley Forge that day, prayers were offered, speeches made, pipes and drums played and they all served to reaffirm the Irish passion for freedom and liberty. This passion is what spirited the 65 men who were honored.

At this point in the record in order to be able to share more of this day with my colleagues I wish to insert the names of the 65 Medal of Honor recipients from Ireland who are commemorated by the AOH Memorial. In addition I will insert the program from that historic event a brief history of the AOH a history of the Medal of Honor Grove and National President Roche's statement that day.

MEDAL OF HONOR RECIPIENTS FROM IRELAND

1st Sgt. Richard Barrett, USA; Sgt. Major Augustus Barry, USA; Pvt. James Bell, USA; Pvt. Edward Branagan, USA; Sgt. James Brown, USA; Farrier Patrick J. Burke, USA; Pvt. Richard Burke, USA; Sgt. Denis Byrne, USA; Pvt. Thomas Carroll, USA; Pvt. George Carter, USA; Cpl. John Connor, USA; Col. Charles H. Dickens, USA; Sgt. Cornelius Donavan, USA; Pvt. Daniel Farren, USA; Sgt. James Fegan, USA; Sgt. John H. Foley, USA; Pvt. Nicholas Foran, USA; Pvt. Michael Glynn, USA; Sgt. Patrick Golden, USA; Pvt. Frank Hamilton, USA;

Pvt. Thomas P. Higgins, USA; 1st Sgt. Henry Hogan, USA.

Cpl. Daniel Keating, USA; Pvt. John Keenan, USA; Pvt. Charles Kelley, USA; 2nd Class Fireman John Kelley, USN; Pvt. Thomas Kelley, USA; Pvt. John Kennedy, USA; Pvt. Philip Kennedy, USA; Sgt. Thomas Kerrigan, USA; Farrier David Larkin, USA; Pvt. James Lenihan, USA; Col. Patrick J. Leonard, USA; Sgt. Patrick T. Leonard, USA; Sgt. George Loyd, USA; Sgt. Patrick Martin, USA; Pvt. William McCabe, USA; Pvt. Bernard McCann, USA; 1st Sgt. Michael A. McGann, USA; Col. Owen McGough, USA; Sgt. Michael McLoughlin, USA; 1st Sgt. James McNally, USA; 1st Sgt. William McNamara, USA.

Sgt. Robert McPhelan, USA; 1st Sgt. John Mitchell, USA; Col. John J. Mitchell, USA; Chief Maa Daniel Montague, USA; Pvt. John Moran, USA; 1st Sgt. James L. Morris, USA; Pvt. Edward Murphy, USA; Pvt. Jeremiah Murphy, USA; Cpl. Philip Murphy, USA; Col. Thomas Murphy, USA; Sgt. Thomas Murray, USA; Farrier Richard J. Nolan, USA; Pvt. Timothy O'Connor, USA; Pvt. Moses Orr, USA; Pvt. George C. Platt, USA; Sgt. Frederick Platten, USA; Pvt. James C. Reed, USA; 1st Sgt. Joseph Robinson, USA; 1st Sgt. David Roche, USA; Sgt. Patrick Rogan, USA; Pvt. David Ryan, USA; 1st Sgt. Dennis Ryan, USA.

History of the Ancient Order of Hibernians (AOH)

The AOH traces its origin to Ireland in the year 1565, but its roots in Irish history stretch back to the days of the Fianna, the knightly Irish order of almost 2000 years ago. In 1836 Irish immigrants in New York City and later in the coal fields of Pennsylvania received permission to form branches, called divisions, in America. By the late 1850's the organization had spread to about a dozen states and several thousand members in cities and towns where the Irish immigrant population was strong. Although the aims of the AOH included the preservation of the cultural traditions of the old world, a major effort of the order was to acclimatize the newly arrived immigrant to his American surroundings.

This merger of the old and new world produced many fine new patriots, but sometimes patriotism can demand a heavy price. On July 4, 1853, the AOH Divisions marching in New York's Independent Day parade were attacked by anti-Irish mobs. After several years the organization was able to safely participate in July 4 commemorations.

Although not a military order, a civic society like the AOH with many young men in its ranks proved a great asset to the country with the outbreak of civil war in 1861. Hibernians rushed to defend the flag in great numbers. Whole divisions such as Pittsburgh's and others in Boston entered the military en masse with other members joining as individuals across the country. A major conference of the order was held in Philadelpha in 1862 to devote its energies to the war effort. For many years thereafter the AOH ranks on St. Patrick's Day won public acclaim for the large number of G.A.R. medals (The Civil War Veterans Organizations) worn by AOH members.

In the Spanish-American War in 1898, Hibernians once again answered their country's call. The Hibernian Rifles, an AOH militia unit of the time, provided trained members to the American forces. The tradition of volunteer Hibernian units persisted down to World War I.

Today the Ancient Order of Hibernians is the nation's oldest and largest Catholic Lay organization and the only nation-wide Irish American fraternal group. It is organized from New York to Alaska and California with chapters ranging from local to national levels. It is involved in a variety of cultural, educational and philanthropic endeavors.

Dedicating Address by Mr. Joseph Roche, National President, Ancient Order of Hibernians

Distinguished guests, honorees, and fellow Hibernians, I am indeed privileged to participate in this moving tribute which will long stir my memory and, I trust, yours. There is a verse in O'Donnell ABU which was just magnificently played by the Tara Pipes & Drums of Division 15, which speaks of the Irish in their fight against English oppression as "strangers to flight and fear." This is particularly fitting because we honor today 65 Irish men who distinguished themselves in an extraordinary way in the service of their country and who were certainly strangers to flight and fear. Most of these men fought in defense of a Union which survived and endures to this day due to the bravery of honorees like James Lenihan, John Foley, and Richard Nolan. Their courage, and that of whole Irish regiments like the 116th Pennsylvania, gave new birth to a Nation without equal in its commitment to democracy and justice.

All of those whose names grace this splendid monument shared at least two things. One, in times of great danger they all displayed great courage in uncommon acts of valor. Two, they all shared in Irish heritage—A heritage which is rich with acts of bravery and defiance in the face of unbridled tyranny.

It would be impossible to distinguish their individual acts of sacrifice from all those commemorated here at Valley Forge. Nor would it be possible to differentiate the just cause for which they all risked and often lost their lives—the freedoms of our constitutional democracy and the defense of liberty both here and abroad. Why then does Ancient Order of Hibernians take this time to recognize the achievements of these men? We do so for three reasons.

First, we seek to more fully inform the American people of the contributions of those of Irish descent in shaping and making this country the great Nation it is today. Each generation yields more objective historians, and individuals of remarkable dedication like Sr. Marie, who offer new insight into the Irish peoples search for peace and justice in Ireland and America. Second, we must alert Amerians to the tyranny these men fled and to its endurance today in Ireland. Few Americans today know that the Irish declaration of independence statement that "the Irish people are by right a free people . . . and that English rule is, and always has been based upon force against the declared will of the people" is as valid today as it was in 1919. Finally, we must remind the American and Irish people who share this moment with us today that the price of their freedom and liberty is vigilance, courage, and sacrifice. Pope John Paul II in central Africa emphasized this when he exhorted his audience "to become free. Freedom is not a gift; it is earned." The anguish of Ulster requires courage and sacrifice from its leaders if it is ever to be truly free.

With these objectives in mind we hope to make this day a lasting tribute. A tribute which will convey this message to those who may not view the beauty of this Wicklow Granite or who may never experience the peace and solemnity of this grove.

It is known to many of you here assembled that the Irish legacy of these heroes is a dark one. It includes such complete and sinister subjugation that the poet Thomas Moore once described Ireland as "a land where freedom now so seldom wakes." But freedom did awake in 1798 and the forefathers of these honorees struck a blow for freedom from the shores of County Mayo to Vinegar Hill in County Wexford. The leadership of a few like Robert Emmett and Wolfe Tone gave courage to the many. Such is man's quest for freedom that it is rarely satisfied until achieved. As an author noted "freedom's battle once begun; bequeathed by bleeding sire to son, though battled oft is ever won." Thus the Irishmen we commemorate today carried this battle to America and, although often arriving as criminals, prisoners and penniless refugees, distinguished themselves in every field of endeavor. How? They were simply free to do so. A previous few would earn the gratitude of a grateful Nation by receiving its highest military award—the Congressional Medal of Honor.

It has been said that "freedom has a thousand charms to show; that slaves how 'ere contented never know." For these Irishmen freedom had more than charms to show—it had the very seeds of survival. I am confident that Patrick Leonard, David Roche and the others we remember here felt especially privileged to defend freedom for they were tasting of it for the first time in their young lives. Many of these men could celebrate their Catholic faith openly instead of in caves or in fields. They could own property instead of being owned by absentee landlords. They could vote and pursue an education all of which were not simply denied them by English law but were punishable if violated.

Let me be clear. These men were born in a bondage every bit as complete as that of the American slave. The Catholic emancipation of 1829 preceded by three short decades the emancipation of the slaves by president Lincoln. Faced then with the sorrow of emigration or death by oppression or starvation it is not surprising these men and thousands like them swelled the ranks of the Union Army. While England comforted and courted the Confederacy in yet a third attempt to crush America's spirit, the blood of these Irishmen bleached red the fields at Antietam and Fredricksburg. Thus the stage was set for this unprecedented display of gallantry and patriotism which brings us here today and which will continue to bring people to this memorial as long as truth and justice remain an American ideal.

As I gazed upon the statue of George Washington kneeling in prayer I could sense the strength of his conviction and the justice of his cause. He was kneeling not to a king but to the power of a providence that gave us all a unique value, dignity and free will. I then thought of these words of a soldier not unlike the ones remembered today.

"There is no height nor bloody might a freeman can't defy;
There is no source or foreign force (each man can know);
That his free will no thing can kill; and from that freedom grows."

Freedom will grow whenever men like the author, Bobby Sands, and our honorees are willing to lay down their lives for their fellow man. I ask of all here present that we

dedicate not only this stone but ourselves to challenging oppression wherever it reigns and to preserving truth and justice at whatever the cost.

Thank you most sincerely for your presence and your commitment to the ideals of this commemoration.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, October 17, 1985, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

OCTOBER 18

9:00 a.m.
Energy and Natural Resources
Energy Regulation and Conservation Subcommittee
To hold oversight hearings on innovative approaches in industrial energy efficiency.
SD-366

10:00 a.m.
Conferees
On H.J. Res. 372, increasing the statutory limit on the public debt.
345 Cannon Building

OCTOBER 21

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold oversight hearings on the implementation of the Household Goods Transportation Act (P.L. 96-454), and the Bus Regulatory Reform Act (P.L. 97-261), and on S. 1711, to reduce federal regulation of the motor carrier industry.
SR-253

Joint Economic
To hold hearings on fiscal policy.
2118 Rayburn Building

10:00 a.m.
Energy and Natural Resources
Public Lands, Reserved Water and Resource Conservation Subcommittee
To hold hearings on S. 1558, to settle certain claims affecting the Pyramid Lake Paiute Indian Tribe of Nevada.
SD-366

OCTOBER 22

9:30 a.m.
Energy and Natural Resources
Natural Resources Development and Production Subcommittee
To hold hearings on S. 570, S. 372, and S. 946, bills to improve the administration of the Federal coal leasing program, and other coal related issues.
SD-366

Environment and Public Works
Nuclear Regulation Subcommittee
To hold hearings on S. 445 and S. 1225, bills to revise certain provisions of the Atomic energy Act of 1954 regarding liability for nuclear incidents.
SD-406

Governmental Affairs
Permanent Subcommittee on Investigations
To hold hearings on espionage activities in the United States.
SD-342

Labor and Human Resources
Employment and Productivity Subcommittee
To hold hearings on the impact of trade on employment and productivity.
SD-430

10:00 a.m.
Judiciary
To hold hearings on S. 1335, Money Laundering and Related Crimes Act of 1985.
SD-226

Judiciary
Security and Terrorism Subcommittee
To hold hearings on terrorism in South Africa as it affects the security of the United States.
SD-G50

2:00 p.m.
Commerce, Science, and Transportation
To hold hearings on the nominations of Vernon L. Grose, of California, Kenneth J. Hill, of Virginia, and John K. Lauber, of California, each to be a Member of the National Transportation Safety Board.
SR-253

Governmental Affairs
Intergovernmental Relations Subcommittee
To hold hearings to review innovative State and local programs to expand student and parental choice in elementary and secondary education and on Federal policies to provide such innovation.
SD-342

Judiciary
Courts Subcommittee
Business meeting, to mark up S. 704, to establish an Intercircuit Panel of the United States Courts of Appeals to decide cases referred by the U.S. Supreme Court.
SD-226

OCTOBER 23

9:00 a.m.
Commerce, Science, and Transportation
To hold hearings on the nominations of Michael A. McManus, Jr., of New York, and Neal B. Freeman, of Virginia, each to be a Member of the Board of Directors of the Communications Satellite Corporation (COMSAT).
SR-253

9:30 a.m.
Environment and Public Works
Nuclear Regulations Subcommittee
To continue hearings on S. 445 and S. 1225, bills to revise certain provisions of the Atomic Energy Act of 1954 regarding liability for nuclear incidents.
SD-406

Judiciary
Patents, Copyrights and Trademarks Subcommittee
To hold hearings on S. 1543, Process Patent Amendment of 1985.
SD-628

Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

Select on Intelligence
To resume closed hearings on the development of a national intelligence strategy (Phase II).
SH-219

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Judiciary
To hold hearings on the nomination of Charles J. Cooper, of Virginia, to be an Assistant Attorney General (Office of Legal Counsel), Department of Justice
SD-226

Select on Indian Affairs
To hold hearings on S. 1684, to declare that the United States holds certain Chilocco Indian School lands in trust for the Kaw, Otoe-Missouria, Ponca, and Tonkawa Indian Tribes of Oklahoma, S. 1724, to authorize the Cherokee Nation of Oklahoma to design and construct hydroelectric power facilities at W.D. Mayo Lock and Dam, and S. 1728, to authorize the Cherokee Nation of Oklahoma to lease certain lands held in trust for up to ninety-nine years.
SD-562

OCTOBER 24

9:00 a.m.
Armed Services
Sea Power and Force Projection Subcommittee
To hold hearings on S. 535, the National Shipbuilding Industrial Base Act of 1985.
SR-232A

Veterans' Affairs
Business meeting, to mark up proposed legislation to provide a cost-of-living increase for fiscal year 1986 in the rates of veterans disability compensation and dependency and indemnity compensation for surviving spouses and children.
SR-418

9:30 a.m.
Energy and Natural Resources
Natural Resources Development and Production Subcommittee
To resume hearings on S. 570, S. 372, and S. 946, bills to improve the administration of the Federal coal leasing program, and other coal related issues.
SD-366

10:00 a.m.
Environment and Public Works
Toxic Substances and Environmental Oversight Subcommittee
To resume oversight hearings on ground-water level and use and on ground-water quality and flow in the United States.
SD-406

Governmental Affairs
Permanent Subcommittee on Investigations
To hold hearings on the role of the entertainment industry in deglamorizing drug use.
SD-342

Labor and Human Resources
To hold hearings on the nominations of Sidney Lovett, of Connecticut, Richard J. Neuhaus, of New York, W. Bruce Weinrod, of the District of Columbia, John N. Moore, of Virginia, Dennis L. Bark, of California, Evron M. Kirkpatrick, of Maryland, and W. Scott Thompson, of New Hampshire, each to be a Member of the Board of Directors of the United States Institute of Peace.
SD-430

2:00 p.m.
Commerce, Science, and Transportation
To hold hearings on the nomination of Carol G. Dawson, of Virginia, to be a Commissioner of the Consumer Product Safety Commission.
SR-253

4:00 p.m.
Select on Intelligence
Closed briefing on worldwide intelligence matters.
SH-219

4:30 p.m.
Select on Intelligence
Closed briefing on the Philippines.
SH-219

OCTOBER 28

9:30 a.m.
Finance
Health Subcommittee
To hold hearings on S. 1551, to provide for administrative appeals and judicial review under Par B of Medicare, and to review the beneficiary and provider appeals provisions under Parts A and B of the Medicare program.
SD-215

OCTOBER 29

9:30 a.m.
Commerce, Science, and Transportation
To hold oversight hearings on the implementation of the Motor Carrier Safety Act (P.L. 98-554).
SR-253

Labor and Human Resources
Handicapped Subcommittee
To hold hearings on the Tenth Anniversary of the Education for All Handicapped Children Act (P.L. 94-142).
SD-430

Rules and Administration
Business meeting, to consider S. 581, to authorize construction of facilities for the Whipple Observatory in Arizona and to authorize repair and replacement of facilities at the Tropical Research Institute in Panama, S. 582, to authorize funds for museum programs of the Smithsonian Institution, S. 583, to authorize funds for construction of additional facilities for the Cooper-Hewitt Museum in New York, S. Res. 28, S. Res. 29, and S. Res. 81, measures to set forth regulations to implement television and radio coverage of Senate Chamber proceedings, and administrative business.
SR-301

10:00 a.m.
Armed Services
Defense Acquisition Policy Subcommittee
To resume oversight hearings to review the status and impact of certain legislative provisions to reform the defense acquisition process.
SD-628

Governmental Affairs
Permanent Subcommittee on Investigations
To hold hearings on the Federal enforcement of the Bank Secrecy Act (title 31 of the U.S. Code).
SD-342

Judiciary
Constitution Subcommittee
To resume hearings on S. 1580, to revise federally mandated attorneys' fees applicable to civil, criminal, and administrative proceedings involving the United States and civil proceedings involving State and local governments.
SD-226

OCTOBER 30

9:30 a.m.
Labor and Human Resources
To resume hearings to examine certain barriers to health care.
SD-430

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Labor and Human Resources
Children, Family, Drugs, and Alcoholism Subcommittee
To hold hearings on the effects of domestic violence.
SD-628

OCTOBER 31

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on S. 240, to start daylight savings time on the first Sunday of March, and S. 1433, to start daylight savings time on the first Sunday of April and to end it on the first Sunday of November.
SR-253

Labor and Human Resources
Employment and Productivity Subcommittee
To resume hearings on the impact of trade on employment and productivity.
SD-430

10:00 a.m.
Small Business
To hold oversight hearings on activities of the Small Business Administration's Office of Veterans Affairs.
SR-428A

4:00 p.m.
Select on Intelligence
Closed briefing on U.S. intelligence monitoring capabilities.
SH-219

NOVEMBER 1

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold oversight hearings on the implementation of the Staggers Rail Act (P.L. 96-448).
SR-253

NOVEMBER 4

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To resume oversight hearings on the implementation of the Staggers Rail Act (P.L. 96-448).
SR-253

NOVEMBER 5

9:30 a.m.
Rules and Administration
To hold hearings on proposed legislation to provide for public financing of Senate general election campaigns.
SR-301

NOVEMBER 6

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
Science, Technology, and Space Subcommittee
To hold joint hearings on the space world administrative radio (WARC).
SR-253

10:00 a.m.
Judiciary
Administrative Practice and Procedure Subcommittee
Courts Subcommittee
To hold joint hearings on farm bankruptcy.
SD-628

NOVEMBER 7

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on insurance and space commercialization.
SR-253

NOVEMBER 8

9:15 a.m.
Finance
Health Subcommittee
To hold hearings on a Department of Health and Human Services report on proposed reform of the Federal hospital insurance program (Medicare Part A) method of paying for capital costs.
SD-215

NOVEMBER 12

9:30 a.m.
Governmental Affairs
Permanent Subcommittee on Investigations
To resume hearings on espionage activities in the United States.
SD-342

Labor and Human Resources
Employment and Productivity Subcommittee
To resume hearings on the impact of trade on employment and productivity.
SD-562

NOVEMBER 13

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold oversight hearings on LANDSAT commercialization
SR-253

Labor and Human Resources
To hold hearings on nutrition and fitness in public health.
SD-430

NOVEMBER 14

9:30 a.m.
Governmental Affairs
Permanent Subcommittee on Investigations
To resume hearings on espionage activities in the United States.
SD-342

10:00 a.m.
Energy and Natural Resources
To hold oversight hearings on the President's July 8, 1985 National Defense Stockpile "modernization" proposal and its potential impact on the domestic mining industry.
SD-366

Governmental Affairs
Intergovernmental Relations Subcommittee
To hold oversight hearings on regulatory activities of the Office of Management and Budget.
SD-562

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
Business meeting, to mark up proposed legislation authorizing funds for programs of the Higher Education Act.
SD-430

NOVEMBER 15

10:00 a.m.
Environment and Public Works
Toxic Substances and Environmental Oversight Subcommittee
To resume oversight hearings on ground-water level and use and on ground-water quality and flow in the United States.
SD-406

NOVEMBER 18

9:15 a.m.
Finance
Health Subcommittee
To hold hearings on the Federal supplementary medical insurance program (Medicare Part B) payments for physician services, focusing on efforts by the Department of Health and Human Services and others to assess the current payment mechanism and develop reform options.
SD-215

NOVEMBER 19

10:00 a.m.
Commerce, Science, and Transportation
Business, Trade, and Tourism Subcommittee
To hold hearings on the promotion of domestic tourism.
SR-253

CANCELLATIONS

OCTOBER 17

9:30 a.m.
Agriculture, Nutrition, and Forestry
To hold oversight hearings on the farm credit system.
SR-328A

OCTOBER 24

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume hearings on proposed legislation authorizing funds for programs of the Higher Education Act.
SD-430

HOUSE OF REPRESENTATIVES—*Thursday, October 17, 1985*

The House met at 11 a.m.

Bishop Herbert W. Chilstrom, bishop of the Minnesota Synod of the Lutheran Church, Minneapolis, MN, offered the following prayer:

We thank You, O Lord, for another day and the opportunity it brings for a new beginning. Into a world of brokenness, fear, and misunderstanding, bring a ray of hope.

Give to those who gather in this Chamber today Your Spirit of counsel and sound judgment. May special grace be with any who bear personal pain or loss or whose families suffer in any way. As they carry the burden of public office, may they be given strength to meet their personal needs.

Grant wisdom to our President, our judges, our Congressmen, and all who hold office in our land. Bless the leaders of the world. Comfort the sick, feed the hungry, give hope to the destitute. May women and men of good will band together in a determination to bring peace and justice to every land.

We pray in Your holy name. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J. Res. 386. Joint resolution to designate November 24, 1985, as "National Day of Fasting to Raise Funds to Combat Hunger."

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested a bill of the House of the following title:

H.R. 3037. An act making appropriations for Agriculture, Rural Development, and Related Agencies programs for the fiscal year ending September 30, 1986, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 3037) "An act making appropriations for Agriculture, Rural Development, and Related Agencies programs for the fiscal year ending September 30, 1986, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. COCHRAN, Mr. MCCLURE, Mr. ANDREWS, Mr. ABDNOR, Mr. KASTEN, Mr. MATTINGLY, Mr. SPECTER, Mr. HATFIELD, Mr. BURDICK, Mr. STENNIS, Mr. CHILES, Mr. SASSER, Mr. BUMPERS, and Mr. HARKIN to be the conferees on the part of the Senate.

BISHOP HERBERT W. CHILSTROM

(Mr. SABO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SABO. Mr. Speaker, I am pleased to welcome as our guest chaplain, Rev. Herbert W. Chilstrom, bishop of the Minnesota Synod of the Lutheran Church in America.

Bishop Chilstrom has served since 1976 as the spiritual leader for 250,000 people in over 300 congregations throughout the State of Minnesota. Not only has he given counsel to his own churches, he has been a leader in issues of justice that affect the lives of many people in the communities of our State.

A graduate of Augsburg College in Minneapolis, he also holds a doctoral degree from New York University. His wife, Corinne, was recently ordained and presently serves as associate pastor of the Bethlehem Lutheran Church in Minneapolis.

It is a personal honor to introduce Bishop Chilstrom to my colleagues and thank him for his opening prayer.

Mr. PENNY. Mr. Speaker, will the gentleman yield?

Mr. SABO. I yield to my colleague, the gentleman from Minnesota.

Mr. PENNY. Mr. Speaker, I join my colleague, the gentleman from Minnesota, Mr. MARTIN SABO, in welcoming Bishop Chilstrom to Washington and to the House Chamber. We thank him for his opening prayer and for asking God's blessing on our work here today.

HISTORIC DEBATE BEGINS ON GRAMM-RUDMAN AND CONSTITUTIONAL AMENDMENT TO BALANCE THE BUDGET

(Mr. CRAIG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CRAIG. Mr. Speaker, yesterday a House-Senate conference started what I believe to be a historic debate for the American people; that is, on how to deal with the Gramm-Rudman amendment to bring about a balanced budget by 1991.

You were quoted, Mr. Speaker, by the Associated Press as agreeing to this kind of action and saying that we have to make it mandatory. Your answer was, yes, it must be a mandatory effort.

So this morning, Mr. Speaker, I am asking you to do two things: to bring Gramm-Rudman out, or some modification of Gramm-Rudman, and to bring out the constitutional amendment to balance the Federal budget.

Let us not again lie to the American people. Let us be truthful with them and give them an instrument that they know will be binding on this Congress and that can and will produce a balanced-budget amendment and a balanced budget by 1991.

Bring both of them together, Mr. Speaker. Bring Gramm-Rudman and bring a constitutional amendment to balance the Federal budget.

THE 1985 WORLD SERIES—AN ALL-MISSOURI AFFAIR

(Mr. SKELTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SKELTON. Mr. Speaker, all Missourians are celebrating today over the dramatic victories achieved yesterday by our two favorite baseball teams, the Kansas City Royals and the St. Louis Cardinals. Saturday will be the first game of what figures to be a classic World Series. It will be the first postseason meeting ever between these two highly successful teams.

Mr. Speaker, what could be more appropriate than a World Series played in the heart of America, on the banks of two great rivers, in a State which links East and West and North and South? We of the Show Me State are pleased about the upcoming all-Missouri I-70 Series.

Mr. Speaker, anyone who misses a minute of any of the 1985 World Series will regret it. I can guarantee thrills and excitement that will be the equal of any World Series in history. Those who are fortunate enough to be attending in person will have an extra bonus: Before and after the series, and during the offdays, they will have a chance to enjoy and experience Missouri, our rivers, lakes, and streams, and our vibrant, livable cities.

Mr. Speaker, I welcome all America to Missouri for the 1985 World Series, whether in person or through their

living room television sets. It will be an experience to remember.

PLO RECOGNITION GIVES "STATUS" TO TERRORISM

(Mr. COURTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COURTER. Mr. Speaker, according to Dr. John Laffin, a man with intimate knowledge of the Palestinian movement, the PLO committed over 200 major terrorist acts in or against countries other than Israel in the 12 years before 1980. These included assaults on 40 civilian passenger aircraft, 5 passenger ships, and some 30 embassies or diplomatic missions. And what was the result? By 1980 the PLO had been permitted to open 82 offices, some with the prestige of an embassy and all with the function thereof, in cities all over the world. Today over 100 countries are said to recognize the PLO as the sole legitimate representative of the Palestinian people.

In this, and not only in Rome, lies the problem with the Italian release of Abul Abbas. When so much of the world has treated Arafat and lieutenants like Abbas as if they were governmental dignitaries, we cannot wonder that Italy found it difficult to hold a man accustomed to the privileges of diplomatic immunity. Criticizing Italy for the scandal of releasing Abbas is thus fully appropriate, but it is not sufficient.

The time has come to rekindle international discussion of what it means to allow United Nations "observer status" to the world's best known and longest running terrorist enterprise. Until diplomats can find ways of addressing the perplexing problems of the Palestinian people without bestowing honors on Palestinian terrorists, they are doomed to encourage Arafat's two-track approach of speaking like a statesman and killing foreign civilians to punctuate his speeches.

□ 1110

PRESIDENT REAGAN'S $1 BILLION GIVEAWAY TO UNION OIL

(Mr. WOLPE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WOLPE. Mr. Speaker, the hypocrisy is unbearable. President Reagan repeatedly claims to support cuts in Federal spending. And yet the same person who proposed to save $500 million by eliminating the Small Business Administration refused to lift a finger to prevent his appointees from providing, yesterday, a $1 billion giveaway to a single oil company.

On July 31 this House, by an overwhelming bipartisan vote of 312 to 111, stood up for the American taxpayer by voting to cut over $6 billion from the hopelessly wasteful Synthetic Fuels Corporation.

But soon after the vote it became clear that the President's appointees at the SFC would try to spend as much as they could before the Senate took action similar to the House.

On August 8 and again on September 10 I wrote to the President to ask for his support to prevent this tremendous waste. With a couple of phone calls the President could save the taxpayer billions of dollars.

But the President has chosen to do nothing on behalf of the taxpayer. He can talk a good game when speaking in generalities, but when it came down to taking specific action to cut spending the President chose to sit on the sidelines. Yesterday the President's appointees at the SFC gave almost $1 billion in indefensible subsidies to the Union Oil Co.

The next time you hear the President talk about special interests and wasteful spending, remember his $1 billion giveaway to Union Oil.

CONDEMNING SOVIET MURDER OF AMERICAN JOURNALIST

(Mr. LAGOMARSINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAGOMARSINO. Mr. Speaker, today a war continues against a nation of brave men and women who want nothing more than to be left alone—than to be able to return to their homes and pursue normal lives. That war has gone on now for 6 years, and has cost the lives of millions. What is happening today in Afghanistan can only be considered genocide.

Mr. Speaker, the Soviets are committing some of the most ruthless activities in Afghanistan that I have ever heard. They are in every sense of the term "destroying" Afghan culture, Afghan society, indeed, the entire Afghan nation as it was once known.

Yet we in the West are rarely given glimpses of this illegal, immoral, and tragic war. Why? The Soviet Government has threatened to murder—let me repeat murder—any journalist who dares to enter Afghanistan, to cover the ruthless aggression being committed against the Afghan people. Such dire threats have undoubtedly had a "chilling effect" on the Western news media's willingness to cover this truly criminal war. Unfortunately, the Soviets recently made good on their threat against Western journalists, by murdering an American journalist, Charles Thornton, who was from our colleague JOHN MCCAIN'S district in Arizona.

Congressman MCCAIN has introduced legislation condemning the Soviets barbaric murder of this unarmed American journalist, in violation of all norms of decency and international law. The bill is House Concurrent Resolution 212, and has been referred to the House Foreign Affairs Committee for action. I urge my colleagues to join Congressman MCCAIN and me in condemning this heinous act, by cosponsoring this important resolution. It is the least we can do for the family of Charles Thornton, and the least we can do for a nation that is in great peril.

FURTHER RESTRICTION OF CIVIL LIBERTIES AND FREEDOMS IN NICARAGUA

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUDD. Mr. Speaker, now even the Government of Nicaragua admits civil liberties and freedoms do not exist in that beleaguered nation. The Marxist dictator Daniel Ortega, in a move widely interpreted as a direct attack on the Catholic Church as well as the freedom fighters, has censored the press, restricted travel and imposed all sorts of other repressive measures.

The privacy of mail and business accounts is denied. The right to habeas corpus was eliminated, as was the right to appeal convictions in court.

These actions were, of course, on top of the already severe restrictions and government restraints on freedoms and liberties the people of Nicaragua had to endure.

Mr. Speaker, this should come as no surprise to those aware of the intent of this Marxist dictatorship or the history of Communist regimes everywhere. But I do hope it is a strong signal to some in this body who up to now have given this Government "the benefit of the doubt." We must recognize the dictatorship of Daniel Ortega for what it is and also take active steps to see that this brand of totalitarianism does not spread elsewhere in the region.

WE CAN RUN, BUT WE CANNOT HIDE FROM DEFICITS

(Mr. STENHOLM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STENHOLM. Mr. Speaker, we can run, but we cannot hide. Many and most of us in the House have talked about deficits for a long time and those 200 of us who have cosponsored a constitutional amendment to require a Federal balanced budget have been told time and time again that that will do no good, we need a mechanism to enforce it. Now the Senate has sent us a mechanism to enforce it. Now we are told by those

same people that this mechanism is imperfect.

Mr. Speaker, a couple months ago we had a vote on this floor. Some 59 Members voted to balance the budget by 1991. It takes more than 59 Members.

The Speaker said it best yesterday when he answered a reporter by saying that we must make it mandatory to force this House to do that which the American people want us to do.

Give us both, Mr. Speaker. Give us a hearing and a vote on a balanced budget constitutional amendment that the American people want and give us the mechanism, an improved Gramm-Rudman resolution coming from this House of Representatives that will, in fact, do it. Balance the budget for the United States.

OUR TREATIES OF EXTRADITION LACK ENFORCEMENT TEETH

(Mr. SENSENBRENNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SENSENBRENNER. Mr. Speaker, Mohammed Abbas, the Palestinian whom officials have alleged was the mastermind of the piracy of the *Achille Lauro*, has eluded American efforts to have him arrested and extradited to the United States. The event has made it painfully clear that our treaties of extradition with other nations lack the enforcement teeth, sometimes necessary to protect our citizens.

I am offering a bill to assist the President with enforcement of these obligations. This bill gives the President authority to immediately withhold economic and military aid or to restrict imports if a country has in its custody a terrorist who has committed a crime against the United States or its citizens and that country refuses to extradite, even though there is a binding treaty of extradition.

Mr. Speaker, I hope my colleagues will join with me in cosponsorship of this legislation, which I believe will put the bite behand the bark in our international agreements.

KEEP RUNNING CARDINALS; KEEP PLUGGING, ROYALS

(Mr. VOLKMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VOLKMER. Mr. Speaker, twas the night before the World Series and all through the country not a team was stirring except for Missouri's.

The Dodgers and Blue Jays were all tucked in their beds to watch the Cardinals and the Royals play for the bread.

When all of the sudden a clatter arose as the I-70 Series was beginning to unfold. As the fans sprang to watch the games they recognized those famous names.

Now Whitey and Ozzie, now Dick and George, lead your team to victory like you've done so often before.

Keep running you Cardinals, keep plugging you Royals, the fans of Missouri will always be loyal.

As the series continues and the best team has won, you've both made sure the show me State will be second to none.

REMOVE RESTRICTIONS ON CLEAN-BURNING, ABUNDANT FOSSIL FUEL

(Mr. COATS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COATS. Mr. Speaker, recently I introduced, along with the gentleman from Kansas [Mr. SLATTERY], a measure to repeal both the Fuel Use Act and the incremental pricing provisions of the Natural Gas Policy Act. There may have been some justification in some minds in the late seventies for these two restrictions on the use of natural gas. Certainly that justification is not there now and we would hope that many of our colleagues would join in this effort to remove these restrictions on a clean-burning, abundant fossil fuel that is important not only to our energy security, and our trade balance, but also to our environment.

Greater use of natural gas can significantly lower energy costs for residential, business, and industrial users. It can also replace expensive, imported oil, thereby enhancing our Nation's energy security and lower our trade deficit. Finally, use of natural gas as either a replacement for an enhancement to the burning of other fossil fuels can improve air quality, a most important consideration to those of us from the industrial Midwest.

We hope shortly in this session of Congress to gather the support necessary to repeal these laws that were not justified in the past and certainly are not justified today.

Mr. Speaker, I urge my colleagues to join me in this effort.

A TRIBUTE TO THE LATE HONORABLE NUMA MONTET

(Mr. TAUZIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TAUZIN. Mr. Speaker, I rise today in sadness to honor a former member of this body who served Louisiana and the Nation. Numa Montet died last Saturday in Thibodaux at the age of 93.

Mr. Montet served in both the Louisiana Legislature and the U.S. Congress, where he represented the Third Congressional District from 1929 to 1937.

After serving in the House of Representatives, he returned home to practice law until his retirement in 1967.

Mr. Montet graduated from Tulane University's law school in 1913, and by the late 1920's, he was Thibodaux's most successful lawyer. A rewarding, and highly active, career followed: City attorney and secretary-treasurer of the city of Thibodaux, candidate for attorney general of the State in 1924, delegate to the national Democratic Convention in 1924 and 1932, and prosecuting attorney, all in addition to 12 years of service to the State in the Louisiana Legislature and U.S. Congress.

Mr. Speaker, I today represent the same congressional district as Mr. Montet did 50 years ago. He was born in LaFourche Parish, as was I. He loved our State, and forever worked to improve and better it, and we shall always be grateful for the contributions he made.

It was an honor to have known Mr. Montet, and we mourn our loss today.

A TRIBUTE TO NORMAN J. PHILION

(Mr. BADHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BADHAM. Mr. Speaker, as vice chairman of the congressional travel and tourism caucus, I rise today to pay tribute to the late Norman J. Philion, president of the Air Transport Association. Norm Philion, a native of Burlington, VT, had an extraordinary wide-ranging career in the airline industry. His experience reached from service as a young man on the ramp and at ticket counters in small New England airports to a major leadership role in the industry in later years.

Norm joined the Air Transport Association, a trade association representing the Nation's scheduled airlines, in 1956, as director of facilitation. He was a pioneer in his field. Norm recognized the coming growth in international air travel and trade. He worked hard to make it easier for people and goods to cross international borders.

Later at the Air Transport Association, Norm successfully served in a number of executive positions before becoming president of ATA last January 1. Most recently, he headed a task force at ATA that proposed a comprehensive plan to modify the structure of the air traffic control system from a Federal agency to a Federal corporation.

He also supported a strong airline role in augmenting military airlift, and

has served as chairman of the defense advisory council of the National Defense Association. The council works to ensure that the Nation's various modes of private transport can meet the special needs of defense.

Those of us in the Congress who worked with Norm Philion will certainly miss him and will always remember him as a true leader of the travel industry.

DEMOCRATIC TRADE TASK FORCE RECOMMENDATIONS TO BRING DOWN DEFICIT

(Mr. BONKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BONKER. Mr. Speaker, today the Democratic Trade Task Force, which I chair, announced its package, which includes specific recommendations to bring down our staggering trade deficit.

As my colleagues know, that trade deficit is projected to be $150 billion this year. This not only threatens our competitive position in the world, but it also threatens our domestic industries.

It has been the indifference and the inaction of this administration that is primarily responsible for a loss of markets abroad and cheap imports that have resulted in plant closures and displaced workers all across the economic landscape of this country.

The task force program is a comprehensive and detailed approach that I think is vastly superior to the Reagan trade plan which was announced a few months ago and that which was also announced by our Republican colleagues in the House.

□ 1125

The report deals with the principal cause of our trade problems, that is, a strong dollar, and it attempts to link the President's request for a new round of trade talks, the GATT, with our request for his convening an international conference to deal with currency misalignment.

It also has a number of recommendations to deal with unfair trade practices. We have given President Reagan all the authority he needs to deal effectively with unfair trade, but we have additional authorities in this package to compel him to act. We also have programs on export promotion and trade adjustment assistance.

I urge all my colleagues to read this report.

SCHOOL PRAYER

(Mr. MONSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONSON. Mr. Speaker, few freedoms in this country are as personally cherished and guarded as freedom of religion and freedom of speech. These two valued and uniquely American freedoms should be protected at all costs. Attempts to strip away our children's rights to freely express faith in God directly undermine the constitutionally guaranteed rights of both freedom of speech and religion. As citizens of this country, children must be allowed to enjoy these freedoms.

Over 150 years ago, Alexis de Tocqueville found that religious faith was indispensable to the maintenance of republican institutions. It is my belief that religious faith is still indispensable in our institutions, particularly in our classrooms. The founders of our Nation and the framers of the first amendment did not intend to forbid public prayer. On the contrary, prayer has been part of our public assemblies for years.

"In God We Trust" is a great American theme that has given us strength and courage for ages. The right to demonstrate faith in the God we trust, through prayer, is a right we must vigorously defend.

Mr. Speaker, we must allow prayer in public schools. As a God-fearing country, we cannot afford to expel God from our classrooms.

SIX AMERICANS REMAIN HOSTAGES IN LEBANON

(Mr. MINETA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MINETA. Mr. Speaker, for several days the world sat on edge waiting to learn of the fate of the cruise ship *Achille Lauro* and its passengers, just as several months ago we watched the drama of the TWA in hijacking in Beirut.

The TWA affair is now history, and the *Achille Lauro* hijacking will soon also pass from our attention.

Yet through all this excitement, six Americans remain hostages in Lebanon. Six Americans remain chained to radiators and blindfolded much of the day. These men are the innocent victims of terrorism just as those on a hijacked plane or ship.

We must not and we cannot forget these men. We cannot let them linger and suffer because our Government appears to lack the will and the skills to obtain their release.

Rev. Ben Weir has told us that we need imagination and creativity to bring these men home.

Let us heed his message, and work with wisdom and dedication to bring these men home to their families who have waited for so very long.

WE NEED GRAMM-MACK AND THE BALANCED BUDGET CONSTITUTIONAL AMENDMENT

(Mr. BOULTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOULTER. Mr. Speaker, there are presently over 150 Members of Congress who are cosponsoring the Gramm-Rudman-Mack proposal. There are about 200 Members who are cosponsoring the constitutional amendment to balance the budget. So we have a large number of Members who are truly committed to a balanced budget, and that is something that this Congress has not had the courage to pass in the past 16 years.

The American people rightly believe that the highest legislative body in the land has been spending money like a drunken sailor, and it is past time that we do something about this problem. The American public is sick and tried of lack of action by Members of this body.

A few years ago, Congress went through an exercise that reeked of blue smoke and mirrors. Just before the 1980 Presidential campaign, this body passed a measure that required a balanced budget by fiscal year 1981. We know what happened to that. Too many Members of this body, when actual spending measures were voted on, said, "Well, we did not think you would actually hold us to it," and we just kept passing appropriation bills that kept this country in the red.

The Gramm-Mack proposal can change that, but to make it binding we also need to pass the constitutional amendment to balance the budget. We are only two States shy now of having to call a constitutional convention. There is no question but that the States would ratify it. The Gramm-Mack proposal is action, Mr. Speaker, but we also need a vote on a balanced budget amendment. The President supports it and the American people support it. Bring them both to the floor together.

A TRIBUTE TO NORMAN J. PHILION

(Mr. BONER of Tennessee asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BONER of Tennessee. Mr. Speaker, the world aviation community lost an outstanding leader the night of October 4 with the untimely death of Norman J. Philion, president of the Air Transport Association. The scheduled airline industry that he served is now about 60 years old, and Norm Philion served the airlines for 40 of those years.

One of his most appreciated talents was the ability to come up with cre-

ative approaches through which scheduled air transportation could serve the national interest. Some 20 years ago, for example, when international tourism was in an earlier period of growth and many more Americans were traveling abroad than the number of citizens of other countries traveling here, some wanted to slow this growth by making it more difficult for Americans to travel abroad.

Norm successfuly urged as national policy the alternative concept of encouraging people from other countries to come as tourists to the United States. Now more than 20 million people visit the United States annually, spending about $14 billion here in the process.

For the past two decades, Norm showed a particularly keen interest in fostering the development of travel and tourism. As chairman of the congressional travel and tourism caucus, I worked closely with him and admired his dedication to promoting tourism. He served as a member of our caucus advisory board and as a member of the U.S. Senate Travel and Tourism Advisory Council.

In the death of Norm Philion, the Nation has lost a distinguished member of the aviation community and the House tourism caucus has lost a good friend and advisor.

COMANDANTE ORTEGA REMOVES LAST VESTIGES OF CIVIL RIGHTS

(Mr. DORNAN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN of California. Mr. Speaker, the latest development in Managua Nicaragua, closer to us in Washington than my home district in California is to Washington, is that the comandante commander of the totalitarian government in power there, Daniel Ortega, has removed all of the remaining vestiges of civil rights, including the right of the people to peaceably assemble, the right of freedom of speech and the press. And this is the very week before Ortega is coming to New York City to address the United Nations. What a smooth operator.

There were several speeches on Ortega in this well yesterday morning, and there were major stories on all three of the networks last night. This story of the denial of civil rights in Nicaragua was on the front page of the Washington Times. But guess where it appeared in the prestigious Washington Post. Page 29A. That is right. 29A. Can you believe it. Buried in the paper that deeply. Unconscionable.

What was the focus of the excellent network news reporting on this story? That this is Comandante Ortega's way of trying to crush Cardinal Miguel Obando y Bravo. I said before this House several times during the spring that Cardinal Obando y Bravo, then an archbishop, is one of the most courageous men in this hemisphere. That he is.

I hope that all my colleagues in this House will now concede that the government in Managua is a Leninist government and will continue to oppress its people until overthrown by its people. It is a disgrace that there are still a handful of naive ministers and priests and nuns, some in my beautiful Orange County district, who still make a case for the Communist comandantes, comandantes who hate the Catholic Church. This naivete is absolutely astounding to this Member. In some cases it is truly hateful if not hysterical. Take the scales from your eyes, Monsignor.

QUICK ACTION NEEDED ON MARYLAND SAVINGS AND LOANS

(Mr. SCHUMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHUMER. Mr. Speaker, yesterday marked another twist in the lingering Maryland State savings and loan crisis, as the State senate derailed a plan that would have allowed 3 of its troubled savings and loans to return to normal and allowed their 70,000 depositors to have access to their hard-earned savings.

But every day that this crisis continues, the danger grows that it will spread beyond Maryland into other States, and beyond privately insured savings and loans to federally insured institutions. Banking is essentially a game of confidence, and for 50 years that confidence has been based on the knowledge that depositors funds will be safe, even if the institution that they are in goes under. Events in Maryland have called that assumption into question. This Nation has over 1,000 troubled banks and thrifts, and the longer this crisis goes on, the greater the danger that depositors in those institutions lose confidence. The image of weakness can, as history shows spread like a contagion.

This mess was caused by permissive State laws and sloppy regulation of Maryland's banks. Maryland officials have a responsibility not only to their depositors, but also to the rest of the country and to the integrity of the banking system, to clean up the mess before it spreads. If they cannot come to an agreement on takeover of troubled institutions by an out-of-State bank, then they should guarantee the deposits of all depositors, and let the banking system return to normal. But whatever they do, it is vital that they do it soon.

□ 1135

A BALANCED BUDGET

(Mr. MILLER of Washington asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MILLER of Washington. Mr. Speaker, we may finally be getting someplace. Gramm-Rudman-Mack offers a framework for balancing the budget over the next 6 years. Gramm-Rudman-Mack lays out a path. It offers hope that Congress may act, but only hope.

Congress has so often frustrated that hope. Congress, after all, passed a law in 1978 requiring a balanced budget in 1981. Then Congress changed its mind.

Passing Gramm-Rudman-Mack will offer hope. Passing a balanced budget amendment to the Constitution will make hope a reality.

Mr. Speaker, let this House vote on both measures. If you do, we can answer letters from constituents such as Carl Johnson of Kirkland, WA, who writes: "This budget maneuvering has got to stop. We are in a crisis and Congress politics."

DISPARITIES IN HEALTH CARE DELIVERY BETWEEN BLACKS AND WHITES

(Mr. LELAND asked and was given permission to address the House for 1 minute.)

Mr. LELAND. Mr. Speaker, I am very concerned. Yesterday Secretary Heckler of the Health and Human Services Department decided that we have a great disparity between the inadequacies of health care delivery between blacks and whites. The mortality rate between blacks and whites has increased, and I am very, very disturbed.

We are finding that more blacks are dying of coronary disease, more blacks are dying of infant mortality, more blacks are dying of accidents and other kinds of diseases and illnesses in this country, far beyond our white counterparts. Something is wrong.

Congress needs to act as soon as possible. I hope that my colleagues will pay attention to this very critical issue.

EMERGENCY DEFICIT CONTROL ACT

(Mr. GALLO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GALLO. Mr. Speaker, with the Gramm-Rudman-Mack initiative, we have an opportunity—perhaps the best opportunity we will have this session of Congress—to do something about a problem we all have admitted exists and that we have promised the

American public, time and time again, that we would do something about balancing our budget.

As one of the early supporters of a constitutional amendment to require a balanced budget, I support Gramm-Rudman because I believe that Congress must be placed on some kind of timetable to bring our budget in line.

The American people are very concerned about our national debt, because the people know what it means to have a personal debt. Mortgages, car payments, and other charges are familiar to most people.

As we know, the national debt ceiling will be raised to more than $2 trillion by the conference committee now meeting to discuss the deficit reduction resolution.

Our Federal debt amounts to over $10,000 for every man, woman, and child in this country.

The American people know what it means to owe that kind of money.

That is why the time for action is now.

It is imperative that we do not let this opportunity to reduce the deficit and balance the budget pass. Gramm-Rudman puts that on the record.

A constitutional amendment would make it the law of the land.

CONGRATULATIONS MISSOURI CHAMPIONS—BUT NOT FOR LONG

(Mr. GARCIA asked and was given permission to address the House for 1 minute.)

Mr. GARCIA. Mr. Speaker, some people from the great State of Missouri have arisen today to pat themselves on the back, and as a New Yorker, as the Congressman from the Yankee Stadium portion of that great city, I also want to get up and congratulate them as well.

Missouri has already won the world championship. They are the State which houses the two teams, so whatever happens, they can declare themselves the winner.

However, it is only going to be for a very short and temporary period of time. I would like everybody to know that Dwight Gooden is warming up in the bullpen, and Ron Guidry is warming up in the other bullpen. In the next year in the city of New York, we will have once again our famous subway series. This year it is I-70. Next year, it will be the subway series, and the Yankees and the Mets will be in that series, and so Missouri, enjoy it while you have it.

BALANCED BUDGET AMENDMENT

(Mr. ROBERT F. SMITH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROBERT F. SMITH. Mr. Speaker, every headline in America has heralded the adventures of this Congress in our attempts to hook a balanced budget provision onto debt ceiling legislation.

Personally, I'm delighted with the attention. But we should point out to the casual observers that the Gramm-Rudman balanced budget amendment is not the same as House Joint Resolution 27, the constitutional balanced budget amendment.

Statutory balanced budget fixes have a way of being ignored in Congress. Because of that, the constitutional amendment is our long-term answer.

The statutory change is our constitutional amendment's missing link. If we approve both the constitutional amendment and the Gramm-Rudman legislation, we should never have to face the sound of bouncing Treasury checks again. We need them both.

I urge our colleagues to support both a tough deficit scale-down plan and the constitutional amendment, House Joint Resolution 27, now, while we have the momentum.

PROTECT SDI AT THE SUMMIT

(Mr. McCOLLUM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCOLLUM. Mr. Speaker, there has been much debate over whether or not the President should use the strategic defense initiative, better known as the star wars defense, as a bargaining chip in an effort to get reductions in Soviet offensive nuclear weapons.

It is inconceivable to me that this country would sacrifice the one real opportunity that we have to really stop nuclear madness in the name of getting a treaty with the Soviet Union for a partial reduction in nuclear weapons, especially when the Soviets have such a terrible record on compliance with nuclear defense treaties in the first place, or any other treaty, for that matter.

In a February 1985 report, the United States Government reaffirmed its conclusions that the Soviet Union violated the Helsinki Final Act, the Geneva Protocol on Chemical Weapons, the Biological and Toxin Weapons Convention, and two provisions of SALT II. The United States also reaffirmed its previous conclusions of probable violations of other SALT II provisions and the nuclear testing yield limit of the Threshold Test Ban Treaty. In addition, it was determined that the Soviets have violated the ABM Treaty and the Limited Test Ban Treaty.

If the fox breaks into the chicken coop several times, it is not unreasonable to expect that it will do so again. In the same manner, if the Soviets violate their word over and over again, it is not reasonable to believe that they will keep it now.

Therefore, I urge my colleagues to support the President in keeping the SDI off the bargaining table at this summit.

THE REAL EFFECT OF GRAMM/RUDMAN

(Mr. LOWRY of Washington asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LOWRY of Washington. Mr. Speaker, with all due respect to my well-meaning friends, what the Gramm/Rudman movement over in the other body really did was simply provide a way by which at least 30-some Senators can get past the next election without having to face the tough proposition of how you really cut the budget. That was proven.

The SPEAKER pro tempore (Mr. WOLPE). The Chair would advise the gentleman that it is against the rules of the House to refer to the motives of the other body or its Members.

Mr. LOWRY of Washington. Mr. Speaker, I would not even consider inferring the motives of the other body.

Mr. Speaker, what I would like to do is read the RECORD of the other body of the day after the Gramm-Rudman passed and they voted specifically on the items not to cut the budget.

On the Bradley amendment to cut the defense budget——

The SPEAKER pro tempore. The Chair will advise the gentleman that he must not refer to actions of the other body in that way.

Mr. LOWRY of Washington. Let me refer to the actions of this body, Mr. Speaker.

The SPEAKER pro tempore. The gentleman may proceed.

Mr. LOWRY of Washington. In 1981, the proponents of Gramm-Latta said when this House passed President Reagan's budget, over my objection, that the budget would be balanced by 1984. They were wrong by $200 billion. The problem is that most of the same people that promoted Gramm-Latta have consistently voted against cutting the military and also against taxes to pay for the expenditures they supported. Gramm-Latta was a way in 1981 for them to say they were for a balanced budget and avoid the individual votes to back up their rhetoric. Today we have the same problem with Gramm-Rudman. Nobody knows how it will work but many want to vote for it anyway. Here we go again. "For every complex problem there is a simple answer, the wrong one."

When we think we can put into the Constitution of the United States or any other law something that will force us to make the votes to cut the

budget, we are both kidding ourselves and perhaps kidding the voters.

SALUTE TO THE ST. LOUIS CARDINALS AND KANSAS CITY ROYALS

(Mr. TAYLOR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TAYLOR. Mr. Speaker, it is with considerable pride that I rise today to salute the Show Me State St. Louis Cardinals and Kansas City Royals who yesterday showed the world how the game of baseball was supposed to be played. I congratulate the players, the managers, the owners of both teams for the great character that they displayed during this series in their determined "never-say-die" spirit.

We had a fine playoff in both leagues. The 1985 World Series will be played within the borders of the State of Missouri with two ballfields linked together by Interstate I-70, and that road cuts across the heart of our State, and indeed, the heart of America.

Mr. Speaker, we are going to be seeing some great baseball during the next few days. It will be played in Missouri, with style, and I guarantee it will be worth watching in a fall classic that will thrill all American baseball fans and make them proud of this great national pastime sport.

Saturday, Mr. Speaker, Saturday, everything for the opening to the World Series will be up to date in Kansas City, and on Tuesday, we invite you to meet us in St. Louis.

SENSE OF CONGRESS CONCERNING LYNCHING OF BENJAMIN MOLOISE

(Mr. SAVAGE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SAVAGE. Mr. Speaker, I wish to bring to your attention that at midnight tonight, that is 7 a.m. South African time, a 30-year-old carpenter by the name of Benjamin Moloise is scheduled to be lynched by that fascist racist regime, though he has never had the opportunity to have a jury trial.

I want to ask at this time, because of the concern so often and properly expressed by this body on both sides of the aisle of our concern for freedom and freedom-fighters, and due process of justice, I would like to ask at this time for unanimous consent to take up a resolution, a sense-of-Congress resolution.

The SPEAKER pro tempore. The Chair will advise the gentleman that he cannot be recognized under the Speaker's guidelines regarding unanimous consent for the consideration of legislation during 1-minute speeches.

Mr. SAVAGE. Mr. Speaker, could I do so at the end of this 1-minute? Will I be recognized when the last gentleman speaks on 1-minute?

The SPEAKER pro tempore. The gentleman cannot ask to be recognized to consider a bill or resolution by unanimous consent under the Speaker's guidelines, which require clearance by the majority and minority leaderships of the House and of the committee with jurisdiction.

Mr. SAVAGE. I have asked to be recognized after the last 1-minute speech, then.

The SPEAKER pro tempore. The Chair would advise the gentleman that it has nothing to do with the 1-minute speeches, it has to do with the Speaker's guidelines with respect to the order of business and recognition.

Mr. SAVAGE. May I conclude this 1-minute by pleading with the chairman and this body to recognize me to take up this sense-of-Congress resolution to try to save from a lynching a person who has not been found guilty under the jury process in South Africa at midnight our time. I will ask for recognition following the last 1-minute speech.

FOUNDING FATHERS SANCTIONED PUBLIC PRAYER

(Mr. GINGRICH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GINGRICH. Mr. Speaker, every fabric of American history is woven with religious principles, and prayer has always been chief among those principles.

George Washington, in his famous Farewell Address, stated:

> Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports . . . And let us with caution indulge the supposition that morality can be maintained without religion . . . Reason and experience both forbid us to expect that national morality can prevail in exclusion of religious principle.

And nearly every President since Washington has proclaimed a day of public prayer and thanksgiving to recognize the blessings of God upon our Nation. We have also acknowledged God's leadership on our coinage, in our national anthem and in the Pledge of Allegiance.

And for over 170 years students in our public schools have been allowed to freely express their faith in God through prayer. It was not until the early 1960's that the Supreme Court challenged our religious heritage by banning prayer from the classroom because, it stated, such activity was an "excessive connection between church and state, and therefore violated the first amendment."

Mr. Speaker, it is my conviction that, if we in Congress enjoy the right to pray to God right here in this building, then our children in our public schools ought to be allowed that same right.

To not grant that privilege is to turn our backs on the Founding Fathers' intentions and a religious heritage of 200 years.

AMERICAN LEAGUE CHAMPIONSHIP SERIES

(Mrs. MEYERS of Kansas asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. MEYERS of Kansas. Mr. Speaker, I would be wearing my KC Royals hat proudly today, but tradition dictates that we do not wear hats on the floor. Last evening some of my constituents were in Toronto participating in a sporting contest known as the seventh game of the American League Championship Series.

Among the people of the Third District of Kansas whom I have the privilege of representing are several members of the Kansas City Royals Baseball Team—Buddy Biancalana—the best thing that ever happened to David Letterman—and Bud Black, George Brett—the playoff's most valuable player—Dane Iorg, Danny Jackson, Mike Jones, Charlie Leibrandt, Darrell Motley, Greg Pryor, Dan Quisenberry, Jim Sundberg, and Bret Saberhagen.

Even as Congress deliberates tax reform, a balanced budget, and foreign policy, those of us on the Kansas side of Kansas City share the excitement and pride with our friends from Missouri as we all host America for the 1985 World Series. Everything's up to date in Kansas City, and St. Louis isn't doing too bad either.

□ 1150

THE DO-NOTHING DEMOCRATS

(Mr. WALKER asked and was given permission to address the House for 1 minute.)

Mr. WALKER. Mr. Speaker, America is becoming increasingly aware that the economic problems that still face this country can be laid at the doorstep of the do-nothing Democrats: The Democrats who will do nothing about spending; the Democrats who will do nothing but spend as their solution to national problems; the Democrats who do nothing but complain; the Democrats who do nothing about developing alternative programs because they have no new ideas; the Democrats who daily do nothing about deficits, refusing to join in a proposal to balance the budget in 6 years; the Democrats who do nothing to bring

the balanced budget amendment to this floor for consideration.

The do-nothing Democrats are not only a part of the problem, they are the problem.

NORMAL VOYAGE REPAIRS TO NAVY VESSELS SHOULD BE DONE BY U.S. SHIPYARDS

(Mrs. BENTLEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BENTLEY. Mr. Speaker, yesterday a constituent sent me an article from the January issue of Lloyd's Ship Manager, which I quote:

Another yard which is doing an increasing amount of work for the U.S. Navy is the troubled Lisnave shipyard in Portugal. The yard has recently won a $1.4 million contract for general repairs to the USS *Hess*, and is bidding for similar work on two other Navy vessels.

I have asked the Navy for an explanation.

For one of the ships repaired at the Lisnave yard, the rudder was replaced. This was an emergency repair, and we can never fault the Navy for doing emergency repairs when needed, but it appears normal repairs, referred to as voyage repairs, are done abroad on more than a few instances.

These vessels are on operational assignment abroad, and it does take time for them to come home, but then we, the Congress, should call into question the evaluation procedure of the Navy for having these normal repairs done abroad by foreign laborers.

We have shipyards in the United States, and some of these yards have gone and are going out of business from lack of work.

We, the Congress, have a constitutional duty to protect our constituents and their families. We also have a mandate from these same constituents to use their tax dollars to help preserve their jobs.

NATIONAL FOSTER GRANDPARENTS MONTH

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 92) to designate October 1985 as "National Foster Grandparents Month," and ask for it immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. HANSEN. Reserving the right to object, Mr. Speaker, I do not object but simply would like to inform the House the minority has no objection to the legislation now being considered.

Mr. Speaker, under my reservation, I yield to the gentleman from Vermont [Mr. JEFFORDS], the chief sponsor of Senate Joint Resolution 92, National Foster Grandparents Month.

Mr. JEFFORDS. Mr. Speaker, I am extremely pleased that we are today adopting Senate Joint Resolution 92, expressing the sense of Congress that the President proclaim the month of October as Foster Grandparent Month. This bill is identical to House Joint Resolution 141, which I introduced in February of this year.

This year the Foster Grandparents Program celebrates its 20th anniversary. During this period the program has grown from 33 projects in 27 States involving 782 senior citizens to a program providing meaningful volunteer opportunities to 19,000 foster grandparents in 245 projects in all 50 States, the District of Columbia, Puerto Rico, and the Virgin Islands.

Foster grandparents are low-income persons aged 60 years or over. As volunteers, they receive 40 hours of preservice training designed to maximize their effectiveness as foster grandparents. Once training is completed, they serve 20 hours each week as foster grandparents, providing loving care and attention to children. As foster grandparents, the volunteers enjoy improved health and independence. The children served also benefit in their physical, social, and psychological development.

The Foster Grandparents Program is one of the most innovative, meaningful volunteer programs supported by the Federal Government. It is a tangible and successful reflection of our Nation's commitment to assist senior citizens seeking to continue to be full, contributing participants in our society.

I appreciate the cooperation of my colleagues in bringing this matter to the floor, both the many cosponsors and particularly Chairman GARCIA and ranking member HANSEN. I also want to commend First Lady Nancy Reagan for the strong, longstanding interest she has shown in this program. I urge adoption of the resolution.

Mr. GILMAN. Mr. Speaker, I rise in strong support of Senate Joint Resolution 92, designating the month of October 1985 as National Foster Grandparents Month. I extend my appreciation to the gentleman from Vermont [Mr. JEFFORDS], the author of House Joint Resolution 141, for working so diligently to bring this legislation, of which I am a cosponsor, to the floor today. I would also like to commend the First Lady, Mrs. Reagan, on her continued involvement in the Foster Grandparents Program conferring upon child and senior citizen alike the opportunity to share in a very special relationship.

The Foster Grandparents Program celebrates its 20th anniversary this year. Administered by the ACTION agency, this volunteer organization now reaches some 65,000 children in all 50 States. Indeed, in my own district, I can say with certainty that all four countries which I represent are involved in active, successful Foster Grandparents Programs.

Consider for a moment the benefits of this program: As an alternative to retirement, our senior citizens can engage in activities which make them feel useful again. Instead of feeling that their productive years have passed them by, Foster Grandparents can contribute their unique, personal guidance and care to tens of thousands of physically, emotionally, and mentally handicapped children. Children who are abused, neglected, as well as those in the juvenile justice system receive the special attention which has up to now been missing in their lives.

Indeed, this program reflects increasing public and institutional awareness to the enormous benefit that such a program brings to all involved. By designating October 1985 as National Foster Grandparents Month, we will be demonstrating our support for the activities of the Foster Grandparent volunteers and the importance of using the expertise of retired persons to help solve social problems. Accordingly, I ask my colleagues to support Senate Joint Resolution 92, giving our Foster Grandparents the recognition they so fully deserve.

Mr. HANSEN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. Res. 92

Whereas the Foster Grandparent Program celebrates its twentieth anniversary in 1985;

Whereas the Foster Grandparent Program, administered by the national volunteer agency known as the ACTION Agency, was the first Federal program to provide older individuals with opportunities for retirement to service as an alternative to retirement from activity;

Whereas older individuals participating in the Foster Grandparent Program have provided unique, personal guidance and care to tens of thousands of physically, emotionally, and mentally handicapped children and children who are abused, neglected, in the juvenile justice system, or in need of special help;

Whereas in its first year of operation the Foster Grandparent Program established 33 projects in 27 States and involved 782 Foster Grandparent volunteers;

Whereas today approximately 19,000 Foster Grandparents are serving some 65,000 children in 245 projects in the 50 States, the Commonwealth of Puerto Rico, the Virgin Islands, and the District of Columbia;

Whereas the growth of the Foster Grandparent Program reflects increasing public and institutional awareness of the enormous benefit that such Program brings to all who participate in it and to the Nation: the volunteers benefit from improved health, increased independence, decreased isolation, and lessened financial burdens; and the children who are served make great gains in

their physical, social, and psychological development, and the love of a Foster Grandparent is for many children the first personal warmth and concern they have known;

Whereas the service of Foster Grandparent volunteers represents a tremendous return on tax dollars and a great value to the American people;

Whereas the Foster Grandparent Program is one of the most meaningful social service programs ever developed, providing older individuals with opportunities to participate crucially and creatively in community service; and

Whereas the activities of Foster Grandparent volunteers continue to improve the public attitude conerning older individuals and to demonstrate the importance of using the expertise of retired persons to help solve social problems: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That October 1985 is designated as "National Foster Grandparent Month", and the President is authorized and requested to issue a proclamation calling upon all government agencies, interested organizations, community groups, and the people of the United States to celebrate the twentieth anniversary of the Foster Grandparent Program by observing such month with appropriate ceremonies and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BENIGN ESSENTIAL BLEPHAROSPASM AWARENESS WEEK

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 308) designating the week beginning on October 20, 1985, as "Benign Essential Blepharospasm Awareness Week," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. HANSEN. Mr. Speaker, reserving the right to object, I do not object, but simply would like to inform the House the minority has no objection to the legislation now being considered.

Mr. BROOKS. Mr. Speaker, I am delighted that the House has now passed House Joint Resolution 308, which designates the week beginning October 20, 1985, as Benign Essential Blepharospasm Awarness Week.

Benign essential blepharospasm is a little-known eye-related disease which causes involuntary and usually uncontrollable spastic contraction of muscles around the eyes. Although the disease is not fatal, it is progressive and ultimately causes functional blindness. It is estimated that approximately 500,000 or more cases exist in the United States.

The Benign Essential Blepharospasm Research Foundation, Inc., was founded with the purpose of finding the cause and a successful cure for this disease. The foundation sponsors programs and activities to create an awareness of blepharospasm in the medical community as well as in the general public. The foundation has established support groups in every State in the Nation and several abroad to encourage communication among persons with the disease, and seeks to raise money for research through public and private contributions. Research scientists from around the country are submitting grant applications to the National Institutes of Health to study this little-known malady.

Sufferers of blepharospasm are desperate to find a successful treatment for their illness. I believe setting aside a week to promote public awareness and understanding of benign essential blepharospasm is a tremendous benefit to the victims of this disease and will lead to increased medical research and awareness, as well as increasing the available information and advice for those afflicted with benign essential blepharospasm.

Mr. HANSEN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. Res. 308

Whereas benign essential blepharospasm is a little known eye-related disease, causing involuntary and usually uncontrollable spastic contraction of muscles around the eyes;

Whereas approximately five hundred thousand Americans are afflicted with blepharospasm, which is progressive and ultimately causes functional blindness;

Whereas the Benign Essential Blepharospasm Research Foundation, Incorporated, was begun with the purpose of finding the cause and a successful cure for benign essential blepharospasm;

Whereas this important foundation sponsors programs and activities to create an awareness of blepharospasm in the medical community as well as in the general public, organizes support groups throughout the country to encourage communication among persons with the disease, and it seeks to raise money through public and private contributions to be used for research;

Whereas research scientists from around the country are extremely interested in research on this little known malady and are submitting grant applications to the National Institutes of Health to study benign essential blepharospasm; and

Whereas increased public awareness of the disease and its victims will be a tremendous benefit to the victims of this disease and will lead to increased medical research and awareness, as well as available information and advice for those afflicted with benign essential blepharospasm: Now, therefore, be it

Resolved by the Senate and House of Representative of the United States of America in Congress assembled, That the week beginning on October 20, 1985, is hereby designated as "Benign Essential Blepharospasm Awareness Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that all members may have 5 legislative days in which to revise and extend their remarks on the Senate joint resolution and the House joint resolution just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

GENERAL LEAVE

Mr. BEVILL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous material and tables, on the conference report on the bill, H.R. 2959, and the Senate amendments in disagreement.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

CONFERENCE REPORT ON H.R. 2959, ENERGY AND WATER DEVELOPMENT APPROPRIATIONS, FISCAL YEAR 1986

Mr. BEVILL. Mr. Speaker, I call up the conference report on the bill (H.R. 2959) making appropriations for energy and water development for the fiscal year ending September 30, 1986, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to the rule, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of October 9, 1985, at page 26997.)

The SPEAKER pro tempore. The gentleman from Alabama [Mr. BEVILL] will be recognized for 30 minutes and the gentleman from Indiana [Mr. MYERS] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Alabama [Mr. BEVILL].

Mr. BEVILL. Mr. Speaker. I yield myself such time as I may consume.

Mr. Speaker, I am pleased to present the conference report on the fiscal year 1986 energy and water development appropriation bill for your favorable consideration. Our colleagues will recall that debate on this bill occurred in the House on July 16. The bill was passed by voice vote in both Houses.

Mr. Speaker, our conference committee meeting was held on Wednesday, October 9. I wish to compliment our

friends from the other body, particularly the Senator from Oregon, Mr. HATFIELD, the chairman of the Senate subcommittee, and the Senator from Louisiana, Mr. JOHNSTON, the ranking minority member, for the fine spirit of compromise displayed in the conference meeting. I also wish to thank my colleagues, the House conferees, for their support and their valuable contributions during the conference deliberations.

Now I would like to comment on various aspects of the conference agreement.

Mr. Speaker, this bill is certainly not a budget buster. It is a bill that can be signed by the President and is a bill that reflects the priorities of the House and Senate as well as the administration.

Mr. Speaker, the bill passed by the House contained $15,272,935,000 in new budget authority. That was $7,075,000 below the budget request. As the bill passed the Senate, it contained $15,206,922,000.

For the various agencies and programs under the jurisdiction of the Energy and Water Development Subcommittee, the committee of conference recommends $15,251,718,000 in new budget authority. This amount is $92,400,000 less than the budget request.

The conference agreement we present to you today is the culmination of 10 months of effort on the part of the House committee and the same review by the Senate committee. During this period we have heard testimony from hundreds of witnesses—contained in nine hearing volumes of thousands of pages.

The House considered the energy and water development bill on the floor in 1 day. The Senate had a total of 46 numbered amendments to the bill. But, within those 46 amendments, there were nearly 400 individual items in disagreement. The conference agreement represents the best efforts of the House and Senate conferees to achieve consensus on those 400 items. Many items had to be reduced or changed to accomplish agreement with the Senate. In addition, we had to keep in mind the need to have a bill that was acceptable to the administration.

We think we have achieved an agreement that does all of this while maintaining most of the House position.

Your House conferees did their best to maintain the House position. However, to bring back a conference report that is within the budget target for the energy and water development programs, a great many items had to be compromised.

We would like more money for energy, for the weapons program, and for the water projects. But, if we have to stay close to the budget level and keep outlays down, we could not provide all of the funds for all of the programs and projects to the extent we would have liked.

Mr. Speaker, I am pleased to advise the House that the conference agreement is under the assumed allocation under the resolution.

Mr. Speaker, the conference agreement contains $2,822,050,000 in title I for the Army Corps of Engineers. This is $49,547,000 less than the bill as passed by the House and $159,237,000 more than the Senate-passed bill. These funds will finance 163 water resources projects in the planning or construction phase.

For title II, the Bureau of Reclamation, the conferees recommend a total of $777,915,000 which is $22,624,000 less than the House-passed bill and $10,855,000 more than the Senate-passed bill. This will fund 105 water resources projects in the planning or construction phase.

In my view, the conference agreement provides for a financially prudent and evirnonmentally sound water resources development program.

The conference agreement contains $11,008,838,000 for the Department of Energy programs in title III. This includes $1,772,271,000 for energy supply, research activities; $229,391,000 for power marketing administrations; $521,460,000 for the nuclear waste disposal fund; and $29,491,000 for the Federal Energy Regulatory Commission. The energy accounts include $216,032,000 for solar, geothermal, and renewable energy development; $653,050,000 for nuclear energy development; and $382,000,000 for fusion energy development. The conference agreement provides a total of $7,604,615,000 for atomic energy defense activities. This is an increase of $282,294,000 over the fiscal year 1985 level and $428,285,000 below the President's budget request.

Mr. Speaker, the conference agreement includes $642,915,000 for six independent agencies and commissions in title IV, including $130 million for the Appalachian Regional Development Program and an additional $2,200,000 for administrative expenses of the ARC. Of the funds provided for the ARC, $3 million is provided for each of the following port development projects: Riverport Harbor, Chattanooga, TN; Fulton-Tupelo and Amory, MS; and Columbus, MS. In addition, $418 million is provided for the Nuclear Regulatory Commission and $113 million is provided for the Tennessee Valley Authority.

I will insert a table in the RECORD at this point which summarizes the financial aspects of the conference agreement.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY

	Fiscal year—		House	Senate	Conference	Conference compares with—			
	1985 enacted	1986 estimates				Enacted	Estimates	House	Senate
TITLE I—DEPARTMENT OF DEFENSE—CIVIL									
Department of the Army									
Corps of Engineers—Civil									
General investigations	139,200,000	121,660,000	133,189,000	120,697,000	128,972,000	−10,228,000	+7,312,000	−4,217,000	+8,275,000
(By transfer)	(2,200,000)					(−2,200,000)			
Construction, general	960,500,000	848,530,000	952,438,000	829,581,000	919,345,000	−41,155,000	+70,815,000	−33,093,000	+89,764,000
Flood control and coastal emergencies	50,000,000	25,000,000	25,000,000	10,000,000	25,000,000	−25,000,000			+15,000,000
Revolving fund		7,000,000	7,000,000	7,000,000	7,000,000	+7,000,000			
Flood control, Mississippi River and tributaries, Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee	321,800,000	271,440,000	321,685,000	285,735,000	314,760,000	−7,040,000	+43,320,000	−6,925,000	+29,025,000
Operation and maintenance, general	1,307,600,000	976,560,000	1,325,195,000	1,302,800,000	1,319,973,000	+12,373,000	+343,413,000	−5,222,000	+17,173,000
General expenses	112,000,000	109,550,000	107,000,000	107,000,000	107,000,000	−5,000,000	−2,550,000		
(By transfer)	(3,000,000)					(−3,000,000)			
Total, title I, Department of Defense—Civil: New budget (obligational) authority	2,891,100,000	2,359,740,000	2,871,507,000	2,662,813,000	2,822,050,000	−69,050,000	+462,310,000	−49,457,000	+159,237,000
TITLE II—DEPARTMENT OF THE INTERIOR									
Bureau of Reclamation									
General investigations	35,566,000	32,643,000	34,085,000	32,150,000	34,035,000	−1,531,000	+1,392,000	−50,000	+1,885,000
Construction program	754,300,000	536,114,000	541,074,000	512,730,000	521,700,000	−232,600,000	−14,414,000	−19,374,000	+8,970,000
Operation and maintenance	149,689,000	135,159,000	132,665,000	132,665,000	132,665,000	−17,024,000	−2,494,000		
Loan program	67,537,000	41,442,000	42,515,000	39,315,000	39,315,000	−28,222,000	−2,127,000	−3,200,000	
(Liabilities on direct loans)	(68,500,000)	(40,000,000)	(41,100,000)	(37,900,000)	(48,315,000)	(−20,185,000)	(+8,315,000)	(+7,215,000)	(+10,415,000)
General administrative expenses	58,917,000	50,268,000	49,200,000	49,200,000	49,200,000	−9,717,000	−1,068,000		

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY—Continued

	Fiscal year—		House	Senate	Conference	Conference compares with—			
	1985 enacted	1986 estimates				Enacted	Estimates	House	Senate
Emergency fund	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000				
Total, Bureau of Reclamation	1,067,009,000	796,626,000	800,539,000	767,060,000	777,915,000	−289,094,000	−18,711,000	−22,624,000	+10,855,000
Total, title II, Department of the Interior:									
New budget (obligational) authority	1,067,009,000	796,626,000	800,539,000	767,060,000	777,915,000	−289,094,000	−18,711,000	−22,624,000	+10,855,000
(Limitation on direct loans)	(68,500,000)	(40,000,000)	(41,100,000)	(37,900,000)	(48,315,000)	(−20,185,000)	(+8,315,000)	(+7,215,000)	(+10,415,000)
TITLE III—DEPARTMENT OF ENERGY									
Energy supply, research and development activities:									
Operating expenses	1,708,908,000	1,744,912,000	1,515,210,000	1,656,620,000	1,565,345,000	−143,563,000	−179,567,000	+50,135,000	−91,275,000
Plant and capital equipment	248,881,000	226,101,000	215,226,000	231,101,000	229,526,000	−19,355,000	+3,425,000	+14,300,000	−1,575,000
General reduction				−8,000,000	−22,600,000	−22,600,000	−22,600,000	−22,600,000	−14,600,000
Subtotal	1,957,789,000	1,971,013,000	1,730,436,000	1,879,721,000	1,772,271,000	−185,518,000	−198,742,000	+41,835,000	−107,450,000
Uranium supply and enrichment activities:									
Operating expenses	1,254,900,000	1,579,000,000	1,579,000,000	1,570,800,000	1,221,000,000	−33,900,000	−358,000,000	−358,000,000	−349,800,000
Plant and capital equipment	395,400,000	33,700,000	33,700,000	41,900,000	391,700,000	−3,700,000	+358,000,000	+358,000,000	+349,800,000
Subtotal	1,650,300,000	1,612,700,000	1,612,700,000	1,612,700,000	1,612,700,000	−37,600,000			
Gross revenues	−1,547,800,000	−1,612,700,000	−1,612,700,000	−1,612,700,000	−1,612,700,000	−64,900,000			
Net appropriation	102,500,000					−102,500,000			
General science and research activities:									
Operating expenses	521,305,000	545,879,000	535,800,000	529,800,000	535,800,000	+14,495,000	−10,079,000		+6,000,000
Plant and capital equipment	208,700,000	139,600,000	149,600,000	149,600,000	149,600,000	−59,100,000	+10,000,000		
Subtotal	730,005,000	685,479,000	685,400,000	679,400,000	685,400,000	−44,605,000	−79,000		+6,000,000
Nuclear waste disposal fund	327,669,000	571,460,000	521,460,000	552,460,000	521,460,000	+193,791,000	−50,000,000		−31,000,000
Atomic energy defense activities:									
Operating expenses	5,664,440,000	6,178,522,000	6,009,637,000	6,031,522,000	6,017,887,000	+353,447,000	−160,635,000	+8,250,000	−13,635,000
Plant and capital equipment	1,657,881,000	1,854,378,000	1,583,778,000	1,616,278,000	1,586,728,000	−71,153,000	−267,650,000	+2,950,000	−29,550,000
Subtotal	7,322,321,000	8,032,900,000	7,593,415,000	7,647,800,000	7,604,615,000	+282,294,000	−428,285,000	+11,200,000	−43,185,000
Departmental administration:									
Operating expenses	349,034,000	409,740,000	400,039,000	400,039,000	400,039,000	+51,005,000	−9,701,000		
Plant and capital equipment	4,877,000	10,327,000	10,327,000	10,327,000	10,327,000	+5,450,000			
Subtotal	353,911,000	420,067,000	410,366,000	410,366,000	410,366,000	+56,455,000	−9,701,000		
Miscellaneous revenues	−219,459,000	−244,228,000	−244,228,000	−244,228,000	−244,228,000	−24,769,000			
Net appropriation	134,452,000	175,839,000	166,138,000	166,138,000	166,138,000	+31,686,000	−9,701,000		
Power Marketing Administrations									
Operation and maintenance, Alaska Power Administration	3,233,000	3,321,000	3,281,000	3,281,000	3,281,000	+48,000	−40,000		
Bonneville Power Administration Fund:									
(Limitation on direct loans)	(40,000,000)	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)	(−20,000,000)			
Operation and maintenance, Southeastern Power Administration	35,744,000	70,000				−35,744,000	−70,000		
Operation and maintenance, Southwestern Power Administration	31,208,000	29,746,000	29,500,000	29,500,000	29,500,000	−1,708,000	−246,000		
Construction, rehabilitation, operation and maintenance, Western Area Power Administration	218,230,000	208,022,000	196,610,000	196,610,000	196,610,000	−21,620,000	−11,412,000		
(By transfer, permanent authority)		(890,000)	(890,000)	(890,000)	(890,000)	(+890,000)			
Subtotal	288,415,000	241,159,000	229,391,000	229,391,000	229,391,000	−59,024,000	−11,768,000		
Federal Energy Regulatory Commission									
Salaries and expenses	97,304,000	98,852,000	93,068,000	95,568,000	95,568,000	−1,736,000	−3,284,000	+2,500,000	
Revenues applied	−41,334,000	−66,077,000	−66,077,000	−66,077,000	−66,077,000	−24,743,000			
Subtotal	55,970,000	32,775,000	26,991,000	29,491,000	29,491,000	−26,479,000	−3,284,000	+2,500,000	
Geothermal Resources Development Fund									
Geothermal loan guarantee and interest assistance program	121,000	76,000	72,000	72,000	72,000	−49,000	−4,000		
(Limitation on guaranteed loans)	(500,000,000)	(500,000,000)	(500,000,000)	(500,000,000)	(500,000,000)				
Total, title III, Department of Energy:									
New budget (obligational) authority	10,919,242,000	11,710,701,000	10,953,303,000	11,184,473,000	11,008,838,000	+89,596,000	−701,863,000	+55,535,000	−175,635,000
Operating expenses	(8,403,503,000)	(9,446,595,000)	(8,960,672,000)	(9,135,267,000)	(8,640,957,000)	(+237,454,000)	(−805,638,000)	(−319,715,000)	(−494,310,000)
Plant and capital equipment	(2,515,739,000)	(2,264,106,000)	(1,992,631,000)	(2,049,206,000)	(2,367,881,000)	(−147,858,000)	(+103,775,000)	(+375,250,000)	(+318,675,000)
TITLE IV—INDEPENDENT AGENCIES									
Appalachian Regional Commission: Salaries and Expenses	2,300,000		2,500,000	1,800,000	2,200,000	−100,000	+2,200,000	−300,000	+400,000
Funds appropriated to the President:									
Appalachian regional development programs	49,000,000		41,500,000	80,000,000	45,000,000	−4,000,000	+45,000,000	+3,500,000	−35,000,000
Prior year unobligated balance			−10,000,000	−10,000,000	−10,000,000	−10,000,000	−10,000,000		
Subtotal	49,000,000		31,500,000	70,000,000	35,000,000	−14,000,000	+35,000,000	+3,500,000	−35,000,000
Appalachian highway system	100,000,000		100,000,000		85,000,000	−15,000,000	+85,000,000	−15,000,000	+85,000,000
Total, funds appropriated to the President	149,000,000		131,500,000	70,000,000	120,000,000	−29,000,000	+120,000,000	−11,500,000	+50,000,000
Delaware River Basin Commission:									
Salaries and expenses	174,000	173,000	168,000	168,000	168,000	−6,000	−5,000		
Contribution to Delaware River Basin Commission	283,000	275,000	275,000	275,000	275,000	−8,000			
Total, Delaware River Basin Commission	457,000	448,000	443,000	443,000	443,000	−14,000	−5,000		
Interstate Commission on the Potomac River Basin: Contribution to Interstate Commission on the Potomac River Basin	70,000		79,000	79,000	79,000	+9,000	+79,000		
Nuclear Regulatory Commission: Salaries and expenses	448,200,000	437,600,000	403,671,000	429,000,000	418,000,000	−30,200,000	−19,600,000	+14,329,000	−11,000,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY—Continued

	Fiscal year—		House	Senate	Conference	Conference compares with—			
	1985 enacted	1986 estimates				Enacted	Estimates	House	Senate
Susquehanna River Basin Commission:									
Salaries and expenses	169,000	168,000	163,000	163,000	163,000	−6,000	−5,000		
Contribution to Susquehanna River Basin Commission	230,000	230,000	230,000	230,000	230,000				
Total, Susquehanna River Basin Commission	399,000	398,000	393,000	393,000	393,000	−6,000	−5,000		
Tennessee Valley Authority:									
Tennessee Valley Authority fund	125,000,000	38,605,000	118,000,000	99,861,000	113,000,000	−12,000,000	+74,395,000	−5,000,000	+13,139,000
Prior year unobligated balance			−9,000,000	−9,000,000	−9,000,000	−9,000,000	−9,000,000		
Subtotal	125,000,000	38,605,000	109,000,000	90,861,000	104,000,000	−21,000,000	+65,395,000	−5,000,000	+13,139,000
Total, title IV, independent agencies: New budget (obligational) authority	725,426,000,000	477,051,000	647,568,000	592,576,000	645,115,000	−80,311,000	+168,064,000	−2,471,000	+52,539,000
Grand total, all titles:									
New budget (obligational) authority	15,602,777,000	15,344,118,000	15,272,935,000	15,206,922,000	15,253,918,000	−348,859,000	−90,200,000	−19,017,000	+46,996,000
(Limitation on direct loans)	(108,500,000)	(60,000,000)	(61,100,000)	(57,900,000)	(68,315,000)	(−40,185,000)	(+8,315,000)	(+7,215,000)	(+10,415,000)
(Limitation on guaranteed loans)	(500,000,000)	(500,000,000)	(500,000,000)	(500,000,000)	(500,000,000)				

Mr. Speaker, I yield such time as he may consume to my good friend, the gentleman from Iowa [Mr. SMITH], the very outstanding chairman of the Appropriations Subcommittee on Commerce, Justice, State, and Judiciary.

Mr. SMITH of Iowa. Mr. Speaker, I thank the gentleman for yielding, and I want to compliment the gentleman from Alabama and also the gentleman from Indiana [Mr. MYERS] for bringing this bill through conference and back to the floor at this time.

We are still having a big trade deficit. No small part of that is to pay for energy. Energy is still important to develop in this country so we do not have to spend so many dollars overseas for energy.

Another thing is, there has been an accident in the St. Lawrence Seaway in the last few days. Thousands of tons of grain were held up and could not be exported. We use exports of grain to help offset part of this trade deficit, a major part of it, as a matter of fact.

That brings home the fact that we really are facing in this country a bad situation with regard to the infrastructure. It is going to be a crisis soon. We are not putting enough money into supporting the infrastructure. Water resources projects are an important part of that infrastructure as well as other things that are in this bill. So this is a very important bill, and I would certainly hope that there are no votes against the conference report.

Mr. BEVILL. I thank the distinguished chairman and agree with him so much. Our 25,000 miles of inland waterways handle 80 percent of our exports. We cannot afford to let that most outstanding inland waterway system in the world become deteriorated or stagnant. We must maintain it, we must keep it modernized, and we must dredge our ports deeper so that we can handle all of the big vessels in the world.

We do not have a port in this country right now, we will have, but we do not have one in this country right now, that can handle many of the vessels fully loaded.

You know, that means the cost per unit goes up; that means we are less competitive; that means if we do not keep these waterways modernized, the ports deepened, so we can keep that cost per unit down, we will never be competitive, and that is still the bottom line in international trade, as the gentleman knows. We have to be competitive.

Mr. Speaker, I yield such time as he may consume to the gentleman from Tennessee [Mr. BONER], a distinguished member of the subcommittee.

Mr. BONER of Tennessee. Mr. Speaker, I rise in support of the conference report.

Mr. Speaker, as a member of the Energy and Water Appropriations Subcommittee, I rise in strong support of the conference report to accompany H.R. 2959. In particular, I would like to commend Chairman BEVILL, our ranking member JOHN MYERS, my House colleagues and our colleagues on the Senate Energy and Water Appropriations Subcommittee for reporting back to the House a strong and sensible measure.

Mr. Speaker, this measure funds two areas essential to our Nation's continued vitality and future growth. The bill funds construction along our Nation's waterways, which are an essential link to transporting goods, providing cities and towns with adequate water supplies, and protecting property otherwise subject to damage from floods and tides.

The bill also funds extremely important energy research that promises to provide the electricity needed to continue our growth into the 21st century. This summer, I had the privilege of seeing first-hand some of these energy research programs. I am convinced that this Nation is on the threshold of commercially developing nuclear energy reactors that will be capable of supplying the United States with relatively inexpensive and nearly inexhaustible power. But our Nation must make the investment necessary to develop these technologies. And, I believe, that this bill does just that.

I urge my colleagues to support this conference report.

Mr. BEVILL. Mr. Speaker, I reserve the balance of my time.

The SPEAKER pro tempore. The gentleman from Alabama [Mr. BEVILL] has consumed 7 minutes.

Mr. MYERS of Indiana. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, once again this subcommittee is the first to bring an appropriation conference report to send to the President. This subcommittee has had this record for several years, and usually we try to get it done before the beginning of the fiscal year. But we are pleased this year that we have our chairman back and thank him for his efforts and his hard work as well as that of all the other members of the conference and the staff.

As Chairman BEVILL has presented here in detail, it is a good conference report. It is under every estimate, with one exception, and that is the other body's. We did come in slightly over the other body's recommendation.

But if there is any criticism of this bill, and I have heard some from my side this morning, it is that we cut too deeply into the defense activities. We did not fund the request for nuclear weapons and other defense activities as high as the request made by the administration. But it was not because your committee is antidefense or antinuclear weapons or anything associated with that. It is the fact that the request by the administration was not adequately substantiated that these were high priority needs this year, that just had to be done this year. Some will be stretched out into other years. We will not defer or deter our defense efforts by this appropriation.

But we did increase, and again I heard some criticism this morning about the fact that we did increase, the Corps of Engineers projects. We did this by $462 million.

As Mr. SMITH of Iowa has just told you, we consider higher priorities to be some of our activities in the inland wa-

terways, the 25,000 miles that we presently have, much of which has suffered in recent years because of inadequate and insufficient maintenance; and others because we have to deepen our ports. We have a number of ports that must be deepened, to be able to be competitive with the rest of the world so that we can accommodate deeper-draft ships. We have to improve our inland waterways. We have some locks and dams that are more than 50 years old. Some are inoperable to the present time.

As Mr. SMITH just presented, the accident in the St. Lawrence Seaway has caused many days of delay, and demurrage paid by the ship companies is going to be very great. That comes right out of the pocket of the exporters in this country, particularly in the Midwest, when going through the St. Lawrence Seaway trying to rush out before the winter freeze, to get the grain out. It has been halted, trying to find alternate ways. The alternate ways, again, are the waterways, and down the Mississippi River, but we have some bottlenecks there. In the Ohio we have bottlenecks, which this committee is addressing in this bill. We did increase expenditures for these waterways, the inland waterways. It is a very high priority not only for the commerce of our country, but you might also consider it for the defense of our country, to be able to be competitive with the rest of the world.

We have in this bill conference report, $21 million less than the House passed. We have $44 million more than the Senate. But, most importantly, we have $92 million below the President's request and $351 million below last year's appropriation.

So we are under all these estimates. As the chairman has said, it passed on a voice vote when it passed originally in the House of Representatives; it also passed the other body on voice vote.

It is one that I think everyone here can support. But, most importantly, since this is the first bill to go to the President, I have just been notified by the White House that the President will sign this bill. That is most important for everyone to recognize, he will sign it.

Mr. Speaker, I reserve the balance of my time.

Mr. BEVILL. Mr. Speaker, I yield such time as he may consume to my good friend, the distinguished gentleman from Hawaii [Mr. AKAKA].

Mr. AKAKA. I thank the subcommittee chairman for yielding time to me.

Mr. Speaker, I would like to engage the chairman in a colloquy regarding funding for programs under the energy supply, research, and development account.

I would like to clarify the following three points: First, is it the intention of the conference agreement that funds are provided to conduct two simultaneous 50-kilowatt open-cycle apparatus tests that are compatible with the Hawaii open-cycle experiment; second, under the conference agreement, is $500,000 provided to PICHTR to prepare a detailed project plan; and finally, whether the conference agreement provides funds for the Hawaii Biofuels Program at the amount specified in the House report?

Mr. BEVILL. Mr. Speaker, will the gentleman yield?

Mr. AKAKA. I yield to the gentleman from Alabama.

Mr. BEVILL. On all three points, the answer to the gentleman's questions is "Yes."

Mr. AKAKA. I want to thank the chairman for his assistance and for the assistance of the staff of the Subcommittee on Energy and Water Development. The chairman and all the members of the subcommittee have labored hard to bring this conference report before the House today. The bill that they have brought to you contains funding for public works projects that are vital to the Nation, and deserves the support of every Member of the House.

The purpose of this colloquy is to establish clear legislative history for the ocean energy systems account and the biofuels account so that there will be no doubt as to how these funds are to be administered.

Because of an error in the printing of the conference report, the report language governing the administration of funds for two projects under the ocean energy systems account may be unclear. The projects I am speaking of are the two simultaneous 50-kilowatt tests and the PICHTR open-cycle project. My colloquy with the chairman will clear up any uncertainty so that the department will know how to administer these funds.

From the answer that the chairman of the Subcommittee on Energy and Water Resources has given me it is clear that the conference agreement provides funds under the ocean energy systems account for the department to conduct two simultaneous 50-kilowatt apparatus tests that are compatible with the full-scale Hawaii open-cycle experiment. Funding for the first of these two tests is contained in the budget request which was submitted by the administration and approved in the bill considered by both the House and Senate. An additional $1 million was added to the administration's request by the House and Senate so that a second 50-kilowatt test could be conducted simultaneous with the first. The budget request for the first test and the additional $1 million for the second test has been earmarked solely for the purpose of carrying out these two tests.

In addition to these parallel tests, the conference agreement provides $500,000 to the Pacific International Center for High Technology Research also known as PICHTR, to prepare a detailed project plan for the PICHTR advanced open-cycle project. Both the House and Senate reports earmark $500,000 for the PICHTR Program. Under the conference agreement, the full amount made available for this program is to be used by the Center to prepare a detailed project plan for the PICHTR open-cycle project.

Finally, the conference agreement adopts the language contained in the House report providing $500,000 for the Hawaii Biofuels Program.

I thank the gentleman for taking the time to engage in this colloquy and I yield back the balance of my time.

Mr. BEVILL. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Louisiana [Mrs. BOGGS], who is a very important member of this Appropriations subcommittee and has certainly made a great contribution to this legislation today and the legislation that we have had each year.

Mrs. BOGGS. I thank the gentleman for yielding.

Mr. Speaker, I know the gentleman from Massachusetts [Mr. CONTE] will not mind the chairman's yielding to this Member because I rise not only in support of the conference report but in great admiration for the chairman of the subcommittee [Mr. BEVILL], the gentleman from Alabama, and the ranking member, the gentleman from Indiana [Mr. MYERS], and the chairman of the full committee, the gentleman from Mississippi [Mr. WHITTEN], and the ranking member of the full committee, the gentleman from Massachusetts [Mr. CONTE], and all the staff members and the members of the subcommittee who have brought us to this splendid conference report that we present to the House today.

I thank all of them for recognizing that the infrastructure of our waterways and of our energy components throughout the United States are very much in need of revitalization and construction and to know that the trade and commerce of this country depends upon the happy solution to these problems. I should also remind everyone that the protection from flood and from devastation and from the loss of life and property is also funded within this bill.

The alternative energy resources of this country are also a very important component of this legislation. All of us have to remember that we do have a national goal of being energy sufficient and that we have to continue on the road of investigations and development of alternative sources of energy to the fossil fuels.

So it is with great gratitude that I rise today to all of the people who have been involved in bringing this legislation to its conclusion, and I hope that the Members of the House will support it overwhelmingly, and I again thank the gentleman for yielding.

Mr. MYERS of Indiana. Mr. Speaker, I yield such time as he may consume to the ranking Republican member of the Committee on Appropriations, the gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Mr. Speaker, I rise in support of this conference report on the bill, H.R. 2959, energy and water development appropriations for fiscal year 1986. Let me say that I am pleased that this is the first appropriation going through, but it is really a sad commentary on our system that we are 17 days into the new fiscal year and not one appropriation bill has been signed, though the House has sent all but two, I believe, over to the Senate, and yet not one has been passed.

Mr. Speaker, let me begin by paying special tribute to our chairman, the gentleman from Alabama [Mr. BEVILL], for his leadership of this conference. It is a tremendous tribute to his strength and dedication to duty that he undertook to chair this conference so soon after undergoing major surgery. Needless to say, we were pleased to welcome him back and I want to congratulate him on his diligence in protecting the positions of the House in conference.

I would also like to single out the subcommittee's ranking minority member, the gentleman from Indiana [Mr. MYERS]. He has devoted countless hours to the review and preparation of the items in this conference report, and is deserving of our thanks and appreciation for bringing forth a conference agreement that is fiscally responsible while meeting our critical energy and water development needs.

Mr. Speaker, although there are certain items within the bill that have not met with the complete approval of the administration, the bill as a whole is approximately $92 million below the President's budget for budget authority, and about $12 million below the President's budget for outlays. We have received word from the White House, that the President will sign this bill. Certainly there is every reason for him to do so.

I do not want to duplicate the comments of the gentlemen from Alabama and Indiana, but I would like to briefly mention one provision of this bill, the so-called Buy American provision.

As this bill passed the House of Representatives, it contained a total prohibition on the purchase of extra high voltage equipment manufactured outside of the United States. In conference, in response to some specific concerns that had been raised by the administration and by some of the power marketing authorities, we agreed to several changes in that language. We provided an exemption for procurements that are already underway upon the effective date of this measure.

We provided an exemption for the procurement of spare parts, so that spare parts for existing foreign-built equipment can continue to be obtained. In addition, we limited the cost of any American-produced equipment purchased under this provision to not more than 25 percent above the cost of the most competitive foreign bid. This had the effect of increasing the current "Buy American" differential of 6 percent.

At a time when we have a serious balance of trade deficit, we should not be contributing to it with overseas government procurement. This provision will help American electrical manufacturers compete against foreign suppliers who often engage in unfair trade practices, and will also help offset the current disparity in currency valuations. Because it is a 1-year provision, it will also create an incentive for foreign governments to open their markets to U.S. electrical equipment, so that a similar provision will not be necessary next year.

Mr. Speaker, I urge the adoption of this conference report.

□ 1215

Mr. BEVILL. Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. FAZIO], a very distinguished member of this subcommittee, who has made a great contribution to the work of the subcommittee.

Mr. FAZIO. I appreciate my chairman yielding me this time.

Mr. Speaker, this bill achieves a difficult balance in tough times. We are under the administration's outlay figures, and we're glad that we have strong signals from the administration that this bill is fiscally acceptable.

The energy issues are adequately treated in light of the administration's reduction in interest and funding of this important national priority. In the area of water development there are two particularly important compromises in this bill for California.

We have reached a consensus on the Santa Ana flood control project, which has enabled us to restore to the bill a $4 million request from the administration.

In return, all of California, particularly the delta region, has benefited from language directing that the corps maximize its efforts at water conservation from this multibillion dollar flood control project.

With water as scarce as it is in California, and with dollars as scarce as they are everywhere, it would be negligent for the Congress not to demand that the corps use this project to save water as well as protect Orange County from floods. Several hundred thousand acre-feet of water may be involved.

We did not have confidence that those who were primarily interested in this project for flood control purposes were paying enough attention to this water conservation potential.

We are also glad that the Santa Ana project will be designed and constructed as a unit, with its upstream elements in proper synchronization with its previously more developed downstream components. Because this balance has been restored we feel in a sound position to support the project. I know Congressmen BROWN and LEWIS have been instrumental in bringing this about.

Second, Mr. Speaker, we have proposed in this bill a pilot initiative against the selenium problem in the San Joaquin Valley of California that may present a valuable alternative to losing hundreds of thousands of acres of farmland in California and throughout the West.

Being careful to leave in place a general selenium program at its $12.6 million requested level, pending approval of a California-wide selenium program by the Interior Committee's Water and Power Subcommittee chaired by my able colleague GEORGE MILLER, we have given the Secretary of the Interior authority to loan up to $3.7 million to the Westlands Water District to resolve an immediate problem this district faces.

Westlands drains into the now infamous Kesterson Reservoir, which the State of California has just ordered closed. Therefore, Westlands needs an immediate solution to its particular drainage crisis.

Working in almost unprecedented fashion with the environmental defense fund, Westlands and the EDF have come up with an innovative scheme involving cleanup of selenium-laden drainage water, resale of that water, and use of the saline brine for solar electricity generation.

Studies into the feasibility of this plan are permitted by this bill, under such terms and conditions as the Secretary of the Interior finds appropriate.

We look forward eagerly to these results.

I would like to commend Representative TONY COELHO for his initiative in bringing this problem to the attention of the Congress, and for proposing such an innovative solution. Chairman MILLER, as always, deserves thanks for his creative leadership, and in this as well as all matters I thank my chairman TOM BEVILL and my ranking minority member JOHN MYERS for their willingness to deal with important issues to California. They and all members of the Energy and Water Subcommittee have been nothing but constructive on our behalf. I appreciate greatly the opportunity to work with them on so many items.

I yield to my friend, the gentleman from California [Mr. MILLER], the

chairman of the Subcommittee on Water and Power Resources of the Committee on Interior and Insular Affairs.

Mr. MILLER of California. I thank the gentleman for yielding and thank him for all of this hard work in getting these provisions put into this legislation, and I want to thank the members of the subcommittee for all of their effort on our behalf in this very important problem in the State of California.

Mr. Speaker, the conference report on H.R. 2959 includes two important provisions which will help us solve the critical problems of toxic agricultural wastewater drainage in California and elsewhere in the West.

First, the conferees have included funds for the continuation of the San Joaquin Valley Drainage Program study effort at the fiscal year 1985 level of effort pending enactment of needed authorizing legislation. Following enactment of authorizing legislation, the expanded program totaling $12.6 million will proceed.

This will mean that approximately $2,400,000 will be obligated by the U.S. Geological Survey, $1,500,000 by the U.S. Fish and Wildlife Service, and $800,000 by the Bureau. These funds, according to information submitted to the Subcommittee on Water and Power Resources, will enable present data collection and other activities to proceed uninterrupted.

Second, the conferees have included language authorizing the Secretary to loan up to $3.7 million from existing funds for the preparation of feasibility studies for alternative solutions to improve the quality of agricultural wastewater in the Central Valley of California.

"Kesterson" and "selenium" are now household words throughout California's farming community. Kesterson Reservoir, located in the fertile San Joaquin Valley, receives subsurface agricultural drainage water from farms in the Westlands Water District. The water is laced with toxic selenium and other contaminants, and the shallow ponds at Kesterson have become a deathtrap for migratory waterfowl which has been using the reservoir as a refuge.

In March, the contamination problems at Kesterson reached crisis proportions, and the facility was ordered shutdown by the State of California and the Secretary of the Interior. Farmers in Westlands worked out an arrangement with the Interior Department to reduce gradually the amount of drainage water coming off their farms and flowing into Kesterson. Under the terms of the agreement, all drainage flows are to be stopped by July 1986.

The conferees have taken an important first step toward resolving this problem. The $3.7-million loan is in response to a unique and innovative proposal which has been submitted to Congress by the Westlands Water District and the Environmental Defense Fund [EDF]. These two organizations, usually at odds with one another and often at opposite ends of a lawsuit, have set aside their differences and joined forces to solve a very important problem. With Federal assistance instead of interference, and with critical and legally enforceable deadlines to meet, I am convinced a solution will be found and that the funds will be put to good use.

Westlands and EDF have submitted a detailed proposal to the Congress which outlines their goals and objectives, and sets forth realistic time schedules. I will include a summary of the proposal, as well as the September 10 letter from Westlands and EDF, in the RECORD following my remarks.

I believe these organizations are uniquely qualified to undertake the investigations which are needed to find solutions to these problems, and I compliment them for their efforts.

Mr. Speaker, the Department of the Interior has not shown a keen interest in accommodating the district's urgent need to eliminate the flow of drainage water into Kesterson Reservoir by next summer. That is why the conferees' action to approve this loan is so important. I would urge the Department to take immediate steps to make the $3.7 million available to fund the Westlands-EDF proposal. To delay these funds is in nobody's best interest.

I also want to emphasize that the intention here is not to provide further subsidies to the Westlands Water District. The conference report language specifically refers to a loan. I believe this loan should be made at a realistic rate of interest, and repaid in a realistic length of time. While the conference report language leaves the specific repayment terms to the discretion of the Secretary, I believe that a 20-year repayment period at an interest rate equal to the discount rate used for evaluating the economic feasibility of water resource projects (approximately 8⅝ percent) would be appropriate.

Mr. Speaker, the House recently passed a landmark bill to allow the coordinated operation of California's water projects. That bill required hard work and dedication by a unique coalition of water development interests, environmentalists and farmers. Now, just a few weeks later, agricultural and environmental interests have joined forces again. The conferees' action represents what can happen when we work together in a spirit of cooperation on issues of mutual concern.

WESTLANDS WATER DISTRICT,
Fresno, CA, September 10, 1985.

Hon. GEORGE MILLER,
House of Representatives, House Office Building, Washington, DC.

Hon. FRANK H. MURKOWSKI,
U.S. Senator, The United States Senate, Washington, DC.

DEAR MESSRS. MILLER AND MURKOWSKI: Each of your subcommittees has held a hearing on an administration bill to authorize the Secretary of the Interior to perform studies relating to drainage on the west side of the San Joaquin Valley, California.

We have reviewed the Interior Department's approach toward solving the subsurface agricultural drainage problems plaguing the San Joaquin Valley. It involves a comprehensive study of nearly every aspect of nearly every problem that has arisen regarding this drainage water over the past several years.

The cost is in excess of $50 million. While there may be public value in much of the Department's program, it is weak in one major respect: it does not envision recommendations as to the solution of the problem until after 1990. In the meantime, Westlands Water District and other water entities on the west side of the Valley are faced with the need to find immediate answers insofar as disposing of subsurface drainage water is concerned.

This need has been underscored by the difficulties encountered by Westlands in finding ways to reduce drainage flows to Kesterson Reservoir, and by other districts who have similar problems with respect to drainage flows into Grassland Water District, surrounding wetlands areas and the San Joaquin River.

Several technologies hold immediate promise for making substantial contributions to the solution of the drainage problem. Of these, the most promising and the one which both of our organizations agree deserve the highest priority both in funding and in institutional and political support is desalting.

Reverse osmosis desalting is technically feasible and is being done in various forms throughout the world. Operational experience in San Joaquin Valley, however, is limited to one very small plant over only a very brief period of time. Accordingly, it is apparent that in order to bring a sufficiently large plant on line in the time required to keep significant amounts of west side land from going out of production a "fast track" coordinated and cooperative approach to the plant's construction is needed. A feasibility study, with special focus not only on technical issues but on economic and institutional issues, should be undertaken beginning as soon as possible with as wide public support as can be mustered.

We are also in agreement that (viable) selenium removal and brine management technologies should be investigated on as intensive a basis as circumstances and finances permit. The presence of selenium in the drainwater causes major environmental concerns. These concerns would be alleviated if the selenium could be removed from the water and handled separately. Several techniques to do this are currently being tested.

Brine management is a more complex problem, whose parameters are only incompletely understood. One option for disposing of brine is deep well injection. Another option for handling the brine would be the construction of solar ponds. The technology for deep well injection is better established

than that for solar ponds and may be cheaper, unless the energy output of the solar ponds can be sold at a sufficiently high price. Deep well injection, however, raises environmental concerns about potential groundwater pollution, particularly if the brine were to contain hazardous or toxic materials. We believe both technologies should therefore be investigated.

We further believe that all the investigations we have described can most efficiently be carried out by nonfederal local districts, such as Westlands, alone or in consortia as appropriate. We believe that Congress should make the funds available to such local districts under appropriate repayment arrangements. Our principal purpose in seeking Congressional support is to seek validation of the widespread benefits which would derive from the program we are pursuing.

We therefore recommended specifically that Congress authorize appropriations of loan funds to a local district (or districts) pursuant to an appropriate contract in the following amounts:

1. Up to $1,300,000 for economic feasibility studies, including investigation of water trading opportunities and obstacles, and technical feasibility studies including investigation of pretreatment problems, relating to the desalting of agricultural drainwater.

2. Up to $1,200,000 for economic feasibility studies and pilot testing of selenium removal processes relating to subsurface agricultural drainwater.

3. Up to $1,200,000 for economic feasibility studies and pilot testing of the deep well injection and solar pond brine management options.

We believe that with your support of this study program, an expeditious and environmentally sound solution to the subsurface agricultural drainwater problem in California's San Joaquin Valley will be much enhanced.

Sincerely,

THOMAS GRAFF,
Senior Attorney, Environmental Defense Fund.
JERALD R. BUTCHERT,
Manager.

A RESEARCH PROJECT FOR MANAGING SUBSURFACE AGRICULTURAL DRAINAGE WATER IN THE SAN JOAQUIN VALLEY IN AN ENVIRONMENTALLY AND ECONOMICALLY SOUND MANNER—SUMMARY

This is a proposal to fund three feasibility studies/prototype plant installations to be undertaken by a nonfederal public district.

The first is to conduct studies as to the economic feasibility of reverse osmosis desalting of subsurface agicultural drainage waters. These studies would also investigate the technical and economic feasibility of solar ponds which would be used to generate electricity. These studies would be divided into two parts: First, to affirm the technical feasibility of the reverse osmosis desalting process in the San Joaquin Valley including pretreatment of subsurface agricultural drainage water prior to its introduction into the desalting plant. Second, an examination will be made into the legal, institutional and financial aspects of the desalting alternative concerning the potential for marketing the desalted water to either the Central Valley Project, the State Water Project, or to other interested parties, as well as an analysis as to the availability and the price of electrical energy which is needed to operate the plant. The solar pond study would analyze the work being done currently in Israel as well as the pilot plant work being done by the California Department of Water Resources in connection with their pilot desalting plant located at Los Banos, California.

The second part of the proposal involves the planning, and environmental evaluation and potential construction and operation of a prototype deep well injection system. The technology of deep well injection is well known and has been carried out in Kern County, California for several decades. It is proposed that assuming that preliminary enviromental evaluation justifies proceeding with the project, a well be constructed to a depth of approximately 7,400 feet and operated for a period for one year; during which time data would be gathered as to the environmental effects of deep well injection and as to the technical problems encountered. At the end of the one year test period an economic feasibility report coupled with a technical report would be prepared to evaluate the viability of this technology.

The third part of the proposal involves the construction of a prototype plant aimed at removal of selenium and possibly other heavy metals from the subsurface agricultural drainage water. It is proposed that this plant be built to have a capacity of up to one million gallons per day. The prototype plant would be constructed using as a model a successfully operated pilot plant on Murrieta Farms in Westlands Water District wherein selenium removal has been achieved with a result in product water containing less than two parts per billion of selenium.

Mr. FAZIO. Mr. Speaker, I appreciate the gentleman's comments.

Mr. Speaker, I yield to my friend the gentleman from Merced County, CA, Mr. TONY COELHO.

Mr. COELHO. Mr. Speaker, I appreciate the gentleman yielding. I want to again compliment him and to thank him for the job he has done.

I appreciate the support of the gentleman from California [Mr. MILLER] from the authorizing side in this unique concept, that two groups have gotten together. I appreciate the action of the chairman of the subcommittee, the gentleman from Alabama [Mr. BEVILL], and the members of the subcommittee for going along with it, and the support of the gentleman from Indiana [Mr. MYERS] in putting this together.

Here is a situation where a group of people in the central San Joaquin Valley found themselves in a cricumstance that they had no control over, the environmentalists and they got together, provided for a resolution of the problem. Generally, as the gentleman from California [Mr. MILLER] pointed out, people who are antagonists put down their differences, tried to find solutions to a problem, found them, presented them for us, we have now taken them and we are authorizing them and appropriating them, and, hopefully, we can solve this problem of selenium not only in the San Joaquin Valley but use that as an example for a solution to that problem and others throughout the United States.

So we again appreciate the effort of so many people to make this possible, and I just want to compliment the chairman again for his work and his foresight.

Mr. FAZIO. Mr. Speaker, I thank the gentleman for his comments.

Mr. MYERS of Indiana. Mr. Speaker, I yield such time as he may consume to the gentleman from Arizona [Mr. RUDD], a very valuable and hard-working member of the subcommittee, who has informed us this is his last term.

Mr. RUDD. I thank the gentleman for yielding.

Mr. Speaker, I simply want to say that this is a very good bill and a very good conference report. No one got everything they wanted or maybe none of what they wanted, but it was a very fairly constructed bill because there was great respect shown for the taxpayers of the United States in an effort to keep the bill within bounds and even under bounds. That is due to the excellence of the staff, Mr. Speaker, and I wish to commend the chairman for his outstanding leadership and the ranking minority member, the gentleman for Indiana [Mr. MYERS], for the wisdom displayed in crafting this piece of legislation, assuring that it was followed through subcommittee, the committee, the floor of the House of Representatives, through conference and back here again for the wisdom and the leadership that they have displayed, and urge the bill's passage.

Mr. BEVILL. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Oklahoma [Mr. WATKINS], an outstanding member of this subcommittee.

Mr. WATKINS. Mr. Speaker, I would like to commend the chairman of the subcommittee and the ranking minority member and all the members of the committee for their hard work, and I also commend the staff. This bill is under the President's budget, as the gentleman from Indiana [Mr. MYERS] indicated earlier. I think that is saying something. Again, this has occurred year after year, and we tried to put together a balanced program, a program that we could move forward during this fiscal year.

I would like to mention to the chairman and the ranking minority member and ask them for their help. As they know, last year, working with the chairman of the Senate Energy and Water Subcommittee, Mr. HATFIELD, we had worked on trying to get a valuable road, a needed road, into Sardis Lake. We had set aside some money, and the Senate chairman said that if we got the authorization that he would be more than happy to support the effort. We got that authorization. We have some money in it for this year. But last year, I find now the

Secretary of the Army has said they lost that $5 million due to slippage and savings. And now it seems that we come up short. I would like to ask the help of the chairman and the help of the ranking minority member to restore that $5 million and encourage him to utilize that $5 million so that we can complete this particular road into this lake area that is very much needed in order to get some help in a very low economic, low per capita income area that has somewhere close to 20 percent unemployment.

I would need the help of the gentlemen to do this, and I would like to ask them for their help.

Mr. BEVILL. If the gentleman will yield, I will say to the distinguished gentleman from Oklahoma he will certainly have my help. I have been to Sardis Lake, in the distinguished gentleman's district, and I have seen the need for this road. The gentleman will have my support.

Mr. WATKINS. I thank the chairman very much. I know that the gentleman from Indiana [Mr. MYERS] has always been willing to help also.

Mr. MYERS of Indiana. If the gentleman will yield, I have not seen the lake, but the gentleman from Oklahoma [Mr. WATKINS] has always been very diligent and informative in helping us along with other projects, and he knows what the requirements of our subcommittee are. I would be pleased to support what the gentleman believes is right.

Mr. WATKINS. If the gentleman would like, I will plan to take him there. If we can get that road in there, we can go in by car instead of having to drop in by helicopter.

Mr. MYERS of Indiana. I thank the gentleman for his offer.

Mr. Speaker, I yield such time as she may consume to the gentlewoman from Nebraska [Mrs. SMITH], another very valuable member of the subcommittee.

Mrs. SMITH of Nebraska. I thank the gentleman for yielding.

Mr. Speaker, I rise in strong support of this conference report.

This committee is an outstanding committee. We work on a completely bipartisan basis. We work in the interest of fairness. We work hard. We have brought out an excellent bill and one that is fiscally highly responsible. A great deal of the credit goes to our most outstanding chairman, who does such a great job in every way, and to our outstanding ranking minority member. All of them deserve the highest praise.

Mr. BEVILL. Mr. Speaker, I yield such time as she may consume to the distinguished gentlewoman from Tennessee [Mrs. LLOYD].

Mrs. LLOYD. Mr. Speaker, I rise in strong support of this conference report. I want to commend the leadership of this committee for their diligent efforts in not only recognizing the responsibility of constraining spending but also for providing the leadership to bring this bill, which does provide critical funding for the Department of Energy, civilian and nuclear programs, as well as programs that are so vital to the economy of our country. I congratulate the entire committee. I do not think there is a better committee in the Congress than this Appropriations Committee, and I certainly do commend them.

Mr. Speaker, I rise in support of this bill because it recognizes deficit pressures while providing critical support for Department of Energy civilian and defense programs and important activities of the Appalachian Regional Commission and the Tennessee Valley Authority.

My good friends, Mr. BEVILL, Mr. WHITTEN, Mr. MYERS, Mrs. BOGGS, Mrs. SMITH, Mr. BONER, and the other conferees are to be congratulated for crafting a most responsible appropriations bill under these difficult circumstances.

The Department of Energy's atomic energy defense activities appropriated in this bill included a final one-time payment for community assistance at Oak Ridge, TN, as well as important environmental improvements and upgrading of safeguards and security at the Y-12 plant. The environmental and safeguards and security issues have presented us and the DOE with challenges over the past several years and this bill responds to that by providing very close to the requested funding for every element of these activities at Oak Ridge.

On the civilian research and development side, this bill addresses a number of nuclear fission priorities which were strongly supported by the Energy Research and Production Subcommittee which I chair on the Science and Technology Committee. The conference report indicates an additional $6 million for the High Temperature Gas Reactor Program where the Energy Research and Production Subcommittee had recommended a significant increase and the bill restores critical fuel cycle R&D to very close to the DOE request in advanced breeder reactor technology. The Oak Ridge National Laboratory has the DOE lead in both of these program areas and is also involved in advanced RTG research under advanced nuclear systems where the conference has recommended $3.1 million. I am gratified that the conference report recommends the DOE request for the SP-100 Program since I believe space nuclear power is the most exciting research area in nuclear fission development.

This bill also provides funding for the DOE uranium enrichment enterprise including the placing in standby of the gaseous diffusion plant at Oak Ridge [ORGDP] and related R&D activities on centrifuge development which are to be terminated during fiscal year 1986. I am pleased to note, however, that the conference report includes strong encouragement for "early deployment" of the AVLIS uranium enrichment technology because, in my view, this is the only way in which the United States can maintain a competitive position in the international market place for enrichment services.

Another section of this conference report which I believe to be important to the economic development of the Appalachian region is the funding level for the ARC. I would have liked a higher funding level, however given our Nation's deficit crisis, I fully support the conferees level.

I wish that half of the programs that this body authorizes and appropriates could have the track record of the ARC. The ARC programs really strike at the heart of a great American philosophy of helping Americans help themselves.

To fully appreciate what ARC has meant to Appalachia, one only needs to remember what the region was like just 20 years ago. Appalachia is rich in natural resources but for generations it was a region isolated by the very mountains that provided so much of its rich heritage. During the 1950's steel and coal production were down, agriculture had become marginal, and the textile industry had been weakened by imports. The region was plunged into a prolonged economic decline and the lack of transportation discouraged new development. State and local governments were in no position to undertake the massive road construction which was needed.

Since 1965 when the ARC was created, the objective of the program and the States and communities receiving support through the ARC have been to become self-sustaining, expand private sector employment, and to expand their tax base.

The ARC is one of America's better programs and I urge you to support this appropriations bill before us today.

Mr. Speaker, I strongly recommend my colleagues support this bill and conference report which achieve the difficult balance between budget responsibility and the necessity to sustain a good faith role for the Federal Government in both civilian and defense programs.

Mr. MYERS of Indiana. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. CARNEY], who has been working very closely with this subcommittee on projects within his district. He has a number of projects.

Mr. CARNEY. I appreciate the gentleman yielding this time, and I would like to stand in strong support of the conference report. I would also like to echo my sentiments about how it is to work with this committee, with the chairman, the gentleman from Alabama [Mr. BEVILL], and the ranking minority member, the gentleman from Indiana [Mr. MYERS]. It is just a delight. If you have something worthwhile, they will certainly give you all the time that you need.

We do have a very unique facility in my district, the Brookhaven National Laboratory, and there is a project there that is very unusual from the standpoint that this project will gain revenue for the taxpayer. After the

project is completed, it will make $4 million annually selling electricity to our neighbors.

□ 1230

I would like if I could at this moment engage in a colloquy with the chairman of the committee, Mr. BEVILL.

Mr. BEVILL, is it the intention of the conferees that the co-generation facility at Brookhaven National Laboratory proceed on a construction schedule the administration proposed?

I yield to the gentleman for his response.

Mr. BEVILL. The gentleman is correct. I am familiar with this project, and as a matter of fact, I have been there and visited with the gentleman there in his district in New York. We hope to work with the gentleman and accomplish what you have set out to accomplish.

Mr. CARNEY. I thank the gentleman. May I ask the gentleman is it also the intention of the conferees that none of the general reduction provided for in the energy supply research and development account be applied against the Brookhaven National Laboratory cogeneration facility and the BNL fuel storage facility?

Mr. BEVILL. The gentleman is correct.

Mr. CARNEY. I thank the gentleman, and I am sure the people at Brookhaven National Laboratory thank you as well. I thank my friend from Indiana, Mr. MYERS.

Mr. BEVILL. Mr. Speaker, I yield such time as he may consume to the chairman of the Committee on Appropriations, the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. I thank the gentleman for yielding.

Mr. Speaker, I wish to join my colleagues here in paying tribute to the fine job that the gentleman from Alabama [Mr. BEVILL] has done on this bill, along with Mr. MYERS and all members of the subcommittee.

I have been on this subcommittee for many years and I do not believe I have ever seen a subcommittee which was better in working out all the problems over the whole country. You know, we have a big country. What is needed in one area may not have anything to do with what is needed in another area.

I have seen many chairmen of this subcommittee who would lead a fight and lead it well. Here, we have a subcommittee which works these matters out. When you are under the budget, when the President has agreed to sign the bill, it is a compliment too for our friends in the other body, Senator HATFIELD and other members of the conference. As I have said so many times, however bad our financial situation is, if we do not have gold and silver, but if we take care of our own country we can, if necessary, set up a new medium of exchange. We could leave our children all the money in the world and with worn out and eroded land, undeveloped, they would never make it.

If we take care of our own country we have got something on which to build. I say again we could not have a finer chairman or finer members of a subcommittee including the senior Republican, Mr. CONTE, than we have on this committee. I add, that the subcommittee has the benefit of a fine and capable a staff as could be found on Capitol Hill.

I wish to join again in complimenting them and say it is a pleasure to serve with them on this subcommittee and in the Congress.

Mr. MYERS of Indiana. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. CLINGER].

Mr. CLINGER. I thank the gentleman for yielding me this time.

Mr. Speaker, while I rise in support of the conference report, I do so with a certain sense of reluctance and dismay. Hidden among the very important energy and water resources programs in this bill is the appropriation for the Appalachian Regional Commission.

The ARC has a minuscule budget of $120 million. It serves a limited but very depressed region of our country, and although many here have—at one time or another—debated about the need for a regionally targeted Federal assistance program, it is my firm conviction that we need the ARC, and that it has an excellent record of accomplishments.

Sadly, though, the ARC's job is far from complete. If you survey Appalachia today, you'll find it still suffers from persistent high unemployment, low educational attainment, and an economy that is heavily dependent on but a limited number of depressed industries.

Therefore I continue to support the ARC in every way possible.

Thus it is with dismay that I read in the conference report of the high degree of earmarking that occurred during negotiations between the House and Senate.

The Appalachian Regional Commission has within its scope two major programs. They are highway development and area development.

In the highway account, the ARC has been allotted $85 million for fiscal year 1986. With today's highway construction costs, $85 million will barely have an impact. Nevertheless, the conferees earmarked roughly one-quarter of this amount, $20 million, for specific projects within various districts and States. By doing so, the conferees have seriously undermined the discretion of State and local planners to best allocate their very scarce funds. And considering that $65 million is all that remains to service the entire 13 State Appalachian region, they have only acted to further reduce the effectiveness of this program.

The second ARC account, area development, was harder hit by the black magic of earmarking. Conferees designated $15 million for specific projects out of a total account of $32 million—roughly one-half.

What effect will their actions have? It will reduce State's allocations for planning and jobs development by almost one-half. States will have no choice but to reduce or eliminate planning staffs and reduce or eliminate ongoing development programs.

Overall, the ARC's effectiveness—today and in the future—has been seriously undermined by this practice.

I am saddened that such a small but important program has been blemished by such mischief.

For those of us who strongly support the ARC, we have no means of correcting this abuse. It's too late in the game. Our only option is to lump it; to support the conference report, knowing that we can only satisfy ourselves with the thought that at least the ARC is still with us for another year, if only serving the few projects specified in the report before us.

Mr. MYERS of Indiana. Mr. Speaker, I yield 3 minutes to the gentleman from Washington [Mr. MORRISON].

Mr. MORRISON of Washington. I thank the gentleman for yielding me this time.

Mr. Speaker, I rise to commend the chairman, the gentleman from Alabama [Mr. BEVILL], and the gentleman from Indiana [Mr. MYERS] for this responsible and balanced fiscal year 1986 energy and water development appropriations conference report.

This Appropriations Subcommittee has consistently done two things which I believe are the hallmarks of good budgeting: They have been prompt and under budget. Again, this year the energy and water bill will be one of the first if not the first appropriations measure fully enacted by Congress and signed by the President. And again this year, Mr. Speaker, the energy and water bill is below the administration budget request. If the other Appropriations Subcommittees were as responsible as this one, our country would not be faced with a budget and deficit crisis.

I want to call the attention of the Members two specific programs in this appropriations bill.

The first is the Advanced Breeder Reactor Technology Program. The conference increased the test facilities operating expense by $12 million to allow for $6 million additions each at the Idaho National Engineering Laboratory and the Hanford Engineering Development Laboratory. While these sums are still below the fiscal year

1985 levels, they will substantially mitigate job loss and allow us to continue essential developmental work for the breeder reactor technology. These remaining programs represent our longstanding commitment to develop the essentially inexhaustible energy of the breeder reactor.

The second specific program is a new account entitled "Civilian Byproducts and Beneficial Uses." This $5 million program will fund civilian food irradiation research and development activities. This new account was authorized by the Science and Technology Committee, and I applaud the House Appropriations Committee for carrying through on this proposed authorization. It's clear that food irradiation is a technology whose time has come. I'm glad that there will be a modest research program to ensure that we can properly transfer this technology to the private sector for widespread applications in our agricultural and food processing industries.

Mr. Speaker, I again commend the exemplary work of the Energy and Water Development Appropriations Subcommittee.

Mr. MYERS of Indiana. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. PASHAYAN].

Mr. PASHAYAN. I thank the gentleman for yielding me this time.

Mr. Speaker, I am pleased to see such diverse groups as farmers, irrigation district officials, and environmentalists, including the Environmental Defense Fund, come together in agreeing upon alternative efforts to solve the serious drainage problems of the Central Valley of California. The fact that interests which have often opposed each other in the past have now begun to cooperate in finding solutions is yet one more indication of how serious both the reality and the public perception of drainage problems in the central valley have become.

The conference report will authorize the Secretary of the Interior to execute a contract to loan up to $3.7 million to prepare feasibility studies for alternative solutions to improve the quality of agricultural waste water. Such studies would include the economic feasibility and pilot testing of water trading and marketing, of selenium removal, of deep well injection, and of solar pond brine management. Moreover, the conference report makes funds available for the Bureau of Reclamation to continue existing studies at fiscal year 1985 levels under the San Joaquin Valley Drainage Program. Further study initiatives are deferred pending authorizing legislation.

Mr. Speaker, it is a positive development indeed when officials of the Community Alliance for Responsible Water Policy, the Westlands Water District, and the Environmental Defense Fund can meet, put aside their mutual suspicion, discuss the drainage problem, compromise, and ultimately agree on feasibility studies and pilot testing for alternative solutions. I commend each of the parties and all others involved in the process, and urge adoption of the conference report.

Mr. MYERS of Indiana. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. LAGOMARSINO].

Mr. LAGOMARSINO. I thank the gentleman for yielding me this time.

Mr. Speaker, I rise in strong support of this conference report, and I want to commend the chairman, Mr. BEVILL, and the ranking member, Mr. MYERS of Indiana, and the members of the subcommittee for bringing this practical, responsible bill to us.

Once again, they have provided good solutions to a lot of problems that are of great importance to the people in our districts.

I urge my colleagues to support the conference report, and I welcome the chairman back to active duty with us.

□ 1240

Mr. MYERS of Indiana. Mr. Speaker, it is often said you save the best till last. In this case the best is first.

Mr. LUNDINE. Mr. Speaker, I rise in support of the conference report on H.R. 2959, energy and water development appropriations for fiscal year 1986.

I am particularly pleased that the conferees have recognized the importance of the Appalachian Regional Commission [ARC] and have chosen a funding level for fiscal year 1986 which is closer to the more generous level which the House approved earlier this year. The funding level which the Senate approved was far below the level needed to complete many of the ARC projects, especially highway projects, which are so important to the Appalachian region of this country, my congressional district included.

The Appalachian Highway Program, in particular, has been critically important to the upstate New York area and has been instrumental in the construction of the Southern Tier Expressway, the only four-lane, limited-access highway linking our economically depressed rural region with the Interstate System. Travel time from certain points in upstate New York to New York City has already been reduced from 10 hours to 7 hours, and the Southern Tier Expressway has not yet been completed. I am sure that my colleagues can appreciate the importance of this development and the need to complete this highway project.

In addition to contributing to highway development, much progress has been made in the areas of vocational training, health care delivery, child development, community development, energy and enterprise development and housing in my district, and in the rest of the Appalachian region. For example, the James Prendergast Library in Jamestown and the Steele Memorial Library in Elmira, two of the most important information centers in my district, were built with ARC library funds. In Steuben County, the regional business development center sponsored by the Corning Community College whose graduates have made significant contributions to the economy of the region was started with ARC vocational education funds. In the field of health, the burn and rehabilitation unit at St. Joseph's Hospital in Elmira was started with $200,000 in ARC funds, and the development of rural ambulatory care at the Salamanca Hospital in Cattaraugus County was assisted with over $300,000 in these funds. I could go on and on with examples of how my congressional district has benefited from ARC funding, but I think that my point is clear. The ARC's contribution to the 14 New York counties has been invaluable and the future of the ARC is of great concern to me.

In addition to the funds for the ARC, I am also pleased that the conference report does not include funding to start new water projects. The House's fiscal year 1986 energy and water measure provided $100 million to continue work on 41 Army Corps of Engineers' projects and to begin construction of an additional 21 new corps projects. I do not feel that any new projects should be started before the local cost-sharing issue is settled by an omnibus bill.

To sum up, Mr. Speaker, I feel that the conferees did an excellent job, and I urge my colleagues to join me in supporting this conference report.

Mr. BRUCE. Mr. Speaker, I rise today in support of the conference report on the energy and water appropriation. I am pleased to support this measure that is $273 million less than last year's appropriation. I would especially like to thank Chairman BEVILL and the ranking minority member Mr. MYERS of the Energy and Water Development Subcommittee for including $150,000 for Grayville, IL.

Due to several decades of persistent soil erosion, an oxbow channel has been formed out of the Wabash River, endangering the public welfare and safety of Grayville's citizens. If this is not reversed, the channel will completely bypass the town of Grayville, effectively cutting off the town's water supply and sewer treatment facility.

The money appropriated for Grayville will allow the Army Corps of Engineers to complete a detailed impact study so that money can be appropriated for construction to remedy this grave situation.

Mr. MYERS of Indiana. Mr. Speaker, I have no further requests for time, and I ask for a unanimous voice vote to agree to this conference report.

Mr. Speaker, I yield back the balance of my time.

Mr. BEVILL. Mr. Speaker, I have no further requests for time. It is a good bill. I understand the White House says the President will sign it, and I urge the Members' support.

Mr. Speaker, I yield back the balance of my time.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

AMENDMENTS IN DISAGREEMENT

The SPEAKER pro tempore. The Clerk will designate the first amendment in disagreement.

The text of Senate amendment No. 8 is as follows:

Senate amendment No. 8: Page 3, after line 21, insert:

The Corps of Engineers is directed to construct recreation and management facilities at the Ouachita and Black Rivers, Arkansas and Louisiana, in the vicinity of the Felsenthal National Wildlife Refuge at full Federal expense using funds heretofore provided, using the $3,500,000 provided for such purpose in this Act.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Alabama [Mr. BEVILL].

Mr. BEVILL. Mr. Speaker, I know of no controversy of Senate amendments Nos. 8, 13, 15, 20, 23, and 24, and, therefore, I ask unanimous consent that they may be considered en bloc.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The texts of Senate amendments Nos. 13, 15, 20, 23, and 24 are as follows:

Senate amendment No. 13: Page 5, after line 9, insert:

Within available funds under this account, advance maintenance of the Charleston Harbor navigation channel may be accomplished to allow for safe movement of vessels.

Senate amendment No. 15: Page 7, after line 14, insert:

SEC. 102. Within available funds appropriated under "Operation and Maintenance, General", the Secretary of the Army may remove obstructions and ease bends at the Jacksonville Harbor navigation channel in the vicinity of Blount Island to allow for the free and safe movement of vessels.

Senate amendment No. 20: Page 11, line 15 after "1985" insert: "*Provided further*, That of the amount herein appropriated not to exceed $20,000 shall be available to continue a rehabilitation and betterment program with the Twin Falls Canal Company, Twin Falls County, Idaho, to rehabilitate facilities under the Act of October 7, 1949 (63 Stat. 724), as amended, to be repaid in full by the lands served and under conditions satisfactory to the Secretary of the Interior.".

Senate amendment No. 23: Page 14, line 24, after "only;" insert "payment of such amounts not to exceed $6,000,000 as may be necessary for alterations to existing building No. 53 to accommodate the new center computer facilities at the Denver Federal Center, Lakewood, Colorado;".

Senate amendment No. 24: Page 18, after line 11, insert:

SEC. 205. (a) Within 30 days after enactment of this Act, there shall be established in the Treasury of the United States a working capital fund to assist in the management of certain support activities of the Bureau of Reclamation (hereafter referred to as the "Bureau"), Department of the Interior. The fund shall be available without fiscal year limitation for expenses necessary for furnishing materials, supplies, equipment, work, and services in support of Bureau programs, and, as authorized by law, to agencies of the Federal Government and others. Such expenses may include the acquisition, replacement, and operation of a central computer and related automatic data processing equipment; engineering services; payroll and other management services; acquisition and replacement of equipment and facilities, including the purchase, lease, or rent of motor vehicles and aircraft within any limitations set forth in appropriations made to carry out the functions of the Bureau and such other activities as may be approved by the Director, Office of Management and Budget.

(b) The fund shall be credited with appropriations made for the purpose of providing or increasing capital. There are authorized to be transferred to the fund (at fair and reasonable values at the time of transfer) the inventories, equipment, receivables, and other assets, less the liabilities, related to the functions to be financed by the fund as determined by the Secretary of the Interior.

(c) The fund shall be credited with appropriations and other funds of the Bureau, and other agencies of the Department of the Interior, other Federal agencies, and other sources, for providing materials, supplies, equipment, work, and services as authorized by law. Such payments may be made in advance or upon performance.

(d) Charges to users will be at rates approximately equal to the costs of furnishing the materials, supplies, equipment, facilities, and services (including such items as depreciation of equipment and accrued annual leave).

(e) There are hereby authorized to be appropriated such sums as are necessary to carry out the purposes of this section.

(f) Funds that are not necessary to carry out the activities to be financed by the fund, as determined by the Secretary, shall be covered into miscellaneous receipts of the Treasury.

MOTION OFFERED BY MR. BEVILL

Mr. BEVILL. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BEVILL moves that the House recede from its disagreement to the amendments of the Senate numbered 8, 13, 15, 20, 23, and 24, and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of Senate amendment No. 22 is as follows:

Senate amendment No. 22: Page 13, line 6, strike out "$41,100,000" and insert "$37,900,000".

MOTION OFFERED BY MR. BEVILL

Mr. BEVILL. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BEVILL moves that the House recede from its disagreement to the amendment of the Senate numbered 22 and concur therein with an amendment, as follows: In lieu of the sum stricken and inserted by said amendment, insert the following: "$48,315,000".

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of Senate amendment No. 32 is as follows:

Senate amendment No. 32: Page 21, line 25, "expended" insert of which $101,075,000 shall be available for verification and control technology".

MOTION OFFERED BY MR. BEVILL

Mr. BEVILL. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BEVILL moves that the House recede from its disagreement to the amendment of the Senate numbered 32 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following: ", of which $97,325,000 shall be available for verification and control technology".

Mr. CONTE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alabama [Mr. BEVILL].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of Senate amendment No. 34 is as follows:

Senate amendment No. 34: Page 25, strike out lines 6 to 10 inclusive.

MOTION OFFERED BY MR. BEVILL

Mr. BEVILL. Mr. Speaker, I offer a motion, and I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The text of the motion is as follows:

Mr. BEVILL moves that the House recede from its disagreement to the amendment of the Senate numbered 34 and concur therein with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows:

Notwithstanding provisions of title 5, United States Code, except for section 5308, no funds approved for Western Area Power Administration shall be used to pay the rates of basic pay and premium pay for power system dispatchers unless such rates are based on those prevailing for similar occupations in the electric power industry.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alabama [Mr. BEVILL].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the final amendment in disagreement.

The text of Senate amendment No. 46 is as follows:

Senate amendment No. 46: Page 34, strike out lines 6 to 10, inclusive.

MOTION OFFERED BY MR. BEVILL

Mr. BEVILL. Mr. Speaker, I offer a motion, and I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The text of the motion is as follows:

Mr. BEVILL Moves that the House recede from its disagreement to the amendment of the Senate numbered 46 and concur therein with an amendment, as follows: In lieu of the matter stricken by said amendment, insert the following:

SEC. 506. No funds appropriated in this Act may be used to pay the salary of the Administrator of a Power Marketing Administration or the Board of Directors of the Tennessee Valley Authority unless they award contracts for the procurement of extra high voltage power equipment manufactured in the United States when such agency determines that there are one or more domestic manufacturers offering a product which meets the technical requirements of such agency at a price not exceeding 125 per centum of the bid or offering price of the most competitive foreign bidder. Such agency shall determine the incremental costs associated with implementing this section and defer or offset such incremental costs against otherwise existing repayment obligations. This section shall not apply to any procurement initiated before its effective date or to the acquisition of spare parts.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alabama [Mr. BEVILL].

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the conference report and the several motions was laid on the table.

WAIVING CERTAIN POINTS OF ORDER AGAINST CONSIDERATION OF H.R. 3327, MILITARY CONSTRUCTION APPROPRIATIONS ACT, 1986

Mr. WHEAT. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 282 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 282

Resolved, That during the consideration of the bill (H.R. 3327) making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1986, and for other purposes, all points of order against the following provisions in the bill for failure to comply with the provisions of clause 2 of rule XXI are hereby waived: beginning on page, 2, line 1 through page 7, line 18; and beginning on page 12, line 22 through page 13, line 11.

The SPEAKER pro tempore. The gentleman from Missouri [Mr. WHEAT] is recognized for 1 hour.

Mr. WHEAT. Mr. Speaker, for the purposes of debate only, I yield the customary 30 minutes to the gentleman from Ohio [Mr. LATTA], pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 282 provides for the consideration of H.R. 3327, military construction appropriations for fiscal year 1986 and waives points of order against a number of its provisions. The rule does not provide for the bill's consideration since general appropriation bills are privileged under the rules of the House. Provisions relating to time for general debate are also excluded from the rule. Customarily, general debate is limited by a unanimous-consent request by the chairman of the Appropriations Subcommittee prior to consideration of the bill.

This rule waives points of order against specified provisions of the bill for failure to comply with the provisions of clause 2 of rule XXI. Clause 2 prohibits unauthorized appropriations or legislative provisions in general appropriation bills and applies to the text of H.R. 3327 beginning on page 2, line 1 through page 7, line 18; and beginning on page 12, line 22 through page 13, line 11. This waiver is necessary because H.R. 1409, the Military Construction Authorization Act for fiscal year 1986 has not yet been considered. As a result, H.R. 3327, which includes appropriations for military construction and family housing, contains unauthorized appropriations in violation of clause 2 of rule XXI. However, the appropriations contained in the bill do not exceed any amounts in H.R. 1409, the authorizing legislation.

Additionally, points of order are waived against section 122 relating to services provided by the Army Corps of Engineers in the Little Rock District of Arkansas. The Public Works and Transportation Committee, which has jurisdiction over this matter has no objection to this legislative provision or the waiver.

Briefly, H.R. 3327 appropriates $8.37 billion for fiscal year 1986 military construction projects to be administered by the Department of Defense, including appropriations for Army, Navy, Air Force, and various other defense agency projects. This amount is lower than the administration's request and yet $106 million over what was provided for these projects in fiscal year 1985. Appropriations are also made available for military family housing for these branches of service and all levels of funding for this purpose are well below current budget estimates. There are also general provisions contained in H.R. 3327 addressing certain military construction projects and procedures for the defense agencies.

The waivers contained in this rule are important to provide for necessary appropriations and for the timely consideration of this measure. I am not aware of any objection to this rule and I urge my colleagues to adopt House Resolution 282 so that we may proceed to debate.

□ 1250

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the provisions in this rule fulfill the requests of those Members who appeared before the Rules Committee.

The rule waives points of order against specified provisions of the bill for failure to comply with the House rule which prohibits unauthorized appropriations and legislation in general appropriation bills.

While the rule did not generate controversy in the Rules Committee, there are a couple of features about this bill which should be a concern to many of us.

At the time of the Rules Committee meeting the administration sent a statement of policy noting that this bill is almost $2 billion below the $10.34 billion level requested by the President, and even $109 million below the congressional budget resolution level. However, the administration expressed particular concern about the elimination of funds for the ground-launched cruise missile facilities in The Netherlands.

This is an important problem, and I want to provide a little background information to the Members on this situation.

Since 1977, the Soviet Union has been deploying SS-20 missile launchers and has continued to construct additional bases in both the eastern and western Soviet Union. In 1979, in response, NATO made a dual-track decision calling for both the deployment of 572 Pershing II and ground-launched cruise missiles to redress the increasing imbalance and also to negotiate the imbalance at the Geneva arms talks. Since 1979 the number of SS-20 warheads has almost trebled and the arms talks have not been productive.

In the absence of an Intermediate Nuclear Force arms control agreement and as a response to that unprecedented growth of Soviet nuclear capabilities, the United States has been deploying Pershing II and ground-launched cruise missiles since late 1983. The deployments have continued on schedule and will continue over the next 3 years.

All of these deployments are subject to cancellation or reversal if an agreement with the Soviet Union is achieved. Talks at Geneva are in their third round following resumption of negotiations on the full range of defense and space issues in March 1985.

The arms talks only started in earnest after Moscow recognized that NATO was determined to proceed with deployments. That determination is in response to the massive buildup of Soviet SS-20 missiles that changed the nuclear balance in Europe. The United States and NATO would greatly prefer

a negotiated agreement to the Intermediate Nuclear Force problem, but until the Soviets bargain seriously there can be no progress. Our negotiators are examining the latest Soviet proposals in order to determine if there is common ground for progress. We must continue to show our resolve in our response to the Soviet buildup by continuing to modernize our Intermediate-Range Nuclear Forces while at the same time continuing to negotiate a solution in Geneva.

As of today the ground-launched cruise missile has been deployed to three countries in Europe. These are the United Kingdom, Italy, and Belgium, and preparations continue for deployment in the Federal Republic of Germany and The Netherlands. We have supported those deployments with the facilities that are needed to make the system operational and this activity has been an excellent demonstration of allied resolve to support the 1979 NATO decision. Without the required facilities, however, there can be no deployment.

The last of the six bases for the ground-launched cruise missile system is in The Netherlands. The Dutch Government has stated its intention to make a final decision on the deployment of the ground-launched cruise missile system on November 1 of this year. Funding to start the needed base support work for the deployment has been requested by the administration. But the funding has not been included in this appropriation bill. To make a showing of apparent nonsupport immediately before the time for the Dutch decision will be very detrimental to the United States and NATO policy objectives. It could be misinterpreted by opponents of the decision to mean that the United States does not expect a deployment in The Netherlands and that such a deployment is not that important.

In order to meet our obligations to deploy the ground-launched cruise missiles in The Netherlands in accordance with the 1979 NATO decision. The construction work must be started as soon as possible in fiscal year 1986. The requested funds will allow utility and site activation work to begin soon after a Dutch decision is made. Without this work we could not adequately support a ground-launched cruise missile deployment.

I urge that $16 million, which is so critical to the timely deployment of the ground-launched cruise missile system in The Netherlands, be provided so that we can move forward in a responsive manner with this ground-launched cruise missile base. Not to do so would send exactly the wrong signal to the people of The Netherlands and to the Soviets at the Geneva arms talks.

Mr. Speaker, for all these reasons it is important that funding for the ground-launched cruise missile facilities in The Netherlands be included in the final version of this bill that goes to the President's desk.

I will support this rule so that the House may proceed to consider and improve this military construction appropriation.

However, I thought it was very timely and most important to point out something that will be debated, hopefully, when this matter comes up for consideration on the House floor.

Mr. HEFNER. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to my friend, the gentleman from North Carolina.

Mr. HEFNER. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I have just a brief point. It seems to me this should have been addressed yesterday in the authorizing committee.

We did not include the $22.7 million requested for initial facilities for the ground-launched cruise missile base in The Netherlands due to the lack of authorization.

The Dutch Government is scheduled to make its final decision on deployment of these missiles on November 1 of this year, and I believe the authorizing committee felt it unwise to provide construction funds in the absence of a final commitment on the part of the Dutch Government.

As the gentleman well knows, we are constrained to appropriate without authorization. I can assure the gentleman that when we go to conference, if it is a conference item, we will certainly take it into consideration at that time. But I do not think it is the fault of our subcommittee, because we have a very good subcommittee, that it warrants this much of an attack because we did act as only we could. We cannot, as the gentleman knows, appropriate without authorization.

Mr. LATTA. May I, in response to the gentleman, say that I was not saying that your committee was at fault for not including this money. I merely point out the importance of including this money at some stage. Whether it is in the House or whether it is in the other body, it must be included so that we can go forward with this very important project.

I appreciate the assurance that the gentleman has already given that they will take a look at it, and I realize that the authorization has not been fully completed yet. But I also realize that many, many times the Appropriations Committee has come up to the Rules Committee and gotten a waiver of the requirement for authorization and they could have proceeded in that fashion on this particular item had they seen fit.

Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

Mr. WHEAT. Mr. Speaker, I have no requests for time and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. QUILLEN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 369, nays 33, answered "present" 1, not voting 31, as follows:

[Roll No. 361]

YEAS—369

Ackerman	Darden	Grotberg
Akaka	Daschle	Guarini
Alexander	Davis	Gunderson
Anderson	de la Garza	Hall (OH)
Andrews	DeLay	Hall, Ralph
Annunzio	Dellums	Hamilton
Anthony	Derrick	Hartnett
Applegate	DeWine	Hawkins
Archer	Dicks	Hayes
Aspin	DioGuardi	Hefner
Atkins	Donnelly	Heftel
Badham	Dornan (CA)	Hendon
Barnard	Downey	Henry
Barnes	Duncan	Hertel
Bateman	Durbin	Hiler
Bates	Dwyer	Hillis
Bedell	Dymally	Holt
Beilenson	Dyson	Hopkins
Bennett	Early	Horton
Berman	Eckart (OH)	Howard
Bevill	Edgar	Hoyer
Biaggi	Edwards (CA)	Hubbard
Billrakis	Edwards (OK)	Hughes
Bliley	Emerson	Hunter
Boehlert	English	Hutto
Boggs	Erdreich	Hyde
Boland	Evans (IA)	Ireland
Boner (TN)	Evans (IL)	Jacobs
Bonior (MI)	Fascell	Jeffords
Borski	Fazio	Jenkins
Boucher	Feighan	Johnson
Boulter	Fiedler	Jones (NC)
Boxer	Fields	Kanjorski
Breaux	Fish	Kaptur
Brooks	Flippo	Kasich
Broomfield	Florio	Kastenmeier
Brown (CA)	Foglietta	Kennelly
Broyhill	Foley	Kildee
Bruce	Ford (MI)	Kindness
Bryant	Ford (TN)	Kleczka
Burton (CA)	Fowler	Kolbe
Burton (IN)	Frank	Kolter
Callahan	Franklin	Kostmayer
Campbell	Frenzel	Kramer
Carney	Frost	LaFalce
Carper	Fuqua	Lagomarsino
Carr	Gallo	Lantos
Chandler	Garcia	Latta
Chapman	Gaydos	Leach (IA)
Chappell	Gejdenson	Leath (TX)
Chappie	Gekas	Lehman (CA)
Clinger	Gephardt	Lehman (FL)
Coats	Gibbons	Leland
Coelho	Gilman	Lent
Coleman (MO)	Gingrich	Levine (CA)
Coleman (TX)	Glickman	Lewis (FL)
Collins	Gonzalez	Lightfoot
Combest	Goodling	Lipinski
Conte	Gordon	Livingston
Cooper	Gradison	Lloyd
Coughlin	Gray (IL)	Loeffler
Craig	Gray (PA)	Long
Crockett	Green	Lott
Daniel	Gregg	Lowery (CA)

Lowry (WA)	Penny	Snyder
Lujan	Pepper	Solarz
Luken	Perkins	Solomon
Lundine	Petri	Spence
Lungren	Pickle	Spratt
Mack	Porter	St Germain
MacKay	Price	Staggers
Madigan	Pursell	Stallings
Manton	Quillen	Stangeland
Markey	Rahall	Stark
Marlenee	Rangel	Stenholm
Martin (IL)	Ray	Stokes
Martinez	Regula	Stratton
Matsui	Reid	Studds
Mavroules	Richardson	Stump
Mazzoli	Ridge	Sundquist
McCloskey	Rinaldo	Sweeney
McCollum	Ritter	Swift
McDade	Robinson	Swindall
McEwen	Rodino	Synar
McGrath	Roe	Tallon
McKernan	Roemer	Tauke
McKinney	Rose	Tauzin
McMillan	Rostenkowski	Taylor
Meyers	Roth	Thomas (CA)
Mica	Roukema	Thomas (GA)
Michel	Rowland (CT)	Torres
Mikulski	Rowland (GA)	Torricelli
Miller (CA)	Roybal	Towns
Miller (OH)	Rudd	Traficant
Mineta	Russo	Traxler
Mitchell	Sabo	Udall
Moakley	Savage	Valentine
Molinari	Saxton	Vander Jagt
Mollohan	Scheuer	Vento
Montgomery	Schneider	Visclosky
Moody	Schroeder	Volkmer
Moore	Schuette	Walgren
Moorhead	Schulze	Watkins
Morrison (CT)	Schumer	Weber
Morrison (WA)	Seiberling	Wheat
Murphy	Sensenbrenner	Whitehurst
Murtha	Sharp	Whitley
Myers	Shaw	Whittaker
Natcher	Shelby	Whitten
Neal	Shuster	Williams
Nelson	Sikorski	Wirth
Nichols	Siljander	Wise
Nowak	Sisisky	Wolf
Oakar	Skeen	Wolpe
Obey	Skelton	Wortley
Olin	Slattery	Wyden
Ortiz	Slaughter	Wylie
Owens	Smith (FL)	Yates
Oxley	Smith (IA)	Yatron
Packard	Smith (NE)	Young (FL)
Panetta	Smith (NJ)	Young (MO)
Parris	Smith, Robert (OR)	Zschau
Pashayan	Snowe	
Pease		

NAYS—33

Armey	Dickinson	Roberts
Bartlett	Dorgan (ND)	Schaefer
Barton	Dreier	Shumway
Bentley	Eckert (NY)	Smith, Denny (OR)
Bereuter	Fawell	Smith, Robert (NH)
Brown (CO)	Hansen	Strang
Cobey	Jones (OK)	Vucanovich
Coble	McCain	Walker
Courter	McCandless	Weiss
Crane	Miller (WA)	
Dannemeyer	Monson	
Daub	Nielson	

ANSWERED "PRESENT"—1

AuCoin

NOT VOTING—31

Addabbo	Dowdy	Mrazek
Bonker	Hammerschmidt	O'Brien
Bosco	Hatcher	Oberstar
Bustamante	Huckaby	Rogers
Byron	Jones (TN)	Waxman
Cheney	Kemp	Weaver
Clay	Levin (MI)	Wilson
Conyers	Lewis (CA)	Wright
Coyne	Martin (NY)	Young (AK)
Dingell	McCurdy	
Dixon	McHugh	

□ 1305

Mr. McCANDLESS changed his vote from "yea" to "nay."

Mr. DELAY and Mr. COLEMAN of Missouri changed their votes from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1315

GENERAL LEAVE

Mr. HEFNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 3327, Military Construction Appropriations Act, 1986, and that I may include extraneous matter along with tables and charts.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

MILITARY CONSTRUCTION APPROPRIATIONS ACT, 1986

Mr. HEFNER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3327) making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1986, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 1 hour, the time to be equally divided and controlled by the gentleman from Oklahoma [Mr. EDWARDS] and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina [Mr. HEFNER].

The motion was agreed to.

□ 1323

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3327, with Mr. LELAND in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from North Carolina [Mr. HEFNER] will be recognized for 30 minutes and the gentleman from Oklahoma [Mr. EDWARDS] will be recognized for 30 minutes.

The Chair recognizes the gentleman from North Carolina [Mr. HEFNER].

Mr. HEFNER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, it is my pleasure to present to you today the fiscal year 1986 military construction appropriations bill. The committee has worked very hard in reviewing the Department's request of $10.3 billion and as a result we are bringing forward, a bill containing $8.39 billion. This level is a $1.9 billion reduction from the requested amount, but provides a level of funding equivalent to the amount provided last year, and funds the highest priority military requirements.

OVERALL GUIDELINES

In order to meet this level of reduction, the committee developed a number of guidelines that were applied very strictly to all items requested in the bill. Our goal was to recommend funding for the highest priority military requirements and yet respond to the need for fiscal restraint. We are all aware that we are at a very critical stage in the public opinion of defense spending. If we are to maintain grassroots support for adequate levels of defense spending, we in the Congress must carefully review the proposed programs and recommend only what we feel is fully justified. In that spirit, the committee adopted a set of guidelines and applied them across the board. The cuts affect many Members, including myself, but as I said we have been very careful to ensure that these guidelines have been applied across the board. These guidelines are as follows:

First, all level of effort accounts such as planning and design, minor construction, and family housing operations and maintenance have been limited to last year's level or reduced.

Second, all projects with low operational utility such as recreation centers, indoor swimming pools, religious eduction buildings, community centers, libraries and museums have been deferred.

Third, administrative training, medical and laboratory facilities have been trimmed down or eliminated.

Fourth, reductions at several overseas bases, which meet the criteria used by the Department in proposing a notional list of domestic base closures, have been proposed.

Fifth, large unobligated balances in the NATO Infrastructure account have enabled the deferral of new funding.

We have heard a great deal about balancing the budget this week. I believe that the approach we have taken in this bill is a start toward achieving that goal. The funding level of $8.39 billion is a mere $14 million under our section 302 allocation. For this reason I will have to oppose all amendments which add money to the bill. Any Members wishing to include funds for

specific items will have to come up with offsets for those items.

I would further stress that this is the largest reduction we ever had to make to a military construction bill because of our mandate to stay within the budget targets. Many Members may not be completely satisfied with some of the reductions but let me say we have tried to be fair and consistent in making reductions to those projects that were of a low priority or operational utility.

POLICY THRUST

At this point I would like to highlight our action on some specific items in the bill.

A total of nearly $500 million has been included at new locations in the United States to fund construction in support of the Army's new light division, homeporting of Navy ships on both coasts, and the beddown of the B-1 bomber.

About $50 million has been included for roads and silo modifications for 30 MX missile silos. With these funds all elements of construction for 40 MX missiles will have been approved.

The committee deferred without prejudice the $10.8 million requested for binary munitions facility at Pine Bluff, AR, until the authorization and appropriation for production of chemical binary components has been approved by Congress.

The bill contains $25 million for follow-on construction at existing GLCM bases in Europe. No funds are included to initiate construction of the GLCM base in the Netherlands due to lack of authorization.

Reductions have been made at a number of bases overseas, which fit the Defense Department's criteria for base closure. The committee has asked for a comprehensive review of our overseas base structure in conjunction with these reductions.

A number of changes to the financial management procedures in the Military Construction Program have been recommended. These changes will tighten up some of the Department's flexibility to move money between projects and programs, and will provide a clearer picture to Congress on the actual use of appropriated funds together with a better understanding of the financial status of the various accounts.

The committee has taken a number of steps to help stimulate U.S. business involvement in overseas military construction projects. We have continued the existing American preference policy in the Persian Gulf, and made the existing preference policy in the Pacific apply to more construction projects. New initiatives this year include mandating the packaging of contracts into larger contracts at several bases overseas and requiring involvement of U.S. architect and engineer firms on large design contracts.

The committee has continued this year to approve essentially all of the facility requests which support improving the quality of life in the military. Despite the reduced level of the bill we have provided for over 42,000 new and improved barracks spaces, 5,000 new family housing units and numerous child care centers and physical fitness centers. In addition, funds for numerous maintenance and industrial facilities have been provided. Improving basic living and working conditions has always been the committee's top priority and this year is no exception.

SUMMARY

In conclusion, Mr. Chairman, I believe we have brought out a very fair bill under a difficult set of circumstances. I would reiterate that we funded the highest priority military requirements. The cuts we have recommended are the result of the very rigid guidelines I outlined earlier and have been applied across the board. I urge adoption of the fiscal year 1986 military construction appropriations bill.

Mr. Chairman, the committee is recommending new appropriations totaling $8,390,717,000 for fiscal year 1986 military construction and family housing. This is $1,949,483,000 below the President's request but is an increase of $106,496,000 above the amount reported last year.

The committee conducted a thorough and comprehensive review of this year's request, holding 20 different hearings on separate functional areas. The level recommended is similar to the amount provided last year, yet it provides for the highest priority military requirements and will substantially improve both readiness and the quality of life in the military. Functional areas where special emphasis occurred during our review of the program are overseas base closures, European and NATO Infrastructure Program, Caribbean Basin, Persian Gulf, and Pacific programs, the quality of life, medical programs, stimulating U.S. business overseas, financial management, alternate construction methods, and planning and design.

OVERSEAS BASE CLOSURES

Starting in the mid-1950's, the United States began to consolidate and thereby reduce the number of our overseas installations. In the past 5 years however, this trend has been reversed as the United States has initiated more than 20 new unilaterally funded installations overseas.

At the request of the Senate, the Secretary of Defense submitted a "notional" list of bases in the United States that fit certain criteria for closure, which were developed by the Department. The Senate version of the Defense Authorization Act denied all military construction projects requested at the bases on this list. There is no doubt that significant savings can eventually be achieved through base closures, however, the committee takes issue with both the basis and methodology used in developing this "notional" list. Overseas bases were not even considered in this exercise.

Congress has imposed manpower ceilings on troop levels in NATO countries for the past few years to foster more meaningful burdensharing among our allies and to consolidate our forces abroad. The Department's response to this policy, however, has been to seek and develop methods of circumventing its intent. The committee has found numerous examples which point to a departmental thrust to develop and implement new missions at new and existing overseas installations without regard to obtaining meaningful burdensharing, or the additional costs. Therefore, the committee has denied all construction projects requested at a number of bases overseas which fit the Department's criteria for base closure, and has requested a report on the future feasibility of these bases.

EUROPEAN CONSTRUCTION PROGRAM

The committee has recommended $1.2 billion for military construction and family housing in Europe. This is the third straight year of the provision of substantial funds to address the large backlog of modernization requirements at viable U.S. installations. This year's program funds projects such as tank hard stands, tactical equipment shops, maintenance facilities, barracks, and family housing. This level has been recommended so as not to deprive service members from decent living and working conditions.

NATO INFRASTRUCTURE PROGRAM

The committee is extremely pleased and encouraged by the expanded commitment by our allies to this jointly funded construction program. It is hoped that the new 5-year program, which nearly doubles the size of the present program, will result in a reduction in U.S. unilaterally funded construction requirements. The committee has not provided any funds for this program in fiscal year 1986 due to the existence of a large unobligated balance. Funds on hand will be sufficient to meet U.S. commitments for the next year. With the expanded program, the committee expects that all outstanding recoupments owed to the United States will be repaid in the next 5 years.

PERSIAN GULF/INDIAN OCEAN

Consistent with the overall policy of limiting U.S. unilateral expansion overseas, the committee has recommended funding for facilities in the Persian Gulf only at sites where construction is already underway. The committee views the $1.1 billion construction program in the Persian Gulf as essentially complete, as we now have access to seven separate airfields and three ports in the immediate area.

CARIBBEAN BASIN

In fiscal year 1983 and fiscal year 1984, Congress approved a total of $21 million for airfield improvements at two separate locations in Honduras. In addition, temporary construction as a result of military exercises has resulted in the creation of three additional airstrips, numerous maintenance and support facilities at five separate locations, two operational radar sites, tank

traps, and roads and port improvements. Although this construction was justified to Congress on the premise that it was temporary, and part of joint military exercises, the Department has used these facilities to support several ongoing operational activities and to maintain a continuous U.S. military presence in Honduras. All indications at this point are that the United States plans to continue to conduct virtually continuous military exercises in Honduras, and to maintain a continuous United States presence with sustainment forces.

In the committee's view, the administration needs to clarify the scope and purpose of our presence in Honduras. Funds necessary for resultant construction requirements should be requested in the normal fashion. To that end the Department has been tasked to update the long-term construction plan for the region.

MX MISSILE PROGRAM

A total of $55,800,000 was requested in fiscal year 1986 to provide roads and silo modifications for 30 MX missile silos. The Congress provided the funds necessary for roads and silos for 10 MX missiles last year and fully expects the December 1986 initial operating capability to be met. The committee has provided the authorized amount of $53,040,000 for fiscal year 1986. This amount will be sufficient to fund the conversion of 30 Minuteman II silos to MX missiles silos.

STIMULATING U.S. BUSINESS OVERSEAS

The committee took a number of steps to stimulate opportunities for U.S. businesses overseas, as it relates to military construction. The existing American preference program in the Persian Gulf was retained, and the preference program in the American territories of the Pacific was expanded to include all projects over $1 million. In addition, a new requirement has been added in this bill, which restricts all architect and engineer contracts over $1 million in NATO countries and Japan to United States firms or United States firms in joint venture with host nation firms. The committee has also required the packaging of construction projects at four bases overseas into one large contract in order to encourage U.S. firms to bid.

QUALITY OF LIFE

The committee has funded only those quality of life-type projects which are fully justified. Improving living and working conditions has always been our highest priority, and this year is no exception as over 90 percent of the requests for barracks, maintenance, and operational facilities have been funded. This bill contains funds for 42,000 new or upgraded barracks spaces, numerous child care centers, chapels, and gymnasiums.

PLANNING AND DESIGN

The committee funded 95 percent of the $521 million requested for planning and design. However, the committee was critical of the amount of lost design, the lack of vigorous pursuit of architect and engineer liability, the reliance on contractor personnel for inspection, and inadequate user agency involvement in the design process. A report on the reform efforts to address these concerns has been directed.

MEDICAL PROGRAM

The committee has recommended funding for over $300 million in new or expanded medical facilities. However, the committee has concurred in the findings of the President's Blue Ribbon Panel on Sizing of DOD Medical Facilities. The Panel's report was critical of the current direction in planning of medical facilities, recommended more centralization of management authority, and that more attention be paid at medical mobilization and readiness requirements. The committee denied funding for mobilization hospitals to overseas locations in the belief that no coordinated triservice plan exists and because additional host nation agreements should be sought.

ALTERNATE CONSTRUCTION METHODS

The committee has urged the expanded use of alternate construction methods to include: First, new construction techniques; second, turnkey contracting; third, packaging; fourth, standard design; fifth, performance specifications; and sixth use of new materials. The committee has directed packaging of contracts at six separate bases in the United States.

FINANCIAL MANAGEMENT

The committee has recommended a number of changes in current financial management practices on military construction because of the currently chaotic situation. These changes involve: First, limitations on cross year funding authority, second, clarifying the use of expired funds; third, tightening of current reprogramming criteria, fourth, limiting end of year obligation rates, and fifth, the need to submit formal budget requests for all new requirements.

MINOR CONSTRUCTION

The committee has reduced the requested amounts for minor military construction by one-third in the belief that the services can better anticipate their needs in this area. New notification procedures have been required and all modular structures are to be included as one line item in the military construction bill.

MILITARY CONSTRUCTION, ARMY

The committee approved a total of $1,646,152,000 for this account, which is a $374,748,000 reduction below the President's request. Major reductions were made as follows: $206 million for projects failing authorization; $62 million for projects with low operational utility; $28 million for projects in connection with the overseas base closure initiative; $25 million for ranges, and a net $40 million general reduction. Several authorized projects have been added which fund new barracks, and dining facilities.

MILITARY CONSTRUCTION, NAVY

The committee has approved a total of $1,704,005,000 for this account, which is $381,195,000 below the President's request. Major reductions are as follows: $220 million for projects failing authorization, $72 million for projects with a low operational utility, and general reductions and scope changes totaling $80 million. Several authorized projects have been added which fund new barracks, piers and industrial facilities.

MILITARY CONSTRUCTION, AIR FORCE

The committee has approved a total of $1,600,040,000 for this account, which is $481,960,000 below the President's request. Major reductions include; $145 million in projects failing authorization, $98 million in projects with the overseas base closure initiative, and $30 million as a general reduction. Several authorized projects have been added to fund barracks spaces, ammunition storage, and computer facilities.

MILITARY CONSTRUCTION, DEFENSE AGENCIES

The committee has approved $127,690,000 for this account, which is a $181,910,000 reduction from the President's request. Major reductions include $112 million for unauthorized projects, $30 million for projects of low operation utility, and $40 million from overseas schools projects.

NATO INFRASTRUCTURE

The committee has approved no funds for this account, which is a reduction of $98 million from the President's request. While the committee supports this jointly funded construction program, sufficient unobligated balances exist to meet our obligations without providing new appropriations.

MILITARY CONSTRUCTION, RESERVE COMPONENTS

The committee has approved $383,383,000 for these accounts, which is a $45,217,000 reduction below the President's request. The committee has not provided funds for several projects, which were funded in fiscal year 1985 via reprogramming, and has made a general reduction of $45 million.

DEFENSE FACILITIES REPLACEMENT FUND

The committee has not provided the $33 million requested for this fund in the belief that proceeds from the sale of other excess property should be used to initiate this program.

FAMILY HOUSING, ARMY

The committee has provided $1,435,652,000 for this account, which is $190,112,000 below the President's request. Major reductions include $100 million from the new construction account, $13 million from operations and $46 million from maintenance and $20 million from leasing.

FAMILY HOUSING, NAVY

The committee recommends $673,280,000 for this account, which is a reduction of $65,459,000 from the President's request. Major reductions include $25 million from the construction account, $5 million from operations, $9 million from utilities, $23 million from maintenance and $6 million from leasing.

FAMILY HOUSING, AIR FORCE

The committee has provided $851,816,000 for this account, which is a $91,882,000 reduction from the President's request. Major reductions include $42 million from the construction account, $7 million from utilities, $32 million from maintenance, and $8 million from leasing.

FAMILY HOUSING, DEFENSE AGENCIES

The committee has provided $14,300,000 for this account, a reduction of $6 million from the President's request.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY

	Fiscal year—		House	House bill compared with—	
	1985 enacted	1986 estimates		Enacted	Estimates
Military construction, Army	1,593,137,000	2,020,900,000	1,646,152,000	+53,015,000	−374,748,000
Military construction, Navy	1,534,592,000	2,085,200,000	1,704,005,000	+169,413,000	−381,195,000
Santa Marsarita water project, Navy					
Military construction, Air Force	1,572,655,000	2,082,000,000	1,600,040,000	+27,385,000	−481,960,000
Military construction, Defense agencies	302,198,000	309,600,000	127,690,000	−174,508,000,000	−181,910,000
North Atlantic Treaty Organization infrastructure	107,200,000	98,000,000		−107,200,000	−98,000,000
Military construction, Army National Guard	98,603,000	102,100,000	100,364,000	+1,761,000	−1,736,000
Military construction, Air National Guard	111,200,000	137,200,000	116,400,000	+5,200,000	−20,800,000
Military construction, Army Reserve	69,306,000	70,700,000	61,746,000	−7,560,000	−8,954,000
Military construction, Naval Reserve	60,800,000	51,800,000	41,800,000	−19,000,000	−10,000,000
Military construction, Air Force Reserve	67,800,000	66,800,000	63,073,000	−4,727,000	−3,727,000
Defense facilities replacement		33,000,000			−33,000,000
Total, military construction	5,517,491,000	7,057,300,000	5,461,270,000	−56,221,000	−1,596,030,000
Family housing, Army	1,348,432,000	1,625,764,000	1,435,652,000	+87,220,000	−190,112,000
Portion applied to debt reduction	−20,054,000	−15,064,000	−15,064,000	+4,990,000	
Subtotal, family housing, Army	1,328,378,000	1,610,700,000	1,420,588,000	+92,210,000	−190,112,000
Family housing, Navy	681,075,000	738,739,000	673,280,000	−7,795,000	−65,459,000
Portion applied to debt reduction	−23,286,000	−16,239,000	−16,239,000	+7,047,000	
Subtotal, family housing, Navy	657,789,000	722,500,000	657,041,000	−748,000,000	−65,459,000
Family housing, Air Force	912,043,000	943,698,000	851,816,000	−60,227,000	−91,882,000
Portion applied to debt reduction	−27,932,000	−14,298,000	−14,298,000	+13,634,000	
Subtotal, family housing, Air Force	884,111,000	929,400,000	837,518,000	−46,593,000	−91,882,000
Family housing, Defense agencies	17,437,000	20,300,000	14,300,000	−3,137,000	−6,000,000
Total family housing (budget authority)	2,958,987,000	3,328,501,000	2,975,048,000	+16,061,000	−353,453,000
Total, portion applied to debt reduction	−71,272,000	−45,601,000	−45,601,000	+25,671,000	
Total, family housing	2,887,715,000	3,282,900,000	2,929,447,000	+41,732,000	−353,453,000
Grand total, new budget (obligational) authority	8,405,206,000	10,340,200,000	8,390,717,000	−14,489,000	−1,949,483,000

□ 1330

Mr. EDWARDS of Oklahoma. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the gentleman from North Carolina [Mr. HEFNER] has outlined the basic provisions of the bill we have before us. Let me try to emphasize, however, a few points:

First of all, this committee, more than any other I've served on in the Congress, has worked in a thoroughly bipartisan manner and has worked very conscientiously to find the right mix between this country's defense needs and the need to be as economical as possible.

We held more than 20 hearings, and after those hearings we reduced the Defense Department's request from $10.3 billion to a bill totaling just $8,390 million—a reduction of 19 percent, the largest reduction we have ever made in a Pentagon request—and we believe we have done so without in any way harming the ability of the military services to do their job efficiently and well.

This bill is below the administration request and it's below the 302(b) allocation.

Second, let me emphasize that we have agreed on a number of guidelines to get the greatest result with the fewest dollars, and we have followed them consistently, without exception.

Accounts such as planning and design, minor construction, and operation and maintenance of family housing have been held at or below last year's levels.

Projects with low priority—important, but not urgent—such as recreational centers, indoor swimming pools, community centers, museums—have all been deferred. No exceptions.

We have insisted that projects must be at a 35-percent design level or certain to reach that level before the first of the year. If not, the project was not funded. No exceptions.

And if a project was not authorized, it was not funded.

We made a lot of cuts and they affected Members on both sides of the aisle, including the chairman, myself and other members of the committee.

I hope all our colleagues understand the need for fiscal restraint and hope they will understand that the chairman and I are in agreement that there should be no add-ons to this bill unless they include offsets so the total costs of the bill is not increased.

Let me mention some other specific items you may have some interest in:

The committee has approved funds for the Navy's homeporting plan; support for the Army's new light infantry division; beddown of the B–1 bomber; roads and silo modifications for 30 additional MX missile silos; follow-on construction at existing GLCM bases in Europe; security for the Pershing II missile in Germany; and continuation of our high priority on quality of life projects such as housing, child care centers, and medical facilities.

In addition, the committee has taken a special initiative in the area of financial management reform. In 1981 the Defense Department, at its request, was given flexibility to transfer funds to and from construction projects among any of the actively funded programs. However, the services have used this authority to excess in moving funds from 1 year's projects to other. This has permitted the services to move projects between fiscal years without every having to report these changes to the Congress or even to the Office of the Secretary of Defense. This has made it virtually impossible for the Defense Department or the Congress to determine the financial status of the military construction accounts. For these reasons, we propose eliminating this flexibility.

Second, the subcommittee found that often change orders, resulting in cost overruns, arise because the user agency, the actual user of the facility, has not been consulted during the design of a building. The subcommittee feels that if the user agency is more actively involved during the design stage, changes which create price increases after construction has started will be reduced. Because of this we have asked the Department to take steps in the future for the user to approve design prior to the start of construction to ensure it meets the user agency needs and to help avoid unnecessary cost overruns.

Third, and most important, are changes concerning reprogramming

flexibility. We held hearings this year on individual reprogramming requests for the first time and we denied a great many of them. We are now trying to get a better handle on reprogramming procedures, presently a service can exceed the congressionally approved amount for a project by 25 percent or $2 million, which is less, by transferring money from one project to another, without informing Congress. The subcommittee believes strongly that when we appropriate an amount for an individual project we do not want the Department to exceed that amount without the approval of the Congress. Simply put, when we appropriate $1 million for a project, we expect them to spend $1 million, or less on the project, or else let us know about it. The present flexibility has been used excessively and the subcommittee believes that being able to add an additional 25 percent to a project without informing Congress is unreasonable. Therefore, we are recommending the flexibility be reduced to 15 percent or $1 million, whichever is less.

In addition to this reprogramming flexibility, if the Department takes away money from one source to add it to another project, it now may add back 10 percent of the original project without congressional oversight. While this was intended for use on an exception basis, we've found during the past year more than 162 cases in which funds have been added back to a project after money was taken away from it for a reprogramming. We propose eliminating this flexibility, requiring the services to inform the appropriate committees of Congress of their intent to add back funds to a project from which reprogramming moneys were taken.

We have found that the Defense Department will often use the reprogramming process as a backdoor approach to avoid the will of Congress. We sometimes receive reprogramming requests for new projects which the Congress has denied in the past—projects which do not appear to be vital to national security. We have received reprogramming requests for new projects which could have, and should have, been included in the budget—a way to make it appear the Milcon budget request is not actually as large as it is. This year we have considered such projects only if they were of an urgent nature. The committee does not support the notion of funding new projects through savings. By refusing to include them in the budget, or submitting a supplemental request, the Pentagon is circumventing the prerogatives of Congress. Because of this we have requested that all new projects, unless of an emergency or national security interest, be included in the budget process. Otherwise, we will be forced to disapprove them.

Mr. Chairman, these initiatives are good government initiatives. They have been carefully thought out and reviewed by our entire subcommittee. We are unanimously in agreement with them.

I agree with Chairman HEFNER that we have brought a very fair bill to the floor—one that meets the requirements militarily and one that meets the budget constraints we are all under. I urge all of my colleagues to support this bill.

Mr. Chairman, I reserve the balance of my time.

□ 1340

Mr. HEFNER. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. COLEMAN], one of our more conscientious members, who has attended, I believe, all the hearings and the markup and has done a great job with us on coming up with a very responsible bill.

Mr. COLEMAN of Texas. Mr. Chairman, I rise in strong support of H.R. 3327, the military construction appropriations for fiscal year 1986.

I want to commend the chairman of the subcommittee, the gentleman from North Carolina and the ranking minority member, the gentleman from Oklahoma for their leadership in developing this bill.

As the chairman has stated this bill is virtually a freeze. It is $14.5 million under the fiscal year 1985 appropriation and $14.3 million under the 302(b) allocation under the budget resolution. The subcommittee realized the budget constraints posed by the rising Federal budget deficits and made the appropriate cuts, without compromising strategic and conventional needs, as well as preserving the necessary commitment to quality of life for military personnel. In any event, the subcommittee was forced to cut some $1.95 billion from the administration request for fiscal year 1986. Through the leadership of the chairman and ranking minority member, the committee was able to achieve these cuts by prioritizing proposed construction items according to their needs and contributions to the overall security and readiness of our Armed Forces. This includes providing adequate levels of funding for Fort Bliss, the Army Air Defense Command for the free world, which provides air defense training not only to Army personnel, but also NATO and other allies. As a member of the Armed Services Committee in the 98th Congress and the Appropriations Committee in 99th Congress, I have been pleased to work with the leadership of both the authorizing and appropriating committees to ensure that our commitment to air defense is second to none, this bill provides for that goal to be met.

The cuts made in this bill were necessary to provide the fiscal constraint necessary to meet budget requirements and show the resolve of the Congress that deficit reduction is a top priority. However, those cuts were made across the board and fairly.

I would like to point out a couple of items the subcommittee took leadership on. First, the committee addressed the growing need for improvement of the quality of life in the military. After numerous hearings on the subject, a connection between quality of life and retention of personnel was clearly established. The members of the subcommittee unanimously agreed, I believe, that the quality of life of our military personnel is paramount to our strength and readiness capability.

The Department of Defense requested a budget of $3.3 billion for family housing in fiscal year 1986. The subcommittee has recommended almost $3 billion for this function. Although that amount is below the request by some $350 million, it is above the fiscal year 1985 amount by $41 million. While the subcommittee reduced the level of funding for family housing, it approved all new family housing projects. Basically, the subcommittee reduced the amounts requested for new housing construction by 10 percent, instructing the services to lower the costs of construction. The subcommittee has provided $1.14 billion for maintenance of existing housing, equal to the fiscal year 1985 amount, and an increase of 50 percent since fiscal year 1982. The subcommittee has a strong commitment to the maintenance and upgrading of existing quarters for personnel, particularly lower grade personnel. And the committee has directed DOD to report any use of these funds for maintenance on general or flag officers housing be reported to the subcommittee, and that all maintenance projects over $15,000 on an individual project be justified to the subcommittee.

Mr. Chairman, this subcommittee is committed to providing adequate housing to our personnel both domestically and abroad. Although that is a costly proposition, the committee has worked diligently to bring down costs without sacrificing quality.

The subcommittee is also committed to the quality of medical care in the services. In recent months, many news articles have addressed the issue of poor medical care in the military. Only 2 weeks ago, the House adopted a military malpractice measure. Since joining the subcommittee I have had a special interest in the quality of health care in the services. And why not? If our soldiers are not afforded quality health care how can we expect them to best defend the Nation?

The Blue Ribbon Panel on Sizing DOD Medical Treatment Facilities has recently released their report on the

military health services systems. The report, which was endorsed by the Secretary of Defense, found that medical readiness requirement should be the primary criterion for determining the size and composition of the peacetime active duty medical force and of the facilities in the direct care system. It also found that current estimates of wartime requirements for medical forces and facilities should be refined and the management information systems under development should be completed and included in the fiscal year 1987 request; and, that the Assistant Secretary of Defense for Health Affairs should review medical treatment facilities and funding requests for military medical construction and the most urgently needed be determined. The subcommittee has endorsed these findings and expects their implementation in the timetable established by the Panel. The subcommittee has instructed the DOD that all such requests will be carefully scrutinized and therefore should be incorporated in the fiscal year 1987 request.

The subcommittee has made clear to the Department of Defense that it is committed to establishing the best and most cost-efficient health care system for the personnel in the services.

Finally, the subcommittee has addressed an issue of great concern with respect to rising costs of military construction. We have all heard the stories of the $700 ashtrays and $400 hammers purchased by the Pentagon, but little is ever said about cost overruns on military construction projects, perhaps because they are less glamorous. The subcommittee consistently receives reprogramming requests for cost overruns in construction projects and for the transfer of funds from congressionally approved projects to nonapproved projects. The subcommittee, under the leadership of the chairman and the ranking minority leader has taken steps in this bill to address this issue by instituting some basic accounting and financial management mechanisms to correct this problem. In short, the subcommittee is implementing steps making clear to the Congress and the Department of Defense how funds appropriated are actually used. These steps include limitations on cross-year funding authority, clarifying the use of expired funds, tightening of current reprogramming criteria, limiting end-of-year obligation rates and, need to submit formal budget requests of all new requirements.

It is the prerogative of the subcommittee that some basic financial tenets must be implemented by the Pentagon to ensure that funds appropriated are properly used and cost overruns are curtailed. I am hopeful that the Pentagon will work with the subcommittee in establishing such principles.

Mr. Chairman, this is a good bill. It is fiscally responsible while still meeting the needs of the military and its personnel. It addresses such important issues as quality of life, health care, and fiscal management. I am proud to have had the opportunity to work on this bill with the leadership of the subcommittee and I strongly recommend its passage by the House.

H.R. 3327, the military construction appropriations for fiscal year 1986 is a balanced bill which realizes the need for fiscal constraint, strategic and conventional security concerns, and the quality of life in the military. As a member of the subcommittee I am proud to have worked with the committee in developing such a balanced bill. It has also given me the opportunity as well to ensure the Nation's commitment to an air defense system second to none.

The military construction budget for Fort Bliss contained in the bill is $31,760 for fiscal year 1986. This budget includes items necessary to the daily operations of the Air Defense Center. This includes a hardstand for heavy vehicles and a new fire station for the William Beaumont Army Medical Center. I am particularly pleased that the authorizing and appropriating committees accepted my request for the new fire station, because although low in cost, its benefits are extremely important. The present fire station is over a mile away from William Beaumont as well as at the bottom of a hill. In the case of an emergency a fire truck would need to turn around coming out of the fire station and travel up hill for 1 mile while fully loaded. Because the fire station's primary mission is to protect a medical center which serves both enlisted and retired personnel, I believe it is extremely important that a medical center have adequate emergency facilities and I am grateful that a majority of the members of the appropriate committee agreed with me.

The Fort Bliss budget also addresses the quality of life issue. Included in the budget is funding for a child care center, barracks modernization, and a physical fitness center. All of these items are necessary to improve the standard of living of military families and personnel. Of the more than 20 hearings our subcommittee held on the military construction budget, the most important issue raised was that of quality of life. The subcommittee found and stated in the committee report that quality of life is directly related to retention of qualified personnel.

Mr. Chairman, if we are to provide a strong defense, and in the case of Fort Bliss, a strong air defense, we must ensure that our personnel have acceptable living conditions for their families and themselves. If we do not, we will lose our qualified personnel and our security will be lessened. I am glad that in working with the Department of the Army, the leadership at Fort Bliss, and the Committees on Appropriations and Armed Services, we are able to accomplish the goal of a better standard of living for the personnel at Fort Bliss.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. LOEFFLER].

Mr. LOEFFLER. Mr. Chairman, I salute my chairman and my ranking member of the Military Construction Subcommittee for their hard work and dedication on behalf of the military forces of the United States.

This bill is truly a bipartisan effort, hammered out in a reasonable, responsible way, and I, for one, would like to thank both of these gentlemen—as well as my colleagues on the subcommittee and the committee—for a job well done.

Recommendations by the committee total $8,383,717,000 for fiscal year 1986 military construction and family housing. While the bill falls nearly $2 billion below the DOD request, I believe the projects and priorities set forth in this bill meet the basic needs of our Nation's defense facilities while staying within budgetary constraints.

I would like to commend the committee's foresight in providing $1 million to set in motion the Navy's homeport program. Funds in this bill for homeport community impact planning will be used to assess the impact on jobs, economic and construction growth, schools and municipal services in Texas and other Gulf Coast communities which will serve as homeports for the Navy's ships under this program. It's an important first step, one which signals to the homeport communities that this long-awaited program is finally underway.

I also commend the committee for including report language urging the Department of Defense and the Army to proceed rapidly with construction of a new hospital at Brooke Army Medical Center in San Antonio. A design contract for the new hospital was let this past summer, and it is essential that we experience no further delays in building this critically needed facility. Brooke Army Medical Center is a well-respected medical institution, with a regional burn center and a medical teaching facility known far and wide. However, the existing facility is no longer adequate to meet the needs of the military personnel and dependents who are served there. Structures are dilapidated, and patients have to be shuttled between buildings by ambulance. Our military personnel and their dependents deserve better than that, and the committee has recognized that the time is long overdue for a replacement hospital at Brooke. The language in this bill

simply tells the Department of Defense that the eyes of Congress are upon them—to make sure that DOD lives up to its commitment with regard to Brooke Army Medical Center.

The committee also reprogrammed military construction funds in order to move forward with design and construction of a C-5 maintenance hanger at Kelly Air Force Base in San Antonio. Currently, C-5, transport aircraft based at Kelly must be ferried to Travis Air Force Base in California for maintenance, which is not only costly but also damages our Nation's airlift readiness should a national emergency arise. The new hanger will remedy this situation.

Mr. Chairman, I urge approval of the fiscal year 1986 military construction appropriation. It provides the bricks and mortar which support our Nation's men and women in uniform. It is our military personnel—not weapons—which form the heart and soul of our Armed Forces. If we expect to keep our national defense second to none, we must constantly upgrade and modernize not only our weapons, but the military facilities used by the people who defend our Nation.

The funds in this bill will pay for the airstrips, the control towers, storage facilities, computer centers, testing facilities and other necessary components of a strong and solid national defense, but they will also pay for upgrading living facilities, for day care centers, and for other facilities that are also necessary to the welfare of those whom we ask to defend America. I believe the committee has met these needs in a responsible bill which stays within budgetary confines, and I again urge its passage by the House.

Mr. HEFNER. Mr. Chairman, I yield 5 minutes to the gentleman from Arkansas [Mr. ALEXANDER].

Mr. ALEXANDER. Mr. Chairman, I rise in support of the military construction appropriations bill for fiscal year 1986. This is a quality bill, it is a bill that is good for our military. It is a bill that is good for our effort to control the Federal budget deficit.

The quality of this bill, Mr. Chairman, is in large measure directly due to the excellent leadership of our subcommittee chairman, the gentleman from North Carolina [Mr. HEFNER]. Our chairman works very hard to insure that the issues coming before us in the subcommittee are thoroughly and objectively considered. He deals fairly with each member of our subcommittee, to insure that we have an opportunity to examine the issues and debate the questions before us.

Mr. Chairman, we have a new ranking minority member of our subcommittee this year, the gentleman from Oklahoma [Mr. EDWARDS]. He rose to this position with a challenging example of excellence provided by his immediate predecessor, the gentleman from Ohio [Mr. REGULA] who has gone on to another strenuous responsibility within our committee. Our ranking minority member has been a strong and cooperative partner with our chairman and has made an important contribution to the work of our subcommittee.

And, Mr. Chairman, there are some other people who work on this bill who deserve recognition. They are our staff. Without the long hours of knowledgeable and dedicated effort we would not be able to bring to you today the quality product we have brought.

The bill which our committee brings for your consideration today totals $8.3 billion. That is $1.9 billion below the budget request. In evaluating the funding totals we are recommending to you, it would be well to remember that:

During the past 5 years, the budget requests for military construction and family housing projects have increased more than 250 percent.

The request our committee considered this year was 24 percent higher than the amount provided for 1985.

The funding in this bill reflects a similar level of funding that was provided by the Congress in fiscal year 1985.

The funding in this bill is $14.3 million below the budget resolution target.

There is no question that military construction and military family housing projects are necessary and that more are needed. But, in this era of enormous budget deficits and severe constraints on spending, tough decisions have to be made. Our committee has made tough decisions in this bill.

We have made recommendations aimed at keeping the costs of projects within a reasonable range. We have made decisions against recommending nice-to-have projects because the budget constraints under which we worked demanded them.

We have made recommendations for reductions in proposed military construction investments at overseas bases. They come also from budget constraints. But, even more, they come from our long-standing belief that our allies in the North Atlantic Treaty Organization [NATO] and Japan, particularly, have failed and continue to fail to bear their fair share of the cost of defending their own interests and those of the free world.

The economies of the NATO nations and Europe are flourishing and are more than healthy enough to make increased investments in defense—to share the burden of defending the free world from the aggression and threat of aggression by totalitarian governments. For the Congress to continue the generosity of the past would be wrong.

It would encourage our allies to depend on an unwise degree on defense resources other than their own. It would continue to reduce our ability to make the needed, and, in many cases, long overdue investments in our own military infrastructure here at home. It would be unfair to our American citizens—to our people who bear the double burden of defending the national interests of our allies while losing their jobs to the imports from those foreign nations who have made their economies strong with the money they saved because the U.S. carried an inequitable share of the defense burden.

Mr. Chairman, there are no funds in this bill for military construction projects in Central America. But, our subcommittee continues to be deeply concerned about the construction investments the Department of Defense is making in that region, particularly in Honduras. And, we continue to be concerned about the method DOD is using to make these investments.

Our committee does not, and has told DOD repeatedly that it does not, oppose necessary and useful training exercises in Central America. I believe that such exercises are essential to the readiness level of our troops. And, I have said that I believe the training experience our forces have gained in working with our Honduran allies has been useful.

Time and again, our subcommittee, as a subcommittee, and as individual members, have asked DOD to come to the Congress and give us the facts about what it is doing in Honduras. We have asked for all the factual information we may need to make decisions on construction projects that have been, or may need to be, carried out in Honduras.

The committee report on this bill details substantial information on what has occurred in Honduras since we last were on this floor with a military construction appropriations bill. So, I won't go into detail. That is available for all interested members to study.

What the information says, is that DOD has not been frank with our committee.

The construction cost figures which DOD has provided for projects in Honduras have been incomplete. The Department has spent at least $1.4 million on construction projects there in the past year. These investments have provided substantial expansion at the Honduran Palmerola Air Force Base, provided for regrading and improving airstrips built during the Big Pine II military training exercises, financed well drilling operations, and road construction.

And, DOD's own internal documents indicate that master plans are being prepared for several bases in Honduras which anticipate a United States presence in that nation until at least 1990.

It is our committee's belief that the Department needs to clarify for the Congress and the Nation its plans for Honduras. And, the Department should request the funds it needs for construction related to those plans through the normal military construction budget process.

In this connection, our committee has included in this bill language requiring the Department to notify the appropriate committees at least 30 days before undertaking any military training exercises involving construction. Additionally, we have included a provision amending current law to require that the appropriate committees be provided notice of any projects the Department intends to fund through its minor construction account.

As I said in the beginning, Mr. Chairman, this is a good bill. I urge my colleagues to vote for its passage.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I yield 5 minutes to the gentleman from Arizona [Mr. RUDD].

Mr. RUDD. Mr. Chairman, I rise in support of H.R. 3327, the military construction appropriations bill for fiscal year 1986.

The appropriations levels contained in the bill are below both the fiscal year 1985 total and the fiscal year 1986 budget request amount sought by the administration. In addition, the bill is in total compliance with the authorization committee's recommendations.

This bill reflects the committee's growing concern over the need for the Department of Defense, and each of the individual services, to prioritize military construction requests so that only those items which have a direct impact on defense readiness and our national security will be built. Prioritization of construction is the first step in impressing upon DOD that they will have to rely less and less on the reprogramming process and follow the normal appropriations cycle.

The committee shared its concern over the need for our allies and host countries to meet their obligations to share a larger part of the cost for military construction overseas. Terms of such cost sharing are contained in a number of treaties and agreements. We need to be more aggressive during negotiations and deliberations on lease arrangements, basing modes and construction with host countries. Given the Federal deficit, the United States can no longer be so generous with host countries.

I have long been an advocate of base consolidation and the use of alternative methods of construction, particularly prefab construction, as ways, in which we could realize military construction cost savings. The committee discussed in detail ways in which base consolidation could be achieved without jeopardizing defense readiness, and ways in which prefab construction could be used where the need for permanancy is not as great. It never made much sense to me that, given the ever changing sociopolitical climate we see overseas, we should continue to spend billions of dollars for military construction of permanent facilities which we may not have access to several years down the road. As Governments change, we may find ourselves in a situation where the U.S. military presence is no longer wanted, nor needed, and we would have to vacate the premises, leaving permanently constructed facilities behind. The examination of these cost savings measures must be continued in the future.

This bill shows our resolve to continue modernization of our nuclear triad, in order to maintain a viable deterrent in the face of an ever-increasing first-strike offensive arsenal now possessed by the Soviets: $53 million is provided for construction of the MX-peacekeeper missile support facilities to enable deployment of 30 additional missiles; $71.5 million is provided for construction of B-1 bomber facilities; and additional funding is made available for the necessary command and control items needed to enhance our strategic response capabilities. Soviet heavy missiles possessing greater throw-weight and accuracy now put our land-based missiles in jeopardy. Soviet deployment of several layers of air defense systems, including new advanced radar, place our air-based nuclear deterent at risk. Only the sea-based portion of the U.S. nuclear triad appears to be safe; however, we should not expect this to be the case for very long. It is crucial that we support the nuclear force modernization, and build the needed facilities as quickly as possible.

The committee deferred funding for second-phase construction of the binary munitions facility at the Pine Bluff, AR arsenal until Congress approves authorization for production of this chemical component, I ask that Congress move quickly to approve such production. The Soviets have far surpassed us in production of chemical munitions, and are currently employing such weapons in both Afghanistan and Cambodia against freedom fighters in those countries.

Force projection around the world is critical in responding to the aggression and expansionism that historically has been exhibited by practitioners of the Marxist-Leninist doctrine. Facility improvements for enhancing force projection readiness are funded for bases in the Persian Gulf, Central America, and the Caribbean. These areas are of critical importance from oil-supply and sea lane access standpoints, upgrading of the facilities in these areas of the world is a must.

The bill also addresses the need for improving the quality of life for those men and women in our Armed Forces; $3 billion is provided for military family housing. Improvements to medical, dining, educational, and day care facilities are provided for also.

This military construction bill is fiscally sound. I feel that H.R. 3327 provides for strategic and tactical readiness, it enhances our force projections capabilities, it eliminates projects having "low operational utility," and it provides funding for improvement or construction of items that embellish the quality of life for our service members.

I urge my colleagues to support H.R. 3327.

□ 1355

Mr. HEFNER. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina [Mr. ROSE].

Mr. ROSE. Mr. Chairman, I rise in support of this very important piece of legislation and I want to thank the chairman of this committee especially for his hard work in helping us meet the needs of a very important military base in my district of Fort Bragg and the adjoining air base at Pope Air Force Base.

At Fort Bragg we have the 18th Airborne Corps. And in that is the 82d Airborne Division. Fort Bragg is the home of the 82d. The 82d Airborne Division throughout the history of its existence has played a major role in protecting freedom around the world. The 82d Airborne Division was the fighting force that went in and so successfully made us all proud of our armed services in Grenada. Fort Bragg is taking on new and more important responsibilities every year as the role of our air mobile forces becomes more important all across the globe.

There is about $68 million in this legislation for Fort Bragg. There is not that amount, but an equally large amount, for Pope Air Force Base. These moneys will ensure that Fort Bragg and Pope Air Force Base can continue with their readiness role in an area that is absolutely vital to the maintenance of peace and freedom throughout the world.

BILL HEFNER, as the chairman of that committee, being a North Carolinian, understands that need and, Mr. Chairman, I want to thank you for what you have done. You have helped North Carolina a great deal. You may have done more directly for some other districts than your own, but you certainly kept a large part of the fighting force of America adequate to do its job, and I thank you very much.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. LOWERY].

Mr. LOWERY of California. Mr. Chairman, I rise in strong support of H.R. 3327, making appropriations for

military construction in fiscal year 1986.

This is my first year on the Appropriations Committee and it has been a distinct pleasure to serve on the Military Construction Subcommittee under the able leadership of our chairman the gentleman from North Carolina and our ranking Republican member the gentleman from Oklahoma. In addition, I would like to commend the subcommittee staff for its professional and bipartisan conduct throughout the many hearings, reprogramming requests and markup sessions held over the past 10 months.

This bill is not only fiscally responsible, but provides important incentives for military reforms regarding reprogramming, multiyear budgeting and base consolidation. As previously stated by the distinguished gentleman from North Carolina, the committee has brought to the House a bill nearly $2 billion below the administration request level. Bringing H.R. 3327 down to approximately last year's level required a great deal of effort, compromise, and responsibility.

While I understand some Members may offer amendments adding various projects, I urge all my colleagues to refrain from overriding committee-set priorities. The gentleman from Oklahoma, indeed the entire subcommittee membership, have displayed restraint in deliberations over this bill. The end product is sound and worthy of your unequivocal support.

Mr. HEFNER. Mr. Chairman, I yield 1 minute to the gentleman from Kansas [Mr. GLICKMAN].

Mr. GLICKMAN. I thank the gentleman for yielding time to me.

I would like to engage the distinguished chairman in a colloquy concerning the proposed beddown of the B-1 bomber at McConnell AFB, KS. It is my understanding that $71.5 million has been included in this bill to fund the initial facilities for the B-1 beddown at McConnell AFB on the condition that the Secretary of the Air Force certify that McConnell AFB is a viable location for this beddown.

Mr. HEFNER. That is correct. Mr. Chairman, if the gentleman will yield, the gentleman is well aware that during deliberations on the military construction authorization bill in the other body, the issue of McConnell AFB being on a national list of base closures caused some concern over the Department's intentions in locating this mission at McConnell AFB. The committee endorses the beddown of the B-1 at McConnell and has provided all the funds requested.

Mr. GLICKMAN. It is my understanding that McConnell AFB was included on this so-called national list, because of its present mission. The Air Force has clearly justified the need for four B-1 bases in the central region of the United States and McConnell AFB was chosen as one of the four locations after a rigorous review of all existing Air Force bases.

The Senate version of the military construction bill includes the $71.5 million requested for the B-1 base on the condition that the Air Force reverify the location for this beddown. The Air Force has already made clear publicly their intention to use McConnell as a B-1B base. The Air Force fully intends to endorse McConnell AFB for this mission and I would ask the chairman to make note of this.

Mr. HEFNER. As I stated, the committee endorses the beddown at the B-1 at McConnell AFB and would expect the Secretary of the Air Force to notify us of its viability soon after the enactment of this bill.

Mr. GLICKMAN. I thank the chairman of the subcommittee.

Mr. HEFNER. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. PANETTA].

Mr. PANETTA. Mr. Chairman, I rise to ask the chairman a couple of questions and engage him in a colloquy. First, I want to commend him and the subcommittee for the work they have done here. One of the areas I have focused on is the issue of quality of life for those who have families in the military and particularly focusing on the need for adequate housing. This has been a particular problem in my area where, at Fort Ord, we have some 2,500 military personnel who are still waiting in line for adequate military housing.

The authorization bill that was adopted yesterday recognized the need and approved a number of requests to provide additional housing. The appropriations bill has also done a very good job in this area within the constraints, obviously, of the budget. But I did want to ask questions regarding two elements. One was the 600 units that are provided for at Ford Ord. There is a reduced amount contained in the appropriations bill, and I understand that there was a formula that was applied to all housing units across the board on a national basis. My question to the chairman would be: What was the basis for that formula? And is this in any way intended to reduce the number of units that should be built?

Mr. HEFNER. As the gentleman knows, we have made cuts across the board, and we did not reduce the number of units because we recognize the need. What we did was to reduce the cost per unit, and we did not do this lightly. We made checks all over the country to make sure we were in the ball park. We reduced the cost to $66,500 per unit, which is what we consider as adequate for these houses.

Mr. PANETTA. So there is no reduction in terms of the number of units?

Mr. HEFNER. There is no reduction in the number of units.

Mr. PANETTA. I thank the chairman.

Let me ask one additional question: I also understand that with regard to academic buildings, these received a lower priority. That is understandable, considering the other priorities that you were dealing with in terms of the overall budget. One of the areas involved an academic building at the Navy Postgraduate School, which is required and needed because of space needs, as well as to focus additional attention on both oceanography and meteorological studies.

My question to the chairman would be: If the Senate did include that in their appropriations bill, would you give consideration to retaining that? And should it not be included in the Senate bill, would you give serious consideration to funding that building next year?

Mr. HEFNER. Well, this is one of the areas we had to look at to prioritize, as the gentleman well knows, having served on the Budget Committee for all these years, and we deferred it without prejudice. We would certainly be happy to take it into consideration when we go to conference, and if it does not materialize there, we would certainly take it under consideration at a later date.

Mr. PANETTA. I thank the chairman.

Mr. Chairman, I am pleased to rise today in support of the military construction for housing for our military families that is contained in the Military Construction Appropriations Act for Fiscal Year 1986. As my colleagues well know, I have spent a good deal of time trying to draw attention to the inadequate and, sometimes, substandard housing for our military personnel and their dependents.

Yesterday, this body passed the military construction authorization for fiscal year 1986. This act contained $3.3 billion for family housing projects. At a time when we are all rightly concerned with bringing all areas of our budget under control, the House recognized the importance of these projects and provided almost $20 billion more for this account than had been requested by the President. These projects are important. And they are important because they are investments in our military personnel, and, therefore, in our Nation's security.

The funds requested for construction of housing will provide for 600 units of housing at Fort Ord, CA, and the upgrading of almost 600 more units that have been found by the Army to be "substandard." Think of that, ladies and gentlemen, some of our military personnel live in "substandard" housing—but not for long. This money will also provide for 70 mobile home spaces at Ford Ord—a post where 2,500 families are currently on waiting list for on-post housing.

Plans also call for the construction of barracks for enlisted personnel that will

house nearly 1,000 individuals, at a cost of $23 million. The average wait for on-post housing at Fort Ord is 5 to 7 months. Fort Ord has recently awarded a contract to a local construction firm that will provide more than 200 mobile home spaces for military personnel. At a post where the housing situation has been critical, there is now hope.

These construction plans will mean a great deal to an estimated 2,500 military families at Fort Ord alone. And yet the total price tag is $75 million—only three-tenths of 1 percent of the total Department of Defense appropriation for fiscal year 1986. And that is at Fort Ord alone.

Military housing construction plans span the country, reaching from Fort Bragg, NC, to El Toro, CA. The military housing plans reach across the seas to The Netherlands and West Germany, as well. And we can do all this, and virtually change the lives of an estimated 5,570 persons with only 3 percent of the total defense appropriation.

While family housing is certainly the most visible component of the military construction appropriation, it is not the only issue that I would like to address today, because military construction can take many forms, other than military housing. I am talking about the construction plans for military facilities such as Fort Hunter Liggett, the Presidio of Monterey, and the Naval Postgraduate School, as well as Fort Ord—facilities which have been able to contribute so much to our national security and defensive capabilities. But facilities which are also in desperate need of expansion, or upgrading, in order to continue to perform these valuable functions to their full potential.

Fort Hunter Liggett, for example, has asked for $11.1 million for the construction of a multipurpose range complex and a technical documentation facility. The House approved these funding requests yesterday as part of the military construction authorization. In addition, the House Appropriations Committee, recognizing the value of these projects, has recommended full funding of the administration's request. For the Presidio of Monterey, the Department of Defense has set aside $2.65 million for the construction of a military personnel administration center. This center is required to provide a consolidated Army/USAF center together with administration headquarters for Army/Navy/Air Force/Marine Corps contingents at the Defense Language Institute. The Department of Defense concluded in a recent study that the failure to provide this center would result in a growing inefficiency in operation at the Presidio. Again, the House approved this request yesterday and the Appropriations Committee has recommended full funding.

The Army has asked for $3 million to be spent on an energy monitoring and control system, a medical supply warehouse, and an operations building at Fort Ord. The operations building is needed to provide an operational facility for the Criminal Investigation District Headquarters at Fort Ord. Current investigations are conducted out of a substandard and deteriorating temporary facility that was constructed in 1941. The Department of Defense has determined that the building is not suitable for modification, and the House approved this request yesterday in full. The Appropriations Committee, again, has recommended full funding for construction of this new facility.

I support these construction projects because I believe that we must address these housing and facility inadequacies if we are to continue to attract the best and the brightest of our Nation's young people to military service. It is incomprehensible, after all, that in the strongest and richest Nation on Earth some of our military personnel are forced to live in a substandard housing unit that was built as a temporary facility prior to World War II. Why are families of military personnel forced to separate, or squeeze a family of 5 into a camping trailer in a campground along with 30 other families that has only one hot shower? There is no reason for this situation. But there is a solution. And that solution will cost less than the price of 2 F-14A Tomcat aircraft—and the Navy has requested 18 of these aircraft for the next fiscal year alone.

In examining the important issue of our national defense, I believe it essential that we not overlook that element of our military that is most vulnerable and most in need of our assistance—the human element. We can, after all, talk until we are blue in the face about weapons systems and strategic superiority or inferiority, but it does not mean a thing unless we address needs of our military personnel in housing and facilities.

I am pleased that the House has begun to recognize these needs. The military contruction authorization passed overwhelmingly by this body yesterday, is an indication that there is hope for our military personnel. The Appropriations Committee has forwarded a balanced proposal that responds to both our fiscal concerns and the needs of housing and providing adequate facilities for our military personnel. I urge this body to accept that proposal.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I reserve the balance of my time.

Mr. HEFNER. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi [Mr. MONTGOMERY].

Mr. MONTGOMERY. Mr. Chairman, I do rise in support of this legislation. I want to commend the gentleman from North Carolina [Mr. HEFNER] and also the gentleman from Oklahoma [Mr. EDWARDS] and the other subcommittee members for the work they have done on this bill. I will support it. However, there are certain areas of the bill that I am worried about.

Mr. Chairman, in most cases, the Defense Department does not ask for enough funds for military construction for the National Guard and Reserve in proportion to the amount of money that they request, and I use this example: On the military construction authorization bill, less than 5 percent of the money requested on military construction authorization would go to the Reserve and National Guard. If my figures are right, under the appropriations military construction bill, there is only 2.2 percent military construction for the National Guard and Reserve out of well over $8 billion on military construction for appropriations and about $9 billion for military construction under the authorization bill.

So my point is in the Army, the National Guard has 50 percent of all the combat missions, yet they are getting less than 5 percent of the military construction funds. That is just not right. Air Force, about 30 percent of their combat missions are in the Air Guard and in the Air Reserve and in the Naval Reserve, they get less than 5 percent of the military construction.

□ 1410

I had two items in here that were requested by the Enlisted Naval Reserve, and I would like to ask the chairman what happened to the appropriations that we had requested for two enlisted quarters for naval reservists, one at Glenview, IL, and one at Dallas, TX. The only thing that enlisted naval personnel asked for: two little, old barracks. These barracks were left out of this bill.

I see the chairman standing up and I would like to have a little help. I am not going to offer an amendment in deference to the chairman. But what happened?

I yield to the gentleman for his response [Mr. HEFNER].

Mr. HEFNER. As the gentleman well knows, we do have a strict rule in the Appropriations Committee, and I detect a little sarcasm; the gentleman is exactly right considering the need. We have an absolute rule that we adopted that we do not appropriate any money for any building unless it is 35 percent designed.

We did not know that this could be site adapted because we were not told that. So the only thing we can go by are the rules that we adopt in the committee. That is the reason that we did not fund the $10 million for the barracks. It was certainly nothing that we did intentionally. It was just the fact that it did not fit within our criteria.

Mr. MONTGOMERY. I want to say to the gentleman that I was not trying to be sarcastic I know better than taking on the gentleman from North Carolina.

Mr. HEFNER. I was just kidding, Mr. Chairman.

Mr. MONTGOMERY. I hope if these enlisted barracks are included in the Senate appropriation bill that the House would consider this request.

The other area was that in our military construction authorization that we added $40 million to the budget requests of $18 million, which made a total of $58 million which passed yesterday in the military construction authorization. That would help to bring down a backlog of $175 million for military construction on small projects. I notice that the gentleman has only appropriated I believe $20 million instead of the $58 million that is in the authorization, the military construction bill. Could the gentleman comment on this?

Mr. HEFNER. If the gentleman will yield, I would say that again, we appropriated $20 million for the Guard in the minor construction account which is actually an increase of about a little over $1 million above the amount requested, due to the overall budget constraints, and the need to reduce the Department's request by $1.9 billion. We reduced all other minor construction accounts in the bill by one-third; this, for the National Guard is an exception. We did this because we realized the need of the Guard.

We funded 99 percent of the Army National Guard's request which is more than any other account in the bill. I would say to the gentleman that we would certainly take these items under consideration.

The CHAIRMAN. The time of the gentleman from Mississippi [Mr. MONTGOMERY] has expired.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I yield 2 additional minutes to the gentleman from Mississippi [Mr. MONTGOMERY].

Mr. MONTGOMERY. I thank the gentleman for the additional time.

Mr. Chairman, I did not understand the gentleman. Did he say 99 percent of what account?

I yield to the gentleman for his response.

Mr. HEFNER. The administration requested $18.9 million for this account, for the Army National Guard, minor construction. We provided an increase to that amount. We added $1,083,000 to the account. What I was saying is that we approved 99 percent of the Army National Guard's total request, and that is more than we did for any other account.

Mr. MONTGOMERY. I appreciate that and I am going to support the bill. I am concerned, Mr. Chairman, that the figures and what I quoted is correct. We are turning over missions to the Reserve and National Guard. They do need more construction funds for simulators, for better ways to train. I am just trying to make a point here today. I hope in the near future when we get this massive amount of funds coming over from the Defense Department that more of them could be turned over to the Reserve and National Guard for construction in proportion to the military combat missions they have.

I thank the gentleman.

Mr. HEFNER. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. WEISS].

Mr. WEISS. I thank the gentleman for yielding me this time.

Mr. Chairman, yesterday I had occasion, when we were discussing the authorization legislation to address the issue of the proposed Navy homeport in Staten Island. I am not going to go into the merits of the issue today other than to say that I do think that placing that homeport in the most densely populated area with nuclear weapons on those ships is really playing Russian roulette with the lives of the people in the New York area.

I am going to confine myself to budgetary comments and consideration. I have listened with great interest to the distinguished chairman of the subcommittee and the distinguished ranking member, and I was impressed with their statement that in fact they had brought this bill in $1.9 billion below the administration's request and I applaud them for it. I know the tremendous budget deficit that we are running and how the Defense Department seems to be getting a share which most people think has been too much.

I do think that they overlooked this item, this one item from the rigorous, no-exceptions rule that they applied. The Defense Department, the Navy had requested an amount on page 94 of the report of $6,860,000 for land acquisition and site improvements. The subcommittee had thrust upon the Navy an additional $65,400,000 for barracks and mess halls and berthing piers and bulkheads. It is money that could not possibly be spent in this coming fiscal year. There is still a supplemental environmental impact statement that has to be done.

The Defense Department is doing studies as to the impact of this legislation. I hope somebody will move to strike that. I will not, but I hope that somebody does.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. MOLINARI].

Mr. MOLINARI. I thank the gentleman for yielding.

Mr. Chairman, I would just like to respond to one statement made by my colleague from New York [Mr. WEISS]. That was the issue of homeporting in populated areas.

When we talk about New York City as being an area of heavy population, that is true. But we should not lose sight of the fact that many other sister cities throughout this country are being asked to do the very same thing; cities such as Galveston, San Francisco, Pensacola, New Orleans, not to mention those that already have large numbers of ships like Norfolk, San Diego, and Charleston, SC.

It is an issue where we are asked to share in the national risk, and I think it is something that every good American would want us to do. I rise in support.

Mr. HEFNER. Mr. Chairman, may I inquire how much time I have remaining?

The CHAIRMAN. The Chair advises the gentleman that he has 2 minutes remaining.

Mr. HEFNER. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. FAZIO].

Mr. FAZIO. I thank the gentleman for yielding me this time.

Mr. Chairman, having served on this committee, I can attest to the thoroughness with which the chairman, the members of the committee, its ranking member, and the staff review the increasing costs providing military construction for our troops, and for their dependents, and for all the people around the world who depend on the United States for their defense.

I would simply like to highlight the fact that has been mentioned once or twice already and that is that this bill reduces the initial request to the administration by almost 20 percent. Almost $2 billion. The gentleman from North Carolina can be proud, as can be the gentleman from Oklahoma [Mr. EDWARDS] of the tightfisted approach that this subcommittee has taken to its responsibilities.

□ 1420

If you look at the basis for the reductions that have been made, you can find them both in this country and overseas, all across the spectrum, tightening down on the kinds of construction that are provided, eliminating projects of low operational utility, such as academic facilities, recreation centers, indoor swimming pools, museums, libraries, things of that sort, which are not essential and which, while they can in some cases be very positive for the improvement of the quality of life for people, can also be deferred as we attempt to deal with our ongoing budget dilemma, our deficit, and our $2 trillion debt.

I would simply like to commend the subcommittee chairman for the outstanding work he has done, not only for this Member but, more importantly, for the taxpayers of this country. He has certainly provided an example to the entire Appropriations Committee as to how we can go about reducing the cost of what is becoming an increasingly expensive military construction appropriation.

The CHAIRMAN. The Chair wishes to advise that the gentleman from North Carolina [Mr. HEFNER] has no time remaining and the gentleman

from Oklahoma [Mr. EDWARDS] has 8 minutes remaining.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I have no further requests for time, but if the gentleman from North Carolina has some Member to whom he wants me to yield time, I would be glad to yield that time.

Mr. HEFNER. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. There being no further requests for time, all time has expired.

The Clerk will read.

The Clerk read as follows:

H.R. 3327

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1986, for military construction functions administered by the Department of Defense, and for other purposes, namely:

MILITARY CONSTRUCTION, ARMY

For acquisition, construction, installation, and equipment of temporary or permanent public works, military installations, facilities, and real property for the Army as currently authorized by law, and for construction and operation of facilities in support of the functions of the Commander-in-Chief, $1,646,152,000, to remain available until September 30, 1990: *Provided,* That of this amount, not to exceed $129,000,000 shall be available for study, planning, design, architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor.

MILITARY CONSTRUCTION, NAVY

For acquisition, construction, installation, and equipment of temporary or permanent public works, naval installations, facilities, and real property for the Navy as currently authorized by law, including personnel in the Naval Facilities Engineering Command and other personal services necessary for the purposes of this appropriation, $1,704,005,000, to remain available until September 30, 1990: *Provided,* That of this amount, not to exceed $129,000,000 shall be available for study, planning, design, architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committee on Appropriations of both Houses of Congress of his determination and the reasons therefor.

MILITARY CONSTRUCTION, AIR FORCE

For acquisition, construction, installation, and equipment of temporary or permanent public works, military installations, facilities, and real property for the Air Force as currently authorized by law, $1,600,040,000, to remain available until September 30, 1990: *Provided,* That of this amount, not to exceed $130,000,000 shall be available for study, planning, design, architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of his determination and the reasons therefor.

MILITARY CONSTRUCTION, DEFENSE AGENCIES

For acquisition, construction, installation, and equipment of temporary or permanent public works, installations, facilities, and real property for activities and agencies of the Department of Defense (other than the military departments), as currently authorized by law, $127,690,000, to remain available until September 30, 1990: *Provided,* That such amounts of this appropriation as may be determined by the Secretary of Defense may be transferred to such appropriations of the Department of Defense available for military construction as he may designate, to be merged with and to be available for the same purposes, and for the same time period, as the appropriation or fund to which transferred: *Provided further,* That of the amount appropriated, not to exceed $25,000,000, shall be available for study, planning, design, architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committee on Appropriations of both Houses of Congress of his determination and the reasons therefor.

MILITARY CONSTRUCTION, ARMY NATIONAL GUARD

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Army National Guard, and contributions therefor, as authorized by chapter 133 of title 10, United States Code, and military construction authorization Acts, $100,364,000, to remain available until September 30, 1990.

MILITARY CONSTRUCTION, AIR NATIONAL GUARD

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Air National Guard, and contributions therefor, as authorized by chapter 133 of title 10, United States Code, and military construction authorization Acts, $116,400,000, to remain available until September 30, 1990.

MILITARY CONSTRUCTION, ARMY RESERVE

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Army Reserve as authorized by chapter 133 of title 10, United States Code, and military construction authorization Acts, $61,746,000, to remain available until September 30, 1990.

MILITARY CONSTRUCTION, NAVAL RESERVE

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the reserve components of the Navy and Marine Corps as authorized by chapter 133 of title 10, United States Code, and military construction authorization Acts, $41,800,000, to remain available until September 30, 1990.

MILITARY CONSTRUCTION, AIR FORCE RESERVE

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Air Force Reserve as authorized by chapter 133 of title 10, United States Code, and military construction authorization Acts, $63,073,000, to remain available until September 30, 1990.

FAMILY HOUSING, ARMY

For expenses of family housing for the Army for construction, including acquisition, replacement, addition, expansion, extension and alteration and for operation and maintenance, including debt payment, leasing, minor construction, principal and interest charges, and insurance premiums, as authorized by law, as follows: for Construction $252,506,000; for Operation and maintenance, $1,167,069,000; for debt payment, $16,077,000; in all $1,435,652,000: *Provided,* That the amount provided for construction shall remain available until September 30, 1990.

FAMILY HOUSING, NAVY AND MARINE CORPS

For expenses of family housing for the Navy and Marine Corps for construction, including acquisition, replacement, addition, expansion, extension and alteration and for operation and maintenance, including debt payment, leasing, minor construction, principal and interest charges, and insurance premiums, as authorized by law, as follows: for Construction, $131,708,000; for Operation and maintenance, $524,270,000; debt payment, $17,302,000; inall $673,280,000: *Provided,* That the amount provided for construction shall remain available until September 30, 1990.

FAMILY HOUSING, AIR FORCE

For expenses of family housing for the Air Force for construction, including acquisition, replacement, addition, expansion, extension and alteration and for operation and maintenance, including debt payment, leasing, minor construction, principal and interest charges, and insurance premiums, as authorized by law as follows: for Construction, $172,150,000; for Operation and maintenance, $664,361,000; for debt payment, $15,305,000; in all $851,816,000 *Provided,* That the amount provided for construction shall remain available until September 30, 1990.

FAMILY HOUSING, DEFENSE AGENCIES

For expenses of family housing for the activities and agencies of the Department of Defense (other than the military departments) for construction, including acquisition, replacement, addition, expansion, extension and alteration and for operation and maintenance, leasing, and minor construction, as authorized by law, as follows: for Construction, $1,410,000; for Operation and maintenance, $12,890,000; in all $14,300,000: *Provided,* That the amount provided for construction shall remain available until September 30, 1990.

GENERAL PROVISIONS

SEC. 101. None of the funds appropriated in this Act shall be expended for payments under a cost-plus-a-fixed-fee contract for work, where cost estimates exceed $25,000, to be performed within the United States, except Alaska, without the specific approval in writing of the Secretary of Defense setting forth the reasons therefor.

SEC. 102. Funds herein appropriated to the Department of Defense for construction shall be available for hire of passenger motor vehicles.

SEC. 103. Funds appropriated to the Department of Defense for construction may be used for advances to the Federal Highway Administration, Department of Transportation, for the construction of access roads as authorized by section 210 of title 23, United States Code, when projects authorized therein are certified as important to the national defense by the Secretary of Defense.

SEC. 104. None of the funds appropriated in this Act may be used to begin construction of new bases inside the continental

United States for which specific appropriations have not been made.

SEC. 105. No part of the funds provided in this Act shall be used for purchase of land or land easements in excess of 100 per centum of the value as determined by the Corps of Engineers or the Naval Facilities Engineering Command, except; (a) where there is a determination of value by a Federal court, or (b) purchases negotiated by the Attorney General or his designee, or (c) where the estimated value is less than $25,000, or (d) as otherwise determined by the Secretary of Defense to be in the public interest.

SEC. 106. None of the funds appropriated in this Act shall be used to (1) acquire land, (2) provide for site preparation, or (3) install utilities for any family housing, except housing for which funds have been made available in annual military construction appropriations Acts.

SEC. 107. None of the funds appropriated in this Act for minor construction may be used to transfer or relocate any activity from one base or installation to another, without prior notification to the Committees on Appropriations.

SEC. 108. No part of the funds appropriated in this Act may be used for the procurement of steel for any construction project or activity for which American steel producers, fabricators, and manufacturers have been denied the opportunity to compete for such steel procurement.

SEC. 109. No part of the funds appropriated in this Act for dredging in the Indian Ocean may be used for the performance of the work by foreign contractors: *Provided*, That the low responsive and responsible bid of a United States contractor does not exceed the lowest responsive and responsible bid of a foreign contractor by greater than 20 per centum.

SEC. 110. None of the funds available to the Department of Defense for military construction or family housing during the current fiscal year may be used to pay real property taxes in any foreign nation.

SEC. 111. No part of the funds appropriated in this Act may be used to pay the compensation of an officer of the Government of the United States or to reimburse a contractor for the employment of a person for work in the continental United States by any such person if such person is an alien who has not been lawfully admitted to the United States.

SEC. 112. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 113. None of the funds appropriated in this Act may be obligated or expended in any way for the express purpose of the sale, lease, or rental of any portion of land currently identified as Fort DeRussy, Honolulu, Hawaii.

SEC. 114. None of the funds in this Act may be used to initiate a new installation overseas without prior notification to the Committees on Appropriations.

SEC. 115. None of the funds appropriated in this Act for F-16 beddown projects at Misawa, Japan, may be obligated or expended unless there has been notification to the Committees on Appropriations that the approved Government of Japan budget for fiscal year 1986 includes projects associated with the F-16 beddown as an additive over the level of funding provided in Japanese fiscal year 1985 for the facilities improvement program.

SEC. 116. None of the funds appropriated in this Act may be obligated for architect and engineer contracts estimated by the Government to exceed $1,000,000 for projects to be accomplished in Japan or in any NATO member country, unless such contracts are awarded to United States firms or United States firms in joint venture with host nation firms.

SEC. 117. None of the funds appropriated in this Act for military construction in the United States territories and possessions in the Pacific and on Kwajalein Island may be used to award any contract estimated by the Government to exceed $1,000,000 to a foreign contractor: *Provided*, That this section shall not be applicable to contract awards for which the lowest responsive and responsible bid of a United States contractor exceeds the lowest responsive and responsible bid of a foreign contractor by greater than 20 per centum.

SEC. 118. The Secretary of Defense is to inform the Committees on Appropriations and Committees on Armed Services of the plans and scope of any proposed military exercise involving United States personnel 30 days prior to its occurring, if amounts expended for construction, either temporary, or permanent, are anticipated to exceed $100,000.

(TRANSFER OF FUNDS)

SEC. 119. Unexpended balances in the Military Family Housing Management Account established pursuant to section 2831 of title 10, United States Code, as well as any additional amounts which would otherwise be transferred to the Military Family Housing Management Account during fiscal year 1986, shall be transferred to the appropriations for Family Housing provided in this Act, as determined by the Secretary of Defense, based on the sources from which the funds were derived, and shall be available for the same purposes, and for the same period, as the appropriation to which they have been transferred.

SEC. 120. Not more than 20 per centum of the appropriations in this Act which are limited for obligation during the current fiscal year shall be obligated during the last two months of the fiscal year.

(TRANSFER OF FUNDS)

SEC. 121. (a) Funds appropriated to the Department of Defense for construction in prior years are hereby made available for construction authorized for each such department by the authorizations enacted into law during the first session of the Ninety-ninth Congress.

(b) The provisions of 10 U.S.C. 2860 (a) and (b), are hereby repealed.

SEC. 122. The Secretary of the Army acting through the Chief of Engineers of the United States Army Corps of Engineers is hereby directed to assign a military design, construction and support mission of said Corps of Engineers to the Little Rock district of the Corps of Engineers, to enlarge the civil works boundaries of said district to include all of the State of Arkansas exclusive of the lands and waters within the St. Francis River basin and east of said basin which shall remain in the Memphis district, to designate the Little Rock district as a full service district which includes responsibilities for finance and accounting, planning, design, construction, operation and maintenance and appropriate support services, and to reassign said district to the Lower Mississippi Valley Division. The provisions of this paragraph shall not in any way affect or change the boundaries or responsibilities of the Vicksburg district.

SEC. 123. Notwithstanding any other provision of law, the Secretary of the Army shall convey, without reimbursement, to the United States Modern Pentathalon Association, a nonprofit association organized under the laws of the State of Texas, all equipment owned by the United States and currently used by the United States Modern Pentathalon Team for training and competition.

This Act may be cited as the "Military Construction Appropriations Act, 1986".

Mr. HEFNER (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. Are there any points of order against the bill?

If not, are there any amendments?

AMENDMENT OFFERED BY MR. HEFNER

Mr. HEFNER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HEFNER: Page 3, line 23, after law, strike out: "$127,690,000" and insert "$124,955,000".

Mr. HEFNER. Mr. Chairman, I offer this amendment to bring the military construction appropriation bill, H.R. 3327, into conformance with the military construction authorization bill, H.R. 1409.

This amendment reduces this account by a total of $2,735,000. These funds were intended for the construction of two schools, one in Bermuda for $2,290,000, and one in Okinawa, Japan, for $445,000, which for various reasons are not ready for funding this year.

Mr. Chairman, I urge the adoption of this amendment.

Mr. EDWARDS of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. HEFNER. I yield to the gentleman from Oklahoma.

Mr. Edwards of Oklahoma. Mr. Chairman, we are in support of the amendment on this side.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. HEFNER].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. EDWARDS OF OKLAHOMA

Mr. EDWARDS of Oklahoma. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EDWARDS of Oklahoma: On page 12, section 121, strike lines 20 and 21, insert the following subsections (b) and (c):

(b) IN GENERAL.—10 U.S.C. 2860 is amended to read as follows:

"SEC. 2860. AVAILABILITY OF APPROPRIATIONS.

"Funds appropriated to a military department or defense agency for a fiscal year for military construction or military family housing purposes may remain available beyond such fiscal year to the extent provided in the appropriation acts."

(c) EFFECTIVE DATE.—The amendment made by subsection (b) shall apply to funds appropriated after the date of the enactment of Public Law 99-103.

Mr. EDWARDS of Oklahoma (during the reading). Mr. chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. EDWARDS of Oklahoma. Mr. Chairman, this amendment is essentially a technical amendment which strikes a provision in our bill repealing section 2860 (a) and (b) of title 10 of the United States Code and inserts the same provision that was passed yesterday in the military construction authorization bill as an amendment I offered at that time. I am introducing this amendment to insure that we are in total conformity with the Authorization Committee.

This is a necessary amendment as part of an initiative to reform and oversee the actual use of appropriated funds for military construction.

Mr. Chairman, it is my understanding that the subcommittee chairman has no objection to the amendment.

Mr. HEFNER. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Oklahoma. I yield to the gentleman from North Carolina.

Mr. HEFNER. Mr. Chairman, I thank the gentleman for yielding.

I have absolutely no problem with the amendment. I strongly support the concept and urge the adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. EDWARDS].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. THOMAS OF CALIFORNIA

Mr. THOMAS of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. THOMAS of California: On page 3 of line 4, after "therefor" insert ": *Provided further*, That of this amount, $8,250,000 shall be available for land acquisition at China Lake, California".

Mr. THOMAS of California. Mr. Chairman, this amendment is offered to H.R. 3327, to provide for land acquisition in China Lake, CA.

In 1980, Congress authorized funds to purchase land for two existing, low-level, aircraft approach corridors at China Lake Naval Weapons Center. These corridors are utilized by armed, high-speed aircraft during run-in prior to firing weapons at range targets. There remains unacquired, after all possible land trades have been accomplished, 554 acres owned by 51 private landowners which must be purchased in order to insure both the safety of these citizens and of the operations of the Weapons Center.

It is most important to bring this project to a conclusion because these landowners have, for the past 5 years, been unable to sell, subdivide, or improve their property. Any further delays will be unfair to these people and result in increased costs to the Government.

Finally, Mr. Chairman, it is important to point out that this proposal requires no increase in appropriations. Rather, it is being offered as an offsetting amendment. The Navy would be directed to complete the acquisition of this property with an offsetting general reduction being made to the budget totals using available funds from prior-year savings.

For these reasons, this amendment should be adopted and I urge my colleagues to support it.

Mr. HEFNER. Mr. Chairman, will the gentleman yield?

Mr. THOMAS of California. I yield to the gentleman from North Carolina.

Mr. HEFNER. Mr. Chairman, we have no objection to the amendment. We share the concern for the landowners, and especially want to note that we have an offsetting arrangement and this amendment adds no more money to the bill. We accomplish this by increasing the general reduction by $8,250,000. We support the amendment. We have no objection to it.

Mr. THOMAS of California. Mr. Chairman, the gentleman is correct, there is no additional money as an offsetting arrangement.

Mr. EDWARDS of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. THOMAS of California. I yield to the gentleman from Oklahoma.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I also share the gentleman's concern for the affected landowners, and because this amendment has offsetting provisions to it, I have no objection to it.

Mr. THOMAS of California. Mr. Chairman, I would like to thank both the chairman and the ranking member of the subcommittee for their cooperation in this matter. This is a needed purchase. It is something that is long overdue, and the arrangement that has been provided here is, I think, the most equitable settlement of the matter.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. THOMAS].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. SKELTON

Mr. SKELTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SKELTON: On page 4, line 18, strike "$100,364,000" and insert in lieu thereof "$100,363,000".

Mr. SKELTON. Mr. Chairman, recently, approximately a year ago, the National Guard's 35th Division was reactivated with its headquarters at Fort Leavenworth, KS, and each of the several States involved will have what the military calls Discom headquarters. The State of Missouri is involved with the 35th Division, and its Discom headquarters will be at Lexington and Jefferson City, MO.

We were not in position at the early stages of the authorization and appropriations to make a request. However, at this time such request is in the offing because yesterday this was authorized by the military construction bill, and today I seek appropriation for that.

This amendment that I have offered, Mr. Chairman, follows the guidelines that this chairman has established to offset any amendments within reductions in the same amount. My amendment, while it reduces the budget authority for the Army National Guard by $1,000, does appropriate $2,186,000 for the two armories, one at Lexington, MO and one at Jefferson City, MO. The effect of my amendment is to offset the increase by increasing the general reduction in the Army National Guard account by $2,187,000.

AMENDMENT OFFERED BY MR. RICHARDSON TO THE AMENDMENT OFFERED BY MR. SKELTON

Mr. RICHARDSON. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. RICHARDSON to the amendment offered by Mr. SKELTON: On page 4, line 18, strike out "$100,363,000" and insert in lieu thereof "$100,362,000".

Mr. RICHARDSON (during the reading). Mr. Chairman, I ask unanimous consent that my amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

Mr. RICHARDSON. Mr. Chairman, this is an amendment I am offering on behalf of myself and the gentleman from New Mexico [Mr. SKEEN]. It is an amendment that reflects a successful amendment that was adopted yesterday in the military construction authorization bill.

Mr. Chairman, this amendment follows the guidelines established by the chairman of the Military Construction Subcommittee, to offset any amendments with reductions within the same account. My amendment, while it reduces budget authority for the Army National Guard account by $1,000, appropriates $755,000 for an Army

armory to be constructed in Hobbs, NM. The effect of my amendment is to offset the increase by increasing the general reduction in the Army National Guard account $756,000.

Mr. Chairman, this is an amendment that has been worked out, and I urge its adoption.

Mr. SKELTON. Mr. Chairman, will the gentleman yield?

Mr. RICHARDSON. I yield to the gentleman from Missouri.

Mr. SKELTON. Mr. Chairman, I have absolutely no objection to the amendment to my amendment. I would state that it is done this way because of the rules of the House.

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Mr. HEFNER. Mr. Chairman, will the gentleman yield?

Mr. RICHARDSON. I yield to the gentleman.

Mr. HEFNER. Mr. Chairman, I have no objection to the gentleman's amendment to the amendment with the understanding that the additional funds for the armories must be absorbed by the Army National Guard within the available funds. So I have no objection to the amendment.

Mr. EDWARDS of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. RICHARDSON. Yes; I yield to the gentleman from Oklahoma.

Mr. EDWARDS of Oklahoma. Mr. Chairman, we have no objection on this side of the aisle, either.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Mexico [Mr. RICHARDSON] to the amendment offered by the gentleman from Missouri [Mr. SKELTON].

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. SKELTON], as amended.

The amendment, as amended, was agreed to.

AMENDMENT OFFERED BY MR. BROWN OF CALIFORNIA

Mr. BROWN of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROWN of California: Page 3, line 9, strike out "$1,600,040,000" and insert in lieu thereof "$1,585,140,000".

Mr. BROWN of California. Mr. Chairman, I am introducing this amendment to the Military Construction Appropriations bill to delete $14.9 million for construction of an operational antisatellite [Asat] facility. The construction of an operational Asat facility at Langley AFB in Virginia represents the first operational construction for the Asat system.

It's a clear signal that the administration intends to deploy the Asat system despite Congress explicit intention that the adminstration should negotiate an Asat agreement with the Soviets. The appropriations for such a facility is clearly contrary to the desires of the House as indicated by this body which endorsed a mutual and verifiable moratorium on Asat tests not once, but twice.

While the test moratorium did not prevail in conference, the certification requirement language which did prevail clearly states that the administration should endeavor "in good faith, to negotiate with the Soviet Union a mutual and verifiable agreement with the strictest possible limitations on antisatellite weapons consistent with the national security interests of the United States."

Before appropriating funds for this facility, the administration should first abide by the law. In his Asat certification report to Congress on August 20, 1985, the President admitted that no negotiations on Asat's had been pursued, though he did concede that: "We will continue to study possible Asat limitations in good faith * * *." This, however, does not respond to Congress mandate.

I realize that with the November summit between Ronald Reagan and Mikhail Gorbachev on the horizon, many of my colleagues hesitate to tie the President's hands. Nor would I. But neither let us delude ourselves. Every administration from the beginning of the Republic has waved the banner of national security right up until the time that they have either obtained their objective or reversed themselves. It's a time-honored tradition which requires from Congress a healthy skepticism, and a need to review all the facts.

This amendment in no way affects the Asat research and development program. A strong and vital research and development program maintains America's technological edge. Should the administration proceed with Asat negotiations, it would still be in a strong bargaining position.

Even if such negotiations should fail, the need for construction moneys at this time is premature. Traditionally, military construction projects need approximately a 2-year lead time. But the House yet again appears to be prepared to support a bilateral, verifiable moratorium on the testing of Asat weapons. Such a moratorium would continue Asat research and development, but permit time to negotiate limitations on this destablizing military system. The Defense Appropriations Subcommittee has already approved such a proposal, and it is likely that the full Appropriations Committee and House will follow suit.

At a time of high deficit spending, we should not be so wasteful as to appropriate construction moneys for a controversial system, the deployment of which is questionable. It is inconsistent to place a moratorium on testing, yet proceed with the construction of an operational facility. Simply, the $14.9 million for the construction of an Asat operational facility at Langley AFB in Virginia is not needed at this time. I encourage you to support this amendment, and not be so foolhardy as to place the cart before the horse.

Mr. HEFNER. Mr. Chairman, will the gentleman yield?

Mr. BROWN of California. I am happy to yield.

Mr. HEFNER. Mr. Chairman, we have looked at the amendment on this side of the aisle. We concur with the amendment and we accept the amendment.

Mr. EDWARDS of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. BROWN of California. I am happy to yield.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I strongly support the Asat program, as does I think a majority of our subcommittee. But, it has always been the practice of our subcommittee not to appropriate funds until they are truly needed. The gentleman makes the point that they are not at this point; so based on that information, we have no objection to the gentleman's amendment, either.

Mr. BROWN of California. Mr. Chairman, I very much appreciate the gentleman's comment.

Let me just add that I will not oppose the expenditure of these funds at the appropriate time, but I think it is a little premature at the present time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. BROWN].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. DAVIS

Mr. DAVIS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DAVIS: Page 5, line 1, strike out "$116,400,000" and insert in lieu thereof "$116,350,000".

Mr. DAVIS. Mr. Chairman, my amendment provides for winterization for one of our country's four permanent air training facilities. For a relatively small amount of money, we can convert Phelps Collins Air National Guard Base from a seasonal base into a viable, year-around facility.

Let me make it clear from the outset that this project adds no cost to the military construction appropriations bill. The $1.8 million cost will be offset by moneys from the account based on anticipated savings from good bids from the Air National Guard military construction projects. In total, this amendment actually reduces the total appropriation level by $50,000.

This amendment has two major points in its favor. First and foremost, it will have a positive effect on our defense readiness. There are only two northern tier locations for air guard

training, and it is a waste of our precious defense resources to turn units away from a base in winter simply because there are not enough winterized dormitories. This money provides accommodations for 200 individuals.

Second, even in the short run, I believe this $1.8 million military construction project will pay for itself quickly. If the availability of Phelps Collins eliminates the need to send units overseas as is presently the practice the winterization will pay for itself when the first unit stays home. Over a period of several years, this project offers a multiple payback .

Members of this body have seen fit to approve this project during the authorization process, and I hope they will do the same today. I ask for the adoption of this important amendment.

Mr. HEFNER. Mr. Chairman, will the gentleman yield?

Mr. DAVIS. Yes, I am pleased to yield.

Mr. HEFNER. Mr. Chairman, we accept the gentleman's amendment, with the understanding that the additional funds for the project are offset by a commensurate general reduction in the Air National Guard account. We accept the amendment on this side.

Mr. EDWARDS of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. DAVIS. I yield to the gentleman from Oklahoma.

Mr. EDWARDS of Oklahoma. Mr. Chairman, this amendment does have an offsetting provision and it does not increase the cost of the bill, so we have no objection to it on this side, either.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. DAVIS].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ATKINS

Mr. ATKINS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ATKINS: Page 7, line 5, strike out "$172,150,000" and insert in lieu thereof "$186,350,000".

Page 7, line 6, strike out "$664,361,000" and insert in lieu thereof "$650,161,000".

Mr. ATKINS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. ATKINS. Mr. Chairman, this amendment falls within the guidelines of the committee. There is an offsetting feature of it. It simply allows the construction at Hanscom Field in Bedford to proceed as had been planned previously.

Mr. HEFNER. Mr. Chairman, will the gentleman yield?

Mr. ATKINS. I yield to the gentleman.

Mr. HEFNER. Mr. Chairman, we worked very closely with the gentleman from Massachusetts [Mr. ATKINS] on this amendment. It is necessary because the committee turned down a request for leased housing at this location due to the high cost of the proposal. It was a section 801 leasing request.

We do, however, acknowledge the need for the housing and we are prepared to accept this amendment, based on the offsets that are contained in the amendment.

Mr. Chairman, we are happy to accept this amendment.

Mr. EDWARDS of Oklahoma. Mr. Chairman, will the gentleman yield to me?

Mr. ATKINS. Yes, I am pleased to yield.

Mr. EDWARDS of Oklahoma. Mr. Chairman, I would like to echo what the Chairman said. We had kind of a nasty run-in with the Air Force at Hanscom over the way they were proceeding, but there is a need for housing at that base.

Mr. Chairman, we have no objection to the way the amendment is offered.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. ATKINS].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BATEMAN

Mr. BATEMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BATEMAN: On page 2, line 21, strike "$1,704,005,000" and insert in lieu thereof "$1,703,705,000".

Mr. BATEMAN. Mr. Chairman, the purpose of my amendment is to allow the Chief of Naval Operations to construct a Command and Control Center for the Naval Space Command at Dahlgren, VA.

In requesting that the resources for this facility be reinstated, the House should consider that the decision to defer funding on this important project was based on assumptions set forth in the committee's report that are both inaccurate and incomplete. First, let me emphasize that it is a matter of record that it was the intent of the House Appropriations Committee to merely "defer" this funding.

This deferment was based on the apparent belief of the committee that the Naval Space Command is staffed by only 46 people. This was true in August of last year, but as this program has matured the number of staff has increased accordingly. Today, there are 76 Navy personnel alone on staff. By February 1986, there will be 92. The proposed Command and Control Center at Dahlgren, as approved by the House of Representatives in the passage yesterday of the Military Construction Authorization bill, is designed for the 125 people expected to be needed based on the approved and assigned mission requirements for the Naval Space Command. Those 76 personnel on staff today are occupying quarters adequate for 46 people. Again, by early next year, 92 people will occupy these obviously cramped quarters which include temporary office trailers.

Additionally, the committee questioned the need for a separate building for the Naval Space Command when a unified Space Command is undergoing construction in Colorado Springs, CO. What the committee apparently failed to consider were the key reasons for the selection of the Dahlgren site. These include its nearness to major NATO and Atlantic Fleet Headquarters at Norfolk, VA, the centers for naval space interface actions in Washington, DC, the proximity of a major subordinate command in the Naval Space Surveillance System, and the benefit of dispersing the Naval Space Command from the other key national space asset control centers.

The ongoing Air Force military construction at Colorado Springs was not designed to accommodate the Naval Command staff. Relocation of the Naval Space Command to Colorado would negate the factors upon which Dahlgren was selected, cause significant relocation costs, disrupt mission operations, cause the dispersal of the civilian staff, and delay and increase the costs of the inevitable construction to house the Command regardless of where it is based.

The assignment of the Naval Space Command as the naval component of the unified Space Command effective September 23, 1985, intensifies the need for adequate and secure facilities. The naval component of the unified Space Command is separate from the unified Space Command staff, on which all of the Services are represented, and thus collocation is unnecessary. As a component command, the Naval Space Command has been based at Dahlgren to best support their operations in maintaining open sea lines of communication with our forces and allies in Europe.

Few of the necessary operations of the Naval Space Command staff can be effectively executed in their present temporary quarters due to the highly classified nature of space operations and the inability to secure the present temporary facility. Even if the present facilities could be secured, however, these facilities are inadequate for the Naval Space Command's mission requirements.

These factors, no doubt, were among the many reasons the House Armed Services Committee and the House of Representatives approved this facility in the fiscal year 1986 military construction authorization bill yesterday.

Additionally, for those of us concerned that the appropriations for military construction in fiscal year 1986 not exceed outlays for fiscal year 1985, the military construction appropriation bill for fiscal year 1986 as reported by the committee is $30 mllion under the 1985 level, and thus the restoration of the funds for this necessary facility would not even come close to exceeding a freeze level in military construction outlays.

Mr. Chairman, this amendment follows the guidelines established by the chairman of the Military Construction Subcommittee to offset any amendments with reductions within the same account. My amendment, while it reduces budget authority for the Navy's account by $300,000, appropriates $4,700,000 for a Command and Control Center for the Naval Space Command. The effect of my amendment is to offset the increase by increasing the general reduction in the Navy account by $5 million.

My amendment will in fact reduce the total appropriation by the offset of $5 million in the Navy's General Reduction account. By adoption of my amendment the House would provide the needed headquarters of this essential command and at the same time reduce the amount appropriated by an amount of $300,000.

I therefore strongly urge the House to approve this amendment and restore the funds for the construction of a secure Command and Control Center for the Naval Space Command.

Mr. HEFNER. Mr. Chairman, will the gentleman yield?

Mr. BATEMAN. I will indeed yield.

Mr. HEFNER. Mr. Chairman, we have looked at the amendment. We understand the gentleman's concern in offering this amendment. I do not have any objection to the amendment, since it requires the Navy to absorb the cost within the available funds.

Just this year, the Secretary of Defense established that Colorado Springs would be the site of the Unified Space Command. The committee appropriated over $20 million for the joint use facility at Colorado Springs to be shared by all services. The Navy has never justified why a separate command and control center at Dahlgren is needed. The Navy's own justification also indicates that the equipment associated with this facility would not be requested until fiscal year 1987. The committee's position was to defer this project until the Navy comes forward with an adequate justification. At that time, we would be able to deal with it in conference.

However, Mr. Chairman, we are happy to accept the amendment.

Mr. EDWARDS of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. BATEMAN. I am happy to yield.

Mr. EDWARDS of Oklahoma. Mr. Chairman, we are glad that we were able to work this out with the gentleman. He has done a good job on this. It is a needed amendment.

Mr. Chairman, we have no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. BATEMAN].

The amendment was agreed to.

Mr. WEISS. Mr. Chairman, I move to strike the last word. I thank the distinguished chairman.

Mr. Chairman, I had not intended to rise at this point in consideration of the bill. The distinguished chairman of the subcommittee was gracious enough to give me time during general debate; however, in response to the statement of my good friend from New York, who said something to the effect that no good American should oppose or could oppose placing a nuclear home port in New York City, now, I cannot really let that go by.

Mr. MOLINARI. Mr. Chairman, will the gentleman yield?

Mr. WEISS. I am pleased to my friend.

Mr. MOLINARI. Mr. Chairman, I certainly did not intend to direct that to the gentleman from New York [Mr. WEISS]. I have too much respect for the gentleman. If the gentleman interprets it that way, I apologize.

What I simply meant to convey was that I did not want this body to think, nor the country or the world, to think that the residents of the city of New York would expect the rest of the country to share the burden of protecting New York City, as well as the rest of the country. I certainly did not intend to impugn the gentleman's integrity.

Mr. WEISS. Well, I very much appreciate the gentleman's statement, but let me address the substance of the issue that was raised.

Mr. Chairman, 100,000 New Yorkers have signed a referendum petition to place the issue of a nuclear home port on Staten Island on the ballot for the 5th of November this year. Those are New Yorkers who pay their taxes. Those taxes go toward supporting the national security defense interests of the United States of America. What they object to, and I would assume that they will be joined by a great many other of their fellow New Yorkers, is placing a floating nuclear silo in the midst of New York City, which is one of the most densely populated areas serving the country and perhaps in the world.

There are proper places for different kinds of things. No one, I think, would suggest that we place a nuclear silo in Central Park in New York for a land-based missile, because it would be just too dangerous to do that.

It is at least as dangerous, perhaps more so, to place a nuclear home port in the middle of New York, with the battleship *Iowa* and six of its sister ships, most of which will be nuclear capable and most of which will be carrying nuclear weapons, with the tremendous traffic that takes place in the port of New York.

While I agree that the likelihood of an explosion, nuclear explosion, is so remote, it has got to be considered a real possibility. Fires and accidents of various kinds can take place. Collisions can take place. Loading of the weapons poses all kinds of problems.

Last year we had a Pershing missile in Germany that exploded when it was being loaded. Twenty-five years ago we had an explosion of a Bomarc missile at LaGuardia Air Force Base in New Jersey; so that accidents can happen.

The question of sabotage cannot be ruled out.

The release of radioactive nuclear material in the midst of New York City can pose very serious life-threatening danger to millions of people and thousands of them can be fatally affected by it.

That is why I suggest that this is not the right place for a home port for ships carrying nuclear weapons to be placed.

It should also be pointed out, as I started to in my statement, that I do not understand why, given the commendable job that this subcommittee has done in paring the administration's request, why it thrust $65,400,000 above the $6,860,000 which the Navy requested in order to get dockside acquisition and site improvement.

There is just no way that all that additional $65 million can be spent.

Mr. MOLINARI. Mr. Chairman, will the gentleman yield?

Mr. WEISS. I am pleased to yield to my friend.

Mr. MOLINARI. Mr. Chairman, I have had that very discussion with representatives of the Navy time and time again. They have assured me in no uncertain terms that they will be able to expend the full $86 million that was authorized, including the $15 million that was put forth by the port of New York and New Jersey.

But I would ask the gentleman, if he would continue to yield, if he feels so strongly about the issue, as the gentleman has stated on the floor today, why did the gentleman not consider putting in an amendment to strike those provisions?

The CHAIRMAN. The time of the gentleman from New York [Mr. WEISS] has expired.

(By unanimous consent, Mr. WEISS was allowed to proceed for 3 additional minutes.)

Mr. MOLINARI. Mr. Chairman, if the gentleman will continue to yield, why did the gentleman not consider putting in an amendment today, as other Members did, to strike those provisions?

Mr. WEISS. Mr. Chairman, let me just by way of response to the gentleman say that he has not said that that money would be spent this year and that is what I understood the distinguished chairman of the subcommittee and the ranking member to say.

I have not heard any representation that 35 percent of the design for the barracks and mess hall of this home port was ready.

Compare that with what happened at the naval station in Everett in the State of Washington. There the request was for $17,640,000 for land acquisition and that is what the committee gave them beyond the $1 million community impact, with which I have no argument at all.

Now, I did not offer, and I said I would not offer, an amendment, because as far as I am concerned, I am opposed to the whole project. I do not want an amendment which I would offer to strike the $65,400,000 above this thing to be construed as my supporting the basic concept of the nuclear home port.

It is I think within the guidelines that the committee itself set. I think it is for them to recognize that they really would not pass them and they ought to remove this $65,400,000, which cannot be spent, but which adds to the deficit we are carrying for the balance of this year.

Mr. HEFNER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, just in response to the questions of the gentleman from New York [Mr. WEISS], the Navy, as we all know, designated Staten Island to be the home port site of the battleship *Iowa*. The budget contained only $7 million for the initial phase of construction. This was not the recommendation of the Navy, but it was a last-minute decision of the Secretary of Defense, and the Navy was quick to admit that funding of only $7 million in fiscal year 1986 would not be sufficient to meet an IOC date of 1988.

It was necessary for the committee, and through the hard and diligent work of the gentleman from New York [Mr. ADDABBO], to add the $65 million to the request in order to meet the established IOC date.

Now, the committee considers dispersal of the fleet to be strategically necessary because the Navy has thoroughly examined all the options for the Northeast, and it seems that there is no reason to hold up the funds for this project; so that was the rationale that we used.

Mr. WEISS. Mr. Chairman, would my friend yield to me?

Mr. HEFNER. Certainly.

Mr. WEISS. Is the distinguished Chairman aware of the fact that there is, in fact, a very serious debate going on within defense circles as to whether strategic dispersal is or is not the appropriate policy for the Defense Establishment of the United States to adopt?

Mr. HEFNER. Well, we are certainly aware of the debate. There are arguments going on in all areas, such as the MX and all of these; but we have an obligation that we felt that we had to do for the gentleman from New York [Mr. ADDABBO] and in order to meet the IOC date of 1988. That was our primary purpose.

Mr. WEISS. Mr. Chairman, I thank the gentleman.

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Mr. EDWARDS of Oklahoma. Mr. Chairman, I move to strike the last word.

Mr. Chairman, this is a very good bill and, as I mentioned before, I have been tremendously impressed by the way in which the members of the majority and the minority on this committee have worked together.

If the members look carefully at the bill and at the report language, they will see that this is a military reform bill. We make a number of changes in dealing with the Pentagon that I think are very, very helpful in enabling the Congress to keep a close watch on the spending. The way we have been able to do this and the way we have been able to move this bill rather smoothly and expeditiously through the House is because of a lot of people working together on this bill. This includes both members of the committee and members of the staff, and I would like to mention some of them.

George Allen, who is on the minority staff of the Committee on Appropriations, has done a very, very good job working with us on this.

Vicki Martyak, my chief of staff, who oversaw our military reform operations from my office, did an excellent job.

Bill Marinelli, Mark Murray, and Mary Fiedeli, from the majority staff, did a super job, and we are doing a very good job, I might say, of working fairly with the minority as well as the majority.

And while I am on the staff, I should single out especially my own assistant on the committee, who barely took time out from her work on this bill to get married and take a honeymoon, Liz Dawson, who I think all the members of the committee would agree has really done outstanding work.

Mr. Chairman, I want to thank the minority members of the committee, who all worked very well with us, as well as the majority members. While all the members of the majority did a very good job, I would single out the gentleman from Massachusetts [Mr. EARLY] and the gentleman from Texas [Mr. COLEMAN], who were very active and energetic in working on this bill. And especially, to repeat what I said earlier, I have said it in the Committee on Appropriations and I have said it on the floor, I have never worked with a better chairman than the gentleman from North Carolina [BILL HEFNER], I have never worked with a better Member than BILL HEFNER, and I appreciate what he has done to bring us this kind of a bill.

The CHAIRMAN. Are there any other amendments to the bill?

Mr. HEFNER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would be remiss if I did not say that I cannot add to what the gentleman from Oklahoma [Mr. EDWARDS] has already said about the staff and all the members working so hard. We have a good bill, and I would urge support of this bill.

Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. LELAND, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3327) making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1986, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. EDWARDS of Oklahoma. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 373, nays 36, not voting 25, as follows:

[Roll No. 362]

YEAS—373

Akaka	Emerson	Lightfoot
Alexander	English	Lipinski
Anderson	Erdreich	Livingston
Andrews	Evans (IL)	Lloyd
Annunzio	Fascell	Loeffler
Anthony	Fawell	Long
Applegate	Fazio	Lott
Archer	Feighan	Lowery (CA)
Aspin	Fiedler	Lowry (WA)
Atkins	Fields	Lujan
Badham	Fish	Luken
Barnard	Flippo	Lungren
Barnes	Florio	Mack
Bartlett	Foglietta	MacKay
Barton	Foley	Madigan
Bateman	Ford (MI)	Manton
Bellenson	Ford (TN)	Marlenee
Bennett	Fowler	Martin (IL)
Bentley	Franklin	Martin (NY)
Bereuter	Frost	Martinez
Berman	Fuqua	Matsui
Bevill	Gallo	Mavroules
Bilirakis	Gaydos	Mazzoli
Bliley	Gejdenson	McCain
Boehlert	Gekas	McCandless
Boggs	Gephardt	McCloskey
Boland	Gibbons	McCollum
Boner (TN)	Gilman	McDade
Bonior (MI)	Gingrich	McEwen
Bonker	Glickman	McGrath
Borski	Gonzalez	McHugh
Boucher	Goodling	McKernan
Boulter	Gordon	McKinney
Boxer	Gradison	McMillan
Breaux	Gray (IL)	Meyers
Brooks	Gray (PA)	Mica
Broomfield	Green	Michel
Brown (CA)	Gregg	Mikulski
Brown (CO)	Grotberg	Miller (CA)
Broyhill	Guarini	Miller (OH)
Bruce	Gunderson	Miller (WA)
Bryant	Hall (OH)	Mineta
Burton (IN)	Hall, Ralph	Moakley
Byron	Hamilton	Molinari
Callahan	Hammerschmidt	Mollohan
Campbell	Hansen	Monson
Carney	Hatcher	Montgomery
Carper	Hawkins	Moody
Carr	Hefner	Moore
Chandler	Heftel	Moorhead
Chappell	Hendon	Morrison (CT)
Chappie	Henry	Morrison (WA)
Clinger	Hertel	Mrazek
Coats	Hiler	Murphy
Cobey	Hillis	Murtha
Coble	Holt	Myers
Coelho	Hopkins	Natcher
Coleman (MO)	Horton	Neal
Coleman (TX)	Howard	Nelson
Combest	Hoyer	Nichols
Conte	Hughes	Nielson
Cooper	Hunter	Nowak
Coughlin	Hutto	Oakar
Courter	Hyde	Obey
Coyne	Ireland	Olin
Craig	Jacobs	Ortiz
Daniel	Jeffords	Oxley
Dannemeyer	Jenkins	Packard
Darden	Johnson	Panetta
Daschle	Jones (NC)	Parris
Daub	Kanjorski	Pashayan
Davis	Kaptur	Pease
de la Garza	Kasich	Penny
DeLay	Kemp	Pepper
Derrick	Kennelly	Perkins
DeWine	Kildee	Petri
Dickinson	Kindness	Pickle
Dingell	Kleczka	Porter
DioGuardi	Kolbe	Price
Donnelly	Kolter	Pursell
Dorgan (ND)	Kostmayer	Quillen
Dornan (CA)	Kramer	Rahall
Downey	LaFalce	Rangel
Dreier	Lagomarsino	Ray
Duncan	Lantos	Regula
Durbin	Latta	Reid
Dwyer	Leach (IA)	Richardson
Dyson	Leath (TX)	Ridge
Early	Lehman (CA)	Rinaldo
Eckart (OH)	Lehman (FL)	Ritter
Eckert (NY)	Lent	Roberts
Edgar	Levine (CA)	Robinson
Edwards (OK)	Lewis (FL)	Rodino
Roe	Smith (IA)	Torres
Roemer	Smith (NE)	Torricelli
Rose	Smith (NJ)	Traficant
Rostenkowski	Smith, Robert (NH)	Traxler
Roth	Smith, Robert (OR)	Udall
Roukema	Snowe	Valentine
Rowland (CT)	Snyder	Vander Jagt
Rowland (GA)	Solarz	Visclosky
Rudd	Solomon	Volkmer
Russo	Spence	Vucanovich
Sabo	Spratt	Walgren
Saxton	St Germain	Walker
Schaefer	Staggers	Watkins
Scheuer	Stallings	Waxman
Schneider	Stangeland	Weber
Schuette	Stenholm	Wheat
Schulze	Strang	Whitehurst
Schumer	Stratton	Whitley
Seiberling	Stump	Whittaker
Sensenbrenner	Sundquist	Whitten
Sharp	Sweeney	Wirth
Shaw	Swift	Wise
Shumway	Swindall	Wolf
Shuster	Synar	Wolpe
Sikorski	Tallon	Wortley
Siljander	Tauke	Wyden
Sisisky	Tauzin	Wylie
Skeen	Taylor	Yates
Skelton	Thomas (CA)	Yatron
Slattery	Thomas (GA)	Young (FL)
Slaughter	Torres	Young (MO)
Smith (FL)	Torricelli	Zschau

NAYS—36

Ackerman	Evans (IA)	Oberstar
Armey	Frank	Owens
AuCoin	Frenzel	Roybal
Bates	Garcia	Savage
Bedell	Hayes	Schroeder
Burton (CA)	Hubbard	Stark
Collins	Jones (OK)	Stokes
Crane	Kastenmeier	Studds
Crockett	Leland	Towns
Dellums	Lundine	Vento
Dymally	Markey	Weiss
Edwards (CA)	Mitchell	Williams

NOT VOTING—25

Addabbo	Dixon	Rogers
Biaggi	Dowdy	Shelby
Bosco	Hartnett	Smith, Denny (OR)
Bustamante	Huckaby	Weaver
Chapman	Jones (TN)	Wilson
Cheney	Levin (MI)	Wright
Clay	Lewis (CA)	Young (AK)
Conyers	McCurdy	
Dicks	O'Brien	

□ 1455

The Clerk announced the following pair:

On this vote:

Mr. JONES of Tennessee for, with Mr. DIXON against.

Mr. STOKES and Mr. SAVAGE changed their votes from "yea" to "nay."

Mr. LOWRY of Washington changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Ms. KAPTUR. Mr. Speaker, I regret that I was unavoidably detained on official business in my district yesterday, Wednesday, October 16, 1985. Had I been present, I would have voted in the affirmative on rollcall Nos. 359 and 360.

LEGISLATIVE PROGRAM

(Mr. LOTT asked and was given permission to address the House for 1 minute.)

Mr. LOTT. Mr. Speaker, I ask to address the House for the purpose of finding out what the schedule is going to be for the balance of today at least, if not for the rest of the week.

Mr. Speaker, Members are not certain at this point what the schedule is for the balance of the day and whether or not they can anticipate additional votes.

□ 1510

Mr. FOLEY. Will the gentleman yield?

Mr. LOTT. I yield to the gentleman.

Mr. FOLEY. Mr. Speaker, we intend to take up this afternoon the rule on the Daylight Savings Extension Act; that would be the rule only, and one unanimous-consent matter from the Committee on Foreign Affairs. No other legislative business would be scheduled for today.

Mr. LOTT. So that the membership would know, I might say that while this will be the usual 1-hour time on the rule, I understand it probably will not take the full hour, and while there may be a vote on the rule, it is not a controversial rule; but within the hour the substantive business of the day should be concluded. Is that correct?

Mr. FOLEY. The gentleman is correct.

Mr. LOTT. I yield further for any other announcement of schedule for the balance of the week.

Mr. FOLEY. The House will not be in session tomorrow, and when we adjourn tonight we would intend to adjourn to meet on Monday next.

There will be no votes on Monday. One suspension, H.R. 463, the National Topsoil Preservation Act of 1985.

On Tuesday, October 22, the House will meet at noon and take any vote ordered on the suspension considered on Monday. Also, the conference report on H.R. 2409, the Health Research Extension Act. The House will also consider on Tuesday, H.R. 2095, the Daylight Savings Extension Act, to complete consideration.

On Wednesday and the balance of the week, the House will meet at 10 a.m., and consider H.R. 3500, the Omnibus Budget Reconciliation Act of 1985; modified rule, 4 hours of debate.

This is subject to the usual admonition that conference reports may be brought up at any time and further program, may be announced later.

Mr. LOTT. If I could just ask a couple questions of the distinguished whip, earlier there had been an indication that there would be another suspension on the list dealing with the east plaza of the Capitol. That has been withdrawn, and so it is not antici-

pated that will be brought up next week. Is that correct?

Mr. FOLEY. I understand there is some need to reconcile that suspension with the Budget Act.

Mr. LOTT. So it will not be considered next week.

Mr. FOLEY. It will not be considered.

Mr. LOTT. And for Wednesday and the balance of the week, the gentleman does not anticipate any debate on the Daylight Savings Act on Monday? That will all be done on Tuesday; is that correct?

Mr. FOLEY. That is correct.

Mr. LOTT. And then finally, the reconciliation package is scheduled for Wednesday and the balance of the week. Other than conference reports, that would be the only legislation that we would have?

Mr. FOLEY. No, it may be that we will add some additional legislation for Thursday.

Mr. LOTT. If I could expand on that a bit, since it is 4 hours of general debate, assuming the rule passes and that reconciliation is finished on Wednesday, it would be anticipated that the leadership would try to bring up some additional legislation that might be pending on Thursday; is that correct?

Mr. FOLEY. That is correct.

Mr. LOTT. I know it would depend on how the votes go and whether or not we complete reconciliation and other issues, but at this point it would appear that we may not have a session on Friday.

Mr. FOLEY. The gentleman is also correct. If we complete the business of the Reconciliation Act and such other legislation as may be announced for Thursday, we will not anticipate a Friday session.

Mr. LOTT. I thank the distinguished Speaker, who looks really great in the chair.

ADJOURNMENT TO MONDAY, OCTOBER 21, 1985

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at noon on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY, OCTOBER 23, 1985

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that business in order under the calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 2095, DAYLIGHT SAVING EXTENSION ACT OF 1985

Mr. HALL of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 288 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 288

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2095) to provide for daylight saving time on an expanded basis, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Energy and Commerce, the bill shall be considered for amendment under the five-minute rule, and each section shall be considered as having been read. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore. The gentleman from Ohio [Mr. HALL] is recognized for 1 hour.

Mr. HALL of Ohio. Mr. Speaker, I yield the customary 30 minutes to the gentleman from Tennessee [Mr. QUILLEN] for purposes of debate only, pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 288 is an open rule providing for the consideration of H.R. 2095, the Daylight Saving Extension Act of 1985.

The rule provides for 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Energy and Commerce. The bill shall be considered for amendment under the 5-minute rule, and each section shall be considered as having been read. There is one motion to recommit.

There are no waivers or other special provisions under this open rule.

Mr. Speaker, legislation to extend daylight saving time has been considered in the past two Congresses. The bill made in order by this rule represents a compromise on the question of extending daylight saving time. Daylight saving time currently runs from the last Sunday in April to the last Sunday in October. This bill, H.R. 2095, would change daylight saving time to the first Sunday in April to the first Sunday in November.

There is bipartisan support for this legislation, which would save energy, reduce traffic accidents, and stimulate economic growth. The Daylight Saving Time Coalition, which includes a large group of business, has concluded that extended daylight saving time would provide a significant boost in sales. In addition, the RP (Retinitis Pigmentosa) Foundation Fighting Blindness supports the legislation because people affected with night blindness would receive an extra period of sight and mobility with extra evening sunlight available.

The bill has broad support, and I am not aware of any opposition to this open rule. I urge my colleagues to adopt it.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Tennessee [Mr. QUILLEN].

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, daylight saving time has always been a controversial matter when brought to the floor of the House, but in this instance I understand that the controversy has been worked out and everybody is in agreement.

Mr. Speaker, I have three speakers, I would advise the gentleman, and at this time I yield 1 minute to the gentlewoman from Nebraska [Mrs. SMITH].

Mrs. SMITH of Nebraska. Mr. Speaker, I rise in opposition to this rule because I oppose H.R. 2095, the Daylight Saving Extension Act of 1985.

Daylight saving time now begins on the last Sunday of April and ends on the last Sunday of October. H.R. 2095 would extend the period of daylight saving time from the first Sunday of April to the first Sunday of November, thus lengthening daylight saving time by 4 weeks.

The sponsors of this legislation state that this extension is a compromise designed to appease the rural people who have opposed daylight saving time extensions in the past.

Well, I represent one of the most rural districts in the Nation. My constituents have let me know loud and clear that they not only oppose any extension of daylight saving time, they would prefer that the current period be shortened.

Mr. Speaker, it seems to me that urban Members of Congress should have better things to do than to make life miserable for rural Americans.

This is an ill-advised, unnecessary, and unwanted piece of legislation. I urge my colleagues to join me in opposition to this rule and in opposition to the Daylight Saving Time Extension Act.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, when the proponents brought the matter before the Committee on Rules, I understood that all the problems had been worked out, and I find out that I am incorrect.

□ 1520

I do not know of any objection to the rule, but I am sure when the matter is discussed on the floor of the House there will be some opposition to the measure.

Mr. Speaker, I urge adoption of the rule. I would like to advise that I have three remaining speakers.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts.

Mr. MARKEY. Mr. Speaker, I am pleased to support House Resolution 288, which provides for the consideration of H.R. 2095, the Daylight Saving Extension Act of 1985. I am proud to be the sponsor of the bill, and its floor manager.

I think that our committee has succeeded in fashioning a bill that is a true compromise for all concerned. The proponents of this measure met with the bill's former opponents to listen to their objections. As a result, we adopted an amendment in committee to extend daylight saving time to the first Sunday in April, rather than to the beginning of March, which had been proposed in past Congresses. We also add 1 week at the end, to the first Sunday in November, as a safety measure for children trick-or-treating on Halloween.

The extension of daylight saving time to the start of April will achieve the benefits which have been cited many times—energy conservation, crime reduction, and traffic safety—but will have no adverse effects. Sunrises in April are the same as sunrises in August. There will be none of the dark mornings that were cited in the past as an argument against daylight saving time.

I would like to thank my cosponsor, the gentleman from California [CARLOS MOORHEAD] who is our subcommittee's ranking minority member, for his help on this bill. I would also like to thank the gentleman from Utah [Mr. NIELSON] a former opponent of this bill, the gentleman from Indiana [Mr. COATS] and other Members for their willingness to work with us on this matter and achieve this compromise.

I am pleased that we finally have a bill that is a true compromise. Therefore, I urge my colleagues to vote in favor of the rule and the bill.

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. GOODLING].

Mr. GOODLING. Mr. Speaker, I am sorry that I will not be able to join with this love fest that seems to be going on. I thought this issue had been put to bed year after year and it would never raise its miserable head again.

I would ask all of my colleagues, when you go home over this weekend, do not think about the adults in relationship to changing the daylight saving time. I want you to know that the 4 weeks in April there is a considerable change. Now, I do not know what someone may have told you, but as someone who had the responsibility of putting 4,000 to 5,000 students on buses every morning and having those youngsters walk where there are no sidewalks, trying to get to bus stops, I will guarantee you there is a big difference between April 1 and the end of April.

I have no problem with the 1 week in November, but I want you to think about children and students when you go home this weekend because you are going to be putting them out at a time, the most dangerous time in the morning possible for these children to be walking along highways.

Mr. LELAND. Mr. Speaker, will the gentleman yield?

Mr. GOODLING. I will be happy to yield to the gentleman from Texas.

Mr. LELAND. I thank the gentleman for yielding.

Mr. Speaker, I would like to say that I have some of the same concerns. From the time I was in the State legislature in Texas until now, I have had a lot of reservations about this issue, and I just want to say that I appreciate the position of the gentleman.

Mr. GOODLING. I thank the gentleman.

When you put those youngsters out along those highways and you do not have sidewalks, particularly, you are sending them out at a time when the traffic is the most intense because, of course, everybody is rushing to work, and that is an unfortunate situation. I would hope you would think seriously about these 3 weeks in the beginning of April.

I want to tell you, for someone who had to watch this time schedule day after day and the weather schedule day after day as an administrator, there is a big difference between the first 2 weeks in April and the end of April. I will offer an amendment which will say go ahead with what you are doing in November but, for goodness sakes, do not make the mistake of putting children along the highways earlier when you are doing that.

Mr. SOLOMON. Mr. Speaker, will the gentleman yield?

Mr. GOODLING. I would be happy to yield to the gentleman from New York.

Mr. SOLOMON. I thank the gentleman for yielding.

Mr. Speaker, I want to concur in the remarks of the gentleman. You know, in the Northeast, particularly in areas like mine, one end of my district I have the Catskill Mountains and in the other end the Adirondack Mountains. The entire district is full of hills and dales and mountains. When you move this date by just 4 weeks, you jeopardize the lives of hundreds and hundreds of schoolchildren every time you bring this bill on this floor. The gentleman is right, it should be defeated, and it should be defeated overwhelmingly and never brought up by this body again.

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the gentleman from Utah [Mr. NEILSON].

Mr. NEILSON of Utah. I thank the Speaker.

Mr. Speaker, I rise in support of the rule and in support of the bill. If you will recall, 2 years ago I voted against the bill. I voted for the Tauke amendment because I did not want to go to the 1st of March for daylight saving time. If I had my personal preference, I would go from Memorial Day to Labor Day. I think that is the appropriate time to have daylight saving time.

But to avoid the month of March I was willing to compromise the first week in April. I think it is a good compromise. It is much better than the mid-March proposed in committee or the 1st of March defeated on the floor last year.

I have talked with many of my friends from the rural areas who were formerly opposed to this, and they have said that they can live with this compromise.

I neglected to talk with my friends from northern New York and Pennsylvania because I assumed that would not be a problem in those areas to that great an extent.

Utah is in the western part of the district; this is not terribly favorable to my particular district, but I still support the rule, and I commend the chairman of the Subcommittee on Energy Conservation and Power of the Committee on Energy and Commerce, Mr. MARKEY, for being very cooperative, for coming up with what I think is a fair compromise.

Mr. Speaker, I do support the rule, and I hope others will do the same.

Mr. QUILLEN. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana [Mr. COATS].

Mr. COATS. Mr. Speaker, I thank the gentleman for yielding.

I rise today in support of the request for an open rule allowing consideration of H.R. 2095, Daylight Saving Extension Act of 1985.

While I have opposed this legislation in the past and, in fact, offered an amendment on States opting out, I still have some reservations; an acceptable compromise has been worked out, in my estimation, at the committee level, and I supported that compromise. H.R. 2095 would extend daylight saving time from the present 6 months

to a little over 7 months, moving the starting date from the first Sunday in April through the first Sunday in November. Importantly, the bill also allows States to exempt themselves entirely or partially, geographically, from any extension at all, and that is important for Members to remember.

Since I was a strong opponent to the extension of daylight saving time in the past and helped to defeat the measure in the 98th Congress, I want to take this opportunity to address my reservations with the extension and why I actively opposed the bill during the last Congress.

I think it is important to understand, for all of us to understand, the disparity existing within time zones. In other words, there is as much as a 92-minute difference between the time the Sun rises in the easternmost part of the time zone and the time that it rises in the westernmost part of the largest time zone in this country. This is a relevant point since 65 percent of the people in the United States live in the western part of a time zone.

Variations in temperature can also have an effect. It might be warm in Miami by the first week in April, but it is certainly not warm in Detroit, Cleveland, or Buffalo. Having said that, and vocalized these reasons why I opposed this legislation in the past, let me state that the compromise we agreed to at the committee level addresses the concern. While some would have preferred the extension of time to begin in mid-March, I have, emphatically, opposed that. We have agreed instead to the first Sunday in April. The extension on the other end which moves the time for change to the first Sunday in November serves a most worthy purpose in that it would allow small children additional daylight hours during Halloween.

Therefore, I rise today in support of the rule, and it is my intention to support H.R. 2095 when it is considered by the full House.

Mr. QUILLEN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

M:. Speaker, I urge adoption of the rule.

Mr. HALL of Ohio. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. QUILLEN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 352, nays 43, answered "present" 1, not voting 38, as follows:

[Roll No. 363]

YEAS—352

Akaka	Dreier	Kolter
Alexander	Duncan	Kostmayer
Anderson	Durbin	Lagomarsino
Andrews	Dwyer	Lantos
Annunzio	Dymally	Latta
Anthony	Dyson	Leath (TX)
Applegate	Early	Lehman (CA)
Archer	Eckart (OH)	Lehman (FL)
Armey	Eckert (NY)	Leland
Aspin	Edgar	Lent
Atkins	Edwards (CA)	Levine (CA)
AuCoin	Edwards (OK)	Lewis (FL)
Badham	English	Lipinski
Barnes	Erdreich	Livingston
Bartlett	Evans (IL)	Lloyd
Barton	Fascell	Long
Bates	Fawell	Lott
Bellenson	Fazio	Lowery (CA)
Bennett	Feighan	Lowry (WA)
Bentley	Fiedler	Lujan
Berman	Fish	Luken
Bevill	Flippo	Lungren
Bilirakis	Florio	Mack
Bliley	Foglietta	MacKay
Boehlert	Foley	Madigan
Boggs	Ford (MI)	Manton
Boland	Ford (TN)	Markey
Boner (TN)	Fowler	Martin (NY)
Bonior (MI)	Frank	Martinez
Bonker	Franklin	Matsui
Borski	Frenzel	Mavroules
Boucher	Frost	Mazzoli
Boxer	Fuqua	McCain
Breaux	Gallo	McCloskey
Brooks	Garcia	McCollum
Broomfield	Gaydos	McDade
Broyhill	Gejdenson	McEwen
Bruce	Gekas	McGrath
Bryant	Gephardt	McHugh
Burton (CA)	Gibbons	McKernan
Burton (IN)	Gilman	McKinney
Byron	Gingrich	McMillan
Callahan	Glickman	Meyers
Campbell	Gonzalez	Mica
Carney	Goodling	Michel
Carper	Gordon	Mikulski
Carr	Gradison	Miller (CA)
Chandler	Gray (IL)	Miller (OI-)
Chappell	Gray (PA)	Miller (WA)
Chappie	Green	Mineta
Clinger	Gregg	Mitchell
Coats	Grotberg	Moakley
Cobey	Guarini	Molinari
Coble	Gunderson	Mollohan
Coelho	Hall (OH)	Montgomery
Coleman (MO)	Hamilton	Moody
Coleman (TX)	Hatcher	Moore
Collins	Hawkins	Moorhead
Combest	Hayes	Morrison (CT)
Conte	Hefner	Morrison (WA)
Cooper	Heftel	Mrazek
Coughlin	Henry	Murphy
Courter	Hertel	Murtha
Coyne	Hiler	Myers
Craig	Holt	Natcher
Crane	Hopkins	Neal
Crockett	Howard	Nelson
Daniel	Hoyer	Nichols
Dannemeyer	Hughes	Nielson
Darden	Hunter	Nowak
Daschle	Hutto	Oakar
Davis	Ireland	Oberstar
de la Garza	Jacobs	Obey
DeLay	Jeffords	Owens
Dellums	Johnson	Oxley
Derrick	Jones (NC)	Packard
DeWine	Jones (OK)	Panetta
Dickinson	Kanjorski	Pashayan
Dicks	Kaptur	Pease
Dingell	Kasich	Pepper
DioGuardi	Kastenmeier	Perkins
Donnelly	Kennelly	Petri
Dorgan (ND)	Kildee	Pickle
Dornan (CA)	Kleczka	Porter
Downey	Kolbe	Price
Pursell	Shaw	Thomas (CA)
Quillen	Shumway	Thomas (GA)
Rahall	Shuster	Torres
Rangel	Sikorski	Torricelli
Regula	Siljander	Towns
Reid	Sisisky	Traficant
Richardson	Skeen	Traxler
Ridge	Skelton	Udall
Rinaldo	Slaughter	Valentine
Ritter	Smith (FL)	Vander Jagt
Robinson	Smith (NJ)	Vento
Rodino	Smith, Robert (NH)	Visclosky
Roe	Smith, Robert (OR)	Vucanovich
Rose	Snowe	Walker
Rostenkowski	Solarz	Watkins
Roth	Spence	Waxman
Roukema	Spratt	Weiss
Rowland (CT)	St Germain	Wheat
Rowland (GA)	Staggers	Whitley
Roybal	Stallings	Whittaker
Russo	Stark	Williams
Sabo	Stokes	Wirth
Savage	Stratton	Wise
Saxton	Studds	Wolf
Schaefer	Sundquist	Wolpe
Scheuer	Swift	Wortley
Schneider	Swindall	Wyden
Schroeder	Synar	Wylie
Schulze	Tallon	Yates
Schumer	Tauke	Yatron
Seiberling	Tauzin	Young (FL)
Sensenbrenner		Young (MO)
Sharp		Zschau

NAYS—43

Barnard	LaFalce	Slattery
Bedell	Leach (IA)	Smith (IA)
Bereuter	Lightfoot	Smith (NE)
Boulter	Loeffler	Snyder
Brown (CO)	Lundine	Solomon
Daub	Marlenee	Stangeland
Emerson	Martin (IL)	Stenholm
Evans (IA)	Monson	Strang
Hall, Ralph	Olin	Stump
Hansen	Penny	Sweeney
Hubbard	Ray	Taylor
Jenkins	Roberts	Volkmer
Kemp	Roemer	Weber
Kindness	Rudd	
Kramer	Schuette	

ANSWERED "PRESENT"—1

Ackerman

NOT VOTING—38

Addabbo	Hammerschmidt	Ortiz
Bateman	Hartnett	Parris
Biaggi	Hendon	Rogers
Bosco	Hillis	Shelby
Brown (CA)	Horton	Smith, Denny (OR)
Bustamante	Huckaby	
Chapman	Hyde	Walgren
Cheney	Jones (TN)	Weaver
Clay	Levin (MI)	Whitehurst
Conyers	Lewis (CA)	Whitten
Dixon	McCandless	Wilson
Dowdy	McCurdy	Wright
Fields	O'Brien	Young (AK)

□ 1535

Mr. RAY and Mr. KRAMER changed their votes from "yea" to "nay."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3500, OMNIBUS BUDGET RECONCILIATION ACT OF 1985

Mr. HALL of Ohio, from the Committee on Rules, submitted a privileged report (Rept. No. 99-310) on the resolution (H. Res. 296) providing for

the consideration of the bill (H.R. 3500) to provide for reconciliation pursuant to section 2 of the first concurrent resolution on the budget for the fiscal year 1986, which was referred to the House Calendar and ordered to be printed.

□ 1550

INTERNATIONAL SECURITY AND DEVELOPMENT ACT OF 1985

Mr. FASCELL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1726), to amend section 51(b) of the Arms Export Control Act, relating to the funding of the Special Defense Acquisition Fund, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1726

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FUNDING FOR THE SPECIAL DEFENSE ACQUISITION FUND.

(a) AMENDMENT TO SECTION 51(b) OF THE ARMS EXPORT CONTROL ACT.—Subsection (b) of section 51 of the Arms Export Control Act (22 U.S.C. 2795(b)) is amended to read as follows:

"(b) The Fund shall consist of—

"(1) collections from sales made under letters of offer issued pursuant to section 21(a)(1)(A) of this Act representing the actual value of defense articles not intended to be replaced in stock,

"(2) collections from sales representing the value of asset use charges (including contractor rental payments for United States Government-owned plant and production equipment) and charges for the proportionate recoupment of nonrecurring research, development, and production costs, and

"(3) collections from sales made under letters of offer (or transfers made under the Foreign Assistance Act of 1961) of defense articles and defense services acquired under this chapter, representing the value of such items calculated in accordance with subparagraph (B) or (C) of section 21(a)(1) or section 22 of this Act or section 644(m) of the Foreign Assistance Act of 1961, as appropriate,

together with such funds as may be authorized and appropriated or otherwise made available for the purposes of the Fund.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as of October 1, 1985.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on this matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

UNIVERSITY OF TEXAS PROFESSORS AWARDED NOBEL PRIZE IN MEDICINE

(Mr. PICKLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. PICKLE. Mr. Speaker, this week two University of Texas professors were awarded the Nobel Prize in medicine for their research on the role of cholesterol in heart disease. Joseph L. Goldstein and Michael S. Brown have worked for more than a decade at the University of Texas Health Science Center at Dallas. This award is not only a tribute to Professors Goldstein and Brown, but it is also a tribute to the University of Texas system which has made the transition to one of the country's premier research universities. It also gives us great satisfaction to realize that both Professor Goldstein and Professor Brown are products of the University of Texas system, which means we cannot only lure great researchers to the University of Texas, but we can also grow our own.

Mr. Speaker, I would like to insert into the RECORD an article from this week's Washington Post on the award to Professors Goldstein and Brown.

The article follows:

TEXAS TEAM WINS NOBEL IN MEDICINE—RESEARCH ILLUMINATED ROLE OF CHOLESTEROL IN HEART DISEASE

(By Cristine Russell)

Two American scientists won the 1985 Nobel Prize in medicine yesterday for research that revolutionized scientific understanding of the role of cholesterol in heart disease and pointed the way toward practical means of prevention and treatment.

The $225,000 award will be shared jointly by molecular geneticists Michael S. Brown, 44, and Joseph L. Goldstein, 45, who first met in 1966 during medical training in Boston and have worked closely together for more than a decade at the University of Texas Health Science Center at Dallas.

The Nobel Assembly at Stockholm's Karolinska Institute said the Texas team had "revolutionized our knowledge" about how the body processes cholesterol, including the genetic and dietary contributions to the abnormal buildup of cholesterol in the blood.

The institute said that the researchers' discoveries had "far-reaching implications" for the prevention and treatment of coronary artery disease and heart attacks, "a major cause of death in most industralized countries." Diseases of the heart and blood vessels are the number one killer in the United States, accounting for nearly 1 million American deaths each year. More than 42 million Americans suffer from heart disease.

Most coronary disease is the result of hardening of the arteries, or atherosclerosis, in which excessive fats and cholesterol in the blood slowly clog the inner walls of these vessels. When a blood clot blocks a narrowed artery, a heart attack can result. Researchers have long known that high blood cholesterol is a major risk factor for heart disease, but the complex pathways were difficult to unravel.

Cholesterol, which is crucial in low levels to cell functioning, is produced in the body, predominantly in the liver, as well as consumed in foods. It is carried in the blood predominantly in particles known as low-density lipoproteins (LDL).

The Nobel citation noted that a "milestone" occurred in 1973 when Brown and Goldstein discovered special receptors that regulate the intake of LDL to the body's cells from the blood. These receptors operate as a sort of border patrol on the surface of cells that control the entrance of the LDL and thus the amount of cholesterol entering the cells.

Some individuals are genetically predisposed toward high blood cholesterol, an illness known as severe hereditary familial hypercholesterolemia. Brown and Goldstein found that an underlying cause for this genetic disease is a complete, or partial, lack of working LDL receptors. The most severe form occurs in about one-in-a-million people, but a milder form is much more common, afflicting about one in 200 to 500 people.

But they also suggested that in normal individuals the high dietary consumption of cholesterol, particularly through red meats and dairy products, may interrupt the natural cholesterol cycle and reduce the number of LDL-receptors on the cell surface. Fewer receptors in turn lead to increased cholesterol in the blood and the buildup of deposits on the artery walls, they said.

While the dietary role of cholesterol has been debated for years, a prominent National Institutes of Health panel concluded late last year that the risk of heart attacks could be significantly reduced by lowering blood cholesterol levels, preferably through dietary changes as well as the use of cholestrol-reducing drugs in high-risk cases.

Brown and Goldstein, in a recent article in Scientific American cited by the Nobel panel, endorsed a diet "moderately low in animal fats" as prudent for most people. But, they speculated, testing of new drugs that increase the number of LDL receptors may one day make it possible "for many people to have their steak and live to enjoy it too."

Brown and Goldstein learned of the award while attending a symposium at Massachusetts Institute of Technology at which they were featured speakers. They held a news conference there and then rushed to the airport to return to Texas for a celebration at their laboratory and another news conference.

Although the researchers expressed surprise at the honor, their colleagues said it was only a matter of time. The duo has already won a string of major scientific prizes for their work in recent years.

"It's no surprise to the community of biologists and biomedical researchers," said MIT Professor Monty Krieger, who formerly worked in their laboratory. In addition to the heart disease application, Krieger said that the Brown-Goldstein collaboration on the cholesterol receptors had been a model for understanding other basic molecular pathways.

Dr. David Bilheimer, who works with them at the University of Texas medical

center, said that the basic research had also had dramatic payoffs for an 8-year-old Texas girl named Stormie Jones who was dying of the severe, cholesterol-raising genetic disease. She underwent an unprecedented heart-liver transplant last year that triggered an 80 percent reduction in blood cholesterol levels, apparently by providing new LDL receptors.

Bilheimer said that the award is "a wonderful honor for them and for the institution. . . . This is the first Nobel Prize for work done in Texas. This was home-grown work. That's what's so thrilling about it."

RESOLUTION ON INTERNATIONAL CONFERENCE ON TERRORISM

(Mr. GEJDENSON asked and was given permission to address the House for 1 minute.)

Mr. GEJDENSON. Mr. Speaker, today I have introduced a resolution calling on the President to hold an international conference on terrorism. Recent events in the Middle East with the capture of the Italian cruise liner, the recent incident with the American hostages on TWA, today, hostages not only from America and the Middle East, but Soviet hostages are being held. It is time to pull the international community together, as we have done with a request from the Foreign Affairs Committee, the good chairman, his leadership on this issue in the foreign aid bill calling for our friends to get together—we now need a much broader conference.

There are times that we must act. This is one of those times. Unless we act together, we will continue to be picked off one at a time, as first the Americans kicked out the Libyans and then the British had them until one of their citizens was shot, a policewoman. It is time to act in a unified manner. I have introduced this bill calling for an international conference on terrorism. I have sent a letter to the President and I hope my colleagues will join me.

Mr. FASCELL. Mr. Speaker, will the gentleman yield?

Mr. GEJDENSON. I yield to the gentleman.

Mr. FASCELL. I thank the gentleman for yielding.

Mr. Speaker, let me commend the gentleman for his leadership on this matter. In my opinion, he is ultimately correct. The only way that we can have a chance in dealing with terrorists which is now a worldwide phenomenon, it affects every country, is for not only the civilized West but other countries to get involved in cooperating in order to try to put an end to this.

Mr. GEJDENSON. I thank the chairman. The President and Secretary Shultz are right; let us get our allies together first and then let us have a world conference as we have done with airplane hijacking in the past.

REMARKS OF JUDGE JAMES LAWRENCE KING MADE AT INVESTITURE CEREMONY IN FLORIDA

(Mr. PEPPER asked and was given permission to address the House for 1 minute.)

Mr. PEPPER. Mr. Speaker, on the 16th of August, I had the privilege of attending a service in the U.S. District Court for the Southern District of Florida in Miami when two new judges of that court, Judges Marcus and Scott were being added to the court.

During the course of the ceremony the distinguished presiding judge, Judge James Lawrence King, made a most interesting discourse about the history of the U.S. District Court for the Southern District of Florida going back to 1821. That is a vivid history of a dynamic part of America's growth. It also tells the story of the need of that area for additional judges to grapple with the drug interdiction problem that is so serious for us in that area.

INVESTITURE CEREMONY—JUDGE MARCUS, JUDGE SCOTT, CENTRAL COURTROOM, MIAMI, FL, JAMES LAWRENCE KING

On behalf of the Judges of this Court, both present and past, we extend a very warm and cordial welcome to you, Stanley Marcus, the 38th United States District Judge to be seated on this Bench in the decades of its existence; to you, Thomas E. Scott, the 39th United States District Judge to serve in the Southern District of Florida.

History has an interesting habit of repeating itself. If we do not learn from the past, we are, indeed, foolish, for the past is prologue. You join a truly great United States District Court. Your predecessors stood where you stood a moment ago. They sit where you now sit and are seated, and they judged the matters and lives and fortunes of the people of this community, as you will judge those matters—lives and fortunes—as God gives you, as it has given us, the wisdom to perceive your duty.

As all of you are no doubt aware, this Court was created by Congress the year after Florida was acquired from Spain. The first judge was appointed by President James Monroe on May 19, 1821. That was the Honorable William P. Duval. One hundred and seventeen years ago next week one of your predecessors, Judge T. Jefferson Boynton, gazed out of the windows of his beautiful old office in that massive red brick courthouse in Key West, Florida, looked across the Gulf of Mexico, and pondered the fate of three individuals. Their names: Samuel A. Mudd, Samuel Arnold, Edward Spangler. These men had been convicted by military tribunal in the City of Washington and had been sentenced to confinement at Fort Jefferson in the Dry Tortugas for the assassination or the conspiracy to assassinate President Abraham Lincoln.

I hold in my hand the opinion rendered by Judge Boynton, one of your predecessors who served on this court from October of 1863 until 1870. It is worth reading. It is an interesting document.

A few years ago, over one hundred years later, in this very courtroom, was tried a case involving an assault upon another President, President Ronald Reagan. Is the past prologue? Does history repeat itself? Going back even further in time to 1847, Congress added to the usual duties of United States District Judges across the infant country, in those days, the added duty of supervising, licensing, and administering matters involving salvage in the Southern District of Florida. This was written into the law in 1847. Judge William Marvin, one of your predecessors, wrote a book, still a valid treatise today from the law of admirality, and he did, in fact, license salvagers, concern himself with the distribution of their finds and their salvage and the admirality problems of the Court in those days.

Who has not, in America today, heard of the magnificent find of the treasure salvagers off Key West, in Marquezas, when they discovered the mother lode, so-called, of the Spanish vessel "Atocha," sunk in 1622 in that terrible hurricane that took the entire Spanish fleet to the bottom. What you may not know—some of you, of course, know—what you may not know is that all of those cases are in the jurisdiction of this Court. There are thirteen of them now presently pending of wrecks and wreck sites. Judge Aronovitz just last week presided over an important segment of the case involving the find of the treasure of the "Atocha." All of those vessels, the "Santa Margarita," the "Atocha," all of the treasure fleets, all of the massive legal arguments involving the rights of the State of Florida, the problems of the Eleventh Amendment to the Constitution, all of those great legal arguments occurred in this courtroom and/or the courtroom in Key West or other courtrooms in the Southern District of Florida. Is the past prologue? Does history repeat itself? Did the problems Judge Marvin had over a hundred years ago, are they just as valid and prevalent and accurate and true today?

Again, going back in time, this community witnessed an interesting phenomenon after the Stockmarket Crash of 1929. In the throes of a great depression, the local pasttime was rum-running. Two blocks south of here, in the first United States Courthouse in Miami, constructed in 1905, in this district, Judge Lake Jones sentenced the last person sentenced to death in the Southern District of Florida, in the United States District Court, to be hanged for the murder of two coastguardsmen and a prohibition agent. The defendant's name was James Horace Alderman, and Judge Jones had that awesome responsibility.

From the liquor smugglers of the twenties and thirties to the drug smugglers of the seventies and eighties—Is the past prologue? Does history repeat itself?

The overwhelming caseload of this district, now bringing us into this century, is greater than any Court has been asked to bear in the history of the American Judiciary. Under the most recent statistical data available, this Court was required and charged with the responsibility for presiding over trials and discharging our responsibilities to individuals charged with crime in 2,462 individual cases. That is over double, over double the caseload of the next heaviest impacted court, which is the Southern District of Texas with 1,236, or New York Southern with 1,659 cases and thirty-seven judges—Senator, to our fifteen, as you well know—The Senator well knows this. We have discussed this—or California Southern with only 1,000. History repeats itself. Nothing changes except, perhaps, the numbers, the gravity, and the years.

The judges seated before you, and I am attempting to speak for all of them this morning, are on the cutting edge of American

law. It's an exciting challenge for these two new judges. They will be involved with the outer edges, the outer limits, the cutting edge, if you please, of the law. They will be dealing, in the first instance, with matters that have never been raised before because we have one of the finest Bars in America, and they think of incredibly acute theories of law to present to us that are brand-new, but they are on the cutting edge of the law in criminal law and the immigration field and these other fields of law that involve a real challenge for our new judges.

Is there a citizen in this community that is not aware of the overwhelming and massive legal, economic, moral problems presented by the migrations to this shore of Cuban refugees, Haitian refugees, Nicaraguan refugees? The judges seated before you have dealt with these problems. I know we have dealt fairly, honestly, decently, and we hope with wisdom, with these problems. In this very courtroom several years ago, these judges sat in an en banc consideration of over ninety criminal cases arising out of the Mariel boatlift. It was historic. It was unprecedented. It was innovative. No one had ever done anything like this before. Great doubt about whether a Court could sit en banc and consider, in one fell swoop, ninety criminal cases, but we did so. Maybe because Judge Fay was then new on the Court and still associated with us, we were affirmed. But he has changed, Joe.

There have been historic decisions flowing from the judges seated here before you. This capsule review of the rich tradition and history of the magnificent institution that is the United States District Court for the Southern District of Florida has done little more than touch briefly upon a few of the important figures who have occupied the position of judges on this Court and a few of the legal decisions that have been made in this magnificent old courtroom in the past fifty-five years and going back through the decades, but the purpose of all of this is to say on behalf of the thirty-seven judges who have preceded you, Judge Boynton, Judge Lock, Judge Marvin, Judge Holland, Dyer, Cabot, Fulton, Choate, Mehrtens, whose portraits adorn the walls of this magnificent old room, and who now join with us in admonishing you to conduct yourselves uprightly, with dignity and respect for the Constitution, with fairness—with fairness for all of the people you serve, as God gives you the wisdom to perceive your duty.

Welcome.

MY ADVICE TO THE PRIVILEGED ORDER

The SPEAKER pro tempore (Mr. HAYES). Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, I rise today because no mention is being made nor does there seem to be any conscious awareness of the fact that we have close to 2,000 servicemen of our armed services in the Sinai as a result of direct congressional action, which, at the time it was approved by the Congress, was the first time in the history of the Congress that the Congress mandated a deployment of American troops anywhere.

As you know, under the Constitution the Commander in Chief is the one that usually has and has exercised this prerogative. I speak of the so-called resolution that was passed by this House jointly with the Senate around December of 1982. Since my voice was one of only two that questioned that type of an approach, and was the one that brought forth and elicited for the record that the Congress was venturing into new, unprecedented areas of activity.

The reason for the deployment, as the resolution read, of American troops not to exceed 2,500, was based on a letter that President Carter had sent after the Camp David agreements to both the Israeli leaders, at that time, Prime Minister Begin, and the head of the Egyptian state at that time, Mr. Sadat.

□ 1600

Because of the doubts expressed following the agreement at Camp David as to the respecting of the Sinai agreement, President Reagan, after his assumption of power, recommended to the Congress that the request in the letter, the promise in the letter by Jimmy Carter to these leaders, that he would if it would take that to ensure the agreement offer the formation of a multinational group, to have a so-called watch group, to observe the Camp David agreement.

At the time that the House considered the question, there was no other nation that had yet responded to the request. So we committed, the Congress committed, American troops. They are still there. There are about 1,800 of our soldiers in the Sinai.

The question I raised then was, if something happens and Israel accuses Egypt of violating the Camp David agreement, or vice-versa, Egypt accuses Israel, what are our troops supposed to do?

Also, in the meanwhile, we obtained by twisting then the arm of the President of Colombia 1,500 Colombian troops.

At that time General Haig was Secretary of State, and he just picked up the phone and called the President of Colombia and just simply told him, "If you want any more of our aid, you give us some troops."

We have also got about 12 or 14 British. We got a sizable number from one of the Pacific islands, of all places. They are there now. Nobody is worrying about them. But given the deterioration in the international situation, particularly between Egypt, the United States, and Israel, I say this Congress has a responsibility to look into this agreement, because we have, as we did once before, our warriors in a Beirut situation. Those men in the Sinai are exposed I maintain.

All I am doing at this time is calling attention to the fact that they are there. Everybody has forgotten about them. No mention has been made about it. I warn my colleagues the potential for greater catastrophe is here as it was in Beirut where we had 241 marines needlessly murdered.

SINAI: ANOTHER BEIRUT

In all the uproar over the hijacking of the Italian liner *Achille Lauro*, we are in danger of forgetting a most pertinent fact: The United States has citizens and soldiers in the Middle East, and those who are enraged by our actions against the terrorists will be tempted to make those Americans a target for revenge. In Lebanon, we learned to our sorrow that marines sent there as peacekeepers soon became the target of terrorists, when those terrorists got the idea that the United States was not being even-handed.

Have we forgotten that there are American peacekeeping soldiers in the Sinai? Yes, there are Americans there, and they have been there since April 25, 1982. They can be attacked, as surely as the marines in Beirut were attacked.

We cannot afford to forget that Egyptian political forces that are inimical to the close ties between the United States and Egypt have been gaining strength in that country of late. Just how much strength can be seen on the news stories every day, in which we see vast crowds of protesters violently denouncing the United States and all our works, in the wake of our capture of the *Achille Lauro* terrorists. This was an act that not only enraged anti-Americans in Egypt; it embarrassed our friends in Cairo as well. Regardless of our justification, we have to remember that there are also consequences for our act; there are those who find in our action justification not just to vilify the United States, but to act against our citizens as well.

In such a climate as this, it is easy to imagine that Americans on the Sinai peacekeeping force would be the special target of any would-be attackers. These Americans though armed, are probably less well defended than even the marines were in Beirut. Yet I hear no one suggesting that the viability of that mission may now be compromised; I hear no one saying that we should reassess the safety of the operation; and I hear no one saying what our response should be in case of an attack against these troops—or for that matter, how we might respond to a violent attack against the very substantial United States economic and diplomatic missions in Egypt. Yet all these are very real possibilities.

Congress has entered into the precarious business of standing between armed camps in the Middle East without much thought or foresight. Eleven years ago, almost to the day, we approved a United States civilian peacekeeping group in the Sinai passes that had been used as invasion routes. These civilian observers were followed a decade later by a commitment of U.S. troops to the lower peninsula, part of a multinational group. But when those commitments were made, Americans were not

the special and favored targets of terrorists throughout the Middle East; today our citizens are. Today, many a zealot yearns to find a favored place in heaven by killing an American—be that a marine or an old man in a wheelchair. Today, the climate is not the same hopeful one of 1982 or 1974; it is the climate of a soured peace process, a stalled war between Iran and Iraq, and it is the climate of strife between religious factions, many of which strive to be the most virulently anti-American.

Does the peacekeeping force have a future? What could it do in event of an attack? How would we respond? What if our troops are subject to an attack on their headquarters or their barracks? Nothing is beyond the realm of possibility in the Middle East of today, and the proof of that is in the piracy and murder on an innocent cruise liner, the bombing of our Marine headquarters in Beirut, bombings of our Embassy facilities in Lebanon, and any number of other heinous acts. In such a climate as this, why discount the possibility of a tragedy? In today's climate, we should think: Did we have any business in the Sinai in the first place? What would we do in the case of an attack? Do we really want another Beirut? Have we forgotten the danger?

BUDAPEST CULTURAL FORUM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland [Mr. HOYER] is recognized for 60 minutes.

Mr. HOYER. Mr. Speaker, I rise to call the attention of the House to the Budapest Cultural Forum, mandated by the Helsinki accords which were signed 10 years ago by 35 states. The forum, which began 2 days ago and is scheduled to run 6 weeks, is part of the process of increasing security and cooperation in Europe. Since the signing of the final act, there has been a series of specialized meetings on topics ranging from scientific cooperation to human rights.

Since the inception of the Helsinki process, the United States and its allies have consistently asserted the view that promoting respect for fundamental human rights is an essential part of the process of building peace, cooperation and security in Europe. Thus we have insisted that progress toward implementing the human rights provisions of the final act is as important to attaining progress as the security or trade-related provisions of the final act. The Ottawa human rights experts meeting, held in May-June of this year, was the first CSCE meeting devoted solely to discussion of those aspects of the final act. The April 1986 Bern human contacts meetings will continue the discussion of human rights, focusing on issues such as family reunification, binational marriages and family

its. Human rights will also be an inral aspect of the Budapest Cultural um.

The mandate of the cultural forum, as established at the Madrid Review Conference in 1983, is to discuss interrelated problems concerning creation, dissemination and cooperation, including the promotion and expansion of contacts and exchanges, in the various fields of culture. As I stated earlier, human rights concerns are included in this mandate, ensuring that issues of cultural and religious freedom, cultural heritage and the free dissemination of culture will be raised.

The U.S. delegation, under the leadership of Ambassador Walter Stoessel, former Deputy Secretary of State, includes staff from the Helsinki Commission, State Department and USIA, as well as leading personalities in the field of culture:

Edward Albee (playwright); Peter Blake (architect); Daniel Boorstin (librarian); Trisha Brown (dancer); Frank Conroy (professor); Eugene Istomin (pianist); Nancy Coolidge (preservationist); Paul Caponigro (photographer); William Ferris (historian); Bess Hawes (folklorist); Sam Gilliam (painter); Leo Gruliow (author); Nathan Glazer (arts education); Hugh Gloster (educator).

David O. Ives (TV executive); Allen Kassof (professor); Jack Masey (designer); William Least Heat Moon (author); Jaroslav Pelikan (historian); Rudy Pozzatti (printmaker); Ellendea Proffer (publisher); Arthur Pulos (industrial designer); Lawrence Reger (museum director); Larry Rivers (artist); William Jay Smith (poet); Billy Taylor (pianist); Cliff Robertson (actor).

All 35 participating states have included leading cultural figures in their delegations to Budapest. Meeting in working groups, the cultural personalities will share their views on conditions that foster or hinder artistic creativity. Specific issues to be discussed include creative freedom, censorship, jamming, suppression of the cultural identity of national minority groups and ways in which states can cooperate to expand mutual cultural understanding and respect.

One of the major impediments to free cultural expression in the Soviet Union and Eastern Europe is censorship. All "officially" published written materials, radio, television, stage and film productions are subjected to some form of official control and censorship. The degree of censorship and the limits on free expression in cultural fields varies within the Soviet bloc. Poland, Hungary and the GDR allow a broader range of cultural expression than do the Soviet Union, Romania, Czechoslovakia and Bulgaria. Censorship remains, however, a cloud that threatens to engulf cultural freedom. With the cloud of censorship hovering over individuals, the creator personally has little if any scope to operate independently. Private publishing is illegal as are unsanctioned art exhibitions or other cultural displays. Criminal penalties may be imposed as the price for exercising creative freedom.

The Helsinki final act and the Madrid concluding document contain explicit language about the participating states' obligations to safeguard the rights of individuals belonging to national minorities. In the final act, the states pledge themselves to afford persons belonging to national minorities "full opportunity for the actual enjoyment of human rights and fundamental freedoms and will, in this manner, protect their legitimate interests in this sphere." They also recognize "the contribution that national minorities or regional cultures can make to cooperation among the States in various fields of culture."

The agenda for Budapest includes discussions relating to national minorities, including the preservation of cultural and historical monuments; publishing and translation, including reference to less widely spoken languages; and preservation of cultural heritage.

In Bulgaria the Turkish minority has been subjected recently to a brutal campaign to strip them of their cultural heritage and identity. Turkish villages have been surrounded by Bulgarian militia and their inhabitants forced to accept documents changing their names to Slavic-sounding ones. In the ensuing clashes with the militia, many Turks resisting the name changes reportedly were killed. Bulgarian authorities have pressured the Turks to give up their ethnic dress, cease using the Turkish language, and forswear Muslim religious practices.

In Romania, Hungarian schools, churches, and language are being eliminated from Romanian society. The government has arbitrarily transfered Hungarians to work in purely Romanian regions, removed Hungarians from their position in the news media and placed restrictions on Hungarian language publications. Jews, Christians, and others in the Soviet Union are persecuted for passing on to their children religious faith.

Everything created in Ukraine in the last 60 years has been infected by bacilli. How can the national tree grow when half its crown has been cut down? What is Ukrainian history where there are no historians . . . How can there be literature when more than half its writers are missing.

Those words were written by one of Ukraine's leading contemporary poets while in a Soviet prison, Vasyl Stus. Stus, a member of the Ukrainian Helsinki Monitoring Group, was in his 13th year of a 23-year prison and exile term when he died September 4 of this year at the age of 47.

At this time, Mr. Speaker, I would like to yield to my good friend from the State of New York, a gentleman who has been very involved in oversight responsibility with respect to the Helsinki accords, a gentleman who has been committed as no other Member of this body has been to human rights

and to freedom and justice for all of the peoples of the world, a real leader in this area in the House, my good friend, BEN GILMAN.

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I would like to thank the gentleman from Maryland [Mr. HOYER] for reserving this time today for us to briefly discuss the hopes and realities of the Budapest Cultural Forum, which convened on Tuesday and which will continue until November 25. The ongoing need to discuss human rights, cultural repression, the dissemination of information and censorship among the 35 signatory nations is significant indeed, and our U.S. delegation, led by Walter Stoessel, had hopes that this meeting, the first of its kind to be held in a Warsaw pact nation, would be fruitful in its attempt to tackle the above-mentioned important issues.

Unfortunately, however, the Hungarian Government prohibited an independent public symposium of Western and East European intellectuals from being held at the Duna Intercontinental Hotel in Budapest, on the very day that the cultural forum was scheduled to begin. Our hopes that this forum's activities and related events would bode well for the Geneva summit next month have been soured by the repressive actions of Hungarian officials. These writers, intellectuals and human rights activists, invited to attend the seminar by the International Helsinki Federation for Human Rights in Vienna, were instead limited to some seventy in number and forced to discuss their views in a private apartment in Budapest. Among the Western participants are American writer Susan Sontag, Israeli novelist Amos Oz, and German poet Hans Magnus Enzensberger, who insisted on meeting with their dissident colleagues regardless of the limited circumstances.

We have witnessed cultural repression time and again in the Soviet Union. There, members of the "Phantom Orchestra" have been harassed and threatened. The negative cast which the Hungarian Government's actions in this instance lend to the Budapest Cultural Forum make it clear to the Western delegates that their task is of a far more serious nature than they had originally assumed. As a signatory nation to the Helsinki Final Act of 1975, these past 10 years have demonstrated the sincere desire of the American people to ensure the free flow of information around the world. This has been evident in the formulation and dissemination of our foreign policy, and has been reiterated at every international exchange to which we are a party. Yet this forum, and the upcoming Geneva summit between President Reagan and Soviet leader Mikhail Gorbachev, will test our resolve more sincerely than in the past.

The many faces of injustice have been exposed in Budapest, and we must make certain that the 800 delegates to this conference become convinced that we are dedicated to the concepts of freedom of information, speech, religion, and heritage, and that we will not falter in the least in the global pursuit of these most basic human rights.

Mr. HOYER. Mr. Speaker, I thank the gentleman from New York [Mr. GILMAN] for his remarks at this time and for his continuing leadership in this important area.

Mr. Speaker, at this time I would like to yield to my colleague and member of the Helsinki Commission, DON RITTER from the State of Pennsylvania, who I understand has just returned from the Soviet Union where he had the opportunity to bring to the attention of Mr. Gromyko the concerns of the Commission, the Congress, and the people of the United States with respect to our commitment to human rights and the undertakings of 35 signatory nations of the Helsinki accords. I am pleased to yield to my friend and colleague, Mr. RITTER.

Mr. RITTER. Mr. Speaker, I thank the chairman for yielding and I thank him for his leadership on this matter.

It is a timely moment for me having just returned from Moscow in the Soviet Union to hear about the unfortunate circumstances in Budapest where a major conference of writers and intellectuals and human rights activists was denied access to a formal and official program and had to squeeze into a small apartment.

It reminds me of another squeeze in a small apartment that seven Members of Congress, including myself, had the other night.

We gathered in the apartment of one Yakov Al'pert. The apartment was tiny to begin with. I expect the living room was on the order of 8 feet by 11 feet. It was quite an experience. There were seven Members of Congress.

□ 1610

There were 13 refuseniks, and the rest of the room was composed of walls where one saw only books. The irony of this meeting is that these individuals, who are well known in their fields over the world, cannot practice their intellectual pursuits, their chosen professions, cannot engage in the free flow of information in their own fields, and this relates to the ideal of the cultural forum in Budapest.

I would simply like to mention their names. It was Prof. Yakov Al'pert, a physicist, nearly 50 years working in an institute—or not in the last 10, actually—but some 40 years working with an institute of the Soviet Academy of Sciences in his field; Prof. Alex Ioffe, a mathematician; Prof. Mark Friedlin, a mathematician; Dr. Victor Brailovsky, a mathematician, and his wife, Dr. Irina Brailovsky, also a mathematician; Prof. Alexandr Lerner, a mathematician; Prof. Leonid Dickey, a mathematician; Prof. Solomon Al'ber, a mathematician; Dr. Mark Tarshis, a biologist; Dr. Igor Uspensky, a biologist; Prof. Leonid Ozernoy, a physicist; and Dr. Yuri Chernyak, a physicist.

Many of these individuals have been refused emigration for years; some greater than 5, some greater than 10. And it is that long since they have been able to practice actively their professions, although the amazing thing is that they have been able to hold seminars in small apartments in Washington. Some have even, like Professor Al'pert, published books abroad during this condition of being cut off from their work in their chosen field.

We had another very stimulating meeting while we were there. We met with another group that is vitally concerned with the free flow of information, and that is the so-called Trustbuilders to build trust between the U.S. and the U.S.S.R. in the field of peace and in the field of peace activism. And our meeting took place in the home of Dr. Aleksandr Lusnikov and his wife, Olga. Dr. Lusnikov could not be with us that evening because ever since he became a peace activist—an unofficial, nongovernment peace activist—he has had to give up his work as a physicist. He has a doctorate in the field of physics, and he was busy on his job as a nightwatchman.

Also present was the trustbuilders group leader Yuri Medvekov, Nikolai Khramoy, Alexander Ruchenko, Larissa Chukayeva, and Elena Brendiss.

But the message we got from these independent peace activists in Moscow was that it is extraordinarily important to have a free flow of information with peace activists in the West, and indeed, they mentioned how the small numbers of meetings that they have been able to have with Western peace activists, including American Friends Service peace activists from my own State of Pennsylvania, including Pax Christi peace activists, including peace activists from Scandinavia, from Holland, Denmark, that this was their lifeblood, and without that flow of contact, they would probably cease to exist.

Talking about the free flow of information, they asked us to convey to our colleagues in this Congress and to the American people that there are several levels of peace activism in the Soviet Union. One is the official level, and that while they do not deny or deride the official peace activists that go out to our country and to Western Europe, they wanted the American people to know that those individuals,

as nice as they may be as individuals, really do not represent anything but the official view of the Communist Party of the Soviet Union and the Soviet Government, and that it was only independent peace activists in the United States and Western Europe which would contribute to a more peaceful relationship between the United States and the Soviet Union.

They advocated a series of exchanges of information from independent and between independent groups. They would like indepth educational visits, travel between our two countries, and educational visits between organizations and individuals who are not connected with official government policy.

They support the idea of an American university in Moscow with independent funding, voluntary funding, perhaps funding that came from military expenditures; an American university in Moscow, a Soviet university in the United States. They talked about independent cultural centers in both our countries so that the ideas of peace could work people to people.

They talked about kitchen-table peace negotiations between independent citizens and independent citizen groups from the two superpowers.

They talked about a mass exchange of Soviet and United States students between our two countries.

Well, this is part and parcel of the spirit of the cultural forum which is part and parcel of the Helsinki accords.

It is with some regret that the Hungarian Government has pressured this particular group gathering there today to diminish the size, and the scope, and the output of its meeting.

I would, however, like to say that things have changed somewhat for the better in Hungary, and that it is sad that the Hungarian Government at the last moment came up with this policy, because I am convinced that given a chance to operate more independently on their own, they probably would have welcomed such an open and publicized forum with open arms.

Again I thank the chairman for yielding to me, and thank him once again for his leadership.

Mr. HOYER. Mr. Speaker, I thank the gentleman from Pennsylvania very much for his comments and the information that he has brought to our attention here. For those who may not know, the gentleman is fluent in Russian, has lived in the Soviet Union for some period of time, and is one who can relate well to those Soviet citizens with whom he met in the Soviet Union this past week. The gentleman is an extremely valuable member of the Commission. I think his observation with respect to the Hungarian response to the responsibilities that they undertook in sponsoring the cultural forum is an apt one. It would appear that the Hungarians in fact are not free to honor the commitments they made in Madrid. I am going to speak to that briefly, but I want to thank the gentleman for making that point and for his other comments.

□ 1625

Mr. RITTER. If the gentleman will yield further, I assume that the gentleman is leading up to what happened to Vasyl Stus recently.

I think about 1 month ago Vasyl Stus died in a Soviet camp and that was just the latest in a series of deaths, premature, in Soviet camps.

Valeriy Marchenko, writer, a linguist, a journalist, died at the age of 37 on October 7, 1984, in a hospital for prisoners in Leningrad. The doctors at the hospital had repeatedly asked for urgent transfer permission to an ordinary hospital where, unlike the hospital, HAAS, there was an artificial kidney machine. The KGB would not sanction the transfer, and Marchenko died.

Marchenko is joined in death by another great Ukrainian, a founding member of the Ukrainian Helsinki Group, a teacher by profession, who died on May 6, 1984, at the age of 57. His name, Oleksiy Tykhy, in the Perm special regime camp, from ulcers and other ailments exacerbated by harsh conditions in the camp. The official cause of his death was given as cancer, but this has been called in question. It is known that Oleksiy Tykhy was suffering from cirrhosis of the liver, hepatitis, and a stomach ulcer. He twice underwent an operation for the stomach ulcer, the last time at the beginning of 1984. He weighed only 90 pounds shortly before his death at the age of 57.

Yuriy Lytvyn, another Ukrainian. He died on September 15, 1984, in the special regime camp in Perm. The cause of his death is not known. There have been reports that Yuriy Lytvyn committed suicide; however, it is thought that these reports are untrustworthy.

Yuriy Lytvyn was a poet. Yuriy Lytvyn was a journalist. He was a political prisoner for many years.

Another Ukrainian who has died in the last 2 years is Oleksiy Nikitin, a mining engineer, and a leader of the independent labor union movement. He died as a result of abusive psychiatric treatment in the spring of 1984 at the age of 47.

This gives us cause for great concern in that this is not a minimal repression of a human rights organization known as Helsinki Group Monitors. This is a kind of murder by the withholding of proper and appropriate health and medical conditions, and it is a sorry state when poets, and when journalists, and when writers, and when teachers die simply to promote their own beliefs, their own national heritage, and the cultural identity that has been with their people for a thousand years.

So the Budapest Cultural Forum takes on an added importance in the light of what has been happening to our Helsinki Monitors such as the ones that I have just referred to.

Mr. HOYER. I thank the gentleman for providing the names of those who have been denied freedom, even life, for the sole reasons, as the gentleman has pointed out, of attempting to express their thoughts, practice their religion, and maintain their culture.

As the gentleman from Pennsylvania [Mr. RITTER] and I both know as Members of the Commission, tragically, we could spend the balance of today, until midnight, enumerating cases similar to the ones that he has just outlined. It is for that reason that it is so important for all of us in the Congress and in this Nation to keep faith with those who have shown the courage of their convictions and have relied upon the promises outlined in the Helsinki accords and undertaken by all 35 nations to recognize, honor, and protect the rights of expression, the rights of dissemination of information, the right to practice one's religion, and teach one's religion to one's children.

Mr. RITTER. If the gentleman will yield further, I think his words are awfully important. They are awfully important because we are at the point of a summit meeting and I think it is well known that unless the United States and the people of the United States take leadership in this particular area, leadership of our West European allies who are also involved in these same questions, the Soviets and their Communist allies in Eastern Europe and elsewhere will continue these policies as if nothing happened.

So it is absolutely essential that these messages coming from the Free World, coming from those nations that are involved in the summit discussions, bring these subjects up and bring them up on a timely basis and as often as possible.

A number of our group, eight Congressmen, met with Soviet President Andrei Gromyko in Moscow last night, and the Soviet President kept coming back to the idea that there could not be cooperation in space with the United States unless the Americans did away with the strategic defense initiative, SDI. It was, to some extent, a broken record.

But we were liberal Democrats, and moderate Republicans, and moderate Democrats, and conservative Republicans, all talking, all acting, as one. The response came back to Mr. Gromyko, first from a liberal Democrat from the State of New Jersey [Mr. ROBERT TORRICELLI] and he very eloquently stated that the decision of this administra-

tion, the decision of the American people, to rearm and to rebuild their defense and to go ahead with the strategic defense initiative was far more made in Moscow by their actions in building up their military to unprecedented heights than made in the United States. I added, in addition to those defense considerations, were human rights considerations; that we felt here in the United States that the Soviet Union was undergoing a kind of re-Stalinization as it so brutally repressed human rights, as it so brutally dealt with anyone connected officially with the Helsinki accord monitoring group.

We also discussed the impact of the Soviet invasion of Afghanistan and the brutalization of an entire nation, the destruction of an entire people, and that this, too, added to the development of a certain fear on the part of the American people of the Soviet Union, its massive offensive weapons capability, and that this, too, led to a groundswell toward some kind of greater defensive capability against Soviet offensive weapons.

□ 1635

We mentioned the Soviet actions in Central America. The comment which was, I think, extremely instructive came back from President Gromyko, the comment was that he pitied us, he pitied us for being subject to what he called disinformacia or disinformation of the American media, that somehow the American media had concocted Afghanistan and the brutalities there, had concocted the death of five Helsinki monitors in labor camps and prisons prematurely in the last 2 years, had concocted the Sovietization of a particular Central American country. And I might add he said we have received the same disinformation about Soviet activities in Cuba and Soviet activities in Angola as we have seen about Soviet activities in Nicaragua, which was, I think, kind of giving greater credibility than he had imagined to the Soviet activities in Nicaragua.

But it was this response, that somehow we are victims, pitiful victims of disinformation, that is frightening. It is frightening because it is inconceivable that a Soviet leader who for 50 and more years has been active on the international scene so misunderstands the American people, and the American way of life, American democracy, and the American press. It is so important that people like the gentleman from Maryland, the cochairman of the Helsinki Commission, take to the floor to bring these issues in detail to the forefront of the debate in this country, because on the other side, there is a claim, as Gorbachev said to the French journalist who asked about political prisoners, he said what is the matter with you, someone with your education, with your background, with your experience, with your ability, how can you make such a absurd statement; or to eight Congressmen that we were the victims of a disinformation campaign. This must give us cause for concern, but it must not diminish our efforts to bring these conditions and these situations out before the American people, and I thank very much the gentleman from Maryland for doing exactly that.

Mr. HOYER. Again I thank the gentleman for what I believe to be very pertinent comments and for pointing out the unanimity that there is between the Members of both parties and of varying ideologies on the question of human rights. That the gentleman from the President's party and the gentleman from New Jersey [Mr TORRICELLI] from the Democratic party, formed a bipartisan delegation and went to the Soviet Union, as have many in the past, and hopefully many will in the future is an example of the bipartisanship on the subject of human rights. Such a delegation mirrors the deep concern that we have for the failure of the Soviet Union and its satellites to honor their commitments undertaken in Helsinki. On that point I believe I can say that there is no disagreement between the Congress, and the President, or among the Members of the Congress on either party.

The Helsinki Monitoring Group has been savaged and brutally treated by the Soviets and their satellites.

Through fear, intimidation, force, and incarceration in labor camps, prisons, and psychiatric hospitals, the Soviet regime seeks to control the flow of information, to stifle creativity. To deny the cultural identities of its citizens by suppressing history, culture, language, tradition, and religious beliefs with the final objective to break the human spirit of these brave people.

In the works of cultural dissidents like Stus, one finds an amazing inner strength. A refusal to compromise and ultimately a willingness to suffer for the right to create. The letters from prison are testimony to the invincibility of the creative spirit, to the strength and dignity of individuals seeking truth, and to the immortality of their causes.

So at Budapest we will discuss human rights. The right to create and disseminate ideas is a human right. Central to the U.S. interest in human rights in the CSCE process is the conviction that the CSCE process exists primarily to benefit the peoples of the participating states. There are those who see the Helsinki process as a lifeline. Keeping faith with those peoples is an important part of what meetings such as Budapest are about.

When the Hungarian Government requested that this meeting be held in their capital, they assured the 34 other signatory states to the Helsinki Final Act that they would abide by the practice observed at all other CSCE meetings, and provide an open atmosphere for free and unfettered dialog on cultural cooperation. The Hungarians also agreed unconditionally to follow the precedent established at the Madrid Review Conference with respect to nongovernmental organizations and their participation in the conferences. So far, they have respected neither commitment. We note with deep concern that the Hungarians on Tuesday banned activities planned by private Helsinki monitoring groups like U.S. Helsinki Watch that have representatives at the forum in Budapest.

The U.S. delegation, through Ambassador Walter Stoessel, has protested to the Hungarian Government. The protest said, in part, that the ban was "a violation of Hungary's commitment to allow the full range of activities for nongovernmental organizations, and that it has harmed the spirit of the Budapest cultural forum." The Hungarians replied that such private groups will be permitted no activities during the conference, despite repeated assurances during the past 2 years that the conference would be open.

That is a further violation of undertakings that the Soviet bloc nations willingly agreed to. Such activities by NGO's were not forced upon the Hungarians or put forward by the West but were voluntarily and willingly undertaken and agreed to by Hungary. Notwithstanding those actions, Hungary has not followed through.

My esteemed colleague and chairman of the Helsinki Commission, Senator AL D'AMATO and I coauthored a letter to the Hungarian Ambassador last week after reports of visa difficulties for private groups surfaced. We expressed the concern of the Helsinki Commission and remined Ambassador Hazi that the Government of Hungary had agreed to permit the full range of private activities at this forum. In his reply, dated October 14, Ambassador Hazi stated that the Government of Hungary has been driven "by the desire to meet her full commitment to the Helsinki process and to make the Budapest Cultural Forum successful both as a contribution to the Helsinki Process and to the easing of international tensions. The futhering of peace and understanding." That assurance is not being honored in Budapest.

Again, I am pleased to yield to my friend from Pennsylvania [Mr. RITTER].

Mr. RITTER. I thank the gentleman from Maryland for yielding.

It is sad, in a way, that this flow of information and this ability to provide for cultural interchange is not allowed in these countries, because as we have seen, we live in an information age.

We depend for our very lifeblood, our economic vitality, our standard of living on the free flow of information.

I lived in the Soviet Union 18 years ago. I went back this week after 18 years, and the changes that are taking place across the length and breadth of the Western nations, the decentralizing of our economy to some extent, the making available of information universally, the quick and rapid interchange of information, this is not taking place inside the Soviet Union. It seems to me that the need for this kind of free flow of information is even greater in the Soviet Union than it is in the United States or other Western countries because there is such a crying need to bring decisions back down to individuals, to make people responsible so that they are efficient, and effective, and productive, and so that the overall society produces more for its people.

Today inside the Soviet Union, forward-thinking people talk about decentralization. But I submit that simply reforming existing structures without permitting the freedom of flow of information, all different kinds of information coming from all different quarters, there will not be success, and it could end up as layer upon layer of new bureaucracy. As one who holds a great deal of affection for the Russian people and the other peoples under the aegis of the Soviet Government, I feel sad that they do not have it within their power to allow the freedom to flow throughout that country which inevitably would provide for a far greater strength, a far greater living standard, and a far greater level of happiness, and a far more peaceful world as a result.

Again, I thank the gentleman for yielding and yield back to the gentleman at this time.

Mr. HOYER. Again I think the remarks of the gentleman from Pennsylvania are right on point and very useful.

Mr. Speaker, in concluding my remarks on the cultural forum in Budapest, I regret to report that clearly the actions of the Hungarian Government indicate an unwillingness to foster the atmosphere conducive to open discussions on promotion of East-West cooperation in the field of culture. Such actions, unfortunately, undermine the potential successes that may be achieved at this cultural conference.

Mr. Speaker, there is no doubt that those of us who look to the cultural forum with great expectation, still have great hopes for some success in the areas of the exchange of information, the preservation and strengthening of minority cultures and religion in the Eastern bloc nations. We must not, in my opinion, lose heart. We must continue to involve ourselves in the Helsinki process. We must continue to bring to the attention of the Congress, to the people of the United States, and indeed the peoples of the world the commitments undertaken by 35 signatory nations at Helsinki in August of 1975, for those undertakings speak to the highest and best values that we in the West rely upon as the very basis of our societies.

□ 1650

Therefore, Mr. Speaker, I hope that we will recommit ourselves, despite the difficulties we have encountered and the frustration and disappointments we have experienced over the past 10 years. The commitments in the final act are to basic human rights that we take for granted sometimes in this Nation but which have been so well stated in our Declaration of Independence and which are the very basis of this Nation and of Western society.

Mr. KEMP. Mr. Speaker, first of all, I would like to thank the distinguished cochairman of the Helsinki Commission, Representative STENY HOYER, and our colleague in the Senate, Chairman D'AMATO, for their leadership and guidance. It is especially timely that we participate in this special order to commemorate the CSCE cultural forum taking place now, and for the next 6 weeks, in Budapest.

This is an excellent opportunity to raise the case of Vladimir Feltsman. Feltsman should be a top priority on our human rights agenda at all times and particularly now, at the Budapest cultural forum. Countries who participate in the Helsinki process are supposed to send leading figures from different fields of culture to discuss breaking down the barriers to artistic freedom. Specifically, the items on the agenda will deal with censorship, impediments to travel and communication, repression of cultural minorities, and the creation, dissemination and cooperation of art and artists. The focus of the forum will be to find a way to remove these obstacles.

Vladimir Feltsman is the living embodiment of an individual who must face these obstacles. An artist and a Jew, an international award-winning pianist and a Soviet citizen, Vladimir has been a victim of the repressive Soviet system. He was a highly acclaimed artist with the world at his feet until he applied for an exist visa to emigrate to Israel in 1979. Then it was as though Vladimir had never existed. His recordings are censored completely, he is not permitted to travel, and he is supposed to be ostracized by the performing arts community.

Ironically, Vladimir's courage has made him the secret hero of the same artistic community which is supposed to depise him. The support and interest his plight has engendered in the West is a ray of hope for all of his fellow artists who would like to see the goals of Helsinki realized—to have complete freedom to communicate and exchange ideas with other artists everywhere.

I met Vladimir when my wife, Joanne, and I attended a concert he gave at his apartment in Moscow 3 years ago. At that time, we discussed his harrassment by Soviet authorities, which I understand continues without abatement. I have worked with concert promoter Norman Gladney to try to obtain permission for Vladimir to perform in the United States from Gosconcert, the Soviet performing arts booking agency. Our communications have remained unacknowledged.

Nearly 4 years ago, Gladney presented a "concert" for Vladimir at Lincoln Center. I use the term concert advisedly, because Vladimir wasn't there. Many other distinguished performers provided the entertainment for the evening, including such notables as Helen Hayes, Dudley Moore, Misha Dichter, and dancers from American Ballet Theater, but the high point was the dramatic moment when a piano stood spotlighted on an empty stage while a recording of Feltsman's works was played.

Two years ago I introduced a resolution in Congress in support of obtaining from the Soviet Government permission for Feltsman to perform at the Kennedy Center in our Nation's Capital. This resolution received unprecedented support from the leadership of both parties. We did not obtain his release, but a clear signal was sent to the Soviets that this is one cause, one man the United States will not forget.

CBS Masterworks has courageously undertaken to produce and promote a recording of a Feltsman concert given at the American Embassy in Moscow. Not only will CBS be presenting for the first time an artist new to our country, but they will be making a strong statement in support of our Nation's belief in individual and artistic freedom. I applaud the patriotism CBS Masterworks has shown in taking this risk with an artist as yet unknown. On the eve of the 200th anniversary of our Constitution, and during the CSCE meetings on cultural freedom in Budapest, this is a commitment to freedom.

It is sad to think that an individual of such great talent should be reduced to playing in his apartment to an audience limited to his young wife and infant son. Who knows to what great heights this man could have climbed—and, with our help, still could—if he were permitted to freely exchange ideas and theories and hopes and dreams with other artists of his caliber? And how much richer these other artists would be? The end result would be a better world, the richer for the exchange. There is still hope for Vladimir Felstman, for all artists. Achieving the Helsinki goal of cultural freedom at Budapest in the coming weeks would be a first step toward the achievement of total freedom for oppressed people everywhere.

Mr. FRANK. Mr. Speaker, this week marks the beginning of the Cultural Forum of the Conference on Security and Cooperation in Europe. This meeting in Budapest continues the process begun at Helsinki in 1975. I want to thank my colleague Mr. Hoyer for taking out this special order so that we can discuss the Helsinki process; I also want to commend the fine work he has been doing as cochair of the U.S. Com-

mission on Security and Cooperation in Europe.

I think most of us in this body would agree that there have been disappointments resulting from the Helsinki process. Certainly there has been no appreciable improvement in the human rights situation in the Soviet Union. Nor, on the whole, has there been any such improvement in the rest of the Eastern bloc, though there have been fluctuations. On the issue of Soviet Jewish immigration—one litmus test for the agreement—the situation has gone from bad to worse. But I think the process has been very useful to the cause of human rights, if only because it helped focus attention on the cause. The Helsinki agreement set forward a list of universal principles which all citizens of the signatory countries can appeal to as recognized and inalienable rights. Equally importantly, the agreement proclaimed the principle that individuals can and should monitor compliance with the agreement. The Helsinki process may not have led to concrete concessions on the part of Eastern bloc governments, but in each of these countries human rights movements have crystallized around the powerful idea that citizens may monitor their own government's compliance with the accord.

It is precisely this idea which is being challenged this week in Budapest. Up until now it has been accepted at all of the Helsinki followup meetings that private human rights groups may stage their own meetings to coincide with the official meetings. The Government of Hungary had been understood to accede to this when it came host of the Cultural Forum. However, the authorities have prevented a group of Western and dissident East European intellectuals from holding a public symposium to parallel the Conference proceedings. The United States delegate to the Conference, Ambassador Walter Stoessel, has correctly characterized this as having "harmed the spirit of the Budapest Cultural Forum and is not conducive to the aims" of the Helsinki process.

The Helsinki process depends on the rights of individuals to monitor the compliance of their own governments, and I commend Ambassador Stoessel for recognizing this. It must be a keystone of American policy to come to the defense of these monitoring groups whenever they are under attack. Having said that, Mr. Speaker, I feel compelled to comment on my own Government's compliance. It is exemplary but it is not perfect. There are a few areas in which I believe our compliance can be improved; let me mention one of them. Since 1952 our immigration laws have contained an explicit ideological test for visitors to this country. At hearings before the House Judiciary Committee's Subcommittee on Immigration, Refugees, and International Law—June 28, 1984—Ms. Jeri Laber of Helsinki Watch testified that these provisons were violations of the principle that people and ideas should be able to freely cross between countries. Helsinki Watch can speak with experience on this issue; it is one of the groups which has been prevented from participating in a public forum in Budapest. I have introduced legislation to bring our immigration laws into conformity with Helsinki principles.

This is a minor infraction, to be sure; it cannot compare with the complete departure which has unfortunately characterized the record of the Eastern bloc nations. But it is important that we in the West make every effort to keep our own house in order. We do this for foreign policy reasons; it increases our credibility in the global ideological contest we wage on behalf of freedom. More importantly, we do it because it is right and healthy for us; the principles laid down at Helsinki are restatements of the fundamental principles upon which our national life is based. That is reason enough to fight for these principles abroad, it should be reason enough to fight for them at home.

Mr. PORTER. Mr. Speaker, I am pleased to join my colleagues of the Helsinki Commission to participate in this special order calling attention to the Budapest Cultural Forum.

This meeting as mandated by the Madrid Review Conference of the Conference on Security and Cooperation in Europe is the first to occur in a Warsaw Pact country and the first to deal exclusively with the cultural provisions of the Helsinki Final Act. Therefore, the need to address such as the right to assemble to discuss and practice religious faith and the right to teach languages and teach one's children religion must be given a high-priority status.

The United States and other Western democracies are committed to promoting respect for these individual human rights. However, these fundamental human rights must be promoted and accepted by all 35 signatories of the Helsinki Final Act.

The distinguished delegation that will represent the United States will share its views and concerns about the conditions that foster or hinder artistic creativity and the sharing of that creativity within and between States. This is the key that must be recognized—we must share with all nations the concept that approved cultural bodies can cooperate with each other to expand mutual cultural understanding and respect.

Individuals, whether acting alone or in freely formed groups, should be entitled to create, to discuss, and to promote the various forms of cultural expression without governmental control or supervision. International human rights doctrines guarantee these rights.

Eastern bloc countries proclaim impressive guarantees of the individual, cultural and national rights of all their citizens. Then why does censorship remain a sword hanging over the heads of all artists and writers in these countries? Why is the repression of religion still taking place? Why is the principle that the good of the collective always takes precedence over the rights or interests of any individual still being adhered to? And finally, why must the individual artist conform his or her personal development and expression to the themes, structures, and control of the State?

The answers to these questions are the principles guiding relations between nations that recognize a respect for human rights and fundamental freedoms. These principles must be maintained in the forefront of all negotiations between all countries.

The Budapest Cultural Forum, as part of the CSCE process, emphasizes that these important goals are not forgotten. The review process, as a whole, reminds those who signed the Helsinki Final Act what their commitments are, while it also reminds those who have ignored these principles what their commitments should be. We must continue to maximize pressure on all countries to live up to their international agreements.

The Cultural Forum is the stage where artists and authors from all over the world are gathering to freely exchange their cultural views and ideals. I join my colleagues in the hope that the Hungarian Government allows all participants the right to freely express themselves.

GENERAL LEAVE

Mr. HOYER. Mr. Speaker, I ask that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of this special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

ORDER OF BUSINESS

Mr. DREIER of California, Mr. Speaker, I ask unanimous consent that my special order precede the special order of the gentleman from California [Mr. PASHAYAN].

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

COMMENDING THE PRESIDENT FOR MAKING THE POW-MIA ISSUE A HIGH PRIORITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DREIER] is recognized for 5 minutes.

Mr. DREIER of California. Mr Speaker, recent news reports have publicized the National Security Adviser's unofficial comments on the likelihood that Americans are still being held captive in Indochina as a result of the Vietnam War. Mr. McFarlane's comments represent the differing views and uncertainty about the fate of our MIA's in the administration and the general public. This uncertainty has led the administration to make such a final determination a top priority. I welcome this recent publicity as a means to renew Ameri-

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ca's awareness of the, as yet, unresolved issue of nearly 2,500 unaccounted American servicemen.

This past year the media has justly focused much of our public attention on the plight of Americans held hostage—most recently those on the *Achille Lauro*, TWA flight 847 and in Beirut. A great deal of effort as been made to examine the effects of such captivity not only on the captives but on their families. These studies have explored the impact of anxiety and uncertainly generated among the relatives of hostages.

Well, Mr. Speaker, there are almost 2,500 American families who have endured an interminable period of stress and pain in not knowing the fate of their loved ones listed as missing in action. The initials MIA might as well stand for limbo. Some of these families have been left hanging for the last 20 years. Even the knowledge that a missing soldier or airman had met death would help bring peace to the family which has been unable, and understandably unwilling, to close the book on their missing family member, dead or alive, we owe it to the families of the MIA's to find out for certain what happened to our MIA's once and for all. Mr. Speaker, I rise in support of the administration's stated goal to make the POW-MIA issue a high priority. I commend the President for his efforts to negotiate with Hanoi for the discovery of our missing in spite of reports this foreign government and former enemy has been less than candid.

Mr. Speaker, Let's pursue the necessary avenues to bring these men home at last.

Mr. Speaker, I yield to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. I thank the gentleman for yielding. I want to congratulate him for his remarks and commend him for continuing to bring this matter to the attention of the body, because so many people, as he has pointed out, have this burning on their hearts and minds on a daily basis, so it is well that we keep the pressure on. We can do so through this means and other means, and I congratulate the gentleman for his remarks.

THE ARMENIAN GENOCIDE AND THE OUTCRY OF U.S. PRESIDENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. PASHAYAN] is recognized for 60 minutes.

Mr. PASHAYAN. Mr. Speaker, I ask unanimous consent that throughout the text, evidentiary and supporting materials be included.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PASHAYAN. Mr. Speaker, a month ago, Mrs. JOHNSON of Connecticut stood before this body and announced the rediscovery of congressional resolutions from 1896 and 1920 that document the recognition of the destruction of the Armenian people in Ottoman, Turkey. Mrs. JOHNSON entitled her special order "The Armenian Genocide and America's Outcry."

Today I rise to speak that among the loudest outcries heard in America on behalf of the Armenian people were the outcries of eight Presidents of the United States, beginning with Benjamin Harrison, that reflect awareness and profound concern regarding the atrocities against the Armenians. I was truly astonished to learn of the personal anguish and heartfelt commitment of the Presidents of this nation toward the Armenian people. What emerges from these pages is a moral portrait of American leadership: a spontaneous sympathy for the downtrodden, coupled with a desire to alleviate their suffering.

The Armenian genocide is one of the greatest tragedies of the 20th century. No episode of human suffering up until that time troubled the conscience of America more. For more than 30 years, President after President cried out for the massacres to cease and for relief to be sent to the stricken. Yet, Members of this body are now being told by current Turkish representatives and advocates that this chapter in history is unimportant and that it is inappropriate for congressional discussion.

Members of this body have a right to know what they are being asked to do by our NATO ally. They are being asked to contradict their own Presidents—Benjamin Harrison, Grover Cleveland, William McKinley, Theodore Roosevelt, William Howard Taft, Woodrow Wilson, Warren G. Harding, and Herbert Hoover—and to believe what no American President and no American Congress has ever believed—that the Armenian genocide did not occur.

A resolution is pending before us that would designate a day of remembrance for victims of the Armenian genocide. House Joint Resolution 192 was introduced by my colleagues, Mr. COELHO, Mr. CONTE, Mr. DORNAN of California, Mr. ASPIN, and myself. A few of my colleagues have legitimately raised the question: Why do we need this resolution at this time?

This resolution is necessary to demonstrate American willingness to remember its history and its unwillingness to be told when and when not to do so. There is no rational reason in the world not to remember the Armenian genocide, just as there is no rational reason why we should refuse to remember the Holocaust or other like tragedies. The voices of denial cannot be permitted to be heard more loudly in this Chamber than the voices of our Presidents. That is why I am taking this time on the floor to recreate for House Members a sense of the three decades of concern and commitment by eight Presidents toward the Armenian people.

President Benjamin Harrison, after his return to Indianapolis in 1894, became alarmed by accounts of the massacres of Armenians in Ottoman Turkey. In a letter dated December 14, 1894, to Richard Thompson, a Chicago attorney heading an organization to provide relief to Armenians, President Harrison wrote:

> My indignation and sympathy have been greatly aroused by the press reports of the fearful outrages practiced on the Armenians.

Mr. Speaker, less than a year later, this anguish had come to occupy a proper place in American foreign policy. President Grover Cleveland, in his annual message to Congress on December 2, 1895, conveyed a deepening sense of frustration in America over the killing of Armenians and the danger facing American missionaries:

> Occurrences in Turkey have continued to excite concern. The reported massacres of Christians in Armenia and the development there and in other districts of a spirit of fanatic hostility to Christian influences naturally excited apprehension for the safety of the devoted men and women who, as dependents of the foreign missionary societies in the United States, reside in Turkey under the guaranty of law and usage and in the legitimate performance of their educational and religious mission.

Mr. Speaker, in the same message, President Cleveland called upon the signatory powers to the Treaty of Berlin of 1878 to fulfill their promise to guarantee the security of the Armenian population of Ottoman Turkey:

> By treaty several of the most powerful European powers have secured a right and have assumed a duty not only in behalf of their own citizens and in furtherance of their own interests, but as agents of the Christian world. Their right is to enforce such conduct of Turkish government as will restrain fanatical brutality, and if this fails their duty is to so interfere as to insure against such dreadful occurrences in Turkey as have lately shocked civilization. The powers declare this right and this duty to be theirs alone, and it is earnestly hoped that prompt and effective action on their part will not be delayed.

□ 1700

Within several weeks after President Cleveland's message, anxiety over the desperate situation in Ottoman Turkey had swept across both Houses of Congress. As Congresswoman JOHNSON told us a month ago, the House and Senate adopted a resolution in January 1896 entitled "Armenian Outrages," mirroring President Cleveland's outcry for the European powers to intervene to save the Armenians. The atrocities by the Ottoman Turkish Government against its Armenian

population had now been elevated in America's foreign policy agenda.

Throughout 1896, however, the massacres continued. The European powers did not intervene. Thousands upon thousands of Armenians were savagely murdered or left exposed to every variety of plunder and disease. President Cleveland was deeply frustrated by the unending bloodshed. By his next annual message to Congress on December 7, 1896, he had reached the point of exasperation:

At the outset of a reference to the more important matters affecting our relations with foreign powers it would afford me satisfaction if I could assure the Congress that the disturbed condition in Asiatic Turkey had during the past year assumed a less hideous and bloody aspect and that, either as a consequence of the awakening of the Turkish Government to the demands of humane civilization or as the result of decisive action on the part of the great nations . . . the shocking features of the situation had been mitigated. Instead, however, of welcoming a softened disposition or protective intervention we have been afflicted by continued and not unfrequent reports of the wanton destruction of homes and the bloody butchery of men, women, and children, made martyrs to their profession of Christian faith.

Presidential concern over the Armenian massacres of 1894-96 did not end with President Cleveland. His successor, President William McKinley, continued to be occupied with the ramifications of these events 2 years later. In his annual message to Congress of December 5, 1898, President McKinley again touched upon the Armenians in a statement regarding indemnification by the Ottoman government for lost American property:

The newly accredited envoy of the United States to the Ottoman Porte * * * is especially charged to press for a just settlement of our claims for indemnity by reason of the destruction of the property of American missionaries resident in that country during the Armenian troubles of 1895, as well as for the recognition of older claims of equal justness.

Even before the beginning of the 1900's, their plight of the Armenian people in Ottoman Turkey had captured the attention of three U.S. Presidents. America's outcry was heard in Washington and throughout the Nation. By the beginning of the twentieth century, these humanitarian pleas grew louder as the commitment of the American people grew stronger.

The genocide of the Armenian people, like all other instances of genocide, is an issue worthy of remembrance today. Many of our citizens in this country are survivors of these atrocities, including Mr. Mesrop Baronian of Fresno, CA., who at the age of 96 is able to remember the massacres of 1895. As a tribute to those left behind, we should approve House Joint Resolution 192 and set aside a day in their memory.

Mr. Speaker, I thank the Armenian Assembly of America for its outstanding research effort in locating this documentation regarding the commitment of our presidents to the Armenian people.

Mr. Speaker, I bring forward critical new information about the involvement of the Presidents of the United States in the plight of the Armenians of Ottoman Turkey. Most of this documentation has been buried in remote drawers inside the National Archives and the Library of Congress for over half a century. We who value the integrity of history are grateful that the truth about the American commitment to the Armenian people is finally coming to light.

This commitment is exemplified by the words of one of our most legendary Presidents, Theodore Roosevelt. Long concerned about the atrocities against the Armenians, President Roosevelt made the following plea in his annual message to Congress on December 6, 1904:

[Our] nation should desire eagerly to give expression to its horror . . . when it witnesses such systematic and long-extended cruelty and oppression as the cruelty and oppression of which the Armenians have been the victims, and which have won for them the indignant pity of the civilized world.

Theodore Roosevelt discussed the Armenian outrages in his correspondence as well. On December 14, 1905, he wrote to Jewish community leader Jacob Henry Schiff:

. . . the case was much simpler as regards the Armenians a few years ago. There the Turkish Government was responsible and was able to enforce whatever was desired. The outrages on the Armenians were exactly the same as those perpetrated upon the Jews of Russia both in character and in extent.

On August 6, 1906, President Roosevelt wrote to American industrialist Andrew Carnegie:

It would be an advantage to justice * * * if we were able effectively to interfere for the Armenians in Turkey.

In a letter to Armenian rights advocate Dr. Lyman Abbott on January 3, 1907, he stated:

* * * I put righteousness above peace, and should be entirely satisfied to head a crusade for the Armenians.

President Roosevelt felt deeply that America should have intervened to stop the atrocities against the Armenians. By 1918, after the worst phase of the genocide was well under way, he wrote to Cleveland Dodge, founder of Near East Relief:

I feel that we are guilty of a peculiarly odious form of hypocrisy when we profess friendship for Armenia and the downtrodden races of Turkey, but don't go to war with Turkey. To allow the Turks to massacre the Armenians and solicit permission to help the survivors, and then to allege the fact that we are helping the survivors as a reason why we should not follow the only policy that will permanently put a stop to such massacres is both foolish and odious.

He went on to say:

* * * the Armenian massacre was the greatest crime of the war, and failure to act against Turkey is to condone it; because the failure to deal radically with the Turkish horror means that all talk of guaranteeing the future peace of the world is mischievous nonsense; and because when we now refuse to war with Turkey we show that our announcement that we meant "to make the world safe for democracy" was insincere claptrap.

President Roosevelt, perhaps more than any American leader, felt that only swift and decisive action against the perpetrators of genocide would convince them to halt the destruction of innocent people. His sense of outrage over the massacres of the Armenians stayed with him through the war, and he later referred to them in his autobiography as an example of "the worst infamies of modern times."

The worst infamies of modern times—such affairs as the massacres of the Armenians by the Turks, for instance—have been perpetrated in a time of nominally profound international peace, when there has been a concert of big Powers to prevent the breaking of this peace, although only by breaking it could the outrages be stopped. Be it remembered that the peoples who suffered by these hideous massacres, who saw their women violated and their children tortured, were actually enjoying all the benefits of "disarmament." Otherwise they would not have been massacred; for if the Jews in Russia and the Armenians in Turkey had been armed, and had been efficient in the use of their arms, no mob would have meddled with them.

Fortunately, the situation with regard to Turkey is quite different from that of President Roosevelt's time. The United States and the Republic of Turkey are now allies and share common goals. One goal that the United States does not share with Turkey, however, is the denial of history. The suffering of the Armenian people under the Ottoman regime is an important epoch in American history. It is a history of humanitarian concern and charitable assistance, a record of international condemnation and diplomatic entreaty. The American people and their Government simply cannot cast aside over thirty years of commitment in order to help an ally to avoid dealing with a difficult issue.

A minority of members of this body have echoed the assertion by the present Turkish Government that the United States ought not involve itself in the Armenian genocide question. This special order is the appropriate response to that assertion. The United States was involved in this tragedy almost from the beginning and continued its involvement through the late 1920's. The American people cannot countenance an aboutface on their own history. Our alliance with Turkey is strong, and will grow stronger by

facing up to the challenge of rightly reckoning with the past.

Mr. Speaker, I yield to the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. I thank the gentleman for yielding.

Mr. Speaker, I am pleased to take part in this special order sponsored by the gentleman from California. Through the efforts of Mr. PASHAYAN, Mrs. JOHNSON, Mr. COELHO, and others, we are now becoming aware of the degree of involvement by the United States in the tragic events in Armenia, beginning over 80 years ago. This period was known as the "American Genocide," and named by Dr. Raphael Lemkin, who later conceived the Genocide Convention.

Our Presidents were painfully aware of the excesses committed against the Armenians in Ottoman Turkey. For nearly three decades they acted to alleviate the suffering and to prevent further killings. Despite their pleas, however, the massacres continued until some 1.5 million Armenians had perished and the remaining survivors scattered across the Middle East and eventually across six continents.

President Herbert Hoover vividly recalled the Armenian atrocities in his memoirs, published in 1952. He served in President Wilson's war Cabinet and was acutely aware of the tragedy that had befallen the Armenian people. In his memoirs he wrote:

> Probably Armenia was known to the American School child in 1919 only a little less than England. The association of Mount Ararat and Noah, the staunch Christians who were massacred periodically by the Mohammedan Turks, and the Sunday School collections over fifty years for alleviating their miseries—all cumulate to impress the name Armenia on the front of the American mind.

He described the work performed by the American Near East Relief Committee on behalf of the Armenians:

> Their sailings began early in January (1919). Five or six weeks later, Mr. Heinz at Constantinople informed me of rumors that "things had gone to pieces" in Armenia and that the Near East Committee's work had broken down * * * their report to me pictured an incredible state of affairs both as to the near east committee staff and the condition of the Armenians.

Herbert Hoover's memories of the Armenian atrocities stayed with him nearly 35 years after he had first dealt with the enormous tragedy. One can only imagine how much more vividly the memories of the events remain for those Armenians who escaped the massacres and found refuge on these shores. Many thousands of these brave people are with us in 1985 and are waiting as the Congress considers a measure to commemorate their perished parents and siblings.

House Joint Resolution 192 will simply commemorate an event that has been recognized by the United States for nine decades. Those opposed to the discussion of this event have attempted to convince Members of Congress that the United States should abandon this recognition. No reason for the denial of history can ever suffice.

We should pass House Joint Resolution 192 when it is brought to the floor of the House.

I pledge to work with the gentleman from California to that end.

Mr. PASHAYAN. I thank the gentlewoman for her appropriate words.

Mr. Speaker, I know the gentlewoman has been a longtime advocate in trying to get this resolution and similar resolutions passed, and I appreciate her work. A lot of people in America do also.

Mrs. ROUKEMA. Mr. Speaker, we owe a debt of gratitude to the gentleman from California.

Mr. PASHAYAN. Mr. Speaker, I yield at this time to the gentleman from California.

Mr. DORNAN of California. I thank my fellow Californian for yielding to me.

Mr. Speaker, I, too, both want to congratulate and thank the gentleman from California [Mr. PASHAYAN] for calling this special order, particularly the focus he has put on reminding all Americans what each one of a series of American Presidents has had to say about the brutality inflicted upon the Armenian people.

There was perhaps no greater President, as the gentleman in the well knows, than Woodrow Wilson, our President who was in office during the worst of the series of massacres which took place.

Mr. Wilson received innumerable eyewitness accounts and reports of the devastation of the Armenian population that he was convinced that we had to act as Americans in order to save the Armenian people from extinction.

I want to repeat that: President Woodrow Wilson believed in his heart that he was acting to prevent an absolute extinction of one of the world's oldest and most distinguished people, the first people to adopt Christianity as a whole nation.

I might say again, as has been said on this House floor many times, but it bears repeating over and over, that if Adolf Hitler, one of the prime tyrants of this century, had not observed that the Armenians were suffering unbelievable hardship, including this century's first genocide, if he had seen the world rise up and, in an outcry as Woodrow Wilson had wanted, he probably would not have dared to perpetrate his unspeakable crimes against the Jews of Europe.

On December 10, 1915, President Wilson received a communication from William Nesbitt Chambers, an American missionary in Turkey, who wrote that the Armenian situation in Turkey was "appalling in its awful cruelty and relentless extermination." The President responded 3 days later:

> The situation with regard to the Armenians is indeed nothing less than appalling. You may be sure that we have been doing everything that is diplomatically possible to check the terrible business.

On December 21 of the following year, President Wilson wrote to Rt. Rev. Arsene Vehouni of the Armenian Church:

> I am sure that I am expressing the feeling of the people of the United States when I say that the little we have been able to do has been done with hearts full of sympathy, and that the suffering people of Armenia may rest assured that they will continue to receive at our hands an unqualified sympathy and, whenever it is possible, generous assistance.

President Wilson backed these words with concrete efforts to aid the suffering. In both 1916 and 1917, he made appeals to the American people to contribute toward "the relief of the Armenians." But the massacres continued unabated. The President eventually concluded that the United States had to intervene militarily if the Armenian people were to be saved from total annihilation. On September 18, 1919, he wrote to Acting Secretary of State William Phillips:

> I would be pleased if you would get into communication with Senator Williams and through him with the appropriate committees of Congress with regard to our being authorized to send troops to Armenia. I am heartily in favor of such a course if the Congress will authorize it * * *.

The telegram follows:

> DUNSMUIR, CA,
> *September 18, 1919.*
>
> Hon. WILLIAM PHILLIPS,
> *Acting Secretary of State,*
> *Washington, DC.*
>
> I would be pleased if you would get into communication with Senator Williams and through him with the appropriate committees of Congress with regard to our being authorized to send troops to Armenia. I am heartily in favor of such a course if the Congress will authorize it, but of course am still willing to defer to the French if they are sending a sufficient number or to join them if they are willing to accept joint military action and we get the authority of Congress.
>
> WOODROW WILSON.

□ 1715

Now, you cannot ask for more commitment from an American President than starting to set the wheels in motion to send American troops to far-off corners of the world. Before there was any jet travel or high-speed ships, he was willing to try and save Armenian people with American military soldiers shedding their blood.

He again wrote to Acting Secretary of State Phillips on the 23d:

> I believe that it is of immediate humane necessity to take energetic action and that the very existence of the Armenian people depends upon it.

In his historic special message to Congress on May 24, 1920, President Wilson requested congressional consent for the United States to assume a mandate for Armenia under the League of Nations. In a very emotional appeal, the President described America's commitment to the Armenian people thusly:

The sympathy with Armenia has proceeded from no single portion of our people, but has come with extraordinary spontaneity and sincerity from the whole of the great body of Christian men and women in this country, by whose free-will offerings Armenia has practically been saved at the most critical juncture of its existence. At their hearts this great and generous people have made the cause of Armenia their own.

Just 3 days later, on May 27, 1920, President Wilson vetoed a congressional resolution that would have repealed the declaration of war with Germany and Austria-Hungary, and cited the following as one of his central reasons:

* * * nothing is said in this resolution about * * * the relief of the Christian populations of the Ottoman Empire from the intolerable subjugation which they have had for so many generations to endure.

Finally, on November 30, 1920, President Wilson wrote to M. Paul Hymans, president of the Council of the League of Nations:

* * * this country has repeatedly declared its solicitude for the fate and welfare of the Armenian people in a manner and to an extent that justified you in saying that the fate of Armenia has always been of special interest to the American people.

Our President went on to demonstrate his own personal commitment:

I am willing * * * to use my good offices and to proffer my personal mediation through a representative whom I may designate to end the hostilities that are now being waged against the Armenian people * * *.

Woodrow Wilson's long record of devotion to the Armenian people is in itself a chapter in our Nation's history that deserves remembrance. It was a devotion that reflected the deep sentiment felt by all of us Americans. It is perfectly understandable that Americans today still desire to pay tribute to this period of history.

House Joint Resolution 192 seeks to do just that. It seeks, very simply, to designate a day of remembrance for the victims of the Armenian genocide. Woodrow Wilson in his day would most certainly have endorsed such a commemorative resolution, as would Benjamin Harrison, Grover Cleveland, William McKinley, Theodore Roosevelt, William Howard Taft, Warren G. Harding, Herbert Hoover, and all the Presidents that various Members through your leadership, Mr. PASHAYAN, have really spoken to us again today with their very own words.

Why is there a controversy over something that has clearly been U.S. policy for over 90 years?

Well, our NATO ally, the Republic of Turkey, has been unwilling to acknowledge that a genocide has occurred under a predecessor regime, a regime that the current Republic of Turkey fought with their blood to overthrow, the centuries-old Ottoman regime that at various peaks and valleys exercised various levels of brutality and subjugation, and to precisely the 400 years that the Ottomans were in control of Turkey, and at one point threatened all of Europe, great Jewish and Christian leaders all over the world spoke out and were relieved in the early 1920's, when Ataturk—changing his name to what meant "Father of the Turks"—took this yoke of Ottoman oppression off the people of Turkey and brought them full force into the 20th century. Why should this continuing government since the early 1920's have this psychological hangup over acknowledging a genocide of the Armenian people escapes me. I cannot understand the thread of logic that runs through their reasoning. But that does not mean that the United States should abandon a 90-year recognition of one of the greatest tragedies in world history.

While there is no doubt that Americans value the friendship of the Republic of Turkey—and I say I do, as an individual Member—the anchor, the southeastern flank of NATO, we need them, it is a mutual friendship that we have, and we should continue to strengthen our relationship, it does not mean we should not do the right thing here.

While there is no doubt that this remembrance means a lot to the Armenian people, it is America's humanitarian intervention on behalf of Armenia and the remembrance of this that should be recalled that does not have any bearing whatsoever on modern Turkey today.

House Joint Resolution 192 has become for many Americans a symbol of the resolve of the Congress to remember America's past and also to keep alive the history of a beautiful and wonderful people, the Armenians. We must demonstrate that resolve and approve House Joint Resolution 192 when it returns to the House floor.

I would just like to say, in closing, tc my dear friend, Mr. PASHAYAN, that I had the honor yesterday morning of being at the ground-breaking ceremony for the Holocaust Memorial on 14th Street, right near Independence. This was yet another European tragedy or, in the case of the Armenian holocaust, a Near East, a Middle Eastern tragedy. Why do we have a museum for a European tragedy? Simply because of the enormity of the extermination of 6 million Jews and 6 million other people in Hitler's horrible concentration camps, 12 million people, innocent people died in a cataclysm that killed and murdered over 50 million people, the enormity of the attempted extinction of the Jews of Europe by Adolf Hitler and his Nazi regime is something that is important to the memory of every single living person. Well, if it had not been for the enormity of Hitler's crime or a genocide of 2 million or more Cambodians just in this last decade, if those two accursed crimes had not taken place, the genocide of the Armenian people, peaking in 1950, with much flutter in the few years after that, it would remain as the most enormous crime of man's inhumanity to man in all of history. It is just loathsome that in this century this holocaust and genocide of Armenians should be relegated to No. 3, behind the genocide of Jews and the genocide of Cambodians by the Communist Khmer Rouge. Nevertheless, the enormity of the crime is no different. No less a killer and a tyrant than Stalin himself said that the killing of millions is just an historical footnote, the killing of one person may be important. Well, that kind of twisted Communist logic is not accepted by American people. The loss of one American senior citizen in his wheelchair on the high seas of the Mediterranean just last week has made the name Leon Klinghoffer ring through our history of the last few days. Well, can we be so callous that 1½ million more Armenians dying should not be as important to us in the history of this country as one human being? This country finds great importance in the individual dignity of each human being, and it certainly wants to never forget the history of the attempted extermination of a whole people, whether those people are the great Khmer people of Southeast Asia, the Jews of Europe, or the Armenian people, and the contributions of Armenians to this country, including the Governor of the largest State of our great 50 States, our good friend, George Deukmejian, make this resolution no less and no more in importance. We would be doing it anyway. But it is a statement to all of the great Armenian Americans who have contributed so much to our culture, our arts, our music, our political system, our medicine, every field of American life. I do not see how we can fail to pass this with an overwhelming vote.

I thank my colleague for letting me share these comments.

Mr. PASHAYAN. I thank my colleague for his moving words and for his heartfelt sympathy and all the help he has rendered to the Armenian people. My colleague is well known in the House, as a matter of fact, I think it is fair for me to say that there is no stronger advocate, perhaps, in the House than my colleague of national defense and the policy the United States should maintain the strongest of defense. Yet the argument is being

advanced by this Government of Turkey that the Congress' continuing remembrance of what the predecessor Government of Turkey did somehow would constitute a damage to the NATO Alliance.

I should like to ask my colleague, briefly, to comment on whether he thinks a recognition of what took place in a predecessor Government in any way would damage the NATO Alliance, and, more than that, whether he thinks any of the Presidents whose words we are today recreating for this body, by mentioning and by speaking against the Armenian genocide, whether any of those Presidents were derelict in their duty as Commander in Chief in taking the position they took.

I would like to ask my colleague to please comment on the historical position.

Mr. DORNAN of California. I will give the gentleman a forthright evaluation, that this is going to amount to absolutely nothing, after this act of historical remembrance and deep-felt sympathy for the Armenian people is behind us for this year, with the day of remembrance commemorated, it will matter nothing to the average people of the modern-day State of Turkey.

I hope someone has included in the body of this particular record this evening the very words of Turkey's George Washington, the father of their country, the gentleman I mentioned before who changed his name to Ataturk. Everywhere I went in Turkey in the several visits I have made there is the picture of this handsome, by any cultural standard, imposing-looking man in what was in the early part of this century diplomatic uniform, in tux with tails and the red sash and the decorations on it, everywhere you see the face of Ataturk looking down. He acknowledged the genocide, he talked about the horror that had been inflicted by the cruelty of the Ottoman Empire on the Armenians of his country, and he considered them fellow citizens of Turkey. If the father of their country, the one name that stands out and shines in Armenian history had no psychological hangup, what is the problem with the Turkish Government today? Maybe it is just—we should be charitable—for domestic consumption. We have never had a tougher leader of the nation of Egypt. I said to President Mubarak yesterday, "Look, you are a fighter pilot. Act like one. Stand tall against terrorism. All the people who killed your friend Sadat, they have all been executed by your Government. What are you doing with the bizarre remarks suggesting that our President should apologize for apprehending in the air, as if he sent out a duly authorized posse to reel in the stagecoach, with the murderers on board? What are you doing putting us up against the wall, Mr. Mubarak?"

And I think the dust will settle over that. It is probably for domestic consumption. It seems like most of the nations of the world have to always take into consideration rioting in the streets, or something. Well, I think the Turkish leaders that I have spoken to—and I have talked to some ambassadors in various countries who are very tough, astute, cultured gentlemen—they said, "Don't quote me. Proceed with this. We will be able to buffet any domestic pressures."

There is nothing wrong with ever acknowledging horrors of the past. So I am not worried about the Government. They are a good ally and, let us face it, we both need one another.

Mr. PASHAYAN. Absolutely.

Mr. DORNAN of California. I am stating this charitably: They have umteem Soviet divisions on their border. They share a border with the Soviet Union. When you get up on Mount Ararat, you look into the Soviet Union, still called Armenian S.S.R., and they still suffer persecution there, and then you look down into what were the great and beautiful lands of the heartland of Armenia.

By the way, I just noticed that tonight, if people want to get a look at how beautiful the countryside is of ancient Armenia, "20/20" tonight is doing a piece on Noah's Ark, another one of these stories: Is it possible that Noah's Ark could exist on Mount Ararat? Maybe it is a big leap of faith, but I believe that it is up there somewhere, so if people want to look at the Armenian heartland they can give it a good look at some beautiful photography on ABC's "20/20" tonight.

Mr. PASHAYAN. I should like to thank my distinguished colleague for his very kind words and very meaningful words and to echo what he said, that this resolution or the recognition by this Turkish Government of what the prior Turkish Government did in no way constitutes any detriment or disadvantage or damage to the NATO Alliance.

Mr. DORNAN of California. Absolutely not.

Mr. PASHAYAN. I thank the gentleman.

Mr. Speaker, I commend the gentleman from California for reserving this time on the floor to bring to our collective attention the degree of unanimity among U.S. Presidents regarding the deplorable treatment of the Armenians in Ottoman Turkey. The level of awareness and concern in this country during the time of the Armenian atrocities is remarkable.

Mr. Speaker, further remarks by two more Presidents, as a historical matter. We shall continue with President William Howard Taft, who commented about the tragedy of the Armenians numerous times in his "Papers on the League of Nations," published in 1920. He correctly identified the Armenians as undeserving victims:

> On the whole, it is not too much to say that the people of the Jewish race have suffered more in this war, as noncombatants, than any other people, unless it be the Serbians and the Armenians.

□ 1730

As Members begin to absorb the evidence we are seeing about American involvement in the tragedy of the Armenian people, we will view House Joint Resolution 192 from a new perspective. This resolution will serve merely to remind Americans that our Nation demonstrated a historic commitment to the Armenian people who were victims of genocide over several decades. The designation of a day of remembrance for these victims is perfectly in keeping with our history.

We should pass House Joint Resolution 192 when it is brought to the floor.

Mr. Speaker, the gentleman from California is to be commended for his efforts to bring to light the statements and actions of our former Presidents regarding the atrocities against the Armenians of Ottoman Turkey. In our consideration of House Joint Resolution 192, a commemorative resolution to recall the victims of this tragic period, we should take into account the prior record of our Government on this issue.

Warren G. Harding was among the most sympathetic of American Presidents with regard to the Armenian people. In 1920, then-Senator Harding introduced Senate Resolution 359 which recognized the massacres:

> • • • the testimony adduced at the hearings conducted by the subcommittee of the Senate Committee on Foreign relations have clearly established the truth of the reported massacres and other atrocities from which the Armenian people have suffered • • • the people of the United States are deeply impressed by the deplorable conditions of insecurity, starvation, and misery now prevalent in Armenia • • •.

The resolution follows:

S. RES. 359

> Whereas the testimony adduced at the hearings conducted by the subcommittee of the Senate Committee on Foreign Relations have clearly established the truth of the reported massacres and other atrocities from which the Armenian people have suffered; and
>
> Whereas the people of the United States are deeply impressed by the deplorable conditions of insecurity, starvation, and misery now prevalent in Armenia; and
>
> Whereas the independence of the Republic of Armenia has been duly recognized by the Supreme Council of the Peace Conference and by the Government of the United States of America: Therefore be it
>
> *Resolved*, That the sincere congratulations of the Senate of the United States are hereby extended to the people of Armenia on the recognition of the indepedence of the

Republic of Armenia, without prejudice respecting the territorial boundaries involved; and be it further

Resolved, That the Senate of the United States hereby expresses the hope that stable government, proper protection of individual liberties and rights, and the full realization of nationalistic aspirations may soon be attained by the Armenian people; and be it further

Resolved, That in order to afford necessary protection for the lives and property of citizens of the United States at the port of Batum and along the line of the railroad leading to Baku, the President is hereby requested, if not incompatable with the public interest, to cause a United States warship and a force of Marines to be dispatched to such port with instructions to such Marines to disembark and to protect American lives and property.

Harding's concern for the Armenians continued after he assumed the Presidency in 1921. He wrote to Judge Alton Parker on May 30, 1921:

I know that American sympathies and American generosity combine to impel us to afford every possible relief to the Armenians . . . I am writing mainly to have you understand that I have a sympathetic concern over the Armenian situation and I would like you to know of my willingness to be helpful . . .

The text of the letter follows:

MAY 30, 1922.

Hon. ALTON B. PARKER,
New York City.

MY DEAR JUDGE PARKER: I have yours of May twenty-fourth together with a copy of a letter which you addressed to the Secretary of State, relating to the plight of America.

I think perhaps you know my feelings in this matter. I know that American sympathies and American generosity combine to impel us to afford every possible relief to the Armenians, and to give our influence in bringing about the establishment and the tranquilization and stabilization of an Independent Armenian Republic.

I would gladly have our people do everything which may be done consistent with our foreign policy.

I am writing mainly to have you understand that I have a sympathetic concern over the Armenian situation and I would like you to know of my willingness to be helpful so far as it can be done in a consistent way.

Sincerely yours,

WARREN G. HARDING.

By 1921, the massacre of Armenians had spread to the south central region of Asia Minor along the Mediterranean, known as Cilicia. After the war had ended, the Ottoman government had began a new wave of killings in Cilicia where many survivors of the 1915 deportations had taken refuge. As he had advocated while in the Senate, President Harding urged that the United States act to prevent further destruction. He wrote to Secretary of State Hughes on November 21, 1921:

• • • I am disposed to think there is a good deal of ground for the gloomy view of the situation in Cilicia which is presented in this appeal • • •. When I was in the Senate I had the honor to recommend to the Executive the dispatch of a Navy vessel to the port of Batun on the Black Sea. The purpose at that time was to enable a sufficient force of marines to be employed to keep open the railway from Batun to Erivan in order to guarantee the transmission of relief supplies and otherwise tranquilize the situation. If it is believed that a warship can be sent to an Armenian port on the Mediterranean I should have very little hesitancy in making such a suggestion on behalf of these stricken people. Surely there must be some way in which to utter the admonition of the five great powers to restrain the hands of assassins in that unfortunate land.

The letter follows:

THE WHITE HOUSE,
Washington, November 21, 1921.

Hon. CHARLES E. HUGHES,
Secretary of State,
Washington, DC.

MY DEAR SECRETARY HUGHES: I am enclosing herewith a copy of an appeal presented to me today by a Committee of Americans who called on behalf of the Armenians in Cilicia. [I had something to do with the inquiry into the Armenian situation during the latter part of my term in the Senate, and I am disposed to think there is a good deal of ground for the gloomy view of the situation in Cilicia which is presented in this appeal.] I am wondering if it would not be possible for you to speak informally concerning the matter with Mr. Balfour and Mr. Briand.

When I was in the Senate I had the honor to recommend to the Executive the dispatch of a Navy vessel to the port of Batun on the Black Sea. The purpose at that time was to enable a sufficient force of marines to be employed to keep open the railway from Batun to Erivan in order to guarantee the transmission of relief supplies and otherwise tranquilise the situation. If it is believed that a warship can be sent to an Armenian port on the Mediterranean I should have very little hesitancy in making such a suggestion on behalf of these stricken people. Surely there must be some way in which to utter the admonition of the five great powers to restrain the hands of assassins in that unfortunate land.

Very truly yours,

WARREN G. HARDING.

Like his predecessors, President Harding was responding to a deep-rooted concern among all Americans about the continuing atrocities. He wrote to Secretary of State Hughes on May 20, 1922:

I am wholly conscious of a highly sentimental and very earnest sympathy among our people for the unfortunate Armenians.

President Harding had advocated that the American mission at Lausanne work toward the self-determination of the Armenians. By January 1923, the President had grown frustrated that they had encountered opposition. On January 15, he again wrote to Secretary Hughes:

I was deeply interested in yours of January 12th, in which you report the efforts of our Mission at Lausanne to do something in behalf of an Armenian national home, and the utterly discouraging reports that there are no prospects of the Turkish delegation agreeing to any such arrangement. It is going to be a very keen disappointment to religious America that the Armenian Christians are to be dealt with in this manner • • •.

Mr. Speaker, this remarkable record of dedication to the plight of the Armenian people is a proud period in this country's history. President Harding's involvement was a continuation of American policy that had begun over 25 years earlier. Through those decades there was never a thought given to waivering from our commitment to the suffering Armenians.

This extended period of human tragedy is worthy of remembrance today. Members of Congress are hearing from various corners that it is not our business to speak about this period in history. We must reject that notion. The Congress and our Presidents have created a crystal clear record on the subject of the Armenian genocide. We cannot dismiss this commitment and dishonor the memories of those leaders who came before us.

We must approve House Joint Resolution 192 when it is brought for a vote.

This then is a summary that I have presented to the House in the hope that when the House comes to consider House Joint Resolution 192 that the House will recall, that this body will recall, that the foreign policy of the United States, as declared by Presidents beginning in 1894, has been one of recognition of the Armenian genocide that began in Ottoman Turkey in the latter part of the 19th century and continued until the decline and fall, the collapse of the Ottoman government in the early 1920's.

Under the Constitution, it is the American President that is to speak out for foreign policy. I find it, as my colleague from California, Mr. DORNAN, finds it, remarkable that this Government today insists to this Congress that this Congress act in a manner to deny what is clearly by every bit of evidence of the records of the American Government itself a policy of recognition of what happened to the Armenians at the hands of the Ottoman Turkish Government.

I should like to take a minute to thank the Armenian Assembly who worked diligently to bring to light this historical evidence, clearly demonstrating that it was the policy of the United States to recognize what took place in that part of the world then, the genocide against a Christian people. I ask this Congress when the time comes, please, to recall the American policy, the American history, the American involvement with the issue and to pass House Joint Resolution 192.

ATLANTIC ALLIANCE: ALIVE AND WELL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. FASCELL] is recognized for 5 minutes.

Mr. FASCELL. Mr. Speaker, the Atlantic Alliance, I am happy to report, is alive and well and if not living in San Francisco at least functioning quite effectively there during the 31st annual plenary session of the North Atlantic Assembly.

The strategic defense initiative [SDI] was the main item of business and the interparliamentary body on Tuesday overwhelmingly upheld our position of support for SDI research consistent with the provisions of the Anti-Ballistic Missile Treaty. Readily defeated were efforts that might have undermined the United States position prior to next month's United States-Soviet summit in Geneva.

Much credit is due to the vigorous, bipartisan efforts of the U.S. delegation and top-level administration speakers who went to great lengths in helping allay fears that the United States would somehow "go it alone" with SDI and disregard restrictions in the ABM treaty.

Both Secretary of State George P. Shultz and veteran U.S. arms control negotiator Paul H. Nitze stressed that SDI research would be conducted under the precise, generally accepted strictures of the ABM treaty rather than the looser interpretation recently disclosed by some in the administration.

This assurance greatly helped ease genuine concerns among many delegates from the 16 NATO nations that SDI would result in a further escalation of the arms race and inevitably result in the introduction of nuclear weapons in outer space.

The delegates asked tough questions and forcefully expressed their concerns. However, they proved willing to listen, to weigh new evidence as it became available, to be persuaded—to compromise in the interest of maintaining harmony in the Alliance and in developing a consensus on an issue as emotionally charged as SDI.

In short, the delegates proved that the system works, that efforts to divide the alliance ultimately are futile—as Mr. Gorbachev learned when he tried to split France and Great Britain away from the United States by calling for separate negotiations on arms reductions.

The U.S. delegation worked long hours to achieve a successful compromise resolution on SDI, and our esteemed colleague, Chairman JACK BROOKS of Texas, a past president of the Assembly, was extremely effective in a dynamic presentation before the delegates laying out the U.S. position.

The cochairman of the U.S. delegation, Senator CHARLES MCC. MATHIAS, JR., of Maryland, also provided strong leadership and was chosen as the new president of the Assembly. He co-authored the SDI resolution—along with John Cartwright of the United Kingdom—which passed without substantive changes.

Another colleague, Representative GEORGE M. O'BRIEN of Illinois, successfully campaigned to establish a working group within the Assembly's Political Committee to deal with the issue of international terrorism.

Kudos go, as well, to Congresswoman SALA BURTON of California, our hostess, and to the mayor and citizens of San Francisco who made the delegates' stay so pleasurable.

My deepest thanks, as well, to the other members of our delegation, all of whom worked so hard to make the Assembly a success. They included: Representative CHARLES ROSE of North Carolina, Representative JACK BROOKS of Texas, Representative ROBERT GARCIA of New York, Representative SALA BURTON of California, Representative SAMUEL S. STRATTON of New York, Representative TOM LANTOS of California, Representative JOHN M. SPRATT, JR. of South Carolina, Representative STENY H. HOYER of Maryland, Representative BILL RICHARDSON of New Mexico, Representative, NORMAN DICKS of Washington, Representative WILLIAM S. BROOMFIELD of Michigan, Representative G. WILLIAM WHITEHURST of Virginia, Representative GEORGE M. O'BRIEN of Illinois, Representative FRANK HORTON of New York, Representative THOMAS J. BLILEY, JR. of Virginia, Representative SHERWOOD L. BOEHLERT of New York, and Representative ROBERT E. BADHAM of California.

The final SDI resolution, as adopted, is one I believe all Members can support. The complete text, as amended, follows:

RESOLUTION ON STRATEGIC DEFENCE AND THE ALLIANCE

(Presented by Mr. John Cartwright (United Kingdom), and Senator Charles Mathias (United States))

The Assembly,

Recalling resolution 132 on arms control in outer space (1982) and resolution 145 on ballistic missile defence (1983);

Reaffirming deterrence based on retaliatory offensive systems as an essential component of Alliance security;

Concerned by the increase in numbers and capability of offensive strategic weapons, and the consequent implications for crisis stability;

Underlining that the existing strategy of flexible response must remain in force as long as there is no more efficient alternative;

Convinced that the 1972 Anti-Ballistic Missile (ABM) Treaty continues to make a fundamental contribution to strategic stability;

Aware that differing interpretations are placed on the forms of research permissible under the terms of the ABM Treaty;

Concerned by evidence of Soviet violations of the ABM Treaty and continued Soviet research in, and modernization of, strategic defence technologies;

Concerned that advanced Soviet surface-to-air missile (SAM) systems may impinge on the ABM Treaty regime;

Recognizing some similarities between anti-satellite (ASAT) and strategic defence technologies; and, therefore,

Concerned that some aspects of advanced future development may undermine the ABM Treaty regime;

Acknowledging the need for the United States to pursue research in defensive technologies as a hedge against a potential Soviet breakout from the ABM Treaty;

Supporting, therefore, the United States' commitment to continue research into strategic defence technology within the provisions of the ABM Treaty;

Welcoming the statement of the United States that their research efforts are not directed towards gaining superiority;

Noting that disagreement exists within the Alliance over the technical and financial feasibility, military utility and political desirability of deployment of large-scale ballistic missile defences;

Convinced that negotiated constraints on offensive and defensive arms represent the preferred means of achieving greater stability;

Welcoming the United States' commitment to consult fully on the Strategic Defense Initiative with its Alliance partners;

Convinced that decisions about the potential development and deployment of defensive systems can only be made after the Alliance partners have been consulted and negotiations with the Soviet Union co-operative solutions have taken place, i.e., that there must be no automatic sequence of research, development and deployment;

Urges member governments of the North Atlantic Alliance:

1. to recognize the close relationship between strict adherence by all parties to existing arms control agreements and the construction of a framework for mutual restraint between East and West;

2. to support every effort to enhance Western security through negotiated limitations and mutually verifiable reductions of offensive nuclear forces;

3. to encourage agreement between the Soviet Union and the United States on the technical definitions of the forms of research permissible under the terms of the ABM Treaty;

4. to ensure that any future arms control regimes covering strategic defence contain provisions which preclude circumvention by advanced ASAT development;

5. to support United States research into strategic defence consistent with the provisions of the ABM Treaty;

6. to assess what forms, if any, of ballistic missile defence would allay fears about "decoupling"and would contribute to the security of the Alliance as a whole;

7. to ensure that any Alliance participation in the Strategic Defense Initiative complies fully with the terms of the ABM Treaty; and

8. to ensure that the aim of extending the transatlantic two-way street must also be pursued with regard to the research efforts by the United States.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. LEVIN of Michigan (at the request of Mr. WRIGHT), for today, on account of a death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. DREIER of California, for 5 minutes, today.

(The following Members (at the request of Mr. MCKERNAN) to revise and extend their remarks and include extraneous material:)

Mr. GINGRICH, for 60 minutes, today.

Mr. DANNEMEYER, for 60 minutes, October 21.
Mr. DANNEMEYER, for 60 minutes, October 22.
Mrs. BENTLEY, for 10 minutes, October 22.
Mr. DANNEMEYER, for 60 minutes, October 23.
Mr. CRAIG, for 60 minutes, October 23.
Mrs. BENTLEY, for 10 minutes, October 23.
Mr. DANNEMEYER, for 60 minutes, October 24.
Mr. DANNEMEYER, for 60 minutes, October 25.
(The following Members (at the request of Mr. HAYES) to revise and extend their remarks and include extraneous material:)
Mr. GONZALEZ, for 5 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. GAYDOS, for 60 minutes, October 23.
(The following Member (at the request of Mr. HOYER) to revise and extend his remarks and include extraneous material:)
Mr. FASCELL, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:
(The following Members (at the request of Mr. MCKERNAN) and to include extraneous matter:)
Mr. SHUSTER in two instances.
Mr. BADHAM.
Mr. GREEN.
Mr. CHENEY.
Mr. LAGOMARSINO in three instances.
Mr. COURTER.
Mr. CLINGER.
Mr. SCHUETTE.
Mr. FISH.
Mr. GALLO.
Mr. FIELDS.
Mrs. JOHNSON in two instances.
Mr. BROOMFIELD.
(The following Members (at the request of Mr. HAYES) and to include extraneous matter:)
Mr. BARNES in two instances.
Mr. YATRON in three instances.
Mr. ROE.
Mr. DYMALLY.
Mr. FASCELL.
Mr. WIRTH.
Mr. TORRICELLI.
Mr. STARK.
Mrs. SCHROEDER in two instances.
Mr. FLORIO.
Mr. HUBBARD.
Mr. RODINO in two instances.
Mr. SMITH of Florida.
Mr. GEPHARDT.
Mr. MATSUI.
Mr. LIPINSKI.
Mr. ECKART of Ohio.
Mr. OBERSTAR.
Ms. MIKULSKI.
Mr. HAYES.
Mr. GARCIA.
Mr. LAFALCE.
Mr. MARKEY.
Mr. FORD of Michigan.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill and joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 2174. An act to provide for the transfer to the Colville Business Council of any undistributed portion of amounts appropriated in satisfaction of certain judgments awarded the Confederated Tribes of the Colville Reservation before the Indian Claims Commission.

H.J. Res. 386. Joint resolution to designate November 24, 1985, as "National Day of Fasting to Raise Funds to Combat Hunger."

ADJOURNMENT

Mr. PASHAYAN. Mr. Speaker, I move that the House do now adjourn.
The motion was agreed to; accordingly (at 5 o'clock and 37 minutes p.m.) under its previous order, the House adjourned until Monday, October 21, 1985, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2144. A letter from the Principle Deputy Assistant Secretary of Defense, transmitting a listing of supplemental contract award dates for the period November 1, 1985 to December 31, 1985, pursuant to 10 U.S.C. 139(b); to the Committee on Armed Services.

2145. A letter from the Secretary of Energy, transmitting the annual determination of the viability of the domestic uranium mining and milling industries, pursuant to AEA, section 170B(a) (96 Stat. 2081); jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DERRICK. Committee on Rules. House Resolution 296. Resolution providing for the consideration of H.R. 3500, a bill to provide for reconciliation pursuant to section 2 of the first concurrent resolution on the budget for the fiscal year 1986. (Rept. 99-310). Referred to the House Calendar.

Mr. HAWKINS. Committee on Education and Labor. H.R. 281. A bill to amend the National Labor Relations Act to increase the stability of collective bargaining in the building and construction industry; with an amendment (Rept. 99-311). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL. Committee on Interior and Insular Affairs. H.R. 1391. A bill to amend the Act of October 15, 1982, entitled "An Act to designate the Mary McLeod Bethune Council House in Washington, District of Columbia, as a national historic site, and for other purposes"; with an amendment (Rept. 99-312). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL. Committee on Interior and Insular Affairs. H.R. 3003. A bill to authorize the Secretary of the Interior to convey certain land located in the State of Maryland to the Maryland-National Capital Park and Planning Commission; with an amendment (Rept. 99-313). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DYMALLY:
H.R. 3578. A bill to provide permanent authority for hearing commissioners in the District of Columbia courts, to modify certain procedures of the District of Columbia Judicial Nomination Commission and the District of Columbia Commission on Judicial Disabilities and Tenure, and for other purposes; to the Committee on the District of Columbia.

By Mr. LENT:
H.R. 3579. A bill to require pipes, solder, and flux in drinking water supply systems to be lead free, and for other purposes; jointly, to the Committees on Energy and Commerce, Banking, Finance and Urban Affairs, and Veterans' Affairs.

By Mr. McCAIN:
H.R. 3580. A bill entitled, the "Indian Economic Development Act of 1985"; jointly, to the Committees on Ways and Means, and Judiciary.

By Mr. McKINNEY:
H.R. 3581. A bill to amend the District of Columbia Self-Government and Governmental Reorganization Act to facilitate the issuance of bonds by the District of Columbia; to the Committee on the District of Columbia.

By Mr. SAXTON:
H.R. 3582. A bill to amend title 39 of the United States Code to grant local governments the discretion to assign mailing addresses to sites within their jurisdictions; to the Committee on Post Office and Civil Service.

By Mr. SENSENBRENNER:
H.R. 3583. A bill to amend chapter 209 of title 18, United States Code, to provide for sanctions against foreign countries that do not extradite terrorists to the United States as required by treaty; jointly, to the Committees on Judiciary, Foreign Affairs, and Ways and Means.

By Mr. VANDER JAGT:
H.R. 3584. A bill to modify the boundary of the Sleeping Bear Dunes National Lakeshore, to remove the authority of the Secretary of the Interior to construct and administer scenic roads as part of such National Lakeshore, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WHITEHURST:

H.R. 3585. A bill to amend the Internal Revenue Code of 1954 with respect to deductions for the payment of certain expenses by members of the uniformed services who receive housing allowances; to the Committee on Ways and Means.

By Mr. WISE:

H.R. 3586. A bill to increase the number of administrative law judges of the Department of Labor who are available to adjudicate cases under the Black Lung Benefits Act, and for other purposes; to the Committee on Education and Labor.

H.R. 3587. A bill to prohibit the recovery of overpayments under the Black Lung Benefits Act from claimants who received such payments through no fault of their own; to the Committee on Education and Labor.

H.R. 3588. A bill to amend the Black Lung Benefits Act to provide for the resumption of benefits to a remarried surviving wife upon the termination of a subsequent marriage; to the Committee on Education and Labor.

H.R. 3589. A bill to amend title XVIII of the Social Security Act to limit Medicare reimbursement to hospitals and other providers of services for legal fees; jointly, to the Committees on Ways and Means, and Energy and Commerce.

By Ms. OAKAR:

H. Con. Res. 218. Concurrent resolution expressing the sense of the Congress that Smithsonian Institution loans and investments in the Republic of South Africa should be terminated; to the Committee on House Administration.

By Mr. GEJDENSON:

H. Res. 297. Resolution expressing the sense of the House of Representatives that the President should invite world leaders to an international conference on terrorism; to the Committee on Foreign Affairs.

By Mr. WATKINS:

H. Res. 298. Resolution establishing an ad hoc Committee on Trade Policy; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII.

273. The SPEAKER presented a memorial of the legislature of the State of California, relative to a Federal Council on Women; to the Committee on Education and Labor.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURTON of Indiana:

H.R. 3590. A bill for the relief of Joseph W. Newman; to the Committee on the Judiciary.

By Mr. FRANK:

H.R. 3591. A bill for the relief of Alfred Wilson and Sondra Shipley; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 21: Mrs. SCHROEDER.
H.R. 26: Mr. BEDELL.
H.R. 237: Mr. BOULTER.
H.R. 392: Mr. BOUCHER.
H.R. 585: Mr. EVANS of Iowa.
H.R. 1036: Mr. BROOKS.
H.R. 1123: Mr. STRATTON and Mr. MACKAY.
H.R. 1195: Mr. VISCLOSKY.
H.R. 1207: Mr. TORRES, Mr. WISE, Mr. BREAUX, Mr. EDWARDS of Oklahoma, Mr. GEPHARDT, Mr. GORDON, Mr. GROTBERG, Mr. JONES of Oklahoma, Mr. LEVIN of Michigan, Mr. MAVROULES, Mr. MONTGOMERY, Mr. ROSE, Mr. SKELTON, and Mr. SPRATT.
H.R. 1348: Mr. BONIOR of Michigan and Mr. HOYER.
H.R. 1356: Mr. MURPHY, Mr. HOWARD, Ms. MIKULSKI, Mr. PENNY, Mr. JEFFORDS, Mr. WEAVER, Mr. LAGOMARSINO, Mr. ATKINS, Mr. WOLF, Mr. DOWDY of Mississippi, Mr. BRYANT, Mr. DAVIS, Mr. CHANDLER, Mr. SAVAGE, Mr. BOEHLERT, and Mr. EVANS of Illinois.
H.R. 1375: Mr. KLECZKA.
H.R. 1398: Mr. MURPHY.
H.R. 1436: Mr. TALLON, Mr. GREGG, and Mr. MCKERNAN.
H.R. 1538: Mr. SUNIA and Mr. RICHARDSON.
H.R. 1704: Mr. BEREUTER.
H.R. 2440: Mr. QUILLEN and Mr. SUNIA.
H.R. 2570: Mr. WEISS.
H.R. 2578: Mr. BUSTAMANTE, Mr. FLIPPO, Mr. MADIGAN, Mr. NEAL, Mr. SCHEUER, and Mr. SUNIA.
H.R. 2684: Mr. BLILEY, Mrs. LONG, Mr. TRAFICANT, Mr. HUCKABY, Mr. GARCIA, and Mr. MORRISON of Washington.
H.R. 2854: Mr. GORDON.
H.R. 2879: Mr. ST GERMAIN.
H.R. 2961: Mr. BURTON of Indiana.
H.R. 2971: Mr. DYSON.
H.R. 3048: Mr. HUGHES, Mr. DYMALLY, Mr. WRIGHT, Mr. LANTOS, Mr. LEVIN of Michigan, Mr. TORRES, Mr. WEISS, Mr. OWENS, and Mr. FRANK.
H.R. 3172: Mr. FLORIO.
H.R. 3197: Mr. MCCANDLESS.
H.R. 3198: Mr. MCCANDLESS.
H.R. 3232: Mr. DEWINE.
H.R. 3280: Mr. BILIRAKIS and Mr. FIELDS.
H.R. 3404: Mr. RODINO, Mr. LEVINE of California, Mr. CHAPPIE, Mr. STRANG, Mr. MITCHELL, Ms. KAPTUR, Mr. KOSTMAYER, Mr. BRYANT, Mr. ECKART of Ohio, Mr. MORRISON of Connecticut, Mr. TRAFICANT, and Mr. MCGRATH.
H.R. 3415: Mr. ADDABBO, Mr. BOLAND, Mr. BONER of Tennessee, Mrs. BOXER, Mr. CROCKETT, Mr. DANIEL, Mr. DE LA GARZA, Mr. DORNAN of California, Mr. DYSON, Mr. FAZIO, Mr. FORD of Michigan, Mr. FROST, Mr. FRENZEL, Mr. GUARINI, Mr. HENRY, Mr. KANJORSKI, Mr. KOLBE, Mr. LEVIN of Michigan, Mrs. LONG, Mr. LOWERY of California, Mr. MADIGAN, Mr. MATSUI, Mr. MITCHELL, Mr. MONSON, Mr. MORRISON of Connecticut, Mr. MURPHY, Mr. NEAL, Mr. PARRIS, Mr. PRICE, Mr. RODINO, Mr. ROE, Mr. STUMP, Mr. SUNIA, Mr. WHITEHURST, and Mr. WORTLEY.
H.R. 3438: Mr. JEFFORDS, Mr. GUNDERSON, Mr. ECKART of Ohio, and Mr. BRUCE.
H.R. 3448: Mr. LUNDINE.
H.R. 3456: Mr. SIKORSKI.
H.R. 3510: Mr. SUNIA, Mr. MARKEY, Mr. BEILENSON, Mr. MILLER of California, Mr. SCHEUER, Mr. ANDREWS, Mr. DIXON, Mr. KASTENMEIER, Mr. TRAFICANT, Mr. HAYES, Mr. STARK, Mr. MURPHY, and Mr. LIGHTFOOT.
H.R. 3515: Mr. STALLINGS.
H.R. 3562: Mr. CLINGER, Mr. HANSEN, and Mr. LAGOMARSINO.
H.R. 3565: Mr. DORNAN of California, Mr. LAGOMARSINO, Mr. DENNY SMITH, Mr. DANIEL, Mr. LOWERY of California, Mr. LIVINGSTON, Mr. WORTLEY, Mr. ARMEY, and Mr. DYSON.
H.J. Res. 7: Mr. HUGHES, Mr. BLILEY, Mr. SILJANDER, Mr. SAXTON, and Mr. MCCOLLUM.
H.J. Res. 122: Mr. GINGRICH, Mr. LANTOS, Mr. LEVINE of California, Mrs. LONG, Mr. LUKEN, Mr. MORRISON of Washington, Mr. NATCHER, Mr. PORTER, Mr. RAHALL, Mr. SNYDER, and Mr. TRAFICANT.
H.J. Res. 126: Mr. GAYDOS, Mr. MACK, Mr. HOWARD, Mr. DONNELLY, Mr. DYMALLY, Mr. EMERSON, Mr. BOULTER, Mr. RALPH M. HALL, Mr. BROWN of California, Mr. DOWDY of Mississippi, Mr. BOSCO, Mr. ALEXANDER, Mr. ACKERMAN, Mr. CARPER, Mr. FAZIO, Mr. FRENZEL, Mr. FOLEY, Mr. BOLAND, Mr. LENT, Mr. CALLAHAN, Mr. LEACH of Iowa, Mr. HEFNER, Mr. HANSEN, Mr. MARTIN of New York, Mr. DYSON, Mrs. LLOYD, Mr. DINGELL, Mrs. BYRON, Mr. DANIEL, Mr. CAMPBELL, Mr. WILSON, Mr. BARTLETT, Mr. LEHMAN of Florida, and Mr. MOAKLEY.
H.J. Res. 133: Mr. LEHMAN of California.
H.J. Res. 234: Mr. CONTE, Mr. LOWRY of Washington, Mr. GORDON, and Mr. KOSTMAYER.
H.J. Res. 316: Mr. BURTON of Indiana, Mr. BENNETT, Mr. HAMMERSCHMIDT, Mr. MURPHY, Mr. REID, Mr. HAMILTON, Mr. IRELAND, Mr. KEMP, Mr. GONZALEZ, Mr. ROE, Mr. WILSON, Mr. THOMAS of Georgia, Mr. DAUB, Mr. MILLER of California, Mr. LIPINSKI, Mr. PERKINS, Mr. STUMP, Mr. BROWN of Colorado, Mr. WYDEN, Mr. STARK, Mr. BEILENSON, Mr. HATCHER, Mr. HOWARD, Mr. BEDELL, Mr. LEWIS of California, Mr. ANTHONY, Mr. CONTE, Mr. STALLINGS, Mr. MORRISON of Washington, Mr. SIKORSKI, Mr. FRENZEL, Mr. DELLUMS, Mr. RINALDO, Mr. BOSCO, Mr. CHENEY, Mr. BONIOR of Michigan, Mr. KASICH, Mr. ANDERSON, Mr. TORRES, Ms. KAPTUR, Mr. WEISS, and Mrs. KENNELLY.
H.J. Res. 319: Mr. MOORHEAD, Mr. HENRY, Mr. OWENS, Mr. LOWRY of Washington, Mr. HORTON, Mr. ROWLAND of Georgia, Mr. GALLO, Mr. MARTIN of New York, Mr. DIXON, Mr. DANIEL, Mr. DWYER of New Jersey, Mr. ROE, Mr. KOSTMAYER, Mr. LEWIS of California, Mr. CHAPPELL, Mr. JONES of North Carolina, Mr. GUARINI, Mr. DAUB, Mr. HEFTEL of Hawaii, Mr. BARNES, Mr. ROSE, Mr. FASCELL, Mr. BONER of Tennessee, Mr. FUSTER, Mr. DE LA GARZA, Mr. WOLF, Mr. WORTLEY, Mr. ECKERT of New York, Mr. FRANK, Mr. RAHALL, Mr. TORRICELLI, Mr. LAGOMARSINO, Mr. CARPER, Ms. OAKAR, Mr. YOUNG of Missouri, Mr. SMITH of Florida, Mr. WIRTH, Mr. FAZIO, Mr. BRYANT, Mr. COOPER, Mrs. JOHNSON, Mr. CROCKETT, Mr. BOUCHER, Ms. KAPTUR, Mr. WEISS, Mr. BERMAN, Mr. SCHUMER, Mr. STRATTON, Mrs. HOLT, Mr. LAFALCE, Mrs. BOXER, Mr. MOLLOHAN, Mr. DEWINE, Mr. WAXMAN, Mr. CONYERS, Mr. MORRISON of Connecticut, Mrs. BURTON of California, Mr. SHUMWAY, Mr. BROOKS, Mr. EVANS of Illinois, Mr. HUGHES, Mrs. ROUKEMA, Mr. RALPH M. HALL, Mr. LEVIN of Michigan, Mr. BEVILL, Mr. FISH, and Mr. OLIN.
H.J. Res. 326: Mr. COUGHLIN, Mrs. MEYERS of Kansas, Mr. BATES, Mr. BARNES, Mr. BLAZ, Mr. CALLAHAN, Mr. DANIEL, Mr. APPLEGATE, Mr. BONIOR of Michigan, Mr. KOSTMAYER, Mr. HAMMERSCHMIDT, Mr. TALLON, Mr. MORRISON of Washington, Mr. MOORE, Mr. GREEN, Mr. GINGRICH, Mr. FIELDS, Mr. WHITTAKER, Mr. COBEY, Mr. STARK, Mr. KEMP, Mr. RAHALL, Mr. BOSCO, Mr. BROWN of California, Mr. DELLUMS, Mr. DELAY, Mr. BILIRAKIS, and Mr. HARTNETT.
H.J. Res. 369: Mr. ROE, Mr. GINGRICH, Mr. NELSON of Florida, Mr. LIVINGSTON, Mr. FUSTER, Mr. BUSTAMANTE, Mr. KLECZKA, Mr. KRAMER, Mr. DYSON, Mr. HORTON, Mr. KOSTMAYER, Mr. BOLAND, Mr. DE LA GARZA, Mr. FASCELL, Mr. SAXTON, Mr. DWYER of New Jersey, Mr. FRANK, Mr. WORTLEY, Mr. SMITH of Florida, Mr. YOUNG of Missouri, Mr.

BRYANT, Mrs. COLLINS, Mr. LANTOS, Mr. FEIGHAN, Mr. SCHEUER, Mr. BERMAN, Mr. REID, Mr. RANGEL, Mr. PORTER, Mr. FROST, Mr. TORRICELLI, Mr. HEFNER, Mr. MARTINEZ, Mr. FISH, Mr. BROOMFIELD, Mr. WEISS, Mr. GRAY of Pennsylvania, and Mr. COOPER.

H.J. Res. 401: Mr. FROST, Ms. KAPTUR, Mr. SMITH of Florida, Mr. BARNARD, Mr. TOWNS, Mr. DE LA GARZA, Mr. LAFALCE, Mr. FEIGHAN, Mr. HORTON, Mr. FAZIO, Mr. SAXTON, Mr. LIVINGSTON, Mr. DURBIN, Mr. LAGOMARSINO, Mr. DWYER of New Jersey, Mr. BLILEY, Mr. FRENZEL, Mr. FRANKLIN, Ms. OAKAR, Mr. FRANK, Mr. HEFNER, Mr. CHANDLER, Mr. MURTHA, Mr. MARKEY, Mr. BONER of Tennessee, Mr. RAHALL, Mr. GILMAN, Mr. NOWAK, Mr. SABO, Mr. WOLF, Mr. BARNES, Mr. ADDABBO, Mr. BEREUTER, Mr. MCCAIN, Mr. DERRICK, Mrs. BURTON of California, Mr. MATSUI, Mr. DANNEMEYER, Mr. FOLEY, Mr. MORRISON of Connecticut, Mr. HOYER, Mr. RALPH M. HALL, Mr. HAMMERSCHMIDT, Mr. MOLLOHAN, Mr. WEAVER, Mr. ROSE, Mr. JONES of North Carolina, Mr. OLIN, Mr. LEHMAN of Florida, Ms. SNOWE, Mr. GREEN, Mr. KOSTMAYER, Mr. SPENCE, Mr. GORDON, Mr. CAMPBELL, Mr. YOUNG of Florida, Mr. NEAL, Mr. FUQUA, Mr. SCHUETTE, Mr. DARDEN, Mr. SHUMWAY, Mr. LOWRY of Washington, Mr. YATRON, Mr. MOODY, Mr. FLIPPO, Mr. GINGRICH, Mr. BOLAND, Mr. GARCIA, Mr. CARPER, Mrs. MARTIN of Illinois, Mr. FIELDS, Mr. JACOBS, Mr. MCHUGH, Mr. ANDERSON, Mr. BADHAM, Mr. FASCELL, Mr. FAUNTROY, Mr. JONES of Tennessee, Mr. HENDON, Mr. ROWLAND of Connecticut, Mr. GEJDENSON, Mr. LEWIS of Florida, Mr. BRYANT, Mr. HEFTEL of Hawaii, Mr. MCKERNAN, Mr. EDGAR, Mr. ROBINSON, Mr. DELAY, Mr. CHAPPELL, Mr. BROYHILL, Mr. TALLON, Mr. QUILLEN, Mr. KILDEE, Mr. WEISS, Mr. WOLPE, and Mr. BARTLETT.

H.J. Res. 421: Mr. LAGOMARSINO, Mr. BONER of Tennessee, Mr. GRAY of Illinois, Mr. MATSUI, and Mr. ANDERSON.

H. Con. Res. 106: Mr. HUGHES.

H. Con. Res. 129: Mr. BEVILL, Mr. KOLTER, Mr. VALENTINE, and Mr. MCMILLAN.

H. Con. Res. 208: Mr. BARNES, Mr. OWENS, Mr. HAYES, Mr. KASTENMEIER, Mr. EDWARDS of California, Mr. DORGAN of North Dakota, Mr. BEILENSON, Mr. BONKER, Mr. WEISS, Mr. KOSTMAYER, Mr. FRANK, Mr. ACKERMAN, Mr. GREEN, Mr. WEAVER, Mr. STUDDS, Mr. GEJDENSON, Mr. FAZIO, Mr. GLICKMAN, Mr. GONZALEZ, Mr. SAVAGE, Mr. MORRISON of Connecticut, Mr. EVANS of Illinois, Mr. LEVINE of California, Mr. AKAKA, Mr. BOUCHER, Mr. RODINO, Mr. MRAZEK, Mrs. BOXER, Mr. GRAY of Pennsylvania, and Mr. LEHMAN of Florida.

H. Con. Res. 216: Mr. SIKORSKI, Mr. DELAY, Mr. MRAZEK, Mr. PORTER, Mr. MONSON, Mr. GREEN, and Mr. HEFTEL of Hawaii.

H. Res. 194: Mr. BILIRAKIS, Mrs. BOXER, Mr. ROE, and Mr. BIAGGI.

H. Res. 268: Mr. HENRY, Mr. SHUMWAY, Mr. VALENTINE, Mr. CHAPPELL, Mrs. ROUKEMA, Mr. SMITH of New Jersey, Mr. LUJAN, and Mr. MARTIN of New York.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3500

By Mr. FLORIO:

—Page 412, after line 16, insert the following new subtitle:

Subtitle H—Amtrak

SEC. 4801. AUTHORIZATION OF APPROPRIATIONS.

(a) AUTHORIZATION.—Section 601(b)(2) of the Rail Passenger Service Act (45 U.S.C. 601(b)(2)) is amended—

(1) in subparagraph (A) by striking out "and" after "403(b) of this Act;";

(2) in subparagraph (B) by striking out the period and inserting in lieu thereof "; and"; and

(3) by adding at the end the following new subparagraphs:

"(C) not to exceed $603,500,000 for the fiscal year ending September 30, 1986.".

(b) LIMITATION.—Such section 601(b) is further amended by adding at the end a new paragraph as follows:

"(5) Unless sufficient funds are otherwise available to operate the Corporation's rail system at substantially the same level of service, maintenance, and equipment overhauls in effect on the date of the enactment of this paragraph, funds appropriated to or for the benefit of the Corporation under this section before the date of the enactment of this paragraph which the Corporation has designated for nonoperational capital projects shall be used as necessary to maintain the operations of the system at such level.".

SEC. 4802. STUDY COMMISSION.

(a) ESTABLISHMENT.—There is established a commission to be known as the National Railroad Passenger Corporation Financial Status Commission (hereafter in this subtitle referred to as the "Commission").

(b) PURPOSE OF COMMISSION.—The purpose of Commission is to study—

(1) the ability of the National Railroad Passenger Corporation (hereafter in this subtitle referred to as "Amtrak") to continue to improve, or to accelerate the improvement of, its financial performance;

(2) the short-term and long-term capital needs of Amtrak; and

(3) alternative funding mechanisms for Amtrak.

(c) MEMBERSHIP.—

(1) NUMBER AND APPOINTMENT.—The Commission shall be composed of seventeen members as follows:

(A) Two State legislators appointed by the National Conference of State Legislators, one from the area comprised of Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, and the District of Columbia, and one from outside such area.

(B) Two members of the National Association of Railroad Passengers appointed by the President of such Association; one who lives in the area comprised of Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, and the District of Columbia, and one who lives outside such area.

(C) A Member of the United States Senate appointed by the President pro tempore of the Senate.

(D) A Member of the United States House of Representatives appointed by the Speaker of the House.

(E) A State transportation official from a State financially participating in the program established under section 403(b) of the Rail Passenger Service Act, appointed by the Executive Director of the National Conference of State Railway Officials (NCSRO).

(F) A State transportation official from a State not participating in the program established under section 403(b) of the Rail Passenger Service Act, appointed by the Executive Director of the National Conference of State Railway Officials (NCSRO).

(G) A representative of the Department of Transportation designated by the Secretary of Transportation.

(H) A person appointed by the Railroad Labor Executives Association.

(I) A representative of freight railroads appointed by the Association of American Railroads or its successor.

(J) Two commuter authorities, as such term is defined for purposes of the Rail Passenger Service Act, appointed by the American Public Transit Association; one that operates exclusively within the area comprised of Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, and the District of Columbia and one that operates exclusively outside such area.

(K) A person from the private sector, appointed by the President, with no financial interest in Amtrak or any competing mode of transportation.

(L) A representative of the passenger bus industry appointed by the President.

(M) A representative of Amtrak appointed by the President of Amtrak.

(N) A representative of the Office of Management and Budget appointed by the Director of such Office.

(2) SELECTION.—The members of the Commission shall be selected in accordance with paragraph (1) within sixty days after the date of enactment of this Act.

(3) EXPENSES.—Members of the Commission shall each be reimbursed actual expenses incurred in the actual performance of duties vested in the Commission.

(4) QUORUM.—Nine members of the Commission shall constitute a quorum, but a lesser number may hold hearings.

(5) CHAIRMAN.—The Chairman of the Commission shall be elected by the members of the Commission from among such members.

(6) ORGANIZATION MEETING.—The members of the Commission shall hold their first meeting for the purpose of organizing the Commission and electing a Chairman under paragraph (4) within ninety days after the date of enactment of this Act.

(7) All meetings of the Commission shall be open to the public.

(d) STAFF OF COMMISSION.—

(1) STAFF.—Subject to such rules as may be prescribed by the Commission, the Chairman may appoint such personnel as the Chairman considers appropriate.

(2) APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The staff of the Commission shall be appointed subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(3) EXPERTS AND CONSULTANTS.—Subject to such rules as may be prescribed by the Commission, the Chairman may procure temporary and intermittent service under section 3109(b) of title 5, United States Code.

(4) STAFF OF FEDERAL AGENCIES.—Upon request of the Commission, the head of any Federal agency is authorized to detail, or a reimbursable basis, any of the personnel of such agency to the Commission to assist the Commission in carrying out its duties under this subtitle.

(e) POWERS OF COMMISSION.—

(1) HEARINGS AND SESSIONS.—The Commission, or, if so authorized by the Commission, any three members of the Commission,

may, for the purpose of carrying out this subtitle, hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Commission considers appropriate. The Commission may administer oaths or affirmations to witnesses appearing before it.

(2) OBTAINING OFFICIAL DATA.—The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out this subtitle. Upon request of the Chairman of the Commission, the head of such department or agency shall furnish such information to the Commission.

(3) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(4) ADMINISTRATIVE SUPPORT SERVICES.—The Administrator of General Services shall provide to the Commission on a reimbursable basis such administrative support services as the Commission may request.

(f) REPORT.—The Commission shall transmit to the Congress a report not later than March 30, 1986. The report shall contain a detailed statement of the findings and conclusions of the Commission, together with its recommendations for such legislation as it considers appropriate.

(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for the purpose of carrying out this section not to exceed $1,000,000 for the fiscal year ending September 30, 1986, to remain available until expended.

SEC. 4803. CAPITAL ASSETS.

Section 304(c) of the Rail Passenger Service Act (45 U.S.C. 544(c)) is amended by adding at the end thereof the following new paragraph:

"(3) The preferred stock issued pursuant to paragraphs (1) and (2) of this subsection shall be deemed to have been issued as of the date of receipt by the Corporation of the funds for which such stock is issued.".

SEC. 4804. GOVERNMENT TRAVEL.

Section 306(f) of the Rail Passenger Service Act (45 U.S.C. 546(f)) is amended by inserting ", which shall include allowing the Corporation to participate in the contract air program administered by the General Services Administration in markets where service provided by the Corporation is competitive as to rates and total trip times" before the period.

SEC. 4805. REPORT CONSOLIDATION.

Section 308(a) of the Rail Passenger Service Act (45 U.S.C. 548(a)) is amended to read as follows:

"(a) The Corporation shall submit to the Congress a report not later than February 15 of each year. The report shall include, for each route on which the Corporation operated intercity rail passenger service during the preceding fiscal year, data on ridership, passenger miles, short-term avoidable profit or loss per passenger mile, revenue-to-cost ratio, revenues, the Federal subsidy, the non-Federal subsidy, and on-time performance.".

SEC. 4806. CHARTER TRAINS.

Section 402 of the Rail Passenger Service Act (45 U.S.C. 562) is amended:

(1) by repealing subsection (g); and

(2) by redesignating subsection (h) as subsection (g).

SEC. 4807. MISCELLANEOUS AMENDMENTS.

(a) AUDITS.—Section 805 of the Rail Passenger Service Act (45 U.S.C. 644) is amended:

(1) in subsection (2)(A) by striking out "shall conduct annually a" in the first sentence and inserting in lieu thereof "may conduct"; and

(2) in subsection (2)(A) and (2)(B) by striking "audit" wherever it appears and inserting in lieu thereof "audits".

(b) REPEAL OF STUDIES AND REPORTS.—Sections 306(k), 806, 810, and 811 of the Rail Passenger Service Act (45 U.S.C. 546(k), 645, 649, and 650) are repealed.

(c) EMERGENCY ASSISTANCE.—Title VII of the Rail Passenger Service Act (45 U.S.C. 621 and 622) is repealed.

(d) NORTHEAST CORRIDOR REPORTS.—Section 703(1)(D) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 853(1)(D)) is repealed, effective October 1, 1986.

(e) PERFORMANCE EVALUATION CENTER.—Section 305(1) of the Rail Passenger Service Act (45 U.S.C. 545(1)) is repealed.

SEC. 4808. REVENUE-COST RATIO.

Section 404(c)(4)(A) of the Rail Passenger Service Act (45 U.S.C. 564(c)(4)(a)) is amended by adding at the end the following new sentence: "Commencing in fiscal year 1986, the Corporation shall set a goal of recovering an amount sufficient that the ratio of its revenues, including contributions from States, agencies, and other persons, to costs, excluding capital costs, shall be at least 61 percent.

SEC. 4809. LABOR-RELATED COST SAVINGS.

Amtrak and the representatives of employees of Amtrak shall negotiate changes in existing agreements between such parties that will result in substantial cost savings to Amtrak, and shall report the results of such negotiations to the Congress within six months after the date of enactment of this Act.

SEC. 4810. ROUTE DISCONTINUANCE.

(a) PROHIBITION.—Amtrak shall not, by reason of any provision of this subtitle, including section 4801, reduce the frequency of service on any line on which, as of May 1, 1985, three or fewer trains operate per week.

SEC. 4811. UNSAFE FACILITIES.

Title VIII of the Rail Passenger Service Act (45 U.S.C. 641 et seq.) is amended by adding at the end the following new section:

"SEC. 812. UNSAFE FACILITIES.

"(a) The Corporation, or the owner of any facility which presents a danger to the employees, passengers, or property of the Corporation, may petition the Secretarty for assistance to the owner of such facility for relocation or other remedial measures to minimize or eliminate such danger under this section.

"(b) If the Secretary determines that—

"(1) a facility which is the subject of a petition under subsection (a) presents a danger of death or serious injury to any employee or passenger of the Corporation or serious damage to any property of the Corporation; and

"(2) the owner of such facility should not be expected to bear the cost of relocating or other remedial measures necessary to minimize or eliminate such danger, the Secretary shall recommend to the Congress that the Congress, as a part of its periodic reauthorizations of this subtitle, authorize funding, by reimbursement or otherwise, for such relocation or other remedial measures.

"(c) Petitions may be submitted under subsection (a) of this section with respect to any relocation or remedial measures undertaken on or after January 1, 1978.".

SEC. 4812. EMPLOYMENT VACANCY FILING.

(a) LIABILITY.—Section 704(c) of the Regional Rail Reorganization Act of 1973 (45 U.S.C. 797c(c)) is amended—

(1) by inserting "(1)" after "VACANCY NOTICES.—"; and

(2) by adding at the end a new paragraph as follows:

"(2)(A) As soon as the Board becomes aware of any failure on the part of a railroad to comply with paragraph (1), the Board shall issue a warning to such railroad of its potential liability under subparagraph (B).

"(B) Any railroad failing to comply with paragraph (1) of this subsection after being warned by the Board under subparagraph (A) shall be liable for a civil penalty in the amount of $1,000 for each vacancy with respect to which such railroad has so failed to comply.".

(b) EXTENSION.—Section 704(f) of such Act (45 U.S.C. 797c(f)) is amended by striking out "4-year" and inserting in lieu thereof "6-year".

(c) EFFECTIVE DATES.—The amendments made by subsection (a) shall take effect on the date of enactment of this Act, and the amendment made by subsection (b) shall be effective as of August 1, 1985.

SEC. 4813. TRANSPORTATION OF UNOCCUPIED VEHICLES.

Section 103(3) of the Rail Passenger Service Act (45 U.S.C. 502(3)) is amended by inserting ", and, when space is available, of unoccupied vehicles" after "and their occupants".

SEC. 4814. RAIL EMPLOYEE TAXES.

Section 11504(a) of title 49, United States Code, is amended by adding at the end of the following new paragraph:

"(3) No part of the compensation paid by a rail carrier providing transportation subject to the jurisdiction of the Interstate Commerce Commission under subchapter I of chapter 105 of this title to an employee who performs his regular assigned duties as such an employee on a railroad in more than one State, shall be subject to the income tax laws of any State or subdivision thereof other than a State or subdivision thereof described in paragraph (2) of this subsection."

By Mr. LATTA:

—Strike out title II (page 5, line 7, through page 231, line 22) and insert in lieu thereof the following:

TITLE II—COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS

SEC. 2001. SHORT TITLE.

This title may be cited as the "Housing and Community Development Reconciliation Act of 1985".

SEC. 2002. COMMUNITY DEVELOPMENT BLOCK GRANT LOAN GUARANTEE PROGRAM MORATORIUM

Section 108(a) of the Housing and Community Development Act of 1974 is amended by striking out the last sentence and inserting in lieu thereof the following: "The Secretary may not enter into any commitment to guarantee a note or obligation under this section during fiscal year 1986.".

SEC. 2003. CANCELLATION OF OUTSTANDING PUBLIC HOUSING DEVELOPMENT LOANS AND OBLIGATIONS.

Section 4 of the United States Housing Act of 1937 is amended by adding at the end thereof the following new subsection:

"(c)(1) At such times as the Secretary may determine, and in accordance with such accounting and other procedures as the Secretary may prescribe, each loan made by the

Secretary under subsection (a) that has any principal amount outstanding or any interest amount outstanding or accrued shall be forgiven; and the terms and conditions of any contract, or any amendment to a contract, for such loan with respect to any promise to repay such principal and interest shall be canceled. Such cancellation shall not affect any other terms and conditions of such contract, which shall remain in effect as if the cancellation had not occurred. This paragraph shall not apply to any loan the repayment of which was not to be made using annual contributions, or to any loan all or part of the proceeds of which are due a public housing agency from contractors or others.

"(2)(A) On the date of the enactment of the Housing and Community Development Reconciliation Act of 1985, each note or other obligation issued by the Secretary to the Secretary of the Treasury pursuant to subsection (b), together with any promise to repay the principal and unpaid interest that has accrued on each obligation, shall be forgiven; and any other term or condition specified by each such obligation shall be canceled.

"(B) On September 30, 1986, and on any subsequent September 30, each such note or other obligation issued by the Secretary pursuant to subsection (b) during the fiscal year ending on such date, together with any such promise to repay, shall be forgiven; and any other term or condition specified by each such obligation shall be canceled.".

SEC. 2004. PUBLIC HOUSING OPERATING SUBSIDIES.

Section 9(c) of the United States Housing Act of 1937 is amended to read as follows:

"(c) There is authorized to be appropriated to carry out the provisions of this section $1,279,000,000 for fiscal year 1986.".

SEC. 2005. RURAL HOUSING PROGRAM AUTHORIZATIONS.

(a) INSURANCE AND GUARANTEE AUTHORITY.—Section 513(a)(1) of the Housing Act of 1949 is amended to read follows:

"(a)(1) The Secretary may, to the extent approved in appropriation Acts, insure and guarantee loans under this title during fiscal year 1986 in an aggregate amount not to exceed $2,266,000,000 as follows:

"(A) for insured or guaranteed loans under section 502 on behalf of borrowers receiving assistance under section 521(a)(1), $1,328,000,000;

"(B) for loans under section 504, $17,000,000;

"(C) for insured loans under section 514, $20,000,000;

"(D) for insured loans under section 515, $900,000,000; and

"(E) for site loans under section 524, $1,000,000.".

(b) RENTAL ASSISTANCE PAYMENT CONTRACTS.—Section 513(c) of the Housing Act of 1949 is amended to read as follows:

"(c) The Secretary, to the extent approved in appropriation Acts for fiscal year 1986, may enter into rental assistance payment contracts under section 521(a)(2)(A) aggregating $198,000,000. Such authority as is approved in appropriation Acts shall be used by the Secretary to renew rental assistance payment contracts that expire during such fiscal year and to make additional rental assistance payment contracts for existing or newly constructed dewelling units.".

SEC. 2006. MANAGEMENT OF INSURED AND GUARANTEED RURAL HOUSING LOANS.

(a) SALE OF INSURED AND GUARANTEED LOANS TO PUBLIC.—Section 517(c) of the Housing Act of 1949 is amended by adding at the end thereof the following new sentence: "Any loan made and sold by the Secretary under this section after the date of the enactment of the Housing and Community Development Reconciliation Act of 1985 (and any loan made by other lenders under this title that is insured or guaranteed in accordance with this section, is purchased by the Secretary, and is sold by the Secretary under this section after such date) shall be sold to the public and may not be sold to the Federal Financing Bank, unless such sale to the Federal Financing Bank is required to service transactions under this title between the Secretary and the Federal Financing Bank occurring on or before such date.".

(b) INTEREST SUBSIDY ON INSURED AND GUARANTEED LOANS OFFERED FOR SALE TO PUBLIC.—Section 517(d) of the Housing Act of 1949 is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end thereof the following new paragraph:

"(2) Each loan made by the Secretary or other lenders under this title that is insured or guaranteed in accordance with this subsection shall, when offered for sale to the public, be accompanied by an agreement by the Secretary to pay to the holder of such loan (through an agreement to purchase such loan or through such other means as the Secretary determines to be appropriate) the difference between the rate of interest paid by the borrower of such loan and the market rate of interest (as determined by the Secretary) on obligations having comparable periods to maturity on the date of such sale.".

(c) PROTECTION OF BORROWERS UNDER LOANS SOLD TO PUBLIC.—Section 517(d) of the Housing Act of 1949, as amended by subsection (b) of this section, is amended by adding at the end thereof the folowing new paragraph:

"(3) Each loan made by the Secretary or other lenders under this title that is insured or guaranteed in accordance with this subsection shall, when offered for sale to the public, be accompanied by agreements for the benefit of the borrower under the loan that provide that—

"(A) the purchaser or any assignee of the loan shall not diminish any substantive or procedural right of the borrower arising under this title;

"(B) upon any default of the borrower, the loan shall be assigned to the Secretary for the purpose of avoiding foreclosure; and

"(C) following any assignment under subparagraph (B) and before commencing any action to foreclose or otherwise dispossess the borrower, the Secretary shall afford the borrower all substantive and procedural rights arising under this title, including consideration for interest subsidy, moratorium, reamortization, refinancing, and appeal of any adverse decision to an impartial officer.".

Page 437, line 8, through page 451, line 10, strike out subtitle E.

Page 460, line 17, through page 462, line 4, strike out section 6606.

Page 465, strike line 3, and all that follows thereafter through page 468, line 25, and insert in lieu thereof the following:

SEC. 7101. PAY ADJUSTMENTS.

(a) FISCAL YEAR 1986.—(1) The rates of pay under the General Schedule and the rates of pay under the other statutory pay systems referred to in section 5301(c) of title 5, United States Code, shall not be adjusted under section 5305 of such title during fiscal year 1986.

(2) Notwithstanding any other provision of law, the wage schedules and rates of pay for prevailing rate employees described in section 5342(a)(2) of title 5, United States Code (including employees covered under section 9(b) of Public Law 92-392 (86 Stat. 574; 5 U.S.C. 5342 note) and section 704(b) of Public Law 95-454 (92 Stat. 1218; 5 U.S.C. 5343 note)), and for officers and members of crews of vessels shall not be increased under the provisions of subchapter IV of chapter 53 of title 5, United States Code, or any other applicable provision of law as a result of a wage survey or negotiation during fiscal year 1986, except to the extent permitted by section 616(a)(2) of the conference report on H.R. 5798, agreed to by the House of Representatives on September 12, 1984, as contained in House Report 98-993 (referred to in Public Law 98-473, 98 Stat. 1963).

(b) REDUCTIONS FOR FISCAL YEARS 1987 AND 1988.—(1) For fiscal years 1987 and 1988, the President shall provide for the adjustment of rates of pay under section 5305 of title 5, United States Code, as appropriate to reduce outlays, relating to pay of officers and employees of the Federal Government, by at least $746,000,000 in fiscal year 1987 and $1,264,000,000 in fiscal year 1988 (without regard to reductions in outlays which result by reason of subsections (a), (c), and (d) of this section and the application of section 1009 of title 37, United States Code), computed using the baseline used for the First Concurrent Resolution on the Budget for Fiscal Year 1986 (S. Con. Res. 32, 99th Congress, 1st Session), agreed to on August 1, 1985.

(2) Paragraph (1) shall not be construed to suspend the requirements of section 5305 of title 5, United States Code, with respect to fiscal years 1987 and 1988.

(c) 90-DAY DELAY IN PAY INCREASES FOR PREVAILING RATE EMPLOYEES.—Notwithstanding any other provision of law, any adjustment in a wage schedule or rate of pay that—

(1) applies to—

(A) a prevailing rate employee described in section 5342(a)(2) of title 5, United States Code, including employees covered under section 9(b) of Public Law 92-392 (86 Stat. 574; 5 U.S.C. 5342 note) and section 704(b) of Public Law 95-454 (92 Stat. 1218; 5 U.S.C. 5343 note), or

(B) to an employee covered by section 5348 of such title,

(2) results from a wage survey or negotiation, and

(3) would take effect, but for this subsection, on or after October 1, 1986,

shall not take effect until the first day of the first applicable pay period beginning not less than 90 days after the day on which such adjustment would, but for this subsection, otherwise have taken effect. The Office of Personnel Management shall take such actions as may be necessary to carry out this subsection.

(d) NEW EFFECTIVE DATE FOR PAY ADJUSTMENTS UNDER STATUTORY PAY SYSTEMS.—(1) Section 5305 of title 5, United States Code, is amended—

(A) in subsection (a)(2), by striking out "October 1 of the applicable year" and inserting in lieu thereof "January 1 of the next year after the date the report is submitted to the President";

(B) in subsection (c)(2), by striking out "October 1 of the applicable year" and inseting in lieu thereof "January 1 of the next

year after the year in which the alternative plan is transmitted to the Congress"; and

(C) in subsection (m), by striking out "October 1" and inserting in lieu thereof "the applicable January 1".

Page 469, strike lines 3 and 4 and insert in lieu thereof the following:

(a) REQUIRED REFUNDS FROM CARRIERS' SPECIAL RESERVES.—The Office of Personnel

Page 469, line 6, strike "(A)" and insert in lieu thereof "(1)".

Page 469, line 11, strike "(B)" and insert in lieu thereof "(2)".

Page 469, line 16, strike out "subsection" and insert in lieu thereof "section".

Page 469, strike line 19 and insert in lieu thereof the following:

(b) MINIMUM AMOUNTS.—In carrying out its responsibilities under this sec-

Page 469, line 22, strike "subsection" and insert in lieu thereof "section".

Page 469, line 23, strike "(A)" and insert in lieu thereof "(1)".

Page 469, line 25, strike "(B)" and insert in lieu thereof "(2)".

Page 470, strike line 1 and insert in lieu thereof the following:

(c) RESTRICTION.—No amount in any of the contingency re-

Page 470, line 2, strike "paragraph (1)" and insert in lieu thereof "subsection (a)".

Page 470, strike lines 6 through 13.

Page 481, strike out line 1 and all that follows through line 6 on page 486.

Page 486, line 7, strike out "C" and insert in lieu thereof "B".

Page 486, line 8, strike out "8301" and insert in lieu thereof "8201".

Page 486, line 21, strike out "8302" and insert in lieu thereof "8202".

Page 488, line 16, strike out "8303" and insert in lieu thereof "8203".

Page 489, line 5, strike out "8304" and insert in lieu thereof "8204".

Page 493, line 7, strike out "8305" and insert in lieu thereof "8205".

Page 494, line 1, strike out "D" and insert in lieu thereof "C".

Page 494, line 3, strike out "8401" and insert in lieu thereof "8301".

Strike out section 10025 and subtitle C of title X (page 537, line 17, through page 545, line 8).

SENATE—*Thursday, October 17, 1985*

(Legislative day of Tuesday, October 15, 1985)

The Senate met at 8 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Eternal God of truth and justice, we thank Thee for the rare privilege of being a part of the U.S. Senate. Very few Americans have this uncommon opportunity. Very few Americans enjoy the confidence and trust of the multitudes who, by their vote, send men and women here to represent them. Help this tiny minority never to forget that they are part of a very select elite. But save them, Lord, from the spirit of elitism and arrogance which seems so easily to infect some who become part of such an exclusive group. Protect them from the insidious corrupting influence of power.

All of us who work here realize that we are part of a small minority who have the privilege of being here in any capacity. We thank Thee, Lord, for this place of trust. Help us never to be guilty of motives or actions which betray that trust. Give us grace that we may privately and publicly conduct ourselves in ways worthy of this stewardship. Help us all to make this a place where truth and justice are served, to the glory and honor of God. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The distinguished acting majority leader is recognized.

SCHEDULE

Mr. SIMPSON. Mr. President, at this hour of convening, we have 10 minutes each for the two leaders under the standing order. There will be routine morning business, not to extend beyond 8:30 a.m., with Senators permitted to speak therein for not more than 5 minutes each.

At 8:30 a.m., it will be the intention of the majority leader to proceed to the consideration of H.R. 3038, the HUD appropriations bill.

At 12:30, there will be special orders in favor of the following Senators for not to exceed 15 minutes each: Senators WALLOP, QUAYLE, HATCH, and HELMS.

At 1:30 p.m., the Senate will resume consideration of H.R. 3038, the HUD appropriations bill.

At some point during the day, the Senate will proceed to the consideration of S. 1730, the reconciliation bill. Votes will not occur prior to 11 a.m. today, and votes will be expected during the remainder of today's session.

I might indicate to our colleagues that very likely we will continue into the evening today with our activities because we have much to do, and all Members should consider that this will be a late evening of activity.

There will be a session tomorrow and voting tomorrow.

THE CHAPLAIN'S PRAYER

Mr. SIMPSON. Mr. President, I should like to make a comment about the prayer of our fine Chaplain.

Again, he does probe to the very essence of this fascinating place in which we are all very honored to serve—a rather fortunate minority within the country, the 100 of us who do our work here.

He talked about ego and those things that sometimes guide us. I think of the remarks made to me by the dean of this body, our senior Member, Senator STENNIS, who reflected to me in my first months here, in good counsel. He said: "Always remember this in the Senate—and I have watched for years—some grow and some swell."

I have never forgotten that, and I have met both categories here. I see that the Senator from Wisconsin knows both categories here. Indeed, Senator STENNIS is right. It is more fun to work with those who grow.

Mr. President, I reserve the remainder of the time for the majority leader, and I yield to the acting Democratic leader, Senator PROXMIRE.

RECOGNITION OF THE ACTING DEMOCRATIC LEADER

The PRESIDENT pro tempore. The distinguished acting Democratic leader is recognized.

Mr. PROXMIRE. I thank the Chair.

A SWELL PERFORMANCE

Mr. PROXMIRE. Mr. President, I could say that my good friend ALAN SIMPSON is a swell guy, but I do not mean to play on the words he told us about. He certainly has grown and not swollen.

Yesterday, he showed that he is the Leonardo da Vinci of the Senate. He was a one-man band. I have seen a one-man band before, but not a one-man parliamentary performer. He presided, he was the acting majority leader, and he handled everything very well. He did not argue with himself, but except for that he was perfect.

NOBEL PRIZE TO MODIGLIANI HIGHLIGHTS NEED FOR SAVINGS POLICY

Mr. PROXMIRE. Mr. President, the most recent Nobel Prize in Economics was announced Wednesday, October 16. It has gone to a professor at MIT, in Massachusetts, who developed the theory that savings is directly related to the instant income of the saver, to the expected income of that saver over his lifetime, and to the duration of his life expectancy. The winner was MIT Prof. Franco Modigliani.

The Modigliani theory has a very big implication for economic policy, especially now. The latest statistical release on savings in America discloses that they have dropped to only 2.5 percent of after-tax income, the lowest savings rate since statistics have been kept.

This drop in savings coincides with a massive increase in borrowing by the Federal Government, by corporations, and by individuals, totaling—get this figure—a shocking $7 trillion. The drop is savings and the increase in borrowing has forced this country to become a debtor, and an increasingly big debtor, to foreigners who have far better savings rates. It has also persuaded the Federal Reserve to increase the money supply many times faster than the increase in the real gross national product. That is another way of saying that this country is meeting its borrowing needs by printing money.

What has the Modigliani theory of savings—so spectacularly validated by the Nobel Prize—to do with all this? Plenty. Modigliani's theory helps us to see what Congress should consider doing to bring this dangerous disequilibrium between the mountain of debt and the little anthill of savings into some kind of balance.

Most congressional action has properly focused on one part of this complicated situation. We have considered how to bring debt down and only how to bring the Federal debt down. We

have taken only a hesitant, limited step to reduce Federal borrowing by adopting procedures that will force Congress a little more effectively than in the past to reduce spending or increase taxes or do both. We have done nothing to encourage a reduction in corporate or individual borrowing. Is that a significant oversight? Yes, indeed. Corporate and individual borrowing exceed Federal borrowing by a rate of two to one. Furthermore, both individual and corporate borrowing are growing very fast, indeed.

We have taken some steps through tax incentives to encourage savings, but obviously the savings statistics speak loud and clear that these steps have not achieved their purpose. Think of it. American savings are at an all-time low as a percentage of income. So, if we follow Modigliani's now-celebrated theory, since he just received the Nobel Prize, what do we do about it? Let us consider where the Modigliani theory leads us. First, he reaffirms a simple truism. The higher a person's income, the more likely he is to save. We know that, but we also know that people are saving less now than ever. Personal income has risen to an all-time high; yet they are saving less.

Second, Modigliani finds that the longer that life expectancy is extended, the more people save for their later age. Certainly life expectancy in America has increased spectacularly in recent years. But the savings rate has dropped. Is Modigliani wrong? No. Modigliani found that saving for the future depends on the expectation of income in later years.

Fifty years ago, the savings rate in America was higher, for a conspicuous reason. It was because people expected that as they advanced in age their income would fall very sharply. In most cases, when they retired from their lifetime work, their income would all but disappear. Is that true today? No. Today, the overwhelming majority of retired elderly people receive Social Security benefits when they retire. Those benefits have been consistently increased in past years. Social Security now provides for a retirement with dignity which a majority of Americans of all ages have repeatedly approved in competent professional polls. This Senator enthusiastically approves these benefits and I oppose their reduction. But there seems little question that the assurance of these retirement benefits has sharply reduced savings. Experience in Sweden corroborates this. In Sweden, as pensions have increased, savings have diminished. Today, Swedish pensions are substantial. The savings rate in Sweden is roughly zero.

So, what policy can Congress adopt to increase savings without gutting Social Security? In recent years, Congress has tried to encourage savings by offering tax incentives to save with a vengeance.

Never before in the history of the country has Congress so persistently adopted so many provisions designed to encourage savings. Congress in recent years has passed legislation postponing the taxation of income that is saved until retirement. Congress has done this in Investment Retirement Accounts, in IRA's, in Keogh's, in 401(K) provisions and in tax-favored treatment of corporate pensions. It tried to promote savings by diminishing taxation that would encourage the use of trust funds to shift income either to children or to some later time period. It has encouraged savings through life insurance by preferential treatment of income earned through life insurance, income saved through exercise of stock options. It has encouraged savings through providing a special after-tax advantage for investment by investment tax credits, accelerated depreciation and capital gain.

That is a massive amount of incentive that we have put into the Tax Code.

But what has been the effect of this raging flood of tax preference, all justified as encouraging savings? Well, the answer, Mr. President, lies in that most recent and most dismal figure. Today savings as a percentage of after-tax income is at an all-time low of only 2½ percent, after all that effort. The Modigliani theory represents a brilliant insight into why we save. We need some new genius to come along with an equally brilliant insight to suggest what Congress can do in our free system to encourage savings. At this moment, nothing seems to be working. We desperately need to do something about this dismal savings record.

The falling savings rate in America adds more emphasis than ever to the critical importance of cruel, old-fashioned policies: First, we cut spending, even with popular programs. Second, we raise taxes to cover what spending we fail to reduce. Third, the Federal Reserve adopts monetary policies that will discourage borrowing in the private sector and encourage savings. What policies will do that?

I hate even to mention them. But here they are. The Fed can encourage savings by making saving more attractive. How does the Fed do that? It slows the rate of increase in the money supply. That slowdown raises interest rate. So saving brings a higher return. Savings increase. The higher interest rates have an even more powerful effect on the saving-borrowing relationship. The higher rates discourage borrowing. Sure, that is the painful solution to our penchant for massive borrowing and paltry saving. Unfortunately, there are no easy solutions.

(Mr. HATFIELD assumed the chair.)

PROGNOSIS FOR ARMS CONTROL: GRIM TO TERMINAL

Mr. PROXMIRE. Mr. President, arms control faces far worse prospects than most Americans realize. Every informed and responsible person on Earth must wish the President of the United States and the Soviet leader well when they meet at Geneva next month to seek the beginning of an agreement on controlling nuclear arms. Can we reasonably expect that the two superpowers can continue the halting, hesitant progress that the two countries have achieved over the past 25 years? Of course, in human relations—as in economic—nothing is finally and firmly predictable. Anything can happen. Gorbachev and Reagan could begin to lay the foundations for ending the suicidal and immensely costly arms race.

Certainly, the conditions are there to make such a happy outcome possible. Both leaders have everything to gain in their national and international reputation, if they can advance nuclear weapons arms control. Obviously, each nation will benefit greatly by removing the immensely heavy burden of the arms race from its economy. Only an arms control agreements can do this. Both super power leaders know this. On the other hand, each leader has put his side in a posture which will make significant progress toward an agreement impossible unless either or both back down. President Reagan has earned a justified reputation as a strong and successful negotiator. General Secretary Gorbachev is relatively new and untried, but he is expected to be a hard-nosed and competent negotiator, too. As part of their negotiating strategy, both sides have developed a kind of snarling truculence. Each of these two wants to enter the Geneva ring on November 19 as a hard-hitting tough guy. Neither wants to build great expectations that the meeting the whole world is waiting for is bound to be an arms control success. So they have both gone to pains to make it clear that they do not expect much.

But there is a more fundamental reason why this arms control summit conference is likely to be even worse than a failure. Here is an arms control meeting that could not only fail to advance past achievements. This Reagan-Gorbachev summit meeting could and probably will mark the beginning of the end of arms control agreements which have at least provided a modest restraining influence on the superpowers in the past 20 years.

Why is the outlook for arms control so grim? First, consider the anti-arms-control position taken by President

Reagan and his success in beginning to put billions of dollars behind that position. The President has made an absolute commitment to the strategic defense initiative or SDI, also known as star wars. What is the purpose of star wars? It is to build a defensive shield that would try to prevent the penetration of American airspace by intercontinental nuclear missiles. If star wars works, what effect would its success have on the Soviet nuclear deterrent? It would nullify that deterrent. The Soviets could not retaliate in response to an American nuclear attack. If they tried to do so, SDI would shoot down their missiles. So, as the Soviets see it, the United States could attack and destroy the Soviet Union, at will, any time, for whatever reason without any fear of retaliation. So, it follows that in an ultimate showdown between the Soviet Union and the United States, the Soviets would have no choice except to surrender. They would have to say uncle.

Now, all of this happy scenario depends on whether the SDI or star wars would work. Will it work? There is widespread agreement in the scientific community that it will not work, unless, and this is the crucial necessity, unless the Soviets sharply reduce their offensive missiles. So, the President has adopted a transparent strategy. He will build SDI or star wars, and he will call on the Soviets to reduce, sharply reduce, their offensive missiles. Will the Soviets accept this?

Well, Mr. President, it is hard for any American to do this. But put yourself in the position of Secretary Gorbachev, if you were Gorbachev, is there any possible way you would agree to helping make the American star wars work by reducing your offensive missiles to a level that would assure the elimination of your deterrent? The answer is obvious. There is no possible way Gorbachev would make such an agreement. Oh, sure, there may be a cosmetic and strategically meaningless reduction of offensive missiles on both sides. Both superpowers have far more offensive nuclear power than they need. Even if the SDI worked perfectly, 10 or 20 percent of the present Russian nuclear arsenal could probably overwhelm it. And without question, in the next 10 or 15 years before this country could start meaningful deployment of SDI, the Soviets could develop the penetration aids that would pierce the SDI defense and the cruise missile capacity to underfly it. So, it is possible some limitation or even reduction in nuclear missiles might eventually emerge from the Reagan-Gorbachev summit, but such an agreement will have no military significance whatsoever.

Meanwhile, SDI would certainly torpedo the antiballistic missile or ABM Treaty, probably the best arms control agreement made by the superpowers. After all, what was the purpose of the ABM Treaty? Simple—it was to stop either superpower from building an antiballistic missile system that would, if successful, nullify each superpower's nuclear deterrent. The deployment of star wars would clearly and totally repudiate that arms control agreement. The SALT II Treaty is hanging by a thread. The President nearly repudiated it earlier this year. It expires soon. With the threat of star wars facing it, the Soviet Union will very likely be unwilling to agree to the restraints SALT II imposes on ICBM's.

Mr. President, Spurgeon Keeny is the executive director of the Arms Control Association. He has written an excellent article in the summer issue of Arms Control Today. I have relied extensively on that article in preparing this speech. Keeny writes that the collapse of the Soviet-United States arms control relationship which I have described—

Would have a profoundly negative effect on efforts to prevent the future proliferation of nuclear weapons to other countries.

He also contends that—

The loss of the arms control regime developed over the past 25 years would not return the arms control process to square one, but would drive it completely off the board. Burdened then by a legacy of failure and confronted with vastly larger and more complex offensive and defensive strategic systems, it would be a long and difficult process to discover an acceptable new approach to arms control. The risk of nuclear war would certainly be greatly increased.

Mr. President, I ask unanimous consent that the article to which I have referred by Spurgeon Keeny be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE UNCERTAIN FUTURE OF ARMS CONTROL

(Spurgeon M. Keeny, Jr.)

The resumption of U.S.-Soviet arms control talks in Geneva and the announcement of a summit meeting between President Reagan and General Secretary Gorbachev have generated widespread expectations of renewed progress in arms control. In reality the prospects for arms control have never been bleaker. President Reagan's vision of a defensive shield that will make nuclear weapons "impotent and obsolete" has become not only a barrier to progress but a threat to the entire structure of arms control developed over the past two decades.

The President's vision, conceived without benefit of serious scientific, military, or diplomatic advice, can no longer be dismissed by critics as misguided political rhetoric or cynically embraced as a potentially valuable bargaining chip. The vision has spawned the Strategic Defense Initiative (SDI), which is rapidly evolving into by far the most ambitious research and development program ever undertaken by man. Instead of clarifying the technical feasibility of strategic defense, the SDI threatens to take on a life of its own, leading to eventual deployment as justification for the unprecedented investment in dollars and technological resources. Although the SDI has been widely criticized domestically on technical, strategic, and economic grounds, the fundamental nature of its adverse impact on arms control and the arms race has not been adequately appreciated by a public bemused by hints of breakthroughs in U.S.-Soviet negotiations.

In truth, this new U.S. policy virtually precludes serious progress in the Geneva negotiations. The Soviet Union has taken a firm position that it will not agree to substantial, or even modest, reductions in its strategic offensive forces as long as the United States is engaged in a massive program with the stated goal of developing a highly effective nationwide defense against ballistic missiles. The Soviet refusal to deal separately with offensive and defensive issues was totally predictable and consistent with elementary military logic. When faced with improved defenses, the military has always sought quantitative or qualitative improvements in its offensive forces to insure its ability to penetrate those defenses. The ability to retaliate after a preemptive strike has been equated with the ability to deter nuclear war. The surprise at Geneva was not the Soviet reaction but the willingness of the United States to advance such a strategically unsound position.

In the past, when faced with major Soviet strategic defense programs, the United States has consistently acted to insure its retaliatory capability. In the late 1960s when U.S. officials were concerned that the Soviet Union might be undertaking a nationwide ballistic missile defense, the United States did not abandon or reduce reliance on ballistic missiles but introduced MIRVs to increase firepower and assure the ability to penetrate the projected Soviet defense. Similarly, although the Soviet Union for the past thirty years has invested vast sums in its air defense system, the United States has not abandoned long range strategic bombers. On the contrary, the United States has improved the ability of bombers to penetrate defenses in a series of qualitative improvements involving electronic countermeasures, short-range nuclear missiles designed to suppress defenses, air-launched cruise missiles, the B-1 bomber, and currently stealth technology to make aircraft and eventually cruise missiles harder for enemy radars and other sensors to detect. One cannot help but wonder how the U.S. Joint Chiefs-of-Staff would react if the Soviet Union were to reverse its position in Geneva and call for deep reductions in strategic offensive forces and the elimination of all constraints on ballistic missile defenses.

In addition to precluding major new strategic agreements in Geneva, the new U.S. strategic defense program poses a direct threat to the ABM Treaty, which is the keystone to the entire framework of existing arms control agreements. The President's vision and the goal of the Strategic Defense Initiative are diametrically opposed to the underlying objective of the ABM Treaty of preventing a nationwide ballistic missile defense. Despite the Administration's reassurances that the Strategic Defense Initiative at this stage is only a research program fully consistent with specific treaty obligations, the initiative and the ABM Treaty are by definition on a direct collision course.

Whatever view one takes on the legality of specific activities in the currently defined Strategic Defense Initiative, development and testing that cannot possibly be reconciled with Treaty provisions will occur in the not too distant future. The SDI test program so far described by the Defense Department will provide only a few of the an-

swers needed to make a rational decision on deployment and will certainly have to be followed by many more development tests which would be unambiguously in violation of the ABM Treaty. Some critics argue that this breach will in fact result from presently planned test within three years; the Administration asserts that by carefully defining and structuring these tests to conform to Treaty provisions the breach can be postponed for at least five years. But regardless of when these tests occur or how successful they may be, the Treaty will be breached long before a rational decision could possibly be made on whether to deploy a ballistic missile defense system.

Some critics of the program believe that, if pursued, the initiative will collapse from the weight of unresolved technical problems and mounting costs long before deployment could possibly be undertaken. Others argue that in a few years the momentum of the program will inevitably force a decision to deploy the system. Such a system would in all likelihood not be based on the much touted exotic technology displayed in the media but on updated versions of present components. The resulting partial defense would have little to do with the President's vision of an invulnerable America, completely shielded from nuclear attack. But whether the program ultimately collapses or produces some sort of limited defense, the results will very likely have been disastrous for the ABM Treaty and the prospects for future arms control.

The demise of the ABM Treaty and the unratified SALT II agreement, which is already seriously threatened and could not possibly survive the ABM Treaty, would essentially constitute the destruction of the entire framework of post World War II arms control efforts. The loss of these restraining agreements would unleash a major acceleration of the strategic offensive and defensive nuclear arms race. Ancillary agreements such as the outer Space Treaty and the Limited Test Ban Treaty would have little chance of surviving the ensuing military buildup. The terms of these treaties would not only prevent advanced development of such exotic approaches to strategic defense as nuclear pumped X-ray lasers but would also interfere with the "conventional" nuclear ballistic missile defense systems that the Soviet Union and probably the United States would actually pursue in a serious strategic defense arms race. Finally, the collapse of the U.S.-Soviet arms control relationship would have a profoundly negative effect on efforts to prevent the future proliferation of nuclear weapons to other countries. Both our allies and nonaligned states would inevitably feel compelled to reassess their national interest in obtaining an independent nuclear weapons capability in a world in which the superpowers had not only abandoned all pretense of progress in arms control but also the modest restraints of existing agreements.

The loss of the arms control regime developed over the past 25 years would not return the arms control process to square one, but would drive it completely off the board. Burdened then by a legacy of failure and confronted with vastly larger and much more complex offensive and defensive strategic systems, it would be a long and difficult process to discover an acceptable new approach to arms control. The risk of nuclear war would certainly be greatly increased in a world where the course of the arms race and crisis stability would depend solely on the unilateral decisions of two adversarial superpowers whose hostility and suspicion would have been substantially increased by the disintegration of formal undertakings to build restraint and predictability into their strategic relationship.

Tragically, the future of arms control has been made hostage to the pursuit of a technological will-o'-the-wisp that will draw us ever deeper into a fruitless high technology arms race. There is widespread agreement in the scientific community that the possibility of developing a highly effective strategic defense system against a sophisticated and determined adversary such as the Soviet Union is so remote that it should be irrelevant for serious long range national security planning.

The underlying problem with the President's vision lies in the incredible destructive power of thermonuclear weapons. Each weapon can have more than a million times the yield of a comparable-sized conventional weapon. Since a single thermonuclear warhead can destroy a city and the stockpiles of strategic weapons on each side number around 10,000, a defensive system must be extremely effective to provide a credible territorial defense. To accomplish this task, a complex network of detectors, assessors, trackers, and exotic kill mechanisms, on earth stations and in outer space, would have to be linked and operated automatically by computers dependent on an unprecedentedly large and complex program that would have to work flawlessly when used for the first time in a hostile environment. This is a staggering technical challenge even under ideal conditions. In the real world, however, such a system would be "fatally flawed" since it would not be operating against a cooperating partner but rather against an adversary determined to foil it. The Soviet Union can draw from a large range of options to defeat the defense at a small fraction of the cost of building and maintaining the defense network.

The offense can attack the vulnerable points of this system. Such an attack could take place at the outset of hostilities or even during peacetime since a clandestine, or even an overt attack on a satellite would be unlikely to trigger an all out nuclear response. Satellite battle stations will certainly prove to be highly vulnerable and tempting targets. The extreme vulnerability of the prime radars, on which the *Safeguard/Sentinel* program depended, was a primary reason these early U.S. systems were rejected as serious candidates for a nationwide defense against Soviet attack. Another option for the defense is simply to overwhelm the defense by brute force with more missiles, MIRVs, or decoys designed to simulate real reentry vehicles. Yet another approach is to nullify or diminish the effectiveness of the sensors and the kill mechanisms used by the defense. An example of such techniques would be the use of fast-burn boosters that would prevent or immensely complicate attack against the boost phase of the ballistic missile trajectory by shortening the time of exposure of the potentially vulnerable boosters to attack. Technical ingenuity will produce a host of ideas, such as spinning boosters, shields, and coatings to reduce at relatively low cost the effectiveness of directed energy systems and thereby increase the cost of defense. Finally, the offense can choose simply to circumvent the ballistic missile defense system with air-breathing systems that fly under the shield. For example, low flying cruise missiles, using stealth technology to avoid detection and launched from close-in submarines, would constitute an entirely new threat fully as difficult to defend against as ballistic missiles.

Despite the incompatibility of the evolving U.S. strategic position with prospects of progress in arms control, the American public understandably has a strong predilection to give the Administration the benefit of the doubt and an opportunity to pursue its new approach. Even if the approach seems incredible, an outsider can never be confident of knowing all the relevant facts. The papers are constantly filled with vague reports from unidentified high Administration spokesmen that the United States or the Soviet Union have hinted at some new arms control move. There are always authoritative assurances that the President really wants an agreement and sage commentaries on the obvious political advantages to the President of an agreement. In these circumstances, there is a natural reluctance to be seen as undercutting one's own government's negotiating position. A low profile also avoids the uncomfortable possibility of losing credibility by being seen as a false prophet in the unlikely event that the negotiations should eventually lead to an agreement.

Such restraint, which may have been a sign of wisdom in previous negotiations, is totally inappropriate at this time given the potentially catastrophic consequence of current U.S. policies on the future of arms control. There must be both a strong public defense of existing arms control agreements and a focused attack on those policies which are eroding these agreements and ultimately promise to destroy them. In the latter respect, one can applaud the President and the Secretary of State when they call for steps to reverse the erosion of the ABM Treaty. But they must be told clearly that the Strategic Defense Initiative coupled with Presidential rhetoric is a far more fundamental and corrosive element of this erosion than the apparently illegal Soviet Krasnoyarsk radar.

Despite the slim prospects for progress, even the most vocal critics of the Administration's arms control policy should support the resumption of the Geneva negotiations. The negotiations have had the salutory effect of focusing U.S. and Allied attention on the impasse created by the Strategic Defense Initiative. Moreover, even though the negotiations are being exploited more and more by both the United States and the Soviet Union as political theater, the negotiations in themselves do have something of a stabilizing effect on the arms race. True, the Administration uses the negotiations to justify additional expenditures for military programs, such as the MX missile, and the Soviet Union uses the negotiations to attempt to weaken the NATO alliance. At the same time, the negotiations even as political theater put pressure on both sides not to abrogate, openly violate, or consensually accelerate the erosion of existing agreements. In the absence of such negotiations, either side could more easily ignore or repudiate the agreements on the grounds that the other side by its actions had effectively destroyed the arms control process.

In this hostile environment, the arms control community should close ranks in emphasizing the critical importance of maintaining the integrity of the arms control process. The principal objective should be to insure that the United States and the Soviet Union support both the spirit and the word of the ABM Treaty. Both governments should be pressed to reverse the current erosion of the Treaty by tightening, not relax-

ing, their interpretations of its provisions. Where there are grey areas in treaty provisions, such as the definition of treaty terms like "development" or "components," the United States should take the lead in insisting on as restrictive interpretations as the negotiating and legislative history permit. The United States should not advance self-serving interpretations of these concepts which can only serve to erode the effectiveness of the Treaty. If there is serious interest on both sides, problems of definition and disputed provisions can be resolved by supplemental common understandings without recourse to amendments or additional agreements.

A major effort must be made to restrain unilaterally the scope of the Strategic Defense Initiative. Even without the accompanying rhetoric, an undertaking funded at the level of the present U.S. program is entirely inconsistent with the intent of the ABM Treaty. The same can of course be said of the very extensive Soviet ballistic missile defense program, which also undercuts confidence in the long-term Soviet approach. But we can hardly hope to restrain the scope of Soviet activities if we do not ourselves exhibit serious respect for the ABM Treaty and its goals.

A major effort must also be made to insure that the quantitative and qualitative limits of the unratified SALT II Treaty do not end when the agreement runs out December 31, 1985. In this connection, the President is to be commended for his recent decision, apparently despite contrary recommendations by some senior advisors, to continue adherence at least temporarily to the limits of the unratified SALT II treaty. The rationale for continued U.S. adherence to the SALT II limits after the scheduled termination at the end of this year is clear and compelling. The question remains: how long will the Soviet Union continue its commitments to the unratified SALT II agreement in the face of an expanding Strategic Defense Initiative?

The erosion of the arms control regime is underway not only as a result of U.S. and Soviet military programs, but also in the attitudes of the American people who in the final analysis must be willing to support the continuation of existing as well as any future agreements. Formal charges by the U.S. government of alleged "possible," "probable," "almost certain," as well as "clear" Soviet violations of various "legal" and "political" obligations have seriously eroded public confidence not only in the agreements themselves but in the entire process of arms control. This unpromising environment for public support is further poisoned by the constant leaks of highly misleading information, charging additional Soviet treaty violations or the intention of breaking out of the Treaties. The public can do little to assess independently the validity of such distorted and misleading reports from unidentified sources who are clearly dedicated to the destruction of existing agreements and prevention of any future accords.

Compliance issues cannot and should not be ignored. In fact, the arms control community has a special responsibility to face up to such problems and protect the integrity of agreements from all enemies, domestic and foreign. At the same time, a major effort must be made to help the public keep the security implications of alleged violations in proper perspective in relation to the importance and accomplishments of an agreement. Above all, the arms control community should seek and support constructive solutions to genuine problems that have arisen either through misunderstandings or the misguided efforts of either side to push the limits of their own self-serving interpretations of various Treaty provisions.

I have focused on the contribution of the United States to the present arms control impasse. The Soviet Union certainly has earned its share of criticism. The level of Soviet ballistic missile defense research and development is beyond the spirit of the ABM Treaty. The Soviet Krasnoyarsk radar appears to be a clear violation of the ABM Treaty and other Soviet activities have raised serious questions under this and other agreements. The Soviet position in Geneva, demanding that the United States abandon all research related to the Strategic Defense Initiative while the Soviet Union insists it can continue similar research, as well as development and testing, is hardly a serious approach to the problem.

Unfortunately, however, it is our own government that has introduced a new crippling concept into the arms control process. In these circumstances, it is clearly more appropriate and more constructive to try to influence the policies of our own government. We do not know what the position of the new Soviet leadership will prove to be. There appear to be strong factions in the Soviet Union interested in containing the arms race and promoting strategic stability for compelling internal economic, political, and military reasons. We can best try to influence the evolution of constructive Soviet behavior by creating U.S. policies that support the existing structure of arms control agreements and are compatible with further arms control progress. While such constructive engagement certainly does not guarantee success, it is a prerequisite to challenging the Soviet Union to a positive response.

Others have suggested that a radical new approach to arms control is necessary to alter the course of events. But, when the ship is sinking one must focus on damage control and not speculate on better approaches to transportation. The first order of business is to save the existing structure of arms control. This can only be accomplished by a broadly based campaign of constructive domestic and allied criticism of the military and arms control policies of the Reagan Administration. This campaign is the only hope that arms control will indeed have a future.

MYTH OF THE DAY

Mr. PROXMIRE. Mr. President, the myth of the day is that "workfare"—putting welfare recipients to work—can never succeed. In fact, these programs can succeed and the States are proving it right now.

For many, "workfare" has been a dirty word. It conjures up images of a coercive program wrenching AFDC mothers from their young children to federally supported day care centers and sending their mothers to meaningless make-work jobs with no future. And many remember the abysmal failure of "workfare" in California several years ago. At its most successful point, that program achieved only a 3-percent participation rate.

Now there is no question that many of these programs were poorly conceived, poorly designed and poorly implemented. But the States are proving today that they have learned from that experience. They are implementing programs that are better designed, more clearly targeted and far less coercive than the "workfare" programs of the last 15 years. And while many of the States want to avoid the "workfare" label for their programs, they are proving day in and day out that the basic concept, if applied intelligently, works. Let us look at just a few examples.

In Massachusetts, stunning successes are being registered. The Massachusetts approach is called the Employment and Training Choices Program, referred to as "ET." All State welfare recipients must sign up with ET and then choose on-the-job training, immediate job placement, career planning assistance, free education, or none of the above.

Since the program was launched in October 1983, 17,000 welfare recipients have been placed in unsubsidized private sector jobs, saving the State some $50 million, gross. Massachusetts's AFDC caseload is at its lowest level in 12 years, and its drop of 9.6 percent between January 1983 and January 1985 was tops among the leading 12 welfare States.

Moreover, the jobs in the ET Program are certainly not make-work jobs. Participants are palced in private sector jobs which span from the lowskill and clerical to the professional and technical. The average starting pay of program enrollees is $9,800 annually, more than double the annual welfare grant.

But wait, there is more. The State of West Virginia has been conducting a Demonstration Workfare Program for fathers in two-parent AFDC-U families. A preliminary evaluation by the Manpower Demonstration Research Corp., found that West Virginia had achieved not only a high participation rate—40 percent—but also a high degree of satisfaction among welfare recipients regarding the program and the work they were assigned. The report went on to project a 70-percent to 85-percent demonstration rate as a realistic possibility.

And, in San Diego, work projects have succeeded in increasing the earnings of AFDC mothers by 30 percent.

Mr. President, day in and day out, these States and local communities are proving that it is possible to design and implement programs that give welfare recipients an opportunity to work. And welfare recipients are jumping at the opportunity. And they are financially better off for it.

They are transforming the dirty image with which "workfare" programs have been saddled with for so long. They are proving that workfare programs can work. And it is time to lay this myth to rest.

PAST TIME FOR RATIFICATION

Mr. PROXMIRE. Mr. President, Holocaust researchers have recently acquired a disturbing memorandum, allegedly written by the U.S. military in 1948, that barred Jews from participating in the United States-European allied hunt for World War II Nazi sympathizers.

An American Jewish immigrant, Walter Bass, who served as a post war Army investigator, gave the memo to the Simon Wiesenthal Center. The document, which was signed by Lt. Gen. C.R. Heubner, established a requirement that individuals have been U.S. citizens at least 10 years to qualify for positions such as intelligence agents and criminal investigators. It, therefore, automatically eliminated many immigrant American Jews.

The immigrant American Jews who were barred were persons steeped in German language and culture, characteristics that uniquely qualified them to locate and identify Nazi war criminals.

Mr. Bass, who found the document while going through his files, called the policy unjust. He said it appeared to have been aimed at many of the Jews who had immigrated from Europe to the United States to escape Hitler in the late 1930's.

Because of the policy, the military government did not renew Mr. Bass' own contract as a civilian investigator in Germany.

Mr. Bass accuses America of having competed with Russia for the hearts of Germans. He said it tried to imitate pardons granted to certain classes of former Nazis by Russia.

Mr. President, although officials of that period have not validated the authenticity of the document, the damage is done.

Again, the question of the United States sincerity in its pledge to protect human rights has surfaced.

All too often, this country finds itself embarrassed. This should not be.

I find it appalling that a U.S. military unit would bar those who were not eager and sincere in their desire to bring Nazi war criminals to justice. These people are the victims and survivors of the most brutal persecution known to man.

Equally appalling is the fact that several Nazi war criminals, including Klaus Barbie, may have gone on our intelligence payroll. Permitting Nazi war criminals to penetrate our work force while barring their innocent victims, contradicts this Nation's commitment to fundamental human rights.

Mr. President, the Genocide Treaty offers us the opportunity to let the world know once and for all that we will not condone the inhumane persecution of any group of human beings.

It is past time for the United States to join the other 96 countries that have ratified the Genocide Treaty. Now that the treaty is on the Senate calendar, I urge this body to ratify it without further hesitation.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business for not to extend beyond the hour of 8:30 a.m., with statements therein limited to 5 minutes each.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DURENBERGER). Without objection, it is so ordered.

AIDS

Mr. HATFIELD. Mr. President, Mother Teresa of Calcutta not only has illuminated the dark corners of the world where poverty and disease spread their shadows, she has enlightened the conscience of humankind by showering love upon the poor souls whom society has ostracized. She was asked what was the worst disease that any human being can ever experience. Leprosy? Tuberculosis? Malaria? No. She stated that being unwanted was the worst disease that any human being could ever experience. Here is what Mother Teresa said:

> For all kinds of diseases there are medicines and cures. But for being unwanted, except there are willing hands to serve and there's a loving heart to love, I don't think this terrible disease can ever be cured.

So it should come as no surprise to any one who knows her that Mother Teresa has taken her sisters to care for the AIDS victims, the pariah of the 1980's, the new class of the unwanted.

But she is not the only voice of compassion and understanding on the subject of the plight of AIDS sufferers.

On October 9, 1985, in New York City, my dear friend LOWELL WEICKER delivered a memorable speech on the occasion of the Human Rights Campaign Fund Dinner. All of my colleagues in the Senate instantly can identify occasions on this Senate floor when Senator WEICKER has raised the consciousness level, not to mention the decibel level, on issues which are the subject of spirited debate. Last Wednesday in New York City, Senator WEICKER did more than lend his formidable intellect to the debate on the AIDS controversy—he gave his heart and his hope as well. He gave to those privileged to be in attendance that night a vision of how love conquers prejudice and fear, of how compassion triumphs over the age-old urge to cast out the unwanted from our midst.

Mr. President, we can all benefit from my friend LOWELL WEICKER'S wisdom and eloquence on this subject, one so often debated in the rhetoric of hate and nasty judgment. I ask unanimous consent that the text of Senator WEICKER'S speech be printed in the RECORD at this time.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

SPEECH BY SENATOR LOWELL P. WEICKER, JR.—HUMAN RIGHTS CAMPAIGN FUND DINNER

Good evening. I and my wife, Claudia, are honored to share this evening with you and to join in tribute to those you have chosen for special recognition.

In the past, I have had to choose between applying time to the never-ending parade of human and civil rights challenges posed in Washington or speaking across the country on behalf of those Americans whose citizenship is constitutionally jeopardized. Mostly, I have opted to stay put in the capital, but tonight the challenge actually and symbolically is here as much as anyplace in the United States. And so, this is where I choose to be.

Normally, my remarks would be tied to S. 1432, the Civil Rights Amendment Act of 1985, which along with Senators Kerry, Moynihan and others I have sponsored since 1979. I continue to support it, not as the making of greater rights, but as ensuring that rights established in the Constitution apply to all equally and without equivocation.

Tragically, a more immediate though not a more important issue has intervened—that of Acquired Immune Deficiency Syndrome. Tonight in the capacity as Chairman of the United States Senate Committee on Health Appropriations, I would use this occasion to make some observations on this disease or, more specifically, on the national response to it.

Before any *national* admonitions, let me render a precise accounting as to what your government has or has not done. First, the response of the federal government—executive and legislative, Republicans and Democrats—has been timely and productive. Funding levels for AIDS have been determined scientifically, not politically.

Those levels have called for 60 million dollars in 1984; 103 million dollars in 1985, and 221 million dollars already targeted for 1986. As the demands of science are delineated, the money has been and will continue to be provided. It must also be stated as fact that the time frame of achievement to date has never been equalled in the annals of science. As Dr. Vincent DeVita of the National Cancer Institute has stated:

"Government support for AIDS funded through the Congress has allowed for extraordinary progress in undertaking and beginning efforts to conquer this dread disease. Never in the history of man has the cause of a disease which had hitherto been unrecognized been established in so short a period of time."

I am not unrealistic as to the difficulties and agonies ahead. Present clinical trials relative to chemotherapy and keeping the disease and/or its transmission under control seem to hold the most immediate promise. The matter of a vaccine is somewhat

farther off. Dr. Anthony Fauci, head of the Infectious Disease Institute has stated in referring to congressional funding:

"Given the additional support provided in the current Senate Appropriations bill, funding is appropriate and comensurate with the current need of AIDS research. This support must continue and accelerate according to the inroads that are being made and can be made. Science is inexact and we cannot precisely know what requirements will exist as progress is made."

My pledge to all tonight is that whatever financial resources are defined as needed will be provided. No research stone will be left unturned for lack of money.

AIDS is one more of history's challenges to life. With neither cash nor scientific genius in short supply, the timeliness of its demise will be in direct relationship to the timeliness of our national courage and compassion. And this brings me to the main purpose of my speech.

I would like to share with you a recent trip to Hawaii. While there, I visited the Hansen's Disease (leprosy) settlement at Kalaupapa on the island of Molokai. It's a beautiful place. It's a quiet place. A loving place. But as I stood in 1984 overlooking the Molokai Channel, I was aware that 120 years earlier, lepers in wooden crates were thrown into that channel—to make it to Kalawao Beach or not depending on waves, rocks and sharks. Once ashore, theirs was the tragic existence of being in the living graveyard that was Molokai. No care, no food, no shelter. Indeed, the cry of the inhabitants as new patients arrived was, AOLE KANAWAI MA REIA WAHI—"in this place there is no law." One man changed that Pacific hell. Father Damien Deveuster, a Belgian Roman Catholic priest. At first and all by himself, he brought dignity, comfort and, yes, additional years of life to the hurt. He had no public opinion polls to support what was to be a life commitment. Indeed, not even a majority of his clerical colleagues would accompany him on his rounds of mercy. Just Damien himself brought a world from out of the darkness of cruelty and despair toward the light of understanding and hope.

Shortly, Kalaupapa will become a national park. Beautiful St. Philomena Church, built by Father Damien and his patients, will become a historic monument. Damien's body, disinterred from its grave at St. Philomena, rests with honor in Belgium, far from his life's work. But the real monument to Damien is neither park, nor church, nor headstone.

It is in a history that saw the 7,000 ostracized victims who lived and died at Kalaupapa dwindle to the 104 who presently populate the settlement and who can leave at any time. It is in the outpatient clinics for treatment of the disease. It is in the statistics of life expectancy for the diagnosed leper.

Today, the average patient's age is 65 and most of those resident at Kalaupapa have no desire to leave it. Not that they cannot, but in the words of one resident, "We are aging gracefully. We know we can go out when we want to, that makes all the difference between now and the past."

Now this is not intended as some inspirational vignette. Damien's challenge lives next door. Today it's called AIDS and like another disease at another time in a place far away, it too travels in the company of fear born of ignorance. The New Republic this week in its lead editorial dubbed this epidemic "Acute Fear Regarding Aids" or simply "AFRAIDS."

The statistics are disturbing. A recent New York Times/CBS News poll showed 47 percent of Americans believe AIDS can be spread by a shared drinking glass and 27 percent by toilet seats. A Washington Post poll had 34 percent of the respondents fearful of associating with AIDS patients even without physical contract. In the same category, fully 22 percent of the same sample described themselves as uncertain as to this method of transmission.

Disgracefully, such great national uncertainty is a tremendous breeding ground for the politics of fear. As you know, issues like quarantine for cared and caring alike are openly discussed across the nation and have made their way into legislative proposals. Those whose far-right wing crusades have always included homophobia are spreading "AFRAIDS" at every opportunity. It's no coincidence that the same extremists who say AIDS is a form of divine justice also find this divine justice in the racist regime of South Africa.

We can never forget that the unfounded fears of many Americans are no less real. There are unanswered questions. We do not now, nor perhaps will we ever, have an answer to each question.

What scientific uncertainties exist, however, relate more to cures than transmissibility and on one subject there is no doubt. We in the United States are one people and by fact or law, there will be no pariahs among us. No one is going overboard in a crate to sink or swim. Progress in the absence of panic has already been made. More is yet to come with quiet resolve.

We are here tonight for a celebration; a celebration of the accomplishments of several distinguished guests, the accomplishments of a community. The ravages of disease don't render this celebration irrelevant. For when people gather in a time of crisis with a common purpose, there is an even greater celebration; that of the very real potential for victory.

The writer E.B. White has been a treasure of our national life for most of this century. E.B. White died October first at his home in Maine, diagnosed as suffering from Alzheimer's disease. One of White's great gifts to us as a writer, as an observer, was his description of creatures caught in circumstance, situations full of opportunity for prejudice and full of opportunity for cooperation and hope.

His words are a celebration of the hope we share tonight.

"Despair is no good," he wrote once in a letter, "for the writer, for anyone. Only hope can carry us aloft, can keep us afloat. Only hope, and a certain faith that the incredible structure that has been fashioned by this most strange and ingenious of all the mammals cannot end in ruin and disaster."

In closing, let me recount one small personal experience in order to give expression to the deep debt *I* owe to hundreds of anonymous persons who brought the mentally retarded from darkness to light in my lifetime. At the time of the birth of my third child seven years ago, I was asked by a well-meaning, Christian person whether or not I would like to give Sonny away, thus avoiding the supposed heartaches attendant to raising such a child. My immediate response was, to course, in the negative and I like to believe that it would have been my response 10 years, 15 years, 20 years, 50 years ago. But I have to wonder whether or not it was shaped in some way by those visionary brave few who brought these human beings to the status of special people from that of Mongoloid.

Now once again as a nation, we have the choice when it comes to those afflicted with AIDS. Is it to be "Over the side," or "Into our hearts?" That answer, more so than the transmissibility of an AIDS virus, will determine the life and death of this nation.

Thank you.

Mr. HATFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SYMMS). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

THE 210TH ANNIVERSARY OF THE NAVY

Mr. COCHRAN. Mr. President, I would like to take a few minutes to congratulate the U.S. Navy on the occasion of its 210th anniversary. Recent events emphasize how important it is for us to have a strong Navy, one that is capable of reacting quickly and effectively to unexpected challenges in distant places.

Today's Navy was christened when Congress, on October 13, 1775, passed legislation authorizing the purchase and fitting out of two vessels: the *Andrew Doria* and the *Cabot.* Two months later, Congress authorized the building of 13 frigates—at a cost of less than $67,000 each. During the War for Independence, some 60 naval ships saw service, which by war's end claimed the capture of some 200 enemy vessels.

When the war ended, the New Republic could not afford a Navy, and all of the remaining ships were retired. This action was the unfortunate beginning of a practice which has persisted throughout our country's history.

The next expansion of the Navy came in the late 19th century in response to the capture of American merchant ships by the Barbary pirates. Thus began the concept of a Navy to protect, among other things, American merchant shipping. Among the ships placed in commission at this time was the U.S.S. *Constitution,* "Old Ironsides," which is still in commission today.

By the beginning of the War of 1812, the Navy consisted of 16 ships. The naval expansion necessitated by the war sparked a now familiar debate: whether to use the country's monetary resources to build large ships or small gunboats. Of course, today we talk in terms of frigates and destroyers versus aircraft carriers, but it's the same basic dispute.

In the years leading up to the Civil War, the U.S. Navy initiated the current system of worldwide deployments. "Showing the flag" from the Mediterranean to the East Indies, the Navy was chiefly concerned with furthering maritime commerce.

Still, it was during this period that the concept of deterrence reached fruition. Advocates of an extensive naval force pointed out that a strong Navy, deployed throughout the world, could open new markets and defend American shipping against discrimination by foreign traders and attack by pirates.

During the Civil War, the Navy was involved not only at sea, but also in amphibious landings and in inland waters. The U.S.S. *Monitor's* famous duel with the Confederate ironclad *Virginia*—formerly the U.S.S. *Merrimack*—was the most significant naval battle of the war, and signaled a major advance in naval warfare. Again, however, the Navy was allowed to deteriorate following the war, and technological advances such as steam propulsion were resisted for several years.

In the last hundred years, the Navy has seen the advent of submarine warfare, carrier aviation, and nuclear propulsion. It is important to remember that this modernization effort, now well under way, is as essential in peacetime as it is during times of conflict. The reason is that the complex ships and aircraft of today take a long time to produce, and expansion in time of war is not militarily feasible.

After last week's courageous action over the Mediterranean, during which a group of F-14 Navy jets forced the landing in Sicily of an Egyptian plane carrying the hijackers of the *Achille Lauro,* I hardly need to remind my colleagues of the pride and glory the Navy continually brings to this country. During its 210 year history, the one constant in the U.S. Navy has been the people who have served within its ranks both at sea and ashore. Today they come from all walks of American life, from the inner cities to rural farmlands. They are united by an exemplary sense of patriotism and duty to their country. As they serve America, above, on, and beneath the seas, they earn our deepest respect and appreciation.

I am sure that my colleagues join me in wishing the U.S. Navy a happy 210th birthday.

UNITED STATES HOLOCAUST MEMORIAL MUSEUM

Mr. MATTINGLY. Mr. President, yesterday, together with the other members of the U.S. Holocaust Memorial Council, a number of my colleagues, and several hundred individuals from this and other nations, I had the privilege of participating in the official groundbreaking ceremony for the U.S. Holocaust Memorial Museum. It was a moving experience.

As I sat in the place where the museum will stand, I was struck by the significance of the site that has been chosen to memorialize what many have called history's darkest hour, a horror carried out thousands of miles away, on another continent. In the shadow of the Washington Monument and across the Tidal Basin in view of the Jefferson Memorial, the record of the Holocaust will be preserved for posterity. I believe that is as it should be, for the juxtaposition of the symbols of liberty and tyranny remind us what can occur in any land if the foundation on which all freedoms rest is, even for a moment, forgotten. Inscribed on the walls of his memorial are Thomas Jefferson's words, "The God Who Gave Us Life Gave Us Liberty at the Same Time." This principle, articulated again in the Declaration of Independence—"We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights"—provides the underpinnings upon which our law and Government rest.

As the victims of the Holocaust learned, divorced from its moral basis, the law is no protection. For the law can be rewritten by dictators and actions based on these laws can be justified and ruled legal by a judiciary which blindly measures them against the laws' letter. The lesson for us then is to be ever vigilant in the defense of the rights of individuals and in insuring that the basis of our laws is not violated.

As survivors of the Holocaust and their children and grandchildren looked on, soil and ashes from the concentration camps of Auschwitz, Bergen-Belsen, Dachau, Theresienstadt, and Treblinka, and from the Warsaw Jewish Cemetary were mixed with Earth from the site, the foundation of the museum. It was a fitting symbol. For the history of Germany during the horrible period of the reign of Hitler has become a part of the world's history, and ours, just as the liberation of the concentration camps has. The people of Germany, many of them, and their descendants have become our people, our citizens. The rembrance of the Holocaust has become and must remain a portion of the world's conscience.

This year the Holocaust Council sponsored its first annual national essay contest for students. The words of one of the winning essays, by Paula Cavanaugh of Missouri, say much to me concerning what we are about in erecting this museum. Paula Cavanaugh visited Dachau, and recounting her visit there she wrote:

> I stepped over the line and walked out of Dachau. Alive, healthy, whole, and uninjured, I simply walked out. I took the stone from block 15 out of my pocket and held it in my hand as I reflected over the visit: The Jews were not the only people that suffered. The whole world suffered a wound that cannot heal as long as the possibility of the reoccurrence of such animalistic brutality exists. We are all of us obligated to prevent that. We must carry the prayer, "Nie Wieder" in our mind forever: "Never Again." . . . I left Dachau, but it has never left me. To this day, I still keep that stone from block 15 . . . it serves as my reminder . . . I will never forget.

Most young people will not visit Dachau. More, I imagine, will visit this Holocaust Museum. And when they leave, just as Paula Cavanaugh did, may they carry the lesson of Dachau with them.

Mr. President, what we did yesterday, we did in memory of the victims of a regime so terrible the imagination can barely grasp it. But we did it also for ourselves, and for our children—to warn them and to teach them. And we did it for oppressed peoples around the world.

I am honored to have the opportunity to serve on the U.S. Memorial Council at this historic time. And as the campaign to remember continues in its drive to raise the funds to build this museum, I commend it to my colleagues, for their support. It is important work, for the sake of human rights everywhere.

JOHN D. MONTGOMERY, A KANSAS FRIEND

Mr. DOLE. Mr. President, last Tuesday evening, this Senator—and my home State—lost a great friend with the passing of John D. Montgomery of Junction City, KS.

Mr. Montgomery was an influential and respected newspaper publisher and an active leader in the Democratic Party who did a lifetime of good work for my State.

Although he represented a rival political party, the two of us enjoyed a longtime friendship. The Senator from Kansas welcomed his wise counsel and respected greatly Mr. Montgomery's accomplishments in journalism and politics. Believe me, I will miss the thoughtful letters on Kansas and national issues he was kind enough to send to me over the years. In his honor, I would like to share with the Senate some of the highlights of his life.

He was a 1925 graduate of the University of Kansas Journalism School, set on pursuing a career begun by his father and grandfather before him. Before settling in Junction City to publish the Daily Union—started by his family in 1892—he published newspapers in Florida, Brazil, and Cuba.

He expanded the Montgomery newspaper chain to include papers in four other Kansas communities, and recently acquired a low-power television station to serve the people of Junction City.

John Montgomery served his national party as the national committeeman from Kansas in the early 1960's, as the State party chairman, and twice as a candidate for Congress in Kansas on the Democratic ticket. In all his many endeavors, he was success.

Mr. President, John Montgomery was 82 years old when he passed away. But his tireless efforts on behalf of our State and Nation will live on. I know the Senate joins me in expressing a deep sense of loss, and its sympathy to his family.

THE THREE FISCAL CRISES

Mr. KENNEDY. Mr. President, writing in the September issue of the Atlantic, James Fallows, that distinguished journal's Washington editor, warns that today's economic policy mistakes will combine to do deep and long term damage. He correctly argues that our deteriorating trade position, our transformation to international debtor, and our unprecedented budget deficit feed on and reinforce each other. The net effect is that we are paying for today's lunch with resources that we ought to be investing in order to ensure our long-term economic strength.

Mr. Fallows, as he has done so often and well, has shone a bright, if harsh, light on a fundamental national issue. As we struggle with these economic questions in the coming weeks, I hope we will all take his counsel as to just how much is at stake. I congratulate him and commend his work to my colleagues.

Mr. President, I ask unanimous consent that the article by James Fallows, entitled "Three Fiscal Crises," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE THREE FISCAL CRISES

Economics does not easily accept the idea of irreversibility. In principle, almost no change is so permanent that it cannot be undone. If people are no longer eager to buy your goods and services, if your nation's comparative advantage has waned, you need only lower your price. It is all a matter of adjustment; at some point—which is to say, at some price—the curves of supply and demand will intersect.

Real life is not always so flexible as economic theory would suppose. For instance, wages sometimes stop rising but they rarely decline, because people cannot stand to live under circumstances in which the price of labor fluctuates like the spot price for oil. But there is an even more important exception to the economists' contention that what goes up must eventually come down.

Because of the relentless workings of compound interest—the mathematical formula under which the interest earned in each period is added to the principal sum, so that the interest is larger in the next period than it was in the last—when things start moving in a certain direction, they can gain rather than lose speed. A debtor who has a little trouble meeting this year's interest payments will have a lot of trouble next year. Because compound interest introduces a momentum of its own, trends subject to its influence behave very differently from normal equations of supply and demand. By the time a trend of this kind is detected, it will rapidly be getting worse.

The magic of compound interest is becoming the central explanatory fact about the American economy. In three fundamental and related areas the United States is quite suddenly shifting to the wrong side of the interest curve. Taken one by one, the changes are familiar; taken all together, they tell us something about the economy which we'd rather not know.

The first change is the sudden disappearance of America's surplus in the international balance of trade. During the 1970s the United States managed to sell almost exactly as much to other countries as it bought from them—even though it was unexpectedly obliged to spend astronomical sums for imported oil, and even though foreign competitors had already made deep inroads into traditional American bastions, from radios to steel. The trade deficit for the entire decade of the seventies was $20 billion. Now things have changed so drastically that the deficit for 1985 alone will be more than $120 billion.

To make quickly the point that Walter Mondale made ad nauseam but to no effect in last year's campaign: the sudden collapse of the United States in international trade may have something to do with poor management or shoddy workmanship or unfair trade restrictions, but it mainly has to do with ballooning federal deficits. Because of the deficits, the government needs to borrow more money; because it has borrowed more, real interest rates have gone up; because U.S. interest rates are higher, foreigners are depositing more money in American banks; and because so much foreign money has been coming into the country, the exchange rate for the dollar became and has stayed unreasonably high. By most estimates, the dollar is worth about 40 percent more than its "natural" value against European and Japanese currencies. This is the equivalent of a 40 percent export tax on U.S. products, and it has had predictable results.

As recently as 1980 the merchandise category of U.S. trade accounts—which includes automobiles, shoes, and all the other manufactured goods in which the United States has psychologically conceded defeat—showed a $20 billion surplus. By last year that had changed to an $80 billion deficit, a swing of $100 billion in four years. According to Peter Peterson, a former secretary of commerce and a present-day Jeremiah about deficit spending, the decline in exports has cost the United States 2.5 million jobs. Roy E. Moor, of the First National Bank of Chicago, has pointed out that of all the dozens of categories of American industry, only five managed to sell more goods abroad in 1984 than they sold in 1981—and even in those "successful" industries imports grew much faster than exports. The greatest American success stories were in the "business and office machine" category, notably computers. But even there imports grew almost four times faster than exports. Apart from the five successful groups (the others were cars, non-medicinal chemicals, non-food consumer goods, and electrical and electronic products), *all* other categories of American industry exported less in 1984 than they had in 1981. By the middle of 1984 the United States was importing 60 percent more than it was exporting—the most unfavorable ratio in our modern history, and one found more often among developing countries than among major industrial powers.

The competitive position of the United States might theoretically be brighter than the balance-of-payments figures would imply. American companies might conceivably be building efficient new plants overseas, with which they would defend their market share, even though they would not be restoring American jobs. But since American exports have collapsed so suddenly, such long-term investments would be slow to take up the slack—and in fact the flow of investments has been running the opposite way. Rather than sending capital abroad to build new plants and equipment, the United States has started borrowing from other nations, to subsidize its own consumption. This in turn helps explain the second radical change in America's economic position: the virtually instantaneous disappearance of the financial credits the United States had slowly accumulated around the world.

During the nineteenth century, when the United States was expanding its railway network and establishing its industrial base, foreign investors made loans and bought stock to provide much of the necessary capital. Late in the century, when the United States emerged as a pre-eminent industrial and agricultural power, it began to reverse the flow, using its new earnings to make loans and start business overseas. By the beginning of the First World War the United States had become a net international creditor for the first time in its history, meaning that the value of its loans and investments in other countries exceeded the value of foreign investments here. For the next sixty-five years its standing as a creditor improved, until in 1982 it enjoyed an international-investment surplus of $150 billion.

Then, in less than three years, everything changed. In the world as economists usually imagine it, the United States could not have gone into debt as rapidly as it in fact has. If the country developed a grievous balance-of-trade problem, the obvious next step would be for the value of the dollar to fall. The Japanese and Germans, having sold their wares to Americans and bought little in return, would find themselves with unwanted surpluses of dollars. When they exchanged them for the yen or Deutschmarks they preferred to have, the pressures of supply and demand would drive down the value of the dollar relative to other currencies. This, in turn, would make imports more expensive in the United States and American exports more attractive. The trade imbalance would be self-correcting.

But that is not what the Japanese and others have done with their dollars. For a variety of reasons—lack of investment opportunities in their own countries, persistently high interest rates in the United States, other factors whose influence economists are now debating—they have deposited their dollars in U.S. banks and bought U.S. bonds, rather than trading the dollars for yen. Several consequences have followed. Japanese VCRs and Italian shoes seem artificially cheap in the United States, since the value of the dollar has been held artificially high. Credit is artificially easy for Americans to obtain, since the Bank of America can use the deposits it has received from Japanese investors to make loans to families that want to buy Japanese cars. When all the complications are boiled away, what's left is a cycle in which the United States started borrowing money from foreigners to buy cutrate foreign goods—and has kept borrowing and buying at faster and faster rates.

By the end of last year the international debts of the United States had grown so quickly that they had come to equal its in-

vestments. And they kept on growing; indeed, because of the workings of compound interest they gathered speed as the United States moved deeper into the debtor category. By the end of this year the United States will stand roughly $100 billion in debt to the rest of the world, which will make it the largest debtor nation, eclipsing the Mexicos and Argentinas—and this less then three years after being the largest creditor. By the end of next year it will owe at least $100 billion more.

One crucial technical measure of the velocity at which a country is moving into debt is the ratio between two financial indicators, the current-account deficit and the exports of goods and services. Roughly speaking, the equivalent measure for a household is the ratio between how much new money it is borrowing each year and how much it earns. In 1982, when the Third World's "debt crisis" was widely publicized and feared, this ratio reached a peak of 24 percent for the major debtors. Peter Peterson points out that in 1984 the United States' ratio rose above 25 percent.

The third and most familiar of the economic changes is the phenomenal growth of federal deficits during the past four years. "Deficit spending" has been such a traditional bogey in U.S. politics that it is surprising to realize how modest most previous deficits have been. Before 1980, only twice in America's peacetime history had the annual federal deficit equaled more than three percent of the gross national product. The deficit for 1983, the largest in American history in both relative and absolute terms, equaled 6.4 percent of the GNP. According to most projections, the deficit will remain indefinitely in the five-percent range, unless federal taxing or spending policies change far more dramatically than any politician has yet proposed.

The previous "large" deficits all occurred either during wars or during economic recessions, when tax receipts are unusually low and social-welfare spending is high. These new deficits are much less cyclical. Indeed, the Administration's projections show sustained high deficits despite an assumption that the economy will grow smoothly and uninterruptedly in the future, as it never has grown in the past. Politicians such as Congressmen Jack Kemp and Newt Gingrich and journalists such as Robert Novak and Robert Bartley, the influential editorial writer for *The Wall Street Journal*, have said that warnings about the deficits are more of the old leftist defeatism. Why concentrate on the bad news, when with the correct optimistic policies we can grow our way out of the deficit? True, the deficit may shrink if the tonic effects of Reaganomics are so powerful and long-lasting that the American economy moves onto an entirely different plane, like an underdeveloped country reaching "take-off," in W.W. Rostow's famous model. If unemployment goes below four percent and stays there, and if real growth reaches five or six percent a year and stays there, then the nation's greatest concern will be managing its affluence and leisure time. But short of that, the deficit won't "grow" away. The basic mathematics of today's tax and spending policies will leave a chronic gap between what the government takes in and what it pays out.

As Ronald Reagan understands, Walter Mondale learned, and the U.S. Congress demonstrates each day, debt and deficits are practically meaningless as political issues. "Nobody has successfully translated the evils of debt and deficits from the abstract to the real," Representative Jim Jones, of Oklahoma, a former chairman of the House Budget Committee, told me this summer. "Once it's shown to be a pocketbook issue, it will be dealt with. But for now it's all downside."

In the White House and Congress early this spring there was a flurry of concern over the deficits. The Administration's pollsters determined that with Mondale safely interred, the public was starting to express worry about the deficits. But once Congress has passed mild anti-deficit measures, which would stop the defense buildup and cut about $50 billion from the 1986 deficit (leaving it at about $170 billion), the issue resumed its accustomed seat in the rear.

The unsexiness of dealing with deficits is hardly surprising. When the workings of compound interest are considered, it becomes obvious why the sudden recent shifts in our economic standing have not yet registered as a national crisis—indeed, have done so much for our recent prosperity—and why they will cause so much harm for so many years to come.

Of the three recent changes, one can be depended on to correct itself, sooner or later. At some point we'll have sent more dollars to Japan than the Japanese care to deposit in American banks or sink into U.S. Treasury bills. Then the value of the dollar will fall, imports will become more expensive, and the trade deficit will be reduced. The main uncertainty is how this will occur. Will the United States carry out its threats to retaliate against the Japanese with protectionist laws? (It may seem quaint now, but in 1971 Richard Nixon's revolutionary package of protectionist measures was provoked by fears of a two-billion-dollar annual trade deficit, or roughly six days' worth at today's pace.) Will foreign investors decide to do us a favor, by shifting their capital to other nations gradually, thereby decreasing demand for the dollar slowly and letting its value drift gently down, in turn making U.S. exports more attractive? Will there instead be a panicked run on the dollar, suddenly disrupting certain industries and reintroducing us to our old nemesis, inflation?

Whenever and however the inevitable adjustment occurs, the years of grotesque trade deficits will have done some damage, perhaps even of the "irreversible" variety. How much goodwill and market position will the Caterpillars and IBMs have sacrificed? And will other countries be so thoroughly accustomed to our insatiable demand for imports as to have difficulty in adjusting to its disappearance? Bankers and economists point out that for the past four years the U.S. trade deficit has been a powerful, if imprecisely directed, antipoverty weapon. Our imports are everyone else's exports, so the booming demand here has given developing countries (along with Japan and Europe) a chance to sell their wares. All we have asked in return is that they lend us the money with which to make the purchases. By creating a debt crisis of its own the United States has helped other countries solve theirs.

While the adjustment may be rocky and the damage to U.S. exporters profound, the trend of the trade imbalance has to be toward correction. It is hard to be so confident, if that is the word, about what will become of the country's newly accumulated foreign debts and federal deficits.

From the beginning of the First World War to 1982 the position of the United States as an international creditor generated a steady stream of dividends and profits for U.S. investors. Money deposited in English banks caused interest payments to be sent back to the United States. Investments that helped build oil wells in Indonesia or computer factories in France or clothing works in Taiwan came back to America as profits. Some of the money was taxed away and used by our government; some was reinvested at home or abroad; some was spent on goods from cars to caviar; some may have been stashed in Swiss bank accounts, which pay little or no interest but offer the comfort of anonymity, or simply squandered. Whatever its precise disposition, all of it was money that the nation did not have to generate by other means. Taxes were lower, government benefits more generous, the standard of living higher than would otherwise have been the case. Whenever the United States had trouble exporting merchandise, the profits and dividends streaming back from overseas helped the nation pay for the imports it desired.

Now the situation is exactly the reverse. The $300 billion in foreign loans that have come into the country in the past three years have given us Hondas and Beaujolais we could not otherwise have afforded and (to the extent that foreigners have lent money to cover the federal deficit) government benefits for which we would otherwise have had to tax ourselves. In exchange for these three years of subsidized consumption we have obligated ourselves to send profits and dividends the other way from now on. Whatever benefit our six decades of foreign investment represented, our rapidly growing foreign debt now constitutes an equivalent handicap.

The increase in federal indebtedness arises from the same exchange—subsidized consumption now, in return for a lower standard of living in the future—but is on an even grander scale. During the Second World War the United States took on an enormous debt, in the attempt to defeat Hitler and Tojo. But for the next thirty-five years federal debt gradually declined relative to the rest of the American economy. That trend reversed itself with the coming of the Reagan Administration, and because of what has happened from 1981 to 1985, the United States for the indefinite future will see its freedom of action reduced. Because of just these four years of debt, Ronald Reagan's successors will find it hard to do anything other than meet the government's interest obligations, and the nation as a whole will have more difficulty investing in education, technology, or other sources of happiness and wealth.

In 1980 one dollar of each ten the federal government spent was to pay interest on the national debt. Now interest consumes one dollar of each seven. To put it another way, nearly four dollars of each ten the government collects in individual income taxes goes not for Trident submarines or National Park rangers or even for Social Security benefits but for the premiums on Treasury bills. As interest payments continue to rise, the government must collect more in taxes, reduce its other functions, or borrow more money—and borrowing more of course means that interest payments will rise even faster the following year.

As the House Budget Committee summarized the situation, in a report last May: "The rising interest burden makes the distribution of income more unequal; it will eventually lead to higher taxes which may affect economic efficiency; and it means less room in the budget for Federal programs which meet genuine national security, in-

vestment, or social needs, rather than just servicing debt."

Already the federal budget is showing signs of being squeezed by interest payments—and, of course, by defense and Social Security. Ronald Reagan continues to talk as if he were holding the line on spending for everything except defense, but in fact his legacy will be to have presided over large increases in interest payments, Social Security, and Medicare, in addition to defense. (Defense spending has risen from 5.8 percent of the GNP in 1975 to 6.5 percent now, on its way to the Administration's goal of 7.8 percent in 1990. Social Security and Medicare have risen from 5.2 percent in 1975 to 6.6 percent now.) The radical reductions have come only in the small part of the budget left over after these big-ticket accounts have been funded. Even though federal spending, as a proportion of the GNP, is higher under Ronald Reagan than it has been under any other President except Franklin Delano Roosevelt in wartime, spending for everything except interest, Social Security, plus Medicare, and defense has shrunk. In 1975 this "other" category of federal spending accounted for 11.1 percent of the GNP; it is now 9.3 percent and according to the Administration's projections should fall to 6.0 percent by 1990.

Some conservatives claim that a hidden virtue of deficits is precisely that they starve the government and thereby keep the liberals from dreaming up any crazy new ways to waste money. Twenty years ago politicians were arguing about which programs to expand; now everyone argues about where to cut. If the deficits ever shrank, the conservatives say, those irrepressible liberals would be trying to start programs again.

Useful as it may be for the conservatives at this moment, this endorsement of deficits does seem shortsighted, both for their own political interest (what greater enemy do the defense budget and lower taxes have than the deficit?) and for the nation's ability to compete economically. Far beyond the effect that the government deficit has on the federal budget, it is beginning to encroach on the entire society's ability to invest in its future. One measure of how much capital is available for productive investment is the U.S. "net savings rate"—private savings, minus depreciation, plus surpluses generated by state and local governments. Since 1960 this measure has held remarkably constant, at about eight percent of the GNP. But after the demands of the federal deficit have been satisfied, there has been less and less capital left for other purposes. For the period 1961 to 1970, 7.4 percent of the GNP, or better than 90 percent of net savings, was available for investment and capital formation, after covering the deficit. From 1981 to 1984, 2.7 percent, or about a third of net savings, was. Federal deficits now consume two thirds of the nation's net savings. Only one third is available for investment in future growth.

Many types of federal spending, of course, result in what should be considered productive investments—highways, schools, hospitals, agricultural-research stations, and even space missions are obvious examples. The public debt might be less worrisome if its growth could be explained by projects like these, which can in various ways eventually help cover their own costs. But today the government is spending and borrowing much more but investing less. The only increases in government spending have been for interest, retirement, and the military. (Caspar Weinberger often claims that defense spending is "productive," since it creates jobs, technical spin-offs, and so forth, but few economists take this idea seriously. Almost any other type of spending creates more jobs. And money devoted to commercial research and development is more likely to produce usable technical innovations—otherwise, how would the Japanese, with virtually no military establishment, have stayed in the technical race?)

Few experts pretend to understand fully the forces that have kept the dollar rising in value even as U.S. exports have fallen, thereby aggravating the accumulation of debt and confounding the underlying logic of economics. Still, it's hard not to conclude that something fundamental has changed in the U.S. economy in the past four years—namely, the assumption about how, and whether, we will pay our way.

As the President and his representatives have often emphasized, the United States has enjoyed a kind of economic renaissance in the past two years. After the severe recession of 1982 the United States began creating new jobs and generating new opportunities at a tremendous clip. Income is up; inflation is down; the Europeans are mad with envy. The bath of resultant good feelings helps explain the President's overwhelming re-election a year ago.

Part of the credit for the economic recovery must go to changes that the Reagan Administration deliberately made. Everyone likes lower taxes. Those intangible but undeniable feelings of confidence and optimism have increased. Still, a look at the balance sheets suggests a more obvious explanation for America's feeling good about itself. Why shouldn't we feel good, when we're paying only eighty cents for every dollar of government benefits we receive? What's not to like, when we can buy a dollar's worth of imports with exports worth sixty cents. Everyone feels optimistic on an expense account—and everyone is ready to believe that he deserves every comfort he's been offered, and then some. The genius of Ronald Reagan has been to play to these natural vanities, helping us believe that what looks very much like a subsidy is in fact proof that we are standing tall. Such is the emerging idea of "service" under President Reagan (they also serve who only stand and spend). We will bear any burden, except those that are inconvenient. We will do whatever it takes to re-arm the United States—except draft the soldiers or raise taxes to pay for the weapons. We will do all that's necessary to rebuild the American economy, by getting used to being subsidized.

If we could count on the boom to last forever—if other nations would subsidize us indefinitely in order to create a market for their goods—we'd have no source of discomfort except dreary puritanical reminders that we had turned into freeloaders. Or if we were sure we could readjust to the old ways whenever the boom came to an end, then even as we paid the bills we could think back fondly to a free ride that lasted a few years. But given the ratchet effect of democratic politics—it's much harder to give something up than to keep doing without something you never had in the first place—how can we ever go back to the old days? Given the humiliation of Walter Mondale, how many politicians will run on a platform calling for higher taxes?

The House of Representatives—like the Senate, and like President Reagan—has not made any significant dent in the deficits. But the House Budget Committee at least made clear in its report on deficit spending that the ultimate cost of chronic deficits was "the way citizens view their government":

"In the short term, [Americans] may find it an attractive "bargain" to receive $100 in national defense and government services for only $80 in taxes, as at present. In the longer term they will react in anger and disappointment when they find the deficit must be paid for, after all, with higher taxes and inflation. As this process proceeds, confidence in government and the competence of fiscal management will erode, further weakening the political institutions of our society. That may be the final and most costly burden placed on future generations."

Ronald Reagan's supporters contend that his Administration has restored confidence and patriotism to a nation that lacked them. Maybe so; but it may be remembered longer for conditioning us to the free lunch.

THE GREATER ST. JOSEPH UNITED WAY

Mr. EAGLETON. Mr. President, later this month a dinner will be held in St. Joseph, MO, to mark the conclusion of this year's Greater St. Joseph's United Way Giving Campaign. This victory dinner will celebrate the efforts of thousands of individuals who raised an extraordinary amount of money this year, and whose labors help fund the good works of the St. Joseph United Way. I might add that their success was achieved in the face of the difficult economic conditions affecting the St. Joseph region. Their work is a fine tribute to the generous and caring people of St. Joseph and the State of Missouri.

The victory dinner will have a most special guest of honor—Julie Bartee—a wonderful young lady who stars in this year's national United Way film with singer Loretta Lynn. Julie's association with the United Way goes back some 17 years when she made her first United Way film, also with Loretta Lynn. This year's victory dinner will be a special and memorable occasion with her presence.

I invite my colleagues to take a moment from their duties today to pay tribute to this approaching important event and the hard work, concern and generosity it represents.

RESIGNATION OF SVEN GROENNINGS

Mr. STAFFORD. Mr. President, I am sorry that Sven Groennings has resigned as the Director of the Fund for the Improvement of Postsecondary Education. Sven has done an excellent job as the Chief Administrator of this important program over the last 4½ years, and I wish him well in whatever new endeavors he chooses to undertake. My strong support for a streamlined FIPSE Program which is independent of the regular Education De-

partment bureaucracy, will continue as it always has, and will be particularly reflected in the reauthorization legislation for the Higher Education Act soon to be considered by the Senate Education Subcommittee.

TRIBUTE TO JAMES R. SPIRKO

Mr. SPECTER. Mr. President, I wish to call the Senate's attention to the exemplary life of public service of Mr. James R. Spirko the jury commissioner for Allegheny County, who is retiring after many dedicated years of community service.

A life-long resident of Allegheny County, PA, Mr. Spirko has served western Pennsylvania for more than 22 years—as the superintendent of the Pennsylvania State Highway Department and on the district attorney's staff as chief indictment clerk, chief grand jury clerk, and assistant office manager. He was elected jury commissioner of Allegheny County in 1973 and will remain in office until his retirement at the end of this year.

I am sure my colleagues join me in commending Mr. James R. Spirko for his long and devoted service to western Pennsylvania.

THE KANSAS CITY, KANSAS, ROYALS AMERICAN LEAGUE CHAMPIONS

Mr. DOLE. Mr. President, once again the Kansas City Royals have demonstrated why they are indeed one of baseball's most successful franchises. The team's stunning comeback in the American League playoffs has sent them roaring into the World Series where they will get the attention and credit they deserve. However, there is one fact that seems to have been overlooked in all the excitement.

The media are now calling the upcoming World Series "the I-70 Series," focusing on the fact that the participating cities of St. Louis and Kansas City are on either side of the great State of Missouri. Well, correct me if I am wrong, but I-70 goes all the way to my Kansas City, too. Contrary to some reports, the interstate does not fall off the end of the Earth when it hits the Kansas border. Rather it runs straight into the hearts of the most loyal fans in the major leagues. Kansas City, KS, is proud of its team. On behalf of all Royals fans in the Sunflower State, we congratulate our team and wish it all the best against the Cardinals in the World Series.

STATE ATTORNEYS GENERAL FIND ANTITRUST PROBLEMS WITH PROPOSED CONRAIL SALE

Mr. DIXON. Mr. President, today, the distinguished attorney general of Illinois, my good friend Neil Hartigan, testified before the Subcommittee on Monopolies and Commercial Law of the House Judiciary Committee. He was joined by his distinguished colleagues from Ohio and Pennsylvania, Anthony J. Celebrezze, Jr. and Leroy S. Zimmerman. These three attorneys general represented an even broader coalition of 16 State attorneys general, including the attorneys general from Illinois, Delaware, Iowa, Kansas, Kentucky, Louisiana, Maryland, Minnesota, Nebraska, New Hampshire, North Dakota, Ohio, Pennsylvania, Rhode Island, West Virginia, and Wisconsin.

All 16 of these antitrust experts believe that the proposed Norfolk Southern-Conrail merger is anticompetitive and unnecessary to ensure Conrail's return to the private sector. They found that this proposed merger would result in a radical restructuring of the American Railroad industry, and would cause substantial economic harm in the States they represent. They also testified that the merger would not be approved by the Interstate Commerce Commission if it were required to review this merger like it reviews every other railroad merger, and that the Norfolk Southern-Conrail merger should not be immunized from the antitrust laws.

These attorneys generals are not the only experts that have found antitrust problems with the Norfolk Southern transaction; even the U.S. Department of Justice believes there are problems. However, I believe they are especially well qualified to speak on this antitrust issue. They are all experienced in the antitrust area, and they all have significant antitrust responsibilities.

Attorney General Hartigan also testified separately on the issue, analyzing the impacts on regional railroads that connect with Conrail and reviewing the impacts it would have on the Illinois economy. He makes a strong case that a Conrail-Norfolk Southern merger is not in the interests of the citizens of Illinois, or the citizens of the rest of the Nation.

I share Attorney General Hartigan's views, and the views of his fellow attorneys general. I hope my colleagues will take the time to review their testimony. I'm sure they will find the attorneys general arguments persuasive, and indeed, compelling.

Mr. President, I ask unanimous consent that a copy of Attorney General Hartigan's testimony and a copy of the testimony of the 16 attorneys general be included at this point in the RECORD

There being no objection, the materials were ordered to be printed in the RECORD, as follows:

STATEMENT OF ILLINOIS ATTORNEY GENERAL NEIL F. HARTIGAN

Mr. Chairman and members of the Subcommittee, my colleagues and I would now like to supplement our joint remarks by individually addressing the specific anticompetitive harm to our respective states which would result from the proposed merger.

In order to put the issues of antitrust and competition into real terms, I want to begin by sharing with the Subcommittee today some facts concerning the debilitating effect which this merger would have on the economy of the State of Illinois.

The sale of Conrail to the Norfolk Southern would reduce the number of major rail carriers in large sections of the country from three to two, and in many instances from two to one. Norfolk Southern and Conrail today originate and terminate more than 50% of the rail traffic in eighteen counties in Illinois. Those counties account for 84,000 manufacturing jobs and annual manufacturing output of $3 billion. A merged Norfolk Southern-Conrail will dominate this rail traffic; in eleven of these counties, the Norfolk Southern-Conrail combination will control more than 90% of the inbound and outbound tonnage.

Increased concentration of this magnitude will destroy much of the railroad competition Illinois shippers now enjoy. A Norfolk Southern-Conrail combination, in the words of the International Minerals and Chemicals Corporation in Northbrook, Illinois, "would be a disaster." The American Iron and Steel Institute, the principal trade association for the steel industry, opposes the proposed sale "on the belief that the merger will reduce competition from three to two or fewer railroads for our shipments, that efficiencies that might accrue from the merger will not be passed on to shippers, and that over the long term our rail costs will increase." As you well know, our domestic steel industry can ill afford further weakening of its competitive position.

There is no question that increased competition, coupled with substantial barriers to entry, reduces price competition. The Shippers for an Independent Conrail ("SIC"), in testimony before this Committee, estimated that rail rates would increase 25% for plants now served by three lines if in the future they are ultimately served only by a combined Norfolk Southern-Conrail. This estimate was based on a survey by an SIC member which showed that plants served by only one railroad have rates 22% higher than plants served by two railroads, and that plants served by two railroads have rates 6% higher than plants served by three or more railroads.

The Quaker Oats Company recognized this economic fact when it stated, "In our last fiscal year, we shipped approximately 11,500 carloads over Conrail, and 10,000 carloads via the Norfolk Southern. We believe that the total expense for such movements will be subject to significant increases if Norfolk Southern acquires the core of the Conrail advantages." (March 26, 1985 letter from Clifford F. Lynch, Quaker Oats, to Senator Paul Simon of Illinois).

Further, increased concentration reduces railroads' incentives both to achieve efficiencies and to pass those efficiencies on to shippers in the form of lower rates. Absent effective competition, a combined Norfolk Southern-Conrail would not be required to lower its costs or reduce its rates to maintain or increase traffic volumes.

The second, but no less substantial, effect of the proposed Norfolk Southern-Conrail combination on Illinois would be the diversion of traffic from Midwest regional railroads. The U.S. Railway Association agreed with the following estimates of traffic diversion which would result from a Norfolk Southern-Conrail combination: Chicago &

North Western, $54 million; Illinois Central Gulf, $32.3 million; Grand Trunk Western, $31.4 million; and Soo/Milwaukee, $47.5 million.

Much of the $165.2 million in lost revenue will be in the form of simple diversion, i.e., traffic which flows between the same origin and destination, but via a new route. This would occur in part because a Norfolk Southern-Conrail combination is expected to divert substantial volumes of traffic from the Chicago and East St. Louis gateways to Kansas City, a proposition which is not disputed by Norfolk Southern. A Norfolk Southern-Conrail combination could also be expected to divert much of the traffic now exchanged by Conrail and the ICG at Effingham, Illinois to Norfolk Southern lines.

The diversions are particularly troublesome because of their long-term implications. Diversions of the magnitude predicted will threaten the economic viability of some of these railroads. The U.S. Railway Association expects that the ICG will lose some of the most profitable traffic on its system and that traffic density will decrease to such an extent that unit costs could be seriously affected. The same is true of the C&NW. If this happens, the survivability of these carriers may be in doubt. Shippers in Illinois will be significantly harmed if they lose the service and the competitive benefits provided by these carriers.

Proponents of the sale have tried to alleviate concerns about the regional railroads by pointing to Norfolk Southern's covenant to negotiate agreements under which Conrail will maintain or reestablish "reasonably direct and cost-competitive routes of major importance." Memorandum of Intent between the United States of America and Norfolk Southern Corporation, February 8, 1985, Paragraph 12(a)(viii).

We find nothing reassuring in this covenant. First, by its very terms, it does not apply to regional railroads in the Midwest. Second, the wording of the covenant is so vague that disputes over its interpretation may not be resolved during the entire five years it is in effect. What may seem like a reasonably direct major route to the Illinois Central Gulf or the Chicago & North Western may not seem so major to Secretary Dole or, if the Administration changes, to her successor. Third, the regional railroads have no explicit authority to enforce the covenant. Indeed, both Secretary Dole and the FRA Administrator testified before the Subcommittee on Commerce, Transportation and Tourism that it is their specific intent that the third party beneficiaries of these provisions (the regional railroads) have no independent right to enforce the covenants. Fourth, the covenant is in effect for only five years. After that then, the shippers and industries in Illinois can reasonably expect that the regional carriers upon which they depend for reliable service may not remain viable. As a result, these shippers will suffer a diminution in service and competition. Quite frankly, this is not acceptable to us and it should not be acceptable to you.

In addition, the diversion of traffic revenues from regional railroads by the Norfolk Southern-Conrail combination would also cause significant job losses in Illinois. It has been estimated that approximately 1,000 railroad jobs will be lost in the state, and that 3,000 additional jobs will fall prey to the ripple effect.

Third, the proposed Norfolk Southern-Conrail combination would harm Illinois producers who compete in national markets. Railroads will often take measures to protect companies located on their lines so that those companies will be able to compete in national markets.

For example, various Illinois producers of vegetable oil presently served by Conrail and located in Decatur, Danville and Champaign compete with producers of vegetable oil served by Norfolk Southern for sales in New York and Philadelphia. When these Illinois producers experienced a declining export market amid other unfavorable market conditions, Conrail substantially reduced its rates on Illinois vegetable oil destined to the East. This action by Conrail enabled the Illinois producers to successfully compete with the producers located on Norfolk Southern lines. If Conrail were sold to Norfolk Southern, this competition would no longer exist, and there would be no reason for Norfolk Southern-Conrail to promote Illinois producers at the expense of its Southern customers.

The adverse impact on the economy of the State of Illinois from the proposed merger of Norfolk Southern and Conrail would be swift and sure. Illinois shippers would face drastically reduced rail competition and, therefore, substantially increased rail rates. Regional railroads in the Midwest would lose millions of dollars in revenue to the combined Norfolk Southern-Conrail megacarrier, resulting in the loss of thousands of jobs in Illinois and through the Midwest, and threatening the very viability of these railroads. Moreover, Illinois shippers and shippers throughout the Midwest will permanently and irretrievably lose the unique advantage of an aggressively competitive independent Conrail. Finally, the sale of Conrail to Norfolk Southern is unnecessary to achieve the objectives of the Department of Transportation and the Congress. Conrail is a strong, independent railroad, and there is no sound rationale for damaging rail competition in the United States by selling Conrail to Norfolk Southern.

JOINT COMMENTS OF ATTORNEYS GENERAL

(Neil F. Hartigan of Illinois.)
(Charles M. Oberly of Delaware.)
(Thomas J. Miller of Iowa.)
(Robert T. Stephan of Kansas.)
(David L. Armstrong of Kentucky.)
(William J. Guste, Jr. of Louisiana.)
(Stephen H. Sachs of Maryland.)
(Hubert H. Humphrey, III of Minnesota.)
(Robert M. Spire of Nebraska.)
(Stephen E. Merrill of New Hampshire.)
(Nicholas Spaeth of North Dakota.)
(Anthony J. Celebrezze, Jr. of Ohio.)
(Leroy S. Zimmerman of Pennsylvania.)
(Arlene Violet of Rhode Island.)
(Charlie Brown of West Virginia.)
(Bronson C. Lafollette of Wisconsin.)

Mr. Chairman and members of the Subcommittee, I am Neil Hartigan, Attorney General of the State of Illinois. I am accompanied today by my colleagues Leroy Zimmerman of Pennsylvania, and Anthony J. Celebrezze, Jr. of Ohio. We are also presenting the views of the following Attorneys General: Charles M. Oberly (Delaware), Thomas J. Miller (Iowa), Robert T. Stephan (Kansas), David L. Armstrong (Kentucky), William J. Guste, Jr. (Louisiana), Stephen H. Sachs (Maryland), Hubert H. Humphrey, III (Minnesota), Robert M. Spire (Nebraska), Stephen E. Merrill (New Hampshire), Nicholas Spaeth (North Dakota), Arlene Violet (Rhode Island), Charlie Brown (West Virginia) and Bronson C. LaFollette (Wisconsin).

They share our belief that the proposed Norfolk Southern-Conrail merger is (1) anticompetitive; and (2) unnecessary to the return of Conrail to the private sector; and that it would (3) result in a radical restructuring of the American railroad industry; and (4) cause substantial economic harm to our states; (5) would not be sanctioned by the ICC if presented for approval as required for all other railroad mergers; and should not be (6) immunized from the antitrust laws.

At the conclusion of our joint remarks, I will address the specific anticompetitive harm to Illinois, General Zimmerman will discuss the specific adverse effects on the Northeast and Pennsylvania, and General Celebrezze will comment on the effects on Ohio. We are also submitting for the record a statement of Louisiana Attorney General William Guste detailing the impact in Louisiana.

We commend this Subcommittee for conducting this series of hearings to specifically examine the antitrust issues involved with the proposed merger. As the chief antitrust enforcement officers in our respective states, my colleagues and I share this Subcommittee's profound respect for our free enterprise system and the benefits conferred by a competitive marketplace.

We are here today, Mr. Chairman, to urge the Congress to reject the extraordinary and unnecessary proposed legislation to permit the largest railroad combination in American history.

I. MERGER'S MAGNITUDE

The proposed sale of Conrail by the Department of Transportation to the Norfolk Southern Corporation is of unprecedented magnitude. It will create the nation's largest railroad, with 32,000 miles of tracks extending through 23 states. It will eliminate head-to-head competition between the Norfolk Southern and Conrail throughout many of our states. It will have a devastating effect on the Midwest, the Northeast, and the South.

II. ANTITRUST IMMUNITY

The proposal is unprecedented in another way. The authorizing legislation would immunize the merger from the antitrust laws, despite the fact that the merger will create a "mega-carrier" with devastating impact on railroad competition in the Eastern and Midwestern regions of our country.

The Department of Transportation's proposed legislation would shortcircuit all the hearing and review procedures that the Congress has carefully built into the Interstate Commerce Act (Chapter 13 of Title 49, U.S.C.) to assure that rail mergers do not violate fundamental antitrust principles. Under current law, all proposed rail mergers are subjected to a full-scale adjudicatory hearing, where interested parties have an opportunity to present evidence and to cross-examine the proponents of the merger. A complete hearing record is compiled upon which the ICC must base its decision to approve or disapprove the proposed transaction. As an added safeguard, the ICC's decision is subject to judicial review.

None of these protections will apply in this case. Instead, the proposed legislation would confer absolute antitrust immunity upon both Norfolk Southern's purchase of Conrail and Norfolk Southern's future operation of Conrail as part of the giant Norfolk Southern system.

Mr. Chairman, there is no emergency or pressing national need which justifies such

a drastic and unprecedented proposal. Conrail is not a failing company that can only be saved by a sale to a major competitor. To the contrary, Conrail is a thriving, profitable carrier. By the end of 1985, Conrail will have had five consecutive profitable years. Conrail had a net income of $210 million for the first six months of this year and expects to have $995 million in cash on hand at the end of the year. A study by the independent U.S. Railway Association concludes that there is every reason to expect Conrail's record of profitability to continue.

It is clear that a transaction of this scope and magnitude merits closer scrutiny than the Norfolk Southern-Conrail merger has received to date. This Subcommittee's efforts have been highly successful in illuminating many of the heretofore unnoticed competitive problems with the proposed merger. However, the limitations inherent in the hearing process prevent it from fully replacing the rigorous analysis and judicial review which railroad mergers historically have received.

The Federal Government "bailed out" the bankrupt Penn-Central and other Northeastern railroads and created a viable Northeastern railroad system under the aegis of Conrail. Congressional approval of a Conrail-Norfolk Southern merger without an appropriate ICC evidentiary hearing would be the equivalent of legislatively sanctioning the acquisition of Chrysler by General Motors or of Lockheed by General Electric after the Federal Government's guarantees resulted in the successful rehabilitation of these companies.

Secretary Dole's objective to see Conrail transferred to the private sector is commendable and one which we endorse. Such a laudable goal alone does not, however, justify a sale that will have enormous anticompetitive impacts in violation of basic antitrust principles.

In contrast to the rigorous scrutiny to which rail mergers are traditonally subjected, the only formal scrutiny of the current proposal has been a cursory study by the Department of Justice. This review did not use the most accurate and generally accepted method of describing geographic competition, and it was inconsistent with the standard analyses used by the Department in other rail merge cases. Consequently, the Department's report significantly understates the anticompetitive effects of the merger.

Even so, the Department concluded that a Norfolk Southern-Conrail merge would violate both the Clayton and Interstate Commerce Acts without proper divestitures. But, as we discuss later, the divestitures proposed thus far—to Guilford Transportation and the P&LE Railroad—are completely inadequate.

A sale of Conrail to Norfolk Southern would constitute a radical and unnecessary departure from the long-term approach established by Congress to replace regulation with competition in the railroad industry. For example, the Staggers Act, 49 U.S.C. § 10101a (1985), states a congressional policy "to allow, to the maximum extent possible, competition and demand for services to establish reasonable rates for transportation by rail. . . ." Congress reaffirmed this policy in enacting the legislation which provides for the sale of Conrail as a single entity. The preservation of rail competition was a fundamental objective of the Regional Rail Reorganization Act of 1973, the Railroad Revitalization and Regulatory Reform Act of 1976, and the Northeast Rail Service Act of 1981. The House Report accompanying the Northeast Rail Service Act, 45 U.S.C. § 761 *et. seq.* (1981), states:

"A balanced and competitive transportation system is essential to the entire country, and in selling the assets of Conrail the Secretary must not harm the delicate and competitive balance of the transportation systems of the country." H.R. Rep. No. 153, 97th Cong., 1st Sess. 9 (1981).

Since the Staggers Act was enacted in 1980, however, the number of Class 1 railroads has decreased from 31 to 21, with three mergers now pending. Shippers are therefore faced with the loss of both regulation and competition in the battle to maintain reasonable rail rates. It is in this context that the Norfolk Southern-Conrail merger must be evaluated.

Congress clearly did not envision such increased concentration and reduced competition when it promulgated its merger policy, which is generally unfavorable to mergers. Section 7 of the Clayton Act, the primary statute under which mergers have been challenged, is intended to prevent restraints of trade in their incipiency. Thus, Section 7 prohibits mergers and acquisitions where "in any line of commerce in any section of the country the affect of such acquisition may be substantially to lessen competiton, or to tend to create a monoply." 15 U.S.C. § 18 (1980) (emphasis supplied). The Supreme Court recognized that Section 7 reflects as "intense congressional concern with the trend toward concentration" in the United States economy. *United States* v. *Philadelphia National Bank*, 374 U.S. 321, 363 (1963). Further, the Court held in Philadelphia National Bank that "if concentration is already great, the importance of preventing even slight increases in concentration and so preserving the possibility of eventual deconcentration is correspondingly great". 374 U.S. at 365 n. 42.

III. DEFICIENCIES IN DEPARTMENT OF JUSTICE ANALYSIS

The Antitrust Division of the Department of Justice concluded, based on a superficial analysis, the "the proposed [Norfolk Southern-Conrail] merger would violate both Clayton and Interstate Commerce Act merger review standards." (January 29, 1985 letter from J. Paul McGrath to the Secretary of Transportation). Assistant Attorney General McGrath further noted that "the merger would have a significant adverse effect on competition for the transport of commodities to and from a number of locations in several states, with the greatest adverse effect occurring at locations along an east-west rail corridor running between Buffalo and Pittsburgh in the east and St. Louis and Chicago in the west."

As significant as those findings are, it is clear that the Justice Department seriously understated the likely impact of a Norfolk Southern-Conrail merger. In its January 29, 1985 letter to Secretary Dole, the Antitrust Division identified only 10 counties—five in Ohio, two in Michigan, two in Indiana, and one in New York—that would suffer effects from the proposed Norfolk Southern-Conrail merger so adverse as to warrant the government's opposition to the transaction on antitrust grounds. Separate analyses by competing railroads throughout the country have identified substantially more. For example, one study identified 53 Business Economic Area (BEA) pairs that under the formula traditionally used by the Department would be considered "highly concentrated markets" where the merger would be likely to "substantially lessen competition."

This disparity is a result of several deficiencies in the Antitrust Division's analysis. First, the Antitrust Division, without explanation, made no use of the Herfindahl-Hirschman Index ("HHI")[1] in this case. The HHI, of course, is a formula used to measure the degree of concentration of a particular market. It was endorsed by the Department in both the 1982 and 1984 Merger Guidelines, and has been consistently used by the Department in analyzing the competitive effects of proposed mergers. In its Norfolk Southern-Conrail analysis, however, the Department employed a "50-10" test, whereby it examined only those geographic markets where (1) each of Norfolk Southern and Conrail currently has at least 10% of the rail transportation on movements in or out of the market, and (2) the railroads together have 50% or more of such traffic.

The exclusive use of the "50-10" test fails to recognize a substantial number of market areas which would be significantly affected by the proposed combination, since the "50-10" test would ignore all markets in which either Norfolk Southern or Conrail does not have a 10% share, regardless of the share of the other party.

For example, the Department identified Champaign, Illinois as a problem origin only for the commodity soybean oil. It identified Fort Wayne, Indiana as a problem destination for five commodities, not one of which was soybean oil. Yet, according to data compiled by CSX, Norfolk Southern carries 96.2% of all traffic from Champaign to Fort Wayne, and Conrail is responsible for the remaining 3.8%. Despite the fact that Norfolk Southern and Conrail have 100% of the rail market at this point pair, the Department did not identify it as a problem.

Second, the Department understated the anticompetitive effects of the proposed Norfolk Southern-Conrail combination because it deviated from its traditional practice of using a "point pair analysis"—that is, using actual flows of traffic between and among geographic points as the measure of railroad market share. Point pair analysis has been an important element of the government's evaluation of proposed mergers for some years.[2]

In the Norfolk Southern-Conrail analysis, the Department limited itself to consideration of traffic flows to particular locations and traffic flows from particular locations, and made no attempt either to correlate the two or to measure the true scope of the competitive foreclosure involved. For example, the Department did not identify Chicago as a problem origin or destination for any commodities, since no railroad dominates

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[1] The HHI is calculated by summing the squares of the individual market shares of each company in the relevant (geographic and product) market. For example, the HHI for a market with four firms, each possessing 25% of the market, would be $25^2 + 25^2 + 25^2 = 25000$. The Department considers a market with a post-merger HHI above 1800 to be highly concentrated.

[2] "Point pair" analysis refers to the measurement of the market shares of various carriers who transport commodities from one location, or "point", to another. The Department has in the past used cities, counties, and Business Economic Areas ("BEAs") as its "points" for purposes of such analysis. For example, the Department recently concluded that United Air Lines' proposed acquisition of certain Pacific routes from Pan American would reduce competition in the United States-Tokyo markets. It recommended that the Department of Transportation require divestiture of a route between Tokyo and one of three U.S. cities. (Department of Justice Press Release, September 17, 1985).

the traffic at this major gateway. However, a shipper in Chicago faces highly concentrated markets when he desires to transport commodities to certain cities. According to CSX-compiled data, Norfolk Southern carries 9.6%, and Conrail 56.7%, of the traffic from Chicago to Pittsburgh. From Chicago to Cleveland, the combined market shares are greater: Norfolk Southern, 6.9%; Conrail, 75.4%. Even more concentrated is the market from Chicago to Buffalo, where Norfolk Southern carries 11.2% of the traffic, and Conrail has 80.3%. An analysis which only considers origin and destination points in isolation cannot be adequate, since the product which railroads sell is the movement of commodities from one point to another.

It is telling that the Department did not rely solely upon a "50-10" origin/destination analysis in the Sante Fe/Southern Pacific merger which is currently pending before the ICC. In that case, Dr. Pittman, the Department's economic expert, employed point pair analysis in which he applied the Department's Merger Guidelines. When questioned about the disparity between the Department's analysis in that case and in the Norfolk Southern-Conrail case, he conceded "I think I included some products by using both kinds of analysis, which it's conceivable that the Conrail analysis omitted unwisely." Santa Fe Southern Pacific Corporation—Control—Southern Pacific Transportation Company, Finance Docket 30400 at 13025 (emphasis supplied).

Application of the Santa Fe-Southern Pacific methodology to the Norfolk Southern-Conrail merger produces dramatically different results from those detailed in the Department's January 29 letter to Secretary Dole. A nationally known transportation consulting firm, which has often been retained by the Department, applied Dr. Pittman's Santa Fe/Southern Pacific methodology to the Norfolk Southern-Conrail merger. The study found that the Department had overlooked nearly 100 million tons of railroad traffic which would be adversely affected by the Norfolk Southern-Conrail combination.

Third, the Antitrust Division's analysis also discarded any market area in which the "major shipper" did not object to the Norfolk Southern-Conrail combination. This represents yet another significant deviation from the Department's historic pattern of railroad merger analysis. While the views of the major customers of a proposed combination are relevant, it is not appropriate for the Department to conclude that no competitive problem exists in a particular market simply because a large customer failed to object to a merger. The Department's economic expert in the Santa Fe case agrees. Dr. Pittman testified that "the fact that a shipper supports the merger is not the be-all and end-all, but it is relevant information, yes." Santa Fe/Southern Pacific, supra, at 13182.

Major customers are often in unique positions of strength vis-a-vis their suppliers, and are therefore not significantly affected when the level of competition is reduced. For example, major shippers may have plants throughout the country and may be able to counter the market power of a Norfolk Southern-Conrail combination by leveraging shipments from other plants, while smaller shippers must depend upon the antitrust laws to protect them from the acquisition and use of such power.

Fourth, the Department used a $2 million revenue cut-off level in determining problem markets. This cut-off removes from consideration numerous smaller markets where individual shippers or receivers are especially dependent upon rail service.

Fifth, the Department did not consider the competitive effect of traffic diversions from other railroads because it found that "it is extremely difficult to estimate the size of future diversions." In fact, the United States Railway Association found that the proposed Norfolk Southern-Conrail combination would divert hundreds of millions of dollars of traffic from several regional railroads.

Our objective in detailing the inadequacies in the Department of Justice's evaluation is to stress that there are enormous anticompetitive effects that the proponents of the merger have not even begun to address. The proposed divestiture and track-sharing remedies proposed by Norfolk Southern do not even touch on these effects. In fact, the anticompetitive effects of the merger are so fundamental and pervasive that it is difficult to visualize how they can be fixed.

IV. INADEQUACIES OF DIVESTITURE PROPOSAL

Ironically, the proposed solution to the limited problems identified by the Department—that is divestiture of certain lines to the Guilford and the P&LE—is not adequate to cure even the limited problems identified by the Department. Neither the Guilford nor the P&LE will be able to provide viable, long-term competitive rail service. The detailed ICC staff study on the viability of Guilford and P&LE, dated August 30, 1985, concludes that neither railroad will remain financially viable. The ICC forecast for Guilford is that "in fact, after a very marginal first year, Guilford will be unable to service its debt, and this deficiency will grow in each of the succeeding years. In the long run, it does not appear that Guilford will be a financially viable carrier." ICC Staff Divestiture Study at p. 9. The forecast for the P&LE is even more bleak. "It must be noted that, even if all of P&LE's projections are accepted, P&LE admits that it cannot service all of its substantial debt using revenues from rail operations. . . . In conclusion, P&LE is not now a financially viable carrier and its acquisition of the new lines will not enable it to reverse its already precarious financial position." Id. at pp. 9-10.

The Department of Justice is in agreement with the ICC staff study findings. In a letter of September 25 to Secretary Dole, the Department concluded that the divestitures to Guilford and the P&LE will not establish long-term viable competitive service to the Norfolk Southern-Conrail mega/carrier. The Department's findings were based on managerial, operational, and financial inadequacies of the Guilford and the P&LE.

After the Department released its September 25 letter, Norfolk Southern hastily announced that it was changing the divestiture plan for Guilford. Instead of selling Guilford the old Nickel Plate Line to St. Louis, Norfolk Southern announced that it would provide trackage rights to Guilford from points in Indiana and Ohio to East St. Louis. This revised plan will do little or nothing to solve the fundamental inadequacies of the whole divestiture scheme.

The Justice Department itself is not satisfied with the new proposal. Assistant Attorney General for Antitrust Douglas Ginsburg stated in a news conference that it did not appear that the new proposal addressed all his "concerns and questions." The new plan provides that Guilford can only carry "overhead" traffic. In other words, Guilford can carry traffic from Buffalo to St. Louis, but has little authority to pick up or deliver anything in between. Thus, while this substitute line may be somewhat faster and in less need of repair, it really does not provide Guilford any new markets.

In fact, the second proposal may well be somewhat worse from a competitive standpoint since Guilford will not own the track and will be dependent on cooperation from Norfolk Southern in order to provide what minimal competition it can muster. For example, if the tracks are crowded and there is a question of whose train and traffic is to get priority—Guilford or Norfolk Southern—it does not take an expert in railroad operations to know who will get the better service.

These are serious questions, and we believe they should be reviewed in depth before any action is taken. Once before, we were told by Norfolk Southern and Guilford that a perfect divestiture proposal existed, and now somehow, after criticism by the ICC and the Antitrust Division, we find that it was not so perfect, and there is an attempt at another last minute cure that is of highly questionable merit. The proposed Norfolk Southern-Conrail merger will restructure and determine the future of our nation's rail; the implications are far too important to rush to judgment on the basis of a continuum of last minute fixes.

The simple fact is that these small railroads cannot in any effective manner counter the substantial market power of a combined Norfolk Southern-Conrail. They would be attempting to compete in an extremely weakened financial state, with inferior, out-moded and out of repair equipment. In a business in which speed and reliability are the hallmarks of service to customers, these deficiencies spell disaster.

In contrast, the United States Railway Association has determined that Conrail is a viable railroad, and will continue to be for the foreseeable future. According to USRA: ". . . all available evidence supports a finding that Conrail can generate positive cash flow for the foreseeable future. Traffic shortfalls compared to the forecast should not threaten Conrail's survival as long as the rail regulatory framework allows service to be shaped to meet the demands of the marketplace." USRA Staff Report at p. 2-2.

Further, Conrail is not only viable, but has been an especially effective competitive force since its inception. For example, Conrail has withdrawn from the historically collective rate bureaus, the only railroad to have done so. Shippers have testified as to the aggressive nature of Conrail's pricing policies which directly resulted from the crumbling of the "equalized joint rate" system and its constraint of independent and, therefore, competitive prices.

V. CONCLUSION

It would be a tragic error for Congress to become an instrument in the largest and most anticompetitive railroad merger in history. There is simply no sound rationale for selling Conrail to Norfolk Southern. Conrail is a viable, independent railroad, and the Department of Transportation should maintain Conrail as a competitive force. We applaud the congressional intent to return Conrail to the private sector. However, it is not necessary to destroy the competitive railroad transportation environment in the Northeast, the Midwest, and the South to accomplish that objective.

KOREAN OPPOSITION LEADER KIM YOUNG SAM

Mr. KENNEDY. Mr. President, I would like to call the attention of my colleagues to a recent speech given at Harvard University by Kim Young Sam, one of Korea's promising opposition leaders. Mr. Kim is a courageous and dedicated leader who has suffered persecution under both former President Park Chung Hee and General Chun Doo Hwan for his defense of freedom in Korea. Over the last 2 years, he has been placed numerous times under house arrest and his most basic civil rights continue to be curbed under the current regime.

Yet Kim Young Sam has dedicated his life to achieving the restoration of civil rights to the people of Korea and continues to speak out for the return of democracy to his country. Together with Kim Dae Jung, Kim Young Sam has succeeded in unifying the opposition to the repressive policies of President Chun Doo Hwan. Together, these two leaders represent Korea's hope and future of a return to democracy in Korea.

Kim Young Sam has repeatedly stated there can be no stability in Korea as long as the current government ignores the opposition, students, labor, and other's calls for internal change. In the words of Mr. Kim, "the Korean people want a democratic system in which they can elect their own government and president and replace a government whose policies run counter to the wishes of the people."

The popular opposition in Korea is directed not only at the current regime; it is also intended to persuade the Government to use its influence in support of the effort to return Korea to democratic rule. As Mr. Kim points out, the March 1982 arson incident at the Pusan U.S. Cultural Center and the May 1985 sit-in at the Seoul U.S.I.S. library were appeals to the U.S. Government to recognize that the Korean people desire the same freedoms and democratic rights enjoyed by the American people. As Mr. Kim stated, "the American people must understand that in the eyes of the Korean people the Government of the United States is supporting the military dictatorship more than it is supporting democratization."

It is time the United States reversed that impression. It is time for the U.S. Ambassador in Korea to meet with opposition leaders Kim Young Sam and Kim Dae Jung and to establish without question that the United States is with the Korean people in their efforts to establish a true democratic system in Korea.

I urge my colleagues to read Kim Young Sam's insightful speech and ask unanimous consent that it be printed in the RECORD.

THE KOREAN PENINSULA AND WORLD PEACE

(Address by Kim Young Sam, Harvard University, Cambridge, MA, September 23, 1985)

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

To the administration, faculty, students and friends of Harvard University, the intellectual cradle of the world and a symbol of the American spirit, I bring you greetings from the Korean people who feel a deep solidarity with the people of America.

I have travelled half way across the world to appeal to you on behalf of the Korean people's earnest desire for peace. Peace is the essential condition which must be achieved and sustained if the Korean people are to succeed in their struggle for democracy and realize their true capabilities as human beings.

Peace is not simply the absence of war, nor is it just an uneasy equilibrium between unstable powers. And it is not the order brought about by silencing the voices of truth and justice through oppression. Whether we speak of one country or the world, when the human spirit and basic human rights are oppressed by a ruling clique or by a system there cannot be peace. Today, if the people of one part of the world cannot live in peace all the people of this world must accept their moral responsibility to end that people's suffering and safeguard their security.

Korea and the United States have had friendly relations and since the second half of the 20th century the two countries have walked side by side. If this relationship is to be a mutually beneficial one, however, the peace, freedoms and basic human rights enjoyed by the American people must also be enjoyed by the Korean people. It is clear that freedom and democracy are principles we both value and must seek together.

I want to talk with you today about the true threat to peace facing the Korean people. Today, as in the past, the Korean people, perhaps more than any other people, hope for peace. So it is heartbreaking to witness their unsatisfied hunger. As you know, at the end of World War II the Korean peninsula was divided along the 38th parallel. This division and the separation of the people, rather than being the result of Korea's powerlessness or divisiveness, was the result of the reorganization of the international order by the two superpowers, the United States and the Soviet Union. Shortly after this division, on June 25, 1950, the Korean War broke out and brother fought against brother. Three years later the war ended but it left behind a legacy of conflict and tension. There are currently nearly two million soldiers, heavy armaments and even nuclear weapons on the peninsula. Although there is a truce between south and north Korea, there is more military weaponry assembled along the border than any other border in the world, including the border between Israel and Syria. There are enough weapons on both side of the border to destroy our country many times over; these weapons cast the dark shadow of war across the Korean peninsula.

Because of the competing ideologies of south and north Korea and the involvement of the superpowers, the conflict on the Korean peninsula has become part of the East-West Cold War conflict. The division of Korea is, however, a national problem that continues to separate the people and fuel enmity and distrust.

The threat to peace on the Korean peninsula is a problem not only for our people but for the rest of the world as well. It is our problem but it is your problem too. On the face of it the conflict on the Korean peninsula seems irrational. But the reality of this conflict is that the anti-democratic regimes that rule both the south and the north are strengthened by the threat of conflict. Each regime keeps a firm hold on the power it was able to grab as a result of the division of the country. In order to solidify their ruling power both regimes exploit the division of the country. Power is maintained through oppression which the regimes justify in national security terms.

Before his assassination, Park Chung Hee claimed that "the people's freedom and basic human rights must be protected in spite of the conflict between south and north Korea." Yet while Park, like other dictators, professed his belief in these principles, he ruled with an iron fist and used the cloak of national security to repress dissent. In the same way, the north Korean ruling clique uses the south-north conflict to perpetuate its absolute authority. Kim Il Sung has designated his son Kim Jong Il to be his official successor. Each regime uses the presence of the other as a justification for its continued rule. If Korea had been allowed to establish an independent democratic government after its liberation from Japan based on the people's participation and creativity, I am convinced that the Kim Il Sung-Kim Jong Il dynasty would never have been allowed to develop.

The leaders of the dictatorial regimes care nothing about the danger of their disregard for democracy. Thus the prospects for peace remain uncertain. In the south, the presence of American troops may act as a brake on the actions of the dictatorship, but in so far as the north is concerned there are no internal or external restraints on the ruling clique's dangerous ventures. As a result we live in a constant state of anxiety over the possibility of another war on the Korean peninsula.

During the Korean War, 330,000 people, including U.S. and U.N. personnel, were killed, and $15 billion was spent. At the time of the signing of the truce, the U.N. military delegate, General Clark, said with great disappointment, "I am the first American general to sign a truce for a war in which America had no victory." Instead of "a war with no victory" we now think of "a victory with no war." In other words, we must win the war by some method other than war.

What is a "victory with no war?" In Korea it means that we must show the superiority of a democratic system which has as its fundamental principles human liberty, human rights and human dignity. It also means that we must prove the superiority of democracy for all the people in the whole Korean peninsula. This is why young American soldiers shed their blood in the Korean War. They fought for the precious human rights and freedoms given by God; we must be able to say that they did not die in vain. The common purpose of American and Korean soldiers was the attainment of freedom and democracy on the Korean peninsula. We must continue to pursue these ideals and wave the flag of freedom on the peninsula as we struggle for "victory without war." We must show that democracy is superior to communism. When we are prepared to dedicate our lives to the struggle

for freedom and democracy we will surely be able to achieve "victory without war."

But unfortunately we must confess that we are not moving toward "victory without war" today. Park Chung Hee's 18-year dictatorship has been followed by Chun Doo Whan's military dictatorship. The democratic aspirations of the people have been consistently suppressed. The Korean people now doubt that there can be peace on the Korean peninsula unless it can be founded on the basis of the security of the individual.

The anxiety felt every day by the people is far worse than you can possibly imagine. Not only is there the threat of war with north Korea but there is a danger from within posed by the Chun regime which uses the south-north conflict as a pretext for suppressing dissent.

Thus, the challenge to peace comes from two sources. But there is only one method for resolving these challenges—the realization of democracy on the Korean peninsula. You are well aware of how long the Korean people have struggled against dictatorial power in order to achieve democracy, freedom and human rights. The Korean people want a democratic system in which they can elect their own government and president and replace a government whose policies run counter to the wishes of the people.

Kim Dae Jung, an old friend of mine and a compatriot in the struggle for democracy, studied at this university while he was in exile. For a time the Chun regime refused to allow him to return to Korea because they feared he would pose a serious challenge to their power. With the help of the U.S. government and his many American friends he was finally able to return to Korea. But he is still banned from participating in political activity and is under the constant threat of reimprisonment.

The Korean people are becoming more concerned every day about the U.S. government's support for Chun Doo Whan's military dictatorship. These concerns are most urgently felt by the Korean student movement. The March 1982 arson incident at the Pusan U.S. Cultural Center and the May 1985 sit-in at the Seoul U.S.I.S. library were strong acts fo protest against the U.S. government's support for the dictatorship. They were also intended as appeals to the U.S. government to recognize that the Korean people desire the same freedoms and democratic rights enjoyed by the American people. The U.S.-Korea relationship must be based on a mutual respect for these ideals. The students want the American government and people to affirm their moral solidarity with the cause of democracy in Korea. The kind of direct action taken by the students was sparked by their understanding of the May 1980 Kwangju incident in which, according to government figures, 191 people were killed and thousands injured during an uprising against Chun's coup d'etat. At this time the U.S. Commander of Forces in Korea permitted Korean troops under the UN Combined Forces Command to be deployed to Kwangju. In an opinon piece in the July 2 *New York Times*, Professor Bruce Cumings wrote about the Kwanju tragedy. He said, "The significance of the Kwangju incident can be compared to the suppression of the Polish free labor union." The Korean people still grieve over the Kwangju tragedy but they have not lost their eager desire for democracy.

I don't believe that the recent actions by Korean students, such as the sit-in at the U.S.I.S. library, are desirable. But I do believe that the American people must understand that in the eyes of the Korean people the government of the United States is supporting the military dictatorship more than it is supporting democratization. I believe that it is unfortunate both for the United States and for the relationship between our two countries, that many Korean students see the United States as part of the oppressive structure which is maintaining the dictatorial regime.

The role and responsibility of the United States in the Kwangju incident must be made absolutely clear. Furthermore, the Korean students sincere appeal for democratic fellowship between the United States and Korea must not be ignored or silenced. The Korean people want a clear answer to the following question: Is the United States cooperating with the effort to establish a democratic system in Korea or is it opposing this effort? American support for the dictatorship could destroy the good relationship between our countries, a relationship that was confirmed 35 years ago by the blood of young American and Korean soldiers who fought side by side in the Korean War.

It is up to the American people and their government to decide which side they will stand with. I hope that the American people will not abandon or take lightly their moral responsibility as the custodians of freedom and democracy.

I have not come here to ask the United States to establish democracy in Korea for us. Democracy in Korea will be established by the Korean people themselves. I am sure that this will happen. I have offered my advice to you because as the struggle for democracy intensifies and after it is established I do not want America to be criticized for the position it took.

The struggle for democracy could be compared to the act of casting one's net into the sea and giving up everything one has, even life itself, for a goal. As for myself, I would empty myself of all that I am, all that I can hope to become and all my desires, and dedicate my life to the struggle of the Korean people for democracy. Regardless of what anyone else does, I will do my best to carry out my responsibility, standing on the side of justice, history and the nation. That is my role for Korea. I am convinced that in the end, the Korean people will overcome the oppression of the military dictatorship and establish democracy. That will also be a step along the road to world peace.

Mr. GARN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

HUD APPROPRIATIONS, 1986

Mr. GARN. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 3038, making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, for fiscal year 1986.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 3038) making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1986, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations, with amendments, as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets, and the parts of the bill intended to be inserted are shown in italic.)

H.R. 3038

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1986, and for other purposes, namely:

TITLE I

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING PROGRAMS

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

(INCLUDING RESCISSION)

The amount of contracts for annual contributions, not otherwise provided for, as authorized by section 5 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437c), and heretofore approved in appropriation Acts, is increased by **[**$756,897,547**]** *$802,947,547: Provided,* That the budget authority obligated under contracts for annual contributions shall be increased above amounts heretofore provided in appropriation Acts by **[**$9,200,902,781**]** *$7,468,420,781: Provided further,* That of the budget authority provided herein, **[**$1,153,800,000 shall be for assistance in financing the development or acquisition cost of public housing, of which $163,800,000**]** *$409,500,000* shall be for assistance in financing the development or acquisition cost of housing for Indian families; $735,295,000 shall be available as an appropriation of funds, to remain available until expended, for modernization of existing public housing projects pursuant to section 14 of such Act (42 U.S.C. 1437l); $1,616,640,000 shall be for assistance for projects developed for the elderly or handicapped under section 202 of the Housing Act of 1959, as amended (12 U.S.C. 1701q); **[**$2,468,160,000**]** *$2,056,800,000* shall be for the section 8 existing housing program (42 U.S.C. 1437f); **[**$1,286,100,000**]** *$471,570,000* shall be for the section 8 moderate rehabilitation program (42 U.S.C. 1437f); **[**$75,000,000 shall be available as an appropriation of funds, to remain available until September 30, 1986, only for rental rehabilitation grants pursuant to section 17(a)(1)(A) of the United States Housing Act of 1937, as amended (42 U.S.C. 1437o); $75,000,000 shall be available as an appropriation of funds, to remain available until September 30, 1986, only for development grants pursuant to section

17(a)(1)(B) of the United States Housing Act of 1937, as amended (42 U.S.C. 1437o);] and [$672,177,500] *$937,642,500* shall be available for the housing voucher program under section 8(o) of the United States Housing Act of 1937, as amended (42 U.S.C. 1437f), *for use in connection with the rental rehabilitation program under section 17 of such Act and, notwithstanding section 8(o)(4), for other purposes as determined by the Secretary: Provided further, That notwithstanding any other provision of law except a provision of law specifically amending this proviso, no annual contribution contract which the Secretary enters into for existing housing pursuant to section 8(b)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437f) using the foregoing $2,056,800,000 of budget authority shall be for more than ten years*: *Provided further,* That any balances of authorities made available prior to the enactment of this Act which are or become available for obligation in fiscal year 1986 shall be added to and merged with the authority approved herein, and such merged amounts shall be made subject only to terms and conditions of law applicable to authorities becoming available in fiscal year 1986: *Provided further,* That none of the merged amounts available for obligation in 1986 shall be subject to the provisions of section 213(d) of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 1439): *Provided further,* That *of the amounts of budget authority recaptured during fiscal year 1986, up to $150,000,000 shall be available as an appropriation of funds for rental rehabilitation grants pursuant to section 17(a)(1)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437o), to remain available until September 30, 1987; and up to $75,000,000 shall be available as an appropriation of funds for development grants pursuant to section 17(a)(1)(B) of such Act, to remain available until September 30, 1987: Provided further, That except as provided in the foregoing proviso,* all amounts of budget authority (and contract authority) equal to the amounts of such budget authority (and contract authority) which are recaptured during fiscal year 1986 shall be rescinded: *Provided further,* That [the United States Housing Act of 1937 is amended as follows:

[(1) Section 6(b) is amended by striking out the period at the end of the first sentence and inserting in lieu thereof: "except, in cases where the Department cannot demonstrate that the prototype cost sought to be imposed reflects fully costs for public housing units of comparable size and type of building for which contracts were let in the area within three months of the effective date of the prototype, the Department shall approve commitments and enter annual contributions contracts, without reference to prototype cost; instead, the Department shall approve the lowest responsible bid received by the public housing authority through a competitive process.".

[(2) In the third sentence of section 6(b) there shall be inserted after the word "determination" the phrase "or in approving plans, commitments and funding for projects excepted herein from prototype costs".

[(3) The last sentence of section 6(b) is amended by striking out the period and inserting in lieu thereof: "; no prototype costs for any area shall become effective unless the proposed prototype costs, together with the data on which such costs are based, shall have been published for notice and comment in accordance with section 553 of title 5, United States Code, and the relevant rulemaking regulations of the Department.".

[(4) Section 6(j) is amended by striking out "three or more bedrooms" and inserting in lieu thereof: "a mix of two and three or more bedrooms".] *section 6(b) of the United States Housing Act of 1937 is repealed.*

[: *Provided further,* That up to 20 per centum of the $990,000,000 provided herein for assistance in financing the development or acquisition cost of public housing shall be made available for major reconstruction of obsolete public housing projects.]

RENTAL HOUSING ASSISTANCE

(RESCISSION)

The limitation otherwise applicable to the maximum payments that may be required in any fiscal year by all contracts entered into under section 236 of the National Housing Act (12 U.S.C. 1715z-1) is reduced in fiscal year 1986 by not more than $2,000,000 in uncommitted balances of authorizations provided for this purpose in appropriation Acts.

HOUSING FOR THE ELDERLY OR HANDICAPPED FUND

In 1986, $631,033,000 of direct loan obligations may be made under section 202 of the Housing Act of 1959, as amended (12 U.S.C. 1701q), utilizing the resources of the fund authorized by subsection (a)(4) of such section, in accordance with paragraph (C) of such subsection: *Provided,* That such commitments shall be available only to qualified nonprofit sponsors for the purpose of providing 100 per centum loans for the development of housing for the elderly or handicapped, with any cash equity or other financial commitments imposed as a condition of loan approval to be returned to the sponsor if sustaining occupancy is achieved in a reasonable period of time: *Provided further,* That the full amount shall be available for permanent financing (including construction financing) for housing projects for the elderly or handicapped: *Provided further,* That the Secretary may borrow from the Secretary of the Treasury in such amounts as are necessary to provide the loans authorized herein: *Provided further,* That, notwithstanding any other provision of law, the receipts and disbursements of the aforesaid fund shall be included in the totals of the Budget of the United States Government: *Provided further,* That, notwithstanding section 202(a)(3) of the Housing Act of 1959, loans made in fiscal year 1986 shall bear an interest rate which does not exceed 9.25 per centum, including the allowance adequate in the judgment of the Secretary to cover administrative costs and probable losses under the program.

CONGREGATE SERVICES

For contracts with and payments to public housing agencies and nonprofit corporations for congregate services programs in accordance with the provisions of the Congregate Housing Services Act of 1978, $2,700,000, to remain available until September 30, 1987.

PAYMENTS FOR OPERATION OF LOW-INCOME HOUSING PROJECTS

For payments to public housing agencies and Indian housing authorities for operating subsidies for low-income housing projects as authorized by section 9 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437g), [$1,210,600,000] *$1,260,600,000, to remain available for obligation in accordance with section 9(a), notwithstanding section 9(d), of such Act until September 30, 1987: Provided, That $50,000,000 of the foregoing amount shall be made available to public housing agencies and Indian housing authorities in the discretion of the Secretary and notwithstanding the last sentence of section 9(a)(1) of such Act, to contribute toward meeting, or to meet, increases in the costs of insurance coverages required pursuant to annual contributions contracts.*

HOUSING COUNSELING ASSISTANCE

For contracts, grants, and other assistance, not otherwise provided for, for providing counseling and advice to tenants and homeowners—both current and prospective—with respect to property maintenance, financial management, and such other matters as may be appropriate to assist them in improving their housing conditions and meeting the responsibilities of tenancy or homeownership, including provisions for training and for support of voluntary agencies and services as authorized by section 106(a)(1)(iii) and section 106(a)(2) of the Housing and Urban Development Act of 1968, as amended, [$4,000,000] *$3,500,000.*

TROUBLED PROJECTS OPERATING SUBSIDY

For assistance payments to owners of eligible multifamily housing projects insured, or formerly insured, under the National Housing Act, as amended, in the program of operating subsidies for troubled multifamily housing projects under the Housing and Community Development Amendments of 1978, all unobligated balances of excess rental charges and any collections after September 30, 1985, to remain available until September 30, 1987: *Provided,* That assistance payments to an owner of a multifamily housing project assisted, but not insured, under the National Housing Act may be made if the project owner and the mortgagee have provided or agreed to provide assistance to the project in a manner as determined by the Secretary of Housing and Urban Development.

FEDERAL HOUSING ADMINISTRATION FUND

For payment to cover losses, not otherwise provided for, sustained by the Special Risk Insurance Fund and General Insurance Fund as authorized by the National Housing Act, as amended (12 U.S.C. 1715z-3(b) and 1735c(f)), $239,762,000, to remain available until expended.

During 1986, within the resources available, gross obligations for direct loans are authorized in such amounts as may be necessary to carry out the purposes of the National Housing Act, as amended.

During 1986, additional commitments to guarantee loans to carry out the purposes of the National Housing Act, as amended, shall not exceed [$50,900,000,000] *$60,000,000,000* of loan principal.

During fiscal year 1986, gross obligations for direct loans of not to exceed $89,222,000 are authorized for payments under section 230(a) of the National Housing Act, as amended, from the insurance fund chargeable for benefits on the mortgage covering the property to which the payments made relate, and payments in connection with such obligations are hereby approved.

NONPROFIT SPONSOR ASSISTANCE

During 1986, within the resources and authority available, gross obligations for the principal amounts of direct loans shall not exceed [$500,000] *$1,000,000.*

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

GUARANTEES OF MORTGAGE-BACKED SECURITIES

During 1986, new commitments to issue guarantees to carry out the purposes of section 306 of the National Housing Act, as amended (12 U.S.C. 1721g), shall not exceed $68,250,000,000 of loan principal.

[SOLAR ENERGY AND ENERGY CONSERVATION BANK

[ASSISTANCE FOR SOLAR AND CONSERVATION IMPROVEMENTS

[For financial assistance and other expenses, not otherwise provided for, to carry out the provisions of the Solar Energy and Energy Conservation Bank Act of 1980 (12 U.S.C. 3601), $20,000,000, to remain available until September 30, 1987.]

COMMUNITY PLANNING AND DEVELOPMENT

COMMUNITY DEVELOPMENT GRANTS

For grants to States and units of general local government and for related expenses, not otherwise provided for, necessary for carrying out a community development grant program as authorized by title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301), $3,124,800,000, to remain available until September 30, 1988: *Provided*, That not to exceed 20 per centum of any grant made with funds appropriated herein shall be expended for "Planning and Management Development" and "Administration" as defined in regulations promulgated by the Department of Housing and Urban Development.

During 1986, total commitments to guarantee loans, as authorized by section 108 of the aforementioned Act, shall not exceed $225,000,000 of contingent liability for loan principal.

URBAN DEVELOPMENT ACTION GRANTS

For grants to carry out urban development action grant programs authorized in section 119 of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301), pursuant to section 103 of that Act, [$330,000,000] *$352,000,000*, to remain available until September 30, 1989.

REHABILITATION LOAN FUND

During 1986, collections, unexpended balances of prior appropriations (including any recoveries of prior reservations) and any other amounts in the revolving fund established pursuant to section 312 of the Housing Act of 1964, as amended (42 U.S.C. 1452b), after September 30, 1985, are available and may be used for commitments for loans and operating costs and the capitalization of delinquent interest on delinquent or defaulted loans notwithstanding section 312(h) of such Act.

URBAN HOMESTEADING

For reimbursement to the Federal Housing Administration Fund for losses incurred under the urban homesteading program (12 U.S.C. 1706e), and for reimbursement to the Administrator of Veterans Affairs and the Secretary of Agriculture for properties conveyed by the Administrator of Veterans Affairs and the Secretary of Agriculture, respectively, for use in connection with an urban homesteading program approved by the Secretary of Housing and Urban Development pursuant to section 810 of the Housing and Community Development Act of 1974, as amended, $12,000,000, to remain available until expended.

POLICY DEVELOPMENT AND RESEARCH

RESEARCH AND TECHNOLOGY

For contracts, grants, and necessary expenses of programs of research and studies relating to housing and urban problems, not otherwise provided for, as authorized by title V of the Housing and Urban Development Act of 1970, as amended (12 U.S.C. 1701z-1 et seq.), including carrying out the functions of the Secretary under section 1(a)(1)(i) of Reorganization Plan No. 2 of 1968, [$16,900,000] *$18,900,000*, to remain available until September 30, 1987.

FAIR HOUSING AND EQUAL OPPORTUNITY

FAIR HOUSING ASSISTANCE

For contracts, grants, and other assistance, not otherwise provided for, as authorized by title VIII of the Civil Rights Act of 1968, as amended, $6,700,000, to remain available until September 30, 1987.

MANAGEMENT AND ADMINISTRATION

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary administrative and nonadministrative expenses of the Department of Housing and Urban Development, not otherwise provided for, including not to exceed $4,000 for official reception and representation expenses, [$592,831,000] *$591,686,000*, of which [$251,404,000] *$254,366,000* shall be provided from the various funds of the Federal Housing Administration[: *Provided*, That in the Department of Housing and Urban Development not to exceed sixteen full-time permanent positions and eighteen staff years shall be available for the Office of Public Affairs].

TITLE II

INDEPENDENT AGENCIES

AMERICAN BATTLE MONUMENTS COMMISSION

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, of the American Battle Monuments Commission, including the acquisition of land or interest in land in foreign countries; purchases and repair of uniforms for caretakers of national cemeteries and monuments outside of the United States and its territories and possessions; rent of office and garage space in foreign countries; purchase (one for replacement only) and hire of passenger motor vehicles; and insurance of official motor vehicles in foreign countries when required by law of such countries; $10,954,000: *Provided*, That where station allowance has been authorized by the Department of the Army for officers of the Army serving the Army at certain foreign stations, the same allowance shall be authorized for officers of the Armed Forces assigned to the Commission while serving at the same foreign stations, and this appropriation is hereby made available for the payment of such allowance: *Provided further*, That when traveling on business of the Commission, officers of the Armed Forces serving as members or as Secretary of the Commission may be reimbursed for expenses as provided for civilian members of the Commission: *Provided further*, That the Commission shall reimburse other government agencies, including the Armed Forces, for salary, pay, and allowances of personnel assigned to it: *Provided further*, That section 409 of the general provisions carried in title IV of this Act shall not apply to the funds provided under this heading.

CONSUMER PRODUCT SAFETY COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Consumer Product Safety Commission, including hire of passenger motor vehicles, services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS-18, and not to exceed $500 for official reception and representation expenses, [$37,000,000] *$34,900,000*[, of which $1,000,000 shall be available only for activities authorized by the Cigarette Safety Act of 1984 (Public Law 98-567)].

DEPARTMENT OF DEFENSE—CIVIL

CEMETERIAL EXPENSES, ARMY

SALARIES AND EXPENSES

For necessary expenses, as authorized by law, for maintenance, operation, and improvement of Arlington National Cemetery and Soldiers' and Airmen's Home National Cemetery, [$7,759,000] *$14,778,000*, to remain available until expended: *Provided*, That reimbursement shall be made to the applicable military appropriation for the pay and allowances of any military personnel performing services primarily for the purposes of this appropriation.

ENVIRONMENTAL PROTECTION AGENCY

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, including hire of passenger motor vehicles; hire, maintenance, and operation of aircraft; uniforms, or allowances therefor, as authorized by 5 U.S.C. 5901-5902; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS-18; purchase of reprints; library memberships in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members; construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed $25,000 per project; and not to exceed $3,000 for official reception and representation expenses; [$690,176,000] *$688,376,000*: *Provided*, That none of these funds may be expended for purposes of Resource Conservation and Recovery Panels established under section 2003 of the Resource Conservation and Recovery Act, as amended (42 U.S.C. 6913).

RESEARCH AND DEVELOPMENT

For research and development activities, [$223,400,000] *$228,750,000*, to remain available until September 30, 1987: [*Provided*, That $6,000,000 of the funds provided under this heading shall be available only for a full scale demonstration of limestone injection multistage burner technology in a tangentially fired boiler on an equal cost sharing basis with the electric power industry:] *Provided, That $7,000,000 of the funds under this heading shall be available for an anerobic wastewater treatment demonstration project under section 105(c) of the Federal Water Pollution Control Act (33 U.S.C. 1255(c)). Funds for such demonstration project shall be expended on the project within the United States, its territories or possessions, and shall be available only upon the determination by the Administrator that such project will develop or demonstrate a new or improved method of treating industrial wastes or otherwise prevent pollution by industry, which method shall have industrywide application.*

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ABATEMENT, CONTROL, AND COMPLIANCE

For abatement, control, and compliance activities, $577,600,000, to remain available until September 30, 1987: *Provided*, That none of these funds may be expended for purposes of Resource Conservation and Recovery Panels established under section 2003 of the Resource Conservation and Recovery Act, as amended (42 U.S.C. 6913), or for support to State, regional, local and interstate agencies in accordance with subtitle D of the Solid Waste Disposal Act, as amended, other than section 4008(a)(2) or 4009: *Provided further*, That $50,000,000 of the funds provided under this heading shall be available for the purposes of the Asbestos School Hazards Abatement Act of 1984, including [$5,000,000] *$2,500,000* for administrative expenses: *Provided further*, That the [$45,000,000] *$47,500,000* available for grants and loans for school asbestos abatement may be obligated only for projects conducted by [contractors] *persons* who are State-certified or [by employees] who have successfully completed a training program approved by the Environmental Protection Agency.

BUILDINGS AND FACILITIES

For construction, repair, improvement, extension, alteration, and purchase of fixed equipment for facilities of, or use by, the Environmental Protection Agency, $5,000,000, to remain available until expended.

EXECUTIVE OFFICE OF THE PRESIDENT

COUNCIL ON ENVIRONMENTAL QUALITY AND OFFICE OF ENVIRONMENTAL QUALITY

For necessary expenses of the Council on Environmental Quality and the Office of Environmental Quality, in carrying out their functions under the National Environmental Policy Act of 1969 (Public Law 91-190), the Environmental Quality Improvement Act of 1970 (Public Law 91-224), and Reorganization Plan No. 1 of 1977, including not to exceed $500 for official reception and representation expenses, and hire of passenger motor vehicles, [$700,000] *$732,000.*

OFFICE OF SCIENCE AND TECHNOLOGY POLICY

For necessary expenses of the Office of Science and Technology Policy, in carrying out the purposes of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6601 and 6671), hire of passenger motor vehicles, services as authorized by 5 U.S.C. 3109, not to exceed $1,500 for official reception and representation expenses, and rental of conference rooms in the District of Columbia, $2,343,000: *Provided*, That the Office of Science and Technology Policy shall reimburse other agencies for not less than one-half of the personnel compensation costs of individuals detailed to it.

FEDERAL EMERGENCY MANAGEMENT AGENCY

DISASTER RELIEF

For necessary expenses in carrying out the functions of the Disaster Relief Act of 1974, as amended (42 U.S.C. 5121 et seq.), [$194,000,000] *$145,000,000*, to remain available until expended.

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, including hire and purchase of motor vehicles (31 U.S.C. 1343); uniforms, or allowances therefor, as authorized by 5 U.S.C. 5901-5902; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS-18; expenses of attendance of cooperating officials and individuals at meetings concerned with the work of emergency preparedness; transportation in connection with the continuity of government program to the same extent and in the same manner as permitted the Secretary of a Military Department under 10 U.S.C. 2632; and not to exceed [$1,000] *$2,000* for official reception and representation expenses, [$118,746,000] *$122,000,000*[, of which not to exceed $95,771,000 shall be available for obligation in the personnel compensation and benefits object classifications: *Provided*, That of the funds provided herein for personnel compensation and benefits (object classifications 11, 12, and 13), not to exceed $24,839,000 shall become available on October 1, 1985, and that amount shall be increased by (1) $23,644,000 on January 1, 1986, (2) $23,644,000 on April 1, 1986, and (3) $23,644,000 on July 1, 1986: *Provided further*, That of the funds provided under this heading, not to exceed $30,079,000 shall be available for headquarters management and administration activities: *Provided further*, That the funds provided herein for headquarters management and administration activities shall be used to support 42 full-time equivalent employment (FTEE) in the Office of Inspector General and not to exceed (1) 8 FTEE in the Office of the Director, (2) 18 FTEE in the Office of General Counsel, (3) 2 FTEE in Special Programs, (4) 5 FTEE in the Executive Administrator's Office, (5) 8 FTEE in the Office of Public Affairs, (6) 6 FTEE in the Office of Congressional Relations, (7) 2 FTEE in the Office of International Affairs, (8) 5 FTEE in the Office of Equal Opportunity, (9) 11 FTEE in the Office of Security, (10) 31 FTEE in the Office of Acquisition Management, (11) 41 FTEE in the Office of Personnel, (12) 74 FTEE in the Office of the Comptroller, (13) 7 FTEE in the Office of Program Analysis and Evaluation, (14) 60 FTEE in the Office of Administrative Support, (15) 64 FTEE in Automatic Data Processing, and (16) 6 FTEE in the Office of Regional Operations].

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE

For necessary expenses, not otherwise provided for, to carry out activities under the National Flood Insurance Act of 1968, as amended, and the Flood Disaster Protection Act of 1973, as amended (42 U.S.C. 4001 et seq.), the Disaster Relief Act of 1974, as amended (42 U.S.C. 5121 et seq.), the Earthquake Hazards Reduction Act of 1977, as amended (42 U.S.C. 7701 et seq.), the Federal Fire Prevention and Control Act of 1974, as amended (15 U.S.C. 2201 et seq.), the Strategic and Critical Materials Stock Piling Act, as amended (50 U.S.C. 98 et seq.), the Federal Civil Defense Act of 1950, as amended (50 U.S.C. App. 2251 et seq.), the Defense Production Act of 1950, as amended (50 U.S.C. App. 2061 et seq.), section 103 of the National Security Act (50 U.S.C. 404), and Reorganization Plan No. 3 of 1978, [$248,910,000] *$271,182,000.*

NATIONAL FLOOD INSURANCE FUND

(INCLUDING TRANSFERS OF FUNDS)

For repayment under notes issued by the Director of the Federal Emergency Management Agency to the Secretary of the Treasury pursuant to section 15(e) of the Federal Flood Insurance Act of 1956, as amended (42 U.S.C. 2414(e)), $92,852,000, of which $8,760,000 shall, upon enactment of this Act, be transferred to the Salaries and expenses appropriation for administrative costs of the insurance programs and $45,750,000 shall, upon enactment of this Act, be transferred to the Emergency management planning and assistance appropriation for flood plain management activities, including $4,778,000 for expenses under section 1362 of the National Flood Insurance Act of 1968, as amended (42 U.S.C. 4103, 4127), which amount shall be available until September 30, 1987. In fiscal year 1986, no funds in excess of (1) $40,750,000 for operating expenses, (2) $67,591,000 for agents' commissions and taxes, and (3) $9,160,000 for interest on Treasury borrowings shall be available from the National Flood Insurance Fund without prior notice to the Committees on Appropriations. *For the purpose of the determination of premium rates under the National Flood Insurance Act of 1968, the flood protection system in Winfield, Kansas, shall, at the 50 per centum stage of completed construction, as required by section 1307(e) of such Act, be considered to comply with the requirements and conditions of section 1307 of such Act, notwithstanding the source of funding.*

NATIONAL INSURANCE DEVELOPMENT FUND

For one-time payments from the National Insurance Development Fund to participating Federal Crime Insurance Program States, as authorized by section 1242 of the Urban Property Protection and Reinsurance Act of 1968 as amended, not to exceed $10,000,000, to remain available until October 31, 1985. Eligibility for payment under this appropriation shall be contingent upon certification by a State that it shall develop, on an expeditious basis, an alternative mechanism for providing access to crime insurance to all current Federal Crime Insurance policyholders in that State who apply. Such certification shall be made not later than September 30, 1985. Payments to each State shall be determined by the proportionate share of this amount based on the number of policies in force in each State, as of July 31, 1985. The Administrator of the Federal Insurance Administration, Federal Emergency Management Agency, shall provide such funds no later than October 31, 1985. The Administrator shall provide complete policyholder lists to all States participating in the program by August 31, 1985.

EMERGENCY FOOD AND SHELTER PROGRAM

There is hereby appropriated [$70,000,000] *$50,000,000* to the Federal Emergency Management Agency, to remain available until September 30, 1986, to carry out an emergency food and shelter program. Notwithstanding any other provision of this or any other Act, such amount shall be made available under the terms and conditions of the following paragraphs:

The Director of the Federal Emergency Management Agency shall, as soon as practicable after enactment of this Act, constitute a national board for the purpose of determining how the program funds are to be distributed to individual localities. The national board shall consist of seven members. The United Way of America, the Salvation Army, the National Council of Churches of Christ in the U.S.A., the National Conference of Catholic Charities, the Council of Jewish Federations, Inc., the American Red Cross, and the Federal Emergency Management Agency shall each designate a representative to sit on the national board. The representative of the Federal Emergency Management Agency shall chair the national board.

Each locality designated by the national board to receive funds shall constitute a local board for the purpose of determining how its funds will be distributed. The local

board shall consist, to the extent practicable, of representatives of the same organizations as the national board except that the mayor or appropriate head of government will replace the Federal Emergency Management Agency member.

The Director of the Federal Emergency Management Agency shall award a grant for [$70,000,000] *$50,000,000* to the national board within thirty days after enactment of this Act for the purpose of providing emergency food and shelter to needy individuals through private voluntary organizations and through units of local government.

Eligible private voluntary organizations should be nonprofit, have a voluntary board, have an accounting system, and practice nondiscrimination.

Participation in the program should be based upon a private voluntary organization's or unit of local government's ability to deliver emergency food and shelter to needy individuals and such other factors as are determined by the local boards.

Total administrative costs shall not exceed 2 per centum of the total appropriation.

As authorized by the Charter of the Commodity Credit Corporation, the Corporation shall process and distribute surplus food owned or to be purchased by the Corporation under the food distribution and emergency shelter program in cooperation with the Federal Emergency Management Agency.

GENERAL SERVICES ADMINISTRATION

CONSUMER INFORMATION CENTER

For necessary expenses of the Consumer Information Center, including services authorized by 5 U.S.C. 3109, $1,249,000, to be deposited into the Consumer Information Center Fund: *Provided*, That the appropriations, revenues and collections deposited into the fund shall be available for necessary expenses of Consumer Information Center activities in the aggregate amount of $5,200,000. Administrative expenses of the Consumer Information Center in fiscal year 1986 shall not exceed $1,631,000. Appropriations, revenues and collections accruing to this fund during fiscal year 1986 in excess of $5,200,000 shall remain in the fund and shall not be available for expenditure except as authorized in appropriation Acts.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

OFFICE OF CONSUMER AFFAIRS

For necessary expenses of the Office of Consumer Affairs, including services authorized by 5 U.S.C. 3109, [$1,988,000] *$2,028,000.*

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

RESEARCH AND DEVELOPMENT

For necessary expenses, not otherwise provided for, including research, development, operations, services, minor construction, maintenance, repair, rehabilitation and modification of real and personal property; purchase, hire, maintenance, and operation of other than administrative aircraft, necessary for the conduct and support of aeronautical and space research and development activities of the National Aeronautics and Space Administration; [$2,756,800,000] *$2,790,800,000*, to remain available until September 30, 1987[: *Provided*, That of the funds provided herein, not to exceed $200,000,000 shall be available for a space station, except that the Administrator of the National Aeronautics and Space Administration may increase the aforementioned amount by the $10,000,000 made available herein for the orbital maneuvering vehicle].

SPACE FLIGHT, CONTROL AND DATA COMMUNICATIONS

For necessary expenses, not otherwise provided for; in support of space flight, spacecraft control and communications activities of the National Aeronautics and Space Administration, including operations, production, services, minor construction, maintenance, repair, rehabilitation, and modification of real and personal property; tracking and data relay satellite services as authorized by law; purchase, hire, maintenance and operation of other than administrative aircraft; [$3,402,900,000] *$3,412,900,000*, to remain available until September 30, 1987.

CONSTRUCTION OF FACILITIES

For construction, repair, rehabilitation and modification of facilities, minor construction of new facilities and additions to existing facilities, and for facility planning and design not otherwise provided, for the National Acronautics and Space Administration, and for the acquisition or condemnation of real property, as authorized by law, [$139,300,000] *$141,300,000*, to remain available until September 30, 1988: *Provided*, That, notwithstanding the limitation on the availability of funds appropriated under this heading by this appropriation Act, when any activity has been initiated by the incurrence of obligations therefor, the amount available for such activity shall remain available until expended, except that this provision shall not apply to the amounts appropriated pursuant to the authorization for repair, rehabilitation and modification of facilities, minor construction of new facilities and additions to existing facilities, and facility planning and design: *Provided further*, That no amount appropriated pursuant to this or any other Act may be used for the lease or construction of a new contractor-funded facility for exclusive use in support of a contract or contracts with the National Aeronautics and Space Administration under which the Administration would be required to substantially amortize through payment or reimbursement such contractor investment, unless an appropriation Act specifies the lease or contract pursuant to which such facilities are to be constructed or leased or such facility is otherwise identified in such Act: *Provided further, That the Administrator may authorize such facility lease or construction, if he determines that deferral of such action until the enactment of the next appropriation Act would be inconsistent with the interest of the Nation in aeronautical and space activities.*

RESEARCH AND PROGRAM MANAGEMENT

For necessary expenses of research in government laboratories, management of programs and other activities of the National Aeronautics and Space Administration, not otherwise provided for, including uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901-5902); awards; lease, hire, maintenance and operation of administrative aircraft; purchase (not to exceed thirty for replacement only) and hire of passenger motor vehicles; and maintenance and repair of real and personal property, and not in excess of $100,000 per project for construction of new facilities and additions to existing facilities, repairs, and rehabilitation and modification of facilities; [$1,367,000,000] *$1,370,000,000*: *Provided*, That contracts may be entered into under this appropriation for maintenance and operation of facilities, and for other services, to be provided during the next fiscal year: *Provided further*, That not to exceed $35,000 of the foregoing amount shall be available for scientific consultations or extraordinary expense, to be expended upon the approval or authority of the Administrator and his determination shall be final and conclusive: *Provided further, That the National Aeronautics and Space Administration will continue a flat rate per diem system for employee travel allowances under regulations prescribed by the Administrator: Provided further, That the rates will be consistent with those authorized by the Administrator of the General Services Administration: Provided further, That per diem allowances paid employees under a flat rate per diem system shall be amounts determined by the Administrator of NASA to be sufficient to meet normal and necessary expenses in the area in which travel is performed, but in no event will the travel allowances exceed $75 for each day in travel status within the continental United States, unless the statutory maximum rate of $75 per day is increased by the Congress and implemented by the Administrator of the General Services Administration: Provided further, That the flat rate per diem system approved under this section shall expire upon the effective date of permanent legislation establishing a flat rate per diem system for civilian personnel.*

NATIONAL CREDIT UNION ADMINISTRATION

CENTRAL LIQUIDITY FACILITY

During 1986, obligations of the Central Liquidity Facility for new loans to member credit unions as authorized by the National Credit Union Central Liquidity Facility Act (12 U.S.C. 1795) shall not exceed $600,000,000: *Provided*, That administrative expenses of the Central Liquidity Facility in fiscal year 1986 shall not exceed $850,000.

NATIONAL SCIENCE FOUNDATION

RESEARCH AND RELATED ACTIVITIES

For necessary expenses in carrying out the purposes of the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861-1875), title IX of the National Defense Education Act of 1958 (42 U.S.C. 1876-1879), and the Act to establish a National Medal of Science (42 U.S.C. 1880-1881); services as authorized by 5 U.S.C. 3109; maintenance and operation of aircraft and purchase of flight services for research support; acquisition of one aircraft; hire of passenger motor vehicles; not to exceed $2,500 for official reception and representation expenses; uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901-5902); rental of conference rooms in the District of Columbia; and reimbursement of the General Services Administration for security guard services; [$1,347,205,000] *$1,363,000,000*, to remain available until September 30, 1987: *Provided*, That of the funds appropriated in this Act, or from funds appropriated previously to the Foundation, not more than [$71,743,000] *$72,000,000* shall be available for program development and management in fiscal year 1986, including [$3,300,000] *$3,600,000* for expenses of travel: *Provided further*, That contracts may be entered into under the program development and management limitation in fiscal year 1986 for maintenance and operation of facilities, and for other services, to be provided during the next fiscal year: *Provided further*, That receipts for scientific support services and materials furnished by the National Research Centers and other National Science Foundation supported research facilities may be credited to this appropriation: *Provided further*, That to the extent that the amount

appropriated is less than the total amount authorized to be appropriated for included program activities, all amounts, including floors and ceilings, specified in the authorizing Act for those program activities or their subactivities shall be reduced proportionally: [*Provided further,* That not to exceed $8,000,000 shall be available for the very long baseline array:] *Provided further,* That the Foundation is hereafter authorized to indemnify grantees, contractors, and subcontractors associated with the ocean drilling program under the provisions of section 2354 of title 10 of the United States Code, with all approvals and certifications required thereby made by the Director of the National Science Foundation.

UNITED STATES ANTARCTIC PROGRAM ACTIVITIES

For necessary expenses in carrying out the research and operational support for the United States Antarctic Program pursuant to the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861-1875); maintenance and operation of aircraft and purchase of flight services for research and operations support; maintenance and operation of research ships and charter or lease of ships for research and operations support; hire of passenger motor vehicles; not to exceed $1,000 for official reception and representation expenses; $115,100,000, to remain available until expended: *Provided,* That receipts for support services and materials provided to individuals for non-Federal activities may be credited to this appropriation: *Provided further,* That no funds in this account shall be used for the purchase of aircraft.

SCIENCE EDUCATION ACTIVITIES

For necessary expenses in carrying out science education programs and activities pursuant to the purposes of the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861-1875), including award of graduate fellowships, services as authorized by 5 U.S.C. 3109, and rental of conference rooms in the District of Columbia, $60,550,000, to remain available until September 30, 1987: *Provided,* That to the extent that the amount of this appropriation is less than the total amount authorized to be appropriated for included program activities, all amounts, including floors and ceilings, specified in the authorizing Act for those program activities or their subactivities shall be reduced proportionally.

SCIENTIFIC ACTIVITIES OVERSEAS

(SPECIAL FOREIGN CURRENCY PROGRAM)

For payments in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States, for scientific activities, as authorized by law, $1,000,000, to remain available until September 30, 1987: *Provided,* That this appropriation shall be available in addition to other appropriations to the National Science Foundation for payments in the foregoing currencies.

NEIGHBORHOOD REINVESTMENT CORPORATION

PAYMENT TO THE NEIGHBORHOOD REINVESTMENT CORPORATION

For payment to the Neighborhood Reinvestment Corporation for use in neighborhood reinvestment activities, as authorized by the Neighborhood Reinvestment Corporation Act (42 U.S.C. 8101-8107), [$17,669,000] *$16,669,000.*

SELECTIVE SERVICE SYSTEM

SALARIES AND EXPENSES

For necessary expenses of the Selective Service System, including expenses of attendance at meetings and of training for uniformed personnel assigned to the Selective Service System, as authorized by law (5 U.S.C. 4101-4118) for civilian employees; and not to exceed $1,000 for official reception and representation expenses; $27,780,000: *Provided,* That during the current fiscal year, the President may exempt this appropriation from the provisions of 31 U.S.C. 1341, whenever he deems such action to be necessary in the interest of national defense: *Provided further,* That none of the funds appropriated by this Act may be expended for or in connection with the induction of any person into the Armed Forces of the United States.

DEPARTMENT OF THE TREASURY

PAYMENTS TO LOCAL GOVERNMENT FISCAL ASSISTANCE TRUST FUND

For payments to the Local Government Fiscal Assistance Trust Fund, $4,566,700,000[: *Provided,* That, notwithstanding the provisions of 31 U.S.C. 6701-6724, payments to local governments from this appropriation shall not exceed $3,425,025,000 and this appropriation is hereby reduced by $1,141,675,000 through the elimination of the payment for the final quarter of the entitlement beginning October 1, 1985 and ending September 30, 1986].

OFFICE OF REVENUE SHARING, SALARIES AND EXPENSES

For necessary expenses of the Office of Revenue Sharing, including hire of passenger motor vehicles, [$8,000,000] *$7,800,000.*

VETERANS ADMINISTRATION

COMPENSATION AND PENSIONS

For the payment of compensation, pensions, gratuities, and allowances, including burial awards, plot allowances, burial flags, headstones and grave markers, emergency and other officers' retirement pay, adjusted-service credits and certificates, and other benefits as authorized by law; and for payment of premiums due on commercial life insurance policies guaranteed under the provisions of article IV of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, $14,160,800,000, to remain available until expended.

READJUSTMENT BENEFITS

For the payment of readjustment and rehabilitation benefits to or on behalf of veterans as authorized by law (38 U.S.C. chapters 21, 31, 34-36, 39, 51, 53, 55, and 61), [$1,026,000,000] *$826,000,000,* to remain available until expended.

VETERANS INSURANCE AND INDEMNITIES

For military and naval insurance, national service life insurance, servicemen's indemnities, and service-disabled veterans insurance, as authorized by law (38 U.S.C. chapter 19; 70 Stat. 887; 72 Stat. 487), $9,750,000, to remain available until expended.

MEDICAL CARE

For necessary expenses for the maintenance and operation of hospitals, nursing homes, and domiciliary facilities; for furnishing, as authorized by law, inpatient and outpatient care and treatment to beneficiaries of the Veterans Administration, including care and treatment in facilities not under the jurisdiction of the Veterans Administration, and furnishing recreational facilities, supplies and equipment; funeral, burial and other expenses incidental thereto for beneficiaries receiving care in Veterans Administration facilities; repairing, altering, improving or providing facilities in the several hospitals and homes under the jurisdiction of the Veterans Administration, not otherwise provided for, either by contract or by the hire of temporary employees and purchase of materials; uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901-5902); aid to State homes as authorized by law (38 U.S.C. 641); and not to exceed $2,000,000 to fund cost comparison studies as referred to in 38 U.S.C. 5010(a)(5); [$9,368,694,000] *$9,358,694,000,* plus reimbursements.

MEDICAL AND PROSTHETIC RESEARCH

For necessary expenses in carrying out programs of medical and prosthetic research and development, as authorized by law, to remain available until September 30, 1987, [$195,840,000] *$191,370,000,* plus reimbursements.

MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES

For necessary expenses in the administration of the medical, hospital, nursing home, domiciliary, construction and supply, research, employee education and training activities, as authorized by law, [$61,119,000] *$57,119,000,* plus reimbursements.

GENERAL OPERATING EXPENSES

For necessary operating expenses of the Veterans Administration, not otherwise provided for, including uniforms or allowances therefor, as authorized by law; not to exceed $3,000 for official reception and representation expenses; cemeterial expenses as authorized by law; purchase of ten passenger motor vehicles, for use in cemeterial operations, and hire of passenger motor vehicles; and reimbursement of the General Services Administration for security guard services, and the Department of Defense for the cost of overseas employee mail; [$760,547,000] *$760,060,000*[: *Provided,* That in the Veterans Administration not to exceed 40 full-time equivalent employment shall be available for the Office of Planning and Program Evaluation].

CONSTRUCTION, MAJOR PROJECTS

For constructing, altering, extending and improving any of the facilities under the jurisdiction or for the use of the Veterans Administration, or for any of the purposes set forth in sections 1004, 1006, 5002, 5003, 5006, 5008, 5009, and 5010 of title 38, United States Code, including planning, architectural and engineering services, and site acquisition, where the estimated cost of a project is $2,000,000 or more or where funds for a project were made available in a previous major project appropriation, [$516,160,000] *$486,600,000,* to remain available until expended: *Provided,* That, except for advance planning of projects funded through the advance planning fund and the design of projects funded through the Design Fund, none of these funds shall be used for any project which has not been considered and approved by the Congress in the budgetary process: *Provided further,* That funds provided in the appropriation "Construction, major projects" for fiscal year 1986, for each approved project shall be obligated (1) by the awarding of a working drawings contract by September 30, 1986 and (2) by the awarding of a construction contract by September 30, 1987: *Provided further,* That the Administrator shall promptly report in writing to the Comptroller General and to the Committees on Appropriations any approved major construction project in which obligations are not incurred within the time limitations established above; and the Comptroller General shall review the report in accordance with the procedures established by section 1015

of the Impoundment Control Act of 1974 (title X of Public Law 93-344): *Provided further,* That no funds from any other account may be obligated for constructing, altering, extending, or improving a project which was approved in the budget process and funded in this account until one year after substantial completion and beneficial occupancy by the Veterans Administration of the project or any part thereof with respect to that part only: *Provided further,* That the final proviso under this heading in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1984 (Public Law 98-45) and the penultimate proviso under this heading in the Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1985 (Public Law 98-371) are hereby repealed: *Provided further,* That prior to the issuance of a bidding document for any construction contract for a project approved under this heading (excluding completion items), the director of the affected Veterans Administration medical facility must certify that the design of such project is acceptable from a patient care standpoint.

CONSTRUCTION, MINOR PROJECTS

For constructing, altering, extending, and improving any of the facilities under the jurisdiction or for the use of the Veterans Administration, including planning, architectural and engineering services, and site acquisition, or for any of the purposes set forth in sections 1004, 1006, 5002, 5003, 5006, 5008, 5009, and 5010 of title 38, United States Code, where the estimated cost of a project is less than $2,000,000, [$144,400,000] *$145,406,000,* to remain available until expended, along with unobligated balances of previous Construction, minor projects appropriations which are hereby made available for any project where the estimated cost is less than $2,000,000: *Provided,* That not more than $36,313,000 shall be available for expenses of the Office of Construction: *Provided further,* That funds in this account shall be available for (1) repairs to any of the nonmedical facilities under the jurisdiction or for the use of the Veterans Administration which are necessary because of loss or damage caused by any natural disaster or catastrophe and (2) temporary measures necessary to prevent or to minimize further loss by such causes.

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

For grants to assist the several States to acquire or construct State nursing home and domiciliary facilities and to remodel, modify or alter existing hospital, nursing home and domiciliary facilities in State homes, for furnishing care to veterans, as authorized by law (38 U.S.C. 5031-5037), $22,000,000 to remain available until September 30, 1988.

GRANTS FOR THE CONSTRUCTION OF STATE VETERANS CEMETERIES

For grants to aid States in establishing, expanding or improving State veterans' cemeteries as authorized by law (38 U.S.C. 1008), $3,000,000, to remain available until September 30, 1988.

GRANTS TO THE REPUBLIC OF THE PHILIPPINES

For payment to the Republic of the Philippines of grants, as authorized by law, (38 U.S.C. 632), for assisting in the replacement and upgrading of equipment and in rehabilitating the physical plant and facilities of the Veterans Memorial Medical Center, $500,000, to remain available until September 30, 1987.

DIRECT LOAN REVOLVING FUND

During 1986, within the resources available, not to exceed $1,000,000 in gross obligations for direct loans is authorized for specially adapted housing loans (38 U.S.C. chapter 37).

LOAN GUARANTY REVOLVING FUND

(INCLUDING TRANSFER OF FUNDS)

For expenses necessary to carry out Loan guaranty and insurance operations, as authorized by law (38 U.S.C. chapter 37, except administrative expenses, as authorized by section 1824 of such title), [$235,000,000] *$200,000,000,* to remain available until expended.

During 1986, the resources of the Loan guaranty revolving fund shall be available for expenses for property acquisitions, payment of participation sales insufficiencies, and other loan guaranty and insurance operations, as authorized by law (38 U.S.C. chapter 37, except administrative expenses, as authorized by section 1824 of such title): *Provided,* That the unobligated balances, including retained earnings of the Direct loan revolving fund, shall be available, during 1986, for transfer to the Loan guaranty revolving fund in such amounts as may be necessary to provide for the timely payment of obligations of such fund, and the Administrator of Veterans Affairs shall not be required to pay interest on amounts so transferred after the time of such transfer.

During 1986, with the resources available, gross obligations for direct loans and total commitments to guarantee loans are authorized in such amounts as may be necessary to carry out the purposes of the "Loan guaranty revolving fund".

ADMINISTRATIVE PROVISIONS

(INCLUDING TRANSFER OF FUNDS)

Not to exceed 5 per centum of any appropriation for 1986 for "Compensation and pensions", "Readjustment benefits", and "Veterans insurance and indemnities" may be transferred to any other of the mentioned appropriations, but not to exceed 10 per centum of the appropriations so augmented.

Appropriations available to the Veterans Administration for 1986 for salaries and expenses shall be available for services as authorized by 5 U.S.C. 3109.

No part of the appropriations in this Act for the Veterans Administration (except the appropriations for "Construction, major projects" and "Construction, minor projects") shall be available for the purchase of any site for or toward the construction of any new hospital or home.

No part of the foregoing appropriations shall be available for hospitalization or examination of any persons except beneficiaries entitled under the laws bestowing such benefits to veterans, unless reimbursement of cost is made to the appropriation at such rates as may be fixed by the Administrator of Veterans Affairs.

One or more pilot programs shall be conducted to determine the effectiveness of utilizing private contractual services to assist in the administrative collection of various types of delinquent debts or other funds due the government.

TITLE III
CORPORATIONS

Corporations and agencies of the Department of Housing and Urban Development and the Federal Home Loan Bank Board which are subject to the Government Corporation Control Act, as amended, are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Act as may be necessary in carrying out the programs set forth in the budget for 1986 for such corporation or agency except as hereinafter provided: *Provided,* That collections of these corporations and agencies may be used for new loan or mortgage purchase commitments only to the extent expressly provided for in this Act (unless such loans are in support of other forms of assistance provided for in this or prior appropriation Acts), except that this proviso shall not apply to the mortgage insurance or guaranty operations of these corporations, or where loans or mortgage purchases are necessary to protect the financial interest of the United States Government.

FEDERAL HOME LOAN BANK BOARD

LIMITATION ON ADMINISTRATIVE EXPENSES, FEDERAL HOME LOAN BANK BOARD

Not to exceed a total of $26,213,000 shall be available for administrative expenses of the Federal Home Loan Bank Board for procurement of services as authorized by 5 U.S.C. 3109, and contracts for such services with one organization may be renewed annually, and uniforms or allowances therefor in accordance with law (5 U.S.C. 5901-5902), and said amount shall be derived from funds available to the Federal Home Loan Bank Board, including those in the Federal Home Loan Bank Board revolving fund and receipts of the Board for the current fiscal year, *of which not to exceed $500,000 shall be available for purposes of training State examiners and not to exceed $1,500 shall be available for official reception and representation expenses*: *Provided,* That members and alternates of the Federal Savings and Loan Advisory Council may be compensated subject to the provisions of section 7 of the Federal Advisory Committee Act, and shall be entitled to reimbursement from the Board for transportation expenses incurred in attendance at meetings of or concerned with the work of such Council and may be paid in lieu of subsistence per diem not to exceed the dollar amount set forth in 5 U.S.C. 5703: [*Provided further,* That not less than $500,000 shall be available only for purposes of training State examiners: *Provided further,* That not to exceed $1,500 shall be available for official reception and representation expenses:] *Provided further,* That notwithstanding any other provision of law, and in connection with the Board's delegation of certain functions to the Federal home loan banks, the Board may transfer title of related furniture, fixtures and equipment property of record as of the date of the delegation to the banks: *Provided further,* That, notwithstanding any other provisions of this Act, except for the limitation in amount hereinbefore specified, the expenses and other obligations of the Board shall be incurred, allowed, and paid in accordance with the provisions of the Federal Home Loan Bank Act of 1932, as amended (12 U.S.C. 1421-1449).

LIMITATION ON ADMINISTRATIVE EXPENSES, FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

Not to exceed [$1,404,000] *$1,440,000* shall be available for administrative expenses, which shall be on an accrual basis and shall be exclusive of interest paid, depreciation, properly capitalized expendi-

tures, expenses in connection with liquidation of insured institutions or activities relating to section 406(c), 407, or 408 of the National Housing Act, liquidation or handling of assets of or derived from insured institutions, payment of insurance, and action for or toward the avoidance, termination, or minimizing of losses in the case of insured institutions, legal fees and expenses and payments for expenses of the Federal Home Loan Bank Board determined by said Board to be properly allocable to said Corporation, and said Corporation may utilize and may make payments for services and facilities of the Federal home loan banks, the Federal Reserve banks, the Federal Home Loan Bank Board, the Federal Home Loan Mortgage Corporation, and other agencies of the government: *Provided*, That, notwithstanding any other provisions of this Act, except for the limitation in amount hereinbefore specified, the administrative expenses and other obligations of said Corporation shall be incurred, allowed, and paid in accordance with title IV of the Act of June 27, 1934, as amended (12 U.S.C. 1724-1730f).

TITLE IV

GENERAL PROVISIONS

SEC. 401. Where appropriations in titles I and II of this Act are expendable for travel expenses and no specific limitation has been placed thereon, the expenditures for such travel expenses may not exceed the amounts set forth therefor in the budget estimates submitted for the appropriations: *Provided*, That this section shall not apply to travel performed by uncompensated officials of local boards and appeal boards of the Selective Service System; to travel performed directly in connection with care and treatment of medical beneficiaries of the Veterans Administration; to travel performed in connection with major disasters or emergencies declared or determined by the President under the provisions of the Disaster Relief Act of 1974; to site-related travel performed in connection with the Comprehensive Environmental Response, Compensation, and Liability Act of 1980; *travel under the Solid Waste Disposal Act as amended;* or to payments to interagency motor pools where separately set forth in the budget schedules: *Provided further, That if appropriations in titles I and II expendable for travel expenses exceed the amounts set forth in budget estimates submitted for such appropriations, the expenditures for travel may likewise exceed the amounts therefor set forth in the estimates in the same proportion as the amounts expendable for travel expenses exceed the estimates therefor.*

SEC. 402. Appropriations and funds available for the administrative expenses of the Department of Housing and Urban Development and the Selective Service System shall be available in the current fiscal year for purchase of uniforms, or allowances therefor, as authorized by law (5 U.S.C. 5901-5902); hire of passenger motor vehicles; and services as authorized by 5 U.S.C. 3109.

SEC. 403. Funds of the Department of Housing and Urban Development subject to the Government Corporation Control Act or section 402 of the Housing Act of 1950 shall be available, without regard to the limitations on administrative expenses, for legal services on a contract or fee basis, and for utilizing and making payment for services and facilities of Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Financing Bank, Federal Reserve banks or any member thereof, Federal home loan banks, and any insured bank within the meaning of the Federal Deposit Insurance Corporation Act, as amended (12 U.S.C. 1811-1831).

SEC. 404. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 405. No funds appropriated by this Act may be expended—

(1) pursuant to a certification of an officer or employee of the United States unless—

(A) such certification is accompanied by, or is part of, a voucher or abstract which describes the payee or payees and the items or services for which such expenditure is being made, or

(B) the expenditure of funds pursuant to such certification, and without such a voucher or abstract, is specifically authorized by law; and

(2) unless such expenditure is subject to audit by the General Accounting Office or is specifically exempt by law from such audit.

SEC. 406. None of the funds provided in this Act to any department or agency may be expended for the transportation of any officer or employee of such department or agency between his domicile and his place of employment, with the exception of the Secretary of the Department of Housing and Urban Development, who, under title 5, United States Code, section 101, is exempted from such limitation.

SEC. 407. None of the funds provided in this Act may be used for payment, through grants or contracts, to recipients that do not share in the cost of conducting research resulting from proposals not specifically solicited by the government: *Provided*, That the extent of cost sharing by the recipient shall reflect the mutuality of interest of the grantee or contractor and the government in the research.

SEC. 408. None of the funds provided in this Act may be used, directly or through grants, to pay or to provide reimbursement for payment of the salary of a consultant (whether retained by the Federal government or a grantee) at more than the daily equivalent of the maximum rate paid for GS-18, unless specifically authorized by law.

SEC. 409. No part of any appropriation contained in this Act for personnel compensation and benefits shall be available for other object classifications set forth in the budget estimates submitted for the appropriations.

SEC. 410. None of the funds in this Act shall be used to pay the expenses of, or otherwise compensate, non-Federal parties intervening in regulatory or adjudicatory proceedings. Nothing herein affects the authority of the Consumer Product Safety Commission pursuant to section 7 of the Consumer Product Safety Act (15 U.S.C. 2056 et seq.).

SEC. 411. Except as otherwise provided under existing law or under an existing Executive order issued pursuant to an existing law, the obligation or expenditure of any appropriation under this Act for contracts for any consulting service shall be limited to contracts which are (1) a matter of public record and available for public inspection, and (2) thereafter included in a publicly available list of all contracts entered into within twenty-four months prior to the date on which the list is made available to the public and of all contracts on which performance has not been completed by such date. The list required by the preceding sentence shall be updated quarterly and shall include a narrative description of the work to be performed under each such contract.

SEC. 412. Except as otherwise provided by law, no part of any appropriation contained in this Act shall be obligated or expended by any executive agency, as referred to in the Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.) for a contract for services unless such executive agency (1) has awarded and entered into such contract in full compliance with such Act and the regulations promulgated thereunder and (2) requires any report prepared pursuant to such contract, including plans, evaluations, studies, analyses and manuals, and any report prepared by the agency which is substantially derived from or substantially includes any report prepared pursuant to such contract, to contain information concerning (A) the contract pursuant to which the report was prepared and (B) the contractor who prepared the report pursuant to such contract.

SEC. 413. No part of any appropriation contained in this Act shall be available to implement, administer, or enforce any regulation which has been disapproved pursuant to a resolution of disapproval duly adopted in accordance with the applicable law of the United States.

SEC. 414. Except as otherwise provided in section 406, none of the funds provided in this Act to any department or agency shall be obligated or expended to provide a personal cook, chauffeur, or other personal servants to any officer or employee of such department or agency.

SEC. 415. None of the funds provided in this Act to any department or agency shall be obligated or expended to procure passenger automobiles as defined in 15 U.S.C. 2001 with an EPA estimated miles per gallon average of less than 22 miles per gallon.

SEC. 416. Not to exceed 2 per centum of any appropriation made available to the Environmental Protection Agency by this Act (except appropriations for "Construction grants" or "Hazardous Substance Response Trust Fund") may be transferred to any other such appropriation: Provided, That the receiving appropriation will not be increased by more than 2 per centum.

This Act may be cited as the "Department of Housing and Urban Development-Independent Agencies Appropriation Act, 1986".

COMMITTEE MODIFICATIONS

Mr. GARN. Mr. President, on behalf of the Committee on Appropriations, I send to the desk modifications to the committee amendments; and I ask unanimous consent that the committee amendments to H.R. 3038, as modified, be considered and agreed to en bloc, provided that no points of order are waived thereon and that the measure as amended be considered as original text for the purpose of amendment.

The PRESIDING OFFICER. Is there objection?

Mr. LEAHY. We have no objection.

Mr. PROXMIRE. Mr. President, reserving the right to object, I am not sure what the procedural effect will be on what the distinguished manager of the bill has proposed.

I suggest the absence of a quorum, for a moment, to discuss that.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GARN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GARN. Mr. President, I renew my unanimous consent request.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Utah?

Mr. LEAHY. Mr. President, I am advised there are no objections on this side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The modifications to the committee amendments are as follows:

On page 2, line 13, strike out "$802,947,547" and insert in lieu thereof "$872,191,547".

On page 2, line 16, strike out "$7,468,420,781" and insert in lieu thereof "$8,108,355,781".

On page 2, line 20, strike out "$409,500,000" and insert in lieu thereof "$327,600,000".

On page 2, lines 22 and 23, strike out "$735,295,000" shall be available as an appropriation of funds, to remain available until expended," and insert in lieu thereof "$1,500,000,000 shall be".

On page 3, line 5, strike out "$471,570,000" and insert in lieu thereof "$428,700,000".

On page 4, line 15, strike out "$150,000,000" and insert in lieu thereof "$100,000,000".

On page 4, line 19, strike out "$75,000,000" and insert in lieu thereof "$50,000,000".

On page 8, line 10, strike out "$1,260,600,000" and insert in lieu thereof "$1,240,600,000".

On page 8, line 13, strike out "$50,000,000" and insert in lieu thereof "$30,000,000".

On page 11, line 18, strike out "$3,124,800,000" and insert in lieu thereof "$3,024,800,000".

On page 14, line 3, strike out "$591,686,000" and insert in lieu thereof "$586,686,000".

On page 17, line 8, strike out "$228,750,000" and insert in lieu thereof "$218,750,000".

On page 18, line 3, strike out "$577,600,000" and insert in lieu thereof "$572,600,000".

On page 20, line 5, strike out "$145,000,000" and insert in lieu thereof "$120,000,000".

On page 27, line 18, strike out "$2,790,800,000" and insert in lieu thereof "$2,775,800,000".

On page 28, line 10, strike out "$3,412,900,000" and insert in lieu thereof "$3,382,900,000".

On page 32, line 6, strike out "$1,363,000,000" and insert in lieu thereof "$1,358,000,000".

On page 33, line 19, strike out "$115,100,000" and insert in lieu thereof "$113,100,000".

On page 34, line 7, strike out "$60,550,000" and insert in lieu thereof "$50,550,000".

On page 36, line 5, strike all following the figure down through and including "1986" on line 11 and insert in lieu thereof the following: ": *Provided*, That, notwithstanding the provisions of 31 U.S.C. 6701-6724, payments to local governments from this appropriation shall not exceed $3,995,862,500 and this appropriation is hereby reduced by $570,837,500 through a 12.5 per centum reduction is each quarterly payment".

On page 38, line 8, strike out "$9,358,694,000" and insert in lieu thereof "$9,062,694,000".

On page 18, after line 24, insert the following:

PAYMENT TO THE HAZARDOUS SUBSTANCE RESPONSE TRUST FUND

For payment, as repayable advances to the Hazardous Substance Response Trust Fund, as authorized by law, such borrowed sums as may be necessary to carry out the purposes of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.).

HAZARDOUS SUBSTANCE RESPONSE TRUST FUND

For necessary expenses to carry out the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, including sections 111 (c)(3), (c)(5), and (e)(4) (42 U.S.C. 9611), $1,200,000,000, to be derived from the Hazardous Substance Response Trust Fund to remain available until expended: *Provided*, That not to exceed $140,000,000 shall be available for administrative expenses. Funds appropriated under this account may be allocated to other Federal agencies in accordance with section 111(a) of Public Law 96-510: *Provided further*, That for performance of specific activities in accordance with section 104(i) of Public Law 96-510, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, $21,000,000 shall be made available to the Department of Health and Human Services on October 1, 1985, to be derived by transfer from the Hazardous Substance Response Trust Fund, of which no less than $5,125,000 shall be available for toxicological testing of hazardous substances.

Mr. GARN. Mr. President, the Appropriations Committee recommendation provides a total of $54.8 billion in new budget authority for the Department of Housing and Urban Development, the Environmental Protection Agency, the National Aeronautics and Space Administration, the National Science Foundation, the Veterans Administration, and 13 other agencies, commissions, boards, corporations, institutes, and offices. This is $4.1 billion less than the fiscal year 1985 level, and almost $600 million less than the House bill. The recommendation, however, is $4.7 billion more than the budget request.

The bulk of the committee recommendation is reflected in the committee report (SR 99-129). General highlights of the bill include the following:

In housing, our recommendation continues the policy of 100,000 incremental units—although a housing moratorium was proposed by the administration.

More than a freeze level is recommended for NASA, NSF, EPA, and VA—although in each of these agencies—with the exception of EPA—less than the budget request is provided.

In EPA, funding for both Superfund—$900 million—and the Construction Grants Program—$2.4 billion—are deferred while we await passage of the authorizations for these programs.

The recommendation deletes a House provision which would terminate the Revenue Sharing Program at the end of the third quarter of fiscal year 1986.

Mr. LEAHY. Mr. President, it is a pleasure to join my colleague and friend, the Senator from Utah, in managing the 1986 HUD-independent agencies appropriation bill.

This is my first opportunity to manage this bill. Over the last 9 months, I have been impressed with the size and the complexity of this legislation. This is the third largest of the 13 appropriation bills. Only the bills for the Department of Defense and the Departments of Labor, Health and Human Services, Education are larger.

It is also a very complex bill. It includes funding for housing, of course. But, it also includes much, much more than housing.

All of our veterans' programs are funded in this bill.

Most nondefense science and space programs are funded in this bill.

It contains all the funding for the air, water, hazardous waste, and pesticide programs, at the Environmental Protection Agency, as well as the Superfund and waste water construction grants programs.

Critical economic development aid and science education programs are funded in this bill.

It includes the Disaster Assistance Programs of the Federal Emergency Management Agency.

In all, this bill appropriates $54.8 billion in new spending authority in the 19 departments and independent agencies under the bill's jurisdiction.

In my first year as the ranking member on this subcommittee, I have had three objectives:

First, to produce a fiscally responsible bill;

Second, to continue to meet national needs that cannot be met more successfully by either the private sector or local or State governments.

And third, to move forward in two vital areas—environmental protection and scientific development.

I think in this bill, the chairman and I have succeeded in meetings these goals. This bill appropriates $1.1 billion less than was appropriated in 1985 for the same programs. We have more than frozen the budget overall.

A $54.8 billion is a lot of money. But think of this. If the 1980 level of spending were simply adjusted for inflation, we would have appropriated $70 billion in this bill. Compared to the 1980 level, spending level in this bill has been cut almost 50 percent in real dollars.

Second, this bill meets the national needs that cannot be met efficently by

either the private sector or State and local governments. We have provided 100,000 incremental housing units to house the poorest of our society. The debt we owe our veterans who have served our Nation will be repaid.

Finally, this bill continues to move us forward in two criteria areas—environmental protection and scientific development.

We are in the midst of a chemical revolution that is creating environmental challenges that must be addressed by new programs and more resources. This bill recognizes these new challenges.

We are also faced with unprecedented technological competition from abroad. This bill addresses that competition by increasing support for the two science agencies by $261 million above the 1985 level.

In the midst of the discussions of national programs and national needs, I want to assure my constituents that this bill addresses their needs very directly.

For example, as the result of a statewide property reassessment, Vermont homeowners are facing increased property taxes. This bill fully funds revenue sharing to ensure that Vermont does not lose the $12.8 million in property tax relief it has received in recent years.

Vermonters are also deeply concerned about the quality of the environment. This bill includes three major environmental initiatives critical to Vermont.

First, the committee increased the State environmental protection grants by $12 million. These grants are used by States, such as Vermont, to enforce the Federal clean air, clean water, and hazardous waste statutes. If this increase is accepted by the House, Vermont's pollution control agencies will receive about $60,000 more than under the President's request.

The increased support for State clean water activities will be specially important to Vermont. Tight staffing, caused by the Kunin administration's effort to reduce the State's deficit, is making it difficult for the State to process clean water permits.

Second, the bill includes $6.8 million to increase efforts to reduce hazardous air pollution.

The Environmental Protection Agency has been dragging its feet on hazardous air pollution. This year, EPA will be deciding that eight hazardous pollutants are so dangerous that they must be regulated, but it has only asked for the funds to write the regulations to control five of those pollutants. I have asked for this increase in its budget so that the public can be sure that when the Agency determines that a pollutant is hazardous, it will immediately move to control it.

The bill also adds $2.4 million so that the Agency will be able to screen 20 of the 200 potentially hazardous air pollutants. The Agency had asked for the funds to screen only eight of those pollutants. This information will assist air pollution agencies in New England, which are taking the initiative in developing hazardous air pollution standards.

The bill also includes $2 million to survey radon pollution in homes throughout the Nation. Radon pollution has occurred in several communities in Vermont.

Third, the bill includes $50 million in funds for local school districts to use to remove or control asbestos in schools. Last year three Vermont school districts received $268,000 to remove or control asbestos. The administration request included no funds for this critical program.

Vermonters are also a critical part of the technological revolution occurring in our Nation. Vermont is one of the fastest growing high technology States. That is why earlier this year, I introduced the S. 1394, the Technology Extension and Education Act of 1985.

Although that legislation will not be enacted this year, the bill before us today reflects the premises of that legislation that we must strengthen science education, must rebuild our scientific infrastructure, and must promote cooperation between private industry and the universities.

Thus, in spite of its overall support for a freeze, the committee accepted the Agency's increased request for developing new science teaching methods, scientific instrumentation, and industry-university cooperative research.

I am glad that in my first year as Senior Democrat on the subcommittee responsible for the EPA's budget, that we have been able to move forward in these critical areas.

Finally, working with the chairman, we have included funding for the final design of the Veterans Center at the White River Junction Veterans Administration Hospital.

This facility does important agent orange research. But more importantly, it is a magnet for the high-quality medical personnel our Vermont veterans need and deserve.

In sum, Mr. President, this is a good bill that meets critical national needs in a fiscally responsible manner.

I yield back to the distinguished Senator from Utah.

Mr. GARN. Mr. President, I thank the distinguished Senator from Vermont. He and I came to the Senate together in the class of 1974 and have been good friends all those years. I appreciate the opportunity to work with him on this bill. It has been difficult.

I might just explain a little bit the difficulty, while we are waiting for our colleague to arrive to offer their amendments. The HUD and Independent Agencies appropriation bill over the last 5 years has certainly done its share in attempting to solve the budget deficit problem. As outlined in my opening statement, our bill, in 1985 dollars, is $54.8 billion in new budget authority. When I became chairman in 1981, the bill was slightly over $60 billion in 1981 dollars. I do not know whether other subcommittees have done as well or not. But considering the fact that you have had years of inflation—and we are not talking about playing with different year dollars, but comparing them exactly—this subcommittee has certainly done its share.

Despite the fact that we are at a lower level in actual dollars in 1985 than we were back in the late 1970's and 1980's, housing has taken the major brunt of this cut, and I happen to believe that that is right. We had a lot of housing programs, many of them that were very inefficient, were not working as they should.

Neverthless, we arrive at a problem on the floor today, having cut significant amounts of money over the last 5 years, being told by the Senate budget resolution that we must cut more, which we did in committee, an additional $800 million in budget outlays. The problem occurs and the controversy will be on the floor today on this bill over those very additional cuts of $800 million because they come in very sensitive areas.

I told the Senate Apporopriations Committee when we made those additional cuts that I did not like to have to recommend cuts in those areas, but it was the only way that we could possibly save $800 million in outlays. The HUD and Independent Agencies Subcommittee has a rather diverse group of agencies. You have HUD which has long spend-out programs. We could cut approximately $300 million in additional authorizations for housing programs in this bill and only save $9 million or $10 million in outlays next year. Well, that does not make much of a dent in $800 million of overage in outlays. You can look at many of the other programs that are not fast spend-out items.

And I told the Appropriations Committee that our problem would come down to having to cut veterans' medical care and revenue sharing, because those were the only two areas that you could get large amounts of additional outlay savings for next year. If you put all the rest of the agencies together and if you gutted them, I mean literally, practically put them out of existence, you simply could not come up with $800 million of outlay savings in fiscal year 1986. That is exactly the way it turned out in the committee, and the majority of the savings in that $800 million have come in those two areas. That is where the controversy will be on this bill today.

There will be amendments offered to put money back in for veterans' medical care, a worthy purpose. There will be an amendment offered to put $400 million back into revenue sharing. As a former mayor and former officer of the National League of Cities, I do not like to cut revenue sharing. I do not think the program should have been discontinued at all. I think it probably is the best program we have for the cities and counties and local governments of this country.

I think the Senate faces a time when we have to face the reality that you cannot come out here on the floor of the Senate and vote for a budget resolution that specifies budget ceilings and says you must not exceed these totals, vote for that budget resolution, and go home and tell our constituents that we have voted for fiscal responsibility and reduced deficits, but then when it comes to voting for the individual appropriations bills to implement that Budget Act, we are not willing to do it.

So even though I took no pleasure in cutting additional amounts of veterans' health care out of the Veterans' Administration or additional money out of revenue sharing, I am not going to be one of those who gives speeches at home talking about fiscal responsibility, balanced budgets, vote for Gramm-Rudman and say, "Look what a fiscal conservative I am," but then when it comes to the appropriations bills, where the money is spent, not be willing to do it. I did not like that amendment in committee at all, but I will sleep nights because this bill, as presented today, complies with the Senate budget resolution passed overwhelmingly by the Senate.

I would suggest that the Senate ought to comply, that individual Senators ought to comply with their votes on the budget resolution when it applies to the appropriations bills where the money is actually spent.

So that is where we are. If Senators are listening in their offices, or staff, that is what it is going to boil down to. This bill does comply with the Senate budget resolution. But if we add back in $800 million in veterans' health care and in revenue sharing, we face something that I think will be the most distasteful of all. Rather than going through a budget very carefully, as both Senator LEAHY's staff and mine have and the staff of the Appropriations Committee, to make cuts in every agency to obtain that $800 million reduction in outlays, we will face on the floor an across-the-board cut, which is indiscriminate, which does not evaluate individual programs and their worth and where the hurt will really come. I do not like that. I do not like that kind of action.

We have attempted—maybe not with a scalpel, but at least with a butcher knife—to trim this budget. And if we get just an indiscriminate, across-the-board cut, that may be easy for my colleagues to vote for, but it is a meat ax approach, without any consideration of the individual needs of the various agencies under this bill.

So I hope that, when we finish this bill, it will comply with the budget resolution, that we will meet what the Senate told us to do and that we will not do it with a meat ax, but that we will do it with some thought and consideration of how we meet those budget targets.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 784

Mr. DURENBERGER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Minnesota [Mr. DURENBERGER] proposes an amendment numbered 784. On page 36, line 5: strike all after the numeral through line 11 and insert a period.

Mr. DURENBERGER. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DURENBERGER. Mr. President, the effect of my amendment would be to strike the Appropriations Committee proposal reducing the appropriations for general revenue sharing for fiscal year 1986 by $570 million. Listening to the chairman of the subcommittee explain the difficulty of conforming both with the budget reality and with the budget resolution, I can sympathize with the intent of their proposal. There is no more important issue facing our country today than getting control over unnecessary Federal spending, and more particularly reducing the size of the Federal deficit. But as well all know, there are no longer any quick or easy solutions to either of these problems. There are no shortcuts left. We took all of those in 1981-82. Indeed, there really are not or should not be any scapegoats left either.

Mr. President, cutting general revenue sharing for fiscal year 1986 is not the answer to our problem. It is not the answer because once again we are called upon to sacrifice taxpayers of the State and local level, to sacrifice a well-reasoned, long-term strategy for a Federal tax system for our inability to deal adequately with the problems of the deficit.

Mr. President, we all count on States and cities to do a lot of things for us. We count on them to provide for ourselves and our children, and for our elderly. We count on them to provide safe drinking water. We count on them to ensure handicapped access, to administer jails, to fill our potholes, and to provide mental health. We count on them for a lot of things. But lately they have not been able to count on us. The truth is that this proposal to eliminate a portion of the general revenue-sharing funds promised State and local governments when they already have gone through their old decisionmaking process this year violates the basic trust that we in the Federal level owe to local government. It is our responsibility to send clear signals to those governments about just what we expect from them, and how much funding they can anticipate to meet those expectations. They rely on these signals to make budget plans and to determine outlays.

In the case of general revenue sharing, the signal has already been sent. The budget resolution, which was at the focus of every mayor and council members' planning for the coming year, assumed full funding for general revenue sharing for fiscal year 1986. That was in July of this year. Now it is October and we are talking about changing the game plan. Yet nearly all of the 39,000 local governments in this country that receive general revenue sharing funds start their fiscal years on July 1—3 months earlier than the first day of the Federal calendar. They could not wait to see if we changed our mind. And because they could not wait, they had to take us at our word: They planned on full funding for general revenue sharing for this year. They all took actions, and made commitments based on the signals that we ourselves sent to them. Mr. President, they count on us. That is why proposing cuts now is unfair. It is changing the rules in the middle of the game. They counted on us and we proposed to let them down. We are thus undermining the trust that is the foundation of the federal system.

Mr. President, I do not have to tell you or any of my colleagues, really, that State and local governments are already under substantial siege in this country. In the past 5 years they have taken more than their fair share of budget cuts aimed at reducing the deficit—not their deficit, our deficit. Since 1981, Federal aid is down 25 percent, the number of programs is down 9 percent in constant dollars, down 15 percent as a percentage of GNP, down 21 percent as a proportion of the Federal budget, and down 20 percent as a proportion of State and local spending. And the attack is just beginning.

The Gramm-Rudman proposal which we so hotly debated last week would eventually force States and localities to bear the brunt of further budget reductions. In a budget where States and localities account for 40 percent of all nondefense discretionary spending, there can be little doubt that further cuts will fall disporportionately and unfairly.

In addition we have before us a tax reform proposal from the administration. Sixty-seven percent of the revenues to be raised to meet the demands of rate reduction on the Federal income tax contained in that proposal come at the expense of State and local governments.

Mr. President, for all of those reasons, on both the tax and budget sides, I must oppose the cut proposed by our colleagues in the Appropriations Committee. I am not alone. Senators MOYNIHAN, HEINZ, BYRD, GRASSLEY, ROCKEFELLER, D'AMATO, NUNN, SPECTER, KASTER, HARKIN, LONG, ZORINSKY, SIMON, SASSER, and FORD have already joined in advancing opposition to any reduction in GRS for this fiscal year.

Mr. President, I ask unanimous consent that the Senators just named be listed as cosponsors on my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GARN addressed the chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. GARN. Mr. President, it is difficult for me, or virtually impossible, to argue against the Senator from Minnesota on the substance of his arguments. I must remind my colleagues that as a former mayor of Salt Lake City and an officer of the National League of Cities I was part of a lobbying team many years ago for the initial enactment of general revenue sharing. The major reason that I sought that aid from the cities at the time is not just for the principle of local determination. As mayor I dealt with the morass of categorical grant-in-aid programs almost without number and with such control from regional headquarters of HUD and HHS and all the Federal agencies in Denver that I really did not feel I was the mayor of Salt Lake City but was the local manager for the Federal Government. The revenue sharing offered a principle that was different than we would be able to determine from our city councils and our county commissions as to how that money would be spent with all the layers of bureaucracy, and the wasted administrative expense.

I frankly was very disappointed when this administration talked about New Federalism and wanted to eliminate revenue sharing. I offered a counterproposal that we not eliminate revenue sharing. We eliminate categorical grant-in-aid programs for the same amount of money. Most of the mayors and local government officials of this country supported that concept—a willingness to take cuts in the specific categorical grant-in-aid programs, but preserve the principle of revenue sharing. That was rejected. I think that is a mistake. So it may sound strange that I am here arguing for a cut as an original proponent—not as a member of revenue sharing—feeling that the administration is wrong in proposing to eliminate it, and not wanting to take revenue away in this type of a program, but preferring to do it in the administrative bureaucratic categorical grant-in-aid programs, but I am not faced with the luxury of being able to do that. I am faced as chairman of this subcommittee of meeting budget targets and ceilings imposed by the Senate of the United States. So there are some votes in this bill that I would not like to cast. This is one that I would not like even to have come before us. I do not want revenue sharing ended. But it is going to be ended. That determination has been made. We are now talking about one-eighth of that amount of money during the last year of revenue sharing. So it is a choice that I do not like to have to make but I must. I want to reiterate what I said in my opening remarks.

I want my colleagues to listen or their staffs to listen. If this amendment passes to add $400 million back in, for each $100 million of outlays we add back into this bill that means approximately the necessity of a 1-percent across-the-board cut. That is 4 percent. So we will face later today a 4 percent across-the-board cut, indiscriminately, without regard to where it comes from, to come out of every agency.

So we are faced with some tough choices. This is one for me. It is personal support of a program that I am up here advocating we take money out of because I have no other alternative. The damage done to the rest of this bill and other agencies would be money to come out. I want my colleagues to recognize that what they are making a choice on here is between general revenue sharing and funds coming out of EPA, out of Superfund, out of Federal Emergency Management Agency, out of Veterans, out of Arlington Cemetery, the Battle Monuments Commission, all sorts of agencies, some of them with very, very tiny budgets. They will all be affected.

So I hope this amendment is defeated, that we do not do havoc to this bill with a giant meat ax because we are putting money back into revenue sharing.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I understand and appreciate the concern the Senator from Utah has stated. It is unfortunate that we could not find ways, even if it meant removing some programs that I happen to like, to continue revenue sharing. I represent probably the most rural of all States. I know how important revenue sharing is because it allows us, as Vermonters, to make decisions for Vermont communities. These decisions might not be the same as would be made by somebody in Washington who thinks the definition of rural is Fairfax County and do not realize what rural needs truly are, whether it is rural law enforcement, rural housing, rural health care, or anything else.

Each one of us, no matter how we may vote on this, realizes the value of having such no-strings-attached funds. I would suggest for the record, Mr. President, that this is probably going to be as difficult a vote for most Senators as any we are going to have, and whichever way one votes I think there is a very clear feeling of support for revenue sharing here on the floor of the Senate. Many who feel they should vote against the amendments do so because of their concerns about budget restrictions. It will be a matter of balancing two important values. In my case, I do feel that this is probably the most effective way, at least in small areas like my own, of getting money into those programs that need it.

Mr. President, no issue is more important to the people of Vermont at this time than property taxes. Throughout Vermont reappraisals of property values have greatly increased the property taxes of thousands of Vermonters. In every city and town in the State, town meetings, town managers, and mayors are struggling to make ends meet.

With the cutbacks in the Federal budget in the recent years, Vermont's municipalities have been called on to provide the funds for social services that formerly were provided by the Federal Government. Indeed, a recent survey found that increases for such help had increased by 53 percent in recent years.

Overall, the largest use of revenue sharing in Vermont is for local roads and police and firefighting support. Fifty-five of Vermont's cities and towns use revenue sharing to fund 25 percent or more of their fire protection capital expenditures.

Let me just mention two very different areas in Vermont—Addison County and the city of Burlington.

Addison County is largely rural and depends heavily on agriculture. Cows are still king in Addison County. In Bristol, in Addison County, 90 percent of revenue sharing in used for town equipment and essential social services. In Cornwall, the town has been using $6,000 of its revenue-sharing funds to pay for a firetruck. In Mid-

dlebury, a 15-cent increase in the property tax rate will be inevitable.

In Burlington, Vermont's largest city, the situation is the same. Burlington's treasurer has recently warned that the city is on the verge of a major financial crisis due to cuts in revenue sharing. If revenue sharing is abolished, property taxes will have to be raised by 15 percent or 40 city workers will be laid off and many services will be eliminated.

I am told that many States have a surplus, and these States will be able to make up the difference. That is clearly not the case in Vermont. The present Governor is struggling to retire an inherited multimillion dollar deficit.

I would like to end my remarks with a quote from a report that was recently released by the Governor on the effect of the elimination of revenue sharing on the State.

The report states:

Even more importantly, loss of revenue-sharing funds will hurt most those Vermont communities that are least able to raise their own taxes because of low incomes or low tax capacities. Most of these communities will be simply unable to appreciably raise property taxes. Instead, the most likely scenario is that they will entirely cut less critical services like ambulance services, home health care, and the like, and make substantial cuts in essential services like roads, fire protection, police and sanitation.

In summary, Mr. President, I strongly support the amendment restoring funds for the Revenue-Sharing Program. We must not reduce this critical program.

Mr. DURENBERGER. Mr. President, I will be brief in my response. I am obviously grateful to both the Senator from Utah and the Senator from Vermont for their comments on behalf of general revenue sharing, in particular, the comments of the Senator from Utah clearly set the parameters for this discussion by indicating that some time ago he took the leadership, focusing everyone's attention on the value of general revenue sharing to State and local governments as compared to the categorical grant programs.

Categorical grant programs deliver money to State and local governments; but this form of Federal aid brings problems with it.

First, these programs deliver an increasingly smaller amount of money, but less money never seems to be accompanied by any fewer mandates, strings, other obligations on the part of State and local governments as they deliver a particular service. The money dwindles. The mandates stay. This, in turn, raises continuously the cost to State and local governments to conform with Federal mandates. That is one part of the problem. As the Senator from Vermont knows, the second part of the problem is that, compared to categorical grants, GRS is a much more efficient way of getting money to communities. Under GRS we count on them to know where to spend the money. We do not dictate the paperwork process and all the other things that go with it for doing that eats up 15 to 20 cents on every dollar of aid we send.

General revenue sharing is a good program. It is an efficient program. If you care about each taxpayer's dollars, delivering close to a dollar's worth of service GRS is your program. The one part of this appropriations bill that gets 99 cents on every tax dollar—and the only one—is general revenue sharing. Why do we cut back on the most efficient tax dollar? Simply because it is spread over 39,000 jurisdictions in this country, some of whom do not need the money. That is the whole reason we are getting rid of general revenue sharing, because there are some of those communities who in the past have not needed the money.

One of the things we are all up against here is the fact that as we bail out on our fiscal responsibility, that responsibility falls to State and local governments.

I would like to acknowledge the point that when you do that, you do it unevenly. You may find a Beverly Hills or some other rich community in each of our States that does not need the return of a portion of the Federal income tax to supplement their local property taxes. But, let's put the problem in perspective. I suggest that you come with me or I come with you to your local communities outside some of your rich suburban metropolitan areas and we can watch those communities die. Go to BILL PROXMIRE's Wisconsin and watch those little towns, the ones that are not sustained by the dairy subsidies: Watch them die.

Watch the $3,000 an acre farm land go quickly down to $500 an acre. Watch the assessed valuation of those school districts drop by 75 percent. Then watch those taxes go up while we sit here saying we do not have the money and we do not have the resources to meet our commitment to those people.

I would say that if our choice is taking Arlington Cemetery against saving a dying township or a dying school district, I will take the dying township or the dying school district any day. I would fight to save an extra teacher in a school district or a janitor in city hall, or whatever the case may be, over a couple more lots in Arlington Cemetery.

If those are the choices with which we are provided in this bill, Mr. President, then General Revenue Sharing is the place we ought to invest our dollar.

If the alternative to my amendment is a 4-percent cut across the board, then I would suggest we consider it. After all, we are going to be here for the next 5 years doing that sort of thing anyway. We may as well start today. It is the whole notion of Gramm-Rudman. It is the whole notion of the freezes we have already been through. Do not bother debating the merits of general revenue sharing or any of the tough things that the chairman of this subcommittee has to do. Let us just go through the whole bill and take 4 percent out. After all we are going to be doing that for the foreseeable future if we continue our commitment to Gramm-Rudman.

Why not start now? Four percent is a lot better than 10 percent or 20 percent. Let us start right now. Approve my amendment, put 99.5 cents of every tax dollar directly into service delivery. Then we will go 4 percent across the board.

The budget resolution contemplated a 10-percent across-the-board administrative cost saving in these appropriations. It contemplated a 4-percent program-wide work force reduction. It contemplated some trimming of NASA, EPA and the Veterans' Administration.

All of those things were accepted by the committee.

Maybe the alternative of a 4-percent cut across the board, just nick everybody a little bit, is an appropriate solution to the problem. I suggest that when we all come down here at 11 o'clock or so to vote on this amendment, that is a more appropriate solution than telling the cities, counties, townships, many of whom are dying in this country, that we are going back on our commitment.

I repeat, finally, that general revenue sharing is fully funded in the first concurrent budget resolution. This amendment is a most appropriate way to put into effect all of the votes that we all took on that resolution.

Mr. PROXMIRE. Mr. President, I rise in opposition to the Durenberger amendment. First, I want to say that the distinguished managers of the bill, Senator GARN and Senator LEAHY, certainly come to this opposition with the strongest credibility. These are men who enthusiastically support revenue sharing.

I do not know anybody who has worked harder for revenue sharing than Senator GARN. He was a fine mayor, he understands how important it is to the cities and to the counties. Yet he is willing to stand up to an effort on the part of Senator DURENBERGER to restore the cut—I might say a very slight cut—that we made in revenue sharing as a way of getting at spending in this bill now.

I oppose this effort by Senator DURENBERGER to strike the amendment and to restore the money for revenue sharing. The committee amendment would cut general revenue sharing programs $570 million. That is a lot of money. It is all, of course—not all, but

almost all of it is—outlay savings in 1986. It does that by cutting each of the four quarterly revenue sharing payments by 12.5 percent—get that figure, Mr. President, 12.5 percent; we are not cutting it by 50 percent or cutting it out entirely—achieving $428 million in outlay savings in fiscal year 1986.

Mr. President, it makes eminent good sense to endorse the committee's approach if we are serious about completely eliminating the Revenue Sharing Program in 1987, as both Houses of Congress have agreed to do in approving this year's budget resolution.

We pledged to do that in the budget bill. We said we are going to eliminate revenue sharing next year. If we really mean it, we ought to cut it one-eighth of that, or 12.5 percent, this year. Both Houses of Congress have agreed to that.

I could make all the arguments against revenue sharing that we have heard year after year after year—that the Federal Government has no revenue to share; that the funds meet no specific need but can be used for any purpose whatsoever; that it is bad policy to separate the taxing and spending authority by raising the funds at the Federal level and then turning them over to virtually every community in the United States with no strings attached.

Mr. President, that is an argument I do want a minute on, because the one kind of discipline over spending we have in this country that is effective is that the taxpayers feel it. They protest it. In the revenue sharing program, we take it away. You go up to a mayor or a county board chairman and ask him why he is spending the money, he says, "Oh, don't worry about that, that is not your money, that is the Federal Government's money." I think that separation is a big mistake.

You can make the argument that it discriminates against poorer States. It does. But it seems to me Congress has decided to go against those arguments by ending the program in fiscal 1987.

A reasonable man might ask:

If we accept these arguments, why aren't we eliminating the program in fiscal year 1986? Why are we waiting until fiscal year 1987? After all, the Congressional Budget Office tells us that we will be facing a 1986 budget deficit of $175 billion.

I understand the latest figures make that about $185 billion—"even if all the assumptions made in the budget resolution come to pass. We should take whatever steps we can to cut that deficit."

I suppose there are two answers to that question. The first answer is that the authorization does not expire until 1987. But that is purely a technical objection. If we are truly serious about cutting the deficit we can not be bound by that kind of hair splitting logic. The second answer is that we should not spring this surprise on localities without giving them a chance to make up the deficit created by the termination of the program. But if this is a serious argument, then why not motivate communities to begin searching for alternative funding sources now by deleting 12½ percent of each quarter's payment as the committee has proposed? This would give communities a 1-year transition period in which to find other funding sources at the State and local level and would not leave them with the false hope that we might change our minds about killing the Revenue Sharing Program next year.

I might quickly point out, as the Senator from Minnesota said, over 30,000 local governments receive general revenue sharing funds, but they are a small part of total local expenditure. It is not as if we are cutting the heart out of revenues available to these local communities. It is a cut of 2.5 percent. We are cutting only one-eighth of that. So we are cutting far, far less than 1 percent by this amendment.

Second, general revenue sharing is becoming less important as a source of local government funding. It has dropped in half since 1973 as a proportion of the local tax revenues.

Third, other Federal grants to State and local governments have expanded. In 1973, general revenue sharing was 15.8 percent of all Federal grants, but by 1984, it had dropped to 4.7 percent.

Fourth, local governments in the aggregate have gone from deficit to surplus while the Federal Government is moving in exactly the opposite direction. Since 1972, the local government sector has run a modest surplus except for 1975. In 1973, local governments had a surplus equal to 2.6 percent of local revenues while the Federal deficit was over 30 percent of Federal revenues.

Finally, general revenue sharing is the only domestic program which the House agreed to eliminate. They even proposed a 25-percent cut in 1986. How can the Senate chide the House if we turn around and restore the only program they have cut?

Mr. President, I point out that this year, about 20 States cut taxes, with the largest reductions coming in New York, Ohio, and Minnesota.

I yield the floor, Mr. President.

Mr. DURENBERGER. Mr. President, I could not resist responding to that. If my colleague from Wisconsin will go back 2 or 3 years, he will find that all of those same States, practically all the States in the country, were raising their taxes. They were doing that because we were in an economic downturn. Then in 1983 we worked our way into an economic uptrun. I am proud to say I participated in a billion-dollar reduction by electing Republicans in my State as well. But now all of the signs in my State are that we are up against a revenue shortfall. The cause is a bad economy plaguing my State. Minnesota is not alone. We must add the State of Wisconsin, and, even more so, other States in the Midwest. So I think the argument that States have been running surpluses is not an argument applicable to this particular amendment. It is a reality of the 1983-84 economics, but it flies in the face of the reality of 1985-86 and beyond.

I remind my colleague also that the General Revenue Sharing Program has not sent a portion of its funds to State governments since calendar year 1980. All of the money goes to local government. If my State is to be used as an example, let me say, Mr. President, that the State of Minnesota, in its efforts to reduce statewide taxes, has reduced its aid to local government. So, again, I do not see that that is an appropriate argument against continuation to the end of the period for which GRS was promised in the budget resolution.

I hope my colleagues will keep in mind that if they want to spend the few dollars that we have available to us in this deficit-ridden budget of ours efficiently, then it is appropriate to support general revenue sharing at the expense, if you will, of the UDAG's and the CDBG's and all the other categorical grant programs that do not cover 39,000 local governments in this country, that are not necessarily needs-based categorical programs, and that do not get 99.5 cents on the dollar to each of the recipient units of the government.

Mr. President, I might state to the manager of the bill that one or two of my colleagues wanted to speak briefly on the amendment before I move its adoption.

Mr. GRASSLEY. Mr. President, I have joined my colleague, Senator DURENBERGER, in cosponsoring this amendment to restore the funding levels for general revenue sharing because I recognize the importance of this program to local communities across the entire Nation.

I have tried to get an across-the-board freeze passed by this Congress for the past few years. Had we passed the freeze, we would have a balanced budget by now and would not be struggling to find ways to meet the goals of the budget resolution and having to cut a program that assured our local communities would be there at the higher level.

The budget process this year has made it hard for our local communities to set their priorities and use the money we return to them in an effective way. Through proper planning local officials can better serve the people who elected them. If we keep

playing games and changing the rules on them every 2 to 3 weeks they will never be able to plan properly.

How can we sit here and let this happen to our local governments? First we said we would cut them by a certain amount, then we asked them if they would accept a split year's funding—half this year and then half next year. Obviously, they preferred for planning purposes all the funds this year.

In Iowa the proposed committee amendment would mean a $7.1 million cut from what we had originally agreed upon for the budget. I know when the issue came up in the Finance Committee, the authorizing committee, we too agreed on the larger number.

Last March my communities and counties had to certify to the State their budget that would go into effect on July 1. They have already been in their budget cycle for over 3 months and now we are saying to them, we were wrong, we are going to go back and cut revenue sharing by 12½ percent from the beginning of the year. That's an almost impossible situation to put our local officials in.

I would hope that my fellow Senators would join us in this amendment.

Mr. BYRD. Mr. President, I support general revenue sharing and I support it at the authorized funding level of $4.6 billion for fiscal year 1986.

Authorization legislation enacted in 1983 entitled local governments of this country to full funding from the general revenue-sharing program of $4.6 billion per year through fiscal year 1986. A reduction at the 11th hour—and coming after local governments have already set their budgets for fiscal year 1986—violates the pledge made to them by Congress that they could count on this money for their basic needs.

Further, the joint budget resolution, passed earlier this year, called for full funding for the general revenue-sharing program in fiscal year 1986. Mr. President, I believe it is unconscionable to act now to cut this program on which so many local governments rely for basic services and for which there is no alternative source of funding.

In my home State of West Virginia, revenue-sharing funds have been typically used for public facilities, such as water and sewer systems, courthouse and municipal office building construction, nursing home construction, construction of low- to moderate-income family housing, and public service employment.

Revenue sharing has enjoyed bipartisan support throughout its existence. It was proposed originally by a Republican President and enacted by a Democratic Congress. President Reagan has, in the past, given his full support to the program. It is the only program that provides Federal assistance to virtually every local government in the Nation. It has worked and it has worked well. I believe it deserves to be retained at full funding for its final year of authorization and I call on my colleagues here in the Senate to assure that this is the case.

Mr. ZORINSKY. Mr. President, today we are voting to make the Federal Government a reliable partner in the job of governing our Nation. During deliberation of the budget, assurances were continually made that general revenue sharing would be fully funded in fiscal year 1986. The program would then end in fiscal year 1987. Our amendment simply fulfills the commitment we in Congress made to provide this funding.

Local governments must make their budgeting decisions before Congress approves its appropriations bills. Now, because Congress is slow about doing its duty, we have placed the local governments in a bind. After assuring them that funds would be available, this appropriations bill calls for a 12.5-percent reduction in general revenue sharing. This is a bad faith cut, and I cannot support it.

I am first in line when it comes to keeping our appropriations bills within the budget, but this is not the question here. If this bill is overbudget, we can generate the needed savings with an across-the-board cut. This amendment is about the credibility of Congress in its dealings with local governments. Unexpected cuts such as these should be shared more equally across the programs in this bill. I urge my colleagues to support this amendment so that the burden of the budget cuts is shared fairly.

Mr. HARKIN. Mr. President, I rise today to support the restoration of general revenue sharing funds for fiscal year 1986, which were cut by 12.5 percent by the Appropriations Committee.

My support for this action is based on two factors: First, my long and consistent record of support for revenue sharing, and second, my conviction that we made a commitment to local governments regarding the amount of revenue sharing that would be available for fiscal year 1986 when we passed the budget resolution months ago. I believe that we must honor that commitment.

Beyond my overall support for the program, I strongly disagree with the committee's recent actions which would immediately cut fiscal year 1986 revenue sharing by 12.5 percent. The general revenue-sharing program is not a budget buster. With the annual appropriation frozen at $4.6 billion for the last several years, revenue sharing has not contributed to increases in the deficit during those years, and it is, therefore, inappropriate to single the program out for drastic and immediate cuts.

I believe that the greater issue in this instance, however, is the commitment we made to local governments in the budget resolution. Cities and counties have already included revenue-sharing funds in their fiscal year 1986 budgets, after having received assurances that they would receive 100 percent funding this year. Few, if any, local governments are in a financial position to bear the loss of revenue-sharing funds without affecting provision of services. Certainly no communities in Iowa are; the fiscal year began on July 1. These local governments are already into the second quarter of their budgets—and we are talking about pulling the rug out from under them without any notice. Furthermore, the State has just ordered across-the-board cuts in local government appropriations. There will be no dollars replaced from that source.

We owe it to our local governments to send clear signals regarding what services we expect them to perform and what funding we will provide to enable them to meet these expectations. To break our commitment to full funding of revenue sharing for fiscal year 1986 is bad policy.

Iowa's need for revenue sharing is heightened by the constitutional constraints placed on its cities. Iowa cities are limited to property tax as the only major source of revenue for general fund operations. Cities, by State law, are denied access to other tax forms such as sales and income which other levels of government utilize.

This situation is compounded by the Iowa statutory limit on the amount of property tax that can be levied for general fund operations in a city—$8.37 per $1,000 assessed value. These limits have forced many cities to levy their maximum just to maintain current operations, much less look to capital planning and new construction. Today close to 40 percent of Iowa's cities are imposing their maximum tax levies.

The critical state of Iowa's economy further worsens the cities' and counties' situation. Many of these local governments are dependent on farming and agriculture and are facing the consequences of a decline in the value of property and the accompanying decrease in revenue that will be produced from their tax levies. They are also faced with substantial nonpayment of property taxes by the beleaguered farmers in my State who simply can't afford to pay their taxes. I urge my colleagues to support restoration of full funding for fiscal year 1986.

Mr. LAUTENBERG. Mr. President, I rise in support of the amendment offered by the Senator from Minnesota to restore the 12.5-percent reduction in general revenue sharing made by the Appropriations Committee. I voted

against this reduction when it was offered in committee.

Revenue sharing is scheduled to end in fiscal year 1987, but local governments in New Jersey and throughout the Nation have been operating on the assumption that revenue sharing will be fully funded for fiscal year 1986. Local governments are counting on this assistance to pay for basic services such as police and fire protection. New Jersey communities, which received $146.2 million in revenue sharing in fiscal year 1985, would lose some $20 million if this amendment is not adopted.

Mr. President, State and local governments have faced massive reductions in Federal assistance since 1981. In the bill before us, we include further cuts in community development block grants, urban development action grants, housing assistance and other programs. At the same time we are making these reductions, the administration is working for a tax bill which will make it infinitely more difficult for local governments to raise the revenue to make up for these cuts. For local governments, the reduction in revenue sharing now contained in H.R. 3038 means one of two things: They can either raise local taxes, regressive property taxes, to pay for services or they can cut those services.

Mr. President, I support revenue sharing. This program recognizes the fundamental role played by local governments in our Nation's economy. The Finance Committee has passed legislation, pursuant to reconciliation instructions, to end revenue sharing at the end of this fiscal year. Whatever the future might hold, local governments are well into their operations for this fiscal year and they are counting on these funds, because we told them to count on these funds for this year. I believe that fully funding revenue sharing for fiscal year 1986 is necessary to avoid disruption in local government finances.

I urge my colleagues to support the amendment of the Senator from Minnesota.

Mr. CRANSTON. Mr. President, I will vote against the amendment offered by the Senator from Minnesota [Mr. DURENBERGER] to restore $570 million to fund fully general revenue sharing for fiscal year 1986.

In fairness to our cities, counties, and school districts, it is time to send an unambiguous signal that the $200 billion Federal deficits brought on by President Reagan's misguided fiscal policies requires a further reduction in Federal assistance to local government.

The spending priorities in the Federal budget must be reserved for funds for programs which directly address permanent and temporary imbalances in the federal system brought on by local economic downturns, natural disasters, and concentrations of persistent poverty.

I've supported revenue sharing over the years, but revenue sharing, in my judgment, does not meet the test of a budgetary priority under present conditions.

It is clear that the Senate and the Nation face 5 years of ever deeper cuts in Federal spending and eventually increased taxes. The choices will not be easy nor pleasant. Today's vote is another in what will be a long line of tough actions to reduce the deficits to manageable limits.

Mr. DENTON. Mr. President, our citizens depend on our States and cities for a lot of things that general revenue sharing provides for. General revenue sharing is one of the least cumbersome programs the Federal Government operates. It does strengthen our local governments and maximize their flexibility to respond to a variety of needs including many capital improvements. It is an efficient use of tax dollars.

But the Federal Government has a huge deficit and there is no general revenue to share. Congress must cut programs to bring down the deficit. But I believe that the complete cutoff of Federal aid to needy and deserving cities would lack both compassion and good Government policy.

I would prefer an alternative to revenue sharing as it now exists. I think we should develop a program similar to GRS, but one that identifies and assists depressed communities. It might be along the lines of the criteria for enterprise zones, and would provide assistance to needy communities rather than being a blanket distribution to all cities, some of which already have surplus funds.

Revenue sharing is not fairly shared. Every local jurisdiction, including the most wealthy, receives revenue sharing funds. The program is poorly managed in that sense, because it favors our larger cities which already receive a disproportionate amount from other Federal programs.

I am working on developing an alternative program, but in the interim I support the compromise in the budget resolution. The funds had been promised to local governments, which had been given a clear signal that GRS would be fully funded and worked out their budgets accordingly. For that reason, I support Senator DURENBERGER's amendment.

Other programs than revenue sharing with much less efficiency are being cut. We must identify and cut those programs.

Mr. METZENBAUM. Mr. President, I strongly support Senator DURENBERGER's amendment to restore funds for the General Revenue Sharing Program.

Simply put, this amendment would restore revenue sharing funds to the level upon which both the House and the Senate agreed in the budget resolution. That resolution stated that revenue sharing would be funded next year at the level currently provided.

That was the agreement.

Revenue sharing is the only program we have that helps nearly every city, town, and county throughout the country.

The President's budget proposed to eliminate it.

We debated the issue all summer long, as mayors and county commissioners watched on the sidelines. I believe they were prepared to bite the bullet with some cuts, and they may have been surprised when we decided to fund the program in full. But mostly they were relieved to have the issue settled at last so they could get down to the task of writing their own budgets.

And that is exactly what they did.

They planned their budgets under the assumption that revenue sharing would be funded in full next year.

These communities simply do not have the option of raising local taxes at this late date. The only alternative that they have is to cut their education budgets, police and fire protection, libraries and every other service that municipalities must, by necessity, provide for their residents.

Mr. President, this amendment would prevent last-minute chaos in cities and towns all over the country. I believe we have an obligation to these communities. In the interest of fairness, I urge my colleagues to support the amendment.

Mr. PRYOR. Mr. President, I strongly support the amendment of the Senator from Minnesota [Mr. DURENBERGER] and I hope it is adopted by the Senate.

The pending amendment restores $570 million to the General Revenue Sharing Program for fiscal year 1986 that was cut by the Appropriations Committee. This reduction, Mr. President, which was made after the bill was originally reported, and after allowance was made for full funding in the fiscal year 1986 budget resolution, amounts to a 12½-percent cut. This cut was approved after many local governments relied on the program being continued through fiscal year 1986. Unless the pending amendment is approved, counties and cities in the State of Arkansas will lose over $5 million in this fiscal year. This action, at this late date, could cause serious budgeting problems for local officials.

Mr. President, since its inception revenue sharing has been an excellent program. It operates without some huge Washington bureaucracy. In fact, a local government is only required to complete two simple forms to receive money under the program. As such, it provides counties and cities

around our country with the flexibility to provide a variety of services to their citizens. This money is used for capital improvements, public safety services, nutrition for the elderly, and a variety of health care services, among other things.

In short, Mr. President, this program works. It gives local officials flexibility. We made a commitment in the budget resolution and local governments relied on it. For all of these reasons, I support the amendment, and I urge its adoption by the Senate.

Mr. HEFLIN. Mr. President, I rise to support the amendment offered by my friend and colleague, Senator DAVID DURENBERGER of Minnesota, to restore funds for the General Revenue Sharing Program.

Earlier this month, the Senate Appropriations Committee approved an amendment to the HUD-independent agencies appropriations bill which would have the effect of cutting revenue sharing in fiscal year 1986 by 12.5 percent. This means that $570 million would be slashed from this important program which returns Federal moneys to the State and local governments with no strings attached.

I have heard from a number of local and county officials from my home State of Alabama concerning a potential loss of general revenue sharing funds. These city and county officials are as concerned as I am that this cut in revenue sharing by the committee comes at a time when local officials have already made cuts in programs in order to reduce government spending at the local level.

These proposed cuts are being presented to us despite the fact that the joint budget resolution, which has already been adopted by the Congress calls for full funding of the general revenue sharing in fiscal year 1986 at $4.6 billion. If we adopt these cuts we would be doing a great disservice to the basic trust that we in Congress owe to our local government officials.

The Revenue Sharing Program was begun in 1972 as an integral part of a long-range plan to return government control to the people through their local, city, and county governments. The thought at that time was that Government bureaucracies in Washington had too much to say over how a local government should spend its tax dollars. That was a valid argument then—and it still is today.

Revenue sharing has been a success story from the start. Revenue sharing has the lowest administrative costs of any Federal assistance program. Its funds are distributed to city and county governments on a fair and equitable basis.

While control over how revenue sharing funds are spent rests entirely with various city and county governments—as it should—I do not believe it would be inappropriate for me at this time to appraise and comment on how these funds have been spent over the years.

Let me assure each Member of this august body, the distinguished Members of the House of Representatives, and, most importantly, the American people, that revenue sharing funds have not been wasted. Revenue sharing has been used to pay for basic essential needs of the citizens of this great Nation.

A full 15 percent of all revenue sharing funds go to pay for police protection. With crime rising at a frightening and alarming rate, I dare any Member of the Senate to go to his or her hometown and try to convince his or her neighbors, families, and friends that police protection is not an essential service. Other essential services which are paid for with revenue sharing funds include fire protection, health care, highways, and housing for the elderly, just to name a few.

Mr. President, this is not the time to make drastic reductions in revenue sharing funds. While many of the budget cuts Congress has made in recent years have been necessary to reduce Government spending and encourage economic recovery, these cuts have, in many instances, left local governments holding the bag.

Now is not the time to pull the rug out from under our city and country governments. If we endorse the committee proposal to slash 12.5 percent from revenue sharing, we will be taking an action that could be interpreted as breaking a covenant with the American people.

Thank you, Mr. President.

Mr. BINGAMAN. Mr. President, I must vote for the Durenberger amendment, which would restore full funding to the General Revenue Sharing [GRS] Program as provided for in the budget resolution. The Senate appropriations Committee voted to cut the program by 12.5 percent, or $570 million, in fiscal year 1986. Such cuts are unfair and unwise. This money needs to be restored.

The Senate Appropriations Committee action was in direct conflict with the House and Senate budget agreement, which provided for full funding of GRS in fiscal year 1986 at $4.6 billion. Moreover, the Senate Budget Committee advised the Appropriations Committee that revenue sharing was fully within the limits set by the budget resolution and therefore was in compliance with budget instructions. Therefore, the Revenue Sharing Program should not be the target of major reductions in order to make up for other programs in HUD appropriations which are over the budget assumptions.

To cut revenue sharing at this time would hit most government entities at a time when they are well into their budget year and after the Federal fiscal year has begun. Indeed, the allocations for fiscal year 1986 have been made. As a result these cities and counties enacted their own budgets and local tax rates in good-faith reliance on the allocations and the congressional budget resolution. Reversing the budget process to make up for these crucial dollars would be very difficult and most unfair.

A cut in revenue sharing would disproportionately impact those local governments with the greatest need. It would penalize most those that receive higher revenue sharing payments per capita rather than those that have benefited from the economic recovery. This would harm local governments in all States.

In my State of New Mexico, local governments could expect to lose approximately $2 million if the cuts are enacted. This would make it necessary for many local entities to request additional funds from the State legislature to meet their budget needs for fiscal year 1986. I'm not sure the legislature can provide the needed shortfall. As a result, needed services provided by revenue sharing moneys would be eliminated. These services cover a multitude of needs, from law enforcement to sanitation. Without these funds such services would be eliminated, causing hardships and disruptions in the middle of budget cycles.

I support efforts to lower the budget deficit, and I think we must adhere to the agreement worked out between the House and the Senate in the fiscal year 1986 budget. To support cuts in revenue sharing at this time would undermine the budget process; it would be unfair to our cities, counties, and States; and it would be harmful to the people who rely on these services. For these reasons, I favor maintaining the level of funding set forth in the budget resolution and will reject any attempt to single out revenue sharing for cuts in fiscal year 1986.

(Mr. COCHRAN assumed the chair.)

Mr. GARN. Mr. President, we are unable to vote before 11 o'clock in any event. We are under a unanimous-consent agreement or at least our colleagues were assured there would be no vote before 11.

So I would hope that those who wish to speak would be here in the interim so that we could vote on this amendment at 11 a.m.

Mr. DURENBERGER. I thank the Senator.

Mr. GARN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DURENBERGER. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The Senator reserves the right to object.

Mr. PROXMIRE addressed the Chair.

The PRESIDING OFFICER. The Senator cannot reserve the right to object, the Chair advises, for the purpose of calling off the quorum. He may object.

Mr. PROXMIRE. Does the Senator object?

Mr. DURENBERGER. No.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Wisconsin.

Mr. PROXMIRE. I thank my good friend from Minnesota. Mr. President, I understand that his amendment is now pending. I ask unanimous consent that it be laid aside temporarily. I understand that a call for regular order would bring it back and supersede any other amendment. I ask unanimous consent it be set aside temporarily so that I can call up an amendment.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wisconsin?

Mr. DURENBERGER. Mr. President, on the terms that the Senator from Wisconsin suggested, that I might have the right to call for regular order—and it is my intention to try to bring my amendment to a vote as close to 11 o'clock as possible, since I understand the Senate has some other business to conduct, not here but elsewhere, at about that time—with that reservation, I have no objection to the Senator's request.

The PRESIDING OFFICER. Without objection, the amendment of the Senator from Minnesota is temporarily laid aside. The Senator from Wisconsin is recognized.

Mr. PROXMIRE. Mr. President, this is a very substantial amendment. It will make a reduction in obligational authority of nearly $7.2 billion—$7.194 billion to be exact. I think it makes a reduction in exactly the place we should make it, that is, in obligational authority which would be spread over a number of years. About $2 billion of that reduction will be over the next 5 years. A very modest amount, something like $134 million, will be cut in 1986, but it will be increased very rapidly in the next 5 years up until 1991 when we pledge to try to balance the budget.

Mr. President, there is no easy way to cut the billions out of the budget that we must cut to bring our outrageous $200 billion deficits under control. We have to cut good programs. In fact, every dollar of the nearly $1 trillion the Congress will appropriate for 1986 not only has political muscle behind it, but in almost all cases has solid merit. If we are truly serious about bringing the budget under control we have to make reductions in this spending. We especially must make reductions in the big, expensive projects that cost hundreds of millions and over the years many billions of dollars. Here is why we must reduce the public housing program. Here is a colossal expenditure that resists party or ideology. Like old man river, it just keeps rolling along. And like a snowball rolling down an endless hill it grows bigger and bigger until it becomes a landslide. And what a landslide: Since the early 1970's the housing assistance rolls have grown by an average of 200,000 each and every year, through Republican and Democratic administrations. Think of it, the Department of Housing and Urban Development now pays rent subsidies for nearly 4 million households. That is not 4 million people. It is 4 million households. How many people? The number approaches about 15 million.

Has the conservative Reagan administration with a solid reputation for challenging domestic programs slowed it down? Mr. President, under this administraiton the program has exploded. HUD will spend over $10 billion for housing aid this year. And get this: Spending on public housing in this, the fifth year of the Reagan administration, will be almost double the amount the Department was authorized to spend in the last full Carter year. Spending has doubled, Mr. President. And that is in real terms, not nominal terms. Real terms. What is going on here? Can we account for this by inflation? No, indeed. In the past 5 years inflation has been about 30 percent. Housing aid, on the other hand, has increased almost 100 percent. In nominal terms, the Federal deficit has almost tripled since 1980. Even if we allow fully for inflation, the deficit has exploded by more than 100 percent. So we have real reason—in fact, the best reason—to cut spending on housing: We can no longer afford it. If the Congress cannot cut this runaway public housing expenditure under the threat of the worst fiscal crisis in our history, we will never cut it. And if we cannot halt this snowballing public housing expansion that bowls over the resolution of every administration, conservative Republican as well as liberal Democrat, to hold down spending, we are not going to bring our outrageous fiscal policy under control without a massive tax increase.

So what do I propose to do about it?

AMENDMENT NO. 785

(Purpose: To implement the administration's proposed moratorium on assisted housing with savings of $7,194,420,781 in budget authority)

Mr. PROXMIRE. Mr. President, I send an amendment to the desk and ask for its immediate consideration. Senator ARMSTRONG is sponsoring the amendment with me.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Wisconsin [Mr. PROXMIRE], for himself and Mr. ARMSTRONG, proposes an amendment numbered 785.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning with line 9 on page 2, delete all through line 7 on page 6, and insert the following:

The amount of contracts for annual contributions, not otherwise provided for, as authorized by section 5 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437c), and heretofore approved in appropriations Acts, is increased by $356,445,540: *Provided*, That the budget authority obligated under contracts for annual contributions shall be increased above amounts heretofore provided in appropriation Acts by $499,000,000: *Provided further*, That any balances of authorities made available prior to the enactment of this Act which are or become available for obligation in fiscal year 1986 shall be added to and merged with the authority approved herein, and such merged amounts shall be made subject only to terms and conditions of law applicable to authorizations becoming available in fiscal year 1986: *Provided further*, That of the balances of authority made available prior to the enactment of this Act which are available for obligation in fiscal year 1986, $175,000,000 shall be available as an appropriation of funds for modernization of existing public housing projects pursuant to section 14 of the United States Housing Act of 1937, as amended (42 U.S.C. 14371): *Provided further*, That none of the merged amounts available for obligation in 1986 shall be subject to the provisions of section 213(d) of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 1439): *Provided further*, That all amounts of budget authority (including contract authority) equal to the amounts of such budget authority which are recaptured shall be rescinded.

Mr. PROXMIRE. This amendment simply strikes the $7 billion-plus to be authorized for appropriations for public housing for 1986 from the bill. This would save outlays in public housing of more than $2 billion, as I say, in the next 5 years and over $5 billion during the next decade. In the amendment I am offering, I propose to simply strike the $7 billion to be authorized for appropriations for public housing for 1986 from the bill. This would save outlays for public housing of more than $2 billion in the next 5 years and over $5 billion during the next decade. In fiscal year 1986, the savings in outlays would be a modest $135 million. But then the savings speed up impressively. Our amendment would save outlays of $394 million in 1987, and then $483 million in 1988, $514 million in 1989, and $555

million in 1990. After 1990, it would save another $5.3 billion.

So what good does it do if the amendment only curtails the $7.3 billion gradually over a number of years? The answer, Mr. President, is that this is not a 1-year fiscal crisis we face. As the Senate's action on the debt limit bill proves, this is a crisis that will last for many years. We need to cut spending now that will ease the immense, snowballing burden of paying interest on the massive debt we will otherwise accumulate over the next 5 or 10 years. My amendment would simply cancel this year's expansion of public housing.

Mr. President, let us consider what this would do to housing, because I think many Members may be interested in the amendment because it does cut spending; but they say, "After all, housing is very important." It is. Let me point out how moderate this amendment would be in its effect.

Would it curtail the addition of units receiving HUD assistance? No, it would not. Even if we pass this amendment, there will be 180,000 additional units—60,000 new and at least 120,000 existing—added in the months ahead under commitments already made.

Let me repeat that: There will be 180,000 additional units added if this amendment is adopted. And that is not all. How about families that need assistance right now but do not receive it? The answer: Just normal turnover in assisted housing will result in about 1 million assisted units being opened during the next 3 years. And, Mr. President, this would be simply for the families not now being helped.

So, Mr. President, this amendment will not disturb existing commitments to provide additional units of assisted housing. It will not diminish the number of assisted units that become available each year through normal turnover. But it will save more than $7 billion. Sure, it is painful. Yes, indeed, all of us would like to provide more housing. But housing happens to be one of the most expensive programs of our Federal Government. It is roaring out of control. Spending on the program has nearly doubled in the past 5 years. It will continue to rise by leaps and bounds if we do not find the courage to blow the whistle. For any Senator who means business about bringing the deficit under control, this is what we have to do.

Mr. President, every Member of this body knows that our problem in reducing the deficit does not begin and end with the outlays in the current year. In fact, the big problem in cutting Federal spending will come in fiscal 1987, fiscal 1988, fiscal 1989, fiscal 1990, and fiscal 1991. When those years come, we will not be able to reduce more than two-thirds of the budget, because previous years will have extended through obligational authority mandated spending. This amendment goes to the heart of this problem. It will cut outlays only modestly this year. But this amendment will cut more than $2 billion in the next 5 years and $7 billion as time goes on.

Mr. CRANSTON. Mr. President, I seek recognition so that I may yield to the Senator from Alaska.

Mr. MURKOWSKI. I thank the Senator from California.

The PRESIDING OFFICER. The Senator from Alaska.

AMENDMENT NO. 786

(Purpose: To restore funds for the Veterans' Administration medical care account)

Mr. MURKOWSKI. Mr. President, I send to the desk an amendment with respect to Veterans' Administration medical care.

Mr. GARN. Mr. President, will the Senator from Alaska yield?

Mr. MURKOWSKI. I yield.

Mr. GARN. Mr. President, I ask unanimous consent that the amendment of the Senator from Wisconsin be temporarily set aside in order to consider this amendment, which has been worked out and will be accepted, and then that we immediately return to the Proxmire amendment.

The PRESIDING OFFICER. Is there objection?

Mr. DURENBERGER. Mr. President, reserving the right to object—and I shall not object—I assume that we will add the same condition under which the amendment of the Senator from Wisconsin came to the floor, and that is that my amendment would be set aside subject to the right to offer regular order.

Mr. GARN. That is correct.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Alaska [Mr. MURKOWSKI], for himself, Mr. CRANSTON, Mr. THURMOND, Mr. DECONCINI, Mr. MITCHELL, Mr. ROCKEFELLER, Mr. DENTON, Mr. ABDNOR, Mr. BYRD, Mr. BINGAMAN, Mr. NICKLES, and Mrs. HAWKINS, proposes an amendment numbered 786:

On page 38, line 8, strike out "$9,062,694,000" and insert in lieu thereof "$9,228,694,000".

Mr. MURKOWSKI. Mr. President, today I rise to offer, with Senator CRANSTON, an amendment to H.R. 3038, the HUD-independent agencies appropriations bill for the fiscal year ending September 30, 1986. In view of the amendment to be offered by my friend from Utah, my amendment would restore $166 million in budget authority and $144 million in outlays to the Veterans' Administration medical care account above the levels contained in the amendment which will be offered by my distinguished colleague from Utah, Senator GARN. The purpose of this amendment is simple and straightforward. It would restore sufficient funds for fiscal year 1986 to bring the appropriations for the Veterans' Administration [VA] into compliance with the first concurrent resolution on the budget for fiscal year 1986.

The adoption of my amendment would achieve equity not only for our Nation's veterans, but also in terms of the budget resolution for function 700 which the Senate adopted on August 1 of this year.

Mr. President, after much anguish earlier this year, the Senate and the House agreed on levels of spending for the Veterans' Administration for fiscal year 1986. As part of the budget resolution, the Committee on Veterans' Affairs was required to find reconciliation outlay savings of $1.15 billion over fiscal years 1986 through 1988. The Senate Committee on Veterans' Affairs fully complied with the reconciliation instructions and has reported back to the Committee on the Budget, authorizing legislation which, if enacted, would achieve $1.3 billion in outlay savings between fiscal year 1986 and fiscal year 1988.

Let there be no mistake. America's veterans were asked to contribute to meaningful deficit reduction in fiscal year 1986. This challenge has been met through the budget resolution and the reconciliation process, without reducing VA employment levels and without eliminating any benefits or services to veterans. We should not now ask our Nation's veterans to endure funding reductions below the levels established in the budget resolution, as we consider the fiscal year 1986 appropriations bill for the VA.

Mr. President, H.R. 3038, as reported by the Committee on Appropriations on August 28, 1985, exceeded the levels established by the first concurrent resolution on the budget by approximately $800 million for fiscal year 1986. Consequently, the Appropriations Committee decided to reconsider the entire bill to bring it into compliance with the budget resolution outlay levels.

The Appropriations Committee has accomplished this task. However, in doing so, the committee has recommended an amendment which would reduce the fiscal year 1986 VA appropriations by $296 million in budget authority and $257.5 million in outlays. The reductions were all assumed to come from the VA medical care account.

While I appreciate and support the efforts of my distinguished colleague, Senator GARN, the chairman of the HUD-Independent Agencies Appropriations Subcommittee, to bring the overall HUD appropriations bill into compliance with the budget resolution, I cannot accept the disproportionate reduction in the VA appropriation level for fiscal year 1986.

According to the Budget Committee, the reduction proposed in the amendment to be offered by my colleague, Senator GARN, would reduce the VA appropriations outlay level by $144 million more than is necessary to comply with the budget resolution. The amendment offered by Senator CRANSTON and myself would restore this $144 million in fiscal year 1986 outlays. After conferring with the Budget Committee and the Congressional Budget Office, Senator CRANSTON and I have determined that restoration of $166 million in fiscal year 1986 budget authority is necessary to achieve our $144 million target outlay level for the VA medical care account. This is based on assumptions used in the budget resolution, Budget Committee scorekeeping methods, and spendout rates for the VA medical care account.

Mr. President, if my amendment is adopted, the net impact would result in a VA medical care appropriation budget authority level which is $130 million and a corresponding outlay level which is $113.5 million less than the level originally reported in H.R. 3038.

My amendment is supported by certain underlying assumptions for the VA medical care account which I ask unanimous consent to have printed in the RECORD at the appropriate point. I realize that these assumptions would not be binding on the Appropriations Committee. However, as the chairman and ranking minority member of the Committee on Veterans' Affairs, Senator CRANSTON and I feel strongly that these reduction assumptions which generate $130 million budget authority savings are realistic, and they can be implemented with minimal impact upon the Veterans' Administration and all veteran beneficiaries.

In conclusion, the adoption of this amendment would simply place the fiscal year 1986 Veterans' Administration appropriations at the level mandated in the first concurrent resolution on the budget for fiscal year 1986. Senator CRANSTON and I have not attempted to find savings in other portions of the HUD-independent agencies appropriations bill to offset the funds we would restore to the VA. We explored that option, but concluded that to do so would unfairly encroach upon the jurisdiction of other committees.

Mr. President, the VFW and DAV, major service organizations support this amendment and have expressed their willingness to share in the burden of deficit reduction as long as that burden is shared equitably. Veterans have already made a substantial contribution to meaningful deficit reduction this year by their support and the adoption of a fair means test and third party reimbursement.

I believe that my amendment is fair and truly equitable. I urge each of my colleagues to join Senator CRANSTON, myself, and the other cosponsors, Senators THURMOND, DECONCINI, MITCHELL, ROCKEFELLER, DENTON, ABDNOR, and BYRD in adopting this amendment. Your vote in support of my amendment would be a positive vote for our Nation's veterans and a vote to keep the VA appropriations level for fiscal year 1986 consistent with the budget resolution.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Proposed reductions from VA medical care account appropriations in H.R. 3038 as reported to conform with function 700 levels in FCR

	Millions
1. Federal employee health benefits (reduced cost of Federal share)	$16
2. Appropriations Committee add-on for advanced technology equipment	20
3. Community nursing home care (reduced per diem; no census reduction)	10
4. Annualization of fiscal year 1985, rescission (public affairs, printing, and consultancies)	3
5. Telephone improvements	20
6. Maintenance and repair of facilities	12
7. Net reconciliation savings in medical care account	19
8. Unspecified savings	30
Total, appropriations reduction	130
Corresponding outlay reduction	114

Mr. CRANSTON. Mr. President, the amendment that the able chairman of the Veterans' Affairs Committee, Mr. MURKOWSKI and I—together with Senator THURMOND, Senator DECONCINI, Senator MITCHELL, Senator ROCKEFELLER, Senator DENTON, Senator ABDNOR, Senator BYRD, Senator BINGAMAN, Senator NICKLES, and Senator HAWKINS are proposing is necessary to restore to the Veterans' Administration medical care account the level of funding necessary to maintain the VA's current capability to provide quality care to the Nation's sick and disabled veterans.

I want to emphasize to my colleagues that we are not proposing full restoration of the funding level originally proposed by the Appropriations Committee in the bill as reported—although I would note that that was essentially the same amount as was proposed by the House Appropriations Committee and approved by the House of Representatives, and is fully justified in both of the committees' reports. Rather, based on information that has come to light since the Appropriations Committee's original recommendations for the VA were adopted over 2½ months ago and based on the need to restrain Federal spending to the maximum extent consistent with the most fundamental and important responsibilities of our Government, our amendment would provide for VA medical care account appropriations of $140 million below the amount passed by the House and $130 million below the amount originally recommended by the Senate Appropriations Committee on July 30.

The $130 million reduction we are proposing from the reported bill is about 45 percent of the reduction now proposed by the Appropriations Committee and represents, in our judgment, the maximum amount by which this account can be cut without imposing cuts in services to eligible veterans or in VA health-care staffing.

The reduced funding level now being recommended by the Appropriations Committee would result in sharp cutbacks in VA programs. According to information provided to us in writing by the Office of the Chief Medical Director, the Appropriations Committee's proposed cuts would force the VA, in order to maintain an appropriate balance between personnel dollars and support dollars, to make a personnel cutback of at least 1,893 full-time employee equivalents—FTEE's—in fiscal year 1986. This would result in reductions of 16,000 episodes of hospital care and 72,500 outpatient visits for veteran-patients. Also, according to the Chief Medical Director's Office, the Appropriations Committee's proposed reduction would also force an $82.5 million cut—almost 50 percent of the $170 million provided in the total bill for this purpose—in equipment which is scheduled to be purchased in fiscal year 1986 to activate facilities in fiscal years 1986 and 1987. There are 95 such projects in 33 States.

Alternatively, if the VA were to decide not to delay these activation-related purchases, it would have to reduce its health-care staff by an additional 2,080 FTEE's and its patient-care workload by an additional 17,700 episodes of hospital care and 79,650 outpatient visits.

That would be a total staffing reduction of nearly 4,000 and cuts of more than 33,100 episodes of hospital care and 152,000 outpatient visits.

I strongly reject either of these alternatives. They both involve substantial reductions in the health-care staffing level—193,941 FTEE's—originally established by the Congress for fiscal year 1985 in Public Law 98-371, the regular HUD-Independent Agencies appropriations measure for fiscal year 1985. Congress recently reconfirmed this 193,941 staffing level in the Supplemental Appropriations Act for fiscal year 1985, Public Law 99-88. That staffing level was also established for fiscal year 1986 by the House Appropriations Committee, by the House of Representatives as a whole, and by the Senate Appropriations Committee in its report on the

fiscal year 1986 appropriations measure as originally reported.

This unbroken string of commitments to the maintenance of a stable employment level in VA health-care facilities is extremely important in order to provide for stable employment levels in VA facilities and to facilitate planning for the optimal types and amounts of services that can be provided through a health-care work force of that size.

I want to pay tribute to the Appropriations Subcommittee and its leadership, Senators GARN and LEAHY, for their actions in bringing about the fiscal year 1985 supplemental action I just described. As a result of the enactment of that measure, the Department of Medicine and Surgery put out instructions to its facilities to achieve personnel levels consistent with the 193,941 FTEE's. In fiscal year 1986, under the continuing resolution, DM&S has told its medical centers to maintain those staffing target levels. Hence, 193,941 is where VA medical-care staffing is today—if not actually somewhat higher.

The personnel reductions that I have outlined would thus be very real ones and very unfortunate ones. They would impose instability on a situation just becoming stabilized and be very counterproductive to good health-care management and quality of care.

In addition to these sound, strong programmatic reasons for voting to maintain the VA health-care staffing level at 193,941 FTEE, I believe it is also important for the Senate to draw the line and to take a stand for maintaining the commitment Congress has made—and just reconfirmed—to those who have kept our Nation free and strong and to reject the idea that we should now pull the plug on the VA health-care system and allow its strength, quality, and vitality to begin draining away.

Mr. President, I have been, for all of my 16½ years in the Senate, either the chairman—for 12 years—or the ranking minority member for the last 4½—of the subcommittee or full committee with jurisdiction over the VA health-care system. In 1970, we had a big veterans vote in the Senate to add $125 million for VA health care. It carried overwhelmingly and was the beginning of a decade-long effort to equip the Veterans' Administration to provide first quality, modern medical care to veterans, especially those veterans returning from the Vietnam war for whom in 1970 the Veterans' Administration was woefully unprepared. Over the last 15 years, we have added 66,000 health-care workers to the VA system—the vast bulk of that increase occurring in the 1970's.

Now, with eligible veterans' need for VA care growing, we are at the point at which we are dangerously close to reversing the progress we made over the past 15 years.

Let us not make this vote a signal of the erosion of the congressional commitment to veterans—a signal of the beginning of the fulfillment of David Stockman's legacy to shrink the VA system.

RESPONSE TO THE BASIS PRESENTED TO THE APPROPRIATIONS COMMITTEE FOR THE CUTS

Mr. President, I should like to respond briefly to the basis for the $296 million reduction presented to the Appropriations Committee at its markup on October 3 when it reconsidered the medical care level it had originally recommended in H.R. 3038. The specifics to which I will respond are from a list entitled "Possible VA Reductions in Medical Care," which was set forth in a document distributed at the Appropriation Committee's October 3 meeting.

Mr. President, the first proposed reduction was premised on directing the VA "to maintain average salaries in medical care account at fiscal year 1985 level throughout fiscal year 1986." This action was estimated to justify a $150 million cut in the appropriation. The apparent basis for this recommendation and estimated savings is that the average salary level in the medical care account for fiscal year 1985 turned out lower than initially estimated and that salary levels could be similary repressed in fiscal year 1986 without program disruption.

Based on a paper prepared by the Office of the VA's Chief Medical Director, this assumption is not correct. Rather, the department's position is that the fiscal year 1985 salary experience was an aberration caused by a variety of factors that will not be present in fiscal year 1986 and that reducing the appropriation based on the fiscal year 1985 experience is not warranted.

Mr. President, two points need to be understood with reference to this recommendation regarding imposing a lower average salary level under the medical care account. First, it is my understanding that the lower-than-anticipated salary level in fiscal year 1985 was a fluke that can largely be attributed to significant uncertainty about the funding level that would be available within the medical care account for that fiscal year.

In February, OMB, in connection with the submission of the fiscal year 1986 budget, severely restricted the supplemental appropriations request for the medical care account that was needed for the fiscal year 1985 costs of the Federal civilian pay raises that took effect on January 6, 1985. Instead of allowing a supplemental request for the full amount of pay-raise costs under this account—over $179 million—or even the bulk of that account, OMB allowed a request of only $72.5 million to be submitted. This was only 40 percent of those pay-raise costs.

The small amount of that request and the corresponding requirement it would entail to absorb $107 million of the pay-raise costs gave rise to great uncertainty about the level of funding that would be available to VA health-care facilities for personnel costs in fiscal year 1986.

That uncertainty was compounded by the significant changes in the civil service system that were proposed in connection with the fiscal year 1986 budget. These included the proposed across-the-board 5-percent pay reduction and grade reductions in grades GS-11 through GS-15, and created for the VA an atmosphere in which its ability to hire needed personnel at appropriate grade levels was seriously impaired.

In addition, when funds to hire sufficient personnel were finally made available very late in the fiscal year—through the enactment of fiscal year 1985 supplemental appropriations on August 19—the VA facilities felt constrained to hire personnel only in temporary positions with unusually low average salaries. This again restricted the level of individuals that the agency was able to attract. The VA notes that this situation resulted in the medical centers finding it difficult to recruit quality people with this climate projected into 1986.

None of these types of situations is likely to recur during fiscal year 1986. Indeed, the VA indicated, in an October 8, 1985, White Paper that I will ask to be inserted in the RECORD, that the agency is "confident that the average salary in fiscal year 1986 will rise from $28,996 to $30,441, or an increase of 2.4 percent from $29,726 before the VA started the downward trend."

Mr. President, I ask unanimous consent that the October 8, VA White Paper be printed in the RECORD at this point.

There being no objection, the paper was ordered to be printed in the RECORD, as follows:

[White Paper]

VETERANS' ADMINISTRATION,
DEPARTMENT OF MEDICINE AND SURGERY,
October 8, 1985.

AVERAGE SALARY

(1) During the first quarter of FY 1985, the average salary at our Medical Centers was $28,514. Correcting that figure for the January Pay Raise (3½%) and part year within-grades gives $29,726. This figure is the correct base to use in computing the requirements in FY 1986 rather than the average for the year ($28,996).

(2) In January the field facilities were short of salary funds of 40 million supplemental from 1984. They reacted by hiring lower salaried employment.

(3) At the end of March when additional funds were made available, the factor of lower salary trend continued because of the following reasons:

Information on the 1986 budget became known to the field including the 5% pay reduction and the grade reduction grades 11-15. Medical Centers found it difficult to recruit quality people with this climate projected into 1986.

(4) Using $29,726 as the base times 194,538 (193,941 and 597 Common Services) FTEE would give a base dollar of 5.783 billion dollars. The FY 1986 requested budget increase (page 5-23) should be reduced by 52,158 million to recognize that some of the increases are annualized and already incorporated in the estimated average salary.

The results of this projection follow:

Projected payroll using average salary	$5,782,836
1986 budget increments (adjusted)	155,293
FEHB reduction	(16,200)
Bottom line projection	5,921,929
House bill	5,891,000
Shortfall (without consideration of carryover)	(30,929)

(5) If a proposed reduction from the 1986 level of salaries in the amount of 150 million to be instituted by the Senate Appropriations Committee to the 5.891 billion, there is no conceivable way we can run a balanced program of employment of 193,941 over a 12 month period.

(6) Rather than the deficit projected in paragraph 4, we are confident that the average salary will rise from 28,996 to 30,441, or an increase of 2.4% from 29,726 before we started the downward trend.

Mr. CRANSTON. Mr. President, the second point regarding the recommended lower salary level is that the Appropriations Committee has also included in the report accompanying the fiscal year 1986 Appropriations Act a specified FTEE level of 193,941. I strongly support the maintenance of that staffing level. But it must be recognized that combining a specific hiring level with a reduction in average salary would require the VA to replace certain individuals who leave the system during the year with lower graded employees.

Such an approach would be detrimental to the VA's efforts to meet its health-care mission—since under normal personnel turnover, this process would produce lower and lower paid and less and less qualified personnel. This would run directly contrary to the Department of Medicine and Surgery's recent instruction to its medical centers to hire the most qualified individuals for available positions.

Mr. President, the second VA medical-care reduction proposed to the Appropriations Committee was to cut the VA's "equipment request by $25 million to keep at the level of actual fiscal year 1985." According to the Office of the Chief Medical Director, this $25 million is an apparent reference to a carry-over of equipment moneys from fiscal year 1985 and, if there is to be a $296-million reduction in the overall appropriations level, "substantially more than $25 million must be reduced from equipment if employment is to be maintained."

Also, according to the Chief Medical Director's Office, if such a reduction in fact takes place, there will be postponements of fiscal year 1986 and fiscal year 1987 facility activations pending the purchase of equipment needed in connection with the activations and a general increase in the unfunded backlog of needed equipment purchases for the entire VA health-care system. Such an approach may yield short-term savings but the adverse long-term impact would be to downgrade the quality of care available in VA facilities. It is not possible to continue to operate the VA health-care system without replacing worn-out and outdated medical equipment and adding new equipment as needed to keep reasonable pace with advances in modern medicine.

In that regard, the Chief Medical Director would feel constrained to reduce equipment spending by $171.6 million if the $296 million cut were implemented.

Mr. President, the third reduction—a $40 million cut—proposed to the Appropriations Committee on October 3 involved freezing "a number of small object classes at fiscal year 1985 levels." The areas mentioned in the Appropriations Committee document included, among others, the transportation of things, furniture repairs, maintenance and repair contractual services, and officer supplies. As the Chief Medical Director's Officer has pointed out, establishing controls on individual items of expense has the potential for causing disruption to normal operations and can lead to decisions to undertake higher-cost solutions to particular problems simply to avoid charging a frozen object class. Thus, it seems clear that such a proposal to squeeze such a large amount of funding out of this array of varied types of expenses in a tight budget already pruned by OMB is illusory.

The fourth proposed reduction was to achieve a $65.5 million savings by placing a cap on expenditures for beneficiary travel at $38 million, as opposed to the agency's fiscal year 1986 budget estimate of $103.5 million. Beneficiary travel payments are made for the cost of service-connected-disabled and financially needy veterans' travel to VA facilities. The magnitude of the reduction proposed by the Appropriations Committee is simply not a realistic alternative. Such an enormous reduction could not be achieved without a major change in the beneficiary travel program.

In the most recent study of this program, which was carried out in 1984 by the Maximus Corp., approximately 51 percent of beneficiary travel expenditures were found to support the medically-indicated transfer of patients. These expenditures are paid directly by VA facilities to the entities providing the transportation—such as ambulance and hired-car companies—and not reimbursed to the veterans. Such payments would account for an expenditure of $52 million in the current fiscal year and holding that level to $38 million would require wholly arbitrary cutbacks in such reimbursed travel across the system.

A second category of beneficiary travel costs—reimbursement to service-connected-disabled veterans for the costs of their travel to VA facilities—is expected to account for $73.5 million in fiscal year 1986, including payments both to transportation providers and to the veterans. Clearly, there would have to be drastic reductions in these payments to service-connected veterans if the $38 million cap apparently assumed by the Appropriations Committee were imposed. But, doing so would conflict with fundamental principles underlying the structure and purpose of the VA health-care system. The system's primary function is to meet the health-care needs of service-connected-disabled veterans, and the medical centers within the system serve relatively large catchment areas. The Appropriations Committee proposal would thus entail requiring service-connected-disabled veterans who must travel significant distances to receive care in VA facilities to bear the costs of traveling to receive the care that the Congress intends for them.

Finally, modest beneficiary-travel reimbursements are paid directly to eligible nonservice-connected-disabled veterans who are unable to pay the costs of their travel to VA facilities. Major reductions in appropriations for beneficiary travel payments to this category of veterans could result in poverty-stricken veterans being unable to receive VA care and, in some cases, foregoing needed care altogether.

Mr. President, a fifth area in which it was proposed that the Appropriations Committee find savings was through the conversion of "1,000 medical care beds to nursing care beds" for an estimated savings of $10 million. The Office of the Chief Medical Director provided a very succinct response to this proposal: The conversion of hospital beds to nursing care beds would decrease future construction costs associated with building nursing home care units, but such an action would not decrease current operating costs. In short, regardless of whether conversion of beds in fiscal year 1986 is a good or bad idea, it would not justify any reduction in fiscal year 1986 appropriations.

Finally, Mr. President, a $6 million reduction was proposed based on expected savings resulting from Veterans' Affairs Committee proposed reconciliation legislation establishing an income eligibility criterion for VA health care. As I will discuss in more detail in a few moments, our amend-

ment also incorporates savings—$19 million not $6 million—on this basis.

Mr. President, both the distinguished chairman of the Veterans' Affairs Committee and I are fully aware of the great need to reduce the enormous Federal deficits that are eroding our Nation's economic health and which pose such a serious threat to our future wellbeing. More must be done to reduce those deficits.

But, it is also important to keep certain points in mind regarding the relationship between veterans' programs and the budget.

First, Mr. President, I believe we must ensure that veterans' programs receive the high priority they deserve in the budget and appropriations processes. Expenditures for veterans' programs are a continuing cost of our Nation's defense. The burdens and sacrifices required to maintain our freedom and security do not end with the last sounds of battle. They continue on in the lasting impact on the lives of those who lost their limbs or their health and on the families of those who incurred serious disabilities or death. And we as a nation have a corresponding, heavy responsibility to provide for the continuing needs of those who responded to the Nation's call. We do this through a variety of programs, including those designed to provide needed income support for those injured in the line of duty and for the survivors of those who made the ultimate sacrifice and to provide education and employment assistance to help those who gave years of their lives in military service to readjust to civilian life.

A most important component of this essential array of veterans' programs is the VA medical system. The strength of this system and its capacity to provide high quality services responsive to the needs of the Nation's veterans must be accorded a very high priority. Thus, I reject the notion that the effort to reduce the Federal deficit may appropriately be achieved through major reductions in VA health-care services or by implementing changes with long-lasting, damaging implications for the VA system.

On the other hand, I also strongly believe that veterans' programs should be included in deficit-reduction efforts to the maximum extent consistent with maintaining effective, responsive programs. My colleagues on the Veterans' Affairs Committee, I am pleased to note, agree with that point of view. Thus, over the years we have word to make all possible economies and achieve all reasonable savings in veterans' programs. Reconciliation savings produced by the Veterans' Affairs Committee over the past 4 years totaled $1.6 billion through the end of fiscal year 1985 and will continue to yield substantial savings in the future. In addition, our committee has this year recommended reconciliation legislation, currently pending in S. 1730, that will yield an estimated $1.3 billion in budget savings during fiscal years 1986, 1987, and 1988. That's $150 million more in the way of deficit reduction than our committee was required to produce under our reconciliation instructions.

Thus, it should be clear to all that we do not view veterans' programs as being exempt from scrutiny aimed at finding opportunities for reasonable savings. We're at the forefront of that effort, and this amendment reflects that fact.

At the same time, however, I object to arbitrary, damaging cuts that do not reflect appropriate regard for the priority that attaches to veterans' programs.

Why should the VA medical care account be required to produce 68 percent of the outlay savings now proposed by the Appropriations Committee in this bill when that account represents only 17 percent of the total funds included in this bill—and only 27 percent of the total funds for so-called discretionary accounts in this bill?

The answer was provided by the distinguished subcommittee chairman [Mr. GARN] at the committee's October 3 markup: The reason is because VA medical care funds spend out quickly—87 percent of BA—as compared to other large accounts in the bill. With all respect, Mr. President, that's a totally unacceptable answer.

Also in terms of the budget and veterans' programs, I wish to emphasize that the outlay level resulting from our amendment would be within the overall outlay level for the VA under function 700, veterans' benefits and services, in the first concurrent resolution on the budget for fiscal year 1986, Senate Concurrent Resolution 32, as calculated by the Budget Committee at the time of the Appropriations Committee's October 3 markup and taking into account the savings in the VA service-connected disability compensation program that would result from title XI of the reconciliation bill.

If our amendment carries, we trust that the Appropriations Committee will produce further recommendations to reduce outlays under the bill as a whole by the $144 million needed to bring this bill in line with its allocation under section 302(b) of the Congressional Budget Act of 1974.

SAVINGS ALLOCATIONS

Mr. President, as I have just indicated, we have in our amendment sought to make all reasonable savings in the VA's medical care account consistent with the maintenance of the VA's ability to provide quality care through the VA health-care staffing established by the Congress in the fiscal year 1985 regular and supplemental appropriations measures. Specifically, the reductions that our amendment would make in the medical care appropriations orginally proposed by the Appropriations Committee are as follows:

First, a $16 million reduction resulting from the reduced cost of the Government's share of Federal employees health benefits premiums for personnel employed under the medical care account. At the time the budget was finalized over 10 months ago, these premium costs were estimated to be higher than actual experience in fiscal year 1985 has shown they will be in fiscal year 1986.

Second, elimination of the $20 million amount added to the administration's request by the Appropriations Committee for the purpose of additional purchases of advanced-technology equipment. The Appropriations Committee in this add-on has raised an important issue regarding difficulties experienced by the VA in successfully budgeting for the high-technology equipment it needs for the provisions of modern, care using state-of-the-art technology, and I am definitely interested in pursuing this issue further with the distinguished chairman of the HUD-Independent Agencies Subcommittee (Mr. GARN). However, in light of current severe fiscal constraints, I believe we should consider this matter in connection with next year's authorizing and appropriations legislation.

Third, a $10 million reduction attributable to community nursing home per diem costs being lower than was expected when the fiscal year 1986 budget was originally prepared. This would not result in any reduction in the quality of community nursing home care furnished to veterans at VA expense.

Fourth, a $3 million reduction attributable to applying in fiscal year 1986 the same policies reflected in the medical care account rescission that was enacted in the fiscal year 1985 Supplemental Appropriations Act. Thus, these savings would come from reduced spending in the areas of public affairs, printing, and consultancies.

Fifth, a $20 million reduction in medical spending to upgrade the VA's telephone equipment—a worthwhile, needed effort, but one which can, we understand, safely be postponed in the interest of making all possible economies.

Sixth, a $12 million reduction in spending proposed for maintenance and repair. Again, although the full amount provided for in the bill as reported can be fully justified, some of it can be deferred to fiscal year 1987, and we are proposing this reduction as part of our effort to achieve all possible savings without impinging on the quality and quantity of care provided to eligible veterans.

Seventh, a $19 million reduction resulting from the anticipated enactment of reconciliation legislation establishing an income eligibility criterion—annual family income of $25,000, initially—for VA health care and requiring modest payment for care for those with family incomes above the criterion. According to the Congressional Budget Office, these provisions would result in reduced spending in the amount of $29 million but associated administrative implementation costs would be $22 million in fiscal year 1986. However, based on the VA's lower estimate of these administrative costs, the Veterans' Affairs Committee has assumed that the administrative costs would be $10 million, yielding estimated net savings of $19 million. Our amendment reflects that assumption.

Finally, Mr. President, in addition to the foregoing $100 million in specified reductions, a $30 million reduction is included without specification of particular areas in which the necessary savings could be achieved. It is our intention that, consistent with maintenance of 193,941 medical account FTEE's and associated patient-care workload, the Administrator of Veterans' Affairs should have discretion to determine the specific areas where these savings would be applied.

CONCLUSION

Mr. President, I wish to emphasize that this is a truly bipartisan amendment that we are offering. It is an amendment that far transcends party lines. It should be considered strictly on the merits—in terms of the great need to keep our commitment to those who have served our Nation with honor in its hours of need, as well as in terms of the effort we have made to make all savings possible consistent with that solemn commitment.

Thus, Mr. President, in order to provide for fair and equitable treatment of veterans and to preserve a strong and effective VA health-care system, I urge all of my colleagues to support our amendment.

Mr. LEAHY. Mr. President, I am rising in support of the amendment of the Senators from Alaska and California which will restore funding to the budget of the Veterans' Administration.

The chairman of the Subcommittee on HUD-Independent Agencies, on behalf of the committee, has proposed a cut of $296 million in the Veterans' Administration's medical care account. I understand why he has made this cut. However, I must strongly oppose this action. These funds should be restored.

Some people believe medical care for veterans is just another Federal program. I disagree. Providing this care is a solemn obligation we owe the men and women who have risked their lives for their country. When I visit the Legion halls, VFW posts, and Vietnam vet centers in Vermont, I meet men whose dignity is very important to them. And rightly so. Nothing is more important to the dignity of an older person than the confidence that he will have the medical care that he needs when he is no longer working and cannot provide it for himself.

Thus, when this bill was originally reported from the committee, it included sufficient funds to support a staffing level of almost 194,000. This level was arrived at after much debate. It represented a consensus of opinion of the necessary medical resources needed to provide adequate medical care.

The chairman has now proposed to reduce the medical care account by $296 million. It is claimed that this cut can be achieved by changes in administrative practices, salary caps, and deferred equipment purchases. However, I must caution my colleagues that the amendment as written is a straight cut in the medical care account. It is well known that the Office of Management and Budget wants to reduce staffing levels at the Veterans' Administration. If it directed the VA to take these cuts in medical personnel, it would be a reduction in personnel of over 9,800 employees.

I have asked the Veterans' Administration what it would do if it—and not OMB—decides how to make the cuts. They report that the number of patients treated would be lowered by 16,000 and the number of outpatient visits cut by 72,000.

Mr. President, there is no free lunch. If we cut the VA medical care account by $296 million, medical care will be reduced. Is this the message we want to send to the millions of veterans now approaching age 65? I think not.

This amendment should not be adopted. Funds should be restored to the medical care account.

Mr. GARN. Mr. President, as I outlined at the beginning of the bill, we had a severe outlay problem in meeting the targets. One of those areas, unfortunately, was in veterans health care, and the committee amendment did delete $296 million in VA medical care.

The amendment offered by the Senator from California and the Senator from Alaska would restore $166 million of that proposed cut. We have subsequently had conversations, and I am willing to accept a modification of that amendment, if the Senators would be willing to offer it, whereby we would restore $100 million of that but, nevertheless still saving $196 million in the bill.

Mr. MURKOWSKI. Mr. President, I agree to the proposal of my colleague from Utah, and I send to the desk a modification of the amendment at this time.

The PRESIDING OFFICER. The Senator has a right to modify the amendment.

The modified amendment will be stated.

The assistant legislative clerk read as follows:

On page 38, line 8, strike out "$9,062,694,000" and insert in lieu thereof "$9,162,694,000".

Mr. MURKOWSKI. Mr. President, this amendment would reduce the amount to $100 million in budget authority and $87 million in outlays.

The Administrator of Veterans' Affairs would have discretion to allocate the $196 million reduction from the reported dollar level ultimately enacted.

I wish to make clear that Congress intends that the funding be sufficient to support the 193,941 FTEE level prescribed in the committee report.

Mr. President, the VA will reevaluate the average salary issue after January 1 on the basis of the first quarter's experience. If that experience shows that the funds appropriated are not sufficient to support the 193,941 FTEE level, then the Appropriations Subcommittee on HUD/Independent Agencies could favorably consider a proposal from the Veterans' Affairs Committee for a supplemental to provide the necessary fiscal year 1986 funding.

Mr. GARN. Mr. President, I have discussed these conditions with the Senator from California and the Senator from Alaska, and I agree as they were outlined by the Senator from Alaska.

Mr. MURKOWSKI. Mr. President, I thank Senator GARN and the ranking minority member of the Veterans' Affairs Committee, Senator CRANSTON.

I also thank our Nation's veterans for their continuing sacrifices and for their participation in reducing our Nation's deficits.

The third-party reimbursement and the income-standard test represent a realization that we will have to seek other outlets for assistance in keeping our obligation to our Nation's veterans.

Mr. President, I rise with Senator CRANSTON to offer a revision to my amendment to H.R. 3038, the HUD/Independent Agencies appropriation bill for the fiscal year ending September 30, 1986. My original amendment was simple and straightforward and would have restored sufficient funds for fiscal year 1986 to bring the appropriations for the Veterans' Administration in compliance with the first concurrent resolution on the budget for fiscal year 1986.

The purpose of that amendment was to achieve equity, not only for the Nation's veterans, but also in terms of the budget resolution for Function 700 which the Senate adopted on August 1

of this year. This morning, Senator CRANSTON and I have been involved in discussions with the distinguished chairman of the HUD Subcommittee and have heard his concerns regarding the total spending levels of his appropriations bill and the possibility of an across-the-board cut in all agencies. In order to try to be responsive to those concerns, Senator CRANSTON and I have agreed to offer a smaller restoration. Therefore, our amendment, as modified, would restore $100 million in budget authority instead of the $166 million originally proposed.

This compromise was reached based upon an agreement with Senator GARN that, first, the Administrator of Veterans' Affairs would have the discretion to allocate the reductions associated with the $196 million budget authority savings. Second, that the Congress intends that this funding level be sufficient to support the 193,941 FTEE level contained in the HUD/Independent Agencies report on H.R. 3038. And third, that the Appropriations Subcommittee would favorably consider a supplemental appropriation if, based upon the first quarter's experience, the average salary level in the VA's Department of Medicine and Surgery is higher than the 1985 level and therefore appropriations are insufficient to support an FTEE level of 193,941.

The issue of adequate employee levels is one that has been debated throughout this year's budget and appropriations process.

Information received from the VA's Department of Medicine and Surgery shows that a $296 million reduction based in part on the assumption of lower average employee salaries would adversely affect the numbers of health care employees.

It is important to note that there appears to be some disagreement within the VA on this very issue.

Notwithstanding such difference of opinion, Senator CRANSTON and I have agreed with Senator GARN to appropriate a lower amount for VA medical care and review the results of that appropriation as it affects employees' levels after the first quarter of the fiscal year has elapsed.

Our commitment to request a supplemental appropriation if needed to meet the agreed upon employee level of 193,941, does not in any way indicate to the VA that there should be unrestricted or unnecessary hiring or inflated salaries. I expect that the VA will use these appropriated funds in the most cost-effective, efficient manner, balancing the promise of quality health care with the need to conserve scarce Federal resources.

My sincere thanks to the floor managers of the bill and to their able staff for working with us to reach this compromise.

I believe Senator CRANSTON has a statement as well on this matter at this time.

Mr. CRANSTON. Mr. President, I should like to clarify one point with the Senator from Alaska. If we find that the funds appropriated are not sufficient to support the 193,941 FTEE, it would be the Veterans' Affairs Committee that would seek action to remedy that problem, not the VA.

Mr. MURKOWSKI. I stand corrected. The Senator from California is correct.

Mr. CRANSTON. I am sure that is also the understanding of the Senator from Utah.

Mr. GARN. First, let us make sure. It would have to be the Appropriations Subcommittee.

Mr. CRANSTON. That is correct. It would be a request from the Veterans' Affairs Committee.

Mr. GARN. A request from the Veterans' Affairs Committee to the Appropriations Subcommittee.

We have agreed to the modified figure, however, in order to accommodate to the concerns of the distinguished subcommittee chairman [Mr. GARN] about the possible unraveling of this appropriations bill, because of the specter of a large across-the-board cut amendment being offered if major restorations are made to the $951 million-reduction package approved by the Appropriations Committee on October 3 and now included in the bill, and specifically in consideration of the three express agreements which we have reached with the subcommittee chairman [Mr. GARN] and ranking minority member [Mr. LEAHY] as follows:

That the Administrator of Veterans' Affairs would have discretion to allocate the $196 million reduction or any reduction from the reported dollar level ultimately enacted.

Mr. CRANSTON. I thank the Senator.

Mr. President, I wish to say a few words about the modification which Senator MURKOWSKI and I have proposed and which is cosponsored by Senators DECONCINI, BYRD, MITCHELL, ROCKEFELLER, and BINGAMAN on our side of the aisle.

Our amendment as modified would restore $100 million in BA and $87 million in outlays—rather than the $166 million and $144 million in BA and outlays, respectively, proposed in our original amendment—to the level now proposed by the Appropriations Committee and incorporated into the bill as a result of the modified committee amendment offered by the distinguished floor manager [Mr. GARN] and adopted at the outset of consideration of the bill this morning. This is a fair compromise, although, frankly, a greater reduction than I believe warranted for the reasons I set forth in my earlier statement.

That the Congress intends that the funding in the medical care account be sufficient to support the 193,941 FTEE level prescribed in the committee report.

That we will reevaluate the DM&S average salary situation after January on the basis of the first quarter's experience, and if that experience shows that the funds appropriated are not sufficient to support the 193,941 FTEE then the Appropriations Subcommittee would favorably consider a proposal from the Veterans' Affairs Committee for a supplemental to provide the fiscal year 1986 funding necessary to support that FTEE level.

I think these understandings make the modified amendment an acceptable outcome. In addition, I have talked to the distinguished floor manager [Mr. GARN] about the conference situation—the House-passed bill contains $206 million more for VA medical care than the amount we are now proposing—and I am confident that the Senator as well as the very able ranking minority member of the subcommittee [Mr. LEAHY] will do their best to move toward the House figure in conference.

Mr. President, I wish to thank both floor managers for their very gracious and cooperative attitude on this matter and also their able staff assistants, Stephen Kohashi and Marty Reiss for Senator GARN and Jim Cubie for Senator LEAHY, for their able assistance. In addition, I am most grateful to the minority staff of the Veterans' Affairs Committee, Ed Scott, Bill Brew, Nancy Billica, and Jon Steinberg, for their very effective work on this amendment.

Finally, I want to note my pleasure in working so closely and collaboratively with our committee chairman [Mr. MURKOWSKI], to congratulate him on a job well done, and to thank the majority staff involved, Cathy McTighe, Julie Susman, and Tony Principi, for their hard work and contributions.

Mr. BYRD. Mr. President, the HUD appropriation bill approved by the Senate Appropriations Committee on July 30, 1985, included two amendments relating to VA medical care which I sponsored and which would affect West Virginia's four Veterans Administration medical centers. My first amendment restored 5 percent to the VA budget for the Nation's medical centers, including West Virginia facilities in Clarksburg, Martinsburg, Beckley, and Huntington. This action was taken to reverse the administration's budget proposal earlier this year to cut funding for all VA medical facilities by 5 percent.

A second amendment which I sponsored and which the committee approved provided language in the committee report to correct a staffing deficiency at Huntington's VA Medical

Center, which, according to a recent VA report undertaken at my request, is suffering a 23.7-percent staffing deficiency.

I am pleased that the VA Administrator, Mr. Harry Walters, at my request, has sent a task force to the Huntington VA Medical Center to verify the magnitude of the staffing problem. I am also pleased that the committee report has urged the VA to expedite the resolution of this inequity and report back on the remedial action VA will take, along with any significant milestones by which to measure the progress.

In a subsequent meeting of the Senate Appropriations Committee, a reduction in the funds for VA medical care was adopted. I opposed this reduction and today I am a cosponsor of an amendment proposed by the distinguished chairman [Mr. MURKOWSKI], and ranking minority membert [Mr. CRANSTON], of the Veterans Affairs Committee to restore funds for VA medical care.

In summary, Mr. President, our veterans have served their country and expect that we will provide adequate funding for the provision of VA medical care. I intend to do everything I can to insure that funds are provided and I am proud to cosponsor the amendment to restore the funds.

Mr. THURMOND. Mr. President, I am pleased to join Senator Murkowski and others in the effort to ensure that funding for Veterans' Administration health care is not unjustly reduced. The medical care which we as a nation provide to our former service personnel should not be the target of indiscriminate or unfair budget practices.

The most recent proposal offered by the Appropriations Committee would reduce budget authority for VA medical care by $296 million, relative to the amount originally proposed by that committee. The amendment we have offered would restore $100 million of the $296 million proposed to be cut. We have also recieved assurance that if the staffing levels at VA medical facilities are to be adversely affected by the reductin of $196 million, a supplemental appropriation will be favorably considered by the disitinguished chairman of the Appropriations Committee.

Mr. President, I understand the importance of reducing the level of Federal spending, however, I feel that it should be accomplished in an equitable manner. Taking medical care away from our needy veterans is not an equitable solution. I oppose that sort of action, and I hope the rest of the Senate will also. I urge my colleagues to join in supporting the amendment we have offered to restore funding for VA health care to a more appropriate level.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment, as modified.

The amendment (No. 786), as modified, was agreed to.

Mr. GARN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CRANSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GARN. Mr. President, it is my understanding that we return to the Proxmire amendment.

The PRESIDING OFFICER. The Senator is correct.

The Senator from Minnesota.

Mr. DURENBERGER. I ask unanimous consent we move to the regular order.

The PRESIDING OFFICER. Regular order has been called. Regular order is the amendment of the Senator from Minnesota.

THE DEATH OF SENATOR LEVIN'S MOTHER

Mr. RIEGLE. Mr. President, I wish to indicate to my colleagues that we have just received the sad news that Senator LEVIN's mother has passed away this morning. So this is a moment of very deep grief and sorrow for him and his family.

She was a remarkable woman, as you would imagine, having reared two distinguished sons, among other children, the one, SANDER, serving presently in the House of Representatives, and our esteemed colleague, CARL, who serves with us here in the Senate.

Senator LEVIN will not be able to be here today or tomorrow as he has returned to Michigan to be with his family.

I know all colleagues join me in expressing our collective sorrow at this news and in extending to CARL LEVIN and to his family our prayers and deepest sentiments at this difficult time.

HUD APPROPRIATIONS, 1986

The Senate continued with the consideration of the bill (H.R. 3038).

AMENDMENT NO. 784

Mr. LONG. Mr. President, for many years, I have been a firm believer in the General Revenue Sharing Program. This program has provided a vital source of funds to thousands of local governments across the Nation.

The General Revenue Sharing Program has given these communities flexibility to target their greatest local needs. This has been done with the lowest cost of administration of any Federal program. Less than one-tenth of 1 percent of the funds are required for administrative expenses.

We are not here, to debate the merits of the General Revenue Sharing Program. That debate took place during the context of reauthorization in 1983. More recently, during consideration of the budget for this fiscal year, it was decided that the General Revenue Sharing Program should be fully funded for fiscal year 1986.

It is my opinion, Mr. President, that in taking this action we have sent a clear signal to local governments that they can count on general revenue sharing in fiscal year 1986. We have made a commitment. We cannot in fairness renege on our part of the agreement.

Mr. President, I regularly hear from communities and parishes throughout my State about the virtues of revenue sharing. On occasion, I hear from elected officials in other parts of the Nation, as well. All say one thing in common, and that is that the General Revenue Sharing Program provides an essential source of funding for fire departments, police protection, flood control, and other programs local communities need.

That is why, Mr. President, I strongly support the amendment offered by the Senator from Minnesota. This amendment ensures that the Federal Government lives up to the promise made to local governments throughout the Nation. I urge my colleagues to support the continuation of full funding for the General Revenue Sharing Program in fiscal year 1986.

Mr. DURENBERGER. Mr. President, I will now yield to the Senator from Kentucky, Senator FORD.

Mr. FORD. I thank my distinguished colleague from Minnesota.

Mr. President, I rise in support of the amendment by the Senator from Minnesota, Senator DURENBERGER, and I compliment him for offering this responsible amendment to fully fund the General Revenue Sharing Program. This program was provided for in the first concurrent budget resolution. I'd like for that point to be made.

Local governments in Kentucky stand to lose an estimated $9 million in general revenue sharing funds under the subcommittee's amendment. This is an irresponsible move, in my opinion, particularly at this late date. City and county governments have already planned their budgets based on the action taken by Congress just 5 months ago during debate on the budget resolution.

Recalling that debate, my colleagues may remember that I had intended to offer an amendment which would have gradually phased out general revenue sharing over a 5-year period, beginning with a 10-percent reduction in fiscal year 1986. I did not offer that amendment because cities and counties in Kentucky, and across this Nation, informed me that they did not have enough time to adjust their budgets to replace funds cut in fiscal year 1986. There can be no doubt that

now—I want to underscore "now"—5 months later, these same city and county governments are even less able to absorb a cut in these funds.

I do not think anyone can argue with the success of this program or its need. Local officials fully realize that general revenue sharing is going. But they knew and understood that it was going September 30, 1986, not October 1985. But it is irresponsible now to ask them to accept a cut at this late date, which, as the distinguished Senator from Louisiana said, will mean direct cuts in services to the local peoples such as police and fire protection, elderly programs, and many other vital services that have been budgeted and to have them curtailed at this late date, Mr. President, I think is again irresponsible.

I urge my colleagues to support this amendment by the distinguished Senator from Minnesota and restore the confidence in local people that when we make a statement and they move on it they can depend on what we do and that our word is good. Otherwise, this amendment destroys our credibility with locals. We pass the budget. That should be it. They performed on that basis, and then we turn around in my State and say, "Oh, no, you have to reduce that now $9 million."

I hear a lot of talk. I hear a lot of talk. If we are going to cut them in 1986, start cutting them now so they will get used to it and have an opportunity to be adjusted between now and then to the abrupt cutoff in 1986.

Let us not destroy what those programs might be able to do in this fiscal year and let us not start the hurt any earlier than we have.

So, Mr. President, I urge my colleagues again to support the distinguished Senator's amendment.

Mr. President, the amendment which has been offered by my distinguished colleague from Minnesota, Senator DURENBERGER, is a move for fairness and responsibility. Based on the action of Congress on the budget resolution, cities and counties developed their budgets on the premise that general revenue sharing would be fully funded in fiscal year 1986, but no further. As Senator PACKWOOD, chairman of the Finance Committee, pointed out at that time, Congress was giving these local governments 18 months to prepare for the termination of general revenue sharing. Based on that understanding, the Senate defeated an amendment by the Senator from Wisconsin, Senator KASTEN, which I cosponsored, which would have phased out these funds over a 3-year period, with 100 percent funding in fiscal year 1986 and 50 percent funding in each of the following 2 years. That amendment lost by a narrow margin of 11 votes, and it was clear that even in voting against Senator KASTEN's amendment, the Senate supported full funding of the General Revenue Sharing Program in fiscal year 1986. If we accept the subcommittee's recommendation to cut these funds by 12.5 percent in fiscal year 1986, we are going back on our worked to local governments across this Nation who believed us when we said in May of this year that they could count on full funding in fiscal years 1985 and 1986, but no funds thereafter. These governments believed us when we said that they would have 18 months to adjust to a loss of these funds, and these governments are now going about the business of finding replacement dollars for fiscal year 1987. But we cannot expect them, at this late date, without any notice or indication that we would tamper with this agreement, withhold a total of $570 million from them in this fiscal year.

General revenue sharing moneys fund many vital programs in our cities and counties. In Kentucky, these programs include fire and police protection, elderly meals and transportation services, sewer projects, and many other services which are necessary for the health and welfare of our citizens. These funds are not used for luxury items or frivolous programs; they provide the daily services which allow many in this Nation to survive. A cut in these funds will cause widespread disruption in these services and hardships to many. This is not a program which indiscriminately distributes funds to areas regardless of need. These funds are targeted to those communities in poor, rural areas, and financially troubled cities. It is a program which provides flexibility at the local level to design services for a particular constituency with specified needs. And because the distribution formula takes into consideration the local taxing effort, there is a built-in incentive for local governments to raise funds locally in addition to using the general revenue sharing moneys.

We in Congress must live up to our agreement to fully fund this program in fiscal year 1986. Although I support a phase-out of these funds, as opposed to an abrupt cutoff at the end of fiscal year 1986, I recognize that this program will not be around forever. Our local officials accept the inevitable, but they should not be expected to bear further cuts at this late date after budgets have been prepared and programs are already in full operation. We should give our communities the opportunity to provide these vital services and operate these necessary programs, as planned, without interruption, in this fiscal year.

Mr. President, I yield the floor.

Mr. DURENBERGER. Mr. President, I rise to express my appreciation to the Senators from Louisiana and Kentucky for their statements. They have been here a lot longer than I watching this process work. I think they have as much concern as any one of us on this floor for the Federal system and how it is being hurt by the deficits that we are raising in this country. Both have spoken eloquently to the set of priorities that the taxpayers of this country, in the larger sense, have in terms of financing the delivery of public services, and I appreciate their support for this amendment. I

I now yield to my colleague from Wisconsin.

Mr. KASTEN. Mr. President, I rise today as a cosponsor of Senator DURENBERGER's amendment to the HUD-Independent Agencies appropriations bill which would maintain the budget resolution figures for general revenue sharing.

Mr. President, I take this action because I am concerned about the impact that such a far-reaching—and previously unexpected—cut would have on local governments, not only in Wisconsin, but also throughout the United States. Through the budget resolution, the Senate made a commitment to local governments that funding for general revenue sharing would be maintained at the $4.566 billion level. We must keep that commitment.

Local governments in the State of Wisconsin stand to lose $13.2 million in general revenue sharing funds if this cutback is adopted. Nationally, local governments stand to lose $570 million. Certainly cuts in overall appropriations must be made. But local governments were virtually assured of no cuts in revenue sharing by the budget resolution for fiscal year 1986.

Since passage of the budget resolution, these same governments have put their own budget packages together. Having justifiably assumed no cuts, their budgets reflect budget resolution levels for general revenue sharing. Now, we are suddenly putting local governments on notice that we have changed our minds and that they will either have to make drastic cuts in programs slated for their next fiscal year or find their revenues from other sources.

If we change the numbers at this stage of the game, we will only be saving money on paper. The numbers might make us look fiscally responsible here—but the people back home will pay. Soon, taxpayers will find their local services cut or their taxes going up.

Who is Congress trying to fool? By reducing the levels in general revenue sharing, we are engaging in one of the biggest con jobs on the American people—a giant shell game. The bottom line is that the taxpayer is going to pay.

It is a fact that snowbelt States receive a disproportionate share of Federal money. Coastal and Southern States reap the lion's share of Federal dollars primarily due to government

contracts, defense projects, and military bases.

General revenue sharing is the only Federal program that goes to almost very local government in the country. Among them are 30,000 local governments that receive no other form of Federal aid. General revenue sharing is one of the only means for States like Wisconsin to get their fair share of Federal dollars.

General revenue sharing is one of the few federally sponsored programs which seeks to lessen fiscal disparities among the States. Governments that have the greatest needs but the fewest resources will be strengthened because monies are distributed in a targeted manner.

The largest per capita payments go to the poorest of rural communities and most financially troubled cities. The poorer communities can expect to receive up to $30 per capita, while wealthier communities receive less than $5.

General revenue sharing also allows flexibility and local decisionmaking. The local governments which receive GRS funds have the opportunity to use them for a variety of needs or capital improvements. But there are still incentives for these governments to rely more on their own resources because the distribution formula includes a measure of tax effort.

We usually assoicate general revenue sharing funds with road and highway bulding as well as construction of jails and sewage treatment centers. Yet today, more and more dollars are being spent by local governments to meet mandates imposed by the Federal Government like handicapped access requirements and environmental regulations.

There is a lot at stake here. In essence, this cutback would place local officials in the precarious situation of either reduing the levels of services or raising local taxes. Congress would effectively be making local officials do its dirty work.

Mr. President, it is our responsibility to restore and maintain the level of trust with local governments that we have enjoyed since the inception of general revenue sharing. We can count on them to provide the services on which we all depend. We must show them that they can continue to depend on us.

Again, I am happy to join my friend, Senator DURENBERGER, in this effort to retain general revenue sharing at budget resolution levels.

I hope that the Senate will concur with his amendment.

Mr. DOMENICI. Mr. President, I have not been on the floor. Parliamentary inquiry: is there any time limit on this amendment?

The PRESIDING OFFICER. There is no time agreement.

Mr. DOMENICI. I thank the Chair.

Mr. President, first let me address the Senate in terms of the bill that is before us from the Appropriations Committee from the standpoint of the efforts of the distinguished chairman of the subcommittee, the ranking minority member, and the chairman, Senator HATFIELD.

I rise to compliment the Subcommittee on HUD-Independent Agencies and the Committee on Appropriations as a full committee for their efforts to bring this spending bill into compliance with the budget resolution. The bill, as reported, was $800 million in outlays over the first budget resolution; that is, the subcommittee exceeded its allocation from the entire budget—an allocation that would keep this appropriations bill consistent with our desire to reduce the deficits—by $800 million in outlays.

I do not know anyone in the U.S. Senate who works harder and is more dedicated to achieving fiscal responsibility than the distinguished subcommittee chairman, Senator GARN. When the Appropriations Committee met to discuss the subcommittee allocations, Senator GARN said he would meet the HUD-Independent Agencies Subcommittee targets. Senator GARN said he would reduce the bill by $800 million in outlays so that this bill pending before us would not break the budget. Senator GARN, through his amendment, has achieved these outlay reductions. With these reductions, the HUD-Independent Agencies appropriations bill is in compliance with the fiscal year 1986 budget resolution. I support wholeheartedly the committee amendment which they brought to the Senate today and which the Senate adopted.

Now, what we will do in a moment when we vote on the Durenberger amendment—and everyone ought to know it—is that we are going to turn right around and, after the effort made to bring this bill into compliance with the budget resolution, we are going to immediately add $400 million in outlays. The bill, therefore, will be $400 million in outlays over the 1986 budget resolution. For those who say the budet resolution made a commitment on revenue sharing, let me suggest that the budget resolution assumptions are guidelines. What is binding from the budget resolution is the total amount of money that the appropriators are allowed to spend, not the assumptions. This is the important item.

We have had long debates about Gramm-Rudman-Hollings. We have said that, at the end of the year, we want somebody to come along and add up everything. If that sum exceeds our deficit target, we will be told by the President that "since you have exceeded the total budget we are going to impound or sequester."

Well, if we pass this bill adding the Durenberger amendment, even before we go to conference with the House, we will be saying, "If that due date was here and we really had to live up to a budget deficit, this one bill would be $400 million over."

I submit that the issue is not revenue sharing. The issue is trying to get the deficit under control and whether the HUD subcommittee did a reasonable job of cutting all the other programs that they have within their jurisdiction. After all, we all love our cities and counties. But do we have any less regard for our veterans? Are we not concerned about Superfund? How about Indian housing? How about UDAG? All of these programs have already been reduced by this subcommittee dramatically. For those who would say the cities cannot stand reductions, I wonder if they want to say veterans can take more cuts. Veterans have a difficult time too.

The addition of $400 million, as proposed by this amendment—so everyone will put it in perspective—will be that all other programs in this appropriation bill must be cut 2.4 percent. So, for those who are concerned about the cities, I submit to you that you ought to be concerned about some of our other responsibilities. The mere addition of $400 million in outlays requires that we cut all other programs by roughly 2½ percent if we are to keep this bill in compliance with the budget resolution.

If the subcommittee had not already cut some programs, it might make sense to let us go ahead and accept the general revenue sharing add-on and cut somewhere else. The subcommittee cut $81 million in budget authority from Indian housing to bring it down to this year's level. More money is needed for Indian housing, but the appropriators said, "No dice."

The subcommittee cut $43 million out of HUD moderate rehabilitation, they cut UDAG by a third, HUD rental rehabilitation by $20 million, CDBG by $100 million, HUD management administration by $5 million, R&D by $10 million, abatement and control by $5 million, Superfund by $100 million, disaster relief by $25 million, research and development by $15 million, space flight controls and data communication by $30 million, and VA medical care by $100 million as a result of the compromise that was reached here on the floor of the Senate. The subcommittee has done their work.

In my opinion, unless we are prepared to say, "We want revenue sharing and we do not want to take the 12.5 percent cut that will result in its ultimate elimination," then I think it is incumbent on anyone who wants to add $400 million to also cut $400 million. I wish I knew how to do it better

than the subcommittee did, but I really do not. And I am not going to substitute my judgment line item by line item for the judgment of the subcommittee. But everyone know that we are going to have to go back through this appropriation bill and cut every program by roughly 2.5 percent in order to achieve the $400 million that we are adding.

I have no doubts that everybody wants revenue sharing and that everybody is concerned about the 12.5 percent reduction being proposed. I join in that chorus of concern. I would be one of the first to say that general revenue sharing is a good program. But I cannot believe that we have the capacity to turn our concerns about deficits on and off depending upon what week and what bill we are talking about.

The $400 million revenue sharing add-on is a real addition to the deficit—nearly one-half billion dollars. We are never going to reduce the deficit unless we are able to comply with this year's spending targets. They are not even tough targets, Mr. President. If we want to get the deficit down, all of the appropriations bills will need to be reduced by an additional 10 or 15 percent, yet we cannot even live with the bills as reported. We need to remember that this budget is the result of enormous compromise with the House. After the Senate passed the first concurrent budget resolution, we compromised with the House on many issues and programs. Now we are trying to implement this budget and we cannot even fit within the targets we ourselves established.

There is a lot of talk about Gramm-Rudman: let us have a trigger and let us really cut the deficit. Well, this is going to be a good exercise. On each of these appropriations bills, if we breach our targets, then, under the Gramm-Rudman triggering mechanism, you can expect all programs to get cut. And it will be tougher next year. We might as well get started.

I have two tables showing the relationship of the reported bill, together with possible later requirements, to the congressional budget, the House passed bill, the President's budget request, and a summary of total appropriations action to date. I ask unanimous consent that these tables be printed in the RECORD.

Again, I would like to commend my distinguished colleagues, Senators HATFIELD and GARN, and members of the Senate Appropriations Committee, for their efforts to bring this bill into comformance with the budget resolution.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

HUD—INDEPENDENT AGENCIES SUBCOMMITTEE SPENDING TOTALS—SENATE-REPORTED

[In billions of dollars]

	Fiscal year 1986	
	Budget authority	Outlays
Outlays from prior-year budget authority and other actions completed		25.9
H.R. 3038, as reported in the Senate	54.8	36.6
Possible later requirements:		
Superfund	1.3	0.5
EPA construction grants	2.4	(*)
Veterans compensation	0.4	0.3
Veterans readjustment benefits	0.2	0.1
Subtotal	4.2	0.9
Adjustment for pending action on reconciliation:		
Subsidized housing		−1.1
Veterans programs	−0.2	−0.2
Adjustment to conform mandatory programs to budget resolution assumptions	−0.1	−0.1
Subcommittee total	58.7	62.0
Subcommittee 302(b) allocation	58.7	61.2
House-passed bill	60.4	62.2
President's request [1]	50.1	62.9
Subcommittee total compared to:		
Subcommittee 302(b) allocation	+(*)	+0.8
House-passed bill	−1.7	−0.2
President's request	+8.6	−0.9

(*) Less than $50 million.
[1] Adjusted to reflect President's amended budget request which restores the 5 percent pay cut.
Note.—Details may not add to totals due to rounding.

STATUS OF APPROPRIATION BILLS IN THE SENATE

[In billions of dollars]

Subcommittee	Appropriations Committee's 302(b) allocation		Adjusted bill totals *		Bill compared to crosswalk		Bill status
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	
Agriculture	28.2	25.2	28.2	25.2	−(*)	−(*)	Senate—reported.
Commerce—Justice	12.0	11.9	11.9	12.0	−0.1	+0.1	Do.
Defense	285.5	252.2					Do.
District of Columbia	0.5	0.5	0.5	0.5	+(*)	+(*)	Do.
Energy-Water	15.3	15.6	15.3	15.6	−(*)	−(*)	Conference.
Foreign Ops	15.2	14.7					
HUD-Independent	58.7	61.2	58.7	62.0	+(*)	+0.8	Senate—reported.
Interior	8.2	8.9	8.2	9.3	+(*)	+0.4	Do.
Labor—HHS	108.0	115.3	108.0	115.3	−(*)	−(*)	Do.
Legislative Branch	1.7	1.7	1.7	1.7	−(*)	+(*)	Senate—passed.
Military Construction	9.0	7.6					
Transportation	10.5	26.6	10.0	26.7	−0.5	+0.1	Senate—reported.
Treasury—Postal	13.1	13.1	13.1	13.1	−(*)	−(*)	Senate—passed.
Unassigned	1.2	−0.4			−1.2	+0.4	
Total, Appropriations Committee	567.1	554.1	255.8	281.5	−1.7	+1.8	

(*) Less than $50 million.
* In addition to the bill, includes outlays from budget authority enacted in prior years, possible later requirements, adjustments to conform mandatory items to the budget resolution level, and other adjustments.
Note.—Details may not add to totals due to rounding.
Source: Senate Budget Committee Staff.

Mr. PROXMIRE. Will the Senator from New Mexico yield?

Mr. DOMENICI. I am pleased to yield to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I commend the Senator from New Mexico. It is not easy to do what he has done again and again on the floor. He deserves a world of credit and thanks from everyone. He has come to the floor and pointed out what we have to do to be fiscally responsible. I do not know anyone who has served in the Senate in the 28 years I have been here who has done it as consistently, as effectively, and as wisely as the Senator from New Mexico has.

Everyone knows that all of our mayors and county board members want that revenue sharing so badly they can taste it.

The Senator points out that we are going to make a 2.5 percent cut in everything including veterans' health care. Maybe that will fail. But if it fails we will really be in trouble—if that 2.5-percent cut fails, and if the Durenberger amendment survives. So I think what the Senator from New Mexico has said we should ponder very carefully. That is the real argument.

I want to thank him very much for making it so eloquently.

Mr. SASSER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, I support the amendment offered by my good friend from Minnesota, Mr. DURENBERGER, to ensure full funding for the General Revenue Sharing Program for fiscal year 1986.

The Senate has time and again spoken in favor of this effective and efficient program. During consideration of the budget resolution earlier this year support for the program for

the upcoming fiscal year was reaffirmed. The budget resolution for fiscal year 1986 assumed $75 billion in deficit reductions over the next 3 years with full funding for the General Revenue Sharing Program assumed next year.

It is no understatement to say that general revenue sharing is the most efficiently administered and prudently used grant program in the history of the Federal Government. Less than two-tenths of 1 percent of these funds are used to administer the program. Over the past 6 years, the number of personnel working in the Office of Revenue Sharing has actually declined by one-third.

It is also an enormously successful and popular economic and community development program. Local officials of all political stripes and ideologies attest to this fact. Earlier this year, I held field hearings throughout my home State of Tennessee in an attempt to examine the impact of economic and community budget reduction proposals on local communities. Witnesses included city mayors, county executives, developers, and experts in the field of regional development.

Both Republican and Democratic officials alike testified to the essential importance and necessity for this program in the maintenance of essential public services.

In the face of funding cutbacks and a no-growth mentality, revenue sharing remains as the sole, reliable source of assistance for local governments nationwide. These funds are used to pay for services which range from police and fire protection, to hospitals and highways.

The loss of these funds would simply shift the tax burden on to the local governments. A recent study by the U.S. Conference of Mayors shows that 68 percent of the cities responding said that some type of local tax increase would be necessary to maintain an adequate level of services; 43 percent said that user fees would be increased; 40 percent would increase property taxes; 5 percent would increase sales taxes; and 3 percent would increase income taxes.

In my one State of Tennessee, county and municipal governments have already increased taxes over a 10-year period by 127 percent. Last year, revenue-sharing payments represented nearly 6 percent of total taxes collected by these governments.

There are 334 municipalities in Tennessee. Nearly 90 percent of them have populations of less than 10,000. For these small municipalities, nearly all of them, general revenues sharing is the only direct Federal grant they receive.

These funds are indicative of the importance of general revenue sharing. We are not seeking to expand the program, merely continue it at the current level for 1 year. It is not a budget buster but merely an investment in our future. To curtail the Government's investment in our cities' future would be unwise and counterproductive.

I urge my colleagues to support this amendment.

Mr. President, I also request that I be added as a cosponsor of the Durenburger amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DURENBERGER addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. DURENBERGER. Mr. President, let me thank my colleague from Tennessee for those comments. I enjoyed my introduction to the Senate when the Senator was chairman of the Intergovernmental Relations Subcommittee, and while he was the ranking member for the last 4. I do not know many people in this body that understand the value of this program more than he does.

Mr. President, I hope we can vote fairly soon on the amendment. But, let me make just a few points by way of reiteration, and another one by way of explanation.

Our colleague from New Mexico made a very brief comment on this amendment, a comment which he has made on other amendments over the last 4 years, and that he will no doubt continue to be making over the next 5 years. That comment is we are not here to discuss revenue sharing, we are not here to discuss State and local government, we are not here to discuss the Federal role in meeting the needs of housing, the needs of education, and the needs of pollution control. We are just here to discuss the budget—plain and simple.

I want to go on record, Mr. President, by saying if that is all we are going to do for the next 5 years maybe we ought to fold up shop. We have ourselves in a lot of trouble. We all know that. But we still have a responsibility. We have a responsibility to farmers, we have a responsibility to build highways, and we have a responsibility to educate young people. We still have a lot of responsibility. It is a shared responsibility. But it is still a responsibility. We share it with Governors, legislators, county commissioners, and town board supervisors who serve for nothing or next to it trying to help out communities across this country, particularly the farm areas that are dying. We have made a commitment to budget reform. We have said general revenue sharing, which is the most efficient use of Federal income tax dollars down at the township or the city level, will have to go. We are going to get rid of it despite its efficiency, despite the fact that 99 cents on every dollar actually educates a young person, or actually builds a road, or actually buys a firetruck. We are going to get rid of it starting at the end of fiscal year 1986. It is gone—typical of this body. Take the most efficient program and get rid of it. But let us hang on to the "HODAGS," the "UDAG's," the "humpbacks," and whatever else—hang on to all our acronym programs. We will hang on to those because those are the ones we can take to the appropriations committee, where everybody can say I did this in this community. What we don't say is I did it by giving you two 25-cent dollars which somehow or other force you to raise local property taxes or State taxes to match it. I gave you the 25 cents, and I made you come up with the extra 75 cents.

In summary let me say I hope we do not have to keep coming back here and listening to that speech for the next 5 years.

As much as I respect my colleagues and the incredible job he does in undertaking chairmanship of the Budget Committee, as much as I hope he still has the opportunity to be chairman of that committee after the elections next year, I would suggest that the issue is not the budget. The issue is general revenue sharing. It is the commitment of each of us to the partnership that we have with State and local government officials. You ask how about veterans? How about housing? You ask that question. I ask how about the schoolteachers? How about the firemen, the firetruck, the policeman and the patrol car, and let us not leave out how about the food—food for the food bank shelves? Yes; you took a nick out of teenage medical care. But a lot of that general revenue sharing is 99 cents on the tax dollar to teenage medical care, not 75-cent teenage medical care such as comes from the categorical grant programs.

Mr. President, I have been through this budget and the reconciliation on general revenue sharing the same as the people on Appropriations. In the Finance Committee on which I sit we had a $22-plus-million mandate for reconciliation including general revenue sharing. We cut Medicare. We took money away from elderly health care, and away from disabled health care. We took money out of unemployment compensation, AFDC, and a lot of other programs in order to make our reconciliation goal. We made a $22 million goal without having to take money away from the people in local communities who are served by general revenue sharing.

This program does not serve mayors. It does not serve county board chairmen or school superintendents. It serves people in much the same way as every other program. When it went through the Finance Committee we

found some way to reduce the budget deficit by $22 billion. We found a way to meet the obligation that you all voted on here last summer without touching this program.

I acknowledge the difficulty that the Senator from Utah and his colleagues have in the particular grouping of public services falling within their subcommittee's purview. But that does not mean that the budget is better or more poorly served or that revenue sharing is better or more poorly served by eliminating 12.5 percent of the General Revenue Sharing Program.

Mr. GARN addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. GARN. Mr. President, once again let me say that I certainly will not take a back seat to anybody in this body on support of general revenue sharing. There are only two of us—two of us in this body, Senator RICHARD LUGAR and I—who were officers in the National League of Cities together who lobbied for this program as mayors, and not as Senators. We came back and testified. We lobbied. We worked very hard for it. So I cannot dispute what any of my colleagues have said on the principle of general revenue sharing, or on the lack of strings attached to it for local government. That is not the issue here today. I cannot argue that issue with them at all. But I can take issue that all we are considering is the budget—just the budget total. This subcommittee, the full Appropriations Committee, the ranking minority member, and I did not spend months just to comply with the budget total. We went through carefully line by line, after weeks of hearings, of listening to people to meet those ceilings and our responsibilities on a careful, well-considered way. So I do not want anybody to think we are just out here picking on anyone.

I want to repeat: Indian housing, $81.9 million; HUD modern rehab, $42.9 million; HUD HODAG, $25 million; HUD rental rehab, $50 million; HUD operating subsidies, $20 million; CDBG, $100 million; management and administration, $5 million; EPA research and development, $5 million; EPA Superfund, $100 million.

Everybody out here is for Superfund.

Disaster relief payment, $25 million; NASA, research and development, $15 million; NASA, space flight, control and data communications, $30 million; National Science Foundation, research, $5 million; National Science Foundation, Antarctic program, $2 million; National Science Foundation, science education, $10 million; VA medical care, recommended $296 million, which was modified a few minutes ago.

We went through the whole budget and tried to spread the burden out, to have the least impact on each one of them.

Yes; I support the concept of general revenue sharing. I should remind my colleagues who were not involved in the debate that many of the mayors, particularly the big city mayors of this country, did not keep their word. When DICK LUGAR and I were lobbying for revenue sharing, we made the promise to Congress that if we got revenue sharing because the principle was so important we were willing to take equal cuts in categorical grants. But once revenue sharing was granted, the mayors continued to fight for every grant program that came along, including revenue sharing.

Revenue sharing would not be going out of business today if the mayors kept their word on substituting revenue sharing for the grant-in-aid program.

To put the issue as to what the point is, to say we are just going to put $570 million back into general revenue sharing, then we will have a vote—not from me—there will be a vote on the floor today to cut 2.5 percent across the board. That means $200 million in veterans' medical care.

I want my colleagues to make that choice. None of the choices are pleasant. Which choice are you going to make? Are you going to make a choice to put this money back into general revenue sharing, or are you going to make a choice to take $200 million out of veterans' health care when we just put $100 million back in? Or are you going to take another $100 million or so out of Superfund? Are you going to take it out of EPA? That is exactly what will happen, I say to my colleagues. That is the choice they will be making.

I wish I was not on the floor having to make these kinds of choices. I wish a former mayor was not having to be out here advocating removing 12.5 percent from a program that I do not think should be discontinued, that I said earlier the administration should not have recommended be cut. But are we going to stop the demagoguery or are we going to be serious about budget restraint? Or are we going to vote for budget resolutions, put out press releases at home how we are reducing the budget, and then come back and vote for a program that puts $570 million back in?

We cannot have it both ways. I guess we can, to fool some constituents out there. But I do not want to go through and have a 2.5-percent across-the-board cut in a lot of other programs that are very vital.

I know the Senator from Vermont has worked long and hard as an advocate of more funding for EPA. A long time before he was the ranking minority member, he was constantly in there every year saying we have problems with clean air, toxic waste, and acid rain in this country, trying to do something about it. So we are going to have to take some cuts in EPA if revenue sharing is put back in or has added to the $570 million.

I certainly would hope that this amendment would be defeated so we do not have to cut all of those other programs.

Mr. LEAHY. Mr. President, I understand the proponents of the amendment will agree to a unanimous-consent request that we vote on this amendment, the yeas and nays having been ordered, not before 11:45, and that there be no amendment in order to the amendment.

Mr. GARN. Mr. President, reserving the right to object, and I do not intend to object, I would want to reserve the opportunity to table the amendment at that time.

I obviously cannot at this time request tabling because it would immediately bring us to a vote.

Mr. LEAHY. I do not intend in that unanimous-consent request to preclude the right of any Senator to move to table. I would amend my request that the vote not occur before 11:45 to add that there not be any amendment in order to the amendment but that the right to move to table would not be precluded.

Mr. DURENBERGER. Mr. President, I might say to my colleagues I would prefer not to vote now. I understand several of our colleagues can be here later but cannot be here very shortly. I would suggest, if possible, that we have a vote certain at 11:45. I have no further argument to make. I will not object to the Senator from Utah making his tabling motion now and have the yeas and nays ordered, rather than have a motion later.

Mr. GARN. Mr. President, reserving the right to object, I suggest that that would be a good modification of the unanimous-consent agreement, to have a time certain not before 11:45.

Mr. HEINZ. Reserving the right to object, the Senator from Pennsylvania hopes that he will have 2 minutes to speak on this matter.

Mr. GARN. I suggest to the Senator from Pennsylvania that if we set the vote for 11:45, he would have more than 2 minutes.

Mr. LEAHY. I suggest to the Senator from Pennsylvania that a lot of people on both sides of the aisle would be delighted to have him talk and fill up the time. But, also, Mr. President, my unanimous-consent request should state that there would be no amendments to or in relation to the amendment offered by the Senator from Minnesota that would be in order, but reserving, of course, the right of anybody, at the appropriate time, to make a motion to table.

The PRESIDING OFFICER. Is there objection?

Mr. GARN. Reserving the right to object, we are in the process of checking with the minority leader. The unanimous-consent request is acceptable to me, but we must await the approval of the minority leader. I suggest the absence of a quorum.

Mr. DOMENICI. Will the chairman withhold?

Mr. GARN. I withhold.

Mr. DOMENICI. I do not understand the request. There are no amendments in order to this amendment prior to the vote, are there?

Mr. GARN. That is correct.

The PRESIDING OFFICER. They would be in order to the language proposed to be striken.

Mr. DOMENICI. Mr. President, are amendments in order to this amendment prior to the vote which we are about to agree will occur at 11:45?

The PRESIDING OFFICER. Absent any unanimous-consent agreement, amendments would be in order to the language which has been proposed to be stricken.

Mr. GARN. Mr. President, there is a unanimous-consent request pending. The Senator from Pennsylvania reserved the right to object.

Mr. HEINZ. The Senator from Pennsylvania no longer reserves the right to object.

Mr. GOLDWATER. What is the unanimous-consent request, Mr. President?

Mr. GARN. May I suggest, until we have clearance from the majority leader, that the Senator withdraw his unanimous-consent request?

Mr. LEAHY. It is obvious that my unanimous-consent request is to accommodate a number of Senators who need the extra time to come to the Chamber for a vote. I will be happy to withdraw it and allow the discussion to go on. For those who are seeking clearance from the majority leader's office on that side of the aisle, so they understand, I will withdraw it so that there can be discussion or we can go to other matters. But I will reinstate the unanimous-consent request. I withdraw my request.

Mr. GOLDWATER. Mr. President, is there a unanimous-consent request pending?

The PRESIDING OFFICER. The request has been withdrawn.

Mr. GOLDWATER. I thank the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. HEINZ. Mr. President, I rise to join my colleague, the Senator from Minnesota, to restore the general revenue sharing for fiscal year 1986. For 4 years I chaired the Subcommittee on General Revenue Sharing of the Senate Finance Committee, and have been an advocate of the continuation of this program, even through 1986 and into subsequent years. Although I suspect we all understand the fiscal reality is such that we do not have a lot of revenue to share, I still have reservations about the cold turkey cutoff, what happens at the end of 1986. I think we would have been better serving our constituents to phase that down on some realistic timetable. But that was a judgment that the Senate made during consideration of the budget resolution and I am not going to dispute that.

What I do dispute, Mr. President, is the notion that having already taken a very large hit at the municipalities that have depended on revenue sharing and having told them that if they would accommodate themselves to termination of the program in 1986, we suddenly find ourselves in a position where we have to go back on what we have told them and affect their budgets in the middle of their fiscal years for many of them. I understand all the difficulties of the Appropriations Committee, but I also hope people understand what this means in terms of difficulties for many of the municipalities that will be affected by it.

For example, in my home State of Pennsylvania, we have, because of the continued erosion of manufacturing jobs and industries like steel, textiles, and others, seen many municipalities come to the verge of bankruptcy in my State. Recently, there was a front-page New York Times article on the plight of the town of Clairton in Allegheny County, my home county, where the United States Steel works have closed. The tax base of that municipality was so depleted by that closure that they have laid off all the firemen, all the policemen; they have laid off all the employees in city hall. There is no one in local government in Clairton. Now we are going to ask them to have 15 percent less.

What are people supposed to do, start supplying water to the municipality? Supply electric service somehow, with generators, hand-rotated generators, to keep the streetlights on? What we are asking them to do is the equivalent of that.

Lest people think that Clairton is some isolated example, I can say with some certainty that it is not. We have literally dozens of municipalities—Midland, PA; Duquesne, McKeesport, White Oak—throughout that area and many other parts of my State as well, where the termination at the end of 1986 will already work an enormous hardship, but further cutbacks in it, as proposed here today, will be something with which they simply cannot cope.

Some of my colleagues will say, "Well, why do these municipalities not raise taxes?" The answer is that the State legislature will not let them. There are laws that restrain the municipalities covered under our municipal codes from exceeding certain levels of taxation. And the communities that I have just named, plus a lot of others, are at their absolute maximum. They cannot raise any additional revenue.

It is all very well and good for people to say, well, there are all kinds of other problems here, but we are putting these municipalities in a box. It is about 6 feet long and it will put them about 6 feet under, because there is no way out for them, except to reduce absolutely essential public safety services, which, in many cases, are, frankly, sparse enough.

Let me simply conclude by saying that few Federal programs serve so many people as well as the General Revenue Sharing Program. Towns, cities, and counties throughout the United States use the funds from revenue sharing to improve education, transportation, economic development, community activities, firefighting, sanitation, and police work. There are few Americans who do not directly benefit from the proceeds of the revenue sharing program. Eliminating a portion of the General Revenue Sharing Program would result in either the elimination of important services now provided by our local governments or an increase in local taxes.

Our local governments have been asked to shoulder a steadily increasing number of programs and responsibilities previously supplied by the Federal Government. They have done an excellent job of providing these desperately needed services with fewer and fewer Federal dollars every year.

One program upon which they have been able to depend is the General Revenue Sharing Program. Because the funds provided through general revenue sharing are not earmarked for specific programs or projects, our local governments have been able to use them to serve the individual needs of their citizens and communities. Recipients of revenue sharing funds use those funds most often to pay for police protection, highway maintenance, fire protection, and education—essential government functions that our citizens do not want to see cut.

I am particularly concerned about the proposed reduction of funds in the committee bill because it breaks the agreement reached in the budget resolution in June to fund general revenue sharing at the full $4.6 billion level. This agreement was of great importance to local governments, many of whose budget cycles run from July to June, unlike the Federal budget cycle, which runs from October to September. For this reason, local governments are already into their fiscal year 1986 budgets, and to reduce funding for general revenue sharing at this point would create budgetary havoc for these local governments. Moreover, this reduction defies the basic trust we established with local governments when we passed the budget resolution.

guaranteeing them full funding for the General Revenue Sharing Program.

We are all dedicated to fiscal restraint, but we must not think that we are exercising fiscal restraint when we cut the budgets of small towns, cities, and counties that are struggling to continue programs that the Federal Government no longer provides. Congress does not show fiscal courage by reducing the expenditures of other units of government.

Mr. President, I support this amendment. I urge my colleague to adopt it.

The PRESIDING OFFICER. Who yields time?

Mr. LEAHY. Mr. President, I renew my unanimous consent request that there be a vote on or in relation to this amendment at 11:45; that there not be any amendments on or in relation to it in order, but that the right of any Senator be reserved at the appropriate time to make a motion to table, but that it not be in order before the hour of 11:45 a.m.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. LEAHY. I thank the Chair. I thank the distinguished manager of the bill.

Mr. GARN. Mr. President, now that we have ordered a vote on the Durenberger amendment at 11:45 a.m and I see no one else seeking recognition, we do have some amendments that are technical in nature that have been agreed to, so I ask unanimous consent that the Durenberger amendment be temporarily set aside at this time and also the Proxmire amendment while we consider these technical amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 788

(Purpose: To make a technical change in the travel expenditure limitation set forth in Section 401)

Mr. GARN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Utah [Mr. GARN] proposes an amendment numbered 788.

On page 49, line 13, insert "initially" after the word "estimates".

Mr. GARN. Mr. President, the bill as reported by the Committee on Appropriations included an amendment to the travel restriction contained in section 401. This travel restriction has been carried in the HUD bill for several years. The committee amendment recognized that in a number of administrative accounts, the President's request was predicated on significant reductions based on field office closures and realignments, as well as cuts reflecting proposed program terminations. In many of these cases, Congress has not concurred with these underlying changes, and as a consequence we must provide restorations of funding to cover these administrative costs.

The original committee amendment permitted the travel component of these administrative costs to increase in proportion to the overall increase in the account, based on the budget request. Since the committee took action last July, the President has submitted budget amendments to add back amounts needed to restore the previously proposed 5 percent pay reduction. This action has altered the proportions which the committee earlier had adopted, especially in administrative accounts with a high proportion of personnel compensation and benefits costs.

To permit the full effect of the committee action, therefore, it is necessary to reference the initial budget estimate as the basis upon which proportionate increases in travel expenditures may be adjusted.

Mr. President, I believe that the amendment has been cleared. I know of no objections.

Mr. LEAHY. That is correct, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 788) was agreed to.

Mr. GARN. I move to reconsider the vote by which the amendment was agreed to.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO 789

(Purpose: To prevent the "merger" and rescission of recaptured authority for the Sec. 235 program and the Rental Rehabilitation and HODAG programs)

Mr. GARN. Mr. President, I send another amendment to the desk and ask for its immendiate consideration.

The PRESIDING OFFICER (Mr. MATTINGLY). The clerk will report.

The legislative clerk read as follows:

The Senator from Utah [Mr. GARN], for Mr. D'AMATO, proposes an amendment numbered 789.

Mr. GARN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 4, line 9, insert after "1986:" the following:

Provided further, That notwithstanding the immediately preceding ("merger") proviso, notwithstanding any requirement of section 235(c)(3) of the National Housing Act, as amended, and notwithstanding the proviso in this paragraph concerning rescission of recaptured budget authority, any balances of the contract authority and budget authority provided in the Second Supplemental Appropriations Act, 1984 (Public Law 98-396, 98 Stat. 1369, 1380) for the home ownership assistance program under section 235 of the National Housing Act, as amended (12 U.S.C. 1715z), for which the Secretary has made fund reservations prior to the date of enactment of this Act shall remain available for obligation without regard to any fiscal year limitation until such reserved budget authority is expended, and the Secretary of Housing and Urban Development shall have the authority to enter new contracts for assistance payments and to insure mortgages under section 235 until such reserved budget authority is expended notwithstanding any sunset date specified in the last sentences of section 235(h)(1) and section 235(m), respectively: *Provided further*, That notwithstanding the "merger" proviso, and notwithstanding the proviso in this paragraph concerning rescission of recaptured budget authority, any amounts of budget authority heretofore made available for obligation until September 30, 1986 for rental rehabilitation grants and development grants, pursuant to section 17(a)(1) of the United States Housing Act of 1937, as amended, shall remain available until such date:

On page 4, line 10, strike out the work "merged'.

On page 4, line 14, after "1986" insert the following:

(other than any such amounts for assistance payments contracts under section 235 of the National Housing Act and grants under section 17(a)(1) of the United States Housing Act)

On page 4, strike out "except as provided in the foregoing proviso," on lines 22 and 23.

On page 4, line 24, insert after "authority)" the following: "under this paragraph".

On page 5, line 1, after "1986" insert the following:

except such amounts provided for assistance payments contracts under section 235 of the National Housing Act of 1937, and for grants under section 17(a)(1) of the United States Housing Act of 1937,

Mr. GARN. Mr. President, this is an amendment I offer on behalf of Senator D'AMATO.

Subsequent to the reporting of the fiscal year 1986 HUD appropriations bill, the committee learned that there were possible interpretations of prior appropriation act provisions which would have resulted in the loss of carryover and recaptured funds in several housing programs. These results are contrary to the understanding the committee had at the time the prior acts were passed, and at the time the report on this bill was presented.

The first program involved is the section 235 Homeownership Assistance Program. We had been advised that provisions of existing law could be construed so that any balances of funds at the end of fiscal year 1985 would revert to the general subsidized housing account and not be available for the purposes for which provided initially. In addition, this interpretation would have resulted in the rescission of all funds recaptured during fiscal year 1986.

The same interpretation could be made in connection with HODAG and rental rehabilitation funds, notwith-

standing the specific language in the 1984 Supplemental Appropriation Act which was intended to keep these funds available through fiscal year 1986.

The proposed amendment is intended to correct these oversights by specifying the following:

First, section 235 funding contained in the 1984 second supplemental will remain available without fiscal year limitation, without regard to whether the mortgage insurance and assistance authority for section 235 have otherwise expired; and this funding is immune from the general rescission language which is expected to apply to section 5(c) authority in fiscal year 1986.

Second, funding for the HODAG and rental rehabilitation grants which was to be available until the end of fiscal year 1986 in accordance with the fiscal year 1985 appropriations, shall be available through fiscal year 1986.

These changes are clarifying language, to assure that the fiscal year 1986 merger proviso will not have the unintended consequence of contradicting the clear intention that section 235 funding and the section 17 funding shall remain available to these programs unless the fiscal year 1985 appropriations are specifically repealed or otherwise modified by a later act of Congress.

This is a technical amendment. I believe the minority has cleared it.

Mr. LEAHY. We have no objection to it, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 789) was agreed to.

Mr. GARN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 790

(Purpose: To raise the limitation for administrative expenses of the Federal Home Loan Bank Board to the level in the revised President's request)

Mr. GARN. Mr. President, I send a third amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Utah [Mr. GARN] proposes an amendment numbered 790.

Mr. GARN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 46, line 6, strike out "$26,213,000" and insert in lieu thereof: "$26,877,000".

Mr. GARN. Mr. President, the level of the limitation on administrative expenses of the Federal Home Loan Bank Board [FHLBB] approved by the House and contained in the Senate reported bill does not reflect an additional $664,000 requested by the administration in a budget amendment this summer.

This additional amount reflects the decision not to pursue a 5-percent pay reduction for Federal employees. Through an oversight, this adjustment was not included in the FHLBB limitation as was the case in other agencies covered by this appropriations bill. This amendment corrects this inadvertent error by increasing the limitation to $26,877,000.

The limitation covers the use of revenues from assessments paid by member financial institutions, not tax dollars. With the continuing pressures on the thrift industry, it is critical that the principal Federal regulatory agency dealing with these problems be permitted to fully discharge its responsibilities.

I know of no objection to this amendment.

Mr. LEAHY. There is no objection, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 790) was agreed to.

Mr. GARN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 791

(Purpose: To permit the Secretary of the Department of Housing and Urban Development to waive the 10 percent cap on increases in local prototype cost limitations of new public housing development, in lieu of repeal of existing prototype limits)

Mr. GARN. Mr. President, I send a fourth amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Utah [Mr. GARN] proposes an amendment numbered 791.

Mr. GARN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 6, strike out lines 6 and 7, and insert in lieu thereof the following: the first sentence of section 6(b) of the United States Housing Act of 1937 is amended by striking out "by more than 10 per centum" and inserting before the period at the end thereof "except that the Secretary shall increase such amount if the Secretary determines such action to be necessary to account for location or other factors related to a particular project".

Mr. GARN. Mr. President, the bill as reported by the Committee on Appropriations included a provision which repeals a requirement of existing housing law establishing prototype costs as a mechanism to limit the cost of new public housing development.

While the committee is highly supportive of cost containment of public housing construction—it has become clear that the existing statutory procedure is deficient and, in some instances, unworkable, and an impediment to needed public housing development.

The House proposed a lengthy procedural mechanism whereby these prototype costs would be subject to extensive reviews and consideration as applied to individual areas. While laudatory in its intent, such an amendment would render the prototype cost wholly unworkable and paralyze it with complex and endless red tape.

The committee chose to recommend a cleaner but more dramatic alternative: To repeal the prototype cost provision altogether—and at that time the Department concurred that this would be a more practical approach to the problem.

Since that time, however, the Department has suggested an alternative which will maintain the cost-containment benefits of the prototype requirement but will permit the Secretary greater flexibility in applying this mechanism. The amendment proposed grants the Department the discretion to waive the prototype cost in individual instances where particular project factors such as location make such cost exemptions appropriate.

Again, I believe this amendment is acceptable.

Mr. LEAHY. There is no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 791) was agreed to.

Mr. GARN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MR. STAFFORD. Mr. President, on July 26, 1985, EPA was ordered by a Federal district court to inform States whose pollution causes adverse effects in Canada that they must take remedial action to prevent further transboundary pollution damage. EPA has claimed that it will require a lengthy period of time to prepare the technical and analytical reports necessary to carry out the district court's order. Two days ago EPA appealed the district court order and I am told the

Agency may seek a judicial stay of the order. I and a number of my colleagues on the Environment and Public Works Committee believe EPA should carry out the analytical work necessary to enable the Agency to comply with the lower court's order even while EPA appeals the decision on legal grounds.

This analytical work is important for EPA to perform no matter how the courts decide the legal issues raised by EPA. The work involves summarizing the types of resource damages associated with the transboundary air pollution, estimating the amount of U.S. pollution contributing to damages in Canada and identifying control programs that would avoid such damages. Frankly, this type of work seems essential to carry out the envoy process now being conducted by Drew Lewis and his Canadian counterpart, Bill Davis.

Does this appropriations bill contain sufficient funds for EPA to carry out on a timely basis this fiscal year the analytical work needed to characterize transboundary air pollution impacts more fully and to identify remedial programs?

Mr. LEAHY. Yes; the funds in this bill are adequate for EPA to carry out this work without further delay.

Mr. STAFFORD. Is it the Senator's intent that EPA should assign very high priority to carrying out this work?

Mr. LEAHY. Yes, this is important work, required not only to enable EPA to comply with orders the courts have and may issue, but also to permit the prompt resolution of a very serious bilateral conflict with Canada, one of our most important allies and trading partners. EPA should immediately develop a work plan to complete these activities as early as possible in this fiscal year.

Mr. STAFFORD. I thank the Senator.

Mr. LEAHY. Mr. President, in last year's committee report on the Environmental Protection Agency's budget, the committee directed the Agency to prepare an enforcement policy that will ensure 90 percent compliance with the ground monitoring, closure, post closure, and financial responsibility provisions of the Resource Conservation and Recovery Act. That policy has been provided to the committee.

Earlier this year, we wrote to the General Accounting Office requesting that the General Accounting Office evaluate the strategy that the Agency had prepared and answer the following questions:

Are applicable regulatory requirements clear and enforceable?

Are there provisions for inspection, followup, and enforcement?

Are required enforcement resources identified and provided?

Are training and skills needs identified and provided?

Is effective oversight of EPA and State performance provided?

Is there a framework for an effective Federal/State relationship?

The report from the General Accounting Office was generally very positive. However, it did note that in four key areas the enforcement strategy was not complete. Its conclusion was that the enforcement strategy did not have the following important elements:

An analysis of the resources required to achieve the 90-percent compliance goal;

An assessment of the training and skills mix needed to achieve the compliance goal;

An oversight mechanism for tracking progress toward achieving the 90-percent compliance goal; and

A means of communicating the goal to the States, as part of the framework for the Federal/State relationship.

Since this report was issued after the issuance of the 1986 committee report, it was not possible to include material related to this matter in the committee report.

In lieu of report language, I would like to suggest that the Agency be directed to undertake the following activities identified by the General Accounting Office.

First, the Agency should prepare and submit with the 1987 budget an analysis of the resources required to achieve the 90-percent compliance goal.

Second, the Agency should prepare an assessment of the training and skills mix needed to achieve this compliance goal.

Third, the Agency should prepare an oversight mechanism for tracking progress toward achieving the 90-percent compliance goal. Activities two and three should be delivered to the committee 2 weeks prior to the hearings on the Agency's 1987 budget.

Finally, the Agency should communicate to the States that its goal is to achieve the 90-percent compliance rate. This goal should be an integral part of the delegation requirements, and the State grants process. The Agency should communicate this goal to the States and begin the process of integrating this goal in the delegation and grants progress prior to the 1987 budget submission.

Would the chairman of the subcommittee, the gentleman from Utah, agree to these directions to the Agency and agree that they should be treated by the Agency as the equivalent of committee report language?

Mr. GARN. The Senator from Vermont is correct. I believe these materials should be prepared and these actions undertaken in response to the GAO report. The Agency should consider the directions in this colloquy to be the equivalent of committee report language.

AMENDMENT NO. 792

Mr. LEAHY. Mr. President, I have an amendment which I believe has been cleared. I ask unanimous consent that it be in order at this time.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY] proposes an amendment numbered 792.

Mr. LEAHY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

After line 19, on page 18, add the following: ": *Provided further*, That of the funds provided to the states under the Safe Drinking Water Act, $300,000 shall be used for the purchase of essential equipment by state agencies."

Mr. LEAHY. Mr. President, it has come to my attention that about $300,000 of the funds that had been requested for State grants in the Safe Drinking Water Program in 1986 will not be distributed because certain jurisdictions will not be able to accept the funds.

In the past when this has occurred, the Agency has simply supplemented the grants given to the States. Divided among all States, this has meant a grant of about $6,000 per State. Such small grants have not had a significant impact on any State's ability to operate this program.

It has also come to my attention that there is a critical shortage of essential equipment, such as gas chromatograph mass spectrometers, in some States.

As an alternative to the dispersal of these funds in small amounts to all States, this amendment directs the Agency to assess which States have the greatest need for this equipment and provide grants to such States to purchase essential equipment.

Mr. GARN. Mr. President, the amendment is acceptable to the majority.

Mr. LEAHY. I move adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 792) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GARN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GARN. Mr. President, in order to conserve time and use it as effi-

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ciently as possible, we have switched from one amendment to another. Now we are back on the Durenberger amendment, but I would ask unanimous consent that the Durenberger amendment be temporarily laid aside so we can return to the Proxmire amendment, giving the Senator from Colorado the opportunity to speak on that amendment.

The PRESIDING OFFICER. Is there objection?

Mr. LEAHY. Mr. President, reserving the right to object—and I shall not object—do I understand from the Senator from Colorado that the time he expects to take would be such so as not to stop the vote on the Durenberger amendment at 11:45?

Mr. ARMSTRONG. Mr. President, if the Senator will yield, my plan is not to speak at great length and certainly not beyond the time scheduled for the vote on the Durenberger amendment.

Mr. LEAHY. I have no objection.

Mr. ARMSTRONG. May I ask the managers of the bill, assuming we proceed in this way, does that mean, after the vote on the Durenberger amendment, we will be back on the Proxmire-Armstrong amendment?

Mr. GARN. That is correct.

Mr. ARMSTRONG. I thank the mangers, and I certainly have no objection to that procedure.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 785

Mr. ARMSTRONG. Mr. President, we have been switching back and forth on amendments here this morning, and I hope in the process we have not lost the focus of what we are doing because the amendment which was called up a couple hours ago by the Senator from Wisconsin [Mr. PROXMIRE] is not only one of the most important amendments we are going to consider on this bill, it is one of the most important amendments we are going to consider this year.

Somebody coined the phrase a few days ago about shooting with "real bullets." Well, I tell you, Mr. President, this is an amendment that shoots with real bullets. It does not make a big difference in the next fiscal year—only $135 billion, which pales by comparison to the colossal proportion of the expected deficit of $200 billion, but over a period of time we are talking about billions and billions and billions of dollars because this, my friends, is one of the so-called uncontrollables.

This is one of those deals that once you get it on the books, it starts small and gets bigger every year until finally it just becomes all consuming. So I think we all owe a debt of gratitude to our colleague from Wisconsin for raising this issue and for bringing to the attention of the Senate the need to somehow step back and take a long, hard, second look at how far we want to go on subsidizing housing in this country.

Since 1962, the Federal Government has spent $102 billion on HUD-subsidized and rural housing. Since 1979, total HUD and rural housing assistance has increased from $7.8 billion to $14.2 billion, an increase of approximately 100 percent in just a very few years.

If anybody thinks that we have been tight-fisted in funding subsidized housing, I urge them to look carefully not only at what we have already spent but what has been committed, what is in the pipeline, what is going to occur automatically even if, as I would hope, we would draw a line and say we are not going to authorize or appropriate any new units of subsidized housing.

The amendment which Senator PROXMIRE and I present today actually has the effect of cutting off just 14,000-and-some new units and 85,000 existing units which will become eligible for section 8 subsidies in fiscal year 1986. It does not sound like it is a very big proposition; we are talking about 100,000 units and, as I mentioned earlier, about $135 million in the next fiscal year, but over the period of years which this will spend out, we are talking about $8.6 billion.

Mr. President, the sort of unforeseen nature of this kind of an appropriation is emphasized by the fact that while the bill presented to us by the subcommittee is under the budget resolution in outlays, it is some $7 billion above the administration request in budget authority. It is because of this very long spending of programs of this kind.

Mr. President, I do not see any real reason to argue this at length, but I do want to make a few points about the nature and scope of the commitment we have made to subsidized housing.

Today, there are 6.1 million units of subsidized housing which provide housing assistance through the Federal Government to more than 13 million people in this country. I think the threshold question we should ask—and which I have submitted to some of the experts in this field—is whether or not we have enough units of subsidized housing already to fulfill the needs of anybody who, by a reasonable definition, is housing-poor. I think the answer to that, at least to my satisfaction, is that we have plenty of such units.

Does that mean that everybody who needs one is able to get it? The answer is, "No," because the way we have distributed the money has been not to those who are most in need, but to a spectrum of people—in fact, a majority of the funding for subsidized housing has gone, is going, and will go in the future, under the present guidelines, to people who, by any reasonable standard or definition, are not needy.

However, that is not the issue. The question is, Do we have an adequate supply of federally subsidized housing? I suggest that when we talk about 4.4 million HUD-subsidized units and 1.7 million subsidized rural housing units, that is a big inventory in our country, a rich and prosperous country, where most people, in the routine of business, are expected to provide their own housing, in a private economy which expects people to provide their own housing.

In addition, between 1980 and 1985, 1.65 million new units of subsidized housing were provided: 980,000 HUD units and 670,000 rural housing units.

As Senator PROXMIRE pointed out earlier, the backlog of HUD-assisted housing units that will become available in fiscal year 1986 alone is enormous. Even without adding 1 single unit in fiscal year 1986, it is estimated that there will be 48,120 elderly housing units either reserved or under construction at the end of fiscal year 1985; 12,081 Indian housing units either reserved or under construction as of October 1 of this year; 3,978,000 newly eligible section 8 subsidized units available at the end of the current fiscal year, rising to 4,164,000, without the addition of the new units proposed in this bill.

So my point is very simple, in support of the Proxmire-Armstrong amendment: That we have already done a very generous allocation of subsidized housing. Long before this bill ever came to the floor, we had provided not only generously, but also, in the opinion of many people, including the Senator from Colorado, extravagantly for the needs of subsidized housing in this country, particularly considering the fact that many of these units go to people who are not in the poverty classifications or who are not, by a reasonable standard, needy of housing assistance.

Considering that, considering the enormous number of units which are in the pipeline and which will go forward, it seems to me only prudent to adopt the Proxmire-Armstrong amendment, which will draw the line and say that, at least for a brief time, we are going to step back and pause and not commit further to these housing programs.

I want to sum up by pointing out again that we are talking about real money here. It does not spend out very fast, and that is the insidious part of these long-term commitments where you get the Government on the hook for something that is authorized and appropriated and does not spend out very much this year, not too much the next year, but over a long time has a dramatic effect upon the soundness of our Government.

Sometimes we find ourselves debating what we are gcing to do about the

debt limit or the Gramm-Rudman amendment or the line-item veto and various proposals to get the budget under control; and we wonder how we got into the mess, into a situation where we are precommitted, before the start of a fiscal year, to those enormous expenditures. They are said to be uncontrollable. The way we do it is exactly in programs like this.

This is not only a typical program; it is one of the largest. It is one of the programs most out of control, in my opinion. Here is a chance to make a modest amendment, one which will not be hurtful to anybody, which will throttle back a fairly small number of units being added to the housing stock, which will save $135 million in fiscal 1980; and by doing so, we will save more than $7 billion during the ultimate spendout period of these housing programs. To do so will take us back to the level of HUD-assisted housing programs proposed by the administration.

I do not have a current advisory from the administration as to whether or not they support this amendment. I assume that to be the case, since the effect of the amendment which Senator PROXMIRE and I have presented is to go back to the original recommendation of the administration.

With that word of explanation, Mr. President, I am ready for the vote at the right time, which would be after the Durenberger amendment.

Mr. President, have the yeas and nays been ordered on this amendment?

The PRESIDING OFFICER. They have not been ordered.

Mr. PROXMIRE. Mr. President, I ask for the yeas and nays on the Armstrong-Proxmire amendment.

Mr. ARMSTRONG. It occurs to me, I say to the Senator from Wisconsin, that it may be that we are premature in asking for the yeas and nays, because perhaps the managers would be disposed to accept this amendment.

Mr. GARN. Mr. President, I say to the Senator from Colorado that I, personally, would be willing to do that; but I would expect a lot of opposition to my agreeing to that.

Have the yeas and nays been ordered?

Mr. ARMSTRONG. We are asking for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. GARN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GARN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GARN. Mr. President, I further ask unanimous consent that a vote occur on the Proxmire amendment immediately following the disposition of the Durenberger amendment and that no amendment whatsoever be in order to the Proxmire amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GARN. Mr. President, I move to table the Durenberger amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Utah to lay on the table the amendment of the Senator from Minnesota.

On this question, the yeas and nays have been ordered, and the clerk will call on the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Nevada [Mr. LAXALT] and the Senator from Maryland [Mr. MATHIAS] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Hawaii [Mr. MATSUNAGA] is necessarily absent.

I also announce that the Senator from Michigan [Mr. LEVIN] is absent because of death in the family.

The PRESIDING OFFICER (Mr. NICKLES). Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 39, nays 57, as follows:

[Rollcall Vote No. 227 Leg.]

YEAS—39

Armstrong	Goldwater	Proxmire
Bentsen	Gorton	Quayle
Boschwitz	Gramm	Roth
Bradley	Hatch	Rudman
Chafee	Hatfield	Simpson
Cochran	Hecht	Stennis
Cranston	Helms	Stevens
Danforth	Humphrey	Symms
Dole	Lugar	Thurmond
Domenici	Mattingly	Trible
Eagleton	McClure	Wallop
East	McConnell	Warner
Evans	Nickles	Weicker

NAYS—57

Abdnor	Garn	Melcher
Andrews	Glenn	Metzenbaum
Baucus	Gore	Mitchell
Biden	Grassley	Moynihan
Bingaman	Harkin	Murkowski
Boren	Hart	Nunn
Bumpers	Hawkins	Packwood
Burdick	Heflin	Pell
Byrd	Heinz	Pressler
Chiles	Hollings	Pryor
Cohen	Inouye	Riegle
D'Amato	Johnston	Rockefeller
DeConcini	Kassebaum	Sarbanes
Denton	Kasten	Sasser
Dixon	Kennedy	Simon
Dodd	Kerry	Specter
Durenberger	Lautenberg	Stafford
Exon	Leahy	Wilson
Ford	Long	Zorinsky

NOT VOTING—4

Laxalt	Mathias
Levin	Matsunaga

So the motion to lay on the table amendment No. 784 was rejected.

Mr. GARN. Mr. President, I move to reconsider the vote by which the motion was rejected and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. GARN. Mr. President, I would like the attention of my colleagues. May we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. GARN. Mr. President, I ask unanimous consent to proceed for 2 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. GARN. Mr. President, I would like some of my colleagues to listen to what went on in the debate earlier today. As former mayor of Salt Lake City and an officer in the National League of Cities, I lobbied hard with Pete Wilson, Dick Lugar, and others for the enactment of general revenue sharing. I think it is a mistake to do away with it. I take a back seat to no one in the principle of self-determination in deciding how that money should be spent.

On the other hand, I was faced with being $1.7 billion under an authorization or $800 million over and I can get $300 million out of housing and save $900 million in outlays. It was an outlay program, with a lot of programs that take 30 or 35 years to spend out.

The only two areas that you can possibly get the outlay areas that we are talking about is in revenue sharing and in veterans health care, neither one very nice to talk about.

But we voted for a budget resolution and now we are saying we are not going to comply with it. The choice simply is between general revenue sharing, which I dislike voting against, or take $200 million out of veterans health care, money out of Superfund, out of EPA, out of NASA, because the 2.4 percent across the board cut is rather indiscriminate.

This subcommittee spent a lot of time trying to surgically cut everybody across the board to come up with what was as fair as possible.

So if you want to go ahead and adopt the Durenberger amendment, so be it, but then the Budget Committee, not me, will come up with an across-the-board cut and you have the choice of voting for all of those other cuts indiscriminately, and some agencies that I think a lot of Senators support very much. I certainly do not want Superfund cut. I do not want VA medical care cut any more. It is a distasteful choice. But I had to choose between cutting revenue sharing and cutting

all of those other agencies within my budget.

I wanted to explain that so that everybody knew what the choices were. If the Durenberger amendment is adopted we will face a 2.4-percent cut across the board, which will harm everyone and will do an injustice to a lot of programs that an overwhelming majority of the Senators support.

Mr. DURENBERGER. Mr. President, I ask unanimous consent that I may be permitted to respond for 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DURENBERGER. Mr. President, the chairman of the committee has a difficult task which we have all acknowledged. But the issue is not whether or not my amendment is faithful to the budget resolution. My amendment is faithful to the first budget resolution we all adopted. It is not an alteration of that resolution. The first budget resolution contemplated the elimination of the General Revenue Sharing Program in fiscal 1987. When the resolution came to the Finance Committee, the authorizing committee, we met the reconciliation goal of $22.1 billion in spending reductions. We eliminated the General Revenue Sharing Program after fiscal 1986.

When it ended up in the Appropriations Committee where it had to compete with slower outlay programs than revenue sharing, or where it had to compete with allegedly politically popular programs, there was an alteration. Instead of taking 2.4 percent out across the board from all programs, as the Senator now suggests, they took 12.5 percent out of programs designed to meet the needs of people in townships, cities, and counties all over this country.

So I submit that is a question of whether you support that program, whether you support evenhandedness, and whether you support the budget resolution. I urge you to support the budget resolution. I urge you to support evenhandedness. I urge you to support general revenue sharing.

Mr. President, I move to table the motion and ask for the yeas and nays.

Mr. DOMENICI. Mr. President, will the distinguished——

The PRESIDING OFFICER. Is there a sufficient second?

Mr. DOMENICI. Mr. President, I ask unanimous consent that I be permitted to speak for 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, what the distinguished Senator proposes is that we reinstate the 12 percent cut in general revenue sharing. What he said about the budget resolution is true only to the extent that we made many assumptions in the resolution. As I have said, these assumptions are not binding on the appropriators. I have to say that the Appropriations Committee, under the leadership of Senator HATFIELD, has tried to make every one of the subcommittees come into compliance with the budget on both budget authority and outlays. As we are all aware, outlays create deficits, not budget authority.

The HUD Subcommittee was $800 million in outlays over the budget resolution. On their own motion today, they brought the bill into compliance with the resolution. To do that, they have taken cuts in Indian housing, HODAG, operating subsidies, CDBG, veterans medical care, Superfund, and others.

In addition, in order to reach a total reduction of $800 million in outlays, the subcommittee had to cut 12.5 percent from general revenue sharing.

My colleagues can vote to reinstate it. If they do reinstate it, this bill will be $571 million over the budget before we even go to conference with the House. That is the simple fact.

If someone has a better option than the chairman and the ranking member they should offer it. I do not have one. I have no alternative other than to tell my colleagues that we are putting the Appropriations Committee over the budget resolution by nearly $600 million. And we still have many more appropriations bills to consider.

If we bring spending down through across-the-board reductions, general revenue sharing will be included. It may not be a 12.5-percent reduction, but clearly, programs that are in need are going to be hurt as much as the cities. Veterans are going to be cut and cut dramatically. We have already cut veterans by $200 million from the Senate reported spending level.

Mr. President, I submit that our choices are real even if you do not like the notion of Gramm-Rudman, this is exactly why we need it.

Mr. DURENBERGER. Mr. President, I renew my motion to table and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Minnesota to table the motion of the Senator from Utah to reconsider the vote by which the Senate failed to table the Durenberger amendment. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Arizona [Mr. GOLDWATER], the Senator from Nevada [Mr. LAXALT], and the Senator from Maryland [Mr. MATHIAS] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Michigan [Mr. LEVIN] is absent because of death in the family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 57, nays 39—as follows:

[Rollcall Vote No. 228 Leg.]

YEAS—57

Abdnor	Glenn	Melcher
Andrews	Gore	Metzenbaum
Baucus	Grassley	Mitchell
Biden	Harkin	Moynihan
Bingaman	Hart	Murkowski
Boren	Hawkins	Nunn
Bumpers	Heflin	Packwood
Burdick	Heinz	Pell
Byrd	Hollings	Pressler
Chiles	Inouye	Pryor
Cohen	Johnston	Riegle
D'Amato	Kassebaum	Rockefeller
DeConcini	Kasten	Sarbanes
Denton	Kennedy	Sasser
Dixon	Kerry	Simon
Dodd	Lautenberg	Specter
Durenberger	Leahy	Stafford
Exon	Long	Wilson
Ford	Matsunaga	Zorinsky

NAYS—39

Armstrong	Garn	Proxmire
Bentsen	Gorton	Quayle
Boschwitz	Gramm	Roth
Bradley	Hatch	Rudman
Chafee	Hatfield	Simpson
Cochran	Hecht	Stennis
Cranston	Helms	Stevens
Danforth	Humphrey	Symms
Dole	Lugar	Thurmond
Domenici	Mattingly	Trible
Eagleton	McClure	Wallop
East	McConnell	Warner
Evans	Nickles	Weicker

NOT VOTING—4

Goldwater	Levin
Laxalt	Mathias

So the motion to lay on the table was agreed to.

Mr. GARN. Mr. President, I ask unanimous consent that the order for the yeas and nays on the Durenberger amendment be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment.

The amendment (No. 784) was agreed to.

Mr. DURENBERGER. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. GARN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 785

The PRESIDING OFFICER. The question is on agreeing to the Proxmire amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Arizona [Mr. GOLDWATER], the Senator from Nevada [Mr. LAXALT], and the Senator from Mary-

land [Mr. MATHIAS] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Michigan [Mr. LEVIN] is absent because of death in the family.

The PRESIDING OFFICER (Mr. DENTON). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 44, nays 52—as follows:

[Rollcall Vote No. 229 Leg.]

YEAS—44

Armstrong	Grassley	Pressler
Bentsen	Hatch	Proxmire
Boren	Hecht	Pryor
Boschwitz	Helms	Quayle
Cochran	Humphrey	Roth
Danforth	Kassebaum	Rudman
DeConcini	Kasten	Sasser
Denton	Long	Simpson
Dole	Lugar	Symms
Domenici	Mattingly	Thurmond
Durenberger	McClure	Trible
East	McConnell	Wallop
Exon	Murkowski	Warner
Garn	Nickles	Zorinsky
Gramm	Nunn	

NAYS—52

Abdnor	Ford	Melcher
Andrews	Glenn	Metzenbaum
Baucus	Gore	Mitchell
Biden	Gorton	Moynihan
Bingaman	Harkin	Packwood
Bradley	Hart	Pell
Bumpers	Hatfield	Riegle
Burdick	Hawkins	Rockefeller
Byrd	Heflin	Sarbanes
Chafee	Heinz	Simon
Chiles	Hollings	Specter
Cohen	Inouye	Stafford
Cranston	Johnston	Stennis
D'Amato	Kennedy	Stevens
Dixon	Kerry	Weicker
Dodd	Lautenberg	Wilson
Eagleton	Leahy	
Evans	Matsunaga	

NOT VOTING—4

Goldwater	Levin
Laxalt	Mathias

So the amendment (No. 785) was rejected.

Mr. GARN. Mr. President, I ask unanimous consent that the distinguished Senator from Mississippi be allowed to proceed to offer an amendment that is going to be accepted.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Mississippi is recognized.

AMENDMENT NO. 793

(Purpose: *To provide for the transfer to the government of the United States of the Mississippi Technology Transfer Center, and for other purposes*)

Mr. STENNIS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Mississippi [Mr. STENNIS] proposes an amendment numbered 793.

Mr. STENNIS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment reads as follows:

On page 31, insert the following immediately after line 7:

MISSISSIPPI TECHNOLOGY TRANSFER CENTER

(a) The Congress finds that—

(1) section 9 of Mississippi Senate Bill No. 2984, 1985 Regular Session, which became effective on July 1, 1985, provides appropriations for constructing, furnishing and equipping a building and related facilities, to be known as the Mississippi Technology Transfer Center, at the National Space Technologies Laboratories in Hancock County, Mississippi; and

(2) operation and maintenance of the Mississippi Technology Transfer Center by the Federal Government is in the national interest.

(b) The Administrator of the National Aeronautics and Space Administration may—

(1) enter into an agreement with the State of Mississippi by which title to the Mississippi Technology Transfer Center shall be transferred to the government of the United States and by which such Center shall be operated by the government of the United States;

(2) accept title to such Center on behalf of the government of the United States; and

(3) after title has been transferred under paragraph (2) of this subsection, operate and maintain such Center, subject to the availability of appropriations for such purposes.

(c) It is the sense of Congress that, to the extent practicable, the National Space Technology Laboratories should apply its existing reimbursement policies to occupants of such Center.

Mr. STENNIS. Mr. President, this is a simple amendment which involves no money and which has been cleared by the chairman and ranking member of the Appropriations Subcommittee, as well as the authorizing subcommitte which oversees the National Aeronautics and Space Administration.

Last spring the Mississippi Legislature passed, and the Governor signed into law, a bill which appropriates $4 million to construct, furnish, and equip a building of approximately 50,000 square feet to be known as the Mississippi Technology Transfer Center. The building, which is to be constructed at the National Space Technology Laboratories in Hancock County. MS, will house, among other things, the recently announced NASA Center for Commercial Development of Space Remote Sensing and the new Institute for Naval Oceanography.

Although the State of Mississippi is assuming the entire cost of construction, the legislature has provided that the building be turned over to NASA, to become a part of their facility. However, NASA's legal counsel has advised that their regulations will not allow them to accept the building without congressional approval. This is the single, simple intent of my amendment—to permit NASA to enter into an agreement with the State of Mississippi for acceptance of the building. NASA is in agreement with this action as is evidenced by this letter from Mr. Jerry Hlass, Director of the National Space Technology Laboratories to the Governor of Mississippi.

I hope that there are no objections to my amendment and that it can be accepted as a part of the bill.

Mr. GARN. Mr. President, the amendment has been agreed to by both the minority and the majority sides.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Mississippi [Mr. STENNIS].

The amendment (No. 793) was agreed to.

Mr. GARN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. STENNIS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

RECOGNITION OF SENATOR WALLOP

The PRESIDING OFFICER. Under the previous order, the Senator from Wyoming, [Mr. WALLOP], is recognized.

Mr. WALLOP. Mr. President, I thank the Chair.

ABM TREATY

Mr. WALLOP. Mr. President, I have asked for time this afternoon, along with others of my colleagues, to express our dismay that the President of the United States has signed a national security directive which, basically, devises for his country and ours the very double standard he said he would never subscribe to. This is the interpretation of the ABM Treaty which makes it possible for us legally, within the bounds of that treaty, to proceed with the design, the research, the development, and the testing of ABM systems of new physical principles.

Some have quarreled with the idea as to whether or not there is validity in that new interpretation. We have for years followed one of the world's great oxymoron conventional wisdoms. We listened to Gerard Smith ramble on about what it said without realizing that what it said was what was written in the treaty and backed up by a negotiating record and presented in the testimony of that same Gerard Smith and others to the Senate of the United States.

Let me read to you a statement that he made in response to a question from Senator AIKEN before the Foreign Relations Committee in June 1972.

"Senator Aiken, I think it is an entirely different problem with respect to the use of lasers to help guide offensive missiles and, from their use, to guide defensive missiles. But we have

covered this concern of yours in this treaty by prohibiting the deployment"—not the research and development and testing—"the deployment of future type technology. Unless the treaty is amended," the Ambassador goes on to say, "both sides can only deploy launchers and interceptors and radars. There are no inhibitions on modernizing this type of technology except that it cannot be deployed in mobile land-based or space-based or sea-based or air-based configurations. But the laser concern was considered and both sides have agreed that they will not deploy future type ABM technology unless the treaty is amended."

In meeting with some of those opposing the new interpretation, I have confronted them on the Soviet test in June 1982, in which the full command and control techniques and technologies of the Soviet Union for ABM and Asat were tested over a week's period. The answer of the arms controllers has been that that was an ATBM and it is irrelevant to the ABM Treaty. An ATBM, or antitactical ballistic missile, against which the Soviets tested their ABM systems has the same penetration characteristics, flight speeds, and other characteristics, of America's sea-launched ballistic missiles. It is, in fact, a ballistic missile defense and, call it antitactical ballistic missiles, whatever you wish, it is irrelevant to the safety of the American people that these ex-arms controllers can draw a distinction between tactical ballistic missiles and tell Americans to roll over and go to sleep, you are still secure.

As one who first publicly supported a transition to defense in our strategic planning and operations, I have argued for years, Mr. President, that the actual words of the ABM Treaty permit the creation of ABM systems based on other physical principles. And the record shows that in 1972 when our negotiators tried to get it more specific, the Soviets rejected it again and again and again; over months, they rejected it.

So we came home and told ourselves that we had achieved something that we had not. Or in fact we did not tell ourselves any such thing. We told ourselves we had achieved what we had achieved and allowed subsequent commentary to guide us. I believe if you look at the record—and the presentations of Ambassador Smith and others—of the Senate of the United States, there never, ever was the slightest hint that we would be prohibited from moving on. Indeed, the Soviets themselves said that very thing.

There was a response that Ambassador Smith made to Senator Cooper which is as follows: "Well, I think, Senator Cooper, the Soviet Union made it very clear throughout this negotiation that their modernization program should not be interfered with." The recent reevaluation of the treaty by the administration has confirmed a view which I have espoused in the Senate since 1978. The administration announced that it was their view "based on a careful analysis of the treaty text of the negotiating record that a broader interpretation of our authority is fully justified." And in the memorandum they say the same thing. But in the memorandum they also say that we will be bound by a narrower interpretation of a treaty but the Soviets are not bound by that same interpretation.

This is the President who said that we would not have a double standard prescribing for Americans a different standard than for our enemies. This is in the face of a hope which he correctly created in our minds that we could—if we focused our minds, technology, and research—be defended. And it is a moral and just concept of a moral and just President that our money be spent on the things which do not kill people but defend us against the things which kill people. The technology exists.

Those of us who have taken time to study the architecture of such systems, and who have taken time to study the contemporary state of technology of such systems know that it is within the reach of the American people to have such a protection. Will it be perfect? No. Who has suggested that it might be? No one. Will it restore deterrence? Of course, it will by doing the one thing that is lacking in our strategic arsenal right now; that is, the ability to put doubts in the minds of the Soviet planners as to their ability to succeed should it be their desire, God forbid, to initiate nuclear war.

We cannot deter it now. And the new Soviet arms proposals would make us less able to deter it, and yet we find ourselves now bound by a traditional view of a treaty that is not substantiated, first, in the words of the treaty; second, in the negotiating record; and, third, in the presentation of that very treaty to the Senate of the United States. For those who claim that it was and now is simply to perpetrate a fraud on the American people.

Given that Secretary Shultz said on Monday that interpretation, the new interpretation, was a moot point, he then said:

> Our SDI research program has been structured and will continue to be conducted in accordance with the restrictive interpretation of the treaty's obligation.

Such a course does not bode well for our strategic programs. The President's administration has certainly gone more than one extra mile to make sure that not one program, not one penny of the defense budget is being spent to produce or develop any antimissile weapon or any possible component of any antimissile system. The SDI office has with the programs it took over scrupulously purged those previously existing elements that might be used in the foreseeable future to challenge the Soviet Union's ability to deliver nuclear weapons upon the United States or its allies. The list of near term weapons and their components that have been put off or downgraded is long and is instructive of what we could be—but are not—doing to protect ourselves. This is total self-denial, and a review of the treaty text and negotiating record will show it is not required by the treaty.

One need only look at the things that the Soviets are doing which our arms controllers do not, and rightly so—consider violations. Five out of the six large modern phased array battle management radars are perfectly legal as is the seventh even more capable radar at Pushkino. Why? Krasnoyarsk is a violation and that violation is virtually irrelevant to us because it is only the last of the ring of command and control—very handy, very useful but not the critical element in all of this. But the critical element is that the United States is surrounded by a growing threat of a Soviet Union which can protect itself and has ability to deliver death and destruction upon the United States, prevent our ability to retaliate, and thereafter to deter us from even contemplating such an act.

The mass production of the other components of the ground-based ABM system, the flat twin engagement radar, the SA-4, the SA-8 interceptors—all easily transportable—does not violate any part of the ABM Treaty nor do we claim it to. They do it but we say a restrictive interpretation tells us we cannot do the same thing, nor will we. The mass production of the mobile SA-12 system which is very effective against the mainstay of our retaliatory forces, the sea-launched ballistic missiles, transcends the ABM Treaty because the system performs both antiaircraft and antimissile functions in the same mode. At least none of the officials who have blocked us from even considering such a system for ourselves have suggested that the Soviet's mass production of these components violates the treaty. Mass production—not the design and testing of them—we do not claim violates the treaty because it does not. We only claim that it prevents us from doing the same thing in behalf of our own population.

The intelligence community tells us about the Soviet's massive building program associated with strategic defense. Since no one in the administration is calling these things violations we must presume that they are not or do not consider them to be. We are not even mentioning the development of rapidly reloadable launchers equipped

with who knows how many SA-8's around Moscow. This is a tiny part of the problem compared with the open production lines that keep on disgorging equipment. Even if we do not consider these activities together with the ones with which the administration has called violations they add up to an approach in the Soviet Union to the ABM Treaty which is diametrically opposed to the purist "extra mile" approach that this administration is pursuing. As Ambassador Nitze and countless other spokesmen have explained, the intention of American arms controllers who negotiated the ABM Treaty was to abolish defenses against missiles. This administration is adhering integrally to this stated original intention of American arms controllers, even more than to the treaty's legal terms. They did not get what they intended to get when they negotiated the treaty. And now they get it for having said it for 12 years, even though we cannot, and will not, call the same activities on the part of the Soviet Union a violation.

So the double standard is complete, Mr. President. The enthusiastic supporters of the concept of doing something at last had hopes of providing some protection to the American people. Since 1978 I have advocated this as a moral way for our country to go as well as an effective way for our country to go. By and large, it has been gradually accepted that there is truth in this. The supporters create a hope, give speeches, and say to the American people, "We can provide you with protection if you will fund it."

Now we are saying we will not. We are going to design a program to test rifles that may or may not shoot because we never take them off the drawing board until the day we build them. I weep for this day because it is not for lack of a technical capability that we are able to go out and provide for protection of the American people; it is for a lack of will. That lack of will endangers the peace and security of the world, of Europe, but more importantly it endangers this country and its people when they need not be.

As a narrow interpretation, is it the double standard that the President says he stands for? It is not one that has been insisted upon.

Mr. President, as my time draws to a close, I, as the original supporter of this program and still an advocate, must carefully consider whether there is any point in my voting for future funding for a program that is so constrictive as to be ineffective, incapable of dealing with the future needs of the defense of the American people.

Perhaps if we go back and spend the money on new missiles and not on protection, and embrace the doctrine of mutual assured destruction, which the Soviets have not embraced. I do not know what we do, except to realize we have been put in harm's way by a decision which is not required by the judgments of international law, not required by the commitments of the people of the United States, and not required by the ratifications of Senators and the signatures of Presidents.

The PRESIDING OFFICER. The Senator has 3 minutes to speak under the special order.

Mr. WALLOP. Mr. President, this Senator is prepared to yield at this point. I will also ask, since the Senator from Utah [Mr. HATCH] is unable to be here, that this time be yielded to the Senator from Idaho [Mr. MCCLURE].

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR QUAYLE

Under the previous order, the Senator from Indiana [Mr. QUAYLE] is recognized for not to exceed 15 minutes.

Mr. QUAYLE. Mr. President, it is with great reluctance that I join my colleague from Wyoming in expressing strong dismay at the recent policy decision of our administration concerning the ABM Treaty. I am not reluctant to join my good friend from Wyoming because I join him on national security matters almost all the time, but I guess we would prefer to have intramural squabbling with my administration be kept within the family and not have to have public pronouncements and get out and air the dirty linen.

I would always prefer to keep it that way. My style is to work in that fashion.

However, every once in a while issues come along that are so important that you have to make an exception to the way you prefer to conduct business.

This unfortunately is one of those occasions, Mr. President. This will not be the first time nor will it be the last time that we will be discussing the ABM Treaty and its implications here on the floor of the Senate. It will not be the last time that the administration will be forced to make the legal interpretations or policy determinations of this treaty as relates to the strategic defense issue.

But I believe that in the last couple of weeks transactions have been so convoluted that those of us who have been the strongest supporters of this administration, the strongest supporters of the strategic defense initiative [SDI], are going to have to take our case to the American people that the policy determination of this last week to restrict SDI testing and development is fundamentally wrong.

Ironically, the administration is absolutely right—absolutely correct—in its legal interpretation of how the ABM Treaty applies to the strategic defense initiative. It is correct in its interpretation of agreed statement D which covers the development of advanced ABM systems based on physical principles other than those associated with conventional ABM systems current in the year 1972. What agreed statement D allows as the administration rightly notes is not only laboratory research of advanced space, sea, air, and land-based mobile strategic defenses but field testing of full-scale prototypes of these systems as well.

Further, it says that if we are going to have deployment of these capabilities, there must be further discussion.

This is proper interpretation, one that the State Department, the Department of Defense, the National Security Council, and the President all agree to. There is no dispute in the administration family upon this legal interpretation.

But what is at dispute is, will our policy and the SDI testing and development program be predicated upon a rightful interpretation of the ABM Treaty and how it relates to SDI?

The current policy is that we will not do what the ABM Treaty clearly allows us to do in the way of research, development, and testing.

Our policy, apparently, will be, as the Secretary of State said in San Francisco, one that will restrict SDI systems development just to research within the laboratory; a restrictive policy that will prevent the United States to go forward with SDI as it should.

Mr. President, what this is is the beginning of the chipping away of SDI in this country.

Many people have opposed SDI. Many people like the Senator from Wyoming and the Senator from Indiana have strongly supported it. It is a little bit of an ironic twist that the real beginning of this chipping away of support for SDI happens to also come from those who support SDI, in this case the administration. But the administration is not going to be able to have it both ways. The administration is going to have to come to grips with that I think is a misapplication of its legal understanding of the ABM Treaty and, hopefully, redefine and rethink what its restrictive testing and development policy means.

I believe what the administration has said, what this President has said, and what this Senator has said, that the strategic defense initiative is within our national interest; that it is a hope for the future; that the SDI Program, in fact, is going to perhaps bring a new balance to the strategic forces that we have compared to the Soviet Union.

The President's SDI Program injects the idea of our having defensive capabilities. Why should we not have defensive capabilities? Why do we always have to rely on offensive capabilities—the hair-trigger ICBM's that are not defended, that encourage such a destabilizing climate?

Yes, Mr. President, I agree that SDI is important and is in our national interest. The President has also said that SDI is not a bargaining chip, that we are not going to negotiate this away at Geneva—no way is this a bargaining chip. It should not be a bargaining chip. If SDI proves out, as we think it will, it will provide technology in a defensive capability that we will want to have, that our allies will want to have, and that eventually—that the Soviet Union already has and will have—and it will provide for a more stable geopolitical situation.

This is not a bargaining chip. Yet the administration's current policy of restricting SDI research and development testing has already given a good chunk of SDI away. It makes us look like fools. We have not gotten to Geneva yet and here we are, unilaterally making these restrictive decisions, by ourselves, on a treaty that the Soviets violate. There is no doubt in anybody's mind that the Krasnoyarsk phased array radar is a violation of the ABM Treaty. Yet we come up with a policy that says that we could test SDI systems more aggressively under the treaty, but as a matter of policy, we are going to restrict our development and field testing of SDI systems and component prototypes.

I ask Members of this Chamber, if the administration thinks the Soviets will impose such a restrictive interpretation of what is permitted by the treaty on themselves. Nonsense, nonsense: that is what this policy is, in my opinion.

Mr. President, unfortunately, this is now the policy of this administration. But I, as will the Senator from Wyoming, am already working very hard to get an understanding and perhaps to get a different policy than what I believe that policy is today.

We will be working for this on this floor, I personally shall be working in the Armed Services Committee to see what in fact can be done about getting a different policy understanding of this restrictive interpretation of the ABM Treaty and its relationship to SDI. As a person who has supported SDI and as a person who will continue to support SDI, its research, its testing, and its development until we have the technology to make the determination of whether we are going to go to deployment, I shall continue to strengthen the administration's policy concerning SDI testing and development. But if I am thwarted and if others and I are denied the possibility of going forward with SDI as we think it should go forward—which is the best capability that the West has in providing for deterrence, stability, and peace—then I, along with others, shall be forced to reconsider what we should be doing with SDI under a very restrictive policy decision.

Mr. GORE. Mr. President, will the Senator yield?

Mr. QUAYLE. I am glad to yield to my friend.

Mr. GORE. I appreciate the Senator's courtesy. Normally, we do not have special orders during the day, but I happen to agree that this subject is so important, it should receive some time on the floor.

As the Senator knows, my views on this matter are different from his, but because it is the middle of the day and the subject is being aired, I wonder if it might be appropriate and if the Senator will yield for just a few minutes for the other side to be presented—and I shall be very brief on this. Personally, I believe, as do many others—did the Senator wish to interject?

Mr. QUAYLE. Mr. President, I shall give 1 or 2 minutes and that is about it. The other side has been heard amply on this question, in my opinion. If the Senator wants 1 or 2 minutes of this time, he is welcome, but he will have to go on somebody else's time.

The PRESIDING OFFICER. The Senator from Indiana is informed that he has 1 minute left.

Mr. QUAYLE. I have 1 minute left. Maybe somebody else will be able to yield a couple of minutes. The other side, I think, has been and will be heard amply.

Mr. GORE. Not in this debate, Mr. President, but I understand the Senator's position.

Mr. QUAYLE. Mr. President, to conclude, again, the administration took a very positive step forward in its legal interpretation of what the ABM Treaty permits. It is a right interpretation and it goes against the policies that were based on the incorrect interpretation of the past. In fact, we found out, by going back and reading the record, that it was the United States that wanted to prohibit future technologies, emerging technologies, and other things, but that the Soviets rejected our proposed bans on future ABM systems out of hand. That is where agreed statement D comes into effect. Agreed statement D clearly allows the research, the testing, and the development of advanced ABM systems.

Since that is what it allows and since we are going to comply with the ABM Treaty, our policy ought to reflect that interpretation. Unfortunately, our policy does not reflect that interpretation. So this issue will not go away. It will be with us. We shall debate it, I am sure, a lot this fall. The Senator from Tennessee and others will be joining in from time to time. We shall welcome the debate in the spirit of competition of ideas and the cordiality that we will, in fact, extend throughout the debate.

The PRESIDING OFFICER. Under the previous order, the Senator from Idaho [Mr. McCLURE] is recognized for 15 minutes.

Mr. GORE. Mr. President, will the Senator yield briefly?

Mr. McCLURE. Mr. President, how much time does the Senator want?

Mr. GORE. I ask the Chair if it is in order to ask unanimous consent to proceed for 5 minutes. That is not very long. We have had ample airing of some views. We are going to hear others. Yet there is another side to this. Would it be in order for me to ask unanimous consent to be able to speak for 5 minutes at this time?

The PRESIDING OFFICER. Any unanimous consent is in order. However, by previous unanimous consent, we have allotted 15 minutes to four speakers, the third of which is about to commence for 15 minutes. So the Senator may pose a unanimous-consent request.

Mr. McCLURE. I wonder if the Senator will withhold that because I think the leadership established this time with the expectation that it will be limited to 1 hour and displaced another matter. Perhaps the Senator will have an opportunity to find out if the leadership has objection. I shall have no objection as long as it is not charged to my time.

Mr. GORE. Mr. President, I ask unanimous consent that I be allowed to speak for 2 minutes at this time.

Mr. McCLURE. Mr. President, a parliamentary inquiry and reserving my right to object, that will not be charged against my time?

The PRESIDING OFFICER. That is correct. If there is no objection.

The Senator from Utah.

Mr. GARN. Mr. President, I am not involved in this discussion. I have not even been listening to it. But normal procedure on special orders is that they are ordered for that purpose, to give Senators 15 minutes of uninterrupted time. Any Senator can request any time he wants for any day and it is granted. This is going to come right in the middle of the HUD bill. I am going to object.

It is nothing personal against the Senator from Tennessee. We have to get back to the HUD bill and finish it today. I was promised when this section was put in that we would immediately go back to it and I therefore object to any extension of time to anybody, with the importance of getting the appropriations bill passed. I object.

Mr. GORE. Will the Senator from Idaho yield?

Mr. McCLURE. Mr. President, I thank the Senator from Utah. I say to my friend from Tennessee that if I cannot yield at this time, we shall see if, at the termination, there is any time.

Mr. GORE. Will the Senator yield 1 minute for a briefest hint from the

other side of this question which is being debated at such length in the middle of the day?

Mr. McCLURE. Excuse me; I did not understand the question.

Mr. GORE. Will the Senator yield for 1 minute?

Mr. McCLURE. I will yield 1 minute of my time to the Senator from Tennessee.

Mr. GORE. I appreciate the Senator's courtesy. I know his time is limited and I agree with the Senator from Utah that this procedure is unusual, but I think the record should reflect that the majority opinion is an opinion expressed by administrations of both parties for 13 years, including this administration up until very recently. The proposed reinterpretation of the ABM Treaty is in my view totally and completely preposterous. Article III limits ABM systems to land-based, fixed systems, article V prevents development, testing, or deployment of sea-based, air-based space-based or mobile land-based ABM systems or components thereof, and agreed statement D, which specifically references article III in its language, was designed to deal with the potential for high-energy lasers being used in fixed, land-based ABM sites. It was intended to plug a loophole, not to open up a Grand Canyon; otherwise the interpretation would have to be that we are prevented from space-based ABM systems with the technology of 1972 but space-based systems with all other kinds of new technology are perfectly legal. That is preposterous.

The PRESIDING OFFICER. The Senator's 1 minute is up.

Mr. GORE. I thank my colleague for yielding.

Mr. McCLURE. The Senator from Tennessee is certainly entitled to his opinion as to what the language is or ought to be, but I certainly reject out of hand the notion that it is preposterous to arrive at a correct interpretation of a treaty language that is fully supported by the treaty and by all of the negotiating history. As a matter of fact, that is not primarily what I intend to talk about, nor will I shift my emphasis primarily to that point, but I think it would be preposterous of us to assume that the reevaluation, the reading of the history that sheds a correct light on treaty interpretation is an erroneous exercise. As a matter of fact, that study has been going on for weeks and months, and the people who made the study have gone back and read every word of the negotiating history, which I doubt very much the Senator from Tennessee has done, and they arrived at the conclusion, after that exhaustive review that, indeed, we had been laboring under a misapprehension for 12 years. I mention that primarily because it was raised by others here, but also because I think it is important for us to recognize one of the pitfalls of the negotiating process; that those who negotiate sometimes try to get a provision which is rejected and they so badly wanted it to be there that they then interpret the language to mean what they desired it to mean. I think the history is crystal clear that it is precisely what happened in this instance; they desired to have a limitation which was not possible to obtain by negotiation, so they represented to us and the American people, they represented to the Senate in the ratification, that it expressed what they wanted it to express, not what it did express.

I agree with my distinguished friend from Indiana that it makes no sense at all for us to have correctly interpreted the document and then restrain our program based upon an erroneous interpretation.

Mr. WALLOP. Will my friend yield for one observation?

Mr. McCLURE. I will be happy to yield to my friend from Wyoming.

Mr. WALLOP. I think not only the negotiating record but the presentation to the Senate as well will show that it did not contain these constraints that the traditional interpretation has held. Some did but most did not, and most quite carefully did not. It was only after the books started coming out that the new interpretation which has bound us these years became conventional wisdom.

Mr. McCLURE. I thank the Senator for that addition. I think it is somewhat doubtful as to what is really intended by the administration at this time. I suspect what we are witnessing is an internal struggle within the administration for contesting points of view. The administration is made up of many people, not just one. We elect the President and he selects people to be around him, and those people do not always have identical points of view with each other or with the President. When the President is confronted with a decision that he has to make, he chooses a position and enunciates it. I think there is some ambiguity—it may be artful and it may be inadvertent, but there is an ambiguity now as to the administration's position. I share fully with my friend from Indiana the determination to make certain that this argument is settled in an appropriate way that allows us to develop the SDI along the lines the President has outlined to us and which has gained the support of so many people in this body and across the country.

The President reaffirmed in an appearance in Boise, ID, on Tuesday, that SDI is not negotiable, it is not at Geneva on the tables, it will not be negotiated away, and it is his full intention to proceed with the development of the system. Later that day, in Milwaukee, WI, he said the same thing. That was on Tuesday of this week after the other events which occurred over the last 2 weeks took place. So whatever else may be said, the President of the United States—I believe he still is the President—and I believe he was elected by the American public, and he is the head of this administration in spite of the disagreements that others may have with him—says we are going to develop an SDI system.

Now, that term may be ambiguous and there will be those who contest that development means only research, the laboratory work that sometimes is culminated by computer printouts. I suspect the Soviet Union is very, very impressed by computer printouts; they try to get our computers all the time. I suspect that they would be initimidated by the research, but I suspect they would have more respect for hardware. And there will be others within the administration and outside like the Senator from Idaho who will argue that there is no development unless you test the hardware. You cannot depend just on laboratory work, and I for one would question very seriously the expenditure of millions upon millions of dollars for research within laboratories that produce nothing but computer analyses. I am not at all convinced, as I stand here today, that the expenditure of millions of dollars is justified that does nothing more than provide the scientific background for the development of a system. I do not believe that the term "development" as appropriately interpreted could possibly mean just the laboratory work. As important as the laboratories are, as learned as the scientists are, as impressive as their technology might be in terms of concepts, there is no program until there has been some hardware developed, and there is no program developed until there is some testing of that hardware.

And so, Mr. President, there is the ambiguity which must still be tested, and that ambiguity must be resolved. And it is not enough to say, "Well, we would not be ready to deploy a system for several years. We could make that decision then. There will not be systems to test for several years, and therefore we should not decide it now." For some of us, it is essential to decide that now, before we commit millions of dollars to what otherwise might be a futile gesture of employing scientists and deploying nothing, of gaining nothing other than making work for bright Ph.D.'s. I submit that the millions of dollars that might be spent could well be wasted if that is all we do.

So I commend the Senator from Wyoming and the Senator from Indiana for the lead they have taken not only in this discussion today but also in the discussion earlier. It is a serious

matter, and I think it is important for us to understand the seriousness; because I believe it is moral for us to erect defenses, that it is proper for us to be able to have a President of the United States say, "I will defend our people by keeping them from being killed," rather than saying that his only option is, "I will defend my people by killing millions of defenseless people in another country."

Whatever "mutual assured destruction" may have meant at the outset, it is a doctrine whose day has gone. It has served us well. It has perhaps preserved the peace. But it has not deterred the arms buildup.

If you look at the treaty negotiations, if you look at the treaties as negotiated and ratified or not ratified by this body, if you look at the constraints or the activities in armaments since the treaties were adopted, that has not stopped the arms race.

The treaties and the doctrine have not deterred the continual exponential increase in the number of nuclear weapons that are in this world today which can be targeted and used. It has prevented us from developing any alternative. It has said: "This is enough. No shield; no defense. Our people are hostage to your threat; your people are hostage to ours. You kill our millions; we will kill your millions." That balance of terror which was supposed to have constrained aggressive actions, has allowed the most massive weapons buildup in the history of mankind.

It is time for us to say that although that may have been honored during this period and it may have succeeded during this period, it is not succeeding anymore and it will not succeed in the future.

We have to find a way to limit the growth and proliferation of nuclear weapons, not guarantee that they are the only weapons available for the defense of mankind by destroying mankind.

I think it is moral for us to seek a way to abort this constant increase in the number of nuclear weapons and their capacity to kill people. I think it is a legitimate debate.

As to the people who are on the other side of the debate, I think it is incumbent on them to show why it is wrong to prevent the killing of millions of people, rather than expose millions of people to that destruction. That is why I say that the ambiguity which has been now erected about SDI in the interpretation of the ABM Treaty is absolutely fundamental to our decision to move forward. I do not see how it is possible for us to say that we are going to abandon the moral principle of developing a defense, but we will not decide that now. For us to say that we are embarked upon a change of strategy and then have no change in strategy at all seems to me to be an anomaly that falls of its own weight.

For that reason, I and others will question, properly question, what that ambiguity means and seek to have that ambiguity resolved in a way which will allow us to do the scientific work, to develop and test that scientific work and those systems, short of deployment. That is what the interpretation of the ABM Treaty means today.

Finally, Mr. President, I think it is important for us, as we look at that, to keep in mind the lessons that are inherent in the negotiations and the interpretation of the meaning of language that may be in those bills. It is important for us to recognize both the strengths and the limitations of the negotiating and the treaty processes, and we should not be naive about where we are. We should recognize the trap that can be set if we are not very careful in the implementation of treaties that were negotiated some years ago, and we should be very willing to analyze both treaties and their implications for the world in which we live. That is particularly true of the ABM Treaty.

SALT I and SALT II, whatever their strengths or weaknesses, were time limited—unwisely, I think. Congress and the administration have failed to recognize the time limitations of those treaties. But the ABM Treaty was intended to be in force until changed.

Finally, we should look, too, at what I think the President very properly enunciated as proportionate response to Soviet treaty violations—not total abrogation of the treaties, but a response that is necessary to correspond to the increased threat to our national security because of violations by the other side. If, as a matter of fact—and I believe it is a fact—Soviet treaty violations have threatened our security in this field, we should not be constrained by the letter of the treaty, let alone an erroneous interpretation of the treaty. I think we are entitled to defend ourselves.

The PRESIDING OFFICER. The time of the Senator has expired.

The Senator from North Carolina is recognized.

Mr. HELMS. Mr. President, the distinguished Senator from Utah indicates that he has a very tight schedule and would like to speak now, but that would consume the remainder of the time allotted.

On the presumption that I may be able to get unanimous consent, which I will clear with the majority leader, I will defer to the Senator from Utah and let him take the next 15 minutes.

The PRESIDING OFFICER. The Chair inquires whether the Senator from North Carolina is yielding his time on the presumption that there will be a unanimous-consent agreement.

Mr. HELMS. Yes, the Chair is correct.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I do not intend to take all the Senator's time.

I am extremely concerned about events which have occurred over the last couple of weeks—the back-and-forth maneuverings within the White House and back-and-forth changes of position by the White House, the State Department, the Defense Department, and others.

Mr. President, we are talking about the survival of our country. We are talking about strength at the bargaining table. We are talking about one of the most important initiatives this country has ever offered, that any President has ever offered.

I suggest that those of my colleagues who are taking this time today feel very strongly about what has been happening and about the restrictive approaches that this administration announced this past week it has taken with regard to the ABM Treaty—therefore, the restrictive approach they are taking toward the strategic defense initiative. We are all very concerned about that.

Mr. President, ever since the dawn of the nuclear age, people all over the world have been living with the ever-increasing fear of a nuclear holocaust. We have been living with the immoral strategy of two scorpions in a bottle, each deterred from stinging the other for fear that he will die in a counterstring. This strategy of mutual assured destruction, or MAD, is not only mad, based as it is on the threat of mutual suicide, it is worse than mad because it requires an ever more expensive, ever larger stockpile of nuclear weapons and nuclear missiles to make it work.

In March 1983, President Reagan outlined a bold plan designed to put an end to the nuclear threat that has hung over our heads since the end of World War II. The President explained his plan to the American people in the following words: "What if free people could live secure in the knowledge that their security did not rest upon the threat of instant U.S. retaliation to deter a Soviet attack, that we could intercept and destroy strategic ballistic missiles before they reached our own soil or that of our allies?"

The strategic defense initiative is the first essential step toward the realization of the President's ultimate goal. The SDI is a research program designed to examine the promise of effective defenses against ballistic missiles based on new and emerging technologies. The purpose of developing a spaced-based anti-ballistic-missile program is to render nuclear weapons obsolete. Many people have criticized this new plan. They say it cannot be

done. They say the technology does not exist yet. They say it will cost too much. But the critics must not know something that we members of the Senate Intelligence Committee know and that the Soviet Union knows. Look how worried the Soviets are. It has brought them back to Geneva to the arms control talks. It has brought them to agree to a summit with President Reagan. It has caused them to propose in Geneva a 50-percent reduction in nuclear weapons, one of the most dramatic moves the Soviets have ever made in the arms control talks. The Soviets are consumed by SDI. It is all they are talking about.

Significantly, while the strategic defense initiative has been under sharp attack, the Soviets' own strategic defense development program—which has been online for decades—has been relatively unnoticed. In the past 20 years, the Soviets have spent about as much on strategic defense—including missile defense, civil defense, and air defense—as they have spent on strategic offense. According to a recent publication coauthored by Secretaries Weinberger and Shultz, important Soviet activities in developing a system of strategic defense include:

Upgrading and expansion of the world's only operational antiballistic-missile [ABM] system around Moscow; construction of the Krasnoyarsk ballistic missile detection and tracking radar that violates the 1972 ABM Treaty; maintenance of the world's only operational antisatellite [ASAT] system; modernization of their strategic air defense forces; improvements in their passive defenses by maintaining deep bunkers and blast shelters for key personnel, and enhancing the survivability of some offensive systems through mobility and hardening; and, extensive research into advanced technologies for defense against ballistic missiles including laser weapons, particle beam weapons, and kinetic energy weapons.

Mr. President, as Secretary Shultz recently pointed out, the Soviets' own research efforts into SDI technologies such as high-energy lasers, particle-beam, radio frequency weapons, and kinetic energy weapons, long antedate our own. In fact, some of the Soviet scientists most active in signing declarations against our SDI Program are themselves leading the Soviet military research in the same technologies. It is clear that the Soviets' objective is to restrict our efforts to develop an anti-ballistic-missile defense system while they continue to develop their own version of star wars.

At this point, Mr. President, I ask unanimous consent that the pamphlet I referred to, entitled "Soviet Strategic Defense Programs," be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SOVIET STRATEGIC DEFENSE PROGRAMS

(Graphs and charts mentioned in article are not reproducible for the RECORD.)

PREFACE

In March 1983, President Reagan presented a dramatic new vision of a world in which we would no longer have to depend on nuclear weapons to prevent nuclear conflict. He presented that vision, and that challenge, in this way:

What if free people could live secure in the knowledge that their security did not rest upon the threat of instant U.S. retaliation to deter a Soviet attack, that we could intercept and destroy strategic ballistic missiles before they reached our own soil or that of our allies?

The Strategic Defense Initiative (SDI), which the President announced that night, marks the first, essential step toward the realization of his ultimate goal. The SDI is a research program, designed to examine the promise of effective defenses against ballistic missiles based on new and emerging technologies. If such defenses prove feasible, they would provide for a more stable and secure method of preventing war in the future, through the increasing contribution of non-nuclear defenses which threaten no one.

The Strategic Defense Initiative has been the subject of much discussion within the United States and allied countries since its initiation. Such exchanges are essential in our free societies and can only help ensure that the vision behind the research program can be achieved. There has been comparatively little public discussion, however, about the trend in Soviet defensive as well as offensive forces which provides the essential backdrop to the SDI. Indeed, the Soviet Union has intentionally tried to mislead the public about its strategic defense activities.

As this publication documents, Soviet efforts in most phases of strategic defense have long been far more extensive than those of the United States. The USSR has major passive defense programs, designed to protect important assets from attack. It also has extensive active defense systems, which utilize weapons systems to protect national territory, military forces, or key assets. Soviet developments in the area of active defenses fall into three major categories: air defense; ballistic missile defense based on current technologies; and research and development on advanced defenses against ballistic missiles.

Important recent Soviet activities in strategic defenses include:

Upgrading and expansion of the world's only operational Anti-Ballistic Missile (ABM) system around Moscow;

Construction of the Krasnoyarsk ballistic missile detection and tracking radar that violates the 1972 ABM Treaty.

Extensive research into advanced technologies for defense against ballistic missiles including weapons, particle beam weapons, and kinetic energy weapons;

Maintenance of the world's only operational antisatellite (ASAT) system;

Modernization of their strategic air defense forces; and

Improvements in their passive defenses by maintaining deep bunkers and blast shelters for key personnel, and enhancing the survivability of some offensive systems through mobility and hardening.

The following pages examine in detail Soviet programs in defenses against ballistic missiles, air defense, and passive defense. A summary of key Soviet offensive force developments is presented in the annex to this document, since those are critical to an understanding of the impact of Soviet strategic defense programs. Soviet offensive forces are designed to be able to limit severely U.S. and allied capability to retaliate against attack. Soviet defensive systems in turn are designed to prevent those retaliatory forces which did survive an attack from destroying Soviet targets.

Given the long-term trend in Soviet offensive and defensive developments, the United States must act in three main areas to maintain security and stability both in the near term and in the future.

First, we must modernize our offensive nuclear forces in order to ensure the essential military balance in the near term, and to provide the incentives necessary for the Soviet Union to join us in negotiating significant, equitable, and verifiable nuclear arms reductions.

Second, we must act now to start constructing a more reliable strategic order for the long term by examining the potential for future effective defenses against ballistic missiles. The Strategic Defense Initiative is a prudent and necessary response to the ongoing extensive Soviet anti-ballistic missile effort, including the existing Soviet deployments permitted under the ABM Treaty. The SDI provides a necessary and powerful deterrent to any near-term Soviet decision to expand rapidly its ABM capability beyond that permitted by the ABM Treaty. The overriding importance of the Strategic Defense Initiative, however, is the promise it offers of moving to a better, more stable basis for deterrence in the future and of providing new and compelling incentives to the Soviet Union to agree to progressively deeper negotiated reduction in offensive nuclear arms.

The third approach is one of negotiation and diplomacy. We are even now looking forward to a transition to a more stable world, with greatly reduced levels of nuclear arms an denhanced ability to deter war based upon the increasing contribution of non-nuclear defenses against offensive nuclear arms. Toward those ends, we are endeavoring at the negotiations in Geneva to achieve significant, equitable, and verifiable reductions in existing nuclear arsenals and to discuss with the Soviets the relationship between offensive and defensive forces and the possibility of a future transition to a more defense-reliant deterrence.

CASPAR W. WEINBERGER,
Secretary of Defense.
GEORGE P. SHULTZ,
Secretary of State.

INTRODUCTION

In the late 1960s, given the state of defensive technology at the time, the United States came to believe that deterrence could best be assured if each side were able to maintain the ability to threaten retaliation against any attack and thereby impose on an aggressor costs that were clearly beyond any potential gains. That concept called for a reduction by both the Soviet Union and the United States in their strategic defensive forces, the maintenance of a balance between the two sides' offensive nuclear forces, and negotiated nuclear arms reductions which would maintain the balance at progressively lower levels.

In accordance with those principles, the United States exercised great restraint in offensive nuclear arms and at the same time dramatically lowered its defensive forces. Thus, we removed most of our defenses against Soviet bombers; decided to maintain a severely limited civil defense program; ratified the 1972 Anti-Ballistic Missile (ABM) Treaty, which placed strict limits on U.S. and Soviet defenses against ballistic missiles; and then deactivated the one ABM site which we were allowed under that Treaty. The basic idea that stability and deterrence would be maintained if each side had roughly equal capability to retaliate against attack also served as the foundation for the U.S. approach to the Strategic Arms Limitation Talks (SALT) process of the 1970s.

The Soviet Union, however, failed to show the type of restraint, in both strategic offensive and defensive forces, that the United States hoped for when the SALT process began. The USSR has consistently refused to accept meaningful and verifiable negotiated reductions in offensive nuclear arsenals. Since the late 1960s, the Soviets have greatly expanded and modernized their offensive nuclear forces and invested an approximately equal sum in strategic defenses. The USSR has an extensive, multifaceted operational strategic defensive network which dwarfs that of the United States as well as an active research and development program in both traditional and advanced defenses against ballistic missiles. Soviet noncompliance with arms control agreements in both the offensive and defensive areas, including the ABM Treaty, is a cause of very serious concern. The aggregate of current Soviet ABM and ABM-related activities suggest that the USSR may be preparing an ABM defense of its national territory—precisely what the ABM Treaty was designed to prevent.

Soviet offensive and defensive force developments pose a serious challenge to the West. If left unchecked and unanswered, they would undermine our ability to retaliate effectively in case of Soviet attack. The situation would be even more severe if the Soviet Union were to have a monopoly on advanced defenses against ballistic missiles in addition to its sizable offensive and defensive forces. In that case, the USSR might come to believe that it could launch a nuclear attack against the United States or our allies without fear of effective retaliation. At the very least, it might see a realistic chance of successful nuclear blackmail.

THE SOVIET APPROACH

The Soviet emphasis on strategic defense is firmly grounded in Soviet military doctrine and strategy, which call for the following actions in the event of nuclear war:

Destruction and disruption of the West's nuclear associated command, control, and communications;

Destruction or neutralization of as many of the West's nuclear weapons as possible on the ground or at sea before they could be launched;

Interception and destruction of surviving weapons—aircraft and missiles—before they reached their targets; and

Protection of the Party, the State, military forces, industrial infrastructure, and the essential working population against those weapons that survived attacks by Soviet offensive forces.

In pursuit of these goals the USSR puts considerable stress on a need for effective strategic defenses as well as offensive forces. In the Soviet view, the USSR could best achieve its aims in any nuclear war if it attacked first, destroying much of the U.S. and allied capability for retaliation. Defensive measures, both active and passive, would in turn prevent those enemy forces that survived a Soviet first-strike from destroying targets in the USSR.

Marshall V. D. Sokolovskiy, in *Military Strategy*—the basic Soviet strategic treatise, originally published in 1962—defined the aim of Soviet strategic defenses in this way: "They have the task of creating an invincible system for the defense of the entire country. . . . While, in the last war, it was sufficient to destroy 15-20 percent of the attacking air operation, now it is necessary to assure, essentially, 100 percent destruction of all attacking airplanes and missiles."

Soviet offensive and defensive force developments over the past 25 years demonstrate that the strategy articulated by Sokolovskiy still applies. The following pages present a detailed description of the actions undertaken by the Soviets in the area of strategic defenses. In order to explain the totality of the Soviet strategic military effort, a description of offensive force developments is provided in the annex to this document.

DEFENSIVE FORCES

Over the last 25 years the Soviets have increased their active and passive defenses in a clear and determined attempt to blunt the effect of U.S. and allied retaliation to any Soviet attack. Passive defenses are nonweapons measures—such as civil defense and hardening—which protect important assets against attack. Active defenses utilize weapon systems to protect national territory, military forces, or key assets.

Evidence of the importance the Soviets attach to defensive damage-limitation can be traced back to the beginning of the nuclear age. National Air Defense became an independent service in the late 1950s and since 1959 has generally ranked third in precedence within the Soviet Armed Forces, following the Strategic Rocket Forces and the Ground Forces.

By the mid-1960s, two new mission areas—anti-satellite defense and anti-missile defense—were added to the National Air Defense mission. As a result, the Soviet Union has the world's only operational anti-satellite (ASAT) system, which has an effective capability to seek and destroy critical U.S. satellites in low-earth orbit. In addition, Soviet efforts to attain a viable strategic defense against ballistic missiles have resulted in the world's only operational ABM system and a large and expanding research and development program.

The Soviet emphasis on the necessity of research into defenses against ballistic missiles was demonstrated by then-Minister of Defense Grechko shortly after the signing of the ABM Treaty in 1972, when he told the Soviet Presidium that the Treaty "places no limitations whatsoever on the conducting of research and experimental work directed towards solving the problem of defending the country from nuclear missile strikes."

BALLISTIC MISSILE DEFENSE

The Soviets maintain the world's only operational ABM system around Moscow. In 1980, they began to upgrade and expand that system to the limit allowed by the 1972 ABM Treaty. The original single-layer Moscow ABM system included 64 reloadable above-ground launchers at four complexes and DOG HOUSE and CAT HOUSE battle management radars south of Moscow. Each complex consisted of TRY ADD tracking and guidance radars and GALOSH interceptors (nuclear-armed, ground-based missiles designed to intercept warheads in space shortly before they reenter the Earth's atmosphere).

When completed, the modernized Moscow ABM system will be a two-layer defense composed of: silo-based, long-range, modified GALOSH interceptors; silo-based, high-acceleration interceptors designed to engage targets within the atmosphere; associated engagement and guidance radars; and a new large radar at Pushkino designed to control ABM engagements. The silo-based launchers may be reloadable. The new system will have the 100 ABM launchers permitted by the ABM Treaty and could be fully operational by 1987.

The Soviet system for detection and tracking of ballistic missile attack consists of a launch-detection satellite network, over-the-horizon radars, and a series of large phased-array radars.

The current launch-detection satellite network can provide about 30 minutes warning of any U.S. ICBM launch and determine the general origin of the missile. Two over-the-horizon radars directed at the U.S. ICBM fields also could give 30 minutes warning.

The next operational layer of ballistic missile detection consists of 11 large HEN HOUSE ballistic missile early warning radars at six locations on the periphery of the USSR. These radars can distinguish the size of an attack, confirm the warning from the satellite and over-the-horizon radar systems, and provide target-tracking data in support of anti-ballistic missile forces.

The Soviets are now constructing a network of six new large phased-array radars that can track more ballistic missiles with greater accuracy than the existing HEN HOUSE network. Five of these radars duplicate or supplement the coverage of the HEN HOUSE network, but with greatly enhanced capability. The sixth, under construction near Krasnoyarsk in Siberia, closes the final gap in the Soviet early warning radar coverage against ballistic missile attack. Together, the six new large phased-array radars form an arc of coverage from the Kola Peninsula in the northwest Soviet Union, around Siberia, to the Caucasus in the southwest.

The United States is now constructing new ballistic missile early warning radars, known as PAVE PAWS, that are located on the periphery of our territory and oriented outward. Both the U.S. and the USSR, in signing the ABM Treaty, recognized the need for ballistic missile early warning radars. At the same time, they recognized that ballistic missile early warning radars can detect and track warheads at great distances and therefore have a significant anti-ballistic missile potential. Such an ABM capability would play an important role in a nationwide ABM defense, which the Treaty was designed to prevent. As a result, the U.S. and the Soviet Union agreed that future ballistic missile early warning radars must be located on a nation's periphery and oriented outward. In that way, the desirable and legitimate goal of early warning could be advanced while minimizing the danger that an effective nationwide battle management network could result.

The Krasnoyarsk radar is designed for ballistic missile detection and tracking, including ballistic missile early warning, and violates the 1972 ABM Treaty. It is not located within a 150-kilometer radius of the national capital (Moscow) as required of ABM radars, nor is it located on the periph-

ery of the Soviet Union and pointed outward as required for early warning radars. It is 3,700 kilometers from Moscow and is situated some 750 kilometers from the nearest border—Mongolia. Moreover, it is oriented not toward that border, but across approximately 4,000 kilometers of Soviet territory to the northeast.

The Soviet Union has claimed that the Krasnoyarsk radar is designed for space tracking, rather than ballistic missile early warning, and therefore does not violate the ABM Treaty. Its design, however, is not optimized for a spacetracking role, and the radar would, in any event, contribute little to the existing Soviet space tracking network. Indeed, the design of the Krasnoyarsk radar is essentially identical to that of other radars that are known—and acknowledged by the Soviets—to be for ballistic missile detection and tracking, including ballistic missile early warning. Finally, it closes the last remaining gap in Soviet ballistic missile detection coverage. The Krasnoyarsk radar, therefore, is being constructed in direct violation of the ABM Treaty.

The growing Soviet network of large phased-array ballistic missile detection and tracking radars, of which the Krasnoyarsk radar is a part, is of particular concern when linked with other Soviet ABM efforts. Such radars take years to construct; their existence might allow the Soviet Union to move rather quickly to construct a nationwide ABM defense if it chooses to do so. The Soviets are also developing components of a new ABM system which apparently are designed to allow them to construct individual ABM sites in a matter of months, rather than the years that are required for more traditional ABM systems. Soviet activities in this regard potentially violate the ABM Treaty's prohibition on the development of a mobile land-based ABM system or components. We estimate that by using these components, the Soviets could undertake rapidly-paced ABM deployments to strengthen the defenses of Moscow and defend key targets in the western USSR and east of the Urals by the early 1990s.

In addition, the Soviets have probably violated the prohibition on testing surface-to-air missile (SAM) components in an ABM mode by conducting tests involving the use of SAM air defense radars in ABM-related testing activities. Moreover, the SA-10 and SA-X-12 SAM systems may have the potential to intercept some types of strategic ballistic missiles.

Taken together, all of the Soviet Union's ABM and ABM-related activities are more significant—and more ominous—than any one considered individually. Cumulatively, they suggest that the USSR may be preparing an ABM defense of its national territory.

ADVANCED TECHNOLOGIES FOR DEFENSE AGAINST BALLISTIC MISSILES

In the late 1960s, in line with its longstanding emphasis on strategic defense, the Soviet Union initiated a substantial research program into advanced technologies for defense against ballistic missiles. That program covers many of the same technologies involved in the U.S. Strategic Defense Initiative, but represents a far greater investment of plant space, capital, and manpower.

Laser weapons

The USSR's laser program is much larger than U.S. efforts and involves over 10,000 scientists and engineers and more than a half dozen major research and development facilities and test ranges. Much of this research takes place at the Sary Shagan Missile Test Center where the Soviets also conduct traditional ABM research. Facilities there are estimated to include several air defense lasers, a laser that may be capable of damaging some components of satellites in orbit, and a laser that could be used in feasibility testing for ballistic missile defense applications. A laser weapon program of the magnitude of the Soviet effort would cost roughly $1 billion per year in the U.S.

The Soviets are conducting research in three types of gas lasers considered promising for weapons applications: the gas-dynamic laser; the electric discharge laser; and the chemical laser. Soviet achievements in this area, in terms of output power, have been impressive. The Soviets are also aware of the military potential of visible and very short wave-length lasers. They are investigating excimer, free-electron, and x-ray lasers, and have been developing argon-ion lasers for over a decade.

The Soviets appear generally capable of supplying the prime power, energy storage, and auxiliary components needed for most laser and other directed-energy weapons. They have developed a rocket-driven magnetohydrodynamic generator which produces over 15 megawatts of electrical power—a device that has no counterpart in the West. The Soviets may also have the capability to develop the optical systems necessary for laser weapons to track and attack their targets. Thus, they produced a 1.2-meter segmented mirror for an astrophysical telescope in 1978 and claimed that this was a prototype for a 25-meter mirror that would be constructed in the future. A large mirror is considered necessary for a space-based laser weapon.

Unlike the U.S., the USSR has now progressed in some cases beyond technology research. It already has ground-based lasers that could be used to interfere with U.S. satellites, and could have prototype space-based antisatellite laser weapons by the end of the decade. The Soviets could have prototypes for ground-based lasers for defense against ballistic missiles by the late 1980's, and could begin testing components for a large-scale deployment system in the early 1990s.

The remaining difficulties in fielding an operational system will require still more development time. An operational ground-based laser for defense against ballistic missiles probably could not be deployed until the late 1990s, or after the year 2000. If technology developments prove successful, the Soviets may deploy operational space-based antisatellite lasers in the 1990s, and might be able to deploy space-based laser systems for defense against ballistic missiles after the year 2000.

Particle beam weapons

Since the late 1960s, the Soviets have been involved in research to explore the feasibility of space-based weapons that would use particle beams. We estimate that they may be able to test a prototype particle beam weapon intended to disrupt the electronics of satellites in the 1990s. A weapon designed to destroy satellites could follow later. A weapon capable of physically destroying missile boosters or warheads probably would require several additional years of research and development.

It is still uncertain whether ground-based charged particle-beam weapons are feasible—that is, whether the beam will propagate in the atmosphere. A space-based neutral particle beam weapon, however, would not be affected by the atmosphere or by the earth's magnetic field.

Soviet efforts in particle beams, and particularly on ion sources and radio frequency quadrupole accelerators for particle beams, are very impressive. In fact, much of the U.S. understanding as to how particle beams could be made into practical defensive weapons is based on Soviet work conducted in the late 1960s and early 1970s.

Radio frequency weapons

The USSR has conducted research in the use of strong radio frequency signals that have the potential to interfere with or destroy critical electronic components of ballistic missile warheads. The Soviets could test a ground-based radio frequency weapon capable of damaging satellites in the 1990s.

Kinetic energy weapons

The Soviets also have a variety of research programs underway in the area of kinetic energy weapons, using the high-speed collision of a small mass with the target as the kill mechanism. In the 1960s, the USSR developed an experimental "gun" that could shoot streams of particles of a heavy metal such as tungsten or molybdenum at speeds of nearly 25 kilometers per second in air and over 60 kilometers per second in a vacuum.

Long-range, space-based kinetic-energy systems for defense against ballistic missiles probably could not be developed until the mid-1990s or even later. The USSR could, however, deploy in the near-term a short-range, space-based system useful for satellite or space station defense or for close-in attack by a maneuvering satellite. Soviet capabilities in guidance and control systems probably are adequate for effective kinetic energy weapons for use against some objects in space.

Computer and sensor technology

Advanced weapons programs—including potential advanced defenses against ballistic missiles—are also dependent on remote sensor and computer technologies which are currently more highly developed in the West than in the Soviet Union. The Soviets are therefore devoting considerable resources to improving their abilities and expertise in these technologies. An important part of that effort involves an increasing exploitation of open and clandestine access to Western technology. For example, the Soviets have long been engaged in a well-funded effort to purchase U.S. high-technology computers, test and calibration equipment, and sensors illegally through third parties.

Antisatellite developments

The USSR has had for more than a dozen years the world's only operational antisatellite system, a co-orbital device which enters into the same orbit as its target satellite and, when it gets close enough, destroys the satellite by exploding a conventional warhead. In addition, the nuclear-armed GALOSH ABM interceptor deployed around Moscow may have ASAT capability, and Soviet ground-based lasers could possibly damage some sensors on some U.S. satellites.

Furthermore, as noted earlier, the Soviets are engaged in research and, in some cases development, of weapons which ultimately may serve as ballistic missile defense systems, but probably will first provide antisatellite capabilities.

AIR DEFENSE

Although the United States began dismantling most of its defenses against Soviet bombers in the 1960s, the Soviet Union has

continued to invest enormous resources in a wide array of strategic air defense weapon systems. Taken together, the Soviet strategic air defense network is a potent and increasingly capable force which would attempt to limit the retaliatory capability of our strategic bombers and cruise missiles.

The Soviets have deployed numerous strategic air defense systems with excellent capabilities against aircraft flying at medium and high altitudes. They are now in the midst of a major program to improve their capabilities against aircraft and cruise missiles that fly at low altitudes. That effort includes partial integration of strategic and tactical air defenses, the upgrading of early warning and surveillance capabilities, the deployment of more efficient data transmission systems, and the development and initial deployment of new aircraft, associated air-to-air missiles, surface-to-air missiles, and airborne warning and control system (AWACS) aircraft.

Currently, the Soviets have nearly 12,000 SAM launchers at over 1,200 sites, 10,000 air defense radars, and more than 1,200 interceptor aircraft dedicated to strategic defense. An additional 2,800 interceptors assigned to Soviet Air Forces (SAF) could also be employed in strategic defense missions. In contrast, the U.S. has approximately 300 interceptor aircraft based in the U.S. dedicated to strategic defense, 118 strategic air defense warning radars, and no operational strategic surface-to-air missile launchers. These figures do not include the tactical air defenses deployed by NATO and the Warsaw Pact in Europe.

The newest Soviet air defense interceptor aircraft, the MiG-31/FOXHOUND, has a lookdown/shoot-down and multiple-target engagement capability. More than 85 FOXHOUNDS are now operationally deployed at several locations from the Arkhangelsk area in the northwestern USSR to the Far East Military District. Two new fighter interceptors, the Su-27/FLANKER and the MiG-29/FULCRUM, also have look-down/shoot-down capabilities and are designed to be highly maneuverable in air-to-air combat. These three aircraft are equipped with two new air-to-air missiles—the long-range AA-9 (for the FOXHOUND) and the medium-range AA-10 (for the FULCRUM and FLANKER)—that can be used against low-flying targets.

The USSR is also deploying the MAINSTAY airborne warning and control system (AWACS) aircraft, which will improve substantially its capabilities for early warning and air combat command and control, especially against low-flying aircraft and cruise missiles.

The Soviets maintain the world's most extensive early warning system for air defense, composed of a widespread network of ground-based radars linked operationally with those of their Warsaw Pact allies. As previously noted, more than 10,000 air surveillance radars of various types provide virtually complete coverage at medium to high altitudes over the USSR, and in some areas well beyond the Soviet Union's borders. Three over-the-horizon radars for ballistic missile warning could provide additional warning of the approach of high-flying aircraft.

The USSR also has an active research and development program to improve its air surveillance network. In 1983, it began to deploy two new types of air surveillance radars which will enhance Soviet capabilities for air defense, electronic warfare and early warning of cruise missile and bomber attacks. The Soviets are also continuing to deploy improved air surveillance data systems that can rapidly pass data from outlying radars through the air surveillance network to ground-controlled intercept sites and SAM command posts.

Soviet strategic surface-to-air missiles provide low-to-high-altitude barrier, area, and terminal defenses under all weather conditions. Five systems are now operational: the SA-1, SA-2, and SA-3, and the more capable SA-5 and SA-10. The recent Soviet air defense reorganization permits efficient integration of strategic and tactical SAM systems. While most tactical SAMs have a shorter range than their strategic counterparts, many have better capabilities against targets flying at low altitude.

Over the years the Soviets have continued to deploy the long-range SA-5 and have repeatedly modified the system. Further deployment and upgrading of the SA-5 to enhance its capability to work in conjunction with low-altitude systems like the SA-10 are probable.

The SA-10 can defend against low-altitude targets with small radar cross-sections, like cruise missiles. The first SA-10 site was operational in 1980. Over 60 sites are now operational and work is progressing on at least another 30. More than half these sites are located near Moscow; this emphasis on Moscow and the patterns noted for the other SA-10 sites suggest a first priority on terminal defense of command and control, military, and key industrial complexes.

In keeping with their drive toward mobility as a means of weapons survival, the Soviets are developing a mobile version of the SA-10 which could become operational late this year. This mobile version could be used to support Soviet theater forces and to permit periodic changes in the location of SA-10 sites within the USSR so as to counter U.S. retaliatory forces more effectively.

The Soviets are also flight-testing another important mobile SAM system, the SA-X-12, which is able to intercept aircraft at all altitudes, cruise missiles, and short-range ballistic missiles. The SA-10 and SA-X-12 may have the potential to intercept some types of strategic ballistic missiles as well. This is a serious development because these systems are expected to be deployed widely throughout the Soviet Union in the 1980s. They could, if properly supported, add a significant point-target defense coverage to a nationwide Soviet ABM deployment.

PASSIVE DEFENSES

Soviet military doctrine calls for passive defenses to act in conjunction with active forces to ensure the wartime survival and continuity of Soviet nuclear forces, leadership, military command and control units, war-related industrial production and services, the essential work force, and as much of the general population as possible. The U.S. passive defense effort is far smaller and more limited; it is no way comparable to the comprehensive Soviet program.

Physical hardening of military assets to make them more resistant to attack is an important passive defense technique. The USSR has hardened its ICBM silos, launch facilities, and key command and control centers to an unprecedented degree. Much of today's U.S. retaliatory force would be ineffective against those hardened targets. To maintain effective deterrence, the United States must be able credibly to threaten prompt retaliation against the full spectrum of Soviet targets, including those which have been greatly hardened.

Soviet leaders and managers at all levels of the government and Communist Party are provided hardened alternate command posts located well away from urban centers—in addition to many deep bunkers and blast shelters in Soviet cities. This comprehensive and redundant system, patterned after a similar system for the Soviet Armed Forces, provides hardened alternate facilities for more than 175,000 key party and government personnel throughout the USSR.

Elaborate plans have also been made for the full mobilization of the national economy in support of a war effort. Reserves of vital materials are maintained, many in hardened underground structures. redundant industrial facilities are in active production. Industrial and other economic facilities have been equipped with blast shelters for the work force, and detailed procedures have been developed for the relocation of selected plants and equipment. By planning for the survival of the essential work force, the Soviets hope to reconstitute vital production programs using those industrial components that could be redirected or salvaged after an attack.

In addition, the USSR has greatly emphasized mobility as a means of enhancing the survivability of military assets. The SS-20 and SS-25, for example, are mobile. Rail-mobile deployment of the SS-X-24 is expected before the end of the decade. The Soviets are also developing an extensive network of mobile command, control, and communications facilities.

SOVIET STATEMENTS ON THE U.S. STRATEGIC DEFENSE INITIATIVE

These extensive Soviet activities in strategic defense, combined with the large Soviet buildup in offensive forces over the past two decades, have been eroding the retaliatory capabilities of U.S. strategic forces on which deterrence has long rested. If the USSR in the future were unilaterally to add an effective advanced defense against ballistic missiles to its offensive and other defensive forces, it would pose a very serious new threat to U.S. and allied security.

The U.S. Strategic Defense Initiative is designed to counter the trend in the Soviets' favor. It is thus not unexpected that Soviet reactions to the U.S. Strategic Defense Initiative have been strongly negative. Through an intensive, worldwide propaganda campaign, the USSR evidently hopes that it can dissuade the United States from pursuing this research program, thereby preserving the possibility of a Soviet monopoly in effective defenses against ballistic missiles—a monopoly that could give the USSR the uncontested damage-limiting first-strike capability that it has long sought.

Thus, Soviet statements on the SDI must be seen in light of the extensive, long-term growth in Soviet offensive and defensive forces and of their major research effort to develop advanced weapons for defense against ballistic missiles. They should also be viewed in light of comparable Soviet propaganda campaigns on other issues. The USSR engaged in a major propaganda effort in the late 1970s and early 1980s to preserve its monopoly in longer-range intermediate-range nuclear forces, and has adopted many of the same tactics to prevent the United States from acquiring an operational ASAT system to balance its own.

On April 22, 1983, a month after the President's announcement of the Strategic Defense Initiative, a published letter signed by more than 200 senior Soviet scientists de-

nouncing the initiative appeared in the New York Times. It is interesting and instructive to note that a number of the signatories have been instrumental in the development of both traditional and advanced ballistic missile defensive systems: Petr D. Grushin, Vladimir S. Semenikhin, Fedor V. Bunkin, Yevgeniy P. Velikhov, Vsevolod S. Avduyevskiy, Aleksandr M. Prokhorov, and Nikolay G. Basov. Velikhov, for example, was for several years the director of the Institute of Atomic Energy laboratories at Troitsk, where lasers for strategic and tactical applications are being developed. Avduyevskiy has long been involved with strategic weapons research and now has responsibility for a number of projects concerned with the military use of space, including a space-based laser weapon. Other signatories have spent their careers developing strategic offensive weapons and other military systems: Vladimir N. Chelomey, Valentin P. Glushko, Aleksandr D. Nadiradze, and Viktor P. Makeyev in ICBMs and SLBMs; Oleg K. Antonov and Aleksandr S. Yakovlev in military aircraft; Nikolay Isanin in nuclear submarines; Yuliy B. Khariton in the Soviet military nuclear energy program; and Martin I. Kabachnik in chemical warfare.

THE U.S. STRATEGIC DEFENSE INITIATIVE

The U.S. Strategic Defense Initiative offers the possibility of a better, more stable deterrence based increasingly on defenses that are survivable, militarily effective, and cost-effective relative to offensive forces. If our research shows that such defenses against ballistic missiles are feasible, they would allow us to move from deterrence based solely on the threat of nuclear retaliation, toward enhanced deterrence characterized by greater reliance on defensive capabilities that threaten no one. The Strategic Defense Initiative is also a prudent and necessary response to the very active Soviet efforts in offensive and defensive forces. It responds directly to the ongoing and extensive Soviet anti-ballistic missile effort, including the existing Soviet deployments permitted under the ABM Treaty. The SDI research program provides a necessary and powerful deterrent to any near-term Soviet decision to expand rapidly its ABM capability beyond that contemplated by the ABM Treaty. It also provides insurance against an eventual Soviet attempt to deploy an effective advanced system for defense against ballistic missiles unilaterally.

SDI research complements our efforts to achieve significant, equitable, and verifiable reductions in nuclear forces. In the near term, we are seeking reductions of strategic and intermediate-range nuclear forces, and discussing defensive and space arms, in the U.S.-Soviet negotiations which opened in Geneva in March 1985. The United States and the Soviet Union have agreed that there is a fundamental relationship between offensive and defensive systems and that neither can be considered in isolation.

In the longer term, if we were to deploy advanced defenses against ballistic missiles, such defenses could increase significantly the incentives for further negotiated deep reductions in offensive nuclear forces because they could reduce or eliminate the military utility of ballistic missiles. Such significant reductions would, in turn, serve to increase the effectiveness of defensive systems.

The SDI research program emphasizes advanced non-nuclear defensive technologies. It will provide to a future President and Congress, possibly in the early 1990s, the technical knowledge required for a decision on whether to develop and later deploy advanced defensive systems. Extensive discussions with our allies would take place prior to any future decision to move beyond research to development and deployment.

Any future deployment would also be a matter for discussion and negotiation as appropriate with the Soviet Union, as provided in the ABM Treaty. Even now we are seeking to engage the Soviets at Geneva in a discussion of the relationship of offensive and defensive forces and of a possible future transition to greater reliance on defensive systems.

While we could not allow a Soviet veto over a decision which would have such a major impact on U.S. and allied security, it is our intention and hope that—if new defensive technologies prove feasible—we and the Soviets would be able both to move to a more defense-reliant balance. What we envision is thus just the opposite of an arms race or a research for military superiority. We seek instead an approach that would serve the security interests of the United States, our allies, the Soviet Union, and the world as a whole.

ANNEX

Offensive forces

Soviet military doctrine and strategy call for superior offensive forces capable of executing a successful first strike. The Soviet building in offensive forces over the last two decades has been designed to move in that direction.

Soviet strategic offensive forces introduced since 1971 include:

Four new types of intercontinental ballistic missiles (ICBMs)—the SS-17, 18, 19, and 25. In addition, the USSR probably has deployed the SS-16 in violation of the SALT II Treaty;

Five new types of ballistic missile-carrying submarines;

Four new types of submarine-launched ballistic missiles (SLBMs);

Five improved versions of existing SLBMs;

Long-range cruise missiles; and

A new variant of the BEAR bomber carrying strategic air-launched cruise missiles.

That buildup is all the more striking when compared to the relative restraint exercised by the U.S. in its acquisition of nuclear weapons systems during the same period. The number of strategic and tactical nuclear warheads in the U.S. stockpile peaked in 1967. We had one-third nuclear weapons then than we have now. Moreover, the total explosive power (measured in megatonnage) of our nuclear weapons was four times greater in 1960 than it is today.

Our lastest B-25 bomber was built in 1962. Although we modernized the missiles our submarines carried with the POSEIDON C-3 in 1971 and TRIDENT I C-4 in 1979, we did not introduce a single new ballistic missile-carrying submarine from 1966 until 1981, when we began deploying the TRIDENT submarine at the rate of about one a year. In fact, our ballistic missile submarine force declined by one-fourth between 1966 and 1981, from 41 boats to 31. During the time we were decreasing the number of our SSBNs, the Soviet Union deployed 62 new ballistic missile-carrying submarines.

Similarly, the MINUTEMAN III, fifteen years ago; today, we have fewer ICBMs than we did in 1967. By contrast, the Soviet Union has added about 800 ICBMs to its arsenal since that year. Of greatest concern for strategic stability has been the development and deployment of the SS-18 and SS-19 ICBMs. Since the late 1970s, the USSR has deployed more than 300 SS-18s, each twice as large as the U.S. PEACEKEEPER/MX and carrying ten warheads, and 360 SS-19s, each approximately the size of the PEACEKEEPER/MX and carrying six warheads. The Soviets already have enough hard-target-capable ICBM warheads today to attack all U.S. ICBM silos and launch control centers and will have a larger number of hard-target capable warheads in the future. (A weapon with hard-target capability has sufficient accuracy and yield to destroy targets that have been hardened to withstand the effects of a nuclear detonation.)

In addition to the rapid growth in its ICBM force, the Soviet Union is engaged in a major modernization and expansion of its strategic bomber and submarine forces. The bulk of Soviet strategic offensive nuclear warheads has traditionally been on ICBMs, while the U.S. has maintained a balanced force, with fewer than one-quarter of our strategic weapons on ICBMs. The growth in modern Soviet strategic offensive forces of all types is thus not only exacerbating the imbalance between U.S. and Soviet ICBMs, but also steadily eroding the traditional countervailing U.S. advantage in SLBMs and strategic bomber systems.

When the SALT I Interim Agreement on Offensive Arms was signed in 1972, the USSR had roughly 2,300 strategic ballistic missile warheads, and the throw-weight of its ballistic missile force was about 3 million kilograms. (Throw-weight is a basic measure of ballistic missile destructive capability and potential.) By the time the SALT II agreement was signed in 1979, the Soviet strategic arsenal had more than doubled to roughly 5,500 strategic ballistic missile warheads with a ballistic missile throw-weight of about 4 million kilograms. Today, the Soviet Union has over 8,000 strategic ballistic missile warheads and a ballistic missile throw-weight of about 12 million pounds.

Perhaps even more troubling is the fact that the USSR's offensive nuclear force buildup continues unabated, with a large number of new systems at or nearing deployment. For example, the Soviets are:

Continuing production of the BEAR H bombers which carry the AS-15 long-range air-launched cruise missile. They are also developing a new strategic bomber, the BLACKJACK, which when deployed before the end of the decade, will be larger than either the U.S. B-1B or B-52;

Completing development of the SS-X-24 and have announced deployment of the SS-25 ICBM. The SS-25 violates the SALT II agreement, since it is a prohibited second new type of ICBM;

Deploying two new classes of nuclear-powered ballistic missile-carrying submarines (SSBNs), the DELTA IV and the TYPHOON, and associated SLBMs. They are also testing a new sea-launched cruise missile, the SS-NX-21.

The combination of U.S. restraint and Soviet expansion and modernization of its strategic offensive forces means that U.S. forces are becoming increasingly obsolete. We are therefore modernizing our strategic nuclear forces to ensure the balance necessary for continued deterrence. That program includes development of the PEACEKEEPER/MX ICBM, a smaller single-warhead ICBM (popularly known as MIDGETMAN), the B-1B bomber, an advanced technology bomber, and the TRIDENT II SLBM. We are also deploying long-range air- and sea-launched cruise missiles and TRIDENT SSBNs. Our strategic modernization program is essential not only for the

military balance, but also to induce the Soviets to agree to negotiated offensive force reductions which would enable us to maintain the balance at far lower levels of armaments.

The Soviet Union has also greatly expanded its nuclear forces of less-than-intercontinental range, which primarily threaten our friends and allies. The USSR has developed an entirely new generation of nuclear short-range ballistic missiles. Of gravest concern has been the creation and subsequent rapid expansion of the SS-20 long-range intermediate-range missile force, which threatens our friends and allies in Europe and Asia. NATO had no equivalent systems when the USSR began to field this modern, mobile, highly accurate, triple-warhead missile. As of September 1985, the Soviets had deployed 441 SS-20s, with over 1,200 warheads. Not only is the SS-20 force continuing to grow, but the Soviets are also testing a modified version of the SS-20 which is expected to be even more accurate. In contrast, NATO plans to deploy 572 single-warhead PERSHING II and ground-launched cruise missiles and stands ready to reduce or reverse those deployments if we can reach an equitable, verifiable arms reduction agreement with the USSR.

Mr. HATCH. Mr. President, it is important to note that this document has been coauthored by the Secretaries of State and Defense, who have been making the headlines lately over their "Knock-down, drag out meeting" with the President concerning the administration's interpretation of the ABM Treaty relative to the SDI. National Security Adviser Bud McFarlane stated recently on "Meet the Press" that the ABM Treaty does not prohibit the testing or development of new technologies such as laser beams and kinetic or directed-energy weapons associated with the SDI. This interpretation of the treaty is based upon an agreed statement appended to the ABM Treaty which states that if new antimissile weapons "based on other physical principles" are created, limitation on them would be subject to further discussions between the United States and the U.S.S.R.

Regrettably, George Shultz has apparently counseled the President to voluntarily adhere to a more restrictive interpretation of the ABM Treaty. At a speech before a group of North Atlantic Assembly Parliamentarians in San Francisco this week, Mr. Shultz reversed Mr. McFarlane's position. While acknowledging that the administration is "legally justified" in applying a "broad interpretation" of the treaty, Mr. Shultz stated that the President has decided to continue to abide by a "restrictive interpretation" of the treaty.

Mr. President, this approach could be a serious setback for the future development of the SDI. I am sure the Soviets are laughing their heads off inside the Kremlin as they watch U.S. policymakers once again urging unilateral restraint while the Soviets continue to develop their own strategic defense system. Mr. Shultz' approach is tantamount to holding one leg up and hopping on the other leg—instead of walking. Frankly, it makes us look like jackasses to the Soviets.

More importantly, if the administration continues to voluntarily adhere to a restrictive interpretation of the treaty, President Reagan's plan to develop a purely defensive system designed to destroy weapons—not people—could end up on the scrapheap of history. We must not allow that to happen. The goal of President Reagan's so-called star wars plan is to bring us star peace and an end to the threat of nuclear annihilation. It would be a grave mistake to vitiate this plan by foolishly negotiating it away in Geneva or by shooting ourselves in the foot at home a la George Shultz.

Mr. President, I would like to close with a quote from "Soviet Strategic Defense Programs:"

The U.S.S.R. has consistently refused to accept meaningful and verifiable negotiated reductions in offensive nuclear arsenals. Since the late 1960's, the Soviets have greatly expanded and modernized their offensive nuclear forces and invested an approximately equal sum in strategic defenses. The U.S.S.R. has an extensive, multifaceted operational strategic defensive network which dwarfs that of the United States as well as an active research and development program in both traditional and advanced defenses against ballistic missiles. Soviet noncompliance with arms control agreements in both the offensive and defensive areas, including the ABM Treaty, is a cause of very serious concern.

Soviet offensive and defensive force developments pose a serious challenge to the West. If left unchecked and unanswered, they would undermine our ability to retaliate effectively in case of Soviet attack. The situation would be even more severe if the Soviet Union were to have a monopoly on advanced defenses against ballistic missiles in addition to its sizable offensive and defensive forces. In that case, the U.S.S.R. might come to believe that it could launch a nuclear attack against the United States or our allies without fear of effective retaliation. At the very least, it might see a realistic chance of successful nuclear blackmail.

Mr. President, we simply cannot afford to give the Soviets that option. The best way to ensure our own national security interests and to deter the Soviet from using nuclear blackmail is to develop the SDI. Unilateral restraint by the United States has never worked in the past, and it is not going to work now.

Finally, Mr. President, I ask unanimous consent to print a recent Heritage Foundation paper in the RECORD. The title of this paper is "U.S.-Soviet Arms Accords Are No Bar to Reagan's Strategic Defense Initiative."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

UNITED STATES-SOVIET ARMS ACCORDS ARE NO BAR TO REAGAN'S STRATEGIC DEFENSE INITIATIVE

INTRODUCTION

Ronald Reagan's plans to move forward rapidly with the Strategic Defense Initiative (SDI) have brought cries of concern from orthodox arms control advocates. They claim the SDI's defensive shield would be an "assault on the jewel in the arms control crown,"[1] referring to the 1972 Anti-Ballistic Missile (ABM) Treaty, a major legacy of Kissinger-era détente. ABM Treaty backers insist that even testing the anti-missile systems of SDI would violate the 1972 accord.

As with many legal documents, certain important terms and restrictions in the ABM Treaty are subject to differing interpretations. Although a number of interpretive remarks by U.S. officials support a more restrictive view, the Treaty's text is ambiguous about restrictions on SDI technologies investigated after it was ratified. Furthermore, the Soviets have apparently adopted a very loose interpretation of the ABM Treaty, stretching interpretation of its provisions to the limits of plausibility and beyond.

Yet as it is envisioned by the Reagan Administration, even under a tight reading of the Treaty's terms, the SDI program does not conflict with ABM Treaty constraints. The Treaty does not restrict research and allows for the development of the advanced technology systems being investigated in SDI. While the ABM Treaty places numerous restrictions on development and deployment of traditional ABM systems and components (that is, those based on the technologies in use when the ABM Treaty was signed), it does not specifically prohibit the development or deployment of missile defenses in general if they do not use the technologies extant in 1972. The ABM Treaty does not, moreover, prohibit deployment of an anti-tactical missile (ATBM) system to protect Western Europe.

Not only does SDI fall within ABM Treaty parameters, it does not violate other arms control agreements. The Limited Test Ban Treaty of 1963, the Outer Space Treaty of 1967, and the Threshold Test Ban Treaty of 1974 all limit certain kinds of nuclear testing or deployment of certain defensive systems, but they do not affect currently projected SDI systems. Even the deployment of the nuclear-pumped X-ray laser is arguably permissible.

Even though SDI as currently conceived does not raise compliance questions regarding the ABM Treaty, the U.S. should reassess on policy grounds its continued long-term adherence to the Treaty. Moscow's commitment to arms control is questionable in light of its persistent violation of the letter and spirit of the ABM and other trea-

[1] "Mr. Reagan's New Defense Idea," *Washington Post*, March 25, 1983, p. A22.

This is the eighth in a series of Heritage *Backgrounders* examining strategic defenses. The others were: "In Strategic Defense, Moscow Is Far Ahead," *Backgrounder* No. 409, February 21, 1985; "Air Defense: Protecting America's Skies," *Backgrounder* No. 379, September 13, 1984; "The New Case for Civil Defense," *Backgrounder* No. 377, August 29, 1984; "Strategic Defense: The Technology That Makes It Possible," *Backgrounder* No. 375, August 23, 1984; "Space Weapons: The Key to Assured Survival," *Backgrounder* No. 327, February 2, 1984; "Wanted: A Space Policy to Defend America," *Backgrounder* No. 311, December 17, 1983; and "Strategic Defense: Avoiding Annihilation," *Backgrounder* No. 304, November 9, 1983.

ties. In addition, Soviet advances in air defense and anti-tactical missile technologies threaten to erode the utility of specific constraints of the ABM Treaty. The U.S. would be at a severe disadvantage is a situation in which dedicated ballistic missile defense systems were banned, while Moscow was free to expand its air defense and ATBM systems, which possessed significant defensive capabilities. Thus, even aside from SDI, the U.S. would have to carefully consider modifying or withdrawing from the ABM Treaty in the near future.

THE CURRENT AMBIENCE FOR SDI

The legality of SDI is an important consideration for U.S. policy makers because of the significance Americans attach to strict compliance with treaty commitments and to Washington's ability to demand that Moscow abide by its treaty promises. At the same time, the U.S. must not permit the opponents of legitimate strategic programs to slow down research and development by requiring over-compliance. A detailed examination of the ABM Treaty and other arms pacts reveals that current U.S. SDI programs are legal and that many projected program developments will be well within the Treaty's limits.

There are four stages in the process of fielding such new weapons systems as SDI: research, development, testing, and deployment.[2]

Research

The current SDI program consists primarily of research. The ABM Treaty contains no constraints whatsoever on any basic or applied research. This means that SDI research is consonant with Treaty requirements.

Development

If a U.S. strategic defense system is to be deployed, full-scale advanced engineering development of specific systems and components will be necessary. There is agreement that the ABM Treaty allows development of fixed land-based systems and components; there is disagreement, however, over whether the U.S. is permitted to develop advanced technology systems and components that are not fixed land-based, such as space-based X-ray lasers, particle beam weapons, and chemical, excimer, and free electron lasers.

It seems clear, however, that development of such advanced systems is permissible under the ABM Treaty because:

(1) Article II defines the limited ABM systems narrowly as those based on ABM technologies in existence in 1972 and consisting of ABM interceptor missiles, ABM launchers, and ABM radars.

(2) Agreed Statement E discusses potential limitations on advanced technology ballistic missile defense systems in contrast to the traditional ABM systems already developed, thus indicating that development of such advanced systems was anticipated and thus is permitted.

(3) Testimony of Treaty negotiators at congressional hearings related to Senate approval of the Treaty supports the interpretation that development of "exotic" technology systems is permitted. This is true regardless of whether one accepts a restrictive view of "development" (i.e., up to point of field testing) or the looser view reflected in testimony suggesting that development up to the point of deployment is permissible.

The critics' argument that development of advanced technology systems and components is prohibited hinges on Article V, section 1, of the ABM Treaty, which states: "Each Party undertakes not to develop, test, or deploy ABM systems or components which are sea-based, air-based, space-based, or mobile land-based." Viewed in isolation, this section could appear to prohibit development of a number of mobile SDI technologies.

The key question is the proper definition of the term "ABM system or components." Article II of the ABM Treaty defines an "ABM system or components" as those technologies used in ABM systems at the time of the 1972 Treaty.[3] Article V thus only specifically prohibits the development of mobile systems based on traditional technology. The systems and components for which development is banned in Article V are only those that are based on the traditional, pre-1972 technologies described in Article II.

Development of weapons based on technology not utilized in 1972 ("advanced" or "exotic" technology), such as many of those considered under SDI, are dealt with separately in a third ABM Treaty provision, "Agreed Statement E." This provides that: "In order to insure fulfillment of the obligation not to deploy ABM systems and their components except as provided in Article II of the Treaty, the Parties agreed that in the event ABM systems based on other physical principles and including components capable of substituting for ABM interceptor missiles, ABM launchers or ABM radars are created in the future, specific limitations on such systems and their components would be subject to discussion in accordance with Article XIII and agreement in accordance with Article XIV of the Treaty."

This section states that activities with respect to advanced technologies, including deployment of systems based on new physical principles "created in the future," are not specifically prohibited. Neither the Article V language, "develop, test, or deploy," nor any part of that phrase is employed in Agreed Statement E. If the architects of the Treaty had intended that all such new advanced technology systems be banned, words prohibiting them plus the phrase "develop, test, or deploy" would surely have been used. They were not, and this omission suggests that Article V's prohibitions are inapplicable to nontraditional ballistic missile defense systems. Agreed Statement E clearly acknowledges that new systems might be created.

The ABM Treaty does not define the word "create," but this wording indicates that the development of advanced technology ballistic missile defenses was accepted and expected by the Treaty negotiators. It is well settled in international law that words or phrases otherwise undefined in a treaty are to be understood by their ordinary, normal, or plain meanings.[4] According to Webster's Third New International Dictionary, "create" is defined in a variety of ways including: "produce," "design," "invent," and "to make or bring into existence something new."[5] "Develop" and "test" would appear to fall within the common definitions of "create." Thus, the key Treaty provisions do not preclude development and testing of advanced technology defensive weapons.

The fact that advanced technologies for ballistic missile defense can be developed to the point of deployment is further supported by testimony given at the time of ratification.[6] One such statement was offered by Secretary of State William Rogers in his letter of submittal to the U.S. Senate. He stated that:

"A potential problem dealt with by the Treaty is that which would be created if an ABM system were developed in the future which did not consist of interceptor missiles, launchers and radars. The Treaty would not permit the deployment of such a system."[7]

Thus, advanced technology systems could be fully developed so long as they were not deployed prior to discussion. In addition, Administration officials specifically testified that lasers could be developed up to the point of deployment. Consider this exchange between Senator Margaret Chase Smith (R-ME) and SALT negotiator Gerard Smith:

Senator SMITH. Mr. Ambassador, you say that the treaty prohibits the development of other ABM systems. Would this affect a development of a laser ABM system by the United States?

Mr. SMITH. Senator Smith one of the agreed understandings says that if ABM technology is created based on different physical principles, an ABM system or component based on them can only be deployed if the treaty is amended. Work in that direction, development work, research, is not prohibited, but deployment of systems using those new principles in substitution for radars, launchers, or interceptors, would not be permitted unless both parties agree by amending the treaty.[8]

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[2] Testing and development, according to testimony surrounding SALT I, are analytically very closely related. In essence, development begins when testing begins, i.e., when an ABM system or component is tested against a strategic ballistic missile or its components in flight trajectory. Thus testing, in the legal sense of the ABM Treaty, only takes place during development, and there is no development without testing. Testing of U.S. ABM systems and components is restricted by the ABM Treaty to two ranges, at White Sands, New Mexico, and Kwajalein Atoll in the Pacific Ocean. Use of other test ranges for ABM testing must be agreed upon by the Soviets and the U.S. (see Common Understanding B). These restrictions have no impact on current SDI programs. In considering the legal issues of SDI and the ABM Treaty, this paper will make no distinction between the two; both will be considered under the heading of "development."

[3] ABM systems "currently" (i.e., as of 1972) consisted of:

(a) ABM interceptor missiles, which are interceptor missiles constructed and deployed for an ABM role or of a type tested in an ABM mode;

(b) ABM launchers, which are launchers constructed and deployed for launching ABM interceptor missiles; and

(c) ABM radars, which are radars constructed and deployed for an ABM role, or of a type tested in an ABM mode.

[4] See, e.g., Article 31, section 1, of the 1969 Vienna Convention on the Law of Treaties. United Nations Conference on the Law of Treaties, Doc. A/CONF. 39/37, May 23, 1969; and J. G. Starke, An Introduction to International Law (London: Butterworth's, 1977), p. 510.

[5] Webster's Third New International Dictionary (Springfield, Massachusetts: G. and C. Merriam Company, 1971).

[6] Advocates of both narrow and wider interpretations of the Treaty cite such statements in support of their positions. Under international law, unilateral statements by U.S. government officials, offered in testimony or in response to questions are a time subsequent to the signing of a treaty, can be guides to the interpretation of ambiguous treaty terms, but are not in and of themselves conclusive as to the meaning of those terms.

[7] U.S. Congress, Senate, Committee on Armed Services, Military Implications of the Treaty on the Limitations of Anti-Ballistic Missile Systems and the Interim Agreement on Limitation of Strategic Offensive Arms, 92nd Congress, Second Session, 1972, p. 81.

[8] Ibid., p. 416. See also Gerard Smith, Doubletalk (New York: Doubleday and Co., 1980), p. 125.

In spite of the many indications that full engineering development of advanced technologies is permitted, Gerard Smith, at one point, added a somewhat more restrictive definition of "development." During his congressional testimony, he stated that development began following ". . . laboratory development and testing. The prohibitions on development contained in the ABM Treaty would start at that part of the development process where field testing is initiated on either a prototype or breadboard model".[9]

Advanced engineering development, in this view, would be restricted but not laboratory or "proof of principle" development and testing. Thus, even acceptance of this narrower definition does not seriously affect the legality of SDI in its present stage.

Deployment

Deployment of countrywide defenses based on traditional technologies is clearly prohibited by the ABM Treaty and the intent clearly was to ban deployment of all territorial defenses.[10] However, deployment of one fixed land-based traditional technology ABM site is permitted. Furthermore, Agreed Statement E provides that, if advanced technology systems were "created" in the future, "specific limitations on such systems and their components would be subject to discussion. . . ." The use of the words "specific limitations" here implies that the various deployment limitations described in the Treaty applicable to traditional ABM systems, including the apparent prohibition on territorial defenses, do not necessarily apply to the advanced technology weapon systems.

Reinforcing this analysis is the fact that, under Agreed Statement E, all that is required prior to deployment of an advanced technology system is that it be "subject to discussion"[11] in accordance with Article XIII (which establishes the Standing Consultative Commission) and in accordance with ABM Treaty amendment procedure. If the prohibitions in Article V applied to all ABM systems, present and future, there would be no need to discuss new specific limitations.

The logical implication of Agreed Statement E is that advanced technology ABM systems could be deployed but would be subject to entirely new discussions that might lead to limitations. This is, of course, at variance with Smith's understanding concerning the prohibition of deployment as reflected in the congressional testimony cited above. His view, however, is not absolutely dispositive and so this matter remains a subject of debate. But the appropriate focus for the debate is deployment; the terms of the ABM Treaty and the testimony during Senate consideration of the Treaty offer ample support for the view that development is permissible.

U.S. SDI PROGRAMS AND THE ABM TREATY

The SDI involves a number of specific projects. None of the current activities violates the ABM Treaty, even using such narrow interpretations of development as those provided by Gerard Smith.

Traditional ABM technologies

Within the SDI program, a number of system components utilizing traditional technical concepts (launchers, missiles, and radar) are being investigated. The most well-known of these is the Homing Overlay Experiment (HOE). On June 10, 1984, the U.S. successfully tested a HOE interceptor missile (a modified Minuteman ICMB booster) equipped with a small nonexplosive warhead guided to its target using an on-board infrared sensor, computer, and guidance rockets. It is alleged that the traditional technology of HOE violates the ABM Treaty because:

(1) A minuteman booster was used in the test. This allegedly violates the Treaty provision in Article VI prohibiting each party from giving "missiles, launchers, or radars, other than ABM interceptor missiles, ABM launchers, or ABM radars, capabilities to counter strategic ballistic missiles or their elements in flight trajectory, and not to test them in an ABM mode." In this case, however, the Minuteman booster used was extensively modified and thus in their current configuration, other Minuteman boosters could not be used in an ABM mode. Furthermore, the booster was a test vehicle and not a prototype of a dual capable Minuteman missile.[12]

(2) The infrared sensors used in the test are a substitute for (traditional) ABM radars. But according to Agreed Statement E, such items are only subject to specific limitations through negotiaton prior to deployment. The Treaty requires discussion prior to deployment regarding specific limits on components that have been "created" and can substitute for ABM components, as in the case of these infrared sensors.

Advance technologies—mobile

The HOE test was also criticized as violating the Treaty restrictions on the development of advanced ABM technology, because the infrared sensors carried on the HOE interceptor warhead (as an advanced technology substitute for ABM radars) allegedly violates Article V, which bans the testing of mobile ABM components.

Similarly, critics suggest that development in the Talon Gold SDI program will be restricted by Article V. The Talon Gold program involves research and preliminary development of a satellite-based infrared sensor (as opposed to the HOE where the sensors are on the intercept vehicle itself) that will provide target acquisition and tracking data. These sensors, in the critics' view, will substitute for ABM radars.

Again, the treaty does not prohibit development of components based on "other physical principles." But even if such systems or components were subject to Article V that governs the development of advanced technologies, neither Talon Gold nor the HOE sensors have ever reached the development stage, as understood by the Treaty negotiators themselves. No other mobile system or components that fall under the auspices of SDI have approached the development stage, and research on all types of systems is clearly permitted under the terms of the Treaty.

Advanced technologies—fixed land-based

The U.S. is currently researching a variety of advanced technologies, such as short wavelength lasers, free electron lasers, an charged particle beams, which could be deployed as part of a fixed land-based defense system. (Some also could be used for space-based systems.) Such research and even the development stage are not clearly restricted by the ABM Treaty. During the Senate hearings on the ABM Treaty, in fact, specific questions were raised concerning the possible prohibition of research and development of lasers as weapons. John Foster (former director of Defense, Research, and Engineering) and Gerard Smith both confirmed that the U.S. could engage in research and development of lasers for ballistic missile defense.[13]

Future SDI activities and the ABM Treaty

Only if a very restrictive interpretation of Article V or Agreed Statement E were adopted would some SDI-related activities be prohibited by the Treaty. Yet even then, the U.S. could negotiate amendments to the treaty that would permit those activities, should early research and development seem promising enough to pursue. These include such technologies as space-based lasers or particle beam weapons, infrared detection devices (that might substitute for or complement active radars), and aiming and pointing devices such as those being explored in the Talon Gold program.

Some ABM systems based at least in part on traditional ABM technology (launchers, missiles, and radars) would clearly require significant Treaty amendment. The deployment of mobile land-based systems or fixed land-based systems in excess of 100 interceptors, which could evolve from current Army ballistic missile defense experiments such as HOE and endoatmospheric hypervelocity interceptor missiles, would require amendment.

If appropriate amendments cannot be negotiated with the Soviets, the U.S. has the legal option of withdrawal from the ABM Treaty. Article XV of the Treaty guarantees both parties the right to withdraw from the Treaty, with six months notice, if supreme national interests are involved.

As Donald Brennan, a former director of the Hudson Institute, has noted: "If the time comes when continuation of the Treaty is clearly against our interests, which could happen relatively soon, it would be absurd to continue the Treaty, whether or not the Soviets would agree to its modification or termination. Except when it would clearly serve their own interests, the Soviets are most unlikely to be cooperative in improving our security even by means that would not correspondingly harm theirs."[14]

As justification for treaty withdrawal, the U.S. could either treat the ABM agreement as having been breached already, citing Moscow's numerous violations of the accord,[15] or rely simply on the threat posed

[9] Military Implications, op. cit., p. 377. See also footnote 2.

[10] Ambassador Smith has referred to the obligation not to deploy ABM systems as the "heart of the Treaty" and argued further that "the only fair interpretation . . . is that any exotic system is banned." Quoted in Patrick Tyler, "How Edward Teller learned to Love the Nuclear Pumped X-Ray Laser," Washington Post, April 3, 1984, p. D4.

[11] "Discussion" in diplomatic parlance refers to talks with no commitment to reaching an agreement; this falls short of negotiation, wherein parties have agreed to work toward an agreement.

[12] See Clarence Robinson, "BMD Homing Interceptor Destroys Rentry Vehicle," *Aviation Week and Space Technolgy*, June 18, 1984, pp. 19-20, for a good description of the technical components of the Homing Overlay Experiment.

[13] See, e.g., *Military Implications, op. cit*, pp. 222, 295, 306.

[14] Donald G. Brennan, "BMD Policy Issues for the 1980s," in *U.S. Strategic Nuclear Policy and Ballistic Missile Defense* (Cambridge, Massachusetts: Institute for Foreign Policy Analysis, 1980), pp. 31-32.

[15] For a complete description of the Soviet strategic defense program, including Soviet violations of the ABM Treaty, see David Rivkin and Manfred

by Soviet offensive forces as the extraordinary circumstances. The U.S. then could rely upon Article XV to begin withdrawal from the treaty.

Amendment possibilities include delineating specific limitations on weapons based on specific new physical principles, permitting ICBM site defense in greater numbers than are allowed by the Treaty currently, and placing further limitations on offensive weapons.[16]

THE ABM TREATY, STRATEGIC DEFENSE, AND U.S. ALLIES

There has been some suggestion by American experts that ballistic missile defense bases might be placed in Western Europe or that West Europeans could be asked to contribute to strategic defense development. None of these actions would constitute violations of the ABM Treaty.

Two provisions of the Treaty pertain directly to strategic defense and U.S. allies. Article IX states that each Party: (1) "undertakes not to transfer to other States," and (2) "not to deploy outside its national territory," ABM systems or their components limited by the Treaty. At most, these provisions suggest some constraints on the degree to which the U.S. can share traditional stategic defense technology with its allies.

European contributions contemplated thus far have been limited to financial participation and providing ground bases for anti-tactical ballistic missile (ATBM) defenses (i.e., defense against ballistic missiles with ranges less than strategic, such as the Soviet SS-20 and SS-21). The ABM Treaty does not bar financial burden sharings for SDI-related activities by nations other than the U.S. or the USSR. Nor are there any restrictions on ATBM defenses (in contrast to ICBM defense in Europe) or basing. West Germany and France, moreover, conduct SDI-type research programs, and unconstrained by the ABM Treaty, which they never signed, could construct any kind of ballistic missile defense they choose on their own initiative.[17]

TECHNICAL AMBIGUITY AND THE ABM TREATY

As air defenses, defenses against nonstrategic ballistic missiles, and anti-satellite weapons become more effective, they will almost inevitably achieve some significant capability to destroy strategic ballistic missiles and their warheads. This would violate the purpose of the ABM Treaty, and if undertaken unilaterally by the Soviets, would adversely affect Western security and undermine deterrence. Rapid development of new technologies thus makes reconsideration of the terms and definitions of the ABM Treaty almost inevitable.

Air defense

Technical advances already have raised questions about the possibility of providing anti-aircraft interceptor missiles with the capability to intercept short- and medium-range ballistic missiles. While this is arguably legal under the ABM Treaty, such a system: (a) would be very difficult to distinguish from an ABM system, rendering verification of compliance virtually impossible; and (b) could be upgraded in the future so that it could have substantial capability to intercept strategic ballistic missiles.

In fact, the Soviets are already endowing their air defense radars, interceptor missiles, and launchers with these capabilities. The Soviet SA-5, SA-10, and SA-12 surface-to-air missiles all apparently can destroy short- and medium-range ballistic missile warheads—and probably some strategic ballistic missiles warheads as well.

Anti-satellite weapons

The U.S. anti-satellite (ASAT) program raises similar questions. The U.S. ASAT system being developed uses a small missile that carries a Miniature Homing Vehicle (MHV), which detects a satellite, maneuvers itself into the path of the satellite, and destroys it through direct impact. The MHV is a direct outgrowth of ballistic missile defense technology investigated through the 1970s. Laser research and development, being pursued in the SDI and also by the Soviets, also could yield systems with ASAT and ballistic missile defense applications.

Strategic defense deployment, in the form of an ASAT system, is not prohibited by the ABM Treaty. Gerard Smith assured Congress: "It is my understanding that the treaty says nothing about ASAT systems. I think we could go to a full ASAT deployment and not violate the treaty. I think it is unfortunate. I think it may be considered a loophole.[18]

ASAT systems, while clearly permissible under the Treaty, would erode the constraints of the ABM Treaty. Yet, contrary to what some critics allege, the U.S. cannot remove this problem by unilaterally halting its ASAT program. For a number of years the Soviets have been pursuing an active ASAT program of their own.

Ambiguity and the ABM Treaty

Many SDI critics have argued that the actual capability (rather than whether it has been designed to perform ABM missions) must be the benchmark of compliance with the ABM Treaty. Article VI of the Treaty commits each party not to give missiles, launchers, or radars other than ABM interceptor missiles, ABM launchers, or ABM radars, capabilities to counter strategic ballistic missiles or their elements in flight trajectory. . . .

Thus, claim SDI opponents, any system or component, such as air defense or ASAT, that achieves some ABM capabilities violates the ABM Treaty.

This contradicts the U.S. understanding of the Treaty. "Unilateral Statement B," submitted by the U.S. delegation shortly after the signing of the Treaty, states that testing of non-ABM components for non-ABM purposes is not restricted by Article VI. Without this understanding the ABM Treaty arguably could restrict a wide range of weapons systems, such as those designed for air defense or ASAT missions, in a way never intended by Treaty negotiators. The tension between intended and actual capabilities is thus already apparent in the Treaty itself and will grow as capabilities grow.

Yet if weapons and components with ABM capabilities that are intended for other military uses can be easily deployed, the ABM Treaty is obviously of very limited relevance in limiting ABM capabilities. Moreover, given the vast differences between U.S. and Soviet compliance standards, it would be advantageous for Moscow if systems with a residual capability were freely deployed.

This growing ambiguity obviously clouds the future of the ABM Treaty. As the Treaty becomes less relevant in limiting the ABM capabilities and verification of compliance with the Treaty becomes more and more difficult, the Treaty becomes less credible.

OTHER ARMS CONTROL PACTS

Outer Space Treaty of 1967.—This treaty commits the signatories, including the U.S. and the USSR, not to place in orbit any objects carrying nuclear weapons or any other weapons of mass destruction or to install such weapons on celestial bodies or station such weapons in outer space in any other manner. Questions have been raised about the legality of one technology being investigated in the SDI, the nuclear pumped X-ray laser, which could be deployed in space, or "popped up" into space after warning of an attack. Deployment of the X-ray laser, however, would probably be legal. For one thing, the nuclear device in an X-ray laser cannot be used as a weapon of mass destruction because it could not withstand reentry into the atmosphere. For another, the nuclear explosion that produces X-rays serves exclusively as a power source and not as a means of destruction, which means it is similar in that respect to Soviet nuclear-powered satellites. As such, the X-ray laser is not a weapon of mass destruction.

Threshold Test Ban Treaty (TTBT).—In 1974, the U.S. and the Soviet Union negotiated and signed the TTBT, limiting underground nuclear testing to a maximum yield of 150 kilotons. The two nations agreed to abide by its terms, even though the Senate has never ratified it. Moscow may have violated the accord on a number of occasions.[19]

One component of an SDI system could be long-range interceptor missiles that utilize nuclear warheads. Improvements in the design and effectiveness of these warheads would require testing. TTBT ceilings on nuclear tests make future deployment of this type of system problematic and potentially eliminate one layer of a multi-tiered, multi-technology anti-missile defense. This constraint will be of less concern if the U.S. can develop non-nuclear kill warheads.

The TTBT also potentially affects the development of the X-ray laser. The size of the nuclear explosion needed for an X-ray laser is larger than 150 kilotons. New warheads designed to produce more X-rays probably could not be tested under TTBT limits.

The Limited Test Ban Treaty (LTBT).—The LTBT prohibits nuclear testing "in the atmosphere; beyond its limits, including

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Hamm, "In Strategic Defense, Moscow is Far Ahead," Heritage Foundation *Backgrounder* No. 409, February 21, 1985. Under customary international law, if one party materially breaches a treaty, the other party may withdraw.

[16] For a discussion of amendment possibilities, see George Schneiter, "The ABM Treaty Today," in *Ballistic Missile Defense*, Ashton B. Carter, and David N. Schwartz, eds. (Washington, D.C.: Brookings Institution, 1984), pp. 244-250. If satisfactory amendments cannot be worked out, the U.S. right to withdraw is guaranteed in Article XV, Section 2, which provides: "Each Party shall . . . have the right to withdraw from this Treaty if it decides that extraordinary events related to the subject matter of this Treaty have jeopardized its supreme interests. It shall give notice of its decision to the other Party six months prior to withdrawal from the Treaty.". . .

[17] Air Vice Marshal Stewart Menaul, *The Technology of Ballistic Missile Defense* (London: Aim of Industry, 1984), Introduction; and "France is Working on Star Wars Weapons," *Cleveland Plain Dealer*, April 9, 1984, p. 6.

[18] U.S. Congress, Senate, Committee on Armed Services, Department of Defense Authorization for Appropriations for Fiscal Year 1985, part 6, *The Strategic Defense Initiative*, 98th Congress, Second Session, 1984, p. 3066.

[19] See Brian Green, "A Flawed Test Ban Treaty," Heritage Foundation Backgrounder No. 340, March 27, 1984.

outer space; or under water. . . ." Testing of the power source of an X-ray laser or nuclear warheads for an ABM system anywhere but underground would violate this treaty. The LTBT makes advanced development of X-ray lasers and nuclear kill ABMs very difficult, if not impossible, because it would not permit the U.S. to test new design improvements in the nuclear explosives required for these weapons.

CONCLUSION: THE FUTURE OF THE ABM TREATY

The U.S. must recognize several facts regarding the ABM Treaty.

(1) The Treaty has not prompted Moscow to abandon development of military means to provide an active defense of the USSR nor has it significantly constrained development of a nationwide Soviet ballistic missile defense system. This is apparent in the Soviet deployment of ambiguous air defense/ballistic missile defense missiles (the SA-5, SA-10, and SA-12), which allow the Soviets to deploy systems with some ABM capability while claiming ABM Treaty compliance.

(2) The Treaty has constrained the U.S. which, prior to the Reagan Administration's advocacy of the SDI, had reduced dramatically its research and development spending on anti-missile defenses.[20]

(3) While attempts at controlling offensive arms, as in SALT I and SALT II, have failed to restrain the Soviet threat to U.S. retaliatory forces,[21] the ABM Treaty has prevented the U.S. from actively defending those forces. U.S. security thus has been diminished.

If the Soviets continue their current policies, U.S. options concerning the ABM Treaty are limited. Withdrawal from the Treaty is one possibility. Arms control should serve overall U.S. national security interests. Arms control should not be an end in itself but a means of improving U.S. security. The U.S. could use either Moscow's repeated violations of the Treaty as proof of Soviet abrogation or the threat posed to supreme U.S. interests by the unremitting Soviet offensive buildup as grounds for legal U.S. withdrawal.

A second option is to seek renegotiation of the ABM Treaty. This could clarify the kinds of activities specifically permitted by the Treaty and allow the U.S. and Soviets to pursue their preferred ballistic missile defense options. Negotiations on space weapons could touch on many of these issues. The U.S. should not give up the right to pursue the research and development of strategic defense technologies.

A final option is to continue to abide by the Treaty as it is today. As currently conceived, SDI is perfectly consistent with the ABM Treaty, and the U.S. could reasonably pursue its ballistic missile defense goals within the confines of the Treaty until it is in a position to decide among the technical alternatives. At the same time, the U.S. could develop and deploy ABM systems permitted by the ABM Treaty. One possibility would be to develop and deploy site defenses that could be used to defend the MX missile at Cheyenne, Wyoming. This would improve the survivability of U.S. retaliatory forces and reduce some of the strategic defensive asymmetries that have developed during the life of the ABM Treaty. The U.S. can also deploy an ATBM system to defend key NATO assets.

All three options—withdrawal, renegotiation, or continued compliance—must be weighed at any given moment on the basis of an informed assessment of the status of Soviet ballistic missile defense, Soviet treaty compliance, and the strategic offensive balance.—Prepared for The Heritage Foundation [22]

APPENDIX A.—RELEVANT TREATY SECTIONS

Article I: prohibits the deployment of ABM systems for territorial defense or "a base for such a defense."

Article II: defines an ABM system as "a system to counter strategic ballistic missiles or their elements in flight trajectory" consisting of interceptor missiles, launchers, radars and other components. Particular characteristics were elaborated in Article 5 and Agreed Interpretations B, D, and E.

Article III: (as amended by Article 1 of the 1974 Protocol) permits each party to have one fixed land-based ABM system.

Article V, section 1: pledges each party "not to develop, test, or deploy ABM systems or components which are sea based, air based, space based or mobile land based."

Article VI: each party pledges "not to give missiles launchers, or radars, other than ABM interceptor missiles, ABM launchers, or ABM radars, capabilities to counter strategic ballistic missiles or their elements in flight trajectory, and not to test them in an ABM mode.

Article VII: permits modernization and replacement of ABM systems or their components.

Agreed Statement E: states that ". . . the Parties agree that in the event ABM systems based on other physical principles and including components capable of substituting for ABM interceptor missiles, ABM launchers, or ABM radars are created in the future, specific limitations on such systems and their components would be subject to discussion in accordance with Article XIII (dealing with the Standing Consultative Commission) and agreement in accordance with Article XIV (dealing with amendments) of the Treaty."

Mr. HATCH. I thank the Chair.

Mr. President, I thank my distinguished friend and colleague from North Carolina for his courtesy to me. He is always courteous and I really appreciate it.

Mr. HELMS. Mr. President, the Senator is quite welcome.

I want him to know that I admire his comments very much as I have the statements by Senators who have preceded us.

This is a subject of enormous importance to the American people and even to the survival of this country.

So I thank the Senator from Utah.

Mr. HATCH. I thank my friend.

(Mr. COHEN assumed the chair.)

THE DOUBLE STANDARD ON ABM

Mr. HELMS. Mr. President, Secretary of State Shultz in his remarks at the North Atlantic Assembly meeting in San Francisco on the strategic defense initiative and the ABM Treaty cast into doubt the credibility of arms control and the utility of the forthcoming summit in Geneva.

With one stroke, either by design or otherwise, Secretary Shultz has undermined President Reagan's program for the strategic defense initiative. In fact, Mr. Shultz may have achieved what many perceive to be the longstanding goal of the State Department bureaucracy to destroy SDI as a viable component of U.S. defense.

Mr. President, the SDI is the first innovative strategic concept in 20 years. It is the first concept that has sobered the Soviets' drive for strategic domination and made them fear that their massive buildup in offensive nuclear weapons might be counterchecked. For the first time a President has introduced a concept which might lead to real arms control, not the arms control process—and there is a distinction, Mr. President, not the arms control "process" but real arms control.

Such a development in strategic thinking has been anathema to the arms control establishment because of an obvious reason. If there is no arms control process, then there is no need for such an establishment—and there go their jobs.

Another reason may be found in the lingering feeling of guilt in some quarters in this country that the United States is the cause of evil in the world and that we need to be placating and appeasing the Soviet Union in a real way. Not surprisingly, this has led to the double standard in arms control. We have seen time after time the Soviets getting away with violation after violation. They can throw the SALT treaties in the dust like a scrap of paper. They can deploy forbidden radars. They can block the legitimate verification processes allowed in the ABM Treaty and SALT I. But the Soviet Union is aways forgiven by the major news media of this country and by the U.S. State Department, just so long as the pretense is maintained that the agreements are still in effect. That is all it is, Mr. President, a pretense.

In other words, the United States must keep the arms control process alive at any cost, at any risk, even

[20] From $2.1 billion in 1971 to $100 million in 1977 (constant 1977 dollars). John Collins, in U.S. Congress, Senate, *U.S. and Soviet City Defense:* Considerations for Congress, prepared by the Congressional Research Service, 94th Congress, Second Session (Washington, D.C.: U.S. Government Printing Office, 1976), p. 11. Nevertheless, many technologies were researched at very low levels of funding including virtually all those being investigated in SDI. The critics who now claim SDI is in violation of various arms control treaties, were suspiciously quiet when SDI technologies were being investigated throughout the 1970s and early 1980s.

[21] In 1979, Harold Brown, then Secretary of Defense, predicted that: "The combination of accurate guidance and the large number of warheads expected in the early 1980s will give their ICBM force the ability to destroy our silos with a relatively small fraction of their ICBMs." U.S. Congress, Senate, Committee on Foreign Relations, *The SALT II Treaty*, 96th Congress, First Session, 1979, pp. 303-304. His prediction was accurate. The expansion of Soviet strategic offensive forces and the impact of that expansion are detailed in Caspar Weinberger, *Annual Report to the Congress, Fiscal Year 1986*, January 30, 1985, pp. 48-50.

[22] This study was researched and written by a scholar, currently employed in the Administration, who requests anonymity. Inquiries regarding the study should be addressed to Brian Green at The Heritage Foundation.

though the arms control process has been dead for years. We just keep the corpse in a closet, talk about the arms control process, and ignore the fact that the corpse is no longer breathing.

On the other hand, when the role of the United States is considered, the same people say that we must bend over backward time after time so that no one will ever accuse the United States of violation with regard to the ABM Treaty. The United States for years has followed a concocted interpretation of the SALT treaties that has effectively jeopardized our strategic development.

Now, that interpretation runs something like this: The ABM Treaty allows research, development, and testing of new technologies based on new physical principles of antimissile protection but it does not allow deployment.

One is reminded of Lewis Carroll's poem, when Humpty-Dumpty says, "When I use a word, it means what I choose it to mean; nothing more, nor less."

But we always seem to let the Soviet Union's interpretation of the words become the ruling interpretation—for them.

The question comes as to what is the distinction between testing and deployment? If we test a new system, does that mean it is deployed? Oh, we are so fearful that the Soviet will accuse us of breaking a treaty if we fully test the new system, therefore, we have pulled the punches on our tests. We have only tested components, or tested them in a way which has significant aspects of the test missing. And, of course, this stretches out the tests indefinitely, reduces their effectiveness, and calls into serious question the whole effort.

Therefore, those who oppose an effective SDI, but are not able to do it in the face of the President's stated policies, are able to sneak around and neutralize the program. And that is what is afoot, Mr. President; that is what is going on in this country, inside the bureaucracy and outside of it.

Now, among recent SDI tests that have been emasculated by this bureaucratic process have been the following:

One, the airborne optical adjunct test, which was supposed to include at least three major components, but which omitted one element for fear that it would be called—and there comes that word again—"deployment."

Two, the homing overlay experiment, which was supposed to include a multiple number of the same components to test the effectiveness of the interactive coverage, was, instead, limited to only one of that component.

Three, the TALONGOLD experiment during the last space shuttle mission was run at reduced power, limiting the information received.

Four, the LODE laser test was also degraded, with the same result.

Now, Mr. President, if this kind of policy continues, this Senator and others who have spoken here this afternoon, see little reason to support the SDI Program. The SDI should not be a dispensable bargaining chip that we are keeping on the table while the diplomats talk and the Soviets build. President Reagan has repeatedly said he doesn't want that to happen. But that is what is happening. Under the current schedule, these experiments would not be completed until 1991—6 years from now. What will the strategic balance be in 1991? Will it be better? Will it be worse? I do not know. But I think we all know that, in our heart of hearts, it will be worse. So, under these bureaucrat-rigged guidelines, SDI becomes a cruel joke to deceive the American people. That is not what President Reagan has in mind; but it is what the bureaucracy is doing.

I guess, Mr. President, the question is: do we want to survive as a nation? Do we really want to inaugurate a reign of peace instead of a reign of terror? Why are we not working full blast on this program?

There are those who say that the funding is insufficient to operate a full program. Well, why is the funding not available?

I wish the American people had the information to understand this issue in detail, and then we could take a referendum to the American people. And I think I know what the result would be.

Now, we all know who in this Congress—both the House and the Senate—are responsible for crippling the SDI system. It has been only recently that it has become clear that the bureaucracy itself is undermining the program.

Then a strange thing happened. On October 6, the National Security Adviser, Robert McFarlane, appeared on the TV show, "Meet the Press." He was asked by Marvin Kalb for the administration's view on testing. Mr. McFarlane replied:

> I think the President is guided by the ABM Treaty, and the terms of that treaty are very explicit in articles II, III, IV, and V, plus Agreed Statement D. They make clear that on research involving new physical concepts, that that activity, as well as testing, as well as development indeed, are approved and authorized by the treaty. Only deployment is foreclosed, except in accordance with articles XIII and XIV.

This was a significant new development. It was like a breath of fresh air. What it meant was that the shackles imposed by the arms-control establishment had been broken.

I doubt very much that Mr. McFarlane made this statement without full authorization from the President. It is being widely discussed throughout this city that at an interagency meeting only a few days previously the policy had been debated and agreed upon. The only demurrer was expressed by Assistant Secretary of State Rozanne Ridgeway, who said that "the Allies" would be upset. Dear me.

Mr. President, this brings up a sensitive matter. When Mrs. Ridgeway came before the Senate Foreign Relations Committee for confirmation, I asked her whether she could support the President's policy as a nonpolitical Foreign Service officer. She said that she had no problem with that. But no sooner did Mr. McFarlane go public with the President's policy on this supremely important issue than she was able to deliver what amounted to a knockout punch. Within days she delivered letters from West German Chancellor Helmut Kohl and Britain's Prime Minister Margaret Thatcher strongly protesting the decision of the United States to defend itself.

Mr. President, I wonder what steps Mrs. Ridgeway took to forestall such letters if, indeed, she did not encourage them. Did she immediately confer with our so-called allies and attempt to get their support? Did she tell them that the United States would not be intimidated by anyone, not even a theoretical ally, when it comes to our basic security? Did she protest at all when the letters were delivered?

And, Mr. President, what was the role of Mrs. Ridgeway's predecessor, Richard Burt, now Ambassador to West Germany? What steps did he take? Just how did Mrs. Ridgeway and Mr. Burt cooperate to save the President's policy?

Whatever actions were taken, Mr. President, they were obviously ineffective, at best—so ineffective that many people in Washington believe that the President's European team actually instigated our so-called allies to strike a blow at our defense and at our realistic new arms control policy.

These are pretty blunt words, Mr. President, posing a tough question, but they need to be answered, and they need to be answered now.

Mr. President, just a few days ago I was privileged to insert in the RECORD remarks made by the distinguished Senator from Wyoming Mr. [WALLOP], about how the allies have continuously subverted our defense and sapped our will to conduct a sane effective arms control policy. Senator WALLOP's words I see were prophetic. Once again, we have succumbed to the appeasement policies of our so-called allies, who are worried that the profits of their trade with the Communists might decline.

This all came about, Mr. President, at an NSC meeting last Friday. At that meeting Mr. Shultz was able to throw down on the table the letters from our allies, letters which Mrs. Ridgeway was unable to forestall—if indeed she

did not encourage them. I think this Senate is entitled to know Mr. President: Was a full report given to the President on the way these letters came to be written? Did Mrs. Ridgeway deceive the Secretary and the President? I would not ask those questions did I not still firmly believe that Mrs. Ridgeway deceived the Senate Foreign Relations Committee as to certain actions which she took in relation to the governments of East Germany and West Germany. Her testimony on these questions is clear.

Mr. Shultz also had as a backup legal memorandums prepared by the bureaucracy at ACDA. Mr. Adelman, ACDA Director, said he was opposed to the conclusions of the ACDA memorandum. I like Ken Adelman. I enjoy his company. But I am bound to ask him who is running the store? If he disagreed with it, why did he not say so publicly and repudiate it? I do not understand why the director who is my friend would forward to the Secretary a memorandum with which he disagreed. The result, however, was Mr. Shultz's statement to the North Atlantic Assembly, a meeting with our so-called allies.

At that meeting, Mr. Shultz stated:

The Treaty's text, the agreed statements accompanying it, the negotiating record, and official statements made since that time are subject to differing interpretations.

It is our view, based on a careful analysis of the treaty text and the negotiating record, that a broader interpretation of our authority is fully justified. This is, however, a moot point; our SDI research program has been structured and, as the President has reaffirmed on Friday, will continue to be conducted in accordance with a restrictive interpretation of the treaty's obligations.

Furthermore, any SDI deployment would be the subject of consultations with our allies, and of discussion and negotiation, as appropriate, with the Soviets in accordance with the terms of the ABM treaty.

Our policy thus reflects . . . our commitment to pursue the program as currently structured, which is consistent with a restrictive interpretation of our obligations under the ABM treaty.

Mr. HELMS. Mr. President, what the Secretary says is that the President's position as articulated by Mr. McFarlane, is fully justified under the ABM treaty. Nevertheless, although we are free to choose a legitimate interpretation that protects our interests, we will continue to pursue the one that undermines our interests.

As they say in North Carolina, "That don't even make good nonsense."

He says it is a moot point because we had not intended to pursue a full program anyway. But why not expand the program in accordance with the interpretation that best supports its national interest?

What the Secretary is saying is that we will not seek to step up our SDI testing to effective levels. We will not depart from the present schedule. We will still not have an effective test on SDI until 1991. In order to pacify the arms control community, and those of our allies who are seeking to appease the Soviets for the sake of increased profits from trade, we will not take steps to make SDI a serious program for peace.

What has happened is that the State Department has succeeded in bargaining away SDI even before the summit starts. It will not be a "bargaining chip" because the will to produce SDI has already dissipated in the bureaucracy. There can be no confidence in the Secretary or his assistants so long as they continue to undermine and destroy the President's policy.

I yield the floor.

ENERGY AND WATER DEVELOPMENT APPROPRIATION—CONFERENCE REPORT

Mr. HATFIELD. Mr. President, I submit a report of the committee of conference on H.R. 2959 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2959) making appropriations for energy and water development for the fiscal year ending September 30, 1986, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of today, October 17, 1985.)

Mr. HATFIELD. Mr. President, the conference agreement is below the budget resolution allocation on new budget authority for energy and water programs. Moreover, the total of the bill is $90 million below the President's budget request.

I am also happy to report that I have had a pretty clear signal from the White House that the President will sign this first appropriations bill that will reach his desk. I think that augurs well for the work of Congress and the many people who have participated through the long debates on the budget resolution and through the crafting of this particular appropriations bill.

Mr. President, I bring before the Senate today the conference report on H.R. 2959, the Energy and Water Development Act for fiscal year 1986. The conferees resolved the differences in the bill between the House and the Senate on October 9. The conference report and statement of managers are filed as House Report 99-307 and are printed in the CONGRESSIONAL RECORD. Therefore, I shall not elaborate on all the items which were in disagreement, but I do want to sketch an outline of some of the important elements of the proposal which is before us today.

Before doing so, Mr. President, I wish to compliment our friends from the House, particularly the gentleman from Alabama [Mr. BEVILL], the chairman of the House conferees and chairman of the conference. I also want to thank the gentleman from Indiana [Mr. MYERS], the ranking minority member, for his cooperation and valuable contributions. I also want to express my appreciation to the Senate conferees, particularly the ranking minority member and former chairman of the subcommittee, the Senator from Louisiana, Senator JOHNSTON, for his support and assistance during the conference on this measure.

Mr. President, I believe we have reached, through long hours of negotiation, a reasonable agreement which should be cleared by the Senate and sent immediately to the President for his signature. This bill is clearly under the budget allocations. The conference agreement is $400 million below the budget resolution allocation of new budget authority for energy and water programs. Moreover, the total of the bill is $90 million below the President's budget request.

As recommended by the committee of conference, the conference agreement provides $15,253,918,000 in new budget authority for energy and water development through the activities of the Department of Energy, Corps of Engineers, Bureau of Reclamation, and several independent agencies.

To be specific, the amount of the conference agreement is $90,200,000 below the administration's budget request in budget authority. According to CBO estimates, we are $109,533,000 below the 302(b) allocation in budget outlays. The total bill is $46,996,000 above the Senate-passed version, and $19,017,000 below the House measure.

To reach this level of savings, the conferees were faced with some extremely difficult decisions. In many cases, after careful consideration, we agreed to the lower amounts for many programs and activities. Arriving at these lower amounts for specific appropriation activities, I believe, clearly shows our continued commitment and dedication to fiscal restraint.

Mr. President, the conference report and statement of managers provide much detail, and therefore, I shall summarize in rather general terms the appropriations provided for in the conference agreement.

Title I of the conference agreement provides appropriations for the U.S. Army Corps of Engineers civil works program. The conference report provides a total of $2,822,050,000 which is an increase of $159,237,000 over the

Senate level and a reduction of $49,457,000 below the House bill. The Corps of Engineers' level is $462,310,000 above the budget request, and $69,050,000 below the fiscal year 1985 level. Most of the amount added to the requested level, approximately $400 million, was restored by the conferees to offset a proposed reduction in the operation and maintenance of existing corps projects and facilities.

The administration's proposed cuts could have closed down important water projects and facilities, including ports and waterways navigation facilities across the United States. In a show of budget gimmickry, and false savings, I believe these cuts were proposed with the clear understanding that Congress would continue to provide funds for operations of these important projects. After receiving extensive testimony on the impact of these cuts, the conferees follow both the House and Senate in recommending a restoration of the O&M account. In the construction account, the conferees provide $919,345,000 for ongoing construction projects. The bill contains no funding for additional new water projects. Funding may be made available, however, for continuation of new starts included in the supplemental appropriations, Public Law 99-88, if criteria on cost-sharing set forth in that public law are met.

For title II, the Bureau of Reclamation, the conferees recommend a total of $777,915,000, which is $10,855,000 more than the Senate bill and $22,624,000 less than the House-passed bill.

The conference agreement contains $11,008,838,000 for Department of Energy programs in title III. This includes $1,772,271,000 for energy supply, research, and development activities; $685,400,000 for general science and research activities; $229,391,000 for power marketing administrations; and $29,491,000 for the Federal Energy Regulatory Commission. The energy accounts include $216,030,000 for solar, geothermal, and renewable energy development, $382,000,000 for magnetic fusion energy development, and $653,050,000 for nuclear fission activities, including $250,700,000 for liquid metal breeder reactor systems and $95,000,000 for the Uranium Mill Tailings Remedial Action Program [UMTRA]. As the statement of managers indicates, those mill tailings sites and vicinity properties with completed remedial action plans should remain on the optimum schedule. Although additional allocations may be necessary, full funding at the requested level is available for Canonsburg at $3,570,000, Salt Lake City at $28,181,000, Shiprock at $11,942,000, and Lakeview $5,336,000. Within the energy title, the conference agreement provides $7,604,615,000 for atomic energy defense activities. This is $428,285,000 below the budget request and a total of $282,294,000 over the fiscal year 1985 level. It is a 4-percent increase in military related spending and is fully consistent with earlier Senate action on the budget resolution.

As most of my colleagues know, I personally oppose these increases for atomic weapons activities. That personal view, however, is not shared by the majority of my colleagues. In any event, I believe we have arrived at a total level of new budget authority which provides adequate funding for these activities, if the Department manages the program in a prudent manner.

Mr. President, the conference agreement includes $645,115,000 for seven independent agencies and commissions in title IV, including $120,000,000 for the Appalachian Regional Development Program, $418,000,000 for the Nuclear Regulatory Commission, and $104,000,000 for the Tennessee Valley Authority. After long hours of negotiation with the House, both the ARC and TVA were provided with a level of new budget authority which represents a 20-percent reduction from the current year funding. These levels of funding are consistent with the assumptions for TVA and NRC contained in the budget resolution.

I should note at this point the work and strong support provided by the Senator from Mississippi, Senator STENNIS, for both ARC and TVA—his help was invaluable in reaching this conference agreement. Knowing of his interest in these activities, I want to indicate that the conference agreement includes $9 million for ARC to continue ongoing port development work, of which $3 million is for continued development of Columbus, MS, port facilities, and $3 million is for continued work at the Fulton-Tupelo port facilities.

Mr. President, one amendment in disagreement, amendment 46, deserves special mention due to its controversial nature. This amendment is the outgrowth of the House bill language in both section 307 and section 506 which provided a strict prohibition against certain Federal agencies procuring any foreign extra high voltage [EHV] power equipment. The Senate deleted both provisions and strongly opposed inclusion of this far-reaching legislation addressing a complex trade issue in the appropriations bill.

After very difficult negotiations with the House, I believe the conferees arrived at an acceptable compromise which is amendment 46. The House agreed to recede and concur in an amendment which would provide a limited 1-year window of opportunity for the domestic extra high voltage power equipment industry to be given an additional price differential and to improve its competitive position while still assuring that the affected agencies would purchase reliable EHV power equipment.

For purposes of amendment 46, the conference managers included as report language what they believed was a Commerce Department definition for EHV power equipment in order to clarify the scope of equipment to be covered by this amendment. The Department of Commerce now indicates that this is not its definition of EHV power equipment. To eliminate potential confusion, I believe it is prudent to limit the scope of the amendment to the type of EHV power equipment referred to in House Report 99-195. Based on the House report and the American National Standards Institute definition of EHV [extra high voltage] power equipment is alternating current [AC] and direct current [DC] electrical equipment, rated and operating above 242 kilovolts and less than 1,000 kilovolts. EHV power equipment should include only power transformers, power circuit breakers, and shunt reactors.

It was not the intent of the conferees to include in the provision any ancillary components or materials. These components and materials would be provided preferences and price differentials in accordance with the buy-America provisions in existing law.

Mr. President, I want to again express my thanks and deep appreciation to my friend and colleague, the distinguished Senator from Louisiana [Mr. JOHNSON], who is the ranking minority member of this committee. I want especially to commend him for his dedication and support.

Finally, Mr. President, both the majority and minority staff of this committee deserve special thanks for their nonpartisan and professional approach—Steve Crow, Proctor Jones, David Gwaltney, and Gloria Butland. I think they are especially to be commended for their diligent work on this bill.

Mr. President, I ask unanimous consent that a copy of the comparative statement of new budget authority be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY

	Fiscal year—		House	Senate	Conference	Conference compares with—			
	1985 enacted	1986 estimates				Enacted	Estimates	House	Senate
TITLE I—DEPARTMENT OF DEFENSE—CIVIL									
Department of the Army									
Corps of Engineers—Civil									
General investigations	139,200,000	121,660,000	133,189,000	120,697,000	128,972,000	−10,228,000	+7,312,000	−4,217,000	+8,275,000
(By transfer)	(2,200,000)					(−2,200,000)			
Construction, general	960,500,000	848,530,000	952,438,000	829,581,000	919,345,000	−41,155,000	+70,815,000	−33,093,000	+89,764,000
Flood control and coastal emergencies	50,000,000	25,000,000	25,000,000	10,000,000	25,000,000	−25,000,000			+15,000,000
Revolving fund		7,000,000	7,000,000	7,000,000	7,000,000	+7,000,000			
Flood control, Mississippi River and tributaries, Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee	321,800,000	271,440,000	321,685,000	285,735,000	314,760,000	−7,040,000	+43,320,000	−6,925,000	+29,025,000
Operation and maintenance, general	1,307,600,000	976,560,000	1,325,195,000	1,302,800,000	1,319,973,000	+12,373,000	+343,413,000	−5,222,000	+17,173,000
General expenses	112,000,000	109,550,000	107,000,000	107,000,000	107,000,000	−5,000,000	−2,550,000		
(By transfer)	(3,000,000)					(−3,000,000)			
Total, title I, Department of Defense—Civil: New budget (obligational) authority	2,891,100,000	2,359,740,000	2,871,507,000	2,662,813,000	2,822,050,000	−69,050,000	+462,310,000	−49,457,000	+159,237,000
TITLE II—DEPARTMENT OF THE INTERIOR									
Bureau of Reclamation									
General investigations	35,566,000	32,643,000	34,085,000	32,150,000	34,035,000	−1,531,000	+1,392,000	−50,000	+1,885,000
Construction program	754,300,000	536,114,000	541,074,000	512,730,000	521,700,000	−232,600,000	−14,414,000	−19,374,000	+8,970,000
Operation and maintenance	149,689,000	135,159,000	132,665,000	132,665,000	132,665,000	−17,024,000	−2,494,000		
Loan program	67,537,000	41,442,000	42,515,000	39,315,000	39,315,000	−28,222,000	−2,127,000	−3,200,000	
(Liabilities on direct loans)	(68,500,000)	(40,000,000)	(41,100,000)	(37,900,000)	(48,315,000)	(−20,185,000)	(+8,315,000)	(+7,215,000)	(+10,415,000)
General administrative expenses	58,917,000	50,268,000	49,200,000	49,200,000	49,200,000	−9,717,000	−1,068,000		
Emergency fund	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000				
Total, Bureau of Reclamation	1,067,009,000	796,626,000	800,539,000	767,060,000	777,915,000	−289,094,000	−18,711,000	−22,624,000	+10,855,000
Total, title II, Department of the Interior: New budget (obligational) authority	1,067,009,000	796,626,000	800,539,000	767,060,000	777,915,000	−289,094,000	−18,711,000	−22,624,000	+10,855,000
(Limitation on direct loans)	(68,500,000)	(40,000,000)	(41,100,000)	(37,900,000)	(48,315,000)	(−20,185,000)	(+8,315,000)	(+7,215,000)	(+10,415,000)
TITLE III—DEPARTMENT OF ENERGY									
Energy supply, research and development activities:									
Operating expenses	1,708,908,000	1,744,912,000	1,515,210,000	1,656,620,000	1,565,345,000	−143,563,000	−179,567,000	+50,135,000	−91,275,000
Plant and capital equipment	248,881,000	226,101,000	215,226,000	231,101,000	229,526,000	−19,355,000	+3,425,000	+14,300,000	−1,575,000
General reduction				−8,000,000	−22,600,000	−22,600,000	−22,600,000	−22,600,000	−14,600,000
Subtotal	1,957,789,000	1,971,013,000	1,730,436,000	1,879,721,000	1,772,271,000	−185,518,000	−198,742,000	+41,835,000	−107,450,000
Uranium supply and enrichment activities:									
Operating expenses	1,254,900,000	1,579,000,000	1,579,000,000	1,570,800,000	1,221,000,000	−33,900,000	−358,000,000	−358,000,000	−349,800,000
Plant and capital equipment	395,400,000	33,700,000	33,700,000	41,900,000	391,700,000	−3,700,000	+358,000,000	+358,000,000	+349,800,000
Subtotal	1,650,300,000	1,612,700,000	1,612,700,000	1,612,700,000	1,612,700,000	−37,600,000			
Gross revenues	−1,547,800,000	−1,612,700,000	−1,612,700,000	−1,612,700,000	−1,612,700,000	−64,900,000			
Net appropriation	102,500,000					−102,500,000			
General science and research activities:									
Operating expenses	521,305,000	545,879,000	535,800,000	529,800,000	535,800,000	+14,495,000	−10,079,000		+6,000,000
Plant and capital equipment	208,700,000	139,600,000	149,600,000	149,600,000	149,600,000	−59,100,000	+10,000,000		
Subtotal	730,005,000	685,479,000	685,400,000	679,400,000	685,400,000	−44,605,000	−79,000		+6,000,000
Nuclear waste disposal fund	327,669,000	571,460,000	521,460,000	552,460,000	521,460,000	+193,791,000	−50,000,000		−31,000,000
Atomic energy defense activities:									
Operating expenses	5,664,440,000	6,178,522,000	6,009,637,000	6,031,522,000	6,017,887,000	+353,447,000	−160,635,000	+8,250,000	−13,635,000
Plant and capital equipment	1,657,881,000	1,854,378,000	1,583,778,000	1,616,278,000	1,586,728,000	−71,153,000	−267,650,000	+2,950,000	−29,550,000
Subtotal	7,322,321,000	8,032,900,000	7,593,415,000	7,647,800,000	7,604,615,000	+282,294,000	−428,285,000	+11,200,000	−43,185,000
Departmental administration:									
Operating expenses	349,034,000	409,740,000	400,039,000	400,039,000	400,039,000	+51,005,000	−9,701,000		
Plant and capital equipment	4,877,000	10,327,000	10,327,000	10,327,000	10,327,000	+5,450,000			
Subtotal	353,911,000	420,067,000	410,366,000	410,366,000	410,366,000	+56,455,000	−9,701,000		
Miscellaneous revenues	−219,459,000	−244,228,000	−244,228,000	−244,228,000	−244,228,000	−24,769,000			
Net appropriation	134,452,000	175,839,000	166,138,000	166,138,000	166,138,000	+31,686,000	−9,701,000		
Power Marketing Administrations									
Operation and maintenance, Alaska Power Administration	3,233,000	3,321,000	3,281,000	3,281,000	3,281,000	+48,000	−40,000		
Bonneville Power Administration Fund:									
(Limitation on direct loans)	(40,000,000)	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)	(−20,000,000)			
Operation and maintenance, Southeastern Power Administration	35,744,000	70,000				−35,744,000	−70,000		
Operation and maintenance, Southwestern Power Administration	31,208,000	29,746,000	29,500,000	29,500,000	29,500,000	−1,708,000	−246,000		
Construction, rehabilitation, operation and maintenance, Western Area Power Administration	218,230,000	208,022,000	196,610,000	196,610,000	196,610,000	−21,620,000	−11,412,000		
(By transfer, permanent authority)		(890,000)	(890,000)	(890,000)	(890,000)	(+890,000)			
Subtotal	288,415,000	241,159,000	229,391,000	229,391,000	229,391,000	−59,024,000	−11,768,000		
Federal Energy Regulatory Commission									
Salaries and expenses	97,304,000	98,852,000	93,068,000	95,568,000	95,568,000	−1,736,000	−3,284,000	+2,500,000	
Revenues applied	−41,334,000	−66,077,000	−66,077,000	−66,077,000	−66,077,000	−24,743,000			
Subtotal	55,970,000	32,775,000	26,991,000	29,491,000	29,491,000	−26,479,000	−3,284,000	+2,500,000	
Geothermal Resources Development Fund									
Geothermal loan guarantee and interest assistance program	121,000	76,000	72,000	72,000	72,000	−49,000	−4,000		
(Limitation on guaranteed loans)	(500,000,000)	(500,000,000)	(500,000,000)	(500,000,000)	(500,000,000)				

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY—Continued

	Fiscal year—		House	Senate	Conference	Conference compares with—			
	1985 enacted	1986 estimates				Enacted	Estimates	House	Senate
Total, title III, Department of Energy:									
New budget (obligational) authority	10,919,242,000	11,710,701,000	10,953,303,000	11,184,473,000	11,008,838,000	+89,596,000	−701,863,000	+55,535,000	−175,635,000
Operating expenses	(8,403,503,000)	(9,446,595,000)	(8,960,672,000)	(9,135,267,000)	(8,640,957,000)	(+237,454,000)	(−805,638,000)	(−319,715,000)	(−494,310,000)
Plant and capital equipment	(2,515,739,000)	(2,264,106,000)	(1,992,631,000)	(2,049,206,000)	(2,367,881,000)	(−147,858,000)	(+103,775,000)	(+375,250,000)	(+318,675,000)
TITLE IV—INDEPENDENT AGENCIES									
Appalachian Regional Commission: Salaries and Expenses	2,300,000		2,500,000	1,800,000	2,200,000	−100,000	+2,200,000	−300,000	+400,000
Funds appropriated to the President:									
Appalachian regional development programs	49,000,000		41,500,000	80,000,000	45,000,000	−4,000,000	+45,000,000	+3,500,000	−35,000,000
Prior year unobligated balance			−10,000,000	−10,000,000	−10,000,000	−10,000,000	−10,000,000		
Subtotal	49,000,000		31,500,000	70,000,000	35,000,000	−14,000,000	+35,000,000	+3,500,000	−35,000,000
Appalachian highway system	100,000,000		100,000,000		85,000,000	−15,000,000	+85,000,000	−15,000,000	+85,000,000
Total, funds appropriated to the President	149,000,000		131,500,000	70,000,000	120,000,000	−29,000,000	+120,000,000	−11,500,000	+50,000,000
Delaware River Basin Commission:									
Salaries and expenses	174,000	173,000	168,000	168,000	168,000	−6,000	−5,000		
Contribution to Delaware River Basin Commission	283,000	275,000	275,000	275,000	275,000	−8,000			
Total, Delaware River Basin Commission	457,000	448,000	443,000	443,000	443,000	−14,000	−5,000		
Interstate Commission on the Potomac River Basin: Contribution to Interstate Commission on the Potomac River Basin	70,000		79,000	79,000	79,000	+9,000	+79,000		
Nuclear Regulatory Commission: Salaries and expenses	448,200,000	437,600,000	403,671,000	429,000,000	418,000,000	−30,200,000	−19,600,000	+14,329,000	−11,000,000
Susquehanna River Basin Commission:									
Salaries and expenses	169,000	168,000	163,000	163,000	163,000	−6,000	−5,000		
Contribution to Susquehanna River Basin Commission	230,000	230,000	230,000	230,000	230,000				
Total, Susquehanna River Basin Commission	399,000	398,000	393,000	393,000	393,000	−6,000	−5,000		
Tennessee Valley Authority:									
Tennessee Valley Authority fund	125,000,000	38,605,000	118,000,000	99,861,000	113,000,000	−12,000,000	+74,395,000	−5,000,000	+13,139,000
Prior year unobligated balance			−9,000,000	−9,000,000	−9,000,000	−9,000,000	−9,000,000		
Subtotal	125,000,000	38,605,000	109,000,000	90,861,000	104,000,000	−21,000,000	+65,395,000	−5,000,000	+13,139,000
Total, title IV, independent agencies: New budget (obligational) authority	725,426,000,000	477,051,000	647,568,000	592,576,000	645,115,000	−80,311,000	+168,064,000	−2,471,000	+52,539,000
Grand total, all titles:									
New budget (obligational) authority	15,602,777,000	15,344,118,000	15,272,935,000	15,206,922,000	15,253,918,000	−348,859,000	−90,200,000	−19,017,000	+46,996,000
(Limitation on direct loans)	(108,500,000)	(60,000,000)	(61,100,000)	(57,900,000)	(68,315,000)	(−40,185,000)	(+8,315,000)	(+7,215,000)	(+10,415,000)
(Limitation on guaranteed loans)	(500,000,000)	(500,000,000)	(500,000,000)	(500,000,000)	(500,000,000)				

Mr. HATFIELD. Mr. President, I yield to the Senator from Louisiana for any comments he wishes to make. He is the very able ranking minority member of this appropriations subcommittee.

Mr. JOHNSTON. Mr. President, I commend the distinguished Senator from Oregon for presenting the first of of the 13 appropriations bills to clear the whole process. It has come in under the President's budget, under the budget allocation, and in general is in such good shape that it appears now certain that the President will sign this bill.

As usual, it has been a pleasure to work under the leadership of the Senator from Oregon, and to work with our distinguished colleagues in the other body. I want to especially thank the Representative from Alabama, Mr. BEVILL, the chairman of the conference and thank the House conferees for their fine work in resolving the differences on this bill. I believe this is an excellent bill. It contains virtually nothing that is in controversy that I know of except a "buy American" provision which has been worked out.

I fully subscribe to the remarks of the distinguished Senator from Oregon with respect to the definition of the extra high voltage equipment. I believe that has been worked out satisfactorily to everyone.

Mr. President, with congratulations and thanks to our distinguished chairman of the subcommittee, and chairman of the full committee I join in asking that the conference report be approved.

Mr. HATFIELD. Mr President, I move that the Senate adopt the conference report.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. JOHNSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATFIELD. Mr. President, I ask the Chair to lay before the Senate certain amendments which are in disagreement.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

Resolved, That the House agree to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2959) entitled "An Act making appropriations for energy and water development for the fiscal year ending September 30, 1986, and for other purposes.".

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 8, 13, 15, 20, 23, and 24 to the aforesaid bill, and concur therein.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 22 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum inserted by said amendment insert: *$48,315,000*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 32 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert: , *of which $97,325,000 shall be available for verification and control technology*

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 34 to the aforesaid bill, and concur therein with an amendment as follows:

Restore the matter stricken by said amendment, amended to read as follows:

Notwithstanding provisions of title 5, United States Code, except for section 5308, no funds approved for Western Area Power Administration shall be used to pay the rates of basic pay and premium pay for power system dispatchers unless such rates are based on those prevailing for similar occupations in the electric power industry.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 46 to the aforesaid bill,

and concur therein with an amendment as follows:

Restore the matter stricken by said amendment, amended to read as follows:

Sec. 506. No funds appropriated in this Act may be used to pay the salary of the Administrator of a Power Marketing Administration or the Board of Directors of the Tennessee Valley Authority unless they award contracts for the procurement of extra high voltage power equipment manufactured in the United States when such agency determines that there are one or more domestic manufacturers offering a product which meets the technical requirements of such agency at a price not exceeding 125 per centum of the bid or offering price of the most competitive foreign bidder. Such agency shall determine the incremental costs associated with implementing this section and defer or offset such incremental costs against otherwise existing repayment obligations. This section shall not apply to any procurement initiated before its effective date or to the acquisition of spare parts.

Mr. HATFIELD. Mr. President, I move that the Senate concur in the amendments of the House to Senate amendments numbered 22, 32, 34, and 46.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. JOHNSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

BROOKHAVEN NATIONAL LABORATORY

Mr. D'AMATO. Mr. President, I rise today to express my sincere appreciation to my distinguished colleague, the chairman of the Appropriations Committee, for his kind consideration with respect to the great programs being conducted at Brookhaven National Laboratory. He has recognized the important scientific contributions and breakthroughs being made at this facility, one of the largest employers on my native Long Island, and has worked to secure sufficient Federal funding for certain projects.

With respect to the 1986 energy and water conference report, however, I do have one question in particular which I would appreciate if the chairman would answer. It relates to funding for the cogeneration facility at Brookhaven.

In 1985, Congress provided $1.6 million for design work at this facility. The Department of Energy budget request for 1986 was $10.6 million. The Senate Appropriations Committee and the full Senate approved the full $10.6 million. The House, however, provided no funding for the project in 1986.

The conference, however, split the 1986 funding in half, approving just $5.3 million. I understand the budget constraints we all face and I am not now rising to quibble about this reduction. The problem, however, is that the appropriations conference report also includes a "general reduction" of $5 million. It is my understanding, based upon conversations my staff has had with Department of Energy officials, that up to $2.4 million of this $5 million reduction might be taken from Brookhaven programs.

This, of course, would make it exceedingly difficult to complete the cogeneration project on a reasonable schedule. In fact, it might jeopardize the entire project. This would be unthinkable because the savings generated by the cogeneration project will pay for it completely in just 2.8 years, and each year of delayed operation will cost the Government an extra $4.5 million in electricity charges.

Thus, I ask my colleague, is it his intention or the intention of his subcommittee that this general reduction be applied to Brookhaven?

Mr. HATFIELD. Mr. President, I realize that the Department of Energy requested $10.6 million for the cogeneration project at Brookhaven National Laboratory. I regret the fact that budget constraints and House action resulted in an appropriation of only $5.3 million for fiscal year 1986. I want to point out, however, that this is considerably more than the amount provided by the House, which zeroed out the program.

I agree that the cogeneration facility at Brookhaven is an excellent project and is one that should be completed. It is my hope and intention that needed funds will be provided in next year's appropriations bill for continuation of the project. In the interim, however, I would like to make clear that it was our intent that the "general reduction" should not be applied to Brookhaven National Laboratory if that in any way would jeopardize progress on the facility.

Mr. D'AMATO. Mr. President, I thank the chairman for making this clear. As I understand it, it was the intent of the conference to provide the full $5.3 million for the cogeneration facility.

Mr. HATFIELD. Mr. President, the Senator is correct. Our intent is to have none, or only that small portion of the $5 million "general reduction" which could be applied to this facility without curtailing its progress or completion, applied to Brookhaven National Laboratory.

Mr. D'AMATO. Mr. President, I again want to thank my distinguished colleague, the chairman of the Appropriations Committee, for answering my questions so forthrightly and for his support of Brookhaven National Laboratory.

Mr. DOMENICI. Mr. President, I should like to clarify the language on fusion as reported by the conference committee with Chairman HATFIELD.

As the conferees agreed to provide $383 million for the magnetic fusion program, we certainly intended to continue funding the ongoing research program at Los Alamos for compact high density devices. The language in the conference report states: "No funds are available for development of a generic test facility for compact high density devices."

This was meant to specify that no funds would be available for development and construction of a new generic test facility at a new site for compact high density devices.

Is that the understanding of the Senator from Oregon.

Mr. HATFIELD. Yes, that is my understanding.

Mr. DOMENICI. Mr. President, I should like to clarify the language of alternative disposal concepts under civilian R&D as reported by the conference committee with Chairman HATFIELD.

As I understand, the Senate conferees have receded to the House's recommendation of a reduction of $5 million for fiscal year 1986 for the highest priority program requirements, but we have not agreed to phase out the examination of the subseabed disposal alternative totally, but rather we agreed to maintain the program in its high priority items. Is that your understanding Senator HATFILED?

Mr. HATFIELD. Yes; that is my understanding.

Mr. DOMENICI. Mr. President, I congratulate Chairman HATFIELD, the distinguished ranking member, Senator JOHNSTON, and the members of the Senate Appropriations Subcommittee on Energy and Water Development for completing action on the first regular fiscal year 1986 appropriation bill.

I highly commend the chairman and subcommittee members for reporting back a conference agreement that is consistent with the fiscal year 1986 budget resolution. I would say to my colleagues that this is no easy task. We are all aware of the tight fiscal constraints facing the Congress in fiscal year 1986 and beyond.

Chairman HATFIELD has done an admirable job in keeping this bill within the budget resolution that passed with broad bipartisan support, and I thank him for his able assistance and support for many programs important to the Nation.

I would like to comment on the funding in the electric energy storage systems. The conference committee included an additional $2 million for an expanded effort in electrochemistry research which will enhance the technology base for energy conversion and storage application, in particular, the fuel cell use in future applications.

Mr. HATFIELD. I thank the Senator for his comments and for his continuing interests in energy research and development activities. As he has indicated, the conferees provided in Report 99-307 additional funding for

electrochemistry research as proposed by the Senate.

RIVERTON INACTIVE URANIUM MILL TAILINGS SITE

Mr. SIMPSON. Mr. President, I wonder if I might ask my distinguished colleague from Oregon, the chairman of the Appropriations Committee, a question about the level of funding contained in this bill for the cleanup and stabilization of inactive uranium mill tailings sites under title I of the Uranium Mill Tailings Radiation Control Act of 1978. As I read the conference report, the agreement reached by the conferees provides for $95 milion in funding for this program in fiscal year 1986. Could the Senator from Oregon explain to me how that figure was arrived at?

Mr. HATFIELD. I would be glad to, Mr. President. The Department of Energy initially requested $110 million for this program for fiscal year 1986. In response to that request, and after reviewing the programmatic needs for fiscal year 1986, the Senate approved a funding level of $100 million. The House, on the other hand, appropriated $80 million for this program for the next fiscal year. In conference, we settled on a funding level of $95 million, the amount now reflected in this conference report.

Mr. SIMPSON. If I recall correctly, Mr. President, the $100 million funding level contained in the Senate-passed bill would have provided sufficient funding to carry out those activities that the Department of Energy has planned at the Riverton, WY, site, one of the nine high-priority sites, in fiscal year 1986. Is there sufficient funding available for the Riverton activities at the $95 million funding level to carry out the activities that DOE has in mind for that site for fiscal year 1986?

Mr. HATFIELD. Yes, Mr. President. Within the funding level agreed to by the conferees, we fully expect that the Department of Energy will be able to carry out those activities planned for the Riverton site in fiscal year 1986, and, in fact, would expect DOE to allocate sufficient funding from the $95 million appropriated to move forward with the cleanup and stabilization program at the Riverton site in a timely manner.

Mr. SIMPSON. I thank the Senator for his explanation.

SOLAR COOLING AND HOT DRY ROCK GEOTHERMAL TECHNOLOGY

Mr. DECONCINI. Mr. Chairman, before we complete action on the conference report on H.R. 2959, the energy and water appropriations bill for fiscal year 1986, I would like to make an inquiry regarding items not mentioned in the conference report. Is it the chairman's understanding that items included in the Senate report but not mentioned in the conference report, stand in the final measure unless otherwise noted?

Mr. HATFIELD. Yes, that is my understanding.

Mr. DECONCINI. I should like to direct the chairman's attention specifically to two items in Senate Report 99-110. Under the heading of Department of Energy, solar buildings, there is language by the committee recommending an additional $400,000 for open-cycle solar cooling research. Second, under the heading of Department of Energy, geothermal technology, there is language endorsing a "project to demonstrate the commercial viability" of hot dry rock technology and a recommendation of $425,000 for a commercialization project in the southern Rocky Mountain area. Is it the understanding of the chairman that the conferees on H.R. 2969 intended these recommendations to stand and for these projects to be funded by the Department of Energy in fiscal year 1986?

Mr. HATFIELD. Yes. I believe the conferees did intend that the Senate recommendation on open-cycle solar cooling research and hot dry rock geothermal commercialization be approved and stand in the final measure. As will be noted on page 5 of the conference report on H.R. 2959, it states that "Senate report language which is not changed by the conference is approved by the committee of conference."

Mr. DECONCINI. I thank the chairman. These are two small items that are very important to continued work in the energy field, and I want to insure that they are not overlooked.

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The PRESIDING OFFICER. Without objection, the Senate will resume consideration of the committee amendments, as modified.

Mr. GARN addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. GARN. Mr. President, I was only going to clarify the present parliamentary situation. The Chair did that for me. So I do not desire recognition at this time.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

AMENDMENT NO. 707

(Purpose: to ensure that funds for research and development under the Federal Water Pollution Control Act are not used to put any facility at a competitive disadvantage and for other purposes.)

Mr. GORTON. Mr. President, I send an amendment to the desk on behalf of myself and Senators EVANS, CHILES, HAWKINS, NUNN, and MATTINGLY, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Washington [Mr. GORTON], for himself, Senator EVANS, Senator CHILES, Senator HAWKINS, Senator NUNN, and Senator MATTINGLY, proposes an amendment numbered 707. At page 17, line 9, insert a "." after "1987" and strike all following "1987." through and including page 17, line 23.

Mr. GORTON. Mr. President, in the section of this bill dealing with the appropriations of the Environmental Protection Agency for research and development purposes, there is an earmarking of the amount of $7 million in favor of the Alaska Lumber & Pulp Co., the Japanese-owned pulp mill in Sitka, AK. That $7 million is defined to defray a substantial portion of the costs which will be incurred by that mill in coming into compliance with the 1977 Clean Water Act. This amendment which I am sponsoring together with my colleagues from the State of Florida, and my two colleagues from the State of Georgia, would strike that $7 million of earmarking. It is neutral from the point of view of the overall spending level in the bill as that $7 million would simply become available for other—and I may say far more legitimate—EPA research and development activities. This motion to strike is made for several reasons.

First, and most significant, is the fact that this proposed appropriation simply would establish a terrible precedent. The Alaska Lumber & Pulp Co. has fought almost for a decade against compliance with the requirements of the Clean Water Act of 1977. It has done so skillfully and tenaciously. It has attempted first to get from the Environmental Protection Agency a waiver of those requirements. It was turned down in that request for a waiver. Next, it attempted in the last Congress when the Congress was in the process of passing amendments to the Clean Water Act, to get a statutory exemption from compliance with that act. It failed, although that attempt succeeded in preventing the passage of a new Clean Water Act in the 98th Congress.

Now, going beyond those two requirements it seeks to have the taxpayers of the United States pay for its compliance with the Clean Water Act, a compliance which every one of its competitors and other mills in the United States have paid for as the law requires on behalf of themselves.

It is claimed by the proponents of this appropriation that there is a justification for this $7 million gift on the grounds that the proposed method of complying with the Clean Water Act is somehow or another untried or experimental. That simply is not the case. The Environmental Protection Agency has rejected that proposal. Mills in Japan and in Europe utilize that tech-

nology. A different kind of mill in the State of Indiana utilizes that technology, and under the circumstances whatever special needs there are with respect to this mill would not be duplicated elsewhere. And the technology would be of no use to any other proposed user of a similar technology at any place in the United States.

As a consequence what we have here is simply an attempt to have the Congress pay for compliance on the part of a foreign-owned mill which has resisted compliance year after year after year.

What we will be saying if we include this appropriation in this bill is that it pays to defy the law, that it simply pays to delay as long as you possibly can and to make some kind of claim that you will be forced out of business and have the United States of America undertake expenditures which the mill itself should make.

There is a reason equally important, of course, to the general precedent which would be established by this proposed appropriation. That is the fact that this bill does not operate in isolation. It is not the only mill which produces the particular kind of pulp which is its product. It is in competition with a number of other similar enterprises in the United States. Nothing could be more unfair than to create a situation in which those mills, those corporations, which have complied with the law or which are in the process of complying with the law are subjected to unfair competition from a recalcitrant corporation which then as a reward for its recalcitrance has succeeded in having the Government of the United States pay for its compliance.

That competition is direct. That competition is in more than one place—in the lower 48 States of the United States.

In fact, Mr. President, when I began my investigation of this matter I was curious about why it was—if this mill was so important to the economy of the State of Alaska—that it should be subsidized by taxpayers' funds but those taxpayers' funds did not come from the State of Alaska itself, the location of the mill.

The State of Alaska is not a poor State. The income to the State government is very, very high, based on the petroleum and other mineral resources of that State.

I could not answer that question to my own satisfaction for a considerable period of time. Now, Mr. President, I can.

It turns out that there is intense opposition to this bailout, to this subsidy, within the State of Alaska itself.

The Anchorage Daily News on Tuesday, October 1, printed an editorial opposing this assistance.

I have a telegram from the mayor of Angoon, AK, which is not far from this location in southeast Alaska, opposing this proposal.

But perhaps the best summary of the reasons that there is opposition in Alaska comes from a telegram from the executive director of the Southeast Alaska Conservation Council, who states:

> The Southeast Alaska Conservation Council supports your amendment eliminating the proposed $7 million appropriation to EPA's innovative technology grant program which directly benefits the Alaska Pulp Company. We support the cleanup of our waters but oppose this appropriation because: APC should have been in compliance with clean water standards years ago, as LPK is now beginning to do; Japanese-owned APC mill is not paying its full share to clean up the water; the public ends up paying for APC's special interest grant, resulting in one more public subsidy for this foreign mill. We support the basic position submitted to you by the Sierra Club. Please share this with the full Senate.

It seems to me fairly obvious that the Legislature of the State of Alaska would not provide this subsidy for one mill while another mill, owned by Louisiana Pacific in Ketchikan, which also had these requirements for a number of years, has now agreed to comply with the Clean Water Act at its own expense.

Additionally, Mr. President, only this morning, due to the extraordinary diligence of a reporter, Steve Forrester, who represents a number of newspapers in the State of Washington and in the State of Oregon, I was handed a copy of a memorandum dated January 2, 1980, from the Chief Forester of the U.S. Forest Service to the Secretary of Agriculture, which outlines the proposition that this mill already has been subsidized for meeting pollution control requirements by the pricing policies of the Forest Service with respect to the timber which it utilizes. Those mills in Alaska have a special set of circumstances under which the cost of their stumpage reflects the fact that they are in a different part of the country, and the necessity that they make a profit.

Back as far as 1980, their rates for timber from 1976 through 1981 were lowered by some $14.9 million in order to help them comply with the requirements of the Clean Water Act.

Having taken that money, they now come to the Congress of the United States and ask for a direct appropriation of another $7 million for what is apparently the same compliance, compliance which has not been forthcoming in the years between 1980 and 1985.

There is simply, Mr. President, no justification whatsoever for the Government and for the people of the United States dealing with a technology which is not new, not innovative, to supply money to one of a group of competing mills in a particular economic field in the United States when, in fact, all of that competition has been willing to comply—sometimes reluctantly, sometimes enthusiastically—at their own expense.

Simple fairness, Mr. President, requires that all mills under the same circumstances, all competing mills, be treated by the law in the same fashion. For this Congress to begin to make appropriations to private corporations to comply with general laws of the United States relating to pollution would be to establish a terribly negative, terribly bad, precedent.

Mr. President, I ask unanimous consent that the memorandum to which I referred and the editorial from the Anchorage Daily News to which I referred be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ALASKA LUMBER & PULP CO. APPEAL OF REDETERMINED RATES—REGION 10 (SITKA UNIT LONG-TERM SALE) REPORT OF RATE REVIEW BOARD

To: the Secretary.

Through: Assistant Secretary Cutler.

Your letter of October 3 to the Rate Review Board (Board) stated that the Forest Service was to submit comments to the Board's report by December 15.

We have carefully reviewed that report and find no reason to change the rates which were established and are being appealed by Alaska Lumber & Pulp Co. We do recommend a realignment of those rates to include the volume of scaled spruce and hemlock utility logs in the total volume for which earned purchaser credit may be applied against charges for timber cut. The realigned rates which would be retroactive to July 1, 1976 are:

[Dollars per million board feet]

Species and product	Rates now in effect	Recommended realigned rates
Spruce sawlogs	$55.31	$51.19
Spruce utility logs	0.50	29.83
Hemlock sawlogs	30.69	30.69
Hemlock utility logs	0.50	29.83
Alaska cedar logs	246.37	30.55
Western redcedar sawlogs	1.22	1.22
Cottonwood and other sawlogs	1.22	1.22

In its analysis the Board spent a great deal of effort in analyzing individual appraisal items but could provide no concrete conclusion for changing these items except to include the cost of pollution abatement as a manufacturing cost instead of recognizing that cost as an increase in profit margin. Indeed, the Board was unable to make a complete analysis of the basic data used for the cost data in the appraisal because some operators refused to grant the Board access to confidential product cost data. Consequently, with the exception of pollution abatement costs being added to manufacturing costs, the Board in its report on page 149, agrees with the conversion return determined by the Forest Service. An indepth review of the Board's findings performed by the Alaska Region indicates that offsetting and compensating factors might result in adjustments to raise rather than lower established rates. A copy of that review is enclosed.

Because the Board did not have the data to make the analysis described above as well as the fact that the standard Forest Service appraisal method has been followed as prescribed by the contract, the Board made no recommendation for a change in conversion return, except for realignment of pollution abatement costs.

The issue then revolves around the equitable division of the conversion return between stumpage and margin for profit and risk described by the contract.

The major difference used by the Board to divide conversion return in this case and that used by the Forest Service was in the handling of the cost of pollution abatement costs. The board increased profit and risk to recognize interest on the capital investment for this equipment, while the Forest Service used a depreciation and operating cost estimate as a basis for increasing the profit and risk.

As a basis for their judgment, the Board cites a portion of Forest Service Manual 2422.51. The cited part states:

"Where conditions of sale require an unusual investment, perhaps a mainline logging road, which will be outstanding over a considerable period before it is amortized, recognition of the added capital requirement and consequent interest liabilities should be made by an adjustment in the profit margin."

We recognize that there is an interest cost incurred for the capital outlay necessary to install the pollution control equipment. That interest will either be incurred through payment of interest on borrowed money or through lost opportunities by not investing available capital in other investment opportunities.

Because the needs and methods of firms to obtain capital varies so widely, the Forest Service procedure is not to make a separate cost estimate for interest costs because this is a detail of internal management. Instead, we consider the cost of capital in setting profit margins along with such items as profits, risk, income taxes, and end product selling values. Our objective is to set a profit margin which is sufficient to maintain operations over the long run, including these factors.

In the specific instance of the pollution abatement costs in Alaska and more specifically in the case reviewed by the Board, it was our judgment to recognize an advance depreciation and operation cost factor on an estimated basis, rather than an estimate of the interest on capital necessary to install the equipment. This determination satisfactorily fulfills the guidelines in Forest Service Manual 2422.51 cited by the Board. The Board's recommendation would exceed those guidelines by recognizing prospective depreciation and operating costs as well as an additional amount for unusual interest. The estimated amount of advance depreciation and operating costs applied by the Forest Service to the Alaska Lumber and Pulp Company (ALP) 1976-1981 rates was $14.9 million. Interest costs estimated by ALP were $12.5 million. Both items represent means by which ALP may be compensated currently for their pollution abatement capital investment costs. The application of both means would clearly overcompensate ALP for these costs. In the Forest Service application of advance depreciation and operating costs, we have allowed ALP $2.4 million more in cost allowances than if we had used the unusual interest factor recommended by the Board.

We believe that the rates that were established for this sale conformed with the rate redetermination provisions of the timber sale contract. The industry trends, the quality of the timber, stumpage prices for comparable sales, market conditions, and general economic conditions were considered in dividing the conversion return between stumpage rate to the Government and margin for profit and risk. These items are documented in the rate redetermination report.

In summary, we recommend that the established rates remain unchanged but be realigned to include the volume of scaled utility logs in the total volume for which earned purchaser credit may be applied against charges for timber cut.

We appreciate the Board's recommendations for actions to minimize future problems. We intend to explore them. In fact, for the past 2 years we have been gathering the data to compile and evaluate a stumpage rate adjustment system for National Forest timber sales in Alaska. The data collection will be complete in January 1980. If we are able to develop a workable, responsive system for stumpage rate adjustment, we will present a proposal to the forest products industry in Alaska. A stumpage rate adjustment system when coupled with the recently implemented cost and value update system in Alaska should work to the advantage of both timber sale purchasers and the Government.

————,
R. MAX PETERSON,
Chief.

[From the Anchorage Daily News, Oct. 1, 1985]

MILL HELP A BAD POLICY

Here's an idea that may be good for Alaska but seems bad policy for the country as a whole. Alaska's Sen. Ted Stevens is trying to convince Congress to give the economically troubled Alaska Lumber and Pulp Mill in Sitka $7 million for a "demonstration project" to comply with federal water pollution laws. It sounds innocuous enough, but the mill has fought the federal requirements for eight years and is the last pulp mill in the country that will comply with the federal law. It's an issue where Alaska's own interests conflict with broader national concerns.

From Alaska's viewpoint, the proposal may make some sense. The mill and the state environmental officials contend that the federal standard, which requires the mill to install the best practical pollution technology, is too strict. They say the mill's discharges do not pollute the surrounding water—Alaska's strong tides disperse them over a wide area with no harmful effect. And the depressed state of the timber and pulp market means the extra cost of pollution control could shut down Sitka's largest employer, at a cost of 400 jobs.

But from a national viewpoint, there are good reasons for Congress to reject federal aid to the mill. It seems to reward the Sitka mill for its delay in complying. It penalizes all the other pulp mills in the country, including a mill in Ketchikan, because they are complying without federal assistance. Opponents also question the "demonstration" nature of the aid—they say the technology is in use in Europe and has little application in an industry where all other mills have complied.

It's no surprise that Sen. Stevens would seek federal aid for the Sitka mill's pollution problems. But it should be no surprise, either, if Congress rejects it.

Mr. GORTON. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is not a sufficient second.

Mr. GORTON. Mr. President, in summary at this point in the debate, this appropriation would be construed as a reward for noncompliance. It would establish a very, very poor precedent for future attempts to require companies to comply with the Clean Water Act. It would be entirely unfair to competing companies. Finally, if there is any public need or necessity for such a subsidy, that subsidy should come from the State of Alaska.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I regret that this matter has been brought to the floor as it has on the basis of a competitive interest somehow expressed from the State of Washington. So let me state categorically to the Senator from Washington that I call upon him to prove that competition.

The opposition to this amount that is in this bill does not stem from competition. Alaska Pulp Co. makes only viscose pulp. ITT, which is the purported competitor of the State of Washington, makes acetate pulp. ITT has an EPA permit only for acetate pulp. The discharge levels in the State of Washington from acetate pulp plants are higher than those we are talking about. ITT has not complied with EPA standards itself. ITT until January of this year had a marketing agreement with a Canadian plant in British Columbia which did compete with the Alaska plant.

ITT has not exported viscose pulp to Japan in the last 4 years. This is the only product that the Alaska mill makes.

The Alaska Pulp Co. has now expended $66 million to comply with State and Federal guidelines. I challenge the Senator from Washington to state how much ITT has expended to meet EPA guidelines.

The situation is that in Alaska we have an entirely different situation that must be confronted than that of the pulp mills in Washington.

This is the situation we are trying to meet with this innovative technology grant.

Let me state for the sake of the Senate that I hope we realize that the competition that our mills face is from South Africa. South Africa supplies the pulp to the Japanese market that is not met by the Alaska mills. The Alaska mills have a history that goes back to World War II. Following World War II and the rebuilding of Japan, General MacArthur wanted to acquire additional resources for the

Japanese industry. He looked to Alaska, particularly to the Tongass National Forest, to supply timber for their industrial base. President Eisenhower wisely decided that if the timber from Alaska was to be exported from Japan, it would have to be subject to primary manufacturing. He called upon the Japanese to make an investment in Alaska for the purpose of building a pulp mill at Sitka in order to process this timber into primary pulp products before it was shipped to Japan.

This mill is owned by the Japanese interests that made that original investment.

In order to comply with State and Federal guidelines, more than the original cost of the mill has been expended by APC. In my time in the Senate, I have worked with this mill for 8 years to assist in its compliance with the guidelines. I hope that the Senator from Washington will listen to this and agree.

Let me first state to the Senate that this is not a clean water problem. The determination has been made that this mill must comply not because of a clean water problem but because of technical compliance with the national standards. This mill is located in an area that has very high tides. The effluent has been discharged into the salt water and has been literally flushed twiced daily by the tidal action. The EPA has never disagreed with the Alaska Department of Environmental Conservation that this is not a problem with water quality. This is strictly a matter of trying to comply with the national standards on the basis of competition. But if you look at the record, you will find that this mill has spent a tremendous amount of money to comply with national and State standards.

Our State standards have been very tough due to concerns about anadromous fish stocks. I personally went out to the State several times to witness the actions that have been taken to be sure that the logs brought into this plant are brought in a manner that will not pollute the water with bark. The mill has put in new lifting facilities to lift the logs out. There is a debarker that has been put in there, as well as a bark press and a log deck. These measures have been taken in order to meet the State standards regarding pollution of the type that would harm our marine life.

The question of secondary compliance arose some years ago. Let us also make sure we understand this point, Mr. President. This is the second round of compliance. They have in fact complied with the first round of compliance. During the second round of compliance, we asked for a variance from the national standards because it was not a clean water problem. We pointed out all of the expenditures that had been made and were ongoing at this plant. The EPA agreed that there ought to be a variance and asked the regional office to look into it. After a series of negotiations that go back to 1974, there were waivers or temporary waivers granted to this plant while they were working out a variance.

The assumption was made from 1974 on that this mill would be allowed to have some exception to the national standards, either by way of a waiver or a variance. The Regional Administrator recommended that a variance be granted in 1981, and sent that recommendation to Washington. EPA's Washington, DC staff decided that a variance should not be granted, suggesting that the regulations should be modified to grant relief.

EPA's chief of staff overruled that decision, and supported the region's position. The case was sent back to the region with orders to draw up a tentative decision granting the variance.

Before this process was completed, a new regional administrator was appointed. For the first time EPA refused to grant relief to the national standards. I might say a regional administrator that was selected by my good friend from Seattle. Let us make sure we understand that. The whole tenor of that office changed with respect to Alaskan problems. Eight years of governmental consistency with respect to this mill changed. And I will tell the Senate why it changed.

It changed because, during the consideration of the Alaska Lands Act, the Senate reached an agreement that a certain portion of this great forest would be set aside for wilderness and the balance of it would be administered to assure a supply for two mills. This is one of those two mills.

The Sierra Club and others, who lost the battle on the floor of the Senate, did not want those mills to have a supply of timber. They wanted to put them out of business. They have now seen fit to attack the mill on the basis of non-compliance with the Clean Water Act in order to eliminate timber activity in the Tongass National Forest.

We believe that the Senate must look at the basic question involved. That is, if you will cannot comply with these national standards, it must go out of business. There is not enough land area for a landfill. Most other mills take the sludge from a pulp mill, and either burn it or bury it. Even if there were enough land for this mill to use that process, EPA has placed us in a catch-22 situation: burning the sludge at this mill would create a clean air problem and the lack of landfill area will not permit burial. There is no other way to comply at this site other than to find an innovative technology to deal with the discharge into the ocean. Therefore we started looking at the anaerobic process which has been tried on limited spectrums of the effluent stream to see if it could be applied to a complex industrial waste water stream.

In order to use this technology, it will take an investment of $7 million in the technology itself. That is not spent in Alaska; it would be spent in Massachusetts and some other places to acquire the demonstration facilities. It would cost this mill about $3.5 million to install the process. We do not know whether it would work at the Sitka site. Even if it does, we do not know whether it would be economically efficient on a national basis.

However, we have correspondence which I shall share with the Senate if requested that indicates that the EPA believes that it would have national application, if the test were successful. If it is successful at Sitka, it could be successful in dealing with municipal waste treatment.

No one has demonstrated this yet on the complete effluent stream. My friend talks about this mill requesting the funding. I hasten to tell him that I went to the mill and said, let us try to get the funds to demonstate this anaerobic facility to see if it will work. They said, "We have spent more than $60 million trying to comply and 8 years of negotiations which the EPA has wiped out," and they can go no further.

We are talking about 2,000 jobs in a little town in Alaska—Sitka, AL, a one-company town—probably 2,000 jobs in Alaska are affected by this mill. Unless we can find some way to comply with the national standards, this mill will be eliminated from the Alaska scene.

I want to make the record clear here: Some people have raised the question of whether I blocked the Clean Water Act for this mill last year. In the first place, I did not block the Clean Water Act. It never was called up.

As I said in the Appropriations Committee, I think this is the time when a Senator determines who his friends are, and I will put it right on the table here as I did there. This means the survival of the the only industry in the original capitol of the Territory of Alaska. It was never the capitol of the State of Alaska. The capitol was moved to Juneau. But this is the only basic industry in that town. It is not competing with the Washington mills. It is not competing with the Florida mills. There is no direct or indirect competition between this mill in its sale of viscese pulp to Japan, the primary market since its inception, and the product of the mills from the South 48. There is just no competition.

IT&T has been all over this Capitol talking about unfair competition. A

company that comes to this Senate with unclean hands ought to be treated as such. It has not complied with the Clean Water Act itself. Its total record as a corporate entity of this country in my opinion warrants complete investigation by every Member of the Senate. I do not intend to drag this red herring through this discussion, but I think every Member of the Senate knows IT&T's record. It should not be relied on in this process.

I would rather have the debate with the people who are the primary sponsors of the opposition. They are the extreme environmental organizations that just do not want the timber cut. I respect that kind of judgment. That is their position and we have open discussions on our State about that problem. But to face this charge of competition with IT&T is spurious, it is unfair, and it is untrue. There is no competition with IT&T.

Now, we have sought and we have received the tentative approval through the committee process of using $7 million to demonstrate an innovative process, one that has never been completely demonstrated on the effluent stream in this country or anywhere else. I checked that fact again because the assertions in the editorial the Senator from Washington mentions come from one of the papers in my State. The use of this technology has not yet been demonstrated for complex waste water streams.

This matter will be discussed later in this afternoon because I consider it important. If this innovative process is not capable of being demonstrated because of our inability to get the money for it, this mill will close down and the compromise involving the Lands Act will be in vain. That compromise did not include a balance between future timber production in one of the largest national forests in the country, and wilderness withdrawals from that forest. Let me point out that three quarters of the wilderness area of the country are in my State. Let's not think that we are somehow trying to have a wilderness fight here. This is not a wilderness fight. However, the people who did not succeed entirely in what they wanted to do in the Lands Act fight are the ones, in my judgment, who are opposing this innovative grant.

Put yourself in the position of the managers of that company. You have already put up $66 million to comply. Your Senator comes to you and says, "Look, here is another process, maybe it will work." And they say, "Fine, see if you can find some way we can get the process. We will spend the $3.5 million to install it here to see if it works but don't forget, that it must have nationwide application. It must work for anyone who has the same problem on the Clean Water Act, don't tell us to put up the $7 million for it."

Their position was the right position. And I am grateful to the members of the Appropriations Committee for approving the concept that we should use this section of the Clean Water Act as it was intended, to fund innovative process demonstrations to assure that they do work. The control is totally in EPA in deciding whether or not it has national application.

This is a system that has to be pursued in order to try to save these jobs in my State. We are carrying out the policies of our Government by continuing to export to Japan the timber products that are available from our State. I believe, as I said originally, that President Eisenhower was very far-sighted when he required this kind of investment to be made before the timber from our State could be taken to Japan for use in their industrial process.

I am hopeful that my colleagues in the Senate will listen to facts in connection with this matter. I ask unanimous consent, Mr. President, that the following letters be put in the RECORD. I have a letter of December 22, 1981, from the Alaska Department of Environmental Conservation to EPA Region 10 stating that the current effluent level poses no adverse impact on water quality.

We have a letter from the Governor of Alaska to Administrator Ruckleshaus stating that there would be no additional water quality benefit resulting from the imposition of additional stricter requirements on this plant.

We have a subsequent letter of May 1984, after I again ask the Alaska Department of Environmental Conservation whether the current levels of discharge involve any water quality problems; this letter states categorically that there are no water quality problems from the current level of effluent.

The only reason for dealing with this sludge is to comply with a national standard which was designed to fit pulp mills that are on water bodies like Puget Sound. If this effluent stream went into Puget Sound, you can bet your boots there would be pollution.

In order to assure that there is competitive balance in the industry as a whole, these standards are applied to mills like the Sitka mill, even though the effluent from their plant had no adverse pollution impact. This is done for the protection of the national standard concept itself.

I hope my colleague will read these letters, if they have any question about the matter of water quality. This is not a matter of water quality. It is a matter of compliance with the Clean Water Act in the fullest sense.

I state to the Senate that I have never once asked that the act not apply to this mill. We have asked that the variance provisions of the act be invoked to take into account the situation of this mill with regard to the lack of landfill availability or lack of ability to burn. The Alaska Department of Environmental Conservation has been concerned about the clean air standards, has certified numerous times that this is not a water quality problem.

Mr. President, I ask unanimous consent that the letters be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

STATE OF ALASKA, DEPARTMENT OF ENVIRONMENTAL CONSERVATION,
December 22, 1981.

Mr. BOB BURD,
Director, Water Program Branch, Environmental Protection Agency, Region X, Seattle, Wash.

DEAR MR. BURD: A little over a week ago you called Deena Henkins asking for the department's views on water quality impacts if the variance request for Alaska Lumber and Pulp Company and Louisiana Pacific, Ketchikan Division was granted. Since we were not sure of the details of this request, we talked with Mr. Bodien of your staff. It is our understanding that the proposed variance would allow each of these companies to discharge an effluent with a 4-day BOD approximately equal to their existing discharge (52,500 Lb/day) and total suspended solids (TSS) would be permitted to increase from approximately 20,000 Lb/day to 53,400 Lb/day.

It is difficult for us to make a definitive statement saying that water quality will not be adversely affected. This issue is complicated by the alternative disposal methods and the lack of current data on water impacts. Of the possible alternatives disposal to the air and land are precluded by unique local conditions or may have substantial adverse effects on the environment. Therefore, the department has gone on record that disposal into the water is the preferred method. Based on a water quality survey we performed in the summer of 1980, it is our opinion that the proposed BOD level is not causing adverse impacts. Also, in our judgment, the TSS level in the current effluent is not causing significant adverse impacts on the water quality in the receiving waters, nor would the level proposed cause such impacts. It is unfortunate that we do not have any recent data which indicates how existing TSS discharge levels are impacting the floor of Silver Bay or Ward Cove. Judgment on impacts on the biological community on the ocean's floor will have to wait. We understand that the proposed variance addresses only the water quality parameters of BOD and TSS.

Substantial progress has been made in eliminating water quality impacts in Ward Cove and Silver Bay by upgrading the treatment used by these two mills. As we did at the March 10 and 11, 1981, hearing we continue to support their use of existing secondary treatment and do not advocate additional treatment for removal of TSS or BOD at this time.

Sincerely,

ERNST W. MUELLER,
Commissioner.

STATE OF ALASKA,
OFFICE OF THE GOVERNOR,
Juneau, AK, October 11, 1983.

Hon. WILLIAM RUCKELSHAUS,
Administrator, Environmental Protection Agency, Washington, DC.

DEAR MR. RUCKELSHAUS: The State of Alaska has, over the past years, consistently supported the efforts of both Alaskan pulp mills in their request for relief from the overly stringent requirements for best practical treatment under water quality discharge guidelines. Our reasons for this support are based upon a balance between close evaluation of all environmental impacts and costs to meet standards.

No recognizable benefit will be gained from the imposition of additional water quality requirements. Increased water quality control requirements will very likely result in severe economic hardship, threatening the viability of the pulp mills. The resultant loss of 6,000 primary and associated jobs would impact the whole of southeast Alaska. This is the issue of concern.

In addition, the wastewater discharge standards being imposed upon the Sitka and Ketchikan dissolving sulfite pulp mills create a sludge disposal problem. With the lack of suitable land disposal sites, both mills must incinerate the sludge, causing a costly air pollution control situation.

This incineration has stalled the mills' progress toward compliance with air quality regulations. It has resulted in extensive studies and the installation of additional process controls to cope with a significant increase in air pollutant emissions in the last four years. Future control requirements are still needed by the mills to solve the air pollution problem created by the existing wastewater treatment plants.

The Alaska Department of Environmental Conservation (ADEC) is on record as being committed to requiring both Alaska Lumber & Pulp Co., Inc., and Louisiana-Pacific Corporation, Ketchikan Division, to meet the air quality regulations for their pulp mills in Alaska. It is probable that the mills would be meeting air quality requirements if they did not have to incinerate sludge. If both mills install additional water quality treatment pursuant to EPA's proposed denial of their variances, air quality would be severely affected due to the increased amount of incinerated sludge. Of equal importance, there is no land storage space for the sludge.

The State of Alaska urges EPA to more fully examine the air pollution impact, taking into account exactly what has been done and what will be needed to get the mills into compliance with air quality regulations, due to impacts caused by wastewater treatment. This evaluation should include the costs needed to obtain necessary permits for new installations, or modifications to existing units.

These issues are not new. They have been presented to EPA both in public hearings and in other correspondence over the past five years. For your information, I have attached the ADEC testimony at EPA's March 11, 1980, public hearing, and correspondence recommending the variance for the two mills dated November 12, 1980, December 22, 1981, and March 9, 1983. This information is still valid.

We will more thoroughly discuss the above and other concerns regarding the proposed EPA actions in our presentation at the November 8 and 9 public hearings in Sitka and Ketchikan.

Sincerely,

BILL SHEFFIELD,
Governor.

STATE OF ALASKA,
OFFICE OF THE GOVERNOR,
Juneau, May 23, 1984.

Hon. TED STEVENS,
U.S. Senate,
Washington, DC.

DEAR SENATOR STEVENS: You have inquired about the probable environmental impact if the terms of the currently operable discharge limitations for the two southeast Alaska pulp mills are extended for ten years. It is my opinion that the current levels of discharge authorized afford reasonable protection from water quality problems. It also appears on the basis of analysis done to date that, due to the unique circumstances of these two mills, further efforts at BOD reduction may result in undesirable air quality problems since additional sludge will need to be incinerated.

Thus, I believe that it would not present an undue risk to the water quality of southeast Alaska, particularly in light of the total environmental millieu, to extend the current discharge limitation for these two mills.

If you desire any additional information, please do not hesitate to contact me.

Sincerely,

RICHARD A. NEVÉ,
Commissioner.

Mr. STEVENS. Mr. President, I do hope that any Member who has any question about the water quality problem will look at these letters.

I say to my colleagues that I am most concerned about the problem of whether or not this is innovative technology, which I understand may also be raised. I do have letters, if we want to get into that, from the European plants that have used anaerobic technology for simple, chemically treated effluents. They indicate that no one has demonstrated the application of anaerobic technology to a complex wastewater stream from this or any other type of industrial complex.

We believe that if it can be applied to this stream, it can be applied to similar types of effluent discharge, such as municipal sewage disposal. If we prove that, we will have enabled a whole series of plants to comply with the clean water standards by the acquisition of an entirely new and innovative technology.

Several Senators addressed the chair.

The PRESIDING OFFICER (Mr. CHAFEE). The Senator from Vermont.

Mr. STAFFORD. Mr. President, I rise in support of the amendment offered by my good friend, the distinguished Senator from Washington [Mr. GORTON]; and I do so not entirely happily, because it puts me in opposition to another good friend, the able Senator from Alaska, who has just spoken.

Mr. President, the issues presented by this amendment have a long history. The appropriations bill would give $7 million to a pulpmill that still is resisting, by every available means, pollution control requirements it was supposed to meet by 1977. This mill, which is owned by a long list of Japanese investors, has continued to operate with a large fraction of its wastes being dumped untreated. Other mills of the same type owned by American companies have been forced to install the required technology. They cannot compete fairly with the Japanese mill, which presently enjoys a $30- to $40-per-ton-price advantage.

The mill has raised a myriad of technical arguments trying to show that it somehow is different from the other mills and therefore deserves special treatment. The Environmental Protection Agency studied these claims for 4 years and determined, on the basis of an enormous record, that this mill is not different.

Mr. President, this is one of two pulpmills in Alaska that have resisted the Clean Water Act. A year ago, it was being claimed that both mills would close without immediate relief in the form of an amendment to the Clean Water Act. But statutory relief was not forthcoming. The other mill immediately entered into consent order and now is on a compliance schedule. The second mill continues to make administrative appeals. Now this body is being asked to reward this mill with a special appropriation to pay for the pollution control it has successfully avoided for a decade.

Mr. President, the Clean Water Act authorizes grants for the demonstration of innovative technology with industrywide applications. I support that provision of law, so long as it is not abused. But there should be a significant national benefit from such a grant. That is not the case here. There are only a very few pulpmills of this type in the country, and they already have installed their pollution control technology. The benefit to the Sitka mill is clear enough, but where is the national benefit? There is none.

Mr. President, this appropriation would set a bad precedent. Every Member of this body has constitutent companies that would like to get just such a Federal grant as this. If we grant a special appropriation for this one mill, then I could not blame them for demanding similar treatment. That is a road that the Congress should avoid taking, in the view of this Senator.

I urge my colleagues to join me in support of this amendment.

Mr. EVANS. Mr. President, I rise in support of the amendment offered by my able colleague from Washington, Senator GORTON.

I can certainly appreciate the concern of my colleague from Alaska about the number of jobs which may be lost if the mill in Sitka is closed.

The closing of pulpmills and papermills and the loss of constituent jobs in something that, unfortunately, I am much too familiar with in the State of Washington.

I am sympathetic to the arguments of the Senator from Alaska, but I cannot accept them. I am not willing to accept the perpetuation of competitive disadvantage that already exists between the Alaska/Sitka mill and other mills, whether in the State of Washington or throughout the country, that have spent their own, not Federal, money to install waste treatment facilities.

There are mills in my own State of Washington that already compete at a $20-45-per-ton-cost disadvantage simply because the Sitka mill has not yet spent the money to come into compliance with congressionally mandated EPA waste treatment regulations.

The mill in question has been able to avoid the necessary expenditures because they applied for a "unique circumstances" variance from Clean Water Act requirements. EPA conducted a thorough, intensive analysis of their application—an analysis that took more than 4 years to complete. Last fall, EPA denied the variance application, stating that the circumstances were not unique and that existing technology—incineration—could be used.

The Senator from Alaska suggested that that would create air pollution requirements. Those are fully taken into account by EPA; and EPA, in their denial of the variance, indicated that incineration, in fact, could be used.

Now we are being asked to fund a technology demonstration project at this mill. The language in the appropriations bill would provide $7 million for installation of a treatment system, if the system is determined to be innovative technology that would have application elsewhere.

I fully support technology demonstration projects. In many cases such projects involve untried or innovative techniques and technology and the results are extremely useful. Demonstration projects can provide, on a small scale, valuable information about how such new technology can be applied to problems that exist on a larger scale. Yet no such benefits would result from this demonstration.

The anaerobic wastewater treatment system they intend to install at the Sitka mill is not untested. At least four mills in Europe are currently using this technology, including one very similar sulfite mill in Sweden, and they have demonstrated the system is effective. Thus, the $7 million we are being asked to spend on this project is not for a demonstration or test but rather for simple installation of the system.

Mr. President, in former incarnation of many, many years ago, I was trained as a civil engineer. I spent some time as a structural engineer and I think I know something about the techniques and the elements used, at least their scientific background.

I suggest that we are being asked here not to support in what is suggested, a real demonstration project, but merely partially fund a way to handle the pollution problem which exists.

As Governor, one of my first acts shortly after I took office was to require pulp mills on Puget Sound to clean up. Many objected. Many objected on the same basis my colleague from Alaska suggests now, that deepwater discharge into Puget Sound did not require additional treatment. This is particularly true of the pulp mills that are on the Straits of Juan de Fuca that have water with tidal variance perhaps not as great as Alaska, but approaching that; mills with water very, very deep flowing by at great velocities. Those mills objected just as strenuously 16 years ago to the installation of effective discharge treatment.

But they did respond. They responded with their own funds. They did it earlier and as a result they did it cheaper.

I suggest that if this mill had done so earlier they would have saved themselves money, time, and an opportunity to have fully complied.

(Mr. STAFFORD assumed the chair.)

Mr. STEVENS. Mr. President, will my colleague yield right there or does he wish to finish his statement?

Mr. EVANS. That is all right. I will yield for a question.

Mr. STEVENS. I simply ask my friend, and he is my good friend, about the record of the recommendations region 10. For 7 years they recommended that this mill not be forced to comply, that it either be granted a variance or a waiver. For 7 full years of 8 years they have granted a waiver on an annual basis.

Until 1983 the EPA agreed entirely with the concept that this particular mill need not comply. They did not make the expenditures in the seventies because the EPA agreed they did not have to make them.

Does not make a difference in terms of the Senator's feelings about this mill now complying after being told for 7 of 8 years that it need not comply?

I have the records of that if the Senator would like to examine them.

Mr. EVANS. I do not agree that they were saying at that time or at any time that the mill did not have to comply. They were spending that time reviewing the case on the basis of repeated objections by the mill. The mill was doing everything possible to delay and to put off any response to EPA. The EPA, after considerable review of their own, did come down with a tentative and then later a final decision requiring the mill to respond.

Mr. STEVENS. Not until 1983, I say to my friend. I have the record that on three different occasions regional administrators recommended to the national level that this mill not comply, and on three occasions it was sent back to the region for some sort of an amendment to make sure that it did not have any adverse precedential value. The final decision was not made until there was a change in the EPA regional administrator. Prior to that, every regional administrator who dealt with the issue had said this mill need not comply.

The Senator's point is why did they not put in the facility back at the time when it was cheap to install? As a matter of fact, I will tell the Senator there is no existing technology which can be economically installed in order to achieve compliance.

Mr. EVANS. Let me suggest that is something I am getting to and will suggest to the Senator that perhaps there are.

Let me return to suggesting that other mills in other places have responded. They have responded earlier. They have responded effectively. They have not always responded with the good grace to the first request. But they have responded.

The old question, which my friend from Alaska has brought up again, is the question which was debated many, many years ago: The question of whether effective water or air pollution requirements ought to be based on the capacity of the receiving air or the receiving water, or ought to be based on effluent and the effective control of that effluent.

I suggest to my friend from Alaska that this question, debated many years ago, was decided many years ago and decided clearly and successively at both State and Federal levels. We decided not to leave the opportunity in any circumstance, and I am not suggesting that the Sitka mill is such a circumstance, to use up all of the receiving waters or the receiving air but rather that each one would be requested and required to use the best treatment possible on their own effluent to retain the highest quality air and water in the area.

I do not think it is really necessary, Mr. President, to read extensively from the tentative decision or the final decision of the EPA. Suffice it to say that they went through an extensive series of investigations. When my colleague from Alaska suggests that it all happened because there was a change in the Administrator, I think that is somewhat unfair. This was done based on the analysis made by the entire staff of the EPA. Finally, a tentative decision and then a final decision, after all of the facts were in

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and all of the objections of the mill were responded to, made a decision.

Mr. STEVENS. Mr. President, will the Senator yield there?

Mr. EVANS. Certainly.

Mr. STEVENS. My colleague and I had a meeting with this Administrator right after she took office, and the Senator can discuss the matter with the other Senator from Alaska. The regional office had three times recommended the course that this mill followed for 7 out of the last 8 years.

It was not until that administrator came in that the local staff was reversed. The whole continuum was reversed and she decided that this variance would not be granted.

I tell the Senator, I can open my files to him. I have been through this every week for the last 8 years because this came to Washington.

I respectfully have to tell my friend that if he has been informed that the staff of the EPA in region 10 did not agree with those prior recommendations, I can tell him I was personally involved in meetings with them when they did agree.

The reversal did not occur until she came to office. Had she not come to office that variance would have been granted as it should have been after 8 years, in reliance upon the position of the EPA that it would not be required.

Mr. EVANS. That is where I suggest my colleagues from Alaska and I just simply disagree. I am confident that not only the administrator but those who developed the material, who drafted and produced first the tentative and the final decision all participated in doing so. I am confident that the administrator of the region X did not go off in a closet someplace and write this tentative decision all by herself, nor that she wrote the final decision all by herself.

I think some elements of this decision are worth talking about.

The suggestion was made that there is not land sufficient to accommodate some of the alternative discharge techniques. In fact, in the submittals to the agency, reading from the tentative suggestions:

> ALP identified similar technology to alleviate its land availability problems; namely, if required to meet BPT, ALP would burn wastewater solids in a power boiler. This would enable ALP to produce energy while eliminating its excess sludges. EPA agrees that this is a reasonable approach to ALP's solid waste disposal problem. Thus, as this potential problem was anticipated by EPA and alternative technology is available to allow ALP to dispose of wastewater sludges, EPA does not believe that ALP's inability to landfill sludges is fundamentally different from factors considered in guidelines development.

They go on to discuss in detail land development, interestingly enough, in discussing the question of burning sludge—I think we ought to put it in some context:

> EPA determined that, to meet the national BPT limitations, ALP would burn about 7.5 tons of additional biological sludges per day; this is an increase of about three percent over the amount of solid waste now burned in ALP's existing power boilers. Neither ALP nor the State of Alaska DEC has identified or quantified any adverse impacts on air quality that would result from burning this additional wastewater sludge.

I suggest, Mr. President, that neither the problems raised by my colleagues of insufficient landfill or of air pollution problems were missed or not discussed or not analyzed by EPA. They were fully recognized, responded to, and approved in both the tentative and final decision.

As far as I am concerned, this is not a question, really, of one pulp mill versus another. It is not a question of anything other than one fundamental concept and that is that many years ago in this Nation we embarked on a direction that says, in essence, we do the maximum we can to keep the water and the air of our Nation clean.

Now, of course, other nations may not have done as much. Even our neighbor, Canada, which lies between us, may not have done as much. And, of course, we can do nothing about their laws.

But we can do something about ours. And ours reflect the concept—the answer to that question my colleague from Alaska mentioned, which was decided so many years ago—that it was not the capacity of the receiving air or the receiving water which counted, but it was effective control of the effluent being discharged into any receiving air or receiving water. The EPA has made a recommendation. There are effective alternatives.

I suggest that, finally, I do not understand the real rationale of the innovation contained here. As I have said, this is a process which has been used. Anaerobic treatment is hardly new as a fundamental concept. It has been used for the better part of two centuries in many other aspects, and it is now being used in pulp mills elsewhere.

But, if the idea here is an innovation which can be used elsewhere, what real good is it if other mills already have complied or are in the process of complying with the Clean Water Act requirements? Who is there to supply this innovation to if mills have already complied or are in the process of complying, including, incidentally, the rather similar mill at Ketchikan?

Mr. CHAFEE. Mr. President, I rise in support of the amendment of the Senator from Washington. This amendment would eliminate a special grant to an Alaskan pulp mill so that it could come into compliance with the 1977 Clean Water Act standards.

Mr. President, this issue is not a new one. As chairman of the Environmental Pollution Subcommittee of the Environment and Public Works Committee, I have watched this mill try for many years to find a way out of complying with these standards. In addition to asking Congress for all kinds of studies and special treatment, this mill applied to EPA for a variance. At this time last year, EPA issued a final decision to deny this mill a variance.

EPA took over 4 years of studying and analyzing this issue. They looked at every possible aspect of this mill to determine if it was a special case. They looked at land availability, energy costs, equipment costs, and on and on. In the final analysis EPA concluded that this mill was no different from any other mill in the industry. In fact, this same mill even asked EPA to establish a special industry subcategory of standards for it because of its so-called specialness. And EPA denied that request, also.

As my colleagues are well aware, Congress established the national water pollution standards back in 1972. It has been a long time since we discussed the theory behind those standards. Allow me to remind my colleagues that back in the old days different States would entice industries to locate within their borders by offering lower pollution control standards. This is a great technique. "You do not have to be so stringent as in your State. In our State, come here and build your plant."

Now, in addition to causing terrible pollution problems, this also caused great competitive advantages of one company over another. One of the purposes of the national standards was to eliminate those aspects of competitive advantage that were based on differences in pollution control requirements. We now have Federal industry-wide standards that all companies must meet.

The only way out is to get an EPA variance, which this Alaskan mill applied for and was denied. If we provide a special grant to this Alaskan mill, we would be perpetuating the very inequity that we hoped to eliminate by creating the national pollution standards.

By virtue of its noncompliance, this mill has had a competitive advantage ever since 1977. I do not think we ought to weep great tears over this mill. They have not been in compliance since 1977.

If we ask our Federal taxpayers to spend $7 million of their money to bring this mill into compliance, we are adding insult to injury.

It is my understanding that not a single cent of Alaskan money, the State of Alaska money, is being requested to help this mill meet these requirements that are so severe that they now want Federal money for. In other words, it is of great State importance to Alaska, but not of such importance they are willing to spend a

nickel of their money on, that is State money.

I could be corrected, but it is my understanding the State of Alaska just sent out something like $400 to every citizen in Alaska from its oil trust fund, amounting to well over the amount of money that would be required to keep this mill up and save these jobs.

So I urge my colleagues to remember that we all have plants in our States we would like to help out. What prevents us from helping is the basic unfairness of the request. Every pulp mill in the country has complied or is in the process of complying with the standards. Every other plant in the country has to comply with national standards. This company wants a separate deal. They want the U.S. Government to pay for their coming into compliance. I urge my colleagues to vote for the amendment of the Senator from Washington.

Mr. MURKOWSKI. Mr. President, it is indeed disturbing to participate in this debate and recognize that what we have at stake here is the demise of one corporation for the benefit of another. I did not have the opportunity to hear the statement of the senior Senator from Washington, but I do not think there is any question that we have here a situation where ITT Rayonier has made it very clear they would like to see the Alaska Pulp Corp. no longer in the marketplace.

This is not something that has come up recently as a consequence of the debate before us on the $7 million improved technology grant proposal for the APC facility, but indeed goes back to a former period of time when ITT Rayonier was marketing pulp from a mill in Canada. I will acknowledge that that arrangement is no longer in effect but the facts remain that it was a worthwhile relationship, and the mill in Canada did not have to live by the environmental standards that the American pulp mills are required to live by.

Further, Mr. President, another point that has been brought up first by my colleague from Washington, Senator GORTON, and the chairman of the Environment and Public Works Committee, Senator STAFFORD, and I think touched on later by my colleague from Rhode Island, Senator CHAFEE, was that the Alaska Pulp Corp. has not made a good faith effort to be in compliance.

I think what needs to be stressed, Mr. President, is the reality that Alaska Pulp Corp. has spent nearly $66 million to comply with EPA water quality standards. This is a matter of record. Yet, my two colleagues who have spoken previously would have you believe that they have not spent anything. What we have here is the fact that the APC mill at Sitka, in expenditure of this $66 million has met about 90 percent of the compliance standard. What we are suggesting now is that in order to meet the balance remaining, approximately 10 percent, why the Senate is not disposed to support a $7 million technical grant that could go a long way into bringing the mill into compliance.

I would like to refer to a statement made by the junior Senator from Washington concerning the improved technology grant. I ask unanimous consent that a letter to Mr. Lee Thomas, Administrator, Environmental Protection Agency, dated October 15, 1985, by AC Biotechnics, Inc., Woodbury, NY, be printed in the RECORD.

The quote is "anaerobic technology development is at a crossroads of sorts. It has been used to treat chemically simple waste streams both here in North America and in Europe but up to now it has not"—and I emphasize, Mr. President, it has not—"been used to treat chemically complex waste."

So the suggestion by the junior Senator from Washington that this is technology that has been around for a while is true, but while it is not new this proposal to use improved technology is certainly within the innovative and improved grant concept embodied in the Clean Water Act.

I think, Mr. President, it is noteworthy to recognize that the EPA Regional Administrator in the State of Washington, Mrs. Ernesta Barnes, in a telegram—which I will ask unanimous consent to submit for the RECORD—was also responsible for denying the APC waiver, is supportive of this grant. I refer to the telegram which I will read. It is very brief.

I would like to reply to your July 26, 1985 telegram.

This is a telegram to my colleague, the senior Senator from the State of Alaska.

The anaerobic waste treatment process being evaluated by Alaska Pulp Corporation is new and improved technology when applied to the pulp industry. We are optimistic that it can increase waste treatment efficiencies and at the same time reduce treatment costs. The data generated by such a process in Alaska would have nationwide application to similar facilities. If the anaerobic system was installed, it would aid the permitting process at APC.

I submit to you and my colleagues that have spoken against the amendment that here we have the administrator who is directly responsible for the oversight process, is in support of this $7 million technology grant. I also have a letter from EPA Administrator Lee Thomas, directed to my colleague, the senior Senator, dated September 19.

I ask unanimous consent that the entire letter and the telegram be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AC BIOTECHNICS, INC.,
INDUSTRIAL BIOTECHNOLOGY,
Woodbury, N.Y., October 15, 1985.

Via Federal Express Zap Mail

Hon. LEE M. THOMAS,
Administrator, Environmental Protection Agency, Washington, DC.

Re Anaerobic Wastewater Treatment Demonstrations Alaska Pulp Corporation, Sitka, Alaska

DEAR MR. THOMAS: This letter is written with regard to the contemplated demonstration of anaerobic wastewater treatment technology at the Alaska Pulp Corporation's mill in Sitka, Alaska.

Our company, AC Biotechnics, Inc., is an engineering company principally engaged in the design and construction of industrial wastewater treatment facilities. Our involvement in this field has included conventional aerobic approaches, the above-mentioned anaerobic technology and combinations of both. Over the past few years, we have come to concentrate, to a large extent, in the anaerobic area, primarily due to the markedly improved cost effectiveness of such systems as compared against conventional technology.

Historically, pollution control has been viewed as a necessary expense (capital and operating) and not as an investment that would yield a return. In the wastewater treatment area, conventional aerobic technologies have been widely applied and generally been very successful at achieving the environmental goals set forth. Conventional anaerobic technology, however, is fairly expensive to install, requires large amounts of energy for operation (primarily for aeration) and generates large amounts of waste sludge, which in and of itself, represents a separate and sometimes difficult solid waste environmental disposal problem.

In contrast to the above, anaerobic technology can yield a significant return on capital employed. With this technology, the organic material in the wastewater is converted to a recoverable biogas (principally methane and carbon dioxide). When this biogas is recovered and burned, the cost effectiveness of wastewater treatment is radically improved. In addition to the biogas recovered, total system energy requirements can be reduced by an order of magnitude as can the amount of waste sludge material produced. The reduction in waste sludge produced should be underscored because disposal costs and other potentially harmful environmental effects associated with solid waste disposal (air pollution if sludge is burned and leaching if it is buried) are greatly diminished.

If the benefits of anaerobic technology are so striking when compared against conventional technology, the logical question is why has the technology not taken hold in the United States. This is a valid question and has a several part answer:

1. Conventional anaerobic technology has been in use for many decades for the treatment of liquid waste streams. The use of anaerobic technology has been limited to food type waste and other chemically simple waste streams. It has not been used to treat chemically complex wastes like the pulp mill bleach plant components Alaska Pulp plans to treat from its waste stream.

2. Over the years, the consulting engineering community has assumed an extremely conservative posture with regard to design. This orientation has its roots in the municipal wastewater treatment industry, where an engineering company, representing a city or town, would design a wastewater treat-

ment system with an over-abundance of safety factors and redundancy, knowing full well that the bulk of the capital cost would be paid for by the Federal Government via the construction grants program. When the major movement in industrial wastewater treatment began in the 1970's, these same engineers performed the bulk of the design work with the same conservative orientation. Industry scrutiny eliminated much of the unnecessary redundancy in design, but no incentive existed to test out innovative design concepts.

3. Sludge disposal was not considered a major problem at the time the municipal and industrial waste water treatment plants were being designed and constructed. There was no incentive to focus on technologies which reduced sludge production, like anaerobic technology.

4. Energy costs have also proved to be an important factor. Costs for fuel and electricity were relatively low for many years. In the mid 1970's, cost for fuel and electric power rose significantly.

5. The next generation of waste treatment systems are now being designed with the energy and environmental realities of the 1980's influencing those designs. So far, there has been no demonstration in Europe, Japan or North America of a full scale anaerobic system which treats the chemically complex wastes produced by industrial and municipal systems. It is important that this technology be demonstrated now so that it can be included in designs for the new systems.

Presently, anaerobic technology has received limited acceptance in U.S. industry. In most cases, as in Europe, the applications have been relatively small and have primarily treated chemically simple waste streams. In Europe, where anaerobic systems have been used for treating waste from three pulp mills, it has been used mainly to treat a chemically simple component, not an entire waste stream.

Although our company obviously has something to gain from any government assistance that would facilitate demonstration of the technology, many valid reasons exist that justify involvement by our Federal Government to assist with technology development.

The specific case of Alaska Pulp Corporation deserves some comment. First, Alaska Pulp is in the pulp and paper industry. This industry is large, energy-intensive and undoubtedly represents an industry that could benefit from anaerobic technology. This industry can be characterized as conservative from a technology standpoint and spends a great deal of time and money on environmental-related research activities. In the environmental area, they also communicate rather freely in seeking solutions to common problems. This is an important factor in selecting a suitable demonstration location.

Alaska Pulp Corporation's mill, at Sitka, is large and certain testwork will be required to gather the necessary process design data before a full scale design can be established. We are fully aware of the specific components of the wastewater at Sitka and consider it to be an ideal candidate for anaerobic treatment from a process standpoint. Once the necessary design data are gathered (this could take as long as one year), we are confident that a reliable full scale system design can be established.

Regarding system design and performance, a comment is needed regarding the risk to the Federal Government and Alaska Pulp. Under the municipal construction grants program, billions of Federal dollars were awarded for the construction of plants designed by consulting engineering firms. These engineers were not held directly accountable for the performance of systems that were constructed. This is not the case with engineering firms like AC Biotechnics, that operate exclusively in the industrial market. Speaking strictly for our company, when given the proper data base from which to establish a process and system design, we are fully prepared to guarantee the performance of the system constructed.

Anaerobic technology development is at a crossroads, of sorts. It has been used to treat chemically simple waste streams, both here in North America and in Europe. Up to now, it has not been used to treat chemically complex wastes. We are now at the point in the research and development of anaerobic systems that a full scale demonstration facility needs to be built and operated. Until this is done, industries and municipalities which must treat chemically complex wastes, which have sludge disposal problems and are faced with ever increasing operating costs associated with conventional aerobic systems, will be unwilling to make an investment in this still unproven technology.

Once a full scale anaerobic system which treats chemically complex wastes has been demonstrated, we expect many industries and municipal waste treatment systems to add anaerobic systems to their conventional aerobic systems and to make it a part of new systems still under development.

This is an important next step. I would be happy to provide any additional information that may be required.

Sincerely yours,

WILLIAM A. BONKOSKI,
President.

U.S. ENVIRONMENTAL PROTECTION AGENCY,
Washington, DC, September 19, 1985.

Hon. TED STEVENS,
U.S. Senate, Committee on Appropriations, Washington, DC.

DEAR TED: Thank you for your letter of September 18, 1985, regarding the $7 million grant for a demonstration project in Alaska under Section 105(c) of the Clean Water Act.

You asked three questions:

1. Would the demonstration project meet the improved technology requirements of Section 105(c)?

While we do not consider anaerobic treatment technology to be new, *we would consider such a system to be an improvement* for this mill if, as Alaska Pulp Corporation asserts, this system (1) is demonstrated in combination with the mill's existing activated sludge treatment system to be more cost-effective in removing biochemical oxygen demand (BOD) from the mill's effluent than if a conventional aerobic treatment system were used, (2) recovers energy in the form of methane sufficient to pay for all or a significant portion of the operating and maintenance costs of the anaerobic system, (3) reduces the total land area required for technology to comply with the nationally applicable BOD limitations reduced from that required for conventional aerobic treatment, and/or (4) reduces the total wastewater solids generated by the combined anaerobic and existing activated sludge system below that generated in a completely aerobic system.

2. Would the results of such a project have nationwide application to similar facilities?

Yes, anaerobic treatment could have industry-wide application. This might include (1) the limited number of situations similar to this mill where there is limited land availability for treatment system construction and solid waste disposal and (2) cases where permit conditions, based either on the national guidelines or on water-quality considerations, are not being met and existing aerobic systems must be augmented. Other mills are exploring this option; for example, at least one U.S. mill has already employed anaerobic treatment without energy recovery to supplement an existing aerobic lagoon system to meet State water quality criteria.

3. Would this aid in permitting the facility? The demonstration project would aid in permitting if the mill (1) agreed to meet the best practicable control technology requirement (BPT) for biochemical oxygen demand promulgated in 1976, 40 CFR Part 430.112 and (2) withdrew its request for a fundamentally different factors variance and for resubcategorization of 40 CFR Part 430 to establish a separate subcategory for Alaska pulp mills. If the mill did not withdraw its variance and subcategorization requests, funding of the demonstration project would leave unresolved when, if ever, a permit containing the national BPT effluent limitations would be uncontested.

I hope that this provides the information that you seek. I should point out, however, that funding for this project is not consistent with the priorities contained in the President's Budget.

Sincerely,

LEE M. THOMAS.

[TELEGRAM]

From: ERNESTA B. BARNES, Regional Administrator, region 10.

To: Senator TED STEVENS, 260 Russell Senate Office Building, Washington, DC.

I would like to reply to your July 26, 1985, telegram. The anaerobic waste treatment process being evaluated by Alaska Pulp Corporation is new and improved technology when applied to the pulp industry. We are optimistic it can increase waste treatment efficiencies and at the same time reduce treatment costs. The data generated by such a process in Alaska would have nationwide application to similar facilities. If the anaerobic system was installed, it would aid the permitting process at APC.

Let me know if further information is required.

Mr. MURKOWSKI. To the question could the results of such a project have nationwide application to similar facilites, I read the answer from Mr. Thomas: "Yes, anaerobic treatment would have industrywide application."

So I think the support of the improved technology grant, of not only the Administrator of EPA, Mr. Thomas, but the region 10 administrator, certainly speaks for itself.

It disturbs me, Mr. President, to reflect on just what we are undertaking here. It reminds me of a bit of a cannibalistic process. What we have here is a wood production industry in the United States that is going through a difficult time. And obviously the idea of lessening competition within the industry benefits the survivor.

Mr. President, at stake here, as my colleague so eloquently stated, is the survival of an industry, the survival of a community, and it is a very real issue. The likelihood of the mill shutting down in Sitka would have a devastating effect throughout southeastern Alaska, not just on the community, but the logging industry as a whole, and those who live off it. I might add that the timber industry is the fourth largest industry in our State, Mr. President. We do not have a lot of pulpmills. We have two pulpmills in our State. Both have had a very difficult time as well as other pulpmills on the west coast. But there are some significant differences that have not been pointed out in the debate so far. The pulpmills down in the State of Washington, and the pulpmills in other States in this country, do not have to generate their own power. They have the availability of power generation from existing power grids. That is not the case in the Sitka mill. They have to generate their own power at considerable cost. The statement has been made in the debate concerning the ability to go ahead and burn the sludge. We have documentation from the State of Alaska, Department of Environmental Conservation, that indeed to initiate the burning of any sludge would have an adverse impact on Clean Air Act standards. The ability to store sludge in that particular environment, because of the severe sliding that comes from the topography of the land, eliminates that as a possibility.

So, Mr. President, basically we are left with the reality of how you get there from here.

As we reflect on how to resolve this issue, I, for one, would rather spend my energies trying to assist the entire timber products industry in its recovery efforts rather than to kill one particular firm so that others can benefit. I find it peculiar, Mr. President, as we reflect on just what kind of competitive situation we are in because the major mills in the State of Washington operated by ITT operate under an acetate permit. Both are under the general dissolving pulp category of sulfite pulp, but the acetate process is a specific process which produces an entirely different type of pulp than the pulp produced by the Alaska mills which is viscose pulp.

My colleague has indicated that the major competitive markets for the viscose pulp come from pulpmills in South Africa. Perhaps we should suggest that our colleagues reflect on the merits of limiting pulp from South Africa coming into this country. Certainly, that pulp does not have to be produced under the stringent and worthwhile environmental laws that we have in the United States.

But the point is, Mr. President, what we have here is a mill that has complied, they have expended funding, and they are quite correct and quite right in requesting from EPA a statement on the appropriateness of pursuing improved technology.

It would be very difficult to argue the merits of this, Mr. President, if indeed the Administrator of EPA and the region 10 administrator had not specifically recommended it. But the fact is, Mr. President, they have recommended it.

I would like to turn to other specific areas that I think should be addressed for the record. I find it extraordinary that in an issue such as this, there are responses from some of the media, that are generated with no effort to contact or interview either of the Senators from the State of Alaska with regard to their accuracy.

The allegation has been made publicly, Mr. President, that the Sitka mill discharges 16 million gallons a day of partially treated waste into Alaska waters.

That is incorrect, Mr. President. All waste discharged from the mill has previously received primary and/or secondary treatment. Before pollution control was installed in early 1970, the mill was discharging 270 pounds of BOD per ton of bulk. But that has been reduced to 75 pounds of BOD at the cost of $66 million.

I take issue with my colleagues who generalize and say the mill has not made any effort to meet the environmental quality of water standards. EPA new standards would require an additional reduction of 20 pounds of BOD which will cost the mill an additional $35 million. That is the point; that is the fact.

The State of Alaska has certified—and this is what is so incredible to me, incredible to me that we cannot penetrate the mentality of the Environment and Public Works Committee—the State has certified that this additional reduction would have no benefit whatsoever to the water quality in our State. That has never been acknowledged by the committee.

There has been an allegation that the mill has refused to comply with the standards set forth in the Clean Water Act amendments of 1977. The mill is in compliance with its current permit. The mill is now working to comply with the Clean Water Act. They have reduced the discharge from 275 to 75 pounds of BOD. As I have indicated, to reduce it further the amount I stated, would cost them an additional $35 million without improving water quality.

This is specifically why EPA gave tentative approval for a variance prior to a change of administrators within EPA Region 10. These are facts. They are documented. They are in our files.

The mill is contesting the requirement for the additional reduction of 20 pounds. EPA until 1983, through actions and regulations, has always treated the mill differently because of its uniqueness, and its uniqueness, Mr. President, is that it is the only mill in the country that has to generate its own power; it is the only mill in the country that has the topography so unique to southeastern Alaska.

There is a further allegation that the timber is further subsidized through the Forest Service at the rate of $171 per 1,000 board feet sold. That is thrown up to both myself and the senior Senator as an issue that comes time and time again.

But, Mr. President, as a means of preserving wilderness, not underwriting the timber industry but preserving wilderness—certainly the environmental interest, ANILCA provides the Tongass Forest in southeastern Alaska where the mill is located receives $40 million annually to increase timber production on lands not withdrawn for wilderness. As a consequence of the land exchange, it was necessary to make additional timber available after the wilderness set-asides. These were areas not in the original allotments. So the expense is not to timber activities in Alaska but it is to support the wilderness system. It is for wilderness. This point is missed so often by those who so casually look at the situation in Alaska.

My colleague has already indicated the allegation that Alaska Senators were responsible for killing the Clean Water Act last year.

Mr. President, I happen to know where some of that emanated from, and it emanated from the staff of the Environment and Public Works Committee. I take issue with that. It bothers me a great deal how some of the staffs, professional staffs that we have on the various committees, can dictate policy that is indeed a responsibility of the Senators themselves.

That is absolutely untrue and every one of my colleagues is aware of it.

There were 41 differences in the House and Senate bill last year. Alaska Senators were informed that many of the other differences would be needed to be resolved even before getting to the pulp mill issue. We all know that that is a fact. We did not kill it. It died its own death.

The allegation was made that the demonstration project is not innovative, it is widely used in other industries and by European pulpmills.

I have already commented on that, Mr. President. We are not contending that it is innovative but that it is improved, and by the testimony submitted for the RECORD by Mr. Lee Thomas, of EPA, I think it stands on its own that EPA has indicated that the technology is improved and has a nationwide applicability.

I would state for the RECORD, Mr. President, that the anaerobic technol-

ogy has never been used on a chemical complex waste system such as the by-product of the Sitka mill. This would be the largest anaerobic facility in the United States, and if it works, Mr. President, other industrial users and municipalities having large volumes of chemical complex waste streams, such as municipal sewage treatment plants, could utilize the technology.

The allegation has been made that other U.S. mills are operating at a cost disadvantage because they paid for their own equipment. That has been stated in the debate here today.

Alaska Pulp Corp. [APC], has already outspent ITT on pollution control equipment, yet the allegation has been made that APC has not been expending funds.

The PRESIDING OFFICER (Mr. CHAFEE). The Senate will be in order. The Senator has the right to be heard.

Mr. MURKOWSKI. I thank the Chair.

Alaska Pulp Corp. has already outspent ITT on pollution control equipment. ITT has spent an average of $52 million on three of its mills; APC has spent $66 million and will have to pay at least another $3 million to implement the technology, bringing the amount spent by APC far above ITT Rayonier.

The allegation has also been made that the taxpayers should not pay for a Japanese-owned company to cease pollution. My colleague, Senator STEVENS, touched on the background and history of the Sitka mill. It was the first United States investment by Japanese encouraged by the Eisenhower administration after reconstruction.

But the benefits are not to Japanese investors, but to Americans—residents of Alaska, contributors to the economy. The grant would not give competitive advantage to APC. APC has already outspent ITT on pollution control. Labor, production, and transportation costs also keep APC's cost of production above any other mill.

Everything in the APC mill at Sitka is shipped in by barge from the lower 48, all the chemicals, everything used in the mill. The only product native to the process is the timber.

No other mill in the United States is really a direct competitor of APC with exception of the mill at Ketchikan.

The allegation has been made that the effort to obtain funding for the pulpmill is inconsistent with standards on reducing the deficit, trade imbalance, and pollution. Reducing the deficit is obviously important. Keeping a basic industry alive, which provides jobs and stimulates economic growth, is consistent with the administration's supply-side theory of reducing deficits. In addition, the technology could save other industries and local, State, and Federal Governments millions for water pollution control. So it does have an application uniformly, Mr. President.

I advise that the mill, with its annual sale of pulp of about $120 million a year, is a significant contributor to a positive balance of payments with our neighbors in the Far East—Japan, Korea, Taiwan. So it does make a significant overall contribution to the U.S. economy.

One of the things that I find a bit amusing is that my colleagues from the State of Washington who are objecting to the technology grant are at the same time very much opposed to the concept of assisting some of our domestic industries, as evidenced by the debate that we had the other day on the textile bill. It seems inconsistent, if you will, that they are perhaps motivated by the significant contribution that Japanese trade makes in the Puget Sound area, particularly, but here is an inconsistency, they are opposed to the continuation of a mill that is owned by Japanese but has no Japanese workers or labor force associated with the operation of that mill.

I observe my colleagues from various other States trying to encourage Japanese investment within their own areas to where today, I understand, we have some $58 billion worth of Japanese investment in the United States—we have Mazda in such places as Flat Rock, MI; Honda in Marysville, OH; and I could go on and on.

Alaska is no different from anybody else, Mr. President. We have Japanese capital, the first of Japanese capital that came into this country, and we are selfish enough to want to keep it.

Mr. President, I have gone on at some length to try to counter some of the negative aspects and clarify the RECORD. I refer specifically to two editorials that attack the stance of my senior colleague [Mr. STEVENS] and myself, from the New York Times and the Washington Post, on this issue. I find it extraordinary that neither one of them made any attempt to contact our offices for any comment on the accuracy of either of those stories. So, as we consider the merits of this debate, I think it is indeed unfair that there is so much generalization on this particular issue.

Alaskans are very proud of the quality of our air and proud of the quality of our water. We intend to use the very best available technology to maintain the pristine state that we presently enjoy. But the facts of the operation of this mill cannot be understood by just participating in this debate. As Senator STEVENS has said, he has seen the mill and walked through it. I have seen the mill.

Some of the best fishing that exists in the Sitka area is adjacent to that mill. So the suggestion that the effluent that is being discharged is harmful in the sense of the general terms of pollution is absolutely incorrect. As I have indicated in my statement, 90 percent of the effluent guidelines have been met. The balance, we hope, could be met by the application of improved technology.

It seems to me, with the money that is spent around here, $7 million could go a long way if, indeed, it does work for the benefit of our entire Nation as we face pollution problems that obviously do need attention, and have no merit at all in comparison to the situation that is before us in Alaska. I assure my colleagues that Alaskans are not going to stand by and allow our State to be victimized by pollution. The very fact that the State of Alaska, in its very stringent permitting process, has come to the conclusion that the original waiver which was proposed would be consistent with the application of EPA guidelines and that any further effort to meet EPA qualifications suggested under their current order would have no beneficial effect on water quality standards whatsoever, is the question that has to be dealt with.

Obviously, the State of Alaska supports a waiver for the mill. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from Governor Sheffield indicating support for the improved technology. It is not an emotional support; it is support based on the State department of environmental services and their analysis that the water quality is no problem.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF ALASKA,
Juneau, AK, October 11, 1983.

Hon. WILLIAM RUCKELSHAUS,
Administrator, Environmental Protection Agency, Washington, DC.

DEAR MR. RUCKELSHAUS: The State of Alaska has, over the past years, consistently supported the efforts of both Alaskan pulp mills in their request for relief from the overly stringent requirements for best practical treatment under water quality discharge guidelines. Our reasons for this support are based upon a balance between close evaluation of all environmental impacts and costs to meet standards.

No recognizable benefit will be gained from the imposition of additional water quality requirements. Increased water quality control requirements will very likely result in severe economic hardship, threatening the viability of the pulp mills. The resultant loss of 6,000 primary and associated jobs would impact the whole of southeast Alaska. This is the issue of concern.

In addition, the wastewater discharge standards being imposed upon the Sitka and Ketchikan dissolving sulfite pulp mills create a sludge disposal problem. With the lack of suitable land disposal sites, both mills must incinerate the sludge, causing a costly air pollution control situation.

This incineration has stalled the mills' progress toward compliance with air quality regulations. It has resulted in extensive studies and the installation of additional process controls to cope with a significant increase in air pollutant emissions in the

last four years. Future control requirements are still needed by the mills to solve the air pollution problem created by the existing wastewater treatment plants.

The Alaska Department of Environmental Conservation (ADEC) is on record as being committed to requiring both Alaska Lumber & Pulp Co., Inc., and Louisiana-Pacific Corporation, Ketchikan Division, to meet the air quality regulations for their pulp mills in Alaska. It is probable that the mills would be meeting air quality requirements if they did not have to incinerate sludge. If both mills install additional water quality treatment pursuant to EPA's proposed denial of their variances, air quality would be severely affected due to the increased amount of incinerated sludge. Of equal importance, there is no land storage space for the sludge.

The State of Alaska urges EPA to more fully examine the air pollution impact, taking into account exactly what has been done and what will be needed to get the mills into compliance with air quality regulations, due to impacts caused by wastewater treatment. This evaluation should include the costs needed to obtain necessary permits for new installations, or modifications to existing units.

These issues are not new. They have been presented to EPA both in public hearings and in other correspondence over the past five years. For your information, I have attached the ADEC testimony at EPA's March 11, 1980, public hearing, and correspondence recommending the variance for the two mills dated November 12, 1980, December 22, 1981, and March 9, 1983. This information is still valid.

We will more thoroughly discuss the above and other concerns regarding the proposed EPA actions in our presentation at the November 8 and 9 public hearings in Sitka and Ketchikan.

Sincerely,

BILL SHEFFIELD,
Governor.

Mr. CHILES. Mr. President, I support the amendment offered by the Senators from Washington to strike the provision in this bill which provides a $7 million appropriation for the construction of a demonstration anaerobic wastewater treatment system at an Alaska pulp mill. I can understand and appreciate the legitimate interests of the Senators from Alaska in attempting to address the very real economic problems surrounding this pulp mill in their State. This is not the first time the problem facing the Sitka, Alaska, pulp mill has been brought before the Senate. Quite frankly, I believe the Senators from Alaska are doing their jobs by working to help this company. However, I believe I must do my job and oppose this direct appropriation to the Alaska mill because of the adverse impact it will have on a company operating in the State of Florida.

I support the amendment to strike this provision in the bill because I believe the $7 million appropriation is both unwise and unfair. It is unwise in terms of setting a precedent for singling out individual private companies to receive Federal grants in order to comply with mandatory Clean Water Act requirements, and it is unfair in that it penalizes other U.S. companies who have complied with pollution control laws that were to have been met by July 1977.

I want to share with my colleagues a little background on this particular situation. The Alaska lumber and pulp mill is not in compliance with requirements of the Clean Water Act concerning BPT effluent limitations. These requirements were to have been met by July 1977, but for some years now the Alaska mill has sought an administrative waiver from the law's requirement. After its lengthy study of the variance request, EPA rejected the request. EPA concluded that the Sitka mill was not significantly different or unique from other mills of its type. EPA further concluded that there were no extraordinary reasons why the mill could not use conventional technology to treat its wastes or meet BPT. Additionally, an attempt was made in the 98th Congress to grant a special statutory exemption from normal Clean Water Act requirements. This effort failed as well.

Mr. President, ITT Rayonier owns two pulp mills in Washington and in Florida that make the same grade of viscose pulp and, therefore, compete directly with this Alaskan mill.

The plant that ITT-Rayonier owns in Florida does make the same grade of viscose pulp and therefore does compete directly with this Alaskan mill. The plant in Florida had to expend $58 million in order to meet the clean water requirements. I have been told that these mills compete at a $25- to $45-per-ton cost disadvantage specifically due to the Alaska mill's noncompliance.

The Fernandina mill has not been very successful in competing for viscose pulp business in recent years. This coincides with the installation of waste treatment facilities at the Fernandina mill which have added about $185 in costs/ton of pulp produced. In 1980, Fernandina sold 5,000 tons of viscose pulp to the People's Republic of China. The Alaska mill also sells to the PRC. Since 1980 and until 1985, Rayonier has been unsuccessful in competing in this market. While the Washington State mill has been able to just recently enter this market,

Fernandina has not been able to compete in this market since 1980. To award a specific appropriation to the Alaska pulp mill would permit the mill to retain the strong competitive advantage that this facility enjoys under noncompliance with existing statutory requirements.

In summary, Mr. President, let me emphasize that if the company qualified for relief from statutory requirements because of extenuating circumstances, then that relief, when appropriate, should be granted through the administrative process. A waiver was, in fact, sought by the mill but was denied on its merits by the Environmental Protection Agency. To receive relief now from mandatory, statutory pollution control requirements by receiving a Federal appropriation undercuts the intent of the Clean Water Act and unjustly penalizes other companies who have spent their own funds to comply with the law.

I urge the adoption of the amendment.

Mr. President, I urge the adoption of the amendment.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER (Mr. GOLDWATER). The Senator from Washington.

Mr. GORTON. Mr. President, my distinguished colleague, the senior Senator from Alaska, has spoken with both passion and fervor in favor of this subsidy to the Alaskan mill. He has, however, omitted any discussion of at least two points which were made in favor of this amendment. The first of these points is if in fact the survival of the mill in Sitka depends upon this subsidy, which I may say I find to be doubtful, and if in fact so many jobs are dependent upon it, it is highly curious that the State of Alaska has offered no subsidy, no share of the subsidy which is sought here. Given the wealth of that State, one would have thought that long since the State of Alaska would have helped this vital employer to comply with the law if it felt it justified to do so. Apparently, however, there is intense opposition to this subsidy in Alaska itself, and it may well be that the legislature of that State would be unwilling to provide this assistance. In any event, it is totally inappropriate to ask for it from the people of the United States. Nor did the distinguished senior Senator from Alaska refer to in any respect the fact that this mill and the other mill in Alaska are already subsidized by the Federal Government with respect to the installation of their production control equipment by the Forest Service in its charge for the raw materials which they use.

Now, we are here quite literally being asked for a double dip, a direct subsidy on top of an indirect subsidy already offered to them.

The primary points, however, which the Senator from Alaska makes, first, is this is an important and innovative, improved new technique and we must therefore direct the Environmental Protection Agency to grant this $7 million on its behalf.

Mr. President and my fellow Senators, I want to emphasize to you that my amendment does not seek to take any authority from the Environmental Protection Agency which it already has. This bill includes almost $220 million for research and development on the part of the Environmental Protec-

tion Agency. Nothing will be accomplished by the passage of this amendment which will prohibit ALP from competing for that money. If, in fact, as the junior Senator from Alaska says, the EPA regards this as a very important and innovative, new technique, it is perfectly capable of granting an application to ALP for this amount of money or any other amount of money in competition with all other such grant requests. What the twin amendment of the Senator from Alaska now included in this bill does is to say that the EPA shall not make that judgment in comparison with other applications. It is for all practical purposes a direction that this grant be given. If my amendment passes, it can still be given if in fact their case is correct.

Next, we have heard a great deal about the fact, presumably the uncontroverted fact, according to the senior Senator from Alaska, that this mill has already paid more money for the correction of pollution than has any of its competitiors. We do agree on one thing: The three ITT mills in the United States, in the lower 48, have spent an average of $52 million each in complying with the Clean Water Act. The claim of the two Senators from Alaska, however, is that this ALP mill has already spent 66 million such dollars.

Not so, Mr. President. It is simply the claim of ALP that it has spent $66 million on polution control equipment. EPA has specifically found that only $44 million of that amount were in fact spent to construct pollution control equipment.

Mr. STEVENS. Will the Senator yield?

Mr. GORTON. The Senator will not yield at this point. He will at the conclusion of his remarks. ALP has gone to the Environmental Protection Agency in connection with its request for a waiver with this claim of spending $66 million and has had that claim rejected, with only $44 million of it allowed as spent. In other words, the ALP mill has spent less than its competitive mills in the lower 48 by direct comparison by the findings of the EPA.

The fundamental policy of the Clean Water Act, Mr. President, is that it will deal and require certain techniques. There was great debate in the Senate and in the House of Representatives at times before I was a Member here as to whether or not pollution control should be judged by the quality of receiving waters or on the basis of specific technology requirements. For better or worse, the Congress of the United States decided the latter. The reason that it decided the latter, as the senior Senator from Alaska, who was then a Member of this body, has already correctly stated is that it did not want to give competitive advantages to one mill or another; that, therefore, they should all have an analogous type of equipment.

That is what this debate today is about. This mill seeks to avoid the requirment that it pay for its own equipment. In fact, the so-called innovative equipment, or the technique which it seeks, is less expensive than the standard method of responding to this clean water challenge which has been adopted by each of the competitive mills.

In summary, Mr. President, if, in fact, this is truly innovative technology, it can be granted by the Environmental Protection Agency without the special treatment which this mill seeks to have provided through the initiative of the senior Senator from Alaska.

Second, the question before us is not whether or not the Environmental Protection Agency should have granted a waiver at sometime in the past, whether the regional directors wanted to do so sometime in the past. The question is now who will pay for its compliance with the Clean Water Act, the mill itself or the people of the United States through the EPA.

Third, the expense of complying, even if the entire expense is placed on the company itself, will still leave it having spent less than its competition in the lower 48, not more.

Fourth, there is clearly competition; there would be no debate here in all probability were these mills not competitive. The Senator from Alaska correctly pointed out that the ITT Rayonier mill in Florida does in fact directly compete with this one in the same category of produce. So in the past, and perhaps in the future, have those in the State of Washington.

And, last, of course, if this is vital to the future of the economy of the State of Alaska, it would be appropriate for the State of Alaska to come up with this subsidy, which presumably legally and validly it can do. It has not done so.

This is a question of whether or not fundamental fairness will apply and the same rules of compliance at their own expense will be absorbed by this recalcitrant mill, which has fought 10 years against the requirement of the Clean Water Act; whether it will abide by the same rules as do all of its competitors or whether its very recalcitrance, its very refusal, its very tenacious fight against these requirements will be rewarded by having the people of the United States pay for its compliance.

Mr. MURKOWSKI. I wonder if my colleague will yield for a question.

Mr. GORTON. Yes.

Mr. MURKOWSKI. The statement was made why did Alaska not come up with the dollars. My question to the senior Senator from Washington specifically is: Why would Alaska even address the issue of coming up with assistance when the appropriate and responsible Department that oversees environmental matters in the State of Alaska has indicated that it does nothing for water quality of any kind and, as a consequence, there is no need to comply because it will have absolutely no effect on water quality?

Mr. GORTON. In answer to that question, I say to my friend from Alaska, the reason why this money is being sought here by the senior Senator, in this bill, according to his own statement, is to prevent this plant from going out of business.

While I am not willing to accept that this modest amount is the make-or-break element for this mill, what would seem to me to provide incentive enough to the State of Alaska to provide this $7 million, whatever its affect on the quality of the water.

I simply go back to the next-to-the-last remark I made: the people of the United States, through Congress, when they passed the Clean Water Act, based it on a technology standard, not a quality of receiving waters standard. The reason they did so, primarily, was to avoid questions about unfair competition between one mill and another; that one mill could claim that the waters were not adversely affected, and therefore avoid an investment which other mills had to make. It is the fundamental policy of the law of the United States.

Here we have an entity which seeks to avoid the expenses which its competitors have undertaken by asking the people of the United States to pay for that compliance. I do not think that proper.

If, in fact, it is a threat to the economy of Alaska, a wealthy State like that should be able to come up with the money with which to comply. The question is really one for the Senator from Alaska: Why has the State not come up with any such offer?

Mr. MURKOWSKI. Because the State, obviously, has indicated, by the State Department of Environmental Conservation report, that it makes no contribution whatsoever to water quality standards.

Mr. GORTON. But presumably it makes a contribution to the economy of the State of Alaska.

Mr. STEVENS. Mr. President, I regret the difference with the Senator from Washington. I regret it because until he personally became involved in this process, EPA maintained that this mill did not have to comply. Now he questions why it did not comply for those 7 years prior to the time he came to the Senate.

My friend says that I have not commented upon the two points he raised, so let me comment on them again.

The $7 million of taxpayers' money is required because this process, even if purchased by the State of Alaska, would not warrant granting a variance

to this mill. It must be demonstrated on a national basis, not on a local basis, in order to become improved technology to comply with this section of the act.

I hope the Senator listens to me. I have tried to listen to the Senator from Washington and understand his position in this.

I tell him, in all good humor, that when the billions of dollars rolled across the floor of the Senate after Mount St. Helens and a few other things, I cannot remember the objection being raised on the basis that it was not necessary for the national interest.

This is in the national interest, and that is why this Senator sought this money. The Senator from Washington seems to think that my constituents sought the money. I sought the money in order to comply with the national law, not to avoid it. I was the one who asked for the waivers for 7 years, and for 7 years the EPA agreed that they were warranted and administratively implemented that conclusion, until the Senator selected a new regional director.

This gets to be a little personal, and I do not like to become too personal on the floor of the Senate. I will address the Presiding Officer, in order to comply with the rules.

Mr. President, the record is clear that the Federal agency told this company for 7 years that it did not have to comply with the Federal clean water standards and would receive either a variance or a waiver. Now it is being criticized for not having complied and not having had the common sense to realize that, at some time or other, some person would come along and administratively change that conclusion.

This is a clear record; and notwithstanding the assertions of the Senator from Washington, I have the documents in my file to prove that the EPA, on all occasions, favored the waiver or the variance from the time it was originally approached. We are talking about a continuum that started with President Nixon and ran through President Ford, President Carter, and to President Reagan.

Those who are federally appointed in that regional office all agreed that the conclusion would be that the mill would not have to comply with these standards, until the Senator from Washington selected a new person for the regional administrator's position.

I understand the Senator's position, and we obviously disagree on various points. But I can tell the Senate that this mill now is being punished because of an administrative reversal of a 7-year-old position, and this Senator said, "Let us see what we can do."

I looked at the EPA law, and this portion of the law has never been funded, Mr. President. The Senator asked why they do not use money. There is no money in this portion of the EPA authorization for demonstration grants. My amendment puts it there and specifically directs that it be used to demonstrate this anaerobic process on a complex waste water stream in order to comply with national standards—not, as the Senator indicates, to clean up water quality.

This mill has spent $66 million. EPA contests the fact that this sum was spent for compliance at the effluent discharge limits.

I thank the Senator for his courtesy in yielding to me at that point.

As a practical matter, EPA said that some of the money that this mill said was spent for compliance was not spent for compliance because EPA does not recognize some of the State requirements, and the requirements have been met in my State.

I hope that every Member of the Senate will think of the circumstance we are in, after having represented our constituents—and I believe well—through the whole period of time since enactment of the Clean Water Act.

The question was raised whether this mill could comply with these national standards, although it was not required for water quality. Both the EPA Administrator and the Regional Administrator, on each occasion, agreed that some relief should be granted and this mill would not have to comply with this portion.

Mind you, we have complied with 90 percent of the requirements. It is the last part of the spectrum, the 10 percent reduction in the BOD levels that are required now.

Having complied all the way through and having in good faith pursued this administrative process, I ask every Member of the Senate, what would you do? What would you do to represent a legitimate interest? We are representing the people who work there—1,000 jobs directly, 1,000 jobs indirectly. If this process will work, they have been saved. If it does not work, they are going to lose their jobs.

It must, by law, have the potential of nationwide applicability before the project can be funded. That is why it should be taxpayers' money and not local money that tries to prove whether this is a nationally acceptable process to comply with these standards.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent to have printed in the RECORD a memorandum from John R. Spencer, Regional Administrator, U.S. Environmental Protection Agency, Region 10, Seattle, WA, to Anne Gorsuch, EPA Administrator.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. ENVIRONMENTAL PROTECTION AGENCY,
REGION 10,
Seattle, Washington.

Re Alaska Pulp Mill Variance Request.

JOHN R. SPENCER,
Regional Administrator.

ANNE M. GORSUCH,
Administrator.

JOHN E. DANIEL,
Chief of Staff.

Consider this a request for the Administrator's concurrence with my recommendation that Alaska Lumber and Pulp Company and Louisiana-Pacific Corporation be granted variances from wastewater effluent guideline limits (BPT) for mills located at Sitka, Alaska and Ketchikan, Alaska respectively.

Both companies have requested variances under EPA regulations pertaining to fundamentally different factors (FDF). The most basic issue raised by the companies in support of their variance requests is that the cost of compliance with national effluent guidelines would result in waste treatment and operation costs significantly greater than costs for the model mill described in EPA effluent limitations development documents. Other issues raised in support of the variance requests include the lack of land for waste treatment sludge disposal and the lack of external sources of electricity.

BACKGROUND

Both Alaska Lumber and Pulp (ALP) and Louisiana-Pacific (LPK) are currently operating secondary waste treatment facilities at their southeast Alaska mills. The EPA issued permits controlling their wastewater discharges, were originally issued in 1973 and later amended in 1974. In 1977, EPA promulgated BPT guidelines for the dissolving grade sulfite subcategory which the two Alaska mills fall under. ALP and LPK are requesting variances from the biochemical oxygen demand (BOD) effluent limitation and variances from the total suspended solids (TSS) limitation specified in their present permits. These are summarized below:

VARIANCE REQUESTS

	Present permit limits	BPT	Variance request
1. ALP & LPK:			
BOD, Lbs/T [1]	75	46.8	75
TSS, Lbs/T [1]	60	76.3	76.3

[1] (Lbs per ton of mill production.)

Region 10 staff have thoroughly analyzed the variance requests, and in particular, the water pollution control costs. The cost figures incorporate incurred costs for existing water pollution control facilities plus the future costs to meet BPT. They include capital and O&M costs expressed in March 1980 dollars. A comparison of the model mill costs with the two Akaskan mills is as follows:

[Dollars in millions]

	Capital cost	Total annual cost	Total annual cost/T
A. Model mill (scaled up to 700 T/day production)	$49.34	$15.2	$63.9
LPK (700 T/day)	68.9	21.9	92.0

	Capital cost	Total annual cost	Total annual cost/T
The ratios of the costs (LPK: Model mill) are therefore: 1.40, 1.44, and 1.44.			
B. Model mill (scaled up to 621 T/day production)	$42.7	$14.4	$69.9
ALP (621 T/day)	84.4	26.9	123.5
The ratios of the costs (ALP: Model mill) are therefore: 2.0, 1.9, and 1.8.			

In summary, my recommendation that variances be approved is principally based on LPK's costs being 40 to 50 percent greater than the model mill and ALP's cost being essentially double the model mill costs.

Finally, attached is a letter from the State of Alaska certifying there will be no known water quality impacts resulting from granting a variance to either mill. Further support for a variance based on solids disposal is provided in that letter: "Of the possible alternatives disposal to the air and land are precluded by unique local conditions or may have substantial adverse effects on the environment". Also, attached is a staff analysis of the variance request. As indicated, some of the material is confidential and should not be released outside the agency.

Concurrence:

Non-Concurrence:

Mr. MITCHELL. Mr. President, I rise in support of Senator GORTON's amendment to strike funding of $7 million for construction of a wastewater treatment system at the pulp mill in Sitka, AK.

I am against the grant for the Sitka mill for two reasons: First, the treatment system to be installed with these funds is not innovative and would not serve as a legitimate demonstration of treatment technology. Second, and most importantly, providing a direct grant to a single mill is grossly unfair to the pulp and paper mills in Maine and throughout the country which have complied with the Clean Water Act without Federal assistance.

The Clean Water Act provides for research and demonstration activities to develop needed wastewater treatment technology. We can not expect industry to make substantial investments in unproven pollution control technology. The EPA Research and Demonstration Program develops needed technology through both conventional research activities and direct demonstration grants to private parties.

Demonstration grants, however, are narrowly defined and are limited to projects which demonstrate a new or improved technology and which are a benefit to an entire industry. The proposed demonstration grant for the Alaska mill fails to meet both of these criteria.

The type of treatment system to be built at the Alaska mill is now in place at several other mills and is being marketed by several companies. In addition, there is little evidence that this treatment system would be a benefit to other mills because most other mills have already installed adequate treatment system.

I am also troubled by the Sitka mill's record of noncompliance with the Clean Water Act. The Sitka mill repeatedly avoided compliance, seeking variances and, when these were not granted, a special amendment to the Clean Water Act, which was also rejected. I think most of us agree that our limited demonstration funds should be used to support legitimate demonstration projects by those who have a proven commitment to clean water.

I am pleased to say that the pulp and paper industry in my home State of Maine and throughout the country has a fine record of compliance with the Clean Water Act. Most of the industry installed required wastewater treatment by the 1977 deadline. The pulp and paper mills in Maine spent about $120 million to install treatment systems in compliance with the Clean Water Act and continue to spend about $12 million a year to operate the systems. These expenditures have contributed substantially to the remarkable improvement in the quality of the rivers and streams of the State.

Mr. President, the pulp and paper mills in Maine used their own resources to make the investment in water pollution controls required by the Clean Water Act. The mills in Maine cleaned up their discharges by the deadline in the act. It is not fair to these mills to provide a direct Federal grant to another mill to offset the same expense. It is doubly unfair to hand $7 million to another mill as a reward for a decade of delay and noncompliance with the act.

Finally, I believe that we set a very bad precedent if we make direct grants to private industries so that they can comply with the Clean Water Act. The principle that industries pay the costs of pollution control has served us well since the passage of the act. It is essential that we not retreat from this basic principle if we hope to continue to make progress in water pollution control.

I urge my colleagues to join Senator GORTON in opposition to the grant for the Sitka mill.

Thank you, Mr. President.

Mr. GARN. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Nevada [Mr. LAXALT] and the Senator from Maryland [Mr. MATHIAS] are necessarily absent.

Mr. BYRD. I announce that the Senator from California [Mr. CRANSTON] is necessarily absent.

I also announce that the Senator from Michigan [Mr. LEVIN] is absent because of a death in the family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 70, nays 26, as follows:

[Rollcall Vote No. 230 Leg.]

YEAS—70

Armstrong	Glenn	Moynihan
Baucus	Gore	Nickles
Bentsen	Gorton	Nunn
Biden	Gramm	Packwood
Bingaman	Grassley	Pell
Boschwitz	Harkin	Pressler
Bradley	Hart	Proxmire
Bumpers	Hawkins	Quayle
Burdick	Hecht	Riegle
Byrd	Heflin	Rockefeller
Chafee	Heinz	Roth
Chiles	Helms	Rudman
Cochran	Humphrey	Sarbanes
Cohen	Kasten	Simon
Danforth	Kennedy	Specter
Denton	Kerry	Stafford
Dixon	Lautenberg	Trible
Dole	Leahy	Wallop
Domenici	Lugar	Warner
Durenberger	Mattingly	Weicker
East	McConnell	Wilson
Evans	Melcher	Zorinsky
Exon	Metzenbaum	
Ford	Mitchell	

NAYS—26

Abdnor	Hatch	Murkowski
Andrews	Hatfield	Pryor
Boren	Hollings	Sasser
D'Amato	Inouye	Simpson
DeConcini	Johnston	Stennis
Dodd	Kassebaum	Stevens
Eagleton	Long	Symms
Garn	Matsunaga	Thurmond
Goldwater	McClure	

NOT VOTING—4

Cranston	Levin
Laxalt	Mathias

So the amendment (No. 707) was agreed to.

Mr. GARN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GORTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GARN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. ARMSTRONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 794

(Purpose: To implement the Adminstration's proposed termination of the Urban Development Action Grant Program (UDAG) in fiscal year 1986 with saving of $352,000,000 in budget authority.)

Mr. ARMSTRONG. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistance legislative clerk read as follows:

The Senator from Colorado [Mr. ARMSTRONG], for himself and Mr. PROXMIRE, proposes an amendment numbered 794.

On page 12, delete lines 3 through 8.

Mr. ARMSTRONG. The President, this amendment is as simple as it is profound.

The Senator from Wisconsin, Mr. PROXMIRE, and I offer this amendment which has a very simple purpose. It simply strikes out of this bill the amount of $352 million funding for the UDAG Program. When the notion first crossed my mind that maybe this would be as good a time as any to do away with this costly extravagant program, I thought I might write quite a thundering speech about it because certainly it deserves that sort of treatment. I decided on balance not to do that, but merely quote what others who are even more familiar with it than I have already said. Let me quote first from the Office of Management and Budget which describes the UDAG Program—and accurately describes it—in the following way. It has "engendered corporate junkies, grantsmen, cities and developers getting rich off the UDAG game." That is exactly what this program does. In a moment or two someone is going to ask for recognition, and start to explain what a wonderful program it is. These will be people in whose communities UDAG has been used to build hotels, convention centers, marinas, and other kinds of luxury developments. One of the most permanent features of life in 20th century America is that if you get free Federal money you are going to think it is a good idea. So I will stipulate in advance that UDAG has done some wonderful things; building hotels is a good thing to do. The question which Senator PROXMIRE and I raise today is whether or not that is a Federal function or whether or not that is better left to the Marriotts, the Hiltons, and others who are in the hotel business. Why should the taxpayers particularly at this moment in the life of our country be requested to put up the money to build these facilities?

"UDAG"—again, if I might quote further from the OMB—

Is a low priority, inefficient program which merits repeal. While the program has achieved some good, its cost and abuse far outweigh its benefits. In the current austere budget environment it makes little sense to fund a program which benefits large corporations, hotels, motels, inns, shopping centers, restaurants and caterers.

Do you know that is really the essence of this? Here is a program which, if we had lots of money, if there were no imminent budget crisis, maybe we could say, "Well, this does some good. It is going to provide some employment. Certainly some marvelous facilities have been constructed."

But I would ask my colleagues to consider whether or not at this moment, when we are facing budget deficits of enormous magnitude, at this moment in the life of our country when we are on the verge for the first time of enacting an automatic sequestering mechanism which will cut back automatically programs of real priority—veterans' programs, education programs, programs of health, of national defense and others, which really are critical programs, programs which are clearly needed—do we want at the same time to be spending large amounts of money for something of such a questionable and low priority nature,

I would also like to point out to Senators that UDAG is not a targeted program. This is not a case where money is being aimed like a rifle shot at areas of deprivation and poverty. It simply does not work that way. As a matter of fact, 45 percent of the UDAG attributed jobs are in the higher paying, higher skilled categories, and 61 percent of the UDAG housing units are for middle-and upper-income persons.

Fifty-five percent of UDAG funds have been allocated to local commercial development projects such as hotels, shopping centers, office buildings, parking lots and recreational facilities. In Michigan a $3-million marina, boatyard, restaurant, 16 condominiums and 200 dockominiums have been built on the Black River.

I am not saying that is a bad thing to do. It is a good thing to do. The question is, Is this a Federal responsibility? I would suggest that it is not.

A $600,000 grant to a ski resort to help build hotel facilities for these upper-class resorts; a grant to help finance a 20-acre theme park and a water play park.

I am not against that. Disneyland I like and it is fine, 7 Flags Over Texas and what-not. Those are great. But those are private functions. That is what the private sector is for. To suggest that we ought to tax the people of this country, the poor people of this country, the working people of this country, to pay for such extravagance seems completely off the wall.

Others help create a park-like atmosphere of one of the Nation's largest corporations. UDAG industrial projects are anything but exclusively industrial. They fund everything from manufacturing frozen pizza to a rubber puzzle manufacturer. Again, I have no quarrel with pizza. I eat pizza every Sunday night. But is financing the manufacture of pizza a Federal function? I do not think it is.

Conventional wisdom would say that an amendment such as this is not likely to pass, but I am enough of an optimist to think that we are coming to our senses here in the Senate and we have looked squarely in the eye a financial crisis, a budgetary crisis of real seriousness and that we are ready to make some tough decisions.

Personally, I hope when the Gramm-Rudman amendment is enacted, the Senate will not be disposed to let that automatic sequestering process take place; that instead of leaving it to an autopilot sort of mechanism, though I support it, the establishment of national budgetary priorities, that we will do that, that we will decide what are the high priority programs and which are the ones that can be cut back on.

Here is chance to do it. UDAG is inadequately targeted to low-income families and serves no coherent national purpose. Really, if I can say this in conclusion, it amounts to very little more than a way for the Federal Government to finance rivals between various areas of the country.

I cannot see any reason why the taxpayers of Michigan ought to be taxed to send money to Denver, CO, so that the people of Denver can use that money to encourage industry to move out of Illinois into Colorado, or vice versa. That is exactly what is going on. This is money which is used to encourage industries to move from one community to another.

Again, there is nothing wrong with that. If the Colorado Chamber of Commerce wants to do that, then I say fine. But it is not a Federal function and it should not be paid for with Federal money.

Mr. President, I hope all Senators will support this amendment. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I rise in support of this amendment. I think it is time we took a large look at UDAG and realize that in times of enormous budget deficits it does not make any sense at all.

The Senator from Colorado has made an excellent statement. I will not be long, but I want to point out some facts.

Seventy-five percent of the money in UDAG goes for these purposes: hotels, motels, inns, resorts, convention centers, malls and shopping centers, office and professional buildings, recreation facilities, sales centers, restaurants, and caterers.

The Senator from Colorado is absolutely correct. That is a fine investment. It helps the country. But let us not kid ourselves. This should be done in the private sector. It should be done with private money. It does not make one bit of sense for the Federal Gov-

ernment to fund this again and again and again.

There is a matter of building a convention center in Milwaukee or in Chicago so you attract the convention business from a competing town. It is often duplicated and it is very hard to justify.

Let me give a few examples: Chase Manhattan Bank—there is an institution that really needs Federal help—$9.3 million goes to assist in the building of a new office tower for the Chase Manhattan Bank.

Here is another example: $600,000 UDAG and a $5.3-million UDAG will help build more hotel facilities for two noted upper-class resort cities.

Another case: a new ski resort.

Still another case: a hotel project anchoring a Spanish galleon off the beach to create a swimming area.

These are not just a few horror stories. This is where the UDAG money goes. It does not help poor people. It does not go to help people who desperately need subsidized housing or they otherwise would not be able to stay out of the elements. It goes for the most elaborate hotels. In fact, the biggest hotel chains have gotten the most money.

For example, we have a case here of the UDAG of $50 million to help Abel's Bagels, a subsidiary of Lender's Bagels, to expand production from 32,000 bagels a day to 64,000 bagels. That is fine. I like to see the bagel business go up. But should the Federal Government pay for it?

Here is another example. A $600,000 action grant to a city necessary to make sure that the growth syndrome does not get the particular concern into trouble.

Then we have a river city page 1 development receiving a $3.1 million UDAG to help develop an FHA section 220 project with 446 rental units, 210,000 square feet of commercial space, and a marina on the Chicago River. Ginnie Mae provides permanent financing. None of the rental units have been set aside for lower-income people.

The Senator from Colorado has said that the people who work on this are people in the high wage or high salary area and the beneficiaries who can enjoy the results of their labor are people in the affluent sector.

Mr. President, I cannot resist pointing out that back in May in the golden fleece I stated another example of HUD for bestowing over $1 million in public money to build an access road, ramp, and tunnel to a privately funded entertainment spa in Pittsburgh featuring a passenger boat, a shuttle, and a three-tiered floating dock. Mr. President, not only was this for an extravagant purpose, and the taxpayers' money was actually spent, but the promised passenger boat ended up in New York, the shuttle has yet to be seen, and the dock to be bustling with restaurants, lounges, and offices faded into the bureaucratic fog and reemerged as two barges. So the sinking of that project gives new meaning to the phrase "up the creek without a paddle." It leaves the taxpayer with a losing hand.

Mr. President, it would be one thing if these things were exceptions. They are not. These are the rule. That is what UDAG is going for.

I am sure that these are the kinds of projects that many of us in the Congress have a great deal of resistance to.

I talked to some of my colleagues in the House the other day who are very reluctant to extend UDAG further.

Of course, it is a great opportunity for elected officials to make friends with the people back home. You point out to the business community and the labor community that you are bringing them jobs, you are bringing them a fine luxury hotel or some other attractive project that will make the city look better and they may even name it after you. But we all know that this is something that should be done in the private sector with private money, not by Federal taxpayers.

Mr. RIEGLE. Mr. President, I rise in opposition to the amendment. I want to make several points in response to the comments made by my two good friends and colleagues, the Senators from Colorado and Wisconsin.

I think the UDAG Program has been one of the few Federal programs which has been a genuine success. It is very widely acknowledged to be a success throughout the country, not only by State and local officials who are involved with economic development, but by others who pay attention to the critical question of how we provide jobs in declining areas and get them back on the upswing.

The philosophy of the USAG Program is very much in line with the central philosophy of the Reagan administration; namely, to find ways to bring the private sector into the act to solve problems that otherwise will not be solved. Normally, in UDAG projects, we have a leverage factor of 5 to 8 dollars in private investment for every single dollar of UDAG money. So for a very small percentage of Federal incentive we are able to trigger a very substantial private sector investment in projects put together by the private sector, carried out by the private sector, and managed by the private sector. That, in turn, enables, in a highly targeted way, to revitalize and strengthen areas that are in trouble.

The kinds of projects that are being talked about are those in urban areas that are suffering very severe economic decline, with high unemployment and other economically difficulties. They are projects that put in place significant infrastructure and other economically important investments.

The Senators have mentioned hotels. They stimulate convention business that can be vitally important to many areas. But many other types of projects have been submitted in the national competition for UDAG. From those investments, in turn, will flow other private sector investments with which the Federal Government has no involvement at all.

In other words, UDAG is an effort to get positive things started in areas that are struggling to reverse downward economic trends.

I would say the competition that has ensued nationally with UDAG is a measure of its success and value. This is probably the most highly competitive program in the country, where literally hundreds and hundreds of communities, together with private sector developers, have put together innovative projects to compete for what is a very limited amount of UDAG money nationally.

The competition now is increasingly intense. And as a result, we get really outstanding projects being submitted because otherwise they would not have any practical chance for funding. We have managed over a period of time to help a number of communities begin to pull themselves up by using this public and private partnership.

This is, I think, very consistent with the philosophy of the Reagan administration, namely, to rely more on the private sector. That is what this does.

(Mr. PRESSLER assumed the chair.)

Mr. PROXMIRE. Mr. President, will the Senator yield on that point?

Mr. RIEGLE. I will in just a moment, Mr. President; I shall be happy to yield when I finish.

The UDAG Program since its inception has assisted development projects in over 1,000 cities with 2,400 public and private partnerships. During the Reagan administration alone, there have been 1,581 project supported. All of this with an annual appropriation of $440 million, which I think is a relatively modest amount given the enormous multiplication of resources that we get through this public-private partnership.

Out of these investments have been created over 240,000 new permanent jobs by HUD's own estimates. In addition, 36,000 jobs have been retained which otherwise would have been lost. Of these, 128,000 are classified as lower income jobs; 59,000 are jobs that minority persons were able to take—and we know, unemployment rates are very high among minorities. Of those jobs, 60,000 went to people who are defined as structurally unemployed—those who would otherwise be out on a scrap heap of unused talent.

There were 206,000 construction jobs created from that series of investments. It is estimated that the increase in local tax revenue flowing from these investments across the Nation totals over $270 million. UDAG has leveraged a private investment total of more than $12 billion across the country that has resulted in 4,329 contracts to minority firms, companies that are struggling to bring minority people fully into the private economy in a significant way.

These benefits, I think, are to be illustrated best through some concrete examples. Let me cite two or three because we have heard from some proponents of this amendment.

Action grant funds to Wheeling-Pittsburgh Steel in Follansbee, WV, will assist in developing a state-of-the-art 60-inch steel coating mill in an otherwise abandoned industrial plant. This is an example of Japanese-American cooperation that emulates the best private sector development model. Not only will that plant directly employ 200 laid-off employees but it will stimulate the callback of another 200 additional employees in a related supplier plant.

Another action grant project example is in St. Louis, MI, which has made important contributions toward reducing the city's decline in certain areas.

The city's center shopping mall has retained the major department stores in the core of the city. As we all know, this has been a problem in cities, where the center core of the city too often loses that commercial activity as it has gone out to surburban sites; then the rest of the downtown area continues to decline as an aftereffect.

There has been a staggering amount of spinoff development of new offices and retail space, totally disconnected from UDAG but caused to happen by UDAG, as well as other widespread renovation of adjacent properties.

I also call to people's attention other projects in Cleveland which have supported a variety of commercial projects there, industrial expansions, health care facilities, and neighborhood housing projects. Renovation of the 60-year-old theater, Cleveland's Playhouse Square, not only will provide a new home for the Great Lakes Shakespeare Festival.

That is like planting a flower around which other flowers are then planted and grow. In fact you begin to turn an area that is declining into an area that shows broad new strength. That has happened here.

In this area, other important architectural, historic, and cultural resources have been refurbished and brought back on line in an area that is roughly 60 acres in size.

What we are seeing here is an intense national competition, where communities together with private developers are able to put together powerful development packages, according to very tightly targeted criteria. They are showing how they can solve problems, how they can build new economic strength in a declining area, how they can provide new jobs and not just see areas continue to deteriorate and fall apart with rising crime rates and the rest of it. That is what the record shows.

Some have expressed a concern that the UDAG formula has recently operated in such a way that certain areas of the country were not getting a fair share of these funds. As the person on the Senate Banking Committee who has taken a lead responsibility in this area, I can state we undertook to sit down with Senators on both sides of the aisle and we have successfully revised that formula with the help of Senator GRASSLEY of Iowa, Senator D'AMATO, Senator THURMOND,and others—Senator SASSER on this side of the aisle—I do not mean to omit anyone. We have, over a period of several months, created a set of revisions to UDAG formulas that will enable them to work even better in terms of equity across the country.

We have fought hard to accomplish that because it is sound, it is fair, and it is something that needed to be done.

Mr. ARMSTONG. Will the Senator yield to me at that point?

Mr. RIEGLE. As soon as I finish I promised to yield to the Senator from Wisconsin and then I will be happy to yield to my colleague from Colorado.

Mr. ARMSTRONG. I just wanted to ask a question but I will ask it later.

Mr. RIEGLE. There are any number of illustrations that we might cite. We could take the rest of the day citing tremendously exciting breakthrough projects that have occurred and multiplied and radiated out through distressed communities. Projects that have done things of great value and have been very constructive to those communities, those States, and to the country. This is a very small program. We have agreed to a 20-percent reduction in funding in light of the budget pressures, of which we are all aware. And that is difficult to appreciate because the number of people wanting to compete nationally has gone up and many communities around the country hope to win a UDAG grant. But we have agreed to a 20-percent reduction in the funding, which was already at a modest level. We have done so in light of the budget pressures that we are feeling.

I might say that over in the Department of Housing and Urban Development, the UDAG team that has been assembled to do this work is very small and very accomplished in their work. I do not know of any part of the Federal Government where such a crack team of economic analysts accomplishes more with as small and efficient an operation as is the case with this group operating within HUD. I do not ask you to take my word for it, Mr. President, but I think if you will examine it carefully you will find that to be the case. This is a group that has won very broad accolades from people around the country who know that, although we have a very scaled-back degree of Federal support for economic revitalization, this particular part has produced outstanding results across the country. It is small, it is carefully targeted it is tightly managed.

And for that reason I hope that we would reject the amendment and stay with something that has worked and worked very well.

I will say one other thing and then yield to my colleague from Wisconsin.

Mr. President, this particular program has been around for a period of time and it has stood the test in the previous administration and now into the fifth year of the Reagan term. We now have Reagan administration appointees in charge of the Department of Housing and Urban Development and down through the other positions that are filled by executive branch appointments. So we see a program that has proved itself through administrations regardless of party. Interestingly, it is among those programs that are most directly in line with the philosophy of the Reagan administration to scale down the Federal involvement to the smallest amount that we can but use what is there to induce and enlarge private sector investment. And so with our multipliers of 6 to 1, 7 to 1, and 8 to 1 of private money to Federal grant money, we are making that principle work and work well.

Mr. PROXMIRE. Mr. President, the Senator from Oregon, the distinguished chairman of the Appropriations Committee, has been waiting very patiently to bring up a conference report. I do not want to detain him because I would like him to go ahead, but I will take 1 minute to point out a couple things and ask a question. I am the author of the UDAG bill. When it passed in 1977, I introduced it. I pushed it. And I think at that time it might have made some sense, although I have been disappointed in it consistently. It makes absolutely no sense now.

My good friend from Michigan has three times referred to this being in accordance with the Reagan administration philosophy. I have a letter here addressed to the distinguished author of the amendment, Senator ARMSTRONG, from the administration which he received just today and is on the desks of all Senators, saying that they support the amendment to eliminate fiscal year 1986 funding for the Urban Development Action Grant Program. They are for it. They are for eliminating the program and they are for the Armstrong amendment. Final-

ly, my good friend from Michigan stressed one point particularly hard and effectively I thought in his presentation. He said this is a leveraging device; the Federal Government puts in a little money and the local people match it with private sector money. The Office of Management and Budget has said the following: "The UDAG program's aggregate leveraging ratios are misrepresented because much of the private capital invested in the projects is subsidized through some other governmental program." That is a fact. And it seems so clear to this Senator that virtually all the projects the Senator from Michigan has referred to, the author of the amendment has referred to, and this Senator has referred to are projects which are wholesome and healthy projects but none of them, none of them, can be justified as being for a governmental purpose. You do not build restaurants or you do not build office buildings which are for affluent people to enjoy for a public purpose. They are built by the private sector much more efficiently and competently and they should be. I thank my good friend but I must say that his implication that the administration is against this amendment is wrong. They are for the amendment. They want to wipe out the bill and so do I, although I am the author of it.

Mr. RIEGLE. Let me say briefly in response, Mr. President, that the point I was making, and I repeat, is that the philosophy of getting a maximum private-sector response is very central to much of what I hear the Reagan administration advocating, and that clearly happens with UDAG.

It is also significant that these projects are not something that the Federal Government initiates at all. Local business leaders, local elected officials have to put together packages themselves which they then enter in a national competition against all other projects put together by other communities and private-sector groups throughout the country. So this is something where the Federal involvement is kept to an absolute minimum. This is something where local communitis take the lead and maintain the lead in deciding the best way to trigger sustained economic redevelopment in their economically troubled area.

Years ago we said that those kinds of decisions should be made in Washington. Vast sums of money were directed from Washington to local communities to try to carry out certain activities we thought would help make them stronger. UDAG reverses that. It works exactly the other way around. UDAG says to local communities,

You figure out how to do it, you devise a solution that you think will work in your particular community. We think you understand far better what the problems are and what the potentials are than somebody sitting in the central Government in Washington, DC. Instead, you put together a package that meets your local needs, that you think will get the job done and that requires private-sector players to invest substantial sums of money, money that they stand to lose if the project does not go, just as everybody else would stand to lose.

What has happened is that those local communities have taken that initiative and they have gone to work with private sector people to put together these packages. And in area after area they are pulling distressed parts of their communities up by their bootstraps. We are helping, yes, with a small amount on the margin. But we have completely shifted the basis of where the initiation comes from and that also I think is in line with the philosophy that the Reagan administration talks about and that I happen to think is healthy. I think it is very desirable we are doing it this way and it is the reason we are getting good results.

I know the Senator from Oregon needs to proceed and so I am prepared to yield the floor.

Mr. LAUTENBERG and Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, I ask unanimous consent to yield the floor to the Senator from Colorado to complete the colloquy he wanted to start with the Senator from Michigan, and then I would like to call up the energy conference report which is a privileged matter.

Mr. ARMSTRONG. Mr. President, I thank the chairman for his courtesy but my suggestion would be we just lay aside the pending amendment so that the chairman can call up the conference report. I understand it will only take a moment or two and then we will straighten out the areas of dispute between the Senator from Michigan and myself and go to a vote very quickly.

Mr. LAUTENBERG. Mr. President, parliamentary inquiry. Are we then planning to come back to this issue? I am not at this point willing to relinquish my right to respond unless I am so assured. The Senator from Oregon did ask for unanimous consent.

Mr. HATFIELD. I withdraw that unanimous-consent request.

Mr. LAUTENBERG. Mr. President, I rise in opposition to the amendment of the Senator from Colorado and the Senator from Wisconsin and in support of the comments made by the Senator from Michigan, to say that the UDAG program is one of those programs in which we see the Federal Government at its best, and that is encouraging the generation of private capital for projects seeded by the Federal Government, which is typically in distressed areas.

Although there may have been projects that do not meet the standards that some would impose for appropriate investments for a community, they nevertheless are directed for distressed communities. If it is a hotel or even a pizza parlor, that provides some economic life to a neighborhood or a community and I think we dare not throw the baby out with the bath water.

There are perhaps even some occasions when some Federal assistance helps get such casual recreation things like ski areas developed and to encourage resort and tourism business—often very important to States and communities that do not have access to other projects.

I point out that this proposal to terminate the UDAG Program is one that surprises me, and I am opposed to this proposal. Few, if any, programs enjoy the support of the private sector more than the UDAG Program. On average, for every public dollar spent on a UDAG grant, we see $6 of private sector capital.

To hear that the administration is opposed to this strikes me as somewhat of an anomaly, because for the first 4 years of the Reagan administration, the UDAG Program enjoyed the support of HUD and the White House.

UDAG was touted as a program before mayors from our States as one program worth saving. That was true, and what was true for the last 4 years, I think, remains true today.

I would like to recount for the benefit of my colleagues what has happened with these projects as they have developed. There have been over 2,400 public-private partnerships and the result of these investments created 232,000 new permanent jobs, 36,000 retained jobs, 128,000 lower-income jobs, 59,000 jobs for minorities, 60,000 jobs for the structurally unemployed and $11.5 billion in private investment with an original program of some $440 million.

So I think that before we start talking about what the taxpayers of one State are going to do to help the taxpayers of another State—the Senator from Colorado has been engaged in that kind of a discussion before—whether it deals with water projects or irrigation projects or what have you, there are times when each of us in the States supports a program that benefits another State perhaps more than the benefit that we in our own locations get.

I hope that we rethink this proposal and see that we do not destroy something that has worked and fits the description of what I think Government's role could most effectively be, and that is to generate private capital, to encourage investment, to help some of the cities, that have come on dis-

tress, revitalize themselves and provide jobs in the private sector.

That is the mission of the UDAG Program as it was originally developed, and again, if it has gone astray, maybe we should review what some of the problems have been.

But I do believe that it would be a terrible mistake to kill this program at a time when many cities and many communities in the country have not participated in the economic revival that we hear about so often.

Mr. ARMSTRONG. Mr. President, I do not know if this amendment is going to pass or not. I will tell you something. UDAG is a dead duck. That is a program which did not work. The author of the program, the distinguished Senator from Wisconsin, is a cosponsor of this amendment. And its just like some of these programs which we have tried and did not work out that are gradually coming into focus, and some of them are going to get a 20-percent cut this year. It is like Amtrak. There is a program which by its own definition turned out to be a failure. And gradually we are taking the money away from them.

My suggestion would be this: In view of the kind of budget emergency that we are facing, and we all know that is true, this is a low priority program which we ought to just chop off instead of phasing it out. No one is going to get hurt if we do that. All of the debate thus far, and I think we are about at the end of it—I certainly do not expect to speak much longer—really proves just one thing: People who are getting that free Federal money like to get it, and I am ready to stipulate to that, and I am willing to stipulate, as someone said earlier, building these hotels creates jobs. That is absolutely right. Anytime you build a hotel, it is going to create jobs. No one is arguing that.

The question is, Who should pay for it? I cannot see—and there has not been so far as I am aware—one scintilla of evidence brought forward to show why the Government ought to pay for it. If Hilton wants a hotel, let Hilton pay for it. It is as simple as that.

It has been said during the last few minutes that this program will be substantially reformed under amendments which are proposed by the Banking Committee in the reconciliation bill. I am going to tell you, in the first place, that it is a travesty to have the UDAG authorizing in the reconciliation bill. That is not before us today and when the time comes, I expect to raise that issue again. That is an abuse of the reconciliation process and it ought not to be permitted.

Whether or not we can knock it out of there, I do not know.

But I would concede, let me say to my friend from Michigan, that the proposal which is in the reconciliation bill does now represent a significant degree of reform of one aspect of the program. And it is the geographic distribution of the money. Up until now three cities—New York, Chicago, and Baltimore—have received 44 percent of all the money in this UDAG fund. As I understand the effect of the amendments that will be proposed, it will be to permit other areas to bid for the money. So to that extent it is fairer, but it does not justify the program to begin with.

We are told that this is a program that has proven itself, that this is a program that enjoys the support of the private sector. I think that is a direct quote. Of course, it enjoys the support of the private sector. Who do you think is benefiting from this? General Motors received $50 million from UDAG. Trammell-Crow and other big developers—these are people who deal in billions of dollars—have also received large amounts of money from UDAG.

I am not against General Motors or Trammell-Crow. I am not against the hotelkeepers or shopping center developers. But there is no excuse for these being paid for by the Federal Government.

Recently $9.3 million went to Chase Manhattan Bank. Is there any wonder there is support in the private sector for a program like that?

Not all of the money has gone to outfits like GM and Chase Manhattan Bank. In fact, one of the programs for $422,000 went to build what was described as a high-quality horse arena in Uvalda, GA, in November 1982.

So we are building everything from hotels, office buildings, shopping centers, to horse arenas, to marinas, to condominiums.

This does not make sense. Maybe it would make sense if these were times in which the Federal Government was running a large budget surplus. But when we are facing a $200 billion deficit, when we are going to be looking down the gun barrel of a tax increase if we do not get the deficit under control, when a sequestering process is going to go into effect, which will cut back on programs of high priority, education, health, veterans, defense, you name it, it just does not make sense.

Most of the money, even though it has done some good, ends up going for the kinds of projects I have described, including recently a $1 million UDAG grant to a company whose 1984 sales were $16.3 billion.

This is a good chance for us to decide, are we, in the words of one Senator, shooting with real bullets? Are we serious about this or are we not?

I hope the amendment will be adopted.

Mr. RIEGLE. Mr. President, I want to just respond to a couple of comments made by my colleague from Colorado.

First of all, I appreciate his kind words about the provision in the formula that we worked out over a period of several months on a bipartisan basis with a number of Senators. That set of revisions to the UDAG project selection system involved as cosponsors Senators D'AMATO, SASSER, HEINZ, GRASSLEY, DURENBERGER, LEVIN, SARBANES, GORE, SPECTER, HAWKINS, THURMOND, DODD, STENNIS, METZENBAUM, HARKIN, BOSCHWITZ, CHILES, and SIMON. All of those Senators have been active in the effort to revise that formula, and I have sort of taken the lead in that effort.

I think we have been very successful in doing so.

I was pleased to hear the Senator from Colorado, despite his other criticism which he has made very clear, stating that he thought that was an improvement.

But I want to just make one other point to him, if I may. I want to try to reach my friend from Colorado, whom I consider a good friend of long standing for many, many years, in the other body as well as in this body. The point I want to make is that the purpose of UDAG is not just to cause certain projects to happen, whether they be hotels or other commercial buildings or other types of projects. The purpose of UDAG is to influence where that investment is made. In virtually every instance the investment is made in a location where it otherwise would not be made because it is in a marginal area, it is in an area that is in economic distress, it is in an area that the private sector would normally not find to be an attractive area if they had to go just with cold market costs.

When a local community, when a consortium at the lcoal level, when local public officials and the local business community have a distressed area that they are trying to stabilize and improve, UDAG is designed to enable positive investment to go into an area that it is otherwise not economically attractive if you go in cold turkey as a sheer private sector investment. UDAG allows those communities to come in with a small measure of public financing and bring a project into reach financially so that they can do it in the location where it is thought to be the most needed. That really is the essence of UDAG. If you leave that fact out, if you simply make it sound as if the purpose is to build a hotel and ask if the Government ought to be concerned with whether or not a hotel goes up you misstate the purpose of UDAG.

The purpose of UDAG is to target certain kinds of revitalizing investments into areas that are in trouble and where otherwise the investments will not occur.

The Senator can argue that that is not a proper function of Government or that he does not think it ought to be done, and we can have that debate. But that is really UDAG's essential purpose. It is to keep areas that are in trouble from deteriorating further.

We have found that when local communities can go in with these highly targeted investments in certain areas, they can turn things around. A declining area starts to strengthen, new jobs are added, new vitality is added, and then quite soon in most cases other private sector investments start to take place without any connection whatsoever with UDAG or any other Government funding source.

So an area that has been a problem area starts to cure itself. That is the whole thrust of UDAG.

I just want to stress the locational aspect of UDAG and the fact that the Federal Government leverage is normally about $1 for every 6 private dollars and is designed to move a project into economic reach in a marginal area where it otherwise would not be done.

Mr. LAUTENBERG. Mr. President, will the Senator from Michigan yield?

Mr. RIEGLE. I yield.

Mr. LAUTENBERG. Would the Senator consider examples of the efficacy of the UDAG Program to be things like those funds provided to the Wheeling-Pittsburgh Steel Co., in Follansbee, WV, one of the highest unemployment areas in the country that helped put that mill into condition where it can compete with foreign competition?

Would the Senator consider also the valuable asset of the use of UDAG grants in St. Louis where a shopping mall, which was funded in part, seeded in part by UDAG funds, reversed the decline of an enormous part of the city that has helped create a number of new jobs and new development? Is that the kind of example the Senator from Michigan would consider as some of those that improved the value of this program?

Mr. RIEGLE. Yes, I believe so. I thank the Senator for citing those. There is a very long list of projects like that, virtually throughout the country, that could be named. This is why other national organizations have a particular interest in urban revitalizations. The National League of Cities, the U.S. Conference of Mayors, the National Association of Counties have all endorsed this.

Mr. ARMSTRONG. Before we leave Wheeling-Pitt, will the Senator yield for a minute?

Mr. RIEGLE. I will be happy to yield in just 1 second.

Mr. ARMSTRONG. I just want to find out if Wheeling-Pitt is in bankruptcy. That is my understanding. Is Wheeling-Pittsburgh in bankruptcy?

Mr. RIEGLE. I am not in a position to describe accurately the financial outlook of that particular company or what the full circumstances are.

Mr. ARMSTRONG. I did not mean to interrupt the Senator's train of thought. But this was held out as an example of job creation, this company that is in bankruptcy. There is no question about it, you spend money to create jobs. What we are doing is moving jobs from one place to another. We are not creating new jobs.

Mr. RIEGLE. No, I believe we are creating new jobs. I believe we have a disagreement on that.

Whether or not a given company is in bankruptcy is not relevant. I have had companies in bankruptcy in my State that have worked their way out of bankruptcy. So I am not sure that is particularly relevant in this case.

Mr. President, I yield the floor.

Mr. ARMSTRONG. Mr. President, I believe we are ready to vote, although the Senator from Alabama indicated that he wanted the floor. I see the Senator is now here, and I believe he wishes to be recognized.

Mr. DENTON. Mr. President, I thank my colleague from Colorado.

Mr. President, the debate in which we are engaged illustrates nothing so much as the fact that we are being wrongheaded about our spending priorities. I could talk about defense versus social spending, I could talk about a number of areas. I start with the premise that, in trying to return to sanity on spending, we are at least trying to save where we can but, in some cases, in saving money we are cutting programs for people who have earned their benefits. Our veterans are a special case in point.

Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order. The Senator deserves to be heard. The Senate will be in order.

Will conversations in the rear of the room among the staff please cease?

The Senator from Alabama.

Mr. DENTON. Mr. President, I say again, we are cutting programs for people who have earned their benefits, our veterans being a principal case in point. No group of people have done more to earn the gratitude of this Nation, and the benefits that it can provide, than our veterans have done.

On the other hand, we are not cutting or cleaning up programs where dollars are given to people who have done nothing to earn them. We are making no distinction between those who have done something to receive something from this Government and those who have done nothing. We are making distinction between the truly needy, who should be receiving money from the Government, and those who are not needy.

Any government should be judged on how it takes care of its truly needy, or the unfortunates in society who have no recourse than governmental assistance.

But, in many cases, in far too many cases, there is no accountability for who is getting how much in total from the various welfare sources. There is not enough means testing. There is no effort to ensure that adequate assistance gets to those who really need it, and only to those who really need it. We are running a gravy train, and that is the principal reason, still essentially unaddressed by the Congress, that we have a budgetary problem, perhaps a fatal problem, as a result.

We are simply not facing it. We are going across the board incrementally and cutting program after program without applying any real judgment to whether the programs are set up to give away the money are judicious in the first place, or whether they were politically demagogic and economically unsound. We are not making a distinction between those who have earned and those who have not earned, those who are needy and those who are not truly needy, between that which is pure giveaway and that which is investment and comes back to us in sociological or economic benefit.

I am going to say something uncharacteristic for the junior Senator from Alabama. I am going to ask that we take a close look when we propose to cut a program like Urban Development Action Grants, because I think that sector of our spending, like some educational grants and other categories of so-called Government spending, are actually investments.

In terms of UDAG, I think we have been making an investment in jobs, in economic development, and in a chance for the disadvantaged citizens of our urban areas. What could be more in the interest of our country, or of its disadvantaged citizens, than conducting programs that promote economic growth, generate jobs, in many cases beautify cities, improve the transportation and the shopping in cities, and reduce the need for programs of public welfare assistance?

There will be economic returns on these investments, as well as sociological returns. Perhaps the biggest sociological returns are the opportunities provided to the minorities and the disadvantaged.

In my part of the country, we have minorities who have long been suppressed in terms of educational opportunities, who have been denied equal opportunity in business. Those minorities are now coming into their own, partly because of a boot in the tail by the Federal Government to those in my part of the country, and partly because of a change of heart that is going on in my part of the country.

UDAG grants are being applied in support of that effort. The Sun Belt is not getting more prosperous and more

populous because the Sun has gotten any brighter or any warmer. It is getting more prosperous and more populous because the job opportunities, the production of goods and services, have increased as a result of educational opportunities and job opportunities afforded to those who were previously denied them.

Mr. President, I ask for order again. I have listened all day. I think I am saying something that deserves to be heard as much as what I have been listening to.

The PRESIDING OFFICER. The Senator cannot be heard. There will be order in the Senate. Those Senators having conversations will please move into the cloakrooms.

The Senator from Alabama.

Mr. DENTON. Mr. President, UDAG, as much as any other Government program, has provided an opportunity to these previously denied citizens to become part of the economic mainstream of America. Those sociological improvements later translate into economic advantages to the previously denied individuals, to the region where they live, and to the Nation as a whole, because the revenues that come from the increased business result in balancing, and even being a payoff, to the investment that was made in many of these UDAG grants.

So the contributions of UDAG to the national welfare, I believe, are substantial. I cannot forget the concerns of my State, which are a little different from those of others. There are, in Alabama, many depressed areas and depressed cities where, because of the War Between the States, there is still a hangover. There is a hangover from Reconstruction. There is a hangover from the propensity to deny equality of opportunity in education and equality of opportunity in business. There are depressed areas and depressed cities that are depressed because of those denials.

One investment that has been helping eliminate those ill effects has been UDAG, which this Senator has been careful to try to allocate in areas where that kind of improvement will take place.

The UDAG Program in my State gives an essential hand to the local governments that are deserving. It gives hope to the people who live there, and who are also deserving. The grants are an investment in those cases—not a giveaway. I know there are parts of the country that have not had the problems that Alabama has had, the problems that have hit other traditional industrial areas. All areas and all cities are not equally in need. UDAG's are essential to parts of my State, but they are not essential in some other places in my State, and they may not be essential in other States where the economic dislocations have been less severe.

The formula governing UDAG grants should take that difference into account. It should ensure that the money goes to the places that have the greatest need, and the greatest deservability. That need should be based on the current situation today, not on factors that may not be relevant, not those worked out because of political clout in cloakrooms, formulas where the population and the powers of the State determine that the formula favors that State.

For example, one city may have an old housing stock, and another may have housing that is comparatively new. The key factor, however, in determining who should get UDAG's is not the age of the housing, but whether or not the people who live in those houses have jobs and a chance to improve their lives—and whether the spirits and deeds of those cities merit that concentration in the sense that I have been discussing.

Mr. President, I must oppose the amendment offered by my distinguished friend and colleague from Colorado. I hope he does not find it too surprising, because normally I do support his efforts to cut spending. I believe that for Colorado, from his perspective, his amendment is a wise thing to offer. I just ask that he consider parts of the country where it will be devastating, and undeserved, to suffer the effect of the loss of investment, opportunity for growth of individuals, and production of goods and services which have resulted from the program.

It may be that the program can be reduced, restructured, and I would be in favor of looking at that possibility. But since all I am confronted with is its abrupt and complete termination, which would inflict hardship not deserved and exceeding any possible benefit in the State from which I come. I must oppose the amendment.

I ask my colleagues to consider the questions of need, of fairness, and join me in voting against the amendment. I ask them to come up with some other way—a more fair way, a more efficacious way—to correct the problem than the one before us as it now stands in its simplicity and, I believe, inadequacy.

I thank you, Mr. President.

Mr. KASTEN. Mr. President, I rise to voice my support for the Department of Housing and Urban Development's Urban Development Action Grant Program.

Since the program's inception in 1978, Wisconsin has been a chief beneficiary of UDAG funds; 54 projects totaling $77 million have been approved, 8,900 new jobs have been created, and a tremendous amount of spinoff projects have resulted. In my opinion, no Federal grant program has contributed more in stimulating economic growth in Wisconsin than the UDAG Program.

UDAG's have also been successful in forging a partnership between private and the public sector. In fact, the private sector has invested nearly a half a billion dollars in Wisconsin communities. Hand in hand these two sectors of our society have been successful in redeveloping and revitalizing Wisconsin.

Mr. President, as we all know, Wisconsin is the 16th largest State and has ranked near the bottom in the receipt of Federal funds. The UDAG Program is different. Wisconsin has received its fair share. Only 15 States have received more UDAG funds than Wisconsin has. This is a result of a strong commitment by communities to enhance their economic well-being.

Mr. President, I am very much aware of the criticism that has been leveled against the Urban Development Action Grant Program. Some of it is well founded, some misleading. In Wisconsin, we're proud of the fact that UDAG funds are being used as the program was intended. I would like to brag a little bit about Wisconsin's success in this area. In 1979, the city of Milwaukee received a $12.5 million UDAG for the development of a mall in downtown Milwaukee. 800 new jobs were created, several spinoff projects have resulted, but more importantly downtown Milwaukee is alive, and kicking, and is a viable place to do business once again. The same story can be told in Wausau and in Stevens Point. Mall projects in these two cities have turned dilapidated areas into financial gold mines. The Wausau project has exceeded all financial expectations and the same is expected in Stevens Point. Office buildings in Milwaukee and La Crosse have brought new industry into these cities and created new employment opportunities. These are just a few of the success stories in Wisconsin. UDAG works, and it should be continued.

Elimination of the UDAG Program will not only have a profound effect on Wisconsin but the entire country. Let's review the facts. Since 1978, 2,614 projects have been approved, 1,020 cities have benefited, $3.9 billion obligated, $24 billion invested by the private sector in our communities, and 522,000 new jobs created, not to mention the hundreds of thousands of jobs retained and construction jobs added. These figures are startling. How can we afford to eliminate a Federal program which has done more for this country in revitalizing our communities and creating needed jobs in the last 7 years?

I am confident that without the UDAG Program, future development projects may not be feasible and our urban communities will see a decline in economic growth. I challenge my

colleagues to carefully examine the impact UDAG has had on their States and believe they will come to the same conclusion that I have.

Mr. President, I will oppose any effort to eliminate this program. I believe it has been too valuable to this country and should be continued. Economic growth is the backbone of our society. Without the UDAG Program our communities will lack the sufficient resources to encourage revitalization in our cities.

Mr. BYRD. Mr. President, I agree that we must cut the budget wherever possible and reasonable, but I also believe we must protect essential community and development programs of proven value which continue to be vitally needed by communities and our people throughout the country.

One of these programs is the Urban Development Action Grant Program. It has been an excellent one for my home State of West Virginia and for other States which have suffered substantial economic devastation in the recent recession.

In concept, this program provides seed money or leveraging funds to bring investment by the private sector into economically devastated areas.

In my home State of West Virginia, the unemployment level reached 21 percent in the not-too-distant past. Absent the UDAG Program and the help which it and other community and regional development programs have provided we would, undoubtedly, not have been able to lower this level to the present level of around 15 percent—a level which remains unacceptably high.

Since the UDAG program's inception in fiscal year 1978, it has provided funding for 17 projects in West Virginia, amounting to $40 million. These funds have leveraged an investment into the State of almost $200 million in private sector funding, along with the creation of 5,500 permanent jobs.

With the continued help of such programs as UDAG, we can continue to move forward. Without them, I fear that we will revert to a down-slide in our economy and quality of life.

We need this type of incentive program. It is a good program with a proven track record. There is much remaining to be done, and I call upon my colleagues to join in support for the continuance of this program at a responsible level of funding.

Mr. KERRY. Mr. President, I rise today to voice my objections to the proposed elimination of the Urban Development Action Grant Program. While I am fully cognizant of the need to reduce the budget deficit, I do not think that it is either prudent or appropriate to focus on successful, revenue-generating programs such as this one to accomplish that goal.

The report issued by the Appropriations Committee accurately points out that the primary objective of UDAG is to revitalize distressed communities by stimulating economic development, which in turn will create new permanent jobs and new sources of tax revenue. Evidence of the effects of this objective and of the success of the UDAG Program are particularly evident throughout communities in New England and in a number of communities in my home State of Massachusetts.

In general, Massachusetts has an outstanding record for using UDAG's effectively. During the period from 1978 to 1984, UDAG grants to the State resulted in the creation of more than 35,000 jobs, of which 9,000 have been retained. This retention figure is the third highest among the States receiving awards during that period, second only to the States of New York and Ohio. In addition, the $231 million in Federal dollars awarded during that period generated $1.3 billion in private investment; a ratio of almost 6 private dollars for every public dollar.

In fiscal year 1984 alone, eligible cities and towns in Massachusetts received more than $32 million in UDAG awards, which in turn helped to create over 4,000 permanent jobs and 2,000 jobs in the construction industry.

Mr. President, one specific example that is particularly noteworthy can be found in the city of Lawrence, MA. In 1984, Lawrence received a UDAG in the amount of $6 million for the GCA Corp., to rehabilitate an old mill, closed for 20 years, and to convert it for use in the high technology industry. This $6 million Federal investment leveraged $22 million in private investment, provided for 217 construction jobs and almost 1,000 permanent jobs; jobs which will reduce spending on unemployment and other social programs as well as generate additional tax revenues to reduce the deficit.

Equally significant is the fact that the project led to the creation, this year, of a bilingual job training program for low-income, non-English speaking persons. Over the next 4 years, this program will train more than 1,200 residents of the city of Lawrence, a rate of 300 persons per year. Mr. President, this one UDAG grant has and will continue to result in positive gains in the areas of unemployment, job training, language skills and tax revenue, all espoused goals of the UDAG Program.

UDAG's have not only been effective in the high tech industry, they have also been instrumental in maintaining a diversified economic base throughout New England, a positive insurance policy against international competition.

In Ayer, MA, a UDAG helped to open the first flour mill in New England since 1900 and allowed the Prince Spaghetti Co. to use locally milled flour instead of having it imported from Italy.

In Eastport, ME, a town with an unemployment rate of 25 percent, a salmon cannery reopened with the help of a UDAG after years of neglect. The cannery now uses a new technology developed in Norway to process the fish.

In Central Falls, RI, a UDAG reopened a steel mill that no bank would invest in on their own. The company is now running profitably.

Finally, in New Bedford, MA, a city with an unemployment rate of 10 percent in 1983, a UDAG turned a downtown lot, vacant for 12 years, into mixed income housing units, providing jobs and housing for the community.

These are just a few examples of both the immediate and long-term benefits of the UDAG Program. Distressed urban areas in every State have their own list and dozens of potential success stories waiting for the opportunity to flourish. Elimination of the UDAG Program or a reduction in the amount of funds available will lead to a reduction in job creation and private sector expansion throughout the distressed communities of our Nation.

Mr. ARMSTRONG addressed the Chair.

Mr. GARN addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. GARN. Mr. President, I ask for movement of the amendment. I do not wish to deny Senators speaking. I would not want to preclude them from that opportunity.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I appreciate the chairman's comment. I will make my comments very brief. I would like to congratulate the Senator from Colorado, and also the Senator from Wisconsin for their leadership in this area. I think it is awfully important that we actually come out, make some hard votes, and make some tough choices. They are calling for termination of the UDAG Program. This is one of the President's programs that called for termination. He actually said let us terminate 23. This is one of them. When the Senate passed our budget bill we had only terminated 13. When we came back from conference in the House we only had terminated two, and only one single program. So I compliment our colleagues. We are talking about $352 million. You know, it is not just $352 million in 1 year's appropriation, but also you might say our children will be paying, and we will be paying about $32 million per year in interest to finance this. The Senator from Virginia is aware of it. If you look at your State grants that go into UDAG, you will find a lot of

things that maybe you kind of question—whether they really bear public scrutiny and value.

So I hope that we would have the courage to actually terminate this program. I think it is wise. I think it is prudent. I think it is time that we start actually making more difficult decisions. I think this is one of them. I hope the Congress will follow the lead of our two Senators and terminate this UDAG Program.

Mr. GARN. Mr. President, I move to table the amendment.

The PRESIDING OFFICER. Is there further debate?

Mr. RIEGLE. Mr. President, was the Senator moving to table or was he moving to vote?

Mr. GARN. No. The debate is finished. The only purpose in considering tabling was to cut off debate and speed up the process.

Mr. RIEGLE. I think some of us on this side still wish to speak. I know the Senator from Tennessee does.

Mr. GARN. Mr. President, I move to table, and ask for the yeas and nays.

Mr. ARMSTRONG. Mr. President, will the Senator withhold the tabling motion?

Mr. President, I have no objection to the tabling motion but I would like to inquire of the chairman if he would tell us how he is going to vote on the tabling motion.

Mr. GARN. On the tabling motion, I will vote no.

Mr. ARMSTRONG. So what we have in effect is a vote on the main issue. If the tabling motion fails, as I hope it will, then we go to a voice vote presumably on the underlying amendment.

Mr. GARN. Mr. President, I move to table and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Utah to lay on the table the amendment of the Senator from Colorado. On this question, the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON I announced that the Senator from Utah [Mr. HATCH], the Senator from Nevada [Mr. LAXALT] and the Senator from Maryland [Mr. MATHIAS] are necessarily absent.

Mr. BYRD I announce that the Senator from California [Mr. CRANSTON], is necessarily absent.

I also announce that the Senator from Michigan [Mr. LEVIN] is absent because of death in the family.

The PRESIDING OFFICER [Mr. RUDMAN]. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 53, nays 42, as follows:

[Rollcall Vote No. 231 Leg.]

YEAS—53

Abdnor	Glenn	Metzenbaum
Andrews	Gore	Mitchell
Baucus	Grassley	Moynihan
Biden	Harkin	Murkowski
Boren	Hart	Nunn
Bradley	Hatfield	Pell
Burdick	Hawkins	Pryor
Byrd	Heflin	Riegle
Chiles	Heinz	Rockefeller
Cohen	Hollings	Sarbanes
D'Amato	Inouye	Sasser
DeConcini	Kasten	Simon
Denton	Kennedy	Specter
Dixon	Kerry	Stennis
Dodd	Lautenberg	Stevens
Eagleton	Long	Weicker
Exon	Matsunaga	Zorinsky
Ford	Melcher	

NAYS—42

Armstrong	Goldwater	Packwood
Bentsen	Gorton	Pressler
Bingaman	Gramm	Proxmire
Boschwitz	Hecht	Quayle
Bumpers	Helms	Roth
Chafee	Humphrey	Rudman
Cochran	Johnston	Simpson
Danforth	Kassebaum	Stafford
Dole	Leahy	Symms
Domenici	Lugar	Thurmond
Durenberger	Mattingly	Trible
East	McClure	Wallop
Evans	McConnell	Warner
Garn	Nickles	Wilson

NOT VOTING—5

Cranston	Laxalt	Mathias
Hatch	Levin	

So the motion to lay on the table amendment No. 794 was agreed to.

The PRESIDING OFFICER. The Democratic leader is recognized.

Mr. BYRD. I thank the Chair.

Mr. President, while there is relatively good attendance of Senators on the floor, I wish to inquire of the distinguished majority leader if he could give us a reading for the rest of the day and also for tomorrow, how long we will be in today and what be expects for rollcalls, and also Monday, if he can do that at this time.

Mr. DOLE. Mr. President, I thank the distinguished minority leader. It may not be possible, but it was my hope earlier that we could complete action on this bill by 7 o'clock. I understand from the distinguished chairman of the committee that that may not be possible. There will be an amendment offered by Senators DOMENICI and CHILES in an effort to reduce the cost of the bill, and then I was hoping that if we could complete that we might get some agreement from Senator CHILES and Senator DOMENICI to give us 2 or 3 hours on reconciliation by agreement, not by staying here but just by agreement. Then we could depart here about 7 o'clock and come back early in the morning and work on transportation appropriations until about 12:30, and then go to reconciliation and stay on that throughout tomorrow afternoon. And then on Monday morning either stay on reconciliation or move to the Labor-HHS appropriation bill, again have a fairly early morning Monday and try to finish reconciliation on Monday.

Mr. BYRD. How long does the majority leader anticipate the Senate would be in tomorrow, Friday, and how early does the majority leader expect rollcall votes to occur on tomorrow and Monday?

Mr. DOLE. If we could have rollcall votes early, we could leave earlier tomorrow afternoon. That is how it adds up. If Senators are willing to let us have votes as early as 9 a.m., we could hopefully do as much as we can do on a Friday by 3:30, 4 o'clock, maybe a bit earlier.

Mr. BYRD. Will the distinguished majority leader answer my question with respect to Monday rollcall votes?

Mr. DOLE. On Monday, I do not believe we will be able to delay votes. We will bring up Labor-HHS appropriations. I assume we could stack votes until 1 or 2 o'clock on Monday. I would be willing to do that.

Mr. BYRD. I thank the distinguished majority leader.

Mr. DOLE. I wonder if this evening we could get some idea—some Members would like to know. I have had inquiries from both sides of the aisle—how much can we do between now and 7 o'clock. I might ask, if the Senator will yield, the chairman of the committee. Will the Senator yield to me?

Mr. BYRD. Yes. Mr. President, I yield the floor.

Mr. GARN. I thank the distinguished majority leader for yielding. I will explain where we are.

If we had not passed the Durenberger amendment, this bill would already be finished. I said at the time that we had a $428 million problem in outlays. We had worked in the committee over a period of months on a very carefully constructed amendment that took some from everybody, every single agency within the committee. It was distasteful but nevertheless necessary to meet budget totals. We still now are $428 million over in outlays in the budget.

The Senator from New Mexico and the Senator from Florida are going to offer an amendment that is very distasteful because it gets involved in across-the-board cuts, which is what I warned the Senate about earlier today. It makes no sense to me to go through the exercise that we did, working with the agencies, attempting to minimize the impact on them and have that voted down, and then come back with an across-the-board that is indiscriminate without regard to the merit or sensitivity of some programs, whether that is Superfund, whether that is science education, EPA, abatement control, and things of that nature. But that is what we are faced with because of the earlier actions of the Senate.

Now, if the amendment passed, we could be through here within an hour or so, but I have already heard rum-

blings. The same arguments are made again that we will have people, if it passes, or if not even, who will try to add things back. I just say to my colleagues, in the 11 years I have been here I have never been more frustrated. Last year it took 17 minutes to pass the HUD bill. Every other year it has been passed and signed into law in June before the old fiscal year. We have been on the floor for about 10 hours, minus some time off for special orders, but we are still down to the same basic question, my colleagues, of whether we are willing to vote for individual cuts after we have voted for a budget resolution mandating cuts. Apparently we are not willing to do that.

I did not mean to take so much time, Mr. Leader, but that is where we are. Until this body is willing to start making some individual cuts, we cannot reach the budget totals. I for one, if we do not pass this—this is distasteful—as distasteful as an across-the-board cut is to me particularly, after all the work that staff and others have done in crafting this amendment that was turned down because people were so interested in listening to their mayors—and I say that as an ex-mayor. I spent 7 years in local government—if they are not willing to take their share along with CDBG and EPA research and development, all of that, no cuts at all, then I will vote against the bill. I will not vote for a bill that is $400 million over in budget outlays even if it is my own. So I cannot answer the question of the majority leader as to how long we are going to be. It depends on whether this body is willing to get serious about its commitments when it voted for a budget resolution.

Mr. DOLE. Mr. President, I wonder if we might have a time agreement on the amendment to be offered by Senators CHILES and DOMENICI. It seems to me it is pretty much straightforward. It is an across-the-board cut. Is that correct?

Mr. DOMENICI. I say to the distinguished majority leader that it is not exactly that. I have discussed it with the chairman of the subcommittee.

Actually, what it does is take half the savings we need from revenue sharing, which will be a 6-percent reduction, and the other half of the savings from a 1.1-percent across-the-board reduction. With this amendment the programs within this bill will be cut 1.1 percent and revenue sharing, instead of a 12.5-percent reduction, which we had before, will have a 6.1-percent reduction.

I am willing, subject to the wishes of the Senator from Florida, to have one-half hour on the amendment.

Mr. DOLE. Mr. President, I ask unanimous consent that there be one-half hour on the amendment, the time to be equally divided.

Mr. BYRD. Mr. President, reserving the right to object, I have to check on my side, I say with great respect to the majority leader.

Mr. GARN. Mr. President, will the Senator yield?

Mr. DOLE. I yield.

Mr. GARN. So that my colleagues understand the disparity, we are talking about 1.1 versus 6.1. The 1.1 is on top of all the cuts that were already made and are in the bill. So the disparity is not that great. It sounds like it in percentages. Thirty-five million dollars out of disaster relief is a good piece of change, already taken out. The 1.1 would be on top of that, and at this point revenue sharing has not been cut at all.

Mr. DOLE. Mr. President, if we can reach an agreement for a fairly quick vote on this amendment, if it is satisfactory with the managers of the bill, when we come back we can move to reconciliation this evening and come back on this bill at 8 in the morning and complete action on it by 10, and then move to transportation.

The PRESIDING OFFICER. Does the majority leader withdraw his pending unanimous-consent request?

Mr. DOLE. I withdraw it, yes.

Mr. LAUTENBERG. Mr. President, I say this to the majority leader: If this is going to be offered, are we precluded presently from adding amendments? I have one that has been agreed upon by both sides.

Mr. DOLE. That would be right afterward.

Mr. LAUTENBERG. I have one that I want to offer to the proposal of the Senator from New Mexico.

Mr. DOMENICI. I do not know anything about it, I say to the Senator from New Jersey.

I do not want anybody to be misled. I am going to offer two amendments and vote on my amendment. If it is adopted, the Senator can amend it. If it is not adopted, we will be finished. The Senator will have a chance to amend it if it is adopted.

Mr. LAUTENBERG. I am reminded that my amendment would not be an amendment to the Domenici amendment.

Mr. DOLE. Is it going to be accepted?

Mr. LAUTENBERG. I hope so.

Mr. MURKOWSKI. Mr. President, will the majority leader yield?

Mr. DOLE. I yield.

Mr. MURKOWSKI. I point out to the majority leader a dilemma. It is certainly not my intent, as chairman of the Veterans' Committee, to take disproportionate cuts. It is obviously how the cuts are allocated that matters.

There have been $400 million in outlay cuts, $170 million of which is proposed to be taken in the veterans' health care. I think my colleague from Alabama joins me in enlightening the leadership as to where we are.

The original plan of the Senator from Utah today was to cut VA by $296 million. I submitted an amendment which added $100 million back. That would have been a net cut to the veterans of $196 million.

Now a 1.1-percent across-the-board cut is proposed, which would cut another $101 million. Therefore, the veterans' cuts would be $297 million. We are worse off than when we started.

I say to the leader that I will have to come back in with an amendment after the pending amendment, to at least put back what we had before we started, with this 1.1-percent cut, which would be approximately $101 million.

Mr. DOLE. I do not know how the Senator form Alaska put it on an amendment this morning. We cannot have it both ways. Obviously, if adopted, it would be opened to amendment, and he could come back with that amendment.

Mr. President, I withdraw my request, and we will stay tonight until we see what happens.

AMENDMENT NO. 795

(Purpose: To conform the bill as reported to the Second Concurrent Resolution on the Budget for fiscal year 1986)

Mr. DOMENICI. Mr. President, on behalf of myself, and Senator CHILES, and Senator EXON, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for himself, Mr. CHILES, and Mr. EXON, proposes an amendment numbered 795.

Mr. DOMENICI. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill add the following new section;

"SEC. 417. Except as otherwise provided in this section, each dollar amount contained in this Act, as amended, which is provided for non-defense discretionary programs and activities is hereby reduced 1.1 per centum;"

Mr. DOMENICI. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 796

(Purpose: To conform the bill as reported to the Second Concurrent Resolution on the Budget for fiscal year 1986)

Mr. DOMENICI. Mr. President, I send an amendment to the desk, amending the amendment which I just sent to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI] for himself and Mr. BOSCHWITZ proposes an amendment numbered 796 to amendment numbered 795.

Mr. DOMENICI. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike the words "per centum, and insert in lieu thereof, add the following: per centum, *Provided*, That this section shall not apply to the amount on page 2, line 16; *Provided further*, That, notwithstanding the provisions of 31 U.S.C. 6701-6724, payments to local governments are hereby reduced by 6.1 per centum; *Provided further*, That, notwithstanding the provisions of 31 U.S.C. 6701-6724, in fiscal year ending September 30, 1986, persons charged with administration of any provision of 31 U.S.C. 6701-6724, shall limit the value of any payments conferred by 31 U.S.C. 6701-6724 to amounts not in excess of the amount provided in this annual appropriation act, as amended by this section, and if the requirements of 31 U.S.C. 6701-6724 exceed the amount so provided, the payments shall be reduced to the extent necessary to stay within the amount provided in this annual appropriation act, as amended by this section."

Mr. DOMENICI. Mr. President, I hope everybody knows that this is not a delightful undertaking. I have nothing but the highest regard for the distinguished chairman of the subcommittee and the ranking minority member. They have tried diligently to bring this bill within the budget allocation.

In fact, they prescribed a rather substantial cut in the various programs and then took a 12-percent cut in revenue sharing. With these reductions, the subcommittee achieved the budget targets that were established and assigned to them in the formal 302(b) allocation by the Appropriations Committee. However, earlier today, it was decided that the revenue-sharing portion of the savings—approximately $428 million—would be deleted from the bill. So, as the chairman said, we have a very simple proposition. The HUD-independent agencies appropriation bill is now $428 million to $450 million above the subcommittee's budget allocations.

I have the highest regard for the subcommittee and its efforts to prioritize. I do not want to exert my will on individual programs and go through this bill and say: "Here is my preference. I want to lower spending for this program, and raise spending for that program." I think that is the wrong way to do it. So I have decided that we should take the $428 million that we are currently over, and we should move in the direction in which the subcommittee had moved. Let us cut revenue sharing, but let us cut it only 6 percent instead of 12 percent. We recognize that the Appropriations Committee wanted to reduce revenue sharing. But we have said: "OK. We do not want to reduce the program by 12 percent. Let us take half of it." Let us take 6 percent and we can take care of half the problem. We can then take the other half of the problem and achieve these savings through a 1.1-percent reduction to all of the other discretionary programs.

I regret that we have to cut these programs, but, fortunately, it is a 1.1-percent across the board reduction. The Senator from Alaska is correct: a 1.1-percent reduction against the veterans' programs is a lot of money. But obviously you cannot get savings unless you cut programs that spend money. You cannot cut housing, which does not outlay in the first year, because you will not save any money.

I think it is fair, and not too inconsistent with the way the subcommitee has done their work, to take half the savings from revenue sharing and half the savings programs which are just as crucial and critical to many of my colleagues.

I cannot believe that the mayors and country commissioners of this country cannot bear half of the needed savings. If they understand that we are restraining our veterans' programs—even though we have already cut veterans' programs and are going to cut them an additional 1.1. percent—and other programs such as Superfund and EPA, I cannot believe that they cannot bear half of the needed savings.

Can you tell me that cities and counties are not going to be able to adjust to a 6-percent revenue sharing cut when we are trying to maintain spending consistent with the budget we have voted for? We are even going to reduce veterans' programs in order to maintain this consistency. We are only going to let veterans medical care grow 3 percent. This will be 3-percent growth even after 1.1-percent across the board reduction.

For those who think we are decimating anything—I do not think we are—veterans medical care will be growing at 3 percent.

The amendment is simple in form and simple in its accomplishment. It will bring this bill in on target. There is no doubt in my mind that, with 100 Senators, if we had a week to consider this bill, these Senators might find some other way to bring spending down. I chose not to go within this bill and challenge the priorities of the subcommittee. I think the subcommittee did a tremendous job, and the only thing I can do is what I have done here with an across-the-board amendment. Granted, I could have a 4-percent reduction for revenue sharing and a 1½ percent across-the-board reduction for all other programs. Someone suggested a 5-percent reduction for revenue sharing and a 1.3-percent across-the-board reduction for all others. Obviously, anyone who wants to can do that. We have the numbers. However, it is not the only way. This amendment has some symmetry; half the savings come from revenue sharing and the other half from programs we have already cut. It seems to me that is a pretty fair shake for everyone.

Mr. RUDMAN. Mr. President, I rise to express my support for Senator DOMENICI's amendment to require an across-the-board cut to the HUD and independent agencies appropriations bill for fiscal year 1986. The purpose of this amendment is to bring this bill back in line with the budget resolution's outlay target. The amendment is made necessary by the Senate's irresponsible action taken earlier today to add a half billion dollars for general revenue sharing without an offsetting cut. I would note, that, in general, I view this type of indiscriminate, across-the-board amendment, which negates that work and function of the Appropriations Committee, as poor legislating. Nonetheless, it seems that there is no alternative to this approach in this case, other than to concede to endless additions to the Federal deficit.

If fact, Mr. President, today's vote to restore funds for general revenue sharing demonstrates exactly why we need a Gramm-Hollings-Rudman amendment adopted by the Senate last week. It has been proven time and time again that when it really comes down to the line, Congress is incapable of meeting its own budget targets. Last week we saw a lot of posturing on both sides of the aisle about the need for fiscal responsibility—each side claiming that they had a better plan to enforce budget discipline. The Gramm-Hollings-Rudman amendment, which dealt with the budget process, passed by an overwhelming vote of 75-24. Yet, it is much harder to cast the hard votes—those votes on whether to reduce funds for X, Y, or Z program. Then, the groundswell of support for fiscal discipline evaporates into thin air.

Let's look at today's problem. The Appropriations Committee found itself with a bill which was about $800 million over the budget resolution's outlay ceiling. The committee, under the leadership of the subcommittee chairman, Senator GARN, sought to meet the budget target in the most equitable way possible. Having faced a similar problem with the Commerce, Justice, State bill, I know how difficult the task was. The committee proposal cut money from Indian housing, community development block grants, environmental research and development funds, Superfund, disaster relief

funds, NASA, science education and VA medical care. None of these cuts were easy. The committee also recommended that general revenue sharing—a program which is supposed to be phased out next year, regardless—be cut by 12 percent. To disagree with one cut in this responsible plan is fine, but those who do so have an obligation to develop an offsetting adjustment. Now we are left with an across-the-board approach to meet our own budget target. This amendment means reductions in Superfund, disaster relief, VA medical care, and HUD operating subsidies cut.

But the only alternative is to bust the budget. This is the problem that requires an automatic enforcement mechanism as envisioned in the Gramm-Hollings-Rudman proposal, which seems to be the only hope for achieving fiscal responsibility. For the time being, however, I hope that we can at least pass this amendment and bring this bill back in line with the budget targets.

Mr. DOMENICI. Mr. President, I will be pleased to answer any questions at this time.

I yield the floor.

Mr. LEAHY. Mr. President, the Senator from New Mexico is right in saying that each one of us is looking for the best way to make the cuts. Each of us may choose to do it slightly differently. One Senator may want to cut one piece a little more as a little less than another piece.

My friend, the distinguished Senator from Utah, and I have worked long and hard on this bill, doing exactly that, finding a little piece here and there and trying to keep under the budget.

To support the proposal of the distinguished Senator from New Mexico and the distinguished Senator from Florida means that certainly in my case that I will have to vote to cut a number of programs that I have worked with ever since I have been on the Appropriations Committee. A number of these are important to me and important to my State.

But as the distinguished Senator from Florida and I have discussed before, we have to do more than give great speeches on how we are going to balance the budget and bring deficits down. Each one of us have at one time or other has made such a speech. As my friend from Florida has remined me on occasion, he says, "Pat, you know sometimes you have to vote to do that, too," which is a difficult thing.

I wish that we did not have to face the amendment that my friend has introduced. It would be nice if we could say as sometimes Secretary Weinberger is able to say, "We just opened the drawer and found all this extra money," and we could pay for all of the programs. I know, having spent several months with the Senator from Utah in my capacity as ranking minority member of this subcommittee, that there is no drawer. We have opened every single drawer there is. We turned them upside down and shook them out, and we found every cent there is.

So, even though it means that there are cuts that will have to be made in programs that I happen to like, to be consistent with the votes that I have cast, both for the Hollings freeze 3 years ago and straight through to the Gramm-Rudman-Hollings amendment, I will support this amendment and vote for it. I will do it because I think that, within the framework that the Senator from Utah and I have established in this bill, that this amendment, spreads the cuts as fairly as possible. No one likes to have a program cut if they support that program. But I think that within the framework of the bill, the amendment of the Senator from Florida and the Senator from New Mexico, is as fair as any other approach. That does not mean it does not hurt. But at least it is as fair as we can be within the budget restraints.

For that reason, Mr. President, I will support the amendment.

Mr. CHILES. Mr. President, last week we had a lot of rhetoric in this Chamber and it seemed to me that basically I have heard two kind of themes. One of them in support of Gramm-Rudman was that we need to enforce a discipline upon ourselves and to get that discipline it is necessary to have a bill with a trigger in it so that if you fail to achieve through the normal process, that you should be achieving, the trigger will be pulled and it sort of does it for you.

The other argument seemed to be that there is no need for an additional procedure, we have all the procedures that we need, we simply have had an absence of will, and so we do not need a trigger. We do not need anything else. We just need the will.

I would say to my colleagues no matter what side of that argument you were on I think you can vote for this amendment. If you need a trigger, this is a trigger, and it is not one that the Senator from New Mexico liked to design nor I either, but we have gone through the normal process. We had the subcommittee report. We had the subcommittee come to the full committee and say our bill is out and we propose to bring it in by making a series of cuts and making a cut in revenue sharing, and the full committee accepted that.

We brought that bill to the floor within sort of the framework, and the floor working its will said, "Wait a minute, we do not want to make those cuts, we do not want to make it." So if we do not make it, then we have the trigger. On the other hand, if you were one of those people who likes to argue, well, you have an opportunity here to exercise your will. You have an opportunity to exercise your will without Gramm-Rudman. It has not become law yet, and so if you are of that persuasion, then I would encourage you to exercise that today.

Mr. SIMON. Mr. President, will the Senator from Florida yield?

Mr. CHILES. I am glad to yield.

Mr. SIMON. Is it not also true that it is important that since we have adopted the Gramm-Rudman-Hollings amendment, that we establish a tradition we are going to live within those ceilings that we have, so that if we reject this amendment, we are immediately setting the wrong precedents?

Mr. CHILES. I think so. If I were a Member of the House of Representatives and one of the 48 conferees or one of the other couple hundred people who are left after you have the conference, I would say, "What in the world is the Senate doing about talking that they are serious about this proposition, when they will not even abide by the ceilings that they have set for themselves through a floor vote, a budget resolution, through the action of the Budget Committee and then the Appropriations Committee in setting these ceilings?" I think they would have every right to say, "You are not serious about this. I do not know why you brought it over to us."

I think the Senator from Illinois is exactly correct.

Mr. SIMON. I thank my colleague from Florida and the Senator from New Mexico. I think they are absolutely right on target.

Mr. CHILES. Mr. President, I just say again I would like to see the subcommittee honored. You do not like to make these across-the-board cuts. I do not like the idea of having them at all. But it seems to me that we need to do that and I also want to say to my distinguished friend from Vermont, that I think his is a stand of courage of what he is doing because I know he does not want to cut any more in programs like Superfund, programs like veterans, as the Senator from Florida does not.

We stood on this floor with many other people and championed those causes before for NASA which is in my State and which I argued in the Budget Committee and tried to argue some in the Appropriations Committee that we were not putting enough money in for things like the space lab, those kinds of areas.

So it is not a task that I know he likes, but I compliment him on this stand in that as well.

Mr. GARN. Mr. President, I will be very brief because I have been on the floor a long time today and I cannot really say anything new, other than that I will support this amendment, reluctantly, because I think it was far

more responsible to go through each of the agencies and judge what their capability was than to apply 1.1. So I am sorry that we could not have done that. It will hurt ERA and it will hurt NASA a great deal more then the scalpel approach we are taking to those agencies. But the Senate spoke, whether I agree with them or not—and I do not—and this is the only alternative at this point that I see.

Although I feel very strongly against across-the-board cuts without prioritizing cuts within agencies, I will vote for this amendment. I will further let the Senate know that if this amendment does not pass and we do not meet the budget ceiling as required by the Budget Act, then I will vote against the bill and try to defeat it. I will not go into the House conference with a bill that is $400 million over the budget allocation.

Mr. EXON. Mr. President, I am pleased to cosponsor the amendment that has been offered by the chairman of the Budget Committee and the ranking member thereof, the Senator from Florida.

I want to add my voice to those that have already said that this is not a pleasant procedure. There are many projects that we are cutting with this across-the-board cut that I, too, think are probably wrong.

When the amendment was offered by the Senator from Minnesota, my distinguished colleague, Senator DURENBERGER, I voted in support of that for the reason, if you will check back on the records, it was this Senator who, in the Budget Committee, said that we had to make some cuts in revenue sharing, but it was this Senator who first suggested that we fund it fully for 1 year and then phase it out. That was eventually accepted on all sides and is now law.

I thought it was, frankly, quite unfair, though, because the cities have already established most of their budgets and I thought it was creating undue pain on those who had committed their budgets to make the cuts that were suggested by the hard-working committee.

Therefore, I anticipated that something like the amendment that has been offered would follow if the amendment by the Senator from Minnesota prevailed, as it did. Now this does make a cut in the previous commitment that we made to the cities with regard to revenue sharing. But I say that this is Gramm-Rudman in action and I cannot imagine anyone who voted on this floor for Gramm-Rudman who would not fall in line with the amendment that has been offered by the chairman of the Budget Committee and the ranking member thereof. I think this is the time to put your vote where your rhetoric was and since Gramm-Rudman is a part of the law now, let us get on with putting it into action now. And, as painful as that is, this Senator is going to vote for the amendment that has just been offered. I thank the Chair.

Mr. DURENBERGER. Mr. President let me just briefly pick up where my colleague from Nebraska left off with the amendment that went through here last week with the name of the presiding officer on it. When I was in the well on one of the votes on this amendment earlier in the day, several colleagues came up and made the same observation the Senator from Nebraska made. "Aren't you lucky? You are getting your experience on Gramm-Rudman early. Instead of waiting for next year, you are doing it this year."

I think the Senator from Nebraska is accurate in his analysis of the experience we are going through. It is not a pleasant experience. Yet, it is not one that the authors of that particular piece of legislation would have wanted to put themselves through. It has been forced on us by a variety of circumstances. But I do think that today's experience is a very good example of that.

We rely on authorizing committees and we rely on appropriation committees to do the work that it takes to pass judgment on the value of what our predecessors did and how many dollars we ought to put against that in a particular current period of time. Then we come to the floor, those of us who disagree with their judgment, and it is our right here to state our disagreement and, in my case today, to have 56 or 57 of my colleagues agree that my particular judgment on the issue was more supportable than the judgment of the appropriations committee.

But then the inevitable happens. The Senators from Colorado and Wisconsin gave us opportunities to take care of the Senator from Minnesota and revenue sharing by substituting, in effect, dollars from more selectively targeted housing or Urban Development Action Grant Programs, the savings in that area, for the dollars lost in the general revenue-sharing program. Perhaps, it was taking the Senator from Minnesota up on his theory that revenue-sharing money gets spent all over. It gets spent where it does the most good; 99-cent dollars compared to UDAG and HUD-assisted housing probably is a better expenditure of scarce Federal funds.

But the Senator from Wisconsin and the Senator from Colorado were not persuasive enough or the time was not right, but, in any case, they lost out. But I supported them in each of those cases.

The chairman of the Appropriations Subcommittee has worked very hard and is used to passing bills in 17 minutes rather than 17 hours and is very frustrated on the floor. But this body has to come to a judgment, which I believe the body has come to. I believe, as usual, the chairman of the Budget Committee and the ranking member of the Budget Committee have captured the spirit of this body. They have now had 4½ or 5 years of capturing the spirit of the body at crucial times, up against a 7 o'clock departure time or a midnight departure time, or whatever.

I am willing to concede that in this case they have also captured the spirit of this body and I am willing to support the amendment by the chairman of the Budget Committee, as long as the chairman of the Appropriations Subcommittee is willing to do the same.

And, by that, I do not want him to think that I am substituting, or anything I had done today was to try to substitute my judgment for his, because I do respect his judgment in revenue sharing. I know the problem that he has had to face is a difficult problem. I also recognize the argument that he makes in terms of across-the-board cutting is not fair, it is just the only thing we have available to us.

I looked at the EPA account, for example, and I found that the subcommittee had already taken at least 10 percent out of the EPA account. In that are some accounts, such as construction grant programs, for my local communities and every else's local communities. They have also reduced certain other programs in HUD and FEMA, for example, by 3 to 5 percent. So, at that point, I became persuaded, to the degree that if the burden can be shared almost as equitably as possible, I ought to recommend to my colleagues that the chairman of the Budget Committee has captured that burden-sharing with his amendment and I will support that amendment.

Mr. FORD. Mr. President, I wish to make just a point or two. I am going to join with my colleague from Minnesota to accept this proposal. Like everything else, there is something wrong with it; we can always find problems.

But, there is one thing about revenue sharing that has not been brought out. It is carrying a whale of a cut to take care of other programs when it will be abolished on September 30 next year. We have already cut revenue sharing. We have cut it to the bone. We have cut it out—o-u-t. It is gone, every penny of it.

Then we made a budget 5 months ago, the budgets of the communities had already been made, and now we come back 5 months later and say, "We are going to cut you some more, which you hadn't anticipated."

The programs that we are taking 1½ percent off of—I do not want to do it either—but we have to take into consideration that they are going to be here long after revenue sharing is

gone. So you are saying to our communities, to our mayors, to the county judges, and our local constituents that not only are we going to abolish this program but cut it this year; and it is probably the best philosophy of Government for taking care of local communities. Sure, you say it comes out of the deficit. But what does not come out of the deficit?

We talk about getting onto Gramm-Rudman early; the Senate voted against that. Primarily those on the other side of the aisle voted against getting onto it early and voted against increasing revenues early. They voted against this early move. Now they are saying we have to get adjusted to it, and do it early. We heard last week: let us start it after next year, after 1986, and begin January of 1987. Now we are saying let us do it now—lean on Gramm-Rudman now, and the philosophy now. That is fine. I understand that. I accept it. Maybe I am wrong about how we have put this together. But we have broken our word to the cities, to the counties, and it relates to this.

Maybe we have broken our word to some others. But we have gone much farther than a 1.5-percent cut. We have to abolish revenue sharing. All of that is gone. Go to some of these smaller communities, and see what that means to them. Go to some of my small counties where revenue sharing is 70 percent of the county budget because they do not have any taxable assets. It is going to be devastating.

So when you cut revenue sharing, you are not just cutting a project. You are cutting the ability of many of the counties to be able to survive.

Mr. President, I accept the position taken by my distinguished friend from Minnesota, and offered by my friends from New Mexico and Florida. I hope there will not be any more cuts in revenue sharing.

I might make one other point where the Senator said it passed in 17 minutes last time and in 17 hours this time. This is what is going to happen from now on. We might as well put on the easy shoes and nonsweat shirt because this is going to be something that will be our problem from now on. It is not going to be easy. There is going to be a lot of debate. You are going to pick and choose. When you start picking and choosing, then you are not fair. You are exercising your judgment. Then you get in trouble out here. If you say we would need so much money and everybody takes an equal cut, then I think you are going to be a lot better off as proposed by the Senator from New Mexico than to start picking and choosing. The Senator may like some things. I may like some things. The Senator will cut something I like. I will want to cut something the Senator likes. It just will not work. If we are all going to take some hurt, let us take it equally. I will stand on that a lot better than I will if we start picking and choosing about programs. You go back home and say everybody is sharing equally. I am willing to stand on that. But what you have done to our cities and communities here is completely eliminate this whole program.

It is going to be devastating come October 1, and many who are standing here now saying we want to abolish it completely—and it is gone—will turn around one of these days and say, Hey what happened to those counties and those communities out there, particularly in the rural areas of Appalachia—you have them in your State and I have them in mine. And you just stop a minute, think about a county whose fiscal budget for a year is 70 percent of revenue sharing. They just do not have the assets to tax to do the things that they would like to do.

Somebody is going to have to make it up. That somebody is going to probably be the State. The county cannot do it, nor the community.

Mr. President, I apologize again, like others, for taking so long. But I compliment my friend from Minnesota. The Senator brought this to our attention. The Senator is one individual that wants to send funds back to the States. He has been consistent in that. The Senator wants to help the States and communities.

This was one of the best programs I had when I was Governor; and still is, since I have been here—because the people at the local level can make a judgment on what they think is most important for their community, better than a bunch of bureaucrats sitting up here and telling them what they think is good for them—revenue sharing on that basis has been very good.

I again compliment my colleague and yield the floor.

The PRESIDING OFFICER (Mr. TRIBLE). Is there further debate?

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, I rise in strong opposition to the pending amendment. This amendment would make a 1.1-percent cut across the HUD-independent agencies appropriations bill, H.R. 3038.

This across-the-board cut represents the second round of cuts we will be making to programs that should not have been subject to the first round. These programs include the Community Development Block Grants under HUD, cut by $100 million, the Rental Rehabilitation and Hodag Programs under HUD, cut by $75 million or by one-third, and the NASA Research and Development, cut by $15 million. Another program subject to double cuts is the Veterans' Administration medical care, only partially restored by an amendment offered this morning.

Mr. President, the across-the-board cut would also make a second cut in the EPA budget.

I find it particularly painful in States like mine, with programs that EPA is responsible for where only this agency has the authority, expertise, and skill to carry out the mandate of our Federal environmental statutes, we find that, despite the fact that we have hammered away at their budget time and time again, we face, Mr. President, additional cuts. They are underfunded to begin with, and here once again we are going to include them in an across-the-board cut.

Mr. President, the bill already includes $115 million in cuts the committee made to EPA's budget when the committee returned to this bill to reduce its size. These cuts included $100 million in Superfund, $10 million in research and development, and $5 million in abatement, control, and compliance.

Mr. President, I voted against cutting EPA's budget in committee. I had considered offering an amendment to this bill when it came to the floor to restore the $115 million in cuts the committee made to EPA's budget. But, I decided not to offer this amendment because I was afraid that such an amendment would invite the situation we now face, an across-the-board cut, one that ignores program needs and ignores the programs that have already been cut by the committee. An across-the-board cut of 1.1 percent, offered by the chairman and ranking member of the Budget Committee, additional $29 million cut for EPA on top of the $115 million cut already made to meet budget targets.

Mr. President, this cut would jeopardize essential programs at EPA.

First, the Superfund Program: The Senate Superfund reauthorization bill, which the Senate passed only weeks ago, provides an annual authorization level for Superfund of $1.5 billion a year. The budget resolution allowed for $1.3 billion for Superfund in fiscal year 1986. With the cuts made by the committee, Superfund is down to $1.2 billion. An across-the-board cut would reduce that even further, by another $16 million. Mr. President, there are 850 Superfund sites on the national priority list and thousands more that require cleanup funding. Every State has a stake in this program.

In addition this program is self-financing. The Senate reauthorization bill raises all the revenues for Superfund from taxes. Superfund is not a drain on the budget and we should not be cutting it under the guise of balancing the budget.

Second, clean air and water: The Clean Air and Water Programs at EPA are directed at meeting the Nation's

air and water quality standards. The funding included for these programs in this bill go to the States to implement these programs, for research into new pollution control technologies, and to enforce standards and regulations and carry out the Clean Water Act amendments approved by the Senate in July by a vote of 94 to 0.

Third, drinking water: The safe Drinking Water Program requires public water supply systems to meet standards restricting contaminants in drinking water. It also protects underground water supply sources. Contamination of our Nation's water supplies is a burgeoning problem—funding will allow the Agency to move forward to set contaminant levels, to assist the States in enforcing these standards, and to implement controls on underground injection of wastes. The Senate voted unanimously to reauthorize the Safe Drinking Water Act earlier this year.

Fourth, hazardous wastes; the RCRA Program manages the cradle-to-grave handling of hazardous wastes. It reduces risks from the improper disposal of wastes. EPA's responsibilities were significantly increased last year when we reauthorized RCRA. Congress added deadlines in this reauthorization that are coming into effect this year. Funding is necessary to make it possible for the Agency to meet these deadlines.

Mr. President, the Senate has approved strengthening amendments to a number of our Nation's most important environmental statutes this year. If the Senate intends for EPA to carry out these programs, we have to fund them.

EPA's budget is a small part of this overall bill. It is about $2.6 billion out of upward of $50 billion. It has already been subjected to major cuts.

If the Senate is going to go with an across-the-board cut, EPA and the HUD and NASA programs I mentioned earlier will be hit twice. Therefore, Mr. President, I urge the Senate to reject this across-the-board cut.

Mr. DOMENICI. Mr. President, I ask unanimous consent to have printed in the RECORD a list of nondefense discretionary accounts in the HUD-independent agencies appropriation bill.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

NON-DEFENSE DISCRETIONARY ACCOUNTS IN THE HUD-INDEPENDENT AGENCIES APPROPRIATION BILL

National Science Foundation, Research and related activities, 49-0100-0-1-251.

National Science Foundation, Scientific activities overseas (special foreign currency program), 49-0102-0-1-251.

National Science Foundation, Science and engineering education activities, 49-0106-0-1-251.

National Science Foundation, U.S. Antarctic program, 49-0200-0-1-251.

National Aeronautics and Space Administration, Research and program management (Space flight), 80-0103-0-1-253.

National Aeronautics and Space Administration, Space flight, control, and data communications (Space flight), 80-0105-0-1-253.

National Aeronautics and Space Administration, Construction of facilities (Space flight), 80-0107-0-1-253.

National Aeronautics and Space Administration, Research and development (Space flight), 80-0108-0-1-253.

National Aeronautics and Space Administration, Research and program management (Space science, applications, and technology), 80-0103-0-1-254.

National Aeronautics and Space Administration, Construction of facilities (Space science, applications, and technology, 80-0107-0-1-254.

National Aeronautics and Space Administration, Research and development (Space science, applications, and technology), 80-0108-0-1-254.

National Aeronautics and Space Administration, Research and program management (Supporting space activities), 80-0103-0-1-255.

National Aeronautics and Space Administration, Space flight, control, and data communications (Supporting space activities), 80-0105-0-1-255.

National Aeronautics and Space Administration, Construction of facilities (Supporting space activities), 80-0107-0-1-255.

National Aeronautics and Space Administration, Research and development (Supporting space activities), 80-0108-0-1-255.

Environmental Protection Agency, Research and development (energy supply), 68-0107-0-1-271.

Department of Housing and Urban Development, Solar Energy and Energy Conservation Bank, Assistance for solar and conservation improvements, 86-0179-0-1-272.

Environmental Protection Agency, Hazardous substance response trust fund, 20-8145-0-7-304.

Environmental Protection Agency, Operations, research, and facilities, 68-0100-0-1-304.

Environmental Protection Agency, Construction grants, 68-0103-0-1-304.

Environmental Protection Agency, Scientific activities overseas (Special foreign currency program), 68-0104-0-1-304.

Environmental Protection Agency, Abatement, control, and compliance, 68-0106-0-1-304.

Environmental Protection Agency, Research and development (Pollution control and abatement), 68-0107-0-1-304.

Environmental Protection Agency, Abatement, control, and compliance, 68-0108-0-1-304.

Environmental Protection Agency, Buildings and facilities, 68-0110-0-1-304.

Environmental Protection Agency, Salaries and expenses, 68-0200-0-1-304.

Environmental Protection Agency, Payment to the hazardous substance response trust fund, 68-0250-0-1-304.

Environmental Protection Agency, Revolving fund for certification and other services, 68-4311-0-3-304.

National Credit Union Administration, Central liquidity facility, 25-4470-0-1-371.

Federal Home Loan Bank Board, Federal Home Loan Bank Board revolving fund, 82-4035-0-3-371.

Federal Home Loan Bank Board, Federal Savings and Loan Insurance Corporation fund, 82-4037-0-3-371.

Department of Housing and Urban Development, Government National Mortgage Association, Payment of participation sales insufficiencies, 82-0145-0-1-371.

Department of Housing and Urban Development, Housing Programs, Housing for the elderly or handicapped fund, 86-4115-0-3-371.

General Services Administration, Office of Information Resources Management, Consumer information center fund, 47-4549-0-3-376.

Department of Housing and Urban Development, Housing Programs, Mobile home standards program, 86-0167-0-1-376.

National Aeronautics and Space Administration, Research and program management (Air transportation), 80-0103-0-1-402.

National Aeronautics and Space Administration, Construction of facilities (Air transportation), 80-0107-0-1-402.

National Aeronautics and Space Administration, Research and development (Air transportation), 80-0108-0-1-402.

Neighborhood Reinvestment Corporation, Payment to the Neighborhood Reinvestment Corporation, 82-1300-0-1-451.

Department of Housing and Urban Development, Community Planning and Development, Planning assistance, 86-0104-0-1-451.

Department of Housing and Urban Development, Policy Development and Research, Research and Technology, 86-0108-0-1-451.

Department of Housing and Urban Development, Management and Administration, Salaries and expenses, Including transfer of funds (Community development), 86-0143-0-1-451.

Department of Housing and Urban Development, Management and Administration, New community assistance grants, 86-0149-0-1-451.

Department of Housing and Urban Development, Community Planning and Development, Community development grants, 86-0162-0-1-451.

Department of Housing and Urban Development, Housing Programs, Subsidized housing programs (Community development), 86-0164-0-1-451.

Department of Housing and Urban Development, Community Planning and Development, Urban development action grants, 86-0170-0-1-451.

Department of Housing and Urban Development, Community Planning and Development, Urban homesteading, 86-0171-0-1-451.

Department of Housing and Urban Development, Community Planning and Development, Neighborhood self-help development program, 86-0175-0-1-451.

Department of Housing and Urban Development, Community Planning and Development, Urban renewal programs, 86-4034-0-3-451.

Department of Housing and Urban Development, Community Planning and Development, Rehabilitation loan fund, 86-4036-0-3-451.

Department of Housing and Urban Development, Community Planning and Development, Miscellaneous appropriations, 86-9911-0-1-451.

Funds Appropriated to the President, Disaster relief, 11-0039-0-1-453.

Federal Emergency Management Agency, Salaries and expenses (Disaster relief and insurance), 58-0100-0-1-453.

Federal Emergency Management Agency, Emergency management planning and assistance (Disaster relief and insurance), 58-0101-0-1-453.

Federal Emergency Management Agency, National flood insurance fund, 58-4236-0-3-453.

Department of Health and Human Services, Departmental Management, Office of Consumer Affairs, 75-0137-0-1-506.

Department of Housing and Urban Development, Housing Programs, Housing counseling assistance, 86-0156-0-1-506.

Consumer Product Safety Commission, Product safety, 61-0100-0-01-554.

Department of the Treasury, Financial Management Service, HUD public housing interest subsidy payments, 20-1810-0-1-604.

Department of Housing and Urban Development, Housing Programs, Troubled projects operating subsidy, 86-0172-0-1-604.

Department of Housing and Urban Development, Housing Programs, Congregate services program, 86-0178-0-1-604.

Department of Housing and Urban Development, Housing Programs, Nonprofit sponsor assistance, 86-4042-0-3-604.

Department of Housing and Urban Development, Public and Indian Housing Programs, Low-rent public housing—loans and other expenses, 86-4098-0-3-604.

Federal Emergency Management Agency, Emergency food distribution and shelter program, 58-0103-0-1-605.

Veterans' Administration, Concurrent Resolution Assumptions, 92-0000-2-0-700.

Veterans' Administration, Reinstated entitlement program for survivors under Public Law 97-377, 36-0200-0-1-701.

Veterans' Administration, Veterans job training, 36-0103-0-1-702.

Veterans' Administration, Vocational rehabilitation revolving fund, 36-4114-0-3-702.

Veterans' Administration, Construction, major projects, 36-0110-0-1-703.

Veterans' Administration, Construction, minor projects, 36-0111-0-1-703.

Veterans' Administration, Grants to the Republic of the Philippines, 36-0144-0-1-703.

Veterans' Administration, Medical administration and miscellaneous operating expenses, 36-0152-0-1-703.

Veterans' Administration, Medical care, 36-0160-0-1-703.

Veterans' Administration, Medical and prosthetic research, 36-0161-0-1-703.

Veterans' Administration, Grants for construction of state extended care facilities, 36-0181-0-1-703.

Veterans' Administration, Assistance for health manpower training institutions, 36-0182-0-1-703.

Department of Defense—Civil, Cemeterial Expenses, Army, Salaries and expenses, 21-1805-0-1-705.

Veterans' Administration, General operating expenses, 36-0151-0-1-705.

Veterans' Administration, Grants for the construction of State veterans cemeteries, 36-0183-0-1-705.

American Battle Monuments Commission, Salaries and Expenses, 75-0100-0-1-705.

Department of Housing and Urban Development, Management and Administration, Salaries and expenses, Including transfer of funds (Federal law enforcement), 86-0143-0-1-751.

Department of Housing and Urban Development, Fair Housing and Equal Opportunity, Fair housing assistance, 86-0144-0-1-751-AA1-IH-IH.

Executive Office of the President, Council on Environmental Quality and Office of Environmental Quality, 11-1453-0-1-802.

Executive Office of the President, Office of Science and Technology Policy, Salaries and expenses, 11-2600-0-1-802.

Department of the Treasury, Office of Revenue Sharing, Salaries and expenses, 20-0107-0-1-851-AA1-IH-IH.

Allowances for: Changes in Overtime Provisions on Federal Contracts, 99-1001-0-1-920-FC3-AP-IH.

Allowances for: 10% Administrative Savings, 99-1004-0-1-920.

Allowances for: 2087 Hours/Workyear: Nondefense, 99-1005-0-1-920.

Allowances for: 4% Work Force Attrition, 99-1007-0-1-920.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. DOMENICI. Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the second-degreee amendment of the Senator from New Mexico (Mr. DOMENICI).

The amendment (No. 796) was agreed to.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the yeas and nays on the first amendment, which I sent to the desk, be vitiated.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I move the adoption of the amendment, as amended.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the underlying amendment, as amended, of the Senator from New Mexico (Mr. DOMENICI).

The amendment (No. 795), as amended, was agreed to.

Mr. GARN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I want to thank my colleagues on both sides for quick disposition of that important amendment. If we could now reach an agreement on any amendments that are to be offered to this amendment, and then preclude any other amendments be offered to this amendment, I would be prepared to come back to this bill in the morning. I know the Senator from New Jersey has an amendment.

AMENDMENT NO. 797

(Purpose: To permit NSF to address higher personnel compensation requirements in research program management)

Mr. GARN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Utah [Mr. GARN] proposes an amendment numbered 797.

Mr. GARN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 32, line 9, strike out "$72,000,000" and insert in lieu thereof "$73,000,000".

Mr. GARN. Mr. President, this is the first of three amendments that involve no dollar increases to the bill. They are technical amendments. I have consulted with Senator LEAHY, the distinguished minority member, and he has agreed to them.

The committee was recently advised of a serious shortfall in personnel compensation and benefits funding for program management. This shortfall is the result of understandable shifts in the staffing of the Foundation whereby productivity increases have yielded a higher per FTEE average cost. But just as significantly, this shortfall has been caused by a failure to properly plan for and estimate personnel costs.

The committee understands the full shortfall totals about $1.9 million. Rather than grant an increase in this limitation in this amount, the amendment provides roughly half the shortfall. The balance of these costs will have to be absorbed by more careful and stringent personnel management.

Mr. President, I know of no objection to the amendment.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 797) was agreed to.

Mr. GARN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CHILES. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 798

(Purpose: To facilitate the activities of the National Commission on Space)

Mr. GARN. Mr. President, I send a second amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Utah [Mr. GARN] proposes an amendment numbered 798.

Mr. GARN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 31, line 7, insert the following immediately before the period: ": *Provided further*, That, of such funds, $500,000 shall be available for the activities of the National Commission on Space, established by the National Aeronautics and Space Administration Authorization Act, 1985 (Public Law 98-361; 98 Stat. 422)".

On page 31, insert the following immediately after line 7:

NATIONAL COMMISSION ON SPACE

Section 204(c) of the National Aeronautics and Space Administration Authorization Act, 1985 (Public Law 98-361; 98 Stat. 430) is amended by striking "twelve" and inserting in lieu thereof "18".

Mr. GARN. Mr. President, the Committee has been requested by the Commerce Committee to make a modification in existing law which will permit the National Commission on Space to discharge their responsibilities to make recommendations to the future course of our Nation's space policy and programs.

The modification will extend the period available to complete their report by six months. Additional, $500,000, in the form of an earmark of NASA fundings, is providing to permit the Commission to continue its deliberations during this extended period.

Again, Mr. President, this amendment has been cleared on both sides.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 798) was agreed to.

Mr. GARN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DURENBERGER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 799

(Purpose: Adjustment in travel limitation of the Council on Environmental Quality to permit cooperation on environmental issues with Japan)

Mr. GARN. Mr. President, I send another amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Utah [Mr. GARN] proposes an amendment numbered 799.

Mr. GARN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 19, line 11, insert after the comma the following: "and not exceed $16,000 for travel expenses"

Mr. GARN. Mr. President, the committee recently has been requested to increase the travel limitations on the Council on Environmental Quality to permit their general counsel to participate in a meeting in Japan to discuss our system of environmental protection laws. The cost of this trip is $3,000. Given the existing limitation of $13,000, such an expenditure could not be made without significantly disrupting other planned travel activities.

Mr. President, we are authorizing it, but it is not additional money added to the bill.

This is also acceptable to the minority.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 799) was agreed to.

Mr. GARN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DURENBERGER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Who seeks recognition?

The Senator from Minnesota.

AMENDMENT NO. 800

(Purpose: To provide funds for a study of the effects of a reduction in the lead content of gasoline on engines used in agricultural machinery and for other purposes)

Mr. DURENBERGER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Minnesota [Mr. DURENBERGER] proposes an amendment numbered 800.

Mr. DURENBERGER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On Page 17, Line 9 after "1987:" insert the following: ": *Provided*, That $1,000,000 of the funds under this heading shall be available for a study of the use of fuel containing lead additives, or alternative lubricating additives, in gasoline engines which are used in agricultural machinery. The study shall analyze the potential for mechanical problems (including but not limited to valve recession) which may be associated with the use of other fuels in such engines. All testing of engines carried out for purposes of this study shall be reflective of actual agricultural conditions to the extent practicable including revolutions per minute and payload. The Secretary of Agriculture shall be consulted in the design of such study and shall be given opportunity to comment on the results which shall be reported to the Congress no later than December 31, 1986: *Provided further*, That, notwithstanding any other provison of law, no funds available under this Act or carried over from prior appropriations shall be used to provide exemptions for users or classes of users of motor fuels or otherwise modify the regulation of fuels or fuel additives for gasoline lead content made final on March 7, 1985 in volume 50, *Federal Register* 9386 and the regulation for banking of lead rights made final on April 2, 1985 in volume 50, *Federal Register* 13116."

Mr. GARN. Mr. President, will the distinguished Senator yield to the distinguished majority leader?

Mr. DURENBERGER. I yield.

Mr. DOLE. Mr. President, I have been on the telephone with the distinguished Senator from Alaska [Mr. MURKOWSKI]. He does have an amendment concerning veterans. He has agreed to offer it tomorrow morning about 8:30, and he has agreed to have 15 minutes on a side. I make that request.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Reserving the right to object.

Mr. DOLE. And that we would take up a couple of amendments that have been agreed upon.

Mr. DURENBERGER. Mr. President, this amendment is directed——

The PRESIDING OFFICER. Will the Senator suspend?

Does the majority leader withdraw his unanimous-consent request?

Mr. DOLE. Yes.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. DURENBERGER. Mr. President, this amendment is directed at the lead in gasoline regulations which have recently been issued by the Environmental Protection Agency. In a very few weeks now the regulation setting a maximum lead content of 0.1 grams of lead per gallon will go into effect. That will reflect more than a 90-percent reduction in lead content from just a year ago when the maximum standard was 1.1 grams of lead per gallon.

Mr. President, I have been a constant advocate of a rapid phase down and early elimination of lead from the Nation's gasoline supplies. In fact, in the last Congress I introduced legislation to ban the sale of leaded gasoline by January 1. 1988. And so I was pleased when in March of this year the Environmental Protection Agency issued regulations which took a large step in the direction of a total ban on lead in gasoline.

Lead in gasoline is a problem for two reasons. First, the airborne lead which results from the combustion of leaded gasoline is a serious health problem for millions of Americans who live in major urban centers where automobile traffic is constant and congested.

Evidence accumulated in a whole series of studies over the past 2 or 3 years indicates that lead, even at low levels, is far more harmful to humans than previously thought. Those who run a special risk are young children and pregnant women. In children, high levels of lead affect the central nervous system causing irreparable brain damage, mental retardation, coma and death. At low levels—levels found in tens of thousands of kids today—lead causes poor performance on intelligence tests, higher incidents of speech impairment, and larger number of psychiatric referrals.

Studies that were included in EPA's regulatory impact analysis and which were examined by the Committee on Environment and Public Works when it held a hearing on this issue a year ago show that children suffer lower average IQ scores of 1 to 3 points at blood lead levels than are all too common in this Nation today.

So there is a serious risk to health and intellectual development from lead. The evidence is clear. It is compelling. And it convinced this administration to act to reduce lead in gasoline by over 90 percent effective on January 1, 1986.

The second problem caused by lead is environmental. In the early 1970's when this Nation made a commitment to clean the air it turned to the catalytic converter as a technology that could reduce nitrogen oxide and carbon monoxide emissions from automobiles. But lead in gasoline fouls the catalytic converter so that it cannot do its job. So we have tried to switch the Nation's car fleet to unleaded gasoline to take advantage of the converter.

Since about 1975 automobiles sold in the United States have been required to have converters and have been designed to use unleaded gas. Nevertheless, a large percentage of the gasoline—more than 40 percent of the gasoline—sold in the United States today is leaded. Ten years after we switched to new cars that take unleaded, American motorists are still consuming large amounts of leaded gasoline. One explanation for this is called misfueling—putting leaded gasoline in a car designed for unleaded gasoline. After about three tankfuls of this practice, the catalytic converter is poisoned and cannot do its job to remove nitrogen oxide and hydrocarbon pollutants from the exhaust.

Something close to 20 percent of the owners of cars designed for unleaded misfuel—use leaded. They do so because leaded gasoline is cheaper—during some periods by large amounts. Recently I saw a leaded/unleaded differential of 9¢ per gallon. Service stations use low priced leaded as a come-on, as a loss leader to attract business. The result is a great deal of dirty air that we in the Congress were determined to eliminate more than a decade ago.

So there are two problems with lead in gasoline—the health effects, particularly on small children, and the undoing of our national policy to reduce other air pollutants through the use of catalytic converters. The obvious solution to these problems is to ban lead from gasoline and we are on the way to doing that. Lead is not necessary. There are other octane enhancers that can perform just as well without the negative environmental consequences and at no or only little additional cost. On the question of costs and benefits, EPA did a regulatory impact assessment before publishing its lead phasedown regulation and found that the benefits far outweighed the costs. In fact, the EPA study showed that the savings in automobile maintenance alone—not even to mention the health benefits—outweighed the cost of shifting to unleaded gasoline. Chris DeMuth, who at the time was Director of the Office of Information and Regulatory Affairs, went public with his praise of the EPA analysis which was unique in his tenure at OMB.

So we as a nation can well afford to do without lead in our gasoline. But there are some owners or heavy-duty engines, motorboat engines, antique automobiles and specialty engines who have expressed a concern that the phasedown of lead in gasoline will present them with difficult mechanical problems. I am sure that all Members of the Senate are familiar with these concerns, because I know that they are expressed by our constituents in letters and when we visit with them back home. The amendment that I am offering this morning is addressed to their concern and in particular to the efforts of one group, the farmers, to have their concerns heard down at EPA.

Mr. President, in addition to being an octane enhancer, lead in gasoline also serves as a lubricant for valves. Without lubrication soft valve seats may suffer a condition called valve recession which can impair the mechanical performance of some engines. Newer model cars and farm equipment have hardened valve seats and are thus not subject to the same kinds of problems.

It is not clear at this time whether valve recession will be a problem or not when leaded gasoline is taken off the market. There are some studies on Government-owned vehicles which indicate that there will be no difficulty in using straight unleaded gasoline in almost all American engines. It should be noted that the regulations which take effect on January 1 do not ban leaded gasoline and that EPA has allowed so-called banking rights to accumulate which means that in reality gasoline will contain about 0.2 grams of lead per gallon until the end of 1987. It is clear that lead at this level will provide sufficient lubrication. There are also several companies out trying to develop alternative lubricants and we fully expect that one or more alternative additives will be on the market in the next few weeks. Lead was not originally intended to be a lubricant. It is only a lubricant accidentally. It was originally intended only as an octane enhancer. There is every reason to believe that the chemical industry of the United States will develop an alternative lubricant which is more effective, which is cheaper and which does not have any negative environmental consequences.

But it is understandable that farmers who have spent thousands of dollars on equipment with heavy-duty, high payload gasoline engines, and who understand that lead now serves as a lubricant for the valves in those engines, will have a concern. They expressed that concern to EPA. They asked EPA to do a study of the performance of engines without lead before any ban was put in place. That seems to me a more than reasonable request. But EPA turned them down saying that they did not have sufficient resources to do a study and that they were sure that valve recession would be no problem.

I think that farmers—and others who own old or specialty engines—should get a study. I am confident that such research will show that there are alternatives that can do the job better without negative health and environmental consequences. The Appropriations Committee has reported this legislation which contains the budget for EPA. In the committee report at page 41, the committee indicates that EPA should do such a study and notes that the House Appropriations Committee included similar instructions in its report. So, in part, all this amendment that I am offering does is make explicit that which the Appropriations Committees already had requested.

But there is a second provision in my amendment which I would also call to the attention of the Senate. It assures that the EPA Program to get lead out of gasoline will stay on track.

When EPA refused to do a study, Members of the House of Representatives added a floor amendment to the 1985 farm bill that would provide an exemption for farmers from the 0.1 standard. It would guarantee that farmers could purchase gasoline containing 0.5 grams per gallon lead until 4 months after the study is completed. Such an exemption goes way too far in my estimation; 0.5 is not needed for valve lubrication. Not more than 0.2 is needed and that will be provided for at least 2 years under the current regulatory scheme. The House amendment makes no accounting for the likelihood that alternative lubricants will soon be available. But the real problem with the House amendment is that it is unworkable. It is not an exemption for agriculture. An agricultural exemption will not work in this case. Gasoline engines on the farm are only a miniscule part of the total gasoline market. In fact, even on the farm most engines are diesel engines today. So this exemption is for a fairly small part of the market. And refiners and distributors are simply not going to make a special blend of gasoline just for farmers. If we are to guarantee

them 0.5 grams per gallon leaded gasoline—as the House farm bill would require—we will have to provide 0.5 grams of lead per gallon gasoline to everybody. And that would undo the lead phase-down that this country has been working so hard to accomplish for many years. That is just wrong in my view. It is not necessary. It is not timely. In fact, the farm community does not even want to go that far. They were just forced into that position because EPA would not agree to do a study.

Some of the Members here in the Senate have tried to reason with the sponsors in the House to find a compromise that is more realistic and that will really meet the needs of farmers. But those attempts to discuss the issue have not been successful as yet, because the Senate has not gone on record in favor of a lead phase-down. They will not talk to us until we take some action. So, Mr. President, the second part of my amendment would prohibit EPA from using any funds in this bill to modify the regulations that will become effective on January 1.

I again say, Mr. President, that this amendment accomplishes the objective of the farm community by requiring EPA to do a study of the mechanical problems that may be caused by unleaded gasoline and the alternatives that are available to solve that problem, but it also keeps the Nation on a course that will get lead out of gasoline at an early date. This is a necessary amendment under the circumstances and I urge Senators to study the amendment so that they will see that is a balanced answer to the questions that have been raised.

Mr. President, I yield to the distinguished manager of the bill.

Mr. GARN. Mr. President, I have discussed this amendment with the Senator from Minnesota and also with the staff of the committee. I am willing to accept it. It is my understanding that it is acceptable to the minority as well.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 800) was agreed to.

Mr. GARN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOLE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, let me make a unanimous-consent request on the amendment to be offered by the distinguished Senator from Alaska, Senator MURKOWSKI, on veterans. There will be a time limitation of 30 minutes, equally divided, and that amendment would be in order tomorrow morning.

Mr. CHILES. Will the Senator yield?

Mr. DOLE. I am happy to yield.

Mr. CHILES. Mr. President, I just want to say to the distinguished floor leader and the manager that there were people who did not want a rollcall vote on the last proposition. The Senator from Florida felt we should have a rollcall vote. It was probably the most important amendment we will consider on this bill. We have a good bill. I think the Senate was willing to vote on that in large numbers. We took it on a voice vote.

I believe there are two proposed amendments on tomorrow.

Mr. DOLE. I understand the Senator from New Jersey will offer an amendment.

Mr. CHILES. And there may be others. I just wanted to say that I think there are a lot of Members who, because they did not vote, might come in here tomorrow and think there is nothing inconsistent with taking any kind of position they feel they need to take tomorrow.

On behalf of myself and I hope the Senator from New Mexico, we will see if amendments are adopted tomorrow to change this, and, if so, we will have to come back with another across-the-board amendment and there will be a vote if we do that. People will get a chance to record themselves.

Mr. DOMENICI. So the leader will protect us in a unanimous-consent agreement for an amendment that the Senator from Florida has described.

Mr. CHILES. We want to be protected in the right to offer such an amendment.

Mr. GARN. I thank the Senator from Florida for his observation. He is correct. I would have favored a rollcall vote. However, any amendments that are offered tomorrow to this amendment I will move to table without regard to their merit.

Mr. CHILES. Regardless of that, Mr. President, I think we should be protected to be able to propose a further across-the-board cut in these.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the majority leader?

Mr. BYRD. Mr. President, I ask unanimous consent that no amendments whatsoever be in order to the Murkowski amendment.

Mr. DOLE. That is correct, Mr. President.

The PRESIDING OFFICER. Is there objection?

Mr. GARN. Mr. President, reserving the right to object, and I do not intend to object, I just want to understand. We have had two unanimous-consent requests. I want to understand that we allow only one amendment, the Murkowski amendment, to the Domenici-Chiles amendment.

Mr. DOLE. That would be included in my request. There would be no amendments to the Murkowski-Cranston amendment, I assume it will be.

Mr. GARN. I believe that is a good addition. I just want to make sure that we are not leaving here tonight with opening it up to other than one amendment to the amendment.

Mr. DOLE. That was my request.

Mr. BYRD. No, Mr. President; I do not think so.

Mr. DOLE. My request was to get a time agreement on the Murkowski amendment, the only one we are aware of. Then I hope to make another unanimous-consent request.

Mr. BYRD. And that there be no amendment whatsoever——

Mr. DOLE. Whatsoever——

Mr. BYRD [continuing]. On or in regard to the Murkowski amendment.

Mr. GARN. I withdraw my reservation, Mr. President.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the majority leader as amended? Without objection, it is so ordered.

Mr. DOLE. The only other amendment we are aware of that would have been offered to this amendment is that of the distinguished Senator from New Jersey [Mr. LAUTENBERG]. It is my understanding that he will not now offer an amendment to that amendment.

Mr. LAUTENBERG. Mr. President, it is my understanding—I have an amendment that has been agreed to that is essentially a language change. I will not be offering the amendment I think the majority leader is referring to.

Mr. DOLE. Mr. President, I ask unanimous consent that there be no further amendments in order to the amendment of Senators DOMENICI and CHILES.

Mr. BYRD. Mr. President, reserving the right to object.

The PRESIDING OFFICER. If the Senator will suspend, the Senate is not in order.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

S. 1730—RECONCILIATION BILL

Mr. DOLE. Mr. President, I ask unanimous consent that when the Senate recesses this evening, 2 additional hours be considered as having been used on S. 1730, the reconciliation bill.

Mr. BYRD. Mr. President, reserving the right to object, and I have no ob-

jection, does the distinguished majority leader, by his request, intend that once the action on the pending appropriations matter is resolved as far as this evening is concerned, there will be nothing that would occur on the reconciliation measure——

Mr. DOLE. That is correct.

Mr. BYRD [continuing]. But that we would go out; nevertheless, notwithstanding that, there would be 2 hours charged, equally divided, to both sides against the reconciliation time?

Mr. DOLE. That is correct.

Mr. BYRD. I have no objection.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? If not, without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. DOLE. Mr. President, in addition to the amendment by Senators MURKOWSKI and DECONCINI on which we have a unanimous-consent agreement, I ask unanimous consent that amendments by Senator DIXON, which is a $20 million FEMA amendment; an amendment by Senator BIDEN to allocate $50 million to reduce lead paint danger; another amendment by Senator BIDEN, OSHA consideration; an amendment by Senator LEAHY, $3 million for National Science Foundation Presidential young investigators; an amendment by Senator HEINZ to add $2 million for HUD neighborhood development demonstration programs; and a second-degree amendment to the DIXON amendment by Senator GORTON—which does what?

Mr. GORTON. Mr. President, it shifts the program from FEMA to HUD.

Mr. DOLE. Is that acceptable to Senator DIXON?

Mr. GORTON. Yes, Mr. President; Senator DIXON and I worked it out.

Mr. DOLE. I ask unanimous consent that those amendments be the only amendments in order.

Mr. BYRD. Reserving the right to object, Mr. President.

Mr. DOLE. And that no other amendments be in order than the amendments just listed by the majority leader.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. Let me add the distinguished Senator from New Jersey [Mr. LAUTENBERG] who has another amendment which will be accepted.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? If not, without objection, it is so ordered.

Mr. DOLE. Mr. President, there will be no further votes this evening. I hope we can complete action on the bill by 10:30 or 11 tomorrow morning.

Mr. BYRD. Mr. President, I thank the distinguished majority leader.

Mr. GARN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I would make one additional unanimous-consent request, that in the event the amendment of Senators MURKOWSKI and DECONCINI is adopted, an amendment would be in order to be offered by Senators CHILES and DOMENICI.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

AMENDMENT NO. 804

(Purpose: To provide that funds carried over from prior fiscal years may be used for construction of sewage treatment plants, including new starts)

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey is recognized.

Mr. LAUTENBERG. I send an amendment to the desk for Senator BRADLEY and myself and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from New Jersey [Mr. LAUTENBERG], for himself and Mr. BRADLEY, proposes an amendment numbered 804.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 54, between lines 12 and 13, insert the following:

SEC. 417. Any funds previously appropriated for the purposes of construction grants under title II of the Clean Water Act shall be available for all projects for which such funding was initially available when such appropriations were made and not be limited to phases or segments of previously funded projects.

Mr. LAUTENBERG. Mr. President, the Clean Water Act establishes this Nation's commitment to clean up the Nation's waters—waters which are used for fishing, swimming, recreation, and drinking water. The act contains numerous programs to achieve this goal. One of the most important programs is the funding of sewage treatment plants. Properly running sewage treatment facilities are an essential component of the Clean Water Act's program for cleaning up the Nation's waters.

Early this year, the Senate passed the Clean Water Act Amendments of 1985 by a vote of 94 to 0. This bill includes a continuation of the Construction Grants Funding Program and a gradual transition to State revolving loan programs. The Senate's vote on this bill is a strong statement about the importance of providing Federal assistance for constructing sewage treatment plants.

The Environment and Public Works Committee, of which I am a member, spent a significant amount of time on the Construction Grants Program during its consideration of the Clean Water Act Amendment of 1985. One option before the committee was the administration's proposal to fund no new starts of sewage facilities. Only plants under construction by the end of fiscal year 1985 would continue to receive Federal funding. EPA's testimony, however, showed that remaining sewage treatment needs which are eligible for Federal funding are estimated by EPA to exceed $50 billion nationwide. In my own State of New Jersey, eligible sewage treatment construction needs are $4.5 billion.

The administration's proposal simply would have dumped this problem into the laps of States and local governments at a time when these entities are facing a 1988 deadline for installing sewage facilities which provide secondary treatment. The Environment and Public Works Committee rejected the administration's proposal and this rejection was affirmed in the Senate's vote on the Clean Water Act. The administration's proposal also has been rejected by the House of Representatives.

It was with shock, then, that I just learned that the Office of Management and Budget has effectively prohibited EPA from funding any new project starts. Simply put, this is a backhanded way of achieving the administration's "no new starts" proposal by administrative order. EPA has approximately $800 million remaining in unobligated fiscal year 1985 construction grants funds. OMB's orders prohibiting EPA from spending these funds on new starts could have a devastating effect on those local governments that were planning to initiate sewage treatment construction with Federal funds this year. In New Jersey, at least two sewage treatment facilities would be adversely affected by OMB's order.

Mr. President, my amendment is simple. It would reverse OMB's policy, a policy which has been thoroughly repudiated in the Congress. The reversal of this policy will allow EPA to continue to manage the Construction Grants Program without interruption using existing unobligated funds until the Congress appropriates additional funds for the Construction Grants Program. I want to reiterate that my amendment does not address fiscal year 1986 funds. My amendment only addresses funds already appropriated

by the Congress but not yet obligated by EPA.

Mr. President, this is not the first time OMB has attempted to thwart the Congress' intent. I believe we need to send a clear message to OMB and I urge my colleagues to send this message by supporting this amendment.

Mr. President, I have cleared this amendment with the managers on both sides and ask for its immediate consideration.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

Mr. CHAFEE. Yes; I would like to ask a question on this. Is this in connection with Superfund and the funds there?

Mr. LAUTENBERG. No; this has nothing to do with Superfund.

Mr. CHAFEE. What is this in connection with?

Mr. GARN. EPA construction grants.

Mr. LAUTENBERG. The Clean Water Act, the ability to use these funds for new starts as well as existing starts.

Mr. CHAFEE. I thank the Senator very much.

The PRESIDING OFFICER. Is there further debate? If not, the question is now on agreeing to the amendment of the Senators from New Jersey.

The amendment (No. 804) was agreed to.

Mr. GARN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. EAGLETON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 805

(Purpose: To provide funds for the neighborhood development demonstration program)

Mr. HEINZ. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Pennsylvania [Mr. HEINZ] proposes an amendment numbered 805.

Mr. HEINZ. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 13, between lines 5 and 6, insert the following:

NEIGHBORHOOD DEVELOPMENT DEMONSTRATION

For financial assistance and other expenses not otherwise provided for to carry out the neighborhood development demonstration program pursuant to section 123 of the Housing and Urban-Rural Recovery Act of 1983, $2,000,000, to remain available until September 30, 1988.

Mr. HEINZ. Mr. President, I have discussed this amendment with both sides of the aisle. I offer the amendment on behalf of several of my colleagues, including Senator DIXON and Senator MOYNIHAN.

Mr. President, this amendment would appropriate $2 million to continue the Neighborhood Development Demonstration Program [NDP]. Although first approved in 1983, the first grants were not made until this spring. Only now, 2 years later, is this demonstration program reaching the point where it can benefit our distressed communities. It would be a grave mistake to terminate financial support for this program at the very moment it is beginning to make itself felt as an effective catalyst for positive neighborhood change.

The Neighborhood Development Demonstration Program was originally authorized under section 123 of the Housing and Rural Recovery Act of 1983—Public Law 98-181—in order to stimulate revitalization activities by local, nonprofit groups in economically distressed neighborhoods. Federal funds are used as incentive funds to promote revitalization activities and to encourage neighborhood organizations to become more self-sufficient in their development activities which benefit low- and moderate-income people.

Forty-four neighborhood groups in 33 communities and 21 States—including California, Colorado, Connecticut, Florida, Illinois, Indiana, Kentucky, Massachusetts, Maine, Missouri, North Carolina, Nebraska, New Mexico, New York, Ohio, Pennsylvania, Puerto Rico, Rhode Island, Tennessee, Texas, Washington, and Wisconsin—were selected to receive the matching funds this year. The amount each group receives is based on the amount each group is able to raise in voluntary contributions in the neighborhood, the size of the neighborhood and the degree of the neighborhood's economic distress but, in any event, no more than $50,000.

The projects funded by this program must: Create new permanent jobs; establish or expand businesses; develop new housing or rehabilitate or manage existing housing stock; develop essential services such as fair housing counseling, youth training, health services or day care; or help voluntary improvement efforts such as a new neighborhood credit union or local cleanup programs.

To qualify, a neighborhood must be located in a city or urban county eligible for the urban development action grant [UDAG] program or a UDAG pocket of poverty.

The $2 million earmarked for the Neighborhood Development Demonstration Program under my amendment is the same amount originally appropriated for the program. The use of these funds is carefully spelled out. Five percent of the funds may be used by HUD for administrative purposes. The rest of the funds are to be matched by voluntary contributions raised from individuals, businesses, nonprofit and other organizations located within the neighborhood to be revitalized over the 1-year grant period. The neighborhood activities, however, may be conducted over a period of 2 or 3 years. Federal payments—up to $50,000 per project—are made on a quarterly basis as neighborhood organizations verify the amount of funds raised from private sector sources from the previous quarter.

Mr. President, it is this type of self-help program that our Government should be supporting and encouraging. The Neighborhood Development Demonstration Program was designed to give distressed communities the ability to lift themselves out of their dire straits through cooperative action between all those most involved in the community. It can work and it will work. We just have to give these neighborhoods a chance. This $2 million will give this demonstration program the chance to prove itself on its merits by allowing private organizations to put new life into declining neighborhoods.

Mr. GARN. Mr. President, I have conferred with the distinguished Senator from Pennsylvania, and this amendment is acceptable. I believe it also has been cleared with the minority.

Mr. LEAHY. It has been cleared, Mr. President.

The PRESIDING OFFICER (Mr. TRIBLE). The question is on agreeing to the amendment.

The amendment (No. 805) was agreed to.

Mr. HEINZ. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GARN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HEINZ. Mr. President, I thank all Senators.

AMENDMENT NO. 803

Mr. LEAHY. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY] proposes an amendment numbered 803.

Mr. LEAHY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 32, line 6, increase the figure by $3,000,000.

Mr. LEAHY. Mr. President, this amendment adds $3 million to the re-

search and related activities account of the National Science Foundation.

These additional funds will support 50 additional Presidential young investigators.

Every assessment of our Nation's competitive position in this technological world has concluded that we must improve the quality of science education.

Unfortunately, it is difficult to keep the best scientific minds in teaching positions in our universities. Salaries are so high in the private sector that all too many of our best young science professors leave the university.

In order to address this critical issue, the Presidential Young Investigation Research Award Program was created in 1984. The awards, which usually combine NSF and industrial support, encourage promising young scientists and engineers to select and remain in academic careers.

The additional funds in this account will raise the level of Presidential young investigators to 550. The administration had requested a level of 500.

I believe this is an essential, positive step in saving our Nation's technological leadership and promoting excellence in scientific education.

I urge its adoption.

Mr. GARN. Mr. President, the amendment is acceptable.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 803) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GARN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 806

(Purpose: To increase the appropriations for the Emergency Food and Shelter Program by $20,000,000)

Mr. DIXON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Illinois [Mr. DIXON], for himself, Mr. HEINZ, Mr. KERRY, Mr. MATSUNAGA, Mr. GORTON, Mr. SIMON, Mr. KENNEDY, and Mr. MOYNIHAN, proposes an amendment numbered 806.

Mr. DIXON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 24, line 15, strike out "$50,000,000" and insert in lieu thereof "$70,000,000".

On page 25, line 17, strike out "$50,000,000" and insert in lieu thereof "$70,000,000".

Mr. DIXON. Mr. President, I rise today for the purpose of offering an amendment on behalf of Senators HEINZ, KERRY, MATSUNAGA, KENNEDY, GORTON, SIMON, MOYNIHAN, and myself, to continue to fund the National Board Emergency Food and Shelter Program under the Federal Emergency Management Agency or FEMA.

Our amendment would add an additional $20 million to the HUD-independent agencies appropriation for fiscal year 1986 to help the millions of people in this country who are hungry and homeless. This would bring the bill up to the House-passed level. It is vitally important to continue this assistance to the most destitute among us.

The existence of hunger and homelessness in the United States of America is a national disgrace. The Congress recognized that fact in March 1983 by creating an Emergency Food and Shelter Program through FEMA. We acknowledged its importance again with supplemental appropriations on three more occasions, the most recent being 3 months ago, when the Senate approved $110 million intended to carry the program through next fiscal year. The House, however, in conference, preferred to separate 1985 and 1986 appropriations, and accepted $20 million of my amendment for $110 million. The House then included $70 million in the fiscal year 1986 bill. The Senate has included $50 million. The amendment we are offering today would bring the Senate amount to the House level—still $20 million short of what we approved only 3 months ago.

This program works with a minimum of overhead, and does amazing things with very little money. I would like to insert a list of States and the funds each has received for the RECORD.

Last year, the Senate very convincingly passed an amendment that I introduced adding an additional $60 million to the Emergency Food and Shelter Program; $60 million was already included in that supplemental appropriations bill. So, in essence, the Senate, by a very bipartisan vote of 57 to 40, supported a total of $120 million last August 8 to assist the most needy among us. That was $50 million more than we are asking for today.

Mr. President, we all feel a responsibility to the homeless. We meet them in urban, suburban, and rural areas across our country. Unfortunately, in many instances they have come to that station in life as a result of budget cuts which have occurred in the past. It is painfully obvious when we cut nutrition programs—people will be hungry; when we cut housing assistance—people will be homeless; and when we cut low-income energy assistance—people will have to choose between paying their heating bill and buying food.

We have recognized the prevalence of the hungry and homeless among us by voting for funds to help those poor people that you and I see every single day in this capital city and other places across this land. This has been the right thing to do.

But without this amendment, even the most minimal assistance—a bowl of soup and a cot in a shelter will no longer be available to these people. There will be even more people living on the streets. I cannot speak for others here, but I would find it difficult to explain 3 months from now that the Congress chose not to continue a program which in many cases serves as a lifeline for the indigent. When the snow is falling and the temperature is below zero and the streets are icy and there are no beds or meals in Chicago or Rock Island or East St. Louis, or Peoria, the explanation that we decided not to appropriate the necessary money simply won't do. The hungry women and children will not understand that. When their basic need is to get a bowl of soup and a night's sleep on a cot in a shelter, there is no way in the world for us to explain why we turned our backs on them.

There was an extremely poignant article in the June 16 issue of the New York Times Magazine which included research from my State and many others. It detailed the story of the Sawatzki family of Peoria, IL. Mrs. Sawatzki takes only a small portion of food at dinner and then pretends she isn't interested in eating so that her children will not guess that she is denying herself for their sakes. She eats popcorn instead of meals. They are proud people. Mr. Sawatzki used to work at the Caterpillar plant in Peoria. They lost their home because they couldn't meet their mortgage payments. The parents' worst moment, however, was when their son asked why there wasn't any milk in the refrigerator. He was told that it was because there wasn't any money for milk. The 9-year-old boy found 32 cents in his drawer and gave it to his mother to buy food.

Last March, I held a field hearing on hunger and homelessness in Chicago. I heard testimony from service providers, homeless people, a physician, and Government officials. One of those witnesses, Ms. Lulu Walker, the director of Tabitha Community Services, was particularly eloquent in explaining the help which is available because of the FEMA Emergency Food and Shelter Program. Prior to receiving a grant from FEMA, she said that she had to turn away over 200 women with children in December 1984. She had to turn away women with children because there were no funds for milk.

She said that the first thing that people do when they arrive at her shelter is to eat, and made this observation: "I think a person should be able to eat, sleep, and work." I agree.

Lulu Walker detailed the situations of many of her wards. Many have never been on Medicaid; many have never had food stamps. Some are battered women, others are unemployed and no longer eligible for benefits.

Lulu Walker ended her testimony by thanking me for funds she had received through the FEMA Program. Without those funds she would have turned away at least 300 people in January of this year. In closing she said:

> The gas people can wait, they can wait until it gets above 32 degrees. The light people can wait, but when people are hungry they cannot wait.

On this amendment, we must vote from the heart as much as from the mind. We must think about the fact that poverty is increasing. We must determine that the dispossessed among us are not to be forgotten. We must take time to remember the needs of the homeless and the hungry. They are sleeping under bridges in Chicago and they still will be when it is 50 below zero this winter. They are searching for scraps of food in the dumpsters behind restaurants in Los Angeles and they still will be later this year. They are losing their farms in Illinois, Kansas, Iowa, Minnesota, and Missouri, wondering how to feed their own families instead of growing food for themselves and for us.

I suppose everyone in this Chamber is aware of a concert which was held recently in Champaign, IL, by Willie Nelson and 40 other musicians to raise money and bring the plight of the American farmer to the attention of the entire country. The first check that was signed by Willie Nelson from the proceeds of the concert went to the National Council of Churches for distribution to food pantries serving poor farmers and their families in seven Farm Belt States. We are a nation rich is resources, energy, and generosity, with an ability to feed the world, and yet many of the people we depend on are in desperate need of help themselves.

This amendment is a responsible step to take. It is an absolutely necessary step to take. Until we have determined the best way to address this national problem, the immediate needs of this Nation's hungry and homeless must be met.

I urge the distinguished chairmen of the Governmental Affairs Committee and the Banking, Housing and Urban Affairs Committee to hold hearings on two authorization bills for programs for the homeless. They are S. 739, which I introduced March 29 to authorize to national endowment for the homeless and S. 394, the bill Senator GORTON introduced are both awaiting action in these committees.

In the meantime, we need to continue a program which, in the last year has provided 52 million meals at an average cost of 71 cents and 14.5 million nights of shelter at an average cost of $2.24.

Mr. President, I urge the adoption of this amendment.

Mr. President, I ask unanimous consent to have printed in the RECORD a table in this connection.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

DISTRIBUTION OF EMERGENCY FOOD AND SHELTER FUNDS

	FEMA I	FEMA II	FEMA III
Alabama	$1,731,205	$1,069,399	$1,905,335
Alaska	69,978	100,000	125,000
Arizona	1,018,278	748,445	911,187
Arkansas	156,780	106,593	630,934
California	8,465,493	6,238,135	8,831,979
Colorado	114,300	88,492	333,507
Connecticut	192,806	100,000	589,453
Delaware	[1]	100,000	198,589
Florida	1,145,491	1,133,423	2,932,066
Georgia	364,469	240,126	961,886
Hawaii	[1]	100,000	125,000
Idaho	113,675	104,953	125,000
Illinois	4,317,930	3,363,394	4,528,175
Indiana	1,628,290	844,328	1,359,200
Iowa	224,368	125,409	132,074
Kansas	[1]	97,166	125,000
Kentucky	671,122	415,540	1,147,646
Louisiana	652,973	888,023	1,585,144
Maine	16,747	99,999	339,911
Maryland	825,301	479,394	413,642
Massachusetts	502,047	448,809	1,392,497
Michigan	5,138,882	3,890,051	4,787,228
Minnesota	222,814	160,485	610,983
Mississippi	283,182	230,098	807,081
Missouri	953,950	651,839	1,349,171
Montana	65,173	96,532	125,000
Nebraska	19,272	99,264	125,000
Nevada	261,309	169,339	125,000
New Hampshire	[1]	100,000	125,000
New Jersey	1,789,719	912,297	1,458,997
New Mexico	86,556	1,229,231	461,210
New York	3,063,172	2,443,896	5,176,531
North Carolina	287,523	180,203	1,437,763
North Dakota	[1]	100,000	125,000
Ohio	4,586,891	3,485,590	4,189,066
Oklahoma	5,633	159,180	669,701
Oregon	913,125	422,957	1,037,720
Pennsylvania	3,486,646	3,276,157	4,199,269
Rhode Island	271,012	169,378	206,028
South Carolina	291,442	123,975	920,339
South Dakota	6,055	100,000	125,000
Tennessee	1,206,281	675,882	1,735,119
Texas	676,552	1,774,825	4,310,082
Utah	157,096	151,199	374,856
Vermont	[1]	100,000	125,000
Virginia	247,306	128,219	526,707
Washington	1,758,521	1,015,009	1,746,775
West Virginia	553,106	761,966	1,035,434
Wisconsin	977,622	643,432	883,281
Wyoming	[1]	100,000	125,000
Total appropriations	50,000,000	40,000,000	70,000,000

[1] Funds not used, therefore reallocated to other States.

Mr. HEINZ. Mr. President, I am proud to join Senator DIXON in sponsoring this important amendment to provide an additional $20 million for emergency food and shelter for the homeless. Homelessness in America can only be described as a national tragedy, and I believe we have a responsibility to respond to this crisis.

Although reliable statistics are hard to find, it is clear that an enormous number of Americans are homeless—probably between 1 and 3 million. This is simply unacceptable. In April, the General Accounting Office released a report on homelessness and found that there was widespread agreement that homelessness is increasing. While improvement in the unemployment rate may help to reduce the number of homeless, deinstitutionalization of mentally ill persons and a continuing decline in low-income housing and public assistance programs are believed to offset any decrease in the overall number of homeless persons.

At the most basic level, the homeless need help in simply finding haven from the elements. For the most part, shelters for the homeless are operated by private, nonprofit organizations, and to a lesser extent, by local governments.

Mr. President, the primary response of the Federal Government to the problem of homelessness in this country has been through the Emergency Food and Shelter Program administered by the Federal Emergency Management Agency [FEMA]. This program has provided a mechanism through which Federal dollars have been distributed quickly and efficiently to the people who can best put them to use—local shelter and soup kitchen operators.

It is clear that long-term solutions to the problems of homelessness are needed. For this reason, earlier this year, Senator DIXON and I introduced a bill to replace the FEMA Program with a National Endowment for the Homeless. I know that Senator GORTON and Senator MOYNIHAN have introduced similar legislation which would transfer the FEMA Program to HUD. In the House, some Members recommend putting the program under the jurisdiction of the Department of Health and Human Services. I think all of these are reasonable long-term approaches, and we should pursue them. In the meantime, however, it is critical that we continue to fund the FEMA Program. We cannot allow emergency assistance for the hungry and homeless to be wittled away—unraveling support efforts so carefully woven—with brutal results for the homeless.

Mr. President, in 1984, Congress appropriated a total of $110 million for the homeless, a miniscule amount when contrasted to the enormity of the problem. From that small amount, over 100 million meals were served, and more than 15 million nights of shelter were provided. On average, a meal provided from these funds cost less than 75 cents; a night in a shelter less than $3. From my viewpoint, this is a very good bargain, and demonstrates the remarkable cost-effectiveness of each Federal dollar spent on emergency assistance.

In June 1985, the Senate passed an amendment to the second supplemental appropriations bill (H.R. 2577), sponsored by Senator DIXON and I, appropriating $110 million for the homeless through 1986. Subsequently, the

conference committee recommended $20 million for the rest of 1985 and recommended that any funds for 1986 be included in the 1986 HUD-Independent Agencies appropriations bill.

The House included $70 million for fiscal year 1986 for the homeless, but the Senate Appropriations Committee cut this back to $50 million in markup. Our amendment seeks only to restore the House appropriation level and would still be $20 million less than the Senate originally appropriated for this program this past summer. Mr. President, this is not a generous amendment—it is the bare minimum.

In a society plagued by holes in the safety net of support programs, the homeless are faced with the cruel possibility of no net at all. As a nation, we have an obligation to provide basic food and shelter for the most desperate of our poor—the mentally ill woman living on a park bench, the unemployed veterans sleeping in an abandoned car, the broken family evicted from their tenement with no place to go. A country as bountiful as ours should not tolerate its citizens living in subhuman conditions. It is a challenge to our national conscience and to all our public and private institutions to meet the needs of the homeless. This amendment represents a small, but important Federal contribution to this effort. As winter descends upon us, I strongly urge its passage.

Mr. KENNEDY. Mr. President, I rise in strong support of Senator DIXON's amendment to bring the 1986 Senate funding for the FEMA Emergency Food and Shelter Program in line with the amount provided by the House. As my colleagues know, the Senate has provided $50 million for this critical program and this amendment will add the $20 million needed to reach the House figure of $70 million. I am proud to be a cosponsor of this amendment.

As you may recall, Mr. President, the Congress reaffirmed its commitment to the Emergency Food and Shelter Program by providing a total of $90 million in 1985. I don't believe that that commitment will or should wane in 1986. This amendment adds $20 million to programs that aid the 20 million Americans who are hungry and the thousands upon thousands of our citizens who are homeless.

Some of my colleagues may argue that this funding is not needed in 1986 because of the recently released Census Bureau data showing a reduction in the poverty rate of 0.8 percent. Yet, at 14.4 percent the poverty rate is still the highest since 1966, except for 1982 and 1983 when we were in the throes of a severe recession. I want every Senator to know that we still have 33.7 million people in the United States who live in poverty. And even more frightening, almost 22 percent of America's children live in poverty and the poverty rate for young black children is the highest ever recorded for them at 51 percent. This recent change in the poverty rate gives no indication of continuing a downward trend. Further reduction in unemployment has now halted. The unemployment rate has been stuck around 7 percent for most of 1985 and real wages have stopped rising.

Coupled with these indicators is the recent action of the Senate Agriculture Committee which reported out a disappointing reauthorization of the Food Stamp Program that will cut $1 billion from food stamps. Mr. President, if we cannot meet our responsibilities to our citizens in need through longstanding proven Federal programs such as food stamps, then we have a moral obligation to continue adequate funding for effective emergency programs. I do not believe that emergency programs should take the place of other Federal programs. But, I will not allow millions of needy Americans to be left without even the barest of emergency aid.

The FEMA Emergency Food and Shelter Program has been proven to be effective. The $20 million we are asking for today will not help the thousands of hungry and homeless in this country who are not reached by already overburdened shelters and food pantries. It will only help them to try to serve the number of people they now serve. And, may I remind my fellow Senators, even with this amendment we are still short of last year's appropriations.

I call on the Senate to accept this amendment for the poor children of this country, their mothers and fathers, and the thousands of elderly who depend on the emergency food and shelter programs.

Mr. KERRY. Mr. President, I am pleased to join with the senior Senator from Illinois in cosponsoring this amendment that will reaffirm America's commitment to the problem of homelessness by providing adequate funding for the Emergency Food and Shelter Program.

Last year Congress appropriated $90 million to assist the homeless through the successful FEMA Emergency Food and Shelter Program. This year the Senate Appropriations Committee has recommended $50 million for the Emergency Food and Shetler Program in their appropriations bill, while the House has taken a more realistic look at this critical problem and requested $70 million. Senator DIXON's amendment will add $20 million to the Senate FEMA appropriations level, making it consistent with the House request.

Mr. President, once again I want to point out that causes of homelessness are as complex and wide ranging as the cities and towns across America which are afflicted with this ever pervasive problem. Homelessness can be attributed to a variety of social failures including persistent poverty, scarcity of low-income housing, alcohol and drug abuse, cutbacks in care for the mentally ill, spiraling inflation and the ongoing attempts by the present administration to make major cuts in Federal human service programs.

Some of my colleagues may contend that FEMA appropriations are supposed to be utilized for emergencies and that FEMA money being used to combat the homeless problem has become institutionalized in our appropriation process. I would like to emphasize that the problem of homelessness has reached epidemic proportions and that we do have a national emergency on our hands. There are over a million homeless and hungry American citizens throughout our cities and towns, and quite honestly Mr. President, the Federal Government's response to this crisis has been wholely inadequate and ineffective. Two years ago the Secretary of Health and Human Services created the Homeless Task Force whose mission was to coordinate and distribute Federal resources such as food, property, and supplies to the homeless. A recent House investigation concluded that although the "few Federal buildings, food and supplies donated to the homeless through the efforts of the task force are commendable achievements, the overall performance of the task force has been inadequate and its mission must be termed unsuccessful."

Lastly, Mr. President, I would like to point out that America's modern homeless population is changing significantly. There is an alarming increase in the number of homeless women and children. Families and children are flooding America's shelters and soup kitchens on a daily basis.

In addition, numerous families who depend on food stamp benefits for their meals are frequenting food pantries at an increasing rate. This can be attributed to the meager food stamp allotment—40 cents per meal per person—which is often depleted before the month's end. Furthermore, families and children can be found living in automobiles all across this Nation. It is obvious to me that until we eradicate hunger and homelessness, we will have a state of emergency on our hands.

In conclusion, Mr. President, I would like to impress upon my colleagues that as Government officials it is our responsibility to address this widespread crisis plaguing our Nation by funding the Emergency Food and Shelter Program at an adequate level of $70 million, and that it would be wholely irresponsible for us to decrease funding while this critical situation prevails. I rise before my colleagues today and request that they

accept Senator DIXON's amendment to add $20 million to the Emergency Food and Shelter Program and reaffirm America's commitment to the pervasive problem of homelessness.

AMENDMENT NO. 807

(Purpose: To provide housing assistance to the homeless through emergency food and shelter, renovation and conversion of facilities for use as shelters, and provision of housing and services in the transition to independent living.)

Mr. GORTON. Mr. President, I send a second-degree amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Washington [Mr. GORTON], for himself, Mr. MOYNIHAN, Mr. DIXON, and Mr. MATSUNAGA, proposes an amendment numbered 807 to amendment numbered 806.

Mr. GORTON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 1 of the amendment, strike out lines 3 and 4 and insert the following:

On page 24, line 18, before the period, insert ", and $15,000,000 to carry out a transition to independence demonstration".

Beginning with "the following" on page 24, line 20, strike out all through page 26, line 12, and insert in lieu thereof "titles VI and VII.".

At the end of the amendment, add the following:

At the end of the bill, add the following:

TITLE V—SHELTER PROGRAM: GENERAL PROVISIONS

SHORT TITLE

SEC. 501. The following titles may be cited as the "Homeless Housing Assistance Act of 1985".

DEFINITIONS

SEC. 502. For the purpose of this Act—

(1) the term "emergency shelter", as used in section 608(b) of this Act, means an entire facility, or that part of a facility, which is used or designed to be used to provide temporary housing to not fewer than twenty individuals;

(2) the term "homeless" means individuals who are poor and who have no access to either traditional or permanent housing;

(3) the term "local government" means a unit of general purpose local government;

(4) the term "locality" means the geographical area within the jurisdiction of a local government;

(5) the term "operating costs" means expenses incurred by State, local governments, and private nonprofit organizations operating transitional housing for the homeless under title VII of this Act with respect to—

(A) the administration, maintenance, minor repairs, and security of such housing;

(B) utilities, fuel, furnishings, and equipment for such housing;

(C) the conducting of the assessment required in section 705(a)(2) of this Act; and

(D) the provision of supportive services to the residents of such housing;

(6) the term "private nonprofit organization" means a secular or religious organization described in section 501(c) of the Internal Revenue Code of 1954 which is exempt from taxation under subtitle A of such Code, and which has an accounting system and a voluntary board, and practices nondiscrimination in the provision of assistance;

(7) the term "Secretary" means the Secretary of Housing and Urban Development;

(8) the term "shelter", as used in title II of this Act, means broadly the provision of protection from the elements for homeless individuals;

(9) the term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, or any territory or possession of the United States;

(10) the term "supportive services" means assistance to the residents of transitional housing in obtaining permanent housing, medical and psychological counseling and supervision, employment counseling, referral to job training, nutritional counseling, and such other services essential for establishing independent living as the Secretary determines to be appropriate. Such term includes the provision of assistance to the residents of transitional housing in obtaining other Federal, State, and local government assistance available for such persons, including mental health benefits, employment counseling, referral to job training programs, and medical assistance; and

(11) the term "transitional housing" means a single- or multi-family structure suitable for the provision of housing and supportive services for not more than 15 homeless persons, who cannot presently live independently without supportive services in a supervised residential setting but who are believed capable of transition to independent living with 6 months of assistance in a stable environment.

TITLE VI—EMERGENCY FOOD AND SHELTER PROGRAM

EMERGENCY FOOD AND SHELTER PROGRAM NATIONAL BOARD

SEC. 601. (a) The Director of the Federal Emergency Management Agency shall, as soon as practicable after September 30, 1985, constitute a national board for the purpose of carrying out an emergency food and shelter program.

(b) The national board shall consist of seven members. The United Way of America, the Salvation Army, the National Council of Churches of Christ in the United States of America, the National Conference of Catholic Charities, the Council of Jewish Federations, Inc., the American Red Cross, and the Federal Emergency Management Agency shall each designate a representative to sit on the national board.

(c) The representative of the Federal Emergency Management Agency shall chair the national board.

NATIONAL BOARD TRANSITION

SEC. 602. (a) The national board constituted by the Director of the Federal Emergency Management Agency, pursuant to section 601, shall continue to be authorized until March 30, 1986, and on such date, the personnel, property, records, and undistributed program funds of such national board shall be transferred to the national board constituted under subsection (b).

(b) On or before March 30, 1986, the Secretary of Housing and Urban Development shall constitute a national board for the purpose of carrying out an emergency food and shelter program. This national board shall consist of the same representatives, or their successors, of the same organizations as the national board constituted pursuant to section 601(b), except that the Secretary of Housing and Urban Development shall designate a representative to replace the Federal Emergency Management Agency representative. Such national board shall assume authority on March 30, 1986.

(c) The representative designated by the Secretary of Housing and Urban Development shall chair the national board constituted pursuant to section 601. On and after March 30, 1986, local boards constituted pursuant to subsection (a) shall be accountable to the national board constituted pursuant to subsection (b).

DISTRIBUTION OF PROGRAM FUNDS

SEC. 603. The national boards constituted pursuant to sections 601 and 602(b) shall determine how program funds are to be distributed to individual localities. The national boards shall identify localities having the highest need for emergency food and shelter assistance, based on unemployment and poverty rates and such other need-related data as the national boards deem appropriate, determine the amount and distribution of funds to these localities, and ensure that funds are properly accounted for.

AGENCY RESPONSIBILITIES

SEC. 604. (a) The Director of the Federal Emergency Management Agency shall award a grant for such amount as Congress appropriates for this program to the national board constituted pursuant to section 601 within 30 days after the beginning of fiscal year 1986, for the purpose of providing emergency food and shelter to needy individuals through private nonprofit organization and through units of local government.

(b) The Director of the Federal Emergency Management Agency, or his representative, shall have the following responsibilities: provision of guidance, coordination, and staff assistance to the national board in carrying out the program; and cooperation and coordination with the Secretary of Housing and Urban Development in the conducting of an aduit of program funds awarded to the national board constituted pursuant to section 601 or transferred to the national board constituted pursuant to section 602(b). The responsibilities of the Director of the Federal Emergency Management Agency with respect to this program shall end with the completion of the audit for program funds distributed during fiscal year 1986.

(c) The Secretary of Housing and Urban Development shall award a grant for such amount as Congress appropriates for this program to the national board constituted pursuant to section 602(b) within 30 days after the beginning of fiscal years 1987 and 1988, for the purpose of providing emergency food and shelter to needy individuals through private nonprofit organizations and through units of local government.

(d) The Secretary of Housing and Urban Development shall have the following responsibilities: provision of guidance, coordination, and staff assistance to the national board in carrying out the program; and the conducting of an audit of program funds awarded to and transferred to the national boards constituted pursuant to section 601 and 602(b).

(e)(1) In carrying out the responsibilities under subsection (d), the Secretary shall coordinate activities with the Federal Interagency Task Force on Food and Shelter, chaired by the Secretary of Health and Human Services, to identify vacant and surplus Federal facilities which could be ren-

ovated or converted for use as emergency shelter facilities for the homeless.

(2) Not later than 3 months after the end of fiscal year 1986, the Secretary shall submit to the Congress a report on obstacles, if any, including agency rules or procedures, to the availability of vacant and surplus Federal facilities for renovation or conversion to use as emergency shelter facilities for the homeless, with recommendations for legislative or administrative changes to overcome such obstacles.

LOCAL BOARDS

SEC. 605. (a) Each locality designated by the national boards constituted pursuant to sections 601 and 602(b) shall constitute a local board for the purpose of determining how program funds allotted to the locality will be distributed. The local board shall consist, to the extent practicable, of representatives of the same organizations as the national boards, except that the mayor or other appropriate heads of government will replace the Federal Emergency Management Agency or Department of Housing and Urban Development member. The chair of the local board shall be elected by a majority of the members of the local board. Local boards are encouraged to expand participation of other private nonprofit organizations on the local board.

(b) Local boards shall have the following responsibilities: determining which private nonprofit organizations of public organizations of the local government in the individual locality shall receive grants to act as service providers; monitoring recipient service providers for program compliance; reallocation of funds among service providers; ensuring proper reporting; and coordinating with other Federal, State, and local government assistance programs available in the locality.

(c) Prior to March 30, 1986, local boards constituted pursuant to subsection (a) shall be accountable to the national board constituted pursuant to section 602(b).

LOCAL HOMELESS ASSISTANCE PLAN

SEC. 606. (a) At the end of each fiscal year, each local board shall submit to the national board constituted pursuant to section 602(b), a plan describing programs, goals, and objectives for providing assistance to the homeless in that locality. The plan shall be developed in cooperation with the local government head represented on the local board.

(b) The local plan shall address the following subjects: description of existing shelter, mass feeding, and food bank activities in that locality, including activities not receiving assistance under this title; use and availability of all public and private resources in the locality to assist the homeless; coordination of all public and private services and resources in that locality to assist the homeless; coordination among all shelter providers in the locality to use all available shelter space for the homeless; and preservation of low-income housing in the locality.

(c) The local plan shall be placed on file in the office of the local government head represented on the local board and shall be made available to the public. The local plan shall be forwarded to that individual localities representatives in Congress. The national board shall maintain files of local plans and make them available upon request to other localities.

(d) The preparation and submission of the local plan shall be regarded as the legal duty of the local board, but failure to do so shall not be grounds for the withholding of funds appropriated under this title from that locality. Any citizen residing in the locality in which such local board is constituted shall have standing in the Federal district court of jurisdiction to seek an order compelling the preparation and submission of the local plan as required by this section. The substance and contents of the local plan shall be within the sole discretion of the local board and shall not be subject to administrative or judicial review.

SERVICE PROVIDERS

SEC. 607. Designation by the local board of a service provider to receive program funds should be based upon a private nonprofit organization's or unit of local government's ability to deliver emergency food and shelter to needy individuals and such other factors as are deemed appropriate to program objectives by the local board.

USE OF FUNDS

SEC. 608. (a) The national boards constituted by sections 601 and 602(b) may authorize the following use of funds to address the emergency food and shelter needs of needy individuals:

(1) Expenditures necessary to purchase emergency food and shelter for needy individuals, to supplement and extend currently available resources and not to substitute or reimburse ongoing programs and services; and

(2) Expenditures necessary to conduct minimum rehabilitation of existing mass shelter or mass feeding facilities to make facilities safe, sanitary, and bring them into compliance with local building codes.

(b)(1) Local boards are authorized to expend up to 25 percent of the funds allotted to that locality for substantial renovation or conversion, but not acquisition or new construction, of buildings for use as emergency shelter facilities to provide additional shelter space. Such expenditures shall be made in the form of noninterest bearing advances, repayment of which shall be waived if—

(A) the applicant utilizes the building as an emergency shelter facility for not less than the 10-year period following the completion of such renovation or conversion, or

(B) the Secretary determines that such facility is no longer needed to provide shelter to the homeless and approves use of the building for another charitable purpose for the remainder of such 10-year period. If the recipient of such advance fails to comply with the conditions for such a waiver, the recipient shall repay to the Secretary in cash the full amount of the advance received on such terms as the Secretary shall require. It shall be the responsibility of the local board to obtain documentation, signed by the responsible official. Showing that the recipient of such advance is aware of and agrees to the conditions of its receipt.

(2) Local boards are encouraged to provide, to the neighborhood in which a new emergency shelter facility is to be located, adequate notice and an opportunity to comment. Local boards are also encouraged to achieve the widest possible distribution of emergency shelters throughout the locality to avoid a disproportionate burden on any one section or neighborhood of the locality.

LIMITATION ON CERTAIN COSTS

SEC. 609. Not more than 3 percent of the total appropriation for this program each year may be expended for the costs of administration.

PROGRAM GUIDELINES

SEC. 610. (a) The national boards constituted pursuant to sections 601 and 602(b) shall establish written guidelines for carrying out this program, including methods for identifying localities with the highest need for emergency food and shelter assistance; methods for determining amount and distribution to these localities; eligible program costs, with the aim of providing emergency essential services based on currently existing needs; and responsibilities and reporting requirements of the national boards, local boards, and service providers.

(b) These guidelines shall be published annually, and whenever modified, in the Federal Register. The national boards shall not be subject to the procedural rulemaking requirements of subchapter II of chapter 5 of title 5, United States Code.

(c) Guidelines established by the national board constituted pursuant to section 601 shall continue in effect until modified or revoked by that board or by the national board constituted pursuant to section 602(b).

PROGRAM AUTHORIZED

SEC. 611. (a) To carry out this title, there are authorized to be appropriated $70,000,000 in fiscal year 1986, $88,000,000 in fiscal year 1987, and $91,000,000 in fiscal year 1988.

(b) Any appropriated funds not obligated in a fiscal year shall remain available for obligation during the following fiscal year.

SURPLUS FOOD DISTRIBUTION

SEC. 612. The Commodity Credit Corporation shall process and distribute surplus commodities acquired by the Corporation for the purpose of carrying out the food distribution and emergency shelter program in cooperation with the national boards constituted pursuant to sections 601 and 602(b).

TITLE VII—TRANSITION TO INDEPENDENCE DEMONSTRATION PROJECT

AUTHORITY TO MAKE GRANTS

SEC. 701. (a) The Secretary of Housing and Urban Development shall make grants to States, local governments, or private nonprofit organizations for the operation of demonstration projects to develop and apply innovative approaches in providing transitional housing and supportive services to the homeless to assist them in the transition to independent living.

(b) Grants under subsection (a) may be made in the form of:

(1) annual payments for operating expenses of transitional housing, not to exceed 75 percent of the annual operating expenses of such housing;

(2) technical assistance in establishing and operating transitional housing and providing supportive services to the residents of such housing to assist them in the transition to independent living; and

(3) a one-time only non-interest bearing advance, not to exceed $100,000, for the purposes of acquiring, rehabilitating, or acquiring and rehabilitating an existing structure for use in providing transitional housing, if the applicant agrees to utilize such structure as transitional housing for not less than 5 years. Repayment of such advance shall be waived if the applicant utilizes the structure as transitional housing for not less than the 10-year period following the initiation of operation of such transitional housing facility, or if the Secretary determines that such structure is no longer needed for use as transitional housing and approves the use of such structure for another charitable purpose for the remainder of such 10-year period. If the applicant fails to comply with

the conditions for waiver of repayment, the applicant shall repay to the Secretary in cash the full amount of the advance received on such terms as the Secretary shall require.

(c) Grants made under this section are to be used to supplement and extend currently available resources and not to substitute or reimburse ongoing programs and services.

APPLICATIONS FOR GRANTS

SEC. 702. Each application for a grant submitted by a State, local government, or private nonprofit organization shall contain—

(1) documentary material demonstrating that such applicant has the ability and resources necessary to operate transitional housing;

(2) documentary material describing the program and supportive services intended to be provided in such transitional housing, including the innovative quality of the proposed program;

(3) documentary material demonstrating that the State, local government, or private nonprofit organization involved has provided the emergency food and shelter program local board, constituted pursuant to section 605 of this Act, if such local board has been constituted in the locality where the proposed transitional housing will be located, an opportunity to comment with respect to this application, and a statement as to whether the local board approves or disapproves of such application and its reasons for any disapproval; and

(4) such other information or material as the Secretary shall establish.

ALLOCATION OF GRANTS

SEC. 703. In selecting States, local governments, or private nonprofit organizations for assistance in providing transitional housing under this title, the Secretary shall consider—

(1) the innovative quality of the proposal to provide transitional housing and supportive services to the homeless to assist them in the transition to independent living;

(2) the ability of the State, local government, or private nonprofit organization to develop and operate transitional housing for homeless persons and to provide supportive services to the residents of such housing;

(3) the need for such transitional housing and supportive services in the locality to be served; and

(4) such other factors as the Secretary determines to be appropriate for purposes of carrying out the demonstration project established in this Act in an effective and efficient manner.

DISTRIBUTION OF GRANTS

SEC. 704. (a)(1) Not later than 120 days after the beginning of each fiscal year for which Congress makes appropriation to carry out this title, the Secretary shall make grants under section 701.

(2) If the aggregate amount of funds requested in applications submitted and approved, during the 120-day period referred to in paragraph (1), is less than the amount of such appropriation available to make such grants, then the Secretary shall publish in the Federal Register a notice that additional funds are available for distribution under this title.

(b) The aggregate amount of all appropriations made to carry out this title shall be used to make grants under section 701 unless the sum of the administrative costs incurred by the Secretary to carry out this title and the aggregate amount of funds requested in applications approved under this title is less than the aggregate amount of such appropriation.

PROGRAM REQUIREMENTS

SEC. 705. (a) Each State, local government, or private nonprofit organization receiving assistance under this title shall agree—

(1) to operate transitional housing assisting residents in the transition to independent living and limiting the stay of individual residents to not more than 6 months;

(2) to conduct an assessment of the supportive services required by the residents of such transitional housing to assist them in the transition to independent living;

(3) to employ a full-time residential supervisor with sufficient expertise to provide, or supervise the provision of, supportive services to the residents of such housing;

(4) to keep and make available to the Secretary such records of the expenditure of funds as the Secretary may require by rule; and

(5) to comply with such other terms and conditions as the Secretary may establish for purposes of carrying out the demonstration project established by this title in an effective and efficient manner.

(b) Each homeless individual residing in transitional housing assisted under this title shall pay as rent an amount determined in accordance with the provisions of section 3(a) of the United States Housing Act of 1937.

REGULATIONS

SEC. 706. Not later than 120 days following the date of enactment of this Act, the Secretary shall issue such regulations as may be necessary to carry out the provisions of this title.

REPORTS TO CONGRESS

SEC. 707. (a) The Secretary shall submit to Congress—

(1) not later than 3 months after the end of each of the fiscal years 1986 and 1987, an interim report summarizing the activities carried out under this title during such fiscal year and setting forth any preliminary findings, conclusions, or recommendations of the Secretary as a result of such activities; and

(2) not later than 6 months after the end of fiscal year 1988, a final report summarizing all activities carried out under this title and setting forth any findings, conclusions, or recommendations of the Secretary as a result of such activities.

(b) Such interim and final reports shall address—

(1) the cost of operating transitional housing and providing supportive services to the homeless to assist them in the transition to independent living;

(2) the various types of transitional housing assisted under this title, including innovative approaches to assisting the homeless in the transition to independent living;

(3) the social, financial, and other advantages and disadvantages of transitional housing and supportive services as a means of assisting the homeless;

(4) the success of transitional housing programs assisted under this title, as measured in terms of placement of homeless individuals in permanent housing, placement in employment, and reductions in welfare dependency; and

(5) such other findings, conclusions, and recommendations as the Secretary deems appropriate with regard to assisting the homeless in the transition to independent living.

PROGRAM AUTHORIZED

SEC. 708. To carry out this title, there are authorized to be appropriated $15,000,000 in each of the fiscal years 1986, 1987, and 1988.

Mr. GORTON. Mr. President, there is one group of citizens in our Nation that have not enjoyed the fruits of our strong economic recovery—the mentally ill, evicted families, abused spouses, and castoff children that make up our homeless population. Relief agencies throughout the country are finding that their financial resources are inadequate to meet the emergency created by homelessness.

In my home State of Washington, public and private agencies were able to accommodate only 20 to 30 percent of those requesting shelter last year. In Seattle, the homeless population is estimated at 3,500, while there are only 1,100 to 1,300 beds available to meet their shelter needs. The City of Yakima reports that it is struggling to meet the food and shelter needs of a growing population of single women. Washington's Clark County was forced to deny shelter assistance to more than 100 families as recently as last July. A relief agency dedicated to meeting the needs of mobile families in King County, WA, had to refuse service to almost one-third of the families seeking help during 1984 because of a shortage in funds. Communities in Washington State, and throughout the United States, are faced with the tragic, growing problem of homeless youth—teenagers whose address is a highway underpass, and who live from day to day on food scavenged from supermarket dumpsters. The homeless are, indeed, still with us, and there is every indication that the problem is continuing to grow.

Over the past 3 years, Congress has addressed the particular needs of the homeless through an emergency food and shelter program. This temporary program has allowed the Federal Government to work in partnership with States and private organizations to relieve some of the pressing needs of the homeless. Most notably, it has provided support to mass shelters, soup kitchens, and food banks.

Although Congress has not turned its back on those citizens who require assistance in order to have the basic necessities of life, we have failed to duly authorize a continuing Federal program. The ad hoc, year-to-year approach we have taken to this issue has inhibited long-range planning by local providers of services for the homeless. The problem of homelessness is not going to disappear this year or next year. It is time to establish a properly authorized Federal effort to assist the homeless.

Mr. President, the amendment before you today is identical to an amended version of S. 394, a bill jointly sponsored by Senator MOYNIHAN

and me. This amendment would authorize an emergency food and shelter program for the homeless, assist in the revovation or conversion of buildings for use as emergency shelters, and support transitional housing to assist homeless individuals in the transition to independent living.

I. EMERGENCY FOOD AND SHELTER PROGRAM

In 1983, Congress first established an emergency food and shelter program, administered under the Federal Emergency Management Agency [FEMA], operated through a national network of the private voluntary organizations. This amendment would retain the emergency food and shelter program in its present format, although shifting its agency administration to the Department of Housing and Urban Development. The impetus for originally placing this program under FEMA was the emergency nature of the high unemployment in 1982 and early 1983, and the need to provide assistance swiftly. Yet, this program simply does not fit the primary mission of FEMA—that of managing flood control and providing disaster relief. In establishing the program on a permanent 3-year basis, it is appropriate to provide for transition of administrative responsibilities to HUD, which has proper jurisdiction for public housing activities.

The program would continue to operate through a national board of private voluntary organizations distributing grants to individual localities with the greatest need for emergency food and shelter assistance. Each locality would constitute a local board of nonprofit organization, chaired by the representative of the local head of government, to determine the actual distribution of funds to service providers.

This proposal thereby preserves the emphasis on private nonprofit organizations in managing the program and serving those in need. The focus continues to be on encouraging private initiatives through churches, neighborhood groups, and other organizations moved by compassion to devote time, energy, and resources to those who have fallen off even the bottom rung of the economic ladder.

In addition, local boards, in cooperation with the local government, would be required to develop a local plan describing programs, goals, and objectives for providing assistance to the homeless in that community. This requirement would, I hope, spur those communities that have not already done so to examine the problem of homelessness, to coordinate public and private resources for meeting the need, and to work to provide shelter and preserve low-income housing.

The amendment would authorize and appropriate $70 million for the emergency food and shelter program in fiscal year 1986, and authorize $88 million in 1987, and $91 million in 1988.

II. SHELTER RENOVATION AND COVERSION ADVANCES

The amendment creates a program that allows local boards to make competitive noninterest bearing advances to service providers for the renovation or conversion of buildings to use as emergency shelters.

Local boards could advance up to 25 percent of their funding to service providers for renovation and conversion efforts. Repayment of the advances would be waived if the recipient used the facility as a shelter for 10 years or more. The provision thus ensures long-term use of the buildings upon which funds are expended.

III. TRANSITION TO INDEPENDENCE DEMONSTRATION PROJECT

The amendment establishes a demonstration project under HUD providing competitive grants to States, local governments, and nonprofit organizations to develop and apply innovative approaches to assisting homeless individuals in the transition from living on the streets or in shelters to independent life.

The proposal is for "second stage" housing in a small-group residential setting. The program established by this amendment would pay up to 75 percent of the operating costs of transitional housing providing a residential environment for up to 15 individuals, with a full-time supervisor and supportive services.

The program would serve homeless persons who cannot presently live independently without supervision and supportive services but who are capable of eventual transition to independent living. The transitional housing would provide homeless individuals with a stable address, counseling, the opportunity to seek employment, and information on other available resources including referral to job training programs.

In this transitional program, the residents would be expected to assume greater responsibility for their own care. Residents would be required to pay 30 percent of their income or public assistance as rent, as do public housing tenants receiving rental subsidies.

At the end of each fiscal year, HUD would provide a report to Congress evaluating the wisdom of this approach to assisting the homeless and the success of the transitional project, objectively measured in terms of placement of homeless individuals in permanent housing and employment.

The amendment would authorize and appropriate $15 million for this demonstration project in 1986, and authorize $15 million for each of the fiscal years 1987 and 1988.

Mr. President, I ask my colleagues to join me in resolving that this will be the year in which Congress finally acts to establish a properly authorized program to feed the hungry and provide shelter to the homeless. I do not believe that this amendment would be the answer to all of the problems of homelessness in our Nation, but this proposal is a step forward in our awareness of the problem of homelessness and signals the determination of Congress to address it.

Mr. President, this second-degree amendment is cosponsored by the distinguished Senator from Illinois. We have worked out a cooperative approach, pursuant to which the program he seeks to enhance is now transferred permanently to the Department of Housing and Urban Development.

This also adds a demonstration project for the transition from the status of the homeless to being able to operate and live self-sufficiently.

Mr. HEINZ. Mr. President, I rise in support of the amendment offered by our distinguished colleague from the State of Washington [Mr. GORTON]. He deserves a great deal of credit for the homeless legislation we will vote on today. The essence of this amendment is the Homeless Housing Assistance Act of 1985, S. 394, which Senator GORTON introduced earlier this year. The elements of that bill will authorized an Emergency Food and Shelter Program similar to the program currently operated by the Federal Emergency Management Agency [FEMA]. I am particularly pleased to support this amendment because it is similar to legislation which Senator DIXON and I introduced in March of this year for a National Endowment for the Homeless, S. 739. Although there are some differences in this amendment, the primary objective of providing food and shelter through grants from a national board to local entities is preserved.

Senator GORTON's amendment also includes a demonstration project under HUD which would provide competitive grants to States, local governments, and nonprofit organizations to develop and apply innovative approaches to assisting homeless individuals in the transition from living on the streets or in shelters to independent living. I support this measure which emphasizes efforts to assist in the transition from temporary shelter to permanent homes—this is particularly important to meet the special needs of the homeless with mental and physicial disabilities and to facilitate access for the homeless to other sources of services.

A vote for this amendment is one more step toward the real commitment we need to address the growing challenge of homelessness and hunger in America.

HOMELESS HOUSING AMENDMENT

Mr. MOYNIHAN. Mr. President, I rise today in support of the amendment offered by my distinguished colleague, Senator GORTON, to provide for housing assistance for the homeless.

The amendment would provide a limited amount of funding for emergency food and shelter to the large and growing number of homeless Americans. Mr. President, this problem needs to be put in perspective: the Coalition for the Homeless has estimated the total homeless population in the United States at an alarming 2 million persons. Although three-quarters of the homeless are single individuals, a substantial proportion, 21 percent, are individuals in families, a large number of them children. The number of homeless persons keeps rising, especially in large cities across the country. The stock of affordable housing units for low- and moderate-income people is dwindling largely as a consequence of reductions in Federal housing aid.

This homeless housing assistance amendment would provide for the following. First, this measure would maintain the current Emergency Food and Shelter Program, but shift its administration from the Federal Emergency Management Agency, to the Department of Housing and Urban Development. The program would still be directed by a national board, comprised of seven representatives of private, voluntary organizations. Administration of the program by HUD will help foster the development of a national housing policy for low-income, homeless families and individuals. The amendment would also direct HUD to provide advances to State and local governments and private, nonprofit agencies to support the renovation or conversion of buildings for use as emergency shelters. These advances, which would be awarded on a competitive basis to governments and agencies, would not have to be repaid if the building is used as a shelter for at least 10 years. Finally, the amendment would authorize a demonstration project of small group housing to help homeless individuals make the transition to independent living. We envision this project as a short-term transitional program, with individual stays limited to 6 months.

The tragedy of homeless Americans is nowhere more vivid, or more painful, than in New York. Governor Cuomo has estimated the homeless population in New York at 40,000 to 60,000. The number of homeless families in New York City has increased a dramatic 158 percent over the 1982-1984 period. This year, some 3,775 homeless families—13,500 men, women, and children—were housed in hotels and family centers in New York City.

The desperate situation of the homeless in New York City is repeated in many other cities throughout the country. In Philadelphia, 15,000 persons received emergency family housing in 1983—five times the numbers in 1981. In Connecticut, 54 emergency food programs were operating in 1981; today, there are more than 200. In Colorado, some 300 emergency food programs are operating; 900 in Michigan; 2,000 in Texas; and 358 in Kansas.

Unfortunately, State and local government have had to bear nearly the full costs of providing homeless food and shelter. Both New York City and Washington, DC have committed resources to the homeless. To meet the growing demand, New York City spent some $123 million last year. Since 1979, New York City's costs to house homeless men and women in public shelters alone have increased more than seven times from $8 million to $58 million in 1984, and the city expects to spend $75 million on such this year.

New York City, as many other cities in this Nation, receives little Federal support to help meet its obligations and responsibilities to shelter and feed its homeless residents. In recent years, Congress has provided funds for emergency food and shelter services but only on an ad hoc basis. The time has come for the Federal Government to assume its responsibility for the homeless by permanently authorizing funds for emergency food and shelter.

To be sure, this legislation would address but one aspect of a most complex problem. Though it is important to provide Federal assistance for emergency food and shelter, the Federal Government must also assume its obligation to provide such services, assistance, and permanent housing for the growing number of families and individuals in need.

Moreover, the Federal Government must begin to address some of the root causes of homelessness and the problems of specific groups within the homeless population: former foster care children who are discharged from foster care with no where to go—a study of New York City shelters revealed that one-half of homeless youth had previously been in foster care; the mentally ill who become homeless for lack of sheltered living arrangements; homeless families who ride the subways at night rather than enter a large public shelter.

I urge my colleagues to join me and Senator GORTON in support of this amendment. It represents an essential first step in providing urgently needed assistance to the growing number of homeless Americans.

Mr. GARN. Mr. President, I will not take long, and I could, because this is a longstanding, real problem, and I have not liked the method in which Congress has attempted to solve it. I would say that the amendment of the Senator from Washington does improve the delivery system. It does, however, involve an increase in funding. We currently have $50 million in the bill. He is requesting in the second-degree amendment that we go to $85 million. That is unacceptable to me.

I make an offer to the Senator from Washington, that if he will reduce that amount, modify it, so that the total is $75 million—the $50 million we already have in the bill plus $25 million—I would be willing to accept it. I must oppose it at the $85 million level.

Mr. GORTON. Mr. President, I have discussed this matter with the distinguished—and in this case thoughtful and generous Senator from Utah, and I am prepared so to modify my amendment.

I ask that the amendment be modified in line 4 of the first page by striking $15 million and substituting $5 million, and amended in precisely the same fashion on line 17 of the last page.

The PRESIDING OFFICER. Is the Senator asking unanimous consent?

Mr. GORTON. Yes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DIXON. Mr. President, will the Senator yield?

Mr. GORTON. I yield.

Mr. DIXON. I ask the Senator for further clarification: Do I correctly understand that the $20 million will be for the emergency relief and the $5 million for the demonstration project?

Mr. GORTON. The Senator is correct.

Mr. DIXON. I thank the distinguished Senator from Washington.

The PRESIDING OFFICER. The question is on agreeing to the second-degree amendment, as amended, of the Senator from Washington [Mr. GORTON].

The amendment (No. 807) was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the underlying amendment, as amended, offered by the Senator from Illinois [Mr. DIXON] on behalf of himself and other distinguished Senators.

The amendment (No. 806), as amended, was agreed to.

Mr. GORTON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GARN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GARN. Mr. President, so that my colleagues will know where we are with this bill now, we have completed action on everything except three amendments.

There will be a Murkowski amendment offered in the morning at 8:30

a.m., on which there will be a rollcall vote; if the Murkowski amendment fails, there will not be an additional Chiles-Domenici amendment; if it does succeed, we will except another across-the-board cut amendment to make up for that loss in revenue.

There are also two Biden amendments approved for action in the morning.

On those amendments, three minimum, possibly only two, and four maximum, we will then be ready to go to final passage.

EPA SEWAGE TREATMENT CONSTRUCTION GRANT PROGRAM

Mr. LAUTENBERG. Mr. President, in considering H.R. 3038 the committee also deferred appropriations for the Construction Grants Program for sewage treatment plants pending approval of reauthorizing legislation. In July, the Senate passed S. 1128, the Clean Water Act of 1985, by a vote of 94 to 0. One key provision in this bill extends the authorization of the Construction Grants Program. It also authorizes a new allotment formula and would make financing contingent upon the establishment of State revolving loan banks, a concept that originated in New Jersey.

Mr. President, the Construction Grant Program is key to achieving the goals of the Clean Water Act. Since its enactment in 1972, Federal, State, and local governments have invested more than $56 billion in municipal wastewater treatment facilities. These expenditures have resulted in the construction or upgrading of approximately 3,500 treatment facilities. Yet, according to EPA, construction needs eligible for Federal funding through the year 2000 are $53 billion. According to the latest estimates, New Jersey alone has $4.5 billion in eligible funding needs.

At the same time, municipalities are facing a 1988 deadline for meeting secondary treatment requirements at sewage treatment facilities. EPA has threatened to restrict development in municipalities which are not in compliance with this deadline. New Jersey has already imposed construction bans in a number of municipalities and has threatened other municipalities with such a ban if their sewage plants are not in compliance with the requirements of the act.

If we are to achieve the goals of the Clean Water Act and avoid unnecessary restrictions on development, it is imperative that the Congress appropriate the funds authorized by the Clean Water Act. While both the Senate and House have approved Clean Water Act amendments which would reauthorize the Construction Grants Program, the conference committee has not yet met to resolve differences between the House and Senate bills.

Mr. President, I know that the distinguished chairman of the HUD-Independent Agencies Subcommittee recognizes the importance of this program. In our scorekeeping on this bill, we have assumed $2.4 billion in fiscal year 1986 funding for it, although the funds are not actually in the bill. At this point, I would like to clarify with my chairman that it is his intent to seek appropriations for the Construction Grants Program as soon as possible after the Construction Grants Program is reauthorized. Perhaps on the continuing resolution, if one is necessary, or on the first fiscal year 1986 supplemental?

Mr. GARN. I appreciate the concern of the Senator from New Jersey about funding for this important program. It is indeed my intent to seek appropriations for the Construction Grants Program as soon as the program is reauthorized.

Mr. LAUTENBERG. I thank the distinguished chairman of the subcommittee, Senator GARN, for his assurances. Mr. President, funding for the Construction Grants Program is essential to cleaning up our Nation's waters and avoiding construction bans in communities around the Nation. I look forward to working with the chairman to provide funds for the Construction Grants Program as soon as possible.

Mr. GORE. Mr. President, the amendment I have proposed would add $500,000 to the fiscal year 1986 EPA research and development budget for the purpose of maintaining the facilities and six key personnel engaged in the study of the biological effects of nonionizing radiation at the EPA research facility in Research Triangle Park, NC. Nonionizing radiation is the umbrella term that encompasses radio frequency, microwave, and extreme low-frequency radiation.

The administration, for the fourth consecutive year, has decided not to request funding for this project. In the last 3 years, Congress, recognizing the vital importance of EPA expertise in this area, has continued the program. This year, however, despite rising public concern and the likelihood that EPA will propose a national guideline for exposure to nonionizing radiation, so far no money has been added back for this important program.

My amendment, quite simply, provides only the funds necessary to keep the program breathing. Let me make clear that even under my amendment there would be severe cuts in this program. The number of scientists working on the program would be cut from 17 to 6. This will require the scientists to wind down the current research program. But it will allow projects in which a great deal of time and resources have been invested to reach a logical stopping point and not be halted in midstream. More important, with EPA about to enter the public debate on establishing a national guideline for exposure to nonionizing radiation, my amendment provides the EPA Administrator the minimum necessary expertise to do this.

My amendment is endorsed not only by the experts working in the field, but by the National Association of Broadcasters, the Electromagnetic Energy Policy Alliance—an association consisting of manufacturers and users of electrical and electronic devises, and the former director of research and development at EPA, Dr. Bernard Goldstein.

Two years ago, responding to public concerns, EPA considered setting a natinal guideline for exposure to nonionizing radiation at 100 microwatts per square centimeter. That level would be 10 times more restrictive than the current, voluntary guideline of 1 milliwatt per square centimeter put forth by the American National Standards Institute [ANSI]. EPA eventually decided not to go forward with this proposal.

Without an enforceable national standard for exposure and faced with growing public concern, States, counties, and cities have begun setting their own standards. Massachusetts has adopted a standard five times as strict as the ANSI guideline. Multnomah County, OR, has adopted this same standard. Portland, OR, in Multnomah County, proposed a standard 10 times as strict. And New York City has adopted a standard 20 times as strict.

With public concern mounting, we can expect to see even more of these actions. Broadcasters will face different standards not only State to State, but possibly from city to city. Such differing restrictions could seriously interfere with the ability of the broadcast industry to continue to meet the public mandate embodied in the Communications Act of 1934, "to make available, so far as possible, to the people of the United States a rapid, efficient, nationwide, and worldwide wire and radio communication service with adequate facilities at reasonable charges * * *".

Mr. President, we should not leave it to States and cities to act independently in setting nonionizing radiation exposure standards.

This fall, EPA, alerted to the public health concerns and recognizing the benefit of a single standard, is again considering a national guideline. The EPA proposal will provide four options for controlling public exposure. The options range from taking no action at all to adopting a national guideline several times more restrictive than the current ANSI guideline. It is certain that during the public comment period strong arguments will be made for each of the options. It will be the responsibility of the EPA Administra-

tor to sort through the claims and counter claims and reach the correct public policy. Yet if Congress does not act to restore funds for the EPA Nonionizing Radiation Health Effects Program, he will be stripped of the in-house expertise and resources to do so.

Finally, Mr. President, abrupt termination of this program makes bad economic sense. The EPA facilities include $3 million worth of very sophisticated equipment paid for by the taxpayers. The highly specialized nature of the equipment required several years of testing by EPA's scientists before they could turn to questions about the health effects of nonionizing radiation. Abrupt cancellation of the program will mean this significant investment will be lost. Yet that is what the administration is proposing. I hope we have the wisdom to avoid this shortsighted policy.

Government has an obligation to provide leadership, particularly where there is growing public concern about an issue. This is such a time.

Leadership requires making informed choices, and to make informed choices government leaders must have access to the best possible expertise. That is why we fund programs such as EPA's Nonionizing Radiation Health Effects Program in the first place, and that is why we must continue to provide support at this critical juncture. My amendment does just that. I urge the support of my colleagues.

Mr. GARN. I am sympathetic to the Senator's amendment. He has done a very thorough job researching this issue and I want to thank him for his efforts. I am familiar with this issue as the University of Utah has, in its Nonionizing Radiation [NIR] Research Program and its director Dr. Om Gandhi, one of the premier NIR programs in the nation.

This issue the Senator from Tennessee has raised is an important one and one I think deserves the further consideration of the Senate. I agree with the Senator that it would be extremely shortsighted at this time to dismantle this program on the eve of EPA rulemaking on allowable standards for exposure to nonionizing electromagnetic radiation.

But in light of the severe fiscal constraints we are under in this bill, I wonder if he would be willing to withdraw his amendment and accept in its place my commitment to attempt to add language in conference instructing EPA to hold in abeyance dismantling this program until the committee has the opportunity to thoroughly examine this issue early in calendar year 1986.

During this period of time EPA would be required to maintain the NIR health effects research laboratory at Research Triangle Park, NC, and further maintain a core group of scientists on this program of not less than six full-time equivalents.

Mr. GORE. I thank the gentleman for his suggestion, and given the situation we find ourselves in on this bill I would be willing to reluctantly accept his offer to withhold my amendment with the understanding that language will be sought during conference to prevent the dismantling of this crucial program until we have the opportunity to examine the issue thoroughly. I look forward to continuing to work with the gentleman on what I believe is an extremely important subject and hope we can work something out on the future of the NIR Health Effects Research Program early in the calendar year.

Mr. GARN. That is my offer.

Mr. GORE. I will not then offer my amendment.

Mr. SPECTER. Committee language deletes funds for the parking garage portion of the high priority Philadelphia Veteran's Administration clinical addition. This garage is a structurally integral part of the addition's design. If the garage cannot be built, the addition will have to be totally redesigned, forcing the project to be totally redesigned and causing a 2-year delay. Would you be opposed to allowing the hospital to build their parking garage from available funds; that is, by stretching some projects at the hospital? The director of the hospital in Philadelphia has indicated his ability to do this. This does not mean an increase in the 1986 appropriation.

Mr. GARN. We have directed the VA to immediately promulgate a program by which parking facilities can be provided at VA medical center sites and the costs paid for or amortized by the charging of user fees and will consider permitting parking construction when a VA employee parking fee-based cost-recovery system is implemented. If the VA implements such a program, I would have no objection to allowing the Veterans' Administration to build their parking garage out of available funds as an integral part of the construction of clinical addition and nursing home at the Philadelphia Veterans hospital.

Mr. SPECTER. That is acceptable. Thank you for your cooperation and help in this matter.

HUD DETERMINED WAGE RATES UNDER THE CIAP PROGRAM

Mr. ROTH. Mr. President, the Department of Housing and Urban Development issued a notice, PIH-84-1, on January 5, 1984, prescribing HUD determined wage rates under the CIAP Program. While this notice apparently had the result of savings for a large number of public housing agencies, for others, of which the Wilmington Housing Authority is one, it had the exact opposite effect; our housing authority estimates that this notice will result in an increase of 25 percent in their labor costs. The director of the housing authority, Mary Ann Russ, suggested that public housing agencies be allowed to use the lower of two wage rate determinations. As this seemed sensible to me both from an equity and cost effective standpoint, I wrote to the Department to see if they could implement this suggestion. To date the Department has not implemented this idea. I would add that the CIAP Program has been very important to our housing authority due to the age of their housing stock; this program has greatly assisted the authority in helping them meet the mandate of providing decent, safe, and sanitary housing. It clearly makes sense to allow the maximum use of Federal funds to meet this mandate. I would like to ask the distinguished Senator from Utah if he would agree that HUD should undertake to implement the suggested change for wage rate determinations under the CIAP Program?

Mr. GARN. I would reply to the Senator from Delaware that this suggestion certainly does seem to be a sensible one. I would be happy to work with him to have the Department implement what would seem to be a simple change to the HUD handbook for the CIAP Program, the design of which is supposed to be for guidance in running our public housing in an orderly and efficient manner, not to increase costs.

Mr. ROTH. I thank the Senator for his support and would hope that together we could get a timely solution to the problem of increased labor costs under the CIAP Program.

● Mr. LEVIN. Mr. Chairman, the HUD-independent agencies appropriations bill passed by the House includes $26.7 million for design, site acquisition and site preparation for a VA Medical Center in Detroit. The Senate version of the appropriations bill does not include funding for the Detroit hospital.

I understand the subcommittee's reluctance to appropriate money for this project since a specific site for the hospital has not been officially selected. However, it is crucial that we get this project underway. The Detroit Medical Center has been in the planning stages for years now, and its construction is badly needed. Current facilities need to be upgraded to allow the use of modern medical equipment. Veterans are not receiving the care they are entitled to, and will not until the Detroit Medical Center is completed.

The VA considers this project a top priority. A formal site decision is expected early in fiscal year 1986. It is important that money be appropriated now so that the design stage of the project can be started as soon as the VA announces the site.

I would ask the chairman if he would give serious consideration to

this issue and work for a mutually satisfactory agreement on this point. I request particularly that he be sensitive to the reasons for going ahead with an appropriation for the project even without a formal site selection.

Mr. RIEGLE. Mr. President, I would also like to share my thoughts on this issue with the chairman of the subcommittee. I have been working to secure funding for this important facility in my state over the last few years, and would hope that the chairman would work with us in the effort to finally get this project underway.

Mr. GARN. I assure the Senators that I will work to attempt to reach an accommodation on this issue.●

AUTOMATION, ADVANCED ROBOTICS, AND ELECTRONIC CINEMATOGRAPHY

Mr. D'AMATO. Mr. President, I rise to seek a clarification of the language included in H.R. 3038 concerning the use of computer aided engineering, the research and development section of the National Aeronautics and Space Administration from my distinguished colleague, the chairman of the HUD-Appropriations Subcommittee.

Is it correct that the committee is directing NASA to focus attention on new developments in automation, advanced robotics, computer graphics, and electronic cinematography and to report the findings back to the Congress within 6 months? Is it also true that efforts included in this study would encompass a development to intermix live-action photography with the imaginary world of computer graphics?

This advanced technology in computer aided systems would reduce cost and increase efficiency. The results of this development would also present images stored in digital form that is first generation copy with no downgrading in quality at any time. The committee has been advised of the potentials of the pragmatic, research and national significance of this development that can be readily developed by the New York Institute of Technology.

Mr. GARN. Mr. President, the Senator from New York is correct in his interpretation of this language. This language promotes the development of advanced computer aided engineering and enhances U.S. scientific competition. The committee directs NASA to explore this research and development potential with centers of technology leadership such as the New York Institute of Technology. The facility that can be developed by such institutions should receive support and assistance necessary for advances in this critical design capability including such closely related areas as high definition television, computer graphics, and digital sound capability.

Mr. D'AMATO. Mr. President, I thank the Senator from Utah for clarifying this language. I also commend the Senator from Utah for developing a bill that will greatly benefit our Nation on a number of matters of national concern.

Mr. HEINZ. Mr. President, if I may have the attention of the Senator from Utah, Mr. GARN, I would like to address some questions to him. My colleague from California, Senator CRANSTON, and I understand that the committee has approved a $34.9 million budget to fund the activities of the Consumer Product Safety Commission for fiscal year 1986. Is that correct?

Mr. GARN. The Senator from Pennsylvania is correct.

Mr. HEINZ. Is it also true that none of these funds has been specifically earmarked to fund the Cigarette Safety Act study, which, as you will recall, was authorized by law last year to explore the technical and economic feasibility of producing self-extinguishing cigarettes?

Mr. GARN. That is also correct. Although the committee did not target money specifically for this project as the House has done, we did include report language stating that the Consumer Product Safety Commission in establishing its own priorities has the authority to spend up to $1 million to fund this project.

Mr. CRANSTON. May I inquire of my colleague whether he has any objections to the study itself?

Mr. GARN. No, I do not; I support the Cigarette Safety Act study and, as you know, agreed to inclusion of $500,000 in the fiscal year 1985 supplemental appropriations bill to ensure that the work of the interagency committee was not interrupted due to lack of funds. I am told that 99 percent of this money will be available in fiscal year 1986 and provide funds while the CPSC, National Bureau of Standards and the Appropriations Committee work out the final details of the study.

Mr. CRANSTON. Both Senator HEINZ and I have been assured that CPSC is committed to the completion of this study. Because of the reduction in the Commission's budget in recent years, it is our understanding that under the Senate's proposed funding level, it would be difficult for the Commission to divert limited agency resources to the Cigarette Safety Act study at the expense of other ongoing and long-standing safety programs, and that a special allocation may be necessary to continue the work of the study group. Should this be the case, would you consider additional funding?

Mr. GARN. If the agencies responsible for coordinating the study provide me and my subcommittee with sufficient information legitimizing the need for more funds, I would be open to such recommendations.

Mr. HEINZ. I would like to say to my colleague from Utah that I have received assurances from CPSC Chairman Scanlon that he has given this project high priority and that he will provide you with any information you might require concerning the Cigarette Safety Act project.

Mr. GARN. I would be happy to reconsider this matter in light of any new information that might be provided as expeditiously as possible.

ASBESTOS IN SCHOOLS

● Mr. MATHIAS. Mr. President, the $50 million recommended for the School Asbestos Abatement Program in the HUD appropriation bill pales before the billions to be spent on other toxic problems by Superfund. The magnitude of the asbestos problem in our public schools far exceeds the size of this appropriation. Still, it is an encouraging beginning.

Our youth deserve better than to suffer from our mistakes. A year ago, I said that "the presence of asbestos in schools is a public health menace because children are especially susceptible to the effects of the material." I have heard nothing since to make me change my mind.

Asbestos can cripple or kill through asbestosis, lung cancer, and mesothelioma, also a form of cancer. All three are horribly painful and debilitating. And all three develop over the course of many years. They are creeping, insidious maladies.

In its first year, the School Asbestos Abatement Program has come under heavy fire, even from some of its own supporters, for failing to achieve its stated purpose. But, as the committee report for H.R. 3038 rightly argues, our next step should be to improve the program, not to cripple or kill it.

Let me illustrate the problem, and a model solution. In my home State of Maryland, in its largest city, Baltimore, almost all of the public schools contain asbestos. The obvious solution, removing the asbestos, was not the best one. In the removal process, asbestos particles would have been set free into the air and onto other surfaces, creating a worse hazard yet.

So what to do? Tap the experience and ingenuity of those most closely involved with the asbestos program, and innovate. That is what Mayor Schaefer of Baltimore and the Baltimore Board of Education did. They entered into a contract with the White Lung Association, a national organization of asbestos victims, to encapsulate the asbestos in a durable material instead of removing it.

I would like to commend Mayor Schaefer and the board of education for their willingness to experiment. Their bold leadership produced results. I would also like to commend the White Lung Association for both their courage in fighting their own asbestos-induced disabilities and their selfless labor to contain the asbestos threat to future generations. We profit by their examples.

We already are developing the new techniques which we need to deal effectively with the asbestos threat. The $50 million provided by this bill continues our progress. I commend the distinguished chairman of the Appropriations Subcommittee, Senator GARN, and the ranking minority member, Senator LEAHY, for continuing this essential program.●

CLOSURE OF HUD FIELD OFFICES

Mr. ROTH. Mr. President, I noted with interest language contained in the committee report accompanying H.R. 3038, reaffirming the committee's directive contained in Senate Report 99-82 on the Supplemental Appropriations Act for fiscal year 1985, directing the Department to provide the committee with details of any plan for implementing a reorganization of regional/field office structures and functions no later than 30 days prior to the date on which the Department would be required to publish its analysis in the Federal Register. Earlier this year it was rumored that HUD intended to close the FHA Wilmington field office. This caused a great deal of concern among my constituency who would be left without a HUD presence in Delaware. Currently all States have at least one HUD office. The current design of the regional network and field office structure was an attempt to insure local needs would be met and input received in order that the Federal services offered under a vast array of programs would reach the people they were intended to serve. I have a concern that the closure of the FHA Wilmington Office would adversely affect this delivery of services. I personally met with Secretary Pierce with my colleagues, Senator BIDEN and Congressman CARPER to request that the office be retained. Subsequently it was my understanding that HUD had dropped plans for closure of this and other offices. Therefore, I was very concerned recently to be contacted by several of my constituents who have heard that the office will, in fact, be closed. I would like to ask the distinguished Senator from Utah if he has been advised of any such proposed closures, particularly the office in Wilmington, in light of the committee report directive or has knowledge of any impending action?

Mr. GARN. I would reply to the Senator from Delaware that the committee has not at this time been notified by HUD of action to close the Wilmington FHA Office. I would take this opportunity to repeat that the committee expects to be notified by the Department no later than 30 days prior to Federal Register publication in order that the committee can have the opportunity to review the required cost benefit analysis.

Mr. ROTH. I appreciate the Senator's response. I would add that the Wilmington FHA Office appears to generate revenue for the Department and I would therefore hope that in the event that the committee is presented with a proposal to close the FHA Office in Wilmington the evidence will clearly support its retention.

RADON INDOOR AIR RESEARCH

Mr. LAUTENBERG. There is a matter in the EPA R&D account that needs to be clarified. I wonder if the distinguished manager might take a moment to discuss it at this point?

Mr. GARN. I am happy to respond to any questions the Senator from New Jersey might have.

Mr. LAUTENBERG. I am very concerned about the public health threat posed by radon contamination. When the subcommittee met to mark up this bill, I offered an amendment to provide funding for radon work in EPA's Indoor Air Research Program. The chairman very graciously agreed to a $2 million increase in the R&D appropriation for this purpose. The problem is that, although the bill before us contains the aggregate level the committee approved for R&D—$228,775,000—the report explaining the committee's recommendations fails to mention indoor air research specifically. My understanding is that this is an inadvertent omission—that GPO just left the language out by accident. I just want to be sure that the Senator from Utah agrees and that the $2 million for indoor air research is included in the R&D number.

Mr. GARN. I am, of course, aware of the Senator's concerns for environmental problems and I want to commend him for his initiative on radon and indoor air pollution research. He has stated the situation regarding his amendment exactly as I understand it. It is the intent of the committee to provide $2 million for this important research program within the R&D account. Reference to this activity in our report was accidentally omitted when the report was sent to the printer. That, however, in no way alters the fact that the committee has approved the money for indoor air research.

Mr. LAUTENBERG. I thank my friend for his clarification and for his assistance in securing funding for this program.

Mr. MITCHELL. I would like to commend the Appropriations Committee for its decision to include $2 million for EPA research of indoor air pollution and exposure to radon gas. We now have clear evidence that indoor air pollution is a serious threat to public health. Responding to this evidence, the Senate recently approved legislation, which I sponsored with Senator LAUTENBERG providing the EPA with a clear mandate to conduct a comprehensive program of research into indoor air pollution. The $2 million included in the Appropriations Committee bill will assist the EPA in implementing this important legislation.

Mr. BUMPERS. Mr. President, no one is more concerned about protecting our Nation's valuable natural resources than I am. I can understand my colleagues' interest in having the problems facing Oklahoma corrected. Arkansas, too, has serious water problems. I am completely dedicated to seeing those problems eliminated, and my interest is by no means a purely parochial one.

Mr. President, we in Congress have done our best to pass laws which will ensure that positive actions are taken to improve the quality of our Nation's water. We have set high standards and have charged the EPA with implementing regulations to carry out these laws in order to ensure that those standards are met. Under those regulations, the EPA is bound to act in a timely manner.

Since the early 1970's, EPA has been issuing waste water permits to protect water standards. The process has been a highly successful one, and has led to significant water quality improvements, a record which must be continued. The existing process allows all interested parties in a given situation to participate fully and receive due consideration. This process includes a built-in administrative appeals mechanism if there is disagreement over a decision and they may be followed by an appeal to the Federal courts.

I want to express my strongest belief that the Congress should not interfere in this administrative process, but rather should allow EPA to perform its duties as charged by law, in a timely manner. I am not saying we should persuade the EPA to reach a particular conclusion; I am merely saying we should not even by implication impede the administrative process. I would like to call attention to the fact that a permit is not cast in iron once issued—it may be reopened and modified at any time. This process has been underway for a couple of years now and I fully believe we should show faith in the EPA's ability to act objectively and in compliance with the law.

I would like to express confidence in the Fayetteville facility's ability to produce an environmentally acceptable discharge. I have discussed the proposed plan at great length with EPA officials and with officials of Arkansas' Department of Pollution Control and Ecology. It is my understanding that the "state-of-the-art" technology that will be utilized will produce a discharge that is far cleaner than the polluted waters of the Illinois River are now.

Mr. President, the Clean Water Act requires that effluent limits for permits must be sufficiently stringent to meet water quality standards which

will support beneficial uses including public water supply, fish and wildlife propagation, and recreation. The Fayetteville discharge will meet Arkansas and national water quality standards. Fayetteville is committing a significant percentage of local funds into this project, which is approximately 15 percent complete. Even if the permit is granted, discharge is not due to begin until 1987, after the completion of the Illinois River Water Quality Study in late 1986. I certainly recognize the importance of this study, and share my colleagues' interest in seeing it completed in an expeditious manner. It is important that a permit decision be made, however, so that local officials can make important timely decisions regarding further commitments and investments. I hope that the conference committee will not include any language in this report which might influence officials in a way that would slow the timely completion of this project.

Mr. BOREN. Mr. President, I appreciate the opportunity to discuss a very important problem to the State of Oklahoma with the distinguished chairman of the HUD-Independent Agencies Subcommittee on Appropriations. The Oklahoma congressional delegation, including my good friend, Mr. NICKLES, have been attempting to find a solution in cooperation with the Environmental Protection Agency to the possible degradation of our scenic Illinois River in eastern Oklahoma.

The city of Fayetteville, AR, is in the process of upgrading and expanding its current waste water treatment facility. The present plan for discharge would be into Mud Creek which flows into the Illinois River in Oklahoma.

Last year, in answer to our inquiry, the EPA, the State of Arkansas, and the State of Oklahoma started work on a comprehensive study of the entire Illinois River basin to measure the extent of nutrient loading and degradation problems along the river. This is a positive step in the effort to preserve and protect one of Oklahoma's most important natural resources.

We were under the impression that EPA would not issue the final discharge permit until the completion of this study. Our understanding is the granting of this permit is imminent.

Mr. President, EPA is spending $350,000 for this study which is to be completed in December 1987. Preliminary findings should give a fairly accurate appraisal, perhaps as early as May of next year. Oklahoma has asked the Administrator of EPA to delay issuing this permit until this time, but can get no satisfactory answer.

We would like to request language in the conference report directing the Administrator of EPA to issue an interim NPDES permit which maintains the current limits the basinwide study of the Illinois River is complete.

Mr. NICKLES. Mr. President, today I join my distinguished colleague from Oklahoma, Senator BOREN, in this discussion about a very important issue in my State: Maintaining the quality of the State's premier scenic river, the Illinois.

The city of Fayetteville, AR, is presently upgrading its sewage treatment facility. And under current plans, this facility would discharge about 50 percent of its effluent into Oklahoma's Illinois River.

I have been working with the Environmental Protection Agency since May of last year to resolve the pollution problems facing the Illinois River in Oklahoma. Senator BOREN, other members of the Oklahoma congressional delegation, and I met with Mr. Ruckelshaus on this last year. As the result of a September 20 meeting last year, the EPA agreed to conduct a comprehensive study of the Illinois River basin.

This study began in August of this year and will not be completed until fall of next year. The members of the Oklahoma delegation were under the impression that the EPA would not grant a final discharge permit to the sewage treatment facility in Fayetteville until this study was completed.

During a meeting last month with EPA's new Administrator, Lee Thomas, we asked that the discharge permit be delayed until the study is completed. However, we have yet to receive a conclusive answer as to what action the EPA plans to take.

Because the Illinois River is such an important part of the State's economic, cultural, and scenic condition, it is vital that every step be taken to ensure its preservation for this and future generations.

I echo Senator BOREN's request that there be language in the conference report directing the Administrator of EPA to issue an interim NPDES permit which maintains the current limits until the comprehensive study is completed.

Mr. GARN. Mr. President, I understand the concerns of my colleagues from Oklahoma. It is important that we all work to preserve the natural resources of our States. It seems reasonable to me to ask the EPA to attempt to expedite the study of the Illinois River basin so that at least the preliminary findings might be available before the final discharge permit is issued. I will convey to the conference committee this point of view and will urge them to give it serious consideration.

Mr. PRYOR. Mr. President, I understand the concerns of the Senators from Oklahoma. I want to point out, however, that there's another side to this issue.

I feel very strongly that Congress should not intervene in the administrative process in any way that would hinder the timely completion of the waste water treatment facility at Fayetteville, AR.

We should allow the Environmental Protection Agency [EPA] to move ahead.

It's been shown, Mr. President, that this project will meet all existing water quality standards. Further, most of the money for this facility will be raised locally. This waste water treatment facility has been in the works for a couple of years, and construction has already begun. The timely issuance of necessary discharge permits will allow the Fayetteville project to continue on schedule. There have been hearings on this project, and an extensive review process has been undertaken by the EPA. The Agency is convinced there is no violation of water quality laws. It is my understanding that the discharge will be cleaner than water now in the river.

Mr. President, last year all parties concerned agreed to have a study made of the Illinois River Basin. That study is now underway and will be completed in the fall of 1986—before any effluent is scheduled to be discharged into tributaries of the Illinois River. I too, hope the study can be completed as soon as possible.

For all these reasons, I don't believe any action should be taken by the Congress to impede the EPA's permit schedule in any way that would delay the project.

KANAWHA VALLEY HEALTH EFFECTS STUDY

Mr. BYRD. Mr. President, I want to commend the distinguished chairman of the Department of Housing and Urban Development Appropriation Subcommittee for including within H.R. 3038 my amendment to add $250,000 to initiate a comprehensive health effects study in the Kanawha Valley of West Virginia.

The tragedy of Bhopal, India, on December 3, 1984, heightened concern throughout the world regarding the manufacture and handling of chemical products such as methyl isocyanate [MIC]. That concern is especially keen in the Charleston, WV, area where more than 20 plants, manufacturing a broad array of chemicals, are located, including the sole American MIC production unit. The continued operation of these plants is essential to the economic well-being of the region, while safe chemical production is of utmost importance to the health of the residents of the Kanawha Valley.

In order to protect both the economic and physical health of the area, local leaders, working with their elected officials, have established the National Institute for Chemical Studies to ensure that a balanced approach is applied. Well-defined public policy on

issues such as these depends on the thorough collection of relevant data and careful analysis. That is the purpose of the health effects study which is included in this fiscal year 1986 Department of Housing and Urban Development appropriation bill. The National Institute for Chemical Studies, in conjunction with the Harvard University School of Public Health and others, is prepared to carefully review existing health records and analyze physiologic health changes that may be associated with chemical pollutants. The results of this study will permit a careful assessment of the hazards and will suggest cost-effective remedies.

Other areas of heavy chemical production elsewhere in the country will benefit from the results of this study. I am pleased, Mr. President, that the National Institute for Chemical Studies will be taking a leadership role in this regard. I look forward to the results of this work and wish to thank the managers of the bill, Senator GARN and Senator LEAHY, for their cooperation and foresight in making this study possible.

BUDAPEST CULTURAL FORUM

Mr. D'AMATO. Mr. President, I ask to have printed in the RECORD the remarks I delivered at the Budapest Cultural Forum, on October 17, 1985.

The material follows:

REMARKS BY SENATOR ALFONSE D'AMATO, CHAIRMAN OF THE HELSINKI COMMISSION AT SPECIAL ORDER ON THE BUDAPEST CULTURAL FORUM OCTOBER 17, 1985

Mr. President, as members of the Commission on Security and Cooperation in Europe, my esteemed colleagues and I came here today intending to commemorate the opening of the Budapest Cultural Forum as part of the Helsinki process. We came here today to praise the first East-West cultural gathering in the 10 years since the final act was signed. We came here intending to applaud the Hungarians for holding the first of such meetings in a Warsaw Pact country, and holding it in a Democratic and open environment.

I regret to have to inform my distinguished colleagues that there are no grounds for this praise. In spite of assurances we have received over the past 2 years that the Hungarians would hold a free and open conference; in spite of a preparatory conference in Budapest last year where these assurances were repeated and; in spite of recent statements by the Government of Hungary maintaining that the forum would adhere to all Helsinki principles; the Hungarian authorities on Tuesday, the opening day of the forum, have denied the right of a number of private, non-governmental groups like the U.S. Helsinki Watch to engage in any activities connected with the Conference.

The circumstances of the Hungarian ban are revealing. The International Helsinki Federation for Human Rights, a European and North American group of Helsinki monitoring organizations, planned a 3-day cultural symposium to begin on the opening day of the Budapest meeting. That forum was to have covered such issues as literary freedom, cultural, and the future of culture in Europe. Noted authorities such as Susan Sontag, William Shawcross, Amos Oz, George Konrad, and others were scheduled to participate. The Federation has delegations in Budapest from the United States, Canada, France, Austria, the Netherlands, Norway, Sweden, and Switzerland.

After the Federation learned Tuesday that their plans to hold meetings in the Intercontinental Hotel in Budapest had been abruptly cancelled by the Hungarian Government, the group crowded into a private apartment to hear from leading Hungarian and Czechoslovakian dissidents, as well as American writer Susan Sontag, Israeli novelist Amos Oz, and German poet Hans Magnus Enzensberger. The group vowed to continue to free intellectual exchange during the forum. Hungarian writer George Konrad said: "We should have the right to hold this meeting in public, but if we don't have a public place, then every apartment will be public." Gerald Nagler, Executive Director of the Vienna-based Federation said: "The Hungarian Government was fully informed of our intention in advance. We did this through many channels to avoid any overreaction. We did not see any signs of nervousness on their part." Mr. Nagler said the symposium would continue, "we will look for other solutions," he said, "we are not going home."

The U.S. Delegation, headed by Ambassador Walter Stoessel, former Ambassador to Moscow and Deputy Secretary of State, has lodged a strong protest with the Hungarian Government. The protest said that the ban was "a violation of Hungary's commitment to allow the full range of activities for non-governmental organizations, and that it has harmed the spirit of the Budapest Cultural Forum." The Hungarians have replied that such private groups will be permitted no public activities during the Conference.

Yesterday, the International Helsinki Federation held the first of its planned symposia in another private apartment. At this event, a number of eloquent papers were given which discussed creative freedom and other aspects of culture. But more eloquent than these statements is the fact that this meeting had to be held in a private apartment whose location had to be kept secret to avoid police interference. This situation is actual proof of the denial of freedom for creative activities within Hungary and throughout the Warsaw Pact States. It is also a symbolic counterpoint to the Soviet emphasis on State-sponsored and produced culture. Though tolerance of these hidden meetings is desirable, and I hope they will be allowed to complete their activities without official interruption, such tolerance fall far short of the Hungarian Government's promise to respect and abide by the Madrid precedent.

My esteemed colleague and co-chairman of the Helsinki Commission, Representative Steny Hoyer, and I co-authored a letter to the Hungarian Ambassador last week after we received reports of visa difficulties for certain private non-governmental representatives. We expressed the concern of the Helsinki Commission and reminded Ambassador Hazi that the Government of Hungary had agreed to permit the full range of private activities at this forum. We reminded the Ambassador that in discussions between U.S. and Hungarian officials that repeated reminders of their commitments have not once been challenged by the Hungarian authorities. Furthermore, an illustrative list of private citizen activities permitted at the Madrid meeting was delivered to Hungarian authorities at the end of the preparatory meeting late last year. No objection to this illustrative activities list was made by the Hungarians. In his reply, dated October 14, Ambassador Hazi stated that "the Government of Hungary has been driven by the desire to meet her full commitment to the Helsinki process and to make the Budapest Cultural Forum successful both as a contribution to the Helsinki process and to the easing of international tensions, and the furthering of peace and understanding. May I assure you, dear Senator D'Amato that the Government of the Hungarian People's Republic will do its utmost to honor both the letter and the spirit of its international commitments." It is a tragedy for the cause of human rights that the very next day the Ambassador's Government chose to break both the letter and the spirit of the commitments they made on the Budapest Cultural Forum. The Helsinki Final Act and the Madrid concluding document recognize that individuals, as well as institutions, organizations and governments, play a relevant and positive role in the CSCE process. If they are prevented from conducting planned activities in Budapest, the Commission on Security and Cooperation in Europe has serious questions about the utility of continuing this cultural dialogue.

I have said time and time again that we can have no confidence in future agreements made by the Soviet and their Warsaw Pact allies when they do not honor the commitments they have already made. How can we arrive at any useful plan for lessening tensions between the two superpowers if we cannot be assured that they will abide by any agreement made in Geneva? If we sit idly by and react only with words to Hungarian actions against non-governmental groups at the cultural forum, we will simply strengthen their impression that they can continue to ignore those provisions of treaties and agreements that they find troublesome.

The purpose of the cultural forum, as established in Madrid in 1983, is to discuss problems concerning creation, dissemination, and cooperation in the different fields of culture, human rights concerns are covered by this mandate, ensuring that issues for freedom, cultural heritage, and the free dissemination of cultural expression will not be ignored in Budapest.

The U.S. Delegation includes officials of the Department of State and the Helsinki Commission. In addition, there are 26 leading U.S. cultural figures on the delegation. The group including prominent representatives of American Culture, such as Playwright Edward Albee, Jazz Pianist Billy Taylor, Actor Cliff Robertson, Author William Least Heat Moon, Artist Larry Rivers, and Architect Peter Blake. All signatories to the final act have brought leading cultural figures to the forum. The U.S. cultural personalities will freely express their opinions about the conditions that promote or prevent creativity, and the sharing of that creativity among member States. The actions of the Hungarian Government have prevented the open atmosphere we expected to see in Budapest and will impede further cooperation in culture between East and West.

The Soviet Union and its Warsaw Pact allies record on cultural rights demonstrates their lack of concern for human rights and cultural creativity. In the U.S.S.R. Moscow has systematically sought to russify the non-Russians and to suppress any cultural

forms not consistent with the goals established by the party.

In Bulgaria, the regime recently has undertaken extremely harsh measures, which have caused many deaths, to slavicize its ethnic Turkish minority.

In Czechoslovakia, the regime rewards ideological conformity, punishes any attempts at cultural independence, and has drawn protests from the Hungarian minority for discrimination against them.

In Romania, the regime's heavy-handed attempts to homogenize the national culture is leading to the elimination of all ethnic diversity. Suppression of cultural figures is widespread and has pushed a number of active cultural figures underground.

In Poland, the Government's attempts to destroy the Polish culture by attacking the church has backfired, intensifying the Poles' interest in their national culture, rather than dissipating it.

In the German Democratic Republic, official efforts to create an East German national identity distinct from its German heritage have been opposed by the German church and the peace movements active in the GDR.

Mr. President, what happens to those who speak out for cultural freedom or for the interests of national minorities? What happens to those who do not want to see their culture destroyed? What happens to those who resist the destruction of their history and to those who promote their language or culture beyond the narrow parameters imposed by the State? They are harassed, beaten, arrested, imprisoned, or committed to psychiatric hospitals.

I call upon my colleagues in the Senate and the House to condemn this action by the Hungarian authorities, and to leave no doubt that we will not sit idly by and allow the noble purposes of the Helsinki process to be misused and ignored by either Hungary, the Soviet Union, or any of their Warsaw Pact allies. The time has come to match our words with action.

Mr. HEINZ. Mr. President, I originally hoped to speak today on positive developments at the Budapest Cultural Forum currently in progress in Hungary. The forum is the first Helsinki accords meeting to take place in a Warsaw Pact country. Regrettably, the Communist Government of Hungary has instead chosen this occasion to once again make a mockery of the Helsinki human rights agreements.

As a member of the Commission on Security and Cooperation in Europe, I rise today to express my deep concern over the actions of the Government of Hungary in banning the activities of private, nongovernmental organizations who are represented at the Budapest Cultural Forum. By preventing the International Helsinki Federation on Human Rights, which includes the U.S. organization Helsinki Watch, from holding a public symposium on culture in Europe at the forum, the Hungarians have violated agreements they made to ensure the open and unrestricted exchange of views at this cultural conference.

While Hungary's human rights policies may not be as repressive as some of their east bloc neighbors, it must be noted that Hungarian performance over the past few years has dramatically worsened. Hungarian citizens who, in conformity with the Helsinki Final Act, speak out for human rights and express their independent views on other issues are harassed. This harassment takes the form of denial of permission to travel abroad, periodic apartment and automobile searches, short-term detention for questioning, and monetary fines. The Government has been successful in forcing Hungarian intellectuals, writers, and artists to carry on their work in a much less open manner. As a result, Hungarian citizens have had a much more difficult time in obtaining independently published materials.

The names of Hungarians who have been victimized by these repressive actions, many of whom were simply asking their Government to comply with the Helsinki accords it had signed, are too lengthy to list. In light of these incidents, the Helsinki Commission has been watching Hungarian actions closely to ensure that private citizens and nongovernmental organizations would have access to the country and the conference site and would be permitted to participate in CSCE activities and organize seminars, exhibits, and press conferences. The decision of the Hungarian Government to ban the cultural symposium organized by the International Helsinki Federation for Human Rights is lamentable and exposes the myth of greater freedom of cultural expression in Hungary for what it is.

This action will certainly affect next year's review of most-favored-nation status for Hungary. As a member of both the Finance Committee and the Helsinki Commission, I am deeply concerned over the continuing deterioration of human rights in Hungary. At this year's MFN hearings, we continued to insist on further progress on human rights in Hungary in the next 12 month period; 3 months later, these new developments are discouraging and will certainly be a factor in assessing Hungary's future access to MFN.

Hungary is, however, only one of a number of signatory states that are violating the spirit and the letter of the Helsinki Final Act. Indeed, in a number of instances, the pattern has been one not of progress but of regression. In the Soviet Union and its Warsaw Pact allies, governmental restrictions on the free flow of information and culture have intensified; churches, cultural monuments, and other symbols of minority cultures have been destroyed; limitations on the use of native languages and cultural facilities have increased; histories have been rewritten; persons who criticize these developments have been harshly persecuted; and in at least one instance, an effort is underway to end the existence of a national minority by forcing it to change its ethnic attributes.

As members of the Senate, as Helsinki Commissioners, and as human beings, we must protest these violations of basic human rights as well as the recent action of ther Hungarian Government in banning activities at the Budapest Cultural Forum and continue to press for full compliance with the compliance with the Helsinki Final Act.

Mr. WALLOP. Mr. President, I would like to address the important subject of the Helsinki accords on Security and Cooperation in Europe [CSCE], which as you know, were signed by 35 nations in West and East 10 years ago. The basic idea of these international agreements was to reduce political and military tensions between the countries of NATO and Western Europe and the countries of the Warsaw Pact and the Soviet bloc. Since the Helsinki accords were signed back in 1975, there has been an ongoing series of review meetings and international conferences held by the signatory states to review what progress, if any, has been made in achieving the lofty goals of the accords.

This week, the first Helsinki CSCE meeting ever to be held behind the Iron Curtan—is that not by itself a comment on Soviet commitment?—opened in Budapest, Hungary. Many in the West, especially human rights groups and groups hopeful that meaningful reductions in East-West tensions might be possible, waited expectantly for the opening of the Budapest meeting—the Budapest Cultural Forum. They hoped for a miracle at Budapest. What is that hope? It is that at Budapest the Soviet Union and its client states might display some sign of goodwill toward the Helsinki process in this season of arms control negotiations and preparations for President Reagan's summit with Gorbachev next month.

And what has happened? Our U.S. Helsinki Watch Group, a part of the the International Helsinki Federation, traveled all the way to Budapest, Hungary, only to be stymied by the Communist government there. Our U.S. Helsinki watchers were not even allowed access to the hotel conference rooms where the Cultural Forum meetings are taking place. Naturally our Ambassador protested. Our Ambassadors always do. Just as naturally the Hungarian Government went right ahead and issued their statement anyway that said that no activities of the federation group would be permitted at any time or place. I ask you, is this the signal of good will from the East bloc that the eternal optimists had hoped for? Of course not. But, Mr. President, I am not surprised. There was never any reason for hope but hope itself. These are not new Com-

munists. Should the American people be surprised? Is this international fiasco at the Budapest Cultural Forum any different from what we can expect from the Soviet Union and its client states in the world today? Absolutely not. Give them credit for consistency and give us credit for the same. They are predictable in their intransigence toward release at any level of their totalitarian grip on information, human rights, and imperialism. We are predictable for one thing: Naivete.

Mr. President, let me say that I am not caught by surprise by this fiasco at Budapest. Nor should anyone be. The behavior of the Hungarian Government is perfectly consistent with the behavior of the East bloc in general toward the Helsinki accords and toward the whole CSCE process in the past 10 years. What is that behavior? It is to make a mockery of them.

In the Helsinki accords the East agreed to respect human rights and to allow emigration and family reunification. They have not done so. In the Helsinki accords, the East agreed to build confidence between the Warsaw Pact and NATO. They have not done so. In the Helsinki accords, the East bloc agreed to a freer flow of information, persons, ideas, and freedoms which we in the West take for granted. In the end they would have none of it. They have locked up, tortured, and persecuted their own Helsinki Watch committees. They blame the Helsinki process for the emergence of groups, like Solidarity in Poland, which they will go to any extreme to suppress. In the final analysis, the East would have no part of the real Helsinki process.

The East-bloc countries and the Soviet Union attend the Helsinki followup meetings for one essential purpose—to mislead and lull the West into a false sense of comfort. Comfortable that the East bloc will behave according to our definitions of civilized and cooperative. Comfortable that we can believe they can be trusted to conform to Western standards on human rights and essential freedoms. Comfortable that they will notify us of their major troop movements in Central Europe. We know they have violated this provision of the Helsinki accords repeatedly.

Mr. President, I must question the wisdom and the utility of continuing U.S. participation in these Helsinki CSCE followup meetings. The fiasco at the Budapest Cultural Forum is but one more blatent example of the attitude of the East bloc toward those meetings and toward the whole Helsinki process in general. The United States should consider stopping its participation in this process. We should not agree to being made fools by the Soviet Union and its clients states. At the very least, the United States delegation should walk out when confronted by a situation as ridiculous as that which took place at the CSCE-sponsored Budapest Cultural Forum in Hungary this week.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 2:29 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following joint resolution, without amendment:

S.J. Res. 92. Joint resolution to designate October 1985 as "National Foster Grandparents Month".

The message also announced that the House has passed the bill (S. 1042) to authorize certain construction at military installations for fiscal year 1986, and for other purposes, with an amendment; it insists upon its amendment to the bill, asks a conference with the Senate on the disagreeing votes of the two Houses thereon, and appoints Mr. ASPIN, Mr. DELLUMS, Mr. MONTGOMERY, Mr. HUTTO, Mr. LEATH of Texas, Mr. DICKINSON, Mr. WHITEHURST, and Mr. KRAMER as managers of the conference on the part of the House.

The message further announced that the House has agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2959) making appropriations for energy and water development for the fiscal year ending September 30, 1986, and for other purposes; it recedes from its disagreement to the amendments of the Senate numbered 3, 13, 15, 20, 23, and 24 to the bill, and has agreed thereto; and it recedes from its disagreement to the amendments of the Senate numbered 22, 32, 34, and 46 to the bill, and has agreed thereto, each with an amendment in which it requests the concurrence of the Senate.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 195. Concurrent resolution commemorating the fiftieth anniversary of the Congressional Staff Club.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

At 4:05 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the Speaker has signed the following enrolled bill and joint resolution:

H.R. 2174. An act to provide for the transfer to the Colville Business Council of any undistributed portion of amounts appropriated in satisfaction of certain judgements awarded the Confederated Tribes of the Colville Reservation before the Indian Claims Commission; and

H.J. Res. 386. Joint resolution to designate November 24, 1985, as "National Day of Fasting to Raise Funds to Combat Hunger."

The enrolled bill and joint resolution were subsequently signed by the President pro tempore [Mr. THURMOND].

MEASURE REFERRED

The following concurrent resolution was read, and referred as indicated:

H. Con. Res. 195. Concurrent resolution commemorating the fiftieth anniversary of the Congressional Staff Club; to the Committee on the Judiciary.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, October 1, 1985, she had presented to the President of the United States the following enrolled bill:

S. 1349. An act to provide for the use and distribution of funds awarded in docket 363 to the Mdewakanton and Wahpekute Eastern or Mississippi Sioux before the United States Court of Claims and Claims Court.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1893. A communication from the Secretary of the Interior transmitting, pursuant to law, the Alaska National Interest Lands Conservation Act annual report; to the Committee on Energy and Natural Resources.

EC-1894. A communication from the Deputy Associate Director for Royalty Management, Department of the Interior, transmitting, pursuant to law, a report on four refunds of excess royalty payments; to the Committee on Energy and Natural Resources.

EC-1895. A communication from the Deputy Chief of Staff for Installations and Logistics, Department of the Navy, transmitting, pursuant to law, the annual report on the retirement plan for civilian employees of the Marine Corps Exchanges, Recreation Funds, Clubs, Messes, and Exchange Service; to the Committee on Governmental Affairs.

EC-1896. A communication from the Chairman of the Consumer Product Safety

Commission transmitting, pursuant to law, the 1984 Government in the Sunshine Act report; to the Committee on Governmental Affairs.

EC-1897. A communication from the Secretary of Commerce transmitting a draft of proposed legislation to amend the Bankruptcy Reform Act of 1978; to the Committee on the Judiciary.

EC-1898. A communication from the Director of the National Science Foundation transmitting, pursuant to law, the 1983 report on Federal support to universities, colleges, and selected nonprofit institutions; to the Committee on Labor and Human Resources.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-467. Joint resolution adopted by the Legislature of the State of California; to the Committee on Finance.

"ASSEMBLY JOINT RESOLUTION No. 17

"Whereas, The prompt, efficient, and accurate collection and reporting of state use taxes by persons selling tangible personal property in this state are goals of vital concern to both the government of the United States and the government of the State of California; and

"Whereas, The accomplishment of those goals would be greatly facilitated by enacting federal legislation which would overturn the holding of National Bellas Hess, Inc. v. Department of Revenue of the State of Illinois, 386 U.S. 753, 18 L. Ed. 2d 505 (1967); now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature respectfully memorializes the President and the Congress of the United States to enact federal legislation which would reverse the holding in National Bellas Hess, Inc. v. Department of Revenue of the State of Illinois and thereby allow states to require mail-order houses to collect and report state use taxes; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-468. Joint resolution adopted by the Legislature of the State of California; to the Committee on Finance.

"ASSEMBLY JOINT RESOLUTION No. 4

"Whereas, Chapter 853 of the Statutes of 1984 amended the California Personal Income Tax Law and Bank and Corporation Tax Law to make permanent the allowance of a deduction for the cost of repairing or remodeling any building, facility, or transportation vehicle owned or leased by the taxpayer in order to permit handicapped or elderly individuals to enter or leave, to have increased access to, or to have more effective use of, that building, facility, or transportation vehicle; and

"Whereas, Federal law currently allows a similar deduction but the deduction applies only to taxable years beginning before January 1, 1986, and does not apply to homeowners or to the installation of emergency egress or safe area refuge systems; and

"Whereas, There are not a sufficient number of dwellings accessible to physically handicapped and elderly persons and these persons have no alternative but to modify their existing dwellings to provide this access; now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to amend the Federal Income Tax Law to include a deduction similar to that allowed by Chapter 853 of the Statutes of 1984 in order to encourage businesses to retrofit their buildings to provide access for handicapped persons, to enable elderly and handicapped homeowners to recover a portion of necessary costs incurred by them in modifying their dwellings to provide this access, and to encourage the installation of emergency egress or safe area refuge systems; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-469. A resolution adopted by the County Legislature of the County of Monroe, New York relating to medicare; to the Committee on Finance.

POM-470. Joint resolution adopted by the Legislature of the State of California; to the Committee on Foreign Relations.

"ASSEMBLY JOINT RESOLUTION No. 52

"Whereas, An increasing number of scenarios, including misjudgment, miscalculation, misunderstanding, possession of nuclear arms by a terrorist group or a state-sponsored threat, could precipitate a sudden increase in tensions and the risk of a nuclear confrontation between the United States and the Union of Soviet Socialist Republics (Soviet Union), situations that neither side anticipated, intended, or desired; and

"Whereas, The current communication links represent equipment of the 1960's and as such are relatively outdated and limited in their capabilities; and

"Whereas, President Reagan, responding to Congressional initiatives, proposed the establishment of additional and improved communication links between the United States and the Soviet Union and other measures to reduce the risk of nuclear confrontations and has initiated discussions at a working level with the Soviet Union covering the following:

"(a) The addition of a high-speed facsimile capability to the direct communication link (hotline).

"(b) The creation of a joint military communication link between the United States Department of Defense and the Soviet Union Defense Ministry.

"(c) The establishment by the governments of the United States and the Soviet Union of high-rate data communication links between each nation and its embassy in the other nation's capital; and

"Whereas, United States Senators Sam Nunn (D-Georgia), John Warner (R-Virginia), and Bill Bradley (D-New Jersey) sponsored an amendment to the 1985 Department of Defense Authorization proposing the establishment of United States and Soviet Union Crisis Control Centers, which was adopted by the United States Senate by a vote of 82-0; and

"Whereas, The establishment of crisis control centers in Washington and Moscow could reduce the risk of increased tensions and nuclear confrontations and accidental nuclear war, thereby enhancing the security of both the United States and the Soviet Union; and

"Whereas, These centers could serve a variety of functions including the following:

"(a) Discussing procedures to be followed in the event of possible incidents involving the use of nuclear weapons by third parties.

"(b) Maintaining close contact during nuclear threats or incidents precipitated by third parties.

"(c) Exchanging information on a voluntary basis concerning events that might lead to the acquisition of nuclear weapons, materials, or equipment by subnational groups.

"(d) Exchanging information about military activities of the United States and the Soviet Union which might be misunderstood by the other party during periods of mounting tensions.

"(e) Establishing a dialog about nuclear doctrines, forces, and activities; and

"Whereas, The continuing and routine implementation of these various activities could be facilitated by the establishment within each government of facilities, organizations, and bureaucratic relationships designated for these purposes, such as risk reduction centers, and by the appointment of individuals responsible to the respective head-of-state with responsibilities to manage these centers; and

"Whereas, The establishment of crisis control centers would, by reducing the risk of accidental nuclear war, promote the public health and safety of every Californian, in each of our cities and counties; and

"Whereas, The establishment of these United States and Soviet Union Joint Crisis Control Centers is more likely to occur upon a showing of broad public support for them; now, therefore, be it

Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California commends the President for his announced support for these confidence-building measures and for his initiation of negotiations which have occurred, and urges the President to pursue negotiations of these measures with the government of the Soviet Union, and to add to these negotiations the establishment of crisis control centers in both nations; and be it further

Resolved, That the Legislature encourages each city and county in California to join in this endeavor to support the creation of the United States and Soviet Union Crisis Control Centers, especially by passing a similar resolution endorsing the creation and by sending money (up to ten cents ($0.10) per resident) to the President to be held in trust for the support of the centers, the money to be raised either by initiating a public fund drive within each jurisdiction or by appropriation; and be it further

Resolved, That the Legislature encourages the people of California to enlist themselves, their families, friends, neighbors, and colleagues in this endeavor to show the President and Congress that there is broad public support for the establishment of crisis control centers; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, and to each city and county in California."

POM-471. Joint resolution adopted by the Legislature of the State of California, to the Committee on Governmental Affairs.

"ASSEMBLY JOINT RESOLUTION No. 16

"Whereas, Women and their basic socioeconomic concerns need coordinated representation in the executive branch of our national government; and

"Whereas, Women and their socioeconomic concerns are also not adequately represented in Congress, since only a few of the proposals to prevent the expanding poverty of women have become law; and

"Whereas, Women's economic and social concerns are not adequately dealt with by any official oversight mechanism on the national policymaking level to prevent the documented and growing trend called the feminization of poverty; and

"Whereas, Large numbers of women of all ages who are classified as dependents so often are dependent on absent providers; and

"Whereas, Most women take the responsibility of being the primary care providers for their children and their elderly parents; and

"Whereas, The stability of our society's future is at a serious risk due to the deprivations endured by so many children in poverty; and

"Whereas, since it is estimated that two out of three adults in poverty are women and since the United States government lacks any comprehensive national policy that addresses those women's economic issues that would provide some measure of income and health care security, especially as these problems relate to single parents and older women—adult groups that constitute a disproportionately high percentage of the nation's poor; now, therefore, be it

Resolved by the Assembly and the Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to enact legislation which will establish a Federal Council on Women to operate as an independent agency and to function as an oversight body on matters relating to the feminization of poverty; and be it further

"Resolved, That:

"1. The Federal Council on Women perform the following functions designed to combat the growing feminization of poverty trend:

"(a) Advise and assist the President, the Congress, and the Cabinet by reviewing proposed and existing laws and regulations related to the special needs of women.

"(b) Review and evaluate on a continuing basis federal policies for a national voice on behalf of women by initiating policy recommendations.

"(c) Inform the public about the problems and needs of those women in poverty by collecting and disseminating information.

"(d) Provide public forums for discussing antipoverty measures for the disproportionately large numbers of indigent females.

"(e) Serve in an advisory capacity by initiating policy recommendations that would reduce the numbers of indigent females of all ages.

"2. Membership on the Federal Council on Women shall be comprised of 15 people with three members each appointed by the President and the Majority and Minority Leaders of both Houses of Congress. Each appointing authority shall name at least one person who represent a state commission on the status of women.

"3. Until Congress enacts this proposed legislation, the President may wish to establish by executive order a Federal Council on Women following the guidelines proposed in this legislation; and be it further

"Resolved, That the Chief Clerk of the Assembly is directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM—472. A resolution adopted by the Senate of the State of Pennsylvania; to the Committee on Governmental Affairs.

"RESOLUTION

"Whereas, The Slovak-Americans are the second largest Slavic ethnic group in the United States; and

"Whereas, Slovaka came to the United States to escape cruel oppression and religious persecution, and worked long and hard in some of our most important industries such as steel and coal mining, helping to build America into a great industrial power; and

"Whereas, Slovak-Americans have played significant roles in American history; and

"Whereas, Father Joseph Murgas, pastor of the Sacred Heart Slovak Church, Wilkes-Barre, Pennsylvania, for 35 years in the early part of this century, is an excellent example of a Slovak-American who made a major contribution, not only in the development of the United States, but to world history, as well; and

"Whereas, Father Murgas, who was born February 17, 1864, in Slovakia and died May 11, 1929, in Wilkes-Barre, is considered by many to be the co-inventor with Marconi of the modern radio; and

"Whereas, Father Murgas conducted one of the first successful transmissions of a message by wireless on November 23, 1905, in Wilkes-Barre; and

"Whereas, The Wilkes-Barre Murgas Amateur Radio Club will reenact that successful transmission on the 80th Anniversary of the event, November 23, 1985; and

"Whereas, The United States Postal Service has honored numerous groups and individuals for their contributions to the United therefore be it

"Resolved, That the Senate designate the month of November as "Slovak Heritage Month" in Pennsylvania, recognize the achievements of the brilliant inventor Father Joseph Murgas of Wilkes-Barre, Pennsylvania, and the Citizen Stamp Advisory Committee of the United States Postal Service to issue a stamp commemorating Slovak heritage and carrying the likeness of Father Murgas; and be it further

"Resolved, That copies of this resolution be transmitted to the President of the United States, to the presiding officers of each house of Congress, to each member of Congress from Pennsylvania, and to Mr. Belmont Faries, Chairman, Citizen Stamp Advisory Committee of the United States Postal Service."

POM-473. Joint resolution adopted by the General Assembly of the State of Tennessee; to the Committee on the Judiciary.

"HOUSE JOINT RESOLUTION No. 295

"Whereas, the 1st Congress of the United States of America, at its first session, by a two-thirds (⅔) majority of both Houses, made the following proposition to amend the Constitution of the United States of America in the following words, to wit:

"Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, two-thirds of both Houses concurring that the following (article) be proposed to the legislatures of the several states, as (an amendment) to the constitution of the United States, . . . which (article), when ratified by three-fourths of the said legislatures, to be valid to all intents and purposes, as part of the said Constitution,

"ARTICLE

"No law varying the compensation for the services of the Senators and Representatives shall take effect, until an election of Representatives shall have intervened.

"Now, therefore, be it resolved by the House of Representatives of the Ninety-Fourth General Assembly of the State of Tennessee, the Senate concurring, That the proposed amendment to the Constitution of the United States of America quoted in the preamble of this Resolution is ratified.

"Be it further resolved, That certified copies of this Resolution be forwarded by the Secretary of State of Tennessee to the Governor of Tennessee; to the Administrator of General Services, Washington, D.C.; and to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States."

POM-474. A resolution adopted by the Council of the City of La Porte, Texas, relating to the Federal Fair Labor Standards Act; to the Committee on Labor and Human Resources.

POM-475. A resolution adopted by the Douglas County Board of Supervisors relating to the Fair Labor Standards Act impact on State and local governments; to the Committee on Labor and Human Resources.

POM-476. Joint resolution adopted by the Legislature of the State of California; to the Committee on Commerce, Science, and Transportation.

"ASSEMBLY JOINT RESOLUTION No. 25

"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California respectively memorializes the Congress of the United States to require that a notice be printed on all advertisements for the purchase and sale of South African Krugerrands to the effect that the United States has presently imposed an arms embargo on South Africa due to its racial policies; and be it further.

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-477. A resolution adopted by the Village of Calument Park, Illinois, supporting the continued use of tax exempt bonds for important public purposes; to the Committee on Finance.

POM-478. Joint resolution adopted by the Legislature of the State of Oklahoma; to the Committee on the Judiciary.

RESOLUTION No. 1016

"Whereas, a resolution of the First Congress of the United States, proposing an amendment to the Constitution of the United States to restrict the effective date of any law which would change the amount of compensation received by United States Senators and Representatives, was approved

by the Congress, two-thirds (⅔) of each house concurring therein, in the following words:

"(An ARTICLE) in addition to, and Amendment of the Constitution of the United States of America, proposed by Congress, and ratified by the Legislatures of the several States, pursuant to the fifth Article of the original Constitution.

"Article. . . No law, varying the compensation for the services of the Senators and Representatives, shall take effect, until an election of Representatives shall have intervened."

"Now, therefore, be it resolved by the House of Representatives and the Senate of the 1st session of the 40th Oklahoma Legislature:

"Section 1. The amendment to the Constitution of the United States to restrict the effective date of any law which would change the amount of compensation received by United States Senators and Representatives, proposed by a resolution of the First Congress of the United States, is hereby ratified.

"Section 2. Pursuant to 75 O.S. 1981, Section 26.42, this resolution shall expire on December 31, 1995.

"Section 3. Duly authenticated copies of this resolution shall be transmitted to the Governor of the State of Oklahoma, to the President of the United States, to the Administrator of General Services of the United States, to the President Pro Tempore of the Senate of the United States, and to the Speaker of the House of Representatives of the United States."

POM-479. A resolution adopted by the Council of the City of Maui, Hawaii, relating to the Fair Labor Standards Act; to the Committee on Labor and Human Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HATCH, from the Committee on Labor and Human Resources, with an amendment in the nature of a substitute and an amendment to the title:

S. 1570. A bill to amend the Fair Labor Standards Act of 1938 to exclude the employees of States and political subdivisions of States from the provisions of that act relating to maximum hours, to clarify the application of that act to volunteers, and for other purposes (Rept. No. 99-159).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. McCLURE, from the Committee on Energy and Natural Resources:

Anthony G. Sousa, of Hawaii, to be a Member of the Federal Energy Regulatory Commission for a term expiring October 20, 1988.

(The above nomination was reported from the Committee on Energy and Natural Resources with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. THURMOND, from the Committee on the Judiciary:

Stephen J. Markman, of Virginia, to be an Assistant Attorney General; and

Charles Fried, of Massachusetts, to be Solicitor General of the United States.

(The above nominations were reported from the Committee on the Judiciary with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HEINZ:

S. 1769. A bill to extend through June 30, 1990, the suspension of import duties on synthetic rutile; to the Committee on Finance.

By Mr. HATCH (for himself, Mrs. HAWKINS, and Mr. THURMOND):

S. 1770. A bill to amend the Federal Food, Drug, and Cosmetic Act to establish conditions for the export of drugs; to the Committee on Labor and Human Resources.

By Mr. CHILES:

S. 1771. A bill to amend the Elementary and Secondary Act of 1965 to provide grants to local educational agencies for dropout retention and recovery demonstration projects; to the Committee on Labor and Human Resources.

By Mr. HECHT (for himself and Mr. LAXALT):

S. 1772. A bill to authorize and direct the Secretary of the Interior to convey certain real property to the Pershing County Water Conservation District; to the Committee on Energy and Natural Resources.

By Mr. HATCH:

S.J. Res. 219. A joint resolution to designate the week of November 3, 1985, through November 9, 1985, as "National Humanities Week, 1985"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. EAGLETON (for himself and Mr. DANFORTH):

S. Res. 239. Resolution to recognize the outstanding accomplishments of the St. Louis Cardinals and the Kansas City Royals; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HATCH (for himself, Mrs. HAWKINS, and Mr. THURMOND):

S. 1770. A bill to amend the Federal Food, Drug, and Cosmetic Act to establish conditions for the export of drugs; to the Committee on Labor and Human Resources.

PHARMACEUTICAL EXPORT AMENDMENTS

Mr. HATCH. Mr. President, I am very pleased to send to the desk a set of amendments designed to bring reason to our country's laws on the export of unapproved pharmaceuticals, save American jobs, prevent the export of American biotechnology, and decrease our balance-of-payments deficit, without increasing the health risk to foreign consumers, without erecting trade barriers that invite retaliation, and without costing the taxpayer money.

These amendments correct an unintended mistake in our laws and allow the export—under controlled conditions—of drugs not yet approved by the Food and Drug Administration.

Under current law, drugs not approved by FDA for use in this country may not be exported. This policy is the result of an oversight in the drafting of the 1938 amendments to the Food, Drug and Cosmetic Act, and is not consistent with the way other unapproved substances or devices are handled under the act. While on its face the policy may seem praiseworthy, it is in fact illusory and pointless. To negate the impact of this law, all a manufacturer needs to do is to locate its production facilities overseas. Because no other country has a ban on unapproved exports, the manufacturer may ship from his foreign plant any drug he desires to any country that will permit its import.

And there are valid reasons for making such a move. Because foreign marketing approval often is obtained earlier than FDA approval, a U.S. manufacturer is faced with the bitter choice of either moving his production plant overseas, or simply not serving the foreign market, conceding that market to foreign competitors until FDA approval is received. Naturally it has become a common practice for plants to be built abroad. This sends to foreign shores jobs and capital investment which should remain here, and when the drug is approved in the United States the manufacturer then serves the U.S. market by importing the drug from the foreign plant, thereby worsening our balance-of-payments deficit.

Under our current misguided policy, then, we needlessly tax the American economy while giving foreign consumers no protection from exposure to unapproved drugs. What I proposed to do in the pharmaceutical export amendments is to keep jobs and investment at home and allow—under restrictions—the export of some pharmaceuticals not yet approved by the FDA.

Last year I introduced S. 2878 to correct the export problem. This bill was developed with help from many parties. It contained significant modifications addressing concerns over harmful drugs leaving our shores. I feel strongly that its approach was a sound one and was vindicated in testimony we heard in a June 5 committee hear-

ing this summer. However, in an attempt to gather the support of as broad a spectrum of my colleagues as possible, we have developed a three-tier proposal we are introducing today.

Under this proposal, drugs which have been banned could not be exported, as in S. 2878. But other drugs which have not yet been approved by FDA could be exported depending on the level of competence of the importing country's regulatory system. Unapproved drugs could be shipped to those countries with adequate, respected systems if import is legal under their laws. These are the first-tier countries. By definition these nations are fully capable of protecting their own citizens, and there is no reason for us to ignore their sovereign right to balance drug risks versus benefits according to their own circumstances.

The second-tier countries are those with systems not qualifying as first-tier, but which are capable of ensuring that information provided to physicians, pharmacists, and patients is consistent with the drug's labeling. Export to second-tier countries would be allowed only if a first-tier nation had approved the drug and its labeling were consistent with such approval. Thus, if a drug approved in Britain, a first-tier country, is exported from the United States to a second-tier country, we could be comfortable that the label of the drug as marketed at the corner pharmacy would not add uses beyond those in the British approval nor delete warnings or side effects imposed in the British approval.

All other nations fall into the third tier, to which export would not be authorized, except for so-called tropical disease drugs. Such drugs, while important abroad, treat diseases rare or not found in this country, and which would therefore not be submitted to FDA for approval.

There are additional provisions to give manufacturers a strong incentive to responsibly export only drugs in which they have full confidence. And the proposal would ensure that drugs exported to second- and third-tier countries are subject to testing, labeling, and quality control procedures which don't govern the same drug purchased now from another foreign source. So contrasted with present law, my proposal would be a step forward in health terms.

This bill will increase our exports by an estimated $400 to $500 million per year and add to our economy 8,000 to 10,000 jobs, jobs which otherwise will be located overseas. In light of our current trade crisis, this is good news.

Mr. President, I am delighted to be joined in these amendments by my colleagues on the committee, Senators HAWKINS and THURMOND.

I invite the support of all of my colleagues for this beneficial bill, and ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1770

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Pharmaceutical Export Amendments of 1985".

SEC. 2. Section 801 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 381) is amended by adding at the end thereof the following new subsecton:

"(e)(1)(A) A drug (including a biological product) intended for human or animal use which—

"(i) requires approval by the Secretary under section 505 or section 512, or

"(ii) requires licensing by the Secretary under section 351 of the Public Health Service Act or by the Secretary of Agriculture under the Act of March 4, 1913 (known as the Virus Serum Toxin Act),

before it may be shipped in interstate commerce to a country and which does not have such approval or license may, notwithstanding such sections or Act, be shipped by a person only to a country described in paragraph (2) if the drug meets the requirements of paragraph (3).

"(B) If a drug (including a biological product) described in subparagraph (A) is shipped by a person to a country in accordance with this subsection, such drug shall not be considered to be in violation of section 505 or 512, section 351 of the Public Health Service Act, or the Act of March 4, 1913 (known as the Virus Serum Toxin Act), and shall not be deemed to be adultered or misbranded for purposes of this Act.

"(2)(A) A drug described in paragraph (1) may be shipped to—

"(i) a country which is on a list established by the Secretary of each developed country that has an adequate governmental health authority to approve drugs including—

"(I) regulatory procedures sufficient to assure adequate scientific review of the animal and clinical studies relating to the safety and effectiveness of drugs before drugs are approved for marketing; and

"(II) trained personnel with sufficient scientific knowledge and experience to implement such procedures;

"(ii) a country which is on a list established by the Secretary of each developed country that has an adequate governmental health authority—

"(I) to assure that labeling information provided in such country to physicians, pharmacists, and patients is consistent with the labeling for the drug approved or licensed by a country on the list established by the Secretary under clause (i); and

"(II) which has procedures and personnel sufficient to implement the policies of that authority; or

"(iii) a country which is not included on a list established by the Secretary in clause (i) or (ii) if the Secretary determines that the shipment of such drug to such country is justified to promote the public health in such country because of the particular diseases and health conditions in such country which do not exist to a significant extent in the United States.

"(B) Within 90 days after the date of enactment of this subsection, the Secretary shall establish the lists of countries required by clauses (i) and (ii) of subparagraph (A).

"(C) The Secretary shall periodically revise the lists of countries established under clauses (i) and (ii) of subparagraph (A).

"(D) In establishing and revising the lists of countries under clauses (i) and (ii) of subparagraph (A), the Secretary—

"(i) may consult with experts in the field of drug regulation; and

"(ii) shall provide reasonable opportunity for public comment before such lists are established or revised.

"(3) A drug described in paragraph (1) may be shipped by a person to a country on a list established under clause (i) or (ii) of paragraph (2)(A) or a country described in clause (iii) of such paragraph only if—

'(A) the drug meets the requirements of subparagraphs (A) through (D) of subsection (d)(1);

"(B) the drug is not the subject of final action by the Secretary or the Secretary of Agriculture denying, withdrawing, or suspending approval or licensing or otherwise banning the drug on the basis of safety and effectiveness;

"(C) the drug is not the subject of a notice by the Secretary or the Secretary of Agriculture of a determination that the manufacture of the drug in the United States for shipment to a country is contrary to the public health and safety in the United States;

"(D) in the case of a drug to be shipped to a country on the list established under clause (ii) of paragraph (2)(A) or a country described in clause (iii) of such paragraph, the drug is the subject of—

"(i) a current application for exemption for investigational use from the approval or licensing requirements described in paragraph or licensing requirements described in paragraph (1)(A);

"(ii) an application for approval or licensing for a drug containing the same active ingredient as the drug which is to be exported; or

"(iii) a current master file containing all safety information required to be included in an application for an exemption for investigational use from the approval or licensing requirements described in paragraph (1)(A);

"(E) in the case of a drug to be shipped to a developed country on the list established under paragraph (2)(A)(ii)—

"(i) the drug has been approved or licensed by a country included on the list established under paragraph (2)(A)(i); and

"(ii) the labeling of the drug is consistent with the labeling for such drug approved or licensed by a country on the list established under paragraph (2)(A)(i); and

"(F) the person seeking to ship the drug has complied with paragraph (4) with respect to such drug.

"(4)) A person seeking to ship a drug pursuant to this subsection shall submit to the Secretary or the Secretary of Agriculture, at least sixty days prior to the date of first shipment of the drug to each country, a notice of intent to ship which—

"(A) identifies the drug to be shipped;

"(B) identifies the establishment where the drug has been or will be manufactured;

"(C) identifies the country or countries to which such person will ship the drug; and

"(D) in the case of a drug to be shipped to a country on the list established under paragraph (2)(A)(ii), includes a copy of the labeling described in paragraph (3)(E)(ii).

"(5) (A) Within 60 days after a person submits a notice with respect to a drug under paragraph (4), the Secretary or the Secre-

tary of Agriculture may determine that a proposed shipment of a drug not comply with all the requirements of this subsection. If the Secretary or the Secretary of Agriculture makes such a determination, the Secretary or the Secretary of Agriculture shall provide such person with a written statement specifying—

"(i) the deficiencies which such person must correct in order to enable such shipment to comply with such requirements; and

"(ii) that such person has a reasonable opportunity to correct such deficiencies within 60 days after receiving such statement.

"(B) If a person who has received a statement under subparagraph (A) does not correct the deficiencies specified in such statement within 60 days after receiving such statement, the Secretary or the Secretary of Agriculture may issue an order stating that the shipment of a drug with respect to which such statement was made does not comply with all the requirements of this subsection and prohibiting such shipment.

"(6)(A) Except as provided in subparagraphs (B) and (C), at any time after the shipment of a drug to a country is permitted under this subsection, the Secretary or the Secretary of Agriculture may determine that such shipment is unlawful because such shipment does not comply with any requirement of paragraph (3), and may issue an order to prohibit such shipment.

"(B) If, at any time after the shipment of a drug to a country is permitted under this subsection, the Secretary or the Secretary of Agriculture determines that such shipment does not comply with subparagraph (A) of paragraph (3) or subparagraphs (C) through (F) of such paragraph, the Secretary or the Secretary of Agriculture shall, prior to issuing an order with respect to such shipment under subparagraph (A) of this paragraph, provide the person who submitted the notice under paragraph (4) with respect to such shipment with a written statement which—

"(i) specifies such determination; and

"(ii) states that such person may, within 30 days after receiving such statement, take such action as the Secretary or the Secretary of Agriculture determines necessary to comply with the requirements of subparagraph (A), (C), (D), (E), or (F) of paragraph (3), as the case may be, in order to permit the shipment of such drug.

"(C) If the Secretary or the Secretary of Agriculture determines that the person who receives a statement under subparagraph (B) does not take the action required by the Secretary or the Secretary of Agriculture under clause (ii) of such subparagraph, or that such person takes an action which is inadequate to comply with the requirements of subparagraph (A), (C), (D), (E), or (F) of paragraph (3), as the case may be, the Secretary or the Secretary of Agriculture shall issue an order under subparagraph (A) with respect to such drug. Any such order shall be accompanied by a written statement—

"(i) specifying each requirement of paragraph (3) which has not been complied with relating to such shipment; and

"(ii) stating that the person who is the subject of such order will be provided, on request, with an opportunity for an informal hearing with respect to such order.".

SEC. 3. The list of countries initially established by the Secretary of Health and Human Services under section 801(e)(2)(A)(i) of the Federal Food, Drug, and Cosmetic Act (as added by section 2 of this Act) shall include the following countries unless the Secretary determines that a country should not be included on such list because the country does not have an adequate health authority to approve drugs:

Australia.
Austria.
Belgium.
Canada.
Denmark.
Federal Republic of Germany.
France.
Japan.
The Netherlands.
New Zealand.
Norway.
Sweden.
Switzerland.
The United Kingdom.

By Mr. CHILES:

S. 1771. A bill to amend the Elementary and Secondary Education Act of 1965 to provide grants to local educational agencies for dropout retention and recovery demonstration projects; to the Committee on Labor and Human Resources.

DROPOUT RETENTION AND RECOVERY ACT

● Mr. CHILES. Mr. President, I am pleased to introduce today legislation entitled "The Dropout Retention and Recovery Act of 1985." This bill is similar to S. 1525, introduced by Senator SPECTER and others. I am offering an alternative version of the measure to raise some issues that I hope the committee will consider in developing legislation for the full Senate. These issues include—

First, the need to focus on prevention and early intervention, particularly in the critical middle school, junior high, and early high school years;

Second, the need to insure that the $50 million we authorize for demonstration projects at the local level truly "buys" innovation and change;

Third, the need to address the drop out problem adequately in rural, as well as urban, areas, and particularly among high risk populations such as pregnant teens, migrants, and Indians that have unique needs; and

Fourth, the need for an adequate and thorough study of the problem at the national level and for involvement of the States in the development of a model standard definition of dropout.

Today I testified before the Education Subcommittee on this legislation and the great challenge we face in addressing our Nation's dropout problem. I would like to submit for the RECORD my statement to the subcommittee and a summary of the Dropout Retention and Recovery Act, and ask unanimous consent that they be printed following my remarks. Before doing so, I would like to commend my colleague from Pennsylvania, as well as Senators BRADLEY, CHAFEE, and the chairman and members of the Education Subcommittee for the leadership they are taking on this issue. I look forward to working with them to see that Congress enacts an effective program and provides funds to support these very vital demonstrations.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR LAWTON CHILES ON THE DROPOUT RETENTION AND RECOVERY ACT OF 1985

Mr. Chairman, I appreciate the opportunity to appear before the Subcommittee to discuss legislation to prevent school dropout. I want to commend you, the Ranking Member, other members of the Subcommittee, as well as Senators Specter, Chafee, and Bradley, for the leadership you are taking in addressing this national crisis.

I say "national crisis" because that is what we have when 28 percent, that is over one-fourth, of the Nation's 17- and 18-year-olds fail to complete high school. In some metropolitan areas, the drop out rate is over 50 percent.

We are not talking just about an urban problem. The drop out rate for migrants in my State is estimated between 60 percent and 90 percent, and those migrants still enrolled average only 75 days per year attendance. Nearly 30 percent of the Native Americans in the sophomore class of 1980 had dropped out by 1982. Hispanic students have the highest rate of dropping out: almost half the Hispanic youth who enter high school do not finish. The drop out rate for Blacks is almost one out of every three. By comparison, over 90 percent of the students in Japan complete secondary education.

What is the cost of our drop out rate to society and the economy? In 1981, over a third of high school dropouts were unemployed. While overall youth unemployment has risen dramatically over the years, the rise in unemployment among young Blacks is unprecedented: Only six of every 100 Black teenagers not in school are employed fulltime.

Between 1970 and 1983, 22 million new jobs were created. Only 19 percent of these jobs went to youth between the ages of 16 and 24. And a mere one-tenth of 1 percent of these new jobs went to Black male youth.

By 1982, men and women aged 25 and older who had not completed high school were earning about one-third less than those who had graduated. Once students leave school, the task of assisting them becomes much more expensive and difficult:

(1) Only about 20 percent of those who drop out will enter any type of training program.

(2) Only 14 percent of the male and 9 percent of the female dropouts will enter the General Equivalency Diploma (GED) program, and some will drop out of that.

(3) Many of the female dropouts will marry or have babies, lessening the likelihood of their returning to school. Last year, unwed teens gave birth to 650,000 babies, and around 90 percent of such teens in my state opt to keep their babies. When you couple the statistics on single teen parenthood, with their drop out rate and incidence of welfare dependency, you get a staggering picture of the social and economic costs.

(4) Finally, a 1978 study by the Department of Justice found that the majority of inmates in local jails lacked a high school diploma, with 59 percent of white inmates and 63 percent of Blacks having dropped out. Ironically, it costs a lot less to keep a student through three years at Miami Jackson Senior High School, than to keep an

inmate for a three-year sentence at Miami-Dade Correctional Center.

Many high school dropouts will become our next generation of illiterates. In his book, "Illiterate America," Jonathan Kozol estimates that adult illiteracy costs the Government $120 billion per year. Our population of 23 million adults who are functionally illiterate puts us 49th out of the 158 members of the U.N. in illiteracy. That results in 85 percent of juveniles who come before the courts being unable to read; 22 percent of adults being unable to write a check so a bank will take it; and an illiteracy rate among Black youth that will rise to 50 percent by 1990. We simply cannot afford this waste of human resources.

What is so urgent about the drop out issue at this juncture is the fact that our Nation has launched a broad-based educational reform effort. That drive for excellence must include effective means for the "at risk" student to meet higher standards, stiffer graduation requirements, and to pass basic competency tests. Otherwise, we are going to see more of the "at risk" students—those young people who are more than a year below grade level in achievement, those students who fail a course their first year of high school—opting out of the educational system.

So it is critically important the Subcommittee address this problem, and I want to commend the approach you are taking. We do need a working definition of drop out. We need a national information network on the scope of the problem, who is "at risk," and the effective programs states and localities can adopt. The demonstration approach is wise, in these times of fiscal restraint, to try out what works and to serve as an incentive and complement to what local schools are doing. The kinds of activities S. 1525 would support at the local level are on target. We know that things like getting kids and families more involved with the school and having mentors or role models develop one-on-one relationships with potential dropouts have the most likelihood of success.

I am today introducing legislation that is very similar to S. 1525. The name of my bill is also very similar: The Dropout Retention and Recovery Act. You know, there just are not a lot of synonyms for "keeping kids in school and bringing them back when they leave." In doing so, I wanted to present, in legislative form, some issues that I hope the Subcommittee will address in moving a bill for action by the full Senate.

I have testified before your Subcommittee before; I believe the last time was when practically everyone in the Senate, myself included, had math-science bill. I want to thank the Committee, by the way, for the masterful way you crafted that program to include everyone's concerns. This time, I am the Lone Ranger with an alternative. I think my proposal raises some important points about the structure and features of an effective Federal drop out prevention program.

As you have heard me say before, my interest as a member of the Budget and Appropriations Committees is in seeing that we can actually tell what the Federal dollar is "buying" in education. Funds are tight now and they are only going to get tighter. Fifty million dollars for dropout prevention has to really trigger some change to be effective. And in the long run, if the money is well spent, we will save. Or to look at it the other way, there is a T.V. ad with an auto mechanic who says, "You can pay me now, or you will have to pay me later." Drop out programs are like that—if we do not invest in keeping these kids in school now, we are going to pay a lot more later—in welfare, unemployment, reduced revenues, and lower productivity.

I would like to enter a factsheet in the record, which describes the different features of my bill. I would like to briefly summarize its thrust:

(1) The Dropout Retention and Recovery Act authorizes a phased, three-year study.

It doesn't seem like in one year we are going to learn much about the drop out problem that we do not already know. Plus, it seems important to involve the States up front in the development of a definition of dropout. We need to provide the states some very modest funds to share information on the scope of the problem from their enrollment data.

My bill also involves state advisory panels of educators, business, and community organizations serving the high risk populations in looking at the problem, its causes and solutions.

(2) My proposal directs two-thirds of the grants to urban areas and one-third to rural local education agencies.

We do have a concentration of dropouts in the cities. But we also have some really serious problems keeping kids in school in states like West Virginia. States with large Indian populations face tremendous challenges with their drop out rate. And I have already mentioned the problems encountered by districts serving migrants.

We should allow the state education agency to compete for funds to serve remote local education agencies that have significant drop out problems but lack the resources or ability to compete themselves. My bill would also permit locals to join together, where feasible, to compete for a demonstration program.

(3) The bill I am offering would allow local districts to craft a prevention project, or a project for youth who have already dropped out, or both, without restriction on how funds should be distributed among those priorities.

Research shows that it is awfully hard to get kids to come back to the system in which they failed. We should be willing to let local education agencies attempt such projects, but truly effective legislation to recover dropouts would require a joint program between education, job training, and community-based organizations. My bill does increase the involvement of business and entities serving dropouts at the State and local level.

(4) The Dropout Retention and Recovery Act streamlines the planning process, so the district applying can establish specific objectives for the project and define a yardstick by which to measure its success.

It clearly distinguishes what the program is aimed at—broad objectives like comprehensive identification and outreach, special services for teens, migrants and other high risk populations, etc.—from the activities for which funds can be used.

(5) Finally, my proposal increases the emphasis on the middle school and junior high levels. These are the years when the die is often cast as to whether a student will drop out or not.

It does so by having the local education agency target the high schools with the biggest drop out problem and the major "feeder schools" from which these students come. The range of activities districts can undertake is expanded to permit business partnerships for guaranteed jobs for high school graduates, collaboration with higher education institutions such as community colleges, and use of vocational education and extra curricular activities to retain potential dropouts.

I appreciate the consideration and action this Subcommittee has given legislation I have offered in the past. And I am hopeful that the measure I am introducing today will be a positive alternative on a number of issues you will be addressing in preparing legislation for the full Senate.

I am sure we agree on the magnitude of the problem and the idea that whether it is called Dropout Prevention and Re-Entry, or Dropout Retention and Recovery, a study and demonstration program for the local schools is just one piece of the comprehensive approach that must be taken. Dropout prevention, to be effective, has to start at the preschool level, with programs like Head Start and the new Even Start demonstration I have sponsored with Senator Chafee. It has to continue with basic skills instruction in Chapter I. It has to be supplemented with truly effective programs linking the schools, community-based organizations, and job training for high risk and out-of-school youth.

But our opportunity with this legislation is to focus on the critical middle school, junior high, and early high school years when a potential dropout begins to opt out, through truancy or failure, drugs or pregnancy, or delinquency that results in a push-out. Our goal for these children must not be simply to "hold 'em in school." It must be offering them the opportunity to succeed and excel by staying in school.

All too often after students drop out of school, they drop into a lot of other things. They "drop in" at unemployment lines, welfare offices, and prisons. Mr. Chairman, it's "grade time" for America's schools. Right now if we were graded on our ability to keep kids in school, I am afraid we would get an F or a D−. That is simply not good enough. The challenge is to work toward an A.

FEATURES OF THE CHILES' DROPOUT RETENTION AND RECOVERY ACT OF 1985

Focuses on early intervention to retain potential drop outs and enable them to succeed in school;

Provides for a three-year study by the Secretary of Education to—develop a model definition of drop out in the first year, establish a model dropout information collection and reporting system in the second year, and study the factors that contribute to dropping out and successful retention and recovery methods in the third year;

Involves state education agencies in development of the model definition of drop out, the information collection and reporting system, and the data on the factors and characteristics that are associated with dropping out;

Provides for state advisory panels on the drop out problem to assist the state in evaluating the nature and scope of the problem and broadly represent education, business, and entities serving high risk populations;

Distributes grants to local education agencies, consortia of LEA's, and state education agencies desiring to serve remote areas on a competitive basis related to the relative numbers and proportion of drop outs and the project's potential for success;

Directs ⅔ of the grants to urban areas and ⅓ to rural areas and requires regional balance in the distribution of the grants;

Streamlines the planning process for local education agencies to include—identification of the high risk, target population, description of the interventions to be used and their potential for success, development of annual goals, and criteria for determining the success of the program and progress toward meeting those goals;

Clearly distinguishes the broad objectives of the demonstration program—to develop effective programs for early identification, retention and recovery of high risk populations—from the range of activities for which funds may be used to achieve these objectives;

Focuses on the unique needs of high risk populations such as pregnant teens, migrants, and Indians;

Provides for evaluation of the success of various programs and interventions by the Department of Education; and

Allows local education agencies to develop dropout prevention programs, re-entry programs, or both without restrictions on the allocation of funds between such programs.●

By Mr. HECHT (for himself and Mr. LAXALT):

S. 1772. A bill to authorize and direct the Secretary of the Interior to convey certain real property to the Pershing County Water Conservation District; to the Committee on Energy and Natural Resources.

PERSHING COUNTY WATER CONSERVATION DISTRICT

● Mr. HECHT. Mr. President, today I am pleased to introduce, together with my colleague Senator LAXALT, a bill to convey some land in Nevada to the Pershing County Water Conservation District.

Approximately 50 years ago, the people of this part of Nevada worked with the Interior Department and the Congress to establish the Humboldt Reclamation Project. One component of that project was a piece of land known as the Battle Mountain Pasture. The costs of the original project have now been totally repaid to the U.S. Treasury. The communities are currently repaying some more recent expenses for raising the height of the Rye Patch Dam.

This bill simply transfers title to the Battle Mountain Pasture from the United States, to the people for the water project, and have been paying property taxes on that land for many years.

Since the people of this area have in essence bought and paid for this land, as well as paid taxes on it, I hope all my colleagues will agree it is entirely appropriate that they should enjoy ownership of that property. It is in this spirit that I invite the Senate to give this simple bill prompt and favorable attention.●

By Mr. HATCH:

S.J. Res. 219. A joint resolution to designate the week of November 3, 1985, through November 9, 1985, as "National Humanities Week, 1985"; to the Committee on the Judiciary.

NATIONAL HUMANITIES WEEK 1985

Mr. HATCH. Mr. President, this year marks the 20th anniversary of the establishment of the National Endowment for the Humanities. As the Endowment begins its third decade, it is appropriate for us to pause a moment in celebration of the Endowment's past achievements and to proclaim anew our commitment to its promotion of progress and scholarship in the humanities. An appropriate symbol is to establish the week of November 3-9, 1985, as "National Humanities Week."

The establishment of the National Endowment for the Humanities expressed the intention of Congress that the U.S. position of world leadership reflect our national achievement "in the realm of ideas and of the spirit" as well as our "superior power, wealth, and technology." We in Congress also understand that "Democracy demands wisdom and vision in its citizens."

Congress expected the Endowment to play a leading role in educating Americans about our heritage and traditions, and thus about our political freedoms and duties. Through the study of history, philosophy, and literature, we learn about our common cultural heritage, about what it means to be an American, and also about the diversity of human experience. Through this study in the humanities we become shareholders in our civilization and we gain the wisdom and vision that familiarity with the humanities can impart.

When I review the record of the Endowment's first two decades, I am impressed by three things. I am impressed by the vitality and achievements of the Endowment's programs, by its ability to stimulate private-sector funding for the humanities, and by the character of its leadership of the humanities community. Let me discuss each in turn.

Working in partnership with Congress, the Endowment has shown a remarkable degree of flexibility and foresight in designing its programs. Yet, it has avoided the creation of cumbersome and self-sustaining entitlement programs.

In 1969, a Division of Public Programs was added to assist in the design and implementation of quality humanities programs for the out-of-school public. In 1971, the State programs were established to ensure that a broad variety of humanities programs reached the citizens in each State. The highly successful Challenge Grant Program, to assist educational and cultural institutions plan for the stability, quality, and future financing of their humanities programs, was instituted in 1977.

Creative programming at the Endowment has continued into the 1980's. Because it wisely anticipated the need to strengthen precollegiate humanities instruction, the Endowment began the highly successful Summer Seminars for Secondary School Teachers in the fall of 1982. In 1983, the Endowment's Bicentennial Office was established to encourage renewed scholarly interest in and public reflection on the principles and foundations of our constitutional government. By late this past summer, the Bicentennial Office had awarded over 160 grants amounting to almost $11,500,000. To support a sustained, coherent attack on the escalating problem of deteriorating humanities materials, an Office of Preservation was created earlier this year. Just the other day, October 8, 1985, the Endowment announced a two-pronged initiative entitled "Understanding America" and "Understanding Other Nations." This initiative will promote the study of the language, literature, and culture of America and of foreign countries within the curriculum of U.S. secondary schools.

The Endowment has also had remarkable success in encouraging private-sector funding of the humanities. Since Federal dollars constitute only a small segment of humanities funding, expanding the contribution of the private sector is crucial. Taken together, the Challenge Grant and Project-Matching Programs have been highly successful in fulfilling Congress' mandate to the Endowment to "complement, assist, and add to programs for the advancement of the humanities by local, State, regional, and private agencies."

Finally, the Endowment has provided leadership for the humanities community as a whole. In many respects, this has been the Endowment's most notable achievement, since, as I just mentioned, the Endowment's support for humanities programs is dwarfed by that of private, State, and local entities. The Endowment has become a forceful and persistent advocate for the highest standards in teaching, scholarship, and general audience programming. It has done so primarily by the example it sets, year after year, in funding only the best of humanities projects.

Additionally, with minimal expenditure of the taxpayer's money, the Endowment has been at the forefront of progress in the humanities. For instance, last year NEH conducted an informal poll to determine if there was a consensus on the books every high school student must read before graduation. The results showed that there is, indeed, a cultural heritage we share as a nation and did as much as any other Endowment-supported activity to stimulate active discussion and a revival of interest in the humanities in schools and communities across the country. Just recently, the publication of "To Reclaim a Legacy" exhorted

colleges and universities to renew their commitment to offering a "living" and "enticing" humanities education to their students. By all accounts, this publication was a major stimulus for the curricular re-evaluation now being conducted on college campuses across the country.

The Endowment thus deserves congratulations on its achievements in all spheres—on its ability to formulate programs, to stimulate private-sector funding, and to lead by example. Ultimately, however, we measure the effect the Endowment has had on our lives not by examining its individual achievements, but by recognizing its constant pursuit of excellence in all that it supports, by applauding its ability to inspire us to come to terms with the best that our history and culture have to offer.

For these past 20 years, we owe the Endowment a debt of gratitude. For the future, we owe it to ourselves to sustain the traditions begun by this important Federal agency. Mr. President, recognizing November 3-9, 1985, as "National Humanities Week" is the appropriate way to begin.

ADDITIONAL COSPONSORS

S. 713

At the request of Mr. WILSON, the name of the Senator from Alabama [Mr. HEFLIN] was added as a cosponsor of S. 713, a bill to prohibit the interstate sale and transportation of drug paraphernalia.

S. 867

At the request of Mr. ROTH, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of S. 867, a bill to amend title XIX of the Social Security Act to provide coverage for hospice care under the Medicaid Program.

S. 1107

At the request of Mr. NUNN, the name of the Senator from Florida [Mrs. HAWKINS] was added as a cosponsor of S. 1107, a bill to authorize the Society of the Third Infantry Division to erect a memorial in the District of Columbia or its environs.

S. 1233

At the request of Mr. DOLE, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of S. 1233, a bill to amend the Animal Welfare Act to ensure the proper treatment of laboratory animals.

S. 1437

At the request of Mr. THURMOND, the name of the Senator from South Dakota [Mr. ABDNOR] was added as a cosponsor of S. 1437, a bill to amend the Controlled Substances Act to create new penalties for the manufacturing with intent to distribute, the possession with intent to distribute, or the distribution of "designer drugs," and for other purposes.

S. 1440

At the request of Mr. STEVENS, the name of the Senator from Oregon [Mr. HATFIELD] was added as a cosponsor of S. 1440, a bill to restrict smoking to designated areas in all U.S. Government buildings.

S. 1508

At the request of Mr. SPECTER, the name of the Senator from Illinois [Mr. DIXON] was added as a cosponsor of S. 1508, a bill to amend title 18, United States Code, to authorize the death penalty for first degree terrorist murder, and for other purposes.

S. 1618

At the request of Mr. GORE, the names of the Senator from Ohio [Mr. METZENBAUM], and the Senator from Iowa [Mr. GRASSLEY] were added as cosponsors of S. 1618, a bill to amend the Communications Act of 1934 to clarify policies regarding the right to view satellite-transmitted television programming, and for other purposes.

SENATE JOINT RESOLUTION 160

At the request of Mr. WILSON, the name of the Senator from Virginia [Mr. WARNER] was added as cosponsor of Senate Joint Resolution 160, a joint resolution designating the week beginning November 10, 1985, as "National Disabled Veterans Week."

SENATE JOINT RESOLUTION 179

At the request of Mr. KENNEDY, the name of the Senator from Michigan [Mr. RIEGLE] was added as cosponsor of Senate Joint Resolution 179, a joint resolution requesting the President of the United States to resume negotiations with the Soviet Union for a verifiable comprehensive test ban treaty.

SENATE JOINT RESOLUTION 195

At the request of Mr. KASTEN, the names of the Senator from Maryland [Mr. MATHIAS], and the Senator from Connecticut [Mr. WEICKER] were added as cosponsors of Senate Joint Resolution 195, a joint resolution to designate the week of October 20, 1985, through October 26, 1985, as "National Temporary Services Week."

SENATE JOINT RESOLUTION 207

At the request of Mr. WILSON, the names of the Senator from Washington [Mr. EVANS], and the Senator from Rhode Island [Mr. PELL], and the Senator from South Carolina [Mr. THURMOND] were added as cosponsors of Senate Joint Resolution 207, a joint resolution to designate November 1, 1985, as "National Philanthropy Day."

SENATE JOINT RESOLUTION 208

At the request of Mr. COCHRAN, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as cosponsor of Senate Joint Resolution 208, a joint resolution to designate the week of October 27, 1985, through November 2, 1985, as "National Alopecia Awareness Week."

SENATE JOINT RESOLUTION 213

At the request of Mr. FORD, the name of the Senator from Indiana [Mr. LUGAR] was added as cosponsor of Senate Joint Resolution 213, a joint resolution to designate January 19-25, 1986, "National Jaycee Week."

SENATE CONCURRENT RESOLUTION 59

At the request of Mr. TRIBLE, the names of the Senator from Kansas [Mr. DOLE], and the Senator from Indiana [Mr. LUGAR], the Senator from South Carolina [Mr. HOLLINGS], and the Senator from Idaho [Mr. MCCLURE] were added as cosponsors of Senate Concurrent Resolution 59, a concurrent resolution expressing the sense of the Congress that food producers who permit gleaning of their fields and nonprofit organizations which glean fields and distribute the resulting harvest to help alleviate hunger should be commended for their efforts, and for other purposes.

SENATE RESOLUTION 239—RECOGNIZING THE ACCOMPLISHMENTS OF THE ST. LOUIS CARDINALS AND THE KANSAS CITY ROYALS

Mr. EAGLETON (for himself and Mr. DANFORTH) submitted the following resolution; which was considered and agreed to.

S. RES. 239

Whereas, the great State of Missouri is home to both the Kansas City Royals and the St. Louis Cardinals, and therefore on this day of October 17, 1985, is the Baseball Capital of the World;

Whereas, the World Series has not been better placed since 1944, when the St. Louis Browns faced the St. Louis Cardinals;

Whereas, both the Cardinals and the Royals have overcome great adversity, coming from behind to win in their opponents' ball parks, in their respective League Championships, and in so doing proved themselves great teams;

Whereas, these two teams will soon meet in the 1985 World Series;

Whereas, their performance demonstrates once more to the Nation and the world that the very best baseball in the world is played in two areas of the country—eastern and western Missouri;

Whereas, St. Louis, the Gateway to the West, is now the Gateway to the Best in the National League;

Whereas, Kansas City, the Heart of America, is now the Heart of the American League;

Whereas, the "Show Me" State of Missouri is now the Showcase of the World's Greatest Baseball Teams and Fans; and

Whereas, the two Senators from Missouri are incurable baseball fans, and are most pleased and proud of the accomplishments of the Royals and the Cardinals: Now, therefore, be it

Resolved, That the Senate recognizes the great accomplishments of the St. Louis Cardinals and the Kansas City Royals, wishes both the Cardinals and the Royals the best of luck, and looks forward to a great "Show-Me" Series.

AMENDMENTS SUBMITTED

HOUSING AND URBAN DEVELOPMENT AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1986

DURENBERGER (AND OTHERS) AMENDMENT NO. 784

Mr. DURENBERGER (for himself, Mr. MOYNIHAN, Mr. HEINZ, Mr. BYRD, Mr. GRASSLEY, Mr. ROCKEFELLER, Mr. D'AMATO, Mr. NUNN, Mr. SPECTER, Mr. SIMON, Mr. KASTEN, Mr. HARKIN, Mr. LONG, Mr. ZORINSKY, Mr. FORD, and Mr. SASSER) proposed an amendment to the bill (H.R. 3038) making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1986, and for other purposes; as follows:

On page 36, line 5, strike all after the numeral through line 11 and insert a period.

PROXMIRE (AND ARMSTRONG) AMENDMENT NO. 785

Mr. PROXMIRE (for himself and Mr. ARMSTRONG) proposed an amendment to the bill H.R. 3038, supra; as follows:

Beginning with line 9 on page 2, delete all through line 7 on page 6, and insert the following:

The amount of contracts for annual contributions, not otherwise provided for, as authorized by section 5 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437c), and heretofore approved in appropritions Acts, is increased by $356,445,540: *Provided*, That the budget authority obligated under contracts for annual contributions shall be increased above amounts heretofore provided in appropriation Acts by $499,000,000: *Provided further*, That any balances of authorities made available prior to the enactment of this Act which are or become available for obligation in fiscal year 1986 shall be added to and merged with the authority approved herein, and such merged amounts shall be made subject only to terms and conditions of law applicable to authorizations becoming available in fiscal year 1986: *Provided further*, That of the balances of authority made available prior to the enactment of this Act which are available for obligation in fiscal year 1986, $175,000,000 shall be available as an appropriation of funds for modernization of existing public housing projects pursuant to section 14 of the United States Housing Act of 1937, as amended (42 U.S.C. 14371): *Provided further*, That none of the merged amounts available for obligation in 1986 shall be subject to the provisions of section 213(d) of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 1439): *Provided further*, That all amounts of budget authority (including contract authority) equal to the amounts of such budget authority which are recaptured shall be rescinded.

MURKOWSKI (AND OTHERS) AMENDMENT NO. 786

Mr. MURKOWSKI (for himself, Mr. CRANSTON, Mr. THURMOND, Mr. DECONCINI, Mr. MITCHELL, Mr. ROCKEFELLER, Mr. DENTON, Mr. ABDNOR, Mr. BYRD, Mr. BINGAMAN, Mr. NICKLES, and Mrs. HAWKINS) proposed an amendment, which was subsequently modified, to the bill H.R. 3038, supra; as follows:

On page 38, line 8, strike out "$9,062,694,000" and insert in lieu thereof "$9,162,694,000".

NON-SMOKERS RIGHTS ACT OF 1985

CRANSTON AMENDMENT NO. 787

(Ordered referred to the Committee on Governmental Affairs.)

Mr. CRANSTON submitted an amendment intended to be proposed by him to the bill (S. 1440) to restrict smoking to designated areas in all U.S. Government buildings; as follows:

On page 2, strike out all from lines 12 through 17, and insert in lieu thereof:

(1)(A) Except as provided in subparagraph (B), the Administrator of General Services shall prescribe and implement such reasonable rules and regulations as may be necessary to designate smoking areas in any building under the jurisdiction and control of a department or agency of the United States.

(B) The Administrator of Veterans' Affairs, after consulting with the Administrator of General Services, shall prescribe and implement such reasonable rules and regulations as may be necessary to designate smoking areas in buildings under the jurisdiction of the Veterans' Administration and not under the control of the Administrator of General Services. In prescribing rules and regulations under the preceding sentence, the Administrator of Veterans' Affairs, upon recommendation of the Chief Medical Director of the Veterans' Administration, shall adopt policies consistent with the policies reflected in the rules and regulations prescribed by the Administrator of General Services under subparagraph (A) except to the extent that the Administrator of Veterans' Affairs determines, and so specifies in a written determination, that the adoption of such policies would be inconsistent with the proper execution of the statutory missions of the Veterans' Administration.

Mr. CRANSTON. Mr. President, I am today submitting amendment No. 787 to S. 1440 for printing in the RECORD and appropriate referral. S. 1440, the proposed Non-Smokers Rights Act of 1985, which was introduced by my good friend from Alaska [Mr. STEVENS], would, among other things, require the Administrator of General Services, to prescribe and implement regulations to designate smoking areas in any building under the jurisdiction of any executive branch department or agency. The amendment I am proposing would, with respect to facilities exclusively under the VA's jurisdiction, assign responsibility to the Administrator of Veterans' Affairs for developing and issuing, after consultation with the Administrator of General Services, regulations to designate smoking areas in those facilities.

Mr. President, in proposing this amendment, I am not expressing opposition to the thrust of S. 1440. Indeed, I support the purpose of the measure. However, I feel strongly that as to facilities under the VA's jurisdiction and not under GSA control—this covers all of the VA's 172 hospitals, 116 nursing homes, and 16 domiciliary facilities—the Administrator of Veterans' Affairs is the proper official to be assigned responsibility for actions affecting those facilities. In assigning this responsibility, the amendment I am proposing is designed to ensure that the Administrator of Veterans' Affairs acts in close cooperation with the Administrator of General Services and that the results of the VA Administrator's efforts generally follow the policies put in place by GSA except where that result would be inconsistent with the VA's statutory missions.

This same approach of recognizing the special statutory role and responsibility of the Administrator of Veterans' Affairs with respect to establishing policies for VA health-care programs but directing the Administrator to establish those policies, to the maximum extent feasible and consistent with the VA's statutory missions, in a way consistent with overall Government policies has been followed in other areas. Examples of such provisions of law are as follows: Informed consent of VA patients in section 4131 of title 38, United States Code, confidentiality of certain medical records in section 4132 of title 38, and nondiscrimination in the admission of alcohol and drug abusers to VA facilities in section 4133 of title 38.

Finally, Mr. President, I note that the approach I am advocating of assigning responsibility to an agency head for facilities exclusively under his or her sole jurisdiction but requiring the maximum feasible Governmentwide consistency would be applicable with reference to agencies other than the VA—for example, the Secretary of Defense for DOD facilities and the Attorney General for Bureau of Prison facilities. In my amendment, however, I have proposed a change only for the VA because of my responsibilities as the ranking minority member of the Veterans' Affairs Committee with respect to the operations and programs of that agency.

Mr. President, I look forward to working with the Senator from Alaska [Mr. STEVENS] with regard to this amendment to his legislation.

HOUSING AND URBAN DEVELOPMENT AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1986

GARN AMENDMENT NO. 788

Mr. GARN proposed an amendment to the bill H.R. 3038, supra; as follows:

On page 49, line 13, insert "initially" after the word "estimates."

D'AMATO AMENDMENT NO. 789

Mr. GARN (for Mr. D'AMATO) proposed an amendment to the bill H.R. 3038, supra; as follows:

On page 4, line 9, insert after "1986:" the following: *Provided further,* That notwithstanding the immediately preceding ("merger") proviso, notwithstanding any requirements of section 235(c)(3) of the National Housing Act, as amended, and notwithstanding the proviso in this paragraph concerning rescission of recaptured budget authority, any balances of the contract authority and budget authority provided in the Second Supplemental Appropriations Act, 1984 (Public Law 98-396, 98 Stat. 1369, 1380) for the home ownership assistance program under section 235 of the National Housing Act, as amended (12 U.S.C. 1715z), for which the Secretary has made fund reservations prior to the date of enactment of this Act shall remain available for obligation without regard to any fiscal year limitation until such reserved budget authority is expended, and the Secretary of Housing and Urban Development shall have the authority to enter new contracts for assistance payments and to insure mortgages under section 235 until such reserved budget authority is expended notwithstanding any sunset date specified in the last sentences of section 235(h)(1) and section 235(m), respectively: *Provided further,* That notwithstanding the "merger" proviso, and notwithstanding the proviso in this paragraph concerning rescission of recaptured budget authority, any amounts of budget authority heretofore made available for obligation until September 30, 1986 for rental rehabilitation grants and development grants, pursuant to section 17(a)(1) of the United States Housing Act of 1937, as amended, shall remain available until such date:

On page 4, line 10, strike out the word "merged".

On page 4, line 14, after "1986" insert the following: (other than any such amounts for assistance payments contracts under section 235 of the National Housing Act and grants under section 17(a)(1) of the United States Housing Act.)

On page 4, strike out "except as provided in the foregoing proviso," on lines 22 and 23.

On page 4, line 24, insert after "authority)" the following: "under this paragraph".

On page 5, line 1, after "1986" insert the following: except such amounts provided for assistance payments contracts under section 235 of the National Housing Act of 1937, and for grants under section 17(a)(1) of the United States Housing Act of 1937,

GARN AMENDMENT NOS. 790 AND 791

Mr. GARN proposed two amendments to the bill H.R. 3038, supra; as follows:

AMENDMENT NO. 790

On page 46, line 6, strike out "$26,213,000" and insert in lieu thereof: "$26,877,000".

AMENDMENT NO. 791

On page 6, strike out lines 6 and 7, and insert in lieu thereof the following:

the first sentence of section 6(b) of the United States Housing Act of 1937 is amended by striking out "by more than 10 per centum" and inserting before the period at the end thereof "except that the Secretary shall increase such amount if the Secretary determines such action to be necessary to account for location or other factors related to a particular project".

LEAHY AMENDMENT NO. 792

Mr. LEAHY proposed an amendment to the bill H.R. 3038, supra; as follows:

After line 19, on page 18, add the following: ": *Provided further,* That of the funds provided to the states under the Safe Drinking Water Act, $300,000 shall be used for the purchase of essential equipment by state agencies."

STENNIS AMENDMENT NO. 793

Mr. STENNIS proposed an amendment to the bill H.R. 3038, supra; as follows:

On page 31, insert the following immediately after line 7:

MISSISSIPPI TECHNOLOGY TRANSFER CENTER

(a) The Congress finds that—

(1) section 9 of Mississippi Senate Bill No. 2984, 1985 Regular Session, which became effective on July 1, 1985, provides appropriations for constructing, furnishing and equipping a building and related facilities, to be known as the Mississippi Technology Transfer Center, at the National Space Technologies Laboratories in Hancock County, Mississippi; and

(2) operation and maintenance of the Mississippi Technology Transfer Center by the Federal Government is in the national interest.

(b) The Administrator of the National Aeronautics and Space Administration may—

(1) enter into an agreement with the State of Mississippi by which title to the Mississippi Technology Transfer Center shall be transferred to the government of the United States and by which such Center shall be operated by the government of the United States;

(2) accept title to such Center on behalf of the government of the United States; and

(3) after title has been transferred under paragraph (2) of this subsection, operate and maintain such Center, subject to the availability of appropriations for such purpose.

(c) It is the sense of Congress that, to the extent practicable, the National Space Technology Laboratories should apply its existing reimbursement policies to occupants of such Center.

ARMSTRONG (AND PROXMIRE) AMENDMENT NO. 794

Mr. ARMSTRONG (for himself and Mr. PROXMIRE) proposed an amendment to the bill H.R. 3038, supra; as follows:

On page 12, delete lines 3 through 8.

DOMENICI AMENDMENT NO. 795

Mr. DOMENICI proposed an amendment to the bill H.R. 3038, supra; as follows:

At the end of the bill add the following new section:

"SEC. 417. Except as otherwise provided in this section, each dollar amount contained in this Act, as amended, which is provided for nondefense discretionary programs and activities is hereby reduced per centum;"

DOMENICI (AND BOSCHWITZ) AMENDMENT NO. 796

Mr. DOMENICI (for himself and Mr. BOSCHWITZ) proposed an amendment to amendment No. 795 proposed by him to the bill H.R. 3038, supra; as follows:

Strike the words "per centum and insert in lieu thereof "per centum provided that this section shall not apply to the amount on page 2, line 16; *Provided further,* That, notwithstanding the provisions of 31 U.S.C. 6701-6724, payments to local governments are hereby reduced by 6.1 per centum; provided further, that, notwithstanding the provisions of 31 U.S.C. 6701-6724, in the fiscal year ending September 30, 1986, persons charged with administration of any provision of 31 U.S.C. 6701-6724, shall limit the value of any payments conferred by 31 U.S.C. 6701-6724 to amounts not in excess of the amount provided in this annual appropriation act, as amended by this section, and if the requirements of 31 U.S.C. 6701-6724 exceed the amount so provided, the payments shall be reduced to the extent necessary to stay within the amount provided in this annual appropriation act, as amended by this section."

GARN AMENDMENT NO. 797

Mr. GARN proposed an amendment to the bill H.R. 3038, supra; as follows:

On page 32, line 9, strike out "$72,000,000" and insert in lieu thereof "$73,000,000".

GARN (AND OTHERS) AMENDMENT NO. 798

Mr. GARN (for himself, Mr. RIEGLE, Mr. HOLLINGS, and Mr. GLENN) proposed an amendment to the bill H.R. 3038, supra; as follows:

On page 31, line 7, insert the following immediately before the period: ": *Provided further,* That, of such funds, $500,000 shall be available for the activities by the National Commission on Space, established by the National Aeronautics and Space Administration Authorization Act, 1985 (Public Law 98-361; 98 Stat. 422)".

On page 31, insert the following immediately after line 7:

NATIONAL COMMISSION ON SPACE

Section 204(c) of the National Aeronautics and Space Administration Authorization Act, 1985 (Public Law 98-361; 98 Stat. 430) is amended by striking "twelve" and inserting in lieu thereof "18".

GARN AMENDMENT NO. 799

Mr. GARN proposed an amendment to the bill H.R. 3038, supra; as follows:

On page 19, line 11, insert after the comma the following: "and not exceed $16,000 for travel expenses".

DURENBERGER AMENDMENT NO. 800

Mr. DURENBERGER proposed an amendment to the bill H.R. 3038, supra; as follows:

On page 17, line 9 after "1987:" insert the following: ": *Provided*, That $1,000,000 of the funds under this heading shall be available for a study of the use of fuel containing lead additives, or alternative lubricating additives, in gasoline engines which are used in agricultural machinery. The study shall analyze the potential for mechanical problems (including but not limited to valve recession) which may be associated with the use of other fuels in such engines. All testing of engines carried out for purposes of this study shall be reflective of actual agricultural conditions to the extent practicable including revolutions per minute and payload. The Secretary of Agriculture shall be consulted in the design of such study and shall be given opportunity to comment on the results which shall be reported to the Congress no later than December 31, 1986; *Provided further*, That, notwithstanding any other provision of law, no funds available under this Act or carried over from prior appropriations shall be used to provide exemptions for users or classes of users of motor fuels or otherwise modify the regulation of fuels or fuel additives for gasoline lead content made final on March 7, 1985 in volume 50, Federal Register 9386 and the regulation for banking of lead rights made final on April 2, 1985 in volume 50, Federal Register 13116."

IMPROVEMENTS IN FEDERAL COAL LEASING PROGRAM

McCLURE AMENDMENT NOS. 801 AND 802

(Ordered referred to the Committee on Energy and Natural Resources.)

Mr. McCLURE submitted two amendments intended to be proposed by him to the bill (S. 570) to amend the Mineral Lands Leasing Act of 1920 to improve the administration of the Federal Coal Leasing Program, and for other purposes; as follows:

AMENDMENT No. 801

On page 2 after line 6 insert a new section 2 as follows and renumber succeeding sections accordingly:

SEC. 2. Section 2(c) of the Mineral Lands Leasing Act (30 U.S.C. 202) is amended to read as follows:

"(c)(1) A common carrier railroad company or any company that controls, is controlled by, or is under common control with such company (hereinafter in this subsection referred to as a "railroad or affiliated company") may hold leases of coal deposits pursuant to this Act subject to the special conditions on (i) lease bidding in paragraph (2); (ii) lease holdings in paragraph (3); and (iii) transportation of leased coal in paragraph (4).

"(2)(A) No railroad or affiliated company shall be eligible to bid for a lease under this Act of coal deposits that are adjacent to coal deposits which (i) are in lands granted by the United States to such railroad or affiliated company or to a corporate predecessor thereof and (ii) are owned by such company (hereinafter in this paragraph referred to as "the federal lease") unless such company notifies the Secretary of its intention to bid by a date, established by regulation, prior to the sale of the federal lease. Whenever such a notification has been received and a tract for the federal lease has been delineated, the Secretary shall identify a potential mining unit containing the federal lease (hereinafter in this paragraph referred to as "the potential mining unit") and, if he finds that competition for the federal lease would be substantially enhanced thereby, shall require as conditions to the right of the railroad or affiliated company to bid when and if the federal lease is offered for sale, that, prior to the sale, the railroad or affiliated company shall—

"(i) upon request, make available at reasonable cost to any potential bidder for the federal lease any and all exploration data in the possession of the company concerning the extent and nature of the land-grant coal deposits within the potential mining unit; and

"(ii) agree that, if not the successful bidder for the federal lease, it will offer for lease the land-grant coal deposits owned by the company in the potential mining unit on reasonable terms which are mutually agreed to by the Secretary and the company: *Provided*, That, whenever the Secretary makes a finding of significant competition enhancement pursuant to this subparagraph (A), he shall promptly enter into good faith negotiations with the railroad or affiliated company to establish such terms and shall not offer the federal lease until such terms are established or he and the company mutually agree in writing that the negotiations have concluded and no agreement on terms can be reached; in which latter event, the railroad or affiliated company shall not be eligible to bid on the federal lease: *Provided further*, That the Secretary may determine without company concurrence that no agreement on terms can be reached if, after publishing a complete statement of his final offer to the company in the *Federal Register* and allowing 30 days for a response, the company has failed to agree to such terms.

"(B) After notification to the Secretary pursuant to subparagraph (A), a railroad or affiliated company may bid upon the federal lease without the conditions specified in said subparagraph whenever the Secretary does not make a finding of significant competition enhancement as provided in subparagraph (A), or when the railroad or affiliated company has a less than thirty percent interest in a joint venture which would own or control the federal lease, or where the coal deposits to be included in the federal lease—

"(i) constitute less than thirty-five percent of the recoverable reserves in the potential mining unit; or

"(ii) would be bypassed by or are required to maintain ongoing mining operations owned in whole or in part by the railroad or affiliated company and located in the potential mining unit; or

"(iii) are within or adjacent to the permit area of a mining operation that is owned in whole or in part by the railroad or affiliated company and that is operating, and has coal committed to a purchase, prior to the date of enactment of this subsection.

"(3) Any railroad or affiliated company shall be subject to the acreage restrictions of section 27(a)(1) of this Act and, within these limitations, shall not take, hold, or control at one time, whether acquired directly from the Secretary or otherwise under this Act, leases of coal deposits adjacent to land-grant coal deposits which were granted by the United States to such railroad or affiliated company or to a corporate predecessor thereof and are owned by such company in an aggregate of more than twenty-three thousand and forty acres.

"(4)(A) Whenever a railroad or affiliated company obtains a lease under this Act of coal deposits situated within the exclusive service area of such railroad company, the railroad company may not thereafter enter into a contract to transport coal produced from said lease or from a mining unit that includes said lease (hereinafter in this paragraph referred to as "the Contract") except as provided in this paragraph.

"(B) In addition to any filing which may be required by any other provision of law, the railroad company shall submit the Contract to the Secretary, together with copies of any formal transportation bid notice or request from the purchaser of the coal to be transported pursuant to the Contract (hereinafter in this paragraph referred to as "the purchaser") to which the railroad company responded and all formal transportation bids submitted by the railroad company in response to such notice or request. The railroad or affiliated company shall also submit to the Secretary its supply contract with the purchaser. Within five days of submission of the Contract, the Secretary shall publish in the Federal Register notice of such submission, including identification of the contracting parties, the affected lease, and the lessee. The Contract shall not become effective until thirty days after the date of such publication.

"(C) Within that same thirty-day period, any coal producer (hereinafter in this paragraph referred to as "the complainant") may file a complaint with the Secretary alleging that the Contract is in violation of law and that it prevented complainant from selling its coal to the purchaser in lieu of the coal to be transported pursuant to the Contract. The complainant shall submit with its complaint a copy of its coal supply bid to the purchaser and any other information necessary for the Secretary to make the disclosure determination provided for in this subparagraph. If the Secretary determines that (i) the purchaser requested and received a timely and responsive supply bid from the complainant, the terms of which were substantially similar to those of the supply contract, (ii) the complainant had no reasonable alternative transportation available for its coal except that supplied in whole or in part by the railroad company, (iii) the purchaser requested a bid from the railroad company to transport in whole or in part the complainant's coal, and (iv) the Contract and the bids, if any, submitted by the railroad company to transport the complainant's coal are not identical in all material respects, the Secretary shall disclose the submissions of the railroad or affiliated company to the complainant and the submissions of the complainant to the railroad company (and to its affiliated company, if the latter holds the lease to the coal to be transported pursuant to the Contract).

"(D) The submissions to the Secretary pursuant to this paragraph shall be disclosed by him only pursuant to subparagraph (C) and, except as provided in subparagraph (E), shall otherwise remain proprietary and not be released to any other

person or entity, any other provision of law notwithstanding.

"(E) The complainant may make use of the submissions of the railroad or affiliated company solely for the purpose of determining whether a cause of action may exist against the railroad or affiliated company and disclose such submissions solely for the purpose of prosecuting such cause of action. The railroad or affiliated company may make use of and disclose the submissions of the complainant solely for the purpose of defending such cause of action. No other disclosure or use may be made of such submissions."

AMENDMENT NO. 802

On page 2 after line 6 insert a new section 2 as follows and renumber succeeding sections accordingly.

● Mr. McCLURE. Mr. President, I am today submitting two amendments to S. 570, legislation to amend the Mineral Lands Leasing Act. The first amendment would repeal subsection 2(c) of the 1920 Mineral Leasing Act. That subsection is an antiquated provision of law which prohibits any company or corporation operating a common-carrier railroad from holding a permit or lease for coal deposits except for its own use for railroad purposes. The provision is long overdue for repeal. The Public Land Law Review Commission recommended its repeal in 1970. Successive administrations have recommended its repeal. The fears of anticompetitive actions were addressed fully in the 1976 Federal Coal Leasing Act amendments. In 1980, the Department of Justice specifically concluded that not only were there sufficient protections in existing law, but that the subsection itself operated as an impediment to competition.

The 1980 Justice Department report, which was prepared in connection with its responsibility to provide an annual assessment of competition in the coal industry under the Federal Coal Leasing Amendments Act of 1976, concludes:

Plainly, whatever the merits of a general prohibition on leasing to railroads in 1920, the broad sweep of section 2(c) is now an impediment to rather than a bulwark (sic) of competition.

And further that:

Competitive concerns embodied in section 2(c) could be handled on a case-by-case basis under the antitrust review procedure without the detrimental effect on competition that arises from prohibiting Federal coal leasing to all railroads.

Not only do the statements by Justice compel me to offer this amendment, but also an opinion and legal interpretation of 2(c) rendered by both the Interior and Justice Departments respectively. In that opinion and legal interpretation, it was determined that the barrier of section 2(c) also extends to companies that are separate from but affiliated with railroads as part of a corporate holding company structure.

The Congress is now faced with the necessity of reviewing the 1976 amendments to the Mineral Leasing Act. Three measures have already been introduced which will be the subject of hearings before the Subcommittee on Natural Resources Development and Production on October 22 and 24. It had not been my intention at the beginning of this year to complicate the important issues involved in those measures with the repeal of subsection 2(c). The repeal, however, does address a related issue and that is the proper and prudent development of this Nation's energy reserves. I recognize that there are strong feelings about the repeal of 2(c). Some of these concerns are honest.

Although I feel strongly that the provision is an anachronism and should be repealed at the beginning of the Congress, I did not reintroduce the same measure which Senator JACKSON and I had introduced during the 97th Congress and on which the Committee on Energy and Natural Resources held extensive hearings. Rather, at the outset of the year, I requested the concerned organizations—the railroads and the coal companies, as well as other interested groups—to sit down and discuss their concerns and determine if reform of the 2(c) prohibition could be accomplished rather than outright repeal. Quite frankly I have been surprised by how forthcoming and accommodating the railroad affiliates have been in attempting to lay a basis for discussion. I suppose I am not surprised, but I am certainly displeased, with the attitude of some in the industry who refuse to even discuss the subject.

I do not want the submission of this amendment to be misinterpreted by those who have honestly tried to develop a comprehensive reform which will eliminate the anticompetitive aspects of present law while ensuring that the railroads would not abuse their position in the future. I still believe that outright repeal is in the national interest and I fully agree with the conclusion of the Department of Justice in 1980 that the present law is anticompetitive. That may explain some of the opposition to repeal. I am willing to support reform and those who have spent so much time in trying to work out an acceptable compromise can be assured that they will have my full support.

I am submitting this amendment in this form because it does represent my position and so as not to prejudice the ongoing discussions of reform. I think that this subject should be raised and fully explored during our upcoming hearings and the introduction of this amendment will accommodate a full exploration of the issue.

The second amendment which I am submitting is a reform of section 2(c) and demonstrates how far the railroad affiliates have gone in attempting to address the various concerns which have arisen with respect to outright repeal. I want to emphasize that this is not a final product in any sense and does not represent the views of any organization. It does represent a working document which has been used to try to focus the discussion on the details of a compromise and avoid the useless sophistry which opponents have resorted to in an effort to prevent any consideration of section 2(c).

I am hopeful that those who in good faith have tried to work out a compromise will take advantage of the hearings which will be held next week to focus not only on the overall issue of repeal of 2(c) which is presented by my first amendment, but will also discuss the details of the reform of section 2(c) as set forth in my second amendment. I understand that some additional refinement of the reform proposal may be needed, but I would hope that the committee will be spared the same groundless litany which certain elements of the industry resort to whenever this subject is raised.

It is long past time to realize that we are no longer in 1920. Every major independent review of the continued need for section 2(c) has recommended its repeal—The Public Land Law Review Commission, the Linowes Commission, the Departments of the Interior and Justice, administrations both Democratic and Republican. It is long past time for the Congress to act.●

LEAHY AMENDMENT NO. 803

Mr. LEAHY proposed an amendment to the bill H.R. 3038, supra; as follows:

On page 32, line 6, increase the figure by $3,000,000.

LAUTENBERG (AND BRADLEY) AMENDMENT NO. 804

Mr. LAUTENBERG (for himself and Mr. BRADLEY) proposed an amendment to the bill H.R. 3038, supra; as follows:

On page 54, between lines 12 and 13, insert the following:

SEC. 417. Any funds previously appropriated for the purposes of construction grants under title II of the Clean Water Act shall be available for all projects for which such funding was initially available when such appropriations were made and not be limited to phases or segments of previously funded projects.

HEINZ AMENDMENT NO. 805

Mr. HEINZ proposed an amendment to the bill H.R. 3038, supra; as follows:

On page 13, between lines 5 and 6, insert the following:

NEIGHBORHOOD DEVELOPMENT DEMONSTRATION

For financial assistance and other expenses not otherwise provided for to carry

out the neighborhood development demonstration program pursuant to section 123 of the Housing and Urban-Rural Recovery Act of 1983 $2,000,000, to remain available until September 30, 1988.

DIXON (AND OTHERS) AMENDMENT NO. 806

Mr. DIXON (for himself, Mr. HEINZ, Mr. KERRY, Mr. MATSUNAGA, Mr. GORTON, Mr. SIMON, Mr. KENNEDY, and Mr. MOYNIHAN) proposed an amendment to the bill H.R. 3038, supra; as follows:

On page 24, line 15, strike out "$50,000,000" and insert in lieu thereof "$70,000,000".

On page 25, line 17, strike out "$50,000,000" and insert in lieu thereof "$70,000,000".

GORTON (AND OTHERS) AMENDMENT NO. 807

Mr. GORTON (for himself, Mr. MOYNIHAN, and Mr. MATSUNAGA) proposed an amendment, which was subsequently modified, to amendment No. 806 proposed by Mr. DIXON (and others) to the bill H.R. 3038, supra; as follows:

On page 1 of the amendment, strike out lines 3 and 4 and insert the following:

On page 24, line 18, before the period, insert ", and $5,000,000 to carry out a transition to independence demonstration".

Beginning with "the following" on page 24, line 20, strike out all through page 26, line 12, and insert in lieu thereof "titles VI and VII.".

At the end of the amendment, add the following:

At the end of the bill, add the following:

TITLE V—SHELTER PROGRAM: GENERAL PROVISIONS

SHORT TITLE

SEC. 501. The following titles may be cited as the "Homeless Housing Assistance Act of 1985".

DEFINITIONS

SEC. 502. For the purpose of this Act—

(1) the term "emergency shelter", as used in section 608(b) of this Act, means an entire facility, or that part of a facility, which is used or designed to be used to provide temporary housing to not fewer than twenty individuals;

(2) the term "homeless" means individuals who are poor and who have no access to either traditional or permanent housing;

(3) the term "local government" means a unit of general purpose local government;

(4) the term "locality" means the geographical area within the jurisdiction of a local government;

(5) the term "operating costs" means expenses incurred by State, local governments, and private nonprofit organizations operating transitional housing for the homeless under title VII of this Act with respect to—

(A) the administration, maintenance, minor repairs, and security of such housing;

(B) utilities, fuel, furnishings, and equipment for such housing;

(C) the conducting of the assessment required in section 705(a)(2) of this Act; and

(D) the provision of supportive services to the residents of such housing;

(6) the term "private nonprofit organization" means a secular or religious organization described in section 501(c) of the Internal Revenue Code of 1954 which is exempt from taxation under subtitle A of such Code, and which has an accounting system and a voluntary board, and practices nondiscrimination in the provision of assistance;

(7) the term "Secretary" means the Secretary of Housing and Urban Development;

(8) the term "shelter", as used in title II of this Act, means broadly the provision of protection from the elements for homeless individuals;

(9) the term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, or any territory or possession of the United States;

(10) the term "supportive services" means assistance to the residents of transitional housing in obtaining permanent housing, medical and psychological counseling and supervision, employment counseling, referral to job training, nutritional counseling, and such other services essential for establishing independent living as the Secretary determines to be appropriate. Such term includes the provision of assistance to the residents of transitional housing in obtaining other Federal, State, and local government assistance available for such person, including mental health benefits, employment counseling, referral to job training programs, and medical assistance; and

(11) the term "transitional housing" means a single- or multi-family structure suitable for the provision of housing and supportive services for not more than 15 homeless persons, who cannot presently live independently without supportive services in a supervised residential setting but who are believed capable of transition to independent living with 6 months of assistance in a stable environment.

TITLE VI—EMERGENCY FOOD AND SHELTER PROGRAM

EMERGENCY FOOD AND SHELTER PROGRAM NATIONAL BOARD

SEC. 601. (a) The Director of the Federal Emergency Management Agency shall, as soon as practicable after Septemer 30, 1985, constitute a national board for the purpose of carrying out an emergency food and shelter program.

(b) The national board shall consist of seven members. The United Way of America, the Salvation Army, the National Council of Churches of Christ in the United States of America, the National Conference of Catholic Charities, the Council of Jewish Federations, Inc., the American Red Cross, and the Federal Emergency Management Agency shall each designate a representative to sit on the national board.

(c) The representative of the Federal Emergency Management Agency shall chair the national board.

NATIONAL BOARD TRANSITION

SEC. 602. (a) The national board constituted by the Director of the Federal Emergency Management Agency, pursuant to section 601, shall continue to be authorized until March 30, 1986, and on such date, the personnel, property, records, and undistributed program funds of such national board shall be transferred to the national board constituted under subsection (b).

(b) On or before March 30, 1986, the Secretary of Housing and Urban Development shall constitute a national board for the purpose of carrying out an emergency food and shelter program. This national board shall consist of the same representatives, or their successors, of the same organizations as the national board constituted pursuant to section 601(b), except that the Secretary of Housing and Urban Development shall designate a representative to replace the Federal Emergency Management Agency representative. Such national board shall assume authority on March 30, 1986.

(c) The representative designated by the Secretary of Housing and Urban Development shall chair the national board constituted pursuant to subsection (b).

DISTRIBUTION OF PROGRAM FUNDS

SEC. 603. The national boards constituted pursuant to sections 601 and 602(b) shall determine how program funds are to be distributed to individual localities. The national boards shall identify localities having the highest need for emergency food and shelter assistance, based on unemployment and poverty rates and such other need-related data as the national boards deem appropriate, determine the amount and distribution of funds to these localities, and ensure that funds are properly accounted for.

AGENCY RESPONSIBILITIES

SEC. 604. (a) The Director of the Federal Emergency Management Agency shall award a grant for such amount as Congress appropriates for this program to the national board constituted pursuant to section 601 within 30 days after the beginning of fiscal year 1986, for the purpose of providing private nonprofit organizations and through units of local government.

(b) The Director of the Federal Emergency Management Agency, or his representative, shall have the following responsibilities: provision of guidance, coordination, and staff assistance to the national board in carrying out the program; and cooperation and coordination with the Secretary of Housing and Urban Development in the conducting of an audit of program funds awarded to the national board constituted pursuant to section 601 or transferred to the national board constituted pursuant to section 602(b). The responsibilities of the Director of the Federal Emergency Management Agency with respect to this program shall end with the completion of the audit for program funds distributed during fiscal year 1986.

(c) The Secretary of Housing and Urban Development shall award a grant for such amount as Congress appropriates for this program to the national board constituted pursuant to section 602(b) within 30 days after the beginning of fiscal years 1987 and 1988, for the purpose of providing emergency food and shelter to needy individuals through private nonprofit organizations and through units of local government.

(d) The Secretary of Housing and Urban Development shall have the following responsibilities: provisions of guidance, coordination, and staff assistance to the national board in carrying out the program; and the conducting of an audit of program funds awarded to and transferred to the national boards constituted pursuant to sections 601 and 602(b).

(e)(1) In carrying out the responsibilities under subsection (d), the Secretary shall coordinate activities with the Federal Interagency Task Force on Food and Shelter, chaired by the Secretary of Health and Human Services, to identify vacant and surplus Federal facilities which could be renovated or converted for use as emergency shelter facilities for the homeless.

(2) Not later than 3 months after the end of fiscal year 1986, the Secretary shall

submit to the Congress a report on obstacles, if any, including agency rules or procedures, to the availability of vacant and surplus Federal facilities for renovation or conversion to use as emergency shelter facilities for the homeless, with recommendations for legislative or administrative changes to overcome such obstacles.

LOCAL BOARDS

SEC. 605. (a) Each locality designated by the national boards constituted pursuant to sections 601 and 602(b) shall constitute a local board for the purpose of determining how program funds allotted to the locality will be distributed. The local board shall consist, to the extent practicable, of representatives of the same organizations as the national boards, except that the mayor or other appropriate heads of government will replace the Federal Emergency Management Agency or Department of Housing and Urban Development member. The chair of the local board shall be elected by a majority of the members of the local board. Local boards are encouraged to expand participation of other private nonprofit organizations on the local board.

(b) Local boards shall have the following responsibilities: determining which private nonprofit organizations or public organizations of the local government in the individual locality shall receive grants to act as service providers; monitoring recipient service providers for program compliance; reallocation of funds among service providers; ensuring proper reporting; and coordinating with other Federal, State, and local government assistance programs available in the locality.

(c) Prior to March 30, 1986, local boards constituted pursuant to subsection (a) shall be acccountable to the national board constituted pursuant to section 601. On and after March 30, 1986, local boards constituted pursuant to subsection (a) shall be accountable to the national board constituted pursuant to section 602(b).

LOCAL HOMELESS ASSISTANCE PLAN

SEC. 606. (a) At the end of each fiscal year, each local board shall submit to the national board constituted pursuant to section 602(b), a plan describing programs, goals, and objectives for providing assistance to the homeless in that locality. The plan shall be developed in cooperation with the local government head represented on the local board.

(b) The local plan shall address the following subjects: description of existing shelter, mass feeding, and food bank activities in that locality, including activities not receiving assistance under this title; use and availability of all public and private resources in the locality to assist the homeless; coordination of all public and private services and resources in that locality to assist the homeless; coordination among all shelter providers in the locality to use all available shelter space for the homeless; and preservation of low-income housing in the locality.

(c) The local plan shall be placed on file in the office of the local government head represented on the local board and shall be made available to the public. The local plan shall be forwarded to that individual locality's representatives in Congress. The national board shall maintain files of local plans and make them available upon request to other localities.

(d) The preparation and submission of the local plan shall be regarded as the legal duty of the local board, but failure to do so shall not be grounds for the withholding of funds appropriated under this title from that locality. Any citizen residing in the locality in which such local board is constituted shall have standing in the Federal district court of jurisdiction to seek an order compelling the preparation and submission of the local plan as required by this section. The substance and contents of the local plan shall be within the sole discretion of the local board and shall not be subject to administrative or judicial review.

SERVICE PROVIDERS

SEC. 607. Designation by the local board of a service provider to receive program funds should be based upon a private nonprofit organization's or unit of local government's ability to deliver emergency food and shelter to needy individuals and such other factors as are deemed appropriate to program objectives by the local board.

USE OF FUNDS

SEC. 608. (a) The national boards constituted by sections 601 and 602(b) may authorize the following use of funds to address the emergency food and shelter needs of needy individuals:

(1) Expenditures necessary to purchase emergency food and shelter for needy individuals, to supplement and extend currently available resources and not to substitute or reimburse ongoing programs and services; and

(2) Expenditures necessary to conduct minimum rehabilitation of existing mass shelter or mass feeding facilities to make facilities safe, sanitary, and bring them into compliance with local building codes.

(b)(1) Local boards are authorized to expend up to 25 percent of the funds allotted to that locality for substantial renovation or conversion, but not acquisition or new construction, of buildings for use as emergency shelter facilities to provide additional shelter space. Such expenditures shall be made in the form of noninterest bearing advances, repayment of which shall be waived if—

(A) the applicant utilizes the building as an emergency shelter facility for not less than the 10-year period following the completion of such renovation or conversion, or

(B) the Secretary determines that such facility is no longer needed to provide shelter to the homeless and approves use of the building for another charitable purpose for the remainder of such 10-year period. If the recipient of such advance fails to comply with the conditions for such a waiver, the recipient shall repay to the Secretary in cash the full amount of the advance received on such terms as the Secretary shall require. It shall be the responsibility of the local board to obtain documentation, signed by the responsible official showing that the recipient of such advance is aware of and agrees to the conditions of its receipt.

(2) Local boards are encouraged to provide, to the neighborhood in which a new emergency shelter facility is to be located, adequate notice and an opportunity to comment. Local boards are also encouraged to achieve the widest possible distribution of emergency shelters throughout the locality to avoid a disproportionate burden on any one section or neighborhood of the locality.

LIMITATION ON CERTAIN COSTS

SEC. 609. Not more than 3 percent of the total appropriation for this program each year may be expended for the costs of administration.

PROGRAM GUIDELINES

SEC. 610. (a) The national boards constituted pursuant to sections 601 and 602(b) shall establish written guidelines for carrying out this program, including methods for identifying localities with the highest need for emergency food and shelter assistance; methods for determining amount and distribution to these localities; eligible program costs, with the aim of providing emergency essential services based on currently existing needs; and responsibilities and reporting requirements of the national boards, local boards, and service providers.

(b) These guidelines shall be published annually, and whenever modified, in the Federal Register. The national boards shall not be subject to the procedural rulemaking requirements of subchapter II of chapter 5 of title 5, United States Code.

(c) Guidelines established by the national board constituted pursuant to section 601 shall continue in effect until modified or revoked by that board or by the national board constituted pursuant to section 602(b).

PROGRAM AUTHORIZED

SEC. 611. (a) To carry out this title, there are authorized to be appropriated $70,000,000 in fiscal year 1986, $88,000,000 in fiscal year 1987, and $91,000,000 in fiscal year 1988.

(b) Any appropriated funds not obligated in a fiscal year shall remain available for obligation during the following fiscal year.

SURPLUS FOOD DISTRIBUTION

SEC. 612. The Commodity Credit Corporation shall process and distribute surplus commodities acquired by the Corporation for the purpose of carrying out the food distribution and emergency shelter program in cooperation with the national boards constituted pursuant to sections 601 and 602(b).

TITLE VII—TRANSITION TO INDEPENDENCE DEMONSTRATION PROJECT AUTHORITY TO MAKE GRANTS

SEC. 701. (a) The Secretary of Housing and Urban Development shall make grants to States, local governments, or private nonprofit organizations for the operation of demonstration projects to develop and apply innovative approaches in providing transitional housing and supportive services to the homeless to assist them in the transition to independent living.

(b) Grants under subsection (a) may be made in the form of:

(1) annual payments for operating expenses of transitional housing, not to exceed 75 percent of the annual operating expenses of such housing;

(2) technical assistance in establishing and operating transitional housing and providing supportive services to the residents of such housing to assist them in the transition to independent living; and

(3) a one-time only non-interest bearing advance, not to exceed $100,000, for the purposes of acquiring, rehabilitating, or acquiring and rehabilitating an existing structure for use in providing transitional housing, if the applicant agrees to utilize such structure as transitional housing for not less than 5 years. Repayment of such advance shall be waived if the applicant utilizes the structure as transitional housing for not less than the 10-year period following the initiation of operation of such transitional housing facility, or if the Secretary determines that such structure is no longer needed for use as transitional housing and approves the use of such structure for another charitable purpose for the remainder of such 10-year period. If the applicant fails to comply with

the conditions for waiver of repayment, the applicant shall repay to the Secretary in cash the full amount of the advance received on such terms as the Secretary shall require.

(c) Grants made under this section are to be used to supplement and extend currently available resources and not to substitute or reimburse ongoing programs and services.

APPLICATIONS FOR GRANTS

SEC. 702. Each application for a grant submitted by a State, local government, or private nonprofit organization shall contain—

(1) documentary material demonstrating that such applicant has the ability and resources necessary to operate transitional housing;

(2) documentary material describing the program and supportive services intended to be provided in such transitional housing, including the innovative quality of the proposed program;

(3) documentary material demonstrating that the State, local government, or private nonprofit organization involved has provided the emergency food and shelter program local board, constituted pursuant to section 605 of this Act, if such local board has been constituted in the locality where the proposed transitional housing will be located, an opportunity to comment with respect to this application, and a statement as to whether the local board approves or disapproves of such application and its reasons for any disapproval; and

(4) such other information or material as the Secretary shall establish.

ALLOCATION OF GRANTS

SEC. 703. In selecting States, local governments, or private nonprofit organizations for assistance in providing transitional housing under this title, the Secretary shall consider—

(1) the innovative quality of the proposal to provide transitional housing and supportive services to the homeless to assist them in the transition to independent living;

(2) the ability of the State, local government, or private nonprofit organization to develop and operate transitional housing for homeless persons and to provide supportive services to the residents of such housing;

(3) the need for such transitional housing and supportive services in the locality to be served; and

(4) such other factors as the Secretary determines to be appropriate for purposes of carrying out the demonstration project established in this Act in an effective and efficient manner.

DISTRIBUTION OF GRANTS

SEC. 704. (a)(1) Not later than 120 days after the beginning of each fiscal year for which Congress makes appropriation to carry out this title, the Secretary shall make grants under section 701.

(2) If the aggregate amount of funds requested in applications submitted and approved, during the 120-day period referred to in paragraph (1), is less than the amount of such appropriation available to make such grants, then the Secretary shall publish in the Federal Register a notice that additional funds are available for distribution under this title.

(b) The aggregate amount of all appropriations made to carry out this title shall be used to make grants under section 701 unless the sum of the administrative costs incurred by the Secretary to carry out this title and the aggregate amount of funds requested in applications approved under this title is less than the aggregate amount of such appropriation.

PROGRAM REQUIREMENTS

SEC. 705. (a) Each State, local government, or private nonprofit organization receiving assistance under this title shall agree—

(1) to operate transitional housing assisting residents in the transition to independent living and limiting the stay of individual residents to not more than 6 months;

(2) to conduct an assessment of the supportive services required by the residents of such transitional housing to assist them in the transition to independent living;

(3) to employ a full-time residential supervisor with sufficient expertise to provide, or supervise the provision of, supportive services to the residents of such housing;

(4) to keep and make available to the Secretary such records of the expenditure of funds as the Secretary may require by rule; and

(5) to comply with such other terms and conditions as the Secretary may establish for purposes of carrying out the demonstration project established by this title in an effective and efficient manner.

(b) Each homeless individual residing in transitional housing assisted under this title shall pay as rent an amount determined in accordance with the provisions of section 3(a) of the United States Housing Act of 1937.

REGULATIONS

SEC. 706. Not later than 120 days following the date of enactment of this Act, the Secretary shall issue such regulations as may be necessary to carry out the provisions of this title.

REPORTS TO CONGRESS

SEC. 707. (a) The Secretary shall submit to Congress—

(1) not later than 3 months after the end of each of the fiscal years 1986 and 1987, an interim report summarizing the activities carried out under this title during such fiscal year and setting forth any preliminary findings, conclusions, or recommendations of the Secretary as a result of such activities; and

(2) not later than 6 months after the end of fiscal year 1988, a final report summarizing all activities carried out under this title and setting forth any findings, conclusions, or recommendations of the Secretary as a result of such activities.

(b) Such interim and final reports shall address—

(1) the cost of operating transitional housing and providing supportive services to the homeless to assist them in the transition to independent living;

(2) the various types of transitional housing assisted under this title, including innovative approaches to assisting the homeless in the transition to independent living;

(3) the social, financial, and other advantages and disadvantages of transitional housing and supportive services as a means of assisting the homeless;

(4) the success of transitional housing programs assisted under this title, as measured in terms of placement of homeless individuals in permanent housing, placement in employment, and reductions in welfare dependency; and

(5) such other findings, conclusions, and recommendations as the Secretary deems appropriate with regard to assisting the homeless in the transition ot independent living.

PROGRAM AUTHORIZED

SEC. 708. To carry out this title, there are authorized to be appropriated $5,000,000 in fiscal year 1986, and there are authorized to be appropriated $15,000,000 in each of the fiscal years 1987 and 1988.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON DEFENSE ACQUISITION POLICY

Mr. GARN. Mr. President, I ask unanimous consent that the Subcommittee on Defense Acquisition Policy of the Committee on Armed Services be authorized to meet during the session of the Senate on Thursday, October 17, to receive testimony on the implication of the 1984 defense procurement legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. GARN. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on Thursday, October 17, to conduct a meeting on the nominations of Edward Hickey and Frank Ivancie to the Federal Maritime Commission and John Gaughan to the Maritime Administration.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. GARN. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Thursday, October 17, to consider the nomination of Anthony Sousa, to be reappointed as a FERC Commissioner.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. GARN. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Thursday, October 17, in order to receive testimony concerning the following nominations:

SOLICITOR GENERAL

Charles Fried, of Massachusetts, to be Solicitor General of the United States;

ASSISTANT ATTORNEY GENERAL

Stephen J. Markman, of Virginia, to be an Assistant Attorney General (Office of Legal Policy).

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

SENATOR COHEN—A RENAISSANCE MAN

● Mr. LUGAR. Mr. President, in a truly superb piece of journalism, our distinguished colleague from Maine, Senator COHEN, was profiled October 11 in the Christian Science Monitor.

As the article states, Senator COHEN is truly a Renaissance man of this body. I ask unanimous consent that the article be printed in the RECORD.

The article follows:

SENATOR COHEN, A RENAISSANCE MAN AND POET

(By Scott Thompson)

Poet, novelist, artist, linguist, athlete, and United States senator, William S. Cohen of Maine is a true "Renaissance man."

He has written two volumes of poetry, co-written a spy novel with fellow Sen. Gary Hart, had some of his artistic "doodles" published in the Washingtonian magazine, and continued his study of Latin, Hebrew, and Spanish. He also finds time to jog and play basketball, a game that was his professional ambition before his senior year at Bowdoin College in Maine.

As he tugs off his tie and loosens his silk shirt in a stately room at the Four Seasons Hotel in Boston, Senator Cohen explains that his poetry flows more from his roots in Maine than his experience in Washington.

"It's very hard to write in Washington," he says, "because the business of Washington is not nature and it's not the elements, it's a definition of power and the contest of power." There is nonetheless a bridge between these aspects of his life—the use of language to persuade, to evoke, to create images.

Cohen says the object of a poem is "to try to compress an idea into a very few words and to make that idea almost phosphorous, to light up in one's mind or memory." The same is true of great speeches, he says. The most effective orators "use words to create an image that is unmistakable. . . . If you look at Churchill or any of the great orators, there's a phraseology of words that can stimulate and move people."

William Cohen first became visible on the national scene in 1972 when, as the little-known mayor of Bangor, Maine, he campaigned for a seat in the US House of Representatives by walking 600 miles, covering the district from New Hampshire to the Canadian border. Not only did this unusual campaign style garner him news media attention, it allowed him to meet many of his future constituents and gave him a deep appreciation of their way of life and concerns. The trek was more than a campaign gimmick and Cohen has returned often to hike among the citizens of Maine, whom he has represented as a US Senator since 1978.

What Cohen feels was his most important speech came early in his Washington career. As a freshman Republican congressman, he wound up on the House Judiciary Committee, which investigated grounds for impeaching President Nixon.

When the committee subpoenaed the tapes from the Oval Office, President Nixon handed over edited transcripts. The transcripts were unacceptable for two reasons: They were incomplete, and all the subleties of inflection and tone were lost on paper.

Committee chairman Peter W. Rodino Jr. (D) of New Jersey drafted a letter informing the President that the transcriptions were inadequate. When Republicans on the committee held a caucus in which they refused to support the letter, Cohen objected, saying that if they were concerned that the letter was partisan, he could draft one in its place. They refused and Cohen walked out.

The night before the vote, Cohen did not sleep. He would have 15 minutes on the House floor the next morning in which to justify breaking ranks with his Republican colleagues and breaking the tie to ensure passage of the letter.

Cohen's speech could not be poetry, but he was conscious of the need to create an image in the listeners' minds in order to persuade them. He compared the circumstantial evidence of presidential involvement in Watergate to snow: If you wake up and there's snow on the ground where there wasn't any the night before, you conclude that it snowed during the night, even if you didn't see it fall. Conspiracy is too subtle and ambiguous to leave smoking pistols, but the fallen snow must not be ignored. Cohen's image stuck. His colleagues continue to comment on it more than a decade later.

As a result of his deviation from the party line, however, Cohen found himself cold-shouldered. Antagonism was developing, and Cohen felt much of it was directed at him for failing to support President Nixon. The next day, during the course of a 22-mile hike, he sought relief from the sun and heat. He recalls being overwhelmed by the peace of the woods, the scent of the pines, the serenity of the trees. He wrote: "I felt the green fill of life flow from the trees gently into me."

Partisan politicking is Cohen's strongest criticism of Congress. His dissenting vote against Mr. Nixon is only one example of Cohen's nonpartisanship. He also cosponsored the nuclear build-down bill with Democratic Sen. Sam Nunn of Georgia.

In an unofficial bipartisan effort, he co-wrote a spy novel, "The Double Man," with Sen. Gary Hart (D) of Colorado. Cohen explains the collaboration this way: At about 3 a.m. on a July morning in 1980 most of the senators on the Hill were stretched out on cots, as one or two of their colleagues were prolonging a filibuster. Cohen spotted Gary Hart, whom he didn't know too well. They shared a cot in the otherwise empty Senate dining room. After Cohen complained that this was an asinine way to run a country, he asked Hart what he'd rather be doing. Hart said, "I'd rather be in Ireland writing a novel."

Cohen said, "Well, I'm half Irish and have always wanted to go to Ireland and have always wanted to write a novel. Since we can't go to Ireland, why don't we just write a novel." And so they did.

Hart flipped over a large brown envelope he was carrying and started jotting down "a whole torrent of ideas between the two of us." They discovered shared concerns and interests that would be the ingredients of the story: Senate investigations, espionage, terrorism, the influx of drugs into the US, organized crime, and the John Kennedy assassination. After an hour, they had the outline for an entire international intrigue novel.

At 8 that morning, when Cohen got back to the Hill after showering and changing clothes, he glanced over the outline and said to himself, "That's a heck of a story." He called Bill Adler, his literary agent in New York, who flew down the next evening to discuss the project with the two senators over dinner.

The senators told Mr. Adler they wanted to write a book together, not based on their names. "We wanted the book to stand on its own merits," says Cohen.

Adler left for New York and called Cohen at 8:30 the next morning to say, "I just sold your book." He sold the story to William Morrow & Co. without revealing the identities of its authors until the time of publication.

The protagonist of the novel is Tom Chandler, a U.S. senator with presidential aspirations. He heads an intelligence committee task force investigating terrorism after the gruesome killing of the secretary of state's family. The novel has the pace and suspense of a good thriller, and the smell of reality—details, complexities, and authentic possibilities. As Bob Woodward put it, "['The Double Man'] is an expertly crafted thriller that is full of many uncomfortable plausibilities."

Chandler's investigation not only ensnares him in the shadowy business of present-day crime and espionage, but also plunges him into recent history, including the assassination of Mr. Kennedy.

"We tried to use Kennedy's assassination as a metaphor for our current existence," says Cohen, "because there are so many things left undecided, unresolved, ambiguous. What we have found in our lives, as senators, is that the closer you are to things doesn't necessarily mean they are more clear, but sometimes more opaque. We were trying to deal with the absence of clarity, the ambiguity of all the people who had motives in the Kennedy assassination, and the undiscovered truth that may still be there."

Since publication last spring, "The Double Man" has become a Book of the Month Club Selection. It will also be published in England, France, Italy, Japan, and India, and a condensed version will appear in the November issue of Reader's Digest.

Meanwhile, Cohen's agent is trying to find a publisher for "Baker's Nickel," the senator's second volume of poems. The title refers to his father, a Russian Jew who made his living as a baker.

When asked if he shares the presidential ambitions of his co-author and protagonist, Cohen immediately says, "I let Gary Hart take care of any presidential aspirations." But whether the immediacy of his response came from resolution or from habit was less than certain.●

UNITED NATIONS REFORM

● Mr. KENNEDY. Mr. President, during this the 40th anniversary of the founding of the United Nations there has been a great deal of discussion on the need to reform the United Nations—to take this opportunity to deal with some of the fundamental problems which have crippled the effectiveness of the United Nations in recent years.

Of the many recommendations that have been offered, few have been more thoughtful than those offered last week by Sadruddin Aga Khan, the former U.S. High Commissioner for Refugees, and Maurice Strong, the current executive coordinator of the U.N. Office for Emergency Operations in Africa.

Mr. President, I should like to draw to the attention of my colleagues the

article by Sadruddin Aga Khan and Maurice Strong on reforms that might actually help the United Nations work. I ask that it be printed at this point in the RECORD.

The article follows:

[From the New York Times and International Herald-Tribune, Oct. 9, 1985]

UNITED NATIONS: REFORMS MIGHT HELP IT TO WORK

(By Sadruddin Aga Khan and Maurice F. Strong)

NEW YORK.—For all the champagne and the fine words, it should be obvious to friends and foes alike that the United Nations is in trouble and has fallen far short of what its founders dreamed of 40 years ago.

One of the main complaints is that as a multilateral organization the United Nations hinders proper bilateral international relations. But the world is now more interdependent than ever. Also, like it or not, power is now parceled out more widely than it used to be. That requires talking to more governments, more of the time. The United Nations is the mechanism for doing that.

For its friends, of which we are two, the real complaint should be that the United Nations is such an imperfect expression of multilateralism. The problem is not so much that it fails to meet grandiose expectations of a "world government" but that it is not particularly effective in averting conflict or fighting poverty.

The United Nations, as it is presently limping along, is clearly not up to the task of reversing those trends, let alone its own genteel deterioration. Officials carry on with their routine business ever more removed from the politics of the real world. With notable exceptions such as the present secretary-general, Javier Pérez de Cuéllar, whose frank annual reports mostly fall on deaf ears, those who profess to be friends of the United Nations seem to believe that history and time are on their side. What the United Nations suffers from is the dangerous presumption that it will outlive its critics.

If this state of affairs is to be improved, much will depend on the "middle-sized" states. Everybody talks about polarization between East and West and North and South. Not much can be done about that in the short term, but what can be resisted is the tearing apart of the organization by the big states on the one hand and the smaller ones on the other. India and Australia, to take just two very different examples, could help bridge the polarization between the powerful yet indifferent big states, for whom the United Nations is more often a scapegoat than an instrument, and the small but weak who resort to politics of frustration in the General Assembly.

These "middle" governments—of whom there are, say, 20—obviously will not suddenly find common cause politically. But what they do have in common are important international interests and, at the same time, a short bilateral reach of their own. They thus share an interest in turning the United Nations into an effective, workmanlike forum.

There are a number of ways this can be done without interfering with the essential constitutional character of the United Nations—the power of veto in the Security Council and the one-state, one-vote principle of the General Assembly.

Here we suggest just one reform. The top contribution of any government to the United Nations' regular budget should be brought down over a period of time to considerably less than the present percentages—to a maximum, say, of 10 percent. The difference would be made up by the middle states, thereby encouraging them to play a bigger role.

Such a change would not challenge the interests of the major powers, who would gain more than anybody from a more coherently functioning and balanced world body. And the small states should have no complaint. The United Nations is often their principal diplomatic outlet; indeed, they worry that it is only they who invest a relatively large part of their diplomatic effort there.

Some think the organization is in decline because the secretary-general has so few powers. Not necessarily. What has happened is that the agenda of the United Nations has become an unwieldy millstone around his neck. The secretary-general and his staff should be allowed to concentrate on, say, half a dozen crucial issues. At the moment, the United Nations is an octopus walking in every direction at once.

Nor need an action always wait until the last moment. A useful intervention as soon as the early warnings sound can do much more good than a later Band-Aid. Many Third World upheavals, for example, involve a cycle of political, ecological and economic instability that could be broken at an early stage by judicious injection of multilateral aid together with discreet diplomatic work. Left to fester, such situations can lead to the all-too-familiar crises of mass exodus, famine or civil war that become cemented into political geography.

But even if the secretary-general does not need new powers, he must have the basic authority to manage his own organization: to hire and fire according to the highest professional standards and thereby provide overall tone and leadership to the system.

There must also be a higher caliber of appointments at the top. There is nothing wrong with political appointments if appointees have a distinguished and relevant career record. But governments too often consider comfortable UN sinecures a dumping ground for mediocre diplomats. A board of independent, eminent people should be set up to establish the desirable qualifications for each senior vacancy as it comes up. If individual governments still insisted on sending poorly qualified timeservers, at least their actions would be recognized for what they are.

The entire structure should be rationalized. Its current organizational shape includes the accumulated whims and false starts of 40 years. Many programs that have run out of steam linger on. Sometimes their budgets are consumed to staff costs, leaving them no funds to work with. Units with overlapping mandates or inadequate capacities should be eliminated or merged. There is even a case for creating new activities when needed, such as transport to move food and other relief goods. But the United Nations should not try to do everything, only what it can do well.

Finally, it must learn to project itself. It still enjoys good will in the opinion polls. But its supporters either try to market it as some higher order of government or become utterly defensive and secretive about obvious weaknesses in performance. Little attempt is made to explain the United Nations for what it is—a far from perfect but nevertheless remarkable experiment in international cooperation that urgently needs a helping hand from all of us.●

THREE MILE ISLAND

● Mr. McCLURE. Mr. President, the recent decision to allow the restart of the unit I reactor at Three Mile Island has rekindled the unfounded fears of many regarding nuclear power. As could be expected, most reports of the restart focused on the emotional and the sensational aspects, rather than the objective and the factual.

Fortunately, some observers have undertaken a more dispassionate analysis of the restart, and the questions on nuclear power surrounding it. One of these observers, as he almost always is, is Vermont Royster of the Wall Street Journal. In Wednesday's edition of the Journal, Mr. Royster devoted his "Thinking Things Over" column to this subject, and in doing so provided a refreshing analysis that is not fraught with the fear found in most reporting of nuclear power.

I ask that Mr. Royster's column of October 16 be printed in the RECORD, and I urge those Members who are concerned with the energy self-sufficiency of this country to consider his excellent remarks.

The column follows:

THREE MILE ISLAND

(By Vermont Royster)

The brief news item was tucked away in the back of the paper where it might easily have escaped notice.

It reported that the Pennsylvania Health Department has so far found no health hazard fallout from what the Associated Press calls "the nation's worst commercial nuclear accident," the one that shut down a reactor in 1979 at Three Mile Island, near Harrisburg. An extensive study found no more than a normal cancer rate among residents living within a 20-mile radius of the plant, including 3,582 women who were either pregnant at the time or soon after became so.

The item caught my eye because six years ago I shared the alarm that swept the country when Unit 2 of the plant had an emergency shutdown, resulting in all sorts of dire predictions about nuclear disaster. I had a personal as well as journalistic interest because I then had a daughter living in Harrisburg.

It was some time, I admit, before I noticed that the reports on television and in the press seemed grossly exaggerated. In fact, no one was killed or even injured. And now comes this study that casts doubt on all those predictions of radioactive aftereffects on people living nearby.

So the thought crossed my mind that if Three Mile Island was our "worst nuclear accident" maybe there was a good bit of hysteria about the dangers from nuclear power plants in general. There are such plants all over the world—many more outside this country than in it—and I've heard of no accident anywhere of the kind so often warned against by anti-nuclear doomsayers.

But of course I put this thought down as an unscientific reaction of an uninformed layman. I did, that is, until there came to hand a book by Bernard L. Cohen, professor of physics at the University of Pittsburgh and formerly chairman of the American Physical Society Division of Nuclear Phys-

ics, entitled "Before It's Too Late" (Plenum Press, 1983, recently reissued).

Prof. Cohen's thesis can be simply stated. It is that nuclear energy is actually safer than other sources of energy, such as coal-powered electric plants, and that because of the hysteria after Three Mile Island the U.S. is falling behind the rest of the world in using nuclear power. In the long run, he argues, this will be costly to this country.

Mr. Cohen is not alone in so thinking. His book comes with a foreword by Rosalyn Yalow, who won a Noble Prize in 1977 and who thinks Prof. Cohen is if anything "too conservative" in his support for nuclear energy. Hans Bethe, another Noble laureate, finds Mr. Cohen's book a "comprehensive analysis of the facts and fancies about nuclear power." Alvin Weinberg director of the Institute for Energy Analysis at Oak Ridge, thinks the book "a much needed antidote for the mindless anti-nuclear propaganda."

Unfortunately, if Prof. Cohen's basic thesis can be simply stated it isn't always presented in simple language. It's not a book for casual reading. I also doubt, more unfortunately, if it will be read, as Dr. Yalow puts it, "by the anti-nuclear activists who need it most."

The problem here is that what is in actuality a scientific question, the merits and safety of peaceful atomic energy, has became a misunderstood emotional question. Thus the decision by the Nuclear Regulatory Commission, upheld this month by the Supreme court, to restart Unit 1 at Three Mile Island brought out the usual anti-nuclear demonstrators. Some paraded out side the home of Pennsylvania Gov. Dick Thornburgh carrying placards denouncing him for not supporting a restraining order against restarting the unit, one in no way involved in the shutdown of the other unit six years ago.

I suppose all this is understandable. The whole subject of atomic energy is shrouded in mystery with an overlay of fear generated by association with the atomic bomb. Neither Mr. Cohen nor any other scientists denies the horrors inherent in atomic bombs. Nor does Mr. Cohen deny the possibility of a serious accident in a nuclear power plant. What he challenges is the probability, basing his argument not only on the record (there has yet to be one) but also on a careful, if technical, examination of the fundamental difference between the force of atomic energy used in bombs and its use in power plants. One is designed to cause an explosion. The other carefully designed to avoid one.

Moreover, shunning nuclear power is not just a matter of avoiding some remote danger. There is a positive loss in our refusing to use peaceful atomic power.

The Soviet Union builds eight complete power reactors each year. The French, by 1981, already supplied 38% of their electric power from nuclear plants (built from American designs supplied by Westinghouse). Japan has completed at least six plants since 1979. West Germany started three plants in 1982. Meanwhile, only about 13% of U.S. electric power is from nuclear plants.

The result, Prof. Cohen persuasively argues, will be that those nations "will end up having the cheapest electricty in the world while the United States will have the most expensive among large industrialized nations."

The blame for this lies in part on the anti-nuclear activists. But part of the blame must lie on my own craft, the media, that we have armed the protesters by our reporting. Three mile Island is itself a good example. It was reported on TV and in the papers as a sensational disaster, which it never was. But it is still referred to as a great nuclear accident.

Somehow, someway we must end the hysteria and see peaceful nuclear power as the great boon it is and could be to or country. Before, as Prof. Cohen fears, it is too late.●

THE STUDENT LUNCH PROGRAM: A VICTORY FOR OUR CHILDREN

● Mr. SASSER. Mr. President, I rise today in support of the commemoration of this week, October 13-19, 1985, as "National School Lunch Week."

The School Lunch Program is a success. It has proven itself to be an economical and effective way to facilitate our children's learning by providing them with the nutrition which we all know is necessary for good health and mental alertness. Study after study has shown that proper nutrition enhances physical health and increases academic performance. By providing school lunches, we essentially invest, not only in the current well-being of our children, but as important, in their futures as our leaders of tomorrow.

The School Lunch Program, originated in 1946, celebrates its 39th anniversary this year. We have seen it grow from its infancy—a program reaching only a few thousand children—to its current level of services reaching nearly 24 million children. And these are children from families of every income level and every walk of life. More specifically, the School Lunch Program provided assistance in fiscal year 1985 for serving an estimated 3,929 million school lunches including 1,901 million for children from middle- and upper-income families and 2,028 million for children from low-income families.

Indeed, the School Lunch Program is reaching a tremendous number of our Nation's children, and we can be proud of the fact that America's children are not going hungry while they are at school. In commemoration of this program, I join my colleagues in the U.S. Senate as we acknowledge the success of the Federal role in securing adequate nutrition for our children by recognizaing this week in October as National School Lunch Week. Safeguarding the health and proper physical development of our children is of the highest priority. And it is fitting that we observe this week, National School Lunch Week, as a victory for the children of this country.●

CONGRESSIONAL SPACE CAUCUS ON THE FUTURE OF SPACE SCIENCE

● Mr. SARBANES. Mr. President, I was fortunate to have the opportunity recently to meet with a group of preeminent space scientists assembled in Washington, DC, to participate in a conference sponsored by the congressional space caucus on the future of space science. Over a 3-day period, October 8-10, individual panels explored the various disciplines of space science, ranging from planetary exploration to life science to theoretical research. I would like to share with my colleagues some of the information gleaned from two particular panels.

The panel on astronomy and astrophysics, which included Dr. Riccardo Giacconi, director of the Space Telescope Institute located on the campus of the Johns Hopkins University, and Dr. Arthur F. Davidsen, professor of physics and astronomy and director of the Center for Astrophysical Sciences, also of the Johns Hopkins University, described the history of astronomy and astrophysics and future developments in these disciplines.

Astronomers study the nature of the universe by observing its contents and behavior, while astrophysicists seek to understand these observations in terms of consistent laws of physics. Limited for centuries to observations in the visible band of the electromagnetic spectrum, scientists now have access to virtually all wavelenghts. This tremendous advance has occurred in our lifetimes and is largely made possible by the advent of space flight. Placing sensitive astronomical instruments above Earth's filtering atmosphere opened new windows into the cosmos and raised new possibilities for research.

We now have at our disposal the most advanced technology and can place entire observatories into space for scientific investigations. Over the past two decades, the National Aeronautics and Space Administration has introduced increasingly sensitive instruments into space. In astronomy, families of telescopes have been developed and placed in orbit for observations across the entire electromagnetic spectrum. Each successive telescope has extended the range and sensitivity of these instruments and provided greater insight into the structure of stars, galaxies, and the cosmos. For these successes, new technologies had to be created and exploited.

Two new observatories are now under development:

The Gamma Ray Observatory [GRO] will explore the most energetic part of the spectrum across a much greater wavelength range than its predecessors; and

The Hubble Space Telescope [HST] which will penetrate deep into the universe in visible and ultraviolet light, expanding the volume of observable space several hundred times.

Under consideration are two further space observatories:

The Advanced X-ray Astrophysics Facility [AXAF] which will cover the x-ray portion of the spectrum with a hundredfold improvement in sensitivity.

The Space Infrared Telescope Facility [SIRTF] will span the infrared part of the spectrum with a thousandfold increase in sensitivity.

These space telescopes will enable us to open the universe to more accurate observation and to look back in time and space for order and meaning. We will be more capable of answering fundamental questions such as: How old is the universe? How much matter is there in the universe? What is the power source of quasars?

The panel on solar and space physics, chaired by Dr. Stamatis Krimigis of Johns Hopkins University, focused on the single object in nature that mankind is most dependent upon—the Sun. Without the Sun's radiant energy, there would be no life on Earth as we know it. Even our primary source of energy today, fossil fuel, is available because of solar energy millions of years ago. Mankind is now trying to tame the nuclear reaction that converts hydrogen into helium for our future energy needs, the same reaction in the Sun's core which provides our solar energy. Meanwhile, the Sun's radiation will continue to drive the circulation of our terrestrial atmosphere and will contribute to changes in our climate through subtle variations in the quantity and the spectrum of that radiation.

Beyond its importance to life on Earth, the Sun is also of fundamental importance to stellar astronomy. The Sun is a very typical star, and it is the only star which can be studied with high angular resolution thanks to its proximity to us. The history of astronomy demonstrates convincingly that much of our understanding of the physics of stars comes from understanding these same physical processes on the Sun first. It is for this reason that the Sun is often called the Rosetta Stone of Astronomy.

Dr. Krimigis and his copanelists discussed the Ulysses Mission scheduled for launch aboard the shuttle in 1986. This mission, also known as the International Solar Polar Mission, will obtain the first view of the Sun above and below the plane in which planets orbit the Sun. Also discussed was the proposed International Solar-Terrestrial Physics Program, which would involve six spacecraft missions designed to provide comprehensive data on the Sun-Earth environment.

I want to congratulate all those involved in putting this conference together and to urge my colleagues to review carefully the information provided to Members of Congress and their staffs on the Federal role in astronomical and astrophysical research.●

TWENTY-FIFTH ANNIVERSARY OF THE OPPORTUNITY CENTER OF GREATER NEW BEDFORD, INC.

● Mr. KERRY. Mr. President, I wish to honor the Opportunity Center of Greater New Bedford, Inc., as they celebrate 25 years of service to the community.

Since its inception, the Opportunity Center has provided the mentally and physically disabled with many services, including opportunities for employment. It has grown from a small, storefront operation to a large facility serving over 100 clients a day.

The Opportunity Center of New Bedford has become a significant force throughout southeastern Massachusetts by providing meaningful work for handicapped clients who take pride in contributing to the society in which they live.

I hope that you will join me in congratulating the Opportunity Center of Greater New Bedford, Inc., for their numerous achievements and contributions to the community, as they celebrate their 25th year of service.●

TAX REFORM AND THE TIMBER INDUSTRY

● Mr. HATFIELD. Mr. President, the September edition of Oregon Business magazine contained an article by Win McCormack on the probable impact of President Reagan's tax reform proposal on the State of Oregon. This insightful and well-written article serves to underline my concern about the economic burdens which would be placed upon Oregon taxpayers. I am particularly concerned about the proposed revision of the tax treatment of the wood products and timber industry and the possible elimination of the deduction for payment of State land local taxes. While supporting the effort to make our Tax Code simpler and more equitable, I highly recommend this article to my colleagues from other States as an example of the way in which one State would be affected by a proposal which would appear on the surface to be equitable.

I ask to have printed in the RECORD, the Oregon Business magazine article.

The article follows:

[From Oregon Business, September 1985]

A DISASTER FOR OREGON?

(By Win McCormack)

It is called "The President's Tax Proposals to the Congress for Fairness, Growth and Simplicity." But, at 461 double-spaced pages, it does not have simplicity as a virtue. And many are questioning whether key individual provisions of the plan, or the plan as a whole, will promote either economic growth or fairness—especially in Oregon.

In brief, the President's May 28 tax initiative, known in Washington, D.C. circles as "Treasury II" (and also as "Reagan I"), contains several provisions that appear to have the potential to create some significant economic problems in the state. Besides the well-known proposal to eliminate the federal deductibility of state and local income and property taxes, there are proposals in the plan to alter the current favorable tax treatment of the timber industry; to nullify the current tax-exempt status of many types of state government and municipal bonds; to end favorable tax treatment for the construction of certain kinds of rental housing, particularly low-income rental housing; and to abolish mortgage interest deductions for second homes.

Taken together, some analysts say, these provisions of the Reagan tax package could further undermine an already weakened timber industry and further erode the ability of hard-pressed Oregon governmental agencies and educational districts to finance even their minimal needs.

The plan does contain three features with potentially positive impacts on Oregon, according to tax analysts. First, the thrust of Treasury II, as with the Treasury I and congressional "modified flat tax" packages before it, is to broaden the federal tax base. Since Oregon's tax code is tied to the federal code, any broadening of the federal tax base would *ipso facto* result in a broadening of Oregon's revenue base as well. Second, Treasury II asks for a reduction in the capital gains rate from the current maximum 20% to a maximum of 17.5%, which would help capital formation in Oregon's burgeoning high tech sector.

(However, Dan Rostenkowski, the Democratic chairman of the House Ways and Means Committee, has indicated he probably will eliminate the lowering of the capital gains rate from any tax reform bill passed by the House.) Third, Treasury II, unlike Treasury I, retains lower rates of taxation for small business, which are reputed to be more prevalent in Oregon than in most other states.

Some Oregon business leaders believe that the potentially negative features of the Reagan tax plan far outweigh its potentially positive aspects. Floating Point Systems chairman Norm Winningstad, for instance, believes that the plan as a whole, by further weakening America's industrial base in the traditional "smokestack" industries through such features as the repeal of the investment tax credit and the lengthening of allowable depreciation schedules on new equipment, would weaken the overall economy and eventually hurt the electronics industry as well. Winningstad also says the proposal to abolish tax credits for research and development harms all industries, traditional and high tech alike.

The provision in the Reagan tax initiative of greatest concern to Oregon political leaders is the one that calls for the abolition of the federal tax deduction for state and local tax payments. The Oregon Taxpayers Association ranks the state as having the third highest income tax as a percentage of personal income in the country. Oregon also has the twelfth highest property tax in the nation. Because of this local tax burden, Oregon taxpayers itemize their federal returns and make use of the state and local tax deduction to a greater extent than taxpayers in almost any other state. A study by the Oregon Department of Revenue, requested by Oregon Congressman Ron Wyden, shows that more than 400,000 Oregonians used the state and local deductibility provision on their federal tax returns in 1980, with their average deduction in this category in excess of $2,000. Oregon political leaders of both parties fear that Oregon taxpayers, already disgruntled with high

state income and property taxes, would revolt completely against having their local tax burden increased even more by the loss of federal deductibility. This is especially true with respect to property taxes, which currently finance most of the cost of Oregon's school systems.

ANOTHER BLOW TO THE TIMBER INDUSTRY

The increase in effective local property tax rates, by escalating the cost of home ownership, could also curtail the demand for housing, thus dealing another blow to a timber industry already reeling from the inordinately high interest rates of recent years which caused a decline in housing starts. The Reagan administration's proposal to eliminate mortgage deductions on second homes could erode the demand for housing even more. In addition, proposals to depreciate rental apartment buildings over a longer period of time, to reduce the value of tax write-offs to builders, to scale down the deduction for interest on money borrowed to finance construction, and to limit the use of tax-exempt bonds to finance construction of rental housing for low- and moderate-income people, might cripple the housing market still further.

The timber industry also would take it directly on the chin under the administration tax plan. A 1944 provision in the federal tax code allows income from the sale of timber to be taxed as capital gains. The administration proposes to repeal that provision and to tax timber sales at a much higher ordinary income rate. It also proposes to prohibit the timber industry from deducting on an annual basis expenses associated with growing timber, as it is permitted to do now, and to make the industry capitalize them over the life of each tree.

William Condrell, a Washington tax lawyer and timber industry lobbyist, has said that the administration's tax proposals relating to timber would "not only penalize forestry and timber regeneration but would encourage poor management or no management."

Rick Schack of Associated Oregon Industries says, "Without qualification, the President's tax plan would uniformly discriminate against all classes of forest landowners." All the members of Oregon's congressional delegation have complained that these provisions could have a devastating impact on the nation's timber and pulp and paper industries.

Spokesmen for the state's second largest industry, agricultural and livestock, also have expressed serious reservations about sections of the Reagan tax reform proposal. Clare McGhan, executive vice president of the Oregon Farm Bureau Federation, says that it is particularly concerned about the section that seeks to rescind tax breaks for agricultural products that can't be cultivated in a single year and the section that calls for taxing the sale of livestock at ordinary income rather than capital gains rates. McGhan says that Oregon farmers and cattle breeders also are upset about the proposed elimination of the investment tax credit for the purchase of new machinery.

This chorus of dire predictions about the potentially adverse effects of the Reagan tax initiative on Oregon has been joined by Oregon state and municipal officials, concerned not only by the proposed elimination of state and local tax deductions, but also by the proposed elimination of the tax-exempt status of 80% to 90% of state and local bond issues. Under the Reagan plan, such issues would forfeit their tax-exempt status if more than 1% of their proceeds went to benefit a private citizen or corporation. Among other agencies, the Oregon Department of Veterans' Affairs almost certainly would lose the ability to float tax-exempt bonds to underwrite its farm and home loan program.

What of the direct effects of Treasury II on Oregon taxpayers themselves? According to the Oregon Department of Revenue study, middle-income families in Oregon might see their overall tax burden rise, particularly those families with two children in which both spouses work and in which the spouses file jointly and itemize their returns. The study predicts that for such a family with $30,000 in income, federal taxes would rise by $191. For such a family with $50,000 in income, the study says, the increase would be $391. But, according to the study, a similar family making $100,000 a year would see its federal taxes fall by $438—and, if its gross annual income were $200,000, by a total of $3,047. "The facts are clear," said Wyden when he received the study in Washington, "while the very rich do well, many middle-income Oregonians are left high and dry."

According to another view of the study, the majority of taxpayers would receive a slight decrease in federal tax obligations. But a "significant pocket" of taxpayers would be hit with a tax increase, points out John Colvin, general counsel for the Senate Finance Committee and a member of Oregon Senator Bob Packwood's staff. He predicts adjustments will be made to correct the imbalance, likely through a compromise on the proposal to eliminate state and local tax deductions and through maintenance of the child care credit and the "two-earner" deduction.

In addition to Wyden, other Oregon congressmen also have expressed serious reservations about aspects of the plan, and on the Senate side, Oregon's Mark O. Hatfield, influential as chairman of the Senate Appropriations Committee, has come out against the state and local tax provision, the second home mortgage-interest deduction provision, and the timber industry-related provisions.

THE POLITICS OF TAXES

Any tax bill, after it is passed by Ways and Means, will go to the Senate Finance Committee, which Packwood chairs. Packwood has taken a succession of stands on the Treasury proposals, ranging from mild disapproval of Treasury I last December, to wholehearted support of Treasury II when it was first released in late May, to a fierce denunciation of Treasury II as "unfair and misfocused" after the Oregon Department of Revenue study was released in mid-July. Packwood, up for reelection in 1986, must walk a fine line between loyalty to the Republican party and administration and concern about the interests of his home state. Packwood now has stated that he "will be guided" on the tax issue by what Oregonians tell him.

Meanwhile, "The President's Tax Proposals to the Congress for Fairness, Growth and Simplicity" sits on Capitol Hill in the Ways and Means Committee, with members of that panel subject to intense pressure from lobbying groups. Rostenkowski recently gave a speech to the National Press Club at which he assured his listeners that, despite reports to the contrary, the administration's tax reform proposal was not dead. He said that the plan would undergo substantial revision in the House to shift more of the tax burden from middle-income taxpayers and to upper-income individuals.

The betting now is that this fall the Ways and Means panel will approve a bill that lowers tax rates, drastically reduces the number of brackets, and reduces or eliminates a number of tax deductions and preferences. Among other things, it's expected that the House will eliminate some, although not all, of the state and local tax deduction, repeal the investment tax credit, and stretch out current depreciation schedules.

If it takes Ways and Means two or three more months to complete work on the tax package before sending it on to Packwood's panel in the Senate, it is obvious that it will be well into 1986 before work on the legislation can be completed by both houses of Congress. After Rostenkowski's speech, Packwood said it was not imperative that a tax bill be passed this year. He said that a number of tax bills have been passed in election years, and this package could be too.

Given the past history of Congress, however, for any tax bill to pass during an election year, it must offer members the chance to tell voters just before the election that the new law lowers their taxes—which means even more of the tax burden could be shifted to business. As another alternative, the bill could turn into a "Christmas tree" for both business and individuals, further increasing the unmanageable federal deficit. Given those tendencies and the harsh effects that Reagan's tax bill—before it is even touched by Congress—would create for important sectors of Oregon's economy, many business people would like to see this bill die quietly—unlamented, unmourned, and unloved.

THE EFFECTS ON THE BOTTOM LINE

RETAIL TRADE CORPORATION

	Current law	Reagan proposal
Gross income:		
Gross receipts	$20,000,000	$20,000,000
Cost of goods sold	12,000,000	12,000,000
FIFO indexing adjustment	0	200,000
Gross profit	8,000,000	7,800,000
Other income-bad debt reserve amortization	0	30,000
Total income	8,000,000	7,830,000
Deductions:		
Salaries and wages	3,000,000	3,000,000
Dividends paid	0	90,000
Rents	100,000	100,000
Taxes	600,000	600,000
Interest	500,000	500,000
Bad debts	300,000	250,000
Depreciation	2,000,000	1,500,000
Total deductions	6,500,000	6,040,000
Taxable income	1,500,000	1,790,000
Tax	690,000	590,000
Tax credits Investment tax credit	15,000	0
Net tax	675,000	590,000

Source: The President's Tax Proposal to the Congress for Fairness Growth, and Simplicity.

HIGH TECH MANUFACTURING CORPORATION

	Current law	Reagan proposal
Gross income:		
Gross receipts	$20,000,000	$20,000,000
Cost of goods sold	15,000,000	15,000,000
FIFO indexing adjustment	0	50,000
Gross profit	5,000,000	4,950,000
Other income-bad debt reserve amortization	0	30,000
Total income	5,000,000	4,980,000
Deduction:		
Salaries and wages	1,000,000	1,000,000
Dividends paid	0	40,000
Rents	50,000	50,000
Taxes	700,000	700,000
Interest	500,000	500,000
Bad debts	300,000	250,000
Depreciation	1,000,000	1,100,000
Total deductions	3,550,00	3,640,000
Taxable income	1,450,000	1,340,000
Tax	667,000	442,200

HIGH TECH MANUFACTURING CORPORATION—Continued

	Current law	Reagan proposal
Tax credits Investment tax credit	30,000	0
Research credit	0	50,000
Net tax	637,000	392,200

Source: The President's Tax Proposals to the Congress for Fairness, Growth, and Simplicity.

UNINCORPORATED CHRISTMAS TREE FARMER

	Current law	Reagan proposal
Gross receipts	$150,000	$150,000
Minus Cost of goods sold	−145,000	−5,000
Gross Income	5,000	145,000
Minus business expenses [1]	−50,000	−50,000
Net income from business (less)	−45,000	95,000
Plus capital gain [2]	56,000	0
Income to be included in gross income on Form 1040	11,000	95,000

[1] This example assumes no capital equipment purchases during the tax year.
[2] Computation of capital gain under current law:
Fair market value of trees on January 1, $145,000. Minus basis of trees on January 1 (cost of trees), −$5,000. Capital gain, $140,000. Minus capital gain deduction (60 percent) −84,000. Capital gain to be included in income $56,000.

Source: The President's Tax Proposals to the Congress for Fairness, Growth, and Simplicity.

TIMBER MANUFACTURING CORPORATION

	Current law	Reagan proposal
Gross income:		
Gross receipts	$20,000,000	$20,000,000
Cost of goods sold	16,000,000	15,000,000
FIFO indexing adjustment	0	25,000
Uniform producion costs adjustments	0	(200,000)
Gross profit	4,000,000	5,175,000
Capital gains	1,000,000	0
Other income—bad debt reserve amortization	0	45,000
Total income	5,000,000	5,220,000
Deductions:		
Salaries and wages	500,000	500,000
Dividends paid	0	100,000
Rents	100,000	100,000
Taxes	400,000	400,000
Interest	300,000	300,000
Bad debts	450,000	300,000
Depreciation	2,000,000	1,500,000
Total deductions	3,750,000	3,200,000
Taxable income	1,250,000	2,020,000
Tax	374,750	666,600
Tax credits investment tax credit	40,000	0
Net tax	334,750	666,600

Source: The President's Tax Proposals to the Congress for Fairness, Growth, and Simplicity.●

NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS

● Mr. RUDMAN. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD this notice of a Senate employee who proposes to participate in a program, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The select committee has received a request for a determination under rule 35 which would permit Mr. Jeff Bingham, a member of the staff of Senator JAKE GARN, to participate in a program in Brussels and Norway, sponsored by the NATO Information Service, for October 13-20, 1985.

The committee has determined that participation by Mr. Bingham in the program in Brussels and Norway is in the interest of the Senate and the United States.●

THE CLEAN COAL TECHNOLOGY RESERVE

● Mr. BOSCHWITZ. Mr. President, Minnesota is a State of unsurpassed beauty whose natural wonders, unfortunately are threatened by acid rain. Controlling the emissions that cause acid rain will be expensive and will take several years. This year Congress can take a large step forward in this effort, however, by funding the Clean Coal Technology Reserve. The Reserve will support the demonstration of technologies that use coal cleanly and economically.

One special area of concern that the Reserve should address is the problem of industrial atmospheric emissions and the burden that costly pollution controls, using current technologies, impose on industrial modernization. The steel industry in particular has suffered significant economic hardship as a result of its efforts to comply with Clean Air Act regulations.

According to a 1984 report by the Congressional Research Service, the U.S. steel industry spent 15 percent of its 1980 capital investment on pollution abatement equipment and was expected to commit another $10 billion in pollution control equipment between 1980 and 1990 to meet current Federal air quality standards. The report concludes that the result of these environmental regulations on steel manufacturing can be seen in the reduction of domestic coking capacity, where, over the last two decades, the closing down of old coke ovens has accelerated.

Now a new process has been developed, the kohle-reduktion [KR] process, for manufacturing steel by using coal directly and without coking. By using the KR process, the U.S. steel industry will not have to invest in expensive air pollution controls for its old, smokey coke ovens. Instead, it can turn to an innovative technique that not only will be much cleaner than conventional steel manufacturing, but also will substantially reduce production costs.

U.S. Steel, along with the Minnesota Department of Natural Resources, has submitted a proposal to the Reserve to receive funding for the demonstration of the KR process. A recent article in Business Week ably describes this worthwhile project. I ask that it be printed in the RECORD.

The article follows:

[From the Business Week, Sept. 30, 1985]

U.S. STEELMAKERS ARE HOT FOR THE COKE-FREE FURNACE

As if foreign competition weren't bad enough, the U.S. steel industry also faces an insidious threat from within: a dwindling supply of coke, the coal derivative that is essential to making iron in blast furnaces. Close to half of all coke ovens are virtually obsolete, and by 1990 the U.S. may be left with only enough capacity to produce 25 million tons of coke annually—a third of the figure in the 1950s and 5 million tons short of what was used last year.

Having suffered losses of more than $6 billion in the past three years, steelmakers are hardly eager to spend the $100 million in takes to rebuild a battery of coke ovens to conform to today's stringent pollution codes. But unless something is done, the steel industry could be even more dependent on imported coke by the turn of the century.

So U.S. Steel Corp. and Weirton Steel Corp. are separately battling to get federal help in building the first American plant for making iron by a new method that doesn't need coke—it burns ordinary coal instead. Moreover, the kohle-reduktion (KR) process, developed in West Germany by Korf Engineering, promises to slash capital investment by 25% and trim the overall cost of making iron by as much as 44%. At stake, says Dominic A. Pengidore, vice-president for engineering at Weirton, is nothing less than "the survival of the U.S. basic steel industry in the next 20 years."

INFERNO

The companies hope to persuade the Energy Dept. to dig into its Clean Coal Technology Reserve Fund—which will spend $500 million to develop new technology over the next three years—and cough up a big share of the cost of constructing a $100 million KR plant that can produce 300,000 tons of iron a year. U.S. Steel wants Energy to chip in $95 million, including more than $20 million for two years of demonstrations. The state of Minnesota and local sources, eager to revive the flagging Great Lakes iron ore industry, would contribute $25 million, and U.S. Steel and other steelmakers would foot the remaining $15 million. Armco, Inland Steel, and Bethlehem Steel have expressed interest in joining the project.

Weirton is seeking $65 million from Washington for its version of the KR plant, which would be built at its steel facility in West Virginia. The employee-owned company, together with the state of West Virginia and local coal producers, would make up the difference.

So far, the KR process has been used only at Korf's prototype plant, which produces 60,000 tons of iron per year. In the process—a variation of the coke-based direct-reduction technology pioneered by Korf in the 1970s—coal is injected into a superhot furnace (2,500F) and ignited with oxygen. This creates an inferno of pressurized gases that vaporizes the combustibles in the coal, which rise into an overhead chamber that contains the iron ore, leaving behind the coal's carbon. Carbon monoxide and hydrogen in the combustion gases strip oxygen from the ore to produce so-called sponge iron. The melting metal then drops into the furnace, where it combines with carbon. The molten iron flows out of the bottom of the furnace.

Energy Dept. officials are enthusiastic about the KR process because it causes

much less pollution than smoky coke ovens and conventional blast furnaces. So last fall, Energy, the Bureau of Mines, the states of Minnesota and West Virginia, and the American Iron & Steel Institute doled out $590,000 to ship Minnesota ore and West Virginia coal to West Germany, for a test run.

20-YEAR PROJECT

The results were so promising that Weirton's Pengidore insists that "it's time to build a plant that will operate in the real world." However, Jack S. Siegel, Energy's deputy director for coal utilization, cautions that "it's a little premature" to speculate when funds might be forthcoming. The appropriation for the Clean Coal Technology Reserve Fund won't clear the Senate until fall, and proposals to fund KR are among scores that will compete for the federal money.

The U.S. doesn't have a lot of time to waste. Steel producers in Brazil, India, and other countries are also taken by the economies of the KR process. South Africa's state-owned steelmaker, Iscor Ltd., is already building a 300,000-ton KR plant, which is scheduled to come on line by 1989. While Japanese steelmakers are reluctant to divulge their plans, sources close to the industry say they, too, are studying KR.

Unless a commercial-scale plant proves the technology, however, the conservative steel industry isn't apt to abandon its traditional blast furnaces and coke ovens. Even if it does, conversion to the process will not happen until at least the 1990s. Weirton President Robert L. Loughhead says his company will rely entirely on KR if its proposed demonstration plant is successful, but he adds that such a conversion could not be complete for 20 years.

Still, most experts believe that the days of conventional ironmaking are numbered. "The initiative belongs to those companies and countries that build demonstration plants," says John F. Elliott, a professor of metallurgy at the Massachusetts Institute of Technology. The longer the Americans wait, he warns, the greater their chance of being left behind. Given the already precarious position of the U.S. industry, this looks like one race it can't afford to lose.●

THE GERMAN DEMOCRATIC REPUBLIC

● Mr. GORE. Mr. President, there are times when the great affairs of states and the smaller affairs of individuals intersect. Sometimes, and very rarely at that, something happens to even the odds between the little man and the state.

One of the principle aims of the German Democratic Republic [GDR] is to garner acceptance from all the nations of the world—not an easy task, considering the East German Government's reputation for hardline internal discipline and its talent for espionage, which recently embarrassed our West German allies yet again.

A second purpose in the German Democratic Republic grand design, not unrelated to the first, is to find the resources it needs in order to pursue its economic development. The German Democratic Republic is already one of the world's leading industrial producers, and stands at the forefront of those countries that make up the Soviet Union's trading block. But it aspires to a more prominent role in the economic world at large. And to have that, it must first have access to investment capital from the West.

In both these areas—broader international acceptance and access to capital—the United States is important for the German Democratic Republic designs. Our markets are of interest; our bankers are of interest; and the ability to be treated and received as a sovereign equal is also of interest.

Now let me turn to the interests of a number of private U.S. citizens. There are, in this country, some 2,000 individuals whose property was confiscated by the Government of the German Democratic Republic, generally in the late 1950's. Their cases have been culled from a much larger group which submitted claims to the U.S. Foreign Claims Commission. According to the Commission, the German Democratic Republic owes these people on the order of $70 million plus back interest.

Since 1975, when the United States formally recognized the German Democratic Republic, our Government has been negotiating with the German Democratic Republic for settlement of these claims.

Another negotiation has also been underway, to which the U.S. Government is not a party, but a sympathetic observer. Groups representing Jewish survivors of the Holocaust are seeking reparations from the German Democratic Republic, just as—much earlier—reparations were secured from the Federal Republic of Germany.

The common denominator between these two negotiations is that the claimants are not young people and cannot wait forever for justice to be done.

These two questions converge, in my case, because I have a constituent who holds one of these 2,000 claims, and who corresponds with me about it, just as she corresponded with my predecessor, Senator BAKER.

Recently, my constituent sent me a clipping from the financial pages, showing that U.S. banks had been involved in floating a $500 million loan for the German Democratic Republic. That didn't seem right to her, and it doesn't seem right to me—although it's perfectly legal and it may be good business (since, after all I'm sure that our bankers won't get in the kind of trouble lending to East Germany that they got into when they lent to Poland).

Oddly enough, the day her letter came, I was reading another letter—from the German Democratic Republic's Ambassador here in Washington. The Ambassador was drawing my attention to an arms control proposal related to chemical weapons, developed through the collaboration of experts from his country and from West Germany's Socialist party. Whether or not you agree with this proposal, it is clear that the German Democratic Republic takes it seriously.

Mr. President, these things capture the essence of the German Democratic Republic's situation. They want to deepen their commercial ties with our country, and they want to be dealt with as serious players in the global economy. But they are also playing a slow, grudging game against the interests of 2,000 of our citizens, and against the principle of reparations.

I must admit that I considered submitting legislation designed to bar the German Democratic Republic from access to American banks, until the claims are equitably settled. But the Department of State argues with some force that this would lock the situation in place, and completely block the negotiations now underway.

So I am prepared to wait awhile to see whether the Department's very cautious optimism turns into any genuine progress. In the meantime, I will not only refrain from attempting this kind of legislation, but will counsel others to refrain as well.

During this period, I hope to impress upon the German Democratic Republic's diplomatic representatives the need for the country to assess its priorities. Do they want to speed up the process of settlement and do some good for the living; or do they want to continue this waiting game. I am confident that if the East German officials think this through, they will conclude that these claims are just, and that the best way to serve their own country's interests is to make sure justice is served.●

BREEDER TECHNOLOGY

● Mr. McCLURE. Mr. President, I want to call to the attention of Members of the Senate an article that appeared in the October 1985, issue of Nuclear News, the major publication of the American Nuclear Society whose membership encompasses the full spectrum of engineers, scientists, and other professionals in the field of nuclear power research and commercial nuclear power production.

The article to which I refer describes an innovative approach to breeder technology that has the potential of resolving global concerns about proliferation and safety with respect to breeder reactors and reprocessing of reactor fuels. As the article points out, this new concept is not just another paper study, but a system whose key elements have been demonstrated through experiments performed at the Argonne National Laboratory facilities in Idaho.

Ever since the cancellation of the Clinch River Breeder Reactor Pro-

gram, the U.S. program in breeder research has suffered from a lack of focus, to the point where we have severly lagged behind the international community in what we are able to bring to the table of international collaboration in breeder research.

Argonne's Integral Fast Reactor Program, described in this article, holds the promise of leapfrogging the foreign progress in breeder research in a manner that can contain the problems of plutonium proliferation, and do so in an inherently safe and economical way.

Already, this concept is receiving tremendous domestic attention. The two companies under contract with DOE to provide innovative breeder reactor designs have stated in no uncertain terms that their choice of fuel would be metallic—the key component of the integral fast reactor concept—if further testing of this fuel verifies what Argonne already predicts in terms of costs and safety margins.

Quoting from Rockwell International's letter to DOE,

". . . metal (fuel) is less well proven but offers a number of potential, significant advantages. Testing proposed for the next few years is aimed at substantiating the characteristics and integrity of metal fuel, thereby permitting the realization of economic, safety, and other perceived advantages of this fuel type. . . . (We) have chosen to focus (our) design around metal fuel.

A similar letter to DOE from General Electric Co. states:

To date our analyses indicate that there are several metallic fuel advantages. . . . We continue to be encouraged by . . . ANL's program to confirm the potential benefits of metallic fuel. We think the current U.S. DOE Program on innovative liquid metal reactors and supporting national laboratory technology will yield the technological breakthroughs needed for the economic deployment of this important technology.

Mr. President, I ask that the complete text of the Nuclear News article on the "Integral Fast Reactor" be printed in the RECORD.

The article follows:

THE IFR: A FRESH LOOK AT AN OLD CONCEPT

(By John Graham)

The scientists and engineers at Argonne National Laboratory believe they can build a better mousetrap (i.e., a better nuclear power reactor), and they are anxiously awaiting the world to beat a path to their doorway. Better yet, the Argonne officials say their mousetrap is not just a paper design. It is based on the Experimental Breeder Reactor II (EBR-II) and associated fuel cycle facilities, which have demonstrated years of operating experience.

The Argonne concept, which is called the Integral Fast Reactor (IFR), came to the forefront with the demise of the Clinch River Breeder Reactor (CRBR) project, and IFR proponents have since been laboring to convince a skeptical world that this is, indeed, the best new approach for advanced fission reactors. As this is written in September 1985, IFR advocates appear well on their way toward some degree of success; nonetheless, they must overcome many obstacles before they can hope to claim the grand prize.

In the first place, U.S. national leaders must decide if the country truly needs an advanced reactor and if they can justify spending taxpayers' money for such a hedge against future energy shortages. They will vote to spend this money only if there is sufficient public agreement on an urgent need for new reactor concepts.

The old free-market axiom about the better mousetrap implies an "urgent need" to kill mice. Thus, *need* (the more urgent, the better) is a primary motivator in both democratic and free-market ideologies. The CRBR project, for example, foundered when U.S. political leaders—hard-pressed to cut the federal budget—became convinced that a majority of the national electorate felt no urgent need to demonstrate any advanced nuclear reactor. These same leaders also argued that the private sector should do more to guarantee the future of nuclear power, including making a basic decision on what, if anything, should be done about advanced reactor concepts.

For its part, the private nuclear sector is wedded to the light-water reactor, which has been proven commerically, and industry officials generally expect the LWR to be the preferred reactor for the foreseeable future. Nonetheless, some nuclear advocates argue that the LWR, which relies on engineered safety devices (i.e., redundant pumps, redundant power and cooling resources, etc.), should be phased out and replaced by more advanced reactors, such as the IFR, which have "passive" (also called "inherent") safety features. Only then, these advocates argue, will the public perceive nuclear power as "safe enough."

All this has driven a wedge into the heart of the nuclear community and has caused LWR advocates (the nuclear lobby, reactor, vendors, many utility executives, and others) to view the IFR and other advanced reactor concepts as a potential near-term threat to all nuclear commerce. This has created a great deal of confusion both within the nuclear community and on the outside, because previous advanced concepts, except gas-cooled reactors, were considered extensions of LWR technology.

The IFR and other advanced reactor concepts face yet another related problem. In the wake of CRBR, the Reagan Administration sought to get out of the nuclear business by handing much of it over to the private sector, which has traditionally depended on the federal government to pay for costly advanced reactor programs. This has led to a paradox where some federal officials say that the private sector is not interested in advanced reactors, and certain private sector spokesmen have said the same thing about their federal counterparts. In truth, since CRBR, neither side has shown much interest in new reactor concepts, but federal leadership in this arena has been particularly chaotic.

Within the past few days, however, U.S. Department of Energy officials have taken positive steps to correct this leadership deficiency (see related story, page 32). This action suggests that the future of advanced reactor concepts may not be so tightly bound by the DOE's unwillingness to play a dominant leadership role as by the Department's ability to convince the budgetmakers that the taxpayers should pay for some nuclear demonstration projects.

The politics of the next decade will likely be dominated by budget deficits; thus, all federally funded projects will be weighed individually against the question of an urgent need for them. Even now, there is considerable concern that the IFR may die aborning for want of adequate funding, and the future scrutiny of all such projects will become increasingly more severe.

THE IFR

The history of the IFR is as old as nuclear power itself and as new as the ongoing national contest for the best conceptual advanced reactor design. It is a progeny of the Experimental Breeder Reactor I (EBR-I), which, on December 20, 1951, produced the first electricity by nuclear fission, and of EBR-II, which has been operating very successfully for more than 20 years while generating electricity, proving breeder technology, and providing invaluable irradiation test services.

Despite their proud history in the realm of research and development, the progenitors of IFR have not achieved star billing in the commercial world of nuclear power. In the first instance, the nation's decisionmakers turned away from EBR-I and breeding technology and developed light-water, thermal reactors for commercial service. Later, in the first breeder reactor conceptual design contest, EBR-II was passed over because it uses metallic fuel and has a "pool" configuration.

Soon after the nuclear industry was launched, the attention of the decisionmakers turned toward the most logical advanced reactor successor to the LWR. At that time, it was believed that economies of scale would mandate increasingly larger plants, which, for even greater economies, would be clustered together, with several large reactor units on each site. At the same time, it was perceived that uranium, especially its fissionable isotope (uranium-235), would be relatively scarce in nature. Because of this assumption, which has proven to be faulty, the subsequent line of philosophy held that plutonium, produced in the early cycles of the thermal reactors, must be recycled as fuel in LWRs. Gradually, but relatively soon on the planning horizon, breeder reactors would be needed for fuel conservation, and they would be committed to replacing LWRs. In this scheme, it was only natural that the most logical future breeder was once thought to be a direct descendant of the LWR.

All this, in turn, led to the hardening of a philosophy around mixed-oxide fuels for both LWRs and breeders, along with large, free-standing, chemical reprocessing plants using the "Purex" technology. The idea was that all spent fuel would be shipped to several large commercial reprocessing plants around the country, where the plutonium and uranium would be separated from a waste stream. The usable fuel would then be refabricated and returned to operating reactors.

This view of a commercial enterprise built around LWRs, reprocessing, and breeder reactors prevailed until the early 1980s, although gradual opposition, from both inside and outside the nuclear community, has finally tipped the scales against this structured concept. In the first place, uranium has been found in far greater abundance than the prudent early estimates; then, the users of nuclear fuel have gradually turned their backs on reprocessing, because plutonium recycle has not been demonstrated to be either desirable or economic in the U.S. marketplace. Moreover, the need for breeder reactors, especially large ones designed to replace LWRs, has simply not yet been

proven by nuclear advocates. Plutonium recycle also fell from grace during the Carter Administration, which condemned the whole Purex process and associated breeder reactors as being "proliferation-prone." And, finally in the wake of the Three Mile Island accident and numerous and costly construction fiascoes in the early 1980s, the concept of large nuclear plants—as well as nuclear power itself—has been called into question by a substantial percentage of the nation's electorate.

The theories on what went wrong with nuclear power are as numerous as the nuclear advocates and nuclear opponents. Whatever the central cause, if indeed there is one single root cause, the U.S. nuclear power industry is certainly in a depressed state. Indeed, the very future of the nuclear power option in the United States has been called into question by major industrial groups of nuclear advocates, and they have argued for major national institutional changes. Meanwhile, a large segment of the nuclear advocacy community continues to be wedded to the LWR and committed to the philosophy that large breeders will ultimately be required as successors.

Others within the nuclear advocacy community, however, believe that institutional conditions are not likely to return to a position favoring old nuclear reactor concepts, and especially not that of large, free-standing, Purex reprocessing plants. These people believe that the future of nuclear power lies in the realm of small, inherently safe reactors, with integral reprocessing plants making them self-sufficient. Such reactors would better fit the conditions that exist in this country today, these proponents say.

Enter EBR-II and the IFR concept. EBR-II was committed as a natural successor to EBR-I, when a larger demonstration facility seemed appropriate, and was placed into service during the summer of 1964. The primary focus of EBR-II operation was to demonstrate the feasibility of metallic-fueled, sodium-cooled fast breeder reactors as generators of electricity. A very important secondary step involved a demonstration of the applicability of pyrometallurgical techniques for onsite reprocessing of the reactor's spent fuel.

The performance of EBR-II as a power generator has been highly satisfactory, with a record of high plant availability and power production factors exceeding that of commercial LWRs. EBR-II's normal power rating is 57.25 MWt, from which it provides 17 MWe to the Idaho National Engineering Laboratory and 12,000 lb/hour of saturated steam for local space heating.

The reprocessing of spent EBR-II fuel was conducted routinely on site from 1964 to 1969, during which time the inherent promise of a simple and rapid on-site turnaround of discharged fuel was amply demonstrated. One of the spectacular values of metallic fuel is that it does not require an extensive cooling-off period, and, on certain occasions, EBR-II fuel was discharged, reprocessed, and returned to the reactor core within 29 days.

In the early days, however, metallic fuel had a major problem of swelling during the fissioning process. This was such that very low fuel burnups of only one or two atomic percent were achieved. Fast reprocessing provided a partial compensation for this low burnup; metallic fuels fell out of favor during the developing years described above, however, and mixed-oxides became the world's favorite for commercial applications.

Meanwhile, R&D work on metallic fuels continued at ANL, and, by the time of the CRBR demise, the Laboratory had developed a promising alloy of plutonium, uranium, and zirconium. This new fuel has proven to have a sufficiently high burnup (More than 10 atomic percent) to be competitive with mixed-oxide fuels. In the eyes of many in the research community, metallic fuel offers so many benefits that it must now be considered the perferred fuel for advanced reactor concepts. Nonetheless, this postulated theory lacks an adequate data base, and ANL officials are seeking, as part of the IFR effort, to use EBR-II to demonstrate the feasibility of this new fuel. Likewise, they want to refurbish the adjacent fuel reprocessing facility and prove out the entire process of burning the new metallic fuel, reprocessing it, and handling the waste products. All these steps can be performed in a highly successful manner, the researchers at Argonne say confidently; nonetheless, all three must be proven before the IFR can become commercially feasible.

Argonne officials argue that EBR-II and existing facilities offer the best route for demonstrating the advanced liquid-metal reactor (LMR) concept. The facilities exist, and adapting them for use in the demonstration project is relatively simple and, they say, a real bargain compared to the projected costs of other demonstration projects. According to Charles Till, associate laboratory director for reactor research and development, the cost of the demonstration reactor is zero, because EBR-II is there and operating, and the cost of refurbishing the reprocessing facility is "modest." In a 1985 Congressional hearing, Till stated that the reprocessing facility has been decontaminated and is ready for new equipment. He estimated the facility upgrade and modification costs at $12.2 million and the new equipment at $3.0 million—or a mere $15.2 million, which is infinitesimally small alongside the once-projected costs of CRBR and the Barnwell reprocessing facility.

The IFR is a generic concept, not a fixed design. It does, however, depend on the pool concept, metal fuel, and pyrometallurgical reprocessing technology. As such, it is closely associated with the DOE's current contest for a conceptual design for an advanced LMR. This contest has been narrowed to two industrial competitors—Rockwell International and General Electric.

In the preliminary, first-year stage of this three-year contest, Rockwell has signaled its preference for metallic fuel; General Electric, which argues that there are not yet enough data on the Pu-U-Zr alloy, has indicated that mixed-oxide is its first choice. The Rockwell design, apparently, could be demonstrated by EBR-II and associated facilities; GE's, at the Fast Flux Test Facility (FFTF) in Washington state. GE will also propose an integrated reprocessing (Purex) option. Both conceptual designs will be for small, modular, pool-type reactor units, which can be manufactured in a shop and shipped to a building site. The IFR concept is particularly suitable for this last condition.

INHERENT SAFETY

Part of the current controversy over reactor design concerns the question of "inherent" or "passive" safety, which relies on the natural laws of physics—and not engineered safeguards—as the ultimate barrier against severe reactor accidents.

Various reactor designers have pet philosophies on the best approach to an inherently safe reactor. The most basic arguments are on the coolant (or heat transfer) medium. Some designers continue to favor light water, while others prefer gas, which has had a long and distinguished technological history. A large portion of the nuclear R&D community, however, prefers liquid sodium as the optimum coolant. Sodium-cooled reactors operate under normal atmospheric pressure and at a temperature of about 500 °C, well below the 900 °C boiling point of sodium. Moreover, sodium-cooled reactors do not present a corrosive environment, and this enhances the potential longevity of a sodium-cooled plant.

In the first major breeder contest, liquid sodium was the overwhelming favorite for the coolant. As for "best fuel" and "best design," the CRBR and its complement, the FFTE, were committed, and both incorporated mixed-oxide fuel and the"loop" design. In a loop configuration, primary sodium is pumped through large pipes to heat exchangers outside the reactor vessel. As noted elsewhere, the CRBR project was scrapped, but FFTF was completed. It is in operation and, as does its counterpart in Idaho (EBR-II), provides invaluable test data for breeder reactor technology (see *NN*, May 1984, pages 56-61).

Due to the early problems with metallic fuels, mixed-oxides won the first best fuel contest rather handily; the loop design decision for CRBR and FFTF, however, was not based on such conclusive evidence. Today, it appears that the pool-type reactor has become the favorite among designers of LMRs; thus, the major breeder argument has shifted to deciding on the best route to inherent safety and the preferred reactor fuel.

Among their argument for the pool design, and the demonstrable inherent safety features that flow therefrom, Argonne officials cite EBR-II, which is submerged in a pool of liquid sodium coolant. (see Fig, 1). Tests at EBR-II have demonstrated that natural convection currents in the sodium pool will keep the core acceptably cool, even if all coolant pumps were to fail simultaneously.

Other arguments for the pool configuration include the following:

The regular conformation of the primary containment tank and the lack of nozzles and penetrations greatly simplify design, construction, and inspection activities. Such simplification reduces the required size of the containment building, and the compact design means smaller amounts of construction materials.

All systems containing primary (radioactive) sodium are located within the primary containment barrier. The effects of sodium leakage from primary components are, for the most part, confined to the primary tank.

The submersion of all primary components under constant temperature sodium greatly reduces problems of thermal stress.

The effects of loss of pumped coolant flow are considerably mitigated because the core will always remain covered with sodium.

The location of intermediate heat exchangers within the primary containment vessel eliminates the need for heavily shielded external facilities, e.g., pipe galleries, equipment cells, etc.

Now that they have developed a fuel alloy that, they say, can compete economically with mixed-oxides, Argonne researchers are hailing their metallic fuel for its positive safety advantages. Its superior heat transfer properties, they say, give metal fuel a distinct safety advantage over conventional mixed-oxides. Among other things, they

have studied the effects of different fuel pins on reactor performance during simulated loss-of-coolant flow accidents (i.e., where external power is lost to coolant pumps), as demonstrated in Fig. 2, have found that—under these accident conditions—metal fuel produces much smaller rises in coolant temperature than its oxide competitor. Because metal fuel cools faster, it presents less chance for heat to build up in the core. Accordingly, in a loss-of-coolant accident in an LMR with metal fuel, coolant temperature would never approach the boiling point of sodium. Thus, a core melt accident is not postulated as credible, while the potential for a molten core in an LWR has become a celebrated issue since the TMI accident.

IFR FUEL

The metallic fuels proposed for IFR are composed by a heavy concentration of plutonium, and this mandates reprocessing if the concept is to become commercially feasible. Some people set on-site reprocessing and refabrication as a negative element because it would add an additional facility at a commercial nuclear power plant and would require yet another layer of technical competence at each station. Moreover, reprocessing has a bad reputation within diplomatic circles because of its relationship to separated plutonium and the associated potential for the diversion of weapons materials. The Argonne officials believe that the IFR, because of the compact nature of the reprocessing and refabrication modes, can easily overcome the first objection. As for the second, they say that the IFR can enhance national nonproliferation goals because, in the pyrometallurgical process (and associated refabrication of new fuel), plutonium is never separated into a single element. In addition, the entire operation remains very radioactive throughout and must be conducted remotely using complex robotic technologies. This, say, precludes tampering by terrorists or by anybody else. The same officials are quick to point out, however, that reprocessing and refabrication were run sucessfully during five years of routine operations at FBR-II. "It's complex," they say, "but it has been proven by years of operating experience."

In the pyrometallurgical process proposed for IFR, the fuel elements would first be disassembled to remove the pins from their cladding. This is a mechanical process. The second step is halide slagging, which takes advantage of the fact that the rate and direction of chemical reaction between a molten fuel alloy containing fission products and a molten halide salt can be controlled by the composition of the salt.

In the IFR halide slagging process, the molten fuel alloy would be dissolved in the salt mixture, and magnesium dichloride would be added to control the reaction. If the control agents are added in the right proportions, the fission products—notably barium, strontium, and rare earth elements—are transferred from the molten fuel to the molten salt, which becomes a waste stream and carries the fissions products with it.

Next, the fuel alloy is transferred to electrorefining. In this step, the molten fuel alloy is dissolved in cadmium and placed in a crucible with a molten salt electrolyte, which is a mixture of lithium and potassium chlorides along with small amounts of uranium and plutonium chlorides. The electrolyte floats on the surface of the more dense cadmium-molten fuel mixture.

A positive electrode is formed by the cadmium-fuel mixture in the bottom of the crucible, while a negative electrode is inserted into the electrolyte from above. When the appropriate voltage is applied across the electrodes, the uranium-plutonium mixture collects on the negative electrode. Other, unwanted elements remain in the cadmium, which becomes waste.

Fresh fuel for the IFR would be fabricated in a single-step casing process by injecting molten fuel into Vycor glass, Up to 100 pins can be made in a single operation. When hardened, the fuel would be removed from the glass and sheared to the proper length.

Fuel refabrication foreseen for the IFR is exceedingly less complex—and therefore more cost-effective—than the processes involved in preparing mixed-oxide fuel pellets.

The reprocessing and refabrication operations described above have been demonstrated thousands of times with the EBR-II driver fuel. They must be fully demonstrated, however, with the Pu-U-Zr alloy now being proposed for the IFR. Argonne officials say they are confident that this can be accomplished in a straightforward and cost-effective manner.[1]

The simplicity and compact nature of the equipment involved in fuel reprocessing and refabrication technology is one of the most impressive among the numerous Argonne claims for IFR economic feasibility. For example, in a cost estimate for a new, central facility to handle 1400 MWe of power from several modular LMRs, Argonne officials have designed a reprocessing/refabrication facility that would be housed in a 32- × 52-ft building. The estimated cost of this facility, fully equipped, is only $48 million. Among the other installed equipment, this building would house two remote cells for electrorefining core and blanket fuel. Note that each cell would occupy only a 5- × 5-ft-square space.

IFR ADVOCATES

On August 28, 1984, Walter Massey, at that time the director of Argonne National Laboratory, formed a blue-ribbon peer review panel to give an expert appraisal of the IFR concept. This group is composed of fast reactor experts of world renown from academia, the utility industry, and private consultants. After meeting several times, the panel filed its first finding on October 31, 1984, in a letter to Massey. The text of this letter is very optimistic about the IFR's potential as an advanced reactor concept, and the review panel strongly recommends a demonstration (in EBR-II and associated facilities) of the new alloy fuel, its reprocessing and refabrication, and the associated treatment of waste products. (An edited version of the group's findings appears in the box.)

Active support for the IFR at the DOE has not been very apparent since the demise of CRBR. The Department has undergone several top management changes at both the departmental and nuclear energy levels, however, and this obviously has affected its ability to maintain a good focus on the IFR and related programs.

In the recent past, however, the Office of Nuclear Energy has been reorganized with a new division designated specifically to watch over LMRs and other advanced reactor concepts (except HTGRs, which have a separate division). Ross Humphreys, who has been placed in charge of the LMR division, is an old-timer in breeder research activities, having served at the national laboratories at Oak Ridge, Argonne West (on EBR-II), and Los Alamos before moving to the Atomic Energy Commission and ultimately to the DOE. Humphreys says he is "very excited" about the IFR concept and the future of metallic fuels.

John Herrington, Secretary of Energy, by his own words, appears to have become an advocate of the IFR as well. After a recent visit to EBR-II, where he was briefed on the concept, Herrington told a reporter he thinks the IFR "is the best technology in the world, and many countries will be coming here to learn about it."

If Secretary Herrington's prediction comes true, and the world beats a path to Idaho to learn about the IFR, then the metaphor about the better mousetrap will be appropriate.

SUMMARY FINDINGS—IFR SPECIAL COMMITTEE

Findings:

There is a national need for a proven breeder reactor since the breeder represents the one single technology in existence today which has been demonstrated to be practical and have the capability to provide an inexhaustible source of power.

The IFR appears to offer a new, exciting approach for the U.S. to recapture leadership in breeder technology.

The capital costs to develop and demonstrate the IFR metal fuel element and the associated fuel cycle appear to be modest and could be accomplished rapidly.

The IFR offers a breeder concept in which the potential for theft or diversion of fissionable materials is significantly minimized and offers significant non-proliferation advantages over fuel cycles based on the Purex process.

The scientific evidence in support of the concept is judged to be more than adequate to justify proceeding rapidly with research and development and demonstration of feasibility as presently envisioned for the FY85 and 86 period.

The committee is favorably impressed by the potential of pyrochemical reprocessing. It is inexpensive, has many operational advantages, and as stated above minimizes the possibility of theft.

Characteristics of the metal fuel tend to give the metal-fueled reactor the ability to tolerate a variety of transients as readily as, and possibly more readily than, an oxide-fueled reactor.

Committee members:

Max Carbon, chairman, Chairman, Nuclear Engineering Department, University of Wisconsin.

Wallace B. Behnke, Vice Chairman, Commonwealth Edison Company.

Manson Benedict, Professor Emeritus, Nuclear Engineering Department, Massachusetts Institute of Technology.

Hans Bethe, Nobel Laureate in Physics, Cornell University.

Spencer Bush, Retired, formerly with Pacific Northwest Laboratory.

Walter McCarthy, Jr., Chairman, Detroit Edison Company.

David Okrent, Chairman, Mechanical, Aerospace, and Nuclear Engineering Department, University of California at Los Angeles.

[1] The information on IFR fuel reprocessing has been taken in large part from written material prepared in 1984 by Charles Till, Argonne's associate director for reactor research and development. Other material in the literature suggests that the pyrometallurgical steps now planned may not be in the exact same sequence as given in Till's early and simplified text. Nonetheless, the above material is believed to be sufficiently correct for this level of presentation.

Lombard Squires, Retired, formerly with E. I. Du Pont de Nemours Company.

Richard Wilson, Chairman, Department of Physics, Harvard University. ●

AN ALL-MISSOURI WORLD SERIES

Mr. EAGLETON. Mr. President, I have a resolution which I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

S. RES. 239

Whereas, the great State of Missouri is home to both the Kansas City Royals and the St. Louis Cardinals, and therefore on this day of October 17, 1985, is the Baseball Capital of the World;

Whereas, the World Series has not been better placed since 1944, when the St. Louis Browns faced the St. Louis Cardinals;

Whereas, both the Cardinals and the Royals have overcome great adversity, coming from behind to win in their opponents' ball parks, in their respective League Championships, and in so doing proved themselves both great teams;

Whereas, these two teams will soon meet in the 1985 World Series;

Whereas, their performance demonstrates once more to the Nation and the world that the very best baseball in the world is played in two areas of the country—eastern and western Missouri;

Whereas, St. Louis, the Gateway to the West, is now the Gateway to the Best in the National League.

Whereas, Kansas City, the Heart of America, is now the Heart of the American League;

Whereas, the "Show Me" State of Missouri is now the Showcase of the World's Greatest Baseball Teams and Fans; and

Whereas, the two Senators from Missouri are incurable baseball fans, and are most pleased and proud of the accomplishments of the Royals and the Cardinals: Now, therefore, be it

Resolved, That the Senate recognizes the great accomplishments of the St. Louis Cardinals and the Kansas City Royals, wishes both the Cardinals and the Royals the best of luck, and looks forward to a great "Show-Me" Series.

The Senate proceeded to consider the resolution.

The PRESIDING OFFICER (Mr. GORTON). The Senator from Missouri.

Mr. EAGLETON. Mr. President, I want to point out this resolution is offered on behalf of myself and the distinguished junior Senator from Missouri [Mr. DANFORTH]. Yesterday, Mr. President, was perhaps one of the most exciting days of my life. Two Missouri teams clinched their respective drives for the pennants of the National League and the American League. Only one other day looms as large in my mind, 1944; September, Chet Laabs, right-handed hitter, two home runs against the New York Yankees to do the impossible dream for the bedraggled St. Louis Browns, later to become the Baltimore Orioles. And that was the last all-Missouri series, two St. Louis teams at that time, 1944—sort of bedraggled, decrepit athletes while the robust and those in good shape were off fighting World War II, and now the dream has come true again in 1985, an all-Missouri World Series.

Senator DANFORTH and I by this resolution wish to pay tribute to the noblest of the noble, the Cardinals and the Royals. I yield to my colleague.

Mr. DANFORTH. Mr. President, I compliment Senator EAGLETON on his well-crafted resolution, which so accurately, if in somewhat understated fashion sets forth the present condition of major league baseball.

Mr. President, my only regret at this point in the Senate's procedure today is that this resolution comes so late in the day that many of our colleagues, who undoubtedly would like to sign up as cosponsors for the resolution or come to the floor and participate in debate on the resolution, are unable to be present. But I know that the resolution does speak for the hearts and minds of a number of us, such as Senator EXON and Senator DIXON, Senator SIMON, and others, because this has really been an absolutely remarkable year in baseball, particularly the end of the season with the tremendous effort by both the Cardinals and the Royals first to win their divisions—and it was a battle in both cases, decided in the last couple of days of the season—and then after winning their divisions to enter into the league championship series.

The Royals found themselves in a situation that has only taken place five or six times in the history of major league baseball in postseason play. They were behind three games to one. They won first in Kansas City and then twice up in Toronto, and that sort of come-from-behind spirit I think has exemplified that team, not to mention the incredible performance of George Brett, who has truly become Mr. October, replacing Reggie Jackson in that category. In game three, which was the pivotal game—the Royals had already lost twice—Brett went 4 for 4, including two home runs. He had three runs batted in, four runs scored, and he made the defensive play of the game. And then consider the Cardinals, who have the most brilliant manager in major league baseball, Whitey Herzog. They came up with two clutch home runs in the last two games, one by Ozzie Smith in the ninth inning in St. Louis in the fifth game of the playoffs, and one by Jack Clark yesterday in the sixth game with two outs in the ninth inning—an amazing line drive for a home run to snatch victory from the jaws of defeat.

This has been a great 24 hours for the State of Missouri, and it is going to be a great 10 days or so during the time of the World Series.

I have this wonderful thought in my mind of all these sports writers and media executives from the East, who downplayed the ability of the Royals to win the league championship series and downplayed from the beginning of the season the ability of the Cardinals to do anything but finish last in their division, packing up their Vuitton luggage with their Sulka shirts and moving out to Missouri for 10 days.

We have a lot of hotels and restaurants in our State and a lot of good stores, and I hope they are happy visiting our State and that they will spend a lot of money.

Mr. DIXON. Mr. President, I am delighted to hear those eloquent words. I support this resolution by my distinguished colleagues the senior Senator and the junior Senator from the great State of Missouri. They certainly have every right to be proud tonight.

As a Senator from Illinois, who comes from Belleville, directly across the river from St. Louis, that as a youth in high school, I recall the last time they had an all-Missouri World Series in St. Louis.

In fact, I recall the St. Louis Browns in the American League very well. I used to go to ball games in Sportsman's Park years ago, when the old Browns played there. They were only about 700 to 800 people in the ballpark.

I remember the saying in our part of the world about St. Louis, which was, "First in shoes, first in booze, and last in the American League." [Laughter.]

I recall going to the World Series, going the night before in a pickup truck from Belleville, with some of my high school buddies, and spending the night on the sidewalk, sleeping under an army blanket. I saw the St. Louis Cardinals defeat the St. Louis Browns in that World Series.

I congratulate my colleagues for repeating once again—only about four decades later.

Mr. EAGLETON. Mr. President, I move the adoption of the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to.

The preamble was agreed to.

ORDERS FOR TOMORROW

RECESS UNTIL 8 A.M.

Mr. GARN. Mr. President, I ask unanimous consent that once the Senate completes its business today it stand in recess until the hour of 8 a.m., on Friday, October 18, 1985.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. GARN. Mr. President, further, I ask unanimous consent that following the recognization of the two leaders under the standing order, there be a

period for the transaction of routine morning business not to extend beyond 8:30 a.m., with Senators permitted to speak therein for not more than 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. GARN. Mr. President, following morning business the Senate will resume consideration of H.R. 3038, the HUD appropriations bill; at that point Senator MURKOWSKI will be recognized to offer an amendment on which there is 30 minutes of debate.

RECESS UNTIL 8 A.M. TOMORROW

Mr. GARN. Mr. President, there being no further business to come before the Senate, I move that the Senate stand in recess until tomorrow at 8 a.m., Friday, October 18, 1985.

The motion was agreed to, and at 7:52 p.m., the Senate recessed until tomorrow, Friday, October 18, 1985, at 8 a.m.

NOMINATIONS

Executive nominations received by the Senate October 17, 1985:

DEPARTMENT OF STATE

Gregory J. Newell, of Virginia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Sweden.

DEPARTMENT OF TRANSPORTATION

Jennifer Lynn Dorn, of Maryland, to be Associate Deputy Secretary of Transportation, new position.

DEPARTMENT OF EDUCATION

Bruce M. Carnes, of Virginia, to be Deputy Under Secretary for Planning, Budget and Evaluation, Department of Education, vice Gary L. Bauer.

SECURITIES AND EXCHANGE COMMISSION

Edward H. Fleischman, of New Jersey, to be a member of the Securities and Exchange Commission for the remainder of the term expiring June 5, 1987, vice James C. Treadway, Jr., resigned.

U.S. INSTITUTE OF PEACE

Allen Weinstein, of the District of Columbia, to be a member of the Board of Directors of the U.S. Institute of Peace for a term of 4 years expiring January 19, 1989, new position.

EXTENSIONS OF REMARKS

CONGRATULATIONS ON YOUR 125TH ANNIVERSARY

HON. DEAN A. GALLO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. GALLO. Mr. Speaker, this year marks the 125th anniversary year of the Oheb Shalom Congregation, of South Orange, NJ.

The congregation was founded in 1860, and was one of the seven charter member congregations of the United Synagogue of America, the congregational arm of Judaism's Conservative Movement.

Congregation Oheb Shalom is the second oldest congregation in my State, and the congregation has a very impressive history. Remarkably, nearly 100 members of the present congregation are direct decendants of the founding members of the congregation. The congregation treasures its history, and has maintained an accurate record of its development and its progress.

Recently I was lucky enough to have the history of the congregation forwarded to me by Mr. David Schechner, historian of the congregation.

This history is fascinating. It is the story of a small collection of people who shared a common vision of the future, of the past, and of their role in God's universe. It is the story of growth, commitment and responsibility. It is an understanding of the importance of men and women in all of our endeavors, be they spiritual or secular. Also, it is the story of how progress can be made even after there are differences of opinion.

Certainly, there is much that this body can learn from the congregation's history.

Mr. Speaker, today I would like to present just a portion of this history to my colleagues so that they, too, may have the opportunity to learn from its contents.

HISTORY OF OHEB SHALOM

The history of Oheb Shalom starts before its birth with the founding of B'Nai Jeshurun in the City of Newark in 1848, at a time when there were less than 200 Jewish families in the City.

B'Nai Jeshurun prospered and grew but as it grew there developed a quarrel within the congregation over whether the congregation should continue to function in what they referred to as the traditional manner or whether they would adopt the Reformed method of worship just as many German congregations were doing. This was a local aspect of what was, in fact, a worldwide argument. In 1869 the argument reached a crescendo at the congregation's annual meeting when the then President, Bernard Hauser, failed in his bid for re-election to the office of the President by one vote and Rabbi Isaac Schwarz, who was a supporter of the views of Mr. Hauser, was not reappointed to his position as Rabbi. The two of them and many of their adherents resigned their membership and left B'Nai Jeshurun. After some discussions, they determined that they would form a new synagogue where the practices would be similar to the ones that they had established at B'Nai Jeshurun and which were now being abandoned. A meeting was held in the Hauser house on Prince Street and a decision was made to form a new congregation to be called Oheb Shalom. It was also decided that Rabbi Schwarz was to be its first Rabbi. The synagogue was formally incorporated in the Fall of 1860. Dues were established at 36 cents per month, and the new congregation got underway. Services were held on the top floor of a dwelling on the West side of Prince Street, between Springfield Avenue and South Orange Avenue in Newark. Services were what we today call Orthodox and were conducted in Hebrew and German.

The building in which the services were conducted was large enough to have a two-story kind of arrangement; the women sat in the balcony. The men during services, particularly the officers, wore high silk hats. Sermons and instruction were in German which was for all practical purposes the official language of the synagogue even though it had, in fact, ceased to be the language of many of its members. At that time the language and other customs of the synagogues of Newark were determined chiefly by the European heritage of their membership.

Even in those days the vision of Oheb Shalom was broad, far beyond the recitation of prayers. The school was always of prime importance and, while the teachers were volunteers, they were always required to be competent.

As a further service to its membership, the congregation in 1866 bought and started operating the original congregational cemetery on South Orange Avenue.

The little congregation grew slowly but steadily. Members spoke to each other in either German or English, and many were beginning to feel the congregation's official language should be changed to English because that would evidence the ever-growing desire among the members to be more American and more like our neighbors.

Years of growth and change occurred. The congregation built and moved into what was then its brand of new brick edifice on the East side of Prince Street, halfway between Springfield Avenue and South Orange Avenue in the City of Newark. Here there was a gallery but it was used only for overflow worshippers. The records of the congregation appear to indicate that when the congregation moved to the new building on Prince Street, men and women began to sit together.

Rabbi Bernard Drachman, who served from 1885 to 1888, was the last of the European educated German-speaking Rabbis. English became the pulpit vernacular, although according to congregational records, a few times each year as a special treat for old-timers, Rabbi Willner would speak in German which was the language of his forebearers. That kind of practice continued through 1890.

At about that time, Rabbi Gluck became the Rabbi, and presided over what was a great period of expansion in the Prince Street building.

The year 1906 marked a turning point in the history of the congregation. That was the beginning point when the congregation began to move toward what we would call today's Conservative Judaism.

Oheb Shalom at the time numbered among its members more native-born Americans than immigrants. These native-born Americans had a burning desire that was spurred on by Rabbi Charles I. Hoffman and Dr. Solomon Schechter to build new styles and new practices and, yes, new rituals "as Jewish as the Torah and as American as apple pie." The view was popular and the synagogue grew.

It soon became apparent to the officers at that time that neither Prince Street as a locale (it had become the commerical center of the Jewish world of Newark) or the synagogue building itself (it had become overcrowded and much too small) were suitable. In 1907 a decision was made to move and planning and fund-raising began. In quick succession there came the property purchase of the High Street site, building decisions, fund-raising, breaking ground, and finally a cornerstone-laying ceremony for the new building in 1910.

The High Street synagogue building was dedicated in 1911. Among the speakers at what has always been described by those in attendance as an awe-inspiring service were Woodrow Wilson, then Governor of New Jersey and soon to be President of the United States, Solomon Schechter, head of the Jewish Theological seminary and worldwide leader of Conservative Jewry, and Dr. Solomon Solis-Cohen, renowned leader of the Philadelphia Jewish community. The dedication and the mood it generated sparked tremendous activity within the congregation. In that year, the Oheb Shalom Review was created; a synagogue library was installed; the Hebrew School volunteer principal and teachers gave way to professionals.

The programs of the congregation grew during the next ten-year period, and the congregation flourished as few congretations had. At the congregation's 1930 annual meeting, right at the deepest point of the Depression, the congregation burned its mortgage. It had been a nineteen-year financial struggle to do it, and the memory of that struggle coupled with the economic condition of the nation so impressed itself upon the minds of the congregation's leaders that it became an Oheb Shalom principle to say "that's the last of mortgages—never again!" This rule has continued to this very day so that all subsequent improvements and construction has occurred without the use of mortgages.

Rabbi Leon S. Lang joined the congregation in 1927. He was to be Dr. Hoffman's assistant, and his accent was to be on youth. He nurtured the high school which had been started in 1925 and founded the Men's Club which was called Kadimah. He continued the work of emphasizing the congregation's social and educational life.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member of the Senate on the floor.

Boldface type indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

With the departure of Rabbi Lang, the burden became too great for Rabbi Hoffman and thoughts of his retirement became a reality. Oheb Shalom called to the post Dr. Louis M. Levitsky, who proved to be a dynamo, sparking Oheb Shalom to render even greater service and to be more effective for the benefit of its members and the community. He pushed the congregation so that its name became synonymous with the words "adult education." Our program, which incidentally began in 1911 and was one of the first in the nation, was fine-tuned and expanded under Dr. Levitsky so that it became our most prominent feature.

In the mid-1940s, pressure started building for moving the congregation to the suburbs. Many of the members had moved to the suburbs, and those that remained were moving in increasing numbers. The distance members had to travel for services began to be a topic of discussion.

A substantial percentage of the members of the congregation urged the congregation to move to South Orange, but the majority approached the idea half-heartedly. Sufficient impetus for the move had not yet developed, and several motions on moving the congregation to South Orange, while provoking strong debate, failed to win passage at annual and special meetings.

Eventually a group of the members of Oheb Shalom led by Jennie Beck and Ralph Jacobson gathered a number of their South Orange and Maplewood neighbors and founded Beth El. The circle had become complete. Oheb Shalom, born of B'Nai Jeshurun, now had a daughter congregation of its own.

Pressure kept building for the move to South Orange. The controversy yielded eventually to necessity. In reasonably rapid order, the property at Scotland Road was purchased and plans for the building were prepared. Fund-raising became a major project with the slogan "No fanfare, no pressure, no mortgage." Through this low-key approach, four hundred families met each with the other and raised the one million dollars needed. The building in Newark was sold and all eyes turned to South Orange.

To save the gorgeous Silver Birch tree that stands outside the current building, the building was built as a mirror image of the one drawn by the architect so that the tree could remain. After much discussion, it was determined that the plans would be reversed, and the tree would be saved. The result of this decision is that in many ways the building is the reverse of what was planned.

All of this to save one of God's most beautiful creations—the tree that is outside.

Oheb Shalom showed its devotion to its tradition of continuity in the structure itself: The inscription above the Ark in the main sanctuary is the same one that was over the Ark on High Street, and the inscription on the side of the Ark in the Schechner Chapel is the inscription that appeared carved in stone on the outside of the building on High Street; the eternal light in the Schechner Chapel is the one from the original building on Prince Street; the doors of the High Street Ark are the doors of the Ark in the Schechner Chapel; the memorial tablets that appear in the Founders Hall are in most instances the memorial tablets that were brought from the High Street building; the cornerstone of the High Street building sits in the wall of our building here. Being unable to remove the stained glass windows, replicas of the memorial tablets on those windows were made and are today in Founders Hall.

Groundbreaking ceremonies for the building occurred on May 1, 1957, and the building was advanced sufficiently for a simple ceremony when the cornerstone was put in place in March of 1958. By July, the building was ready and in a moving ceremony the building on High Street was locked with the key that opened it and turned over to the new purchasers. The Torah scrolls were taken by a suitable parade to South Orange and installed in the new edifice over the weekend of July 22, 1958.

Oheb Shalom clearly had arrived and was the prime synagogue in the country. As what seemed to be the height of our activity, Dr. Levitsky advised that he would retire and in 1973 did so. After a search, Rabbi Alexander Shapiro was called to the pulpit and became the Rabbi of the congregation in that year and has recently celebrated his tenth anniversary with us, marked by his election to the presidency of the Rabbinical Assembly. He is the third Rabbi of Oheb Shalom to be so honored.

In 1983 Congregation Beth Torah, which had been established many years before in Orange and had a rich history of its own, found that it was unable to continue to operate at its own building. It sought to merge with another congregation whose philosophical views it shared.

In a moving ceremony, described and performed as if it were a wedding, Beth Torah brought her Torahs to the Ark of Oheb Shalom where they were lovingly accepted and the two congregations became one.

HOPES FOR THE FUTURE

It is difficult to compress one hundred and twenty-five years into a few pages. While one hundred and twenty-five years have passed, it is the hope of this important congregation that this period is merely an introduction to the future. We share that hope today.

DISTRICT HEATING AND COOLING TAX INCENTIVES

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. OBERSTAR. Mr. Speaker, district heating and cooling, one of the most cost effective and imaginative answers to America's quest for energy independence, was the subject of both the cover story and editorial in the September issue of Domestic Engineering magazine. This article is worthy of the attention of our colleagues.

The use of district heating and cooling systems [DHC] has ramifications far beyond the inherent energy efficiency of the systems themselves. Research by the Department of Energy shows that the expanded use of this technology can dramatically reduce oil imports, preserve the vitality of our cities and towns, and stimulate strong local economies.

Studies by the International Energy Agency indicate that if the United States were to begin to shift toward the expanded use of DHC, such a move would create significant additional downward pressure on the world price of oil.

Reduced oil prices have contributed greatly to the rebuilding of our current economic strength. But, think how much more competitive we would become if we reduced our balance of payments by significantly reducing oil imports. Such a move would also provide our domestic industry with less expensive energy at the same time.

Stabilization of the now lopsided balance of payments would not only help our manufacturing sector become more competitive in world markets, it would also help revitalize some of our basic industries such as steel, coal, and railroads.

The installation of citywide district heating and cooling systems will utilize now wasted thermal energy, and can make use of domestic energy resources such as coal, peat, wood waste, and municipal refuse.

The national self-interest mandates the promotion of such technology. But the key to this innovation is to assist the private sector as it gathers the financing needed to construct such systems. I have introduced H.R. 1507 which would clarify the tax and lending laws so such financings would be available.

In a year when tax expenditures are a major topic of discussion in Congress, I would ask my colleagues to recognize two facts as they consider supporting the 15-percent energy investment tax credit contained in H.R. 1507.

First, DHC technology is not experimental or unproven. However, the process of planning and installing these systems in cities is complicated, in the sense that the cooperation of the city government, various State and local agencies, and the building owners in an affected area must all be obtained.

Installing such a system is analogous to installing sewer or waterlines in a town where connection to them is voluntary. Thus the tax credit is needed for a short term to attract investor interest into an area filled with challenges, even though the technology is well known. However, the district heating and cooling industry feels confident that once attention is focused on this area, as the tax credit will do, the progress and examples developed during the period will inspire others to engage in expanding the use of this technology in the future.

I should note at this point that our West European allies have vastly expanded the installation of new district heating systems, particularly since the 1973 oil embargo. Today they use domestic fuels including coal, straw, and peat to heat their cities. We should do the same.

Second, the tax expenditure involved is very modest. Because of the planning time that preceeds the actual installation of a system, the industry projects the energy investment tax credit expenditure for a 5-year period following passage of H.R. 1507 to be less than $100 million.

I am confident that, upon careful consideration of the merits, my colleagues will agree that district heating and cooling is both a modest, and a very prudent invest-

ment in the energy future of our country. I urge their support for inclusion of the provisions of H.R. 1507 into the tax bill currently in markup, and its passage into law. I ask unanimous consent to include, at this point in the RECORD, "District Heating/Cooling, a Key in Energy Independence", and the editorial "District Heating/Cooling: on the Side of the Angels."

DISTRICT HEATING/COOLING—A KEY IN ENERGY INDEPENDENCE

(By Steve Shafer)

Wouldn't it be amazing if we could find a technology that would heat and cool America's urban areas and: Lower our dependence on foreign oil sources; make use of the vast amounts of waste heat from electrical generation plants; or burn garbage, helping eliminate the galloping pollution problems caused by landfills; or use America's abundant supply of coal.

This technology would also cut energy costs for inner cities and military bases; help keep exports competitive by lowering industrial energy costs and create many new jobs in the U.S. rust belt.

A "Star Wars" system, far in the future? No! That "amazing technology" is summed up in the phrase District Heating/Cooling—systems which deliver steam, or hot and chilled water, through piping to buildings in a given "district." America is the home of district heating—the first major system in the world was built in Manhattan in 1881.

Interest declined in these systems after World War II because of tax and investment policies that limited growth and because of pre-occupation with kilowatt production. There are some 3,000 unregulated institutional systems, which have increased in number since 1950. But investor-owned urban systems have decreased—there were 250 in 1951, 59 in 1980. There has been slow growth in municipally-owned systems, due largely to stimulus by HUD and DOE demonstration and grant programs, and some major utilities have recently decided to modernize DHC systems instead of abandoning them. (Consolidated Edison, downtown Manhattan; Hartford, CT; Baltimore Thermal, downtown Baltimore; Pacific Gas & Electric, downtown San Francisco system).

This hardly scratches the surface. The potential value in energy savings is huge. The Department of Energy says: "The technology for district heating and cooling is well understood and there are opportunities to improve system components in ways that would reduce costs . . . If the capital and operating costs of DHC systems can be reduced by 10 to 20 percent, its market potential in the United States could more than double and 2.5 quads of energy, primarily in oil and gas, could be saved over the next 20 years." (These estimates do not include institutional systems, district cooling or noncogenerating facilities.)

There are more compelling reasons for investing in DHC systems.

Energy Independence. Offshore oil production is down 55 percent this year. "You can't get away from the conclusion that there is less oil than we thought there was, and that has long range implications for the country," says Energy Secretary John S. Herrington. Every year, American consumers pay $57 billion for energy purchases overseas, weakening the U.S. economy.

"Energy security cannot be viewed only in terms of crude oil available as an improved commodity," the North American District Heating/Cooling Institute says. "If foreign oil producers will not supply us with oil or natural gas but only with derived products, we become more susceptible to indiscriminate price increases than in the past. While U.S. refineries are being closed down, heavy refinery construction activity is going on overseas. We require diverse domestic fuel and raw material sources in order to avoid being dependent on the import of critical products of many types . . ."

Use of waste heat. Every day the equivalent of more than 20 percent of the nation's river flow is heated with the energy wasted by power plants and industry, plus additional energy is blown into the atmosphere—enough to keep virtually every American home in comfort. DHC systems can make use of this wasted resource.

Fuel flexibility. "This represents district heating and cooling's major advantage over competing energy sources. The ability to use a variety of solid fuels, such as coal and municipal solid waste, allows district heating and cooling systems to offer lower prices. District heating and cooling's primary competition is oil and gas burned in onsite boilers. If district heating and cooling systems can burn cheaper fuels, distinct economic advantages can be realized . . ." From an extensive report by the National Academy of Sciences.

Using coal. America is the "Saudi Arabia of coal," yet the industry is severely depressed. Technology exists for "clean" coal-burning power plants. A proposal of DOE by NADHCI, supported by the American Boiler Mfrs. Assn., would showcase clean coal technologies and stimulate regional revitalization through the development of coalfired DHC systems.

Increasing export competitiveness. At recent DOE hearings updating the National energy Policy, NADHCI representatives John Patrick, Ameron Corp., Jurgen Kleinau, Keller/Dorr-Oliver and NADHCI president Richard Eckfield stressed the U.S. needs an adequate supply of energy at the lowest possible cost to maintain competitiveness in export markets and maintain and advance the standard of living in the U.S.

"Substantial and sustained growth in gross national product will be virtually impossible without low cost energy and we need this growth in our economy to assure continuing increases in employment." And exporting high technology isn't the ultimate answer.

Job creation. If only 5 percent of U.S. homes, factories, and office buildings were hooked into a district heating and cooling system, $19 billion in construction and manufacturing employment, $27 billion in piping and equipment sales, and $1 billion in domestic fuel sales would be created, according to Stuart W. Temple, new chairman of NADHCI and General Manager of Baltimore Thermal Inc.

Almost everyone who has looked at this problem agrees that sweeping investment, tax and regulatory reforms are necessary.

[From Domestic Engineering, September 1985]

DISTRICT HEATING/COOLING AND MECHANICAL CONTRACTORS: ON THE SIDE OF THE ANGELS

(By Steve Shafer)

After reviewing testimony by members of the North American District Heating and Cooling Institute at Department of Energy hearings held to update the nation's Energy Policy, it's difficult to figure out why DHC systems don't get unquestioned acceptance—and all the breaks the U.S. can deliver.

DHC systems offer big advantages to America: Cutting energy costs for colleges and military bases; burning garbage to produce power and help eliminate poisonous landfills; promoting exports by reducing industrial power costs. Also, not so incidentally for the readers of this magazine DHC systems mean big piping contracts.

Still, NADHCI leaders are involved every day in a major "selling" job in Washington. The pressure to simplify the taxation system is a factor. Across-the-board elimination of such features as tax incentives could rob the nation of the benefits of DHC systems.

Another factor seems to be the notion in high places that the U.S. will become an exporter of "high technology" and investment in basic industries is no longer very important.

Jurgen Kleinau, Keeler Door-Oliver, stressed this point in his testimony before DOE. Kleinau noted that, until 1973, one of the strong reasons for the large U.S. export business was low energy costs.

"Substantial and sustained growth in Gross National Product will be virtually impossible without low-cost energy, and is also necessary to assure continuing increases in employment," Kleinua said.

"High technology will not be the ultimate answer because it is a service activity and cannot be self-serving. High technology will serve primarily the manufacturing industries, who in turn can grow only when low-cost energy is available . . ."

NADHCI recommends a series of steps necessary to make full use of DHC systems, many of which are contained in a bill introduced by Representative James Oberstar (DFL-MN) and endorsed by MCAA.

Every mechanical contractor in the country ought to understand and get behind Congressman Oberstar's bill. As so often happens, mechanical contractors have a chance to be on the side of the Angels—and brighten their business prospects at the same time.

LET'S LOOK BEFORE WE LEAP

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. FIELDS. Mr. Speaker, a dark cloud is looming on America's horizon. A worldwide trade war is brewing, waiting to unleash its economic fury across every continent.

As Members of Congress, we must recognize not only the gravity of the current trade imbalance but the gravity of the actions we may take in response. I am not advocating sitting idly by while our trade deficit rises. But, we must act with extreme care and forethought, ever conscious that repeating the protectionist policies of Smoot-Hawley will bring that ominous black cloud rolling across our Nation and the world.

Mr. Speaker, let's "look before we leap" into trade protectionism. In that spirit, I commend to my colleagues the following insightful remarks by a man of great stature, Mr. Jack Rains. Chairman of 3/D International, a Houston design and management firm, Jack is a prominent Houston

businessman, a renowned civic leader and a frequent lecturer on international trade.

The article follows:

"TRADE WAR; AMERICA ON THE BRINK"

(October 1, 1985)

At first we heard "the United States has a trade problem," then it became apparent we had more than a problem—we face a crisis. Many fear headlines will soon read, "America in Trade War."

The United States has not enjoyed a positive balance in merchandise trading in 10 years. Until recently the current account, or the account which reflects our total trade balance, was positive. But since 1975, like the popular song says, "we're rolling downhill like a snowball headed for hell." We suffer devastating trade deficits. Further, we have become a debtor nation. Now domestic political pressures demand protectionist legislation—if granted it could well plunge the U.S. into a desperate trade war.

Three major root causes have created this crisis: First, an overvalued or "strong dollar;" second, unfair trade practices by our trading partners; and finally, America's private sector, in all too many cases, is not prepared to meet international competition. Let's examine each area separately:

DISADVANTAGE FROM A STRONG DOLLAR

The strong dollar is by far our biggest trade problem. Since 1969, when the Federal Reserve Board, in an effort to fight inflation, jacked up interest rates, the U.S. dollar has increased steadily in value. The resulting high yields, plus the safety offered by the U.S. investment climate, resulted in a flood of offshore funds seeking investment opportunities in this country. Predictably, the dollar rose against other currencies. Simultaneously the U.S. Congress dramatically increased deficit spending.

That in turn forced the U.S. Government to increase borrowing to cover the cost of the deficit. Increased demand created fierce competition for funds with borrowers from the private sector from Third World governments. Inevitably too much demand was chasing too few dollars. No one should have been surprised when interest rates rose. In reaction, the dollar soared above other currencies. Predictably the United States began to experience trade problems; as U.S. goods were over priced for export, imports became bargains—all due to the over-valued dollar.

Most experts agree that two-thirds of the U.S. trade problems today can be traced to government policy creating a strong dollar. Simply stated, the overvalued U.S. dollar prices U.S. goods and services out of the world's markets and lowers the price of imports. America's offerings are overpriced by 30%—that is a severe disadvantage.

The debilitating impact on the ability of U.S. businesses to export or compete with imports at home has resulted in a catastrophic trade imbalance. As exports fell and imports increased, the two combined to inflict pain on many American businesses and workers. This is a bad situation we must remedy. But remember, the overvalued or "strong dollar" is only two-thirds of the problem. Trade practices are also a culprit.

UNFAIR TRADE PRACTICES

The trade practices of our trading partners disadvantage American business. the United States believes in "free trade;" we must insist, however, that our trading partners practice "fair trade." Japan is a "worst case" example.

We grant Japanese businesses virtually total access to U.S. markets. But despite Japanese posturing to the contrary and repeated assurances of "good faith efforts," the bottom-line results are clear. Neither the United States, nor any other country's products and services for that matter, can significantly penetrate the Japanese domestic market.

It is reminiscent of the U.S. civil rights debate; whether de facto or de jure, the results are the same. The burden is on the Japanese to address and solve their patently unfair practices. Time is running out. Japan's continued failure to restore a balance of trade can only lead to cataclysmic results. We are on the brink of a disastrous trade war.

When reviewing United States-Japanese relations, consider the allocation of the United States and Japan of their Gross National Product (GNP) to defense and trade subsidies.

The Japanese spend 1% of their GNP on defense. In contrast, the United States spends 6.7% of their GNP on defense. The Japanese depend on a security umbrella provided by the U.S. military to protect the sea lanes so critical to Japan's survival. Meanwhile, the Japanese invest the money saved on defense spending to subsidize their industries, undercutting other countries in competition for international trade. Japan spends more than twice as much as the United States on trade subsidies.

While there is great alarm in America over the direct trade imbalance between the United States and Japan, that is merely the tip of the iceberg. The American taxpayer should be more concerned, even alarmed, over the effect of Japanese and United States policy on trading opportunities in the developing areas of the world, particularly the Pacific Rim.

Today the most promising area for future growth and trade opportunities exists in the Pacific Rim. The nations in that region are growing at a far faster rate than the rest of the world. Japan is moving to dominate that market . . . United States influence and business opportunities for U.S. firms are systematically excluded. Our government must address such fundamental problems, American business must not be placed at a disadvantage because of government intervention when competing with businesses of other countries. It is the U.S. Government's responsibility to see that the trade game is played fairly.

The European Economic Community (EEC) also takes a few cheap shots at Uncle Sam. Take for example the EEC practice of buying sugar at $0.27 per pound, providing farmers with an artificially high income, thus encouraging over-production. The EEC then dumps that sugar on the world market at $0.06 per pound. Such predatory trade practices have grievously injured the sugar industry in the United States.

We must demand that the Executive Branch of the U.S. Government—the President and his Cabinet—move decisively and promptly to level the field of competition.

The U.S. competitive stance is a problem. We can not blame all of our problems on the United States and foreign governments. The hands of American management and labor are far from clean. In the United States we have been living off the advantage we enjoyed following World War II. We dominated the world economically at that time, possessing the only economy not devastated by the war. While the United States grew fat, we tolerated special interest—business and labor—that today exacerbates our trade problems.

We lost in some cases, and surely handicapped in far too many others, our ability to compete in basic industries. We ignored the fact that our nation is no longer self-sufficient. We must import oil and other vital resources. In the 40 years since World War II the world has changed. Today Europe and Japan are competing with the United States on equal footing if not at an advantage. We must be competitive. America must trade successfully to survive.

The current posted productivity gains in manufacturing underscores our eroding competitive position. The United States gained 3.5% in productivity last year, while Germany moved up 4.7%, France 5% and Japan a whopping 9.5% or almost 3 times the U.S. gain. Our disadvantage grows.

Organized labor demands high wages and fights automation which would increase productivity. U.S. management asks for protection from foreign competition. When granted it allows sheltered U.S. businesses to gouge the American consumer for inflated profits. Worse yet, the management teams of those most favored businesses take their ill-gotten-gains, and instead of reinvesting in new plants and equipment to improve productivity and America's competitive stance, they follow the example of steel and autos, and diversify into unrelated industries like computing and real estate.

Basic U.S. industries must become competitive. The auto industry is a classic example of how the U.S. Government's protectionist policy is counter-productive.

Japanese automobiles require significantly fewer hours to produce in comparison with their U.S. counterparts. The cost of Japanese labor is substantially lower than the U.S. rate. The American public ranks the Japanese automobile superior to its U.S. competitor. When a product costs less, and is of better quality, clearly protectionist legislation preventing imports only serves to perpetuate Detroit's inferiority. Protectionism is not in America's best interest. Surely Congress can understand and embrace such a simple truth.

Steel is another grim case. The American steel worker is paid more than twice the wage of the average U.S. manufacturing worker. Yet, his productivity is less than that of his European or Asian counterpart. However, through U.S. government imposed quotas, we ensure that all steel available in America, whether domestic or imported, will be over-priced. The resulting ripple effect throughout our economy, when that overly expensive steel is used in products, ensures that we handicap the competitiveness of all American merchandise.

Every product produced is over-priced. Did you ever stop to ask how Japan can import 100% of its oil, 100% of its iron ore, yet produce and deliver steel to the U.S. at a cost below U.S. steel. Contrast those circumstances with our own. We enjoy abundant iron ore, an abundant supply of domestic energy, and U.S. steel bears no transportation burden from Japan. It is a scathing indictment of management and labor in the U.S. steel industry. There is more than enough blame for everyone for our trade mess.

"OK—so it's a real crisis," then why you ask, shouldn't we demand that our government protect our domestic industries and otherwise engage in trade practices designed to eliminate foreign competition? That would certainly be appealing to steel, autos and the labor and management teams of many other non-competitive industries. It is also a dangerous move. Protectionism is like

dope: seductive, deadly and destructive for everyone even remotely involved.

PROTECTIONISM: THE POISONED PILL

Protectionism is expensive, counter-productive and dangerous. I will prove each point of that statement:

THE COST OF PROTECTIONISM

First let's focus on the cost of protectionism. Again autos provide a clear-cut case study. When Detroit complained it could not meet foreign competition, labor and management of this powerful industry joined forces to pressure the U.S. Government to negotiate "voluntary" import quotas with the Japanese. The Japanese are no fools; they saw an opportunity for huge profit. All parties agreed to the quotas—well, almost everyone—no matter, soon the Japanese began shipping high-priced, fully-loaded models to the U.S. market.

With supply reduced, those more expensive units sold quickly and the profits of the Japanese automakers soared. With foreign competition diminished the profits of the U.S. automakers rose. Everyone was happy . . . well, almost everyone. The only real loser was the poor old American consumer. As a result of this "cozy quota" arrangement, the U.S. consumer paid billions of dollars in premiums to purchase autos. Yes; that's right billions of dollars over the real world market price. Say "thank you" to your nice Uncle Sam. Windfall profits went right into the pockets of the Japanese and U.S. automakers.

Sure we saved some American jobs, but look at the cost; for each auto worker's job saved the U.S. consumer paid an additional $240,000. I'll bet those "saved auto workers" would have preferred to take that loot in a termination bonus. Remember that the next time you see Lee Iacocca wrapped in a flag and condemning imports. He is not nearly as glamorous a figure when you realize he's like a carnival huckster . . . distracting us while he picks our pockets. Those extra billions of dollars came out of the pockets of American workers.

It is the same story in other industries. For every job we save with tariffs or quotas it cost the U.S. consumer. How much? Well, $114,000 in the case of each steel worker, $60,000 for the shoemaker, $24,000 for a tuna fisherman and $43,000 for each textile job. I think it is clear the U.S. consumer, "the price is not right."

All Americans—workers and consumers—must realize the times and circumstances have changed. Make no mistake, it's a tragedy when anyone loses a job, when communities are wrenched and forced to adjust to structural changes in the world economy. However, as a nation competing for global markets, America must use her resources prudently. We should re-train and when forced to, relocate workers.

It is unconscionable to ask the American consumer to pick up the tab for futile attempts by posturing politicians to perpetuate the past; change is inevitable. Why, if the ideas some congressional leaders are advocating today had been adopted at the turn of the century, we would still have hundreds of thousands of people turning out horseshoes and harnesses. American industry and American workers have always changed with the times. It is the same today, we must adapt to change—we must meet competition.

PROTECTIONISM IS COUNTER-PRODUCTIVE

When we protect our weak industries, other countries retaliate. In the end no one wins a trade war.

Our economy has some great strengths. The United States enjoys a "comparative advantage" over competing countries in such areas as agriculture, aircrafts, high-tech industry, medicine and services of all types. In fact, services are the fastest growing segment of the U.S. economy and account for one-third of all U.S. exports. Strong industries such as those compete successfully in the world market, earning valuable balance of trade credits for the U.S. economy. If we enact protectionist barriers to protect weak industries, our trading partners will retaliate. And they will retaliate against the strong, competitive segments of our economy.

Protectionism does not save jobs, it just reshuffles jobs to our over-all disadvantage. Protectionism bleeds the strong, but worst of all, it guarantees that the weak will never become competitive. Protectionism is like dope; once hooked it's all downhill. Protectionism is a "lose, lose" strategy. Fair, free trade is a "win, win" strategy. Increased exports create jobs—imports ensure lower prices for quality goods benefitting all Americans.

Those who ignore history are doomed to repeat it. God help America if we did not learn from the tragedy of the Smoot-Hawley Act. That ill-conceived piece of legislation in the late 1920's erected high tariffs in a move designed to protect American industry. While popular at the time, the results were tragic. True, imports fell from 4.8 billion in 1929, to 1.7 billion in 1932, but at the same time exports were falling from 5.4 billion to 2.4 billion during the same period. The Great Depression resulted. America recovered after paying a terrible price in human suffering and, finally, in enduring World War II.

Today, as was the case in the late 1920's, debtor nations who owe their debts in U.S. currency must earn dollars to make repayment. When we restrict imports we deprive a country of the ability to earn the necessary dollars. We insure that those nations will default on their debt. Ask any banker what would happen should foreign debtors default on their payment to U.S. banks. First, make sure he is sitting down.

We are more fortunate. American owes her debts in U.S. dollars. That is a great advantage. Charles de Gaulle complained of our "arrogance" because of the U.S. ability to borrow in our own currency. Sorry Charlie, but there are few advantages left for ol' Uncle Sam.

While other nations must earn dollars to pay their debts, the U.S. Government controls the supply of dollars. I would rather America be a debtor nation owing dollars, than destroy other nations' ability to earn dollars to repay their debts . . . particularly to American banks.

Free trade is the only solution. Protectionism only reshuffles jobs and destroys our competitive advantage in those areas of our export economy where America enjoys a comparative advantage. Protectionism is a serious threat to the American banking system. Protectionism is a "dangerous drug" threatening the health of the world economy.

WHAT IS THE ANSWER?

We did not get into this mess overnight, so we can expect easy, simple, "quick fixes." We must fight this battle simultaneously on three fronts. It is a struggle we can not afford to lose. Let's focus separately on each ingredient in the prescription for a healthy America.

FIRST YOU HAVE TO GET THE MULE'S ATTENTION

A farmer once bragged his mules would respond to his whispered commands. His neighbor added, "True, but first he hits them upside the head to get their attention." We face a similar challenge.

The first and most critical step is that we demand that Congress address the problems of the U.S. Government's deficits and the over-valued U.S. dollar. Only Congress can bring down deficits; they control spending and revenue. Who submits what budget is merely political posturing—a smoke screen. Congress controls income and expenses. We, the people, must insist that Congress face its responsibilities. Our elected representatives must either raise taxes, cut spending or utilize a combination of the two . . . the latter probably a more realistic tack. In all events, only Congress has the power to bring deficits down. A reduction in deficit spending will cause the dollar to stabilize at a competitive rate. Only when the dollar is realistically aligned with other currencies can American business compete in world markets. No one can successfully compete at a 30% disadvantage which is what American business is asked to do today.

Congress and Congress alone, must address that fundamental problem. We must raise unmitigated hell until they act; you know how to get their attention.

The Reagan administration recently announced plans to intervene in monetary markets in an attempt to lower the value of the dollar. Intervention cannot be relied upon for permanent relief. President Carter's administration committed over $20 billion annually to monetary intervention with poor results. Today money markets ringing the world never close. These markets have a daily volume exceeding $150 billion. In the face of that torrent of funds, I fear all the king's horses and all the king's men can not bring the dollar down against the Yen. It is a little like spitting in the ocean; you can't expect to effect the level of the tide.

We can realistically expect the dollar to properly align itself only after Congress acts to reduce deficits, and move toward balanced budgets. Enacting the law recently proposed by Senator Phil Gramm, which would require balanced budgets in five years, would bring huge benefits. While President Reagan's and Secretary Baker's efforts are to be applauded and perhaps will provide short term relief, don't bet the family farm on the long term results.

Congress isn't the only "one stubborn as a mule." Some of our trading partners are refusing to budge. It is past time for the Executive Branch of the U.S. Government to gain their attention and engage in candid talks. We must have "fair trade." Other countries must see that Uncle Sam does not blink when he demands equal access to their domestic markets. More importantly, we must insist that other nations compete with us fairly for business in the developing nations, particularly those of the Pacific Rim.

The American taxpayer can not pay for the defense of other nations, and in turn, allow those economic "draft dodgers" to subsidize their industries to American disadvantage. Remember every time a railroad is built, a project air-conditioned, an elevator installed, a TV or communication system designed and built in a developing nation by any other industrial nation except the U.S.A., it becomes their market for replacement and add-ons for the next 30 or more years.

That is the advantage the United States gained following World War II. Today America's competitors are building the same advantage in the most rapidly growing parts of the world. We can not mortgage our children's future; America must compete on a level field. Our government must see to it that our trading partners play fair.

AMERICAN BUSINESS—MANAGEMENT AND LABOR—MUST BE COMPETITIVE

Government can not do it all; American management and labor must also play a key role. Consumers must unite and demand that our elected representatives muster the political courage to tell powerful special interest groups, "you must meet world competition," and "you must do so in a short period of time." Everyone must understand they will not be protected from change. We can not subsidize the inefficient; the obsolete. When jobs are lost we must re-train and, if necessary, even assist in relocating workers.

It is clear we can no longer ask the American consumer to subsidize a lack of competitiveness. Consumers must demand that Congress reject unrealistic demands. Restricting imports costs us all. America is in transition. Change is unsettling, even threatening, and it can cause pain. But inevitably change must be accommodated. We can do it—America is a winner.

GUN REGISTRATION—THE TIME HAS COME FOR ACTION

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. TRAFICANT. Mr. Speaker, I rise today to express my concern over the lack of adequate constraints and controls over the sale of firearms. I want to make it clear that I am a strong supporter of the right to bear arms. I would fight against any effort to deny law-abiding Americans that right. But this Nation's disgraceful homicide rate at the hands of guns is so alarmingly high, that I feel some action is necessary.

As a former sheriff, I can attest to the fact that some form of gun registration would be helpful to police and would go a long way in tackling violent crime in this Nation. I have introduced legislation, H.R. 2570, that I feel is a necessary step in the right direction.

H.R. 2570 would require that States, in order to receive Federal Criminal Justice Block Grants, enact firearms registration laws. These laws must require that all firearms be registered with local law enforcement agencies—making it a criminal penalty for failure to do so. States would also have to make it a criminal penalty to obliterate, remove, or alter the manufacturer's or importer's serial number on a firearm.

Under this bill, gunowners can keep their guns and own as many as they want. All I am saying is they must at least register them with local police officials. Many people in this country are firmly against any form of gun registration—claiming it is a direct violation of the right to bear arms and that it will lead to the eventual confiscation of firearms. This is simply is not true. I believe that law-abiding gunowners would have no problem registering their weapons with local police. More importantly, I believe that some action is necessary to put some type of handle on the gross number of violent deaths in this country. One cannot ignore the grim statistics.

For example, in 1980 there were 11,522 handgun homicides in the United States. That same year there were only 77 handgun homicides in Japan; a mere 8 in Great Britain; 24 in Switzerland; 8 in Canada; 18 in Sweden; and 4 in Australia. Not surprisingly except for the United States, all of these countries require some form of gun registration. And the statistics haven't gotten any better here in America. In 1983, the FBI reported that there were over 9,000 homicides committed with firearms. We cannot afford to ignore these statistics. Sure, stiffer laws are needed against those who commit violent crime. I strongly support such initiatives. But as a former sheriff, I recognize the fact that fighting crime is a war that must be fought on many fronts. Firearm registration is a front that can no longer be overlooked.

I feel that my bill, H.R. 2570, deserves close consideration. Some opponents of gun registration have raised the concern that such an initiative would impose a burden on taxpayers. Not true. A revealing assessment of California's handgun control initiative—(a gun registration measure)—conducted by Duke University in 1982, uncovered some interesting facts. The study showed that registration of guns would impose only negligible costs on taxpayers. The study also revealed that the processing time of such an initiative would be less than 15 days if only the State criminal records are checked. My bill provides States with the leeway to develop their gun registration laws and programs. The Duke University study clearly shows that, if done correctly, States can implement a gun registration program that works, that is not burdensome to taxpayers, and does not infringe upon the right of law-abiding citizens to bear arms.

At this time, Mr. Speaker, I would like to submit into the RECORD an editorial that appeared in the October 16, 1985 edition of the Cleveland Plain Dealer. I urge all of my colleagues to read it:

[From the Cleveland Plain Dealer, Oct. 16, 1985]

ONE GUN IN FIVE

A recent Justice Department survey of more than 1,800 felons ("serious, long-term offenders") found that one in five obtained handguns through "customary retail channels." Two of five acquired their guns from relatives or friends. The rest went to the black market or used other illegitimate means to get their weapons. The National Rifle Association says this shows the ineffectiveness of gun control.

The NRA is accustomed to refractive, prismatic logic. That's how it can use a survey showing that retail gun sales are a major source of criminals' weapons to argue against greater regulation of such sales. Smoking is only one cause of cancer, therefore smoking isn't a health risk. You've never had an automobile accident, ergo, you don't need a driver's license.

Even presuming that all the friends and relatives who provided weapons to criminals got their guns illegally, 20% still is too high a figure to justify gun-control obstinancy. And even presuming that criminals are going to get weapons regardless of stern gun control, 20% is too large a figure to write off. To the contrary, that one gun in five is compelling evidence of the need for tight gun laws.

Gun controls needn't work a hardship on law-abiding toters. Registration and licensing won't hinder their pursuits. Waiting periods won't chill the legitimacy of their desire, nor seriously impede their pleasure. But tough laws might reduce the number of felons with legally acquired guns to one out of 10—maybe even one out of 20. Especially if such legislation is tied to restraints on the manufacture and sale of Saturday Night Specials.

This nation doesn't need surveys to make a case for tighter controls. It witnesses handgun killings every day of the year. Rather, it needs local, state and national leaders willing to recognize the NRA's distortive perceptions for what they are—atavistic constitutional delusions. Unlike legally acquired criminal weapons, such lawmakers are fewer than one out of five.

SOVIET CAMPAIGN OF DISINFORMATION

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. LAGOMARSINO. Mr. Speaker, on July 17 of this year, I rose along with several of my colleagues to discuss the dangerous threat to Western, particularly United States security interests posed by the Soviet Union's covert operations programs, known as "active measures."

Certainly, as recent events have dramtically proven, Soviet covert operations and activities against the United States are on the rise. One particularly challenging component of the Soviet "active measures" campaign is disinformation.

One of my constituents, Jack Mathews, has written an informative article entitled, "The Soviet Disinformation Juggernaut." Jack was formerly with the Central Intelligence Agency, and has received several awards and medals for his fine performance in this capacity.

As the threat we face from Soviet subversion and "active measures"—including disinformation—has certainly not diminished over the last few years, the Mathews article is timely and instructive, and I commend it to my colleagues' attention.

[From Gung-Ho Magazine, March 1984]

THE SOVIET DISINFORMATION JUGGERNAUT

(By Jack Mathews)

Organized deceit has always played a major role in the planning and conduct of the Soviet Union's foreign policy, and is known as disinformation by the Soviet's intelligence services. The word "disinformation" is not in our dictionaries; it comes from the Russian word "dezinformatsiya," which means a deliberate effort to mislead your opponent on your real intentions.

The Soviet intelligence services, the KGB and the GRU, through the use of disinformation operations, place distortions and lies in the U.S. and European media in such a way to mislead the American people and to influence U.S. foreign military, and economic policy in a manner favorable to the Soviet Union. The Soviets also undertake disinformation activities in support of international terrorist organizations, communist-inspired insurgency movements in the Third World, and the international movement to induce the U.S. to undertake a unilateral nuclear freeze.

The ruthless murder of 269 men, women, and children on board Korean Airlines flight 007, shot down on orders from the Kremlin by a Soviet SU-15 fighter plane over the Sea of Japan, shocked the whole world. Within hours of the act, however, the Soviets commenced to utilize their worldwide disinformation capability to place blame for this Soviet-sponsored atrocity on the United States. Soviet and Bloc country media claimed that "The KAL 747 was on a spy mission for the U.S., that its profile was the same as that of a U.S. RC-135 reconnaissance plane, and that it was flying with its lights out." Regardless of proof the U.S. and Japan can place before the United Nations, demonstrating without a shadow of a doubt that the KAL 747 was shot down in cold blood on orders from the Kremlin, the Soviets will never admit they are guilty of this barbaric act.

Over the next several weeks and months, certain segments of the U.S. and western media can be expected to support the Soviet claims that "The responsibility for the loss of the KAL 747 lies with the U.S. because of its provocative intrusions of Soviet airspace on spy missions using RC-135s and other military aircraft." Most U.S. and Western "Kremlinologists" believe U.S. and Japanese intelligence which established that the Soviets tracked the KAL 747 on radar for more than two hours, which lends credence to the surmise that the Kremlin gave the order, "Shoot to kill." Edward Luttwak of the Georgetown University Center for Strategic and International Studies has stated that "I have never known of (lower-level Soviet officials) deciding on something that can be referred all the way up, and in this case they had the time and opportunity to refer it all the way up to (Yuri) Andropov."

The best-selling novel *The Spike*, written by two well-known journalists, describes how Soviet intelligence services conduct disinformation operations in the U.S. and other Western countries. Until the publication of *The Spike* in 1980, there was very little known in the public sector about the massive Soviet disinformation program, because U.S. and European intelligence services were reluctant to bring it to the attention of the public for reasons of their own.

In 1959, General Ivan Ivanovitch Agayants established a new clandestine organization within the KGB's headquarters, known as the Disinformation Department or Department D. It has recently been estimated by Suzanne Labin, as French authority on Soviet intelligence and disinformation operations, that the KGB was spending over $2 billion annually and supporting several hundred thousand people on disinformation outside the USSR as agents, fellow travelers, or active sympathizers.

KGB disinformation activities conducted in the U.S. involve such clandestine devices as forgeries of official government documents, planted articles in newspapers and magazines, bribery of media representatives, and funding of so-called liberal think tanks.

The main objectives and topics of the Soviet disinformation activities change as new international problems and issues arise. However, one thing that does not shift is the fact that the main thrust of the massive disinformation operations conducted by the KGB are always targeted against the Main Enemy ("glavnyy protivnik"), the United States of America. In recent Congressional investigations into KGB operations in the U.S. a high CIA official listed the following as major goals of the Soviet disinformation campaign:

To influence world public opinion against U.S. military and political programs perceived as threatening to the Soviet Union;

To isolate the U.S. from its allies and friends;

To discredit those who cooperate with the U.S. (even communist countries such as China);

To discredit and weaken Western intelligence services and to expose their personnel;

To demonstrate that the policies and objectives of the U.S. are incompatible with the ambitions of the underdeveloped or "Third World" countries;

To create and maintain a favorable environment for the conduct of Soviet foreign policy worldwide;

To confuse world public opinion regarding the highly aggressive nature of a broad range of Soviet foreign-policy objectives.

In July 1982, the House of Representatives' Permanent Select Committee on Intelligence counducted extensive hearings on the KGB's disinformation, or active measures, operations carried on in the U.S. Stanislav Levchenko, a recent defector from the KGB, provided the committee with a firsthand account of his own disinformation activities on behalf of the Soviets. One of Levchenko's most startling disclosures concerned the fact that millions of dollars in cash are carried into the U.S. by KGB officials serving in the Soviet UN Mission, and the Soviet Embassy in Washington, D.C. These funds are used to support KGB intelligence collection and disinformation operations in the U.S.

In testimony before the House Committee on Intelligence, in February 1980, Ladislav Bittman, a former deputy chief of the Disinformation Department of the Czechoslovak Intelligence service, outlined his own successful efforts to plant disinformation in the U.S. and European media. (The disinformation activities of East European and Cuban intelligence services are under the direct control of the KGB.) Bittman told the Committee, "If somebody had at this moment the magic key that would open the safes of Soviet Bloc intelligence services and looked into the files of secret agents operating in Western countries, he would be surprised to find that a relatively high percentage of these agents are journalists. A journalist operating in Britain, West Germany, or in the U.S. is a great asset to Soviet intelligence. It is his job to acquire important, even highly sensitive information in addition to his role in placing KGB disinformation articles in the media. This is particularly true in the U.S. with its tradition of an aggressive adversary press."

Llya Dzhirkvelov, who defected from the KGB in 1980, operated in Africa and Western Europe as a correspondent for the Soviet publication *Novosti*. Dzhirkvelov was interviewed in London in 1981 by the editor of the American Bar Association's magazine, *Intelligence Report*. He declared that "The KGB is only the arm, the tool, the performing force in disinformation operations. The goals for disinformation are set, the targets are chosen, and the plans made only by the 'apparatus' and the Secretariat of the CPSU's central committee, the nine men who run the Soviet Union."

Dzhirkvelov also said, "The KGB supported and sponsored 'national liberation' movements in Africa, Asia, Latin America, and even European (Ireland) countries. Prominent in this category is the Palestinian Liberation Organization." He claimed that in the Soviet training of "fighters" for the PLO and other "movements," active assistance is sought (and received) from Bulgarian, East German, and Cuban intelligence services. Dzhirkvelov reported that urban guerrillas are trained on Soviet territory, and now in several African states like Angola, Mozambique, and Libya.

On 13 May 1981, Mehmet Ali Agca, a 23-year-old Turk, shot and nearly killed Pope John Paul II in St. Peter's Square in Rome. Just hours after the Pope was shot, front-page stories around the world described Agca as a "fascist thug" and a member of Turkey's neo-Nazi Gray Wolves. The media presumed that the Gray Wolves had sent Agca to Rome to kill the Pope or that he was a right-wing crackpot working on his own. As we now know, Agca was not a member of the Gray Wolves, and he did not work alone in his attempt to murder the Pope. Even NBC, in a recent TV Special Report, documented in great detail Agca's contacts with Bulgarian intelligence officers. The September 1982 edition of *Reader's Digest* carried a very informative article on Agca's Bulgarian and Soviet connections prior to his attack on the Pope. Agca declared on international TV in July 1983, outside of a Rome courtroom, that he was directed against the Pope by the Bulgarians and the KGB.

The majority of the U.S. and Western media are intent on ignoring the now-proven connection agents of Bulgarian and Soviet intelligence had with Agca, even though he has openly exposed his contacts with personnel of these services.

Philip Agee, the CIA's first known ideological defector and whose close contact with Soviet and Cuban intelligence services in Europe, where he has resided since his defection in 1970, is well-known to all Western intelligence services. He is considered by the KGB to be one of its most effective disinformation agents.

In early 1981; Agee held a press conference in West Germany and provided the international media representatives with copies of his 46-page analysis of the U.S. State Department's "White Paper" on Soviet and Cuban support of the communist insurgents in El Salvador. His critique of the administration's "White Paper" charged that all the evidence of purported Soviet support to the Salvadoran insurgents was fabricated. Agee claimed that "The white paper turned out to be a total fraud and simply a pretext to fool Americans into thinking the Cubans and Soviets were behind the civil war in El Salvador." Agee's allegations, provided by the KGB, were avidly carried by a large number of international news services. In June 1981 both the *Wall Street Journal* and the *Washington Post* published articles questioning the validity of the administration's "White Paper on El Salvador." Neither of these papers made any reference to the fact that Agee was the primary source of these articles. In a front-page interview with a correspondent of the *Los Angeles Herald Examiner*, carried

on 1 July 1981, Agee stated, "You may have seen news dispatches in February, and as recent as a couple of weeks ago in the *Wall Street Journal* and the *Washington Post*. All of this reporting was based on my analysis of the State Department white paper."

Andrei D. Sakharov, the Soviet dissident, is a hero to liberals in the Western World. His political testament was smuggled out of his KGB-imposed exile in his own country and was published as a cover story in the *New York Times Magazine* on 8 June 1980. Dr. Sakharov cites the categories of disinformation agents who are busy promoting Soviet "expansionist objectives" in Western governments, parliaments, business and news organizations. Among them, Sakharov listed "a great many writers and journalists."

In 1981, James L. Tyson, an economist and journalist, published *Target America*, a nonfiction expose of Soviet disinformation operations conducted in this country by the KGB. Tyson's book documents in great detail what a good number of journalists in the U.S. and Europe have known for many years, i.e., this country is the target of a massive and frighteningly successful Soviet disinformation campaign which is aided by a host of knowing and unwitting journalists and important media organs. Tyson's book has uncovered important new insights on the KGB's recruiting tactics, the amount of time and funds expended on disinformation activities, and the army of unwitting "sympathizers" in the media who are being manipulated to support Soviet foreign-policy objectives without their knowing it.

Tyson has cited what he terms the "Far Left Lobby," which is composed of think tanks ostensibly engaged in research and publishing but are also highly active in the sponsorship of conferences and seminars. They brief Congress and the executive departments and, in fact, become involved with more activist roles in lawsuits or even mass demonstrations. The most important of these think tanks is the tax-exempt Institute for Policy Studies located in Washington, D.C. The IPS was founded in 1963 and presently has an estimated budget of more than $2 million a year. The IPS has evolved into the operational center of a truly revolutionary political network operating at the national and international levels. The declared goal of the IPS' multifaceted program, both overt and covert, is the radical transformation of America's basic intellectual, religious, economic, and political institutions. The IPS is involved in disinformation operations in just about all phases of its well-funded efforts to bring about radical changes in our society. The IPS has some 10 subsidiary operations that in turn influence and shape a whole series of independent groups.

The April 26, 1981, edition of the New York Times magazine carried an article by Joshua Muravchik, entitled "The Think Tank of the Left," which provided an excellent insight on the IPS. The Times' article on the IPS represented the first attempt by a major liberal publication to take a critical look at an organization that is now 20 years old. What seemed to intrigue Muravchik and the New York Times executives who commissioned the article was the mounting evidence that the Institute for Policy Studies is aligned with those forces, at home and abroad, that are trying to impose a "Socialist" or Marxist system on the United States and other countries.

Muravchik pointed out that on defense and foreign-policy matters, a number of IPS officials have voiced support for communist regimes such as Cuba and North Vietnam and revolutionary movements in Africa, Central America, and the Middle East. He also noted that the IPS facilitated CIA defector Philip Agee's travel in Europe.

The April 9, 1983, edition of *Human Events, The National Conservative Weekly* (published in Washington, D.C.) carried an eight-page special supplement entitled "The IPS and the Media: Unholy Alliance." The *Human Events* article on the IPS is the most interesting and informative study of the extensive impact the IPS and its subsidiary organizations have on the U.S. press and TV networks that has been published in this country. One of the most important segments of the article deals with two West Coast media operations funded "under the table" by the IPS. They are *Mother Jones*, a monthly political review in magazine format, and the Pacific News Service.

Mother Jones, named "pioneer socialist" Mary Harris "Mother" Jones, is published by the tax-exempt Foundation for National Progress, which claimed in its 1976 financial report that it was established on the West Coast to carry out the "charitable and educational activities of the IPS." It appears that in its July 1983 edition, *Mother Jones* "blew its cover" by featuring an 11-page article, with a photograph of Pope John Paul II, entitled "Is the CIA Splitting His Church?" written by Martin A. Lee. In his article on the Catholic Church and every Pope since Pope Pius XII, Lee made the following charges:

Since World War II, the CIA has:

Subsidized a Catholic lay organization that served as the political slugging arm of the pope and the Vatican throughout the Cold War;

Penetrated the American section of one of the wealthiest and most powerful Vatican orders;

Passed money to a large number of priests and bishops, some of whom became knowing agents in CIA covert operations;

Employed undercover operatives to lobby members of the Cura (the Vatican government) and spy on liberal churchmen on the pope's staff who challenged the political assumptions of the United States.

Lee's article is especially critical of Pope John Paul II and implies that the CIA indirectly had a hand in the selection of the "Polish Pope" through contacts in Opus Dei, a fast-growing Catholic lay society. He claims that Opus Dei's political activities are shrouded in secrecy. The absolute irony of Lee's article in *Mother Jones* is the fact that the charges he makes regarding purported links between the Vatican and the CIA, over the past 25 years, were first carried in the Soviet newspapers Izvesitya and Pravda. In fact, the Soviets have carried on a brutal media campaign against the Polish Pope since he took office five years ago.

In what appears to be a direct quote from the Soviet press, Lee makes the following disparaging remarks regarding Pope John Paul II's support for the Polish trade union, Solidarity:

"It is rather ironic that John Paul II should chastise priests for engaging in political activity when he is by far the most overtly political pope of modern times. John Paul has even threatened to fight alongside his countrymen should the Soviets try to crush the worker's rebellion in Poland. And his political activism has not only included well-publicized trips and rhetrocial speeches. With his approval, the Vatican quietly funneled $40 million to Solidarity. But despite the pontiffs support for the Polish union—and the issuing of an encyclical in strong defense of the rights of labor—his sympathies do not extend to the rights of workers in Vatican City: he has opposed demands for decent wages by the Vatican's low-paid employees, and there have even been rumblings of a possible strike."

The above-cited, so-called facts by Lee attacking Pope John Paul II are right out of the KGB's disinformation manual for its media campaign against the Polish Pope.

The most effective outlet for the IPS is the Pacific News Service (PNS), an "alternate news agency" that began as a project of the Bay Area Institute, an organization established with money from the IPS in 1970. IPS cofounder Richard J. Barnet serves as a "contributing editor" of the PNS. According to Human Events, PNS supplies about 30 stories a month to more than 200 subscribers. These have included newspapers such as In These Times, the Guardian, as well as major newspapers such as the Cleveland Plain Dealer, the Atlanta Journal, the Boston Globe, the Chicago Tribune, the Los Angeles Times, and the San Francisco Examiner.

Perhaps the most important outlet for the PNS, which is marketed nationally by the *Des Moines Register* and Tribune Syndicate, is the *Washington Post*. According to Sandy Close, an editor at PNS, Post Executive Editor Ben Bradlee made the decision several years ago to purchase a subscription to PNS stories.

Another interesting fact cited in the *Human Events* article on the IPS is that Karen DeYoung, Foreign Editor for the *Washington Post*, is a paid instructor at the IPS "Washington School" for journalists . . . what a cozy relationship the IPS enjoys with one of the most powerful papers in the country.

In January 1982, M.A. Suslov, the most powerful member of the Secretariat of the Communist Party of the Soviet Union (CPSU), died as the result of a heart attack. Suslov was quietly replaced on the Secretariat by no less than Yuri Vladimirovich Andropov, who had been the Director of the KGB since 1967. Immediately after taking control of the KGB in 1967, Andropov elevated the Disinformation Department to the status of an independent Directorate, known as Directorate "A," one of only five principal Directorates in the KGB. In order to follow this rather complicated study on Soviet disinformation, it is important to remember that Andropov is a hard-line, tough, and xenophobic Russian communist leader who headed the KGB for 15 years, which is by far longer than any other Soviet "Spy Boss" was able to stay in office.

Within a week after Andropov was appointed to the secretariat of the CPSU, the KGB's worldwide disinformation apparatus commenced a campaign to enhance his image and to make him appear to be the "second coming of Christ" in the eyes of the Western media. The U.S. and European media, print and TV, took the KGB's phony background on Andropov—hook, line and sinker. Leonard Brezhnev, the leader of the Soviet Union for 18 years, died in early November 1982, and the U.S. media speculated that it would be months before the CPSU could reach an agreement on Brezhnev's successor. However, as usual, the media's crystal-ball gazing on Soviet political intrigue was dead wrong. Just five days after Brezhnev expired, Andropov was appointed by the CPSU to take over the helm of the Soviet Union.

The KGB's clever disinformation campaign to make Andropov look like a liberal intellectual with "Jet Set" tendencies paid off beyond their wildest dreams. Every major newspaper, magazine, and TV network swallowed and then regurgitated the KGB's phony image of its longtime boss Andropov. Ironically, only one major U.S. publication had the moral courage and fortitude to blow the whistle on the ridiculous portrayal of Andropov as an urbane and benevolent leader who would be a pussycat in dealing with the U.S. on such serious matters as arms control and Soviet support to guerrillas in El Salvador. The 7 February 1983 edition of *The New Republic* magazine carried a cover story entitled "The Andropov Hoax—The Americanization of Yuri." The author of this fine piece of investigative journalism is Edward J. Epstein, who is currently completing a book on international deception. The mere fact that *The New Republic* had the "guts" to publish Epstein's expose of the Andropov myth that was being foisted off on the American people by all segments of our media restores my faith in the old adage, "The truth will out." In his article on the Andropov hoax, Epstein provides examples in the following newspapers and magazines; The *Washington Post, The New York Times, The Wall Street Journal, The Christian Science Monitor,* and the *U.S. News & World Report.* I have included several paragraphs from Epstein's article to graphically demonstrate just how gullible and uninformed our media is when it comes to reporting on a broad gamut of topics concerning the Soviet Union.

"Andropov's accession to power last November was accompanied by a corresponding ennoblement of his image. Suddenly he became, in *The Wall Street Journal,* silver-haired and dapper." His stature, previously reported in *The Washington Post* as an unimpressive 'five feet, eight inches,' was abruptly elevated to 'tall and urbane.' The *New York Times* noted that Andropov 'stood conspicuously taller than most' Soviet leaders and that 'his spectacles, intense gaze and donnish demeanor gave him the air of a scholar.' *U.S. News & World Report,* on the other hand, reported that 'he has notoriously bad eyesight and wars thick spectacles.'

Andropov's linguistic abilities also came in for scrutiny. Harrison Salisbury of the *New York Times* wrote, "The first thing to know about Mr. Andropov is that he speaks and reads English." *Newsweek* reported that even though he had never met a "senior" American official, "he spoke English and relaxed with American novels." The *Washington Post* passed along a rumor that Andropov was partly Jewish. (Andropov was rapidly becoming That Cosmopolitan Man.)

Soon there were reports that Andropov was a man of extraordinary accomplishments, with some interests and proclivities that are unusual in a former head of the KGB. According to an article in the *Washington Post,* Andropov "is fond of cynical political jokes with an antiregime twist. . . collects abstract art, likes jazz and Gypsy music," and "has a record of stepping out of his high party official's cocoon to contact dissidents." Also, he swims, "plays tennis," and wears clothes that are "sharply tailored in West European style." *The Wall Street Journal* added that Andropov "likes Glenn Miller records, good scotch whisky, Oriental rugs, and American books." To the list of his musical favorites, *Time* added "Chubby Checker, Frank Sinatra, Peggy Lee, and Bob Eberly," and, asserting that he had once worked as a Volga boatman, said that he enjoyed singing hearty renditions of Russian songs.

The press narrowed down Andropov's birthplace to an area stretching from Finland to Iran. There was also some vagueness with respect to his education. The *Wall Street Journal* reported that he had "graduated" from an unnamed "technical college," but *U.S. News & World Report* had him "drop out" of Petrozavodsk University, while *Newsweek* awarded him a diploma from the Rybinsk Water Transportation Technicum, a vocational school that teaches river navigation.

Columnist Joseph Kraft, who was in Moscow in January 1983, was told by Giorgi Arbatov, the Soviet Union's most prestigious "Americanologist" and an associate of Andropov, that Andropov, to his knowledge, "does not speak English."

What emerges from Epstein's article on the attempts of the U.S. press to piece together a version of Andropov's background would make a good script worthy of playing on "Saturday Night Live": the head of the KGB as one wild and crazy guy. Epstein makes the point at the conclusion of his story on the Andropov hoax, that the excesses that led to the invention of a media Andropov proceed directly from a common conceit of journalism that witnesses and "color" can be found for any great event. For the press, the humbler—and more honest—alternative is to admit that virtually nothing is known about this man Andropov: not the names of his parents, not his ethnic background, not his linguistic abilities, not even his ideas. He stands at the helm of the Soviet Union, but we don't even know how tall he really is.

Representative Lawrence P. McDonald was killed in the crash of the KAL 747, shot down by a Soviet SU-15 fighter in early September. Rep. McDonald, a five-term Georgia Democrat, was known as the most fervent anticommunist in the Congress. In the late 1970s, Rep. McDonald and a small group of other concerned congressmen, businessmen, and retired military officers established a conservative foundation known as Western Goals. The foundation is dedicated to "rebuild and strengthen the political, economic, and social structure of the United States and Western Civilization so as to make any merger with totalitarians impossible."

Western Goals publishes a monthly newsletter and, in addition, prepares special reports and studies on international, political, diplomatic, economic, and military matters. One of the most informative and interesting reports they have published in book format is entitled *Broken Seals.* This report provides an in-depth account of foreign and domestic attempts to destroy, through disinformation activities, the intelligence and counterintelligence capabilities of the CIA and the FBI. *Broken Seals* pulls no punches, and details the names of individuals and organizations in this country believed to be involved in disinformation operations targeted against the CIA and the FBI.

Representative Newt Gingrich, a fellow Georgia conservative, declared on national TV that "Perhaps the death of Rep. McDonald will educate more people about the Soviet Union's real threat to world peace than he could in his life." As time goes by, the Soviets may wish that McDonald were still alive, rather than being remembered in the U.S. as an anticommunist martyr who was murdered by them.

The 12 June 1982 edition of *TV Guide* carried a cover story entitled "Why American TV Is So Vulnerable to Foreign Disinformation." *TV Guide* had every reason to bring to the attention of the public that the television networks, including the Public Broadcasting System (PBS), had been influenced by KGB disinformation intrigues for many years. For instance, in May 1980, the taxpayer-funded PBS aired a three-hour documentary entitled "On Company Business." The documentary was narrated by Philip Agee, the CIA defector, and was a KGB masterpiece of lies, distortions, and innuendo about U.S. foreign policy and the U.S. intelligence community. In its six-page expose of disinformation programs that ABC, CBS, and NBC have aired over the past several years, *TV Guide* was brutally frank, and to say the least, the TV networks were shocked and displeased over the article. The article extensively quoted Arkady Shevchenko, the highest-ranking Soviet diplomat ever to defect to the U.S. Shevchenko claims that American TV networks and viewers are the prime targets of the KGB's disinformation program. "To get on American TV is one of the highest priorities on the agenda of the KGB's Directorate "A."

The numerous examples of KGB disinformation I have cited in this article are, of course, those that have been exposed over the past two or three years. I can assure the readers that there are hundreds of KGB disinformation operations, known to the FBI and the CIA, going on in this country and that there are probably just as many disinformation cases that have yet to be ferreted out by our intelligence services.

This article on the Soviet Union's massive disinformation effort in the U.S. and Europe is not intended to impugn the honesty or integrity of our journalists or the media. However, I believe that only through public disclosure of the Soviet Union's attempt to manipulate U.S. public opinion through the KGB's disinformation program can the public acquire the knowledge needed to discern what is factual reporting of the news and what constitutes disinformation. In the event a reader believes he has been subjected to disinformation in the press or on TV, I suggest he or she write a letter to the editor of the newspaper or manager of the TV station and cite your reason for questioning what you've read or heard. Writing letters to newspapers or TV stations is one of the most powerful tools we citizens have for thwarting KGB disinformation planted in our media.

BIOGRAPHY OF JACK F. MATHEWS

Lecturer and consultant on United States and Soviet Intelligence operations as they relate to national security and foreign policy.

Service as Senior Intelligence Officer with Central Intelligence Agency, Foreign Intelligence Directorate for period of twenty-five years. Last assignment as Acting Chief of Operations for Latin America. Service performed in Asia, Africa, Europe and Latin America. Conversational in French, Spanish and Mandarin Chinese. Awarded Distinguished Service Commendation for 1972-1973 Vietnam service with agency.

Service with U.S. Army, Korea.

Graduate of University of Montana with major in Anthropology.

IN THE MATTER OF THE FAILURE OF FAIRVIEW ORCHARDS ASSOCIATES TO HIRE THE SCRIVENS CREW

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. BERMAN. Mr. Speaker, during the course of hearings before the Subcommittee on Immigration, Refugees, and International Law on H.R. 3080, the subcommittee heard testimony from grower representatives and from the administration to the effect that there are not enough domestic farmworkers to harvest perishable crops in this country, and that as a part of immigration reform designed to protect domestic jobs, hundreds of thousands of temporary agricultural guestworkers must be admitted to the United States.

This assertion regarding the unavailability of domestic farmworkers is the basis of proposals that we dramatically expand the size of the current H-2 Program and weaken its protections for domestic workers, institute a transition program to warn growers from their dependence on undocumented workers, and that we, in effect, restore to public law the shameful bracero program.

Today and in the coming weeks, I want to call to the attention of my colleagues a series of opinions issued by the Department of Labor that disproves the assertions of growers that domestic farmworkers are unavailable. What these opinions document is that growers have engaged in a consistent pattern of discriminating against domestic farmworkers, refusing to hire them, and kicking them out of such jobs as they are able to secure, only to turn around and claim that domestic farmworkers are unavailable.

I begin today with the opinion captioned "In the Matter of the Failure of Fairview Orchards Associates to Hire the Scrivens Crew," in which the Regional Administrator of the Department of Labor found that the grower simply refused to hire 31 U.S. farmworkers, in violation of the regulations governing the H-2 Program.

I invite my colleagues to read this and other DOL opinions. What we find is not the unavailability of U.S. farmworkers, but rather the growers' preference for foreign farmworkers, and I do not think we should sanction that preference in the name of immigration reform.

The article follows:

IN THE MATTER OF THE FAILURE OF FAIRVIEW ORCHARDS ASSOCIATES TO HIRE THE SCRIVENS CREW

(By William J. Haltigan)

This is a case involving an allegation by a United States crew leader (William Scrivens) that he and his crew were referred to jobs with a Maryland employer (Fairview Orchards Associates) by the Maryland State Employment Service in 1983, but were denied employment by the employer in violation of the assurances made by the employer pursuant to 20 CFR 655.203(e).

A worker with this type of complaint is required to exhaust his remedies at the State level before bringing the matter to the Federal level. However, the time limits for the complainant to file a complaint under the Job Service Complaint System had long since passed when I was informed of this case. Thus, Scrivens could not use the Job Service Complaint System.

The regulations governing the labor certification process for temporary agricultural and logging employment (20 CFR 655.210) state, "If, . . . the RA has probable cause to believe that an employer has not lived up to the terms of the temporary labor certification, the RA shall investigate the matter." The regulation has no requirement as to the recency of the event. The information provided by Scrivens gives me probable cause to believe that Fairview Orchards Associates did not live up to the terms of its temporary labor certification issued in 1983. Therefore, I am required to investigate this matter.

This is my decision made as the result of that investigation.

BACKGROUND

This matter was called to my attention in a letter dated April 25, 1985, from Gregory Schell, Attorney for Scrivens. Schell asked that I ". . . conduct an investigation and take appropriate action. . . ."

The letter alleged that Scrivens and his crew contracted the Easton, Maryland office of the Maryland Employment Security Administration seeking farm employment on or about August 17, 1983. The Easton office told Scrivens of the Fairvew Orchards Associates Job Order. Scrivens called Fairview Orchards Associates that day speaking with Jeffrey Reed. Scrivens indicated his willingness to accept the job. Scrivens was told that Fairview Orchards Associates could not immediately hire a crew since its camps were full. Scrivens did not go to Fairview Orchards since he was informed that no family housing was available for him or his crew. Scrivens then transported his crew back to Immokalee, Florida, where the crew did not have regular work until late October 1983.

Fairview Orchards Associates received certification for the temporary employment of alien farm workers in 1983. As a condition for obtaining this certification, Fairview Orchards Associates was required to make, and did make, the following assurance:

"From the time the foreign workers depart for the employer's place of employment, the employer will provide employment to any qualified U.S. worker who applies to the employer until fifty percent of the period of the work contract, under which the foreign worker who is in the job was hired, has elapsed." 20 CFR 655.203(e)

The job offer made by Fairview Orchards Associates was required to contain, and did contain, this benefit:

"The employer will provide the worker with housing without charge to the worker." 20 CFR 655.202(b)(1)

At the time this alleged incident occurred, Fairview Orchards Associates was employing foreign workers. The job order submitted as a condition to obtain these foreign workers (Agricultural and Food Processing Clearance Order No. 4072459) showed an anticipated period of employment from July 12, 1983 to November 4, 1983. The 20 CFR 655.203(e) "50 percent rule" would require U.S. workers to be hired if they applied for work prior to September 7, 1983. Thus, if Fairview Orchards Associates refused to hire workers and provide them with housing prior to September 7, 1983, they would not have lived up to the terms of the temporary labor certification.

DISCUSSION

Staff from the Philadelphia Regional Office of the Employment and Training Administration were assigned to investigate this matter. They visited Hagerstown, Maryland June 18 and 19, 1985, to conduct this investigation. Many of the principals involved were no longer available for questioning. These include Robert Storer, Employment Counselor at the Hagerstown local office and Drew Hess, Rural Services Representative at the Hagerstown local office, both of whom contacted Fairview Orchards Associates on behalf of Scrivens, and Jeffrey Reed, Comptroller at Fairview Orchards, who represented Fairview Orchards in the dealings with Scrivens. Scrivens and Schell were interviewed as where John Porterfield, the present Orchards' Manager for Fairview Orchards Associates, and Merlin Williams, the present Rural Services Representative in the Hagerstown local office. Telephone notes made by Hess and Reed in 1983 were made available to the investigators and were reviewed. In addition, an August 4, 1983, memorandum from the Hagerstown local office manager to Stuart O. Douglass, Maryland Employment Service Director, was reviewed.

This material provided contemporary information about the 1983 incident so that valid conclusions can be made about what transpired, despite the long lapse of time between the incident and the investigation.

The investigation revealed the following facts:

(1) On August 4, 1983, Reed informed Storer that Fairview Orchards Associates was hiring on ". . . an as needed basis. When a vacancy exists in the camp they will consider hiring a non-local domestic." Storer pressed the issue, reminding Reed of the 50 percent rule. He called Reed's attention to the fact that foreign H-2 workers were employed, but Reed refused to change his position on the hiring policy. Later that day Storer called Reed to refer a crew and was told Reed would ". . . follow through with the formality of speaking with the crew leader but will inform the crew leader that Fairview has no openings for crews at this time." (Information and quote from August 4, 1983, Pruett to Douglass memorandum.)

(2) Scrivens and his crew were experienced farm workers and were interested in and available for employment with Fairview Orchards Associates. Crew consisted of 31 individuals, including 5 married couples.

(3) Staff of the Hagerstown local office and Scrivens spoke with Reed about employment with Fairview Orchards Associates for Scrivens. Scrivens was not offered employment.

(4) Reed's notes indicate that Scrivens was familiar with the job order; that he had Federal and State Crew Leader Registration numbers; that his crew consisted of 31 individuals, including five women; and that in the absence of family housing, the crew leader "will make arrangements."

(5) While Reed's notes are related in item (4), it was apparent from all available evidence that there was ample housing available to accommodate Scrivens and his crew.

DECISION

I find that Fairview Orchards Associates is in violation of 20 CFR 655.203(e) since employment was not provided to qualified U.S. workers who had applied to Fairview

Orchards Associates within the time period covered by the 50 percent rule.

Having found this violation, I must now decide whether to invoke the only penalty available under the regulations: Notification of the employer that it will not be eligible to apply for a temporary labor certification in the coming year.

In considering whether to apply the ineligibility sanction, I will follow the principles in the MESA CITRUS GROWERS decision by Administrative Law Judge Afred Lindeman, September 5, 1980 (Cases Nos. 80-TLC-10 through 80-TLC-13). These principles involve imposing the sanction only where there has been a demonstrated adverse effect on U.S. workers, bad faith on the part of the employer, or a pattern of violations.

It is my opinion that the principles of MESA CITRUS are met in this case.

There was a demonstrated adverse effect on U.S. workers in that Scrivens and his crew of 31 workers were not offered employment.

There was bad faith on the part of the employer involved. The record shows that Reed had no intention of hiring migrant workers, if they needed housing. His statement that he would ". . . follow through with the formality of speaking with the crew leader but will inform the crew leader that Fairview has no openings for crews at this time . . ." (quoted by Pruett in his August 4, 1983, memorandum in relation to another crew seeking employment) is an especially blatant disregard for his obligation to hire U.S. workers as Fairveiw Orchards Associates obligated itself to do when it provided the assurances required by the labor certification regulations. This violation is particularly egregious since Reed was advised and warned by Storer that his policy was not proper.

This is not the only violation of the labor certification regualtions by Fairview Orchards Associates. I have previously (August 2, 1985) found Fairveiw Orchards Associates to be in violation of 20 CFR 655.202(a), 20 CFR 655.203(e), and 20 CFR 655.207(c). I conclude that the violation found in this instance is part of a continuing pattern of violations of the labor certification regulations by Fairview Orchards Associates.

Therefore, it is my decision that Fairview Orchards Associates is not eligible to apply for a temporary labor certification in the coming year.

Fairview Orchards Associates may request a hearing on this matter before a United States Department of Labor Administration Law Judge. The request for a hearing must be made within 30 days of the date of this decision. The request for a hearing must be addressed to William J. Haltigan, Regional Administrator, Employment and Training Administration, United States Department of Labor, P.O. Box 8796, Philadelphia, Pennsylvania, 19101.

A REPORT ON THE 1985 WORLD FOOD CRISIS

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. LELAND. Mr. Speaker, I commend to you a report on the 1985 World Food Crisis prepared by the Interfaith Hunger Appeal, an activity of Church World Service, Catholic Relief Service and the American Jewish Joint Distribution Committees.

WORLD FOOD SECURITY: A PERSONAL RESPONSIBILITY

A REPORT ON THE 1985 WORLD FOOD CRISIS

(Prepared by Interfaith Hunger Appeal)

An activity of Church World Service, Catholic Relief Services, the American Jewish Joint Distribution Committee

Hunger and malnutrition in the midst of plentiful harvests worldwide constitute the major scandal of our time. Enough food is produced in the world every year to feed every person on the planet, and yet half a billion people, twice the population of the United States, face starvation every day because they do not have access to adequate food. Starving people have neither the land, water, seeds nor tools to grow food nor the income to buy it from others who have grown it.

Not all hungry people die from lack of food, but many of the most vulnerable among them, children, nursing or pregnant women, the elderly, the refugees, the landless, do die of hunger and its accompanying illnesses and disabilities. All of these people at risk are created in the image of God; all of them have the unalienable right to life. Death from hunger violates that right. And it is unnecessary.

Those who know the hunger story and who are in a position to affect private and public policy have a responsibility to do so. In last years' report IHA stated that hunger is a problem to the family—the human family, all of us. This year we carry this point one step further; hunger is the personal responsibility of each of us.

Hunger in the world challenges the strength and solidarity of the human family; more than that, it tests the depth and sincerity of each person's religious and moral commitment. We who have so much are obliged to help those who have so little and whose need is so great. This is an obligation in justice as well as in charity, and we must come to terms with it. Hunger is man-made; human effort can and must resolve it.

THE CHALLENGE

In 1974 the United Nations convened the first World Food Conference in Rome. Based on the analysis presented, the Conference adopted a score of recommendations for remedial action and pledged, in an emotional statement, to eliminate hunger within ten years. Failure to achieve that goal was acknowledged at last year's Tenth Anniversary session held, appropriately, in Addis Ababa.

The international community has fallen short on two of the three objectives that underpinned the WFC recommendations: 1. There is no international grain reserve. 2. Small-farm agriculture has not improved in most food-deficit countries. 3. Despite increasing world food surpluses, the food aid target of ten million tons annually was not reached until 1984, the year of the deadly African famine.

However, the situation is not hopeless. The world's food production has increased substantially over the decade. Today, the world is now feeding about a billion more people than eleven years ago. In a quantitative sense, ground has not been lost. In response to prodding by the World Food Council, Developing World governments are committing more resources to producing their own food and to improving nutrition and primary health care. Aid through multilateral channels has increased, and many poor countries have improved their food security position by reducing imports and becoming more self-reliant in food.

Yet the numbers of malnourished people have not declined; the accompanying map shows where most of these people are located. Vulnerable groups are not being reached effectively in many instances. UNICEF estimates that in 1985 as many as 15 million children will die unnecessarily in these food-deficit countries unless immediate remedial and preventive action is taken.

The World Food Council's 1985 meeting confirmed and underscored the tragic paradox that had been apparent a year earlier in Ethiopia. On the one hand, hunger now is better understood; it is acknowledged that its roots lie deep in history, that it is more a problem of underdevelopment and lack of access than lack of production. Almost everyone now agrees that hunger can best be addressed by a strategy in which food-deficit country governments act in concert with the international community in a coordinated effort to eliminate this scourge. The other side of the paradox, ironically, is that at the precise moment when the above consensus is emerging and the commitment of Developing World governments is increasing, the resources available from the international community are decreasing. Although the global recession has not slowed global military expenditures, it has clearly combined with the clash of ideologies to dampen concerted remedial action against hunger.

ETHIOPIA, A WINDOW TO A HUNGRY WORLD

To be understood clearly and addressed effectively, hunger has to be seen in concrete, specific, vivid terms; it is hungry people. No one needs any longer to be reminded that there are famine and drought in Africa, most particularly in Ethiopia. However, it was not the consistent emphasis of UN bodies and the pleading reports from private agencies that captured the attention of policymakers in the international community. It was the graphic television news coverage of starving people that penetrated American and European homes beginning in October, 1984. The tragic pictures of emaciated mothers and starving children evoked an unprecedented outpouring of public giving to private relief agencies and a demand for governmental action.

The situation on Ethiopia and in several other African countries continues to be critical. This crisis reflects not so much the limitations of the relief efforts, as the failure of the affected governments and the international community to grasp the magnitude of the disaster. What private relief agencies had been reporting as far back as the Sahel famine of 1973 suddenly became a worldwide, televised tragedy.

The dramatic events in Ethiopia, which have seized the attention and moved the hearts of many people throughout the world, are, however, no more than the most current manifestation of trends and tendencies that will not be corrected merely by massive shipments of food. Food is essential to starving people, but at the same time the international community has an opportunity to go beyond the moment and to study and treat the causes of hunger, poverty and underdevelopment. What is needed in addition to food is preventive developmental assistance. Otherwise, the African tragedy of 1984–85 will be repeated time and time again.

Even allowing for adverse climatic conditions, inadequate and unpredictable rainfall, the major lesson of Ethiopia is that hunger is the result of human decisions and actions. Soil depletion, overgrazing, deforestation, population pressures, etc., all resulting from human decisions, have taken their toll. Civil war and the influx of refugees from other countries have complicated the problem in Ethiopia as well as in other nations of the world. International economic factors beyond the control of developing nations undercut their ability to meet the basic needs of their people. Inappropriate internal policies, especially economic discrimination against rural populations and the agricultural sector, have reduced farmer incentives and have left many of these countries more dependent on food imports which they can neither afford to buy nor borrow to purchase.

Food aid at this time is absolutely essential. One of its chief values is that it buys time—time for human behavior to develop and for public policy to change.

WORLD HUNGER, A REGIONAL LOOK

Africa is the region in which famine is most dramatic, the need most urgent. But the quieter crisis, the chronic undernutrition of millions of people, is in Asia. There are probably more hungry, malnourished people in India alone than in all of Africa; indeed the population of India is almost twice that of Africa. And yet India will export grain this year.

Widespread hunger exists despite the fact that the Asian continent has been consistently increasing its food production during the last ten years while dependence on food imports and, in particular, food aid has decreased dramatically. But the increase in production and the decrease in imports do not mean that nutritional need has been eliminated. As in other areas where hungry people struggle daily for survival, one of the greatest problems is access; hunger is concentrated in the poorest countries and mainly in the rural areas. Poor people are always the first potential victims of famines and droughts. Not only their hunger, but their poverty, must be treated. Providing food aid does not help much to correct poverty. An effective response requires increased developmental assistance, more equitable international trade policies, more humane debt policies and more need-oriented investment, domestic and foreign.

In Latin America, by contrast, the growth of great urban concentrations has given hunger in the region a more urban look and has changed both the nature of the problem and the structures through which it can be alleviated. The commercialization and export policies of much of Latin American agriculture has added to the problem by reducing the earning capacity of rural people at the same time that it pushes them toward increasing consumption of less nutritious imported "convenience" foods. Also, in Latin America, continuing civil strife is an additional factor disrupting agriculture and increasing the numbers of hungry people.

HUNGER IN AMERICA

There is hunger in the land of plenty. Poverty and economic dislocation plague the people of the United States in new and ever more visible ways: 35 million people are below the official poverty line; ten million people get food stamps, and many more need them; family farmers are being driven off the land, as rural communities decay; food lines, soup kitchens and shelters for the homeless are found in towns and cities of all sizes. More and more the American worker, the "new poor," has become a victim of his nation's economy. And the "old poor" are increasing in number: senior citizens, minority youth, Native Americans, migrant farm workers and women who head households. How can this "made in America" hunger occur in prosperous and highly developed society? Some American people are hungry because they are, relatively speaking, poor, and they are poor because they have no social, economic or political position—unwittingly the system has marginalized them. Public policy and private practice must become more sensitive and responsive to the poor who hunger. Although the agencies of IHA do not work in America, hunger in America is of great concern.

THE LONG AND THE SHORT OF IT

Chronic malnutrition now affects some 500 million people in the world. Its pervasiveness and persistence pose a formidable challenge to the human family as a whole, and to each of us as responsible members of it. It is a challenge that demands immediate personal action, and long-term commitment. World hunger, global food insecurity, the inability of half-a-billion people to grow or buy the food they need, are issues that must be addressed in two time frames simultaneously.

In the short run starving people have a legitimate right to be fed; this is a requirement of fundamental justice. The major means of feeding is food aid—the kinds of food distribution programs that IHA agencies have been engaged in for at least half a century. The bulk of the food commodities distributed come from government sources. In the United States that source is mainly the Food for Peace program (Public Law 480). Well over $30 billion worth of U.S. food has been made available in the three decades of that program, and millions of people are alive today who would not have survived without it.

At the same time, on a parallel track, it is essential to engage in the much more difficult task of helping these poor and hungry people improve the quality of their lives at least to the point where they are no longer dependent on an international food dole. People are hungry because they are poor; they are poor because they are poor; they are poor because they lack the power to choose otherwise. They are, in a sense, victims of an international economic system that unintentionally impoverishes them and keeps them poor. Those of us who benefit from that system, and above all those of us who make that system work, share a responsibility for making it work not only for our own benefit, but for the benefit of these disadvantaged people.

Food aid is necessary, but it is not enough; indeed, if providing food aid distracts us and the beneficiaries from attending to this longer-range action, it can, after the immediate needs are met, become a deterrent to the development that is needed to prevent future famines. Beyond charity, we have to institute justice. Moreover, we have to look not only at food aid and development assistance, but at all of our international economic transactions, such as private investment, commercial lending, trade in manufacturers and services and the sale of arms to poor nations. By improving and sensitizing the international economic system in which these transactions take place, society will naturally accord higher priority to meeting the basic human needs of the majority of the people of the world who are poor.

"Formidable" is the correct word for this task. Nonetheless, it is not beyond the power of human intelligence to devise a system that will ensure justice in economic actions, and not beyond the ability of the human will to make the sacrifices necessary to bring such a system into being.

Here we enter into the arena of public policy—not only of our own government, but of the governments of hungry people, whose policies, most analysts agree, are central to the alleviation of hunger. If a government sets food prices at a level that does not provide the local farmer with a reasonable return on his investment, food is unlikely to be produced in sufficient quantity to satisfy urban consumer needs. On the other hand, prices that are too high can fuel urban unrest. Assisting nations and private organizations with capital, technical assistance, training and a development-oriented approach to economic aid can help a government make and sustain the policy decisions required to move toward a more just distribution of the benefits of economic growth. It would seem that when you improve an individual's economic position, you enhance his opportunity for attaining food security.

INTERFAITH HUNGER APPEAL

Three experienced American private religious agencies have joined together in a major educational effort to address the challenge of world hunger. Working together since 1978 in a common appeal, our operations and outreach respond to hunger wherever it is found. Our programs try to deal with starvation, relief, refugee movement, reconstruction and development in Africa, Asia, Latin America, Eastern Europe and the Middle East. IHA agencies have counterparts which carry out comparable programs in the United States.

The members of IHA—Church World Service, Catholic Relief Services, and the American Jewish Joint Distribution Committee—work cooperatively with governments, international organizations, and other private agencies in a common effort, often using resources provided by the United States, other governments and the United Nations. A substantial portion of our budgets, however, is provided by individuals, acting on their own and contributing funds and resources through their religious organizations.

IHA agencies also seek to bring an awareness of world hunger to the American people through educational and promotional campaigns that invite their constituents to think and act for the improvement of the human condition. Our appeal to you, therefore, is on more than one level. As always, we need your money to purchase medicines, food, seeds, tools, and shelter and to pay for the delivery and distribution of these items. But even more, we need your concern, your ideas, your energies. We need your help to inform and educate the American people concerning the causes of hunger. Finally, we need your pledge to promote private and governmental policies that will convert the present international food system into a system that provides food and security for everyone on earth.

There is no doubt that hunger is the problem of our time, and equally there is no doubt that it has a solution. If we can walk on the moon, why can we not bring a starving man a piece of bread?—You are the Hope of the Hungry.

TRANSPORTATION TRUST FUNDS BELONG OFF-BUDGET

HON. GLENN M. ANDERSON
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. ANDERSON. Mr. Speaker, the House will soon be considering H.R. 3500, the Omnibus Budget and Reconciliation Act of 1985. Included in this bill is a provision which would take the highway trust fund, including its mass transit account, and the aviation trust fund off-budget.

The revenues in these trust funds are generated by special taxes on transportation users, and may be utilized only for their designated transportation purposes. If a nickel less is authorized for any of these programs, it would not reduce the terrible deficit plaguing our Nation's economy by a nickel, and nor would it allow any increases in defense or other domestic programs, without similarly increasing the deficit.

These transportation trust funds clearly belong off-budget. Yet, amendments may be offered to the reconciliation bill that would retain them under the unified budget, so that the Federal Government can continue to deceive the American people into thinking that the deficit is smaller than it actually is.

The Office of Management and Budget would support those amendments to retain the trust fund programs under the unified budget. I am submitting for the RECORD a copy of a letter from OMB, a misguided letter, stating their views. I am also submitting a point-by-point rebuttal to that letter.

Mr. Speaker, our colleagues may be asked to consider this very important issue next week. By presenting both sides of the issue now, I believe they will have before them the information necessary to vote wisely, and vote against amendments that deceive the Nation's taxpayers, and deprive the Nation of the sound transportation network that our transportation users are paying for.

OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, October 15, 1985.

House of Representatives, Washington, DC.

DEAR CONGRESSMAN: I would like to take this opportunity to express the Administration's opposition to the proposals included in H.R. 3500, the House Reconciliation Bill, to move the highway and airport and airways trust funds off-budget. I would also like to address what we believe is misinformation about the impact of the on-budget status of these trust funds.

It is unfortunate that the off-budget issue has been brought into the reconciliation process, as it may impede the timely enactment of reconciliation legislation, which most Committees in both Houses have addressed in good faith. If this issue is to be addressed, a more appropriate forum would be the highway reauthorization legislation.

The Administration opposes moving these transportation trust funds off-budget. On-budget status is important to provide a complete statement of total Government spending and to not misrepresent the size of the deficit. On-budget status provides the appropriate fiscal controls and oversight to ensure prudent program management. Once off-budget, programs are exempt from statutory budget controls.

The Administration disagrees with the following arguments made by the House Public Works Committee in defense of off-budget status:

Unified Budget Controls Unnecessary. The Committee claims that on-budget appropriation controls are unnecessary because other controls exist through the authorization process and the Byrd amendment.

However, we note that the Committee's provision includes language that would exempt the trust funds from any "general budget limitation imposed by statute or expenditures." This is tantamount to saying that the budget process, as prescribed by the Congressional Budget Act of 1974 and other laws, is unnecessary. Such language could be interpreted as negating the Byrd amendment. Furthermore, neither the Byrd amendment nor the authorization process controls obligation levels which, in turn, are key to determining outlay levels. Controlling outlays is essential to preventing a deficit situation in the trust funds. Moreover, the Byrd amendment is not a firm control. Congress has revised it in the past to meet particular circumstances and could do so again.

Unsuitability for Unified Budget. The Committee claims that dedicated trust funds supported by user fees have no place in the unified budget. When included in the unified budget, they are used to understate the size of general revenue deficits and to provide a balance of funds for borrowing for other Government programs.

The user fee argument is shallow. User fees *per se* do not justify off-budget status. In fact, if adopted Government-wide, many user fee-funded programs would move off-budget.

Second, the claim that trust funds understate the size of the deficit presumes that trust fund balances are counted as an off-set to the annual deficit. In fact, the annual deficit is the difference between annual receipts and outlays and does not count trust fund balances. Therefore, the annual deficit situation (outlays exceeding receipts) which the Administration projects in both the highway and airport trust funds adds to the deficit. Off-budget status would thus artificially reduce the size of the deficit. This is a particular concern in the Highway Trust Fund given the average annual deficit of $2 billion which the Administration projects through 1990.

Finally, the Committee wrongly characterizes borrowing from the trust funds as a rationale for restraining trust fund spending. Government borrowing is simply a mechanism to credit the trust funds with interest. This investment practice benefits the Highway Trust Fund by over $1 billion in additional resources each year.

Limitations Distort Programs. The Committee claims that obligation limitations have distorted ongoing programs by preventing States from fully obligating their allotted funds.

However, the obligation limitation is only one factor influencing States' abilities to program Federal funds. In the highway area, delays in Congressional approval of the Interstate Cost Estimate in recent years played havoc with the highway program. In addition, the ability of States to match Federal funds and program a sufficient number of projects influences the program. As a result, each year many States turn back unused funds.

In summary, the Administration believes that preserving the on-budget status is essential to the fiscal well-being of the highway and airport trust funds. We do not believe that on-budget status jeopardizes the integrity of the highway and airport programs.

The Administration greatly appreciates your concern with this issue and urges opposition to the House Public Works provision when the reconciliation bill is discussed in the House Rules Committee and on the House Floor.

Sincerely yours,

JAMES C. MILLER III,
Director.

POINT-BY-POINT REBUTTAL TO OMB TRUST FUNDS LETTER

1. Assertion: Reconciliation is an inappropriate vehicle for consideration of this issue. Highway reauthorization legislation would be better.

Response: By way of precedent, the Omnibus Budget Reconciliation Act of 1981 placed the strategic petroleum reserve program (not a trust fund program) off budget.

It is the budget process treatment of trust fund-financed transportation programs this year that lies at the heart of the problems which the Public Works and Transportation Committee seeks to remedy by moving the trust funds, off budget. If the budget process is causing a problem, where more suitable to deal with it than through the budget process itself?

If not here, then where? Certainly not through the appropriations process (in which the House recently moved to cut transit obligations by $90 million below the budget resolution) and certainly not through authorization legislation which the Senate can ignore for months if not years on end.

Practically speaking, this is the only way to make sure that the Senate, whose reconciliation numbers for highways incidentally are significantly below the budget resolution directives, confronts the issue.

2. Assertion: On-budget status is important to provide a complete statement of total Government spending and to not misrepresent the size of the deficit.

Response: Inclusion of *deficit-proof* trust funds in the unified budget with deficit-ridden general revenues is misleading in that (1) it implies that the trust fund revenues can be used for purposes other than those to which the funds are dedicated by law and (2) it uses any surplus to understate the real deficit.

As to a complete statement of total Government spending, there is absolutely nothing in off-budget status which would prevent the Administration or the Congress from publishing comprehensive data concerning on- and off-budget programs. It is without merit to argue, however, that the need for publication of information can be transformed into a rationale for *common control* of fundamentally dissimilar funds.

3. Assertion: On-budget status provides the appropriate fiscal controls and oversight to ensure prudent program management. Once off-budget, programs are exempt from statutory budget controls.

Response: As can be elaborated further below, all of the controls necessary for these programs are in existence (or soon will be in the case of aviation): The authorization process, anti-deficit mechanisms, scrutiny by the Ways and Means Committee in the process of determining revenue levels, and obligation limitations under the jurisdiction

of the authorizing committee. These will remain in place in full force and effect when the programs move off-budget.

The only constraint that will not be there will be unjustified pressure to hold down trust fund program spending to permit higher spending for general-fund programs.

4. Assertion: The Public Works language is tantamount to saying that the budget process is unnecessary.

Response: The Public Works language recognizes that deficit-proof trust funds derived from user-paid revenues and dedicated to particular purposes must be controlled, but not by the same controls applicable to general revenue-programs.

Presumably, the fiscal controls to which the OMB letter refers are obligation limitations imposed in appropriations acts (although section 401(d) of the Budget Act exempts these programs from such *requirements*). The Appropriations Committees can be expected to continue this practice; but the difference would be that such would occur in the absence of artificial pressure to constrain trust fund programs so as to accommodate increased general fund spending within overall budget totals.

The heart of the Public Works language is patterned after language in the Social Security amendments of 1983 which placed certain Social Security trust funds off budget effective in 1992. NOTE: Transportation trust funds are subject to greater controls than Social Security entitlement programs.

5. Assertion: The Public Works language could negate the Byrd Amendment. [This is the anti-deficiency provision contained in the highway revenue status; a similar provision applies to the mass transit account, and title VIII of H.R. 3500 would extend similar protection to the aviation trust fund.]

Response: This is absurd. The Public Works language simply refers to exemption of the trust funds from any "general budget limitation imposed by statute on expenditures . . ." By contrast, the Byrd amendment is not a general budget limitation. It is a requirement that apportionments of transportation funds cannot be made (or must be reduced) if the revenues anticipated to flow into the trust funds are expected to be insufficient to pay the bills when they come due.

6. Assertion: Neither the Byrd amendment nor the "authorization process" controls *obligation* levels, which are key to determining outlays.

Response: The Byrd amendment limits the availability of funds for *obligation*. As carried out by the Public Works Committee, the "authorization process" includes the imposition of obligation limitations in highway legislation.

7. Assertion: Controlling outlays is essential to preventing a deficit situation in trust funds.

Response: Those outlays are successfully controlled by the Byrd amendment through the periodic review of outstanding authorizations and revenues in connection with yearly apportionment of funds authorized for each fiscal year.

8. Assertion: The Byrd amendment is not a firm control because the Congress revised it.

Response: True, this was done once in the early, start-up years of the program to accommodate a temporary cash-flow problem. To portray this as common practice is misleading. Furthermore, revision of the Byrd amendment would require an enactment of law via legislation originating in the Committee on Ways and Means.

9. Assertion: User-fee status does not justify off-budget status.

Response: User-fee status does not justify off-budget status as a general proposition, nor does the Public Works and Transportation Committee so contend. The Committee does contend that revenues in a deficit-proof trust fund, derived from users of the transportation system, should not be (1) used to understate the size of the deficit (as argued above) or (2) to make possible increased spending for non-trust-fund programs.

The Public Works initiative did not originate in a vacuum. It is a practical response to distortions to which the trust funds have been subjected through the budget process.

10. Assertion: The Public Works position assumes that trust funds take in more in revenues than they spend out in outlays.

Response: Incorrect. The relation between income and outgo can vary between trust funds or with respect to a single trust at one time versus another. The Public Works position is that decisions made with respect to the programs financed by those funds—given overwhelming needs—should be made on the basis of the soundness of the funds rather than budgetary manipulation. These particular trust funds belong off budget regardless of whether the change would appear to enlarge or reduce the deficit in the unified budget.

11. Assertion: The Public Works Committee is incorrect in claiming that obligation limitations have distorted ongoing programs by preventing States from fully obligating their allotted funds.

Response: The OMB letter itself recognizes that a number of factors can influence the progress of a given state's highway program, including difficulty in coming up with non-Federal matching funds, delays in Congressional approval of the Interstate Cost Estimate, readiness of projects to proceed. But if obligation limitations each year are held to the level of new authorizations, those backlogs, once developed for whatever reason, will be perpetuated.

For example, the reconciliation package would set a ceiling of $13.25 billion on the highway program for fiscal year 1986. With some $750 million authorized for projects outside the ceiling, this would mean a $14 billion program. If new budget authority for fiscal year 1986 is held to $14.7 billion as we propose, we will be still adding some $700 million to the total backlog of unobligated apportionments which stood at $6.2 billion as of September 30, 1985.

THE DIVERSIFIED FUTURE OF THE ELECTRIC INDUSTRY

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. MARKEY. Mr. Speaker, I am submitting today for inclusion in the CONGRESSIONAL RECORD an article by Richard Munson from last Sunday's Washington Post (Oct. 13, 1985) on the future of electric power generation. The article is a valuable contribution to the national dialog on the shape of electricity demand as we near the 21st century, and on the varied and novel ways in which that uncertain demand might be met. I commend Mr. Munson's thoughtful analysis to my colleagues' attention.

[From the Washington Post, Oct. 13, 1985]

ELECTRIC POWER TO THE PEOPLE—WILL ENTREPRENEURIAL GENERATORS SEND MEGAWATT DINOSAURS THE WAY OF AT&T?

(By Richard Munson)

Bernard Bartos knew by 1980 that his company—Dow Corning—could not afford electricity from the nuclear reactor being built in Midland, Mich. Consumers Power, the state's largest utility, admitted that construction costs for the Midland plant had soared 15 times over the original 1967 budget and that electric rates would climb at least 68 percent between 1984 and 1990. Bartos believed he could generate less expensive power.

In January 1983, the Dow Corning executive proved his contention by inaugurating an 11-story, $35 million facility that generates 22 megawatts of electricty and 275,000 pounds of steam per hour, enough to save the giant, 950-employe silicone factory 25 percent of its $10-million-a-year energy bill.

It is fueled largely with wood wastes from sawmills, pulp mills and lumbering operations within a 75-mile radius of the central Michigan city. But its most extraordinary feature is the Dow Corning—rather than the electric utility monoply—owns and operates the power plant. "We are the pioneers of an unregulated electricity business," declares Bartos.

Bartos in only one of about 2,000 entrepreneurs who have been spurred by rising utility rates (much of it caused by overbudget nuclear reactors) to invest and promote an array of electricity-supplying technologies. Only a few years ago, these independent power producers—who cogenerate steam and electricity, burn wastes and harness the sun, wind, falling water and geothermal steam—were dismissed as backyard tinkerers with limited potential.

Yet today, according to reports from the Federal Energy Regulatory Commission and state public utility commissions, their assets total more than $45 billion, and they will, by the end of this decade, supply a quarter or more of the electric power in several regions of the country.

Such a large-scale entry of independent electricity providers into a field dominated by regulated monopolies could present consumers and legislators with headaches as monumental as that associated with the breakup of AT&T, or the deregulation of the banking and airline industries. But it also could save ratepayers billions and be a boon to the environment by postponing indefinitely the need for behemoth nuclear or coal-fired generators.

In California, the Public Utilities Commission reports that independents increased their capacity over the past three years from only 100 megawatts to 2,000 megawatts, about the equivalent of two nuclear reactors.

Moreover, the commission reports, California entrepreneurs are constructing an additional 12,750 megawatts, enough to boost their output by decade's end to a third of the state's current electrical capacity.

About 43 percent of the independent power production comes from cogenerators—devices that burn anything from natural gas to coal to wood and, instead of producing only one useful product, as normal installations do, produce two—electricity plus steam for heating water or driving industrial machines. Thirty percent comes

from wind-energy developers, 12 percent from wood or other biomass burners, 8 percent from small hydro operators, and the remaining 7 percent is divided between geothermal and solar entrepreneurs, according to the California Public Utilities Commission.

The contrast is stark with Pacific Gas & Electric's controversial Diablo Canyon nuclear reactors, which are built near an earthquake fault and have been the target of the largest antinuclear protests in American history. Since 1983, electric entrepreneurs, installing power plants averaging only 12 megawatts—100 times smaller than a large reactor—created as much new capacity as Diablo Canyon, in less than one-fifth the time, without an eightfold increase in the planned budget and without protests.

Similar growth is occurring in Texas, Maine, Michigan, New York and other pockets across the country where utility rates are high, according to state public utility commissions. In Houston, for example, independents added 1,300 megawatts of electricity—more than a large nuclear reactor—within the past two years. Houston Lighting & Power executives say cogenerators are developing another 6,000 megawatts—more than half the utility's current capacity. Houston Lighting & Power vice president Eugene Simmons, who wants to transmit the excess power to other regions, complains, "We are being overwhelmed by cogeneration." In Maine, electric entrepreneurs will supply one third of the state's electricity by the decade's end.

Since each installation is negligibly small by the standards mammoth utilities are used to, and the movement is only significant when it dawns on statisticans that thousands of such units are coming on line at the same time, the new businesses have been virtually ignored by industry analysts. One exception is James Liles of the Federal Energy Regulatory Commission, who says the growth of independent electricity producers has been "mind-boggling" and represents "a massive redeployment of generating capacity."

Jan Hamrin, director of Independent Energy Producers, a California trade association, claims that "utilities will never again build centralized power plants because entrepreneurs can generate electric power faster, safer and cheaper than can utility monopolies." Yet most utility executives either ignore or vehemently oppose the advance of competition in the electricity market. Idaho Power chairman James Bruce claims that independent producers cannot reliably supply electricity, and he argues that "it's dumb to tinker with the structure of utility monopolies that offer quality service."

The rapid rise of independent electricity producers comes at a time when there are the greatest disagreements in history over how much power America will need through the end of the century.

In Senate Energy Committee hearings in July, unsubtly titled "When Will the Lights Go Out?," it became clear that some utility executives and Reagan administration officials expect electricity use to grow approximately 3 percent annually, even with aggressive conservation programs.

The Edison Electric Institute (EEI), the industry's trade association, maintains this is so because advanced technologies like computers and robots require electricity. For that matter, so do metal workers who now use lasers to harden a metal in 10 minutes as much as they used to using a 24-hour bath in a 1,000-degree-Fahrenheit nitride liquid. Moreover, advanced plastic plants employ electrically heated injection-molding machines, while textile and paper firms use microwave technology for drying.

According to "The Future of Electric Power in America," a 1983 Department of Energy report, meeting this demand and replacing a few oil-fired burners will require 438 new power plants by the year 2000, or approximately two large stations each month. Such expansion would cost $1.8 trillion, approximately the size of the celebrated federal debt, which economists claim will raise interest rates and divert scarce capital from innovative businesses.

Other industry analysts, however, disagree. The Electricity Consumers Resource Council, an association of 19 major industrial users of electricity, including General Motors, Dupont and Bethlehem Steel, concludes that because of more efficient business processes, "there is no capacity limitation on a national basis that will cause severe electricity problems in either the short or long run."

Indeed, high electricity prices have sparked a revolution in the efficient use of electricity. In "intelligent buildings," computers interconnect heating, cooling and lighting controls for maximum energy management. Improved drive trains for electric motors, superinsulation in building construction and fluidized-bed heat treatment of metals are other conservation technologies that have been introduced only within the past few years. For that matter, a recently developed aluminum smelting process consumes 40 percent less electricity per pound than current technologies. Electricity is the most important raw material in the manufacturing of aluminum.

The vast differences among the opinions of these energy experts and the enormous expense of power plants make electricity planning more risky than ever before. For example, if generating capacity is built on the assumption that need will increase by 3 percent per year, and in fact growth is only 2 percent, that 1 percentage-point difference in the annual growth rate of electricity demand equals the equivalent of 100 large nuclear reactors by century's end, costing about $400 billion.

Overbuilding could bankrupt the utility industry, while underestimating could cause energy shortages. Clearly, being far wrong either way is unacceptable. Which is why an increasing number of analysts think that the only rational approach is to create a flexible electricity system that can accurately respond to an uncertain demand for power.

It is under such circumstances that private electric entrepreneurs who can build small facilities quickly—rather than take 10 or 12 years to construct huge power plants that tend to go well over budget—begin to look especially promising.

How did our electricity futures get so dicey? In simpler days, utility managers predicted demand without crowds or controversy. Throughout the 1950s and 1960s, consumption of electricity regularly advanced about 7 percent each year, doubling every decade. Forecasters plotted the rise, confident that they could safely plan and build new generating facilities. But efficiencies of scale declined as power plants became larger and more complex. And as fuel costs soared, the growth of need for electricity dropped to 2.9 percent throughout the decade after the 1973 oil embargo.

Believing the cutbacks were only temporary, the Edison Electric Institute launched a $20-million advertising campaign in 1978 to declare, "The time to build power plants is now." But EEI was wrong. Expanding construction combined with reduced growth of consumption to produce a staggeringly expensive gap between how much electrical-generating capacity existed versus how much was needed. This was one of the reasons utility directors abandoned more than $18 billion worth of investments in 114 proposed nuclear reactors, according to the federal Energy Information Administration. Another 67 coal-fired plants were also cancelled.

Despite the cutbacks, the industry's surplus generating capacity—which engineers attempt to maintain at a 20 percent level to handle emergencies—rose to almost 40 percent recently. Today's excess generating capacity has dearly cost utility stockholders and rate-payers.

Some utility executives think the trend toward slower demand growth was reversed in 1984 when the end of the recession caused a 5.6 percent rise in nationwide electricity consumption. However, for the 52 weeks ending Sept. 28, the most recently reported period, electricity production was up only 1.7 percent over the previous year.

It was in the midst of this uncertainty in the mid-'70s that the electricity industry appeared ripe for competition. New power plants increased rather than lowered rates. Moreover, high electricity prices and innovative technologies offered opportunities for independents to profitably supply power.

Utilities, as might be expected, tried to obstruct their new challengers by refusing to buy excess power or to supply back-up service. Politicians, however, facing the "energy crisis," wanted to substitute alternative energy technologies for imported oil. So lawmakers approved the Public Utility Regulatory Policies Act (PURPA) in 1978 to establish a market for power generated by entrepreneurs and to block utilities from discriminating against these new competitors.

Specifically, PURPA requires that the rates for transactions between independent producers and utilities "shall be just and reasonable and in the public interest, and shall not discriminate against the qualifying cogenerator of qualifying small power producers." The law forces a utility to buy such power at the price of its "avoided costs"—that is, what the electric company would have to spend to increase capacity to produce the same amount of power.

The actual computation is complex but basically, if an entrepreneur installs windmills that provide energy the utility would otherwise have had to build a new power plant to obtain, the utility must pay the independent producer the amount (per-kilowatt-hour) that it would have had to pay to capitalize, finance, fuel and operate that plant. Entrepreneurs generating power for less than that cost can turn a profit.

With PURPA in place and utility rates soaring, entrepreneurs quickly promoted an array of efficient technologies. The cogenerator—as tested machine—was the most popular, especially among petroleum refiners, wood and food processors, steel and chemical producers and other companies that need both heat and electric power.

The machine's advantage is efficiency and cost: A typical cogeneration unit costs $800 to $1,200 per kilowatt of capacity, less than half the price per kilowatt of a large new coal or nuclear plant. And it produces useful steam as icing on the cake. By late 1984, according to the International Cogeneration

Society, cogenerators produced more than 15,000 megawatts of power in the United States, matching the output of 15 nuclear reactors; another 200 projects with a total capacity of 6,000 megawatts were under construction.

Cogeneration users are a diverse lot. The S&W Cannery, for instance, burns peach pits and other wastes to provide the heat and electricity required by its Modesto, Calif., factory, which processes half the nation's canned peaches. Scott Paper Company incinerates waste wood at its Maine paper mills to generate 75 megawatts of electricity. And the Holiday Inn near New York's La Guardia Airport employes a small natural-gas-powered cogenerator that annually saves the hotel $63,000 in heating and electricity costs.

A new breed of wind-energy entrepreneurs is also challenging utility monopolies. Southeast of San Francisco, about 100 new businesses have converted Altamont Pass into a "Silcon Valley" for wind energy development. Five years ago, the barren, rolling hills supported only a few head of cattle. Today, ranchers share their land with more than 2,500 windmills that convert the constant breezes into about 400 megawatts of electric power.

These multibillion-dollar developments, however, do not guarantee energy utopia. Some utilities and consumer groups worry that introducing competition could have a lot of the drawbacks noted in the breakup of AT&T—especially for the small residential user. The type of organization most likely to profit from the installation of a cogeneration unit, after all, is a factory. If entrepreneurs too quickly remove the most lucrative industrial customers from the utility system, it would be residential consumers who would be forced to pick up a bigger share of the power company's fixed costs—such as transmission lines.

Some environmentalists—especially in New England and the Pacific Northwest—also fear that independents will run amok, slapping low-head hydro dams on every wild and free river they can back a cement truck up to.

And industrial policy experts note that in return for their monopoly, regulated utilities are legally liable if they do not produce all the electricity their customers need. It is problematic who could be held responsible for inadequate supply if power companies relied on independent producers.

Thoughtful utility executives, however, are slowly modifying their opposition to buying electricity from entrepreneurs as they find it more economical than building their own central power stations. "It makes more sense," says Sebastian Nola, cogeneration manager at Southern California Edison, "for independents to risk their own capital than for the power company to finance expensive new construction."

Some utility executives even admit their industry's very foundations are being shaken. "The U.S. electric industry," concludes Douglas Bauer, EEI's executive vice president, "is in the midst of its greatest historical transition." With over-budget new facilities threatening to bankrupt their entire operation, and engineers having hit the point of diminishing returns with large units, utility executives can no longer argue that expanding their monopoly will lead to lower costs.

Therefore, efficiency may have to be achieved as in other industries—through competition.

In the brave new world of competitive electrical generators, a regulated or publicly owned monopoly will probably still distribute the electricity, simply because building duplicate lines still does not make economic sense. Even limited competition among generators, however, will force producers to plan for and build only the most efficient plants possible and to keep operating cost low. If they don't, the distribution monopoly or individual consumers would buy power from cheaper suppliers.

Unlike today's system, where the central utility makes all forecasting decisions, many independent generators would participate in a competitive market. While a few generating companies may go bankrupt because of forecasting errors, diversity could provide more overall security than today's centralization, where a single utility's mistake can harm all the customers in a given region.

No one expects today's utility companies to abandon operations or expire, even though the days of hugh power stations seem to be waning. Just as General Electric and other large engineering firms are shifting their efforts from centralized plants to cogenerators, so will utilities try to adjust and prosper in a competitive market. Those that continue to rely on outmoded practices will suffer.

In essence, a new social contract is being created between electricity producers and consumers, one based on competition rather than monopolies and regulation. Some utility executives will certainly exercise their substantial political muscle to oppose independent power suppliers and to demand a return to more centralized control. But market forces have quickly converted efficient and dispersed technologies into multibillion-dollar businesses. Today's utilities are losing their monopolies to a new generation of electric entrepreneurs.

WORLD FOOD DAY

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. MOORHEAD. Mr. Speaker, Yesterday in a Capitol Hill setting, at a ceremony hosted by the Select Committee on Hunger and attended by the Postmaster General of the United States, 10 individuals received citations for their extraordinary efforts to end world hunger. From all parts of the country, all ages and walks of life they came, in honor of the first day of issue of a U.S. Postal Service stamp bearing the legend "Help End Hunger". One of the persons honored, Dorsey Lawson of Pasadena, CA, came from the 22d District of California which I represent.

Dorsey Lawson is not just dedicated to this cause; for her it is a way of life. The name of her support group really says it all, "Results." Dorsey by her steadfast devotion to a cause shows us all what it takes to make a difference in the lives of others. Dorsey represents the meaning of individual effort at its very best. She never forgets, and she never lets you forget, and we are all the better for it.

Today is World Food Day 1985; a day on which we can truly celebrate the good news that since 1961, 51 countries representing over 1.5 billion people have ended hunger as a national issue within their borders. It is also a day during which we can pay homage to Dorsey Lawson and her counterparts all over this Earth for their remarkable efforts to first bring the crisis to our attention, to take action and then most important of all to be able to show results. That is what this day is all about and that is what Dorsey Lawson is all about.

BOYS BROTHERHOOD REPUBLIC

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. GREEN. Mr. Speaker, I rise to commend the work of the Boys Brotherhood Republic, a nonprofit organization located on the Lower East Side of Manhattan in New York City. The BBR, which has, at times, been called the world's smallest democracy, was founded in Chicago in 1914. In 1932, Mayor Fiorello LaGuardia brought this organization to New York City in hopes of offsetting the negative effects of the Depression on the city's youth. Today, the BBR continues to educate its members about the need to be a positive and productive force in society.

The BBR serves over 2,200 young men from the ages of 7 to 19. These youth are the children of disadvantaged families, mainly residing in a community marked by crime, drugs, abandoned buildings, and low-income housing. The BBR has been able to reach out and steer them in playing a more positive role in their community.

The BBR has succeeded in curbing juvenile delinquency. The motto, "Boys are not likely to break the rules, if they are given the opportunity to make the rules," has held true for this organization. Members learn by doing rather than by being lectured to by adults. They begin to understand and respect the rights of fellow citizens. The BBR fosters a close sense of community feeling and responsibility.

The BBR seeks to build good character, citizenship, and a belief in responsible democracy. Its citizens become acquainted with democratic processes by participating in its own form of self-government. They actively elect a mayor, city clerk, treasurer, chief of police, city manager, councilmen, and so forth, to a city government. Every citizen must also participate in a BBR committee. The functions of the committees range from preserving order and overseeing violations of the BBR constitution to tutoring fellow members on homework. BBR members learn to be productive citizens and leaders. They are encouraged to look into their future and recognize their potential for growth.

More recently, the BBR, in cooperation with Touro College in New York City, opened the School of Career and Urban Studies in the Lower East Side. This new school, focused on attracting disadvantaged young adults and senior citizens in the community, encourages them to gain economic and social self-sufficiency. Once again, the BBR has shown its commitment

to the community. With such a commitment, this new venture can only prove to be a success.

KQV RADIO MARKS 10TH YEAR AS PITTSBURGH'S ALL-NEWS RADIO STATION

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. WALGREN. Mr. Speaker, on October 15, 1975, KQV Radio in Pittsburgh became the only station in western Pennsylvania to adopt an all-news format to inform the populace about events in our world which affect their daily lives. This week marks the 10th anniversary of the station's exclusive all-news service to hundreds of thousands of citizens in the Greater Pittsburgh area.

Further, within the next few months, the station will mark its 66th anniversary of regularly scheduled broadcasting, with many historians noting that it may be the oldest in the United States; broadcasting experimentally as early as 1919.

I hope the House of Representatives will note the 10th anniversary of KQV newsradio as an event of singular importance and a laudatory step in keeping our citizens informed. All-news radio stations perform a tremendous public service, and I salute KQV Radio, its owner, manager, and news team for a job well done.

GROUNDBREAKING CEREMONY FOR THE U.S. HOLOCAUST MEMORIAL MUSEUM

HON. LAWRENCE J. SMITH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. SMITH of Florida. Mr. Speaker, I rise today to urge my colleagues to read the speeches inserted in the October 16 and 17, 1985, CONGRESSIONAL RECORD regarding yesterday's long-awaited groundbreaking for the U.S. Holocaust Memorial Museum in Washington, DC.

I specifically would like to direct my colleagues to the moving remarks of Eli Weisel. As a Jew who has personally suffered family losses, I know the pain Professor Weisel speaks of when we remember the Nazi genocide committed against the Jewish people and I feel the loss of each life as if it were my own. Each survivor has their own story and private nightmare. Hitler's reign ended 40 years ago, but for the many who survived the camps, the hiding, and the awful waiting, it happened yesterday. Therefore, we will continue to remember the Nazi barbarism through the erection of this national Holocaust Memorial Museum so we can prevent this atrocity from happening again.

To my colleagues who were unable to attend yesterday's ceremony, let me tell you it was unlike any groundbreaking ceremony that I have ever attended. Dirt and ashes from concentration camps were in urns marked Auschwitz, Bergen-Belsen, Dachau, Theresienstadt, Treblinka and the Warsaw Jewish Cemetery and were emptied and mixed into the soil designated for the Holocaust Memorial Museum. What was not evident to the observer was the dirt and ashes. The urns from the concentration camps symbolize the mothers and fathers, children and grandchildren who were uprooted, imprisoned, tortured, and murdered at the hands of the Nazis.

The Holocaust changed the face of Judaism and history. Families were separated, villages and communities destroyed, and Jewish objects of religious and family life were confiscated. The Jewish heritage suffered a violation; family histories and heirlooms were lost forever. I pledge to the survivors of the Holocaust that we will not forget, and we have not forgotten.

YOUTH AWARENESS WEEK

HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mrs. JOHNSON. Mr. Speaker, I would like to bring to the attenton of the Congress the extraordinary services of two community organizations in my district—the Torrington Youth Services Bureau and the Winsted Area Youth Services Bureau. Next Sunday will be the kickoff for a jointly sponsored community event and begin a week-long recognition of the contributions and the problems of local young people. The week of October 20 has been designated "Youth Awareness Week" by these creative innovative organizations.

During this week there will be ceremonines to recognize and praise the outstanding achievements and contributions of local youth. There will also be special workshops for adolescents, parents, and teachers, and seminars of interest and importance to the whole community.

This celebration will begin with a parade on Sunday, after which there will be an awards ceremony honoring the contributions and accomplishments of the young men and women of our towns in such areas as community service, art, and written communication. Throughout the balance of this week there will be seminars on parent effectiveness training, substance abuse recognition, adolescent depression, and teenage suicide. In addition, there will be family oriented activities, a community food drive, and a special junior high night.

Mr. Speaker, I bring your attention to "Youth Awareness Week" not only to praise the dedicated people who so sensitively and effectively planned it, but to offer this event as a model for other communities who are searching for new ways to develop a successful partnership between the comn:unity, its families, and its youth. The activities of "Youth Awareness Week," the products of a year's work, reflect the needs, demands and pressures of today's society. Again, I congratulate the people of Torrington and Winsted on their insightful dedication to the leaders of tomorrow.

CHARLES J. RAIMONDO—1985 MAN OF THE YEAR

HON. ROBERT G. TORRICELLI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. TORRICELLI. Mr. Speaker, Mr. Charles J. Raimondo, an outstanding citizen of Fort Lee, NJ, will be honored as "1985 Man of the Year" at the Boys' Town of Italy 40th anniversary dinner of the Bergen County chapter on October 20, 1985. This deserving invitation was extended to Mr. Raimondo by the Right Reverend Monsignor John Patrick Carroll-Abbing, president of Boys' Town of Italy in Rome, Italy.

Charles "Chick" Raimondo is married to the former Janice Cammarata of Cliffside Park, NJ, and is the father of four children: Jacey, Charles, Jr., Shari, and Nancy. He was educated at Fort Lee High School, Bowling Green University in Ohio, Columbia University in New York, and Fairleigh Dickinson University in New Jersey. Mr. Raimondo served in the U.S. Navy Reserve and Active Reserve. He is now assigned to the Bureau of Yards and Docks, working on projects including the rehabilitation of naval facilities and the Third Naval District Coastal Defense for design and construction.

Mr. Raimondo has been a resident of Fort Lee for 40 years and has spent his career with C. Raimondo & Sons Construction Co., Inc., of Fort Lee. Chick is now president of the firm which his father, Carmelo, founded in 1923. He is presently director of the board of directors of the Fort Lee Savings & Loan Association; a member of the Fort Lee Parking Authority, the Fort Lee Mayor's Council on Economic Development, the Palisades Interstate Park Commission, the Fort Lee High School Athletic Football Committee, the Boy Scouts of America; and is chairman of the Fort Lee March of Dimes, and the Fort Lee and Englewood Cliffs Chamber of Commerce. Chick is a registered member of the National Association of Home Builders, a member of the New Jersey Chiefs Association, the New York Athletic Club, the New Jersey State P.B.A., the Bergen County Private Industry Council, and trustee of the Hudson County District Council of Laborers' Benefit Fund.

Chick's dedication to the principles which have made him a success in business are a reflection of the dedication he exhibits to his family and community. In addition to his many community activities, Chick has the well-deserved reputation as one who can always be counted on to lend a hand to those in need.

From dawn to dusk, the life commitment of our versatile honoree by the Boys' Town of Italy suggests that his mainstay is to "apply the same positive and thorough ap-

proach in one's community, business, and personal activities." This is evident as he commits his almost unlimited energy to comunity services, youth groups, and many different charities. As a concerned citizen, Chick has the all-important keystone—an ability to take the skeleton of an idea and engineer it from the basement to the casement to the rooftop to its final elevation.

Chick is that rare individual; a dedicated citizen to his family, his hometown of Fort Lee, NJ, to the State of New Jersey and his country. On October 20, 1985, I would like to join Chick's family and many friends as they pay tribute to my good friend when the Boys' Town of Italy honors him as their "Man of the Year."

TRIBUTE TO B.W. "BUD" LEE

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the achievements and retirement of my constituent, B.W. "Bud" Lee of Ventura, CA. Bud is retiring on December 27, 1985, after 40 years of distinguished service to California agriculture, including 32½ years with University of California Cooperative Extension and 7½ years with the California Department of Agriculture.

He is a native Californian, born in Los Angeles and raised in Pomona. He graduated from Pomona High School and Pomona Junior College before transferring to the University of California at Davis and then to the University of California at Berkeley. World War II interrupted his schooling when he entered the U.S. Maritime Academy where he received a commission in both the U.S. merchant marine and Naval Reserve. After 4 years of service he returned to University of California at Berkeley, graduating in 1946.

Bud was employed by the California Department of Agriculture Bureau of Plant Pathology until joining University of California Cooperative Extension in May 1953. He served as citrus farm adviser in Los Angeles County until transferring to Ventura County in May 1957. In February 1966 he was appointed county director and farm adviser and assumed responsibility for administration, avocados and minor subtropical fruit. His activities and assistance in solving a number of major problems include liaison between the University of California Board of Regents and Ventura County Board of Supervisors, Effective Educational and Field Research Program for the citrus industries of Ventura County. He has authored or coauthored 105 articles and publications and many other activities too numerous to enumerate.

Bud is a member of numerous professional societies and industry committees including American Society of Horticultural Science, California Rare Fruit Growers, Florida State Horticultural Society, California Avocado Society, Avocado Nurseryman's Society, Citrus Research Advisory Board, and many others.

In 1973 he received the California Avocado Society Award of Honor and in 1984 he was recognized with the Distinguished Service Award for Outstanding Teaching by the University of California Cooperative Extension Assembly Council.

To summarize, Bud's supportive style as a manager and his expertise as a farm adviser and significant contributions to the avocado and citrus industries, leave a lasting legacy. His national and international recognition as a teacher and researcher is a direct result of his contributions and professionalism.

I wish Bud and his wife Nancy all the best in his well-deserved retirement.

RECEIVES POSTHUMOUS AWARD

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. SHUSTER. Mr. Speaker, I stand here today to pay tribute to Army Sgt. William D. Port of Petersburg, PA. Sergeant Port served in Vietnam, and was declared missing in action on January 12, 1968. Army officials later declared him dead after it was learned he died of wounds in prison on November 27, 1969. Sergeant Port received the Medal of Honor posthumously August 6, 1970.

William Port and his unit were involved in a combat operation against the enemy in the Que Son Valley on January 12, 1968. His unit came under heavy fire and was forced to withdraw. Sergeant Port was wounded during the withdrawal, and without regard for his safety ran through the heavy fire, and through the platoon perimeter to help a wounded comrade back to the safety of our lines. As the enemy forces assaulted his position, an enemy grenade landed in the midst of Sergeant Port and three fellow servicemen. Sergeant Port hurled himself toward the grenade shielding his comrades. He was wounded, taken prisoner and died in a Vietnamese prisoner of war camp. The Vietnamese have held his remains until recently when they turned them over to American officials.

On Friday, October 18, 1985, Sgt. William Port will be honored at Arlington Cemetery where he will finally be able to rest in peace surrounded by men like himself who selflessly gave their lives so that we might enjoy the freedom our great country affords us. I salute you Sgt. William D. Port for your heroism which reflects great credit upon yourself and your country.

HEARING EXAMINES HEALTH HAZARD OF PROLONGED RADON GAS EXPOSURE

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. YATRON. Mr. Speaker, I would like to acknowledge and commend three recent initiatives addressing indoor radon gas contamination. On October 10, 1985, Congressman JAMES SCHEUER, as chairman of the Subcommittee on Natural Resources, Agriculture Research and Environment, held a hearing to examine the health hazards of prolonged radon gas exposure and the current level and appropriateness of Federal and State efforts to identify and mitigate indoor radon. The hearing drew welcome and much-needed attention to this very serious environmental problem. Among the witnesses who testified at the hearing were four of my constituents from Boyertown, PA, in whose homes this deadly gas was first identified. Testimony on the health effects of radon gas inhalation was also provided by scientists.

The initial conclusions I drew from the hearing confirm the opinion I have held since first learning of the existence and seriousness of radon gas in thousands of homes in my district. The health risks are extraordinary—the Environmental Protection Agency estimates that between 5,000 and 30,000 lung cancer deaths each year can be attributed to radon gas exposure—and the Federal Government has an obligation to do much more than it currently is to mitigate the radon in homes on the Reading Prong. This, I believe, is the responsible public health policy to assume, regardless of the fact that this substance is naturally occurring and is most prevasively and perniciously found in homes where Federal environmental laws and regulations have not been applied. I would like to commend Chairman SCHEUER for holding the hearing and I urge all of our colleagues to join in the efforts many of us are making to adequately address this serious national concern.

I would also like to thank Pennsylvania Gov. Richard Thornburgh for establishing the Nation's first low interest loan program for radon mitigation purchases by affected homeowners. Announcing the program last Thursday, Governor Thornburgh said, "Although radon is a national problem certainly not limited to the Reading Prong, we simply can't wait any longer for the development of a national program." The loan program will provide 2 percent interest rates for low-and moderate-income families with annual incomes under $36,000. Loans at 8 to 9 percent will be available for families with incomes over $36,000 annually. This $3 million program is, to date, the most that has been offered to citizens living in contaminated homes. It is a good beginning but the Federal Government, specifically the EPA, ought to be providing further assistance for homes contaminated

at emergency levels. While we continue to press for additonal Federal support, the Commonwealth's financial assistance is a welcome resource for the many citizens affected by this problem.

I would finally like to recognize my colleague from Pennsylvania, Congressman BOB EDGAR, for his successful effort to amend the Superfund bill developed by the Public Works and Transportation Committee. The stronger Public Works Superfund reauthorization now includes a $4 million allotment for a national assessment and a larger demonstration program to be conducted by EPA. I commend Congressman EDGAR and urge my colleagues to support this bill and its amendment on radon.

I commend all these initiatives and encouarge further endeavors in the development of a more appropriate and responsible public policy for addressing this very serious environmental health concern.

FAMILY PLANNING IN PERIL

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mrs. SCHROEDER. Mr. Speaker, I would like to bring to my colleagues' attention an excellent speech delivered recently by our colleague, Representative BOB EDGAR of Pennsylvania. He accurately spells out the crisis which could befall our Nation's family planning programs if we don't act now. I commend this thoughtful piece to my colleagues:

FAMILY PLANNING IN PERIL

(By Bob Edgar)

As you know, Agency for International Development (AID) Administrator Peter McPherson recently announced that natural family planning groups will be allowed to use federal money to go into third world countries and set up family clinics which offer only one option: natural family planning.

The Philadelphia Daily News commented that—"It is bad enough when one-sided thinking becomes domestic policy when there is at least a semblance of open debate. But it borders on criminal to offer this narrow version of reality to people who may have no other source of information and may end up getting nothing from the U.S. but the promise of more babies they can watch go hungry."

This policy is simply a continuation of the conservatives' campaign, begun at the United Nations Population Conference in Mexico City, to prevent women in the third world from exercising freedom of choice. I find it repulsive to think of an African woman, children in tow on her hip and at her skirts, walking into a clinic, proud but afraid, only to be told her only option in limiting the growth of her family is to abstain. Ignorance is certainly not bliss.

Will the same thing happen on the domestic front?

Now imagine if you will the scenario so clearly depicted by the columnist Ellen Goodman:

"A woman goes into a family planning clinic in any American city, looking for a way to limit or space her children. The clinic gives her information about 'natural family planning' an updated version of rhythm." She then asks how effective this method might be. "She will be told that among careful users 24 percent will become pregnant during one year." "Let us now imagine," Goodman continues, "that she gulps and asks what else the clinic has to offer. The answer she gets is nothing."

Goodman painted this scenario in order for us to better see what the American equivalent of the recent AID decision would look like. We need to understand its terrible implications for the third world. I submit to you that there are those of the new right, who given the chance, would see such a scenario in the U.S. as their ultimate goal.

What we have on our hands now is a fight to preserve the Title X program as we know it. In the five county Southeastern Pennsylvania region alone, 90,000 people are served each year; in the whole Commonwealth, a quarter million. As you know, Title X funding represents the single largest source of support for family planning in Pennsylvania. These funds are used for early cancer detection, blood tests for anemia and diabetes, screening and treatment of sexually transmitted diseases, provision of contraceptive supplies, pregnancy testing, and infertility services.

No title X funding is used for abortions. Unfortunately, the "new right" is trying to use the abortion issue to effectively destroy Title X. This past summer, we tried to get the Title X program extended for another three years. Unfortunately, since the bill was being considered under a procedure which prohibits the addition of amendments, and since opponents labeled it a proabortion bill in order to evoke knee-jerk opposition, the bill was defeated. It received a majority of the votes, but because of the no-amendment stipulation, it needed to get two-thirds of the votes to pass.

This defeat does not mean that Title X is dead. All it means is that when we consider it again on the Floor of the House, it will be subject to amendment. I recently learned that one of our more conservative members of Congress is going to offer an amendment which says, "no funds may be awarded to any organization that provides abortion procedures, counseling for abortion procedures, or referral for abortion procedures, unless the life of the women may be endangered by carrying the fetus to term."

The consequences of this on a practical level are that Crozer-Chester, Jefferson and University of Pennsylvania Hospitals are no longer going to be able to get Title X funding unless they eliminate abortion or counseling services, or referral for such services.

If this happens, we will have a choice between drastically limiting the flow of family planning information and services in our community or the first steps to the return to the days of back room abortions.

We can't let this happen again.

Title X has been a triumph of a modern society. We must fight to keep it intact.

I have in my hands here evidence that we can win this fight. I am holding a few hundred cards that I have received from you over the last month demanding that we keep Title X as it is, unamended.

These cards represent the first step in taking this program into your own hands and fighting for what you believe is right.

The most important thing we can do is demand positive leadership. We need advocates of family planning to stave off enactment of the right wing agenda, which essentially means the elimination of family planning. We can't afford to lose this battle.

KIDS FOR KIDS HELP STARVING ETHIOPIANS

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. FLORIO. Mr. Speaker, as we commemorate World Food Day, I wanted to direct the attention of my colleagues to an important effort that is taking place in my district this month. On October 1, 1985, the Camden County Kids for Kids launched a month-long fund drive to collect money for the starving in Ethiopia. Those involved have, through this effort, demonstrated a spirit of humanitarianism and dedication that is commendable and I hope that their efforts will set a precedent for communities throughout the Nation.

Mr. Speaker, 33 public, private, and parochial school districts in Camden County are currently involved in their goal of raising $150,000 for African famine relief. We have become increasingly aware of a different world, on the other side of the Atlantic, where the lack of food and water is a fact of life. Millions of men, women, and children are dying in Africa because they do not have food, water, or any of the basics we are fortunate enough to call essentials. Africa is experiencing the worst famine and drought of the century with 30 million people affected.

We are periodically stunned by pictures of living skeletons on the evening news—human beings slowly waiting to die because they can do nothing more. Over 20 million people around the world starve to death each year. More people have died in the past 5 years of hunger than in all the revolutions, wars, and murders of the past 150 years. A continent is disintegrating before our very eyes and it is up to us to ensure that this does not happen. The irony of this entire situation is that there is enough food produced to supply every human on the planet with enough for a proper diet.

I would like to commend the participants of the Camden County Kids for Kids Fund Drive for the energy that they have expended for this cause and to encourage them to perservere in reaching their goal. In particular, the efforts of Collingswood High School teacher Frances Grossman, who is organizing this effort after having been inspired by a similar effort in New York City last spring, have been instrumental in the drive. Fran spent this past summer organizing the logistics of the drive and has been the prime force behind this effort. Special recognition should be accorded to Fran's boss, Collingswood High School principal, Edward Sandal, the principal of Triton Regional High School, Louis Cappelli, Sr., and the principal of Zane North and Garfield Elementaries, Wayne Cochrane. They have devoted their time and energy toward helping a continent survive.

The success of the drive depends on the diligent students that have pledged their dedication to this cause. In particular, Coleen O'Connell of Collingswood High,

Thea Dilger of Triton Regional High School, and Nekea Coleman, an elementary school student from Camden, have worked especially hard in garnering support among their peers and rekindling the humanitarian spirit of the citizens of Camden County. Students are currently collecting money at school and in their neighborhoods, holding walk-a-thons, flea markets, and car washes, donating the price of a school lunch each week, and trying to organize a benefit concert.

As these students go door to door and participate in the many events surrounding this effort, they will not just be raising funds to keep children from starving. They will also be making sure that people here do not forget about those starving on the other side of the ocean. Mr. Speaker, I was touched by the concern and caring that has been expressed throughout this whole effort, and I urge my colleagues to join me in congratulating Camden County Kids for Kids.

HONORING FRED SORSABAL

HON. ROBERT E. BADHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. BADHAM. Mr. Speaker, I rise today to honor one of the Nation's truly outstanding municipal leaders, Mr. Fred Sorsabal, who on October 25, 1985, ended 15 years of superior service as city manager of Costa Mesa, CA.

Mr. Sorsabal, a native of Orange County, CA, leaves his prestigious post to assume a new and challenging role working full-time for the El Bekal Shrine Temple and seeking election as its 1986 potentate.

To say that Fred Sorsabal has been involved in the life of his community would be an understatement. In addition to his 26 years of public service, he has found the time to be a member of the board of directors of the Girl Scout Council of Orange County, a member of the Executive Committee of the Orange County United Way, president of the Harbor Area United Way and an extremely active member of the El Bekal Shrine Temple, with its many good works and community service.

During Mr. Sorsabal's service as city manager, the city of Costa Mesa has grown and emerged as one of the finest municipalities in America. Its citizens have the benefits of excellent schools, businesses, commercial centers and soon, one of the Nation's most remarkable and exciting performing arts and cultural centers. Of course, much of the success Costa Mesa has enjoyed during the last decade and a half is due to the commitment of those citizen leaders who have served as members of the city council. However, their wishes and those of the electorate have been carried out effectively, creatively and proficiently by Mr. Sorsabal and the staff he has assembled and led these past 15 years.

Fred Sorsabal has left an indelible mark of progress and achievement on the city of Costa Mesa and Orange County. His dedication to his responsibilities set a high standard of excellence for those in public service. As he moves forward to devote his energies to the selfless community service work of the Shrine Temple, those who know him are certain this new task will be met with the same vigor and enthusiasm he brought to the city of Costa Mesa.

THE 75TH ANNIVERSARY OF MOUNT CARMEL CHURCH, POUGHKEEPSIE, NY

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. FISH. Mr. Speaker, Sunday marks the 75th anniversary celebration of Mount Carmel Church in the city of Poughkeepsie, NY.

Over the last 75 years, Mount Carmel Church has stood as a symbol of the great strides made by Poughkeepsie's Italian immigrants, who have enriched the Queen City along the majestic Hudson River since the early 1900's.

Those immigrants came to this country to find employment opportunities and liberty. One of the first things they did after arriving in this country was to build a church, which would become Mount Carmel Roman Catholic Church. Using borrowed money, construction started on a yellow brick structure.

At the outset, Mount Carmel became one of Poughkeepsie's national churches, serving one of the city's numerous ethnic groups.

But it was more than just a place of worship. It was the community meeting place—a place where neighbors talked, exchanged ideas, and planned for the future.

In 1932, at the direction of the late Bishop Joseph Pernicone, who was Mount Carmel's young pastor at the time, the church community built a school, which was dedicated in 1935. Since that time, 2,500 students have passed through the school's halls.

Again, it was the community that raised the money in the beginning to operate the school.

The church and school still stand in Poughkeepsie's little Italy. Many of the area's former residents return to their old neighborhood regularly.

Mount Carmel and the community it serves have realized an American dream. Through hard work and perseverance, the children of the first immigrants have become part of this country's culture.

Congratulation to the church and its many loyal parishioners.

WILL SAYS IT WELL—AGAIN

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. SHUSTER. Mr. Speaker, I commend the following article by George Will, which appeared in the October 17, 1985 Washington Post, to my colleagues:

GEORGE F. WILL AND FELLOW-TRAVELERS

Anger is indeed valor's whetstone and the valor of the Americans, from the president to the pilots, is clear. But so is this: the interception of the terrorists underscores the limits of U.S. anti-terrorism policy, and the aftermath of the episode has enhanced the PLO.

The United States finally acted against terrorists because it had a highly unusual and unlikely-to-be-repeated opportunity for nonviolent action. It was an act compatible with the administration's "Miranda Rule" approach—fastidious about procedure—to anti-terrorism.

In the aftermath, three nations—one a member of NATO, another counted an ally, the third considered an example of "civilized communism"—showed that they value good relations with the PLO more than with the United States. Or perhaps the point should be put this way: the three nations' fear of PLO anger is palpable, their fear of U.S. anger is negligible.

A Third World ethicist, identified by The New York Times as a "senior Egyptian official," explained to The Times: A lie here is simply not the same as a lie in your country." He got that right. The president of Egypt lied repeatedly, extravagantly, transparently as he collaborated with the masterminds of the terror, trying to spirit to safety the killers of an American. Four days later this was a Washington Post headline: "U.S. Seeks to Soothe Egypt."

Who seeks to soothe whom? In the Third World, pride often is inversely proportional to the justification of it. The U.S. ambassador in Cairo says Egyptians are proud people. One yearns for the year when their overflowing pride will manifest itself in refusal to pocket billions of dollars from U.S. taxpayers.

Italy's government violated an extradition treaty with the United States and almost certainly facilitated the stealthy flight of a particularly odious terrorist to Eastern Europe. The Reagan administration called this Italian action "inexplicable," a polite description of an act completely comprehensible as appeasement of terrorists.

Then Yugoslavia, from which nothing better could be expected, violated an extradition treaty with the United States and compounded the offense with an offensive explanation, saying the terrorist has diplomatic immunity. The PLO, a terrorist organization has an "embassy" in Zagreb.

There is a similarity between the context of the terrorist interception and the context of the Grenada operation. Grenada came shortly after a stunning military defeat—the truck bomb against the Marines that did so much to drive U.S forces from Lebanon. Considered in the context of the debacle in Lebanon, Grenada suggested that the United States is temperamentally prepared to use military power only in its region and only when the use can be completed quickly, before Sam Donaldson (meaning television) arrives.

The interception of the terrorists came a week after, and in the context of, U.S. acquiescence in the U.N. condemnation of Israel for attacking the PLO's headquarters in Tunisia. Israel's sin was that it practiced what the United States preaches: "No sanctuary for terrorists."

Considered in the context of the U.S. refusal to veto the U.N. condemnation of Israel, the U.S. interception of the terrorists emphasizes the administration's highly restrictive criteria for anti-terrorism. It will censure actions taken even against obvious sources of terrorism, such as PLO headquarters in Tunisia. It will act only against particular terrorists specifically identified with isolated deeds, and only when it can act without jeopardizing bystanders. The administration says "if an opportunity presents itself we will do exactly the same thing again." "Exactly"? Exactly: no more.

The message of the interception was supposed to be "you can run but can't hide." But terrorists routinely do both. They use civilians, first as fodder and then to hide behind. Low-level terrorists with blood on their hands have little to fear, and their leaders have nothing to fear, from a U.S. government that brings to anti-terrorism a self-defeating desire to assign direct, individual culpability for particular acts of violence sponsored by organizations. This is a policy of striking only at the fingers rather than the brain of terrorism. We are bringing to the war against terrorism the same warlosing restraint that, 15 years ago, had U.S. fighter planes chasing individual trucks on the Ho Chi Minh Trail, while North Vietnam's dikes were spared.

Soon the U.S. government will utter the usual lubricating pleasantries, and Egypt's president and other fellow-travelers of terrorism will grudgingly, and for a profit, forgive us for the injuries they have done to us. The United States has won a battle but has lost the aftermath.

EX-PRESIDENTS' BENEFITS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, October 16, 1985, into the CONGRESSIONAL RECORD.

EX-PRESIDENTS' BENEFITS

Several debates on generous federal benefits for ex-Presidents have finally resulted in a consensus in Congress behind reform, and with good reason. Over the past 30 years, the annual cost of benefits for former Presidents has risen from $64,000 to $27 million. They now cost more than running the White House. At a time of major cutbacks in federal spending, benefits for ex-Presidents cannot be exempt from scrutiny.

Federal support for ex-Presidents is relatively new. For most of our history, Presidents had to look out for themselves once they left office. Some lived out their lives comfortably, while others, such as Presidents Jefferson and Jackson, died virtually penniless. Ex-Presidents earned their livelihoods from everything from potato farming or endorsing tooth powder to teaching law or writing their memoirs. Several turned down lucrative business offers because they thought it detracted from the dignity of the Presidency. Not until the growth of the modern Presidency after World War II were federal benefits finally provided to ex-Presidents to help them lead dignified lives free from financial worry. Concern was expressed about the thousands of dollars that President Truman was spending from his own pocket to reply to letters or requests for speeches, and it was pointed out that an ex-President was virtually the only employee of the federal government not covered by some retirement program. In 1955, Congress approved funds to maintain Presidential libraries, and in 1958 authorized an annual allowance of $25,000 for each ex-President, and provided each with staff assistance, an office, and free mailing privileges. Secret Service protection was added in 1962.

Today, benefits for ex-Presidents are substantial. Each is eligible to receive an annual pension of $86,000, staff allowances of $150,000 per year (dropping to $96,000 after 30 months), a free furnished office at a location of his choice, around-the-clock protection by 24 Secret Service agents (8 per shift), free mailing, maintenance of Presidential libraries (constructed with private funds), health care services at military hospitals, and travel allowances. Some pension and Secret Service benefits are also provided to wives and children of ex-Presidents.

Supporters of these benefits claim that we must allow an outgoing President to take care of post-White House demands with some dignity, that former Presidents are a national resource, and that they earned through their public service whatever benefits they receive. They also point out that in 1984 we spent more on Secret Service protection for various announced Presidential candidates than we spent on all types of ex-President benefits combined. Critics, on the other hand, say that our former Presidents are highly visible national symbols who should set examples of budgetary restraint. They also point out that ex-Presidents command enormous fees by virtue of having once been President. President Ford, for example, reportedly earns more than a million dollars a year through consulting fees, sitting on a dozen boards of directors, and talking to business groups at $18,000-$20,000 per speech.

My impression is that some of these benefits are excessive, and should be trimmed. Of the $27 million appropriated this year for ex-Presidents, the largest chunk, almost $16 million, goes to operate the 7 Presidential libraries. Although the libraries are built with private funds, the federal government pays to maintain them, and costs have been much higher than expected. Moreover, these buildings are more like large monuments than libraries, since fewer than 1% of their visitors are researchers. One major step under consideration, which I favor, would restrict the size of future Presidential libraries and require ex-Presidents to raise money not just for the construction of their libraries, but also for an endowment to help underwrite maintenance. The Reagan Administration supports this proposal, provided the planned Reagan Library is exempt. I also think that small entrance fees to Presidential libraries could be charged, and that we should consider setting up one large central depository for Presidential papers. In addition, savings could come from the $10 million it costs each year to provide Secret Service protection for ex-Presidents and their families. Critics say that there have been no direct threats to any of the former Presidents, and that Secret Service agents often double as chauffeurs and caddies. My guess is that Congress may be cautious about cutting back Secret Service protection during the current wave of international terrorism. Pensions plus office and staff expenses cost the remaining $1 million. Efforts are underway to reduce some of these expenses the longer the President has been out of office, to tighten oversight of allowable expenditures, and to bar the use of public funds for political or money-making purposes.

These efforts are important, but they must be supplemented with a different kind of reform in our treatment of ex-Presidents. We must change not only the way we provide benefits, but also the way we use ex-Presidents. The explosion since the 1950s of benefits to ex-Presidents is based partly on a recognition that ex-Presidents are a national resource. We provide funds so that they can live comfortably and with dignity. In practice, however, we still fail to take advantage of the special abilities ex-Presidents offer. Suggestions for using our ex-Presidents better include giving them seats, without voting rights, in the Senate, expanding their roles as special ambassadors, and appointing them to head up special commissions on major public questions, such as the successful Hoover Commission on government reorganization. We have had 31 ex-Presidents in our 200-year history. We should do all we can to encourage the use of the talents and experience of former occupants of the White House in further public service.

Much can be done to end wasteful public expenditures on ex-Presidents. We can also do much to improve our use of former Presidents. (Please help me update my mailing lists by notifying me of any incorrect or duplicate mailings.)

CONGRESSIONAL HIGH-TECHNOLOGY AWARDS PRESENTED

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. DYMALLY. Mr. Speaker, I am elated with the success of the Annual Congressional Science and Technology Awards Ceremony and Banquet. I am pleased to inform the Members that on October 2, 1985, the Congressional Caucus for Science and Technology along with its research arm, the Congressional Institute for Space, Science and Technology, held their annual awards ceremony and banquet to honor a number of people who have made outstanding contributions to the area of science policy and to the application of scientific research and technical development. Three of our most outstanding colleagues in the Congress: Representative MANUEL LUJAN, JR., Senator ERNEST F. HOLLINGS, and Senator JAKE GARN were among the distinguished honorees. I wish to submit to the CONGRESSIONAL RECORD a copy of the press release which gives further details about the awards.

CONGRESSIONAL CAUCUS AWARDS INNOVATORS IN SCIENCE AND TECHNOLOGY

Fifteen individuals and organizations are winners of the 1985 Congressional High Technology Awards for their outstanding contributions to the advancement of science

and technology. The Awards presentation launched various nationwide activities during October, which has been designated National High Technology Month by Congress and was signed into law by President Reagan last month.

Technological innovations permeate every aspect of our daily lives. They affect the way we live, work, communicate and learn. Yet, innovators in science and technology often do not get the public recognition they deserve. National High Technology Month provides unique opportunities to heighten the public awareness, particularly of America's children, about the importance of scientific and technological advances.

National High Technology Month distinguishes the people who are making significant contributions to science and technology. At the same time, National High Technology Month provides a forum to promote educational opportunities on important social and moral issues surrounding science and high technology.

The following private sector individuals and companies are the recipients of this coveted award: Lionel Baldwin, President, National Technological University; Giuseppe Cecchi, Chairman, IDI/Techworld; Adm. Bobby R. Inman, USN (Retired), President and Chief Executive Officer, Microelectronics and Computer Technology Corporation; Jenefir D. Isbister, Head, Environmental Microbiology Section, Atlantic Research Corporation; James Meadlock, President and Chairman, Integraph Corporation; Allen J. Neuharth, Chairman and Chief Executive Officer, Gannett Company, Inc.; John C. Norman, Thoracic and Cardiovascular Surgeon, Newark Beth Israel Medical Center; Eberhardt Rechtin, President, Aerospace Corporation; Joshua A. Smith, President and Chief Executive Officer, MAXIMA Corporation; Lieu Smith, Vice President and Project Manager, Sverdrup and Parcel and Associates; Association of Science-Technology Centers; and *High Technology* Magazine.

This year's public sector awards went to Sen. Ernest F. Hollings (D-SC); Sen. Jake Garn (R-UT); and Rep. Manuel Lujan, Jr. (D-NM). A special surprise award was presented to Rep. Mervyn M. Dymally (D-CA), Co-Chairman of the Congressional Caucus for Science and Technology, for his tireless efforts to promote leadership in science and technology.

Certificates for Honorable Mention were presented to: Business People, Inc., for pioneering career development techniques via satellite; the Engineers of Bell Communications Research for communications technology; Ms. Daisy C. Hicks for promoting public understanding of technology; Dr. C. Walton Lillehei, for bio-medical technology and Mr. Jean Muller for systems engineering.

The States of Georgia, Minnesota and North Carolina received awards for implementing outstanding programs and activities during National High Tech Week of 1984. Special Appreciation awards were presented to Dr. Alvin Nashman, Caby Smith and William Gary.

Those presenting awards this year include Senators Jay Rockefeller and Jeremiah Denton, and Representatives Norman Mineta and Parren Mitchell. Presenting from the private sector were Dr. Alvin Nashman of the Computer Sciences Corporation and Dr. Walter Massey of the University of Chicago.

BANKS, TAXES, AND GREED

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. STARK. Mr. Speaker, the people who gave us billions of dollars in increased deficits by encouraging noncompliance in bank interest and dividend reporting are not well on the way to wrecking tax relief for millions of American taxpayers.

The banking lobby has succeded in punching a big hole in the tax reform efforts in Ways and Means. Their victory is the Nation's loss.

The following editorial from the Washington Post of October 17, says it all:

BANKS, TAXES, AND GREED

The arrogance of the banking lobby has to be seen to be believed. As the House Ways and Means Committee was working on President Reagan's tax reform bill this week, the lobbyists succeeded in turning a majority of the members around and, instead of abolishing one particularly dubious tax break for the banks, they actually voted to widen it. It is not as though the commercial banks are overtaxed. To the contrary, banks already pay very little in the way of taxes precisely because of their skill in wedging loopholes into the law.

This one involves the provision that banks make for defaulted loans. Any business can take a deduction for a bad loan. But present law allows banks to set up special reserves—in amounts not necessarily related to their actual losses—and take their deductions when they put money into the reserves rather than when the losses actually take place. As the White House pointed out last spring, this obscure little rule means that banks enjoy more favorable tax treatment of bad debts than other businesses that lend to their customers—department stores, for example. The banks like it that way.

This fragment of tax law may seem esoteric to the point of invisibility, but it means a very substantial amount of money to the banks—$2.9 billion over the next three years. The president's tax bill would abolish this special preference and put the banks on the same footing as other businesses. The parallel bill put forward by the chairman of Ways and Means, Rep. DAN ROSTENKOWSKI, would do the same thing. But when it came up last Tuesday for a decision, the committee, over Mr. Rostenkowski's vehement protests, voted not only to preserve the present tax break for the bankers but also to expand it by an additional $4.7 billion over the next three years.

It's not only an example of greed on the part of the banks. It's also a bad omen for tax reform. The president's plan is to reduce tax rates without losing revenue by abolishing expensive loopholes such as this one. You don't have to be told that the people who currently enjoy these preferences are going to fight to keep them. This week they seem to be winning.

DISCUSSION NEEDED ON DISASTER INSURANCE

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. GEPHARDT. Mr. Speaker, the devastating and tragic earthquake that hit Mexico City recently has understandably occupied the hearts and minds of all Americans. We simply cannot be anything but deeply saddened by the loss of thousands of lives—parents and children, brothers and sisters. We all pray for these lost loved ones and those who grieve for them.

The tragedy in Mexico City must also serve as a vivid demonstration of the widespread destruction and enormous costs—both human and financial—that such a natural disaster can bring about at any place on this planet. The downtown area of Mexico City has largey been reduced to rubble, with thousands of deaths and injuries, massive property damage, and Mexico's already troubled economy dealt a further blow. Thousands of residences, shops, and offices in the central city were completely destroyed, creating costs the New York Times called "astronomical."

A tragedy of the magnitude of the Mexico City earthquake raises serious questions for us here in the United States. It is a time to remind ourselves that a natural disaster of this magnitude is certain to affect our own country. The question is not whether it will happen, but when and where.

I am particularly concerned because the New Madrid fault, considered by many seismologists to be a very likely site of the next major earthquake in the United States, is located in my home State of Missouri. Seismologists believe that a truly devastating earthquake well could occur in the Midwest along the New Madrid fault, causing billions of dollars of damage in Missouri, Illinois, Indiana, Kentucky, Tennessee, Mississippi, and Arkansas. There is also, of course, the very real and serious risk of a major earth movement catastrophe in the great State of California.

This past September, Tampa suffered heavy damage from hurricane Elena. And more recently, we here in the Washington area breathed a sigh of relief when hurricane Gloria spared us the destruction we feared. Every year we read of houses on the coast of California sliding into the sea, overwhelmed by the ever-recurring mud. Natural disasters wreak their havoc regularly in our country, and no one knows how long we will be spared the catastrophe the seismologists predict.

What have we done to prepare ourselves for such a natural catastrophe? Little, I submit, if anything. If a disaster of the magnitude of the recent earthquake in Mexico City were to strike a major American metropolitan area tomorrow, many individuals and businesses could suffer life-shattering financial losses. At present, little insurance coverage is available to protect against such catastrophes because of the

sheer magnitude of the risk involved. Currently, if such a disaster should strike, literally billions of dollars of uninsured property damage would result, placing a heavy burden on the Federal Government to provide disaster relief at levels that could only be described as crippling.

It is essential for us to begin to explore solutions to this problem now—before a major disaster strikes. I don't know what the solution is; I'm not sure that anyone does, yet. But clearly it is time to start working toward one now. If we delay in preparing for such a disaster, we too will face the predicament that Mexico City currently faces—a city in ruins without the resources to rebuild.

I AM NOT THE PRESIDENT, CONTINUED

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mrs. SCHROEDER. Mr. Speaker, the Wall Street Journal today details yet another intelligence fiasco—the hiring, training, firing, and defection to the Soviet Union of one Edward L. Howard.

The President of the United States, one Ronald Reagan, has been quick to blame past Presidents for the errors, catastrophes, tragedies, fiascos, and bungling of the current administration.

The entire Howard debacle occurred between 1981 and 1985. Which President shall we blame?—Van Buren? Garfield? Pierce? I await word from the White House.

The Journal article, "KGB Defector Confirms U.S. Intelligence Fiasco," follows:

[From the Wall Street Journal, Oct. 17, 1985]

KGB DEFECTOR CONFIRMS U.S. INTELLIGENCE FIASCO

(By William Kucewicz)

The KGB took the unusual step last month of issuing what can only be called a press release. In a statement distributed by the official TASS news agency, the Soviet intelligence agency accused a Soviet citizen of spying for the U.S. and also announced the expulsion of a U.S. Embassy official.

The KGB named the suspected spy as A. G. Tolkachev. He was identified merely as a staff member of a "Moscow research institute." No other details about his background were provided. His arrest apparently took place sometime in early June. The announcement maintained that Mr. Tolkachev had been caught passing information to an American diplomat, Paul M. Stombaugh, of the U.S. Embassy's political section. Mr. Stombaugh was ordered to leave the Soviet Union June 14. The KGB statement gave no explanation for the three-month delay in announcing Mr. Tolkachev's arrest and Mr. Stombaugh's expulsion.

Western news correspondents in Moscow interpreted the belated announcement as one-upmanship by Soviet authorities. A week earlier, Britain had expelled 31 Soviets for spying and the Soviet Union responded in kind by ousting an equal number of Britons in Moscow. This exchange had been triggered by the defection of a Soviet spy in London, who had apparently worked as a double agent for the British for years. The Tolkachev announcement was seen as just another spy maneuver.

VALUABLE HUMAN ASSET

That wasn't the real story, however. According to high-level U.S. intelligence sources, Mr. Tolkachev was one of the Central Intelligence Agency's most valuable assets in the Soviet Union. And his exposure and arrest stand as indictments of gross mismanagement and ineptitude reaching to the highest levels of U.S. counterintelligence operations.

Mr. Tolkachev was an electronics expert at a military aviation institute in Moscow. Over several years, he had passed invaluable information to the U.S. about the Soviet Union's latest research efforts in new aircraft technology—especially avionics, or electronic guidance and countermeasures; advanced radar; and so-called "stealth," or radar-avoidance, techniques. Such research is at the cutting edge of military aircraft breakthroughs, both for the Soviets and the U.S. Mr. Tolkachev, one source hinted, may have also tipped the U.S. off to the large phased-array radar at Krasnoyarsk—a treaty-violating facility in the south-central part of the country aimed at completing a nationwide anti-ballistic-missile defense.

"He was one of our most lucrative agents," said another well-placed source. "He saved us billions of dollars in development costs" by telling the U.S. about the direction of Soviet aviation efforts. In that way, American researchers could more precisely target their own work toward countering future military threats.

U.S. intelligence experts believe that Mr. Tolkachev is fated for execution, if he is not already dead. But how was he discovered? And why did the KGB wait three months before announcing his arrest?

Mr. Tolkachev wasn't merely caught in the act of passing secrets to the U.S. Embassy's Mr. Stombaugh, as the KGB claims. In fact, as U.S. intelligence sources tell it, he was betrayed by a former CIA agent, Edward L. Howard. And the KGB's peculiar September announcement was apparently a ruse to try to put U.S. counter-intelligence officers off the scent of this turncoat.

Mr. Howard, who is now 33, joined the CIA in January 1981. An initial polygraph test indicated that he was an occasional drug user. Agency officials told him to end his drug-taking or face dismissal. He then promised to give up drugs.

Shortly thereafter, he entered an intensive, 2½-year training program to become a "deep cover" case officer in the U.S. Embassy in Moscow. One of his assignments would be to "run" Mr. Tolkachev; in other words, he was to collect Mr. Tolkachev's materials at "dead drop" sites in Moscow and to care for his needs. In the course of his training, this untried and untested trainee was, inexcusably, told about critical U.S. human intelligence operations in Moscow; he was even informed about anti-Soviet operations in the U.S. Mr. Howard was also trained for several months by the Federal Bureau of Investigation in surveillance techniques and evasion.

Before being dispatched to Moscow, Mr. Howard was given another polygraph test which suggested that his drug use had continued and also indicated at least one instance of petty theft outside the government. According to sources who have long been critical of shortcomings in U.S. counterintelligence capability, Deputy Director of Central Intelligence John N. McMahon at this point decided he wanted Mr. Howard out of the agency. Mr. McMahon, a career intelligence officer for more than 30 years, had been the CIA's executive director, responsible for the day-to-day management of the agency, when Mr. Howard was hired. In April 1982, Mr. McMahon was named by President Reagan to replace Adm. Bobby R. Inman as deputy intelligence director.

In spring 1983, Mr. Howard was told to resign or he'd be fired. Mr. McMahon took this step despite Mr. Howard's privileged knowledge of U.S. intelligence operations in Moscow, and what his continued drug use said about his emotional stability. (Later, in February 1984, Mr. Howard was arrested for brandishing a pistol at three men in downtown Santa Fe, N.M.; in a plea bargain, he pleaded guilty to an assault charge and was sentence to probation.) Instead of firing him, intelligence experts suggest, a more sensible course might have been to cancel Mr. Howard's transfer to Moscow but retain him in a nonsensitive area of the agency where his actions could be closely monitored.

(Mr. McMahon didn't return a phone call yesterday requesting comment.)

In September 1984, Mr. Howard told two of his former colleagues at the CIA that he was thinking of passing his information to the Soviets as an act of revenge, according to documents filed in a Justice Department criminal complaint against him. These agents then told the proper CIA authorities about Mr. Howard's threat. But the agency's only response was to get a psychiatrist for Mr. Howard in New Mexico, where the CIA had helped him find a job as an economic analyst with the state government back in June 1983.

Meanwhile, a momentous event was occurring a continent away that would darken further the profile of Edward Howard. On July 28 of this year, in Rome, a visiting Soviet official was taking a stroll with some colleagues. He told them that he would meet them back at the embassy after he toured the Vatican museum. His Soviet compatriots never saw him again, and a month later he was in the U.S. being debriefed by the CIA. The Soviet official is Vitaly Yurchenko of the KGB. By many accounts, he is one of the most important Soviet defectors in recent history.

The State Department officially announced Mr. Yurchenko's defection last week. He was deputy chief of the North American department of the KGB's First Chief Directorate, which is in charge of the Soviet Union's world-wide spy operations. He was "specifically responsible for the direction of KGB intelligence operations in the U.S. and Canada," the State Department's announcement said. In addition, he held a senior position in the KGB's counterintelligence program, which aims to root out any Russian moles working for the U.S. or other foreign governments. Previously, Mr. Yurchenko served as a spy in the Soviet Embassy in Washington from 1975 to 1980. As a result of these positions, Mr. Yurchenko was able to gain a broad understanding of the highly compartmentalized operations of the KGB.

Mr. Yurchenko gave his debriefers a code name for a former CIA agent who had supplied valuable information to the KGB. While he did not have the real name of the agent, Mr. Yurchenko did provide enough information for U.S. authorities to "sift through" the relevant data and finally pinpoint Mr. Howard as the suspected spy, said law-enforcement sources, who asked not to

be identified. According to other sources familiar with the debriefing, Mr. Yurchenko said that this former CIA agent had provided the KGB with details about U.S. human intelligence activities in Moscow, including the identity of A.G. Tolkachev, Mr. Howard's revelations therefore, prompted Mr. Tolkachev's arrest and likely execution.

MAJOR FOUL-UP

FBI agents were instructed to interview Mr. Howard but not to arrest him. Explained a law-enforcement source: "The information provided by the defector, standing alone, was not sufficient to establish probable cause." After he was quizzed, FBI agents kept Mr. Howard under surveillance. In a major foul-up, however, no one ever told the FBI agents that Mr. Howard had been schooled by the bureau itself in surveillance and evasion tactics.

On the moonless night of Sept. 21, Mr. Howard escaped his FBI watchdogs. On Sept. 23, the FBI issued a warrant for his arrest, but it was too late. U.S. intelligence finally succeeded in tracing Mr. Howard's trail to Finland and then to Moscow, where he is now presumably being debriefed on all he knows about U.S. spying operations in the Soviet Union and elsewhere.

"The United States has virtually zero counterintelligence capability," Sen. Malcolm Wallop (R., Wyo.) said recently in criticizing the CIA's and FBI's failures in the Howard case. Some experts are predicting a major shakeup in intelligence management due to the Howard-Tolkachev-Yurchenko affair. What will remain after blame is assessed, of course, is that the U.S. has lost one of its most valuable human assets in the Soviet Union and his alleged betrayer has fled safely to Moscow.

ARNOLD ROPEIK SPEAKS OUT ON THE WALLENBERG CASE

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. COURTER. Mr. Speaker, this morning's news reports include mention of a U.S. district court ruling that the Soviet Union violated international law in 1945 when it seized Swedish diplomat Raoul Wallenberg, credited with saving some 100,000 Hungarian Jews. Andrei Gromyko, the current Soviet President, admitted in 1957 that Mr. Wallenberg was in fact a Soviet prisoner, but stated that he died of natural causes on July 17, 1947. However the U.S. court found "credible and uncontroverted evidence" that Wallenberg was alive long after 1947.

Perhaps the Soviets who speak so regularly of the evils of Nazism and their own wartime efforts to protect mankind from those evils, will never do anything to help us resolve this terrible mystery. But we cannot afford to forget the dangerous sacrifices made by Mr. Wallenberg, or all those now living in this country whose freedom and safe passage he won.

Arnold Ropeik, managing editor of the Times of Trenton, NJ, wrote a fine column on the Wallenberg case a few weeks ago, and its message is worthy of a wide hearing. I ask that it be entered into the RECORD for today.

The article follows:

[From the Times (Trenton, NJ), Sept. 27, 1985]

WALLENBERG: CAN'T HE BE SAVED?

(By Arnold Ropeik)

Most people are now pretty familiar with the Raoul Wallenberg story. His exploits are legendary, and when you talk about genuine heroes, this man is surely one of them.

From time to time, individuals or groups hold programs designed to draw support in the fight to find out what really happened to Wallenberg. But what baffles me is why it remains for small groups, individuals and the media to illuminate the facts when that illumination should come from the most powerful offices in the world.

Research shows that some efforts have been made. By the United States; by Sweden, his native land; by major Jewish and non-Jewish human rights groups. All want to save a man who, by bravery, bluff and brilliance, kept Nazi death squads at bay and saved something like 100,000 people from certain doom.

It is obvious that not enough was done early on. The matter lay hidden, or at best, forgotten, for much too long.

Wallenberg will be honored at a reception, dinner and program beginning at 5:30 p.m. Oct. 5 in Scanticon-Princeton Conference Center.

Why is this man allowed to rot in prison, Russian or wherever?

Why didn't his native Sweden scream long, loud and much earlier to the rest of the world?

Why can't the all-powerful United States extract an answer from the Soviet Union to at least one element of the drama: Is he alive or is he dead?

Why was he imprisoned by the Russians at the end of the war if what he did victimized the hated Nazis, the same demented murderers who raped the Russian land and its people?

When a man saves 100,000 people, he leaves an indelible mark on many communities, and this area is one of them. In the last days of the war, one of Wallenberg's cleverly devised and courageously presented documents saved the lives of Dr. Vera Goodkin and her family. She is a professor at Mercer County Community College who will be at the Oct. 5 tribute to tell the story of her rescue.

Per Anger, a retired Swedish diplomat, will fly in from Sweden to offer firsthand description of those dramatic days in Budapest. Anger was one of those who worked alongside Wallenberg in preparing diplomatic "passes" that fooled the Nazis.

Anger, who worked with Wallenberg in the tense days of 1944-45, may be able to shed some light on Wallenberg's fate. He has remained in touch with the situation especially after Wallenberg was believed sighted a few years ago in a Russian prison.

The Oct. 5 date has added significance. It is the fourth anniversary of the day Congress made Wallenberg an honorary citizen of the U.S.

To me, the knowledge that he is a citizen of this land, honorary or real, should force our government to keep the heat on and cry out loudly in Wallenberg's behalf.

What possible motive can the Russians have for keeping this man behind bars? Did Wallenberg come by information the Soviets cannot afford to have the world know? Was he involved in espionage for Sweden, or others?

When American hostages are taken around the world, the hue and cry reverberates throughout the planet. This man is now one of us. We ought to fight harder to find out what has happened to him.

The small session at Scanticon is but one tiny chapter in this astounding story. Perhaps an answer or two will come from the gathering. Maybe an idea on how to proceed will be born.

The story, and the man himself, must not be allowed to perish.

If Raoul Wallenberg dies alone, we all will carry some of burden of his death.

BUSINESS SUPPORTS DAYLIGHT SAVING TIME

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. MARKEY. Mr. Speaker, the House is scheduled on Tuesday to consider H.R. 2095, the Daylight Saving Extension Act of 1985. This legislation, which adds 3 weeks of daylight saving time at the start, and 1 week at the end, has been supported by every President over the past 15 years, because of its benefits for energy conservation, crime reduction, and traffic safety.

Daylight saving time has also enjoyed tremendous public support. Recent public opinion polls show that Americans would prefer more daylight saving time by more than 2 to 1.

This year, businesses have also recognized the benefits of daylight saving time and have joined forces in the Daylight Saving Time Coalition. The Coalition represents businesses with over $135 billion in annual sales. These companies have estimated that sales could increase by 5 to 10 percent from increased daylight saving time. That $6 to $13 billion increase means more jobs, economic growth, and lower deficits.

The members of the Daylight Saving Time Coalition are:

Amateur Softball Association; American Association of Nursery; Barbeque Industry Association, Chocolate Manufacturers Association; Foodservice and Lodging Institute; Hechinger Co.; International Association of Amusement Parks & Attractions; The Kingsford Co.

National Association of Convenience Stores; National Candy Brokers Association; National Confectioners Association; Parcourse; RP Foundation Fighting Blindness; The Southland Corp.; Sporting Goods Manufacturers Association.

Extending daylight saving time is a way to boost the economy without tax breaks or Government spending. In fact, the increased economic activity will help reduce our deficit.

I urge my colleagues to support this bill.

ROBOTICS AND AUTOMATION AT ROCKWELL INTERNATIONAL CORP.

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. WALGREN. Mr. Speaker, on October 7, the House Subcommittee on Science, Research and Technology, which I chair, held a hearing on the role of automation and robotics in U.S. competitiveness. The hearing took place at the College of Technology of the State University of New York in Utica, where new research and training programs have been initiated in these rapidly moving technical fields.

As my colleagues know, U.S. industrial competitiveness is threatened by obsolescence in parts of our basic and manufacturing industries. Innovations in robotics and automation technology hold the promise for dramatically improving productivity and thereby, regaining our strong position in international trade. Government, industry, and academia must continue their cooperative efforts to bring these technologies on-line and to train the work force that will be required.

I was particularly pleased that one of the participants in the hearing was from Rockwell International Corp., with headquarters in Pittsburgh. Mr. J. David Mitchell, Rockwell's director for productivity and advanced manufacturing programs presented the subcommittee with a description of the impressive progress at Rockwell in robotics and automation. I would like to share Mr. Mitchell's statement with my colleagues. It was an excellent contribution to our hearing.

STATEMENT OF J. DAVID MITCHELL, DIRECTOR-PRODUCTIVITY AND ADVANCED MANUFACTURING PROGRAMS, ROCKWELL INTERNATIONAL CORP., CONCERNING ROBOTICS AND AUTOMATION

Mr. Chairman and members of the subcommittee, I am J. David Mitchell, Director—Productivity and Advanced Manufacturing Programs, on the corporate operations staff of Rockwell International Corporation.

I am pleased to have this opportunity to tell you about the progress we are making at Rockwell in robotics and automation.

First, let me give you some idea of the scope of the company.

We expect our 1985 sales to be in excess of 11 billion dollars.

We have more than 120,000 employees. And a high percentage of them are engineers or hold other advanced technical degrees.

We have 5 major business operations and, under them, more than 40 divisions and other smaller business units.

Our products include NASA's Space Shuttle orbiter, the B-1B aircraft, marine navigation systems, telecommunications, avionics, printing presses, truck axles and brakes, valves—meters and light vehicle components. Earlier this year we acquired Allen-Bradley, a leading manufacturer of industrial automation equipment and systems.

We operate in 285 locations on six continents.

Certainly, the drive for improved productivity and quality are not new for Rockwell, or American industry. We all have been trying for years to get greater productivity and quality.

Over the past several years, we have evolved at Rockwell a structured and disciplined methodology to insure that productivity and quality are integral parts of our business strategies.

Automation and modernization have been one of these key strategies and we appreciate this opportunity to share with you a few of our activities in automation because we believe this is one route by which U.S. industry can enhance its competitive position worldwide.

All of us recognize the strong contribution that capital makes to this improvement process and we have been investing aggressively for major programs, new products, and especially for productivity and quality improvements.

We have spent over 3 billion dollars on new facilities, equipment and systems since 1980—and we estimate that about 66 percent of all these expenditures fall into the categories of cost reduction, automation and modernization.

Here are some areas of investment that deserve special mention.

For instance, we have moved aggressively in the development and implementation of CAD/CAM technology and have spent well over 200 million dollars for capital equipment throughout the company. Our investment in software development that is unique to our individual businesses is significantly higher than that.

CAD/CAM currently is being used by more than 95 percent of our operating divisions throughout the world—with very good results.

In one case, major aircraft frame components were designed on a CAD system as full three-dimensional components. A frame was later selected to be converted to a forging by an outside vendor.

The 3-D database was electronically transmitted from Rockwell to the vendor where they were able to create the forging design, without drawings, directly from the 3-D database—at significant savings in time and cost.

Rockwell is investing almost 500 million dollars every year in computer hardware/software, office automation, local area networks and telecommunications to support engineering, manufacturing and information system technology areas.

We have also added a Cray super computer to our scientific computing resources in the last year. This 10-million-dollar computer will permit more effective payload, structural and thermal analysis on Space Shuttle, Space Station and B-1B, to name a few applications.

These investments have resulted in the ability to improve both our product design as well as our manufacturing processes. We are also involved in a number of modernization projects across many of our government businesses.

We are a firm believer in joint government/industry programs that provide modernization incentives and we are experiencing the advantages to be gained through them.

As an example Rockwell has invested about 100 million dollars in a major facility at Palmdale, California, for final assembly and checkout of the B-1B's.

An important feature of this complex is a computerized checkout facility for the aircraft.

Four completed aircraft can be accommodated at one time, and up to 10 systems can be checked simultaneously.

The result is that B-1B systems can be checked out in about 4 weeks—which compares with about 4 months using traditional methods.

Here are examples of some other programs.

Within our Defense Electronics Business we have recently completed a state-of-the-art Gallium Arsenide (G_AA_s) facility in Newbury Park, California, for pilot production of very large scale integrated circuits under a DARPA contract. Rockwell has invested 14 million dollars in a facility which will manufacture the next generation, low-power, radiation-hardened chips that are capable of operating 5-to-10 times faster than current technology.

Our Rocketdyne Division is currently working with NASA under a 10 million-dollar development program for advanced TIG welding using robotics. Rockwell is investing an additional 5 million-dollars for equipment. The program uses advanced sensors for weld penetration and seam tracking and interactive graphics for off-line robotics programming. This welding modernization program will reduce costs and improve quality on Space Shuttle main engines and components.

At Autonetics Strategic Systems Division we have developed high-precision robots to clean high tolerance gyro components for inertial guidance systems. These five-axis units cut time from 4.5 hours to 14 minutes, an improvement factor of 19. At the same time they also made a significant improvement in quality.

We have experienced strong growth in the application of robotics in all our businesses.

We have gone from less than 10 units in 1979 to more than 150 units estimated for the fiscal year which just started.

Most of our applications are in the more traditional machine loading and unloading and material handling areas with approximately 70 percent of our robots being used for these applications.

A very good example of flexible automation at work is the "factory-in-a-factory" built by our Allen-Bradley subsidiary in Milwaukee, Wisconsin.

This completely automated facility produces a world design motor starter line of products and that in itself is an interesting story of global competition.

Briefly, foreign starter manufacturers were beginning to sell into the U.S. market with a lower priced product. Allen-Bradley's response was a strategic investment of about 15 million dollars to design an automation showcase and enter the market with a world product that could be sold competitively in all markets.

The plant capacity is 600 starters per hour. They come in two sizes and 125 variations and may be produced singly or in batches in any combinations.

Production is driven by orders entered on terminals at Allen-Bradley distributors worldwide and sent directly to a mainframe computer in Milwaukee.

Starting with raw material such as plastic molding compound and metal stock, the plant makes just the number of controllers in the specific mix to meet that day's orders.

Orders received are shipped the following day and the necessary invoices are created as part of the shipping process.

And, although it's fashionable to talk about advanced manufacturing concepts

and automation technology, in some cases we've also realized some pretty impressive productivity improvements with modest investments.

In many of our factories, we've simply rearranged our existing equipment and machinery to take full advantage of cellular manufacturing opportunities.

With cellular manufacturing and improved production control systems, we've seen direct labor reduced by 50 to 60 percent . . .

Production rates increased by 100 percent . . .

Set-up time cut by 30 to 70 percent . . .

Fork lift moves cut by 75 percent . . .

Inventory turns doubled . . .

And we've seen enormous improvements in throughput.

In a typical example one of our manufactured parts used to be in process for 54 days, shuttling around from one department to another.

With celluar manufacturing, the whole process now can be accomplished in as little as 6 days.

We currently have over 175 manufacturing cells in our company.

In many of these manufacturing cells we've added robots for additional flexibility.

We recently brought on line, at one of our mid-western plants, a cell that turns out small iron valves. This cell produces one completely machined valve body every 26 seconds.

When we add a duplicate set of processes to the cell, it will produce a valve body every 15 seconds—the most efficient production in the world for this type of valve.

Automation accomplishes many things: it improves flexibility, provides the opportunity to rapidly respond to changing market demands, increases quality, and provides a lower overall cost base.

At the same time it brings about a shift in the technical skill level requirements for all employees.

At the operator and process level there is a distinct need for broader multi-disciplined skills.

We are providing specialized training for literally thousands of our people and we are now in the process of refining and shaping the focus of our training techniques.

As an example, over 10,000 of our people have been trained in statistical process control techniques and these process control methods are being used by more than 70 of our plants.

We have learned that our automation and modernization efforts can only be successful through people initiatives, and we know that people make the greatest contributions to improved quality and performance when they are involved in the process.

Many companies have been very successful in moving toward more worker participation in decision making at the plant level.

At Rockwell we have several plants where we have planned for the integration of people and technical systems long before the plants were built.

These plants, located in both the U.S. and Great Britain, had their specific operating procedures and employee practices literally designed by employee teams.

This cooperation that lead to the successful new plant design process has continued in day-to-day operation, resulting in factories that are not only productive but are great places to work.

These plants have achieved greater production levels, very high quality, and an extremely low level of absenteeism and employee turnover.

Even though these plants are highly automated they have some additional ingredients—such as an all salaried workforce, fewer levels of management, simplified job classification structure, and group incentive programs.

As we continue to automate our factories, we have not lost sight of the fact that we must do a better job in the professional and white collar areas.

We are focusing considerable resources on this aspect of the business, just as we have done on the shop floor.

In conclusion, broader work skills among all our employees require significantly broader levels of education and training. These new levels of automation mandate a more cohesive relationship between employees, machines and technology. Education and training programs must consider the new integrated socio-technical environment.

OPPOSITION TO "FLAWED" EQUITABLE PAY BILL

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. HUBBARD. Mr. Speaker, recently the House passed H.R. 3008, the Federal Equitable Pay Practices Act, legislation about which I was contacted by many of my constituents and other Kentuckians across the State.

I would like to share with my colleagues the letter I received from my fellow Kentuckian, James E. Davis, vice president and manager of employee relations, of Whayne Supply Co. in Louisville, KY. Jim Davis' comments regarding the flawed H.R. 3008 should be interesting to my colleagues, particularly his views about equal pay for equal work and his concern that the legislation is a step toward supplanting traditional market forces in the private sector.

The letter to me from Jim Davis follows:

WHAYNE SUPPLY CO.,
Louisville, KY, August 30, 1985.

Hon. CARROLL HUBBARD, Jr.,
Rayburn House Office Building, Washington, DC.

DEAR CONGRESSMAN HUBBARD: We urge you to vote "No" on H.R. 3008, "The Federal Equitable Pay Practices Act," when it comes to the floor in September. This is a flawed bill because the concept on which it is based is erroneous. This legislation is much more than a mere study of the federal work force to determine if discrimination exists. It endorses the controversial and ill-conceived idea of comparable worth. Such a move will undoubtedly be the first step toward imposing comparable worth on the private sector.

Certainly men and women performing the same job should be paid the same wages. The Equal Pay Act mandates equal pay for equal work. And Title VII of the Civil Rights Act prohibits discrimination against minorities or women in hiring, promotion, pay and training. Wages should be determined by the market economy thereby reflecting the free will of individuals moving freely between job opportunities.

Comparable worth, however, goes far beyond the current law. It is based on a theory of equality of occupations—a concept rejected by all but one lower court in this country. Supply and demand remains a primary factor for setting wages within the private sector. Comparable worth rejects supply and demand as a valid method of setting salaries, and replaces it with someone's concept of intrinsic worth of occupations.

H.R. 3008 sets up a super-agency, "The Pay Equity Commission," comprised of 11 political appointees to select a job evaluator to review both the blue and white collar jobs in the federal government. Any unexplained differences in pay between jobs which are determined by the consultant to be "equivalent in totality" will be reviewed by the Commission. The Commission, who has no expertise in the civil rights area, will then decide how much of the wage gap is the result of discrimination. This is comparable worth. It is a bad idea, which would be totally unworkable in the private sector. In the public sector, it will result in salary increases and will do nothing to eradicate discrimination. I urge you to vote no on this legislation.

Sincerely,

JAMES E. DAVIS,
Vice President,
Manager, Employee Relations.

MARK CHECCHIO HONORED BY NAVY

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. RODINO. Mr. Speaker, I am very honored today to call attention to Lt. Comdr. Mark Checchio, who has been given a commendation by the U.S. Department of the Navy. I have known Mark and his family for many, many years, and it is with great pride that I insert the following letter in the RECORD. It is from his commanding officer, and it details the reasons why Mark Checchio is so deserving of the Navy's "Topcat of the Year" award.

DEPARTMENT OF THE NAVY,
FIGHTER SQUADRON FIFTY-ONE,
San Francisco, August 14, 1985.

From: Commanding Officer, Fighter Squadron Fifty-one.
To: Commander Fighter Airborne Early Warning Wing, U.S. Pacific Fleet.
Subject: Topcat of the Year Award.

1. In accordance with reference (a), Fighter Squadron Fifty-one proudly nominates Lieutenant Commander Mark Checchio for the 1985 "Topcat" award. His superior performance in the fighter community during the past year should rank him "top choice" among those competing for this award.

2. LCDR Checchio is a "superstar" whose individual achievements during the past year, both on the ground and in the cockpit, make him uniquely eligible for this prestigious award. His business is carrier based anti-air warfare, and he is a master at it. Mark is serving on his first tour as an F-14 pilot following pilot transition training. Prior to that, he served as a RIO in F-4's and F-14's and as an instructor RIO at Navy Fighter Weapons School (Topgun).

3. During the squadron's recently completed Western Pacific and Indian Ocean deployment aboard U.S.S. *Carl Vinson*, Mark established himself as the acknowledged AAW expert in both the squadron and the Battle Group. Due to his extensive operational background, he was selected to head

this squadron's revolutionary AAW department. Every success enjoyed during the deployment in the AAW arena resulted directly from Mark's efforts. Specifically, he:

Exhaustively researched and personally authored a detailed secret report on Soviet Anti-Carrier Warfare tactics used in the regimental sized simulated attack made against the multi-carrier battle group on the night of 2 December 1984. Both the report and, more significantly, Mark's superb briefings on the same strike have received widest possible dissemination, including Flag level. VADM McCarthy, COMSEVENTHFLT, personally used this report to brief CINCPACFL, CNO and Navy War College.

Marrying the long-standing "Vector Logic" AAW tactics (which Mark helped develop six years ago) and the newly developed "Chainsaw" Long Range Intercept tactics, Mark authored a major CVW-15 AAW Tacpro, which was so detailed and readable, that even new aircrews not familiar with AAW procedures easily learned the tactics.

Mark organized, planned, briefed and executed the first Pacific Fleet "Chainsaw" exercise which enabled Air Wing Fifteen F-14's to launch from the U.S.S. *Carl Vinson* and successfully intercept simulated Soviet long Range Bombers (USAF B-52's) in excess of 500. NM from the Battle Group.

4. Mark's numerous contributions to the defense posture of Battle Group Charlie reached a pinnacle on 3 December 1984, during flight operations in the Sea of Japan. Soviet reaction to the dual CVBG presence had been moderate to heavy but confined to long range aircraft only and had not included tactical armed threats. LCDR Mark Checchio launched in an F-14 and assumed a combat air patrol position between the carriers and Soviet homeland only 80 miles away. After about forty-five minutes he received a vector to investigate two armed, Soviet Mig-23 Floggers rapidly approaching the outer edge of the Asian Eastern Buffer Zone.

LCDR Checchio immediately turned his aircraft toward the intruders and gained rapid, radar acquisition and visual sight of the approaching aircraft smoke trails but realized he was rapidly approaching the buffer zone. Sensitive to the international implications of violating Russian airspace, yet fully conscious of the dangerous threat that two armed Soviet tactical airplanes presented to him, LCDR Checchio sacrificed the radar advantage and reversed course to draw the two Russian pilots well into international airspace, all the while maintaining visual sight of the threat.

Once the two Soviet airplanes were well into international airspace, LCDR Checchio rapidly reversed course into the threat. Starting from a neutral head-on aspect and taking less than a minute, he skillfully maneuvered his airplane to an advantageous, dead six o'clock position on both aircraft which provided him ample opportunity to record both Mig-23's armed with Apex and Aphid air-to-air missiles on videotape and precluded the Soviet pilots from gaining weapons firing parameters (enclosure 3). The two Soviet airplanes immediately turned and ran towards the safety of their own airspace and LCDR Checchio returned to station.

Fifteen minutes later, an armed Soviet SU-15 Flagon raced outside the buffer towards LCDR Checchio. Again, he skillfully maneuvered his aircraft into an advantageous, six o'clock position and captured the Flagon, armed with both IR and radar guided versions of ANAB missiles, on videotape while denying the Soviet pilot a weapons firing opportunity (enclosure 4).

Displaying superior tactical forethought and expert airmanship, LCDR Checchio not only prevented an international incident but successfully conducted the first modern day intercept of armed Soviet tactical airplanes and gained valuable tactical information for future exploitation by the various intelligence agencies. In view of the information gained and the discipline exercised during the engagement, LCDR Checchio was awarded the Navy Achievement Medal (enclosure 5).

5. Despite his relatively short career to date in the front seat of the F-14, LCDR Checchio has already earned a well-deserved reputation in the squadron and the Air Wing as a premier fighter pilot and tactician. Mark is a warrior who clearly displayed "The Right Stuff" when it counted. His significant contributions to the fighter community during the past year have had fleet-wide impact. Without a doubt, he is most deserving of recognition as the "Topcat" for 1985.

C.F. ZULLINGER.

DEMOCRATS AS DUCKPINS

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. FORD of Michigan. Mr. Speaker, the seeds of the so-called balanced budget amendment sponsored by Senators GRAMM, RUDMAN, and HOLLINGS in the other body are threatening to grow into a major reordering of this Nation's separation of powers. This budget-balancing black box, while achieving eventual parity between spending and revenues, would relegate the U.S. Congress into a reactive institution with a rubberstamp as its most effective club.

This point, and others, was effectively articulated in a recent op-ed piece by David Broder entitled, "Democrats As Duckpins," published in the October 16, 1985, edition of the Washington Post. I insert this exellent opinion for the benefit of my colleagues, Democrats and Republicans alike:

[From the Washington Post, Oct. 16, 1985]

DEMOCRATS AS DUCKPINS

(By David S. Broder)

When Sen. Gary Hart (D-Colo.) went on the radio last Saturday to denounce as "a tragedy and a travesty" the Republican-sponsored budget-balancing plan that sailed through the Senate last week, it was billed as the Democratic response to President Reagan.

Actually, Hart spoke for himself and 19 other Senate Democrats who opposed the plan. He did not speak for the 27 Senate Democrats who joined the Republicans in passing it.

Three of the six Democratic senators who have sought the party's presidential nomination, including Edward M. Kennedy of Massachusetts, supported the GOP plan. Three others, including Hart claimed it was "a political fraud," and voted against it.

The chairman of the Democratic Senatorial Campaign Committee, George Mitchell of Maine, opposed it, calling it "irresponsible and unacceptable." The chairman of the Democratic Congressional Campaign Committee, Tony Coelho of California, while favoring some changes, in arguing to fellow-Democrats that it would be smart politics to let it go into effect.

In short, what has happened is that the Republicans have rolled a political 10-strike with their deficit-cutting plan, and the Democrats are flying in every direction. With a single move, the GOP has taken the deficit issue, which seemed its greatest burden, and deftly shifted the monkey to the Democrats' back.

The substantive effects of the plan on both government programs and on the balance of power between the executive and legislative branches are important enough to merit separate comment. So many questions were left unanswered in the Senate's rush to judgment that it is well the Senate-House conference on the measure will be protracted.

But politically, it is evident already that the late-session initiative by two junior Republican senators, Phil Gramm of Texas and Warren Rudman of New Hampshire, has thrown the Democrats for a loop.

Beyond the obvious political posturing of such potential 1988 rivals as Kennedy and Hart, there was both intellectual confusion and fundamental strategic disagreement among Senate Democrats. Smart southern progressives such as Dale Bumpers of Arkansas and Lawton Chiles of Florida could not agree. Neither could canny conservatives such as Sam Nunn of Georgia and Bennett Johnston of Louisiana. Nor could liberal freshmen such as Paul Simon of Illinois and Tom Harkin of Iowa.

The disarray among House Democrats is, I suspect, going to be even greater, and show even more clearly the basic cleavages inside the old Democratic coalition.

The members of the black caucus and others representing urban and rural districts where government aid is a necessity, not a luxury, have been increasingly restive as the leaders of their party have accepted the philosophy of budget-cutting and avoiding a tax-increase.

They went along reluctantly with those, like Speaker Thomas P. (Tip) O'Neill (D-Mass.), who said Reagan would murder the Democrats politically if they came out for a tax hike, even as they saw aid to their cities and their constituents whittled away.

But this proposal—which requires far deeper cuts and gives the president the power to impose them if Congress does not—has ripped it. Rep. Ron Dellums (D-Calif.), one of those critics, charged that despite the support it drew from people such as Kennedy and Bumpers and Simon, "I see no guarantees (in the proposal) for the poor and powerless. The people that I represent who have been the most loyal supporters of the Democratic Party do not deserve to have their loyalty rewarded by abandonment."

Many white liberals, however, argue that the political imperative to "do something" about the deficit is irresistible, and they think Gramm-Rudman can be reshaped in conference to force Reagan to accept a choice between deep defense cuts and acquiescence in higher taxes.

They voted to go to conference on the measure despite deep misgivings about the proposal as it stands. Rep. John Dingell (D-Mich.) said his preliminary analysis suggests that the transfer of the power of the purse from Congress to the president is so great under the Senate-approved bill that "everything that's been gained (by legislatures in

democratic countries) since the field of Runnymede has been thrown away."

Rep. David Obey (D-Wis.), another liberal conferee, said his hope is that "we can keep all categories of spending on the table, and then the military will have to take a real hit if Reagan refuses to consider a tax increase." But he, too, conceded that "at this point, nobody knows what's in it and what it would really do."

Backstage there are Democratic strategists who don't really care what is in it, or what it does, so long as it is rewritten to take effect in 1986 and so long as the voters know it's basically a Republican design.

House Democratic campaign chief Coelho argued that "when the crunch comes, and programs people want are cut, they will remember who pushed it."

That hope of a public backlash is little consolation to those like Dellums who see Gramm-Rudman as the final step in Reagan's design to dismantle the welfare state. They see betrayal, not shrewdness, in the acquiescence of so many Democrats in that plot.

LUPUS AWARENESS WEEK IN WYOMING

HON. DICK CHENEY

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. CHENEY. Mr. Speaker, lupus erythemsatosus is a disease which strikes over 55,000 individuals each year. It victims are primarily young women between the age of 16 and 30. Next week is National Lupus Awareness Week and I would like to take the opportunity to commend the Wyoming Chapter of the American Lupus Society for its work to heighten public awareness of this disease. Following is a proclamation issued by Governor Ed Herschler proclaiming October 20 through October 26 Lupus Awareness Week in Wyoming.

PROCLAMATION: LUPUS AWARENESS WEEK

Whereas, there are approximately one million Americans who are victims of lupus and it is estimated that over 55,000 new cases are diagnosed each year. Although not well know, lupus is more prevalent than muscular dystrophy, cerebral palsy, multiple sclerosis, leukemia, cystic fibrosis and other highly visible and better known diseases. Ninety percent of lupus patients are women, with the average age of onset being 16 to 30. It affects all races and lupus strikes one woman in about every 400; and

Whereas, the cause of lupus is not known, and its initial diagnosis is difficult to make since there is no single set of symptoms or pattern to the disease. Lupus is not cancerous or infectious. Recent studies indicate distinct hereditary factors exist; and

Whereas, in recent years, the outlook for lupus patients has improved due to extensive and vigorous research and positive results have emerged from studies uncovering several diverse defects of the immune system and from research on genetic and environmental factors influencing the disease.

Therefore, I, Ed Herschler, Governor of Wyoming, in recognition of the need for greater public awareness of lupus, do hereby proclaim the week of October 20 through October 26, 1985, as "Lupus Awareness Week".

I call upon the people of the State of Wyoming to observe this week with appropriate ceremonies and activities.

In Witness Whereof, I have hereunto set my hand and caused the Great Seal of the State of Wyoming, to be affixed this 27th day of September, 1985.

ED HERSCHLER, *Governor.*

Attest: Thyra Thomson, Secretary of State.

A TRIBUTE TO SISTER MARY DEPAUL GLUNS

HON. ALAN WHEAT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. WHEAT. Mr. Speaker, for the past 20 years, Sister Mary DePaul Gluns has been a teacher, counselor, and friend to the students at St. Mary's, an Independence high school in my congressional district. On October 23, alumni, parents, friends, and students will say thanks to this remarkable woman at a program in her honor. It is with tremendous pleasure that I am able to add my voice to the chorus of gratitude expressed by her colleagues and many friends.

An outstanding educator, Sister Mary DePaul entered the convent at St. Agnes Academy in Kansas City, MO, in 1927. She has taught thousands of children in eight different schools over the years and her message has always been the same. Sister Mary DePaul instills in her students that regardless of scholastic ability, each student is special. She has the knack to make the less capable student feel as proud as the straight A pupil.

A foreign language specialist, Sister Mary DePaul taught several other classes besides German language and culture. She was at different times a mathematics, English, and social studies teacher. Her breadth of experience may explain why so many beginning teachers turned to her for advice and assistance. Her advice and assistance was especially sought and needed during a time of dramatic upheaval in education in the 1970's.

Mr. Speaker, it would be impossible to show the depth of our gratitude to Sister Mary DePaul on this one occasion. She has meant so much to so many people over the years. Her students have learned more than just words and mathematical equations from her. They have been taught the values espoused by a kind, sincere and devoted educator. Sister Mary DePaul will be missed, but she will not be forgotten. I join with her colleagues, friends, and the parents and students of St. Mary's in expressing our appreciation to Sister Mary DePaul Gluns.

COSTA RICA THANKS THE HOUSE FOR SUPPORTING COSTA RICAN NEUTRALITY

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. BARNES. Mr. Speaker, I have received a copy of a letter to you from President Luis Alberto Monge of Costa Rica, in which he thanks the House for passing House Concurrent Resolution 33 in support of Costa Rican neutrality. I was privileged to be the sponsor of the resolution.

Mr. Speaker, I would respectfully suggest that the House should have the benefit of seeing this expression of thanks from the President of Costa Rica, so I include the letter at this point for the information of our colleagues.

SAN JOSE,
September 27, 1985.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House, House of Representatives, Washington, DC.

DEAR SPEAKER O'NEILL: I would like to express my appreciation to the entire House of Representatives for its fine gesture in the passing of House Resolution 33 supporting Costa Rican Neutrality. Your action gives me much personal comfort as I try to maintain Costa Rica's traditional and rather unique role as an unarmed country dedicated to peace and democracy. It is our deep desire that when these fraticidal wars end, Costa Rica will be able to help heal the wounds of our neighbors. Our policy of permanent active and disarmed neutrality is very important if we are to have an opportunity to fulfill this goal.

Sincerely yours,

LUIS ALBERTO MONGE,
President, Republic of Costa Rica.

WASHINGTON EFFORT STARTED TO HELP VICTIMS OF DISASTER IN PUERTO RICO: WORST IN CENTURY

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. GARCIA. Mr. Speaker, the recent disastrous flooding and mud slides in Puerto Rico have claimed the lives of hundreds of our fellow U.S. citizens, and efforts are now underway to aid the victims of this tragic disaster which is the worst of this century to hit the island.

With the Presidential declaration that Puerto Rico is eligible for disaster assistance will come help for the massive effort to meet the housing needs of many who lost their residences, particularly in Ponce, PR. Although help is needed throughout the island in areas suffering severe flooding.

The response to this tragedy by the many Puerto Ricans living on the mainland has been overwhelming. In New York, concern for the victims has resulted in a numerous outpouring of offers to help.

Many Puerto Ricans also live and work in the Washington area, and here, I am gratified to note, all segments of the Puerto Rican community have banded together to set up an ad hoc committee to provide speedy relief and contributions to private, tax-exempt relief organizations set up in Puerto Rico by both the Commonwealth government acting in concert with private industry and also the city of Ponce.

Since the needs are so immense, this ad hoc committee is publicizing the effort throughout the Washington metropolitan area that check contributions can be sent made out to either Unidos de Puerto Rico or the Ponce emergency relief fund, both island-based organizations, and the groups will share equally in contributions. Checks or cash contributions can be sent to ISLA, P.O. Box 6557, Washington, DC 20035.

There are many Puerto Ricans here who work for the Federal Government, and Washington is also headquarters for such prominent and worthwhile groups as the National Puerto Rican Coalition, the National Puerto Rican Forum, and others who have always given so unsparingly of their time and expertise in helping mainland and island Puerto Ricans have a fair share of access to opportunity in our society.

The tragedy in Puerto Rico, its magnitude, and the loss of lives of so many Puerto Ricans, is one which surely merits our attention and help.

A press release issued by the Ad Hoc Washington Committee to Support Puerto Rico Relief Effort follows outlining the various efforts being coordinated to help the victims of the disaster.

WASHINGTON, DC—Puerto Rican individuals and groups in the Washington Metropolitan area and nearby Baltimore have launched a relief effort to help victims of the recent floods and mud slides in the Island which may have recently claimed more than 500 lives.

Members of the Puerto Rican community here have set up an informal ad hoc committee to expedite the collection of contributions to two Island-based non-profit, tax exempt funds established after the disaster in Puerto Rico.

The first, Unidos de Puerto Rico, was set up by the Commonwealth government working with private industry. The second, the Ponce Emergency Relief Fund, was organized by the City of Ponce, located on the south coast where the majority of the deaths occurred in an area called Barrio Mameyes.

The informal volunteer effort was organized last Wednesday and is seeking to publicize the fact that checks can be sent directly to a local box number, according to Puerto Rican lawyer, Ms. Emma Navajas. Checks made out to either Unidos de Puerto Rico or the Ponce Emergency Relief Funds can be sent c/o ISLA, P.O. Box 65557, Washington, D.C. 20035. Isla is a Washington consulting firm headed by Ms. Paquita Vivo.

A total of 26 individuals representing Puerto Rico's government agencies and civic groups met last Friday in order to mount an immediate joint effort to aid victims, primarily through a mainland effort in raising cash contributions.

Vicki Dapena, a resident of Bethesda, and sister of Ponce Mayor, Jose Dapena, spearheaded the group.

The AD Hoc Committee stressed that funds raised will be shared equally by both organizations. In addition, unidos de Puerto Rico has pledged that 25 percent of its funds being raised in Puerto Rico will be handed over to the Red Cross for the immediate emergency needs of the victims.

In addition to the fund raising effort, the Ad Hoc Committee announced that a memorial mass will be held this Sunday (October 20, 1985) at 2:00 p.m. at the National Shrine of the Immaculate Conception. It will be celebrated by His Excellency Alvaro Corrada del Rio who was recently installed as the first Hispanic Auxiliary Bishop in the Washington Roman Catholic Archdiocese. He is a Jesuit born in Puerto Rico.

Members of the Ad Hoc Committee emphasized the fact that cash and contributions in the form of checks is the easiest and most effective way to help in the massive relief effort now underway. Temporary housing and other emergency needs must be met quickly to aid in housing and resettling victims.

The response to help Puerto Rico in the Washington area and vicinity, the Ad Hoc Committee said, was overwhelming.

With more than 3.2 million American citizens, Puerto Rico was declared a Federal disaster area last Thursday, a decision which will help provide assistance to give direct aid to thousands of victims made homeless by the massive flooding and earthslides which made this Puerto Rico's worst disaster of the century.

The Ad Hoc Committee has solicited and received the support of the Resident Commissioner from Puerto Rico in Congress, Hon. Jaime B. Fuster, the Puerto Rico Federal Affairs Administration in Washington which represents the Governor of Puerto Rico here, the Washington Office of the City of San Juan, Puerto Rico, the Republican National Hispanic Assembly, the Hispanic branch of the Democratic National Committee, LULAC (League of United Latin American Citizens) and scores of individual Puerto Ricans living in the Washington area, many of them Federal employees who have pledged their support of the volunteer effort.

MICHIGAN MINORITY SMALL BUSINESS PERSON OF THE YEAR

HON. HOWARD WOLPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. WOLPE. Mr. Speaker, I would like to take this opportunity to congratulate Mr. Joseph Gibbons of Kalamazoo upon being named Michigan Minority Small Business Person of the Year.

Starting with an investment of only $5,000 in 1980, Joseph and Bridgette Gibbons have developed J & B Computer Product Center Inc. into an enterprise with sales of over $2.5 million in 1984.

Joe Gibbons laid the groundwork for success as an entrepreneur through an illustrious career with the IBM Corp. After his graduation from Calvin College and 2 years as a social worker in New York City, Joe joined IBM's Wall Street office in computer supplies and accessories. Joe moved from sales trainee in 1974 to president of the IBM 100 Percent Club receiving honors as the top salesman in the Nation in 1977. Joe continued along the fast track the following year by being promoted to product advisor and soon thereafter moving up to area manager for a six State region with revenue responsibility for $40 million in sales.

Joe's wife, Bridgette Gibbons, has played a major role in the success of J & B Computer Product Center Inc. As a graduate of Western Michigan University, Bridgette gained valuable business experience carrying responsibility in the purchasing department of Clark Equipment Co.

As the result of much hard work in the implementation of a carefully devised business plan, J & B Computer Product Center Inc. has received numerous accolades from the business community.

Mr. Speaker, I would draw the attention of my colleagues to the following Kalamazoo Gazette article that provides the recognition for hard work and success that Joe and Bridgette Gibbons so richly deserve.

GIBBONS WINS STATE HONOR

(By Kathy Jennings)

Joseph Gibbons, chief executive officer of J & B Computer Product Center Inc. in Kalamazoo, has been named Michigan Minority Small Business Person of the Year.

The U.S. Small Business Administration award is given as part of national Minority Enterprise Development Week, which takes place next week.

J & B Computer Product Center, 728 W. Michigan, started up five years ago with two employees and a $5,000 investment. It now has 19 employees and 1985-86 sales are expected to exceed $5 million, Gibbons said today.

"J & B Computer is an example of the minority-owned firms that have emerged as a dynamic force in the marketplace," said Raymond Harshman, Michigan district director of the SBA. "Joseph and his wife Bridgette's success shows how resourcefulness and perseverance can result in an outstanding business."

Joseph Gibbons is chief executive officer of the firm and Bridgette Gibbons is president. In 1982 they moved the company to Kalamazoo from Chicago. The company sells computers, software and accessories to both small businesses and large corporations such as the Kalamazoo-based Upjohn Co. and the Oldsmobile Division of General Motors Corp.

As winner of the Michigan award, Gibbons is eligible to compete with other state winners for the national SBA award.

Joseph Gibbons said today he is "thrilled" to be recognized by the SBA.

"We are just trying to do a good job," he said. "We try to take care of our business, control our growth and build customer loyalty. To be recognized for that—when you are just doing your job—that is an extra."

Factors considered by the SBA in granting the award include an evaluation of the firm's growth, net profit and sales. Product quality, management and the reputation of the firm also are evaluated by the SBA committee that selects the winner.

Nominations for the SBA award are made by companies and organizations throughout the state.

In granting the award, Harshman also cited Joseph Gibbons' involvement in community affairs and activities aiding in the advancement of minority businesses.

The SBA award will be presented at the Minority Enterprise Development Week awards banquet on Oct. 8 at Cobo Hall in Detroit.

Gibbons is president of the Southwest Michigan Minority Business Development Association. He also served on the state committee responsible for recommending changes in the Minority Business Enterprise Division of the Department of Commerce.

Earlier this year, Gibbons was named Minority Vendor of the Year by the Michigan Department of Commerce. The minority vendor award is given to a business based on an analysis of its strength, growth, quality of products or service and its performance.

WAR AGAINST DRUGS

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues an editorial printed in The Washington Times on October 9, 1985. The editorial describes several of the accomplishments made by U.S. Federal law enforcement agencies involved in the war against drugs in this country. I commend the editorial. We must use every weapon available in the fight against this dangerous threat to the very fabric of our society.

TIDE IS TURNING AGAINST DOPERS

Much has been written about how we're losing the war on drugs, so why not give up and legalize drugs? And I smile. I smile because I know better.

From 1977 to 1979 I was a federal prosecutor in the U.S. attorney's office in Miami, Fla. In those days, that office consisted of approximately 25 lawyers. Interagency cooperation was nonexistent, the cocaine barons were secure in Colombia, drug traffickers openly carried large amounts of cash to the banks in paper bags, and in the movies, "high" was in. The drug problem was out of control. It was war—the greatest attack on the fabric of the American social structure that ever has been seen—and we were losing.

Then, in 1981, reinforcements arrived. President Reagan declared we were fighting back: "We're taking down the surrender flag that has flown over so many drug efforts; we're running up a battle flag. We can fight the drug problem, and we can win."

The administration promoted legislation and increased resources to mount the counteroffensive on the two fronts that are turning the tide: destroying the drug traffickers' top organizers and wealth, and educating the American public about the dangers of drug abuse.

The U.S. attorney's office in Miami is now the fourth largest in the country, with approximately 94 assistant U.S. attorneys. Interagency cooperation is routine. FBI participation in drug enforcement has increased federal drug investigative resources by about 50 percent. The formation of 13 Organized Crime Drug Enforcement Task Forces in 1982 brought together the resources from nine federal agencies to fight drug trafficking, and state and local officers from more than 100 law enforcement agencies have participated in 44 percent of task force cases.

The extradition of major narcotic dealers from other countries is another sign that the tide has turned. For example, a treaty with Colombia now permits extradition of Colombian nationals to the United States for narcotics violations.

We also have mutual assistance treaties with numerous countries. The United States and the Cayman Islands recently negotiated an agreement that will allow access to Cayman banking information in certain criminal cases, particularly those involving narcotics. Italian and U.S. authorities have established a joint group to assist in narcotics organized crime investigations and prosecutions.

We're taking the profit out of drug trafficking. The Comprehensive Crime Control Act of 1984 allows seizure of all ill-gotten assets from drug smugglers including ranches, businesses, estates, works of art, and condominiums—not just boats, cars, and planes used to smuggle narcotics, as in the past.

First Lady Nancy Reagan also has been an invaluable help in the fight against drug abuse. She has given visibility to drug abuse awareness campaigns and been an eloquent champion in the effort to discredit the allure of drugs.

Not a day goes by without seeing in the newspapers a story about still another crackdown on major drug figures, or about marijuana plant eradiction. The attorney general, himself, recently supervised one such eradication mission.

There is still much to be done, drug abuse remains, widespread. Yet the tide has turned, and the momemtum is with us. The key is to keep the heat on.

Even the movies and televison shows reflect this turn of events: the dopers aren't laughing anymore, as they did in the Cheech and Chong movies. Drug smugglers are portrayed more realistically now as ruthless murderers in "Miami Vice"—and now they're singing "The Smugglers' Blues."

IMPROVING TECHNICAL EDUCATION

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. WALGREN. Mr. Speaker, I would like to share with my colleagues an article written by Dr. Dale Parnell, president of the American Association of Community and Junior Colleges, in which he argues for higher education reform targeted toward improving education in technological fields.

Dr. Parnell makes a compelling case for improving technical education—compelling for this country educationally and economically—which I believe argues for H.R. 2353, my bill to create in the National Science Foundation a program to assist community colleges for this very purpose. I commend his article to my colleagues in the House.

EDUCATING THE NEGLECTED MAJORITY

(By Dale Parnell)

Educational reform has been a hot issue in recent years. Teacher preparation, academic quality, the value of the humanities, and the quest to define an "educated person" have gained much national attention from educational and business leaders, the media, and elected officials—particularly our governors.

I believe we can sum up most of the reform reports with two words: substance and structure. More substance and more structure are required in the educational program, especially at the high school level. But this alone won't do it. Potluck in the schoolhouse is no longer sufficient for a quality education.

The recent educational reform reports and studies have overlooked one vital segment and one pressing problem in today's educational system—the middle 50 percent of our high school student body, a group I call "the neglected majority." These students often struggle to complete high school. They do not see much value or benefit in the high school diploma, and most of these students will not complete a baccalaureate degree. But they do need an excellent education.

The neglected majority represents a waste of our human resources, and our economic resources as well. These students could become the foundation of our technological work force, which is increasingly dependent on competent, liberally educated technicians.

Here are some startling facts that bring home the importance of addressing the needs of the neglected majority:

Eighty-three percent of the current adult population does not hold a baccalaureate degree. By 1990 that figure might decrease to 75 percent. But this still leaves three out of every four adult Americans without a baccalaureate degree.

Of 40 million elementary and secondary school students in this country today, 11 million will not complete high school.

Nearly two-thirds of all high school dropouts come from an unfocused general education program.

The 20 fastest-growing occupations in 1982–85 all indicated a preference for postsecondary education and/or training, but not necessarily a baccalaureate degree. The American Electronics Association reports a 60 percent increase in the need for technicians by 1987, or 115,000 new electronic technician jobs.

A recent Pennsylvania State University study found that 90 percent of the 1982 and 1983 entering college students expected a B average, while 61 percent estimated they would need to study less than 20 hours a week. Eighty percent said they knew little or nothing about their choice of major.

Three trends emerge in examining the issue of the neglected majority: the increasing need for competent and broadly educated technical workers; the wasted talent of our young people who do not complete high school or do not benefit much from high school; and the lack of continuity between high school and college curriculums.

I propose a new four-year "tech-prep" associate degree program that would parallel the college preparatory-baccalaureate degree track. We propose to make better use of the junior and senior years of high school in a coordinated, continuous four-year curriculum that would span grades 11 and 12

and two successive years in a technical, junior, or community college.

The program would combine a common core of learning and technical education and would rest on a foundation of basic proficiency in math, science, communications, and technology—all in an applied setting and measured by standards of excellence.

This tech-prep associate degree program would assure that the majority of our high school students who do not aspire to a baccalaureate degree receive a quality education. The program would also provide our economy and businesses with the trained and educated technicians they need.

Can high schools and colleges do something about the loss of continuity in learning? Can cooperative effort and cooperative programming help make winners out of ordinary students? Can the tech-prep associate degree program provide more structure and substance for students not on the college preparatory track?

The answer to all these questions is, and must be, yes. Either we will help our ordinary students develop the competencies to function as independent and productive citizens, or later we will pay the bills for not doing so. We will invest in developing our human resources now, or we will waste these precious resources and thereby diminish the capacity of individual lives and the strength and vitality of our nation.

THE 10TH ANNIVERSARY CELEBRATION OF THE EXECUTIVE ADMINISTRATION OF THE UNIVERSITY OF MARYLAND EASTERN SHORE'S CHANCELLOR, WILLIAM PERCY HYTCHE

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. DYSON. Mr. Speaker, I rise today to pay tribute to Dr. William Percy Hytche, chancellor of the University of Maryland Eastern Shore.

On October 19, Dr. Hytche will be honored in a special celebration commemorating his 10 years of dedicated and distinguished service to the University of Maryland Eastern Shore. Because of Dr. Hytche's sound judgement and creative vision, the university continues to grow and prosper.

Dr. Hytche, who was born and raised in the Porter, OK, area, earned his B.S. degree in mathematics at Langston University and his M.S. and Ed.D. degrees at Oklahoma State University. He has also studied at Oklahoma University, Oberlin College, University of Wisconsin and the University of Heidelberg in Heidelberg, West Germany.

After serving in roles as instructor, assistant professor, associate professor, professor, chairman of the department of mathematics and computer science, dean of student affairs, chairman of the division of liberal studies, and director of a major Federal program, Dr. Hytche was recognized for his administrative abilities by university officials and the board of regents and was appointed chancellor in 1975.

Dr. Hytche is a man who has done much to improve the quality of life in his community. For college students and colleagues alike, Dr. Hytche's wisdom, wit, and compassion is well known.

More than anything else, Dr. Hytche considers himself an educator. And nowhere has Dr. Hytche's commitment to excellence been more evident than in hs record as a teacher. While teaching in the Ponca City, OK, school system, Dr. Hytche received the Outstanding Teacher of the Year Award. In addition, he has been honored with the title, Most Outstanding Administrator while serving in the U.S Army Corp of Engineers, as well as Outstanding Faculty Member of the Year at the University of Maryland Eastern Shore in 1966.

Chancellor Hytche's enormous contribution to the State of Maryland is deeply appreciated. It is with a sense of great pride, Mr. Speaker, that I offer these few words of honor to such an outstanding individual.

ENDOWMENT FOR DEMOCRACY PRAISED BY AFL-CIO

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. COURTER. Mr. Speaker, when the executive council of the AFL-CIO met for several days in Pittsburgh in August, they released a statement expressing their view of the importance of the National Endowment for Democracy. They view the Endowment as I do—an exemplary wedding of private initiative and public moneys toward the end of fostering democracy and freedom abroad.

Please allow the RECORD for today to include the text of the AFL-CIO statement.

STATEMENT BY THE AFL-CIO EXECUTIVE COUNCIL ON NATIONAL ENDOWMENT FOR DEMOCRACY

In November 1983, Congress authorized funding for the National Endowment for Democracy, a private organization established to assist labor, business, the political parties, and other non-governmental agencies to help their counterparts in other countries to strengthen democratic institutions, promote human rights, and foster pluralism.

Having observed the work of comparable organizations in Europe, the AFL-CIO actively participated in the studies that led to the creation of the Endowment, and we strongly urged congressional support for it. We continue to believe that private-sector efforts on behalf of democratic institution-building abroad are vital to a foreign policy centered on human rights.

Our decades of work with trade unions abroad have convinced us that non-governmental institutions can be more effective in promoting freedom of association than governments, which may find it expedient to subordinate human rights concerns to other objectives.

The Soviet bloc allocates enormous funds and personnel to influencing the international labor movement and other private-sector institutions. While NED's resources are tiny compared to the funds expended by the totalitarians, they substantially enhance the ability of U.S. democratic forces to respond to this challenge.

Yet NED has encountered strong resistance from both ends of the political spectrum, where isolationism runs strong. Some on the Right oppose NED on budgetary grounds; some on the Left see aiding democratic institutions in other countries as a form of interventionism.

The AFL-CIO rejects both of these views. Our own democratic institutions cannot survive in isolation. Freedom of association cannot be secure here if it is snuffed out in the rest of the world. Nor can peace be assured in a world in which ordinary people lack the means of expression and organization to influence their leaders.

The AFL-CIO therefore reiterates its support for the National Endowment for Democracy and urges the Congress to provide funds commensurate with the urgency and scope of the Endowment's purposes.

FOURTH ANNIVERSARY OF THE SOUNDVIEW HEALTH CENTER

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. SCHEUER. Mr. Speaker, the Soundview Health Center, located in Bronx section of my district, will celebrate its fourth anniversary of operation at a dinner on Saturday, October 19, at Mauro's in the Bronx. This center has filled a critical health and social services void in the south-central Bronx. I would like to bring to the attention of my colleagues a few facts about the center's work in the hope that it may serve as a model for other community health centers throughout the Nation.

From its beginning in 1981, the Soundview Health Center's goals, objectives and philosophy have been determined by the specific needs of the community it serves. The center has established an outstanding reputation by providing first-rate, family oriented health care. Its unique clinical model, caring administration and dedicated board of directors have succeeded in making the center a shining example for health care institutions throughout New York City and our Nation.

The Soundview Health Center, which speaks to the need for cost-savings without compromising the quality of health care, has won recognition from organized labor unions such as District 37 of the American Federation of State, County and Municipal Employees, the New York State Department of Health, and the U.S. Department of Health and Human Services. Despite a general atmosphere of nonsupport for health and social programs of this type, Soundview Health Center has proved to be a worthy provider for Bronx residents.

I would like to take this opportunity to commend the individuals who have been the driving force behind this excellent institution: Edward Gibss is chairman of the board of directors, Pedro Espada serves as the center's executive director, Dr. Neil Calman is medical director, and Sandra Love is its community affairs director. These are the people who are responsible for the center's ability to provide dependa-

ble, low-cost and quality health care for the residents of the Bronx and I commend them for their dedication and hard work.

Under the able leadership of the Comprehensive Community Development Corporation, I am confident that the residents of the Bronx can look forward to even better care for human needs from the Soundview Health Center in the years ahead.

H.R. 1409, MILITARY CONSTRUCTION AUTHORIZATION BILL

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. BEDELL. Mr. Speaker, when the House considered the fiscal 1986 military construction authorization bill, H.R. 1409, yesterday, I did not offer two amendments I had proposed earlier. However, as one who has been and will remain active in seeking reforms of current procedures for Federal procurement of architectural and engineering [A/E] services, I believe two issues merit further investigation by Congress.

First, I remain opposed in principle to any ceilings on the size of A/E contracts that are set aside for small businesses. Rather, proper industry size standards set by the SBA are the best way to ensure that small businesses receive a fair share of contracts and dollars. There is overwhelming statistical evidence that the small business set-aside program for A/E military construction contracts is not helping small businesses the way Congress intended. The set-aside program has been gutted by a restriction that arbitrarily suspends the Small Business Act. This restriction is a ceiling of $85,000 on the size of individual A/E contracts that can be set aside for small businesses. Because of recent action by the SBA to lower the A/E size standard, and because I am hopeful that the DOD will propose raising the $85,000 ceiling, I did not offer my amendment to repeal the ceiling concept at this time.

Second, on a completely different issue, the Office of Federal Procurement Policy [OFPP] has recommended that Congress authorize a limited program to test alternatives to current Brooks Act A/E source selection procedures. The OFPP's recommended alternative is quite modest and deserves a try. Of all negotiated Federal procurement, procurement of A/E services is the only place where the Government gives so little consideration (and so late in the process) to the price of the services it is procuring. While I remain, as always, strongly opposed to any selection procedure based solely or primarily on price, I do think that we have a responsibility to the taxpayers to see that price receives some consideration. Because I am hopeful that further hearings will be held on this matter, I did not offer the amendment I had proposed that would have implemented the OFPP's recommendations.

Neither of these proposals is my idea, and neither of them is a new idea. Rather, they were recommended in reports to Congress by the Department of Defense and the Office of Federal Procurement Policy. These reports were required by legislation enacted by the Armed Services Committee and by the Government Operations Committee respectively. Both concepts were also supported by the comprehensive study by the Commission on Government Procurement.

SMALL BUSINESS SET-ASIDES

These are 15,250 firms in the general construction area of the A/E industry, which excludes naval A/E. According to the most recent Department of Defense (DOD) statistics, the very largest 1.5 percent of firms (i.e. 250 firms) in this industry are now receiving 18 percent of contract awards, and 31 percent of the contract dollars awarded. Due to a provision inserted by the Senate in the fiscal 1985 Military Construction Act (Public Law 98-407), the percentage of contracts and contract dollars that is set aside for competition among small businesses has been cut in half in the last year. Section 808 of that act provided that no A/E contract that is estimated to exceed $85,000 will be set aside for competition exclusively among small businesses. In practice, DOD does not set aside contracts over $55,000, for fear that they might exceed the threshold amount after later modifications.

Many of the largest firms in the A/E industry supported imposition of this $85,000 ceiling because they believed that the Small Business Administration was defining some rather large firms as "small." These firms were then eligible for small business set-asides. I and the House Small Business Committee have long shared the view that the size standard for a "small" A/E firm is far too high. In fact, the Small Business Committee held hearings recently on the failure of the SBA to set proper size standards in some industries. Those hearings focused on size standard reform legislation, H.R. 1178, introduced by Small Business Committee Chairman Parren Mitchell. Chairman Mitchell has indicated that the committee may mark up H.R. 1178 this fall, and I assure the House that the Small Business Committee will continue to act to achieve proper size standards in all industries.

Regarding the A/E size standard, I was pleased that the SBA proposed on September 16, 1985 that the size standards be lowered from $7.5 million and $3.5 million in average annual billings (for the engineering and architectural industries respectively) to $1.5 million. Although I think that the SBA has now proposed a standard that may be too low, I am pleased that the issue is finally being addressed.

It would now be appropriate to repeal the $85,000 ceiling on contract size. The section of law that imposed this threshold amount authorizes the Secretary of Defense to revise the threshold amount effective October 1 of this year in order to ensure that small businesses receive a fair share of A/E contracts. I am hopeful that DOD will propose a higher ceiling for fiscal year 1986, and I will not offer my amendment to repeal the threshold amount concept at this time. However, I remain opposed to this entire approach to small business set-asides. So does the Department of Defense. Public Law 98-115, the Military Construction Authorization Act, 1984, directed DOD to conduct a comprehensive review of its A/E procurement program in order to determine whether current law results in a fair distribution of contracts to firms of all sizes. In his report to Congress, Secretary Weinberger stated, "The establishment of a 'reasonable threshold amount' will not result, in our view, in 'reasonable share distribution.' We believe that an appropriate size standard will accomplish that objective."

THE BROOKS ACT

In 1967, the U.S General Accounting Office GAO ruled that the Government's traditional method of selecting A/E firms did not comply with the statutory mandate for "competitive negotiations" because price was not a factor. Enacted in response to this ruling and with the stated purpose of making A/E procurement more competitive, Public Law 92-582—the Brooks Act—essentially codified the traditional method of A/E selection. It prohibits the consideration of price until the Government has chosen the firm with which it will first negotiate. In 1972, the Commission on Government Procurement recommended that price be considered as a secondary factor in A/E source selection. In 1976, the GAO found that Public Law 92-582 had not made A/E procurement more competitive and recommended that the Government award A/E contracts on the basis of the best value in terms of design performance and life-cycle cost.

In January 1985, a report by OMB's Office of Federal Procurement Policy [OFPP] that was required by the Competition in Contracting Act recommended a very limited program to test alternative selection methods. The OFPP recommended that the three "most qualified" firms would be given a detailed briefing on the proposed project, and then invited to submit technical and price proposals simultaneously in separate envelopes. The technical proposals would be opened first and ranked on the basis of technical merit, then the cost proposals would be opened and matched with the technical proposals. The government could then select the technically top-ranked firm if it clearly represented the best value, or—failing successful negotiations with the top-ranked firm—could negotiate with the next-highest ranked firm. The Department of Defense has also indicated that a test program would be appropriate.

I would like to make it clear that I remain strongly opposed to any A/E selection procedure based solely or primarily on price. I believe that the OFPP proposal addresses the legitimate concern that engaging the services of an experienced design professional is very different from buying spare parts.

As former House Government Operations Committee Chairman Chet Holifield wrote in his dissent to the Brooks Act committee report in 1972, "Great fears have been ex-

pressed that, if competitive proposals are required for each project, then the competition will inevitably become one of price bidding; and that the Government, in consequence, will be driven to select the inferior firm with the lowest offer at great risk to the quality of performance. The argument frequently is cast in terms of advertising for sealed bids. In my opinion this is a complete bugaboo." No one is suggesting, "* * * that professional services of this kind be purchased through advertising and sealed bids. * * * The real point is that, unless the Government has an opportunity to receive and evaluate competing proposals for the best way to get a job done, it will not be able to assure itself that the public interest is fully served."

CUBA SAID TO JAIL ACADEMIC, UPSETTING THE FRENCH

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. YATRON. Mr. Speaker, I want to take this opportunity to discuss the human rights situation in Cuba. Despite all of Castro's proclamations regarding improved conditions in his country, the human rights of Cuban citizens are denied by his government. In addition, this Communist economy is probably as bad as ever. Communism has been an abysmal failure in Cuba, and this fact should serve to remind us how precious the freedoms and liberties we enjoy truly are.

The Cuban American National Fundation has done an outstanding job in keeping Members apprised of developments in Cuba. This organization recently provided me some articles discussing political prisoners in Cuba. I want to submit one of the articles for the benefit of all of our colleagues. As chairman of the Subcommittee on Human Rights and International Organizations, I will continue to actively promote respect for fundamental human rights in Cuba.

The article appears as follows:

[From the New York Times Sept. 29, 1983]

CUBA SAID TO JAIL ACADEMIC, UPSETTING THE FRENCH

(By John Vinocur)

PARIS, September 29.—Cuba has arrested the former vice rector of the University of Havana after promising France that he would be allowed to leave the country, French officials say.

The arrest last Saturday of Ricardo Bofill has caused considerable irritation and some embarrassment to the Socialist Government, which has sought to maintain good relations with the Castro regime. Three of President Francois Mitterrand's Cabinet ministers have traveled to Cuba in the past year, and the possibility of a visit to France by Fidel Castro has been a recurring theme in the French press.

The case involves an attempt by Mr. Bofill to seek refuge in the French Embassy in Havana on April 29. While pursuing an unusually successful academic career, Mr. Bofill became disillusioned with the Castro Government and was accused of belonging to an anti-Castro faction within the Communist Party. Since 1967 he has received two prison sentences and served more than seven years in jail.

According to his wife, who lives in Miami, Mr. Bofill went to the French Embassy because he had been threatened by telephone and his mail had been intercepted. Once he was there, she said in a telephone conversation today, the embassy was surrounded by security policemen.

Eventually, Mrs. Bofill said, the Ambassador, Pierre Decamps, spoke directly to Cuban Vice President, Carlos Rafael Rodriguez, who gave the Ambassador his "personal word of honor" that Mr. Bofill would be left alone and be allowed to leave the country quickly.

She said she knew nothing of his activities in the intervening period, but learned of his disappearance on Saturday and was told on Monday that he had been arrested.

NO CUBAN RESPONSE

On Tuesday Francois Gutmann, the second-ranking official at the Foreign Ministry here, summoned the Cuban Ambassador, Alberto Boza, to "request informaton in relation to the present rumors concerning Mr. Ricardo Bofill." The use of the word "rumors" was a diplomatic euphemism because French officials privately confirmed Mr. Bofill's arrest.

A spokesman for the ministry said today there had been no Cuban response to the request as yet.

French anger about the situation appeared linked to the fact that the Cubans had broken their word and apparently waited to arrest Mr. Bofill until Foreign Minister Claude Cheysson completed a planned visit to Havana in August. In addition to Mr. Cheysson, Transport Minister Charles Fiterman, a Communist, and Jack Lang, Minister Delegate for Cultural Affairs, have visited Cuba in the last 14 months.

The opposition press here has seized on the affair, and today Le Quotidien de Paris asked in a headline, "Did the French Embassy 'turn over' an anti-Castro opposition figure to the Cubans?" An earlier statement by the ministry of External Relations here said Mr. Bofill left the French Embassy of his own accord.

Last year the Socialist Government played an important role in obtaining the release from prison in Cuba of the anti-Castro poet Armando Valladares. This time, said Fernando Arrabal, the Spanish writer, who lives in Paris and has corresponded with Mrs. Bofill, the Government behaved with unusual naiveté.

A REPORT CARD IN REAGANOMICS AND AN ANALYSIS OF GRAMM/RUDMAN

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. LaFALCE. Mr. Speaker, this morning Walter Heller gave some excellent testimony at a hearing of my Subcommittee on Economic Stabilization. We had asked him to come in to share his views on issues of equity and growth for U.S. economic policy.

Professor Heller showed that since 1980 there has been a very substantial increase in the number of persons living in poverty and an unprecedented shift of income away from the poor toward higher income groups. He also documented how net investment by Americans is running at its lowest level since the 1930's and how the 1980 corporate tax cuts have not raised investment. Finally, he criticized the Gramm-Rudman proposal on grounds of economic soundness, defense preparedness, and equity. I would like to introduce his very eloquent statement into the RECORD.

TITLE: "A REPORT CARD ON REAGANOMICS"

Mr. Chairman, in inviting me to evaluate macro-economic policies in recent years in terms of equity, growth, and stability, you are in effect requesting a report card on Reaganomics. And while I cannot provide a comprehensive appraisal of President Reagan's macro-economic policies in the brief compass of this statement, I will try to highlight a few of the key impacts of the Reagan policies to date and the directions in which they are leading us.

EQUITY

Let me start with the question of equity and focus in particular on what is happening to the incidence of poverty and the distribution of income in the United States. The facts here are very clear, but unfortunately, Mr. Reagan labors under a misconception that is directly contrary to the facts.

Some time ago, he said "in the early '60s, we had fewer people living below the poverty line than we had in the later 1960s after the great war on poverty got under way. And there has been from that moment on a steady increase in the level of poverty . . ."

What are the established facts?: The percentage of the population in poverty in 1959 was 22 percent, but the combination of steady growth in the 1960s coupled with the War on Poverty cut this in half by 1969, to 11 percent of the population.

The poverty rate then rose modestly during the slow growth of the 1970's, reaching 12 percent in 1980.

From 1980 to 1983 it rose by over ¼, reaching 15.3 percent in 1983.

Under the impact of recovery, it declined to 14.4 percent in 1984. This translates into 33.7 million people living below the poverty line ($10,609 in annual cash income for a family of four). Leaving aside the Reagan years, this is the highest rate since 1966.

One should note in passing that the official poverty rates, which I have been quoting, do not include non-cash benefits such as Medicaid, Medicare, food stamps, subsidized housing, and school lunches. The Census Bureau estimates that if all these benefits were included, the poverty rate would be 9.7 percent in 1984 if the non-cash benefits are counted at market value or 12.2 percent if they are counted at less than market value because of the lack of freedom of choice.

Turning to the distribution of income, we find that the shares of total money income received by families at different income levels remained remarkably stable throughout the post-war period. For example, the 20 percent of families at the bottom of the income scale received about 4½ percent of total money income in 1947 and about 5 percent in 1980, while the top 20 percent received about 42 percent in both years. (The reduction in poverty was made possible by

economic growth, which lifted all the boats, and by government transfers.)

Since 1980, for the first time in the post-war period, the distribution of income has worsened. In 1984, the poorest 40 percent of all families got 15.7 percent of all income, the lowest share on record, while the share of the top fifth rose to nearly 43 percent, the highest share since 1948.

The severe recession and unemployment of the 1980's clearly had something to do with these numbers. But as the objective studies of the Congressional Budget Office, the Urban Institute, and other groups have shown, the combination of the Reagan budget cuts and tax cuts has cut the incomes of the poor and increased the incomes of the wealthy.

One hopes that Mr. Reagan will recognize these facts about poverty and income distribution. At stake is his low opinion, indeed, his ridicule of anti-poverty efforts by the government, and his evident willingness to train most of the fire power of his deficit-cutting efforts on social programs that particularly benefit lower income groups. This has been amply demonstrated by his recommended budget cuts so far and would be carried much farther under the Gramm-Rudman bill that he has enthusiastically endorsed.

At the same time, one should acknowledge that the Reagan tax reform proposals include a doubling of the personal exemption and increases in the standard deduction that would take almost all of the families now in poverty off of the income tax rolls. Whatever else is done or not done in the course of tax reform, one would surely hope that this move would survive. One should note in this connection that if the income tax exemption were converted from income into a credit against tax, the lowest income groups could be fully protected with a much smaller loss in revenue. The political problem is that in converting the exemption into a tax credit, even if the value were doubled for the lowest income brackets, upper middle and higher income groups would actually experience a reduction in the tax value of their exemption.

But beyond the adjustment of the income tax, if I perceive the thrust of the President's approach correctly, his answers to the damning numbers I've just reviewed would be, "Give us time. Our policies will boost savings and investment, thereby increase the supply capacity, productivity, and growth rate of the U.S. economy and generate jobs. All this will lift the poor out of poverty."

Clearly, in spite of last year's improvement, we have lost ground on poverty and income distribution in the 1980's. What about jobs? Unemployment, after rising to record post-war levels in 1982, dropped sharply in 1983-84. But it has been stuck at about 7¼ percent for a full year (sharply above the 5.8 percent rate in 1979, before the recession started). The modest rate of recovery in the past year has not only failed to reduce the official unemployment rate, but has led to an increase in the category of "discouraged workers" (now numbering 1,231,000) and made only a small dent in the number of part-time workers who would like full-time jobs (now numbering 5,551,000).

In response to these discouraging numbers, Reagan Administration supporters point out that 9 million new jobs have been created since 1981 and that the U.S. experience is in bright contrast with the experience in Western Europe, where unemployment averages near 11 percent of the labor force. But to put this 9 million gain in perspective, one should note that the Administration argued in 1981 that its programs would create 12 million new jobs by 1986, 3 million more than if nothing was done. In other words, employment growth is achieving only the base-line level that the Administration projected would exist in the absence of its programs. In short, we should not let the "9 million new jobs" argument blind us to the huge residue of unemployment we still suffer from nor to the fact that we are falling grievously short of the targets the Administration set for itself in 1981.

SAVINGS, INVESTMENT, AND GROWTH

That leads us into the even thornier thickets of the Reagan savings and investment policies. For presumably, if the tax and other policies of the 1980's were generating a strong surge of investment in plant and equipment, research and development, and technological advance, the payoff in more and better jobs and higher living standards would not be too far off.

Lamentably, the evidence gives no aid and comfort to this hopeful view. Yes, we had a big spurt of business-fixed investment in 1983 and 1984. But now, not only has that fizzled in 1985, but analysis shows that our savings and investment record of the 1980's has been the poorest in some 50 years. The tax stimulants to saving and investment have been simply overwhelmed by the ravenous appetite of the U.S. Treasury for over half of net domestic savings needed to finance its deficits, its dissaving.

(In the ensuing discussion of savings and investment, I base my comments on the excellent statement made by Barry Bosworth of the Brookings Institution before the Congressional Joint Economic Committee on September 17, 1985.)

It is true that the monstrous 1981 tax cut gave a powerful demand-side thrust to the economy that lifted us out of the 1980-82 recession. But as a stimulus to supply, it has thus far been a failure. Largely through the mountainous federal deficit, the Reagan program produced a pattern of national saving and investment that has undercut, reduced rather than increased, the long-term growth rate of the U.S. economy. Instead of an investment boom, we have been on a consumer binge financed by the liquidation of our assets abroad, by a skyrocketing import surplus, and by the lowest rate of national savings and investment since the 1930's.

If this sounds shocking and implausible, one needs only to look at the facts to substantiate the foregoing conclusion:

The tax cut did not budge the net long-run private savings rate of about 8-9 percent of GNP. That is individual plus business saving minus replacement investment.

The gargantuan government deficit, or public dissaving, offset half of that. That is, half of all private saving had to be used to finance the budget deficit, with the result that the national saving rate fell from 8 percent to just over 4 percent last year.

To be sure, net investment stayed at about 7 percent of GNP, but that was made possible only by sucking in huge amounts of foreign saving.

New investment by Americans is at its lowest ebb since the 1930's.

With respect to the inflows of capital from abroad, none of us can be certain that those flows will continue at a clip of $100 to $130 billion a year. If that stream were suddenly to dwindle, it would boost U.S. interest rates and severely impact capital formation and housing. But letting it go undiminished means that our external debt would reach $800 billion by 1990. At an average 10 percent rate of interest, that means an $80 billion annual bill for interest and dividend payments to foreigners, a bill that could only be paid by shipping out goods and services at the expense of the American standard of living.

But, critics may ask, what about that 1983-84 surge in investment spending? Doesn't that show that the tax cut worked and the investment picture is healthier than I have just implied? Taking a closer look at that boom, one finds that 93 percent of the increase in equipment spending since 1979 is accounted for by office equipment (mainly computers) and business purchases of autos, (including small trucks). It is interesting to note that neither of these categories enjoyed a net cut in tax rates under the 1981 and subsequent tax acts.

The related point is that investment in American industrial capital has been steadily declining as a share of GNP. The benign impact of tax incentives has been swamped by the malignant impact of sky-high real interest rates, which in turn, trace back in large part to the huge federal deficit.

Before turning to the deficit, perhaps we should ask: Won't tax reform restore the incentive for capital formation? Part of the answer is obvious: We don't know, since we at this point don't know either the ultimate fate or the contours of tax reform. But beyond this, I think economists should admit that the tax system is so complex and has such a multitude of special provisions for different types of saving and investment, that for most changes, economists can no longer tell you for use whether a particular tax provision will in fact promote or discourage capital formation. What an economist can tell you is that cutting the federal deficit will increase national saving and private investment. Even here, one has to add, "provided that the cut in the deficit does not result in slowing down the economy as a whole through a reduction in demand."

THE DEFICIT AND GRAMM-RUDMAN

From the foregoing analysis, one can see that the massive deficits created by the largest tax cut in history coupled with the biggest peace-time defense buildup in history are defeating the very essence of Reaganomics by curbing the saving flow and thwarting the President's investment and growth objectives. Both by undercutting the rate of capital formation and by building up a huge foreign debt, these policies are also leaving a lean and bitter legacy for future generations that will have to do with a smaller capital base and a large liability for overseas debt services. Rudy Penner, the highly respected head of the Congressional Budget Office, calls it fiscal child abuse.

In this light, it seems strange that Mr. Reagan is so adamant in barring tax increases as part of the deficit-reducing package. Perhaps one has to go beyond crass anti-tax politics and economic analysis to psychoanalysis to understand his position. Deep down, the President must be clinging to the conviction—contrary to virtually all the evidence—that holding firm on the tax front helps squeeze down government spending, especially on social programs, in response to the excruciating pressures of the deficits. Senator Durenberger of Minnesota last month said that he's about to subscribe to the theory that "there is some deliberate intention to use deficits . . . to get

us to denationalize the financing of public services."

Ironically, it turns out that the huge Reagan tax cut, coupled with the big military buildup, is itself the greatest single source of non-defense spending increases through its impact on the public debt and interest rates. Net interest on the public debt has zoomed from $43 billion in 1980 to a projected $138 billion in 1986 and, at the present rate of increase, would reach over $200 billion by 1991.

If Senator Durenberger is on the track in his assessment, it may explain why President Reagan has so enthusiastically embraced the Gramm-Rudman proposal for ending the deficit by a series of lock-step budget cuts. Since I testified on this proposal before the Joint Economic Committee last Friday and dealt with it in a commentary last evening on the Nightly Business Report on PBS, I would like, if I may, to offer these statements for the record. I will add only a few comments here.

The Gramm-Rudman formula is basically flawed in making no distinction between constructive deficits that can help the economy climb out of recession or overcome slow growth from destructive deficits that boost interest rates and undermine savings, investment, and growth. It fails to recognize the difference between the cyclical and structural components of deficits. Its weak-kneed provision for temporary suspension of its formula if a drop in GNP is forecast provides very little relief on this score.

Indeed, the Gramm-Rudman plan would send us on a mindless course (and also what even Senator Rudman has admitted is a gutless course) toward budget balance, no matter what economic, social, and military damage it might leave in its wake.

I yield to no one in my concern for bringing our monstrous budget deficit to bay. But unless the rigid and Draconian formula of Gramm-Rudman can somehow be transformed into a flexible but still Spartan plan to bring the deficit under control, I urge Congress not to fasten this ill-fitting straightjacket on itself.

ACCENTUATING THE POSITIVE

Let me now turn to a few more hopeful and even positive features of the macro-economic policy scene in Washington.

It is not too late to reverse course and exercise damage control with respect to the federal deficit. Its impacts are corrosive rather than explosive. It is not too late to shift or even reverse gears on curbing the deficit in a sensible way, coupling spending cuts with revenue increases and perhaps even removing the off-limits sign from social security. After all, a liberated David Stockman and an unrepentant Martin Feldstein, both ardent supporters of Mr. Reagan's, are urging him to open the doors to a tax increase. Indeed, Mr. Stockman said that what America needs is a good $100 billion tax increase and "that the spending-cut episode is over."

And the new Director of OMB, James C. Miller III, sounded admirably flexible in his confirmation hearing when he said that "nothing is off-base, nothing is sacrosanct", went on to say that "some restraint in entitlement programs might well be looked at by the President and Congress", and did not even rule out tax increases as part of a budget package. Hope springs eternal.

Beyond this, we should give credit where credit is due on some of the more recent policy initiatives of the Reagan Administration that are both courageous and right-headed. Let me identify and applaud these moves on several fronts and, as you might expect, let me also suggest some additional moves that would help achieve and consolidate the gains promised by these new approaches.

First, the Reagan administration under the leadership of the Baker Treasury, has at long last recognized that (1) in large part, our trade deficit and protectionist pressures trace to a sharply overvalued dollar and (2) that this country does not have to stand by like a helpless giant, granting what amounts to a subsidy to imports and imposing a penalty on exports. But the job is not yet done. The initial success of the Big Five intervention efforts should now be bulwarked by narrowing the wide gap between our unduly loose fiscal policy and huge deficits and the unduly tight fiscal policies of our trading partners.

Second, the combination of the Big Five initiative and selective White House concessions on trade has apparently blunted the most dangerous protectionist movement since the 1930's. Protectionist legislation will still emerge from Congress, yet President Reagan's moves have apparently gained enough backers in Congress to sustain his promised vetoes. But the job is not yet done. Now, to keep the protectionist forces at bay and make U.S. producers steadily more competitive, Washington policy makers need to join hands in raising revenues and cutting spending to shrink the deficit, boost savings, and lower interest rates.

Third, with the evident blessing of the President, the Federal Reserve has commendably been clearing the path to renewed expansion by running a monetary policy that facilitated a sizable drop in interest rates this year. But its job is not yet done. To keep expansion going, to bolster fragile financial markets here and abroad, and to facilitate the Big Five moves to realign the dollar, the Federal Reserve should maintain an easier money policy. Continued economic slack, low inflation, and the declining velocity of money provide a low-risk setting for such a policy.

Fourth, within the past year, bright hopes were kindled for tax reform to reduce the complexity and increase the fairness of the income tax and, above all, to enthrone market advantage rather than tax advantage as a guide to the flow of resources in the U.S. economy. Base-broadening and rate reduction were the watchwords. The promise was a bright one. But hopes for a tough and meaningful reform seem to be ebbing. So the job is far from done. Unless the reform process is revitalized, the mountain may labor and bring forth only a mouse.

Finally, even on the budget deficit, some progress has been made. Jousting with an adamant Congress that controls the Pentagon purse strings, the President has broken his lance. The pell-mell defense buildup is being brought within more reasonable bounds. And Congressional appropriations committees are hard at work trying to make a meaningful dent in the non-defense budget for fiscal 1986 and beyond. But to say that the job is not yet done is to put it very mildly.

JIM WILDING RECEIVES DEPARTMENT OF TRANSPORTATION'S GOLD MEDAL AWARD FOR OUTSTANDING ACHIEVEMENT

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. WOLF. Mr. Speaker, I am extremely pleased to share with my colleagues today good news about an outstanding Federal employee at the Department of Transportation.

Today, Secretary of Transportation Elizabeth H. Dole conferred the Department's Award for Outstanding Achievement—DOT's gold medal—upon James A. Wilding, Director of the Metropolitan Washington Airports. She couldn't have chosen a finer recipient for this honor.

As the Representative of the congressional district where the only two federally owned and operated airports are located, I have worked closely with Jim Wilding since coming to Congress in 1981. He has always been the consummate professional, always open and willing to work together to achieve the best possible operation of Washington National and Washington Dulles International Airports for both the passengers who use the facilities and the people of the 10th District who are the airports' neighbors.

I offer my congratulations to Jim Wilding on behalf of the people of the 10th District of Virginia for a job well done. At this point in the RECORD, Mr. Speaker, I would like to share the statement Secretary Dole made today in presenting the DOT award to Jim Wilding.

STATEMENT PREPARED FOR SECRETARY DOLE PRESENTING THE DOT GOLD AWARD, OCTOBER 17, 1985

The Department's Award for Outstanding Achievement—our gold medal—is the highest award we confer. It recognizes superior achievement and outstanding leadership—unique performance by a truly exceptional individual.

This year's recipient is Jim Wilding, Director of the FAA's Metropolitan Washington Airports. For the last 6 years, he has done an extraordinary job of managing National and Dulles Airports—the only two air carrier airports owned and operated by the federal government.

Jim has spent his entire career with the airports, beginning in 1959 as an engineer working on the planning, design, and construction of Dulles. He is now seeing those plans come to fruition—in no small part due to his own efforts over the years—as the number of carriers and traffic at Dulles is expanding at an historic rate.

In recent years, he has been in the middle of our efforts to develop a comprehensive operating policy for Dulles and National. More recently, he has provided invaluable counsel and enthusiastic support to our efforts to transfer the airports to an independent regional authority. He has shown particular concern for the future of his employees without whom the transfer will not succeed.

We are used to hearing about how much the government can learn from private industry. In Jim's case, it works the other way around. According to those that use Dulles and National, they are the most efficiently and competently run air carrier airports in the Nation. Under Jim's leadership the FAA employees at the Airports constitute the leanest, most efficient airport workforce in the Nation.

It's a great pleasure to present this year's Gold Award to Jim Wilding.

TRAGEDY ENGULFS PUERTO RICO

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. BARNES. Mr. Speaker, from October 3 to October 7, 1985, torrential rains associated with tropical storm Isabel fell on Puerto Rico causing enormous destruction and hundreds of deaths on the island. At least 33 towns were affected, and a landslide near the southern city of Ponce resulted in the complete destruction of hundreds of homes. Puerto Rican authorities are still trying to unearth the remains of some 500 inhabitants of the barrio Mameyes who are unaccounted for. This is one of the greatest tragedies ever to affect Puerto Rico and the most lethal landslide in the history of the United States.

I would like to express my personal sympathy to Gov. Hernandez Colon and to the people of Puerto Rico in this difficult moment. As a supporter of House Resolution 293, I was pleased to learn that President Reagan has declared certain towns in Puerto Rico a disaster area, which will enable Puerto Rico to receive emergency assistance. In this time of mourning, the American people are already expressing solidarity with our brothers and sisters in Puerto Rico by making donations of food and clothing. But much more needs to be done in order to help in the reconstruction of the affected areas. I look forward to working with Gov. Rafael Hernandez Colon and with Resident Commissioner Jaime Fuster to find other ways in which all of us in the Congress can express our support for Puerto Rico in this tragic moment.

I also want to take this opportunity to encourage my colleagues in the Congress to learn more about Puerto Rico, its people, and its unique relationship with the United States. I have had the pleasure of visiting the island several times, and I am convinced that Puerto Rico is one of the most beautiful islands in the Caribbean. It was described by a famous Puerto Rican poet as "Borinquen, the pearl of the ocean." Its hard working people are responsible for creating what is known as a "development miracle" in the Caribbean. The neighboring island states admire Puerto Rico as a unique example of democratic government and economic growth and development. Nevertheless, Puerto Rico is also facing severe economic difficulties, which will be aggravated by the effects of storm Isabel. Therefore, it is our responsibility here in the Congress not only to respond to this tragedy in the short term, but also to formulate long term strategies to help solve Puerto Rico's economic problems.

MAKING THE UNITED STATES THE WHIPPING BOY: A CLEVER SANDINISTA TRICK

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. BROOMFIELD. Mr. Speaker, the door is slowly closing on freedom for the people of Nicaragua. The Marxist-Leninist Sandinista Junta has just suspended more basic freedoms in that country. To justify these typically totalitarian decisions, Comandante Ortega blames the "devil up north," the United States of America. The Sandinistas are doing to the Nicaraguan people what all totalitarian governments do to their people. They are crushing the personal freedoms of those who want to live their lives as free human beings.

Just a few days ago, Daniel Ortega announced the suspension for 1 year of the following rights: to public assembly, to strike, to freedom of expression, to movement about the country, to organize into labor groups, to a speedy trial, to appeal convictions, to unwarranted detention, and to protection from unreasonable searches. These unfortunate actions are being justified as a response to Sandinista claims about sabotage by the United States, the activities of some political parties and the church which is allegedly allied with the United States.

The Sandinistas are building a police state and they cannot accept any form of dissent be it either from political parties or from the Catholic Church in that country. The Junta deals with dissent by tightening its control over the people by taking away the few basic human freedoms which still exist in that sad country. The truth behind this recent decision is that there is widespread disillusionment with the Sandinista regime by a large segment of the population. The Sandinista revolution has failed, and the people know it. The Sandinistas are growing fearful of their own people, and Uncle Sam is a convenient scapegoat.

Since coming to power in 1979, Comandante Ortega has both feared and opposed the church. On October 12, the Nicaraguan Government seized nearly all the copies of Iglesia, a new Catholic Church newspaper, along with the church's press and printing equipment. On October 15, the Sandinistas occupied the offices of the Catholic Church's social service agency, and refused to let the clergy enter. In late September, 11 seminarians were forced into military service despite their exemption from service in the armed forces. The Sandinistas fear the continuing support for the Nicaraguan church by the great majority of the Nicaraguan people who are fervent Catholics.

The Communist government there cleverly established a "Peoples' Church" which, I understand, teaches far more political ideology than theology. A well-armed guerrilla fighter has replaced the traditional Christ figure hanging from the cross in that new church.

I urge the administration to continue its efforts to tell the world the truth about the real Nicaragua. It is not a peoples' paradise. It is slowly becoming another sad, oppressive and backward police state. Surely, the long-suffering people of Nicaragua and future generations there deserve more than this. It is Comandante Ortega, not Ronald Reagan, who has made Nicaragua what it is today.

With these concerns in mind, I commend the following Washington Post article to my colleagues in the Congress.

[From the Washington Post, Oct. 16, 1985]

NICARAGUA SUSPENDS RIGHTS

MANAGUA, NICARAGUA, Oct. 15—The government today suspended a wide range of civil rights and broadened a national state of emergency to fight what it called "sabotage" by the U.S. government and its allies within the country.

President Daniel Ortega, announcing the measures on a nationally televised broadcast, accused "agents of imperialism . . . within certain political parties, and the press and religious institutions" of supporting U.S. "terrorist policies" against his government.

The rights that were suspended cover the right to public meetings, to strike, to freedom of expression, to move about freely within the country and to organize into labor groups.

Nicaragua's revolutionary government first imposed a state of emergency, limiting most of these rights, in March 1982, saying it was necessary to fight U.S.-backed rebels seeking to overthrow it.

But the ruling Sandinista National Liberation Front had eased many of the restrictions before last November's election in which Ortega was elected to a six-year term.

Legal experts said the measures announced today permit police or other authorities to raid and search homes. They also suspend protection against unwarranted detention, the right to a speedy trial and the right to appeal convictions.

Today's suspension of rights will last for one year, Ortega said.

"The government cannot permit an activity of sabotage and political destabilization directed by the U.S. government to continue to develop with impunity," Ortega said.

Earlier Tuesday, security agents seized control of the offices of the Roman Catholic Church's printing press to prevent the publication of a new magazine, a church spokesman said.

Diplomatic sources said editors of the magazine had refused to submit to censorship.

BRISTOL RETIRED SENIOR VOLUNTEER PROGRAM CITED

HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mrs. JOHNSON. Mr. Speaker, I would like to take this opportunity to publicly

recognize and commend the Retired Senior Volunteer Program [RSVP], sponsored by the Bristol Community Organization in Bristol, CT. Their effectiveness and popularity is evidenced by the fact that, established in April 1984, the number of volunteers has soared from an original 150 to the present 250-member enrollment.

The Retired Senior Volunteer Program is a nationwide network made up of retired senior volunteers, over age 60. These individuals share a lifetime of skills and experience, contributing their time to their communities. Many of these volunteer activities include services for the elderly such as adult day centers, nursing homes, homes for the aged, and hospitals. RSVP volunteers also serve in community programs for children and families, in schools, libraries, museums, health care agencies, nutrition programs, and recreational groups.

Mr. Speaker, I am proud to represent such selfless volunteers who offer the benefit of their vast experience for the benefit of leaders of tomorrow.

THE 50TH ANNIVERSARY

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. CLINGER. Mr. Speaker, the Boalsburg Fire Co., located in Boalsburg, PA, is celebrating its 50th anniversary this year. The fire company was reorganized and chartered in 1935 and has been providing dedicated, professional, round-the-clock service to Harris Township, and at times, to surrounding communities. I know my colleagues join me in wishing the Boalsburg Fire Co. a happy 50th anniversary. Incidentally, two of the original charter members of the Boalsburg Fire Co., Montgomery Hubler and Frederick Lonberger, are still members of the company and at this time I want to say thank you to them for their many, many years of volunteer service to the community.

A TRIBUTE TO LOUIS A. RICCI, RETIRING BAND DIRECTOR OF ST. RITA HIGH SCHOOL

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. LIPINSKI. Mr. Speaker, I rise before my colleagues today to honor an outstanding resident of the Fifth Congressional District of Illinois, Mr. Louis A. Ricci. Mr. Ricci recently retired as director of the St. Rita High School Band in Chicago.

Mr. Ricci has been associated with St. Rita High School since 1954 and has served as band director since 1959. He is a 1953 graduate of St. Rita and received his bachelor of music degree from De Paul University. Under his direction, the Marching Mustang Band of St. Rita has risen to prominence throughout the Chicago area and the Midwest. His bands have become famous for their spirited presentations at football games half-time shows, dedications, corporate conventions, collegiate and professional sports shows, and indoor concerts.

The St. Rita High School Band was crowned "City of Chicago Champion and No. 1 Class A Band in the 1983 Music Bowl Competition." The band won the Midwest first place trophy in the Michigan City, IN, Summerfest on three occasions in the 1960's. In 1963, they served as President Kennedy's honor band. They were the official band for the Chicago Cardinals football team during the 1950's and have appeared at several half-time shows for the Chicago Bears.

Mr. Ricci's main thrust was that of a teacher first and band director second. His Christian-like professional manner set an inspirational example to his students. He felt a deep obligation to the development of genuine work habits on the part of his students. Through music, Mr. Ricci knew a youngster could learn the importance of teamwork and application to the job at hand and therefore, gain experience that would sustain him for life. He would always remind his students, "You're only as good as your last show."

Along with his wife, Mary Fran, Mr. Ricci resides in the Midway area of Chicago. The Riccis have been married 27 years and are parents of one daughter and three sons.

Mr. Speaker, it gives me great pleasure to salute Mr. Louis Ricci on the occasion of his retirement from St. Rita High School and I join the residents of the Fifth Congressional District in thanking him for his outstanding work on our behalf.

MORE TERROR—AT HOME AND ABROAD

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. GILMAN. Mr. Speaker, our satisfaction with the favorable turn of events as the President took decisive action to bring the Italian cruise ship pirates and murderers to justice is, as I said last week on this floor, mixed with continuing anger at continuing acts of terrorism here and abroad, which are so often unpunished.

Just last week, as the ship hijacking ended, two additional incidents of terrorism were brought to light.

In one incident, here in our own country, the offices of the National Association of Arab Americans was bombed, resulting in the tragic loss of one life and the wounding of several others. That bombing was outrageous and indefensible, coming as it does in our Nation, where free speech is treasured and respected above all other freedoms. As much as we may disagree with some of the statements of the NAAA, none of us may silence them by violence. Americans must use reasoned argumentation if they think they are wrong, not the bomb or the bullet.

In Barcelona, Spain, last week, the decomposing bodies of two Israeli merchant seamen were found where they had been murdered. A Palestinian group took credit for killing "Zionist sailors". Again, shocking violence takes innocent lives.

I am certain that both the authorities in California and those in Spain will bend every effort to bring the killers—both those actively involved, and those who planned and assisted them—to justice.

Freedom from terror is indivisible. We must all join in condemning, in the strongest possible terms, every example of terrorism.

CONGRESSIONAL SALUTE TO THE HONORABLE DANIEL F. MALATESTA, P.E.&L.S. OF PATERSON, NJ, ESTEEMED CITY ENGINEER, COMMUNITY LEADER AND GREAT AMERICAN

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. ROE. Mr. Speaker, on Sunday, October 27, the people of the city of Paterson, my congressional district and State of New Jersey will join together in testimony to an esteemed city engineer, outstanding community leader and good friend, the Honorable Daniel F. Malatesta, P.E.&L.S. of Paterson, NJ, who has announced his retirement as city engineer and director of public works of the city of Paterson to be effective November 1, 1985. I know that you and our colleagues here in the Congress will want to join with me in extending our deepest appreciation to Mr. Malatesta and share the pride of his good wife Elaine upon this milestone of achievement in their family endeavors.

Mr. Speaker, Dan's personal commitment to the ecomomic, social, and cultural enhancement of our community has been a way of life for him. We are proud to boast that he is a lifelong resident of the city of Paterson and is licensed by the State of New Jersey as a professional engineer and land surveyor. He attended local schools and is a graduate of Paterson's Central High School. Upon completing land surveying studies at Bergen Junior College, he attended Seton Hall University at Stevens Institute of Technology. He received an Associate of Science Degree in Civil Engineering from the Newark College of Engineering and completed further courses of study in bridge and bridge construction at Hostra University.

Dan is a veteran of World War II, honorably discharged with the rank of staff sergeant. He commenced his engineering career pursuits in April 1949 as an engineer aide in the department of public works engineering department of the city of Paterson and advanced through the ranks to become street commissioner and acting city

engineer in 1972. During the following year he was appointed city engineer and in 1982 achieved his current high office of public trust as city engineer and director of public works for the city of Paterson.

Mr. Speaker, Mr. Malatesta has attained the greatest respect and deepest appreciation from a grateful community for his untiring endeavors in service to his fellowman. Among his vast constructive achievements we particularly commend him for his outstanding public service in the vanguard of many community development and improvement programs for the city of Paterson including—to name but a few—the following major public works projects:

Passaic River Basin flood relief projects affecting the Hillcrest area, Lakeview area, and Sandy Hill area.

Providing a master plan for wastewater collection.

Coordinating Federal and State reimbursements during flood disasters.

Major road construction, such as the Route 80 highway through Paterson, loop roadway around Paterson's downtown area, and other reconstruction projects.

We are especially proud of his leadership efforts in 1965 as director-coordinator of the Anti-Poverty Program to cleanup the Passaic River. This project utilized Federal funds with municipal personnel to cleanup the Passaic River.

Mr. Speaker, all of us who have the good fortune to know Dan Malatesta are proud to have had him on the team. He has played an important role in the achievement of government in his chosen field of endeavor. Professionals like Dan serve as the bulwark of strength in the day-by-day challenges of government in meeting the needs of our people. For a job well done there is no doubt that he has truly enriched our community, State and Nation.

As we gather together in tribute to his over three-and-a-half decades of personal commitment, quality leadership, richness of expertise, warmth of friendship and sincerity of purpose as city engineer and public works director of the city of Paterson, we do indeed salute a good friend, distinguished citizen, and great American—the Honorable Daniel F. Malatesta, of Paterson, NJ.

THE DEPOSITORY INSTITUTIONS EXAMINATION IMPROVEMENT ACT OF 1985

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. WIRTH. Mr. Speaker, I want to commend the authors of the Bank Examination Improvement Act of 1985 for the excellent job they have done in crafting this necessary and timely piece of legislation. The issues with which this legislation deals are very important for maintaining the soundness and stability of the financial system and the public's confidence in our financial institutions.

Last June, Dr. Henry Kaufman told the Subcommittee on Telecommunications, Consumer Protection and Finance that: "We are drifting toward a financial system in which credit has no guardian." He said—and many members of our subcommittee would agree—"It is unfortunate that the emphasis on monetarism and deregulation relegated supervisory agencies to a second and third level of importance." He believes, with the authors and cosponsors of this bill, "that the best people must be attracted to supervisory agencies through higher compensation and standards," and that the "importance of these responsibilities should be made known."

Mr. Speaker, there is widespread recognition that the provisions in this bill are a necessary step toward maintaining confidence in the financial institutions that play so vital a role in our Nation's economic life. I am very pleased to be a cosponsor of this legislation and, again commend its authors for the excellence and timeliness of their efforts.

REDEDICATION OF HENRY CLAY STATUE

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. YATRON. Mr. Speaker, I would like to bring to the attention of my colleagues an important event occurring in Pottsville, PA, this Saturday, October 19, 1985. On this day, the elected officials and citizens of the city of Pottsville and the surrounding community will rededicate the statute of the great American statesman, Henry Clay. The statue was erected in 1855 and many people have contributed to its refurbishing.

The statue of Henry Clay has always been a source of community pride and a symbol of the respect, honor, and affection the people of Pottsville felt for its subject. How the statesman from Kentucky came to be a monument in Pottsville, PA, is an interesting story. History remembers Henry Clay for many extraordinary virtues of character and leadership. His oratory was renowned and he used it to great and memorable effect in the U.S. Congress in several terms as Speaker of the House and as a U.S. Senator.

In the early 19th century, the feeling of nationhood was still a new one for the American people and Clay's conception of the American system helped promote a sense of commonality and nationality. America's unity was tested more than once in Clay's lifetime. The fervor of his patriotism and nationalism and the great compromises he formulated contributed immensely to preserving the Union.

For Pottsville, however, it was Clay's efforts to protect American commerce and trade that are thought to be what made him most appreciated and esteemed. The importance of coal to Pottsville and the surrounding anthracite-rich region was paramount and Clay's dedication to the promotion of American industry certainly helped maintain the community's economic well-being.

As such, in 1855, 3 years after his death, the citizens of Pottsville erected the Nation's first monument to Henry Clay. The cast-iron statue is 15 feet high, weighs 7 tons, and stands on a 60-foot column which is itself mounted on a 12-foot base. The total height of the monument is 90 feet and it stands on a hillside in the city's southeastern sector.

Mr. Speaker, I would like to commend the citizens of Pottsville and Schuylkill County for their efforts to restore America's oldest and largest cast-iron monument and to preserve the history of their forefathers' admiration and affection for Henry Clay. Their 2-year long fundraising campaign is in itself a tribute to the city's sense of tradition and pride in its history and heritage. Congratulations to everyone involved and best wishes to the city for a wonderful parade and rededication ceremony on Saturday.

VICTORY OVER TERRORISM

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Ms. MIKULSKI. Mr. Speaker, a brutal act of terrorism has taken another innocent American life. Mr. Leon Klinghoffer, an elderly man; an innocent man, known for his friendly smile and good-natured spirit, was murdered in coldblood last week by terrorists aboard the cruise ship *Achille Lauro*. The fact that Mr. Klinghoffer was confined to a wheelchair only dramatizes the cowardly nature of the terrorists who committed this terrible crime.

The whole world was shocked to learn that these terrorists made a deal with Egypt to get away. While Egyptian President Mubarak provided the terrorists with a plane flight out of Egypt, the United States planned to act swiftly.

Every American can be proud of President Ronald Reagan's resolve to bring these terrorists to justice. Our military forces showed courage and determination in carrying out a very difficult mission to intercept the plane carrying the terrorists. Our country stands tall because of our commitment to ensure that terrorists will not go unpunished.

The United States owes no one an apology for its action. There is nothing shameful in protecting the rights of the innocent civilians in the world. Let terrorists be on notice. Although others may be frightened by terrorist threats, the United States has the will and determination to stand up to terrorism.

We must ensure that Leon Klinghoffer did not die in vain. His murder has demonstrated to the world the true nature of terrorists. They are cowards who strike at the helpless and punish the innocent. Their tac-

tics are intimidation, disguised by cheap slogans justifying their thirst for violence.

Let the message be clear. The United States will never rest in its efforts to fight terrorism in all of its forms. The recent action by the U.S. military is a true symbol of victory over terrorism. This symbol will remain clear and strong.

EAST-WEST CULTURAL GATHERING

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. BERMAN. Mr. Speaker, on Tuesday, October 15, the United States delegation to the Budapest Cultural Forum arrived in Hungary for the first East-West cultural gathering since the Helsinki Final Act was signed in 1975. I am honored to express my support for the goals of this forum and my hope for meaningful results.

As one in a series of experts' meetings mandated by the Madrid Review Conference of the Conference on Security and Cooperation in Europe, the Cultural Forum will bring together 35 participating states of East Europe, West Europe, and North America to discuss such issues as censorship, the sharing of creativity, persecution of cultural minorities, repression of religious groups, and the rights of journalists. A meaningful discussion of these issues will render a definition of culture among nations as well as within individual countries. Increased cultural exchange is a key element of the mutual understanding which is vital to the peace process.

The free exchange of ideas, however, cannot be realized as long as states continue to prohibit the language, religion, history, and literature of various ethnic groups. Despite constitutional guarantees of individual and cultural rights for all citizens in the Eastern bloc, the Soviet Union still rewrites the history of Russian and non-Russian peoples, restricts access to printed historical sources, and forces many non-Russian children into boarding schools where they will be separated from their parents and their culture. Soviet persecution of Jews and other religious minorities is a well documented horror. Czechoslovakia and Romania punish any display of ethnic diversity as an impediment to the desired national culture. In their constant effort to destroy cultural independence, Poland and the German Democratic Republic have attempted to overcome the power of the church. If these countries continue to ignore their own legal codes and blatently violate human rights, what guarantee does the United States have that an international agreement will be adhered to?

With the summit meeting between President Reagan and Soviet leader Mikhail Gorbachev only 1 month away, the importance of the Budapest Cultural Forum is heightened. Unfortunately there has already been some disappointment as the Hungarian Government has severly curtailed the activities of the International Helsinki Federation, a nongovernmental organization. This action demonstrates a clear lack of cooperation in an international effort specifically designed to combat such prohibitive practices. Moreover, it occurs at a time when a demonstration of respect for human rights would have a tremendously positive impact. Only through free interchange of ideas and unprohibited expression of culture can peace, cooperation, and security among states be realized.

JOANN PENA RECEIVES COMMISSIONER'S CITATION AWARD

HON. RICHARD H. LEHMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. LEHMAN of California. Mr. Speaker, I rise today to commend and recognize a very special honor being awarded to JoAnn Pena, a supervisor in the Fresno Social Security Office in my district. Today, JoAnn will receive one of the Social Security Administration's highest awards, the Commissioner's Citation. This award is reserved for those who perform outstanding service to the disabled and aged community. I am very proud of JoAnn's achievements since she joined the Fresno Social Security Office in 1973. We are all aware of the difficulties Social Security recipients can confront when dealing with an agency as large as the Social Security Administration. Complaints are sometimes registered about the cold nature of the bureaucracy and the unnecessary red tape, however, JoAnn somehow manages to cut through it all and provide that rare personal touch. She is well known for her ability in breaking bureaucratic logjams and injecting a warm sense of humanity into the system. It is only appropriate that her superb work is being recognized today.

I know that JoAnn is truly appreciated by her colleagues, myself, my staff—who wouldn't know what to do without her—and most importantly, the hundreds of Americans in whose behalf she selflessly and tirelessly works for every day. JoAnn has given a great deal to the Fresno community through her hard work and for this I wish to extend my special thanks and my congratulations for receiving the Commissioner's Citation.

CENTINELA CHILD GUIDANCE CLINIC CELEBRATES 30 YEARS OF SERVICE TO SOUTHERN CALIFORNIA

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. DYMALLY. Mr. Speaker, I am pleased to bring to the attention of my colleagues in the House of Representatives an accomplishment for which the people of my congressional district are deeply grateful. Today, the Centinela Child Guidance Clinic of Inglewood, CA, will celebrate its 30th year of service to our communities. I have served all my time in Congress during a period of great restraint, a period of cutback upon cutback for services to those in our society who are most in need. It is with special thanks, therefore, that I join all friends of the clinic to rejoice in the fact that despite the impediments placed in its way, Centinela Child Guidance Clinic has continued to serve the mental health needs of our young people.

The goal of our clinic is simple and direct. It is to help as many children who have mental health needs as possible. Services are offered without regard to age, ethnicity, or income. Our clinic works toward its goal by maintaining a close and strong working relationship with all school districts, public officials, and related service agencies in our area. Centinela makes every effort to expand its services as needs dictate. Centinela is an outpatient facility that makes use of the most up to date clinical methods and practices available.

There are many groups to thank for the longevity of the clinic. Among those groups are the agencies which over the years have contributed to the financial survival of the clinic. United Way has been a significant contributor as have State and county governments. A myriad of individuals and foundations have also contributed to the mosaic of support. But I want to single out for special recognition the clinic's own efforts to maintain itself through its thrift store. I point this effort out especially because it is staffed by volunteers, by people who do their good work for the best reason of all: They care personally for the children of our community.

The highly competent staff of the clinic is led by executive director James Strong and by a board of directors whose newest members will be installed today at the Hawthorne Memorial Center. To them and to the many, many people who each have contributed to the spectacular success of Centinela Child Guidance Clinic, I express the gratitude of our community. May your efforts grow and prosper in the next 30 years so that our children might develop to the fullest extent of their mental and physical capabilities.

THE 65TH ANNIVERSARY OF MONTEBELLO, CA

HON. MATTHEW G. MARTINEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. MARTINEZ. Mr. Speaker, I rise today to congratulate the citizens of Montebello, CA on their city's 65th anniversary. The city, named for it's "Beautiful Hills," was incorporated on October 16, 1920. To commemorate the event, a citywide celebration, "city day," is planned for Sunday, October 20, 1985.

Montebello was the site of the original San Gabriel Mission, founded in 1771 and

relocated in 1776. Its largely agricultural economy was significantly diversified by the discovery of oil in Montebello during World War I. This discovery helped stimulate a major growth in the city's population.

Named a bicentennial all-America city in 1976, Montebello is a unique and vital community. The city has maintained a balance of residential, commercial, and industrial development. Its diverse population consists of many of the groups who have come to southern California over the years seeking economic opportunities as well as political freedom. These groups have contributed tremendously in making Montebello a culturally rich community.

Montebello is a full-service city. It is one of the few communities in Los Angeles with it's own city bus lines. Montebello has long been a leader in providing services to older residents. Under the leadership of Mayor Art Payan and the Montebello City Council, many citizens participate in local government activities.

I salute the citizens of Montebello, the city of "Beautiful Hills," as they celebrate Montebello's 65th anniversary and look forward to a bright future. I am confident they will be even more successful meeting the challenges of the next 65 years.

THE CLARK FAMILY FARM SESQUICENTENNIAL

HON. BILL SCHUETTE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. SCHUETTE. Mr. Speaker, the Clark family farm in Clinton County, MI recently celebrated its 150 years of production. I commend the Clark family for 150 years of hard work and dedication. Farming is not an easy way of life, and this family deserves special recognition for keeping the Clark farm in production for these 150 long years.

As the State of Michigan nears its 1987 celebration of statehood, this farm will be a reminder of the great agricultural heritage many Michigan residents share. We can look with pride at our hard-working forefathers who left the East to travel to the unknown farmlands and wilderness of Michigan.

Thank you, Clark family, for reminding our Nation of its great agricultural heritage.

JAPANESE AMERICAN NATIONAL MUSEUM

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. MATSUI. Mr. Speaker, I rise to call to the attention of the House of Representatives a gala dinner and inaugural fundraiser for the Japanese American National Museum. The event will take place in Los Angeles on the evening of October 18.

The Japanese American National Museum, in the words of its founders, has as its chief mission the documentation and preservation of artifacts which record the Japanese-American experience in America. The museum will create a greater understanding of the Japanese American social and cultural heritage, its contributions to and accomplishments as participants in the American historical experience.

The museum will accomplish its mission through programs of permanent and changing exhibitions, traveling exhibits, and educational activity based on its archival collections. Publications and multimedia events will comprise a continuing element of the museum's programs.

On September 24, SB 1452 of the California State Legislature was signed into law appropriating $750,000 from the special account for capital outlay to the department of parks and recreation for allocation to the city of Los Angeles for the Japanese American National Museum. The appropriation is contingent upon $1 million being raised from non-State funding sources. With the support of the community the inaugural fundraiser will be a major step forward toward that $1 million goal.

Mr. Speaker, I commend those whose efforts have made the inaugural fundraising evening for the Japanese American National Museum a reality.

SENATE—*Friday, October 18, 1985*

(Legislative day of Tuesday, October 15, 1985)

The Senate met at 8 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Create in me a clean heart, O Lord, and renew a right spirit within me.—Psalm 51:10.

Living Lord, revive the Senate. Infuse it with new life. Dissolve the disappointment, the frustration, the disenchantment, the tired, "old boy—know it all—been through the ropes" syndrome which corrodes the soul, short circuits determination and breeds cynicism. Fan the fire that burned in the Senators' hearts when first they convinced the people to send them here. Restore the faith, the purpose, the enthusiasm, the dream, the vision that drove them to seek this high office. Help them to be professional in their work and amateur in spirit.

As Thou dost know our hearts, God of light, help us to know them. Deliver us from the folly of deceiving only ourselves when we think we are fooling others or Thee. Expose us to our personal needs and renew us in Thy grace. Where there is fear, instill courage. Where there is lack of will, inspire purpose. Where there is egotism, grant humility. Where there is cynicism, imbue with hope.

Great God, the world waits for the Senate to be the powerful, intelligent, deliberative, legislative leaders so desperately needed today. Let it be true dear Lord. Let it be true. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The distinguished acting majority leader is recognized.

THE CHAPLAIN'S PRAYER

Mr. SIMPSON. Mr. President, the remarks of our Chaplain again cause us to pause and ponder. Those remarks are rather powerful and inspiring this morning. Indeed, we do labor and often come forth with very little. I believe there is some biblical reference to that in better terms than I express.

He does help us keep our eyes on our frailties, and we certainly have them. But I think of the fact that there are people who legislate with spirit in this place, and two of them are here. Our President pro tempore is one of the most vigorous and vital legislators I have ever known. He meets his schedule of the day with a generation of spirit and faith and joy that is an envy to us. My good colleague from Wisconsin has been here a good number of years himself and handles his duties with great cheer and spirit and enthusiasm. If I could learn from them, why, I will labor here in this vineyard for a year or two more.

It is not painful work and it is all indoors and there is very little heavy lifting. We do not do windows, however. Maybe we will get to that one day.

SCHEDULE

Mr. SIMPSON. Mr. President, today we have recognition of the two leaders under the standing order of 10 minutes each and then morning business not to extend beyond the hour of 8:30 a.m., with Senators permitted to speak therein for not more than 5 minutes each. Following morning business, the Senate will resume consideration of H.R. 3038. At that point. the Senator from Alaska [Mr. MURKOWSKI] will be recognized to offer an amendment on which there is a 30-minute time limitation. Therefore, rollcall votes will occur early this morning, possibly as early as 9 a.m.

Following the Murkowski amendment, a total of three additional amendments will be in order to the HUD bill. Therefore, a final passage vote will occur prior to the hour of 12 noon on the HUD appropriations bill.

Following the HUD bill, it will be the intention of the majority leader to turn to the Department of Transportation appropriations bill. Also, the Senate will go on to debate the reconciliation bill in the afternoon. Rollcall votes are to be expected throughout today's session and the time of that session will be later determined and shared with our colleagues by the majority leader.

With that, I reserve the balance of the leader's time and yield to the acting Democratic leader, the senior Senator from Wisconsin.

RECOGNITION OF THE ACTING MINORITY LEADER

The PRESIDENT pro tempore. The distinguished acting Democratic leader is recognized.

Mr. PROXMIRE. Mr. President, I thank the assistant majority leader.

THE CHAPLAIN'S PRAYER

Mr. PROXMIRE. Mr. President, I, too, was impressed, as I always am, by the prayer by the Chaplain. I particularly was struck by his reference to the wish that we be professional in our work and amateur in our spirit. That is a wonderful thought. The trouble is we are amateur in our work and professional in our spirit, I am afraid.

But it is always a great, great pleasure to work with my good friend from Wyoming. What strikes me is, when I go home after this, I go to bed. The Senator from Wyoming does not; he goes out, as does the Presiding Officer. My wife said she saw both of them at a social function the other night and, as always, was impressed, entertained, and delighted. I do not know how they do it.

HOW TO KILL ARMS CONTROL

Mr. PROXMIRE. Mr. President, in his New York Times column on Monday, October 14, Anthony Lewis provides devastating documentation to the contention this Senator has recently made on the floor of the Senate that the Reagan administration's insistence on star wars or SDI will kill arms control.

Think of it—in just a few days President Reagan will go to the summit in Geneva on November 19 with Soviet Secretary Gorbachev. For arms control this will be the zero hour. This is the first time either of these superpower leaders has met with the adversary leader. Since the meeting between President Carter and Secretary Brezhnev in Vienna on June 19, 1979, there has been no attempt by the superpower leaders meeting together to limit the nuclear arms race. In fact, quite the opposite; the nuclear arms race has zoomed ahead full blast. Both countries have immensely increased the capability of their nuclear arsenal to reach and devastate potential targets in the other nation. Both the United States and the Soviet Union are right now pouring billions into devastating nuclear warheads and the missiles, bombers, and submarines that can carry them.

In the 5 years since the last summit at Vienna, the United States has spent more than $1 trillion in building up our military forces. Much of that massive sum has gone into our nuclear

arms buildup. An arms control treaty that could slow, if not stop, this madness would greatly serve the interests of our country at a time when the Federal budget deficit has so woefully distorted our economy. Far more important, of course, the arms race has not brought greater security. It has not diminished the prospect of nuclear war. It enhances that terrible prospect. Can anyone dispute the fact that both superpowers urgently need a respite from the economic drain of this mindless arms race? Would not the security of both nations sharply improve if the superpowers agreed to stop it? Then why cannot our President and the Soviet leader agree at Geneva on November 19 to the kind of comprehensive, mutual, verifiable end to nuclear weapon testing, production, and deployment that the overwhelming majority of Americans have repeatedly supported in virtually every referendum and poll?

In his New York Times column of October 14, Mr. Lewis provides the answer. The Reagan administration has asserted an absolute determination to proceed with an antiballistic missile system—popularly called star wars or SDI [strategic defense initiative]. What is star wars? It is an antimissile defense. Why does star wars gut any prospect of a significant arms control agreement? For two reasons. First, the SDI defense will make it impossible for the Soviets to agree to a significant cut in their offensive missiles. They know that the one way to make an American star wars defense work is for the Soviets to sharply reduce their offensive nuclear arsenal. By doing so their nuclear deterrent would lose its credibility, if the United States has a massive star wars defense in place. Star wars forces the Soviets not just to reject any ICBM cuts, but to build ICBM's more furiously than ever. Second, star wars would flatly and directly repudiate the ABM Treaty. That treaty had one purpose: To limit antimissile defense to a single system at a single location for each superpower, and after that, no more. Would star wars violate that treaty? Of course it would. As Mr. Lewis writes:

> Just last year the Reagan Administration said in a formal statement: "The ABM treaty prohibition on development, testing and deployment of space-based ABM systems or components for such systems applies to directed-energy technology or any other technology used for this purpose. Thus, when such directed energy programs enter the field-testing phase, they become constrained by these ABM treaty obligations."

Of course last week, Robert McFarlane gave a precisely opposite view. He claimed the ABM Treaty—"approved and authorized" development and testing of space-based ABM systems "involving new physical concepts" such as lasers or directed energy.

Was the administration right the first time when they said in effect that the treaty barred the field testing phase of ballistic missile defense or the second time when they said in effect forget it. We now change our minds.

For the answer consider the opinion of the chief negotiator of the ABM Treaty for the Nixon administration, Gerard Smith. Smith has said just in the last few days that the administration's position would make the ABM Treaty a "dead letter." Smith pointed out that if the President persists in pushing star wars, it will kill the ABM Treaty in a way that would cast doubt in the mind of any nation making an arms control treaty in the future with the United States.

I might add at this point, Mr. President, that just 3 days ago three former Defense Secretaries who served in Republican administrations made a statement enthusiastically supporting the ABM Treaty, and saying that we should do our best to preserve it.

So, Mr. President, if the Reagan administration insists on moving ahead with SDI or star wars, it will destroy any prospect of a meaningful arms control agreement emerging from the Geneva summit conference. It will destroy the ABM Treaty. That treaty was ratified by the Senate 88 to 2. Star wars will repudiate the solemn word of the United States affirmed by a permanent treaty and ratified overwhelmingly by this body. And it will make an arms control agreement—any kind of an arms control agreement by our country—very unlikely indeed. In accomplishing all this, star wars will also greatly stimulate the arms race as both superpowers pour hundreds of billions of dollars into developing ever more costly and deadly nuclear weapons. The defensive antimissile system or star wars will cost a trillion dollars or more. It will provoke—as such initiatives always do—a similar antiballistic missile defense by the Soviet Union. Then we and the Soviet Union will pour billions of dollars and much of our precious and limited scientific genius into developing the offensive nuclear weapons that will penetrate or underfly the trillion dollar antimissile defense.

With that kind of scenario there is no way the Gramm-Rudman-Hollings schedule of deficit reductions can achieve realization. Three, four, five trillion dollar national debt, here we come! The American taxpayer is going to yearn for the good old days when Federal taxes took only half his income. And inflation will soar into double digits and then some.

Mr. President, I ask unanimous consent that the article by Anthony Lewis in the October 14, 1985 issue of the New York Times be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Oct. 14, 1985]

SHADOW ON THE SUMMIT

(By Anthony Lewis)

BOSTON.—It is only a matter of words—a Washington word game, you might say. But the players are after very large stakes. If their gambit works, it will sabotage next month's Reagan-Gorbachev summit meeting. And they have an even more ambitious goal: to remove all constraints on the nuclear arms race.

The game, little noticed outside of Washington, is being played with the words of the 1972 Anti-Ballistic Missile Treaty between the United States and the Soviet Union. For 13 years the treaty has been universally understood to mean what it says: that any ABM system based in space is outlawed. Now the claim is that it means the opposite. Out is in. Down is up.

This amazing proposition was first publicly advanced on television last week by President Reagan's national security adviser, Robert McFarlane. He said the 1972 treaty "approved and authorized" development and testing of space-based ABM systems "involving new physical concepts" such as lasers or directed energy.

In other words, President Reagan's Star Wars program can push ahead without any concern about the ABM treaty. But just last year the Reagan Administration said in a formal statement:

"The ABM treaty prohibition on development, testing and deployment of space-based ABM systems or components for such systems applies to directed-energy technology or any other technology used for this purpose. Thus, when such directed-energy programs enter the field-testing phase, they become constrained by these ABM treaty obligations."

How can that plain meaning have been transformed? By an "interpretation" that ought to embarrass the most brazen lawyer in town.

Article 3 of the 1972 treatry allowed a limited number of fixed, land-based ABM's. Article 5 banned the development, testing and deployment of "sea-based, air-based, space-based or mobile land-based" systems. Then, in "Agreed Statement D," the parties said they would discuss "specific limitations" on exotic new ABM systems if they were "created in the future."

The claim is that statement D permits new kinds of ABM systems unless the parties now agree to limit them. But the American diplomats who negotiated it say the purpose was the opposite. And statement D itself begins by saying that its purpose is "to insure fulfillment of the obligations not to deploy ABM systems and their components except as provided in Article 3."

An old national security hand, asked about the new "interpretation" of the treaty, said: "You've got to admire their brass. They have interpreted it 180 degrees from its intent. The idea is so preposterous that it would be amusing if it were not so serious."

The serious part is the consequences. The new reading would make the ABM treaty "a dead letter," as its chief negotiator, Gerard Smith, said last week. And it will have been killed in a way that casts doubt on the point of making any arms control agreements with the United States.

Treaties are meant to be serious undertakings. This one was negotiated for a purpose that all the world understood, to limit defensive systems. The United States Senate consented to the treaty by a vote of 88 to 2. Thirteen years later America would be telling the world: "The terms are inconvenient to us now, so on second thought they mean nothing."

The summit meeting would almost certainly be doomed to failure if President Reagan now adopts the new reading of the ABM treaty. The meeting is to focus on arms control, and what would be left to say if the United States had just in effect renounced the main existing arms agreement? Mr. Gorbachev would have a propaganda field day.

For all practical purposes, the whole idea of arms control would be dead. With the restraints on defensive systems gone, the Soviet Union would hardly proceed with its recent proposal to cut back on offensive weapons. The impulse would be to an all-out arms race, offensive and defensive.

With consequences so serious, for President Reagan personally and for international security, why would anyone in the Reagan Administration be pushing to read the ABM treaty out of existence? The answer is that the man who surely started this game of words wants the summit to fail and wants all arms control to end.

Richard Perle, Assistant Secretary of Defense, is the Administration's principal thinker on these issues—and is utterly opposed to arms control. The rereading of the ABM treaty has the stamp on it of his clever mind, and his ability to get ideas through the bureaucracy. But Secretary of State Shultz has not yet approved this idea, and there is still a chance that he will try to protect the President from this self-inflicted wound.

RUNAWAY INFLATION, HERE WE COME

Mr. PROXMIRE. Mr. President, all of us who follow economic developments closely understand how impossible it is to forecast the economy with any consistent success. But this Senator is going to take a shot at it anyway. This Senator will flatly predict that over the next year or two, our country will enjoy stable prices and only a little inflation. Inflation is likely to rise by only 2 percent to 5 percent, perhaps even less. But beginning in 1987, watch out. Then inflation is likely to come on like gangbusters with a whoop and holler. Inflation will rise to double-digit figures and keep on going.

What will cause that inflation? That inflation will have its genesis in the fiscal and monetary policies this country is following now and is very likely to pursue over the next decades.

Why is inflation likely to behave like a tame pussycat in the next few years? For the answer, just take a look at the current state of the elements that influence the level of prices. The prices that you and I pay as consumers begins with crude materials. The availability of crude materials, as contrasted with the demand for them, determines crude material prices. So what is the status of crude materials supply? Answer: An abundance of supply of virtually every crude material that has a significant effect on overall prices—oil, metals, coal. In all these areas, we have a glut; in foodstuffs, the biggest glut of all. In the past year, farmers have suffered a drop that exceeded 13 percent in the price of their feed and feedstuffs. That is right—a fat 13 percent drop.

Perhaps the major influence on price comes from the cost of labor. Wages and salaries constitute as much as 70 percent of the ultimate cost of what we buy. So what is the status of the supply of labor? Answer: We have a vast surplus of labor. More than 8 million Americans are looking for work. Millions more work only part time for economic reasons. That is another way of saying they want to work fulltime but cannot find full-time work. We have a near record number of discouraged workers. These are people who have no jobs. But they are not counted as unemployed because they have given up looking for work. If the demand for labor picks up, they will flock back to the job market. So, for the foreseeable future, labor will be abundant and wages will not significantly push up prices.

And then we have the availability of production facilities. As demand speeds up, American industry can only meet that demand beyond a certain point by moving to more expensive facilities or building more costly facilities. That means marginal costs rise. Prices rise. At what level of capacity is American industry operating today? How near are we to a level that is likely to exert significant inflationary pressure? The Federal Reserve Board industrial index for September was 80.2 percent. At 85 percent, inflationary pressure begins to show up in prices. So the economy still has substantial leeway with respect to available capacity.

Since all of these fundamental determinants of the price level are favorable, why the worry? Why does this Senator believe that the country may be headed for runaway inflation by the end of the decade? The answer, Mr. President, is that inflation is not simply a matter of the supply and demand for goods and services. Inflation is a monetary phenomenon.

An economy that enjoys an abundance of every element in production can swiftly suffer explosive inflation if the Government starts printing money faster than the economy produces. That inflation is not immediate. It takes time. There is a lag of about 24 months from the time monetary expansion begins until inflation begins to bite. This is why I predict price stability for the next year or so. The empirical evidence shows this overwhelmingly. In South America, in Europe, and in Asia, we have found many instances where labor supply is abundant, and the supply of commodities exceeds the effective demand and yet prices soar. Why does this happen? The answer is that in virtually every case where a government has let its spending outrun its revenues, and without exception in every case where a government has sharply and consistently increased its money supply, prices have soared out of control.

Does America face that kind of situation today? Well, judge for yourself. Our Federal Government is recklessly racing along with spending far exceeding revenues. How about the money supply? Is that not within the firm control of a Federal Reserve Board that has shown its determination to resist political efforts to loosen up credit by unjustified increases in the money supply? Until recently, Mr. President, this Senator would have said yes. We can rely on the Fed as a bulwark against any inflationary monetary policy. Now I am not sure, and within a month or so, I may be very unsure indeed. Why? Consider—for many months now, the Fed has been increasing the money supply at a steady rate far above their targets. What does this mean? This means that the Fed has been for at least 1 year following a policy of sharply increasing the money supply.

And it gets worse. The President has just nominated two new members of the Federal Reserve Board. These two new members will join two Reagan appointees already on the Board and give the administration a solid majority. Reagan appointees have consistently supported the administration, and the Treasury penchant for an easier, more inflationary, more expansive monetary policy. It is true that monetary policy is set by the Open Market Committee. That committee does indeed include five Federal Reserve Bank Presidents along with the seven members of the Board. It is possible Chairman Volker will be able to resist the easy money, expansionary pressure of the new members by consistently winning four of the five bank Presidents to his side. But first of course, the Chairman has to decide that he wants to slow down the racing locomotive of monetary expansion he has piloted for the past year. Why is it likely that the Federal Reserve Board under these conditions will continue to expand the money supply—or, in effect, to print money? The answer is that no one has repealed the business cycle. The economy is in the late stages of its recovery. With the stimulus of massive budget deficits from the Congress and big injections of easy credit by the Fed, it can continue and very probably will continue along for a year or so. But then it will slow down. As I said, no one has repeated the business cycle. When it does slow

down what will the Congress do about the deficits? That is easy. It will take off all restraints and really go into the spending business with a vengeance. And that is not all. It will do something else. It will cut taxes again to give the economy a lift. And what will the Federal Reserve Board with its new expansion-minded majority do as recession rears its ugly head? It will inject more money into the tired veins of the economy. The economy will rise to its bleary feet and stagger ahead for awhile. But, as in country, after country, that has tried this pathetic attempt at bootstrap hoisting, prices still leap ahead and economic activity will collapse.

Now, Mr. President, none of this dreary script is inevitable. We have a marvelous, resilient, powerful economy. It has generated immense strength in the past. But we are abusing it, and if we do not stop this out-of-control spending and this monetary stimulus, we are going to wreck it.

MYTH OF THE DAY

Mr. PROXMIRE. Mr. President, the myth of the day is that Wisconsin and the Great Lakes' region is an economically stagnant "Rust Belt" dominated by older declining manufacturing industries and is not very attractive to new businesses.

While that negative view had some validity 5 years ago and the region is still buffeted by unfair import competition, my State and region is changing rapidly and making a surprisingly strong recovery.

As stated in the most recent edition of General Manufacturing Climates:

> America's "Rust Belt" is making a comeback. Three years ago cars sported bumper stickers that read, "The last person out of Michigan please turn out the light." Today, the lights are going back on all over the region. While still tied to agriculture and smokestack industries, government officials and private industry leaders are going further and further afield to attract business relocations and discover new business possibilities with the goal of creating an environment conducive to new business growth in the region.

The survey showed that Wisconsin improved its State ranking for manufacturing climate by 11 places in a single year! This was by far and away the largest single advance in the Nation. The entire Great Lakes' area showed a significant improvement. In fact, every State except one increased its relative position.

Wisconsin's unemployment rate of 6.7 percent compares favorably with those among the so-called Sun Belt States of the South and Southwest.

While manufacturing still employs the largest group of workers in the Great Lakes' region, we have experienced rapid growth in service jobs. Many of these new jobs are in frontier, high-paying fields.

It is also interesting to note that the heaviest concentration of manufacturing workers is in North Carolina, followed by South Carolina and Rhode Island, and the first Great Lakes' State, Indiana, follows in fourth place. On a regional basis, New England has a slightly higher concentration of manufacturing jobs than does the Great Lakes' region. What is hidden in all those statistics on manufacturing jobs in both New England and the Great Lakes' regions is that we have been gaining new, high-technological manufacturing jobs as we have been losing the more traditional jobs in heavy manufacturing industries.

Clearly, Mr. President, the true picture of the dynamic and attractive economies of the Midwest is in sharp contrast to the misleading myth of a dormant and dying region of our Nation.

MORALITY IN INTERNATIONAL RELATIONS

Mr. PROXMIRE. Mr. President, John Eppstein, editor of the English edition of the Code of International Ethics, recently discussed his views and concerns about morality in international relations. I agree with his analysis and feel it is yet another reason why the Senate should ratify the Genocide Convention.

Eppstein states that all governments find it necessary to justify their foreign policies to their people and to the world. This he cites as proof of a sense of right and wrong in human nature. Peoples of all nations share the same human nature, want peace, and want to be free from brutality.

According to Eppstein, our common bond of humanity obliges us to look out for the welfare of all people. There are two sorts of injustice that may violate human rights. The first occurs when someone commits an act of brutality. An example of this on a grand scale is the Holocaust of the Hitler regime. The second injustice occurs when those who have the authority and power to prevent brutality and violations of human rights do not do everything in their power to prevent or stop them. Eppstein expresses this position by saying that:

> He who does not repel an injury done to his fellow, if able, is as much at fault as the one who commits the injury.

The Genocide Convention is one step toward the prevention of another Holocaust or other acts of genocide. Ratification of this treaty will show to all nations that we will do everything possible to prevent injury, brutality, and attempts to eliminate groups of people. It is a human rights treaty that will protect all people and their right to live.

There are 96 countries that have already signed the treaty. We too must ratify the treaty so that we can be prepared to take action, if deliberate persecution of groups of people occurs.

If we fail to show our support for this treaty and for what it represents, we will fail to condemn the crime of genocide. All our allies have signed the treaty and we must assure them that we uphold the values and beliefs that our country was founded upon. Ratification of the treaty will free us from the embarrassment of contributing to Eppstein's second injustice—inaction. We must ratify this moral document now.

ROUTINE MORNING BUSINESS

The PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business, not to extend beyond 8:30 a.m., in which Senators may speak for not to exceed 5 minutes each.

THE ROBERT E. "BOB" JONES BRIDGE

Mr. HELFLIN. Mr. President, on Friday, September 20, 1985, a dedication ceremony was held for a bridge near Scottsboro, AL. I am certain that, in our vast country, many similar dedication ceremonies were held that day, but the one to which I refer was, for many reasons, particularly significant.

The bridge, which spans the Tennessee River, is the "Robert E. Jones Bridge," named for Bob Jones, who served as a Congressman from Alabama for more than 30 years—the longest tenure ever by an Alabamian in the House of Representatives. Bob Jones had a remarkable career, and remains a remarkable man.

Born in Scottsboro in 1912, he has remained a citizen of Scottsboro his entire life. After earning a law degree at the University of Alabama, he returned to his hometown to practice law. The people of Scottsboro thought so highly of Bob Jones that, only 3 years later, he was elected the first judge of the Jackson County Court.

With the coming of World War II, Bob Jones left Scottsboro to serve in the U.S. Navy from 1943 to 1946, first as a gunnery officer and then as a member of the legal staff of Gen. Douglas MacArthur. Prior to his return at the end of the war, he was, in absentia, reelected county judge.

Just a few months after his return, John Sparkman, then the Congressman from north Alabama, was elected to fill a vacancy here in the Senate. In turn, Bob Jones was elected to fill the vacancy created by Senator Sparkman's resignation, and took office in January 1947. Thirty years later, Congressman Jones retired, as the 16th most senior Member of the House of Representatives.

During his service here in Washington, Congressman Jones became one of only two Alabamians ever to serve as chairman of a full House committee. This came about when he ascended to the chairmanship of the Committee on Public Works and Transportation in 1975. He had joined that committee upon his first election to Congress, and remained a member for his entire career, serving at one time or another as a member or chairman of every one of its subcommittees.

During his service in the House, Bob Jones was known for his concern about the restoration and preservation of our water resources, the problems of urban and rural transportation, and the need for economic development in underdeveloped areas. He was a major force in the creation of the Interstate Highway System, and sponsored legislation to provide financial aid to education, to improve farm programs, to seek new sources of electric power, to provide park and recreational facilities, and to expand aid to our veterans. He left his influence behind in his district through his work with TVA, and here in Washington by his sponsorship of the Public Building Act of 1959, which served as the basic authority for most Federal building projects, including the new buildings of the Smithsonian Institution and the Kennedy Center.

Mr. President, clearly Representative Bob Jones was an outstanding public servant. In fact, he was held in such high esteem by his colleagues that, following consideration of the Water Quality Act of 1972, he was presented a plaque of appreciation by his fellow conferees for leading them to a successful compromise solution of differences that required many months and more than 40 conference sessions to resolve.

In addition, after he announced his intention to retire from the House, Bob Jones was referred to as "a prototype of congressional responsibility, because as a Member of the House he kept his head down, did his work, and knew his subject better than anyone else."

Mr. President, I am proud to know Bob Jones and to count him among my close friends. For years, he was my Congressman, and the people of our district always knew we had a special friend in Washington.

Throughout north Alabama, there are numerous landmarks of his long and dedicated service. This most recent one, however, is perhaps most fitting, for it stands next to the B.B. Comer Bridge, where, 56 years ago, a young man did construction work for 60 hours a week at 25 cents an hour. Today, Mr. President, that young man, Bob Jones, has left his imprint not only on the B.B. Comer Bridge, but on public works and improvements all across the Nation. Alabama, and America, are lucky to have such a public servant.

Mr. President, I ask unanimous consent to have printed in the RECORD two newspaper articles relating to the dedication of the Robert E. Jones Bridge.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

DEDICATED IN HONOR OF BOB JONES—LONG-AWAITED BRIDGE OPENS

(By Betty Schmidt)

The opening of a new span across the Tennessee River Friday represents "the opening of new opportunities for growth," according to retired Congressman Robert E. (Bob) Jones for whom the bridge was named.

Jones was the principal speaker at the event attended by a crowd of some 200 onlookers including area residents, state, county and city officials.

The new Robert E. Jones Bridge, which is part of a four-laning project for Highway 35, cost approximately $13 million and was under construction 27 months.

Jones praised the county, federal and state efforts which resulted in the new bridge, a symbol of the "determination" and "imagination" of the people of the area. "The bridge represents the stimulation of our efforts for growth and new ideas," he said.

The retired congressman recalled the days when he worked for 25 cents an hour as a laborer on the adjoining B.B. Comer Bridge some 56 years ago. "I sense I created a great tribute to the Tennessee River . . . I sweated 10 gallons a day on the top of those piers," he said.

He concluded his remarks by voicing the hope that "the new bridge will relieve us of the separation of lowlands and highlands."

State Highway Director Ray D. Bass also spoke at the ceremonies and introduced the officials who lined the platform.

C.F. Camp, division engineer, was the master of ceremonies for the ribbon cutting and the Rev. Charlie Guinn gave the invocation.

Scottsboro police directed four-lane traffic across the double bridges shortly after the 10:30 a.m. ceremony. Among those witnessing the opening of the span was Police Chief Keith Smith who was happy his department would no longer be needed to escort wide loads across the narrow B.B. Comer Bridge.

"It will save a lot of our time and reduce traffic accidents," he predicted. In the past, the Scottsboro police had as many as eight escort details a day, the chief said.

[From The Huntsville (Ala.) Times, Sept. 21, 1985]

NEW BRIDGE DEDICATED TO EX-REPRESENTATIVE BOB JONES

(By John Peck)

SCOTTSBORO.—Bob Jones labored 10 hours a day, six days a week for 25 cents an hour while building the B.B. Comer Bridge in Scottsboro.

Today, 56 years later, the retired congressman can view the results of that effort from atop a new bridge—a structure bearing his name—the Robert E. "Bob" Jones Bridge.

"As I pass over this bridge now, I'll sense that I contributed to the Tennessee River by the 10 gallons I sweat each day on top of those piers," operating jackhammers on the river botton and finishing concrete from atop planks suspended from the bridge supports, Jones told an audience of several hundred who gathered here Friday for the ribbon-cutting ceremony.

On a more serious note, Jones called the bridge the "opening of new opportunities for our people" and said he felt "honored" for having a bridge named after him.

Among the dignitaries and guests on hand for the ceremony were State Highway Director Ray Bass, members of the Jackson County legislative delegation, Scottsboro Mayor Lonnie Crawford, Commission Chairman Houston Kennamer, and others.

Bass told The Huntsville Times the opening of the 4,342-foot bridge will enable highway officials to proceed with efforts to four-lane Alabama 35 to U.S. 72, which he said will take a couple of years.

Jones, 73, was elected to the U.S. House of Representatives in 1946 and served as chairman of the House Public Works and Transportation Committee. He served 15 consecutive terms in office—a tenure spanning 30 years and six presidents.

While in office, Jones was a strong leader in getting the Interstate Act and the Appalachian Act pushed through Congress.

The Comer Bridge, built in 1928 by the Kansas City Bridge Co., was constructed at a cost of just over $500,000. The price tag for the new bridge was nearly $13 million.

Jones said he landed the construction job the summer after he graduated from Jackson County High School in 1929. The year before, he had worked on a survey crew involved in the construction of Alabama 35 up Sand Mountain.

While working on the bridge, Jones said he operated a jackhammer below the surface of the water in an area protected by caissons.

Working conditions were hot and wet and the job was made more intolerable by pressure differences, Jones said. One laborer died because of the pressure differences, Jones recalled.

A native of Scottsboro, Jones said he hitchhiked or walked to work each day from his downtown home and managed to save $105 that summer. His good friend and coworker, the late Houston Davis, encouraged Jones to apply the money toward college because, the former congressman said, "there would still be plenty of bridges left to build" after college.

While at the University of Alabama, Jones said he worked at "Pugs" Restaurant and also worked in the school's athletic department publishing football programs. He also was business manager of the Corolla—Alabama's yearbook.

Jones and his wife, Christine, presently reside in Scottsboro.

FARM CREDIT SYSTEM HEARINGS

Mr. HELMS. Mr. President, I read with great interest the remarks this past Wednesday of the distinguished Senator from Oklahoma [Mr. BOREN] concerning the postponement of hearings on the difficulties confronting the Farm Credit System.

No one is more concerned about the current situation of the System or more eager to tackle this problem than this Senator. I agree wholeheartedly with Senator BOREN that this matter needs and deserves the atten-

tion of Congress at the earliest appropriate date. I have relayed to members of my committee, on more than one occasion, my strong intention to hold comprehensive hearings as soon as possible.

Mr. President, I agreed only with great reluctance to accommodate the requests of the administration, the Farm Credit Administration and the leadership of the Farm Credit System to postpone temporarily our hearings. Furthermore, as my committee knows, I attempted to schedule hearings in late September, but was asked by the System to wait until this week so they could be fully prepared to present testimony on their current financial situation and offer specific legislative proposals.

Mr. President, my decision to delay, for a short time, the commencement of our hearings was made only after being convinced that to have proceeded this week would not only have been unproductive, but could possibly lead to the deterioration of the System's ability to raise badly needed capital, at affordable cost, in the bond market. I hasten to emphasize that this is not because I expect to hear testimony that the collapse of the System is imminent, but rather because a premature hearing would produce negligible results and signal greater uncertainty to Farm Credit bond investors.

I might add that the chairman of the House Subcommittee on Agricultural Credit also recognized the necessity to postpone hearings and immediately accommodated the requests to do so. I trust no one would imply that the very able and respected Chairman ED JONES would do so for any other reason than great concern and sensitivity to the complex issues involved. I understand that it has been Mr. JONES' intention from the beginning to separate the farm bill from the Farm Credit System issues and I commend him for it.

Indeed, I agree with Senator BOREN that the problems facing the System are serious. But for that very reason we must proceed with thoughtful consideration to ensure that we not take precipitous action that would be detrimental to farmers who depend upon the System for a dependable line of credit. We must not ignore the obvious fact that even slight increases in the cost of Farm Credit bonds are soon reflected in higher interest costs to the very farm borrowers we are trying to assist.

Mr. President, I say without hesitation that while the problems facing the System are difficult, they are manageable. I fully anticipate that we will have viable options to consider in my committee in the very near future and I intend to expedite our reporting a bill to the full Senate.

With all respect, I must take exception with those who believe it is essential that we have a comprehensive solution to our agricultural credit problems before completing action on the farm bill. In fact, quite the opposite is true. Farmers must know what price they can expect from their crops before a thorough understanding of the credit situation can be achieved. To delay action on the farm bill will in no way further our efforts in reaching a sound, fiscally responsible solution to the farm credit problems.

Again, let me say that it is unfortunate that hearings on the Farm Credit System had to be again delayed. However, I assure all Senators that this is an issue of top priority with me and the Agriculture Committee. We will proceed with the consideration of it at the earliest appropriate date.

Mr. President, I ask unanimous consent that the text of letters from Under Secretary Frank Naylor, Gov. Donald E. Wilkinson, and Mr. Delmar Banner requesting postponement of our hearings be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, DC, October 15, 1985.

Hon. JESSE HELMS,
Chairman, Committee on Agriculture, Nutrition, and Forestry, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: I am writing to request your consideration in rescheduling this week's Agricultural Committee hearings concerning the operational status of the Farm Credit System.

On Friday, October 11, Secretary of Treasury James Baker, OMB Director James Miller, and I met with representatives of the operating leadership of the Farm Credit System and the Governor and Senior Deputy Governor of the Farm Credit Administration. The meeting was held to demonstrate the Administration's concern with the condition of the Farm Credit System's operating system.

On Friday, October 11, Secretary of Treasury James Baker, OMB Director James Miller, and I met with representatives of the operating leadership of the Farm Credit System and the Governor and Senior Deputy Governor of the Farm Credit Administration. The meeting was held to demonstrate the Administration's concern with the condition of the Farm Credit System's operating system.

During the course of the meeting, Secretary Baker indicated that the Administration was prepared to support a legislative package to deal with the organizational and regulatory reforms needed by the Farm Credit Administration and to improve the system's ability to pool its own resources to assist in managing its current problems.

The operating system reported to Secretary Baker that independent audit data would not become available until October 23 at which time operating results through the third quarter would be available for evaluation. This and other sources of financial information are vitally important in providing the Administration, the Congress and the Farm Credit Administration with a more complete and accurate picture of the system's current and future operating conditions. It is the Administration's view that this data and an independent analysis of all available financial information are necessary to assess what additional measures, if any, may be appropriate.

Indicative of the Administration's concern, Secretary Baker has asked the Farm Credit Administration and the Farm Credit System to meet with an Administration working group to discuss further each of these issues and to develop the soundest possible assessment of current operating conditions.

Secretary Block and Secretary Baker are very much aware of your concern and commend you on your leadership in scheduling hearings to evaluate the Farm Credit System's status. The Administration believes that it is important to provide Congress with the soundest analysis that can be developed to assist you and the Congress in its oversight of the current operating problems of the Farm Credit System.

The Administration will appreciate your favorable consideration of this request and stands ready to work closely with you on this matter.

Sincerely,

FRANK W. NAYLOR, Jr.,
Under Secretary for Small Community and Rural Development.

FARM CREDIT ADMINISTRATION,
McLean, VA, October 16, 1985.

Hon. JESSE HELMS,
Chairman, Committee on Agriculture, Nutrition, and Forestry, United States Senate, Washington, DC.

DEAR MR. CHAIRMAN: We request that the hearing scheduled for October 17 be postponed.

Secretary James Baker met last Friday with Farm Credit System representatives and with the Farm Credit Administration as regulator of the System. He asked that the Administration be provided more complete information prior to any hearings so that it may develop more fully its position on the key issues likely to arise.

We appreciate your assistance in this matter.

Sincerely,

DONALD E. WILKINSON,
Governor.

THE FARM CREDIT COUNCIL,
Washington, DC, October 16, 1985.

Hon. JESSE HELMS,
Chairman, U.S. Senate Committee on Agriculture, Nutrition and Forestry, Russell Senate Office Building, Washington, DC.

DEAR MR. CHAIRMAN: We thank you for agreeing to hold hearings so expeditiously on problems of the Farm Credit System. Since the hearing date was announced, the Administration has asked for a delay in order to review Farm Credit third quarter financial figures, which will be available by October 23. While the situation is extremely urgent, to postpone the hearing for a short time in order to have the most current numbers available for consideration is a reasonable and sound request, and one with which we concur.

We look forward to hearing from your staff on this and if we can be of any assistance in the meantime, please advise us.

Again, we thank you for your consideration.

Most sincerely,

DELMAR K. BANNER.

CALL TO CONSCIENCE

Mr. PRESSLER. Mr. President, as a participant in the 1985 Congressional Call to Conscience, I have the honor of calling attention to the tragic heroism of Iosif Radomiselsky. Iosif, like many other Soviet Jews, has worked hard to perpetuate Jewish culture and traditions through the teaching of the Hebrew language. His Hebrew instruction to young Jews at Leningrad and his protest over arrests and imprisonments of fellow Hebrew instructors have brought grave consequences on his family.

Iosif first applied for permission to emigrate to Israel in 1979. Upon this request, he was immediately fired from his job as a computer engineer and denied emigration at regular intervals. The termination of his job has resulted in great economic hardship for Iosif and his family. He is now forced to work as a hospital orderly and at part-time odd jobs for extremely low wages. Iosif's parents are also refuseniks who wish to emigrate to Israel, but they also have been denied. They share their meager pensions with Iosif and his wife, Inna. His mother, who first suffered a severe heart attack in April 1982, and spent several weeks in the hospital, has had similar attacks since then which require immediate medical attention. The frequent, unexplained disconnection of their telephone places her life in great peril.

In December 1982, Iosif was issued a final refusal by the Leningrad OVIR which prohibits him from reapplying for an exit visa. He and thousands of other Soviet Jews are being held prisoners in their own country, unable to escape the heavy burden of oppression that has been placed disproportionately upon the 1.81 million Jews in the Soviet state. Soviet Jews are mysteriously fired from their jobs, they are humiliated and harassed by the KGB, and they are denied the emigration right that would unite them with family and friends and give them the opportunity to enjoy the basic human rights we often take for granted.

Iosif continues to instruct Jewish children in the Hebrew language despite the substantial risk to himself and his family. As is the case in most religions, training of children is very important, and knowledge of the Hebrew language is an essential part of the practice of Judaism. Officially approved instruction of Hebrew has been made virtually inaccessible to Soviet Jews, and it is the only language so stringently restricted in the Soviet Union.

Other blatant anti-Semitic measures also threaten the survival of the Jewish culture and religion in the Soviet Union. Only 57 synagogues remain in the Soviet Union, which equates to 1 synagogue per 31,770 Jews. Moreover, most of these synagogues are disproportionately located in the least populated Jewish areas. Worship services, called minyanim, are held in private homes only by special permission. In the past few years, a mere three Soviet Jewish students selected by the Soviet authorities have been approved for rabbinical training at the seminary in Budapest.

It has been 9 months since we began the 1985 Congressional Call to Conscience on Soviet Jewry, but the denial of fundamental freedoms for Soviet Jews has occurred for many years. Our moral and ethical outrage should not diminish as long as these people are denied free practice of their religion and the right to emigrate. Just as refuseniks such as Iosif Radomiselsky courageously struggle to maintain their cultural and religious identity, we must not waiver in our persistent denunciation of the human rights violations occurring in the Soviet Union.

YEAGER AIRPORT

Mr. BYRD. Mr. President, Brig. Gen. Charles E. Yeager, retired, was the first man in history to fly faster than the speed of sound. As a test pilot, General Yeager made significant contributions to the progress of aeronautics and contributed as well to America's space effort. In his recent best-selling autobiography, General Yeager relates details of his career and other interesting antidotes and insights from an exciting and often unconventional life. Certainly, Chuck Yeager has enjoyed one of the more eventful personal histories of contemporary times.

General Yeager was born and reared in West Virginia, and as one of our own, West Virginians take pride in the success and fame that he has won for himself and brought to our State. Reflecting that pride, the decision was made recently to rename the Kanawha County Airport near Charleston, WV, in honor of Chuck Yeager.

On Monday, former Senator Jennings Randolph and I were privileged to take part in the renaming ceremonies for the Yeager Airport. I ask unanimous consent that the remarks that Senator Randolph and I delivered on that occasion be included in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS OF JENNINGS RANDOLPH AT THE NAMING OF THE KANAWHA AIRPORT IN HONOR OF CHARLES E. YEAGER

"I dipt into the future far as human eye could see; saw a vision of the world, all the wonder that would be saw the heavens fill with commerce, argosies of magic sails; pilots of the purple twilight, dropping down with costly bales."

This prophecy, written by Lord Tennyson in 1842, has come to fulfillment in large measure because of the pioneering accomplishments of the man we honor today.

On this date, thirty-eight years ago, Captain Charles E. Yeager, a young Air Force test pilot, climbed into an experimental flying ship at Muroc Dry Lake, California, and made aerospace history. Captain Yeager, after distinguishing himself in aerial combat over France and Germany in World War II, flew a small rocket-powered aircraft, the Bell X-1, named "Glamorous Glennis" after his lovely wife, through the sound barrier.

Charles Yeager became the first man to fly at the velocity of Mach I, faster than the speed of sound. His historic flight, following many months of tests and evaluation of the unknown, opened a new era in world aviation. Today, supersonic speeds are commonplace. But on that crucial date there were many scientific authorities who remained convinced that man could never hope to achieve or survive supersonic speeds.

He established another speed record on December 12, 1953, by flying over two times the speed of sound in a Bell X-1A.

Charles Yeager crossed uncharted boundaries. He enabled others to follow and expand the limits of man's opportunities. He revolutionized the field of aviation, opening the door to more rapid space exploration programs.

I had the privilege of insuring that Chuck Yeager's accomplishments could be appropriately recognized. On June 20, 1975, the 112th anniversary of West Virginia's statehood, my alma mater, Salem College, presented Chuck with it's "Mr. West Virginia" award and conferred on him an honorary degree of aeronautical science.

In late 1974 and early 1975, I introduced in the Senate bills to authorize the President of the United States to present to Brigadier General Yeager a Medal of Honor. The Congress enacted—and the President signed into law on December 23, 1975—a bill authorizing the awarding of a Silver Medal, described as the "equivalent to a noncombat medal of honor."

It was gratifying to have had these opportunities to participate in recognizing the achievements of Charles Yeager. Now, I am especially privileged to be a part of this program which will result in a lasting memorial to him through the naming of our capital city's airport in his honor. I commend the Central West Virginia Regional Airport Authority for taking this initiative.

Our honoree epitomizes the spirit of service, sacrifice, courage and purposeful venture for which West Virginians are deservedly known.

Brigadier General Yeager is one of those fortunate men who—"has slipped the surly bonds of Earth and danced the skies on laughter silvered wings;

"Topped the windswept heights with easy grace, where never lark or eagle flew * * *

"And trod the high untrespassed sanctity of space, put out his hand and touched the face of God." [1]

Brigadier General Charles Yeager—combat hero, patriot, aviation pioneer, sturdy mountaineer—we salute you; we honor you; and we thank you for being the man that you are. No person shall pass through the portals of this important aviation complex—Yeager Airport without gaining inspirations from your life.

[1] "High Flight" John Gillespice Magee, Jr.

REDEDICATION—KANAWHA AIRPORT IN HONOR OF CHUCK YEAGER

(Remarks by U.S. Senator Robert C. Byrd)

In his best-selling autobiography, General Chuck Yeager describes luck as, "the most precious commodity a pilot carries. Luck, pure and simple."

As a combat pilot and as a test pilot, Chuck Yeager may have had luck. But luck alone does not explain his achievements, or the length and success of his career. General Yeager also possesses character—and integrity and sturdiness of ideals that allowed him to achieve deeds that are not legendary.

Here in West Virginia, we are proud of what General Yeager has done—his renowned accomplishments. We are also proud of General Yeager himself. People recognize qualities in Chuck Yeager to which most West Virginians aspire. Like other noted West Virginians of the past, Chuck Yeager will be remembered as an embodiment of what is best in our West Virginia heritage.

I congratulate General Yeager on the honor and pride he has brought to our State and on the singular honor being paid him here today. I wish him a continued exciting and fruitful life in the years ahead. May he ever stand as a great example to the people of West Virginia, and to Americans everywhere.

NATIONAL SCHOOL LUNCH WEEK

Mr. DOLE. Mr. President, as chairman of the Subcommittee on Nutrition, the Senator from Kansas has been actively involved in the development of the National School Lunch Program. This program is the oldest Federal nutrition program, founded in 1946, in response to the military draft situation during World War II when potential draftees were turned down due to malnutrition.

Since that time, the National School Lunch Program has been providing nutrition input to children in participating schools throughout the country. It is in the developmental stages of infancy and childhood that good nutrition can have a major impact on a child's potential as an adult.

CURRENT SCHOOL LUNCH PROGRAM

The National School Lunch Program subsidizes the lunches of some 24 million children in over 85,000 schools throughout the country. Federal cash and commodity reimbursements are provided for lunches which meet Federal nutritional and other requirements. For fiscal year 1985, this amounted to about $3.2 billion. Federal cash expenditures for the School Lunch Program were about $2.7 billion in fiscal year 1985. Most of the cash assistance for this program—$2.43 billion—is provided for lunches served free, or at reduced price to children who meet low-income eligibility guidelines. These children currently account for about 52 percent or 12.4 million of all school lunch participants. The remaining schoolchildren, some 11.6 million, receive so-called paid lunches which are subsidized at a Federal cost of about $242 million—approximately 9 percent of the total Federal cash expenditures for the program.

CURRENT ISSUES RELATING TO NSLP

Current policy with regard to the School Lunch Program establishes some Federal responsibility for the nutritional well-being of all children, regardless of their income. In 1981, bipartisan congressional proposals were enacted into law that achieved $1.3 billion in savings for child nutrition programs in fiscal year 1982—a 21 percent reduction. These program changes actually strengthened the School Lunch Program, improved targeting and implemented many program reforms.

There is no question but that all American children should have access to proper nutrition. The real issue is who should pay for school lunches when children are not from low-income families. Many families can afford to make more of a contribution to their children's lunches.

DEDICATION OF SCHOOL LUNCH PERSONNEL

Mr. President, regardless of policy differences that may exist, those individuals who run these programs throughout the country should be commended on their dedication and commitment to the well-being of the children in their school districts. School lunch directors, and the personnel who actually prepare the food in kitchens, really do a commendable job in providing cost-effective, healthy lunches. These people are often mothers themselves, who are willing to participate personally in a program that is responsible for feeding their children—they want to make certain that the food these children eat is well-prepared and nutritious.

CONCLUDING REMARKS

The National School Lunch Program is a vital segment of the school systems in our country. If a child is hungry, or sent off to school without an adequate breakfast, that child will have difficulty learning in the classroom. Quite often, the school lunch and breakfast programs substitute attention that should be provided in the home. In addition, the nutrition education and training program helps children learn about good nutritional habits—an influence that will benefit them for life.

The National School Lunch Program is important in providing good nutrition to school-age children throughout the country. The long-range benefits from this program can only really be seen when the child has grown into an adult. Nutrition programs can be very cost-effective in providing preventive intervention that results in improved health status and saves potential medical costs. School lunches provide food to children that may not receive any other kind of nutritional input. This program should be recognized for the kind of contribution it makes to our children, who are our future generations. We should all take time to appreciate this program and the dedicated people who work with it.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GARN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. LUGAR). Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. GARN. Mr. President, we have now been in session for 1 hour. We had a unanimous-consent agreement on amendments. There are three amendments to be offered.

I suggest if Senator BIDEN or the other Senators are not here within 5 minutes to offer an amendment of some kind, I think we should go to third reading, and I will ask for third reading and final passage of the bill, unless someone is willing to offer the amendment.

I get tired of the game we play in this body of coming in early—we have done it most of this week—with very little action. If Senators want to offer their amendments, I suggest they be here to offer them or we will go to third reading.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. GARN. Mr. President, I withhold that request.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

HUD APPROPRIATIONS, 1986

The PRESIDING OFFICER. The clerk will state the pending business.

The assistant legislative clerk read as follows:

A bill (H.R. 3038) making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1986, and for other purposes.

The Senate resumed consideration of the bill (H.R. 3038).

Mr. GARN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GARN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GARN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GARN. Mr. President, it is my understanding that an amendment was to be called up at 8:30 a.m. with 15 minutes on each side in accordance with the unanimous-consent agreement. Is that correct?

Mr. DECONCINI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Utah has the floor, and the Chair is in the process of responding to the parliamentary inquiry.

Mr. DECONCINI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Utah has the floor. Does he yield for the purpose of the Senator from Arizona suggesting the absence of a quorum?

Mr. GARN. I have not yielded. I propounded parliamentary inquiry and I wish to have the answer from the Chair.

The PRESIDING OFFICER. The order was for the Senator from Alaska [Mr. MURKOWSKI] to be recognized to offer an amendment on which there shall be 30 minutes equally divided and controlled of debate when the Senate returns to the pending business.

Mr. GARN. We are on the pending business. That is the regular order.

Mr. DECONCINI. Mr. President, I suggest the absence of a quorum. There is not a working quorum here.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. DECONCINI. Mr. President, I thank the Chair for calling the roll.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 808

(Purpose: To maintain the level of funds restored to the Veterans' Administration medical care account)

Mr. MURKOWSKI. Mr. President, on behalf of myself, Senator CRANSTON, Senator DECONCINI, and others, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Alaska [Mr. MURKOWSKI], for himself, Mr. CRANSTON, Mr. DECONCINI, Mr. DENTON, Mr. BYRD, Mr. THURMOND, and Mr. ABDNOR proposes and amendment numbered 808.

At the end of the bill, add the following section:

SEC. . Notwithstanding any other provision of this Act (including any provision reducing certain dollar amounts by a specified percentage), the appropriation made by this Act for the Veterans' Administration for "Medical care" shall be $9,228,694,000.

Mr. MURKOWSKI. Mr. President, yesterday, Senator CRANSTON—who, regrettably, cannot be with us today, but who is represented by a principal cosponsor, Senator DECONCINI—and I reached an agreement with the distinguished chairman of the Appropriations Subcommittee, Senator GARN, to restore $100 million VA medical care account level beyond the level in the amendment to H.R. 3038 that has been proposed by Senator GARN. My amendment was adopted by the Senate. The net result of this agreement was a reduction from H.R. 3038, as reported, of $196 million in budget authority for VA medical care. This modification was accepted by Senator GARN and adopted later by the Senate.

After agreeing to this reduction of $196 million for the VA, it is unthinkable now to revisit this issue as to the VA in the form presented to the Senate by the 1.1-percent across-the-board amendment proposed by my distinguished colleague and chairman of the Budget Committee, Senator DOMENICI, and adopted earlier. An additional 1.1-percent cut in VA medical are would have an adverse impact on the VA's health care delivery system. I am advised, by the VA's Chief Medical Director, that such a cut would result in a reduction in substantial medical care employees and a concomitant reduction in the number of veterans who will receive health care.

Yesterday, Senator CRANSTON spoke about the Chief Medical Director's projections in this regard, and I do not believe those statistics need repeating today.

Senator DOMENICI's amendment is born out a great deal of frustration in this body. I understand and support the efforts of my esteemed colleague to restrain spending and have appropriations be consistent with the levels adopted in the budget resolution. I support appropriations for the VA that reflect the spending levels agreed to in the budget resolution. But, in an effort to accommodate Senator GARN's intent to keep the HUD bill within the limits of the budget resolution, I agreed reluctantly in my amendment to a VA medical care appropriation that would be below the ceiling agreed to for the VA function 700 in the budget resolution. I want to emphasize—the net result of my earlier amendment is that the VA is already below the function 700 levels agreed to in the budget resolution.

This further, across-the-board reduction of 1.1 percent will result in an additional cut of slightly over $100 million in medical care. In fact, this amendment leaves us $700,000 poorer than we were yesterday morning.

Mr. President, I believe that veterans should share equally in dificit reduction efforts. But to require such additional deep cuts in VA medical care would go way beyond equity. And let there be no mistake about it—veterans have received their share of the cuts this year and in previous years as well. Two very significant policy changes were made by my committee to meet our reconciliation instructions. The implementation of a means test and third party reimbursement will achieve in excess of $1.15 billion in savings over the next 3 years and help keep VA health costs down. These were major and most significant steps. The vast majority of service organizations have graciously accepted these policy reforms in recognition of the need to do their part to reduce the deficit.

Therefore, Mr. President, I am forced to offer an amendment with Senator CRANSTON, Senator DECONCINI, and others to modify Senator DOMENICI's across-the-board reduction to restore sufficient funds to VA medical care in order to reflect the funding level of $9,228,694,000 agreed to by the Senate in our amendment this morning. My amendment would only restore funds for VA medical care. Other VA discretionary programs, such as construction, would be subject to the 1.1 percent across-the-board reduction. I urge my colleagues to join me in adopting the amendment.

I yield to my colleague, Senator DECONCINI, at this time, a principal cosponsor of the amendment.

Mr. DECONCINI. Mr. President, I thank the distinguished chairman of the Veterans' Committee.

Mr. President, this amendment would simply restore to the Veterans' Administration medical care account the net level of funding which the Senate agreed to yesterday morning when it adopted the modified amendment of the chairman, Mr. MURKOWSKI, and the ranking minority member, Mr. CRANSTON, of the Veterans' Affairs Committee. I was pleased to cosponsor that amendment and the modification to it and was also pleased that the distinguished chairman of the Appropriations Subcommittee on HUD-Independent Agencies, Mr. GARN, and its ranking minority member, Mr. LEAHY agreed to it.

Unfortunately, however, that amendment, which the floor managers agreed to and which was adopted without opposition, has now been vitiated by the across-the-board amendment cutting 1.1 percent from each of the discretionary accounts in the HUD bill, including the VA's medical care account. That took away $100.7 million from the VA medical care account which amount, when added to the

$196-million cut we agreed to yesterday morning as a fair share of necessary reductions, means that as of now veterans medical care has been reduced from the committee-reported level by $297 million. That's too much, too deep of a cut.

Mr. President, the debate this morning on the Murkowski-Cranston amendment made clear the great importance of retaining the amount—$9,162,694,000—to which the medical care account was then restored. That is the absolute bare minimum which could possibly enable the VA to maintain the health-care staffing level—193,941 FTEE's—for which Congress appropriated funds in fiscal year 1985 and which the House of Representatives and the Senate Committee on Appropriations in the bill as originally reported intended under this bill.

That amount—which our amendment would maintain—is also the absolute bare minimum which could possibly enable the VA to maintain the quality of staff it needs and to achieve the patient-care workloads that it projects for fiscal year 1986.

Thus, Mr. President, it is essential for my colleagues to be aware that the reduced funding level brought about by the 1.1 percent across-the-board cut will result in sharp cutbacks in VA programs. It would force the VA to cut thousands of employees from its health-care staff, provide care to tens of thousands fewer veterans, and, possibly, delay the activation of facilities scheduled to be brought on line in fiscal year 1986 and fiscal year 1987. As was pointed out yesterday morning by Senator CRANSTON, according to information provided by the VA Chief Director's Office, cutting the VA medical care account to where it was before the adoption of the Murkowski-Cranston amendment, would compel the VA to make a personnel cutback of about 1,900 full-time-employee equivalents—FTEE's—in fiscal year 1986. This would result in reductions of 16,000 episodes of hospital care and 72,500 outpatient visits for veteran-patients. Also, according to the Chief Medical Director's Office, that appropriations level would force an $82.5-million cut—almost 50 percent of the $170 million provided in the total bill for this purpose—in equipment which is scheduled to be purchased in fiscal year 1986 to activate facilities in fiscal years 1986 and 1987. There are 95 such projects in 33 States.

Alternatively, if the VA were to decide not to delay these activation-related purchases, it would have to reduce its health-care staff by an additional 2,000 FTEE's and its patient-care workload by an additional 17,700 episodes of hospital care and 80,000 outpatient visits.

That would be a total staffing reduction of nearly 4,000 and cuts of more than 33,000 episodes of hospital care and 152,000 outpatient visits.

Mr. President, I strongly reject both of these alternatives—and yesterday morning the Senate rejected them also. We did the right thing by our Nation's sick and disabled veterans earlier today, and we should now do so once again.

In closing, Mr. President, I want to emphasize that this amendment is a very prudent one. It would restore the VA medical care account to a level which is $166 million below the amount originally proposed by the Appropriations Committee and which had strong bipartisan support this morning. It still deserves that support. Therefore, I urge all of my colleagues to vote for this amendment.

Mr. President, we are faced with a dilemma today, because the distinguished chairman of the Veterans' Committee, Mr. MURKOWSKI, and Senator CRANSTON worked out an arrangement yesterday add $100 million to the VA medical care. That was agreed to by the distinguished chairman of the subcommittee and the Senate adopted it by voice vote.

Now, we are faced with a cut of $100 million. The Senator from Alaska deserves the heartfelt thanks of not only the veterans of this country but of every Member of this Senate in adding back to this bill the absolute minimum amount of dollars that are necessary to maintain the veteran health care system.

The Senator from California cannot be here today, but he is the one, along with the Senator from Alaska, who has insisted that we end up with a net of $100 million in the VA health care account.

The reason this particular amendment has the figure that it has in it is that the only way to get the $100 million net is to add $166 million in at this time in anticipation of an across-the-board cut if the amendment is adopted. So I am hopeful that those who might be listening and those who come over realize that we are not busting the budget. We are providing the minimum, bare minimum dollars for, health care for the veterans of this country. And if you vote this down, they are going to suffer. I do not think that it is the intent of any Member in this body to take away the dollars necessary to provide that health care to the veterans of this country.

Mr. MURKOWSKI. I thank my colleague from Arizona. I think some explanation is probably in order to again run through just what occurred yesterday. In the original plan there was a cut of $296 million in veterans' appropriations. The amendment which I introduced yesterday put back $100 million, so the net cut to veterans was $196 million. And then there was a proposed 1.1 percent across-the-board cut, which was an additional $101 million. Therefore, the veterans' cut was roughly $290 million.

What we are proposing this morning is to re-establish the previous level by adding $166 million to the Veterans' Administration health medical care area. We have talked to the VA this morning and asked if they had any flexibility within their programming for veterans' health care. There is some flexibility, but the flexibility is in other areas, and they have a great concern about taking a cut as proposed if indeed there is likely to be another across-the-board cut as there was yesterday by Senator DOMENICI, which he felt was necessary to achieve the appropriate budget levels. And what that would do, obviously, would cut back further veterans' care medical care accounts.

And the significance of what the obligation is to our veterans in that area needs no repeating from this Senator. So what we are faced with is a rather unusual dilemma of estimating what across-the-board percentile cut might be indicated by the chairman of the Budget Committee and anticipating that it might be a half of 1 percent on $9 billion in VA medical care. We have arbitrarily added in $66 million in anticipation of such an amendment. The chairman of the Budget Committee is not in the Chamber at this time. As a consequence, we have no definitive knowledge of what that across-the-board percentile cut might be.

So this was submitted in anticipation. I want to make sure my colleagues understand that the increase this morning was originally $100 million, and then anticipating the half of 1 percent cut $66 million additional was added on. As chairman of the Veterans' Affairs Committee—and I am sure my colleague, Senator DECONCINI would agree—if that figure is reduced to less than half of 1 percent, we would modify our amendment and reduce it accordingly. Or if the chairman should choose to exempt veterans' medical care, of course we would not put in that amount.

I yield to the floor manager, Mr. President, at this time, or my colleague, the Senator from Arizona.

Mr. GARN addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. GARN. I know I am going to be very repetitious because the argument has not changed on this bill for weeks. But I will state them one more time. We received a budget ceiling as a result of this body and the House of Representatives passing a budget resolution. Therefore, through the appropriations process we established ceilings for each subcommittee. The subcommittee chairman and ranking minority member, Mr. LEAHY, and I felt very strongly that we should meet those targets as voted by the whole

body of the Senate. We did that. It was a painful process. But it was a carefully thought-out process recognizing that we have not just HUD and independent agencies—those independent agencies represent a lot of different types of interests: the National Science Foundation, science education, the Environmental Protection Agency, Superfund, National Aeronautics and Space Administration, VA medical care, revenue sharing, a broad diversity of interests, all of them very important programs, and most of them dealing directly with people, their health, and their safety. So there are difficult choices to be made.

In order to meet that budget ceiling we tried, rather than just saying, OK, let us take percentages to work with the agencies to try to find out where the most equitable ways are to cut. That does not mean that is an exact percentage out of each one. Some of them have different priorities.

We worked very hard at that, recognizing that not one single agency would like any cuts but if we were to meet these budget totals we had to do it. We took $81 million out of Indian housing; $42 million out of HUD rehabilitation, rental rehabilitation, $50 million.

I will not take the time to go back through the whole list.

These are people programs. We are talking about putting people in low-income housing. We are talking about cleaning up hazardous waste sites around this country. Many of these programs do not spend out very fast. Though in a particular year you can cut a lot of budget authority, and not get much savings. But we had to get savings of $800 million that started last October, October 1, 2 weeks ago until next September 30.

The two that spend out the fastest happen to be VA medical care and general revenue sharing. We chose in the committee more than half of those cuts out of general revenue sharing, not because we liked it but because the program is discontinued in a year anyway. And in relation to priorities, when you are looking at general revenue sharing versus VA medical care, versus EPA, versus research and development, science education for teachers and young people in this country, math, chemistry, and important things like that we felt we could scale 12.5 percent back, one-eighth—one-eighth—of revenue sharing, and they could take their share along with all of these other agencies that we took money out of.

But the Senate yesterday, because the mayors were so effective in their lobby over the weekend, decided not to do that. We would not be here today—I made a compromise with the veterans to put back in $100 million which I was very happy to do. I had no objection to that. I could accept that offer easily and quickly. It took me about 30 seconds to make that decision yesterday. But some of the very people today who are so concerned about veterans' care and will vote to put this money back in were the same ones who would not recognize yesterday that it created a problem for veterans if we would not touch general revenue sharing. I outlined exactly what would happen all day long—that, if we defeated or passed the Durenberger amendment, this is what would happen. The Budget Committee would come back with unfair across-the-board cuts. Nobody listened. Nobody listened.

But that is the substance of the argument today from my friend and colleague from Alaska. It is unfair to cut this additional amount of money out of veterans. He is right. But where were those people yesterday when it was unfair to take it out of mayors. If this amendment passes today, yesterday it was general revenue sharing that cannot be cut, and that impinges on veterans. Now if we put the money back in for veterans, where is that money going to come from? It is not additional money. We are going to meet the budget targets. But $166 million is going to come out of Indian housing, modern rehab, HODAG, rental rehabilitation. If we put it back in for veterans, why should not every one of these people, EPA research and development, abatement control and compliance, Superfund, disaster relief and FEMA—do not worry about the people with floods and so on. We are going to take it out of them. We are going to apportion this $166 million out of all of those other agencies, say the hell with them, we are not concerned about you, and we are more concerned about veterans. I am concerned about veterans, too. I am a card-carrying member of the VFW and the American Legion. I spent 24 years in the military. I am not going to take a back seat to anybody in my support of veterans.

But let us not vote for budget resolutions, say we are going to meet budget targets, and then not have the courage to vote for those individual appropriations. Let us quit having it both ways. I suggest the voters of America ought to start checking on how we vote, not just on the big votes but see whether we vote the way we vote, but to see whether we vote on individual spending totals the way we do on an overall ceiling. They are going to find out there is a lot of demagoguery in this body, and they ought to. They are not easy choices. If anybody thinks I like to be standing up here talking about veterans health care, oh, boy, I really looked forward to that last night. I thought about how fun it would be to come to the Senate this morning and talk against health care for veterans.

As chairman of this subcommittee I have some responsibility to those that need cleanup under Superfund. I have some responsibility for science and education for young people in this country. I have some responsibility to Indians that need housing in this country on some of the reservations. Talk about bad housing. The Senator from Arizona knows all about it. We share some Indian tribes over the Utah and Arizona border. You think we have problems of housing in the cities. Look at some of the reservations in this country, and rental rehabilitation for some of the rundown housing in the poor cities of this country.

I want my colleagues to know that is the kind of choice we are making. If that is what you want to do, if you want to say we have decided veterans are more important than all of these other people in this budget, fine, so be it.

That is where we are. That is where we were yesterday. That is where we were in the committee, in the subcommittee. That is where we have been for 3 or 4 months—making some tough choices.

Yesterday nobody even wanted a rollcall vote on this cut. They voted to make this cut in veterans along with everybody else. Let us see how they act on it individually.

I am sorry we are in this position. I am sorry Congress has been irresponsibly spending for 35 years. I am sorry we have a $2 trillion debt. I am sorry we spent $142 billion on debt service on the national debt. I am sorry the budget has gone from $300 billion when I first got here just 10 years ago to a trillion.

But if anybody is kidding themselves, that is why we are here today having these kinds of difficult choices because we have not been willing to make them in the 10 years I have been here, never looking beyond the current election cycle, never looking beyond today's press release, never looking beyond yesterday's lobbyists out there in the hall, thinking some of these problems will go away.

But they do not go away. That $2 trillion debt has been building up for 30 years. Unless we start making some of these tough choices and not yielding to each one of the lobbying groups that come in, what will we have, $4 trillion in the next 5 years? It will double again. We will sit here and wonder why and give speeches on reduced deficits.

I would like everybody to be chairman and ranking minority member of this committee for a while and see whether they are able to come up with any more fair recommendations and some difficult choices.

Well, I have spoken far too long again, but I just want this body to know that these are the kind of

choices we are making. If you want to choose the veterans over all these other very worthwhile programs, do it. But do it with the knowledge of what your vote is about. I feel that if this one is agreed to today, then I ought to go out and delay the final passage of this bill and stir up a lobbying effort for every one of these because they are just as deserving. We should not be robbing Peter to pay Paul. We would not be in here saying this one is more important than the other areas and we do not care where it comes from.

Well, I care where it comes from.

The Senator from Vermont has been concerned about EPA in his entire two terms in this Senate. I am sure it is a difficult choice for him. He would like to see more money for EPA. They are talking about people's health there, too. A lot of veterans maybe live near Superfund sites that need to be cleaned up.

I hope we will reject this amendment, not because I like it, not because I want to take it away from veterans. I wish the additional $100 million was in there. It should have come out of revenue sharing. If someone wants to offer an amendment today that he will take $100 million out of revenue sharing for veterans' health care, I will be on their side. I will be up there speaking for that. I have tried to do that for several weeks. If the Senator from Alaska wants to offer that amendment, I will not be opposing him. A straight trade, $100 million out of revenue sharing for veterans' health care and he will have me for a cosponsor.

Mr. LEAHY. Will the Senator yield?

Mr. GARN. I yield.

Mr. LEAHY. Mr. President, I have listened carefully to what the Senator from Utah has said here today. I do not yield to anybody in this body in my support of veterans or veterans' programs. I have worked very closely with our VA hospital in Vermont, one of the best in the East. I know how important it is to our State and how important its services are to our veterans. I have worked to bring money for medical research there so we could attract the best doctors. I have enjoyed the support that I received from veterans in Vermont over the years.

I know that there will be those who will be happy to use a vote against this amendment in political campaigns, whether against the chairman of this committee or myself as showing somehow we are antiveterans. That is wrong.

When we considered the first budget resolution, I voted to expand funding for veterans programs, and especially medical care. I regret that that amendment failed. However, because that amendment failed, the level of funds available for veterans programs are just not as high as they should be.

In spite of that vote, once we accepted the budget resolution, I believe we must play by the rules.

I think what Senator GARN and I are saying is we have to have some fiscal sanity in this bill.

Both the Chairman and I have gone down through these programs. I can make a list of programs near and dear to the heart of the Senator from Utah and programs that are near and dear to my heart. Many would be the same programs. We each looked at the whole picture. If there were no restrictions whatsoever, we could put money into them. The Senator from Utah mentioned EPA. I can think of some extra money I would like to have for EPA. I can think of some money I would like to add for some housing programs that I support. I can think of some money for veterans' affairs that I would like to add. This is the third largest budget in the Appropriations Committee.

I have some matters that would be of great political benefit to me in Vermont if they were added, but we did not add them because we have to keep within a budget limit.

We can talk about where we are going to balance the budget or how we are going to bring down the deficits and give great speeches. I think our speeches would almost be interchangeable, whether Republican or Democrat or what part of the country we are from. But ultimately you have to stand up and make the tough choices. This is going to be one of them.

I will join with the Senator from Utah in opposing this amendment. We do not oppose veterans. We do not oppose veterans programs. We do not oppose EPA or EPA programs, NASA or NASA programs, or HUD or HUD programs.

We favor a great number of these programs. All these programs that we support we have cut. Veterans programs are no different. We have not cut veterans programs because we oppose them. We just must live within fiscal limits to which the Congress has agreed in the budget resolution.

The PRESIDING OFFICER. All time has expired.

Mr. LEAHY. Mr. President, I did not realize there was a time limit. If I have taken time unnecessarily, I apologize.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I did not know about the time limit. I ask unanimous consent that I may proceed for not more than 2 minutes.

Mr. MURKOWSKI. How much time remains on my side, Mr. President?

The PRESIDING OFFICER. Four minutes.

Mr. MURKOWSKI. I will yield 1 minute.

Mr. EXON. I do not happen to be on the side of the issue of the Senator from Alaska. I want to make that point clear. That is why I asked for 2 minutes to proceed.

The PRESIDING OFFICER. Is there objection to the request for 2 minutes? Without objection, it is so ordered.

Mr. EXON. I thank the Chair.

Mr. President, the politically popular thing to do, I advise my colleagues, is to vote for the measure before us. I think we all have known, to paraphrase an old political idiom, little care what we do here, but many care how we vote here.

Votes are good political fodder for those who want to fatten their own demagoguery back home.

Like my friends, I salute the managers of this bill for their courage in standing up now. I would simply say that those of us who did not vote for Gramm-Rudman, that famed amendment, could easily support the amendment before us and not be hypercritical. Those who voted for Gramm-Rudman had better start biting the bullet now.

I would think that a little careful thought would be—and playing second fiddle to no one with regard to my respect for veterans because I am one myself—the cut, if it is a cut that we are making in this bill, after rescinding the recommendations that were made to cut from the revenue-sharing funds, is a painful part that we are going through.

I simply say you cannot have it both ways. You are either going to cut the budget or you are not going to cut the budget. I suspect in the end that if we make the minor reduction which has been suggested in cutting veterans on a motion that passed by voice vote, Mr. President, because many did not have the courage to cast an open vote last night, if we rescind that we are back in the soup, Mr. President. I say that in the end if we make this minor reduction in veterans, it will pay off in the future. I can assure you, Mr. President, many more cuts are coming. If we make a minor cut in veterans' affairs now, it could spare major cuts later. Therefore, I hope that the amendment fails.

Mr. DECONCINI. Mr. President, I ask the Senator from Alaska to yield 2 minutes.

Mr. MURKOWSKI. Mr. President, how much time remains?

The PRESIDING OFFICER. One minute remains.

Mr. MURKOWSKI. I yield 1 minute to the Senator.

Mr. DECONCINI. Mr. President, I thank the Senator.

I want to respond to the Senator from Nebraska. He calls this demagoguery. I disagree with that. I want the Senator from Nebraska to know, as well as other Members here, that this committee has already taken a

$297 million cut in health care benefits for veterans. If he thinks that is fair, if that is what the Gramm-Rudman-Hollings amendment was—and I voted for it—I do not think so. I think it is up to this body to make a determination. When we have hit the veterans already with a $297 million cut, I do not think it is demagoguery; I think it is standing up for what is correct about this body and what the Senator from Nebraska and others have constantly stood for.

I ask the Senator from Alaska if he will clarify a couple of points: Is it not correct that the Appropriations Committee reduction was $296 million below the reported amount?

Mr. MURKOWSKI. The Senator from Arizona is correct.

Mr. DECONCINI. Then, is it not correct that $100 million of that was added back with the acquiescence and support of the distinguished chairman and the ranking member of the subcommittee, yesterday?

Mr. MURKOWSKI. That is correct. My amendment put back $100 million.

Mr. DECONCINI. Then, is it not correct that, yesterday, when the Domenici-Chiles amendment passed with a 1.1-percent reduction, the Senate once again reduced it?

Mr. MURKOWSKI. The Senator is correct.

Mr. DECONCINI. I think we have a case here that stands on the merits; that we are not busting the budget, we are putting it back to where the arrangement was yesterday. Senator CRANSTON of California and Senator MURKOWSKI of Alaska very diligently worked out the minimum amount necessary for veterans in this appropriations bill.

I suggest to my colleagues that we pass this modest amount of money. We are not busting the budget. We are only leveling out what the Senate did yesterday. I hope my colleagues will support the amendment of the Senator from Alaska.

Mr. MURKOWSKI. Mr. President, I thank my friend from Arizona. As chairman of the Senate Veterans' Affairs Committee, I share in the remarks regarding committee responsibility as indicated by my friend from Utah. I, too, of course, have an obligation as chairman of this committee to represent the veterans of this country as a primary responsibility of my committee chairmanship.

I would like to make it very clear that the increase of $66 million is added only in anticipation of an additional amendment that would reduce the $100 million by $66 million. The purpose of my amendment is simply to have a net addition of $100 million to VA medical care.

The $66 million is in anticipation of an across-the-board cut which we anticipate the Budget Committee chairman will probably institute.

Mr. President, as my colleagues reflect on just where the priorities are, all I can do is appeal to them individually to examine the various areas where cuts are going to have to be taken. I urge the passage of the amendment as proposed in keeping with the responsibility which we have to meet our obligation to the veterans of the country.

RESTORATION OF VA MEDICAL ACCOUNT FUNDS

Mr. DENTON. Mr. President, I rise as a cosponsor of Senator MURKOWSKI's amendment to restore to the veterans medical care account the discretionary funds that were deleted by the Domenici-Chiles 1.1-percent across-the-board reduction amendment which was approved by voice vote.

During the budget reduction frenzy, it is essential that we keep firmly in mind the priorities that the Congress has honored for decades. Honoring the commitment to the veterans of our country is one of those priorities.

All too often we get caught up in deleting funds for the necessary, the fruitful, and the worthwhile, when we should be taking the scalpel to the extraneous, the frivolous, and the wasteful.

Veterans are being punished as a result of the negligence of the U.S. Senate. The money that this amendment will restore will go to the essential medical services such as physicians and medical supplies.

The Veterans' Affairs Committee has conducted hearings throughout the year in its effort to produce a fair and equitable VA budget. During those hearings, the committee received testimony from the Veterans' Administration, veterans service organizations, the OMB, and the CBO. We were forced to make hard choices on funding levels for programs, and our choices reflected hours of painstaking deliberation and research.

The across-the-board cut will affect the day-to-day operation of the VA. Admittedly, that aspect is not as glamorous a part of the Veterans' Administration as new hospitals are, but it effects the quality of care that our veterans receive.

The veterans of our country, especially those who are combat and service disabled, deserve every benefit and service that they receive from the Federal Government. A massive cut in the veterans medical account would be an unwarranted slap at our veterans, particularly in view of the programs that the Congress has supported for veterans over the years.

Clearly, the Veterans' Administration is already bearing at least its fair share of the burden of reducing the deficit. I agree that the deficit is enormous, and I do not believe that there is a Senator in this Chamber who wants to reduce the deficit more than I do, but it would be a grave mistake to reduce the deficit at the cost of essential services to our veterans and make them absorb a disproportionate share of cuts. We should not penalize those who have done so much to preserve the peace that we now enjoy.

I urge my colleagues to support the amendment.

Mr. BYRD. Mr. President, the HUD appropriation bill approved by the Senate Appropriations Committee on July 30, 1985, included two proposals relating to VA medical care which I sponsored and which would affect West Virginia's four Veterans' Administration medical centers. My first request restored 5 percent to the VA budget for the Nation's medical centers, including West Virginia facilities in Clarksburg, Martinsburg, Beckley, and Huntington. This action was taken to reverse the administration's budget proposal earlier this year to cut funding for all VA medical facilities by 5 percent.

A second proposal which I sponsored and which the committee approved, provided language in the committee report to correct a staffing deficiency at Huntington's VA medical center, which, according to a recent VA report undertaken at my request, is suffering a 23.7-percent staffing deficiency.

I am pleased that the VA Administrator, Mr. Harry Walters, at my request, sent a task force to the Huntington VA Medical Center to verify the magnitude of the staffing problem. I am also pleased that the committee report has urged the VA to expedite the resolution of this inequity and report back on the remedial action which the VA will take, along with any significant milestones by which to measure the progress.

In a subsequent meeting of the Senate Appropriations Committee, a reduction in the funds for VA medical care was adopted. I opposed this reduction, and yesterday I cosponsored an amendment proposed by the distinguished chairman [Mr. MURKOWSKI], and ranking minority member [Mr. CRANSTON], of the Veterans' Affairs Committee to restore $100 million for VA medical care. This amendment was adopted by voice vote.

Subsequently, the Senate adopted a 1.1-percent across-the-board cutback provision to bring the total amount in the bill into conformity with the budget ceiling. Unfortunately, the across-the-board reduction had the effect of eliminating the $100 million for VA medical care which was adopted earlier.

Today, I am cosponsoring another VA medical care amendment. This amendment is designed to add $166 million to the VA medical care budget.

In summary, Mr. President, our veterans have served their country and expect that we will provide adequate funding for the provisions of VA medical care. I intend to do everything I

can to ensure that funds are provided and I am proud to cosponsor the amendment to restore the funds. I urge my colleagues to support this amendment to restore $166 million to the VA medical care budget.

The PRESIDING OFFICER. All time has expired.

Mr. GARN. Mr. President, I move to lay the amendment on the table and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Utah to lay on the table the amendment of the Senator from Alaska. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Arizona [Mr. GOLDWATER], the Senator from Utah [Mr. HATCH], the Senator from Nevada [Mr. LAXALT], and the Senator from Maryland [Mr. MATHIAS] are necessarily absent.

Mr. BYRD. I announce that the Senator from California [Mr. CRANSTON], the Senator from West Virginia [Mr. ROCKEFELLER], and the Senator from Mississippi [Mr. STENNIS] are necessarily absent.

I also announce that the Senator from Michigan [Mr. LEVIN] is absent because of death in the family.

I further announce that if present and voting the Senator from California (Mr. CRANSTON) and the Senator from West Virginia (Mr. ROCKEFELLER) would each vote nay.

The PRESIDING OFFICER. (Mr. BOSCHWITZ). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 36, nays 56—as follows:

[Rollcall Vote No. 232 Leg.]

YEAS—36

Armstrong	Exon	Lugar
Bentsen	Garn	McClure
Boschwitz	Gorton	Moynihan
Chiles	Gramm	Packwood
Cochran	Hatfield	Proxmire
Danforth	Hecht	Quayle
Dodd	Helms	Roth
Dole	Humphrey	Rudman
Domenici	Johnston	Stafford
Durenberger	Kassebaum	Symms
East	Leahy	Wallop
Evans	Long	Weicker

NAYS—56

Abdnor	Dixon	Kerry
Andrews	Eagleton	Lautenberg
Baucus	Ford	Matsunaga
Biden	Glenn	Mattingly
Bingaman	Gore	McConnell
Boren	Grassley	Melcher
Bradley	Harkin	Metzenbaum
Bumpers	Hart	Mitchell
Burdick	Hawkins	Murkowski
Byrd	Heflin	Nickles
Chafee	Heinz	Nunn
Cohen	Hollings	Pell
D'Amato	Inouye	Pressler
DeConcini	Kasten	Pryor
Denton	Kennedy	Riegle
Sarbanes	Specter	Warner
Sasser	Stevens	Wilson
Simon	Thurmond	Zorinsky
Simpson	Trible	

NOT VOTING—8

Cranston	Laxalt	Rockefeller
Goldwater	Levin	Stennis
Hatch	Mathias	

So the motion to lay on the table was rejected.

Mr. DECONCINI. Mr. President, I move to reconsider the vote by which the motion to lay on the table was rejected.

Mr. MURKOWSKI. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GARN. Mr. President, we are now faced with the situation of once again being $166 million over, which is not acceptable to be over those budget targets, and we are at the present time having some discussions and some negotiations to see what type of additional amendment we could——

The PRESIDING OFFICER. If the Senator will suspend, a vote at this time recurs on the amendment which must occur without debate.

Mr. GARN. Mr. President, I ask unanimous consent that we have 5 minutes to discuss the issue.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GARN. Mr. President, as I was saying, we have been discussing the supporters of the amendment, and we do need a little additional time. They are agreeable to that, while we discuss it, to postpone the vote on passage, which I would let go by voice vote.

So, I yield the floor at this time.

The PRESIDING OFFICER. The distinguished majority leader is recognized.

Mr. DOLE. Mr. President, let me indicate to my colleagues what we wish to do the remainder of the day. We wish to dispose of this bill, move to DOT appropriations bill, and then move to reconciliation.

We wish to be on reconciliation by 12:30 p.m. or 1 p.m. and then see how that develops into the midafternoon, and that will be it for today. But we wish to complete action on this bill and the DOT appropriations bill, which I understand will not take more than a couple hours, and then reconciliation will take more than today. I do not know how far we can go today on reconciliation, but I was advised by both Senators DOMENICI and CHILES last evening it will probably be next week before we get into serious voting on that particular measure.

Mr. BIDEN. Mr. President, the chairman of the committee indicated a moment ago that he was interested in knowing who else might have amendments and in light of what the majority leader just said, I wish to inform him that I have two amendments—one of which will be accepted, I am told, which will literally take little more than 30 seconds, and another one that I would hope could be accepted, but we have not been able to work it out. I wish to begin on it, and I will not take more than 10 minutes to make the case for the amendment. If we cannot accept it at that point then I will ask for a rollcall vote.

With that, Mr. President, I send an amendment to the desk and ask for its immediate consideration.

Mr. DECONCINI. Mr. President, will the Senator from Delaware yield?

The PRESIDING OFFICER. If the Senator from Delaware will withhold, the question recurs on the amendment of the Senator from Alaska.

The amendment (No. 808) was agreed to.

Mr. DECONCINI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BIDEN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 809

(Purpose: To provide funds to reduce lead-based paint hazards)

Mr. BIDEN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Delaware [Mr. BIDEN] proposes an amendment numbered 809.

Mr. BIDEN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Co-sponsors: SARBANES, BRADLEY, SIMON, KERRY, HEINZ.

On page 2, line 25, before the semicolon, insert the following: ", except that $50,000,000 of such funds shall be available only for purposes of assisting public housing agencies in reducing the hazards of lead-based paint in public housing in accordance with the lead-based paint poisoning prevention procedures established by the Secretary under section 302 of the Lead-Based Paint Poisoning Prevention Act".

AN INCENTIVE FOR HUD

Mr. BIDEN. Mr. President, this amendment represents a continuation of the sense of Congress reflected in the Lead-Based Paint Poisoning Prevention Act of 1971. Lead paint was a problem then and it continues to place at risk the mental development of more than 1 million children in the United States—by exposing those children to one of the leading preventable pediatric public health problems in our country—lead paint—we risk the future outlay of millions of dollars and perhaps more in lawsuits and in public assistance programs to aid disabled persons.

Lead paint absorption in children is not an easily eradicated problem. In a study of 20 children who had mild evidence of lead poisoning, 19 showed some specific defects in mental development 3 to 9 years later.

In fiscal year 1982, the Lead-Based Paint Poisoning Prevention Act was folded into the maternal and child health block grant. As a result, States no longer provide the Center for Disease Control with statistics on information regarding lead poisoning and screening results are not required to give it funding priority. However, the Association of State and Territorial Health Officials Foundation began, on a volunteer basis, to collect data on childhood lead poisoning from State health agencies. The most recent statistics from ASTHO are alarming. Lead paint still remains the major source of lead exposure in children and is found in more than 37 million homes. Public housing units are in the high risk neighborhoods.

Though lead paint poisoning in children is an extremely complex and multifaceted health problem, it is preventable as long as we view it as a priority.

HUD has provided no funds for lead paint abatement in the last 2 years and HUD is taking no action despite court findings that HUD's present lead paint implementing regulations are deficient. Housing authorities across the country are being sued by tenants and the tenants are winning. They won in Delaware—and the taxpayers paid for the legal battle.

The plaintiffs in the Washington, DC, case have commented on HUD's lead-based paint policy. They said:

HUD's representations as to the time required to take necessary steps to eliminate the hazards of lead-based paint would be comic commentary on the lethargy of the Federal bureaucracy were it not for the grave consequences of HUD's continued inertia. Children who were born on the date of the D.C. court order in 1982 will have crawled, walked, and teethed on lead-based paint by the time HUD even begins to require the removal of that toxic paint from their homes in 1987. Their older brothers and sisters, born when Congress directed HUD to eliminate the hazards in 1973, will be in high school, if they are not retarded by elevated blood lead levels, when HUD finally moves.

Mr. President, regardless of the issues surrounding specific cases, we in this Chamber cannot contribute to the overall problems of the lead paint issue by our failure to act.

Several years ago HUD made available over $30 million for lead-based paint removal through the Comprehensive Improvement Program and the moneys were immediately oversubscribed. In essence, the program worked so well that HUD hasn't done it since.

Mr. President, my amendment will give HUD a little more incentive. It will earmark $50 million for lead-based paint abatement from existing authorizations for the Comprehensive Improvement Assistance Program.

Mr. President, in this century, public health programs have been immensely successful with childhood diseases such as polio, smallpox, measles, and diphtheria. With determination and concerted effort, childhood lead poisoning can soon be added to that list.

Mr. President, I shall try to be as brief as possible.

Mr. President, let me tell you all what this is about. It is about lead paint. I have been concerned about lead paint since 1974 when Senator Randolph appointed me to chair a panel studying lead paint and its effect on society.

We have had since that time clear and convincing evidence that lead paint does in fact have a serious effect on inner-city-dwelling children, who live in low-income dilapidated housing units. This problem is particulary acute among minorities.

The fact of the matter is that lead paint—to refresh my colleagues' recollection—literally keeps peeling off walls, ceilings, and woodworks. Children eat it, and they end up with brain damage which is with them for the remainder of their lives.

In addition to that, there is a very practical problem in these days of budget consciousness, and that is that lead-based paint removal costs the Government a great deal of money. That is the least of the damage. But in fact it is something that is a factor.

This amendment will please my colleague from Wisconsin and my colleague from Nebraska, and others, because it costs no money. What we are attempting to do here is to force HUD to do in fact what they should be doing anyway and that is moving expeditiously to clean up this lead paint problem.

Now, the counterargument to this amendment is that it would be better to have the moneys that are presently allocated by HUD for rehabilitating housing should be used for just that and that the long-term and overall effects of rehabilitating housing will have a long-term more beneficial, health effect on the population at large than moving on lead paint removal immediately.

As my grandmother Finnegan used to say in the long term we will all be dead.

And in the long term there are going to be thousands of children who will be permanently damaged because we waited, as we say in this body—to impact on the macroeffects of health needs in this country.

We have an immediate serious existing problem.

My amendment earmarks $50 million to do what HUD is supposed to do anyway.

I remind my colleagues, that since it is Friday morning most of them are not focusing on this particular amendment. There has not been much publicity about it. If the staffs are listening on the squawk box—this amendment makes a difference between whether or not there are children who will be victims of lead poisoning and those who will not. It costs no more money.

It is a fight over priorities within the allocation of the moneys that we have already agreed we are going to spend. That is the point I wish to make.

I have much more to say, but in the interest of time and in the faith that my colleagues have the good judgment to move on this amendment and the continuing hope that the leader of the committee will in fact accept the amendment, I yield the floor.

Mr. GARN. Mr. President, if the Senator talked 2 minutes longer I would not have accepted the amendment. He showed the good judgment to stop speaking in favor of this amendment. I will reluctantly accept it.

Mr. BIDEN. I thank the Senator very much.

Mr. LEAHY. Mr. President, that is well enough for the Senator from Utah to say, but in the good camaraderie of the morning, I will accept it also.

Mr. BIDEN. Mr. President, I am delighted to hear that. Even though as close as I am to the Senator from Vermont and as much as I respect him, in this case I am glad the chairman is there first.

The PRESIDING OFFICER (Mr. DURENBERGER). The question is on agreeing to the amendment of the Senator from Delaware.

The amendment (No. 809) was agreed to.

Mr. GARN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LEAHY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 810

(Purpose: To require an environmental impact statement prior to issuing a permit for ocean incineration)

Mr. BIDEN. Mr. President, I have a second amendment that I believe will be accepted.

Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Delaware [Mr. BIDEN], for himself, Mr. ROTH, Mr. CRANSTON, Mr. LAUTENBERG, and Mr. BRADLEY, proposes an amendment numbered 810.

Mr. BIDEN. Mr. President, I ask unanimous consent that further read-

ing of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment reads as follows:

On page 54, between lines 12 and 13, insert the following:

Notwithstanding any other provision of the law, none of the funds appropriated in this Act or any previous Acts shall be used to issue any permit not intended for limited-duration research purposes for the ocean incineration of hazardous wastes, unless the Administrator of the Environmental Protection Agency prepares an environmental impact statement (as described in clause (i) et seq. of section 102(2)(C) of the National Environmental Policy Act of 1969) with respect to the loading, transportation, and incineration of such wastes which will be involved under the terms of the permit.

Mr. BIDEN. Mr. President, I ask unanimous consent that Senators CRANSTON and LAUTENBERG be added as original cosponsors of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BIDEN. Mr. President, the amendment I am offering today is very simple—it calls for the Environmental Protection Agency [EPA] to conduct an Environmental Impact Statement [EIS] on the transportation routes for commercial ocean incineration operations if it proposes to allow these to occur in the next year. This amendment does not place any new responsibilities on the EPA that it has not already agreed to. The amendment only writes into law the EPA's agreement to perform an EIS on ocean incineration prior to the issuance of an operation permit.

The reason I have offered this amendment, Mr. President, is that I want to make absolutely sure that the EPA follows through with its commitment to study the effects of ocean incineration before giving it the green light for commercial operations.

I took part in an Environmental Pollution Subcommittee hearing on this issue in July, and one point that I noticed was that there was some confusion as to which agency would undertake the EIS. The EPA representative looked at the Coast Guard representative and informed him that the Coast Guard would be responsible for studying the transportation route aspect of the operation. The Coast Guard representative found this news to be very interesting because that agency apparently did not plan to undertake such a study.

Mr. President, my concern is that as the time for possible approval of operation permits approaches, these two agencies, and others that might be called on to take part in an EIS, would continue to look at each other and issue a collective "I thought you were going to do it." A review of the environmental effects and risks of ocean incineration is too important an aspect of the whole operation to let fall through the cracks.

Mr. President, let me illustrate one reason for my concern that this impact statement be done prior to issuance of operation permits. Just a few weeks ago, an oil tanker, the *Grand Eagle*, ran aground while hauling a shipment of oil on the Delaware River. The rupture of the *Golden Eagle's* hull allowed 10,000 barrels of oil to be spilled into the Delaware River between Philadelphia and Wilmington.

The oil that was released from that spill flowed down the Delaware River past the city of Wilmington and there was great concern over its possible impact on some of Delaware's most fragile and beautiful wetland areas. Luckily, Wilmington's water supply does not come from the Delaware River, and was not threatened. Similarly, the wildlife refuges have been spared extensive damage because the spill took place far enough up river that the effects of the oil had largely dissipated before it reached those areas.

However, even now, 18 days after the spill, the Coast Guard is still trying to clean up the oil. Over 2 weeks, Mr. President, and the oil is still on the river and on the adjacent land.

I believe the Coast Guard and other Federal, State, and local agencies have given their utmost to control the spill and minimize its effects. However, I would like to point out that the oil that was spilled is relatively easy to clean up in comparison with some of the highly toxic substances that incineration vessels are expected to carry. The oil-based hazardous substances that the ocean incineration vessels will carry will react much like the *Grand Eagle's* cargo, only I fear they will be much more difficult to control.

The liquids an ocean incineration vessel will carry will be of varying densities which means some might sink to the river bottom, some might float, and some could end up in between. The oil recovery ships in use in the *Grand Eagle* spill can skim the surface to collect floating oil, but are not nearly as effective on liquids below the surface or on the river bottom. I believe this is an area the EPA has overlooked in its push for commercial ocean incineration operations, but one that is vital to take into consideration.

Mr. President, let me raise another aspect of the *Grand Eagle* spill that indicates the need for EPA review of the loading and transportation apsects of ocean incineration. As you can expect, the oil has not cooperated to the fullest extent with the cleanup operations and, for the most part, has gone wherever it felt like going. This includes wooden piers on the river and marshlands along its banks.

I bring this up because it is impossible to get the oil out of the wood or grass once it has soaked in. The Coast Guard's recommendation to people who have found some of their grasslands soaked by oil is simply to burn the grass. That may not be much of an environmental problem when it is just oil that has soaked the grasses, but imagine if the oil released contained PCB's or dioxins on their way to high-temperature incineration. The grasses could not simply be burned. The temperature of incineration from just plain sticking a match to the grasses is not high enough to safely destroy the contaminants in the oil.

I do not know how this problem could be quickly and effectively resolved, but I doubt the EPA or the Coast Guard do, either. This is the aspect the amendment I am offering is trying to address. I am not just making up hypothetic situations and looking for responses. I am looking at what happened to the spilled cargo of the *Grand Eagle*, and what would be the effects of a similar ocean incineration vessel spill.

The outlook is not good, and I strongly believe the EPA should take a closer look at this aspect prior to allowing incinerator vessels to sail on a regular schedule. I also believe the EPA needs to give similar consideration to spills that could possibly result from the loading operations that would have to take place in port facilities. I do not know what a review of the risks inherent in the loading and transport aspects will show, but ignoring them is no way to move forward on the ocean incineration process.

I have spent most of my time talking about the transportation aspect of the operation. That is because it is an area that I believe must be brought to the attention of the EPA in an unmistakable and clear manner as worthy and deserving of review. I also have an equal concern about the lack of a study of the loading facilities because I do not believe the towns downstream from the loading port would care whether the contaminated substances floating past their windows came from a ruptured hull on a ship on the river or a ruptured pipe at a port. And I certainly do not want to minimize the EPA's need to review the incineration operation itself, but I believe the agency is already aware of that particular part.

One final point I would like to make is that the EIS needs to be port-specific. The EPA prepared an assessment of ocean incineration earlier this year which looked at the risks of environmental damage to the port of Mobile, AL, if an ocean incineration operation was based there. However, the EPA noted that its analysis was applicable to the specific ocean-based cases examined. A quick look at a map clearly shows that the physical characteristics

of the Delaware River and Bay are greatly different from those of Mobile Harbor and Bay. A review of the amount of activity that each area sees also supports the idea that a general study of one port is not acceptable as a substitute for a review of another port.

Again, Mr. President, let me emphasize that this amendment does not require the EPA to do anything that it has not already agreed to do. I just want to make absolutely sure that a few months from now, the verbal promise to perform the study is not forgotten or casually dispensed with as no longer the policy of the agency.

Mr. President, although I would rather see a long-term requirement that the EPA must conduct an EIS prior to commercial operations, it is my understanding that the Environment and Public Works Committee intends to hold additional hearings on this subject during this Congress. I believe this amendment will serve notice to the EPA that it must take more than just the burning operation itself into consideration when looking at the pluses and minuses of ocean incineration as part of our national hazardous waste management plan.

Mr. ROTH. Mr. President, I am pleased to cosponsor the amendment offered by my distinguished friend and colleague from Delaware, Senator BIDEN.

In the past I have taken an active part in ensuring that commercial ocean incineration activities do not pose any environmental hazards to the wetlands of Delaware and the entire ocean environment.

Of immediate concern to me, my fellow colleague from Delaware, and the citizens of Delaware are the problems and potential hazards posed by the transportation routes of the proposed operations. It is imperative that these concerns are properly addressed through an environmental impact statement [EIS], and that this EIS is conducted by the experts of the Environmental Protection Agency [EPA]. The risks inherent in an incinerator vessel's transit through our waters must be properly identified and scientifically evaluated before we consider whether to proceed with the commercial incineration of hazardous liquid wastes.

Mr. President, I have great concern and interest in the subject of ocean incineration, primarily because of its potential for both damage and benefit to the environment, and the economy and lives of the people of this Nation. However, we must ensure that adequate protection is afforded to the citizens of this Nation and in particular the citizens of Delaware.

Any activity that unreasonably threatens the safety, health, and economic well-being of the population of this Nation is unacceptable to me. We must be concerned with the health and safety of our citizens.

In addition, easy access is afforded to the proposed North Atlantic burn site, through the Delaware River and Bay. The people of Delaware could thus be subjected to the risks associated with loading of the incinerator vessel, at the Port of Wilimington, the transport of the wastes to the burn site and the incineration itself. As a matter of fact, two firms have already openly stated that they wish to use the facilities at the Philadelphia Port, while another firm wishes to use the facilities at the Port of Wilmington, for these purposes.

In the past the public and people of Delaware have accepted tremendous amounts of environmental risk. We now have greater knowledge and understanding of the possible consequences of accepting such a risk, and are reluctant to do so.

Finally, I am concerned about the intrusion of the contaminants of other States into Delaware's territory and the possible impact these might have on Delaware's valuable coastal resources. Delaware's coastal area is closely tied to the economic well-being of many people. Contamination, or even that threat of contamination would be disastrous to Delaware's fishing and tourism industries.

Mr. President, I support the amendment of my colleague from Delaware, and hope that this amendment will serve notice to the EPA that we must have adequate and proper regard for all aspects of commercial ocean incineration. Because without these considerations we may create life-threatening damage to our health, country, and environment.

Mr. BIDEN. Mr. President, I believe there is an agreement worked out by all concerned on the issue of whether or not there should be a study of the potential dangers of the transportation of toxic waste to burn sites off shore. I believe we have worked it out.

I yield to the chairman and ranking member of the committee.

Mr. GARN. Mr. President, the amendment is acceptable.

Mr. LEAHY. Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment of the Senator from Delaware [Mr. BIDEN].

The amendment (No. 810) was agreed to.

Mr. GARN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GARN. Mr. President, I would inform the Senate at this time that we are in the process, or should I say the Senator from New Mexico is in the process, of drafting another amendment under the unanimous-consent agreement from yesterday allowing that privilege if the Murkowski amendment passed. So we will have a few minutes prior to the completion of that amendment.

I would outline to the Senate once again, however, that we are $166 million over. I think that it is unfortunate that the Senate is always willing to pass things by voice vote. I suppose I made a mistake last night on the across-the-board cuts of not getting the whole Senate on the record. I will not make that mistake in the future, to let them off the hook to vote to cut veterans but then, when it is specific the next day, they will not. So you learn, even after you have been here 11 years. We will make sure that people get on the record.

I cannot in good conscience, vote for this bill at this time. The Senator from Vermont and I have tried for months to come in with a bill that met the budget target. We have failed here on the floor of the Senate. What we have accomplished in the committee, we have lost here. So there will be an additional amendment.

I will let my colleagues know at this time the general substance of what is going to take place. I do not know exactly how long it will be. It is being drafted at the present time.

The sponsors of the veterans' amendment, Senator MURKOWSKI, Senator DECONCINI, and Senator CRANSTON, are willing to go back to the agreement that I made with them yesterday that $100 million was sufficient. I was happy to make that agreement with them yesterday and I am happy to do it again today.

But I must have some source of that revenue, and I have two choices. I can either go back to Indian housing, research and development at EPA, abatement control and compliance, Superfund, disaster relief at FEMA, research and development at NASA, and science education, but I am not willing to do that. Those agencies took sizable cuts prior to coming to the floor. They took an additional $200 million cut in the across-the-board yesterday.

So we had the choice of putting money back in for veterans and, once again, going back to the well to those agencies that have been cut, not just twice, but many times since the original budget submission.

Mr. LEAHY. Will the Senator yield?

Mr. GARN. I am happy to yield.

Mr. LEAHY. Mr. President, I believe our colleagues should know that the Senator from Utah and I have gone back over and over again and scrubbed this bill over and over again. If we were able to vote just our philosophies or predilections, even our own regional

interests, this bill would be considerably larger than it is now. If there were no budget constraints, if Senator GARN and I could simply fund everything we feel are good programs, are beneficial programs, we would be way over this limit.

But the fact is that we have had to sit down and time after time go through the bill and make tough decisions. We cut again and again, programs that both of us fully support. These are the budget realities.

It was once said being on the Appropriations Committee is both good news and bad news. The good news is that you are on the Appropriations Committee. The bad news is that you are on the Appropriations Committee.

It looks like a place where you can go in with a printing press and pour out anything you want. But also being there entails a sense of responsibility, as does being on the Budget Committee, to restrict spending and limit it.

These are not happy votes. I know, in my own instance, that all of these votes to cut will come back to haunt me. Every single special interest group, including alot that I happen to like and support, will come in and say, "You voted wrong. You voted wrong. You voted to cut."

Mr. President, I submit, in the long run, though, if you are consistent, you will have voted right because you are bringing some kind of fiscal sanity back into a deficit-ridden budget.

So I stand united with the Senator from Utah. I will state, as the ranking member of this committee, if the final bill is over our budget limit and targets, I, too, will join with him and vote against it. I will do it with great sadness and regret, because the two of us spent a great deal of time getting this bill where it is today.

Mr. GARN. I thank the Senator from Vermont, not only for his statement today but for his continuing support in trying to solve this problem all year.

I was just going to say that I was not willing to go back to the well again on agencies' funds, like Superfund, which have taken a $100 million cut, and an additional 1.1 percent yesterday. I do not like any of these choices. As a former mayor, I do not like to pick on revenue sharing.

But with the next vote, we are going to give the Senate an up or down choice on revenue sharing versus veterans' medical care. The amendment will be in the form of taking $100 million out of revenue sharing to put it into VA medical care. The Senate can work its will. I do not intend to debate it any longer, just a brief statement when the amendment is actually introduced by the Senator from New Mexico.

If that fails, then I simply intend to vote against the bill because it is over the budget.

Mr. FORD. Mr. President, will the Senator yield for a question?

Mr. GARN. I am happy to yield the floor.

Mr. FORD. I would like to ask the Senator a question, or maybe the Senator from New Mexico, who is here.

I have heard a rumor—and that is all I have is a rumor—that, ultimately, the total package in our budget reconciliation will be about $2.8 billion under the budgeted goal. Is there any truth to that? Maybe the Senator from New Mexico could enlighten me on that.

Mr. DOMENICI. Is the Senator asking whether the reconciliation bill, as reported by the committees, and which is pending, has met the total goal?

Mr. FORD. That is correct; and with some surplus.

Mr. DOMENICI. The total 3-year goal is exceeded by a substantial amount. Using our baseline and CBO assumptions, the reconciliation bill exceeds the target by approximately $8 to $10 billion over a 3-year period. However, I do not think that the reconciliation figure has anything to do with the issue before us, if that is what the Senator is asking about.

Mr. FORD. Everything is predicated on 3 years. Everything I hear is that over the 3 years it is this, this, and this.

I say to the distinguished Senator, I know we get the emotional pitch, "I don't want to cut veterans any more," and I do not, either, and I voted no. And we do not want to cut these emotional programs any more. I understand that. But over the 3-year period we cut $9 billion out of the cities—$9 billion of revenue sharing.

The Senator last night—at least I heard last night, and not the Senator particularly, but I think maybe the distinguished Senator from New Mexico—was talking about revenue sharing should take its share. We are talking about 3 years. Now we are talking about the $9 billion. Where did the Senator get the extra money, or some of the extra money to budget for some of these other ongoing reoccurring programs? So now we keep nibbling away at revenue sharing. It becomes very difficult for me to understand that we are now saying we stay under these goals. What if we come out at the end of this period with having enough money? We could have taken care of revenue sharing and the veterans as such or maybe some other programs. This Senate voted not to start the cuts this year. It has already voted not to do it this year. We voted to start next year. Now we are trying to go into training now.

It is something that is very discouraging to this Senator to see how we are being pushed on some things and not on others. Yet they are in different categories.

Mr. GARN. I say to the Senator from Kentucky, a former Governor of Kentucky, as a former mayor of Salt Lake City I do not disagree with a word the Senator has said. All I can tell my colleague because I originally came to the floor a couple of weeks ago without any of these proposed cuts in at all, and it was sent back to the subcommittee to take out an additional $800 million. There are some other committees of the Appropriations Committee which have not met targets, and that I think have not done the proper job in cutting that they should have. There ought to be some transfers. But short of being able to accomplish that by the whole Appropriations Committee and the Budget Committee—how those targets ought to be, my subcommittee ought to have more and another less—I am faced with the reality of meeting a Budget Committee figure that Senator LEAHY and I did not like. We both explained how long we worked on this bill. I do not want to take any more out of science, education, or out of the Superfund. We have twice.

The second part of the problem, is that the reason revenue sharing and veterans' health care are picked on is because our overage was in outlays. They spend out almost the total amount of budget authority in 1 year.

Mr. FORD. Mr. President, will the Senator explain outlays to me? Is that outyears?

Mr. GARN. We were told we were $800 million over for 1986. That is where we had to reduce in outlays—actual spending of money, actual money spent during the period October 1 to next September 30.

So we can take a very large cut. As an example, Senator PROXMIRE's amendment yesterday to cut over $9 billion in budget authority—amazing chunk of money—but you know in outlay savings it is practically nothing. I looked at another cut of nearly $300 million that would have saved only $9 million in actual spending because it is spent over 30 or 35 years in those types of programs. Many of the programs that have been in my subcommittee are that way. You can cut massive amounts of budget authority, which helps 10 or 15 years down the road. It is worth doing. Nevertheless, you do not get the savings that I am commanded to get during the next fiscal year.

Revenue sharing is immediate outlays to be spent. And veterans—that was the problem I was pushed into not through my choice, or that Senator LEAHY and I liked. As I said before, I really enjoyed sitting at home last night thinking about how I had to get up and argue against veterans today being a veteran. So the whole process forced us into a corner. It will continue to do so.

Mr. DOMENICI. Mr. President, will the Senator yield?

Mr. FORD. I do not have the floor.

Mr. GARN. I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, let me ask the distinguished manager of the bill. Senator CHILES and I are in conference on the Gramm-Rudman-Hollings bill. I understand it will be 15 minutes before the Domenici-Chiles amendment is ready. I think that Senator CHILES and I should go to the Gramm-Rudman-Hollings conference and return here when our amendment is ready. As I understand the unanimous-consent request, Senator CHILES and I will have the opportunity to offer the amendment.

Will the distinguished manager and chairman offer it in our behalf?

Mr. GARN. I will be happy to do that.

Mr. DOMENICI. We have negotiated it with the Senator. It will be as the Senator stated.

Mr. DECONCINI. Mr. President, will the Senator yield for a question?

Mr. DOMENICI. Yes.

Mr. DECONCINI. Will the Senator inform us of what this amendment being drafted calls for? Is it a unanimous-consent agreement or is it something else?

Mr. DOMENICI. We reserved the right in the unanimous-consent request last night to offer an amendment to bring outlays for this bill back into compliance with the budget resolution. We have just added $166 million to veterans medical care. Since the veterans amendment puts the HUD bill over the budget resolution assumptions, our right to offer to an amendment is triggered.

Mr. DECONCINI. Will the Senator yield for a further question? Am I not correct that the unanimous consent last night reserves the right of the Senator from Florida and the Senator from New Mexico to offer an across-the-board cut amendment?

Mr. DOMENICI. I do not recall whether it was an across-the-board amendment. We intend to offer an amendment.

Mr. MURKOWSKI. Mr. President, if the Senator will yield, I believe it was across the board.

Mr. DECONCINI. If the Senator from New Mexico will yield, on page 13485 CONGRESSIONAL RECORD, Oct. 17, 1985 as I read it, Mr. CHILES had the floor at the time and he said:

> On behalf of myself and I hope the Senator from New Mexico, we will see if amendments are adopted tomorrow to change this, and, if so, we will have to come back with another across-the-board amendment and there will be a vote if we do that. People will get a chance to record themselves.

Mr. DOMENICI. I say to my friend from Arizona that there was a great deal of discussion under reservation. But on page 13485 CONGRESSIONAL RECORD, Oct. 17, 1985, Mr. DOLE said the following:

> Mr. President, I would make one additional unanimous-consent request, that in the event the amendment of Senators Murkowski and DeConcini is adopted, an amendment would be in order to be offered by Senators Chiles and Domenici.

Mr. DECONCINI. Further, on page 13485 CONGRESSIONAL RECORD Oct. 17, 1985, in the left-hand column, it refers to that amendment I believe. I am just trying to get a clarification. It quotes the Senator from New Mexico saying after Senator CHILES reserves the right to offer an across-the-board amendment that "So the leader will protect us in a unanimous-consent agreement for an amendment that the Senator from Florida has described." So there is no question, is there, in the mind of the Senator from New Mexico that the reference that he just read goes back to the amendment described by the Senator from Florida which says an across-the-board amendment?

Mr. DOMENICI. Mr. President, I was not the one engaged in the dialog. But, clearly, I take the position that the amendment that the distinguished Senator from Florida and the Senator from New Mexico intend to offer will reinstate $100 million to the veterans medical care account. This restoration will be to the spending level for veterans medical care that we had prior to the Murkowski amendment. The $100 million add back to veterans would be offset by a savings of $100 million from the general revenue-sharing program. I am of the opinion that this amendment is in order. If we care to, we could put a parliamentary inquiry to the Chair.

Mr. DECONCINI. Before asking that, I want the Senator from New Mexico to know that I am not objecting to that at this moment. What I am trying to do is clarify if it was the intent last night that an across-the-board amendment be in order. The Senator can certainly express his opinion now and move to by unanimous consent change that. I am not prepared to object to it. But I do want to be clear what we are talking about.

Mr. DOMENICI. Let me ask the Chair a parliamentary inquiry. Would it be in order for Senator CHILES and DOMENICI under the unanimous-consent request—Mr. President, I do not believe we are ready to offer the amendment so I will not inquire at this point. Let me say to my friend from Arizona that we will offer an amendment. Anyone who wants to raise a point of order is free to. We will then inquire of the Chair. The amendment, however, will not be an across-the-board reduction but it will be just as I described.

Mr. MURKOWSKI. If the chairman of the committee can clarify a point raised by the Senator from Utah, that is, the cut comes out of the revenue sharing or some other method? I was under the impression that the proposed cut by the Budget Committee would come out of revenue sharing, or some other category. I would like a clarification on this. What is the intent?

Mr. DOMENICI. I am offering this amendment. As Budget Committee chairman, and as a member of the Appropriations Committee. The amendment is simple in that it will restore $100 million to veterans' medical care after striking the amendment offered by the Senator from Alaska. The Domenici-Chiles amendment will add $100 million to veterans medical care and will reduce revenue sharing by the same amount.

Mr. MURKOWSKI. So if that fails, the $166 million presently in the veterans' medical care account is no longer in that category?

Mr. DOMENICI. If this fails, we are back to the bill at the desk as amended by Murkowski-DeConcini.

Mr. MURKOWSKI. So it is still in?

Mr. DOMENICI. We could not take it out unless our amendment succeeds.

Mr. DECONCINI. Mr. President, will the Parliamentarian advise as to the meaning of the unanimous-consent request which appears in the RECORD at page 13485?

The PRESIDING OFFICER. Not while the present occupant of the chair occupies the chair will a ruling be made.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MURKOWSKI). Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOMENICI. Pursuant to the unanimous-consent request of last night, will an amendment offered by the distinguished Senator from Florida [Senator CHILES] and this Senator from New Mexico, which would strike the Murkowski-DeConcini amendment and substitute in lieu thereof a $100 million add on for veterans and a $100 million reduction from revenue sharing for the current year, be in order?

The PRESIDING OFFICER. The agreement does not put a limitation on the amendment to be offered. A properly drafted amendment that had that effect would be in order.

Mr. DOMENICI. I thank the Chair.

I suggest the absence of a quorum.

Mr. FORD. Will the Senator withhold?

Mr. DOMENICI. I withhold.

Mr. FORD. How soon will the Senator offer that amendment?

Mr. DOMENICI. As soon as it is drafted.

Mr. FORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. FORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DURENBERGER). Without objection, it is so ordered.

Mr. FORD. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. FORD. Under the procedures, will there be an amendment in the second degree allowed as relates to the amendment of the Senator from New Mexico?

The PRESIDING OFFICER. That amendment would not be allowed.

Mr. FORD. Mr. President, I ask unanimous consent that the second-degree amendment be allowed.

Mr. GARN. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. FORD. Another parliamentary inquiry. Is there a time limit on the amendment?

The PRESIDING OFFICER. There is no time limitation.

Mr. FORD. I think we ought to have the opportunity to go and find money somewhere else without going to veterans, without going to research and development. There is a question as to what money can be found. We voted on those yesterday. Now we are precluded from the opportunity to move to those areas to find other money. We are being very selective. Therefore, I object to any time limitation on the amendment.

Mr. GARN. Mr. President, I understand what the Senator from Kentucky is saying, but there is simply no way to take money out of other subcommittees. I have already explained that situation. The Senate should be aware that we have just been threatened with a filibuster and we are prepared that this bill will not be finished for some time, maybe not today and maybe not Monday.

The PRESIDING OFFICER. Who seeks recognition?

Mr. GARN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GARN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 811

Mr. GARN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection to the consideration of the amendment? Without objection, it is so ordered. The clerk will report.

The bill clerk read as follows:

The Senator from Utah [Mr. GARN] proposes an amendment numbered 811.

Mr. GARN. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 54, line 12, strike all through the end of the bill and insert the following: "than 2.1 per centum.

"SEC. 417. Except as otherwise provided in this section, each dollar amount contained in this Act, as amended, which is provided for non-defense discretionary programs and activities is hereby reduced 1.1 per centum provided that this section shall not apply to the amount on page 2, line 16;

"Provided further, that, notwithstanding the provisions of 31 U.S.C. 6701-6724, payments to local governments are hereby reduced by 8.3 per centum; provided further, that, notwithstanding the provisions of 31 U.S.C. 6701-6724, in the fiscal year ending September 30, 1986, persons charged with administration of any provision of 31 U.S.C. 6701-6724, shall limit the value of any payments conferred by 31 U.S.C. 6701-6724 to amounts not in excess of the amount provided in this annual appropriation act, as amended by this section, and if the requirements of 31 U.S.C. 6701-6724 exceed the amount so provided, the payments shall be reduced to the extent necessary to stay within the amount provided in this annual appropriation act, as amended by this section."

SEC. 417. Any funds previously appropriated for the purposes of construction grants under title II of the Clean Water Act shall be available for all projects for which such funding was initially available when such appropriations were made and not be limited to phases or segments of previously funded projects.

TITLE V—SHELTER PROGRAM: GENERAL PROVISIONS

SHORT TITLE

SEC. 501. The following titles may be cited as the "Homeless Housing Assistance Act of 1985".

DEFINITIONS

SEC. 502. For the purpose of this Act—

(1) the term "emergency shelter", as used in section 608(b) of this Act, means an entire facility, or that part of a facility, which is used or designed to be used to provide temporary housing to not fewer than twenty individuals;

(2) the term "homeless" means individuals who are poor and who have no access tc either traditional or permanent housing;

(3) the term "local government" means a unit of general purpose local government;

(4) the term "locally" means the geographical area within the jurisdiction of a local government;

(5) the term "operating costs" means expenses incurred by State, local governments, and private nonprofit organizations operating transitional housing for the homeless under title VII of this Act with respect to—

(A) the administration, maintenance, minor repairs, and security of such housing;

(B) utilities, fuel, furnishings, and equipment for such housing;

(C) the conducting of the assessment required in section 705(a)(2) of this Act; and

(D) the provision of supportive services to the residents of such housing;

(6) the term "private nonprofit organization" means a secular or religious organization described in section 501(c) of the Internal Revenue Code of 1954 which is exempt from taxation under subtitle A of such Code, and which has an accounting system and a voluntary board, and practices nondiscrimination in the provision of assistance;

(7) the term "Secretary" means the Secretary of Housing and Urban Development;

(8) the term "shelter", as used in title II of this Act, means broadly the provision of protection from the elements for homeless individuals;

(9) the term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, or any territory or possession of the United States;

(10) the term "supportive services" means assistance to the residents of transitional housing in obtaining permanent housing, medical and psychological counseling and supervision, employment counseling, referral to job training, nutritional counseling, and such other services essential for establishing independent living as the Secretary determines to be appropriate. Such term includes the provision of assistance to the residents of transitional housing in obtaining other Federal, State, and local government assistance available for such persons, including mental health benefits, employment counseling, referral to job training programs, and medical assistance; and

(11) the term "transitional housing" means a single- or multi-family structure suitable for the provision of housing and supportive services for not more than 15 homeless persons, who cannot presently live independently without supportive services in a supervised residential setting but who are believed capable of transition to independent living with 6 months of assistance in a stable environment.

TITLE VI—EMERGENCY FOOD AND SHELTER PROGRAM

EMERGENCY FOOD AND SHELTER PROGRAM NATIONAL BOARD

SEC. 601. (a) The Director of the Federal Emergency Management Agency shall, as soon as practicable after September 30, 1985, constitute a national board for the purpose of carrying out an emergency food and shelter program.

(b) The national board shall consist of seven members. The United Way of America, the Salvation Army, the National Council of Churches of Christ in the United States of America, the National Conference of Catholic Charities, the Council of Jewish Federations, Inc., the American Red Cross, and the Federal Emergency Management Agency shall each designate a representative to sit on the national board.

(c) The representative of the Federal Emergency Management Agency shall chair the national board.

NATIONAL BOARD TRANSITION

SEC. 602. (a) The national board constituted by the Director of the Federal Emergency Management Agency, pursuant to section 601, shall continue to be authorized until March 30, 1986, and on such date, the personnel, property, records, and undistributed program funds of such national board shall be transferred to the national board under subsection (b).

(b) On or before March 30, 1986, the Secretary of Housing and Urban Development shall constitute a national board for the purpose of carrying out an emergency food and shelter program. This national board shall consist of the same representatives, or their successors, of the same organizations as the national board constituted pursuant to section 601(b), except that the Secretary of Housing and Urban Development shall designate a representative to replace the Federal Emergency Management Agency representative. Such national board shall assume authority on March 10, 1986.

(c) The representative designated by the Secretary of Housing and Urban Development shall chair the national board constituted pursuant to subsection (b).

DISTRIBUTION OF PROGRAM FUNDS

SEC. 603. The national boards constituted pursuant to sections 601 and 602(b) shall determine how program funds are to be distributed to individual localities. The national boards shall identify localities having the highest need for emergency food and shelter assistance, based on unemployment and poverty rates and such other need-related data as the national boards deem appropriate, determine the amount and distribution of funds to these localities, and ensure that funds are properly accounted for.

AGENCY RESPONSIBILITIES

SEC. 604. (a) The Director of the Federal Emergency Management Agency shall award a grant for such amount as Congress appropriates for this program to the national board constituted pursuant to section 601 within 30 days after the beginning of fiscal year 1986, for the purpose of providing emergency food and shelter to needy individuals through private nonprofit organizations and through units of local government.

(b) The Director of the Federal Emergency Management Agency, or his representative, shall have the following responsibilities: provision of guidance, coordination, and staff assistance to the national board in carrying out the program; and cooperation and coordination with the Secretary of Housing and Urban Development in the conducting of an audit of program funds awarded to the national board constituted pursuant to section 601 or transferred to the national board constituted pursuant to section 602(b). The responsibilities of the Director of the Federal Emergency Management Agency with respect to this program shall end with the completion of the audit for program funds distributed during fiscal year 1986.

(c) The Secretary of Housing and Urban Development shall award a grant for such amount as Congress appropriates for this program to the national board constituted pursuant to section 602(b) within 30 days after the beginning of fiscal years 1987 and 1988, for the purpose of providing emergency food and shelter to needy individuals through private nonprofit organizations and through units of local government.

(d) The Secretary of Housing and Urban Development shall have the following responsibilities: provision of guidance, coordination, and staff assistance to the national board in carrying out the program; and the conducting of an audit of program funds awarded to and transferred to the national boards constituted pursuant to sections 601 and 602(b).

(e)(1) In carrying out the responsibilities under subsection (d), the Secretary shall coordinate activities with the Federal Interagency Task Force on Food and Shelter, chaired by the Secretary of Health and Human Services, to identify vacant and surplus Federal facilities which could be renovated or converted for use as emergency shelter facilities for the homeless.

(2) Not later than 3 months after the end of fiscal year 1986, the Secretary shall submit to the Congress a report on obstacles, if any, including agency rules or procedures, to the availability of vacant and surplus Federal facilities for renovation or conversion to use as emergency shelter facilities for the homeless, with recommendations for legislative or administrative changes to overcome such obstacles.

LOCAL BOARDS

SEC. 605. (a) Each locality designated by the national boards constituted pursuant to sections 601 and 602(b) shall constitute a local board for the purpose of determining how program funds allotted to the locality will be distributed. The local board shall consist, to the extent practicable, of representatives of the same organizations as the national boards, except that the mayor or other appropriate heads of government will replace the Federal Emergency Management Agency or Department of Housing and Urban Development member. The chair of the local board shall be elected by a majority of the members of the local board. Local boards are encouraged to expand participation of other private nonprofit organizations on the local board.

(b) Local boards shall have the following responsibilities: determining which private nonprofit organizations or public organizations of the local government in the individual locality shall receive grants to act as service providers; monitoring recipient service providers for program compliance; reallocation of funds among service providers; ensuring proper reporting; and coordinating with other Federal, State, and local government assistance programs available in the locality.

(c) Prior to March 30, 1986, local boards constituted pursuant to subsection (a) shall be accountable to the national board constituted pursuant to section 601. On and after March 30, 1986, local boards constituted pursuant to subsection (a) shall be accountable to the national board consituted pursuant to section 602(b).

LOCAL HOMELESS ASSISTANCE PLAN

SEC. 606. (a) At the end of each fiscal year, each local board shall submit to the national board constituted pursuant to section 602(b), a plan describing programs, goals, and objectives for providing assistance to the homeless in that locality. The plan shall be developed in cooperation with the local government head represented on the local board.

(b) The local plan shall address the following subjects: description of existing shelter, mass feeding, and food bank activities in that locality, including activities not receiving assistance under this title; use and availability of all public and private resources in the locality to assist the homeless; coordination of all public and private services and resources in that locality to assist the homeless; coordination among all shelter providers in the locality to use all available shelter space for the homeless; and preservation of low-income housing in the locality.

(c) the local plan shall be placed on file in the office of the local government head represented on the local board and shall be made available to the public. The local plan shall be forwarded to that individual locality's representatives in Congress. The national board shall maintain files of local plans and make them available upon request to other localities.

(d) The preparation and submission of the local plan shall be regarded as the legal duty of the local board, but failure to do so shall not be grounds for the withholding of funds appropriated under this title from that locality. Any citizen residing in the locality in which such local board is constituted shall have standing in the Federal district court of jurisdiction to seek an order compelling the preparation and submission of the local plan as required by this section. The substance and contents of the local plan shall be within the sole discretion of the local board and shall not be subject to administrative or judicial review.

SERVICE PROVIDERS

SEC. 607. Designation by the local board of a service provider to receive program funds should be based upon a private nonprofit organization's or unit of local government's ability to deliver emergency food and shelter to needy individuals and such other factors as are deemed appropriate to program objectives by the local board.

USE OF FUNDS

SEC. 608. (a) The national boards constituted by sections 601 and 602(b) may authorize the following use of funds to address the emergency food and shelter needs of needy individuals:

(1) Expenditures necessary to purchase emergency food and shelter for needy individuals, to supplement and extend currently available resources and not to substitute or reimburse ongoing programs and services; and

(2) Expenditures necessary to conduct minimum rehabilitation of existing mass shelter or mass feeding facilities to make facilities safe, sanitary, and bring them into compliance with local building codes.

(b)(1) Local boards are authorized to expend up to 25 percent of the funds allotted to that locality for substantial renovation or conversion, but not acquisition or new construction, of buildings for use as emergency shelter facilities to provide additional shelter space. Such expenditures shall be made in the form of noninterest bearing advances, repayment of which shall be waived if—

(A) the applicant utilizes the building as an emergency shelter facility for not less than the 10-year period following the completion of such renovation or conversion, or

(B) the Secretary determines that such facility is no longer needed to provide shelter to the homeless and approves use of the building for another charitable purpose for the remainder of such 10-year period. If the recipient of such advance fails to comply with the conditions for such a waiver, the recipient shall repay to the Secretary in cash the full amount of the advance received on such terms as the Secretary shall

require. It shall be the responsibility of the local board to obtain documentation, signed by the responsible official, showing that the recipient of such advance is aware of and agrees to the conditions of its receipt.

(2) Local boards are encouraged to provide, to the neighborhood in which a new emergency shelter facility is to be located, adequate notice and an opportunity to comment. Local boards are also encouraged to achieve the widest possible distribution of emergency shelters throughout the locality to avoid a disproportionate burden on any one section or neighborhood of the locality.

LIMITATION ON CERTAIN COSTS

SEC. 609. Not more than 3 percent of the total appropriation for this program each year may be expanded for the costs of administration.

PROGRAM GUIDELINES

SEC. 610. (a) The national boards constituted pursuant to sections 601 and 602(b) shall establish written guidelines for carrying out this program, including methods for identifying localities with the highest need for emergency food and shelter assistance; methods for determining amount and distribution to these localities; eligible program costs, with the aim of providing emergency essential services based on currently existing needs; and responsibilities and reporting requirements of the national boards, local boards, and service providers.

(b) These guidelines shall be published annually, and whenever modified, in the Federal Register. The national boards shall not be subject to the procedural rulemaking requirements of subchapter II of chapter 5 of title 5, United States Code.

(c) Guidelines established by the national board constituted pursuant to section 601 shall continue in effect until modified or revoked by that board or by the national board constituted pursuant to section 602(b).

PROGRAM AUTHORIZED

SEC. 611. (a) To carry out this title, there are authorized to be appropriated $70,000,000 in fiscal year 1986, $88,000,000 in fiscal year 1987, and $91,000,000 in fiscal year 1988.

(b) Any appropriated funds not obligated in a fiscal year shall remain available for obligation during the following fiscal year.

SURPLUS FOOD DISTRIBUTION

SEC. 612. The Commodity Credit Corporation shall process and distribute surplus commodities acquired by the Corporation for the purpose of carrying out the food distribution and emergency shelter program in cooperation with the national boards constituted pursuant to sections 601 and 602(b).

TITLE VII—TRANSITION TO INDEPENDENCE DEMONSTRATION PROJECT

AUTHORITY TO MAKE GRANTS

SEC. 701. (a) The Secretary of Housing and Urban Development shall make grants to States, local governments, or private nonprofit organizations for the operation of demonstration projects to develop and apply innovative approaches in providing transitional housing and supportive services to the homeless to assist them in the transition to independent living.

(b) Grants under subsection (a) may be made in the form of:

(1) annual payments for operating expenses of transitional housing, not to exceed 75 percent of the annual operating expenses of such housing;

(2) technical assistance in establishing and operating transitional housing and providing supportive services to the residents of such housing to assist them in the transition to independent living; and

(3) one-time only non-interest bearing advance, not to exceed $100,000 for the purposes of acquiring, rehabilitating, or acquiring and rehabilitating an existing structure for use in providing transitional housing, if the applicant agrees to utilize such structure as transitional housing for not less than 5 years. Repayment of such advance shall be waived if the applicant utilizes the structure as transitional housing for not less than the 10-year period following the initiation of operation of such transitional housing facility, or if the Secretary determines that such structure is no longer needed for use as transitional housing and approves the use of such structure for another charitable purpose for the remainder of such 10-year period. If the applicant fails to comply with the conditions for waiver of repayment, the applicant shall repay to the Secretary in cash the full amount of the advance received on such terms as the Secretary shall require.

(c) Grants made under this section are to be used to supplement and extend currently available resources and not to substitute or reimburse ongoing programs and services.

APPLICANTS FOR GRANTS

SEC. 702. Each application for a grant submitted by a State, local government, or private nonprofit organization shall contain—

(1) documentary material demonstrating that such applicant has the ability and resources necessary to operate transitional housing;

(2) documentary material describing the program and supportive services intended to be provided in such transitional housing, including the innovative quality of the proposed program;

(3) documentary material demonstrating that the State, local government, or private nonprofit organization involved has provided the emergency food and shelter program local board, constituted pursuant to section 605 of this Act, if such local board has been constituted in the locality where the proposed transitional housing will be located, an opportunity to comment with respect to this application, and a statement as to whether the local board approves or disapproves of such application and its reasons for any disapproval; and

(4) such other information or material as the Secretary shall establish.

ALLOCATION OF GRANTS

SEC. 703. In selecting States, local governments, or private nonprofit organizations for assistance in providing transitional housing under this title, the Secretary shall consider—

(1) the innovative quality of the proposal to provide transitional housing and supportive services to the homeless to assist them in the transition to independent living;

(2) the ability of the State, local government, or private nonprofit organization to develop and operate transitional housing for homeless persons and to provide supportive services to the residents of such housing;

(3) the need for such transitional housing and supportive services in the locality to be served; and

(4) such other factors as the Secretary determines to be appropriate for purposes of carrying out the demonstration project established in this Act in an effective and efficient manner.

DISTRIBUTION OF GRANTS

SEC. 704. (a)(1) Not later than 120 days after the beginning of each fiscal year for which Congress makes appropriation to carry out this title, the Secretary shall make grants under section 701.

(2) If the aggregate amount of funds requested in applications submitted and approved, during the 120-day period referred to in paragraph (1), is less than the amount of such appropriation available to make such grants, then the Secretary shall publish in the Federal Register a notice that additional funds are available for distribution under this title.

(b) The aggregate amount of all appropriations made to carry out this title shall be used to make grants under section 701 unless the sum of the administrative costs incurred by the Secretary to carry out this title and the aggregate amount of funds requested in applications approved under this title is less than the aggregate amount of such appropriation.

PROGRAM REQUIREMENTS

SEC. 705. (a) Each State, local government, or private nonprofit organization receiving assistance under this title shall agree—

(1) to operate transitional housing assisting residents in the transition to independent living and limiting the stay of individual residents to not more than 6 months;

(2) to conduct an assessment of the supportive services required by the residents of such transitional housing to assist them in the transition to independent living;

(3) to employ a full-time residential supervisor with sufficient expertise to provide, or supervise the provision of, supportive services to the residents of such housing;

(4) to keep and make available to the Secretary such records of the expenditure of funds as the Secretary may require by rule; and

(5) to comply with such other terms and conditions as the Secretary may establish for purposes of carrying out the demonstration project established by this title in an effective and efficient manner.

(b) Each homeless individual residing in transitional housing assisted under this title shall pay as rent an amount determined in accordance with the provisions of section 3(a) of the United States Housing Act of 1937.

REGULATIONS

SEC. 706. Not later than 120 days following the date of enactment of this Act, the Secretary shall issue such regulations as may be necessary to carry out the provisions of this title.

REPORTS TO CONGRESS

SEC. 707. (a) The Secretary shall submit to Congress—

(1) not later than 3 months after the end of each of the fiscal years 1986 and 1987, an interim report summarizing the activities carried out under this title during such fiscal year and setting forth any preliminary findings, conclusions, or recommendations of the Secretary as a result of such activities; and

(2) not later than 6 months after the end of fiscal year 1988, a final report summarizing all activities carried out under this title and setting forth any findings, conclusions, or recommendations of the Secretary as a result of such activities.

(b) Such interim and final reports shall address—

(1) the cost of operating transitional housing and providing supportive services to the

homeless to assist them in the transition to independent living;

(2) the various types of transitional housing assisted under this title, including innovative approaches to assisting the homeless in the transition to independent living;

(3) the social, financial, and other advantages and disadvantages of transitional housing and supportive services as a means of assisting the homeless;

(4) the success of transitional housing programs assisted under this title, as measured in terms of placement of homeless individuals in permanent housing, placement in employment, and reductions in welfare dependency; and

(5) such other findings, conclusions, and recommendations as the Secretary deems appropriate with regard to assisting the homeless in the transition to independent living.

PROGRAM AUTHORIZED

SEC. 708. To carry out this title, there are authorized to be appropriated $5,000,000 in fiscal year 1986, and there are authorized to be appropriated $15,000,000 in each of the fiscal years 1987 and 1988.

At the end of the bill, add the following section:

SEC. . Notwithstanding any other provision of this Act (including any provision reducing certain dollar amounts by a specified percentage), the appropriation made by this Act for the Veterans' Administration for "Medical care" shall be $9,162,694,000.

Notwithstanding any other provision of the law, none of the funds appropriated in this Act or any previous Acts shall be used to issue any permit not intended for limited-duration research purposes for the ocean incineration of hazardous wastes, unless the Administrator of the Environmental Protection Agency prepares an environmental impact statement (as described in clause (i) et seq. of section 102(2)(C) of the National Environmental Policy Act of 1969) with respect to the loading, transportation, and incineration of such wastes which will be involved under the terms of the permit.

Mr. GARN. Mr. President, I offer this amendment on behalf of the distinguished chairman of the Budget Committee, Senator DOMENICI, and ranking minority member, Senator CHILES. They were called away to a conference and will return to speak for their amendment. We will notify them. They asked to be notified when the amendment was before the Senate, so I would suggest the absence of a quorum.

Mr. FORD. Will the Senator withhold?

Mr. GARN. I will be happy to withhold.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, I did not object to bringing up—does the majority leader wish the floor? I will be glad to yield.

Mr. DOLE. No, go ahead.

Mr. FORD. I did not object to bringing up this amendment because I understand the box in which the distinguished chairman and ranking member of the subcommittee are placed, but there is something very wrong here. We have been talking about a 3-year budget and about revenue sharing being cut additionally. They have already given up $9 billion to help with the 3-year budget and we are also going with an appropriations bill under a budget resolution that we have not reconciled.

We have not had reconciliation yet. We really have the cart before the horse, and we are being forced into a decision not knowing what the ultimate outcome will be.

We find ourselves with the information that we are probably close to $3 billion over when we reconcile the budget. That is the figure I have been given. We really have no idea what we are doing today based on reconciliation. So we do have the cart before the horse, and it puts many of us in a bad situation.

I am very much for the veterans. I do not think they have enough. I also think that the revenue-sharing portion of this legislation has gone too far and that the money that is being used now for these recurring programs is coming out of the hide of the communities.

Mr. President, I do not know how long it will be before the two ranking Members will be back to discuss this amendment, but I am going to continue to try to find some method.

I just want to tell my colleagues that we do have the cart before the horse as it relates to appropriations bills, trying to hold it under the budget, and we have not reconciled it yet. It puts us in an untenable position. Maybe it is the strategy to try to hold things down, but it develops problems for many of us who would like to help certain programs, would like to be helpful in useful amendments, but we are almost precluded from doing that.

Mr. President, I yield the floor.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER (Mr. MCCONNELL). The majority leader.

Mr. DOLE. Mr. President, I hope the chairman and the ranking minority member of the Budget Committee can be here quickly to debate this amendment. If there is some way to resolve it, we would like to do so.

We still plan to move to the DOT, the transportation bill and complete action on that today and get some time on reconciliation.

Obviously, this is a matter of some concern. We are talking about a $55 billion bill, and right now we are arguing about $146 million. Yesterday, we spent 2 hours arguing about $7 million.

I hope we can summon the authors of the amendment and have them here quickly and complete action on this bill. If we cannot resolve it, we will set it aside and move to something else.

There will be a number of rollcall votes this afternoon.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, as I understand it, the distinguished chairman of the subcommittee and manager of the bill sent an amendment to the desk. That amendment is a simple amendment and I am not going to take an awful lot of time. I understand that this is a very contentious issue. Let me start by saying——

Mr. DECONCINI. Mr. President, will the Senator let me interrupt for just a question?

Mr. DOMENICI. I am pleased to.

Mr. DECONCINI. Does the Senator have the amendment? We have yet to see it. I wonder if the Senator has seen it, does he have it before him, or we could get it, please.

Mr. DOMENICI. Mr. President, we will get a copy of it for the Senator.

Mr. DECONCINI. I thank the Senator.

Mr. DOMENICI. I can explain to the Senator what it does. However, we will give it to him as soon as we get it copied.

Basically, let me just take a couple of minutes and review the evolution of this bill. After this bill was first reported to the Senate, the full Appropriations Committee went back into session to look at their suballocations, and in particular to look at outlays. In that process, it was determined that this bill, in outlays—and I remind everyone that outlays are what determine deficits—was $800 million in outlays over the allocated amount and as assumed in the budget resolution.

The distinguished manager of the bill and his ranking minority member in full committee made a presentation saying that they did not want to come to the floor with that outlay average. They made a decision to go back through all of the accounts, within their jurisdiction and, as the distinguished manager and the chairman of the subcommittee has said, reduce these various accounts substantially.

When they finished reducing these accounts, they decided they need to reduce revenue sharing for fiscal year 1986 by 12.5 percent. In order to achieve a total outlay reduction of $800 million.

They offered that amendment in committee and it was adopted. The distinguished chairman's goal was complied with and the bill was now consistent with the budget resolution adhered to.

An amendment has now come along that added back the committee's 12.5-

percent reduction to revenue sharing. That put us——

Mr. DURENBERGER. Mr. President, will the Senator yield?

Mr. DOMENICI. I yield.

Mr. DURENBERGER. Do I understand him to say that $800 million was picked up by the 12.5 percent?

Mr. DOMENICI. No I merely said that the long list of reductions that the subcommittee made, and that they have put in the RECORD—reducing veterans some, EPA, Superfund, National Science Foundation—when combined with the 12.5 percent revenue-sharing reduction equaled the $800 million.

Mr. DURENBERGER. I thank the Senator for the clarification.

Mr. DOMENICI. To be more clear there, a couple of amendments that have been offered—one by Senator PROXMIRE, one by Senator ARMSTRONG. These amendments would have reduced the overall outlay some, but not substantially because these are very slow spend-out programs. But in any event, we found ourselves last night in a position where we were once again over the committee's suballocation. We were over because general revenue sharing had been returned to its prior level funding for fiscal year 1986.

Last night, on the floor of the Senate, the Senator from New Mexico and the Senator from Florida, with some cosponsors, offered an amendment. The amendment basically said we will take a 1.1-percent reduction from all the appropriated programs in this bill, except subsidized housing. We will then cut revenue by 6.1 percent. That amendment passed by voice vote and that had effectively brought us back within the suballocation. Veterans, the account that we are now here arguing over, had also been reduced by 1.1 percent, just as all the other accounts from the committee amendment had been.

Now, a while ago the Senate, in an amendment offered by the distinguished Senator from Alaska, Senator MURKOWSKI, and Senator DECONCINI, put $166 million back in the veterans' medical care account. Effectively, the overall amendment that we adopted last night has now been amended to say it is the will of the Senate that we give preferential treatment to the veterans. What the distinguished Senators did then was to say we are going to put $166 million into veterans' medical care because we don't want this account cut by 1.1. percent like all the other accounts.

Frankly, we do not want to keep the Senate here and debate forever over this issue. I can say to the Senate that the distinguished managers and the Senate, in this Senator's opinion, have done some tremendous work. We went through an $800 million overage to within the suballocation.

I do not think we have accomplished that very often here in the Senate in the past, and I compliment everyone, in particular the managers of the bill, but those also who last night voted for the Domenici-Chiles amendment, supported by the chairman and the ranking minority member, to apply a 1.1-percent across-the-board cut, and a 6.1-percent cut to revenue sharing.

Then we said that since the Senate obviously wants something like this, where do we go to offset the $166 million increase in veterans' medical care? We went to the revenue-sharing account and said we will pick up $100 million there and bring the veterans' medical increase down to $100 million. That is the amendment. It effectively makes an 8.3-percent cut to revenue sharing.

I understand the distinguished sponsor on the majority side, Senator MURKOWSKI, in terms of the Veterans Committee position, thinks this is reasonably fair and intends to support it. Perhaps he will come to the floor shortly and tell us about that. But I understand he will support it.

Now we have the problem that those who did not want revenue sharing cut will object to increasing the 6.1-percent reduction to 8.3 percent. We have taken another $100 million out of revenue sharing. So in its simplest form, since yesterday's reductions, we have added $100 million to the veterans account, and we have subtracted $100 million from the revenue-sharing account. That is all this amendment does. It will make it as consistent with the suballocation as we were last night.

Mr. DECONCINI. Mr. President, will the Senator yield?

Mr. DOMENICI. I am pleased to yield.

Mr. DECONCINI. Can the Senator from New Mexico advise this Senator if this amendment had been an across-the-board amendment to pick up $166 million that the Senate added on, what percentage would that have to be? Is there an estimate the Senator can give us?

Mr. DOMENICI. I am told we would need between a 1- and 2-percent across-the-board reduction, if we include veterans medical care, in order to achieve savings of $166 million.

Mr. DECONCINI. That is 1.6 percent to 1.7 percent.

Mr. DOMENICI. Everything would have to be cut between 1 and 2 percent, including revenue sharing and veterans medical care, in order to preserve the veterans account as it is resulting from the Murkowski-DeConcini amendment.

Mr. DECONCINI. Wait a minute. If the Senator would just clarify that for me. Does the Senator mean getting it at the $100 million, it would take a 1.6 across the board?

Mr. DOMENICI. No. I did not do that because the Senator asked me to put it back where it was. It would be a 1.1-percent across-the-board reduction.

Mr. DECONCINI. One point six across the board to get the veterans to $100 million?

Mr. DOMENICI. It would get them the whole amount that the Senator reinstated.

Mr. DECONCINI. The $166 million?

Mr. DOMENICI. The Senator is correct.

Mr. DECONCINI. I thank the Senator.

Mr. DOMENICI. I think there is only one question—obviously, the Senate has to work its will. Does the Senate want to balance this bill or not? Does the Senate want to do it this way—not taking much out of veterans but taking a 2-percent reduction out of general revenue sharing?

There is also one additional question: Why not go back through the bill and, instead of taking a 2-percent cut from general revenue sharing, take an across-the-board cut from all programs within the jurisdiction of the subcommittee? I will tell you that an across-the-board cut is clearly an option. I am not going to do it. I do not intend to do it at this point. I may, but I do not intend to do it now.

I have talked with the chairman of the subcommittee. He has gone through the accounts and programs in this bill and has already reduced them substantially. We then took an additional 1.1 percent across-the-board reduction from these programs. The distinguished subcommittee chairman graciously supported that reduction. I am convinced that it would not be in the best interests of all of these terribly important programs—EPA, Superfund, National Science Foundation, and disaster relief to name but a few. I am convinced by the manager that it would be better to let you have your choice—supporting veterans a little bit more, and taking more reductions from revenue sharing.

I think this is a very well understood vote. Senators can make their choice whether or not they want this bill to be consistent with the budget resolution. From my standpoint, I believe that we have done a good job. But I do not think that we should be here forever. If the Domenici-Chiles amendment fails, I will vote against this bill and I will urge the conferees to bring it on target. If they did not, I would hope pressure would be put on them to do so.

Mr. FORD. Will the Senator yield for a question?

Mr. DOMENICI. I am pleased to yield.

Mr. FORD. The distinguished Senator from New Mexico made a statement that this was his proposal and others may have some other proposals. I asked a parliamentary inquiry a few minutes ago, when the Senator was off

the floor and called to another conference, and I and others are precluded from an amendment in the second degree under the unanimous-consent agreement. But if we were able to come in with some other alternative, something that would still arrive at the same amount, would the Senator be amenable to allowing an amendment in the second degree or modifying his amendment that was presented by the distinguished Senator from Utah?

Mr. DOMENICI. Well, let me just say to my good friend that I did not produce this amendment in a vacuum, as he well knows. I did it with negotiations with the distinguished Senator from Alaska, the floor manager, and Senator CHILES. I do not believe I can answer that question. I am willing to look at it.

Mr. FORD. If the Senator would look at it, would he consider that? I understand the situation and I am going to take a little while trying to find some alternative, because, as the Senator knows, we have not gotten to reconciliation yet. That reconciliation may leave us some surplus.

If we could get to reconciliation, then we would really know what we are doing here today and what the bottom line would be, even though we have a Senate budget level.

Mr. DOMENICI. Clearly, I say to the Senator, I am one who will look at anything that makes sense, and I assume he would be proposing something that makes sense. But, frankly, if the option is predicated upon what we might do in reconciliation, I would not do that.

Mr. FORD. No; I understand that. I am just making the point that we basically have the cart before the horse here and the final judgment has not been made and we will not get to even consider that final judgment until later this afternoon.

I thank the Senator.

Mr. EXON. Will the Senator yield?

Mr. GARN. Mr. President, I will yield in just a moment, after I further answer the question of the Senator from Kentucky.

I wish to say to the Senator from Kentucky—as I answered him privately a few minutes ago, I will answer him for the record—I would not consider granting a unanimous-consent agreement for the opportunity of an amendment until we had an opportunity to discuss the amendment. But, certainly, any alternatives he could come up with, I would be happy to look at them. If they are acceptable, something that would be reasonable, then I, obviously, for myself, would not object to a unanimous-consent agreement for a second-degree amendment. So when the Senator gets to the point that he has something to talk about, I am available.

Mr. FORD. Mr. President, I say to the distinguished Senator from Utah that the amendments to change the figures have never come from him. They have always come from the distinguished Senator from New Mexico. I thought he was the overriding authority here. Therefore, I was asking him for his decision. If I made a mistake, I apologize to the distinguished Senator from Utah.

Mr. GARN. No, the Senator from New Mexico is the sponsor of the amendment, but all of us have the right to object. So the Senator did not do it out of line.

Mr. President, I yield for a question or I will yield the floor.

Mr. EXON. Mr. President, I am wondering if the distinguished chairman of the Budget Committee would try to answer a question for me. I have been listening with great interest to the presentation made by the distinguished chairman of the Budget Committee, on which I am pleased to serve.

Is the chairman of the Budget Committee trying to tell the Senate that, if we are going to put more money in veterans' affairs, we are going to have to make some cuts someplace else to get that job done?

Mr. DOMENICI. The Senator has boiled it right down to its essence. If you want to bring the bill back to where we were last night when we adopted the amendment the Senator from Nebraska cosponsored, we have to find savings. We chose to find it in revenue sharing.

Mr. EXON. Mr. President, a follow-up question. Have the proponents of the amendment, either adding money back into revenue sharing or adding money back into veterans' affairs, proposed offsetting reductions in expenditures, either from other programs or across the board?

Mr. DOMENICI. No; they have not.

Mr. EXON. Was it not one of the great tenets of Gramm-Rudman, one of its principal parts—whether you might term that the spirit or whether you might term that the ghost of Gramm-Rudman—was not one of the tenets expressed therein that it would be a good idea that those who proposed increases would have to propose simultaneously an offset?

I recognize that Gramm-Rudman, unfortunately, has not been triggered at this time. But was that not one of the basic tenets of Gramm-Rudman?

Mr. DOMENICI. The Senator is correct. In terms of Gramm-Rudman, as it left the U.S. Senate floor, it is eminently clear that it is one of those so-called zero, no add-on bills. If you cause the deficit to go up you must find offsetting savings.

Mr. EXON. One last question. And I thank my friend for answering these questions and trying to clarify this for the Senator from Nebraska. Given that Gramm-Rudman is not now in effect, is it the feeling of the chairman of the Budget Committee that it would be inconsistent for those who supported Gramm-Rudman to fall out of its spirit at this juncture?

Mr. DOMENICI. I believe that is a fair statement. I will say that an interesting part of Gramm-Rudman-Hollings is that it would permit both institutions of the Congress, and the President, to look at their activities and priorities in terms of what it does to the Federal deficit. The pressure would be to cut each spending bill that is not in compliance with the spending targets established by the budget resolution. Each inaction and each action, each passage of a new entitlement, would be looked at against the targets we have established. If a Senator wanted to increase spending for his program, they would be imposing on the rest of the programs of the country. They would be saying, "To the extent that you are subscribing to an increase here, you are also subscribing to get an across-the-board reduction." I do not think anyone likes that.

Mr. EXON. I thank my friend from New Mexico for his answers to my questions.

Just maybe this colloquy will put a little heat on, that we had better start shaping up now if we are going to do what those proponents of Gramm-Rudman indicated with their vote last week.

I thank my friend from New Mexico.

Mr. DOMENICI. I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. CHILES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHILES. Mr. President, I think the dilemma we are in this morning and last night really shows some of the tough decisions that Congress is forced to make anytime that you say you are going to abide by some kind of a ceiling. In this instance, we are talking about the allocation set by the Appropriations Committee from the figures that this body and the House voted on in the budget resolution.

Just a little of how the budget resolution works so people understand it—the budget resolution sets basically an overall number for outlays and for budget authority. Those are the only numbers that are binding on the Appropriations Committee. The Budget Committee makes some assumptions of how they reach those numbers. Those assumptions are given to the Appropriations Committee not as anything binding on the Appropriations

Committee, but just to show them how we arrived at our numbers.

I point out that those numbers are not binding on the Appropriations Committee. The Appropriations Committee can change the numbers within the different functions. If they think that more should be put in defense, and less should be put in highways or education, they have the authority to do that. Ultimately there has to be what we call a crosswalk in which the Appropriations Committee takes the money allocated by the Budget Committee, that budget authority number and that outlay number, budget authority being the authorization for programs and outlays being the actual spendout.

We know that these numbers can be different because when you authorize programs, the budget authority may spend out the same year, or it may not spend out for many years, as is the case for some of our housing programs. Then the Appropriation Committee has to take this allocation, and come up with a crosswalk.

They did it to this subcommittee chaired by the distinguished Senator from Utah, Senator GARN, and ranking member Senator LEAHY, and this allocation put them in a squeeze to start with, as we found in some of the other subcommittees we had.

The reason for that again, Mr. President, is that we made some savings in the discretionary programs. We go back to our budget. We did not get all we wanted. We did not do anything, of course, in providing the kind of revenue we needed but we did hit the discretionary programs pretty hard. This has made it tough on the Appropriations Committee. It certainly was very tough on this subcommittee to try to meet its numbers.

That is what the distinguished chairman and ranking member have tried to do. There was no formula that they could come up with which did not cause some pain. Even when the HUD Subcommittee finished all of their cuts, they still found they were out of balance by almost $800 million. They had to do something further. That was when the Appropriations Committee decided to reduce general revenue sharing this year.

This was not something, I know, that the Appropriations Committee wanted to do. It is not something that any of us want to do. But at some stage, and I think this series of votes is documenting this, there is no way that you can manufacture this money. If you do not take it from one place, you have to take it from another.

We had an across-the-board cut last night. That was taken on a voice vote. I think in hindsight—and hindsight is always better than vision—it would have been better for the Senate had we had a rollcall vote last night, because what the Senate was willing to do last night, it seems unwilling to do this morning.

Anytime we address the deficit, this body does not have any difficulty in voting for a low overall number. We pass the budget resolution and we pass an overall number. It even seems that this body can pass an overall percentage cut. Then you come down and address a specific program and that is when none of us want to vote that way. Who wants to vote against veterans?

Finally, Mr. President, I think you do reach a point, especially if you try to wear a budget hat, that you have to be willing to put it on. You have to be willing to say that if you are going to sort of talk that way and wring your hands and cry about these deficits, you have to be willing to try to make some of those cuts.

This next amendment that we are getting ready to vote on is not one that I would choose. I would do it a different way. I would have done it earlier in Appropriations Committee, a different way. But, Mr. President, now we have little choice and I am going to vote for the amendment. I urge the Senate to vote for it. I think the Senate has spoken, that they do not want to make further cuts in the veterans' medical care area, I certainly do not want to see cuts there, either. If we do not, then we have to be willing to take them in some other area. I believe every opportunity that comes before us to reduce the deficit within reason, we have to be willing to consider.

This is not going to be easy for our cities and counties, but it will not be easy anywhere we cut. If you look and see what the subcommittee has done, and review the cuts that they have already made to the existing programs, then it is very hard to keep going back, and now it will be for the third time we will be cutting a number of these other programs.

Based on the votes we have already taken, I feel this is an amendment that the Senate should be willing to vote for. We have already said no, we are not going to cut the veterans' programs.

A lot of us want to keep looking for another way. But this is simply a rehearsal of what we are getting ready to do when we get into Gramm-Rudman. Because we are talking about custs that are going to be even tougher, considerably tougher, and there is not going to be any running room because there is not going to be any place to run to to find free money. I think that will be a sorry situation.

Mr. FORD. Will the distinguished Senator yield for a question?

Mr. CHILES. I am happy to yield for a question.

Mr. FORD. Would my friend explain to me what position we are in now, legislatively, as it relates to spending, and the reconciliation that will be taken up this afternoon and that relationship to spending as it relates to the overall budgetary process?

Mr. CHILES. I will try to.

Part of the reconciliation process was that we were to order certain legislative changes to be made by the authorizing committees so as to effect some savings.

We also ordered certain savings to be made by the Appropriations Committee, and that is part of the dilemma we are in now.

We are going to take up this afternoon a bill that contains $85.6 billion over 3 years of deficit reduction or legislative changes that will bring us about $86 billion over the next 3 years. As part of the deficit reduction effort, the Appropriations Committee was supposed to cut $8.5 billion.

Mr. FORD. We are in the budget process now that was approved by conference. Now we are going into reconciliation in addition to that.

Mr. CHILES. Yes.

Mr. FORD. Is reconciliation the final stage and once that has been passed, that is the end of it?

Mr. CHILES. Well, that is the end of it, except, I would point out to my friend, if you do not get the savings from the $8.5 billion that we expect to get from the Appropriations Committee, all those bills will take even longer to pass. If we pass the reconciliation bill without major amendments, we will have invoked the changes in law that would provide 86 billion dollars worth of deficit reduction over 3 years. But the process will follow the appropriations bills through the entire cycle, including conference.

We have several Appropriations bills. This is not the only one that is over. The next one we will take up, the Transportation bill, is also over. There will be amendments to be offered on that bill. There is a problem with the Interior bill.

So we do have some problems coming along.

Mr. FORD. I understand that, but it is my understanding that once we get through with this procedure, we could very well be confronted with a cut under reconciliation in the same areas. Is that true?

Mr. CHILES. As the distinguished Senator from Kentucky knows, the reconciliation bill does not provide for the continuation of revenue sharing in the year 1987.

Mr. FORD. I understand that. I am trying to get away from this revenue sharing. It is interesting to talk about revenue sharing and the savings of $8.5 to $9 billion. You have not done very much if you have eliminated over the next 3 years $9 billion in revenue sharing. You have taken it basically all from one place. Everyone is trying

to spread around that $9 billion savings.

Mr. CHILES. But we have taken $86 billion over 3 years out of the entire framework of the programs.

Mr. FORD. But those programs are recurring and revenue sharing does not recur after October 1, 1986.

Mr. CHILES. Most of the terminations that the White House proposed have not been made. We did terminate several small programs, but in the main, we did not terminate most of the programs.

Mr. FORD. So the hurt here, as it relates to the communities, is terminal. We are looking at the Senate voting to reinstate it. It is true we did not put a provision in there as to where the offsetting would come from. In the veterans' vote this morning, there was not any offset there. It absolutely looks at the only place you can get money. Because you are in a hurry, you do not have an opportunity to think about it. We just proposed to take it out of revenue sharing because there is an immediate expenditure.

I am convinced that if revenue sharing takes a little bit, say half of what they are proposing, and three-tenths of 1 percent out of the rest of them would make everyone share the hurt equally; except several programs would share that three-tenths of 1 percent and revenue sharing would take half of the $100 million now going to veterans.

We talk about everybody sharing the hurt. Not only have you damaged revenue sharing in the future and none of the other programs, but you are also taking over $500 million out of revenue sharing this year.

The Senate, in its judgment, voted to delay all of this. But we here invoked Gramm-Rudman to go ahead and start it now and get in training. The training, I thought, had already started when they eliminated revenue sharing. I am just trying to protect some of those out there who have been depending on revenue sharing. Five months ago, we made a decision and that decision has been factored into budgeting at a local level. Now we are going to say to them, no, you are going to have to take less.

I see all the papers that are being shoved around—numbers, budget authority, budget outlay. We are approving programs today for 35 years under this bill—for 35 years we are approving them—there is not much outlay next year, practically none—but for the next 35 years, while we are building homes and then paying in this bill for the interest and carrying charges for the next 30 years.

If the house costs $80,000, we are adding another $80,000 to pay the interest and carrying charges so that one, single-family home costs $160,000. Yet we are saying to our communities, we are going to cut out revenue sharing from here on, after this fiscal year. Then we are going to cut you some more now.

There are some things we have not had an opportunity to argue. There is no way under our process to get back to it and we are locked in. I do not mind being locked in, but I want to know what kind of cage we are going to be put in. It seems unfair to me.

I am not opposed to veterans. I voted for it and will continue to vote for veterans and will not back off one minute. I know what will happen if we come after Superfund. But I guarantee that after this fiscal year, they will have money left over that we have appropriated for that they do not spend, because there is not any inclination in this administration to spend that money. Yet we are damaging other programs.

Mr. CHILES. Mr. President, the Senator from Kentucky makes an eloquent argument. He has been a champion of revenue sharing, having served as Governor and holding other offices in his State. I think he is very much in touch with counties and cities and what revenue sharing has done and the fact that it is a program that has not had the kind of redtape that we have in many of the other programs. It is a program where there have been more dollars actually available to States and it has allowed some flexibility, and many of our counties and cities have used that program very well.

It is a program that I wish we were not terminating, period. But we have decided that we were just lending our printing press to the cities and counties and that, overall, at some stages we could not say that we were doing the cities and counties or the people a favor when we are invoking these huge deficits.

I find myself in a dilemma because I, in effect, told a lot of our State people, "You have a year in which to get ready."

Mr. FORD. We broke our word.

Mr. CHILES. Except for the fact that you again come back to this ceiling and this is not the only program that we are cutting. If you do look at the list, I think you will find that there have been two rounds of cuts: One done by the chairman and ranking member in the subcommittee, another done here on the floor to the housing programs, to the Superfund programs, to EPA research and development programs, and to NASA. And these decisions are tough. Many of these programs affect my constituents, too. I have tried very hard in my lifetime here to protect NASA and many of these programs.

I remember when we almost lost the space shuttle by one or two votes because our good friend from Wisconsin said more money should go into inner cities, and we should not have an exotic program like that. I think there have been a lot of returns from the space shuttle program. But we have to make difficult choices there. But it is a tough time when we are facing these kinds of deficits.

Only, I think, if we can put our fiscal house in order can we set these priorities. I think that the Senator from Kentucky does realize, and he has already pointed out, that with the choices we are making now, this is the same kind of exercise we would face under Gramm-Rudman. Whether we put it off a year or not or even if it does not ultimately pass, if we are going to deal with deficits of $150 billion or $200 billion, we are not going to be able to do it and protect the kind of programs the Senator from Kentucky would like to protect and I would like to protect. We are going to face a lot more of these tough votes.

As he said, he voted for veterans because he wanted to. I had to make the difficult choice and vote to reduce the deficit. I wish I didn't have to make this vote. I wanted to do it another way. There are a lot of veterans in my State, but I found I could not speak out of one side of my month to them and out of the other side on the budget deficit. That is the kind of quandary it places me in, as this amendment does. I can think of a lot of ways that I would rather do this than to put this cut here.

I am sorry that the Committee on Appropriations did not look at a couple of these programs and say, "Hey, these are real tough areas and for the cuts we are going to have to make, we need some shifts in some programs and cuts from others." But there is a constituency for each one of the programs on the Appropriations Committee and each one of the other committees and everybody is there trying to say, "Hey, wait a minute, don't take anything out of our program and put it over there, let us divide up these things." That is the kind of position we are placed in.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER (Mr. WILSON). The Senator from Texas.

Mr. FORD. Mr. President, let me take another minute or two. We are sort of groping and trying to come up with something to offset and I am not going to try to damage what the veterans have had done here. I am going to see if they can keep the amount we agreed to. I am trying to find some other method. Let me see if I can.

Mr. President, we are talking about getting our house in order, the fiscal problem that we have, the deficits that we have. We have told our communities throughout this great Nation that, beginning October 1, 1986, "Revenue sharing is gone. There will not be any more; we are giving you a year to get your house in order." Then we

turn right around and say, "In addition to that, we are going to cut another $500 to $600 million out. You are going to have to work a little harder to get your house in order."

Five months ago, we told them what they would receive and they have been working on that assumption.

That means, then, that we have broken our word. The only thing I am trying to do is figure out some way that we might be able to help those communities keep their house in order to work out their fiscal problems. I guarantee you that 30 percent of the counties in my State will be in a dilemma after October 1, 1986, because they do not have the taxable base in order to keep up some of the programs that are necessary in those poorer counties.

Mr. President, I am not here trying to argue against the veterans. I am not in a position and will not take a position to take any of that money away from them. I want them to keep exactly what they have. I voted for it; I think it is proper. But I think three-tenths of 1 percent coming out of some of these other programs will not hurt them one iota. It will probably help them from the standpoint of making their programs more efficient and getting more for their administrative dollar.

Mr. President, I am going, I hope, to have something to present to our ranking member and chairman shortly. I know I have taken longer than most people want me to, but this is a position that I think is a right position for me to take. As we talk about getting our house in order and we damage all the communities and counties across the State, I think we have real problems.

Mr. GARN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. McCLURE. Mr. President, I ask unanimous consent that further proceedings under the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FERC NOMINATIONS

Mr. McCLURE. Mr. President, we have from the Energy and Natural Resources Committee reported the nominations of two persons to be members of the Federal Energy Regulatory Commission. The first was reported first in July and was not acted upon by the Senate in July. The nomination was resubmitted upon our return at the end of the August recess. The committee again reported that nomination but it has not yet been acted on by the Senate.

The second nomination is the reappointment of Mr. Anthony Sousa, and I take this time to urge that Members of the Senate move expeditiously to approve those nominations and particularly that of the reappointment of Mr. Sousa.

Section 401(e) of the Department of Energy Organization Act of 1977 provides that a quorum for the transaction of business shall consist of at least three members present at the Federal Energy Regulatory Commission. FERC currently has three sitting Commissioners: Chairman Raymond J. O'Connor, Commissioner Charles Stalon, and Commissioner Anthony Sousa, the latter being the one who has been renominated and whose nomination is pending before the Senate. Commissioner Sousa's term runs out at midnight Sunday, October 20, 1985, and since two seats are vacant the termination of his term will mean that the Commission will lose a quorum at midnight on Sunday night. They will then be unable to act on electric natural gas, hydroelectric, and oil pipeline rate matters pending before it.

FERC's next regularly scheduled meeting is Wednesday, October 23, 1985, and over 100 items are listed on the public agenda for the meeting. These agenda items include:

Sixteen gas pipeline rate suspension orders. Under the Natural Gas Act, if the Commission fails to act to suspend a gas pipeline rate filing within 30 days of the filing, the rate becomes effective by operation of law without Commission approval. These 16 gas pipeline rate filings will automatically become effective if the Commission does not act to suspend them by specified dates between October 23 and November 1, 1985. They include rate filings by United Gas Pipeline Co., Northern Natural, Great Lakes Gas Transmission Co., Northern Border Pipeline, and Northwest Pipeline Co. They also include "purchased gas adjustment" clause filings [PGA's] filed on a semiannual basis by ANR Pipeline Co., Transcontinental Gas Pipeline Co., El Paso Natural Gas, and Kentucky-West Virginia Gas Co., among others. If these PGA's are not suspended, the PGA's will go into effect for the next 6 months, the winter months, without Commission review of the gas purchasing practices of the pipeline involved.

There are six electric rate filings which will be effective unless suspended by Commission order by specific deadlines between October 29 and November 4, 1985. These electric rate filings include a $13.7 million rate increase by Connecticut Light & Power Co. and a $1.669 million rate increase by Pacific Gas & Electric for the Port of Oakland.

On October 15, 1985, Tennessee Gas Pipeline filed an out-of-cycle PGA under which Tennessee proposes to absorb up to $35 million of the $141 million in deferred costs it is entitled to recover from ratepayers due to undercollections in previous rates. The $35 million in savings to Tennessee's customers under the out-of-cycle PGA is contingent on immediate Commission approval, and at least $3 million in savings would be offset by the current higher rates for every week the PGA remains pending without action before the Commission.

SHORT-TERM ADVERSE CONSEQUENCES OF LOSS OF FERC QUORUM

If the Commission loses its quorum, it will be unable to approve a proposal by Tennessee Gas Pipeline Co. to reduce a surcharge currently being imposed on Tennessee's customers. The amount of the reduction is $500,000 per day. Thus, if the Commission were unable to act for 1 week, then Tennessee's customers would be compelled to pay an additional $3,500,000 in gas costs. This amount would be unrefundable, and it would be paid only because the Commission lacked a quorum and could not approve Tennessee's proposal.

In addition, if the Commission is compelled to cancel its scheduled meeting on October 23, then during the next 2 weeks six electric utilities would be permitted to begin collecting from their customers a total of $17 million in higher electric rates. These increased rates would be charged only because the Commission lacked a quorum and could not issue routine rate suspension orders prior to the suspension deadline for each rate increase request.

Mr. President, I take the time of the Senate at this time to make this statement only because I think it is important that those members who may have the opportunity to grant or withhold their comments, or those who desire to make some kind of debating points with respect to FERC practices, should be advised that indeed there are consequences to the failure to act.

As I said earlier, the nomination of one Commissioner was reported by the committee in July, and we did not act before the August recess. That nomination has been reported to the Senate again, early in September, and we have not acted.

We now have pending the nomination of the second of those commissioners, and it is important that Mr. Sousa's nomination be cleared, because there are only three sitting commission members; and under Commission practice and under the rule of courts, it is of doubtful legality for a commissioner to act who did not sit during the pendency of the hearings.

So, with respect to actions that would be taken even if Mr. Trabandt's nomination were cleared and Mr. Sousa's was not, there would be a problem with respect to Mr. Trabandt's functioning immediately upon being seated, because he was not

present at the time of the hearings with respect to these matters.

Mr. President, it is important that every Member of the Senate understand that there are consequences to the failure to act. I hope all Members are aware of this. As do those Members who are not present, I hope someone will get to them, as I have attempted to get to everyone, and inform them of those consequences.

In addition, Mr. President, Congress passed several bills in recent years that call for co-generation licenses and small hydroelectric projects. Those cogeneration and small hydroelectric projects amount to several thousand applications. FERC tried to exempt some of those thousands by issuing an exemption rule which would exempt the very small ones from the full licensing requirement. The courts were asked to overturn that decision and did overturn that decision, which means that every one of the nearly 5,000 license applications must go through full license review and process before FERC.

With a constrained membership of three commissioners over the last several months, let alone the lack of a quorum at the next meeting, starting next week, it is very difficult for them to handle that workload on any kind of reasonable time schedule.

It is not giant corporations involved in these licenses. It is oftentimes a very small project with local financing from members of the community who have decided to invest in a local project. A few thousand dollars to a few hundred dollars are involved in the amount of money they have put up. Many of those are time limited. They are time limited because they have negotiated contracts with the utility companies that would purchase the power. Those contracts oftentimes have a deadline: You must have the power to us by a certain date.

Many of them are getting dangerously constrained because of the time lines that are involved.

There are hundreds of investors in small projects who are in danger of losing their money—not because they are not right, not because they do not have a good project, but because the Federal bureaucracy has been unable to act on their applications. That is unfair—unfair to small investors across this land who acted in good faith, under laws passed by Congress and signed by the President.

So there is reason for us to be acting with some sense of urgency with respect to both these nominations.

There is a third nomination pending. We have just received those papers from the administration on Wednesday evening. The nomination is that of Mr. Naeve, from the State of Texas—a Democrat, well known to Members on the other side of the aisle, as well as to some on this side of the aisle, a man of exceptional talent and capability. I do not anticipate any difficulty in getting that nomination cleared very quickly in the committee and reported to the Senate for confirmation.

I mention that only because I am trying to indicate that the administration has submitted the nominations and the committee has acted expeditiously. It is this body that holds the responsibility for holding up these nominations, and again, Mr. President, there are consequences to that delay.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

HUD APPROPRIATIONS, 1986

The Senate continued with the consideration of the bill (H.R. 3038).

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. WARNER). Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, we are waiting for clearance on the other side, on the unanimous consent request that either I would make or Senator GARN would make to permit me, for myself, Senator CHILES, Senator GARN, and Senator LEAHY, to submit a modification to the amendment that is pending. We have not received clearance on that yet. So I will not seek the consent, but I will quickly try to explain what I am trying to do on behalf of those four Senators. I would like to add that Senator DURENBERGER, who has had a genuine interest in the revenue sharing issue, has worked with us on this modification. In essence, this modification would do the following:

It would pick up $50 million of the necessary savings from general revenue sharing as opposed to the original proposal of $100 million. Thus, the percent reduction for revenue sharing would be 7.2 percent. We will get $50 million of savings from revenue sharing, as I described, and then at the direction and with the suggestions of the distinguished manager, we will take $50 million out of various management and administration programs. These include HUD management and administration, EPA salary and expenses, FEMA salary and expenses, NASA's research and program management, VA medical administration and miscellaneous operating expenses, and VA general operating expenses. These reductions will add up to $50 million and are itemized in the amendment. Everything else is intact.

When I have clearance, I will ask unanimous consent that I be permitted to so modify the pending amendment, I understand from the managers that the modification would be generally acceptable to those who have been on the floor. I understand we will then go to final passage and have a final vote.

Mr. DECONCINI. Mr. President, will the Senator from New Mexico yield?

Mr. DOMENICI. I am pleased to yield.

Mr. DECONCINI. I think I heard the Senator correctly. If this amendment were modified and passed, under the request the Senator may make shortly, this would leave $100 million net in the VA medical health care area pursuant to the original intent of the Senator from Alaska.

Mr. DOMENICI. Net add-back.

Mr. DECONCINI. Net add-back.

Mr. DOMENICI. The Senator is correct.

Mr. DECONCINI. I thank the Senator.

Mr. President, will the Senator yield the floor?

Mr. DOMENICI. I yield the floor.

Mr. DECONCINI. Mr. President, I am not going to object to whatever modification that the Senator from New Mexico makes. I do so reluctantly because the additional reductions that are here are in the veterans areas of some $18 million in administrative areas, but reluctantly we have at least been able to succeed in and retain the $100 million that the Senator from California and the Senator from Alaska originally got the subcommittee chairman to approve. So this Senator is not going to object, although we are not wild about taking $18 million out of this area of administrative expenses.

But we will let it go to conference and hopefully be able to work it out. The distinguished chairman of the committee has been a strong supporter of Veterans' Administration administrative expenses and realizes the importance of those. I will leave it in his able hands and those of the ranking minority member who are both committed to this agency to be sure that adequate funds and sums are available so those agencies are not crippled.

Mr. GARN. Mr. President, let me assure my colleague from Arizona and also from Alaska that there are cuts through all of the agencies in these categories, administrative expenses and personnel.

But we are more than $2 million in budget authority under the House of Representatives and we are several hundred million dollars under the budget outlays.

I have been around this body long enough to know that I do not always get the Senate position. So I would alleviate some of the Senator's concern by expecting that the House of Representatives would insist on some of these cuts being restored and they would not remain at these levels.

This is going to be a difficult conference. There is going to have to be a lot of horse trading to get a bill put together. So I would expect some cuts to remain in these areas as much as I can keep, but I would also expect the House of Representatives to expect some of them restored because they are so much higher in many areas than we are.

Mr. DECONCINI. I thank the chairman.

Mr. MURKOWSKI. Mr. President, in the spirit of accord I certainly want to indicate that I do appreciate very much the understanding of my colleague from Utah in trying to reach a resolve.

I would like to particularly note in the area of budget authority the $18 million that has been reduced in the administration area and the management area of veterans, known as GOE and MAMOE, which equates to $14 million in outlays, while a difficulty, represents, I think, a spirit of compromise in relationship to the necessity of the overall cuts that have to be made.

I do want to note for the record, however, Mr. President, that the VA medical care account remains intact, the $100 million, as indicated by the chairman of the Budget Committee. In the medical account, the figure would be $9,162,694,000, which I think supports the continued commitment by the Congress, and the Senate particularly, to ensure that VA medical care is fully funded.

Mr. President, I am pleased that we finally have an agreement with the chairmen of the Budget Committee and Appropriations Subcommittee, regarding the appropriations level for VA medical care.

This has been a long and arduous process but one which has come a long way toward alleviating my concerns that the VA had been subjected to a disproportionate share of funding reductions.

Throughout this entire process I have attempted to strike a balance between adequate funding for VA medical care and the need to control spending in an effort to come to grips with a spiraling Federal deficit. I believe this objective has been accomplished.

I wish to thank my colleague from Arizona, Senator DECONCINI, and my absent colleague from the minority side on the Veterans' Committee, Senator CRANSTON, who cannot be here today.

I yield the floor.

Mr. DURENBERGER. Mr. President, I will be brief. I wish to acknowledge my support of the compromise agreement worked out in the amended amendment by the chairman of the Budget Committee. As I understand the net effect, then, of what we have accomplished at the expense of some small reduction in various other programs in this area, we have reduced general revenue sharing for fiscal 1986 by $328 million, in effect having restored $242 million that was deleted by the committee from this account.

Before I leave the subject, however, I would just remind my colleagues that their votes yesterday indicated opposition to taking any money out of general revenue sharing for this year, because this body had decided to take $8.8 billion away from State and local governments in this country starting at the end of this coming year. It is a little hard, when I go back to those small towns and I watch property taxes going up in response to the fact that we are just dumping responsibility back on those people hand over foot, to have people stand here and say, "Well, we have saved some money for this agency and we have saved some money for that agency and we didn't get rid of the bureaucrats in the Veterans Administration. Hip, hip, hooray."

I just want them, as they go back to these communities, to remember that they have saved another nonneeds tested, nonmeans tested program for a group of people to whom we have a moral commitment but at the expense of a deficit that is making it difficult for all of us to handle the real needs of people in this country.

So I expect for the next couple of years we will be down here talking about saving agencies, playing with numbers, and forgetting about talking about people. There just has not been any talk, in the 24 hours I have been on this amendment, about people, about Americans and about our role in responding to their needs. I suspect this is just the beginning of many years of doing this sort of thing.

But, in this particular case, Mr. President, I believe that those responsible Senators in the appropriations process and in the budget process have discharged their responsibilities well and that the outcome that is being presented to us now is the best outcome that this body could come up with, even though it has taken some time to accomplish it.

Mr. MURKOWSKI. Will the Senator yield?

Mr. DURENBERGER. Yes, I will yield.

Mr. MURKOWSKI. I would just like to call attention to the reference of sacrifices of people here. I would like to point out that the veterans have indicated support, at least on the Senate side, for the means test and third-party reimbursements. These two proposals are a significant step toward reducing overall costs, and have been instituted in the Senate reconciliation proposal. I think this represents a responsible effort, if you will, to address the needs of the people by the people helping themselves.

Mr. DURENBERGER. And in helping us with the deficit. I regret that I did not acknowledge the efforts of the Senator from Alaska and others—not everybody in this place—a few people who have tried to make sure that those resources that are available to us are used more efficiently.

Mr. FORD. Mr. President, first let me thank all of my colleagues for working so diligently to arrive at this point of apparent agreement. This has been a tough choice. We all understand that. But we have all kept our good humor. We have made every effort to work it out. It is a continuation of reduction, and pressure on the chairman and ranking member of the Appropriations Subcommittee. Everybody here has worked diligently.

I compliment my colleague, Senator DURENBERGER, from Minnesota, for his effort in this respect. I think he has worked hard. Senator MURKOWSKI, from Alaska, has been more than helpful in working out our situation, along with Senator GARN, Senator LEAHY, Senator DOMENICI, and Senator CHILES. This is, I believe, symbolic of the future and this is symbolic of what we are going to find ourselves in. So I just want to compliment them. I am glad that, hopefully, we are at the point of accepting this amendment.

I yield the floor.

Mr. DOMENICI. Mr. President, I put a unanimous-consent request to the Chair that the modification which I described, and had sent to the desk on behalf of the manager and ranking member, Senator CHILES and myself, be in order. I understand now there is no objection to that. I restate my unanimous-consent request that I be permitted to so modify the amendment.

The PRESIDING OFFICER. The Chair is advised that the amendment has just reached the desk.

Mr. DOMENICI. The Chair is correct.

The PRESIDING OFFICER. Without objection, the pending amendment is so modified.

The modification to amendment No. 811 reads as follows:

On the second page of the pending amendment, strike out "8.3 per centum" and insert in lieu thereof "7.2 per centum".

At the end of page 2 of the pending amendment add the following:

Notwithstanding the provisions of titles I and II of this Act, the following accounts are reduced in budget authority by the following amounts:

Management and administration (HUD) $10,000,000; salaries and expenses (EPA) $10,000,000; salaries and expenses (FEMA) $10,000,000; research and program management (NASA) $15,000,000; medical administration and miscellaneous operating expenses (VA) $3,000,000; and general operating expenses (VA) $15,000,000.

The PRESIDING OFFICER. The Chair now turns to the unanimous-consent request. Is there objection?

Mr. EXON. Reserving the right to object, and I proably will not object. If

I understand the unanimous-consent request by the distinguished chairman of the Budget Committee, it would be that we would have a vote on the amendment that is before us now, as amended, and then move immediately to final passage of the bill, is that correct?

Mr. DOMENICI. The distinguished Senator from Nebraska is not correct. I did not feel it was my prerogative to do that. I merely sent the modification to the desk. I understand the floor manager is going to ask for final passage at a given time.

Mr. EXON. I have no objection to the request by the Senator from New Mexico.

The PRESIDING OFFICER. The question is on the pending unanimous-consent request. Is there objection? Without objection, it is so ordered.

Mr. GARN. Mr. President, I ask for the yeas and nays on the modified Domenici amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. GARN. Mr. President, I ask unanimous consent, upon the the disposition of the Domenici amendment, that it be immediately followed by rollcall vote on final passage, and I ask for the yeas and nays.

The PRESIDING OFFICER. The Chair wishes to consult with the Parliamentarian.

Mr. GARN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GARN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GARN. Mr. President, I ask unanimous consent that upon the disposition of the Domenici amendment a vote occur on final passage without any intervening debate.

The PRESIDING OFFICER. Is there objection? Hearing no objection, it is so ordered.

Mr. GARN. Mr. President, I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I ask unanimous consent that all Senators be allowed to put statements in the RECORD prior to the final vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. Mr. President, I am very pleased with the compromise that has been worked out by the distinguished manager of this bill, the Senator from Kentucky, Senator DECONCINI, the chairman of the Budget Committee, and others. I think it is a responsible move, and what the Senators have been trying to do for the last 2 days in the U.S. Senate is simply say let us have some recorded votes on how the people stand on some of these issues. I believe the compromise that has been worked out is a good one. It does not do great harm, in my opinion, to the matter of revenue sharing. It also establishes some needed additional funds for the veterans' facilities. I think there might not be amendments that everyone can agree to, but I think it is a step in the right direction as far as responsibility in this body is concerned. I thank those who put it together. I intend to support it.

(The name of Mr. THURMOND was added as a cosponsor of amendment No. 811, as modified.)

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Utah, as modified. On this question, the yeas and nays have been answered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Arizona [Mr. GOLDWATER], the Senator from Texas [Mr. GRAMM], the Senator from Utah [Mr. HATCH], the Senator from Nevada [Mr. LAXALT], the Senator from Maryland [Mr. MATHIAS], and the Senator from Connecticut [Mr. WEICKER] are necessarily absent.

Mr. BYRD. I announce that the Senator from Texas [Mr. BENTSEN], the Senator from California [Mr. CRANSTON], the Senator from Illinois [Mr. DIXON], the Senator from Colorado [Mr. HART], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Rhode Island [Mr. PELL], the Senator from West Virginia [Mr. ROCKEFELLER], and the Senator from Mississippi [Mr. STENNIS] are necessarily absent.

I also announce that the Senator from Michigan [Mr. LEVIN] is absent because of death in the family.

I further announce that if present and voting, the Senator from Rhode Island [Mr. PELL] would vote "yea."

The PRESIDING OFFICER (Mr. EVANS). Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 82, nays 3, as follows:

[Rollcall Vote No. 233 Leg.]

YEAS—82

Abdnor	Byrd	Durenberger
Andrews	Chafee	Eagleton
Armstrong	Chiles	East
Baucus	Cochran	Evans
Biden	Cohen	Exon
Bingaman	D'Amato	Ford
Boren	Danforth	Garn
Boschwitz	Denton	Glenn
Bradley	Dodd	Gore
Bumpers	Dole	Gorton
Burdick	Domenici	Grassley
Harkin	Mattingly	Rudman
Hatfield	McClure	Sarbanes
Hawkins	McConnell	Sasser
Hecht	Melcher	Simon
Heflin	Metzenbaum	Simpson
Heinz	Mitchell	Specter
Helms	Moynihan	Stafford
Hollings	Murkowski	Stevens
Humphrey	Nickles	Symms
Inouye	Nunn	Thurmond
Johnston	Packwood	Trible
Kassebaum	Pressler	Wallop
Kerry	Proxmire	Warner
Lautenberg	Pryor	Wilson
Leahy	Quayle	Zorinsky
Lugar	Kiegle	
Matsunaga	Roth	

NAYS—3

DeConcini	Kasten	Long

NOT VOTING—15

Bentsen	Hart	Mathias
Cranston	Hatch	Pell
Dixon	Kennedy	Rockefeller
Goldwater	Laxalt	Stennis
Gramm	Levin	Weicker

So the amendment (No. 811), as modified, was agreed to.

Mr. GARN. I move to reconsider the vote by which the amendment was agreed to.

Mr. METZENBAUM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF PROCEDURE

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The minority leader is recognized.

Mr. BYRD. Mr. President, I thank the Chair. May we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. BYRD. Mr. President, I thought this would be a particularly good time to hear from the majority leader as to the program he anticipates for the rest of the day, rollcall votes, and also what we might expect for Monday.

Mr. DOLE. Mr. President, if the distinguished minority leader will yield, we have one more vote that will follow immediately on passage of this appropriations bill. Then it was my hope that we could turn to the Department of Transportation appropriations bill and dispose of that this afternoon, then move on to reconciliation and get a couple of hours sliced off of that time.

Then, on Monday, at 10 o'clock, we will take up the Labor-HHS appropriation; after Labor-HHS, resume the reconciliation bill; on Tuesday morning, the Interior appropriations and State-Justice-Commerce appropriations, and reconciliation, and hopefully, on Wednesday, turn either to the textile bill—I guess we would turn to the textile bill, because I indicated if we finished reconciliation we would do that—and the farm bill. But I know what is happening here this afternoon. I understand now that those who wanted to manage the DOT appropriations bill feel it is going to take much more time than they thought. So if we could work out some arrange-

ment to get some credit on the statutory time on reconciliation, what we might be willing to do is have this vote, more to reconciliation, and not bring up the DOT appropriations bill.

Mr. BYRD. Mr. President, may I say to the distinguished majority leader that the taking up of the transportation appropriations bill has been cleared on this side of the aisle. There are several Senators—I anticipate this is the case on both sides of the aisle—who are scheduled to catch planes out of Washington this afternoon. I hope that we would be able to accommodate them.

There will be a rollcall vote on passage, I take it. Then, as I say, there would be no objection to the majority leader's proceeding either to the reconciliation measure or to the transportation appropriations bill.

If it will help the majority leader, I should be glad to counsel with Mr. CHILES on this side of the aisle. There might not be any objection to charging some reasonable amount of time against the reconcilation measure so that the majority leader could let Senators leave, or stay if they want.

Mr. DOLE. Let me advise my colleagues, I know there are several under pressure because of other commitments that there will be no votes after this one, but we will turn to reconciliation.

Mr. McCLURE. Will the majority leader yield?

Mr. DOLE. Yes, Mr. President.

Mr. McCLURE. I still hope that it would be possible for us to move to the Executive Calendar on the nomination of Mr. Sousa to the Federal Energy Regulatory Commission. As I said earlier today, his term expires on Sunday and the board will be without a quorum. They have a regularly scheduled business meeting on next Wednesday, with over 100 items on that business meeting agenda. It is important to keep that Commission in business if we can to deal with matters that have a great deal of importance to a great number of consumers in this country, as well as business entities.

Mr. BYRD. If the distinguished Senator will allow me to interrupt him, we have no objection to calling it up this afternoon. We had our problem in the main resolved when the White House saw we meant business about these recess appointments. So there is no problem with that.

Mr. McCLURE. I thank the minority leader very much.

Mr. DOLE. Mr. President, let me indicate to our colleagues that there will be this vote, then we will move to reconciliation, stay on that 2 or 3 hours unless we can work out some accommodation. There will be no more votes this afternoon other than this final vote on HUD appropriations.

Mr. BYRD. Mr. President, how early will rollcall votes begin on Monday, in the opinion of the distinguished majority leader?

Mr. DOLE. I would rather not say, because if I say it out loud, nobody will show up.

Mr. BYRD. Just tell me.

Mr. DOLE. I will tell the minority leader and he can notify those who have critical problems.

Mr. HARKIN. Mr. President, will the distinguished majority leader yield for a question?

Mr. DOLE. Yes, I yield for a question.

Mr. HARKIN. The majority leader said something about the farm bill, and I am trying to get an idea. Did he say that it was his intention to bring up the trade bill prior to the farm bill or the farm bill prior to the trade bill?

Mr. DOLE. I made a commitment to both Senators from South Carolina that when we completed reconciliation we would go back to the Micronesia bill, which has the textile bill attached, or is sought to be attached. I would hope, if we could reach that point, we could double-track that and still do the farm bill in the afternoon and the other in the morning. So hopefully by next week, but I cannot guarantee we would be on the farm bill, which is of critical importance to the Senator from Iowa, the Senator from Kansas, and many others.

Mr. HARKIN. Will the majority leader yield for another question?

I have heard some rumblings about maybe an attempt to put the farm bill on reconciliation. I wonder whether the distinguished majority leader has contemplated that.

Mr. DOLE. We contemplated it, but I think we decided it would not be a very good idea. I have not spoken to the chairman of the Agriculture Committee, but I think there has been some general agreement to bring it up and work it out on a bipartisan basis.

Mr. DODD. Will the majority leader yield?

I was present yesterday when the Senator gave what I thought was a very excellent speech at the groundbreaking ceremony of the Holocaust Memorial Museum and announced at that particular point that the Genocide Convention would be a matter that this body would consider and hopefully ratify. Is there any timetable the majority leader has for the consideration of that matter?

Mr. DOLE. We would be happy to try to work that out with the Senator from Connecticut. I know of his interest in that. But let us go ahead with the vote and maybe we can talk about it during the vote.

Mr. LEAHY. Mr. President, it has been a pleasure to work with the gentleman from Utah. We have worked hand in hand to produce a fiscally responsible bill. We have had to make hard decisions. Many of the cuts made in this bill I would have avoided. I would rather have taken excessive spending out of foreign aid and defense accounts, rather than make some of the cuts made in this bill.

Unfortunately, our congressional process will not permit this action on this bill. To comply with our budget process we have to make the difficult cuts we have made. I look forward to the conference where I expect a number of these accounts will be adjusted.

Finally, I want to express my personal thanks to the staff of the Senate Appropriations Committee, especially Stephen Kohashi, Marty Reiss, Cynthia Davis, Dorothy Douglas, and Jim Cuhie of the minority staff.

They have done an excellent job. I urge the adoption of the bill.

Mr. SPECTER. Mr. President, the Senate has made some hard choices in coming up with today's bill. I heartily commend them for their efforts to reconcile the urgent necessity of reducing the budget deficit with the equally pressing need to provide adequately for this country's requirements in the areas of housing, the environment, veterans' programs, and others.

For a Senator from Pennsylvania, the vote on this bill is particularly difficult. The series of cuts proposed by the committee strikes at programs extremely important to my State, large portions of which remain in severe economic distress. At a time when the effects of recession are lingering in some places, or growing worse, the bill makes cuts in such vital programs as community development block grants and public housing operating subsidies. Communities with declining tax bases because of dying industries, where unemployment is high and income notoriously low, can ill afford these further cuts in their lifelines.

There are other cuts in this bill that equally concern me. At the same time that it is fighting a tendency to become poorer in jobs, Pennsylvania is unfortunately rich in toxic waste sites. Pennsylvanians will find it extremely difficult to understand what set of priorities could lead to a $100 million cut in budget authority for Superfund, and a $35 million cut in outlays, when the need for cleanup is so urgent. Similarly, in a year when Pennsylvania has suffered tornadoes, floods, and hurricanes, the idea of reducing FEMA disaster relief will strike most Pennsylvanians as perverse.

Equally high on my list of concerns are proposed cuts in funds for VA medical care. As I have stated many times, I consider veterans' benefits not as gifts or grants, but as debts or contractual obligations that the U.S. Government owes to the former members of its military service and that we are not free to abrogate at our convenience. This position has consistently been reflected in my votes on the

Senate floor and as a member of the Veterans' Affairs Committee.

The priorities expected in this bill do not satisfy the need of Pennsylvania, but I acknowledge that if it is the best that can be done given budget constraints and so many important programs competing for so few dollars.

Despite these concerns, it is my conclusion that a vote against final passage of this bill would be an empty gesture. The business of Government must go on in an orderly manner, and the passage of Appropriations bills is important for that reason.

I will reluctantly vote for this bill, but I will continue to fight to gain adequate appropriations for the programs that are most important to Pennsylvania.

A WORTHY PROGRAM WHICH SHOULD BE CONTINUED—THE HUD NEIGHBORHOOD DEVELOPMENT DEMONSTRATION PROGRAM

Mr. DIXON. Mr. President, yesterday the Senate agreed to an amendment to H.R. 3038, which was offered by Senator HEINZ for himself, this Senator, and others, to appropriate $2 million to continue the Neighborhood Development Demonstration Program [NDP]. I had intended to speak in support of the amendment but was detained from the Senate floor during the time that the amendment was offered.

I am pleased that the Senate in its wisdom agreed to the amendment.

I support NDP because it is a worthy program whose activities include the creation of permanent neighborhood jobs, the establishment or expansion of businesses within the neighborhood, and the development, rehabilitation, or management of neighborhood housing stock.

Neighborhood development organizations participating in this program are selected by the Secretary of HUD through a competitive selection process.

Mr. President, I am pleased to state that three neighborhood development organizations in the city of Chicago were selected for grants awards. Uptown Chicago Commission was awarded $40,000, and the 18th Street Development Corp. was awarded $50,000, and Northwest Neighborhood Federation was awarded $49,900.

This is a program that should be continued and I am pleased that my colleagues have agreed.

Mr. MOYNIHAN. Mr. President, last week, a majority of Democratic Senators, 27 in all, voted for the Gramm-Rudman amendment to force a balanced budget by a sequence of obligatory cuts in spending.

This week, we have had the opportunity to test this conviction.

There have been three specific votes to the HUD appropriations bills which in effect increased spending: 23 of the 26 Democrats who voted for Gramm-Rudman also voted to increase revenue sharing; 17 of 26 voted against a cut in housing programs; 23 of 26 voted against the elimination of urban development action grants.

For some time, the Republican Members of the Senate have been feeling the edges of the box they are in.

I fear this is now happening to Democrats as well. we know very well that most of us believe in these programs. Why have we done this to ourselves?

Mr. DURENBERGER. Mr. President, yesterday, we decided—by a vote of 57 to 39—to restore not partial but full funding to the General Revenue Sharing Program. We did that not once, but twice. Each time by the same unequivocal margin of 18 votes.

We did that because the General Revenue Sharing Program is the single most efficient and effective way we have of aiding needy local governments. Each one of us—all 57—knew that our votes were not votes to put money in the hands of mayors and councils for themselves—it was a vote to fund the poor people of this Nation's poor communities. It was a vote for basic public services.

We voted for GRS because we refused to break faith with over 30,000 local governments we count on to provide these services and who are now counting on us to live up to the promise we made in the first budget resolution.

The budget resolution guaranteed full funding in what we all know is the last year of the best and most efficient Federal aid program we have.

In the Finance Committee we made that promise when we decided to fully fund GRS for this fiscal year and we affirmed that decision on the floor when we passed the budget resolution.

Last night I showed myself to be a reasonable man. In the name of reducing the deficit I agreed—reluctantly—to a 6.1-percent cut in the program. The same program to which, just yesterday morning, we voted to restore funds. But, in the name of reasonableness, I agreed to the compromise despite the overwhelming support of 57 Senators for full funding.

Now, I am asked to vote to take $50 million more out of GRS to restore VA programs.

In the name of fairness to the 30,000 governments that are counting on us, I must register my dismay at the latest assault. I am sorry that it had to come to this.

While I strongly resent being forced to compare VA programs to revenue sharing, that is exactly the position I have been put in by this amendment. It is a quirk of this budget process which forces us to find cuts for the current fiscal year from those programs that do spend down efficiently without regard for the merits of the programs. It is this logic that saves UDAG—a program that goes to what 60 or at most 100 cities, is not needs tested—and cuts general revenue sharing—a program going to 30,000 communities whose formula for distribution most strongly reflects the fiscal capacity of these communities.

And what of such a comparison. I do not find GRS coming up short on such a comparison.

GENERAL REVENUE SHARING FACTS

GRS is virtually the only program that seeks to lessen fiscal disparities among States. Its goal is to strengthen our Federal system by strengthening those governments that have the greatest need but fewest resources.

GRS is the only program that goes to practically every local government in the country, including more than 30,000 local governments which receive no other form of Federal aid.

Nationwide, GRS is equal to about 8 percent of local tax revenues, although the real value of payments has declined to about 63 percent of the 1977 value.

GRS moneys are distributed in a targeted manner. The most generous per capita payments are made to poor rural communities and financially troubled major cities. Per capita payments ranged from almost $30 in the poorest communities to less than $5 in the Nation's wealthier jurisdictions.

GRS minimizes redtape and burdensome requirements. A local government is only required to submit two simple forms to receive its payments.

GRS maximizes flexibility and local decisionmaking. Local governments use GRS funds for a variety of needs and capital improvements. However, because the distribution formula includes a measure of tax effort, there is a strong incentive for local governments to rely more heavily on their own resources.

GRS funds are used to maintain roads, highways, and bridges and to build jails and sewage and water treatment facilities. Increasingly, local governments use their allocation for unfunded mandates imposed by other Federal programs, such as environmental regulations and handicapped access requirements. GRS dollars are also used for service to the poor and elderly, such as Meals on Wheels, indigent health care, and nursing homes.

And what about VA medical programs. I could argue that VA medical programs are not means tested—any vet can use them. We may not be able to afford that luxury any longer.

I could argue that while VA hospitals have 85 percent of their beds filled most of the time, those beds are often filled by people who stay longer than they need to. They stay in the hospital when they ought to be at home.

I could argue that we are building VA hospitals when we can't fill the ones we have.

I could argue that the VA has a bloated bureaucracy. I could argue all of these things. But, the comparison is almost aside the discussion these days when numbers are all we talk about and the quirks of budgets drive the choices we make about important programs, pitting one unfortunate program against another.

And what about GRS? GRS is directed toward the poorest communities in each of your States. Now a cut in VA medical care will not require a veteran to be turned away at the door. It's tough, I know, but he won't be turned away. A cut in general revenue sharing will close down public services in the poorest communities across this country. Yesterday, my colleague from Pennsylvania described the situation in small communities in his State. I can tell you on my visits in outstate Minnesota that the rural economy and the small towns are dying. GRS shores them up for a little while at least.

In Minnesota in a little town called Winnebago, population 1,800; much of the population is aging and everyone is feeling the effects of a weak farm economy. Winnebago needs many things. Today, it needs a new ambulance—an ambulance the town had planned to buy with funds from general revenue sharing. If we pass this amendment. Winnebago will be unable to buy its ambulance.

That's the choice we face. While I may have to vote for this amendment, I realize what it means. I hope we all realize it.

Mr. KERRY. Mr. President, I rise today to express my opposition to proposed cuts in funding for the General Revenue Sharing Program.

General revenue sharing has long been regarded as an important tool in the fiscal and economic planning of our local governments. As several of my colleagues have pointed out during discussions over the last 2 days, this body made a commitment to our cities and towns with the passage of the budget resolution. That commitment was for a full funding level of $4.6 billion for general revenue sharing. Our local governments relied on that commitment in putting together their budgets for fiscal year 1986. Today, we turn around and ask them to disregard our prior commitment, to alter budget plans already in place, and at a moment's notice, to find additional sources of revenues.

The reductions being deliberated by this body today will mean a loss of some $328 million in general revenue sharing funds, funds that go toward providing a variety of services to more than 39,000 local communities; services such as fire and police protection, education, health and sanitation. These services in turn result in positive commercial development, meaningful job training and creation, as well as critically necessary human services. In my home State of Massachusetts, a reduction in general revenue sharing funds will amount to a $9.2 million loss to local governments in 1986. More than half of these funds, roughly 60 percent, go toward police and fire protection.

In Massachusetts, the loss of general revenue sharing funds will be particularly hard felt due to the existence of proposition 2½. This law constrains local communities in their ability to set new tax rates and thereby offset the losses that will ensue in the absence of general revenue sharing funds.

Mr. President, I am fully aware of the urgent need to reduce our enormous deficit and to begin to control Federal spending. I do not, however, feel that it is either fair or wise to ask our local governments to shoulder such a burden when they have relied on the projections made by this body months ago. Moreover, we should bear in mind that our cities and towns are already faced with reduced funding in other local development programs such as the Community Development Block Grant Program [CDBG] and the Urban Development Block Grant Program [UDBG]. We have an obligation to send clear signals to our local governments. Proposed reductions in general revenue sharing, a program scheduled to terminate at the end of next year, does not meet this obligation and I once again voice my opposition.

AMENDMENT TO EXEMPT VA MEDICAL CARE FROM 1.1 PERCENT ACROSS THE BOARD CUT

Mr. THURMOND. Mr. President I am pleased to join Senator MURKOWSKI and others once again in sponsoring an amendment to H.R. 3038 which would ensure that funding for the Veterans' Administration health care system is maintained at the proper level. We cannot continue to provide our Nation's veterans with the medical care they need and deserve if further cuts in spending are allowed to occur.

Yesterday morning the Senate adopted an amendment, which I cosponsored, that would restore $100 million of the $296 million cut from the VA health care by the Appropriations Committee. After having restored that money, the Senate adopted an amendment to reduce the level of funding for HUD and independent agencies by 1.1 percent across the board. The effect of that amendment was to once again cut needed funds from VA medical care. The amendment we have before us now would once again restore the funding for VA medical care to a more appropriate level.

Mr. President, as I have said many times before, I understand the need for reductions in Federal spending. I understand that we must make difficult decisions in order to meet those reductions. I do not feel, however, that the decision to further reduce the level of funding for veterans' health care is a proper one.

I hope my colleagues will agree with me and I urge them to support this amendment.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read a third time.

Mr. GARN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Arizona [Mr. GOLDWATER], the Senator from Texas [Mr. GRAMM], the Senator from Utah [Mr. HATCH], the Senator from Nevada [Mr. LAXALT], the Senator from Maryland [Mr. MATHIAS], and the Senator from Connecticut [Mr. WEICKER] are necessarily absent.

I further announce that, if present and voting, the Senator from Utah [Mr. HATCH] would vote "yea."

Mr. BYRD. I announce that the Senator from Texas [Mr. BENTSEN], the Senator from California [Mr. CRANSTON], the Senator from Illinois [Mr. DIXON], the Senator from Colorado [Mr. HART], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Rhode Island [Mr. PELL], the Senator from West Virginia [Mr. ROCKEFELLER], and the Senator from Mississippi [Mr. STENNIS] are necessarily absent.

I also announce that the Senator from Michigan [Mr. LEVIN] is absent because of death in the family.

I further announce that, if present and voting, the Senator from Illinois [Mr. DIXON], the Senator from Rhode Island [Mr. PELL,] and the Senator from West Virginia [Mr. ROCKEFELLER] would each vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 76, nays 9, as follows:

[Rollcall Vote No. 234 Leg.]

YEAS—76

Abdnor	Burdick	Denton
Andrews	Byrd	Dodd
Baucus	Chafee	Dole
Biden	Chiles	Domenici
Bingaman	Cochran	Durenberger
Boren	Cohen	Eagleton
Boschwitz	D'Amato	East
Bradley	Danforth	Evans
Bumpers	DeConcini	Ford

Garn	Leahy	Quayle
Glenn	Long	Riegle
Gore	Lugar	Rudman
Gorton	Matsunaga	Sarbanes
Grassley	Mattingly	Sasser
Harkin	McClure	Simon
Hatfield	McConnell	Simpson
Hawkins	Melcher	Specter
Hecht	Metzenbaum	Stafford
Heinz	Mitchell	Stevens
Hollings	Moynihan	Thurmond
Inouye	Murkowski	Trible
Johnston	Nickles	Wallop
Kassebaum	Nunn	Warner
Kasten	Packwood	Wilson
Kerry	Pressler	
Lautenberg	Pryor	

NAYS—9

Armstrong	Helms	Roth
Exon	Humphrey	Symms
Heflin	Proxmire	Zorinsky

NOT VOTING—15

Bentsen	Hart	Mathias
Cranston	Hatch	Pell
Dixon	Kennedy	Rockefeller
Goldwater	Laxalt	Stennis
Gramm	Levin	Weicker

So the bill (H.R. 3038), as amended, was passed.

Mr. GARN. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. DOLE. Mr. President. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GARN. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer [Mr. EVANS] appointed Mr. GARN, Mr. WEICKER, Mr. LAXALT, Mr. D'AMATO, Mr. ABDNOR, Mr. DOMENICI, Mr. HATFIELD, Mr. LEAHY, Mr. STENNIS, Mr. PROXMIRE, Mr. JOHNSTON, and Mr. LAUTENBERG conferees on the part of the Senate.

Mr. GARN. Mr. President, let me just briefly thank everyone who was involved in this bill. It was a very difficult process over a long period of time.

Certainly, Senator LEAHY from Vermont, my ranking minority member, put in hours and hours of time over many months.

Also, I wish to thank the distinguished chairman of the Budget Committee, Senator DOMENICI, and Senator CHILES, the ranking minority member, for their help on this bill, and Senator FORD for his help in the compromise that was reached today.

But the people who do the really hard work are the staff. My staff director, Stephen Kohashi, Jim Cubic, Dorothy Douglas, Marty Reiss, Cynthia Davis, and Cathy Gosweiller all spent far more time than we, the principals did, and should be commended for their work on this bill.

I thank the Chair and yield the floor.

Mr. DOLE. Mr. President, let me add my thanks to the distinguished chairman of the committee, Senator GARN, and the ranking minority member, Senator LEAHY, for their patience and understanding. It did not go as quickly as they wanted but it is finished, and I think it is within the budget, and I see no reason why, it cannot, if it stays in this condition, be finally approved.

Mr. President, I thank my colleagues. We have consumed 15 hours of debate, had 8 rollcall votes, considered 26 amendments, agreed to 24 amendments, rejected 1 amendment, and tabled 1 amendment. So, that is not a bad record.

I thank the distinguished chairman of the committee.

CONSUMPTION OF TIME—S. 1730

Mr. DOLE. Mr. President, I ask unanimous consent that when the Senate recesses today 2½ additional hours be considered as having been used on S. 1730, the reconciliation bill, that those 2½ hours be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. DOLE. Mr. President, let me indicate again for my colleagues that we did not move to the DOT bill because there were a number of amendments. We hope there might be a possibility of getting a unanimous consent agreement on that bill and when it is considered only certain amendments be in order. We are working on that at the present time.

On Monday, we will come in at 9 a.m. By 10 a.m. we will be on the Labor-HHS appropriation bill.

I am advised by the chairman, the distinguished Senator from Connecticut [Mr. WEICKER] that he should be able to complete action on that bill in 3 or 4 hours and hopefully Members who have amendments will be apprised as of now, if not earlier, that we expect those with amendments to come to the floor, because I know Senator WEICKER would want to accommodate all of the colleagues, all the amendments he can, and we could have final passage hopefully not later than 1 p.m., maybe 2 p.m.

I know my colleagues, Senators DOMENICI and CHILES, are anxious to begin serious work on the reconciliation measure and following disposition of the Labor-HHS bill, if we do not run into some complication on the Labor-HHS bill, it is my hope that we could spend several hours on reconciliation on Monday.

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, appoints Senators ROTH, ZORINSKY, COHEN, and PRESSLER, as Senate delegates, to attend the NATO meeting in San Francisco per 22 U.S.C. 1928(a)(d), on October 11-15, 1985.

ORDERS FOR MONDAY, OCTOBER 21, 1985

Mr. DOLE. Mr. President, I ask unanimous consent that when the Senate convenes on Monday, October 21, 1985, the reading of the Journal be dispensed with, no resolutions come over under the rule, the call of the calendar be dispensed with, and following the recognition of the two leaders under the standing order, there be special orders in favor of the Senator from Wisconsin [Mr. PROXMIRE] and the Senator from California [Mr. CRANSTON] for not to exceed 15 minutes each, to be followed by a period for the transaction of routine morning business not to extend beyond the hour of 10 a.m., with Senators permitted to speak therein for not more than 5 minutes each and, provided further, that the morning hour be deemed to have expired.

The PRESIDING OFFICER. Without objection, it is so ordered.

REFERRAL TO THE COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. DOLE. Mr. President, I ask unanimous consent that legislation relating to section 801, of the FDC Act, concerning the export-related provisions of the Food, Drug, and Cosmetic Act, or relating to conditions to be placed on such exports by the Food and Drug Administration, be referred to the Committee on Labor and Human Resources during this session.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL TEMPORARY SERVICES WEEK

Mr. DOLE. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of Senate Joint Resolution 195, a joint resolution designating October 20-26 as "National Temporary Services Week," and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A joint resolution (S.J. Res. 195) to designate the week of October 20, 1985, to October 26, 1985, as "National Temporary Services Week."

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kansas?

There being no objection, the Senate proceeded to consider the joint resolution.

NATIONAL TEMPORARY SERVICES WEEK 1985

Mr. KASTEN. Mr. President, I am pleased that we can now bring Senate Joint Resolution 195, the resolution designating October 20-26, 1985, as "National Temporary Services Week," to the Senate for approval. This legislation offers us a unique opportunity to recognize the contributions of temporary service companies and employees to our Nation's economy.

Temporary help has come to serve a crucial role in the smooth functioning of American business. During robust economic times, temporary workers supplement the work force by boosting productivity. Temporaries are also invaluable to businesses that need help while they are in the process of finding permanent employees. In turn, the availability of temporary jobs brings many individuals who might not otherwise be employed into the work force. Since most temporary jobs are nonmanufacturing ones, temporary industry employment is relatively stable during growth and recessionary periods.

The growing importance of temporary help in today's business market has spawned incredible growth in the temporary services industry. For example, in 1970, the industry supplied roughly 180,000 jobs and generated $547 million in salaries. Last year, temporary services were responsible for 600,000 jobs and $5.6 billion in payroll. In the past 15 months, temporary service companies have outperformed Standard & Poor's 500 by a whopping 5 to 1 margin. The industry's incredible growth rate has even outstripped the booming computer industry, ranking it third nationwide in terms of job growth.

Given the impressive statistics the industry has produced, it is difficult to ignore its significance contributions to a strong economy. I hope my colleagues will share my gratitude to America's temporary service companies and their 5 million employees by voting in favor of Senate Joint Resolution 195.

The PRESIDING OFFICER. The joint resolution is before the Senate and open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the joint resolution.

The joint resolution (S.J. Res. 195) was ordered to be engrossed for a third reading, was read the third time, and passed.

The preamble was agreed to.

The joint resolution, with its preamble, reads as follows:

S.J. RES. 195

Whereas the temporary services industry is the second fastest growing business sector in terms of job creation in the United States;

Whereas the temporary services industry employed over five million people at various times in 1984;

Whereas the temporary services industry payroll has increased between 1970 and 1984 from $547,000,000 to $6,000,000,000;

Whereas one out of every two hundred nonagricultural jobs in the United States was provided through temporary services in 1984; and

Whereas the temporary services industry provides flexibility for employers to meet short-term labor needs: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of October 20, 1985, through October 26, 1985, is designated as "National Temporary Services Week" and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe the week with appropriate conferences, programs, ceremonies, and activities.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL CHILDREN'S WEEK

Mr. DOLE. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of House Joint Resolution 79, a joint resolution to designate the week of October 26 as "National Children's Week," and I ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 79) to designate the week beginning October 6, 1985 as "National Children's Week."

The Senate proceeded to consider the joint resolution.

The PRESIDING OFFICER. If there be no amendment to be proposed, the question is on the third reading and passage of the joint resolution.

The joint resolution (H.J. Res. 79) was ordered to a third reading, was read the third time, and passed.

The preamble was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER TO PLACE HOUSE JOINT RESOLUTION 407 ON THE CALENDAR

Mr. DOLE. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of House Joint Resolution 407, a joint resolution to designate the 12-month period ending October 28, 1986, as the "Centennial Year of Liberty in the United States," and I ask it be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO HOLD HOUSE CONCURRENT RESOLUTION 207 AT THE DESK

Mr. DOLE. Mr. President, I ask unanimous consent that, once the Senate receives from the House, House Concurrent Resolution 207, a concurrent resolution to recognize the 20th anniversary of the Higher Education Act of 1965, and to reaffirm its purpose, it be held at the desk pending further disposition.

The PRESIDING OFFICER. Without objection, it is so ordered.

HEALTH RESEARCH EXTENSION ACT—CONFERENCE REPORT

Mr. DOLE. Mr. President, there is a conference report at the desk on H.R. 2409, a bill to amend the Public Service Act, and to revise and extend the authorities under that act relating to the National Institutes of Health, and National Research Institutes, and for other purposes, I ask that the Senate turn to its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2409) to amend the Public Health Service Act to revise and extend the authorities under that Act relating to the National Institutes of Health and National Research Institutes, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of October 11, 1985.)

Mr. KENNEDY. Mr. President, I am pleased to join with my colleague, Senator HATCH, in proposing passage of the conference report reauthorizing the National Institutes of Health. This bill contains specific 3-year authorizations for the National Cancer Institute and the National Heart, Lung, Blood Institute. It creates a new Institute, the National Institute for Arthritis, Musculoskeletal and Skin Diseases, and establishes important mechanisms for integrating the participation of nurse-researchers into the activities of all the Institutes. It accomplishes a long overdue recodification of the law regarding NIH. And the legislation includes a provision of which I am particularly proud—the creation of a Con-

gressional Office of Biomedical Ethics patterned after the Office of Technology Assessment.

This has been a trying year for our Nation's biomedical researchers. Reauthorizing legislation introduced by us last year that was similar to the bill we are introducing today was vetoed by the President. That veto, coupled with an attack on the NIH budget by the Office of Management and Budget, has created considerable alarm among researchers throughout the country.

After the 1985 appropriations bill for the NIH was passed by Congress and signed by the President, the Office of Management and Budget took the unprecedented action of impounding a portion of the funds and holding them aside to spend in future years. The number of new and competing grants that could be awarded in 1985 decreased by 1,500 grants from 6,500, the number intended by Congress, to 5,000.

Not only was this action illegal and contrary to the intent of Congress, it was also based on ignorance of the scientific funding process. When this action was taken, the first of three cycles of funding was complete. Many scientists had received their priority scores for the year. Some had begun to hire new colleagues based on expectations of funding. The reduction of the budget meant that priority scores high enough to win funding in the first cycle could not win funding in the second. A fair and predictable process had been transformed into a lottery.

The negative reaction from the scientific community was marked. Many scientists took time out from their busy schedules to visit Washington. Hearings were held. There were disturbing revelations including instances where Nobel Prize winning scientists were denied funding because of the damaged funding process.

Together with my colleague, Senator WEICKER, I introduced Senate Joint Resolution 89 to restore funding for the full 6,500 grants appropriated by Congress. A similar resolution was introduced in the House of Representatives. These resolutions and the pressure brought to bear by the scientific community led to a compromise.

The reauthorization levels in the bill we are introducing today are based on the budget already adopted this year by the Senate. They allow for the award of 6,000 new and competing grants for each year from 1986–88. While this is somewhat less than last year's target, it will be the largest number of new grants ever awarded by the Institutes. I am particularly pleased to point out that this legislation also creates a new Institute which will focus on one of our country's more common disabling afflictions—arthritis.

There are a number of different kinds of arthritis. To this date, research on these conditions and many related disorders, has been carried out under the auspices of the National Institutes of Arthritis, Diabetes, Digestive, and Kidney Disorders. The creation of a separate Institute for Arthritis will signify a special emphasis to be placed on finding a cure for this condition which contributes disproportionately to pain and suffering and days lost from work.

Another important aspect of this bill is its emphasis on stimulating nursing research. Although it does not establish a new Nursing Institute, which was a provision of last year's vetoed bill, there are many features which will stimulate the participation of nurses in the research conducted at the Institutes.

It is with special pleasure that I mention another feature of this reauthorizing legislation, the creation of a Congressional Office of Biomedical Ethics patterned after OTA. There are no more difficult sets of questions that daily confront medical practitioners, patients, families, researchers, and public policy makers than the ethical issues arising around medical practice and biomedical research. The President's Commission for the Study of Ethical Problems in Medicine and Biomedical and Behavioral Research showed that an independent panel to think through these issues could provide invaluable guidance to those who must take responsibility for hard decisions in this area. It is essential that this type of assistance be available on a continuing basis.

Finally, let me say that this has been a particularly successful year for our Nation's biomedical researchers. I would like to mention one accomplishment which, in many ways, symbolizes the tremendous progress of the last decade. Without the progress in virology, gene cloning, genetic engineering, and monoclonal antibodies of recent years, it would not have been possible to identify the virus which causes the acquired immune deficiency syndrome [AIDS] and develop a test to protect the Nation's blood supply.

There can be no better evidence of the wisdom of Government than the resources it has invested in this preeminent research institution. Surely, there can be no better answer for those naysayers who endlessly berate the accomplishments of Government programs than to point to the National Institutes which were established by the Federal Government and run exclusively on public moneys. There can be no more valuable commitment to our Nation's future than the reauthorization of the National Institutes of Health.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

INTERVENTION IN BANKRUPTCY JUDGESHIP CASE

Mr. DOLE. Mr. President, on behalf of myself and the distinguished minority leader, Mr. BYRD, I send to the desk a resolution relating to the authority of the Senate Legal Counsel and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows: A resolution (S. Res. 240) to authorize the Senate Legal Counsel to intervene in the case of In the Matter of Louis R. Koerner, Jr.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kansas?

There being no objection, the Senate proceeded to consider the resolution.

Mr. DOLE. Mr. President, the Bankruptcy Amendments and Federal Judgeship Act of 1984, Public Law No. 98–353, provided for limited extensions of the terms of bankruptcy judges who had been appointed prior to its enactment. Focusing on the brief gap between June 27, 1984, when the terms of the bankruptcy judges arguably lapsed, and July 10, 1984, when the President signed the 1984 act, however, a number of private litigants and the Department of Justice have been contending that Congress violated the appointments clause of the Constitution by so retroactively extending the terms of those judges.

Senate Resolutions 444 and 471 of the 98th Congress and Senate Resolution 136 of the 99th Congress directed the Senate Legal Counsel to intervene in several cases in the name of the Senate to defend the act. The resolution being offered today would similarly call for our intervention in yet another case, this time in the U.S. Court of Appeals for the Fifth Circuit, "In the Matter of Louis R. Koerner, Jr."—an appeal in which neither the Department nor the Senate or House had appeared at the district level.

As I previously related to the Senate in connection with Senate Resolution 136, the district courts have unanimously upheld the 1984 act by concluding either that the holdover provisions of earlier bankruptcy legislation kept bankruptcy judges in office throughout the purported gap, or that the Constitution does not prohibit the brief retroactive extension of the terms of sitting bankruptcy judges. Such conclusions have thus been consistent with the objective of the Congress to avoid disruptions in the bankruptcy system during its transition under the 1984 act without abridging the appointing power of either the executive or the judiciary through the selection of individual bankruptcy judges.

In those cases in which the Senate Legal Counsel has intervened in the district courts, there is no need for further authorization to defend the favorable judgments on appeal. The appeal in one of these cases, "In re Benny," was argued on July 10, 1985, before the U.S. Court of Appeals for the Ninth Circuit. Within the past several days, the Department of Justice has moved to intervene in a new appeal from the U.S. District Court for the Eastern District of Louisiana, which is the subject of this resolution.

When this case was in that court, the Department of Justice, instead of intervening, agreed with Senate Legal Counsel and counsel for the House to simply make available to the court their respective briefs in another case concerning the 1984 act. The district court then ruled as other district courts have done and sustained the statute. Now that the Department of Justice has decided to intervene on appeal to actively oppose provisions of the act, it is advisable that the Senate intervene to defend it.

Mr. President, I move adoption of the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 240) was agreed to.

The preamble was agreed to.

The resolution with its preamble, reads as follows:

S. RES. 240

Whereas, in the case of In the Matter of Louis R. Koerner, Jr., pending in the United States Court of Appeals for the Fifth Circuit, the constitutionality of sections 106 and 121 of the Bankruptcy Amendments and Federal Judgeship Act of 1984, Public Law No. 98-353, has been placed in issue;

Whereas, the Department of Justice, on behalf of the executive branch, has moved to intervene in the case to assert that those sections of the Act which provided for the limited extension of the terms of bankruptcy judges appointed prior to its enactment violate the Appointments Clause, Article II, Section 2, Clause 2 of the Constitution;

Whereas, pursuant to sections 703(c), 706(a), and 713(a) of the Ethics in Government Act of 1978, 2 U.S.C. §§ 288b(c), 288e(a), and 288*l*(a) (1982), the Senate may direct its Counsel to intervene in the name of the Senate in any legal action in which the powers and responsibilities of Congress under the Constitution are placed in issue: Now, therefore be it

Resolved, That the Senate Legal Counsel is directed to intervene in the name of the Senate in the case of In the Matter of Louis R. Koerner, Jr.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

HOBBS ACT AMENDMENTS

Mr. DOLE. Mr. President, I send a bill to the desk on behalf of Senator GRASSLEY and others, and ask for its first reading.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 1774) to amend section 1951 of title 18 of the United States Code, and for other purposes.

Mr. DOLE. Mr. President, I ask for second reading.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. GRASSLEY. Mr. President, today I am introducing, along with 19 other Senators, a bill to amend the Hobbs Act to make labor-related violence subject to the penalties of the Federal extortion law.

Recently I read a speech delivered by E. Morgan Massey, president of A.T. Massey Coal of Richmond, VA, before the 1985 annual meeting of the American Coke and Coal Chemicals Institute. Mr. Massey describes the need for this legislation as eloquently as anyone can.

I ask unanimous consent that excerpts from this speech be printed in the RECORD, along with the text of the bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1774

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) paragraph (2) of subsection (b) of section 1951 ot title 18, United States Code, is amended to read as follows:

"(2) The term 'extortion' means the obtaining of property from another, with his or her consent, induced by use of actual or threatened force, violence, or fear thereof, or wrongful use of fear not involving force or violence, or under color of official right.".

(b) Subsection (c) of such section is amended to read as follows:

"(c) Nothing in this section shall be construed as indicating an intent on the part of the Congress—

"(1) to repeal, modify, or affect section 17 of title 15, the Act of March 23, 1932, popularly known as the Norris-La Guardia Act (47 Stat. 70; 29 U.S.C. 52, 101, 115, 151-166), or the Railway Labor Act (45 U.S.C. 151-188);

"(2) to exclude Federal jurisdiction over the offenses defined in this section on the ground that the conduct is also a violation of State or local law, or that the conduct, if it involves forces, violence or fear of force or violence, takes place in the course of a legitimate business or labor dispute or in pursuit of a legitimate business or labor objective; or

"(3) to chill legitimate labor activity by authorizing Federal prosecution for offenses occurring during a labor dispute which do not involve extortion. This intent would preclude prosecution, under this section, of conduct which is incidental to peaceful picketing in the course of a legitimate labor dispute, as defined in section 2(9) of the National Labor Relations Act (29 U.S.C. 152(9)), and consists solely of minor bodily injury, or minor damage to property, or a threat of such minor injury or damage, and is not intended to obtain property. Such excluded offenses shall continue to be subject to prosecution by State and local authorities having jurisdiction over them.".

(c) Section 1951 is amended by adding at the end thereof the following:

"(d) It is a bar to a prosecution under this section that the conduct of the defendant—

"(1) was incidental to peaceful picketing in the course of a legitimate labor dispute, as defined in section 2(9) of the National Labor Relations Act, as amended (29 U.S.C. 152(9));

"(2) consisted solely of minor bodily injury, or minor damage to property not exceeding a value of $2,500, or a threat of such minor injury or damage; and

"(3) was not intended to obtain property.".

TWISTED LOGIC

(By E. Morgan Massey, President, A.T. Massey Coal Co., Inc.)

What I want to discuss today is the very serious problem of the use of violence against companies involved in labor disputes.

I have entitled this talk "Twisted Logic."

The reign of terror directed against subsidiaries of A.T. Massey Coal Company began on April 7, 1980 when massive picketing of the Elk Run Mine in Boone County, West Virginia and the first beatings took place. Employees were hospitalized and trucks were destroyed during the six week period that followed.

On June 23, 1980, Dennis Petry, an unarmed watchman, was shot in the back allegedly by Union Local 1582 Vice President Jerry Kerns. Although an accomplice testified to the shooting by him as an eyewitness, a Boone County court found Kerns innocent because in the twisted logic of the defense, the shooting was justified. The guard was there protecting a non-union mine.

On May 14, 1981, Cecil Roberts, now International Vice President, led a march of 300 Union fanatics armed with guns and gas cans to burn out the Elk Run Mine buildings and hospitalized two more Elk Run employees.

In a speech to the Pittsburgh Convention of the United Mine Workers, Rich Trumka asked for a massive strike fund for the purpose of enabling him to "get A.T. Massey Coal Company."

On June 15, 1984, when seven of the Massey subsidiaries dropped out of BCOA and asked the Union for separate bargaining, this gave Trumka the opening that he was looking for to implement the newly created strategy of the selective strike. Even though many of these companies offered agreements equal or better than the BCOA, the Union refused to negotiate.

On December 28, 1984, the office of Don Blankenship, President of Rawl Sales and Processing Company, was riddled by gunfire.

On the early a.m. of January 10, 1985, Thomas Marcum, President of Sidney Coal Company, his wife and children, was accosted by rifle fire. Jimmy David Smith, President of Local 1532, District 30 has been charged with felonious shooting in the incident.

On February 11, 1985, Trumka gave a speech at Charleston where he called on his membership to escalate the action against A.T. Massey companies. The next day, the road leading to the Mingo County, West Virginia mining operations of Rawl Sales & Processing was blocked by hundreds of masked picketers. Jim Slater, President of Sprouse Creek Processing Company was dragged from his vehicle after leaving a restaurant at Matewan, West Virginia and severely beaten with his ankle broken by a baseball bat. Buddy McCoy, another Supervisor still recovering from open heart surgery, was severely beaten with a blackjack made from a length of miner cable. Five other personnel were beaten; vehicles were overturned and destroyed.

In March, 1985, Bobby Bell, an Elk Run employee, was blinded by a shot from a pellet gun from a group of UMWA pickets which included, another ranking international officer. Larry McKinney, another Elk Run employee, was critically disabled with a fractured skull and a blood clot on the brain.

On March 11, 1985, Trumka made another speech in Charleston following which Cecil Roberts issued orders to stop the trucks at Rawl in Mingo County.

On May 20, 1985, Steven Kinser, a truck driver at Rawl, was ambushed and shot twice through the lower part of his body. Miraculously, his life was saved by a team of surgeons at Lexington Kentucky Hospital.

On May 29, 1985, Hayes West, a trucker for Samoyed Energy was murdered from ambush with 27 high powered rifle shots fired through the cab of his truck. Samoyed Energy Company is not connected with any Massey Company. But, three other truckers for our companies were injured by gunfire in this same organized attack on truckers that day.

On August 5, 1985, George Dunham, President of PG&H Coal Company, a metallurgical coal mine in Kanawha County not affiliated with A.T. Massey Coal Company, was shot in the leg in the parking lot of a Dairy Queen. A rash of shootings mainly directed at coal trucks on Cabin Creek occurred on that same day.

This is but a partial chronology of the acts of terrorism directed against subsidiaries of A.T. Massey Coal Company and other companies to carry out Rich Trumka's promise to his membership. Over 745 windshields have been broken, 1677 truck tires have been destroyed, 178 coal trucks and company vehicles have been burned or destroyed. 4 dynamitings destroyed tipple and power equipment. Over 27 homes have been shot up or damaged. Over 75 employees have been injured, 11 persons hospitalized, 1 permanently disabled and 1 death at a nonrelated company.

A life is priceless. But, the greatest tragedy of Hayes West's death is the twisted logic held by Union leaders that beatings, shootings and finally murder are the justified end for those who disagree with Union demands. At the same time, Trumka charges that the Massey companies are responsible for the tragedies in the coalfields because they fail to submit to the Union contract demands. Just another twisted statement when the facts show that the Union refused to bargain with those individual companies with whom the UMWA has had a previous longstanding of honorable contract relations.

If the name of the organization directing such acts of violence were the Ku Klux Klan or the A.T. Massey Coal Company, the leaders would long before now be lodged in the federal penitentiary. But, since the name is the United Mine Workers, these criminal acts are sanctified under the twisted logic that they are justified to protect jobs of Union members.

By now, you are saying to yourself—this guy is nuts—these kinds of violence and terrorism could not possibly be tolerated in the United States in 1985. What has become of our law enforcement authorities.

In 1946, the Hobbs Act was passed by Congress specifically to protect people involved in interstate commerce from violence, robbery and extortion making this a Federal crime. This was an acknowledgment on the part of Congress that States and localities were unable to control labor violence during a strike. The Hobbs Act was passed after 3 attempts to amend it with an exemption clause for Unions.

However, in 1973, the U.S. Supreme Court, in *Emmons vs. U.S.* ruled in a 5-4 decision that the Hobbs Act was not violated where Union members used violence and extortion to achieve legitimate Union objectives. Federal labor law regressed 40 years with this decision.

The expectation was that state and local officials would deal with criminal acts in the local courts.

The "State and local laws are adequate" argument is another case of twisted logic which yields to a simple common sense test. Local authorities frequently lack the resources necessary to deal with massive acts of Union violence. Furthermore, as is the case in West Virginia, they are unwilling to act when to do so would force them to take a position against one or more competing local interests.

Also in the coalfields of Kentucky and West Virginia, local law enforcement people are elected. The Sheriff is elected, the judges are elected, the prosecuting attorneys are elected. The Union in these mining areas have the special privilege of levying funds for election contributions against the company payroll. With this cash, the UMWA exerts extraordinary influence over the political process.

Resultingly, even though A.T. Massey subsidiaries have been able to obtain 23 Federal and State injunctions citing the United Mine Workers for numerous incidences of violence and naming ranking officials for specific acts of extortion, destruction of property and personal injury, not one Union member has been found guilty or fined for his actions. No more than a handful have been brought forward for prosecution.

This is not simply the judgment of a coal company president who has been targeted by the United Mine Workers for a selective strike. Consider, for example, the 540 page study published in 1984 by the University of Pennsylvania's Wharton School entitled "Union Violence" which concluded the following:

The UMWA still relies on bloodshed, dynamite and intimidation to coerce acceptance of the Union's demands.

After the *Enmons* decision exempting Union violence from Federal control, there were at least 4,350 acts of violence committed by Union members from 1975 to 1984.

The UMWA is the most violent Union in the United States being 6.2 times more violent than the average Union.

An effective Hobbs Act is necessary to insure a reliable mechanism for dealing with large scale industrial violence.

The argument raised by the unions against this legislation is the twisted logic that the bill would penalize one side and not the other in a labor management dispute. It would be unfair to labor to make minor picket line altercations a federal crime.

There are two big holes in this argument:

Hole number one is the feeble defense that such acts of violence are minor picket line scuffles.

Murder, beatings, arson and dynamiting are not minor scuffles—not when they are planned, directed and paid for by union leaders as in the case with the examples that I have described to you today.

The second hole in this twisted logic is the argument that the interest of labor is served by giving the working person an advantage in an economic decision allocating returns between capital and labor.

Adversarial confrontation in the form of strikes and restrictive work rules simply destroys that productivity created by teamwork. The loser is the employee.

Thus the twisted logic that the means justifies the ends or that violence helps achieve collective bargaining goals falls completely apart in todays world marketplace. Take away violence as a bargaining chip and the parties are left with only the tools of economic reality and rational facts. The result of an agreement, achieved under *these* conditions, is terms of employment that allows both the company and its employees to survive in the marketplace. How well they prosper depends upon how well they work as a team, not returns extracted from one at the expense of the other.

The proposed amendment to the Hobbs Act would, in the final analysis, improve the well being of all employees by bridging the gap of trust between employees and their companies. The resulting productivity gains would result in greater long run economic returns available for distribution to the employee sector.●

SEQUENTIAL REFERRAL OF S. 1687—FUEL CELL TECHNOLOGY

Mr. DOLE. Mr. President, I ask unanimous consent that S. 1687, dealing with the fuel cell technology, be referred to the Committee on Energy and Natural Resources.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I further ask unanimous consent that once the Energy Department reports S. 1687 to the Senate, it be sequentially referred to the Environment and Public Works Committee for 30 calendar days for the purpose of considering the provision, section 5, of the bill addressing EPA guidelines for use of fuel cell technology.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, finally, I ask unanimous consent that if the Environment and Public Works Committee has not reported S. 1687 after 30 calendar days, it be automatically discharged from consideration of the bill, and the bill be placed on the calender.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the following nominations on the Executive Calendar: Calendar No. 439, Calendar No. 465, Calendar No. 466, Calendar No. 467, and all nominations placed on the Secretary's desk.

There being no objection, the Senate proceeded to the consideration of executive business.

Mr. BYRD. Mr. President, may I state for the record that there are additional nominees who have been cleared on this side of the aisle beyond those that the distinguished majority leader has requested action on. On this side, it may help the distinguished majority leader when he plans his schedule later today or Monday to know that Calendar Order No. 394, Calendar Order No. 395, Calendar Order No. 420—especially, I want the White House notified; not so much the majority leader, but the White House in particular—Calendar Order No. 436, Calendar Order No. 467, and Mr. THURMOND, I believe, was interested in Calendar Order No. 467. The majority leader indicated that he would like to provide some action on that.

Also, the Senator from Idaho [Mr. MCCLURE] indicated earlier that he would like action on Mr. Anthony G. Sousa.

Those that have been enumerated by the distinguished majority leader are cleared on this side as follows: Calendar Order No. 439, Calendar Order No. 465, Calendar Order No. 466, and as I have already indicated, Calendar Order No. 467 and all nominations placed on the Secretary's desk in the Air Force.

Mr. DOLE. Mr. President, I thank the distinguished minority leader. It is my hope that those nominations that have not been cleared can be cleared early next week. If not, we would hope to take up a couple of nominations that are being held and have a vote. It seems to me that the nominees deserve disposition one way or the other.

Mr. President, I ask unanimous consent that the calendar items just identified be considered en bloc, and confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

SPECIAL PANEL ON APPEALS

Barbara Jean Mahone, of Ohio, to be chairman of the Special Panel on Appeals for a term of 6 years, new position—Public Law 95-454 of October 13, 1978.

IN THE ARMY

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. John H. Moellering, 308-38-5095, U.S. Army.

DEPARTMENT OF ENERGY

Anthony G. Sousa, of Hawaii, to be a member of the Federal Energy Regulatory Commission for a term expiring October 20, 1988, reappointment.

DEPARTMENT OF JUSTICE

Stephen J. Markman, of Virginia, to be an Assistant Attorney General, vice Harold J. Lezar, Jr., resigned.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE AIR FORCE

Air Force nominations beginning John R. Sharp, and ending Michael L. Smith, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of October 4, 1985.

Air Force nominations beginning Maj. Mitchell J. Catoe, and ending Maj. Buford O. Gilbert, Jr., which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of October 4, 1985.

Air Force nominations beginning Armin B. Olsen, and ending Walter T. Hatcher III, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of October 4, 1985.

Air Force nominations beginning John C. Aarni, Jr., and ending Michael A. Wansky, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of October 8, 1985.

Air Force nominations beginning Francis G. Andrews, and ending Dian J. Davis, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of October 8, 1985.

Air Force nominations beginning Willie W. Gray, Jr., and ending Susan Parker-Hotchkiss, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of October 8, 1985.

Air Force nomination of Susan Parker-Hotchkiss, which was received by the Senate and appeared in the CONGRESSIONAL RECORD of October 8, 1985.

Air Force nomination of Robert A. Ferguson, which was received by the Senate and appeared in the CONGRESSIONAL RECORD of October 8, 1985.

Air Force nominations beginning Paul E. Abt, and ending Walter R. Woodruff, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of October 8, 1985.

NOMINATION OF ANTHONY G. SOUSA

Mr. MCCLURE. Mr. President, on October 17 the Committee on Energy and Natural Resources, by a vote of 15 to 1, reported the nomination of Anthony G. Sousa to be a member of the Federal Energy Regulatory Commission for a term expiring October 20, 1988. Mr. Sousa's nomination hearing was held on October 3. He has fully complied with the committee's rules requiring submittal of a financial disclosure report and a detailed information statement.

Mr. Sousa has served on the Commission for the past 4 years, since September 1981. During that time, in addition to his regular duties, he has assumed the responsibility of serving as the lead commissioner on two major issues: Reform of hydroelectric licensing procedure and rate treatment of natural gas imported from Canada. Prior to his appointment, from 1973 to 1981, Mr. Sousa was vice president and general counsel of the Hawaiian Telephone Co. He was previously employed as a rate analyst, counsel, and administrative law judge with the California Public Utilities Commission. He is a graduate of the University of San Francisco Law School, and holds a master of laws degree in public utility regulation and antitrust law.

The Federal Energy Regulatory Commission has a somewhat unique status as an independent regulatory agency. Although the Commission has been a part of the Department of Energy since enactment of the DOE Organization Act in 1977, it has retained its regulatory independence. However, there are limits on that independence. They are derived from the fact that the Commission's regulatory authority has ben delegated by the Congress. In carrying out its regulatory activities, the Commission may not exceed the statutory authority granted by the Congress.

This limitation was noted by Mr. Sousa in his testimony before the committee. He stated:

> I am more convinced than ever that regulators are not legislators and should guard against usurping the powers of legislators. Legislators enact the laws and regulators administer those laws.

The Commission is responsible for administering a number of laws that impose regulatory requirements on electric utilities and natural gas companies. Of particular importance are the Federal Power Act, the Natural Gas Act, and the Natural Gas Policy Act of 1978. Pursuant to the authority conferred by these statutes, the Commission conducts a wide range of regulatory activities, including setting wholesale prices for natural gas and electric energy. Another major Commission responsibility is ensuring the adequacy of our Nation's supplies of natural gas and electric energy.

Mr. President, it is extremely important that the Senate act immediately on Mr. Sousa's nomination. Unless the Senate approves the nomination before Monday, October 21, the Commission will be deprived of a quorum for the transaction of business. The Commission currently has only three sitting commissioners, because the two remaining seats on the Commission are vacant. One of the sitting commissioners is Mr. Sousa. At least three commissioners are required for a quorum. Although the Commission presently has a quorum, it will lose its quorum if Commissioner Sousa's nomination is not approved before this term expires. Sunday, October 20 is the expiration date.

If the Commission should lose its quorum, it will be unable to act on the electric, natural gas, hydroelectric, and oil pipeline rate matters currently

pending on its agenda. Over 100 items are listed on the Commission's agenda for its next meeting, which is scheduled for Wednesday, October 23.

If the Commission is unable to act on these pending matters, consumers of natural gas and electricity will be adversely affected. There is no question about that. There are currently 16 natural gas pipeline rate suspension orders pending before the Commission. They will automatically become effective if the Commission does not act to suspend them by specified dates between October 23 and November 1, 1985. Also pending are six electric rate filings which will become effective, unless suspended by Commission order, on specific dates between October 29 and November 4, 1985. It is quite evident that in many areas of the country, within 2 weeks, consumers would begin paying higher rates for natural gas or electricity if the Commission fails to meet next week and suspend the pending rate increase requests.

Mr. President, on behalf of the Committee on Energy and Natural Resources, I recommend Senate approval of Commissioner Sousa's nomination. For the reasons I have outlined, I emphasize again the urgency of prompt action on this nomination.

Mr. BUMPERS. Mr. President, I am opposed to the nomination of Anthony Sousa to a second term as a member of the Federal Energy Regulatory Commission. I want to make the record clear, however, that my opposition does not in any way relate to Mr. Sousa's integrity or capabilities. I am sure that he is a fine and capable man. My opposition relates to the way in which he has interpreted the Federal Power Act in a case that, if not reversed by the courts, will have a devastating impact on my State.

I thought I would take this opportunity to again remind my colleagues of my great interest in this matter, which has come to be known as the Grand Gulf debacle.

The Middle South Utilities, Inc. [MSU], is a public utility holding company whose four operating companies serve Arkansas, Mississippi, Louisiana, and part of Missouri. In the early 1970's, MSU decided to build a large two unit nuclear power plant known as the Grand Gulf Nuclear Power Station, and created a new subsidiary company, Middle South Energy Inc. [MSE], to finance and construct the facility. It was ultimately agreed by the operating companies that three of them would purchase fixed percentages of the power generated by the plant, but that the fourth company, Arkansas Power & Light Co. [AR&L], would take no power from the plant. The agreement reflecting the percentage allocations of Grand Gulf Power was then filed with the FERC.

To make a long story short, very recently FERC has set aside this agreement and ordered AP&L to purchase 36 percent of the power generated by Grand Gulf, even though AP&L and the other operating companies of the MSU system had agreed that AP&L would not be responsible for purchasing even 1 kilowatt, and even though AP&L doesn't want and doesn't need the power. Mr. Sousa was a member of FERC during the pendency of this case. Thus, he participated in this decision and added his name to it.

Because MSU intentionally constructed this expensive nuclear plant in a manner that would avoid virtually all State regulation, the Arkansas State utility commission was blocked from having any say so whatsoever in whether the plant would be built and whether Arkansas ratepayers would have to pay for it. The people of Arkansas are violently opposed to this result, which will rather dramatically increase their electric bills.

The debacle of Grand Gulf raises fundamental questions about the manner in which electricity rates are regulated in this country. I am convinced that FERC misinterpreted the facts and misapplied the law—FERC in my judgment vastly exceeded the scope of its delegated authority in ordering a utility against its will to purchase power—but in order to make the applicable law absolutely clear the situation cries out for a legislative solution as well.

During a recent Energy Committee hearing on the nomination of Anthony Sousa for a second term on the Federal Energy Regulatory Commission, I asked Mr. Sousa some questions about the scope of FERC's authority in cases involving public utility holding companies. I was pleasantly surprised by the frankness of Mr. Sousa's admission that utilities are attempting to structure their transactions and corporate relationships in ways that will ensure FERC jurisdiction and avoid review by State commissions. In particular, the following exchanges occurred:

Mr. BUMPERS. * * * So in the future, any holding company who wants to build generating capacity under that system can circumvent all State regulatory authority, and the ratepayers of those States are left helpless and at the mercy of FERC. Is that not true?

Mr. SOUSA. I am aware, Senator, of that trend where corporations have sought to circumvent local regulation by trying to come under the jurisdiction of the FERC. And *perhaps that is an area where Congress should be enacting some laws to avoid that kind of circumvention.* * * * I'm also aware of *advise being given by so-called consultants to circumvent or avoid local regulation* by coming under the umbrella of Federal regulation.

* * * * *

Mr. BUMPERS. You see, the point I'm making, Commissioner, is it deals with holding companies. This sort of situation just lends itself to abuse by holding companies. If it is a solely-owned utility operating within a State, this can't happen. They can't buy power or sell power without the State regulatory authority.

But here, where you have a parent company that's telling its four subsidiaries what to do in order to avoid State regulatory authority, that is an entirely different case.

Mr. SOUSA. That's part of the *strategy that these people have used to go to the holding company situation,* to get into that situation where they can avoid state regulation and get Federal regulation. (Emphasis added.)

The problem is exacerbated by the so-called Narragansett doctrine, which holds that once FERC sets a rate for wholesale sales of power, the State regulatory body is almost constitutionally bound to pass the rate through to retail consumers.

Mr. President, I must reemphasize the importance of this issue to the four States—Arkansas, Mississippi, Louisiana, and Missouri—served by MSU subsidiaries, and without question it will become important over time to all 24 States served by public utilities holding companies. The Federal Power Act was intended to complement State jurisdiction, not to usurp it, yet holding companies are able to avoid virtually all State regulation if they are clever about how they structure their generating and transmission arrangements.

I have introduced a bill, S. 1149, in an effort to deal with part of the problem. My bill restores to State utility commissions the authority to determine whether ratepayers should have to pay for expensive powerplants constructed in other States. I am completely convinced that some change in the law is necessary to avoid the continuing problem of holding companies structuring their operations in ways that avoid virtually all State regulation. Utility customers are taking it on the chin.

Mr. President, with regard to Mr. Sousa, although I appreciated his candor and frankness in responding to my questions during his confirmation hearing, I voted against him in committee. I simply cannot bring myself to vote for someone who was a party to a decision by FERC that forces my State to pay for 36-percent of a $3.5 billion nuclear powerplant which my State does not want, does not need, and cannot possibly use. I simply wanted to bring this to the attention of my colleagues, and make the record clear as to my reasons for opposing the nomination of Mr. Sousa.

Mr. PRYOR. Mr. President, I oppose the nomination of Anthony Sousa to be reappointed to the Federal Energy Regulatory Commission [FERC]. I do not intend to delay the work of the Senate, but I did want to express my opposition to his reappointment.

Mr. President, it is my understanding that his reappointment was ap-

proved yesterday by the Senate Committee on Energy and Natural Resources. The only dissenting vote was cast by my colleague from Arkansas, Mr. BUMPERS.

The primary reason I cannot support Mr. Sousa is that he was on the FERC and supported that panel's decision in the Grand Gulf case, which involved an allocation to Arkansan Power & Light, and the ratepayers of the State of Arkansas, a 36-percent share of this nuclear facility in Mississippi. This is a facility which no one in Arkansas needs and we will not use any of the power produced. Yet, due to the FERC's decision, Arkansas ratepayers will be forced into this position. I remain convinced, Mr. President, that the decision of the Commission is wrong, and I hope it will be reversed in the courts. It is now on appeal.

The decision of the Commission not only is wrong on the merits, but I also believe the Commission lacked jurisdiction to hear the case. In fact, it is my understanding that during the confirmation hearing for Mr. Sousa, in response to a question from Senator BUMPERS, he stated that there were serious loopholes in existing law which allow companies to avoid State utility regulations and come directly to the FERC. After the Grand Gulf decision, it is no wonder why companies would prefer the FERC. The panel has essentially ordered the ratepayers of the State of Arkansas to pay for 36 percent of the cost of a $3.6 billion facility they don't need and will not use. Yet, the Arkansas Public Service Commission had no opportunity to review this matter.

I continue to hope, Mr. President, that this decision will be reserved. Further, I will continue to work with my colleague, Mr. BUMPERS, in seeking the enactment of S. 1149, the Ratepayers Protection Act.

For all of these reasons, I oppose the reappointment of Mr. Anthony Sousa to the Federal Energy Regulatory Commission.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the nominations were confirmed.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has given its consent to these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. DOLE. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, not to extend beyond the hour of 3:45 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

MEASURE PLACED ON THE CALENDAR

The Committee on the Judiciary was discharged from the further consideration of the following joint resolution, which was read the first and second times by unanimous consent, and placed on the calendar:

H.J. Res. 407. Joint resolution designating the 12-month period ending on October 28, 1986, as the "Centennial Year of Liberty in the United States."

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. LEAHY (for himself and Mr. COHEN):

S. 1773. A bill to express the policy of the Congress on the number of members of the Soviet mission at the United Nations headquarters; to the Committee on Foreign Relations.

By Mr. DOLE (for Mr. GRASSLEY (for himself, Mr. THURMOND, Mr. LAXALT, Mr. SIMPSON, Mr. EAST, Mr. DENTON, Mr. DOLE, Mr. ABDNOR, Mr. GOLDWATER, Mr. GRAMM, Mr. HECHT, Mr. HELMS, Mr. HUMPHREY, Mrs. KASSEBAUM, Mr. NICKLES, Mr. SYMMS, Mr. TRIBLE, Mr. WALLOP, Mr. WARNER, and Mr. WILSON)):

S. 1774. A bill to amend section 1951 of title 18 of the United States Code, and for other purposes.

By Mr. DODD (for himself, Mr. D'AMATO and Mr. RIEGLE):

S. 1775. A bill to authorize a multifamily housing preservation loan program; to the Committee on Banking, Housing, and Urban Affairs.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. DOLE:

S. Res. 240. Resolution to direct the Senate Legal Counsel to intervene in "In the Matter of Louis R. Koerner, Jr.;" considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LEAHY (for himself and Mr. COHEN):

S. 1773. A bill to express the policy of the Congress on the number of members of the Soviet mission at the U.N. headquarters; to the Committee on Foreign Relations.

REDUCING THE SIZE OF THE SOVIET MISSION TO THE UNITED NATIONS

Mr. LEAHY. Mr. President, I rise to join with my distinguished colleague and friend, the senior Senator from Maine [Mr. COHEN] in offering a bill aimed at curbing the excessive size of the Soviet mission to the United Nations in New York. Our bill is a logical successor to the Leahy-Cohen amendment to the State Department authorization, recently signed into law by the President. That amendment established a policy requiring substantial equivalence between the number of United States and Soviet diplomatic and consular officials in each other's country. This new bill, which I will describe in detail later in my statement, would extend the same principle of substantial equivalence to the sizes of the Soviet and United States missions to the United Nations. Specifically, our bill would require that the Soviet U.N. mission, presently about 290 officials, be reduced to equivalence with that of the United States, about 130 personnel.

Very briefly, Mr. President, the reason for this new bill, as with our earlier amendment, is to reduce the huge Soviet intelligence presence in the United States. Major damage is being done to United States national security by the operations of Soviet intelligence, and it is long past time to stop the free ride the Soviet diplomatic, United Nations and other official missions are getting.

Senator COHEN and I realize very well that the legal and foreign policy implications of a bill dealing with the Soviet mission in New York are extremely complicated. Therefore, our present intent is that it be fully considered in committee hearings and that the administration have ample opportunity to present its views. It may be that this bill will stimulate the executive branch to prepare its own plan to deal with the intelligence threat posed by the Soviet mission to the United Nations.

Nevertheless, if we find the executive branch is dragging its feet, or attempting to kill the bill without serious consideration, we may decide to introduce it as an amendment even before the end of this year.

Mr. President, given the importance and complexity of this issue, I would like to outline the extent of the problem Senator COHEN and I are attempting to deal with. To put the bill in context, I shall also review some of the legislative history of congressional actions aimed at the hostile foreign intelligence presence in the United States. Finally, I would like to describe our new bill and respond to what we anticipate will be the primary arguments against it.

THE ESPIONAGE THREAT

Mr. President, a wave of recent spy cases has made Americans more aware of the threat to national security posed by the intelligence operations of the Soviet Union and other Eastern bloc countries. These cases have involved the U.S. military, the defense contracting community and even U.S. intelligence agencies. They indicate how widespread the hostile intelligence presence is and how serious the damage that is being done.

Much of the hostile intelligence effect against U.S. interests goes on overseas. Perhaps the best window into the activities of the Soviets and their surrogates are the numerous expulsions of Soviet officials in Western Europe and other places for espionage. But by far the gravest espionage threat to United States national security is the extensive presence of Soviet intelligence officers in our own country. As a recent unclassified Defense Department report makes clear, the Soviets have amassed a huge amount of material concerning United States military technology and programs and other national security-related information through their systematic intelligence-gathering efforts.

Most of the intelligence collected by the Soviets and their surrogates in the United States would appear to derive from the activities of their diplomats and other official representatives. More than 2,500 Soviet and East bloc officials and quasi-official representatives—such as press correspondents and commercial officers—are present in the United States at any one time. The Soviets alone have about 1,400 official personnel of one type or another in the United States. The FBI has estimated that between one-third and 40 percent of all Soviet and Eastern bloc personnel in the United States are professional intelligence officers. Most of the rest must be presumed to be coopted by the KGB, GRU—Soviet military intelligence organization—or other East bloc intelligence services for a variety of espionage activities, including collecting information, spotting and recruiting Americans and others, serving as couriers, and other tasks.

All in all, Soviet and East bloc intelligence gathering in the United States causes untold damage to our national security. The United States technological lead in certain defense-related areas has been eroded by Soviet successes in obtaining classified scientific and technical information. The security of our military operations has been compromised by Soviet agents within the military. Soviet spying has cost us billions of dollars in stolen technology and military secrets.

PREVIOUS ACTIONS TO COUNTER THE ESPIONAGE THREAT

There are several aspects to the problem of countering the threat posed by hostile intelligence activities in the United States. First and most important is the need to reduce and control the presence of Soviet and East bloc officials and representatives in our country. Second is to increase the resources for counterintelligence activities, especially by the FBI within the United States. Third is to adopt better security programs for the people and information that are potential targets of intelligence operations. And fourth are measures to limit the travel and other activities of hostile foreign officials in the United States.

LIMITING THE HOSTILE INTELLIGENCE PRESENCE IN THE UNITED STATES

Mr. President, for several years I have worked to limit the numbers in the United States of representatives from the Eastern bloc and other countries whose official roles provide them cover for hostile intelligence activities. Most recently, Congress passed and the President signed as part of the Department of State Authorization Act for fiscal year 1986 an amendment offered by Senator COHEN and me concerning the number of Soviet diplomats allowed in the United States.

Under the Leahy-Cohen amendment, Congress declared it to be the policy of the United States that the number of Soviet diplomatic and consular personnel in the United States should not substantially exceed the equivalent number of Americans serving in the Soviet Union. The Soviets have some 320 diplomats and consular personnel at their Embassy in Washington and Consulate in San Francisco, while we have only 200 American officials located in the Soviet Union. Furthermore, in our Embassy in Moscow and Consulate in Leningrad, the United States employs some 240 Soviets to perform administrative and support services; the Soviets meanwhile employ virtually no Americans and those who are retained on contract are not allowed access to the Soviet chancery building. The Leahy-Cohen amendment requires the Secretary of State and Attorney General to prepare a report within 6 months detailing how the new policy will be implemented. This report is to contain a plan for reducing the number of Soviets' diplomatic and consular personnel in the United States and for increasing the level of American officials in the United States Embassy and Consulate in the Soviet Union. It is due in Congress in February.

Mr. President, Senator COHEN and I hear of strong resistance from within the bureaucracy at the State Department to full implementation of our amendment, despite the fact that President Reagan himself supported it. In my judgment, our amendment should be implemented through a combination of cutting down the number of Soviets employed at our Embassy in Moscow and replacing them on a one-for-two basis with Americans—that is, letting go at least 100 Soviet employees and replacing them with about 50 Americans—and then limiting the Soviet diplomatic presence in the United States through attrition so that both countries would be left with about 250 diplomatic and consular personnel. I ask that a recent newspaper article by Senator COHEN and me on this subject be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. The Leahy-Cohen amendment was preceded by two other measures I sponsored in previous years. In 1984, Congress adopted and the President signed into law the Leahy-Huddleston amendment to the Intelligence Authorization Act for fiscal year 1985. That amendment expressed the sense of Congress that the numbers and conditions of officials from countries which practice intelligence activities against the United States should be substantially equivalent to the numbers and conditions of U.S. officials assigned to those countries. This amendment was intended to see to it that in implementing the Foreign Missions Act the Department of State paid special attention to restricting the activities of officials from countries which engage in hostile intelligence activities in the United States. Under the Leahy-Huddleston amendment, the President was requested to report to the Foreign Relations and Intelligence Committees of the Congress on the respective diplomatic representation between the United States and those countries.

Prior to adoption of the Leahy-Huddleston amendment in 1984 Intelligence Authorization Act, I cosponsored a similar measure in 1983 in the State Department bill. While this provision was not adopted as such, the House and Senate conferees did require the Secretary of State to submit a report to both the Foreign Relations and Intelligence Committees of Congress on this problem and means to address it.

OTHER MEASURES TO CONTROL HOSTILE INTELLIGENCE ACTIVITIES

Congress has recently taken action on several other proposals to limit hostile intelligence activities against the United States both at home and abroad. Congress passed a provision in the State Department authorization making it clear that the authority granted to the State Department under the Foreign Missions Act covers foreign nationals employed in the U.N. Secretariat. That provision directs the Secretary of State to apply the same limitations on travel and other prerogatives to these individuals as to corre-

sponding officials in their national missions.

Also as part of the fiscal year 1986 State Department Act, Congress adopted a provision that to the maximum extent practicable citizens of the Soviet Union should not continue to be employed at United States diplomatic and consular facilities in the Soviet Union after September 30, 1986. The President also is required to report to Congress in the event this policy cannot practicably be implemented.

Congress recently enacted as part of the fiscal year 1985 supplemental appropriations an amendment sponsored by Senator DURENBERGER, the chairman of the Select Committee on Intelligence, and me which provides $35 million to the Director of Central Intelligence for the purpose of enhancing security at U.S. facilities overseas through improving technical countermeasures capabilities. The Director was instructed to cooperate with the State Department and other agencies, including the FBI and National Security Agency, in designing and implementing a plan for expenditure of these funds.

Finally, Mr. President, I would like to say that the Congress under the leadership of the Select Committee on Intelligence has consistently provided more support even than was requested for the counterintelligence program of the FBI. The details of this program, as well as the national intelligence budget of which it is a part, are classified and I cannot comment on them here. I can say, however, that the FBI's counterintelligence program has been one of the best-supported and fastest-growing programs in our yearly intelligence budget. As vice chairman of the Intelligence Committee, this is a source of pride to me.

THE SOVIET MISSION TO THE UNITED NATIONS IN NEW YORK

A key part of the Soviet official presence in the United States is the large staff of the Soviet mission to the United Nations [SMUN] in New York City. The SMUN has a staff of some 295, about 260 of which are assigned to the primary Soviet mission and the others to the missions of the so-called Ukrainian and Byelorussian Soviet Socialist Republics. This is in addition to the more than 300 Soviet citizens who work for the U.N. Secretariat in New York. Combined with other categories of Soviet representatives—press correspondents, commercial representatives, exchange scholars and the like—this adds up to well over 600 Soviets currently assigned to the New York area, in addition to their families.

Counterintelligence specialists, especially in the FBI, say that the SMUN in New York City is one of the chief havens for Soviet spies in the United States. With its large staff, the SMUN provides a major operational center for the KGB and GRU in their activities throughout the United States.

The Soviet mission greatly exceeds the size of other delegations to the United Nations. The next largest is the U.S. mission with a staff of about 130. China is third with a total of 125. All other missions to the United Nations—including many countries with extensive activities there—are well below this.

Not only does the size of the Soviet mission greatly exceed the others, but its structure differs as well. The SMUN has a bloated "support" staff of 120, many of whom do not have duties directly related to the United Nations. In fact, the United States Government has little information on the nature of the activities pursued by the Soviets at their mission to the United Nations. The Soviets provide only the sketchiest information about the identities of personnel being sent to the SMUN, their position in the mission, and their duties with respect to the United Nations.

The FBI believes that as with other Soviet organizations in the United States, more than one-third of the Soviet personnel at their U.N. mission—at least 100 people—are professional intelligence officers. The chief damage of this large intelligence component is espionage and other clandestine collection by the Soviets of defense, science and technology, and national security information within the United States. Their large presence at the United Nations also provides the Soviets a great opportunity to attempt to recruit foreign officials at the United Nations as their agents.

It is extremely difficult for the FBI to cope with the large number of Soviet officials and their family members in New York City—over 800 people. Operational conditions for the FBI in New York are poor. The FBI has difficulty getting its best agents to work in New York due to the high cost of living in the area. As a result, there is just no way that the FBI can effectively monitor the activities of all the Soviet officials stationed in New York in one capacity or another. If Soviet espionage is to be controlled, there must be substantial reduction in the size of the Soviet U.N. mission.

REDUCING THE SIZE OF THE SOVIET MISSION TO THE UNITED NATION

Mr. President, the most effective way to address the serious counterintelligence and security problems of the United States is through a series of coordinated measures. The Leahy-Cohen amendment on diplomatic equivalence with the Soviet Union provides a basis for controlling that source of espionage. The next local step is to address the Soviet presence in New York. In these two companion measures we will deal a major blow to the operations of Soviet intelligence agents in our country. Stanislav Levchenko, a former high level officer in the KGB who defected several years ago, stated recently to the press (Washington Times, Oct. 1, 1985):

> The most practical means of disrupting KGB operations in America is to require parity in the number of Soviet Diplomats in the United States and American diplomats in the Soviet Union, and to limit drastically the size and operations of the huge Soviet mission to the United Nations.
>
> If such steps lead to a reduction of 100 or more Soviet officials, KGB activities in the United States would be seriously damaged. The KGB would lose many officers who otherwise would be handling active cases. But Moscow still would need to maintain contact with various offices of the U.S. government. So more of the remaining officials would be occupied with legitimate diplomatic activities, rather than with espionage.

Mr. President, I ask that the entire article from which this excerpt was drawn be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, the bill my distinguished colleague on the Intelligence Committee, Senator COHEN and I are submitting at this time would declare the policy of the Congress that the size of the Soviet mission to the United Nation should be substantially equivalent to the size of the United States mission there. The President could continue to admit more Soviets to work at the SMUN if he determined that it were necessary, but the State Department would be required to report to Congress every 6 months on the numbers and duties of the Soviets at the SMUN. In addition, the Secretary of State and the Attorney General would be required to present to Congress within 6 months a plan for reducing the size of the SMUN in accordance with the policy we are proposing.

POLICY AND LEGAL CONSIDERATIONS

Senator COHEN and I have decided to introduce this proposal as a separate bill rather than offering it as an amendment to some other vehicle. This is because we feel that legislation in an area as complex as this, and with such difficult legal and foreign policy considerations requires the most careful review by the appropriate committees, Congress as a whole, and the executive branch.

Indeed, Mr. President, had it not been for our difficult experience with certain parts of the executive branch in connection with the diplomatic equivalence amendment, we might have been willing to wait for the State Department to come forward with its own plan for controlling the foreign presence in the United States. There have been some encouraging hints that even State itself may come around to supporting this idea in response to pressure to do something against spying. But the Department's

opposition to other necessary measures in this area causes us concern that its bureaucracy will resist this as well.

Opponents may argue that enactment of our bill would damage our relations with the Soviet Union and expose the United States to a suit by the United Nations in the World Court. They will undoubtedly claim that the United States does not have the legal authority to limit the size of the Soviet U.N. mission because of our agreements with the United Nations.

Mr. President, I frankly believe that the Soviets cannot understand why their intelligence presence is getting a free ride in New York. They would certainly refuse to tolerate a massive hostile intelligence presence in their own country. In my opinion, the Soviets respect a tough-minded insistence on equality and will recognize quite well—however much they might protest publicly—that the United States has the right to protect its security by requiring a reduction in the size of their U.N. mission to equality with its own. But whatever their reaction, the bottom line is that the SMUN greatly exceeds what is reasonable and it has to be cut.

THE LEGAL SITUATION

Mr. President, I wish to discuss in some detail this issue of whether the United States Government has the legal authority, under international law, to restrict the size of the Soviet mission to the United Nations. This is the key issue in determining whether it is possible to carry out the policy our bill would establish.

The basic principles governing the obligations of the United States toward the United Nations and national missions to the organization are the general Convention on the Privileges and Immunities of the United Nations—the general convention—adopted in 1946 but not ratified by the United States until 1970, and the agreement between the United Nations and the United States of America Regarding the Headquarters of the United Nations—the headquarters agreement—adopted by joint resolution of the Senate and the House of Representatives in 1947.

Neither of these agreements contain provisions permitting the United States to restrict the activities of the U.N. organization or the national missions to the United Nations based on national security grounds. But Congress, in approving the agreements, enacted legally binding reservations to both the general convention and the headquarters agreement preserving U.S. rights to protect its security. Section 6 of Public Law 80-357 which adopted the headquarters agreement, states:

Nothing in this agreement shall be construed as in any way diminishing, abridging, or weakening the right of the United States to safeguard its own security . . .

The U.S. Government has also specifically insisted, both in principle and in its actions, that section 6 permits the U.S. Government to control the entry of foreign nationals into the United States in connection with the United Nations, including not only national missions to the United Nations but also employees and invitees of the United Nations itself. A valuable collection of materials on the development of U.S. policy in this regard is contained on pages 195-312 of the State Department publication, "Foreign Relations of the United States 1952-1954," volume III, United Nations Affairs (1979).

Mr. President, the bill Senator COHEN and I are introducing today is a workable mechanism to reduce the Soviet mission to the United Nations to the size of our own mission there. We are prepared to work with the appropriate committees and with the executive branch on it. We are flexible, but we are also determined that there will be meaningful action.

Mr. President, I ask unanimous consent to print in the RECORD a memorandum prepared by my staff reviewing the legal situation with respect to controlling the size of national missions to the United Nations. This memorandum includes many quotations from relevant sections of official documents interpreting the powers of the U.S. Government in this area. Many of these documents were prepared in the 1952-53 period when this issue was being actively discussed both within the U.S. Government and with officials at the United Nations. The outcome of these discussions was the so-called modus vivendi of 1953. The U.N. Secretary-General explicitly agreed that there were certain situations in which the United States could rely upon national security grounds to exclude foreign nationals from admission to the United States in connection with activities of the United Nations. He indicated there would be other circumstances in which the United States might wish to invoke national security considerations, requiring further consultations. (The text of the Secretary-General's statement and related documentation is contained in the material appended below.)

The key issue is the principle of reasonableness in interpreting the responsibilities of the U.S. Government under the general convention and the headquarters agreement. The agreements simply cannot be read to prevent the United States from taking reasonable measures to protect its national security by refusing to tolerate an abnormally large mission serving as a base for highly damaging espionage. If the Soviet Union asked for permission to send 300 young, close-cropped, trim, and uniformed personnel on an Aeroflot aircraft supposedly to work at the United Nations, no one would expect the United States Government to grant routine approval. We may not have 300 Soviet marines at the SMUN but there are an extraordinary number of Soviet officials there—many of whom appear rather overqualified for their official work as janitors, groundkeepers, and the like. The United States clearly has the right under our agreements concerning the United Nations to take an overall look at this situation and put restraints on the size of the SMUN that would ensure that it remains reasonable in light of its structure and legitimate activities at the United Nations.

Mr. President, like Leahy-Cohen, I submit this today so that it can be open for discussion, so that hearings can be held on it. I will not make an attempt to call this up as an amendment to any bills going through, at least not initially and at least not for a reasonable period of time so there can be the kind of discussion necessary so the lengthy materials that we have can be printed in the RECORD, so that our colleagues can look at it, interested parties throughout the country can look at it, the State Department, and others.

I would note, though, Mr. President, that both Senator COHEN and I are very serious about it and we will certainly listen to any suggestions, constructive or otherwise. I am sure we will get them constructively or otherwise.

I advise my colleagues—and probably more importantly, the State Department—that we are very serious about it. We assume there will be adequate hearings this fall, and that we would have a bill on the floor for all of us to vote on. If not, or if we run into the kind of stonewalling and really unfortunate tactics used by the State Department on the Leahy-Cohen, we will simply raise it as an amendment to a necessary piece of legislation.

So, Mr. President, I ask unanimous consent that my statement, the statement of Mr. COHEN, the bill, memoranda, and a number of other things pertaining to this bill, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1773

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a)(1) it is the policy of the Congress that the number of nationals of the Soviet Union admitted to the United States to serve as members of the Soviet mission at the United Nations headquarters shall not exceed the number of United States nationals who serve as members of the United States mission at the United Nations headquarters, unless—

(A) the excess number of such members is the result of the routine replacement of personnel and is not more than 5 percent of the number of United States nationals who serve as members of the United States mission at the United Nations headquarters; or

(B) the President determines that the admission to the United States of additional Soviet nationals to serve as members of the Soviet mission at the United Nations headquarters would be in the interests of the United States.

(2) Beginning six months after the date of enactment of this Act, and every six months thereafter, the Secretary of State shall prepare and transmit to the Committee on Foreign Relations and the Select Committee on Intelligence of the Senate and to the Committee on Foreign Affairs and the Permanent Select Committee on Intelligence of the House of Representatives a report setting forth the number of Soviet nationals admitted during the preceding six-month period to the United States pursuant to a determination of the President under paragraph (1)(B) and their duties with the Soviet mission at the United Nations headquarters.

(3) Nothing in this subsection may be construed as including any dependent or spouse who is not a member of a mission at the United Nations headquarters in the calculation of the number of members of a mission at the United Nations headquarters.

(b) It is the sense of the Congress that the Secretary of State and the Attorney General should, not later than six months after the date of enactment of this Act, prepare and transmit to the Committee on Foreign Relations and the Select Committee on Intelligence of the Senate and to the Committee on Foreign Affairs and the Permanent Select Committee on Intelligence of the House of Representatives a report setting forth a plan for ensuring that the number of Soviet nationals described in subsection (a)(1) does not exceed the limitation described in that subsection.

(c) For purposes of this Act—

(1) the terms "members of the Soviet mission" and "members of the United States mission" are used within the meaning of the term "members of the mission", as defined by Article 1(b) of the Vienna Convention on Diplomatic Relations, done April 18, 1961; and

(2) the term "mission at the United Nations headquarters" means a mission to the United Nations in New York City and includes missions in New York City to specialized agencies of the United Nations, as defined in Article 57 of the Charter of the United Nations.

[From the Washington Post, Sept. 26, 1985]

A COUNTERINTELLIGENCE POLICY

(By Patrick J. Leahy and William S. Cohen)

After years of complacency, the executive branch and Congress are trying to bring the threat of Soviet espionage under tighter control. The White House and Congress are both now intensively reviewing U.S. counterintelligence and security capabilities.

Many counterintelligence improvements will be directed more at ensuring the reliability of Americans with access to secrets than at making life more difficult for Soviet KGB officers posing as diplomats. Yet the spy problem leads back to the horde of hostile intelligence agents operating out of foreign embassies, consulates, U.N. missions, "trade" organizations and "press" offices. A counterintelligence policy with teeth must include a cutback in foreign intelligence agents here, as well as needed improvements in U.S. personnel and information security practices.

To begin restricting the hostile intelligence presence, we drafted a bill aimed at eliminating the long-standing advantage the Soviets enjoy in the level of their diplomatic and consular officials in the United States as compared to the number of American officials in Moscow. The Leahy-Cohen bill, which requires numeric equality, was recently signed into law by President Reagan.

With some 320 diplomats and consular officials in the United States (not counting their bloated presence at the United Nations in New York), the Soviets overwhelm the FBI by sheer numbers. Between 30 and 40 percent of Soviet officials in the United States are thought to be professional intelligence officers. Evading surveillance, they travel around freely, meet whomever they please and carry on their work of trying to blackmail or pay Americans to become traitors.

By contrast, the United States has fewer than 200 officials in the Soviet Union. Our personnel live under the constant eye of the KGB, are sprinkled with "spy dust" and irradiated by microwaves, and are subject to innumerable petty harassments that limit their effectiveness as well as comfort.

It was the president's endorsement of the Leahy-Cohen approach in a radio broadcast that finally overcame the resistance of the foreign affairs bureaucracy to effectively combating the problem. The professional establishment regarded what we wanted to do as interference in their "right" to manage U.S. diplomatic relations.

In offering the bill, we pointed out that there are two approaches to attaining parity in diplomatic representation. One way would be to increase the number of Americans serving in Moscow. Because of the miserable conditions, however, there are practical limits on how many could be sent. Alternatively, we could lower the ceiling on Soviet diplomats allowed in Washington. To be realistic, however this could lead to a series of expulsions and counterexpulsions of diplomats from the United States, the Soviet Union and even other countries.

We intend and expect that the Soviet edge will be eliminated by a combination of these two avenues. This dual track would simultaneously lessen the two key security problems in this area:

Replacing some of the more than 200 Soviet nationals employed in our Moscow embassy (many of whom are KGB spies) with Americans would give us more presence in the Soviet Union while reducing the Soviet access to our embassy building.

A phased drawdown in the total of Soviet diplomatic and consular officials in the United States would ease the surveillance burden on the FBI and other counterintelligence agencies. This could be accomplished by declining to issue visas for full replacement as Soviet officials are transferred; no provocative expulsions would be needed.

There are about 120 more Soviet diplomatic and consular officials in the United States than we have in the Soviet Union. We feel that a reasonable package designed to implement numeric equality would result in at least 50 more Americans in Moscow to replace double that number of Soviets. A 1-for-2 replacement ratio should be about right, since the Americans would be working full-time for the embassy while the Soviets have been spending at least half-time on their "extracurricular duties." This should be accompanied by a phased reduction of about 70 or 80 in the ceiling on Soviet diplomats granted visas to enter the United States.

Regrettably, some in the State Department, the lead agency for implementing Leahy-Cohen, prefer to raise the number of Americans in the Soviet Union somewhat but refuse to cut back the number of Soviets in the United States at all. The State Department opposes our efforts for two reasons. First, it believes it must have Soviet employees in our Moscow embassy to "interface" with the Soviet bureaucracy. Second, it fears the Soviets might retaliate by expelling some American officials.

Should the executive branch decide that it does not want to offend the Ministry of Foreign Affairs in Moscow by lowering the ceiling on Soviet diplomats here in the United States to equal the number of Americans there, we will be forced back to the legislative drawing board. Congress is determined to reduce the Soviet espionage threat.

[From the Washington Times, Oct. 1, 1985]

INSIDE ADVICE ON DISRUPTING THE KGB

(By Stanislav Levchenko, a KGB major who defected in 1979 while operating under cover as a Russian journalist in Japan)

As a result of recent U.S. and West German espionage cases, many people now ask themselves a quite logical question: what can be done to disrupt the activities of Soviet intelligence in this country? Are there efficient ways to enhance the security of the United States, to prevent leakage of political, military, and economic secrets to the Soviet Union?

In my opinion, the most effective tool against the KGB in this country is public awareness of its methods of operation, especially the recruitment techniques it uses, its aims, and its targets.

The role of the media in a free society is of enormous importance in revealing KGB methods and operations. Success in combating the KGB depends in large part upon whether the media do their job effectively. The CIA and FBI reveal very little about KGB activities, so the role of the free press is that much more important.

The main thrust of KGB recruitment is aimed at Americans residing abroad, where the KGB operates in more relaxed circumstances than in the United States and has the time and manpower to study the vulnerabilities of potential recruits thoroughly. Americans recruited by the Soviets are encouraged to return to the United States, where they are controlled by experienced case officers, often Soviet officials or "journalists." Some American agents for the KGB are recruited in the United States, but recruiting is easier and more common abroad.

The KGB uses many different covers to conceal its intelligence activities. There are no "clean" Soviets in this country—whether they are stationed here for years or just visiting for a short time. The KGB is one of the major power centers of the Soviet dictatorship, which makes it easy for the KGB to require every Soviet citizen visiting the United States to collect intelligence information.

The most practical means of disrupting KGB operations in America is to require parity in the number of Soviet diplomats in the United States and American diplomats in the Soviet Union, and to limit drastically the size and operations of the huge Soviet mission to the United Nations.

If such steps lead to a reduction of 100 or more Soviet officials, KGB activities in the United States would be seriously disrupted. The KGB would lose many officers who otherwise would be handling active cases. But Moscow still would need to maintain contact with various offices of the U.S. government. So more of the remaining officials would be occupied with legitimate diplomatic activities, rather than with espionage.

Some Americans fear that the Soviets would take reprisals if the United States insisted on parity of official personnel. There are no grounds for such concerns. The only reprisal is likely to be the usual propaganda and demagoguery, which would last for a few weeks or months and then die out.

Another matter is the large number of Soviet employees working in the U.S. Embassy in Moscow. All of them, without exception, are KGB informants. They collect information, study American members of the embassy staff for possible operations against them, and install eavesdropping devices. Having Soviet employees there is like giving the KGB a floor in the embassy. Most, if not all, should be fired.

These measures would not stop KGB operations against this country, but would make them more controllable.

STAFF MEMORANDUM: THE LEGAL SITUATION REGARDING REDUCING THE SIZE OF THE SOVIET MISSION TO THE UNITED NATIONS

The basic law regarding the responsibilities of the United States government as the host government of the United Nations Headquarters and for other United Nations functions is set down in the general Convention on the Privileges and Immunities of the United Nations ("the General Convention")[1] and the Agreement Between the United Nations and the United States of America Regarding the Headquarters of the United Nations ("the Headquarters Agreement").[2] Neither of these agreements refers in its text to the power of the host government to limit the activities of representatives of member governments to the organization, and indeed both generally exempt such representatives from such interference.

For example, relevant sections of Article IV of the Convention, dealing with the Representatives of Members, provide:

"Section 11. Representatives of Members to the principal and subsidiary organs of the United Nations and to conferences convened by the United Nations, (sic) shall, while exercising their functions and during their journey to and from the place of meeting, enjoy the following privileges and immunities:

* * * * *

(d) exemption in respect of themselves and their spouses from immigration restrictions (and) alien registration in the state they are visiting or through which they are passing in the exercise of their functions;

* * * * *

(g) such other privileges, immunities and facilities not inconsistent with the foregoing as diplomatic envoys enjoy . . .

* * * * *

"Section 16. In this article the expression 'representatives' shall be deemed to include all delegates, deputy delegates, advisers, technical experts and secretaries of delegations."

There are similar provisions in the Headquarters Agreement:

"Section 11. The federal, state or local authorities of the United States shall not impose any impediments to transit to or from the headquarters district of . . . representatives of Members . . . , or the families of such representatives . . .

"Section 13. (a) Laws and regulations in force in the United States regarding the entry of aliens shall not be applied in such manner as to interfere with the privileges referred to in Section 11. When visas are required for persons referred to in that Section, they shall be granted without charge and as promptly as possible.

(b) Laws and regulations in force in the United States regarding the residence of aliens shall not be applied in such manner as to interfere with the privileges referred to in Section 11, and, specifically, shall not be applied in such manner as to require any such person to leave the United States on account of any activities performed by him in his official capacity. In case of abuse of such privileges of residence by any such person in activities in the United States outside his official capacity, it is understood that the privileges referred to in Section 11 shall not be construed to grant him exemption from the laws and regulations of the United States regarding the continued residence of aliens, provided that:

(1) No proceedings shall be instituted under such laws or regulations to require any such person to leave the United States except with the prior approval of the Secretary of State of the United States. Such approval shall be given only after consultation with the appropriate Member in the case of a representative of a Member (or a member of his family) or with the Secretary-General or the principal executive officer of the appropriate specialized agency in the case of any other person referred to in Section 11;

(2) A representative of the Member concerned, the Secretary-General, or the principal executive officer of the appropriate specialized agency, as the case may be, shall have the right to appear in any such proceedings on behalf of the person against whom they are instituted;

(3) Persons who are entitled to diplomatic privileges and immunities under Section 15 or under the General Convention shall not be required to leave the United States otherwise than in accordance with the customary procedure applicable to diplomatic envoys accredited to the United States.

(c) This section does not prevent the requirement of reasonable evidence to establish that persons claiming the rights granted by Section 11 come within the classes described in that section, or the reasonable application of quarantine and health regulations.

(d) Except as provided above in this section and in the General Convention, the United States retains full control and authority over the entry of persons or property into the territory of the United States and the conditions under which persons may remain or reside there.

(e) The Secretary-General shall, at the request of the appropriate American authorities, enter into discussions with such authorities, with a view to making arrangements for registering the arrival and departure of persons who have been granted visas, valid only for transit to and from the headquarters district and sojourn therein and in its immediate vicinity.

The United States government entered significant reservations concerning national security and the permissible conduct of members of national missions to the United Nations to both the General Convention and the Headquarters Agreement. With respect to the Convention, President Nixon's note declaring the ratification of the convention and transmitting it to the U.N. stated:

"By its resolution of March 19, 1970, the Senate of the United States of America, two-thirds of the Senators present concurring, gave its advice and consent to the ratification of the Convention subject to the following reservations:

* * * * *

(2) Nothing in Article IV, regarding the privileges and immunities of representatives of Members, in Article V, regarding the privileges and immunities of United Nations officials, or in Article VI regarding the privileges and immunities of experts on missions for the United Nations, shall be construed to grant any person who has abused his privileges of residence by activities in the United States outside his official capacity exemption from the laws and regulations of the United States regarding the continued residence of aliens . . ."[3]

The U.S. reservation to the Headquarters Agreement is found in Section 6 of the law that brought the agreement into force for the United States, Pub. L. No. 80-356 (1947):[4]

"Nothing in the agreement shall be construed as in any way diminishing, abridging, or weakening the right of the United States to safeguard its own security and completely to control the entrance of aliens into any territory of the United States other than the headquarters district and its immediate vicinity . . ., and such areas as it is reasonably necessary to traverse in transit between the same and foreign countries. . . ."[5]

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[1] Done February 13, 1946, in force for the United States April 29, 1970, 21 U.S.T. 1418, TIAS No. 6900, 1 U.N.T.S. 16.

[2] Done June 26, 1947, approved August 4, 1947, 61 Stat. 3416, TIAS No. 1676, 12 Bevans (U.S.T.) 956, 11 U.N.T.S. 11.

[3] 21 U.S.T. 1442. Exercise of this power by government instrumentalities in the United States was made subject to certain procedures, viz.:

"(a) No proceedings shall be instituted under such laws or regulations to require any such person to leave the United States except with the prior approval of the Secretary of State of the United States. Such approval shall be given only after consultation with the appropriate Member in the case of a representative of a Member (or a member of his family) or with the Secretary-General in the case of any person referred to in Articles V and VI;

(b) A representative of the Member concerned or the Secretary-General, as the case may be, shall have the right to appear in any such proceedings on behalf of the person against whom they are instituted;

(c) Persons who are entitled to diplomatic privileges and immunities under the Convention shall not be required to leave the United States otherwise than in accordance with the customary procedure applicable to members of diplomatic missions accredited or notified to the United States."

These procedures are the same contained in Section 13 of the Headquarters Agreement, supra.

The note also explicitly recited that, "The Convention was duly ratified by the President of the United States of America, subject to the said reservations . . ." Ibid.

[4] 61 Stat. 756.

[5] 61 Stat. 767-768. "Pursuant to the resolution (of the General Assembly) and Section 28 of the Agreement (providing for an exchange of notes effectuating the Headquarters Agreement), I have the honor to propose that the present note and your note of this day be considered as bringing the Headquarters Agreement into effect under date hereof."

The note to the U.N. Secretary-General, Trygve Lie from the U.S. representative to the U.N. which transmitted the U.S. acceptance of the Headquarters Agreement specifically cited the provisions, such as that cited immediately above, attached pursuant to the U.S. statute which adopted it:

"Pursuant to instructions from my Government, I (W.R. Austin) have the honour to inform you that the Government of the United States of America is prepared to apply the above-mentioned Headquarters Agreement subject to the provisions of Public Law 80-356.

I have been instructed by my Government to propose that the present note and your note of this date be considered as bringing the Headquarters Agreement into effect on the date hereof (November 21, 1947)."

The corresponding note by Mr. Lie did not specifically mention the reservation in Section 6 of Public Law No. 80-356 but did make clear that the exchange of notes of November 21, 1947 should be deemed as bringing the Agreement into effect.

Three basic legal questions arise out of this underlying situation with respect to the General Convention and the Headquarters Agreement:

(1) Is the reservation contained in Section 6 of Public Law No. 80-356 valid and does it provide rights to the U.S. government to limit certain activities of foreign nationals admitted or proposed to be admitted to the U.S. in connection with the activities of the U.N.?

(2) Do the provisions contained in Section 6 of Public Law No. 80-356 and the subsequent reservation by the U.S. to the General Convention justify action by the U.S. government with respect to particular foreign nationals who are either proposed for admission to the U.S. or already admitted to the U.S. in connection with the activities of the U.N.?

And,

(3) Do the reservations of the U.S. to the Headquarters Agreement and General Convention permit the U.S. government to limit the size of national missions to the U.N.?

The remainder of this memorandum contains legal and descriptive materials related to each of these points. (The legal materials quoted are drawn from the State Department publication, "Foreign Relations of the United States 1952-1954," Volume III, United Nations Affairs (1979).

1. *The Effect of Section 6 of Public Law No. 80-356*

It has been the firm position of the U.S. government since the early 1950's that the reservation to the Headquarters Agreement contained in Section 6 of Public Law No. 80-356, *supra,* is both valid and provides rights to the U.S. government to limit certain activities of foreign nationals admitted or proposed to be admitted to the U.S. in connection with the activities of the U.N. While the U.N. has not specifically recognized the applicability of Section 6 as such, the U.N. Secretary-General (Mr. Hammarskjold) explicitly referred in 1953 to national security as the basis for certain actions by the U.S. government to limit the admission of foreign nationals to the U.S. in connection with the activities of the organization. Documentation in support of these conclusions follows:

Attachment to Memorandum by the Assistant Secretary of State for United Nations Affairs (Hickerson) to the Secretary of State, Washington, February 6, 1952.

REGULATIONS OF MOVEMENT OF PERSONS HAVING STATUS UNDER THE HEADQUARTERS AGREEMENT

Sec. 11 of the Headquarters Agreement provides that "the federal, state or local authorities of the United States shall not impose any impediments to transit to or from the headquarters district . . ." of representatives of Members of the UN and specialized agencies, Secretariat employees of the UN and specialized agencies, experts performing missions for the UN or specialized agencies, representatives of the press and other information agencies accredited by the UN or by a specialized agency, representatives of NGO's recognized in accordance with the UN Charter and persons invited to the headquarters by the UN or specialized agencies on official business.

Sec. 13 (*d*) provides that:

"Except as provided above in this section and in the General Convention, the United States retains full control and authority over the entry of persons or property into the territory of the United States and the conditions under which persons may remain or reside there."

* * * * *

It would appear that Sec. 11 read in conjunction with the pertinent paragraphs of Sec. 13 would be sufficient to negate any United States obligation to permit access to the United States at large.

The UN Secretariat has, however, in the past contended that the United States does not have the right to restrict delegations of members and Secretariat employees. The contention is based upon provisions of the General Convention on Privileges and Immunities which grant to representatives of members and to officials of the Secretariat "freedom from immigration restrictions." This contention is dependent upon a construction of the words "freedom from immigration restrictions" in which the United States does not concur. It also appears to ignore the fact that the United States has not acceded to the General Convention or views that Convention as creating obligations which the United States does not recognize. Furthermore this contention is dependent upon the fact that the UN in construing the obligations of the United States with respect to the admission and residence of aliens has never recognized Sec. 6 of the Headquarters Agreement.

Sec. 6 of P.L. 357, 80th Congress, which authorized the President to accept the Headquarters Agreement, provides:

"Nothing in the agreement shall be construed as in any way diminishing, abridging, or weakening the right of the United States to safeguard its own security and completely to control the entrance of aliens into any territory of the United States other than the headquarters district and its immediate vicinity, as to be defined and fixed in a supplementary agreement between the Government of the United States and the United Nations in pursuance of section 13(3) (*e*) [*sic*] of the agreement, and such areas as it is reasonably necessary to traverse in transit between the same and foreign countries . . ."

The legislative history of Sec. 6 indicates that the first sentence is to be read disjunctively, i.e., that it reserves to the U.S. the right to do two things:

(1) to safeguard its security and

(2) completely to control the entrance of aliens into any territory of the U.S. other than the headquarters district and its immediate vicinity.

This construction means that:

(1) the U.S. may deny access to the headquarters to aliens for security reasons, and

(2) the U.S. controls the entrance of aliens into the U.S. at large *"completely"*, i.e., the U.S. may act in its own discretion in denying to aliens the right to enter the U.S. outside the headquarters district and its immediate vicinity.

The UN Secretariat would not concur in the foregoing. While Sec. 11 and 13 of the Agreement clearly contemplate the right of the U.S. to control the entry of aliens into the U.S. at large, at least in some cases, the UN has contended that the U.S. does not have such a right in all cases. The UN has always avoided giving any recognition, whether express or implied, to Sec. 6.

The Headquarters Agreement was brought into effect by an exchange of notes of November 21, 1947. The U.S. note states:

"Pursuant to instructions from my Government, I have the honor to inform you that the Government of the United States of America is prepared to apply the above mentioned Headquarters Agreement subject to the provisions of Public Law 357."

The U.S. position is that the Agreement is to be read togehter with Sec. 6. In view of the language of the U.S. notes, it is difficult to see how the UN position that Sec. 6 does not have legal effect could prevail if a case were taken to arbitration in accordance with Sec. 21 of the Agreement.

* * * * *

The provisions of the Headquarters Agreement are the same in the case of Secretariat employees, representatives of non-governmental organizations and persons invited by the UN to the headquarters on official business as in the case of delegation members.

Memorandum of Conversation, by Albert F. Bender, Jr., of the Mission at the United Nations

NEW YORK, May 16, 1952

CONFIDENTIAL

Subject: Visa Application by Jiri Stary, Representative of Czechosolvakia to ECOSOC.

Participants: Mr. A. H. Feller, UN Legal Department USUN—Albert F. Bender, Jr.

* * * * *

Feller said that he hoped that if the U.S. found it necessary to deny the visa, it would not find it necessary to invoke the Section 6 reservation of the Headquarters agreement. He said that he hoped that the Department realized that such an action would cause real difficulty for the UN. He said that he believed that the Secretariat would eventually be compelled to contest the U.S. position and request arbitration. In such an arbitration proceeding he believed it most unlikely that the State Department interpretation of the Section 6 reservation would be upheld, that is, he did not believe that the reservation would be read as entitling the U.S. to bar persons covered by Section 11 of the Agreement from the Headquarters District on the basis that such action was necessary to safeguard the national security. He said that if the reservation were interpreted in line with State Department views, it would vitiate the entire Headquarters Agreement.

We then discussed the possibility of justifying the denial of Stary's visa on the basis of the principle of Section 13 of the Agreement dealing with the deportation of persons covered by Section 11 who abuse their privileges of residence. Feller said that he thought that such a course of action would make it much more easy for the Secretariat

to go along with us. He said that it was clear that there was a gap in the Agreement, and that the framers thereof had not envisaged a case such as Stary's. He said that while the decision would be a close one, he did not think he could take the position that Stary, if he had abused his privileges of residence while here previously, was entitled to a "second bite" at the host country. He felt that if we did base our action on Section 13 we should follow by analogy the procedures set forth in that Section with reference to deportation proceedings.

The Secretary-General of the United Nations (Lie) to the Acting United States Representative at the United Nations (Gross)

NEW YORK, June 16, 1952.

No.: LEG 240/2/01(1)

The Secretary-General of the United Nations presents his compliments to the Acting Representative of the United States of America to the United Nations and has the honour to acknowledge the receipt of his note UN-2002/133 of 10 June 1952, concerning the application by Mr. Jiri Stary for a visa to proceed to the Headquarters of the United Nations as a member of the Czechoslovakian Delegation to the fourteenth session of the Economic and Social Council.

The Secretary-General takes note of the opinion of the Secretary of State that, had Mr. Stary not left his prior post on the permanent staff of the Czechoslovakian Representative to the United Nations and departed from the United States on 31 October 1951, it would now have been necessary to require, in accordance with the provisions of Section 13 of the Headquarters Agreement, that he depart from the United States. The Secretary-General is unable to take any position as to the applicability of Section 13 of the Headquarters Agreement in the present case, since he is in receipt of no official information from the Government concerned.

It is noted that the Secretary of State also considers that, in refusing a visa to Mr. Stary, the United States is acting within the authority which it reserved to itself by the provisions of the United States Representative's note of 21 November 1947, making the United States acceptance of the Headquarters Agreement subject to Section 6 of Public Law 357 to the effect that nothing in the Agreement shall be construed as in any way diminishing, abridging, or weakening the right of the United States to safeguard its own security and completely to control the entrance of aliens into any territory of the United States other than the headquarters district and its immediate vicinity. In this connection, however, the Secretary-General notes that, in the event that this provision had been intended to constitute a reservation, it was never considered by the General Assembly nor accepted by it. Accordingly, whether or not it has the effect of conditioning obligations under the Headquarters Agreement is a question for the General Assembly, which adopted the Agreement and authorized the Secretary-General to bring it into force.

Memorandum by Albert F. Bender, Jr., of the Mission at the United Nations

[NEW YORK, July 1, 1952.]

Subject: Jiri Stary Case—Effect of Section 6 Reservation to Headquarters Agreement

Problem:

USUN and the Department presently face the problem of what action, if any, is to be taken in view of the exchange of notes, dated respectively June 10, 1952 and June 16, 1952 between USUN and the SYG UN, concerning the denial of a visa to Jiri Stary, a Czech representative to ECOSOC. USUN's note, based upon the Department's instructions, advised the SYG UN that in denying the visa, the U.S. acted within the authority reserved to it by the provisions of USUN's note to the SYG UN of November 21, 1947, making the U.S. acceptance of the Headquarters Agreement subject to Section 6 of PL 357-80th Congress. The SYG UN's reply noted that, if Section 6 had been intended as a reservation to the Headquarters Agreement, it had never been considered by the GA nor accepted by it and accordingly, whether or not it conditioned U.S. obligations under the Headquarters Agreement was a question for the GA.

* * * * *

Discussion:

The recent exchange of communications between USUN and the SYG UN, dated respectively June 10 and June 16, 1952, re the application of the Section 6 reservation to the Headquarters Agreement to the case of Jiri Stary, a Czech representative to ECOSOC, raises a serious problem.

USUN's note, charging that Stary had engaged in espionage activities when previously in the U.S. as a member of the Czech Permanent Delegation to UN, stated in accordance with the Department's instructions: "The Secretary of State also considers that in refusing a visa to Mr. Stary, the U.S. is acting within the authority which it reserved to itself by the provisions of the U.S. Representative's note of November 21, 1947, making the U.S. acceptance of the Headquarters Agreement subject to Section 6 of PL 357-80th Congress." The note earlier stated "Section 6 of PL 357-80th Congress provided in substance that nothing in the Headquarters Agreement shall abridge, diminish or weaken the right of the U.S. to safeguard its security."

* * * * *

* * * The Department has taken the position with the Congress that Section 6 is effective as a reservation and does condition U.S. obligations under Sections 11 and 13 of the Agreement. In my opinion, the Department would be subject to Congressional criticism at a later date if it did not pursue the matter further after having received the SYG UN's note. In any case, clearly the matter at issue is so important that an attempt ought to be made in the near future to resolve it with the SYG UN, by negotiation if possible, or failing that, by arbitration.

To understand the matter at issue between the U.S. and the SYG UN, it is necessary to review the history of the negotiation of the Headquarters Agreement.

* * * * *

* * * It is the Department's position as I understand it that the Headquarters Agreement is in effect and the obligations of the U.S. contained in Sections 11 and 13 of the Agreement (not to impose impediments to transit to or from the Headquarters District of certain categories of aliens regardless of laws and regulations of the U.S. relating to the entry of aliens) are conditioned by the provisions of Section 6 of PL 357. This position is based upon the Department's belief that the legislative history of Section 6 indicates a Congressional intent to condition U.S. obligation under Sections 11 and 13 of the Agreement, upon the fact that the provisions of Section 6 were specifically called by the SYG to the attention of the GA which approved the Agreement, and the fact that Ambassador Austin's note of November 21, 1947 specifically stated that the U.S. was prepared to apply the Headquarters Agreement "subject to the provisions of PL 357".

* * * * *

If the U.S. insists that its interpretation of Section 6 was made clear to the GA when the Agreement was approved and to the SYG UN when notes were exchanged bringing the Agreement into effect, and if the SYG UN maintains his position that this interpretation was not understood by the GA or himself, then it can be argued that there never was a meeting of minds and that the Agreement has never become effective. This is clearly a position which neither the SYG nor the Department would want to have established.

The SYG UN's note of June 16, 1952 appears to be incorrect in stating that whether or not Section 6 had the effect of conditioning the obligations of the U.S. under Sections 11 and 13 of the Agreement is a question for the GA. Presumably, if the SYG UN cannot be convinced by consultation of the soundness of the U.S. position, there should then be sought a decision by an appropriate tribunal with respect to the combined legal effect of the enactment of PL 357, the approval of the Agreement by the GA and of the exchange of notes purporting to bring the Agreement into effect. Such a legal determination could be had under the arbitration provisions of Section 21 of the Agreement. Although Section 6 is not a part of the Agreement as signed, nevertheless its invocation by the U.S. has now given rise to a "dispute between the UN and the U.S. concerning the interpretation or application of this Agreement" within the meaning of Section 21. This Section, of course, provides for arbitration only where such a dispute "is not settled by negotiation or other agreed mode of settlement".

* * * * *

Text of United Nations (ECOSOC) Doc. E/2397, April 10, 1953

ADMISSION OF REPRESENTATIVES OF NON-GOVERNMENTAL ORGANIZATIONS ENJOYING CONSULTATIVE STATUS

MEMORANDUM BY THE LEGAL DEPARTMENT

1. This memorandum is transmitted in compliance with the request, made on 9 April 1953 at the 679th plenary meeting of the Economic and Social Council, for a legal opinion on the extent to which the denial by the United States of the applications by two representatives of non-governmental organizations for transit to the Headquarters District is consistent with the terms of the Agreement between the United Nations and the United States of America regarding the Headquarters of the United Nations.

A. *Summary of Facts*

2. In accordance with resolution 288(X) concerning consultative arrangements with non-government organizations, adopted by the Economic and Social Council under the authority of Article 71 of the Charter, the Women's International Democratic Federation, a non-governmental organization in consultative relationship with the Council in Category B, designated Mrs. Margarette Rae Luckock as its representative to attend the seventh session of the Commission on the Status of Women, which adjourned on 3 April 1953, and thereafter to attend the current session of the Economic and Social Council. The World Federation of Trade Unions, a non-governmental organization in consultative relationship with the Council in Category A, designated Mr. Jan Dessau as

its representative to attend the current session of the Council. Both representatives made application for a visa at appropriate United States Consulates and the Secretariat of the Economic and Social Council made notification to the United States Mission to the United Nations to these applications, in accordance with established procedures.

3. The representative of the United States reported to the Economic and Social Council at its 679th plenary meeting on 9 April 1953 that his Government had found it impossible to grant these applications. He explained the position of his Government as follows:

"In denying these applications, my Government has found it necessary to invoke the right to safeguard its security which it reserved to itself in Section 6 of the Joint Resolution (Public Law 357) of the 80th Congress, which authorized the United States to enter into the Headquarters Agreement, and in the note of its Representative, dated November 21, 1947, bringing the Headquarters Agreement into effect."

B. *Provisions of the Headquarters Agreement*

4. Section 11(4) of the Headquarters Agreement provides:

"The federal, state or local authorities of the United States shall not impose any impediments to transit to or from the headquarters district of . . . (4) representatives of non-governmental organizations recognized by the United Nations for the purpose of consultation under Article 71 of the Charter . . . ".

5. Section 13(a) of the Headquarters Agreement reads as follows:

"(a) Laws and regulations in force in the United States regarding the entry of aliens shall not be applied in such manner as to interfere with the privileges referred to in Section 11. When visas are required for persons referred to in that Section, they shall be granted without charge and as promptly as possible."

6. These are the only provisions in the Headquarters Agreement bearing upon the right of transit to the Headquarters District on the part of properly designated representatives of non-governmental organizations. Nothing in the text of the Headquarters Agreement reserves to the United States the authority to deny a visa to any of the classes of persons specified in Section 11. Indeed, Section 13(*d*) specifies that, *except* as provided above, ". . . the United States retains full control and authority over the entry of persons or property into the territory of the United States . . .".

C. *Joint Resolution of the 80th Congress*

7. By Joint Resolution (Public Law 357-80th Congress) the Senate and House of Representatives of the United States Congress authorized the President of the United States to bring the Headquarters Agreement into effect on the part of the United States.

8. Section 6 of the Joint Resolution stated that nothing in the Agreement should be construed as in any way diminishing, abridging or weakening the right of the United States to safeguard its own security and completely to control the entry of aliens into any territory of the United States other than the Headquarters District and its immediate vicinity, and such areas as it was reasonably necessary to traverse in transit between the same and foreign countries.

9. The Secretary-General of the United Nations was authorized to bring the Headquarters Agreement into force by the General Assembly, which approved the text of the Agreement in its resolution 169(II). But in the event that the provision in section 6 of the Joint Resolution had been intended by the United States to constitute a reservation, it was never made known to the General Assembly as such, and it was never considered by the General Assembly nor accepted by it.

10. It is an established principle of international law that a reservation to a bilateral treaty or agreement is in effect a proposal to amend the text of the agreement and must therefore be accepted by the other party if it is to have any effect. David Hunter Miller, for example, in his well-known work on "Reservations to Treaties", after reviewing the history of qualfying declarations in United States treaty practice, states (p. 76), "One conclusion supported by *all* of the foregoing precedents is that the declaration, whether in the nature of an explanation, an understanding, an interpretation, or reservation of any kind, *must be agreed to by the other Party to the treaty* . . . Accordingly, in a treaty between two Powers only, the difference between a reservation of any nature and an amendment, is purely one of form." (Author's emphasis.)

11. Pursuant to its section 28, the Headquarters Agreement was brought into force by an exchange of notes between the Secretary-General and the representative of the United States. The United States note, dated 21 November 1947, added:

"Pursuant to instruction from my Government, I have the honor to inform you that the Government of the United States of America is prepared to apply the abovementioned Headquarters Agreement subject to the provisions of Public Law 357."

This observation is in general terms and did not make reference to any reservation. It was made subsequent to the final adoption of the Agreement by the General Assembly. For these reasons, and because it appeared in a formal note of entry into force, it did not give notice to the Secretary-General that the United States might claim the authority to restrict transit to and from the Headquarters District.

12. Finally, even if the United States had intended to formulate a reservation, it would not appear from a reading of section 6 of the Joint Resolution that it could have application to the present cases. It refers to control by the United States of the entrance of aliens into any territory of the United States *other than* the Headquarters District, its immediate vicinity, and the necessary area of transit.

D. *Conclusion*

13. It appears from the foregoing that persons falling within the classes referred to in section 11 of the Headquarters Agreement are entitled to transit to and from the Headquarters District, and that this right of transit has not been made the subject of any reservation.

14. Should the United States adhere to its position, it is clear that there would then exist a dispute between the United Nations and the United States concerning the interpretation or application of the Headquarters Agreement. The Council will note that section 21 of the Headquarters Agreement establishes the procedures for handling any such dispute. If the dispute is not settled by negotiation or other agreed mode of settlement, it "shall be referred for final decision to a tribunal of three arbitrators, one to be named by the Secretary-General, one to be named by the Secretary of State of the United States, and the third to be chosen by the two, or, if they should fail to agree upon a third, then by the President of the International Court of Justice."

[Telegram]

The United States Representative at the United Nations (Lodge) to the Department of State

NEW YORK, April 14, 1953—5 p.m.

* * * * *

Proposed US statements as follows:

"The items before us deal with the inability of certain individuals to obtain visas in order to gain entrance to this country for the stated purpose of attending meetings of this council or its commissions as representatives of their respective NGOS. In a larger sense however, it deals with a disagreement between the Legal Department of the Secretariat and the US Government as to the nature and extent of the obligations undertaken by my government in entering into the Headquarters Agreement. In the opinion of my del, Mr. President, little can be gained by a debate in this body concerning this disagreement. The problem here is essentially juridical in nature and I submit that in section 21 of the Headquarters Agreement there exists clear and adequate machinery for the settlement of disputes between the UN and the host country concerning the interpretation and application of the agreement. My government has no intention of contravening any part of this agreement and will continue to recognize the validity of its provisions, including the reservation expressed by the 80th Congress in PL 357. Accordingly my government is prepared to enter into conferences and negotiations with the SYG concerning this matter and, should such negotiations fail to achieve agreement, is prepared to cooperate in the next step, that of arbitration.

* * * * *

Memorandum Prepared in the Office of the Assistant Legal Adviser for United Nations Affairs (Meeker): Part I

[WASHINGTON,] April 15, 1953.

I. *The Secretariat's Legal Contentions*

On April 10, 1953 the Secretariat issued a memorandum (E/2397), prepared by its Legal Department, upon the legality of the United States action in refusing to grant visas to two NGO representatives under Section 11(4) of the Headquarters Agreement. The memorandum was drawn up at the request of ECOSOC in connection with the applications for admission to the United States of Mrs. Luckock and Mr. Dessau. The memorandum makes two main submissions: that the reservation to the original Agreement made in Public Law 357, 80th Congress, was never made effective and that, in any event, it would not be applicable to the cases at hand.

In regard to the first point, paragraph 9 of the Secretariat memorandum states:

"But in the event that the provision in Section 6 of the Joint Resolution had been intended by the United States to constitute a reservation, it was never made known to the General Assembly as such, and it was never considered by the General Assembly not accepted by it."

The referenced Joint Resolution is S.J. Res. 144, 80th Congress, which was enacted as Public Law 357, 80th Congress. It is difficult to see how a contention can be made that the reservation was never made known to, considered by, nor accepted by the General Assembly.

The complete text of Public Law 357, 80th Congress, was published in the official records of the Second Session of the General Assembly, 6th Committee, as Appendix I to Annex 11 (pp. 333 *et seq.*). Appendices II and III to the same Annex consist of an exchange of letters between the Legal Adviser to the State Department and the Assistant Secretary-General in charge of the Legal Department of the United Nations. Both of these letters make specific reference to Public Law 357. In addition, the report by the Secretary-General to the Assembly on the proposed Agreement (A/371), the document which formed the basis of study by Subcommittee 1 of Committee 6, contains this passage:

"As a result of the President's approval on 4 August, this Joint Resolution became Public Law 357 (Appendix 1). Both the joint resolution and Public Law 357 refer to the interpretation placed on the Agreement by Congress, in particular to the right of the United States to control the entry of aliens into the territory of the United States. In this connection it would appear desirable to draw the General Assembly's attention to section 6 of Public Law 357."

Subcommittee 1 of Committee 6 was not only well aware of the reservations, but devoted a great deal of serious debate to them. Mr. Fahy, the United States representative on the Subcommittee, reiterated time and again in the most unequivocal terms that the President was empowered to sign the Agreement on behalf of the United States only subject to the reservations specified in Public Law 357. Certain members of the Subcommittee had doubts whether the General Assembly should authorize the Secretary-General to effectuate an agreement containing these reservations. Paragraph 4 of the interim report of the Subcommittee, as drafted by Mr. Beckett of the United Kingdom (Doc. A/C.6/SC.4/W.12), contained the statement that:

". . . it was neither necessary nor appropriate for the United Nations to take official cognizance of this Resolution of Congress on the ground that the Agreement alone contained the obligations between the parties and that the actual contents of the Resolution of Congress was a 'domestic' matter for the United States."

This point was consistently refuted by Mr. Fahy, and after much debate the statement as drafted by Mr. Beckett was deleted from the Subcommittee's report, and nothing to this effect was contained therein or in the full Committee's report to the Assembly (A/427).

In addition, paragraph 9(*g*) of the interim report of the Subcommittee stated that the exchange of notes "should not contain any other matter having any effect by way of interpretation or otherwise on the provisions of the Headquarters Agreement." This was obviously unacceptable to the United States, and at its Tenth Meeting, at the suggestion of the Canadian representative, the Subcommittee decided to delete this language from its report (see UN Press Release GA/L/79 of 16 Oct. 1947).

As the Secretariat memorandum points out in paragraph 11, the Headquarters Agreement was brought into force by an exchange of notes. The United States note, dated November 21, 1947, stated that "the Government of the United States of America is prepared to apply the above mentioned Headquarters Agreement subject to the provisions of Public Law 357." The records of the Department show that there had been discussion with the Secretary-General over the proposed use of the terms "in accordance with" and "subject to". The United States had insisted upon the words "subject to" as having a more precise legal meaning. The Secretary-General acquiesced on this point.

Paragraph 10 of the Secretariat memorandum states that a reservation must be accepted by the other party if it is to have any effect. It quotes David Hunter Miller to this effect. There would seem to be no question as to the truth of this axiom. However, the real question at issue is not that one, but the question of whether, in this particular case, the United Nations did accept the reservation. In other words, the question is one not of the necessity of acceptance but of the fact of acceptance.

Acceptance of a reservation can be made in a number of different ways and can be evidenced by several different types of action. Characterizing the "subject to" clause in the United States note of November 21, 1947 as an "observation", the Secretariat memorandum states:

". . . This observation is in general terms and did not make reference to any reservation. For these reasons, and because it appeared in a formal note of entry into force, it did not give notice to the Secretary-General that the United States might claim the authority to restrict transit to and from the Headquarters District."

There is nothing general about the proviso clause of the United States note. It specifically refers to "the provisions of Public Law 357". Both the Secretary-General and the General Assembly were fully and offically cognizant of the exact provisions of that Law. Also, the section 6 reservation was not adopted by Congress "subsequent to the final adoption of the Agreement by the General Assembly." It was approved by Congress on August 4, 1947. As the exchange of letters between Mr. Fahy and Mr. Kerno shows, the Secretariat was formally and effectively notified of the exact nature of the Congressional action in August of 1947. The Secretary-General called the specific attention of the Assembly to the reservations in his Report to the Assembly on the proposed Agreement (A/371, 3 Sept. 1947). The reservations were fully considered by the Subcommittee of Committee 6 *before* either the Sixth Committee recommended or the General Assembly adopted the Agreement. The United States representative on the Subcommittee repeatedly stressed that the President was authorized to sign the Agreement only subject to the reservation. Considering that this knowledge was made known to the Subcommittee, the Committee and the Assembly, and in view of the fact that the Secretary-General was authorized to sign on behalf of the United Nations without further negotiations with the United States, it is difficult to see how a contention can be made that the Assembly was not aware of and did not accept the reservation. Having been made perfectly aware of the reservation, if the Assembly did not wish to accept it, the Assembly would have instructed the Secretary-General not to sign the Agreement but to negotiate further with the United States. However, this is not what it did, and the Secretary-General accepted the United States note of November 21, 1947 including the proviso clause. The reservation was incorporated by reference into, to use the Secretariat's language, "a formal note of entering into force". It is hard to conceive of a more effective way of accepting a reservation.

Even if one were to make the argument that as of the date of the entry into force of the Agreement the United Nations had not accepted the reservation which had been added by the United States, the application of the Agreement for a period of more than five years would certainly constitute an acceptance. In this respect the law of treaties is very similar to the law of contracts: acceptance can be evidenced by practice as well as by formal agreement. *In any event, if the practice over the last five years does not constitute acceptance, the only conclusion possible is that there is no agreement between the United States and the United Nations regarding the headquarters. If the United Nations has not in fact accepted the reservations of the United States, there has been no meeting of the minds of the two parties and no agreement exists today.*

In this connection it is interesting to note the comment upon this subject which was made by David Hunter Miller, who was quoted in paragraph 10 of the Secretariat memorandum. His comment in fact is contained in the omitted portion of the paragraph quoted by the Secretariat and which is indicated by ". . . ". It reads: "In default of such acceptance, the treaty fails, as in the case of the Naturalization Treaty with Turkey of 1874 . . ." David Hunter Miller, *Reservations to Treaties*, p. 76.

Paragraph 12 of the Secretariat memorandum states that:

"Finally, even if the United States had intended to formulate a reservation, it would not appear from a reading of section 6 of the Joint Resolution that it could have application to the present cases. It refers to control by the United States of the entrance of aliens into any territory of the United States *other than* the Headquarters District, its immediate vicinity, and the necessary area of transit."

This would seem to ignore the previous part of section 6, which reads as follows:

"Nothing in the Agreement shall be construed as in any way diminishing, abridging or weakening the right of the United States *to safe-guard its own security and . . .*" (italic supplied).

It is necessary both to consider this part of the reservation and to assign it some meaning. To ascertain its meaning it is helpful to consider the legislative history of the reservation.

The second part of the reservation, which deals with the entrance of aliens into United States territory outside the Headquarters District, was added by the United States Senate. It is more in the nature of an understanding than a reservation, in that it merely restates the provisions already contained in Article 13(*d*) of the Agreement. It will be readily admitted that there is nothing in the Headquarters Agreement which obligates the United States to give free access to areas outside of the Headquarters District and its immediate vicinity, nor which prevents the United States from completely controlling the admission of aliens into the general territory of the United States. When the House of Representatives considered the Joint Resolution as approved by the Senate, it felt that a definite reservation was needed regarding the safeguarding of the national security of the United States. It was the opinion of the House that the United States must have at least some control over the entrance of aliens into the headquarters District and its immediate vicinity, this control to be limited by the strict requirements of national security. To

reiterate, this limited control extends to the Headquarters District as well as to the remainder of the United States from which we can exclude aliens for a number of reasons aside from requirements of national security.

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Memorandum Prepared in the Office of the Assistant Legal Adviser for United Nations Affairs (Meeker): Part III

[WASHINGTON, April 15, 1953.]

III. *Operation of Section 11 of the Headquarters Agreement*

It is the United States position, as shown earlier [Part I], that provisions of the Section 6 reservation in Public Law 357 (80th Congress) qualify the obligations set forth in the Headquarters Agreement. As the result of Section 6, the United States is not obligated to admit to the United States (for transit to and from the Headquarters District and its immediate vicinity) all aliens covered by Section 11. There are exceptions. For example, an espionage agent would be excludable under Section 6. There are other types of cases which would be exceptions also.

The Immigration and Nationality Act, in Section 212(*a*), specifies a number of categories of persons who are ineligible to receive visas and excluded from admission into the United States. In the present context, categories 27, 28 and 29 of Section 212(*a*) are particularly relevant. It is to be noted that the Attorney General has discretion, under subsection 212(*d*)(3), to authorize the admission of aliens falling into category 28, as in the case of other inadmissible categories except categories 27 and 29. Where an alien covered by subsection 11(3), 11(4) or 11(5) of the Headquarters Agreement falls into category 28, the procedure is for the Secretary of State to request the Attorney General to exercise his authority under subsection 212(*d*)(3) of the Immigration and Nationality Act. Aliens covered by subsections 11(1) and 11(2) of the Headquarters Agreement, who come within the terms of subsection 101(*a*)(15)(G) of the Act, are not ineligible to receive visas and be admitted to this country because they come within the provisions of subsection 212(*a*)(28) of the Act. In this connection, subsections 102(2), 102(3) and 212(*d*)(2) of the Act are relevant.

When Congress enacted the Immigration and Nationality Act, it recognized that certain aliens who would be otherwise inadmissible to the United States, under the terms of subsection 212(*a*)(28), would be admitted on recommendation of the Secretary of State and decision of the Attorney General because such persons were seeking to come to the United Nations under the Headquarters Agreement. However, subsections 212(*a*)(27) and 212(*a*)(29) provide for the unconditional exclusion of certain categories of aliens. The fact that in these cases the Attorney General is without discretionary authority to admit an alien temporarily under subsection 212(*d*)(3) despite his inadmissibility indicates the gravity of the security considerations where these two provisions apply. It likewise indicates that these provisions cover very limited classes of aliens, with respect to whom there is very serious information of a security nature.

The United States believes that the Immigration and Nationality Act can and should be given effect consistently with the Headquarters Agreement. Congress has regarded the two as compatible, and not conflicting, instruments. Furthermore, in giving effect to the Immigration and Nationality Act, the United States will take into account the consideration that aliens covered by Section 11 are seeking to come to the United Nations and not to travel the United States at large, and the consideration that, where necessary, geographical and other conditions can be imposed on their entry.

There have been given above [Part II] [1] the facts underlying the United States Government's conclusion that the Luckock and Dessau cases came within the provisions of subsection 212(*a*)(29) of the Immigration and Nationality Act. It is important to emphasize that these cases do not represent a new departure in American policy. The reasons for their exclusion are personal to them, indicating that the individuals personally would be a threat to United States security if they were to come to this country. They are special cases, each resting on its particular facts.

The United States considers that an alien coming within subsection 212(*a*)(28) of the Immigration and Nationality Act, and not subsection 212(*a*)(27) or 212(*a*)(29), is to be admitted to the United States if his entry is covered by Section 11 of the Headquarters Agreement, and that the reservation contained in Section 6 of Public Law 357 does not afford a ground for excluding such an alien. Subsections 212(*a*)(27) and 212(*a*)(29) of the Immigration and Nationality Act cover cases of inadmissibility to the United States where very serious security considerations are present. In deciding whether a case comes within either category 27 or category 29, the United States will take most careful account that these categories cover only very limited types of cases and of the circumstances (length of stay, purpose, conditions on entry) of the applicant alien's intended trip to the United Nations. The United States considers that an alien ineligible to receive a visa and excluded from admission under subsection 212(*a*)(27) or 212(*a*)(29) of the Immigration and Nationality Act is an alien whom the United States is entitled to exclude under the Section 6 reservation to the Headquarters Agreement.

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Memorandum Prepared Jointly by the Department of State and the Department of Justice

[WASHINGTON, May 4, 1953.]

POSITION PAPER

The Secretary of State refers to the action of the United States in withholding the issuance of visas to certain aliens seeking to enter the United States ostensibly for the purpose of acting as consultants on behalf of certain non-governmental organizations before the Economic and Social Council.

It is the position of the Government of the United States that the Headquarters Agreement between the United States and the United Nations was brought into force on November 21, 1947 by, and in accordance with the terms of, the notes exchanged on that date between the United State Representative and the Secretary General. As specifically stated in the note of the United States Representative, the Agreement was brought into effect subject to the provisions of the Joint Resolution of the Congress of the United States (Public Law 357, 80th Congress), by which the Government of the United States stated its understanding of, or its reservation to, the approval of the Agreement. The United States Representative had no authority to conclude the Agreement upon any other basis and in fact he did not do so, as he clearly specified in his note of November 21, 1947 that he was bringing the Agreement into effect subject to the provisions of Public Law 357.

Section 6 and other parts of the Joint Resolution of the Congress of the United States (Public Law 357) are therefore, so far as the Government of the United States is concerned, to be considered as integral parts of the Agreement, in so far as its meaning and application are concerned. On the other hand, if the contention of the Legal Staff of the United Nations should prevail, and it should therefore be concluded that the United Nations has never accepted the provisions of Section 6 of the Joint Resolution (Public Law 357), it would necessarily follow that there was never actually a meeting of the minds necessary to the conclusion of a valid contract or agreement and that no Headquarters Agreement actually exists in law or in fact.

Section 6 of the Joint Resolution constitutes an interpretation, an understanding, and a reservation on the part of the United States with respect to the whole Agreement and not to any one part thereof, in so far as the security of the United States is concerned. It applies, therefore, not only to the provisions of the Agreement relating to the issuance of visas and to the admission of aliens into the United States, but also to other provisions of the Agreement, including that part providing for the arbitration of disputes or differences arising under the Agreement, which affect the security of the United States, and there is no legal obligation whatever resting or imposed upon the United States under the Agreement to submit to arbitration any question affecting our security when determined in accordance with existing laws of the United States. Any other conclusion of the Agreement would disregard the plain language of the Congress of the United States in Section 6 of the Joint Resolution and would be tantamount to holding that the right of the United States to safeguard its own security has been weakened, abridged, or diminished notwithstanding the clear language of Section 6 to the contrary.

The Representative of the United States may assure the Secretary General that the Government of the United States has no desire or intention to exclude from its national territory any alien who is coming in transit to the Headquarters District of the United Nations in the United States exclusively on official business of, or before, the United Nations. Except for the provisions relating to the protection of our national security, the United States has exempted, and is prepared to continue to exempt, such aliens from the excluding provisions of our immigration laws. Mere membership in the Communist Party, for example, has never been considered by the United States to constitute a proper basis for the exclusion of an alien coming to the United Nations. The number of alien Communists who have been permitted to enter the United States for United Nations purposes, many of whom are still in the United States under the auspices of the United Nations, should constitute ample evidence of the views and practices of the United States with respect to its security in the light of the Headquarters Agreement, including Section 6 of the Joint Resolution. On the other hand, when there is in any alien's case clear and convincing evidence that the alien is coming to the United States for a purpose outside the scope of his proper activities within one of the five categories described in Section 11 of the Headquarters Agreement, and the com-

petent authorities of the Government of the United States are satisfied that the admission of the alien would be prejudicial to the national security, the Government of the United States must invoke its sovereign right to exclude such alien from the United States. If the United States were stopped from exercising such authority its right to safeguard its own security would be impaired and this would be contrary to the terms of the Joint Resolution of Congress by which the Government of the United States agreed that the Headquarters of the United Nations could be located in the United States.

The pertinent provisions of the domestic law of the United States relating to the exclusion of aliens on grounds affecting the national security may be found in Section 212(*a*) (27), (28), and (29) of the Immigration and Nationality Act. It is submitted that there is nothing in the Charter of the United Nations or in the Headquarters Agreement which could reasonably be construed as requiring the United States to admit an alien who falls within the provisions of Section 212(*a*) (27) or (29) of the Act, as the activities envisaged in these provisions of law are not within the scope of the legitimate activities of any alien who is seeking to enter the United States in transit to the Headquarters of the United Nations as provided in Section 11 of the Headquarters Agreement. So far as Section 212(*a*)(28) of the Act is concerned, those aliens who are covered by Section 11 (1) and (2) of the Agreement are exempt from exclusion, while those aliens who fall within the provisions of Section 11 (3), (4), and (5) of the Agreement can be admitted only within the discretion of the Attorney General of the United States and under such terms and conditions as he may deem to be necessary to safeguard the security of the United States. Each such case is carefully and meticulously considered and reviewed by the top-ranking officers of the Government of the United States. The conclusion that such an alien must be excluded from the United States is never lightly reached but is the result of the most earnest consideration by the competent high-level authorities in the Government of the United States.

The Government of the United States does not consider that it is under any legal obligation to submit to the United Nations, or to any other authority, the nature or source of information of a classified nature which forms the basis of its conclusions in an individual alien's case, as the submission of such classified information is not only prohibited by the laws of the United States but the submission of such information to any other authority for review and consideration would be derogatory to, and inconsistent with, the sovereign right of the United States to safeguard its own security. The extreme liberality of treatment accorded by the United States to the thousands of aliens who have come to the United States for purposes connected with the United Nations should constitute ample evidence that the United States, as host to the United Nations, does not desire to act arbitrarily or wrongfully in exercising its prerogatives.

While the Government of the United States does not recognize any obligation to submit the facts in the cases of aliens from whom visas were withheld the representatives of the United States may be prepared to discuss the methods and procedures by which the Government of the United States arrived at the decision to withhold the visas, in order that the representatives of the United Nations may be convinced that such action was not arbitrary or capricious but was determined to be required only from the standpoint of the security of the nation, which is consistent with one of the fundamental purposes for which the Government of the United States and other Members created the United Nations, namely, the promotion of national and international security and the peace of the world.

Memorandum by the United States Representative at the United Nations (Lodge)

[NEW YORK,] May 19, 1953.

Subject: Access by Aliens to the Headquarters of the United Nations—Related Problems—Working Paper for Discussion Purposes.

I carefully considered the helpful draft position paper dated May 4, 1953, prepared by the Departments of State and Justice, setting forth the basis for the withholding of visas from two aliens seeking access to the United Nations Headquarters District ostensibly on official United Nations business. Subsequently I discussed the problem with Secretary General Dag Hammarskjold.

The Secretary General's position as stated to me is as follows:

"It is my understanding that the principle which should govern all classes of persons coming into the Headquarters on United Nations business is that no solution will ever be practical and lasting if it does not take into account both the necessity of the right of access being free from determination by any single government and the necessity that the security of the country where the Headquarters is established should not be endanagered."

Mr. Hammarskjold is prepared to agree with the essential point in our position, viz., that the United States has the right to take the steps necessary to safeguard its security. He has at the same time, however, made it perfectly clear that he cannot accept the interpretation of Section 6 of the Joint Resolution (PL 357—80th Congress) set forth in the position paper. He relies heavily on the 1947 Senate and House reports concerning that Resolution to support his contention (a) that the Congress never intended that Section 6 have the meaning we presently attribute to it, and (b) that such an interpretation was never made known to the 1947 General Assembly. My own reading of these reports and of the General Assembly records leads me to the conclusion that, if this matter goes to the General Assembly as it will if we force this issue, a persuasive case can be made in support of the Secretary-General's position. I, therefore, recommend that we not force the issue, particularly in view of the extent to which Mr. Hammarskjold appears prepared to go along with us as a practical matter, apart from the legal interpretation of the Section 6 reservation.[3]

Since Mr. Hammarskjold, within the limitations indicated, is prepared to agree to practical steps aimed at protecting the security of the United States against persons seeking access to the Headquarters District ostensibly on official United Nations business, I recommend a policy along the lines indicated below. This policy, I believe, is basically consistent with the draft position paper.

* * * * *

(2) *Governmental Representatives.*

In cases of this type, the Secretary-General has made it clear that he does not wish to be placed in a position between the United States and the Government concerned. In such cases, I suggest that the United States deal directly with the Governments involved, just as has been done in the past, and simply notify the Secretary-General of such negotiations.

* * * * *

The Secretary-General of the United Nations (Hammarskjold) to the United States Representative at the United Nations (Lodge)

UNITED NATIONS, New York, June 22, 1953.

MY DEAR LODGE: I have now had an opportunity to consider in detail the position of the Secretry-General in case of a solution of the Headquarters Agreement along the lines of your draft of points which might be included in a statement to be made by me to the Economic and Social Council. I think we need not consider our positions very far apart, although, as I indicated in our conversation, there still remain a few points to be settled between us.

I should state at once, and I am sure you will agree, that in negotiating under the Headquarters Agreement I am necessarily bound by its terms, as I of course have no authority to reach an accord with you which would alter existing provisions of an Agreement to which the United Nations as an Organization is a party.

* * * * *

As both the text and the history of the Agreement convince me that I would not have the authority to negotiate under Section 21 a settlement which had the effect of amending Section 13 (i.e., which would substitute for the right of deportation a right of exclusion, and would also substitute a prediction of possible or probable abuse of privileges for proven "activities" in abuse of the privileges of residence), I feel that, on the basis of your suggestion, we should try and solve the problem by moving closer to the technical construction of the security safeguards in the Agreement. As you will remember, the Agreement is express (and Congress was no less express) in specifying that the United States is provided with two safeguards for its security: the right to restrict to the Headquarters District and its immediate vicinity the visas of persons entitled to access under the Agreement; and deportation in case any such persons abuse their privileges in activities outside their official capacity. Having this in mind, I offer by way of annex some adjustments to your draft which would serve to bring it into better conformity with the main requirements, while remaining true to the basic principles on which we are fully agreed.

Yours very sincerely,

DAG HAMMARSKJOLD.

The United States Representative at the United Nations (Lodge) to the Secretary-General of the United Nations (Hammarskjold)

NEW YORK, July 2, 1953.

MY DEAR HAMMARSKJOLD:

* * * * *

Upon further reflection I find that, while I do not agree in full with the statements in your letter of transmittal, I really cannot add anything to what I said when you first showed me the paper—that the clarification which you have added accurately depicts many of the procedures which are open to the United States and that, by virtue of this fact, the addition of your language is in the interests of clarity and completeness and actually improves the statement. I am glad,

therefore, to say that I see no objection to your making the statement as you are planning to do it.

With best wishes,

Sincerely yours,

HENRY CABOT LODGE, Jr.

The Secretary-General of the United Nations (Hammarskjold) to the United States Representative at the United Nations (Lodge)

UNITED NATIONS, New York, July 3, 1953.

MY DEAR LODGE: I thank you for your letter of 2 July 1953, in which you tell me that you see no objection to my making the statement to the Economic and Social Council in the form in which I sent it to you by my letter of 22 June.

In your letter you mention in passing that you do not agree in full with the statements in my letter of transmittal. You also say that you accept my addition to the text as setting out "many of the procedures which are open to the United States". There might possibly be other procedures open to the United States which would be consistent with the Headquarters Agreement. But these two passages in your letter might be read as implying some reservations regarding my basic position, as expressed in my letter and draft statement of 22 June. However, I presume that—as you have not found it called for to elaborate your views—you accept what is summarized in the last paragraph of my statement—that is, that the United States "will consult me and keep me as fully informed as possible to assure that the decision is made in accord with the rights of the United States Government to protect its own security under the (Headquarters) Agreement"—in the light of my interpretation of my authority under the Headquarters Agreement as stated in my letter of transmittal, especially in the last paragraph. The text of my statement as it now stands will undoubtedly give rise to many questions in the Economic and Social Council. An interpretation of the statement in accordance with this conviction of mine as to the limits of my rights, is, of course for me, the basis on which I shall have to defend my view that the matter has now been settled "in a manner which in practice should assure the mutual satisfaction of the parties concerned."

Yours sincerely,

DAG HAMMARSKJOLD.

[Telegram]

The United States Representative at the United Nations (Lodge) to the Department of State

NEW YORK, July 23, 1953—8 p.m.

CONFIDENTIAL

36. Regarding proposed statement by SYG to ECOSOC on Headquarters Agreement.

SYG and I agreed today on following text for his statement before ECOSOC. This agreement was reached subject to his assurance that if a proposal is made in Council for reference this question to GA, he will strongly oppose it and with understanding on my part that if question is raised with respect arbitration of disagreements under headquarters agreement that SYG is free to express his opinion that arbitration applies to all sections of the agreement.

I consider this is a satisfactory solution and strongly recommend that appropriate instructions be issued to our ECOSOC delegation to support SYG's statement before ECOSOC. I believe statement by SYG and his general intentions are such that position of US fully safeguarded and I believe further that agreement between SYG and myself is such that we should experience no further serious difficulties.

Progress report by the Secretary General to the Economic and Social Council on negotiations with the United States of America concerning the interpretation of the Headquarters Agreement:

"Although the negotiations with the United States on the interpretation and application of the Headquarters Agreement are not yet concluded, it is appropriate that a brief report be made on the matter to the Economic and Social Council.

It will be recalled that earlier this year the United States, invoking a reservation it claimed to have made in becoming party to the Headquarters Agreement, declined to grant visas for transit to United Nations headquarters to representatives of two nongovernmental organizations in consultative relations with the Economic and Social Council. On 9 April 1953, the Council requested a legal opinion on the matter. A memorandum by the legal department (E/2397), issued the next day, concluded that under section 11 of the Headquarters Agreement representatives of non-governmental organizations with consultative status were entitled to transit to and from the headquarters district, and that this right had not been made the subject of any reservation. The Council later included an item on the provisional agenda of its sixteenth session relating to a report on the result of my negotiations with the United States.

Since then, I and my representatives have been carrying on discussions of the problem with the permanent representative of the United States and his staff. It was recognized from the outset that the provisions of the Headquarters Agreement should not be permitted to serve as a cover to enable persons in the United States to engage in activities, outside the scope of their official functions, directed against the security of that country. It was also recognized that under the agreement, and subject to its purposes, the United States can protect its security by granting visas valid only for transit to and from the headquarters district and sojourn in its immediate vicinity, in accordance with section 13(*e*); the United States also has the authority to make any reasonable definition consistent with the purposes of the agreement of the 'immediate vicinity' of the headquarters district, of the necessary routes of transit, and of the time and manner of expiration of the visa following the completion of official functions. As provided in section 13(*b*), the United States can carry out deportation proceedings under its law and regulations against persons admitted under the Headquarters Agreement who abuse the privileges of residence in activities in the United States outside their official capacity.

In the case of aliens in transit to the headquarters district exclusively on official business of, or before the United Nations, the rights of the United States are limited by the Headquarters Agreement to those mentioned. However, other cases may arise, the treatment of which under the agreement will raise questions. I refer to cases in which there is clear and convincing evidence that a representative of a nongovernmental organization is coming to the United States purportedly for United Nations business but also, or primarily, for a purpose outside the scope of such activities, and where further the competent authorities of the Government of the United States are satisfied that the admission of that person would be prejudicial to the national security of the United States. In the opinion of the United States representatives, such cases are outside the scope of the Headquarters Agreement, and they therefore hold that in such cases the United States Government is entitled to refuse a visa.

The United States representatives have assured me that, if in the future there should arise any serious problem with respect to the application in special cases of provisions concerning access to the headquarters district or sojourn in its vicinity, the matter will receive the most prompt and careful consideration at the highest levels, that timely decisions will be made, and that the United States will consult me and keep me as fully informed as possible, in order to assure that the decision made is in accordance with the rights of the parties concerned.

Also from the United Nations point of view it should be recognized that a person should be excluded from the host country if there is clear and convincing evidence that he intends, in bad faith, to use his trip as a cover for activities against that country's security. This particular problem may well not have been studied and resolved when the headquarters agreement was drafted. However I would consider it proper for me to accept a method of application of the Headquarters Agreement which is in accordance with the interpretation put forward by the United States representatives only if such method of application had been explicitly authorized by the competent organ.

In giving this account of the negotiations to the Economic and Social Council, I have therefore to report that there is a measure of agreement which may help to remove difficulties over the matter in the future, and I venture to express the hope that any remaining questions will be resolved satisfactorily in the application of the Headquarters Agreement or in further negotiations with representatives of the United States."

LODGE.

2. Actions Against Particular Persons Accredited to the U.N.

From the beginning, the question arose under the Headquarters Agreement whether the U.S. could refuse to grant admission to the U.S. to particular persons accredited to the U.N. on national security grounds. The immigration laws, specifically 8 U.S.C. § 1182 (a), provide that the Attorney General shall exclude certain categories of aliens; the relevant paragraphs are as follows:

"(27) Aliens who the consular officer or the Attorney General knows or has reason to believe seek to enter the United States solely, principally, or incidentally to engage in activities which would be prejudicial to the public interest or endanger the welfare, safety, or security of the United States;

"(28) Aliens who are, or at any times have been, members of any of the following classes: (Anarchists, Communists, and other revolutionists);

"(29) Aliens with respect to whom the consular officer or the Attorney General knows or has reasonable ground to believe probably would, after entry, (A) engage in activities which would be prohibited by the laws of the United States relating to espionage, sabotage, public disorder, or in other activity subversive to the national security, (B) engage in any activity a purpose of which is the opposition to, or the control or overthrow of, the Government of the United States, by force, violence, or other

unconstitutional means, or (C) joining, affiliate with, or participate in the activities of any organization which is registered or required to be registered under . . . the Subversive Activities Control Act of 1950 . . ."

Shortly after adoption of the Headquarters Agreement, the U.S. government built a record demonstrating that it considers Section 6 of Public Law No. 80-356 to provide adequate grounds for permitting the application of U.S. immigration laws to prevent the admission of certain aliens in connection with the activities of the U.N. These actions were based primarily on 18 U.S.C. §§ 1182(a) (27) and (29) since it was recognized that the presence of U.N. Headquarters in New York would require admitting Communists and followers of other ideologies that might otherwise qualify for exclusion under § (a)(28).

Some of the relevant material from the period 1952-54 has been reproduced in the preceding section. Other significant materials on this point are reproduced below:

Memorandum by the Assistant Legal Adviser for United Nations Affairs (Meeker) to the Legal Adviser (Phleger)

[WASHINGTON,] March 26, 1953.

Subject: Headquarters Agreement with the United Nations

In the Headquarters Agreement with the United Nations, the United States has engaged to permit certain classes of individuals to come into the United States in order to go to the United Nations in New York. Section 11 of the Agreement defines these classes. The President was authorized to bring the Headquarters Agreement into effect by Public Law 357 of the 80th Congress. Section 6 of that public law provides, in part:

"Nothing in the Agreement shall be construed as in any way diminishing, abridging, or weakening the right of the United States to safeguard its own security and completely to control the entrance of aliens into any territory of the United States other than the headquarters district and its immediate vicinity, . . ."

Section 212(*a*) of the Immigration and Nationality Act sets forth 31 categories of inadmissible aliens. Three of these categories are based on security criteria: Section 212(*a*)(27), 212(*a*)(28), and 212(*a*)(29). Section 212(*d*)(3) of the Immigration and Nationality Act authorizes the Attorney General to waive the grounds of inadmissibility for nonimmigrant aliens other than the grounds set forth in subparagraphs (27) and (29).

In the past, a number of aliens entitled to enter the United States under Section 11 of the Headquarters Agreement have been inadmissible under Section 212(*a*)(28) of the Immigration and Nationality Act. In these cases, the Department of State has recommended that the Attorney General waive the inadmissibility, on the ground that such waiver in the particular case was in the national interest. Although at times there have been delays in securing a decision, the waivers have, in the end, been granted.

Two very recent cases, however, have been handled differently, raising problems. A Canadian national, Mrs. M. R. Luckock, sought to enter the United States to attend a meeting of the United Nations Commission on the Status of Women, under Section 11(4) of the Headquarters Agreement. She sought to come as a representative of the Women's International Democratic Federation, a Communist-dominated organization. She appeared to be inadmissible under Section 212(*a*)(28) of the Immigration and Nationality Act. This Department requested the Department of Justice to waive her inadmissibility. The Department of Justice, for the first time, denied the request, stating that the information forwarded to Washington by the consul showed that Mrs. Luckock fell within Section 212(*a*)(29) of the Immigration and Nationality Act. The information forwarded by the consul had covered two points: (1) Mrs. Luckock held hostile views toward the United States Government, and (2) at a public meeting in Canada, she sponsored a resolution criticizing the course of the Rosenberg spy case. Mr. Hickerson and Mrs. Hahn (our representative on the Status of Women Commission) talked by telephone with Mr. Rogers, the Deputy Attorney General, about the Luckock case, but apparently did not discuss the legal aspects under the Immigration and Nationality Act and the Headquarters Agreement.

A French national, Madame M.-C. Vaillant-Couturier, is now seeking to come to the United States for the April meeting of the United Nation's Economic and Social Council, again under Section 11(4) of the Headquarters Agreement. Like Mrs. Luckock, Madame Vaillant-Couturier would be a representative of the W.I.D.F. The Department's visa office has informed UNA of its determination that Madame Vaillant-Couturier falls within Section 212(*a*)(29) of the Immigration and Nationality Act, and of its decision not to request a waiver of inadmissibility by the Department of Justice. From the facts available to this Office, it is not clear whether the view of the visa office is based on Madame Vaillant-Couturier's status with the W.I.D.F., or on additional facts. Unless a recommendation is made to the Department of Justice, the applicant will not receive a visa and will not be admitted to the United States.

As you know, this type of problem under the Headquarters Agreement has given concern to Ambassadors Lodge and Wadsworth in New York. Attached to this memorandum is a telegram of yesterday from Ambassador Lodge.[1] There are difficult legal problems involved in individual cases, both under the headquarters Agreement with the United Nations and under the Immigration and Nationality Act. These problems need to be carefully considered in each case, in order that the United States make a disposition which would leave us in a strong position if the case were later to be taken to arbitration by the United Nations under Section 21 of the Headquarters Agreement.

I suggest that careful consideration needs to be given to this type of case at two stages: (1) when this Department is considering whether to recommend to the Attorney General that inadmissibility under Section 212(*a*)(28) be waived, and (2) in discussing the matter with the Department of Justice after the State Department has recommended a waiver of inadmissibility. In the first stage, it is not satisfactory for the visa office alone to make a determination; there needs to be consultation among the Departmental offices concerned, including the Office of the Legal Adviser. In the second stage, the Department of Justice should not be put in the position of having to make a decision on waiver without the benefit of discussion with officers of this Department, including officers in L. If you agree, we should suggest to the visa office and to UNA the holding of appropriate consultations at both stages. In this way, I believe, the best application of the Immigration and Nationality Act would be secured, and we would minimize the possibilities of future arbitral difficulty under the Headquarters Agreement.

LEONARD C. MEEKER.

* * * * *

Memorandum by the Administrator of Security and Consular Affairs (McLeod) to the Under Secretary of State for Administration (Lourie)

WASHINGTON, May 26, 1953.

Subject: Memorandum from Ambassador Lodge, accompanying his letter of May 21, 1953,[1] regarding otherwise excludable aliens coming to the United Nations.

The following comments are offered on the memorandum above mentioned:

1. The Government of the United States has no desire to exclude aliens coming to the headquarters district of the United Nations, except upon the security grounds specified in the Immigration and Nationality Act. That Act specifies thirty-one general classes, some of which are subdivisible into a number of subclasses, of aliens who are ineligible to receive visas and are excludable from the United States at our ports of entry. Only three of these classes are applicable to some of the cases of aliens coming to the United Nations. (See Sections 102 and 212(*a*) (27), (28), and (29) of the Act.) None of the other twenty-eight categories of excludable aliens are generally applicable to aliens coming to the United Nations. Congress has spelled out in the Act what it meant by the security reservation contained in Section 6 of the Joint Resolution of August 4, 1947 (Public Law 357) approving the Headquarters Agreement. (See Senate and House Reports on the Immigration and Nationality Act.)

2. On the question whether the standard of evidence should be "clear and convincing", as suggested in Ambassador Lodge's memorandum, it may be pointed out that the Immigration and Nationality Act and the previous law specifies that visas shall be withheld if the responsible consular officer "knows or has reason to believe" that a visa applicant is ineligible to receive the visa. This obviously does not envisage the necessity of any concurrence by the Secretary of State or the Secretary-General of the United Nations. However, the Secretary of State will exercise his general admininstrative supervision over all phases of the work of our consular officers to see that they do not act arbitrarily or otherwise abuse their authority.

* * * * *

Memorandum by the Under Secretary of State for Administration (Lourie) to the United States Representative at the United Nations (Lodge)

WASHINGTON, May 29, 1953.

Subject: Implementation of the Headquarters Agreement and Section 6 Reservation

The following brief statement, based on the very helpful analysis and suggestions contained in your memorandum of May 19, 1953, sets forth our understanding of procedures which can usefully be followed in dealing with the access provisions of the Headquarters Agreement where a security problem exists.

1. It is highly desirable for you to agree with Mr. Hammarskjold on a practical working solution of the question of access by aliens to the United Nations headquarters, rather than to dispute with the Secretary-General, and the Organization at large,

legal questions concerning the effect and scope of the Section 6 reservation.

2. In cases where an alien covered by Section 11 of the Headquarters Agreement applies for a visa and the consular officer considers that the alien is or may be excludable under subsections 212(*a*) (27), (28) or (29) of the Immigration and Nationality Act, the consular officer will refer the matter to the Department of State. No visa will be denied by a consular officer prior to such reference.

* * * * *

4. When it is determined that a visa will be denied on security grounds (for example, because the Department of State or the Department of Justice considers that the applicant alien is covered by subsection 212(*a*) (27) or (29) of the Immigration and Nationality Act), the Department will communicate to you the reasons for this action. You would then be authorized in your discretion to discuss the alien's case with the Secretary-General, making known to him the substance of the information on which this Government based its decision to deny a visa. The information so given to the Secretary-General would need to be limited in such a way as not to disclose the source of the information. The Department would send its communication to you as soon as possible after the decision to deny a visa, and in any event before the visa is denied by the consular officer. As stated in your memorandum of May 19, you would not discuss with the Secretary-General the cases of governmental representatives, but of other aliens covered by Section 11 of the Headquarters Agreement.

* * * * *

Memorandum by the Deputy United States Representative at the United Nations (Wadsworth) to the Under Secretary of State for Administration (Lourie)

[NEW YORK,] November 30, 1953.

Subject: Visa Application of Anwar Youseff Elmeshry, UN Secretariat Recruit.

* * * * *

The file indicates that the Cairo Consulate considers that there are reasonable grounds to believe that the subject is inadmissible to the U.S. under Section 212(a)(29) of the Immigration and Nationality Act, and that by OMV 4 of November 4th the Consulate has requested the Department's advisory opinion concerning the matter. This file also contains a memorandum dated November 19th from Maney (VO) to Ingram (OIA) and Chase (SCA)[2] stating that VO concurs in the Consulate's finding of inadmissibility and recommending that the UN Organization be requested to cancel the subject's appointment as a staff member. This recommendation appears, from Ingram's memorandum of November 25th [2] addressed to me, to be concurred in both by OIA and SCA. No clearance with the Legal Adviser's office or other office is indicated.

* * * * *

I am not in a position to pass on the merits of this case, but it does appear on one reading that it ought to be possible to obtain additional information concerning the subject's alleged Communist Party membership, if necessary going directly to the Egyptian Foreign Office on a confidential basis.

My only other suggestion with reference to the merits of the case is that it appears possible that the Cairo Consulate is equating Communist Party membership, which is dealt with by subparagraph (28) of section 212(a) of the Immigration and Nationality Act, with inadmissibility under subparagraph (29). It is my understanding that this is not the intention of the Act for, if it were, then no nationals of Communist Bloc Governments could be admitted to this country as Secretariat officials. I think it would be helpful to have the Legal Adviser take a look at this.

Finally, should it be decided that we ought to attempt to dissuade the Secretary General from this appointment, I trust that we will be furnished with information which we can submit to the Secretary General in support of our position.

* * * * *

The Under Secretary of State for Administration (Lourie) to the Attorney General of the United States (Brownell)

WASHINGTON, December 30, 1953.

MY DEAR MR. ATTORNEY GENERAL: I refer to a meeting which was held with Ambassador Lodge in your office on May 29, 1953 to consider procedures to be followed in dealing with the cases of aliens seeking admission to the United States in connection with the work of the United Nations. It was agreed at that time that close liaison should be maintained between the Department of State and Justice with respect to any cases where questions of the admissibility of an alien under United States law were presented. I am writing to you now about such a case in order to secure a concert of views between our two Departments.

* * * * *

Information available to the Department of State indicates: that Mr. El Meshry is a member of a Communist group in Egypt; that officials of the Egyptian Ministry of Interior had recommended his dismissal from a position with the Egyptian State Broadcasting because of this membership, but that no action was taken or is contemplated concerning the dismissal recommendation; that Mr. El Meshry has participated in four Communist-sponsored world-wide conferences; that he has written at least two anti-American articles appearing in an Egyptian newspaper.

On the basis of the above information, it is the view of this Department that Mr. El Meshry falls within the class of aliens defined in subsection 212(*a*)(28) of the Immigration and Nationality Act of 1952, but that he does not fall within the classes defined in subsection 212(*a*)(27) or subsection 212(*a*)(29) of the Act. It has been considered in the Department of State that, in the light of Section 102(3) of the Immigration and Nationality Act, it is necessary to interpret subsections 212(*a*)(27) and 212(*a*)(29) of the Act in relation to subsection 212(*a*)(28), and as defining classes of aliens with respect to whom there is more seriously derogatory information than that covered in subsection 212(*a*)(28). To construe subsection 212(*a*)(27) or subection 212(*a*)(29) as applying to aliens who were Communists and engaged in the regular activities of Communist Party members would bar completely from entry the members of Soviet-bloc delegations to the United Nations and many Soviet-bloc nationals employed by the Secretariat. It is not believed that the statute should be so interpreted, in view of its provisions such as those contained in subsection 101(A)(15). Subsections 212(*a*)(27) and 212(*a*)(29) are believed to apply to cases where more than Communist Party membership and the usual activities incident to such membership are involved. Espionage, sabotage, and conspiracy to bring about violent overthow of the Government are examples of the type of threat to the national security evidently covered by the two subsections in question.

I would appreciate hearing from you at your early convenience whether you agree with the above stated views concerning the case of Mr. El Meshry, so that we might know in advance whether the Department of Justice would take the same view as this Department of the facts now known concerning Mr. El Meshry, upon the latter's arrival at a port of entry in the event a visa is issued to him. This Department would be happy to make available to you any relevant file materials which would be of assistance in your consideration of the matter.

Sincerely yours,

DONOLD B. LOURIE.

* * * * *

3. Limitation of the Size of National Missions to the U.N.

For the most part, as can be seen from the reproduced legal materials, the question of the validity and scope of Section 6 of Public Law No. 80-356 has come up in connection with the proposed admission of particular foreign nationals in connection with activities at the U.N. Yet the official position of the U.S. government has been from the first that the national security reservation contained in Section 6 is very broad.

It would appear that it cannot be effectively argued that the U.S. government is wholly without power to regulate the size of national missions to the U.N. when their magnitude and the activities of their members raise national security concerns that are within the reservation contained in Section 6 of Publid Law No. 80-356. The questions are at what point this power can be exercised and how.

The Soviets have a very broad range of interests at the U.N., a great part of which is undoubtedly legitimate. But the Soviet Mission to the U.N. (SMUN) exceeds by more than twice the representation of any other nation, including our own. The U.S. government also has compelling reason to believe that the SMUN is a center of considerable espionage activities directed against the United States. It would certainly appear on these facts that the size of the SMUN cannot be viewed as reasonable in light of the national security reservation subscribed to by the U.S. in relation to the Headquarters Agreement.

Efforts by the U.S. government to reduce greatly the size of certain national missions to the U.N. could trigger diplomatic protests and other political actions. The specifically legal consequences, however, could include arbitration between the U.S. and the U.N. organization, or arbitration of judicial process in the World Court between the U.S. and the country or countries in question.

It is noteworthy in this connection that the U.S. may not be liable to arbitration with the U.N. under the Headquarters Agreement since if a dispute between the U.S. government and the U.N. over the Section 6 reservation were pushed far enough, the U.S. might claim (as the materials above indicate) that there has been no real agreement between it and the U.N. and therefore even the arbitration provisions of the Headquarters Agreement were not applicable. It is also noteworthy, in the case of the Soviet Union, that the U.S.S.R. specifically entered a reservation to the General Convention providing that it does not consider itself bound to the jurisdiction of the World

Court over disputes arising out of interpretation of the convention.[6]

Mr. COHEN. Mr. President, I am pleased to join today with Senator LEAHY in proposing legislation calling for a reduction in the size of the Soviet mission to the United Nations in New York. This measure is a logical followup and complement to our earlier legislation, now signed into law, mandating equivalence in the number of United States and Soviet diplomatic and consular personnel in each country.

Recent events dramatically demonstrate the clear need for prompt action to reduce the Soviet espionage threat to our Nation. In the past few months, we have learned of the compromise of some of our most sensitive military information by a nest of active and retired Navy personnel and of the apparent defection of a former CIA agent who may have carried with him information characterized in an October 17, Wall Street Journal article as relating to "critical U.S. human intelligence operations in Moscow."

In the first instance, the spy ring's head, retired Navy WO John Walker, was arrested while trying to pass information to a Soviet agent, who has since left this country, in rural Montgomery County, MD, outside Washington, DC. In the latter, information about Edward Howard was provided by a Soviet defector, Vitaly Yurchenko, who had served as deputy chief of the North American department of the KGB's First Chief Directorate and had been a spy in the Soviet Embassy in Washington from 1975 to 1980.

The Yurchenko revelations and the Walker arrest have confirmed what has been a recognized fact for years—the Soviets devote considerable energy and resources to espionage against the United States.

Earlier Soviet defectors Arkady Shevchenko and Stanislav Levchenko have told us of the pervasive effort made by the Soviets to conduct intelligence operations against the United States and to recruit Americans in the private sector, military, and government to further their interests. The revelations about Howard and the Walker gang starkly and tragically demonstrate just how accurate the Shevchenko and Levchenko warnings were and just how real the Soviet espionage threat is to American and free world interests.

The diplomatic equivalence legislation is an important step in dealing with this problem. President Reagan's endorsement of this measure, now signed into law, sends a clear signal of his resolve to bring an end to the severe imbalance in diplomatic personnel which has allowed the Soviets to engage heavily in espionage activities in this country.

At present, there are over 300 Soviet diplomatic personnel in the United States, compared to only 200 United States officials in the Soviet Union. In addition, the United States employs about 240 Soviets to perform a variety of administrative and support functions in our Moscow embassy and Leningrad consulate; the Soviets employ only a handful of Americans and deny them access to the Soviet chancery building. Bringing these numbers into closer balance is essential, and I look forward with anticipation to the report from the Secretary of State and Attorney General detailing how this new policy will be implemented.

This is, however, only a first step. The next one is to reduce the bloated Soviet presence at the United Nations. The Soviets now have 295 individuals assigned to their U.N. mission in New York. About 260 of them are with the primary Soviet mission and the others with the missions of the so-called Ukrainian and Byelorussian Soviet Socialist Republics. The United States, by contrast, has about 130 personnel.

It should be noted that an additional 300 Soviet citizens work for the United Nations Secretariat in New York. A recent Heritage Foundation report by Charles M. Lichenstein, who served as deputy to then Ambassador Jeane Kirkpatrick until leaving that post a couple of years ago, estimates that over 1,200 Soviet bloc and client-state nationals are on the staffs of their countries' missions to the United Nations or work for the United Nations

The Senate Select Committee on Intelligence, on which I serve, released a report in May detailing the Soviet presence at the United Nations and the threat it represents. The committee's estimate was that a quarter of Soviet officials in the U.N. Secretariat were involved in espionage activities.

We are not able to reduce the number of individuals working in the Secretariat, but we can do something about the Soviets working in their mission. This authority is clearly provided in Public Law 357, enacted in 1947. The law, clarifying the agreement governing the U.S.-U.N. host country relationship, states in section 6 that "nothing in the agreement shall be construed as in any way diminishing, abridging or weakening the right of the United States to safeguard its own security."

The bill we are introducing today has been drafted with a recognition of the complicated legal and foreign policy implications it carries with it. It is not our intent to move with haste on it. Rather, we will seek committee hearings and administration comments. The measure is intended as a vehicle for stimulating debate on what we believe is an essential, compelling issue. Our hope is that it will generate careful thought and subsequent action.

Specifically, the legislation would declare the policy of the Congress that the size of the Soviet mission to the U.N. should be substantially equivalent to the size of the U.S. mission there. The President could continue to allow more Soviets to work at the Soviet mission if he determined that it were necessary. The State Department would be required to report to Congress every 6 months on the numbers and duties of the Soviets at the mission. In addition, as with our diplomatic equivalence legislation, the Secretary of State and the Attorney General would be required to present to Congress within 6 months a plan for reducing the size of the Soviet mission in accordance with the policy we are proposing.

This approach is a necessary and a responsible one. With an estimate 30 to 40 percent of all Soviet and Soviet bloc officials in this country engaged in espionage activities, we can wait no longer in our search for solutions.

Perhaps no better description of the need for this approach has been made than by Levchenko, the former high level KGB officer who defected several years ago. He said in a recent Washington Times article:

> The most practical means of disrupting KGB operations in America is to require parity in the number of Soviet diplomats in the United States and American diplomats in the Soviet Union, and to limit drastically the size and operations of the huge Soviet mission to the United Nations. If such steps lead to a reduction of 100 or more Soviet officials, KGB activities in the United States would be seriously damaged. The KGB would lose many officers who otherwise would be handling active cases. But Moscow still would need to maintain contact with various offices of the U.S. government. So more of the remaining officials would be occupied with legitimate diplomatic activities, rather than with espionage.

Congress has taken some important actions to respond to the Soviet espionage threat. The Leahy-Cohen diplomatic equivalence legislation has been signed into law, as has Senator ROTH'S amendment restricting travel for Soviet United Nation personnel. Additional funds have been approved by the Senate for FBI counterintelligence operations. And a major review of counterintelligence operations and resources is now underway both by Congress and within the executive branch.

[6] The Soviet reservation reads as follows:

"The Soviet Union does not consider itself bound by the provision of Section 30 of the Convention which envisages the compulsory jurisdiction of the International Court and, in regard to the competence of the International Court in differences arising out of the interpretation and application of the Convention, the Soviet Union will, as hitherto, adhere to the provisions that, for the submission of a dispute for settlement by the International Court, the consent of all the parties to the dispute is required in every individual case. This reservation is equally applicable to the provision contained in the same section, whereby the advisory opinion of the International Court shall be accepted as determinative."

The legislation we are introducing today is an essential additional step if we are to come to grips with this problem. My strong hope is that a constructive debate will be stimulated and that positive action will result. My firm pledge is to pursue this effort, and other initiatives I may deem necessary, to reduce the danger to America, our ideals and democratic principles, which pervasive Soviet espionage activities represent.

At this point, I ask unanimous consent to insert into the RECORD Ambassador Lichenstein's report, "Soviet Espionage: Using the U.N. Against the U.S.," and portions of the Intelligence Committee's report, "Soviet Presence in the U.N. Secretariat." Both contain important information which will, I believe, be of great interest to my colleagues.

[From Backgrounder, the Heritage Foundation, Sept 9, 1985]

SOVIET ESPIONAGE: USING THE U.N. AGAINST THE U.S.

(By Charles M. Lichenstein, Senior Fellow)

INTRODUCTION

With mounting concern, the West is discovering an escalating threat to its security posed by Soviet espionage. The U.S. government is prosecuting the Walker family on charges of giving military secrets to Moscow, while the West German government reels from revelations that some of its top security officials secretly have been working for East Germany. Ripples of this West German spy scandal already have reached Britain and Switzerland.

Dwarfing these as spy threats is a Kremlin-directed espionage center thriving inside the United States. At risk are, among other things, the secrets of U.S. weapons, strategic military planning, high technology, advanced manufacturing processes, industrial innovation, and biotech and biogenetic research breakthroughs. Espionage against these targets weakens not only U.S. military defenses, but undermines U.S. worldwide economic competitiveness.

What makes the U.S. particularly vulnerable to this espionage are the convenient cover and access enjoyed by the spies. They are diplomats and bureaucrats with a status even more privileged than diplomats. Not only do they operate out of Soviet bloc and Soviet client-state embasies to the U.S., but more important—and much more valuable to the Kremlin—they use as a base the diplomatic mission, agencies and secretariats affiliated with the United Nations, in the heart of Manhattan.

Their numbers run into the hundreds. At least one in three of all Soviet, East bloc and client-state diplomats posted to the United States engages in espionage. This is the confident consensus of U.S. intelligence experts. The term espionage covers a multitude of abuses of diplomatic privilege: information collection (by open and covert means, including electronic intercepts), acquisition of military and industrial technology (some of it purchased off-the-shelf, some of it stolen), recruitment and supervision of agents (some but by no means all of whom are U.S. nationals), and an array of "active measures" that involve, among others, propaganda, spreading "disinformation" and using front groups.

The estimate of one in three, in fact, appears quite conservative. It is based, The Heritage Foundation has learned from official U.S. sources, on the actual record of confirmed case histories. It probably would be much more accurate to conclude that one in two Soviet bloc and client-state diplomats is involved in espionage, warn Soviet and East bloc defectors, many of whom were KGB (Soviet State Security), GRU (Soviet Military Intelligence) or East bloc counterparts. This is confirmed by Arkady Shevchenko, former U.N. Under-Secretary General for Political and Security Council Affairs, one of the highest ranking Soviet officials ever to defect to the West. Shevchenko writes in *Breaking With Moscow* (published this year) that, of 28 Soviet bloc "international civil servants" in his especially sensitive unit in the U.N. Secretariat, at least 21 spent some or all of their duty hours on intelligence assignments, in New York and elsewhere, under KGB control.

These numbers constitute a formidable challenge to U.S. counterintelligence forces. The danger to U.S. national security is beyond question.

THE UNIQUE VALUE OF THE U.N.

There are two distinct parts to the diplomat-espionage problem. The first is inherent in the normal, reciprocal exchange of diplomats capital-to-capital (such as betwen the consulates in Leningrad and San Francisco). The Soviets post several hundred diplomats to Washington; the U.S. posts a similar number to Moscow; each group is a mix, as both sides know perfectly well, of diplomats and intelligence agents. Even on this regular diplomatic level, however, the Soviets enjoy the advantage of supplementing their own staffs with East Germans, Bulgarians, Cubans, Afghans, and other Soviet bloc and client-state diplomats. Against key targets, they operate as a single, unified hierarchy, with the Soviet KGB at the top. By contrast, the U.S maintains only loose, informal ties with the intelligence services of its Western allies, Israel, and a few other countries.

To make matters worse, the U.S. suffers from self-inflicted wounds in this diplomatic tradeoff. The total American diplomat and non-diplomat complement in Moscow is substantially smaller than the Soviet Mission in Washington: 202 vs. 495 (with 79 more Soviets currently *en route*). The Soviets, moreover, hire almost no local, American employees for the non-professional positions at their Washington embassy, but bring to the U.S. Soviet citizens to serve as embassy caretakers, mechanics, drivers and the like. The U.S., distressingly, uses mostly Soviet nationals for these jobs in Moscow. The result: 224 Soviet citizens, under the direct control of their government, now work inside the U.S. Embassy in Moscow. It is no wonder that the KGB was able to dust U.S. Embassy telephones, chairs, auto seats and other objects with carcinogenic nitrophenylpentadienal powder to track the movements of U.S. diplomats in Moscow.

The second part of the diplomat-espionage problem is even more serious. It is the unique circumstance of the U.S. serving as host country to United Nations headquarters in New York City. Here, of course, there is no tradeoff or reciprocity. All the risk is borne by the U.S., for the U.S.S.R. hosts no United Nations—or other truly international—body. For the Soviet bloc and its clients, "diplomatic" presence at and because of the U.N. is pure espionage gravy.

At the U.N., there are official missions of the Soviet Union, its satellites and clients (plus the observer missions of such non-U.N. members as North Korea, the Palestine Liberation Organization and the South West Africa People's Organization). Alongside the official U.N. missions is the U.N. itself—the huge Secretariat, plus headquarters of the U.N. Development Program (UNDP) and UNICEF (the U.N. Children's Fund). Employment totals more than 15,000, of whom 371 are from the Soviet Union, plus another 225 from the East bloc and the client states. As with Soviet bloc diplomatic personnel, these U.N. employees are a mix of genuine benign bureaucrats and intelligence agents.

Taken together, these components define the parameters of the problem posed by the U.N. as a "sanctuary for spies" in the U.S. It is a problem that the U.S. imposes on itself, for no one forces it to play host to the United Nations.

THE NUMBERS

To present the situation in the most cautious way, the number of Soviet-related diplomat-spies is calculated to underestimate the magnitude of the problem. As such, Albania, the People's Republic of China and Democratic Kampuchea (Cambodia) are not counted. Albania maintains nearly complete isolation from the Soviets and the Soviet world generally; China cannot be considered part of any Soviet-led bloc (although its U.N. Mission and Secretariat personnel in New York may pose a security threat of another kind); and Democratic Kampuchea is still represented at the U.N. by a coalition of opposition forces, partly anti-Communist and wholly anti-Soviet. Iran also is excluded, even though its ties to the international terrorist network pose a clear security threat to the U.S.

Adding together all Soviet bloc and client-state nationals who are on the staffs of their countries' missions to the U.N. or who work for the U.N., the total comes to 1,204 potential agents of espionage in the U.S. because of the U.N. (see table).

SOVIET AND BLOC NATIONALS IN NEW YORK

	Diplomats	Support staff	U.N. Sec't.	UNDP	UNICEF
Afghanistan	4	6	16	5	1
Bulgaria	11	12	14	(1)	(2)
Cuba	35	21	26	1	2
Czechoslovakia	12	9	17	(1)	(2)
German Democratic Republic	13	13	13	(1)	(2)
Hungary	11	9	15	(1)	(2)
Libya [3]	10	16	9	0	0
Mongolia	5	1	0	0	0
Nicaragua	17	0	6	(1)	(2)
North Korea	0	20	0	0	0
PLO	0	7	25	0	0
Poland	10	9	40	(1)	(2)
Romania	7	5	10	(1)	(2)
U.S.S.R	117	178	331	1	1
Byelorussia	9	5	11	0	0
Ukraine	10	8	27	0	0
Vietnam	15	11	15	1	1
Total	286	330	575	8	5
Grand total			1,204		

[1] Approximate.

[2] No breakdown by agency is available for these countries. The total also has been adjusted for a few U.N. employees located other than in New York City.

[3] Libyan nationals in New York, uniquely, are restricted to the 5 boroughs of the city.

Sources: All data from lists maintained by the U.S. mission to the U.N. diplomatic and support lists as of June 30, 1985; U.N. data as of mid- to late-1984.

Still the total is too low. Most of these "diplomats" and "international civil servants" are accompanied by spouses and/or adult dependents. On the basis of confirmed case histories, U.S. intelligence experts believe that they too undertake espionage assignments of various kinds. Supporting this assessment are defector reports. Assuming

conservatively only one spouse or adult dependent for each mission official or U.N. employee, the total doubles to some 2,408 potential security threats to the U.S.

Using the one-in-three estimate, the number of actual agents that can be used by Moscow totals about 800. Using the one-in-two ration urged by Soviet defectors, the number of actual agents is about 1,200. Even those diplomats and U.N. bureaucrats who engage in no espionage cause problems for the U.S., for the very fact that they are on tap complicates the U.S. counterintelligence challenge greatly.

WHAT CAN BE DONE?

All of the experts consulted, from federal, state and local law enforcement agencies, agree that effective countermeasures against the enormous threat posed by 800 to 1,200 espionage operatives must proceed along two parallel and complementary tracks: (1) every reasonable means must be used to limit the numbers of potential Soviet-related espionage agents in the U.S. and to limit their freedom of operation; (2) U.S. counterintelligence resources must be enhanced substantially.

Limiting Soviet U.N.-related espionage

For almost 40 years, the U.S. Government has had all the authority it needs to crack down on the U.N.-related Soviet threat to national security. P.L. 357, enacted in 1947, clarified the Headquarters Agreement of November 21, 1947, which governs the U.S.-U.N. host country relationship. In section 6, this law states that "nothing in the Agreement shall be construed as in any way diminishing, abridging or weakening the right of the United States to safeguard its own security" and in particular "completely to control the entrance of aliens into any territory of the United States other than the (U.N.) headquarters district and its immediate vicinity."

Under this authority, the U.S. restricts the freedom of movement of Soviet and some bloc diplomats at U.N. missions to an area of 25 miles from the U.N.'s New York headquarters. To do the work that legitimately brings them to the U.S., this is all the freedom they need. In 1982, in the Foreign Missions Act, Congress set up administrative machinery within the State Department in an effort to make these travel restrictions tighter.

Although the 1947 Act makes absolutely no distinction between diplomats and any other class of "aliens," no restrictions ever have been imposed on U.N. bureaucrats. As a result, in this year's State Department Authorization Act, Congress made its intent clear beyond any doubt or administrative fudging. The Roth-Hyde Amendment, named for its principal co-sponsors, Senator William V. Roth, Jr. (R-Delaware) and Representative Henry J. Hyde (R-Illinois), extends to all foreign nationals at the U.N. the restrictions that now or may in the future apply to their countries' U.N. missions. There is to be no more free ride for those "international civil servants" who are known to report routinely to their U.N. missions, to receive orders from their governments, and even to kick back part of their U.N. paychecks.

The mandate of Congress is unequivocal. Effective follow-up action by the State Department and the U.S. Mission to the U.N.—even by the U.N. itself—is now called for, in the following directions:

(1) The Roth-Hyde Amendment went into effect last week; it should be vigorously enforced.—There is no law or international convention, nor any U.S. host country obligation, that allows U.S. "guests" to break American laws or threaten U.S. national security. The most effective enforcement of the Amendment would be to require prior notification by the U.N. Secretary General of all official U.N. travel (which would alert U.S. counterintelligence agencies to potential security threats and enable them to deny permission in some cases). Further, U.N. employees who are citizens of countries under restriction should be required to request permission for "private" travel. Such unofficial travel should almost always be denied.

(2) The list restricting travel should be expanded.—None of the East European Soviet satellites is now on the restricted list. Yet their diplomats and nationals at the U.N. pose an obvious and serious security threat to the U.S. The same is true for Nicaragua. The status of the People's Republic of China is ambiguous. Its New York-based diplomats already enjoy special privileges: they are free of all travel restrictions to 29 "open cities" embracing virtually every major metropolitan area in the U.S. This would not be curtailed by the Roth-Hyde Amendment. Although China is no Soviet satellite, official U.S. sources confide that Beijing's agents in the U.S. are deeply engaged in industrial espionage.

(3) The size of some U.N. missions should be reduced.—The Soviet Mission to the U.N. totals 295—when Byelorussia and the Ukraine are added, the total is 327. By contrast, the U.S. Mission to the U.N. gets by with about one-third this number. Surely, Moscow is taking advantage of the U.S. in its role as host country. Similarly, Cuba has a staff of 56 at its U.N. mission, about the same size as major West European nations whose involvement in U.N. official business is generally much heavier than Havana's. The matter has run out of control. The State Department immediately should define "reasonable ranges" for mission size, based on such generally accepted U.N. criteria as a country's population and wealth, and the scale of assessed contributions to the U.N. budget. This woud force a cut back mainly in Soviet bloc missions and thus reduce the number of potential spies.

(4) The U.S. should stop subsidizing espionage against the U.S.—The U.S. currently pays 25 percent of the salaries of U.N. employees. This includes, of course, those who receive and submit to instructions from their governments (including instructions to spy). This is in clear violation of Article 100 of the U.N. Charter. Another related Charter abuse that the U.S. tolerates is "secondment," by which the Soviets assign their nationals to the Secretariat on contract and replace them at will. This puts an effective lock on certain key positions—in personnel, public information and Political and Security Council Affairs, for example, whose chief always is a Soviet national—and enables the Soviets to establish permanent espionage outposts within the U.N. Secretariat. The U.S. should demand that the Secretary General put an end to these Charter violations. Failing prompt, effective action, the U.S. should withhold the appropriate portion of its annual assessment.

Increasing U.S. counterintelligence resources

Even without the U.N.-related security threat, strengthening U.S. counterintelligence capabilities is an urgent priority for the FBI, CIA and other law enforcement agencies. The espionage charges against the Walker family make this clear. U.S. counterintelligence must be rebuilt after its systematic destruction during the 1970s. It is a long and slow process. Of all intelligence specialties, none is more demanding or dependent on experience than counterintelligence. Since 1981, the U.S. has begun to rebuild; more must be done. Such as:

(1) FBI counterintelligence forces in New York should be increased substantially.—More FBI agents are urgently required in New York City to monitor potential espionage activities related to the U.N. The U.S. is now in the first year of a five-year FBI expansion program, which will increase the FBI counterintelligence force by about 50 percent nationwide. Exactly how many agents the FBI needs, and how many should be posted in New York, is classified information. The President, the Attorney General and the Congress—the two Intelligence Committees in particular—have the obligation to assure themselves and the American people that the U.S. is spending what it must to rebuild a counterintelligence capability fully in line with the Soviet threat, including the U.N.—related part of the threat—and on the fastest possible track.

(2) Adequate support staff and services should be provided.—More agents alone will not get the job done. Required, too, are telecommunications equipment, data banks, stenotypists, and surveillance and other specialists. The simple lack of an adequate motor pool, for example, can abort an entire U.S. counterintelligence operation. In addition, collaboration among all American law enforcement and intelligence agencies is essential. Currently in New York, cooperation is excellent among the FBI, U.S. Mission security staff and the superb New York City Police counterintelligence forces. The President and Congress must ensure the same high level of teamwork within the U.S. intelligence community, particularly between the CIA and the FBI. Almost by definition, Soviet-directed espionage at the U.N. is a cross-border matter, justifying CIA involvement.

(3) Counterintelligence laws and guidelines should be reviewed.—A key element of the systematic attack of the 1970s on U.S. intelligence capabilities was the Foreign Intelligence Surveillance Act of 1974 (FISA). This was supplemented by Department of Justice guidelines. Most U.S. law enforcement and intelligence officials say that neither FISA (which established a special U.S. court to pass on the legality of wiretaps) nor the Justice Department guidelines seriously inhibit effective counterintelligence operations. Yet outside experts and former counterintelligence agents insist that FISA and the guidelines have a "chilling effect." Among other things, they discourage agents from even requesting especially sensitive surveillance efforts. Thus, while the special court almost always says "yes" to requests, it does so in part because it never gets the really tough ones. The President, the Attorney General and Congress must review the law and guidelines for just such crippling defects.

(4) The U.S. presence within the U.N. Secretariat should be strengthened.—Increased presence within the U.N. Secretariat of tough-minded, fully qualified U.S. professionals could inhibit the activities of Soviet bloc spies. Americans inside the Secretariat, moreover, could monitor the situation better than any outside agents. They could spot suspicious behavior—sometimes nothing more than a Bulgarian or Russian who almost never turns up in the office. And they could report their observations to ap-

propriate U.S. officials without compromising their roles as legitimate international civil servants.

THE "UNIVERSAL" SOLUTION

Another way to bring potential Soviet agents at the U.N. under more effective control would be to break up the routine, predictable pattern of the U.N. operation. A useful first step would be to keep moving the annual three-month session of the U.N. General Assembly; one year it could convene in Moscow, the next in Geneva, following that in Nairobi, and so on. This was proposed in 1981 by former U.N. Ambassador Jeane Kirkpatrick and endorsed in principle by President Reagan. By rotating the U.N. venue, the bulk of the U.N. missions and the massive U.N. bureaucracy would be operating outside New York and the U.S. for at least three months annually. The U.N. sanctuary for espionage targeted against the U.S. would be severely disrupted.

If all else fails, then the U.S. must protect itself against U.N.-based espionage by pressing for the ultimate option: moving the U.N. out of the U.S. altogether and inviting the organization to find a new home elsewhere. From the perspective of U.S. national security, it makes a great deal of sense.

The State Department and its supportive "establishment" would, of course, argue that by such an act the U.S. would be turning its back on its worldwide responsibilties. In Moscow or Geneva or Nairobi, however, as in New York, the U.S. would be able to play whatever role it wished to play in the U.N., which might even become more serious and businesslike.

CONCLUSION

All of the above recommendations are mutually reinforcing. If all were pursued, the security threat posed by the privileged sanctuary for spies provided by the U.N. could be brought under effective control.

Restrictions on Soviet and bloc diplomats' freedom to move at will within the U.S., now extended by the Roth-Hyde Amendment to Soviet bloc U.N. bureaucrats, should be rigorously enforced; the list of countries under restriction should be expanded to include the entire East European bloc; suspiciously overstaffed U.N. missions should be cut back; and the U.S. should stop paying its 25 percent share of the salaries of U.N. employees who clearly are under the control of their governments. These actions would begin to reduce the number of potential spies to manageable proportions.

The problem can be managed, moreover, by increased U.S. counterintelligence resources, adequately supported by staff and services, further backed up by a strong U.S. presence inside the U.N. secretariat and rid of unnecessary restraints on their operational freedom.

If the U.S. is really serious about turning back the U.N.-related Soviet threat to its national security, an arsenal of varied and effective weapons is at hand.

SOVIET PRESENCE IN THE UN SECRETARIAT [1]

SUMMARY

The Soviet Union is effectively using the UN Secretariat in the conduct of its foreign relations, and the West is paying for most of it. The 800 Soviets assigned to the United Nations as international civil servants report directly to the Soviet missions and are part of an organization managed by the Soviet Foreign Ministry, intelligence services, and the Central Committee of the Communist Party. The Soviets have gained significant advantage over the West through their comprehensive approach to the strategy and tactics of personnel placement and their detailed plans for using the United Nations to achieve Soviet foreign policy and intelligence objectives.

Soviet and Eastern Bloc personnel use their positions to promote a broad range of foreign policy objectives in the United Nations and its specialized agencies. They gather information to provide early warning of possible UN actions and are involved in shaping conference papers controlling the flow of news to staff and delegations, influencing delegations seeking Secretariat advice, and aiding Soviet diplomats during conference and other deliberations. Western diplomats have protested specific instances of Soviet staff abuses, but no comprehensive effort has been undertaken by the United Nations to enforce UN Charter and Secretariat staff regulations that prohibit employees from acting on behalf of their government.

Soviet employees use the United Nations to support Soviet propaganda activities worldwide. Soviet Secretariat officials receive instructions directly from Moscow on propaganda placements for coverage in the Soviet media and to arrange for the UN Secretary General to make favorable reference to statements of Soviet leaders or announcements of the Central Committee. Documents supporting Soviet interests are entered into UN records and later presented as a UN document in Soviet propaganda placements.

Key Soviet personnel have been placed in UN offices responsible for UN relations with nongovernmental organizations and Soviet front groups. Nongovernmental organizations such as the World Peace Council participate in UN activities. Soviet interest in these groups stems from their ability to influence UN debate and the domestic political process in their own countries.

Approximately one-fourth of the Soviets in the UN Secretariat are intelligence officers and many more are co-opted by the KGB or GRU. All Soviets in the Secretariat must respond to KGB requests for assistance. The Soviet intelligence services use their UN assignments to collect information on UN activities; to spot, assess, and recruit agents; to support worldwide intelligence operations; and to collect scientific and technical information of value to the USSR.

Soviet subversion of UN programs have been prevented on occasion by strong US protests and action by UN officials. Secretary General Perez de Cuellar has thwarted some Soviet personnel moves, but he is dependent on Soviet support for UN diplomatic efforts. The Soviets will maintain a distinct advantage in the United Nations until their diplomatic and intelligence efforts are matched by systematic, long-term Western opposition.

Soviets in the United Nations and its specialized agencies, by organization in 1984

Organization	Number of Soviets
Total	773
United Nations, New York, Geneva, Vienna, Nairobi, etc.	469
International Atomic Energy Agency [IAEA], Vienna	69
International Civil Aviation Organi zation [ICAO], Montreal	20
International Labor Organization [ILO], Geneva	43
International Maritime Organization [IMO], London	8
International Telecommunications Union [ITU], Geneva	11
United Nations Development Pro gram [UNDP], New York	4
United Nations Educational, Scien tific, and Cultural Organization [UNESCO], Paris	59
United Nations Children's Fund [UNICEF], New York	4
United Nations Institute for Train ing and Research [UNITAR], New York	1
United Nations Relief Refugees in the Near East [UNRWA], Beirut	1
Universal Postal Union [UPU], Berne	4
World Health Organization [WHO], Geneva	51
World Intellectual Property Organi zation [WIPO], Geneva	6
World Meteorological Organization [WMO], Geneva	17
World Tourism Organization [WTO], Madrid	6

SOVIET PRESENCE IN THE UN SECRETARIAT

The Soviet Union is effectively using the UN Secretariat in the conduct of its foreign relations, and the West is paying for most of it. In contrast with Western members whose citizens normally work as international civil servants, Soviets in the UN system are part of a large and complex system designed to:

Determine how to integrate UN activities with other foreign policy and intelligence efforts.

Identify the specific positions in the UN system that can contribute to those efforts.

Secure and keep targeted positions.

Manage the work of Soviet citizens holding UN jobs.

The lines of authority for this system begin in Moscow with the Politburo and run through the Foreign Ministry, the KGB, and GRU to the Soviet Missions in New York, Geneva, Paris, Vienna, and other cities with UN agency headquarters. The Soviet missions, in turn, directly control the 800 Soviet citizens employed by the United Nations and its specialized agencies. In addition, the Soviets have direct control over third-country agents recruited by the KGB and have influence over the 200 Eastern Bloc employees. Thus, Western delegations face not only the large Soviet delegations and the Third World majority in the United Nations but also an organization of 800 people within its bureaucracy who have been placed by, are managed by, and are responsible to the Soviets and their allies.[2]

[1] This report was prepared for the Select Committee on Intelligence by elements of the U.S. intelligence community.

[2] See appendix A for details of the organization that controls Soviet UN Secretariat employees.

The Soviets comprehensive approach to the strategy and tactics of personnel placement is unique in the UN system. Soviet personnel placements reflect overall Soviet objectives in propaganda, acquisition of Western technology, and intelligence activities. In the Security Council and the General Assembly, the Soviets seek positions from which they can protect or promote Moscow's broad political and intelligence objectives.

In addition to their comprehensive approach to placement, the Soviets maintain effective control over their citizens in the UN system. Most Western employees are career international civil servants on contract with the United Nations. Soviet citizens are first carefully selected for a specific function and often stay on that career track, rotating on short-term contracts among assignments in international organizations and related Soviet ministry slots. No Western state or group of states can match the combination of expertise and placement strategy of the Soviet Union and the Eastern Bloc in the UN system.

Ninety percent of the salaries for Soviet personnel in the UN Secretariat is paid by the contributions from other members states. Moreover, the Soviets also net an estimated $20 million in hard currency each year from kickbacks they require from their UN staff. These funds are used to finance other diplomatic, propaganda, and intelligence activities.

Soviet objectives [3]

Moscow has specific objectives and detailed plans concerning its participation in the UN system. The Soviets serving in the UN system have four basic objectives:

Promote Soviet and allied interests in the United Nations.

Spread Soviet propaganda.

Use status to influence individuals and groups within member states.

Undertake intelligence operations.

Geographical distribution of UN staff

In 1957 the admission of 20 new members to the United Nations prompted UN General Assembly consideration of the equitable distribution of positions in the UN Secretariat. The General Assembly recommended to the Secretary General that representation of new members be increased by giving preference in hiring to nationals of "underrepresented" countries and by increasing the number of fixed-term contracts, by which officials of governments are loaned or "seconded" to the United Nations for a fixed number of years.

The Secretary General responded by ordering publication of a report each year that shows the representation in the UN Secretariat by country and posts, including all political posts (P-1 and higher), and by developing a system of desirable ranges for specific countries and regions based on population, cultural tradition, political system, and UN contribution. From the beginning, the United States and Western Europe have been overrepresented, and the Third World and the Eastern Bloc have been underrepresented.

The trend of the last 20 years has been to increase the number and proportion of Third World and Eastern Bloc nationals. Since the UN Secretariat has increased in size, the number of Western Secretariat officials also has increased, but their proportion in the Secretariat and their dominance of the institution have decreased.

Promoting Soviet interests

Soviet and Eastern Bloc personnel in the UN Secretariat use their positions to promote Soviet and Eastern Bloc interests in all phases of UN action. Their efforts begin with gathering information to provide early warning of possible UN actions and do not end until the final report has been disseminated. Soviet and Eastern Bloc personnel are involved in shaping conference papers, controlling the flow of news to staff and delegations, influencing delegations seeking Secretariat advice, and aiding Soviet diplomats during conferences and other deliberations.

The kickback system

The Soviet Union receives about $20 million per year in salary kickbacks from Soviet employees in the United Nations and its specialized agencies. Although this sum does not cover the full cost of Soviet participation in the United Nations, it is a major subsidy for Soviet diplomatic and intelligence efforts.

The kickback system did not begin as a calculated scheme but rather as a Soviet Government response to the ruffled feathers of Soviet ambassadors jealous of the perquisites of their offices. In the early 1960s the Ambassador to Austria complained that young diplomats recently graduated from college and working for international organizations were getting three times his salary. Worse, the youngsters were buying Western cars. As a member of the Central Committee, the Ambassador got the support of his high-ranking colleagues, and the practice of salary kickbacks was begun.

An identical kickback system is at work throughout the United Nations. Each position in the UN Secretariat is assigned a rank and pay grade equivalent to that in the Soviet Mission, which is roughly comparable to an individual's diplomatic status. No matter his rank or grade, each Soviet employee is required to turn over his entire UN salary to a finance clerk in the Soviet Mission. The clerk then pays the Soviet Secretariat employee the standard hard currency salary paid to mission personnel of the same rank plus 10 percent. If the Soviet resides outside the Soviet compound, he also receives an apartment allotment. The payment usually does not meet the actual rental expenses. The hard currency contribution Soviets make to the UN pension fund is turned over to the Soviet mission when they leave the UN Secretariat.

Early Warning.—Each Soviet Secretariat employee has his UN work reviewed by the Soviet mission for analysis and comment. In addition, the KGB has access to some UN code cables, some of which are copied and sent to Moscow. Through these efforts, the Soviet mission is aware of the initiation of Secretariat actions and is able to intervene early on when the substance of the recommendations are more easily influenced. Early warning also gives Soviet diplomats longer leadtimes to prepare for a meeting.

Conference Preparation.—Groundwork for major UN conferences begins years in advance with the Secretariat's preparation of the basic documents for discussion. Soviet and Eastern Bloc personnel are in a position to shape these documents to favor their governments' positions. Soviet employees directly influenced key conference documents for the UN Special Sessions on Disarmament in New York and the UN Conference on Trade and Development (UNCTAD) in Belgrade in 1983. The UNCTAD document was such an egregious distortion of Soviet-versus-Western aid efforts that it drew a sharp US protest.

News Service.—The Soviets have tried to gain control of the Political Information and News Services (PINS) established by the United Nations to provide Secretariat staff and member states with synopses of media reports. Supervision of PINS was assigned to the office of UN Secretariat Under Secretary General Viacheslav Ustinov, who delegated the editorial responsibilities to his special assistant, Viktor Andreyev.

Control of PINS gives the Soviets an opportunity to select and edit press items. Review of PINS products indicates an anti-US bias and an absence of unfavorable coverage of the Soviet Union. For example, during the US election in the fall of 1984, PINS used selective coverage from US newspapers to support the Soviet position that President Reagan's arms control proposals were motivated by campaign politics.

History of Soviet presence in the UN Secretariat

Soviet activities since the founding of the United Nations in 1945 indicate that USSR participation has evolved through three phases:

From 1945 to 1954. Moscow sent few of its people to serve in the Secretariat, and those sent tended to be senior officials responsible for monitoring UN activities.

From 1954 to 1970. The Soviets established themselves in key Secretariat positions and developed tactics to shape Secretariat activities to meet their needs.

From 1970 to the present. Moscow refined its system of personnel placement and control so that Soviets in the Secretariat function reasonably well as adjuncts of the Soviet Foreign Ministry and intelligence services.

Before 1954 the Soviet Government considered the United Nations a pro-US organization and was unwilling to commit resources to it. The government also feared that giving Soviet citizens the status of international civil servants would lead to defections. Consequently, only a few well-screened Soviet officials were employed in the UN Secretariat, and only a handful of KGB officers were under UN cover.

In 1955 Nikita Khrushchev recognized that the trend toward decolonization would mean the admission of a large number of newly independent states to the United Nations, which would transform the character of the organization. The Soviet Foreign Ministry responded with new interest to the United Nations by enlarging its Department of International Organizations and creating new sectors to deal with disarmament and international economic organizations. A Khrushchev demand for a more equal representation in the Secretariat caused a push for UN positions, which initially were staffed by poorly qualified individuals.

As the Soviets gained more UN posts, the pool of qualified people with UN experience increased. More acceptable candidates were provided for vacancies, and the KGB became increasingly subtle in seeking advantageous positions for its officers. The 800 Soviets currently employed in the United Nations reflect this focus on increasing the quality and influence of Soviet placements.

Influence on Other Delegations.—Secretariat staff officials are often asked for advice and assistance, particularly by Third World delegations. Such exchanges allow the Sovi-

[3] See appendix B for details on Soviet interest in UN components.

ets in the Secretariat to influence the presentation of positions of friendly Third World delegations. Soviets in the Secretariat also use third-country nationals to sound out Third World or Western countries on proposals the USSR wants to introduce. By taking these soundings through third-country nationals and then having a client sponsor the initiative, the Soviets avoid some of the disadvantages of Soviet sponsorship.

Support for Meetings.—Soviet and Eastern Bloc personnel also use their positions to assist their delegations attending UN meetings. These efforts provide small but significant advantages. For example, the Soviet-dominated Office of Conference Services gives Soviet diplomats the advance copy of speeches that are prepared for the interpreters. The Soviets also receive advance copies of documents prepared for the official record of UN meetings, which facilitates their preparations.

Soviet Secretariat staff members do not hesitate to manipulate UN procedures to favor the Soviets and their allies. During the 1968 UN General Assembly (UNGA) debate on China's representation in the United Nations, Viktor Lesiovskiy, who was serving as a special assistant to Secretary General U Thant, drew a formal protest from the US Mission when he put the United States in a disadvantageous position on the speakers list.

Decorum does not preclude Soviet UN officials from providing advice to Soviet delegates during UN proceedings. At the January 1962 debate on the Congo issue, the Soviet Under Secretary General passed five penciled notes to Soviet representative Valerian Zorin, drawing complaints from non-Communist delegates that the action was highly improper.

Soviets in the Secretariat provide internal UN budget information directly to the Soviet representative on the UNGA's Fifth Committee, which is responsible for the budget. In technical conferences, Soviet Secretariat officials have been assigned directly to the Soviet delegation.

Obtaining UN Resources. Soviets in the UN Secretariat are instructed to get back as much as possible of the USSR's contribution to the United Nations. Some of the activities include getting the United Nations to sponsor conferences in the USSR and to publish Russian UN documents. In the UN Educational, Scientific, and Cultural Organization (UNESCO), Soviets are diverting programs to the USSR intended for underdeveloped countries.

Soviet tactics for securing UN jobs

The Soviet Government accomplishes its personnel objectives in the United Nations through a combination of long-range planning and dogged persistence. The Soviets usually begin their efforts to secure slots through the formal UN personnel systems, but they also use a variety of other tactics to gain their ends. One ploy is to remain geographically underrepresented in the Secretariat to improve their chances of securing desired posts. If the Soviets are particularly interested in a specific position, they will present a well-credentialed, outstanding candidate for the post. This method was used in securing the directorship of the Dag Hammerskjold Library at UN headquarters in New York. When a qualified person is not available, a resume is falsified. Political pressure also is used to gain personnel concessions. For example, the USSR has blocked the transition of the UN Industrial Development Organization into a specialized agency to make sure a deputy director general position is reserved for the Eastern Bloc countries.

That Soviets also achieve their objectives by ignoring or manipulating the UN vacancy notice system. As Director of Personnel in Geneva, Gely Dneprovsky used his authority to hire locally on temporary contract without approval from New York. He moved Soviets or their allies into key positions as temporary appointees so that they could subsequently apply as internal candidates. The Soviets have also used friendly third-country nationals to protect their slots. For example, when a KGB agent who was filling a senior political officer slot returned to the USSR on leave for a year, a Spanish national working under Soviet supervision as a manual laborer was shifted to fill the slot ad interim. The Soviets have also been known to exclude highly qualified third-country candidates from consideration to make their own nationals look better and have intervened at the highest levels to protect incompetent Soviet officials.

Propaganda placement

The Soviets use the United Nations to support Soviet propaganda activities worldwide. Secretariat officials receive instructions directly from Moscow on placing materials or staging propaganda events for coverage in the Soviet media. Communist Party groups in the secretariats of international organizations concentrate on the use of UN posts for Soviet propaganda.

Soviets in the Secretariat are instructed to arrange for the UN Secretary General to make favorable reference to the statements of Soviet leaders or announcements of the Central Committee. The Soviets circulate these statements and a wide variety of decisions and announcements of the Soviet Government as UN documents, which are then reported in Soviet media as having been acknowledged by the United Nations. As a matter of practice, the United Nations allows documents of any delegation to be entered in the record and circulated as official UN documents. The fact that the documents have been circulated in the United Nations is used by the Soviet press and other media in a way that gives the Soviet propaganda placement more credibility.

The Soviet delegation exploits UNESCO for propagandizing Soviet achievement in agriculture, science, culture, and education and the advantages of the Soviet way of life. The Soviets use the organization's programs, international forums, information and publication activities, and its audiovisual services.

The party committees in the Soviet communities in New York, Geneva, Paris, and Vienna are actively involved in Soviet propaganda activities. The party structure is made up of the Soviets in the embassy, consulate, the trade mission, and groups from the secretariats of each international organization. Each group has a propaganda committee that meets to discuss practical steps for attaining Soviet propaganda objectives. One or more representatives of each committee attends the main propaganda committee meeting once a month. The main committee meeting is chaired by the Ambassador, who is assisted by the Party Secretary, whose instructions come from the Central Committee.

The Ambassador holds periodic meetings to review the progress of the propaganda program and to discuss plans for increasing the effort. Occasionally, an official of the Cadres Abroad Department of the Central Committee visits the UN representing himself as a member of a delegation to an international organization or conference, but actually his mission is to discuss propaganda activities conducted within the secretariats of international organizations.

Support of Soviet interests outside the United Nations

Soviet Secretariat employees use their positions to influence not only the diplomatic activity within the United Nations but also the groups and individuals within member states. To accomplish this objective, they are focusing particularly on nongovernmental organizations (NGOs) associated with the United Nations and Soviet front groups.

NGOs.—Groups such as the World Peace Council participate in a wide variety of UN activities to bring nonofficial views and information to member states. NGO representatives may attend conferences as observers; submit papers, which become part of the official record; and at times speak at meetings. The NGOs are targets because of their potential to influence UN debate and because of their interaction in the political processes of their countries.

International Year of Peace

Preparations under way for the 1986 International Year of Peace (IYP) are an example of the ability of the Soviets in the Secretariat to influence organizations outside the UN system. The UNGA proclaimed 1986 as International Year of Peace and invited member states to participate in its observance. Soviet Under Secretary General Ustinov was assigned responsibility for the project. His UN staff is soliciting funds for the project and organizing regional meetings of nongovernmental organizations. In this way, individuals and groups will participate in a UN project without suspecting that the effort is managed by a Soviet.

The Soviets have key personnel in offices responsible for UN Secretariat relations with nongovernmental organizations. In New York, Anatoly Mkrtchyan heads the External Relations Division of the Department of Public Information. At UNESCO, Assistant Director General Sema Tanguiane personally approves the list of invitees to UNESCO nongovernmental meetings. In Geneva, Political Officer Vladimir Soloviev is in charge of seminars and relations with NGOs in the Information Service.

Front Groups.—The KGB and the Central Committee actively promote the connection between UN and Soviet front organizations such as the World Peace Council (WPC). Soviet Secretariat employees also attempt to get high-level UN representation at meetings and conferences sponsored by front organizations. When WPC President Romesh Chandra visits the United Nations, Soviet personnel in the Secretariat are instructed from Moscow to coordinate the visit and arrange meetings with the UN Secretary General and the presidents of the Security Council and the General Assembly.

The Soviets use the UN imprimatur and funds to lend credibility and prestige to Soviet front organizations involved in Moscow's peace offensive in the Third World and Western Europe. The front organizations participate in the meetings of major UN committees, subordinate organizations, regional commissions, and specialized agencies. They are in contact with the Secretary General and departments of the Secretariat.

Intelligence operations

Approximately one-fourth of the Soviets in the UN Secretariat are intelligence officers. Moreover, many other Soviets are coopted by the KGB and GRU. All Soviets in

the UN system must respond to KGB requests for assistance.

In the early years of Soviet participation in the United Nations, Moscow placed a few intelligence officers in New York, but they were not very successful in collecting information. The KGB and GRU initially used UN positions only as a cover for intelligence activities. Over time, Soviet intelligence services have become experienced in the use of the UN system and its personnel and program resources to support their efforts. They now use their UN assignments and the organization itself to collect information on UN activities; to spot, assess, and recruit agents; to support worldwide intelligence operations; and to collect scientific and technical information of value to the Soviet Union.

No kid stuff

The Youth Forum, sponsored by the National Swiss Commission for UNESCO, is a tradition. Since 1953, 500 schoolchildren from the four corners of Switzerland and bordering French regions have assembled in Geneva once a year to "play" United Nations. As in the General Assembly, the young people are grouped by the countries represented in the United Nations and debate a specific topic for three days.

For 25 years, the Forum was held in the Palace of Nations, an official UN building, which gave the event an added sense of authenticity. But since 1978, following an interesting and revealing incident, the forum has been held at the International Conference Center, which belongs to the city of Geneva.

The topic of the Forum that year was "The Charter of the United Nations and the Human Rights Declaration." On the afternoon of the first day, a young boy "representing" the United Arab Emirates motioned for the elimination of the two seats occupied by the Ukrainian and Byelorussian Soviet Socialist Republics, which are an integral part of the USSR. He considered it unfair that the Soviets had three votes in the General Assembly—which has been the case since the United Nations was established in 1945—when they are the greatest violators of human and civil rights. The motion was adopted.

This nonconsequential play acting sparked a high-level Soviet response. A Soviet official of the UN press service happened to see the proceedings and reported them to the Soviet Ambassador. The next morning, Ambassador Zoya Mironova woke the director of the Palace of Nations and demanded that he terminate the Forum. The director, Luigi Cottafavi, explained that the assembly entailed no commitment for the United Nations, but, when the young people arrived at the Palace about 9 a.m., they found the doors locked. The decision has been made by the official in charge of conference services, Vladimir Lobachev, a Soviet, without consulting the director of the Palace. The young people had lost. They left the Palace and never returned to disturb the peace and quiet of the diplomats.

Cover.—UN staff assignments are used as cover for operations directed at the host country and third countries. UN Secretariat status provides intelligence officers with the opportunity to travel unencumbered by restrictions imposed on Soviet diplomats. Furthermore, UN identification does not disclose nationality, which allows Soviet UN employees to attend professional, academic, or political meetings and to develop contacts without revealing their nationality.

One example of Soviet use of UN cover involves Anatoliy Andreyev, an intelligence officer who worked as a UN librarian. In 1973 Andreyev met a civilian employee of the US military at a librarians conference on Long Island. After a year of exchanging unclassified documents, Andreyev offered to help the military employee financially in exchange for specific classified documents. Andreyev left the United States after a quiet protest from the UN mission.

Another GRU officer, Kirill Chekotillo, worked in the UN Office of Political and Security Council Affairs for the Soviet Under Secretary General. During that time, Chekotillo also traveled around the United States visiting various research institutes. Using the coverage of a German working for the United Nations on Law of the Sea negotiations, he was able to gather information on the status of US oceanographic research. When the United States pointed out these clandestine activities to the Secretary General, Chekotillo resigned and returned to Moscow.

Recruitment.—The prestige and importance of a UN post for European and Third World diplomats provide an excellent opportunity for the Soviets to meet and develop long-term intelligence sources and agents of influence. In New York, Geneva, and Vienna extended contact with Africans and Asians does not arouse the suspicion it would in the diplomats' home capitals, where Soviet officers may be under heavy surveillance.

The United Nations is fertile ground for Soviet recruitment efforts. Soviets working in the UN personnel system use their access to personnel records for spotting and assessing possible recruits. UNESCO, the International Atomic Energy Agency (IAEA), UNCTAD, and other UN agencies sponsor seminars and conferences in the Soviet Union, and the Soviets in the secretariats control or monitor the invitations to these events. In the Soviet Union, the attendees are targets for Soviet intelligence officers.

Soviets in the UN personnel system also help their agents get UN jobs. These posts may be used to enhance the political or diplomatic career prospects of an agent of influence or UN employee as an enticement or reward for service. The Soviets can be as effective in a negative way; they prevent promotions and make working conditions unpleasant for uncooperative UN employees.

Third-Country Operations.—Soviet intelligence officers use the headquarters of UN international organizations to support their third-country operations. Meetings are planned for New York, Geneva, Vienna, or Paris, although the agent's travel and business have nothing to do with the United Nations. UN conferences held in these cosmopolitan cities allow Soviets extended contact with agents with whom it would be difficult to meet in their home countries. A recent case involved Arne Treholt, a prominent member of Norway's UN delegation from 1980 to 1982. The Norwegian State's attorney accused Treholt of obtaining NATO classified information and passing it to the Soviets. He met his KGB case officer at the UN Library in New York.

Scientific and Technical Collection.—The USSR also takes advantage of its positions in international organizations to acquire scientific and technical information and equipment. A large portion of the individuals who come to the UN Secretariat from the State Committee for Science and Technology and related academic institutions are KGB or GRU personnel, or have been co-opted by the intelligence services. Soviet tactics vary from simply taking hardware and shipping it to Moscow to arranging for international organizations to conduct or support research that fills gaps in Soviet technological knowledge.

The Soviets use the UN copying facilities and have shipped boxes of technical literature back to the USSR at no cost to the Soviet Government. As the Soviets have assumed more responsible positions as directors of research programs, they have been able to establish data bases of specific interest to the Soviet Union, again at UN expense.

The Soviets began using the UN in their scientific and technical collection effort at the International Atomic Energy Agency in the late 1950s. Positions acquired in IAEA libraries and research offices gave them legitimate access to Western equipment and publications, computer systems, software, and data bases.

Chernenko the UN delegate

In 1974 Konstantin Chernenko, then Chief of the CPSU Central Committee's General Department, visited the United States as a member of the Soviet delegation to the UN Special Session on Raw Materials. He was interested in how the UN Secretariat worked and what kind of technical services were provided. He also was interested in familiarizing himself with US automated data-processing systems.

Chernenko's trip to Washington included a tour of the US Government computer center. In the briefing, he was introduced to The New York Times Data Bank system. The system was queried for information on Chernenko, and to his surprise and amusement two separate press items came up. The news items were printed and given to the visitor. The next week the wife of the KGB Resident assigned to the New York Soviet Mission to the United Nations began using the UN computerized Data Bank Service to tap into The New York Times Data Bank.

APPENDIX A

Soviet organization in the United Nations

Soviet ability to use the UN Secretariat as an instrument of its foreign policy depends on a large organizational structure capable of managing the 800 Soviet and the Eastern Bloc citizens working in the United Nations and its specialized agencies. The process begins with the selection of personnel. The Foreign Ministry, the KGB, other ministries, and the party Central Committee apparatus all are involved in the process. The Soviet missions to the various UN organizations are the focal points for managing and evaluating the Soviet employes in the UN system. Finally, the specific plans and instructions for actions in the United Nations are formulated and approved in Moscow by the Foreign Ministry, the KGB, and the Central Committee.

The personnel selection process

Soviets do not apply directly to the United Nations for employment. They are nominated by Moscow and "seconded" or loaned to the United Nations as Soviet Government employees. The Office of Personnel Administration in the Foreign Ministry has an International Organization Section that acts as the clearinghouse for appointments to the UN Secretariat. The UN Information Office in Moscow does the paperwork for the application. Although the office is a formal part of the UN Secretariat, it is staffed and controlled by the KGB.

The Office of Personnel Administration of the Foreign Ministry manages a pool of ministry professional and clerical employees whose specialty is international organizations, and receives nominations for other ministries and institutions in the Soviet Union. This office maintains contact with the UN Office of Personnel and the permanent missions of the USSR to the various UN institutions. The Foreign Ministry notifies the other ministries of anticipated UN openings and prepares the formal nominations for the Central Committee. Over the years a quota system has emerged, and various ministries have come to regard particular jobs in the United Nations as their property.

The Foreign Ministry provides the largest number of employees for UN assignments. Foreign Ministry candidates for UN posts are drawn from three main sources: the substantive offices that deal with the United Nations, foreign service officers on rotational tours, and schools sponsored by the Foreign Ministry, such as the Institute of International Relations.

The KGB and GRU provide the second group of candidates. The Office of Personnel Administration is in constant touch with the KGB. The paperwork is done by the Foreign Ministry. The forms, which are submitted to the Cadres Abroad Department of the Central Committee, provide the fictitious backgrounds developed by the KGB for its personnel.

Other ministries, state committees, and academic institutions also provide candidates to the UN system according to their functions. For example, the State Committee for Science and Technology contributes scientists to carry out its role in acquiring Western technology, and the Health Ministry provides doctors to the World Health Organization.

The Communist Party Central Committee apparatus from time to time provides personnel for particular UN jobs. The key offices are the International Department, headed by Boris Ponomarev, and the International Information Department, headed by Leonid Zamyatin. Stanislav Menshikov of the International Department served in the Economic and Social Department of the UN Secretariat in New York in the 1970s.

In addition to the formal procedures for personnel selection, an extensive network of personal contacts influences the process. The Permanent Representatives in New York, Geneva, and Vienna have considerable influence in nominating proteges for key posts. Prominent party and Foreign Ministry officials find jobs in the United Nations for their relatives and friends. In 1983 three children of high-level Foreign Ministry officials worked in the UN Secretariat in New York.

Bureaucratic contests also become a factor in the process if a UN job attracts the attention of more than one ministry. When KGB officer Viktor Lesiovskiy was invited by Secretary General U Thant to be his assistant, the KGB was given the right to nominate his successor over the objections of the Foreign Ministry. Disputes of this sort are resolved at the highest level of the respective ministries. Sometimes the Politburo has been required to resolve conflicts between the KGB and the Foreign Ministry.

The Central Committee approves all candidates for UN jobs. Once the nominations are made and the KGB has done a background investigation, the credentials are submitted by the Foreign Ministry to the Central Committee's Cadres Abroad Department for further screening. The nomination for UN Under Secretary General, the senior Soviet position in the United Nations, is submitted to the Politburo.

Role of the mission

When a Soviet citizen reports for work at a UN office in New York, Geneva, Vienna, or elsewhere, he has already checked in with his boss in the Soviet mission to the UN organization. The Soviet mission instructs him, supervises his work, evaluates his performance, monitors his loyalty, and reports his activities to Moscow. The Soviet mission is the link between the Soviet citizen and the Communist Party and Soviet Government.

The USSR ambassador to a UN organization is the formal head of the Soviet organization and is responsible for the overall operations of the mission. He reports through diplomatic channels to the Foreign Ministry. The regular diplomatic work of the mission is organized by divisions and sectors that parallel the UN committees and Secretariat offices. The key managers for diplomatic activity are called issue referents. They usually are foreign service officers and handle all the mission activity related to substantive issues, such as disarmament, or to functional specialties, such as personnel. KGB and GRU officers from the mission and Secretariat are also assigned to these sectors for cover purposes and are theoretically required to spend one-third of their time on diplomatic work.

The Communist Party organization constitutes the second major control mechanism. Each Soviet in the UN Secretariat belongs to a party group. The party secretary ensures that all decisions of the Central Committee are brought to the attention of the Soviet community abroad. He also is responsible for assuring that the Soviets in the UN Secretariat use their UN jobs to promote current propaganda and front activities directed by the Central Committee.

The third mechanism for controlling Soviets in the Secretariat is the mission Security Officer, who is a member of the KGB. His job is basically counterintelligence. Assisted by other KGB officers and informants in the various offices, he monitors the activities of all Soviets in the mission and the Secretariat.

The fourth set of links to Soviets in the Secretariat involves the individual's home organization, ministry, state committee, or component. The lines of communication of ministeries, which only occasionally send people to international organizations, are generally weak and informal, but control mechanisms can be extremely strong, as in the case of the KGB.

The KGB has a separate chain of command and communications outside the mission referent system that links directly to Moscow. The standard Soviet practice is to place a KGB officer as the second senior Soviet official in a Secretariat office. He is then in a position to free other KGB and GRU officers under his supervision in the United Nations for their intelligence activities. Individuals are managed by the Resident through the KGB structure. Other Soviets, including their Soviet non-KGB supervisors, have little knowledge of the activities of these officials and exert no authority over them.

KGB use of Soviet Secretariat employees is managed directly by the KGB officers in the Secretariat or from the mission. In the majority of cases, the KGB simply asks the Soviet for information concerning specific intelligence requirements on the political or economic conditions in countries of UN diplomats or third-country Secretariat employees. Sometimes the Soviet is required to initiate contact and report the information. The KGB also directs Soviet Secretariat officials to obtain employment in the United Nations for individuals recruited by the KGB.

Soviets in the Secretariat also use the Secretariat employees from Eastern Bloc countries and client states. Eastern Bloc employees routinely check with Soviet supervisors when they are unsure of the Soviet line and need guidance on how to handle their UN work. When an Eastern Bloc employee is favorably placed to accomplish a Soviet objective, he is given direct instruction from Soviet supervisors in the Secretariat.

Reporting and work for the mission

The divisions and sectors within the mission parcel out their work to the Soviets in the Secretariat. Using Secretariat research and library facilities, the Secretariat employees draft contributions to mission cables. Soviets in supervisory positions in the United Nations use their non-Soviet employees to support their mission-related projects.

The Soviet Secretariat employees form an integral part of Soviet mission operations. On each issue or project, the potential Secretariat contribution is considered at the outset. Soviets in the Secretariat sometimes take the initiative in suggesting strategy and tactics for the use of Secretariat resources and the UN mantle of legitimacy in support of Soviet objectives.

Each Soviet in the Secretariat has reporting requirements beyond the scope of his response to specific KGB requests or his regular input through the mission sector. The Soviets in the United Nations must report every contact with foreigners including work-related meetings and social occasions. To avoid being seen and having to complete a report, the Soviets make a point of not meeting Western friends in the restaurants or coffee shops in UN buildings.

Evaluation

The Soviets in the UN Secretariat are within the personnel evaluation system of the Soviet Government. The mission and local party committee provide the standard personnel evaluation reports on Soviet Secretariat personnel. The KGB and GRU prepare a separate evaluation report to which the Soviet supervisors in the United Nations or the mission make pro forma contributions. The mission's evaluation includes several parts, including a description of the job and an evaluation of performance. The substantive part is provided by the sector or division chief in the mission. The party secretary and KGB security officer in the mission also add comments, and the Soviet supervisors in the Secretariat report on the employee's work in the United Nations.

In addition, each Soviet employee is required to complete an annual report of his activities within the Secretariat. The report contains an estimate of the value of the particular UN slot to the Soviet operation and of the strengths and weaknesses of the organizational setup and provides suggestions for improvements. The senior Soviets report on the overall operations of their offices, or, in the case of the Under Secretary General, on the whole Soviet operation in the UN Secretariat. The analysis of these reports by the Personnel and Finance Sector in the Department of International Organizations in the Foreign Ministry provides the basis for

the long-range plans for allocation of Soviet personnel in the UN Secretariat.

Instructions from Moscow

Soviet Secretariat employees regularly visit the mission to get instruction from their supervisors. As a general rule, the Foreign Ministry instructions to the Soviet mission are sufficient to guide the conduct of Secretariat employees. The Foreign Ministry usually assumes that these instructions will also initiate specific action by Soviets in the Secretariat. Foreign Ministry personnel in the Secretariat occasionally receive specific instructions requiring them to contact particular foreign diplomats with whom they have close relationships to gather information or lobby on a specific issue. The Foreign Ministry and KGB communication systems are used by the International Department of the Central Committee, headed by Boris Ponomarev, to send instructions by special cable to Soviets in the Secretariat concerning UN support for Soviet-controlled front organizations.

Leonid Zamyatin of the Central Committee's International Information Department is concerned with propaganda, and the Cadres Abroad Department manages the party mechanism within the Soviet delegations abroad. Both of these Central Committee offices use the Foreign Ministry and KGB communications systems and sometimes send cables to the exclusive attention of particular Soviets in the UN Secretariat.

The KGB and GRU maintain a communications system separate from Foreign Ministry channels. KGB headquarters instructs the Resident, who deals directly with KGB officers in the UN Secretariat.

APPENDIX B

Soviet interest in UN components

Over the past 20 years, the Soviets have developed a strategic approach to the placement of their personnel within the UN system. Analysis of the functions of UN offices and evidence of Soviet interests by the placement of personnel reveal the following motives and interest in particular UN offices.

The UN Secretariat in New York

The Executive Office of the Secretary General provides staff support to the Secretary General, manages his personal activities, and has direct access to any office in the UN system in the Secretary General's name. This has been a KGB slot since Viktor Lesiovskiy became an assistant to U Thant. Today, Guennadi Yevstaf'iev monitors these activities and has access to all personnel records and applications for UN employment.

The Department of Political and Security Council Affairs is responsible for assisting the Secretary General in his relations with the Security Council and has a broad mandate to deal with political issues. According to Trgyve Lie, in 1946 the Big Five powers agreed that the top post would be held by a Soviet national. The Under Secretary General in charge of that department has always been a Soviet. Under Secretary General Ustinov first served in the United Nations in the late 1950s. The department has 15 Soviets and has been the primary focus of political influence and intelligence operations in the Secretariat in New York.

The Department of Conferences Services contains the largest contingent of Soviets in New York. A high proportion of KGB and GRU officers serve in this department. The Soviet translators are together in one Russian-language section, where the Soviet supervisors can free the KGB officers to do their "other work," as it is called in the United Nations. The Soviets are also interested in the Dag Hammerskjold Library because it provides an opportunity to acquire US technical publications and lets KGB and GRU officers travel throughout the United States to meet people with access to vast collections of technical literature.

The KGB is vitally interested in the Office of Personnel for access to personnel files and applications for UN employment. This gives the Soviets considerable leverage over applicants and provides information on possible character weaknesses and financial difficulties of current employees. The office also maintains information on personnel disputes within the Secretariat and deals with digruntled employees.

The Financial Services Office helps the extremely cost-conscious Soviets to keep UN expenses and contributions under control. The Ministry of Finance puts experts on budget planning and accounting in this office to aid Soviet delegates on the UN budget committee. The KGB is interested in monitoring how the Soviets in the Secretariat spend their money to assure that the USSR gets every penny of hard currency kickback from its UN employees.

Soviet participation in the Department of Legal Affairs is designed to control from within the Secretariat attempts to expand the UN mandate. A Soviet has held the Directorship of the Codification Division since 1965; particular interests are the Law of the Sea negotiations and the review of the Antarctic Treaty. A defector reports that the office also deals with legal questions pertaining to employment regulations and procedures for promotions and has information on private monetary, marital, and employment difficulties of UN employees, which are of interest to the KGB.

The Department of Public Information is a focal point for propaganda and intelligence efforts. Anatoly Mkrtchyan is Director of External Relations Division and handles relations with nongovermental organizations and the program that brings graduate students from all over the world for a UN work-study program. These activities are important to the KGB and the Central Committee for recruitment and for supporting their front organizations. The department as a whole has relatively few Soviets at present but it is a high priority for future Soviet placements because it manages the UN information offices worldwide, maintains contacts with journalists and the media, and publishes much of the UN promotional literature.

Geneva, Vienna, Paris, and Nairobi

Soviet activities in the New York component are only part of the overall effort in the United Nations and its specialized agencies. Since the 1920s the Soviets have been active in technical and scientific organizations. In 1956, when they joined the International Atomic Energy Agency, the Soviets began their concerted effort to provide staff to international organizations with access to Western technology.

Geneva.—The Geneva office of the United Nations is the center for research and discussion of North-South issues and is the site of more than a dozen specialized UN agencies and affiliated bodies in which the Soviets disseminate propaganda and collect technical information.

A Soviet national, Gely Dneprovsky, was particularly successful in placing personnel in the UN Geneva office. In spite of press publicity regarding his alleged KGB connections, Dneprovsky was appointed chief of personnel in 1978. By the end of his tenure in 1983, he had worked effectively behind the scenes to oust Westerners and to put UN personnel functions in Geneva in the hands of the Soviets and their allies. Disregarding UN personnel rules, he gave the largest division—Conference Services—to a Soviet.

Soviet staff members try to discredit Western aid programs, promote Soviet ideological doctrine on economic issues, and present the Soviet domestic economy in a favorable light, while protecting the USSR from Third World criticism and demands for aid. This has been accomplished through prepublication censorship of offical UN documents, alteration of statistics, and pressure on Western or Third World UN employees to follow the Soviet line. The Soviets also take advantage of the vast array of technical information in the technical libraries of the United Nations and its specialized agencies. Soviet employees routinely photocopy documents on behalf of the Soviet Mission.

Vienna.—The Soviet union and the Western nations have shared a mutual interest in nonproliferation issues. International Atomic Energy Agency participation gives the Soviets a chance to monitor some aspects of nuclear programs in the West and developing countries as well as to try to acquire Western technology. The Soviets have high-level posts staffed by people technically and politically qualified to exploit the information available in the institution.

The Soviets use the UN Industrial Development Organization (UNIDO) not only to acquire technology through participation in the work of the organization but also to try to circumvent US and COCOM controls on technology transfer to the Soviet Union. The Soviets attempt to get UNIDO to sponsor development projects in client states that use advanced computers and industrial processes. The purchase of the equipment through UNIDO and shipment to Eastern Europe allow the Soviets to obtain US technology and get the United Nations to pay for it.

Paris.—Moscow has effectively and consistently exploited UNESCO programs in education, science, and communications. UNESCO is tailor-made for Soviet initiatives designed to influence media content, particularly in the Third World, to establish contact with influential persons in UNESCO-interested fields, and to gain specific technical information. The Soviets have developed contacts with Secretariat officials responsible for publication and broadcasting and have targeted UNESCO information services as a vehicle for disseminating Soviet propaganda.

The senior Soviet in the Secretariat, Assistant Director General Sema Tanguiane, is a tough bureaucrat in his third tour in UNESCO. Tanguiane has great influence over the employment process in the Education Sector and approves lists of individuals invited by UNESCO to represent nongovernmental organizations at all UNESCO meetings.

Nairobi.—The UN office provides staff for the UN Environment Program and the UN Center for Human Settlements. The Soviets have the largest delegations to the UN institutions, and their presence contains a high proportion of KGB officers. The Soviets take frequent trips to other African countries.

The senior Soviet in the UN Center for Human Settlements, Sergei Stepanov, sees his real job as initiating and developing UN

projects for "like-minded socialist countries."

By Mr. DODD (for himself, Mr. D'AMATO, and Mr. RIEGLE);

S. 1775. A bill to authorize a multifamily housing preservation loan program; to the Committee on Banking, Housing, and Urban Affairs.

MULTIFAMILY HOUSING PRESERVATION LOAN ACT

● Mr. DODD. Mr. President, I am introducing today along with my distinguished colleagues, the Senator from New York [Mr. D'AMATO] and the Senator from Michigan [Mr. RIEGLE] legislation to authorize capital improvement loans for the preservation of subsidized multifamily housing. Identical legislation has been introduced in the House of Representatives by Congressman BARNEY FRANK of Massachusetts. This bill will provide reduced interest loans to owners of certain subsidized housing projects in return for a commitment to extend the low- and moderate-income character of this housing.

We are all well aware of the dwindling resources available for housing programs. With the reduced HUD budget in recent years, there has been a commensurate decline in new subsidized units. The future for new units looks equally disturbing. It is therefore imperative for us to examine ways in which we might preserve the existing stock of subsidized housing. The safe and sanitary conditions of these units must be maintained if they are to serve their purpose as decent living environments for low- and moderate-income families and senior citizens.

The bulk of the units eligible under this proposal were built in the late 1960's or early 1970's. Real estate management experts tell us that after 15 years a building begins to need major capital improvements. Industry data shows that after 15 years, almost every building needs heating/air-conditioning, plumbing/electrical, or roofing capital improvements.

This bill is designed to utilize existing HUD resources to their fullest potential. If we cannot plan major increases in new subsidized housing units, we must seek ways to maximize the lifetime of such existing housing for the intended beneficiaries. Any funds appropriated under this bill will be used for loans, not outright grants. The repayment of these loans will replenish the fund set up by this bill, making it self-sustaining and requiring only monitoring and administration by HUD.

Along with the capital improvement needs, this legislation touches a second, equally important concern. These buildings were originally mortgaged with an agreement from the owners to maintain the low- and moderate-income character of the units for a period of 20 years. As that deadline approaches and owners are in need of funds for capital improvements, we have an excellent opportunity through this bill to provide them with an incentive to retain the low- and moderate-income character of these units. Without such a carrot in the form of a reduced interest rate partial Federal loan, there is a very real possibility that many units will be lost to the subsidized housing inventory. Our efforts to provide decent housing for low- and moderate-income families and senior citizens would then be undone. I do not think I or any of my colleagues wish to face such a prospect.

This bill is a way of staving off a disastrous end to America's subsidized multifamily housing programs. It need not make any increase in our budget. It is a responsible attempt to put HUD's existing subsidized housing programs in better order.

I ask unanimous consent that the text of the Multifamily Housing Preservation Act be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1775

Be it enacted by the Senate and House of Representatives of the United State of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Multifamily Housing Preservation Loan Act".

SEC. 2. PURPOSE.

The purpose of this Act is to provide loans to the owners of certain multifamily housing projects assisted by the Secretary of Housing and Urban Development to permit such owners to make capital improvements required to maintain such projects as decent, safe, and sanitary housing and to maintain the low- and moderate-income character of such projects.

SEC. 3. DEFINITIONS.

For purposes of this Act:

(1) The term "capital improvement" means any major repair or replacement of a capital item in a multifamily housing project, including any such repair or replacement required as a result of deferred or inadequate maintenance. Such term does not include maintenance of any such item.

(2) The term "Fund" means the Multifamily Housing Preservation Fund established in section 7.

(3) The term "lower income families" has the meaning given such term in section 3(b)(2) of the United States Housing Act of 1937.

(4) The term "low- and moderate-income character" means the character of a multifamily housing project with respect to tenant admission and rental charges that have been agreed to by the owner of such project and the Secretary in connection with assistance or insurance provided by the Secretary.

(5) The term "Secretary" means the Secretary of Housing and Urban Development.

SEC. 4. AUTHORITY TO PROVIDE LOANS.

(2) IN GENERAL.—The Secretary may provide and, to the extent approved in appropriation Acts, contract to provide loans to owners of rental or cooperative housing projects meeting the requirements of this Act for purposes of assisting such owners to make capital improvements required to maintain such projects as decent, safe, and sanitary housing and to maintain the low- and moderate-income character of such projects.

(b) APPLICATIONS.—Applications for loans under this Act shall be made in such form, and in accordance with such procedures, as the Secretary may prescribe.

SEC. 5. ELIGIBILITY FOR LOANS.

(a) PROJECT REQUIREMENTS.—The owner of any rental or cooperative housing project shall be eligible for a loan under this Act only if such project—

(1)(A) is assisted under section 236 of the National Housing Act, the proviso of section 221(d)(5) of the National Housing Act, or section 101 of the Housing and Urban Development Act of 1965, without regard to whether such project is insured under the National Housing Act;

(B) is assisted under section 8 of the United States Housing Act of 1937 following conversion to such assistance from assistance under section 236(f)(2) of the National Housing Act or section 101 of the Housing and Urban Development Act of 1965;

(C) is assisted under section 23 of the United States Housing Act of 1937, as in effect before January 1, 1975; or

(D) was a project described in subparagraph (A) before the acquisition of such project by the Secretary, and has been sold by the Secretary subject to an agreement that provides that the low- and moderate-income character of such project will be maintained; and

(2) meets such other requirements consistent with the purposes of this Act as the Secretary may prescribe.

(b) Loan and Borrower Requirements.—No loan may be provided under this Act to the owner of any rental or cooperative housing project unless the Secretary determines that—

(1) such loan, when considered with other resources available to and financially feasible for such project, is necessary for such owner to make capital improvements with respect to capital items that have failed, or are likely to seriously deteriorate or fail in the near future, in such project;

(2) the owner of such project agrees to contribute assistance to such project in such amounts, from such sources, and in such manner as the Secretary determines to be appropriate, except that—

(A) such contribution shall not be less than 20 percent of the total estimated cost of the capital improvements involved, unless the Secretary upon application of the owner, determines that such contribution is financially infeasible and waives or reduces such contribution to the extent necessary;

(B) the Secretary may not require an amount to be contributed, from the reserve funds established by the owner of such project for the purpose of making capital improvements, in excess of 50 percent of the amount of such reserve funds on the date of such loan; and

(C) the Secretary shall waive the requirements of this paragraph if such owner is a private nonprofit corporation or association;

(3) the owner of such project agrees to maintain the low- and moderate-income character of such project for a period of not less than the remaining term of the project mortgage;

(4) the management of such project is conducted by persons who meet levels of competency and experience prescribed by

the Secretary and are approved by the Secretary;

(5) such project is structurally sound, or will be made structurally sound as a result of the capital improvements involved, as determined on the basis of information obtained as a result of an onsite inspection of such project;

(6) such loan, when considered with other resources available to and financially feasible for such project, will maintain the financial soundness of such project;

(7) such project is operated and managed in accordance with a management improvement and operating plan that has been determined to be necessary and approved by the Secretary and that includes the following:

(A) a detailed maintenance schedule;

(B) a schedule for correcting past deficiencies in maintenance, repairs, and replacements;

(C) a plan to upgrade the capital items being improved, and any other capital items determined by the Secretary to be associated with such capital items being improved and to require upgrading, to meet cost-effective energy efficiency standards prescribed by the Secretary;

(D) a plan to improve or maintain financial and management control systems;

(E) a detailed annual operating budget taking into account such standards for operating costs in the area as may be determined by the Secretary to be appropriated; and

(F) such other items as the Secretary may determine to be appropriate;

(8) the reserve funds established by the owner of such project for the purpose of making capital improvements are insufficient to finance both the capital improvements for which such loan is requested and other capital improvements that are reasonably expected to be required in the near future, and such insufficiency is not the result of the failure of such owner to comply with any standard established by the Secretary for management of such reserve funds; and

(9) such loan will be less costly to the Federal Government than other reasonable alternatives available to the Secretary for maintaining the low- and moderate-income character of such project.

(c) PRIORITIES IN PROVIDING LOANS.—In providing, and contracting to provide, loans under this Act, the Secretary shall give priority to—

(1) the extent to which the capital improvements for which such loans are requested are immediately required;

(2) the extent to which the projects for which such loans are requested serve as the residences of lower income families, and the extent to which other suitable housing is unavailable for such families in the areas in which such projects are located;

(3) the extent to which the capital improvements for which such loans are requested involve the life, safety, or health of the residents of the projects or involve major capital improvements in the projects; and

(4) projects that demonstrate the greatest financial distress, while continuing to meet the requirements of subsection (b)(6).

SEC. 6. AMOUNT AND CONDITIONS OF LOANS.

(a) PRINCIPAL AMOUNT OF LOANS.—Subject to section 5(b)(2), the principal amount of any loan provided under this Act to the owner of any project shall not exceed 80 percent of the sum of—

(1) the amount determined by the Secretary to be necessary for such owner to make capital improvements with respect to capital items that have failed, or are likely to seriously deteriorate or fail in the near future, in such project;

(2) the amount determined by the Secretary to be necessary to carry out a plan to upgrade the capital items being improved, and any other capital items determined by the Secretary to be associated with such capital items being improved and to require upgrading, to meet cost-effective energy efficiency standards prescribed by the Secretary; and

(3) the amount determined by the Secretary to be necessary to comply with the requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794).

(b) CONDITIONS OF LOANS.—

(1) The term of any loan provided under this Act shall not exceed the remaining term of the mortgage on the project with respect to which such loan is provided, except that such term may be extended beyond the remaining term of the mortgage under such terms and conditions as the Secretary may prescribe.

(2) Subject to subsection (c), each loan provided under the Act shall bear interest at a rate determined by the Secretary to be appropriate, except that such rate shall not be less than 6 percent or more than the rate determined under section 221(d)(5)(B) of the National Housing Act.

(3) Each loan provided under this Act shall be considered to be a liability of the project involved, and shall not be dischargeable in any bankruptcy proceeding under sections 727, 1141, or 1328(b) of title 11, United States Code.

(4) The Secretary may establish such additional conditions on loans provided under this Act as the Secretary determines to be appropriate.

(5) The Secretary may provide more than one loan to any project under this Act, if each such loan complies with the provisions of this Act.

(c) MINIMIZATION OF RENT INCREASES.—In order to minimize any increases in rental payments that may occur as a result of the debt service and other expenses of a loan provided under this Act, and that would be incurred by residents of the project involved whose rental payments are, or would as a result of such expenses be, in excess of the amount allowable if section 3(a) of the United States Housing Act of 1937 were applicable to such residents, the Secretary may take any or all of the following actions:

(1) Provide assistance with respect to such project under section 8(b)(1) of the United States Housing Act of 1937, to the extent amounts are available for such assistance and without regard to section 16 of such Act.

(2) Reduce the rate of interest charged on such loan to a rate of not less than 1 percent.

(3) Increase the term of such loan to a term that does not exceed the remaining term of the mortgage on such project, except that such term may be extended beyond the remaining term of the mortgage under such terms and conditions as the Secretary may prescribe.

(4) Increase the amount of assistance to be provided by the owner of such project under section 5(b)(2), if applicable, to an amount not to exceed 30 percent of the total estimated cost of the capital improvements involved.

SEC. 7. MULTIFAMILY HOUSING PRESERVATION FUND.

(a) ESTABLISHMENT OF FUND.—For purposes of carrying out the provisions of this Act, there hereby is established in the Treasury of the United States a revolving fund, to be known as the Multifamily Housing Preservation Fund. The Fund shall, to the extent approved in appropriation Acts, be available to the Secretary for purposes of carrying out the provisions of this Act.

(b) ASSETS OF FUND.—The Fund shall consist of (1) any amount appropriated under section 9; (2) any amount repaid on a loan provided under this Act; and (3) any other amount received by the Secretary under this Act.

(c) MANAGEMENT FUND. Any amounts in the fund determined by the Secretary to be in excess of the amounts currently required to carry out the provisions of this Act shall be invested by the Secretary in obligations of, or obligations guaranteed as to both principal and interest by, the United States or any agency of the United States.

SEC. 8. REGULATIONS.

The Secretary shall, not later than the expiration of the 180-day period following the date of enactment of this Act, issue such regulations as may be necessary to carry out the provisions of this Act.

SEC. 9. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to carry out the provisions of this Act such sums as may be necessary for fiscal years 1986 and 1987. Any amount appropriated under this section shall be deposited in the Fund and shall remain available until expended.●

● Mr. D'AMATO. Mr. President, I rise today to join my distinguished colleague from Connecticut, Senator DODD, in introducing the Multifamily Housing Preservation Loan Act. This bill authorizes the Multifamily Housing Preservation Loan Program so that the U.S. Department of Housing and Urban Development [HUD] can provide direct loans to owners of certain HUD-assisted multifamily housing projects to permit them to make badly needed capital improvements.

Target projects include those built under several HUD programs, mostly in the late 1960's and early 1970's. Nationwide, there are approximately 700,000 eligible subsidized units. Owners of these projects often do not have sufficient disposable income to qualify for commercial loans, nor are other forms of financing available from HUD. Most of this stock is approaching the age at which capital improvements are now, or will shortly be, necessary. HUD's industry survey estimates a capital repair need between $800 and $3,000 per unit, but replacement reserves for these projects are inadequate, only 14 percent of the necessary amount remains in the average project.

Most of these projects have regulatory agreements providing, in essence, that the lower income use of the housing can be changed at any time after its 20th anniversary by prepaying the HUD-subsidized mortgage. This bill will offer project owners the opportu-

nity to maintain the project's physical integrity via a below-market-rate loan in exchange for an agreement to extend the lower income use of the property through the full life of the underlying mortgage. Thus this bill is an effective method to address the twin preservation concerns of both physical condition and tenant characteristics of these projects.

The program provides that the loans shall bear interest at a rate of at least 6 percent. Loan repayments would be directed to a revolving fund, hopefully providing self-sufficiency for the program in years ahead.

The term "capital improvements," as provided in the bill, is designed to make sense in the business community. For example, those items of repair/replacement which would normally and properly be charged as a capital item are included.

The loan/borrower eligibility includes several points I would like to emphasize. First, the loan must be necessary; in times of fiscal restraint, the Secretary must be careful to determine that items have failed, will fail, or will seriously deteriorate in the near future. Therefore, common sense business-like decisions should prevail and priorities are provided to the Secretary.

Second, except for nonprofit owners, the owner's contribution is expected to be not less than 20 percent of the cost of capital improvements. In the event that the Secretary makes certain determinations about financial feasibility with respect to that contribution, the Secretary may waive or reduce this requirement. I expect that this waiver will not be a common occurrence, but I believe that some limited flexibility is needed to deal with changing environments or unusual situations. The contribution requirement is waived for nonprofit owners, although such owners are by no means precluded from making contributions.

This bill provides priority to projects having the greatest financial distress, while continuing to meet the bill's other requirements of being financially sound.

The Secretary is directed to add the cost of three necessary items in computing overall amounts of loans: Capital improvements, improvements necessary to meet cost-effective energy standards, and improvements necessary to comply with section 504 of the Rehabilitation Act of 1973.

Mr. President, I am sensitive to concerns about minimizing the rental impact on tenants of loan carrying charges so as not to cause displacement of existing residents. Therefore, the Secretary has several mechanisms to deal with this matter. These include the ability to reduce the rate of interest and to increase the term of a loan. If necessary, I would expect the Secretary to defer payment of interest and principal for up to 10 years.

This legislation is needed because bank loans for these projects are rarely available and project replacement services are inadequate. In short, there is no assistance to fund major preventive repair measures.

Of the 700,000 units nationwide, approximately 100,000 are in the State of New York. These units simply do not have adequate reserves or other sources of funds to make immediate repair or replacement of major systems. In light of funding restraints for new housing stock, it is vital to have this necessary assistance if we are to continue to preserve critical housing stock.

Mr. President, I would like to reiterate that this is not a grant program, but a loan program. Funds under this program will be used only for loans. Therefore, the payback of this program may make it self-sustaining. I trust that my colleagues will join us and support this very important and highly needed program that will allow us to preserve our existing investment in subsidized housing.●

ADDITIONAL COSPONSORS

S. 402

At the request of Mr. PRESSLER, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of S. 402, a bill to amend the Communications Act of 1934 to provide for specialized equipment for telephone service to certain disabled persons.

S. 452

At the request of Mr. BRADLEY, the names of the Senator from West Virginia [Mr. ROCKEFELLER], and the Senator from Illinois [Mr. SIMON] were added as cosponsors of S. 452, a bill to enact the Gifted and Talented Children's Education Act.

S. 558

At the request of Mr. MOYNIHAN, the name of the Senator from Indiana [Mr. LUGAR] was added as a cosponsor of S. 558, a bill to amend the Internal Revenue Code of 1954 to permanently exclude educational assistance programs from gross income, and for other purposes.

S. 1181

At the request of Mr. HATCH, the names of the Senator from Connecticut [Mr. WEICKER], the Senator from Wyoming [Mr. WALLOP], the Senator from Iowa [Mr. GRASSLEY], the Senator from Ohio [Mr. METZENBAUM], the Senator from Hawaii [Mr. MATSUNAGA], the Senator from Illinois [Mr. SIMON], and the Senator from Rhode Island [Mr. PELL] were added as cosponsors of S. 1181, a bill to establish a program for the provision of home and community based services to elderly individuals.

S. 1209

At the request of Mr. CHILES, the name of the Senator from Arkansas [Mr. PRYOR] was added as a cosponsor of S. 1209, a bill to establish the National Commission to Prevent Infant Mortality

S. 1288

At the request of Mr. DANFORTH, the name of the Senator from Pennsylvania [Mr. SPECTER] was added as a cosponsor of S. 1288, a bill to amend the Tariff Schedules of the United States regarding the classification of television apparatus and parts thereof.

S. 1305

At the request of Mr. TRIBLE, the name of the Senator from South Dakota [Mr. ABDNOR] was added as a cosponsor of S. 1305, a bill to amend title 18, United States Code, to establish criminal penalties for the transmission by computer of obscene matter, or by computer or other means, of matter pertaining to the sexual exploitation of children, and for other purposes.

S. 1470

At the request of Mr. HUMPHREY, the name of the Senator from Colorado [Mr. ARMSTRONG] was added as a cosponsor of S. 1470, a bill to require the Secretary of Health and Human Services to establish the National Adoption Information Clearinghouse.

S. 1540

At the request of Mr. DODD, the name of the Senator from Tennessee [Mr. GORE] was added as a cosponsor of S. 1540, a bill providing a statutory basis for a budget that requires that any increases in outlays be financed by an equivalent increase in revenues, and for other purposes.

S. 1680

At the request of Mr. QUAYLE, the name of the Senator from Indiana [Mr. LUGAR] was added as a cosponsor of S. 1680, a bill to phase out the honey price support program.

S. 1710

At the request of Mr. HOLLINGS, the name of the Senator from Arkansas [Mr. PRYOR] was added as a cosponsor of S. 1710, a bill to establish a motor carrier administration in the Department of Transportation, and for other purposes.

SENATE JOINT RESOLUTION 193

At the request of Mr. SYMMS, the name of the Senator from Georgia [Mr. NUNN] was added as a cosponsor of Senate Joint Resolution 193, a joint resolution to authorize the President to issue a proclamation designating the week beginning October 20, 1985, as "The Lessons of Grenada Week."

SENATE JOINT RESOLUTION 199

At the request of Mr. MURKOWSKI, the name of the Senator from Kansas [Mr. DOLE] was added as a cosponsor of Senate Joint Resolution 199, a joint

resolution to designate the month of November 1985 as "National Elks Veterans Remembrance Month."

SENATE JOINT RESOLUTION 202

At the request of Mr. HATCH, the names of the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Michigan [Mr. LEVIN], and the Senator from Connecticut [Mr. WEICKER] were added as cosponsors of Senate Joint Resolution 202, a joint resolution designating November 1985 as "American Liver Foundation National Liver Awareness Month."

SENATE JOINT RESOLUTION 209

At the request of Mr. D'AMATO, the name of the Senator from South Carolina [Mr. THURMOND] was added as a cosponsor of Senate Joint Resolution 209, a joint resolution to designate the period from October 28, 1985, through October 28, 1986, as the Centennial Year of Liberty in the United States.

SENATE CONCURRENT RESOLUTION 58

At the request of Mr. PROXMIRE, the names of the Senator from Ohio [Mr. GLENN], the Senator from Pennsylvania [Mr. HEINZ], the Senator from Oklahoma [Mr. NICKLES], the Senator from Tennessee [Mr. SASSER], the Senator from North Dakota [Mr. ANDREWS] and the Senator from Louisiana [Mr. JOHNSTON] were added as cosponsors of Senate Concurrent Resolution 58, a concurrent resolution expressing the sense of the Congress that Medicare patients are entitled to accurate and timely information regarding their Medicare benefits.

SENATE CONCURRENT RESOLUTION 59

At the request of Mr. TRIBLE, the names of the Senator from North Dakota [Mr. BURDICK], and the Senator from Arizona [Mr. DECONCINI] were added as cosponsors of Senate Concurrent Resolution 59, a concurrent resolution expressing the sense of the Congress that food producers who permit gleaning of their fields and nonprofit organizations which glean fields and distribute the resulting harvest to help alleviate hunger should be commended for their efforts, and for other purposes.

SENATE CONCURRENT RESOLUTION 78

At the request of Mr. BRADLEY, the names of the Senator from Hawaii [Mr. MATSUNAGA], the Senator from Vermont [Mr. LEAHY], and the Senator from Washington [Mr. GORTON] were added as cosponsors of Senate Concurrent Resolution 78, a concurrent resolution in support of universal access to immunization by 1990 and accelerated efforts to eradicate childhood diseases.

SENATE RESOLUTION 240—AUTHORIZING INTERVENTION BY THE SENATE LEGAL COUNSEL

Mr. DOLE (for himself and Mr. BYRD) submitted the following resolution; which was considered and agreed to:

S. RES. 240

Whereas, in the case of *In the Matter of Louis R. Koerner, Jr.*, pending in the United States Court of Appeals for the Fifth Circuit, the constitutionality of sections 106 and 121 of the Bankruptcy Amendments and Federal Judgeship Act of 1984, Public Law No. 98-353, has been placed in issue;

Whereas, the Department of Justice, on behalf of the executive branch, has moved to intervene in the case to assert that those sections of the Act which provided for the limited extension of the terms of bankruptcy judges appointed prior to its enactment violate the Appointments Clause, Article II, Section 2, Clause 2 of the Constitution;

Whereas, pursuant to sections 703(c), 706(a), and 713(a) of the Ethics in Government Act of 1978, 2 U.S.C. §§ 288b(c), 288e(a), and 288l(a) (1982), the Senate may direct its Counsel to intervene in the name of the Senate in any legal action in which the powers and responsibilities of Congress under the Constitution are placed in issue: Now, therefore be it

Resolved, That the Senate Legal Counsel is directed to intervene in the name of the Senate in the case of *In the Matter of Louis R. Koerner, Jr.*

AMENDMENTS SUBMITTED

HOUSING AND URBAN DEVELOPMENT AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1986

MURKOWSKI (AND OTHERS) AMENDMENT NO. 808

Mr. MURKOWSKI (for himself, Mr. CRANSTON, Mr. DECONCINI, Mr. DENTON, Mr. BYRD, Mr. THURMOND, and Mr. ABDNOR) proposed an amendment to the bill (H.R. 3038) making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1986, and for other purposes; as follows:

At the end of the bill, add the following section:

SEC. . Notwithstanding any other provision of this Act (including any provision reducing certain dollar amounts by a specified percentage), the appropriation made by this Act for the Veterans' Administration for "Medical care" shall be $9,228,694,000.

BIDEN AMENDMENT NO. 809

Mr. BIDEN proposed an amendment to the bill H.R. 3038, supra; as follows:

On page 2, line 25 before the semicolon, insert the following: ", except that $50,000,000 of such funds shall be available only for purposes of assisting public housing agencies in reducing the hazards of lead-based paint in public housing in accordance with the lead-based paint poisoning prevention procedures established by the Secretary under section 302 of the Lead-Based Paint Poisoning Prevention Act".

BIDEN (AND OTHERS) AMENDMENT NO. 810

Mr. BIDEN (for himself, Mr. ROTH, Mr. CRANSTON, Mr. LAUTENBERG, and Mr. BRADLEY) proposed an amendment to the bill H.R. 3038, supra; as follows:

On page 54, between lines 12 and 13, insert the following: "Notwithstanding any other provision of the law, none of the funds appropriated in this Act or any previous Acts shall be used to issue any permit not intended for limited-duration research purposes for the ocean incineration of hazardous wastes, unless the Administrator of the Environmental Protection Agency prepares an environmental impact statement (as described in clause (i) et seq. of section 102(2)(C) of the National Environmental Policy Act of 1969) with respect to the loading, transportation, and incineration of such wastes which will be involved under the terms of the permit.".

DOMENICI (AND OTHERS) AMENDMENT NO. 811

Mr. GARN (for Mr. DOMENICI, for himself, Mr. CHILES, and Mr. THURMOND) proposed an amendment, which was subsequently modified, to the bill H.R. 3038, supra; as follows:

Beginning on page 54, line 12, strike all through the end of the bill and insert the following: "than 2.1 per centum.

"SEC. 417. Except as otherwise provided in this section, each dollar amount contained in this Act, as amended, which is provided for non-defense discretionary programs and activities is hereby reduced 1.1 per centum provided that this section shall not apply to the amount on page 2, line 16;

"Provided further, that, notwithstanding the provisions of 31 U.S.C. 6701-6724, payments to local governments are hereby reduced by 7.2 per centum; provided further, that, notwithstanding the provisions of 31 U.S.C. 6701-6724, in the fiscal year ending September 30, 1986, persons charged with administration of any provision of 31 U.S.C. 6701-6724, shall limit the value of any payments conferred by 31 U.S.C. 6701-6724 to amounts not in excess of the amount provided in this annual appropriation act, as amended by this section, and if the requirements of 31 U.S.C. 6701-6724 exceed the amount so provided, the payments shall be reduced to the extent necessary to stay within the amount provided in this annual appropriation act, as amended by this section."

"Notwithstanding the provisions of title I and II of this Act, the following accounts are reduced in budget authority by the following amounts. Management and Administration (HUD) $10,000,000; Salaries and Expenses (EPA) $10,000,000; Salaries and Expenses (FEMA) $10,000,000; Research and Program Management (NASA) $15,000,000; Medical Administration and Miscellaneous operating expenses (VA) $3,000,000; and General Operating Expenses (VA) $15,000,000.

SEC. 417. Any funds previously appropriated for the purposes of construction grants under title II of the Clean Water Act shall be available for all projects for which such funding was initially available when such appropriations were made and not be limited to phases or segments of previously funded projects.

TITLE V—SHELTER PROGRAM: GENERAL PROVISIONS

SHORT TITLE

SEC. 501. The following titles may be cited as the "Homeless Housing Assistance Act of 1985".

DEFINITIONS

SEC. 502. For the purpose of this Act—

(1) the term "emergency shelter", as used in section 608(b) of this Act, means an entire facility, or that part of a facility, which is used or designed to be used to provide temporary housing to not fewer than twenty individuals;

(2) the term "homeless" means individuals who are poor and who have no access to either traditional or permanent housing;

(3) the term "local government" means a unit of general purpose local government;

(4) the term "locally" means the geographical area within the jurisdiction of a local government;

(5) the term "operating costs" means expenses incurred by State, local governments, and private nonprofit organizations operating transitional housing for the homeless under title VII of this Act with respect to—

(A) the administration, maintenance, minor repairs, and security of such housing;

(B) utilities, fuel, furnishings, and equipment for such housing;

(C) the conducting of the assessment required in section 705(a)(2) of this Act; and

(D) the provision of supportive services to the residents of such housing;

(6) the term "private nonprofit organization" means a secular or religious organization described in section 501(c) of the Internal Revenue Code of 1954 which is exempt from taxation under subtitle A of such Code, and which has an accounting system and a voluntary board, and practices nondiscrimination in the provision of assistance;

(7) the term "Secretary" means the Secretary of Housing and Urban Development;

(8) the term "shelter", as used in title II of this Act, means broadly the provision of protection from the elements for homeless individuals;

(9) the term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, or any territory or possession of the United States;

(10) the term "supportive services" means assistance to the residents of transitional housing in obtaining permanent housing, medical and psychological counseling and supervision, employment counseling, refer ral to job training, nutritional counseling, and such other services essential for establishing independent living as the Secretary determines to be appropriate. Such term includes the provision of assistance to the residents of transitional housing in obtaining other Federal, State, and local government assistance available for such persons, including mental health benefits, employment counseling, referral to job training programs, and medical assistance; and

(11) the term "transitional housing" means a single- or multi-family structure suitable for the provision of housing and supportive services for not more than 15 homeless persons, who cannot presently live independently without supportive services in a supervised residential setting but who are believed capable of transition to independent living with 6 months of assistance in a stable environment.

TITLE VI—EMERGENCY FOOD AND SHELTER PROGRAM

EMERGENCY FOOD AND SHELTER PROGRAM NATIONAL BOARD

SEC. 601. (a) The Director of the Federal Emergency Management Agency shall, as soon as practicable after September 30, 1985, constitute a national board for the purpose of carrying out an emergency food and shelter program.

(b) The national board shall consist of seven members. The United Way of America, the Salvation Army, the National Council of Churches of Christ in the United States of America, the National Conference of Catholic Charities, the Council of Jewish Federations, Inc., the American Red Cross, and the Federal Emergency Management Agency shall each designate a representative to sit on the national board.

(c) The representative of the Federal Emergency Management Agency shall chair the national board.

NATIONAL BOARD TRANSITION

SEC. 602. (a) The national board constituted by the Director of the Federal Emergency Management Agency, pursuant to section 601, shall continue to be authorized until March 30, 1986, and on such date, the personnel, property, records, and undistributed program funds of such national board shall be transferred to the national board under subsection (b).

(b) On or before March 30, 1986, the Secretary of Housing and Urban Development shall constitute a national board for the purpose of carrying out an emergency food and shelter program. This national board shall consist of the same representatives, or their successors, of the same organizations as the national board constituted pursuant to section 601(b), except that the Secretary of Housing and Urban Development shall designate a representative to replace the Federal Emergency Management Agency representative. Such national board shall assume authority on March 10, 1986.

(c) The representative designated by the Secretary of Housing and Urban Development shall chair the national board constituted pursuant to subsection (b).

DISTRIBUTION OF PROGRAM FUNDS

SEC. 603. The national boards constituted pursuant to sections 601 and 602(b) shall determine how program funds are to be distributed to individual localities. The national boards shall identify localities having the highest need for emergency food and shelter assistance, based on unemployment and poverty rates and such other need-related data as the national boards deem appropriate, determine the amount and distribution of funds to these localities, and ensure that funds are properly accounted for.

AGENCY RESPONSIBILITIES

SEC. 604. (a) The Director of the Federal Emergency Management Agency shall award a grant for such amount as Congress appropriates for this program to the national board constituted pursuant to section 601 within 30 days after the beginning of fiscal year 1986, for the purpose of providing emergency food and shelter to needy individuals through private nonprofit organizations and through units of local government.

(b) The Director of the Federal Emergency Management Agency, or his representative, shall have the following responsibilities: provision of guidance, coordination, and staff assistance to the national board in carrying out the program; and cooperation and coordination with the Secretary of Housing and Urban Development in the conducting of an audit of program funds awarded to the national board constituted pursuant to section 601 or transferred to the national board constituted pursuant to section 602(b). The responsibilities of the Director of the Federal Emergency Management Agency with respect to this program shall end with the completion of the audit for program funds distributed during fiscal year 1986.

(c) The Secretary of Housing and Urban Development shall award a grant for such amount as Congress appropriates for this program to the national board constituted pursuant to section 602(b) within 30 days after the beginning of fiscal years 1987 and 1988, for the purpose of providing emergency food and shelter to needy individuals through private nonprofit organizations and through units of local government.

(d) The Secretary of Housing and Urban Development shall have the following responsibilities: provision of guidance, coordination, and staff assistance to the national board in carrying out the program; and the conducting of an audit of program funds awarded to and transferred to the national boards constituted pursuant to sections 601 and 602(b).

(e)(1) In carrying out the responsibilities under subsection (d), the Secretary shall coordinate activities with the Federal Interagency Task Force on Food and Shelter, chaired by the Secretary of Health and Human Services, to identify vacant and surplus Federal facilities which could be renovated or converted for use as emergency shelter facilities for the homeless.

(2) Not later than 3 months after the end of fiscal year 1986, the Secretary shall submit to the Congress a report on obstacles, if any, including agency rules or procedures, to the availability of vacant and surplus Federal facilities for renovation or conversion to use as emergency shelter facilities for the homeless, with recommendations for legislative or administrative changes to overcome such obstacles.

LOCAL BOARDS

SEC. 605. (a) Each locality designated by the national boards constituted pursuant to sections 601 and 602(b) shall constitute a local board for the purpose of determining how program funds allotted to the locality will be distributed. The local board shall consist, to the extent practicable, of representatives of the same organizations as the national boards, except that the mayor or other appropriate heads of government will replace the Federal Emergency Management Agency or Department of Housing and Urban Development member. The chair of the local board shall be elected by a majority of the members of the local board. Local boards are encouraged to expand participation of other private nonprofit organizations on the local board.

(b) Local boards shall have the following responsibilities: determining which private nonprofit organizations or public organizations of the local government in the individual locality shall receive grants to act as service providers; monitoring recipient service providers for program compliance; reallocation of funds among service providers; ensuring proper reporting; and coordinating with other Federal, State, and local government assistance programs available in the locality.

(c) Prior to March 30, 1986, local boards constituted pursuant to subsection (a) shall

be accountable to the national board constituted pursuant to section 601. On and after March 30, 1986, local boards constituted pursuant to subsection (a) shall be accountable to the national board consituted pursuant to section 602(b).

LOCAL HOMELESS ASSISTANCE PLAN

SEC. 606. (a) At the end of each fiscal year, each local board shall submit to the national board constituted pursuant to section 602(b), a plan describing programs, goals, and objectives for providing assistance to the homeless in that locality. The plan shall be developed in cooperation with the local government head represented on the local board.

(b) The local plan shall address the following subjects: description of existing shelter, mass feeding, and food bank activities in that locality, including activities not receiving assistance under this title; use and availability of all public and private resources in the locality to assist the homeless; coordination of all public and private services and resources in that locality to assist the homeless; coordination among all shelter providers in the locality to use all available shelter space for the homeless; and preservation of low-income housing in the locality.

(c) the local plan shall be placed on file in the office of the local government head represented on the local board and shall be made available to the public. The local plan shall be forwarded to that individual locality's representatives in Congress. The national board shall maintain files of local plans and make them available upon request to other localities.

(d) The preparation and submission of the local plan shall be regarded as the legal duty of the local board, but failure to do so shall not be grounds for the withholding of funds appropriated under this title from that locality. Any citizen residing in the locality in which such local board is constituted shall have standing in the Federal district court of jurisdiction to seek an order compelling the preparation and submission of the local plan as required by this section. The substance and contents of the local plan shall be within the sole discretion of the local board and shall not be subject to administrative or judicial review.

SERVICE PROVIDERS

SEC. 607. Designation by the local board of a service provider to receive program funds should be based upon a private nonprofit organization's or unit of local government's ability to deliver emergency food and shelter to needy individuals and such other factors as are deemed appropriate to program objectives by the local board.

USE OF FUNDS

SEC. 608. (a) The national boards constituted by sections 601 and 602(b) may authorize the following use of funds to address the emergency food and shelter needs of needy individuals:

(1) Expenditures necessary to purchase emergency food and shelter for needy individuals, to supplement and extend currently available resources and not to substitute or reimburse ongoing programs and services; and

(2) Expenditures necessary to conduct minimum rehabilitation of existing mass shelter or mass feeding facilities to make facilities safe, sanitary, and bring them into compliance with local building codes.

(b)(1) Local boards are authorized to expend up to 25 percent of the funds allotted to that locality for substantial renovation or conversion, but not acquisition or new construction, of buildings for use as emergency shelter facilities to provide additional shelter space. Such expenditures shall be made in the form of noninterest bearing advances, repayment of which shall be waived if—

(A) the applicant utilizes the building as an emergency shelter facility for not less than the 10-year period following the completion of such renovation or conversion, or

(B) the Secretary determines that such facility is no longer needed to provide shelter to the homeless and approves use of the building for another charitable purpose for the remainder of such 10-year period. If the recipient of such advance fails to comply with the conditions for such a waiver, the recipient shall repay to the Secretary in cash the full amount of the advance received on such terms as the Secretary shall require. It shall be the responsibility of the local board to obtain documentation, signed by the responsible official, showing that the recipient of such advance is aware of and agrees to the conditions of its receipt.

(2) Local boards are encouraged to provide, to the neighborhood in which a new emergency shelter facility is to be located, adequate notice and an opportunity to comment. Local boards are also encouraged to achieve the widest possible distribution of emergency shelters throughout the locality to avoid a disproportionate burden on any one section or neighborhood of the locality.

LIMITATION ON CERTAIN COSTS

SEC. 609. Not more than 3 percent of the total appropriation for this program each year may be expanded for the costs of administration.

PROGRAM GUIDELINES

SEC. 610. (a) The national boards constituted pursuant to sections 601 and 602(b) shall establish written guidelines for carrying out this program, including methods for identifying localities with the highest need for emergency food and shelter assistance; methods for determining amount and distribution to these localities; eligible program costs, with the aim of providing emergency essential services based on currently existing needs; and responsibilities and reporting requirements of the national boards, local boards, and service providers.

(b) These guidelines shall be published annually, and whenever modified, in the Federal Register. The national boards shall not be subject to the procedural rulemaking requirements of subchapter II of chapter 5 of title 5, United States Code.

(c) Guidelines established by the national board constituted pursuant to section 601 shall continue in effect until modified or revoked by that board or by the national board constituted pursuant to section 602(b).

PROGRAM AUTHORIZED

SEC. 611. (a) To carry out this title, there are authorized to be appropriated $70,000,000 in fiscal year 1986, $88,000,000 in fiscal year 1987, and $91,000,000 in fiscal year 1988.

(b) Any appropriated funds not obligated in a fiscal year shall remain available for obligation during the following fiscal year.

SURPLUS FOOD DISTRIBUTION

SEC. 612. The Commodity Credit Corporation shall process and distribute surplus commodities acquired by the Corporation for the purpose of carrying out the food distribution and emergency shelter program in cooperation with the national boards constituted pursuant to sections 601 and 602(b).

TITLE VII—TRANSITION TO INDEPENDENCE DEMONSTRATION PROJECT

AUTHORITY TO MAKE GRANTS

SEC. 701. (a) The Secretary of Housing and Urban Development shall make grants to States, local governments, or private nonprofit organizations for the operation of demonstration projects to develop and apply innovative approaches in providing transitional housing and supportive services to the homeless to assist them in the transition to independent living.

(b) Grants under subsection (a) may be made in the form of:

(1) annual payments for operating expenses of transitional housing, not to exceed 75 percent of the annual operating expenses of such housing;

(2) technical assistance in establishing and operating transitional housing and providing supportive services to the residents of such housing to assist them in the transition to independent living; and

(3) one-time only non-interest bearing advance, not to exceed $100,000 for the purposes of acquiring, rehabilitating, or acquiring and rehabilitating an existing structure for use in providing transitional housing, if the applicant agrees to utilize such structure as transitional housing for not less than 5 years. Repayment of such advance shall be waived if the applicant utilizes the structure as transitional housing for not less than the 10-year period following the initiation of operation of such transitional housing facility, or if the Secretary determines that such structure is no longer needed for use as transitional housing and approves the use of such structure for another charitable purpose for the remainder of such 10-year period. If the applicant fails to comply with the conditions for waiver of repayment, the applicant shall repay to the Secretary in cash the full amount of the advance received on such terms as the Secretary shall require.

(c) Grants made under this section are to be used to supplement and extend currently available resources and not to substitute or reimburse ongoing programs and services.

APPLICANTS FOR GRANTS

SEC. 702. Each application for a grant submitted by a State, local government, or private nonprofit organization shall contain—

(1) documentary material demonstrating that such applicant has the ability and resources necessary to operate transitional housing;

(2) documentary material describing the program and supportive services intended to be provided in such transitional housing, including the innovative quality of the proposed program;

(3) documentary material demonstrating that the State, local government, or private nonprofit organization involved has provided the emergency food and shelter program local board, constituted pursuant to section 605 of this Act, if such local board has been constituted in the locality where the proposed transitional housing will be located, an opportunity to comment with respect to this application, and a statement as to whether the local board approves or disapproves of such application and its reasons for any disapproval; and

(4) such other information or material as the Secretary shall establish.

ALLOCATION OF GRANTS

SEC. 703. In selecting States, local governments, or private nonprofit organizations

for assistance in providing transitional housing under this title, the Secretary shall consider—

(1) the innovative quality of the proposal to provide transitional housing and supportive services to the homeless to assist them in the transition to independent living;

(2) the ability of the State, local government, or private nonprofit organization to develop and operate transitional housing for homeless persons and to provide supportive services to the residents of such housing;

(3) the need for such transitional housing and supportive services in the locality to be served; and

(4) such other factors as the Secretary determines to be appropriate for purposes of carrying out the demonstration project established in this Act in an effective and efficient manner.

DISTRIBUTION OF GRANTS

SEC. 704. (a)(1) Not later than 120 days after the beginning of each fiscal year for which Congress makes appropriation to carry out this title, the Secretary shall make grants under section 701.

(2) If the aggregate amount of funds requested in applications submitted and approved, during the 120-day period referred to in paragraph (1), is less than the amount of such appropriation available to make such grants, then the Secretary shall publish in the Federal Register a notice that additional funds are available for distribution under this title.

(b) The aggregate amount of all appropriations made to carry out this title shall be used to make grants under section 701 unless the sum of the administrative costs incurred by the Secretary to carry out this title and the aggregate amount of funds requested in applications approved under this title is less than the aggregate amount of such appropriation.

PROGRAM REQUIREMENTS

SEC. 705. (a) Each State, local government, or private nonprofit organization receiving assistance under this title shall agree—

(1) to operate transitional housing assisting residents in the transition to independent living and limiting the stay of individual residents to not more than 6 months;

(2) to conduct an assessment of the supportive services required by the residents of such transitional housing to assist them in the transition to independent living;

(3) to employ a full-time residential supervisor with sufficient expertise to provide, or supervise the provision of, supportive services to the residents of such housing;

(4) to keep and make available to the Secretary such records of the expenditure of funds as the Secretary may require by rule; and

(5) to comply with such other terms and conditions as the Secretary may establish for purposes of carrying out the demonstration project established by this title in an effective and efficient manner.

(b) Each homeless individual residing in transitional housing assisted under this title shall pay as rent an amount determined in accordance with the provisions of section 3(a) of the United States Housing Act of 1937.

REGULATIONS

SEC. 706. Not later than 120 days following the date of enactment of this Act, the Secretary shall issue such regulations as may be necessary to carry out the provisions of this title.

REPORTS TO CONGRESS

SEC. 707. (a) The Secretary shall submit to Congress—

(1) not later than 3 months after the end of each of the fiscal years 1986 and 1987, an interim report summarizing the activities carried out under this title during such fiscal year and setting forth any preliminary findings, conclusions, or recommendations of the Secretary as a result of such activities; and

(2) not later than 6 months after the end of fiscal year 1988, a final report summarizing all activities carried out under this title and setting forth any findings, conclusions, or recommendations of the Secretary as a result of such activities.

(b) Such interim and final reports shall address—

(1) the cost of operating transitional housing and providing supportive services to the homeless to assist them in the transition to independent living;

(2) the various types of transitional housing assisted under this title, including innovative approaches to assisting the homeless in the transition to independent living;

(3) the social, financial, and other advantages and disadvantages of transitional housing and supportive services as a means of assisting the homeless;

(4) the success of transitional housing programs assisted under this title, as measured in terms of placement of homeless individuals in permanent housing, placement in employment, and reductions in welfare dependency; and

(5) such other findings, conclusions, and recommendations as the Secretary deems appropriate with regard to assisting the homeless in the transition to independent living.

PROGRAM AUTHORIZED

SEC. 708. To carry out this title, there are authorized to be appropriated $5,000,000 in fiscal year 1986, and there are authorized to be appropriated $15,000,000 in each of the fiscal years 1987 and 1988.

DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS ACT, 1986

GORTON AMENDMENT NO. 812

(Ordered to lie on the table.)

Mr. GORTON submitted an amendment intended to be proposed by him to the bill (H.R. 3244) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1986, and for other purposes; as follows:

At the end of the bill, add the following section:

SEC. . Notwithstanding any other provision of this Act (including any provision reducing certain dollar amounts by a specified percentage), the appropriation made by this Act for the Veterans' Administration for "Medical care" shall be $9,162,694,000.

Notwithstanding any other provision of the law, none of the funds appropriated in this Act or any previous Acts shall be used to issue any permit not intended for limited-duration research purposes for the ocean incineration of hazardous wastes, unless the Administrator of the Environmental Protection Agency prepares an environmental impact statement (as described in clause (i) et seq. of section 102(2)(C) of the National Environmental Policy Act of 1969) with respect to the loading, transportation, and incineration of such wastes which will be involved under the terms of the permit.

On page 54, insert between lines 8 and 9 the following new section:

SEC. 326. No later than April 1, 1986, the Interstate Commerce Commission, in cooperation with the Department of Transportation shall—

(1) conduct a study of—

(A) the regulation of United States motor carriers operating in Canada, by the provincial and federal governments of Canada;

(B) the regulation of Canadian motor carriers operating in the United States, by the Interstate Commerce Commission;

(C) the degree of reciprocity in treatment of foreign motor carriers by the regulatory authorities of each such nation;

(D) any other factors leading to disparate treatment of United States and Canadian motor carriers, including but not limited to, taxes, fees, and border delays; and

(E) the competitive economic disadvantages of United States motor carriers in comparison to Canadian motor carriers caused by nonreciprocal treatment of United States motor carriers by Canadian regulatory authorities; and

(2) report to Congress the results of such study, including recommendations for legislative action to provide for reciprocity of regulation of such motor carriers by each nation.

LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION APPROPRIATIONS

HEINZ AMENDMENT NO. 813

(Ordered to lie on the table.)

Mr. HEINZ submitted an amendment intended to be proposed by him to the bill (H.R. 3424) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1986, and for other purposes; as follows:

On page 50, after line 25, add the following:

For carrying out the provisions of title VI of the Education for Economic Security Act, $2,500,000 to remain available until expended.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON ENERGY REGULATION AND CONSERVATION

Mr. GARN. Mr. President, I ask unanimous consent that the Subcommittee on Energy Regulation and Conservation of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Friday, October 18, to hold an oversight hearing on innovative approaches in industrial energy efficiency.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

DR. BUTZ COMMENTS ON THE FARM BILL

● Mr. QUAYLE. Mr. President, for several years, my colleagues and I have enjoyed, and this country has prospered by the perceptive and knowledgeable counsel of Dr. Earl L. Butz, dean emeritus of agriculture at Purdue University, and former Secretary of Agriculture. I have appreciated the help of Dr. Butz in attempting to deal with the difficult problems confronting U.S. agriculture, and welcome his continued interest and involvement in the development of farm policy.

Dr. Butz, who makes his home in West Lafayette, IN, maintains a busy schedule of travel, and often writes to share his perspective on agricultural economics. The Wall Street Journal recently published an article by Dr. Butz, called "Selling a Farm Bill of Goods," in which he very accurately and eloquently lays forth a blueprint for design of the 1985 farm bill. I agree with much of his approach, and today would like to share it with other Members of this body.

Mr. President, at this time, I ask that a copy of the article be printed in the RECORD.

The article follows:

[From the Wall Street Journal, Sept. 12, 1985]

SELLING A FARM BILL OF GOODS

(By Earl L. Butz)

Any believer in the market system who has been watching the debate over the 1985 farm bill has to be extremely disappointed. Both houses of Congress are turning out versions with loan payments and target prices for subsidized crops that are too high, backed by the same mentality that put American agriculture in its current mess.

The Reagan administration made pious sounds early on about reorienting farm policy to the marketplace. But somewhere between the Agriculture Department's offices and Capitol Hill, the principles they said they were fighting for have all but dissolved. They appear to be acquiescing to a farm-bill framework that can be made truly market-oriented only at an unacceptable budget cost by dropping loan rates, maintaining high target prices and dipping into the Treasury for direct payments to cover the difference.

Current U.S. agricultural policy is costly, controversial and counterproductive. Federal income transfer payments to farmers are at near-record levels. The congressional budget resolution calls for $34.8 billion more in farm subsidies for the fiscal years 1986–88. The bill passed by the House Agriculture Committee yesterday carries a price tag of $42.8 billion over that three-year period—an average of $14.2 billion a year. That compares with the $600 million spent for such subsidies in 1975, and the $3.5 billion spent as recently as 1981.

BUTZ' LAW OF AGRICULTURE

Despite this outflow of dollars, there are more and more reports of farm failures, foreclosures, pressures on agribusiness firms and general rural distress. Commodity groups are set against one another as grain producers seek higher prices for their crops and livestock producers grapple with feed costs that are artificially hiked by higher crop prices. Our grain and cotton producers are geared to produce for the export market, but they are tied to governmental price and production programs designed primarily for the domestic market. Too often, their first market is not overseas but a U.S. government bin or warehouse.

American agriculture is on the road to economic suicide under existing policies, which have priced farm products out of the world market and have encouraged expanded production abroad. Butz' Law of Agriculture is: The higher the degree of governmental involvement in pricing and marketing, the deeper the economic pit in which agriculture wallows.

The great irony in all of this is that Congress and the administration are both buckling under farm pressures so readily that the farm bill emerging from the legislative sausage-grinder looks a lot like a simple extension of the 1981 Farm Bill. That's the very thing that has put us in the mess we are in today.

The two major mechanisms of current farm policy are target prices and the loan rate. Let's use wheat to illustrate the bind they have put American agriculture into.

The target price of wheat is $4.38 a bushel. That's set by Congress and bears no relation to the farm price of $2.50 a bushel. Originally designed as a safety net in case of a steep drop in the market, target prices are now much higher than the prices farmers get for their crops. Taxpayers have been making up the difference between the target price and the loan rate in the form of billions of dollars in "deficiency payments"

The loan rate is $3.30 a bushel. This is also set by Congress, although the Secretary of Agriculture can make modest adjustments in relation to supply. The "loan" is a non-recourse loan, meaning that if the market price of wheat falls below the loan rate, the farmer simply surrenders the wheat to the government and forgets about paying back the loan.

The current approximately $2.50 farm price of wheat is 80 cents below the loan rate, but the farmer has already received $3.30 a bushel when he obtains his loan. So the government acquires title to wheat at a cost of 80 cents a bushel above current market value, plus about 20 cents of interest forgiven on the loan.

However, no administration can stay tied to this kind of open-ended raid on the Treasury. This administration will be forced to either 1) not lower the loan rate so as to minimize the amount of deficiency payments or, 2) idle massive amounts of farm land to bolster the market price and hence minimize losses on defaulted loans. It is most likely to do both.

Whatever action is taken will redound to the benefit of foreign producers, expand production abroad and will lead to a shrinking U.S. export market.

Through the Payment in Kind program, 78 million acres of farm land were idled in 1983. As the U.S. curtails output we are encouraging more uneconomic and high-cost agricultural production in other countries. We are effectively raising the real cost of feeding the world's people because we've drifted away from the sound principle of producing commodities where their competitive advantage is greatest and then trading them back and forth between nations.

In each of the last three quadrennial farms bills (in 1973, 1977 and 1981), Congress enacted mandatory annual escalations of loan rates and target prices. They took the guesswork out of it for the ensuing four years. But now that the present system has failed and the heat is up, it's no time to flee the kitchen. Congress should mandate de-escalation, and not pass the buck to the secretary of agriculture by "providing discretion to lower the loan rate"—an always politically difficult feat.

Solutions to current farm problems that balance the concerns of farmers, taxpayers, agribusiness *and* consumers can be developed if only we follow a few simple guidelines.

The agenda is simple and politically responsible, and has been set down recently in a joint statement that I and three other former secretaries of agriculture released. Two of us are Democrats and two are Republicans. (The others are Orville Freeman, 1961–69, Clifford Hardin, 1969–71 and Bob Bergland, 1977–81.)

Among our recommendations:

(1) Non-recourse loans have worked well as a safety net if loan levels are set at or below market-clearing levels. We suggested they be set at the season average of market prices. In that way, loans would protect farmers against short-term price declines but not interfere unduly with the marketplace.

(2) Farmers need income protection to help them adjust to changes in farm programs. A target-price program makes a buildup of surpluses less likely and discourages competing countries from expanding their production. Since small farmers are in the greatest difficulties, a ceiling should be set on total payments per operator.

(3) Expanding demand should be the primary thrust of U.S. farm policy. Acreage-reduction programs for the purpose of raising prices are exercises in futility because competing countries can watch what we do and then expand their own production.

(4) Commodity reserves under loan to farmers should be used only for food security reasons and not to support market prices.

(5) For future generations, a conservation program for fragile land is essential. Farmers should be prohibited from receiving program payments on erosive land.

Many farm-state legislators fear so simple an approach will alienate their farm voters. My visits to farm communities convince me that the vast majority of commercial producers want this kind of farm policy. Their farm and commodity organizations are not reflecting their interests. Rather, they are responding to the loudest squeaks with their one great strength—their ability to resist change.

America's taxpayers are neither able nor willing to provide greater and greater farm subsidies. Turning to the market is the kind of policy that will put U.S. agriculture back on its feet again. But it won't happen unless everyone who hopes for it starts demanding it in face-to-face meetings with his or her elected officials.

There is a discipline in the marketplace that works. Let's give it a try before more of American agriculture goes down the drain.●

GRAMM-RUDMAN: WHEN THEY READ IT, THEY KNEW IT WAS WRONG

● Mr. HART. Mr. President, during the debate on the Gramm-Rudman

amendment, the distinguished majority leader encouraged the Senate to pass the proposal promptly, arguing "the longer something hangs around here, it gets stale. People start reading it."

I joined a number of our colleagues in an extended discussion of this amendment. It was not our purpose to delay a vote. Instead, we recognized that this was a radical proposal to alter fundamentally our budget priorities and the relationship between the executive and legislative branches. Reflecting a more conservative approach to legislating, we were saying, "Wait a minute. Wait a minute. Let's understand what we're doing before we pass this measure."

We asked searching questions about the Gramm-Rudman amendment, Mr. President, but we received mostly unsatisfactory answers. Even going into the House-Senate conference on the bill, the sponsors of the amendment are unable to agree what programs would be cut, and by how much. We warned the Senate, but the Senate didn't listen.

The majority leader was proven right in one respect; people have begun to read the Gramm-Rudman proposal. In the last week, a number of thoughtful comments have appeared—in papers whose editorial philosophies cover the political spectrum—which echo many of the concerns we raised in debate.

I have selected a dozen of these commentaries which our colleagues should read. The temporary debt limit extension is expiring. We are going to be voting on a conference agreement based on Gramm-Rudman. We've leapt once, without looking. Consequently, as we move another vote on Gramm-Rudman, I agree with Business Week which urges: "Congress Should Look Before It Leaps"—again.

Mr. President, I ask that the articles be printed in the RECORD.

The articles follow:

[From the Kansas City Times, Oct. 14, 1985]

SPUTTERING ABOUT FEDERAL DEBT

There is something about the federal debt that makes normally image-conscious politicians behave like buffoons. But in the last few days Washington has carried the act too far with phony accusations and ludicrous posturing. The public scare tactics would be cruel if anyone took them seriously.

Everyone knows, however, where this debate will end: Once Congress and the President stop their indignant sputtering, they will acknowledge the government has accumulated a debt approaching $2 trillion. The only real question concerning the debate is exactly how much damage it will do to the dignity of the U.S. government.

Early last month the administration asked Congress to raise the limit above $2 trillion. Since the government was on the verge of surpassing the current limit of more than $1.8 trillion, action to raise the debt ceiling should have been a formality.

But the $2 trillion figure sent everyone running for cover. They found in it a shoddy attempt to ram through an unstudied proposal promising to balance the budget through annual deficit reductions and solve everything by 1991, maybe. This proposal was hitched to the debt ceiling, delaying action on it and producing those now-familiar predictions that the government would run out of money.

Ronald Reagan, overseer of a federal debt that dwarfs its predecessors, had the gall to resurrect his 1980 campaign rhetoric denouncing the Democrats for decades of federal red ink. He threw his support behind the 1991 measure, "an historic proposal that I think is worth fighting for." Yet he and lawmakers in both parties apparently didn't consider it worth talking about. They hadn't talked about it before, and they said there was no time to talk about it now because the government was about to start bouncing checks.

The arguments in favor of the 1991 proposal don't sound convincing. A sample: "The process will force something to happen so if we don't do our job our job will be done for us." That's Sen. Pete V. Domenici, chairman of the budget committee, talking about his view of public service.

The proposal's opponents said it would put heavy burdens on domestic programs that already have suffered. They warned the measure delegates too much budget authority to the president.

One voice of reason was Republican Sen. Lowell Weicker's. He described the 1991 proposal as "more political than it is real; it's an effort on the part of the various parties, especially in this instance the Republicans, to save face on a discredited economic policy."

But others called the situation an emergency. On Wednesday the Senate overwhelmingly approved the proposal. The House has not acted on it yet although a lop-sided vote Friday indicated that most House members look kindly on the idea.

There was no emergency; Congress could have voted and Mr. Reagan could have approved an extension of the ceiling immediately. Then everyone could have turned their attention to a serious discussion of the budget. But that's something Washington has been avoiding for a long time.

[From Business Week, Oct. 21, 1985]

THE BALANCED-BUDGET BILL: CONGRESS SHOULD LOOK BEFORE IT LEAPS

If an act done in haste has calamitous results, you'd think those responsible would learn one simple lesson: Think first. Yet Congress, in its panic to be seen as doing something about the budget deficit, may once again ignore that axiom. The result could be a law that not only avoids the real problem but also undercuts one of the basic roles of government: choosing wisely among a host of competing demands for federal spending.

The proposal in question is a plan that would "guarantee" a balanced budget by 1991. Under the latest version, the President would be required to offer budgets that reduce the deficit to zero in equal steps from fiscal 1987 to 1991—the fiscal 1986 budget being too far along for such drastic revision. If Congress failed to meet the goal, the President would propose across-the-board cuts in spending, with only Social Security exempt. If Congress did not act on the President's recommendations, they would become law.

In a matter of weeks, the scheme has gone from a gleam in the eyes of Senators Phil Gramm (R-Tex.) and Warren Rudman (R-N.H.) to legislation that passed the Senate on Oct. 9 and will be seriously considered in the House. The lawmakers' sudden infatuation with it reflects their exasperation with seeing the deficit remain in the $200 billion range, despite four years of politically painful program cuts. But the speed with which the idea gained currency mirrors the process that got the government in this mess to begin with. In 1981, Congress ignored all warnings that the President's tax and budget proposals were fraught with fiscal risk. This time around, Gramm-Rudman has moved close to passage without committee hearings or any of the other scrutiny that would reveal why it is hopelessly impractical and violates the spirit, if not the letter, of the Constitution.

AUTOMATIC PILOT

The fundamental problem with Gramm-Rudman is that it represents a congressional sidestepping of the Constitution's requirement that "no money shall be drawn from the Treasury but in consequence of appropriations made by law." The government spends about $3 billion a day for a panoply of purposes. It is Congress' duty to set priorities for this spending. But if recent history is any guide, Congress will be unable to meet its annual budget targets, and the budget, in effect, will go on automatic pilot without a single affirmative vote being taken.

Moreover, Gramm-Rudman would make a hash of congressional budget and appropriations processes—which if arcane, are fundamentally important. It would result in a tremendous shift of power to the House and Senate Budget Committees and away from committees with policy expertise. It would hugely inflate the importance of the Office of Management and Budget and the Congressional Budget Office, the unelected agencies responsible for the deficit estimates that triggered the bill in the first place. If, for example, the CBO-OMB real economic growth estimate were a point low, it could force a $17 billion cut in spending that might be neither prudent nor necessary.

POLITICAL PANIC

Although Gramm-Rudman seems to enhance the power of the White House at Congress' expense, it holds serious risks for the President as well. Any President should think twice about legislation that dictates the size of the budget he will propose—not just for next year, but for the next five. Moreover, it could sharply reduce his own flexibility in deciding how the government's finite resources are allocated. Reagan, in endorsing the plan, blithely said he expects Congress will continue to increase defense spending. But in all likelihood, passage of Gramm-Rudman would make that impossible. The scheme could also increase the chances of Congress forcing through just the sort of massive tax increases the President vows to oppose. The prospect of massive, automatic spending cuts could spawn a political panic that even a President as popular as Reagan could not withstand.

Thinking twice, however, is not the order of the day. In response to pleas from congressional Democrats for more time to consider the budget scheme, Senate Majority Leader BOB DOLE (R-Kan.) said: "The longer something sits around here, the staler it gets. People start reading it." No superficially attractive scheme will force Congress or

the Administration to clean up the budget mess. Gramm-Rudman could do with a great deal more reading before it becomes law.

[From the New York Times, Oct. 16, 1985]

THE BALANCED BUDGET RISKS

(By Leonard Silk)

The low-water mark of United States fiscal policy undoubtedly came during the first four years of the Great Depression. With national income dropping and unemployment climbing, the Hoover Administration put through a huge tax rise in a desperate attempt to balance the budget.

The Federal Revenue Act of 1932, sponsored by the Republicans, nearly doubled tax rates. Indeed, the top-bracket rate was raised to 63 percent from 24 percent, while other rates were increased somewhat less sharply. This enormous tax increase added additional burdens to the economy, restricted private spending further, worsened unemployment and aggravated the deflation that was a reality at the time, not the inflation that was assumed to be a threat.

But the near-doubling of tax rates in 1932 did next to nothing to raise revenues or close the budget deficit. All it did was worsen the Depression.

In 1933, Franklin D. Roosevelt took over the White House. He had campaigned on a platform of balancing the budget, and at first he tried. In his first year in office, he trimmed Federal spending by 1.3 percent. But despite the cuts and further tax increases, the budget deficit in 1933 held at $2.6 billion, down only slightly from $2.7 billion of 1932. And unemployment rose to a record 24.9 percent in 1933 from 23.6 percent in 1932.

Is the United States about to adopt a fiscal policy like that which prevailed during the worst part of the Depression? The Balanced Budget and Emergency Deficit Control Act of 1985, sponsored by Senators Phil Gramm, Republican of Texas, Warren Rudman, Republican of New Hampshire, and Ernest F. Hollings, Democrat of South Carolina, proposes to balance the budget by 1991. It would get there by setting maximum allowable deficits of $180 billion in the fiscal year 1986, $144 billion in 1987, $108 billion in 1988, $72 billion in 1989, $36 billion in 1990 and zero in 1991.

Would this plan, already approved by a 75-to-24 vote in the Senate, with strong Democratic support, risk aggravating a recession? Its sponsors have tried to deal with that problem by authorizing the President to delay action to cut the deficit for 30 days in any year when there is a recession or one is expected.

If the Office of Management and Budget and the Congressional Budget Office jointly forecast a recession, defined as two quarters of decline in real gross national product, the President would have the extra time to send up an alternative plan.

But is this provision enough to deal with the recession problem? Many economists think not. For one thing, they say, recessions usually begin long before an actual decline in real G.N.P. is registered. The economy might be rising at so slow a rate that unemployment would already be increasing, as happens when the rate of growth is less than 3 percent. But the downward pressure exerted by big cuts in spending might insure a recession.

A second problem is the uncertainty of economic forecasts. The forecasts produced by the Office of Management and Budget and the Congressional Budget Office, whenever they differed, would be put together, with a midpoint for the assumed level of the deficit before the President proposed action to cut the deficit. The normal difficulty of making accurate forecasts might be complicated further by considerations of the Administration or Congress of what level of spending they wished to make.

But the danger that Gramm-Rudman-Hollings would guarantee repetition of the worst fiscal blunders of the Depression are lessened by permitting the President, during a recession, to suspend all or part of the requirements of the bill. That any President would do so is made more probable by the widespread recognition of the risk of aggravating a slump by cutting outlays or raising taxes in the midst of recession.

Many would also argue that there is another safeguard today—one that was dimly understood during the Depression: how to use monetary policy to keep a recession from degenerating into a depression. During the Depression, fear of inflation, in a time of falling prices and employment, greatly restricted the efforts of the Federal Reserve to make more money and credit available. Today's monetarists call for keeping the money supply constantly growing. And the nonmonetarists would call for an increase in money and credit, and lower interest rates, to offset recessionary forces.

Nevertheless, many economists think Gramm-Rudman-Hollings still is too risky and could be improved. One way of doing this, offered by James Duesenberry of Harvard and Charles L. Schultze of Brookings, would be to establish an objective of declining Government expenditures rather than declining deficits. The advantage would be that if, as a result of slow or negative growth, there were shortfalls of revenues, it would not be necessary to increase spending cuts even further.

Another way of reducing risks would be to set "structural" deficit targets—that is, targets based on what the deficit or surplus in the budget would be at a high-employment level of output, thereby avoiding the distortions resulting from swings in the business cycle.

Gramm-Rudman-Hollings's effect on recessions is only the beginning, however, of economists' worries about the bill. We shall take up these concerns in a future column.

THE FIRST BOUNCE

While Congress sweats out its debt-limit extension and dire warnings about Uncle Sam's checks bouncing at the banks, let us discuss further the issue of federal budgeting.

Our editorial yesterday, "Nixon Was Right," opined that the Gramm-Rudman amendment to the Senate's debt-limit extension bill was flawed because it was keyed to the size of the federal deficit rather than to total federal spending. It looked like a pressure vessel for brewing tax increases.

Sen. Gramm called to say that he is not a tax booster and he doesn't think tax increases are inevitable from the mandatory limits he and Sen. Rudman want for bringing the deficit down to zero by 1991. Rather, he thinks spending cuts, including vetoes of some appropriations bills this year, are more likely. If deficit-panic politics continues along its present course, there'll probably be a tax increase anyway. And finally, since Congress simply is not willing to surrender the power it assumed a decade ago, his measure would compromise by having the president and Congress share the task of cutting the deficit $36 billion over the next five years.

Those are good practical arguments for coping with the likes of Tip O'Neill, whose great generosity with taxpayer money had much to do with creating today's budgetary chaos. Speaker O'Neill nonetheless declared yesterday that he opposes Gramm-Rudman, specifically because it returns some power to the president.

If federal budgeting is ever to be reordered, however, there is no choice but to return power to the executive. Congress has assumed executive responsibility—but with 535 members each trying to direct spending or a portion thereof. Committee and subcommittee staffs second-guess every executive decision, restoring excised spending and feeding it into a logrolling machine.

This is economically damaging not only because it perpetuates federal deficits, but because it makes grossly inefficient use of nearly one-quarter of the nation's economic resources. Were it not for that big Beltway-enclosed beehive of economic maladministration, the U.S. economy would be far more efficient, far better able to create real jobs, far better able to compete in world markets, and far better able to offer useful assistance to those many countries that have mismanaged their use of resources even more grievously.

The farm bill, for example, is not only far over budget but will continue to undermine a once efficient farm economy. The urban-mass-transit bill not only involves a lot of money but funnels it into questionable projects that no city would dare try to finance on its own. The huge toxic-waste bill shovels federal money out to be spent on who knows what; the only certainty is that contracts will be let. Defense spending, as Sens. Nunn and Goldwater have just pointed out, has been buying a lot less defense than such a huge amount should buy, in large part because congressional management is not designed for efficiency but for giving each district a piece of the action.

Old-style politicians think that all this doesn't matter. The purpose of government spending isn't to accomplish public purposes but to generate "jobs." This kind of thinking is an invitation to economic decline. Indeed, the U.S. flirted with decline, induced in exactly this way, during the 1970s.

The struggle between President Reagan and Congress in the 1980s has been over how the federal share of economic resources will be managed. Mr. Reagan's fiscal 1986 budget earmarked a substantial list of specific programs for termination or sharp cutback. The 535 micromanagers of the Congress, their thousands of staffers, and thousands of lobbyists undertook once more to overrule those decisions.

Sen. Gramm, an economist who is well aware of the costs of resource misallocation, is trying to work within the congressional process to alter that dreary annual process. If he fails, Congress will continue to fumble along in view of an increasingly impatient electorate. The pressure from outside will continue to build, either through state-level initiatives calling for a balanced-budget amendment to the Constitution or through presidential vetoes. The simplest solution for Congress would be to give the president line-item veto power, which would fall far short of surrender but would move toward making someone accountable for the budgetary result. The federal government may well be the only organization in this country, and possibly the world, where no one can be held accountable for how much is

spent. Such a state of affairs is neither viable nor sustainable.

[From the Christian Science Monitor, Oct. 8, 1985]

SOUND DEFICIT REDUCTION

Americans can welcome the sudden eagerness in official Washington to reduce the federal deficit. But that is not to say that they should welcome the balanced-budget measure now before Congress.

The legislation—the so-called Gramm-Rudman measure, named after Republican Sens. Phil Gramm of Texas and Warren B. Rudman of New Hampshire—would supposedly eliminate the deficit to zero by set amounts on an annual basis, achieving a balanced budget by Oct. 1, 1990. If the deficit exceeded target levels, the President would be ordered to make across-the-board reductions in spending, with social security exempt.

The sudden zeal of this 11th-hour attack on deficits is disconcerting, given the political timing: Lawmakers are now having to raise the national debt ceiling to above $2 trillion—illustrating the inadequacy of their efforts to date.

Even giving the Congress and the White House the benefit of the doubt at the moment, the Gramm-Rudman measure, however, is troubling. By giving the President added authority, it would alter the constitutional relationship between the White House and Congress, wherein Congress is given the lead in tax and fiscal matters. The tight deficit-reduction schedule built into the proposal may not provide the flexibility needed by Washington is dealing with changing economic circumstances. And the proposal exempts one of the biggest areas of federal outlays—social security.

Washington knows how the deficit can be reduced: by enacting tax increases, or cutting spending, or a combination of the two. The administration now has a new budget chief, James C. Miller III. The budget process should be the starting place for the administration as it goes about its search for lower deficits. That would mean the White House should introduce a meaningful budget in January for fiscal 1987 that will be taken seriously by both lawmakers and outside economists.

Making the current budget process work makes better sense than racing to adopt a rigid new formula that creates more constitutional problems than it resolves.

THE BALANCED BALONEY ACT OF 1985

Frustrated by the failure to reduce the breathtaking Federal deficit, Congress and the President are ready to fasten onto a fantasy. Dreamed up by Senators Rudman of New Hampshire and Gramm of Texas, both Republicans, it promises to balance the budget by 1991. The idea is appealing but this approach is perilously unbalanced.

Congress' frustration is easy to understand. This year, again, it has struggled to cut one program after another only to wind up with yet another huge deficit. The plan responds handsomely to the prevailing mood of desperation.

Here is how it's supposed to work: The deficit for fiscal 1986 is assumed to be $180 billion. Deficits in following years would be reduced to zero in equal yearly steps. If the President and Congress failed to agree on how to achieve the goals, the bill would require across-the-board spending cuts—with important exceptions.

The first flaw is the starting point. The official estimate for this year's deficit is low, maybe $20 billion too low. Second, aiming at zero is arbitrary, perhaps dangerously so. Big cuts in the deficit are essential. But perfect balance isn't necessary by a given date. Forcing its achievement could, depending on economic conditions, start a recession or stifle a healthy recovery.

Third, the approach is unbalanced and unfair. The trigger mechanism would affect only spending, and not all of that. It would not cut interest on the debt or Social Security and would leave vague leeway for increases in other "uncontrollable" costs. No tax increases are involved and no controls would apply to rising "tax expenditures"—revenues lost to deductions and exemptions that add to deficits just as spending does.

The final flaw concerns credibility. Congress may solemnly demonstrate its firm resolve with legislation—but everyone knows Congress can act even faster in the opposite direction. The 95th Congress passed a law requiring a balanced budget by 1981. The 96th repealed it.

Senators Rudman and Gramm, now joined by Senator Hollings, give their scheme the title "Balanced Budget and Emergency Deficit Control Act of 1985." Beware. The only way to balance the budget and control the deficit is to cut spending equitably, which neither the President nor Congress seems able to do; or raise taxes, which the president refuses to do; or both. No wonder everyone's rushing to embrace this choice bit of balanced baloney.

[From the Rocky Mountain News, Oct. 14, 1985]

SENATE GRASPS AT BRASS RING MADE OF SMOKE AND MIRRORS

At last Congress is doing what it is really good at: staging a great political show to make people think it is alarmed by $200 billion budget deficits and will do something to reduce them.

By an overwhelming vote of 75 to 24 Wednesday, the Senate commanded Congress and the White House to cut the deficit $36 billion a year until the budget is balanced in 1991. If you believe that will happen, we have a bridge to sell you. It's in Brooklyn.

As originally introduced by Sens. Phil Gramm, R-Texas, Warren Rudman, R-N.H., and Ernest Hollings, D-S.C., the measure made some sense. It provided that if Congress and the president failed to meet its deficit targets, the president could cut spending across the board.

In effect, the bill would have restored to the White House some of the power to impound over-budget spending that President Nixon, crippled by Watergate, lost to Congress in 1974. Unsurprisingly, the federal deficit binge can be traced to that "reform."

Unfortunately, to get Gramm-Rudman-Hollings passed, its sponsors had to retreat time and again. Social Security, most of the defense budget, interest on the debt and all programs with outstanding contracts were exempt from cuts.

This means having to remove $36 million annually from only one-quarter of the budget. It is possible—if one is willing to take food stamps away from the hungry, remove rich farmers from the dole, stop building dams in key lawmakers's districts, close the FBI and leave the Marine Corps with no bullets.

In other words, the deficit reduction goals are not meant to be met, and every senator knows it.

The hyprocrisy, however, did not stop there. Liberal Democrats tried to filibuster the bill to death. Failing that, they flip-flopped and voted for it—a case of cover-your-behind politics. You can just hear them intoning: "How dare my opponent call me fiscally irresponsible. Why, I voted for the Budget Balancing Act of 1985."

Next, the Senate's weak measure goes to the House, where it will get mugged by Tip O'Neill and his merry crew.

So what began as a sincere, necessary move to lower the deficit before it undermines the economy will either be emasculated in the House or killed in conference. The authors of such farces take the voters for fools—and may be right. We put up with their posturing, and pay them for it.

[From the Baltimore Sun, Oct. 8, 1985]

BUDGET BALANCING ACT

As the fiscal new year begins under the gun of an inescapable need to raise the national debt limit past the $2 *trillion* mark, Congress and the Reagan White House are in a state of contrived political panic and in search of a panacea.

The panacea of the moment—a proposal to mandate a balancing of the federal budget by fiscal 1991—has been described by Senator J. Bennett Johnston of Louisiana as a "legislative Armageddon." Norman J. Ornstein, a political scientist at the American Enterprise Institute, says it would have Congress concede a substantial share of its power to the presidency and alter the relationship between the branches of government.

Yet Congress is so transfixed by fear of the voters' wrath that it is rushing to do just what President Reagan wants, even though Mr. Reagan bears great responsibility for sky-high deficits. If the plan is passed in anything near its present form, Senator Johnston thinks it would give the president "total power over appropriations"—what gets funded and what does not. He doubts it could pass constitutional muster. So do we.

The budget-balancing plan sponsored by Senators Phil Gramm, Warren Rudman and Ernest Hollings supposedly would have federal budget ceilings set on a declining line to reach zero by fiscal 1991. The president and Congress would be expected to stay under these ceilings. But if Congress fails to do so, the president could "sequester" funds and cut spending "across the board." If, for example, Medicare has to be reduced 7 percent, a president presumably would have the power to say which parts of Medicare would be cut and if any specific programs are to be terminated.

Then there is the problem of exemptions. Payments on the national debt are excluded, as they must be. But so is Social Security, even though rising cost-of-living adjustments are bleeding the Treasury. Draconian cuts would have to be made in the remaining 60 percent of the budget.

Another troubling feature is the authority that would be conferred on the Office of Management and Budget, a creature of the White House. It could go high or low, depending on which economists it chooses to listen to, and therefore could position a president to work his will on Congress.

It is easy for politicians who have had a hand in doubling the national debt to give lip service to the idea of a balanced budget. It is quite another thing for them to inflict pain by raising taxes or crunching federal activities. There is just no assurance that a bid to solve these sensitive political problems by a mechanical formula will work.

The budget process is in such a mess, at both ends of Pennsylvania Avenue, that attention to the deficit is an appropriate start for the new fiscal year. Congress ought to know what it is doing, however, before it cedes to the executive branch its constitutional power of the purse.

GRAMM-RUDMAN: BUDGETARY BUNGLE?

(By Edwin M. Yoder, Jr.)

The Gramm-Rudman-Hollings plan to cure the deficit by statutory means confounds all folk wisdom. Having watched one statutory process—the so-called "budget process" of the 1974 Budget Act—fail to overcome political pressures making for excess, Congress may enact yet another. The cat, badly burned, is poised to jump back on the same stove.

But panic has set in. The government is almost out of cash and to borrow more, Congress must boost the debt limit to just over $2 trillion, a figure of symbolic significance. It marks a near doubling of the national debt under Ronald Reagan, and another milestone on the dismal road once known (even to Reagan) as "mortgaging our grandchildren's futures."

To take the curse off this transition, Sen. Phil Gramm and several cosponsors have sprung a dandy plan on Congress. Whatever befalls it, it marks another fascinating episode in the bizarre chronicle of Congress' effort to boost itself, by statutory bootstraps, into fiscal self-discipline.

Gramm's bill is complex, but the aim is simple. It would "mandate" a scheduled reduction of the federal deficit, in $36 billion annual decrements, from some $200 billion this year to zero by 1991.

But in view of the well-known frailty of congressional will power, the plan would authorize the president, when Congress exceeds its own limits, to cut spending "across the board" (Social Security excepted).

What is remarkable is that in its embarrassment, Congress is disposed to cancel, at one hasty stroke, the Budget and Impoundment Act of 1974. That act aimed to retrieve usurped spending authority from the Nixon White House, yet now the Gramm-Rudman plan would give Ronald Reagan (and his 1989 successor) an unexampled one-man budgetary discretion—possibly the most unbridled of its sort in any English-speaking legislative tradition since King Charles I lost his head.

In 1974, Congress had been battling Richard Nixon's abuses of "impoundment," executive withholding of appropriated funds, and the Budget Act of that year was intended to clean up congressional bookkeeping and reassert congressional dominance over the spending power.

The 1974 Budget Act and its "budget process" are now widely perceived as failures, and the judgment is hard to deny. The Budget Act halted impoundment abuses. But the "budget process" it instituted, despite a valiant try by people such as Ed Muskie, Pete Domenici and Jim Jones, proved powerless to curb overspending at a time of explosive inflation—especially after the Reagan tax cuts lowered the revenue base. Legislative good intentions were not enough.

But what is the real lesson of this failure?

If the wreckage of the 1974 Budget Act suggests the intrinsic weakness of a statutory process in the face of overwhelming political and economic pressures, how can Gramm and his cosponsors contend with a straight face that still another, if different statutory process will solve the deficit dilemma?

To be sure, if the country enjoys six years of cloudless economic sailing between now and 1991, the plan could work as intended.

In the unwelcome but highly probable event of recession, and the budget pinch it would bring, what then?

The Gramm-Rudman plan has an interesting escape clause. In the event of war or recession, the president may, at his discretion, waive the mandatory deficit reduction.

But putting a president in nearly total charge of the response to economic emergency not only repudiates the 1974 Budget Act; it may repudiate constitutional checks and balances as well.

How, then, would you bet in such an eventuality, in view of the history of such congressional self-denying ordinances? That Congress would swallow institutional pride, and ride out the politically chafing consequences of its abdication of power? Or (as it has done behind the facade of the "budget process") find sly ways to repudiate the deficit-reduction plan?

And another question: The rap against Richard Nixon, 15 years ago, was that he was impounding (we now call it "sequestrating") funds for political, not economic ends—using a discretionary power to destroy or cripple social programs Congress wanted to continue.

Would Ronald Reagan, made sovereign arbiter in an economic pinch, resist the temptation to use his extraordinary discretion under Gramm-Rudman to shape budget policy to suit his well-known fancies?

That is the most political, though not necessarily the most serious, of the many issues raised by the latest panacea for Congressional indiscipline.

[From the Los Angeles Times, Oct. 13, 1985]

A BRAND-NEW WAY TO BRAKE THE BUDGET

(By Richard E. Cohen)

The way business is done in the Capitol may never be the same. Last week Congress seemed finally to have decided to get serious about the budget deficit. Or the contrary, according to some Democratic warnings. The Senate-approved plan to force a balanced budget in five years may prove to have been a grand illusion and the ultimate in political expediency. Take your pick.

The correct answer may not be known for some time. Yet there is little question that the nation's lawmakers set out to change the rules for how they and the President handle the budget.

No actual spending cuts have been made nor will any major action be required before next year. But Republican leaders have won Senate approval of procedures they hope will force the hard choices that members of both parties have been largely unwilling to make. Not incidentally, proponents worried about the politics of the budget deficit hope to convince an increasingly skeptical public that they mean what they say.

Major questions remain, including whether the Democratic-controlled House will demand much change in the proposal during discussions in the coming days and how much cooperation President Reagan will offer if approval of the proposal forces him to turn rhetoric into action. And even supporters of the scheme concede that they do not fully agree about how it would operate.

If nothing else, the latest debate showed that, much as it has tried, Congress has been unable to lose its deficit albatross. Issues like tax reform, trade protectionism and South African sanctions come and go but Congress has had little escape from federal budget deficits that have been close to $200 billion annually since 1983. Barring radical changes in presidential and congressional behavior, or the unlikely prospect of constitutional change, it has become apparent that deficits will stay close to that level for several more years.

The paralysis led freshman Sen. Phil Gramm (R-Tex.), its chief sponsor, to offer the budget plan. Gramm initially gained wide attention as the leading House Democratic supporter of Reagan's 1981 spending cuts, and then switched parties in 1983, after furious Democratic leaders stripped him of committee assignments. His 1985 opportunity came when government borrowing demands forced Congress to increase the public debt limit to $2 trillion, more than twice the amount Reagan inherited when he took office. (Several congressional insiders speculated that former budget director David A. Stockman, renowned for creative ways to deal with the deficit, helped Gramm draft his plan but those rumors were denied by Stockman cohorts.)

The basic outlines of the plan are relatively simple. Starting with a $180-billion deficit ceiling for fiscal 1986—which began Oct. 1—it requires incremental deficit cuts of $36 billion each year, until balance comes in 1991. Both the President, in his annual January budget recommendations, and Congress, in its subsequent actions, must fall below the lid.

If executive and congressional budget experts determine at the start of the fiscal year that the ceiling will be raised more than 5%, then the President would be forced to respect the deficit ceiling by "sequestering" money across-the-board in most federal programs—Social Security benefits would be the major exception. Congress could override the President but only if its alternative plan met the ceiling and won his approval—or could override his veto.

This extraordinary grant of presidential authority, which sponsors claim is critical to the plan's success, generated heated controversy during the Senate debate. Critics said it would encourage Reagan to veto earlier congressional actions so that he could eventually get his way. Others claimed he would find a way to place most of the burden on already depleted social programs and make few cuts from his hefty defense budget.

Sen. George J. Mitchell (D-Me.) also lambasted the "outrageous" handling of the proposal. Senate Majority Leader Bob Dole (R-Kan.) worked with Gramm to "circumvent" the routine legislative process, Mitchell said, and tried to force it through the Senate before it could receive careful study. Mitchell also criticized "woefully inadequate" press coverage of the revolutionary proposal.

Other Democrats welcomed the proposal and joined in the Senate's 75-24 vote to approve it. This broad support offers dramatic evidence that lawmakers feel strong public pressure to address the deficit; frustration has made them willing to try steps that not long ago would have been considered radical.

Until Senate and House conferees agree on the final package, it will remain unclear how much change it will cause in the handling of the budget. Many in the House want to assure, for example, that Reagan could not use the new procedures to disrupt the budget process by vetoing routine measures and leaving himself the power to impose his priorities in the end. They also

have discussed steps to permit automatic tax increases, in addition to spending cuts, if the target is not met.

In a sense, approval of the plan is a political bonanza for Reagan, despite fears among some of his advisers that the automatic spending cuts could reduce Pentagon outlays. The five-year schedule for balancing the budget calls for initial steps that are reasonably attainable; the most painful budget choices would await Reagan's successor. In exchange for his early steps, Reagan can claim that the deficit problem has been resolved.

Even an arguably ironclad proposal will probably leave loopholes. Given its constitutional responsibility to write the budget, any Congress will be reluctant to sacrifice to any President its prerogative to write the federal budget.

But the significance of last week's debate is that the deficit has caused both Congress and the President to conclude that the old system no longer works and that new methods must be found.

[From the Chicago Tribune, Oct. 15, 1985]

BALANCED-BUDGET BILL IS PERILOUSLY TILTED

(By George F. Will)

Bob Dole, illustrating the axion that wit is educated insolence, says the Senate should pass the radical budget-balancing bill without hearings because, "The longer something hangs around here, it gets stale. People start reading it." Heaven forfend.

The proposal, an action-forcing device, would require five annual cuts of equal size ($36 billion) bringing the deficit to zero in 1991. The President would be required to submit a budget with sufficient spending cuts or tax increase to cut $36 billion from the deficit. If—if!—Congress did not ratify his blend of pains and did not devise its own blend, the failure would trigger a presidential duty to cut spending, across the board, by whatever fixed percentage is required.

Note that congressional failure to make hard choices would not invest the President with broad power to exercise rational discretion in shaping the budget.

Defenders—yes, defenders—of the proposal stress that it makes the President an automation. The proposal minimizes choice (thought) in budget-making. This evasion of governance might, for example, require the President to cut equally, thereby assigning the same social value to Amtrak subsidies and programs for spina-bifida babies.

This proposal is historic in its potential consequences and stunning in its symbolism, especially as it reveals a transformation of conservatism. In its potential for large consequences, it ranks a cut below repeal of the Missouri Compromise. It will not ignite civil war, quite. However, as an allocator of effective power within the central government, the proposal is as significant as the establishment of the Federal Reserve System.

Considering its source, the conservative party, the proposal is as startling as the Giles Enforcement Act of 1809, which suspended parts of the Bill of Rights in order to enforce compliance with Jefferson's embargo against Britain and France. Sen. William B. Giles, the author of this concentration of irresistible power in the central government, was a Virginia Jeffersonian, at least rhetorically.

Today's conservative proposal for shrinking deficits mocks some conservative rhetoric. It would involve an enlargement of executive-branch power without parallel in peacetime. Modern conservatism defined itself in opposition first to F.D.R. and then to L.B.J. Hence conservatism had celebrated congressional prerogatives against "presidential government." But conservatives supporting this deficit-cutting proposal favor a form of executive power far beyond the dreams of liberal political avarice.

We few who are "strong-government conservatives"—we Hamiltonians—believe, as our hero did, that "energy in the executive is a leading character in the definition of good government." But minimizing the element of mind in governance is a high price to pay for instilling energy in the executive.

The proposal illuminates the real, as distinct from the rhetorical, nature of contemporary conservatism. Social Security would be completely exempt from cuts. Social Security and interest payments, which are necessarily exempt, comprise one-third of the budget. All other entitlement programs would suffer only cuts from annual cost-of-living increases. Thus the controllable portion of the defense budget, especially pay, maintenance and operations, would bear a heavy burden of the cuts. So conservatives supporting the proposal are siding with the middle-class, social-insurance side of the central government against the defense priority.

The proposal is as American as, well, Prohibition. It expresses a deep desire to tame turbulent social forces with institutional cleverness and words on parchment.

It is axiomatic: In politics, the perfect is the enemy of the good. That is, pursuit of perfection impedes achievement of the merely adequate. Perhaps today's proposal is the closest that self-government can come to self-restraint. But as Dole said to a supporter of the proposal, "Don't get up and explain it again. Some of us are for it."

Congressional pleas for the proposal sound like the notes that a homicidal maniac sends to the police: "Stop me before I kill (spend) again!" Sen. Warren Rudman (R-N.H.), an author of the proposal, was an amateur boxer. He combines charming feistiness with disarming candor. He does not cavil about a description of the proposal as a straitjacket for the government to jump into in a fleeting moment of lucidity. But the words of Sen. Bill Bradley (D-N.J.), a critic of the proposal, can be quoted by proponents for the proposal. Bradley says that Congress does not need new procedures, it just lacks political will. Just? The brain surgeon just lacked steady hands?

The proposal calls to mind an acid cartoon from the late 1940's showing a German general saying "I was only obeying orders I gave to myself." The proposal would hand a meat cleaver to the executive branch and force the use of it. Then a congressman or senator confronted by angry constituents could point to the executive branch and say: "Don't blame me. The, er, government did it."

[From the Washington Post, Oct. 9, 1985]

THE DEFICIT AMENDMENT

Its sponsors and the president keep chipping at the deficit-reduction amendment on the Senate floor to take important shares of the pain out of it. The more they rework it, the more it comes to resemble either 1) a showy effort on the part of those who brought us the deficit to demonstrate now how much they deplore it, and/or 2) a selective effort not so much to reduce the deficit as to use it as a lever to attain assorted lesser policy objectives.

The difficulty for the last five years has been that the deficit has been a residual element in policy-making. The President and the parties in Congress have had various programmatic or distributional goals—cut taxes, increase defense spending, show themselves to be the stoutest possible protectors of the seventh of the population that receives Social Security benefits. The choice, particularly as framed by the president, has come down to letting the deficit rise or cutting an enormous swath through all other domestic programs. Not even the president has been able or willing to propose the requisite cuts, and the deficit has risen.

The amendment in the Senate was meant to reenergize this stale debate by requiring that deficit-reduction come first and by confronting the president and Congress with a much more difficult set of choices. In its original form it set deficit targets declining to zero over the next five years and decreed that if Congress failed to hit a target, the president would have to make spending cuts, in defense and Social Security as well as the domestic remainder of the government. It made no mention of tax increases, but the idea was that, rather than cut defense and Social Security, the president would likely agree to one. There was a hammer at everyone's head.

But the terms keep changing. To pick up support on the floor, the sponsors agreed that none of the burden would fall on Social Security; it would be exempt. Partly to ease the pressure on defense and partly to avoid deep spending cuts just before next year's elections, they have also stretched out the deficit-reduction schedule; the amendment now would probably have no effect for a year. Meanwhile, the president, in professing "enthusiastic support" for "what might well become historic legislation," has served oblique notice that he would not expect it to affect defense. In a "personal caveat" in his radio speech on Saturday he reminded listeners that Congress has already agreed (in this year's budget resolution) to defense spending increases of 3 percent per year after inflation over the next several years. "And next year I will propose those amounts aready accepted as necessary for keeping the peace," he said.

The sponsors say that defense remains subject to the terms of the amendment, but that is clearly not the way the president understands or intends it. The stakes are too high not to have agreement on the rules. The amendment would have some seriously uneven effects within the Defense Department. The theory is that, to avoid these, the president would agree to a more rational budget. But to the extent that defense become exempt along with Social Security, there would be no pressure on him to agree to anything. The amendment would then only seriously affect the domestic programs that have been in the balance against the deficit all along. It would be a stronger license to dismantle them. It sounded a week ago like a good idea. It begins to sound increasingly like a bad one.●

FOSTER GRANDPARENTS

● Mrs. HAWKINS. Mr. President, since the Foster Grandparent Program celebrates its 20th anniversary today, I would like to take this opportunity to commend Foster Grandparents nationwide and most especially the nearly 1,000 Grandparents of Florida.

Florida has one of the largest groups of Foster Grandparents in the country. The volunteers work in a variety of settings, addressing all types of special needs. In Jacksonville, a group of Foster Grandparents provides services to disadvantaged newborn infants in the neonatal unit of Jacksonville's University Hospital. The elderly volunteers perform an important function by showering lots of love and attention on the infants during the first few days of their lives. Other volunteers in Jacksonville work at youth institutions, where they help abused children, pregnant adolescents, and young runaways.

In southwest Florida, Grandparents are assigned to unmarried teenage mothers in a special program that allows the mothers to bring their babies with them to class while they complete their high school education. The volunteers become role models to the young mothers. They show them the best methods of caring for their children.

Still other volunteers serve at a Half-Way House for boys, aged 12 to 18, who have committed sometimes serious crimes. The Grandparents provide emotional support to these troubled young men.

Daisy Martin, the 68-year-old Foster Grandparent from Fort Lauderdale who will represent Florida's Foster Grandparents at the White House celebration today, works in still another area of need.

Assigned to the Walker Elementary School in Centeral Fort Lauderdale, Mrs. Martin assists slow learners. She helps them with reading, writing, and math so that in a short time they're able to catch up with their fellow classmates. "I'm learning a lot myself," she says. "In my day, we never learned how to print, but I know how to do it now! And, guess what! I'm also learning how to shoot basketball!"

Mrs. Martin's presence in the classroom is invaluable, says Walker School Principal Ben Williams. "The students love her. Her being there means they have day-to-day contact with an older person. The stories she tells and the experiences she relates, no doubt, will have a lasting impression on them for the rest of their lives."

Adds Mrs. Martin: "After my husband died I decided I wouldn't just sit and grow old! This work keeps me youthful. The greatest compliment is when I hear a young one say to another, 'When I grown up, I want to be just like Mrs. Martin!' "

To Mrs. Martin, to Florida's Foster Grandparents, to the 19,000 Foster Grandparents around this country, thank you for what you do. Our children are so very much the better for it!●

THE NOVEMBER SUMMIT

● Mr. SIMON. Mr. President, the upcoming meeting between the leaders of the world's two superpowers gives Ronald Reagan and Mikhail Gorbachev a golden opportunity to reduce tensions in this high-stakes game of nuclear one upmanship. Whether they grab that opportunity remains to be seen. But people in both countries are looking to the summit with a mixture of optimism and hope. Those hopes are tempered, I'm afraid, with a strong dose of realism. In a column I write for newspapers in my State, I've previewed what we might expect from that historic meeting. I ask to have it reprinted in the RECORD.

The column follows:

THE NOVEMBER SUMMIT: A PREVIEW

(By Senator Paul Simon)

The November summit meeting in Geneva between President Reagan and Soviet Mikhail Gorbachev is causing some speculation about what will happen. Here are some questions I've heard, and my answers:

What can we expect from the summit meeting?

Perhaps most important, the two leaders will get together and get to know one another. That does not result in anything immediately concrete but if it goes well it can be the base for progress.

In a way of specific results, there probably will be some small steps forward in cultural and student exchanges, new consulates, trade, and perhaps some broad outlines of arms control agreements to be negotiated.

But we should not expect too much.

Is the President serious about this?

While the meeting has been delayed too many years, everything I hear indicates the President now is taking it seriously. He's doing his homework.

Can we trust the Soviets?

No. We should not enter an arms control agreement based on simple trust, any more than they would enter an agreement based on trust of us. They fear us; we fear them. Any agreement should be something both sides can varify.

But what can we verify?

Through our satellite cameras we can verify a great deal, but not everything. Our cameras can tell whether a man crossing the street in Russia has a mustache. We can read the license plate numbers on a car. The detail is incredible. And through those cameras we know how many tanks they have, where their missiles are based, and when they test them. But cameras cannot tell us what goes on in buildings. That's why an agreement on chemical warfare without some type of on-site inspection has little meaning. It cannot be verified by either side.

Through more traditional intelligence sources we do have a great deal of additional information about what is going on in the Soviet Union, but not with the precision and certainty of a camera.

Why would they honor an arms control agreement if they don't honor the Helsinki Accords?

The Helsinki agreement was not a formal treaty. Also, the Soviet leaders know that if they were to honor it to the letter it would drastically change the Soviet system. Obviously, they don't want that. They do not see living up to human rights statements, for example, as in their best interests. But the yearning for peace in the Soviet Union is as real as in our country. The fear of world destruction is also real, as is ours. It makes sense for both sides to stop the arms race.

Will negotiating with the Soviets be easy?

It never is. We have to be patient. We have also learned through hard experience that in an arms control agreement with them we have to dot every "i" and cross every "t" in great detail. Informal understandings about meanings do not work. But if we are patient and persistent both countries should benefit.

Are there practical things that could be negotiated quickly?

Yes. We could quickly agree to stop all testing of nuclear warheads. All but the very smallest can be verified. The Soviets say they are willing to install sensors in their country to detect the tiny tests if we will install them. We should do it. Sen. Sam Nunn, a Democrat of Georgia, and Sen. John Warner, a Republican of Virginia and a former Secretary of the Navy, have suggested we should have a Nuclear Risk Reduction Center at which U.S. and Soviet military personnel would jointly work to monitor nuclear activity and prevent an accidental war. The Soviets have indicated some interest in the idea. It is worth exploring.

Are there those who do not want the summit meeting to succeed?

Yes. There are some in and out of the Administration opposed to the idea of the two leaders meeting. I agree with former President Nixon the two leaders should meet at least once a year. Most people on the Washington scene welcome the summit but caution we should not expect too much.

If the summit succeeds, will that be the end of tensions between the U.S. and the U.S.S.R.?

We're a long way from that. Tensions will continue, but they can lessen. And as tensions lessen it becomes less likely that we will blow up the world.●

THE KILLING FIELDS OF ETHIOPIA

● Mr. LUGAR. Mr. President, every so often an article appears of such compelling content that it merits the special attention of Members. Such an article recently appeared in the European edition of the Wall Street Journal.

The article is titled "Ethiopia: Africa's Killing Fields" and it describes the results of a survey of refugees who recently fled from Ethiopia to Sudan. The conclusion drawn from these interviews suggests that the Ethiopian Government's program of forced resettlement of the population of Tigre and Wollo Provinces may be resulting in thousands of deaths. Although the survey conducted by the Boston based group Cultural Survival was small, the stories all had a chilling consistency.

According to escapee reports, Ethiopian soldiers forced residents of Tigre and Wollo at gunpoint to special transfer centers. Denied food for several days in an apparent attempt to weaken them, the refugees were packed like animals into helicopters for the journey to their new homes in southern Ethiopia. Nearly every escapee reported witnessing deaths en route

to the resettlement areas. Once having arrived, their new homes resembled nothing so much as concentration camps. With the political cadres of the Mengistu regime acting as camp overseers, escapees report being forced to work 11 hours a day, 6½ days a week with woefully inadequate food rations. The Marxist cadres and local militias abuse camp residents in what can only be called conditions of near slavery. Beatings were frequent; those who attempted escape were shot. The death rates in the camps—and these are deaths of the able-bodied—exceed the death rates at the height of last year's famine.

The testimony of survivors of the resettlement program is shocking but not unfamiliar. The reports of brutality in the resettlement camps recall the forced evacuation of Phnom Penh and the resulting holocaust in Cambodia under Pol Pot. The logic of totalitarian regimes consolidating their power always presents the possibility that mass murder will be employed to solve inconvenient political problems.

We must be especially vigilant in monitoring the human rights situation in countries like Ethiopia. Ethiopia has muted criticism of itself by exploiting the humanitarian concern of other nations. By treating Ethiopia softly, it is argued, donor nations will have a better chance of getting relief supplies to the starving. The Mengistu regime has succeeded remarkably in getting other nations to impose a form of diplomatic selfcensorship. But indications of Pol Pot style resettlement camps clash with our humanitarian limits.

What we now need, obviously, is more information. I have, therefore, written Secretary of State Shultz requesting a report on the allegations. The survey by Cultural Survival was small, and more systematic debriefings of refugees and international relief workers are urgently needed. In the long history of 20th century mass murder, the world community has invariably ignored early warnings of ensuing disaster. The tragedies which already have befallen Ethiopia from the ravages of its government could, unbelievably, grow worse. I ask that the article be printed in the RECORD.

The article follows:

[From the Wall Street Journal, Oct. 1, 1985]

ETHIOPIA: AFRICA'S KILLING FIELDS

(By Robert D. Kaplan)

The Marxist regime in Ethiopia is in the process of moving 1.5 million peasants in the drought-affected north of the country to resettlement camps farther south. The plan has stirred much controversy, and there is deep concern in the West over the fate of the 400,000 who have already been "resettled." But restrictions on the movements of diplomats, journalists, and relief workers in Ethiopia have made it difficult to find out just what is happening.

Cultural Survival Inc., an independent, Harvard-based human-rights organization staffed mostly by Harvard professors, has just completed a study on Ethiopian resettlement. It is based on 82 separate interviews conducted at a refugee camp in the Damazin area of Eastern Sudan. Those interviewed represent various ethnic groups from the Ethiopian provinces of Tigre and Wollo, who after being "resettled" in the Asosa region of Western Ethiopia escaped by foot across the border.

Lest anyone doubt its credentials, Cultural Survival has conducted similar studies on endangered peoples in Asia, Latin America and elsewhere in Africa, and its reports have criticized left-wing and right-wing governments alike. A measure of its objectivity is that in another section of this study, the Tigrean rebels—who in fact want to topple the Marxist government—come in for serious criticism. Therefore, close attention should be paid to what the Harvard based group has to say about resettlement.

"DEVASTATING" FINDINGS

The director of research for Cultural Survival, Jason W. Clay, calls the soon-to-be-published document "devastating." The worst fears concerning resettlement are justified, as the document makes it difficult to avoid a comparison with Cambodia in the mid-1970s, when the Khmer Rouge "resettled" an entire nation. The inescapable conclusion, though not stated, is that Ethiopian ruler Mengistu Haile Mariam is an African equivalent of Pol Pot.

In the words of the draft version, "if even the most conservative estimates of the death rate are true, then 50,000 to 100,000 of those resettled in this massive program may already be dead." The death rates consistently reported by the escapees, of between 33 and 270 per 10,000 each day, are actually higher than those at the Sudanese camps at the height of the famine emergency early last winter. What makes these figures even more shocking is that most of those dying in Sudan last winter were children and old people—of which there are almost none in the resettlement program.

The Marxist regime has claimed that resettlement is voluntary, yet according to the report, "all those interviewed insisted that they had been captured by government troops and forced to resettle . . . 10% of all those interviewed reported that they witnessed people being killed who tried to escape." Some 86.9% said they had been separated from some, if not all, their family members.

According to the report, resettlement often occurred in the process of fighting between the regime and the Tigre Peoples Liberation Front. The army would surround a village, burn the crops, steal the animals and round people up. "Many of those captured for resettlement said they were held in regular prisons with common criminals or in military barracks until transport could be arranged. . . . people reported that as many as 20% of those captured at the same time from their village died in the holding camps even before beginning the trip." Relatives trying to bring food to those in holding areas were reportedly denied entry and beaten by soldiers.

Some of those destined for resettlement were held in proper feeding camps, accessible to Western journalists. But "only the meek, quiet people were allowed to see the journalists." Group leaders and known resisters were moved out of camp areas where journalists were permitted to roam. In one case an Ethiopian government official reportedly announed that "white guests are coming. . . . whether you speak positively or negatively we will translate positively to the journalists."

The Western press has already written about refugees bound for resettlement, being transported in the unpressurized cargo bays of Soviet Antonovs. The report makes no mention of the pressurization facilities. It does say that the Antonovs, "designed to carry 18 fully equipped paratroopers each," were packed with 340 people per trip. "Some interviewed even reported a white man [presumably a Russian] sitting above the door of the plane who used a prod to force more people on." Everyone interviewed insisted that people has died en route; 60% said they actually saw people die.

The end of the journey was one of 40 resettlement ambas ("areas") in the Asosa region, near the Sudanese border west of the capital of Addis Ababa. Those interviewed had experience in about 12 of these ambas. "Asosa was like being thrown into hell," said one escapee.

As the escapees related their stories, each amba contains about 7,000 people ruled by 14 "political cadres" and about 70 militia troops, all armed with either pistols, rifles or machine guns. The cadres are young people aspiring to membership in the Workers Party of Ethiopia, while the militia is composed of trusted settlers from previous periods. The cadres control the militia, who control everyone else.

The report states that "newly arrived colonists had to build huts for the cadre and militia: huts that were made of corrugated iron, not grass and bamboo like the huts for everyone else; the cadre and militia have their food provided from the nearest towns, and the settlers must carry water for them."

The militia apparently live in fear of the Marxist cadre. "In some cases, militia were beaten in front of the camp residents. . . . one escapee reported that three militia in his site had been accused of letting colonists escape. They were summarily hanged and then shot in the head. The militia took the examples to heart. As one escapee reported, the main job of the militia is to kick us. . . . beatings occurred, reportedly, when people urinated without permission or . . . if they slowed the rate of work in the fields."

People are expected to labor 11 hours per day for six-and-a-half days per week, according to the study. "Most of those interviewed complained about the food that they were given. Their typical comment was that the amount of corn or wheat that each person was given for a month was in fact only enough for five days or a week." Needless to say, housing, clothes and farming tools were said to be scarce and inadequate.

The escapees claimed that previous settlers were forced to give their entire harvest to the government, receiving only a small amount of maize in return. "Perhaps the government sees the crop as payment for the costs of transporting the colonists . . . from the colonists point of view, however, they simply work for free, as slaves."

Transport for resettlement is being provided by the Soviet Union and other Eastern bloc states. The utensils, oxen and some of the food on site is coming from indigenous inhabitants, whom the regime has forced to give up all they had. Food has also come from the World Food Program, though escapees claimed to have seen grain bags from Canada, the United Kingdom and West Germany.

THE KILLING FIELDS

On account of the most savage fighting in years in Northern Ethiopia, there are now

more candidates than ever for resettlement. Though the American press has ignored it, Col. Mengistu and his Soviet advisers have spent the past six months directing a major offsensive in Tigre and responding to a rebel offense in Eritrea. Two Ethiopian divisions were redeployed from the Ogaden desert, forcing rebels to evacuate the towns of Tessenei and Barentu in Eritrea, and Adi Abi in Tigre. Refugees from these regions have been streaming into Sudan to avoid being "resettled."

Though the regime's resettlement efforts have been slowed by the rainy season, dry weather now approaching means the process will start again in earnest. "The Killing Fields" is not just a movie about Cambodia—in Ethiopia it's a fact of life.●

COLORADO HIGHWAY C-470

● Mr. HART. Mr. President, on Thursday, September 26, my colleagues on the Senate Appropriations Subcommittee on Transportation, in a display of bipartisan cooperation, and with a recognition of the increased transportational needs of communities in the West, approved $25.5 million in Interstate Highway Transfer Program funds for Colorado Highway 470.

C-470 is the product of an effort that began nearly a generation ago, when the people of Denver and the surrounding area began to think creatively about the inevitable expansion of population and commercial activity in the southern Denver metropolitan area. Recognizing this area would soon become a major population center in the West, Government officials, business people and concerned citizens began to plan for the future transportation demands of the area. They conceived the C-470 project: Located in the southwestern corner of the Denver metropolitan area, to link Interstates 25 and 70, two of the West's most important transportational veins. The project was designed to improve and facilitate the movement of people and goods along Colorado's front range. A fully funded C-470 will, therefore, be an invaluable addition to the transportation system that serves one of our Nation's fastest growing regions.

Mr. President, it has been projected that the Metropolitan Denver area, an area that currently numbers nearly 1.3 million residents, will double in population and experience a dramatic increase in employed persons within the next 20 years. Development and traffic pressures in the southern and western portions of the metropolitan area have increased the need for a bypass parkway to reduce the pressure on the central Denver area. By making southwest Denver more accessible, C-470 will benefit commuters, tourists, and merchants throughout the Rocky Mountain West.

Mr. President, I wish to thank Senator ANDREWS, Senator CHILES, and all the members of the Subcommittee on Transportation Appropriations for their bipartisan recognition of the regional and national significance of Colorado's C-470 project. I think I speak for the entire Colorado congressional delegation, in thanking you for your efforts.

I also wish to recognize the leadership efforts of Gov. Richard D. Lamm, Mr. Joseph Dolan, executive director of the Colorado Department of Highways, and the personnel within the department who helped make the project a reality. In addition to the efforts of Members of Congress and State government, special thanks should also go to the local leadership of Denver, Jefferson, Arapahoe, and Douglas Counties. Finally, I wish to make special mention of the outstanding leadership by members of the C-470 Task Force, a bipartisan group of community and business leaders, who have conclusively demonstrated that cooperation between government and the private sector can lead to progress.

In conclusion, I urge the Senate Appropriations Committee and the full membership of the Senate to follow the lead of our colleagues on the Transportation Subcommittee and the House Appropriations Committee, in approving this very important project.●

ALOPECIA AREATA

● Mr. D'AMATO. Mr. President, I rise today in support of Senate Joint Resolution 208. This legislation, which I have cosponsored, recognizes one of the most tragic diseases of our time, alopecia areata.

Most individuals are unaware of the nature and effects of this mysterious disease. Hereditary factors play a role in the transmission of the disease, but it is not known if the disease has genetic origins. The most recent research links alopecia areata with the immunological system. Alopecia areata appears to be an autoimmune disorder, one in which the body mistakenly forms antibodies against some part of the hair follicle.

Consequently, victims of alopecia areata suffer significant loss of hair. Sometimes hair loss is total, yet loss of patches of hair on the scalp is also common. Younger individuals are most often affected by the disease.

The hair loss and growth cycle of an alopecia areata victim can continue for years. For a mild case of the disease, current treatments—such as cortisone injections or anthralin applications—cannot entirely stop hair loss. Instead, treatments tend to prod the hair follicle to produce normal hair again. Treatment has to be continued over a significant period of time until the condition stops. This can take months or even years.

Treatment of severe alopecia areata is much more difficult. Many victims opt to wear wigs, as treatment is often unreliable.

Experimentation with a new drug that stimulates hair growth, minoxidil, is taking place. If continued studies show that this treatment is safe and effective, minoxidil will provide an additional treatment choice for victims of this disease.

I am hopeful progress with the treatment of alopecia areata will bring beneficial and quick results. The victims of this disease experience significant emotional and physical stress, as do their families. This stress is especially disconcerting given that many of the victims are young children.

I commend my colleague, Senator COCHRAN, on bringing this disease to our attention. It is my hope that a broader awareness of alopecia areata will allow the citizens of this country to better deal with and address the concerns which surround this tragic disease.

Thank you, Mr. President.●

SCHOOL PRAYER

● Mr. SIMON. Mr. President, the Chicago Tribune is a newspaper whose politics sometimes is more conservative than mine, but it takes the Constitution of this country seriously.

Recently, they had an editorial which pointed out that it would be a mistake for this country to adopt a school prayer amendment to the Constitution.

I am inserting that editiorial in the RECORD, and I urge my colleagues to read their advice carefully. We should not be tinkering with the Constitution needlessly.

I ask that the Tribune editorial be inserted.

The editorial follows:

A SOFT-SPOKEN AMENDMENT

The Senate Judiciary Committee has approved, 12 to 6, a proposed school prayer amendment that is notable for its roominess; it is designed to accommodate absolutely everybody, regardless of religious belief or lack of it. The proposed amendment reads:

"Nothing in this Constitution shall be construed to prohibit individual or group silent prayer or reflection in public schools. Neither the United States nor any state shall require any person to participate in such prayer reflection, nor shall they encourage any particular form of prayer or reflection."

The proponents' goal is to neutralize the Supreme Court ruling last June that struck down, not prayer in school, but moments of silence that would encourage prayer. The constitutional change must be approved by two-thirds of both houses, then ratified by 38 states; the 2-to-1 margin in Judiciary indicates it will have a strong appeal.

The strength of this proposed amendment is that it looks so harmless. It does not urge or condemn and can offend no one. It is a shell of words surrounding a near-vacuum, and those who see dangers in it may not sound convincing.

Yet it is a turn away from the ideal, which is that government should have nothing to say on the subject of prayer or religion. To

take any official stand whatever on these matters is to single out some view about them as endorsed or preferred—the one with government's seal of approval. As Sen. Paul Simon observed, this amendment has no secular purpose; its aim is to safeguard one form of religious practice—in effect to promote religion. But has anyone shown that religion needs government support, or would benefit from it?

One distinction should be kept clear: Any member of government, from president to court clerk, has the unequestioned right to state his own religious views as often and loudly as he likes. It is only when religious views take on official status and sanction that they become worrisome—and that is not becaue they are religious, but because they are starting to look governmental.

Congress should resist the appeal of this softspoken amendment.●

DAVID HENRY ISOM, LIFELONG HOOSIER MARKS 100TH BIRTHDAY

● Mr. LUGAR. Mr. President, I would like to recognize Mr. David Henry Isom, a native Hoosier from the city of Washington, IN, who will celebrate his 100th birthday on October 29, 1985.

David Henry Isom was born in 1885, the son of Ervin and Melinda Isom in Spice Valley Township, Lawrence County, IN. His father, Ervin Isom was a proud farmer in Lawrence County and he contributed greatly to the burgeoning railroad industry by spending a major portion of his time cutting and providing firewood to fuel the engines of the Baltimore & Ohio Railroad. At an early age, David Henry learned the importance of the railroad by the example set by his father's actions.

David Henry Isom moved to Davies County, IN, in 1915, and a year later married the former Laura Edna Nichols who remained his wife, friend, and partner in life until her untimely passing in 1966. Mr. Isom worked proudly for the Baltimore & Ohio Railroad until his retirement after 45 years of employment. Demonstrating a tradition consistent with Indiana's Hoosier heritage, Mr. Isom provided an honest day's work for an honest day's pay working his way up from the wages of that day of 35½ cents per hour to $2.16 per hour in 1966.

David Henry Isom is a bright, intelligent, and loyal Indiana citizen who proudly exemplifies our State's character and personality. He spends his spare time enjoying his favorite sport of fishing and with the aid of a cane purchased at the 1934 World's Fair maintains regular weekly attendance at the Second Baptist Church of Washington, IN, where he serves as both a deacon and trustee.

I am sure that I speak for the rest of my colleagues in the 99th Congress of the United States in wishing Mr. Isom a warm congratulations as he celebrates this significant milestone of his 100th birthday and joins an elite group of our Nation's citizens.●

ON NOBEL LAUREATE FRANCO MODIGLIANI

● Mr. MOYNIHAN. Mr. President, for the 13th time in 17 years, an American has won or shared the Nobel Prize in Economics. This year's distinguished recipient is Franco Modigliani, a professor at the Massachusetts Institute of Technology.

The winning of a Nobel Prize by an American is always a welcome occasion, and Professor Modigliani's honor is to be cheered. However, even at this happy time, this revered academic has used an euphoria occasion to send a sobering economic messsage that we ignore at peril.

This morning's Toronto Globe and Mail carries a story by the Reuter news agency in which Professor Modigliani says that our Federal budget deficits have created:

• • • A tragedy much greater than I had expected. The longer this lasts, the poorer the future generations will be. The Government deficit is a disastrous policy which is going to be very costly—not to me because I am old, but to you who are very, very young.

Mr. President, our newest Nobel laureate has spoken wisely of the need to cut these ruinous budget deficits. Will he be heeded? I ask that articles about Professor Modigliani's well-deserved award be included in the RECORD. The material follows:

[From the Toronto Globe & Mail, Oct. 16, 1985]

DUBS DEFICIT "A TRAGEDY"—NOBEL LAUREATE CRITICIZES REAGAN

CAMBRIDGE, MASS.—The winner of the 1985 Nobel Prize for Economics criticized President Ronald Reagan's economic policies sharply yesterday and said massive federal budget deficits mean disaster for future generations.

Economist Franco Modigliani, a professor at the Massachusetts Institute of Technology, called the U.S. deficit and its impact on the world "a tragedy much greater than I had expected.

"The longer this lasts, the poorer the future generations will be," he told a press conference. "The Government deficit is a disastrous policy which is going to be very costly—not to me because I am old, but to you who are very, very young."

The spry, 67-year-old professor, who was born in Italy and became a U.S. citizen in 1939, leavened his somber remarks with humor, joking and laughing with reporters and obviously enjoying the spotlight.

He was joined at the press conference by economist Paul Samuelson, another MIT professor and Nobel economics laureate. The two drank a champagne toast.

Prof. Modigliani said he was awakened at 7 a.m. yesterday by a telephone call from the Royal Swedish Academy of Sciences informing him of his selection by the Nobel Committee. "The best alarm clock I've had in a long time," he said.

He said that in his own household, his wife Serena makes all the major financial decisions.

"Frequently she lets me make my own, and I often wish she had made mine, too," he said.

Prof. Modigliani said he was puzzled that Mr. Reagan originally campaigned for the U.S. presidency on the platform of a balanced budget but once elected, failed to come to grips with the deficit problem.

He said that, in the interests of a balanced budget, the U.S. Administration could cut military spending and "some fat" from other budget areas. "If there is nothing you can cut, then you must raise taxes," he added.

The Administration "stumbled into" a solution to the recently ended recession by employing Keynesian, rather than supply-side economic policies, he said.

Prof. Modigliani is known for two economic theorems: one concerns individuals' and nations' habits in putting money into savings; the other deals with corporate financing.

Prof. Modigliani is a consultant to the U.S. Treasury, the Federal Reserve Board, the Bank of Italy and the Bank of Spain; honorary president of the International Economic Association; and a member of the American Academy of Arts and Sciences and the National Academy of Sciences.

[From the New York Times, Oct. 16, 1985]

A PROFESSOR AT M.I.T. WINS NOBEL IN ECONOMICS FOR WORK ON SAVING

(By Steve Lohr)

STOCKHOLM.—Franco Modigliani, a 67-year-old professor at the Massachusetts Institute of Technology, today won the Nobel Memorial Prize in Economic Science for his pioneering work in analyzing the behavior of household savers and the functioning of financial markets.

The five-member selection committee drew particular attention to the practical applications of Mr. Modigliani's work. His analysis of savings, they said, has been "extremely important" in determining the effect of different types of national pension programs. Moreover, Mr. Modigliani's work in the area of financial markets, they noted, has helped lay the foundation for the entire field of corporate finance.

13TH AMERICAN TO WIN HONOR

Mr. Modigliani was born in Rome in 1918. He earned a doctorate in law at the University of Rome in 1939. The next year he and his wife moved to the United States to escape the Mussolini regime. Mr. Modigliani added a doctorate in social science at the New School for Social Research in New York City in 1944. He is now an American citizen.

The selection of Mr. Modigliani is the 13th time since the Nobel economics prize was awarded in 1969 that an American has won or shared it. He is also the second M.I.T. economics professor to be chosen; Paul A. Samuelson won the prize in 1970. The prize carries a cash award of 1.8 million Swedish kronor, worth about $225,000.

In his work with financial markets, Mr. Modigliani analyzed the effect of any company's financial structure on the stock market's view of its value. He and an associate, Merton Miller, concluded that the market value of a company had no genuine relationship to the size and structure of its debt. Instead, they found, stock market values are determined mainly by what enterprises are expected to earn in the future.

Today the notion that investors focus on the future and that profitability is a paramount consideration, with less attention paid to the kind of financing required to achieve high profits, is conventional wisdom in business schools, corporate board rooms and on Wall Street. But that was not the

case in 1958, when the Modigliani-Miller findings were presented.

At first, the theory was considered to be somehow mistaken, said Assar Lindbeck, a professor at the University of Stockholm and a member of the Nobel selection committee. As years of accumulating evidence in the marketplace supported the theory, however, it became regarded as self-evident.

"That is the true test of a brilliant theory," Mr. Lindbeck said. "What first is thought to be wrong is later shown to be obvious."

Furthermore, the methods employed by Mr. Modigliani in the late 1950's for determining corporate values are, in refined form, used commonly today in business by everyone from executives plotting long-range strategy to corporate raiders looking for acquisition candidates. A key technique in Mr. Modigliani's 1958 analysis—a technique routinely used today—was figuring the value of expected future earnings.

"His work in the late 50's provided the basis for modern corporate finance," said Karl-Goran Maler, a professor at the Stockholm School of Economics and another member of the selection committee.

Mr. Modigliani's basic research in savings, called the life-cycle theory, was published in 1954. Like his work in financial markets, the savings theory was built on previous research but differed in significant ways. Mr. Modigliani was helped in his savings research by Richard Brumberg, a student of his who died several years later.

The life-cycle theory explains household savings by linking it to individual behavior economic growth and demography. The theory holds that people save for their retirement—but only for their own old age and not for their descendants.

BUILDING UP WEALTH IN YOUTH

Accordingly, people and societies tend to build up a stock of wealth in youth that is consumed during old age. This helps explain why younger populations with a relatively long life expectancy generally have higher rates of saving than older populations. Accordingly to the life-cycle theory, an increase in the rate of economic growth entails a redistribution of income in favor of younger generations.

Mr. Modigliani's life-cycle work amplified research on savings done by the economists John Maynard Keynes, Simon Kuznets and Milton Friedman.

The Modigliani theory that people save only for their own retirement, Professor Lindbeck said, seems to be confirmed by a trend in Sweden. Over the last few decades, Sweden has established a comprehensive pension program financed by the Government. And since the 1960's the household savings rate in Sweden, as a percentage of disposable income, has gone from 7 percent to zero, according to Mr. Lindbeck. When Swedes no longer had to save for their old age, they no longer saved at all.

POLICY LEFT TO GOVERNMENTS

Mr. Modigliani's theory does not deal with the larger question of whether societies are better served if the state taxes individuals and provides them with pensions or if individuals save for their own retirement.

"It is a theory, so it does not tell you what to do," said Ragnar Bentzel, a professor at Sweden's University of Uppsala and a member of the Nobel selection committee. "Policy is up to the governments to decide."

The economics prize was established in 1968 as a memorial to Alfred Nobel, the Swede who invented dynamite, by the Swedish central bank to mark its 300th birthday, and was first awarded the following year.

Mr. Modigliani will receive a diploma and medal, along with the cash award, which is financed by the central bank. The Nobel prizes in physics, chemistry, medicine, literature and peace were established under the terms of Mr. Nobel's will and are financed from his legacy.

[From the New York Times, Oct. 16, 1985]

TRAILBLAZER AND TEAM PLAYER—FRANCO MODIGLIANI

(By Eric N. Berg)

The choice of Franco Modigliani as winner of the Nobel Memorial Prize in Economic Science is a popular one among economists, a tribe often given to highly refined and sometimes vocal dispute. Yesterday congratulatory telephone calls and laudatory telegrams poured into his office at the Massachusetts Institute of Technology.

"Economists all over the world are students, admirers and friends of Franco Modigliani," said Paul A. Samuelson of M.I.T., himself a Nobel laureate.

Like previous winners of the award, Professor Modigliani (pronounced "mo-deel YAH nee") is considered a consummate academic and an intellectual pathfinder. But unlike some others, whose work was either obscure or accessible only to specialists, his ideas have shaped generations of students.

"If you took finance at business school, if you studied economics, or if you studied corporations in law school, chances are you will have heard of Franco's propositions," said Eugene Flood, professor of finance at the Stanford Business School. He studied in graduate school under Professor Modigliani.

"His instincts are good, and he just throws off ideas," said Robert M. Solow, another economics colleague at M.I.T. "He is also happy to work with students."

Professor Modigliani is part of a small group of economists and finance professors at M.I.T. who together have contributed vital research over the last 20 years. Others in the group include Professor Solow, a specialist in macroeconomics, and Charles P. Kindleberger, a professor emeritus whose expertise is in international economics.

Professors Modigliani and Kindleberger are on the faculty of the Alfred P. Sloan School of Management at M.I.T.

The new Nobel laureate, a small, bouncy man with silver hair, fulfills the popular image of a professor. "His hair is usually in disarry, and his clothes are always out of control," an acquaintance said. "He is forgetful, and his office is stacked with books, articles and journals."

Associates describe Professor Modigliani as a man who quickly grasps complex issues and cuts to their core, pinpointing the assumptions upon which an academic argument is made. Professor Flood tells how, as one of Professor Modigliani's doctoral students in 1980, he visited his office to have a paper critiqued, one that had been submitted earlier to other scholars. "Right off the top of his head, Franco came up with such intricate and interesting and insightful comments," Professor Flood said. "They were a level above what other people had offered."

VIEWPOINT OF COLLEAGUES

For all that, his colleagues describe Professor Modigliani as a team player, someone who shows no hesitation about working in a group or sharing research ideas.

"There is something about him that lowers the feeling of anxiety," commented Robert L. Heilbroner, the economic historian.

Although Professor Modigliani won the 1985 Nobel award alone, his theory that individuals save heavily when their income is highest so as to smooth consumption throughout life was co-authored with a student, Richard Brumberg, who has since died. Similarly, the Modigliani theory on corporate finance, which stated that a company could not affect its market value by altering the percentage of shares or bonds in its balance sheet, was written with Merton Miller of the University of Chicago.

Franco Modigliani (he has no middle name) was born June 18, 1918, in Rome. His father was a physician, and his mother was a volunteer in social service organizations.

As a young man, he was urged to study medicine, but instead he chose law. Entering a nationwide essay contest on the topic of price controls, he won first prize and was urged by the judges to consider a career in economics. He began studying economics on his own.

Mr. Modigliani, a Jew, fled Italy and its Fascist regime at the outset of World War II. Arriving in New York City with his wife, Serena, they settled in an apartment on Central Park West. Two sons were born to them in this country—Andre, now a professor of social psychology at the University of Michigan, and Sergio, an architect in Brookline, Mass.

Soon after arriving here in 1940, Mr. Modigliani enrolled at the New School for Social Research in Manhattan, then a mecca for refugee intellectuals from Europe.

At the New School, he met Jacob Marschak, a leading macroeconomist. He studied under Professor Marschak. To this day, Professor Modigliani calls Professor Marschak one of the most important influences in his intellectual development.

"I recognized him as my most important teacher," Professor Modigliani said in a recent interview for a book on economists. "We were warm friends, and I loved him very dearly."

It was Professor Marschak, in fact, who got Professor Modigliani his first teaching job after receiving his Ph.D. from the New School. The job was at the New Jersey College for Women.

After one year of teaching there, Professor Modigliani spent three years on the facility of Bard College of Columbia University.

AT M.I.T. FOR PAST 23 YEARS

He then returned to the New School, where he taught six years, spent one year each at the University of Chicago and the University of Illinois and eight years at the Carnegie-Mellon University in Pittsburgh.

In 1962 he joined M.I.T. where he has been ever since. He now holds joint appointments to the departments of finance and economics and holds the title of institute professor at M.I.T.

WINNERS OF THE NOBEL MEMORIAL PRIZE FOR ECONOMICS IN THE 1980'S

1985: Franco Modigliani (United States), for his analysis of the behavior of household savers and for his work on the relationship of a company's financial structure to the value placed on its stock by investors.

1984: Sir Richard Stone (Britain), for his work in developing an accounting system that is used to monitor national economies, track trends in national development and compare one nation's economic workings with another's.

1983: Gerard Debreu (United States), for his mathematical analysis of supply and demand, showing how prices operate to balance what producers supply with what buyers want.

1982: George J. Stigler (United States), for his studies of industrial structures, the functioning of markets, and the effects of public regulation on economic activity.

1981: James Tobin (United States), for his work on the analysis of financial markets and their effect on how businesses and individuals spend and save their money.

1980: Lawrence W. Klein (United States), for his work on econometric models and the application of those models to the analysis of economic policies and fluctuations in the business cycle.

[From the Washington Post, Oct. 16, 1985]

MIT'S MODIGLIANI WINS NOBEL

(By John M. Berry)

Franco Modigliani, an ebullient professor at the Massachusetts Institute of Technology, yesterday was awarded the Nobel Prize in economics for work on how people save and consume over their lifetimes and on how corporate assets should be valued.

Modigliani is among the most highly respected economists in the United States, both because of the seminal nature of his research and its extraordinarily wide scope. In addition to the work cited by the Nobel Committee, he is well known for his analysis of the role of money in the economy and as one of the creators of the short-term mathematical model used by the Federal Reserve for forecasting and analyzing the economy.

"I'm very, very pleased . . . that my work has been recognized. This is a nice way to crown my career," Modigliani said. "I will use [the prize money] in accordance with my own theories of how people behave—namely, distribute it over the rest of my life. I'm not going to go on a binge. I will use it gradually. That's what my theory says people do."

Modigliani, 67, was born in Rome and became a U.S. citizen in 1946. He still has close ties with Italy, and many of his articles have been written in Italian. Some of his research has focused on the Italian economy as well.

Some other prominent economists praised the Royal Swedish Academy's selection. James Tobin of Yale, one of the dozen American Nobel laureates in economics chosen since the award was begun in 1969, reacted with "jubilation. I am only wondering why it took them so long," Tobin declared.

Tobin described Modigliani as "a very versatile guy" whose work stretches back to the World War II period, when he wrote the first formal theoretical analysis that incorporated monetary factors into the theories of Lord Maynard Keynes on which so much of modern economic analysis has been based.

In the 1950s, Modigliani turned his attention to the issues of saving and consumption because, he said yesterday, "saving plays a very important role in economic life because it is what permits investment and capital formation, which is in turn what is behind growth and well-being.

"I have been studying why people accumulate or don't, and I have a view that is quite different from what used to be believed before," Modigliani said. "It is related to the notion that the major reason why people save is for retirement or for major expenditure."

The so-called life-cycle hypothesis, developed with the assistance of a student, the late Richard Brumberg, holds that individuals accumulate savings primarily in anticipation of retirement needs. Since its publication in 1954, the theory has been used as the theoretical basis for the study of pension and retirement systems, the Royal Swedish Academy said.

"In particular, it has proved an ideal tool for analyses of the effects of different pension systems," the academy said, "Most of these analyses have indicated that the introduction of a general pension system leads to a decline in private saving."

The validity of the life-cycle theory has been challenged in recent years by economists such as Lawrence Summers of Harvard, partly on the difficult analytical issue of bequests of wealth not consumed during an individual's lifetime. Nevertheless, said Tobin, Modigliani's theoretical and empirical work on the subject has served as a point of departure for a great deal of additional research. "There has been a lot of discussion, but Franco is coming out pretty well," Tobin said.

Modigliani's other work for which he was honored was published in 1958 with Merton Miller of the University of Chicago. Together they proved what is known as the Modigliani-Miller theorem, which states that the value of a corporation is not dependent on the relative amounts of debt and equity used to finance it. Instead, it is the value of the underlying assets themselves, as shown by the market value of the company's shares.

Prior to that work, "people had used crude measures" that produced erroneous results in looking at how corporate assets should be valued, said Allan H. Meltzer of Carnegie-Mellon University, where Modigliani was teaching when the theorem's proof was published. Meltzer called the theorem "one of two main forces in the modern theory of finance," at least from the point of view of economics. The work in asset-price theory for which Tobin received his prize is the other, Meltzer said.

Modigliani's work "explains what we see and helps us understand the world," Prof. Assar Lindbeck, a member of the prize committee, said after the award was announced.

The Modigliani-Miller theorem has had important implications for the theory of investment decisions, the academy said, and represents "a decisive breakthrough for the theory of corporate finance."

The announcement marked the 13th time in 17 years that an American has won or shared the prize, known as the Alfred Nobel Memorial Prize in Economics. It was established in 1969 by Sweden's central bank, the Riksbank. The other Nobel prizes were begun in 1895 under terms of the will of Nobel, the inventor of dynamite.

Among other American winners was Milton Friedman, widely known for his work linking changes in the money supply to changes in the economy. Friedman was honored for his "permanent-income" hypothesis, which holds that consumption in an economy does not respond completely to short-term fluctuations in income. In many ways, Friedman's permanent income hypothesis represents a sort of averaging across an entire economy of the individual life-cycle behavior described by Modigliani.

Modigliani was born in Rome in 1918. He received a doctorate in jurisprudence from the University of Rome in 1939 and a doctorate in social science from the New School for Social Research in New York in 1944, and holds a half-dozen honorary degrees. He came to the United States in 1939 with his wife after fleeing the fascist regime of Benito Mussolini.

All the awards, including the memorial economics prize, carry a cash award this year set at 1.8 million Swedish kronor, about $225,000. It currently is tax free, but the Reagan administration's tax reform plan would make such awards taxable beginning next year.●

UNITED STATES LAWYERS IN JAPAN

● Mr. INOUYE. Mr. President, the recent visit of the Japanese Liberal Democratic Party delegation has brought to mind an issue which should be raised in conjunction with other important trade policy goals of the United States—gaining access for American lawyers in Japan. Currently, manufacturing and service industries attempting to penetrate Japanese markets must rely heavily on seven American attorneys resident in Japan for advice on legal procedures and administrative practices concerning market penetration. This is hardly an adequate number, and unless additional American lawyers are allowed to practice in Japan, vital legal assistance to American marketing efforts will cease.

Primary service industries, such as commercial banking, investment banking, and insurance, rely heavily on secondary service industries such as law services, accounting services, and consulting. Without a sufficient base of secondary support services, Japan cannot become an international financial center. In New York and London, law services are available in the form of 1,000 to 2,000 practitioners well versed in international financial documentation. The above 7 American lawyers and some 200 Japanese practioners of varying skills—who are heavily dependent on their American trainees—are not a legal population adequate to permit creation of a Tokyo financial center, an important policy goal of the United States Government.

The broader policy aspects of this issue are background to existing discrimination against American attorneys in violation of Japanese treaty obligations. First, in the absence of clear Japanese legal authority for United States lawyers and United States law firms to render legal services regarding non-Japanese matters, it is not possible for either individual practitioners or law firms to hold themselves out to the public in their own names—either individual or firm—as qualified consultants on foreign legal matters. Rather, United States attorneys may only become trainees subject to the supervision of Japanese law firms. This limitation to trainee status has had the commercial result of substantially inhibiting the capacity of United States lawyers to

advise United States and other non-Japanese corporations regarding incoming investments and trade in Japan or to advise Japanese companies on outgoing investments and trade.

This limitation has also contributed to a lack of experienced legal expertise in Tokyo necessary to document transactions leading to the internationalization of the yen.

If Americans are permitted to serve as market access facilitators in the role of foreign legal consultants, they will not be invading the traditional or legitimate prerogatives of Japanese lawyers, or Bengoshi. It will not be necessary for Americans to be permitted as individuals, to appear in Japanese courts. It will not be necessary for American lawyers to appear in Japanese courts, or advise on Japanese law.

It will, on the other hand, require American lawyers to be permitted, as firms, to appear in Japanese courts in the person of their locally qualified Japanese partners and employees. It will require Americans to be permitted as firms, to advise on Japanese law through their locally qualified Japanese partners and employees. It will require Americans to be permitted, as individuals, to represent their client in routine appearances before Japanese Government agencies with the exception of certain formal administrative appeal proceedings which are reserved to Japanese Bengoshi.

Mr. President, the current restrictions against American attorneys wishing to gain access to Japan have been imposed by the Japanese Bar Association ("Nichibenren") based on that organization's narrow and presumably self-interested interpretation of the current law governing Japanese lawyers. These inhibitions have been imposed through the rules of practice created by Nichibenren and tacitly approved by the Ministry of Justice.

The history of Nichibenren's behavior strongly suggests that it is only by placing foreign lawyers under the jurisdiction and supervision of the appropriate government agency—the Ministry of Justice—rather than Nichibenren that foreign lawyers will have an opportunity to take advantage of the rights given to them through amendment of the Bengoshi law.

The Nichibenren has not merely opposed liberalization, but has actively harassed all of the foreign law firms that have attempted to establish presences in Tokyo through cooperative arrangements with Japanese law firms. Now that the Japanese Government has made it clear that some sort of liberalization will have to take place to satisfy American and other foreign pressure, Nichibenren is insisting that it should be permitted to draft the liberalization plan, even though it is precisely the group that has opposed all attempts at liberalization in the past.

Thus far, the Japanese Government has apparently acquiesced since there has been no indication that it is drafting a liberalization plan on its own. The Japan Times of August 29, 1985 reports that Nichibenren will finalize its proposed "liberalization" plan by October 22 and present it to the Diet to be convened in December.

Clarification of the status of United States lawyers in Japan must include the right to United States lawyers and Japanese lawyers to associate; that is, practice together. Such associations, offering both Japanese and non-Japanese legal assistance under one roof or, in this case, in one office, is the most likely combination of legal services which will facilitate expanded investment and other forms of doing business in Japan by non-Japanese corporations.

If the Japanese Government is sincere about its desire for the expansion of such business activity, GOJ support for such association may be one of the most significant steps which the government can take to achieve that end. Substantial precedent already exists because Japanese Bengoshi can and do associate with non-Bengoshi who are specialists in such areas as tax law and patent law.

The need for the Japanese Government to take an active role in this issue is further illustrated by the fact that the Nichibenren proposal would make it impossible for United States law firms to use their own name—a rather blatant form of shortsighted discrimination.

The only explanation can be the desire of some in the Nichibenren to prevent the availability and expertise of foreign law consultants from becoming known and respected in the Japanese business community.

Finally, the Nichibenren proposal would make the opportunity for United States lawyers to practice in Japan as foreign legal consultants conditional on reciprocity in the United States. The latest Japanese proposal defines reciprocity as the enactment of foreign law statutes in a "considerable number of the main States" of the United States. This is no more than an excuse for delay. New York, where most of the Japanese lawyers in the United States are already located has in place a foreign legal consultant statute. Other significant commercial States are now considering similar statutes.

The Nichibenren proposal would codify the jurisdiction of Nichibenren over foreign lawyers. This is unacceptable for the reasons previously described. The Ministry of Justice or some other objective government body must have responsibility in this area.

Introduction of the law clarifying the status of foreign lawyers in the manner described above must be done through the introduction in the Diet of a government-sponsored bill to amend the Bengoshi law. In the Japanese system, the percentage of government-sponsored bills approved by the Diet is much higher than the percentage of private-sponsored bills. Nichibenren now plans on introduction of an amendment by a "private member." If the Japanese Government means to take command of this issue as it should do, it will so indicate by introducing the appropriate legislation itself.●

NATIONAL TEMPORARY SERVICES WEEK

● Mr. D'AMATO. Mr. President, I am pleased to rise today as a cosponsor of a resolution introduced by my distinguished colleague from Wisconsin to designate October 20, 1985, through October 26, 1985, as "National Temporary Services Week."

The temporary help services industry has added a significant dimension to our economy. It has provided important job opportunities for senior citizens, the handicapped, housewives, and students. In 1984, more than 5 million workers earned 6 billion payroll dollars working in an average of 600,000 temporary jobs each week. In my own State of New York, there are approximately 500 businesses that provide temporary employee services.

Temporary services is one of the fastest growing industries in the United States and provides a valuable service to both the small entrepreneur and the multinational corporation.

Mr. President, I urge speedy adoption of this resolution.●

TIME TO FORGIVE AIR CONTROLLERS

● Mr. SIMON. Mr. President, Transportation Secretary Elizabeth Dole has indicated the Federal Aviation Administration will soon hire approximately 1,000 air traffic controllers. This decision likely was prompted—at least in part—by increased public concern about air traffic safety and the recent rash of accidents and near misses. While no one can fault the dedication and professionalism of the many air traffic controllers who have continued to provide as safe an air transportation system as possible since the 1981 strike, it is clear we face a challenge to make flying even safer. In a column I write for newspapers in my State, I suggest the answer lies with many of the qualified controllers fired by President Reagan. I ask that it be printed in the RECORD.

The column follows:

TIME TO FORGIVE AIR CONTROLLERS

(By Senator Paul Simon)

About a dozen members of the United States Senate were on a plane flying to St.

Louis for a dinner honoring the retiring Missouri senator, Tom Eagleton.

Those aboard included Senator Paul Laxalt of Nevada, Republican national chairman; Ted Stevens, one of the Republican Senate leaders; and Democratic Senators Bill Bradley, Dale Bumpers, Alan Dixon and myself.

As our plane approached the runway in St. Louis, another plane pulled in ahead of us and our plane was forced to suddenly switch from a near-ground descent to climbing back into the air.

Someone made a mistake that easily could have led to disaster.

Who made the mistake I do not know.

But it underscores a question that many have been asking as a result of a number of airline diasters and near-disasters recently: Do we have enough experienced, well-trained controllers on the job?

That question is being asked not only by those who travel the airlines regularly, it is being asked by airline officials and people high in the current administration.

The air safety chairman for the Air Line Pilots Association said on October 1: "The system has some 5,000 fewer fully qualified controllers than before the strike and the experience level is lower * * * this obviously increases the margin for error and reduces the level of safety."

On August 3, 1981, President Reagan announced the striking air controllers would be fired. While more could have been done to acknowledge and address the controllers' valid concerns about working conditions, once the strike took place the President made the right decision to fire them. We cannot tolerate strikes against the federal government.

But now four years have passed. The fired air controllers have lost a great deal in pay and retirement benefits. If there is a real need, and if they were to be rehired, no one would get the idea that you could go on strike against the federal government and it would go unpunished.

No one can believe that losing four years of pay and substantial retirement benefits is a small punishment.

Is there precedent for this?

Not exactly because we have never faced precisely this type of situation before.

But after a period of years, we have forgiven those who evaded the draft. What the air controllers did was a violation of the law, but they have paid more heavily than if the maximum possible fine had been levied against them.

If we can save lives and make air travel safer by taking back some of the experienced air controllers—after careful screening—wouldn't it make sense to do that?

THEIR IDEALISM UNDIMINISHED, STUDENTS WAIT FOR THE CALL

● Mr. HART. Mr. President, there are growing signs across this country that student activism and idealism remain undiminished. In sharp contrast to the belief this generation has lost its commitment or compassion, students are working on campuses and in their communities as volunteers. They understand that the opportunity of being an American also carries obligations. They are fulfilling these responsibilities distributing food to the hungry, helping elderly citizens and the homeless, and sharing their time with children in neighborhoods where there is need.

Although this resurgence in voluntary action by students is unrecognized in Washington, 75 college presidents have formed a coalition to cultivate and organize their disparate efforts. They have established a network to match students seeking volunteer work with agencies that need help. In an article published in the New York Times, Fox Butterfield chronicles the development of what could be called "grassroots national service."

These efforts are totally consistent with the values of idealism and service Americans have always held. Many in my generation committed our lives to public service and public office. Why? It was not because of a President who said government cannot do anything right. It wasn't because an ethos prevailed telling us to get ours while the getting was good. It was because of a President who told us what we could do for our country. That call was patriotic; it was idealistic, and it was right.

We must encourage this spirit of voluntarism by moving toward a system of national service. Congressman ROBERT TORRICELLI and I have introduced legislation to create a "Select Commission on National Service Opportunities." The legislation is designed to focus attention on programs like that started by the college presidents and recommend ways to institute a national service system to tap the idealism of America's young people. As the Times article demonstrates, the young people of this country have not rejected the call to service; the call has not been sounded.

I ask that the article be printed in the RECORD.

The article follows:

[From the New York Times, Oct. 17, 1985]

UNIVERSITIES TAKE LEAD IN NEW VOLUNTEER EFFORTS

(By Fox Butterfield)

CAMBRIDGE, MASS., Oct. 16.—Amid signs that a growing number of college students are quietly volunteering for public service jobs, a group of 75 university presidents today announced the creation of a major program to support student participation in community activities.

The project, co-sponsored by the presidents of Brown, Georgetown and Stanford Universities, will establish a campus network to match students seeking volunteer work with agencies that need help.

College officials and faculty around the country say they have noted a surge in student interest in volunteering, although educators at some large state and city colleges caution that many of their students must work to help pay for their schooling and have little time for volunteer service.

HARVARD CHARTS A RISE

There are no national statistics available. At Harvard, however, since school administrators began to chart the trend three years ago, the number of graduating seniors who have devoted time to community service has risen from 35 percent to 51 percent of the class.

Vanderbilt University in Nashville has recently developed two programs in which students assist in providing physical checkups an do environmental health studies for poor communities in Appalachia. At the University of California at Berkeley, a group of 9 sororities and 27 fraternities recently enrolled 1,000 members to spend at least one hour a week tutoring children or supervising afterhours activities in Berkeley's public schools.

"I could have stood on the steps of Sproul Hall a few years ago shouting into a microphone and nobody would have listened," said Martha Jones, a Berkeley graduate who started the program. "But these students are so enthusiastic. Who's projecting that these kids are selfish?"

In a statement about the new project announced today, the Project for Public and Community Service, the 75 college presidents acknowledged: "Over the last decade the interest of college students in their obligations to society appears to have diminished. More and more of them have become preoccupied with personal goals and career aspirations.'"

Schools that "overstress vocationalism and understress the responsibilities of citizenship" have reinforced these attitudes, the presidents said.

But Howard Swearer, the president of Brown, where the new project will have its headquarters, added, "There have been recent signs that there are more students willing to take advantage of public service opportunities if they are presented with opportunities to do so."

That perception has been challenged by some educators. David Burns, an assistant vice president at Rutgers University, said he was skeptical about whether there was a real rise in student community activity. "I think things tend to increase when you pay attention to them," he said, citing increased concern about alcoholism and sexual harassment on campus.

But Robert Coles, a professor of psychiatry at Harvard who is known for his work with the poor, says, "I think we've bottomed out of that period of narcissism and indifference to moral issues."

REACTION TO THE TIMES

Mr. Coles attributed the new interest in public service in part to a reaction by naturally idealistic young people against the "getting-rich-is-good ethos of the Reagan Administration."

At Columbia University, the Rev. William Starr, the Episcopal chaplain, said that in contrast to the student political activism of the 1960's, which sought radical change, "students today are working within the system" as part of "a people-to-people approach to human needs."

But Mr. Starr, who worked with the movement opposing the Vietnam War, has doubts about how effective the new activism might be. "I don't have much optimism right now," he said. "The Government uses volunteerism as an excuse to substitute volunteers for resources. I think of it as a little like charity.

"I think students are learning a lot as volunteers, but there's frustration in the soup kitchens," he added. "Volunteerism doesn't address why so many people are hungry."

The trend coincides with the efforts by educators and politicians to introduce a national program of public service or find other ways of encouraging volunteerism. Last month testimony by Mayor Koch and

Senator Gary Hart, Democrat of Colorado, was submitted to a subcommittee of the House Education and Labor Committee on two bills that would study and finance a national service program.

Last year, Mr. Koch established a New York City Volunteer Corps in which about 50 teen-agers were paid small stipends to work for a year at such tasks as distributing food to the homebound, helping the elderly and staffing shelters for the homeless.

The City of Atlanta last year started a more far-reaching program in which all high school students are required to do 75 hours of volunteer service before graduation, working in places like day care centers or the parks department.

In September a report by the Carnegie Foundation for the Advancement of Teaching suggested creating a new Federal aid program under which students would receive scholarships in return for community service.

The author of the report, Frank Newman, president of the Education Commission of the States, said such a program would better prepare students for civic responsibility and lessen the growing burden of student loans, which has driven many undergraduates to choose careers on the basis of money. The commission will help run the new project outlined today.

In a recent interview, Mr. Newman said he was particularly struck that, unlike the 1960's, when President Kennedy's appeals to American idealism led many young people to enroll in programs like the Peace Corps, the recent revival of interest in public service has come without "any call at all."

But Mr. Newman said that support by some college administrators had been an important catalyst.

OUTREACH PROGRAM AT BROWN

For example, Mr. Swearer of Brown University, obtained a $2 million endowment for fellowships to undergraduates who spend a year away from school in public service. Mr. Swearer, who headed an early Peace Corps training program, has also provided an office and telephone for the Brown Community Outreach Program, the student public service organization, which has become the largest undergraduate group, with 1,000 members.

At Connecticut College, officials recently gave the school's public service program, the Office of Volunteers for Community Service, a new office in the college chapel and hired a professional director for it. Herbert Atherton, dean of the college, said he expected the program to grow over the next five years, but he cautioned that many students suffered from "career anxiety" and were not as "high-minded" as those of the late 1960's.

At Harvard, Derek Bok, the university's president, used $1 million from a special fund to finance a program that pairs each of Harvard's residential houses with a Cambridge neighborhood for volunteer work.

Although the university has organized some volunteer programs, Mr. Bok stresses, "The real initiative and most imagination come from the students."

He cited Wayne Meisel, who graduated from Harvard in 1982 and has become a kind of Johnny Appleseed of the movement, once walking for five months from Colby College in Waterville, Me., to Washington , visiting 70 colleges along the way, to proselytize his gospel of public service.

It was Mr. Meisel who started the program linking residential houses to Cambridge neighborhoods after he was cut from the college soccer team and found that Cambridge had no youth soccer league in which he might coach. In hopes of finding 30 other students to help him coach and referee, he sat in front of his dining hall for a day to enlist them and was overwhelmed by the response: 150 volunteers.

"Until then I had believed in the image that young people didn't care," Mr. Meisel recalled. "What I found was that students hadn't lost their idealism but had gotten caught up in what's around them, the fast-track environment of making money. What they needed was some leadership to draw them out of their apathy."

BRING "WITH REAL PEOPLE"

Mr. Meisel has now enbarked on a more ambitious quest: to establish a nationwide group of public service organizations, the Campus Outreach Opportunity League.

Valerie Barton, student president of Phillips Brooks House at Harvard, offers a more personal reason students are drawn to public service. Miss Barton, a senior who grew up in a housing project in Harlem, said: "I found I couldn't be happy just going to class. The students around here are too competitive and money conscious."

After she began working as a youth counselor in a housing project in Roxbury, a predominantly black section of Boston, she said, "It enabled me to be with real people, with kids and mothers who called me up to talk about their problems."

At Columbia University, work in a free lunch program in the basement of a Presbyterian has helped Michael Skrebutenas channel his idealism. "I came from a small town in Connecticut, out in the woods, and never confronted poverty," he said.

"I was paying $14,000 a year," he said of his tuition, "and someone was starving outside the campus gate."

"Unfortunately, when people think of volunteers, they think of goody-two-shoes," Mr. Skrebutenas, a senior, went on. "It sounds like Miss America pageant stuff. But it's the best kind of activism, oftentimes more productive" than direct political action.

He referred to taking part in a blockade to protest Columbia University's investment in companies doing business in South Africa.

"I'm able to see production at the kitchen," he said. "With a blockade, it's more difficult."●

THE NAVY'S 210TH BIRTHDAY

● Mr. MOYNIHAN. Mr. President, 210 years ago the Second Continental Congress while meeting in Philadelphia agreed to outfit a vessel "for intercepting such transports as may be laden with warlike stores and other supplies for our enemies, and for such other purposes as the Congress shall direct." By the end of October 1776 the Congress had authorized a total of 4 vessels, not quite the fleet of 10 ships Silas Deans of Connecticut imagined but nevertheless a far cry from Josiah Quincy's July proposal to build a fleet of row galleys—imagine John Paul Jones engaging the *Serapis* from the decks of an 18th century trireme.

Mr. President, Monday, October 13, marked the 210th birthday of the U.S. Navy, and so I rise today to salute those who have gone before, those who have yet to serve, and particularly those fine men and women who serve in the Navy today. At times they may think their task is a thankless one, but it is appreciated, even here in Washington where talk of budget deficits and appropriations seem to overshadow the efforts of Navy submariners, surface combatants, and medical corpsmen. The recent interception and capture of the *Achille Lauro* terrorists illustrates just how professional today's Navy is.

As the senior Senator from the State of New York, and a former gunnery officer on the U.S.S. *Quirinus* I bring a certain reverence to the subject of naval history. New York was home for Theodore Roosevelt whose energies embarked America on the tide of naval power, and sent the Great White Fleet steaming around the world in 1980. Alfred Thayer Mahan, the father of American naval strategy, was a New Yorker and, so too, Franklin Delano Roosevelt, who served as an Assistant Secretary of the Navy under President Wilson.

I am pleased to report, Mr. President, that after 210 years New York State continues to maintain a strong naval tradition. The Navy plans to locate a surface action Group—a squadron of five ships—in New York Harbor in 1987. A Department of the Navy environmental impact statement estimate anticipates that this will result in a net annual fiscal gain of $3 million for the city and the State of New York. More importantly, New York continues to support the Navy and contribute to national defense, and I am proud of that.

Anchors away.●

THE 20TH ANNIVERSARY OF FOSTER GRANDPARENTS

● Mr. RIEGLE. Mr. President, I would like to take this time to remind my distinguished colleagues that the 20th anniversary of the Foster Grandparent Program is being celebrated today, October 18, 1985.

The Foster Grandparent Program began to serve communities throughout the United States in 1965. This Government program offers older men and women the opportunities for a close personal relationship with children who have special or exceptional needs. It provides an opportunity for older Americans to continue serving their communities and themselves in an active and meaningful capacity.

Foster grandparents are at least 60 years of age and come from various backgrounds. They receive both preservice orientation and inservice instruction. These volunteers serve in schools and hospitals for retarded, disturbed, and handicapped children; in care centers, city hospital wards, and correctional institutions; in homes for

the disadvantaged, dependent, or neglected children; and other settings within the community. An increased percentage of foster grandparents are becoming involved in areas dealing with drug abuse, runaway youth, and illiteracy among our youth.

The main purpose of the Foster Grandparent Program is to help provide the emotional, mental, and physical well-being children by offering them a personal relationship with an adult. Foster grandparents provide love and intimacy which is often missing in institutional environments. They may assist in a variety of activities from reading and playing games to speech and physical therapy. These care-giving activities help to maximize the capabilities of these children.

It is a privilege for me to bring to my colleagues' attention the 20th anniversary of this worthy program.●

THE GOVERNMENT'S NEED FOR SCIENTIFIC AND TECHNICAL PERSONNEL

● Mr. GORE. Mr. President, I have joined my colleague Senator BINGAMAN in cosponsoring S. 1727, a bill that would provide the Federal Government with the flexibility necessary to attract and retain quality scientific and technical personnel.

The urgent need for such legislation has been confirmed by the findings and recommendations of several groups—the panel chaired by Mr. David Packard, the Grace Commission, the Department of Defense, the Office of Science and Technology Policy and others. The Federal Government is losing far too many talented scientists and technicians to private industry.

Since 1980, the Department of the Navy has been testing an alternative personnel system at facilities in San Diego and China Lake, CA. This demonstration project has proved extremely effective in retaining and motivating quality personnel.

S. 1727 incorporates the best elements of the Navy's alternative personnel system, including the creation of general classification levels to replace General Schedule grades, the use of broad pay bands within those classification levels, and the application of performance standards. This system has not only helped the Navy to retain talented personnel at China Lake and San Diego; it has tangibly improved the relationships between supervisors and employees.

Because of the savings which are derived through anticipated attrition, S. 1727 does not mandate an increase in the Federal budget. The most significant change would be within the pay schedules. Broader ranges would replace the narrow, inflexible General Schedule limitations. This would give supervisors at Federal laboratories the flexibility to pay quality scientists and technical personnel more competitive salaries.

The bill, then, will not increase the budgets of Federal laboratories but will give them the means to attract talented individuals and hang onto their best people. The ideas behind the bill have been proven effective in 5 years. S. 1727 will correct a serious problem that threatens our Government's ability to advance in scientific and technical fields. I urge my colleagues to examine S. 1727 carefully and lend it their full support.●

EXPANDED CAPITAL OWNERSHIP AND THE IDEOLOGICAL HIGH GROUND

● Mr. LUGAR. Mr. President, today I am introducing the first of four statements on expanded capital ownership to complete the series started on June 4 by Congressman PHILIP M. CRANE. This series has been designed to provide background materials for the Presidential Task Force on Project Economic Justice, chaired by Ambassador J. William Middendorf II.

This task force, a nonpartisan effort combining representatives of business and labor and other private sector leaders, was established by Congress on July 29 under section 713 of the International Security and Economic Cooperation Act of 1985.

The fundamental premise of the task force is a growing awareness that both peace and freedom result from justice, and that a just free-enterprise system is the only effective answer to the false allures of communism.

The task force will examine and recommend corporate financing techniques for use in Central America and the Caribbean to broaden private ownership of enterprises. The task force will focus especially on the opportunities and obstacles for broadening ownership among employees as a means to privatize state-owned enterprises, which are the major source of government deficits and international debt problems.

During the past decade in the United States more than 10 million workers in some 7,000 successful corporations have become worker-owners. Several successful models are also operating in Central America and the Caribbean.

A principal objective of expanding capital ownership is to develop in the region a broadened political constituency among workers in support of private enterprise as the best means to accelerate economic development and political self-determination. Ambassador Middendorf believes that popular political support for free, private enterprise is essential not only to secure political stability and democratic processes, but to increase economic productivity and local capital formation. These economic accomplishments are the only long-range solution to the problems of international debt and imbalance of trade.

Today's insertion is the first portion of a paper prepared by Norman Kurland entitled "Project Economic Justice, a Revolutionary Free Enterprise Challenge to Marxism." I ask that it be printed in the RECORD.

The paper follows:

PROJECT ECONOMIC JUSTICE: THE IDEOLOGICAL FRAMEWORK FOR EXPANDED CAPITAL OWNERSHIP

(By Norman G. Kurland)

In the 66 years since the ideas of Marx and Lenin came to dominate life in their first country, totalitarian communist regimes have taken millions of human lives. According to estimates in an article published in the French magazine, Le Figaro, communist governments have eliminated at least 150 million of their own people. Such genocide was carried out under the guise of bringing "economic and social justice for all."

Soviet-armed revolutionaries have already taken over some countries in the Western Hemisphere and have killed thousands of more people to achieve a Marxist-Leninist "paradise." Any military response we make to counter these threats to our own peace and security is at best a holding action. More decisive is whether America is now prepared to launch a Second American Revolution, a bloodless, free enterprise version of "economic and social justice for all."

In a landmark speech delivered on Washington's Birthday 1983, President Reagan repeated his call for a Caribbean Basin Initiative as part of "a fundamentally new direction in American foreign policy." This new thrust would help create "a peaceful, prosperous and humane international order" by focusing on "the minds, hearts, sympathies, fears, hopes and aspirations, not of governments, but of people." The President recognized that "to be an effective force for peace, America [must] work for constructive change, not simply to try to preserve the status quo." While deploring the patronizing, ineffectual, and counterproductive manner in which America's foreign aid programs have operated in the past, President Reagan suggested that future economic assistance "must be carefully targeted, and must make maximum use of the energy and efforts of the private sector." The Reagan Plan promised to mobilize a balanced combination of "trade, aid and incentives for investment," all aimed at encouraging "self-help for the people of the Caribbean."

Embedded in the President's speech was an ideological bombshell. Its significance was missed by most of the media. After pointing out that economic freedom is the world's mightiest engine for abundance and social justice," President Reagan encouraged developing countries to "experiment with the growing variety of arrangements for profitsharing and expanded capital ownership." This seemingly casual remark signals the official unveiling of a new generation of weapons for a long-awaited American ideological counter-offensive directed at the philosophical heart of Marxism.

Unlike many cities of Marxism and most geopolitical strategists, President Reagan is highly sensitive to the following comment:

"The theory of the Communists may be summed up in a single sentence: Abolition

of private property" [in the means of production].

This declaration by Karl Marx and Frederick Engels in The Communist Manifesto, remains at the conceptual heart of the long-range global strategy of the Soviet Union. It is central to the value systems and theories of economic justice underlying all forms of modern collectivisim, socialism, Kibbutzism, syndicalism, etc. It suggests why all fundamental human rights are vulnerable in collectivist societies.

Making capital ownership illegal explains why collectivism inevitably leads to totalitarianism. Why is that? Because, in the words of Daniel Webster, "power naturally and necessarily follows property." And no worse monopoly of economic power is conceivable than when the institution of private property is weakened or made inaccessible by law. Such laws destroy the "social bundle of rights and powers" which enables a person to participate, either alone or jointly with others, in the ownership and control of farms, industrial enterprises, or other wealth-producing tools. Without property rights in his means of earning a living, an individual human being is left economically powerless before those who control his subsistence.

The institution of private property becomes even more relevant with respect to high-technology, mass production vehicles like modern corporations, whose marketing reach already transcends the boundaries of the modern State. Decentralizing ownership and control over modern technology and businesses is not only an effective check on private monopolies. It is the ultimate check against the potential abuses of the natural monopoly of power of the State. Where the State "nationalizes" its farms and corporate enterprises, the State gains monopoly power over the entire economy. The net result is that a small political elite who control all the coercive instruments of State power also gain a monopolistic power over everyone's stomach. Everyone's income then depends on this "new class" who in the name of "society" own and control all the means of production. Every person must either work for the "new class" or commit the crime of "parasitism."

In a 1975 radio commentary after he left office as Governor of California, President Reagan advocated an "Industrial Homestead Act," a comprehensive strategy for making every worker an owner through the Employee Stock Ownership Plan or "ESOP." He pointed out why:

"Could there be a better answer to the stupidity of Karl Marx than millions of workers individually sharing in the ownership of the means of production?"

During his Presidential campaign, in an unpublished October 1980 letter to the New Orleans Times Picayune, President Reagan again presented the ideological case for expanded capital ownership:

"Our Founding Fathers well understood that concentrated power is the enemy of liberty and the rights of man. They knew that the American experiment in individual liberty, free enterprise and republican self-government could succeed only if power were widely distributed. And since in any society social and political power flow from economic power, they saw that wealth and property would have to be widely distributed among the people of the country.

"The truth of this insight is immediately apparent.

"Could there be anything resembling a free enterprise economy, if wealth and property were concentrated in the hands of a few, while the great majority owned little more than the shirts on their backs?

"Could there be anything but widespread misery, where a priviliged few controlled a nation's wealth, while millions labored for a pittance, and millions more were desperate for want of employment?

"It should be clear to everyone that the nation's steadfast policy should afford every American of working age a realistic opportunity to acquire the ownership and control of some meaningful form of property in a growing national economy.

"This is not to say that the government should confiscate from the 'haves' and bestow upon the 'have-nots,' beyond the requirements of a compassionate welfare program to provide for those who cannot provide for themselves. Far from it. But it is to say that our duty is to foster a strong, vibrant wealth-producing economy which operates in such a way that new additions to wealth accrue to those who presently have little or no ownership stake in their country."

After his election victory President Reagan did not forget his commitment to help every American share in future ownership opportunities. On June 22, 1981, he congratulated Governor Pierre S. duPont IV for signing a bill making expanded capital ownership the official policy of the state of Delaware:

"[W]e must work to create the conditions for expanding the ownership of the nation's wealth, so that all Americans can have their fair chance to become proprietors of their country. . . . [This Delaware initiative] will help awake the people of the other states to the importance of this issue."

But President Reagan is far from alone in his commitment to "expanded capital ownership."

As early as 1891, in addressing the rising conflict between workers and capital in his prophetic encyclical, On the Condition of Workers, Pope Leo XIII was one of the first moral leaders to spotlight the fallacy of Marx and Engels:

"[It must be] assumed and established as principle, that the right of private property must be regarded as sacred. . . . The law ought to favor this right and, so far as it can, see that the largest possible number among the masses of the population prefer to own property."

The moral basis of widespread access to private property in the means of production, of course, has many ancient roots in Judaism. (See quoted sources in The Way of the Upright: A Jewish View of Economic Justice by Rabbi Richard Hirsch, Union of American Hebrew Congregations, 1973, pages 8-19. 106-107.)

And Muhammad Ibn Khaldun, a 14th Century Arab jurist, historian, statesman and general, pinpointed why collectivism is morally unjust:

"When incentive to acquire property is gone, people no longer make efforts to acquire any. . . . Those who infringe upon property rights commit an injustice. . . . This leads to destruction and ruin of civilization." (Mukaddimah, English translation by Franz Rosenthal, Vol. 2, pages 103-109, 1967.)

And finally, the moral dimension of President Reagan's call for "expanded capital ownership" was reinforced by Pope John Paul II in his 1981 encyclical On Human Work:

"The Church's teaching on ownership diverges radically from collectivism as proclaimed by Marxism . . . and "rigid" capitalism. . . . The primacy of the person over things [can be restored through] joint ownership of the means of work."

For at least a century, millions have suffered from the errors of Marxism, an incredibly bad idea. Marxism supposedly deals with the real social and economic injustices people face in a rapidly industrializing world. But in its attack on injustice, Marxism is not guided by any positive theory or set of principles as to what constitutes "justice." Marxism grows out of an even older set of ideas called "collectivism," a primitive system of thought where "society," not flesh-and-blood human beings, are all that matter. And equal sharing of poverty and misery—not equality of opportunity to excel and enjoy abundance—is the credo of collectivism. Free markets and individual incentives to produce and earn profits violate collectivist principles. In practice, the ideas of Marx are called "Leninism," "Maoism," or "communism." In communist societies a person is an instrument belonging to the ultimate secular collective, the State. A person's life is not his or her own. Any person declared an "enemy of the State" can be put to death, imprisoned, or placed in a mental institution for opposing those in power.

Marxist collectivism is totally opposite to the central idea that gave birth to America: that the ultimate sovereignty of God, all sovereignty on Earth must start with the individual person. This idea may be called "personalism." Americans believe that each person has the inalienable right to live the life given by the Creator of all life. And Americans do not believe that the State should be worshipped as some sort of modern Golden Calf. In fact, we believe that the State, while important, is a potentially dangerous tool of any civilized society. That is why America's founders designed a State with specifically limited powers. To keep government under control and to insure that it would serve the people, not vice versa, America's founders tried to decentralize social and economic power. And we certainly do not permit those we select to administer State power, as under communism, to take the lives of those who disagree with them. To us, the life of every person is sacred.

Starting from diametrically opposed views about the importance of each person and how each of us relates to God and the State, the forces of Marxist collectivism and the forces of personalism have been on a collision course for over a century. The inevitable confrontation has been emerging at two levels: the military and the ideological.

In the past most of America's responses against Marxist aggressions have been defensive, our military actions in response to their military initiatives, our nuclear build-up in response to theirs. On the ideological level, calling our strategy defensive would be a compliment. Vietnam was a good example where we failed to put or best foot—the untapped ideological potential of the American free enterprise system—ahead of our military foot. We never aggressively engaged communism on the battlefield of economic justice. We never developed a comprehensive private sector strategy aimed at uniting the rich and the poor of Vietnam, with practical initiatives for helping the Vietnamese restructure their social and economic order along lines consistent with the original American revolution.

Calling for "Freedom and Democracy" without building structures for "Economic Justice" is naive. There is no meat on the

message. We should not repeat this disastrous error in the future.

Our Foreign Assistance Act of 1963 stated the overall objective of American foreign aid: "To create conditions in the world under which free societies can survive and prosper." Twenty years and billions of dollars later our foreign aid programs, as executed, have not impeded Marxism's global reach.

Indeed, American foreign aid may have helped to pave the way for many of the Marxist revolutions and expropriations of privately owned enterprises that have occurred throughout Asia, Africa, and Latin America since World War II. Handouts by themselves do not deliver justice or help create a more just social order. They often widen the gap between the rich and the poor. They alienate the people we should be helping. They magnify the obvious difference between the rich and the poor: the rich derive their incomes from the ownership of capital and the poor lack effective access to capital ownership. Thus, handouts create breeding grounds for Marxist-Leninism. Like military aid, they are at best temporary expedients, useful for buying time to attack the social and economic causes that lead to revolution. By not providing the poor in developing countries with the means to become partners in free enterprise growth, we have wasted resources and lives to revolutions that could have been avoided. In the words of President Kennedy:

"By making peaceful revolution impossible, we make violent revolution inevitable."

Farmers, workers, technicians, and businessmen in the developing countries now need more direct access to the finest talent and the most advanced technology, ideas, and institutional structures developed within the American free enterprise system. With access to the best tools and talent of our private sector, for mutual profit, the people of developing countries can create for themselves a freer and more just economic future. We can prove to the world that maximum justice and maximum profits can go hand-in-hand.

The time is now ripe for America to reach out to be broadened global constituency, the poor and oppressed of the many countries from which our ancestors fled. By taking the ideological high road against Marxist collectivism, we can not beat the Soviet Union, not with empty words or deadly weapons but with bold private-sector initiatives that all Americans could support. Through a radical extension of the American free enterprise system, economic justice can be brought to the poorest of the poor in developing countries. In a sense it would be a Space-Age version of the original American Revolution.

WIDESPREAD AMERICAN SUPPORT FOR EXPANDED CAPITAL OWNERSHIP

Broadened equity ownership was included in the 1938 Republican Party Platform. It wa also called for in the 1976 and 1980 conventions of the Republican Party. Within the last 8 years Congress has passed 15 laws encouraging employee stock ownership plans (ESOPs) and over 5,000 companies are gradually spreading equity ownership among their several workers. In 1976 the Joint Economic Committee of Congress declared broadened ownership of new capital as a major priority of American economic policy. While some academics and labor spokesmen have voiced skepticism and concern, citing a few cases where ESOPs were abused, even this resistence is diminishing. Several books and hundreds of articles have appeared in recent years favoring expanded ownership policies.

A labor statesman who recognized that the twin problems of productivity decline and cost-push inflation were unsolvable through the traditional wage system was Walter Reuther, the late head of the United Automobile Workers. Speaking before the Joint Economic Committee of Congress in 1967, he stated:

"Profit sharing in the form of stock distributions to workers would help to democratize the ownership of America's vast corporate wealth. If workers had a definite assurance of equitable shares in the profits, they would see less need to seek . . . increases in basic wages."

Even John D. Rockefeller III called for such a plan in his book, The Second American Revolution (1973).

In a letter to The Washington Post not long before his death, Senator Hubert Humphrey explained why he supported broadened capital ownership:

"[C]apital, and the question of who owns it and therefore reaps the benefit of its productiveness, is an extremely important issue that is complementary to the issue of full employment. . . . I see these as twin pillars of our economy: Full employment of our labor resources and widespread ownership of our capital resources. Such twin pillars would go a long way in providing a firm underlying support for future economic growth that would be equitably shared."

The expanded ownership concept, purely on its merits, enjoys broad bipartisan support on Capitol Hill. The first to publicly support the concept was populist Senator Fred Harris in 1972. The first to introduce ESOP legislation aimed at comprehensive reform of the U.S. tax system was conservative Senator Paul Fannin in early 1973. The main champion of employee stock ownership in Congress is Senator Russell Long, who first learned of the ESOP as a result of Senator Mark Hatfield's initiative to convert the Conrail system into a 100% employee-owned railroad. Other sponsors of ESOP legislation have covered the ideological waterfront, from Robert Byrd and Alan Cranston to John Towers and Mac Mathias, from Jesse Helms and William Roth to Gary Hart and Paul Tsongas, from Phil Crane, Jack Kemp and Bill Frenzel to Parren Mitchell, Don Edwards and Ron Dellums.

Rep. Michael Barnes, Chairman of the House Foreign Affairs Subcommittee on Inter-American Affairs, reacted to a proposed expanded ownership initiative for El Salvador, by recalling the words of former Salvadoran President Duarte:

"If my people believed that tomorrow would be better than today, that their children would have a better life than they have had, then the communist could ship in all the guns they want. There won't be anyone to pick them up and use them."

Rep. Barnes added his own footnote:

"There's more wisdom in that single statement than in everything our government has had to say on the issue in the past two years."●

THE PRESIDENT'S DECISION TO RENOUNCE U.S. ADHERENCE TO THE JURISDICTION OF THE WORLD COURT

● Mr. DODD. Mr. President, this week the President informed the world that the United States will no longer recognize the full jurisdiction of the International Court of Justice. The President and the State Department have stated their reasons, but their argument is not persuasive. This regrettable decision has damaged our credibility internationally, and, worse, it has created the impression that the United States is willing to obey only those laws and regulations that favor our interests. It implys we are unwilling to submit ourselves to judicial scrutiny and that we care nothing for the opinion of our allies and friends.

My colleagues surely will remember the genesis of this dispute. It goes back to the decision by the CIA to mine the harbors of Nicaragua. The Nicaraguan Government sued the United States in the World Court, claiming that mining those harbors and funding the Contras was a violation of Nicaragua's sovereignty. The administration refused to stand and argue its case on the merits. The issue is no longer about U.S. policy in Central America. Now the issue is much more fundamental. Now the issue is United States respect for the rule of law.

Before we consider the administration's reasons for this shortsighted action, let us think back to August 1946, when the Senate passed by a two-thirds majority Senate Joint Resolution 196, accepting the compulsory jurisdiction of the International Court of Justice. I was only 2 years old, then; and my father would soon be prosecuting Nazi war criminals at Nuremburg. The world's wounds from war were very fresh. We had witnessed the breakdown of international law. We knew with compelling immediacy the results of failing to hold nations accountable to the rule of law. We knew that the unspeakable was possible. In response to what we had seen, we helped to create the United Nations and, as part of that effort, the International Court of Justice was born. We joined the United Nations and the World Court not only because we needed to steady the gyroscope of international relations but also because we, as Americans, genuinely believe in the rule of law.

The statute of the International Court of Justice leaves it to the discretion of each nation to determine its relationship to the World Court. For the United States that framework was established by the declaration on the World Court contained in Senate Joint Resolution 196, approved by a two-thirds vote in the Senate August 3, 1946 and signed into law by President Truman on August 14 of that year.

The declaration provides an escape clause from the Court's jurisdiction. That escape clause imposes a 6-month waiting period after notification to the U.N. Secretary General of our intention to pull out of the Court. The Foreign Relations Committee report

which accompanied the resolution explained this clause in the following terms:

> The provision for 6 months notice of termination has the effect of a renunciation of any intention to withdraw our obligation in the face of a threatened legal proceeding.

In short, we did not wish to create the impression of ducking an issue by withdrawing from the Court, but that is precisely what has now happened. The administration, in the face of a legal challenge from Nicaragua, which it found embarrassing and disagreeable, decided to take the extraordinary step of claiming that the United States would exempt itself from any decisions regarding Central America. Now the administration wishes to go even further. Now they say they wish to avoid all decisions of a political nature.

Let us inquire why. Why would the administration wish to avoid all cases of a political nature before the World Court? Why would they wish to create the inevitable impression that we are afraid of the judgment of a Court which includes judges from our own country and our closest allies? Why does the administration wish to create the impression that we are willing to accept only those judgments that go our way?

The administration replies that other countries have never accepted the compulsory jurisdiction of the Court. They say that the Nicaraguans are trying to turn the Court into a propaganda vehicle. Both of those arguments have some truth in them, but what do they reveal? Are those sufficient reasons to walk away from one of the world's principal symbols of peace and reason and legality? Because we might lose a case, or because others have also hidden from the Court, or because one of our challengers has taken advantage of us?

It is not only unbecoming for a super power to act so petulant, it is also damaging to the fabric of international law.

There will come a day, perhaps soon, when we will want to use the World Court for our own good purposes. We should remember that we went there to sue Iran during the hostage crisis and the Court ruled in our favor. We were pleased then to have a forum, however limited and unbinding, to air our grievances. But when that day comes, and we plead for the world to listen, there may be derisive laughter instead.●

NOBEL PRIZE WINNERS IN CHEMISTRY

● Mr. MOYNIHAN. Mr. President, each year, winners of the Nobel Prize capture our attention, fascinate us, and inspire us. This unique recognition of their extraordinary achievements is a grand and important tradition.

New Yorkers have an especial reason for pride this year: Two of our own became Nobel laureates. Dr. Herbert A. Hauptman and Dr. Jerome Karle were awarded the Nobel Prize in chemistry. It is a happy fact that both of these distinguished men are graduates of the City College of New York, class of 1937. What a class. Dr. Arthur Kornberg, who won the Nobel in medicine in 1959, graduated with Drs. Hauptman and Karle that same year. As a sometime undergraduate at City College before entering the Navy in 1944, I share the pride felt at CCNY today. That great New York school has now produced more Nobel Prize winners—seven—than any other public institution.

Through his skill and learned achievements, Dr. Hauptman has brought attention to the small but highly accomplished Medical Foundation of Buffalo, the research laboratory he directs. The foundation's unique work has brought it international acclaim and recognition.

The pioneering research conducted by Dr. Hauptman there, in conjunction with Dr. Karle, has led to significant advances in the field of x-ray crystallography. These techniques have potential applications in the treatment of cancer and in uses of pain-controlling drugs, and are already used throughout the world to study the mysteries of the three-dimensional structures of complex molecules.

Mr. President, I salute these men for their accomplishments, and greatly congratulate them on winning the Nobel Prize. I ask that accounts of this most well-deserved award from the Buffalo News and the New York Times be printed in the RECORD.

The material follows:

[From the Buffalo News, Oct. 16, 1985]

CHEMISTRY PANEL HAILS WORK ON CRYSTAL STRUCTURE

(By Arthur Page)

Dr. Herbert A. Hauptman of the Medical Foundation of Buffalo Research Laboratories is the co-winner of the 1985 Nobel Prize in Chemstry, it was announced today in Stockholm, Sweden.

Hauptman, 68 executive vice president and research director of the foundation at 72 High St., will share the prize with Dr. Jerome Karle, 67, of the Naval Research Laboratory in Washington, D.C., for work they did there in the 1950s to develop a mathematical approach to solving the structure of crystals.

The technique, called "direct methods," originally caused heated debates and was looked down upon by crystallographers, but in recent years it has been used to determine the structures of the more than 45,000 small molecules—such as hormones, vitamins and antibiotics—that are known to science.

Knowledge gained using the technique forms the experimental base of modern structural chemistry.

As an article in the foundation's newsletter noted, "Time and time again, they were told that their new methods could not possibly work." International conferences sponsored by the Medical Foundation of Buffalo, a non-profit independent bio-medical research institute, have helped establish the merit of the method and established Buffalo as a world-recognized center of crystallographic research.

News of the award, conveyed in a telephone call from a colleague at the foundation, capped off Hauptman's daily swim at the Northeast Family Branch YMCA in Snyder. Before heading for work, Hauptman called his wife, Edith, a first-grade teacher at Holmes Elementary School in the Town of Tonawanda, to share the news with her.

"She was so excited she hung up on me," he said with a laugh.

Arriving at the medical foundation, he was besieged by reporters and television cameras at an impromptu press conference and toasted with champagne by his coworkers.

Asked to describe how he felt, he added: "it's hopeless. I'm still in a state of excitement."

A resident of Eggertsville, Hauptman is a research professor of biophysical sciences at the State University of Buffalo. He and his wife have two daughters, Barbara of Buffalo, and Carol of Washington, D.C.

He came to Buffalo in 1970 after 30 years in government service, 23 of them with the Naval Research Laboratory. He joined the Medical Foundation of Buffalo as head of its mathematical biophysics laboratory.

Hauptman and Karle, who have been nominated for a Nobel Prize previously, last year received the Patterson Award from the American Crystallographic Association for their work in the 1950s.

Referring to the technique, which is used to program computers to solve crystal structures at the molecular level, Hauptman said that originally "there was a lot of resistence to it, mostly because it wasn't understood. It was highly mathematical, and crystallographers don't have the background to use it. It wasn't accepted until 10 to 15 years later."

Wide acceptance of the technique, he added, was facilitated by the development beginning in the 1960s of "sufficiently powerful computers."

Hauptman explained that the method developed by him and Karle is used in conjunction with X-ray defraction of materials that have been crystallized.

Being able to apply it in the study of such materials, he added, "permits us to better understand why they do what they do."

Nothing that it is used to study the structure of drugs, he added: "We hope that by understanding better the structure of drugs we can understand their biological activity and biological processes better."

By studying natural substances, such as hormones and insulin, the technique also assists scientists in development of new drugs.

"Their work is not within chemistry but is important for chemistry," said Professor Ingvar Lingvists, a member of the Nobel chemistry committee. "It is not possible to name fields in chemistry where the method is not used."

Hauptman, author of the book "Crystal Structure Determination: The Role of the Cosine Semivariants," received his degrees in mathematics from the University of Maryland. He is former president of the Philosophical Society of Washington, D.C.

He has lectured throughout the world, and the Weizman Institute in Israel has named a chair in physical chemistry for him and Karle.

He once told a reporter that he was "lucky" to be able to see the "usefulness" of his work in mathematics.

He added: "I have tried—in my own small way—to develop a system to use mathematics in an attempt to solve one very small problem. There are still many, many more things to do."

[From the New York Times, Oct. 17, 1985]

TWO AMERICANS SHARE NOBEL IN CHEMISTRY

(By Harold M. Schmeck Jr.)

Two Americans, one from a small research center in Buffalo and the other from the Naval Research Laboratory in Washington, were awarded the Nobel Prize in chemistry yesterday for developing revolutionary techniques used to determine the structures of molecules vital to life.

The prize in physics went to a West German computer expert, Dr. Klaus von Klitzing, 42 years old, for developing an exact way of measuring electrical conductivity, which has become important to the computer and electronics industry. [Page B12.]

The chemistry prize was awarded to Dr. Herbert A. Hauptman, 68, director of the Medical Foundation of Buffalo, and Dr. Jerome Karle of the Naval Research Laboratory. Together, they developed mathematical techniques through which X-ray crystallography can be used directly to deduce the three-dimensional structure of natural substances vital to the internal chemistry of the human body and of drugs that can be used to treat various human ailments.

YEARS OF COLLABORATION

Both scientists are natives of New York City, attended City College together in the class of 1937 and then collaborated for years at the Naval Laboratory.

In recent years artificial counterparts of steroid hormones useful in treating breast cancer have been developed with the aid of the techniques for determining three-dimensional structures. The same techniques have also been used in studying antibiotic drugs. Three-dimensional structure of brain chemicals such as the enkephalins have been determined in the same way. The enkephalins are thought to be natural pain-control substances produced by the human brain. Knowledge of the three-dimensional structure of the enkephalin molecule has been used in research toward the development of new pain-killing drugs.

Much current research is devoted to studies of the structures of hormones and many other biological molecules because structure often gives valuable clues to a substance's actions within the human body.

Thousands of such three-dimensional structures of small biological molecules have been worked out through use of the scientists' methods, producing a wealth of valuable new information for understanding the most detailed chemistry of life in health and disease.

The methods developed by the two Americans have been particularly useful in determining the structures of hormones, vitamins and antibiotics, but cannot yet be used alone to determine the structures of the molecules of large proteins. Many scientists, including the two Nobel Prize-winners, are now working to apply the techniques to solution of the three-dimensional structures of large molecules.

While both research institutions are recognized in the international community of science, the foundation in Buffalo is relatively little known in its own community. The foundation, with a total staff of about 50, specializes in the study of the human endocrine system.

The mathematical techniques developed by Dr. Hauptman and Dr. Karle were controversial for years, but are now used by scientists throughout the world. The two scientists will share the $225,000 award.

CHEERS ABOARD PLANE

When the announcement was made yesterday, Dr. Hauptman was in a swimming pool at the local Y.M.C.A. and Dr. Karle was on an airliner traveling to the United States from Europe. Dr. Karle learned that he was a Nobel Prize winner when the pilot of the Boeing 747 announced the award over the public address system late in the flight. The 280 passengers and crew members burst into applause and later toasted the scientist with champagne.

In announcing the chemistry prize award, the Royal Swedish Academy of Sciences cited the two American scientists "for their outstanding achievements in the development of direct methods for the determination of crystal structures." Scientists use X-ray studies of substances in crystal form to determine their three-dimensional structures.

In the past, other Nobel Prizes have been awarded for achievements in crystallography, but these have usually been for success in determining the structures of important individual substances. This year's prize is for the development of key methods that have helped the whole field to flower. One specialist said tens of thousands of structures had been determined in recent years using the techniques developed by Dr. Karle and Dr. Hauptman.

Twenty years ago, said Dr. William Duax, a colleague of Dr. Hauptman at the foundation in Buffalo, it took two years to work out the structure of a simple antibiotic molecule that had only 15 atoms. Today, he said, it is possible to determine the structure of a 50-atom molecule in two days.

X-ray crystallography has been used for many years to determine the three-dimensional structure of molecules that can be purified so completely that they form crystals. The X-rays reflected from these crystals form pictures that appear as arrays of thousands of spots of variable brightness. Until the work of Dr. Hauptman and Dr. Karle, the pictures were used indirectly to guess at possible structures. Only through further research was it possible to prove whether a guess was correct.

The new methods for direct determination of three-dimensional structures were developed by the two scientists when they worked together in Washington in the 1950's and 1960's. They developed ways of calculating structure by analyzing the intensity of the points visible as dots in the X-ray pictures and calculating the "phase" of atoms in the structures. In this context, phase is an angular measurement that can vary from zero to 360 degrees. The advent of powerful modern computers has made it possible to use the two scientists' mathematical formulations on intensity and phase to determine quickly the three-dimensional structure of a molecule under study.

The seminal work done 30 years ago remained unaccepted and controversial for at least 15 years.

"In 1954, despite five years of work and 13 scientific papers on molecular structure determination, Herbert Hauptman had received virtually no support for his ideas from established X-ray crystallographers, some of whom were openly hostile," said a recent biological sketch of the scientist prepared by his foundation.

Today he and his colleague are considered the founders of a new era in research on molecular structure.

[From the New York Times, Oct. 18, 1985]

ONE CLASS, THREE NOBEL WINNERS, AT CITY COLLEGE

(By Sara Rimer)

City College has produced seven Nobel Prize winners, more than any other public institution. And now, after the announcement of this year's laureates in chemistry, the college is celebrating an even more extraordinary record—three winners from the same class, the class of 1937.

"It's unbelievable," said Frank Brescia, a professor emeritus who was just starting out as an instructor in the chemistry department back in 1937, the year that the recipients of this year's chemistry prize, Dr. Herbert A. Hauptman and Dr. Jerome Karle, graduated.

"It's never happened before, certainly not at Harvard or Princeton. They may have more Nobel Prize winners on their staff than us. But we're the college that produces them."

The third member of the class of 1937 to have received the prize is Dr. Arthur Kornberg, who was awarded it for medicine in 1969. Even a scientist of Professor Brescia's caliber and long experience was hard put to explain how there could be three winners from one class.

THE GLORY YEARS

"Maybe there was a conjunction of the stars or the planets," suggested one of the winners, Dr. Hauptman, the director of the Medical Foundation of Buffalo.

But he and Dr. Karle and Professor Brescia did remember the Depression era as glory years at City College, when the striving sons of immigrants achieved academic excellence on the road to future success. They were members of an elite group, selected from candidates all over the city.

"The competition was extreme," said Dr. Hauptman, whose Austrian immigrant father, Israel Hauptman, had attended City College before him but had to drop out in order to support his family as a printer. "Only the very best got in, and only the very best survived it."

Dr. Hauptman gained an edge by attending Townsend Harris High School, with a rigorous three-year preparatory program that guaranteed entrance into City College—if you could get through Townsend Harris.

50 CENTS A SEMESTER

"If you weren't rich, City College was the university," said Dr. Karle, a chief scientist at the Naval Research Laboratory in Washington. "It meant two things: The first was the high standards of scholarship. The second was that it cost 50 cents a semester to go. That was for a library card, which you had to purchase."

Dr. Karle, the son of a Polish immigrant who made money—and then lost it—in real estate, graduated from Abraham Lincoln High School along with Dr. Kornberg.

A natural-sciences major, Dr. Karle spent three hours on the subway each day, traveling between his home in Coney Island and his classes on the campus at 138th Street

and Convent Avenue. "I learned how to study under very odd circumstances," he said.

Dr. Hauptman, a math major, commuted from his family's apartment in the Bronx. "City College was the perfect place for a person like me," he said "I was a bookish kind of kid who loved to read a lot, especially math."

The basement lunchroom was particularly exciting, a place to exchange ideas and engage in spirited debate. "In order to conserve space, we ate standing up," he said "There was always a lot of discussion going on."

AFFECTION FOR PROFESSORS

Dr. Hauptman remembers several of his professors with admiring affection, but in particular the late Emil Post. "Oh, he was fantastic" Dr. Hauptman said. "He taught me numbers theory. He was very strict and tolerated no nonsense whatever."

Dr. Hauptman and Dr. Karle, who did not meet each other while at City College, both took the top academic prize in their departments. And on Wednesday, they together were awarded the Nobel Prize for developing revolutionary techniques used to determine the structures of molecules vital to the chemistry of the human body and of drugs that can be used to treat various aliments. They collaborated on this work at the Naval Laboratory.

While Professor Brescia and others in the chemistry department hailed the class of 1937 for its high achievers, they also said that while the students have changed in some ways over the years, the glory days at City College are far from over. Proof could be found yesterday in Professor Charlotte Russell's chemistry lab, where two students, John Manlutac and Abha Malik, rejoiced over the Nobel Prize winners and talked intently of their own dreams.

"This is a poor man's college, they say," said Mr. Manlutac, the son of a farmer, who emigrated here from the Philippines three years ago. " I don't have the money to go to an Ivy League School. But this is just as good as going to Harvard."●

U.S. CONTRIBUTION TO THE DEVELOPMENT OF PRIMARY CARE LEADERSHIP IN THE WESTERN HEMISPHERE

● Mr. D'AMATO. Mr. President, I bring to the attention of my colleagues a situation which has been somewhat overlooked, but is one which is vital to the interests of this Nation and to the Western Hemisphere—primary health care leadership.

The Western Hemisphere has traditionally prided itself on providing the highest quality of health care in the world. However, this scenario is changing. Access to U.S. medical training opportunities has gradually become more difficult in the past few years, and the Soviet Union and some East European countries have accelerated their recruitment of medical students from countries in our hemisphere. While the U.S. medical-educational complex has much to offer, it is clear that it is not in the best interest of the United States or the developing countries to ignore the steady flow of medical manpower away from underserved populations. Certainly, this medical manpower drain has significant domestic and international implications to the United States.

Our medical and health maintenance system simply can't absorb an unabated flow of physicians. The developing countries of the world can likewise ill-afford to export their medical talent to the United States.

Recently, the U.S. Agency for International Development signed a Cooperative Agreement with the Inter-American College of Physicians and Surgeons [ICPS] to implement a Physician Exchange Program which I believe will provide the United States with an alternative to the negative consequences of limiting access to medical training. ICPS is a unique organization which represents some 24,000 Spanish-speaking physicians practicing medicine in the United States.

The ICPS Primary Care Physician Exchange Program will seek to accelerate the development of primary care leadership in the hemisphere by promoting a medical technology and information exchange between U.S. Spanish-speaking practitioners and physicians from Central and Latin America.

I would like to share with the Senate a description of the USAID/LAC Bureau funded project. I ask that it be printed in the RECORD in its entirety at the conclusion of my remarks.

The material follows:

BUILDING AN INTERAMERICAN COMMUNITY OF PHYSICIANS

The Interamerican College of Physicians and Surgeons has recently secured the support of the Latin America Bureau of the Agency for International Development in its efforts to build a bridge of technical knowledge and human understanding on a physician to physician basis throughout the Interamerican community.

The objective of the ICPS/USAID Cooperative Agreement is to design and implement a medical technology exchange program between members of ICPS practicing primary care medicine in the U.S. and physicians in Latin America, Central American and the Caribbean.

ICPS is uniquely prepared to facilitate technical training exchanges both in the U.S. and in Latin America because its membership is characterized by bilingual communication skills and cultural awareness of the customs and behavior of the inhabitants of the hemisphere.

Many ICPS members are directly involved in the training of medical students and the delivery of primary care services to underserved populations in the U.S.

ICPS publishes a medical magazine, MEDICO, Interamericano which is published on a monthly basis and distributed to members in the U.S. and abroad.

The ICPS-AID Cooperative Agreement will involve the following activities:

Placement of LAC/Physicians with Spanish-speaking primary care practitioners for 6 months in rural and urban underserved areas to observe and participate where possible in the delivery of medical services.

The design and conduct of informal/formal structured training programs to be supervised by ICPS physician preceptors. Both clinical and non-clinical skills will be incorporated in the preceptorship program which will include: pediatrics, obstetrics and gynecology, family practice, emergency medical services, ophthalmology, rehabilitation medicine, hospital administrative and public health.

Placement in innovative service delivery environments will be emphasized where possible.

The provision of short-term technical assistance by Spanish-speaking ICPS physicians in LAC/Country settings.

The establishment of a clearinghouse function for the selection and placement of clinical training candidates in short and long term academic training programs in the U.S.

ICPS will respond to US/AID Mission requests for information and guidance on clinical training in the U.S.

The ICPS Physician Exchange Program will emphasize rural and community health care. Each exchange participant will be assigned to a practicing bilingual physician preceptor who will function as a sponsor, mentor and advisor while in the U.S.

Prominent medical scholars and primary care specialists will be identified to provide technical seminars and demonstrations both in the U.S. and the LAC Region.

ICPS views the Physician Exchange program as a means of developing health care leadership in the U.S. and in LAC/countries as a hemispheric resource.

Your support is needed and sought in demonstrating the value of Apreton De Manos Curativas—Building an Interamerican Community of Physicians.●

PROGRAM

Mr. DOLE. Mr. President, on Monday, the Senate will convene at 9 a.m. Under the standing order, the two leaders will be recognized for 10 minutes each. There are special orders in favor of Senators PROXMIRE and CRANSTON for not to exceed 15 minutes each.

Following the execution of the special orders, there will be a period for the transaction of routine morning business not to extend beyond the hour of 10 a.m., with statements limited therein to 5 minutes each.

Following routine morning business, at 10 a.m., it will be the intention of the majority leader to turn to the consideration of the Labor, HHS appropriations bill, H.R. 3424. Votes can be expected during Monday's session. I apologize for not being able to announce precisely when, but it would be my hope if those who have amendments can come to the floor Monday morning and offer their amendments, I would certainly be willing to work out some accommodations with the distinguished minority leader to protect all of our colleagues.

Mr. BYRD. Mr. President, I want to be as helpful to the distinguished majority leader as I can be. On Monday, we will be addressing that point. I

hope we can move forward with our business.

Mr. DOLE. Mr. President, I ask unanimous consent that after the completion of the statement by the distinguished minority leader, that the Senate stand in adjournment until 9 a.m. Monday morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I thank the distinguished minority leader. I will be brief.

THE ARMS SALE TO JORDAN

Mr. BYRD. Mr. President, I have reviewed carefully the administration's position in respect to the transfer of American arms to Jordan at this time. I have concluded that I cannot support that position. I believe the basic test of this proposed arms sale is whether it will enhance the process of creating a lasting peace in the Middle East. I am not yet convinced that it satisfies that test.

My opposition to this proposed sale which we have been reading about should not be interpreted to reflect adversely on King Hussein. I have considerable respect for King Hussein. I was encouraged by remarks he made when he visited Washington recently, and I believe, he is serious in his quest for a peaceful settlement of the issues which must be resolved with Israel. While there are some parts of his proposal for progress in the peacemaking process with Israel which I cannot support, in particular the aspect of it which deals with an international conference including the Soviet Union, it is very significant that he wishes to enter into a substantive dialog aimed at resolving regional differences. I commend the King for his initiative, and for his courage and good faith, and I take his statements to reflect a deep-seated intention to involve Jordan in creative solutions.

The recent incidents of terrorist activities in the Middle East have increased tensions and apprehension about the prospects for successful dialog on the King's peace initiative. Precisely because of this increased tension, the United States needs to redouble its efforts to resolve the regional stalemate and achieve a lasting solution that assures stability and fair resolutions of the outstanding issues separating Israel and her neighbors.

I am convinced that American policy in the Middle East must be guided by the need to build on the success of the Camp David process, and the hope it offers of comprehensive solutions in the region. The arms sale that this administration has been promoting for several years is not a policy which can be productive to this process. It is just an example of arms sales driving foreign policy, an approach lacking in fundamental wisdom. It is unrealistic to attach much significance to the contribution arms sales can make to the positive development of the underlying relationship between two nations. Such sales show no history of promoting American policy interests or of creating lasting security relationships when the basic elements of a solid relationship have not otherwise been established. This holds for United States-Jordanian relations and it holds equally well for United States-Israeli relations and certainly for Israeli-Jordanian relations.

I say again, I applaud King Hussein's recent statements that Jordan is now prepared to negotiate with the Government of Israel. My support for $250 million in economic aid to Jordan last June reflects my confidence in the King's intentions. I am not unmindful of the security concerns of the State of Jordan. Those concerns, however, will be more realistically met through the negotiated creation of a framework of peace with Israel. It would be foolish to think that the provision of new arms will have an even marginal positive impact on Jordan's security. Instead, such a sale is more likely to present an unwanted obstacle to the development of a framework of peace which every Member of this body hopes for.

There are those who argue that Jordan needs arms because of the threat of radical Arab forces bent on destroying the peace process. I think it is becoming clear that much of the Arab world is tiring of the policy of terrorism which drives various radical factions in the Middle East. The solution to terrorism lies not in more arms, but in the advancement of peaceful solutions by men of good will—including King Hussein.

Mr. President, I thank the Chair for his indulgence. I yield the floor.

ADJOURNMENT UNTIL MONDAY, OCTOBER 21, 1985

The PRESIDING OFFICER. Under the previous order, the Senate stands adjourned.

Thereupon, at 3:20 p.m., the Senate adjourned until Monday, October 21, 1985, at 9 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate October 18, 1985:

SPECIAL PANEL ON APPEALS

Barbara Jean Mahone, of Ohio, to be chairman of the Special Panel on Appeals for a term of 6 years.

DEPARTMENT OF ENERGY

Anthony G. Sousa, of Hawaii, to be a member of the Federal Energy Regulatory Commission for a term expiring October 20, 1988.

DEPARTMENT OF JUSTICE

Stephen J. Markman, of Virginia, to be an Assistant Attorney General.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

IN THE ARMY

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. John H. Moellering, [redacted], U.S. Army.

IN THE AIR FORCE

Air Force nominations beginning John R. Sharp, and ending Michael L. Smith, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of October 4, 1985.

Air Force nominations beginning Maj. Mitchell J. Catoe, and ending Maj. Buford O. Gilbert, Jr., which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of October 4, 1985.

Air Force nominations beginning Armin B. Olsen, and ending Walter T. Hatcher III, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of October 4, 1985.

Air Force nominations beginning John C. Aarni, Jr., and ending Michael A. Wansky, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of October 8, 1985.

Air Force nominations beginning Francis G. Andrews, and ending Dian J. Davis, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of October 8, 1985.

Air Force nominations beginning Willie W. Gray, Jr., and ending Susan Parker-Hotchkiss, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of October 8, 1985.

Air Force nomination of Susan Parker-Hotchkiss, which was received by the Senate and appeared in the CONGRESSIONAL RECORD of October 8, 1985.

Air Force nomination of Robert A. Ferguson, which was received by the Senate and appeared in the CONGRESSIONAL RECORD of October 8, 1985.

Air Force nomination of Robert A. Ferguson, which was received by the Senate and appeared in the CONGRESSIONAL RECORD of October 8, 1985.

Air Force nominations beginning Paul E. Abt, and ending Walter R. Woodruff, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of October 8, 1985.

HOUSE OF REPRESENTATIVES—*Monday, October 21, 1985*

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore [Mr. WRIGHT].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
October 17, 1985.

I hereby designate the Honorable JIM WRIGHT to act as Speaker pro tempore on Monday, October 21, 1985.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Gracious God, we are a people of many backgrounds, a nation of diversity. Enable us to honor our differences and to offer respect to those whose way of expressing their faith is alien to our expression. Help us to make judgments in the spirit of understanding, attempting always to remember that we share a common creation and destiny. In Your holy name we pray. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J. Res. 79. Joint resolution to designate the week beginning October 6, 1985, as "National Children's Week."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2409) "An act to amend the Public Health Service Act to revise and extend the authorities under that act relating to the National Institutes of Health and National Research Institutes, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2959) "An act making appropriations for energy and water development for the fiscal year ending September 30, 1986, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to the amendments of the Senate numbered 22, 32, 34, and 46 to the above-entitled bill.

The message also announced that pursuant to the provisions of sections 1928a-1928d of title 22, United States Code, the Vice President appoints Mr. ROTH, Mr. ZORINSKY, Mr. COHEN, and Mr. PRESSLER as delegates, on the part of the Senate, to the North Atlantic Treaty Organization meeting in San Francisco, CA, on October 11-15, 1985.

The message also announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S.J. Res. 195. Joint resolution to designate the week of October 20, 1985, through October 26, 1985, as "National Temporary Services Week."

ERROR AND TRAGEDY CONTINUE TO COMPOUND EACH OTHER IN NICARAGUA

(Mr. FRANK asked and was given permission to address the House for 1 minute.)

Mr. FRANK. Mr. Speaker, error and tragedy continue to compound each other in Nicaragua. Added to what seems to me a terribly mistaken American policy supporting war against that Government, we now have that Government engaging in activities against its own people which are short-sighted and wrong.

The fact that one is being attacked from the outside is no justification whatever for suppressing basic liberties. A free press is a strength for a society, not a weakness.

Mr. Speaker, I very much regret, as one who has opposed American policy making war on the Nicaraguan Government, the refusal of the Nicaraguan Government to behave in a way that respects the importance of basic liberties.

We have to reject the notion that democracy, freedom, and civil liberties weaken a society; they strengthen it, and the Nicaraguan Government's recent actions cutting back in these areas is wrong.

MARK NASHPITZ FLIES TO FREEDOM

(Mr. GILMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, I am extremely pleased and gratified to share with my colleagues the news that Mark Nashpitz of Moscow, a former Soviet Jewish prisoner of conscience and long-term refusenik whom I adopted when I first arrived in Congress many years ago, arrived in Vienna yesterday along with his wife and son and has today been reunited with his aging parents in Israel.

Mark's 15-year odyssey for an exit visa was a particularly difficult, uphill battle, since his father had defected from the Soviet Union some 30 years ago, when Mark was just a small boy. Branded the son of a traitor, Mark's life as a student and later as a dentist was accentuated by harassment, interrogation, arrest, and two terms of internal exile—a total exile of 6 years. Once freed, Mark was only allowed to work in a morgue. He said to me in January, during our recent congressional delegation visit to Moscow, "As a dentist I was trained to help the living, but now they only let me work on the dead."

Mr. Speaker, a new life of freedom now awaits Mark and his family. The Iron Curtain has parted for a brief moment, for which we say a prayer of thanksgiving on Mark's behalf, and our hopes and prayers that this signifies some progress in Soviet emigration policies.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 2526

Mr. MARTINEZ. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of the bill, H.R. 2526.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

TRIBUTE TO J.J. AND ANDREA RODRIGUEZ ON THEIR 50TH WEDDING ANNIVERSARY

(Mr. MARTINEZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARTINEZ. Mr. Speaker, I wish today to congratulate two of my constitutents, J.J. and Andrea Rodri-

guez, who will be celebrating their 50th wedding anniversary on October 20, 1985. This Monterey Park, CA, couple have long both made major contributions to the labor union movement and to their community and country.

J.J. Rodriguez is one of the first Hispanics to have graduated from Huntington Beach High School. He later attended the University of Southern California. Mr. Rodriguez, currently president of the Los Angeles County Federation of Labor, was chief executive officer of the United Food and Commercial Workers Union, Local 563, for more than 20 years. President Lyndon B. Johnson appointed him to the Equal Employment Opportunity Commission. Mr. Rodriguez also served as chairman of the California Industrial Relations Committee. He is one of the founders of the Labor Council for Latin American Advancement, as well as a founding member and former president of the Los Angeles Community Service Organization. J.J. Rodriguez also served recently on the executive board of the Los Angeles Olympics Committee.

Andrea Rodriguez has worked closely with her husband in his public activities, as well as helping him raise four children. Their sons, Jim and Edmund Rodriguez, and their daughters, Helen Holguin and the late Josephine Hughes, have all carried on their parents' work in the labor movement.

J.J. and Andrea Rodriguez have distinguished themselves through their contributions to their brothers and sisters in the labor movement and to Los Angeles and the Nation. I congratulate them on the occasion of their 50th wedding anniversary, and send my best wishes to the entire Rodriguez family.

THERE BEATS A NEW HEART, THE PENN STATE HEART

(Mr. GEKAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEKAS. Mr. Speaker, in Hershey, PA, today there beats a new heart, the Penn State heart, a new temporary implant that has given life and hope to an individual whose own heart has been ravaged by disease.

Mr. Speaker, this development is one not only geared to the individual whose life is at stake, but it gives hope to the entire medical community, and, really, to the world at large, that nothing can stop medical progress, to a point where every citizen of the world will some day have the hopes that his or her life will be prolonged and the security of life will be made more secure.

Mr. Speaker, with that, we congratulate the medical team at Hershey Medical Center and invite the Members of the House to inquire further of what developments this means for the medical community at large.

I thank the Speaker.

UNITED STATES DEPENDENCE ON SOUTH AFRICAN MINERALS

(Mr. REID asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REID. Mr. Speaker, South Africa possesses substantial reserves of several strategic minerals on which the United States and our allies are import dependent. We import the vast majority of our consumption of chromium, manganese, platinum, and cobalt, and over half of these imports come from South Africa. Further, South African railways transport strategic minerals from bordering southern African states, from whom we also import substantial quantities of critical metals.

The only comparable source for these critical materials is the Soviet Union—on whom we obviously do not want to depend for our national security. Given the instability in South Africa, the United States must reduce its vulnerability to supply disruptions. A logical first step is to maintain, if not build up, our strategic stockpiles. A longer term approach calls for developing a broader supply base, both domestic and foreign. And we must develop recycling technologies to reduce demand for new materials, find more efficient manufacturing processes, and create material substitutes. New technologies, however, will take at least 10 years to develop and implement.

In the meantime, the U.S. Government must pursue a policy toward the region which guarantees an uninterrupted supply of critical materials. Social tensions in South Africa threaten our access to critical resources. Sanctions passed by Congress—most of which were approved by the President—serve two purposes: They keep us true to our democratic ideals, but they also secure the flow of critical metals by pushing South Africa to end apartheid, thereby defusing revolutionary pressures.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, the Chair announces that he will postpone further proceedings today on the motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall vote, if postponed, will be taken on tomorrow, Tuesday, October 22, 1985.

NATIONAL TOPSOIL PRESERVATION ACT OF 1985

Mr. UDALL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 463), to require the Secretary of the Interior to establish a program to ensure the stockpiling and replacement of topsoil on public lands and other lands which are moved or covered by surface mining projects, reclamation projects, and other Federal and federally assisted projects, and for other purposes, as amended.

The Clerk read as follows:

H.R. 463

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Topsoil Preservation Act of 1985".

SEC. 2. The Congress finds and declares that—

(1) topsoil is a valuable, unique, and peculiar natural resource upon which future generations will be dependent and that while ownership of land in the United States, both privately and under the control of government agencies, provides those in control with certain rights, it also carries with it a responsibility not to destroy the topsoil or so intermingle or bury it that it will not be easily and economically accessible for use at a later date;

(2) in order to promote the general welfare and to protect the natural resources of the Nation for both present and future generations, it is necessary in the use and management of the Nation's land resources to provide minimum standards which incorporate environmental, ecological, social, esthetic, economic, conservation, and other factors and prevent the destruction of topsoil and unnecessary interruption of plant reproduction and soil-building processes; and

(3) failure to establish minimum standards for the use of land which will protect against the loss of topsoil in and of itself causes those using inadequate standards to move to areas where destructive practices are permitted and therefore such failure to establish such minimum standards affect and is a burden upon commerce among the States.

SEC. 3. Each project or activity which is carried out on Federal land (including lands under the jurisdiction of the Secretary of the Interior), for which any direct or indirect Federal assistance is provided, or which is carried out by the Secretary of the Interior or any other agency or instrumentality of the United States, and which involves the moving or covering of topsoil in changing an area of land from its natural state shall be subject to this Act. Such projects and activities shall hereinafter in this Act be referred to as "projects".

SEC. 4. (a) There is hereby established a National Land Resources Protection Commission, hereinafter in this Act referred to as "the Commission," which shall be composed of the Secretary of the Interior and four other members. The President shall designate the Secretary of the Interior as Chairman of the Commission.

(b) Members of the Commission shall be appointed by the President, by and with the advice and consent of the Senate, for terms of four years beginning July 1 of the year following each Presidential election. Vacancies on the Commission shall be filled in the

same manner as original appointments but only for the unexpired term and any member of the Commission may be removed by the President at any time. Each member shall receive compensation at the rate of $47,500 per annum.

(c) The Commission is authorized, subject to the civil service and classification laws, to select, appoint, employ, and fix the compensation of such officers and employees as are necessary to carry out the provisions of this Act and to prescribe their authority and duties.

(d) The Commission shall hold such meetings, conduct such hearings, and establish such rules and regulations in accordance with chapter 5, title 5, United States Code, relating to administrative procedure, as may be reasonably necessary to enable it to carry out the provisions of this Act.

(e) The Commission may delegate responsibilities hereunder within any particular State to a commission or commissions within that State under terms and conditions assuring that at least the Federal minimum standards established under the provisions of this Act will be adhered to in such State. In each State where responsibilities have been delegated hereunder, the Commission shall exercise a continuing oversight to assure that the purposes of this Act are being constantly carried out and the Commission is also authorized to cancel such delegation of authority at any time.

(f) The Commission or any member may administer oaths or affirmations or take evidence; and may by a majority vote subpena and compel the attendance of witnesses or the production of materials.

SEC. 5. (a) The Commission shall establish minimum standards for all projects which assure that a minimum of twelve inches of topsoil or such lesser amount of topsoil as may exist shall be stockpiled from those areas of each project where the shape or contour of the land is changed or where the land is covered. Such topsoil shall not be intermingled with other materials or buried so that it will not be easily and economically accessible for use at a later date; and, to the extent it is sufficient or adequate to do so, such topsoil shall be used to form a top layer of uniform depth and a minimum of twelve inches deep on all areas of the completed project where soil will be exposed to natural elements. Any excess topsoil from such stockpile which is not so used or needed to cover such exposed areas to a depth of twelve inches or more shall be stockpiled permanently in a place where it will improve plant production or be easily and economically accessible for use at a later date.

(b) Where sufficient subsoil which is nontoxic to plantlife will not otherwise by available on the exposed areas of a completed project and to the extent available from the project, the Commission shall require the separate stockpiling and replacement in a sublayer of sufficient quantities of appropriate soil to provide such a nontoxic layer of subsoil as if necessary for the production of such plantlife as is normally considered environmentally, ecologically, esthetically, and economically acceptable to the area.

(c) The overriding objective of this section is to require that the areas of a completed project where the earth is normally exposed shall be left in at least substantially as good a condition to sustain vegetation as existed prior to the beginning of the project and to protect against the destruction of the productive capacity of existing topsoil which has currently been exposed to the elements or used to sustain plantlife; and the Commission shall establish rules and regulations and provide interpretations consistent with such objective.

(d) For the purposes of this Act, the term "topsoil" shall mean the surface layer of soil, commonly known as the A-horizon, which contains organic and mineral matter in such quantities as are needed to provide the fertility necessary for the production of vegetation.

SEC. 6. The Commission shall establish minimum standards to assure that projects covered by this Act will not cause pollution of existing streams, land slides, flooding or substantially change the volume of water to be carried by natural waterways on land adjoining the immediate construction area except where such change is consistent with an approved State or Federal water resource policy or law.

SEC. 7. No soil shall be moved on any project where the moving or covering of topsoil covers an area in excess of one hundred thousand square feet until a license or letter of approval to do so has been issued by the Commission or by a commission to whom authority has been delegated under section 4(e) of this Act. A letter of approval from the director of the appropriate State soil conservation service shall be deemed sufficient for purposes of the preceding sentence with regard to any agricultural lands being restructured for the purpose of increased productivity, soil conservancy, water conservancy, or reduction of air or water pollution.

SEC. 8. On all projects where the Commission deems it necessary to assure the fulfillment of the purposes of this Act, the Commission may require prior to the beginning of any moving of earth, the submission of a plan prepared by a professional engineer or surveyor. Where appropriate, aerial photographs showing details in sufficient contour to the satisfaction of the Commission or a United States Department of the Interior Geological Survey topographic map may be substituted to show the area in its current state. Such plan may require the showing of boundaries of the area of land affected and the elevation involved, drainage plans below, above, and away from the area of land affected both before and after construction, the topography of the land involved and its relationship to adjoining property, the direct flow of the water and its relationship to natural waterways, a definite and detailed plan in accordance with section 5 herein for removing and stockpiling and replacing the soil from the land in separate layers and a segregated state so as to assure that it will be kept and replaced in a usable condition for sustaining vegetation, and such other information as the Commission deems necessary to assure that the particular project will not violate the minimum standards established under this Act. The Commission may also require the posting of such bond or deposit of cash or securities as it deems necessary to assure that such standards will be met prior to completion of the project and within a reasonable time during the completion of various stages of the project.

SEC. 9. The Commission shall submit a report to the Congress by July 31 of each year setting forth the activities of the Commission and shall also submit to the Congress such other reports as may be requested by committees of the Congress established by either the United States Senate or the United States House of Representatives.

SEC. 10. There is authorized to be appropriated not more than $6,000,000 annually for the administration of this Act for each fiscal year commencing after September 30, 1986.

COMPLIANCE WITH BUDGET ACT

SEC. 11. No authority under this Act to enter into contracts or to make payments shall be effective except to the extent and in such amounts as provided in advance in appropriations Acts. Any provision of this Act which, directly or indirectly, authorizes the enactment of new budget authority shall be effective only for fiscal years beginning after September 30, 1986.

The SPEAKER pro tempore (Mr. FRANK). Is a second demanded?

Mr. BARTON of Texas. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Arizona [Mr. UDALL] will be recognized for 20 minutes and the gentleman from Texas [Mr. BARTON] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Arizona [Mr. UDALL].

GENERAL LEAVE

Mr. UDALL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous matter on the bill presently being considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. UDALL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today I am bringing before the House H.R. 463, the National Topsoil Preservation Act. This bill was considered in the Committee on Interior and Insular Affairs and approved by a voice vote.

The intention of myself and the principal author of this legislation, Representative NEAL SMITH, is relatively simple. The Nation is losing topsoil at an alarming rate. The trend is intolerable and must be reversed. Topsoil is utterly essential not only to our economy and the health of our environment, but ultimately to life itself. Once it is gone it cannot be replaced.

We are fully aware that much has been done to try to curb this trend. We are very pleased by recent efforts to discourage agricultural practices that stimulate farming of highly erodible lands, for example. But it is apparent to us that there are gaps in our national topsoil conservation policy that deserve to be addressed.

H.R. 463 states that certain kinds of projects must plan for the conservation and stockpiling of topsoil. These projects are those which are carried out on the public lands, for which

direct or indirect Federal assistance is provided, or which is carried out directly by an agency of the United States and which involve the moving or covering of topsoil. All such projects would be subject to review by a five-member National Land Resources Protection Commission, established by the law and chaired by the Secretary of the Interior. The Commission would be empowered to delegate its authority to a competent State agency, and it would be my hope that this would be the general case because State soil conservation agencies generally would be the most efficient and direct mechanisms for carrying out the purposes of the law. The State agencies would be responsible for setting and administering topsoil conservation standards within their own jurisdictions, as long as those standards met the minimum national standard established by the National Land Resources Commission.

Mr. Speaker, this model has worked with considerable success already in the area of the strip mining of coal. There, we have seen that sensible land reclamation and conservation practices can efficiently be made a part of normal mining practices. I anticipate that this would be the case with the kind of Federal construction projects contemplated by H.R. 463 and I recommend its approval by the House.

I include with my remarks a letter from the Honorable KIKA DE LA GARZA, chairman of the House Committee on Agriculture, concerning this bill:

COMMITTEE ON AGRICULTURE,
Washington, DC, October 21, 1985.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House,
House of Representatives, Washington, DC.

DEAR MR. SPEAKER: I am writing concerning H.R. 463, a bill to require the Secretary of the Interior to establish a program to ensure the stockpiling and replacement of topsoil on public lands and other lands which are moved or covered by surface mining projects, reclamation projects, and other Federal and federally assisted projects, and for other purposes. The bill has been referred jointly to this Committee and to the Committee on Interior and Insular Affairs. The bill has not been acted upon by our Committee. The Committee on Interior and Insular Affairs wishes to take the bill up this week under suspension of the Rules.

In order to expedite consideration of this bill, I would not object if it is taken up on the floor of the House without action by the Committee on Agriculture. This action is taken without in any respect waiving jurisdiction with regard to the subject matter addressed in this bill or in similar bills. Further, if the bill should become an issue with the Senate, I intend to request that this Committee be represented in any conference that may be held.

Your consideration in these matters is greatly appreciated.

With best wishes,

Sincerely,

E. (KIKA) DE LA GARZA,
Chairman.

Mr. Speaker, I reserve the balance of my time.

□ 1215

Mr. BARTON of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to say that I have nothing but the utmost admiration for my distinguished colleague from Arizona. The gentleman is the chairman of the committee that I have the honor to serve on, the Interior and Insular Affairs Committee. I totally agree with him and his objectives in trying to pass this legislation.

However, I must reluctantly oppose the legislation. There are a number of reasons that I do this. First and foremost is that the Department of the Interior has informed me that they oppose it for several reasons.

I think that H.R. 463 needs a more thorough consideration before it passes the House. It would establish another layer of bureaucracy by creating a commission which would set standards to ensure the stockpiling and replacement of topsoil on public lands and other lands disturbed by federally associated projects.

We all agree that preservation of topsoil is a very necessary responsibility of all land managers, Federal, State, and private, if we are to give our future generations a basis on which to provide food and fiber. Presently, however, the Soil Conservation Service already provides the technical assistance for soil surveys, mine restoration, and other activities relating to topsoil protection, and under existing law, each agency that manages Federal lands or conducts activities on other lands is responsible to replace topsoil which it disturbs.

Mr. Speaker, if topsoil is not protected now under the various laws which are presently on the books, we need to use our oversight authority to ensure that topsoil is protected. In these times of mounting deficits, we do not need more commissions and more laws which cost more money to do what is already required.

Mr. Speaker, there are several questions raised by the Department of Agriculture and the Department of the Interior which have not yet been satisfactorily answered. For instance, section 5 of the bill requires the removed topsoil not to be intermingled with other materials. In the mountains and in the semiarid areas of the United States, topsoil is so thin that it is impossible not to intermingle topsoil with other material, especially on steep slopes.

Section 5 also requires the stockpiling of topsoil from projects where the shape or contour of the land is changed or where the land is covered.

What does "cover" mean? Would "cover" mean federally funded water reservoirs? These and other questions must not be answered before H.R. 463 is passed. No hearings in this session of Congress make it necessary to return H.R. 463 for hearings before at least the Agriculture Committee.

For these reasons, I urge my colleagues to oppose H.R. 463.

Mr. UDALL. Mr. Speaker, one of the most able and distinguished and visionary Members of this House is the gentleman from Iowa [Mr. SMITH] who has fought the fight for several years to do something about the erosion of our topsoil, and I yield to the gentleman such time as he may consume.

Mr. SMITH of Iowa. I thank the gentleman for yielding time to me.

Mr. Speaker, topsoil is life itself. Topsoil is the accumulation of residue of thousands of years of plant, human, and animal life and one of the most valuable resources on Earth. Both public and private owners of the land enjoy certain rights while it is under their control, but they cannot take the land with them when they leave the Earth. Destruction of topsoil, during their tenure and use of the land, represents a loss to dozens of future generations.

The preservation of the Nation's topsoil is an issue that has confronted this country for years. Most efforts have been concentrated mainly on halting erosion, the loss of soil through wind and water. Some of the topsoil moved from one place to another by wind and water erosion is not permanently lost; but merely moved to a new location which is less advantageous for this generation. That kind of wind and soil erosion continues to represent a loss to several generations, but there are other sources of soil loss which are even more permanent. H.R. 463 is designed to reduce the permanent loss from two of these other sources, namely, losses on construction projects and Federal land. To take a critical look at the loss of topsoil on construction projects in no way downgrades the importance of continuing efforts to combat erosion with existing programs.

While there may be less topsoil destroyed or lost through mixing it with toxic subsoil or inseparable rubble on mining or construction projects, it represents a more permanent loss and is even less necessary. Those who belittle preventing a loss of topsoil on mining and public construction projects because they represent less acreage of land than erosion on farmland are not only ignoring the more serious nature of the loss but also display a lack of full commitment to long-term soil conservation. I remember that some people for years also said losses through strip mining were not important because greater losses were occurring from water erosion, but in fact, losses of topsoil from every cause is

important and especially those which are irreversible, such as strip mining and construction procedures. If we only dealt with the greatest offense in passing criminal laws, the only crime in the United States would be murder. If we only protected the trees which are being eliminated in the greatest quantity, we would not protect the California redwoods because there are not many of them compared to the giant Alaskan pines and cedars. We should take steps provided in the bill to protect against the permanent loss of topsoil on Federal land and on construction projects.

It takes thousands of years to create topsoil which can be destroyed in construction, but in most cases, with a little management, it can be stockpiled or placed where it would continue to be used to support vegetation. Some people want to prohibit construction or other temporary uses productive land but they too are not looking at the most important consideration, namely, whether the temporary use is done in a way which destroys the topsoil. Temporary use of productive land for buildings when done in a way which does not destroy topsoil does not represent as much of a permanent loss as where topsoil is destroyed whether on prime farmland or less than prime farmland.

It is surely time to pass the bill to prohibit destruction of topsoil on public works projects and Federal land. I am proud to cosponsor with the chairman of the Interior Committee, Mr. UDALL, this legislation which would provide that those responsible for such projects, including highway projects, would be required to keep the topsoil separate instead of mixing it with subsoil or material toxic to plant life. They could either use the soil to cover exposed areas or they could stockpile it were it would be easily and economically accessible for use at a later date. Unlike most soil conservation programs it does not require a Federal spending program or a large staff. It is largely self-policing and only requires changing methods of handling soil on those projects.

The bill provides for a five-member commission to carry out the purposes of the act and it sets minimum standards for topsoil preservation. The commission is empowered to delegate authority for enforcement to State agencies but would maintain oversight and would make sure that spot checks are made to guarantee compliance. Considerable variations now exist among the States of the Nation on the degree of concern over the preservation of topsoil. This bill adopts the approach of setting a uniform minimum standard, but each could establish a State standard for each different major soil type, as long as it meets the minimum standards. I would hope that this bill will give them the incentive to do so. The major concern should be that acceptable standards are set and adhered to in all of the Nation. The five-member commission for administration of the program is empowered to appoint an executive director or to organize it as they deem appropriate, however, since the Secretary of Interior is the chairman of the commission, I would expect that most of the work can be preformed with present employees who have the qualifications and are presently assigned other duties in a related field.

I am pleased that this topsoil bill, H.R. 463, is finally being passed by the House and I am especially pleased that the chairman of the Interior Committee, the gentleman from Arizona, Mr. UDALL, has joined as cosponsor. I urge passage of the bill.

Mr. BARTON of Texas. Mr. Speaker, I yield such time as he may consume to my distinguished colleague, the gentleman from Pennsylvania [Mr. GEKAS].

Mr. GEKAS. I thank the gentleman for yielding.

Mr. Speaker, one of the cardinal sins committed year-in and year-out in the Congress of the United States is duplication of programs. The public is sick and tired of it, and we Members who have to struggle with these deficits year after year, and not just the deficits, but the backlog of problems with which we have to deal, are also sick and tired of duplicating programs and overlapping them time after time.

This is not to denigrate the importance of the preservation of topsoil. But it is impossible to believe that we do not have ongoing programs and ongoing agencies within the Federal establishment to take care of the subject matter of this legislation and its routine business. We have conservation programs and we have agricultural programs into which we pour millions of dollars that I believe can construct within its own borders a program to make sure that our topsoil is preserved.

Now, if that is not enough, if it is not duplication of Federal programs, I can bet you whatever amount of money you are willing to bet that it does duplicate and overlap and tramp upon some State programs throughout the 50 States. There is not one State in the Union, as far as I know, that does not have some kind of a program or bureaucracy set up for the topsoil problems within its jurisdiction.

So it seems to me that we ought to be taking a very strong look at this and other similar legislation when there already exists the mechanisms and the structure to pursue the problems inherent in the issue.

That is why I am so disturbed about the helter-skelter approach. I am not saying that this was not well thought-out, but I am talking about the Congress as a whole, in having a helter-skelter overlapping, increasing bureaucracy, duplicating process that is making everybody weary of what we do around here.

Mr. SMITH of Iowa. Mr. Speaker, will the gentleman yield?

Mr. GEKAS. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. The gentleman says the States could do what the bill requires. There is no doubt about it that they could. But the fact is some do not. That is the reason, when I drove through Pennsylvania on new Highway 80, I saw bleeding banks along the highway. There is no excuse for that. Topsoil had been buried and it had not been put back over the bleeding banks. it had not been preserved.

The gentleman's own State of Pennsylvania is not doing it. The highway commission up there is not doing it. They could have done it without any extra expense if they had been required to, and this will raise their consciousness so that they will do that kind of thing.

Mr. GEKAS. If the gentleman will allow me to reclaim my time, I will ask the gentleman to join with me, and we will travel up to Harrisburg, PA, and visit the capital there, the transportation department and the conservation department, the department of environmental resources, and together we will put pressure on them to do what they are already authorized to do in order to raise the consciousness of the Pennsylvanians who may not have seen the problem that the gentleman has so readily seen.

Mr. SMITH of Iowa. This bill will send a message to all 50 States. It will not be necessary for you to travel around like that, and it need not cost money, because the responsibility could be added to the commission which now handles surface mining responsibility and it would cost little or nothing.

Mr. GEKAS. We really do not need it.

Mr. UDALL. Mr. Speaker, will the gentleman yield?

Mr. GEKAS. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Speaker, the gentleman's State of Pennsylvania has been the, or one of the, national leaders in this whole business of restoring the land after strip-mining coal, as I have many times pointed out in my visits to the gentleman's State. But you can do it, as the gentleman from Iowa said, without any extra expense. They have developed the technique in the strip-mining business, so you take the topsoil off and then you go to the next layer and then you go to the next layer, and then you put them back, down the road a ways, in the order you took them off, and you end up with the topsoil back covering up the land.

You can do it in strip mining. It has been proven in the gentleman's own State that it can be done. I think you can do it for other kinds of land.

Mr. GEKAS. I do not doubt that at all. I thank the gentleman for pointing that out. I am simply saying that we can do all that you want to do and raise the consciousness of the American people and all those people who are charged with the responsibility of preserving our topsoil without passing this legislation. That is my point.

Mr. UDALL. If the gentleman will yield further, the proof of the pudding is in the eating. The gentleman from Iowa for 8 or 10 years has been introducing this bill. He and I have been introducing it together for 6 years. And every day the Sun comes up and every day the highway builders and the dam builders and other people who move topsoil go to work, and today, tomorrow, next week, next month, more topsoil will be gone. Why has not the coordination occurred that the gentleman suggests?

Mr. GEKAS. If the gentleman will permit me to reclaim my time, I am saying to the gentleman that I believe in the last 10 years, while my distinguished colleagues have been pursuing this, there has been improvement in it. Perhaps you can point out an area where they are backsliding on the preservation of topsoil or the care and feeding of topsoil. But there are other areas who have discharged their responsibilities and who will continue to do so whether we ever discuss this or pass this legislation. That is the point. The point is that this is already in the structure. All we have to do, as responsible State citizens, is to make sure that our own agencies in the State take care of the problem.

The Soil Conservation Service, the agricultural programs and conservation programs already embedded in the Federal process, can also be vehicles, without this extra layer of bureaucracy, as the gentleman from Texas has so well pointed out.

Mr. UDALL. Mr. Speaker, I have no further requests for time.

Mr. BARTON of Texas. Mr. Speaker, I yield myself such time as I may consume, and I would like to ask the distinguished gentleman from Arizona a question.

I would like to ask the distinguished chairman of the Committee on Interior and Insular Affairs how he would answer the administration's supposition that this would create an unnecessary layer of bureaucracy. To be quite honest, I have read the bill, and I do not see that it would. I would just like to have the chairman's comments on that particular argument.

Mr. UDALL. Mr. Speaker, there is no contemplation of a large additional bureaucracy. We are talking about a commission, a small commission, chaired by the Secretary of the Interior, who already gets paid and has an office and staff. As the gentleman from Iowa [Mr. SMITH] pointed out, all you have to do is to say to the State highway department of Texas, Arizona, or Iowa, "Here are some standards, here are some Federal standards that have been produced. When you are building a highway or a reclamation dam or some other Federal structure, do it this way, according to these standards."

The bill provides that if that is done, then the State would do the work. I think it could very well happen that way.

Mr. BARTON of Texas. But the gentleman does not foresee a separate bureau created, with people running all over the country? There would be a five-member commission, who would set standards, meet two or three times a year.

Mr. UDALL. Not at all. Nothing very extensive at all. I do not think you would see a new bureaucracy needed to put this program into effect.

Mr. BARTON of Texas. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Arizona [Mr. UDALL] that the House suspend the rules and pass the bill, H.R. 463, as amended.

The question was taken.

Mr. BARTON of Texas. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, and the Chair's prior announcement, further proceedings of this motion will be postponed until tomorrow.

□ 1230

INTRODUCTION OF PROPOSAL FOR GOVERNMENT OF THE NORTHERN MARIANA ISLANDS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona [Mr. UDALL] is recognized for 5 minutes.

Mr. UDALL. Mr. Speaker, when the Northern Mariana Islands became the newest member of the American political family in 1976, a financial relationship between the Federal and insular governments was specified in the covenant to establish the Commonwealth.

This relationship provided for the operation of government in these western Pacific islands; development of essential infrastructure; and private sector growth. It was to last through the 7 fiscal years following the approval of the covenant.

Public Law 94-241 also required representatives of the President and the Governor to recommend how these Federal and Commonwealth responsibilities should be met in multiyear periods after this initial period. Negotiations over the past year have led to a recommendation for a proposed new relationship for the 7 fiscal years which began October 1.

The administration has requested congressional consideration and approval of the proposed new financial relationship between the Federal and Commonwealth governments. I introduced their proposal today to permit the consideration that the administration and the government of the Northern Mariana Islands seeks. Joining me in doing so were the ranking Republican of the Committee on Interior and Insular Affairs, our colleague from Alaska; and the committee's most active majority and minority members on insular matters, the gentlemen from the Virgin Islands and California [Mr. LAGOMARSINO].

Introducing the proposal for consideration, of course, should not be misunderstood as an indication of an intent to approve it. Further, even if it merits approval, amendments might very well be necessary.

It is my intent, however, as chairman of the Committee on Interior and Insular Affairs, to have this legislation considered expeditiously with a hearing on the proposal later this month. If the proposal does indeed merit enactment, I will seek approval by the House, with any necessary amendments, during the remainder of this session.

It is my understanding that the chairman of the committee of the other body which has jurisdiction over insular areas matters has a similar intention. I suspect that he joins me in considering congressional action on the recommendation a fundamental obligation assumed by Congress when it approved the covenant.

The chairman of the Senate committee may also join me in regretting that consideration could not take place prior to the beginning of the current fiscal year when the new relationship was to take effect. Unfortunately, the administration did not submit its proposal in adequate time for that.

Fortunately, there is no gap between authorizations for the initial and the proposed financial relationships. The law approving the covenant itself provides that the initial financial relationship will be maintained until it is replaced.

INTERNATIONAL TERRORISM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona [Mr. RUDD] is recognized for 5 minutes.

Mr. RUDD. Mr. Speaker, most of the peoples of the world expressed shock and indignation when the PLO terrorists that hijacked the Italian cruise ship, the *Achille Lauro*. We should have been outraged but not shocked.

Terrorism is a new form of warfare. It gains additional adherents every day. For more than a week this act of piracy dominated the newsprint and electronic media when it was learned that the hijackers had wantonly murdered an elderly passenger, some commentators expressed surprise. They should not have expressed surprise.

We all applauded when the United States Navy pilots forced the Egyptian airliner to land in Sicily where the Italian Government took custody of them and in the media we accused the Egyptian President of lying to us, and he did lie to us. We complained about the action of the Italian Prime Minister in releasing the PLO representative who was accused of being the leader of the hijackers and planning the whole plot in the first place.

The Italian Government will try the four hijackers and perhaps two accomplices. They will be defended by counsel in court and perhaps they will be convicted. But since Italy has no death penalty, the harshest sentence that they can receive is life imprisonment, and we all know that very few prisoners sentenced to life in prison actually serve the full term.

Perhaps we will find some reason for satisfaction if the Italian courts do convict the hijackers and impose punishment, but this is really only a distraction. Terrorists do not attack their enemies directly. They attack innocent civilians and then manipulate public opinion. If that Italian ship's cruise had not been interrupted by the hijackers we would never have heard about the *Achille Lauro.* But because the passengers, enjoying a brief vacation, some of them quite elderly, were threatened and terrorized, four hijackers, there may have been one or two more assisted, were able to capture the attention of the entire world.

Once a defenseless citizen is taken hostage in these circumstances, he is dead. He may return to life if the terrorists conclude that it is their best tactic, but they operate totally without restraint. They will murder, they will torture to gain their ends. While we publicly maintain a policy of nonnegotiation, the truth is that because we put a high value on human life, deals have been made. For the most part, the hijackers, no matter what they do, escape without punishment.

You may think me vengeful and you may think me bloodthirsty when I say that we cannot continue to abide by the rules of civilized behavior and ever hope to deal effectively with terrorism. The zealots who engage in terrorism are willing, sometimes anxious even, to give their lives to their cause. The four who took over the cruise ship have become instant heroes in that community which supports and advances terrorism.

Unless we are prepared to use the same force and violence against the terrorists as they are eager to use against the civilized world, we will continue to lose this battle. We cannot protect civilians everywhere throughout the world, but if civilized society will only recognize the truth of the situation, we are capable of immediate retribution. President Reagan says that we must not do this because some innocent individuals may suffer. What about the innocent hostages that have been taken prisoner by terrorist groups and are murdered by terrorist groups? We know, in general, the sources of terrorism so we are not surprised where it comes from.

We have military capacity to respond immediately and inflict terrible penalties. Undoubtedly, some civilians may die, as they did when the Israelis raided the PLO headquarters in Tunis. But if the united civilized peoples of this world make it plain that we will no longer tolerate terrorism, that where it occurs we will inflict massive, immediate retribution, those who now employ terrorism will get the message.

We may feel some sympathy for the Palestinians in their quest for their own homeland. We may attempt to understand the religious differences which divide the Middle East. We may say, well, the Arabs have a point. On the other hand, Israel is only trying to defend itself. But the bottom line is that the terrorists ignore all of the rules, and so should we when terrorists attack or find a way to return punishment for that attack.

Until Yassir Arafat and the PLO controls and contains the fanatics in its organization, until the Ayatollah Khomeini restrains his religious zealots, until the various Moslem sects struggling for control of Lebanon abandon terrorism, we are, in my opinion, justified in using our military power or whatever forces necessary to wipe out the supporters and sources of terrorism.

This is war. In every war innocent people are killed. The protagonist who used force in the most effective manner triumphs. We have the force. The question is: Do we have the will?

PARLIAMENTARY INQUIRY

Mr. GEKAS. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. GEKAS. Mr. Speaker, since the gentleman from Arizona [Mr. RUDD], the gentleman from North Carolina [Mr. COBLE], and myself are all going to engage in the same discussion, is it possible to amalgamate the special orders entered into for the three of us into one block of time and allow us to yield back and forth so that we can complete a three-way dialog on it?

The SPEAKER pro tempore. The Chair will call the Members' names in the order they appear here. No other Members are seeking special orders today. We will call Members' names in order.

Mr. GEKAS. I thank the Chair.

INTERNATIONAL TERRORISM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina [Mr. COBLE] is recognized for 5 minutes.

Mr. COBLE. Mr. Speaker, I commend the gentleman from Arizona [Mr. RUDD] for the comments that he has just made with which I am in agreement. It seems, Mr. Speaker, that there was a time, even in my lifetime, when reasonable men and women who differed could resolve those disagreements in an orderly fashion. But as the gentleman from Arizona has just pointed out, the terrorists do not operate within those standards or within those guidelines. Something arises that displeases them and then they place a gun to an innocent hostage's head, and that is how they resolve differences. I find that offensive at best, and I do thank the gentleman from Arizona for having directed our attention to this very, very crucial subject.

□ 1240

I resent the fact that a handful of terrorists are in positions that result in dictating American policy, dictating world policy, if you will. I am very much concerned about this. I am sure that my colleagues share this concern. I think the interception of the airliner was a fine hour. Even though there had been some unfavorable fallout because of it, I think that was the right decision at that time.

Again, Mr. Speaker, I thank the gentleman from Arizona [Mr. RUDD] for what he has done for us today, what he has shared with us, and I yield to the gentleman from Arizona [Mr. RUDD] to use whatever time he wishes.

Mr. RUDD. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I was attempting to point out that the terrorists in their activities ignore all the rules of civilized society and what we think the rules should be and to point out that because they do this, we must fight fire with fire and we must ignore those rules, too, in dealing with these terrorists when we are confronted with the problems that they give to us.

And I was saying that with respect to Yasser Arafat, who is the self-proclaimed and actually is the leader of the Palestine Liberation Organization, until he controls these fanatics, until he contains these fanatics within his own organization, and with respect to

Ayatollah Khomeini, until he restrains his religious zealots, until the various Moslem sects struggling for control of Lebanon abandon terrorism as a tool of attempting to bring attention to their plight in the world, then we are, in my opinion, justified in using our military power or whatever force is necessary to wipe out these supporters and these sources of terrorism that kill innocent people indiscriminately simply for the sake of gaining worldwide publicity.

What this comes down to is war, and war is a 24-hour operation. In every war, innocent people are killed, and the protagonists who use force in the most effective manner are the ones who triumph.

We have the force to do what we have to do. The question that now comes is, do we have the will to do this?

I appreciate the action of the gentleman from North Carolina [Mr. COBLE] in stating his very firm opinions on the subject of terrorism, and I compliment him. I also compliment the gentleman from Pennsylvania [Mr. GEKAS], who also has taken out a special order on this subject of terrorism in order to try to find ways and means by which we can gather together to do it.

First of all, the United States of America does have the force, but we cannot use that force without, in matters of foreign policy, attempting to get the support of our allies throughout the world. We want to do that. But I think, as long as we advise our allies and if they will support us in the intent, then we can, if we have to, act unilaterally.

Of course, we cannot use our full military force against individuals who are providing those acts of terrorism, so we must really get down to the subject of attempting to find a counterforce which can do the job without using the entire Navy, Marine Corps, Air Force, and Army in order to get this job done. I am certain that we can do that, and I am certain that men of good will, both here in the Congress and in this country and elsewhere around the world, can put their heads together to find a way in order to do this.

Let me just remind the Members of this. I am not advocating that we do this today, but about 80 years ago President Teddy Roosevelt——

The SPEAKER pro tempore. The time of the gentleman from North Carolina [Mr. COBLE] has expired.

INTERNATIONAL TERRORISM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. GEKAS] is recognized for 5 minutes.

Mr. GEKAS. Mr. Speaker, I yield to my colleague, the gentleman from Arizona [Mr. RUDD], and I would only ask that he give me a chance to say something in response to the gentleman who is in the well.

Mr. RUDD. Mr. Speaker, I thank the gentleman from Pennsylvania.

Mr. Speaker, I was attempting to say that about 80 years ago or so, the President of our country then was President Theodore Roosevelt. His Secretary of State was John Hay. There was a group of extortionists, terrorists, kidnapers, and pirates who made their living that way—and I guess it was Tripoli—and the chief extortionist involved was named Raisuli. An American by the name of Perdicaris was captured by Raisuli and held for ransom. President Roosevelt gave Secretary Hay these instructions: He said, "Send this message to them: 'Perdicaris alive or Raisuli dead.'" shortly thereafter, three marines walked ashore, picked up the American, Mr. Perdicaris, and brought him home.

I am not saying that we could do that today, but I am saying that the same type of technique does apply. I think that in discussing this whole subject, we do have to find a way to retaliate swiftly, and perhaps not without all of the fanfare that it would take to use our entire military force to do it.

Mr. Speaker, I thank the gentleman for yielding.

Mr. GEKAS. Mr. Speaker, if I may reclaim my time, I would say to the gentleman that the President of the United States, Ronald Reagan, did exhibit the same fortitude as Thomas Jefferson in his time and Theodore Roosevelt in his time in acting with respect to those situations in which the power of the United States could be used efficiently in this last week's interception of the hijackers in the airspace over the Mediterranean.

So that was a good signal, and I agree with the gentleman that more must be done.

However, I did want to point something of which the gentleman may not be aware. I refer to the case when the Italian Government said to us and to the world that it would not extradite these hijackers to the United States because the United States has the death penalty and since the Italian Government does not impose the death penalty, they could not under their own law send them to the United States for trial to undergo a greater possible penalty than their own law provides. They were erroneous in that, because the U.S. Congress has failed to put into its statutory process the death penalty for the hijacking of the type we saw on the high seas that led to the death of an American citizen.

That is the irony of this whole thing. The gentleman in the well and myself and others have been pressing this Congress and the past Congress to pass legislation to provide for the death penalty in appropriate cases. One of them would have been appropriate in this kind of situation, but, no, this Congress has failed to do so. We have legislation that the gentleman has introduced and that I have introduced. There is a discharge resolution right at the desk if the Speaker of the House to bring out a piece of legislation that would allow it.

There is only one kind of death penalty permitted now in the Federal law, and that is for skyjacking, and it does not apply to the case of the *Achille, Lauro,* to all things.

Mr. RUDD. Mr. Speaker, will the gentleman yield?

Mr. GEKAS. Certainly, I yield to the gentleman from Arizona.

Mr. RUDD. Mr. Speaker, I want to compliment the gentleman for his stand not only on the death penalty but for the legislation that we have projected here for espionage, for murder, for hijacking, and for all those sorts of things. I commend the gentleman and also the gentleman from North Carolina for their support of that.

Let me just correct one statement that possibly might reflect on how I might feel. I am not critical of the President's action in light of the cooperation that took place.

Mr. GEKAS. I know that.

Mr. RUDD. I am just saying that we cannot do that time after time. What I am saying is that the time has come for the United States of America to provide an additional force that would be able to zero in on these hijackers so we would know about it before and be able to equip ourselves with better intelligence in order to either prevent it or, if it happens, to bring swift retribution. I think the time has come for that. We cannot use the entire military forces in order to do this every time.

Mr. Speaker, I do thank the gentleman from Pennsylvania [Mr. GEKAS] for his thoughts on this matter. It is a very serious matter.

Mr. BARTON of Texas. Mr. Speaker, will the gentleman yield?

Mr. GEKAS. I yield to the gentleman from Texas.

Mr. BARTON of Texas. Mr. Speaker, I would like to ask a question of my distinguished colleague, the gentleman from Arizona.

Does he want an additional force, or would he like our current forces to be relocated? I personally think that the Delta Force should be in the Mediterranean instead of Fort Bragg, NC.

Does the gentleman want something additional or just a relocation of what we already have?

Mr. GEKAS. I yield to the gentleman from Arizona for a reply.

Mr. RUDD. Mr. Speaker, what I am thinking about is this, I say to my distinguished colleague, the gentleman from Texas: Espionage, like war, is a 24-hour operation 7 days a week, holidays, and all other times. These espionage agents must defend themselves, and in doing so, they must equip themselves very adequately or they would not be successful.

What I am saying is that terrorism does not warrant the full attention of a full-scale war, but that we must prepare ourselves, largely through an espionage-type apparatus, depending upon the espionage community, to get this job done.

The SPEAKER pro tempore. The time of the gentleman from Pennsylvania [Mr. GEKAS] has expired.

□ 1250

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative programs and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BARTON of Texas) to revise and extend their remarks and include extraneous material:)

Mr. HUNTER, for 60 minutes, on October 22.

Mr. HUNTER, for 60 minutes, on October 23.

Mr. RUDD, for 5 minutes, today.

Mr. COBLE, for 5 minutes, today.

Mr. GEKAS, for 5 minutes, today.

(The following Members (at the request of Mr. OBEY) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. UDALL, for 5 minutes, today.

Mr. OWENS, for 60 minutes, on October 22.

Mr. OWENS, for 60 minutes, on October 23.

EXTENSION OF REMARKS

By unanimous consent, premission to revise and extend remarks was granted to:

Mr. OBEY, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $1,673.

(The following Members (at the request of Mr. BARTON of Texas) and to include extraneous matter:)

Mr. COURTER.

Mr. PETRI in two instances.

Mr. SMITH of New Jersey.

Mr. KEMP in two instances.

(The following Members (at the request of Mr. OBEY of Texas) and to include extraneous matter:)

Mr. SMITH of Florida.

Ms. KAPTUR.

Mr. ANDERSON in 10 instances.

Mr. GONZALEZ in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Mr. JONES of Tennessee in 10 instances.

Mr. BONER of Tennessee in five instances.

Mr. GARCIA in four instances.

Mr. FASCELL in two instances.

Mr. STARK in two instances.

SENATE JOINT RESOLUTION

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 195. Joint resolution to designate the week of October 20, 1985, through October 26, 1985, as "National Temporary Services Week"; to the Committee on Post Office and Civil Service.

ADJOURNMENT

Mr. GEKAS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 50 minutes), the House adjourned until tomorrow, Tuesday, October 22, 1985, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2146. A letter from the Comptroller General of the United States transmitting a review of the President's 10 special message for fiscal year 1985, proposing three new deferrals and two revised deferrals of budget authority, pursuant to 2 U.S.C. 685 (H. Doc. No. 99-116); to the Committee on Appropriations and ordered to be printed.

2147. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report on loan, guarantee and insurance transactions supported by Eximbank during August 1985 to Communist countries, pursuant to 12 U.S.C. 635(b)(2); to the Committee on Banking, Finance and Urban Affairs.

2148. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting notice of intent to approve a manufacturing licensing agreement with Japan (Transmittal No. MC-30-85), pursuant to 22 U.S.C. 2776(d); to the Committee on Foreign Affairs.

2149. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting notice of intent to issue a commerical export license for the sale of certain major defense articles to Japan (Transmittal No. MC-20-85), pursuant to 22 U.S.C. 2776(c); to the Committee on Foreign Affairs.

2150. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting notification of a proposed license and agreement for the export of defense articles and services to produce 30 P-3C aircraft in Japan (Transmittal No. MC-26-85), pursuant to 22 U.S.C. 2776(c); to the Committee on Foreign Affairs.

2151. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Navy's proposed agreement for the lease of defense articles to the Federal Republic of Germany (Transmittal No. 2-86), pursuant to 22 U.S.C. 2796(a); to the Committee on Foreign Affairs.

2152. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Navy's proposed agreement for the lease of defense articles to NATO (Transmittal No. 3-86), pursuant to 22 U.S.C. 2796(a); to the Committee on Foreign Affairs.

2153. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Defense Mapping Agency's proposed agreement for the lease of defense articles to the Organization of American States, pursuant to 22 U.S.C. 2796(a); to the Committee on Foreign Affairs.

2154. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

2155. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting a report of political contributions made by Gregory J. Newell, of Virginia, Ambassador-elect to Sweden, and members of his family, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

2156. A letter from the Comptroller General, General Accounting Office, transmitting a list of all reports issued by the GAO during the month of September 1985, pursuant to 31 U.S.C. 719(h); to the Committee on Government Operations.

2157. A letter from the Acting Deputy Assistant Secretary of the Interior for Indian Affairs, Bureau of Indian Affairs, transmitting a proposed plan for the use and distribution of funds awarded the Fort Mojave Indian Tribe in Docket 10-84L before the U.S. Claims Court, pursuant to Public Law 93-134, sections 2(a) and 4; to the Committee on Interior and Insular Affairs.

2158. A letter from the Secretary of the Interior, transmitting the fifth annual report covering progress made during fiscal year 1985 on oil and gas leasing, exploration and development activities on Federal lands in Alaska, other than on the North Slope or the national petroleum reserve, pursuant to Public Law 96-487, section 1008(b)(4); to the Committee on Interior and Insular Affairs.

2159. A letter from the Secretary of Transportation, transmitting a report of the Office of Commercial Space Transportation on Federal impediments to development of a private commercial launch industry, pursuant to 49 U.S.C. app. 2621(a); to the Committee on Science and Technology.

2160. A letter from the Director, National Science Foundation, transmitting a statistical report, "Federal Support to Universities, Colleges, and Selected Nonprofit Institutions, fiscal year 1983," pursuant to the act of May 10, 1950, chapter 171, section 3(a)(7) (82 Stat. 360); to the Committee on Science and Technology.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolu-

tions were introduced and severally referred as follows:

By Ms. KAPTUR:

H.J. Res. 422. Joint resolution to designate June 1, 1986, "National Tumor Registrar Recognition Day"; to the Committee on Post Office and Civil Service.

By Mr. UDALL (for himself, Mr. YOUNG of Alaska, Mr. LAGOMARSINO, and Mr. DE LUGO) (by request):

H.J. Res. 423. Joint resolution to authorize financial assistance for the Northern Mariana Islands, and for other purposes; to the Committee on Interior and Insular Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 60: Mr. RICHARDSON.

H.R. 1069: Mr. GEJDENSON.

H.R. 1145: Mr. GALLO.

H.R. 1538: Mr. PARRIS and Mr. LOWERY of California.

H.R. 1616: Mr. LEACH of Iowa, Mr. PRICE, Mr. ANNUNZIO, and Mr. MCDADE.

H.R. 1769: Mr. COURTER.

H.R. 2024: Mr. FORD of Tennessee.

H.R. 2383: Mr. SIKORSKI.

H.R. 2701: Mr. TRAXLER, Mr. TRAFICANT, Mr. WILLIAMS, and Mr. OWENS.

H.R. 2963: Mr. GUARINI.

H.R. 3121: Mr. TRAFICANT, Mr. CONYERS, Mr. WILLIAMS, Mr. PEPPER, and Mrs. COLLINS.

H.R. 3357: Mr. HENRY, Mr. BROWN of Colorado, and Mr. DORNAN of California.

H.R. 3515: Mr. GLICKMAN.

H.J. Res. 331: Mr. DEWINE, Mr. GINGRICH, Mr. RUSSO, Mr. FUQUA, and Mr. LAFALCE.

H.J. Res. 368: Mr. THOMAS of Georgia, Mrs. BENTLEY, Mr. WEISS, Mr. OLIN, Mr. EDWARDS of Oklahoma, Mr. HYDE, Mr. MATSUI, Mr. DE LUGO, Mrs. BOXER, Mr. BEVILL, Mr. CONYERS, Mr. FAWELL, and Mr. TOWNS.

H. Con. Res. 117: Mr. VALENTINE.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 2526: Mr. MARTINEZ.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

234. By the SPEAKER: Petition of the North Atlantic Assembly, Brussels, Belgium, relative to the recommendations and resolutions adopted at its 31st annual session held in San Francisco, during October, 1985; to the Committee on Foreign Affairs.

235. Also, petition of the school committee of the city of Boston, Boston, MA, relative to the proposal of the President to eliminate or reduce the deductibility of State and local taxes; to the Committee on Ways and Means.

SENATE—*Monday, October 21, 1985*

The Senate met at 9 a.m. and was called to order by the Honorable CHIC HECHT, a Senator from the State of Nevada.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

It is good to give thanks to the Lord, to sing praises to Thy name, O most high; to declare Thy steadfast love in the morning, and Thy faithfulness by night.—Psalm 92:1-2.

Father in Heaven, we acknowledge with heartfelt gratitude, the simple blessings which we enjoy daily. Forgive us that we so easily take for granted these common benefits, that we so often must lose them before we are appreciative. We slept in comfortable beds last night; many slept on the streets. We awakened this morning; many did not. We got out of bed with a purpose for living; many had no incentive to do so. We had water for showers or baths; many had no water to drink. We ate a nourishing breakfast; many had no food, had none yesterday and will have none tomorrow. We have work; many are unemployed. We have homes, families, friends; many are homeless, hungry and alone. We have eyes to see, ears to hear, whole bodies to work and play; many cannot see or hear, and are greatly handicapped by their physical condition. Gracious God, forgive our indifference. Help us who always have more than enough of everything to remember with compassion those who never have enough of anything. And help us to be thankful. Thank Thee, Lord. Thank Thee. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. THURMOND].

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, October 21, 1985.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable CHIC HECHT, a Senator from the State of Nevada, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. HECHT thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the acting majority leader is recognized.

Mr. RUDMAN. I thank the Chair.

A MOST TIMELY PRAYER

Mr. RUDMAN. Mr. President, first let me say that I listened carefully to the Chaplain's prayer this morning. It was a very thoughtful prayer and one that we all should think about more often than we do.

SCHEDULE

Mr. RUDMAN. Mr. President, under the standing order, each of the leaders has 10 minutes. There are special orders in favor of the Senator from Wisconsin [Mr. PROXMIRE] and the Senator from California [Mr. CRANSTON] of not to exceed 15 minutes.

There will be routine morning business not to extend beyond the hour of 10 a.m. this morning and Senators will be permitted to speak therein for 5 minutes each.

Following routine morning business, it is the intention of the majority leader to turn to the Labor-HHS appropriations bill, H.R. 3424, and it is expected that votes will occur throughout today's session, probably not before early afternoon.

Now, I see that my friend from Wisconsin, the acting Democratic leader is here, I will reserve the remainder of the leader's time.

I will now relinquish the floor.

RECOGNITION OF THE ACTING MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the acting Democratic leader is recognized.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the time of the Democratic leader be reserved for his later use.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE CHAPLAIN'S PRAYER

Mr. PROXMIRE. Mr. President, speaking on my time, I wish to commend the Chaplain also for his most moving prayer and it is a most appropriate prayer. I do not know how he does it. It is most timely. This morning we take up, as the acting majority leader has said, the Health and Human Services bill.

I think most interpreters would say that the Chaplain was very much on the side of that bill the way it stands. There may be some amendments. But we will do our best to do the work of the Good Lord, whatever our value judgments are, and I think we have gotten excellent guidance, as usual, from our splendid Chaplain.

RECOGNITION OF SENATOR PROXMIRE

The ACTING PRESIDENT pro tempore. The Senator from Wisconsin [Mr. PROXMIRE] is recognized for not to exceed 15 minutes.

WHY WE MUST SAVE THE ABM TREATY

Mr. PROXMIRE. Mr. President, this body, the Senate, ratified the Anti-Ballistic Missile Treaty overwhelmingly in 1972. Only two Senators dissented. In fact no arms control agreement between the Soviet Union and the United States has received such emphatic and universal support from the Senate as the ABM Treaty. The Senate never has ratified the Second Strategic Arms Limitation Treaty SALT II. That arms control treaty has only been put into operation by Executive order. It may expire within a few months. The Senate has also not ratified the Nuclear Explosive Limitation Treaty of 1974. That agreement too only continues in effect by executive sufferance. The ABM Treaty has persisted as the most widely supported arms control treaty of the nuclear age. It is also essential for arms control, not simply because it keeps the nuclear arms race out of space. It is critical because the ABM Treaty establishes a firm base for credible deterrence. The very heart of the peace that has persisted in the nuclear age between the United States and the Soviet Union lies in the hard fact that both superpowers control a nuclear arsenal that can utterly destroy an adversary that initiates an attack. Can anyone doubt that this absolute assurance has kept the peace? Why is this so obvious? Answer: Both superpowers know that a preemptive strike would be an act of suicide.

What reason have the leaders of both superpowers given for declaring that a nuclear war must never be fought? Both have said a nuclear war must never be fought because it can never be won. Both have said that in a nuclear war there will only be losers. What does this mean? It means deterrence works. No one can love the grim,

terrifying anatomy of deterrence. We live in this nuclear age under the terrible, intimidating shadow of a nuclear war that would constitute a human catastrophe beyond imagination. But living with this awesome threat is the price we pay for peace.

Again what has the ABM Treaty to do with this? That treaty provides the heart and soul of the assured deterrence that prevents either superpower from initiating a nuclear attack.

This, Mr. President, is why the SDI or star wars, pushed so strongly by President Reagan, represents such a dangerous threat to nuclear peace. Most of the scientific community generally believes the trillion dollar star wars missile defense project will never work. They are convinced that a vigorously progressing nuclear offense, provoked by the star wars missile defense, will find ways to penetrate any conceivable missile defense. They are also convinced that at its most effective star wars can only create the instability of doubt. In order to assure that sufficient missiles can penetrate the star war defense, the adversary not only will refuse to agree to any arms control proposal limiting its nuclear offense but will continue to build up its offensive arsenal.

Obviously, the star wars project will require a flat and total repudiation of the ABM Treaty. What is so bad about that? The answer is, plenty. The ABM Treaty is a permanent treaty that this Senate has solemnly as well as overwhelmingly ratified. So star wars will require us to repudiate our word. That is not all. In repudiating our country's word, the Government creates a tragically dangerous instability. Am I stating a partisan position? No, indeed. Consider the recent assertion of six former Secretaries of Defense reported in the Washington Post on October 5 a few days ago. These former Secretaries of Defense issued this declaration:

> We reaffirm our view that this international agreement of unlimited duration makes an important contribution to American security and to reducing the risk of nuclear war.

Again let me ask, Is my support of the ABM Treaty in opposition to the administration's policy that would totally destroy it partisan? Well, in answering that question let us consider who are the former Defense Secretaries who have just reaffirmed their support of the ABM Treaty? Just listen—they are Harold Brown, Clark Clifford, Melvin Laird, Robert MacNamara, Eliot Richardson, and James Schlesinger. Three of the six—Laird, Richardson, and Schlesinger—served under Republican Presidents. The other three served under Democratic Presidents. Mr. President, this Senator cannot conceive of better qualified or more credible experts. Each of these Secretaries is a deeply committed, patriotic American. Each fully understands, as very few Americans can, the critical importance of a strong defense and a practical and effective military policy to undergird that defense. These six represent both of our great parties equally. All six unanimously say we need the ABM Treaty. But the administration's star wars program would bluntly destroy that treaty. All Senators should understand how very vulnerable this ABM Treaty, this bulwark of our country's arms control policy, has become under the bludgeons of this administration. And all should understand that votes we cast to fund the star wars program are votes that will drive nails into the coffin of the ABM Treaty.

THE PEACE CORPS' 25TH ANNIVERSARY

Mr. PROXMIRE. Mr. President, I wish to join my colleagues in commemorating the 25th anniversary of the founding of the Peace Corps; and to honor its first Director, Sargent Shriver, who played a critical role in the development of that organization.

This year-long celebration began on October 1 when the President signed House Joint Resolution 305. It was 25 years ago, on October 14, 1960, that then-Senator John F. Kennedy proposed an international "youth services program" in an impromptu speech on the steps of the student union at the University of Michigan—Ann Arbor. On November 2, Kennedy made a formal commitment for the creation of a Peace Corps in a Presidential campaign speech in San Francisco. Thirty thousand Americans immediately responded to support the idea. On March 1, 1961, President Kennedy signed an Executive order making the Peace Corps a reality. To make this program succeed, President Kennedy needed a person who could impart the spirit of the Peace Corps to those interested in volunteering; allay the fears of Congressmen concerned over the appropriations requests; and convince foreign statesmen of the new agency's practicability. President Kennedy turned to Sargent Shriver.

"Sarge," as he is well known, and I were classmates at Yale, and I have had the privilege of his friendship for many years. An intelligent, eloquent, and charismatic personality, Sarge occupied the top job in our class. He was editor-in-chief of the Yale Daily News, the oldest college daily in the Nation. He was a superb editor. Sarge had the ability and vision to take on the Peace Corps assignment, handle it brilliantly, and lay the foundation for its success. Sarge lobbied intensively on Capitol Hill for the Peace Corps, where it initially met resistance from legislators who were not only concerned about costs, but who thought the corps might become a magnet for "fuzzy-minded" idealists and malcontents. With little help from the White House, Sarge, who is a lobbyist supreme, silenced those fears and Congress established a permanent Peace Corps in September 1961. In his characteristic manner of meeting any challenge, Sarge took the kernel of an idea, nurtured it and saw it grow, its roots firmly planted in the global society. When his term expired in 1965, he left for future directors, a thriving, vital example of America's commitment to world development and prosperity.

The late Hubert Humphrey said:

> A Peace Corps volunteer has to be an idealist. You have to believe one person can make a difference to what happens in this world.

Rarely has a program reached so many people in so many countries. During the last 25 years over 120,000 men and women from all walks of life have served in 88 countries. Americans have always had a caring and generous spirit. The success of the corps is a tribute to our willingness to share our skills and knowledge with others, to improve peoples' lives in even modest ways. Confronting poverty and adversity at its lowest levels, volunteers helped break down social and political barriers in striving to help people help themselves. This has had a positive impact on the living conditions of Third World people. John Kenneth Galbraith, former Ambassador to India, concurred. He said:

> The test of the Peace Corps is whether it has helped some people live better in less pain—and I think it has.

Even the U.S. Congress has benefited from the experiences of six former Peace Corps volunteers, five of whom still serve in Congress. They are. Senator CHRISTOPHER DODD, former-Senator Paul Tsongas, Representatives TOM PETRI of Wisconsin, JIM COURTER, TONY HALL, and PAUL HENRY.

Henry Steele Commager, the American historian, speaking before the House Subcommittee on International Development in 1977, said:

> For the first time in our history . . . we are no longer masters of our own destiny. Every major problem that confronts us now is global and to be solved only through cooperation with other nations.

Clearly, the Peace Corps is part of the world community and seeks to make a difference. Peace Corps volunteers represent our country and our society in a way no diplomat could, by what they do and the spirit in which they do it. To all who have served, to Sargent Shriver and the nine other Directors who followed, we are all indebted.

MYTH OF THE DAY: ACID RAIN NEEDS FURTHER STUDY, NOT REGULATION

Mr. PROXMIRE. Mr. President, the Reagan administration wants Congress and the American people to believe that the acid rain problem needs more study, not regulation.

This assertion seriously distorts scientific evidence of both acid rain damage and causation. Even worse, spending more time in study and not action may leave us with no resources to save.

Scientific papers recently delivered at the Muskoka International Symposium on Acidic Precipitation show, beyond a doubt, direct evidence of a linear relationship between increase in emissions of sulfur and nitrogen oxides and acidic rain, snow, and fog.

These studies validate and expand on earlier findings by the National Academy of Sciences and the Congressional Office of Technology Assessment.

Further evidence from Germany, Scandinavia, and the United States indicates that, at least with respect to forest damage, time is running out for action on acid rain.

How can we delay legislating when, according to a recent study of acid rain damage in the Smoky Mountains, in 1 year the number of healthy trees decreased by 29 percent and the number of dead trees increased by 6 percent.

German damage figures are worse still. While 8 percent of all German trees showed damage in 1982, this number climbed to 34 percent in 1983 and 50 percent in 1984.

The Environmental Protection Agency's new lake studies show entire U.S. regions with potentially serious acid rain problems unknown as recently as 1982. The Southeast and Mountain West can now be added to the Northeast and Midwest as acid rain danger zones.

The EPA report includes as many as 300,000 acres of lakes and streams in the Upper Midwest as highly susceptible to acid rain damage, about 40 percent of the total, with about one-fourth of this number in serious trouble.

Mr. President, I do not deny that acid rain studies are useful and even necessary, but action is needed now, while our resources still have a chance.

Mr. President, an article in Friday's New York Times reports on a study by seven environmental scientists which found substantial scientific consensus that immediate action was needed to combat acid rain.

I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

REPORT SAYS SCIENTISTS AGREE ON NEED TO ACT ON ACID RAIN

(By Philip Shabecoff)

WASHINGTON, October 17.—A group of scientists doing research on acid rain issued a report today saying that a substantial scientific consensus existed on the need to act now to curb the problem.

The scientists challenged the position of the Reagan Administration and industry, which have insisted that more must be learned about the causes and effects of acid precipitation from air pollution before the nation embarks on an expensive program to control it.

The report, based on an analysis of six major governmental studies of acid rain, said there was already agreement among scientists that "reducing the emissions of a large number of air pollutants, most notably sulfur dioxide, would benefit biological systems in North America significantly."

Seven academic and environmental scientists prepared the report, which was financed by the Mary Flagler Cary Charitable Trust. The trust is associated with the arboretum of the same name in Millbrook, N.Y.

Pollution created by the burning of fossil fuel, largely oxides of sulfur and nitrogen from coal-burning power plants, other industrial facilities and motor vehicles, is transformed chemically as it travels through the atmosphere and falls to the earth as acidic rain, snow, fog or dust.

DAMAGE IN EAST

According to the report issued today, the six governmental studies are in general agreement that long-term acid deposition has acidified surface waters in the northeastern United States and southeastern Canada and caused damage. In some cases, the report said, it has wiped out fish and insect species.

The scientists also said there was a consensus that acid deposition could acidify soils, particularly those that are "moderately acid to begin with" and could thus lower the nutrients and change the biological composition of the soil.

The report noted that some forests in eastern North America had been increasingly damaged in recent decades and said there was consensus that acidity, along or in conjunction with other pollutants such as ozone, might contribute to the damage. Acid precipitation also decreases visibility and corrodes manmade materials, the report said.

The panel of scientists said there was general agreement that if action was taken to reduce emissions of sulfur dioxide throughout the Eastern United States, it would reduce damage to aquatic biological systems, degradation of visibility and damage to materials.

Reduction of sulfur would also reduce exposure of humans, crops and trees to acidifying compounds, although the causes and extent of damage in these cases is less certain, the report said.

STRATEGIES TERMED ADEQUATE

The report concluded, "Adequate scientific information exists to select emission-reduction strategies to reduce acid deposition efficiently."

Among proposals that have been made to reduce sulfur and nitrogen emissions are requiring power plants, factories and smelters to install equipment to remove pollutants from smokestacks. There have also been calls for more reliance on coal with a low-sulfur content and the treatment of coal before it is burned. One suggestion for easing the effects of acid rain is to put lime in lakes and streams to neutralize the acid.

The scientists who prepared the report were Charles Driscoll of Syracuse University; James N. Galloway of the University of Virginia; James F. Hornig of Dartmouth College; Gene E. Likens of the New York Botanical Garden; Michael Oppenheimer of the Environmental Defense Fund; Kenneth A. Rahn of the University of Rhode Island; and David Schindler, of the Freshwater Institute in Winnipeg, Canada.

Officials of the Environmental Protection Agency said they had not yet seen the scientists' report. But Dwain Winters, acting director of the agency's acid rain policy office said, "The Administration has repeatedly acknowledged that acid rain is a serious environmental problem and that we don't need definitive answers before deciding on a course of action."

He added, however, "It remains the Administration's considered judgment that the uncertainties in certain areas are still great enough that it is more prudent to seek greater understanding before making a decision on appropriate action."

The Edison Electric Institute, a trade group of the electric utility industry, which would bear the brunt of an acid rain control program, disagreed with the report.

"It is now clear that rainfall acidity is not the most important factor in the acidification of lakes and that any changes in rainfall acidity are unlikely to affect most lakes," the institute said.

THE GENOCIDE CONVENTION: AIDING OUR EFFORTS AGAINST THE CREATURE CALLED SOVIET JUSTICE

Mr. PROXMIRE. Mr. President, a recent advertisement in the Washington Post declared that "Jews Have Always Received Special Treatment in the Soviet Union." It recounted the stories of Soviet Jews sent to labor camps or prisons or into exile for no other offense than practicing their faith. But perhaps the cruelty of the creature called Soviet justice should not surprise us any more. Not blind, this creature strikes with frightening precision to attack members of particular ethnic or religious groups.

Much attention is being given to what the President should ask his Soviet counterpart at their meeting this fall. Superpower stratagems and complex basing questions will be discussed when the two leaders meet. Yet the President also should ask about the special treatment that Soviet Jews receive. For when meeting with foreign heads of state, particularly when meeting with the head of the Soviet state, the U.S. President must ask the hard questions about universal human rights and personal dignity.

How frustrating it is to know that these questions will ring less with the American commitment to universal human rights because this country has failed to ratify the Genocide Convention. Gorbachev—with his creature falsely called justice—can point to his

country's ratification of the convention.

Mr. President, the Genocide Convention is a sound piece of international law that poses no threat to American citizens. The convention should be ratified by the Senate. It would aid the President when he asks Gorbachev the difficult questions. It would strengthen our voice when we ask about the special treatment of Soviet Jews and other oppressed minorities throughout the world.

Mr. President, I yield the floor.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF SENATOR CRANSTON

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from California [Mr. CRANSTON] is recognized for not to exceed 15 minutes.

UNITED STATES-CHINA AGREEMENT FOR NUCLEAR COOPERATION

Mr. CRANSTON. Mr. President, the greatest challenge of our age is to contain and reverse the nuclear arms race between the United States and the Soviet Union. A vital complement to this effort must be vigilant efforts to halt the proliferation of nuclear weapons capability to additional nations.

The nuclear nonproliferation challenge has been one in which Congress has traditionally taken a leading role. We have had some wise leaders in this effort, and it has been a bipartisan effort, involving in earlier years such individuals as Jack Bingham, Chuck Percy, and Abe Ribicoff.

These nonproliferation efforts have been severely tested by the proposal, advanced last year by the Reagan administration, to undertake a new agreement for nuclear trade with the People's Republic of China. While I have been critical of the ham-handed manner in which the administration has pursued conclusion of this "Agreement for Nuclear Cooperation," I have not wanted to take a position of opposition. Rather I have worked both with our Government and representatives of concerned American industry, as well as with senior Chinese officials in an attempt to remedy the clear defects of the draft agreement. Frankly, I have hoped that by engaging in a dialog on these crucial issues with the highest levels of the Chinese Government, we could include them in the family of nations which respect basic nuclear nonproliferation norms. I also have not wanted to foreclose a possible opportunity to gain sorely needed United States export earnings, especially in Asia where we are suffering such a horrid trade imbalance—though I recognize China may be more interested in American bids to drive down the price of French and German competitors, than in actually buying American. I have wanted, too, to advance the opportunity for mutually beneficial United States-People's Republic of China technological and commercial cooperation—in this respect, I have been suspicious of the motives of those radical rightwingers who, under the guise of nonproliferation concerns, would do most anything to sour our relations with Beijing.

It is therefore with a sense of regret that I announce today my opposition to the agreement for nuclear cooperation between the United States and the People's Republic of China in its present form. I will be working with my colleagues on the Senate Foreign Relations Committee to reject this agreement or to propose substantial alterations in the terms under which the United States would license any nuclear export pursuant to the terms of the agreement.

We can wish that the United States could serve the interest of nuclear nonproliferation by undertaking nuclear trade with China. But wishing for something does not make it so. The Reagan administration has struggled for 2 years to turn a sow's ear into a silk purse. The time has come to recognize that this effort has failed. To proceed with nuclear trade with the People's Republic of China under the terms of the faulty draft agreement would be a serious mistake.

Nuclear cooperation with China has been a suspect proposition for decades for one simple reason: The Chinese Government has taken a position of active support for nuclear proliferation. Throughout its first 30 years, Communist rule in Beijing held that proliferation was essentially a good thing which served to undermine superpower hegemony. It was against this background that the Reagan administration sought to change the People's Republic of China's policies and open doors for American nuclear exports. The effort was unwisely pressured by election-year White House politics when, in April 1984, the President initialed in Beijing a draft agreement that the administration has since conceded was deficient.

But the sad fact is that another 18 months of dialog with Beijing have utterly failed to yield satisfactory changes in either the text of the agreement or in Chinese nuclear export policies and practices.

Our concerns here are not academic ones. China has, in the recent past, engaged in the most egregious effort in history to export nuclear bombmaking know-how. To our knowledge, no other nation has ever undertaken systematically to aid the nuclear bomb development and construction efforts of another nation secretly trying to attain this capability, as China has done with Pakistan.

While many of us in Congress have pressed the executive branch to address our concerns with the Chinese Government, we have met with a totally unsatisfactory response. Led by the office of Special Ambassador for Nuclear Nonproliferation Affairs, Richard Kennedy, the administration has systematically withheld, suppressed, and covered up information—known virtually throughout the executive branch—which Congress might find worrisome as it reviewed the draft agreement now before us.

I for one will not tolerate administration efforts to have Congress legislate in the dark. Intelligence data is not the province of one branch to be jealously guarded. It is a resource which we the people's representatives in Congress can and must have in order to make sound decisions. Repeated requests for additional information and documents have met with obfuscation and delay until we reached an absurd point last week of having Ambassador Kennedy—the leading proponent of the agreement—serve as the only source for Senators concerned about the uproar in the executive branch over the China agreement. And of course he told us practically nothing. Repeated subsequent requests, made by a number of Senators, both Democratic and Republican for an unfiltered, uncolored briefing on this issue from intelligence analysts still have not been met.

I am therefore prepared to discuss for the RECORD today information which I have received from a variety of executive branch sources—but has not been volunteered in any classified briefings. This information—which has direct bearing on Congress' imminent decision to approve or reject the agreement before us—has been verified to my satisfaction.

The key issue throughout negotiations with the Chinese has been their nuclear export policy. China is a confirmed proliferator which has greatly assisted Pakistan by providing sophisticated, nuclear warhead designs; we therefore have every reason to seek ironclad assurances that China will end once and for all its cooperation with troublesome nuclear programs. After I raised this issue last year, the Reagan administration undertook additional negotiations with China to clarify what the Chinese obligations would be in return for United States

nuclear cooperation. Administration spokesmen asserted that these reopened negotiations produced secret Chinese written assurances.

Well, that's bunk. The only written assurances Congress has seen are assurances the State Department has provided to other elements of our executive branch on what we hope the Chinese intend to do in the future about their nuclear export policies.

Let's contrast these assurances provided by one American bureaucrat to another with actual Chinese export practices.

In addition to the United States, the U.S.S.R., the United Kingdom, France, and China, most American nonproliferation experts believe India and Israel already have the capability to rapidly assemble and deploy nuclear weapons. The task confronting mankind is to prevent further proliferation of this capability to other nations.

Experts identify five additional nations as having the most dangerous nuclear programs—programs that involve secret facilities inaccessible to international inspection. These are nations with both the motives and an occasionally expressed interest in developing nuclear weapons. The list includes Brazil, Argentina, Pakistan, South Africa, and Iran.

My information is that China has either engaged in serious nuclear trade negotiations with or actually has continued a series of nuclear exports to each and every one of these five nuclear outlaw nations subsequent to Chinese discussions with Reagan administration officials on the importance of curbing such troublesome exports.

The United States has absolutely no nonproliferation excuse whatsoever for building the nuclear capabilities of a nation bent on continuing such dangerous nuclear exports. We are kidding ourselves; on the one hand, the State Department is desperately trying to reassure Congress that the Chinese have new understandings with the United States that they will stop proliferating, but at the same time the State Department is aggressively stifling dissent in the executive branch and trying to suppress strong evidence that China utterly rejects such generous United States interpretations of their understandings.

China has this year continued exports of heavy water to the troublesome Argentine Nuclear Program.

China has gone forward with exports of enriched uranium to the apartheid regime in South Africa, transactions which are made through European middlemen.

China has been engaged in nuclear commerce with Brazil, a nation with large nuclear ambitions and aspirations to superpower status. There are also sketchy reports that China has worked toward agreements for sharing space launch vehicle capabilities with Brazil, capabilities which our Government has struggled hard to contain.

China has not shown, in its discussions of nuclear commerce with Iranian Prime Minister Rafsanjani—who visited Beijing this summer—anywhere near the type of prudence we would expect.

Finally, China's cooperation with Pakistan's nuclear development effort—so extensive in the late 1970's and early 1980's—continued for some time after the issue was raised by American officials.

These Chinese actions suggest that we are dealing with a nation that decidedly does not share our sense of nonproliferation obligations which, by United States law, we must expect of our nuclear customers. We are dealing instead with the same China which still rejects the Nuclear Nonproliferation Treaty and aids the nuclear efforts of nations which scorn full-scope application of International Atomic Energy Agency safeguards.

Most analysts of the draft agreement with China have long recognized the deficiencies in its provisions designed to guard against such abuses. For example, the agreement contains no guarantee, as required by law, that international safeguards will be maintained on U.S.-supplied material. And the crucial clause in the agreement outlining U.S. veto rights over subsequent reprocessing or retransfer of U.S.-supplied material is still ridden with loopholes. When concerns about this "veto rights" provision and a host of related issues were raised this July in a detailed letter signed by Secretary of Defense Cap Weinberger, the State Department succeeded in squelching this evidence. It is now claimed that the detailed list of Defense Department concerns, which Congress has sought, is a "non-document"; clearly Secretary Weinberger's all-out effort to sell Congress on a demonstrably flawed agreement.

Mr. President, the time has come for us to recognize that the China nuclear agreement as written is simply not worth the risk. We cannot afford sloppy agreements with major Communist powers on crucial nuclear issues. And we cannot tolerate the practices of a handful in the executive branch who withhold crucial information from Congress in the hope that we will ratify their flawed handiwork.

Therefore, I call upon my colleagues to reject business as usual on the pending agreement, to get the facts for themselves, and to press for remedy of the agreement's clear defects before proceeding. Our colleagues, Senator GLENN and Senator COHEN, have already joined with me in advancing some ideas in the Foreign Relations Committee about how we might propose to close the glaring loopholes in this agreement. I urge Senators to explore these and other ideas with us so that we might avert a serious nonproliferation setback while limiting damage to our important relationship with the People's Republic of China.

RESERVATION OF LEADERS' TIME

Mr. CRANSTON. Mr. President, I reserve time for both the majority leader and the minority leader.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business not to extend beyond the hour of 10 a.m., with statements therein limited to 5 minutes each.

MULTI-FIBER ARRANGEMENT

The PRESIDING OFFICER (Mr. MCCONNELL). The clerk will now read for the second time the bill H.R. 1562.

The assistant legislative clerk read as follows:

A bill (H.R. 1562) to achieve the objectives of the Multi-Fiber Arrangement and to promote the economic recovery of the United States textile and apparel industry and its workers.

Mr. WEICKER. Mr. President, I object to further consideration.

The PRESIDING OFFICER. Objection having been heard, the bill will be placed on the Senate calendar.

HOBBS ACT AMENDMENTS

The PRESIDING OFFICER. The clerk will now read for the second time the bill S. 1774.

The assistant legislative clerk read as follows:

A bill (S. 1774) to amend section 1951 of title 18 of the United States Code, and for other purposes.

Mr. WEICKER. Mr. President, I object to further consideration.

The PRESIDING OFFICER. Objection having been heard, the bill will be placed on the calendar.

THE AIR FORCE'S NEW T-46A TRAINER AIRCRAFT

Mr. D'AMATO. Mr. President, I am pleased to report to my colleagues the very successful first flight of the Air Force's next generation trainer aircraft, the T-46A, at Edwards Air Force Base, CA, on October 15, 1985.

The T-46A maiden flight lasted 1 hour and 5 minutes and chief test pilot Jim Martinez said everything went perfectly, just as planned. The first T-46A flight attained a top altitude of 15,000 feet. One source reported that this was one of the best first test flights of an aircraft in many years.

The T-46A is a giant step forward for the training of our new pilots. This twin-jet aircraft has side-by-side cockpit seating for student and instructor. The T-46A is fully pressurized, which permits above-the-weather training up to 42,000 feet. Finally, with respect to economy, the T-46A consumes 66 percent less fuel and costs 30 percent less to operate and maintain than does the present trainer.

I am proud to say that this T-46A was produced at the Fairchild Republic Co. at Farmingdale, Long Island. This was a team effort by thousands of contractor and subcontractor employees, not only in New York, but across the Nation. Developing a new jet aircraft is not an easy job. There were trying times when problems arose. However, the Fairchild team met all of the challenges, and this week we have witnessed the great success of their efforts.

I take this opportunity today to congratulate all those individuals who participated in the development of the T-46A. This aircraft will be the main trainer for our future Air Force pilots who must defend America and the free world. This is an important step in maintaining America's leadership in military aviation.

Thank you, Mr. President.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION APPROPRIATIONS, 1986

Mr. WEICKER. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 3424, an act making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1986, and for other purposes.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 3424) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1986, and for other purposes.

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Appropriations, with amendments.

(The parts of the bill intended to be stricken are shown in boldface brackets, and the parts of the bill intended to be inserted are shown in italics.)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1986, and for other purposes, namely:

TITLE I—DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING ADMINISTRATION

PROGRAM ADMINISTRATION

For expenses of administering employment and training programs, **[**$68,355,000**]** *$68,155,000,* together with not to exceed **[**$42,243,000**]** *$42,666,000* which may be expended from the Employment Security Administration account in the Unemployment Trust Fund.

TRAINING AND EMPLOYMENT SERVICES

For expenses necessary to carry into effect the Job Training Partnership Act, including the purchase and hire of passenger motor vehicles, the construction, alteration, and repair of buildings and other facilities, and the purchase of real property for training centers as authorized by the Job Training Partnership Act, **[**$3,521,045,000**]** *$3,453,677,000* plus reimbursements, to be available for obligation for the period July 1, 1986, through June 30, 1987, including $2,000,000 for the National Commission for Employment Policy, including $3,000,000 for all activities conducted by and through the National Occupational Information Coordinating Committee under the Job Training Partnership Act**[**, and including $10,000,000 for service delivery areas under section 101(a)(4)(A)(iii) of the Job Training Partnership Act in addition to amounts otherwise provided under sections 202 and 251(b) of the Act:**]** *Provided,* That no funds from any other appropriation shall be used to provide meal services at or for Job Corps centers: *Provided further,* That of the funds made available for obligation for the Summer Youth Employment and Training Program for the program years 1985 and 1986 the Secretary of Labor may reserve an amount, which, when combined with excess unexpended funds, shall not exceed fifteen percent of the total provided for the program, and allot such funds to the States so that each service delivery area receives, as nearly as possible, an amount equal to its prior year allocation for this program. For the purposes of this provision, "excess unexpended funds" shall mean for program year 1985, any amount unexpended as of September 30, 1985, in excess of 10 percent of the prior year State allotment, and for program year 1986, any amount unexpended as of September 30, 1986, in excess of 10 percent of the prior year State allotment. Reallocations of excess unexpended funds pursuant to this provision shall be accomplished by reducing, by an amount equivalent to the amount of excess unexpended funds, allotments made to the States.

[For the summer youth employment and training program authorized by the Job Training Partnership Act, $100,000,000, in addition to amounts otherwise provided herein for these purposes, to be available for obligation for the period July 1, 1985, through June 30, 1986.**]**

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

To carry out the activities for national grants or contracts with public agencies and public or private nonprofit organizations under paragraph (1)(A) of section 506(a) of title V of the Older Americans Act of 1965, as amended, $254,280,000.

To carry out the activities for grants to States under paragraph (3) of section 506(a) of title V of the Older Americans Act of 1965, as amended, $71,720,000.

FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

For payments during the current fiscal year of benefits and payments as authorized by title II of Public Law 95-250, as amended, and of trade adjustment benefit payments and allowances, as provided by law (part I, subchapter B, chapter 2, title II of the Trade Act of 1974, as amended) $10,000,000, together with such amounts as may be necessary to be charged to the subsequent appropriation for payments for any period subsequent to September 15 of the current year: *Provided,* That amounts received or recovered pursuant to section 208(e) of Public Law 95-250 shall be available for payments.

STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS

For activities authorized by the Act of June 6, 1933, as amended (29 U.S.C. 49-49l-1; 39 U.S.C. 3202(a)(1)(E)); title III of the Social Security Act, as amended (42 U.S.C. 502-504); necessary administrative expenses for carrying out 5 U.S.C. 8501-8523, and sections 231-235 and 243-244, title II of the Trade Act of 1974, as amended; and as authorized by section 7c of the Act of June 6, 1933, as amended, necessary administrative expenses under sections 101(a)(15)(H)(ii) and 212(a)(14) of the Immigration and Nationality Act, as amended (8 U.S.C. 1101 et seq.), and section 51 of the Internal Revenue Code of 1954, as amended (26 U.S.C. 51), notwithstanding section 261(f)(2)(A) of the Economic Recovery Tax Act of 1981, as amended, $23,600,000, together with not to exceed **[**$2,459,940,000**]** *$2,446,240,000* which may be expended from the Employment Security Administration account in the Unemployment Trust Fund, and of which $22,700,000 together with not to exceed **[**$778,000,000**]** *$769,500,000* of the amount which may be expended from said trust fund shall be available for obligation for the period July 1, 1986, through June 30, 1987, to fund activities under section 6 of the Act of June 6, 1933, as amended, including the cost of penalty mail made available to States in lieu of allotments for such purpose, and of which **[**$278,732,000**]** *$283,532,000* shall be available only to the extent necessary to administer unemployment compensation laws to meet increased costs of administration resulting from changes in a State law or increases in the number of unemployment insurance claims filed and claims paid or increased salary costs resulting from changes in State salary compensation plans embracing employees of the State generally over those upon which the State's basic allocation was based, which cannot be provided for by normal budgetary adjustments.

ADVANCES TO THE UNEMPLOYMENT TRUST FUND AND OTHER FUNDS

For repayable advances to the Unemployment Trust Fund as authorized by sections 905(d) and 1203 of the Social Security Act, as amended, and to the Black Lung Disability Trust Fund as authorized by section 9501(c)(1) of the Internal Revenue Code of 1954, as amended, and for nonrepayable advances to the Unemployment Trust Fund as authorized by section 8509 of title 5, United States Code, and to the "Federal unemployment benefits and allowances" account, to

remain available until September 30, 1987, $465,000,000.

LABOR-MANAGEMENT SERVICES

SALARIES AND EXPENSES

For necessary expenses for Labor-Management Services, [$57,505,000] *$57,612,000.*

PENSION BENEFIT GUARANTY CORPORATION

PENSION BENEFIT GUARANTY CORPORATION FUND

The Pension Benefit Guaranty Corporation is authorized to make such expenditures, including financial assistance authorized by section 104 of Public Law 96-364, within limits of funds and borrowing authority available to such Corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended (31 U.S.C. 9104), as may be necessary in carrying out the program through September 30, 1986, for such Corporation: *Provided,* That not to exceed $33,040,000 shall be available for administrative expenses of the Corporation.

EMPLOYMENT STANDARDS ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses for the Employment Standards Administration, including reimbursement to State, Federal, and local agencies and their employees for inspection services rendered, [$191,118,000] *$190,318,000, of which not to exceed $8,000,000 shall be available for obligation through September 30, 1987, for acquisition of computer equipment and software for the Federal Employees' Compensation Level II System,* together with $406,000, which may be expended from the Special Fund in accordance with sections 39(c) and 44(j) of the Longshoremen's and Harbor Workers' Compensation Act.

SPECIAL BENEFITS

(INCLUDING TRANSFER OF FUNDS)

For the payment of compensation, benefits, and expenses (except administrative expenses) accruing during the current or any prior fiscal year authorized by title V, chapter 81 of the United States Code; continuation of benefits as provided for under the head "Civilian War Benefits" in the Federal Security Agency Appropriation Act, 1947; the Employees' Compensation Commission Appropriation Act, 1944; and sections 4(c) and 5(f) of the War Claims Act of 1948 (50 U.S.C. App. 2012); and 50 per centum of the additional compensation and benefits required by section 10(h) of the Longshoremen's and Harbor Workers' Compensation Act, as amended, $259,500,000, together with such amounts as may be necessary to be charged to the subsequent year appropriation for the payment of compensation and other benefits for any period subsequent to September 15 of the current year: *Provided,* That in addition there shall be transferred from the Postal Service fund to this appropriation such sums as the Secretary of Labor determines to be the cost of administration for Postal Service employees through September 30, 1986.

BLACK LUNG DISABILITY TRUST FUND

For payments from the Black Lung Disability Trust Fund, [$988,471,000] *$988,422,000* of which $942,868,000 shall be available until September 30, 1987, for payment of all benefits and interest on advances under subsection (c)(2) of section 9501 of the Internal Revenue Code of 1954, as amended, as authorized by section 9501(d) (1), (2), (4), and (7) of that Act and of which $25,481,000 shall be available for transfer to Employment Standards Administration, Salaries and Expenses, and [$19,746,000] *$19,697,000* for transfer to Departmental Management, Salaries and Expenses, and $376,000 for transfer to Departmental Management, Office of Inspector General, for expenses of operation and administration of the Black Lung Benefits program as authorized by section 9501(d)(5)(A) of that Act: *Provided,* That in addition, such amounts as may be necessary may be charged to the subsequent year appropriation for the payment of compensation, other benefits, or interest on advances for any period subsequent to June 15 of the current year: *Provided further,* That in addition, such amounts shall be paid from this fund into miscellaneous receipts as the Secretary of the Treasury determines to be the administrative expenses of the Department of the Treasury for administering the fund during the current fiscal year, as authorized by section 9501(d)(5)(B) of that Act.

OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses for the Occupational Safety and Health Administration, $218,045,000, including not to exceed $53,021,000, which shall be the maximum amount available for grants to States under section 23(g) of the Occupational Safety and Health Act, which grants shall be no less than fifty percent of the costs of State occupational safety and health programs required to be incurred under plans approved by the Secretary under section 18 of the Occupational Safety and Health Act of 1970: *Provided,* That none of the funds appropriated under this paragraph shall be obligated or expended for the assessment of civil penalties issued for first instance violations of any standard, rule, or regulation promulgated under the Occupational Safety and Health Act of 1970 (other than serious, willful, or repeated violations under section 17 of the Act) resulting from the inspection of any establishment or workplace subject to the Act, unless such establishment or workplace is cited, on the basis of such inspection, for ten or more violations: *Provided further,* That none of the funds appropriated under this paragraph shall be obligated or expended to prescribe, issue, administer, or enforce any standard, rule, regulation, or order under the Occupational Safety and Health Act of 1970 which is applicable to any person who is engaged in a farming operation which does not maintain a temporary labor camp and employs ten or fewer employees: *Provided further,* That none of the funds appropriated under this paragraph shall be obligated or expended to prescribe, issue, administer, or enforce any standard, rule, regulation, order or administrative action under the Occupational Safety and Health Act of 1970 affecting any work activity by reason of recreational hunting, shooting, or fishing: *Provided further,* That no funds appropriated under this paragraph shall be obligated or expended to administer or enforce any standard, rule, regulation, or order under the Occupational Safety and Health Act of 1970 with respect to any employer of ten or fewer employees who is included within a category having an occupational injury lost work day case rate, at the most precise Standard Industrial Classification Code for which such data are published, less than the national average rate as such rates are most recently published by the Secretary, acting through the Bureau of Labor Statistics, in accordance with section 24 of that Act (29 U.S.C. 673), except—

(1) to provide, as authorized by such Act, consultation, technical assistance, educational and training services, and to conduct surveys and studies;

(2) to conduct an inspection or investigation in response to an employee complaint, to issue a citation for violations found during such inspection, and to assess a penalty for violations which are not corrected within a reasonable abatement period and for any willful violations found;

(3) to take any action authorized by such Act with respect to imminent dangers;

(4) to take any action authorized by such Act with respect to health hazards;

(5) to take any action authorized by such Act with respect to a report of an employment accident which is fatal to one or more employees or which results in hospitalization of five or more employees, and to take any action pursuant to such investigation authorized by such Act; and

(6) to take any action authorized by such Act with respect to complaints of discrimination against employees for exercising rights under such Act:

Provided further, That the foregoing proviso shall not apply to any person who is engaged in a farming operation which does not maintain a temporary labor camp and employs ten or fewer employees: *Provided further,* That none of the funds appropriated under this paragraph shall be obligated or expended for the proposal or assessment of any civil penalties for the violation or alleged violation by an employer of ten or fewer employees of any standard, rule, regulation, or order promulgated under the Occupational Safety and Health Act of 1970 (other than serious, willful or repeated violations and violations which pose imminent danger under section 13 of the Act) if, prior to the inspection which gives rise to the alleged violation, the employer cited has (1) voluntarily requested consultation under a program operated pursuant to section 7(c)(1) or section 18 of the Occupational Safety and Health Act of 1970 or from a private consultative source approved by the Administration and (2) had the consultant examine the condition cited and (3) made or is in the process of making a reasonable good faith effort to eliminate the hazard created by the condition cited as such, which was identified by the aforementioned consultant, unless changing circumstances or workplace conditions render inapplicable the advice obtained from such consultants: *Provided further,* That none of the funds appropriated under this paragraph may be obligated or expended for any State plan monitoring visit by the Secretary of Labor under section 18 of the Occupational Safety and Health Act of 1970, of any factory, plant, establishment, construction site, or other area, workplace or environment where such a workplace or environment has been inspected by an employee of a State acting pursuant to section 18 of such Act within the six months preceding such inspection: *Provided further,* That this limitation does not prohibit the Secretary of Labor from conducting such monitoring visit at the time and place of an inspection by an employee of a State acting pursuant to section 18 of such Act, or in order to investigate a complaint about State program administration including a failure to respond to a worker complaint regarding a violation of such Act, or in order to investigate a discrimination complaint under section 11(c) of such Act,

or as part of a special study monitoring program, or to investigate a fatality or catastrophe: *Provided further,* That none of the funds appropriated under this paragraph may be obligated or expended for the inspection, investigation, or enforcement of any activity occurring on the Outer Continental Shelf which exceeds the authority granted to the Occupational Safety and Health Administration by any provision of the Outer Continental Shelf Lands Act, or the Outer Continental Shelf Lands Act Amendments of 1978.

MINE SAFETY AND HEALTH ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses for the Mine Safety and Health Administration, [$150,215,000] *$150,224,000,* including purchase and bestowal of certificates and trophies in connection with mine rescue and first-aid work, and the purchase of not to exceed fifty-two passenger motor vehicles for replacement only; the Secretary is authorized to accept lands, buildings, equipment, and other contributions from public and private sources and to prosecute projects in cooperation with other agencies, Federal, State, or private; the Mine Safety and Health Administration is authorized to promote health and safety education and training in the mining community through cooperative programs with States, industry, and safety associations; and any funds available to the Department may be used, with the approval of the Secretary, to provide for the costs of mine rescue and survival operations in the event of major disaster: *Provided,* That none of the funds appropriated under this paragraph shall be obligated or expended to carry out section 115 of the Federal Mine Safety and Health Act of 1977 or to carry out that portion of section 104(g)(1) of such Act relating to the enforcement of any training requirements, with respect to shell dredging, or with respect to any sand, gravel, surface stone, surface clay, colloidal phosphate, or surface limestone mine.

BUREAU OF LABOR STATISTICS

SALARIES AND EXPENSES

For necessary expenses for the Bureau of Labor Statistics, including advances or reimbursements to State, Federal, and local agencies and their employees for services rendered, [$158,616,000] *$158,640,000,* of which $13,258,000 shall be for expenses of revising the Consumer Price Index, *and $2,300,000 shall be for expenses of enhancing service sector activities,* together with not to exceed $36,309,000, which may be expended from the Employment Security Administration account in the Unemployment Trust Fund: *Provided,* That $5,848,000 shall remain available until September 30, 1987.

DEPARTMENTAL MANAGEMENT

SALARIES AND EXPENSES

For necessary expenses for Departmental Management, including [$2,136,000] *$1,000,000* for the President's Committee on Employment of the Handicapped, [$99,037,000] *$98,167,000,* together with not to exceed $252,000 which may be expended from the Employment Security Administration account in the Unemployment Trust Fund.

ASSISTANT SECRETARY FOR VETERANS EMPLOYMENT AND TRAINING

Not to exceed [$132,975,000] *$124,485,000* may be derived from the Employment Security Administration account in the Unemployment Trust Fund to carry out the provisions of 38 U.S.C. 2001-08 and 2021-26.

OFFICE OF THE INSPECTOR GENERAL

For salaries and expenses of the Office of the Inspector General in carrying out the provisions of the Inspector General Act of 1978, [$39,323,000] *$38,136,000,* together with not to exceed [$4,300,000] *$2,161,000* which may be expended from the Employment Security Administration account in the Unemployment Trust Fund.

SPECIAL FOREIGN CURRENCY PROGRAM

For payments in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States, for necessary expenses of the Department of Labor, as authorized by law, $47,000, to remain available until expended. This appropriation shall be available in addition to other appropriations to such agency for payments in foreign currencies.

GENERAL PROVISIONS

SEC. 101. Appropriations in this Act available for salaries and expenses shall be available for supplies, services, and rental of conference space within the District of Columbia, as the Secretary of Labor shall deem necessary for settlement of labor-management disputes.

SEC. 102. None of the funds appropriated under this Act shall be used to grant variances, interim orders or letters of clarification to employers which will allow exposure of workers to chemicals or other workplace hazards in excess of existing Occupational Safety and Health Administration standards for the purpose of conducting experiments on workers' health or safety.

[SEC. 103. Notwithstanding any other provision of this Act, none of the funds appropriated or otherwise made available by this Act may be obligated or expended prior to November 14, 1985, in order to enforce the decision of February 19, 1985, by the United States Supreme Court in Garcia v. San Antonio Metropolitan Transit Authority et al, (SAMTA).]

SEC. 103. None of the funds appropriated under this title shall be used for constructing, procuring, or altering departmental sanitary facilities, including toilet, handwashing, and drinking water facilities, prior to the promulgation of a comprehensive field sanitation standard for farmworkers.

This title may be cited as the "Department of Labor Appropriation Act, 1986".

TITLE II—DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH RESOURCES AND SERVICES ADMINISTRATION

HEALTH RESOURCES AND SERVICES

For carrying out titles III, *IV,* VII, VIII, *X, and parts A and C of title XVI, and titles XIX* and XXI of the Public Health Service Act, and section 427(a) of the Federal Coal Mine Health and Safety Act, and title V of the Social Security Act, [$564,853,000] *$1,547,979,000,* of which [$2,500,000] *$3,300,000* shall be available only for payments to the State of Hawaii for care and treatment of persons afflicted with Hansen's disease; of which $750,000 to be available until expended, shall be used to renovate the National Hansen's Disease Center; *of which $5,000,000 shall be to establish geriatric educational units under section 788(b) of the Public Health Service Act;* and of which [$1,200,000] *$1,228,000* shall remain available until expended for interest subsidies on loan guarantees made prior to fiscal year 1981 under part B of title VII of the Public Health Service Act: *Provided,* That this appropriation shall be available for payment of the costs of medical care, related expenses, and burial expenses hereafter incurred by or on behalf of any person who has participated in the study of untreated syphilis initiated in Tuskegee, Alabama, in 1932, in such amounts and subject to such terms and conditions as prescribed by the Secretary of Health and Human Services and for payment, in such amounts and subject to such terms and conditions, of such costs and expenses hereafter incurred by or on behalf of such person's wife or offspring determined by the Secretary to have suffered injury or disease from syphilis contracted from such person: *Provided further,* That when the Department of Health and Human Services administers or operates an employee health program for any Federal department or agency, payment for the full estimated cost shall be made by way of reimbursement or in advances to this appropriation: *Provided further, That during the fiscal year, and within the resources and authority available under section 338 of the Public Health Service Act, gross obligations for the principal amount of direct loans under sections 335(c), 338C(e)(1), and 338E of that Act shall not exceed $1,000,000: Provided further,* That none of the funds made available by this Act shall be used to provide special retention pay (bonuses) under paragraph (4) of 37 U.S.C. 302(a) to any regular or reserve officer of the Public Health Service for any period during which the officer is providing obligated service under section 338B (or under former sections 225(e) or 752) of the Public Health Service Act except that this proviso shall not apply to any period of service covered by an agreement entered into by an officer under 37 U.S.C. 302(c)(1) before the date of enactment of Public Law 97-377: *Provided further,* That in addition to the amounts provided herein, $15,750,000 shall be available to the Health Resources and Services Administration from reimbursements from other Federal Agencies and Departments for the operation of employee occupational health programs under 5 U.S.C. 7901*: Provided further, That no funds appropriated to carry out the Public Health Service Act may be used to award grants to, enter into contracts or cooperative agreements with, or otherwise assist, a State, or any agency thereof, to administer, operate, or monitor any program supported under section 329 or 330, or title XIX-C, of the Public Health Service Act: Provided further, That during fiscal year 1986, the Secretary of Health and Human Services shall enter into commitments to guarantee loans, under subpart 1 of part C of title VII of the Public Health Service Act, to students who have not previously received loans guaranteed thereunder, and to students who have previously received loans guaranteed thereunder, except that the total of commitments so authorized may not exceed the sum of $275,000,000 plus any uncommitted balances of loan guarantee authority provided for any prior fiscal year which remain available for fiscal year 1986: Provided further, That no limitation on full-time equivalent positions of the Health Resources and Services Administration shall apply to the use of funds made available by this Act for personnel compensation.*

MEDICAL FACILITIES GUARANTEE AND LOAN FUND

FEDERAL INTEREST SUBSIDIES FOR MEDICAL FACILITIES

For carrying out subsections (d) and (e) of section 1602 of the Public Health Service

Act, $25,000,000 together with any amounts received by the Secretary in connection with loans and loan guarantees under *title VI of* the Public Health Service Act, to be available without fiscal year limitation for the payment of interest subsidies. During the fiscal year no commitments for direct loans, or loan guarantees shall be made.

HEALTH MAINTENANCE ORGANIZATION LOAN AND LOAN GUARANTEE FUND

Any amounts received by the Secretary in connection with loans and loan guarantees under title XIII of the Public Health Service Act, and not to exceed $700,000, may be disbursed with respect to any liability or contingent liability incurred prior to 1985.

CENTERS FOR DISEASE CONTROL

DISEASE CONTROL

(INCLUDING TRANSFER OF FUNDS)

To carry out titles III and XIX and section 1102 of the Public Health Service Act, sections 101, 102, 103, 201, 202, and 203 of the Federal Mine Safety and Health Act of 1977, and sections 20, 21, and 22 of the Occupational Safety and Health Act of 1970; including insurance of official motor vehicles in foreign countries; and hire, maintenance, and operation of aircraft, [$441,194,000] *$476,777,000,* of which [$3,797,000] *$4,625,000* shall remain available until expended for equipment and construction and renovation of facilities, *and of which $2,000,000 shall be used to establish, maintain, and operate a twenty-four-hour telephone hotline which permits calls to be made without charge to the caller, which provides general information concerning acquired immune deficiency syndrome and information concerning medical services and housing facilities for individuals with such syndrome, and which refers such individuals to counseling services: Provided,* That training of employees of private agencies shall be made subject to reimbursement or advances to this appropriation for the full cost of such training: *Provided further,* That not to exceed $1,266,000 in collections from user fees, including collections from training and reimbursements and advances for the full cost of proficiency testing of private clinical laboratories, may be credited to this appropriation: *Provided further,* That $10,000,000 shall be derived from unobligated balances provided under Public Law 94-266 for national influenza immunization: *Provided further, That notwithstanding any other provision of law, amounts appropriated by this Act for the Centers for Disease Control shall be used to maintain not less than 4,108 Federal full-time equivalent positions.*

NATIONAL INSTITUTES OF HEALTH

NATIONAL CANCER INSTITUTE

For carrying out section 301 *and title IV* of the Public Health Service Act with respect to cancer, [$1,221,590,000] *$1,271,555,000.*

NATIONAL HEART, LUNG, AND BLOOD INSTITUTE

For carrying out section 301, *title IV,* and section 1105 of the Public Health Service Act with respect to cardiovascular, lung, and blood diseases, and blood and blood products, [$812,882,000] *$863,652,000.*

NATIONAL INSTITUTE OF DENTAL RESEARCH

For carrying out section 301 *and title IV* of the Public Health Service Act with respect to dental diseases, [$97,691,000] *$103,728,000.*

NATIONAL INSTITUTE OF ARTHRITIS, DIABETES, AND DIGESTIVE AND KIDNEY DISEASES

For carrying out section 301 *and title IV* of the Public Health Service Act with respect to arthritis, diabetes, and digestive and kidney diseases, [$541,298,000] *$565,924,000.*

NATIONAL INSTITUTE OF NEUROLOGICAL AND COMMUNICATIVE DISORDERS AND STROKE

For carrying out section 301 *and title IV* of the Public Health Service Act with respect to neurological and communicative disorders and stroke, [$418,590,000] *$428,517,000.*

NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES

For carrying out section 301 *and title IV* of the Public Health Service Act with respect to allergy and infectious diseases, [$371,941,000] *$429,453,000.*

NATIONAL INSTITUTE OF GENERAL MEDICAL SCIENCES

For carrying out section 301 *and title IV* of the Public Health Service Act with respect to general medical sciences, [$455,593,000] *$510,872,000.*

NATIONAL INSTITUTE OF CHILD HEALTH AND HUMAN DEVELOPMENT

For carrying out section 301 *and title IV* of the Public Health Service Act with respect to child health and human development, [$306,812,000] *$323,071,000.*

NATIONAL EYE INSTITUTE

For carrying out section 301 and [part F of] title IV of the Public Health Service Act with respect to eye diseases and visual disorders, [$188,988,000] *$184,036,000.*

NATIONAL INSTITUTE OF ENVIRONMENTAL HEALTH SCIENCES

For carrying out sections 301 and 311, *and title IV,* of the Public Health Service Act with respect to environmental health sciences, [$188,319,000] *$198,913,000.*

NATIONAL INSTITUTE ON AGING

For carrying out section 301 *and title IV* of the Public Health Service Act with respect to aging, [$149,067,000] *$154,118,000.*

RESEARCH RESOURCES

For carrying out section 301 *and section 472* of the Public Health Service Act with respect to research resources and general research support grants, [$304,579,000] *$305,739,000: Provided,* That none of these funds, with the exception of funds for the Minority Biomedical Research Support program, shall be used to pay recipients of the general research support grants program any amount for indirect expenses in connection with such grants.

JOHN E. FOGARTY INTERNATIONAL CENTER

For carrying out the activities at the John E. Fogarty International Center, [$11,529,000] *$11,606,000,* of which $1,999,000 shall be available for payment to the Gorgas Memorial Institute for maintenance and operation of the Gorgas Memorial Laboratory.

NATIONAL LIBRARY OF MEDICINE

For carrying out section 301 with respect to health information communications and part I of title III of the Public Health Service Act, [$46,972,000] *$60,000,000.*

OFFICE OF THE DIRECTOR

For carrying out the responsibilities of the Office of the Director, National Institutes of Health, [$117,085,000] *$37,574,000,* including purchase of not to exceed [ten] *13* passenger motor vehicles for replacement only.

BUILDINGS AND FACILITIES

For construction of, and acquisition of sites and equipment for, facilities of or used by the National Institutes of Health, $14,900,000, to remain available until expended.

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH

For carrying out the Public Health Service Act with respect to mental health, drug abuse, alcohol abuse, and alcoholism, [$903,637,000] *$995,539,000* of which $100,000 for design, modernization, and improvement of government owned or leased intramural research facilities shall remain available until expended: *Provided, That notwithstanding any other provision of law, these funds shall be used to maintain not less than 1,571 Federal full-time equivalent positions.*

FEDERAL SUBSIDY FOR SAINT ELIZABETHS HOSPITAL

For a portion of the cost of the maintenance and operation of Saint Elizabeths Hospital in the District of Columbia $43,696,000: *Provided,* That in fiscal year 1986 and thereafter the maximum amount available to Saint Elizabeths Hospital from Federal sources shall not exceed the total of the following amounts: the appropriations made under this heading, amounts billed to Federal agencies and entities by the Secretary of Health and Human Services for services provided at Saint Elizabeths Hospital, and amounts authorized by titles XVIII and XIX of the Social Security Act: *Provided further,* That this amount shall not include Federal funds appropriated to the District of Columbia under "Federal Payment to the District of Columbia" and payments made pursuant to section 9(c) of Public Law 98-621: *Provided further,* That the Secretary of Health and Human Services may set rates which in the aggregate do not exceed the estimated total cost of inpatient and outpatient services provided through Saint Elizabeths Hospital as authorized by title 16, sections 2315 and 2320, title 21, sections 511, 513, 522, 545, 902, and 1116, and title 24, sections 301 and 302 of the District of Columbia Code, and may bill and collect from (prospectively or otherwise) individuals, the District of Columbia and other entities for any services so provided: *Provided further,* That the Secretary of Health and Human Services may set rates which in the aggregate do not exceed the estimated total cost of inpatient and outpatient services provided through Saint Elizabeths Hospital as authorized by title 24, sections 191, 196, 211, 212, 222, 253, and 324, title 31, section 1535, and title 42, sections 249 and 251 of the United States Code, and may bill and collect (prospectively or otherwise) from individuals, and Federal agencies, and other entities for any services so provided. Amounts so collected shall be credited to the appropriation for Saint Elizabeths Hospital and shall remain available until expended.

OFFICE OF ASSISTANT SECRETARY FOR HEALTH

PUBLIC HEALTH SERVICE MANAGEMENT

For the expenses necessary for the Office of Assistant Secretary for Health and for carrying out title III of the Public Health Service Act, [$87,621,000] *$90,636,000,* together with *$500,000 to be transferred from amounts appropriated from the general fund for the management of the Health Care Financing Administration and* not to exceed [$1,050,000] *$3,500,000* to be trans-

ferred and expended as authorized by section 201(g) of the Social Security Act, from the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds referred to therein and, in addition, amounts collected by the National Center for Health Statistics from the sale of data tapes shall be credited to this appropriation and shall remain available until expended.

From amounts so appropriated or otherwise made available, $1,000,000 shall be for the development of a comprehensive plan detailing possible administrative and legislative solutions to the problems experienced by physicians and other individuals who provide health treatment or care, including nurses and other State licensed or certified practitioners, in obtaining liability insurance at reasonable cost; and for the initiation of pilot projects to study or demonstrate any such possible solutions (including Federal reinsurance of private insurers offering malpractice or related health liability insurance).

RETIREMENT PAY AND MEDICAL BENEFITS FOR COMMISSIONED OFFICERS

For retirement pay and medical benefits of Public Health Service Commissioned Officers as authorized by law, and for payments under the Retired Serviceman's Family Protection Plan and Survivor Benefit Plan and for medical care of dependents and retired personnel under the Dependents' Medical Care Act (10 U.S.C., ch. 55), such amounts as may be required during the current fiscal year.

HEALTH CARE FINANCING ADMINISTRATION

GRANTS TO STATES FOR MEDICAID

For carrying out, except as otherwise provided, title XIX of the Social Security Act, [$17,710,469,000] *$18,315,492,000*, to remain available until expended.

For making, after May 31, 1986, payments to States under title XIX of the Social Security Act, for the last quarter of fiscal year 1986 for unanticipated costs, incurred for the current fiscal year, such sums as may be necessary[, the obligations and the expenditures to be charged to the subsequent appropriations for the current or succeeding fiscal year.]

Payment under title XIX may be made for any quarter beginning after June 30, 1985, and before October 1, 1986, with respect to any State plan or plan amendment in effect during any such quarter, if submitted in, or prior to such quarter and approved in that or any such subsequent quarter.

For making payments to States under title XIX of the Social Security Act for the first quarter of fiscal year 1987, $6,500,000,000, to remain available until expended.

PAYMENTS TO HEALTH CARE TRUST FUNDS

For payment to the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds, as provided under sections 217(g), 229(b) and 1844 of the Social Security Act, sections 103(c) and 111(d) of the Social Security Amendments of 1965, and section 278(d) of Public Law 97-248, [$19,659,000,000] *$18,854,000,000.*

PROGRAM MANAGEMENT

For carrying out, except as otherwise provided, titles XI, XVIII, and XIX of the Social Security Act, [$88,185,000] *$95,533,000 (of which $500,000 shall be transferred as provided in the Public Health Service Management Account under the Officer of Assistant Secretary for Health)*, together with not to exceed [$1,168,108,000] *$1,182,885,000* to be transferred to this appropriation as authorized by section 201(g) of the Social Security Act, from the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds referred to therein: *Provided*, That in addition, $15,000,000 shall similarly be derived by transfer from said trust funds and shall be expended only to the extent necessary to process workloads not anticipated in the budget estimates and to meet unanticipated costs of agencies or organizations with which agreements have been made to participate in the administration of title XVIII and after maximum absorption of such costs within the remainder of the existing limitation has been achieved: *Provided further, That notwithstanding any other provision of law, these funds shall be used to maintain not less than 3,900 Federal full-time equivalent positions.*

SOCIAL SECURITY ADMINISTRATION

PAYMENTS TO SOCIAL SECURITY TRUST FUNDS

For payment to the Federal Old-Age and Survivors Insurance and the Federal Disability Insurance Trust Funds, as provided under sections 201(m), 217(g), 228(g), 229(b), and 1131(b)(2) of the Social Security Act and section 152 of Public Law 98-21, $497,008,000.

SPECIAL BENEFITS FOR DISABLED COAL MINERS

For carrying out title IV of the Federal Mine Safety and Health Act of 1977, including the payment of travel expenses on an actual cost or commuted basis, to an individual, for travel incident to medical examinations, and to parties, their representatives, and all reasonably necessary witnesses for travel within the United States, Puerto Rico, and the Virgin Islands, to reconsideration interviews and to proceedings before administrative law judges, [$727,908,000] *$727,908,000 to remain available until expended.* For making, after July 31, of the current fiscal year, benefit payments to individuals under title IV of the Federal Mine Safety and Health Act of 1977, for costs incurred in the current fiscal year, such amounts as may be necessary[, the obligations and expenditures to be charged to the subsequent appropriations for the current or succeeding fiscal year.]

For making benefit payments under title IV of the Federal Mine Safety and Health Act of 1977 for the first quarter of fiscal year 1987, $270,000,000, to remain available until expended.

SUPPLEMENTAL SECURITY INCOME PROGRAM

For carrying out the Supplemental Security Income Program, section 401 of Public Law 92-603, section 212 of Public Law 93-66, as amended, and section 405 of Public Law 95-216, including payment to the social security trust funds for administrative expenses incurred pursuant to section 201(g)(1) of the Social Security Act, $7,712,089,000, to remain available until expended: *Provided*, That any portion of the funds provided to a State in the current fiscal year and not obligated by the State during that year shall be returned to the Treasury. For making, after July 31 of the current fiscal year, benefit payments to individuals under title XVI of the Social Security Act, for unanticipated costs incurred for the current fiscal year, such sums as may be necessary[, the obligations and expenditures therefor to be charged to the subsequent appropriations for the current or succeeding fiscal year.]

For carrying out the Supplemental Security Income Program for the first quarter of fiscal year 1987, $2,339,250,000, to remain available until expended.

ASSISTANCE PAYMENTS PROGRAM

For carrying out, except as otherwise provided, titles I, IV-A and -D, X, XI, XIV, and XVI of the Social Security Act and the Act of July 5, 1960 (24 U.S.C., ch. 9), [$6,679,578,000] *$6,859,578,000*, to remain available until expended.

For making, after May 31 of the current fiscal year, payments to States under titles I, IV-A and -D, X, XIV, and XVI of the Social Security Act, for the last three months of the current fiscal year, for unanticipated costs, incurred for the current fiscal year, such sums as may be necessary[, the obligations and expenditures to be charged to the subsequent appropriations for the current or succeeding fiscal year.]

For making payments to States under titles I, IV-A and -D, X, XIV, and XVI of the Social Security Act for the first quarter of fiscal year 1987, $2,193,754,000, to remain available until expended.

CHILD SUPPORT ENFORCEMENT

For carrying out, except as otherwise provided, titles IV-D and XI of the Social Security Act, $432,601,000, to remain available until expended.

For making, after May 31 of the current fiscal year, payments to States under title IV-D of the Social Security Act, for the last three months of the current fiscal year, for unanticipated costs, incurred for the current fiscal year, such sums as may be necessary[, the obligations and the expenditures to be charged to the subsequent appropriations for the current or succeeding fiscal year.]

For making payments to States under title IV-D of the Social Security Act for the first quarter of fiscal year 1987, $170,750,000, to remain available until expended.

LOW INCOME HOME ENERGY ASSISTANCE

For carrying out title XXVI of the Omnibus Budget Reconciliation Act of 1981, $2,100,000,000.

LIMITATION ON ADMINISTRATIVE EXPENSES

For necessary expenses, not more than [$4,022,486,000] *$3,992,486,000* may be expended, as authorized by section 201(g)(1) of the Social Security Act, from any one or all of the trust funds referred to therein: *Provided*, That travel expense payments under section 1631(h) of such Act may be made only when travel of more than seventy-five miles is required: *Provided further*, That $175,000,000 of the foregoing amount shall be apportioned for use only to the extent necessary to process workloads not anticipated in the budget estimates, for automation projects and their impact on the work force, and to meet mandatory increases in costs of agencies or organizations with which agreements have been made to participate in the administration of titles XVI and XVIII and section 221 of the Social Security Act, and after maximum absorption of such costs within the remainder of the existing limitation has been achieved: *Provided further*, That $182,939,000 for automatic data processing and telecommunications activities shall remain available until expended: *Provided further*, That none of the funds appropriated by this Act may be used for the manufacture, printing, or procuring of social security cards, as provided in section 205(c)(2)(D) of the Social Security Act, where paper and other materials used in the manufacture of such cards are produced, manufactured, or assembled outside of the United States: *Provided further, That none of the funds made available in this Act may be used to plan, implement, or*

administer the closure of a Social Security field office if such closure would result in a net reduction in the total number of Social Security offices on September 30, 1986, as compared with July 1, 1985.

HUMAN DEVELOPMENT SERVICES

SOCIAL SERVICES BLOCK GRANT

For carrying out the Social Services Block Grant Act, $2,700,000,000.

HUMAN DEVELOPMENT SERVICES

For carrying out, except as otherwise provided, the Older Americans Act of 1965, the Runaway and Homeless Youth Act, the Native Americans Programs Act, the Developmental Disabilities Assistance and Bill of Rights Act, the Child Abuse Prevention and Treatment Act, *chapter 8-D of title VI-A of the Omnibus Budget Reconciliation Act of 1981 (pertaining to grants to States for planning and development of dependent care programs), the Family Violence Prevention and Services Act (title III of P.L. 98-457),* and the Head Start Act, [$2,003,722,000: *Provided,* That $76,349,000 shall be the maximum amount available for Indian and migrant Head Start programs for fiscal year 1986] *$2,006,422,000.*

FAMILY SOCIAL SERVICES

For carrying out parts B and E of title IV and section 1110 of the Social Security Act, and title II of Public Law 95-266 (adoption opportunities), [$745,019,000] *$807,412,000.*

WORK INCENTIVES

For carrying out a work incentive program, as authorized by part C of title IV of the Social Security Act, including registration of individuals for such programs, and for related child care and other supportive services, as authorized by section 402(a)(19)(G) of the Act, including transfer to the Secretary of Labor, as authorized by section 431 of the Act, [$250,000,000] *$266,760,000* which shall be the maximum amount available for transfer to the Secretary of Labor and to which the States may become entitled pursuant to section 403(d) of such Act, for these purposes.

OFFICE OF COMMUNITY SERVICES

COMMUNITY SERVICES BLOCK GRANT

For carrying out the Community Services Block Grant Act, [$361,700,000] *$372,435,000,* of which [$18,350,000] *$19,920,000* shall be for carrying out section 681(a)(2)(A), [$3,720,000] *$4,050,000* shall be for carrying out section 681(a)(2)(D), [$2,800,000] *$3,035,000* shall be for carrying out section 681(a)(2)(E), and $6,130,000 shall be for carrying out section 681(a)(2)(F).

DEPARTMENTAL MANAGEMENT

GENERAL DEPARTMENTAL MANAGEMENT

For necessary expenses, not otherwise provided, for general departmental management, including hire of six medium sedans, [$123,949,000] *$139,949,000* together with not to exceed $8,000,000 to be transferred and expended as authorized by section 201(g)(1) of the Social Security Act from any one or all of the trust funds referred to therein, *of which $16,000,000 shall be for the award of grants, under the authority of section 301 of the Public Health Service Act, for four projects demonstrating the delivery of health care services to victims of acquired immune deficiency syndrome, to be conducted by entities located, and providing services to persons residing, in those four standard metropolitan statistical areas having the highest concentration of persons suffering the syndrome: Provided, That an additional amount of $4,500,000 shall be transferred from amounts available to the National Institutes of Health, National Cancer Institute, for construction, which additional amount shall be used by the Secretary under the contract provisions of section 301(a)(7) of the Public Health Service Act for construction of the Mary Babb Randolph Cancer Center in West Virginia.*

OFFICE OF THE INSPECTOR GENERAL

For expenses necessary for the Office of the Inspector General, $42,219,000 together with not to exceed $30,000,000 to be transferred and expended as authorized by section 201(g)(1) of the Social Security Act from any one or all of the trust funds referred to therein.

OFFICE FOR CIVIL RIGHTS

For expenses necessary for the Office for Civil Rights, [$15,636,000] *$16,259,000* together with not to exceed $4,000,000 to be transferred and expended as authorized by section 201(g)(1) of the Social Security Act from any one or all of the trust funds referred to therein.

POLICY RESEARCH

For carrying out, to the extent not otherwise provided, research studies under section 1110 of the Social Security Act, [$6,500,000] *$6,000,000.*

[GENERAL PROVISIONS

[SEC. 201. None of the funds appropriated by this title for grants-in-aid of State agencies to cover, in whole or in part, the cost of operation of said agencies, including the salaries and expenses of officers and employees of said agencies, shall be withheld from the said agencies of any State which have established by legislative enactment and have in operation a merit system and classification and compensation plan covering the selection, tenure in office, and compensation of their employees, because of any disapproval of their personnel or the manner of their selection by the agencies of the said States, or the rates of pay of said officers or employees.

[SEC. 202. None of the funds provided herein shall be used to pay any recipient of a grant for the conduct of research an amount equal to as much as the entire cost of such research.]

SEC. 201. No funds appropriated by this Act may be used by the Department of Health and Human Services to pay an indirect cost rate in excess of the grantee's fiscal year 1985 rate in effect on December 31, 1984: Provided: That this section applies only to those grantees that had fiscal year 1985 indirect cost rates in effect on December 31, 1984.

SEC. [203] *202.* Appropriations in this Act for the Health Resources and Services Administration, the National Institutes of Health, the Centers for Disease Control, the Alcohol, Drug Abuse, and Mental Health Administration, the Office of the Assistant Secretary for Health, the Health Care Financing Administration, and Departmental Management shall be available for expenses for active commissioned officers in the Public Health Service Reserve Corps and for not to exceed [two thousand four hundred] *two thousand five hundred* commissioned officers in the Regular Corps; expenses incident to the dissemination of health information in foreign countries through exhibits and other appropriate means; advances of funds for compensation, travel, and subsistence expenses (or per diem in lieu thereof) for persons coming from abroad to participate in health or scientific activities of the Department pursuant to law; expenses of primary and secondary schooling of dependents in foreign countries, of Public Health Service commissioned officers stationed in foreign countries, at costs for any given area not in excess of those of the Department of Defense for the same area, when it is determined by the Secretary that the schools available in the locality are unable to provide adequately for the education of such dependents, and for the transportation of such dependents, between such schools and their places of residence when the schools are not accessible to such dependents by regular means of transportation; expenses for medical care for civilian and commissioned employees of the Public Health Service and their dependents, assigned abroad on a permanent basis in accordance with such regulations as the Secretary may provide; rental or lease of living quarters (for periods not exceeding five years), and provision of heat, fuel, and light and maintenance, improvement, and repair of such quarters, and advance payments therefor, for civilian officers, and employees of the Public Health Service who are United States citizens and who have a permanent station in a foreign country; purchase, erection, and maintenance of temporary or portable structures; and for the payment of compensation to consultants or individual scientists appointed for limited periods of time pursuant to section 207(f) or section 207(g) of the Public Health Service Act, at rates established by the Assistant Secretary for Health, or the Secretary where such action is required by statute, not to exceed the per diem rate equivalent to the rate for GS-18; not to exceed $9,500 for official reception and representation expenses related to any health agency of the Department when specifically approved by the Assistant Secretary for Health.

[SEC. 204. None of the funds contained in this Act shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term.]

SEC. [205] *203.* Funds advanced to the National Institutes of Health Management Fund from appropriations in this Act shall be available for the expenses of sharing medical care facilities and resources pursuant to section 327A of the Public Health Service Act.

SEC. [206] *204.* Funds appropriated in this title for the Social Security Administration and the Office of Child Support Enforcement shall be available for not to exceed $5,000 for official reception and representation expenses related to income maintenance or child support enforcement activities of the Department when specifically approved by the Commissioner of Social Security.

SEC. [207] *205.* Funds appropriated in this title for the Health Care Financing Administration shall be available for not to exceed $2,000 for official reception and representation expenses when specifically approved by the Administrator of the Health Care Financing Administration.

SEC. [208] *206.* No funds appropriated for the fiscal year ending September 30, 1986, by this or any other Act, may be used to pay basic pay, special pays, basic allowance for subsistence and basic allowances for quarters of the commissioned corps of the Public Health Service described in section 204 of title 42, United States Code, at a level that exceeds 110 percent of the Executive Level I annual rate of basic pay: *Provided,* That amounts received from employees of the Department in payment for room and board may be credited to the appropriation ac-

counts "Health Resources and Services", National Institutes of Health "Office of the Director", "Disease Control", and "Federal Subsidy for Saint Elizabeths Hospital". *Funds appropriated by this Act or any other Act shall not be used for special, revised special, or continuation pay to any physician or dentist appointed to the Public Health Service Commissioned Corps during the current year whose primary duties are determined by the Secretary to be administrative or managerial: Provided, That any physician or dentist who, through promotion or reassignment within the Corps, assumes as primary duties administrative or managerial responsibilities may, at the discretion of the Secretary, receive such special, revised special or continuation pay.*

SEC. [209] *207.* None of the funds appropriated in this title shall be used to transfer the general administration of programs authorized under the Native American Programs Act from the Department of Health and Human Services to the Department of the Interior.

SEC. [210] *208.* Funds provided in this Act may be used for one-year contracts which are to be performed in two fiscal years, so long as the total amount for such contracts is obligated in the year for which the funds are appropriated.

SEC. 209. Funds appropriated by this Act may be used to pay comparability allowances, as authorized under 5 U.S.C. 5948, only to those persons who are licensed to practice medicine, except that this provision shall not apply to individuals receiving such allowances prior to January 1, 1986.

SEC. 210. Not to exceed one-half of 1 per centum of appropriations made available for this fiscal year for the activities of the National Institutes of Health funded in this Act may be transferred to any other appropriation for the National Institutes of Health, but no such appropriation, except as otherwise provided, shall be increased or decreased by more than 1 per centum by any such transfers and Congress shall be notified promptly of any such transfer: Provided, That research grants or contracts funded by any appropriation made to any National Institute of Health or the Alcohol, Drug Abuse, and Mental Health Administration, shall be awarded only after consideration by the advisory body of the full cost of such a research grant or contract.

[SEC. 211. Pursuant to United States Code title 42, paragraph 264, funds provided in this Act for research into the causes and transmission of acquired immune deficiency syndrome disease may be used by the Surgeon General for closing or quarantining as a public health hazard any bathhouse or massage parlor which in his judgment pursuant to law can be determined to facilitate this transmission or spread of the AIDS epidemic.]

SEC. 211. The Secretary is authorized to make cash awards to commissioned officers of the Public Health Service for specific suggestions, inventions, or achievements, which are of benefit to the Government.

SEC. 212. Notwithstanding 31 United States Code 1348, and for the purpose of ensuring proper management of federally supported computer systems and data bases, funds appropriated by this Act are available for the purchase of dedicated telephone service between the private residences of employees assigned to computer centers funded under this Act, and the computer centers to which such employees are assigned.

SEC. 213. Notwithstanding any other provision of law, amounts appropriated by this Act for the National Institutes of Health shall be used to maintain not less than 13,507 Federal full-time equivalent positions.

This title may be cited as the "Department of Health and Human Services Appropriation Act, 1986".

TITLE III—DEPARTMENT OF EDUCATION

COMPENSATORY EDUCATION FOR THE DISADVANTAGED

For carrying out chapter 1 of the Education Consolidation and Improvement Act of 1981, as amended, $3,688,163,000, of which $5,246,000 shall be used for purposes of section 555(d) of said Act to provide technical assistance and evaluate programs, and the remaining $3,682,917,000 shall become available on July 1, 1986, and remain available until September 30, 1987: *Provided,* That of these remaining funds, no funds shall be used for purposes of section 554(a)(1)(B), $264,524,000 shall be available for purposes of section 554(a)(2)(A), $150,170,000 shall be available for purposes of section 554(a)(2)(B), $32,616,000 shall be available for purposes of section 554(a)(2)(C) and $35,607,000 shall be available for purposes of section 554(b)(1)(D): *Provided further, That notwithstanding the provisions of section 111(c) of the Elementary and Secondary Education Act of 1965, the criteria of poverty utilized by the Bureau of the Census in the 1980 decennial census shall be used as the basis for allocating funds under chapter 1 where applicable: Provided further, That notwithstanding the provisions of section 111(a) of the Elementary and Secondary Education Act of 1965, no funds appropriated under chapter 1 shall be allocated on the basis of data taken from the 1975 survey of income and education conducted by the Bureau of the Census.*

For carrying out section 418A of the Higher Education Act, $7,500,000.

IMPACT AID

For carrying out title I of the Act of September 30, 1950, as amended (20 U.S.C. ch. 13), [$675,000,000,] *$622,000,000* of which [$22,000,000] *$20,000,000* shall be for entitlements under section 2 of said Act, $10,000,000, which shall remain available until expended, shall be for payments under section 7 of said Act and [$643,000,000] *$592,000,000* shall be for entitlements under section 3 of said Act of which $513,000,000 shall be for entitlements under section 3(a) of said Act: *Provided,* That payment with respect to entitlements under section 3(a) to any local educational agency described in section 3(d)(1)(A) of said Act shall be at 100 per centum of entitlement except that payment to such agency attributable to children who reside on property which is described in section 403(1)(C) of said Act shall be limited to 15 per centum of entitlement: *Provided further,* That payment with respect to entitlements under section 3(a) to any local educational agency not described in section 3(d)(1)(A) shall be ratably reduced from 100 per centum of entitlement except that payment to such agency attributable to children who reside on property which is described in section 403(1)(C) shall be ratably reduced from 15 per centum of entitlement: *Provided further,* That payment with respect to entitlements under section 3(b) of said Act to any local educational agency in which 20 per centum or more of the total average daily attendance is made up of children determined eligible under section 3(b) shall be at 60 per centum of entitlement and payment with respect to entitlements under section 3(b) of said Act to any local educational agency in which less than 20 per centum of the total average daily attendance is made up of children determined eligible under section 3(b) shall be ratably reduced from 100 per centum of entitlement: *Provided further,* That the provisions of section 5(c) of said Act shall not apply to funds provided herein: *Provided further,* That no payments shall be made under section 7 of said Act to any local educational agency whose need for assistance under that section fails to exceed the lesser of $10,000 or 5 per centum of the district's current operating expenditures during the fiscal year preceding the one in which the disaster occurred: *Provided further,* That in determining entitlements under section 3 of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), the local contribution rate for each local educational agency shall [not be more than] *be equal to* the local contribution rate for that agency for fiscal year 1985: *Provided further,* That in the case of a local educational agency that did not have a local contribution rate for fiscal year 1985, the Secretary shall base such agency's fiscal year 1986 payment on a local contribution rate the agency could have received for fiscal year 1985.

For carrying out the Act of September 23, 1950, as amended (20 U.S.C. ch. 19), [$20,000,000] *$10,000,000* which shall remain available until expended, shall be for providing school facilities as authorized by said Act, of which [$8,500,000] *$4,250,000* shall be for awards under section 10 of said Act, [$8,500,000] *$4,250,000* shall be for awards under sections 14(a) and 14(b) of said Act, and [$3,000,000] *$1,500,000* shall be for awards under sections 5 and 14(c) of said Act.

SPECIAL PROGRAMS

For carrying out the consolidated programs and projects authorized under chapter 2 of the Education Consolidation and Improvement Act of 1981, as amended $531,909,000, of which $31,909,000 shall be for programs and projects authorized under subchapter D of said Act, including $10,700,000 for programs and projects authorized under subsection 583(a)(1) of said Act; $6,052,000 shall be used for awards, which, except for educational television programming, are not to exceed a cumulative amount of $1,000,000 to any recipient for national impact demonstration or research projects; $7,000,000 for activities authorized under subsection 583(b)(1) of said Act; $3,157,000 for programs authorized under subsection 583(b)(2) of said Act; $3,000,000 for programs authorized under subsection 583(b)(3) of said Act; and $2,000,000 for activities authorized under subsection 583(b)(4) of said Act: *Provided,* That $500,000,000 to carry out the State block grant program authorized under chapter 2 of said Act shall become available for obligation on July 1, 1986, and shall remain available until September 30, 1987.

For grants to State educational agencies and desegregation assistance centers authorized under section 403 of the Civil Rights Act of 1964, $24,000,000.

For carrying out activities authorized under title IX, part C of the Elementary and Secondary Education Act, $6,000,000.

For carrying out activities authorized under section 1524 of the Education Amendments of 1978, [$2,700,000] *$5,000,000.*

For carrying out activities authorized under section 1525 of the Education Amendments of 1978, $2,000,000.

For carrying out activities authorized under Public Law 92-506, as amended, [$1,500,000] *$1,700,000: Provided,* That said sum shall become available on July 1, 1986, and shall remain available until September 30, 1987.

For carrying out the provisions of title VII of the Education for Economic Security Act, relating to magnet schools assistance, $75,000,000: *Provided,* That not more than $4,000,000 in the fiscal year may be paid to any single eligible local educational agency.

[For carrying out the provisions of title VI of the Education for Economic Security Act, $5,000,000 to remain available until expended.]

For carrying out activities authorized under the Follow Through Act, $7,500,000.

For carrying out the provisions of title II of the Education for Economic Security Act, $90,000,000 to become available on July 1, 1986, and remain available until September 30, 1987.

For carrying out the provisions of title IX of Public Law 98-588, $10,000,000, to become available July 1, 1986, and to remain available until September 30, 1987.

BILINGUAL EDUCATION

For carrying out, to the extent not otherwise provided, title VII of the Elementary and Secondary Education Act, title VI of the Education Amendments of 1984, and title IV, part E of the Carl D. Perkins Vocational Education Act, [$172,951,000, of which $5,000,000 shall be for section 732 of title VII of the Elementary and Secondary Education Act and $30,000,000 shall be for the Emergency Immigrant Education Program authorized by title VI of the Education Amendments of 1984.] *$143,000,000, of which $100,000,000 shall be for part A of title VII of the Elementary and Secondary Education Act, $11,000,000 shall be for part B of title VII of that Act, $28,300,000 shall be (notwithstanding any other provision of law) for part C of title VII of that Act, and $3,700,000 shall be for part E of title IV of the Carl D. Perkins Vocational Education Act and shall become available on July 1, 1986, and remain available until September 30, 1987.*

EDUCATION FOR THE HANDICAPPED

For carrying out the Education of the Handicapped Act, [$1,320,100,000] *$1,411,000,000* of which [$1,135,145,000] *$1,215,500,000* for section 611 and [$29,000,000] *$30,000,000* for section 619 shall become available for obligation on July 1, 1986, and shall remain available until September 30, 1987*: Provided, That $500,000 of the amounts available under this heading for part F of the Education of the Handicapped Act shall be available for the Theater of the Deaf.*

REHABILITATION SERVICES AND HANDICAPPED RESEARCH

For carrying out, to the extent not otherwise provided, the Rehabilitation Act of 1973, [as amended, and the Helen Keller National Center Act, $1,233,900,000, of which $1,305,916 shall be for activities under section 110(b)(3) of the Rehabilitation Act, $14,635,000 shall be for special demonstration programs for the severely disabled under section 311 of the Rehabilitation Act, $2,100,000 shall be for special recreational programs under section 316 of the Rehabilitation Act, $5,000,000 shall be for State grants under title VII, part A of the Rehabilitation Act, and $4,200,000 shall be for continued operation of the Helen Keller National Center for Deaf-Blind Youths and Adults] *the Helen Keller National Center Act, and the International Health Research Act of 1960, $1,362,000,000, of which $1,188,708,000 shall be for allotments under section 100(b)(1) of the Rehabilitation Act, $1,292,000 shall be for activities under section 110(b)(3) of the Rehabilitation Act, and $4,300,000 shall be for continued operation of the Helen Keller National Center for Deaf-Blind Youths and Adults.*

From amounts for activities under section 100(b)(2) and part C of title I of the Rehabilitation Act, $9,000,000, shall be used to award grants for projects that develop or expand transition from school to employment programs within States, including the establishment of supported employment programs for severely disabled individuals: Provided, That not less than one such grant shall be awarded within each Department of Education Region.

From amounts for activities under section 311 of the Rehabilitation Act, $750,000 shall be available for a grant to South Carolina to pay the full cost of the construction of the Comprehensive Medical Rehabilitation Center to be located in Columbia, South Carolina.

From the remainder of amounts appropriated to carry out the Rehabilitation Act, $5,000,000, to remain available until expended, shall be available, in accordance with section 311 of the Rehabilitation Act, for a grant to the Oregon Hearing Institute, in Portland, Oregon, to pay the full cost of the research activities, and the construction and renovation associated with those activities.

The amounts to carry out title VI-B (pertaining to projects with industry and business opportunities for handicapped individuals) and title VII-B (pertaining to Centers for Independent Living) of the Rehabilitation Act shall be used to assist only those entities assisted thereunder during fiscal year 1985, except for any portion of such amounts made available due either to the failure of any such entity to apply for continued funding or a determination by the Commissioner that there is a substantial failure of any such entity to comply with provisions of its approved application.

VOCATIONAL AND ADULT EDUCATION

For carrying out, to the extent not otherwise provided, the Carl D. Perkins Vocational Education Act, and the Adult Education Act, [$933,277,000] *$946,314,000* which shall become available for obligation on July 1, 1986, and shall remain available until September 30, 1987: *Provided,* That [$10,178,000 shall be available for title IV, parts A and C of the Carl D. Perkins Vocational Education Act including $6,000,000 for section 404 of said title: *Provided further,* That $7,000,000] *$7,300,000 shall be available* for State advisory councils under section 112 of the Carl D. Perkins Vocational Education Act [shall be used to provide to each State an amount equal to the amount it received in the previous fiscal year: *Provided further,* [That no State shall receive less under title II of the Carl D. Perkins Vocational Education Act than it received in the previous year: *Provided further,* That $101,963,000 for the Adult Education Act shall be used to provide to each State an amount equal to the amount it received under said Act in the previous year:] *Provided further, That $10,000,000 for title IV of that Act shall become available for obligation on July 1, 1986, and shall remain available until expended: Provided further, That $3,500,000 shall be made available for the National Occupational Information Coordinating Committee: Provided further, That $15,000,000 shall be made available to carry out title III-A of that Act and $31,633,000 shall be made available for title III-B of that Act: Provided further, That $100,000,000 shall be available for the Adult Education Act.*

STUDENT FINANCIAL ASSISTANCE

For carrying out subparts 1, 2, and 3 of part A, and parts C and E of title IV of the Higher Education Act, as amended, [$4,910,482,000] *$4,837,000,000* which shall remain available until September 30, 1987, of which $412,500,000 shall be available for carrying out subpart 2 of part A of title IV of the Higher Education Act: *Provided,* That amounts appropriated for Pell Grants shall be available first to meet any insufficiencies in entitlements resulting from the payment schedule for Pell Grants published by the Secretary of Education for the 1985-86 academic year: *Provided further,* That pursuant to section 411(b)(4)(A) of the Higher Education Act, amounts appropriated herein for Pell Grants which exceed the amounts required to meet the payment schedule published for any fiscal year by 15 per centum or less shall be carried forward and merged with amounts appropriated for the next fiscal year: *Provided further,* That the maximum Pell Grant a student may receive in the 1986-87 academic year shall be $2,100: *Provided further,* That the cost of attendance criteria used for calculating eligibility for and the amount of the Pell Grants for academic year 1986-87 shall be the same as the cost of attendance criteria used for academic year 1985-86*: Provided further, That notwithstanding section 413D(a), subsections (a) and (d) of section 462, and subsections (a), (b), (c), and (e) of section 442, of that Act, the Secretary shall apportion funds among the States so that each State's apportionment under the Supplemental Educational Opportunity Grant Program, the National Direct Student Loan Program, and the Work-Study Program bears the same ratio to the total amount appropriated under each program as that State's apportionment in fiscal year 1981 for each program bears to the total amount appropriated for fiscal year 1981 for each program: Provided further, That notwithstanding sections 413D(b)(1)(B)(ii) and 446(a) of that Act, from each jurisdiction's allotment of funds under each program, the Secretary shall allocate sums to institutions in that jurisdiction that did not receive an allocation in fiscal year 1979 (award year 1979-80) under each program in a manner that will most effectively carry out the purposes of the Supplemental Educational Opportunity Grant Program and the Work-Study Program: Provided further, That notwithstanding section 413(D)(b)(1)(B)(ii)(II) of the Higher Education Act, the provisions of clause (I) of section 413D(b)(1)(B)(ii) of such Act shall apply to the amount made available for Supplemental Educational Opportunity Grants under this heading.*

GUARANTEED STUDENT LOANS

For necessary expenses under title IV, part B of the Higher Education Act, [$2,714,482,000] *$3,300,000,000* to remain available until expended[, of which $87,000,000, shall be for administrative cost allowances under section 428(f) of said title and loan advances under section 422(c) of said title.]

HIGHER EDUCATION

For carrying out title III of the Higher Education Act of 1965, as amended, $141,208,000, of which $23,208,000 for the

endowment grant program under section 333 of title III of said Act shall remain available until September 30, 1987: *Provided*, That not less than $45,741,000 of funds appropriated for title III of said Act shall be available only to historically black colleges and universities.

For carrying out subpart 4 of part A of title IV; titles VI, [VII,] VIII, and X, parts B, C, D, and E of title IX; and sections 420, 734, and 1204(c) of the Higher Education Act of 1965, as amended; title XIII, part H, subpart 1 of the Education Amendments of 1980; and section 102(b)(6) of the Mutual Educational and Cultural Exchange Act of 1961, [$303,030,000, of which] *$282,100,000, and $5,000,000 for carrying out subpart 6 of title IV-A of the Higher Education Act of 1965: Provided further, That* $23,500,000 made available for interest subsidy grants under section 734 of the Higher Education Act [and $20,000,000 made available for undergraduate and graduate facilities grants under part B of title VII of said Act] shall remain available until expended: *Provided further*, That sections 922(b)(2) and 922(e)(2) and the funding limitations set forth in section 922(e) of the Higher Education Act shall not apply to funds in this Act.

[For carrying out title V, section 501 of the Human Services Reauthorization Act, Public Law 98-558, not to exceed $6,000,000 to remain available until September 30, 1987: *Provided*, That the Federal share of the cost of the facility shall not exceed 50 percent.]

For carrying out the provisions of part E of title V of the Higher Education Act of 1965, relating to the Carl D. Perkins Scholarship Program, $10,000,000 to remain available until expended.

HIGHER EDUCATION FACILITIES LOANS AND INSURANCE

For the payment of principal and interest, including interest insufficiencies, as authorized by the Department of Health, Education, and Welfare Appropriation Act, 1968, on account of outstanding beneficial interests or participations held by the Government National Mortgage Association, as trustee, on behalf of the Department of Education, and issued pursuant to the Participation Sales Act of 1966 (section 302(c) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1717(c)), and for the payment of interest to the Treasury as required by title VII, part C, section 733(b)(2) of the Higher Education Act, as amended (20 U.S.C. 1132d-2(b)(2)), $17,996,000, to remain available until expended. The Secretary is hereby authorized to make such expenditures, within the limits of funds available under this heading and in accord with law, and to make such contracts and commitments without regard to fiscal year limitation, as provided by section 104 of the Government Corporation Control Act (31 U.S.C. 9104), as may be necessary in carrying out the program set forth in the budget for the current fiscal year. For the fiscal year 1986, no new commitments for loans may be made from the fund established pursuant to title VII, section 733 of the Higher Education Act, as amended (20 U.S.C. 1132d-2).

COLLEGE HOUSING LOANS

The aggregate amount of commitments for loans made from the fund established pursuant to title IV of the Housing Act of 1950, as amended (12 U.S.C. 1749), for the fiscal year 1986 shall not exceed the total of loan repayments and other income available during such period, less operating costs. Payments of interest insufficiencies for the fiscal year 1986 as may be required by the Government National Mortgage Association, as trustee, on account of outstanding beneficial interests or participations issued pursuant to the Participation Sales Act of 1966 (section 302(c) of the Federal National Mortgage Association Charter Act, as amended (12 U.S.C. 1717(c))) shall be made from the fund established pursuant to title IV of the Housing Act of 1950, as amended (12 U.S.C. 1749-1749c) using loan repayments and other income available during such fiscal year. During the fiscal year 1986 and within the resources and authority available, gross commitments for the principal amount of direct loans shall be [$80,000,000] *$40,000,000.*

EDUCATIONAL RESEARCH AND STATISTICS

For necessary expenses to carry out sections 405 and 406 of the General Education Provisions Act, as amended, $59,978,000.

LIBRARIES

For carrying out, to the extent not otherwise provided, titles I, II and III of the Library Services and Construction Act (20 U.S.C., ch. 16); and title II, part B except section 224, and part C of the Higher Education Act, notwithstanding the provisions of section 221, [$123,680,000] *$130,000,000: Provided*, That [$23,680,000] *$25,000,000* of the sums appropriated shall be used to carry out the provisions of title II of the Library Services and Construction Act and shall remain available until expended *and $5,000,000 of the sums appropriated shall be used to carry out title VI of the Library Services and Construction Act.*

SPECIAL INSTITUTIONS

AMERICAN PRINTING HOUSE FOR THE BLIND

For carrying out the Act of March 3, 1879, as amended (20 U.S.C. 101-106), including provision of materials to adults undergoing rehabilitation on the same basis as provided in 1985, $5,500,000.

NATIONAL TECHNICAL INSTITUTE FOR THE DEAF

For carrying out the National Technical Institute for the Deaf Act (20 U.S.C. 681 et seq.), [$31,400,000] *$32,000,000.*

GALLAUDET COLLEGE

For carrying out the Model Secondary School for the Deaf Act (80 Stat. 1027) and for the partial support of Gallaudet College authorized by the Act of June 18, 1954 (68 Stat. 265), including continuing education activities, existing extension centers and the National Center for Law and the Deaf, [$58,700,000] *$62,000,000.*

HOWARD UNIVERSITY

For partial support of Howard University (20 U.S.C. 121 et seq.), [$164,230,000, of which $2,000,000 shall be for an endowment matching grant in accordance with policies and procedures as appropriate for comparable grants under the Challenge Grant Amendments of 1983 (Public Law 98-95) and shall remain available until expended] *$158,230,000.*

DEPARTMENTAL MANAGEMENT

SALARIES AND EXPENSES

For carrying out, to the extent not otherwise provided, the Department of Education Organization Act, including rental of conference rooms in the District of Columbia and hire of three passenger motor vehicles, [$224,157,000] *$225,867,000.*

OFFICE FOR CIVIL RIGHTS

For expenses necessary for the Office for Civil Rights, as authorized by section 203 of the Department of Education Organization Act, [$44,181,000] *$45,000,000: Provided, That no limitation on full-time equivalent positions of the Office of Civil Rights shall apply to the use of funds made available by this Act for personnel compensation.*

OFFICE OF THE INSPECTOR GENERAL

For expenses necessary for the Office of the Inspector General, as authorized by section 212 of the Department of Education Organization Act, [$15,281,000] *$15,312,000.*

GENERAL PROVISIONS

SEC. 301. None of the funds appropriated by this title for grants-in-aid of State agencies to cover, in whole or in part, the cost of operation of said agencies, including the salaries and expenses of officers and employees of said agencies, shall be withheld from the said agencies of any State which have established by legislative enactment and have in operation a merit system and classification and compensation plan covering the selection, tenure in office, and compensation of their employees, because of any disapproval of their personnel or the manner of their selection by the agencies of the said States, or the rates of pay of said officers or employees.

SEC. 302. Funds appropriated in this Act to the American Printing House for the Blind, Howard University, the National Technical Institute for the Deaf, and Gallaudet College shall be subject to audit by the Secretary of Education.

SEC. 303. None of the funds provided herein shall be used to pay any recipient of a grant for the conduct of research an amount equal to as much as the entire cost of such research.

[SEC. 304. No part of the funds contained in this title may be used to force any school or school district which is desegregated as that term is defined in title IV of the Civil Rights Act of 1964, Public Law 88-352, to take any action to force the busing of students; to force on account of race, creed or color the abolishment of any school so desegregated; or to force the transfer or assignment of any student attending any elementary or secondary school so desegregated to or from a particular school over the protest of his or her parents or parent.

[SEC. 305. (a) No part of the funds contained in this title shall be used to force any school or school district which is desegregated as that term is defined in title IV of the Civil Rights Act of 1964, Public Law 88-352, to take any action to force the busing of students; to require the abolishment of any school so desegregated; or to force on account of race, creed or color the transfer of students to or from a particular school so desegregated as a condition precedent to obtaining Federal funds otherwise available to any State, school district or school.

[(b) No funds appropriated in this Act may be used for the transportation of students or teachers (or for the purchase of equipment for such transportation) in order to overcome racial imbalance in any school or school system, or for the transportation of students or teachers (or for the purchase of equipment for such transportation) in order to carry out a plan of racial desegregation of any school or school system.

[SEC. 306. None of the funds contained in this Act shall be used to require, directly or indirectly, the transportation of any student to a school other than the school which is nearest the student's home, except for a student requiring special education, to the school offering such special education, in order to comply with title VI of the Civil Rights Act of 1964. For the purpose of this

section an indirect requirement of transportation of students includes the transportation of students to carry out a plan involving the reorganization of the grade structure of schools, the pairing of schools, or the clustering of schools, or any combination of grade restructuring, pairing or clustering. The prohibition described in this section does not include the establishment of magnet schools.

[SEC. 307. No funds appropriated under this Act may be used to prevent the implementation of programs of voluntary prayer and meditation in the public schools.]

SEC. [308] *304.* Section 402(c) of the Housing Act of 1950 is amended by striking out in clause (9) "October 1, 1985" and inserting in its place "October 1, 1986".

This title may be cited as the "Department of Education Appropriation Act, 1986".

TITLE IV—RELATED AGENCIES

ACTION

OPERATING EXPENSES

For expenses necessary for Action to carry out the provisions of the Domestic Volunteer Service Act of 1973, as amended (42 U.S.C. 4951 et seq.), [$150,164,000] *152,164,000*, of which [$18,364,000] *$19,000,000* shall be available to carry out title I, part A of said Act.

CORPORATION FOR PUBLIC BROADCASTING

PUBLIC BROADCASTING FUND

For payment to the Corporation for Public Broadcasting, as authorized by the Communications Act of 1934, an amount which shall be available within limitations specified by that Act, for the fiscal year 1988, $214,000,000: Provided, That no funds made available to the Corporation for Public Broadcasting by this Act shall be used to pay for receptions, parties, or similar forms of entertainment for government officials or employees: Provided further, That none of the funds contained in this paragraph shall be available or used to aid or support any program or activity from which any person is excluded, or is denied benefits, or is discriminated against, on the basis of race, color, national origin, religion, or sex.

FEDERAL MEDIATION AND CONCILIATION SERVICE

SALARIES AND EXPENSES

For expenses necessary for the Federal Mediation and Conciliation Service to carry out the functions vested in it by the Labor-Management Relations Act, 1947 (29 U.S.C. 171-180, 182), including expenses of the Labor-Management Panel and boards of inquiry appointed by the President, hire of passenger motor vehicles, and rental of conference rooms in the District of Columbia; and for expenses necessary pursuant to Public Law 93-360 for mandatory mediation in health care industry negotiation disputes and for convening fact finding boards of inquiry appointed by the Director in the health care industry; and for expenses necessary for the Labor-Management Cooperation Act of 1978 (29 U.S.C. 125a); and for expenses necessary for the Service to carry out the functions vested in it by the Civil Service Reform Act, Public Law 95-454 (5 U.S.C. Chapter 71), $23,394,000.

FEDERAL MINE SAFETY AND HEALTH REVIEW COMMISSION

SALARIES AND EXPENSES

For expenses necessary for the Federal Mine Safety and Health Review Commission (30 U.S.C. 801 et seq.), $3,815,000.

NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

SALARIES AND EXPENSES

For necessary expenses for the National Commission on Libraries and Information Science, established by the Act of July 20, 1970 (Public Law 91-345), $690,000.

NATIONAL COUNCIL ON THE HANDICAPPED

SALARIES AND EXPENSES

For expenses necessary for the National Council on the Handicapped as authorized by section 405 of the Rehabilitation Act of 1973, as amended, [$704,000] *$765,000.*

NATIONAL LABOR RELATIONS BOARD

SALARIES AND EXPENSES

For expenses necessary for the National Labor Relations Board to carry out the functions vested in it by the Labor-Management Relations Act, 1947, as amended (29 U.S.C. 141-167), and other laws, $134,854,000: *Provided*, That no part of this appropriation shall be available to organize or assist in organizing agricultural laborers or used in connection with investigations, hearings, directives, or orders concerning bargaining units composed of agricultural laborers as referred to in section 2(3) of the Act of July 5, 1935 (29 U.S.C. 152), and as amended by the Labor-Management Relations Act, 1947, as amended, and as defined in section 3(f) of the Act of June 25, 1938 (29 U.S.C. 203), and including in said definition employees engaged in the maintenance and operation of ditches, canals, reservoirs, and waterways when maintained or operated on a mutual, nonprofit basis and at least 95 per centum of the water stored or supplied thereby is used for farming purposes.

NATIONAL MEDIATION BOARD

SALARIES AND EXPENSES

For expenses necessary to carry out the provisions of the Railway Labor Act, as amended (45 U.S.C. 151-188), including emergency boards appointed by the President, [$6,358,000] *$6,432,000.*

OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION

SALARIES AND EXPENSES

For the expenses necessary for the Occupational Safety and Health Review Commission, $5,901,000.

PROSPECTIVE PAYMENT ASSESSMENT COMMISSION

SALARIES AND EXPENSES

For expenses necessary to carry out section 601 of Public Law 98-21, [$2,784,000] *$2,893,000* to be transferred to this appropriation from the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds.

RAILROAD RETIREMENT BOARD

DUAL BENEFITS PAYMENTS ACCOUNT

For payment to the Dual Benefits Payments Account, authorized under section 15(d) of the Railroad Retirement Act of 1974, $392,000,000 which shall be credited to the account in 12 approximately equal amounts on the first day of each month in the fiscal year.

FEDERAL PAYMENT TO THE RAILROAD RETIREMENT ACCOUNTS

For payment to the accounts established in the Treasury for the payment of benefits under the Railroad Retirement Act for unnegotiated checks, $2,200,000 which shall be the maximum amount available for payments pursuant to section 417 of Public Law 98-76: *Provided*, That these funds shall remain available through September 30, 1987.

LIMITATION ON ADMINISTRATION

For expenses necessary for the Railroad Retirement Board, [$55,422,000] *$56,501,000* to be derived from the railroad retirement accounts: *Provided*, That such portion of the foregoing amount as may be necessary shall be available for the payment of personnel compensation and benefits for not less than 1,199 full-time equivalent employees: *Provided further*, That $500,000 of the foregoing amount shall be available only to the extent necessary to process workloads not anticipated in the budget estimates and after maximum absorption of the costs of such workloads within the remainder of the existing limitation has been achieved: *Provided further*, That notwithstanding any other provision of law, no portion of this limitation shall be available for payments of standard level user charges pursuant to section 210(j) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(j); 45 U.S.C. 228a-r).

LIMITATION ON RAILROAD UNEMPLOYMENT INSURANCE ADMINISTRATION FUND

For further expenses necessary for the Railroad Retirement Board, for administration of the Railroad Unemployment Insurance Act, not less than $16,487,000 shall be apportioned for fiscal year 1986 [pursuant to section 3679 of the Revised Statutes, as amended (31 U.S.C. 655),] from moneys credited to the railroad unemployment insurance administration fund, and of this amount [$1,280,000] *$3,038,000* shall be derived from contributions credited to the railroad unemployment insurance account and shall be credited to the railroad unemployment insurance administration fund as authorized by section 11(a)(iv) of the Railroad Unemployment Insurance Act: *Provided*, That such portion of the foregoing amount as may be necessary shall be available for the payment of personnel compensation and benefits for not less than [379] *398* full-time equivalent employees.

SOLDIERS' AND AIRMEN'S HOME

OPERATION AND MAINTENANCE

For maintenance and operation of the United States Soldiers' and Airmen's Home, to be paid from the Soldiers' and Airmen's Home permanent fund, [$33,276,000] *$33,506,000*: *Provided*, That this appropriation shall not be available for the payment of hospitalization of members of the Home in United States Army hospitals at rates in excess of those prescribed by the Secretary of the Army upon recommendation of the Board of Commissioners and the Surgeon General of the Army.

CAPITAL OUTLAY

For construction and renovation of the physical plant, to be paid from the Soldiers' and Airmen's Home permanent fund, [$15,000,000] *$10,500,000*, to remain available until expended.

TITLE V—GENERAL PROVISIONS

SEC. 501. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 502. No part of any appropriation contained in this Act shall be expended by any executive agency, as referred to in the Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), pursuant to any obligation for services by contract, unless such executive agency has awarded and entered into such contract in full compliance with such Act and regulations promulgated thereunder.

SEC. 503. Appropriations contained in this Act, available for salaries and expenses, shall be available for services as authorized by 5 U.S.C. 3109 but at rates for individuals not to exceed the per diem rate equivalent to the rate for GS-18.

SEC. 504. Appropriations contained in this Act, available for salaries and expenses, shall be available for uniforms or allowances therefor as authorized by law (5 U.S.C. 5901-5902).

SEC. 505. Appropriations contained in this Act, available for salaries and expenses, shall be available for expenses of attendance at meetings which are concerned with the functions or activities for which the appropriation is made or which will contribute to improved conduct, supervision, or management of those functions or activities.

SEC. 506. No part of the funds appropriated under this Act shall be used to provide a loan, guarantee of a loan, a grant, the salary of or any remuneration whatever to any individual applying for admission, attending, employed by, teaching at, or doing research at an institution of higher education who has engaged in conduct on or after August 1, 1969, which involves the use of (or the assistance to others in the use of) force or the threat of force or the seizure of property under the control of an institution of higher education, to require or prevent the availability of certain curricula, or to prevent the faculty, administrative officials, or students in such institution from engaging in their duties or pursuing their studies at such institution.

SEC. 507. The Secretaries of Labor, Health and Human Services, and Education are authorized to transfer unexpended balances of prior appropriations to accounts corresponding to current appropriations provided in this Act: *Provided*, That such transferred balances are used for the same purpose, and for the same periods of time, for which they were originally appropriated.

SEC. 508. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 509. No part of any appropriation contained in this Act shall be used, other than for normal and recognized executive-legislative relationships, for publicity or propaganda purposes, for the preparation, distribution, or use of any kit, pamphlet, booklet, publication, radio, television, or film presentation designed to support or defeat legislation pending before the Congress, except in presentation to the Congress itself.

No part of any appropriation contained in this Act shall be used to pay the salary or expenses of any grant or contract recipient, or agent acting for such recipient, related to any activity designed to influence legislation or appropriations pending before the Congress.

SEC. 510. The Secretaries of Labor, Health and Human Services, and Education are each authorized to make available not to exceed $7,500 from funds available for salaries and expenses under titles I, II, and III, respectively, for official reception and representation expenses; the Director of the Federal Mediation and Conciliation Service is authorized to make available for official reception and representation expenses not to exceed $2,500 from the funds available for "Salaries and expenses, Federal Mediation and Conciliation Service"; and the Chairman of the National Mediation Board is authorized to make available for official reception and representation expenses not to exceed $2,500 from funds available for "Salaries and expenses, National Mediation Board".

SEC. 511. None of the funds appropriated by this Act shall be used to pay for any research program or project or any program, project, or course which is of an experimental nature, or any other activity involving human participants, which is determined by the Secretary or a court of competent jurisdiction to present a danger to the physical, mental, or emotional well-being of a participant or subject of such program, project, or course, without the written, informed consent of each participant or subject, or a participant's parents or legal guardian, if such participant or subject is under eighteen years of age. The Secretary shall adopt appropriate regulations respecting this section.

SEC. 512. None of the funds provided in this Act to any department or agency may be expended for the transportation of any officer or employee of such department or agency between his domicile and his place of employment, with the exception of the Secretaries of Labor, Health and Human Services, and Education, and medical officers and other health personnel on out-patient medical service who are exempted from such limitations under 31 U.S.C. 1344.

SEC. 513. Notwithstanding any other provision of this Act, no funds appropriated by this Act may be used to execute or carry out any contract with a non-governmental entity to administer or manage a Civilian Conservation center of the Job Corps which was not under such a contract as of September 1, 1984.

SEC. 514. Upon the enactment of the Compact of Free Association, amounts appropriated by this Act for Federal financial assistance to the Trust Territory of the Pacific Islands shall be available only for the Republic of Palau, but only in amounts that such Republic would have received had the Compact not been enacted.

This Act may be cited as the "Departments of Labor, Health and Human Services, and Education and Related Agencies Appropriation Act, 1986".

Mr. WEICKER. Mr. President, I ask unanimous consent that the committee amendments, with the exception of the amendment on page 43, lines 7 through 16, be considered and agreed to en bloc and that the bill as amended be regarded as original text, providing no points of order shall be waived by reason of the agreement to the request.

The PRESIDING OFFICER. Without objection, it is so ordered.

The excepted committee amendment reads as follows:

Funds appropriated by this Act or any other Act shall not be used for special, revised special, or continuation pay to any physician or dentist appointed to the Public Health Service Commissioned Corps during the current year whose primary duties are determined by the Secretary to be administrative or managerial: Provided, That any physician or dentist who, through promotion or reassignment within the Corps, assumes as primary duties administrative or managerial responsibilities may, at the discretion of the Secretary, receive such special, revised special or continuation pay.

Mr. WEICKER. Mr. President, what is the pending business?

The PRESIDING OFFICER. The first excepted committee amendment.

Mr. WEICKER. Mr. President, I move to lay on the table the first excepted committee amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table.

Mr. PROXMIRE. Mr. President, will the manager explain to me what the amendment is? I am sorry, I missed that.

Mr. WEICKER. This is removing the text of the committee amendment regarding pay of Public Health Service personnel. It has been discussed on the Democratic side. It is just tabling this excepted committee amendment.

Mr. PROXMIRE. All right.

Mr. WEICKER. Mr. President, did the Chair not call for the vote?

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table.

The motion to lay on the table was agreed to.

Mr. WEICKER. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. PROXMIRE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WEICKER. Mr. President, first I wish to thank my colleague, Senator PROXMIRE, for the industry and perception he has shown throughout the months of hearings we have had on this bill. We have not been in agreement on all issues. Some matters he raised before the committee are a part of this bill, some that I have raised are a part of this bill. But nobody in the Senate of the United States could ask for a coworker of finer quality, integrity, or vision than BILL PROXMIRE of Wisconsin.

Mr. President, the fiscal year 1986 appropriations bill for the Departments of Labor, Health and Human Services, Education and Related Agencies, H.R. 3424, which is before us today, is a very carefully crafted piece of legislation designed to maintain our Nation's commitment to vital human services while at the same time remaining within the confines of the first concurrent budget resolution.

The bill provides $105 billion in 1986, an amount slightly below the comparable appropriation for fiscal year 1985 and equal to the budget authority 302(b) allocation for this subcommittee.

The great majority of programs funded under this measure are held at actual fiscal year 1985 levels and thus the Job Corps, Work Incentives, student financial assistance, Community Services Block Grant and other programs have not been eliminated or severely reduced.

In addressing the health research concerns of our citizens, we have provided funding of 6,000 new and competing grants for the National Institutes of Health which, although a slight decrease from fiscal year 1985, is nonetheless an amount 20 percent over the administration's request. And we have given top priority to providing all funding requested by NIH, CDC, and ADAMHA to attack AIDS. Biomedical and epidemiological efforts for AIDS total $205 billion, an amount double that provided last year. In addition, $16 million is provided for the development of model AIDS treatment programs for those suffering the ravages of this deadly disease.

Mr. President, this bill does most assuredly not meet the full human service needs of our citizens. Important education, health and job training programs—many of them already unable to meet people's demands for help—will suffer further by having to absorb inflationary cost increases. Yet in this time when so many say that deficits are to be corrected by slashing only human service programs, we can at least take heart that in H.R. 3424 we have not closed our eyes and ears to human need.

I urge my colleagues to recognize H.R. 3424 for what it is—a very delicate balance between human needs and fiscal responsibility. It is a balance born from over 30 days of hearings by the Labor-HHS-Education Subcommittee. It is a balance which can be easily upset should we now tilt in one direction or another by ignoring the reality of the budget resolution or by blindly slashing at real services to needy people.

I urge that we maintain the balance and vote approval of H.R. 3424.

There is one additional comment I would like to make. What is in this bill is here by virtue of the input, I would say, of close to 100 U.S. Senators. During both the subcommittee hearings and the full committee hearings and prior to our appearance on the floor, the committee has tried to pay close attention to the priorities set forth by individual Members and the body as well.

As I come to this floor this morning, we are about $20 million under the outlay figure. And if anybody wants to go ahead and bust this bill, they can do so once we get over that figure. I have to point out, however, when that happens, then all the very carefully crafted compromises and inclusions go out the window. So I hope we could accomplish the passage of the bill in short order.

I understand there are some issues on what I would call the social agenda that need some ironing out, and I am willing to address those matters. But, otherwise, I hope we can move to rapid consideration of the bill, knowing that it is a result of hard work on the part of the committee and hard bargaining within the Republican leadership itself. And certainly there is more difficult work ahead in conference with the House.

I yield the floor.

Mr. PROXMIRE. Mr. President, we have a problem on our side. There will be some amendments that require rollcall votes and we do have Members who will have difficulty being here before midafternoon, unfortunately. I do hope that it will be possible, since this is Monday, to defer those votes until that time out of consideration for them.

Mr. President, the Labor-HHS-Education appropriation bill, as reported from the Senate Appropriations Committee, can be considered either a success story or a failure in our fight to hold down Federal spending, depending on the benchmark used to judge the bill. If we compare the bill with its fiscal year 1985 counterpart, we find that it actually provides $144,017,000 less than we appropriated last year. On the other hand, the $106.4 billion recommended in the bill for fiscal year 1986 is $5.4 billion above the President's budget request and $4.654 billion of that total lies in discretionary accounts.

Generally speaking the Appropriations Committee has proposed a freeze in funding for the many programs supported through the bill with two notable exceptions. The first exception involves programs for the handicapped and disabled, two groups. Our distinguished manager and chairman of the subcommittee, Senator WEICKER, has consistently championed as chairman of the Labor and Human Resources Committee's Subcommittee on the Handicapped. The bill provides an increase of 6.8 percent in the 1985 budget for handicapped education to a total of $1,411 million and an add-on of 10.2 percent to the 1985 rehabilitation services and handicapped research budget, providing funding of $1,362 million for this activity in 1986.

The second major exception is funding for the National Institutes of Health. In 1985, the Congress provided sufficient funding to permit the support of 6,200 new and competitive individual research grants. In order to support the continued funding of these grants and to allow the award of an additional 6,000 new and competitive grants in 1986, it was necessary to recommend a total budget for the National Institutes of Health of $5,463,658,000, a 6.1-percent boost in the Institutes' 1985 budget totals. These increases also include augmented funding for the war on acquired immune deficiency syndrome [AIDS].

One could well ask why the bill as reported exceeds the President's budget request for discretionary programs by a whopping $4.7 billion if we have held the line in so many areas. The reason is that the committee simply refused to go along with administration attempts to sharply cut and even eliminate a number of programs. For example, the administration wanted to save $617 million by closing down the Job Corps Program, cut $392.5 million by terminating health professions training and health planning support, reduce NIH funding by $287.7 million below the 1985 level, terminate the Work Incentive Program for a saving of $266.8 million and scuttle a $372,435,000 Community Services Block Grant Program.

The committee flatly rejected the President's request to terminate support for many postsecondary education programs, a move which would have saved more than $191 million. The committee also spurned proposals to save $130 million by ending impact aid payments for category "B" students; $75 million by terminating the Magnet Schools Program; $125 million through ending library assistance; and a total of $22.2 million by killing several small programs including general assistance to the Virgin Islands and territorial teacher training assistance.

None of the requests to end or cut student assistance were adopted either, Mr. President. While it is true the administration's proposal to cut Pell grants by $847 million next year was contingent upon proposed changes to the program which were never adopted by the authorizing committee, the request to end new capital contributions under the Direct Student Loan Program, thus saving $190 million in fiscal 1986, as well as the attempt to end support of the $76 million State Student Incentive Program failed to gain committee acceptance.

Mr. President, lest I leave the impression that the bill as reported makes no cuts below 1985 funding levels, let me make it clear that there are some reductions. For example, the bill includes total cuts of $295 million in Job Training Partnership Act programs with the bulk of these reductions attributable to the fact that under the Summer Youth Jobs and Dislocated Workers Programs substantial funding should be available to States and localities from prior year appropriations. Moreover, cuts of $183.9 million below current levels in education programs are included in the bill. For example there are reductions of $73.4 million in Pell grant funding, based on the latest estimates from the Congressional Budget Office,

and $51 million for impact aid payments, category "B" students.

In summary, Mr. President, Chairman WEICKER has shown a great deal of restraint in reporting out a bill that is below the comparable funding level for fiscal year 1985. His has been a tough, demanding job. And he, as I have said many times, more than any Member of the U.S. Senate in either party, has a very, very deep commitment to these programs. He feels them deeply. It is not just a matter of intellectual conviction, it is a matter of very, very strong commitment for everything that LOWELL WEICKER stands for, and I highly respect that.

With the help of a superlative staff, he has done remarkably well, I believe, under the most trying circumstances. I know that he has held the spending line on programs he would dearly love to provide greater support for.

At the same time we are facing a budget crisis of truly historic proportions. A gargantuan national debt is threatening to destroy our ability to meet the economic challenges that we have overcome so often in the past in our march toward prosperity. Under these circumstances I believe we have no choice but to make an effort on every bill, including the one before us today, to cut Federal spending. Consequently I will be introducing an across-the-board budget cut amendment that will scale funding for the discretionary programs supported through the bill one-third of the way back to the total amount recommended by the President in his February budget—a cut of about $1.6 billion, or about 5 percent, in all discretionary programs.

The President proposed a far deeper reduction. His recommendations would be $4.7 billion, or 15 percent, below the bill before us. My amendment will reduce the appropriations in the bill one-third of the way to the President's recommended spending level.

Mr. President, as I say, I know there will be amendments offered. The managers are in a difficult position here, because it is hard for us to make arguments and then just stack votes and have people come in and vote without any reference, pro or con, to arguments either way.

But we are in that difficult situation because it is Monday morning. We came in much earlier than we usually do on Monday. That puts us in something of a quandry.

Mr. WEICKER. Mr. President, I wonder if I might inquire of my good friend, the Senator from Wisconsin. It is my understanding that no restrictions were placed on our activity here this morning by the leadership, either the majority or minority. Is there some new event here which neither I nor my leadership is aware of which will indicate that we cannot move ahead and have votes?

Mr. PROXMIRE. The Senator is absolutely correct. There is no understanding, and there is no agreement certainly to defer votes until later. But I have heard from a number of Democratic Senators—there may be some Republican Senators, too—who will have great difficulty getting here until the middle of the afternoon because it is a Monday, as I say, and usually we do not convene until 12, and we do not start voting until the middle of the afternoon. A numbler of Senators will be in a difficult position. That is the situation. We have to cope with it as best we can. As a matter of fact, I think there is no obstacle in the way of our proceeding right away, and having votes. If Senators are not here, they have to take that responsibility.

Mr. WEICKER. I hope that will be the case because I think everybody was well apprised of the floor situation, both by the minority and by the majority leaders, and indeed were told that the experience of this particular bill is such that we like to move it along. I do not want to cut anybody off from debate or votes, but I know it was very inconvenient for me to get here this morning. I did not expect the bill to come up this early. But it is here. One complaint I have always had with both the majority and the minority is all of these unanimous-consent requests. We spend more time getting unanimous-consent requests than we spend in the floor. We make this adjustment, that adjustment, and by the time we are all through, we are sitting here voting between 6 and 9 o'clock at night, and everybody is complaining about it.

Maybe we can make a little legislative history here, and move along, which is not to say that I am not well aware of the fact there might be controversy. Let us vote it up or down. If not, one thing I can assure everybody is, I am going to take this bill off the floor. We are here to do our work. I am prepared to do it. I do not think I have any more amendments of my own.

I ask unanimous consent that technical amendments might be in order and that the minority and majority staff be permitted to make such technical corrections as necessary after the passage of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 814

Mr. WEICKER. Mr. President, I believe the Senator from Wisconsin has some nonmonetary amendments. I am more than glad to proceed to that, and will advise my friends who are in their offices listening to the squawk box to get to the floor, and let us hear what they have.

Mr. President, I send a technical amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Connecticut [Mr. WEICKER] proposes an amendment numbered 814.

Mr. WEICKER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 18, line 7, insert "XV," after "X,".

On page 51, line 8, strike out "98-588" and insert in lieu thereof "98-558".

On page 52, line 6, strike out "$1,215,500,000" and insert in lieu thereof "$1,215,550,000".

On page 53, line 8, strike out "From amounts for" and insert "For" in lieu thereof.

On page 53, line 16, strike out "From amounts for activities" and insert in lieu thereof "For special demonstration programs for the severely disabled,".

On page 53, line 17, insert "$20,200,000, of which" before "$750,000".

On page 56, line 9, before "the" the first time it appears insert "notwithstanding sections 411(a)(2)(A)(i) and 411(b)(5) of the Higher Education Act,".

On page 56, line 16, strike out "(d)" and insert "(b)" in lieu thereof.

On page 57, line 9, strike out "413(D)(b)(1)(B)(ii)(II)" and insert in lieu thereof "413D(b)(1)(B)(ii)(II)".

On page 61, line 3, strike out "and III" and insert in lieu thereof a comma and the following: "III, IV, and VI".

On page 61, lines 8 and 11, insert "so" after "sums" each time it appears.

On page 63, strike out lines 21 through 24.

On page 65, line 19, strike out "304" and insert in lieu thereof "303".

Mr. WEICKER. Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Connecticut.

The amendment (No. 814) was agreed to.

Mr. WEICKER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 815

(Purpose: Increase by 329 the number of full-time equivalent positions for the Centers for Disease Control)

Mr. PROXMIRE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wisconsin [Mr. PROXMIRE] proposes an amendment numbered 815.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 23, line 1, strike "4,108" and insert "4,437".

Mr. PROXMIRE. Mr. President, the amendment I am proposing would increase by 329 the number of full time equivalent positions included in the bill for the Centers for Disease Control. This raises CDC's staffing level up to 4,437, Mr. President, and is revenue neutral. In a recent discussion with CDC by subcommittee staff, it was discovered that the FTE level provided in the bill did not allow for the Centers' reimbursable operations. My amendment would correct this. I understand the amendment has been cleared with the other side.

Mr. WEICKER. Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Wisconsin.

The amendment (No. 815) was agreed to.

Mr. PROXMIRE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. WEICKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk proceeded to call the roll.

Mr. DIXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. WARNER). Without objection, it is so ordered.

AMENDMENT NO. 816

(Purpose: To add funds for the development and establishment of an Alzheimer's disease registry)

Mr. DIXON. Mr. President, I have an amendment at the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Illinois [Mr. DIXON], for himself and Mr. SIMON, proposes an amendment numbered 816.

Mr. DIXON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment reads as follows:

On page 25, line 4, strike out "$154,118,000." and insert "$156,618,000, of which $2,500,000, shall be available until expended, and shall be awarded, without regard to any requirement for peer review, for the development and establishment of a registry for the collection of epidemiological data about Alzheimer's disease in the United States, for the training of personnel in the collection of such data, and for other matters respecting such disease.".

THE EVERGROWING NEED FOR AN ALZHEIMER'S DISEASE REGISTRY

Mr. DIXON. Mr. President, I am pleased to offer an amendment to H.R. 3424, a bill to make appropriations for the Departments of Labor, Health and Human Services, Education, and related agencies.

Essentially, the amendment would appropriate $2.5 million for the development and establishment of a registry for the collection of epidemiological data about Alzheimer's disease in this country, and for the training of personnel in the collection of such data.

As you may remember, on October 18, 1985, the Senate approved H.R. 2409, the Health Research Extension Act of 1985. A provision of H.R. 2409 authorizes the Director of the National Institute on Aging to make a grant to develop a registry on Alzheimer's disease. My amendment would provide the needed appropriation to implement this grant authority.

We know that Alzheimer's patients are routinely misdiagnosed because there is no clear methodology for diagnosis. A registry would provide an accumulated data base to identify cause and risk factors in Alzheimer's patients.

Mr. President, more than 2.5 million people in this country suffer from Alzheimer's disease, an irreversible brain disease that causes loss of memory followed by confusion, disorientation, loss of intellectual capacity, and eventual physical deterioration. I feel confident that a national registry would constitute the nucleus for this Nation's efforts needed to find the cause and cure for Alzheimer's disease.

I urge the adoption of this amendment.

Mr. WEICKER. Mr. President, I commend my colleague from Illinois for his amendment. I urge its adoption.

Mr. PROXMIRE. Mr. President, this is $2.5 million. May I ask my good friend, will this $2.5 million mean that, in the future, we will have to spend additional funds in this connection with this particular center, or is this a one-time appropriation which will only affect 1986?

Mr. DIXON. Mr. President, I have to tell my colleague that I cannot answer that question with any degree of authority. This amendment was adopted in the House and offered by Congressman EDWARD MADIGAN and provides for this money to be used for the collection of epidemiological data about the disease and its incidence in training personnel and the collection of the data and for other related matters. I suspect the probabilities are there will be some attendant costs in the future.

Mr. PROXMIRE. Apparently, however, it would not create a situation where we would be mandated to spend another $2.5 million next year or increasing amounts as the years go on, is that correct?

Mr. DIXON. I believe that is right. This amendment is a consequence of a bill which we approved on October 18, the Health Research Extension Act of 1985, H.R. 2409.

Mr. PROXMIRE. I appreciate that very much. There is no question that this is a most worthy cause. I cannot think of anything sadder, more devastating, or anything that we have made less progress on really than Alzheimer's disease. If any of us live long enough we are likely to get it in a devastating way, and of course it has a terrible effect on families involved.

So I congratulate the Senator. I am happy to support his amendment. As far as I know, Mr. Chairman, there is no opposition on our side.

Mr. DIXON. I thank the Senator from Wisconsin.

Mr. WEICKER. I would only like the record to show, however—and I want to emphasize the point raised by the distinguished Senator from Wisconsin—I want to make it clear this is not a continuing obligation insofar as this committee or the U.S. Senate is concerned. This is a sum of money required in pursuit of the objectives stated by the Senator from Illinois for fiscal year 1986. And that is it.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Illinois.

The amendment (No. 816) was agreed to.

Mr. DIXON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. WEICKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Without objection, the Senator from Connecticut is recognized.

Mr. WEICKER. I believe the Senator from Illinois has two further amendments. If he is ready to move forward, I suggest this would be the time to do so.

AMENDMENT NO. 817

Mr. DIXON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Illinois [Mr. DIXON], for himself, Mr. RIEGLE, and Mr. SIMON, proposes an amendment numbered 817.

Mr. DIXON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

For the Summer Youth Employment and Training Program authorized by the Job Training Partnership Act, $100,000,000, in addition to amounts otherwise provided herein for these purposes, to be allocated to States so that each service delivery area receives, as nearly as possible, an amount equal to its prior year allocations for this program, to be available for obligation for the period July 1, 1985, through June 30, 1986.

Mr. DIXON. Mr. President, I rise for the purpose of offering an amendment on behalf of Senators RIEGLE, SIMON, and myself to restore the fiscal year 1985 level of funding for the Summer Youth Employment Program.

This program has been consistently funded at a level of $824.5 million since fiscal year 1984 and, at a minimum, should be continued at that level.

Last year, my colleagues may recall, major cities in this country would have experienced deep cuts in the program, because of a number of factors. I sponsored an amendment to add $100 million to the program, bringing funding to $824.5 million in order to partially restore the cuts which would have taken place last summer. That amendment was adopted by unanimous consent and accepted by the House of Representatives. Although some cities did not receive funding until after their programs began, funds were eventually utilized. In view of the success of this summer employment project, there is no justification for cutting it.

Mr. President, we are not requesting an increase, either real or inflation-adjusted, for this program. We are requesting a freeze at the 1984 level. The program has provided critically needed funds to young people who need these jobs.

Unemployment among our young people continues to be a major problem across this land. Unemployment has not decreased by 12 percent. Why then should funding for this program be reduced by that amount?

Just as the major cities of this country were cut drastically last summer, such a situation will exist with a $100 million cut in funds for the summer of 1986, which is when these funds will be used. The intention of the Congress has been to fund this program at a consistent level for the past two summers. It just does not make sense to impose a cut of such magnitude for next summer.

The Office of Management and Budget seems to think that there are sufficient funds carried over from last year to maintain current service levels. In fact, that is not the case, and the administration cannot possibly have figures to substantiate this since the program year just ended, and reports are not due to the Labor Department until the end of November.

I wrote to the Secretary of Labor, asking for a report on carryover funds October 1. I have not received a response to my inquiry. However, the U.S. Conference of Mayors has done a study of the impact of the proposed cuts and the amount of carryover funds in selected cities. At this time, I would like to read some of these cities, what percentage of their 1985 allocation remains, and the percentage cut they will experience without this amendment. In almost every instance, there is less than 10 percent remaining in unexpended funds from last summer's program.

Mr. President, I have the list here. I ask unanimous consent to insert this list in the RECORD at this point.

The being no objection, the table was ordered to be printed in the RECORD, as follows:

U.S. CONFERENCE OF MAYORS—IMPACT OF SENATE APPROPRIATIONS COMMITTEE PROPOSAL ON THE 1986 SUMMER YOUTH EMPLOYMENT PROGRAM AND ESTIMATED CARRYOUT FROM THE 1985 SYEP

City	Summer 1985		Summer 1986	
	Total allocation [1]	Estimated carryout (percent)	Senate committee proposal [2]	Percent loss
Baltimore, MD	6,428,068	8	3,960,999	−39
Boston, MA	2,895,070	8	2,266,863	−22
Bridgeport, CT	2,329,545	5	1,825,093	−28
Buffalo, NY	3,374,652	8	2,240,378	−33
Chicago, IL	21,992,382	7	12,864,558	−42
Denver, CO	1,573,675	3	1,124,402	−29
Detroit, MI	8,108,179	1	7,102,779	−12
Hartford, CT	1,952,865	0	1,259,202	−35
Honolulu, HI	1,938,075	0	1,343,877	−30
Jackson, MS	674,315	1	415,104	−38
Jersey City, NJ	1,677,673	1	1,229,806	−26
Little Rock, AR	478,101	2	269,521	−43
Milwaukee, WI	3,349,711	2	2,842,943	−15
Nashville, TN	1,239,515	9	923,796	−25
Newark, NJ	4,805,887	6	2,110,517	−56
New Haven, CT	1,654,260	4	1,208,702	−26
New York City, NY	30,538,722	6	24,647,021	−19
Philadelphia, PA	6,705,131	0	5,737,301	−14
Pittsburgh, PA	2,875,232	11	1,544,142	−46
San Antonio, TX	3,318,069	5	2,526,581	−24
San Francisco, CA	3,066,738	1	2,121,273	−31
St. Paul, MN	798,838	10	569,119	−29
Syracuse, NY	650,323	10	472,447	−27
Tampa, FL	1,151,259	20	797,744	−30
Toledo, OH	3,105,681	2	1,933,352	−38
Washington, DC	8,027,778	1	6,071,659	−24
Yonkers, NY	559,900	0	419,090	−25

[1] $825,000,000.
[2] $725,000,000.

Mr. DIXON. It is normally accepted by the Labor Department, and others who are expert in the field of employment programs, that 10 percent should be carried over from the previous year in order to maintain continuity. Often there is a delay in appropriating funds for title IIb, resulting in a delay in starting the program when school adjourns at the end of May. Staff work begins earlier, locating jobs for these young people and taking applications. If a city does not have these funds available, the advance work cannot be done.

The city of Chicago has utilized this program in exactly the way that was intended. The Mayor's Office of Employment and Training, in collaboration with Carson, Pirie, Scott, a major department store in Chicago, and many other private companies, including Standard Oil, Sears, Illinois Bell, and First National Bank of Chicago, created a summer employment program entitled "Hire the Future." These companies hired young people last summer. Their participation is encouraging because it provides a needed link with the private sector in creating jobs for young people.

This is a very important step in the development of the summer youth employment program, and one which should not be taken lightly. Private sector initiatives were the goal of the Job Training Partnership Act, and this is an outstanding example of the successful attainment of that goal.

This amendment has the enthusiastic support of a number of diverse groups—the Conference of Mayors, the National Governors' Association, the National Alliance of Business, the AFL-CIO, the National Youth Employment Coalition, the National Association of Counties, the Lutheran Council of the U.S.A., the Full Employment Action Council, the Center for Community Change, and the National Network of Runaway Youth Services.

The concerns of many interested organizations and individuals center on two factors: First, these young people need these jobs, in many instances to help support their families or pay for their schooling. Second, the peacefulness of a community can be easily disrupted by a combination of factors including lots of young people with time on their hands who also suffer feelings of dispair because they have no money and little hope of finding work. This program has kept these kids off the streets and out of trouble. A cut will mean that fewer people can be served, and more will be idle. This is a small price to pay to provide a start for needy young people. The alternative, in terms of lack of job experience for these teenagers, is a situation which could well impair their ability to find work as adults.

This program is important, not only for the future summers for which we are now planning, but for the future lives of kids who need a chance. They have faith in this system of government, and if we turn our backs on them now, it will have an effect on their future confidence in all of us.

Mr. President, I urge the adoption of the amendment.

Mr. WEICKER addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. WEICKER. I commend the Senator from Illinois on his amendment—

certainly in terms of objectives, or questions. All he has said is so. We are also confronted, however, with some budgetary problems. Indeed, this $100 million is something that Senate action could not sustain without throwing every other worthwhile program into jeopardy. Unfortunately, the House has the full amount in its bill. Therefore, the matter will go to conference. I suspect it is one of those items that the House is going to fight very vigorously for. Obviously, it is a matter that I am going to listen to very attentively in light of what I have just stated relative to the merits of the amendment of the Senator from Illinois.

I think it should be pointed out that the reason the committee did not include the extra funds was based on the information from the Labor Department that $164,500,000 will be available next summer from unspent prior-year appropriations. Total availability would thus be $889,049,000 which is more than enough to maintain the current program level.

The bill language has also included cutbacks in certain areas that might otherwise occur due to statutory distribution formulas. Therefore, I hope that with the assurance of the Senator from Illinois this will be vigorously discussed in the conference—and the chairman is just as committed to the summer youth jobs program as is the Senator from Illinois—and that the Senator might use that as the place and time to try to achieve the objectives he has so correctly sought here on the Senate floor today.

Mr. DIXON. Mr. President, may I say to my friend, the distinguished manager of this bill, that his reputation for compassion and empathy for the needy people of this country and of the world is well known in this country. I appreciate very much his kind statements concerning the fact that he will give this every friendly evaluation in the conference.

I want to say to our manager on this side, my distinguished friend from Wisconsin, that his own concern for these interests is well known in the country. I would hope that both would indulge me when I make this comment: Every year we hear from the Department of Labor that there is some carryover money which takes care of the fact that there is a cut contemplated. Last year we vigorously debated this and I was successful in restoring the money. Because of my high regard for the two managers and my constant belief that they will do their best in the conference to get the very best consideration we can for this measure I will not pursue it this morning.

I do want to say, Mr. President, that this addresses summer jobs in the urban areas of America for kids being given their first job opportunity.

There are more than enough young people available. The contemplation of less money in a program like this where there are more people every year needing the jobs I think is one of the very sad commentaries on how we function here. There are just hundreds of thousands of young people in America desperately needing jobs and not getting them. In the city of Chicago, that great city that I have the distinct privilege of representing in the U.S. Senate, under present circumstances thousands do not obtain jobs under the existing program. Any argument that there are sufficient funds and there are carryover funds just is not an adequate response by the department involved.

I wish the Department would make a better effort to use these funds. There are plenty of people available out there who need these jobs. I would hope that this RECORD would reflect the views of this Senator because I think they are the views of many others here.

If I may indulge that view a little further, Mr. President, I would like to say in this RECORD so that someone in the Department will read it, that when we appropriate these funds for needy kids in America who desperately want jobs, funds by virtue of whch they can be engaged in useful employment instead of standing on street corners in the hot summer when they can cause trouble, I wish the administration would spend the money for that purpose and not come back to us and say, "We can afford a little cut because we have some left over."

Mr. President, we do not want the money left over. We want the money used in the urban centers of America for kids who desperately need jobs and who live in neighborhoods where there is 40 or 50 percent unemployment. I did not say 8, 9, 10, 11, 12, or 15. I said 40 percent or 50 percent. There are kids who have never known a job, and no one in their family has a job. This is a decent and responsible governmental activity to address that concern in America.

I only want to say for the record that, as we appropriate these funds this time, and I am deeply appreciative of the compassion and the understanding of my distinguished and admired friends from Connecticut and Wisconsin, I hope the conference will take the whole $100 million that is in the House version of the bill. I would ask my friends to open their hearts and consider that. I hope that next year we do not have to do this same thing again.

Beyond that, Mr. President, may I say on the basis of the very kind statements by my colleague from Connecticut, my distinguished friend from Connecticut, and the private understandings I have received from my friends from Wisconsin who is in the Chamber now, I am persuaded, Mr. President, to withdraw this amendment and leave the fate of this program to the good understanding, the intellectual capacity and the compassion of the conference committee.

The PRESIDING OFFICER. The amendment is withdrawn.

Who seeks recognition?

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. CHILES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 818

Mr. CHILES. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Florida [Mr. CHILES] for himself and Mr. RIEGLE proposes an amendment numbered 818.

Mr. CHILES. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 22, line 3 change $476,777,000 to $477,777,000.

On page 23, line 2 change period to colon and add the following: Provided further, that $1,000,000 shall be used for studies of designer or synthetic drug use.

Mr. CHILES. Mr. President, I rise to offer an amendment which would add $1 million for studies by the Centers for Disease Control of the prevalence of designer or synthetic drug use and the clinical health effects over time. In response to my inquiry, CDC advised that it needs this amount to do this effort. The director of the group within CDC responsible for this effort, the Center for Environmental Health, advises that designer drugs has the potential of being a fairly significant problem.

This money is needed now so that we do not lose a year and this problem does not develop into a disaster. This money would allow CDC to follow the more than 400 young people who CDC identified as having Parkinson type symptoms from a bad batch of these drugs and to identify more such cases. Also, it would allow CDC to initiate studies of users taking the fentanyl series of these drugs.

I became aware of designer drugs earlier this year and in March brought the matter to the attention of my colleagues in the Senate. I introduced legislation calling on the Drug Enforcement Policy Board to review the

designer drug problem and make recommendations to Congress for necessary legislation. The Board moved quickly and in July, Senator THURMOND introduced the Designer Drug Enforcement Act of 1985 on the administration's behalf. Under the bill, persons convicted of manufacturing, possessing, or distributing would be subject to 15 years imprisonment and a $250,000 fine.

The Judiciary Committee recently held hearings on this issue and I believe this bill will be acted on very quickly by both Houses and signed into law this year.

Earlier in July, I held a hearing about the designer drug problem and heard how someone can spend $2,000 on equipment and chemicals, and turn 2 weeks of time into 200 million doses of drugs which has the potential street value of $70 billion. That just blows my mind. We have an opportunity to get ahead of the curve here before it becomes a disaster and that is why I am offering this amendment.

Mr. President, designer drugs are extremely dangerous from a health standpoint. The drugs are thousands of times more potent than the illegal narcotics presently flooding the country, and over a hundred deaths have been identified with designer drug use so far. Furthermore, these drugs have been responsible for causing long term neurodegenerative diseases in some users.

The doctors are not optimistic about the future of a number of these patients because of the problems they are having. The human body cannot last very long in this condition. At the hearing I held in July on the designer drug problem Dr. William Langston showed a video tape about the parkinson-like syndrome these patients developed.

They literally changed before our eyes as the medication they were taking wore off—they became like zombies. The doctors are aware of over 400 young people who used these drugs in northern California. Although most are currently asymptommatic, a senior investigator at NIH has referred to them as walking time bombs. The human and medical costs of designer drugs are potentially devastating.

At my hearing I heard how the effects of designer drugs are unknown because there is no quality control when a batch is made. The kitchen chemists do not throw out a bad batch. The poor user is the guinea pig. The CDC was helpful in identifying the 400 young people who used contaminated designer drugs but Dr. Langston testified that when they left northern California they left almost in a State of retreat. They were finding so many new cases. He thinks that we are touching just the tip of the iceberg in northern California.

We have a situation now where, in my own State of Florida, the medical examiners are concerned about this problem. Most do not have the expertise to detect a death from designer drugs. Also, I have recently been told that a number of chemists in other parts of the country have been making designer drugs for their own use and to sell for profit. These are just a few reasons why we need to do something right now, today.

I urge adoption of the amendment.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. WEICKER. Mr. President, I agree with the analysis of the situation described by the distinguished Senator from Florida and I urge adoption of the amendment.

The PRESIDING OFFICER. Is there further discussion?

If not, the question is on agreeing to the amendment of the Senator from Florida.

The amendment (No. 818) was agreed to.

Mr. CHILES. I move to reconsider the vote by which the amendment was agreed to.

Mr. WEICKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Who seeks recognition?

Mr. WEICKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GORE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 819

(Purpose: To provide funds for grants to organ procurement organizations and to reduce funds for State grants for mathematics and science education)

Mr. GORE. Mr. President, I have an amendment which I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Tennessee [Mr. GORE] proposes an amendment numbered 819.

Mr. GORE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 18, line 11, strike out "$1,547,979,000," and insert "$1,550,979,000, of which $3,000,000 shall be available for grants under section 371 of the Public Health Service Act;".

Mr. GORE. Mr. President, the purpose of this amendment is to reaffirm the resolve of the Congress to help the thousands of patients around our country waiting for a lifesaving organ transplant. It insures that the mandate of the Congress, as contained in the National Organ Transplant Act, is carried out as the Congress intended.

The amendment adds $3 million for the grant program for organ procurement organizations [OPO's] mandated by section 371 of the Public Health Service Act.

Last year, following 2 years of exhaustive investigation of the problems faced by thousands of patients in need of an organ transplant and their families, Congress passed and the President signed into law a series of carefully crafted programs to respond to the pleas for help that all of us have heard. These programs, contained in the National Organ Transplant Act, have been strongly endorsed by virtually every major group involved with organ transplantation, including the American Society of Transplant Surgeons, the North American Transplant Coordinators Organization, the Southeastern Organ Procurement Foundation, and the Association of Independent Organ Procurement Agencies.

Unfortunately, the National Organ Transplant Act was signed into law on October 19, 1984, after action had been completed on the fiscal year 1985 appropriation act. The administration, which opposed this legislation every step of the way, has used the lack of appropriated funds to delay implementing what I believe are the two most important provisions in the Transplant Act, the organ procurement and transplantation network and the organ procurement organization grant program. The experts agree that these two programs are what will most help with the current tragic shortage of transplantable organs.

Despite the fact that the grant program was the only program in the law requiring a new appropriation, DHHS has chosen to implement only the Office of Transportation and the task force, contained in the law deferring implementation of the grant program, the computerized network, and the scientific registry. I have been told in conversations with the many transplant groups that worked with me on the legislation that this approach will seriously undermine the progress we have made over the last 2 years.

This bill before us today already addresses the network and scientific registry are my amendment today will care of the grant program.

Further delay in implementing section 371, the OPO grant program, costs the taxpayer money. Under current law Medicare spends approximately $70 million each year, which is equal to 100 percent of costs, to operate the approximately 110 Medicare approved organ procurement agencies

[OPA's]. Yet Medicare has done nothing to manage this system. As a result, Medicare is losing a great deal of money, because of dollars poorly or inappropriately spent by ineffective OPA's and because Medicare patients are forced to remain on dialysis due to an insufficient number of donors. Section 371 was carefully designed by the experts in the transplant field to provide a strong incentive to existing OPA's to adopt operating standards spelled out in section 371 that the experts have found to be consistent with successful organ retrieval efforts. When they are implemented, Government pilot studies indicate we can expect a threefold increase in the number of donors.

My amendment simply insures that the OPO grant program that is contained in the National Organ Transplant Act moves forward in the manner the Congress intended.

I hope the administration will view passage of this amendment as a restatement of congressional resolve on this issue and take immediate steps to implement section 371—so that when the money becomes available in November, grants can be awarded as soon as possible.

I urge support for this amendment.

Mr. President, this amendment has been discussed with the committee in some depth.

I shall briefly summarize exactly what this amendment is all about.

Saturday marked the first anniversary of the passing of the National Organ Transplant Act, and yet the act has not been implemented.

We know that we can save many thousands of lives through improving the organ transplant system in this country.

The National Organ Transplant Act embodied a plan to do so which was based on many, many hearings at which experts, doctors, scientists, and others testified on how to make the transplant system work.

The bill that resulted passed the Senate unanimously. It passed the House of Representatives 396 to 6.

It is partly based on a pilot project that was conducted by the Centers for Disease Control which had an educational and training program in hospitals and medical communities to instruct doctors, nurses, and emergency room personnel in how to make the request of the family of a brain-dead patient for organ donation.

That pilot project resulted in almost tripling the rate of organ donations and we believe we can do that nationwide.

There are 20,000 brain deaths each year and yet only 2,200 of them result in organ donations.

The reason that so few result in organ donations is in most cases the families are not asked, and there is a reason for that. It is a very difficult, emotional situation for a doctor or a nurse because they have been fighting to save a patient's life. They lost that struggle and the patient is brain dead, and then they have to shift emotional gears and tell the family of the benefits of organ donation and make a request for organ donation, and that is a very hard, human thing to do and as a result, it is often not done.

But it has to be done, and we know how to train doctors and nurses in the methods that are most effective in helping the family in their time of emotional need and at the same time stimulating organ donations to save the many thousands of lives that can be saved.

This program, incidentally, has many offsetting savings, and I wish to tell my colleagues why that is the case. The Federal Government pays for kidney dialysis for all Americans who need kidney dialysis. That expense is about $25,000 per patient per year. If a kidney dialysis patient receives a kidney transplant, then the one-time cost is approximately $40,000 but then the Government avoids paying $25,000 each and every year for the remainder of that patient's life.

So there are many offsetting savings. Due to the vagaries of the budget process, we have already taken credit for those savings because of the way CBO calculates these matters, but in order to actually realize the savings we have to implement the law. So it is a matter of saving money. It is also a matter of saving lives and avoiding needless suffering.

This particular amendment specifically implements the grant program by designating $3 million for the grant program. This was the only program in the law requiring a new appropriation.

Health and Human Services has chosen to implement only the task force in the law and has deferred implementation of the grant program, the computerized network, and the scientific registry.

I have been told in conversations with many transplant groups that have worked with me on legislation over the last couple of years that this approach will seriously undermine the progress we have made in the last 2 years.

Furthermore, delay in implementing this grant program does cost the taxpayers money.

We are spending approximately $70 million each year which is 100 percent of the cost to operate the approximately 110 Medicare-approved organ procurement agencies around the country, and this program is designed to make that program work much more efficiently and save money.

Medicare has not adequately managed this program and as a result is losing a great deal of money because of dollars poorly or inappropriately spent by ineffective OPA's and because Medicare patients are forced to remain on dialysis due to an insufficient number of donors.

Section 201 of the National Organ Transplant Act, which this amendment will implement, was carefully designed by the experts in the transplant field, and I emphasize for my colleagues that all of the experts, the surgeons, nurses, and transplant coordinators, all signed off on this as the consensus approach which represents the state of the art of our current knowledge in how to implement this law.

It was carefully designed and it offers a strong incentive to existing organ procurement agencies to adopt operating standards spelled out in section 371 of the Public Health Services Act and as a result I urge my colleagues to support this amendment.

I am very, very appreciative of the leadership offered by the subcommittee on this issue and very grateful for the advice and cooperation that I have had from the chairman and ranking minority member and the thousands and thousands of families out there waiting for transplants are much in need of this amendment to implement the law and, speaking for those among them with whom I have worked, I wish to thank the subcommittee chairman particularly.

I yield the floor.

The PRESIDING OFFICER (Mr. NICKLES). The Senator from Connecticut is recognized.

Mr. WEICKER. Mr. President, I first of all commend the distinguished Senator from Tennessee, Senator GORE.

I think, as each one of us come into this body, there are certain matters of concern, interest, and opportunity that we especially involve ourselves in, which does not mean to say that everyone in the Senate does not have an interest in the matter of organ transplants. They do. But there has to be someone to take the lead, and I wish to say right now the distinguished Senator from Tennessee has taken the lead on this matter.

It is a matter about which we still have a lot to learn, but no one is going to deny the lives that will be saved and human tragedy that can be averted.

So I compliment him personally. I am sure not only are we seeing Senator GORE address the subject today, but for years to come this will be something that he will strike out in a leadership role to bring to pass the most effective organ transplant program in the world.

The amendment is acceptable, and the additional $3 million will permit the initiation of grants for the establishment of the initial application for organ procurement organizations.

I hope the amendment is agreed to.

Mr. PROXMIRE. Mr. President, will the Senator from Tennessee yield for a question?

Mr. GORE. I am delighted to respond to any questions.

Mr. PROXMIRE. Mr. President, as I understand it, this amendment is in a sense at least self-financing, that is, that the program itself pays for itself. Will the Senator describe that process?

Mr. GORE. I will, indeed. The Senator is correct, it will, in large part, be offset by compensating savings and for this reason:

The Federal Government now has a program which pays for kidney dialysis for almost all patients who need kidney dialysis as part of the Medicare Program, the End Stage Renal Disease Program, the ESRD Program. Every patient on that program costs the Federal Government approximately $25,000 each year for kidney dialysis. If one of those patients gets a kidney transplant, then the Government will pay approximately $40,000 for that person to have kidney transplant. That is an expenditure, but for every remaining year of that patient's life, the Government will save $25,000 that it does not have to spend on dialysis in that year for that patient.

The limitation on the number of dialysis patients who now receive kidney transplants is the lack of availability of donated kidneys from brain-dead patients. Kidneys are different from hearts, lungs, livers, and other so-called beating heart organs, in that patients have two kidneys and there are some living related donations of kidneys. But the majority are still so-called cadaver donations which have to come from brain-dead patients. There is a limited universe of brain-dead patients, approximately 20,000 each year and only 2,200 result in donations. And if we can increase that 2,000 figure to 4,000, 5,000, 6,000, or 10,000, then the number of people now receiving dialysis at the rate of $25,000 a year will be reduced and the expenditures of the Federal Government for dialysis will be reduced in the process.

Mr. PROXMIRE. I thank the Senator. If I calculate it correct, it sounds as if only 150 people should choose this, in a matter of less than 2 years, it would pay for itself. The Senator says there will be several thousand, is that correct?

Mr. GORE. We hope there will be many thousands.

Mr. PROXMIRE. So this should be money saved over a period of just a very few years, 3 or 4 years, not a program that will actually cost money in the long run, is that right?

Mr. GORE. If it works as well as I hope it will and as the experts hope it will, then that might very well be the case.

Mr. PROXMIRE. Even if it does not work as well, it seems to me there is enough leeway here so that, as the Senator says, if it is a matter of thousands of lives being saved and a matter of $25,000 a year, it is easy to see that this program should in all likelihood more than pay for itself. I thank the Senator and I support the amendment.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment of the Senator from Tennessee.

The amendment (No. 819) was agreed to.

Mr. GORE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. WEICKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 820

(Purpose: To set aside $250,000 for a study of automation in the labor exchange process)

Mr. HART. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Colorado [Mr. HART] proposes an amendment numbered 820.

Mr. HART. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment reads as follows:

On page 5, line 15, after "Trust Fund," insert the following: "and of which not to exceed $250,000, of the amount which may be expended from said Trust Fund for Employment Service purposes, shall be used by the Secretary of Labor to conduct a study, to be submitted to Congress prior to June 1, 1986, designed to examine the status of automation in the labor exchange process throughout the Employment Service system, and to develop recommendations (including cost estimates) necessary to ensure the most efficient and effective job matching program within each State and among the States (known as the Interstate Job Bank System),".

Mr. HART. Mr. President, when one looks at the causes and possible responses to the problems of structural unemployment and worker dislocation in this country, one of the most stunning and startling facts that emerges is the degree of primitiveness in our system for identification of those who are out of jobs and jobs that do exist.

This amendment does not seek by itself to solve that problem alone, but it is a single and important first step in taking advantage of the technologies presently available to this great Nation for making the very obvious job matchups that are necessary in a complicated and large society such as ours.

When I use the word "primitive," I do so advisedly, Mr. President, because we are well behind virtually every industrial democracy on Earth in having a modern system for matching up unemployed people and jobs that are available throughout our country.

This amendment seeks, as I say, in a first-step way, to address that problem.

This amendment directs the Department of Labor to examine the automation needs of the employment systems responsible for matching unemployed workers with available jobs. Let me state at the outset that this study is financed through an earmarking mechanism and requires no new appropriations.

My amendment simply instructs the Department of Labor to examine the status of automation in the labor exchange process throughout the employment service system. The study, to be submitted to Congress by June 1, 1986, will include recommendations and cost estimates necessary to ensure the most efficient and effective job matching program within each State and among the States.

If we consider the reemployment of our jobless workers a high priority, as most of us do, then this amendment should be acceptable to the subcommittee floor managers and to the Senate. The obsolete equipment used by the State employment services offices and the Interstate Job Bank System not only results in vast inefficiency but, equally important, delays the search of unemployed workers who desperately want to find jobs, if not in their own State, somewhere in the United States.

A principal task of each State employment services system is to match unemployed workers with available jobs within that State. The Interstate Job Bank System, described in the Job Training and Partnership Act, provides similar services for workers and jobs throughout the Nation.

But the failure to provide funds for up-to-date automation equipment in the employment services system has produced a critical gap and enormous inefficiency. While funding for some employment administration programs has increased, the deteriorating condition of automation technology and equipment within employment services offices has been ignored. As a result, many of these offices lack the capacity to operate effective job matching programs.

Even the national organization of employment security offices—the International Conference of Employment Security Agencies [ICESA]—has documented the plight of its own system. In its September 1985 study, ICESA reports that, "Much of the States' equipment is obsolete, worn out, and in need of replacement. Many

of the States do not have adequate equipment necessary for a basic level of automation."

In the face of Government inability to reduce unemployment significantly, we must ensure that our employment services system has the technological capacity to match workers with jobs that are available. The least that an unemployed worker deserves is the opportunity to apply for an available job. Businesses and taxpayers, too, could only benefit from a job matching system that works efficiently to reduce unemployment.

As I mentioned, this amendment requires no new appropriations to fund the Department of Labor study. Instead, funds not to exceed $250,000 are to be earmarked for the report from the Employment Security Administration account—an account with a $900 million surplus at the end of September 1985. More specifically, my amendment contemplates that the study be funded through the National Activities Trust Fund of the Employment Service account.

While there is no doubt that automation equipment in the employment services system is in a deplorable condition, legislation to fund improvements is premature. Instead, a preliminary study is appropriate and necessary at this point. It is my hope that, on the basis of this report, Congress then will provide sufficient funds for the improvement of automation equipment in the system.

Mr. President, given all these facts, one might ask: why not just go ahead and update the equipment in these offices? Well, there is much that Congress does not know about what equipment is needed, what can be most efficiently and effectively purchased and installed to give us a truly efficient nationwide system. That is the purpose of this very inexpensive study.

In looking for grand schemes to reduce unemployment, we must not overlook smaller, workable programs. This simple amendment will enable our job-matching system to provide unemployed men and women with opportunities for work, hope, and renewed self-esteem.

Mr. President, I urge the floor managers to give this amendment serious and hopefully positive consideration.

Mr. WEICKER. Mr. President, I accept this amendment to set aside funds for a study of the computerized job matching systems. It does not add to the bill, but earmarks $250,000 from the existing trust fund. I commend my good friend from Colorado for the idea.

Mr. PROXMIRE. Will the Senator from Colorado yield for a question?

Mr. HART. I yield.

Mr. PROXMIRE. As I understand it, this amendment, again, is an amendment, in the first place, that requires no appropriations because it earmarks appropriations already in the bill?

Mr. HART. The Senator is correct.

Mr. PROXMIRE. In the second place, the purpose of the computer study would be to increase the efficiency of the employment service, is that right?

Mr. HART. Precisely; it is horribly outdated.

Mr. PROXMIRE. So there is no question about this being an amendment that we could expect would save money, and perhaps a great deal of money over the long run.

Mr. HART. One could certainly hope, if nothing else, in returning revenues to the Federal Treasury by productive workers who are today not working and who would be placed in available jobs through this system.

Mr. PROXMIRE. I thank the Senator. I am delighted to support the amendment.

Mr. HART. Mr. President, I thank the distinguished Senator from Connecticut and the Senator from Wisconsin.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question? If not, the question is on agreeing to the amendment of the Senator from Colorado.

The amendment (No. 820) was agreed to.

Mr. HART. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 821

(Purpose: To provide a floor on the amount to be used for personnel compensation and benefits of the Social Security Administration)

Mr. CHILES. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Florida [Mr. CHILES] proposes an amendment numbered 821.

Mr. CHILES. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 34, line 23, after "*Provided,*" insert "That not less than $2,295,098,000 shall be used only for personnel compensation and benefits, and the Impoundment Control Act of 1974 shall apply to any amount less than $2,290,000,000 not required for personnel compensation and benefits: *Provided further,*".

On page 35, line 1, strike out "$175,000,000" and insert "$145,000,000".

Mr. CHILES. I rise to offer an amendment which would protect service to our elderly and disabled Social Security recipients by restoring staffing cuts which the administration has proposed for the Social Security Administration [SSA]. My amendment would never have been necessary were it not for the ill-conceived plan of the administration to cut back on the ability of the Social Security Administration to provide adequate service to Social Security beneficiaries.

When the President sent his budget request to the Congress last February, it included a proposal to cut 17,000 positions from the Social Security Administration over the next 6 years. Shockingly the rationale for these drastic cuts was virtually nonexistent; 2,000 of these positions were to be eliminated as a result of something called streamlining service delivery. This euphemism meant that each Social Security office would be reviewed to see whether it was needed any longer; as a result of these reviews, offices would be closed or consolidated. No evidence was presented to show that such closings or other changes would allow elimination of any jobs, let alone 2,000 positions.

The claim that the other major staffing cuts could be achieved without cutbacks in service to the public was equally vacuous. For example, 3,279 positions were supposed to be eliminated through "ongoing systems enhancements and procedural changes." Yet no examples of future enhancements or procedural changes were presented. About 5,000 of the 17,000 positions to be cut were supposed to be eliminated through automation of the claims processing procedures in the field offices. At the time this figure of 5,000 positions was announced, the new computer software for this project had not yet been pilot tested in even one field office.

In the absence of real justifications for all of those drastic changes, Congress could only conclude that the delivery of service to Social Security recipients would be severely impaired if one-fifth of the positions in the Social Security Administration were eliminated. Indeed, SSA has yet to provide Congress with a more detailed justification for most of those changes. In fact, an internal SSA memorandum from last December indicated that some serious problems would arise from these cutbacks. The memo noted that:

First, quality of service in the field offices may be impacted;

Second, the payment error rate could be increased;

Third, the productivity of employees could be decreased;

Fourth, employees would have to be relocated;

Fifth, the morale of employees would be adversely affected; and

Sixth, control over operations that are "contracted out" would be restricted.

Once SSA's proposals were made public, there was an immediate outcry from many Members of Congress over the possibilities of office closings and staffing reductions. Subsequently, SSA made public the methodology it was using to review field offices to see whether they should be closed. A careful reading of this methodology raised even more alarms, especially in view of the fact that the review could result in offices being closed as early as this January.

When all of the details of SSA's review methodology are distilled, it turned out to provide for no standards for adequate service delivery to the public whatsoever. Obviously, standards for such things as travel time to offices cannot be made uniform throughout the country. It may be desirable for instance, to allow for different travel arrangements in rural areas than in urban areas. By taking into account such differences, the standards can be made flexible. But to say that such standards should be flexible is far different than to say that there should be no standards at all. Yet Martha McSteen, the Acting Commissioner of SSA flatly stated that SSA had no intention of promulgating any standards whatsoever. This statement came in her response to a bipartisan letter to her from 13 Senators, including myself, who are members of the Subcommittee on Labor, HHS, and Education of the Senate Appropriations Committee.

In the absence of any standards at all there is every reason to believe that SSA's "service delivery reviews" will result in changes that hurt Social Security recipients. For example, there would be no standards for how long a person must travel to get to an SSA office or how much time they would have to wait to be served there. There would be no standards to limit the incidence of inaccurate benefit checks, and no standards for the time SSA needs to process a claim or respond to a routine request. Moreover, the absence of nationwide standards could lead to vastly different levels of service in different parts of the country, in direct contradiction to SSA's goal of eliminating such disparities.

In view of the fact that Social Security offices could be closed as early as this January because no such standards for review exist, I believed that congressional action was urgently needed. Therefore, when this appropriations bill was being considered in committee, I proposed an amendment which would prohibit the Social Security Administration from reducing the total number of its field offices during fiscal year 1986 below the number which existed on July 1, 1985. Accompanying report language which I submitted indicated that this service restriction was being imposed because SSA had not sent the Congress any standards for its service delivery review. If such standards are ever received, Congress might contemplate lifing its prohibition against reducing the number of field offices.

With regard to SSA's proposed staffing cuts, the complete emptiness of its justification was underlined even further this summer. What appeared to be a close-to-final-draft of an SSA memo revealed that SSA was no longer claiming its "service delivery review" could eliminate any positions, let alone the reduction of 2,000 it had earlier advertised. However, the author of the new document noted that, "this is not a panacea, however, since the bottom line reduction (of staff) remains 17,006, despite the fact that 2,000 of the savings is acknowledged to be nonexistent". The author concludes by saying "Therefore, we know we will continue our service delivery review in a climate of concern—inside and outside of SSA."

In light of all of those revelations, I believe that Congress must restrict SSA from proceeding with these enormous staffing reductions in order to protect service to our Social Security beneficiaries. Placing congressional restrictions on the full scope of the planned reduction is made more difficult because the cut of 17,000 positions was to be spaced out over a 6-year period, whereas this appropriations bill is primarily concerned with cuts that would occur this year. Nonetheless, it is imperative that Congress restrict SSA's plans to cut staff this fiscal year.

SSA has proposed a net reduction of about 1,700 positions for fiscal year 1986. I am therefore proposing an amendment which will restore 1,000 of these positions for the coming fiscal year. The amendment leaves SSA the flexibility to make some minor staffing changes in the interest of efficiency. But to allow it to make the full reduction of 1,700 positions, as contemplated in the President's budget, would only result in adverse consequences for our elderly and disabled citizens who are served by the Social Security system.

My amendment would accomplish the restoration of 1,000 positions by shifting $30 million from the administrative contingency fund for SSA into the direct allocation for SSA's administrative expenses. This $30 million would augment the other funds to be spent on personnel compensation and benefits. I am advised by CBO that this shift of $30 million will not add to the cost of the bill. My amendment further stipulates that the President would be guilty of impounding funds if he spent an amount for SSA personnel compensation and benefits which is less than $2,290 million. This figure includes the $30 million in additional funds to which I have referred previously.

I also expect that SSA will forward to the appropriations committee as soon as possible, a detailed justification of its earlier proposal to cut 17,000 positions. This justification should include an analysis of proposed staffing reductions on services to the public, such as waiting time in Social Security offices, travel times to those offices, the incidence of inaccurate benefit checks, a further deterioration in SSA's ability to respond to routine requests in a timely fashion, and so forth. In addition, I would expect the Commissioner of SSA to provide to the Appropriations Committee by January of next year: First, a plan for collecting data for measuring services to the public, and second, quarterly progress reports to monitor field activities in this regard. Those reports and plans are needed in order for Congress to evaluate further the administration's current staffing reduction proposals, as well as to evaluate any future submissions.

In summary, the two amendments which I have sponsored are designed to prevent the drastic reductions in service to Social Security beneficiaries which could occur under the administration's current plan. Unless we take action now, Social Security recipients may face serious difficulties in securing adequate service in the future. I believe the Congress has an obligation to ensure that such difficulties do not occur.

Mr. President, this amendment would restore 1,000 work years of Social Security staff, and it requires the Social Security Administration to send Congress its justification for any cuts that it wishes to make, and how service can be maintained with less staff. This simply transfers $30 million from the contingency fund to the personnel compensation benefit fund.

Mr. President, this amendment has been discussed with the chairman and ranking member.

Mr. WEICKER. Mr. President, first of all, the distinguished Senator from Florida, as I understand this amendment, does not add money to the bill. Is that correct?

Mr. CHILES. That is correct.

Mr. WEICKER. I want to commend the distinguished Senator from Florida. It became very clear during the course of the appropriations that every member of the subcommittee and, indeed, the full committee was adamant that unless someone could assure us what the impact the proposed administration cuts of employees in the Social Security Administration—those cuts were not to take place. So there is no question about the fact that I do think we are prepared here in the Senate to see em-

ployees cut back if that means a cutback in services. We do not know the answer to that. We are not about ready to go ahead and take that kind of step.

I commend the Senator from Florida and support the amendment.

Mr. PROXMIRE. Mr. President, let me ask the Senator. The Senator from Wisconsin is a little confused on this. I understand it does not obviously add money to the bill. For one thing it is within the Social Security account. It would not affect the budget anyway.

Mr. CHILES. That is correct.

Mr. PROXMIRE. But it restores 1,000 Social Security staff. Say $30,000 a position, that would be $30 million if it means you are going to hire another 1,000 people.

Mr. CHILES. I say to my good friend it does not mean you are going to hire another 1,000 people. It means we will say do not fire those people or RIF them or use an attrition process until you can come to the Congress and show you are able to reduce your manpower without reducing services. That is what this amendment is all about. The administration anticipated certain savings on the basis that they were going to be able to streamline the delivery of service. When we asked them, "What is the streamlined process?" they said, "Well, we are reviewing all the Social Security offices and we may close some that are not needed." Again we said, "What is your criteria for closing an office?" That is what we are still waiting for. We have not received the criteria of standards yet which may be used to justify why an office would be closed. My amendment would transfer some money from the contingency fund and require it to be spent on personnel compensation and benefits to keep the administration from using a RIF or from failing to replace workers. But we are not talking about hiring any new workers. We are talking about trying to stay at about the same level of workers unless the administration can show us that they can streamline the delivery of service.

Mr. PROXMIRE. I understand that. Then it seems to me what the Senator's amendment would do—it undoubtedly is a necessary amendment, we certainly want to provide service for Social Security beneficiaries, they need it, and their system pays for it—but, as I understand, if they are going to avoid a RIF of 1,000 people, or replacing those who have left through attrition, then it would prevent the savings of $30 million or whatever it is. It would prevent the saving, for not having 1,000 workers. Is that right?

Mr. CHILES. I think that is correct.

Mr. WEICKER. If the Senator will yield, I want to make the point in supporting the amendment of Senator CHILES that the administration came to us and said they anticipated these savings because of the computer system that was going to be installed. It is not installed. So let us understand we have no proof that anything is being saved at this juncture. And the very basis of their assumption is not in being. So I think this amendment of the Senator from Florida makes good, common sense.

Mr. CHILES. I thank the distinguished chairman, and the ranking member.

Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Florida.

The amendment (No. 821) was agreed to.

Mr. CHILES. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 822

(Purpose: To increase by $122,500,000 in the appropriation for title III of the Job Training Partnership Act, relating to dislocated workers)

Mr. DIXON. Mr. President, I have an amendment at the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Illinois [Mr. DIXON] for himself and Senators RIEGLE, HART, ROCKEFELLER, and SIMON, proposes an amendment numbered 822.

Mr. DIXON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 15, strike out "$3,453,677,000" and insert in lieu thereof "$3,576,177,000".

Mr. DIXON. Mr. President, I rise to offer an amendment to restore last year's level of funding to title III of the Job Training Partnership Act on behalf of Mr. RIEGLE, Mr. HART, Mr. ROCKEFELLER, Mr. SIMON, and myself. This program has been reduced from $222.5 to $100 million. Title III provides services to dislocated workers, people who have lost their jobs because of plant closings, or because new technologies have made their jobs obsolete.

These are people who have been a key element in our work force for their entire adult lives. They were auto workers, steel workers, textile workers, coal miners, and farmers. Some of them made heavy equipment such as farm implements and road graders. Now, at a time when many of these workers are middle aged, their jobs are gone—forever.

The Labor Department has estimated that 5.1 million Americans lost their jobs between 1979 and 1983. Studies show that 60 percent of these dislocated workers found other jobs by 1984, but no one is certain what happened to the rest.

The Dislocated Worker Program has been cited by the President in recent months as the answer to two problems he has decided not to act on directly. When the Federal Supplemental Compensation Program, which provided several additional weeks of unemployment compensation, expired last March, the President decided not to extend the program. In response to a question at a press conference, he said, and I quote:

"We believe that the place now for people who are having problems is our Job Training Program, particularly job training directed at those who have to be relocated because something happened to the industries that they formerly worked in." In order to follow up on the President's comments, we need to make sure these people who have exhausted their unemployment compensation are not shortchanged.

As many of my colleagues will recall, the President elected not to implement the recommendations of the International Trade Commission on a petition for relief from shoe imports. Instead, he directed the Secretary of Labor to help the people who would be losing their jobs in this beleaguered industry through the Dislocated Worker Program. According to my calculations, there are currently 20,000 unemployed shoe workers in the United States. The Secretary has reserved $5 million of his title III discretionary money for assistance. This allocation calculates out to only $250 for each worker currently unemployed. Since the date of the President's decision not to assist this industry, plants have closed in New York, New Jersey, Florida, Maine, Pennsylvania, and Massachusetts, resulting in several thousand more workers losing jobs which will never return. It is becoming more and more likely there will be very little shoe manufacturing left in this country.

The Congressional Budget Office cites studies suggesting that industrial robots alone could eliminate between 1 and 3 million industrial jobs in the next few years. These figures represent up to 15 percent of all manufacturing jobs in the entire country.

In my State of Illinois alone, 181 facilities closed between July 1, 1984 and June 30, 1985. Most recently, the Fiat-Allis plant in Springfield closed, causing the loss of 1,300 jobs. The International Harvester plant in Rock Island also shut down, resulting in the imme-

diate layoff of 3,600 workers. United States Steel closed its South Works plant in Chicago, displacing 9,000 workers. Several shoe factories have closed in our State, affecting over 1,000 workers.

Hundreds of farmers in Illinois have been displaced because they lost their farms. This Dislocated Worker Program can also help them. No one can be helped, however, unless we provide sufficient funds.

The State of Illinois served 14,789 people in the year ending June 30, 1985, through the Dislocated Worker Program. There were 117,743 jobs lost in the State during the same period. Next year, it is anticipated that many more jobs will be lost to plant closings. Under the proposed cutbacks in the Dislocated Worker Program. Illinois will have little capability to respond to the needs of thousands of workers who have lost, or who will lose, their jobs. Few, if any, new enrollments will be possible, and there will be no reserve funds. This is the situation in just one State, Mr. President. I am sure many of my colleagues are aware of similar difficulties in their States.

The administration maintains that there are sufficient carryover funds to provide current service levels. I respectfully disagree. The National Governors' Association conducted a survey of 43 States in the past few weeks, asking how much money each had spent and obligated in the past program year which ended June 30, 1985. This information was compared to the proposed allocation that each State would receive out of the $75 million which would be available if my amendment is not adopted. The percentage of reduction for each State is sizable. Tennessee is the State which will suffer the lowest reduction, and that will be 28.2 percent. The State with the highest cut will be Hawaii, with 80.35 percent less than last year.

These reductions are especially worrisome, considering the fact that this program only serves approximately 5 percent of those who actually qualify.

Mr. President, we cannot stand by and allow this important program to be crippled. The cutback in funds is based on an assumption that there are adequate funds already in the system. This is simply not the case. The unexpended funds are, for the most part, obligated. Those that are not, need to be available for unplanned plant closings. We cannot delay, because any effort to restore last year's level of funds later this fiscal year, would prevent States from proper planning for and implementation of the Dislocated Workers Program.

I urge the adoption of this amendment.

Mr. HART. Mr. President, I am delighted to join Senator DIXON's efforts to restore funding for the Dislocated Worker Program, a new and successful worker retraining and relocation program. The Senate-reported bill cuts spending for this program by 55 percent from last year's appropriated levels.

The industrial base of this country is in transition. Manufacturing industries are being reshaped by a technological revolution that requires workers with advanced skills. And many of the high-technology industries that are essential to our changing industrial base are still in an incubator stage, making their employment planning susceptible to continuous reorganization.

In an era of multiple farm foreclosings and intense competition from foreign nations, a labor training and relocation program is desperately needed. A November 1984 Department of Labor study shows that 5.1 million long-term worker were displaced from their jobs between 1979 and 1984 because of plant closings, relocation, slack work, or the elimination of a position or shift. One-quarter of the 5.1 million displaced workers, many of whom were employed in traditional industries, continue to search for work. At the same time, the Department of Labor projects a shortage of 2.5 million skilled workers by 1990.

The Dislocated Worker Program is the only federally sponsored worker training program in the United States designed to address this economic condition. In 1983, the Dislocated Worker Program was created as title III of the Job Partnership Training Act to help workers adjust to the vicissitudes of a dynamic modern economy.

The Dislocated Worker Program provides a cushion for employment fluctuations by furnishing training, retraining, and placement assistance to displaced workers. Unlike most Federal programs, title III is based on a unique partnership between local governments, education agencies, labor, and the private sector.

There is concern in Congress that the Dislocated Worker Program is overfunded and some Members have sought a reduction in Federal funding of 55 percent. However, the expenditure data on which this action is based is dated and does not accurately reflect the program's pattern of spending.

The rationale for making the cuts was drawn from the Office of Management and Budget Expenditure data showing large amounts of unexpended funds in 1984 after the startup period of the program. Yet the data did not take into consideration the difference between funds that were obligated, but not yet unexpended. Nor was it considered that this is a new program and that initial costs would be low, but increase as the program becomes established. Finally, the OMB did not recognize the title III is a reactive program; it is often difficult to anticipate the closure of a plant, and some States prudently hold back funds in anticipation of greater demands of the program by the end of the fiscal year.

The success of this program can be measured by the contribution it made to the economic revitalization of Pueblo, CO. In Pueblo, between 1982 and 1985, 3,000 people were laid off from the CF&I Steel Co., the city's main industry. By guaranteeing a supply of trained workers through the Dislocated Worker Program, the Pueblo Economic Development Corp. was able to encourage Sperry Corp. to locate a facility in the area. With title III funds, Pueblo Community College trained former steelworkers to become electrical manufacturing technicians for the new company which is now providing 60 jobs a month.

The Dislocated Worker Program has been successful on the national level as well. Between October 1983 and June 1984, the title III program enrolled a total of 96,100 individuals, of whom 50,500 finished the program. Of those who completed training, 72 percent where reported as having entered employment after completing training.

Title III is a tremendous example of the role Government can play as a catalyst: Aiding displaced workers and private industry to master the challenges of a changing economy. America's workers and industries need not be the victims of technological change and trade imbalances. The Dislocated Worker Program is an effective and well-designed program. It is needed and it works. Let us give it a chance to help our economy flourish.

For these reasons, I support Senator DIXON's amendment to restore funding for the Dislocated Worker Program and urge my colleagues to do the same.

Mr. WEICKER addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. WEICKER. Mr. President, I rise to regrettably oppose the amendment of the distinguished Senator from Illinois. I do not oppose it in the sense of the intent or objectives of the program or to deny that help is not needed. But I have to oppose it in the sense that the moneys are available to carry forward the intent of the program. The committee bill reduced the new appropriations from the current level of $222,500,000 to $100 million. That was based on administration projections that sufficient unspent funds currently estimated at $245,050,000 will be carried over from prior year appropriations to maintain the current level of 50,000 enrollees. A total of $345,050,000 is expected to be available in the program year 1986. This is far in excess of $161,500,000 actually spent in the most recent program which ended June 30, 1985. It is for

that reason that I oppose the amendment of the Senator from Illinois.

Mr. PROXMIRE. Mr. President, I, too, rise in opposition to the Dixon amendment. As the distinguished manager of the bill has pointed out, this will cost $122.5 million. The committee agreed with the House and the administration to cut the level of funding by $122.5 million, to $100 million. The committee action does not, I repeat does not, cut the program's operating level because that amount is available in carryover funds from this year. The carryover is a result of slow development of the locally run programs.

The committee report made clear that the Secretary of Labor should use discretionary funds if a particular program faces serious disruptions.

Mr. President, current service levels will be maintained under the committee's funding level. The committee asked the Secretary of Labor to offer aid in special cases. Therefore, Senator DIXON's add-on is not needed and I oppose it.

I think if there is any Senator in this body who has credibility in this kind of program, it is LOWELL WEICKER. LOWELL WEICKER is certainly the kind of Senator who throughout his career here has always worked hard to provide assistance to people who are unemployed through no fault of their own, who are seeking work. He has done more than any Senator I know.

I have worked with him closely on this subcommittee where we sometimes disagree. He always wants more money and I always want less.

In this particular case, I think that since he agrees that it is unnecessary, I must say that speaks volumes. I would expect under these circumstances, and I would hope, that the Senate would realize that in view of the agreements with the House as well as the administration, in view of the fact that the funds are available, that we do not add this additional, unnecessary, redundant appropriation.

Mr. DIXON. Mr. President, I would like to make some very brief comments. It is my understanding, Mr. President, from my conversation with the manager of the bill and the ranking member, the rollcall requested on this amendment will not take place until later in the afternoon when colleagues have returned from obligatory trips to their States for business purposes.

I would like to ask for the yeas and nays at such time as our colleagues shall return today, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. WEICKER. Mr. President, I will ask unanimous consent that the vote on this matter be at such time as designated by the majority and minority leaders. Apparently, there seems to be some lack of understanding on when there will be votes. That is being resolved at the leadership level. I ask unanimous consent that the vote on the Dixon amendment take place at such time as designated by the majority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WEICKER. I suggest the absence of a quorum.

Mr. DIXON. Will the Senator withhold?

Mr. WEICKER. I withhold.

Mr. DIXON. Mr. President, may I say, in connection with the remarks of my distinguished friends and colleagues from Connecticut and Wisconsin that everything I might say in these very brief remarks in response is not meant in any way to reflect upon their excellent reputations as compassionate and understanding Members of the Senate, nor upon any other Member.

Mr. President, I feel compelled to make this statement: This is the third amendment I have offered in the last several days concerning cuts in programs that are so obviously meritorious and necessary and each time, the administration says, "We are carrying over money, there is adequate money there."

Last Thursday evening, as the last order of business, the manager of the HUD appropriations bill took a $20 million amendment of mine to restore money for the hungry and homeless to the same level as last year. The money for that program is totally inadequate, but the administration had cut it anyway. I suppose the administration wants us to believe that there are fewer people who are hungry and homeless. But the problem, Mr. President, is that there are not. There are more hungry and homeless, not fewer; more people starving in the wealthiest country in the world, not fewer; more people sleeping under bridges and in viaducts and on the grates in the District of Columbia, our Capital City, to keep warm in the winter when there is snow and ice on the ground—not fewer.

Then, today, I offered an amendment and I withdrew it because of my affection and respect for the managers of this bill, who say they will do the best they can in conference, for summer jobs for kids in the major cities in this country. Let us talk openly about it: These are deprived kids in the ghetto neighborhoods. Many come from families who are unemployed. Their only chance of getting a job is if they have summer jobs. The administration cuts it. I guess they are saying fewer people need summer jobs. That is not true; more people need summer jobs. Kids who have no chance for a college education, kids who are raised in the ghettos, kids who are mostly raised in one-parent families, their only chance to get a job or to learn how to work rather than go into a life of crime is the kind of chance they get in summer jobs programs. But they cut it. They say, "Oh, we have some carryover money," as if that were some kind of miracle, as if they had carryover money because there was no need. The need is there.

Now we come to dislocated workers and more of the Alice-in-Wonderland stuff. Earlier this year, we discontinued the Federal extension of unemloyment compensation. Now the numbers are showing that unemployment is going down in some places. It is not going down; it is going up! They have fallen off the end of the cliff. They do not count them anymore. They are still not working, they still do not have a job, they are still hungry, they do not have anything anymore—not even unemployment compensation—nothing.

But the President says, don't worry about it. Don't worry about the fact that we will not have unemployment compensation anymore because we have a new program. We are going to get rid of that one, but we have this one over here. We call this one the Dislocated Workers Program.

It sounds great. I am for it, may I say, incidentally, because this is the one where we take the unemployed people over here and instead of keeping them on unemployment benefits, we take the money and retrain them and give them an opportunity for a new job, so they can go back to work.

They lose their job making automobiles, they lose their job in the steel plant, they lost their job in the shoe factory because we do not make shoes any more and the textile mills because we do not sell textiles. But, the administration says not to worry, because we will take the money and retrain them for a productive job.

I think that is great. I think it is wonderful. The only trouble is then they cut the program that is going to do it by 55 percent!

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. DIXON. Surely, Mr. President.

Mr. PROXMIRE. The Senator is tremendously persuasive on this issue and I know how deeply he feels. But is it not true that a person who loses his job under these circumstances can do what 600,000 people in our State of Wisconsin do—and we have a much smaller State than Illinois—we have 600,000 people who take vocational and technical education. A person unemployed can take that full time, get a student loan, paid by the Federal Government, get any kind of training he wants—and that training is superb. It is a very economical, efficient pro-

gram; much of it is paid for locally because they train in the localities to get the kind of people they want.

Why is that not a sufficient response? It works, and I say it works tremendously well in my State of Wisconsin. I think it probably would work well in Illinois. We have vocational and technical facilities everywhere in the State. Everyone can easily get to them and they can borrow the money from the Federal Government to get that training.

Mr. DIXON. Let me say to my friend from Wisconsin that I understand what a fair man he is and I appreciate what he has said. But may I first say that some of the programs he is citing have been cut. Student loan programs have been reduced. He might be interested to know that the Wisconsin State Legislature voted to urge Congress to fully fund this Dislocated Worker Program only last week. I mean this as no reflection on the Senator from Wisconsin or other fair-minded people here, but I mean to say that miracles do not occur.

We keep talking about how everything is going to be all right. But obviously, there are millions of dislocated workers out there and if we keep on cutting back on these programs, there are more people getting less money.

Mr. PROXMIRE. May I say to my good friend from Illinois that there is no question it is a problem when people get laid off. But the problem is not in training, which is what this does, I say, because they can get training. It will be paid for. They can borrow the money and not pay it back until they get the job. They can get the training. What we need is jobs. The way to get those jobs is to get the deficit under control and have a situation where we do not run a deficit of $200 billion so we do not have the high interest rates and the very, very adverse balance of trade which is so costly. The only way to get the deficit under control is to cut out spending. The only way to cut spending is to cut out this program as well as other programs.

Mr. DIXON. Mr. President, may I say to my distinguished friend that he is saying that in connection with all of these programs, every one. Cutbacks are occurring and unemployment continues to be a major problem in the country. I have before me the National Governors' Association survey. The percent of reductions in this program, where I am trying to make a restoration, in the Senator's State of Wisconsin is 44.71 percent; in my State, it is 65.67 percent. I could go on. In every major State in the Union, major cuts.

The only point I am trying to make is, yes, there are other programs out there but on every single, solitary one of these programs I have discussed here today, there have been cuts again this year. In every one of these programs, the need is greater, not less. In every one of these programs, the administration comes to us and says, we have carryover funds, don't worry, we can take care of the program.

Well, the point I would like to make, Mr. President, in conclusion is this: that miracles do not take place on these kinds of things. We have to address these problems in the Senate of the United States. I regret very much that once again—and as I say, this is the third time in less than a week we are discussing significant programs—hunger and homelessness, summer jobs, dislocated workers—where there is a real need out there and there are actual cuts in these significant programs.

I realize, regrettably, that there are not people here participating in this debate on the floor. I do not know how many are listening on their speakers in their offices. The vote will take place later this afternoon. It will be a dispassionate vote where we all come down here and cast our yeas or nays on this question and I do respect my colleagues, but I wonder how long we are going to continue to wear rose-colored glasses and suggest everything is all right in these programs and the solution will take place or that the problems will go away. These problems are not going to go away. These dislocated workers still have their concerns. We are simply not addressing their concerns in the Congress of the United States. I regret that very, very much.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, in anticipation of a unanimous consent agreement shortly to be propounded, I make the following statement:

Mr. President, the question has come before us time and time again as to whether U.S. taxpayers should be required to pay for the deliberate termination of innocent human life. In my judgment, the answer is a resounding no.

The House-passed version of the Labor-HHS appropriations bill, H.R. 3424, had the familiar Hyde amendment stating, "None of the funds contained in this Act shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term." This has been the law since 1981.

The Senate Committee on Appropriations, however, struck this provision and put nothing in its place. If we were to adopt the committee amendment, we would open the floodgates to taxpayer funding of abortion on demand. I hope the Senate wil not agree to this committee amendment.

Mr. President, as much as many in Congress would prefer to ignore, minimize, or cover up the abortion issue, the fact is that it will not go away. Simply put, it is impossible to escape the injustice of killing through abortion over 1½ million unborn babies a year in this country.

As long as abortion remains legal and as long as Roe against Wade stands, there will be no escape for any of us from the horror of this unspeakable crime. Abortion will raise its ugly head at countless turns in countless roads for Americans and their representatives in government. Today the issue is funding abortion, tomorrow it will be something else.

The reason there is no escape is this: Those innocent babies being destroyed throughout the country keep making a silent but unmistakable claim on our conscience. Every time the abortion issue comes up, those unborn babies are asking us to remember them, to do something to help them, to stop the killing.

Mr. President, unborn children in the womb are members of the human family. They deserve the right to survive their mothers' womb and live the life that God has given them.

"We hold these truths to be self-evident," said Thomas Jefferson in the Declaration of Independence, "that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty, and the pursuit of Happiness."

Mr. President, the abortion issue presents squarely the question of whether we will secure the right to life for all human beings in this country, including those in the womb. Will we give these small but precious creatures their due, will we secure justice for them, will we protect them from the mortal violence of abortion?

I wish we were today voting directly on these questions. I wish we were voting on whether Roe against Wade will stand, or whether, or the other hand, the right to life for unborn human beings will once again be recognized in our law. Unfortunately, we are not. The intolerable injustice of legalized abortion will remain irrespective of the outcome of Senate consideration of this committee amendment.

But, Mr. President, we are today considering a part of the injustice—the important question of whether American taxpayers will be forced to fund the deliberate termination of innocent human life with their tax dollars.

I urge my colleagues to support retention of the Hyde amendment language adopted by the House.

Mr. President, as someone who has taken an active interest in this Hyde amendment over the years, I now offer a few comments on it.

The motivation for the Hyde amendment—on the part of Congressman HYDE, myself, and others—has been a recognition that abortion takes the life of a living unborn child with a God-given right to life. Accordingly, our purpose has been and is to make sure that Federal taxpayers are never forced to participate with their tax dollars in the crime of taking innocent human life.

In the early years of the Hyde amendment debates, we were not successful—or we were only partially successful—in persuading Congress to go along with our view. Since June 1981 and the enactment of Public Law 97-12, however, we have been successful, and Congress has adopted the Hyde amendment undiluted.

This undiluted Hyde amendment language is the same as the language in section 204 of the House-passed version of H.R. 3424 before us:

None of the funds contained in this Act shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term.

Our specific intent in offering this language was, and is, to stop all taxpayer funding of abortion. At the same time, however, we have never sought to bar funding of medical procedures necessary to save the life of the mother where bonafide, physical life-threatening conditions occur in connection with pregnancy. That is why the exception clause has been included since 1981.

Given our general purpose and specific intent, the application of the Hyde amendment should always proceed on the basis that with every pregnancy there are two human lives involved, the mother and her unborn child (or fetus). ("Child" and "fetus" are taken as being synonymous.) Therefore, if exceptional cases occur where funding would be permitted, it is important that every reasonable effort be made to preserve not only the mother's life but also that of her unborn child. In other words, authorizing the funding of medical procedures to save the mother's life is not intended to sanction abandonment of the unborn child. In keeping with the principles embodied in the Hyde amendment, equal care should be extended to both mother and child.

Mr. President, it is by no means clear that the Hyde amendment has been applied by the Department of Health and Human Services since 1981 with these understandings. On the contrary, enforcement of the Hyde amendment appears to have been lax. Certain jurisdictions, for example, have beem reimbursed with Federal Medicaid funds for procedures to save the life of the mother at a rate far out of proportion to their populations.

Moreover, medical opinion available to me indicates that with advances in modern obstetrics, the cases of bona fide, physical life-threatening conditions for a mother in connection with her pregnancy are exceedingly rare. Thus, the raw figures alone for exceptions to the Hyde amendment restriction—1,033 in fiscal year 1982 and 528 in fiscal year 1983—appear to cast doubt on whether the Hyde amendment is being given full force and effect.

Mr. President, I hope that the Department of Health and Human Services will reevaluate its performance in this area, bear in mind that human lives are at stake, and rigorously enforce the Hyde restriction.

I thank the chair and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I wish to pose a couple of questions to my distinguished friend from Connecticut if he would be available, the first being, is it the opinion and understanding of the Senator from Connecticut of the Public Health Service Act that the Surgeon General of the United States has full authority to close any business or other establishment that, in the Surgeon General's judgment, facilitates the introduction, transmission, or spread of communicable diseases?

Mr. WEICKER. Mr. President, my colleague from North Carolina is correct. Section 361, paragraph 264 of the Public Health Service Act provides that authority.

Mr. HELMS. I thank the Senator.

If I may inquire further, is it the Senator's understanding that this authority would be applicable under the Surgeon General's discretion relative to bathhouses and acquired immune deficiency syndrome?

Mr. WEICKER. That is correct.

Mr. HELMS. I thank the Senator.

Mr. President, I hope the conference committee on this bill will keep the original Dornan language, despite the assurances from my colleague from Connecticut, but I will not now press for a vote on the Dornan language in the Senate.

Mr. President, so that we might all have a better understanding of the nature of the AIDS problem and legislation concerning it, I ask unanimous consent that an article from the September 8 Washington Post, by Dr. Richard Restak, entitled "Worry About Survival of Society First; Then AIDS Victims' Rights," and an editorial from the October 11 New York Post, entitled "Government Has No Business Keeping Bathhouses in Business," be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Sept. 8, 1985]

WORRY ABOUT SURVIVAL OF SOCIETY FIRST; THEN AIDS VICTIMS' RIGHTS

(By Richard Restak)

Paradoxically, the truly humanitarian position in the face of an AIDS plague is that we *not* identify with the victims and instead cast our lot with what in earlier times was dubbed the "common good."

More than 1 million Americans may have been infected with the AIDS virus. And the 13,000 Americans with confirmed cases of the disease, whose number is doubling every year, should be treated with the care and compassion due to anyone who is ill with a so-far incurable and invariably fatal disease. This shouldn't be confused, however, with a refusal to make painful, sometimes anguishing but nonetheless necessary distinctions in the interest of diminishing the likelihood that this awful disease will spread further.

Plagues are not new. They have been encountered in every age and among every nationality: syphillis among the Spanish, bubonic plague among the French, tuberculosis among the Eskimos, polio in America.

What is new are efforts by medically unsophisticated politicians and attorneys to dictate policy in regard to an illness that has the potential for wreaking a devastation such as has not been encountered on this planet in hundreds of years.

Also different is the response that, in some quarters, is being suggested: Accept the AIDS victim into our schools, place little or no restrictions on employment or housing. The AIDS victims' "rights" in these areas, we are told, should take precedence over the so-far incompletely determined potential for these victims to spread this dread illness.

But what some are describing as "discrimination" and "segregation" has a long and not in glorious history in medicine. Quarantines have been very effective in beating outbreaks of scarlet fever, smallpox and typhoid in this century. Indeed, by protecting the well from the ill we follow a long-established sensible and ultimately compassionate course. Throughout history true humanitarianism has traditionally involved the compassionate but firm segregation of those afflicted with communicable diseases from the well. By carrying out such a policy, diseases have been contained:

Only sentimentalists refuse to make any distinction between the victims of a scourge and those not presently afflicted. Scientists still are unsure why the AIDS virus targets the white blood cells that are the one indispensible element of the body's immune system. But the threat of AIDS demands from us all a discrimination based on our instinct for survival against a peril that, if not somehow controlled, can destroy this society. This is a discrimination that recognizes that caution is in order when knowledge is incomplete so that the public interest can be protected. This argument is not a counsel against good medical care or proper concern for AIDS victims.

Nor is it a suggestion that we curtail any "civil right" which doesn't potentially imperil the lives of others.

It is a suggestion that the humanitarian response to AIDS is exactly the opposite of a humanitarian response to sexism or racism: In the presence of considerable ignorance about the causes and effects of the syndrome, the benefit of the doubt should *not* be given to the victim of AIDS. This is not a civil rights issue, this is a medical issue. To take a position that the AIDS virus must be eradicated is not to make judgments on morals or lifestyles. It is to say that the AIDS virus has no "civil rights."

At the moment, social and legal solutions to the AIDS problem are proceeding at a pace disproportionate to the knowledge that experts presently possess concerning the illness.

For instance, on Aug. 14 the Los Angeles City Council unanimously approved an ordinance making it illegal to discriminate against AIDS patients in regard to jobs, housing and health care.

"We have an opportunity to set an example for the whole nation, to protect those people who suffer from AIDS against insidious discrimination," said the councilman who introduced the measure.

Councilman Ernani Bernardi said the ordinance was meant to educate the public to "prevent hysteria."

Preventing hysteria is good, but this ordinance was passed despite doctors' not having yet made up their minds on the degree of contact required for the disease to be spread from one person to another.

Consider, for example, the varied and patently contradictory measures put into effect across the country in response to the recent discovery that the AIDS virus can be isolated from a victim's tears.

At Boston University, when an AIDS patient is examined, "We are not using the applanation tonometer [a device that tests for glaucoma] because we don't feel we can adequately sterilze it" said the chairman of the department of ophthalmology.

The Massachusetts Eye and Ear Infirmary specialists plan to "review our technique." Translation: we're not sure yet what we're going to do.

In San Francisco, the chief of the eye service routinely sterilizes his optic instruments with merthiolate which "as far as I know" kills the AIDS virus.

At this point live AIDS virus has been isolated from blood, semen, serum, saliva, urine and now tears. If the virus exists in these fluids, the better part of wisdom dictates that we assume the possibility that it can also be transmitted by these routes.

It seems reasonable, therefore, that AIDS victims should not donate blood or blood products, should not contribute to semen banks, should not donate tissues or organs to organ banks, should not work as dental or medical technicians, and should probably not be employed as food handlers.

While the Los Angeles ordinance exempts blood banks and sperm banks, it's prepared to exert the full power of the law against nonconformists who exclude AIDS sufferers from employment in restaurants, hotels, barber shops and dental offices.

According to the new law, then a person afflicted with AIDS may, if he is properly trained, work as a dental hygienist. He may clean your teeth. He may even clean your teeth if he has a paper cut on one of his fingers of which he is barely aware. This despite the fact that the AIDS virus can be transmitted from bloodstream to bloodstream.

The battle lines that are presently forming in regard to the admission of AIDS victims into our nation's schools are similarly disturbing. "This is the test case for the nation," says attorney Charles Vaughn, who represents 13-year-old AIDS victim Ryan White, who has been refused admission to his local school in Kokomo, Ind. "What happens here will set the trends across the country." (In America there are about 180 children, not all of school age, diagnosed as having AIDS.)

To those such as Vaughn who see this issue in civil liberties terms, the plight of Ryan White represents simply another instance of prejudice and discrimination that should be opposed with all of the vigor that has marked the efforts against racism and sexism in the past. In support of their position, they point to the recent directive of the CDC that AIDS cases be evaluated on an individual basis in order to determine whether or not a child should be admitted to school.

Spokesmen from the CDC and other AIDS authorities including Dr. Arye Rubenstein, who treats the largest group of children with AIDS, may be correct in stating that there is "overwhelming evidence that AIDS is not a highly contagious disease." However, in a combined interview, they then gave the following responses to the interviewer's questions.

Q: *Suppose my child got into a fight with an AIDS victim and both began to bleed?*

A: That kind of fight with a possible exchange of body fluids would arose some concern about transmission of the virus.

Q: *What if my child is in a classroom with an AIDS victim who threw up or had diarrhea?*

A: Such events would be a matter of concern. In its guidelines, the CDC said that AIDS victims who cannot control body secretions should be kept out of ordinary classrooms.

Q: *Suppose a child with AIDS bit my child?*

A: Again, a bite would arouse concern.

Any grade-school teacher can attest that "body-fluid contamination" in the form of scratching, throwingup, diarrhea, biting and spitting are everyday fare within a normal schoolroom. That's why infectious diseases like the flu spread through schools like flash fires.

It is difficult to imagine how the CDC or anyone else is going to make individual determinations under such circumstances.

"I'd rather err on the side of caution," says New York Mayor Edward Koch about admitting AIDS-afflicted children to schools. In this sentiment, he echoes the concern of parents everywhere: What if future research shows that AIDS can be caught in other ways? What then? Isn't it more sensible to forego premature steps against "discrimination" and await scientific developments?

AIDS is not about civil rights, political power or "alternative lifestyles." It's a disease, a true plague that already, in the words of infectious disease expert Dr. John Seale, writing in the August issue of Britain's Journal of the Royal Society of Medicine, is capable of producing "a lethal pandemic throughout the crowded cities and villages of the Third World of a magnitude unparrelled in human history." Further, this disease is only partially understood, is presently untreatable, and is invariably fatal. For these reasons alone, caution would seem to be in order when it comes to exposing the public to those suffering from this illness.

But in addition, the incubation period is sufficiently lengthy to cast doubt on any proclamations no matter how seemingly authoritative in regard to the transmissibility of the illness: "The virus may be transmitted from an infected person many years before the onset of clinical manifestations," according to Dr. George D. Lundberg, editor-in-chief of the Journal of the American Medical Association. "Latency of many years may occur between transmission, infection and clinically manifest disease."

Indeed, truly authoritative statements regarding AIDS cannot presently be made. "The eventual mortality following infection with a lentivirus such as the AIDS virus cannot be ascertained by direct observation till those recently infected have been followed well into the 21st century," according to Dr Seale.

Given these grim realities, lawyers and legislators should ponder long and hard whether or not they wish, by means of legal maneuvering, to inadvertently create situations—child AIDS victims in the schools, adult AIDS victims working in medical, dental offices and other health care facilities—in which those afflected are in a position to pass this virus on to the general public.

Obviously, the most pressing issue at this point is to arrive at an understanding of all of the ways the AIDS virus spreads. But until we do that, political posturing, sloganeering, hollow reassurances and the inappropriate application of legal remedies to a medical problem can only make matters worse and potentially imperil the health of us all.

[From the New York Post, Oct. 11, 1985]

Government Has No Business Keeping Bathhouses in Business

Gov. Cuomo should pick up the report on New York's homosexual bathhouses from his AIDS advisory council with a pair of sterilized tongs and drop it into a burn-bag. It could spread the AIDS virous more readily than contaminated blood.

The council wants the bathhouses to stay open—provided that operators agree to certain "regulations" to reduce transmission of the AIDS virus.

It argues that the bathhouses and other such establishments—which exist almost solely to facilitate promiscuous sex—are the perfect vehicles to educate homosexuals to the dangers of AIDS.

This argument is absurd. If education is needed to stem an epidemic, it does not have to be accompanied by the promiscuity which is the epidemic's main cause. And such education is hardly necessary at this stage since everybody—including promiscuous gays—knows that the main way in which the disease is spread is gay promiscuous sex.

Indeed, those who cling to a promiscuous lifestyle in the face of this knowledge are the people least likely to pay regard to whatever "education" would be available in a bathhouse.

It should be plainly said that this is not true of most homosexuals. The Center for Disease Control in Atlanta reports a dramatic change in homosexual lifestyles.

A CDC study concludes that 81 percent of the homosexual or bisexual men surveyed now restrict themselves to one partner or are celibate—up from 69 percent only one year ago.

"By and large changes in sexual practices are the only things available in terms of reducing transmission in gay and bisexual

men," says CDC staff member Dr. Ken Powell.

That argument alone makes an unanswerable case for closing down institutions which serve to maintain and encourage the kind of sexual behavior that actually spreads the AIDS virus.

But not everybody's getting the message. A separate CDC survey indicates that 36 percent of those homosexuals interviewed reported having more than one sex partner during the previous 30 days.

And the CDC reports that the presence of the AIDS virus in a group of San Francisco homesexuals increased from 4.5 percent to a chilling 73.1 percent between 1978 and 1985.

Not everybody who has the virus develops AIDS of course. But everybody who develops AIDS dies!

This is a serious illness, and it cries out to be taken seriously. Cuomo's council does nothing of the sort.

It argues that high-risk sex will occur anyway. Why not keep an eye on it?

So it not only recommends that the baths remain open—it demands that lubricants, condoms and fresh towels be distributed free of charge.

To that complacent nonsense there are three clear objections. That first is practical. If centers where promiscuous sexual partners are known to be available are closed down, that will place an obstacle in the way of those seeking such sex. There will be fewer places to go.

The second is medical. Such precautions as the council suggests can make casual gay sex safer, but they cannot make it safe. The disease would continue to spread more rapidly than if the bathhouses had been closed.

And, thirdly, there is the moral objection that the state should not encourage behavior which is both plainly immoral and dangerous to the health of the community by facilitating it. Sexual promiscuity, whether heterosexual or homosexual, comes into that category.

But why stop there? If it is to be free condoms and lubricants for promiscuous gays, why not free booze for alcoholics? Or free drugs for addicts?

Because alcoholics, addicts and those who practice high-risk sex are indulging in highly irresponsible, self-destructive behavior. Government has no business assisting them.

Indeed, it has the duty to discourage such behavior. Those bathhouses must be closed. Today.

Mr. HELMS. I thank the Chair and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. DOLE. Mr. President, I understand we are now prepared to get a unanimous-consent agreement on certain amendments and also for the time to vote.

I wish to thank all my colleagues for their cooperation on both sides of the aisle, and I thank the distinguished minority leader, the managers of the bill, and other Senators who have had amendments and votes. It has taken some time. I think in the final analysis it will still save us some time.

Mr. President, I ask unanimous consent that during the remainder of the Senate's consideration of H.R. 3424, the Labor, HHS appropriations bill, the following amendments be the only amendments in order:

Bradley, add $100 million, Chapter I—Disadvantaged Education; Bumpers, $ for immunizations; Dixon, $122.5 million for dislocated worker assistance; Hawkins, $3 million for Runaway and Homeless Youth Act; Heinz, $2.5 million for excellence in education; Lautenberg, $500,000 earmarked for health professions training assistance; Proxmire, eliminate the Work Incentive Program (−$266,760,000).

Proxmire, eliminate the Job Corps (−$617,000,000); Proxmire, 5 percent cut in discretionary budget authority but limited to no more than 8 percent reduction in each activity; Byrd, $338,000 for administrative expenses for the Federal Merit Scholarship Program; Metzenbaum, $10.6 million for mine safety; Evans, refugee targeted assistance funding; Glenn, adding $200,000 for an Afro-American Heritage Commission and Museum; and Metzenbaum, adoption opportunities, $5 million.

I further ask unanimous-consent that no motions to recommit with instructions be in order.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kansas?

Mr. PROXMIRE. Mr. President, on that unanimous-consent request, the minority leader is very concerned that there be an addition here that no amendment to the amendment be in order, because of the concern that amendments might come in without an opportunity to debate them which would, of course, put us at a disadvantage.

Mr. DOLE. Is that the understanding?

Mr. WEICKER. Yes, that is the understanding.

Mr. PROXMIRE. The Senator says only amendments; is that correct? No amendment whatsoever then would be in order to the amendments; is that correct?

Mr. DOLE. That is correct.

Mr. WEICKER. In order to forestall any apprehension on the floor, as soon as the majority leader gets his request, I have an additional unanimous-consent request in order that we can allay the fears very frankly inherent in this request of the Senator from Wisconsin. So let us do this.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kansas?

Mr. DOLE and Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, I am now advised——

Mr. HELMS. Mr. President, reserving the right to object, I am sorry. I was trying to get the Chair's attention.

Why not make this unanimous-consent proposal a part of the majority leader's?

Mr. WEICKER. That is all right.

Mr. President, I am advised that Senator GORTON may have an amendment to assure the indirect cost rate program of NIH.

Mr. WEICKER. Let us withdraw that.

Mr. DOLE. Let us withdraw that.

Mr. President, let me add then to the reqeust made so far the additional request. Mr. President, there have been certain disagreements about various matters in the pending bill. In order to go forward on the bill in an orderly manner, I now propose the following unanimous-consent request:

That, with respect to abortion, no amendments be in order, and that the committee amendment appearing on lines 24 and 25 page 41 and line 1 and 2 of page 42 be deemed disagreed to;

That, with respect to funding of title X of the Public Health Service Act, this bill add no such funding and that the bill be deemed amended by striking the roman numeral "X" on line 7 of page 18, and by reducing the figure $1,547,979,000 on line 11 of the same page by $142,500,000, which amendments I will send to the desk;

That no further amendments on title X of the Public Health Service Act be in order on this bill; and

That the committee amendments with respect to school busing, sections 304, 305, and 306, of the bill, as originally passed by the House, appearing on pages 64 and 65 of the pending bill, be deemed disagreed to by the Senate.

The PRESIDING OFFICER. The majority leader will withhold for a moment.

Is there objection? Without objection, it is so ordered.

Mr. DOLE. Mr. President, I further ask unanimous consent that any rollcall votes ordered between now and 3:30 p.m. today begin in the order in which the yeas and nays are ordered, excluding final passage.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOLE. Mr. President, I might add that the amendment by the distinguished Senator from Illinois, Senator DIXON, will be voted on at 3:30. In any event, that will be the first vote. I also indicate that we will see how many additional rollcall votes there are and then I will be talking with the manager of the bill later.

THE KEMP-HATCH AMENDMENT

Mr. HATCH. Mr. President, under an agreement with many of my Senate colleagues, I have agreed to withdraw

the Kemp-Hatch amendment. In exchange for this, it is my understanding that the Labor, HHS, and Education appropriation bill will contain no appropriation for the title X/family planning program. This is similar to the House-passed Labor, HHS, and Education bill and represents a reasonable compromise in temporarily resolving the complex and delicate issues surrounding the funding of the title X program.

This step today, however, does not conclude further debate concerning necessary changes in the title X law. I am still committed to seeing that the original intent of the title X law is preserved. In addition, other necessary changes should be made in the title X program. One issue is that no title X money should be used for abortion referral, counseling or services.

Abortion was never to be involved in title X. When the program was begun, its congressional framers went out of their way to insist that the program would have nothing to do with abortion. That is no title X moneys would be used for abortion. But beyond that, the whole program was to be abortion-free. As section 1008 of the original legislation, in 1970, put it, "None of the funds appropriated under this title shall be used in programs where abortion is a method of family planning." When Congressman JOHN DINGELL authored this provision he stated, "This provision would not merely prohibit the use of such funds for the performance of abortion but would prohibit the support of any program in which abortion counseling or abortion referral services are offered."

The wall of separation between abortion and Federal family planning activities has been more than breached. It has been razed. In fact, current HHS guidelines, drawn up during the Carter administration and put into effect early in the present administration, actually require applicants for title X funds to refer for abortions. That outrageous distortion of the intent of Congress should come as no surprise, for the current guidelines were drawn up by an HHS advisory committee under the control of those title X grantees who are in the abortion business. And significantly, the guidelines were not issued as regulations, which would have required the Department to secure clearance from OMB and to subject them to public comment.

We have come that far away from the family planning program of 1970: The Department of HHS requires what was originally forbidden. In some cases, title X grantees are co-sited with abortion clinics, so that only an expert bookkeeper could tell the difference between the two operations. Title X grantees tell clients how easy it is to get abortions, where they can get them, and who will do them. They can make all the arrangements. They do everything with the public's money except perform the actual abortion procedure. They make a mockery of our prohibition against abortion in Federal family planning.

There is only one way of ensuring that abortion does not intrude upon title X, only one way to rebuild the shattered wall of separation between that Family Planning Program and the abortion industry. That is to prohibit the use of title X funds, not only for the abortion procedure directly, but also indirectly. Under my withdrawn amendment, no title X money could be used for abortion referral or counseling except for those extremely rare instances in which the mother's life would be endangered by carrying the baby to term. Furthermore, no title X funds could be awarded, by grant or contract, to any organization involved in abortion.

Who could possibly object to that? Many current title X grantees, of course, have reacted to this modest proposal like vampires to the sunrise. My colleagues may have seen the rather extreme literature being circulated by some riders on the title X gravy train. It calls for "immediate, forceful efforts." It urges "A massive onslaught of calls and letters" against the Congress. But that is what we can expect whenever we come between an entrenched network of Federal grantees and their continued funding.

Let's look at some of the outlandish propaganda that is being spread against my withdrawn amendment. The basic accusation—the theme of this year's title X coverup—is that the Kemp/Hatch amendment will destroy family planning in the United States. Entirely apart from the fact that almost all family planning in this country is privately funded, that's ridiculous. It does not reduce Federal funding for title X by $1. Indeed, it in no way restricts any legitimate family planning activity. On the contrary, my amendment is probably the best preservative of title X.

It is alleged, however, that title X grantees cannot live with this amendment; they will close their doors. Millions of Americans will be without family planning services. That assertion is simply a myth. Under the amendment, each current title X grantee can decide for itself which is more important: Continued eligibility for title X funds or involvement in the abortion business. A few title X grantees may be so fanatically attached to abortion that they will decline future Federal grants. But are we really to believe that family planning providers would rather shutdown than stop doing abortions, stop referring for them, or stop counseling for them? Are they so little concerned about the need for family planning services that they would reject title X, en masse, in order to participate in abortion? If so, they reveal that abortion is much more important to them than is the provision of family planning to those who need it.

Another allegation is that this amendment would put hospitals out of business. In a few cases, hospitals are title X grantees; and many of those hospitals perform abortions. In that situation, my amendment treats the hospital as any other participant in title X. Unless it withdrew from the abortion business, it would not be eligible for continued participation in that particular program. But nothing else would be affected, in particular not Medicare, Medicaid, and the other Federal programs in which the hospital participates.

Yet another red herring to cover up abortion abuses in title X is the charge that my amendment would interfere with the provision of needed medical care. That is as offensive as it is outlandish. In dealing with a pregnant client, a title X grantee can refer a "problem pregnancy" to health care providers—a hospital emergency room, in extreme cases—without sending a poor and vulnerable woman to an abortionist. Title X grantees were able to provide complete and completely ethical services when the program began, in States where abortion was illegal. They can do so again, knowing that the Congress of the United States is making clear its will in this matter to the Federal courts.

That brings me to a final canard against my withdrawn amendment. In the opinion of some title X grantees, it is unconstitutional. When did we hear that before? When the Congress prohibited Federal funding of abortion under Medicaid. When the Congress prohibited Peace Corps funding of abortion. When the Congress prohibited abortion funding by the Defense Department. But let us be fair. Some attempts by State legislatures to restrict funding of abortion providers have indeed been struck down by lower Federal courts. That is not surprising to anyone who remembers how a single Federal judge in New York City arrogantly commanded HEW to ignore the Hyde amendment in the 1970's. Judge Dooling was eventually put in his place by the Supreme Court, of course, and I am confident that my amendment will receive the same judicial treatment as given to an amendment by the legislature of the State of Arizona, which has been upheld in principle by a panel of the ninth circuit.

No, I do not believe this amendment would be considered unconstitutional. It is merely inconvenient. It highlights the Federal Government's continuing support for the abortion industry and the unseeming involvement of a Federal program with abortion providers.

There are those who would not make abortion illegal, but who do not want our Government to support it in any way.

If a Member of Congress wanted to destroy family planning programs, if he wanted to erode public support for those programs, if he wanted to taint them beyond hope of reform, he would be well advised to leave things as they are: To let the abortion connection fester within title X until the entire program is cut off in revulsion. It takes no great powers of foresight to predict that outcome if we do nothing to curb the abortion abuses which are now rampant within it. If, in a few years, the rising tide now surging against the abortion industry sweeps away title X, too, the responsibility for that will rest with those who resisted necessary changes in the program, changes that will not diminish its effectiveness but will restore its original purpose.

Whatever happens to the legal status of abortion in this country, and whatever side of that issue we happen to be on, Federal family planning should be a matter apart. It should be insulated from the abortion controversy. Its funding should be immunized against involvement with abortion.

In addition other proposed changes should be adopted. Some of my concerns can be elaborated as follows:

Title X of the Public Health Service Act was intended to provide family planning services for low-income families. Indeed, that statement sounds like a tautology: What else would we expect a family planning program to do other than to help families plan their growth? Today's title X program answers that question in a most disturbing way. A large portion of its resources is directed, not to families, but to teenagers. In this regard, it is not a family planning program; it is a "safe sex" program for unmarried adolescents. And whatever we may think of the wisdom of that venture, the worst of it is that it does not work, as demonstrated by the realities of venereal disease, illegitimacy, and abortion among the young.

Today's title X program diverts resources away from low-income couples to service affluent individuals. The ingenious rule-writers at the Department of Health and Human Services a few years ago decided upon a novel way of determining income for purposes of title X eligibility. Indeed, their bizarre low-income standard in title X is probably a unique anomaly among Federal programs. For while we have been tightening up on the abuse of public assistance by those who are not truly needy, the title X bureaucrats made millions of people who are not poor income-eligible for what was supposed to be a poor people's program. They did this by determining a minor's income without regard to parental income. So unless the teenager has a large independent income, apart from his or her household resources, that youngster is "poor" for purposes of title X. Remember, that ingenious dodge, that artful loophole, that flagrant abuse of an in-kind welfare program was invented, not by the affluent individuals who take advantage of it, but by officials of their government.

Its practical effect is that the sons and daughters of doctors, lawyers, bankers, Senators, millionaires, and the middle class are all eligible, as poor people, for title X services. That means free contraceptives, courtesy of the working public. It is one of the strangest subsidies in contemporary government. This is an issue we need to correct.

In addition last summer, a mother in Erie, PA, was horrified to discover birth control pills in the purse of her 12-year-old daughter. The little girl explained that she got the pills free at a family planning clinic because "everybody else had them." Now, we all know that birth control pills are prescriptive contraceptives. That is, a fully informed adult cannot purchase them without a prescription from a physician. And the reason is that they are very powerful drugs, which can have serious side effects, not only in the short term but sometimes many years after the medication has been stopped. Adult women take these pills only under a doctor's supervision and with counseling about their possible harmful effects, so that dangerous conditions can be reported immediately and properly treated.

The 12-year-old in Erie might not have been able to tell her pills from a bag of candy. Her outraged mother demanded an investigation by the Erie County district attorney, whose case eventually had to be dropped. Why? Because the D.A.'s office, according to the Pittsburgh Post-Gazette of August 30, "discovered that the Family Planning Services of Erie County had acted within bounds of Federal guidelines when it gave the girl contraceptives without telling her parents. The mother is still simmering. "How can they do this to my little girl?" said the woman, who asked not to be named. "She can't go to an X-rated movie without my permission. She can't buy a pack of cigarettes. How can she get birth control?"

Let me answer the mother's question. Her little girl can get free prescriptive contraceptives, paid for by the unwitting taxpayers, because the title X program allows it. It is a multimillion dollar assault on family rights and parental authority. It is a travesty against family rights and parental authority. It is a travesty of what family planning is really about. The little girl in Erie is only one of millions of youngsters who have been drawn into the web of title X. If a stranger approached her in the schoolyard and gave her contraceptives, along with instructions for their use, he could be arrested for child molesting. But the Congress every year appropriates about $150 million for title X grantees who do exactly the same thing. They do it without our permission and contrary to the intentions of those who established title X. It is long past time for the Congress to exercise its responsibility in this matter, and I hope we will have occasion to do so in the near future.

BUSING AMENDMENT

Mr. President, I am particularly pleased that this agreement restores language prohibiting Federal funding of forced busing. This prohibition on Federal funding of the controversial and ineffective busing remedy has been included in appropriations bills for years. The failures of forced busing have not diminished. Accordingly, our denial of Federal assistance ought to continue.

Ideally the Senate would consider the merits of removing from the courts the option of using forced busing as a remedy in desegregation suits. Other, more effective, remedies are available when warranted to stamp out de jure segregation or to vindicate the rights of actual victims of discrimination.

The problem is that busing is itself a form of discrimination. It classifies students on the basis of race and burdens them with traveling long distances to attend public schools. The Federal Government has no business supporting this discriminatory practice with Federal taxpayer funds.

Educational excellence, not busing to achieve some notion of racial balance, is what our public schools need. In fact, busing—a form of governmental discrimination based on race—interferes often with excellence in education.

This situation is accurately reflected by Mr. David Armor, who commented before the Constitution Subcommittee in May of 1981:

> I think we have to get rid of remedies that in fact are not remedies at all and that simply make the problem worse.

I think the time is right for use to end this form of discrimination that masquerades as a remedy to enhance educational opportunities.

Assigning students to public schools on the basis of race, was supposed to be solved in 1954 by the momentous Supreme Court decision of *Brown* v. *Board of Education*, 347 U.S. 483. Again the Senate thought it had prohibited the consideration of race when assigning students to public schools in 1964 when it enacted the Civils Rights Act. Therefore, when we are still striving to convince judicial policymakers decades later that students should be

allowed to attend schools without regard for race or color, I can understand why the task would become frustrating. Nonetheless the basic constitutional principle that race should not determine what schools our students may attend must not be abridged.

This principle was clearly enunciated by the venerable Justice John Marshall Harlan in his dissent to the Plessy against Ferguson case. Plessy upheld a Louisiana statute requiring "equal but separate accommodations for the white and colored races" in passenger trains, 163 U.S. 540, 551 (1869). Justice Harlan dissented with the thought that "our Constitution is color-blind," (Id. at 559). These few words captured the essence of our 14th amendment prohibition against deprivation of life, liberty, or property without due process of law and against denial of equal protection of laws.

Harlan's dissent laid the foundation for the Court's ruling in the Brown case 58 years later. In Brown the Court found that—

The Constitution of the United States, in its present form, forbids, so far as civil and political rights are concerned, discrimination by the General Government or by the States against any citizen because of his race, 347 U.S. at 499.

In other words, race and color were not to play any role whatsoever in decisions relative to school district boundaries and school attendance. Race was not to be used in assessing the rights of "any citizen"; certainly racial assessments were not to benefit one group at the expense of another.

It is ironic that the Brown Court mentioned one of the same phenomenons that social scientists are today citing in their condemnation of busing: the stigma of inferiority associated with the victims of racial separation. The Brown Court explained the significance of this stigma when it said:

To separate students from others of similar age and qualifications solely because of their race generates a feeling of inferiority as to their status in the community that may affect their hearts and minds in a way unlikely ever to be undone.

Unfortunately, our current busing policy is actually nurturing racial discrimination and its stigma of inferiority. This was made clear to me by the testimony of the witnesses before the Constitution Subcommittee's hearings on school busing.

Brown was not the only case that established the principle that the 14th amendment prohibited States from taking cognizance of race. The *Loving* case, 388 U.S. 1 (1967), for instance, struck down a Virginia statute prohibiting interracial marriage. The Court clearly stated that classifying marriage rights on the basis of race was "unsupportable." The *Anderson* case, 375 U.S. 399 (1964), declared unconstitutional any racial designation of candidates on an election ballot. In *Evans*, 396 U.S. 435 (1970), the Court clarified that provisions in a will leaving property to a city for a public park which the will expressly stipulated could never by used by blacks could not be honored. Each of these cases understood and carried out the intent of the case that the 14th amendment forbid consideration of racial classifications of any kind in administering societal programs.

Congress has attempted to statutorily implement the Brown decision. The most notable attempt was, of course, the Civil Rights Act of 1964. Title IV of the act contains several provisions designated to make national education policy colorblind. Section 401(b) defined "desegregation" as:

The assignment of students to public schools and within such school without regard to their race, color, religion, or national origin, but "desegregation" shall not mean the assignment of students to public schools in order to overcome racial balance.

The second part of this section was authored by Congressman Cramer of Florida. He explained clearly that the provision was necessary to prevent de facto segregation, or chance segregation caused by housing patterns and adherence to the neighborhood school concept, from becoming the object of congressionally approved desegregation schemes. Cramer, and the 88th Congress, equated the terms de facto segregation and racial imbalance (110 CONGRESSIONAL RECORD 1508).

The Senate version of the Civil Rights Act added two more amendments to insure that congressional policy would not be misconstrued to countenance any assignment of students to schools on the basis of race (section 407 of the act). The section authorizing the Attorney General to bring school desegregation suits, states that—

nothing herein shall empower any official or court of the United States to issue any order seeking to achieve a racial balance in any school by requiring the transportation of pupils or students from one school to another in order to achieve such racial balance. 42 U.S.C 2000c-6(a).

Moreover section 410 clarified that—

nothing in this title shall prohibit classification and assignment for reasons other than race, color, religion, or national origin. 42 U.S.C. 2000c-9.

Both Senate amendments were drafted and approved to prevent defacto segregation, as opposed to dejure or legally enforced segregation, from becoming a justification for the extreme remedy of busing, or assigning students to schools on the basis of race.

Senator Hubert Humphrey of Minnesota, floor manager for the bill in the Senate, explained that these amendments were intended to make doubly clear that title IV did not authorize the Attorney General to correct racial imbalance and in general—to soothe fears that title V might be read to empower the Federal Government to order the busing of children around a city in order to achieve a certain racial balance or mix in schools. 110 Cong. Rec. 12714.

Senator Humphrey stated that he was relying on the recent decision in *Bell* v. *School of Gary*, 324 F. 2nd, 209 (1963), in stating that Federal officials were not required to correct segregation unless it had been enforced by past laws.

This provision was included in the Civil Rights Act to expressly note that racial discrimination was not to be identified soley through use of numerical or statistical evidence use of numerical or statistical evidence rather than through some demonstration of wrongful intent by some individual or group of individuals. Unfortunately, the courts have disregarded this express language and instead relied upon evidence or racial imbalances within schools as proof of unlawful discrimination. Rather than placing the burden upon those alleging discrimination to demonstrate some identifiable act of discrimination, the courts have instead allowed discrimination to be adduced by evidence that some ideal racial proportion has not been achieved.

Harmful intent to discriminate was replaced with statistics that showed, for whatever reason, that more of one race than another were in a particular school or classroom. The defendant, therefore, not only had to demonstrate an absence of a corrupt state of mind, but had to show an affirmative commitment to a racially balanced institution. Treating individuals without regard to race was no longer enough, the defendant had to consider race at least to the degree that the court found proper. The problem, of course, is that no defendant could be sure in advance of adjudication if his notion of racial balance would be the same as the court's. Meantime, students had to be classed again according to race.

This in not the intent of the Constitution or Congress. Instead of considering each child in a school district only as a student, Federal courts classify students according to race. When the numerical ratio between the classes is unsatisfactory according to some subjective notion of racial balance, some black students or some white students are legally required to be hauled to a distant school simply because they are black or white. This is precisely the injustice that Brown and the Civil Rights Act intended to terminate. Prior to Brown, some students were legally required to be hauled to a distant school simply because of their race. It is a tragedy that we are still fighting to secure civil rights for our public school students.

Some commentators on this problem will undoubtedly note that the situation today is different than it was

before Brown, that assigning students to schools on the basis of race is necessary to eradicate the vestiges of past legal segregation. To that my response is clear: we are not going to put an end to racial discrimination by perpetuating distinctions based on race. School busing is nothing more than assigning students to schools on the basis of race. I repeat, Mr. President, we will never end discrimination by discriminating.

The hearings in the Constitution Subcommittee have substantiated the ill effects of a discriminatory school-busing policy. The subcommittee's hearings have demonstrated that past unconstitutional segregation—racial segregation enforced by law—is not a significant cause of existing racial imbalances in public schools.

Whatever the cause of racial imbalances in public school, the assignment of students to public schools on the basis of race—busing—results only in more segregation by inducing large numbers of families to migrate from the school systems being subjected to busing mandates or to seek alternatives to public school education. For example, according to Constitution Subcommittee witness David Armor, between 1976 and 1980 Los Angeles lost nearly one-half of its students through a combination of demographic decline and racial "flight" from Federal "desegregation" decrees. Busing not only is not the solution, it actually aggravates the problem.

Since assignment of students to public schools on the basis of race cannot be justified as a means of preventing or undoing racial discrimination by school authorities, such assignment is itself an unjustifiable practice of racial discrimination in violation of the 14th amendment.

Mr. President, one of my colleagues, Senator WEICKER, in particular, has asked me if we in the Labor and Human Resources Committee will be marking up the reauthorization of title X before the end of this year. I fully intent to see that that opportunity does occur in the committee and that we will have that opportunity of debating these matters at greater length at that particular time.

Mr. WEICKER. Mr. President, I thank my colleague from Utah for his comments. I believe especially important to note here, as a matter of procedure, is that hearings will be held on the reauthorization of title X within his committee. That is the place to debate this matter.

My colleague from Utah has indicated his feelings as to what these moneys can or should be used for. I disagree with him. But the place to resolve that is within the Labor and Human Resources Committee. The hearings are assured and I only suggest that those that have different points of view on the subject matter prepare themselves for the hearings. It will be debated there and whatever is then needed in conformity with the authorizing legislation will be placed on the continuing resolution.

So let us make no mistake about it. It was just felt, properly so, I believe, by the chairman of the authorizing committee that the appropriations bill was not the place of debate and final resolution of these matters, but later within his committee.

Mr. HATCH. If the Senator will yield, I agree with the Senator about our concern to keep it in the committee. The debate on the reauthorization of the Adolescent Family Life Act will be taking place at the same time, because I think they go hand in hand. Hopefully, we can resolve some of the complex arguments over this matter by considering both bills, as we have over the last number of years, and doing the best job we can with them.

Mr. WEICKER. Again, the chairman of the Labor and Human Resources Committee is correct. The Adolescent Family Life Program was unfunded in the bill and faced the prospect of potential funding on the floor, but that action has not been taken, so the matter can be resolved in the authorizing committee. Again, when it is resolved in the authorizing committee, then the funding, or lack thereof, will occur on the continuing resolution.

So I wish to make it very clear that the Senate action today does not, in effect, relate to the merits of either of these programs. That is to be decided within the committee of the Senator from Utah. And when that issue is resolved, the funding will follow, which is the normal course of events.

Mr. CRANSTON. Mr. President, I think it is extremely unfortunate that the situation has arisen which has resulted in the deletion of the provisions of the bill relating to the title X program.

I totally concur with the Senator from Connecticut [Mr. WEICKER], that the appropriate place for consideration of the amendments proposed by the Senator from Utah [Mr. HATCH] and others is when the authorizing committee, the Labor and Human Resources Committee, meets to consider the legislation reauthorizing the title X program.

Mr. President, on April 3, legislation, S. 881 of which I was an original cosponsor, was introduced and referred to the Labor and Human Resources Committee. S. 881 would extend the authorizations of appropriations for the title X program for an additional 3 years. This bill has strong bipartisan support. It has now been cosponsored by 33 Senators from both sides of the aisle and by individuals with widely varying perspectives on the issue of abortion. Title X has always enjoyed broad bipartisan support because it does help prevent unintended pregnancies, many of which result in abortions.

However, no action or hearings have been scheduled on this legislation by the chairman of the Labor and Human Resources Committee. I was pleased therefore to hear that the distinguished chairman of the Labor and Human Resources Committee has agreed to schedule hearings on reauthorization of the title X program as part of these negotiations. I hope that he will permit the title X legislation to be scheduled for a committee markup following such hearings. Since a majority of the members of the committee are cosponsors of S. 881, I am confident that the reauthorization legislation would easily be approved by the committee.

I am also confident that the supporters of the title X program would also oppose the kind of amendments that the Senator from Utah and others have indicated they would have proposed to the appropriations bill to alter the title X program.

Mr. President, I think it is vitally important that we clearly understand what the type of amendment described by the Senator from Utah would do.

It would not reduce the number of abortions in this country. Quite the contrary.

Title X funds cannot now be used for abortions. The GAO was requested in 1981 to investigate whether title X funds were being used for abortions and they concluded that there was no evidence that title X funds had been used for abortions or to advice clients to have abortions.

That prohibition has been part of the title X legislation since its enactment 15 years ago.

Not only are title X funds not used for abortions, but under HHS guidelines title X funds cannot be used to advocate or encourage abortions. That restriction, however, does not, has never been construed to, prevent title X grantees from providing patients with information on all of the options for dealing with an unintended pregnancy, including prenatal care, adoption, and abortion. Indeed, standard medical ethics require making information on all of the legal options available to women facing unintended pregnancies.

Title X grantees are not permitted to advocate or encourage women to have abortions. They do provice information about that alternative for women indicating a desire for that information. The GAO investigation found no evidence to suggest that title X grantees were encouraging women to have abortions.

If any violation of the policy regarding not advocating abortion to patients is found, there is ample authority under the existing HHS guidelines to

correct that situation and, if appropriate, to terminate such a grantee from the program.

But this type of amendment seeks to go a giant step beyond and forbid title X grantees from providing basic information on the legal options available to a women facing an unintended pregnancy. A grantee could not, for example, even advise a patient that State law requires that decisions about abortion must be made before the pregnancy had advanced past a particular time or that after a certain point in a pregnancy, the abortion would have to take place in a hospital rather than a clinic setting.

Mr. President, I have been advised that no responsible medical practitioner would be able to accept these kinds of restrictions on the advice that could be provided to a patient.

The changes proposed by the Senator from Utah would not merely prohibit title X program funds from being used in this manner but they would disbar from the program any grantee who provided such information with nontitle X funds. They would also disbar from the title X program any grantee which provided abortion services with other, nontitle X funds.

Mr. President, the title X prohibition regarding abortions applies only to the title X program itself. The 1970 conference report accompanying the original legislation made it clear that the prohibition did not apply to activities carried out by grantees with other sources of funds.

It is a simple reality that many Family Planning Programs are operated by entities, such as hospitals or health clinics, that provide abortion services with other sources of funds. In my own State, at least five of the title X grantees are hospitals which provide abortions for a variety of patients.

The attempts to deny title X funds to any entity which assists women in exercising a constitutional right raises, in my view, very serious policy and constitutional questions. The amendment is clearly designed to apply coercion and pressure upon these facilities to deny women access to safe medical procedures which they are legally entitled to receive.

Title X should not be manipulated or used as a political tool to achieve such a purpose. The result, again, would not be to eliminate abortions, but to make them less safe and occur later.

Mr. President, there are other aspects of the amendments proposed by the Senator from Utah and others which will certainly be thoroughly examined when the Labor and Human Resources Committee is permitted to meet to consider them, along with reauthorization of appropriations for the title X program itself.

I am confident that the committee and the Senate will reject these types of amendments which are aimed at fundamentally weakening the title X program. Making family planning services more difficult to obtain could lead only to more unintended pregnancies and more abortions—a tragic result from every perspective. Over the past 15 years, title X has been tremendously effective. Title X clinics have been estimated to have helped avert some 800,000 unintended pregnancies each year—more than half of which, it is estimated, could well have ended in abortion. The program should be extended and refunded without these kinds of gutting amendments.

AMENDMENT NO. 823

Mr. WEICKER. Mr. President, in that regard, before the Senator from Utah leaves, just to assure him that this will be taken care of, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Connecticut [Mr. WEICKER] proposes an amendment numbered 823.

On page 18, line 7, strike out "X,".

On page 18, line 11, strike out "$1,550,979,000 and insert in lieu thereof "$1,408,479,000."

Mr. WEICKER. Mr. President, this implements the second portion of the majority leader's request. I ask for passage of the amendment.

The PRESIDING OFFICER. Is there further discussion? If not, the question is on agreeing to the amendment of the Senator from Connecticut [Mr. WEICKER].

The amendment (No. 823) was agreed to.

Mr. WEICKER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 824

(Purpose: To appropriate $2,500,000 for the Excellence in Education Program)

Mr. HEINZ. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania [Mr. HEINZ], for himself and Mr. BRADLEY, proposes an amendment numbered 824.

On page 50, after line 25, add the following:

For carrying out the provisions of title VI of the Education for Economic Security Act, $2,500,000 to remain available until expended.

Mr. HEINZ. Mr. President, I would like to commend my friends, the distinguished Senator from Connecticut [Mr. WEICKER] and the distinguished Senator from Wisconsin [Mr. PROXMIRE] for their tireless efforts to fashion a fair appropriation under tremendous constraints. The concern I present this afternoon is a small one which I hope we can bring to a satisfactory conclusion.

Two years ago, the National Commission on Excellence in Education presented its report, "A Nation at Risk." It warned of a rising tide of mediocrity in our schools. Later that same year, my colleagues, Senator CHAFEE, Senator BRADLEY, Senator MOYNIHAN, Senator ANDREWS, and Senator TSONGAS joined with me in supporting the Excellence in Education Act, which passed the Senate at the close of the session. Congress appropriated $5 million for its purposes, and the House version of this bill contains a similar amount. The program is one of the few responses this Congress has which targets the serious problems faced in our schools. In particular is the need for increased reliance on basic academic skills, which is the prime focus of the measure.

My amendment would simply allow a $2½ million appropriation for the Excellence in Education Program. This level is half that of fiscal year 1985, and also half the amount appropriated by the House. The Senate has already passed a 3-year authorization for excellence in education, demonstrating the continued support of this body for the measure.

One should not infer that the program only needs half the House level. Given the gravity of the problems facing elementary and secondary education in this country, I would say that $15 million is not quite enough; $2.5 million is simply a minimal level of funding which would allow the program to survive through fiscal year 1986. The Department of Education has indicated that it will distribute the fiscal year 1985 moneys at the end of this month. Schools which are awarded excellence grants will use them to initiate modernization of curriculums and teacher incentives when school reopens in January. Unless my amendment is adopted, there will be no funding available for these initiatives in the next school year, and we will never really know if this selective, targeted Federal program worked or not. Only by accepting my amendment will we give these demonstration grants enough time—1 full year—to prove themselves.

Some in the administration have called Excellence in Education duplicative. The program has not even begun yet—underfunded as it is—and it is already attacked as duplicative. Mr. President, let me say that there is

absolutely no other program which grants both flexibility to local priorities, and yet provides the Federal Government a guarantee that a national problem will receive the national attention it deserves. Excellence in Education grants are competitive—they may only be given to schools which demonstrate the purpose and ability to use the funds wisely. They are limited to areas which the report, "A Nation at Risk," identified as deficiencies in our schools. These are: Modernizing school curricula through emphasizing basic academic skills and competence in basic functional skills; providing incentives to teachers and teams of teachers for outstanding performance; and for experiments in a changed school calendar, and special school-community and school to business relationships.

We have very few programs of this sort available. The math-science grants of the Education for Economic Security Act are laudable, but I note that the House has eliminated such funding in their appropriation, and the Senate has cut them back from the 1985 level. We have a new LEAD Program, which I hope will be of great assistance, along with the Talented Teacher Program which my colleague, Mr. SPECTER, has fought diligently for. None of these programs specifically target the activities of the Excellence in Education Act, and all are funded at very low levels. Thus, it is imperative that the Excellence in Education Act continue, even if it must be at lower level of funding.

The chapter 2 block grants to State and local education agencies are not duplicative of Excellence in Education. These moneys can be used for a broad range of purposes including metric education, with no assurance that Federal priorities will be met. Only Excellence in Education can provide such assurance, and for that reason, it is a vital and important part of our efforts.

I recognize the difficulties my colleagues faced in committee and in subcommittee with the diverse needs of our Nation. They did a fine job of choosing between a multitude of priorities. For that reason, I do not seek a large appropriation for this measure—only a bare minimum to allow it a little more time.

I will not go on at length at this point, but simply emphasize that this program is in the process of being implemented. During its first year, it has stimulated hundreds of thousands of proposals from public elementary and secondary schools throughout the United States. It has gotten teachers, administrators, students, and also parents involved in thinking about how to make their school systems better, make their classes and curricula taught better, and make the time spent in the classrooms, as well as the time spent outside more effectively used. It is an enormously stimulative program which I would like my colleagues to continue to fund.

Mr. President, I have discussed this amendment with the distinguished chairman of the subcommittee. It is my understanding that in view of the fact this has been funded previously the chairman of the subcommittee does not object to the amendment.

Mr. WEICKER. Mr. President, the amendment is acceptable on this side of the aisle.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Pennsylvania [Mr. HEINZ].

The amendment (No. 824) was agreed to.

Mr. HEINZ. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. WEICKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HEINZ. Mr. President, I want to thank my good friend and colleague, the Senator from Connecticut, and the ranking member, the distinguished Senator from Wisconsin [Mr. PROXMIRE].

Thank you, Mr. President.

Mr. WEICKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO 825

(Purpose. To add $500,000 to the Health Resources and Services account to provide assistance to two-year schools of medicine and osteopathy)

Mr. PROXMIRE. Mr. President, I send an amendment to the desk on behalf of Senator LAUTENBERG and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wisconsin [Mr. PROXMIRE], for Mr. LAUTENBERG, proposes an amendment numbered 825.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 18, line 11, strike out $1,408,479,000 and insert in lieu thereof "$1,408,979,000 of which $500,000 shall be available for assistance to two-year schools of medicine or osteopathy under section 788(a) of the Public Health Service Act;".

Mr. PROXMIRE. Mr. President, I am offering this amendment on behalf of my good friend, Senator LAUTENBERG, who is at a meeting elsewhere.

The PRESIDING OFFICER. The amendment is not in order except by unanimous consent. It amends a section of the bill which has already been amended.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I understand there is a technical problem with the amendment because this section of the bill has already been amended. But I understand there is no objection among Senators to the amendment. I ask unanimous consent that the amendment be in order notwithstanding that technical problem, and also that I be entitled to offer the amendment on behalf of Senator LAUTENBERG.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, the amendment adds $500,000 to the Health Resources and Services Administration and will provide assistance for 2-year schools of medicine and osteopathy.

The amendment has been cleared with the distinguished chairman of the subcommittee.

Mr. President, I understand my good friend from New Jersey, Senator BRADLEY, wishes to be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I hope the Senate will adopt the amendment.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 825) was agreed to.

Mr. PROXMIRE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. WEICKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PROXMIRE. Mr. President, I suggest the absense of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. EVANS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DENTON). Without objection, it is so ordered.

AMENDMENT NO. 826

(Purpose: To make available funds to carry out refugee targeted assistance which were unobligated at the close of fiscal year 1985)

Mr. EVANS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Washington [Mr. EVANS], for himself and Mr. GORTON, proposes an amendment numbered 826.

Mr. EVANS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 34, after line 17, insert the following:

REFUGEE AND ENTRANT ASSISTANCE

Notwithstanding any other provision of law, $11,526,000 of funds appropriated for fiscal year 1985 to carry out refugee targeted assistance under section 412 of the Immigration and Nationality Act, and which remained unobligated at the close of the fiscal year 1985 as a result of the failure of the Office of Management and Budget to apportion such funds, shall remain available until September 30, 1986, and shall be obligated by January 1, 1986.

Mr. EVANS. Mr. President, I offer this amendment on behalf of myself and the distinguished Senator from Washington [Mr. GORTON] to clarify congressional intent with respect to Federal refugee and entrant assistance. For the past 2 years, we have worked with the Senator from Connecticut [Mr. WEICKER] who is chairman of the Senate Appropriations Subcommittee on Labor, Health and Human Services, Education, and Related Agencies, to resolve the continuing controversy surrounding Federal refugee assistance.

The Office of Refugee Resettlement [ORR], in fiscal year 1984, did not make available to States, the full amount Congress appropriated for targeted assistance. In that fiscal year, ORR reduced from $72 million to $44 million funding for refugee social services which had already been appropriated under the fiscal year 1984 continuing resolution. In the end, $16.6 million had been unlawfully reprogrammed away from targeted assistance. The senior Senator from Washington [Mr GORTON] and I asked the Senator from Connecticut [Mr. WEICKER] to include in the Appropriations Committee report on fiscal year 1985 appropriations a clarification of congressional intent in support of funding for refugee targeted assistance. We remain deeply appreciative of the Senator's accommodation of this request.

Despite this clear statement of congressional intent in both the House and Senate reports on fiscal year 1984 appropriations, ORR, at the direction of OMB, once again was unwilling to make available to States the full amount Congress intended in fiscal year 1985. ORR has contended that the level of funding for targeted assistance should be $50 million less unused appropriations from fiscal year 1984. Such an interpretation means that only $11 million out of the $50 million Congress intended would be available for targeted assistance areas nationwide. The senior Senator from Washington [Mr. GORTON] and I, again, asked the Senator from Connecticut [Mr. WEICKER] for his help. Specifically, we asked him to include specific bill language in the fiscal year 1985 Supplemental Appropriations Act directing ORR to release all of the fiscal year 1985 funds Congress has already allocated.

Pursuant to this request, the Senator from Connecticut [Mr. WEICKER] and I engaged in a colloquy June 20, 1985, wherein the Senator assured me the Appropriations Committee had requested the Comptroller General to review the legality of ORR's action. He also assured me, in the event that the Comptroller General reported unfavorably and ORR did not release the full amount Congress intended for fiscal year 1985, he seriously would consider specific bill language in the next general appropriations bill for Labor-HHS-Education and related agencies. We now are considering the next general appropriations bill for Labor-HHS-Education. The controversy remains unresolved and I would like to review briefly what has transpired since this colloquy.

On June 28, 1985, the Comptroller General ruled that ORR acted erroneously in deducting fiscal year 1984 carry-over from the sum appropriated for refugee assistance by the fiscal year 1985 Continuing Resolution. However, the Comptroller General did not find ORR in violation of the Impoundment Control Act because ORR, in good faith, relied upon authority from a previous GAO opinion. The Comptroller General did distinguish this previous rule and found no basis upon which ORR could withhold fiscal year 1985 funds.

Despite the Comptroller General's clear and uncontroverted decision, OMB refused to release all of the fiscal year 1985 funds. On September 26, 1985, the Comptroller General notified Congress of an unlawful rescission of budget authority by ORR. However, under the Impoundment Control Act, the decision will not take effect for 45 legislative days. This means the period will not expire until November 15, 1985. Because the funds in question would not have been available after September 30, 1985, several Members of Congress sought and obtained a temporary restraining order in U.S. District Court for the Northern District of California requiring OMB to release the full amount appropriated by Congress for fiscal year 1985.

My amendment would do exactly what the Federal district court and two Comptroller General decisions have ordered: The immediate release of the full amount appropriated by Congress for refugee assistance for fiscal year 1985 which is $89,026,000.

Mr. President, this amendment is exceedingly important because it would restore and carry out the will of Congress.

There are 33 targeted assistance areas around the Nation and in the absence of such a clarification, States would be faced with an undue financial hardship. My own State of Washington would endure a loss of about $1 million in this fiscal year or a 51-percent reduction in Federal assistance—money, I might add, which the State has already counted on in its own fiscal planning.

In conclusion, I must emphasize that I am deeply disturbed by OMB's action. Not only is the amount of money involved in this controversy relatively small, but the authority upon which OMB has relied has been unanimously rejected. Targeted assistance is a vital and effective resource for States and localities in their efforts to integrate refugee population into communities. Its purpose is to help refugees off public assistance programs and encourage them to become productive members of our society. OMB's action has been a clear erosion of congressional intent as well as a deliberate attempt to frustrate the important objectives of Federal refugee assistance. I urge my colleagues to support the adoption of this amendment.

Mr. President, let me add that this amendment has been cleared on both sides of the aisle. I believe it is acceptable. I should like to add just three brief stories of what this targeted assistance has done in Washington State. I think it has proven to be a clearly more successful and in many respects better program than some of our longer standing social service programs. One is of a South Cambodian man in the United States, residing in the Seattle area for about 6 or 7 months. During that time, he enrolled in a targeted assistance janitor's training program. He then found a job as a custodian at the Group Health Hospital in Seattle and, in addition, was hired as a teaching assistant at the Highline Community College. Working at both jobs, he makes approximately $2,000 per month.

Another South Cambodian man went through the same janitorial

training program. He, too, had two jobs, one as a janitor the other as a painter, with a combined monthly salary of $2,400.

A single woman on AFDC, with three children, was trained through a targeted assistance program to work on an electronic assembly line. She is now off AFDC and has been working at a new job for about 9 months.

Mr. President, these are not rare or unusual examples, but rather common examples of the success of this program. I urge that the full amount Congress wanted to provide for this program be now mandated through this second action of Congress.

Mr. GORTON. Mr. President, I am pleased to join today with my distinguished colleague from Washington [Mr. EVANS], in cosponsoring the amendment to release funds for refugee targeted assistance.

Since fiscal year 1984, the Office of Refugee Resettlement has not made available to the States the full amount Congress appropriated for targeted assistance. This has occurred in spite of the excellent efforts by the Senator from Connecticut [Mr. WEICKER], the distinguished chairman of the Senate Appropriations Subcommittee on Labor, HHS, and Other Related Agencies.

In fiscal year 1984, the Office of Refugee Resettlement unlawfully reprogrammed away $16.6 million from targeted assistance. Again in fiscal year 1985, despite a clear statement of congressional intent in both the House and Senate reports on fiscal year 1984 appropriations, the Office of Refugee Resettlement was again unwilling to make available to States the full amount Congress intended.

Mr. President, this amendment calls for the immediate release of the full amount appropriated by Congress for refugee assistance for fiscal year 1985 which is $89,026,000. This amendment does exactly what the Federal district court and two Comptroller General decisions have ordered.

There are 33 targeted assistance areas around the Nation and if no clarification is made, States will face undue financial hardship. For example, in my own State of Washington, there would be a reduction of about 51 percent or $1 million in this fiscal year in the amount of assistance provided under this program.

Though the amount of money is relatively small, targeted assistance is a vital and effective resource aiding States and localities in their efforts to assist refugees in getting off public assistance and becoming productive members of our society. I urge my colleagues to support the adoption of this amendment.

Mr. WEICKER. Mr. President, this amendment is acceptable, and I urge its adoption.

The PRESIDING OFFICER. Is there objection? Without objection, the question is on agreeing to the amendment.

The amendment (No. 826) was agreed to.

Mr. EVANS. I move to reconsider the vote by which the amendment was agreed to.

Mr. WEICKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 827

(Purpose: To terminate the Job Corps Program)

Mr. PROXMIRE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Wisconsin [Mr. PROXMIRE] proposes an amendment numbered 827.

On page 2, line 15, delete "$3,453,677,000" and insert in lieu thereof "$2,836,677,000".

Mr. PROXMIRE. Mr. President, my amendment would delete all funding for the Job Corps Program and thus save $817 million of new budget authority in fiscal year 1986.

The Reagan administration also supports the termination of the Job Corps Program and has proposed that the program be closed down in its fiscal year 1986 budget document.

Why should we kill the Job Corps Program? The best argument, I believe, is the substantial cost of each Job Corps slot. I want to emphasize that I am talking about slots, not people, because the figure I shall use is the 1-year per-trainee cost of running a Job Corps center while an average Job Corps trainee would be processed through a center in less than a year.

What is that 1-year Job Corps training cost? In fiscal year 1985, it was estimated at $15,200. That would pay full room, board, and tuition for a student at one of the Nation's most prestigious universities. I grant that we are comparing the costs of an 8- to 9-month college education with a 12-month Job Corps expenditure, but the fact remains that we are talking about continued Federal funding for centers that cost on a comparable basis two-thirds as much as the best universities in the country.

I am not denying, Mr. President, that there is a great deal to be said for a program that removes inner city youth from a destructive environment and places them in a Job Corps center that provides the discipline and concentrated instruction so sadly lacking in their ghetto environment.

Mr. President, I have had the opportunity to visit a Job Corps center in Wisconsin. I was very impressed with the morale, the attitude, the dedication of the people who were instructing the Job Corps trainees. It was all very impressive.

Of course, it must be added that many enrollees simply cannot adjust to this disciplined environment—that is one of the problems here: About 30 percent drop out within 90 days—and others may simply be going back to the destructive conditions they left when they entered the Job Corps Program. In fact, one of the difficulties in determining just how successful the program may be is that it has been extremely difficult to locate a great many Job Corps trainees after they leave the corps. One followup study was only able to locate about 60 percent of fiscal 1987 terminees.

In any event, I contend that this program is too rich for our blood at a time when we are facing a $2 trillion national debt and a 1986 deficit of $185 billion. That $15,200 per year spent on Job Corps slots is mighty expensive when compared with the costs of vocational education programs or Job Training Partnership Act activities.

As I said earlier, in a discussion with Senator DIXON, we have 600,000 people in Wisconsin who go to vocational-technical education school. I am sure in Alabama, there is a similar very large proportion who do that. The training is excellent, it is available, people can go there and if they go there full time because they are unemployed, they can have it financed in a student loan program and pay it back after they get a job. Far more efficient, Mr. President. I am sure that is true in Connecticut, too.

In the last analysis, if a particular Job Corps center is doing impressive work, States in that part of the country should be willing to contribute to its costs and some of the private sector firms running the centers—corporations such as RCA, Singer, Teledyne and ITT should be involved in sharing those costs.

Mr. President, the only way to cut Federal spending is to scale back or eliminate Federal programs. Job Corps is a prime candidate because of its high per-trainee costs as well as the availability of other, cheaper, training opportunities through the Job Training Partnership Act, vocational education, and the like. I hope my colleagues will join me in voting to kill this program.

Mr. President, let me just summarize by pointing out what the situation is here. In fiscal year 1985, each one of the Job Corps 40,500 slots will cost the taxpayer $15,000. This cost nearly equals the annual cost of sending a student to Harvard or Stanford University, which is far beyond the reach of most American families. It is more than three times the annual cost of education at the average 4-year public university, such as the University of

Wisconsin. The cost per placement is nearly four times higher than the Job Training Partnership Act.

Despite the provision of higher cash allowances for Job Corps members who continue in the program, almost two-thirds do not remain on-board long enough to complete coursework.

Almost half of all terminees go AWOL—think of that: almost half go AWOL—or voluntarily resign; of these about 20 percent leave within 1 month of entering.

Only one-third of Job Corps terminees are reported as being employed 6 months after they leave Job Corps. This job placement rate is only marginally better than that of the discredited and terminated CETA Public Service Employment Program.

Other training programs, such as the Block Grant Training Program under the Job Training and Partnership Act JTPA, can more effectively train youth for jobs.

Recent data on the Job Training and Partnership Act show that JTPA—that act which I would continue—cost per participant is one-third of the Job Corps, and the cost per job placement is less than one-fifth of the Job Corps. In other words, JTPA, which we will continue, costs only a third as much and has five times as good a record in job placement.

The relative success of JTPA is largely due to active private business sector involvement.

Available evidence suggests that eliminating the Job Corps and transferring responsibilities to JTPA will benefit both the taxpayer and the youth who are trying to overcome their disadvantages and become permanent members of the workforce.

I might say in conclusion, Mr. President, that if we are going to have any expectation of achieving what we voted for the other day in the Gramm-Rudman-Hollings amendment, we have to start now to eliminate these programs and over the years the amount saved in cost—in 1987, 1988, 1989, 1990, 1991—will be substantial. That is the only way we can do it. If we wait and continue this program, it is going to be a lot harder next year, which is an election year, than it is now. And it is going to continue in the future.

Mr. President, I yield the floor.

Mr. HATCH. Mr. President, I cannot believe that we are again debating the benefits of the Job Corps Program. I thought that we had endorsed its unique and highly effective job training program when the proposal to eliminate it was rejected in the budget process last spring. With all due respect to the distinguished senior Senator from Wisconsin, who I know is most sincere in his intent to reduce Federal spending in this way, I do believe that debating an amendment to zero-out the Job Corps is beating a dead horse.

Every day, it seems, we are reading newspaper and magazine accounts about the long-term societal perils which accompany youth unemployment. There was such an article just yesterday in the New York Times, on page 1 no less. I agree that we must contain Federal spending in many areas, including the job training area. But, I do not agree that it is wise to eliminate the Job Corps, a program that has recently been examined under a microscope by a variety of interested parties, including the Congress, General Accounting Office, and the media, is wise.

I admit that the Job Corps is expensive on a cost-per-slot basis. But I urge my colleagues to consider the plight of youth who benefit most from the residential centers. We are not talking about the Job Training Partnership Act as a substitute for the Jobs Corps. I happen to believe in the JTPA and the programs it has made possible for youth across the Nation. I am proud to say I participated in JTPA's enactment. But the JTPA programs are geared to youth who know the difference between right and wrong and for whom poverty and lack of education are the only obstacles to success. The Job Corps, on the other hand, must not only teach job skills, it must also teach life skills. Job Corps centers are a holistic approach to rehabilitating youth who are not only economically disadvantaged, but who must shake life-threatening conditions such as alcoholism and drug abuse, illiteracy, and behavioral problems. It makes sense that the value of teamwork, cleanliness, respect, courtesy, hard work, and study, cannot be taught in an environment where such values are not exemplified, nor expected.

Considering the great deficits with which youth enter the Job Corps Program, it is remarkable that Job Corps places 75 percent of its enrollees in jobs, the Armed Forces, or in advanced training or education programs. It is not uncommon for a teenager to enter the Job Corps with only a sixth grade reading level, obtain a high school diploma, and leave Job Corps as a matriculated student of a 2- or 4-year college.

Mr. President, I wish more of our colleagues would take the time to visit with the students in the Job Corps Centers located in their home States. I have toured both the Clearfield and Weber Basin Job Corps Centers in Utah and have greatly enjoyed my chats with the students. These kids are going places. There is no doubt in my mind that without Job Corps, they would still be going backward. These youth are the personification of the fact that Job Corps returns 45 percent more in social benefits than it costs.

Now, I am not blind to Job Corps' faults. I have publicly noted several issues within the program which must be addressed. These include standards for facilities and equipment, retention rates both among corps members and those newly placed in jobs, and the adequacy of vocational programs in meeting the demands of entry level private sector employment. The Labor and Human Resources Committee as well as two House subcommittees have held oversight hearings on the Job Corps. I have pledged to work with the Department of Labor in addressing these issues: I think we can improve the program. We should not kill it.

I salute Senator WEICKER for the bill's current provision for the Job Corps. A freeze at fiscal 1985 levels is, to me, a responsible appropriation given the Federal deficit. I agree we should not increase Job Corps above this level this year, as much as some of us might like to. I believe we could justify an increase if the deficit were not an issue. But we all know that money does not grow on trees and we must restrain spending. That does not mean, however, that we throw the baby out with the bath water. We should not sacrifice the only program aimed at this targeted group of youth.

I ask my colleagues to vote against the amendment of the Senator from Wisconsin.

Mr. WEICKER. Mr. President, I rise to oppose the amendment of the distinguished Senator from Wisconsin.

Evaluations of the Job Corps indicate that the economic benefits to society far outweigh the costs; an estimated $1.46 is returned for each dollar invested, that from a study conducted under Labor Department contract by Mathematica Policy Research.

Each year, the program enrolls more than 100,000 disadvantaged youth, and places 90 percent in jobs, higher education, or the Armed Forces.

These results have been obtained with a group of young people that are so severely disadvantaged that they need residential living away from disruptive homes to get a new start in life. Seventy-five percent are minorities; 90 percent are school dropouts; 38 percent have been arrested, and 19 percent convicted. Almost all come from impoverished families.

The average cost per trainee of $5,200 covers residential living, basic education, vocational skills training, health care and education, counseling and job placement. The plus-$15,000 annual "slot" cost is misleading, since more than one youth is served during each 12-month "slot."

The committee has exercised restraint in freezing Job Corps at last year's level of $617 million, compared to the $640 million House allowance. At the Senate level, the Labor Department has indicated it would have to

close 3 to 5 of the existing 107 Job Corps centers.

I hope that the amendment would be defeated.

Mr. PROXMIRE. Mr. President, I recognize the problem with this amendment. I knew that my good friend, the Senator from Connecticut, was going to oppose it. I have discussed this with a number of Senators, and I regretfully withdraw the amendment. But I am going to send another amendment to the desk, on which I will ask the yeas and nays, which I think has an even stronger case than Job Corps.

I wish I could press the Job Corps amendment, but I recognize I am up against a real powerhouse, and so I will send another amendment to the desk.

The PRESIDING OFFICER. The Senator from Wisconsin is advised that it does take unanimous consent to withdraw the amendment.

Mr. PROXMIRE. Mr. President, I ask unanimous consent I may withdraw my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 828

(Purpose: An amendment to terminate the Work Incentive (WIN) Program)

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Wisconsin [Mr. PROXMIRE] proposes an amendment numbered 828.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 36, beginning with line 24, strike all through line 8 on page 37.

Mr. PROXMIRE. My amendment would delete $266,760,000 provided in the bill as reported from committee for the Work Incentive WIN Program. If we are serious about making inroads into our enormous budget deficits, WIN is a prime candidate for extinction.

Now, what does the WIN Program do? It provides employment and training services for the recipients of Aid to Families with Dependent Childen—AFDC—who are required to register for employment and work-related training. According to the budget justification for the program, its intent is to place the maximum number of participants in self-supporting employment, thus reducing the Nation's welfare assistance costs.

It has been argued by the Reagan administration, which supports the termination of the WIN Program—they want to end it so presumably they would support this amendment—that studies by the General Accounting Office—nobody can say the General Accounting Office is not objective—and private contractors have shown that the program is not cost-effective. For example, a June 1982 General Accounting Office study claims that the vast majority of those reported as entering employment through WIN actually find jobs on their own without WIN assistance.

Well, I am not going to argue the effectivenss or lack of effectiveness of the program. If the program is being used effectively by a particular State to move welfare recipients off the dole, then that State has every reason in the world to pay for WIN training costs with State dollars. After all, the States have to ante up roughly 50 cents of each dollar paid to AFDC clients and other welfare recipients. A cost-effective training program—which this one is not—should be worth its weight in gold to a State and that State should be more than willing to pick up 100 percent of its costs.

On the other hand, if WIN is not working in another State, it is highly unlikely that the State will pick up its costs after the Federal dollars stop. And why should they? In fact, why should Uncle Sam be picking up those costs today? The answer is, he should not, and if my amendment passes, he would not.

Let me mention one other reason why we should do away with the WIN Program. The program discriminates against welfare recipients by putting them in a special category when they should be merged with other out-of-work Americans who receive assistance under the Job Training Partnership Act. The basic thrust behind, JTPA, as I understand it, is to involve the private sector with State and local governments in a comprehensive effort to supply training and jobs for the unemployed, teenagers, the undereducated, and other groups that have fared badly in the job market. I suspect that individual States are currently providing assistance to AFDC recipients using JTPA dollars.

WIN simply represents a duplicative competing system that should have been eliminated at the time we passed the Job Training Partnership Act and that tends to undermine the act by creating a special class of out-of-work Americans. If we truly believe that the JTPA way is the best way to provide training, then we should not deny this training to AFDC recipients or permit the competing WIN system to remain in operation.

I hope that my colleagues will join me in making a significant budget cut in fiscal year 1986, and saving about $210 million in 1986 outlays in the process, by supporting my amendment to kill the WIN Program.

Mr. President, let me summarize by pointing out that the deficit reduction plan proposes termination of WIN and the Community Services Block Grant. I guess the Community Services Block Grant will not be offered, but I am offering WIN now.

WIN provides job search, limited training, and support services to AFDC recipients. However, a recent GAO survey showed that taxpayers get back only 25 cents for every dollar spent in WIN.

About $3 in $4—listen to this—are spent for State bureaucrats' salaries and overhead, not for training for AFDC recipients.

I have received a number of letters from Governors, including Wisconsin, who say they like this program; they want to keep it. I understand why. But I think they are wrong, and if they were in the Senate, they would see why they are wrong, too.

Job finding and job training services can be provided more efficiently through the multi-billion-dollar Job Training Partnership Act State Training Grant Program.

Mr. President, I yield the floor.

Mr. WEICKER. I rise in opposition to the amendment of the distinguished Senator from Wisconsin. This program trains and places welfare recipients, mostly women on AFDC, into permanent jobs, and it is estimated to save $2 in welfare costs for each $1 invested in job training. The Labor Department has long since made adjustments in the WIN Program called for in a 1984 critical GAO report, and I would suggest that in terms of cost effectiveness and dealing with the problem, the program is now of such a nature and administered in such a way as to represent a savings to the taxpayers of this Nation. I oppose the amendment, and I hope it is rejected.

Mr. PROXMIRE. Mr. President, may I say in addition on my amendment, what I am talking about is the estimate of the General Accounting Office. As I say, the General Accounting Office makes these estimates on the basis of very careful study. I have used the General Accounting Office probably as much as any Senator in the years I have been here. I have never seen them to be inaccurate, because what they do is submit their findings to the agency involved when they are critical of it, and the agency can correct it. But the study by the General Accounting Office has shown that it is not cost effective. They claim that the vast majority of those reported as entering employment through WIN actually find jobs on their own without WIN assistance.

As I pointed out before, they get only 25 percent of benefits in return for each dollar spent. It is hard to conceive of a more wasteful program. It is a program that the Governors approved because you are spending Federal money and not their money.

Mr. DIXON. Mr. President, I should like to be heard briefly in opposition to the amendment to eliminate the WIN Program which has been offered by my friend from Wisconsin.

On several past occasions, I have been one of the cosponsors in retaining this program. As a matter of fact, last year, 22 of us cosponsored the effort to retain this program.

In 1984, the program cost the Federal Government $271 million. The program found jobs for 354,396 people, mostly women, It saved $587,072,000 in AFDC payments, and brought in taxes on $3,366,762,000 in income.

Mr. President, we should understand that the WIN Program aims to assist welfare applicants and recipients to get into unsubsidized employment by providing skill assessments, job training, supporting services, and job placement. It has been working well in 34 States.

I think it would be a massive mistake to cut out the money for this program, which returns $2 for every dollar spent and follows the theory of this administration's policy of trying to take people off welfare and put them into productive jobs.

I earnestly hope the Senate will oppose the amendment.

Mr. PROXMIRE. Mr. President, I must respond to my friend from Illinois.

In the first place, the Senator makes an estimate that this is cost effective. As I say, the General Accounting Office, which is about as authoritative as you can get, said it is not cost effective, that it costs $1 for every 25 cents you get back.

In other words, you lose three times as much as you get. If you can get a more authoritative source than the General Accounting Office, I would like to hear it.

Furthermore, it is appealing to say that this is for welfare recipients, and especially women. I emphasize that this program discriminates against welfare recipients by putting them in a special category when they should be merged with other out-of-work Americans who receive assistance under the Job Training Partnership Act. I want to treat men and women exactly the same. The basic thrust behind JTPA, as I understand it, is to involve the private sector with State and local governments. That is what we should have, and that is what is in the law now. We should do so in a comprehensive effort to supply training and jobs for the unemployed, teenagers, the under-educated, and other groups that have fared badly in the job market.

I suspect that individual States are currently providing assistance to AFDC recipients using JPTA dollars. WIN simply represents a duplicative competing system that should have been eliminated at the time we passed the Job Training Partnership Act, and that tends to undermine the act by creating a special class of out-of-work Americans and handles it in a way, as has been documented, that it simply does not work effectively today.

Mr. WEICKER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. WEICKER. Mr. President, I move to table the amendment of the distinguished Senator from Illinois [Mr. DIXON], which is due for a vote at 3:30, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 783

(Purpose: To appropriate an additional $5,700,000 for the Runaway and Homeless Youth Act)

Mr. WEICKER. Mr. President, I call up amendment No. 783, on behalf of the Senator from Florida [Mrs. HAWKINS], and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The legislative clerk read as follows:

The Senator from Connecticut [Mr. WEICKER], for Mrs. HAWKINS, proposes an amendment numbered 783.

Mr. WEICKER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 36, line 18, strike out "$2,006,422,000" and insert in lieu thereof "$2,012,122,000".

(By request of Mr. WEICKER, the following statement was ordered to be printed in the RECORD:)

● Mrs. HAWKINS. Mr. President, this amendment, cosponsored by Senator SIMON, would increase the appropriations for the Runaway and Homeless Youth Act by $3 million, raising the total from $23.25 million to $26.25 million for fiscal year 1986. I feel that this increase is not only justified, but essential if we are to protect these children from the dangers of the street and reduce more costly expenditures in terms of incarceration, institutionalization, crime and the incalculable cost in human lives.

My Subcommittee on Children, Family, Drugs and Alcoholism held a hearing on the exploitation of runaways on October 1. I was very moved by the dramatic testimony of witnesses who documented not only the plight of runaway and homeless children, but the success of runaway and homeless youth programs serving these children and their families.

Mr. President, Congress was first motivated to provide Federal funding for programs serving runaway and homeless youth after the discovery of the runaway teenagers found tortured and murdered in Houston, TX, in the late 1970's. Unfortunately, this is not an isolated example. In Seattle, WA, a repeat murderer called the Green River killer has already strangled 32 young teenage runaways. Runaway and homeless children continue to be preyed upon because it seems no one cares, no one protects these children from harm.

But we do care and we can help. The Runaway and Homeless Youth Act provides Federal financial assistance to 273 shelters and youth programs in all 50 States. These programs have an excellent record of successfully returning runaway youth to their homes or otherwise placing them in a safe environment. But these programs are too few, and the problems of the children they are seeing is escalating beyond their capabilities. The runaway and homeless youth programs desperately need additional funding to expand their services and provide staff and volunteers with the training necessary to help children cope with the complex problems that forced them to flee to the streets.

This money is very well spent. Each Federal dollar allocated leverages an average of $3 in State, local, and private funding. My State of Florida has budgeted $1.8 million for runaway programs. In passing the Florida Runaway Youth and Family Act, the State legislature specifically cited the cost efficiency of early intervention through community based programs. They recognized that without such services taxpayers will bear the increasing costs of emergency shelter, foster care and long-term group living programs as well as court-order supervision or incarceration for those runaways who run afoul of the law.

Last year, Florida's runaway and youth service program were able to serve approximately 7,500 children. But despite the efforts of these centers, Florida still leads the Nation in the number of children placed in secure detention. During the fiscal year 1984–85, 2,271 nonoffenders, the majority being runaway and homeless youth, were placed in secure detention, a 46-percent increase over the previous year. These secure detentions most frequently occur in countries where runaway and youth shelters do not exist or are filled to capacity.

Clearly, it is more cost effective to fund preventive programs such as the runaway and youth programs rather than wait and have the taxpayers bear the cost of a delinquent child. Cost effectiveness and self-sufficiency are the keys to this program.

Unfortunately the major portion of funding for children's services still goes to the most expensive and end of the line interventions. Each year we place more and more money into residential programs for emotionally disturbed children. In Florida alone in the children's programs, we are presently spending two-thirds gf a $20 million budget in the children, youth, and families program for residential treatment compared to only about 7 percent for prevention.

By not adequately funding this program, we are incurring additional costs at a later date. The runaway and youth shelters in the Nation have an excellent rate of successful intervention with these troubled children and their families. But because of inadequate funding, far too many children are being denied service they need to avoid the dangers of the street. A July 1985 report by the National Network of Runaway and Youth Services, Inc., entitled "To Whom Do They Belong? A Profile of American's Runaway and Homeless Youth and the Programs That Help Serve Them," found that runaway and homeless youth shelters were forced to turn away at least 6,732 youth because the shelter was filled to capacity and there was no available space. Another 3,518 youth were turned away because it was determined that the shelter could not supply the counseling or treatment necessary to serve an increasingly more troubled clientele.●

Mr. WEICKER. Mr. President, the amendment is acceptable.

Mr. PROXMIRE. Mr. President, there is no objection on our side.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 783) was agreed to.

Mr. WEICKER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WEICKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WEICKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 822

The PRESIDING OFFICER. Under the previous order, the question occurs on agreeing to the motion to lay on the table the amendment of the Senator from Illinois [Mr. DIXON].

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from North Dakota [Mr. ANDREWS], the Senator from New York [Mr. D'AMATO], the Senator from Florida [Mrs. HAWKINS], the Senator from Maryland [Mr. MATHIAS], the Senator from South Dakota [Mr. PRESSLER], the Senator from Alaska [Mr. STEVENS], and the Senator from Idaho [Mr. SYMMS] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Hawaii [Mr. INOUYE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Louisiana [Mr. LONG], the Senator from Hawaii [Mr. MATSUNAGA], the Senator from New York [Mr. MOYNIHAN], and the Senator from Rhode Island [Mr. PELL] are necessarily absent.

I also announce that the Senator from Michigan [Mr. LEVIN] is absent because of death in the family.

I further announce that, if present and voting, the Senator from Rhode Island [Mr. PELL] would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 53, nays 33, as follows:

[Rollcall Vote No. 235 Leg.]

YEAS—53

Abdnor	Exon	McClure
Armstrong	Garn	McConnell
Baucus	Goldwater	Murkowski
Bentsen	Gore	Nickles
Bingaman	Gorton	Nunn
Boren	Gramm	Proxmire
Boschwitz	Grassley	Roth
Chafee	Hatfield	Rudman
Chiles	Hecht	Simpson
Cochran	Helms	Stafford
Cranston	Humphrey	Stennis
Danforth	Johnston	Thurmond
DeConcini	Kassebaum	Trible
Denton	Kasten	Wallop
Dole	Laxalt	Warner
Domenici	Leahy	Weicker
East	Lugar	Wilson
Evans	Mattingly	

NAYS—33

Biden	Glenn	Mitchell
Bradley	Harkin	Packwood
Bumpers	Hart	Pryor
Burdick	Hatch	Quayle
Byrd	Heflin	Riegle
Cohen	Heinz	Rockefeller
Dixon	Hollings	Sarbanes
Dodd	Kerry	Sasser
Durenberger	Lautenberg	Simon
Eagleton	Melcher	Specter
Ford	Metzenbaum	Zorinsky

NOT VOTING—14

Andrews	Levin	Pell
D'Amato	Long	Pressler
Hawkins	Mathias	Stevens
Inouye	Matsunaga	Symms
Kennedy	Moynihan	

So the motion to lay on the table was agreed to.

Mr. WEICKER. Mr. President, I move to reconsider the vote by which the motion to table was agreed to.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 828

The PRESIDING OFFICER (Mr. COCHRAN). The question is on agreeing to the amendment of the Senator from Wisconsin. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from North Dakota [Mr. ANDREWS], the Senator from New York [Mr. D'AMATO], the Senator from Florida [Mrs. HAWKINS], the Senator from Maryland [Mr. MATHIAS], the Senator from South Dakota [Mr. PRESSLER], the Senator from Alaska [Mr. STEVENS], and the Senator from Idaho [Mr. SYMMS] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Hawaii [Mr. INOUYE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Louisiana [Mr. Long], the Senator from Hawaii [Mr. MATSUNAGA], the Senator from New York [Mr. MOYNIHAN], and the Senator from Rhode Island [Mr. PELL] are necessarily absent.

I also announce that the Senator from Michigan [Mr. LEVIN] is absent because of death in the family.

I further announce that, if present and voting, the Senator from Rhode Island [Mr. PELL] would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 20, nays 66, as follows:

[Rollcall Vote No. 236 Leg.]

YEAS—20

Armstrong	Hecht	Proxmire
Boschwitz	Heflin	Quayle
Denton	Helms	Roth
East	Humphrey	Thurmond
Exon	Mattingly	Wallop
Goldwater	McClure	Zorinsky
Gramm	Nickles	

NAYS—66

Abdnor	Eagleton	McConnell
Baucus	Evans	Melcher
Bentsen	Ford	Metzenbaum
Biden	Garn	Mitchell
Bingaman	Glenn	Murkowski
Boren	Gore	Nunn
Bradley	Gorton	Packwood
Bumpers	Grassley	Pryor
Burdick	Harkin	Riegle
Byrd	Hart	Rockefeller
Chafee	Hatch	Rudman
Chiles	Hatfield	Sarbanes
Cochran	Heinz	Sasser
Cohen	Hollings	Simon
Cranston	Johnston	Simpson
Danforth	Kassebaum	Specter
DeConcini	Kasten	Stafford
Dixon	Kerry	Stennis
Dodd	Lautenberg	Trible
Dole	Laxalt	Warner
Domenici	Leahy	Weicker
Durenberger	Lugar	Wilson

NOT VOTING—14

Andrews	Levin	Pell
D'Amato	Long	Pressler
Hawkins	Mathias	Stevens
Inouye	Matsunaga	Symms
Kennedy	Moynihan	

So the amendment (No. 828) was rejected.

Mr. WEICKER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, may we please have order?

The PRESIDING OFFICER. Will the Senate please be in order?

The Senator from Connecticut.

Mr. WEICKER. Mr. President, I hoped those Senators who have worked out their amendments with the distinguished Senator from Wisconsin and myself would be here on the floor right now to present those amendments, and that we could conclude consideration of this bill. If it is not done tonight, I am not inclined to wait to see it done tomorrow.

That is not to say it cannot happen. We are trying to move the legislation along and I would deeply appreciate it if my colleagues would present their amendments. We are prepared to help, and Senators can assist by coming to present their requests.

Mr. DOLE. Mr. President, may I make an announcement? If we could have order, I would like to discuss with the distinguished minority leader—in fact, I shall yield to him so we may discuss the program for the balance of the day and tomorrow.

Mr. BYRD. Mr. President, I thank the distinguished majority leader. May we have order so that the majority leader and I may be heard?

The PRESIDING OFFICER. Will the Senate please be in order?

The Democratic leader.

Mr. BYRD. Mr. President, I thank the Chair.

Mr. President, the distinguished majority leader was about to proceed with the outline of the program. That was why I sought recognition. If he could do that and tell us whether or not there will be other rollcall votes today and what the program is for tomorrow, and Wednesday, and so on.

Mr. DOLE. Mr. President, I thank the distinguished minority leader. I understand from the managers of the bill that there will probably be two additional rollcall votes, a Proxmire amendment and final passage; that the others could be resolved somehow with the managers of the bill, and there are four or five of those. I am also advised that some of our colleagues on each side are absent not because they are not trying to get back but because there happens to be some weather around in some areas. And so it would seem to me that it would not disadvantage anyone to have the vote on the Proxmire amendment and final passage sometime tomorrow, maybe at 2 o'clock after the policy luncheon. I do not know how much debate there will be on the Proxmire amendment but hopefully——

Mr. PROXMIRE. As far as I am concerned on my side, I think 15 minutes will be plenty.

Mr. DOLE. So we could conclude action on the bill then and have the votes between 2 and 3 o'clock. I hope we might do that. I know both Senators DOMENICI and CHILES are anxious to get on reconciliation full time, so we will plan on concluding this bill between 2 and 3 o'clock tomorrow. It is still my hope to have another appropriation bill which we can start on at 8 o'clock in the morning, and we are trying to find one where we can move rather quickly because I do want to keep my word to Senators CHILES and DOMENICI on the reconciliation bill.

I would also say that after the managers accept amendments or whatever they are going to do with the amendments that can be dealt with this afternoon, we could spend a couple hours on the reconciliation bill yet this afternoon. Now, if there are votes, I would attempt to put those over until tomorrow.

Mr. BYRD. Mr. President, will the distinguished majority leader indicate when the farm bill will come up and also if he might tell us when he expects to go back to the trade legislation on which we were acting a few days ago and which he has indicated will be coming back up after reconciliation, I believe?

Mr. DOLE. I did indicate that it would come up after reconciliation and in the meantime we have taken up some appropriations bills, so that I think to keep my pledge to both Senators HOLLINGS and THURMOND and others, we need to call up the Micronesia bill sometime this week or in the alternative call up the House-passed textile bill, offer an amendment to that, and file cloture, whatever. We are working with the parties on that agreement.

It is also my hope that the farm bill can come up certainly no later than Thursday, but that will depend on how much time reconciliation takes. We still have 10 to 12 hours, I believe. How much time is there on reconciliation?

The PRESIDING OFFICER. The Chair is advised that just under 16½ hours remain.

Mr. DOLE. I do not believe that is correct. That does not give us credit for the last agreement we made. But, in any event, we are going to try to get to the farm bill this week and also Micronesia in addition to at least one appropriation bill.

Mr. BYRD. My final question: Does the distinguished majority leader expect any rollcalls tomorrow morning or prior to noon? He has indicated we will have rollcalls on the remaining amendment and final passage of this measure, but will there be any other rollcalls he might anticipate tomorrow morning?

Mr. DOLE. I might just alert my colleagues there could be rollcall votes as early as, say, 9:30 or 10 o'clock tomorrow morning. We hope to have a vote tomorrow morning to extend the 1971 international wheat agreement. That would be a rollcall vote. And hopefully, if we can find an appropriation bill, there could be votes by, I would say, 10 or 10:30.

Mr. BYRD. Mr. President, I thank the able majority leader.

Mr. DOLE. I think it is also fair to say that we will probably have a Friday session, hopefully not run too late on Friday.

AMENDMENT NO. 829

(Purpose: To provide an appropriation for the National Center for the Study of Afro-American History and Culture)

Mr. GLENN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Ohio [Mr. GLENN] proposes an amendment numbered 829.

Mr. GLENN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 67, after line 24, insert the following:

NATIONAL CENTER FOR THE STUDY OF AFRO-AMERICAN HISTORY AND CULTURE

For necessary expenses for the National Center for the Study of Afro-American History and Culture Act (title II, Public Law 96-430), $200,000.

Mr. GLENN. Mr. President, I rise today in support of a measure to provide funds for the National Center for the Study of Afro-American History and Culture. In 1980, I sponsored legislation which established the National Afro-American History and Culture Commission. This 15-member Commission is charged with the responsibility for planning the development of the center located at Wilberforce, OH. No Federal funds have been provided either for the construction of the center or for the expenses of the Commission.

This Commission was established by Public Law 96-430 and the President has appointed the Commissioners. Although representatives of the Department of Education, the Department of the Interior, the Smithsonian Institution, and the Library of Congress are included on the Commission along with Presidential appointees and even though this Commission was established by Federal law, no Federal funds are appropriated so that the Commission can carry out its work.

This Commission has met twice during the past year and their ex-

penses have been paid by funds appropriated by the State of Ohio for the construction of the center. It is my feeling that the Commission should be supported in its efforts to plan the future of this important project by providing the necessary funds to pay for the meeting expenses of the Commission. I might point out that the early phases of this project are already under way and that Ohio has committed almost $9 million for the center's construction. I feel we should do our part and defray the expenses incurred by the Commission. This will ensure that the money provided by the State and private contributors will be used for construction and that the Congress provide $200,000 for the Commission to pay for necessary expenses to hold its meetings.

Mr. President, this amendment has been discussed with both floor managers and I believe they are prepared to accept it.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio.

The amendment (No. 829) was agreed to.

Mr. GLENN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 830

(Purpose: To add funds for childhood immunization program)

Mr. BUMPERS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS] proposes an amendment numbered 830.

Mr. BUMPERS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 22, line 3, strike "$477,777,000" and insert in lieu thereof "$480,277,000" of which $59,906,000 shall be available for the childhood immunization program, and".

Mr. BUMPERS. Mr. President, this is an amendment which adds $2.5 million to the Childhood Immunization Program administered by the Centers for Disease Control. It is my intent that this amendment increase the State Grants Program funding. There is a very simple reason for this amendment, and that is that there are a very limited number of manufacturers of the DTP vaccine. The obvious reason for the shortage of manufacturers is that 1 out of every 350,000 DTP immunizations results in a serious reaction, and as a consequence these pharmaceutical companies are being sued frequently and for large amounts.

Now, the Lederle Co. is one of the principal manufacturers of the DTP vaccine, and Lederle representatives say the company is getting hit by lawsuits from the families of children who suffer these serious reactions. Lederle testified before the Labor and Human Resources Committee's hearing on S. 827 that the company had 115 cases for both DTP and polio pending, with some of the suits claiming as much as $150 million in damages. They also testified that those 115 claims against Lederle represented a total possible judgment of $2 billion.

Now, as a consequence of the "20/20" show on vaccine injuries in 1982, the number of vaccine injury cases has gotten completely out of hand and a number of Senators are sponsoring a vaccine injury compensation bill which will set up an alternative, administrative compensation system and allow parents of injured children to seek fair compensation through this system. We are trying to deal with vaccine injuries in a more rational manner than we have in the past. Many Senators know that I have fought for the immunization program ever since I have been in the Senate, and my wife was very active in Arkansas' immunization program and in the national immunization program. The immunization program saves unbelievable amounts of money: Estimated benefits run as high as $23 for every $1 we invest. But listen to these figures, Mr. President, and you will understand why we are really in a crisis.

In 1981, the cost of a DTP vaccine shot was 10½ cents. On July 15 of this year Lederle announced that they were increasing the price of the vaccine from $2.80 to $4.29. And yet the funding for the immunization program has not kept up with price increases. The first thing you know, we are going to have vaccines for children whose families can afford them and we will not have the immunization program for children whose families cannot afford them and who depend on public health clinics for their immunizations. We do not want to do that.

I thank the chairman of the committee for graciously agreeing to a $2.5 million increase. But I should say now that we will be asking for more funding for this program on the supplemental, because as these vaccine prices we will have to have more money. I do not want anybody to be deceived about that.

One other point I do want to get into the RECORD: I mentioned a moment ago that Lederle testified that they had 115 cases pending against them, with a total exposure of $2 billion. But here is what their 1984 annual report said:

The company and its subsidiaries are parties to numerous suits and claims arising out of the conduct of the business. Included among such suits are approximately sixty-six involving personal injury occurring in connection with administration of the company's DPT and oral polio vaccines; these suits involve very large damage claims, including claims for punitive damages in many cases. In the opinion of management, the ultimate liability resulting from all pending suits and claims (after taking into account insurance coverage) will not have a material adverse effect upon the consolidated financial position of the company and its subsidiaries.

I am reluctant to read that, because I do not want anybody to use that to vote against the compensation bill. I think the compensation bill is absolutely essential. But I want to serve notice on the vaccine manufacturer that the people here want to know what their exposure is so we can deal with the vaccine injury issue properly.

Mr. President, I ask unanimous consent that my amendment be declared in order, since it amends a section of the bill previously amended.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METZENBAUM. Mr. President, will the Senator yield for a question?

Mr. BUMPERS. I yield.

Mr. METZENBAUM. In connection with the compensation bill, of which there are two versions, am I correct in my assumption that the amendment of the Senator from Arkansas at this point has nothing to do with that, and this only has to do with a matter of appropriation for funding for research?

Mr. BUMPERS. The Senator is correct. The amendment will provide funds for the Childhood Immunization Program run by the Centers for Disease Control.

Mr. METZENBAUM. I thank the Senator.

Mr. WEICKER. Mr. President, I support the amendment of the distinguished Senator from Arkansas.

This matter of immunization has been one that Senator BUMPERS has followed through on since I have been chairman of the subcommittee, and even before that. I commend him for his interest.

I believe that we get some sort of answer from Lederle. It might be that the committee should correspond with Lederle and ask them exactly what the facts are. I think we should know.

Mr. BUMPERS. I think that would be in order, because I believe the compensation bill is scheduled to be marked up next week by the authorization committee.

Mr. WEICKER. We will try to get that answer.

In the meantime, I hope the amendment is adopted.

VACCINE RESEARCH

● Mrs. HAWKINS. This body has assigned a high priority to resources to support NIH activities and rightly so.

Somewhere in that budget, basic research dollars are provided to stimulate and prompt vaccine development. With limited Federal resources, priorities must be identified. At issue here is where in this list of research priorities at NIH do we stand with respect to vaccine innovation and development for our children? With the technology now available, safer and more effective pediatric vaccines are on the horizon. Are we doing enough? Can we do more? Vaccines going into the arms of our children must be the very best that science can offer.●

● Mr. WEICKER. I share the concern of the Senator. Full utilization of new techniques in biotechnology should be a priority at NIH, especially as they pertain to the pediatric vaccines that protect our children from the ravages of disease. I will direct NIH to report to this body as to their allocation of resources in the area and the steps they have taken toward safer and more effective immunizing agents for our children.●

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 830) was agreed to.

Mr. BUMPERS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. WEICKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 831

(Purpose: To add $3,000,000 for the recruitment, outreach, and training for special needs children under the adoption opportunities program)

Mr. METZENBAUM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Ohio [Mr. METZENBAUM] proposes an amendment numbered 831.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 36, line 23, strike out "$807,412,000." and insert "$810,412,000, of which $3,000,000 shall be available for activities under title II of Public Law 95-266 (adoption opportunities) (in addition to amounts otherwise available under this heading for activities under such title), for the recruitment and outreach of families to adopt special needs children, including minority children, and for the training of personnel to recruit and work with such families.".

Mr. METZENBAUM. Mr. President, I am offering an amendment to the adoption opportunities program—title II of the Child Abuse Prevention and Treatment and Adoption Reform Act—requesting an increase of the fiscal year 1986 appropriation level to its fully authorized level of $5 million. The program is currently funded for $2 million. That $2 million provides for a national adoption information exchange. And that is necessary.

However, at hearings on barriers to special needs adoption, the Labor and Human Resources Committee heard testimony on a range of problems which prevent special needs children from moving out of their temporary foster placements into permanent adoptive homes. Too frequently those temporary placements keep children permanently in the custody of the State without ever knowing the love and security of a permanent family.

Professional experts who have successfully placed special needs children—the handicapped, the sibling groups, the older children, and minority children—testified that one of the barriers to such placement is lack of money to train workers and to target recruitment and outreach efforts.

Therefore, the amendment I am offering would provide the fully authorized level of appropriations to $5 million, an increase of $3 million over the current appropriations, specifically targeted for recruitment and outreach efforts, including minority adoptive families, and to training of workers.

I believe this to be a cost-savings amendment, for it would eliminate much of the high costs of foster care. And later homelessness and dependency and I believe it to be a humane amendment in providing permanent homes for special needs children, including minority children.

Mr. WEICKER. Mr. President, I commend the distinguished Senator from Ohio for his amendment. It is acceptable to the committee.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 831) was agreed to.

Mr. WEICKER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. METZENBAUM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 832

(Purpose: To appropriate $3,000,000 to hire additional mine safety and health inspectors)

Mr. METZENBAUM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Ohio [Mr. METZENBAUM] proposes an amendment numbered 832.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 14, line 11, strike out "$150,224,000" and insert in lieu thereof "$153,224,000".

Mr. METZENBAUM. Mr. President, the Mine Safety and Health Administration [MSHA] is required by law to carry out a minimum number of inspections: Four a year for underground mines, and two a year for surface mines.

GAO has found that many of these mandated inspections are not being carried out—in particular, only 62 percent of surface metal/nonmetal mine inspections required under the act were completed in 1984.

This alarming failure to carry out the law dates back to at least 1983, and is projected to continue unless we act.

In 1984, MSHA did not perform 7,100 mandatory inspections of surface mines.

For 1985, MSHA's plans called for no inspections of nearly 5,000 surface mines.

Thousands of violations in these uninspected mines are going undiscovered. This cannot be allowed to continue.

The lack of an adequate number of inspectors creates serious safety and health risks even where inspections are performed.

For example, in a coal mine explosion in 1984 in Greenwich, PA, in which 3 died and 11 were injured, MSHA was forced to admit that the inspections conducted prior to this accident were seriously incomplete. In fact, one ventilation specialist testified that he was nearly 2 years behind in his reviews in this region.

This Appropriations Committee has repeatedly expressed its concern that MSHA must meet the requirements for inspections set forth in the act.

Exactly 2 years ago, this committee explicitly directed MSHA to advise the Senate if it was unable to conduct the required inspections.

This year, this committee has learned of the dangerous inspection shortfall, and has ordered MSHA to report with revised inspection plans by December 1.

My amendment allows MSHA to hire an adequate number of inspectors to do the job we want them to do. We must not wait for the next mine disaster before we act on this matter.

We know that MSHA is not carrying out the inspections necessary to protect this country's miners. This amendment will go a long way toward diminishing the risk undertaken by those miners.

Mr. WEICKER. Mr. President, the amendment is acceptable.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 832) was agreed to.

Mr. METZENBAUM. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. WEICKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. METZENBAUM. Mr. President, I express my appreciation for the understanding and cooperation of the managers of the bill, Senator WEICKER and Senator PROXMIRE. As always, they are understanding and cooperative in matters of concern for the general welfare of the people of this country.

Mr. WEICKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 833

(Purpose: To provide administration monies to the 50 States, the District of Columbia, and Puerto Rico for the Federal Merit Scholarship Program)

Mr. BYRD. Mr. President, I sent an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD] proposes an amendment numbered 833.

Mr. BYRD. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Page 58, line 9, strike $5,000,000 and insert in lieu thereof, $5,338,000

Mr. BYRD. Mr. President, I thank the chairman of the Appropriations Subcommittee on Labor, Health and Human Services, Education, and Related Agencies, for providing $5 million in funding in the fiscal year 1986 bill for the Federal Merit Scholarship Program. Although this funding level is adequate to provide for 7 scholarships in each of the 435 congressional districts, the District of Columbia, and Puerto Rico, it falls $338,000 short in funding State administrative costs. The amendment I offer will rectify that shortfall.

Again, I thank the distinguished chairman and the ranking minority member for the support that has been given to this very meritorious program—which I think is not only an investment in America's future but also a recognition of scholarship on the part of those students who merit such scholastic recognition.

I hope that the distinguished chairman will accept this amendment.

Mr. WEICKER. Mr. President, as I understand what the distinguished Senator from West Virginia has done here, the amendment ensures that the dollars go for scholarships to the students, and indeed, the moneys we are talking about here are for administrative costs, so that these costs not get taken out of the scholarships to the young persons who are eligible for this program.

I commend the Senator from West Virginia for his continuing interest in the program, and I enthusiastically support the amendment and ask for its adoption.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment of the Senator from West Virginia.

The amendment (No. 833) was agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. WEICKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, again I thank Mr. WEICKER for his support of this program, and without whose support I would not be able, of course, to succeed on behalf of our young people over this country. I have said many times, education is the first line of national defense and national security.

I thank the chairman again, and I thank the ranking minority member.

● Mr. ABDNOR. Mr. President, as the distinguished Chairman of the Labor-HHS, Education, and Related Agencies is aware, I am disturbed greatly by the $63 million reduction in impact aid called for in the bill before us. This cut could prove disastrous to a number of our Nation's federally impacted schools.

The Omnibus Reconciliation Act of 1981 reduced funding for impact aid by more than 40 percent. In contrast, other education programs were cut from 7 to 10 percent. During the past couple of years, Congress has restored a portion of the tremendous cut in support for federally impacted schools. More than 40 of our colleagues last year cosponsored the reauthorization of this necessary program.

The Senate version of H.R. 3424 reduces funding for impact aid by $63 million, with the bulk of that cut in support for category B children. Since impact aid is current-year funded, unlike most Federal education programs, local school districts which are relying upon impact aid will feel this cut during the current—1985-86—school year. The House-passed bill maintains at the fiscal year 1985 level funding for impact aid.

From a strictly parochial perspective, my State is far more reliant upon category A funding than it is upon category B. There is a school district at the SAC installation in South Dakota, however, which relies greatly on both A and B funding. With the phase-in of the B1 program, 600 new military families will be based at the Ellsworth Air Force Base. The funding reduction agreed to by the subcommittee would be catastrophic for this school district.

Mr. President, as a member of the Appropriations Committee, who also serves as chairman of a subcommittee, I recognize and sympathize with the difficult task the senior Senator from Connecticut faces in allocating the limited funds available for the many important programs under his jurisdiction, and I appreciate the consideration he and his more able staff have always given this Senator. This is the first time since Senator WEICKER has chaired this subcommittee that the House has approved a higher appropriation for this program than has the Senate. Given the Senate Appropriations Committee's longstanding commitment to providing adequate support for our Nation's federally impacted schools, I trust that my friend and colleague will do everything possible to accommodate the higher figures contained in the House-passed bill.

● Mr. WEICKER. As the Senator from South Dakota is aware, this has been a particularly difficult year for the Appropriations Committee. We have had to make some very tough decisions. I appreciate the Senator's interest in the impact aid program and I assure him I will give this program every consideration in conference with our colleagues from the House.

● Mr. ABDNOR. I thank the distinguished subcommittee chairman for this assurance.●

● Mr. DECONCINI. Mr. President, it has only recently come to my attention, as a member both of the Appropriations Committee and the Committee on Veterans' Affairs, that two important veterans' employment programs administered by the Department of Labor—the Disabled Veterans Outreach Program [DVOP] and the Local Veterans Employment Representative [LVER] Program—may have to be significantly scaled back if appropriations are not increased in the pending bill. Is the distinguished chairman of the Subcommittee on Labor and Human Services Appropriations [Mr. WEICKER] aware of this problem.

● Mr. WEICKER. Mr. President, I am indeed familiar with the situation outlined by the distinguished Senator from Arizona [Mr. DECONCINI]. It is my understanding that Secretary Brock has initiated a supplemental appropriation request for an additional $8.49 million in Federal Unemployment Trust Fund moneys. That amount would bring the programs to the staffing levels mandated by law.

● Mr. DECONCINI. Mr. President, since any supplemental request would probably not be forthcoming until next year, I believe additional funding should be made available for the programs at this time so as to avoid disruptions in these important programs. Absent additional appropriations, it is my understanding that the DVOP Program will be 96 positions short of the staffing level mandated by current law—2,028 positions—and that States may have to begin riffing disabled veterans who perform outreach services under the program. Current data for the LVER Program calls for a staffing level of 1,598 positions. Without additional appropriations, only 1,431 positions—167 less—can be funded. This means a significant loss of personnel for this important veterans program as well.

In order to remedy this problem, Representative THOMAS DASCHLE, the chairman of the Subcommittee on Education, Training, and Employment of the House Veterans' Affairs Committee, offered an amendment during the House's consideration of the pending measure. That amendment, which added the necessary $8.49 million for the program, was adopted.

I know that the distinguished Senator from Connecticut is always in the forefront of providing necessary assistance to disabled individuals in our society and generally in efforts to assist jobless veterans. I would at this time urge him to consider favorably the position of the House on this issue during conference on the pending measure.

● Mr. CRANSTON. Mr. President, as the ranking minority member of the Senate Veterans' Affairs Committee, I would like to join the distinguished Senator from Arizona [Mr. DECONCINI], who serves on both committees, in urging the chairman to look favorably upon this issue during conference. The DVOP and LVER Programs are vital elements of the system we have developed to meet the employment needs of veterans—particularly the needs of those with service-connected disabilities and those who served during the Vietnam era. I know that the chairman has been supportive of these programs in the past, and I urge him to take whatever steps are necessary to provide sufficient funding for these programs at this time.

● Mr. WEICKER. Mr. President, I appreciate the opportunity to address this issue at this time and want to assure both distinguished Senators of my intention to carefully review this matter in conference.

● Mr. CRANSTON. Mr. President, I thank the Senator for his foresight and dedication on this issue and so many others.

● Mr. DECONCINI. Mr. President, I also thank the chairman for his consideration of this request and for his willingness to address this problem in conference. I also commend the chairman for the outstanding job he has done in fashioning a truly compassionate bill.●

INDIRECT COST RATES FOR NATIONAL INSTITUTES OF HEALTH GRANTS

● Mr. GORTON. Mr. President, Senator EVANS and I came to the floor today prepared to offer an amendment which would remove the freeze in indirect cost rates contained in the Labor, Health and Human Services, and Education, and related agencies appropriation bill. Along with many of our colleagues, we are concerned about the effect of this freeze on universities, such as the University of Washington, which have disproportionately low indirect cost rates relative to other institutions across the country. The freeze will severely effect the ability of these schools to perform necessary Federal research. At the University of Washington, for instance, the freeze will mean the school will have to find $1.25 million elsewhere in its budget to cover the overhead cost of federally sponsored research. This is a cost that has been, and should remain, the responsibility of the Federal Government.

● Mr. EVANS. Mr. President, I concur with the comments of my colleague from Washington and add that during my term as Governor of the State of Washington, I was intimately involved with the creation of a cooperative network of medical research and teaching which included the States of Washington, Alaska, Montana, and Idaho. This program, called WAMI, involves exchanging students and professors across the Northwest so that citizens of all the States in the Northwest can have the opportunity to attend medical school and do medical research at the region's primary medical institution, the University of Washington. This program continues to work well today and is an excellent example of cooperation between the States in the Northwest.

An important part of the research that takes place at the university is federally sponsored. Indirect cost rates are an integral part of that research. A freeze at this time will hurt the university and other schools across the country which do not have the luxury of higher rates. The projected savings from the freeze are approximately 0.5 percent of the NIH budget. However, the freeze would not be evenly shared because savings would come only from a few institutions. The institutions most affected are those which historically have been under-reimbursed and are now seeking reimbursement closer to the level of actual costs. Others affected are those institutions which, upon the encouragement of the Federal Government, have borrowed money to build research facilities and now are receiving interests and depreciation allowed by the Federal Government.

● Mr. GORTON. In lieu of offering our amendment we would like to offer a compromise to my colleague from Connecticut, the distinguished manager of the bill. I realize that Senator WEICKER is committed to keeping down the cost of the Labor-HHS bill, a job he has done admirably. He also knows that the indirect cost rate freeze issue is also addressed in the House version of this bill. The House chose not to freeze the rates for indirect costs, just what our amendment would have sought here today. We will agree not to pursue this issue at this point if the Senator from Connecticut will give us some assurances that he will look favorably upon our request when the Labor-HHS bill reaches conference. I know that he cannot give us complete assurances on the floor today, but I would appreciate it if he would, at the very least, agree to reexamine the issue and discuss the possibility of providing some relief for those institutions which have historically suffered with low-indirect cost rates.

● Mr. WEICKER. Mr. President, the Senators from Washington and many other Senators have indicated their strong feelings on this issue to me many times. During our subcommittee's markup of this bill we discussed and examined the indirect cost rate issue very closely. We concluded that the need to exercise reasonable restraint on the escalating expense of indirect cost rates required the subcommittee to take some action. The freeze was the best available answer at that time.

I will say, however, that there can certainly be room for a reexamination of this issue when the bill reaches conference. I appreciate the Senators' decision to withhold their amendment at this time.

While I cannot give an absolute commitment that we will recede to the House language in conference, I will offer assurances that I will look favorably on the proposal made by the Senators from Washington and do my best to accommodate them during conference. If a middle ground can be reached, perhaps that is what we will pursue.

● Mr. GORTON. Mr. President, am I to understand that my colleague is willing to examine during conference the discrepancies in indirect cost rates

that exist between universities of equal caliber, and work to amend that situation if at all possible, as well as addressing the general freeze on indirect cost rates?

● Mr. WEICKER. The Senator is correct, I will do my best.

● Mr. WILSON. Mr. President, I ask that the conferees be instructed to address the questions of unusual hardship when addressing the issue of indirect costs. For example, the La Jolla Cancer Research Center, unlike any other in the Nation, cannot spread the impact of the indirect cost adjustment throughout its fiscal system. This center raised $606,909 in private funds and with a matching NIH grant has constructed a new building for its research activities. It is now in the difficult position of being unable to pay the rent on this building because of the freeze on the indirect cost adjustment. I point out that throughout this Nation only two other foundations are similarly situated, and neither will suffer the amount of loss that will occur at the La Jolla Cancer Research Foundation. Mr. President, I support the efforts to deal with rising expenditures, but I believe that limited hardship situations can be addressed.●

DISLOCATED WORKER ASSISTANCE PROGRAM

● Mr. GORTON. Mr. President, the Labor, Health and Human Services, and Education appropriation bill reduces Federal support for the Dislocated Worker Assistance Program by almost 55 percent from its 1985 level. This Federal program has helped to provide retraining and specialized support services to Americans who are unemployed and unlikely to return to their former industry because of technological innovation, shifts in product demand, and declines in heavy manufacturing industries.

In my State of Washington, State officials are projecting increases in the number of dislocated workers. In addition to the great numbers of forest products and steel industry employees currently being displaced by industry changes in Washington, projections include losses of more than 6,000 workers in the shipyard industry, and 750 losses in the number of jobs in the aluminum industry.

Mr. President, I ask the chairman of the Appropriations Subcommittee on Labor, Health and Human Services, and Education what steps have been taken to ensure adequate program funding for retraining dislocated workers?

● Mr. WEICKER. Mr. President, although this bill does reduce the appropriation for the Dislocated Worker Assistance Program, this decrease is not reflective of the program's operating level, which is expected to remain constant nationally between program years 1985 and 1986 due to the availability of carryover. In those individual States in which sufficient carryover is not available to maintain ongoing levels, I expect the Secretary of Labor to use his discretionary resources to prevent serious program disruptions.

In addition, the Appropriations Subcommittee on Labor, Health and Human Services, and Education will monitor the level of carryover funding as the program enters program year 1986.

Finally, the subcommittee appreciates the special problems posed by the forest products industry in the Pacific Northwest. In the report accompanying this appropriations bill, we have urged the Secretary of Labor to give special attention to programs that aid dislocated workers in the wood products industry in the Pacific Northwest.

● Mr. GORTON. I thank the Senator.●

(By request of Mr. DOLE the following statement was ordered to be printed in the RECORD.)

● Mrs. HAWKINS. Mr. President, I rise in support of the appropriations to the Department of Health and Human Services that will promote the war on the dread disease AIDS. I commend Senator WEICKER and the Appropriations Committee for their recognition of the seriousness of this problem. The American medical community is presently facing a crisis in the care for victims of acquired immune-deficiency syndrome, a disease for which there is no known cure.

I am personally aware of the necessity to provide additional aid to the health care community serving the needs of AIDS victims. The Florida community of Belle Glade has the highest incidence of AIDS victims per capita in the Nation. No one knows why this community has such a high incidence. Over half of the victims do not fit the high risk profile for AIDS.

Glade's General Hospital, a 73-bed acute care hospital serving the 70,000 residents in Western Palm Beach County has treated 33 diagnosed AIDS patients at a cost of almost a half million dollars. In addition, this hospital has treated 102 cases with "AIDS like symptoms." Nationally, a conservative estimate of the average medical cost per case of AIDS is $114,000. Glade's General Hospital administrator, Patrick A. Lennon, has predicted that the hospital may lose between $1 to $4 million in uncollectable AIDS related debts over the next 2 years. This hospital does not want to turn away patients for financial reasons. It needs help. Many of the AIDS victims do not speak English. The hospital needs translators that can handle the complex technical questions that must be asked to discover the sources of infection and to provide hygienic and health care instruction. It needs additional doctors and nurses; yet because of the publicity the community has received, the hospital is having a difficult time attracting qualified professionals. It needs additional equipment and supplies to meet the acute needs of patients whose immune systems can no longer fight infections, from the common cold to pneumonia or tuberculosis. It needs help in providing a frightened community with up-to-date prevention techniques. It needs social service support not only for the victims and their families but also for the larger community that is suffering from the triple afflictions of fear of further infection, or continued financial drain, and of repeated adverse publicity. Most of all, it needs an answer that will not come soon enough. It needs an answer that can only come from an increased focusing of the research on this disease that is threatening the entire population, women, men, and children, of this country.

The appropriations in the HHS bill reflect a recognition of some of these needs. They will assure expanded efforts to discover the epidemiology and natural history of the disease, fund the purchase and distribution of drugs for the treatment of AIDS patients not included in the NIH clinical trials, provide technical training and assistance for public education and effective community risk reduction, encourage research on psychosocial, and psychiatric aspects of AIDS, and increase the dissemination of research findings to health care providers and the public. In addition, there are funds for limited demonstration projects on health care for victims of AIDS which will help meet the needs of both the medical community and the victims during the interim time until the cure or prevention can be found.

Mr. WEICKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it so ordered.

TIME REMAINING ON RECONCILIATION BILL

Mr. DOLE. Mr. President, I ask unanimous consent that when the Senate resumes consideration of the reconciliation bill tomorrow, there be 10 hours of debate remaining on the bill as provided in the statute.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

THE CALENDAR

Mr. DOLE. Mr. President, I inquire of the minority leader if he is in a po-

sition to pass the following Calendar items: Calendar item No. 346, Senate Concurrent Resolution 71; Calendar No. 349, House Joint Resolution 407.

Mr. BYRD. Mr. President, I am pleased to state to the able majority leader that those two items have been cleared on this side.

COMMEMORATION OF ACCOMPLISHMENTS UNDER THE EDUCATION FOR ALL HANDICAPPED CHILDREN ON THE 10TH ANNIVERSARY OF ITS ENACTMENT

The concurrent resolution (S. Con. Res. 71) to commemorate the accomplishments of Public Law 94-142, the Education for All Handicapped Children Act on the 10th anniversary of its enactment, was considered, and agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, is as follows:

S. CON. RES. 71

Whereas part B of the Education of the Handicapped Act, commonly known as Public Law 94-142 (The Education for All Handicapped Children Act), was signed into law ten years ago on November 29, 1975;

Whereas Public Law 94-142 established as policy for the United States of America the principle that all children, regardless of disabling condition, have the right to a free, appropriate public education in the least restrictive setting;

Whereas Public Law 94-142 currently serves over 4,000,000 handicapped children;

Whereas Public Law 94-142 ensures the full partnership between parents of children with disabilities and education professionals in design and implementation of the educational services to be provided handicapped children;

Whereas Public Law 94-142 has greatly enriched the classrooms of the Nation by allowing the potential of children with disabilities to be developed, together with the potential of nondisabled youngsters;

Whereas Public Law 94-142 has greatly enriched America's society as a whole by providing the means for disabled youngsters to contribute to the social and economic progress of the United States; and

Whereas Public Law 94-142 has succeeded even beyond the expectations of congressional supporters in marshalling the resources of the Nation to fulfill the promise of full participation in society of disabled youngsters: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress—

(1) recognizes the 10th anniversary of the enactment of Public Law 94-142 and the successful implementation of that law;

(2) acknowledges the many and varied contributions by disabled youngsters, parents, teachers, and administrators; and

(3) reaffirms its support for Public Law 94-142 and the primary goal of Public Law 94-142 that all children, regardless of disabling condition, have the right to a free, appropriate public education in the least restrictive setting.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CENTENNIAL YEAR OF LIBERTY IN THE UNITED STATES

The joint resolution (H.J. Res. 407) designating the 12-month period ending on October 28, 1986, as the "Centennial Year of Liberty in the United States", was considered, ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

S. 1779—MEASURE PLACED ON CALENDAR

Mr. DOLE. I send a bill to the desk in behalf of Senators THURMOND, HATCH, STEVENS and KENNEDY and ask unanimous consent that it be placed on the calendar.

Without objection, the bill, S. 1779, to amend the act establishing a Commission on the Bicentennial of the Constitution of the United States to clarify the status of employees of the Commission, to raise the limits on private contributions, and for other purposes was considered to have been read twice and was ordered to be placed on the calendar.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

PRESIDENTIAL APPROVALS

A message from the President of the United States reported that he had approved and signed the following joint resolutions:

On October 16, 1985:

S.J. Res. 72. Joint resolution to designate October 16, 1985, as "World Food Day";

S.J. Res. 183. Joint resolution to provide for the designation of the week of October 6 through October 12, 1985, as "Myasthenia Gravis Awareness Week"; and

S.J. Res. 197. Joint resolution to designate the week of October 6, 1985, through October 13, 1985, as "National Housing Week."

On October 18, 1985:

S.J. Res. 155. Joint resolution to designate the month of November 1985 as "National Hospice Month";

S.J. Res. 175. Joint resolution to designate the week of October 20, 1985, through October 26, 1985, as "National CPR Awareness Week"; and

S.J. Res. 194. Joint resolution to designate the week beginning October 1, 1985, as "National Buy American Week."

MESSAGES FROM THE HOUSE

At 12:30 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bill, without amendment:

S. 1726. An act to amend section 51(b) of the Arms Export Control Act relating to the funding of the Special Defense Acquisition Fund.

The message also announced that the House has passed the following bill and joint resolution, in which it requests the concurrence of the Senate:

H.R. 3327. An act making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1986, and for other purposes; and

H.J. Res. 308. Joint resolution designating the week beginning on October 20, 1985, as "Benign Essential Blepharospasm Awareness Week."

MEASURES REFERRED

The following bill and joint resolution were read the first and second time by unanimous consent, and referred as indicated:

H.R. 3327. An act making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1986, and for other purposes; to the Committee on Appropriations.

H.J. Res. 308. Joint resolution designating the week beginning on October 20, 1985, as "Benign Essential Blepharospasm Awareness Week"; to the Committee on the Judiciary.

MEASURES PLACED ON THE CALENDAR

The following bills were read the second time, and placed on the calendar:

S. 1774. A bill to amend section 1951 of title 18 of the United States Code, and for other purposes; and

H.R. 1562. An act to achieve the objectives of the Multi-Fiber Arrangement and to promote the economic recovery of the U.S. textile and apparel industry and its workers.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and

were referred or ordered to lie on the table as indicated:

POM-479. A resolution adopted by the Council of the City of Maui, Hawaii relating to the Fair Labor Standards Act; to the Committee on Labor and Human Resources.

POM-480. A joint resolution adopted by the legislature of the State of California; to the Committee on Foreign Relations.

"ASSEMBLY JOINT RESOLUTION No. 21

"Whereas, it is fundamental to the conceptual foundations of America to promote and support the principles of freedom, justice, and the equality of all persons throughout the world; and

"Whereas, the Republic of South Africa government with its system of apartheid violates every cherished principle of humanity espoused in the United States Constitution; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California, jointly,* That the Legislature of the State of California requests the United States Attorney General to refuse to issue visas to segregated South African teams and segregated athletes representing the government of South Africa to participate in athletic events in the United States; and be it further

"*Resolved,* That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the United States Attorney General, to the Secretary of State of the United States, to the Ambassador to the United Nations, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-481. A petition from a citizen of Concord, New Hampshire relating to AIDS; to the Committee on Labor and Human Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HELMS, from the Committee on Agriculture, Nutrition, and Forestry, without amendment:

S. 1776. An original bill to extend the authorization for appropriations for the Federal Insecticide, Fungicide, and Rodenticide Act (Rept. No. 99-160).

S. Res. 241. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1776; referred to the Committee on the Budget.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. HATCH, from the Committee on Labor and Human Resources:

John S. Erthein, of California, to be a member of the National Council on the Handicapped for a term expiring September 17, 1987.

(The above nomination was reported from the Committee on Labor and Human Resources with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HELMS, from the Committee on Agriculture, Nutrition, and Forestry:

S. 1776. An original bill to extend the authorization for appropriations for the Federal Insecticide, Fungicide, and Rodenticide Act; placed on the calendar.

By Mr. MOYNIHAN:

S. 1777. A bill for the relief of Sukhjit Kuldip Singh Saund; to the Committee on the Judiciary.

By Mr. BENTSEN (for himself, Mr. DURENBERGER, Mr. LEAHY, Mr. LONG, Mr. HOLLINGS, Mr. JOHNSTON, Mr. BINGAMAN, Mr. HEFLIN, Mr. BURDICK, Mr. FORD, Mr. CHILES, Mr. PRYOR, Mr. SPECTER, Mr. KERRY, Mr. MCCONNELL, Mr. BOREN, Mr. HATCH, Mr. COHEN, Mr. EXON, Mr. INOUYE, Mr. D'AMATO, and Mr. MURKOWSKI):

S. 1778. A bill to deny most-favored-nation trade treatment to any country that provides support for acts of terrorism; to the Committee on Finance.

By Mr. DOLE (for Mr. THURMOND (for himself, Mr. HATCH, Mr. STEVENS, and Mr. KENNEDY)):

S. 1779. A bill to amend the act establishing a Commission on the Bicentennial of the Constitution of the United States to clarify the status of employees of the Commission, to raise the limits on private contributions, and for other purposes; read twice and placed on the calendar.

By Mr. HATCH:

S. 1780. A bill to provide for the disposition of unclaimed property in the custody of the United States; to the Committee on Governmental Affairs.

By Mr. RIEGLE:

S. 1781. A bill to provide for a system of cost sharing for health care and uncompensated care, and for other purposes; to the Committee on Finance.

By Mr. MATTINGLY (for himself, Mr. MURKOWSKI, Mr. THURMOND, Mr. DIXON, and Mr. HOLLINGS):

S.J. Res. 220. Joint resolution to provide for the designation of September 19, 1986, as "National P.O.W./M.I.A. Recognition Day"; to the Committee on the Judiciary.

By Mr. CRANSTON (for himself and Mr. WILSON):

S.J. Res. 221. Joint resolution to authorize the continued use of certain lands within the Sequoia National Park by portions of an existing hydroelectric project; to the Committee on Energy and Natural Resources.

By Mr. D'AMATO (for himself, Mr. MOYNIHAN, Mr. BRADLEY, Mr. MURKOWSKI, Mr. LAUTENBERG, and Mr. HEFLIN):

S.J. Res. 222. Joint resolution concerning the cruel and inhuman killing of Leon Klinghoffer by international terrorists aboard the cruise ship *Achille Lauro* because he did not submit to the demands of these terrorists; to the Committee on Banking, Housing, and Urban Affairs.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. HELMS, from the Committee on Agriculture, Nutrition, and Forestry:

S. Res. 241. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1776; to the Committee on the Budget.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BENTSEN (for himself, Mr. DURENBERGER, Mr. LEAHY, Mr. LONG, Mr. HOLLINGS, Mr. JOHNSTON, Mr. BINGAMAN, Mr. HEFLIN, Mr. BURDICK, Mr. PRYOR, Mr. SPECTER, Mr. MCCONNELL, Mr. FORD, Mr. CHILES, Mr. KERRY, Mr. BOREN, Mr. HATCH, Mr. COHEN, Mr. EXON, Mr. INOUYE, Mr. D'AMATO, and Mr. MURKOWSKI):

S. 1778. A bill to deny most-favored-nation trade treatment to any country that provides support for acts of terrorism; to the Committee on Finance.

ANTITERRORISM TRADE PREFERENCE ACT

● Mr. BENTSEN. Mr. President, terrorism is a worldwide problem that is growing in severity, and during the past several years, the United States—its citizens, its property, its Government—has been the target of over 40 percent of all international terrorist incidents. The hijacking of the Italian cruise ship and the execution of Leon Klinghoffer is but the latest in a series of terrorist incidents for which there is no end in sight. This most recent incident was unusual only because the four PLO terrorists directly involved in the piracy were caught and can now be tried for their crimes.

It is fair to say, though, that terrorism directed against us in the Middle East will not be ended by the successful apprehension of the men who killed Mr. Klinghoffer, because much of the terrorism in that war-ravaged part of the world is state-sponsored and can be attributed to three countries: Iran, Libya, and Syria. The Iranians, we can say to a moral certainty, were the force behind the bombings of the U.S. Embassy and Embassy Annex and the Marine Barracks in Beirut. The Libyans and Colonel Qadhafi have established themselves as supporters of terrorism not just in the Middle East, but here in the United States as well. And the Syrians, despite the help they may have given us during the recent TWA hijacking, are strong supporters of the PLO.

Each of these countries, in its own way, has helped create a climate of terrorism that has killed hundreds of Americans and resulted in the captivity and torture of scores of others of our fellow citizens, and each of these countries has been named by the Secretary of State as a supporter of international terrorism.

What may surprise you is that each of these terrorist-supporting countries enjoys most-favored-nation trade preference when it sells to the United States. This means that imports from Iran, Libya, and Syria are given the same preferential tariff treatment that we give to our best friends, rather than making them pay the higher duties that we require of those who are not friendly toward us, like most communist countries.

I believe it is time to end the benefit we currently give to those who engage in terrorism or actively support terrorist groups or individuals. Joined by my colleagues, I am introducing legislation, "The Anti-Terrorism Trade Preference Act of 1985," to end this terrorist reward.

This legislation will do the following three things:

First, it will require the Secretary of State to maintain a list of nations that support terrorism, notifying the Congress whenever a country is added to or taken from the list. The Secretary already maintains such a list for the purpose of notifying the Congress of certain military exports; this would require the same thing with regard to countries from which we receive imports.

Second, it will deny trade preferences, including most-favored-nation status, to any country on the list of supporters of terrorism.

Third, it will give the President the authority to waive this proscription if he decides that it is in the best interests of the United States to do so, and he notifies Congress of his intent 30 days in advance. I anticipate that this wavier would be given very infrequently and only for the most urgent of reasons, if it is ever given at all.

The effect of this action will be significant. Imports from these terrorist-supporting countries will be moved from column 1 of the tariff schedule—the most-favored-nation column—to column 2, and this will increase the tariff rate for most of the goods that they export to us.

Petroleum and petroleum products, for example, are our largest import from both Iran and Libya; during the first 7 months of this year, we bought almost $210 million in such products from these two countries. As a result of this legislation, the tariff on crude oil from these countries will jump from 10½ cents per barrel to 21 cents per barrel. That may not sound like much, but when you consider the competitiveness of the world petroleum market, this extra charge would represent a significant disadvantage for the Iranians and the Libyans. The third member of this terrorist trio, Syria, will similarly be disadvantaged by a tripling of the tariff on tobacco, its largest export to us, from 11.5 cents per pound to 35 cents per pound.

I do not know whether tariff increases will cause these three countries to seek other markets for their products, or whether they will absorb the lost profits themselves. But by ending the favorable tariff treatment of these terrorist-supporting nations, we will give additional credibility to action we took last Thursday night in bringing the four PLO hijackers to custody where they can be tried for their crimes. This legislation tells nations that support terrorism: "You cannot do so with impunity. You cannot do so and continue to enjoy the benefits we give our friends."

I want to thank the gentleman from Minnesota, the chairman of the Select Committee on Intelligence, for joining with me in offering this legislation. And I want to thank the gentleman from Vermont, the vice chairman of the Select Committee on Intelligence, for his cosponsorship of this legislation and for his strong efforts in the fight against terrorism. As ranking Democrat on the Judiciary Subcommittee on Security and Terrorism, he brings to this legislation a full understanding of both its national and international implications and aspects; his work on both the Judiciary and Intelligence Committees has been a valuable part of our effort to combat this international scourge.●

THE ANTI-TERRORISM TRADE ACT

Mr. D'AMATO. Mr. President, I rise today to cosponsor legislation introduced by my good friends, the senior Senators from Texas and Minnesota, and the junior Senator from Vermont. This legislation, the Anti-Terrorism Trade Preference Act of 1985, would end the favorable trade status we now give certain nations which are known exporters of international terrorism. Specifically, this act would require the Secretary of State to maintain a list of nations that support terrorism, would deny trade preferences to any nation on that list, and would give the President authority to waive this requirement by notifying Congress if he decides that it is in the best interests of the United States to do so.

Most terrorist activities either occur or originate in the Middle East. The nations most actively involved in this terrorism are Iran, Libya, and Syria. Astoundingly, each of these nations now enjoys most-favored-nation trading status, receiving the same preferential treatment on tariffs as our best and closest allies. Imports from Iran, Libya, and Syria totaled $280 million during the first 7 months of 1985 alone.

Recently, I cosponsored S. 925, legislation to rescind MFN trading status for the illegal Government of Afghanistan. While our trade with that nation is insignificant, I strongly believe our trade policy must be consistent with our foreign policy. Since 1968, U.S. personnel and institutions have been the target of over 50 percent of all attacks—the highest of any nation. In 1984, there were over 100 American casualties due to terrorists. Terrorism is one of the major threats to our democracy, and trade is a major way to combat it.

As citizens of the strongest and wealthiest nation in the world, Americans are inviting targets to terrorists. However, we are not alone. Most Western democracies, by virtue of their free and open societies, share our lot as victims of terrorism.

I do not know how long it will take before the nations which are the most susceptible to terrorism realize their extraordinary powers to combat it. The most common denominator among the nations victimized by terrorism is their incredible economic strength. Western Europe, Japan, and the United States alone account for well over half of the world's GNP. We are reluctant, however, to use this tool as a weapon. Incredibly, we continue to trade with Libya, one of the most notorious exporters of terrorism. We rationalize this inconsistency by correctly pointing out that our allies will eagerly replace any business we would lose.

It is ironic that a democratic nation will not hesitate to use trade as a weapon against her allies, but refuse to use it against her enemies. By economically isolating those nations which actively promote international terrorism, we will at least respond economically where we fail to act militarily. It is only common sense that dictates that the United States and our allies band together to solve the growing threat of terrorism. Using our economic strength is the first politically palatable step in a comprehensive, unified response to terrorism. But this is still only a first step.

It is the United States which must take the lead. By passing the Anti-Terrorism Trade Preference Act of 1985, we would set a tremendous example for our allies and send an unmistakenly clear signal to the terror-broker nations. Until this legislation is signed into law, I urge the President to use the powers authorized in the foreign aid bill which was signed into law just this past August. Under this legislation, the President may ban the importation of goods from any nation who supports terrorism. The administration has the tools to combat terrorism, and it is my hope that they will use them.

The longer we neglect to unify our stand and jointly direct our collective resources against terrorism, the longer terrorists will strike with impunity against civilized nations. I fear that unless we treat terrorism as the serious threat to national security that it is, then possibly one day we will find ourselves risking much more than a

few overseas tourists or consulate buildings. Quick passage of the Antiterrorism Trade Preference Act, coupled with similar actions by other nations victimized by terrorism, would be a strong initial and effective response to the growing cancer of terrorism.

By Mr. HATCH:

S. 1780. A bill to provide for the disposition of unclaimed property in the custody of the United States; to the Committee on Governmental Affairs.

UNCLAIMED PROPERTY ACT

Mr. HATCH. Mr. President, I rise to introduce the Unclaimed Property Act of 1985. The bill relates to the matter of escheat, the succession of abandoned property to the State. It results from the failure of a person legally entitled to the property to make a valid claim against the holder of the property within a prescribed period of time. Property is also escheated from the estate of a person dying intestate or partially intestate without any known or discoverable heirs.

The principle of escheat originated in the elaborate feudal landholding system which existed in England during the Middle Ages. The basic premise was that property which remained without an owner or upon failure to make claim by a descedent's heirs, reverted to the sovereign from whom all property rights were derived. This concept was brought to the American Colonies by the English settlers and was included in the instrument by which the lords proprietors governed the Colonies.

The bill that I am submitting actually applies to either escheat or unclaimed property depending upon the specific law within the State. There is a distinction that needs to be made between the terms escheat and unclaimed property. Escheat refers to money that actually belongs to the government, which they can keep after a specified amount of time. Whereas, unclaimed property is money that the State is holding in its custody; however, an owner or legal heir may come back at any time to reclaim it.

The majority of the States have enacted uniform unclaimed property statutes which empower the States to collect and hold abandoned property, pending the submission of claims by the owners or their heirs to recover this property. Before a State executes its power of escheat, each State must establish a mechanism for locating lost owners through newspaper advertising and letters. A number of States have staff members whose sole duty is to track down lost owners. The last known address of the owner would be in the State receiving possession of the funds. The success rate in various States varies, but some claim having returned 50 percent of the funds initially reported by the holders. With the Unclaimed Property Act of 1985; the States would only begin their search after the Federal agencies have ceased to look. Thus, after the Federal agency has declared itself unable to locate the lost owner, they would turn over the funds to the States rather than the U.S. Treasury.

The States have formed the National Uniform Law Commission, which is a national group composed of all the individual State agencies whose job it is to find the owners of this unclaimed property. In 1954, they held their first meeting at which they prepared the initial unclaimed property law. Many States subsequently adopted this legislation. It has been reviewed and altered twice since this time, once in 1966 and most recently in 1981. The majority of all States have adopted the current law, in most instances with respect to unclaimed property rather than escheat.

For nearly 50 years, the States have been involved in an ongoing controversy with agencies of the Federal Government with regards to the right of escheat. Historically, the right of escheat was considered a State prerogative. Congress however, has passed escheat laws which increasingly supersede this right. I am submitting this legislation in order to restore the right to escheat to the States.

There have been too many instances in which the Federal Government has refused to comply with State agencies when they have asked for various types of unclaimed property. California is now holding more than $1 million in U.S. bonds which the U.S. Treasury will not cash. I am compelled to conclude the Federal agencies will insist on continuing to hold such funds and will refuse to turn them over to the States so that the rightful owners can be sought and will neither negotiate nor moderate their stand without compelling legislation, such as the present bill.

Among the various types of property involved in this controversy are: the cashing of U.S. savings bonds turned over to States as unclaimed or escheated property through bank safe deposit boxes, savings bonds purchased and never delivered to owners, uncashed U.S. tax refund checks, unclaimed wages collected by the Department of Labor, uncashed postal money orders, uncashed unemployment compensation checks, unclaimed Federal retirement contributions including pension and military checks, unclaimed funds held by HUD, for a variety of examples.

I urge my colleagues to join me in restoring this traditional right to the State government. I ask unanimous consent that the text of the proposed bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1780

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Unclaimed Property Act of 1985".

DECLARATION OF POLICY

SEC. 2. It is the policy of the Congress that:

(a) The United States Government recognizes that the States, as lawful custodians, may escheat or acquire unclaimed property in custody of United States officers, departments, and agencies under the following three conditions:

(1) Whenever the owners of such property have or may have had a vested interest therein;

(2) Whenever claims for delivery and possession thereof have been made by or on behalf of such owners or their heirs, assigns, or representatives and;

(3) Whenever such owners of above mentioned party or parties have been unsatisfied.

(b) If a State may escheat or become the lawful custodian of such property, the United States Government shall not assert an interest in such property by reason of any delay in the presentation of claims or demands for payment or delivery by or on behalf of the original owners.

(c) The United States shall assist the States in discovering and recovering such property.

DEFINITIONS

SEC. 3. As used in this Act—

(a) The term "unclaimed property" means any tangible or intangible personal property, including chores in action in amounts certain and all debts, entrusted funds or other property held by any Federal agency, officer or employee thereof, whether occasioned by contract, operation of law or otherwise, except bonuses, gratuities, and sums held by the Social Security Administration, which has remained unclaimed by the owner for:

(1) 5 years from the date of maturity or call for payment, if arising from transactions under the public debt; or

(2) 5 years after the last transaction concerning principal or interest, if deposits are in the postal savings system; or

(3) 5 years after the property first became payable, demandable, or returnable, if arising from any other transaction.

(b) The term "owner" means any person, including his legal representatives, who has or had a legal or equitable interest in unclaimed property. The owner shall be conclusively presumed to be the person to whom unclaimed property was or is payable or returnable according to the records of the United States Government. If two or more persons are interested in the property, and the extent of their respective interests is unknown, it shall be presumed that their interests in such property are equal.

(c) The term "State" means any State of the United States, including any antecedent commonwealth, republic, territory, or other jurisdiction, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, and Guam.

(d) The term "person" includes any individual, partnership, corporation, unincorporated association, or other legal entity.

(e) The term "Federal agency" means (1) any executive or military department, agency, or independent establishment in the executive branch of the Government, (2) any wholly owned Government corporation, and (3) any establishment in the legislative or judicial branch of the Government (except the Senate, the House of Representatives, and the Architect of the Capitol and any activities under his direction).

(f) The term "Administrator" means the Administrator of General Services.

(g) The term "Comptroller General" means the Comptroller General of the United States.

DISCOVERY OF UNCLAIMED PROPERTY

SEC. 4. (a) The Comptroller General shall conduct annually an examination of all records in possession of or relating to the accounts of each Federal agency concerning unclaimed property. From such records, the Comptroller General shall determine and record the following information with respect to such property:

(1) The name and last known address of each owner;

(2) The dates essential to determine when the property became unclaimed property;

(3) The recoverable value, if funds or description of the property, if not funds; and

(4) The transaction whereby the property is held in custody by such Federal agency and the name and address thereof.

(b) Except as otherwise provided by section 2575 of title 10 of the United States Code, all unclaimed property in the custody of any Federal agency shall be transferred, under such regulations as the Comptroller General shall prescribe, to the custody of the Administrator, who shall retain custody thereof pending its disposition pursuant to the provisions of this Act.

REPORTS TO STATES

SEC. 5. (a) Notwithstanding any other provision of law, the Comptroller General shall report annually, beginning June 30, 1987, to the authorized officer of any State, upon request of that officer, all relevant information previously determined and unreported concerning unclaimed property in which that State is or may be interested under the provisions of this Act.

(1) The chief executive of such State certifies that it is a lawful custodian under its laws and the State is entitled to such unclaimed property notwithstanding that no other States have provided the certification required pursuant to section 5; and

(2) The Comptroller General is satisfied that the law of such State provides effective means whereby the United States shall be held harmless or otherwise protected against any claim if the State escheats or acquires lawful custody of the unclaimed property.

RECOVERY OF UNCLAIMED PROPERTY BY STATES

SEC. 6. (a) Where according to the records of the United States examined pursuant to section 4(a) the last known address of an owner of unclaimed property is in a State, such unclaimed property held by any Federal agency shall be subject to (1) escheat or custodial taking by that State or its authorized representative, or (2) collection by a fiduciary who has been appointed by a court in that State for the purpose of collecting assets of a deceased, disappeared, or missing person or of an owner of unclaimed property where the property will be escheated or taken into custody by the State if the owner or his successors do not claim the property. For the purposes of this Act it shall be presumed that the situs of unclaimed property is in the State of the last known or presumed address of the owner. In case of any unclaimed property disclosed by such records to be owned by two or more persons—

(1) if the last known addresses of owners are in one State, any owner's address which is unknown shall be presumed to be in that State;

(2) if the last known addresses of owners are in more than one State, the addresses of owners whose addresses are unknown shall be presumed to be in the States where the owners' addresses are known; and

(3) if the records of the United States do not disclose the address of any owner of unclaimed property, such unclaimed property shall be presumed to have a situs in all the States and the Comptroller General shall determine the proportionate share of a State as follows: The total of such unclaimed property shall be multiplied by a fraction, the numerator of which is that State's population as determined by the most recent census and the denominator of which is the total population of all States as determined by the most recent census.

(b) The administrator shall deliver or pay over the unclaimed property upon written request accompanied by a certified copy of the order or judgment if:

(1) a State has adopted a statute providing for the escheat or lawful custody of unclaimed property subject to this Act and satisfied the provisions thereof; or

(2) a State's authorized representative, or a proper fiduciary of the owner has obtained an appropriate order or judgment of a State court declaring the right of the State or such fiduciary to escheat, acquire custody, or obtain possession of any unclaimed property.

(c) The expiration of any period of time specified by statute or court order, during which an action or proceeding may be commenced or enforced to obtain payment of a claim for funds or recovery of property shall not affect the right of a State, its authorized representative, or a proper fiduciary of the owner to escheat, acquire custody, or obtain possession of unclaimed property in accordance with the provisions of this Act.

(d) There is hereby authorized to be appropriated to the Comptroller General and to the General Services Administration, out of any money in the Treasury not otherwise appropriated, such amounts as may be necessary to carry out the provisions of this Act.

RULES AND REGULATIONS

SEC. 7. The Comptroller General shall prescribe such rules, regulations, forms, systems, and procedures for Federal agencies as may be required for the administration of the provisions of this Act.

AMENDMENTS

SEC. 8. (a) Subsection 203(m) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 484 (m)), is amended to read as follows:

"(m) Subject to the provisions of section 2575 of title 10 of the United States Code, the Administrator is authorized to take possession of abandoned and other unclaimed property on premises owned or leased by the Government, and to retain custody thereof pending its disposition pursuant to the provisions of the Unclaimed Property Act. Except in the case of property transferred to the Administrator pursuant to that section, such disposition shall not be made until (1) the Administrator has made a diligent effort to determine and locate the owner of the property, his heirs or next of kin, or his legal representative, and (2) 1 year has expired after the date of receipt of such property by the Administrator.".

(b) The text of section 2575 of title 10 of the United States Code is amended to read as follows:

"(a) Subject to the provisions of sections 4712 and 9712 of this title, if money or other personal property of a decreased member of an armed force of the United States is in the custody of a military department, the secretary concerned shall keep it in safe custody and make a diligent effort to determine and locate the heirs, next of kin, or legal representative of the deceased member. Property remaining unclaimed 2 years after the death of the member shall be transferred to the Administrator of General Services, who shall dispose of such property pursuant to the Unclaimed Property Act:

"(b) Whenever any other lost, abandoned, or unclaimed property is in the custody of a military department, the secretary concerned shall make a diligent effort to find the owner, his heirs or next of kin, or his legal representative. If the owner, his heirs or next of kin, or his legal representative cannot be found within 1 year after such property is received at a storage point designated by the secretary concerned, the secretary shall transfer such property to the Administrator of General Services, who shall dispose of that property pursuant to the Unclaimed Property Act, with the, exception that if the owner, his heirs or next of kin, or his legal representative is determined but not found, such property may not be so transferred until the expiration of 120 days after the date when notice, giving the time of the intended transfer, has been sent by registered mail to that person at his last known address.".

(c) Subsections (e), (f), and (g) of section 4712 of title 10 of the United States Code are amended to read as follows:

"(e) If the summary court-martial cannot dispose of the effects under subsection (d) because there are no persons in those categories or because the court finds that the addresses of the persons are not known or readily ascertainable, the court shall transmit the effects to the Department of the Army for disposition pursuant to section 2575 of this title.

"(f) The summary court-martial shall make a full report of the transactions under this section, with respect to the deceased, to the Department of the Army for transmission to the General Accounting Office for action authorized in the settlement of accounts of deceased members of the Army.".

(d) Subsections (c), (f), and (g) of section 9712 of title 10 of the United States Code are amended to read as follows:

"(c) If the summary court-martial cannot dispose of the effects under subsection (d) because there are no persons in those categories or because the court finds that the addresses of the persons are not known or readily ascertainable, the court shall transmit the effects to the Department of the Air Force for disposition pursuant to section 2575 of this title.

"(f) The summary court-martial shall make a full report of the transactions under this section, with respect to the deceased, to the Department of the Air Force for transmission to the General Accounting Office for action authorized in the settlement of accounts of deceased members of the Air Force.".

(e) Sections 4713, 6522, and 9713 of title 10 of the United States Code are repealed.

EFFECTIVE DATE

SEC. 9. This Act shall take effect on the first day of the second month beginning after the date of enactment of this Act and shall apply to unclaimed property accruing on and after that date.

By Mr. RIEGLE:

S. 1781. A bill to provide for a system of cost sharing for health care and uncompensated care, and for other purposes; to the Committee on Finance.

HEALTH CARE FOR THE UNINSURED ACT

● Mr. RIEGLE. Mr. President, today I am introducing S. 1781, the Health Care for the Uninsured Act of 1985. This bill will address the need of the growing number of individuals and families in this country who are finding themselves without the financial access to health care. These Americans who are being denied access to our health care system, represent a growing segment of our population. The Census Bureau recently estimated that there are 35 million individuals who lack either a public and/or private form of health care coverage. This represents a 25-percent increase since 1977. The reasons for this increase in uninsuredness are complex. Clearly at the top of the list are reductions in funding for the Federal Government's health care programs and the failure of certain segments of our society to rebound from the recent recession with its accompanying continued high unemployment. This number fails to include the millions of Americans who have inadequate insurance, which the American Medical Association recently estimated to include an additional 75 million persons under 65 years of age.

This is not an academic or statistical problem. There is scientific evidence to suggest that the lack of health insurance, and the resulting failure to seek medical attention, actually leads to needless suffering or in some cases even death. The failure of millions of Americans to have access to health care services is an indictment of our health care system and of our political system, which, at least up to this point, has failed to respond to this critical problem. The Federal Government can no longer ignore what can only be called a national disgrace; 5 million Americans report annually that they do not seek health care because they are unable to pay for it. Due to our inaction, Americans are needlessly suffering preventable illness and are literally experiencing premature death.

The increase we are witnessing in uninsuredness is a phenomenon that should not be ignored by those of us making public policy. As a result of Federal policy, through tax deductions and Federal health insurance, we have already made the decision to spend considerably more dollars on health care for middle- and upper-class citizens than we do for poor, and working, lower-middle-class Americans. In fact, in our zeal to reduce spending in existing Federal health programs, we have indirectly made it significantly more difficult for those without insurance to secure health care. Hopefully, S. 1781 will start the long overdue dialog on how we can solve this tragic problem during a period of Federal austerity.

The problem of individuals and families without health insurance is documented by the increase in uncompensated care incurred by hospitals for the delivery of charity care and care to those with limited ability to pay. This increase in uncompensated care has led to the restriction and elimination of services by selected hospitals and a rise in the number of Americans who have been refused care because of a real or perceived inability to pay. As the health care market becomes more competitive, the lack of access to health care services for uninsured persons will only increase unless action is taken now.

During the consideration of my Health Insurance for the Unemployed Workers Act of 1983 there were those who felt that we should broaden the scope of the discussion and look at the entire uninsured population and their relationship to those hospitals that deliver a disproportionate share of uncompensated care within their respective communities. Since that time, as I have mentioned, the number of individuals without insurance has grown and the ability of health care system to serve these individuals has diminished. Therefore, I have broadened the focus of my earlier legislative initiatives on this issue to include not only the unemployed uninsured, but also the working uninsured and other individuals who lack access to health care. S. 1781, the Health Care for the Uninsured Act of 1985, is designed to address this serious problem in a manner that will be implemented at the State level and, in keeping within the constraints created by high Federal deficits, will require no new Federal expenditures. In the remaining portion of my statement, I will in a more detailed fashion illustrate who these uninsured Americans are, the impact this lack of access to health care is having on them personally, and examine the consequences for certain hospitals serving a large number of uninsured individuals. I will then briefly review the major objectives of S. 1781 and how implementation will help to alleviate this situation.

THE UNINSURED IN AMERICA

It is becoming increasingly clear that the entire population of uninsured Americans is a diverse segment of the population, spanning all age groups, employment status, and income levels. In contrast to the common misconception, this is not solely a poverty or welfare issue. It is necessary to examine in detail various demographic characteristics of this population, for a better understanding of the problem so that we can move toward more equitable and insightful solutions.

EMPLOYMENT STATUS

The individuals who are uninsured find themselves in all employment categories.

1. EMPLOYED AND UNINSURED

It is true that the majority of Americans presently have health care coverage through the workplace. A Department of Labor study of health insurance coverage in 1979 estimated that 75 percent of the civilian labor force had group health coverage through their place of employment. A 1984 survey demonstrated that 97 percent of full-time employees of medium and large firms had health insurance covering them for most categories of hospital and medical costs. So it may come as a surprise to some that the majority of the uninsured are actually employed individuals and their families. The National Center for Health Services Research [NCHSR] has estimated that the employed may account for close to 75 percent of the uninsured in this country. The uninsured workers most at risk are young persons with poor economic circumstances, lower level of education, and limited means to obtain coverage. They tend to come from occupations displaying seasonal employment patterns and less technically skilled positions such as in agriculture, construction, sales, and personal services. Many are self-employed or underemployed, or are working less than full time, which makes them ineligible for coverage even if a plan is offered to full-time employees; 85 percent of the uninsured workers received wages less than $5 an hour and have annual earnings less than $10,000.

Many would say that a large proportion of the employed uninsured simply decide not to participate in an employer-sponsored plan. However, the NCHSR, recently demonstrated that close to 90 percent were unable to obtain insurance through their employment either because a plan was not offered or the worker was ineligible. It is essential that we not be deluded into believing that inadequate financial access to health care is not a problem faced by our employed population. Employment may insure access for millions of Americans, but it very much depends on the type and location of employment.

2. UNEMPLOYED AND UNINSURED

It is the plight of the unemployed worker and his/her family that drew our attention to the possible loss of health care coverage during the last recession. The return of double-digit

unemployment focused our attention on the needs of the unemployed. The 97th and 98th Congress saw multiple proposals to alleviate or reduce the burden faced by many of these families. I first introduced legislation (S. 2798, 97th Congress, on Dec. 10, 1982) during the peak of the previous recession to provide health insurance for the unemployed. It was actually the severe unemployment in my home State of Michigan that first drew my attention to the needs of those who lacked health care coverage. We were very close to seeing enactment of legislation that would have lent relief to many of the recently unemployed. The Congressional Budget Office estimated that following the most recent recession that about 5.3 million recently laid off workers had lost coverage under an employer-based health benefit plan. If the dependents of these individuals are included the number increases to 10.7 million persons who lacked health insurance coverage in December 1982 because of job loss.

Many of these employer-based health benefit plans may actually have provided for conversion from the group rate to an individual rate. Yet how many unemployed persons can afford the increased premium of an individual plan, without an employer contribution at a time when they are least able to pay. In 1984, 51 percent of the recently unemployed in the Detroit area lacked health care coverage. In addition, despite limited incomes, these families frequently fail to meet the categorical requirement of the public assistance health programs such as Medicaid, which frequently does not provide assistance to two-parent families, independent of a family's financial need for services.

OTHERS

Finally, there is a substantial number of individuals with no recent involvement in the labor market. They are comprised of discouraged workers, individuals in school, and dependents who might not be covered by a spouses plan. Many of these individuals are living below the poverty threshold, yet again they fail to qualify for programs such as Medicaid and Medicare.

The employment characteristics of the uninsured family will undoubtly vary from region to region depending on the economic circumstances, the degree of industrialization and unionization, and the specifics of individual State's public assistance programs. Yet despite this variability, it is a national problem with large numbers of uninsured individuals living in our cities, towns, and rural areas.

INCOME STATUS

As can be deduced from the fact that many of these uninsured persons are working individuals and their families, this is not solely a poverty or welfare issue, though a disproportion number of the uninsured are represented by low-income families. A recent analysis of the current population survey by the Urban Institute demonstrated that 35 percent of the uninsured were from families with incomes below the poverty line. However, 65 percent had incomes above poverty with 11 percent actually having incomes four times the poverty threshold. Any legislative attempt to address this problem should provide access to health care coverage for all individuals, independent of their financial status. Individuals with the financial resources should be asked to pay their fair share for the care received while individuals unable to afford the full cost of health care coverage should be asked to contribute based in their ability to pay. The bill I am introducing today accomplishes this objective.

AGE DISTRIBUTION

The age distribution of the uninsured is of particular concern to me for it again spans all ages. However, it seems to affect women and children in a disproportionate manner; 11 million, or close to one-third of the uninsured, are children. In addition, 17 percent of all women in the reproductive age—15 to 44—and more than 25 percent of women in their prime child-bearing years—18 to 24—have no form of health insurance and are unlikely to be able to afford adequate care without it. There are also close to 6 million individuals who are middle aged or in their pre-senior years who lack coverage. This is particularly alarming, considering the increased cost of medical care required as persons grow older. It seems that the only population that we have assured adequate financial access to health care are our senior citizens, who at this point are relatively well protected by Medicare. It is estimated that of the 27 million elderly in this country, only 0.7 percent were without health care coverage. This is a commendation for a program which recently celebrated its 20th anniversary.

A SERIOUS PROBLEM—GETTING WORSE

The problem of health care for the uninsured looms heavily over the health care system. There are multiple trends at present which will only worsen the situation. These include, but are not limited to the following categories:

CONTINUED ESCALATION OF HEALTH CARE COSTS

The Department of Health and Human Services [HHS] has estimated that in 1984, our Nation spent over $387 billion on health care. This represents approximately 10.6 percent of our gross national product [GNP]. The increasing cost is also making making it difficult for those who lack an employment based plan to afford the cost of care.

THE INABILITY TO COST SHIFT

In the past, the care for those with a limited ability to pay was shifted to those who were able to pay. As we continue to move toward a competitive market for health care, it is becoming increasingly more difficult to shift the burden of charity care to other payers in both the public and private sector. This is presently seen with the transition of Medicare under the new prospective payment system [PPS] where the cost of charity care has not been incorporated into the system. The emergence of alternative delivery systems in the private sector such as health maintenance organizations [HMO's] and preferred provider organizations [PPO's], along with employers' growing interest in becoming self-insured, is making it difficult for these costs to be absorbed by other payers.

REDUCTIONS IN PUBLIC HEALTH PROGRAMS

There has been a major reduction in health care program expenditures during the first term of this administration. The Omnibus Budget Reconciliation Act of 1981 [OBRA] enacted major changes in the Medicaid Program which hurt many low-income individuals. The two major changes were a reduction in the Federal match over 4 years, and tightening eligibility for the work incentive aspect of the aid to families with dependent children [AFDC] which qualifies recipients for Medicaid benefits. The Government Accounting Office [GAO] estimates that half a million low-income, working families were eliminated from the Medicaid Programs as a result of OBRA. It has also been estimated that over 700,000 children were dropped from Medicaid following the enactment of this legislation. It is now estimated that Medicaid services less than half the poor and near poor in this country.

The Discretionary Health Programs, which were designed to improve access to the health care system, and includes the maternal-child health block grant, community and migrant health centers, the Indian Health Service, and the National Health Service Corps have been reduced by 36 percent during this administration. It is no wonder that so many of our children and low-income families lack adequate access to care.

METAMORPHOSIS OF THE HOSPITAL INDUSTRY

The hospital industry is in tremendous flux, which is being generated in part by the new Medicare prospective payment system, the continued efforts to contain costs, and recent reductions in hospital utilization. Two changes are directly affecting access for those who find themselves uninsured. The first is the increase in proprietary—for-profit—hospital chains. It has been demonstrated time and again that these chains serve a disproportionately small number of individuals who lack an ability to pay. The second is hospitals' continued fulfillment of their Hill-Burton charity care obliga-

tion. It is estimated that as of January 1, 1984, 28 percent of hospitals that had received Hill-Burton funds has retired their 20-year, free-care obligation.

Each of the above trends will only continue to place a continued stress on the health care system. This stress is evidenced by the increasing difficulties uninsured individuals are having in gaining access to the health care system.

IMPACT OF UNINSUREDNESS

Many researchers have demonstrated that those individuals and families who lack health insurance have much different health care utilization patterns of health care services. The frequently have poorer health status, utilize less physician, and hospital services. The care is fragmented, acute, and more expensive. It is usually received in hospital emergency rooms, or public hospital outpatient clinics. There is also much less use of preventive services which could reduce the need for hospitalization.

However, as the amount of uncompensated care incurred by hospitals increases, they will be less able to deliver even this less than optimal type of care. The time has come once again when those individuals lacking health insurance are being turned away. A recent Robert Wood Johnson report documented that in 1982 over 1 million families were refused care because of a presumed inability to pay. The problem of refusal of care is faced by many of those described above. This refusal can take the form of several new practices which are increasing in frequency in this country. They include: patient dumping, preadmission deposits, and the actual reduction of certain services by hospitals.

PATIENT DUMPING

Patient dumping is the practice of transferring a person in need of emergency services from one hospital to another because of the inability to pay. It is frequently from a private or proprietary hospital to a public teaching hospital. To demonstrate the burden faced by many of these public hospitals, the public hospitals accounted for only 22 percent of hospital charges in 1984, and yet delivered 40 percent of the uncompensated care in this country. In Florida, for-profit hospitals make up nearly 50 percent of hospitals, yet accounted for only 4.2 percent of State's care for the poor. The problem is further illustrated by the testimony of Dr. Gordon Schiff, a physician from Cook County Hospital, who stated before the Senate Special Committee on Aging, that the number of inpatient economic transfers had increased 500 percent since 1979. This same story is told from State to State across this country. "Sixty Minutes," CBS news magazine program, recently broadcasted a segment entitled the "Billfold Biopsy" which documented the problem of patient dumping at Parklawn Hospital in Dallas.

PREADMISSION DEPOSITS

The practice of requiring preadmission deposits from uninsured individuals is becoming commonplace in many parts of this country. The deposit can range from anywhere from a few hundred to a few thousand dollars. If the deposit is not available, the patient is told he or she will have to look elsewhere for care. There are numerous reported cases where women in labor, or persons in need of surgery were told to seek care elsewhere.

REDUCTION OF SERVICES BECAUSE OF UNCOMPENSATED CARE

As the burden of charity care increases and is placed increasingly upon the shoulders of the public and teaching hospitals, the ability of these hospitals to deliver such care is becoming increasingly difficult. The uncompensated care incurred by hospitals in 1982, was $6.2 billion, an increase of 27 percent since 1978. Many hospitals, faced with financial instability, may have to eliminate services which account for a large portion of uncompensated care including obstetrical and maternity care, neonatal intensive care, and outpatient ambulatory services. Once these services are eliminated at the public hospitals, where will these families go for care? For these reasons, Representative STARK and Senator KENNEDY should be commended of their efforts to put severe restrictions for patient dumping in their new health initiative. In addition, the legislation I am introducing today, Health Care for the Uninsured Act of 1985, will address this serious problem from a different perspective.

INCREASING INFANT MORTALITY

It seems inconsistent that a nation that spends over $1 billion a day on health care, and has the most advanced medical technology in the world, should have so many millions of individuals who lack basic access to these vital services. The impact of these discrepancies is becoming increasingly evident in the health of our Nation.

The infant mortality rate has long been used by nations as a gauge of the health of a society. In 1950, the United States ranked fifth as compared to other industrialized countries. In 1982, we had dropped to 17th. In addition, there are numerous reports of the infant mortality rate actually starting to increase in certain urban centers including Detroit, Boston, and the District of Columbia. Despite the continued improvement for white children, it appears that we will not meet the goals set for 1990 by the U.S. Public Health Services for infant mortality of minority children. Undoubtedly, the reasons are complex, But certainly two of the reasons must be the recent reduction of health care services for those in need and a health environment which turns people away when they are most in need of services.

HEALTH CARE FOR THE UNINSURED ACT OF 1985, SUMMARY OF PROVISIONS

INTENT AND PURPOSE

The purpose of S. 1781, is to utilize the existing health care delivery system to provide access to health care services for those who are unable to afford care under the current health care environment. By the use of a pooling mechanism, an attempt will be made to address the two serious problems described above which includes:

First, providing health care to any eligible uninsured individual in each State, and to, second; provide a mechanism of cost sharing among hospitals for reimbursement of a portion of the uncompensated care now being delivered.

By addressing both of these interrelated problems, we are attempting to reduce substantially the uninsured population in this country—which itself will reduce the burden on many hospitals—and to address directly the problem of charity care faced by many hospitals today.

IMPLEMENTATION

The bill is designed to involve no new Federal expenditures and to allow the States a high degree of flexibility in the design and implementation of the program. The bill allows for three methods to fulfill the intent of the legislation.

First, if a State has enacted a program, or is in the process of drafting legislation which will address these problems on a statewide basis, a waiver provision is provided which will allow the State to continue with its current plans.

Second, if a State has nc plan, S. 1781 provides a model State health care pool, which defines who is eligible, a minimum benefits package, financing mechanisms of the pool, and the various cost-sharing components.

Third, finally, if the State fails to implement either of the previous two provisions, the Federal Government will institute the State health care pool and monitor its progress.

THE MODEL STATE HEALTH CARE POOL

As previously mentioned, the State health care pool will provide health care services to the uninsured through a health care program, and reimburse hospitals for a portion of their uncompensated care in a manner proportional to the amount of uncompensated care they deliver. The pool will be financed from a variety of revenue sources so as to help maintain the solvency of the pool. These include:

First, existing and perhaps new funding by State, counties, and local municipalities.

Second, premiums from those who utilize the health care program portion of the pool. These individuals will

pay the premium on a sliding scale based on their ability to pay.

Third, a tax on the net operating revenues of the hospitals in the State, exempting certain hospitals based on the amount of care which is delivered to low-income individuals in the State—composite of Medicaid and uncompensated care. Those hospitals which are currently providing care for individuals who are unable to pay at twice the State average will be exempt. In addition, 30 percent of the funds from the health care pool will be returned to all hospitals in a manner proportional to the amount of uncompensated care which is delivered.

The other major provisions of S. 1781, includes provisions for enrollment, needs assessment, and outreach, additional cost sharing, and the care for those with a pre-existing condition. These will be further clarified in the section-by-section analysis of the bill to follow and with the text of the bill itself.

Mr. President, I introduce S. 1781, not as the ultimate answer to the problem of uninsuredness in this country, but as the starting point in a national debate on the issue. We must begin to address this very serious problem, and I urge all my colleagues to join in their support and cosponsorship for this bill.

Mr. President, I also request, that the section-by-section analysis and that the bill itself be included in the RECORD at this point. I also request that the text of several newspaper articles and the transcript of the "Sixty Minutes" segment also be included for they elucidate in greater depth and in more detail the plight presently faced many millions of Americans.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1781

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Health Care for the Uninsured Act of 1985".

SEC. 2. STATE PROGRAMS.

(a) IN GENERAL.—

(1) STATE POOLS.—Each State may establish a program pursuant to this section which provides for a health care pool to make health care available to any eligible uninsured individual in the State, and which provides for cost sharing among hospitals for uncompensated care provided by hospitals in the State.

(2) FEDERAL ALTERNATIVE.—If a State does not establish a program pursuant to this section, the Federal program established pursuant to section 5 shall apply in such State, and the tax imposed pursuant to section 4285 of the Internal Revenue Code of 1954 shall apply to hospitals in such State.

(b) STATE PROGRAM REQUIREMENTS.—

(1) IN GENERAL.—A State program meets the requirements of this section if such program—

(A) establishes and maintains a health care pool which meets the requirements of subsection (c);

(B) is approved by the Secretary of Health and Human Services (hereinafter referred to in this Act as the "Secretary"); and

(C) provides such information to the Secretary as the Secretary may require in order to evaluate the State program.

(2) WAIVER AUTHORITY.—The Secretary may waive the requirements of this section and approve a State program if the Secretary determines that such program substantially provides the same results, with respect to uninsured individuals and hospitals which provide uncompensated care, as would the program specified in this section.

(c) STATE HEALTH CARE POOL.—A State health care pool is an entity established under State law for the purposes of—

(1) providing health care, through insurance or otherwise, to all uninsured individuals residing in the State; and

(2) sharing among all hospitals in the State the costs of uncompensated care provided by any such hospital.

(d) POOL FINANCING.—The State shall ensure the solvency of the health care pool through any combination of—

(1) premiums collected pursuant to section 3(d), but subject to the limitations contained in such section;

(2) revenues from the hospital tax required under section 4(b), but subject to the limitations contained in such section; and

(3) funds provided by the State or political subdivisions thereof.

SEC. 3. HEALTH CARE PROGRAM.

(a) IN GENERAL.—The State health care pool shall provide health care, through insurance or otherwise, to all uninsured individuals (as defined in subsection (b)) residing in the State.

(b) UNINSURED INDIVIDUAL.—For purposes of this section, an uninsured individual is any individual who—

(1) is not eligible to be covered under any employment-based health plan (provided by insurance or otherwise) by reason of his own employment or the employment of his spouse or parent, including any post-employment extended eligibility provided at the same rate and with the same employer cost sharing as are provided to employees; and

(2) is not eligible for the Medicare program under title XVIII of the Social Security Act or for medical assistance under a State Medicaid plan approved under title XIX of such Act.

(c) REQUIRED BENEFITS.—

(1) IN GENERAL.—The health care pool must provide for a program which provides, either through insurance or otherwise, including (but not limited to) the use of health maintenance organizations or State-established preferred provider arrangements, at least the following benefits:

(A) Inpatient hospital services.

(B) Emergency outpatient hospital services.

(C) Routine and emergency physician services (including those provided in health clinics).

(D) Prenatal, delivery, and post partum care.

(E) Laboratory and diagnostic x-ray services.

(F) X-ray, radium, and radioactive isotope therapy.

(G) Services of a nurse midwife, described in section 1905(a)(17) of the Social Security Act.

(H) Home health services in cases where the State determines that the coverage of such services is cost effective.

(I) Drugs or biologicals provided as part of inpatient hospital services.

(2) AMOUNT, DURATION, AND SCOPE.—The State shall determine the amount, duration, and scope of the covered services described in paragraph (1) which shall be included under the program, but in no event shall the amount, duration, or scope of such services under the program under this section be less than the amount, duration, or scope of such services included under the State Medicaid plan for medical assistance for individuals described in section 1902(a)(10)(A) of the Social Security Act.

(d) PREMIUMS.—

(1) COLLECTION OF PREMIUMS.—Each uninsured individual who wishes to secure health care through the health care pool shall pay a premium for such coverage determined in accordance with paragraph (2).

(2) AMOUNT OF PREMIUM.—(A) The amount of the premium shall be determined on a sliding scale based upon the individual's family income as follows:

(i) In the case of an individual whose family income equals or exceeds 200 percent of the official poverty line for a family of that size (established by the Office of Management and Budget), the premium shall be equal to 120 percent of the actuarial value of the group benefit package provided.

(ii) In the case of an individual whose family income is below 100 percent of such poverty line, the premium shall be a nominal amount, or there shall be no premium.

(iii) In the case of an individual whose family income equals or exceeds 100 percent of such poverty line, but is less than 200 percent of such poverty line, the premiums shall be set based upon a sliding scale between the two premium amounts established under clauses (i) and (ii), but may not exceed 100 percent of the actuarial value of the group benefit package provided.

(B) For purposes of determining family income, the State shall require certification and periodic recertification in the same manner as is required under the State's program of aid to families with dependent children under part A of title IV of the Social Security Act, but in no case may recertification be required more often than on a quarterly basis.

(C) The Secretary shall establish a uniform definition of family income which shall apply to all States. Such definition shall be consistent with the definition used by the Office of Management and Budget for purposes of establishing the poverty line referred to in subparagraph (A).

(e) DEDUCTIBLES AND COINSURANCE.—The State may require that deductibles and coinsurance amounts be imposed for users of services under the program. If the State chooses to require such deductibles and coinsurance amounts, the combined value of the deductibles and coinsurance may not exceed 8 percent of the actuarial value of the benefit package provided.

(f) OPEN ENROLLMENT.—The health care pool shall provide for open enrollment in the program of health care, upon giving 30 days notice of the intent to enroll or disenroll.

(g) PREEXISTING CONDITIONS.—Coverage under the program may not be limited or denied by reason of any preexisting illness or medical condition.

(h) NEEDS ASSESSMENT AND OUTREACH PROGRAM.—The State shall conduct an ongoing program to—

(1) assess the need within the State for health care provided through the health care pool; and

(2) notify individuals who may be eligible for health care through the pool of the existence of such care and how to obtain such care.

SEC. 4. UNCOMPENSATED HOSPITAL CARE.

(a) IN GENERAL.—A State health care pool shall provide for sharing among all hospitals in the State of the costs of uncompensated care provided by any hospital in such State.

(b) TAX ON HOSPITAL REVENUES.—In order to comply with the requirements of section 2, the State law must require (except as otherwise provided in section 2(b)(2)) that each hospital in the State be subject to a tax on the operating net revenue of such hospital, the proceeds from which shall be used by the health care pool. Not less than 30 percent of such proceeds must be used to compensate hospitals in the State, in proportion to the amount of otherwise uncompensated care provided by each hospital.

(c) UNCOMPENSATED CARE.—For purposes of this section, uncompensated care is charity care, and other care provided by a hospital for which a bill is presented, but payment for which is not made within 6 months, after all reasonable efforts at collection have been made from the patient and from any third party which may be liable for such payment.

(d) HOSPITALS SUBJECT TO POOL AND TAX REQUIREMENTS.—(1) For purposes of this section, all hospitals located in the State shall be subject to participation in the health care pool and to the tax imposed pursuant to subsection (b), except hospitals operated by the Federal Government, psychiatric hospitals, and rehabilitation hospitals.

(2) For purposes of this section, a hospital shall be exempt from the tax imposed pursuant to subsection (b) for any taxable year if such hospital is—

(A) providing uncompensated care at a rate equal to or greater than 200 percent of the State average (as determined by the State for the most recent taxable year for which data is available); and

(B) providing care to individuals eligible for medical assistance under the State's plan approved under title XIX of the Social Security Act at a rate equal to or greater than 200 percent of the State average (as determined by the State for the most recent taxable year for which data is available).

SEC. 5. FEDERAL PROGRAM.

(a) SECRETARY SHALL ESTABLISH PROGRAM.—The Secretary of Health and Human Services shall establish a health care pool for any State which does not have in effect a State program approved pursuant to section 2(b) of this Act. Except as otherwise provided in this section, the Secretary shall operate such program in the same manner as the States are required to operate State programs under section 2.

(b) FINANCING OF PROGRAM.—

(1) IN GENERAL.—The Federal program in effect in any State pursuant to this section shall be financed by the hospital tax collected from hospitals in such State under section 4285 of the Internal Revenue Code of 1954, and from premiums collected. Not less than 30 percent of the proceeds from tax collected in any State must be used to compensate hospitals in such State for otherwise uncompensated care, in the same manner as is required under section 4, with payments to hospitals being made not less frequently than quarterly. If, after providing for a health care program and compensating all hospitals in the State for all otherwise uncompensated care, any amounts remain in the State's special account (established under paragraph (2)), such amounts shall be refunded to the hospitals in such State, in proportion to the amount of such tax paid by each hospital.

(2) SPECIAL ACCOUNTS.—(A) The Secretary of the Treasury shall establish a special account in the Treasury for each State for which the Secretary of Health and Human Services has established a program under this section. Such account shall be used to operate the health care pool established by the Secretary for such State.

(B) There are hereby appropriated into each such account—

(i) amounts equivalent to the taxes received in the Treasury under section 4285 of the Internal Revenue Code of 1954 from hospitals located in such State, and

(11) amounts collected by the Secretary of Health and Human Services as premiums from individuals enrolled in the health care program established through the health care pool in such State.

(C) The amounts appropriated by subparagraph (B) shall be transferred from time to time (but not less frequently than quarterly) from the general fund of the Treasury on the basis of estimates made by the Secretary of the Treasury. Proper adjustments shall be made in the amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

(c) EXCISE TAX ON HOSPITAL SERVICES.—

(1) IN GENERAL.—Chapter 33 of subtitle D of the Internal Revenue Code of 1954 (relating to miscellaneous excise taxes) is amended by inserting after subchapter C the following new subchapter:

"SUBCHAPTER D—HOSPITAL SERVICES

"Sec. 4285. Imposition of tax.
"Sec. 4286. Definitions.
"Sec. 4287. Time for filing return; estimated tax payments.

"SEC. 4285. IMPOSITION OF TAX.

"(a) TAX IMPOSED.—There is hereby imposed on hospital services a tax equal to 3 percent of the net hospital charges for the taxable year of any hospital which is located in a State and is not subject to a program of such State approved under section 2 of the Health Care for the Uninsured Act of 1985.

"(b) PAYMENT OF TAX.—The tax imposed by this section shall be paid by the hospital.

"SEC. 4286. DEFINITIONS.

"For purposes of this subchapter—

"(1) NET HOSPITAL CHARGES.—The term 'net hospital charges' means the excess (if any) of—

"(A) the hospital charges of the hospital for such taxable year, over

"(B) the hospital charge reductions of the hospital for such taxable year.

"(2) HOSPITAL CHARGES.—The term 'hospital charges' means the amount imposed by the hospital for hospital services, ambulatory services, and ancillary services.

"(3) HOSPITAL CHARGE REDUCTIONS.—The term 'hospital charge reductions' means the amount which equals—

"(A) uncollectable hospital charges, including bad debts,

"(B) the value of uncompensated care, and

"(C) contractual adjustments and discounts.

"(4) HOSPITAL.—The term 'hospital' shall not include—

"(A) any hospital operated by the Federal Government,

"(B) any psychiatric hospital,

"(C) any rehabilitation hospital, or

"(D) any hospital which is—

"(i) providing uncompensated care (as defined in section 4 of the Health Care for the Uninsured Act of 1985) at a rate equal to or greater than 200 percent of the State average (as determined by the Secretary of Health and Human Services for the most recent taxable year for which data is available); and

"(ii) providing care to individuals eligible for medical assistance under the State's plan approved under title XIX of the Social Security Act at a rate equal to or greater than 200 percent of the State average (as determined by the Secretary of Health and Human Services for the most recent taxable year for which data is available).

"SEC. 4287. TIME FOR FILING RETURN; ESTIMATED TAX PAYMENTS.

"(a) TIME FOR FILING RETURN.—

"(1) IN GENERAL.—Each hospital on which a tax is imposed by section 4285 for any taxable year shall file a return of such tax no later than the time for filing the return of tax imposed by chapter 1 for such taxable year.

"(2) TAXABLE YEAR.—For purposes of this chapter, the taxable year of any hospital shall be—

"(A) such hospital's taxable year for purposes of chapter 1, or

"(B) if there is no taxable year for purposes of chapter 1, the calendar year.

"(b) ESTIMATED TAX PAYMENTS.—For purposes of sections 6154 and 6655, any tax imposed by section 4285 shall be treated as a tax imposed by section 11.".

(2) CONFORMING AMENDMENT.—The table of subchapters for chapter 33 of such Code is amended by inserting after the item relating to subchapter C the following new item:

"SUBCHAPTER D—HOSPITAL SERVICES.".

SEC. 6. EFFECTIVE DATES.

(a) IN GENERAL.—(1) Except as otherwise provided in paragraph (2), this Act shall become effective on the first day of the nineteenth month beginning after the date of the enactment of this Act.

(2) The Secretary of Health and Human Services may delay for up to 12 months the effective date of this Act with respect to any State if the Secretary determines that such State requires extra time to comply with the requirements of this Act due to existing contracts, the schedule of the State legislature, or other factors which the Secretary determines make compliance within 18 months impossible.

(b) HOSPITAL TAX.—The tax imposed by section 4285 of the Internal Revenue Code of 1954 shall apply to taxable years ending in or after the first month for which the provisions of this Act apply to the State in which the hospital is located, but only with respect to revenues received in or after such first month.

HEALTH CARE FOR THE UNINSURED ACT OF 1985 SECTION BY SECTION ANALYSIS

The purpose of this bill is to utilize the existing health care delivery system to provide access to health care services for those who are currently unable to afford care under current reimbursement mechanisms. This is accomplished by the creation of insurance pools which would make health care available based on the ability to pay. It would also reimburse hospitals for a portion of their uncompensated care.

SECTION 1

Section 1, provides for the short title of the bill, which is the "Health Care for the Uninsured Act of 1985".

SECTION 2

Section 2, mandates that a mechanism be established within each state to address the health care needs of the uninsured individuals in a state, and the uncompensated care incurred by hospitals for treating this uninsured population. The bill then allows three approaches to address these problems.

1. The first approach would require the establishment of a "State Health Care Pool", which when implemented will accomplish the two stated objectives of this legislation.

2. If a state does not establish the program or receive a waiver by the Secretary of Health and Human Services (HHS), the model "State Health Care Pool", will be implemented at the Federal level.

3. The bill grants the Secretary of HHS the authority to grant a waiver to a state, if the Secretary determines that an independently formulated state plan will provide similar results as the model "State Health Care Pool". Such a program must be approved by the Secretary and the states must provide sufficient information to the Secretary to asset in such approval.

The section then outlines the operating and financing mechanisms for the "State Health Care Pool". The "State Health Care Pool", must provide health care, through insurance or otherwise and contribute to the cost of uncompensated care incurred by hospitals. To maintain its solvency, this section delineates the revenue sources including:

1. Funding by State, counties, and municipalities,

2. Premiums from those accessing the "Health Care Program" portion of the of pool,

3. Revenues from a tax on the operating net revenues of the hospitals in a state.

Section 3, outlines the provisions of the "Health Care Program", portion of the model "State Health Care Pool." It describes the uninsured population to be served, the collection of premiums, deductibles, and coinsurances, the minimum benefit package, and a needs assessment and outreach provision.

Uninsuredness

The uninsured population, is defined and includes those individuals and their families who are not eligible for an employment-based health care plan, and those who are not eligible for either Medicaid or Medicare.

Minimum benefit package

The minimum benefit package in the "Health Care Program", could be delivered through a variety of health care delivery systems including but not limited to traditional insurance coverage, Health Maintenance Organizations (HMO's), and Preferred Provider Organizations (PPO's).

The benefits must include Inpatient hospital services; emergency outpatient services; physician services; perinatal services; Laboratory and diagnostic X-ray services; nurse midwife services; home health care services; and inpatient drugs.

Premiums

The premium payments of each person who would seek health care coverage through the pool, will be determined on the basis of a family's financial status.

1. Those individuals with family incomes below the Federal Poverty threshold would pay no premium or a nominal premium.

2. Those individuals with family incomes greater than 200 percent of poverty, would be required to pay a premium equal to 120% of the actuarial value of the group benefit package being offered.

3. Those individuals with income between 100 and 200 percent of the poverty level, would pay a premium on a sliding scale between the two payment levels described above, but no more than 100% of the actuarial value of the group benefit package.

Deductibles and coinsurance

The State may require the deductibles and coinsurance be imposed for users of the "Health Care Program", and if implemented must not exceed 8 percent of the actuarial value of the benefit package.

Enrollment

The bill requires an open enrollment within 30 days as part of the "Health Care Pregram."

Pre-existing conditions

The bill prohibits the denial of coverage or the limitation of benefits due to a pre-existing medical condition.

Needs assessment and outreach

Finally, the bill requires that the state conduct a needs assessment to determine the extent of their uninsured population, and that they conduct an ongoing outreach program to notify those individuals who may be eligible for entrance into the program.

SECTION 4

This section creates a mechanism for both raising revenues and reimbursing hospitals in a proportional manner for the amount of uncompensated care that is being delivered. Hospitals already providing a disproportionate share of charity would be exempt from any new revenue burdens. The exemption for disproportionate share hospitals would be determined by excluding those hospitals serving two times the state average of both Medicaid and uncompensated care patients.

With regard to returning these funds to the hospitals, the provision provides that a minimum of 30 percent of the hospital revenues collected will be used for the reimbursement of hospitals. Uncompensated care is defined as charity care and/or other care for which a bill is presented and for which no payment is received within 6 months.

SECTION 5

This section outlines the mechanism that the Secretary of HHS will use to implement the "State Health Care Pool", at the Federal level is the state fails to do so. It includes the following:

1. the establishment of a special account in the Treasury for each state to be utilized in the carrying out of the provisions of this bill,

2. the imposition of a 3% net hospital revenue tax, to assist in the financing of the pool, along with the premiums, deductibles and coinsurances previously discussed,

3. a provision that once the pool is solvent, and all uncompensated care has been reimbursed, the remaining revenues from the hospital tax will be reimbursed to the hospitals in proportion to the amount of tax originally collected.

SECTION 6

This section provides for the effective dates of the legislation beginning on the nineteenth month after the date of enactment. In addition, for states unable to respond to the new requirements under this legislation within an eighteen month period, the Secretary may delay implementation of this act for an additional 12 months.

[60 Minutes—Sunday, March 17, 1985]

"THE BILLFOLD BIOPSY"

MIKE WALLACE. Twenty-five years ago, the comedy team of Elaine May and Mike Nichols did a television sketch about "The Billfold Biopsy." What can happen when a patient in pain arrives at a hospital emergency room.

MAN (Mike Nichols). Nurse!

WOMAN (Elaine May). Hello.

MAN. Is—is this the emergency desk?

WOMAN (affirmative). Uh-huh.

MAN. I—I—I was in an auto accident. I've broken my arm and they said this was the nearest hospital; you'd take care of me.

WOMAN. OK. And, um, do you have any hospital insurance?

MAN. Yes; I have Blue Cross.

WOMAN. Can I see your Blue Cross card?

[Audience laughing.]

MAN. I—I don't have it with me.

WOMAN. You don't have your Blue Cross card?

MAN. No; you see, Nurse, when I left the house, I didn't know I was gonna have an accident. [Laughter.]

WOMAN. Well, I mean, do you have any cash?

MAN. Yeah, I have about $5.

WOMAN. Oh, well, that's not enough. [Laughter.]

MAN. Miss, I'll pay you in the morning.

WOMAN. Oh, well, I—we—this is a private hospital. We can't do that, sir. I mean, that's against hospital regulations.

WALLCE: Twenty-five years later, the billfold biopsy is still the first test that most folks are given when they go to a hospital. Do they have medical insurance? Well, 35 million Americans will answer no, that they are not covered by Medicaid or Medicare and have no private health insurance.

Why? They're not eligible. They've lost their jobs. They have jobs that don't provide medical insurance and they can't afford to buy it on their own. They are the working poor, too rich for Medicaid, too young for Medicare. What happens when they need hospital care? Come with us to Dallas, Texas.

These are some of the more than 65 private hospitals that serve the Dallas-Fort Worth area. Have an accident or an unexpected illness, and you'll probably be taken to one of their emergency rooms. But then, fail the billfold biopsy, and you'll probably be sent here, the emergency room at Parkland Hospital in Dallas, Texas, where President Kennedy was brought back in 1963. This emergency room still receives the hurt and the sick, but today hundreds of them are brought here, some say dumped here, by other hospitals in the area because those patients have no money and no medical insurance.

They come by ambulance, and they come by private car. Some show up in taxis or on foot. They arrive critically ill and in pain, burn victims, women in the middle of labor, persons near death from drug overdoses.

WOMAN: Twenty-seven year old female, an OD on heroin, has no work, no insurance.

WALLACE. Accident casualties like young Julie Mayfield, 26-years-old, a part-time actress with no insurance. She's lucky she survived this car wreck at all. She did and was taken to the closest hospital, Dallas-Fort Worth Medical Center, a private hospital.

And, why didn't you stay there?

JULIE MAYFIELD. Well, because I didn't have any insurance.

WALLACE. How about your family?

MAYFIELD. I'm 26. So, I'm no longer, you know, a dependent.

WALLACE. And Julie and her family were told her hospital stay would run into five figures at least.

MAYFIELD. For setting—putting a rod in my leg, and for getting me up on my feet and walking.

WALLACE. Julie Mayfield had a concussion, a lacerated jaw, a broken hand, and a broken thigh, but no money and no insurance. So, she was transported from this private hospital in the Dallas suburbs, 20 miles, to the public Parkland Hospital.

MAYFIELD. Every time they moved me my bones, which normally are like this, were broken like this, and they would move. You know, they would move me from——

WALLACE. Oh, my!

MAYFIELD. An accident trolley car, you know, an ambulance trolley to a bed, to another bed. Well, every time they did, I passed out, it hurt so bad. It was—I've never felt that kind of pain before. And that was the worst part of switching hospitals.

WALLACE. Dan Nielsen runs the Dallas-Fort Worth Medical Center, and he lays it on the line, the hospital business is now big business.

DAN NIELSEN. As our business, the health care business, becomes more of a true large corporate business, there is more emphasis on who is going to pay, who will pay, who cannot pay.

WALLACE. Julie Mayfield is just one of more than 150 people who are transferred to Parkland Hospital every month. Word that they are about to arrive comes over the Parkland hotline.

[Phone ringing.]

WOMAN. Parkland hotline, this is Barbara.

WALLACE. The hotline is designed to give Parkland's emergency staff some warning that a legitimate medical transfer needs to be made. But hospitals in the area use the hotline primarily for economic reasons, to warn Parkland that another uninsured patient is on his way. You will hear some remarkable candor in these conversations among doctors, nurses, and administrators, and lots of talk about money.

First, the Dallas-Fort Worth Medical Center is on the line to Parkland. One of their doctors wants to transfer a heart patient.

MAN. This lady has diagnosive heart failure, and she's in ICU now, and we need to transfer her over.

MAN. Not so quickly, you don't. First of all you have to tell me a little bit about her.

MAN. What do you mean, not so quickly?

MAN. Well, I mean, I'm not going to take an unstable patient basically.

MAN. Then I won't send anybody who's not stable, you got it?

MAN. OK.

MAN [speaking Spanish]. Listen to me for a minute now, don't give me all that crap. She does not have any insurance. The hospital does not want to take care of her. OK.

MAN. Yeah.

MAN. This is private, capitalistic money-making hopital. They're on my back to have her transferred.

Dr. RON ANDERSON. This hospital's policies are not different than any of the other policies that I'm aware of in the metropolitan area with regard to the care of indigent care, indigent folks. We are not in the business of caring for large numbers of people who do not have the ability to pay. We do not have the money to do that.

WALLACE. Dr. Ron Anderson runs Parkland Hospital, a public hospital supported mostly by tax money. He fought for that hotline, and he still gets angry at the condition in which sick people are sometimes dumped at his emergency room.

Dr. ANDERSON. The person's on a ventilator, the person has what we call pressors to keep your blood pressure up on a IV drip.

WALLACE. So, the other hospital, the other doctor is simply lying to you about the condition of the patient?

Dr. ANDERSON. One of the classic ones was when our resident called back and said, "We don't have an intensive care bed, doctor, that's why I didn't want to take the transfer, and you didn't tell me this patient was so ill. You told me that he didn't need intensive care, what possessed you to do that?" And he said, "I forgot, I forgot."

MAN. We got a pretty nasty little case, a gentleman about 50-ish, unemployed who——

MAN. Yeah.

MAN.—Fell. He's got a compound fractured hand. I think that you and Larry will have a lot of fun.

MAN. Oh, boy! They want to transfer an open tib fib in a 59-year-old here. It can be taken care of by another hospital. What it is is a poor person with an open fracture that they dump on us. That's what it's all about.

WALLACE. In that hotline conversation between a doctor at this for-profit hospital, Charter Suburban, and the folks at Parkland, they were talking about a 59-year-old grandfather, Ward McDonald. McDonald had health insurance until 2 years ago when he lost his job and with it his insurance. His age and his high blood pressure made it virtually impossible for him to get any insurance on his own. Then he fell off a roof and nearly severed his foot. Ward McDonald was taken to the nearest hospital, a very sick man. His wife Bernice was called immediately.

BERNICE MCDONALD. He was having chest pains awful badly, and they was afraid that he was going to have a cardiac arrest.

WALLACE. The McDonalds were concerned about the injury, but they also became concerned about who would pay and how.

WARD MCDONALD. I was very worried about it 'cause I—and at my foot, and seeing how badly it was broken, I was afraid it was going to run into quite a bit of money.

BERNICE MCDONALD. Well, first thing I was asked, if we had medical insurance. I thought it was very, very cold now. I don't know if that's the right word or not, but that's the way I felt. I mean, his—his life wasn't important, but it is to me.

WALLACE. John Templeton runs the hospital that shipped Ward McDonald to Parkland.

JOHN TEMPLETON. Our first attempt when a next of kin arrives, of course, is to find who will be responsible, so we can talk responsibly with them——

WALLACE. Sure.

TEMPLETON.—About financial arrangements. And in doing so, if it comes off cold and harsh, I can only apologize. These are awful times to be talking about finances.

WALLACE. Dr. Jesse Doyle is head of the emergency room at Charter Suburban. He was there the day Ward McDonald was brought in. He used to be a resident at Parkland Hospital.

Dr. JESSE DOYLE. And when you're a resident over there, and you haven't had, you've been up all night on call, you don't ever like to hear that you're getting three or four transfers during the middle of the night, but——

WALLACE. And the transfers are?

Dr. DOYLE.—I think, I think most of them are appropriate, and they—I think the system is fine the way it is.

WALLACE. So, Ward McDonald was transported from this private for-profit hospital 30 miles and 45 minutes to Parkland.

BERNICE MCDONALD. As soon as they got him out here, the ambulance driver came up to me and asked for their money, or what the fee was. If I would pay it immediately, it would be $75. If I waited until the next day, it would be $105.

WARD MCDONALD. And it was pretty rough to start with, and then the ambulance driver missed his turn coming over to Parkland, and they came through downtown, and hit a bunch of those rough streets down there, and my leg got to bouncing up and down in that ambulance. And I was afraid I was going to pass out then.

WALLACE. Mrs. McDonald borrowed some money from her son, and she payed up that day. A few weeks later the McDonalds received a bill for almost $900 from Charter Suburban Hospital for the care he received there. McDonald doesn't know how he's going to pay it. The taxpayers will end up paying for his care at Parkland. His bill there is now more than $18,000.

Isn't there a certain callousness about this whole business? I mean, for one hospital to say, well, this fellow, this woman cannot afford this; therefore, send him or her over to Parkland? It—it doesn't seem somehow to square with the Hippocratic oath.

Dr. ANDERSON. Well, the Hippocratic oath is sometimes in conflict with corporate policy.

WALLACE. Corporate policy that Dr. Anderson says forces more and more hospitals faced with rising costs and falling revenues to think of money before medicine.

Dr. ANDERSON. They're taking what is a businesslike, rational approach, which scares the hell out of me because medicine is not just business; it's caring for people. We got to be businesslike, but those ward rooms are a long way from my emergency room.

WALLACE. Karen Cawley works for Dr. Anderson. She's Parkland's vice president for emergency services. She, or a member of her staff, must approve every hotline transfer to Parkland hospital.

On the hotline, I've heard you get into little fracases——

KAREN CAWLEY. Yes.

WALLACE.—With doctors from other hospitals. They want to send them over, and you're suspicious that they're sending them over not for medical reasons, but purely for money reasons.

CAWLEY. Right, that's true. Tensions do run high at times.

WALLACE. And—and what do doctors say to you?

CAWLEY. They're very honest. They're very upfront. They will say——

MAN. Hey, we're not talking about ethical grounds. We're talking about a lady that needs something done, that doesn't have the money to do it with. I am dead serious, sweetheart. We have had no end of problem at Irving Community Hospital with Parkland Hospital in the last 6 months regarding perfectly legitimate transfers. That's what your damned hospital is there for. That's what I pay my taxes for.

WALLACE. Forget the—the physical health of a patient, what does it do to the mental health of the patient and his family when he or she is shipped around from hospital to hospital, transferred, dumped?

Dr. ANDERSON. I happened to be in a motor accident at one point where I had insurance, and the other fellow didn't have insurance when I was just a teenager, and they transferred him. And I remember trying to tell them that I would pay the bill because I thought he was unstable. And I remember feeling that somehow he wasn't worth as much as I happened to be because I had a Blue Cross card in my pocket.

WALLACE. Meet Billy Petty and his 6-year-old daughter Jennifer. Jennifer had no Blue Cross card or any other insurance. She is one of millions of children not covered by health insurance. Because of that, they were turned away from this neighborhood medical center, told to get in their car and go to Parkland. The doctor never alerted Parkland they were on their way. Jennifer Petty arrived in what the hospital described as rather critical condition, in a state of impending shock. The doctor who had sent Jennifer on her way didn't want to talk to us, but her father did at Parkland.

BILLY PETTY. She was dehydrating, but I didn't have no insurance. So, they told me I had to carry her to Parkland.

WALLACE. And did he offer to call Parkland for you—

PETTY [negative]. Uh-uh.

WALLACE.—Or say that he was going to call on the hotline or anything like that? Just said, "Go on."

PETTY. They need to go put her in the hospital. So, I brought her over here.

WALLACE. And he didn't charge you anything?

PETTY [negative]. Uh-uh.

WALLACE. Jennifer Petty was placed in immediate isolation suffering from meningitis. She was hospitalized for 8 days.

I see that she's in bed there now, and how is she doing?

PETTY. She's doing pretty good since they gave her some medicine.

WALLACE. Good luck.

PETTY. OK, I need it.

WALLACE. Jack Ayres gets especially angry when children are involved. He is a lawyer and a certified paramedic who teaches medical legal issues to medical students, and to Parkland's staff.

Let me play devil's advocate. I mean, I—I'm running a hospital. I got to stay alive.

JACK AYRES. There's absolutely nothing wrong with a proprietary hospital saying that we do not electively treat people who don't have insurance or money. That's a different animal than the person that holds themselves out to the public as having a 24-hour emergency department, lures the public into the hospital upon the expectation that emergency care is available, and then tries to discriminate in providing that care because of the patient's ability to pay.

WALLACE. Private hospitals insist they render that emergency care by stabilizing the patient before they transfer him. But most of them will admit that the dumping of the uninsured is not only a Dallas phenomenon, but a nationwide problem.

Dallas. "Money, cause of care refusal." South Carolina. "Hospital turns girl away because family can't pay." Washington, D.C. "Hospitals refusing to admit poor." Across the nation, people without insurance have become part of the dumping dilemma.

And only, only for the reason that they don't have some kind of insurance?

Dr. ANDERSON. That's true.

WALLACE. Money.

Dr. ANDERSON. I think, yeah, it is. We thought maybe it was ethnic. We looked at this in our own data, nearly 2,000 transfers, and it does turn out that many of these patients are Hispanic, black, Southeast Asian, but as you really look, everything that ties them together is the lack of green. They don't have money.

BERNICE MCDONALD. You kind of try to plan your life, and you feel like you got it made, and then one day it's there, the next day it's not. Your props are all knocked out from under you.

"BROTHERS KEEPER"

ED BRADLEY. Two brothers. One has lived the American Dream—star athlete, scholar, professor, writer. The other, the younger of the two, has lived the American nightmare; he's in prison, sentenced to life without parole. "Brothers and Keepers" is the name of the book written by one of them based on conversations and letters with the other. The book is a plea to give his brother another chance.

[From American Medical News, Aug. 9, 1985]

IN FIRST QUARTER OF 1985—HOSPITALS SCORE RECORD PROFITS UNDER DRG'S

(By Doug Lefton)

Hospitals racked up record profits in the first quarter of this year, according to data released by the American Hospital Assn. (AHA) during its annual convention in Chicago.

The data showed that profits for the hospital industry as a whole rose to $2.8 billion in the first quarter—a 22% increase over the first quarter of 1984.

"We've never had operating margins like this that I can remember," acknowledged Alex McMahon, AHA president, in an interview.

While the hospital industry as a whole fared extremely well, 18% of all hospitals are running in the red, according to the data, published in *Economic Trends*, an AHA quarterly report on hospital statistics.

That figure prompted Donald Wegmiller, who was named the AHA's chairman-elect during the group's meeting, to predict that many of the nation's hospitals would close in the next few years.

"It wouldn't surprise me if half of the 18% closed over the next few years," he said. That would mean that more than 500 of the nation's 5,800 hospitals would close.

Wegmiller said that small hospitals, many of which cannot cut costs any further, were the most vulnerable.

McMahon attributed the hospital industry's unprecedented bottom line to Medicare's prospective payment system, which pays hospitals for inpatient services according to diagnosis-related groups (DRGs).

The plan, which began phase-in in late 1983, has given hospitals strong incentives to cut costs by becoming more efficient, McMahon said. Under the plan, "Medicare revenue [for a given diagnosis] is fixed. Therefore, if you save money, you keep money [as profit]," he explained.

The data in *Economic Trends* showed that the hospital industry's profit margin increased to 7.9% in the first quarter, the highest first-quarter margin reported since the AHA began tracking the statistic in 1963. The figure surpassed the 6.2% profit margin reported for 1984, which also set a record.

Generally, the viability of a business is judged by its profit margin, the percent of revenue that exceeds expenses. Profits are treated differently by for-profit and not-for-profit hospitals. A for-profit hospital distributes some of its profit to stockholders as dividends and plows the rest back into the business. A not-for-profit hospital, which has no stockholders, plows its entire profit back into the business or saves the profit to meet future needs.

AHA officials said that the industry's profit margins, though record high, were not excessive. McMahon said that, while profit margins grew, hospital costs grew slowly. The data showed that hospital revenue, or the total cost of hospital care to the nation, was only 4.7% higher this first quarter than in the first quarter of 1984.

Other AHA officials said they thought that profit margins in the 6% to 7% range were not excessive when compared to margins in other industries.

The data, as well as interviews conducted at the AHA convention, indicated that high profits have resulted primarily from cost slashing at hospitals, much of it achieved by cutting staff and through more careful purchasing. "I haven't talked to a person at this meeting that hasn't gone through a significant downsizing in operation in the last year," said Donald Shropshire, president and chief executive officer of the 650-bed Tucson Medical Center in Tucson, Ariz.

Shropshire said he reduced staff at his hospital by 200 employees during the last year through attrition and early retirements.

Hospitals also are reducing costs by tracking physician use of the hospitals, said Raymond Leitner, president and CEO of John C. Lincoln Hospital in Phoenix and an AHA board member. Hospitals "are just getting there" in identifying physicians who are heavy users, and in conveying that data to utilization review committees, he said.

At an AHA hearing committee meeting, however, James H. Sammons, MD, executive vice president of the AMA, said that some of the cost savings might be coming through the release of patients who are not yet ready to go home. There is "a significant amount of anecdotal evidence" that patients are being released "too quick and too sick," he said.

In an interview shortly after Dr. Sammons spoke, the AHA's McMahon said, "We have to be certain that the better margins have not come at the expense of qualify of care. I do not think they have."

Although the hospital industry as a whole has fared profitably, 18% of all hospitals experienced negative margins for the year ended in March, the data indicated. This means that nearly one in five hospitals is losing money.

Wegmiller, who is president and chief executive officer of Health Central Corp., a Minneapolis-based chain of non-profit hospitals, said he doubted that there ever had been so many hospitals with negative margins. "Just as everyone predicted, under prospective payment, there are winners and losers. And that disparity is becoming more and more evident," he said.

The hospitals that are faring the worst tend to be the small hospitals. According to the data, hospitals with fewer than 50 beds, as a group, have decreasing profit margins.

Although large hospitals can cut costs by reducing personnel, small hospitals often cannot reduce their staff complement, hospital observers have said. As an example, a large hospital can let go one of its building engineers, but a small hospital that has only one building engineer cannot.

Small urban hospitals are the most likely to close, Wegmiller said, because of competition from neighboring hospitals. The next most endangered class of hospitals are small

rural hospitals, he said. Large inner-city hospital plagued with high loads of indigent care and aging physical plants are the third most likely class of hospitals to face closing, he said.

Wegmiller added that many failing hospitals that do not close would convert to nursing homes or institutions that treat chemical dependency, sexual and sleep dysfunctions, or pain.

Wegmiller also said there was a "direct correlation" between the oversupply of physicians in an area and failing hospital margins. When the physician population becomes competitive, the MDs begin to do work in their offices that formerly was performed in hospitals, he said. "They need to do more and more themselves to maintain their income levels or to sustain their medical practices.

"The greater the supply of physicians, the worse the hospital margins in that area," Wegmiller said.

The data in the AHA's *Economic Trends* are based on a survey returned by 1,200 of the nation's 5,800 hospitals. The publication revealed that in the first quarter of 1985, compared to the first quarter of 1984:

Admissions feel 5.7%.

Average length of stay dropped 2.4%.

The total number of inpatient days dropped 7.9%.

Outpatient visits increased 1.5%.

Occupancy decreased from 72% to 68%.

The number of full-time equivalent personnel decreased 3.8%.

The number of staffed beds dropped by 2.2%.

[From the Washington Post, June 30, 1985]

AILING, UNINSURED AND TURNED AWAY—AMERICANS WITHOUT HEALTH COVERAGE FINDING HOSPITAL DOORS CLOSED

(By Paul Taylor)

DALLAS.—When G.R. Lafon walked shakily into the emergency room of Parkland Memorial Hospital here, a nursing supervisor asked is she could help.

"I hope so," said the uninsured 56-year old laborer, displaying a nasty third-degree grease burn on his side and back. "I already been to three hospitals today that couldn't."

Lafon had been thrice "dumped"—turned away from emergency rooms for lack of a deposit ranging from $500 to $1,500 required by three for-profit hospitals closer to his home.

"Kind of makes you feel like a dog," said Lafon, who received a skin graft and 19 days of hospital care at county-owned Parkland.

Dumping is not new, but it is a growing practice. The 20 million to 35 million Americans without health insurance are finding themselves left out in two upheavals that are changing the face of the health industry: the ascendancy of for-profit hospitals and the emergence of price-conscious consumers—led by the biggest health consumer of all, the federal government.

These developments have set loose free-market incentives into an arena long shielded from them, the hospital, and may lead to lower-cost, more efficient health care for everyone. Already they seem to be taming medical inflation.

In the meantime, however, as the leading players in this brave new marketplace—hospitals, counties, states, the federal government, private insurers—sort out new roles and protect old turf, "the uninsured are the ones who are left with their jaws exposed," said John Gavras, president of the Dallas-Fort Worth Hospital Council.

Dumping is the prime symbol of that exposure. In communities nationwide, dumping headlines have become the $600 ashtrays of medical care. The horror stories that make the news—of patients being sent to other hospitals while in labor or while comatose or immediately after devastating accidents—are atypical, but they speak to the perverse incentives of a larger system.

Nobody knows how many patients are dumped nationally; few hospitals keep records. Parkland does. It gets "dumped on" 150 times a month—twice the level of three years ago. Other big-city public hospitals that monitor dumping report similar jumps. Last year, Cook County Hospital in Chicago admitted 6,000 emergency patients transferred from other facilities, a fivefold increase in four years.

Parkland and Cook County are tax-supported, and their charge is to care for the poor. Both are teaching hospitals; their staffs have excellent reputations. So the question arises: What's wrong with putting uninsured patients in places like that?

One set of concerns is strictly medical; the other involves access and equity.

Last year, a Harvard Medical School research team analyzed records of the 458 patients transferred during a six-month period to tax-supported Highland General Hospital in Oakland, Calif. It found that in 7.2 percent of the cases, the patients were transferred without being stabilized medically and that their care suffered as a result.

"Medical judgment, compassion and common sense nowadays are too often overwhelmed by the economic considerations of hospital managers," said Arnold S. Relman, editor of the New England Journal of Medicine.

Relman and other critics also fear that the country is heading toward a two-tiered network of hospital care—private hospitals for paying patients, public hospitals for the poor and uninsured.

"It doesn't take too long to figure out who loses in a system like that," said Dr. Ron Anderson, president of Parkland, who believes that a community will spend only so many tax dollars on public hospitals.

Anderson bumps into those limits every day. Parkland, he likes to joke, has an "open-door" policy—literally.

"Our doors are kept open by the long lines of people trying to get care," he says. Waits at some of his hospital's outpatient clinics can run five or six hours. During busy times, Parkland's four-bed hospital rooms have five beds, making even getting in and out a chore for visitors, doctors and nurses.

It is crowding, rather than the quality of medical care, that gives public hospitals their generally poor reputations. But reputation is the least of the public hospitals' worries.

In the new medical marketplace, public hospitals are being hit from all sides by cost pressures. Federal cutbacks in Medicaid and Medicare have reduced their reimbursements; employer cutbacks in health benefits have added to the pool of the uninsured for whom they are ultimately responsible; and the "skimming" of paying patients by the aggressive marketing techniques of for-profit hospital chains have taken away many of their paying customers.

At least seventy public hospitals have closed their doors in the past five years, and another 180 have been bought or managed by for-profit hospitals—thereby adding to the strains on the remaining public hospitals.

"Health care is now a commercial commodity sold in a market in which nice guys (those who render uncompensated care to the indigents) are bound to finish last," writes Uwe Reinhardt, a health economist at Princeton University.

In Texas, where the proprietary hospital industry has its strongest foothold, 30 percent of all hospital beds are owned by for-profit chains; nationally, the figure is 11 percent, but it is expected to grow to 30 percent within a decade.

Public hospitals nationwide spend 11 percent of their gross patient revenues on "indigent care"—that is, care for uninsured patients too poor to pay, too young for Medicare (the federal program for those 65 and older) and unqualified for Medicaid (a state-federal program whose eligibility guidelines make coverage available to only half the nation's poor).

Private hospitals, on the other hand, spend 3 percent of their gross patient revenues on care for the indigent—despite laws, in Texas and other states, requiring hospitals with emergency rooms to provide emergency care to all patients who need it, regardless of ability to pay.

Given that disparity, a predictable tug of war has developed in this state and nationally betwwen public and for-profit hospitals. The hybrid private/nonprofit hospitals, which own more than half of all beds nationwide, have generally sat on the sidelines, feeling sympathy for both combatants.

Here in Dallas, Parkland's emergency room has instituted a tough screening policy designed to curb dumping. Parkland's screeners are directed not to take transfers without sound medical reasons, or unless the patients are legitimate charity cases rather than the "medically indigent." The screening has worked to a degree, but it is a voluntary system that relies on the sending hospitals to phone in advance for permission to transfer. Not all do so.

Parkland also pushed a bill in the Texas Legislature that would have placed a 1 percent tax on the net revenues of all hospitals, and used the money to set up a state fund to care for the medically indigent. Florida recently enacted a similar tax. States that have hospital ratesetting powers, such as New Jersey and Massachusetts, factor the cost of indigent care into their rates.

Texas for-profits launched an aggressive lobbying campaign against what they dubbed the "sick tax," and they killed it. Instead, the legislature passed a law last month requiring each county that does not have a public hospital (about half do not) to spend at least 10 percent of its local tax revenues on medical care for the indigent. Counties that spend more than 10 percent receive state reimbursements.

The lobbying by the for-profit hospitals angered many legislators—state Rep. Brad Wright of Houston, chairman of the public health committee, accused them of "reprehensible tactics"—but the proprietary hospitals refuse to be cast in the role of bad guy.

They argue that guaranteeing health care for the indigent is the responsibility of government—not hospitals, patients or patients' insurers, all of whom would ultimately pay a "sick tax."

"We don't expect Safeway or A&P to give away free food for people who can't afford it," said R. Bruce Andrews, executive vice president of American Medical International, a for-profit chain, expressing the free-market view in its purest form.

Who, then, should pay? The question goes to the heart of this nation's longstanding

ambivalence toward funding medical care for the poor.

The United States spends more per capita on health than any country in the world, yet it is the one Western industrial democracy that does not treat health care as a basic national right. On the other hand, it will not stand for any health delivery system that shuts out critically ill patients because of their inability to pay.

Over the years, a jerry-rigged system of hidden subsidies came into being that addressed the problem of reconciling those crosscurrents and reflected the ambivalences. The hospital bills of the uninsured were paid by the hospital bills of the insured, a mechanism of "cost-shifting" that thrived, until the onset of the 1980s, in the milieu of generous hospital-reimbursement formulas built into the Medicare and Medicaid programs.

When the federal government got into the health insurance business in 1965 with Medicare and Medicaid, it said to the hospitals, in effect: We lack the political consensus to insure all the poor, but we will reimburse you handsomely enough for those we do insure so that you can pick up the slack and take care of the rest.

Because the federal government became the nation's biggest purchaser of health care through those two programs, it served as the industry pricing leader; private insurers had little choice but to go along with "cost plus" reimbursement formulas. From 1965 to 1980, cost-shifting thrived, and hospitals flourished. Their share of the health-care dollar grew from one-third to more than 40 percent, and the cost-plus formulas drew entrepreneurs into the field. So began the era of for-profit hospitals.

By the late 1970s, the poor were staying in hospitals and seeing doctors as often as the not-poor. The uninsured still had less access to care, but their numbers were diminishing—down to 10 percent of the population, by some estimates.

Then something snapped. The galloping medical inflation of the 1970s, triggered in no small measure by those generous reimbursement policies, became politically intolerable. The federal government decided to reverse field. After 15 years of making expansion and access the hallmarks of its health policy, it would now make cost containment the critical ingredient.

In the early 1980s, Medicare and Medicaid budgets were cut or capped, and for the first time in nearly 20 years, the number of uninsured started rising again. Moreover, in a key change in 1983, the Medicare reimbursement formula was changed to a fixed price, rather that cost-based, approach. Private insurers, emboldened by the government's example and aroused by the doubling of health-care costs as a percentage of gross national product in the previous 25 years, followed suit.

Much good has come of this cost squeezing. Medical inflation has been cut in half, average hospital stays have been shortened, and insurers such as Blue Cross are passing their savings back to subscribers. From the hospital industry's standpoint, however, the squeeze has meant cutthroat pressures to economize and to compete—for paying customers, please.

It is a brave new market, indeed.

A few blocks down the street from Parkland stands Medical Arts Hospital, one of the new "medical boutiques" that have carved out a market niche by offering hospital inpatients such amenities as midafternoon wine and cheese, fine china and silverware. Throughout the city, billboards beckon hospital patients (marketing has not yet reached the point of "specials this week on cataracts," but the visionaries say it's coming).

Suburban shopping strips are filling up with minor-emergency centers (Doc-in-a-Box, as the genre is affectionately known) where "McDoctors" treat broken arms and runny noses for less money and with less waiting time than good old, disappearing Marcus Welby.

Meanwhile, there is an emerging glut of doctors and hospital beds, both of which tooled up in the 1970s for an expanding market. But as the uninsured are discovering, too many doctors and too many beds do not necessarily add up to increased access to medical care.

The day he burned himself in a grease fire at a fish fry, G.R. Lafon found that out firsthand.

Doctors at the first three emergency rooms he visited, after determining he could not pay, decided that he was not an emergency case. At the second of those hospitals, North Texas Medical Center, doctors took the precaution of inserting an intravenous tube and a catheter in Lafon, to stabilize his liquids (a critical factor for burn patients). But without a deposit, they would not admit him.

So Lafon slung the IV bottle over the coat hook of his sister's 1976 Oldsmobile and headed off.

Finally, after seven hours and 70 miles of trekking around—"It was starting to hurt real bad," Lafon said—he wound up at Parkland, where he would run up a bill of $22,189 for 19 days of hospitalization and a skin graft. There has been a spirited debate on who was in the wrong.

"Our doctors here . . . think that maybe that course of treatment [at Parkland] was a little bit excessive," said Steven Woerner, administrator of North Texas Medical Center.

"He was definitely an emergency case, with third-degree burns that would not heal on their own," said Dr. John Hunt, director of Parkland burn unit. "I would question whether those doctors had the experience to determine this was a third-degree burn. I also find it grossly inappropriate for them to insert an IV and a catheter and then send him on his way."

Debates about the appropriate levels of care have been going on among doctors since the dawn of medicine, and market incentives have not made them less complicated.

Meanwhile, Lafon has recovered, but he has been receiving dunning notices for an overdue hospital bill. It's not the $22,189 from Parkland; the taxpayers will have to eat that one.

It's a $353.75 bill from North Texas Medical Center—for the catheter and IV.

[From the Washington Post, July 3, 1985]

MANY NOT INSURED FOR MATERNITY COSTS—STUDY SAYS 1 IN 4 WOMEN OF PRIME CHILDBEARING AGE LACK COVERAGE

(By Spencer Rich)

Although a normal hospital birth now costs an average of $3,200, about one-quarter of all the nation's women in the prime childbearing years have no health insurance to pay the bill, according to a study released yesterday by the Alan Guttmacher Institute.

The nonprofit organization, which researches birth and family-planning issues, said that calculations derived from recent Census Bureau findings show that a quarter of all women 18 to 24 lack health insurance or government health services under such programs as Medicaid. Fifteen percent of women in the next major childbearing age group, 25 to 29, also are without coverage. These two age groups account for about three-quarters of all U.S. births.

Most of those without coverage have low incomes. If all low-income women of childbearing age, 15 to 44, are taken into account, about one-third with family incomes below $15,000 last year had no health insurance.

The Guttmacher study, written by Rachel Benson Gold and Asta Kenney, said 95 percent of all U.S. births occur in hospitals, raising the question of who pays the big bills when so many women lack insurance.

Although some of the women without coverage pay the costs out of pocket, in many cases they are taken as charity patients or they simply run up a bill and never pay it. As a result, the hospital and doctor get stuck with unpaid bills and either absorb the losses, shift costs to other patients who have insurance or try to get aid from local health agencies.

A recent study by Vanderbilt University researchers, the Guttmacher study said, concluded that births are responsible for about 37 percent of all admissions in which the hospitals are not compensated or are paid directly out of the patient's pocket.

In addition, hospitals bear the costs of caring for newborns in many cases; Vanderbilt Hospital estimated that 27 percent of all its uncompensated costs were for newborns.

Nationwide, it has been estimated that hospitals provide $6.2 billion a year in uncompensated care for all types of cases—a major financial burden, especially for inner-city and public hospitals.

The Guttmacher study said that although the federal-state Medicaid program was intended to provide coverage to low-income women, there are large coverage gaps because states set their own standards. Half of obstetrician-gynecologists do not participate in Medicaid, which often offers only small payments to doctors. In addition, some private health policies do not cover maternity care.

According to the recommendations of the American College of Obstetricians and Gynecologists, a pregnant woman should have at least 13 prenatal visits, beginning very early in the pregnancy. In addition to the cost of those visits, the study said, typical costs of a normal birth are likely to total more than $3,200, and for a Caesarean delivery about $5,000.

Despite doctors' recommendations for early prenatal care, another study published by the Guttmacher Institute yesterday estimated that three-quarters of all pregnant women (two-thirds of blacks and low-income women) received care in the first three months of pregnancy during 1980. Eighteen percent received no care until the second three months, and 5 percent received care in the last three months or not at all.

[From the Washington Post, Nov. 13, 1984]

HEALTH INSURANCE SHORTFALLS FOUND—1 IN 4 UNDER 65 HAVE INADEQUATE OR NO COVERAGE, HHS SAYS

(By Spencer Rich)

One of every four Americans under 65 is without health insurance coverage at least part of the year or has a private policy that fails to cover major health costs, according

to a study released yesterday by the Department of Health and Human Services.

Although the nation is spending more money on health care than ever before, the study found that anywhere from 49.1 million to 76.7 million Americans under 65 either lack full-year insurance or have inadequate policies, depending upon how the adequacy of a private health policy is measured.

The study, probably the most detailed look to date at the nation's health insurance coverage patterns, was conducted by Pamela J. Farley of the HHS National Center for Health Services Research.

Three alternative measurements of the adequacy of health plans were used.

One alternative assumed a moderate illness with costs of a few thousand dollars, the type likely to befall about one person in 20. A policy was considered adequate if it covered the bulk of the charges, so that the family did not have to spend more than 10 percent of its income.

The second alternative, which the author said is probably the most realistic, assumed a more serious and costly illness with a one in 100 risk of occurrence; the policy was considered inadequate if family outlays would have exceeded 10 percent of income.

The third alternate measure of adequacy assumed a serious illness with catastrophic costs, of which the risk is small. The policy was considered inadequate if it did not include a catastrophic protection feature.

The study found:

Using the first definition, about 23.5 percent of the population under 65—49.1 million people this year—either lack coverage or have inadequate coverage. This consists of 9 percent without any private or government health protection such as Medicare or Medicaid, 9.4 percent who were uncovered for part of the year (these two categories include 38.5 million people) and 5.1 percent whose private coverage is inadequate (10.6 million).

Under the second definition, about 26.7 percent of the under-65 population—55.8 million people—lack coverage, have coverage only part of the year or have inadequate coverage. This consists of the 38.5 million without any coverage or without full-year coverage, plus 8.3 percent (about 17.4 million people) whose private insurance does not meet the adequacy test.

Using the third definition, 36.7 percent of the under-65 population, or 76.7 million people, lack coverage or are underinsured. This consists of the 38.5 million plus 18.3 percent without catastrophic coverage (38.2 million).

The study shows that there are substantial differences among various groups in coverage.

Using the second definition, for example, Farley's figures show that 39 percent of female-headed households have no coverage or inadequate coverage, compared with only 25 percent of male-headed households.

About 25 percent of households headed by whites have no coverage or inadequate coverage, while blacks and Hispanics are about 8 points higher.

[From the Washington Post, Oct. 15, 1984]

HOSPITALS REFUSING TO ADMIT POOR—PATIENTS TRANSFERRED TO D.C. GENERAL

(By Margaret Engel)

Private hospitals in Washington increasingly are refusing to admit poor people and instead are transferring them to the city's public hospital, D.C. General.

In recent years, patient transfers to D.C. General have risen 374 percent, according to the hospital's director, Robert B. Johnson. The hospitals transferring the most patients, he said, are the ones closest to the public facility—the Washington Hospital Center, Capitol Hill Hospital and Greater Southeast Hospital, he said.

In the year that ended Sept, 30, 904 persons were transferred to D.C. General from Washington hospitals. Three years ago, that figure was 169 persons.

"We're afraid this is part of the phenomenon of patient dumping," said Dr. Jessie Barber, a neurosurgeon who practices at D.C. General and Howard University hospitals. "Patients who have no insurance are transferred to D.C. General because, by law, that hospital takes all patients."

Traditionally, hospitals have cared for anyone who presented themselves, writing off the losses as charity care. Area hospital officials say they continue to admit people needing emergency treatment, whether or not they can pay.

But with increased competition from suburban hospitals for paying patients, declining revenues because of fixed government payments and the growing number of people not eligible for welfare who are without health insurance, Washington hospitals are finding they cannot give unlimited free care to nonemergency patients.

"Our free care load has been rising, particularly in 1984," said Barry Passett, president of the Greater Southeast Hospital Foundation, who said the hospital is giving 11 percent of its care for free, up from its usual 8 percent.

The hospital cannot continue to treat everyone who asks for help, he said, because "a bankrupt institution out here is not going to help people east of the river." As a result, "We've become very careful in our pre-admission screening program," Passett said. "[Some] people who are not emergency cases, who are stable and are appropriate for transfer have been transferred to D.C. General"

The Washington Hospital Center transferred 20 of its emergency room patients to D.C. General Hospital in June, July and August. The patients were transferred for financial reasons or because they were under police custody, said hospital spokeswoman Stephanie McNeill. Another 39 patients were transferred to other hospitals during that period, she said, mostly on the orders of the patients' health maintenance organizations.

Under federal and city rules, most hospitals are required to give 3 percent of their care for free. Most far exceed that amount. According to the D.C. Hospital Association, Washington hospitals give about $70 million in free care each year, in addition to the $35 million in free care given by D.C. General. "In spite of the transfers, there is a fair amount of charity care given in the city," said Johnson.

The problem here and across the country is that the burden is not equal but falls most heavily on a handful of hospitals—chiefly the public hospitals and those located in poor neighborhoods. "Locally and nationally, we must deal with the care of the indigent," said Johnson. "It's the single most important hospital issue today."

Passett is urging the D.C. Hospital Association to follow the lead of Florida, which requires all hospitals to pay 1 percent of revenues into a fund for charity care. An association committee, which met last week, is studying the plan.

At D.C. General, a private ambulance is dispatched for patient's after a hospital calls to make a transfer. But at least one private hospital in Los Angeles handed out maps to poor patients showing them the bus routes to take to a public hospital, Andrulis said.

"As public hospitals we don't want to close the doors, but we're concerned about inappropriate transfers," said Andrulis, whose association is studying patients who are transferred when their insurance runs out and government-insured patients who are denied admission in private hospitals because of their ailments are expensive to treat.

To deal with such problems, D.C. General has established policies that insist that a doctor at the transferring hospital talk to a doctor at D.C. General about the incoming patient. The patients' medical records must accompany them. Johnson said that once a patient is admitted to another, hospital, he or she cannot be transferred to D.C. General in the midst of treatment. He said since the policies were issued last November, there have not been major problems with hospitals transferring seriously ill patients.

The increased patient transfers raise the problem of encouraging a two-tiered system of medicine, where the poor receive care in public facilities and those who have insurance use private facilities. The federal health programs of Medicare and Medicaid have allowed poor Americans to use nearly all health facilities, but new limits on eligibility for welfare, and therefore Medicaid, have dropped thousands of people from those programs in recent years.

John Ashby Jr., associate executive director of the D.C. Hospital Association, noted that this increase in low-income patients, plus more drug and alcohol problems and the attendant security costs, have added financial burdens to public hospitals.

But private hospitals have been unable to help because of declining revenues, he said. He noted that fixed payments for Medicare patients, which began to be phased in last year, "will result in big losses in our hospitals. They have to compete and we can't direct them to accept more no-pay patients."

"It's a national phenomenon," said Ashby. "Money is getting tighter. Before, the District government could count on other hospitals a little bit more to take care of their problem. For better or for worse, that's no longer true."●

By Mr. MATTINGLY (for himself, Mr. MURKOWSKI, Mr. THURMOND, Mr. DIXON, and Mr. HOLLINGS):

S.J. Res. 220. Joint resolution to provide for the designation of September 19, 1986, as "National P.O.W./M.I.A. Recognition Day"; to the Committee on the Judiciary.

NATIONAL P.O.W./M.I.A. RECOGNITION DAY

Mr. MATTINGLY. Mr. President, today I am joined by Senators MURKOWSKI, THURMOND, HOLLINGS, and DIXON, in introducing a joint resolution calling for the designation of September 19, 1986 as "National P.O.W./M.I.A. Recognition Day."

Seven previous days have been similarly designated by Congress and proclaimed by the President as a special time for all Americans to pause and

pay tribute to those who have so faithfully served our Nation and to recognize and express appreciation for the sacrifices that they and the members of their families have made.

A number of encouraging steps have been taken toward our goal of obtaining a full accounting of those who remain missing. Progress toward that goal however, must not diminish our resolve or lessen our determination to keep the faith with those that we seek to honor with this resolution and insure that they are not forgotten.

Passage of this joint resolution will provide an important symbol of our Nations' continued attention to this vital issue. Indeed, I believe that such efforts in the past have been responsible in some degree for the progress that has been made in resolving this critical matter.

I hope that all Senators will join me and the other sponsors of the joint resolution in passing the proposal at the earliest possible time.

By Mr. CRANSTON:

S.J. Res. 221. Joint resolution to authorize the continued use of certain lands within the Sequoia National Park by portions of an existing hydroelectric project; to the Committee on Energy and Natural Resources.

CONTINUED USE OF LANDS WITHIN SEQUOIA NATIONAL PARK FOR AN EXISTING HYDROELECTRIC PROJECT

Mr. CRANSTON. Mr. President, on behalf of Senator WILSON and myself, I introduce for appropriate reference legislation to authorize the continued use of certain lands within Sequoia National Park by portions of an existing hydroelectric project. The legislation is identical to House Joint Resolution 382 sponsored by Congressman PASHAYAN.

Since 1912, the Southern California Edison Co. has operated some hydroelectric facilities in Sequoia National Park under permit from the National Park Service. These facilities include diversion structures on the Middle and Marble Forks of the Kaweah River, flumes to a powerhouse, and rubble dams which enlarge some small lakes. The powerhouse for this project, Kaweah No. 3, is located outside the park boundaries.

The original permit was issued for 50 years and has twice been extended for 10 years. The congressional authorization for the current permit expires December 14, 1985.

When Congress last authorized the Secretary of the Interior to issue a permit for the Kaweah No. 3 hydroelectric project, Congress required the preparation of a report on the impact of the operations on Sequoia National Park. A principal concern has been the water diversions from the Kaweah River.

The Park Service transmitted the required study to Congress in July of this year. The study concludes that the Kaweah No. 3 project does alter the physical and biological characteristics of the affected portions of the Kaweah River basin relative to the conditions which would exist without the project. It also points out the need to fix conditions to the permit for minimum flows and for control over access and types of equipment used to maintain the facilities and the need to continue monitoring the impacts. However, the National Park Service did not find the current impacts sufficiently adverse to warrant objection to the relicensing of Kaweah No. 3.

Mr. President, ideally I would prefer that we not have these facilities in Sequoia National Park. The operation of a hydroelectric project within the park in my view is not consistent with the purposes for which the park was established. Certainly if faced with the situation today I would oppose granting the initial permit. But these facilities have been operating in Sequoia National Park for nearly 75 years. Given this history and in light of the NPS report, I believe the project should be allowed to continue for the short term, provided the Park Service may impose conditions to protect park values, continue monitoring to assess the impact of the facilities on the park, and review the permit periodically.

Mr. President, the legislation we are introducing today would allow the Secretary of the Interior to issue a new permit with such conditions as he determines are necessary to protect Sequoia National Park. The measure specifically prohibits any expansion of the existing facilities.

I'm introducing the measure identical to the House joint resolution to expedite Senate consideration on this matter as the existing permit expires December 14. However, I believe there could be improvements in the legislation to provide additional safeguards for the park—specifically by limiting the permit to 10 years. I look forward to working with the Senate committee to make such modifications in the legislation as are necessary to ensure protection for Sequoia National Park.

Mr. President, I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 221

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is hereby authorized to issue a permit for portions of an existing hydroelectric project, known as the Kaweah Project of Southern California Edison Company, to continue to occupy and use lands of the United States within Sequoia National Park as necessary for continued operation and maintenance.

SEC. 2. The term of such permit shall expire not later than the expiration of existing or future licenses for the Kaweah Project as may be granted by the appropriate agency of the United States to Southern California Edison Company.

SEC. 3. The permit shall contain a provision prohibiting expansion of the Kaweah Project in Sequoia National Park and shall also contain such other terms and conditions as the Secretary of the Interior shall deem necessary for the protection and utilization of Sequoia National Park.

By Mr. D'AMATO (for himself, Mr. MOYNIHAN, Mr. BRADLEY, Mr. MURKOWSKI, Mr. LAUTENBERG, and Mr. HEFLIN):

S.J. Res. 222. Joint resolution concerning the cruel and inhuman killing of Leon Klinghoffer by international terrorists aboard the cruise ship *Achille Lauro,* because he did not submit to the demands of these terrorists; to the Committee on Banking, Housing, and Urban Affairs.

CONCERNING THE KILLING OF LEON KLINGHOFFER

Mr. D'AMATO. Mr. President, I am proud today to introduce a Senate joint resolution to posthumously award Leon Klinghoffer a Congressional Gold Medal to show Congress' admiration for his bravery and sacrifice while in the hands of Palestinian terrorists. Earlier today, I was privileged, but saddened, to attend the funeral of this fine American.

Leon Klinghoffer and his wife Marilyn, along with passengers of many nationalities, had embarked on the Italian cruise ship *Achille Lauro* for a peaceful cruise on the eastern Mediterranean Sea. Suddenly, their cruise ship was taken over by armed terrorists.

These outlaws sought to intimidate and coerce not only the passengers and crew, but also their relatives and law-abiding citizens everywhere in an attempt to further the goals of terrorism. This is a war that knows no boundaries. It operates on land, at sea, and in the air.

The terrorists who gained control of the *Achille Lauro,* who attempted to force the passengers and crew into submission, have been charged under U.S. law with hostage-taking, piracy, and conspiracy to commit both.

Leon Klinghoffer was a 69-year-old handicapped American who refused to submit to the demands of these terrorists. For this he was brutally and viciously killed. These cowards shot a man in a wheelchair, not once, but several times, and then, in an inhuman and despicable gesture, threw his body into the sea.

We, the Congress and the American people, need to recognize Leon Klinghoffer for the good man, the good husband, and the good father, that he was.

Most importantly, we must recognize him as a symbol of American resist-

ance to terrorism. Because he did not submit, they killed him.

To show our appreciation for his bravery and courage, I am introducing this Senate joint resolution to award Leon Klinghoffer a Congressional Gold Medal. I ask unanimous consent that this resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 222

Whereas the Italian cruise ship Achille Lauro was on a peaceful journey in the Eastern Mediterranean Sea in international waters;

Whereas the Achille Lauro was seized by a group of terrorists for the purpose of frightening and threatening the passengers, their relatives, and law-abiding citizens everywhere, and for the purpose of drawing attention to the terrorists' goals;

Whereas the terrorists were armed and dangerous and attempted to force the passengers and crew of the Achille Lauro into submission to further their purposes of terror, anarchy, hate, and death;

Whereas the terrorists have been charged under United States Law with hostage-taking, piracy, and conspiracy to commit both;

Whereas Leon Klinghoffer, a sixty-nine year old dearly-beloved American who was crippled and confined to a wheelchair did not submit to the demands of the terrorists; and

Whereas the terrorists brutally killed Leon Klinghoffer by shooting him several times and throwing his body overboard because he resisted their demands; Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That

(1) the Congress award posthumously to Leon Klinghoffer a Congressional Gold Medal to show Congress' admiration for the bravery of Leon Klinghoffer, a handicapped senior citizen, who, during his kidnapping by terrorists on the high seas, did not submit to terrorist demands to further the objectives of terrorism, and who gave his life as a result of this resistance;

(2) the Secretary of the Treasury is directed to strike and issue this gold medal in accordance with the national medals provisions of section 5111 of title 31, United States Code;

(3) the President is authorized to present this gold medal, on behalf of the Congress, to Marilyn Klinghoffer, the widow of Leon Klinghoffer; and

(4) such sums as may be necessary to provide and present this fitting tribute are hereby authorized to be appropriated.

ADDITIONAL COSPONSORS

S. 259

At the request of Mr. DANFORTH, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of S. 259, a bill to protect the public interest in stable relationships among communities, professional sports teams and leagues and in the successful operation of such terms in communities throughout the Nation, and for other purposes.

S. 827

At the request of Mrs. HAWKINS, the name of the Senator from Maryland [Mr. MATHIAS] was added as a cosponsor of S. 827, a bill to amend the Public Health Service Act to provide for the compensation of children and others who have sustained vaccine-related injuries, and for other purposes.

S. 964

At the request of Mr. D'AMATO, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 964, a bill to amend title 38, United States Code, to eliminate the provision establishing the 10-year delimiting period for educational assistance under the Veterans' Educational Assistance program and to eliminate related provisions.

S. 1206

At the request of Mr. ROTH, the name of the Senator from Tennessee [Mr. SASSER] was added as a cosponsor of S. 1206, a bill to require the Director of the Office of Management and Budget to prepare and transmit to the Congress a comprehensive report and plan on the reorganization, restructuring, consolidation, or realignment of Federal field offices, and for other purposes.

S. 1445

At the request of Mr. METZENBAUM, the name of the Senator from New Jersey [Mr. BRADLEY] was added as a cosponsor of S. 1445, a bill to amend the Sherman Act regarding retail competition.

S. 1456

At the request of Mr. LAUTENBERG, the name of the Senator from South Carolina [Mr. THURMOND], and the Senator from Alaska [Mr. MURKOWSKI] were added as cosponsors of S. 1456, a bill to recognize the Army and Navy Union of the United States of America.

S. 1570

At the request of Mr. NICKLES, the names of the Senator from Georgia [Mr. NUNN], and the Senator from Alaska [Mr. MURKOWSKI], and the Senator from Oregon [Mr. HATFIELD] were added as cosponsors of S. 1570, a bill to amend the Fair Labor Standards Act of 1938 to exclude the employees of States and political subdivisions of States from the provisions of that act relating to maximum hours, to clarify the application of that act to volunteers, and for other purposes.

S. 1774

At the request of Mr. GRASSLEY, the name of the Senator from Kentucky [Mr. MCCONNELL], was added as a cosponsor of S. 1774, a bill to amend section 1951 of title 18 of the United States Code, and for other purposes.

SENATE JOINT RESOLUTION 184

At the request of Mr. DENTON, the names of the Senator from South Carolina [Mr. THURMOND] was added as a cosponsor of Senate Joint Resolution 184, a joint resolution to authorize the Korean War Memorial, Inc. to erect a memorial in the District of Columbia or its environs.

SENATE JOINT RESOLUTION 190

At the request of Mr. ROTH, the names of the Senator from Minnesota [Mr. BOSCHWITZ] and the Senator from South Carolina [Mr. THURMOND] were added as cosponsors of Senate Joint Resolution 190, a joint resolution to establish greater productivity in Federal Government operations as a national goal of the United States.

SENATE JOINT RESOLUTION 210

At the request of Mr. BENTSEN, the names of the Senator from California [Mr. CRANSTON], the Senator from Alabama [Mr. DENTON], the Senator from Arizona [Mr. GOLDWATER], the Senator from Tennessee [Mr. GORE], the Senator from Kansas [Mrs. KASSEBAUM], the Senator from Maryland [Mr. MATHIAS], the Senator from Michigan [Mr. RIEGLE], the Senator from Mississippi [Mr. STENNIS], the Senator from Idaho [Mr. SYMMS], and the Senator from Virginia [Mr. TRIBLE] were added as cosponsors of Senate Joint Resolution 210, a joint resolution designating the week beginning October 20, 1985 as "Benign Essential Blepharospasm Awareness Week."

SENATE JOINT RESOLUTION 213

At the request of Mr. FORD, the names of the Senator from New Jersey [Mr. BRADLEY], the Senator from Montana [Mr. MELCHER], the Senator from South Carolina [Mr. THURMOND], the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from Arizona [Mr. DECONCINI], the Senator from Connecticut [Mr. DODD], and the Senator from South Dakota [Mr. PRESSLER] were added as cosponsors of Senate Joint Resolution 213, a joint resolution to designate January 19-25, 1986, "National Jaycee Week."

SENATE CONCURRENT RESOLUTION 69

At the request of Mr. DANFORTH, the name of the Senator from Nebraska [Mr. ZORINSKY] was added as a cosponsor of Senate Concurrent Resolution 69, a concurrent resolution to recognize the National Camp Fire Organization for seventy-five years of service.

SENATE CONCURRENT RESOLUTION 71

At the request of Mr. WEICKER, the names of the Senator from Virginia [Mr. WARNER] and the Senator from Vermont [Mr. LEAHY] were added as cosponsors of Senate Concurrent Resolution 71, a concurrent resolution to commemorate the accomplishments of Public Law 94-142, The Education for All Handicapped Children Act on the 10th anniversary of its enactment.

SENATE RESOLUTION 96

At the request of Mr. GOLDWATER, the name of the Senator from South Carolina [Mr. THURMOND] was added

as a cosponsor of Senate Resolution 96, a resolution relating to the centennial observance of the University of Arizona.

SENATE RESOLUTION 241—ORIGINAL RESOLUTION REPORTED WAIVING CONGRESSIONAL BUDGET ACT

Mr. HELMS, from the Committee on Agriculture, Nutrition, and Forestry, reported the following original resolution; which was referred to the Committee on the Budget:

S. RES. 241

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 1776, a bill to extend the authorization for appropriations for the Federal Insecticide, Fungicide, and Rodenticide Act.

The waiver of section 402(a) is necessary to permit consideration of statutory authority to extend the authorization for appropriations for the Federal Insecticide, Fungicide, and Rodenticide Act, which is the basic statute regulating the use of pesticides in the United States. That Act is administered by the Environmental Protection Agency, which is charged with the responsibility for ensuring that pesticides do not cause unreasonable adverse effects on the environment.

The delay in reporting S. 1776 was occasioned by the lengthy process of developing and reporting the 1985 farm bill.

AMENDMENTS SUBMITTED

DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES APPROPRIATION, 1986

WEICKER AMENDMENT NO. 814

Mr. WEICKER proposed an amendment to the bill (H.R. 3424) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1986, and for other purposes; as follows:

On page 18, line 7, insert "XV," after "X,".

On page 51, line 8, strike out "98-588" and insert in lieu thereof "98-558".

On page 52, line 6, strike out "$1,215,500,000" and insert in lieu thereof "$1,215,550,000".

On page 53, line 8, strike out "From amounts for" and insert "For" in lieu thereof.

On page 53, line 16, strike out "From amounts for activities" and insert in lieu thereof "For special demonstration programs for the severely disabled,".

On page 53, line 17, insert "$20,200,000, of which" before "$750,000".

On page 56, line 9, before "the" the first time it appears insert "notwithstanding sections 411(a)(2)(A)(i) and 411(b)(5) of the Higher Education Act,".

On page 56, line 16, strike out "(d)" and insert "(b)" in lieu thereof.

On page 57, line 9, strike out "413(D)(b)(1)(B)(ii)(II)" and insert in lieu thereof "413D(b)(1)(B)(ii)(II)".

On page 61, line 3, strike out "and III" and insert in lieu thereof a comma and the following: "III, IV, and VI".

On page 61, lines 8 and 11, insert "so" after "sums" each time it appears.

On page 63, strike out lines 21 through 24.

On page 65, line 19, strike out "304" and insert in lieu thereof "303".

PROXMIRE AMENDMENT NO. 815

Mr. PROXIMIRE proposed an amendment to the bill (H.R. 3424), supra; as follows:

On page 23, line 1, strike "4,108" and insert "4,437".

DIXON (AND SIMON) AMENDMENT NO. 816

Mr. DIXON (for himself and Mr. SIMON) proposed an amendment to the bill (H.R. 3424), supra; as follows:

On page 25, line 4, strike out "$154,118,000." and insert "$156,618,000, of which $2,500,000 shall be available until expended, and shall be awarded without regard to any requirement for peer review, for the development and establishment of a registry for the collection of epidemiological data about Alzheimer's disease in the United States, for the training of personnel in the collection of such data, and for other matters respecting such disease.".

DIXON (AND OTHERS) AMENDMENT NO. 817

Mr. DIXON (for himself, Mr. RIEGLE, and Mr. SIMON) proposed an amendment to the bill (H.R. 3424), supra; as follows:

On page 3, after line 23, add the following:

For the Summer Youth Employment and Training Program authorized by the Job Training Partnership Act, $100,000,000, in addition to amounts otherwise provided herein for these purposes, to be allocated to States so that each service delivery area receives, as nearly as possible, an amount equal to its prior year allocations for this program, to be available for obligation for the period July 1, 1985, through June 30, 1986.

CHILES (AND RIEGLE) AMENDMENT NO. 818

Mr. CHILES (for himself and Mr. RIEGLE) proposed an amendment to the bill (H.R. 3424), supra; as follows:

On page 22, line 3 change $476,777,000 to $477,777,000.

On page 23, line 2 change period to colon and add the following: *Provided further,* that $1,000,000 shall be used for studies or designer or synthetic drug use.

GORE AMENDMENT NO. 819

Mr. GORE proposed an amendment to the bill (H.R. 3424), supra; as follows:

On page 18, line 11, strike out "$1,547,979,000," and insert "$1,550,979,000, of which $3,000,000 shall be available for grants under section 371 of the Public Health Service Acts;".

HART AMENDMENT NO. 820

Mr. HART proposed an amendment to the bill (H.R. 3424), supra; as follows:

On page 5, line 15, after "Trust Fund," insert the following: "and of which not to exceed $250,000, of the amount which may be expended from said Trust Fund for Employment Service purposes, shall be used by the Secretary of Labor to conduct a study, to be submitted to Congress prior to June 1, 1986, designed to examine the status of automation in the labor exchange process throughout the Employment Service system, and to develop recommendations (including cost estimates) necessary to ensure the most efficient and effective job matching program within each State and among the States (known as the Interstate Job Bank System),".

CHILES AMENDMENT NO. 821

Mr. CHILES proposed an amendment to the bill (H.R. 3424), supra; as follows:

On page 34, line 23, after "*Provided,*" insert "That not less than $2,295,098,000 shall be used only for personnel compensation and benefits, and the Impoundment Control Act of 1974 shall apply to any amount less than $2,290,000,000 not required for personnel compensation and benefits: *Provided further,*".

On page 35, line 1, strike out "$175,000,000" and insert "$145,000,000".

DIXON (AND OTHERS) AMENDMENT NO. 822

Mr. DIXON (for himself, Mr. RIEGLE, Mr. HART, Mr. ROCKEFELLER, and Mr. SIMON) proposed an amendment to the bill (H.R. 3424), supra; as follows:

On page 2, line 15, strike out "$3,453,677,000" and insert in lieu thereof "$3,576,177,000".

WEICKER AMENDMENT NO. 823

Mr. WEICKER proposed an amendment to the bill (H.R. 3424) supra; as follows:

On page 18, line 7, strike out "X".

On page 18, line 11, strike out "$1,550,979,000" and insert in lieu thereof "$1,408,479,000".

HEINZ (AND BRADLEY) AMENDMENT NO. 824

Mr. HEINZ (for himself and Mr. BRADLEY) proposed an amendment to the bill (H.R. 3424), supra; as follows:

On page 50, after line 25, add the following:

For carrying out the provisions of title VI of the Education for Economic Security Act, $2,500,000 to remain available until expended.

LAUTENBERG (AND BRADLEY) AMENDMENT NO. 825

Mr. PROXMIRE (for Mr. LAUTENBERG, for himself and Mr. BRADLEY) proposed an amendment to the bill (H.R. 3424), supra; as follows:

On page 18, line 11, strike out "$1,408,479,000" and insert in lieu thereof "$1,408,979,000, of which $500,000 shall be available for assistance to two-year schools of medicine or osteopathy under section 788(a) of the Public Health Service Act;".

EVANS (AND GORTON) AMENDMENT NO. 826

Mr. EVANS (for himself and Mr. GORTON) proposed an amendment to the bill H.R. 3424, supra; as follows:

On page 34, after line 17, insert the following:

REFUGEE AND ENTRANT ASSISTANCE

Notwithstanding any other provision of law, $11,526,000 of funds appropriated for fiscal year 1985 to carry out refugee targeted assistance under section 412 of the Immigration and Nationality Act, and which remained unobligated at the close of the fiscal year 1985 as a result of the failure of the Office of Management and Budget to apportion such funds, shall remain available until September 30, 1986, and shall be obligated by January 1, 1986.

PROXMIRE AMENDMENT NOS. 827 AND 828

Mr. PROXMIRE proposed two amendments to the bill (H.R. 3424), supra; as follows:

AMENDMENT No. 827

On page 2, line 15, delete "$3,453,677,000" and insert in lieu thereof "$2,836,677,000"

AMENDMENT No. 828

On page 36, beginning with line 24, strike all through line 8 on page 37.

GLENN AMENDMENT NO. 829

Mr. GLENN proposed an amendment to the bill (H.R. 3424), supra; as follows:

On page 67, after line 24, insert the following:

NATIONAL CENTER FOR THE STUDY OF AFRO-AMERICAN HISTORY AND CULTURE

For necessary expenses for the National Center for the Study of Afro-American History and Culture Act (title II, Public Law 96-430), $200,000.

BUMPERS AMENDMENT NO. 830

Mr. BUMPERS proposed an amendment to the bill (H.R. 3424), supra; as follows:

On page 22, line 3 strike "$477,777,000" and insert in lieu thereof "$480,277,000, of which $59,906,000 shall be available for the childhood immunization program, and"

METZENBAUM AMENDMENT NOS. 831 AND 832

Mr. METZENBAUM proposed two amendments to the bill (H.R. 3424), supra; as follows:

AMENDMENT No. 831

On page 36, line 23, strike out "$807,412,000." and insert "$810,412,000, of which $3,000,000 shall be available for activities under title II of Public Law 95-266 (adoption opportunities) (in addition to amounts otherwise available under this heading for activities under such title), for the recruitment and outreach of families to adopt special needs children, including minority children, and for the training of personnel to recruit and work with such families.".

AMENDMENT No. 832

On page 14, line 11, strike out "$150,224,000" and insert in lieu thereof "$153,224,000".

BYRD AMENDMENT NO. 833

Mr. BYRD proposed an amendment to the bill H.R. 3424, supra; as follows:

Page 58, line 9, strike "$5,000,000" and insert in lieu thereof, "$5,338,000".

COMMERCE, JUSTICE, STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION, 1986

SPECTER AMENDMENT NO. 834

(Ordered to lie on the table.)

Mr. SPECTER submitted an amendment intended to be proposed by him to the bill (H.R. 2965) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1986, and for other purposes; as follows:

On page 23, line 9, strike out "$62,100,000" and insert in lieu thereof "$70,282,000".

FEDERAL COAL LEASING

Mr. McCLURE. Mr. President, on October 17, 1985, I introduced two amendments to (S. 570), a bill to amend the Mineral Lands Leasing Act of 1920 to improve the administration of the Federal coal leasing program, and for other purposes. There was an error in amendment No. 802 and I ask unanimous consent that the amendment be modified to correct the error and be printed in the RECORD with the modification.

There being no objection, the amendment, as modified, was ordered to be printed in the RECORD, as follows:

On page 2 after line 6 insert a new section 2 as follows and renumber succeeding sections accordingly:

"SEC. 2. Subsection 2(c) of the Mineral Lands Leasing Act (41 Stat. 438), as amended, is hereby repealed.".

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. McCLURE. Mr. President, I would like to announce for the information of the Senate and the public the scheduling of a public hearing before the Committee on Energy and Natural Resources to consider the nomination of C.M. Naeve, of Virginia, to be a member of the Federal Energy Regulatory Commission for a term expiring October 20, 1989.

The hearing will take place Thursday, October 24, 1985, 9:30 a.m. in room SD-366 of the Senate Dirksen Office Building in Washington, DC.

Those wishing to testify or who wish to submit written statements should write to the Committee on Energy and Natural Resources, U.S. Senate, room SD-358 Dirksen Senate Office Building, Washington, DC 20510. For further information, please contact David Doane or Gerry Hardy at (202) 224-5305.

Mr. WARNER. Mr. President, I would like to announce for the information of the Senate and the public that the hearings scheduled before the Subcommittee on Natural Resources Development and Production of the Senate Energy and Natural Resources Committee on October 22 and 24, beginning at 9:30 a.m. in room SD-366, Dirksen Senate Office Building, have been rescheduled to take place Friday, November 8, at 9:30 a.m. in room SD-366, Dirksen Senate Office Building.

In addition to S. 570, S. 372, and S. 946, testimony also will be received on S. 913. These are bills to amend the Mineral Lands Leasing Act of 1920, as amended. Also, testimony will be received on Senator McCLURE's amendments to S. 570 to amend and repeal section 2(c) of the Mineral Lands Leasing Act of 1920.

For further information regarding the hearings, you may wish to contact Mr. Patrick Sullivan of the subcommittee staff on (202) 224-5205.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON SURFACE TRANSPORTATION

Mr. WEICKER. Mr. President, I ask unanimous consent that the Subcommittee on Surface Transportation of the Committee on Commerce, Science and Transportation be authorized to meet during the session of the Senate on Monday, October 21, to conduct an oversight hearing on the Household Goods Transportation Act of 1980, and the Bus Regulatory Reform Act of 1982.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON PUBLIC LANDS, RESERVED WATER AND RESOURCE CONSERVATION

Mr. WEICKER. Mr. President, I ask unanimous consent that the Subcommittee on Public Lands, Reserved Water and Resource Conservation of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Monday, October 21, to hold a hearing on S. 1558, to settle certain claims affecting the Pyramid Lake Paiute Indian Tribe of Nevada, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

WORLD FOOD DAY—1985

● Mr. HELMS. Mr. President, each year, World Food Day is designated as a day for all to reflect upon the hunger which afflicts so many millions of people—especially children—throughout the world. This year, however, it is especially important to look at the causes of world hunger and the various solutions which are being proposed for this tragic problem.

Much has happened since World Food Day in 1984. Americans became aware of the dimensions of the famine affecting much of Africa, and responded in a most generous fashion. At the same time, our farmers continued to produce record surpluses. In Congress, the process of reauthorizing our food assistance programs produced a number of new and innovative proposals.

It tugs at the heartstrings of all compassionate people to see such widespread hunger in Africa at a time when our own farmers are producing massive surpluses of almost every crop.

Mr. President, according to recent estimates of the United Nation's Food and Agriculture Organization, more than 150 million out of Africa's 450 million people are affected by famine. World Bank estimates indicate that as many as 100 million of those affected are severely hungry and malnourished.

In most of the 24 African countries primarily affected by famine, the average per capita calorie intake is below what is considered by the FAO to be a minimum nutritional level. It has been estimated that, at the beginning of 1985, more than 20 million Africans were at immediate risk of death from starvation.

So, Mr. President, the need for America to use its resources to help relieve this famine to the extent we can has been on my mind—especially since our able colleague from Missouri [Mr. DANFORTH] showed me the pictures he took during his trip to Africa.

All Americans can be proud of the unprecedented campaign our country has undertaken to provide emergency food aid to the people of Africa in their time of need. Through various private and Government programs, the United States has provided almost as much aid to sub-Saharan Africa as have all other countries combined. However, we should do more. We must do more.

In some circles, particularly in the major media, it remains fashionable to run down America whenever possible. However, I believe that our response to the African crisis says a lot about our country, and the values for which our people stand.

However, I am certain that my colleagues will agree that the true test of our compassion lies not merely in the amount of emergency aid we give to Africa, but also in our ability to assist developing nations in solving the long-range problems which have limited their agricultural development.

In order to solve these problems, it will be necessary for us to share with African nations the miracle of the free enterprise system, and its principles of competition, productive efficiencies, and personal reward—and responsibility.

The common perception is that famine is caused by drought. To a significant extent, the famine currently engulfing sub-Saharan Africa can be attributed to the fact that the region has experienced as much as 4 years of unusually dry weather.

It is also important to note that agriculture in much of Africa is highly dependent on rainfall. Since irrigation is not widely practiced, inadequate or delayed rains make crop failure much more likely. In addition, when rainfall is insufficient over successive years, as it has been in a number of famine affected countries, surplus stocks are drawn down.

However, a general lack of rainfall cannot be held to be the sole cause of the current famine. According to U.S. Climatologist C.W. Thornthwaite, quoted in a recent Earthscan publication, average rainfall for Sokoto—in northern Nigeria, bordering on the Sahel region—actually exceeds average rainfall for London, England, by about 4 inches a year.

In addition, weather patterns in the Sahel region were analyzed by the U.N. World Meteorological Organization following the last drought period of 1968–73. In his report to the Organization, E.G. Davy concluded that "no serious analysis of the available data is known to show a falling trend of rainfall in the (Sahel) zone over the period for which records are available."

While the current food shortage in Africa can be attributed in some degree to rain shortfalls, according to the Congressional Research Service, there tends to be general agreement that "Africa's food problems appear to be long run in nature." In the same vein, it has been suggested by the World Bank that in most of Africa, the potential for increasing agricultural output exists, and that most African farmers are producing below their potential.

A number of factors have been cited as bringing about the long-term problems with African agriculture, including political instability, population growth, and inadequate infrastructure. However, a recent study by the Congressional Research Service indicated that "the most widely stated reason for the poor food production performance in sub-Saharan African countries is that governments have followed policies that create disincentives for farmers to produce and market more food * * *."

The countries now affected by the famine have, at some time over the past decade, had national policies that worked to deter agricultural production. Specific national policies aimed at providing cheap food for consumers, promoting export crops, overvaluing currency, and perpetuating or extending government control over the farm economy have had the effect of substantially reducing per capita agricultural production.

These policies have been used because of the low priority that African nations have assigned to agriculture and food production. This bias can be traced to a desire among the leaders of new nations to pursue mixed economies with a heavy emphasis on foreign aid, industrial development, and education and health services. To the new leadership, agriculture was a "backward" sector whose development could be passed over and whose wealth and resources could be taxed to promote the more glamorous and modern urban and industrial sectors.

Agriculture's size and nature has made it a practical and easy target for taxing policies. In most African countries, agriculture is the largest economic activity, and in a number of these countries, such as Tanzania and Chad, it provides more than half of the gross national product. The peasants who provide the bulk of the agricultural production, furthermore, live out in the hinterlands where distance deprives them of a voice in a political process dominated by civil servants, police, army, and urban dwellers.

Perhaps the most prevalent of the "antiagriculture" policies are the so-called cheap food policies. Under these policies, domestic food prices are kept low; sometimes through subsidies, but often through low prices set by the Government at the farm level.

Of the 20 most famine prone countries studied by the Congressional Research Service, almost all have at one time or another, had cheap food policies. In a number of countries, policies are still in effect, and all but 3 of the 20 nations studied maintain government controls on producers' prices—the most common mechanism through which cheap food policies have been carried out.

As a result of these policies, incentives for African farmers to go through the back breaking work of raising food have been simply destroyed.

Reports indicate that farmers in many parts of Africa have returned to producing only for their own family's needs. Other farmers have chosen to take the risk of either trading on the

black market, or smuggling their products to neighboring countries where the government controlled prices may be higher. And according to a recent article in the Los Angeles Times, these policies have worked to drive a great number of farmers totally out of business.

The reaction of the African farmer to state control of agriculture should come as no surprise. Without the benefit of growth-oriented policies which permit individual farmes to produce and keep the fruits of their labors, and provide them with the incentives that accompany free markets, the investment of time and resources necessary to feed the continent's population will never be made.

Mr. President, the free enterprise system is a pervasive opportunity system which rewards hard work with individual gain—and does so in such a way that the benefits become widely shared. It is time to share this system with Africa to the extent we can, so as to draw upon and reward the best talents among its enormously talented peoples.

Fortunately, a number of African countries are actively seeking to reintroduce elements of the free enterprise system into their economies. To the extent we can, we should encouraged and assist such conversions to market economies.

As part of the 1985 farm bill, the Senate Agriculture Committee agreed to a number of provisions which are designed to target some of our food assistance for this purpose.

FOOD FOR PROGRESS

Although African countries may want to alter their food policies, bringing about such changes will not be easy. Sudden policy shifts could bring about social, political, and economic threats to sitting governments. One of the key features of the food assistance provisions of the committee bill aims to put our surpluses to work easing this transition.

Specifically, this proposal is called food for progress. It embodies a concept developed for President Reagan by the United States Ambassador to Madagascar, Robert Keating. It authorizes the President to make multiyear commitments of food assistance to countries wishing to implement growth-oriented agricultural policies.

The food to be used for this program would be taken from stocks already sitting in Government warehouses and would be in addition to other U.S. assistance going to participating countries. Assistance under this proposal would be limited to a total of 500,000 metric tons a year. Participating nations could use this grant as a buffer to allow prices received by farmers to rise without abruptly increasing food costs for urban populations accustomed to cheap food policies.

My colleagues may find it interesting to know that this particular program has strong support among our own agricultural community. This indicates to me that American agriculture knows that countries need to develop in order to become paying customers of our farm products and recognized that the free enterprise system is the only ticket to real development.

I ask unanimous consent that a letter I received from nine major farm organizations in support of the Food-for-Progress Program be printed in the RECORD at this point:

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 12, 1985.

Hon. JESSE HELMS,
Chairman, Committee on Agriculture, Nutrition and Forestry, U.S. Senate, Washington, DC.

DEAR SENATOR HELMS: We the undersigned representatives of U.S. farm and commodity organizations wish to register our enthusiastic support for the "Food for Progress" legislation which is included in S. 616, your proposed Agriculture, Food and Trade Conservation Act of 1985.

In the face of continuing hunger, many African countries will now admit that their national food policies have been counterproductive. "Food for Progress" is an innovative flexible problem which makes use of multi-year commitments of U.S. food aid to enable those countries to bridge the gap between failed agricultural policy and one which provides their farmers with an incentive to food growth and expansion.

We are pleased to note that "Food for Progress" donations made from ample U.S. government stocks would be authorized under section 416 of the Agricultural Act of 1949, and would be in addition to those made under the more intricate, less flexible PL-480 program. We are especially pleased that the "Food for Progress" program would be managed at the White House, thus giving the program the priority attention which it deserves.

Well aware of the growing magnitude of U.S. government-owned food stocks, we applaud your initiative toward using these otherwise unutilized resources to help promote favorable agricultural policy change in the many developing countries of the world.

The Rice Millers' Association, the American Soybean Association, Dairymen, Inc., the Fertilizer Institute, National Corn Growers' Association, National Cotton Council, Millers' National Federation, the National Grange, National Associates of Wheat Growers, U.S. Wheat Associates

PUBLIC LAW 480—TITLE I—PRIVATE ENTERPRISE DEVELOPMENT PROGRAM

Title I of Public Law 480 has played a vital role in the stimulation of U.S. agricultural trade. These provisions provide for concessional sales of agricultural commodities to friendly countries. Agreements made under this title provide for credit repayable in dollars over a maximum 20-year repayment period or credit repayable in convertible local currency over a maximum 40-year repayment period.

Under current credit terms, it is often a very long time before the United States receives repayment for commodities that are consumed today. Due to the long repayment period, and low interest rates, only an estimated 15 percent of the value of these commodities is returned to our taxpayers. In light of this, the committee sought out better ways to make use of the debts owed for the commodities sold under title I.

In trying to develop a better way, the committee considered a recommendation of the President's taskforce on international private enterprise development, better known as the Andreas Commission.

The Commission's recommendation calls for authorizing the repayment of title I obligations in local currencies and seeks to use these currencies to promote agricultural development in recipient countries and to develop overseas markets for our farmers. This concept has been incorporated into the committee bill.

Specifically, the proposal in the bill calls for a new private enterprise development program to be operated under title I of Public Law 480. Under this program agreements for sales for local currencies convertible to dollars would be made in much the same fashion as they are now.

However, this new program would relieve the recipient government from bureaucratic, public sector oriented self-help requirements currently entailed in title I agreements. Instead, the purchasing country will be asked to pay for our commodities in local currencies upon delivery.

The Secretary would then be authorized to loan these currencies to financial intermediaries in the countries that had purchased the commodities. The currencies would be used to fund loans for private enterprise investment, giving strong preference to agriculture and agriculturally related investment. The use of local currencies in this manner will help provide capital to those involved in agriculture, especially the smaller farmers who are so important to development.

None of these loan funds may be used to finance state-owned entities or ventures, or to produce commodities or products that would compete with U.S. commodities or products. Private enterprise entities receiving loans under this provision must be owned solely by citizens of the recipient country, with the exception that the entity may have as much as 25-percent ownership by U.S. citizens.

The committee bill requires that this Private Enterprise Development Program utilize at least 25 percent of the aggregate value of title I sales, or 500,000 metric tons—whichever is greater—but not more than 50 percent of such sales.

This proposal parallels closely the recommendations of both the Andreas Commission and the National Commission on Agricultural Trade and Export Policy. It will effectively put our resources to work not only developing markets for our farmers but promoting the kind of private enterprise necessary for developing countries to grow into vibrant economies. It is a more prudent way to utilize our agricultural abundance, and as such constitutes a significant reform of U.S. foreign assistance programs.

Mr. President, it is indeed fortunate that versions of these two programs are also included in the House farm bill. It appears likely, therefore, that by the next World Food Day, our foreign food assistance programs will have a new thrust, recognizing that the key to development—and ending hunger in the world—lies in the free enterprise system and not in central governments.

REMARKS OF LEO L. BALDUCCI, PROGRAM COORDINATOR, U.S. SENATE PAGE SCHOOL

● Mr. CHILES. Mr. President, I submit for the RECORD a thoughtful address by Leo L. Balducci, the program coordinator of the Senate Page School, at the kickoff dinner for Senate Page School Evaluation for Reaccreditation.

The address follows:

REMARKS OF LEO L. BALDUCCI, PROGRAM COORDINATOR, U.S. SENATE PAGE SCHOOL

The U.S. Senate Page School exists to serve the educational and experienced needs of the young men and women who come to Washington, D.C. to serve as pages for the U.S. Senate. Since the pages hold their appointments for periods ranging from one month to one year, it is necessary for the school to provide a smooth transition from the home school to Senate Page School (SPS) and then—when the page's appointment ends—from SPS back to the home school. At the same time SPS has the mission of acquainting the pages—while they are in Washington, D.C.—with some insight into the operations of the U.S. Senate and with experiencing resources of the Washington, D.C. area.

Carrying out our double mission is not always easy. The constraints upon SPS are greater than those encountered by the home schools of the students. Because of these constraints, the staff of SPS must be flexible in approach. For example, the U.S. Senate often convenes early and adjourns late. In recent weeks we have seen the Senate convene as early as 8:00 A.M., and we have seen the Senate adjourn as late as 3:30 A.M. When either an early convening or a late adjourning occurs, we at the school must adjust our schedule accordingly. Normally our class periods last forty-five minutes each, however, we are prepared—due to an early time of convening of the Senate—to offer class periods of anywhere from thirty minutes to thirty-eight minutes. We do not allow any class period to run for less than thirty minutes. If necessary, we will omit a class and have a rotating schedule. There are times when we as a staff must be willing to hold school on a Saturday to better serve our students.

The students come from varying backgrounds and educational systems in all parts of the country. To counter such differences, we must individualize instruction as much as we can and we must assess a student's abilities and learning style so as to gear instructional methods to the needs of the particular student. Fortunately, we have a small student population, allowing us a class size ranging from one to nine. As a result, an instructor is able to offer a variety of classroom approaches, ranging from whole class instruction to self-paced to individualized instruction.

We must be aware of the students' limit of available time for study purposes because of work demands and be willing to change or modify—at a moment's notice—our lesson plans and our homework assignments. We know, too, that a youth of approximately sixteen years of age is not accustomed to attending school for three and one-half hours and then working for anywhere from seven to twelve hours per day. Thus, we must be willing to occasionally overlook a closing of an eye, a nod or a yawn. In short, we must be flexible in our handling of our students and their school work load—flexible, but not wishy-washy.

We desire for our students to return home not quite the same people they were when they came to Washington, D.C. The work experience and the living conditions automatically contribute to that change. We at SPS feel that we too must play a part. We cannot operate as a unit isolated from the work the pages do in the U.S. Capitol for the Senate. Nor can we operate as a unit isolated from life in Washington, D.C. in general. We want our pages to return home with background knowledge of U.S. Senate operations and with experiences in and around the Washington, D.C. area. Thus, we offer our Washington Seminar program.

We know that our students—many of them, at least—will participate in extra-curricular activities if they are given the opportunity. Time is so very limited for our students that we cannot offer the realm of activities they undoubtedly find at their home schools. Thus, at the moment we are limited to having a Student Council, a school newspaper, and for the first time this year, our own school yearbook. In addition, we do have an induction ceremony for the National Honor Society in the Spring of the year. Should students want other extracurricular activities, they need only convey their wishes to have the feasibility of those activities studied.

We enroll two types of students. One is the page who has an appointment for one or two months. Thus far this year we have had thirteen students. These pages are in our supervised study program. Enrolling them in our regular classes would certainly simplify our work: However, our classes might not be precisely the same as those offered by the students' home schools or might not be at precisely the same point as the home school classes. Since our objective is to minimize difficulties for the students when they return home, we have the home schools send assignments and tests to the students or to us. We provide time and space for the students to study, we allow these pages to sit in on our classes (if doing so would be helpful), we provide tutorial assistance to the students if they need it, we monitor any tests the home school sends, we contact the home schools should any problems arise for the student, and, of course, we do whatever prodding is needed to make sure the students do their work.

The other students for whom we are responsible are those pages who take formal classes at SPS—a total of seventeen at present. One important rule we follow is that we do not program the students to fit our class structure. Instead, we wait until the students arrive, find out what classes they need and want, and then set up our program and schedule. At the start of each semester's classes, we provide each student—for each class—a course sheet which gives the class's description, objectives, content, and assessment methods. That way the student can be sure that the class he will be taking is acceptable for credit from his home school. Should a student need a course which we do not or cannot offer, we attempt to obtain outside tutorial assistance or to set up an independent course guided by our classroom instructor. Pre-tests and post-tests are given in a number of our classes to determine at what point the students are both when they enter SPS and when they leave it. We attempt to give the students skills which will be of use to them when they return to their home schools for the remainder of the junior year or for the senior year. In the English and social studies classes we put heavy emphasis on vocabulary and on composition skills, especially those involving analysis and synthesis. In the science and mathematics classes we try to probe the "why" as well as the "how." In addition, we realize that the junior year is the most important in terms of getting started on the long road to college admissions. As a result, we do make available courses in preparing for college admissions testing. We invite an occasional college admissions representative to speak with the students and inform them as to what things they need to know about getting into college. We assist the students in applying for college admissions tests and make sure they get to the place where the tests are given. This Saturday, October 19, we will administer the PSAT at SPS.

Our Washington Seminar Program brings to the school speakers who help the students understand Senate procedures and speakers who acquaint the students with aspects of the history and resources of the Capitol Hill community. Too, it provides the pages with field trips to important sites in and around the nation's Capitol. Unfortunately, the extent of our program is often limited when the Senate is in session. When the Senate is in recess for an extended period of time, we are able to lengthen our class periods and to provide more Washington Seminar programs. Programs during the 1984-1985 school year included trips to Mount Vernon, Williamsburg, Jamestown, Pennsylvania Dutch Country, Annapolis, and New York City. Speakers ranged from the Senate Sergeant-at-Arms to the President of the U.S. Capitol Historical Society. A complete list of such programs for last year is included in the reports issued each semester by SPS to the U.S. Senate and to the D.C. Public School System.

We are most grateful to both the U.S. Senate and to the D.C. School System for the tremendous support and encouragement given us in our efforts. Under the name of Capitol Page School we have been affiliated with Congress and the D.C. Schools since 1946 and with the U.S. Senate and the D.C. Public School since 1983 under the name of the U.S. Senate Page School. The relationship among the Senate, SPS, and the D.C. School System has been a good one—one

that we hope will continue for many years to come. We welcome the the Middle States evaluating team for the next three days and hope they will be pleased with our efforts at SPS. We feel we have a highly qualified and a most caring faculty as well as an extremely delightful group of pages this year. We appreciate the time and interest shown by those Senate and D.C. Schools personnel who honored us by their attendance today. We hope they have gotten more insight into the operations of the school from my remarks, and we extend to them an invitation to visit the school to see it in operation and perhaps even to speak with the students at any time they wish.●

PERFORMING ARTS LABOR RELATIONS AMENDMENTS ACT

● Mr. HEINZ. Mr. President, I rise today as a cosponsor of S. 670, a bill to provide protection under the National Labor Relations Act for musicians, actors, and other employees in the performing arts. For many years, these employees have worked without coverage under the Federal statute that enables other groups of workers to bargain collectively for wages, benefits, and other conditions of employment.

I believe the protections that would be given to musicians and other performing artists under S. 670 are particularly important given the nature of their industry. Musicians often must travel from one location to another in order to play a series of short engagements. As such, they have been classified as independent contractors by the National Labor Relations Board and are not eligible to bargain collectively for the terms of their employment. Moreover, because of the temporary nature of their employment, musicians are unable to enforce those contracts they do establish.

Under this bill, musicians and other performing artists would be considered as employees under labor law, and would be able to enter into binding agreements with their employers and promoters to receive reasonable and competitive wages and benefits. As an example, if a group of musicians from Pittsburgh, PA, went to Erie, PA, or to Harrisburg for a weeklong engagement, they would not need to be concerned about their contract being abrogated after they finished the job and moved on to another city.

Mr. President, I want to emphasize that this bill will in no way undermine the competition that exists in the performing arts industry, nor will it change the status of musicians as independent contractors under tax law and thus increase the tax burden on their employers. The bill simply allows this group of employees to collectively negotiate the terms of their employment—a right accorded to other groups of employees, and a protection that in this case is long overdue.

I urge my colleagues to support this legislation.●

ADVANCE NOTIFICATION OF PROPOSED ARMS SALES

● Mr. LUGAR. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $50 million or, in the case of major defense equipment as defined in the act, those in excess of $14 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be reviewed. The provision stipulates that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Committee on Foreign Relations.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senate that such a notification has been received.

Interested Senators may inquire as to the details of this advance notification at the office of the Committee on Foreign Relations, room SD 423.

The notification follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, DC, October 17, 1985.

In reply refer to: I-03483/85ct.

Dr. M. GRAEME BANNERMAN,
Deputy Staff Director, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR DR. BANNERMAN: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Middle Eastern country tentatively estimated to cost $50 million or more.

Sincerely,

PHILIP C. GAST,
Lieutenant General, USAF,
Director.

[Transmittal No. 86-AG]

ADVANCE NOTIFICATION OF POSSIBLE SECTION 36(b) STATEMENTS FOREIGN MILITARY SALES

a. Prospective Purchaser: [Deleted]

b. Description and Quantity of Articles or Services under Consideration for Purchase: [Deleted]

c. Estimated Value(s) of this Case: [Deleted]

d. Description of Total Program of which this Case is a Part: [Deleted]

e. Estimated Value of Total Program of which this Case is a Part: [Deleted]

f. (U) Prior Related Cases, if any: None.

g. Military Department: [Deleted]

h. Estimated Date Letter of Offer/Acceptance (LOA) Ready for Formal Notification to Congress: [Deleted]

i. Date Advance Notification Delivered to Congress: [Deleted]

POLICY JUSTIFICATION

[Deleted.]
[Deleted.]
[Deleted.]
[Deleted.]
[Deleted.]

(U) The prime contractor will be the General Dynamics Corporation of Warren, Michigan.

[Deleted.]

(U) There will be no adverse impact on U.S. defense readiness as result of this sale.●

NOT JUST CRYING WOLF

● Mr. JOHNSTON. Mr. President, we often hear of and debate the relative financial health of the various industries of our States and of our Nation. As a representative of a State rich in hydrocarbons, I am frequently involved in matters concerning the oil and gas industry. Many in the Congress seem to feel that the oil and gas industry has a bottomless pocket to which we can repeatedly turn in order to raise revenues or artificially hold down prices and subsidize consumers.

Many members of that industry express dismay and frustration when their interests are subjugated to those of others. Too often their financial woes and pleas for relief fall on deaf ears. Too many in the Congress fail to understand the state of depression in which that industry now finds itself.

Mr. President, I wish to insert into the RECORD today an example of the fact that in not every instance are members of the oil and gas industry "crying wolf" as some would claim. As you can see from this succinct statement, many in the industry are closing down for the reasons stated therein. I hope my colleagues will note this and will recall it the next time they want to solve a problem at the expense of the oil and gas industry.

I ask that the attached letter appear in the RECORD.

The letter follows:

JOHN L. COPELAND,
Shreveport, LA, August 23, 1985.

Mr. Nelson D. Abell.
Mr. Carl W. Bates.
Dr. Richard J. Blanchard.
Mr. A. David Evans.
Dr. James W. Geisler.
Mr. Quintin T. Hardtner III.
Mrs. Elizabeth K. Hicks.
Mr. Roy W. James, Jr.
Dr. William C. Kalmbach, Jr.
Mr. Tex R. Kilpatrick.
Mr. Henry Moore III.
Mr. R.L. Telford.
Mr. Frank B. Treat, Jr.
Mr. Claude O. West.
Mr. Charles Cody White, Jr.

DEAR PARTICIPANTS: For numerous reasons, including the so-called gas bubble, the uncertainty of OPEC's policies, the price of both oil and gas, the lack of decent gas markets, windfall profits (excise) tax cost and administration, over-regulation (both state and federal), and questions concerning proposed tax legislation (both state and federal), we do not feel that investment in the

energy industry is viable for the non-industry individual at this time. Accordingly, we will not renew our exploration and development program which expires on August 31, 1985.

My thanks to each of you for your cooperation, confidence and trust.

Sincerely yours,

JOHN L. COPELAND.●

TVA NEEDS AN INDEPENDENT INSPECTOR GENERAL

● Mr. HUMPHREY. Mr. President, last Friday the Board of Directors of the Tennessee Valley Authority voted to create a new position within the agency titled an inspector general. The inspector general would be appointed by the Board and would report directly to the Board and to the Congress.

This decision raises a number of important issues that I would call to the attention of my colleagues, particularly those who do not represent one of the seven Tennessee Valley States. As chairman of the Subcommittee on Regional and Community Development, which has jurisdiction and oversight responsibilities for TVA, I have been following events at the agency closely, and with very considerable concern. TVA, which is wholly owned by the Federal Government, and wholly supported by the ratepayers it serves, is the Nation's largest electric utility. Serving parts of seven States, TVA employs 33,000 people and serves well over 2.5 million customers.

TVA is, without question, one of the most unique Federal agencies in existence today. Its enabling legislation, the Tennessee Valley Authority Act of 1933, endowed this agency with the considerable authorities of Government, but also with the flexibility of a private corporation. The purpose was to let a struggling and deeply depressed valley out of its condition and put it more closely on par with the rest of the Nation. The law placed the authority for fulfilling that mission to a three man board of directors, each of whom would serve terms of 9 years.

Though the original TVA Act did not necessarily contemplate an electric utility, early board members steered the agency in that direction. Over the years, TVA constructed and successfully operated a large network of hydroelectric dams and coal burning facilities. Then, in the early 1970's, TVA made a fateful decision to embark on building the free world's largest nuclear power system. Using what were faulty assumptions about the demand for electricity, the TVA board decided to build 17 nuclear reactors.

Today, that lofty dream stands in shambles. Of the original 17 reactors, construction of 8 has been cancelled. All five of TVA's available nuclear reactors have been shut down for several weeks, and it is unclear when they will be brought back up. Work at four other plants under construction has been slowed. Confidence in the agency has been shaken by employee allegations of construction irregularities. The agency has received sharp criticism from the Nuclear Regulatory Commission [NRC]. And, the agency announced recently that it will have to increase its electric rates 6.9 percent, in part to cover costs stemming from problems in the nuclear program.

Amid the nuclear power program mess, there was a renewed interest in the proposal to install an inspector general at the TVA. I say renewed because in 1981, amid sharp outcries among TVA ratepayers over enormous electric rate increases, legislation was introduced that would have created an inspector general position at TVA, much like similar posts at other Federal agencies. TVA resisted strongly, and instead, agreed to create an office of audit and evaluation. At a July 15, 1985, hearing before the Regional and Community Development Subcommittee, Charles H. Dean, Chairman of TVA's Board of Directors stated that because the office of audit and evaluation was absolutely and totally independent, there was no need for an inspector general. Mr. Dean stated, "we have created such a good set of checks and balances within the agency, including the use of outside auditors, there has been very little mention of inspectors generals in recent years * * *." Richard Freeman, a member of the TVA Board stated, "we have, I think, as fine a record—in terms of the kinds of things that the inspector general is supposed to be worring about, we have a very fine record. It works quite well."

What has caused such a turn-around in opinion in 3 months about the need for an inspector general within TVA is not clear—it should be noted that Director Richard Freeman abstained from this vote. I would say that any movement in this direction on the part of the board is certainly encouraging. However, it should be made absolutely clear that the proposal the Board of Directors has approved is nothing more than a warmed-over office of audit and evaluation. There appears to be no difference, particularly in light of the testimony received before my subcommittee in July, between a board appointed inspector general and the present office of audit and evaluation. This is flimsy window dressing for fundamental and far reaching problems.

To their credit, Members in both Houses from the TVA region have introduced legislation that would create a statutory inspector general at the Tennessee Valley Authority. I believe that it is only under this structure that auditors would have truly independent authority, and thus would ensure confidentiality for individuals who came forward, and aggressive investigations of allegations. Also, it is only through this independent structure that solid analysis can be offered which will help the board in making sound prospective policy decisions.

Mr. President, while I would support an inspector general at TVA created through statute, I believe this can only be a first step. More needs to be done. It is my belief that TVA got into its present mess because of fundamental problems with the way the agency is structured. I want to share those thoughts with my colleagues in a statement I will place in the RECORD tomorrow.●

WEEKLY BUDGET SCOREKEEPING REPORT

● Mr. DOMENICI. Mr. President, I hereby submit to the Senate the budget scorekeeping report for the week of October 14, 1985, prepared by the Congressional Budget Office in response to section 5 of the first budget resolution for fiscal year 1986. This report also serves as the scorekeeping report for the purposes of section 311 of the Congressional Budget Act.

The report follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, October 21, 1985.

Hon. PETE V. DOMENICI,
Chairman, Committee on the Budget,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The attached report shows the effect of Congressional action on the budget for fiscal year 1986. The estimated totals of budget authority, outlays, and revenues are compared to the appropriate or recommended levels contained in the most recent resolution, S. Con. Res. 32. This report meets the requirements for Senate scorekeeping of Section 5 of S. Con. Res. 32 and is current through October 11, 1985. The report is submitted under Section 308(b) and in aid of Section 311(b) of the Congressional Budget Act.

Since my last report the Congress has cleared for the President's signature the Energy and Water Appropriations Bill for 1986, H.R. 2959, and amendments affecting the Special Defense Acquisition Fund, S. 1726, changing budget authority and outlay estimates.

With best wishes,
Sincerely,

RUDOLPH G. PENNER.

CBO WEEKLY SCOREKEEPING REPORT FOR THE U.S. SENATE, 99TH CONGRESS, 1ST SESSION AS OF OCTOBER 18, 1985

FISCAL YEAR 1986

[In billions of dollars]

	Budget authority	Outlays	Revenues	Debt subject to limit
Current level [1]	1,067.4	980.3	793.0	1,823.8
Budget resolution, Senate Concurrent Resolution 32	1,069.7	967.6	795.7	[2] 2,078.7
Current level is:				
Over resolution by		12.7		
Under resolution by	2.3		2.7	255.0

[1] The current level represents the estimated revenue and direct spending effects (budget authority and outlays) of all legislation that Congress has enacted in this or previous sessions or sent to the President for his approval.

In addition, estimates are included of the direct spending effects for all entitlement or other programs requiring annual appropriations under current law even though the appropriations have not been made. The current level excludes the revenue and direct spending effects of legislation that is in earlier stages of completion, such as reported from a Senate Committee or passed by the Senate. Thus, savings from reconciliation action assumed in Senate Concurrent Resolution 32 will not be included until Congress sends the legislation to the President for his approval. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

[2] The current statutory debt limit is $1,823.8 billion.

FISCAL YEAR 1986 SUPPORTING DETAILS FOR CBO WEEKLY SCOREKEEPING REPORT, U.S. SENATE, 99TH CONGRESS, 1ST SESSION AS OF OCTOBER 18, 1985

[In millions of dollars]

	Budget authority	Outlays	Revenues
I. Enacted in previous sessions:			
Revenues			792,800
Permanent appropriations and trust funds.	717,652	631,009	
Other appropriations		185,348	
Offsetting receipts	−162,006	−162,006	
Total enacted in previous sessions.	555,645	654,351	792,800
II. Enacted this session:			
Famine Relief and Recovery in Africa (Public Law 99–10).		421	
Federal Supplemental Compensation Phaseout (Public Law 99–15).			10
Appropriations for the MX missile (Public Law 99–18).		368	
Contemporaneous recordkeeping repeal bill (Public Law 99–44).			13
United States-Israel Free Trade Act (Public Law 99–47).			−8
Statue of Liberty—Ellis Island Coin Act (Public Law 99–61).	−15	31	
International Security and Development Cooperation Act (Public Law 99–83).	−25	−25	
Supplemental appropriations bill (Public Law 99–88).	36	3,138	
State Department authorization (Public Law 99–93).			2
Emergency Extension Act of 1985 (Public Law 99–107).	−49	−230	210
Simplification of Imputed Interest Rules (Public Law 99–121).			−31
Total enacted this session.	−53	3,702	195
III. Continuing resolution authority:			
Continuing appropriations, 1986 (Public Law 99–103).	521,043	338,964	
Offsetting receipts	−27,233	−27,233	
Total continuing resolution authority.	493,810	311,731	
IV. Conference agreements ratified by both Houses:			
Health Professions Educational Assistance (H.R. 2410).		−8	
Energy and Water Appropriations, 1986 (H.R. 2959).	15,252	8,245	
Amendments—Special Defense Acquisition Fund (S. 1726).	100		
Total conference agreements.	15,352	8,237	
V. Entitlement authority and other mandatory items requiring further appropriation action:			
Payment to the CIA retirement fund.	10	10	
Claims, defense	7	3	
Payment to the Foreign Service retirement trust fund [1].	(7)	(7)	
Range improvements	1		
BLM: Miscellaneous trust fund.	(2)		
Payment to air carriers, DOT.	18	17	
Retired pay—Coast Guard.	21	19	
Maritime, Operating-differential subsidies.		3	
BIA: Miscellaneous trust funds.	(2)	(2)	
Higher education facilities loans and insurance.	4		
Retirement pay for PHS officers.	12	6	
Medicaid	1,617	1,285	
Payment to health care trust funds [1].	(1,011)	(1,011)	
Child nutrition programs.	254	234	
Advances to unemployment trust fund [1].	(516)	(516)	
Special benefits (general retirement and Federal employee retirement).	48	48	
Black lung disability trust fund.	85	85	
Assistance payments	573	573	
Veterans pensions	10		
Salaries of judges	3	1	
Payment to civil service retirement [1].	(214)	(214)	
National wildlife refuge fund.	(2)	(2)	
General revenue sharing [1].	(1,142)	(1,142)	
Total entitlements	2,663	2,284	
Total current level as of October 18, 1985.	1,067,417	980,306	792,995
1986 budget resolution (S. Con. Res. 32).	1,069,700	967,600	795,700
Amount remaining:			
Over budget resolution		12,706	
Under budget resolution.	2,283		2,705

[1] Interfund transactions do not add to budget totals.

[2] Less than $500 thousand.

Note: Numbers may not add due to rounding.●

IRVING R. KAUFMAN, A DISTINGUISHED JURIST

● Mr. MOYNIHAN. Mr. President, the Federal bench in New York State counts many distinguished jurists among its members. Irving R. Kaufman of the Second Circuit of the U.S. Court of Appeals is one such judge.

Judge Kaufman was born and educated in New York City, and has been a Federal judge now for 35 years. In addition to his heavy caseload at the court of appeals, Judge Kaufman heads the President's Commission on Organized Crime. A recent article in the New York Law Journal describes the judge's important work with that commission, and I ask that it be printed in the RECORD.

The article follows:

[From the New York Law Journal, Oct. 11, 1985]

KAUFMAN STAYS IN FAST LANE AS JUDGE, CRIME PROBER, WRITER

(By Nelson Seitel)

After thirty-five years on the Federal bench, Judge Irving R. Kaufman continues to function in and out of court at a swift pace. In addition to a full load as a Judge of the Second U.S. Circuit Court of Appeals, he has since July, 1983 been chairman of the President's Commission on Organized Crime. While the dimensions of that assignment and his court work might tax the energy of many persons, Judge Kaufman also fits in time to write articles for legal journals and newspapers.

In establishing the Commission on Organized Crime, President Reagan charged it with responsibility for defining the nature of organized crime, the sources and amounts of its income; for evaluating federal laws pertinent to organized crime; and to make recommendations for administrative and legislative improvements for coping with organized crime problems.

CANCER ON NATION

The extent of the Commission's mission was delineated by Judge Kaufman in accepting his appointment as chairman. "Organized crime has spread its tentacles throughout our nation," he said. "It is parasitic and cancerous. We are all aware of the massive influx of narcotics into this country and of the staggering economic toll of this and other illegal activities. One estimate places the value of drug traffic at $79 billion a year. This is more than the total profits of the country's 500 largest corporations.

"American citizens are victimized daily by the traditional staples of organized crime: loansharking and racketeering, gambling and prostitution, kickbacks for legal contracts, invasion of pension funds of hard-working people, and, in its most violent form, contracts for murder. Prison gangs grow in number and violence.

"We are confronted with a hydraheaded monster which takes on new shapes as we try to combat it. As criminal cartels become increasingly sophisticated, so the threat to our citizens assumes more dangerous form."

SEVEN HEARINGS HELD

The Commission has held seven public hearings so far, three in New York City, two in Washington, and one each in Miami and Chicago. At the first hearing in Washington, the principal witnesses were then Attorney General William French Smith, William H. Webster, Director of the Federal Bureau of Investigation, and Francis Mullen Jr., Administrator of the Drug Enforcement Administration.

In the first of its New York hearings, the Commission explored the problems of financial laundering schemes of organized crime. One DEA undercover agent testified how one man laundered more than $150 million in behalf of narcotics traffickers. In the second New York hearing, the Commission exposed the organization of organized crime groups rooted in Asia, the first major exposure of the Japanese Yakuza groups, the Chinese Triad and Tong societies, and Vietnamese criminal groups. The third New York hearing focused on the involvement of organized crime in gambling and its extensive operations of money-laundering through legal gambling establishments.

The Chicago hearing revealed the extent to which organized crime plays a dominating role in victimizing union members by

labor racketeering. The hearing in Miami was concerned with heroin trafficking and shed light on the roles of Mexicans, Nigerians and Pakistanis in those operations.

WORK REVIEWED

In reviewing some of the work of the Commission, Judge Kaufman said: "If there is one common theme that emerged from our work so far, it is that money is the lifeblood of organized crime. As we discovered in our report on money laundering, criminal syndicates use their income to obtain influence and control over businesses and political institutions."

Last March, the Commission organized and conducted a symposium in New York on lawyer ethics in representing defendants in organized-crime cases, a subject that offends and concerns Judge Kaufman.

Reflecting on the symposium, Judge Kaufman said: "We heard about a lawyer who represented key Cosa Nostra members and admitted his office routinely was used to conduct illicit business because it was less likely to be bugged. We were told of a lawyer who not only knew his clients were suborning perjury but actively assisted them."

SELF-REGULATION URGED

A report prepared by the Commission on lawyer ethics in connection with the symposium concluded: "We believe the legal profession cannot and should not be allowed to ignore its responsibility to safeguard the legal process from the unsavory and unethical actions of a small group of attorneys who assist organized crime in its criminal and financial affairs. Indeed, because of its privilege of self-regulation the profession has a particular duty to police itself. The first step is for the profession to recognize the existence of these lawyers and examine the threat they pose to public confidence in the legal profession and legal process."

Judge Kaufman has firm views about the impact of organized crime and expresses them freely:

Labor racketeering: "The extent and duration of organized-crime involvement in union and management racketeering has disturbing implications for our economy and the integrity of the trade union movement. The costs of racketeering—measured in terms of corruption of the free market and the imposition of higher prices—are borne by every citizen of this country. Indeed, it would not be an exaggeration to state that a percentage of the cost of every commodity or service is diverted by racketeers. In perhaps no other area of endeavor has organized crime been so intractable and posed so great a threat to a fundamental aspect of our economic and political fabric."

Money-laundering: "The recommendations in the Commission's report represents a multifaceted response to the problems of money-laundering. Foremost among our proposals is the enactment of a new statute—the Financial Institutions Protection Act—that would prevent banks and other financial institutions from being used unwittingly as conduits for the transfer of illegally-acquired funds. In addition, the Commission's proposed legislation would for the first time make the activity of laundering a criminal offense, enabling law enforcement authorities to confront this problem directly. Although the statutory recommendations included in our report are vitally important, in isolation they are an inadequate solution to the problems engendered by laundering schemes.

"Accordingly, our recommendations include voluntary remedial measures that can be adopted by financial institutions, as well as administrative safeguards to be implemented by the Secretary of the Treasury. I believe the Commission's three-pronged strategy to confront money-laundering will provide law enforcement officials and financial institutions with the tools necessary to detect and prevent laundering schemes.

Organized crime generally: "As the revelations from the Commission's hearings make clear, organized crime today is a more pernicious and sophisticated force than ever before. Traditional criminal groups have entered into new areas of activity, and new organizations have become active in a wide variety of endeavors. The Commission's recommendations are designed to do no less than render organized crime unprofitable. I am confident that by attacking the lifeblood of organized crime, we may finally have dealt it a death blow."

CONTACTS MADE ABROAD

With organized crime expanding beyond national boundaries, Judge Kaufman has been coping with its international character. In July, he visited with law enforcement officers in France and England to discuss the extent of organized crime's influence in western Europe. In Paris, he met with a number of ranking members of the French National Police, Interpol, and the FBI to discuss the recent influx of narcotics into the United States through organized-crime channels. He presented the Commission's report on money-laundering to French authorities, who were said to have acknowledged that laundering was an area to which they had not devoted sufficient attention.

In London, Judge Kaufman met with several department heads of Scotland Yard, as well as FBI agents there, to discuss the large illegal narcotics markets that exist in Great Britain. Like the French, the British authorities asserted the Commission's report would assist them.

The Commission is expected to soon issue an interim report on labor racketeering, which will discuss the history and current status of organized-crime involvement in the labor movement. The report will recommend a series of new legislative and law enforcement strategies to combat organized crime's infiltration of labor unions. The Commission will also follow up on its earlier work on lawyers who assist the operations of organized crime. The March symposium on this subject elicited great interest and debate within the legal profession and has been cited by a number of courts confronted with allegations that lawyers have facilitated the operations of organized crime.

The final report of the Commission will be presented to President Reagan on April 1, 1986, and the Commission plans to hold a number of public hearings in the near future relating to the final report.●

S. 1739, THE HOME AUDIO RECORDING ACT

● Mr. D'AMATO. Mr. President, I was pleased recently to join as an original cosponsor of S. 1739, the Home Audio Recording Act. This bill holds particular significance for New York, the music capital of our Nation. The creative people who work in the music industry enrich our Nation culturally and financially, yet they themselves usually profit very little, if at all. Only 1,000 of the 25,000 members of ASCAP [the American Society of Composers, Authors, and Publishers], for example, earn over $10,000 per year from performances of their music.

At the outset, let us be very clear about what this bill is not and does not do. It does not apply to video cassette recorders, and it is not a precursor of smiliar legislation on videotaping. It does not apply to playback-only machines, such as the Walkman and automobile cassette players.

The supporters of this bill offer it in the spirit of equity. We believe that those who do good work are entitled to be compensated for it in a fair manner. Those who enrich our lives with their music should be rewarded, not impoverished, by those who benefit from their work. Yet we see every day how the development of sophisticated audiotape cassette recorders is making it quite a simple thing to deprive composers of the rewards and compensation to which they are entitled.

The most basic recorders make it possible to tape a composer's music from a record without providing the composer with any compensation. As Senator MATHIAS points out in his statement introducing this bill, the new dual-port audio recorders make it possible to duplicate prerecorded cassettes without paying compensation to the composer. One Japanese electronics company has even announced that it will introduce a triple-port cassette recorder that can simultaneously make two unauthorized copies of prerecorded cassettes.

These developments are depriving musicians, composers, and producers of an estimated $1.5 billion in income. In testimony before the Senate Judiciary Committee, Dr. Alan Greenspan estimated that more than two-fifths of all home taping is done in place of the purchase of prerecorded records or tape. This means there is less money available to develop new creative talent, and less money to support and encourage risky, and often unprofitable, ventures to record classical music, jazz, folk, and gospel.

To correct this injustice, and to give musicians what is rightfully theirs, S. 1739 requires a royalty payment of 5 percent on the wholesale price of audio (not video) recording equipment and 1 cent per minute for blank tapes. Dual-port recorders would be subject to a special royalty charge of 25 percent of the wholesale price to reflect the fact that they are specifically designed for duplication of prerecorded tapes. These royalties will be pooled and distributed to copyright owners.

Mr. President, I urge my colleagues to study, and support, this bill. It is a well-researched and well-crafted attempt to encourage those who compose and perform music, while keeping the costs to consumers as low as possible.●

IOWA CITY DECLARES ITSELF A NUCLEAR-FREE ZONE

● Mr. HARKIN. Mr. President, Congress spends a considerable amount of time debating the defense policy of our Nation and the steps we need to take to put a halt to the nuclear arms race. I am proud to announce that the people of Iowa City, IA, are taking concrete steps to do something about it.

On the night of Tuesday, September 24, 1985, the city council of Iowa City approved by a 5-to-1 vote an ordinance which declares its community a nuclear-free zone. Iowa City, a community of more than 50,000 residents and home to the State's largest university, is the first city in Iowa to declare itself nuclear free, and the 102d such city in the United States.

Currently, there are more than 10 million people in the United States living in nuclear-weapons-free zones. It is my hope that the passage of this ordinance in Iowa City will serve as a catalyst for other communities across Iowa and the Midwest to take similiar action.

I commend the city council of Iowa City and the citizens of that community for their concern and commitment on this vital issue. By thinking globally and acting locally, they are doing what they can to end the arms race. They realize they have nothing to lose by trying to make the world a more peaceful place, and everything to lose if we fail.

I ask that the text of the ordinance be printed in the RECORD.

The ordinance follows:

THE NUCLEAR WEAPONS FREE IOWA CITY ORDINANCE

SECTION 1. NAME. This ordinance shall be known as "The Nuclear Weapons Free Iowa City Ordinance."

SEC. 2. PURPOSE. The purpose of this ordinance is to establish Iowa City as a nuclear weapons free zone in which work on nuclear weapons is prohibited.

The people of Iowa City find that the presence of nuclear weapons facilities within Iowa City is in direct conflict with the maintenance of the community's public health, safety, morals, economic well-being, and general welfare.

SEC. 3. PROHIBITION OF NUCLEAR WEAPONS WORKS. No person shall knowingly engage in work, within Iowa City, the purpose of which is the development, production, deployment, launching, maintenance or storage of nuclear weapons or components of nuclear weapons.

SEC. 4. DEFINITIONS. "Person" means a natural person, as well as a corporation, institution or other entity.

"Nuclear Weapon" is any device, the purpose of which is used as a weapon, a weapon prototype or a weapon test device, the intended detonation of which results from the energy released by fission and/or fission reactions involving atomic nuclei. For the purposes of this Ordinance, "nuclear weapon" includes the weapon's guidance, transportation, propulsion, triggering, and detonation systems.

"Component of a nuclear weapon" is any device, radioactive or non-radioactive, designed to be installed in and contribute to the operation of a nuclear weapon.

SEC. 5. NOTIFICATION. Upon adoption of this ordinance, the City Council of Iowa City shall officially notify Iowa City's Congressional Representatives and Senators, the President of the United States and the recognized leaders of the Soviet Union, Great Britain, France, the People's Republic of China, India and any further nuclear weapons states of the contents of this initiative.

In addition, the City Council of Iowa City shall instruct the appropriate city officials to post signs on major entrances to Iowa City stating "Nuclear Weapons Free Zone" in a manner that conforms with standards set forth in the Federal Highway Administration's Manual on Uniform Traffic Control Devices for States and Highways.

SEC. 6. ENFORCEMENT. Each violation of this Ordinance shall be punishable by up to 30 days imprisonment and a $500 fine. Each day of violation shall be deemed a separate violation.

Residence of Iowa City shall also have the right to enforce this Ordinance by appropriate private civil actions for declaratory or injunctive relief. Reasonable attorney fees shall be awarded to a prevailing plaintiff in such litigation.

SEC. 7. SEVERABILITY CLAUSE. If any section, sub-section, paragraph, sentence or word of this Act shall be held to be invalid, either on its face or as applied, the invalidity of such provision shall not affect the other sections, subsections, paragraphs, sentences or words of this ordinance, and the applications thereof; and to that end the sections, subsections, paragraphs, sentences and words of this Ordinance shall be deemed to be servable.●

ORDERS FOR TUESDAY

RECESS UNTIL 9:15 A.M.

Mr. DOLE. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 9:15 a.m. on Tuesday, October 22.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

RECOGNITION OF CERTAIN SENATORS

Mr. DOLE. Following the recognition of the two leaders under the standing order, I ask unanimous consent that the following Senators be recognized for not to exceed 15 minutes each: Senators MCCLURE, WILSON, THURMOND, HECHT, and PROXMIRE.

The PRESIDING OFFICER. Without objection, it is so ordered.

PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. DOLE. Following the special orders just identified, Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business not to extend beyond the hour of 11 a.m., with Senators permitted to speak therein for not more than 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. It was my hope earlier that we could turn to consideration of H.R. 2965, State, Justice, and Commerce appropriations bill. I am advised we cannot do this until tomorrow afternoon, which probably means we cannot do it tomorrow at all, because we want to get back to the reconciliation bill.

RECESS TOMORROW FROM 12 NOON TO 2 P.M.

Mr. DOLE. I ask unanimous consent that at 12 noon, the Senate stand in recess until the hour of 2 p.m. for the weekly party caucuses.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE TOMORROW

Mr. DOLE. Mr. President, at 2 p.m., as previously indicated, it is the intention of the majority leader to complete action on H.R. 3424, the Labor-HHS appropriations bill. The Proxmire amendment is the only amendment in order. He has indicated that he needs about 15 minutes. I guess there are two Proxmire amendments in order, but I understand he will only offer one.

It is my hope that between 2 o'clock and 3 o'clock, we can dispose of that proposal.

Tomorrow at 11 o'clock I may move the consideration of the extension of the 1971 International Wheat Agreement.

But hopefully, if we do that, we will have the vote following the vote on Labor-HHS final passage. Therefore, it is obvious we will have a number of rollcall votes tomorrow, and I think both Senators DOMENICI and CHILES want us to move to the consideration of the reconciliation bill. I can advise the Senate we will do that following the last rollcall vote either on Labor-HHS or on the so-called wheat amendment, if a rollcall is requested.

RECESS UNTIL 9:15 A.M. TOMORROW

Mr. DOLE. Mr. President, there being no further business to come before the Senate, I move we stand in recess until 9:15 a.m. on Tuesday, October 22.

The motion was agreed to; and, at 6:40 p.m., the Senate recessed until Tuesday, October 22, 1985, at 9:15 a.m.

NOMINATIONS

Executive nominations received by the Senate October 21, 1985:

EXECUTIVE OFFICE OF THE PRESIDENT

Charles Roger Carlisle, of Vermont, for the rank of Ambassador during his tenure of service as U.S. Negotiator on Textile Matters.

DEPARTMENT OF THE TREASURY

Robert Logan Clarke, of Texas, to be Comptroller of the Currency for a term of 5 years, vice C.T. Conover, resigned.

DEPARTMENT OF THE INTERIOR

Gerald Ralph Riso, of New York, to be an Assistant Secretary of the Interior, vice J. Robinson West, resigned.

FEDERAL LABOR RELATIONS AUTHORITY

Jerry Lee Calhoun, of Washington, to be a member of the Federal Labor Relations Authority for the remainder of the term expiring July 29, 1987, vice Barbara Jean Mahone, resigned.

William J. McGinnis, Jr., of New Jersey, to be a member of the Federal Labor Relations Authority for a term of 5 years expiring July 1, 1989, vice Ronald W. Haughton, term expired, to which position he was appointed during the last recess of the Senate from October 12, 1984, until January 3, 1985.

IN THE COAST GUARD

The following officers of the U.S. Coast Guard for promotion to the grade of commodore:

Capt. Richard I. Rybacki.
Capt. Martin H. Daniell, Jr.
Capt. Robert T. Nelson.
Capt. Marshall E. Gilbert.
Capt. Joseph E. Vorback.

IN THE NAVY

The following-named officer, under the provisions of title 10, United States Code, section 5141, to be Chief of Naval Personnel and to be assigned to a position of importance and resonsibility designated by the President under title 10, United States Code, section 601:

To be vice admiral

Rear Adm. Dudley L. Carlson, xxx-xx-xxx-..., 1110, U.S. Navy.

IN THE NAVY

The following-named U.S. Naval Reserve officer, to be appointed permanent commander in the line of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Cooper, Arthur Thomas

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant commander in the line of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Badick, Joseph Robert
Bogert, Edmund Archib
Carnahan, William Gra
Collins, Joe Milton
Danielson, Mark W.
Derosset, Richard Dam
Gleason, Neal Eugene
Goergen, Dean John
Green, Ralph Michael
Hardy, Jeffrey T.
Heuss, Norman Elmer
Hill, Richard Caldwel
Hough, David Edward
Ivory, William Marsha
Kaiser, John Robert
Kole, Jeffrey Steven
Larsen, Kevin Paul
Munroe, Stephen Richa
Nurtagh, Michael K.
Reale, Frederick Loui
Rockey, John Elton, Jr.
Sears, Michael Spangl
Shelby, James Richard
Silverman, David B.
Specht, Gary Alan
Sykes, Jonathon Rober
Vinson, John Paul
Waite, Michael Albert
White, Gregory Veo, VI
Wooden, David Randall

The following-named U.S. Naval Reserve officers, to be appointed permanent captain in the medical corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Collins, Daniel
Driver, James Robert
Labrador, Augusto Nav
Poole, Joel R.
Rabetoy, Gary M.
Resnick, Jack S.

The following-named U.S. Naval Reserve officers' to be appointed permanent commander in the Medical Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Allport, Edgar Lamb
Anderson, Thomas Gord
Aznar, Sonia Ferry
Bean, Robert R.
Beecham, Harry James
Campbell, Stephen Edw
Cardello, Frank Patri
Chang, Charles Shih C.
Crudale, Angelo S.
Cunningham, William J.
Dalton, Jon N.
Dennett, Douglas E.
Depry, Dennis Lee
Dicapua, Lawrence
Donegan, Elizabeth A.
Evans, Kurt J.
Fellenbaum, Theodore
Gellman, Michael Dani
Ghiselli, Guido Rober
Haerr, Robert W.
Hamilton, William C.
Hamlett, Frank Burnet
Hinz, Thomas Walter
Hoffman, Janaleigh
Holden, Randall Willi
Hyden, Ralph Donald
Klein, Michael K.
Lancaster, Danny Joe
Lathen, Donald Frank
Lebenson, Bernard Ste
Lee, Charles Keith
Lehner, William Edwar
Livingston, John M.
Loch, James Robert
Malick, Jewell Ethel
Mayer, Frederick W.
Moss, Richard L.
Nelson, William Max I.
Osborne, Richard George
Powers, Bernard Josep
Powers, William Edwar
Raeber, Kirk John
Ronan, William Vincen
Ropes, Milton B.
Rowley, Dennis Alan
Sanchez, Phillip Laur
Schwartz, John Christ
Shaffer, William Orld
Sharma, Suresht Paul
Smith, Dennis E.
Sobel, Douglas Owen
Solomon, William Curt
Soper, David E.
Stafford, Perry W.
Tauber, William Berna
Tobias, Imelda Victor
Tobiason, Joel E.
Waack, Timothy C.
Walter, Arthur Lee
Whitten, George Brine
Woods, Edward Lawson
Zable, Elizabeth Hele
Zahller, Mary C.

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant commander in the Medical Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Akob, George Mot
Allen, Christopher L.
Allen, Gregory J.
Anderson, William Mar
Anglohenry, Michael R.
Anzalone, Fanancy L.
Appel, Barbara L.
Asher, Jeanne P.
Asplin, John R.
Atkinson, Gary Leigh
Auerbach, Andrew J.
Auker, Charles Robert
Azjma, Dennis Lloyd
Baehr, George Robert
Baerthlein, William C.
Bailey, Michael, Justi
Baker, Jay Milton
Barger, Bruce Paul
Barlow, Duncan Stewar
Barnes, Jeffrey Richa
Bartosh, Robert A.
Bell, Jeffrey L.
Bemiller, Lynn Sloane
Bemiller, Timothy All
Berry, Kevin Gelzer
Bidwell, Ann Elise
Billue, David Clayton
Bircher, Nicholas G.
Blakey, David N.
Blakley, Laurie Beth
Boback, Charles Eric
Bolger, Michael
Bowler, William A.
Braddock, Clarence H.
Brennan, Teresa M.
Brian, Mary Belva
Brooks, George Bingha
Brown, Charles Kevin
Brown, Gerard D.
Brownridge, Charles T.
Buck, James Luther
Budd, Gerard J.
Bult, Mark Joseph
Burton, Michael Denis
Bushnell, Allan Curti
Butcher, Jean E.
Caldwell, Felix C.
Campbell, Edward S.
Camponovo, Ernest Joh
Canty, Michael D.
Carter, James E.
Chalfin, Steven
Chandler, Peggy Jan
Cheatham, Tamara L.
Christian, Eugene Pau
Clark, Allan B.
Clark, Laurie Susan
Cobb, Mark William
Cody, William L.
Connolly, Susan Andre
Cook, Nicholas A.
Cote, Philippe Sylves
Coutras, Steven Walte
Crawford, James J.
Cropp, Lance Evan
Cross, Gerilyn Elizab
Crutcher, James Micha
Cupp, Craig
Cushing, Michael Deni
Cuthrell, William Van
Dainer, Roger Daniel
Dale, Daniel Lawrence
Dannenhoffer, Robert
Davis, Karlotta M.
Davis, Richard Clair
Dawson, John Mac
Deal, Jeffery L.
Demars, Patrick Denni
Depner, Christopher
Devoll, James Roy
Dhaem, Robert John
Dicerkson, Susan Elle
Dorsey, John Thomas I.
Doty, Douglas John
Dowell, Gene Lee
Drane, Walter E.

Drew, David Michael
Dudzinski, Michelle
Duprey, Patricia A.
Durkin, William
Eakin, Stephen W.
Edge, Stephen L.
Ellsion, David F.S.
Epstein, Robert Stewa
Erickson, Frank A.
Erwin, Richard Patric
Escudero, Ronald Jose
Etter, Kevin M.
Eusebio, Ricardo Brow
Ferrara, William Bruc
Ferreiro, Jorge A.
Fitzmaurice, Mark J.
Fletcher, Sharon Anne
Flick, Mark William
Fojtasek, Martin Fran
Fornadley, John A.
Freas, Glen C.
Friedman, Jeffrey Cra
Frink, Marshall Brant
Funderburk, Marcia Wa
Funsch, David J.
Gambone, Catherine S.C.
Garcia, Jesus Rene
Garcia, Karen Mikelai
Garland, Landon Wellf
Gastaldo, Edward
Gill, Peter S.
Gilpin, Allen Bruce
Glaze, Gary Michael
Gleason, Thomas Bruce
Glaze, Gary Michael
Gleason, Thomas Ross
Glenn, Lesley
Gooding, James J.
Grady, Patrick John
Grant, Henry Irvin, II
Gray, Gregory C.
Grigg, Jon Richard
Griggs, James Allan
Groth, James N.
Gubler, Kelly D.
Gustin, Sandra R.
Guyon, Martha
Hade, Ralph Douglas
Hagerty, David T.
Hall, Kent N.
Hall, Leslie W.
Hall, Stephanie
Hamilton, Andrew Russ
Hamilton, Charles P.
Hamilton, Robert S.
Hannig, John R.
Hansen, Daniel W.
Harpen, Martin Paul
Harrington, Carolyn J.
Harris, Gary S.
Hart, Blaine Lawrence
Hartwick, Frank Micha
Hasell, Rhett H.
Hasselquist, Mary Bet
Hays, James H.
Hertzberg, Lawrence E.
Hightower, Howard Ern
Hixon, Frank K.
Hoeft, Thomas G.
Hollingsworth, Kennet
Honea, Robert Harold
Hotchkiss, John Henry
Hunter, David H.
Huss, Rodney Leonard
Imhof, Kelvin Bradley
Jester, Mark Andrews
Jewell, Edward W., III
Johnson, Benjamin Wil
Johnson, Clarence
Jones, Brenda Faye
Jones, David Bruce
Kale, Robert L.
Kary, Daniel James
Kennedy, Steven Raymo
Kerr, Anna Rebecca
Killeavy, Eugene S.
Knowles, Paul D.
Kohn, John C.
Kona, John A.
Kraus, Sanda A.
Kurvink, William Kent
Kusuda, Leo
Lanigan, Patrick J.
Lanphear, Kevin Keith
Lasner, Jay Elliot
Letarte, Peter Brewst
Lewis, Berry E.
Liebert, Hugh Peter
Lindley, Dwight Alexa
Logan, Sean Raymond
Lunde, Michael Roy
Lutan, Robert Goodwin
Mabry, Quince Lee
Macon, Joshua
Malanoski, Michael Pe
Maniglia, Elvira Jane
Marshall, Stevens Clo
Martinez, Alberto J.
Mawn, Stephen V.
Mayoraldiaz, Jorge Lu
McAlpine, Robert Good
McDonald, Brian Robert
McDonald, William Ant
McKee, Cameron C.
McKenney, Jefferson C.
McKibben, Margaret Ma
McPherson, Scott Alan
Melone, Paula Joyce
Memmen, James Edward
Mendel, Peter A.
Metros, Kevin Lee
Mickleson, Dennis Lyn
Miller, Jackie Robins
Miller, John William
Miller, Roger James J.
Mohan, Francis Patric
Moledor, Jeffery
Morales, Robert
Moran, Thomas
Morley, Walter Biel
Moum, Eric E.
Muhmmad, Abdul Baa Q.
Mullen, Matthew Paul
Mumma, Paul David
Muramatsu, Marc S.
Murphy, Michael
Murray, Michael John
Murray, Nancy Bolger
Musmanno, Mark Clark
Myrick, Steven Ronald
Nash, Alison C.
Nathan, Mathew
Nicholson, Brendon
Nixon, Kenneth E.
Obrien, Thomas Willia
Oldershaw, John H.
Omalley, David Gerard
Omastiak, Paul Richar
Ordonez, Carlos B.
Oregan, Eillen
Orourke, Thomas Franc
Parkinson, Stephen Ke
Pattavina, Charles Fr
Peake, Stephen T.
Perez, George Michael
Peterson, David Odell
Pierdinock, Marsha Ga
Piner, Judith Estelle
Pittis, Jeffrey Dean
Posner, Robert Bruce
Pretto, Ernesto Anton
Price, Richard John
Raff, John Bourke
Ragan, Paul Wilhelm
Rast, Terry Paul
Rayfield, Davie Lee
Reichert, Richard
Reifschneider, John S.
Reifsnyder, Daniel S.
Reiter, Robert C.
Remmenga, Steven Wesl
Richardson, Mark Alle
Rickman, Leland Saul
Riehle, Douglas Carl
Riley, Kenneth Jerome
Ringering, Robert L.
Rivera, Ferrer Franc
Robinson, James A.
Rodriguez, Gabriel
Rodriguez, Miguel Ang
Rushin, Jeanne Marie
Russell, James W.
Sack, David Michael
Sajko, Gary
Saporito, Louis J.
Sapp, John Julius, Jr.
Sarbeck, Louis Stephe
Swada, Kathleen Y.
Schorn, Victor F.
Schott, Stephan Norma
Schreiber, Alan G.
Schumacher, Ann
Schwarz, Saul Samuel
Scott, David Grayson
Sen, Ronald P.
Seneff, Michael
Siebert, William F., Jr.
Siegel, Drew Kevin
Skolnick, Eric
Slobodian, Stephen An
Smith, Anthony V.
Smith, David J.
Smorzaniuk, Eva M.
Sneeringer, Thomas Do
Snow, Stephen Patrick
Snyder, Herbert Danie
Snyder, James E.
Solivan, Luis A.
Sorensen, Richard
Spaw, Raymond Gebhart
Speer, Arineta
Sporkin, Larry
Starkey, Gary Lee
Staton, Michael L.
Steele, Walter J.
Steward, Frank Crawfo
Storey, James R.
Stubenvoll, Robert Wa
Swalchick, Jeffrey M.
Swanson, Brian Carl
Swearingen, Mary L.
Sweeney, Dolores I.
Tatum, Charles R.
Tavani, Denis Anthony
Taylor, William
Teich, Bruce Edward
Thomas, Ronald L.
Thombs, Paul Anderson
Tiernan, Rosemary
Turner, Michael A.
Uhle, Paul Harmon
Vessely, Paul J.
Villegas, Steven Dona
Vitalis, Richard D.
Wagner, Mark Jared
Wakeman, Maryjo A.
Walentynowicz, James
Walker, Charles Clint
Wallace, Mark R.
Wamsley, Brian W.
Warner, Scott Jay
Wasenko, John J.
Watkin, William G.
Watson, Timothy Baldw
Weatherwax, Scott Wor
Williams, Laura
Willoughby, Laura Jea
Winter, Bruce A.
Wolff, Paul Ronald
Wood, Lawrence Alvin

Wood, Warren Milton I.
Zanghi, Eric Joseph

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant commander in the Supply Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:
Carey, James Cornel IU
Huston, Gary Arthur
Madsen, John Williard
Puckett, Philip Lee

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant commander in the Chaplain Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:
Aven, Donald Webster
Belt, David Meryl, Jr.
Beltram, Robert Paul
Bennett, Christopher
Brown, David Allen
Cooper, Robert Perry
Edwards, Robert Nelso
Fritts, Robert Edwin
Garment, Stanley John
Gibson, Gilbert Darry
Hartman, Jack L.
Hill, Albert L.
Jones, Clifford Wayne
Keith, Lawrence Ball
Knott, Jason Edward J.
Lancaster, Allen Lee
Mclaughlin, Paul Fran
Melody, Owen John
Morrison, Charles Alf
Morrison, John Wesley
Muller, James Bernard
Namocatcat, Felix Sal
Nissen, Peter Boy
Oxendine, Milford, Jr.
Parker, Gary Joseph
Poe, James Franklin J.
Pope, James Howard
Samb, John Walter
Satterfield, Robert F.
Siegel, Enoch Arnold
Soto, Charles
Stewart, Daniel Rober
Stone, Robert Edward
Thompson, Fred Allen
Thompson, William Jos
Tumlin, George Lewis
Walker, Victor Housto
Weinlader, Wayne Thom
Williams, James Maple
Wilson, Bernard Ralph

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant commander in the Civil Engineer Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:
Hilferty, Thomas John,
Lowry, Thomas Markert
Ray, James Loyed
Silas, Brian Russell
Westerfield, Robert A.

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant commander in the Judge Advocate General's Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:
Carver, Jeffrey Wayne
Risher, Eldon Donald

The following-named U.S. Naval Reserve officer, to be appointed permanent commander in the Dental Corps of the U.S. Navy, pursuant to title 10, United States Code, section 431:
Cummings, Gary G.

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant commander in the Dental Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:
Blundell, Robert Euge
Eckenberg, Robert Nor
French, John Thomas
Gerhardt, Paul Wilbur
Gilberts, Mark David
Mcallister, James Ber
Mikulencak, Allen Ray
Morell, Michael Rober
Scholtz, Michael Lee
White, Tommy Bernard

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant commander in the Medical Service Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:
Berrett, Melvin Victo
Dian, Duane Michael
Gross, Allan Howard
Hall, Charles Leslie
Holmes, Johnson Elizab
Hughes, Anne Shepard
Kleiger, James H.
McBride, Dennis Kessl
Mittelman, Michael Ho
Sherman, Jonathan Cla
Smith, Murray H.
Trautman, Edward Alan
Wong, Dennis Edward

The following-named U.S. Naval Reserve officer, to be appointed permanent commander in the Nurse Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:
Mellema, James Henry

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant commander in the Nurse Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:
Alamia, Frank Anthony
Gibson, Patricia Lynn
Knutson, Susan Marie
Lege, Fred C.
Sims, Anthony Charles

EXTENSIONS OF REMARKS

NEW YORK RIGHT TO LIFE COMMITTEE

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, October 21, 1985

Mr. SMITH of New Jersey. Mr. Speaker, on October 19, 1985 our colleague JIM SENSENBRENNER delivered a very incisive speech before the New York State Right to Life Committee's convention. During the last several years, JIM SENSENBRENNER has been a courageous leader in protecting the sanctity of human life. I strongly recommend JIM'S observations for my colleagues' consideration.

REMARKS BY CONGRESSMAN F. JAMES SENSENBRENNER, JR. TO THE NEW YORK RIGHT TO LIFE COMMITTEE, ROCHESTER, N.Y.

Ladies and Gentlemen, I was in Bulgaria last December. We were investigating the attempted assassination of the Pope. As we flew back into New York, we passed over the Statue of Liberty. I remembered the torch had been extinguished for repairs. I felt a certain amount of sadness, that, although it was temporary, the lamp of liberty—the symbol of freedom—had been extinguished.

There is a grand campaign to relight the lamp—to refurbish the Statue. But as we think of relighting the lamp, let us think also of the message which has been dimmed. For it is not only liberty which has been dimmed, and it is not only liberty that we worship. It is also life and the pursuit of happiness made possible by liberty. They are inseparable.

But many in our society seem to think we can have liberty and happiness without life. You have asked me to speak on "Where Do We Go From Here?" As I look at the faces of the people in this room, I can see your ancestors, those people who came across a violent sea to find this life, this liberty, as part of their elusive dream. Did those people who boarded vessels called "coffin ships" come to breathe freedom for themselves? No; they came so that their children might breathe the air of freedom. When they fled a famine in Ireland, religious persecution in Poland, the brutal monarchies in Germany, and the instability and economic serfdom in Italy, they came here.

But their sacrifices were worth it because they were fleeing to something. They were fleeing to realize their dreams—their dreams of life and liberty.

In the past, each generation has been called upon to brave evil in our country. We were called upon to defend liberty in Gettysburg; to fight in the trenches of the War to End All Wars; to fight in Anzio, Guadalcanal, Normandy, Korea, and in the rice paddies of Vietnam. Each generation has been called upon to protect life and liberty in this country and each generation has proudly met this challenge.

Again, we are faced with a great challenge: To keep inseparable the truth that without life there is no liberty, and without liberty there is no pursuit of happiness. In the spirit of rekindling the light of liberty let us face the challenge before us in the pro-life movement. Before we examine the future of the pro-life movement, it would be in order to discuss the challenges it has faced in the past and how the current battles are being fought.

Unarguably, the low point in the pro-life movement was the 1973 case of *Roe* v. *Wade*. In this case, the U.S. Supreme Court found that a right to abortion exists within the four corners of the Constitution. *Roe* v. *Wade* has been described by U.S. Supreme Court Justice Sandra Day O'Connor as "on a collision course with itself." *Roe* v. *Wade* represents the worst of the worst of Western jurisprudence. *Roe* v. *Wade* has licensed the indiscriminate killing of millions of preborn babies in this country. It has provided the anchor for the pro-abortion forces in their attempts to further cement and expand the so-called right to abortion.

In both Federal and State forums, these attempts, some of which have been successful, have been characterized in the form of proposed regulations, judicial edicts, or statutes. Examples include statutes requiring that public funds be used for abortions, Equal Rights Amendments, unisex insurance statutes, and the Federal regulations that implement Title IX of the Education Amendments of 1972.

As the Ranking Minority Member of the House Judiciary Subcommittee on Civil and Constitutional Rights, what is most disturbing is that the right to abortion is being characterized in the context of sex discrimination. In other words, if you are opposed to abortion, you are guilty of sex discrimination. It is the tail that wags the dog in many civil rights issues that come before Congress. Attempts by Congress or the other branches of the Federal Government to fight discrimination based on race, color, creed, and national origin are thwarted because almost all the major civil rights organizations have equated abortion with sex discrimination. The societal right to privacy as expressed in abortions is seen as paramount to the right to life.

For the most part, major civil rights organizations have allowed themselves to be used by the pro-abortionists to further an agenda which, in my opinion, is separate and distinct from the civil rights agenda. In the area of sex discrimination, women's groups have allowed abortion rights to stymie further progress in enacting laws and policies meant to eradicate discriminatory practices which exist against women today.

Perhaps the most blatant example of this was the Equal Rights Amendment. The original Equal Rights Amendment failed to be ratified by the States after an unprecedented three-year extension because of deficiencies, the biggest deficiency being its effects on abortion rights. In the 98th Congress, the Civil and Constitutional Rights Subcommittee heard testimony from dozens of witnesses pleading for Congress to send to the States an Equal Rights Amendment. Not once did a pro-ERA witness bring up the issue of abortion, and when asked, in almost every instance, pro-ERA witnesses denied any link between the ERA and abortion. It would not, we were told, overturn the *Harris* v. *McRae* case, in which the Supreme Court, by a razor-thin margin of 5-4, upheld the Hyde Amendment prohibiting Federal funds from being used for abortions. For the record, a judge in Pennsylvania later ruled that the Pennsylvania ERA, which is almost identical to the proposed Federal ERA, overturned a State statute that prohibited medicaid funds from being used for abortion. However, because of a fear that an abortion-neutral amendment that I proposed to the ERA would pass, the ERA was considered under a procedure allowing no amendments. It failed to pass by a six-vote margin, with both Democrats and Republicans standing firm in their support of the right to life.

Also in the 98th Congress, legislators were told about the need for unisex insurance, a concept that prohibits sex from being a criterion for insurance rates. However, when it was shown that health insurance plans under a unisex insurance statute would have to provide abortion coverage, a hue and cry was raised. The bill never reached the floor after amendments were adopted in Committee to make the unisex law abortion-neutral. Why? Because it lost the support of the pro-abortion forces who control both the women's movement and the civil rights movement.

Just as tragic is the current civil rights fight in Congress over H.R. 700, the Civil Rights Restoration Act of 1985. Congress has been told that such legislation is necessary because of a narrowly crafted Supreme Court opinion in *Grove City College* v. *Bell, Secretary of Education*.

In hearing after hearing, witnesses before the Subcommittee on Civil and Constitutional Rights were told that Congress must enact legislation to overturn the Grove City decision. At issue, we were told, was the government's power to adequately enforce the civil rights statutes that combat race, sex, handicap and age discrimination. However, our Subcommittee also heard testimony that H.R. 700: (1) would expand abortion rights, forcing religious institution, i.e., colleges, universities and hospitals, to provide abortion or abortion-related services in their health plans; (2) would render inoperative State laws that prevent public funds from being used for abortions; and (3) would require non-religious institutions to provide abortions or abortion-related services.

At issue is an inconsistent Federal policy. On the one hand, the Hyde Amendment prevents Federal funds from being used for abortions. However, under current Title IX regulations, which are expanded by H.R. 700, an education institution which receives Federal aid must use its own funds to provide abortion or abortion-related services in its health plans or facilities.

Thus, Notre Dame or Georgetown University both could be required to pay for abortions or abortion-related services out of their own funds.

Congressman Tauke and I drafted amendments to correct this major flaw.

Because the Tauke-Sensenbrenner abortion neutralization amendment, which has

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● This "bullet" symbol identifies statements or insertions which are not spoken by the Member of the Senate on the floor.

Boldface type indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

the strong support of the National Right to Life Committee and the U.S. Catholic Conference of Bishops, will receive a majority of the votes in the House of Representatives, the civil rights organizations predictably have prevented the bill from being scheduled for a vote. Again, the expansion of abortion rights has stopped dead in its tracks legislation which we in Congress were told was urgently needed to insure that federal dollars do not support discrimination.

Thus, it would seem that forcing Catholic institutions to provide abortion services is more important than insuring that race discrimination does not exist with the help of Federal dollars. Handicapped discrimination against infants who may need life-saving operations is placed on a lower level than Catholic institutions providing abortion services.

Discrimination against the aged or handicapped is secondary in status to abortion, as is discrimination in education programs and activities under Title IX.

The leadership in our country is in a sorry state when over 170 civil rights organizations let abortion wag the whole civil rights agenda. This can and must be changed.

The lofty principles upon which our country was founded and upon which the civil rights movement is premised compel the rejection of the anti-life, anti-child, anti-human view of life and to oppose the deadly technological and rationalization of the destruction of human life.

The ultimate moral test of the individual and of society rests upon how those who are in the dawn of life, those who are in the twilight of life, and those in between who are burdened by ignorance, discrimination, mental or physical handicaps, are treated. The adoption of a philosophy that eschews the most basic of rights—the right of life—must be fought with every fiber of our being, for it threatens the fabric of our great nation.

Ladies and Gentlemen, Where Do We Go From Here? What shall we do to change the path we are following? I suggest that we stand back and take a good look at our nation's history and see how we've responded in similar situations in order to find out where we should go from here.

In 1857, nine Justices sat on the Supreme Court and decided the Dred Scott case. In essence, the argument was presented that those first few words of the Constitution . . . "We the People" . . . did not include "We the Black People" of our nation. In one judicial instant, the Supreme Court decided that blacks were not people, and in another instant, good people everywhere rose up in protest. Our nation was split in two over this crucial issue and the civil war began. After years of our nation's blood being spilled on both sides, there finally came a time for healing; and three Amendments to the Constitution were added. These amendments rejected every letter and word of the Dred Scott decision. It was an absolute response to our pre-Civil War Supreme Court's outrageous belief that, legally, blacks were not persons. Who today would doubt the validity of the Bill of Rights and the absurdity of the Dred Scott decision? Today, men and women alike, conservatives and liberals, Democrats and Republicans, all believe in the fundamental truths espoused in the 13th, 14th, and 15th Amendments.

In 1973, nine other Justices sitting in the chambers of the Supreme Court, were faced with a similar question of whether or not unborn children deserve the protections of, and inclusion in, the words . . . "We the People." Once again, the Court concluded with an absurdity: that unborn children (a class of people) would be defined as non-persons, unworthy of the protection of the Constitution. Our Supreme Court paid attention to legal arguments but ignored a fundamental truth: that all human life—whether hidden in the womb or hidden in different colors of skin—deserves the protection of . . . "We the People".

History has noted our response to the Dred Scott decision: the Civil War. Today, a new war rages. Like our Civil War, this battle has started not from the clatter of bayonets or the sound of gunfire, but rather from the clap of a judge's wooden gavel. And once again, the people of this great nation have run to either side, no longer divided by North and South, but now divided by the moral borders of right and wrong. We are here today to contemplate victory; to create a strategy for success; to bring a plan into reality which will make our people's future protected. We should embrace a doctrine of civil rights which has as its starting point (rather than as an afterthought) the sanctity of life in the womb. We must protect our people before they are born, and from that point onwards. No matter what their color, race, sex, or religious creed, our doctrine today cries out: protect . . . "We the People!"

Many of us here today are the children and grandchildren of immigrants to this great nation. I could walk through this hall tonight and hear tremendous stories—each of them authentic and unique—about your grandparents' and great-grandparents' sacrifices and struggles for survival when they arrived here. And why did they make this sacrifice? They would tell you that it wasn't for them alone: it was for you, for their children, and their children's children. I place before you a somber question: Would they have been so willing and eager to flee their homelands and make such a sacrifice if they knew that the sacrifice they endured for their children was all for naught? That their hopes and dreams they carried for themselves, their children and future generations were not protected by . . . "We the People"? These immigrants loved our country because its government was premised on the belief that life and liberty were to be cherished and respected above all else. What man or woman would have loved this nation from afar—as these immigrants did—if they knew that today this nation gives legal sanctity and protection to 1.5 million abortions every year? As a Representative of these United States, I represent all the people, including the children and grandchildren of those legendary people who built this nation: your ancestors. And for all those ancestors, I cry out: Stop this war! Bring swift victory to our children's lives and futures now!

Our great nation shall not remain a great nation; our beautiful country shall not remain a beautiful country; our hopes for our children's future shall be darkened, unless we come here today and pledge a new beginning, a new and final battle, a fortified effort to cleanse our nation's spirit and to renew and sanctify the belief of our forefathers in life and liberty above all else.

Gather together in small groups of two and three, and meet with other groups of two and three—numbers talk and are heard with other groups of two and three—numbers talk and are heard from great distances. Think about our present legal system which allows the lives of 1.5 million innocent citizens to be extinguished, and how sharply this legal system contrasts with what our forefathers envisioned for themselves and for future generations of citizens of this country. Ask yourself: Is this *my* legal system? Does it really represent what *I* believe? Is it really protecting the light of liberty for the citizens of this nation, or is it a legal system which condones the protection of selected individuals, like the legal system which said that blacks are not persons?

Eternal vigilance is the price of freedom—freedom for ourselves, our children, our children's children, and future generations. Each of us can exercise vigilance in guarding our freedoms. You can begin by looking at your elected officials and asking yourself: Does he or she share your belief that the sanctity and protection of the womb is the first and foremost civil right? If not, let your voice be heard in the next election and cast out those who are misguided and thus misguide our nation into condoning policies that selectively deny the constitutional rights of life and liberty to untold millions of innocent citizens. Support those officials and candidates who support life! Sanctify the halls of your State's legislature as well as the Rotunda of our Nation's capitol. Help amend our laws and policies so that each unborn child once again will have the fundamental and inalienable rights guaranteed in our Constitution * * *.

Make sure your elected officials know exactly where you stand on each and every issue. Make your presence known through both the ballot box and the mail box.

So, as we repair the Grand Dame of New York Harbor, let us also repair our society's treatment of its unborn citizens. It is only then that the dreams and ideals of our forefathers will be realized and insured for future generations. It is only then that all of our Yet-unborn citizens will enjoy the priceless right to life as expressed in the phrase . . . "We the People."

THE TESTIMONY OF THE MAYOR OF THE CITY OF CHICAGO ON THE PROPOSED IMMIGRATION REFORM AND CONTROL ACT OF 1985

HON. CHARLES A. HAYES

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, October 21, 1985

Mr. HAYES. Mr. Speaker, former congressional Representative and now mayor of the city of Chicago, Harold Washington, recently submitted testimony before a joint hearing of the Subcommittee on Immigration and Refugee Policies of the U.S. Senate Judiciary Committee and the Subcommittee on Immigration, Refugees and International Law of the House of Representatives Judiciary Committee. As mayor of one of our Nation's largest cities, the problem of immigration is one that the city administration faces daily. I found his testimony insightful, enlightening, and incredibly practical. I would like to enter his statement into the official RECORD, so that my colleagues could benefit from his experiences.

TESTIMONY OF HAROLD WASHINGTON, MAYOR, CITY OF CHICAGO, ON THE PROPOSED IMMIGRATION REFORM AND CONTROL ACT OF 1985

Chairman Frank and Members of the Committee: I am Harold Washington, Mayor of the City of Chicago. I served in the House of Representatives and am a former member of its Judiciary Committee. During my term as a Congressman from Illinois I worked extensively on immigration reform legislation. I appreciate your courtesy in requesting my appearance here today. It is an honor to be part of such a distinguished panel in helping to fashion needed immigration reforms. My experience as a Congressman and as the Mayor for this country's third largest city have led me to a deep understanding of the issues surrounding immigration and the need for serious and just reform of our current policies.

Chicago is a city with a long history of contributions from immigrants. Founded by a Haitian, Chicago has since welcomed new arrivals from all parts of the world. We continue today to welcome others to our great city, they are among the greatest of our resources.

Because we are a rich ethnic mosaic, it is natural for me to be here today to speak on the proposed immigration reform legislation. The concerns of our communities vary, and sometimes even contradict one another. But on the issue we are addressing today, that of the potential for discrimination in this legislation, I can say that we are united in our opposition.

As a former member of this House, and of the Judiciary Committee, I am not unaware of the complexity of this issue, nor the many potential pitfalls involved in drafting such legislation. But as you face the potential for passing such landmark provisions as contained in this bill, you must carefully consider the basic issues involved. The rights of individuals to work and freely associate with others have always been paramount. To deny someone these rights is a grave mistake if based solely on their language, color or alienage.

Great steps have been taken to examine our current immigration dilemma and to develop potential solutions. Since 1981, several attempts have been made to modify and refine various provisions of immigration reform bills. Some of these have been unsuccessful; others, such as the current provision of S. 1200 for employer sanctions and triggered legalization, have not been adequately resolved.

The twin issues of sanctions and legalization have been tied together since the initial attempts to draft immigration reform. It may be a political fact that one will not occur without the other. Before that is accepted, or acted upon, however, a review of the discriminatory potential of each of its provisions is necessary.

EMPLOYER SANCTIONS

At the root of this legislation is the proposal for sanctioning employers who hire the undocumented. How will employers know who is undocumented? How many Americans can prove their citizenship when asked? Only a U.S. passport alone can establish citizenship. And we know that few have passports, much less carry them day to day.

What then will employers do? I suspect that as a shorthand for a fair identification process, employers will turn away those who appear "foreign", whether by name, race, or accent. This is discrimination. And U.S. citizens and legal residents will be affected along with the undocumented.

Even before any bill has been adopted, discriminatory effects are being felt in Chicago. The staff for the Employment and Training office for the City began to receive calls from employers, assuming the law to be already in effect, requesting a halt to the referral of all Hispanics to them for employment. This should shed some light on the effects of the Simpson bill.

If significant steps are not taken to address the potential discrimination caused by this legislation, we can expect wholesale discrimination to be all but institutionalized. The effects will be felt not only in the Hispanic communities, but in the Asian as well. Racism is a reality that affects us all. Passing legislation which further institutionalizes discrimination is a step we dare not to take. Denying any person the right to earn a living, to make a contribution to our society based upon their national origin would deny civil rights and the progress we have made.

The Chicago District Office of the Immigration and Naturalization Service is currently conducting a program called "Operation Cooperation." This program involves the voluntary participation of employers in a verification of status for new hirees. Companies participating call the INS to verify the status of some persons applying for employment. This program does not attempt to verify the status of all applicants but rather for those with "questionable status". The result has been that agencies serving Hispanic communities in Chicago, such as Travelers and Immigrants Aid, report a marked increase in complaints from those who were turned away. They were not turned away because they were undocumented, but rather because they had insufficient proof that they were entitled to seek employment. Many have become U.S. citizens by naturalization, as well as by birth.

Earlier this year, in an attempt to detain allegedly undocumented workers who were operating taxi cabs Chicago, agents from the INS began to stop and question persons entering a city office building, contrary to the landmark decision which requires such steps to be based on "specific, articulable facts". Far from being random in their efforts, agents were detaining all persons who appeared to be "foreign". Among those who were stopped and questioned were several Hispanic city employees who were U.S. citizens. Such inexcusable actions led me to issuance of Executive Order 85-1. This action was necessary "In order to assure that all residents of the City of Chicago, regardless of nationality or citizenship, shall have equal access to municipal benefits, opportunities and service". In Chicago, we are already experiencing the ripple effects of this pending legislation, (i.e., increased discrimination). Ironically, we are here to discuss whether or not this legislation will lead to that which is already occurring. While I and others struggle towards fairness for all, legislation is today being considered which would institutionalize a second class of resident in this country.

As I previously mentioned, measures which legitimize discrimination, such as the employer sanctions in this legislation, create additional and unnecessary obstacles for persons entitled to work in this country. While the unemployment rate continues to be unacceptable, and the poor struggle to survive, this debate focuses on efforts to erect even greater barriers for those seeking to better their lot, while stripping them of their ability to fight for their rights. Without the establishment of a secure national identification system, which poses a series of civil rights issues in and of itself, U.S. citizens will have significant difficulty in establishing their rights to seek employment. For the poor, this means that they face the quagmire of large bureaucracies and the high cost of such documents as a U.S. passport, in order to prove that they have the right to work.

The persons who drafted this proposed legislation were apparently cognizant of the potential for discrimination which would result from its passage. This demonstrated in part by the plethora of studies and reports called for in its text.

While we hear flowery arguments about the issues from the proponents of employer sanctions; even the provision's strongest supporter, Senator Simpson, has seen the wisdom of supporting a sunset provision which could eliminate sanctions from the bill.

A bill must not be enacted that contains such doomed provisions as the current plans for employer sanctions, when its only legacy will be that of further institutionalizing discrimination. Sanctions will not prevent the hiring and continued exploitation of undocumented workers, as evidenced by the study conducted by GAO in 1981. Sanctions will lead to new ways on the part of employers to avoid detection by INS officials and others, and the benefits outweigh the risks. Should an employer be caught employing undocumented workers, the fines imposed on them will simply be taken from the workers themselves in the form of wages never to be paid.

LEGALIZATION

The potential for an "amnesty" program has been historically offered as a trade off for employer sanctions. What we have is no longer a true amnesty program, with increasingly restrictive requirements for legalization. The current plan has been called "triggered legalization" which will occur at some, as yet, unforeseen time when INS can effectively prevent unlawful border crossings, and employer sanctions have demonstrated their ability to prevent employment of undocumented workers. Neither of these two conditions are likely to be met, whether they are totally desirable is yet to be determined. But, if sanctions don't work, there will be no legislation; if they do, there will be no one to legalize.

As others before me have detailed, the legalization proposal of this legislative initiative is very different from previous programs. While they were seriously flawed, they at least approximated an effort to provide relief to persons who had spent significant portions of their lives contributing to our society, while living in constant fear of deportation and subject to exploitation. Just as the fictional image of "amnesty" has been shattered, so this bill betrays any hope for a just and adequate legalization program.

The enforcement provisions of this legislation have been finely honed. While the legalization provisions have all but disappeared from view, this legislation represents great efforts to achieve control, none to achieve reform. The price tag for control is unacceptably high. The poor, the immigrants, the Asian and the Hispanic, the Black and the White will all pay the price. The price is high, it is the legitimized subjugation of those who are "different", the perpetuation of a second class based on color, language, appearance and alienage. As a country which established itself as a coun-

try of immigrants; which has throughout history, grown from the contributions of those who dared to start anew; which has a motto "send us your tired, your poor, your huddled masses yearning to breathe free"; we are approaching a time in history when we will sever our life line; the immigration of those who want to improve their lot in life and to make a contribution to our society.

CONCLUSION

I support the concept of immigration reform. The need for reform has too long been ignored. But as I have also stated, such reform must be fair and must not fail to ensure the rights of all individuals.

I am opposed to employer sanctions because studies have shown that they won't be effective, will increase discrimination and will be unduly burdensome for employers and employees alike. If sanctions are, however, inevitable, steps to reduce the potential for discrimination such as the Frank amendment and the Hart/Levin amendment, defeated on the Senate floor prior to the passage of S. 1200; must be taken to protect the rights of U.S. citizens and others who have a right to seek employment in this country. An adequate verification system must be in place prior to the use of employer sanctions, and it must be a system that does not infringe on the rights of any individuals.

1. Employer sanctions should be targeted. Universal documentation checks and the imposition of fines should be imposed only after an employer is found to be hiring undocumented workers. Requiring more would be overbroad and too extensive.

2. Protective measures need to be passed that protect persons who apply for employment in writing as well as in person. Many applicants will never even get through the door because employers identify "foreign" sounding names on applications.

3. The eligibility requirements for legislation should be as inclusive as possible. Included must be a realistic date of coverage such as January 1, 1983, and the requirements for "continuous residency" must be relaxed to take into account the realistic situations of undocumented persons in the United States. Without true legalization, immigration reform is unbalanced and harsh.

4. The sunset amendment to S. 1200, offered by Senator Kennedy, is a fine beginning at limiting the negative impact of employer sanctions. I urge you, however, to move even further towards true sunset language for employer sanctions. Even assuming the usefulness of sanctions, they are, at best, an experiment. A sunset provision acknowledges this, and requires a thoughtful assessment after implementation.

5. Supply the resources needed to adequately enforce existing labor laws.

While the United States Senate was debating the discriminatory nature of this legislative initiative on the floor September 13, 1985, Senator Simpson stated: "If we are going to do civil rights legislation, let us do it, but let us not do it on an immigration reform bill . . ." It is true that not all civil rights issues can or should be addressed in an immigration reform package, but we cannot ignore these issues either. One of the goals of the Civil Rights Act was to make it illegal to refuse employment based upon an applicant's race, religion or national origin. Senator Simpson further stated, in that same floor debate, "We are talking about the thing called discrimination based on alienage, which is puzzling to scholars, and so, in a sense, vague that some of the great civil libertarians of both Houses of Congress have not even dealt with it for 20 years." I submit to you today, that as you consider legislation which would now make it illegal to hire someone, and open wide the door for alienage discrimination, it is time to take up this "puzzling" and "vague" matter and justly resolve it, prior to passage of this bill.

Thank you for your kind attention.

GRAMM-RUDMAN AMENDMENT

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, October 21, 1985

Mr. OBEY. Mr. Speaker, I want to draw my colleagues attention to testimony which was presented last Friday, October 11, before the Joint Economic Committee, concerning the Gramm-Rudman balance-the-budget amendment.

Prof. Herbert Stein, former Chairman, Council of Economic Advisers, during the Nixon administration; Prof. Walter W. Heller, former Chairman, Council of Economic Advisers, Kennedy and Johnson administrations; and Prof. Alan Blinder of Princeton University all expressed serious reservations about the Gramm-Rudman process.

Over the next few weeks, a conference committee will be trying to create a workable and realistic procedure for reducing the country's deficits. It is apparent from the testimony presented today, however, that the Gramm-Rudman proposal does not provide such a process.

STATEMENT OF HERBERT STEIN

The bill under consideration aimed at achieving a balanced budget in five years, contains the germ of one very good idea—the idea of a five year budget plan. But the idea is not developed, and unless developed further could be either ineffective or harmful.

To have an agreed-upon plan for the size of the deficit in the next five years would be helpful in government and private decision-making. But there is no reason to think that this plan should balance the budget at the end of five years or at any other time. The government should make a deliberate decision about the size of the budget deficit it wants. To do that it must consider the steps that would be necessary, on the revenue and expenditure side of the budget, to achieve the deficit goal. There are worse things than budget deficits, and we should make sure that in forcing the budget into balance we are not forcing even more important things, like the national defense, out of balance.

A rational five-year deficit reduction plan would require Congressional and Administration agreement on a five-year plan for revenues, defense expenditures, entitlement programs, interest, and all other programs, which should add up to the target deficit path. If this is not done either of two results will follow. All revenue and expenditure programs will be forced into uncertainty and instability by the effort to squeeze them within the limits of the deficit targets. Alternatively, and more likely, the system will be overridden because both the President and the Congress agree that there are many things more important to them than balancing the budget.

My main concern is with the possible effect of this legislation on the defense program. I fear that if the defense program is squeezed between arbitrary limits on revenues and arbitrary limits on borrowing the nation's real security needs will suffer. Estimates now available show that the effect of the legislation would be to cut defense substantially below recently-agreed levels, which have already been cut below Administration estimates of need.

The country is not facing a budget-deficit crisis. The Congressional Budget Resolution adopted in August laid down a path leading to quite low and sustainable deficits. If Congress, backed by the Presidential veto power, would conform to that resolution we would be in good fiscal shape. If they cannot do that, the proposed legislation is unlikely to force them to balance the budget.

I would call attention to what seem to me two technical problems with the proposed legislation. As I understand it, if Congressional action leaves the projected deficit for the next fiscal year above the target, the President is to cut all non-exempted expenditures equally across the board. I assume that means that each expenditure is to be cut by an equal percentage. But it is not clear whether each of the hundreds of line-items in the budget is to be cut by an equal percentage, or each of the seventy sub-functions, or each of the 18 functions, or each of the Departments and agencies. At one extreme we have a practical impossibility; at the other, large discretion in the President, which I don't mind but others do.

Moreover, it is not clear to me what the equal cuts are to be from. The most plausible interpretation is that the cuts are to be from the outlays implied by the appropriations that Congress has adopted. If that is the case, supporters of each program will have a strong incentive to make sure that their appropriation exceeds their real goal by a large enough percentage to make sure that after the cut their real goal is still achieved. But if the sum of everyone's real goal exceeds the amount that is compatible with the budget target—which is the source of our present problems—there is no limit to this process short of infinite appropriations.

STATEMENT BY WALTER W. HELLER

Mr. Chairman and Members of the Committee: I appreciate this opportunity to present my views to the Joint Economic Committee on the Gramm-Rudman-Hollings bill which is designed to bring our dangerous federal deficits under control.

Clearly, Congress wants to tame the deficit in the worst way—and the Senate bill comes close to doing just that. As it stands, it is an economically disruptive, socially unfair, technically deficient, and politically timid formula for deficit cutting.

Politically timid? The truly tough ingredients of a balanced attack on the deficit—tax increases and social security curbs—are held harmless under the misshapen structure of the Senate bill. And if I read it correctly, combat readiness will take a solid hit while the weapons systems that sometimes serve as a defense pork barrel will probably go unscathed. What about vital social programs for citizens with the least political clout? It's "hit 'em again, harder." And finally, while Gramm-Rudman barks loudly at our damaging deficits, it won't really bite until

the Congress is safely past the 1986 election. So much for the politics of the matter.

Now, what about the economics of it? Like any mandated and rigid formula, it would undermine, perhaps even pervert, the role of the Federal budget as an economic balance wheel in the economy.

Rigid reductions of the deficit through thick and thin—through recovery and recession—could wreak havoc on the economy. Granted, the Senate bill has a weak-kneed provision to give the President an extra thirty days to decide where to cut the budget or to call for suspending the amendment if the CBO (Congressional Budget Office) and OMB (Office of Management and Budget) predict a decline in real GNP for two successive quarters. There are three fatal flaws in this formula.

First, economic forecasting, and particularly government economic forecasting, has had a poor record in predicting recessions-to-come, and indeed, has at times failed to "foresee" a recession that was already underway. (And by the way, forcing the CBO and OMB to come up with a single set of economic and budget projections—or splitting the difference between the two if they can't agree—looks like a sure-fire way to politicize the economic projection process.)

Second, as the economy moves from recession to recovery, it can produce increases in GNP even while operating far below par. Suppose a recession reduced GNP in 1987, but modest recovery raised GNP in 1988. The Gramm-Rudman process would require that the budget deficit be only $108 billion in fiscal 1988 even if the $144 billion target for fiscal 1987 were suspended because of a projected drop in GNP. It would be damaging enough to have to put in a $36 billion or $72 billion deficit cut in 1988, but the cut would in fact have to be much greater. Looking at the CBO numbers (published in August) for a scenario of a recession in 1987, with an average recovery performance in 1988, one finds that they project a $270 billion deficit in 1988. Imagine the economic setback it would cause to slash spending and the deficit by $160 billion by 1988 to try to reach the $108 billion deficit level fixed by the Gramm-Rudman formula.

I say "try" because the facts are that it couldn't be done. If the national economy starts to slide, joblessness rises, income and profits fall, and the federal budget automatically goes into deficit as revenues shrink and spending rises. Try to balance it by boosting taxes or forcing cuts in spending, and the net result will inevitably be to draw that much more purchasing power out of an already soft and sluggish economy. This would send the economy into a deeper tailspin, thereby throwing more people out of work, further cutting tax revenues, and boosting unemployment compensation, food stamps, and similar entitlement expenditures, thus throwing the budget even more out of whack. A dog chasing its own tail comes to mind.

Third, consider the situation where there is no actual drop in GNP but a continuing "growth recession", namely, where the growth rate falls below the level required to maintain or reduce the unemployment rate. More specifically, suppose you had two years of very slow growth. Let's say that GNP growth for two years would fall two percent short of the growth rate needed to reach the projected high-employment level of about $5 trillion a year. That's a GNP shortfall of about $300 billion (two percent in year 1 and four percent in year 2). About 20 percent of that shortfall will be reflected in lower government revenues, producing a $60 billion added deficit. Yet, the Gramm-Rudman formula would rigidly require that this $60 billion be made up in addition to the $72 billion cut under their formula. Again, that would simply kick the economy in the groin and bring on an actual recession.

The technical problems of the Senate bill (unless it is modified after I write this on October 10) are legion, especially with respect to the definition of "controllables" and "uncontrollables." Let me cite a couple of examples.

Spending out of prior year's contracts is considered uncontrollable and would therefore escape the budget axe. Note what that would do in the defense area: almost 100 percent of procurement, largely weapons systems, is under prior-year contracts, hence "uncontrollable." In sharp contrast, one finds that 55 percent of research and development is under current contracts and hence "controllable;" 85 percent of maintenance and operating expenditure is current: and well over 90 percent of personnel expenditures are current. So the military share of the budget cuts would be heavily concentrated on military readiness expenditures.

Now, suppose that even the defense expenditures under past contracts were defined as "controllable." Then, to bear their across-the-board percentage share of the burden, practically all current expenditure on past contracts would have to be wiped out. Rigid formulas are obviously the enemy of rationality.

In the civilian budget, one finds that items like national parks would be hit very heavily because very little of their expenditure is under prior contracts. On the other hand, hospital construction, under long term contracts, would hardly be hit at all. Or to take another example, 80 percent of Peace Corps expenditures would be labeled "controllable," but only 33 percent of Export-Import bank expenditures would be subject to the budget knife. Enough said. Capricious cuts would be the name of the game.

These examples relate directly to another critical issue, namely, that of the distribution of the cuts among entitlements, non-entitlement social programs, and the military. With interest on the public debt, social security, and prior-year contracts (covering the bulk of military expenditures) all off limits, one-third of the budget would have to take the brunt of the supposedly "across-the-board" cuts. That is, the "controllables" would be less than $300 billion out of a roughly $950 billion budget. Two-thirds of that is defense, much of it off-limits because it is under prior-year contracts. The remainder, under $100 billion, would be the focus of the hardest hits. After taking care of non-social-security indexing adjustments, the rest of the impact would have to be borne by social programs. The cuts could be savage, whether administered by the President or by Congress.

I have long believed—and publicly documented and defended the position—that the Congress has been the more responsible end of Pennsylvania Avenue in coping with and cutting the deficit. That judgment is fully confirmed by the in-depth studies of Norman Ornstein, Resident Scholar of the American Enterprise Institute. A few excerpts from his chapter on "The Politics of the Deficit" (in AEI's Contemporary Economic Problems, 1985) will make my point:

In 1982: "It was Congress, in an approximation of congressional government, that defied conventional wisdom in an election year by slowing defense and raising taxes to reduce the deficit."

"In 1983, Congress initiated an energy tax increase. In 1984 the Republican Senate once again moved into a policy vacuum, proposing a 'down payment' on the deficit, including another significant tax increase, which the President once again belatedly endorsed."

"Through the broad sweep of American history, Congress has struggled to restrain the growth of federal spending and to limit deficits and the public debt through direct action and through periodic adjustments of its own structures to minimize the deleterious effects of political pressures."

Even the Gramm-Rudman initiative, flawed as it is, came from the Congress and gained the President's support only after a period of White House hemming and hawing.

And contrary to the view of the cynics who airily dismiss the budget-and-deficit-cutting exercises now going on in the appropriations committees, those committees are conscientiously going through a painful process to carry out the sizable deficit cuts in the Congressional Budget Resolution of last August. Even if one lets the air out of some of the inflated estimates of deficit-cutting in that effort, it appears that meaningful deficit reductions will emerge from this process.

I understand the frustration of a Congress, not normally meant to be an instrument of national leadership, being constantly forced to take the lead in budget-and-deficit cutting to fill the policy vacuum left by the President. And all the while, the Congress is being berated and ridiculed by a popular President who turns reality upside down and pretty much persuades the public that Congress is the culprit, that Congress is responsible for his $200 billion deficits and $2 trillion debt.

Under these trying circumstances, and given the dangers of our obscene federal deficits, it is not surprising that the Congress is drawn off course by the siren song of Gramm-Rudman. But instead of joining a pell-mell rush to fasten on yourselves a budgetary straight-jacket and a lock-step deficit-cutting schedule, at the same time slicing off big chunks of your fiscal power and handing them to the President, let me urge you to stop, look, and listen. The Congress should demand time to develop a fair and workable schedule for cutting the deficit without disrupting the economy and gutting social programs and then go to the American people with that plan to subdue the deficit.

Is the Gramm-Rudman formula so flawed as to be beyond redemption? Can one develop a viable substitute that will hold policymakers' feet to the fire and yet avoid the straight-jacket and cop-out features of the Senate bill? I have my doubts. But if the legislative juggernaut is relentlessly rolling to passage, what do you do to make the cure better than the disease?

The obvious answer is to change the Gramm-Rudman prescription so as to maintain the central principle of progressive reduction of the deficit but remove the dangerous side effects of that prescription. How? Perhaps start with the Democratic alternative in the Senate and tighten it as follows:

Provide sensible safeguards on the economic front by changing the unworkable anti-recession provisions of the Senate Bill, relating them not to forecasts of two quar-

ters of real GNP decline but rather to some reasonable growth rate of GNP and, preferably, to the rate of unemployment.

Open the budget-reduction process clearly and candidly to revenue increases, perhaps even providing for triggered tax increases under specified conditions.

Remove the absolute prohibition of any modification of Social Security indexing.

Remove the formula rigidities that now focus the firepower of deficit cutting on the social programs that have already been hit so hard.

Finally, correct the technical anomalies in the Senate bill relating to the definition of "controllables" and "uncontrollables" that would have such a distorting effect on the allocation of cuts between military and civilian programs and within the defense budget itself.

In other words, change a rigid and Draconian formula into a flexible but still Spartan one. It's a tall order. But I sincerely hope that we have not passed the point of no return to rationality in coping with our monstrous budget deficit.

TESTIMONY OF ALAN S. BLINDER

Mr. Chairman, members of the committee, I want to thank you for the opportunity to appear here today to give you my views on the Gramm-Rudman proposal to mandate a balanced budget by 1991.

This amendment has taken many of us by surprise, and I have hurriedly written down a few reasons why I think it is ill-conceived and inadvisable. But I want to preface these remarks by making it clear that I do agree that congressional action is needed to reduce the budget deficit. What the country does not need, however, is a panicky reaction that might have unintended and even unforeseen consequences.

I have five basic points to make. First, the goal of a zero budget deficit by FY1991 (or any year) makes no particular sense. Second, the legislation courts disaster should the economy slip into recession sometime in the next five years—which is a very likely event. Third, the feature of the bill that mechanically achieves the deficit targets without touching taxes is, in my view, a mistake. Fourth, the bill would produce budget cuts that are arbitrary, capricious, inequitable, and to some extent unpredictable. And, finally, this proposal has been put together in such haste that no one is quite sure what it means in detail. Congress should rush through such a major piece of legislation without dotting i's . . . .

1. THE GOAL OF BUDGET BALANCE

I have never been able to figure out who decided that zero is the ideal number for the budget deficit, measured in the particular way that we measure it. But I disagree with him.

It is well known by now, I think, that the budget deficit depends on the state of the economy. A budget that is balanced, say, at 6% unemployment will have a deficit when unemployment is above 6% (as it is now). It makes no sense to shoot to a zero deficit regardless of the state of the economy.

In terms of their basic macroeconomic effects, there is no important difference between federal government spending and state and local government spending, nor between federal taxes and state and local taxes. This becomes all the more clear when we remember that federal grants-in-aid to states and localities have been running at in excess of $90 billion lately. If these grants ceased, and state and local governments changed neither their spending nor their taxes, the federal deficit would fall by $90 billion, the state-local deficit would rise by $90 billion, and nothing would happen to the economy. So, even if we have a fixation on a balanced government budget, it should be on balance in the combined budget of all levels of government. In recent years, states and localities have been running a surplus of $30–$50 billion. So simply arithmetic suggests a target federal deficit of about $30–$50 billion on this ground alone.

There is a well-known problem in measuring the budget deficit caused by the fact that the federal government does not adhere to the inflation accounting procedures recommended for corporations by the FASB. In particular, part of what we count as interest payments in the government budget merely compensates bondholders for their loss of purchasing power to inflation, and is best thought of as early repayment of principal. This is no trivial matter. It will amount to an overstatement of the federal budget deficit of something like $60 billion in FY 1986. Why give such exalted status to a number produced by faulty accounting procedures?

Everything grows in a growing economy. Mortgage debt grows, consumer credit grows, corporate borrowing grows. We do not find any of this alarming. Why should government debt be different? If we really have a need for a fixed numerical budget norm, I'd say that the real national debt per capita, or perhaps the ratio of the national debt to GNP, should not be allowed to grow. If population grows at 1% per year and inflation is 4% per year, then a constant per capita real debt translates to a current deficit in the neighborhood of $75 billion. A constant debt-to-GNP ratio is consistent with a budget deficit today in excess of $100 billion.

All of this adds up to the conclusion that, while the current budget deficit is probably too high, a zero deficit is probably too low—especially when you factor in the pain and suffering necessary to get from here to there. If we must inscribe some budget norm in law, we might as well make it a sensible one—such as a zero structural deficit, adjusted for inflation accounting.

2. WHAT IF THERE IS A RECESSION?

Even the sponsors of this legislation recognize that balancing the budget to the face of a recession is a bad idea. A recession makes tax revenues go down and expenditures go up, thereby raising the deficit. Actions that would reduce the deficit—such as tax increases or cuts in spending—can only make the recession worse.

There is, of course, an escape clause in Gramm-Rudman that would give the president and Congress a few more days (i) to propose and enact an alternative budget that exceeded the deficit limits—If the OMB and CBO predict a recession in the coming fiscal year. We cannot, of course, be sure that this would be done. Recessions are rarely forecast in advance by government agencies, and Congress and the president do not always act with blazing speed.

But even if all goes well, the escape clause is not enough. Suppose we are coming out of a recession at budget time. The deficit will surely be well above the Gramm-Rudman targets. The consensus forecast may be for positive growth, perhaps even strong growth—if fiscal and monetary policy are unchanged. Since the escape clause would not be triggered, the Gramm-Rudman provisions would require massive reductions in spending, reductions which might well doom the recovery and create a really deep recession.

The potential magnitudes involved are quite impressive. The CBO's current "low growth" scenario envisions a recession in 1987 and growth in 1988, leading to a fiscal 1988 deficit of $272 billion. That number is $164 billion more than Gramm-Rudman would allow. I can hardly imagine, and hope I never witness, the kind of distress that would be caused by budget cuts of that magnitude just after a recession trough.

A similar, though less dramatic, problem would arise in nonrecession years in which the economy was expected to be weak. Honest forecasts from OMB and CBO would presumably show larger deficits than Gramm-Rudman allows. The escape clause would be inoperative, and large spending cuts would therefore be triggered, possibly creating a recession where none would have occurred otherwise.

At the very least, if you must enact a mechanical rule like Gramm-Rudman, the escape hatch for a weak economy should be based on something like the unemployment rate, or the level of GNP relative to trend, not just on the projected growth rate. Otherwise we will be courting economic disaster.

3. WHY IGNORE THE TAX SIDE?

In deciding how to reduce the deficit, it may be useful to recall how we got into this mess in the first place. During calendar year 1981, the federal deficit was 2.2% of GNP. During the first half of this year, it was 4.9% of GNP. The rise in the deficit was therefore 2.7% of GNP, which breaks down roughly as follows:

Drop in tax receipts: 1.5% of GNP; Rise in outlays: 1.2% of GNP, of which— interest: 0.9% of GNP; defense: 1.0% of GNP; all other: −0.7% of GNP.

In other words, the tax cuts and the higher interest payments on the larger national debt account for almost the entire rise in the deficit relative to GNP. We paid for most of the defense buildup by reducing civilian expenditures.

If cutting taxes excessively caused the deficit, why should we resist raising taxes as a way to reduce the deficit? That is a good question for Congress to ponder. But it is particularly germane to the Gramm-Rudman procedures for mechanically closing the deficit, for they net only the spending side, and only part of that, while exempting taxes entirely. Wouldn't it be better to use automatic increases in tax rates to close at least part of the deficit? And why should we trim explicit expenditures while leaving untouched all the tax expenditures—which are so large and growing so rapidly? This last question is an appropriate one to ask at a time when Congress is considering comprehensive tax reform that would strike at some of these tax expenditures—expenditures which, by the way, benefit mainly the rich.

It would be a shame if one side-effect of Gramm-Rudman was to rule out future tax increases as a way to reduce the deficit. But that might very well happen.

A. ITEMS TARGETTED FOR SPENDING CUTS

There is an almost humorous whimsicality in the list of items that would be cut if mandatory reductions under Gramm-Rudman were triggered. The bill singles out cost of living adjustments, except for social security, as the first target. But if the necessary budget cuts are at all sizable, only a trivial percentage could come from these COLAs because they are so small. Nonetheless, four years without a COLA would be a severe

blow to a poor person relying on Supplemental Security Income (SSI). Even at 4% inflation, four years without an increase translates to a 17% cut in real benefits. That is enough to hurt.

Realistically, however, nearly, all the spending reductions would have to come out of the portion of the budget considered "controllable"—a portion I understand to be roughly 25–30% of the total budget. That, of course, would include all new programs. It would also include rather arbitrary portions of existing programs.

The military budget is a case in point. Most procurement is committed in prior years, and hence "uncontrollable" and beyond the reach of Gramm-Rudman. But most expenditures for operation and maintenance, and almost all personnel expenses, are classified as "controllable." After a few years of heavy Gramm-Rudman cuts, would we have a great arsenal of unmaintained weapons and too few soldiers to man them? Does this make any sense?

Other anomalies are easy to find by flipping through the budget. For example, the budgets for the Peace Corps and our contribution to the Asian Development Bank are on the same page in the CBO budget for FY86, under the International Affairs function. They also happen to be approximately equal. Yet 84% of the Peace Corps budget is classified as "new outlays." and hence subject to proportional reduction under Gramm-Rudman (if I understand the bill correctly), while only 4% of the contribution to the Asian Development Bank is so classified. I have no particular view on the relative merits of spending on the Peace Corps versus spending on the development bank, but I wonder about the logic of cutting the former 21 times as much as the latter.

Problems like this are inevitable, I think, with any mechanical formula—especially one that relies so heavily on arbitrary decisions at OMB about what is "controllable" and what is not. I always thought that was why we gave detailed budgeting authority to congressional committees—to humans with judgement—rather than to computers. Gramm-Rudman, it seems to me, would give an impressive amount of power to the OMB officials who decide what is controllable and what is not. Why?

5. HASTE MAKES WASTE

Members of Congress should understand, as I think they do, that the Gramm-Rudman proposal is a very major change in the way the budget is put together—more sweeping, I would say, than the Budget Act of 1974. A major change like this should be thoroughly judged on its merits, and all its ramifications thought through. As I have just indicated, I think the merits are few and the demerits many. But others will hold different opinions.

What I cannot understand is the stampede to get this bill passed in a matter of days, before the loose-ends are tied up. No national cataclysm will occur if the deficit remains at current levels for another month or two. And, under the most likely economic forecast, Gramm-Rudman will not have much effect on the deficit for the next two fiscal years, anyway. Senator Dole was quoted—I hope misquoted—the other day as saying, "The longer something hangs around here, the staler it gets . . . People start reading it." As a citizen, I can tell you I prefer stale legislation any day, or at least bills that are read before they are passed.

The continued discussions in the press and in Congress these last few days suggest that no one really knows what Gramm-Rudman would mean in fine detail. For example, Food Stamps have a COLA, but the program is not considered "uncontrollable" by OMB. So under which provision of Gramm-Rudman would Food Stamps be cut? Both? Neither? Another example is the Earned Income Tax Credit (ETC), which is a tax provision that is counted as an expenditure. Taxes and tax expenditures are exempt from Gramm-Rudman. Would the ELTC be cut? There are many other questions like these, others pertaining to the incentives the bill sets up for Congress and the administration to play games, and many procedural issues that I can hardly begin to fathom, much less explain.

In time, these ambiguities and technical flaws could be straightened out. But that's my point—in time. Rushing this thing through will create a host of problems, some big and some small that we cannot foresee and do not need.

And, finally, I think both constitutional scholars and psychoanalysis of Congress will find in Gramm-Rudman a curious act of self-emasculation by Congress. While no one can really be sure, it seems likely that passage of the bill would transfer much of Congress's authority over the budget to the president. I don't understand the congressional urge to give away so much of its power. But I think the urge should be resisted.

UNDERSTANDING OUR LIMITS

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, October 21, 1985

Mr. GARCIA. Mr. Speaker, James Reston had a very thoughtful article in yesterday's New York Times on how we conduct our foreign affairs. I think his insights on this subject will provide useful food for thought for all of us. I am, therefore, submitting for the RECORD his article.

[From the New York Times, Oct. 20, 1985]

WHO'S IN CHARGE?

(By James Reston)

WASHINGTON.—Like the managers of the baseball World Series in Missouri, the managers of world diplomacy here in Washington concentrate on one game at a time.

They deal with immediate things as fire departments and police departments do, not with the causes or the prevention of fire and crime, but, as best they can, with their extinction and punishment.

Thus, if terror is one day's foreign policy problem, Washington approves Israel's bombing raid on the P.L.O. headquarters in Tunisia, or sends U.S. military planes over the Mediterranean to intercept an Egyptian plane carrying the Palestinian thugs who hijacked an Italian ship and killed an American citizen.

This type of response is standard operating procedure for a police or fire department, and is popular at home. But not in Egypt, which is vital to the Administration's larger objective of peace in the Middle East, or with the Italian Government that took chances to support U.S. Nuclear defense against Moscow's threat to the security of Europe.

The State Department is now trying to deal with the consequences. It has sent Deputy Secretary of State John C. Whitehead to Cairo and Rome to ease the tensions that have resulted from these military actions.

At the same time, the President has sent his personal friend, Senator Paul Laxalt, to Manila to try to put out a smoldering fire in that country. The result in both cases has been to minimize the influence and authority of U.S. ambassadors in Manila, Cairo and Rome.

Nobody will blame the President for trying to put out the fire, and many even admire him for the military skill that brought about the arrest of the hijackers of the Italian ship. But the larger problem remains.

For years, long before President Reagan, U.S. Governments have been minimizing the causes of foreign policy crises, dealing with military insurrection in Latin America, in the Philippines and the Middle East, trying to deal with every crisis whenever or wherever it breaks out.

You can admire this attempt, but not the judgment that Washington can intervene in every conflict in every quarter of the world—in short, that America can be not only the fireman but the policeman of the world.

We have known here in Washington for a long time that the Palestinians had a valid grievance in the Middle East, that the Marcos regime in the Philippines, a apartheid in South Africa and hunger in Central America and particularly in Mexico were the causes of rebellion and a threat to order and even to the vital interests of the United States. But we went along until these human disasters broke out into violence.

This is not hard to understand. Even if you don't deal with the causes of the fire, you have to try to put it out.

But it is increasingly clear that there is a limit to what the United States can do to deal with human tragedy all over the world. The U.S. needs a philosophy and a sense of priority about what it can reasonably do in its own interests and in the present crisis of world political, economic and military affairs. And on this point, there is confusion here in Washington within the Reagan Administration and also in the Congress.

It might be useful to listen to the advice of George Kennan, probably our most thoughtful and experienced foreign policy philosopher, at least on Soviet affairs.

Now in his 80's, Mr. Kennan, as a duty and maybe, as he said, "in one last breath," wrote about his long experience in U.S.-Soviet affairs:

We should approach the problems of foreign policy with a relative humility, bearing in mind that our resources are finite and that we are faced with certain urgent and difficult but limited tasks, the successful accomplishment of which is essential to world security and to our own; that we must concentrate on the performance of these tasks if we are to have any chance of completing them; that we cannot, for this reason, afford to dissipate our attention, our energies and our resources on those dreams of world betterment, that pursuit of global involvement and authority and that moralistic posturing which are so congenial to the American political temperament and to the rhetoric of our public life."

This may be, as Mr. Kennan would concede, a voice from the past. But he insisted that we should be thinking about the causes of human conflict and not about the militaristic ways of dealing with the consequences.

NATIONAL TUMOR REGISTRAR RECOGNITION DAY

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, October 21, 1985

Ms. KAPTUR. Mr. Speaker, today, I am introducing a measure to designate June 1, 1986, as "National Tumor Registrar Recognition Day."

We all know that cancer is one of this Nation's leading causes of death. Tumor registrars provide invaluable services in our efforts to combat this dreadful disease.

These health professionals are responsible for preparing and maintaining complete and accurate records on all cancer patients diagnosed and treated at a health care institution. The materials gathered by Tumor Registrars include surgery and pathology reports, laboratory analyses, and notes on cancer treatments. Compilation of this information facilitates research and analysis of data in specific cases and enables the Tumor Registrars to prepare statistical materials, develop educational programs, and initiate community cancer awareness programs.

Tumor Registrars play an important role in our battle against cancer and deserve the recognition of the American people. I hope you will join me in supporting this resolution, the text of which follows:

H.J. RES. 422

Whereas tumor registrars have faithfully served both their patients and the medical communities without national recognition;

Whereas tumor registrars provide a vital and much needed service in the treatment of cancer victims;

Whereas the primary responsibility of a tumor registrar is to assure that complete and accurate records are maintained for all cancer patients diagnosed or treated within an institution;

Whereas the documentation maintained by a tumor registrar, known as an abstract, must include information and reports of surgery, pathology, laboratory, radiography, as well as written documentation of cancer directed treatment;

Whereas this documentation, stored at a Tumor Registry, enables tumor registrars to research and analyze data, identify specific cases, provide followup information, calculate vital statistics, develop criteria and procedures, develop educational programs, implement community cancer awareness programs, and coordinate all cancer activities in a given institution; and

Whereas tumor registrars are recognized as health related professionals in the medical communities: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That June 1, 1986, is designated as "National Tumor Registrar Recognition Day". The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such day with appropriate ceremonies and activities.

WORLD FOOD DAY

HON. SALA BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 16, 1985

Mrs. BURTON of California. Mr. Speaker, I rise today to join my colleagues on the Select Committee on Hunger and throughout the Congress to commemorate World Food Day.

I think we can all remember this year as one in which the awareness of the world has been focused on the enormity of world famine year. We cannot escape the fact that for people around the world, hunger is a constant companion. Each day, sources tell us, 30,000 to 40,000 persons die as a result of hunger.

In this land of plenty, there is also a severe problem. A nonprofit charitable institution in my district, San Francisco, has recently released a study showing that at least 1 million people in American cities are depending on free meals for their day-to-day survival. The profile of that person who depends on charity for food has changed dramatically. That person is no longer a white, elderly male. Today's composite profile includes people of all ages, all races, men, women, and children.

Mr. Speaker, 48 percent were not even in existence 3 years ago. In San Francisco alone, 9,000 people depend on the meals served by charitable groups. In many cities which have been hard hit by economic downturns, that number is even larger.

Let us pledge on this day to redouble our commitment to end world hunger.

STATEMENT BY HELSINKI COMMISSIONER DANTE FASCELL ON BUDAPEST CULTURAL FORUM

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 17, 1985

Mr. FASCELL. Mr. Speaker, I am happy to be able to join my esteemed colleagues on the Helsinki Commission in commenting on the Budapest Cultural Forum. That forum, which began 2 days ago on October 15, is part of the process of increasing security and cooperation in Europe that began 10 years ago in Helsinki. This forum is an important part of the continuing East-West dialog, and is the first such meeting to take place in a Warsaw Pact country. Beginning as it does 1 month before President Reagan and Soviet leader Gorbachev meet in Geneva, it is also an excellent indicator of the Soviet mood and their willingness to engage in a real dialog in Geneva.

When the Hungarian Government requested that this meeting be held in Budapest, they gave assurances to all Helsinki signatory states that they would abide by the precedents established at other CSCE meetings and provide an open atmosphere for private citizens from CSCE countries in which to conduct their activities. They have failed to live up to those commitments. I note with regret that the Hungarians on Tuesday banned activities planned by private Helsinki monitoring groups that have representatives at the forum in Budapest.

The U.S. delegation, headed by Ambassador Walter Stoessel, former Ambassador to Moscow and Deputy Secretary of State, has protested this action to the Hungarian Government. This protest read, in part, that the ban was "a violation of Hungary's commitment to allow the full range of activities for nongovernmental organizations, and that it has harmed the spirit of the Budapest cultural forum." The Hungarians replied that such private groups will be permitted no activities during the conference, despite repeated assurances to the contrary during the past 2 years.

It was in the spirit of cultural cooperation that the International Helsinki Federation for Human Rights planned a 3-day cultural symposium to coincide with the opening of the Budapest forum. That meeting was to focus on such issues as cultural freedom, writers, and their integrity, and the future of European culture. Such noted cultural figures as American writer Susan Sontag, Israeli novelist Amos Oz, and German poet Hans Magnus Enzensberger were to participate. The federation, which represents Helsinki Watch Committees in Europe and North America, has representatives in Budapest from the United States, Canada, France, Austria, the Netherlands, Norway, Sweden, and Switzerland. Despite the ban on their activities, the International Helsinki Federation vowed to conduct their meetings in private apartments. The group pledged to continue a free intellectual exchange during the forum.

This is precisely the issue at stake in Budapest. By permitting the Hungarian Government to ban the private activities of human rights groups, we acquiesce in the view that the state has the right to interfere with a dialog on cultural cooperation. It must be made clear to the Hungarians that we view the role of culture in the enhancement of peace, cooperation, and security as the unhindered interaction of people, and that no genuine mutual understanding can come about from governmentally imposed restrictions on cultural expression. This is why the United States has no Ministry or Department of Culture. This is why the private, cultural figures on our delegation will be able to speak their own minds freely. This is why we must send an unmistakable message to the Budapest Cultural Forum. If the Hungarian organizers and their allies are unprepared to discuss the issues of freedom of individual creativity, then we should not permit them to narrow the field of discussion to official cultural protocols.

LEON KLINGHOFFER—SYMBOL OF A NATION

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, October 21, 1985

Mr. KEMP. Mr. Speaker, today a family grieves at a private funeral, and an entire Nation joins them. Leon Klinghoffer will be buried in New York, where he was born and raised, and where he raised his family. Mr. Klinghoffer was a courageous individual. He was also a symbol of all the immigrant families who contributed so much to make this country great. As President Reagan pointed out in his address to the National Italian-American Foundation on Saturday night, we're all hyphenated Americans. There are very few Americans who can go back two or three generations and not find an ancestor born in another country.

Each shipload of immigrants came to our shores with their hopes and their dreams, the Klinghoffer family among them, each individual making his or her own unique contribution. They brought the best of their heritage with them. It is this vast melting pot, melded in the giant shadow of the Statue of Liberty, which has made the United States the strong union it is today.

Leon Klinghoffer was not a victim of circumstance, but a man of pride who would not submit to his captors. He was proud to serve his country during World War II, and his courage did not waiver when he faced a different kind of enemy in a different kind of war.

I think this sentiment was best expressed by L.A. Jolidon and Keith Greenberg in the cover story which appeared in the October 18 edition of USA Today. I would like to share that with you.

The article follows:

KLINGHOFFER SYMBOLIZED USA IDEAL

(By L.A. Jolidon and Keith Greenberg)

NEW YORK.—The killing of Leon Klinghoffer has made him a symbol of our time—an elderly vacationer in a wheelchair, crippled in limb and speech, executed by terrorists, pitched into the sea.

As his grieving daughters stood silently before a Holocaust shrine near the United Nations Thursday, a friend announced the establishment of a memorial fund to fight international terrorism.

"If we don't speak out," said publisher Milton Gralla, "we're inviting the world to do this again and again."

Since Klinghoffer, 69, came from New York's Lower East Side—where millions of the persecuted and the impoverished scratched a foothold in the shadow of the Statue of Liberty—he also stood for a living dream many shared.

The details of his life emergining this week paint a portrait of the immigrant family's search for success—a classic story with roots in the early years of this century.

Members of Klinghoffer's generation "are the kind of people who made it from nothing—gritty and gutsy people," said Irving M. Levine, national affairs director of the American Jewish Committee.

His parents joined shiploads of Jews from Eastern and Southern Europe who made the tough streets of the Lower East Side their home. And in the nation's turn-of-the-century cities, the humblest of refugees from many older societies acted out the same story by the millions.

Klinghoffer's instincts for family and home were true to tradition. When he died, his home was only a few blocks from the neighborhood where he was born, worked, worshipped and raised his family.

He was born Sept. 24, 1916. The Lower East Side teemed with Jewish and Italian peddlers and ragged children selling fruit and newspapers. The sea that had brought the refugees to a brave new shore carrried a bracing smell.

On New York's pianos was a tune composed by a Russian-born Jewish immigrant—Irving Berlin.

Klinghoffer's parents—Pinchas and Lena—emigrated from Austria. They started a hardware store and raised five children—Leon, Albert, Ruth, Selma and Dorothy. As they grew, their community—once the largest assemblage of Jews since ancient Israel—dispersed.

At a pace that would later astound scholars and sociologists, Jewish immigrants who arrived with little more than a bundle of belongings and the desire to make a better life excelled at realizing their dream.

Peddlers became merchants. Children of clerks became teachers, physicians, dentists, lawyers. The offspring of men and women who spoke only Yiddish, a Jewish dialect, wrote contracts and books, deciphered figures and formulas.

Some gained fame or undreamed-of fortune. But, as Stephen Birmingham wrote in "The Rest of Us,' The Rise of America's Eastern European Jews, "Most had no such ambitions, opportunities, talents, or temptations to conquer. Most made a living, paid their taxes, died, and were buried to the words of the Kaddish," the Jewish mourner's prayer.

Klinghoffer's father was buried at age 29. Leon and his brother, Albert, helped their mother run the hardware store. "They did so well they had to open a larger store" nearby, said Maurice Blond, a childhood friend.

Blond, now an insurance broker, remembers: "You'd go home from school at 3. Your mom would give you a roll and butter, then you'd run to the settlement house and play."

But after his father's death, Klinghoffer "felt responsible for his mother and didn't play much with the other boys in the street."

Klinghoffer graduated from Seward Park High School in 1933. That year, battling a Depressed psychology, President Franklin Roosevelt said in his first inaugural address "we have nothing to fear but fear itself." Fiorello La Guardia was elected mayor of New York.

Leon and Albert Klinghoffer, building on their father's business, worked on inventions and started a company to manufacture home appliances, including an invention of their own: a cooking appliance called a roto-broiler.

By the 1940's, Hitler's Germany was marching. The Holocaust had begun. Klinghoffer left his business and family to serve in the Army Air Corps.

At war's end, when he returned to New York to pick up his life, some soldiers from the USA joined a battle in the Mideast. Jack Klein—born in New York the same year as Klinghoffer—was killed setting a mine field for Jewish partisans. In 1948 Israel won independence.

He had always worked long hours, but Klinghoffer wanted a family, too. A cousin introduced him to a woman from nearby East Orange, N.J.—Marilyn Windwehr. She lived across the Hudson River, so his relatives knew Klinghoffer—a dedicated New Yorker—was serious.

On Sept. 18, 1949, Marilyn and Leon were married, They honeymooned in Bermuda. Arthur Miller's Death of a Salesman opened that fall on Broadway.

In business, Klinghoffer "really followed the pattern" of many men of his generation and origin, said Levine. "Either immigrants or sons and daughters of immigrants, they were self-made men who ended up with enterprises."

Inventing an appliance in the rear of the family store, he said, "sounds like a very American story." And in giving their two daughters the education they never had, the Klinghoffers touched another common chord: Lisa, 34, is an artist; Ilsa, 28 a hospital administrator.

Through it all, men like Klinghoffer kept a street-tough edge. "They had to be tough," said Levine. "You scratched out a living. They became refined through life." Blond recalls a wartime incident when Klinghoffer was stationed in San Antonio: "A guy six-foot-five called him a Jew bastard. He battled the guy. The guy broke his jaw and Leon became deaf in one ear."

Blond thinks "the fact that he was so tough led to his death." The U.S. ambassador to Italy said Klinghoffer bit the hand of one terrorist.

"I'm sure he mouthed off when he heard those punks attacking Jews and America," said Blond. "Leon was the kind of guy who would never beg for his life. He would not take gaff."

In the 1970s, Klinghoffer suffered two strokes. But with his wife's help he continued to oversee his factory and ease into retirement. His wife continued to work at Gralla's publishing house.

Even then, he chose to remain close to his roots. He and Marilyn rented a summer home on the Jersey shore, where their circle of friends vacationed.

With them on the Mediterranean cruise where he met his death were friends they had known since childhood. He and Marilyn intended to visit one of Blond's daughters who lives in Israel.

Friends say he never forgot his origins. Among his charities: the settlement houses of his youth, now frequented by the new immigrant waves from Latin America and Asia.

KEEPING UP ON EL SALVADOR

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, October 21, 1985

Mr. GARCIA. Mr. Speaker, yesterday's New York Times had an article on the present situation in El Salvador. President Duarte is under siege from all fronts. While he is in need of our support, it is, nonetheless, important that we understand fully the problems that are confronting him. I am, therefore, submitting for the RECORD yesterday's article on El Salvador.

[From the New York Times, Oct. 20, 1985]

HOW REBELS CAN KEEP EL SALVADOR ON EDGE

(By James LeMoyne)

SAN EL SALVADOR.—Along with the personal anguish, the six weeks since the kidnapping of his eldest daughter has been a severe political test for Salvador's President, José Napoleón Duarte. Inez Guadalupe Duarte Durán was abducted last month, almost certainly by leftist rebels of the Farabundo Marti National Liberation Front. New strains have now appeared in Mr. Duarte's relations with the army and his opponents on the right. The shift in rebel tactics exemplified by the kidnapping appears to have pushed the haggard-looking President virtually out of public view. It may even influence his management of the civil war now stretching into its seventh year.

Since the guerrillas decided to halt conventional military attacks, bowing to the growing effectiveness of the United States-trained Government forces, the rebels have also kidnapped 23 mayors, stepped up sabotage and shot civilians as they sought to impose a nationwide freeze on transportation. When the President sent members of his family abroad, fearing for their safety, the rebels jeered that "when the toad removes his little toads, he is saying that he no longer believes he can stay in the country.".

Only a year ago, Mr. Duarte was offering negotiations to end the war. Then, as Government military forces began to gain the upper hand, the guerrillas created "a new reality," a senior Salvadoran official said. In addition to the kidnappings, the rebels have burned municipal offices and warned Mr. Duarte and his Christian Democratic Party that they are military targets. "He who lives by the sword dies by the sword," the rebel radio, Venceremos, said last week.

The guerrillas have also upped the ante for Americans. They killed four marines in June and attacked an army base two weeks ago in hopes of killing American advisers. Three rebels were arrested as they prepared to attack American military pilots in a luxury hotel in the capital, Western diplomats said. Another suspected rebel was found working in the American Embassy.

The shift to harsher tactics reflects significantly changed rebel thinking. The guerrillas appear to have given up hope of finding in the Salvadoran middle class and Western democracies allies who could form the sort of broad alliance that brought the Sandinistas to power in Nicaragua in 1979. Their strategy now is to survive as a force able to keep the Government off balance. The guerrillas can no longer overrun towns and army bases, but they seem capable of keeping the country destabilized. Some Americans contend that the rebels are desperate. Their fortunes have indeed diminished, but their actions seem to reflect determination as much as desperation.

Shootings, the mining of highways, the kidnapping of officials and burning of municipal offices will not win broad popular support. But the rebels can still count on committed backers, and their strategy has cast a dark shadow over official and public expectations. The guerrillas say they intend to wear the Government down, challenging Mr. Duarte's authority by attacking him and his family. In addition, the President said last week that he believes the guerrillas are trying to force him into a confrontation with "political and military sectors." Rightists can be expected to criticize him once the kidnapping is over. There are also signs that some army officers resent his willingness to release 25 important rebel prisoners in exchange for his daughter. "The army is backing him," a Salvadoran officer said, "but there is a cost. I think he has been weakened."

LONGER, ANGRIER WAR

Sixty senior army officers have met three times since the kidnapping, including a six-hour debate last week on whether to make a deal with the rebels. In the end, officers said, the army gave Mr. Duarte its backing to exchange rebel prisoners, with a strong recommendation for including the kidnapped mayors in the deal.

Whatever the outcome, the rebels will have other tensions to exploit. They have also called for the return of guerrillas who "disappeared" four and five years ago. This raises the sensitive issue of army involvement in the killing of thousands of suspected leftists before 1983 and calls attention to Mr. Duarte's unfulfilled promise to punish past abuses.

The kidnapping is likely to heighten polarization and make it less likely that exiled members of the democratic left can be persuaded to return home. It may also reduce the Government's willingness to negotiate concessions to end the war. An army officer said some commanders were already complaining that human rights concerns are tying the army's hands.

The likelihood of a longer, angrier war challenges the Reagan Administration's contention that El Salvador is on the road to becoming a functioning democracy. Whatever stability has been achieved appears to be fragile. The economy is ravaged and stagnant. Unemployment and underemployment is about 50 percent.

Mr. Duarte has gained popularity in the past from land reform measures, the holding of three elections and the initiation of peace talks. But few openings for new crowd-pleasing measures seem available. Instead, he faces a more bitter war that has touched him personally.

THE FOSTER GRANDPARENT PROGRAM

HON. THOMAS E. PETRI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, October 21, 1985

Mr. PETRI. Mr. Speaker, the Foster Grandparent Progam which celebrates its 20th anniversary today, is an example of a Federal program that works magnificently.

It brings together men and women, aged 60 and older, who share their experience, wisdon, and love with children who have been shortchanged in life. Many of these youngsters come from broken homes; they may be mentally and emotionally disadvantaged; or, perhaps they've had a run-in with the law and now are in prisons or juvenile detention centers.

In Wisconsin, for example, there are more than 460 Foster Grandparents, many of whom have been especially successful in melding remarkable, long-term relationships with today's youth. Some of these volunteers are older Native Americans, who pass their culture and language to the young people in their tribes. Other Foster Grandparents work with the handicapped, slow learners, or juvenile offenders.

Mary Moore, a 14-year veteran of the Foster Grandparent Program, has been chosen to represent the State of Wisconsin at the 20th anniversary celebration in Washington. Mrs. Moore, who serves at the St. Aemilian Child Care Center in Milwaukee, works with troubled youngsters from 7 to 11 years old.

After her husband died, Mrs. Moore's life came to a standstill. She says:

My husband was a dentist and I worked as his assistant for many years. After his death, I was at a total loss for something meaningful to occupy my time. I found it with the Foster Grandparent Program.

Many of the kids Mrs. Moore works with at St. Aemilian's come from broken homes. She says:

They come here at a disadvantage. That means that their manners may not be exactly up to snuff and they may need some correction at times. But this has never been a problem. They all respect me, each and every one of them, and that's what counts. Around here I'm known simply as "Grandma."

Helping troubled youngsters get a head-start on life may be the most important service anyone could render. Mrs. Moore and the 19,000 other Foster Grandparents around the country are doing exactly that.

Their contribution to our country's welfare, and to our youth must continue for many years to come.

INAMORI PRIZE TO UNIVERSITY OF FLORIDA PROFESSOR

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 21, 1985

Mr. FUQUA. Mr. Speaker, I am very pleased to have this opportunity to share with you some exciting news from the University of Florida. Professor Rudolf Kalman, who is a graduate research professor in the departments of electrical engineering, mathematics, and industrial and systems engineering, will be awarded the Inamori Prize in Advanced Technology.

This prize, which will be awarded for the first time this year, is for $200,000. It is one of the prizes established by the Inamori Foundation of Kyoto, and the ceremony will be held November 10 in Japan.

Professor Kalman, in addition to numerous other accomplishments, is the creator of the so-called Kalman filter. This mathematical device is invaluable in extracting a weak signal from a noisy ambience. The Kalman filter is said to have made space flight and space exploration possible since the signals to and from space vehicles are processed by this method. It is now recognized that this powerful tool is not only useful in satellite navigation and ballistic missile trajectory analysis, but also in grain classification, geophysical exploration, power system control, demography, and even economics.

The University of Florida has been a major recipient of Federal funding for

many years, and the University of Florida College of Engineering has consistently ranked in the very top echelons. Such recognition comes from the continued emphasis on excellence and the recruiting of a cadre of eminent scholars.

Professor Kalman's work has been particularly noteworthy and this is now attested to by his being made the recipient of the 1985 Inamori Prize. Professor Kalman and the University of Florida deserve hearty congratulations for this signal honor well deserved.

THE AGONY OF THE CHURCH IN CHILE

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 21, 1985

Mr. YATRON. Mr. Speaker, I want to take this opportunity to discuss the tragic human rights situation in Chile. As the chairman of the Subcommittee on Human Rights and International Organizations, I have conducted hearings on Chile and have actively worked to reduce human rights abuses committed by the Pinochet regime.

Unfortunately, the situation in Chile does not seem to be improving, and a strong argument can be made that it is worsening. The administration must take a more aggressive stand to improve the human rights condition in Chile.

I would like to submit to the attention of all House Members, an article written by our former colleague, Father Robert F. Drinan, entitled, "The Agony of the Church in Chile," which appeared in the October 12 issue of the America magazine. The article details not only the continuing human rights offenses of the Pinochet regime, but also of the heroic efforts of the Catholic Church to comfort victims and press for change.

Father Drinan is to be commended for his important contribution to the debate on U.S. policy toward Chile.

The article appears as follows:

THE AGONY OF THE CHURCH IN CHILE

(By Robert F. Drinan)

The agonies of the church during the 12 years of General Augusto Pinochet's dictatorship became vivid to me during my stay in Chile from August 16-26, 1985, as a member of a delegation from the International League for Human Rights. At every level within the church there is a sense that the chasm between the Government and the church is growing wider and that the church, because of its efforts to restore democracy, is looked upon almost as the enemy of the state.

The heroism of the church since the coup on September 11, 1973, that replaced President Salvador Allende with General Pinochet might well become one of the great stories of modern church history. The 25 Catholic bishops of Chile at first almost welcomed Pinochet because of the economic chaos and ideological polarization that occurred during the Allende regime. But after the first year or two of the Pinochet presidency, the church and most of Chile's 11.8 million citizens realized that something dreadful had occurred in a nation with a long and proud tradition of democratic rule. Up to 10,000 people were killed or fled from the country, the congress was closed, political parties were suppressed and labor unions were curbed.

My associates and I, in our visits with the highest officials and others from every sector of society in Chile, could find little if any support for General Pinochet. Everyone wants to revive the activities and the voices of the political parties. But the fear and intimidation are so pervasive that it is not clear whether any significant action toward democracy will be occurring in the near future. Hundreds of persons, pursuant to Article 24 of Pinochet's Constitution, are "relegated" each year to remote places for periods of several months. The documented use of torture is absolutely incredible. I visited 42 political prisoners in Valparaiso and heard stories of cruelty and sadism that would be astonishing in any civilized nation.

Early in the Pinochet dictatorship the Catholic Church began to react to the horrors that each day became more visible and more undeniable. Cardinal Paul Silva Henriquez, Archbishop of Santiago during the democratic governments of Eduardo Frei and Allende, established the Vicariate of Solidarity, a group that now has 12 full-time lawyers and more than 50 volunteers all over the country to defend those who each day are exiled, tortured, harassed or arrested. A luncheon with the top officials of the Vicariate revealed the amazing range of services that this organization offers to citizens who are chargrined and humiliated that their nation should have been taken over by a military dictatorship. The prestige that the Vicariate brings to the church is profound and will be long-lasting. The church moved aggressively to protest abuses of power in a situation where lawyers, judges, social workers and educators could have, by almost everyone's expectation, done more.

Another agency cocreated by the Catholic Church is the Chilean Human Rights Commission. This vital organization operating in every community of a far-flung nation has brought an awareness of human rights to a level that most human-rights specialists in the world say is unprecedented. A medical doctor, the chairman of the Human Rights Commission in the far northern city of Arica, reported that he had been jailed for 60 days, his car had been wrecked by a bomb and his coworkers had been threatened and harassed. But the work of recording and protesting the incidents of torture and intimidation goes on. The publications of the Chilean Human Rights Commission along with those of its affiliates are factual and impressive. They are documenting a dark night in the history of Chile.

One of the principal reasons for the highly professional nature of the work of the Chilean Human Rights Commission is the dedication of its vice-chairman, Máximo Pacheco, a lawyer, former dean of the law school of the University of Chile, Minister of Education and Ambassador to the Soviet Union in regimes prior to the Pinochet dictatorship. Dr. Pacheco, a devout Catholic, worked closely with the now retired Archbishop of Santiago, Cardinal Silva Henríquez, in the formation of both the Vicariate of Solidarity and the Chilean Human Rights Commission. Hosting a dinner for the delegates from the International League for Human Rights, the Cardinal stated that the persecution of the church in Chile was just as bad as the persecution of the church in the early centuries of the Roman Empire. When that statement was reported during an interview that the delegation had with the Minister of Interior, Ricardo García Rodriguez, a practicing Catholic, he expressed astonishment and insisted that the Pinochet Government would, at the mere suggestion of the Cardinal, correct any situation in which any "persecution" of the church was involved.

In a certain sense the Minister of Interior is right. There is in Chile no frontal attack on the Catholic Church or its institutions. The church has 1,800 priests, about 50 percent non-Chilean. Some 5,500 nuns conduct schools attended by about one-third of all the children of Chile. Even Mensaje, the Jesuit monthly, has with some difficulties been allowed to publish, even though until recently all journals of opinion were banned. But the Government has been suing Mensaje over an article written by a Jesuit that is unfavorable to the Government. The suit has been twice dismissed by the courts, but the Government is appealing.

In a broader sense, however, the Government is carrying on a war against the church. The Government repeatedly states that the Vicariate and the Human Rights Commission have been infiltrated by the Communists and that they are doing the work of the Marxists. The Government regularly asserts that the social agencies of the church are fulfilling a political role contrary to what it insists the Catholic Church should be doing. Again, there is truth to the charge since the church-related agencies do support the demands of the left for a return to democracy, the restoration of the congress, the revival of human rights—all of which appear to the Government as a militantly anti-Pinochet position.

But there is little likelihood that the church can or will back away from its opposition to much of what the Government is doing. The Government admits that, prior to the coup in 1973, the labor unions enrolled over 50 percent of the workers; now the figure is 8 percent. Everyone is concerned about Chile's foriegn debt which was $4 billion in 1973 but today is $22 billion. Unemployment stands at 30 percent, but in the shantytowns around Santiago it reaches 60 percent. All of those phenomena are painful to a church that repeatedly in the pastorals of its bishops has proclaimed its preferential option for the poor.

What the Government does not realize is that even if democracy in Chile had not been suspended by the demise of President Allende and the rise of General Pinochet, the church would still contain strong elements that would be opposed to a Government that allows, for example, 800,000 citizens to live in indescribably bad conditions outside of Santiago. The Pinochet reign of terror has accelerated the church's movement to try to change the social order. An example of the radicalization of persons within the church is José Aldunate, S.J., a professor of moral theology and a former provincial superior of the Jesuits in Chile. He recently accompanied the relatives of the disappeared and the deceased in a demonstration in Santiago. He was proud to be arrested and briefly detained.

The heroism of the church in Chile can never be forgotten by anyone who witnessed it. I was deeply moved when I concelebrated Mass in the evening in a desperately poor place with a priest who left a distinguished career as a professor to work for the poor. In a long dialogue during the liturgy with

his 100 congregants, they talked about their hopes of changing the oppressive circumstances surrounding them and also about the beatuy of accepting suffering.

Other heroes do extraordinary work in counseling the hundreds of people who have been tortured and who may well be tortured again. How can such persons be taught to overcome the effects of a traumatic experience and at the same time remain committed to the moral positions that prompted the Government to torture them? Heroic work is also visible in the care that is extended to the thousands of families once exiled from Chile, some of whom are not able to return. There is also extensive care offered to the countless families that have been devastated when relatives have been harassed, exiled, detained as prisoners or otherwise denied their human rights. All of these people state repeatedly that only pressure from abroad—especially from the United States—can mitigate the harshness that the Pinochet regime extends to every opponent of its policies.

A vivid example of the effect of such pressure occurred when I was in Chile. Pedro Castillo, a physician and the president of the Committee against Torture, was seized and sent into internal exile to a remote fishing village 800 miles south of Santiago. Protest by Amnesty International, the U.S. State Department and my delegation caused the Government to release him. It is impossible to imagine the sufferings of Dr. Castillo's wife, also a distinguished medical doctor, and his five daughters, unless one sees it firsthand Dr. Castillo touched a sensitive nerve ending in Government circles by his insistent pleas that no medical doctor in Chile should be permitted to be present at torture sessions in order to advise the Government on how far it could go without endangering the life of the victim.

New heroes are coming forward among the young. There appears to be a concerted effort by the Government to discourage and disband all youth activities related to the church. I visited with former political prisoners, many of whom were picked up for church-related activities that the Government said, of course, were "subversive." The torture of these young people is particularly shocking. I saw young men and women with a cross cut into their cheeks and forehead. Clearly this development has inhibited young people from having anything to do with the church.

One of the most baffling phenomena in Chile is the total unpredictability of the political future of that country. In 1980 the Pinochet regime manipulated a plebiscite that provides for an election to be held in 1989. But all political parties are suspended, so no group can present a platform or a candidate. Thus the question is: Could General Pinochet, now 69, subvert the system to get himself elected in 1989 and stay on for several more years? That scenario is not impossible, especially since he has no place to go. If he ceases being president and remains in Chile, he will almost certainly be tried for crimes against the people, just as the highest generals and admirals of Argentina have been tried by the Alfonsin Government for their crimes from 1976 to 1983. If General Pinochet flees to another country he can be extradited to Chile. His only escape would be Paraguay, where reportedly he has bought property.

Almost every discussion about the future of Chile begins and ends with an evaluation of the presence and power of the Communist Party. In the years before the coup in 1973, the Communist Party regularly appeared on the ballot and received between 10 and 15 percent of the vote. Recently the Communists have publicly advocated a violent overthrow of the Government. The Pinochet regine uses this recent change in the Communist position as proof of its determination to undermine law and order in Chile. At the same time, there are constant and widespread eruptions of violence. The Government blames these on the Communists. The Communists blame them on the civilian police or their paramilitary associates. Incredible as it sounds, no one is really sure who orchestrates the continual series of bombings and killings. As it turns out, the Communists gain credibility by attributing the violence to the Government, but the Government deepens the almost hysterical anti-Communist feeling by claiming that there would be domestic peace if the Communists could be eliminated.

Church leaders are caught in the backlash of this impasse. Should the church urge Catholic groups not to ally with Communist forces? Should the church give some kind of support to the Government's crusade to wipe out the Communists? The bishops seem to be divided on these thorny questions. No one is anxious to advance the cause of the Communists, but no one wants to strengthen the hand of Pinochet.

One initiative of the church that seems to have the approval of all opposition parties is the convening by Cardinal Juan Francisco Fresno, Archbishop of Santiago, of the leading representatives of the moderate opposition in Chile to discuss practical steps that might bring peace to the country. (For more on this, see "Chile: Opposition Strengthens" Am. 9/28.)

The Catholics of Chile are embarrassed that the Holy Father has deliberately decided not to visit their country—presumably because of its record on human rights. Some appear to be using the possibility of his coming as an incentive for the Government to improve.

Catholics in Chile are also aware that the Reagan Administration has voted for loans to Chile by the World Bank on 14 occasions and against loans on only one occasion. The enormous influence of the United States on Chile is recognized everywhere in a nation where the vast majority feel that the U.S. Government directly or indirectly facilitated the coup of Pinochet. One top leader of the opposition said, almost casually, that if President Reagan wanted to, he could restore democracy to Chile within six months. The problem is, of course, that President Reagan, like General Pinochet, thinks that the Soviets have made Latin America a testing ground for the East-West struggle.

The Catholic Church has been on a collision course with the Pinochet Government almost from the beginning. In a long interview, the Archbishop of Concepcion, Jose Santos, concluded a history of church-state relations since the coup by conceding that "a chasm continues to grow" and that a long series of events has brought about about a "deterioration of relations between the Government and the church." The bishops realize that their phones are sometimes tapped, informants infiltrate church activities and the civilian police work together with the military to create a police state.

No one knows how Chile's nightmare will end. But everyone knows that the 10 million Catholics who live in one of the oldest democracies in Latin America are applying the moral and spiritual teachings of their church in order to restore freedom and human dignity to Chile. They agree with their fellow Catholic, the Argentinian Nobel Peace laureate, Adolfo P. Esquivel, who, though banned from entering Chile since 1981, stated recently that "Latin America is on its feet; its liberation may be delayed but nothing can stop it—ever."

NATO AND THE SUMMIT

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, October 21, 1985

Mr. GARCIA. Mr. Speaker, this week the President will be meeting in New York with our allies to discuss his upcoming summit with Mikhail Gorbachev.

As a member of the House delegation to the North Atlantic Assembly, I cannot stress enough the importance of discussing our policies with our allies. Certainly NATO for all the criticism leveled at it over the years, coupled with recent rumors of its demise, has remained the backbone of our policy with our allies. And dialog the kind of dialog I have come to admire in the North Atlantic Assembly—is what keeps our relationship with Japan and the nations of the Atlantic alliance going.

I am submitting an article for the RECORD from the New York Times on European anticipation of the Reagan-Gorbachev summit, and the desire of NATO nations to be kept informed of our plans.

[From The New York Times, Oct. 20, 1985]

EUROPEANS ARE EAGERLY FILLING IN THEIR PROXIES FOR GENEVA

(By James M. Markham)

BRUSSELS.—An unusual meeting in New York this week will provide an opportunity for the United States and its principal allies to display unity before President Reagan's encounter with Mikhail S. Gorbachev in Geneva next month. Yet, though Mr. Reagan is likely to hear in New York some advice on countering the Soviet leader's public diplomacy and on regaining the initiative in the contest for Western European opinion, strains in the alliance are apparent.

The guest list for Thursday's session at the Waldorf Astoria Hotel is incomplete and even uncertain. The idea was to have a political meeting of the seven leading industrial democracies—the United States, West Germany, Japan, Britain, France, Italy and Canada—which gather each year to discuss mainly economic problems. But President Francois Mitterrand of France, who doubts the utility of such gatherings, is staying home to demonstrate his independence from Washington. And if Bettino Craxi of Italy shows up, it will be as the somewhat embittered caretaker Prime Minister of a coalition Government that collapsed last week in the fallout from the Achille Lauro hijacking.

The West European allies know that the Administration's approach to the Geneva summit is still being debated, and in one conspicuous recent instance they have sought to intervene and strengthen the hand of Secretary of State George P. Shultz against hard-liners in the Pentagon and the National Security Council. Through private channels, both Bonn and London voiced strong dismay over remarks by Robert C.

McFarlane, the national security adviser, suggesting that the Administration might be sacrificing the 1972 antiballistic missile treaty with the Soviet Union to the imperatives of its space weapons program. The loose McFarlane interpretation of the treaty would permit the development, though not the deployment, of the anti-missile defenses the accord was meant to curb. Yesterday in Pravda, Marshal Sergei F. Akhromeyev, the chief of the Soviet General Staff, called such an interpretation "a deliberate deceit."

THE ONLY REAL ACCORD

In Western Europe, the ABM treaty is seen as a safeguard against a destabilizing defensive arms race that could tempt one superpower or the other to launch a first-strike offense. Up to now, stability has rested on the notion of deterrence, each side knowing that if it attacked it would be destroyed in return. "For us," said a senior French official in Paris, "it is the only real disarmament accord since the war. We are very attached to it." This attachment is hardly sentimental, since both France and Britain know that a Soviet anti-missile system would destroy the credibility of their small nuclear arsenals.

Chancellor Helmut Kohl of West Germany and Prime Minister Margaret Thatcher of Britain have linked tentative support for American space weapons research to strict compliance with the ABM treaty. So in Brussels last week, NATO foreign ministers were relieved to hear Mr. Shultz say that President Reagan had decided to keep his "Star Wars" research program within "a relatively narrow interpretation" of the ABM treaty by which both sides agreed "not to develop, test or deploy ABM systems." The current state of research on the Strategic Defense Initiative does not demand a more permissive interpretation now, but the McFarlane trial balloon reminded the West Europeans, and Mr. Gorbachev, that a future rethinking of the treaty was possible.

Since the Soviet Union put forward last month a proposal for a 50 percent cut in strategic weapons in exchange for a renunciation of Star Wars, several West European governments have grown uneasy watching President Reagan issue justifications of his space defense effort. In New York, Mr. Kohl and Mrs. Thatcher will probably suggest that he embrace what is positive in the Gorbachev proposal—the principle of deep cuts in strategic systems—but reiterate how America envisions such reductions. "I think there's a strong British interest in that the United States be seen to be creative, energetic, imaginative and positive—all these good words one hears," said an adviser to Mrs. Thatcher in London. "But we know that devising a detailed proposal is not the work of five minutes or even five months."

There is little expectation among West European arms experts that Mr. Reagan and Mr. Gorbachev are going to cut a deal on nuclear weapons in Geneva. Rather, hopes focus on an improvement in the mood of Soviet-American relations that would make an arms accord possible later. "But Mr. Reagan's weekly radio address yesterday made such improvement highly uncertain. The President indicated he would go beyond arms control to discuss "the real sources of tension." He identified them as Moscow's world conduct and its "treatment of its own citizens," in addition to the Soviet arms buildup.

According to one of his close aides, Chancellor Kohl will urge the President to try to institutionalize Soviet-American summits to give some stability to East-West ties.

For the West Europeans, the worst possibility would be that the Geneva summit would fail and the Russians would convincingly pin the blame on President Reagan's insistence on his space-based defense program. Approaching Geneva with large hopes but small expectations, the NATO allies wince when they contemplate domestic political landscapes in which superpower arms control seems to have reached a dead end. Such fears will probably not be made public in New York, however. Instead, the public is likely to hear the kind of language used by Mrs. Thatcher at the Conservative Party conference in Blackpool. "He has our full support and good wishes as he goes to Geneva," she said of President Reagan. "The West could not have a braver champion."

STUDENTS AGAINST MULTIPLE SCLEROSIS

HON. JOSEPH D. EARLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, October 21, 1985

Mr. EARLY. Mr. Speaker, I wish to acknowledge that public-spirited voluntarism and charitable giving on American college and university campuses is expanding to include more people than have been seen in a decade.

One of the latest, most extensive nationwide efforts is Students Against Multiple Sclerosis, a new college program designed to increase the public's awareness of multiple sclerosis and to establish long-term fundraising support for the National Multiple Sclerosis Society to find the cause, prevention, and a cure for this disease. Health-conscious young adults are at the front of the fight against this disease which strikes young people in the prime of their lives.

The program will take place on 150 of the top universities in 50 States in the 1985–86 academic year. Student leaders will attend a leadership training conference in September in Miami. Upon their return to school, they will conduct a multiple sclerosis education and awareness campaign, followed by an intercollegiate "Rock Alike" rock star look-alike competition and fundraising drive in February. Students will use dollars to vote for their favorite rock star look-alikes. The university that raises the most money for multiple sclerosis will be the site of a concert broadcast over MTV: Music Television.

Students Against Multiple Sclerosis offers students the chance to integrate textbook knowledge with business experience and unify their campuses in an enjoyable and educational intercollegiate competition.

Young adults in every State are assuming leadership and civic responsibilities, and ultimately preparing themselves for future career positions. Just as important, the money they raise will be used to support research programs into a disease which, each week, strikes some 200 new people between the ages of 18 to 40.

Multiple sclerosis is a disease of the central nervous system (the brain, spinal cord, and optic nerves). It generally follows an exacerbating and remitting course, and is often progressively disabling.

Multiple sclerosis is characterized by inflammation and disintegration of the myelin sheath, an insulating covering that wraps itself around the nerve fibers in the central nervous system. Later, scars form in the damaged places and nerve impulses traveling to and from the brain may be distorted, misdirected, or lost entirely.

No two cases of multiple sclerosis are quite the same. Symptoms depend on the site and extent of damage to the myelin; they range from incoordination; loss of balance; pins-and-needles sensations and exhaustion to impairment of vision, hearing or speech; bladder and bowel problems; partial or complete paralysis. The cause of multiple sclerosis is, as yet, unknown. Recently, several treatments were announced which seem to alter the course of the disease, and some symptoms can be alleviated by good medical management.

The National Multiple Sclerosis Society, through its network of approximately 125 chapters and branches located in every State in the United States, provides support programs and medical equipment loans to those with multiple sclerosis.

The society is a 400,000-member voluntary health agency in the United States supporting programs in national and international research to find the cause, prevention, and cure for multiple sclerosis, and more effective treatments for those who already have the disease. Since its inception in 1946, the U.S. National Multiple Sclerosis Society has allocated more than $90.2 million to research and training. The International Federation of Multiple Sclerosis Societies, formed in 1965, is an association of 30 nations dedicated to helping the millions who have multiple sclerosis worldwide.

Again, I would like to commend the many students and the institutions of higher education for upholding and expanding the American tradition of voluntarism and charitable support with their participation in the "Rock Alike" contest. Other generations have found the cure for common infections and diseases that plagued mankind. This generation of college students could be crucial in finding a cure for multiple sclerosis.

BINARY NERVE GAS WEAPONS, PROLIFERATION, AND THE SUMMIT

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 21, 1985

Mr. FASCELL. Mr. Speaker, I have been encouraged to read reports that our Government is showing interest in the proposal by Soviet leader Mikhail Gorbachev to reach agreement on the nonproliferation of chemical weapons. It is my view that chem-

ical weapons and nuclear weapons should both be high-priority agenda items at the upcoming summit meeting between Mr. Gorbachev and President Reagan. Certainly our country and the Soviet Union could take the most important first step in stopping the proliferation of chemical weapons by agreeing at the summit to ban all future production of new chemical weapons.

I am very supportive of all efforts made by the U.S. Government to limit and stop the proliferation of chemical weapons. One of the main reasons why I have opposed and continue to oppose the Defense Department's request for new binary nerve gas weapons is my concern that proliferation is one of the most significant downfalls of the binary chemical weapons program.

Binary nerve gas weapons increase the risk of chemical weapons proliferation and the risk of their use by terrorists. This has been one of the main reasons why Congress has turned down the Reagan administration's request to produce this new generation of lethal chemical weapons in each of the past 3 years. A decision now to modernize our chemical arsenal with this new generation of binary nerve gas weapons would undermine many of the military, technical, political, psychological, and moral constraints which have inhibited proliferation.

In 1984, I requested a Congressional Research Service [CRS] study which exposed the adverse proliferation implications of producing binary chemical weapons. The CRS study also underlined the urgency of pursuing a comprehensive and verifiable world ban on new chemical weapon production. The study led me to conclude that the United States should be working hard to secure such a ban rather than breaking our own moratorium on production and launching a new generation of chemical weapons.

The CRS study identifies a number of technical features about binary weapons that would increase the likelihood of chemical weapons proliferation in other countries. These technical features include: First, binary chemical weapons are technically easier to produce than current unitary chemical weapons; second, the production of binary weapons require lower investments of capital, skilled labor, and expertise than current unitary chemical weapons; third, the raw materials needed to produce binary weapons are commercially available throughout the world.

Finally, as to the potential use of chemical weapons by terrorists, the CRS study observes that this frightening possibility would be encouraged by a U.S. decision to produce binary weapons. The report stated that, "A move by the United States or any other state to produce, stockpile, and deploy binary nerve gas weapons * * * would probably reduce the political and motivational factors inhibiting a terrorist decision to seek such weapons * * *. In a world in which unitary or binary chemical weapons become integral components of states' military programs, the risks of chemical terrorism could be expected to increase."

The risks of chemical weapons proliferation are too great and the national security, political, military, and technical reasons are too compelling to proceed with the funding of the proposed binary nerve gas weapons program. If Congress appropriates money for the binary program at this time, it would certainly send the wrong signal at the wrong time, not only to the Soviet Union but to other countries around the world. There may be an opportunity at the summit to agree to a ban on new chemical weapons and to set in motion a nonproliferation agreement. This opportunity should be seized.

PORTUGUESE CONSUL ARISTIDES DE SOUSA MENDEZ: REMEMBERING THE COURAGE OF THOSE WHO HELPED JEWISH REFUGEES FLEE THE HOLOCAUST

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 21, 1985

Mr. STARK. Mr. Speaker, in July 1940, Dr. Aristides de Sousa Mendez, while the Portuguese Consul to Bordeaux, France, issued over 10,000 visas to Jewish refugees in direct disobedience to his government's instructions. He had been instructed by his Foreign Secretary to deny visas to Jewish refugees of any nationality. He obeyed his conscience, putting God before man. Few of the thousands of Jewish refugees he saved ever knew of the suffering endured by the diplomat and his family.

Dr. de Sousa Mendez was recalled to Lisbon, fired, and disciplined. This punitive response subjected Dr. de Sousa Mendez and his family to incredible hardships. They were disgraced and ostracized. They lived out the remaining war years in a cruel form of poverty. Those old enough to leave went to the African colonies to find work. After the war most of the children emigrated to the United States or Canada.

Mr. John Abranches, a resident of Dublin, CA, and one of my constituents, was the youngest of the 14 children of Dr. de Sousa Mendez. He, along with his brothers and sisters have worked for many years to honor their father for his courageous actions. This is an appropriate time to recall Dr. de Sousa Mendez' courage for he knew full well that the consequences would be extreme.

Although Dr. de Sousa Mendez was posthumously reinstated, with the rank of ambassador, after the fall of the Salazar regime, no reparations were ever made to the family. Dr. de Sousa Mendez was never given the rightful, honorable place in history he deserves.

In a speech given before the national assembly, in 1945, de Sousa Mendez, in defending his actions, argued that to have obeyed the orders of his Foreign Secretary would have been contrary to several articles of the Portuguese Constitution.

Refusing to grant visas to people already persecuted by the Nazis in the countries from which they fled constituted "* * * odious religious presecution." To Dr. de Sousa Mendez, the granting of visas to the Jewish refugees was a matter of the right to asylum which "* * * any civilized country has always recognized and respected in occasion of war or public calamity."

It is most appropriate that we honor Dr. Aristides de Sousa Mendez as we commenorate the Holocaust. We need to remember and reverse those who took courageous steps to protect the Jews fleeing such unparalleled horror as that which occurred during World War II to insure that such horrors will never be repeated by any regime, "ism," or government. We need to be reminded today why we need to listen to the cries of the oppressed and persecuted, of those who flee to the United States for refuge.

We can learn from the actions of Dr. de Sousa Mendez that governmental policies are not always morally correct. And, when faced with such dilemmas, individuals must respond to the dictates of their conscience. Blind obedience or silence has proven to be disasterous. Only by action can we prevent future holocausts.

So that we may not forget, I would like to include in the RECORD at this point portions of an article from the Daily News of Lisbon, Portugal, dated May 5, 1985, entitled "Jewish Refugees Changed Portugal." Also, I would like to include the petition of Consul de Sousa Mendez to his government in justification of his courageous actions.

Mr. Speaker, never again.

[From the Daily News, Lisbon, Portugal,

JEWISH REFUGEES CHANGED PORTUGAL

[By Antonio Valdemdri]

It is noteworthy, for instance, that various Portugese consuls were punished with disciplinary processes and were removed from office for having issued visas and passports to the Jews. Such happened to Count Magno, Consul in Milan, and above all, to Aristides de Sousa Mendes, Consul in Bordeaux. The case of Sousa Mendes (who was reclassified posthumously in the diplomatic service after April 25)[1] is the most symptomatic. He was fired for having issued, free of charge, ten thousand visas to the Jews—thus saving them from the horrendous concentration camps and the subsequent extermination which awaited them.

In the "White Book" of the Department of State (Foreign Office) compiled by General Santos Costa, and published in 1971, there is a telegram from Salazar to the Portuguese Embassy in London which indicates preemptorily that the visas granted in Bordeaux were in violation of express instructions from the Department of State, and "by a consul which I have already removed from office". (Vol. VII, Page 183). In this same book, there is included a cable from the Portuguese ambassador in London, Monteiro dated July 26, 1940, to Salazar, in which, concerning a request for visas, he clarified that the beneficiaries of the visas were Polish—at the same time indicating that they were of "pure race". (Page 166)

[1] Salazar came to power May 26, 1927. Dictatorship overthrown April 25, 1974.

Teotonio Pereira, then Portuguese ambassador to Spain, according to this same source of information, in two letters to Salazar (July 14 & 20, 1940) and again in a memorandum, refers to Sousa Mendes. He referred to the attitude assumed by Sousa Mendes and to the fact that he had called him to San Sebastian to make him see that he had disobeyed when issuing free visas to those who applied for them—including the 10,000 Jews. (Vol. VII, Pages 141 & 893)

The humanitarian conduct of Sousa Mendes undoubtedly presented exceptional characteristics, pointed out after April 25 by diplomat Funo Bessa Lopes, in the reinstatement given to him over his refusal to become an accomplice in the Nazi war crimes. Other diplomats, even though in a smaller way, acted in a similar fashion. Clemente Leão, who is 83 years of age today, and resides in Lisbon, has reported to us, some days ago, the self-sacrifice of the Vice Consul in Paris, Carvalho da Silva, who in addition to other Portuguese Jews, took him out of the concentration camp at Drancy, and accompanied them by train to Irun, on their way to Portugal to see to it that no ill would come to them.

A PROTEST—A CLAIM

The facts related in this protest are urgently explained and were presented to the National Assembly in Lisbon, on December 10, 1945, thereby becoming an official and public document.

MR. PRESIDENT OF THE NATIONAL ASSEMBLY: Aristides de Sousa Mendes, former Portuguese consul in Bordeaux, exercising his right to protest, guaranteed under No. 18 of Article 8 of the Constitution, appeals to the Assembly the decision of the Minister for Foreign Affairs to relieve him of his functions for having granted, against current instructions, visas to thousands of foreigners who sought shelter from the threat of the German Army, which was at that time in the process of occupying Southwest France, inasmuch as the National Assembly is charged with the enforcement of the laws of the Nation (Article 91, No. 2) on the following grounds:

"The Foreign Minister sent him instructions on the granting of visas, which in the first line, absolutely prohibited the issuance of such visas to Jews, without regard for their nationality.

Involved were thousands of persons of the Jewish faith, from all the countries already invaded, and who had already been persecuted in Germany and in other countries which were forced to adhere to the German forces. The claimant estimated that he ought not to obey such prohibitive instruction inasmuch as he considered it unconstitutional in virtue of Article 8, No. 3 of the Constitution which guaranteed liberty and the inviolability of individual religious beliefs. This clause would not permit the persecution of anyone for these reasons. Furthermore, no one is to answer to such inquiries or be persecuted on account of them. To obey the instruction to deny visas to Jews, it would become a necessity to infringe upon the relative clause of the Constitution, to be able to grant or deny a visa in agreement with the relative instruction.

Consequently, the claimant, not obeying the orders in question, was only resisting, under the terms of Article B, line 18, an order which manifestly infringed upon the individual guarantees, which had not then been suspended at that time (Article 8, No. 19).

And one may not claim that inviolability of belief is not a right of foreigners because they are not residing in Portugal, the only instance in which they might claim the same rights as the Portuguese nations (Article 7). The case in point does not involve a right of a foreigner, but the duty of Portuguese officials who may not, either in Portugal or in its consulates (also Portuguese territory) make such inquiries to any individual without infringing upon the Constitution in order to deny any of their services. This in effect would be tantamount to odious religious persecution. For, ultimately it was a matter of right to asylum which any civilized country has always recognized and respected in occasion of war or public calamity.

The claimant entreats the Assembly in its high responsibility of enforcing the Constitution, to reverse the punishment imposed upon him for his disobedience of the instructions mentioned. the responsibility for the issuance of the mentioned orders to be exacted and those officials are to account for having infringed upon the Constitution and the established rights (Article 115, No. 2). The Claimant further entreats the Assembly to grant material and moral reparations for the damages caused by the disciplinary action instituted by the Minister for Foreign Affairs (Article 18).

The claimant cannot bear the evident and absured injustice he suffered and solicits that it be brought to a swift end, inasmuch as the Administration has been lauded in Portugal and abroad for an act which, manifested, the governments opposed, and for which the credit is due to the country and people whose alturistic and humanitarian sentiments were praised, and justly so, for an incident created by the disobedience of the claimant.

In short, the attitude of the Portuguese government was unconstitutional, anti-neutral, and contrary to all humane sentiments—and consequently undeniably against the Portuguese Nation."—Aristides de Sousa Mendes.

TWENTY YEARS OF CARING

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, October 21, 1985

Mr. DOWNEY of New York. Mr. Speaker, I'd like to share with you and my colleagues information about an important contribution that our senior citizens throughout this country are making every day.

It is fitting that we salute the Foster Grandparents Program on its 20th anniversary. The Foster Grandparent Program embodies the finest traditions of this country. Our senior citizens use their time and energy to pass on their knowledge and know-how to the next generation of Americans. And we, the people of the United States, are the beneficiaries. The children who take part in this program grow up with a sense of community involvement and respect for what has gone before them. That in itself is an immeasurable contribution.

Last Friday two of my constituents—Mrs. Rose Rizzo and Ms. Theresa Zoine—were honored at the White House and here on Capitol Hill for their years of work. New York State could not have had two finer representatives of selfless devotion to public service than these two women. They were joined by many other foster grandparents from throughout the United States.

In Suffolk County alone there are 85 foster grandparents serving 240 children every day. The efforts of these senior citizens are too numerous to mention, but here is some of what they do:

They assist children in their academic work.

They teach children proper manners and acceptable codes of social behavior.

And, most importantly, they are a friend, a good friend, to youngsters.

Theresa Zoine, Rose Rizzo, and the other 83 foster grandparents serving the children of Suffolk County are examples of the type of commitment this country needs. I know I speak for the rest of my colleagues when I praise the Foster Grandparent Program of New York State and the entire country.

BROWARD COUNTY FIGHTS SUBSTANCE ABUSE

HON. LAWRENCE J. SMITH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 21, 1985

Mr. SMITH of Florida. Mr. Speaker, on October 23, interested citizens from Broward and Palm Beach Counties will meet for the third annual SAAY/SADD [Substance Abuse and Use/Students Against Driving Drunk] conference. This conference is being held to create a local model substance abuse program, to establish active SADD chapters in every high school in the bicounty area, and to create active community task forces to work with the local SADD chapter.

I am a member of the Select Committee on Narcotics Abuse and Control and two other committees that deal with the entire range of drug problems. I, therefore, am well acquainted with the importance of effective substance abuse education and prevention programs as one part of a multifaceted approach to the entire drug abuse problem. Seeing such an effort in south Florida is especially gratifying to me. For too many years, this region has been in the forefront of the drug trafficking problem. The SAAY/SADD conference will, I hope, also put us in the vanguard of continued efforts to combat the effects of these drugs.

I want to take this opportunity to commend the School Board of Broward County for its sponsorship of SAAY/SADD and its determined efforts to educate the students of the county about the dangers of substance abuse.

The school board, and especially its chairperson, Mrs. Toni Siskin, and Superintendent William J. Leary have joined forces to promote positive approaches for the prevention of substance abuse. They have developed a commitment and instituted a policy to achieve a balanced community approach to the problem by seeking to create conditions that would promote the

well-being of our young people personally and collectively.

The school board has helped to create a model prevention program that could be used in other parts of the country. Indeed, the Broward County efforts are recognized as being one of the largest and most comprehensive school-based prevention programs in the Nation.

In Broward County, drug education now is part of the curriculum from kindergarten through high school. Peer counseling programs have been established in all high schools. Conveniently located counseling centers offer free, nonstigmatic services for all family members. There are free parent education programs in 14 convenient locations throughout the county.

I also want to commend Mr. Robert N. Holsaple who is the supervisor of prevention programs for his work in this area. Through his efforts, the school board has published a "Drug Handbook for Parents" that is the best I ever have seen. This publication tells parents among other things what are the signs of drug abuse, how to help their children avoid drugs, and where to go for help.

If every school district were to establish a program comparable to this one, then maybe we will be able to defeat the twin scourges of drug and alcohol abuse.

I wish SAAY/SADD every success and urge the Broward School Board and the other conference participants to keep up the good work.

TRIBUTE TO MAESTRO ROSTROPOVICH

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, October 21, 1985

Mr. KEMP. Mr. Speaker, I congratulate Maestro Rostropovich on induction into the Russian-American Hall of Fame. Our country has benefited greatly from the influence of many of Russian heritage in every walk of life and at every level of society.

There is something about an emigre's love of Russia that is far deeper than any regime can destroy. What you recognize immediately about Slava is his artistic greatness as a Russian, both as conductor and as cellist. There is a spark of the soul of Russia in Slava's work that is unmistakable.

One cannot talk about Mstislav Rostropovich without mentioning the relationship between Rostropovich and composer Dmitri Shostakovich, a relationship which spans three generations and three continents. Slava studied under Shostakovich, and they remained friends until the composer's death. That friendship is maintained between Rostropovich and the son and grandson of Shostakovich, both of whom have also emigrated and have appeared with our own National Symphony.

The love and respect that Slava bears for his mentor comes through clearly when he conducts Shostakovich. When you hear him conduct the Seventh Symphony, dedicated to the people of Leningrad, or the Fourth Symphony or the opera, "Lady Macbeth of Mzensk," both of which were condemned and censored by the Marxist regime, you feel the truly great spirit of the Russian people through the music.

Rostropovich has brought more to this country than just great music. He is an inspiration to us all. Slava represents the best of humanity and the arts, what can be achieved when one transcends politics and looks to the greater good of humanity.

For example, the incident which ultimately caused Slava and his wife, noted singer Galina Vishnevskaya, to leave the Soviet Union was Slava's support of his friend, the controversial Alexander Solzhenitsyn. To Slava, the humanitarian and noted conductor, it was natural to turn over his dacha to a friend when that friend had no home. In fact, it was at the Rostropovich dacha that Solzhenitsyn wrote most of his works during his tenure there from 1969 to 1973.

It was because of his championing of Solzhenitsyn that Slava began to experience the harassment which is the indication that the Soviet Government is displeased with one of its citizens who has dared to take an unpopular position. Severe restrictions were placed on Rostropovich and Vishnevskaya. Great artists need two things in order to thrive; freedom to create and spiritual sustenance. When these were withheld by the Soviet Government, Slava and Galina knew they would have to leave in order to survive as artists. In December 1974 they left, as a result of Senator KENNEDY's personal request to Brezhnev.

On March 1975, Rostropovich made his conducting debut with the National Symphony. Three weeks later he was appointed music director, an appointment which has brought much joy to all concerned for the past 9 years. Rostropovich has brought this orchestra the international recognition it deserves, and what could be more American than having a Russian emigre as conductor of the National Symphony in our Nation's capital?

The National Symphony just returned from an enormously successful tour of Europe. The itinerary included Yugoslavia and represented the first time Rostropovich had visited a socialist republic since he left the Soviet Union in 1974. His welcome was unprecedented. Concerts were sold out in record time. This was partly in recognition of the quality of the orchestra, but also a great tribute to a revered conductor and noted humanitarian.

I would like to share a treasured anecdote about tonight's honoree. When Slava was at a reception following the concert in Lubyana, with the U.S. Ambassador present, he talked about the difference between working in the United States and working in the Soviet Union. He said "In Russia, Stalin tried to teach music to Prokofiev and Shostakovich. In the United States, President Reagan doesn't try to teach me music. He runs the country and lets me worry about the music."

To that I say to Maestro Rostropovich "I hope you will continue to let President Reagan run the country and please, Slava, keep on worrying about the music."

NO CHANGE IN APARTHEID

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, October 21, 1985

Mr. GARCIA. Mr. Speaker, Columnist Anthony Lewis has written another insightful column on South Africa. He points out that despite all rhetorical flourishes, there is no change in apartheid. In fact, the South African Government has been largely successful in alienating even the most moderate forces in South Africa.

Mr. Lewis suggests that Western governments, banks, companies, and universities have a responsibility to make the South African Government understand that they will suffer the consequences if they don't change. I agree.

I submit Mr. Lewis article for my colleagues' perusal.

[From the New York Times Oct. 21, 1985]

ENDING AN ILLUSION

(By Anthony Lewis)

BOSTON.—The South African Government has performed a useful service that should be acknowledged. Over these last days weeks it has finally disposed of the illusion that it is ready for serious change—political change—in the apartheid system.

President Botha and his officials have sent the message with uncommon clarity. Their recent actions have had the character of not only rejection but provocation.

Consider, for example, the decision to execute a poet and supporter of the outlawed African National Congress, Benjamin Moloise. It was more than two years since Mr. Moloise was sentenced to death for allegedly participating in the murder of a policeman. The Government granted a stay in August; it appeared to be responding to new evidence and to worldwide appeals for clemency. Then, suddenly, it proceeded with the execution.

The night before the hanging, soldiers surrounded the home of the poet's mother in Soweto, where she was holding a vigil, and fired tear gas into it. The next morning officials would not let her see her son before he died.

Mrs. Moloise is an elderly nonpolitical woman who said she once "felt sympathy" for those in power. But now she said. "This Government is cruel. It is really, really cruel."

Or think about events last week in the Cape Town suburb of Athlone. It is an area of middle-class coloreds, people of rising expectations whom the Government has been trying to woo. But last week the police ran a provocative operation in Athlone that ended with their killing three students, aged 12, 16 and 20. Two days later they fired shotguns into an Athlone crowd; a British journalist there was hit by 50 birdshot pellets.

The police refused to return the bodies of the three students unless their parents signed statements admitting that they had

been involved in stoning incidents. Two of the dead were Moslems, and the delay in burial was acutely offensive to their faith.

"Now there is a bond of radicalism in Thornton Road that is not going to go away," a Baptist minister, Graham Cyster, said. Thornton Road is the genteel area where the shooting took place.

Those are two examples among many of official action that seems designed to outrage the most moderate opinion among the non-white majority. And it had exactly that effect. The hanging of Benjamin Moloise set off rioting by blacks in downtown Johannesburg—people who are ordinarily to be found shopping in the downtown department stores.

The Government also made clearer than ever last week that it does not want its white people to build any bridges to the leaders of the majority. It withdrew the passports of eight white students at Stellenbosch, the most respected Afrikaans-language university, because they were going to Zambia to talk with leaders of the African National Congress.

"The proposed talks will serve no purpose whatsoever," Stoffel Botha, the Minister of Home Affairs said.

Only the willfully blind could fail to perceive the policy behind such measures. President Botha and his Government have decided that it is no use trying to mollify discontent at home and criticsm abroad with more talk of "reform." Instead they are going back to the historic strategy: beating the blacks into submission.

There is a perfect piece of symbolism in one tactic being used by the police all over the country. They are using sjamboks, the big rawhide whip used traditionally to punish blacks—literally to beat them into submission.

But of course the police are using not just whips but guns. Since the Government imposed a state of emergency on July 21, three months ago today, more than three people have been killed every day on average—most of them black and most of them shot by the police. In the last year of protest nearly 800 people have died.

Will the policy work? In South African terms it might. The Government has the guns. It crushed black protests in 1960 and 1976, One explanation of its deliberately provocative tactics now is that it hopes to bring this yearlong crisis to a head by arousing more protest and then crushing it ruthlessly.

But there is an external risk. Stripping away the illusion of "reform," as Mr. Botha is now doing, may make foreigners, especially Americans, confront the hard reality of South Africa. It may make governments and others understand that they have to be serious if they want to see change in South Africa.

The point is simple. P.W. Botha does not even contemplate the possibility of political change in South Africa. Western governments and banks and companies and universities will have to play their part if he is to understand the terrible consequences of his policy for all South Africans.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, October 22, 1985, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

OCTOBER 23

9:00 a.m.
Commerce, Science, and Transportation
To hold hearings on the nominations of Michael A. McManus, Jr., of New York, and Neal B. Freeman, of Virginia, each to be a Member of the Board of Directors of the Communications Satellite Corporation (Comsat).
SR-253

9:30 a.m.
Banking, Housing, and Urban Affairs
International Finance and Monetary Policy Subcommittee
To hold oversight hearings on exchange rate misalignment.
SD-538

Environment and Public Works
Nuclear Regulation Subcommittee
To continue hearings on S. 445 and S. 1225, bills to revise certain provisions of the Atomic Energy Act of 1954 regarding liability for nuclear incidents.
SD-406

Governmental Affairs
To hold hearings on the nominations of William R. Barton, of Virginia, to be Inspector General, General Services Administration, Julius W. Becton, Jr., of Virginia, to be Director, Federal Emergency Management Agency, and James P. McNeill, of Maryland, to be an Associate Director, Federal Emergency Management Agency.
SD-342

Judiciary
Patents, Copyrights and Trademarks Subcommittee
To hold hearings on S. 1543, Process Patent Amendment of 1985.
SD-628

Select on Intelligence
To resume closed hearings on the development of a national intelligence strategy (Phase II).
SH-219

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Foreign Relations
To hold hearings to review the international debt and finance policies.
SD-419

Judiciary
To hold hearings on the nomination of Charles J. Cooper, of Virginia, to be an Assistant Attorney General (Office of Legal Counsel), Department of Justice.
SD-226

Select on Indian Affairs
To hold hearings on S. 1684, to declare that the United States holds certain Chilocco Indian School lands in trust for the Kaw, Otoe-Missouri, Ponca, and Tonkawa Indian Tribes of Oklahoma, S. 1724, to authorize the Cherokee Nation of Oklahoma to design and construct hydroelectric power facilities at W.D. Mayo Lock and Dam, and S. 1728, to authorize the Cherokee Nation of Oklahoma to lease certain lands held in trust for up to ninety-nine years.
SD-562

11:00 a.m.
Foreign Relations
Business meeting, to consider pending calendar business.
SD-419

2:00 p.m.
Conferees
On H.R. 3036, appropriating funds for fiscal year 1986 for the Department of the Treasury, U.S. Postal Service, Executive Office of the President, and certain independent agencies.
H-164, Capitol

OCTOBER 24

9:00 a.m.
Armed Services
Sea Power and Force Projection Subcommittee
To hold hearings on S. 535, the National Shipbuilding Industrial Base Act of 1985.
SR-232A

9:30 a.m.
Foreign Relations
African Affairs Subcommittee
To hold hearings on the African debt crisis.
S-116, Capitol

Labor and Human Resources
To resume hearings on the nomination of Ford B. Ford, of Virginia, to be a Member of the Federal Mine Safety and Health Review Commission.
SR-428A

Special on Aging
To resume hearings to review the impact of Medicare's prospective payment system on the quality of care received by Medicare beneficiaries.
SD-628

10:00 a.m.
Environment and Public Works
Toxic Substances and Environmental Oversight Subcommittee
To resume oversight hearings on ground-water level, use, quality and flow in the United States.
SD-406

Governmental Affairs
Permanent Subcommittee on Investigations
To hold hearings on the role of the entertainment industry in deglamorizing drug use.
SD-342

Judiciary
Business meeting, to consider pending calendar business.
SD-226

Labor and Human Resources
To hold hearings on the nominations of Sidney Lovett, of Connecticut, Richard J. Neuhaus, of New York, W. Bruce Weinrod, of the District of Columbia, John N. Moore, of Virginia, Dennis L. Bark, of California, Evron M. Kirkpatrick, of Maryland, and W. Scott Thompson, of New Hampshire, each to be a Member of the Board of Directors of the United States Institute of Peace.
SD-430

Conferees
On H.J. Res. 372, increasing the statutory limit on the public debt.
SD-215

11:00 a.m.
Appropriations
Military Construction Subcommittee
Closed business meeting, to mark up H.R. 3327, appropriating funds for fiscal year 1986 for military construction programs of the Department of Defense.
SD-116

12:00 a.m.
Judiciary
To hold closed hearings on the nomination of Stanley Sporkin, of Maryland, to be U.S. District Judge for the District of Columbia.
SD-226

2:00 p.m.
Commerce, Science, and Transportation
To hold hearings on the nomination of Carol G. Dawson, of Virginia, to be a Commissioner of the Consumer Product Safety Commission
SR-253

4:00 p.m.
Select on Intelligence
Closed briefing on worldwide intelligence matters.
SH-219

4:30 p.m.
Select on Intelligence
Closed briefing on intelligence matters.
SH-219

OCTOBER 25

9:30 a.m.
Environment and Public Works
Toxic Substances and Environmental Oversight Subcommittee
To hold hearings on the impact of lead phasedown on farm vehicles and heavy duty engines.
SD-406

OCTOBER 28

9:30 a.m.
Finance
Health Subcommittee
To hold hearings on S. 1551, to provide for administrative appeals and judicial review under Part B of Medicare, and to review the beneficiary and provider appeals provisions under Part A and B of the Medicare program.
SD-215

OCTOBER 29

9:30 a.m.
Commerce, Science, and Transportation
To hold oversight hearings on the implementation of the Motor Carrier Safety Act (P.L. 98-554).
SR-253

Labor and Human Resources
Handicapped Subcommittee
To hold hearings on the Tenth Anniversary of the Education for All Handicapped Children Act (P.L. 94-142).
SD-430

Rules and Administration
Business meeting, to consider S. 581, to authorize construction of facilities for the Whipple Observatory in Arizona and to authorize repair and replacement of facilities at the Tropical Research Institute in Panama, S. 582, to authorize funds for museum programs of the Smithsonian Institution, S. 583, to authorize funds for construction of additional facilities for the Cooper-Hewitt Museum in New York, S. Res. 28, S. Res. 29, and S. Res. 81, measures to set forth regulations to implement television and radio coverage of Senate Chamber proceedings, and administrative business.
SR-301

10:00 a.m.
Armed Services
Defense Acquisition Policy Subcommittee
To resume oversight hearings to review the status and impact of certain legislative provisions to reform the defense acquisition process.
SD-628

Energy and Natural Resources
Public Lands, Reserved Water and Resource Conservation Subcommittee
To hold hearings on S. 1107, to authorize the Society of the Third Infantry Division to erect a memorial in the District of Columbia or its environs, S. 1223, to authorize the erection of a memorial on Federal land in the District of Columbia or its environs to honor members of the Armed Forces of the United States who served in the Korean War, S. 1379, to authorize the erection of a monument given to the American people as a gift of the Kingdom of Morocco, on public grounds in the District of Columbia, S.J. Res. 143, to authorize the Black Revolutionary War Patriots Foundation to establish a memorial in the District of Columbia at an appropriate site in Constitution Gardens, and S.J. Res. 184, to authorize the Korean War Memorial, Inc. to erect a memorial in the District of Columbia or its environs.
SD-366

Governmental Affairs
Permanent Subcommittee on Investigations
To hold hearings on the Federal enforcement of the Bank Secrecy Act (title 31 of the U.S. Code).
SD-342

Judiciary
To hold hearings on S. 1335, Money Laundering and Related Crimes Act of 1985.
SD-226

Judiciary
Constitution Subcommittee
To resume hearings on S. 1580, to revise federally mandated attorneys' fees applicable to civil, criminal, and administrative proceedings involving the United States and civil proceedings involving State and local governments.
SD-226

OCTOBER 30

9:30 a.m.
Labor and Human Resources
To resume hearings to examine certain barriers to health care.
SD-430

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Labor and Human Resources
Children, Family, Drugs, and Alcoholism Subcommittee
To hold hearings on the effects of domestic violence.
SD-628

OCTOBER 31

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on S. 240, to start daylight savings time on the first Sunday of March, and S. 1433, to start daylight savings time on the first Sunday of April and to end it on the first Sunday of November.
SR-253

Labor and Human Resources
Employment and Productivity Subcommittee
To resume hearings on the impact of trade on employment and productivity.
SD-430

10:00 a.m.
Small Business
To hold oversight hearings on activities of the Small Business Administration's Office of Veterans Affairs
SR-428A

2:00 p.m.
Joint Library
To hold a general business meeting.
H-328, Capitol

4:00 p.m.
Select on Intelligence
Closed briefing on U.S. intelligence monitoring capabilities.
SH-219

NOVEMBER 1

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold oversight hearings on the implementation of the Staggers Rail Act (P.L. 96-448).
SR-253

NOVEMBER 4

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To resume oversight hearings on the implementation of the Staggers Rail Act (P.L. 96-448).
SR-253

NOVEMBER 5

9:30 a.m.
Rules and Administration
To hold hearings on proposed legislation to provide for public financing of Senate general election campaigns.
SR-301

NOVEMBER 6

9:30 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
Science, Technology, and Space Subcommittee
To hold joint hearings on the space world administrative radio (WARC).
SR-253

10:00 a.m.
Judiciary
Administrative Practice and Procedure Subcommittee
Courts Subcommittee
To hold joint hearings on farm bankruptcy.
SD-628

NOVEMBER 7

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on insurance and space commercialization.
SR-253

NOVEMBER 8

9:15 a.m.
Finance
Health Subcommittee
To hold hearings on a Department of Health and Human Services report on proposed reform of the Federal hospital insurance program (Medicare Part A) method of paying for capital costs.
SD-215

9:30 a.m.
Energy and Natural Resources
Natural Resources Development and Production Subcommittee
To hold hearings on S. 570, S. 372, S. 946, and S. 913, bills to improve the administration of the Federal coal leasing program, and other coal related issues.
SD-366

NOVEMBER 12

9:30 a.m.
Governmental Affairs
Permanent Subcommittee on Investigations
To resume hearings in espionage activities in the United States.
SD-342

Labor and Human Resources
Employment and Productivity Subcommittee
To resume hearings on the impact of trade on employment and productivity.
SD-562

NOVEMBER 13

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold oversight hearings on LANDSAT commercialization.
SR-253

Labor and Human Resources
To hold hearings on nutrition and fitness in public health.
SD-430

NOVEMBER 14

9:30 a.m.
Commerce, Science, and Transportation
Business meeting, to consider pending calendar business.
SR-253

Governmental Affairs
Permanent Subcommittee on Investigations
To resume hearings on espionage activities in the United States.
SD-342

10:00 a.m.
Energy and Natural Resources
To hold oversight hearings on the President's July 8, 1985 National Defense Stockpile "modernization" proposal and its potential impact on the domestic mining industry.
SD-366

Governmental Affairs
Intergovernmental Relations Subcommittee
To hold oversight hearings on regulatory activities of the Office of Management and Budget.
SD-562

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
Business meeting, to mark up proposed legislation authorizing funds for programs of the Higher Education Act.
SD-430

NOVEMBER 15

10:00 a.m.
Environment and Public Works
Toxic Substances and Environmental Oversight Subcommittee
To resume oversight hearings on ground-water level and use and on ground-water quality and flow in the United States.
SD-406

NOVEMBER 18

9:15 a.m.
Finance
Health Subcommittee
To hold hearings on the Federal supplementary medical insurance program (Medicare Part B) payments for physician services, focusing on efforts by the Department of Health and Human Services and others to assess the current payment mechanism and develop reform options.
SD-215

NOVEMBER 19

10:00 a.m.
Commerce, Science, and Transportation
Business, Trade, and Tourism Subcommittee
To hold hearings on the promotion of domestic tourism.
SR-253

Office of Technology Assessment
The Board, to meet to discuss pending business.
EF-100, Capitol

DECEMBER 10

10:00 a.m.
Environment and Public Works
Toxic Substances and Environmental Oversight Subcommittee
To hold oversight hearings on environmental effects of global atmospheric warmings.
SD-406

CANCELLATIONS

OCTOBER 22

10:00 a.m.
Judiciary
Security and Terrorism Subcommittee
To hold hearings on terrorism in South Africa as it affects the security of the United States.
SD-G50

OCTOBER 24

9:30 a.m.
Veterans' Affairs
Business meeting, to mark up proposed legislation to provide a cost-of-living increase for fiscal year 1986 in the rates of veterans disability compensation and dependency and indemnity compensation for surviving spouses and children.
SR-418

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume hearings on proposed legislation authorizing funds for programs of the Higher Education Act.
SD-430

HOUSE OF REPRESENTATIVES—*Tuesday, October 22,1985*

The House met at 12 o'clock noon.

Rabbi Simcha Freedman, Adath Yeshurun Synagogue, Miami, FL, offered the following prayer:

Dear G-d, in Pirke Avot, Ethics of the Fathers, we learn that the world endures due to three principles: truth, justice, and peace.

The Declaration of Independence states that "We hold these truths to be self evident, that all men are created equal; that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty and the pursuit of happiness."

Dear G-d, while the distinguished Members of this House of Representatives, upon whom we ask Thy blessings, while they defend and support those self-evident truths, there are yet those individuals and even nations who do not.

Some would deny the principle of life by savagely killing innocent people, others would defy the principle of liberty, thus creating refuseniks and prisoners of conscience.

Adlai Stevenson once said, "Man cannot reduce the truth to ashes, he may murder his fellow man with a shot in the back, but he does not murder justice * * *."

Dear G-d, we have faith that truth, justice, and peace shall yet prevail despite the fulminations of those who so viciously attempt to prevent it.

We believe the dream is real and that it will come to fruition due to those brave peoples who fight against tyranny and terrorism. They are the last best hope of mankind.

G-d, bless America. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 3038. An act making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1986, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 3038) "An act making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1986, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. GARN, Mr. WEICKER, Mr. LAXALT, Mr. D'AMATO, Mr. ABDNOR, Mr. DOMENICI, Mr. HATFIELD, Mr. LEAHY, Mr. STENNIS, Mr. PROXMIRE, Mr. JOHNSTON, and Mr. LAUTENBERG to be the conferees on the part of the Senate.

RABBI SIMCHA FREEDMAN

(Mr. LEHMAN of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEHMAN of Florida. Mr. Speaker, I would like to extend a warm welcome to Rabbi Simcha Freedman and to thank him for officiating in the opening prayer today in the U.S. House of Representatives.

My good friend of many years, Rabbi Freedman is the spiritual leader of Temple Adath Yeshurun of the city of North Miami Beach. His involvement in the community has over the years cast him as a true leader on behalf of human rights and other humanitarian concerns. His activism on Soviet Jewry is especially notable. Through his efforts, the street address of Temple Adath Yeshurun was changed to be known as Shcharansky Boulevard to symbolize the continued incarceration of Anatoly Shcharansky by the Soviet Union, and the utter abuse of his human rights.

Rabbi Freedman's congregation is testimony to the pivotal role he has played in building Temple Adath Yeshurun as one of the most dynamic congregations in Miami. Its beautiful day care center, public events, and other services enable its large community to enjoy a full spectrum of activities.

Once again, on behalf of my colleagues, I welcome Rabbi Simcha Freedman and thank him for honoring us this morning.

HUMAN RIGHTS ABUSES WARRANT SUSPENSION OF ROMANIA'S MFN

(Mr. SMITH of New Jersey asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of New Jersey. Mr. Speaker, on behalf of Mr. HALL of Ohio, Mr. WOLF, and myself, I am today introducing legislation to suspend most-favored-nation [MFN] status to Romania for 6 months on account of egregious human rights violations in that country.

Romania, Mr. Speaker, has enjoyed MFN since 1975. Annual trade between our two countries amounts to approximately $1 billion and the Romanians export more than they import by a ratio of more than 4 to 1.

In exchange for these considerable enhancements to the Romanian economy, the United States hopes the Ceausescu regime will act more independently of the Soviet Union in foreign policy matters, while adhering to international human rights standards at home.

While it is clear that the Romanians have demonstrated at best some willingness and ability to digress from hardline Soviet policy—Romania sent a team to the Olympics in Los Angeles—their record on human rights is shameful.

Four months ago, Mr. HALL, Mr. WOLF, and I went on a factfinding mission to Romania sponsored by Christian Response International. We met with high Government leaders including Foreign Minister Stefan Andrei and religious leaders in an attempt to better understand the reality of what is occurring there. We came away deeply concerned over the human rights situation, especially the systematic persecution of Christians, the bulldozing of churches and other repressive actions by the Government.

On the one hand, we note with joy that since our return, Father Gheorghe Calciu, the Orthodox priest who spent more than 20 years in prison for his faith in Christ, has been permitted to emigrate to the United States. On the other hand, rather than moving toward an easing up on rights violations, Romania is cracking down.

It is sad but true that the Romanian Government tolerates no domestic criticism, no opposition, no dissent from its policies. There are massive controls of all forms of the media, freedom of speech, and movement within and without the country. Furthermore, citizens are prohibited the right to assemble unless specific permission is granted by the Government. Of course, that permission is only se-

cured when the Government has insured that the activity will serve the interests of the Communist Party. Christians are singled out for arrest and imprisonment. Groups like Amnesty International have raised concerns over beatings and psychiatric abuse against prisoners of conscience.

Mr. Speaker, I regret that this action is necessary—but it is. The leaders in Bucharest must come to recognize that the United States is only insisting that Romania keep its word as a signatory to the Helsinki Accords. Respect for human rights isn't optional; it is fundamental, and is the only legitimate basis for genuine bilateral relations.

ALEX ODEH, AN ARAB-AMERICAN VOICE OF MODERATION

(Mr. DYMALLY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DYMALLY. Mr. Speaker, almost unnoted by the Nation's press, a terrorist bombing killed a good and gentle college professor on October 11, 1985. It happened not on the high seas, but in Santa Ana, CA.

Now Alex Odeh's 2-year-old daughter, Suzanne, will never know her father as do her 5- and 7-year-old sisters, Samia and Helena.

His three daughters will never know, as I know, the great decency and the exemplary humaneness of their e witnessing that violence breeds violence." He condemned terrorism in all its forms; instead, he advocated peaceful dialog. Alex was a Catholic. However, when a memorial service was requested for Alex, at the University of San Francisco, a Catholic university, the president denied the request.

To no avail, I urged a change of mind. Why the refusal? Fear. Fear of reprisal. Extremists silenced a voice of moderation. To our shame, they also intimidated the leader of an institution symbolic of fairness and compassion. Has terrorism won? It cannot be allowed to be so.

The whole Nation must mourn equally and fearlessly the killings of Alex Odeh and Leon Kinghoffer. If we do not, then we should begin to mourn for ourselves, because we will have become the victims of terrorism.

INDIAN ECONOMIC DEVELOPMENT ACT OF 1985

(Mr. McCAIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCAIN. Mr. Speaker, one of the great tragedies in America today is the conditions that exist on our Indian reservations: unemployment, poverty, and despair throughout many of our reservations in America.

Mr. Speaker, today I am introducing the Indian Economic Development Act of 1985, which I believe can bring new hope and prosperity to all native Americans.

Poverty is a way of life on many reservations. Drug and alcohol abuse is rampant. Limited education portends a life of functional illiteracy and unemployability for many Indian people. Passage of this legislation offers a different choice—a path toward hope rather than despair. It will encourage Indian tribes to work with the business community to create jobs, provide employment training, and initiate long-term economic development. The Indian Economic Development Act would provide for the designation of certain tribal lands as enterprise zones, thus encouraging economic self-sufficiency and reducing Indian dependency on Federal assistance.

One of the biggest problems faced by reservations is the reluctance of businesses to invest. This legislation would serve as a catalyst—spurring investment, creating jobs, and fostering entrepreneurship.

The Indian Economic Development Act offers the Nation's tribes the opportunity to join forces with the private sector to build a better life. I urge my colleagues to support this important legislation.

S. 49 WOULD BENEFIT ASSASSINS, NOT SPORTSMEN

(Mr. LEVINE of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEVINE of California. Mr. Speaker, easy access to guns has left a trail of tragedy and violence through our Nation's recent history. President Kennedy, Robert Kennedy, President Ford, and President Reagan have all suffered from the assassin's touch. And daily we hear of new tragedies affecting our neighborhoods and our communities.

Legislation which will enable the Lee Harvey Oswalds, Sirhan Sirhans, John Hinckleys, and street-corner muggers alike to easily obtain untraceable firearms is now pending in committee. Efforts are being made to bring it directly to the floor for a vote.

Every major law enforcement group in the country opposes this legislation.

S. 49 is being sold as a "sportsman's bill," but in hearings, a far different picture would emerge. S. 49 would allow the interstate sale of handguns for the first time since 1968, prohibit surprise inspection visits to handgun dealers, and permit dealers to sell guns from their personal and private collections. These provisions are not provisions for sportsmen but are provisions for criminals.

I urge my colleagues to oppose all efforts to bring S. 49 to the floor without adequate hearings.

HOUSING ACT OF 1985, A HALLOWEEN TRICK, NOT A TREAT

(Mr. GROTBERG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GROTBERG. Mr. Speaker, H.R. 1, the Housing Act of 1985 included in title II of the Omnibus Budget Reconciliation Act is the only major authorization bill included by a major committee in the reconciliation process.

I find it only fitting that the House is considering this important legislation on the advent of Halloween. If H.R. 1 prevails and gets passed under the cloak of the reconciliation bill, the American taxpayers will be getting the "trick" while the 30 majority members of the Housing Banking Committee will be getting the "treat." The "trick" will be that major housing legislation would pass the House by the say of only 30 House Members. This would be the biggest "trick" played on our democratic process that I have seen in a long time. The "treat" will go to the 30 majority members of the House Banking Committee who had the only say in modifying H.R. 1 for reconciliation purposes.

I ask my colleagues—something must be wrong with H.R. 1 if the majority members of the Banking Committee view the reconciliation process as their best and only hope for congressional passage of the Housing Act this year. This alone should be a signal for the 405 Members of the Congress to question what is contained in the housing bill.

If the provisions contained in H.R. 1 are so contentious that they must be hidden in an omnibus reconciliation bill what will this do to assure a timely conference between the House and Senate?

Mr. Speaker, in keeping with the spirit of deficit reduction—let's not have any "tricks or treats" this year.

□ 1215

THE GREAT AMERICAN SPIRIT OF PATRIOTISM

(Ms. KAPTUR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. KAPTUR. Mr. Speaker, several events of the past few weeks have rekindled that great American spirit of patriotism—none more so than the

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recent awards to American Nobel laureates. One of the most inspiring individuals in this esteemed group is Prof. Franco Modigliani of MIT, winner of the Nobel Prize for economics. His pioneering work in the area of savings comes at a most opportune time for the Nation—a period where Americans are saving less, borrowing more, and staring at a $2 trillion national debt. Professor Modigliani's work should serve as a clarion call to all Americans, especially those of us shaping economic policy.

It is in this spirit that I will soon be introducing legislation which enlists U.S. savings bonds in the battle to reverse this dangerous trend and literally "buy back America." The legislation will declare 1986 as "Save for the U.S.A." year, calling on the President to elevate to national prominence a major national savings bond drive that can help increase savings and reduce our Federal deficit, and wean ourselves off our growing unwise dependence on foreign credit. I hope my colleagues will join in this most valuable savings and investment endeavor for our country's future.

ECONOMIC SANCTIONS AGAINST ANGOLA

(Mr. McCOLLUM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCOLLUM. Mr. Speaker, according to Amnesty International, the Communist regime in Angola is brutal and routinely violates human rights. It has been engaged for more than 10 years in a civil war with the anti-Marxist forces of Jonas Savimbi. There are more than 30,000 Cuban troops in Angola supporting the Communists and there are also 1,500 Soviets and 2,500 East Germans. The Soviet Union has supplied the Angolan Government with sophisticated aircraft, tanks, and other weapons.

Incredibly, the United States has been financing the Angolan Government through United States investment there, Export-Import Bank loans and by more than $1 billion of imports each year including the purchase of more than 80 percent of oil produced in Angola. This is immoral and indefensible.

I am introducing legislation today that bans future U.S. business investment in Angola, prohibits loans to Angola, and requires the President to embargo all trade with Angola unless certain conditions are met. Among those conditions are significant efforts to improve human rights, free elections, and the withdrawal of all Cuban, Soviet, and other foreign Communist troops.

I urge my colleagues to join me in support of this legislation. We must stop this outrage.

THE RECONCILIATION ACT

(Mr. SHARP asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHARP. Mr. Speaker, tomorrow the House is scheduled to consider the Reconciliation Act, which is supposed to be our chief effort in this Congress to cut Federal spending and thereby cut the Federal deficit. We all know that among the serious provisions to do that in that bill are some provisions that are, in fact, going to be very costly to the U.S. Government and to the U.S. taxpayer. One of those is the outrageous giveaway of future revenues earned on the Outer Continental Shelf that will be given to several States. This provision was not envisioned in the budget resolution. It will make it very hard in the future for us to carry out our responsibilities in reducing future deficits, and I am sorry to say the House Rules Committee refused by a vote of 7 to 6 to let the entire House vote on this serious matter.

Tomorrow, as the House considers the rule on reconciliation, I hope Members will recognize that voting "yes" will prove costly to balancing the budget in the future.

OPPOSE DISCHARGE PETITION ON FIREARMS OWNERS PROTECTION ACT

(Mr. SEIBERLING asked and was given permission to address the House for 1 minute.)

Mr. SEIBERLING. Mr. Speaker, rarely a day goes by when the news does not recite incidents of violent crime. Americans everywhere live with the fear that they could be the next victim of some life-threatening criminal act.

If there is one proposal that Congress could adopt that would do more to curb street crime than any other, it would be strong handgun control legislation. Until handguns are outlawed, every outlaw can get a handgun. Unfortunately, S. 49, the Senate-passed Firearms Owners Protection Act, would take us in the opposite direction—backward in the fight against violent crime.

The Nation's major law enforcement organizations have pointed out that S. 49 would significantly undermine law enforcement; yet S. 49 was never even considered at the committee level in the other body.

Now an attempt is being made in the House to bypass the committee process here and bring S. 49 to the floor by means of a discharge petition, even though the House Judiciary Committee has already announced that it will begin comprehensive hearings next week.

One citizen who has been invited to testify at those hearings is Sarah Brady, wife of Presidential Press Secretary Jim Brady. In a letter to Members of Congress urging them to let the Judiciary Committee hearings take place, Mrs. Brady writes:

> Now I must ask you to allow all our voices to be heard on this issue. I have so much to say—please listen.

Out of respect for Sarah and Jim Brady and the hundreds of thousands of other Americans who have been threatened, maimed, or killed by handguns, I urge Members not to sign the discharge petition on S. 49.

YOUTH EMPLOYMENT OPPORTUNITY WAGE ACT OF 1985

(Mr. MONSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONSON. Mr. Speaker, earlier this year, President Reagan sent a message to the Congress urging the enactment of the Youth Employment Opportunity Wage Act of 1985. I share his sentiments that one of the Nation's longstanding problems is providing adequate employment opportunities for our young people. Even in our times of economic prosperity, unemployment among our youth remains a problem. Through this legislation, we can make it possible for employers to expand job opportunities for young people during the summer months.

Aside from the fact that it is a sound proposal, crafted to create 400,000 summer youth jobs across the country at no additional cost to taxpayers, this bill represents a principle I find critical to the character development of our young people. That is the basic good that comes from learning responsibility and learning to adapt to a variety of people and situations. Positive experiences in the workplace can help teach important values—values which are central to success later in life. It teaches an ethic that is basic to the American society. Our young people need an opportunity to be part of that American ethic. I urge my colleagues to examine this legislation carefully and to enact it speedily.

LEON KLINGHOFFER

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, Leon Klinghoffer represented what is best in America. He was a courageous and determined man who fought injustice all his life. During the Second World War, he served his country in the Army Air Corps. After the war, he realized a dream of millions of Americans—starting with little more than their own ingenuity and determination, he and his brother built a compa-

ny to manufacture a product which they themselves had invented. As a philanthropist, he then shared his good fortune generously with others.

In recent years, partly paralyzed by a stroke, he refused to accept the limitations of his disability. He set for himself the goal of escorting his daughter Ilsa at her wedding 2 months hence, and had he lived he would not have rested until he had achieved that goal.

When he was attacked by the *Achille Lauro* terrorists, Leon Klinghoffer, disabled as he was, resisted courageously.

Mr. Speaker, it is altogether fitting that we honor this brave American. Together with Senator ALPHONSE D'AMATO of New York, I am, therefore, introducing legislation to confer the Congressional Gold Medal of Achievement on Leon Klinghoffer posthumously. I invite all Members of the House to join me as cosponsors.

A NEW SYSTEM FOR FILING TAX RETURNS

(Mr. GEKAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEKAS. Mr. Speaker and Members of the House, Halloween this year began on April 15, when we began hearing horror stories from our taxpayers on the treatment they have been receiving from the various IRS offices throughout the country, reports of missed and misfiled returns, refunds delayed, threats of liens and legal action on the part of the IRS, all kinds of horror stories. Not all of them can be blamed on the computer gremlins or ghosts that the IRS talks about. Part of it has to do with the fact that 100 million returns have to be filed every year by April 15.

I have proposed today to the Ways and Means Committee that we eliminate the filing date of April 15 and spread out the filing dates across the year through a system of staggered returns, to become compiled on the basis of the taxpayer's birth date. It is worth considering. It can end that crush on April 15 and take us a long way toward simplifying the system of tax filing that we now have.

I urge the Members of the House to ask their individual members on the Ways and Means Committee to foster this plan. It is about time we tried to do something.

TIME ZONE ISSUE

(Mr. McCLOSKEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCLOSKEY. Mr. Speaker, as we begin consideration of the Daylight Saving Extension Act, I would like to bring to your attention a dilemma regarding time that my constituents of the Eighth Congressional District of Indiana are now facing due to the Federal bureaucracy. Back in June, the Department of Transportation published a notice of proposed rulemaking regarding a change in the time zone boundary for southwestern Indiana.

Public hearings were conducted in July throughout the affected area and public comments were solicited until August 20. It has now been 2½ months since the close of the comment period and no decision has been issued by DOT. Furthermore, DOT has refused to say when a decision will be forthcoming. My constituents are wondering how to resolve their paramount concern of scheduling. Businesses, airlines, school districts, farmers, and citizens alike are anxiously waiting for a resolution of this issue.

DOT officials have demonstrated their indifference and disregard for the Hoosiers of southwestern Indiana. The excessive delay in the decisionmaking process has disrupted the schedules of the five counties and is intolerable. The DOT's lack of action reflects on all of the Federal Government and is simply inexcusable.

A TIME FOR ACTION

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANNEMEYER. Mr. Speaker, history books record that the "Reign of Terror" took place in France following the overthrow of the monarchy, when Louis XVI and Marie Antoinette had to eat crow instead of cake.

What we are finding, however, is that we are in the midst of another reign of terror: repeated violence directed against American citizens and property by international terrorists.

As a nation and as civilized human beings, we are morally outraged at the perpetration of these cruel and vicious crimes. We are also angry and frustrated because there seems to be no way to either prevent them from happening or apprehend those responsible.

As a result, there was some cause for national rejoicing when the four hijackers of the *Achille Lauro* were captured and turned over to Italian authorities to stand trial. It is not revenge that we seek, but justice.

Too often, we find ourselves impotent in the face of terrorist attacks. We can cheer when an occasional hijacker is captured, but far too many of these criminal acts go unanswered. We need to take action similar to that which President Carter took during the black days of the Iranian hostage crisis: freeze the assets of those responsible for the crimes.

I will be taking a special order tonight to address the matter of how to deal with terrorist organizations, and I will be introducing a resolution toward this end. It's time we took action.

DISCHARGE PETITION FILED ON FIREARM OWNERS' PROTECTION ACT

(Mr. VOLKMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VOLKMER. Mr. Speaker, September 10, 1979, during the 96th Congress, I first introduced the Firearm Owners' Protection Act—181 of my colleagues joined me as cosponsors.

In each succeeding Congress I have introduced the legislation with as many as 180 cosponsors. But during this time in the House there has never been a committee hearing on the legislation despite my repeated requests.

In the meantime in each Congress the senior Senator from Idaho has introduced the legislation in the other body. On July 9 of this year the other body passed their version of the legislation by a 70-to-15 vote. The next day the chairman of the House Judiciary Committee was quoted as saying the bill was "dead on arrival."

The only recourse left to us is the filing of a discharge petition to enable the Firearm Owners' Protection Act to be brought to the House.

I have today filed a petition to discharge House Resolution 290 enabling the legislation to be brought to the floor for consideration by my colleagues. I ask you to join me in signing the Discharge Petition No. 4.

This evening I am taking a special order to discuss this issue and I invite you to join me in that discussion.

THE PUBLIC RELATIONS TIRADES OF DANIEL ORTEGA

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUDD. Mr. Speaker, the Nicaraguan dictator, Daniel Ortega, is now claiming that his order to suspend all remaining civil liberties in his country was due to the "genocide" being practiced by the United States against his nation, can you believe that?

This is the same man who, dressed in a military uniform, appeared before the United Nations last year and declared the United States was planning an imminent invasion of Nicaragua.

While Mr. Ortega seems to make headlines with these pronouncements, he has never made much sense. And I hope the foreign leaders at the United Nations and we here in Congress recognize this man and his statements for what they truly represent. Daniel

Ortega is a Marxist revolutionary who came to power behind the barrel of a gun, reinforced his position by winning his office in a sham election, and last week enhanced it even more by suspending what was left of his people's civil rights. He is beholden to Moscow and Cuba. And we all remember his comments and recent trip to the Soviet Union requesting $200 million in arms immediately after a $14 million economic Contra aid package failed by a vote here in Congress.

I'd suggest that the news media and the Congress listen more to what the administration has to say about this man and his Marxist government; than to the ridiculous assertions and public relations tirades of Daniel Ortega.

THE U.S. GOVERNMENT IS BREAKING THE LAW

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, the U.S. Government is breaking the law. The Department of Commerce, which makes purchases for the national defense stockpile, has been purchasing illegally dumped titanium. A titanium manufacturer in my district, the RMI Co., recently won an antidumping suit before the International Trade Commission against the Japanese.

Based on this decision, the Commerce Department imposed antidumping duties. Therefore, under current U.S. trade law, it is clear that these titanium purchases made by our own Commerce Department are undercutting U.S. industries, and I might add, illegally.

Yet, this administration persists in its previous practice of purchasing this illegally dumped titanium. It is crazy, Mr. Speaker, that the Federal Government is literally helping foreign countries put American industries out of business by purchasing illegally dumped goods. It is a shame that even our own Government is wrecking American industry. Why need we fear foreign competition when America's own Government is wrecking our own industry?

I believe something should be done and the President should react to this purchasing of illegally dumped titanium.

THE YOUTH EMPLOYMENT OPPORTUNITY WAGE ACT OF 1985

(Mr. NIELSON of Utah asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NIELSON of Utah. Mr. Speaker, I rise in support of H.R. 1811, the Youth Employment Opportunity Wage Act of 1985, and ask that immediate action be taken on this legislation.

H.R. 1811 would permit employers to pay young people under 20 years of age, from May 1 through September 30, a wage of no less than either 75 percent of the otherwise applicable minimum wage or $2.50 per hour, whichever is less. This bill provides protections so that adult workers or previously hired youth will not be adversely affected by the proposal. It also prohibits employers from substituting youth for current employees. Employers who discharge, transfer, or demote workers for the purpose of employing eligible youth are subject to various legal remedies and sanctions, including a $10,000 fine, 6 months in prison, and payment of back wages.

The summer youth employment opportunity offers the promise of employment to potentially hundreds of thousands of young people currently denied the chance to gain experience, self confidence, effective work habits, and income for one's labor and I rise in support of H.R. 1811 and ask, again, that immediate action be taken on this legislation.

ELDERLY AND MEDICARE COST INCREASES

(Mr. BONER of Tennessee asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BONER of Tennessee. Mr. Speaker, I stood on the floor of this House on May 1 to express my opposition to any further Medicare cutbacks and a Social Security cost-of-living allowance freeze. These increases, as my colleagues know, are the result of the 1981 Omnibus Budget Reconciliation Act, a bill I voted against.

Since my speech in May, we have been successful in defeating many of the administration's proposals. As a result, the elderly are going to get a cost-of-living allowance, and their monthly Medicare premiums will not increase. Nonetheless, I am very concerned that beginning in 1986 they are now going to have to pay $492 for their first day's stay in the hospital. That is an increase of $92 from the 1985 rate.

Out-of-pocket health care costs for the elderly have risen at the rate of 11.4 percent per year since 1980. With only an average 3.5-percent Social Security cost-of-living allowance the elderly are out 8 percent annually. Being sick enough to have to be hospitalized is traumatic enough for an older person, but having to struggle and worry about how to finance that first day in the hospital is a double burden. Mr. Speaker, it is time that we here in Congress act to relieve the elderly of some of these burdens.

AMERICAN HOSTAGE CRISIS IN 595TH DAY

(Mr. O'BRIEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. O'BRIEN. Mr. Speaker, today is the 595th day Americans have been held hostage in Lebanon.

William Buckley, a U.S. Foreign Service officer, was kidnaped in Beirut on March 16, 1984, 595 days ago today.

Today marks the 288th day Father Lawrence Jenco has been held hostage.

Terry Anderson, the Beirut bureau chief for the Associated Press, was taken hostage in Lebanon 220 days ago.

David Jacobsen, director of the American University hospital in Beirut, was kidnaped 146 days ago.

The dean of the American University agriculture school, Thomas Sutherland, was taken hostage 135 days ago.

Today also marks the 324th day since the disappearance of Peter Kilburn, the American University librarian.

Mr. Speaker, the American hostage crisis is now in its 595th day. It started long before the hijacking of the Italian cruise ship and the mid-air capture of the hijackers. It won't end until all the Americans held hostage in Lebanon are back home safe and sound.

Please God, let them go free—and soon.

PETITION TO DISCHARGE COMMITTEE ON THE JUDICIARY FROM CONSIDERATION OF S. 49 AND H.R. 945

(Mr. HUGHES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUGHES. Mr. Speaker, I urge my colleagues not to sign a discharge petition on S. 49. Such a petition is not appropriate. This legislation is not being bottled up or held hostage.

The Subcommittee on Crime, which I chair, will be holding hearings on this and related bills next Monday, in New York City.

After we complete our hearings, I expect to report consensus legislation—that accommodates the concerns of hunters and sportsmen as well as our police and other concerned citizens, and which does not weaken our Nation's fight against violent crime.

Don't short circuit the legislative process on these important issues. Discharge will prevent careful examination of the consequences of S. 49. It prevents any amendment. Surely the supporters of S. 49 are not afraid of a fair examination of the bill in hearings.

There are problems with S. 49, which was not subject to hearings in

the other body, and which was not referred to or considered by committee. Just one example is that S. 49 would undercut the 5-year mandatory prison term that we enacted last year to punish those who carry or use a firearm in the commission of a crime of violence. If the discharge petition prevails, we could not correct that serious mistake.

The Nation's police officers are opposed to this legislation. They, who face armed criminals on the streets and highways every day, believe that S. 49, as it is now written, would make it easier for criminals to get firearms.

Before you sign onto this petition, make sure you listen to the facts. Check with the chiefs of police and sheriffs and police officers in your district.

You will find it is not prudent to sign the discharge petition on S. 49.

□ 1240

HOUSING AND COMMUNITY DEVELOPMENT PROGRAMS SHOULD RECEIVE SEPARATE CONSIDERATION

(Mr. ROTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROTH. Mr. Speaker, today I would like to address an issue that is of great importance to all of us. Many times we in this House pass legislation that we regret later on, and I think one of the reasons for that is that we have not adequately reflected on the legislation or because we have not adequately studied it.

Tomorrow we walk into such a bear trap. Tomorrow the House will take up the Budget Reconciliation Act, and my colleagues should know that this particular act will contain the 1985 housing legislation, H.R. 1. H.R. 1 is always the legislative flagship of the Democratic Party; and it is going to be passed under a false flag.

H.R. 1 must be debated on its merits. H.R. 1 involves not millions of dollars but billions of dollars. There is no way we can vote on this legislation without adequate debate and say that we are concerned about the deficit and concerned about balancing the budget. This bill has 227 pages of substantive legislative language affecting housing and community development programs, and it should not be subject to one up or down, vote.

Mr. Speaker, I invite the Members to review this legislation. To look at the Latta amendment, and to reflect on the Latta amendment which is going to strike the nongermane legislative language, the new programs, and the add-ons from the reconciliation bill. There is no way we can pass this legislation with a good conscience unless we give it appropriate and due consideration. We are not going to do that if we pass it as part of the Reconciliation Act.

KAISA RANDPERE, PERHAPS THE WORLD'S YOUNGEST POLITICAL PRISONER

(Mr. RITTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RITTER. Mr. Speaker, let me introduce Kaisa Randpere. As you can see from this picture, she is adorable. She is 2 years old. She is Estonian, and she is not allowed to leave the Soviet Union to rejoin her parents who left the Soviet Union for freedom in the West.

I met her father, Valdo Randpere, going into Russia recently. I met him in Sweden, and he asked me and he asked my colleagues in Congress to help to free this young girl, this 2-year-old, who may well be the world's youngest political prisoner.

Mr. Speaker, the gentleman from Massachusetts, Mr. BRIAN DONNELLY, and I, cochairpersons of the Ad Hoc Committee on the Baltic States and the Ukraine, will be circulating a letter of support for easing Kaisa's plight. We hope the Members will sign it. The Helsinki accords which the Soviet Union has signed allow for family reunification as an important part. And regarding the upcoming summit, is not the adherence to past agreements necessary to make new agreements credible?

POLICE SEEK SUPPORT IN OPPOSING DISCHARGE PETITION ON GUN DECONTROL

(Mr. TORRICELLI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TORRICELLI. Mr. Speaker, today as Members of the House enter the Chamber they will be greeted by policemen, policemen from around the United States. They will be pleading with the Members of this body to pause before signing a discharge petition to bring gun decontrol to the floor of this House.

This discharge petition is an attempt to avoid scrutiny, and we should understand their strategy. Their strategy is that if you knew that it allowed the private sale of firearms, you would not vote for the legislation. If you knew that it restricted the inspections and that it weakened jail sentences for violators, you would not support the legislation. The fact is that if you sign this discharge petition and bring it to the floor of this House, you never will know what is in the legislation.

I ask the Members today to support the police—in fact, every police organization in this country. Let our committee process work. Let this legislation be subjected to full scrutiny.

Many Members of this institution have come to this floor, to this pulpit, many times to speak in support of law enforcement, and they have come here to speak against crime. If you believe those words and you stand for law enforcement in America, join us in our efforts. Pledge yourselves not to sign this discharge petition and let the Judiciary Committee give this legislation full scrutiny.

COLORADO SKI COUNTRY

(Mr. STRANG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STRANG. Mr. Speaker, along the Continental Divide of Colorado, modern-day pioneers have forged new settlements out of a magical alpine landscape.

After World War II, a few tiny ski resorts and fading mining towns blossomed into a fabulous new industry that today is the biggest single business on Colorado's western slope.

Over the past 30 years the number of skiers in Colorado has increased dramatically. Last year Colorado Ski Country U.S.A., the industry's promotional arm, counted 9 million skier days at the State's 32 areas.

Mr. Speaker, there is a simple reason, a reason that even beckons to some of us inside the beltway on a crisp morning. Fleeting white frosts that touch Washington first visit the Rockies in early autumn, then cover them with a deep mantle of light power snow that glistens on our alpine runs into May.

We like to keep our Colorado memories alive in my office, Mr. Speaker—1331 Longworth serves as Colorado's ski information center for the Congress, and we invite anyone to stop by or call our office for daily ski reports.

The Third District of Colorado also extends a warm invitation to see for yourself.

□ 1250

TROUBLE IN THE PHILIPPINES

(Mr. SCHUMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHUMER. Mr. Speaker, today the distinguished gentleman from the other body will confer with his friend, the President, on the results of his trip to the Philippines. The President would be wise to heed his friend and listen to the message that America faces nothing but trouble in the Philippines in the future.

Can the Philippines become another Iran or Nicaragua? Unfortunately, yes, it can. In both those cases, a despot

became increasingly isolated from the people of his country and an authoritarian movement sprung up like the grass and took over that country. That is happening now in the Philippines.

President Marcos has lost his support, not only of the poor peasants in the outer islands, but of the business community and the upper class. Many of these Filipinos want to reject both Marcos and communism. But the administration has persisted in the view that the only opposition to Marcos right now is the Communist insurgency. It is the duty of this Government, it is our obligation, as well as in our interest, to reach out to those Filipinos who reject both Marcos and communism, to foster a middle way.

An amendment which passed the foreign aid bill allows our Government to send economic aid, not through the Marcos government, where much of it will be funneled to the wrong uses, but rather through third parties, through the Catholic Church and private voluntary organizations. Not only will the aid be used better that way, but it will sent a clear message to the Philippine people that the United States does not endorse Marcos, but seeks a true democratic middle way.

DESIGNATING 1986 AS "THE YEAR OF THE FLAG"

(Mr. COBEY asked and was given permission to address the House for 1 minute.)

Mr. COBEY. Mr. Speaker, America has much to commemorate in 1986. The refurbished Statue of Liberty will be dedicated, and we mark the 200th anniversary of the call for a constitutional convention. But our greatest symbol, the flag, has gone unnoticed—until now.

I come before the House to focus attention on a bipartisan effort conceived by Dr. Elinor Massoglia of North Carolina Central University, to designate 1986 as "The Year of the Flag."

By designating 1986 as "The Year of the Flag," Congressman EDOLPHUS TOWNS and I seek to heighten awareness and interest in the relationship of the flag to our American heritage.

The flag is a living symbol of America's ideals, traditions, and unity. The flag stands for the values and purity of self-sacrifice that made this Nation great.

I urge all the distinguished Members of this body to join us in cosponsoring a resolution to make 1986 "The Year of the Flag."

SUSPENDING MOST-FAVORED-NATION STATUS FOR ROMANIA

(Mr. WOLF asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WOLF. Mr. Speaker, today Congressman SMITH from New Jersey and Congressman TONY HALL from Ohio and myself introduced legislation which would suspend for 6 months the most-favored-nation status agreement with the country of Romania.

The reason we have done that, the three of us have visited Romania. We talked to so many people who have told us of the persecution there. The Romanian Government has bulldozed churches. They have beaten people. They have had Father Calciu in prison for 21 years and did so many horrible things to him. They put individuals in body presses, in torture machines, in black boxes, and many other things.

We in this Congress, I think appropriately so, took action on the question of South Africa. I now appeal to my colleagues that here we have an opportunity to take action with regard to Romania. We give them most-favored-nation status. Let us suspend it unless they act in a positive way.

This is a very moderate approach. Some want to cut if off permanently. We are saying let us cut it off for 6 months.

I would ask that when given the opportunity to cosponsor this legislation, please do.

The people of Romania told us that by the very nature of the fact that we have introduced this and are working to pass it, it offers hope and I think if we do this and pass this that we can bring the Romanian Government to loosen up a little bit and allow these people to worship in freedom and not be persecuted for their beliefs; so I hope you will take this opportunity to cosponsor the legislation.

BUDGET RECONCILIATION BILL IS A HOLLOW BOOK

(Mr. WORTLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WORTLEY. Mr. Speaker, tomorrow we will take up a reconciliation bill aimed at reducing the deficit. Members may be a bit surprised when they take a look at this bill. For many, it may resemble one of those thick books which can be bought at a novelty gift store—we've all seen them—these books are hollowed out in the middle so their owner can stash anything he likes inside the book from a flask to a derringer while he goes about looking studious and well read.

This budget reconciliation bill tomorrow is a bit like those books. For inside this massive bill in the void is stored the entire contents of H.R. 1, the Federal housing authorization bill, which was marked up by the Banking Committee last July. However, the version included is not the same bill we marked up and reported. It contains substantially different spending levels than the ones we approved during a lengthy, 8-day markup process.

Mr. Speaker, there is a very real possibility that this housing title could severely delay an agreement with the other body on budget reconciliation, and reduction of the deficit would be further waylayed.

Mr. Speaker, it is the current enormous deficit that continues to put pressure on interest rates and props up the overvalued dollar, killing U.S. farmers, exporters, and manufacturers.

We need to get on with the people's business of reducing that deficit first and foremost, and inclusion of the housing bill in reconciliation can only stall further the desperately needed action to reduce spending. I urge my colleagues to join me in supporting the Latta amendment tomorrow, providing for regular order consideration of the housing bill.

AMERICAN CHILDREN IN POVERTY

(Mr. DELLUMS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DELLUMS. Mr. Speaker, last evening along with millions of other Americans I watched the evening network news. I was specifically tuned to the ABC Network news that devoted a portion of its program to the issue of poverty among children in America, all ages, all colors, from all geographic locations in this country.

A number of children were interviewed about their desire to have a decent place to live and food to eat. One vignette sticks out in my mind, an interview that I probably will never forget. A young boy when asked how he felt about the poverty stricken conditions within which he lived, his response was, "Sometimes I feel like killing myself."

When I consider that we have an incredible responsibility here to go beyond being auctioneers and budget reducers, but to address the human misery of our people, Mr. Speaker, I believe that a society that destroys its children is a society on its way to dying.

We have a moral and political and ethical responsibility to eradicate poverty in this society.

I challenge this body, Mr. Speaker, I challenge the Republican Party to come up with their answer to how we solve poverty in America.

I challenge my party, the Democrats, to come up with an answer as to how we solve poverty in this country. Let us come together on the floor of this House and create some bipartisan effort to eradicate the great tragedy of

poverty among all of us, particularly the children of America.

LEGISLATION TO MANDATE DOGS AT MAJOR AIRPORTS TO SNIFF OUT EXPLOSIVE DEVICES

(Mr. BURTON of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURTON of Indiana. Mr. Speaker, last week after the terrorist hijacking of the *Achille Lauro,* two terrorists from Iraq were arrested in Italy at the Rome Airport. They were carrying 17 pounds of explosives in the false bottom of a suitcase. They said these explosives were not to be used on Italians, but were for killing Americans and Israelis.

I have been told that with these explosives and a small detonating cap, these men could have gone through a metal detector at most airports with no problem. The metal detector would not pick up plastic explosives or a watch-like detonating cap and they could have blown up an aircraft in flight.

Mr. Speaker, today I am introducing a bill which would mandate dogs at major airports to sniff out these explosive devices that cannot be detected by metal detectors.

Mr. Speaker, we are sitting on a time bomb and unless we pass legislation like the bill I am sponsoring, an air terrorist attack will take place.

Mr. Speaker, I hope and pray all of my colleagues will support this very important piece of legislation.

SIGN DISCHARGE PETITION ON S. 49, RIGHT TO OWN FIREARMS

(Mr. MARLENEE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARLENEE. Mr. Speaker, I might say that yes, I am going to sign the discharge petition on S. 49, because I am tired of the trampling of the rights of sportsmen.

Yes; I am going to sign the discharge petition, because I am tired of the lockup of any reflective and considered action by the chairman of the committee, who said, "This legislation is dead on arrival."

Yes; I am going to sign the discharge petition as a protest against the dictatorship of committee leadership, which will launch the first hearing in New York City, which already has very strict gun laws and is most willing to prosecute anyone who defends himself.

Yes; I am going to sign the discharge petition, because I support law-abiding citizens who know how to defend themselves. I support sportsmen and I support law-abiding gun owners and law-abiding gun dealers.

Sign the discharge petition.

SOCIAL IMPERIALISTS WANT US TO ABANDON RIGHT TO BEAR ARMS

(Mr. WALKER asked and was given permission to address the House for 1 minute.)

Mr. WALKER. Mr. Speaker, we have heard from a number of the social imperialists in this body on the House floor today who have told us that they want to abandon one more individual right of the American people, namely, the right to bear arms.

We have moved through a course over the past several years of attempting to take away from law-abiding sportsmen their ability to own firearms. Now we have an opportunity maybe to correct some of the abuses of the past that have been given to us by the Senate in the form of S. 49.

□ 1305

And what did we hear from the House Committee on the Judiciary that has the authority to take up that bill? The chairman of that committee declared that legislation dead on arrival in his committee. We know that when that committee declares something dead on arrival, from past experience, they mean it.

So, therefore, the only way we can help law-abiding sportsmen regain their right to bear arms in a responsible way is to sign the discharge petition and to get that bill out onto the floor for consideration. Otherwise, it is not going to get considered. It is going to be dead on arrival in this House. It is going to be dead on arrival permanently in terms of this Congress. That is wrong. We want consideration of the bill. The way to get consideration of the bill is to sign the discharge petition.

NATIONAL TOPSOIL PRESERVATION ACT OF 1985

The SPEAKER pro tempore (Mr. MONTGOMERY). Pursuant to the provisions of clause 5 of rule I, the unfinished business is the question of suspending the rules and passing the bill, H.R. 463, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Arizona [Mr. UDALL] that the House suspend the rules and pass the bill, H.R. 463, as amended, on which further proceedings were postponed on Monday and on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 225, nays 185, not voting 24, as follows:

[Roll No. 364]

YEAS—225

Ackerman	Ford (MI)	Murphy
Akaka	Ford (TN)	Natcher
Andrews	Fowler	Neal
Annunzio	Frank	Nichols
Anthony	Frost	Nowak
Aspin	Fuqua	Oakar
Atkins	Garcia	Oberstar
AuCoin	Gaydos	Obey
Barnard	Gejdenson	Ortiz
Barnes	Gephardt	Owens
Barton	Gibbons	Panetta
Bates	Gingrich	Pease
Bedell	Glickman	Pepper
Beilenson	Gonzalez	Perkins
Bennett	Gray (IL)	Pickle
Berman	Gray (PA)	Price
Bevill	Green	Rahall
Biaggi	Guarini	Rangel
Boggs	Gunderson	Reid
Boland	Hall (OH)	Richardson
Boner (TN)	Hamilton	Rinaldo
Bonior (MI)	Hawkins	Robinson
Bonker	Hayes	Rodino
Borski	Hefner	Roe
Bosco	Heftel	Rose
Boxer	Hertel	Rostenkowski
Brooks	Horton	Rowland (GA)
Broomfield	Hoyer	Roybal
Brown (CA)	Huckaby	Russo
Bruce	Hutto	Sabo
Bryant	Jacobs	Savage
Burton (CA)	Jenkins	Schneider
Bustamante	Jones (NC)	Schulze
Byron	Jones (TN)	Schumer
Carper	Kanjorski	Seiberling
Carr	Kaptur	Sharp
Chapman	Kastenmeier	Sikorski
Chappell	Kennelly	Sisisky
Clay	Kildee	Smith (FL)
Clinger	Kleczka	Smith (IA)
Coelho	Kolter	Smith (NJ)
Coleman (TX)	LaFalce	Solarz
Collins	Lantos	Spence
Conte	Leach (IA)	Spratt
Cooper	Lehman (CA)	St Germain
Coughlin	Lehman (FL)	Staggers
Coyne	Leland	Stark
Crockett	Levin (MI)	Stokes
Darden	Levine (CA)	Stratton
Daschle	Lightfoot	Studds
de la Garza	Lloyd	Swift
Dellums	Long	Tauke
Derrick	Lowry (WA)	Thomas (GA)
Dicks	Luken	Torres
Dingell	Lundine	Torricelli
Dixon	Markey	Towns
Donnelly	Martinez	Traficant
Dorgan (ND)	Matsui	Traxler
Downey	Mavroules	Udall
Durbin	Mazzoli	Vento
Dwyer	McCain	Visclosky
Dymally	McCloskey	Walgren
Dyson	McCurdy	Waxman
Early	McHugh	Weber
Eckart (OH)	McKinney	Weiss
Edgar	Meyers	Wheat
Edwards (CA)	Mikulski	Whitley
Erdreich	Miller (CA)	Whitten
Evans (IA)	Mineta	Williams
Evans (IL)	Mitchell	Wirth
Fascell	Moakley	Wise
Fazio	Mollohan	Wolpe
Flippo	Moody	Wright
Florio	Morrison (CT)	Yates
Foley	Mrazek	Yatron

NAYS—185

Anderson	Broyhill	Daniel
Applegate	Burton (IN)	Dannemeyer
Archer	Callahan	Daub
Armey	Campbell	Davis
Badham	Carney	DeLay
Bartlett	Chandler	DeWine
Bateman	Chappie	Dickinson
Bentley	Cheney	DioGuardi
Bereuter	Coats	Dornan (CA)
Bilirakis	Cobey	Dreier
Bliley	Coble	Duncan
Boehlert	Combest	Eckert (NY)
Boulter	Courter	Edwards (OK)
Breaux	Craig	Emerson
Brown (CO)	Crane	English

Fawell	Lujan	Saxton
Feighan	Lungren	Schaefer
Fiedler	Mack	Schroeder
Fields	MacKay	Schuette
Fish	Marlenee	Sensenbrenner
Frenzel	Martin (IL)	Shaw
Gallo	Martin (NY)	Shumway
Gekas	McCandless	Shuster
Gilman	McCollum	Siljander
Goodling	McDade	Skeen
Gordon	McEwen	Skelton
Gradison	McGrath	Slattery
Gregg	McKernan	Slaughter
Grotberg	McMillan	Smith (NE)
Hall, Ralph	Michel	Smith, Denny (OR)
Hammerschmidt	Miller (OH)	
Hansen	Miller (WA)	Smith, Robert (NH)
Hartnett	Molinari	
Hendon	Monson	Smith, Robert (OR)
Henry	Montgomery	
Hiler	Moore	Snowe
Holt	Moorhead	Snyder
Hopkins	Morrison (WA)	Solomon
Hubbard	Murtha	Stallings
Hughes	Myers	Stangeland
Hunter	Nielson	Stenholm
Hyde	O'Brien	Strang
Ireland	Olin	Stump
Jeffords	Oxley	Sundquist
Johnson	Packard	Sweeney
Jones (OK)	Parris	Swindall
Kasich	Pashayan	Synar
Kemp	Penny	Tauzin
Kindness	Petri	Thomas (CA)
Kolbe	Porter	Valentine
Kostmayer	Pursell	Volkmer
Kramer	Quillen	Vucanovich
Lagomarsino	Ray	Walker
Latta	Regula	Watkins
Leath (TX)	Ridge	Whitehurst
Lent	Ritter	Wolf
Lewis (CA)	Roberts	Wortley
Lewis (FL)	Roemer	Wyden
Lipinski	Rogers	Wylie
Livingston	Roth	Young (AK)
Loeffler	Roukema	Young (FL)
Lott	Rowland (CT)	Zschau
Lowery (CA)	Rudd	

NOT VOTING—24

Addabbo	Hatcher	Shelby
Alexander	Hillis	Tallon
Boucher	Howard	Taylor
Coleman (MO)	Madigan	Vander Jagt
Conyers	Manton	Weaver
Dowdy	Mica	Whittaker
Foglietta	Nelson	Wilson
Franklin	Scheuer	Young (MO)

□ 1315

The Clerk announced the following pair:

On this vote:

Mr. YOUNG of Missouri, Mr. MICA for with Mr. FRANKLIN against.

Mrs. HOLT, Mr. TAUZIN, and Mr. VALENTINE changed their votes from "yea" to "nay."

Mr. GUNDERSON changed his vote from "nay" to "yea."

So (two-thirds not having voted in favor thereof) the motion was rejected.

The result of the vote was announced as above recorded.

DAYLIGHT SAVING EXTENSION ACT OF 1985

The SPEAKER pro tempore. Pursuant to House Resolution 288 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2095.

□ 1326

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2095) to provide for daylight saving time on an expanded basis, and for other purposes, with Mr. VOLKMER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Massachusetts [Mr. MARKEY] will be recognized for 30 minutes and the gentleman from California [Mr. MOORHEAD] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. MARKEY].

Mr. MARKEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 2095, the Daylight Saving Extension Act of 1985. I am proud to be cosponsoring this legislation with my good friend and ranking minority member of the Subcommittee on Energy Conservation and Power, which I chair, the gentleman from California [Mr. MOORHEAD]. The bill would move the starting date for daylight saving time to the 1st Sunday in April from its current starting date of the last Sunday in April. The bill would also add a week to daylight saving time to the 1st Sunday of November, so that Halloween will be included in daylight saving time, and trick-or-treating will be a little safer for children.

This is not the first time the House has considered daylight saving time legislation, but I hope this will be the last time. The difference this time is that we have finally worked out a compromise with the former critics of this bill. Previous bills would have started daylight saving time on the 1st Sunday in March. While I personally favored this earlier date, many Members criticized the bill because they contended it would have brought about cold and dark mornings.

So we sat down with many of the Members who had fought against this bill in the past—people such as the gentleman from Utah [Mr. NIELSON], the gentleman from Indiana [Mr. COATS], and the gentleman from Iowa [Mr. TAUKE]. We examined sunrise and temperature information and decided that the 1st Sunday in April would be a fair compromise. Sunrises get very early in April. Even after you add an hour for daylight saving time, the sunrise is still early. In fact, sunrises in April, under daylight saving time, would be earlier than sunrises in December, January, and February—the 3 coldest months of the year. The point is simply this: The bill will not cause dark and cold mornings that would be unsafe or uncomfortable for children, farmers, or others who work in the morning. The mornings will be far brighter and far warmer than any of the preceeding winter months. In short, it is a fair compromise.

Having said enough about what the bill won't do—and by that, I mean it will not cause cold or dark mornings—let me describe the bill's benefits.

Talk about daylight saving time often brings a smile, or even a smirk, but the benefits of more daylight are serious and tangible. Indeed, every President has endorsed extending daylight saving time into March and April since a test of extended daylight saving time occurred in 1974 and 1975.

Daylight saving time is an energy saver. According to a Department of Transportation study, daylight saving time could save 100,000 barrels per day of oil equivalent during March and April.

Daylight saving time is a crime stopper. Studies of crime statistics in the District of Columbia showed that violent crimes were down by more than 10 percent in March and April during the 1974–75 daylight saving experiment compared to years under standard time.

Daylight saving time saves lives. A Department of Transportation study of the daylight saving time experiment showed a 0.7-percent reduction in traffic fatalities due to daylight saving time in March and April. This translates into saving 22 lives in April and preventing 1,600 injuries. The extension of daylight saving time to cover Halloween is endorsed by the National Safety Council as a child safety measure.

Daylight saving time is popular. In a poll conducted earlier this year by the Chamber of Commerce magazine, Nation's Business, readers were asked if they would prefer that daylight saving time begin on the 3d Sunday in March. The readers preferred extending daylight saving time by a 68.9-percent to 29.5-percent margin.

Daylight saving time is the blessing of sight for the over 400,000 Americans suffering from retinitis pigmentosa, known as night blindness. In moving testimony before our subcommittee, a young adult, who suffers from night blindness, described the hardship of living in a world that closes in mid-afternoon when the Sun sets. The extra hour of sight that daylight saving time would bring is just enough time to do the shopping or drive home from school or the office.

Daylight saving time helps business. This year a coalition of businesses with over $135 billion in annual sales has joined the battle for expanded daylight saving time. The businesses include convenience stores, like 7-

Eleven, sporting goods manufacturers, the barbecue industry, the Foodservice and Lodging Institute with members like McDonald's, the nurserymen's industry, and others. This coalition, which reads like a Who's Who of summertime fun, has performed studies which show that sales could increase by up to 10 percent with more daylight saving time—that's $13 billion a year, and that's jobs across America.

So let me review the facts for everyone. Here is a simple bill, with no costs to the Treasury, that will save energy, reduce crime, save lives on the highway, provide sight to the handicapped, bring a boost to hundreds of thousands of small businessmen, and is supported by the public by over 2 to 1. On top of that we have developed a compromise with the bill's former opponents to avoid any of the claimed hardships of the past bills.

And one final thing—we have added an extra week at the end of daylight saving time to the 1st Sunday in November—a Halloween treat for children that has been endorsed by the National Safety Council and local PTA groups across the country as a boost for child safety.

So I urge my colleagues to cast their vote for this bill and once and for all settle this matter by bringing a little sunshine to everyone's life.

□ 1330

Mr. Chairman, I reserve the balance of my time.

Mr. MOORHEAD. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Mr. Chairman, as the first Member of the House to introduce legislation extending daylight saving time this year, I rise in strong support of H.R. 2095, and want to thank my good friends, Mr. MARKEY and Mr. MOORHEAD, for bringing this bill to the floor today. I worked closely with Mr. MARKEY and Mr. MOORHEAD on my bill—even testified before their subcommittee on it—and appreciated their speedy consideration of this measure.

Mr. Chairman, this bill—of which I am an original sponsor—would begin daylight saving time—or, d.s.t.—on the first Sunday in April and end it on the first Sunday in November. Under present law, d.s.t. begins on the last Sunday in April and ends on the last Sunday in October. H.R. 2095, then, is a 5-week extension, and one that I strongly support.

The best thing about extension of d.s.t. is that it is an easy, painless, and inexpensive way to save oil, reduce crime, and reduce traffic fatalities. In addition, by extending d.s.t. 1 week into November, we will insure that children are not "trick or treating" in the dark on Halloween.

Back in 1974, when the Nation was on year-round d.s.t., the Department of Transportation estimated that the United States saved 500,000 barrels of oil per day during d.s.t. In the cities studied, violent crime was 13 percent lower. There were 200 fewer traffic fatalities. Individuals with some visual impairments had an extra hour of daylight.

Mr. Chairman, H.R. 2095 is a compromise. My bill, H.R. 1935, extended d.s.t. for 9 weeks—but to accommodate those Members who represent western parts of time zones, the committee agreed to go with a 5-week extension. This is a compromise which I endorse wholeheartedly.

This bill—and let me stress this—will not cause later sunrises than we have now in the fall. There may be attempts today to argue that beginning d.s.t. in early April will cause children to walk to school in the dark. That is a misleading argument. If H.R. 2095 were enacted, sunrises in early April would be earlier—earlier—than in September, when we already have daylight saving time.

So, that is a poor argument. I went over to the Library of Congress and looked at the sunrises in some cities and compared them. In Philadelphia, sunrise would be at 6:38 a.m. in April if our bill were enacted—18 minutes earlier than sunrise on September 30 under current law. In Omaha, sunrise is 23 minutes earlier in April—12 minutes in Los Angeles.

Now, Mr. Chairman, I want to close by giving a message to the other body: I urge them to pass this bill quickly. In every Congress for 6 years, my good friend, the former Senator Paul Tsongas, introduced this bill. Once, the other body even passed it, and I would like to urge them to repeat their past heroic performance by presenting a dramatic reading to the Senate:

"Let there be light," saith we to thee.
"Passeth this bill and extend D.S.T.
Yea, though thee driveth home in the April of Darkness
Thee should have no fear
For the House always acteth responsibly.
Sendeth H.R. 2095 to the White House
For when thee walketh beside green pastures in April,
It shall be in the light."

Support this bill. Let there be light.

Mr. MARKEY. Mr. Chairman, I yield such time as he may consume to the gentleman from South Dakota [Mr. DASCHLE].

Mr. DASCHLE. Mr. Chairman, the proposal to extend daylight saving time is a perennial issue and one that I have actively fought since early 1983. At that time I sent a report about the possible extension of daylight saving time to the 140 weekly newspapers in South Dakota. The response was overwhelming. For months my office received a barrage of cards, letters, and calls from schoolchildren, farm wives, grandparents and everyone in between.

This has always been an issue of deep concern to the citizens of South Dakota. Many of them expressed a genuine fear of the negative effects an extension would have on young schoolchildren and farmers.

Every time I am home in the late winter months and have to be at an early morning breakfast, I realize how important the extra hour of daylight in the morning is to the safety of young schoolchildren walking to school or waiting along unlit country roads for schoolbuses. Driving along those roads before the Sun has risen would make both rural and urban Members realize the importance of sunlight where street lights cannot be installed.

If daylight saving time was extended, these small children would be forced to walk to school or wait for buses in the bitter cold mornings before the Sun is even up. Although it has often been debated, common sense tells us that this extension would jeopardize their safety as they trek along the icy country roads.

Another group of individuals adversely affected by an alteration in daylight saving time includes our Nation's farmers. In the face of the worst economic conditions since the depression, many farmers are forced to hold down second jobs in town for their continued survival. If they were deprived of an extra hour of daylight in the morning, the completion of chores would either have to be done in darkness or squeezed into an hour's less time. For those men and women producing our food supply, this isn't fair.

Time and time again, I hear many South Dakotans ask why we don't just get rid of daylight saving time altogether. But for the most part, most of the citizens of my State are willing to accept a fair split of 6 months on, 6 months off.

It's fair for both sides and should be kept that way.

Mr. MARKEY. Mr. Chairman, I yield 1 minute to the gentleman from Washington [Mr. SWIFT].

Mr. SWIFT. Mr. Chairman, I rise in support of this bill, I think we have to look at the bill from a national perspective, and I think there are real national benefits.

The committee has cited studies on energy conservation, traffic safety and crime reduction that all support more daylight saving time. I don't know whether the studies are 100 percent valid, but even if they were only half-true, it would be reason enough to support this bill.

For example, one study found that crimes were reduced by 10 percent in Washington, DC, when we had daylight saving time in April. Suppose it were only 5 percent. Wouldn't it still be worth it?

Another study showed traffic accidents were down by about 1 percent during extended daylight saving time. Suppose it were one-half percent. Wouldn't it still be worth it?

I think it makes good sense, and I support the bill.

Mr. MOORHEAD. Mr. Chairman, I yield 3 minutes to the gentleman from Kentucky [Mr. ROGERS].

Mr. ROGERS. Mr. Chairman, I rise in strong opposition to the Daylight Savings Time Extension Act of 1985.

This is now the third time that supporters of this seriously flawed legisation have tried to get it passed by Congress. They failed in 1981. They failed again in 1983. And I'm sure they'll fail again this year. Because no matter how much they tinker with it, the fact remains that there are very serious problems with this legislation.

First, as has been stressed repeatedly, there is the hardship it would cause for our farmers. Many of them would like to see daylight savings time cutback; the last thing many of them want is an extension.

While you city dwellers are sleeping away the early morning hours, these farmers are up doing the chores which will eventually supply the food for your breakfast table. And if you cut back on their morning daylight, you'll be forcing many of them to do their chores in the cold dark. This is a particular problem on farms where a family member goes to work in a factory.

Second, there are serious concerns about our children's safety. Even under this compromise bill, our children will be forced to walk to the school bus in the dark. And in the country, this means they'll be walking right in the street, since we don't have sidewalks. As any parent knows, this is dangerous.

As the 1976 National Bureau of Standards report on the daylight savings time experiment concluded, "There was a statistically significant increase of school-age fatalities in the morning during the 4-month period, January to April 1974, as compared to the same period of nondaylight savings time in 1973."

While most of these increased fatalities occurred during January and February, and not during April, as is at issue in the bill before us today—the fact is clear. Darkness in the early morning hours increases risks for our schoolchildren.

Mr. Chairman, we spend hours debating child welfare in Congress. We discuss child restraints in cars. And we spare no effort when it comes to child nutrition. But when it comes to deciding between that extra hour of daylight for golf, or tennis, or jogging, and our rural children's safety, we can't quite decide which is more important. Mr. Chairman, this bill offers scant benefits for so seriously jeopardizing our children.

Because let us be frank, while the authors of this bill stress potential energy savings, that will not be a major benefit of this legislation. The Bureau of Standards concluded about the 1974-75 experiment in year-round daylight savings that "the available data do not lead to any conclusions as to the possible energy savings * * *." As the hearing record indicates, the supporters of this legislation are interested in more daylight for urban recreation.

Mr. Chairman, if this body is determined to pass some kind of Urban Improvement Act of 1985, there are less costly ways to do it. We could put in lighting on our softball fields. But to ask our farmers and our children across the country to pay the cost in disrupted lives is unwise. I urge the defeat of this legislation.

Mr. MOORHEAD. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. BILIRAKIS].

Mr. BILIRAKIS. Mr. Chairman, daylight saving time usually brings a smile to most Members' faces, particularly with all the very pressing issues that we all agree need to be addressed this session.

But, amusement aside, there are few other bills that come before us where we can improve the welfare of so many people so easily.

Extending daylight saving time for a reasonable period will save millions of dollars in energy costs, reduce traffic fatalities, provide greater safety for children on Halloween, improve the mobility for Americans suffering from night blindness, and promote over $1 billion in economic growth every year. And, amazingly, all this can be done without additional taxpayer expense or more Government regulation.

I understand that there are some Members who have problems with extending daylight saving time. I think the Chairman and ranking minority member of the Energy Conservation and Power Subcommittee have done an excellent job in crafting a compromise that accommodates those concerns and preserves the benefits to be achieved by extending daylight saving time. I support the compromise and this legislation. I urge my colleagues to vote yes on H.R. 2095 without amendments.

Mr. MARKEY. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. BRYANT].

Mr. BRYANT. I thank the gentleman for yielding.

Mr. Chairman, I rise in full support of the bill and congratulate the chairman of the Subcommittee on Energy Conservation and Power and the ranking minority member for having worked on a carefully considered bipartisan compromise which includes former opponents of this concept.

I think there are just three important points which need to be made. First, with regard to our population and convenience and the convenience that they enjoy on a daily basis in their ability to shop, do their chores, and do the things that people do in their leisure time, it is very clear that this bill is a great benefit to them.

Second, with regard to the energy conservation, the point was just made by the previous speaker, in April alone we will save 100,000 barrels a day in oil equivalent with regard to energy, about 3 million barrels, based on the passage of one piece of legislation.

Third, with regard to schoolchildren, an admirable concern, but the facts are irrefutable, and I think they are going to be presented to us a little later in the debate, but the fact is, it is going to be light in the morning during the month of April when these children are getting on the schoolbuses, it will not be dark. It is important to keep that in mind.

Once again, I congratulate the chairman and the ranking minority member for working out a carefully considered compromise bill that now includes many of the former opponents of this legislation, and I urge the Members to vote for it.

Mr. MOORHEAD. Mr. Chairman, I yield 3 minutes to the gentleman from Kansas [Mr. ROBERTS].

Mr. ROBERTS. Mr. Chairman, I rise in opposition to H.R. 2095, the Daylight Saving Extension of 1985. Actually, if we are to apply a truth-in-labeling tag on this legislation, not to mention a little common sense, it should be called precisely what it is—the "Revised Urban Convenience Act of 1985."

Now, I know this bill is not a repeat of the 1974 year-round daylight saving time experiment under which most of us from rural and western areas floundered around in darkness in the morning and learned the true meaning of living in the land of the "Midnight Sun." Thank goodness for that. I know too, that this bill is not the bill we defeated 2 years ago that would have extended daylight saving time to 8 months and 1 week. This is being billed as a reasonable compromise and provides for only 1 month's extension. It is apparently being offered up under that old expression that if a lot will not do a lot of good, then maybe a little will do some good.

Mr. Chairman, the objections I raised 2 years ago are still valid. School children, despite what my colleagues say, will have to get up, meet the school bus or walk to school in the dark for a longer period than necessary—at least in April. Now, I know the sunrise under daylight saving time in April is earlier than it is in winter months. The logic of that apparently is—why do I have to get up or open my place of business or farm in the dark? Because it was dark in the winter and you got used to it, that's why.

Mr. Chairman, what this bill really boils down to is that rural citizens will be put to some disadvantage in order that urban citizens can enjoy an extra hour of light in the evening. That is it. Oh, I know that my colleagues will say otherwise—they have been saying that in every Congress since this business became an issue. Allegedly this bill is

going to save 100,000 barrels of oil a day, reduce traffic fatalities, increase our economy some $4 billion and reduce violent crime. The only thing it will not do is stop tooth decay or guarantee the Boston Red Sox a pennant.

Come on now—in previous debates, we have shown that energy studies do not take into account the extra energy costs involved in that additional hour of darkness throughout farm country, what happens on the road wherever you drive in darkness in the morning or the costs to small businesses in terms of economic loss. Now this bill may—just may reduce violent crime. I guess muggers and such are not early risers in Boston and New York. But you know where that study really came from? Right here in the District of Columbia, and I submit this town has special problems in that regard.

I might add my hometown is Dodge City and despite our past reputation, violent crime is not a problem that I feel will be addressed by 1 more hour of daylight on Front Street.

The advantages of an extension espoused by the bill's sponsors simply do not hold in rural America. There will be no energy savings, no increase in safety or commercial activity, and no decrease in crime rates. Instead, there will be increased inconvenience.

But I suspect the letters I receive will not even repeat the arguments I have summarized here today. I suspect they will instead ask, what on Earth are we doing fiddling around with the time of the day via the legislative process when we have far more serious matters before us? I call to the attention of my colleagues the advice I received the last time you folks were about the business of legislating time. One nice lady suggested that as long as we were going to change the time, why not increase the temperature 10 to 20 degrees in the winter and, of course, do the same thing to cool things down in the summer.

Mr. Chairman, I simply ask that this body not make a bad situation worse for rural America. If it was wrong to make a wholesale change in daylight saving time, it doesn't make much sense to fiddle around with it just a little bit. I don't know what it is that my colleagues want to do during that extra hour of daylight during the month of April but my suggestion is that it would be a lot easier on us in farm country if you would just get up an hour earlier. Let's defeat this bill and get on to serious business.

Mr. MARKEY. Mr. Chairman, I reserve the balance of my time.

Mr. MOORHEAD. Mr. Chairman, I yield 2 minutes to the gentleman from South Carolina [Mr. HARTNETT].

Mr. HARTNETT. Mr. Chairman, I appreciate the gentleman from California giving me this time.

Tongue-in-cheek, we talked about this bill a year or so ago, but I really think there are some significant points that ought to be made. One is, I got up this morning to leave Charleston, SC, kind of early; it was extremely dark in my home because of daylight savings time, and I had to cut on all of my lights, thereby burning more energy.

If it is going to be longer daylight savings, then people are going to have to drive to their favorite recreations, thereby burning some of those hundreds of thousands of gallons' worth of oil that we are going to save in the way of additional fuel expended in our automobiles.

I think the biggest concern that Congress should have is for our agricultural community.

Last week or so, we passed a farm bill spending billions and billions of the taxpayers' dollars to aid the farmer, to aid our agricultural community, and here today we are preparing to extend daylight saving time even further, which to my way of thinking is not going to help the agricultural community, the farmer who has been said by many before me is working long before many of us even turn over and drink our first glass of orange juice.

You know, we have a history in this country of the farmers rising to do their daily chores by the old crow of the rooster; you know, the rooster gets up and crows and gets the old farmer and his family going, to get the agricultural part of our society moving, which feeds America and feeds the world.

The question I want to ask you gentlemen, tongue-in-cheek, is: If you pass this legislation, who is going to wake up the rooster that is going to wake up the farmer to tell him it is time to get up and toil in his field?

Mr. BURTON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. HARTNETT. I yield to my colleague.

Mr. BURTON of Indiana. I thank the gentleman for yielding.

I just want to make an observation, Mr. Chairman, that the gentleman is really a man of exceptionally high caliber, because I know he likes to play golf. To take the position he has in view of the fact that he likes to play golf, I think, is exemplary.

Mr. HARTNETT. I reclaim my time to say this to my colleague. When I play golf, I do not play often, but I get in a lot more golf than the gentleman does. I hit the ball about 130 times, where you only hit it about 60 or 70. So I get more golf in with each round than you do.

Mr. MOORHEAD. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. GOODLING].

Mr. GOODLING. Mr. Chairman, I do not have much time at this time, but later on in the amending process I will have some time.

You can write "Dear Colleagues" that are cute and wise and smart as you want to write them, as cleverly as you want to write them, indicating when the Sun rises or when the Sun sets in somebody else's district. But unless you have been there, unless you have had the responsibility of putting those youngsters along highways in rural and semirural areas, you just do not understand the situation.

I thought perhaps that since I had been away from the superintendency for 11 years, perhaps I do not remember just how the situation was.

So I used Friday morning, Saturday morning, Sunday morning, and Monday morning to drive those bus routes at 6:30 to 7:30 in the morning when all those children are out there, the secondary children particularly.

Let me tell you, at 6:30 in the morning it is as dark as dark can possibly be; at 7 o'clock it is also the same way. It is beginning to break by 7:15. We also have at this particular time of the year and early in April the time when fog rolls into our area. We have the same time, when the greatest nightmare that a superintendent has takes place, that is, lying awake at night determining what is going to happen to that temperature at daylight. Is it just going to drop enough so that, as a matter of fact, those slippery roads are not only wet but, as a matter of fact, they are covered with ice? Let me tell you, unless you have been there, unless you have been to a funeral of someone who was killed because of the transportation you were responsible for, you do not really understand what it is you are doing at this particular time. And I think you had better forget the almanacs, and you had better forget the so-called statistics, and you had better forget about when the Sun rises and Sun sets and actually find out just exactly what is happening with children along highways with no sidewalks in early April, in November, in late October. It is a serious problem, one we should not be playing with. We should be doing things that are in the best interests of this country.

I, too, could play golf in the evening; I, too, could mow the lawn. That is what we are really talking about. Let us stop this nonsense about saying we are talking about energy and talking about saving lives; we are talking about adult convenience. Adult Convenience Act might be a good title for this bill.

Think seriously about the young people whose lives you are truly jeopardizing, from someone who has been there and truly knows.

□ 1355

Mr. MARKEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I respect the gentleman from Pennsylvania and I respect his sense that you have to go to Pennsylania or to his district in order to understand this issue.

So what I tried to do was just do a little research on the issue of how school transportation, how this issue would be handled in the gentleman's district, but using that as a microcosm for the whole country so that we can understand what our bill does and why it is not the radical bill that endangers children that the gentleman would have people on this floor believe it to be.

Let us go to York, PA, and use York, PA, as an example of how this bill affects children in this country.

The gentleman mentioned that 11 years ago he was in fact the superintendent of schools. Well, 11 years ago was the energy crisis. And in 1974 we passed a law in this country that had daylight saving time go around the year, December, January, February, November, March. In fact, that was a terrible mistake. It was wrong to have daylight saving time in January. it was wrong to have it in December. And the gentleman is right, some of the sunrises during that time were 8 o'clock in the morning, quarter of 8 in the morning, quarter past 8 in the morning. We are not advocating that. That would be wrong. We are advocating that we go all the way back to the month of April, April 1.

There is an interesting thing about April 1 if you pick that as a date upon which you want to begin daylight saving time. April 1 will have under daylight saving time a sunrise that begins at 6:48 in the morning at York, PA. Do you know the nearest date to that on the calendar for the school year of children in York, PA? September 16, 6:49 in the morning, daylight begins.

Now, if you want to tell me that on September 16 in your district, with daylight beginning at 6:49, you have got a problem in your district, then you should do something about it, because there are 22 weeks in your school year that are more dangerous than April 1 that begins at 6:48. December 31 in your district is 7:28. December 16 it is at 7:22.

Mr. GOODLING. Mr. Chairman, will the gentleman yield?

Mr. MARKEY. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. I would be very happy to do something about it. I would love to have the gentleman introduce legislation where it might be safe to have daylight saving time, and that would be from Memorial Day to Labor Day. And then you would be doing something worthwhile for this country and particularly for schoolchildren.

Mr. MARKEY. The question that we are facing here is whether or not the children in your district are unsafe right now. If the children in your district are unsafe right now, then you ought to change the time that school starts. You ought to say right now that for 22 weeks, up to April 1, that the schoolday starts at a dangerous time, and you ought to tell the people in your district, you ought to tell the police, the parents, and the teachers, because if that is the condition, then you have a crisis in your district.

But I am trying to tell you right now that as of April 1 there were 161 days that those kids were getting up that were more dangerous than April 1. We are not picking the middle of the winter here. We are picking the end of the winter. We are picking a date that is the equivalent of September 16, 1 week after Labor Day, in your district. We have no intention of endangering the children in your district or any other district in this country. This is a compromise. It has been worked out very carefully, with no intention of making anyone have to suffer late mornings when children are out in the dark standing on the sidewalk.

Those are the facts. It is not anything that is any more or less than just the facts. We do not have to go to York, PA; you do not have to come to Boston, MA; we do not have to go to the gentleman's district in Utah. We just have to know what time the Sun rises all across the country.

On April 8, 6:36 in the morning the Sun comes up; on April 15, 6:26 in the morning; on April 22, 6:16 in the morning. By April 29, it is 6:06 in the morning when the Sun is rising. It is almost the end of the year, the school year. The real danger for these kids is in the heart of the winter: November, December, January, February, March. Those are the days when if there is a problem in your district something should be done right now. Those kids should not be allowed to be out on the street.

My contention is this: In fact, there is a process in place in your district, in my district, and in every other district throughout this country, to ensure the school safety of kids in the morning. That is why there is no crisis. But in the late evening, and right around suppertime, kids are out all by themselves, they are wandering around the streets. They do not have traffic guides, they do not have policemen, they do not have school buses—in the dusk, when drivers are coming home drunk. They are not drunk at 7 o'clock in the morning. They are drunk coming home from work. That is when the danger is to these children. We are trying to give them the sunshine at a time when they need it. But we are not making them get up at an unusually or unreasonably dangerous hour; 6:48 in the morning is the same as September 16 in York, PA, and the same equivalent situation exists in every single district across this country.

I just hope that the gentleman can understand that I believe that he is looking back through, in a rear-view mirror, to 1974, when he might have been school superintendent. But, remember, during 1974 we had yearround daylight saving time, and that was a mistake. It is wrong, and I recognize it, and all of the proponents recognize it. We are giving you back those 5 dangerous months, November, December, January, February, March, but we are saying, however, that once you reach April, you are in the equivalent situation as you are in September, and we can in fact say, with all confidence, that the children of this country are safe, whether they be in York, PA, in my district, or any part of the country. There is no intention to make this the adult entertainment act of 1985. It, rather is something that gives the proper distribution of sunshine so that not only adults but children can enjoy it after school and in the early evening hours, as every other person in this country has the right to enjoy it.

Those are the facts. It is no more, no less than that. Any other construction of what this bill is is merely an attempt to raise up issues that were probably raised in 1974 against another bill, or perhaps even against the bill that was brought up to this floor 2 years ago, but does not properly reflect the compromise which has been worked out between myself and other Members on the majority side with the gentleman from Utah, the gentleman from Indiana, and others, who opposed the bill in 1983, as an attempt to in fact come to some kind of reconciliation, some kind of splitting of the differences that recognized the facts of when the Sun does rise in this country.

Mr. SHAW. Mr. Chairman, will the gentleman yield?

Mr. MARKEY. I yield to the gentleman from Florida.

Mr. SHAW. Mr. Chairman, I think the gentleman is making an excellent point. In certain areas of the country where they would not fit into the whole situation of daylight saving, they should make some changes locally. I think it is quite obvious that the majority of the country, certainly my area in Florida, would greatly benefit from the gentleman's bill, and I compliment him for his statement.

Mr. MARKEY. I thank the gentleman.

Mr. Chairman, I reserve the balance of my time.

Mr. MOORHEAD. Mr. Chairman, I yield 3 minutes to the gentleman from Utah [Mr. NIELSON].

Mr. NIELSON of Utah. Mr. Chairman, I want to commend the chairman and ranking minority member of the

Energy Conservation and Power Subcommittee for drafting a compromise that achieves most of the benefits to be achieved from extending daylight saving time—yet is sensitive to the concerns of those areas of the country where the weather is still harsh and unpredictable in March.

My personal preference is for daylight saving time to run from Memorial Day to Labor Day. I recognize, however, that this is not feasible and that there are Members who would like daylight saving time to run almost year round. The compromise today, as all compromises, does not satisfy everyone. But I can live with daylight saving time for the month of April, and I intend to support this compromise.

In committee I offered the same amendment that my friend and colleague from Pennsylvania, Mr. GOODLING, may be offering today. I understand his concerns, and I share them.

The legislation before us today is very different from the legislation that we considered last Congress. Last Congress, the legislation would have started daylight saving time on the 1st Sunday of March, and would have extended daylight saving time to 8 months. This was unacceptable, and unnecessary. For many areas of the country, daylight saving time for the month of March would create unsafe conditions for schoolchildren, and difficulties for farmers performing early morning chores. I also believed that it was unnecessary—for almost all of the benefits to be achieved by extending daylight saving time would accrue in April and not March.

The legislation before us today accommodates these concerns. H.R. 2095, as originally introduced, would have started daylight saving time in mid-March. In committee, I offered the amendment so that daylight saving time would start at the beginning of April.

With this change I can support H.R. 2095. Sunrise on the first Sunday in April under daylight saving time will be earlier than any sunrises from November through February under standard time. Morning in April, even with daylight saving time, would be brighter and warmer than in any other winter month. Yet, most of the benefits to result from extending daylight saving time will still be achieved, even though the extension will be limited to April.

The legislation is strongly supported by the administration and by a broad coalition of businesses. The daylight saving time coalition representing 8,300 companies, estimates that the potential economic growth from this bill could be over $1 billion annually. These economic benefits, together with fuel savings, enhanced safety for automobile drivers, and reduced crime—are compelling reasons for extending daylight savings for a reasonable time. The extension provided for in this legislation is reasonable and I urge my colleagues to support H.R. 2095.

Mr. MOORHEAD. Mr. Chairman, I yield 2 minutes to the gentleman from Colorado [Mr. SCHAEFER].

Mr. SCHAEFER. Mr. Chairman, the bill we are considering today is somewhat unusual in that it would provide many benefits to the American public with no increase in Government bureaucracy and no additional expenditures by the Federal Government. I have reviewed this matter and the extension of daylight saving time will not only promote energy conservation but will provide a great boon to our Nation's economy.

By extending daylight saving time, the opportunities for tourism and prime time shopping will increase and could result in an increase of up to $1 billion in economic growth every year.

But perhaps the most persuasive argument for the bill is that it will enhance safety. It will reduce traffic fatalities, reduce violent crime, and provide more daylight for children trick or treating on Halloween. Further, it will provide greater mobility for the almost half a million Americans suffering from night blindness.

One of the important compromises made by our committee was changing the starting date for daylight saving time from the third Sunday in March to the first Sunday in April. This will greatly benefit those parts of the country, like my home State of Colorado, where winter is harsh and unpredictable in the early spring. With the compromises made in our committee, there seems to be no question that this bill should be supported overwhelmingly by the House.

Mr. MOORHEAD. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I am pleased to join with my colleague from Massachusetts, ED MARKEY, chairman of the Energy and Commerce Subcommittee on energy conservation and power, in urging you to enact H.R. 2095, the "Daylight Saving Extension Act of 1985." This is a fair, balanced and truly bipartisan bill.

Section 3 of the bill amends the Uniform Time Act of 1966 by advancing the starting date for daylight saving time from the last Sunday in April to the first Sunday of April. It also extends the closing date from the last Sunday in October to the first Sunday in November.

Section 4 provides for the continuation of State exemptions and partial exemptions for States in more than one time zone.

Section 4 provides the Federal Communications Commission with the authority to grant variances with respect to the hours of operation of daytime AM radio stations and their operating power levels. This section carefully protects State exemptions and directs the FCC to take necessary steps to protect daytime AM radio stations affected by the sunrise. I expect the FCC to fully exercise its authority under section 4 to ensure the smoothest possible operation of daylight AM radio stations.

Mr. Chairman, I have for several years introduced and supported legislation that expands daylight saving time. There are excellent reasons for such an extension.

By conserving daylight hours, we will achieve electricity savings that are the equivalent of 100,000 barrels of oil for each day daylight saving time is extended. I find this energy conservation measure particularly appealing because—unlike other energy measures—this bill requires no new Government bureaucracies, no intensive and burdensome apparatus, and little, if any, expenditures of taxpayers' funds.

Further, the benefits from this legislation will transcend energy conservation. The probable benefits are likely to include: as many as 200 fewer traffic fatalities per year; a reduction in violent crime; increased daylight time, tourism, and prime-time shopping; economic growth that could amount to over $1 billion per year; and, as has been emphasized by the retinitis pigmentosa foundation, extra evening sunlight and mobility for the over 400,000 Americans suffering from night blindness.

□ 1410

Mr. THOMAS of California. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD. I yield to the gentleman.

Mr. THOMAS of California. I thank the gentleman for yielding to me.

Mr. Chairman, I want to commend the gentleman from California and the gentleman from Massachusetts on the well thought out plan that we have before us. I think it is entirely possible that a 12-month daylight savings plan could pass. I think it is in recognition of the changing makeup of society.

What the gentleman has done in this plan is provided the needed flexibility for those areas that feel they need, at some portion of the year, to have a regular time. I just want to commend the gentleman for the time and effort that he has put in on this project.

It is eminently reasonable and appealing to those of us who represent both rural and suburban areas because we feel the tug within our districts, and what you have provided for here is an opportunity to, in discussing it with those people, show how at the local option basis, and even at the State option if necessary, that everyone is provided for.

What we have here, is that although there may be individuals who feel that they must rise in opposition to this plan, this plan, when looked at in terms of benefiting the greatest number with flexibility for those who feel that they need to be different, is a plan that I think the House will pass overwhelmingly.

Again, I want to commend the gentleman from California and the gentleman from Massachusetts and the subcommittee for offering us something that is rational and reasonable.

Mr. MOORHEAD. I thank the gentleman.

Mr. Chairman, we have carefully looked into the matter of children waiting for school buses in the morning under an expanded daylight saving period. Studies conducted by the Department of Transportation and National Safety Council indicate that school age children are not subject to greater involvement in accidents. Since the amount of daylight hours in March or April are essentially the same as the daylight hours during September and October, there is no reason to believe that the extension of daylight saving time under this legislation, as originally introduced, would have any adverse consequences.

While I continue to believe that H.R. 2095, as introduced, would have been favored by a large majority of the House, it was clear that some Members continued to have concerns about extending daylight saving time into the month of March when, in some regions of the country, the weather is still harsh and unpredictable.

To accommodate the concerns and to build a broad consensus in support of this legislation, H.R. 2095 was amended so that daylight saving time would start the first Sunday in April rather than the third Sunday in March. This reflects an excellent compromise. Sunrise on the first Sunday in April with daylight saving time would be earlier than sunrises throughout the entire winter under standard time. Morning conditions in April, even with daylight saving time, would be both brighter and warmer than in any winter month.

As amended, H.R. 2095 would increase daylight saving time to a little over 7 months. All of the benefits outlined above would be achieved and the interests of the regions most concerned with such an extension are addressed.

Mr. Chairman, the evidence clearly shows that the American public is behind an expansion of daylight saving time. The extension of daylight saving will help our Nation to save energy at no cost to the taxpayer. The administration strongly supports this bill. I urge my colleagues to join with Chairman MARKEY and myself, and act favorably on this legislation.

Mr. Chairman, I yield back the balance of my time.

Mr. LAGOMARSINO. Mr. Chairman, I urge all of my colleagues to support the 4-week extension of daylight saving time provided for in H.R. 2095. This proposal has had widespread support for several years. I believe the action taken by the Energy and Commerce Committee to begin daylight saving time on the first weekend in April should convince even those who are wavering on this issue to support this reasonable extension.

I believe the issues of energy conservation, fewer traffic accidents, more daylight hours for recreation, a reduction in violent crime, and help to those who suffer from night blindness are all good reasons to support this bill. As the Los Angeles Times noted in an editorial on September 2, the potential nationwide benefits of 30 or more hours of evening daylight far outweigh the potential disadvantages of 30 or more hours of morning darkness. I have had positive response to this idea from my constituents and I hope that this time around we can all support this worthy idea.

Mr. DORGAN of North Dakota. Mr. Chairman, I rise in opposition to the bill H.R. 2095, the Daylight Saving Extension Act of 1985. In particular, I oppose the plan to start daylight saving earlier in the year than under the present system.

Beginning daylight saving time on the first Sunday of April instead of the last Sunday in April simply means that more farmers will have to do morning chores in dark, cold weather. It means that more rural school children will have to have to walk to bus stops in the dark during a month in which snow storms and blizzards are not uncommon in North Dakota.

As a result, we put school kids at greater risk to traffic accidents and make work more difficult in the Farm Belt. Farmers and rural people understand sacrifice and would probably accept these hindrances if change really produced all the benefits claimed by the proponents of expanded daylight saving.

But the facts don't support the latter case. The definitive 1976 National Bureau of Standards study on the matter threw cold water on the notion that expanding daylight saving would save energy, would not endanger schoolchildren, and would not adversely affect some regions more than others. The study simply could not confirm alleged benefits and did show that certain rural areas—especially in the western parts of time zones where 65 percent of the population resides—would face much later sunrises than under the current system.

In basic terms, supporters of this bill uphold the benefits for some regions of the Nation at the expense of hardships for other areas—especially farming and rural communities in the Northern States. They overlook the fact that the last freeze in most North Dakota towns occurs in mid-May. When you add darkness to cold and severe weather, you make a prescription for traffic dangers and work hardships.

In conclusion, I understand the desire of some to expand daylight saving time in the interest of reduced energy usage and greater convenience for urban areas. I only wish these goals could be reached without hurting the farmers and rural communities in my State. Consequently, I oppose the revision of daylight saving and express my support for continuing the current plan.

Mr. MARKEY. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time has expired.

The Clerk will designate section 1.

Mr. MARKEY. Mr. Chairman, I ask unanimous consent that the bill be printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The text of the bill is as follows:

H.R. 2095

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1 SHORT TITLE.

This Act may be cited as the "Daylight Saving Extension Act of 1985".

SEC. 2 CONGRESSIONAL FINDINGS.

The Congress finds—

(1) that various studies of governmental and non-governmental agencies indicate that daylight saving time over an expanded period would produce a significant energy savings in electrical power consumption;

(2) that daylight saving time may yield energy savings in other areas besides electrical power consumption;

(3) that daylight saving time over an expanded period could serve as an incentive for further energy conservation by individuals, companies, and the various governmental entities at all levels of government, and that such energy conservation efforts could lead to greatly expanded energy savings; and

(4) that the use of daylight saving time over an expanded period could have other beneficial effects on the public interest, including the reduction of crime, improved traffic safety, more daylight outdoor playtime for the children and youth of our Nation, greater utilization of parks and recreation areas, expanded economic opportunity through extension of daylight hours to peak shopping hours and through extension of domestic office hours to periods of greater overlap with the European Economic Community.

SEC. 3. DAYLIGHT SAVING EXTENDED TO START IN MARCH AND END IN NOVEMBER.

Section 3(a) of the Uniform Time Act of 1966 (15 U.S.C. 260a(a)) is amended—

(1) by striking out "last Sunday of April" and inserting in lieu thereof "third Sunday of March"; and

(2) by striking out "last Sunday of October" and inserting in lieu thereof "first Sunday of November".

SEC. 4. EFFECT ON EXISTING STATE ELECTIONS.

Any law in effect on the date of the enactment of this Act—

(1) adopted pursuant to section 3(a)(2) of the Uniform Time Act of 1966 by a State with parts thereof in more than one time zone, or

(2) adopted pursuant to section 3(a)(1) of such Act by a State that lies entirely within one time zone, shall be held and considered to remain in effect as the exercise by that State of the exemption permitted by such Act unless that State, by law, provides that such exemption shall not apply.

SEC. 5. ADJUSTMENT OF OPERATING HOURS OF DAYTIME BROADCASTERS.

(a) ADJUSTMENT OF OPERATING PERIOD.—Notwithstanding any other law or any regulation issued under any such law, the Federal Communicatons Commission shall, consistent with any existing treaty or other agreement, make such adjustment by general rules, or by interim action pending such general rules, with respect to hours of operation of daytime standard amplitude modulation broadcast stations, as may be consistent with the public interest, including the public's interest in receiving interference-free service.

(b) VARIANCE FOR POWER AND OTHER OPERATING CHARACTERISTICS.—Such general rules, or interim action, may include variances with respect to operating power and other technical operating characteristics.

(c) SUBSEQUENT CHANGES.— Subsequent to the adoption of such general rules, they may be varied with respect to particular stations and areas because of the exigencies in each case.

SEC. 6. EFFECTIVE DATE.

This Act shall take effect 60 days after the date of the enactment of this Act, except that if such effective date occurs in any calendar year after March 1, this Act shall take effect on the first day of the following calendar year.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Page 3, strike out section 3 and insert in lieu thereof the following:

SEC. 3. DAYLIGHT SAVING EXTENDED.

Section 3(a) of the Uniform Time Act of 1966 (15 U.S.C. 260a(a)) is amended—

(1) by striking out "last Sunday of April" and inserting in lieu thereof "first Sunday of April"; and

(2) by striking out "last Sunday of October" and inserting in lieu thereof "first Sunday of November".

Mr. MARKEY. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, again, this is a compromise amendment. It has already been described in general debate on the floor. The amendment offered by the gentleman from Utah moved the starting date for daylight saving time to the first Sunday in April from the proposed date of the third Sunday in March. The amendment is a fair compromise. I support it.

Mr. MOORHEAD. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in strong support of the committee amendment. Naturally, we would rather have a longer period of time for daylight savings, but there were some legitimate objections that were raised by people in some of the northern regions and some of the farm areas. To meet those objections we reduced the period so that daylight saving time would start the first Sunday in April.

I think that their objections have been taken care of. There are still, of course, a few people who object to the bill, but the vast majority of people in this House and throughout the country support daylight saving time during this extended period. The objections of the few have been taken care of.

Mr. GOODLING. Mr. Chairman, I rise in opposition to the committee amendment.

Mr. Chairman, we just saw an interesting exhibit down here. I am not quite sure what it was set out to prove. I believe it was set out to prove that as a matter of fact there is more light in early April in the morning than there is in September and October. Well, I do not propose to argue against that.

I am asking, should we do something to make things more wrong than they presently are or should we be going the other way? Of course it is darker in the morning in October. It is wrong for daylight saving in October when you think in terms of child abuse, and that is what we ought to call it.

I found it humorous that someone was discussing what local districts should do in relationship to taking care of these problems in October and April, et cetera. That is very humorous. It is very obvious that no one knows very much about how you get 5,000 or 10,000 students on buses and haul them for a half hour, 40 minutes, 45 minutes, an hour, in many rural districts, and, at the same time, meet the State standards in relationship to the number of hours that students must be in school.

It is not an easy thing, but I am here to tell you that I only lost one child during my tenure as a superintendent of schools because of transportation. But it is something I will never forget. I have asked myself over and over, many times: What could I have done differently, as a matter of fact, to make sure that that child was not lost.

Keep in mind that the very time you are talking about, as I mentioned before, is a time when we have the fog periods in the Northeast, in the Midwest, and part of the South.

□ 1420

It is also the time when as a matter of fact we have a temperature problem. Of course we had serious difficulties in November, December, January, and February. Not very many superintendents in that area, in the Northeast, the Midwest, and parts of the South do very much sleeping during those months, but at least at that time you pretty well know that you are going to have to delay school the next morning or you are going to have to cancel school that day in order to protect those lives.

I hear colleagues of mine around here smile and laugh whenever they hear somebody say, "Oh, gee, they closed the school again," or they delayed it another hour or two. You would not smile or laugh if you had to make those decisions. Those are very difficult decisions to make. They are not your children. Although I must admit that one time I was called as a superintendent to the emergency room, and it was my child also. Fortunately none of those children in a bus accident were permanently injured.

Let us keep in mind those children. You are putting them along a highway at a time when you have all of the traffic going to work. You are putting them along a highway because there are no sidewalks. You are putting them on a bus where in many instances the driver is not a totally experienced bus driver. You are putting them in a bus driver's charge who not only has the responsibility to somehow or other get those buses down trails that were built for horse and buggy, but at the same time be the disciplinarian on that bus, and that is pretty difficult to do and still concentrate on what you are doing.

I do not doubt that it is not a good idea to have daylight saving time in October and in late September. I know it is the wrong time. But by doing what we are doing today we are not correcting that ill, we are just adding to it, because we are adding another week in November, we are adding 3 more weeks in April, 4 more weeks of critical time.

And so I would hope that my colleagues would think strictly not about how convenient it may be. Do not fall too hard for what the savings are, but think primarily in terms of what will happen if we continue expanding the time that we are going to expose these youngsters. We do not want to expose them now, but we do not have a choice. Let us not make something that is already wrong even worse. Let us try to work the other way and see whether we cannot correct the wrongs that are there now.

Mr. SWIFT. Mr. Chairman, I rise in support of the committee amendment.

Mr. Chairman, the chairman of the subcommittee dealt with the issues raised by the gentleman who has just spoken so well. I would like to yield to the subcommittee chairman so that he may again go over the information because it seems clear that the gentleman who was in the well was absolutely sincere in his concerns, but the concerns do not relate very effectively to the specific times that the Sun rises in his district and across the country. The chairman of the subcommittee made that point, I think, very clear, and I think it would be extremely useful—if the chairman would not mind—if he would make that point again.

Mr. MARKEY. Mr. Chairman, I thank the gentleman very much for yielding to me. I would like to move down to the well to once again make that point.

Our concern, Mr. Chairman, is that in fact the time for starting schools is within the exclusive jurisdiction of the school committees, the school departments, the school superintendents, the parents, and the citizens of the various counties and cities and towns across this country.

If there is a problem and it exists in the gentleman's district, I want to make this point once again very, very clear. The problem exists for 22 out of the 40 weeks of the year that the schoolchildren are in school in York, PA, and in every other school district across this country. We have picked April 1 to begin daylight saving time. That is approximately halfway through the school year; 161 days have already gone by that the kids have been in school. Those 161 days and days during which the children are in more danger than they are on April 1.

The Sun rises on April 1 at 6:48 in the morning in York, PA. That means that for 161 days, going all the way back to September 16, when the Sun rises at 6:49 in the morning, the children are in more danger than they are on that date. Now, if there is a problem, not just in York, PA, but in Malden, MA, or Dover, DE, or San Diego, CA, then those local school committees ought to change the dates that the school starts, or they ought to put more police on the streets or more school traffic control people out there. But my sense is that most school districts in this country know what to do to protect their children, and they do it. And they do it for 161 days up to April 1. As a result, for the gentleman to come to the floor and say that, all of a sudden on April 1, these children are placed in extraordinarily dangerous circumstances, that belies the fact that for the preceding 161 days there has been a process put in place to protect them.

We have worked out this compromise very carefully. We have not done it with the intention of in fact putting these children in jeopardy but, rather, of protecting them. That is why we have excluded March, excluded February, and excluded November. We are not going back to 1974. That is what the gentleman keeps alluding to, and we are not debating that. We are debating now the lessons learned since then.

We are trying to put it in a time that makes more sense. At 6:58 in the morning, 99.9 percent of the kids in this country are just about leaving their house and the Sun has just come up. That gives them the protection which they need, along with the rest of the infrastructure that the local community is able to provide.

Mr. GOODLING. Mr. Chairman, will the gentleman yield?

Mr. SWIFT. I am glad to yield to the gentleman from Pennsylvania.

Mr. GOODLING. Mr. Chairman, I have never mentioned 1974. I was running for Congress in 1974 day and night, and I have never mentioned the year 1974. The gentleman keeps saying I am alluding to something in 1974.

Mr. MARKEY. Eleven years. The gentleman mentioned 11 years.

Mr. GOODLING. I am not alluding to anything in 1974.

Mr. MARKEY. You did mention 11 years ago. You mentioned 11 years ago when you were school superintendent, and 11 from 85 is 74.

Mr. GOODLING. But I am not mentioning 1974. I was a superintendent for 7 years and a vice principal for 12 years.

Mr. MARKEY. No, I said the gentleman alluded to it. I said you alluded to it, and 11 from 85 is 74.

Mr. GOODLING. No; I ran for Congress in 1974.

Mr. MARKEY. But 11 from 85 is an allusion. I did not say you specifically mentioned it. I said you alluded to it, and that is in fact what that subtraction gives us.

That is in fact what we are talking about here. We are talking about 1985, not 1974. We are giving children at 6:48 in the morning the sunshine they need to go to school safely.

I think the facts ought to speak for themselves, and the kind of red herring and innuendoes that have characterized this debate over the past couple of years ought to end so that we can deal with the facts as they are presented by the almanac.

The CHAIRMAN. The time of the gentleman from Washington [Mr. SWIFT] has expired.

(By unanimous consent, Mr. SWIFT was allowed to proceed for 1 additional minute.)

Mr. SWIFT. Mr. Chairman, if I understand the gentleman correctly, to the extent that the gentleman from Pennsylvania says there are problems, they already exist, and the proposal of the subcommittee is not creating any new problems. Presumably if problems exist and they are severe, they should be taken care of at the local level. We, in any event with this bill, are not creating any new problems for any school district.

Mr. MARKEY. Mr. Chairman, will the gentleman yield?

Mr. SWIFT. I am happy to yield to the gentleman from Massachusetts.

Mr. MARKEY. Mr. Chairman, if the problems are not solved by April 1, they will never be solved, because by April 1, almost every one of these problems has already been solved by the fact that the Sun is already rising at 6:48 in the morning. Nature has already solved almost every one of the problems to which the gentleman has alluded. If, in fact, there is a problem, it exists in his district and every other district in November, December, January, and February. That is the heart of the winter.

That is when the decisions have to be made at the local level as to when school is going to start, what kind of police protection you want, how many school-crossing guards you want, and all the rest of the attendant questions. But by April 1, the 161st day, these children are dealing with this problem. With 6:48 as the sunrise time, I do not understand what the concern is that could be any worse than it would be the day before and the preceding 161 days.

The CHAIRMAN. The time of the gentleman from Washington [Mr. SWIFT] has expired.

The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. Are there any further amendments?

□ 1430

Mr. GOODLING. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I just want to again review the situation as I see it.

When someone talks about when the Sun rises or the Sun sets, I am not so sure that there is very much significance to that in any kind of argument in relationship to daylight saving time. For instance, the last four mornings, did anyone see any sunrises in this area? I did not.

As I indicated before, we are talking about critical times in April. We are talking about critical times in November, because they are times when, as a matter of fact, cloudiness is the name of the day, the name of the game. We are talking about temperature changes that cause all sorts of problems. And so we do not really have any good almanac to look at.

Then I would like to refer to what has been mentioned so many times as I mentioned before when we talk about local districts should take care of these issues.

Local districts have to make a lot of decisions in November, December, January, and February, and they do. But again there are rules and regulations and requirements in relationship to how many hours youngsters must go to school. You can only shift 5,000 or 10,000 students around so many times in so many different directions and get the number of hours in that you must get in.

I hear about crossing guards. Where are these crossing guards? Nobody seems to want to talk about rural America. You are talking about people

walking along highways or paths that are used as highways. You are talking about children going to school in the darkness in the middle of a rush hour, because we put them on buses at 6:30 in the morning. We have to do that in order to get them all there on time.

So I would hope that my colleagues would think very seriously about the fact that we have a real problem in November, December, January, February, and March, but nobody is bringing any solution before us to that problem. What is being brought before us is something to add to that problem, because now we would add 1 more week of problems in November and 3 more weeks of problems in April.

Let us think about solutions to those problems, not let us think about ways to compound the problems that we already have.

So again I would ask my colleagues, we have more important things to do I am sure than play around with daylight saving time, but if we are going to, let us think primarily about children, children particularly in rural areas, that must be on that highway at 6:30 or 6:45 in the morning. And if we think about children, then it seems to me we will not ask to exacerbate the problems, but we will come up with some legislation that in fact will help us to correct them.

As one of my colleagues said, "Memorial Day to Labor Day, you could solve a lot of problems there." We should not even be in October, as far as daylight saving time is concerned.

It is a problem. We are just creating more problems and we are putting children on the line. No matter how many charts you put up there, if you are there in person and if you have that responsibility, you understand what those problems are.

Mr. Chairman, I yield back the balance of my time.

Mr. MARKEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, in summary, this is a compromise. It is not the bill that came to the floor in 1983 or 1981. It has not even a faint resemblance to the year-round daylight saving time that was in place during the 1974–75 energy crisis. We have struck a balance with the opponents of the 1983 proposal, so that we take April, add it on to the daylight saving time, have the latest sunrise be 6:48 in the morning; 6:48 for a sunrise gives every school system in this country plenty of time to get their kids to school very safely. We are not adding any extra danger to the local school jurisdictions. At the same time we are not removing from the local school jurisdictions their ability to modify by 10 or 15 minutes their ability to be able to start school a little bit later if they should so choose. That is strictly a local decision.

But for the most part, for 95 percent of the people in this country, this is something that they can live with—6:48 in the morning is a reasonable time to have the Sun come up and also be able to get their kids to school.

That is what we really are trying to do here. We also extend daylight saving time to the end of October, an extra few days, so that the kids can trick or treat on that Halloween night with the extra daylight rather than having it on that day be in the morning instead.

In both instances the safety of children has been the primary interest of those who are participating in the compromise. We have no intention of just taking this to pass a bill that allows softball leagues and others to be able to benefit from it. Far from that is in fact true. We have struck a balance. We have got a compromise. It is bipartisan in nature. It reflects the disparate interests of the entire country.

I think that in fact if anyone looks at this bill objectively, they can only come to a conclusion that finally and permanently, we have found a solution that all parts of this country can live with.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. Are there further amendments to the bill? If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. MURTHA] having assumed the chair, Mr. VOLKMER, Chairman of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2095) to provide for daylight saving time on an expanded basis, and for other purposes, pursuant to House Resolution 288, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. GOODLING. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 240, nays 157, not voting 37, as follows:

[Roll No. 365]

YEAS—240

Akaka	Franklin	Morrison (CT)
Alexander	Frenzel	Morrison (WA)
Anderson	Gallo	Murphy
Andrews	Garcia	Murtha
Annunzio	Gaydos	Nichols
Anthony	Gejdenson	Nielson
Archer	Gephardt	Nowak
Aspin	Gibbons	Oakar
Atkins	Gonzalez	Oberstar
AuCoin	Gradison	Ortiz
Barnes	Gray (PA)	Owens
Bartlett	Green	Packard
Barton	Gregg	Parris
Bateman	Grotberg	Pepper
Bates	Guarini	Perkins
Beilenson	Hall (OH)	Petri
Bentley	Hatcher	Pickle
Berman	Hawkins	Porter
Biaggi	Hayes	Price
Bilirakis	Heftel	Rangel
Billey	Hertel	Reid
Boner (TN)	Horton	Rinaldo
Bonior (MI)	Howard	Robinson
Bonker	Hoyer	Rodino
Borski	Huckaby	Roe
Boxer	Hughes	Rostenkowski
Brooks	Hunter	Rowland (CT)
Broomfield	Hutto	Roybal
Brown (CA)	Ireland	Russo
Broyhill	Jacobs	Sabo
Bruce	Jeffords	Savage
Bryant	Johnson	Saxton
Burton (CA)	Jones (NC)	Schaefer
Burton (IN)	Kanjorski	Schneider
Callahan	Kaptur	Schroeder
Carper	Kastenmeier	Seiberling
Chandler	Kennelly	Sensenbrenner
Chapman	Kildee	Shaw
Clay	Kleczka	Sikorski
Coats	Kolter	Sisisky
Cobey	Kostmayer	Smith (FL)
Coble	LaFalce	Smith (NJ)
Coelho	Lagomarsino	Smith, Denny (OR)
Collins	Lantos	Smith, Robert (NH)
Cooper	Lehman (CA)	Snowe
Coughlin	Lehman (FL)	St Germain
Courter	Leland	Stark
Coyne	Lent	Stokes
Crane	Levin (MI)	Stratton
Crockett	Levine (CA)	Studds
DeLay	Lewis (CA)	Swift
Dellums	Lewis (FL)	Synar
Dickinson	Lipinski	Tauke
Dingell	Long	Tauzin
DioGuardi	Lowry (WA)	Thomas (CA)
Dixon	Lungren	Torres
Donnelly	Mack	Torricelli
Dornan (CA)	MacKay	Towns
Dowdy	Manton	Traficant
Downey	Markey	Valentine
Dreier	Martinez	Vander Jagt
Durbin	Matsui	Vento
Dwyer	Mavroules	Visclosky
Dymally	Mazzoli	Walgren
Eckart (OH)	McCollum	Waxman
Eckert (NY)	McCurdy	Weiss
Edgar	McGrath	Wheat
Edwards (CA)	McKernan	Whitehurst
Erdreich	McKinney	Williams
Evans (IL)	McMillan	Wilson
Fascell	Meyers	Wirth
Fawell	Mica	Wise
Feighan	Michel	Wolf
Fiedler	Miller (CA)	Wright
Fields	Mineta	Wyden
Fish	Mitchell	Yates
Florio	Moakley	Yatron
Foley	Montgomery	Zschau
Ford (MI)	Moody	
Ford (TN)	Moore	
Frank	Moorhead	

NAYS—157

Ackerman	Badham	Bennett
Applegate	Barnard	Bereuter
Armey	Bedell	Bevill

Boehlert	Hiler	Roberts
Bosco	Hillis	Roemer
Boucher	Hopkins	Rogers
Boulter	Hubbard	Rose
Breaux	Hyde	Roth
Brown (CO)	Jenkins	Roukema
Bustamante	Jones (OK)	Rowland (GA)
Byron	Jones (TN)	Schuette
Campbell	Kasich	Schulze
Carney	Kemp	Schumer
Carr	Kindness	Sharp
Chappie	Kolbe	Shumway
Cheney	Kramer	Shuster
Clinger	Latta	Siljander
Combest	Leach (IA)	Skelton
Craig	Leath (TX)	Slattery
Daniel	Lightfoot	Slaughter
Dannemeyer	Lloyd	Smith (NE)
Darden	Loeffler	Smith, Robert (OR)
Daschle	Lott	Snyder
Daub	Lujan	Solarz
Davis	Lundine	Solomon
de la Garza	Marlenee	Spence
Derrick	Martin (IL)	Spratt
DeWine	Martin (NY)	Staggers
Dorgan (ND)	McCain	Stallings
Duncan	McCandless	Stangeland
Dyson	McCloskey	Stenholm
Emerson	McEwen	Strang
English	Mikulski	Stump
Evans (IA)	Miller (WA)	Sweeney
Flippo	Molinari	Swindall
Fowler	Mollohan	Tallon
Fuqua	Monson	Thomas (GA)
Gekas	Natcher	Traxler
Gilman	Neal	Udall
Gingrich	Obey	Volkmer
Glickman	Olin	Vucanovich
Goodling	Oxley	Walker
Gordon	Panetta	Watkins
Gray (IL)	Pashayan	Weber
Gunderson	Pease	Whitley
Hall, Ralph	Penny	Whittaker
Hamilton	Quillen	Whitten
Hammerschmidt	Rahall	Wolpe
Hansen	Ray	Wortley
Hartnett	Regula	Wylie
Hefner	Richardson	Young (AK)
Hendon	Ridge	
Henry	Ritter	

NOT VOTING—37

Addabbo	Frost	Pursell
Boggs	Holt	Rudd
Boland	Livingston	Scheuer
Chappell	Lowery (CA)	Shelby
Coleman (MO)	Luken	Skeen
Coleman (TX)	Madigan	Smith (IA)
Conte	McDade	Sundquist
Conyers	McHugh	Taylor
Dicks	Miller (OH)	Weaver
Early	Mrazek	Young (FL)
Edwards (OK)	Myers	Young (MO)
Fazio	Nelson	
Foglietta	O'Brien	

□ 1445

The Clerk announced the following pairs:

On this vote:

Mr. Lowery of California for, with Mr. Skeen against.

Messrs. RICHARDSON, DARDEN, LEACH of Iowa, and NATCHER changed their votes from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1455

GENERAL LEAVE

Mr. MARKEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

"A TIME OF REMEMBRANCE" FOR VICTIMS OF TERRORISM THROUGHOUT THE WORLD

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 104), to proclaim October 23, 1985, as "A Time of Remembrance" for all victims of terrorism throughout the world, and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. HANSEN. Mr. Speaker, reserving the right to object, I do not object, but simply would like to inform the House that the minority has no objection to the legislation now being considered.

Mr. Speaker, under my reservation, I yield to the gentleman from New York, [Mr. GARCIA].

Mr. GARCIA. Mr. Speaker, I would just like to take a second.

This committee passes and brings out many resolutions to the floor. But I think of all of the resolutions we have passed in the 99th Congress, the resolution dealing with terrorism is a very appropriate one for the period in which we live.

I would just like to read, Mr. Speaker, a short paragraph from the resolution itself. It says, "Be proclaimed as 'A Time of Remembrance,' to urge all Americans to take time to reflect on the sacrifices that have been made in the pursuit of peace and freedom, and to promote active participation by the American people through the wearing of a purple ribbon, a symbol of patriotism, dignity, loyalty, and martyrdom."

Mr. Speaker, just yesterday, the Senator from the State of New York, and a colleague of ours, the gentleman from New York [TED WEISS], sent out a "Dear Colleague" letter to all Members on both sides of the aisle in this House, as well as the other body. It dealt with a resolution on the assassination and slaying of Mr. Klinghoffer. Mr. Klinghoffer, as you know, was the person who was assassinated by the terrorists on board the Italian ship in the Mediterranean.

I would just like my colleagues to know that I hope we all take the opportunity to read that "Dear Colleague" letter. I would hope that we would all sign on it and I would hope that it would be possible that we will have unanimous consent in this body to deal with that resolution as well as in the other body, because I think Mr. Klinghoffer really stands as a symbol of a person who was not afraid to stand up, even though he was handicapped and in a wheelchair.

I think the name Klinghoffer will live for a long, long time in all of our hearts and our memories.

So with that, Mr. Speaker, I thank my colleague from Utah [Mr. HANSEN] for allowing me these few minutes to speak on behalf of this resolution.

Mr. WEISS. Mr. Speaker, will the gentleman yield?

Mr. HANSEN. I yield to the gentleman from New York.

Mr. WEISS. Mr. Speaker, I thank my distinguished colleague for yielding to me. I want to express my appreciation to my friend from New York [Mr. GARCIA] for both the expeditious manner in which he and his subcommittee handled this particular resolution, which is authored by our friend, the gentleman from Florida [Mr. MICA] and also for his words of support for the resolution that was introduced in the other body and here by myself and the junior Senator from New York, Mr. D'AMATO.

There may have been some confusion in how the stories were carried as to what the medal is being spoken about. It is not the Congressional Medal of Honor. As my colleagues know, that is a battlefield honor reserved for members of the U.S. Armed Forces who demonstrate very special acts of courage and bravery.

The medal we are talking about is the Congressional Gold Medal of Achievement. It has been given in the past to civilians whose life work or whose specific actions in fact merited special note by the American people and by this Congress.

I do appreciate my colleague from New York [Mr. GARCIA] urging unanimous support for that resolution. I hope that my colleagues will, in fact, join and become cosponsors.

Mr. Klinghoffer, indeed, was a brave and courageous human being, who although may have been paralyzed, that is half of his body was paralyzed, fought courageously against the men who ultimately murdered him so viciously.

I thank my colleague for yielding.

Mr. HANSEN. Mr. Speaker, I would like to associate myself with the comments of both gentlemen from New York. And I would like to add to it, if I may, in America today, as we read the paper and we look at TV, we see this constant outcry of terrorism cropping its ugly head up from various places around the world. It seems like every week or two there is another incident coming about.

I personally feel that government can no longer tolerate this. The time has come when people of good faith,

and people with humanistic types of thinking will not tolerate this type of activity being conducted.

I must say that in my humble opinion, terrorists are the ultimate cowards of the world, that they prey on children, and the weak and the maimed, like Mr. Klinghoffer and others who cannot really protect themselves. I think this is one of the most outstanding instances of man's inhumanity to man, that is someone who becomes involved in a terroristic thing.

I compliment the President of the United States for the action he recently took. I compliment the people of Italy and of Egypt who assisted in that. I would hope in this body, in these Chambers where laws are passed and principles and policies are made, that we have courage enough to stand up against terrorism in any form. I compliment the people of the world today who have courage enough to stand up against it.

Mr. LOWRY of Washington. Mr. Speaker, will the gentleman yield?

Mr. HANSEN. I yield to the gentleman from Washington.

Mr. LOWRY of Washington. I thank my friend for yielding. I want to compliment him for the comment he just made in complimenting in addition to the President, our friends in Egypt and in Italy for the actions they took.

I have been concerned that over the last few days, some of our very valuable allies, and especially a man I have great respect for, the President of Egypt, Mr. Mubarak, who I had a chance to meet with 1½ years ago, that perhaps there have been some comments made that were not really accurate and not really in the right feeling that we should have toward valuable allies like the President of Egypt. I would like to compliment the gentleman on his comment, and would also like to stand in compliment of the actions taken on this resolution and I stand in strong support of it.

□ 1510

Mr. HANSEN. I thank the gentleman.

I would like to say, I am sure we have some differences of opinion the way that possibly was handled, but hopefully we would work together for the betterment of handling the situation; and those minor differences can be resolved amicably among the nations.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 104

Whereas the problem of terrorism has become an international concern that knows no boundaries—religious, racial, political, or national;

Whereas thousands of men, women, and children have died at the hands of terrorists in nations around the world, and today terrorism continues to claim the lives of many peaceloving individuals;

Whereas October 23, 1983, is the date on which the largest number of Americans were killed in a single act of terrorism—the bombing of the United States compound in Beirut, Lebanon, in which two hundred and forty-one United States servicemen lost their lives;

Whereas many of these victims died defending ideals of peace and freedom; and

Whereas it is appropriate to honor all victims of terrorism, and in America to console the families of victims, and to cherish the freedom that their sacrifices make possible for all Americans: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That October 23, 1985, be proclaimed as "A Time of Remembrance", to urge all Americans to take time to reflect on the sacrifices that have been made in the pursuit of peace and freedom, and to promote active participation by the American People through the wearing of a purple ribbon, a symbol of patriotism, dignity, loyalty, and martyrdom. The President is authorized and requested to issue a proclamation calling upon the departments and agencies of the United States and interested organizations, groups, and individuals to fly United States flags at half staff throughout the world in the hope that the desire for peace and freedom take firm root in every person and every nation.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on Senate Joint Resolution 104, the Senate joint resolution just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

A SHAMELESS EXPOSURE

(Mr. DORNAN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DORNAN of California. Mr. Speaker, this morning "The Phil Donahue Show" on network television, and carried across the country in syndication reaching millions of people, hosted the Communist President of Nicaragua, Daniel Ortega.

Now, you and I both know, Mr. Speaker, that Phil Donahue, Irish last name notwithstanding, is the No. 1 anti-Catholic bigot in the United States as far as widespread negative impact on our beloved church is concerned. Phil Donahue is to Catholicism what Lewis Farrakhan is to Judaism. If this Donahue were to attack Jews or blacks or any other ethnic or racial group the way he attacks the Catholic Church I love, he would be kicked off the air by any of the networks. But, Mr. Speaker, remember what Arthur Schlesinger has said for decades. Anti-Catholicism is the anti-Semitism of the psuedo-intellectual left.

So it was a peculiar thing to see Donahue, given his hatred of Catholicism, pressing Ortega about his persecution of a man I have called the most courageous clergyman in this hemisphere, Bishop Miguel Obando y Bravo. Donahue, of course, pressed the case weakly about Ortega trying to crush religion. He mostly verbally dusted off Ortega's shoes. Donahue did bring up the testimony of Alvaro Jose Baldizon, a man who defected from the highest levels of Tomas Borge's Ministry of the Interior. Baldizon has told ghastly stories of Communist murder and torture by the Sandinistas inside Nicaragua.

Baldizon, unfortunately, has met with only eight or nine Congressmen. He told me there are 10 times as many political prisoners as under the hated dictator Samoza. He said there is wholesale capital punishment, and that he couldn't take the unrelenting murder and torture.

This scene was bizarre, of Ortega reaching out to the American people on "The Donahue Show" and challenging our President to come down to Managua and speak to the Nicaraguan people on television as Ortega was doing, through a simultaneous translator.

Well, Mr. Ortega, I accept that offer as a supporter of the President's policies. I hope other Members will. I would like to go down to Managua and plead again for the brother and the wife of Mr. Baldizon. They have been imprisoned and abused because Baldizon, obviously, speaks the truth.

When Donahue brought up Baldizon's wife and imprisoned brother, Ortega looked as if he had been hit in the forehead with a ball peen hammer. Mrs. Ortega, who speaks perfect English, and the translator were also stunned and fished for an answer. Ortega said that if Baldizon's brother is in jail, it is because of offenses that the brother committed. Ortega, of course, denied that he holds 10,000 political prisoners. The show was, all in all, Mr. Speaker, an inadvertent unmasking of a Communist dictator on a man's program who gags on the word "Communist." Phil Donahue is not alone in his aversion to using the proper description of a Communist as a Communist. We have more than a few members in this chamber with the same hangup.

By the way, I wonder, Mr. Speaker, if Donahue, a Notre Dame alumnus, has publicly condemned the kidnaping of President Duarte's daughter in El Salvador. Mr. Duarte is a fellow Notre Dame alumnus.

Mr. Speaker, I include for the RECORD a rather surprising newspaper column of today, October 22, by Mary McGrory. See for yourself, she is beginning to see the light, flickering though her insight may be:

ORTEGA'S SELF-INFLICTED WOUNDS

(By Mary McGrory)

If ever they give an Oscar for bad timing, there will be no need to ask for the envelope. President Daniel Ortega of Nicaragua will be the winner, going away.

He laid heavy claim to the title last April, when, within days of a hard-won House of Representatives vote against aid to the contras, he took wing for Moscow, occasioning anguished cries of "betrayal" from those who had nervously taken up for him, and "I-told-you-so" from those who all along said he is an agent of the Kremlin.

But he cinched the cup last week, when on the eve of a visit to the United Nations, he announced a state of emergency in Nicaragua, setting off a new frenzy of handwringing and self-righteousness.

It can be argued, although few have, that Ortega, being the elected head of a sovereign nation, however, impoverished and down at the heels it may be, can do as he pleases in what he sees as his country's interest. Despite President Reagan's overheated representations to the contrary, we do not own Nicaragua, and its Marxist leanings are really none of our business, since Nicaragua's ability to "export revolution" is a fiction invented by those who want Ortega to say "uncle."

And it is further arguable that the reasons given by Ortega, which are vague and flimsy, are totally related to his principal problem, which is a U.S.-backed revolution against his shaky regime.

But what the move shows most is that Ortega has not lost his compulsion to play into Reagan's hands. Countless congressional delegations have gone to Managua to plead with him to employ a slightly less leaden touch and to give them a break in their efforts to defend his right not to be overthrown. They are sadly concluding that he has developed a taste for spitting in Uncle Sam's eye.

Quite apart from the fact that Ortega has come to the U.N. as a culprit instead of as a figure of some sympathy, he chose a moment when things were going rather well for Nicaragua in public opinion, mostly because world attention has been elsewhere.

The Nicaraguan ambassador, Carlos Tunnermann, recently noted that not a single country has joined in the trade embargo imposed by the United States—not even El Salvador, which alone voiced support for the idea. In the World Court, where Nicaragua has lodged a complaint against the U.S. for the mining of its harbors, the U.S. has looked petty for its denial of court jurisdiction over "a political matter."

The verdict, which is expected to go Nicaragua's way, is pending, but Ortega has taken pains to see that the victory will be muddied.

None of the individuals or groups who stick up for the Sandinistas, or at least their right to exist, can justify the crackdown. Rev. Joseph Eldredge of the Washington Office on Latin America calls it "perplexing and discouraging."

Paul Reichler, the Washington attorney who is presenting Nicaragua's case in the World Court, says the timing is "not the best."

The State Department doubtless knew that Ortega was in the way of being warmly received in some quarters in the U.S. That is almost surely why it withheld a visa permitting him to travel outside New York until late last Friday—when it was too late for him to accept speaking invitations from some half-dozen American cities, including Seattle, St. Louis and San Francisco.

The Socialist Mayor of Burlington, Vt., Bernard Sanders, went to Nicaragua last July and asked Ortega to come to a Vermont town meeting. Sanders thought it was "important for Ortega to communicate directly with the American people." He thinks the Ortega crackdown is "obviously not good."

"Still," he says, "I think it's kind of ironic that we're so upset, when the president has been telling us for two years that this is a totalitarian, terrorist government where people had no civil rights anyway."

Mayor Don Fraser (D) of Minneapolis, who deplores U.S. policy in Nicaragua, wrote a letter to Ortega seconding an invitation from a church group, thinks Ortega "may have given up on the U.S." Fraser is more interested in the fact that the letter he sent to Ortega through the Nicaraguan Embassy seems to have been intercepted by the government.

Supposedly, there has been a lull in the fighting between the Sandinistas and the contras, who are once again receiving U.S. funding. Ortega, it is said, wanted to clear the decks before a last, conclusive assault, and he wished to curb his most obdurate and powerful local dissenter, Cardinal Miguel Obando y Bravo, who is leading an antidraft campaign.

Whoever he was aiming at, Ortega, once again, seems to have shot himself.

YOUTH EMPLOYMENT OPPORTUNITY WAGE ACT

(Mr. STENHOLM asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. STENHOLM. Mr. Speaker, I rise in support of H.R. 1811, the Youth Employment Opportunity Wage Act, and urge my colleagues to give this bill the hearing it deserves and to enact it into law.

I can understand the qualms some Members have had in the past about the general approach of a youth opportunity wage. I was proud to join my friend, the gentleman from Mississippi [Mr. LOTT] as an original cosponsor of H.R. 1811 because this legislation answers the questions and reasonable criticisms that had been raised about previous proposals.

This bill will create new jobs for young people aged 16 to 19, not steal jobs from current employees. In the relatively rare situations when an employer might be tempted to substitute at the lower wage, he or she would be sufficiently discouraged by the strong sanctions in the bill, including stiff fines and prison terms.

Second, the fact that the opportunity wage would apply only from May through September would further act to make these new jobs suitable for young people.

This bill will also allow us to better harness the most powerful engine for job-creation in our economy: Small business. Nearly 600,000 new businesses start up each year. Yet most small businesses do not reach their breakeven point for several years. This fact, coupled with less access to expensive tax advice, means that the economic sector that creates the most jobs has less opportunity to use the targeted jobs tax credit. The youth opportunity wage would help make up the difference, by providing small businesses with an incentive to create additional entry-level jobs for youth.

The additional advantages of the opportunity wage are obvious. The young person gains skills and experience, an employment history, and the invaluable assets of increased self-reliance and self-esteem.

I urge all my colleagues to join with us, with the Boys Clubs of America, the National Conference of Black Mayors, the Fraternal Order of Police, and others, in supporting legislation that is both compassionate and economical.

I would also like to insert in the RECORD a partial list of organizations supporting the opportunity wage.

Associations which support the youth employment opportunity wage bill:

American Association of Nurserymen, Inc.
American Farm Bureau.
American Furniture Manufacturers Association.
American G.I. Forum.
American Textile Manufacturers Institute, Incorporated.
Associated Builders and Contractors.
Boys Clubs of America.
Business Round Table.
The National Coalition of Hispanic Mental Health and Human Services Organizations.
Food Service and Lodging Institute.
Fraternal Order of Police.
National Alliance of Business.
National Association for Equal Opportunity in Higher Education.
National Association of Cuban-American Women and Men.
National Association of Manufacturers.
National Association of Minority Contractors.
National Association of Truck Stop Operators.
National Association of Wholesale Distributors.
National Club Association.
National Conference of Black Mayors.
National Federation of Independent Business.
National Restaurant Association.
National Small Business Association.
Organization of Chinese American Women.
Printing Industries of America.

Retail Bakers Association.
Recreational Vehicle Dealers Association.
SER-Jobs for Progress, Inc.
U.S. Chamber of Commerce.

□ 1230

LEGISLATION INTRODUCED TO LIMIT THE NUMBER OF SOVIET CITIZENS WORKING AT THE UNITED NATIONS

(Mr. SWINDALL asked and was given permission to address the House for 1 minute and to revise and extend his remarks, and include extraneous matter.)

Mr. SWINDALL. Mr. Speaker, today I am introducing legislation which will substantially limit the number of Soviet citizens serving at the Soviet mission to the United Nations. Specifically, this legislation would reduce the number of Soviet citizens serving at the mission to the equivalent of the number of United States citizens serving at the U.S. mission.

Today there are approximately 295 Soviet citizens serving at the United Nations. The United States has only 130. It is obvious that if the Soviets have roughly double the number of Soviet citizens serving at the mission, there must be another purpose. Clearly, the purpose is more than diplomatic. Recent stories regarding the Soviet espionage efforts in this country ought to alert all of us that these individuals are serving not the United Nations but rather the Soviet Union, and their espionage efforts.

I urge all of my colleagues to take this opportunity, the 40th anniversary of the United Nations, to seriously reevaluate both the purpose of the United Nations and the number of Soviets serving at the United Nations and take this opportunity to reduce the number of Soviets at the United Nations to the equivalent of the United States. Certainly our national security demands nothing short of that.

I urge all of my colleagues that are concerned about our national security to join me in this effort.

Mr. Speaker, the reason for this bill, as was the driving force behind previous amendments introduced by Senators COHEN and LEAHY, is simply to reduce the significant threat that the Soviet and Eastern bloc spies have on our national security by reducing the number of Soviet officials sheltered by the United Nations. Serious harm is being done every day to United States national security by allowing the United Nations to be a "Spy Sanctuary." The concept is very elementary, the less spies you have, the less intelligence activities there are.

From recent spy cases, we have learned of the magnitude of this Soviet presence in our country. These recent cases have unfortunately involved the U.S. military, defense contractors, and also our own intelligence agencies.

The FBI has estimated between one-third and 40 percent of this "staff" are professional intelligence officers. The remainder are presumed to be affiliated with the KGB, GRU—the Soviet military intelligence organization, or East bloc intelligence services. These agents engage in a variety of activities, including collecting information, searching for and recruiting Americans willing to reveal sensitive information.

With the upcoming 40th anniversary of the United Nations next week, it seems only appropriate to give this international forum a birthday present of lasting value, a better reputation and purpose. In addition, it's time for Congress to assess the problems that this institution presents to our Nation.

Over the last several years the United Nations has become an international institution which has strayed from its original intentions and purpose. Anyone who is seriously concerned about both our national security and the United Nations itself should be very concerned with the number of Soviet and Eastern bloc spies currently operating out of the Soviet mission to the United Nations in New York.

With this in mind, I am introducing legislation that will reduce the excessive size of the Soviet mission to the United Nations in New York. My bill will establish a policy requiring numerically equivalent U.N. delegations from both the United States and the Union of Soviet Socialist Republics. Specifically, this bill would require the Soviet mission to the United Nations, currently about 300 officials, be reduced to equivalence with that of the United States, about 130 personnel.

This bill is a logical successor to the Leahy-Cohen amendment limiting the number of officials allowed to work in the Soviet's U.S. Embassy and Consulate which was recently signed into law by the President. In addition, this bill is the companion bill to S. 1773, already introduced by Senators LEAHY and COHEN. This concept was also endorsed by the President in his June 21, 1985, national radio broadcast.

Clearly, this bill could greatly reduce Soviet intelligence operations in our country and at the same time help the United Nations shake its reputation of being a sanctuary for spies. What better time than at the 40th birthday of the United Nations to deliver a message that the United States is serious about the United Nations getting back on track as an international forum which helps solve world problems instead of contributing to them.

The text of my bill and a recent report by former Ambassador Lichenstein follow:

H.R. 3600

A bill to limit the number of Soviet nationals serving at the Soviet mission to the United Nations, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a)(1) the number of nationals of the Soviet Union admitted to the United States to serve as members of the Soviet mission at the United Nations headquarters shall not exceed the number of United States nationals who serve as members of the United States mission at the United Nations headquarters, unless—

(A) the excess number of nationals of the Soviet Union serving as members of the Soviet mission at the United Nations headquarters is the result of the routine replacement of personnel and is not more than 10 percent of the number of United States nationals who serve as members of the United States mission at the United Nations headquarters; or

(B) the President determines that the admission to the United States of additional Soviet nationals to serve as members of the Soviet mission at the United Nations headquarters would be in the interests of the United States.

(2) Beginning six months after the date of enactment of this Act, and every six months thereafter, the Secretary of State shall prepare and transmit to the Committee on Foreign Relations and the Select Committee on Intelligence of the Senate and to the Committee on Foreign Affairs and the Permanent Select Committee on Intelligence of the House of Representatives a report setting forth the number of Soviet nationals admitted during the preceding six-month period to the United States pursuant to a determination of the President under paragraph (1)(B) and their duties with the Soviet mission at the United Nations headquarters.

(3) Nothing in this subsection may be construed as including any dependent or spouse who is not a member of a mission at the United Nations headquarters in the calculation of the number of members of a mission at the United Nations headquarters.

(b) The Secretary of State and the Attorney General should, not later than six months after the date of enactment of this Act, prepare and transmit to the Committee on Foreign Relations and the Select Committee on Intelligence of the Senate and to the Committee on Foreign Affairs and the Permanent Select Committee on Intelligence of the House of Representatives a report setting forth a plan for ensuring that the number of Soviet nationals described in subsection (a)(1) does not exceed the limitation described in that subsection.

(c) For purposes of this Act—

(1) the terms "members of the Soviet mission" and "members of the United States mission" are used within the meaning of the term "members of the mission", as defined by Article 1(b) of the Vienna Convention on Diplomatic Relations, done April 18, 1961; and

(2) the term "mission at the United Nations headquarters" means a mission to the United Nations in New York City and includes missions in New York City to specialized agencies of the United Nations, as defined in Article 57 of the Charter of the United Nations.

[From Backgrounder, the Heritage Foundation, Sept. 9, 1985]

SOVIET ESPIONAGE: USING THE U.N. AGAINST THE UNITED STATES

(By Charles M. Lichenstein, Senior Fellow)

INTRODUCTION

With mounting concern, the West is discovering an escalating threat to its security posed by Soviet espionage. The U.S. government is prosecuting the Walker family on charges of giving military secrets to Moscow, while the West German government reels from revelations that some of its top security officials secretly have been working for East Germany. Ripples of this

West German spy scandal already have reached Britain and Switzerland.

Dwarfing these as spy threats is a Kremlin-directed espionage center thriving inside the United States. At risk are, among other things, the secrets of U.S. weapons, strategic military planning, high technology, advanced manufacturing processes, industrial innovations, and biotech and biogenetic research breakthroughs. Espionage against these targets weakens not only U.S. military defenses, but undermines U.S. worldwide economic competitiveness.

What makes the U.S. particularly vulnerable to this espionage are the convenient cover and access enjoyed by the spies. They are diplomates and bureaucrats with a status even more privileged than diplomats. Not only do they operate out of Soviet bloc and Soviet client-state embassies to the U.S., but more important—and much more valuable to the Kremlin—they use as a base the diplomatic missions, agencies and secretariats affiliated with the United Nations, in the heart of Manhattan.

Their numbers run into the hundreds. At least one in three of all Soviet, East bloc and client-state diplomats posted to the United States engages in espionage. This is the confident consensus of U.S. intelligence experts. The term, espionage, covers a multitude of abuses of diplomatic privilege: information collection (by open and covert means, including electronic intercepts), acquisition of military and industrial technology (some of it purchased off-the-shelf, some of it stolen), recruitment and supervision of agents (some but by no means all of whom are U.S. nationals), and an array of "active measures" that involve, among others, propaganda, spreading "disinformation" and using front groups.

The estimate of one in three, in fact, appears quite conservative. It is based, The Heritage Foundation has learned from official U.S. sources, on the actual record of confirmed case histories. It probably would be much more accurate to conclude that one in two Soviet bloc and client-state diplomats is involved in espionage, warn Soviet and East bloc defectors, many of whom were KGB (Soviet State Security), GRU (Soviet Military Intelligence) or East bloc counterparts. This is confirmed by Arkady Shevchenko, former U.N. Under-Secretary General for Political and Security Council Affairs, one of the highest ranking Soviet officials ever to defect to the West. Shevchenko writes in Breaking With Moscow (published this year) that, of 28 Soviet bloc "international civil servants" in his especially sensitive unit in the U.N. Secretariat, at least 21 spent some or all of their duty hours on intelligence assignments, in New York and elsewhere, under KGB control.

These numbers constitute a formidable challenge to U.S. counterintelligence forces. The danger to U.S. national security is beyond question.

THE UNIQUE VALUE OF THE U.N.

There are two distinct parts to the diplomat-espionage problem. The first is inherent in the normal, reciprocal exchange of diplomats capital-to-capital (such as between Washington and Moscow) or major city-to-major city (such as between the consulates in Leningrad and San Francisco). The Soviets post several hundred diplomats to Washington; the U.S. posts a similar number to Moscow; each group is a mix, as both sides know perfectly well, of diplomats and intelligence agents. Even on this regular diplomatic level, however, the Soviets enjoy the advantage of supplementing their own staffs with East Germans, Bulgarians, Cubans, Afghans, and other Soviet bloc and client-state diplomats. Against key targets, they operate as a single, unified hierarchy, with the Soviet KGB at the top. By contrast, the U.S. maintains only loose, informal ties with the intelligence services of its Western allies, Israel, and a few other countries.

To make matters worse, the U.S. suffers from self-inflicted wounds in this diplomatic tradeoff. The total American diplomat and non-diplomat complement in Moscow is substantially smaller than the Soviet Mission in Washington: 202 vs. 495 (with 79 more Soviets currently en route). The Soviets, moreover, hire almost no local, American employees for the non-professional positions at their Washington embassy, but bring to the U.S. Soviet citizens to serve as embassy caretakers, mechanics, drivers and the like. The U.S., distressingly, uses mostly Soviet nationals for these jobs in Moscow. The result: 224 Soviet citizens, under the direct control of their government, now work inside the U.S. Embassy in Moscow. It is no wonder that the KGB was able to dust U.S. Enbassy telephones, chairs, auto seats and other objects with carcinogenic nitrophenylpentadienal powder to track the movements of U.S. diplomats in Moscow.

The second part of the diplomat-espionage problem is even more serious. It is the unique circumstance of the U.S. serving as host country to United Nations headquarters in New York City. Here, of course, there is no tradeoff or reciprocity. All the risk is borne by the U.S., for the U.S.S.R. hosts no United Nations—or other truly international—body. For the Soviet bloc and its clients, "diplomatic" presence at and because of the U.N. is pure espionage gravy.

At the U.N., there are official missions of the Soviet Union, its satellites and clients (plus the observer missions of such non-U.N. members as North Korea, the Palestine Liberation Organization and the South West Africa People's Organization). Alongside the official U.N. missions is the U.N. itself—the huge Secretariat, plus headquarters of the U.N. Development Program (UNDP) and UNICEF (the U.N. Children's Fund). Employment totals more than 15,000, of whom 371 are from the Soviet Union, plus another 225 from the East bloc and the client states. As with Soviet bloc diplomatic personnel, these U.N. employees are a mix of genuine benign bureaucrats and intelligence agents.

Taken together, these components define the parameters of the problem posed by the U.N. as a "sanctuary for spies" in the U.S. It is a problem that the U.S. imposes on itself, for no one forces it to play host to the United Nations.

THE NUMBERS

To present the situation in the most cautious way, the number of Soviet-related diplomat-spies is calculated to underestimate the magnitude of the problem. As such, Albania, the People's Republic of China and Democratic Kampuchea (Cambodia) are not counted. Albania maintains nearly complete isolation from the Soviets and the Soviet world generally; China cannot be considered part of any Soviet-led bloc (although its U.N. Mission and Secretariat personnel in New York may pose a security threat of another kind); and Democratic Kampuchea is still represented at the U.N. by a coalition of opposition forces, partly anti-Communist and wholly anti-Soviet. Iran also is excluded, even though its ties to the international terrorist network pose a clear security threat to the U.S.

Adding together all Soviet bloc and client-state nationals who are on the staffs of their countries' missions to the U.N. or who work for the U.N., the total comes to 1,204 potential agents of espionage in the U.S. because of the U.N.

SOVIET AND BLOC NATIONALS IN NEW YORK

	Dips	Support staff	U.N. Sec't.	UNDP	UNICEF
Afghanistan	4	6	16	5	1
Bulgaria[1 2]	11	12	14	...	...
Cuba	35	21	26	1	2
Czechoslovakia[1 2]	12	9	17	...	...
German Dem. Republic[1 2]	13	13	13	...	...
Hungary[1 2]	11	9	15	...	...
Libya [1]	10	16	9	0	0
Mongolia	5	1	0	0	0
Nicaragua[1 2]	17	0	6	...	...
North Korea	0	20	0	0	0
PLO	0	7	25	0	0
Poland[1 2]	10	9	40	...	...
Romania[1 2]	7	5	10	...	...
USSR	117	178	331	1	1
(Byelorussia)	9	5	11	0	0
(Ukraine)	10	8	27	0	0
Vietnam	15	11	15	1	1
Totals	286	330	575	8	5
Grand total			1,204	...	...

[1] No breakdown by agency is available for these countries. The total also has been adjusted for a few U.N. employees located other than in NYC.
[2] Libyan nationals in New York uniquely, are restricted to the five boroughs of the city.

Sources: all data from lists maintained by the U.S. Mission to the U.N. Diplomatic and support lists as of June 30, 1985; U.N. data as of mid- to late-1984.

Still the total is too low. Most of these "diplomats" and "international civil servants" are accompanied by spouses and/or adult dependents. On the basis of confirmed case histories, U.S. intelligence experts believe that they too undertake espionage assignments of various kinds. Supporting this assessment are defector reports. Assuming conservatively only one spouse or adult dependent for each mission official or U.N. employee, the total doubles to some 2,408 potential security threats to the U.S.

Using the one-in-three estimate, the number of actual agents that can be used by Moscow totals about 800. Using the one-in-two ratio urged by Soviet defectors, the number of actual agents is about 1,200. Even those diplomats and U.N. bureaucrats who engage in no espionage cause problems for the U.S., for the very fact that they are on tap complicates the U.S. counterintelligence challenge greatly.

WHAT CAN BE DONE?

All of the experts consulted, from federal, state and local law enforcement agencies, agree that effective countermeasures against the enormous threat posed by 800 to 1,200 espionage operatives must proceed along two parallel and complementary tracks: (1) every reasonable means must be used to limit the numbers of potential Soviet-related espionage agents in the U.S. and to limit their freedom of operation; (2) U.S. counterintelligence resources must be enhanced substantially.

LIMITING SOVIET U.N.-RELATED ESPIONAGE

For almost 40 years, the U.S. Government has had all the authority it needs to crack down on the U.N.-related Soviet threat to national security. P.L. 357, enacted in 1947, clarified the Headquarters Agreement of November 21, 1947, which governs the U.S.-U.N. host country relationship. In section 6, this law states that "nothing in the Agreement shall be construed as in any way diminishing, abridging or weakening the right of the United States to safeguard its own security" and in particular "completely to

control the entrance of aliens into any territory of the United States other than the (U.N.) headquarters district and its immediate vicinity."

Under this authority, the U.S. restricts the freedom of movement of Soviet and some bloc diplomats at U.N. missions to an area of 25 miles from the U.N.'s New York headquarters. To do the work that legitimately brings them to the U.S., this is all the freedom they need. In 1982, in the Foreign Missions Act, Congress set up administrative machinery within the State Department in an effort to make these travel restrictions tighter.

Although the 1947 Act makes absolutely no distinction between diplomats and any other class of "aliens" no restrictions ever have been imposed on U.N. bureaucrats. As a result, in this year's State Department Authorization Act, Congress made its intent clear beyond any doubt or administrative fudging. The Roth-Hyde Amendment, named for its principal co-sponsors, Senator William V. Roth, Jr. (R-Delaware) and Representative Henry J. Hyde (R-Illinois), extends to all foreign nationals at the U.N. the restrictions that now or may in the future apply to their countries' U.N. missions. There is to be no more free ride for those "international civil servants" who are known to report routinely to their U.N. missions, to receive orders from their governments, and even to kick back part of their U.N. paychecks.

The mandate of Congress is unequivocal. Effective follow-up action by the State Department and the U.S. Mission to the U.N.—even by the U.N. itself—is now called for, in the following directions:

(1) *The Roth-Hyde Amendment went into effect last week; it should be vigorously enforced.*—There is no law or international convention, nor any U.S. host country obligation, that allows U.S. "guests" to break American laws or threaten U.S. national security. The most effective enforcement of the Amendment would be to require prior notification by the U.N. Secretary General of all official U.N. travel (which would alert U.S. counterintelligence agencies to potential security threats and enable them to deny permission in some cases). Further, U.N. employees who are citizens of countries under restriction should be required to request permission for "private" travel. Such unofficial travel should almost always be denied.

(2) *The list restricting travel should be expanded.*—None of the East European Soviet satellites is now on the restricted list. Yet their diplomats and nationals at the U.N. pose an obvious and serious security threat to the U.S. The same is true for Nicaragua. The status of the People's Republic of China is ambiguous. Its New York-based diplomats already enjoy special privileges: they are free of all travel restrictions to 29 "open cities" embracing virtually every major metropolitan area in the U.S. This would not be curtailed by the Roth-Hyde Amendment. Although China is no Soviet satellite, official U.S. sources confide that Beijing's agents in the U.S. are deeply engaged in industrial espionage.

(3) *The size of some U.N. missions should be reduced.*—The Soviet Mission to the U.N. totals 295—when Byelorussia and the Ukraine are added, the total is 327. By contrast, the U.S. Mission to the U.N. gets by with about one-third this number. Surely, Moscow is taking advantage of the U.S. in its role as host country. Similarly, Cuba has a staff of 56 at its U.N. mission, about the same size as major West European nations whose involvement in U.N. official business is generally much heavier than Havana's. The matter has run out of control. The State Department immediately should define "reasonable ranges" for mission size, based on such generally accepted U.N. criteria as a country's population and wealth, and the scale of assessed contributions to the U.N. budget. This would force a cut back mainly in Soviet bloc missions and thus reduce the number of potential spies.

(4) *The U.S. should stop subsidizing espionage against the U.S.*—The U.S. currently pays 25 percent of the salaries of U.N. employees. This includes, of course, those who receive and submit to instructions from their governments (including instructions to spy). This is in clear violation of Article 100 of the U.N. Charter. Another related Charter abuse that the U.S. tolerates is "secondment," by which the Soviets assign their nationals to the Secretariat on contract and replace them at will. This puts an effective lock on certain key positions—in personnel, public information and Political and Security Council Affairs, for example, whose chief always is a Soviet national—and enables the Soviets to establish permanent espionage outposts within the U.N. Secretariat. The U.S. should demand that the Secretary General put an end to these Charter violations. Failing prompt, effective action, the U.S. should withhold the appropriate portion of its annual assessment.

INCREASING U.S. COUNTERINTELLIGENCE RESOURCES

Even without the U.N.-related security threat, strengthening U.S. counterintelligence capibilities is an urgent priority for the FBI, CIA and other law enforcement agencies. The espionage charges against the Walker family make this clear. U.S. counterintelligence must be rebuilt after its systematic destruction during the 1970s. It is a long and slow process. Of all intelligence specialties, none is more demanding or dependent on experience than counterintelligence. Since 1981, the U.S. has begun to rebuild; more must be done. Such as:

(1) *FBI counterintelligence forces in New York should be increased substantially.*—More FBI agents are urgently required in New York City to monitor potential espionage activities related to the U.N. The U.S. is now in the first year of a five-year FBI expansion program, which will increase the FBI counterintelligence force by about 50 percent nationwide. Exactly how many agents the FBI needs, and how many should be posted in New York, is classified information. The President, the Attorney General and the Congress—the two Intelligence Committees in particular—have the obligation to assure themselves and the American people that the U.S. is spending what it must to rebuild a counterintelligence capability fully in line with the Soviet threat, including the U.N.-related part of the threat—and on the fastest possible track.

(2) *Adequate support staff and services should be provided.*—More agents alone will not get the job done. Required, too, are telecommunications equipment, data banks, stenotypists, and surveillance and other specialists. The simple lack of an adequate motor pool, for example, can abort an entire U.S. counterintelligence operation. In addition, collaboration among all American law enforcement and intelligence agencies is essential. Currently in New York, cooperation is excellent among the FBI, U.S. mission security staff and the superb New York City Police counterintelligence forces. The President and Congress must ensure the same high level of teamwork within the U.S. intelligence community, particularly between the CIA and the FBI. Almost by definition, Soviet-directed espionage at the U.N. is a cross-border matter, justifying CIA involvement.

(3) *Counterintelligence laws and guidelines should be reviewed.*—A key element of the systematic attack of the 1970s on U.S. intelligence capabilities was the Foreign Intelligence Surveillance Act of 1974 (FISA). This was supplemented by Department of Justice guidelines. Most U.S. law enforcement and intelligence officials say that neither FISA (which established a special U.S. court to pass on the legality of wiretaps) nor the Justice Department guidelines seriously inhibit effective counterintelligence operations. Yet outside experts and former counterintelligence agents insist that FISA and the guidelines have a "chilling effect." Among other things, they discourage agents from even requesting especially sensitive surveillance efforts. Thus, while the special court almost always says "yes" to requests, it does so in part because it never gets the really tough ones. The President, the Attorney General and Congress must review the law and guidelines for just such crippling defects.

(4) *The U.S., presence within the U.N. Secretariat should be strengthened.*—Increased presence within the U.N. Secretariat of tough-minded fully qualified U.S. professionals could inhibit the activities of Soviet bloc spies. Americans inside the Secretariat, moreover, could monitor the situation better than any outside agents. They could spot suspicious behavior—sometimes nothing more than a Bulgarian or Russian who almost never turns up in the office. And they could report their observations to appropriate U.S. officials without compromising their roles as legitimate international civil servants.

THE "UNIVERSAL" SOLUTION

Another way to bring potential Soviet agents at the U.N. under more effective control would be to break up the routine, predictable pattern of the U.N. operation. A useful first step would be to keep moving the annual three-month session of the U.N. General Assembly; one year it could convene in Moscow, the next in Geneva, following that in Nairobi, and so on. This was proposed in 1981 by former U.N. Ambassador Jeane Kirkpatrick and endorsed in principle by President Reagan. By rotating the U.N. venue, the bulk of the U.N. missions and the massive U.N. bureaucracy would be operating outside New York and the U.S. for at least three months annually. The U.N. sanctuary for espionage targeted against the U.S. would be severely disrupted.

If all else fails, then the U.S. must protect itself against U.N.-based espionage by pressing for the ultimate option: moving the U.N. out of the U.S. altogether and inviting the organization to find a new home elsewhere. From the perspective of U.S. national security, it makes a great deal of sense.

The State Department and its supportive "establishment" would, of course, argue that by such an act the U.S. would be turning its back on its worldwide responsibilities. In Moscow or Geneva or Nairobi, however, as in New York, the U.S. would be able to play whatever role it wished to play in the U.N., which might even become more serious and businesslike.

CONCLUSION

All of the above recommendations are mutually reinforcing. If all were pursued, the security threat posed by the privileged sanctuary for spies provided by the U.N. could be brought under effective control.

Restrictions on Soviet and bloc diplomats' freedom to move at will within the U.S., now extended by the Roth-Hyde Amendment to Soviet bloc U.N. bureaucrats, should be rigorously enforced; the list of countries under restriction should be expanded to include the entire East European bloc; suspiciously overstaffed U.N. missions should be cut back; and the U.S. should stop paying its 25 percent share of the salaries of U.N. employees who clearly are under the control of their governments. These actions would begin to reduce the number of potential spies to manageable proportions.

The problem can be managed, moreover, by increased U.S. counterintelligence resources, adequately supported by staff and services, further backed up by a strong U.S. presence inside the U.N. secretariat and rid of unnecesary restraints on their operational freedom.

If the U.S. is really serious about turning back the U.N.-related Soviet threat to its national security, an arsenal of varied and effective weapons is at hand.

CLOSING LOOPHOLES SHOULD BE GOAL OF TAX REFORM

(Mr. KLECZKA asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. KLECZKA. Mr. Speaker, when President Reagan sent his comprehensive tax reform proposal to the Congress earlier this year, I sensed a bipartisan willingness to take on the special interests by closing the loopholes, broadening the tax base and lowering tax rates.

Since that time, those of us who strongly favor tax reform have been urged to "keep our powder dry" as the bill works its way through the committee system. But, while many of us have tried to do just that, the special interests have been far from silent. The loophole lobby has unloaded broadside after broadside on the committee while we held back.

Let us consider what has happened as we kept our powder dry.

Commercial banks, hardly among the truly need in our economy, have a new, improved, wider loophole by which they can avoid paying their fair share of taxes. Instead of going forward with tax reform, we appear to be moving backward.

Millions of unemployed workers will now see taxes levied on all their unemployment compensation benefits.

Perhaps the money raised from this tax increase will finance the tax dodges of those who raise and breed race horses. As the tax committee voted to raise taxes on the jobless, it acted to preserve tax breaks for horse racers.

Is this tax reform? I ask my colleagues: How many of your constituents define tax reform as new loopholes for banks, a new tax on unemployment benefits and a preservation of tax breaks for the horsey set?

If we want real tax reform, we have to be willing to curtail loopholes, not widen them. That means we will have to stand up to powerful special interests. In so doing, we can bring about a fairer and simpler tax system.

If this is what Congress has in mind when it talks about tax reform, count me in.

If tax reform is defined by what we have seen thus far, count me out.

At this point, Mr. Speaker, I would like to include in the RECORD a description of the successful tax reform effort in my State of Wisconsin which appeared in a recent issue of people and taxes. I believe Congress can learn from this example of progressive tax reform.

WISCONSIN PIONEERS TAX REFORM

(By Diane Sherwood and Kristin Franklin)

"As Maine goes, so goes the nation" is a popular election-year truism. But where taxes are concerned, Wisconsin seems to be the state to watch—it's the state that first established a state personal income tax, workman's compensation, and an unemployment tax. Now Wisconsin has passed a landmark tax simplification measure that one scribe calls "the income tax development of the year . . . [whose] positive significance . . . shows the political feasibility of tax reforms."

The new Wisconsin tax system, finalized in July, does what many federal reformers can only dream of—it eliminates many tax deductions, reduces the number of tax brackets from eight to four, and lowers marginal rates. It also cuts taxes for six out of every ten Wisconsin taxpayers.

"We're excited about the tax reform," raves Michael Vlaisavljevich, Research Director for the Wisconsin Revenue Department. "And I think that as word gets out, there will be increasing interest because right now it is the major example of genuine tax reform that has already been enacted."

GOOD-BYE WISCONSIN

Impetus for Wisconsin's personal income tax reform came from a good news-bad news situation facing the state. It began when Kimberly Clark, a prominent Wisconsin-based corporation, informed Democratic Gov. Anthony Earl that the firm was considering leaving the state. Such glum news sounded painfully familiar—Wisconsin has lost more corporate headquarters than any other state in the nation, according to a state study. "Old Milwaukee beer isn't even from Milwaukee anymore," one state official laments. The good news was that Wisconsin had mopped up its budget deficit and was sitting on a $500 million budget surplus.

Gov. Earl created the Wisconsin Strategic Development Commission, composed of private and public sector citizens, whose mandate was to determine how Wisconsin could enhance its business climate. Half of the commission's $500,000 came from the private sector. One of the group's major findings was that Wisconsin had lost an estimated 134,000 jobs since 1979.

Yankelovich, Skelly & White, a national public opinion research firm headquartered in New York, conducted a key study which concluded that high personal state income taxes were "a major irritant" to business executives, particularly those in high income brackets, according to Fred Shaffer, legislative counsel for the Wisconsin Association of Business and Manufacturers. Wisconsin's top personal tax rate of 10 percent was one of the highest in the nation. When combined with other state and local taxes, Wisconsin residents in 1983 bore the sixth heaviest tax burden in the country, according to the Advisory Commission on Intergovernmental Relations.

"The whole thrust was that we needed tax reductions," says Sue Engeleiter, Republican Minority Leader in the Wisconsin state Senate. Engeleiter and her fellow-Republicans were skeptical about tax reform from start to finish. "Nobody was particularly interested in tax reform. People wanted tax reductions. It was the governor, and just about only the governor, whose agenda was reform," she says.

Earl's original reform proposal boldly called for only three tax brackets and elimination of deductions for interest, including home mortgage interest, charitable donations, medical expenses and political contributions. The package was "99.44 percent pure" and a "radical beginning" when it was introduced, and became "maybe a fraction less pure" as it maneuvered through the political process, a spokesman for the governor boasts.

"It wasn't well-received even by people in his own party," recalls Engeleiter, the Senate Republican leader. Wisconsin legislators forced Earl to restore write-offs for medical expenses, home interest payments, charitable contributions, and other interest payments up to $1,200.

But in a novel twist—the first of its kind in the nation, according to Wisconsin legislators—the write-offs for personal expenses will be limited to a 5 percent tax credit. For example, a taxpayer earning $30,000 will receive an automatic standard deduction of $2,400. If personal write-offs exceed $2,400, the taxpayer will be allowed to multiply the difference (personal write-offs minus standard deduction) by 5 percent, and add that figure to the standard deduction.

"I like the idea of a credit better than a deduction," explains the man who proposed the idea, Assemblyman Dismas Becker. Becker is a Democrat from Milwaukee's inner city. "This tax credit plan would definitely work on the federal level."

State Republicans, in contrast, disparage the credit as "screwy." It "is going to make accountants rub their heads and say, 'What's going on in Wisconsin?'" Engeleiter complains.

Wisconsin's four new tax rates will range from 5 percent to 7.9 percent, with intermediate brackets of 6.6 percent and 7.5 percent. A sliding scale standard deduction will range from $7,200 for a low-income married couple to no deduction for a single person earning more than $77,500. During negotiations, Republicans say they supported the sliding scale standard deduction only as a way "to bring down the top rates."

WISCONSIN'S TAX BURDEN

State-local tax revenue as percent of personal income

1. New York	15.3
2. District of Columbia	14.4
3. Minnesota	13.2
4. WISCONSIN	13.1

5. Hawaii	12.8
6. Montana	12.5
7. Michigan	12.4
8. Vermont	12.1

Note: Does not include Alaska and Wyoming, which receive large revenues from oil and severance taxes.

DISPUTED CUTS

Initial estimates claim that the largest tax cuts—average reductions of 23 percent—will go to those earning $5,000-$10,000 and to those earning more than $300,000. All other income brackets will receive an average tax cut of 5.6 percent to 15.7 percent. Total tax cuts will equal $171 million.

The measure squeaked past the Assembly in a virtual party-line vote, 52-47. The Senate than adopted the tax reform 21-12 in another partisan split. Mike Youngman, assistant to the Democratic Speaker of the Assembly, charges that Democrats worked hard to make the reform proposal bipartisan by increasing Republicans' membership on the tax-writing committees. Youngman complains that Republicans withheld their support in an unsuccessful effort to show voters that Democrats could not "take control."

Republican officials claim that tax reductions should have taken priority over tax reform, and that the tax reduction is inadequate. They point out that 40 percent of the state's residents will receive no income tax cut, and 287,000 filers—particularly those in higher brackets who will lose some deductions—will probably experience a tax increase.

"It clobbers the (corporate) decisionmakers, people who make the decisions to move companies," Engeleiter warns. "The biggest segment hit will be two-wage earner middle-income families. There's no justification for anybody to pay more when you have a $500 million budget surplus."

"Tax simplification creates winners and losers," acknowledges Shaffer, of the Business and Manufacturing Association. "There is no telling if any given person in any given bracket will be a winner or loser . . . The benefit of simplicity must be weighed against the different impacts that occur within the same income group. It (the tax bill) will be beneficial for lots of people, but it is difficult to guarantee that any given individual will benefit."

Gov. Earl, meanwhile, speaks of Wisconsin's tax reform as an epic event. "It is the most far-reaching tax reform since our state pioneered progressive income tax in 1911," he says. "This reform makes taxes not only lower but simpler and fair. It restores progressivity and integrity; it makes the way we finance government not ony more progressive, but more faithful to our tradition and the expectations of our citizens."

Tax reform in Wisconsin was driven in part by a desire to simplify the state's income tax system, lower the top rates, and make the system more fair—concerns that are repeated on the federal level, points out Rindert Kiemel of the Wisconsin Taxpayers Alliance. The trail blazed by Wisconsin also offers innovative tax ideas for federal reformers, such as converting deductions to tax credits, and the sliding scale standard deduction. The state has a proud history of pioneering ideas that are later used on a national level.

Is the Wisconsin experience a harbinger of national tax reform? Unhappily for federal tax reformers, the national debate is not entirely analogous to Wisconsin's. Unlike Wisconsin, Congress can only hope to pass tax reform legislation on a bipartisan basis. Federal reform will likely fail if it degenerates into partisan politics. Nor can the federal government afford to lose more revenues, point out William Bechtel, director of Wisconsin's Office of State-Federal Relations.

Acknowledges Bechtel, "It is easier to pass a tax reform bill which reduces taxes, rather than to pass one which is revenue neutral."

RECOMMENDATIONS OF DEMOCRATIC TASK FORCE ON TRADE

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute, and to revise and extend his remarks, and include extraneous material.)

Mr. ALEXANDER. Mr. Speaker, in Boston last Tuesday and Wednesday the Democratic Task Force on Trade heard from more than 20 witnesses from business, management, and academia in the New England regional hearing on trade. We learned from each of these groups the sad story that America is no longer competitive in the international markets and that our markets are being flooded by cheap imports, which in effect is causing a deindustrialization of our country.

Later in the week the Task Force on Trade, led by the chairman, the gentleman from Washington [Mr. BONKER], submitted an alternative trade policy for our country to make us competitive again. It deals with seven points: The inflated dollar, export financing, economic adjustment, export controls, farm exports, natural resource subsidies, and foreign industrial targeting.

I commend the work of the Trade Task Force and of the leadership of the chairman, the gentleman from Washington [Mr. BONKER], and urge my colleagues to give serious study to this proposal in order to make America competitive again in international markets.

DEMOCRATIC TASK FORCE ON TRADE PROPOSAL VERSUS REAGAN PLAN

	Democratic task force plan	Reagan plan
1. The inflated dollar	Convening of an international monetary conference as a prerequisite for a new round of GATT talks. Expanded and coordinated intervention to bring the dollar down to a level consistent with current account balance. Establishment of a strategic capital reserve.	Limited intervention to promote stability. [For the past 4 years the Reagan administration has hailed the inflated dollar as a sign of American strength.]
2. Export financing	$500 million for a mixed credit program within Eximbank and AID. $1.8 billion for Eximbank direct lending in fiscal year 1986 and more in the future.	$300 million for mixed credits within the Treasury Department. [The administration had consistently opposed mixed credits and earlier this year called for the elimination of Eximbank direct lending.]
3. Economic adjustment	Long-term reauthorization of Trade Adjustment Assistance, with financing through a nominal import fee. Expansing of TAA retraining benefits and eligibility criteria. Establishment of a national computerized job bank. Establishment of a permanent Council on Industrial Competitiveness. Development of industry and community adjustment plans in conjunction with temporary import relief under section 201.	A study by the Secretary of Labor on how to improve Trade Adjustment Assistance. [The administration has consistently supported elimination of the program.]
4. Export controls	Stringent limitations on Defense Department involvement in export licensing. Strict adherence to foreign availability standards of the revised Export Administration Act. Narrow interpretation of contract sanctity provision of the Export Administration Act.	[The administration has significantly expanded the scope of export restrictions, adding unnecessary and costly burdens to America's exporters.]
5. Farm exports	$5 billion for export guarantees, with origination fees no greater than one-third of 1 percent. $325 million for Export Credit Program. $500 million set-aside within the Intermediate Credit Program for exports. Reauthorization of the Export Credit Revolving Fund. An expanded and fully competitive Export Enhancement Program.	[The administration has proposed terminating the Export Credit Program and imposing a prohibitive origination fee for export guarantees. The administration has shackled its own BICEP Program with restrictive criteria.]
6. Natural resources subsidies.	Inclusion of natural resource subsidies within the countervailing duty law.	
7. Foreign industrial targeting.	Inclusion of foreign industrial targeting within the reciprocity law (section 301).	

THE SANCTUARY MOVEMENT

(Mr. GONZALEZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. GONZALEZ. Mr. Speaker, today in Arizona, our Government begins its prosecution of 12 church workers who are charged with providing sanctuary to Salvadoran refugees. There has been very little publicity on this case considering its tremendous impact on the 500,000 Salvadoran refugees and the thousands of American church workers in the United States because the trial judge imposed a gag order on

the defendants this past summer. But there are some serious questions about the Government's activities in this case that ought to be considered very carefully.

In order to gather the evidence against the church workers, the Government sent undercover agents into churches to pose as religious congregants and supporters of the sanctuary movement. These false parishioners needed no prior clearance with a magistrate before infiltrating the church. They never approached a neutral judge with justification for their proposed undercover operation—and they didn't have to. Under the law, undercover operations need prior judicial approval only when they involve wiretapping or electronic surveillance. This leaves the infiltration of activities—such as church meetings—completely at the discretion of the police.

Our Government was formed as a triumverate—a system of checks and balances. In the Arizona sanctuary case, there were no checks and balances because, under the law, the Justice Department could act on its own without the usual protections afforded by having an impartial third party consider the propriety of its actions.

It sets a dangerous precedent to allow law enforcement agencies to act without restraint. If our law enforcement agencies are allowed to continue to act unilaterally and without exercising reasonable discretion, our freedom is jeopardized. The Arizona case is exemplary, and we should all be concerned that the outcome of the trial reflect a return to the basic tenets on which our most fair system or government was founded.

Mr. Speaker, I include the following article from the Washington Post by Nat Hentoff:

UNDERCOVER AGENTS GO TO CHURCH

Although the use of undercover agents has become as American as light beer, until now no government agency has admitted to planting them in a church. In trying to make a case against sanctuary workers in Arizona, however, the U.S. government conducted a 10-month undercover investigation, Operation Sojourner, which led to the indictment of 16 people (later reduced to 12). The charges include bringing undocumented aliens illegally into the United States and then concealing them.

The government's case is based on about 100 covert tape recordings, many of them made in church, by two paid government informants, who had disguised themselves as ardently religious supporters of the refugees. Among the tapes are Bible study classes and prayer services.

During recent pretrial hearings in Phoenix, U.S. District Judge Earl Carroll has not appeared particularly impressed with defense arguments based on the state of human rights in Central America or the notion that international law can transcend American immigration rules. Judge Carroll has, however, been disturbed by testimony about the government's creation of a new frontier for undercover agents. Sending "people paid to do it and wired to do it into places of religious activity," the judge said, means "the whole process has been sullied in a sense."

An argument is being made by lawyers for the American Civil Liberties Union and the Center for Constitutional Rights, among other attorneys involved in the case, that all the "sullied" evidence obtained by the false congregants should be thrown out.

The question, they say, is not whether the government can never send an informant into a church. Crimes can be flaunted in holy places, as is richly evident in the histories of England and Russia. But in this country, can covert agents constitutionally be sent into a church without first going before a neutral magistrate—a judge who hears the government's probable cause for planting the informants and then decides whether the government has shown compelling, specific reason to compromise the holy place?

As it is now, no undercover agent, whether he slips into a church or a congressman's office, needs a warrant. Responsible for this largest hole in the ever more tattered fabric of the Fourth Amendment is the Supreme Court, which has never understood that a covert informant is far more intrusive than a wiretap or bug.

The constitutional significance of the sanctuary workers' case is that it may finally produce some warrant requirement for undercover operatives, at least in a church setting. At issue and at risk are First Amendment protections for free exercise of religion and, within that context, for freedom of speech and association. The informants, it should be kept in mind, did not tape only meetings in which those "conspiring" to smuggle aliens were present. They picked up the conversations of a lot of other church members. Yet, only the government handlers of the government informants decided what was to be taped and when. No detached magistrate was supervising Operation Sojourner.

The defense maintains that the warrant clause of the Fourth Amendment must be invoked whenever the government intends to use undercover informants in ways that may threaten significant First Amendment values. Like sending them into a church to pick up anything they can.

During the pretrial hearings in Phoenix, Pastor Eugene Lefebvre of the Sunrise Presbyterian Church testified that a woman who took part in a church discussion that was later found to have been surreptitiously taped is now afraid that the FBI has opened a file on her and that she could be targeted when she applies for a teaching position.

And James Oines, pastor of Alzona Lutheran Church, said from the stand that he no longer holds Bible study classes because some members of his congregation are afraid to come to the church. They no longer have faith that the person sitting next to them is revealing his true heart.

Oines added: "The deepest aspect of their faith and trust was violated. It turned out that we were as gentle as doves but not so wise as serpents."

Among the defendants are a Protestant minister, Roman Catholic priests and nuns, a social worker, a college student and a Quaker rancher. The lawyer for one of them, James Brosnahan, told the National Catholic Reporter that "the government has not made a practice of invading church buildings to apprehend people. I would like to think of it as an aberration that will never happen again."

It all depends on what the courts say. This, after all, is an administration convinced that God, being on its side, would not consider an undercover agent to be trespassing in one of His churches under these circumstances.

A PROPOSAL TO STAGGER TAX RETURN FILING DATES BASED ON A TAXPAYER'S BIRTHDAY MONTH

The SPEAKER pro tempore (Mr. KANJORSKI). Under a previous order of the House, the gentleman from Pennsylvania [Mr. GEKAS] is recognized for 5 minutes.

Mr. GEKAS. Mr. Speaker, I repeat that Halloween of 1985 began on April 15, when the horror stories began to emanate from the taxpayers of the country on the mismanagement of their returns, or nonmanagement of their returns by the IRS in the various regional offices.

Particularly in my section of the country, where the Philadelphia office has been undergoing tremendous problems, they indicate, with their new computer setup. We have been besieged in every district office with hundreds of complaints and shrieks of horror, as it were, on what has been happening to individual taxpayers.

We have had hospitals receive notification that accounts are frozen, and that their assets are to be subjects of liens and other legal actions by the IRS, all to the shock of the managers of that hospital; it has happened more than one time.

There is no excuse for that kind of thing occurring, and we cannot place the blame totally on the fact of computer goblins or gremlins or Halloween ghosts or monsters. The chief cause in the estimation of many for the recurring problems that our taxpayers have been facing has been the crush of filing because of the deadline, the artificial, arbitary deadline that has been with us so long, of April 15.

I have proposed to the Committee on Ways and Means, and have received some favorable comment already from members thereof, that they consider through the tax simplification process that they are now pursuing, that they consider spreading out, throughout the entire calendar year, the filing date for our taxpayers through their birthdates.

In other words, no longer, if my plan should be accomplished, would we all have to file by April the 15th, but rather to file our returns based on our individual birthdates, the month of our birth dates.

Now I yield to the Speaker pro tempore to let me know what month he celebrates his birthday in?

The SPEAKER pro tempore. April 2.

Mr. GEKAS. You have ruined my whole example. My birthday is April 14, so I have the same difficulty.

Now, I happen to know that the lady at the clerk's desk, Mrs. Topper, celebrates her birthday on May 29. Under my system, she would not have to file her income tax return until May 30 of every calendar year.

Now this is the way it would work: If she had a refund coming, she could file the moment she received her W-2, just as she can do now, but she would not have to file by April 15, but rather the last day of the month of May for her particular case. So if she owes money, she would not have to pay until that month.

Now for the first year that this goes into practice, she has received 1 month's grace period, but ordinarily she could get an extension from the IRS anyway to file her tax return, so that is no big deal.

So if every taxpayer after April 15, the first 4 months, we will all have to file between January 1 and April 30. Under this staggered system, that would relieve the IRS of a gigantic crush; would relieve each taxpayer of the necessity of having to line up on April 15, at some post office to file a tax return and thus, we would have an orderly system that would prevent the chaos that is now occurring.

Some people would say, "Well, what happens to a joint return, what if we have two birthdays in a joint return?" There there would have to be an election made as to which birthday would be preferable to the couple filing the tax return. Thus we would have a very simple system, and effective system, spreading out the IRS impact for a full year.

There is ample precedent, by the way, in the States and the District of Columbia, as I understand it, in the registration fees for automobiles. In Pennsylvania no longer do we have the lineups for the artificial deadline for getting a registration; it goes by birth date; and it has worked handsomely. I understand the same system works in the Washington, DC, area. So we have some precedent for doing so.

This would not change the W-2 system at all; the employers would not have to know the birth date of their employees and give them a W-2 that is comparable to that particular birth date; they would continue with the present system; it is simply that the taxpayer would hold the W-2 until the month of his or her birth date.

We have got to do something. I will not tolerate an answer by IRS that this cannot work, that they cannot put it in their computer. With all the other computer problems they have, I am willing to risk another computer problem to straighten the mess out.

I urge the Members of the House to consider strongly contacting members of the Committee on Ways and Means, and ask them to fully consider this.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. NELSON] is recognized for 5 minutes.

Mr. NELSON of Florida. Mr. Speaker, due to official business, I was unable to be present for rollcall vote 359, on October 16, 1985. Had I been present, I would have voted "aye" on the motion to approve the House Journal.

□ 1520

WE NEED MORE TIME TO ANALYZE THE RELATIONS IN THE WAKE OF THE "ACHILLE LAURO"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington [Mr. LOWRY] is recognized for 5 minutes.

Mr. LOWRY of Washington. Mr. Speaker, I do not come to the special order with any prepared text, or certainly I am lacking very much in knowledge of the subject that concerns me which has been that many of the statements on this floor and within the media in our country ever since the action taken against the four terrorist hijackers of the Italian ship, what I am specifically referring to are statements made against our strong allies or our valued allies, outstanding allies, specifically, the President of Egypt, Mr. Mubarak, whom I have observed to be a thoughtful world leader, and I think we all realize he is a valuable ally of the United States.

Well, I have also realized that the Egyptian-Israeli Camp David accords are one of the most important foreign policy questions, objectives, and progress that has been made in one of the most difficult regions of the world in many, many years.

While I am seeking more information as to specifics of what went on in the negotiations relative to the action taken of forcing down the Egyptian commercial airliner, as to what was known by the leadership of Israel, Egypt, or anybody else, I want to make it clear that I do not know, I do not know. I am looking forward to finding out more. But I really hope that as we discuss this extremely difficult question of terrorism on which we are all united, as against those coward terrorists, and we are all united in having the right action taken against terrorists, I have never met a thinking human being who does not want to do that, I want to also be very cognizant of how important it is that we work with our allies in doing that. Again, in saying that, I am not saying that we did it in this instance, but as I read more and more accounts and as I watched the President of Egypt on, I believe, television on Sunday, and the strength of the statements, and the way he was saying it, I am concerned, and I hope that we are all dedicated toward maintaining a strong alliance with the people of Egypt, a stong commitment, continuing commitment, toward the hopes of the Camp David-Israeli-Egyptian accords and also a strong realization of how important Italy is to us as one of our important NATO allies.

I think we are in agreement on that. I just wanted to make that statement and hope that we are all thinking in that direction.

Mr. Speaker, I yield back the balance of my time.

THE LESSONS OF GRENADA—UPDATED

The SPEAKER pro tempore (Mr. HAYES). Under a previous order of the House, the gentleman from Pennsylvania [Mr. RITTER] is recognized for 60 minutes.

Mr. RITTER. Mr. Speaker, in one captured message, Marshal Ogarkov, then head of the Soviet military, said:

> Nineteen years ago we had only Cuba; today we have Cuba, Nicaragua, and Grenada, and the battlefield is El Salvador. We are making progress.

This week we celebrate the "Lessons of Grenada Week." I would like to commend my colleagues, Representatives NEWT GINGRICH and IKE SKELTON, for introducing a resolution, House Resolution 313, to authorize the President to proclaim the week of October 20, 1985, "The Lessons of Grenada Week."

Grenada is an awfully important place. No, it is not important because it is one of the larger countries in our hemisphere; it is not because it is one of the most economically powerful countries in our hemisphere; it is not important because it has a very large population. No, Grenada is important because Grenada is a symbol.

What does Grenada symbolize? I have here a synopsis of documents. The overall number of documents reaches from the floor to the ceiling and comprised thousands upon thousands of pieces of paper. This synopsis of documents, called "The Grenada Documents, an Overview and Selection," underpins the symbolism of Grenada for all the world to see.

Grenada was the location where the Soviet Union and where the Cubans sought to develop a Marxist-Leninist government. What we have in these Grenada documents are the details of how this process occurred. What we

have are documents in Russian, what we have are documents in Korean, what we have are documents in the languages of the Soviet international fighting force, that state the reality of what was happening in Grenada for those years during the Bishop leadership, up until the date of liberation.

Grenada is important to the American people because it points out how, in detail, the Communist government, supported by the Soviet Union, using the Cubans as surrogates, come to power and then sought to extend their influence elsewhere.

I had the pleasure, or should I say the intriguing experience, of traveling to Grenada with a group of Congressmen directly after the liberation.

While in Fort Frederick, which is where Bishop and some of his supporters were brutally murdered by the usurping Coard faction, I had the opportunity to come across some documents of my own. Our own intelligence services had barely been through this location and the various countries involved in the liberation had barely cleaned up the floors. This document that I have, which is a diary, I believe says a great deal about what was going on in Grenada. Let me just quote from a few of these pages. On one page of the diary, which also has the budget of its owner in there, the monthly budget of its owner, who, I might add, turned out to be a member of the Central Committee, Mr. Liam James. One of the line item entries in this budget is his stipend. This stipend comes from the Soviet Union. This gentleman was being paid $650 a month from the Soviet Union. That is in his line of income as opposed to his line of expenses. He had his taxes, which were $100; he had his party dues, which were $50; he had his credit union costs, which were $50; he had his bank payments, which were $500; and then he had the Soviet Union at $650.

Throughout this diary are references to his interactions with the Cuban Ambassador, which the Soviet Ambassador, with trips to the Soviet Union, with banks, and bank account numbers in New York City.

I recommend for anyone who is really interested in what happened in Grenada to go through this diary and see the influence of the Cuban colonels and the Vietnamese and the North Koreans and the Soviets on this Bishop government.

The lessons of Grenada are awfully important for the American people when it comes to the current debate over Nicaragua. There is a great deal of difference of opinion over what is going on in Nicaragua. I submit, if anyone goes through the Grenada documents even cursorily, their views of what is happening in Nicaragua would change markedly.

We had an opportunity to travel to Nicaragua not long ago, and I went with a fellow Congressman, Congressman BROWN of California. We met with the leadership of all the different countries in the region, and I can tell you the leadership of these countries in the region, El Salvador, Honduras, Costa Rica, understand the lessons of Grenada. Their views of the Government in Nicaragua were eminently clear. We had an opportunity to meet with the Nicaraguan leadership as well. We met with Daniel Ortega, we met with Thomas Borge, in a wide-ranging discussion with Thomas Borge. It was obvious that his background was one of a strong Marxist-Leninist, that he was, as the major figure in the revolution, committed to a Marxist-Leninist state; that his involvement with the Soviet Union and with the Vietnamese and with the Cubans was powerful and that what we see in Nicaragua is essentially a rerun of what had happened in Grenada.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. RITTER. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding because he is mentioning the parallels between the situation in Grenada, Cuba, and some of the other parts of the world. I wonder if the gentleman would reflect upon the conversation that he was recently involved in, where I was there too, with the President of the Soviet Union, Mr. Gromyko, in which he also defined just how closely some of these things are tied together? We know from the Grenada documents there was direct Soviet involvement in Grenada; from some of the Grenada documents we know, for example, that the Soviet military was in regular communication with the Grenadan Government. We know about Soviet involvement in Cuba. We know about Soviet involvement in Angola. The gentleman in this meeting posed a very interesting question of the President of the Soviet Union, Mr. Gromyko. He asked him about the Sovietization of Central America. I wonder if the gentleman might reflect for a moment as to what the very interesting answer of the President of the Soviet Union was.

□ 1535

Mr. RITTER. Yes; we discussed human rights conditions and what we felt was the re-Stalinization occurring in the Soviet Union. We discussed the invasion of Afghanistan and the decimation of an entire population, and we brought up the Sovietization of Nicaragua, specifically.

The President of the Soviet Union, Andrei Gromyko's, response to this comment was that he pitied us because he felt we were victims of a campaign of disinformation, which was running apace in our Western media.

So he took the human rights violations, the fact that I mentioned that five Ukrainian human rights activists alone, Helsinki monitors, some of whom were in their thirties and forties, have died within the last 1½ years in Soviet prisons and camps, and he took Afghanistan, and the Sovietization of Nicaragua as a disinformation campaign. He added on to that—and this is where the gentleman's comment is very relevant—he added on to that, "We have heard the same stories, the same disinformation, about our activities"—Soviet activities—"Cuba and Soviet activities in Angola, and it is the same disinformation."

In other words, the President of the Soviet Union stated that essentially what they were doing in Nicaragua, what they were doing in Cuba, and what they were doing in Angola, was essentially the same. It is all disinformation.

Mr. WALKER. I think this is an important point, if the gentleman will yield again. It was certainly my impression, based upon what we were told by the President in that meeting just a matter of a few days ago, that what he was telling us was that "We are no more involved in Nicaragua than we are in Cuba or Angola," and for those in this country who have been supporting the Sandinista government and who have been suggesting that there is no real problem down in Central America, no real problem in Nicaragua, I think they ought to reflect upon that statement, because it was certainly clear to me, in the course of that conversation, that he was saying, well, you know, it is just all lies, it is lied about that we are involved in Cuba. Well, they only have submarine bases there, they are only providing a large portion of the GNP of that country, they are only doing major things there. In Angola, they are only supplying the army with a great deal of weaponry, they only have Cuban troops based in the country. I mean there is direct involvement. It is not disinformation to suggest that they are there in large numbers, and he is saying, "We are no more involved there or in Nicaragua than we are in Cuba and in Angola." That is a pretty devastating admission when you think of the implications of it.

Mr. RITTER. Yes, it is. I thank the gentleman for pointing that out.

Mr. BURTON of Indiana. Mr. Speaker, will the gentleman yield?

Mr. RITTER. I yield to the gentleman from Indiana.

Mr. BURTON of Indiana. Mr. Speaker, I accompanied the gentleman on our trip to Grenada a couple years ago, a little over a year ago, when the liberation took place. The previous

speaker alluded to a lot of the disinformation that the Soviets say is just that, disinformation, when, in fact, we have factual information that proves that they just continue to lie one day after another.

In Grenada, the gentleman will recall that we saw thousands of AK-47 machineguns and 4 or 5 million rounds of ammunition that came from the Soviet Union in 2 buildings, and we saw secret documents that pledged 15 million rubles in direct military aid to the Grenadian Communist Party, and $10 million in aid from the Korean Communist Party to Grenada to outfit 12,000 troops on that Island that was 8 miles wide by 18 miles long, about half the size of most urban areas in the United States of America.

So the Communists, supported by the Soviets, directly supported by the Soviets, were subverting not only the people of Grenada but hoping to use that to launch further military adventurism in Central and South America.

In Nicaragua, we know that last year the Soviets sent 18,000 tons of war materials into that country, 68,000 tons into Cuba, and they sent over $1 billion into countries like Mozambique and Angola.

So when Mr. Gromyko says that is disinformation that the United States is putting out, we know what we are talking about. We know that he is the liar.

Mr. RITTER. If the gentleman will yield back for a moment, he did not even say that it was disinformation that the United States is putting out. He said it was disinformation from our media and that these stories were simply petty accounts. He was not even blaming the Government. I suppose he was blaming the New York Times, the Washington Post, UPI, AP, and essentially the fourth estate of the United States for disinformation.

Mr. BURTON of Indiana. If the gentleman will yield further, that is kind of like the pot calling the kettle black. In Nicaragua, for instance, we found out on the Foreign Affairs Committee that they were involved in a massive disinformation plot here in the United States not long ago, and it was supported by the Soviet Union.

There is a law firm here in Washington, DC called Reichler & Appelbaum, who has received over $300,000 in retainers from the Communist government of Nicaragua last year, and this law firm in Washington decided they had to make the Communist Sandinistas look better in the eyes of the American people, to get Congress off their backs. So this law firm sent a team of people down there to do a human rights study that would favor the Communists. Their airfare was paid for by the Communists, their lodging was paid for by the Communists, their transportation down there and food and everything was paid for by the Communists. And, obviously, when they came back they had written a report that was favorable to the Communist Sandinista government saying that they were the good guys and the freedom fighters were animals. After that, they sent a second team down to verify what the first team came up with in the form of this report purely for the reason to distance themselves from this report because they had received this huge retainer from the Communist Sandinista government. Well, they came back to Washington, and the Washington Office on Latin America, a liberal think tank, wrote this report up, and three U.S. Congressmen met with these people and they had a big press conference, and at this press conference they pointed out that this report, paid for lock, stock, and barrel by the Communists, said that the human rights atrocities taking place in Nicaragua were primarily being caused and perpetrated by the freedom fighters down there instead of the Communist dictators.

Well, that night on all the major networks, everybody in America saw that the freedom fighters were the bad guys and the Communists were the good guys, and it was all paid for by the Communists. It was pure Communist disinformation. So when the Communists tell us that we are involved in a disinformation scam, if you please, we should make sure that the American people know it is just the opposite, that the Communists are buying information in this country through the media.

Mr. WALKER. If the gentleman will yield, I will point out something that the gentleman from Indiana might be interested in. I don't know if he saw the interview on this morning's network by Phil Donahue of the Communist dictator of Nicaragua, Daniel Ortega, but he may be pleased to know, having cited all of the amounts of arms that the Soviet Union has poured into Nicaragua, that when that question was raised on the Phil Donahue show, Daniel Ortega's response to that was, well, he would be glad to take weapons from the United States too.

Mr. BURTON of Indiana. I am sure he would.

Mr. RITTER. What is interesting about the Grenada documents is how in detail the development of this satellite state came about. I have before me just one of the 35,000 pounds of hidden secret documents. It is entitled, "Protocol."

(Mr. RITTER proceeded to make the following remarks in Russian:)

Protocol to the Agreement between the Government of Grenada and the Government of the U.S.S.R. of October 27, 1980—

I am reading this in Russian simply for effect, obviously. But it says something about the Sovietization. These documents are in English. These documents are in Russian. And these documents weigh thousands of pounds.

Now, I think what we find here, with Gromyko's response to seven American Congressmen, characterizing what we know to be the Sovietization of Nicaragua as disinformation and then equating it with Cuba and Angola, a kind of denial response of which the American people have to be very wary.

We saw that in Paris, when Gorbachev answered the French journalist's request on information on political prisoners and human rights violations. Gorbachev's response was to deny the whole thing by attacking the character of the French journalist.

Now, in order to understand what is happening in our Hemisphere, in order to understand what is happening in Nicaragua, in the face of a monumental campaign of denial and disinformation on the part of our adversaries, the Grenada documents and the lessons of Grenada assume far, far greater importance.

The peace talks, the arms talks that will take place between Mr. Gorbachev and Mr. Reagan, take place within this framework of a Sovietization of a Western Hemispheric country. We unearthed a model of the Sovietization which is occurring today in another Western Hemispheric nation. It is important that the people of the United States have some familiarity with the depth of the relationship between the Soviet Union, and their military, between the previous Grenada Government and their military, and between the Nicaraguan Government and their military.

Recently, it was said by the Nicaraguan Government, by Daniel Ortega, that they curtailed human rights and civil rights inside Nicaragua because of American support for democrats, small "d" democrats, fighting for freedom inside Nicaragua. At the same time, reports have reached this country that the military pressure the Sandinistas have been putting against these democratic forces has been reasonably successful, and that indeed, to some extent, the Sandinista-Soviet-Cuba-supported forces have gained somewhat the upper hand.

So here the Nicaraguan Government is reducing drastically the remaining vestiges of civil and human rights inside Nicaragua at a time when militarily they are gaining the upper hand ove. the Contras.

What Grenada shows, what the model shows, is that these individuals are not averse to telling untruths, are not averse to calling black white and white black, as evidenced by the recent performance before seven Congressmen branding human rights violations and the invasion of Afghanistan as disinformation. The American people have got to understand that

when they watch Daniel Ortega on the Donahue show not everything is altogether objective and open.

Mr. ROTH. Mr. Speaker, will the gentleman yield?

Mr. RITTER. I yield to the gentleman from Wisconsin.

Mr. ROTH. I thank the gentleman from Pennsylvania for yielding.

Mr. Speaker, first of all, I want to congratulate the gentleman for making this prediction of what was going to happen in Nicaragua a long time ago. I do not know of any more perceptive Member than the gentleman from Pennsylvania [Mr. RITTER] or the gentleman from Pennsylvania [Mr. WALKER] or the gentleman from Indiana [Mr. BURTON] on this particular issue, and I want to say thanks for taking this time for this special order.

The gentleman predicted this a long time ago. Susan Sontag said something about this, too, in one of her famous speeches, where she said that it seems that the conservatives are much better at predicting what is going to happen in a totalitarian society than the liberals are.

But I think that we have an obligation here in this respect—in that here we have an individual and a country that we debated for hours and hours, days on end, on this very floor, and when there is repression, when there is denial of human rights, you hear nothing from the other side. Where are all the apologists for this regime, not only here on this floor but also in the media?

I just want to make one more comment, and that is that we conservatives are not winning because we do not get our story across. What the gentleman is doing with the special order, in this way, is trying to get the story across, and I compliment the gentleman for doing that. I wish we had more people doing that. But we are losing the war of words, and that is where the next battle, the next war is going to be won or lost.

I compliment the gentleman again for taking the initiative on this special order.

Mr. RITTER. I thank the gentleman.

Mr. Speaker, during the Vietnam war, the South and the North were locked in mortal combat and the North had the Soviets on their side and at that time the Chinese, and the South had the United States on its side. This was a major war, not some Contra group off in the hills somewhere, these were main-force North Vietnamese units attacking a country, South Vietnam. At that time you could hear just loads and tons of comments on the floor any time there was a human or civil rights violation on the part of the South Vietnamese Government in the midst of a major war.

□ 1550

That was here in Washington, DC; here in this Congress.

I yield to the gentleman.

Mr. ROTH. I appreciate the gentleman yielding; I know we have only so much time.

Mr. Speaker, I want to go back to the issue that we are facing here today of what is taking place in Nicaragua, because I do not think we want to lose the focal point. I think we want to take a look at that issue and spend just a little time on it. Again, I appreciate the gentleman yielding.

Mr. Speaker, to me, it is an outrage that the Nicaraguan ruler, Ortega, who represses every form of freedom of expression within his own society will come here to the United Nations and berate the policies of civilized governments including our own. The stench of hypocrisy hangs so heavily that even its most ardent apologists, both in this body and in the national media, I think should be ashamed of themselves.

Where is the outrage? Where is the press coverage? Where are the liberals in this body who constantly lecture about human rights and fledgling democracies like El Salvador? Where are they? Mr. WALKER, where are they?

I am particularly horrified by the recent clampdown that has taken place as far as the church is concerned in Nicaragua. It is bad enough that the thugs from that regime have publicly humiliated priests time and again who have refused to accept the Sandinista-controlled "People's Church." It is even worse that Nicaraguan faithful to the traditional church are being beaten and jailed, incidentally, without due process of law.

How can this be? The church clearly sided with the revolution that brought the Sandinistas to power. Perhaps Mr. Ortega's apologists would like to blame the U.S. Government for the increased repression. I think they should wake up and confront reality. That is why I think this speech of Susan Sontag, and I am going to ask that that be put into the CONGRESSIONAL RECORD to be read by every Member of this body, because here is a person on the other side of the aisle, a liberal, who says, "Hey, we are not being realistic and these are the reasons why." Here are the reasons why the conservatives are so much more accurate in determining and predicting what is going to happen in a totalitarian, especially a Communist society. I think that that should be an awakening to us all.

Mr. RITTER. During the era of Maurice Bishop in Grenada there was a wide body of support for Mr. Bishop here in this Congress and within certain aspects, sectors, of American intellectual thought. Mr. Bishop is a charismatic figure, by the way. They are all charismatic figures; Daniel Ortega is a charismatic figure; Fidel Castro is a charismatic figure; Gromyko is a charismatic figure. But simply because somebody is attractive and well-spoken and has a nice personality and a capability personality does not mean that what they stand for is anything that we should be standing for.

I yield to the gentleman.

Mr. ROTH. I thank the gentleman for yielding to me. I do not know if they are all charismatic figures; I personally do not think so. Anyhow, I want to make this comment about the church in Nicaragua because I think it is important.

The church is under attack because the bishops there have called for peace and reconciliation among all segments of society, and is that not what we have always done as far as El Salvador and all the other countries that we are concerned about? Yet, the regime sends the armed mobs to disrupt services, destroy church property and beat up the people who are worshiping.

The moral authority that the church enjoys among the general population has forced this regime to bend to total power to expel many priests from their own country. As a spectacle, the repression that takes place there, I think its going to be harder and harder to ignore. I hope that those on the other side of this issue will join us in pressuring the regime to stop the persecution that is taking place. After all, I do not think we would acquiesce to that in any country in the world, especially in a country like Nicaragua.

So if we are looking for evenhandedness, we are looking for a dual policy, I think this is precisely the time for us to speak out and ask for that. I thank the gentleman again for being so gracious with his time.

Mr. RITTER. I thank the gentleman for his valuable contributions. The lessons of Grenada are particularly important today as we witness a dynamic situation in Nicaragua, a situation where the President of Nicaragua, the so-called President of Nicaragua, is here propagandizing in our country much in the same way that Maurice Bishop did when he was top leader in Grenada.

Mr. Speaker, I yield to the gentleman from Indiana [Mr. BURTON].

Mr. BURTON of Indiana. I thank the gentleman.

Mr. Speaker, in addition to the repression that existed in Grenada when the Communists took over under Maurice Bishop and the repression that is taking place in Nicaragua today and in Vietnam and elsewhere, one thing that really ought to be brought to the attention of the American people is what they are doing to the minds of the very young.

The first thing the Communists do when they take over a country is bring in teachers to make sure that they indoctrinate the children in revolutionary tactics and Communist dogma.

In Vietnam for instance, General Weyand, our last commanding general, was asked this question: "Why did the Communists keep coming when they lost over 1 million men?" The United States lost about 55,000 men, the South Vietnamese lost about 55,000 men, but the Communist Vietnamese lost over 1 million and they kept coming. He was asked why that occurred.

He said, "In my opinion, I found something in a North Vietnamese Communist textbook that gives me a clue, and that was early ideological indoctrination. If four Imperialist warmongers appeared and two were killed, how many would be left?" They taught children to add, subtract, multiply and divide by using revolutionary examples. Murdering people.

Now, in Nicaragua today, you and I have been down there in recent months, when I was in Nicaragua I was able to get a Communist Nicaraguan first grade mathematics book. If you look at that book you will find that they are adding by 3 AK-47 machineguns plus 3 AK-47 machineguns or how many machineguns. Two handgrenades plus two handgrenades are how many handgrenades. That is just in the first grade. They are indoctrinating these children in our hemisphere to be zealots like they were in Vietnam. If we are not aware of what went on in Grenada and what is going on in Nicaragua today, our children very likely will have to face these children on the battlefield at some future date, and nobody wants that.

We need to be aware of what happened in Grenada and what is going on in Nicaragua right now and make sure that we stop it.

Mr. RITTER. I thank the gentleman for his valuable contribution.

There are some 250 to 300 college campuses which will be dealing with the lessons of Grenada this week. There are some 50 high schools which will be dealing with this subject. As we try to meet the propaganda offensive of Gorbachev and this new relationship between Gorbachev and the media, we have no greater intellectual resource at our fingertips than what has happened in Grenada.

Again, Grenada is not the biggest country, it is not the wealthiest, it is not the most populous, but it serves as a model. A model for Nicaragua, a model of what happened in Cuba. The Angola situation, Ethiopia. I would like to just point out that idea of models for a moment.

One of the pages in this diary of Liam James', one of the Central Committee members, talked about his meeting with "B." "B" is Bishop, and he refers to Maurice Bishop as "B" throughout the book. There are three items here on this particular meeting day in the meeting with "B."

One, Model for Seizing State Power. Two, Model for Economic and Military Destabilization. And, three, Model for Terrorism Against the People.

□ 1600

This is pretty strong stuff. And if the Soviets and the Cubans are responsible for this kind of Communist model-building in Grenada as all of the documentation shows that they were, and if they are active in Nicaragua as they are today, then one needs to draw the simple conclusion that if we could ever break into the hall of documents or the archieves in Managua, we would come up with perhaps more than 35,000 pounds, and we would come up with a teaching week that we could conduct calling it the lessons of Nicaragua Week.

I will close with the comment that what resulted in Grenada is a very hopeful sign for Western civilization, because, number one, it showed that a Communist regime could be turned around, that it was humanly possible, and that gives great hope to resistance movements fighting in Angola, in Cambodia, in Ethiopia and in Nicaragua itself. It gives great hope to what is the real trend in revolutionary movements in the 1980's, and that is revolutionary movements against Marxist-Leninist governments.

The idea, the very idea that poorly equipped, freezing, hungry freedom fighters in Afghanistan could be taking on the entire weight of the Red Army, some 125,000 strong, is in itself a miraculous idea. And that gives hope to other revolutionary movements which have taken hold around the globe comprising this new trend.

I commend once again the diligent originators of this resolution, Representatives GINGRICH and SKELTON. I call upon my colleagues to play their pertinent role in the Lessons of Grenada Week.

Mr. Speaker, I yield back the balance of my time.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 2781

Mr. MOLLOHAN. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor on the bill, H.R. 2781.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

FIREARMS OWNERS' PROTECTION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri [Mr. VOLKMER] is recognized for 60 minutes.

GENERAL LEAVE

Mr. VOLKMER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on this special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. VOLKMER. Mr. Speaker, this morning I filed Discharge Petition No. 4 which will bring the Firearms Owners' Protection Act to the floor. I am greatly encouraged by the support given by my colleagues so soon.

I want to thank my good friends—LARRY CRAIG, TOMMY ROBINSON, and RON MARLENEE—for joining me in this special order to discuss the philosophy and implications of the Firearms Owners' Protection Act.

The Protection Act represents the second most important step in the history of American gun owners—the first was the second amendment to the U.S. Constitution. The Volkmer-McClure Firearms Protection Act is the result of 6 years effort to guarantee the liberties of those who enjoy the right to own firearms for sport, recreation, and protection. The Protection Act will make the provisions of the 1968 Gun Control Act reflect the values and heritage of this country by directing enforcement toward those who illegally traffic in firearms, toward those who criminally use firearms and away from regulation of the law-abiding citizen. This bill will modify the primary Federal law affecting our 200,000 licensed firearms dealers and 80 million firearms owners and collectors to insure their civil rights are not abused as they presently are under the 1968 Gun Control Act.

The 1968 Gun Control Act was hastily drafted during a time of tumult in the country. One of its stated purposes was "To provide support to Federal, States, and local law enforcement in their fight against crime and violence." Along the way this act required persons "engaging in the business" of dealing in firearms to obtain a license, required these dealers to maintain records of sales, and imposed felony penalties, forfeiture of firearms, and other penalties on unintentional violators.

Enforcement agencies, like most organizations seek to grow. Over the 12 years following enactment of the 1968 Gun Control Act, the firearms enforcement unit grew from an IRS subunit with 214 agents to a full Treasury Bureau—Alcohol, Tobacco, and Firearms—with more than 1,200 agents on firearm-related duties. Such explosive growth required impressive results, and the 1968 Gun Control Act provid-

ed the open door to make easy cases against unsuspecting persons. With the strict liability provided by the act even the most trivial and unintentional misstep would do.

As a result many of these trivial cases began to be brought to my attention in which the purpose of the original act had clearly been ignored. And another stated intent of the act—"to place any undue or unnecessary Federal restriction or burdens on law-abiding citizens with respect to the acquisition, possession, or use of firearms"—was clearly violated by the technical enforcement practices being utilized. Citizens such as a disabled veteran and Boy Scout leader, a policeman in Maryland, who as a French national earned his American citizenship by volunteering for the Army during the Vietnam war, and an elderly couple in rural New Mexico were just examples of those law abiding individuals caught up in the web of bureaucratic technical enforcement. This is why I first introduced the Firearms Owners' Protection Act in September 1979.

At that time, I was a member of the Judiciary Committee and a member of the Subcommittee on Crime which has jurisdiction over firearms legislation. By the end of the 96th Congress 181 House Members had cosponsored the Protection Act, including a majority of the subcommittee. What was the result of this show of support—nothing. No hearings were held on the merits of the legislation, and the one hearing dealing with BATF oversight was adjourned when we began going too deeply—for the chairman—into BATF practices. My good friend, JIM MCCLURE, introduced Senate companion legislation during the same Congress and secured majority cosponsorship of that body before adjournment.

In the 97th Congress the Protection Act was again introduced by Senator MCCLURE and myself. In the House 180 of our colleagues again cosponsored the bill and again no action of any kind occurred in the House Judiciary Committee. Our colleagues in the other body, however, held 3 days of hearings, specifically on the merits of the legislation. Also, during this Congress a series of meetings among officials of BATF, the White House, represented by now Attorney General Meese, Neal Knox of the NRA, Senator MCCLURE, and myself, resulted in a number of modifications which met Federal law enforcement concerns and were agreed to. Ultimately, the Senate Judiciary Committee reported a modified version of the bill but unfortunately the Congress adjourned sine die before the full Senate could act.

Again, in the 98th Congress the legislation was introduced and again no action occurred in the House. The other body, however, held two additional days of hearings on the merits of the bill and following another series of meetings with Treasury and White House officials further refined the bill to insure no adverse law enforcement effects. The Senate Judiciary Committee again reported the Firearms Owners' Protection Act but again sine die adjournment prevented action.

This brings us up to the current Congress. Because 5 days of hearings had previously been held and the bill twice reported by the Judiciary Committee, by unanimous consent, the Senate bill was held at the desk and became eligible for immediate floor consideration.

As we all know, on July 9 the Senate passed the Firearms Owners' Protection Act by the overwhelming vote of 79–15. Because of the history of strong support for the protection act many people have asked why the House has not acted upon the legislation. I believe that the answer lies in anti-firearm ownership philosophy which the chairman of the Judiciary Committee holds. Chairman RODINO's first public comment upon passage by the Senate of the legislation was "the bill is dead on arrival in the House." These are hardly the comments of a chairman who will give serious consideration to the merits of the legislation. In addition his bias against firearms ownership can be best illustrated by this comment before the Senate Judiciary Committee, Subcommittee on Crime on March 4, 1982. The chairman stated in reference to his gun control legislation (the Kennedy-Rodino bill): "I do not claim that it will stop crime. I realize that, despite a national law, criminals would continue to find ways to get these deadly weapons." If a national law which would ban the manufacture and possession of some firearms, and would seriously restrict a citizen's ability to own other firearms, but will not prevent criminals from acquiring firearms—then what is its purpose?

The only purpose can be to prevent the lawful ownership of firearms by the general public. In other words, those who control the Judiciary Committee do not believe anyone should own a firearm because they find no use for them. I believe the chairman will get a strong argument on that point.

To emphasize this point I would like to share a letter from one of my constituents representing 30 percent of the adults in the country that hunt.

DEAR CONGRESSMAN VOLKMER: I have been trying to write this letter for what seems to have been all morning. I wanted this letter to sound really official but I'm a mechanic not a businessman. I even have a dictionary next to me so I can spell all of my words correctly. I guess there hasn't been an issue of as great as importance to me as this gun control business.

Sir, My two boys are coming of age when they will soon be joining me on my hunting trips for deer and turkey. There are many good memories that a person gathers over the years of hunting. It is truly impossible to put these memories into words on a sheet of paper for example how the hair stands up on the back of your neck when that ole boss gobbler cuts the complete quiet on a fresh spring morning or when that buck of a lifetime has made the largest scrape you have ever seen in your area and you know that this is the year the two of you will finally meet.

I want my sons to have the right to gather their own memories and join me on these hunting trips. I guess that the people that are trying to take our firearms away from us have just not experienced the pleasure of hunting.

So sir, I am counting on you to help pass the McClure-Volkmer firearms owners protection bill.

Sincerely,

TERRY L. SEALS.

□ 1610

Before I go any further, I would like to say that the strong opposition to this legislation, of course, comes from the National Coalition to Ban Handguns. They have repeatedly wrongly characterized this legislation and tried to make it out that it is legislation that will assist criminals and felons. As one who has been in the past strongly supportive of legislation for mandatory sentences for those who commit a crime with the use of a weapon in the commission of a crime, I would like to say that that characterization is all wrong.

I have here a newspaper that was printed in my district during the last campaign. I would like to quote from here. It says that this bill that we have would destroy the limited Federal protection that prohibits handguns from being purchased by felons, fugitives, drug addicts, court-adjudged mentally defective people.

It does no such thing, but these are the kinds of misrepresentations that opponents of this legislation would try to leave the law-abiding public, law-enforcement officials to believe.

It does not do anything like that.

It also says that it is a mail-order bill, to permit mail-order sales. It does not. It does not change any provision in the present law in regard to mail-order sales. It does not change any provision in the law that now prohibits felons, former felons, criminals, mentally defective persons, drug addicts, or anybody else that are presently restricted from buying guns. It does not change the law to permit them to do so.

These are things that are put out by those who want to take everybody's gun away, every gun, every rifle, every shotgun, from every hunter, from every law-abiding citizen in this country. They are known as the Handgun Control Coalition, the handgun control people. They are putting out information around the Hill in the last few days, including today, that again is misrepresentative. I believe everybody should take that into consider-

ation. This is a sportsmen's bill. It is a bill to deal with some of the problems that have been created by legislation that was passed in 1968, in the Gun Control Act of 1968.

With that, I yield to the gentleman from Idaho [Mr. CRAIG].

Mr. CRAIG. Mr. Speaker, I would like to thank my colleague, the gentleman from Missouri, for taking this special order and for his phenomenal leadership on this critical national issue. It has been my pleasure to join with my colleague, the gentleman from Missouri [Mr. VOLKMER] over the last several months in putting together the rule and the discharge petition that is now before this body.

I would like to talk from a slightly different point of view, but certainly one that coincides directly with my colleague's concerns and why he has become a leader, with Senator MCCLURE of Idaho, in this very, very important issue.

Mr. Speaker, the Firearm Owners Protection Act is designed to correct a serious misapplication of the law. It is not an antigun-control move, nor is it designed to subvert the intent of the law as it now stands. Innocent citizens who have had no intention of wrongdoing are being persecuted and prosecuted. It is our task to bring these injustices to a proper and a prompt end.

The Gun Control Act of 1968 was conceived and brought forth in an atmosphere of hysteria, not only here in the Congress of the United States, but across this country. Assassinations of leading and beloved Americans had become too commonplace and the citizenry demanded, and rightfully so, that Congress take some form of steps, some immediate action, to counter these kinds of tragedies that were going on in our country and, of course, the Congress acted. It acted in a swift way and we are now beginning to feel the consequences of that act today; that as happens all too often, the steps that we took here in this body to satisfy what was public clamor for a solution failed in providing any kind of solution whatsoever.

The 1968 act introduced an era of violence which dimmed even the horrifying killings that had brought forth the very act itself.

From 1967 through 1972, the national homicide and handgun homicide rate rose by half in this country, while robbers and robberies involving the use of handguns nearly tripled.

In other words, did the law of 1968 work? No, of course, it did not work. We know that now. We have records to prove and statistics to demonstrate that the act itself served really no purpose whatsoever.

It can potentially affect, though, nearly half the households in America today, for this number, nearly half of the households in America today, own guns and are exposed to the needless and counterproductive application of the 1968 law.

This problem is not only a potential one, it is a real one that is occurring on a day-to-day basis in every community and in every State and in every county across this country. It is a fact and this legislation attempts to deal with it.

The Senate Subcommittee on the Constitution has found that 75 percent—now, let me repeat that figure—that 75 percent of the Federal firearms prosecutions are aimed at ordinary citizens who have neither criminal intent nor any idea of breaking the law.

In other words, the 1968 Gun Control Act is resulting in the prosecution of innocent citizens in every State who have done nothing more criminal than to own a gun or to result from some slight mistake in a bookkeeping error that is easily correctable.

This is a situation that this act can correct and will correct if this body is courageous enough to move as rapidly as the Senate has.

With so much enforcement effort being directed toward noncriminals, we continue to see those who do the actual wrong going free. A society in which the innocent are punished and the guilty left untouched is a society in serious trouble, and in my opinion the 1968 act contributed to that kind of attitude in our country.

Every item in the Firearms Owner Protection Act is designed to correct and recognize a documented flaw in the 1968 act. Every concept is shaped to free those who enforce the law, to pursue those who break it with the intent of doing wrong. It targets those who knowingly sell weapons to those who are prohibited from owning them and who are the violators of the law, as well as those who use them for purposes contrary to the interests of our society.

The proposal we seek to bring to this House floor will not give free rein or undue encouragement to all owners of firearms. Substantial regulations will remain on the books to ensure that guns of all kinds are used properly, as they should be and as they are by the majority, the substantial majority of gun owners in this country. Legitimate owners of firearms recognize their responsibilities and live up to them under the Constitution. They should be protected. They should not be prosecuted.

Mr. Speaker, this legislation has received the careful thought and sober review which should have gone into the original act in 1968 and which we now attempt to correct today.

Let us now in a calmer environment, in a calmer atmosphere, right the wrongs Congress has created and free the forces of law to do their rightful work, and that is to protect those of us and the gun owners across this country who are the innocent, who are currently being prosecuted.

Now, Mr. Speaker, I have been asked by a good many Members here on the floor why, in view of the hearings scheduled by the House Judiciary Committee, as my colleague, the gentleman from Missouri, has mentioned, should we seek to discharge this issue at this time?

Well, it is awfully hard to believe that an issue like this which the American public are clamoring for should not get a fair hearing and fair review before the chairman of the proper committee, and that is the House Judiciary Committee; but as my colleague, the gentleman from Missouri, has mentioned, the chairman of that committee right up front on the day that it passed the Senate told us exactly what he thought of it, and those comments were, "Dead on arrival."

Now, what does that tell us? That tells us very clearly that the opportunity for fair hearings, but more importantly, the opportunity to move from fair hearings to the floor for a good, clean up-or-down vote, to allow the membership of this body in representation of their constituency across the Nation, to reflect the attitude of that constituency, simply will not be given an opportunity unless we follow the route that we have chosen and that, of course, is to discharge a rule that will give that kind of fairness and direct participation on the floor.

Now, that is what we are about, Members of this body, is to discharge the rule, not the bill, but to then give the opportunity of fair discourse on this floor and a chance for the Members of this body to get a clean up-or-down vote on a most critical issue.

As I mentioned in my earlier comments, it is not our intent, and I think anybody who reads McClure-Volkmer S. 49 knows this is not an intent to subvert the law. This is clearly an intent to correct the law that was poorly thought out, that was moved in a period of hysteria in this country and that has today now built a record of misapplication in its targeting of the innocent, and more importantly, the honest, the fair, and the law-abiding citizen who believes, as many of us do, that it is their right to own and bear arms.

I appreciate the leadership of my colleague, the gentleman from Missouri, in this area. It is my privilege to work with him on this discharge and the passage here on the floor of this most important legislation.

Mr. VOLKMER. Mr. Speaker, I wish to thank the gentleman for his remarks and also wish to commend him for the work that he has put into this, not only in helping with the rule, but in planning strategy and other things on the legislation. His advice has been most welcome and very well taken and

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I appreciate it very much. I appreciate his strong support and look forward to working with the gentleman to a time when we will be able to finally have a chance to even debate this issue on the floor of this House.

As we know, the Judiciary Committee since 1979 has not even given us that opportunity and this at least by discharging the rule will give us a chance.

□ 1625

As the gentleman knows, in the rule we give them the opportunity to offer amendments, et cetera, to the bill, so we are trying to be very fair about it, where I do not think they have been very fair to us at all.

Mr. CRAIG. If the gentleman will yield further, briefly, one of the considerations that both the gentleman from Missouri [Mr. VOLKMER] and I, and others who worked together to craft this rule took under very long and hard consideration was openness and fairness.

Mr. VOLKMER. Yes.

Mr. CRAIG. It was not our intent to block any effort, but to give a direct and open opportunity here on the floor for all participants. Let me congratulate my colleague, the gentleman from Missouri, for bringing forth that kind of rule. There are those here on the floor who, for one reason or another, and in almost always sincere applications, like not to use a discharge petition because they believe it overrules the leadership of this body and certainly the activities that are the prerogative of the chairman. It was with that consideration that this rule was crafted. We believe it is the kind of rule that almost anyone can sign off on and support because of its openness, and that is why we felt we could move it on a discharge because of that fair play element that is clearly written within the rule, and the gentleman is to be congratulated, HAROLD, for that kind of leadership in the crafting of that rule.

Mr. MOORE. Mr. Speaker, will the gentleman yield?

Mr. VOLKMER. I yield to the gentleman from Louisiana.

Mr. MOORE. I thank the gentleman for yielding.

Mr. Speaker, I want to thank the gentleman from Missouri also for filing the discharge petition today to enable the Firearm Owner's Protection Act, H.R. 945, to be brought to the House floor. I have signed this petition, and I serve as a cosponsor of this bill.

This petition is not an effort to prevent a full review and open debate on gun issues. On the contrary, it will allow the opportunity to have this debate on the House floor where all Members can participate and to do so for the first time.

The House Committee on the Judiciary is beginning a series of hearings around the country on gun issues, and I commend those efforts to obtain public comments on pending legislation, but I also think this discharge petition is absolutely necessary to ensure that the House will have the opportunity to consider the Firearm Owners' Protection Act and other measures which could be offered under this rule, rather than have the legislation bottlenecked in the Committee on the Judiciary.

In the past, the Committee on the Judiciary has worked in this area to restrict consideration of legislation to protect the constitutional rights of many by adhering to opinions of few who favor legislation to ban firearms for law-abiding citizens. Earlier this year, the Senate overwhelmingly approved the Firearm Owner's Protection Act, which makes revisions to the Gun Control Act of 1968. This legislation brings needed protections to gun owners and to gun dealers who legitimately own and sell firearms for protection and sporting purposes, and who are guaranteed the right to keep and bear arms under the Constitution.

Unfortunately, under enforcement of our current gun laws, many have been harassed and abused. I am a staunch supporter of the Constitution and believe that our forefathers, in their infinite wisdom, were correct in setting in concrete basic rights for our citizens. It is the preservation of these rights, in particular the second amendment to keep and bear arms, that we seek to protect through the Firearms Owner's Protection Act.

I have heard from numerous sportsmen and gun owners in Louisiana who feel that their constitutional rights should be protected, and they strongly support this legislation. Therefore, this legislation ought to be brought to the House floor and their opinions ought to be viewed and their rights ought to be asserted.

I support it as well, as I do not feel that gun control deters criminals, but only those who would be protected from them by having firearms. I can well understand law enforcement concerns for deterring criminals from obtaining firearms. My own brother is a career policeman and has been for 14 years. I was one briefly in the military. But our focus needs to be not on keeping guns from the lawful citizens but on more stringent penalties for criminals who commit crimes with firearms.

Throughout my tenure in Congress, I have sponsored legislation requiring mandatory penalties for the commission of a crime with a firearm, and I am very pleased to see this was incorporated in the crime reform package which was enacted last year by the Congress and is also contained again in the Firearm Owners' Protection Act as passed by the Senate.

Current laws to prevent convicted felons from owning or possessing guns are not preventing criminals from obtaining them. As I said earlier, they are burdening the law-abiding citizens who want to own firearms, as our Constitution guarantees them the right to do. So the answer is not in penalizing sportsmen and your and my neighbors who want to own firearms. We need to make sure their rights are not infringed upon.

We need to pass and sign this discharge petition and I urge all of my colleagues on the House floor to join us in so doing. We need to bring these bills to the House floor for debate and then to pass proper gun laws that can properly regulate without over-regulating or harassing the American people.

I would say to the gentleman who is the lead author in this legislation, he has already commented that this bill would not allow mail order sales or in any way repeal the law as passed in 1968 barring that. Is that correct?

Mr. VOLKMER. That is correct. I would like to emphasize that with the gentleman from Louisiana: That we do not have any effect on mail order sales at all. They are prohibited under the 1968 Gun Control Act. We do not change that one bit, and any allegation by anybody to the extent that the legislation does do it is a misrepresenation.

Mr. MOORE. Would this bill forbid inspections of dealers, except when preceded by advance notice?

Mr. VOLKMER. No; it does not forbid them. We do set out criteria for inspections. We allow inspections, in other words, if law enforcement officials wish to trace a firearm, they can inspect the records, if it is necessary, and to investigate a criminal offense where a weapon was used, they can inspect premises. The Secretary or the BATF would have an allowance for an annual inspection to determine whether or not the person is keeping accurate and proper records. If the authorities, BATF again, or Treasury, were to determine that a person perhaps is violating the law, like any other occasion when you are going to inspect someone's premises for a law violation, you can get a search warrant and then to in and inspect the premises.

So the allegation that we restrict them or do not permit inspection of these records is not correct.

Mr. MOORE. As a matter of fact, as I understand the legislation, the only time we require advance notice for an inspection of a dealer is merely on a courtesy visit, is that correct?

Mr. VOLKMER. That is correct.

Mr. MOORE. I thank the gentleman very much, and I am pleased to join the gentleman. Again, I would urge

my colleagues to sign this discharge petition.

Mr. ROBINSON. Mr. Speaker, will the gentleman yield?

Mr. VOLKMER. I yield to the gentleman from Arkansas.

Mr. ROBINSON. I thank the gentleman for yielding.

Mr. Speaker, first I would like to commend my colleague, the gentleman from Missouri. As he well knows, I worked with him on the rule and I have worked with him to ask people to sign the discharge petition for which, as of this afternoon, we have 44 sponsors of that petition, which I think is remarkable.

First I would like to say that it is a sad commentary, in reference to the way our House operates, that we have to be here today, but it should not surprise us. The chairman of the Committee on the Judiciary has buried basically every bill that deals with citizens' rights and their feelings and their opinions and how others think our Government ought to operate. We go back to busing, abortion, school prayer, et cetera. It does not surprise me.

But one thing I feel good about today is that I believe there is a groundswell of support in this House of Representatives to send a strong message not only to the gentleman from New Jersey (Mr. RODINO), our distinguished chairman, one who, I might add, if you really want to hide something from him, put it in the law book, but I think there is a strong groundswell of support in this House that if something does not change as far as the way the Committee on the Judiciary buries bills that we, the Members of this great body, elected by our constituents to come up here and work for them, if they do not change what they are doing, I think we might see some changes made in the direction of that committee the next time around.

I know my time is limited and I do not want to take any time away from some of our colleagues, but I feel compelled to ask my colleagues to listen briefly to some statistics that will be brought out as we further debate the McClure-Volkmer bill.

According to the lastest FBI National Crime Report of 1984, firearm involvement in homicides fell from 68 percent in 1974 to 59 percent a decade later. The family homicide rate, which is the closest statistical approximation to the so-called crime of passion, dropped from 2.4 per 100,000 in 1976 to 1.4 per 100,000 last year, the lowest level recorded since prohibition, and that is against the backdrop that now we have more weapons in this country than we have ever had before.

Also, in a recent study commissioned by the U.S. Department of Justice, it was found that among convicted felons, the one group that we fear the most, 69 percent did not carry firearms. Instead, they carried knives, razors, brass knuckles, et cetera.

□ 1635

The fear of stiffer sentences caused 79 percent of the respondents not to carry guns. Eighty-eight percent of the criminals questioned felt that gun laws only affected law-abiding citizens.

Now please listen to me. These are criminals incarcerated in penitentiaries. Eight-eight percent felt that gun laws only affected law-abiding citizens. And in fact, in this study it was determined that the criminal's fear of the armed victim was pronounced. In States with less-restrictive gun control laws, criminals were less likely to attack citizens because of the possibility that they might be armed.

In other words, they were afraid they might be shot by the person that lived in the house that they were trying to break into.

Also, 83 percent of the criminals surveyed said that if they could not obtain a handgun, they would simply saw off a rifle or a shotgun.

The statistics go on and on. The upshot of the study was that criminals do not go to the retail store and buy firearms. They either steal them or buy them on the black market.

For the rest of my time, Mr. Speaker, I would like to address myself from the law-enforcement perspective. Prior to entering this great institution, I spent 21 years in the criminal justice field, starting out as a student. Later I taught criminal justice courses, and in the latter 10 years of my career. I served in law-enforcement administrative positions dating back to the early 1970's when I was a police chief. Later on, I served in Governor Clinton's cabinet in Arkansas as the director of the State Department of Public Safety, not only over the Arkansas State Police, but over our crime reporting agencies and other law-enforcement-type operations in the State of Arkansas.

Prior to coming to this body, I served two terms as the chief law enforcement officer in Pulaski County, AR, Little Rock, where I served as sheriff.

It greatly disturbs me when I see that a group called Handgun Control, Inc. puts out a publication that says law enforcement says vote no on S. 49. I am not going to burden my colleagues with what is inside this, but I am a little bit disappointed with some of my former colleagues in the law enforcement field, especially the International Association of Chiefs of Police, which is a great organization that I once belonged to, and also the National Sheriffs Association.

Come on, fellows, all of you know what the real causes of crime are. And if you would just read the latest Crime in the United States book, which all of you have on your desk, you would know that there are many causes of crime. There are about 11 socioeconomic factors, as the FBI calls them, and they are listed in this book. There is no mention in this book about firearms as being a cause of crime.

The truth of the matter is, the reason we have crime in this country, from the law-enforcement prospective, is simply that most of you spend entirely too much time using radar to stop law-abiding citizens traveling a few miles per hour over the speed limit instead of patrolling residential areas and trying to catch criminals. And I know why you do it. You have to do it to raise revenue.

But do not put your name on something to try and convince the Members of this great body and the citizens of the United States of America that you are trying to say that because we have a right under the Constitution to bear arms and protect ourselves, mainly because if you would start creating a more proactive law-enforcement scenario in this country, and stop spending too much time writing traffic tickets, spend more time going after the real criminals, patrolling neighborhoods, protecting those that are paying your salaries, then I think we might see your part of the crime rate go down.

There are many, many other factors that I will elaborate on once we get the magic number of individuals to sign our petition of discharge. But I want to close by saying this: Gentlemen, I know many of you are going to come down to the well and try to argue for your positions. But I want to sort of warn you today, I am prepared for you, all of you on the Judiciary Committee that think you really know something about crime in this country. I have looked at some of your records, and I think my friend from Missouri, Mr. VOLKMER, is going to talk about that.

You are not really concerned about protecting the rights of citizens and the rights of your constituents. You are more concerned about protecting the rights of the criminals, because somehow you think that the Constitution was written only to protect the criminal, only to protect the minority viewpoint.

Well, I for one, think the Constitution was written mainly to protect we, the law-abiding citizens, and to protect the innocent.

Mr. VOLKMER. Before the gentleman yields back, I would like to just emphasize again that the blue flyer-like that was put out, in the very minor print, it seems to say vote no to law enforcement, but let us really find out who is that printed by.

Mr. ROBINSON. It is printed by the Handgun Control, Inc.

Mr. VOLKMER. And those are the people that want to take anybody's gun away from them, not only handguns, but their ultimate aim is to take away rifles and shotguns.

Mr. ROBINSON. And then only the Sandinistas and the Communists will have guns.

Mr. VOLKMER. Perhaps some of the people that were passing those out may have some guns. And you do have perhaps some law-enforcement people that I think are very misguided that feel they are the only ones that have guns and they are the ones that take on the criminals and nobody else. But I differ with that.

Mr. ROBINSON. If my colleague will yield for a moment, my colleague is a former prosecutor and I am a former law enforcement officer.

Let me tell the gentleman something. I started out as a rookie cop. I spent 21 years of my life out there risking my life every day. I never investigated a crime in which I went down to the local retail store and looked at the ATF form to see which criminal purchased that firearm. That is the most ridiculous thing I have ever heard of.

I am looking forward to this battle, and we are going to win this.

Mr. VOLKMER. If we had more time, we would get into a debate. We find that criminals do not go down to buy their guns at the dealer, and register them and everything and give their name and everything else. That is not the way. The gentleman knows, he has been in the business, and I have been in the business, that that is not the way they get their guns.

Mr. ROBINSON. That is not the way it happens.

Mr. VOLKMER. They get them from theft of illegal purchases, and that is the way they get their guns, not through the people that are governed by this legislation.

Mr. ROBINSON. I yield back to the gentleman from Missouri.

Mr. CLINGER. Mr. Speaker, will the gentleman yield?

Mr. VOLKMER. I yield to the gentleman from Pennsylvania.

Mr. CLINGER. I thank the gentleman very much for yielding and want to congratulate him for bringing this special order. Also, I sympathize with and recognize the sense of frustration the gentleman from Missouri has to deal with. The gentleman has fought so long and hard to bring this issue to the floor and has been frustrated every term, and I share that sense of frustration.

I am one of those who is reluctant to consider the discharge petition route because it is an extraordinary route, and it does somewhat circumvent the orderly procedures of the House. But in this case, there really is no other way to go. That is why I am going to break precedent in my case and sign the discharge petition.

Mr. VOLKMER. I appreciate that.

Mr. CLINGER. Because I deeply share the gentleman's sense of frustration of not being able to bring this issue before us.

I represent a very rural district in northern Pennsylvania. I would like to just come back a moment to why this bill is so terribly important to our hunting population and to sportsmen everywhere.

But in my district, with an abundance of forests, deer and other game, Pennsylvania has the largest number of deer licenses issued anywhere in the country. It is a hunter's paradise, and it is a time-honored tradition for many families in my district, as well as, I am aware, throughout the country. It is a sport that is often shared, as has been mentioned earlier today, by many members of a family. It is a family recreation. And I think respect for firearms, at least in my experience, is taught at a very early age to all of the family members.

More importantly, I think new hunters receive proper instruction from experienced family members. It is a tradition that is handed down from father to son, as the gentleman alluded to in the letter he read from his constituent.

The hunters who I represent in this body have told me that passage of this legislation is absolutely necessary to check the mindless bureaucracy in place at the Bureau of Alcohol, Tobacco, and Firearms at the present time. It is really an unwarranted harassment of decent, law-abiding citizens by this agency, and we have to bring it to a stop. And this is really the only vehicle which will do that. It is going to remove those provisions of law which they have been able to use to intimidate. I think this kind of approach by the BATF has no place in a democracy where, as we all know, the right to bear arms is guaranteed by the 2d amendment to the Constitution.

Restaurants and hotels are another issue that I would like to point to. What a tremendous amount of help hunting is to our peripheral industries. Restaurants, hotels and other business establishments in my district welcome the patronage of hunters visiting from all over the country, as tourism is an important element in the economic health of our area, as I am sure of many others.

The "Firearm Owners' Protection Act," and I think I want to emphasize this, would protect the hunter who might travel through a State or local jurisdiction that restricts the ownership or possession of firearms while he or she is heading for one of the popular hunting places, in my case, near a place called Tionesta or Emporium, PA. Without the protection that this measure provides, honest hunters, I am told, carrying unloaded and inaccessible firearms could unwittingly violate such a restriction and be charged with a criminal act. Is that the gentleman's understanding.

Mr. VOLKMER. That is correct. The present law in some localities and in States would mean that law-abiding citizens, hunters who have, let us say, a rifle or a shotgun, broken down, unloaded, inaccessible, let us say they are in a camper, driving a camper, and the rifle or shotgun is in the back of the camper, or if they are in a car and it is in the trunk, yet if they go through one of these States, they could be stopped, arrested, and charged with a criminal offense, fined and put in jail just for going through this jurisdiction when they are going hunting. And some people have to go through those areas in order to get to other places. That is why we make a provision in here that when you are doing this just for a lawful purpose, there is no reason to arrest these people and put them in jail.

Mr. CLINGER. And I do not really think that was our intent in passing the law as we did. I do not think we intended that.

Mr. VOLKMER. Most of this is State and local law, and I do not think they intend actually to pick up the innocent sportsmen. But it can be and it has happened. If you get persons in law enforcement who get carried away, or people, there are people who just, as we know, ar.d we have been having about and we will hear about it more, that just believe that no one should have any guns, and those people are the kind that are going to enforce that type of law against normally law-abiding citizens.

Mr. CLINGER. I again thank the gentleman for his strong leadership in this area. I think we need to take a strong stand, as I think most of us have and will do against those people who commit crimes with guns. I would be the first one to support legislation that strengthens the penalties for those who commit crimes with guns.

Mr. VOLKMER. I would like to comment on that, if I may. It is very interesting that those in this body that basically support this legislation are those who in the past have strongly supported anticrime legislation, like the omnibus crime bill, the comprehensive crime bill that was put on last year, if the gentleman will remember, to the appropriations bill by way of an amendment in a motion to recommit offered by the gentleman from California. That bill had been tied up basically in the House Judiciary Committee.

Those people who do not support mandatory sentencing for criminals, who feel that criminals should be given probation and parole, even if they use a gun in the commission of a

crime, those are the ones that have opposed this legislation. The people supporting this legislation say we have to have mandatory sentences, and let us put these criminals in jail.

So I think we have to recognize those that want to take the guns away basically say be soft on criminals, while those of us who feel we should let law-abiding citizens use their guns and have their guns for sporting purposes, we feel the best way to stop crime is to put the criminal in jail.

Mr. MARLENEE. Mr. Speaker, will the gentleman yield to me on that point?

Mr. VOLKMER. I yield to the gentleman from Montana.

Mr. MARLENEE. Mr. Speaker, the rights of Americans are being violated. For too long the efforts of antigun groups have eroded our constitutional right to keep and bear arms. It is time that the lawful firearm owner, those people of this country who responsibly own firearms, have a voice in Congress. That is why we are here today in support of H.R. 945—the Volkmer-McClure Firearm Owners Protection Act.

As we all know, the Senate passed the Volkmer-McClure bill on July 9 of this year by a vote of 79 to 15. That is the good news, the bad news is that Judiciary Committee Chairman RODINO immediately declared the bill "dead on arrival" when it came to the House.

Even though the McClure-Volkmer bill has been introduced every Congress since 1978, and despite widespread support for the bill, the committee has consistently blocked consideration.

Now we must resort to going around the committee system—the democratic process has been effectively blocked by a few who refuse to abide by the second amendment which guarantees the right to keep and bear arms.

I am proud to have been one of the first to sign the discharge petition, and I admire the courage of my friend and colleague from Missouri, Mr. VOLKMER. The decision to lead efforts to bypass the committee system must have been a difficult one.

You will hear the gun-control advocates claim that they are holding hearings and proceeding with legislation to reform the 1968 Gun Control Act. Some in Congress will say they won't sign a discharge petition if the committee appears to be working on the bill. "How dare you circumvent the process!" They'll cry.

Well, let me say that appearances may be deceiving. Through smoke and mirrors, groups like the National Coalition to Ban Handguns are working hand in hand with Chairman RODINO to delay and ultimately kill this important bill.

Mr. Speaker, I could go on and on about why I support H.R. 945, and why I am 1,000 percent opposed to the gun control schemes being offered by those who oppose the Firearm Owners Protection Act. Instead, I will leave that to the bill's author and others here today.

I will, however, specifically look at the problems of waiting periods and offer some general comments.

Some Members in the other body attempted to attach an amendment establishing mandatory waiting periods before a firearm could be legally purchased. To many this seems like a harmless idea, but let me tell you what that really means and why we shouldn't have such waiting periods.

First, more than a dozen States already have waiting period laws on the books. If the States can enact such laws, there is no need for a Federal law. But more importantly, these waiting periods have not reduced violent crime. As violent crime has climbed in the United States as a whole, it has also climbed in those States with waiting periods.

California adopted a 5-day wait in 1965; 5 years later murder was up 46.8 percent. In 1976 they expanded this to 15 days; 5 years later murder was up 39.4 percent.

Second, in sophisticated studies of waiting periods, it has been found again and again that there is virtually no connection between waiting periods and gun murder, robbery, assault, suicide, or even accident rates.

Third, if waiting periods were effective, how long should they be? Many State legislatures have specifically voted against waiting periods. That is a decision for State lawmakers, not the U.S. Congress.

And fourth, isn't the objective of every Member of Congress to stop violent crime while protecting the rights of American citizens? Waiting periods don't stop criminals. Professional criminals don't buy guns "over-the-counter", they buy them from other criminals.

Some will ask, "What about so-called crimes of passion?" Well, the idea that "crime of passion" killers go running to their neighborhood gun dealer to carry out their spur-of-the-moment crime is a myth. Their crimes use whatever is at hand—the kitchen knife, baseball bat, or whatever.

An enraged individual does not step back to carefully reflect upon the best means to carry out the crime he just conceived of moments earlier. In his homicidal state of mind, he doesn't analyze what weapon would be best, flip through the yellow pages to find the closest sporting goods store, drive to the store, carefully select a gun and ammunition, and then return to find his intended victim patiently waiting. That's just absurd.

The point is, waiting periods don't work. They only create more paperwork for law-abiding gun dealers and inconvenience for honest citizens.

Mr. Speaker, I represent the rural west. In just 1 day's mail last week, I received over 140 prices of mail supporting H.R. 945—the Volkmer-McClure Firearms Protection Act. Totally, since the beginning of the year, I have received only two letters in favor of more gun control.

My constituents are willing to forgive many things from their elected Representatives, but any attempt to control their right to own and use guns isn't one of them. I've been hunting since I was just a small boy. I grew up in a home where responsible use of firearms was practically taught side-by-side with doing the chores and learning to read.

That's the way it is for the vast majority of Montanans. I object to gun control, and I especially object to congressional elitists forcing it down the throats of my constituents.

One aspect of the Volkmer-McClure bill is very similar to my own H.R. 2565 which would allow a legal gun owner the freedom to travel through other States with his firearm as long as it is unloaded, and securely packed away so it is not easily accessible.

As it stands now, different States have many different gun laws. Some areas, like Washington, DC and New York City, prohibit even the legal possession of a firearm.

If a gun owner leaves his home in Virginia, travels through the Nation's Capital on his way to do a little duck hunting in Maryland, he can be arrested for having his unloaded shotgun securely tucked away in the trunk of his car. That's wrong. Current laws now entrap the innocent, rather than convict hardcore criminals. I'm pleased this bill includes a concept I have proposed in my own legislation.

I will be doing a series of 1-minutes in the coming weeks and months to show why we need this bill now, and exposing the deceptions being spread by the radical, antigun forces.

When we opened up shop this morning, Congressman VOLKMER filed his discharge petition to finally bring this bill up for a vote. I am the fifth name on that petition, and I will be doing everything I possibly can to help my colleague from Missouri to get the 218 signatures necessary to bring up H.R. 945 for a vote.

Every voter in the Nation should ask: "What number are you on the discharge petition? Where do you rank on the scale of support for law-abiding citizens?"

□ 1650

Mr. Speaker, I find that a very interesting point, because I am a strong supporter of our law enforcement officers, and for the law-abiding citizen, for the officer out there who is doing

his duty, protecting our property, protecting our lives; and I never argue with them when they come, and maybe I get a speeding ticket or something like that.

Basically that philosophy carries through here in Congress, but what the gentleman from Missouri [Mr. VOLKMER] and the gentleman from Pennsylvania [Mr. CLINGER] are saying is that the supporters of this kind of legislation are strong supporters of law enforcement——

Mr. VOLKMER. Yes.

Mr. MARLENEE. And are strongly opposed to the criminal element who has been getting away with, if you will, murder in this Congress.

Mr. CLINGER. And the ones on the other hand who would oppose this legislation tend to be those that have a very permissive attitude toward mandatory sentencing.

Mr. MARLENEE. Well, as the gentleman from Arkansas [Mr. ROBINSON] previously said, those that want to coddle the criminal, basically.

Mr. CLINGER. I again commend the gentleman for his leadership. I think that you are to be commended for taking this special order, and I will now go into the well and sign the discharge petition.

Mr. VOLKMER. I thank the gentleman very much, I appreciate it.

I would like to recognize at this time the other gentleman from Pennsylvania [Mr. KANJORSKI].

Mr. KANJORSKI. Mr. Speaker, for far too long the 1968 Gun Control Act has enabled overzealous bureaucrats to harass and obstruct the activities of America's hunters and sportsmen.

Instead of focusing its activities on criminals who use guns to commit crimes, the BATF has all too often used its powers under the 1968 Gun Control Act to intimidate gun dealers, confiscate gun collectors, and infringe on the constitutional rights of honest sportsmen.

The McClure-Volkmer Firearms Owners' Protection Act (S. 49/H.R. 945) which I am proud to be a cosponsor of, would eliminate the technical provisions of the 1968 Gun Control Act which are used to harass honest citizens, and would strengthen the penalties for using a gun to commit a crime.

By focusing on the criminal, and not the law-abiding citizen, we can take meaningful action against crime.

Mr. Speaker, the McClure-Volkmer Firearms Owners Protection Act has passed the other body by a margin of more than five to one. It is time for the House of Representatives to stand up for the constitutional rights of the American people by passing this bill as well.

While I am pleased that the House Judiciary Committee has finally agreed to hold hearings on the Firearms Owners' Protection Act starting on October 28, I am concerned by reports that committee leaders do not intend to report the bill to the full House. This suggests that the opponents of the bill do not dare bring the bill before the House because they know it will pass easily.

Our Government is a representative form of government, and the Representatives of the people deserve an opportunity to act on this important legislation. We must not allow an obstructionist minority to thwart the will of the people on a matter involving great constitutional principles.

That is why I am glad to join my colleagues Representatives VOLKMER, CRAIG, and DINGELL in signing a discharge petition to force this legislation out of committee and onto the House floor. This may be the only opportunity we have to implement the will of the people.

Through this discharge petition and this legislation we can end the BATF's entrapment and harassment of hunters, sportsmen, dealers, and collectors and provide mandatory jail sentences for criminals who use guns.

Mr. VOLKMER. May I inquire of the Chair how much time I have remaining?

The SPEAKER pro tempore. The Chair will inform the gentleman that he has 9 minutes remaining.

Mr. VOLKMER. Mr. Speaker, I yield to the gentleman from Montana [Mr. MARLENEE].

Mr. MARLENEE. Very quickly, Mr. Speaker, first I want to congratulate the gentleman from Missouri [Mr. VOLKMER] on the legislation that he has offered, and ask him to yield for a question.

Coming from the State of Montana, I get quite a few letters from those supporting this important bill, but I would like to clear up a few misconceptions about the Firearm Owners Protection Act.

First, would this bill allow criminals, felons, and terrorists to obtain guns? This is one of the most erroneous charges I think that have been leveled.

Mr. VOLKMER. No; and I can only say that most emphatically, we do not make any changes in the law as to who is permitted to purchase and acquire firearms; and we do not permit and nor would I ever sponsor any legislation that would permit criminals, felons, terrorists, or anybody else to go out and legally acquire firearms in any way.

Mr. MARLENEE. Now, another allegation against this bill that I have heard is that those opposing this bill are saying it allows an individual to go across a State border, walk into a sporting goods shop, buy a gun that his own State law prohibits; and this is not the case in Montana, but is this so in other areas?

Mr. VOLKMER. That is a complete misrepresentation of what this bill does. Basically what the bill does is say that if it is lawful in your State of residence for you to buy a firearm, and if you are in a different State, another State, and it is lawful there for you to fire firearms in that city and State, we do not change any of those laws; it has to be lawful; then you can acquire firearms.

I know there have been misrepresentations saying that we are changing the local law or the State law and making them sell firearms even though their present law says no—we do not change that; local law or State law. If it is prohibited, then it cannot be done, that is all.

Mr. MARLENEE. I appreciate the gentleman's answers. These questions are extremely important because there is so much false information being circulated.

Mr. VOLKMER. A lot of misrepresentations are being bandied about.

Mr. MARLENEE. I thank the gentleman.

Mr. VOLKMER. Mr. Speaker, I yield to the gentleman from Texas [Mr. COMBEST].

Mr. COMBEST. Mr. Speaker, in 1776 when our forefathers drafted the U.S. Constitution, an amendment was added that guarantees Americans the right to bear arms. It is my belief and the view of an overwhelming number of my constituents, that this constitutional right has been severely limited by current law.

In 1968, Congress passed legislation designed to reduce the number of crimes committed with firearms in our Nation. However, rather than hindering the criminal who continues to have easy access to guns and ammunition through the black market, the 1968 legislation has penalized law-abiding citizens. Inconsistencies riddle current firearm laws. For instance, it is not a Federal offense for an individual to sell firearms to a convicted felon. At the same time, however, an honest citizen with no prior criminal record could be subjected to felony charges if he unintentionally violates some jurisdictional firearm restriction.

The majority of people in west Texas and our Nation have exercised their right to gun ownership with responsibility. It seems ironic that a law devised to curtail crime has, instead, infringed on one of our most treasured founding doctrines, the U.S. Constitution. Statistics show that laws devised to restrict gun ownership have little, if any, effect on crime.

The Firearm Owner's Protection Act of 1985, which is pending in the House Judiciary Committee, would eliminate the obvious flaws in current law that hinder innocent citizens rather than the criminal. Burdensome regulations would be modified and more stringent enforcement measures would be imple-

mented against individuals who use guns unlawfully.

The other body passed an identical piece of legislation earlier this year, and it is now up to the House to lift the restrictions imposed on the right to bear arms. A discharge petition has been circulated throughout the Chamber today in an effort to bring the Firearm Owner's Protection Act to the House floor for consideration. Review by the full House is necessary since some disturbing remarks were made which indicate that the bill would not receive an impartial hearing in the House Judiciary Committee.

Like most Americans, I am greatly concerned about our Nation's crime rate. However, laws which inhibit law-abiding individuals are an ineffective solution to the national crime problem. We must fortify Federal criminal penalties if we are to deter those individuals inclined to commit illegal acts. Let us be certain that we are penalizing the criminals—not the honest American citizen who chooses to own a gun for sport or protection.

Mr. Speaker, we must act to preserve the intent of our forefathers in drafting the Constitution. Without the right to bear arms, pioneers would never have survived the wilderness, our ancestors would have starved and our diverse and democratic Nation would not be as it is today. I consider Mr. VOLKMER's Firearm Owner's Protection Act to be a superior piece of legislation that redirects the restrictions on firearms to where those restrictions belong—on the criminal. I urge my colleagues to join me in supporting passage of the Firearm Owner's Protection Act of 1985.

Mr. VOLKMER. I appreciate the gentleman's support in working with us on the legislation.

Mr. Speaker, at this time I recognize the gentleman from Idaho [Mr. STALLINGS].

Mr. STALLINGS. Mr. Speaker, I am pleased to participate today in this special order focusing on the enforcement abuses of the Gun Control Act of 1968. I thank my esteemed colleague from Missouri, Mr. VOLKMER, for providing this forum to inform Members of the failures and abuses of the Gun Control Act of 1968 and to emphasize the urgent need to correct these abuses by enacting the Firearms Owners' Protection Act.

When Congress enacted the Gun Control Act of 1968 its goal was to reduce violent crime. The act was not intended to provide law enforcement with the power to harass and prosecute law-abiding citizens. Yet such activity has been the history of the enforcement and administration of this act. It has been used as a tool for prosecuting innocent collectors and owners unaware of the intricate, detailed, and complex compliance procedures contained in it.

The most shocking aspect of the undesired but authorized behavior under the Gun Control Act is the abridgement of fundamental civil liberties. The right to keep and bear arms is granted not because of a court decision or an administrative policy. In fact, as we all know, the right to keep and bear arms is guaranteed by the same document which grants this land its liberty—the Constitution.

But even if this were not enough, such behavior diverts valuable legal resources—judicial as well as law enforcement resources—from pursuing the very activity the act was intended to eliminate: violent crime. Instead, these legal resources have been used to build cases against law-abiding citizens who may have violated technical reporting requirements of the law. For example, under current law, the simplest recordkeeping oversight is a Federal felony, just as is the most severe or violent crime.

Let me assure you that these abuses are not imagined. Take the tragic story of one gun dealer, Richard Boulin. Mr. Boulin, a policeman, obtained a Federal firearm dealer's license, in order to sell firearms to other policemen. After he obtained a license, he was approached by a collector and asked to sell a few of his firearms. Because these were part of his personal collection, he felt he could sell them without the paperwork required of a licensed dealer's sales from inventory. After all, the Federal agent who issued him the license had told him that this was legal.

A few months later he awakened to a nightmare. A team of Federal agents arrested him, executed a search warrant on his home, searched his father's business, and confiscated his entire firearms collection. Most of his collection was in mint condition and many of the guns had never been fired. Those guns were terribly abused and damaged in the confiscation. When his case came for trial he seemed to have the best defense imaginable. Indeed, the director of the prosecuting agency agreed that Mr. Boulin's actions had been legal.

I wish I could conclude with the vindication of this citizen. But the court decided otherwise. Today this man, who never had so much as a traffic ticket, cannot get a job or even hold the mortgage on his house.

Of course, these abuses must be stopped. That is why I have cosponsored the Firearms Owners' Protection Act.

Of the many bills which face this Congress, few are more important to me and the people of Idaho's Second District than the Firearms Owners' Protection Act. In Idaho, where gun ownership is central to our tradition and heritage, grassroots support for this legislation is tremendous.

The Firearms Owner's Protection Act seeks merely to protect legitimate gun owners and collectors from the enforcement of irresponsible law. From the evidence it is clear that a change is needed—a fundamental redirection of the law and its enforcement. The law should prosecute criminals, not create them with red tape. To ensure this, I ask my distinguished colleagues to sign the discharge petition so that we can pass this needed legislation without further delay.

□ 1700

Again, I congratulate my colleague, Mr. VOLKMER, for his leadership in this legislation and wish him the best success.

Mr. VOLKMER. I, too, thank the gentleman from Idaho for his past support and his continued support on this legislation.

I yield to the gentleman from Montana.

Mr. MARLENEE. I thank the gentleman from Missouri for yielding.

I have long awaited this opportunity, Mr. Speaker, to speak out for the rights of Americans, rights that are being violated.

For too long the efforts of the anti-gun groups have eroded our constitutional right to keep and bear arms. It is time that the lawful firearm owner, those people of this country who responsibly own firearms, have a voice in Congress, and I am pleased that the gentleman from Missouri has spoken out and that the rest of us can join him in that. That is why we are here today, in support of H.R. 945, the Volkmer-McClure Firearms Owners Protection Act.

I am proud to have been one of the first to sign the discharge petition. I admire the courage of my friend and colleague who has put this forth.

The decision to lead the efforts to bypass the committee system must have been a difficult one. I would like to speak just briefly to the waiting period.

More than a dozen States have a waiting period law on the books. If the States can enact such law, why do we in Congress need to be involved in that area? But, more importantly, those waiting periods have not reduced violent crime. As violent crime has climbed in the United States as a whole, it has also climbed in those States with waiting periods.

Mr. Speaker, I represent the rural West. In just 1 day's mail last week I received over 140 pieces of mail supporting H.R. 945, in 1 day, 140 pieces of mail in support of the Volkmer-McClure Act.

Mr. HUNTER. Mr. Speaker, I rise today in strong support of the Firearms Owners Protection Act. This legislation is long overdue and my distinguished colleague from Missouri. Mr. VOLKMER, has my sin-

cere gratitude for his leadership on the issue.

Our Founding Fathers stated the case so succinctly in the second amendment to the Constitution: "the right of the people to keep and bear arms, shall not be infringed."

The 1968 Gun Control Act was hailed by some as landmark legislation, but innocent gunowners have been unfairly stigmatized by some portions of the act. I believe too much emphasis was placed on efforts directed against law-abiding citizens rather than hardened criminals.

The problems inherent in the 1968 Gun Control Act have been exposed by Mr. VOLKMER and documented in congressional oversight hearings.

This bill corrects parts of the Gun Control Act which were clearly unnecessary. By removing these extraneous matters from the law, we allow the Bureau of Alcohol, Tobacco and Firearms to devote its energies to the real priorities of crime and violence in our society.

The Firearms Owners Protection Act corrects some of the problems of the 1968 Gun Control Act. This bill will allow for continued enforcement of the law against dealers who supply arms when they should not be supplied. This bill will allow proper records to be kept.

Licensing requirements will be clearly defined, eliminating bureaucratic hassles for firearms owners and requiring it in instances where it can serve a real function. This bill will compel the Government to show criminal intent before a citizen is brought up on felony charges. It institutes new, fair rules on search and seizure and allows for the transportation of unloaded, stored weapons through any jurisdiction. We agree that local governments should be able to determine what is best for their area, but it is wrong to treat transportation through a jurisdiction and use equally.

All of us agree on the need of Federal involvement to stop violent criminals from obtaining firearms and none of us have objections to the Bureau of Alcohol, Tobacco, and Firearms efforts toward that goal.

This legislation will protect the constitutional rights of the gunowner and concentrate Government efforts on the group that gives firearms owners a bad name: hardened criminals.

I am pleased to support this excellent legislation and to sign the discharge petition. America's firearms owners deserve the rights the second amendment promises. Again, I thank Mr. VOLKMER for his efforts to stop crime and protect the constitutional rights of gun-owning Americans.

Mr. LOTT. Mr. Speaker, the Congress of the United States generates stacks upon stacks of records. Seldom, however, do we study the records of the past in order to guide us into the future.

I refer my colleagues to page 94 of Senate Report No. 1501 of the 90th Congress, 2d session—the report on the Gun Control Act of 1968.

Page 94 contains the Individual Views of the chairman of the Judiciary Committee, my fellow Mississippian, Senator James O. Eastland—who eloquently stated his reasons for opposing this law.

Mr. Eastland, who many of you knew while he was Speaker pro tem of the Senate, is greatly respected by Members of both bodies, Republicans as well as his fellow Democrats.

Mr. Eastland has never viewed the "gun control" question as a partisan issue, or as a liberal-conservative issue—and neither does this Member, or the distinguished bipartisan group which favor reforms of the Gun Control Act through passage of the McClure-Volkmer bill.

These reforms should be adopted for the very reason that Mr. Eastland predicted when this law was enacted: the Gun Control Act has had no visible effect upon crime.

In fact, the use of firearms in crimes has more than doubled since this law went into effect.

Criminals by definition are those who disobey the law, including gun laws. That is why criminals still obtain guns without the slightest difficulty—regardless of the severity of the laws in their area.

The ease with which criminals obtain guns—despite the prohibitions upon criminal ownership contained in the Gun Control Act—was made clear in a new Justice Department study released only a few days ago.

But instead of getting rid of a useless law, or at least getting rid of some of the worst provisions of that law, the opponents of McClure-Volkmer want to make the law even more restrictive.

Like the old-time snake-oil salesman whose nostrums fail to work, their excuse is that the patient didn't take enough snake oil.

That is precisely what Mr. Eastland predicted 16 years ago. Let us carefully consider Mr. Eastland's words of wisdom.

He wrote:

It is instructive to consider the tactics and strategy of those who would control human nature by the passage of Federal legislation. Regardless of what Congress does to appease their demands in any given area of legislation, those who would control the human heart by passing another law always return to the next Congress to demand even more sweeping laws.

Their complaint is always that although the law enacted by the previous Congress has slightly improved the situation, that law has not been "effective" in correcting the evil, and that, thus, a more "effective law" is needed at once.

"The supporters of such a bill," he wrote, "will say that although Congress has enacted S. 3633—the Gun Control Act of 1968—Americans are still killing each other with guns."

Mr. Speaker, an examination of the record will show that Mr. Eastland's prediction came true. In the very next session, the Congress did consider, and reject, extremely restrictive laws requiring the registration and licensing of all firearms—handguns, shotguns, and rifles.

The advocates of such laws said, as the opponents of McClure-Volkmer now say, that the Gun Control Act "isn't strong enough"—but there are few today who openly call for new restrictions upon rifles and shotguns.

But within a year or two after the 1968 law went into effect, many in the leadership of the "gun control" movement began to publicly proclaim their desires for the banning of all handguns—or the banning of certain guns—matching another of Mr. Eastland's predictions.

Those efforts caused a backlash among the public. Accordingly, those who had advocated the registration and licensing of all firearms, seeing that their proposals were counterproductive to their goals, abandoned their more-sweeping proposals, and began talking about "moderate" restrictions upon handguns only.

This Member finds it significant that those who claim to favor restrictive laws only upon handguns, and to oppose restrictive laws upon rifles and shotguns, are almost unanimously opposed to the McClure-Volkmer bill's easing of restrictions upon either handguns or long guns.

Today, the principal opponents of the McClure-Volkmer reforms are saying the Nation's firearms laws shouldn't be lessened, but should be strengthened—claiming that the Gun Control Act hasn't been effective only because it wasn't strong enough.

It was because he knew that it would be ineffective that Mr. Eastland opposed the Gun Control Act.

It was because he knew the nature of the advocates of gun laws that he accurately predicted that they would cite that very failure as justification for ever-more restrictive laws.

Mr. Speaker, the McClure-Volkmer bill is unique in the annals of the gun control debate in that it suggests that a law that has failed be at least partially stricken from the books.

The opponents of the McClure-Volkmer bill suggest that the demonstrated ineffectiveness of the Gun Control Act should cause its disproven approach to be strengthened by doubling the dose of snake oil.

I urge my colleagues to join me and this distinguished bipartisan group in demanding that the House be given an opportunity to correct some of the mistakes which this body made 16 years ago.

Mr. DERRICK. Mr. Speaker, I rise today to once again voice my support of the Firearms Owners Protection Act as passed by the Senate, S. 49.

It is high time that we take positive action to bring this legislation to the floor of the House so that all of our Members can have an opportunity to stand up and be counted as supporters of fair gun laws. Although I do not believe that circumventing the legislative process by using a discharge petition procedure is appropriate, our purpose today is to join together to demonstrate the strength of our commitment to the McClure-Volkmer bill, S. 49.

The Gun Control Act of 1968 has been in need of revision for years and those interested in fair and constitutional treatment of gun owners must recognize that need.

Crime and violence continue to be serious problems in our society, but simply imposing severe restrictions on gun sales is not the most effective method of dealing with the issue.

It is important to note that a study has shown that 50 percent of convicted felons who use guns said they expected to purchase guns through unregulated and illegal means when they were released. That frightening fact points out that the Gun Control Act is not reaching the very felons it is supposed to control. Fortunately, S. 51 addresses the deficiencies in the act by easing the unnecessarily restrictive regulations on lawful gun owners and collectors and also addresses the crime problem by imposing more stringent and mandatory sentencing of criminals using firearms.

I am eager to bring this bill to the floor of the House and I urge my colleagues serving on the Judiciary Committee to allow us this opportunity.

Mr. EMERSON. Mr. Speaker, I enthusiastically call to the attention of my colleagues legislation currently pending in the House Judiciary Committee to bring about some much needed changes in Federal firearms law. The other body has already passed this legislation. There is a growing movement in the House to bring the Firearm Owners' Protection Act to the floor for a vote.

The gun control legislation passed by this Congress in 1968 has always been unpopular with gun owners and dealers and with good reason. It has put unnecessary restrictions on their legitimate sporting activities and in some cases has made them subject to harassment by Federal authorities. In short, the current law has had a greater effect on law-abiding citizens than it has had on criminals and this bill proposes to change that. With the passage of this act, our firearms laws will once again focus squarely on criminals and not on legitimate gunowners as has been the case in the past.

Under this bill, the prosecution would have to demonstrate that alleged violators willfully violated the law. Currently, persons who had no criminal intent at all can be prosecuted. Under this bill, gun dealers and collectors will find fewer hindrances in carrying their collections and wares across State lines for firearms shows. And most importantly, under this bill, criminals will find fewer loopholes through which to escape prosecution.

In the years since the arrival of the current administration, the Bureau of Alcohol, Tobacco, and Firearms has made progress in redefining its proper mission and for this it is to be commended. It is important for us to ensure, though, that this progress will not be reversed in any future administration, and we can do that by making the statutory changes proposed in the Firearms Owners Protection Act.

The chief sponsors of this bill have worked with gun control proponents and other interested parties to achieve the best compromise possible. No, not everyone is happy, but the resulting legislation now pending in the House has been carefully crafted to reflect the concerns of both sides of the controversy and it certainly deserves more consideration than what has been promised by the distinguished chairman of the Judiciary Committee. I urge my colleagues to sign the discharge petition currently in the well and bring this legislation to the floor for a vote.

Mr. HAMMERSCHMIDT. Mr. Speaker, I am proud to say that I have joined as a cosponsor of the Firearms Owners' Protection Act in every Congress since the 96th, when the bill was first introduced.

A number of my colleagues can also make that claim, because the Firearms Owners' Protection Act has never lacked support. In fact, in the 96th Congress, the measure had 181 cosponsors, in the 97th it had 180 cosponsors, in the 98th, 130 cosponsors, and so far in the 99th Congress, the Firearms Owners' Protection Act has 156 cosponsors.

With this large base of support, it would not be illogical to assume that some action would be taken on this legislation, which protects the rights of law-abiding citizens, while refocusing Federal law enforcement efforts toward prosecution of the criminal. Although the House Judiciary Committee recently scheduled several field hearings on gun control legislation in general, it has never held a Congressional hearing on the merits of the Firearms Owners' Protection Act.

While there is a wide difference in philosophy between the chairman of the House Judiciary Committee and the sponsors of the act on the emotional issue of gun control, I firmly believe that the wide-ranging support which this bill commands entitles it to a hearing where its merits can be fully debated.

The Firearms Owners' Protection Act would modify a number of provisions of the 1968 Gun Control Act which have created mountains of bureaucratic redtape, or have been used by Federal officials to infringe upon the rights of law abiding firearms owners. However, contrary to what has been claimed by opponents of this bill, it would not gut the essential provisions of our current gun laws. What it does is to shift the focus of the firearms enforcement effort away from a regulatory mentality, and toward an actual law enforcement strategy aimed at the criminal.

The Senate, in July, approved the Firearms Owners' Protection Act, after approving several amendments, and I strongly feel that the House should be allowed a similar opportunity to debate this legislation. But we may not get this chance, as the bill remains bottled up in the Judiciary Committee, as it has since 1979.

The supporters of the Firearms Owners' Protection Act have been patient for 7 years, yet their patience has not been rewarded with even a hearing. For that reason, a discharge petition is being filed today to discharge House Resolution 290, the rule for the bill, from the Rules Committee, enabling the Firearms Owners' Protection Act to be brought to the floor. My name will be among the first on the discharge petition, and I would urge my colleagues to sign the petition and allow the Firearms Owners' Protection Act to be considered fairly and honestly in the House.

Mr. LIGHTFOOT. I rise today in strong support for H.R. 945, the Firearms Owners' Protection Act, and I encourage my colleagues to sign the discharge petition which has been submitted to the desk. Support for the petition will indicate Congress' desire to correct the serious problems in the Gun Control Act of 1968.

Without this petition, the proponents and opponents of this bill would be denied a fair hearing on the bill. Although the committee plans to hold field hearings on this issue during the coming weeks, the hearings will in no way be objective or fair. How can they be when a similar Senate-passed bill has been called dead on arrival by the chairman of the committee. Therefore, we need to bring this bill directly to the floor for debate and consideration. Law-abiding citizens of this country deserve nothing less than Congress' attention to this issue.

This bill would restore the Gun Control Act of 1968 to its intended purpose of curtailing criminal activity involving the misuse of firearms, but it would do it in a way which does not infringe upon the constitutionally guaranteed rights of our citizenry. This bill would remove many of the burdensome provisions which have placed restrictions on law-abiding citizens to own arms. It would allow gun owners and gun dealers to go about their everyday lives without worry and fear that they will be drug into court for some violation of existing law.

Enactment of this bill would also bring us closer to sensible enforcement of this law. Instead of concentrating on bookkeeping errors or other unintentional misapplications of existing law, the Federal Government could concentrate on blatant disregard of the law and on willful firearms law violations that lead to violent crime. The provision requiring mandatory penalties for the use of a firearm during a Federal crime will do more to deter crime than arresting and convicting a law-abiding gun owner who incorrectly fills out or files the wrong papers.

Once again, I urge my colleagues to sign the discharge petition to allow a fair and objective debate on H.R. 945. It is the only way we can ensure that the law-abiding citizens of our country will have their rights protected.

INTERNATIONAL TERRORISM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DANNEMEYER] is recognized for 60 minutes.

Mr. DANNEMEYER. Mr. Speaker, I yield to my friend from Indiana, Mr. BURTON.

Mr. BURTON of Indiana. I thank the gentleman from California for yielding to me.

Mr. Speaker, I read an editorial that was very disturbing to me this morn-

ing on the plane coming out from Indiana. It was in the Indianapolis Star. I wanted to bring to the attention of my colleagues and to the people of this country something that is happening that really is not being reported in the news. I will read from the editorial very briefly, and then make a comment, and then turn this back to my colleague from California:

THE SAVAGE LAND

Paul Prendergast, a Scottish engineer who said he was an eyewitness, reported that Ethiopian air force Russian-built MiG-21 and MiG-23 jets and Antonov planes dropped numerous bombs and napalm and fired rockets Sept. 20 on civilian targets in the Eritrean province of Sahel.

He said a refugee camp was attacked four times during the day, killing 29 refugees, 10 of them children, and wounding 70 other people.

Prendergast said the planes, flying over at night, also attacked a school attended by more than 2,000 children, many of them orphans, but with no casulties.

On the basis of monitored radio conversations, the engineer said, it was clear that the Ethiopian pilots intended to harm civilians and were not aiming at military personnel or material.

The pilots' conversations were monitored on FM by the Eritrean People's Liberation Front, which is fighting for Eritrean independence from Ethiopia and is believe to control 85 percent of Eritrean territory.

After the attack, Prendergast said, EPLF personnel led civilians and livestock into narrow ravines where they were less vulnerable to air attack. There are 40 refugee camps in Eritrea, all camouflaged. Children in the camps are taught to run and hide under trees and bushes at the sound of aircraft.

Prendergast's reports were corroborated by Per Nortvedt, a Norwegian nurse, and Irene Buche and Claude Pillonel, officials from the Swiss organization, Terre des Hommes, who were also in the Sahel during the attacks.

Other Ethiopian air attacks were reported on the front around the EPLF-held town of Nacfa and in the southern province of Barka, where civilians are targets and the strategy is to disrupt agricultural production, EPLF leaders said.

The bombing is expensive, each sortie costing $13,000 and the entire air strike program costing an estimated $250,000 a day.

In London, EPLF sources said the air attacks are made possible by the large amount of international aid to Ethiopia, which enables the ruling communist government, the Dergue, to trade coffee and other cash crops to the Soviet Union for armaments.

Now, what that means, very simply, is that the Soviet Union is buying our cash crops from the Ethiopian Government and, in return, are selling them arms with which they are killing innocent people in Ethiopia. We are all concerned about the famine there. We are all concerned about the people who are starving. But, in effect, we are indirectly subsidizing the Communist war against their own people in Ethiopia. They are not only starving their people to death, but they are using our food to get money to further kill many of those people.

Last year in Ethiopia, that Government charged us $12.60 per ton to unload our food to feed their hungry people. They then took our food, after they received over $5 million in port fees, they took our food and used it for their soldiers, sold much of it to the Soviet Union, and used that money to kill their own people.

The Ethiopian Communist regime has been using starvation for several years as a policy against people in the rebel provinces. It compounds irony that humanitarian aid designed to prevent death by starvation gives Ethiopian Communists the means to kill with bombs, napalm, and rockets. Of course, air attacks are quicker.

Mr. Speaker, I thank the gentleman for yielding to me.

Mr. DANNEMEYER. Mr. Speaker, this is a bicentennial we can do without.

Mr. Speaker, in 1785, the Dey of Algiers demanded $53,600 as ransom for 21 Americans captured aboard two United States ships in the Mediterranean. Negotiations to secure the hostages' release were unsuccessful and they were not freed until 1796—11 years later—after payment had been made valued at $992,463.25.

It is now 200 years later. We are supposed to be more civilized. We are supposed to respect human dignity and international law. We are supposed to settle differences through reasonable and peaceful means. But Americans are still being hijacked and held hostage on the high seas. Things haven't changed much.

Acts of terrorism are not new. The taking of the *Achille Lauro* and the murder of disabled American Leon Klinghoffer is only the latest in two centuries of barbaric attacks against innocent people. It illustrates all too vividly the relative vulnerability of all Americans. It also draws attention to the apparent inability to either predict or prepare against such acts.

Terrorism violates the civil rights of all people. It causes wanton destruction of life and property, escalates violence and incites hatreds among peoples, and undermines legitimate attempts to seek peaceful resolution of conflicts among nations. It also offends the morality of decent people everywhere. And it increases the risk of war.

But as truly evil as terrorism is, a greater tragedy lies in the awful realization that it is largely directed against innocent people. Murderous marauders of adversarial groups or nations don't just terminate each other; they terrorize, capture, wound, torture, main, kill, or merely detain innocent individuals from all walks of life and from any nation. Even war—where the legally constituted armed services of one nation can fire upon those of another—is more civilized. At least we know what to expect.

Even though the last chapter of the *Achille Lauro* incident has yet to be written, at least the United States took action to apprehend the perpetrators of this cowardly and dastardly deed and bring them, hopefully, to justice. All too often, these acts have gone unanswered and the perpetrators unpunished.

As crucial as it is that we bring these criminals to justice, we must also take care to ensure that the guilty parties are made to pay for their crimes; we must not compound the evil by taking out vengeance on innocent people. The murder on October 11 of Alex Odeh in Santa Ana, CA, serves to remind us of the senselessness of random retribution. Alex happened to be an Arab-American who tried to serve the cause of his fellow Palestinians. He did not belong to the PLO faction responsible for the ship hijacking. He was a not an advocate of terrorism. In fact, he condemned it. But he paid the ultimate price because hatred exacts revenge, not justice.

It is important to consider this last point. Justice requires the apprehension of criminals and the meting out of punishment appropriate to the crime. If armed hijackers randomly and viciously murder and throw overboard a disabled man in a wheelchair, justice is easy to identify: "catch 'em and hang 'em."

Retribution is a different matter. Retribution, if unchecked and misdirected, is another form of terrorism. It is particularly prevalent as an ongoing exchange between extremist factions in adversarial groups or nations. One violent attack leads to another. The tragedy lies in that, more often than not, the victims of both sides are innocents caught in the middle.

Americans were rightfully incensed over the murder of Leon Klinghoffer. Citizens of all nations have more than sufficient reason to detest and condemn the acts of terrorists. In this instance, the guilty party was unmistakably an extremist faction within the PLO. We should therefore direct punishment against those responsible, not go out in a fit of frenzy and blow up Palestinians at random. Just as it is wrong to kill a Jew because he is a Jew; likewise it is wrong to kill an Arab because he happens to be an Arab.

Terrorism must be dealt with swiftly and justly. Failure to do so will only perpetuate this wanton and senseless killing of which we have seen too much already.

Earlier today, this Member from California took a special order in which it was pointed out that under existing law the President of the United States has the authority to declare a national emergency with respect to acts of terrorism directed against the citizens, properties, and in-

terests of the United States. The rationale for this resolution that I have introduced is to express the sense of Congress against all terrorism and to authorize the President of the United States to investigate, determine the nature and extent of those assets and holdings in the United States of the groups, organizations, or factions responsible for committing acts of terrorism.

Third, it would prohibit transactions involving such assets and holdings in accordance with, and to the extent specified by, law.

The rationale of this move is quite simple: We in the United States are an open society. We welcome investments in this country. People can come here, invest their money, enjoy the stability of our political and economic institutions, and make a profit. That is what the free enterprise capitalistic system is all about. But we should also recognize that terrorism and terrorists around the world have declared war on American citizens. We cannot stand for that type of conduct, and I would suggest by this resolution that it would be appropriate for the U.S. Congress to declare war on these terrorists to the extent that we can reach them, namely, to reach their assets located here in the United States.

To the extent that we can reach those assets, we can take action similar to what President Carter did in 1979 against Iranian assets and hold those assets as a security fund so that persons who survive acts of terrorism will have some money damages, will have the ability to recover money damages from those assets that are held here in the United States.

Mr. Speaker, Mr. Alex Odeh was a constitutent of mine in the 39th Congressional District residing in the city of Orange. He was a 41-year-old gentleman at the time of his death. He was born on the West Bank of Palestine in the village of Jifna to a Roman Catholic family. His father, a retired grocer, still lives there. He attended universities in the West Bank area and Cairo, received a master's degree in political science at Cal State Fullerton in 1978. He worked for the Saudi Arabian Cultural Mission in Los Angeles for several years. He became a U.S. citizen in 1977.

Mr. Speaker, he taught Arabic at Cal State Fullerton and also at Coastline Community College.

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He was a member of the Los Angeles County Human Relations Commission. He married his wife, Norma, in 1975. They have three daughters, Helena, Samia, and Susan. His brother, Sami, is a realtor in Orange County. He was west coast regional director of the American-Arab Anti-Discrimination Committee, headquartered in neighboring Santa Ana. He was assassinated by a bomb blast on Friday morning, October 11, 1985.

So far, no group has claimed or no individual has claimed responsibility or, if you could phrase it that way, credit for this cowardly act of brutual murder. It is hoped that our authorities will be able to find those who have perpetrated this act and bring them to justice.

Members of the House may be interested to know some of the terrorists groups that have attacked U.S. citizens in the course of the recent history of our Nation. For instance, since 1968, 459 U.S. citizens have been killed in terrorist attacks. The groups that have been involved in these activities are as follows:

Popular Front for the Liberation of Palestine (Jordan); Tupamaro guerrillas (Uruguay); Haitian rebels; Black September (Sudan); Peoples Revolutionary Armed Forces (Mexico); Peoples Liberation Armed Forces (Mexico); January 12 Liberation Movement (Dominican Republic); Montoneros (Argentina); Zaire Peoples Revolutionary Party (Tanzania); Japanese Red Army (Malaysia); Afghan radicals (Afghanistan); Iranian radicals (Iran); M-19, (April 19 Movement) (Colombia); Red Brigade (Italy); Islamic Jihad (Lebanon, Kuwait, Greece).

Primary targets of terrorist attacks from 1968 to 1980: United States, Canada, Israel, United Kingdom, West Germany, France, Turkey, the Soviet Union.

Primary targets in 1980: The United States, the U.S.S.R. Turkey, Iraq, France, Iran, and Israel.

Mr. Speaker, it is the hopes of all of us that some day these acts of terrorism will cease. History teaches us that that expectation is not, perhaps, realistic; but those of us in the political institutions of America and elsewhere in the civilized world, hopefully, can take action to make clear to terrorists that there is no safe haven anywhere in this world where they can hide, the long arm of justice will seek them out and bring them to trial, where they will have the responsibility of defending themselves for their acts, where in most cases they have taken upon themselves the prerogative of snuffing out the life of a fellow citizen or destroying his property. We in the civilized world do not accept that kind of conduct. We want to condemn it wherever and by whom it is exercised.

THE DANGER OF GRAMM-RUDMAN

The SPEAKER por tempore. Under a previous order of the House, the gentleman from New York [Mr. OWENS] is recognized for 60 minutes.

Mr. OWENS. Mr. Speaker, the Gramm-Rudman deficit reduction proposal can be discussed in many ways. There are many things wrong with it. We have heard discussions of its constitutionality, discussions of its poor economics. There are numerous ways that it can be examined and found wanting. I would like to talk today about the danger of Gramm-Rudman.

The recent comment from the Nobel Prize winner in economics, Professor Modigliani I think referred to it as a Mickey Mouse proposal. I do not think it is a Mickey Mouse proposal, because I think it is far more dangerous than Mickey Mouse. It is a plot which will bring Reaganomics to the point where it always wanted to arrive, and that is, it will finish off domestic programs. The goal of Reaganomics was to shrink the Government, to get the Government out of the business of caring for the neediest people, to focus the Government, the Federal Government, wholly and exclusively on matters of defense and foeign policy, and the move to destroy the domestic programs will be consumated with this Gramm-Rudman bill. It is a complicated bill. There are numerous aspects to it. But when it all boils down, the final bottom line is that the Gramm-Rudman proposal will give the President the power to make the final decisions as to what should be cut in the budget in order to eliminate the deficit. This is the President who has never submitted a balanced budget. So we do not know exactly what he will cut, we do not know in detail what he will cut, but we do know from the budget that he has submitted which programs he is likely to cut, because those are the programs he has expressed a great dislike for, and many of these same programs he has already put zero in the budget for those programs.

We know that programs like the women's infants and children's program will be one of those targets. We know that educational programs will be one of those targets. We know that food stamps will be another one of those targets. We know the kinds of cuts that were made as a result of the process that was started in 1981 with Gramm-Latta. We know the kinds of tremendous cuts that were made early in the Reagan administration. So we have a good idea as to which programs the President will proceed to cut when he is handed these awesome powers. The victims of these programs will be children. The victims of these programs will be the handicapped, they will be the unemployed, they will be infants, they will be the aged. In these sets of categories, the unemployed, the aged, the children, one of the largest victims of course will be the minority, because they are using a disproportionate set of these programs, they bear a disproportionate set of the problems and ills of this society, they are the unemployed, the hungry, they are the needs who need the health

care provided with Government assistance, they are the ones who will be hurt most. Blacks, in particular. We have statistics to show that in the few years that the Reagan administration has been in power already, blacks, in particular, have suffered, and that there is an escaled decline of the state of affairs of black Americans in this country.

So Gramm-Rudman, if it is allowed to pass, will finish off the job that has already been done all too well. The Gramm-Rudman deficit reduction proposal has held it as an attempt to bring Government spending under control and to eliminate the deficit. It has the advantage of simplicity. But as Albert Einstein once said, "Everything should be as simple as can be, but not simpler."

A review of the Gramm-Rudman proposal makes it clear that it is simpler than can be in order to resolve the problem at hand. It has come as no surprise to the Members of this body or to any other person involved in political life that politicians like simple solutions, simple solutions which can readily be conveyed to their constituencies. They also like solutions which delay any sacrifice or hardship until after they have been re-elected.

The Gramm-Rudman proposal certainly is a very convenient device for the Members of the other body who passed it, because many of them are up for re-election. It is a very likable proposal from the perspective of their enlightened self-interest and their next re-election problems.

The pain will begin after the 1986 election. I should say the new pain, the escalation of pain for those who are already in pain will take place after 1986. The painful choices will be shifted from the Congress to the President who will not have to stand for re-election. This President will not have to stand for re-election again.

Looking at the kinds of choices that will have to be made, Gramm-Rudman suggests budget cuts to get the deficit down. Programs with many beneficiaries, such as Social Security, will not be touched. We are glad for that. We do not want to see Social Security touched. Programs with powerful beneficiaries, such as defense contractors, are not to be touched. This is a tragedy, because here is the place where most of the cuts can be made without inflicting pain on people. Programs with powerless constituencies, such as the working poor and the dependent, are to be cut at will. This cutting is to be done by the administration which has shown a marked lack of sympathy for the dependent among us. After all, children, for example, do not vote or contribute to political parties. The unemployed are also the most unorganized and, thus, they are unable to gain the attention of elected officials. Programs for these people would therefore be made available, put on the chopping block, to save the Nation from the deficit.

There is little doubt that the deficit is a serious problem and that it must be addressed. However, shifting our responsibilities off to the executive branch hardly seems responsible or courageous. Another more honorable approach would be to take a look at alternative budgets which were worked out already by certain Members of this House, Members of this House who took a stand, they proposed cuts, and they found a way to work out the deficit. One such proposal was the Congressional Black Caucus budget.

The Black Caucus budget increased revenues and allocated budget cuts in a reasonable manner. Although it left the deficit at the same level as the House budget for 1986, it reduced that deficit to $125.19 billion in fiscal year 1987 and to $73.8 billion in fiscal year 1988. So the Black Caucus alternative budget, this much ignored document, is a very sound proposal which certainly did not shirk its responsibility. It addressed the deficit and it started the process of reductions. This deficit reduction approach of the Black Caucus budget did not transfer our constitutional powers to the executive branch of Government. It did not ask the weakest among us to once again shoulder the burden created by the tax cuts to the wealthy and the tax cuts to corporations, the burden that is created by the fact that many of the Fortune 500 corporations pay absolutely no taxes at all. It made the hard choices among options which competed in merit.

How did the Black Caucus find savings? Each program was evaluated to determine how savings could be made without abandoning those tasks of the Government which simply must get done. Our Federal Government exists for more than just defense and foreign policy. I do not know why this notion seems to have so much credibility, seems to be legitimatized, when most of the civilized free-world countries do not accept that as the only responsibility of their National Government. Most of the civilized free-world nations are spending far more, a far greater percentage of their budget on domestic programs, on programs for people, on education, on programs for the aged, on programs for health. Most of them are spending far more, a far greater percentage of their budget, than the United States of America. This very rich country wants to turn away from the very important task of taking care of those in need, and not just those in need, but taking care of the populace in general.

I take a back seat to no one in being concerned about the defense of this country, both in the short term, the short range, or the long range. The defense of this country is not dependent on how many contracts we can award to defense contractors, how many new MX missiles we can build. It is not dependent on how we let our military run wild and pay enormous amounts for spare parts. The defense of our country is as much dependent on our educational system and the kinds of products that we produce, the pool of talent, the brainpower of this Nation, is as important to the short-term and long-term defense as any contract we could ever award for any new weapon system.

So a neglect of these aspects of the Federal responsibility, the kind of neglect which is escalating and which has been rampant in this administration, serves as a danger, it is a danger to our national defense.

But the Black Caucus, being concerned about national defense, in its alternative budget looks at the area of national defense.

For fiscal year 1986, the House had proposed, the House final proposal, $267.1 billion; the other body proposed $273.1 billion for defense. Our caucus budget was $261.5 billion, not too far, not too great a range in the difference between the caucus alternative budget of $261.5 billion and the House-passed budget of $267.1 billion.

The bulk of the caucus savings were in the area of procurement and allowances function. Given the problems which have occurred in the Department of Defense and the criticisms of the Department's staunchest allies in the other body, it is more than reasonable to question the procurements which have consumed billions of dollars without making our military forces able to better serve their function in our society. A military is not supposed to be a separate entity which performs any function other than those which are constitutionally mandated. It is not, as in other countries, an institution from which one can expect to derive wealth and power. The Armed Forces is not created for that purpose. The military budget for contracts is not for that purpose. It is there for national defense, which is to be utilized at the behest of the civilian authorities. The military which Americans take pride in is one which serves our population, our civilian population, not one which is a cause for draining resources from that population.

The next budget function which the Black Caucus made significant savings in was the energy expenditures. Expenditures for energy supplies were significantly reduced while funds for energy conservation were increased slightly.

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The overall totals in that budget were $5.75 billion in the budget passed by the House; $5.1 billion in the

budget of the other body; and $3.2 billion in the caucus budget. We showed how you could save money and at the same time we actually increased the funds for energy conservation.

In the commerce and housing credit budget function the House budget called for $4.6 billion. The other body for $3.4 billion. But the caucus budget reduced it to $2.8 billion. Savings were achieved by cuts in the non-FHA and the GNMA mortgage credit and thrift insurance programs and the Postal Service function.

Additional deficit reduction measures were calculated based on increased revenues. Like it or not, the practical reality is that a budget can only be balanced through decreased expenditures, increased income or a combination of the two approaches. When viewing the policy behind the Federal programs, it makes no sense to cripple a program and to stop the function if one believes that the policy rationale for the program's creation still exists.

Since, as a general rule, expenditures tend to benefit those with the least cuts on this side of the equation, it requires that we stop assistance to the most dependent segments of our population: The poor, the very young, the old, and those who are disabled. Increased revenues, in contrast, come through the taxation of those who are more affluent and hence more capable of shouldering this burden.

It should not escape our attention that a great deal of the deficit came about by a combination of reduction in revenues and increased expenditures for defense. Both happening at the same time as a part of Reaganomics. Americans were promised a military buildup exceeding the buildup associated with the Vietnam war. They were also promised that they would not be asked to shoulder any additional burden to achieve this end. Although the probability of this happening was low, people chose to believe that they could, as a nation, spend more than their income without any further debt problems. This proved not to be true, of course.

When President Reagan came into office, the national debt after almost 200 years of constitutional government was under $1 trillion. Now we are about to have a national debt of over $2 trillion. The "Buy now, pay later" approach has come home to roost and we have to begin to start paying our debts.

At the same time, we must maintain those services which our view of ourselves demands. We are not a nation which wants to be known for its poor, its hungry and its homeless. We do not want to be a nation which ignores the needs of the elderly, the young and the disabled among us. Even as a family coming out of debt does not start to cut expenditures by eliminating essentials such as food, we as a nation cannot eliminate those essentials which define us in our own eyes and in the eyes of others.

Americans consider themselves to be a fair, honest, hardworking people. That view is well founded in our history and our social fabric. As we strive to find a solution for the deficit problem, and the burden that it will necessarily place on future generations, we must do so in a way that is fair and honest. This may be the easiest way to proceed, but it is the only way that we can if we are to remain proud of ourselves and of our Nation. The one way not to proceed is to proceed as Gramm-Rudman is proceeding. The one way not to proceed is to hand over enormous powers to the executive branch of Government, to hand the responsibilities of the Congress over to the executive branch of government to give up the time-honored concept of a separation of powers and to proceed to allow the executive branch of government to complete its agenda and that agenda is to get government out of the business of taking care of the people in greatest need. To do that would be a disaster indeed, and we should recognize Gramm-Rudman as being that kind of plot. It will accomplish that purpose.

I yield to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK. I thank the gentleman from New York for yielding to me, and I appreciate this latest in his demonstrated concern for the poorest people of this country.

Those of us who are opposed to the version of Gramm-Rudman that passed the other body and came over here have two sets of concerns. One is constitutional, from the standpoint of the role of the Congress in the U.S. Government, the Gramm-Rudman proposal probably ought to be called the "Emasculation Proclamation," because it is a decision by the other body simply to divest itself from responsibility for the budget deficits.

A number of people have commented and will comment on its glaring structural flaws. It is particularly ironic that many who call themselves conservatives, and conservatives have historically in this country worried about excessive executive power, about an insufficiency of power remaining in the elected legislative body, it is extraordinary how that has fled in the exigencies of the moment. It is a reason why people like George Will and others who are on the conservative side have been so appalled by the Gramm-Rudman proposal.

There is, however, another equally distressing aspect of it which the gentleman from New York has talked about, and that is the extent to which Gramm-Rudman, as passed by the other body, would inflict enormous harm on innocent, vulnerable people.

Beginning in 1981, at the urging of the President, one thing ought to be clear when we talk about reducing the deficit. If the Congress had substituted none of its own judgment for that of the President, if Congress had simply done everything the President asked us to do, the deficit today would be virtually identical to what it is.

The gentleman from Wisconsin [Mr. OBEY], who is now the chairman of the Joint Economic Committee, has totaled it up, and Ronald Reagan had asked Congress to spend virtually identical to what Congress has spent. That ought to be clear, because the difference between us is not over whether or not we reduce the deficit, but how we do it.

Ronald Reagan has asked Congress to spend virtually the same amount, $100 or $200 million less than has been spent out of a $2,700,000,000 amount. So we are talking about virtually the same amount of spending. The difference is in how we spend it. What Gramm-Rudman does as it comes to us is to say that the MX missile is exempt. We should not cut any MX missiles despite the fact that we have now adopted in Congress a compromise that virtually admits that it has no real military necessity. But we are still going to go ahead and spend billions on that, but we will cut medical care for the elderly poor, that is Gramm-Rudman.

Gramm-Rudman says cut medical care for the elderly poor under Medicaid, which is not protected and not exempt, but exempt the MX missile. Contracts in the Pentagon, all of the abuses people have read about, the excesses, the overcharges, those are exempt from fiscal discipline under Gramm-Rudman's automatic provision, but the program of Women's and Infant's Children's feeding, that is not exempt.

Mr. OWENS. Mr. Speaker, I now yield to the gentleman from Texas [Mr. BARTON].

Mr. BARTON of Texas. I thank the gentleman for yielding.

Mr. Speaker, I agree with the gentleman that President Reagan has submitted budget requests very nearly identical to what the Congress has actually spent. That is a matter of record. My question to the gentleman is: Does the gentleman from Massachusetts honestly think that had the President submitted requests that were substantially lower, in fact that would have balanced the budget, that this Congress and prior Congresses would have gone along with those requests?

Mr. OWENS. I yield to the gentleman from Massachusetts for his reply.

Mr. FRANK. I thank the gentleman from Texas and I commend his intellectual honesty. We have now stipulated what is in fact the fact, and people

should not take for granted that Members of Congress would admit the facts. We do not always do that, so I congratulate the gentleman from Texas.

But we now agree, there has been no difference between the President and Congress and what should be spent. He asked me, would we have asked for less? I will say to him "Yes."

□ 1740

I do not think Congress on its own would, for instance, have funded the Pentagon at the level that the Pentagon is funded. Congress would not have come up with Radio Marti. I voted for Radio Marti. I believe that we ought to be engaging in free speech elsewhere. But at a time of crisis, at a time when we are saying to poor pregnant women we will cut the food that you get to keep the likelihood that you will have healthy children, that is what Gramm-Rudman does. Broadcasting political soap operas to Cuba is a lower order of priority.

So I think that if the President had not pushed us in some of these areas, yes, we would have spent so much.

We have the National Endowment for Democracy. That is a new program. It had some support in here and in the other body and it had support from the President. The National Endowment for Democracy is a travel service for politicians. It sends American politicians to Europe. It sends Asian politicians to America. It sends politicians all over the place so we can talk about how wonderful democracy is. And it sure is wonderful if you are getting your trips paid for all over the place to go and talk about it.

And then you are going to turn around and you are going to cut chapter 1. Do you know what chapter 1 is? It is a program that began in the sixties and has been supported by conservatives and liberals alike, Democrats and Republicans alike. It tries to provide educational assistance to poor children who are not learning well. That is subject to cuts under Gramm-Rudman. Chapter 1 would be subject to cuts under Gramm-Rudman; but not the MX missile, not the $700 toilet seats.

We are not talking about the desirability of cutting the budget deficit. Of course, we should.

I would ask, if the gentleman would continue to yield to me, if I could just introduce some material into the RECORD at this point and let me enumerate what I would like to put in.

Our colleague, Mr. SABO, has asked me to submit the recent statement of the Conference of Synodical Bishops of the Lutheran Church in America on Gramm-Rudman. All 29 of the bishops have signed it.

Mr. SABO. Mr. Speaker, I would like to bring the attention of my colleagues to the recent statement of the Conference of Synodical Bishops of the Lutheran Church in America on the Gramm-Rudman amendment. This statement was signed by all 29 of the bishops and expresses some very important points. I recommend it to my colleagues for their serious attention.

STATEMENT OF THE CONFERENCE OF SYNODICAL BISHOPS OF THE LUTHERAN CHURCH IN AMERICA ON THE GRAMM-RUDMAN AMENDMENT

The Conference of Synodical Bishops of the Lutheran Church in America, meeting in Washington this week, was briefed on the Gramm-Rudman balanced budget amendment. We, the undersigned bishops of the LCA, are deeply troubled by this amendment's potentially devastating impact on the federal programs which provide for the basic needs of the poor.

Together with all of the bishops of the American Lutheran Church and the Association of Evangelical Lutheran Churches, we asserted earlier this year that: "Our deficit dilemma has no painless solutions. However, the sacrifice required must be distributed in accordance the ability of individuals and groups to bear it. The allocation of limited resources should be based on a thorough evaluation of the utility and effectiveness of tax breaks, military spending and social programs."

The action the Senate has just taken seriously compromises that principle.

Automatic reductions in cost-of-living adjustments and across-the-board cuts in discretionary programs, triggered if Congress fails to reach its deficit reduction targets, seem on the surface to be a fair way to spread the pain of deficit reduction. However, with Social Security, a large percentage of defense spending, other relatively uncontrollable programs, and interest on the national debt "off the table," the heaviest burden for reducing the deficit falls on the remaining half of the budget. Budget authority for some programs, such as subsidized housing for the poor, elderly and handicapped, would have to be cut back drastically to achieve the mandated outlay savings. Other programs, such as food stamps and Aid to Families With Dependent Children, could experience signficant reductions—a move which we cannot countenance given the documentation of widespread and persistent hunger in America.

The proposed amendment would not require an evaluation of the revenue side of the budget ledger, should deficit reduction targets remain unmet. Tax expenditures contribute significantly to the deficit and are expected to increase by $192 billion between fiscal year 1984 and fisacl year 1989. Failure to evaluate both actual spending and tax expenditures could result in such anomalies as low-income housing programs being cut through automatic reductions while real estate tax shelters remain unscrutinized.

You will be considering very serious issues relating to the amendment's impact on the economy and on the balance of White House-Congressional budgetary power. But as church leaders, whose congregations and agencies assist persons in need throughout the country, we would urge you also to make concern for the poor a priority in your deliberations. Specifically, we urge you to exempt from the automatic reductions low-income entitlement and discretionary programs as you develop a process which would more equitably spread the burden of reducing the deficit.

Mr. FRANK. It says, "We, the undersigned bishops"—I am reading now. I have not become a bishop in the interim—"are deeply troubled by this amendment's potentially devastating impact on the Federal programs which provide for the basic needs of the poor."

The U.S. Catholic Conference signed by Rev. J. Bryan Hehir. This in on behalf of the U.S. Catholic Conference, the hierarchy of the church.

U.S. CATHOLIC CONFERENCE, DEPARTMENT OF SOCIAL DEVELOPMENT AND WORLD PEACE, OFFICE OF DOMESTIC SOCIAL DEVELOPMENT,

Washington, DC, October 16, 1985.

DEAR REPRESENTATIVE: On behalf of the United States Catholic Conference I am writing to call your attention to the likely negative impact on the poor of the Gramm-Rudman balanced budget amendment.

As the House begins deliberations on this proposal, we urge you to give careful consideration to the far-reaching consequences a balanced budget plan may have on programs that provide basic necessities for the poor. Over the past four years, reductions in low-income programs have been deeper than the cuts in virtually any other area of the budget. Millions of families have been severely affected by these budget cuts.

The budget deficit is a massive and serious problem. We encourage you to continue to explore responsible ways to reduce the deficit. We believe, however, that additional cutting in programs for the poor is not an acceptable method of dealing with the problem. The basic needs of the poor must take precedence over other areas of the budget that are less fundamental to the protection of human dignity. Therefore, as you craft a plan to reduce the federal deficit, we urge you to exempt low-income programs (e.g., Food Stamps, Medicaid, AFDC, SSI, low-income housing) from any further cuts. We are also concerned about the potentially adverse impact of Gramm-Rudman on foreign aid programs that help the poor in the developing countries, programs which we have consistently supported.

Thank you for consideration of these views.

Sincerely yours,

Rev. J. BRYAN HEHIR.

Mr. FRANK. "I am writing to call your attention to the likely negative impact on the poor of the Gramm-Rudman balanced budget amendment."

The American Jewish Committee similarly opposing this.

THE AMERICAN JEWISH COMMITTEE, INSTITUTE OF HUMAN RELATIONS,

New York, NY, October 15, 1985.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives, U.S. Capitol, Washington, DC.

DEAR MR. SPEAKER: As the House of Representatives considers the bill to raise the national debt ceiling, the American Jewish Committee is concerned that an amendment may be attached to this legislation aimed at reducing the deficit by cutting programs in arbitrary or unplanned ways. We believe that issues like budget reduction and program cuts are serious matters that need to be considered carefully. They should not be rushed through the legislative process with-

out adequate opportunity to evaluate their provisions and implications for key policy concerns—and without the thoughtful process required for a fundamental change in executive-Congressional relations.

We recognize the urgent need to reduce the Federal deficit and bring spending under control. We can understand the desire of Congress to place itself on record in favor of eliminating unacceptable federal deficits. We believe it ill-advised, however, to seize upon the necessity to pass a higher debt ceiling to introduce a potential major shift in the balance of executive-legislative budget responsibilities and to open the door to possible wholesale program cuts whose effects have not been adequately studied. We urge the House to pass a debt ceiling bill that does not include the Gramm-Rudman amendment that was accepted by the Senate. If a budget-balancing provision is considered necessary, it should come only after a full discussion of its consequences.

We look forward to working with you to identify responsible and constructive ways to reduce the deficit and implement national programs in an efficient manner.

Sincerely,

DAVID M. GORDIS,
Executive Vice President.

Mr. FRANK. I would like to further submit letters from the Child Welfare League of America, and from the Consortium for Citizens with Developmental Disabilities.

CHILD WELFARE LEAGUE
OF AMERICA, INC.,
New York, NY, October 15, 1985.

DEAR MEMBER OF CONGRESS: On behalf of the Child Welfare League of America (CWLA) and its 350 member agencies and 1,200 affiliates throughout this country who provide a range of services to children and families in crisis, I am writing to express our deep concern about the Gramm-Rudman Balanced Budget Amendment passed by the Senate last week.

While we too are concerned about projected deficits, we do not believe that the Gramm-Rudman Amendment achieves the goal of deficit reduction in a fair, equitable, nor, for that matter, effective manner. Specifically:

We oppose the provision of Gramm-Rudman exempting that portion of the defense budget which is covered by prior year contracts and obligations. Such contracts and obligations account for approximately 40% of the total defense budget and, in fairness, should be considered as part of any base used to compute automatic spending reductions. The defense budget has received huge increases over the past five years and in large measure is responsible for our current deficit. Therefore, it is only fair that the defense budget fully shoulder its share of automatic spending reductions in any attempt to reduce the deficit or balance the Federal budget.

Given that 40% of the defense budget, Social Security and interest payments on the national debt would all be exempt from automatic spending reductions, *the burden for reducing the deficit and balancing the budget will fall disproportionately on programs serving children and low income families.* These programs have already contributed to reducing the deficit by absorbing more than $10 billion a year in cuts since 1981. *We, therefore, urge you to specifically exempt discretionary and entitlement programs serving children and low income persons* during House-Senate Conference negotiations on the Gramm-Rudman amendment.

Any effort to balance the budget and eliminate deficits should allow the inclusion of new revenues from taxes. Recent tax breaks for corporations and wealthy individuals rather than expenditures for children and low income families have significantly contributed to the current deficit. Moreover, it is not certain that if the entire non-defense discretionary portion of the budget were totally eliminated that the Federal budget would be balanced. New revenues must be allowed in any plan aimed at reducing the deficit.

Congress must not relinquish its authority and responsibility in making budget decisions. Considerable discretion is provided to the President and to the Office of Management and Budget under Gramm-Rudman in deciding whether or not to make automatic spending reductions and, in the case of OMB, in allocating reductions, possibly down to the line item. This may be one of the more serious elements of the Gramm-Rudman in its long-term implications regarding future national budget policy in that Congress could effectively be overturned in its budget decisions by allowing the President the ultimate authority in this regard.

CWLA urges your serious consideration of these issues as well as your consideration of whether to move forward with a balanced budget package at this time. The Gramm-Rudman amendment is barely two-weeks old; it has not been subject to committee scrutiny or deliberation in either the House or the Senate; and, it has far-reaching implications for the future of our national budget process. It deserves, therefore, a more thoughtful and deliberate consideration than can possibly be provided in the next week and a half.

Such consideration is particularly important given that, as currently proposed, Gramm-Rudman would be devastating for programs serving children and low-income families. Unfortunately, these populations are least able to provide you with their analysis of this proposal and they, therefore, rely on your judgment and wisdom for their protection. CWLA urges you to keep in mind the children who would be adversely affected by Gramm-Rudman as you decide how you will vote on the matter.

Thank you for your consideration.

Sincerely,

DAVID S. LIEDERMAN,
Executive Director.

CONSORTIUM FOR CITIZENS
WITH DEVELOPMENTAL DISABILITIES,
October 18, 1985.

DEAR CONFEREE: The Consortium for Citizens with Developmental Disabilities (CCDD) wishes to express our outrage about the budget deficit reduction plan authored by Senators Gramm and Rudman and currently under consideration in conference by the House and Senate.

CCDD is comprised of national organizations, including the undersigned, who work on behalf of our country's citizens with the most severe disabilities. Although persons with developmental disabilities frequently have unmet needs, many have available to them some basic Federal supports through Federal/State programs and personal entitlements. These supports allow them to have a roof over their heads, food, medical assistance, and special education and training programs aimed at helping them become more independent and productive citizens. During many years of strong bipartisan support, members of both Houses have worked valiantly to develop and maintain these vital services and benefits, which are now so seriously threatened.

We have two major objections to the Gramm-Rudman Amendments as we understand them. First, the current Congressional procedures for budget approval would be radically changed, placing sweeping authority in the hands of the Executive Branch. The future of our services and our people would be that much more at risk. CCDD wishes to express its dismay over this possibility, and strongly urge Congress to work to retain its current authority over the budget process. In this way, people with developmental disabilities will maintain their opportunity to share their views and concerns with their elected representatives and not to have the quality of their lives decided by the Office of Management and Budget.

Secondly, CCDD is particularly concerned that a substantial portion of the budget cuts required by Gramm-Rudmann will likely result in massive curtailment of services and benefits to persons with developmental disabilities. None of the programs geared to protect and improve the lives of our people are protected. Yet, citizens with developmental disabilities are among our most vulnerable populations. What will happen to them in FY'91 when programs like vocational rehabilitation, special education, Medicaid and others are slashed beyond recognition? We urge you to exempt Federal programs serving people with developmental disabilities from the cutbacks envisioned under Gramm-Rudman.

CCDD does realize that deficit reduction is an important national priority. It must be done to keep our nation strong. We implore you to do all you can to find effective avenues other than gutting handicapped and other human services programs. Surely there are ways to raise substantial additional revenues to reduce the deficit. Surely, a greater proportion of the defense budget can be scrutinized for possible reductions.

Persons with developmental disabilities, their families and advocates, are becoming very fearful that their dreams for independence will soon end if Gramm-Rudman is enacted. These people have enough problems facing them in their everyday lives without having to worry about what the Congress might do to their benefits and services. We strongly urge you to reflect carefully on the impact of your decisions on the lives of persons with developmental disabilities.

On behalf of: American Academy of Child Psychiatry, American Occupational Therapy Association, American Physical Therapy Association, Association for Children and Adults With Learning Disabilities, Association for Retarded Citizens, Council for Exceptional Children, Epilepsy Foundation of America, National Alliance for the Mentally Ill, National Association of Private Residential Facilities for the Mentally Retarded, National Association of Private Schools for Exceptional Children, National Association of Rehabilitation Facilities, National Association of State Mental Retardation Program Directors, National Easter Seal Society, National Education Association, National Mental Health Association, National Network to Prevent Birth Defects, National Recreation and Park Association, National Society for Children and Adults with Autism, the Association for Persons with Severe Handicaps, United Cerebral Palsy Association, Inc., the Center for Law and Social Policy.

Mr. FRANK. I would like to submit articles by Evans and Novak, Hobart Rowen, George Will, and Haynes Johnson, a fairly representative selection of people.

[From the Washington Post, Oct. 13, 1985]

GOVERNMENT BY MEAT CLEAVER

(By George F. Will)

Bob Dole, illustrating the axiom that wit is educated insolence, said the Senate should pass the radical budget-balancing bill without hearings because, "The longer something hangs around here, it gets stale. People start reading it." Heaven forfend.

The proposal, an action-forcing device, would require five annual cuts of equal size ($36 billion) bringing the deficit to zero in 1991. The president would be required to submit a budget with sufficient spending cuts or tax increases to cut $36 billion from the deficit. If—if!—Congress did not ratify his blend of pains and did not devise its own blend, the failure would trigger a presidential duty to cut spending, across the board, by what fixed percentage is required.

Note that congressional failure to make hard choices would not invest the president with broad power to exercise rational discretion in shaping the budget. Defenders—yes, defenders—of the proposal stress that it makes the president a mere automaton. The proposal minimizes choice—thought—in budget-making. This evasion of governance might, for example, require the president to cut equally, thereby assigning the same social value to Amtrak subsidies and programs for spina-bifida babies.

This proposal is historic in its potential consequences and stunning in its symbolism, especially as it reveals a transformation of conservatism. In its potential for large consequences, it ranks a cut below repeal of the Missouri Compromise. It will not ignite civil war, quite. However, as an allocator of effective power within the central government, the proposal is as significant as the establishment of the Federal Reserve System.

Considering its source—the conservative party—the proposal is as startling as the Giles Enforcement Act of 1809, which suspended parts of the Bill of Rights in order to enforce compliance with Jefferson's embargo against Britain and France. Sen. William B. Giles, the author of this concentration of irresistible power in the central government, was a Virginia Jeffersonian, at least rhetorically.

Today's conservative proposal for shrinking deficits mocks some conservative rhetoric. It would involve an enlargement of executive-branch power without parallel in peacetime. Modern conservatism defined itself in opposition first to FDR and then to LBJ. Hence conservatism has celebrated congressional prerogatives against "presidential government." But conservatives supporting this deficit-cutting proposal favor a form of executive power far beyond the dreams of liberal political avarice.

We few who are "strong government conservatives"—we Hamiltonians—believe, as our hero did, that "energy in the executive is a leading character in the definition of good government." But minimizing the element of mind in governance is a high price to pay for instilling energy in the executive.

The proposal illuminates the real, as distinct from the rhetorical, nature of contemporary conservatism. Social Security would be completely exempt from cuts. Social Security and interest payments, which are necessarily exempt, comprise one-third of the budget. All other entitlement programs would suffer only cuts from annual cost-of-living increases. Thus the controllable portion of the defense budget, especially pay, maintenance and operations, would bear a heavy burden of the cuts. So conservatives supporting the proposal are siding with the middle-class, social-insurance side of the central government against the defense priority.

The proposal is as American as, well, Prohibition. It expresses a deep desire to tame turbulent social forces with institutional cleverness and words on parchment. Deficits a problem? Outlaw the rascals—that worked so well with gin.

It is axiomatic: In politics, the perfect is the enemy of the good. That is, pursuant of perfection impedes achievement of the merely adequate. Perhaps today's proposal is the closest that self-government, modern American-style, can come to self-restraint. But as Dole said to a supporter of the proposal, "Don't get up and explain it again. Some of us are for it."

Congressional pleas for the proposal sound like the notes the homicidal maniac sends to the police: "Stop me before I kill (spend) again!" Sen. Warren Rudman (R-N.H.), an author of the proposal, was an amateur boxer. He combines charming feistiness with disarming candor. He does not cavil about a description of the proposal as a straitjacket for the government to jump into in a fleeting moment of lucidity. But the words of Sen. Bill Bradley (D-N.J.), a critic of the proposal, can be quoted by proponents for the proposal. Bradley says Congress does not need new procedures, it just lacks political will. Just? "The brain surgeon just lacked steady hands."

The proposal calls to mind an acid cartoon from the late 1940s showing a German general saying, "I was only obeying orders I gave to myself." The proposal would hand a meat cleaver to the executive branch and force the use of it. Then a congressman or senator confronted by angry constituents could point to the executive branch and say: "Don't blame me. The, er, government did it."

[From the Wall Street Journal, Oct. 17, 1985]

VOODOO BUDGET PROPOSALS WON'T CURE REAGAN'S DEFICITS

(By Hodding Carter III)

The proposal by Sens. Gramm, Rudman and Hollings controlling and then eliminating the federal deficit is brilliant politics and appalling governance. It makes a mockery of the separation of powers, stands constitutional and political responsibilities on their heads, and makes policy decisions by arbitrary formula rather than by a rational decision-making process. In other words, it accurately reflects the realities of Washington 1985. A bad idea whose time has come, it could well finally force responsibility upon those who have been resisting it like the plague for far too long.

The problem all along has been that no one would bite the multiple fiscal bullets that face the nation with lethal peril. Congress and President Reagan spent almost eight months wrestling with the budget, then "compromised" on a resolution that was divorced from reality when passed and has grown more distant from the truth of the situation ever since. It promises deficit reductions it can't deliver, based on economic projections no one accepts.

It's not that anyone disputes some basic points. The annual deficit has quadrupled over the past five years, now averaging $200 billion-plus each year. Thanks to the structural imbalances between tax base and spending so carefully created by then-Rep. Phil Gramm and company in the 1981 tax bill, there would be large deficits under the best of circumstances, so long as the president insists upon using national defense as the world's largest pork-barrel project. The circumstances, of course, were something less than the best for about half of President Reagan's five years in office.

And so the national debt—that sum of money we liberals once liked to say that Americans "owe ourselves"—has grown astronomically, fed by ever burgeoning deficits. From one trillion five years ago, it has doubled to two trillion dollars. Given annual deficits of $200 billion, give or take a few billions, by realistic projections it should reach three trillion by 1990. That money we "owe ourselves" is increasingly owed to others, and the transfer of national wealth from productive purposes to debt service can have only dire long-term results. It will sap the country's economic vitality and drive business and industry into permanent stagnation—or it will prompt the government to print its way out of one mess and into another.

So much for the obvious. Today, virtually no one disagrees that huge debt and large annual deficits are intolerable. But since the real pain and harsh consequences are in the hazy future, neither legislators nor the president has felt compelled to inflict tax or budgetary pain on their constituents in the here and now.

Into that vacuum came the appealing simplicities of Gramm-Rudman-Hollings. What the White House and Congress would not do for themselves, through hard choices among program options, the deus ex machino of annual, mandatory, across-the-board reductions would impose. All matters would be treated as though they were of equal worth, whatever their starting point and their utility. The just and the unjust alike would take the budget-reduction blow (save only that great untouchable, Social Security). Bloated or lean, each budget item would be cut by the same percentage to reach the pre-specified annual overall reduction.

And who would do the cutting? In the political sense, no one. If Congress and the president were unable to come up with a budget that reduced the deficit by the preestablished figure, then the act's unseen hand would take the president by the neck and force him to make the blanket cuts. Everyone would be to blame, and no one.

So much for sarcasm. Dangerously flawed, Gramm-Rudman-Hollings performs a major public service. It throws into clear relief the utter irresponsibility of both houses of Congress and the president. It exposes the collapse of the budget process, which meets its goals only by fudging them. It demonstrates that behind all the public protestations of concern about the deficits and the debt at both ends of Pennsylvania Avenue lies a great swamp of indifference. Finally, it creates a monster whose Frankenstein-style depredations should finally force consensus on intelligent alternatives to arbitrary, mechanical budget making by formula.

The matter is now before an extraordinarily large conference committee, the House having decided to put into a huddle rather than try to advance the ball on the open field of play. As members of Congress read deeper and think more clearly, they may all find various reasons to alter the version of Gramm-Rudman-Hollings that the Senate passed. But some version will almost surely

emerge, thanks to a fine mix of political shrewdness and political cowardice.

At that point, it seems clear to me that no one will actually find it possible to live with the measure over any length of time. Certainly not the president, who would be required to cut deeply into defense spending along with social programs. Not liberal and moderate congressmen, who would have to watch from the sidelines as the poor were even more severely penalized for their poverty. And not those in both houses who believe that Congress should be a live participant in the business of government rather than a mute observer of some clockwork process.

In short, Gramm-Rudman-Hollings will, like the executioner's ax, wonderfully concentrate the minds of those we have elected to represent us. Faced with the most unpleasant choice of all, which is to admit their irrelevance to the political process, they may finally make the hard choices and trade-offs necessary to confront the implications of our national sea of red ink. Having taken us into that sea up to our necks due to the economic policy mistakes of 1981 and beyond, they should finally be persuaded by their own legislative creature that they have the ability to repair them.

If that is wrong and if Gramm-Rudman-Hollings is called into play, it will fundamentally alter the shape of government and amend the Constitution through the back door. In that respect, it is a radical threat to our political system. But so, too, are the implications of the monstrous national debt. Given both, the president and Congress should finally be stirred to stop playing games and start meeting their basic responsibility.

[From the Washington Post, Oct. 18, 1985]

WHAT GRAMM/RUDMAN WILL REALLY COST

(By Rowland Evans and Robert Novak)

By the time their guffaws over the discomfiture of Democrats caught in the act of hypocrisy had subsided, senior aides to President Reagan began totaling up the cost of the Gramm/Rudman deficit-reduction plan. A possibly fatal slowdown of tax reform is only the down payment. Threatened in the immediate future are Reagan's rearmament program and his pledge not to increase taxes. That endangers the sustained economic growth that would truly shrink the deficit.

Sober second thoughts abound in the West Wing of the White House, where Gramm/Rudman looks more and more like Dave Stockman's revenge. Stockman left the Office of Management and Budget after a final failure to raise taxes as an alternative to unobtainable spending cuts. Suddenly, he is on the verge of victory in absentia.

Nothing seemed further from reality when Sen. Phil Gramm's brainchild emerged, enabling Republicans to regain the budget offensive. After a solid year of complaining about the Reagan deficit, Democrats were faced with further assault on cherished social welfare programs.

But the Reagan Revolution will have to pay as well. As a starter, Gramm/Rudman may administer the *coup de grace* to Stockman's pet peeve: tax reform. Chairman Dan Rostenkowski and other members of the House Ways and Means Committee must lay aside tax-writing to serve on the conference committee to forge a deficit reduction.

Considering today's negative climate within Ways and Means, postponing tax reform could prove remedial. But the renewed primacy of deficit reduction dulls the appeal of a tax bill mistakenly hawked by the White House as an instrument of "fairness" rather than economic growth.

Nearly as immediate but more profound is the impact on budget-making. Although the budget need not be balanced until 1991 under Gramm/Rudman, the OMB must begin immediate preparation of Reagan's most Draconian budget. To limit the deficit to $147 billion, it must far outdo Stockman's last rejected efforts at dismantling the Great Society. Politically astute aides at the White House see this Parthian shot at big government as fine for the lame-duck president but suicidal for Republican politicians in 1986.

In fact, the danger transcends partisan politics. As Congress predictably refuses to cut domestic spending, Reagan would be faced a year from now with mandated cuts—evenly spread between defense and nondefense.

The problem here has been publicly laid out by Treasury Secretary James Baker, scarcely a mad bomber of defense spending. He acknowledges that the military cutbacks he unsuccessfully advocated in 1981 have been forced by Congress and that there is no margin for further reduction if the Reagan rearmament is to be preserved. Yet, it is clear to Baker that Gramm/Rudman will require just such defense slicing.

The escape from this dilemma is via the path long advocated by Stockman: tax increases. The argument that will be made to Ronald Reagan next year is obvious; Mr. President, if you want to save your military budget, you must acquiesce in a little "revenue adjustment."

Since tax increases depress economic activity, this could dash private Treasury projections of a budget close to balance by 1991 simply by economic growth. Thus, what Gramm sees as the salvation of the Reagan Revolution may ruin it.

Gramm, a rising Republican star, is an intrepid champion of military preparedness and the free market. But he sees the Reagan Revolution as a "defunding" of federal programs with which he believes the Democrats have bought political victory.

Gramm is fully supported by chief of staff Donald Regan, but heavy doubts have infiltrated the West Wing and the House Republican cloakroom. Silent dissenters are hoping the Democrats will somehow derail the deficit-reduction juggernaut, signifying that the political budget game has gone full circle.

[From the Washington Post, Oct. 17, 1985]

GRAMM/RUDMAN IS PURE MISCHIEF

(By Hobart Rowen)

Of all of the indictments of the Gramm/Rudman budget-deficit proposal—and there are many—one of the most effective was delivered by former Economic Council chairman Walter W. Heller: it is bad, almost horrible, economic policy.

Unhappily, Heller's testimony to the Joint Economic Committee got lost as national media attention was focused on the Navy's splendid intercept of the Egyptian airliner trying to take those four Palestinian hijackers to safety.

The proposal by Republican Sens. Phil Gramm of Texas and Warren Rudman of New Hampshire would require a balanced budget by fiscal year 1991 and, in the interim, would trigger automatic spending reductions of $36 billion each year. This seductive, simplistic notion is supposed to satisfy the yearning of Republicans and Democrats alike to "do something" about the budget deficit, in the same thoughtless fashion that Congress has been asked to "do something" about the trade deficit by passing counterproductive protectionist import surcharges.

Said Heller: "Like any mandated and rigid formula, it would undermine, perhaps even pervert, the role of the federal budget as an economic balance wheel in the economy. Rigid reductions of the deficit through thick and thin—through recovery and recession—could wreak havoc on the economy."

For example, suppose a recession hits the economy in 1987 (which many economists think quite possible), but is followed by a modest recovery in 1988. Under terms of the Gramm/Rudman bill, the federal deficit in fiscal 1988 would not be allowed to exceed $108 billion, which is a smashing $162 billion less than the $270 billion now forecast by the Congressional Budget Office for such a 1987-88 economic scenario.

Says Heller: "Imagine the economic setback it would cause to slash spending and the deficit by 1988 to try to reach the $108 billion deficit level fixed by the Gramm/Rudman formula!"

Obviously, it couldn't be done. If in that circumstance the president actually tried to find the $162 billion by raising taxes or by forcing cuts in spending, it would further depress the economy, throwing more people out of work and throwing the budget even more out of whack. "A dog chasing its own tail comes to mind," Heller said.

Or let's say that the economy faces a "growth" recession, like the one it's been in for the past year—no negative result in GNP, but not enough growth, either, to cut the unemployment rate. Over a two-year period, that would cost about $60 billion in tax revenue that otherwise would be received by the Treasury. And in that case, Gramm/Rudman would not only require that $72 billion be cut from the deficit ($36 billion a year for two years), but enough to make up for the $60 billion shortfall.

Heller, a good phrase-maker (who is sorely missed here) snaps: ". . . that would simply kick the economy in the groin and bring on an actual recession."

But sadly, a passel of veteran "liberal" Senate Democrats was played for suckers by junior Republicans Gramm and Rudman. They weren't paying attention to the economic-policy shortcomings of the proposal, but to the political benefits of being seen as willing to "do something" about the deficit. And in doing so, they fell into a neat trap, transferring authority to President Reagan to do whatever he wants, unilaterally, with the nondefense part of the budget. According to the Center on Budget and Policy Priorities, at least half of the budget would be exempted from the Gramm/Rudman cuts.

Among 27 Democrats who abandoned, almost everything they've ever said they stood for on economic issues was Edward M. Kennedy of Massachusetts, who has been trying to carve out a more "responsible" image looking to the 1988 presidential election. Said Kennedy: "We are all crying 'fire' in the overcrowded theater of the federal deficit. We cannot continue to debate endlessly which fire extinguisher to use while the fire rages on. "Since low-income programs would bear the brunt of the automatic $36 billion annual reductions, Kennedy's rationale is somewhat reminiscent of the U.S. military officer at Ben Tre during the Vietnam War who said: "It became necessary to destroy the town in order to save it."

Sens. Bill Bradley (D-NJ.) and Gary Hart (D-Colo.) argue convincingly that—in short—Gramm/Rudman is a fraud, cleverly

designed to protect the defense program from more than token cuts; to avoid a tax increase; and to lay the entire burden of cutting the deficit on monies for education, child care, environmental and other nondefense programs that so far have partially eluded the ax of Reaganomics.

It's now up to House Democrats in conference to rescue the nation from the worst of the Gramm/Rudman mischief.

Mr. FRANK. And I would like to submit a memorandum by the Children's Defense Fund and the Center on Budget and Policy Priorities.

POOR CHILDREN MUST NOT BE SACRIFICED—AGAIN: GRAMM/RUDMAN MUST EXEMPT ALL PROGRAMS FOR THE POOR

America's poor children have already paid, and paid dearly, to reduce our nation's budget deficit. In 1981, poor children were sent to the frontlines of the deficit reduction war, and federal programs for them and their families were reduced by over $10 billion a year. The Gramm/Rudman amendment to the federal debt ceiling legislation (H.J. Res. 372) asks poor children to pay again.

The Gramm/Rudman plan is now in the hands of a House-Senate Conference Committee, composed of 48 Members of the House and 9 Senators. If this dangerous plan is allowed to pass without exempting the poor, children and families will suffer greatly. This comes at a time when one out of every five children in America is poor, and when increased suffering and deprivation are evident from all indicators, including: incidence of hunger and homelessness; reports of abuse and neglect; access to basic health care, child care, and educational services, and rates of teenage unemployment.

House conferees must exempt all programs serving poor children and families—entitlements and discretionary—from any additional budget cuts, and target its efforts to the real causes of Federal deficits—defense spending and tax expenditures.

GRAMM/RUDMAN WILL SERIOUSLY HURT POOR CHILDREN

Because Social Security and a large portion of the defense budget would be exempt from spending reductions, programs for poor children and families would be subject to cuts equal to as much as twice their share of total federal outlays. Gramm/Rudman would require automatic spending reductions for all expenditures deemed "controllable," nothwithstanding the fact that many programs for poor children and families yield long-term savings which far exceed their cost.

The magnitude of automatic spending reductions under Gramm/Rudman will depend a great deal upon economic conditions in the years ahead. If the economy stalls and enters a recession, the budget cuts required to meet annual deficit targets will be severe. The following list illustrates how poor children and families would be hurt by spending reductions of 10 and 20 percent (levels which could be achieved as early as 1987 under the Senate's balanced budget proposal):

Medicaid.—A 10 percent cut would threaten services to 1 million children, while a 20 percent reduction would jeopardize Medicaid services to 2 million children. (In Texas, a study found that each dollar spent on preventive health care for children under Medicaid saved $8 in long-term care costs and future lost income as children grew old enough to work.)

Head Start.—A 10 percent cut would deprive 45,000 children of a Head Start, while a 20 percent reduction would force 90,000 children out of the program. (A 20-year study of a preschool program like Head Start recently concluded that the total economic benefits of such a program are seven times greater than their cost.)

Chapter 1 of the Elementary and Secondary Education Act.—A 10 percent cut would result in a loss of compensatory education services to 500,000 children, while a 20 percent reduction would deny remedial assistance to 1 million children. (National evaluations of Title I revealed that participating students gained 10–17 percent more in reading and 9–74 percent more in mathematics than their non-Title I peers.)

Women, Infants, and Children Supplemental Food Program [WIC].—A 10 percent cut in the Special Supplemental Food Program for Women, Infants, and Children (WIC) would eliminate services to 300,000 women and children, while a 20 percent reduction would deny this nutritional assistance to 600,000 women and children. (A Harvard study of WIC found that the reduced incidence of a low birth-weight babies needing extended hospital care saved $3 in hospital costs for every $1 spent in the prenatal component of WIC.)

Job Corps.—A 10 percent cut would force 10,000 disadvantaged teenagers out of Job Corps, while a 20 percent reduction would eliminate youth employment and training opportunities for 20,000 participants. (Cost-benefit analyses show that Job Corps yields $1.45 in societal benefits for every dollar invested in the program.)

POOR CHILDREN AND FAMILIES HAVE ALREADY UNFAIRLY SACRIFICED TOO MUCH

In 1981, programs for the poor were singled out for enormous budget sacrifice. More than $10 billion a year has been cut from federal programs serving poor children and families. Virtually every federal program targeted to the poor and vulnerable has been seriously affected: child nutrition food stamps, AFDC, Medicaid and other health programs, education and job training, child care, child welfare programs, low-income housing, legal services and many others.

Federal outlays for programs for poor children and families have been slashed even as defense spending has soared. Between 1981 and 1984, real per capita expenditures for programs serving low-income families and children declined by 8 percent while real per capita defense outlays increased by 25 percent. Gramm/Rudman would make this imbalance far worse by permitting projections of further real growth in defense spending and then exempting roughly 40 percent of the defense budget from spending cuts before any automatic, "across-the-board" deficit reductions are made.

As a result of the deep sacrifices imposed by previous budget cuts, programs for poor children and families now fall far short of meeting basic human needs. Examples of our inadequate investments on behalf of low-income families include:

Health services under Medicaid reached 98 percent of all poor children in 1978; only 71 percent of all poor children were Medicaid recipients in 1983.

Head start is now reaching only 18 percent of all eligible children. Although 442,100 children are served, another 2 million are left out of the Head Start program.

AFDC benefits provided assistance to 76 percent of all poor children in 1978; only 53 percent of all poor children were reached by the AFDC program in 1983.

Nearly 800,000 fewer children participated in federal compensatory education programs (Chapter 1, formerly Title I) in the 1982 school year than were served in the 1979 school year.

The four basic child nutrition programs—the School Lunch, School Breakfast, Child Care Food, and Summer Food programs—suffered budget cuts of nearly 30 percent between fiscal year 1982 and 1985. As a result, 1.6 million poor children have been dropped from these child nutrition programs.

In 1977, half of all black and white high school graduates enrolled in college; by 1982, college enrollment among black high school graduates fell to 36 percent. Much of this decline can be traced to poverty—only one in every six poor black high school graduates attends college, as compared to one in three high school graduates from black and white families with incomes above the poverty line.

GRAMM/RUDMAN DOES NOT ADDRESS THE CAUSES OF RECENT FEDERAL DEFICITS

The unprecedented federal deficits incurred during the Reagan administration cannot be traced to programs for poor children and families. At the same time the low-income programs have been cut by $10 billion annually, the deficit has increased from $58 billion in fiscal year 1981 to nearly $200 billion in each of the past three fiscal years.

Much of the current deficit stems directly from the combination of large tax reductions and rapid increases in defense spending which the Reagan administration has persistently advocated and successfully achieved. While federal tax revenues have dwindled to 18–19 percent of the Gross National Product, burgeoning defense expenditures have pushed federal outlays to about 24 percent of GNP. The administration added $178 billion to the defense budget during its first term, and yet also won large tax reductions for wealthy Americans which effectively left the federal government without the means to support its defense buildup.

Between fiscal years 1984 and 1989, tax expenditures will increase by an estimated $192 billion. If the Reagan administration's budget priorities are accepted, defense expenditures during the same period will increase by nearly $350 billion. Yet Gramm/Rudman exempts all tax expenditures and approximately one-third on the defense budget from automatic spending reductions designed to achieve a balanced budget. The additional exemption of Social Security from required spending cut further ensures that programs for poor children and families will bear the brunt of deficit reductions under Gramm-Rudman.

Any serious and equitable balanced budget proposal must target budget cuts on the causes of the current federal deficits. All of the defense budget must be part of the base used to compute any budget reductions, and revenue measures and tax expenditures should also be considered as sources for deficit reductions.

Fairness and economic justice require that programs serving low-income children and families be fully exempt from Gramm/Rudman or any alternative balanced budget proposal. The poor have sacrificed more than their fair share in previous deficit reduction efforts. They must not be scapegoats once again.

POVERTY AMONG CHILDREN HAS RISEN DRAMATICALLY SINCE 1979

More than one of every five children in America today is poor. Half of all black children and nearly 40 percent of all Hispanic children are poor. A total of 12.9 million American children lived in poverty in 1984, an increase of 29 percent over 1979 level.

Children are not the poorest group in American society. Between 1959 and 1969, the poverty rate for children was cut nearly in half, from 26.9 percent to 13.8 percent. However, this trend was sharply reversed in recent years, and 21 percent of all children were poor in 1984. Over 3 million children fell into poverty between 1979 and 1983. In contrast, poverty among the nation's elderly has declined to the point that persons over age 65 in 1984 were less likely than the population as a whole to live in povety.

The increased suffering and deprivation associated with child poverty is evident from all indicators.

The national death rate for infants between one month and one year of age increased by 6 percent between 1983 and 1984. By 1990, 22,000 American babies will die primarily because of low birthweight.

Over 66,000 children are now living without adequate shelter. An estimated 22 percent of the homeless living in shelters, not including runaway shelters, are children under age 18.

An estimated 1.5 million American children were reported abused or neglected in 1983, an increase of 200,000 over the previous year.

Families with young children and those headed by women are particularly vulnerable to poverty. One-fourth of all children below age 6, including one-half of all black children in this age group, are poor. More than half of all children in female-headed families are poor, and over two-thirds of black children in such families live in poverty. For families headed by women under age 25, the poverty rate exceeds 75 percent.

It is essential that House conferees insist that all programs serving the poor—both entitlement and discretionary—be fully exempt from Gramm/Rudman.

[Center on Budget and Policy Priorities]

BUDGET PROPOSALS MAKE LARGE REDUCTIONS IN LOW INCOME AND HUMAN RESOURCE PROGRAMS

Under the Administration's new budget proposals unveiled today, nearly all cuts would come from the domestic side of the budget. The reductions in human resource programs other than Social Security (education, health, social services, employment, income maintenance, retirement and disability programs) would be as large as all the cuts made in these programs in 1981 and 1982 combined.

In addition, low income programs, which were hit heavily during the Administration's first term, would be subject to large reductions once more ($34 billion over the next three years) and would again receive a disproportionate share (19%) of the cuts. This marks the fifth consecutive Administration budget in which low income programs would be affected disproportionately (i.e., the percentage of the cuts coming from low income programs would be larger than the share which the programs comprise of the overall budget).

While overall federal spending (other than interest payments on the national debt) would remain frozen at $804 billion, spending for defense and related areas would rise $30 billion while domestic spending would be cut $30 billion below FY 1985 levels. See Table 6. (The "real" cut in domestic spending, after inflation is taken into account, is considerably more than $30 billion.)

Although the Administration is listing $8.7 billion in defense cuts, the Department of Defense budget would actually grow 5.9% after inflation. The Congressional Budget Office (CBO) considers any defense spending growth over 5% above inflation to be an increase that enlarges the deficit, not a cut that shrinks it.

If, therefore, the defense "savings" are not counted as deficit reductions, approximately 95% of the actual cuts in the budget come from the 40 percent of the budget (exclusive of interest payments) that consists of domestic programs other than Social Security. This is the same part of the budget that bore most of the cuts during the Administration's first term. (If the defense "savings" are counted as cuts, then over 80% of the cuts come in the 40% of the budget that is comprised of domestic programs other than Social Security.)

Reductions in human resources programs (except Social Security) would be equal in size to all such human resources cuts enacted in 1981 and 1982 combined, when the bulk of the earlier budget cuts were made. The new proposals call for cuts in human resources programs (other than Social Security) of $65.6 billion during the first three years they would be in effect (fiscal years 1986 through 1988). Congressional Budget Office (CBO) analyses show that the cuts enacted from January 1981 through July 1983 in these programs totaled $55.8 billion during the first three years those cuts were in effect (FY 1982 through FY 1984). When the earlier cuts are adjusted for inflation (to reflect prices in the FY 1986 to FY 1988 period), those cuts increase to $65.9 billion. This means that after adjusting for inflation, the new human resources cuts would be a almost exactly the same as the cuts enacted earlier. If the new proposals are approved, the total amount of human resources cuts in areas other than Social Security thus will double (Tables 1 and 2).

The reductions proposed in human resource programs are $13.8 billion in FY 1986, $23.1 billion in FY 1987, and $28.7 billion in FY 1988.

Despite rhetoric concerning "freezes," many fewer domestic programs would be frozen at least year's levels than had earlier been thought. Large numbers of programs are actually reduced below FY 1985 levels.

Some programs would be cut in both FY 1985 and FY 1986. The FY 1985 cuts would be achieved largely through proposals to "rescind" funds Congress has already appropriated for this year. Programs that would be cut both years include the Special Supplemental Food Program for Women, Infants, and Children;[1] the summer youth employment program; employment and training programs for dislocated workers; payments for the operation of low income housing projects; assistance to "magnet schools" (to aid in desegregation), and bi-lingual education.

[1] Congress has appropriated $1.5 billion for WIC in FY 1985, but the Administration proposes to release to states only $1.424 billion of this amount and to return the remainder to the Treasury. For FY 1986, the Administration is proposing $1.48 billion for WIC. Funding for both years would be cut below the level Congress appropriated for FY 1985.

LOW INCOME PROGRAMS

Low income programs would again be hit hard. Cuts in programs that primarily serve low income persons would total 34.0 billion in outlays over the next three years—or 19% of the total cuts (assuming the defense "savings" are not considered to be cuts; if the defense savings are counted, than 16% of the total cuts would come in the low income area). See Table 3.

The low income reductions total $7.1 billion in FY 1986, $11.8 billion in FY 1987, and $15.1 billion in FY 1988.

While cost-of-living adjustments would be provided in Supplemental Security Income, food stamps, and veterans pensions, nearly all other low income programs would either be frozen, cut below last year's levels, or terminated.

Moreover, this substantially understates the full magnitude of the cuts on low income families:

The universe of low income programs used here does not include a number of programs which are not means-tested or directed principally to low income persons, but in which a disproportionate share of the benefits still go to low income persons. For example, urban mass transit aid would be terminated, while Older Americans Act services for the elderly would be frozen.

The $34 billion in low income program reductions also do not include proposed reductions in Medicare. The new Administration proposals would substantially increase the premiums that Medicare beneficiaries pay (those premiums would double by 1989). This would affect low income persons two ways: first, low income elderly persons not on Medicaid would have to pay the increased premium out of their own pockets. Second, state governments would have to pay the increased premium for low income Medicare beneficiaries who are on Medicaid, and the resulting increase in state Medicaid costs would likely lead many states to reduce Medicaid eligibility and benefits further to offset the new expenses.

Finally, the $34 billion in savings substantially understates the dimensions of the proposed cuts in HUD subsidized housing. The budget shows a reduction in actual spending (or "outlays") of $1.3 billion for HUD subsidized housing next year. But the budget also calls for an appropriations cut of $9.6 billion in HUD subsidized housing next year—a reduction over seven times as large. The full $9.6 billion would indeed be cut, but (due to fiscal and accounting procedures used in this program), the bulk of these cuts will not show up on the books as "outlay" reductions until after FY 1986.

As a result, the reductions in HUD subsidized housing would increase steadily in future years—and the overall reductions proposed in low income programs would grow larger and larger in future years.

Proposed cuts in a number of low income areas would have substantial impacts.

The Medicaid program, which provides health care coverage for poor families with children and poor elderly and disabled persons, would be cut $6.5 billion over the next three years ($1.1 million in FY 1986). These cuts would double the Medicaid cuts made during the first three Reagan years. The earlier cuts resulted in reductions in Medicaid coverage in nearly every state in the country. Most states either eliminated some persons from Medicaid (the Urban Institute found a marked decline in the number of low income elderly and disabled persons covered), or ended coverage for specific medical

services (such as eyeglasses for poor children, dental care, or prescription drugs). The new Medicaid proposals include further reductions of such a magnitude that they would be virtually certain to result in substantial additional cuts throughout the country in medical services to the poor.

The Supplemental Food Program for Women, Infants, and Children (WIC) would be provided insufficient funding to maintain its current caseload. Over 100,000 low income pregnant women, infants, and children at nutritional risk would be dropped from the program.

Subsidized housing would eventually be provided to 200,000 fewer low income families and elderly persons who qualify for it than if current policies were continued. This would intensify the housing crisis in low income communities. (According to some estimates, 500,000 low rent housing units are not lost to the housing stock each year due to condominium conversions, rent increases, decay, or abandonment. When the Reagan Administration took office, over 250,000 low rent units were being added back to the stock each year through federally-supported construction or rehabilitation efforts. Due to deep cuts in subsidized housing in the first years of the Administration, only 100,000 units a year are now being restored. The new proposals would cut subsidized housing still further, providing no funds for any low income units and effectively eliminating for two years the program which currently adds back 100,000 units per year.) In addition, federal funds for operations and maintenance of public housing projects would be reduced.

In the child nutrition area, the proposed termination of federal support for school meals served to children from families with incomes over 185 percent of the poverty line (now $18,870 for a family of four) would be expected to lead to the discontinuance of the school lunch program at some thousands of schools. U.S. Department of Agriculture research shows that this proposal would lead several million children to stop buying school lunches. This, in turn, would render the program economically infeasible in a number of areas. When schools drop out of the program, poor children in attendance at those schools lose free school lunches.

In addition, federal reimbursements for free school lunches and breakfasts served to poor children would be frozen, while the cost of the food in the meals would rise. As a result, school districts with heavy concentrations of poor students would have to either reduce the amount or quality of the food, or find new sources of funding to meet these costs.

Major reductions would also be made in financial aid to needy students. Appropriations for this program would be reduced $1.3 billion below the FY 1985 level, for a reduction of 27 %.

A number of low income programs would be shut down completely, including Jobs Corps (evaluations have shown Job Corps to be one of the more cost effective of training programs for unemployed youth), the Work Incentive Program (which is designed to help welfare mothers find jobs and leave public assistance rolls), legal services, rural housing programs, and the community services block grant (which is the continuation of the old Office of Economic Opportunity).

Other low income programs that would be reduced below FY 1985 levels, even without adjusting for inflation, include: compensatory education for disadvantaged children, bilingual education, the summer youth employment program, the community development block grant program, and the primary health care block grant.

When added to the budget cuts already enacted since 1981, the combined impacts in many of these programs would be very large, as the chart below shows (see Table 4 and 5 for more details):

COMBINED REDUCTIONS IN OUTLAYS FROM NEW CUTS AND CUTS ALREADY ENACTED

[Outlays represent actual Government spending each year; in percent]

	Fiscal year 1986	Fiscal year 1986–88 3-year total
Child nutrition	35.0	37.7
Medicaid	10.1	13.5
Housing assistance	20.8	23.4
Employment and training	68.8	69.3
Jobs Corps	29.0	76.4

COMBINED REDUCTIONS IN APPROPRIATIONS

[In percent]

	Fiscal year 1986	Fiscal year 1986–88 3-year total
Subsidized housing	98.5	92.6
Community services	100.0	100.0
Legal services	100.0	100.0
Employment and training	79.5	79.6
WIN	100.0	100.0
Jobs Corps	100.0	100.0
Compensatory education	14.5	18.9

CUTS IN OTHER AREAS

In addition to large cuts in human resource programs and programs targeted to the poor, other budget areas that would be subject to large reductions are farm and rural programs, cities, and federal employees.

Farm and rural programs that would be hit hard include farm price supports ($16 billion in cuts over three years; $2 billion in FY 1986); rural housing programs ($8.8 billion over three years; $2.2 billion in FY 1986); farm credit programs ($10.1 billion in reductions over three years; $3.0 billion next year); rural electrification programs ($1.9 billion over three years; $0.2 billion next year); and soil and water conservation.

Many of the principal programs relied on by cities would be terminated. Federal funding for urban mass transit would be ended (a $4.2 billion cut over three years; $0.8 billion next year). In addition, general revenue sharing would be terminated after FY 1986, Urban Development Action Grants would be terminated, and the Community Development Block Grant (which grew, in part, out of the old Model Cities program) would be cut 10% below a freeze level.

TABLE I.—CBO ESTIMATES OF CHANGES IN HUMAN RESOURCE PROGRAMS—OTHER THAN SOCIAL SECURITY—FROM LEGISLATION ENACTED JANUARY 1981 TO JULY 1983

[In millions of dollars]

	Fiscal year—			3-yr total
	1982	1983	1984	
Retirement and disability:				
Civil service retirement	−440	−576	−683	−1,699
Veterans' pensions and compensation	−2	−159	−199	−360
SSI	+32	+73	+582	+687
Other income security:				
Unemployment insurance	−1,000	+3,000	−4,500	−2,500
AFDC	−875	−1,222	−1,288	−3,385
Food Stamps	−1,535	−1,343	−2,031	−4,904
Child Nutrition	−1,026	−1,305	−1,392	−3,723
WIC	−48	+113	+77	+142
Housing assistance		+107	−452	−345
Low income energy assistance	−127	−160	−194	−481
Health:				
Medicare	−550	−2,900	−4,150	−7,600
Medicaid	−866	−1,026	−1,336	−3,228
Other health services	−77	−238	−467	−782
Education and social services:				
Compensatory education	−370	−701	−799	−1,870
Head Start	+14	−5	−10	−1
Vocational Education	−102	−172	−161	−435
GSL's	−275	−787	−1,170	−2,232
Student financial assistance	−320	−430	−664	−1,414
Community services block grant	−216	−247	−261	−724
Social services block grant	−699	−642	−699	−2,040
Veterans' readjustment benefits	−225	−175	−150	−550
Employment and training:				
General employment & training	−1,260	−1,956	−2,011	−5,227
Job Corps	−13	−21	−51	−85
Public service employment	−3,760	−4,142	−4,458	−12,360
Work Incentive Program	−100	−142	−153	−395
Total	13,840	15,056	26,620	[1] 55,516

[1] In The OMB documents in the new budget proposals, the Legal Services Corporation is grouped with the community services block grant. If cuts from fiscal year 1982 through fiscal year 1984 in legal services are added, the reductions shown here grow by $300,000,000 over the 3-yr period, bringing the total reductions to $55,800,000,000.

Source: Congressional Budget Office, "Major Legislative Changes in Human Resources Programs Since January 1981," August 1983.

TABLE 2.—PROPOSED REDUCTIONS IN HUMAN RESOURCES PROGRAMS [1]

[In billions of dollars]

	Fiscal year—			3-year totals
	1986	1987	1988	
Medicaid	1.1	2.1	3.3	6.5
AFDC	0.2	0.2	0.2	0.6
Food Stamps	[2]	.1	.1	.2
Child nutrition	.6	.9	1.0	2.5
Employment and training	.1	.7	1.0	1.8
Financial aid for needy students	.3	1.1	1.3	2.7
Compensatory and Handicapped education	[2]	.3	.4	.7
Other elementary education	[2]	[2]	.1	.1
Other higher education	.1	.2	.2	.5
WIC and other nutrition	.1	.1	.1	.3
Low Income Energy Assistance	.1	.1	.1	.3
Health block grants and other health	.3	.6	.6	1.5
community services block grant & Legal Services Croporation/Social Services [3]	.9	1.2	1.3	3.4
Subsidized housing [4]	3.8	5.1	5.9	14.8
Railroad retirement/black lung		.1	.1	.2
Federal civilian retirement	.8	1.4	2.0	4.2
Other retirement disability	.1	.2	.2	.5
Vocation education	[2]	[2]	.1	.1
Libraries/education research	.1	.1	.1	.3
Impact aid	.1	.2	.2	.5
Health professions education	.1	.2	.3	.6
Veterans health care	.3	1.0	1.0	2.3
Health research (NIH)	.2	.5	.5	1.2
Guaranteed student loans	.4	.4	.4	1.2
Medicare	4.1	6.3	8.2	18.6
Total	13.8	23.1	28.7	65.6

[1] Human resources programs are defined in a similar manner to the definition utilized by the Congressional Budget Office in its August 1983 study, "Major Legislative Changes in Human Resources Programs Since January 1981." Human resources programs include retirement and disability programs, other income security programs, health care programs, education and social services, and employment programs.

[2] Less than $50 million

[3] Includes community services block grant, work incentive program, legal services, social services block grant, human development and family and rehabilitation services.

[4] Includes public housing operating subsidies, rural housing and Indian housing.

TABLE 3.—PROPOSED CUTS IN PROGRAMS THAT ARE MEANS-TESTED OR THAT PRIMARILY SERVICE LOW INCOME PERSONS

[Dollar amounts in billions]

	Fiscal year—			3-year totals
	1986	1987	1988	
Medicaid	$1.1	$2.1	$3.3	$6.5
AFDC	.2	.2	.2	.6
Food stamps	(2)	.1	.1	.2
Child nutrition [3]	(2)	.2	.2	.4
Employment & training	.1	.7	1.0	1.8
Financial aid for needy students	.3	1.1	1.3	2.7
Compensatory education	(2)	.2	.3	.5
Bilingual/Indian education	(2)	(2)	.1	.1
WIC	.1	.1	.1	.3
Low income energy assistance	.1	.1	.1	.3
Low income weatherization	.05	.1	.2	.4
Health block grants and other health services	.3	.3	.4	1.0
Social Services and related [3]	.9	1.2	1.3	3.4
Subsidized housing [4]	3.8	5.1	5.9	14.8
Rural water/sewer facilities [5]	.1	.2	.3	.6
Community development block grants [6]	(2)	.1	.3	.4
Total	7.1	11.8	15.1	34.0
These cuts as percent of total cuts proposed [7] (not counting defense savings as cuts)	18.2	18.5	19.3	18.8
These cuts as percent of total cuts proposed (including defense savings)	14.9	16.2	17.1	16.3

[1] Savings from the freeze on Federal reimbursements on free and reduced price meals served to low income children.

[2] Less than 50 million; column totals include these small reductions.

[3] Includes community services block grant, work incentive program, legal services, social services block grant, human development and family and rehabilitation services.

[4] Includes public housing operating subsidies, Indian housing, and rural housing. Rural housing programs are primarily directed to low income rural residents and to farmworkers. The budget proposal would terminate the rural programs and merge them with the HUD subsidized housing program.

[5] The majority of Federal funds for rural water and sewer facilities are targeted to low and moderate income communities.

[6] By law, no less than 51 percent of CDBG funds must be directed to low and moderate income communities.

[7] Total cuts proposed exclude debt service savings.

TABLE 4.—THE COMBINED EFFECT IN SELECTED LOW-INCOME PROGRAMS OF THE NEW BUDGET PROPOSALS AND CUTS PREVIOUSLY ENACTED SINCE 1981

[In millions of dollars]

Program	Reductions in outlays			3-yr total
	1986	1987	1988	
Child nutrition:				
Spending without cuts	5,337	5,775	6,225	17,337
Actual spending	3,467	3,545	3,789	10,801
Percent reduction	35.0	38.6	39.1	37.7
Medicaid:				
Spending without cuts	26,351	28,660	31,330	86,341
Actual spending	23,691	24,772	26,187	74,650
Percent reduction	10.1	13.6	16.4	13.5
Housing assistance:				
Spending without cuts	13,227	13,791	14,440	41,458
Actual spending	10,481	10,538	10,733	31,752
Percent reduction	20.8	23.6	25.7	23.4
Employment and training:				
Spending without cuts	9,768	9,972	10,266	30,006
Actual spending	3,044	3,047	3,122	9,213
Percent reduction	68.8	69.4	69.6	69.3
Job Corps:				
Spending without cuts	762	749	779	2,289
Actual spending	541	0	0	541
Percent reduction	29.0	100.0	100.0	76.4
Win:				
Spending without cuts	482	497	513	1,491
Actual spending	60	0	0	60
Percent reduction	87.5	100.0	100.0	96.0

Note: "Spending without cuts since 1981" is the 1981 outlay level (prior to the recissions proposed by President Reagan and enacted by Congress) after adjusting for inflation and changes in economic conditions as computed by the Congressional Budget Office (CBO) in "Major Legislative Changes in Human Resources Programs Since January 1981" (August 1983). The CBO report includes estimates through fiscal year 1985. Because the CBO used inflation projections for fiscal year 1983 and fiscal year 1984 that were higher than the actual level of inflation, the CBO outlay levels have been reduced here by the difference between actual and projected inflation levels. The adjusted CBO outlay levels were then increased for fiscal years 1986 through 1988 by applying the percentage increase that the Office of Management and Budget has used in its fiscal year 1986 budget documents for spending levels for each program.

"New proposals" is taken directly from the administration's new budget proposals.

"Percent reduction" is the combined percentage that spending would be reduced below the 1981 level as a result of both the administration's proposals and cuts already enacted, after adjusting for inflation and changes in economic conditions.

TABLE 5.—THE COMBINED EFFECT IN SELECTED LOW-INCOME PROGRAMS OF THE NEW BUDGET PROPOSALS AND CUTS PREVIOUSLY ENACTED SINCE 1981

[In millions of dollars]

Program	Reductions in appropriations			3-year total
	1986	1987	1988	
Housing assistance: [1]				
Appropriation without cuts	32,619	33,989	35,348	101,955
Actual appropriation	499	1,904	5,181	7,584
Percent reduction	98.5	94.4	85.3	92.6
Compensatory education (title I):				
Appropriation without cuts	4,430	4,616	4,800	13,845
Actual appropriation	3,787	3,698	3,738	11,223
Percent reduction	14.5	19.9	22.1	18.9
Community services block grant:				
Appropriation without cuts	677	706	734	2,117
Actual appropriation	0	0	0	0
Percent reduction	100.0	100.0	100.0	100.0
Training and employment:				
Appropriation without cuts	13,701	14,276	14,847	42,825
Actual appropriation	2,806	2,906	2,906	8,618
Percent reduction	79.5	79.6	80.4	79.9
WIN:				
Appropriation without cuts	456	475	494	1,426
Actual appropriation	0	0	0	0
Percent reduction	100.0	100.0	100.0	100.0
Legal services:				
Appropriation without cuts	401	418	435	1,254
Actual appropriation	0	0	0	0
Percent reduction	100.0	100.0	100.0	100.0

[1] Housing assistance includes low-income housing operating subsidies. The fiscal year 1988 appropriation for housing assistance is the fiscal year 1986 level increased for inflation. The fiscal year 1986 level, of $9,230,000,000 represents the amount of new budget authority that Congress appropriated.

Note: "Appropriations without cuts since 1981" represents the level of funding that Congress appropriated in 1981 (before recissions were implemented by President Reagan) as adjusted for inflation for succeeding years. The inflation adjustments were made by first increasing the 1981 appropriations by the actual CPI–U through the end of fiscal year 1984. This 1984 inflation-adjusted appropriations level was then increased by the inflation projections for fiscal years 1985 through 1988 assumed in the Office of Management and Budget's new budget documents.

"New proposals" is taken from the administrations' fiscal year 1986 budget proposals. It represents the administration requested appropriations for these selected programs.

"Percent reduction" is the combined percentage that appropriations would be reduced below the 1981 level as a result of both the administration's new proposals and the cuts already enacted.

Table 6.—Outlays for Defense and Domestic Spending Under Administration Budget

[In billions of dollars]

I. Outlays for defense and related ("national interest") programs:	
Fiscal year 1985	283.1
Fiscal year 1986	313.2
Change (increase)	30.1
II. Non-defense outlays other than interest payments:	
Fiscal year 1985	521.3
Fiscal year 1986	490.9
Change (decrease)	30.4

Mr. FRANK. I will be submitting further material later.

Virtually every organization in this country which deals with the needs of the poor, the physically handicapped, the vulnerable elderly, speaks out against the Gramm-Rudman proposal.

Again we are not talking here—the gentleman from New York is to be congratulated for putting this into perspective—we are not talking about equality. Gramm-Rudman says much of the Defense Department is exempt, I do not think people understand that, because we have signed contracts. And if we have signed a contract with a contractor to charge us a couple hundred dollars for an ashtray, that is sacrosanct. But if, on the other hand, we want to provide funds for pregnant women in distressed circumstances so they will have healthy children, well that is a discretionary program and it has got to be cut.

I have not made that up. That is Gramm-Rudman. That is the extraordinarily distorted piece of legislation that has come over to us. That is what many of us are so appalled by. That is what has led the Catholic Conference, the Lutheran Bishops, the Jewish organizations, all the organizations concerned with the poor, the Child Welfare League and others, all of them express their opposition.

Let me just read a few more: The American Association of Retired Persons, the National Council of Senior Citizens, National Political Caucus of Black Women, the United Church of Christ, the Food and Commercial Workers Union, the American Association of University Women, the American Physical Therapy Association—that is a radical group for you—the Association of Retarded Citizens, the National PTA—another subversive organization. It just goes on and on, not because these are people who are interested in balancing the budget, but because they do not understand why you triple Star Wars.

Do you know what President Reagan said a little while ago? He said that under his administration in his 5 years, he said it on the radio, agricultural subsidies are 3½ times higher than they were in the previous 5 years, agricultural subsidies, some of which go to very needy farmers, but some of which go to quite wealthy people. They get 3½ times as much in the past 5 years as they got in the previous 5 years, while poor people, needy people have been cut back substantially.

That is Gramm-Rudman's priority list and that is appalling and it is why we have to drastically change that piece of legislation.

Mr. OWENS. Mr. Speaker, I think it is important to reply to the statement made before about President Reagan's expenditures.

One of the things that the authors, the sponsors of Gramm-Rudman would like for us to forget as they orchestrate their stampede toward approval of the Gramm-Rudman proposal is the fact that we have a serious problem in the Pentagon which has gotten the greatest proportion of the expenditures under the Reagan administration. There is the problem of large sums of money, billions and billions, megabucks, being thrown at military problems and the result has been a failure, the failure of being certified by the gentleman in the other body who have the greatest knowledge and oversight responsibilities for the military. They are saying that our dollars have not brought us a better defense.

Of course, there are numerous examples, some of which I will share

with you in a moment, of that tremendous waste which took place in the Pentagon.

But first, I would like to recognize the gentleman from California [Mr. MARTINEZ].

Mr. MARTINEZ. Mr. Speaker, I thank the gentleman from New York.

Mr. Speaker, much has been said, both correctly and incorrectly, about the unconstitutionality of the Gramm-Rudman proposal. Granted, the Gramm-Rudman is a flagrant violation of the principle of balance of power among the three branches of Government, and gives the executive far more authority than was ever intended by our forefathers. I am curious as to why so many of my colleagues are willing to relinquish such a substantial portion of their rightful jurisdiction—spelled out clearly in the Articles of the Constitution—to the President. But putting constitutional matters aside for a moment, I would like to call my colleagues' attention to the impact the Gramm-Rudman proposal would have on the Nation's lower income people.

Since it's first inauguration in 1980, the administration has exhibited a blatant hostility to the lower echelons of our society. Beginning in 1981, more than $10 billion a year has been cut from programs serving the poor. Virtually every Federal program targeted to the poor and vulnerable has been subject to deep and harsh budget cuts. Cuts have been made to such programs as: Child Nutrition, Food Stamps, Aid to Families with Dependent Children, Medicaid, Education and Job Training Programs, Child Care and Child Welfare Programs, Housing Programs, Legal Services, the list goes on. The results of these cuts have been disastrous. Poverty rates have shot up dramatically. It is estimated that more than one of every five children in America lives below the poverty line—that half of all black children, and almost 40 percent of all Hispanic children are poor. What does the future hold for these children if the administration's present budget priorities remain the same? In all likelihood, many of them will come to know the increased hunger and homelessness that now plague a rising ebb of adults. They will learn the meaning of a high rate of unemployment, and the lack of services which are designed to equip youth with valuble job skills. They will learn the frustration that too many of our able-bodied citizens experience when they discover that there are simply no jobs for them; and an alienation from our society which I believe to be the ultimate tragedy.

Given the present administration's time-proven lack of compassion for those who are struggling to survive, I ask my colleagues, is it wise to give the President even more power to cut these programs? The Gramm-Rudman proposal will undoubtedly shift new control to the President by virtue of the automatic spending reduction power provided to the executive in the plan. Under Gramm-Rudman the President can force automatic spending reductions by vetoing the deficit reduction package which Congress sends to him. This gives the President tremendous leverage over the deficit reduction decisionmaking process. The President can force Congress to pass a budget package which he favors in order to avoid the automatic spending reductions. And you know what kind of budget the President favors: One with substantial increases for Defense, and with deep cuts in social programs. Under Gramm-Rudman, the President is given total discretion as to whether or not automatic spending reductions should be made if the deficit projection exceeds the target by less than 5 percent.

Furthermore, the President will also be given total discretion in instituting automatic spending reductions in times of recession. Are the Members of Congress willing to place such a blind trust in the President? What shall we tell our constituents when they demand to know why the programs they have always supported have been sacrificed to the already bloated defense budget? What shall we tell the history students when they question our wisdom of permanently altering the balance of power simply because Members of the 99th Congress opted for giving the President full discretion in balancing the budget, rather than performing our Constitution-appointed duty of preparing the Nation's budget? Last, and most tragically, what do we tell the Nation's children who already go to bed hungry, and whose parents wait patiently on soup lines for an insufficient amount of food to feed their family? Do we know that their future is safe and secure under the present administration?

There is no doubt in my mind that giving the President a free hand in automatic spending reductions will result in thousands of poor children being denied participation in the Head Start Program, and thousands more from the highly successful Chapter I Program for the educationally disadvantaged. Food stamps would be cut below the Federal Government's minimum dietary plan, and school breakfast and lunch programs would be cut. Large numbers of women and children would be thrown off the WIC Program, and the health care, housing and basic survival needs of the poor would be further jeopardized.

Mr. Speaker, let me close in saying that in 32 years, the Congress has never spent as much as the President requested, and I urge my colleagues not to abandon those who are relying on fiscal responsibility for their future. Let us not further bloat the defense budget at the expense of our moral obligations. And, most importantly, let us not destroy the integrity of the principles laid out in the Constitution by passing the Gramm-Rudman proposal.

Mr. Speaker, I thank you for your time.

□ 1750

Mr. OWENS. Mr. Speaker, I thank the gentleman from California [Mr. MARTINEZ].

I yield to the gentleman from Illinois [Mr. HAYES].

Mr. HAYES. Mr. Speaker, I am proud to join with my collegues today to participate in this Special Order on the effect that the Gramm-Rudman budget proposal will have on poor and disadvantaged citizens in this country. My opposition to Gramm-Rudman comes from a deep sense of responsibility to my constituents, as well as a deep sense of fear as to what Gramm-Rudman means to them. Proponents of this amendment say that we have a deficit and that we must somehow reduce that deficit. I do not disagree with that basic premise, but I do disagree with the way that this amendment proposes to balance the budget.

My congressional district is the poorest in the State of Illinois. As we are all aware, programs that serve the poor have been cut ruthlessly since 1981. More than $10 billion a year has been cut from virtually every Federal program serving poor families and children; including child nutrition programs, food stamps, AFDC, Medicaid and health programs, housing programs, legal services and many others. The results have been nothing short of disastrous. Twenty percent of all the children in our Nation now grow up poor. That includes 40 percent of all Hispanic children and half of all black children in our Nation. However, Gramm-Rudman sends a message that says it does not matter how much has already been cut, all that matters is the deficit. Gramm-Rudman says that it doesn't matter how hungry or how poor you are or if you are homeless or unemployed. The only thing that matters is reducing the deficit and nothing, not even elected Members of the U.S. Congress, can stop the President from continuing to cut programs that serve the poor.

I am also concerned about the constitutionality of this amendment. It seems to me that if we accept the Gramm-Rudman proposal, we have become mere "puppets" of the President—waiting to react to his every whim. Mr. Speaker, I cannot and I will not be a "mechanism" for the President. Not for this President, nor any other, regardless of political affiliation. It is true that President Reagan was reelected with a huge majority of those who voted in the election in No-

vember 1984. But Mr. Speaker, so was I.

In November of 1984, I received 95 percent of the vote in my district, a higher percentage than even the President.

My constituents elected me to be their Member of Congress and to speak out on their behalf.

Mr. Speaker, whenever I go home to Chicago, people always seek my assistance. They tell me of their problems, of their hunger, of the sad state of our schools, of the pain of their joblessness. And they ask me, as their Member of Congress, to help them, to assist them, to prod the Federal Government to do something on their behalf. They show me their heating bills and their rent bills, and they ask me, Congressman, what can you do to help us? Well, I tell them, I am only one Congressman, but you can count on me to vote and struggle in your behalf. Gramm-Rudman, however, limits my ability to work on behalf of my constituents. It gives congressional power to the President. It represents a fundamental restructuring of congressional power and transfers it to the President of the United States. In short, it is an abdication of our congressional responsibility. What does Gramm-Rudman say to my constituents? It says, forget your Member of Congress—no matter what he or she may believe. The mechanism is more important than what the Congress or the people of the district believe.

Gramm-Rudman is a dangerous and ill-conceived notion on how to deal with our Nation's deficit. It barely deals with military spending at all, and leaves social programs to be attacked and brutally assaulted once again. Even so, there is not enough left in social programs to solve our budgetary problems. What we should be about is making life better for our fellow citizens, not sowing the seeds of their demise. Gramm-Rudman offers just the latter. Not only does it allow whosesale budget reductions for nondefense programs, it also holds open the possibility that the President, under the guise of protecting our national security, could exempt defense spending from across-the-board cuts. Until we are willing to deal with reducing the amount that we spend on the military and with increasing revenue to the Federal Government, balancing the budget will only be a futile and painful exercise.

I strongly urge my colleagues to support what is left of programs serving the neediest of our society and to reject Gramm-Rudman for the shallow and irresponsible abdication of congressional authority that it is.

Mr. OWENS. Mr. Speaker, I thank the gentleman from Illinois.

I would like to say that we represent very similar districts. Of the 10 poorest congressional districts in America, I think the district represented by the gentleman from Illinois ranks third among the poor districts. My districts ranks 10th among the 10 poorest districts.

In New York City we have four. In rich New York City we have 4 of the 10 poorest congressional districts in America. These are districts that have problems that are not fashionable to discuss nowadays. Nobody wants to talk about that agenda. We have a policy that is not stated in this country of triage, of throwing overboard certain segments of the population, of throwing overboard certain neighborhoods, certain congressional districts. Nothing is going to be done about the high unemployment in these 10 districts, unemployment which runs for adults around 20 percent, for teenagers close to 50 percent. We are going to ignore that because we have a deficit problem to address and we are going to address that deficit problem by creating new policies and new budget actions which can only deepen the misery and deepen the problems in these districts.

Yesterday we had a hearing in Yonkers, NY, on teenage suicide. The hearing was held in Yonkers in Westchester because that is a suburban community, an affluent community, and that is where most of the suicides, it is alleged, most of the suicides have been taking place. It just so happened in the course of that hearing one of the people testifying brought to the panel the fact that in 1983 in New York City more than 80 teenagers committed suicide in that year, in 1983. There were no headlines. There was no great deal of media attention paid to it, but evidently among the poor, among those who are oppressed in various ways, suicide is as much a way of escape as among the affluent.

People can despair for many reasons and certainly the despair of poverty, the despair that has overtaken our communities in these 10 poor congressional districts is a despair which has led to teenage suicides.

In the 1960's and even in the early eighties the cry used to be heard, "I'm fired up. I can't take no more." In some demonstrations where teen-agers marched, this was a favorite chant. Evidently, it is no longer a chant. They have lost so much hope that instead of being fired up, not being able to take any more, and therefore taking action through peaceful demonstrations, they are taking the way out of suicide as an escape valve.

We cannot have a situation escalating of this kind where despair, the problem of education, and certainly the despair of finding a job, the fact that these same teenagers are watching their unemployed older brothers and sisters, they are watching their unemployed elders, their fathers and mothers, their aunts and uncles, and they do not feel that getting a high-school degree or even getting a college degree is going to solve the problem of unemployment. They see too many high-school graduates who are unemployed and too many college graduates who are having difficulty finding jobs.

These problems we do not want to discuss anymore. We cannot deal with them because they involve spending money for job training. They involve spending more money for upgrading our educational systems and we say that we do not have the money, so let us not discuss them. Let us take the hiatus and leave it in a state of vacuum so that 10 years from now we will wake up and find ourselves suffering from tremendous problems as a result of the fact that we refused to face these problems.

The only concern, we say, is the deficit and the only way to solve the deficit is to cut back on these same programs that are so needed by groups like the people who reside in the 10 poorest congressional districts.

We do not want to remember, we do not want to discuss the fact that we have discovered that the Pentagon pays $9,609 for a 12-cent wrench.

We do not want to discuss that an antenna motor assembly alignment pin which costs 2 cents, the Pentagon was paying $7,417 for it.

We do not want to discuss the fact that a claw hammer which costs $17 in a hardware store, the Pentagon was paying $436 for it. We want to forget all this. It has had its headlines and we want to forget that. It has nothing to do with deficit reduction.

We do not want to discuss the fact that a flat washer which costs $3 in a hardware store, the Pentagon was paying $387 for that same flat washer.

We do not want to remember that a plastic stool cap costing 22 cents, the Pentagon was paying $1,118 for that same plastic stool cap.

We do not want to remember that a screw which costs 9 cents, cost the Pentagon $37.

A jeweler's screwdriver, $1.79, was costing $232.

A Phillips screwdriver, $1.69, was costing $258.06.

This is all considered irrelevant. It has nothing to do with reduction of the deficit.

We have phenomenon where dollars are thrown at military problems and we are failing, corruption has set in, abuses have set in. Instead of addressing ourselves more vigorously to these problems, we would like to focus on giving the President the power to make the cuts where he wants to make them. The President already has the power to deal with abuses in defense contracting. He already has the power to deal with waste.

Most of these abuses, most of this waste was discovered by Members of

Congress, a wrench that cost $8, $2,228 being paid.

An end box wrench that cost $4.99, $768 was being paid by the Pentagon.

A socket set wrench, $12.88, cost $545.

This is all quite relevant to the problems we are facing now. We have a budget that has been in deficit, that has been greatly escalated by this administration and this administration's one area of increased expenditures which stands out is expenditures for defense.

□ 1805

So why can we not discuss and why do not the gentlemen who are in conference now with the other body, the gentlemen from this House, why do they have to dwell within the framework of Gramm-Rudman alone. Gramm-Rudman sets a certain framework. Gramm-Rudman sets a psychological atmosphere and wants to stampede us into dealing with that framework and that framework alone, and I say we should be talking about ways to cut the budget in intelligent ways.

We should follow the example of the Congressional Black Caucus, which focused on the one area where we have the most money. The most money appropriated is appropriated in the area of defense. The greatest waste is there. The greatest set of mistakes in policymaking is occurring there. This is not my assessment of the situation. This is the assessment of the gentlemen who are given the responsibility for overseeing our military and defense apparatus.

The gentleman from the Senate who oversees these matters have declared that we are grossly mismanaging our defense resources. If we are grossly mismanaging our defense resources, then instead of discussing Gramm-Rudman at great length in conference, why do we not discuss how to better manage our defense resources and make cuts and get a greater value for our dollar in that area? Why do we not discuss the tax breaks that were given in 1981? Why do we not begin by discussing the fact that we have created a situation where many of the Fortune 500 corporations pay zero taxes, zero taxes. This is a scandal. We discussed it for a little bit. It was on the front pages of the newspapers. The media talked about it a little. Now we are pushing all that to the background.

It is still relevant. It is relevant to discuss why certain corporations in this country paid no taxes; why certain other corporations got huge refunds. It is relevant to discuss the fact that our tax breaks, for example, related to accelerated depreciation cost us $27.7 billion. It is relevant to discuss that our expenses for oil and gas cost $2.25 billion. Investment tax credits cost $31.94 billion. Municipal bonds and various other local debt issues, capital gains, $2.64 billion. Various tax expenditures ought to be discussed at this point, and how we can deal with closing those loopholes. Why do we have to have a Gramm-Rudman framework which does not talk about a trigger mechanism for anything except more cuts?

We do not reach certain decisions. We do not have a budget imbalance. The President has the power to begin to make certain cuts. Why not give the power to the President to implement certain taxes, not income taxes necessarily, but we could close loopholes, we could make every corporation pay a minimum tax. A minimum tax on corporations would yield no less than $25 billion, and probably much more than that.

Our failure to discuss these matters at this time means that we will continue dumping on those that we have been dumping on all along. We will continue our triage policies. More and more people are going to be dumped overboard.

The employment policies of this country right now are designed to take care of the majority. As long as only 10 percent of the people are out of work, nobody is worried about it. President Reagan at one point said, "If 9 out of 10 people are working, then what are you worried about?" One-tenth of those people who are not working are still important, and if we ignore them, there is an escalation and we may have that same unemployment doubling, tripling, et cetera. Even that one-tenth, if it only stays at that rate, happens to be concentrated in certain areas, and I get back to my very important point, which is that in those areas which have the greatest need, in those areas that will be affected most by the Gramm-Rudman cuts, those are the areas that already have been dumped on. They have already been declared triage areas. They are the areas where we have the highest unemployment. They are the areas where children are suffering most, and we have had several studies issued from different sources recently which talk about the fact that black children, among the children who are suffering, just as among the unemployed, we have a greater concentration among blacks. We also have a greater concentration of suffering and problems related to families and children among blacks.

The correlation is obvious. I would like to just read briefly from a summary of a report done by the Children's Defense Fund. This study, which was drawn from a variety of Government statistics, portrays a widening schism between black and white children in America. That schism is also true, as I said before, in employment.

Up until 1979, unemployment between blacks and whites, the ratio was less than 2 to 1. In 1979 we started a situation where the unemployment rate in black communities was twice as high as that in white communities, and it has continued and is getting worse all the time.

The same is true of the plight of children, the problems suffered by black children. Black and white children in America are suffering disproportionately. The report concludes that during the past 5 years, black children have been sliding backward. These are the years under the Reagan administration. And they are increasingly suffering from inequality that denies opportunity to them in the millions. While focusing on black children, the study notes also that white children are also facing greater hurdles than in the past.

It found that white households headed by females under age 25 now have a poverty rate of 72.1 percent, and that 39.3 percent of all white female-headed families are in poverty. The report said that 16.9 percent of white families are poor and 12.3 percent of all teenage births are to whites. But the study noted that for black children in single-parent families headed by women under age 25, the poverty rate is 85.2 percent. The poverty rate for all families headed by black women is 63.7 percent.

The report also said there has been a dramatic decline in educational opportunities for black youth. In 1977, black and white high school graduates were equally likely to go on to college, 50 percent for blacks and about 51 percent for whites in 1977. By 1982, 52 percent of white high school graduates were going to college compared with 36 percent of black high school graduates.

Poverty appears to be the key to low college attendance rates among blacks, the report said. These facts require urgent community and national responses. The head of the Children's Defense Fund, Mrs. Marian Edelman, charged that the growing disparity between white and black children is in part a result of Reagan administration policies that have targeted poor children and families. Gramm-Rudman would target these same poor children and families even more.

Gramm-Rudman cannot cut anyplace in substance except those programs which are designed to serve the neediest persons. They have exempted defense contracts. They have exempted, and rightly so, Social Security. They have exempted the interest on the national debt. Where else will they cut? They will cut those programs which help the people who are in greatest need. They will cut those programs which are needed most by a population that has been triaged. The black population of America, more than 60 percent of whom are poor, have been labeled the group that can

be dumped overboard. We can do nothing about them or for them and they will hopefully just go away. Gramm-Rudman will complete this process, and for that reason Gramm-Rudman is not the framework that Democrats or anybody who is decent should be using to discuss the solution to the deficit problem.

There are other alternatives, other solutions, that should be considered and must be considered.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. OWENS. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

Mr. Speaker, my question was: What are the other solutions? What is the Democratic plan for reducing the deficit? We have seen over the last several months a lot of talk from the gentleman's side of the aisle about reducing deficits, and this is the first plan that we have had. Now all we hear is the gentleman's criticism about the plan. There is no balanced budget amendment to the Constitution that comes out of his Committee on the Judiciary. We cannot get that considered.

What is the plan, beyond raising taxes? The gentleman told us that he was willing to hand over all the power of taxation to the President to raise taxes, and it seems to me that he is willing to weaken our defense by cutting defense spending. But beyond that, I do not hear any plan. What is the gentleman's plan to deal with congressional incompetence at cutting spending, and the fact that we have overspent our own budget—our own budget, mind you. Over the last 5 years, we have overspent our own budget by $150 billion. What is the plan? Where are we going to deal with that?

Mr. OWENS. I do not have a plan.

Mr. WALKER. That is the trouble. Nobody has a plan on the gentleman's side.

Mr. OWENS. I do not think there is a plan. Nobody has a plan. I think the one good thing about the discussions that are taking place in conference is that there is a discussion going on. The danger is that that discussion will center around the Gramm-Rudman proposal.

□ 1815

That is the worst possible plan that could be undertaken.

The kind of plan that should be undertaken should be using parameters that I have been discussing, and those parameters were set forth in the Congressional Black Caucus budget. The places to cut are the places where there is the greatest amount of money, money that is being wasted, money that is being wasted because of mismangement, because of corruption in some cases, but most of all because of wrong policy decisions. And those wrong policy decisions are the most costly of all.

Mr. FRANK. Mr. Speaker, will the gentleman yield?

Mr. OWENS. I yield to the gentleman from Massachusetts.

Mr. FRANK. I thank the gentleman for yielding.

It is true, Congress has not succeeded in reducing the proposed expenditures. As we said earlier, as the gentleman from Texas agreed with me, the President has asked and Congress has voted virtually identical amounts in spending during Ronald Reagan's term. Congress has voted virtually identical amounts. There have been differences in the composition. President Reagan has asked for increases in some areas and cuts in others; Congress has had different priorities. But I think it is true both the President and the Congress have voted those very large sums.

The gentleman asked for a proposal to cut the budget. There has not been a unified opinion.

Mr. WALKER. To balance the budget was my statement.

Mr. FRANK. I believe the time is mine. The gentleman yielded to me.

The proposals have not come forward from either side of the aisle, they have not come from either branch, partly because it is difficult to get consensus.

But I would be glad to give the gentleman my proposals for it.

One thing with which I differed with the gentleman very greatly was when he suggested that the gentleman from New York [Mr. OWENS] was prepared to weaken our defense by cutting defense spending. I think that particular mindset that the gentleman from Pennsylvania [Mr. WALKER] mentions is a substantial reason why we have the deficit we do. People who equate, as he does, and just did, quite unfairly, I think, to the gentleman from New York, reducing defense spending proposed by the Pentagon with weakening our defense are, I think, wrong. I do not think it weakens our defense to talk about efficiencies of the Pentagon, which virtually has been immune from them.

I thank the gentleman from New York, and he addressed this, he said he is for a strong defense, but he believes it would be possible substantially to reduce defense spending from the levels that have been asked for by Caspar Weinberger and the President, and voted by this Congress, without in any way weakening our defense.

Let us look at the Sergeant York, Divad, the gun they just canceled. Many of us have been voting against that gun for some years, and the Pentagon finally has admitted that we were right. Billions were wasted. We are still going to spend I do not know how many more millions of dollars in canceling that gun because of the contracts that were signed.

I see the gentleman from Texas, and I know time is going to expire so I will relinquish. But I think the mindset that equates reducing defense spending with weakening America's defense that the gentleman from Pennsylvania has evinced is one of the reasons we have the deficit.

Mr. WALKER. If the gentleman will yield, I will be glad to specify.

Mr. OWENS. Mr. Speaker, I yield to the gentleman from Texas [Mr. LELAND].

Mr. WALKER. We do not want to hear the specifics then?

Mr. LELAND. Mr. Speaker, I just want to thank both my colleagues, particularly my colleague from New York, Mr. OWENS, for allowing me this time, as well as the gentleman from Massachusetts [Mr. FRANK] for alerting me to this special order.

I know we do not have much time, so I would like to let the colloquy continue.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. FRANK. Mr. Speaker, will the gentleman yield?

Mr. OWENS. I yield to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK. Mr. Speaker, I want to give some more specifics.

The National Endowment for Democracy, a Ronald Reagan creation, $200 million new dollars per year. Radio Marti, for which I voted, but if we are going to talk about high priorities, agricultural subsidies.

Mr. OWENS. Mr. Speaker, I just want to say that the Gramm-Rudman proposal is a clear and present danger to democracy in general and to the concept of the separation of powers in particular.

The SPEAKER pro tempore (Mr. HAYES). All time of the gentleman from New York [Mr. OWENS] has expired.

GRAMM/RUDMAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts [Mr. FRANK] is recognized for 60 minutes.

Mr. FRANK. Mr. Speaker, I want to take this opportunity to continue the discussion that the gentleman from New York [Mr. OWENS] began on the Gramm-Rudman matter.

I will be glad to yield to the gentleman from Pennsylvania [Mr. WALKER] at this point.

Mr. WALKER. I thank the gentleman for yielding, because I think it is important to specify that the gentleman from New York [Mr. OWENS] specifically referred to the Black Caucus budget when he referred to defense. When the Black Caucus budget was presented to this House, virtually all

major strategic weapons system of this country were eliminated. The MX system was eliminated, the B-1 bomber was eliminated. All the major strategic weapons systems of this country were eliminated as a part of that budget.

I would say that is a substantial weakening of the defense capacity of this country, and I do not think that relying on the B-52 bombers that are 30 years old, or relying on missile systems that are 20 years old and so on are in the best interest of a modernized defense force that is capable of meeting a Soviet challenge in the future.

I think it is extremely accurate to suggest that the gentleman is talking about a weakening of our defense forces rather than a mere cutback in waste, fraud, and abuse, unless you believe, as evidently the gentleman believes, that the entire strategic weapons program, modernization program of this country is, in fact, wasteful spending.

Mr. FRANK. I am going to yield to the gentleman in a minute, but I have not heard a more egregious misstatement in some time. The gentleman said that the Black Caucus budget—I did not vote for the Black Caucus budget this year. I voted for it in the past. I had some disagreements this year. But the gentleman from Pennsylvania [Mr. WALKER] said it would "eliminate the strategic weapons systems."

Mr. WALKER. I said modernization of strategic weapons systems.

Mr. FRANK. If the gentleman wants to make a restatement, OK. But the gentleman said on several occasions——

Mr. WALKER. I said modernization, the B-1——

Mr. FRANK. Regular order, Mr. Speaker. I yielded to the gentleman. He knows better. I do not understand what these tactics are about.

I yielded to the gentleman when he asked me to on several occasions. He may have had something else in mind, but people are not under the obligation of reading the gentleman from Pennsylvania's mind. The last time he referred to it, he referred to modernization. But the first three times he referred to it, he said eliminating all strategic weapons systems. That is obviously nonsense, and it is inaccurate, and I am glad that the gentleman protested when I quoted him, because he obviously wanted to say that he did not mean that. But it is that kind of misstatement that I think is embodied in the Gramm-Rudman situation.

No, the Black Caucus budget never tried to abolish all strategic weapons systems. And to have stated that is a terrible misstatement.

But beyond that, I have to reiterate that the mindset that thinks that cutting defense weakens defense I believe is inaccurate, and I am glad to see in the other body the Senator from Arizona and the Senator from Georgia, in fact, pointing out to an extent that there has been a weakening of defense by overspending. There are people in the other body who I think are quite accurately documenting now that the laxity that has marked this administration's control of the Pentagon budget has, in fact, contributed to some weakening. And I hope that we can support the effort to put more teeth into that.

Mr. OWENS. Mr. Speaker, will the gentleman yield?

Mr. FRANK. I am glad to yield to the gentleman from New York [Mr. OWENS].

Mr. OWENS. I said before we have a defense budget which is guilty of what social programs were accused wrongly of doing, and that is we throw money at social programs, and therefore, we made matters worse. We never threw dollars. We never threw enough dollars. We never appropriated enough dollars for social programs.

But certainly in the area of defense, the tremendous rapid buildup has caused a problem because it resulted in, it meant throwing dollars at defense problems. And we did not do very well because of those megabucks that were thrown at the problem.

I am not quoting people who put together the congressional alternative Black Caucus alternative budget, I am quoting military experts. The gentleman is in the minority when he says that the MX missile is a major strategic weapons system of this country. Most of the experts do not think the MX missile system is a major part of the strategic defense, though it is one of the most costly. Each missile costs $75 million, and each silo it has to be put into, to prepare the silo costs another $150 million. It is not a major strategic weapon.

The bottom line is that the people who are responsible for overseeing the defense systems of the United States, the people in the legislative branch, have now said that we have gross mismanagement, and that after all these expenditures, we have a defense that is weakened instead of strengthened because of mismanagement, and that no matter how much money you pour into this system, you will not get a stronger defense. We should be looking at the system and cutting out the places, cutting out the wasted dollars. The Sergeant York gun was referred to before. It took years of convincing the Pentagon before they finally acquiesced to eliminating that obviously lemon weapons system.

Now why cannot the Gramm-Rudman, or one of the parameters of Gramm-Rudman be a serious discussion about how we can move at a slower place in dealing with our Defense Department and the modernization of it or the strengthening of it, and stop throwing away dollars by moving too rapidly, and move at a slower pace, and take into consideration what the real military experts are saying about that system, and stop throwing dollars. If we stop throwing dollars, we will save a tremendous amount of money. That is where the megabucks are, in the Defense Department. We can save a tremendous amount of money, and if we do that, we do not have to dump them on the social programs. We do not have to continue to oppress those people most oppressed by the Reagan administration budget. That can be stopped because you can get the money from the source where the money is, and that is the Defense Department.

Mr. LELAND. Mr. Speaker, will the gentleman yield?

Mr. FRANK. I yield to the gentleman from Texas.

Mr. LELAND. Mr. Speaker, again let me commend the gentleman from Massachusetts [Mr. FRANK] for bringing this matter before us, because this is a very serious concern that many of us are having, particularly the consternation we suffer with the rushed nature, the rushed character of what Gramm-Rudman means today.

Let me also thank the gentleman from Massachusetts for pointing out that the Congressional Black Caucus did not offer a budget that was replete or without strategic arms for the protection and the security of this Nation. The Congressional Black Caucus feels very strongly that we need to enhance the security of this Nation. We just happen to have a different view about how that needs to be done.

We do not believe paying $6,000 for a toilet seat enhances the security of this Nation. We also do not believe that when you pay hundreds of dollars for nuts and bolts that cost 25 cents and 30 cents that it enhances the safety and security of this Nation.

The other thing I would like to point out is we feel very strongly, because of the experts that we have, that have given a preponderance of factual information about the MX missile system that, in fact, by the time it is completed that it would be antiquated and will be unuseful in the first place. We do not believe that is a matter of national defense.

We also, however, believe our highest priority in this Nation, our highest priority is that we ought to enhance the quality of life for all of our citizens. We feel very strongly our future is dependent upon, without question, the future of our young people. When we have in this Nation 35 million poor people, and that, by the way, represents a growing number of people, who are hungry, who are ill-housed, ill-clothed, and ill-prepared to go to work and to become productive citizens be-

cause, in fact, we have not created any opportunities for them in this country, then that is a matter of national security that we ought to pay attention to.

What is happening is we have a growing number of children in our society who are suffering from malnutrition and hunger, and other diseases which I related to that malnutrition and hunger, and when we are, in fact, in a land of plenty and when we have paid billions of dollars of subsidies to farmers and ranchers to not grow food on their land and to not produce products that could feed these people, and when we store hundreds of thousands of metric tons of food that is rotting in silos today and we are not feeding our Nation, that is a matter of national security. It seems to me we ought to want to do all that we can to embellish the opportunities for these young children to grow to be strong individuals.

How is it that hungry children can go into the military and fight our wars for us, if, in fact, and God forbid us having to go to fight in a legal war anywhere in the world, or to protect the boundaries of this Nation. But the fact of the matter is that it seems to me that the priorities are a little bit screwed up somewhere in this Gramm-Rudman proposal in that it gives the President great latitude to do a lot of budget cutting, to continue his momentum in this budget cutting that he has engaged in over the last 5 years, and in these areas of national security that he seems not to care about, and that is the poor, the suffering people of our Nation who represent that 15 percent of our society that happens to be designated or declared poor. These are people who want to work, people who want to become productive citizens, young children who want to grow up healthy, not with stunted growth and ill minds, but rather with healthy bodies and healthy minds. That is a matter of national security.

This President, this administration, and through his conduits, Mr. GRAMM and Mr. RUDMAN and others in this body who are advocating this incredible latitude given to the President, for the so-called balanced budget, it seems to me is being, however, rather tracaneous. I do not know if that is a word.

Mr. FRANK. It is now, I would say to the gentleman.

Mr. LELAND. It is a matter of the CONGRESSIONAL RECORD so, therefore, it is a word. And pardon my limited vocabulary, if you will.

But let me also say that at the same time, this gives to the President this great latitude for cutting these budgets, it also constrains the President to give safe haven to those so-called strategic weapons that the gentleman from Pennsylvania has talked about so endearingly.

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So I have a real problem. Our priorities are really screwed up somewhere, and what we have got to do is reorient our priorities, and I hope to God that by the time this process of this balanced budget exercise is over with, that indeed we have placed our priorities where they ought to be.

That is where the real security of our Nation is; that is with its citizens; the protection of the interest of not only the wealthy and those in the middle class who should be protected, but also with the poor people who need opportunities developed for them.

In the debate on the proposal some are forgetting the human consequences of the budget in the name of political expediency. It is very easy to stand up here and say how terrible it is that the Federal budget deficit is approaching $200 billion, and how easy it will be to rectify this by mandating that $36 billion a year for 5 years be lopped off the budget. But what these people who preach this doctrine seem to have overlooked is that among the devestating effects of Gramm-Rudman will be the fact that more people will go hungry, less school children will have a hot lunch, and more senior citizens will not receive adequate health care.

Proponents of the proposal say that we should turn over control of the budget to the administration when certain numerical deficit limits are breached. It is incredible that we are debating giving this power to a President who has shown virtually no concern for disadvantaged Americans. Time and time again we have had to fight Mr. Reagan on his attempts to overload his stockpile of weapons at the expense of needy Americans. Now it is proposed that if either the Congress or the President fail to meet the bill's year-by-year targets—or if the President chooses to veto a reconciliation measure—the President is given broad authority to make supposedly across-the-board cuts to meet those targets.

But closer scrutiny of the proposal reveals that a large number of the President's most prized defense programs would be sheilded from cuts. One estimate puts the portion of the defense budget exempted from the automatic cuts at 38 percent, while 100 percent of the budget that aids low-income people would be unsheilded. The burden of the cuts would be placed squarely on the shoulders of the poor, the sick, the elderly, veterans, and others who could not bear the weight of this load.

I am also concerned about the effect the bill would have on disadvantaged Americans if our economy enters a recession in the next few years, as some economists have predicted. As we all know, the Government's revenues fall during a recession and spending tends to rise as a result of a greater number of claims made for unemployment compensation and other assistance programs. If we are bound by law to make huge budget cuts at the same time as more Americans will require assistance as only the Government has the ability to give, then we face social disaster. Under Gramm-Rudman, we would not have the power to quickly respond to the needs of our people.

Programs that aid the needy in this country frankly do not bear any responsibility for the soaring deficit. In the past 4 years, we have cut these programs to the bone and the deficit has still soared. Many opponents of this bill have attacked this proposal as unconstitutional, or as a way to force a tax increase. I oppose it simply because it would institutionalize drastic cuts in needed programs that aid poor and disadvantaged Americans.

There is no doubt that reducing the Federal deficit should be among the top priorities for this Congress. I will support balanced, fair, and reasonable measures to reduce the deficit. But those who have endured the cuts in social programs under this administration's misguided economic policies of the past 4 years are again being asked to bite the bullet. Mr. Speaker, these Americans can no longer bear the brunt of the President's budget cutting ax.

I join with my colleague from Massachusetts in proposing that antipoverty programs be exempted from any automatic budget cutting mechanism brought before the House. I commend his leadership on this issue and I urge my colleagues to join with us in this effort.

Mr. FRANK. I yield to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. I thank the gentleman for yielding.

Mr. Speaker, if we are going to stay accurate, I think we ought to remember with regard to the poor that the figure for the poor is not rising, it is dropping; according to the latest census data it dropped from 15 to 14 percent just in the name of accuracy and so on.

I think we also need to point out that if we are concerned about the defense part of this whole Gramm-Rudman proposal, 90 percent of the entire defense budget is included under Gramm-Rudman, would be eligible for cut; only 10 percent of the moneys for defense would be included under the protection simply because that is the money that is already contracted for. In other words, we are not going to go in and break contracts already made; but that represents a 10-percent solution, so that 90 percent of the defense budget, if we were worried about organization, would in fact be included under Gramm-Rudman. I think that that is probably a reasonable kind of approach.

I hope that the gentlemen on the other side are not suggesting that we ought not include Social Security under this blanket, because obviously—that is another thing. The interest on the national debt is an obligation incurred by this country to its people. It seems to me that that is something that is an obligation we have to carry out.

I also would just make the point that what I asked a little bit ago is whether or not there is a plan on the other side for balancing the budget. What I have gotten in return is a discussion of cutting defense and raising taxes. That was the proposal put foward by Walter Mondale that was rejected thoroughly by the American people in the last election.

The Democrats have not come very far since 1984 when 49 of the 50 States rejected that formula. What we are suggesting is, there is a new formula now; it is Gramm-Rudman; it is a potential, has the potential for balancing the budget. That is the direction that we ought to go; it includes all phases of Federal spending save those things where contracts were made, and I would remind the gentlemen on the other side that it also includes contracts made for those areas where social spending is incurring.

For example, if we have a contract for building a housing project, that is also excluded under the Gramm-Rudman proposal. Those are the kinds of things that need to be done.

So I think that it is a course of action that gives us an opportunity to perhaps move away from deficit, and I am very disappointed to hear only criticism and no alternative.

Mr. FRANK. The gentleman was not listening to me, which I understand. I mentioned cuts in defense; I mentioned cuts in agriculture. The gentleman and I have disagreed; he so often voted for more agricultural spending than I have.

Mr. WALKER. If the gentleman would yield?

Mr. FRANK. No, I just finished yielding to the gentleman for a very long time.

Mr. WALKER. But he needs to correct the record on that point.

Mr. FRANK. Will the gentleman please abide by the rules of the House. I do not understand why the gentleman from Pennsylvania thinks he is entitled to disregard the rules of the House at will; I have yielded to him twice now, he has spoken on my special order far more often than I have, I have yielded to him, he is now graciously allowing me to do what I have a right to do under the rules. I appreciate his graciousness.

I have disagreed with the gentleman on some areas of agricultural spending, where I believe he has been for more restrictive and more spending—I have talked about the National Endowment for Democracy; I have talked to Radio Marti; we have got foreign aid which could be reduced; I think we continue to give too much military assistance to the Philippines; I think there are other areas where we could be making some cuts.

So I would be prepared, over the 6-year period of Gramm-Rudman, yes, to come in with a deficit that had gone to zero by talking about these areas. There are some tax increases I would be for. The cigarette tax, yes. I am for raising the cigarette tax. I think the President's adamant refusal to support an 8-cent increase in the cigarette tax, which we could use to help with Medicare, is very bad public policy.

I think to lobby for lowering cigarette taxes, as the President has been doing, when we know that that is causing illness and then the rest of us have to pay for those illnesses out of general taxes, I think that is quite foolish; and I think there are other areas of loopholes where we could in fact do some closing and raise some revenues and still be able to get some relief to people.

So I am prepared to talk about getting that deficit down to zero. I believe that there are billions that can be cut in agriculture and the military; you have to phase some of them in. In the agricultural areas, let us take the Payment-in-Kind Program. That was a Reagan administration special which we got. It cost us about $12 billion, the Payment-in-Kind Program.

The Synthetic Fuels Program which finally the administration now is listening to some of us and getting ready to cut; the Synthetic Fuels Program is another $15 billion deficit maker that I was in favor of cutting. So I think there are plenty of places where we can make those cuts, and I am going to be doing that.

Again, I have to make it clear: Congress and the President have been equal in the amount of spending. They have differed in the kinds of cuts they want.

I would be glad to continue with that list I started.

Mr. WALKER. Will the gentleman yield?

Mr. FRANK. No, I want to get back to the subject.

Mr. Speaker, I ask that the gentleman be instructed in the rules of the House, that when I have declined to yield—now, I have yielded to him twice.

The SPEAKER pro tempore. The gentleman from Massachusetts [Mr. FRANK] has the time.

Mr. FRANK. I appreciate that. The gentleman from Pennsylvania has had more of my time than I have. It is apparently not enough for him.

Mr. WALKER. The gentleman has made an accusation.

Mr. FRANK. What the gentleman is trying to do is to keep a point of view from which he disagrees from getting across. It is not becoming to the gentleman from Pennsylvania [Mr. WALKER] to continue deliberately to violate the rules of the House.

What I want to do, Mr. Speaker, and maybe this is why he is sort of unhappy; first of all, as far as Gramm-Rudman is concerned, the assertion that only 10 percent of the military is uncovered by Gramm-Rudman's reduction is a new one to us. We have heard much bigger figures from the Senate themselves.

Now in fairness to the gentleman from Pennsylvania and others, we ought to be clear that no one really knows what Gramm-Rudman says with any degree of certainty because it was a badly drafted, hastily drafted piece of legislation.

The estimates we have been getting in conference up until recently were that more than half of defense was covered; we were not sure how much is covered.

Yes; if we are going to have to do something like that I think all of the defense budget ought to be covered. I would also note that the gentleman from Pennsylvania had a great record for beating up a couple of strong men there; he valiantly defended against nobody cutting interest payments. No one was suggesting that.

As far as Social Security was concerned, I welcome the Republican Party in parts of this town to their relatively recent position for this year of not denying people Social Security benefits, because the President of the United States and a majority of the other party in the other body voted to cut Social Security. The other body voted to cut Social Security cost of living, the President backed that up; it was the resistance of the House that made them stop. So the House needs no instruction from other branches in protecting Social Security recipients.

Medicare, however, would not fare so well. Gramm-Rudman cuts medical care. It cuts Medicaid, it cuts Medicare. Sick, elderly people are hurt where defense contracts are sacrosanct.

A 75-year-old elderly woman needing hospitalization is going to be forced to pay more out of her own pocket; she may get less medical care while we protect other areas of this budget. That seems to me to be scandalous.

Let me talk about some more neutral figures, Mr. Speaker. Here are some letters that have been sent by people who have as their voluntary charge, concern for some of the neediest people in our society; sick people, people with illnesses, people who did not ask for the problems they have, but had them visited on them. Not usually thought of, I think, as militantly leftist organizations:

"On behalf of the United Cerebral Palsy Associations, consisting of 230 affiliates in 45 States, I want to express our outrage at the passage of the Gramm-Rudman amendment. United Cerebral Palsy's Association is a national organization concerned with needs of persons with cerebral palsy in their families." If the Gramm-Rudman amendment is enacted, as it came to us from the other body, "the

programs and services on which they depend will become virtually extinct."

The National Society for Children and Adults with Autism; people suffering from autism, people for reasons that none of us understand, at birth or later are afflicted with this condition; their parents—we do a little bit for them through the Federal budget. Here is what they have to say—this is not the AFL-CIO, this is not the Democratic Party; this is the National Society for Children and Adults with Autism:

> The impact of the Gramm-Rudman balanced budget amendment which passed the Senate on October 10th will be devastating to persons with autism and other handicaps.

What they are talking about, we should understand is, if there is a deadlock, under Gramm-Rudman, if the President decides to veto legislation that comes to him reducing the budget—by the way, under Gramm-Rudman as it came from the other body, even if both Houses of Congress agree to reduce the deficit, if the President does not like it, if we should cut the military too much and not cut programs for the needy enough, if we supply a little bit too much medical care for the elderly—we have done that; the President has been angry with us because we have resisted his efforts to cut medical care for the elderly, and instead we try to cut back on some of his extremely expensive military programs.

If the President thinks we have been harsh to the Pentagon and too kind to the elderly who are sick, he can veto that bill and trigger Gramm-Rudman. It would take a two-thirds vote to overcome it. That is what we are talking about; that is the shift of power. It allows the President to veto even a reduced amount, even a budget that came in with a relatively small deficit or a balanced budget, the President could veto it and trigger Gramm-Rudman, and then Gramm-Rudman, by exempting much of defense—and how much is not clear and the figure varies; but it exempts more of defense than virtually any other domestic program, because defense does more contracting.

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Yes, there are contracts in housing, but there are not contracts in autism, there are not contracts in cerebral palsy, there are not contracts for poor pregnant women or for 2-year-old children who did not ask to be born but are born into circumstances that leave them dependent upon a little bit of compassion from the rest of us. They are going to be abused if the automatic cuts in Gramm-Rudman go into effect, and the President could trigger them.

You have the United Cerebral Palsy Association, the National Society for Children and Adults with Autism, the National PTA, very much opposed to Gramm-Rudman because of the concern about the impact it would have on their ability to help provide education. That is the National PTA.

The National Association of Community Health Centers. Community health centers supply health care to some of the poorest and worst-served people in this society. Community health centers are a very low cost way of supplying medical care.

This approach to deficit reduction, quoting, not deficit reduction but this approach to deficit reduction will be greatly detrimental to those with the greatest need in our society. They are not opposed to reducing the deficit.

The National Association of Health Care Centers, the American Association of University Women, very concerned; finally, and this is by no means an exhaustive list but it is a list I happen to have at hand right now, the National Easter Seal Society. The National Easter Seal Society is concerned that this balanced budget legislation, not balancing the budget, but this legislation, could have very negative ramifications for people with disabilities.

You see, people with disabilities do not get entitled. They are not entitled to things. They have been cut back, but they are under some problems, that is, cerebral palsy, autism, the beneficiaries of the Easter Seals Program, they are wholly at the mercy of Gramm-Rudman. Defense is somewhat protected, maybe 10 percent, maybe 50 percent, we are not sure. And we are not sure from reading that. And the more you read Gramm-Rudman, the less you know about it, because it is not very well read. Remember, we did have a quote from the majority leader in the other body who said there is a problem because the longer this thing stays around, people are going to start reading it.

Yes, people started reading it. People from the Cerebral Palsy Association, people from the PTA, people from the Autism Society do not like what they see because, just to summarize, what Gramm-Rudman says is this: We should try through the normal processes to reduce spending. I am in agreement with that. I think President Reagan asked for far too much. I would like to see some domestic programs increased.

But I think if you look at the military budget, and we are talking about unnecessary weapon systems—let us just talk about the MX for a minute.

As the gentleman from Texas pointed out, the MX is now admitted by both Houses' majorities to be a failure. We are only going to have 50 of them. Now, nobody is for 50 MX's. There are some people who are for 200, some of us are for none, but there is no case to be made for 50. There is no strategic argument for 50. All you can do with 50 MX's is spend money on them. That does not make any sense. We are ending the program because people have admitted it does not make a great deal of sense. We talked about the Divad, the Sergeant York gun, which was a waste of money. There are weapons systems which are unnecessary. Then, in addition, there is the generally wasteful way in which the Pentagon has spent, leading the leaders of the other body in the Armed Services Committee, strong supporters of the Pentagon strategically, to say that this has got to stop, it has to be cut. As I said, areas in foreign assistance, some areas in foreign assistance, are very important; some areas in foreign assistance, the money is being very sloppily run and wasted. New Reagan initiatives like Radio Marti and the National Endowment for Democracy, not in and of themselves bad, but more important? Radio Marti? Again, I voted for it. But is that more important than people with autism? That is what we are talking about. To Ronald Reagan it is, because under Ronald Reagan new multimillion-dollar, hundred-million-dollar programs, come from the National Endowment for Democracy.

I was at the Democratic Committee gala the other night. I met with some very nice people. They were politicians from a friendly country. I was delighted to have dinner with these people. I had a nice chat with them. They did not understand my English too well, but neither do some of my colleagues. I understood that. I do not take offense. I had a very nice talk with some of these people. They are here with money from the National Endowment for Democracy.

Now, I was glad that they were here, but why are we spending taxpayers' money to bring these people over here to have a nice chat over dinner with me, given by the Democratic National Committee? And we are not spending enough, we are putting people in fear; there are people out there who are trying to work with kids who have cerebral palsy, people at the health centers who are trying to provide medical care for frightened elderly people who have no resources, who do not want to totally impoverish themselves and be ready for Medicaid. We have to cut back on them; they have to worry about where their next dollar is coming from. But we can bring people over here to have dinner with me.

Those are all Reagan's priorities, because he has been a strong supporter of the National Endowment for Democracy, and of Radio Marti, and of aid to President Marcos.

Now, the President sent the Senator from Nevada over there to tell President Marcos to please behave, but he is also sending him a couple of hundred million dollars a year. I do not

think that is inducive to great good behavior.

But, at any rate, what we have is, under Gramm-Rudman, no matter what Congress says, this is what our problem is, no matter what Congress says about reducing spending, if the President does not like our priorities, if he thinks we have denied defense too much or we have denied President Marcos a little extra money, we have not put enough into Radio Marti, and I do not know what comes next, but if we have denied those priorities and instead we put too much into autism, into cerebral palsy, and Medicare, he can veto the bill, and he then triggers an across-the-board reduction that does not go across the board because it exempts anywhere from 10 to 50 or 60 percent of defense, depending on what it is; it exempts agricultural subsidies. I am not sure whether some of them are or are not exempt. Some of the subsidies for wealthy people may well be exempted. It exempts all of Social Security. I am glad it does. I was appalled when the President and the other body wanted to cut Social Security cost of living early this year, but it does not exempt Medicare. I talked to a lot of elderly people in my district, and, yes, it is nice to have the Social Security check, but they live in mortal fear, people in their seventies and eighties, of what happens when they get sick. Under the priorities they have already gotten from this administration, they have to spend more and more out of their own pockets for less and less medical care, but we have 50 MX missiles. There is not a thing in the world we can do with them that makes any sense. Everyone admits that strategically; no one has recommended 50. We have 50, and we are going to pay for more.

The defense budget goes up; agricultural subsidies under Ronald Reagan, by this statistics, more than tripled over what they were in the previous 5 years. He tried to cut them this year, and I tried to help. Earlier he was not so hot on cutting spending. He has been on again, off again; the President was for the Sugar Program and he was against the Sugar Program, depending on what deals he made here. But that is a legitimate part of the President's proposals.

But where has been the concern for the neediest? Every organization that has taken on an obligation to protect the very ill, the elderly, the vulnerable, is frightened by Gramm-Rudman, not because they do not want to reduce the budget deficit but because they do not want it to be done in an unfair way. They do not want substantial parts of the budget, those that have already been over-financed in many ways, exempted in substantial part while they are left totally vulnerable. And the budget proposal that says the President can veto that, the President can veto a balanced budget if Congress sent him one; he could veto the budget with the budget halved over what it had been because he did not like it, it did not have enough money for the star wars missile or the MX missile and has too much for Medicare and for chapter I for those people who need educational assistance; he could veto that and, instead, trigger reductions across the board that do not go across the board because they protect certain of his programs.

Now, we have a conference going on that I hope will be able to make some improvements in that very shoddy piece of legislation.

I yield to the gentleman from Texas.

Mr. BARTON of Texas. I appreciate the gentleman from Massachusetts yielding. On that last point, it is my understanding that the President presents a budget to the Congress, it has to be within these deficit ceiling limitations. Congress can rearrange those if it sees fit, as long as it is a zero-sum gain. Every reduction in one program is offset by an increase in another program. But once the Congress passes the budget, so long as it is within the deficit ceiling, it is my understanding that the President cannot veto that. He can submit the original budget to the Congress, but once——

Mr. FRANK. He can veto the reconciliation bill that would be necessary to carry that out and therefore prevent that from effectuating what we say and cause those problems. The veto could prevent that from accomplishing the program.

Now, if the gentleman is agreeing with me that maybe——

Mr. BARTON of Texas. That is a different kind of a veto, that is not within the meaning of the Deficit Reduction Emergency Act.

Mr. FRANK. It is a veto. There is only one kind of veto, when the President does exercise a veto and we need two-thirds to override him. And as Gramm-Rudman comes over to us, there are times when a Presidential veto can trigger that automatic reduction process because he can veto the reconciliation. If there is agreement that that should not be the case, I accept the fact it is not always easy to follow every little bit of Gramm-Rudman because, as I said, it was very hastily drafted and we were not sure what is meant there. The Senate conferees have been unable to explain to the House conferees. But if there is agreement, that is one of the improvements we can make.

Let me say that the gentleman said to me before we were told by the initial calculations—you read the language, and the language does not tell you a lot, that is part of the problem. There is not a great committee report on this. If we can get defense not exempted, if we have that there is no Presidential veto in any way can trigger this, then we are making some progress. But that is not my understanding of the way Gramm-Rudman has come over.

Mr. BARTON of Texas. I understand I am on the gentleman's time. I appreciate him yielding once again.

One of the concerns expressed against Gramm-Rudman which I believe the gentleman expressed and some of the other gentlemen earlier in the evening was that the constitutionality of it, I am sorry I cannot pronounce that like it is——

Mr. FRANK. Let me reclaim my time. I never expressed concern about the constitutionality.

Mr. BARTON of Texas. But I would have a concern if you are saying that one of the recommendations, one of the improvements, would be to implement a provision that would prohibit a Presidential veto because Presidential veto is in our Constitution.

Mr. FRANK. I understand that. I have to take back my time. If the gentleman wants to be beat strawmen, I recommend he find a field somewhere. We have had enough of that.

I was never suggesting that we should in any way reduce the Presidential veto. We cannot reduce the Presidential veto. As a matter of fact, the Chadha decision of the U.S. Supreme Court made very clear there are absolute limits on our ability to even do any kind of legislative veto in this situation.

My point is not that we should impinge on the Presidental veto, but we should not have something which could be triggered by one.

As I read Gramm-Rudman, a Presidential veto over a reconciliation bill could trigger the automatic deficit reduction. If the President did not like what we did and vetoed the reconciliation bill, we could go into an automatic situation. I think that is a mistake. I think we should not make have a trigger of any kind that could trigger a Presidential veto.

I yield to the gentleman from Florida.

Mr. MACK. I just wanted to address the question or the point that you raised that at least some people are implying——

Mr. FRANK. The gentleman may finish, but I just want to make it clear that no, I am not taking away the President's veto; I am not for painting the White House purple; I am not for kicking Ronald Reagan's dog. I trust that I have divested myself of all the charges, which I must say to the gentleman seem to be of equal intellectual weight. What I said was that under Gramm-Rudman there are circumstances in which a Presidential veto, not of the concurrent resolution which I agree is not vetoable, but of a reconciliation bill, could cause the automat-

ic reduction to go into effect. I do not like that because that seems to me to be a mistake.

I yield to the gentleman from Florida.

Mr. MACK. I have several points. With a veto provision we do have the opportunity of overriding that veto, No. 1. No. 2, we do have the opportunity of coming back with another reconciliation bill.

Mr. FRANK. I will yield to the gentleman again on defense, but I want to make it clear, and I appreciate the gentleman from Florida agreeing with me, that the veto does have a role to play, the Presidential veto.

Mr. MACK. The veto has always had a role to play.

Mr. FRANK. I understand that. But I understand that the gentleman from Texas, before the gentleman from Florida got here, the gentleman from Texas was suggesting that I was wrong to say the veto would be a factor. We have now established that it is a factor, that the veto of a reconciliation bill would trigger it. Yes, we have the right to override a veto, but that takes two-thirds, and when you shift from a majority to two-thirds you are giving the President a great deal of power.

We can override a veto, but when you need a majority in one case to establish it and two-thirds in another, you have given the President a very substantial gain in power.

I yield to the gentleman from Florida.

Mr. MACK. OK. I would like to move to the question about defense because it has been an area that I think has been misunderstood. It goes back to the outlining of one of the exemptions that has been provided which is basically contracting or contracts, multiyear contracts where the assumption was that if by voiding or by causing an action where we would be open for suit by the person that we have contracted with, that we could increase—if I may finish.

Mr. FRANK. Or if there was a penalty. There are two factors, penalty or a suit.

Mr. MACK. Exactly. The conclusion was that most of those defense contracts were going to be exempt. That is what the first run-through on that was. So people came out and said, "Look, wait a minute, that contracting provision was put in there solely for the purpose of exempting defense or trying to reduce the burden of deficit reduction on defense," and, therefore, many people came out and said that we are not going to support it.

What I said to you is, during the conference there have been a number of statements made both by Democrats and Republicans that indicate now that really 90 percent of the contracts on defense are included, that only roughly 10 percent are excluded, basically because the provisions in the defense contracts say that they can be cancelled at the convenience of the Congress. And it is of the opinion now that most of those contracts are in, defense would play a major portion in the reductions in the deficit. This has not been set up as a means to protect the defense dollar. Those are the provisions as stated in the conference during the last several days.

Mr. FRANK. I thank the gentleman. A couple of things: First of all, it is indicative of the problems we have had with the drafting that we have had shifting analyses of what the contracting provision means. That is why I have been using the figure, 10 percent to 50 percent, because I do not think anybody really knows. It has not been analyzed yet.

Second, given the way they are running the Pentagon, I would not be at all surprised to see some new contracts signed, if in fact this is continued, which would make it hard for us to do that. There is nothing that would prevent the Pentagon from shifting that language. But the Gramm-Rudman language, as it now is, if we are intending to cover only 10 percent of the Pentagon, then I think we had better say that, because if we leave it open to interpretation we will have some problems.

The other thing is, if 10 percent of the Pentagon is exempted, then 10 percent of other things ought to be exempted. The fact is that when you exempt contracts, and I understand the reason for exempting contracts, but because the Pentagon uses contracts more than virtually any other area of Government expenditure, to the extent that you protect contracts you protect the Pentagon more.

□ 1855

But that is one area that has to be clarified.

If the gentleman would agree with me, I am hoping maybe we are reaching some agreement. I still do not know where we are on the veto, but I will get back to that in a second. Let me ask the gentleman from Florida, is he agreeing that defense ought not to be any more protected by this, in precentage terms, than any other program? Does the gentleman agree to that?

Mr. MACK. Our feeling is that defense ought to play an equal role in deficit reduction. It should not be protected any more or any less than any other program.

Mr. FRANK. I am glad to hear that, because that was not what initially we had, and I hope the gentleman is speaking for the other body. I am not sure of that. But I think that is a very real change from when Gramm-Rudman came over. As the gentleman has acknowledged, we were initially being told by the authors of it over in the Senate that in fact it protected a lot more of defense. If we are now being told, well, no, defense is going to be equally vulnerable, I think that shoud be OK, and it may get us closer.

I yield again.

Mr. MACK. Well, my point is that there are areas on the domestic side that are probably more protected than defense. Our intention was to come up with a reasonable, rational approach in making the exemptions, and the feeling was that if we have made legitimate contracts, that if there was an action on our part that would initiate some form of penalty that would end up costing us more in the long run, that we ought to exempt those, that we are really fooling ourselves to say on one hand we are going to reduce these contracts and then have to turn around at a later date and increase the cost to the Federal Government.

Mr. FRANK. I understand that.

Mr. MACK. A straightforward, honest approach, in trying to make sure that everything as much as possible is included in the pie.

Mr. FRANK. I thought we had an agreement, but it slipped away from me, because that is the problem. I thought the gentleman was agreeing with me that defense ought to be vulnerable, to the extent that every other program is vulnerable; but defense uses contracts more than other programs do. And if we are going to protect defense to that extent——

Mr. MACK. It is the other way around.

Mr. FRANK. If the gentleman would like me to yield, I would be glad to yield.

Mr. MACK. I would like the gentleman to yield.

My intention, Mr. FRANK, was really to try to get to some understanding of what we are doing. I realize there have been times when this body has had to move rather rapidly. The gentleman from Pennsylvania and I are certainly aware of situations where we have come out here on the floor and did not have the opportunity to at least have as much a dialog as we are having here tonight to discuss other issues which the gentleman's party has brought to the floor with no advance notice.

Mr. FRANK. I am always glad to yield to the gentleman, but I do have limited time. I appreciate his taking my time to tell me how much he appreciates taking my time, but I think we ought to get back to the substance. So why don't we get back to defense.

Mr. LELAND. Will the gentleman yield for just a moment?

Mr. FRANK. Yes; I yield to the gentleman from Texas. Just before I do, for 1 second, I will say that one thing I think ought to be very clear: Complaints about legislation without hearings, legislation being too rapid, I would hope nobody would utter too

many of those with a straight face, because my experience in the 5 years I have been here is that individuals on either side tend to be for or against regular order, depending upon what happens subsequently. That is not a bad way to go about it, but the gentleman's little side excursion as to when legislation comes up or not comes up, that is not my problem. My problem is the substance of this legislation, which I am still trying to understand. I just want to reiterate, before yielding to the gentleman from Texas, my point was that to the extent you exempt contracted material, you are giving the Pentagon a much better break than you are autism or cerebral palsy, because we do not sign contracts with autism or cerebral palsy. And I think a deficit-reduction proposal that has people from the autism group and the cerebral palsy group and the Easter Seals group worried because they are not only going to have to take their share of the cut, they are going to have to take the share of the protected defense contract, that is a very bad piece of legislation.

I yield to the gentleman from Texas.

Mr. LELAND. I would just like to again thank the gentleman for his leadership. I cannot stay any longer, but I would just like to ask the gentlemen from the other side of the aisle if at some point in their history in being in Congress would they show as much concern about the hungry, the sick, the people afflicted with autism, and the other problems that afflict the lower end of the spectrum of people in our country, the poor and the desperate people, as much as they address the issue of defense spending and how much more we ought to be spending on defense, as much as they would ask the Congress to appropriate more money for those incredible weapons that they were talking about. Are they willing to also advocate the increase in spending for the nutrition programs for the young children of our country who are suffering? Are they going to ask for more moneys for senior citizens programs?

This morning, under the leadership of the chairman of the domestic section of the Select Committee on Hunger, Mr. PANETTA, we held a hearing on hunger in Appalachia, and person after person who came from Appalachia told us about the problems they were suffering, in terms of malnutrition amongest the children there, in particular, and how children have to go to sleep after having eaten potato soup and beans and bread, and drink a lot of water just so that they can feel full and wake up the next morning feeling they may have had something to eat the day before. We heard a young child who is 13 years old say that they only get two glasses of milk a month, if that much.

I hear all of the problems of the deficit, and so forth, and I am concerned about that, too, because I do not want to mortgage the future of America. I want to see a balancing of the budget. But I do not ever hear from that side of the aisle enough in terms of balance, about how we are going to protect the interests of these people. I am talking about not only the 35 million people—and the gentleman from Pennsylvania has indicated that the numbers have gone down, that there are fewer poor people. Let me suggest to the gentleman that our figures are showing that there is an increase in poverty in this Nation. The figures have dropped in the last 2 years from 15 percent to 14.7 percent, not from 15 percent to 14 percent; that, in fact, there are 35 million poor people in this country, but also the private voluntary organizations who are handling the soup kitchens and the food pantries and things like that in this country are asking for more and more support because they lack the kind of support from the Federal Government now, and because of those budget cuts in those areas for nutrition and feeding people, in fact the burden is shifting to the private sector. But there are more and more people who need food to eat and they cannot afford it because they do not have the kinds of jobs necessary in order to feed their families.

The point I am making is that I hear all the time the rhetoric about balancing the budget on the other side of the aisle, I hear all the time about how we need to increase defense spending, but I do not hear enough from that side of the aisle that we even care about these people, and I just wonder where that is coming from.

Mr. FRANK. I have about 15 minutes left, and I will yield a piece of it first to the gentleman from Florida and then the gentleman from Texas.

Mr. MACK. I appreciate the gentleman yielding, and I appreciate the comments that the gentleman from Texas has made. We have known each other for a relatively short period of time, and I am convinced of his sincerity. The only thing I would say is to at least give me the same courtesy. I feel as strongly as you do. We have a disagreement about what is the best way to get there. And I think that is a legitimate difference of opinion.

Mr. LELAND. If the gentleman from Massachusetts will further yield, I would just like to say to the gentleman that all I ask for is for you to be as preponderant in your suggestions about what options we have for taking care of these people as you have done with the preponderance of suggestions about how we increase defense spending, how we cut programs. I am saying we are looking for alternatives. I agree that the gentleman is as sincere as I am, at least from my conversations with him in that short period of time that we have known each other, but I do not hear that on the floor of this House, I do not hear it from that side of the aisle, about what is happening to these poor people. And maybe with the kind of dialog that you could create by giving us some information about your alternatives, maybe then we on this side of the aisle would buy some of the options that you put forth. But I have not heard those options.

Mr. FRANK. I yield to the gentleman from Texas.

Mr. BARTON of Texas. I appreciate the gentleman from Massachusetts yielding.

I have a question for my distinguished colleague from Texas. I have followed his career first in Austin, where he served in the State legislature, and then here in Washington where he preceded me. I understand his concern. I share those concerns. But my question is: You had the same concern, I would hope, when you were a State legislator in Austin, TX, and during that time period you operated under a balanced-budget requirement.

Mr. LELAND. If the gentleman from Massachusetts will yield further, we in my first session of the legislature established zero-based budgeting for the purpose of balancing the budget in the State of Texas. And I agreed with that. I do not disagree with that now. But at the same time we did not go in with a meat ax and cut all of those programs out, because we were under Federal mandate. So you cannot necessarily equate the situation with what was going on in the State of Texas with what is going on here.

Mr. BARTON of Texas. If the gentleman will yield for an additional comment, in my opinion—I understand there is a concern and a disagreement about the provisions of Gramm-Mack—there are those, and I am one, who think that this is a very fair proposal because it does cut proportionately across the board. It exempts one program, Social Security, because it has a dedicated trust fund. Now, we do not know to what percentage there are contracts that are not affected in defense, in the social program, but the language—and my distinguished colleague from Massachusetts point it out to me, where his concern is on the definition. It does not say "Defense Department." It strictly mentions contracts. And I feel that we can, by working through the conferees in the conference committee, get the facts on those concerns. And if it appears that there is a disproportionate number of contracts that are exempt under defense as opposed to, say, health and human services, we can remedy that.

Mr. FRANK. Again the gentleman has refuted the unuttered. No one said that referred only to defense. My

point on several occasions was that defense uses contracts more than any other programs, and therefore exempting contracts will protect defense more than it will protect many of these other programs.

But I want to get back to my central concern. On the other hand, I do want to acknowledge the gentleman from Texas—and I appreciate what he had to say—yes, if that is his intention—and it did not come that way from the other body. When that first came from the other body, we were being told by Members of the other body that defense was more protected than other things. If there is a willingness to see defense is treated equally with the FBI, with Environmental Protection, with other things, then we move closer. There is still the problem of the veto. There may have been some confusion, from the technicalities, but I think we are in agreement that while the President cannot veto the concurrent resolution, he has his unimpugnable constitutional right to veto the reconciliation bill, and his veto of a reconciliation bill could trigger the automatic reduction, even if Congress had come up with some reductions, if the President did not like the priorities. That is the point I want to make. We are not debating whether or not to reduce the deficit. We are debating the priorities.

I am afraid I will not be able to yield any more. I have much less than half of my own time so far, and I only have a few more minutes before I am finished. I want to get back to one of my major concerns about this.

Mr. WALKER. Will the gentleman yield to me for a correction?

Mr. FRANK. I yield to the gentleman from Pennsylvania.

Mr. WALKER. The gentleman mentioned a little bit ago agriculture, and he said that he had supported many cuts in agriculture he did not think this gentleman supported. I wonder if he would specify that.

Mr. FRANK. Marketing orders was one of the ones that I had in mind.

Mr. WALKER. Where have I not supported cuts in marketing orders?

Mr. FRANK. I thought the gentleman was for several of the marketing orders to which I was opposed, which I have found to be anticonsumer. If I am wrong, I apologize. I remember a conversation with the gentleman about marketing orders where I thought he was supportive in the dairy area and otherwise. If that is inaccurate, then I am inaccurate.

Mr. WALKER. I would appreciate if the gentleman would correct the record. I voted for the Olin-Michel amendment on the floor the other day.

Mr. FRANK. No; I am talking about marketing orders, marketing orders in various commodities. We had the fight about whether or not OMB could deal with marketing orders or not. Let me say I will withdraw the comment. I will doublecheck the RECORD.

Mr. WALKER. I just wanted to say to the gentleman that when we had the agriculture bill on the floor the other day I voted for the cuts, and I think that agriculture is one of the areas where we could find some cuts.

Mr. FRANK. Well, I agree.

Mr. WALKER. Did the gentleman mention the National Endowment for the Arts?

Mr. FRANK. No; I did not.

Mr. WALKER. The National Endowment for Democracy. I am sorry. That is another place where we can cut.

Mr. FRANK. I will take back my time because, as I have said, I have yielded more than half my time. The National Endowment for Democracy—I am glad the gentleman agrees with me on that. I was not suggesting that the gentleman from Pennsylvania did not agree. The gentleman asked where I would cut the budget and I am telling him where I would cut the budget. One of those areas is the National Endowment for Democracy. I pointed out—not that the gentleman from Pennsylvania was its sponsor—that Ronald Reagan has been an advocate——

Mr. WALKER. Will the gentleman yield?

Mr. FRANK. No; I will not yield again.

The gentleman wants me not to get to the point I want to make, and I understand that, but I am going to do that.

The National Endowment for Democracy, we agree, apparently, is a waste, but it is Ronald Reagan's waste, to a great extent, as are many of these other areas.

The point we have to deal with in Gramm-Rudman which Members would like obscured is we want to go back to the people who have written, cerebral palsy, autism, these are programs that are unprotected, these are programs which are small compared to the MX missile, compared to various parts of the Foreign Assistance Program, compared to the payment-in-kind agricultural boondoggle which the Reagan administration gave us of $12 billion. They have already been, in my judgment, disproportionately reduced. The deficit has gone way up in the past 5 years, the joint product of the President and the Congress. There is no point in finger pointing. The deficit has been a joint product of the President and the Congress. The President has asked Congress to spend virtually the same amount Congress has spent. We spent it a little differently than he would have had us spend it, but it is virtually the same.

□ 1910

The President has vetoed virtually no appropriation bills. So we have a joint product of President and Congress, and it is a deficit that is causing us damage, and that we think has to be reduced.

How do we reduce it is the question. The problems with Gramm-Rudman are several in my judgement. One, it allows by the use of the Presidential veto, the President to block a congressional enactment reducing that budget deficit somewhat if it does not meet his priorities, and it is therefore relevant to look at his priorities.

His priorities have been excessive spending in the Pentagon by the judgment I think by now most Members of both Houses, because this year, after all that increased expenditure in the Pentagon, the majority of both Houses said no, you are going way too far and we are not going to give you that much. They have included foreign assistance to the Philippines; the National Endowment for Democracy; Radio Marti; the Payment-in-Kind Program. These are the President's programs. The Synthetic Fuels Program, which he is, I hope, beginning to turn around on now, but which was a multibillion-dollar excessive expenditure. The Clinch River breeder reactor. Water projects in some cases that were unnecessary.

Many of us feel it would be a grave error to allow his veto to be interposed, and again, we are not talking about his vetoing because we are spending too much; we are talking about the authority Gramm-Rudman gives him to object to a congressional deficit reduction bill, not because it does not reduce the deficit enough, and let us be very clear: Ronald Reagan has criticisms to make of the way Congress has spent money. But if you look at what he has asked us to spend, we spent virtually the same as what he has asked us. So his criticisms are not in what we spent but how we spent it.

To allow him to interpose his veto when he has been for the MX missile, an unnecessary weapon, while he has been trying to Medicare, medical care for the elderly poor, we think is a mistake. Beyond that, we have the problem of the most vulnerable people in our society. People with autism; people with cerebral palsy. Eighty-three-year-old women living on supplemental security income because the pension that her husband was supposed to get or she was supposed to get did not show up because of a company bankruptcy.

A 2-year-old child who did not ask to be born but is born into unfortunate circumstances to a couple of careless teenagers. These are the people who would bear very much of the brunt of Gramm-Rudman. Even if it is done across the board and in the form in which it came to us from the other body, we were not told it was across

the board, we were told that a substantial amount of defense would be protected.

Even if you do it across the board, we have spent 5 years cutting already. Poor, pregnant women get less help than they used to. Children having trouble learning in low economic areas get less than they used to. The deficit has gone up and up because the Pentagon has done very well; agricultural subsidies have more than tripled; new programs like the National Endowment for Democracy have come, but the very poorest people in this society, and by the way, there is debate about some of the poor. Some people might find some of the poor unworthy, some of them worthy. Let us just focus on those whom I think there is no debate about. Eighty-three-year-old women living on minimum income because they had no pension through no fault of their own. They worked hard all of their lives and the pension just was not there. If the automatic reductions of Gramm-Rudman go into effect, they get hurt. Their medical care is cut. Their income may be cut. The cost-of-living increase that they are legally entitled to if they are on supplement security income will be cut.

It does not seem to many of us fair to continue that set of priorities. It does not seem fair to exempt some percentage of defense because they have to use contracts, but to exempt nothing at all in some of these other areas, and that is what we are being told will happen.

Medicare and Medicaid, yes, we needed cost controls. We have made some progress in getting cost controls. We need more progress. But Gramm-Rudman does not mandate cost controls. Gramm-Rudman does not speak to efficiency. It says if the President does not like the spending priorities of Congress, if Congress meets the targets of Gramm-Rudman in reducing deficits, if Congress does it in a way that the President does not like, if for instance, instead of cutting Medicare and President Reagan has every year asked us to cut Medicare, if instead of cutting Medicare, we raise the cigarette tax by 8 cents, and put that into the Medicare budget, President Reagan would not like that. He is vehemently opposed to that. He wants to cut Medicare and not raise cigarette taxes. That is his position; no one doubts that.

If Congress achieved the same amount of deficit reduction as the President by rejecting his proposed cuts in Medicare and instead substituting an 8-cent increase in the cigarette tax, he could veto the bill and by vetoing the bill trigger the automatic reduction which is what has got the people who are concerned about autistic children and people with cerebral palsy worried, which has got the American Association of Retired Persons worried because of what it will do to Medicare and Medicaid and other programs for the medically ill.

I do believe that there is plenty of room to reduce the deficit. Yes, we talked about revenues. I am prepared to vote for an increase in cigarette taxes; I think that would be good for our society to do that. Not only would it bring more revenue, but to the extent that it discouraged smoking, we would be a healthier and a better society. Not by a compulsion, but by asking people who smoke to bear a fairer share of the costs that are inevitably imposed on society through smoking.

We can cut in the military; we can cut in foreign assistance; we can cut in water projects. We can cut in other areas. We can cut in areas of general government. If we are in a crisis, that is OK. But to tell the people who are working with the poorest and most vulnerable, to tell the poor children and the sick elderly and people suffering, parents who have autistic children, parents who have severely retarded children that the already inadequate help that they get in my judgment is going to be further cut, while we protect some percentage of defense, we are not clear what percentage, but to protect some percentage of defense and put the retarded children and their parents at great risk is not, I think, morally acceptable.

Yes, it is important to reduce the deficit, but I think this country has got both the economic and intellectual resources and I hope the moral resources to do it in ways that do not damage these individuals.

I yield to the gentleman from Texas [Mr. BARTON].

Mr. BARTON of Texas. A quick question. Suppose the President did veto a budget reconciliation bill that was in the deficit targets, he could do that under our Constitution, but none of the automatic cuts would go into effect because the budget would already be within the deficit target.

Mr. FRANK. But the budget could not be within the target unless we were able to do reconciliation. Simply adopting a budget which sets it but not being able to accomplish it would not work.

Suppose we reached that deficit reduction by a cigarette tax increase. I take something that is a real issue between many of us in Congress and the President. Some of us think we should not allow cigarette taxes to drop. The President wants cigarette taxes to be lower than they now are, which is what the law has said it should be. We had a temporary increase. Some of us think that temporary increase should be made permanent. If we are not able to achieve our deficit reduction because the President vetoes an increase in the cigarette tax because he would rather cut Medicare, then that could trigger the automatic reduction, and that is the problem we have got.

We cannot simply say we are going to have it to stave off those automatic reductions; we have to accomplish it. By letting the President veto, you would allow him to prevent us from achieving it. That, I submit to the gentleman, is a very real possibility. We try to raise the cigarette tax to pick up a little more revenue. The President says no, you better cut Medicare instead. He vetoes the increase in the cigarette tax, and that could put us over the top.

□ 1920

PROPOSED SANCTIONS AGAINST ANGOLA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. MCCOLLUM] is recognized for 60 minutes.

(Mr. MCCOLLUM asked and was given permission to include extraneous matter.)

Mr. MCCOLLUM. Mr. Speaker, today I introduced a piece of legislation that would ban all loans from the United States to the country of Angola, would ban future investment by United States business interests in the country of Angola, and would require the President to declare an embargo on all trade between our two countries in regard to the country of Angola until certain conditions were met, namely, that certain troops that are in that country from other Communist countries—Cuba, the Soviet Union, East Germany—be withdrawn, that Angola recognize the human rights violations which it has committed and take effective steps to cease and desist those activities, and that certain other conditions be met that were set forth in the legislation, including free elections, and that an opportunity to discuss opposition parties within that country be developed.

The reason for this legislation is fairly simple, and before I get into that I would like to state, Mr. Speaker, that at the end of my remarks, during this special order time, I shall insert into the RECORD for printing a copy of the legislation itself.

Mr. Speaker, Angola is a country that is roughly the size of Texas and New Mexico combined. It has a population of about 6 million people. Until 1975 it was under the control as a colony of Portugal. Since 1975, although there has been an ongoing civil war between the two leading contenders for power in that country, for all practical purposes most of the country has been under the control of a Communist regime under the Government entitled the "Popular Movement for the Independence of Angola," and during my remarks I am going to simply refer to the MPLA as

"the Government," since it is in fact considered to be just that.

The opposition forces that still exist in that country and have been fighting the anti-Marxist forces, the forces of Jonas Savimbi, are under a party that has been called the Union for the Total Independence of Angola, UNITA, and for the purposes of simplicity in this discussion, I am simply going to refer to them as "the Savimbi forces."

After 1975 the Government of Angola proceeded on a path that has indeed squelched human rights as we know them today: there is no freedom of press; there is no real freedom in that country for political association; there is no real freedom in that country for people to express their views in even the simplest of ways, including artistic form. The fact is that Amnesty International recently has engaged itself in the exploration of what the problems are in Angola, and it has confirmed, as well as our State Department, that human rights abuse is the norm in the nation. The torture, imprisonment, and execution of political prisoners is thoroughly documented by Amnesty International and our own State Department.

The fact of the matter is that Angolans are sick and starving due to the harshness of the African drought this year, and yet the Angolan Government, which exported over 1 billion dollars, worth of oil to the United States last year alone, cannot afford to care for its people. The country is an impoverished shambles, and we need to pay more attention to what is going on over there.

The reason for this legislation is in part because of these human rights violations, because of the situations in that country. But more to the point, this legislation that I have introduced to bring about economic sanctions on Angola has been brought to my mind to do because of the growing conflict within that country of a Soviet presence in trying to help the Angolan Government stamp out the rebel forces that are opposed to Marxism, because of the development over the last few months of the increased stepped-up activity of this effort on the part of the Soviet Union and the obvious use of Angola by the Soviets now in a form of its international efforts to try to bring about a world order of communism.

I want to talk for a few minutes about those efforts and what has gone on in the context of the history of this country. For about 10 years this country has been under the Marxist rule of this current government. The Soviet Union has been present during most of that time. However, the fact of the matter is that the Soviet Union's involvement has increased of late.

In 1976 or so, at the instigation of the Soviets, the Cubans put about 25,000 or 26,000 troops into Angola. Today there are about 35,000 or 36,000 Cuban troops in Angola. If it were not for these Cuban soldiers in Angola, the present government could not exist; they could not sustain their operations.

The Soviet Union itself has become more involved directly in the last few years. It has advisers or military experts and actual soldiers there numbering some 1,500 or so at the present time, and I am told the best estimates are that there are about 2,500 East Germans in the country.

In 1983 there was a battle or two that was waged in the country between the forces of Savimbi and the forces of Angola, and during the fall the Soviets put in a good deal of armament and stepped up the supplies to that country. They put into the country T-62 tanks, they in Mig-23 jet fighters, they put in SU-22 fighter-bombers, they put in M-125 helicopter gunships, and more recently they have installed an air defense line in southern Angola, deploying radars and SA surface-to-air missiles. That was all in November and December of 1983.

Now, after that occurred, the Soviets were caught a little bit by surprise when the South Africans entered the scene chasing some terrorists north into Angola, and the Angolan Government decided in December of 1983 to come to an accord with the South Africans and agree not to continue to support the terrorists that had been using their border area for an enclave to make raids into South Africa, in return for South Africa's withdrawing its forces completely from the area.

The Soviets were not too happy with that, and they decided to get much more involved directly, and in 1984 and 1985, they did exactly that. As a matter of fact, in 1984 and 1985, as of August of this year, the Armed Forces of the Government of Angola had on hand over 500 Soviet tanks, including 30 T-62's, over 100 sophisticated Soviet fighter aircraft, including about 30 Mig-23's and 70 Mig-21's, and roughly 25 deadly M-125 helicopter gunships. The total value of these armed transfers has been estimated at between $1 billion and $2 billion, those transfers being the ones occurring in 1984 and early 1985.

Then in late July, a major offensive began between forces of the Government, the Communist Government of Angola, against Savimbi and his forces that controlled a small portion of the country in the interior and the southern regions. At that time, the Soviets had four commanders in the field directing the Government brigades, four brigades of the Angolan Army, and the Cuban soldiers that were involved in this battle were directed by Soviet commanders actually on the battle scene. They coordinated ground artillery and air attacks and moved against all of Savimbi's positions at that point in time. There were a lot of casualties, including the loss of life by some of the Soviets themselves, and a number of exchanges occurred during that period of the last few weeks and the last few months.

As of right now, it appears that the Angolan Government troops have gotten the worst end of the whole deal. The point is that the Soviets have stepped up their presence, they have stepped up their pressure, they have stepped up their entire efforts, and they are indeed controlling and operating, for all practical purposes, the Government of Angola. And so the efforts the United States made a few years ago to try to get some accord and some accommodation and to get the Angolan Government to respond to some reasonable demands have basically gone for naught.

So we come to the point in time that we must look at what the American presence is and what our status is. What should we be doing with respect to the Government of Angola?

First of all, we have never recognized the current Government of Angola. It is not a formal recognition in any way. It has always been known to be a Communist government. One of the interesting ironies, though, is that despite the fact that we have never recognized them for the purposes of an embassy, we have not put them on the list to technically call them a Communist country, and since they are not legislatively labeled that and they are not labeled that by the State Department or the administration, they are eligible for Export-Import Bank loans. As a matter of fact, some of those loans are being processed, I am told, currently.

As a result of that processing, I have a great deal of concern and I think my colleagues have a great deal of concern because in the process of doing this, we are going to be providing loans to the Government of Angola, which is indeed a puppet of the Soviet Union, to carry out its wishes and to be able, in the process of these Export-Import Bank loans, to gain further United States investment that will accrue to the benefit of the Government in big ways and big dollars.

Now, what am I talking about? I am talking about the fact that every year, for several years now, the United States has imported more than $1 billion worth of products from the country of Angola. Most of that importation has been oil. We buy better than 80 percent of all the oil that is produced by the country of Angola, and in a couple of years, maybe even this year, it will be almost 90 percent.

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In the process of making these purchases, we are subsidizing that government which, in turn, actually pays

Castro's Cuban Government for the services of the 35,000 or 36,000 Cuban troops that are in that country under the command of Soviet commanders fighting against the freedom fighters of the Savimbi forces, fighting against the interests of the United States.

I find this to be absolutely indefensible. I find the U.S. position in regard to ignoring this fact to be immoral. And I believe it is time that my colleagues and I took some action to correct this matter. That is the reason for the legislation that was introduced today. That is the bottom-line reason.

We need to wake up to the fact that even though there is a debate focused, and I know a lot of attention is down there on the problems of apartheid in South Africa, a lot of concern, and rightfully so, has been had with Ethiopia and its drought and all the hunger that is there in the northern end, that from a political standpoint, from a standpoint of the question of the survival of the free world and the ideas of democracy versus the question of the supremacy of the Soviet Union and the Communists as a philosophy in this world, the battleground is in Angola and we are losing. Not only are we losing in Angola today, we are paying, financially supporting, and subsidizing the forces that are defeating us and defeating democracy. It is an absolutely twisted situation, as far as I can see.

Now there has been a proposal by one of my colleagues, the gentleman from Florida [Mr. PEPPER] to provide humanitarian assistance to the Savimbi forces. He has a bill in to do exactly that. I think that in light of what is going on, it is a perfectly reasonable request that he is making of us to do that. If we are going to provide humanitarian assistance to the Contra's fighting the Communist Sandinistas in Nicaragua, I think that we have every good reason to also turn around and at least do that for the forces of Savimbi.

But until just a few months ago, just a few weeks ago actually in this body, we could not have been involved in any way at all. Only recently have we repealed what was passed in the 1970's known as the Clark amendment, which prohibited the United States from any participation in the Angolan situation on the side of any force, which was a ridiculous position for us to be in.

But now that we are clear of that Clark amendment and it has been repealed and we have the potential for this legislation to give humanitarian aid to Savimbi's forces, we ought to be doing that. In fact, we ought to seriously consider giving more than just simply humanitarian aid to Savimbi's forces, considering what the Soviets are doing in supplying the tanks, the weapons; not only that, but the manpower and the direction of the war inside Angola.

But above all else, whether we provide the humanitarian aid or the military aid or anything else to the Savimbi forces and get involved directly, we do not have any business being involved in subsidizing this Communist regime in Angola and we do not have any business ignoring it in terms of our world concerns just because some very large major U.S. corporations have investments there and just because there is an American interest, of course economically in this, in terms of not having disruption or instability, we should not allow the basic principles of our Government to be spit upon and to be used to defeat the causes of democracy in that part of the world and to turn it to the Soviet advantage.

To me, it is an illogical position that we are forced into by the kind of logic some have told me since I first discussed introducing this legislation when they say, "Bill, you have no business getting involved in this. After all, economic sanctions aren't a good idea and you have always said that," and I always have.

I have up until this point basically felt that economic sanctions were not a very good tool of foreign policy for this Government, whether those were economic sanctions that we were using in Central America or whether they were in South Africa or whether they were against the Soviet Union. The primary reason for their not being a very good tool is that we do not get our allies to join in, and as a result of that, many times we do not have the pressures that we want to bring about to really make a difference in terms of the policy, so we do not get the changes and we only shoot ourselves in the foot.

In this particular case, though, where we have an ongoing civil war, where the U.S. dollars are indeed funding the enemy of our own Government and our own system and our own interests, I think that we have no other moral choice but to impose economic sanctions and to stop funding this kind of communism and this kind of overt Soviet activity.

Is Gorbachev using Angola to test the President, pending the summit meeting? I do not know.

Is he using Angola as an example to other African countries of the weakness of American foreign policy in the region? I think that is pretty clear.

Is he using the situation that is established now to slap us in the face because the United States was involved very successfully, diplomatically, in the winter of 1983-84 in getting an accord between South Africa and Angola on the withdrawal of troops and on an agreement that looked as though for a while it might bring about some stability in the region and possibly minimize the Soviet influence in Angola and maybe bring about some kind of movement in the direction of more humanitarian concerns and more civil liberties in that country?

But the fact of the matter is that policy that we did succeed in just ever so briefly looks as though now that it was the prodding point, the key point that was raised to the Soviets and Gorbachev to remind them that they had in their hands the power to cut the U.S. interests, and they darn well better take advantage of it and not let us get any more of a foothold than we had.

So we are in this position today. We are in the position where the Soviets, without much notice on the part of the world, very little notice on the United States, stepped up their activities in 1984 and 1985 and in this summer and in this fall have actually been on the field, guiding the forces, guiding the 36,000 or so Cuban troops, guiding the 1,500 Soviet troops in the country, guiding the 2,500 or so East German troops in the country, directing the missiles, directing the tanks, directing the war against the freedom fighters of Savimbi and, really, as I said earlier, spitting in our face all the while as the primary cost of this war is being financed, not by the Soviet Union, but by the United States itself.

At any rate, it seems to me to be fairly ridiculous posture for us to be in and one that we need as rapidly as possible to get out of.

If we were to take the actions that I have proposed, we would end the Export-Import Bank loans that we are now making or undertaking. We would prohibit the investment in the future by any other U.S. companies of any other investments into Angola. We would not, however, divest anybody of their interest already there. They could sell their products somewhere else and certainly oil is a commodity that could be sold. I am sure the oil would be sold somewhere.

We would see, however, an end to future investment. We would end the possibility of any loans going into that country from our banks or other institutions that might decide for some reason or another to support either the private American investment or somebody else's investment in that country, and we would take a step that I think is long overdue, and that is, to bar the imports and, for that matter, the exports between the United States and Angola.

All at the same time in this bill, one little section that I think is really overdue in our concerns legislatively, would correct that deficiency that I noted earlier. We would amend section 620(f) of the Foreign Assistance Act of 1961 to include the People's Republic of Angola as a stated Communist gov-

ernment, which effectively bars them from a lot of other possible involvement with the United States, unless the President declares that it is in the national interest to make some special exception for that; but it is just so incredibly long overdue in terms of our recognition that they are part of the Soviet axis. They are a part of the Communist world. They are a part of the international Communist movement that is involved from Southeast Asia with the Soviets in Afghanistan and the Vietnamese in Cambodia to the Nicaraguan Sandinistas trying to influence and invade Honduras and Costa Rica and El Salvador, to the Cubans who are funneling the arms and being the conduit for a lot of that disruption in Central America, to Angola which is one of the clearest examples of all outside of Afghanistan which everyone knows about because the Soviets directly invaded it.

Angola, which is one of the clearest examples of all of the Soviet presence directly guiding the war, of the Cuban troops in large numbers who blatantly have been there for nearly 10 years and in the last year increased their number by about 10,000, to the actual affront of American interests like it has not been affronted anywhere else I know in the world.

So, Mr. Speaker, my concerns are broad. I think that we needed an explanation of what this legislation was about, mainly because there is not enough time in 1 minute certainly to explain it, because not very many of the Members do concern themselves with the details of policy of a lesser-developed country in Africa like Angola, because the American public has not had much written about the subject and very little brought to its attention.

It occurs to me as I conclude these remarks this evening that unless there are lot of us who join together to bring more attention to this matter that it could very well be that this legislation, as so much else in this House, will go into a committee and not be heard from again and the war and the civil war activities guided by the Soviet Union against the Savimbi forces will continue, with the United States financing it, with the activities of human rights, tortures, continuing in Angola and so forth.

But I would hope that this legislation, combined with some of the media attention that columnists like Evans and Novak have brought to Angola recently and the concern that I think is now down at the White House on this issue, I would hope that we would raise up this profile before the American public, that we would see to it that the attention of this body does not simply dissipate into other areas and forget about it. That we would take affirmative action to demonstrate, not only our moral outrage, which is something we definitely should demonstrate in this case, our moral outrage at the long history of human rights violations and continued torture and continued violations of freedom of press and speech in the country of Angola, but that we would also demonstrate to the Soviet Union and to other countries in the world, importantly in Africa and lesser developed countries in our own hemisphere, that the United States is not going to be the fool anymore, the fool financing Communist revolutionary governments directed by the Soviet Union with on-ground commanders, that we are not going to be the fools to finance that anymore and that we are finally going to wake up and say, "No more," that we are going to come forward and make a statement that the world can see and can understand and perhaps give some credence to.

At any rate, I ask my colleagues' indulgence. As I said earlier, I have asked for the printing of the bill at the end of these remarks. I hope you read it and I would ask you to cosponsor it if you can and to come to this floor on other occasions when the opportunity presents itself and speak about Angola, learn about Angola, talk to your constituents and other Members and colleagues about the suppression of rights and the foolish policy of the United States in Angola.

Mr. Speaker, I include the bill, as follows:

H.R. 3598

A bill to express the opposition of the United States to the system of oppression in Angola, to promote the development of democracy in Angola, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Promotion of Democracy in Angola Act of 1985".

SEC. 2. POLICY DECLARATIONS.

The Congress finds and declares that—

(1) it is the policy of the United States—

(A) to encourage all nations to adopt political, economic, and social policies which guarantee broad human rights, civil liberties, and individual economic opportunities; and

(B) to condemn oppression wherever it exists and to seek its eradication;

(2) the people of Angola have been deprived of their fundamental human rights and denied civil liberties; and

(3) the Government of Cuba has contributed to the deprivation of the Angolan people and is an obstacle to reconciliation in Angola.

SEC. 3. PROHIBITION ON LOANS TO THE ANGOLAN GOVERNMENT.

(a) PROHIBITION.—No United States person, or the Government of the United States, may make any loan or other extension of credit, directly or through a foreign affiliate of that United States person, to the Government of Angola or to any corporation, partnership, or other organization which is owned or controlled by the Government of Angola, as determined under regulations which the President shall issue.

(b) EXCEPTION.—The prohibition contained in subsection (a) shall not apply to a loan or extension of credit for which an agreement is entered into before the date of the enactment of this Act.

(c) REGULATIONS.—The President shall issue the regulations referred to in subsection (a) not later than 90 days after the date of the enactment of this Act.

SEC. 4. RESTRICTIONS ON NEW INVESTMENTS.

(a) REGULATIONS.—Not later than 90 days after the date of the enactment of this Act, the President shall issue regulations prohibiting any United States person from making, directly or through a foreign affiliate of that United States person, any investment in Angola.

(b) EXCEPTION.—The prohibition contained in subsection (a) shall not apply to—

(1) a loan or extension of credit permitted under section 3;

(2) an investment which consists of earnings derived from a business enterprise in Angola established before the date of the enactment of this Act and which is made in that business enterprise; and

(3) the purchase, on a securities exchange registered as a national securities exchange under section 6 of the Securities Exchange Act of 1934, of securities in a business enterprise described in paragraph (2).

SEC. 5. PROHIBITION ON ASSISTANCE TO ANGOLA.

Section 620(f) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370) is amended by inserting "People's Republic of Angola" after "People's Republic of Albania".

SEC. 6. IMPORTS FROM AND EXPORTS TO THE GOVERNMENT OF ANGOLA.

(a) IMPORTS.—Goods and services from Angola may not be imported into the United States.

(b) EXPORTS.—Goods and services from the United States may not be exported, directly or indirectly, to or for the use by the Government of Angola.

(c) EXCEPTION.—Subsection (b) shall not apply to international disaster relief and rehabilitation assistance provided under section 491 of the Foreign Assistance Act of 1961 (22 U.S.C. 2292).

(d) DEFINITION.—For the purposes of this section, the term "United States" includes the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.

SEC. 7. ENFORCEMENT AND PENALTIES.

(a) AUTHORITY OF THE PRESIDENT.—The President shall take the necessary steps to ensure compliance with the provisions of this Act, including establishing mechanisms to monitor compliance with this Act. In ensuring such compliance, the President may conduct investigations, hold hearings, administer oaths, examine witnesses, receive evidence, take depositions, and require by subpoena the attendance and testimony of witnesses and the production of all books, papers, and documents relating to any matter under investigation.

(b) PENALTIES.—(1) Any person, other than an individual, that violates the provisions of this Act shall be fined not more than $1,000,000.

(2) Any individual who violates the provisions of this Act shall be fined not more than $50,000, or imprisoned not more than 5 years, or both.

(c) ADDITIONAL PENALTIES FOR CERTAIN INDIVIDUALS.—(1) Whenever a person commits a violation under subsection (b)—

(A) any officer, director, or employee of such person, or any natural person in control of such person who knowingly and willfully ordered, authorized, acquiesced in, or carried out the act or practice constituting the violation, and

(B) any agent of such person who knowingly and willfully carried out such act or practice,

shall be fined not more than $10,000, or imprisoned not more than 5 years, or both.

(2) A fine imposed under paragraph (1) on an individual for an act or practice constituting a violation may not be paid, directly or indirectly, by the person committing the violation itself.

SEC. 8. TERMINATION OF THE PROVISIONS OF ACT.

The provisions of this Act shall terminate if the President certifies to the Congress that Angola—

(1) is making a concerted and significant effort to comply with internationally recognized human rights;

(2) has entered into discussions with its non-communist opposition;

(3) has established a body of laws that assures the full national participation of all the people of Angola in the social, political, and economic life in that country;

(4) has held free and fair elections not later than November 11, 1986; and

(5) all troops from Cuba, the Soviet Union, and any other Communist country have withdrawn from Angola.

SEC. 9. DEFINITIONS.

As used in this Act—

(1) the term "Angola" refers to the territory that constituted the People's Republic of Angola on November 11, 1975, and is represented by the Popular Movement for the Liberation of Angola-Labor Party;

(2) the term "branch" means the operations or activities conducted by a person in a different location in its own name rather than through a separate incorporated entity;

(3) the term "business enterprise" means any organization, association, branch, or venture which exists for profitmaking purposes or to otherwise secure economic advantage;

(4) the term "foreign affiliate" of a United States person is a business enterprise located in a foreign country, including a branch, which is controlled by that United States person.

(5) the term "investment in Angola" means establishing, or otherwise investing funds or other assets in, a business enterprise in Angola, including making a loan or other extension of credit to such a business enterprise;

(6) the term "United States person" means any United States resident or national and any domestic concern (including any permanent domestic establishment of any foreign concern);

(7) A United States person shall be presumed to control a business enterprise if—

(A) the United States person beneficially owns or controls (directly or indirectly) more than 50 percent of the outstanding voting securities of the business enterprise;

(B) the United States person beneficially owns or controls (directly or indirectly) 25 percent or more of the voting securities of the business enterprise, if no other person owns or controls (directly or indirectly) an equal or larger percentage;

(C) the business enterprise is operated by the United States person pursuant to the provisions of an exclusive management contract;

(D) a majority of the members of the board of directors of the business enterprise are also members of the comparable governing body of the business enterprise of the United States person; or

(E) the United States person has authority to appoint the chief operation officer of the business enterprise.

THE LESSONS OF GRENADA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington [Mr. MILLER] is recognized for 60 minutes.

Mr. MILLER of Washington. Mr. Speaker, I am joined this evening by my distinguished colleague, the gentleman from Texas, Mr. JOE BARTON. What we would like to do tonight is talk about the lessons of Grenada. You will recall just 2 years ago Grenada was in the news. I think Americans have a picture of American troops on the island. They have a picture and perhaps remember American students coming back to the United States and kissing the soil and remember all the arguments, the outrage and outcries from the Soviet bloc at the time, perhaps remember the arguments against our action in Grenada; remember those arguments that Grenada was a state which was just a popular democratic government, independent, nonaligned, had popular support, and that we should not be messing around down there. Those were the arguments given against the action that our President took.

Well, now it is 2 years later. This week by action of our body is "Lessons of Grenada Week."

This House, with support from both parties, passed a resolution the President is authorized and requested to issue a proclamation designating the week beginning October 20, 1985, as "The Lessons of Grenada Week," and urge the Governors of the several States and the people of the United States to observe such week with appropriate ceremonies and activities.

I think it is entirely appropriate and important that we do look at the lessons of Grenada and that is what Congressman BARTON and I will try to do tonight and look at some of the arguments that were made back then and see whether those arguments stand up and which ones.

It is amazing to me that very little has been written, comparatively speaking, about Grenada. I suspect this may be because the U.S. operation had the appearance of success and in this country we like to dwell on failures. Maybe that is why the news media, except for the brief flurry at the time of the invasion, has largely ignored this issue. Maybe that is why academics have not rushed to write about it; but this past year there appeared a fascinating document called "Grenada Documents, an Overview and Selection," put out by the Department of Defense and the Department of State.

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These documents are selected from 35,000 pounds of documents that were seized after the liberation of Grenada. One would think, with the publication of these documents, that there would be enormous coverage in the news media, that academics on all of the campuses would be rushing to write about what was uncovered, but as I say, very little has been written.

Mr. BARTON of Texas. Mr. Speaker, will the gentleman yield on that point?

Mr. MILLER of Washington. I yield to the gentleman from Texas.

Mr. BARTON of Texas. I thank the gentleman for yielding.

Mr. Speaker, I am sure the gentleman, being a former member of the media, having a distinguished career in the State of Washington in the video broadcasting industry, might have an idea as to why there has not been more coverage of the information that the gentleman just referred to. Could the gentleman enlighten me on that point?

Mr. MILLER of Washington. The gentleman will remember that at the time of the invasion, the news media was very concerned about why they were not allowed to go with the first wave, but once that concern had subsided, and once the American troops had gone in and gone out, there has been, as I said, very little coverage.

The only conclusion I can come to explain this is that the American news media is very interested in understanding what goes wrong, as they should be; what goes wrong when our Government undertakes an operation. But there is not as much interest in looking at an operation that may have been successful.

The other reason may be that, if you look at these 35,000 pounds of documents, of which this is just a sample, it is hard going and there is nothing glamorous about sending a reporter to go into the archives and look at the minutes of the Politburo meetings of the Leninist Party of Grenada, to look at the minutes of the Central Committee meetings, to look at the memorandums the Grenadian Ambassador in Moscow sent back to his country, to look at the Prime Minister of Grenada's speeches, to look at the memos sent by the wife of the Cuban Ambassador to Grenada instructing the Grenadian Prime Minister on how to deal with the American Congress and the American news media. There is nothing really sexy or jazzy in poring over these documents. This is not what one would call a visual event. It is hard for television and radio to visualize this.

But the newspapers, I would have to say, have not done much better either. As I say, I guess this is not one of the assignments that reporters yearn for. But I think it is so important that we look at what went on in Grenada because, and I think this will come out, Congressman BARTON, as we further discuss this, what we have here is a lesson in how Leninism operates, how it operates in a small country, how it can operate not only without popular support but in defiance of popular support, how it operates connected with the Soviet Union in Cuba, and how it operates against the interests of free people, those who are free throughout the world.

Mr. Speaker, I will yield any time the gentleman from Texas wants to comment.

Mr. BARTON of Texas. If the gentleman would yield, I have a few comments I would like to make before we get into our dialog.

Mr. Speaker, Grenada was invaded on October 25, 1983. On October 26, 1983, I happened to be in our Nation's Capital. I was trying to make up my mind whether I wanted to make an attempt to become a Member of the U.S. House of Representatives. I had scheduled a list of appointments with some of the Congressmen from the State of Texas who were members of the Republican Party to discuss with them my qualifications and whether or not they felt it would be appropriate for me to try to join them as a colleague.

That was the day after the Grenadian invasion and I was struck, during that day, as I went around from congressional office to congressional office by the sense of pride that all of the Members of Congress that I spoke with, Congressman BILL ARCHER, Congressman JACK FIELDS, Congressman PHIL GRAMM, Congressman STEVEN BARTLETT, the sense of the pride that they had in being an American and the total support they had for President Reagan for making the decision to go in and offer such assistance as was necessary to liberate Grenada from Communist subjugation.

That helped me to make up my mind to seek membership in this great body, and there are some lessons from Grenada. Our distinguished colleague, the gentleman from Georgia, Mr. GINGRICH, has led the fight to have this week of October 20 to October 25, declared "Lessons of Grenada Week," and I am sure the gentleman knows how difficult it is to get the type of support that is necessary to get this kind of a resolution passed. He had to get 218 Members of both Democratic and Republican Party affiliations to sign their names that they felt that this was an important event and needed to be honored, celebrated, publicized, by having a week, and he was able to accomplish that.

So this is not an idle exercise in rhetoric. We feel, I feel, you feel, at least 218 Members of this body feel that it is important that the American people know that freedom has a price and we can point to an example near our shores where that freedom was almost taken away, and only because we were able to act and to free the Grenadians were we able to discover the depth to which the totalitarian regime of that country had fallen.

But one of the lessons of Grenada, in my opinion, is that the Communist Party has not changed. They still want world domination, and these 35,000 pounds of documents that the gentleman referred to earlier in his remarks are there for the press to look at, for the world to look at, to see the type of deceit that was going on vis-a-vis the Grenadian population and the world population at large with respect to what the Grenadian Government in existence at that time was up to.

There is no doubt if one takes the time, as the gentleman has and as I have and as other colleagues have to review even partially those documents, that Grenada was the second step. Cuba, Grenada, and Nicaragua were all part of a master plan. We have foiled the plan in Grenada. There are freedom fighters actually in Nicaragua, which I support and many of my colleagues support, and we need to remain vigilant because communism still has, as its A priority, No. 1 priority, world domination and we have to work daily to see that that does not happen.

During this week we will be debating and going through various points to highlight that. Today is "National Debate Day." Thursday is "National Memorial Day." Friday is going to be a day of celebration for the freedom that Grenada now has, and there will be rallies here in Washington and around the country to celebrate that freedom.

□ 1955

So I am here to discuss with you the various lessons of Grenada.

But the No. 1 lesson that we cannot forget is that communism still has as its first priority world domination. I will be happy to yield back to my colleague from Washington.

Mr. MILLER of Washington. I thank the distinguished gentleman from Texas for his comments. I recall, as he does, that time 2 years ago, and the tremendous pride that was felt at the time of the Grenada landing. I did not realize that it played a crucial part in the gentleman's decision to join this body. I am delighted to hear that.

Just picking up where the gentleman left off, one of the things that comes home to me when I look at some of these documents is the picture of Leninism at work in a small country. This is an island in the Caribbean of 110,000 people. If you look at the minutes of the Central Committee meetings, political bureau meetings, notes of the Prime Minister, Maurice Bishop, you get this picture of a very small, dedicated group of people imposing their will on a nation.

The number of people that helped take over the government, the armed coup was 40, 40 people. And once they get control, the first step, as the Prime Minister Bishop outlined in his speech to his party colleagues, which is one of the main documents in this volume called "Line of March For the Party," in the first speech, the first step as Prime Minister Bishop pointed out as soon as control was seized by armed forces was to call the so-called bourgeois elements in the country, democratic forces, religious groups, business groups, and to assure them that really there would be a pluralist society, there would be a place for them. And as Prime Minister Bishop explained to his comrades, this was necessary in order to lull these other elements of society into believing that this was not a true Leninist revolution. So this was the first step.

Then after taking that step, after bringing some other elements into the Government, but always making sure that the crucial decisionmaking bodies were controlled by Leninist forces, then gradually to edge these groups out. At first, to maintain civil liberties so as not to arouse suspicion, and once the consolidation of power, to slowly start putting political opponents in jail, to clamp down on the newspapers and the opposition press. Even with the economy, as the Prime Minister very candidly told his so-called comrades, "We have to move slowly. We must build, of course, State socialism. We cannot do it overnight."

So we leave the private sector, large parts of the private economy intact. The State takes over only certain portions of the country and the economy. But the goal in 5 or 10 years, of course, is to have total State control.

The whole attempt to make sure that different elements of society were watched and observed, you see reports in here describing different parishes in the country and describing by name people that were considered dangerous or "very dangerous." This type of spying soon started taking place.

Now, to do this, of course, this small elite group had to develop additional membership.

Mr. BARTON of Texas. If the gentleman will yield, does the gentleman from Washington have any information as to what happened to some of those people who were identified as dangerous people? Were they enabled to go about their business as usual? Were they imprisoned? Did they disappear and were their whereabouts unknown?

Mr. MILLER of Washington. Some were allowed to go about their business as usual. Some ended up in prison. Some were released after the liberation.

Mr. BARTON of Texas. When the gentleman says liberation, what is he referring to?

Mr. MILLER of Washington. I am talking about when American troops invaded Grenada. Some ended up being shot, mainly at the end of the regime's rule. This was a group that knew how to take power and keep it and, of course, one of the primary goals, as soon as power was taken, was educating of different cadre, the setting up of party schools to expound on Leninist principles, the sending of people to Cuba and the Soviet Union, the bringing of Soviet and Cuban advisers into the country to help with this educational process. So the Prime Minister, who was very candid about this, said "So that our young people can learn Leninist principles." And you see all of the cliches here if you read these documents: dictatorship of the proletariat, the party is the vanguard of the revolution, the importance of avoiding right and left opportunism, the importance of adhering to Leninist principles, even down to organizing in this Caribbean island mass celebrations of Lenin's birthday. I mean, this is how far, this is how far it went.

And of course, the attempts to first co-op and then to infiltrate potential opponent groups. It is hard to fathom, hard to believe on this peaceful Caribbean island it could go on. You see the lengthy memos on how to infiltrate, to woo, to win over, to co-op religious groups as a major project of the regime. Also how to infiltrate business groups and a constant effort by this small group to consolidate control. And of course, not only do you see Leninism at work in the island, but you see it at work when you read some of these documents. You see it at work abroad because, as you just mentioned, you have the Soviet and Cuban advisers coming in and out, and you have this conscious effort by this small nation to develop ties with Cuba and the Soviet Union, not to talk much about it. As the Prime Minister points out, "We cannot be too public," on a lot of these agreements. In fact, some of the documents are actually signed agreements between the Soviet Union and Grenada, between Cuba and Grenada, between North Korea and Grenada, and between North Vietnam and Grenada.

But always the reference to secrecy, to keep this secret, so it would not alarm Grenada's neighbors, and so not to alarm the United States.

Mr. BARTON of Texas. If the gentleman will yield on that. Is there not a secret document, or at least it was secret at the time, the secret mutual defense treaty between the Grenadians and the Soviet Union that only became public after we liberated the country? Is that not one of the documents?

Mr. MILLER of Washington. The gentleman is correct. There are two agreements. One is the top-secret agreement betwen Grenada and the U.S.S.R., and that is the title of it, 1980. The second was the top-secret agreement between Grenada and the U.S.S.R., 1982.

I would not call it a mutual defense agreement. The Soviet Union was very careful not to obligate itself to come to the defense of their comrades in Grenada. But what they did provide in these agreements was a massive quanity of arms.

Here is this nation of 110,000, you have in these agreements 2,000 submachineguns coming in, 6,000 uniforms, tremendous quantities of arms as a part of this process of building up Soviet and Cuban ties.

Mr. BARTON of Texas. If the gentleman will yield, I seem to recall photos immediately after the country was liberated of several warehouses chock full of automatic weapons and ammunition and small arms, far in excess of any legitimate defense needs of the country of Grenada. One could only assume that they were there to be exported to other countries in Central and South America, or to be used in uprising or to create some massive army on the island of Grenada itself that could be used for nondefense purposes.

Mr. MILLER of Washington. I am glad the gentleman from Texas raises that point, because as part of this Leninist approach, as part of the ties with the Soviet Union and Cuba, you see reading these documents the setting in motion of an attempt to export revolution. The gentleman mentions the caches of arms, and he will recall at the time of the liberation some said, "Well, so there are arms on Grenada, they are not modern missiles," and they are not. The point is they were weapons far in excess of what that government needed to control the country of Grenada.

Just to give one example, it did not arrive, but one of the top-secret agreements provides for the Soviet Union to send an airplane via Cuba to Grenada. The airplane was designed to hold 19 paratroopers that could be dropped anyplace.

Now the Leninist government of Grenada did not need an airplane to drop 19 paratroopers on Grenada, you can be sure of that. Here you have these other islands surrounding Grenada, many of which have no armies and, of course, none of them have sources coming anywhere near to what Grenada was building up. So you look at all of these arms coming in, you look at that plane designed to drop paratroopers, you read the minutes and you see the importance given to, as they say, preserving fraternal solidarity with their comrades in Nicaragua and El Salvador and the Soviet Union. You see the reference to the importance of Grenada assuming a regional role and supporting revolutions elsewhere, and there is not the slightest doubt when you read these documents to know that the ultimate aim, once the consolidation had been achieved on Grenada, was to start doing some island-hopping.

One of the parts that was particularly interesting to me, if the gentleman from Texas will permit me to just continue, the Grenadian Ambassador to the Soviet Union had many conferences with the Soviet military, and one of those conferences was with Marshal Ogarkov, the Soviet Chief of Staff. The Grenadian Ambassador reported back on those meetings, and in one of his reports, he tells his comrades in Grenada, "The Marshal said that over two decades ago there was only Cuba in Latin America. Today there are Nicaragua, Grenada, and a serious battle is going on in El Salvador."

This was the context of the Soviet military aid to Grenada. This was the context of all of the liaisons and conferences between Soviet military personnel and Grenadian military personnel. This was the background, the backdrop that we have to understand when we hear and read of numerous Grenadian soldiers being sent to Cuba and the Soviet Union and other places for training.

So I think the gentleman from Texas makes an excellent point when he talks about one of the lessons of Grenada being that when you have a Leninist regime, when you have a regime with ties to the Soviet Union and Cuba, you do not have to guess about what is going to come next. Next is going to be an attempt to subvert neighbors of the regime. Next is going to be an attempt to export violent revolution.

As I reflect on what some of these lessons are, and we do not have time this evening to go into all of these documents, but I should point out that if somebody wishes to get a copy, they were published last year by the Department of State and the Department of Defense. These are no longer classified. These can be acquired from your U.S. Government. If somebody is interested, they can write to the State Department or the Defense Department, and I am sure they would, I hope they would get a prompt answer.

□ 2010

I think back: Well, what are the lessons of Grenada? I think the first lesson is that we should be skeptical about some of the arguments we hear

when there is a regime with ties to the Soviet Union; a new government that is trying to make overtures to the Soviet Union.

I think back to those arguments. As I mentioned in the beginning, the arguments we heard against the President's action, you know: "It's not a real Leninist regime." Well, we know that it was a real Leninist regime, that the argument that it was no threat to its neighbors; well, we know it was a threat to its neighbors.

The argument that it really had popular support; some popular support. Took power with 40 people participating in coup. After the invasion, a poll on the island showed 90 percent of the people favored the invasion, and then elections were held the following year, the successor of the Leninist party in Grenada got 5 percent of the vote.

Yet, there were magazines in this country saying, "Well, this may be a bad government, but the people really like it." Of course, they did not, and when they had a chance to choose another way, they did choose another way. So I think that is a lesson.

Now I do not mean by that that we should automatically be opposed to any revolution. There is enough repression and injustice in this world that I would have to say that there can be and there are some revolutions that are not Communist inspired, that are not Communist controlled. We have to make judgments.

When a revolution takes place, and the leaders start spouting Leninist cliches, when a revolution takes place and the leaders start making trips to Cuba and the Soviet Union, when a revolution takes place and the leaders start bringing in Soviet arms and Cuban arms and advisers, then we better watch out.

I think another lesson of these documents and a lesson of Grenada is a very healthy respect for the power and effectiveness of Leninism at work. We cannot underestimate Leninism. It is very easy to say well, this is a poor Caribbean country—what do such people know about Leninism? These cannot be real Leninists.

Yet we see how a small group of people with proper training for the most part in Cuba and the Soviet Union were able to impose their will on 110,000 people; and not only that, from 1979 when they took over until 1983, for 4 years they ruled Grenada. Despite the fact that only 5 percent may have supported them; they were able to keep control.

If it had not been for the invasion and liberation, we have to ask ourselves, "Where would Grenada be today?" So one of the lessons to me is, "Do not underestimate Leninism at work even when it is in the Third World."

Mr. BARTON of Texas. If the gentleman would yield on that point, if the gentleman from Washington would come with me to my district down in Texas, and we went out on the street and polled 10 people and said, "What do you think of Leninism?" We would probably get eight or nine people that did not know what Leninism was.

If the gentleman would go with me and poll 10 people and say, "What do you think of communism?" I think we would get 10 people in short order who would very emphatically say that communism was bad news.

I feel that perhaps one of the problems and the reason that the Communists took control too easily and rapidly in Grenada was because they cloaked their action in phrases like Leninism and proletariat of the people, and did not actually admit that they were Communist and that their goals were totalitarian domination of the people; and in this body we have a proclivity for speaking in high-blown phrases when sometimes we would be much better off if we would get right to the heart of the matter and call a Communist a Communist; a totalitarian a totalitarian.

Mr. MILLER of Washington. The gentleman from Texas [Mr. BARTON] makes an excellent point. Of course the Grenadian leadership; occasionally they slipped up and used the word "Communist"; you see it in these documents; but they avoided that word. They avoided that word because of course in the Communist ideology a country like Grenada where there had just been a seizure of power was not considered Communist yet. The complete consolidation of power had not taken place; the whole economy had not been seized. Every civil liberty had not been repressed, so they were reluctant to call themselves Communists.

Mr. BARTON of Texas. In public.

Mr. MILLER of Washington. Yes. They preferred the term "Marxist-Leninist," and of course actually I think in looking at it we ought to underline Leninist, because all these concepts of the dictatorship of the proletariat, the party is the vanguard, the whole concept of suppressing the opposition of course derived primarily from Lenin, not from Marx.

The gentleman from Texas [Mr. BARTON] does make a good point. I think in our country there is a need of course to learn about our own democracy, our own history, but looking at what has gone on in the world in the last 50 years, looking at the struggles we are now involved in, I think it is important that we learn about communism. It is important that we learn about Leninism; it is important that we learn about Marxism. It is important, getting back to the gentleman's point, it is important that we learn how these words are manipulated and maneuvered; very important.

I just wish that some of our colleagues would have some more courses on Marxist-Leninism and communism, but particularly in how it works in Third World countries, how it works in nations like Grenada.

Mr. BARTON of Texas. If the gentleman will yield one more time.

Mr. MILLER of Washington. I would be happy to yield.

Mr. BARTON of Texas. I appreciate the graciousness of the gentleman from Washington [Mr. MILLER].

Speaking of colleges has brought to mind one of the events that is transpiring in the Lessons of Grenada Week, and that is seminars and policy discussions on our Nation's college campuses. I have a list here of over 100 college campuses that are going to be holding some sort of a seminar or discussion of the lessons of Grenada. Time does not permit that I go through all of the list.

Mr. MILLER of Washington. I was just going to suggest, I am so delighted to hear that, I was going to suggest that the gentleman from Texas [Mr. BARTON] read some of the groups and colleges. This may inspire others who are not participating to hold sessions or meetings.

Mr. BARTON of Texas. I would be more than happy to. The University of Akron; University of Arkansas; University of Auburn; Baylor University in my State; Bowling Green; Central Florida; University of Cincinnati; Clemson University; Colorado State; the University of Colorado at Boulder; Dallas Baptist University; Dalton College in Georgia; Dartmouth College; University of Denver; Duke University; University of Florida; Florida State; George Washington University here in the Nation's Capital; Georgia State; Harding College in Arizona; Illinois State University; Johns Hopkins University in Baltimore, MD; University of Kentucky; University of Maryland; University of Missouri; University of Michigan; University of North Carolina; North Carolina at Wilmington; Northwestern University; Ohio State; Oklahoma State; Portland State in Oregon which is close to your home State of Washington; Purdue University where I went to graduate school——

Mr. MILLER of Washington. All of these colleges are holding meetings or classes on Lessons of Grenada Week?

Mr. BARTON of Texas. To date, this is a somewhat dated list, but there are over 200 universities on this list, and we expect that an additional 200 to 300 will hold some kind of an event this week.

So there are universities throughout the length and breadth of our great Nation that have felt that it is important to expose to their college students some of these lessons which you

and I have been talking about this evening.

Mr. MILLER of Washington. That reminds me of an incident that took place a couple of days ago and I think drives home the point that the gentleman from Texas and I are trying to make about the need to increase our knowledge of communism and Marxist Leninism.

□ 2020

You will recall a few days ago the Nicaraguan leader, Daniel Ortega, announced that Nicaragua was going to be suspending various civil liberties and civil rights. That morning I read an article in the Washington Post, and it reported what had happened, and then it got to the interpretation part of the article, and it offered various reasons for why this might be the case, why the Nicaraguan Government was taking this action.

I heard a radio news report, a Mutual News network report, along the same lines. But with all the explanations that Mutual News gave or the Washington Post gave as to why Ortega or the Nicaraguan Government was taking these actions, the one explanation they did not give, and that explanation was: Maybe this is a Marxist-Leninist government that is just following the Leninist road. Maybe this suppression of civil liberties is because it has been planned all along. Instead, there were all sorts of interpretations that, "Well, maybe the war against the Contras was not going well," or, "Maybe they were upset with the United States, maybe the church has upset them."

But nowhere did one of these, at least these two news media outlets, say, "Well, you know, this is the way a Marxist-Leninist government operates after it starts to consolidate power. It slowly starts to take away liberties."

So that tells me that it is not just on the college campuses of this country that we need more knowledge of what goes on in places like Grenada.

Mr. BARTON of Texas. If the gentleman will yield, there are other organizations in this country that this week have agreed to participate in the lessons of Grenada Week.

I will read again not totally but just some: United States Jaycee's, Lions International, Moral Majority, National Association of Evangelicals, American Coalition for Traditional Values, Campus Crusade for Christ, Freedom Council, Council for Inter-American Security, American Conservative Union, Citizens for Reagan, Free the Eagle, Young Americans, College Republicans, Young Conservative Alliance, Students for America, Young Social Democrats, Coalition for Democracy in Central America, National Center for Public Policy Research, U.S.A. Foundation, Conservative Youth Foundation. Those are just a few of the organizations that feel it is important to get the message out.

Citizens for Reagan has a bumper sticker, and I am sure the gentleman has seen some of these on cars in his district, I have seen them down in Texas: "Grenada Liberation Day October 25, 1985, Two Years of Freedom." That is just one example of the type of things and events and publicity that we are trying to give this week.

Mr. MILLER of Washington. Mr. Speaker, I thank the gentleman from Texas for his comments. Hopefully there will be another volume of these documents out shortly, and I hope that this week we will at least in some small way focus not only on the joy and exultation we felt at the success of the Grenada operation but also the lessons of Grenada. And when the gentleman from Texas reads about all these events I am just delighted. I hope that it will continue next year. I hope more scholars will start poring over these documents, more students will start reading them, more members of the news media will start having them as background material, because I think if we all focus more on what happened in Grenada and take advantage of the materials that are available to us, I think we will be better prepared to protect the liberties and freedoms that we so very much cherish.

Mr. Speaker, I yield back the balance of my time. I thank the Speaker for his attention.

GENERAL LEAVE

Mr. MILLER of Washington. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the subject of this special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

GRAMM-RUDMAN-MACK AMENDMENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. BARTON] is recognized for 60 minutes.

Mr. BARTON of Texas. I thank the Speaker for recognizing me.

Mr. Speaker, I promise I will not take the entire 60 minutes.

I would like to speak this evening on an item of utmost importance not only to the present of this country but to the future of our great country, and that is the conference committee that is now in progress between the House of Representatives and the other body of Congress with regard to agreeing to or disagreeing to the Senate resolution with regard to the Deficit Reduction Act and raising the debt ceiling to over $2 trillion.

The conference committee is meeting today. It has to finish its work by November 1, which is the date that the money literally runs out. If we cannot reach agreement with the other body between now and November 1, we will run out of money, we will have to shut the Government down, and that will have negative consequences that no one wants.

The legislation that is under consideration is commonly referred to as the Gramm-Rudman-Mack bill. I have the bill with me, House Joint Resolution 372. I will be referring to that this evening in my remarks.

I was able to earlier, in a special order that Congressman FRANK of Massachusetts held on the same subject, to enter into a very limited dialog, a very limited debate about just what this bill does.

I would like to enlarge upon that, and I would like to begin by referring to a cartoon that my colleague from New Hampshire, "BOB" SMITH, showed me this afternoon on the House floor. It showed a nursery of children singing a song, and the song they were singing was, "We Owe the World, We Are the Children."

That is very, very true. We are literally mortgaging our country's future today to provide benefits today that we are not able to pay for.

Mr. Speaker, I have three children; I have a son, 15, named Bradley, a daughter, 10, named Alison, and a daughter, 3, named Kristin. They already owe, whether we borrow 1 penny more, they already owe somewhere between $50,000 and $250,000 to pay off the current national debt.

I do not want to saddle them with a liability, a financial liability that they literally cannot pay. For this reason I feel that the Gramm-Rudman-Mack bill needs to be passed. This Congress, this body, within the next 2 weeks needs to pass this legislation. Contrary to what some Members have spoken of in this body this evening, Gramm-Rudman-Mack is not going to eliminate poverty programs, it is not going to cause our poor to become poorer, our hungry to go without food.

In fact, the bill very specifically states that no program may be eliminated through this budget resolution process.

What it does state very specifically and succinctly is that each year we are going to have a deficit target and the deficit target for next fiscal year is $180 billion. That target declines by $30 billion each year until it reaches zero in fiscal year 1991.

I yield to my colleague from Washington.

Mr. MILLER of Washington. I share the gentleman's support for the concept of Gramm-Rudman-Mack, and I

was particularly interested by his reference to programs that help the poor, because the gentleman will recall, just a short while ago in these Chambers we heard tremendous concern expressed about the poor, those that were hungry or homeless, sincere concerns, genuine concerns. I could not help thinking as I listened to these comments that it is so important to understand that when we talk about reducing the deficit, when we talk about adopting a framework such as Gramm-Rudman-Mack, we are talking about doing something that will help not just the wealthy, not just the middle class—though, yes, it will help them and should—but it will help the poor. Who is going to suffer? Who is going to be hurt the most if we do not bring this deficit under control? Who is going to be hurt the most if, 5 or 10 years from now, that interest on the national debt keeps rising every year so that 50 percent of our Federal budget then will have to go just to pay the interest on the national debt? What is going to happen then? Either massive cuts in spending that will make anything we are talking about now seem piddling or massive tax increases, and who is going to be hurt then, 5, 10, 15 years down the road when that deficit comes home and those incredible tax hikes and incredible spending slashes take place?

Now, this country is no longer a land of opportunity but a land of misery. Are not the poor going to be the ones that will suffer just as much or more than anybody else?

Mr. BARTON of Texas. I would suggest to my colleague from Washington that the poor would suffer, senior citizens would suffer, my children would suffer, your children would suffer. We would all suffer.

I think we would subject our great Nation to a situation similar to that which occurred in the Weimar Republic in Germany immediately after World War I in which spending got out of control and hyperinflation resulted and which eventually led to the downfall of democracy in that country and the institution of nazism.

I am not suggesting that that would occur in that particular form in this country, but I think our society would be put under such tremendous strains that it would require changes the like of which we have no way of knowing the ultimate outcome.

What upsets me is that it does not have to be. Gramm-Rudman-Mack has a mechanism that shares the cuts that are going to have to be made, proportionately across the board. It exempts no programs except for Social Security. Social Security is exempted because of the simple fact that it has its own dedicated trust fund. No other program in our Government at the Federal level has that.

Gramm-Rudman requires that the President submit a budget at the beginning of the budget cycle that is within the deficit targets. Under today's Budget Act of 1974, the President does not have to do that.

So the President has to set out his spending priorities within these targets, submit them to the Congress, and the Congress acts on those targets.

□ 2035

If the Congress disagrees with spending priorities, the Congress is free to change those priorities, so long as every place it increases a program it makes a corresponding decrease in another program so that the ultimate result is a total budget that is within the budget deficit ceiling, which like I said earlier, is $180 billion for fiscal year 1986 and then declines by $36 billion each year until fiscal year 1991.

Now the point has been raised that defense would not accept proportional cuts. In my reading of the bill, that is not true. The cuts are proportional across the board. To the extent that the spending exceeds the deficit, half of the cuts have to come out of discretionary spending in every category and half of the cuts have to come out of automatic COLA increases. That does not tell me that defense is going to be spared and the social programs are going to be hit too heavily. It tells me that it will be across the board.

The point has been made that the President could veto the budget reconciliation bill.

No. 1, if the President vetoed the budget reconciliation bill, the Congress can override that veto. No. 2, if the President and the Congress act responsibly in the beginning, there is no reason for the President to veto in the first place.

If you look back on the lack of spending restraint that prior Congresses have shown, you will see that we have not had a balanced budget in this Congress since I believe fiscal year 1969 or 1970.

This Nation was founded in the late 1700's. We had our Constitution enacted in 1787, I believe. It took over 200 years to get the first trillion dollars added to our national deficit. In 1979, we reached a trillion dollars in the national deficit. It only took 6 years, in 1985, to reach $2 trillion—1986, maybe 7 years, to reach $2 trillion.

So it took 200 years for the first trillion, it has taken 6 or 7 years for the second trillion; if we do not enact something like Gramm-Rudman-Mack, it will only take 2 or 3 years for the next trillion, and then a year for the next trillion. Where will it end?

I will point out to my colleague from Washington that our total gross national product in the United States of America, which is the largest economy in the world, is somewhere between $4 trillion and $4.5 trillion a year. Now we already have a national debt that is going to exceed $2 trillion. We have interest on that debt approaching $150 billion. It is the fastest growing part of the Federal budget. The interest on the national debt is the fastest growing part of the Federal budget. Last year it grew at the rate of $13 billion a year.

Now when our distinguished colleagues of this body come before us and talk about the need for programs, whether they be in the defense area or social services area, whatever, I would point out that if we could spend an additional $13 billion on poverty in this country, we could do a lot. But we cannot because we have to pay that to pay the increase in the national debt. If we cannot get spending under control, we will not be able to institute any new programs of any kind. All additional revenues will go to the voracious increase in interest on the national debt.

Now, I support Gramm-Rudman-Mack because it is an alternative. It is a program. It is implementable. It will work.

My colleagues that have pointed out some of the potential flaws in this program have not come up with an alternative.

Mr. MILLER of Washington. Mr. Speaker, will the gentleman yield?

Mr. BARTON of Texas. I am happy to yield.

Mr. MILLER of Washington. It is ironic that those who criticize Gramm-Rudman-Mack do not offer a framework of their own for bringing us down to zero deficit, is it not?

Mr. BARTON of Texas. It is ironic.

I would also think it is somewhat ironic that less than 2 weeks ago in this very Chamber we passed a motion to instruct to the House conferees on the Gramm-Rudman-Mack bill that instructed them to support the principle embodied in Gramm-Rudman as it passed the other body. And some of those very same Members have been on this floor today beginning to talk against it. They voted for it less than 2 weeks ago, and now they are out working to torpedo that very motion to instruct that they were so much for less than 2 weeks ago.

Sadly, many of those Members are members of the majority party, the Democratic Party, which has a proud tradition in our country's history of trying to help people. I would hope that the majority of the Democratic Party would support the conferees in the motion to instruct and pass Gramm-Rudman or something very similar to it so that we can get spending under control. If we cannot do it now, when can we do it?

Mr. Speaker, I yield to the gentleman from Georgia.

Mr. SWINDALL. Mr. Speaker, I thank the gentleman.

I just came down because I heard the gentleman was talking about Gramm-Rudman, and I was sitting in my office reading the morning Atlanta Constitution, my local newspaper in Atlanta. I noticed that on the second page there was a story about a number of our Democratic collegues who had come to Georgia State University in Atlanta to talk about basically why the Democratic Party had failed to lure the younger vote.

One of our colleagues made the statement at this particular forum that it was basically the Reagan administration that had accumulated this deficit, an unprecedented deficit.

And as I read that, first of all it struck me that certainly that is a very naive statement to say that any one man is capable of amassing a deficit of the magnitude that we speak about when we say $2 trillion.

But second, it occurred to me that if, in fact, our colleagues on the other side of the aisle are as aggrieved by the magnitude of this deficit as they state they are, then certainly they should be here with us tonight and every opportunity that they have to talk about at least the concept of Gramm-Rudman, because at this point it is of no value whatsoever to continue to try to place the blame on the President, on the Senate, on the House or anybody. The point is we have got to start trying to find the solution.

As I start thinking about the problem, I am reminded of a family that lives in northwest Atlanta, or did up until just several years ago, who inherited a very large and spacious mansion, a beautiful mansion that had been in the family for years and years. They moved into this mansion.

After staying there for about a year and a half, they began to recognize that no matter how much they cut their expenditures, no matter how much they tried to increase their own earnings, they simply could not make ends meet. And they worked and they worked and they worked, and they became slaves to this mansion trying to keep it up.

Finally, they all gathered together, the family did, and said, "You know, we were really a lot happier before we got this mansion, because we have become slaves to this structure. And the truth of the matter is that no matter how hard we labor and no matter how many fundamental decisions we make in terms of cutting our living expenditures and whatever, we simply cannot afford this mansion."

Then they made one of the wisest decisions of their lives. They sold the mansion and moved into a structure that they could afford. Since then their lives have been substantially happier.

In so many ways, I think that is exactly what we have done in this country. We have constructed this structure that literally makes it impossible for us to maintain. We cannot maintain this structure that the last 30 years of social policies have created. And the truth of the matter is that until we recognize that, we cannot revenue our way out of it and we cannot cut our way out of it; we have to attack the structure itself.

Mr. BARTON of Texas. I could not agree more with my colleague from Georgia.

There is a comic strip character named Pogo, and Pogo makes a statement at some point in the comic strip that we have met the enemy and he is us.

And the enemy is us. The Members of this body have voted for one program after the other over the years because our way of compromising instead of making a choice between this program and that program, we chose to fund both programs.

□ 2045

And when there were decisions as to how much to fund, we chose the higher level, and we have promised too much to, too many for too long. We have got to begin to prioritize and to make some decisions about how to spend the scarce Federal resources that are at our disposal. Gramm-Rudman-Mack does this, and it does it across the board. It very specifically states that no one program can go below zero. It very specifically states that all of the cuts have to be proportional, and no cuts occur, as far as automatic cuts, unless Congress does not meet these deficit targets.

I would like to yield to my colleague, the gentleman from Washington.

Mr. MILLER of Washington. I am listening to the gentleman from Texas and the gentleman from Georgia, and I am struck by the critics of Gramm-Rudman-Mack. Some of them say it goes too far, and some of them say it does not go far enough. We heard earlier on the House floor those who felt it went too far, that it picked on social programs, it would hurt the poor. I think, as the gentleman from Texas has ably explained, it does not pick on anybody, it tries for an across-the-board approach. Obviously, it has to be an across-the-board approach if we are going to make a dent in this deficit. But then there are other critics who say, well, Gramm-Rudman does too little; after all, if you had the will to make these cuts, we would not need Gramm-Rudman, and Gramm-Rudman does not make the cuts and it does not require Congress to do it.

Of course, there is a grain of truth in that. Gramm-Rudman is a framework, and Congress does not have to follow it. But when you look at how Congress has failed to make the reductions, one has to conclude that a framework at least offers some hope. If we can get the framework, maybe we will get the cuts. Even better, if we can get a balanced-budget amendment to the Constitution, that will make sure that we get the cuts.

I think Gramm-Rudman-Mack offers hope, and the balanced-budget amendment to the Constitution offers to make that hope a reality. I hope that the Speaker of this body will allow us to vote on both proposals, because I think a combination of the framework and the constitutional amendment, the framework of Gramm-Rudman-Mack and the balanced-budget constitutional amendment, that combination will finally bring this body to make the decisions that it has been unable to make.

Mr. BARTON of Texas. The gentleman from Washington makes an excellent point. I could not agree more with him. I would point out that the Gramm-Rudman-Mack bill is a temporary bill, it is a 5-year bill. It expires in fiscal year 1991. That gives us time to pass the balanced-budget amendment. Congressman LARRY CRAIG of Idaho has got such an amendment. He expects very shortly to have 218 cosponsors. If those 218 cosponsors will sign a discharge petition, we will get the vote on his balanced-budget amendment in this Congress, and I hope we do.

If we combine 5-year emergency reduction act embodied in Gramm-Rudman with the balanced-budget amendment, as the gentleman from Washington talked of, we can get a handle on Federal spending. And once we get a handle on Federal spending, then we can begin to make these priority decisions, and then we may begin to fund some of these new programs, to have additional funding for some of the programs that many Members of this body feel so devoted to, but only if we get a handle on spending right now. And right now, spending is out of control. This body has shown itself incapable of showing any kind of financial discipline. It has just piled spending on top of spending and financed it by borrowing more and more money.

Mr. MILLER of Washington. Mr. Speaker, will the gentleman yield?

Mr. BARTON of Texas. I yield to the gentleman from Washington.

Mr. MILLER of Washington. What the gentleman from Texas is saying, I take it, is that in an ideal world, Congresses over the past 30 or 40 years would have made those tough decisions and we would not need either Gramm-Rudman or the balanced-budget amendment. But human nature being what it is, those decisions have not been made by Congresses, and that is why we need the framework of Gramm-Rudman-Mack, and that is why we need the balanced-budget amendment.

Mr. BARTON of Texas. That brings to mind a comment that the distinguished Senator from Massachusetts in the other body made when this was being debated in the other body. He said, "We sit here arguing about what kind of fire extinguisher to use while the fire rages out of control." And we now have a fire extinguisher. We do not have an acceptable alternative. To my knowldege, there is not even another alternative being proposed. So let us use Gramm-Rudman and begin to put the fire out.

Mr. SWINDALL. If the gentleman will yield, I am glad the gentleman mentioned the distinguished gentleman from Massachusetts, because I think that the fact that he, a Democrat, is supporting this bill really gets to the heart of this issue, and that is that this is not a Republican issue, this is not a Democratic issue, it is not a conservative issue, it is not a liberal issue. I think it can best be framed by being stated that it is either a responsible issue or an irresponsible issue. That is really the watershed in this debate. Are we going to be responsible for our action? Or are we going to continue with the same vein of irresponsibility that we have followed for years now?

One of the things that I was most intrigued by was the budget process, because as I began to talk to individuals—and I will just take one example, the agriculture portion of the budget—I looked at individuals that I knew to be on the Agriculture Committee. I said, "Let me ask you something. Is this realistic?" I think it was about $18.9 billion. And the individual said, "Well, not really." I said, "Well, how can you pass this budget?" He said, "Because we will come back and get a supplemental later."

The truth of the matter is that budget means nothing. It is simply some procedure that we go through each year, so that we can tell the public that we have met our responsibility of saying what we are going to spend money on and how much, and they believe us year after year after year, but they do not watch, because we hide it with these various supplementals that keep throwing the budget way out of kilter. And all in world Gramm-Rudman says is, let us have truth in budgeting. We have truth in lending, we have truth in everything else. Why do we not have truth in budgeting, so that when we establish a budget we tell the American people we are going to live by it, and if we do not live by it and we are fooling the American people, then this procedure automatically makes us live by it. How could anyone be opposed to that?

Mr. BARTON of Texas. The gentleman from Georgia makes an excellent point. He brings to mind a question that I have been asked in my district about the Gramm-Rudman proposal. The question goes as follows: Under the current Budget Act that we have, theoretically a balanced budget is required. In practice, we waive that here on the House floor almost daily. By a rule from the Rules Committee we waive the Budget Act. What would prevent us from waiving the requirements of Gramm-Rudman?

Very simply, under Gramm-Rudman you cannot just waive the act by a rule of the House of Representatives. In order to waive it, Congress has to declare a national war, a recession has to be predicted by both the Office of Management and Budget and the Congressional Budget Office, or the Congress has to pass a law, the House of Representatives has to pass a law waiving the requirements of the act. The other body of the Congress has to pass the identical law, and the President of the United States has to sign that law. If those three events do not happen, then you cannot waive the requirements of Gramm-Rudman-Mack.

Mr. SWINDALL. If the gentleman will yield, there is one other point that I think is very apropos at this point, and that is this point: If the President, which I am confident he will, vetoes such a bill, it comes back to this House, and I am confident that we can find one-third that will sustain the veto. The reason I am confident is, the gentleman from Texas remembers we sent a letter to the White House, a number of us, 154, if I remember correctly, signed that letter, stating we would sustain his veto on any appropriation measures that was a budget-buster.

So my point is, that is the major differentiation between what has been happening under the Budget Act of 1974 and what will happen once Gramm-Rudman is passed, and that is if the President vetoes it, we can sustain that veto, but we cannot get necessarily the 50 percent, plus one votes that are necessary to prevent waiving the rule the way we do year after year, after year.

Mr. BARTON of Texas. I feel very confident that we would be able to sustain such a vote if the President did veto such a bill.

I notice that my distinguished colleague from Texas, Congressman ARMEY, is in the Chamber. I would be happy to yield to him for any remarks he cares to make on this issue.

Mr. ARMEY. I thank the gentleman for yielding.

Of course, I would like to begin my remarks by applauding the gentleman for taking out this special order. I have been sitting here listening to the debate. I think one of the things I would like to point out is that there have been four of us now in this special order that have spoken, and I think every one of the four of us is a new Congressman. We represent a cross-cut of the Nation, of course. We have Washington State, up in the Northwest, we have Georgia in the Southeast, and of course we have the great State of Texas, which amounts to three-fourths of the land surface of the United States. Everything else is called "ain't Texas." So I think, JOE, you and I can represent a good point of view. Nobody has ever suggested that people from Texas are reluctant to speak more than their fair share of the time.

Let me just make a few comments. I have been watching the debate. I think one point you are making is very clear. We have the deficit problem and the $2 trillion debt because we have lacked discipline. Gramm-Rudman-Mack gives us a framework where discipline will be imposed on this body. We will have to work within limits.

Now, one of the problems that I perceived over the past 10 years is that the House of Representatives, indeed the entire legislative process, has not recognized that the Federal Government has to live within its limits, just as you and I do in our homes.

Now, all of a sudden, we will have defined limits. Then we are faced with a problem: in order to live within those limits, must we either raise taxes or cut spending? And there is really going to be no two ways about it, because the borrowing option will be removed from us.

One of the concerns I have is—you talked about are there other alternatives being suggested to the Gramm-Rudman-Mack proposal—that the conference may recommend an alternative that will encourage tax increases.

Now, say what you want, the numbers have proven to us, economic theory proves to us, cold, calculating logic proves to us, that if you cut taxes and if you let the working men and women of America take more money home, they will work harder. You and I do it. I remember when I was young, I used to turn down overtime because the tax bite did not make it worth my time, Reduce the tax bite, and I will work harder. American working men and women are trying to provide a better living for their families. They want to do it themselves.

We are not a nation of freeloaders, We are a hard-working Nation, and we do want the right to earn our own living and to keep what we earn. So we must avoid tax increases as an option to fulfilling these deficit targets.

The other is spending cuts. Now, one of the things I would like to suggest to you that this body begin to do is to think not only in terms of more or less spending, more or less of the same old programs, but let us talk about less spending on better programs. I will give you an example. We do want to subsidize the incomes of the needy people in America. We need to do that.

Any compassionate nation must care for its truly needy. And certainly this Nation will accept that responsibility. We have several programs by which we attempt to do this. One, in particular, I might spend a moment on is the Food Stamp Program.

Now, actually, what we do with the Food Stamp Program is, we spend too much money giving a subsidy that is not very effective in terms of the individual recipients because of the limitations we impose on them, a program that allows for and encourages and even in some cases demands cheating on the rules of the program—and we have all heard these stories—and also make it possible for greedy people to cheat on the qualification requirements.

Now, I think it is time we accept this fact. Nobody is going to deny it. People see it all the time. We know cases in point. There are welfare cheaters in this country. Now, what do they do? They qualify on the basis of trumped-up qualifications, and our law is not tight enough to not allow this.

Now, who gets hurt? Well, obviously the taxpayer. I, for one, and I believe, JOE, you, and I am sure the gentleman from Georgia, or any Member of this House, are perfectly understanding of the requirement and the necessity, the moral necessity of us as individuals to care for the truly needy. But by the same token, if we allow greedy people, without justification, to avail themselves of this care and of this subsidy to their income, we are doing the greatest harm possible to the needy because we allow them to be crowded out. We allow prejudice to be built up against them. I have seen that prejudice myself. I think it is terribly unfortunate. With the Food Stamp Program, we take the most distressed people in America, the people who really and truly do need a compassionate, helping hand, and we make these people a marked person in today's grocery lines.

□ 2100

Because the public at large know the cheaters are out there they become cynical and skeptical of everybody. I have seen a mother with her two children and people that to me seemed obvious to be in need be subjected to scorn because they had the food stamps in the grocery line and they were identified. I think that is one of the greatest tragedies of all.

We spend too much money; we do not differentiate between the really needy people in the Nation and those who would cheat on this largess. We allow then the needy people to have less resources for their income support and maintenance, and we leave them as marked people, subjected to all forms of humiliation.

What is a better way? We can actually reduce spending if we reform the whole concept, we reform the whole approach and the approach has been recommended years ago. It is not something new; we have understood it in this country. Milton Friedman suggested it years ago, the negative income tax. A device by which we can indeed differentiate between those who need and those who do not. A way to get a greater increase in well being to the recipients per dollar of expenditure. More fairness to the taxpayers.

An ability for the individual recipient to be the best judge of how he or she will support their family. An opportunity for the poverty mother, that female head of a poverty household, to avoid the 150-percent tax penalty that falls on her if she does try to work her family up the occupational ladder. There is a better way to do this, and we can take the Gramm-Rudman-Mack initiative, put in place then the limits and then respond to those limits with a new sense of creativity, a heightened sense of compassion and understanding, and a greater awareness of how it is we can be fair not only to the truly needy people in America, protecting them from the abuses of the greedy in our country, and at the same time protect the rights of and have a compassionate use of the taxpayers' dollars.

That is the challenge that I see coming to this Congress after Gramm-Rudman. That is the challenge that I see the creativity in this Congress able to meet. What we have got to do now is accept the challenge, impose the discipline, use the creativity, and with less of our taxpayers' dollars, do a better job of helping the needy people in America defend our Nation, and create a more prosperous economy for all of us.

This is what I see as the hope that springs following Gramm-Rudman. Again, I would like to congratulate you for having the initiative to take this late hour, and it is a test of how much you do care about these problems that you are willing to be here this late.

Mr. BARTON of Texas. I thank the gentleman from the 26th Congressional District of Texas for his comments. I could not agree more. I would point out that the first step is to pass Gramm-Rudman, to get the conference committee that is now in session to agree to that amendment. To bring it back before this body, let us vote on it, send it to the President for his signature, and then begin the process of getting spending under control.

Mr. Speaker, the hour is late, I will not belabor the point too much longer. I would like to finish up by summarizing very briefly, once again, what Gramm-Rudman does do. It is a 5-year emergency deficit reduction act. It sets deficit targets each year for the next 5 years, beginning at $180 billion, declining to zero in fiscal year 1991. It requires the President of the United States to submit a budget to the Congress, that falls within these deficit targets. The Congress may change those spending priorities around, but the Congress is required to come within the targets.

If the Congress does not, and only if the Congress does not pass legislation that is less than the spending targets, then automatically, in order to bring spending in conformity with the targets, its discretionary programs are cut, half of the spending reductions would come from the discretionary programs, and half of the spending reductions would come from mandated entitlement programs. The cuts would have to be proportional; everything would be subject to being cut, except for interest on the national debt and Social Security. All other programs could be cut.

The President would automatically begin these cuts if the Congress had acted without, and then if the President wanted to propose different types of cuts, he could do so but then the congress would have the authority to override, to change those cuts.

If we pass this legislation in the near future, and we only have 10 days. We only have until November 1 to act affirmatively on this legislation because on that date all spending authority of the Federal Government runs out. All borrowing authority, I should say, the ability to borrow additional funds runs out.

But if we do that, then we have got a 5-year plan that will bring us back to a balanced budget. Hopefully, by that time we will have a constitutional amendment to our Constitution, requiring a balanced budget and we can go about the business of governing this country.

THE ABORTION ISSUE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. SWINDALL] is recognized for 60 minutes.

Mr. SWINDALL. Mr. Speaker, I had not planned to address this body this evening during special orders, and I recognize the lateness of the hour, but I did want to take just a few minutes to talk about a subject that is, hard as it may be to believe, even more important than the Gramm-Rudman bill. It is a topic that many of us really do not like to talk about. It is the topic of abortion.

I had not planned to talk about it today, but when I heard the rabbi from Miami deliver his prayer today, I was so inspired that I really felt it would only be appropriate to take a brief special order today to talk about that subject and the subject matter of his prayer.

In his prayer he made a very profound statement. That statement was, that one of the fundamental purposes of civil government is to assure truth, justice, and peace. Then he quoted from the Declaration of Independence. That portion that states that, "We hold these truths to be self-evident. That all men are crated equal. That they are endowed by their Creator with certain unalienable rights, among them life, liberty, and the pursuit of happiness."

He then went on to talk about how precious life is and how we so frequently murder human individuals and that murder seems to occur in spite of the laws that we have established.

I am impressed by his statement that the Declaration of Independence sets forth that fundamental truth because I think that in that Declaration of Independence is an issue that perhaps we have not focused on when we talk about the abortion issue.

□ 2110

And that is that our Founding Fathers had the wisdom and the judgment to use their words very carefully. In fact, one Supreme Court decision stated:

The men who framed the Declaration of Independence were great men, high in literary requirements, high in their sense of honor, and incapable of asserting principles inconsistent with those on which they were acting. They perfectly understood the meaning of the language they used and how it would be understood by others.

The point I would like to make is that in the Declaration of Independence our Founding Fathers very carefully chose their words to state: "We hold these Truths to be self-evident, that all Men are created equal." They did not say, "All Men are born equal." They said, "All Men are created equal."

The, "create," means to form. The significance of that, is that the same Declaration of Independence goes on to state, after making that profound statement: "That to secure these Rights, Governments are instituted * * * deriving their just Powers from the Consent of the Governed."

In other words, the purpose of civil government, even as our Founding Fathers drafted the Declaration of Independence, was then, and has always been, to protect human life, because individuals are created equal, and created with certain unalienable rights, among them the right to live.

After the Revolution, we know that these same men, or many of the same men gathered together, to draft the Constitution, and because they understood that we were not in this country a Democracy, they were, in fact, scared to death of a Democracy because they understood that in a free Democracy whatever the whim of the majority happened to be would become the law simply because the majority outweighed the minority. Rather, we chose to become a constitutional Republic, the significance being that our laws would be based on this Constitution, and that no one could change the Constitution arbitrarily or whimsically, but, rather, the Constitution could only be changed in a prescribed fashion, a very arduous fashion.

It was later, years later, that we saw the first true test of our Constitution. That test occurred when a number of individuals who were very concerned about slavery in this country challenged the institutionalized practice of slavery by stating that our our black brothers and sisters were entitled to constitutional protection because they were citizens or persons within the context and meaning of the Constitution.

Well, we all recall that the abolitionists were unsuccessful in their first attempt. That attempt was a judicial attempt, and in the Dred Scott decision, the Supreme Court rebuffed their attempt basically to forever prohibit slavery by holding that, the Constitution did not apply to our black brothers and sisters, because they were not persons as defined by the Constitution. In fact, if you go to the Dred Scott decision, which was decided in 1856, you will find that the crux of that case is contained in the holding found on pages 410 and 411, and follows under case head note 4 that stated that "a free Negro of the African race whose ancestors were brought to this country and sold as slaves, is not a 'citizen' within the meaning of the Constitution of the United States." Therefore none of these constitutional rights, including the right to freedom, attached.

Well, we recognized then, I think appropriately, that if we were a constitutional Republic and that our Constitution was to be above the manipulation of any group, even if it happened to be the Supreme Court, we could not allow that decision to stand. It was very obvious that the reason the Supreme Court decided, as it did, was because, quite frankly, the Supreme Court wanted to accommodate the socioeconomic pressures of the time. It would not have been very popular at that time to buck the system. So there in the Dred Scott decision they rendered literally, thousands of Americans to be without any rights whatsoever. Fortunately for us, we came along subsequent to that decision and amended the Constitution.

But what despaired those abolitionists at the time, history tells us, was the fact that as they read the Constitution, they could not find anywhere in the Constitution any definition of "personhood," and it despaired them worse that the Constitution, which was to be written or changed, only by the consent of the governed, was suddenly manipulated by seven of nine individuals on the Supreme Court.

It occurred to me a number of years ago, as I compared this with the Roe against Wade decision, the decision of the Supreme Court in 1973 that in fact legalized abortion on demand, that there was a glaring similarity between the holding of the Roe against Wade decision, and the holding of the Dred Scott decision. In fact, interestingly and ironically, the Dred Scott decision was a 7 to 2 decision, and in the Roe against Wade decision, it was also 7 to 2. But if you look at the Roe against Wade decision, you will find that the Roe against Wade decision, did not turn on the issue of the right to privacy, as so many individuals have argued to me that it did, because the right to privacy is secondary to the more fundamental right to life.

If you go to the Roe against Wade decision, which is found at 410 U.S. Supreme Court at page 156, you will see the argument that the Supreme Court first had to deal with. There it states:

The appellee and certain amici argue that the fetus is a "person" within the language and meaning of the 14th amendment. In support of this they outlined at length and in detail the well-known facts of fetal development. If this suggestion of personhood is established, the appellant's case, of course, collapses, for the fetus' right to life would then be guaranteed specifically by the amendment. The appellant conceded as much as on reargument. On the other hand, the appellee conceded on reargument that no case could be cited that holds that a fetus is a person within the meaning of the 14th amendment. The Constitution does not define "person" in so many words.

Further in the decision it states:

All this, together with our observation supra, that throughout the major portion of the 19th century prevailing legal abortion practices were far freer than they are today, persuades us that the word, "person" as used in the 14th amendment does not include the unborn.

So precisely the same whimsical 7 to 2 decision, forever changed the fate and the destiny of over 18 million unborn children in the United States, for since the Roe against Wade decision in 1973, over 18 million abortions have occurred. In fact, today one-third of all pregnancies are terminated in abortion.

My concern about that is that irrespective of how one might decide the issue of abortion, one must first look at the fact that we have gone about it, in a fashion that is totally contrary to our constitutional values, because in reality what we have said is that this Constitution is whatever the Supreme Court wants it to be. If we concede that the Supreme Court has a right to define "person" to exclude the unborn, in spite of the fact that the Declaration of Independence said that we are all created equal, with certain

unalienable rights, among them life, liberty, and the pursuit of happiness, that same Supreme Court may well one day take the next step and say, "Well, what about the quality of each individual even after they are born?"

In fact, I think Francis Schaeffer, the renowned theologian who died several years ago, said in 1972, the year before the Roe against Wade decision, that if we ever conceded the right to abortion on demand in this country, what would necessarily follow would be infanticide, and ultimately euthanasia, the theory being that once you devalue human life or make that a subjective decision by individuals on the Supreme Court, you have opened Pandora's box to the point that any type of subjective interpretation can change the meaning to fit the socioeconomic mores of the time.

□ 2120

In fact, we are well aware today that there is a very hot debate as to whether or not our children that are now, say, born with certain deformities have a right to live because they do not meet our subjective opinion of what constitutes the right quality of life.

We have also heard individuals argue that our elderly have an obligation to step aside, that they really ought not to continue to live because they have nothing to offer society. It is a very utilitarian viewpoint.

What frightens me about that is who is going to continue to make these decisions in terms of what is the right quality of life? A number of individuals have said that, in fact, we ought to continue to allow abortion under Roe against Wade decision, and the decisions that have followed simply because of these children that have been murdered, are not wanted. That is ludicrous on its face when you recognize that in Atlanta, GA, there is a 10-year wait list for infant adoptions.

I think the real issue is, wanted by whom? They may be unwanted by the natural parents, but they are certainly wanted by at least enough individuals, to make the wait list 10 years in Atlanta, longer in a number of other areas.

By the same token, I read in a Time magazine article several years ago that said individuals pay $40,000 to $50,000 for infant children on the black market. That is how difficult it is to find infants.

I talk to adoptive parents all the time that say they would give anything if they could adopt yet another child, but it is too difficult to find one.

What does that have to do with the prayer that I heard this morning? What it has to do with is that we have strayed so far from that ideal that we founded this Nation on, and that was the ideal that civil government was instituted to protect human life from the moment of creation forward.

Many people argue to me, "Well, how do you know at what moment creation occurs?"

Well, I do not have much difficulty with that, but even if I did, I think that same Constitution tells us that in this country we are fortunate in that we are innocent until proven guilty under our Constitution; my point being that before that we continue to murder innocent children, someone ought to at least step forward and meet the burden of proof and show their guilt.

We actually show more deference to criminals than we do to our unborn. At least they must stand before a jury of their peers and have not just a preponderance of the evidence, but evidence beyond a reasonable doubt presented of their guilt.

So we have totally ignored due process. We have totally ignored equal protection under the law, and quite simply we have totally ignored our Constitution.

In conclusion, I would say that the solution to this problem is really a very simple one, and that is, it is the same solution that we utilized over 100 years ago when we rectified the wrong done by the Dred Scott decision. That is, we recognized that if we are to be a constitutional republic, there are ways to change the Constitution lawfully, and that is through the constitutional amendment process.

It is for that reason that I am a strong advocate of at least debating on the floor of this House, for the first time since the Roe against Wade decision, the propriety of a constitutional amendment to either reverse or instate in a lawful constitutional manner the Roe against Wade decision.

How could anyone, irrespective of their ultimate view on that issue, possibly argue with protecting the sanctity of this Constitution?

If you happen to believe in abortion on demand, then at least allow a constitutional amendment, and if in fact the requisite number of States ratify that constitutional amendment, you will have the Constitution intact along with this new body of law.

If, on the other hand, you disagree with the right to abortion on demand, and believe that in fact civil government is established to protect human life, you will have an opportunity to vote in such a fashion as to ratify a different constitutional amendment.

But my point is, America can ill afford to tear down the very document that has served as a foundation for this country's prosperity. We almost destroyed it with the Dred Scott decision, but thank God we showed the good judgment to override it with a constitutional amendment.

It seems inconsistent to me that anyone could be opposed to slavery and not opposed to the Roe against Wade decision which legalized abortion on demand.

Mr. Speaker, I intend to take another special order, where I will go into much greater detail about a number of the issues that I only touched on tonight, but I did want to at least take this opportunity because of the time limits of the rabbi's remarks this morning, as he opened this day in Congress to illustrate how far we have varied from the basic tenets set forth in the Declaration of Independence.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. NIELSON of Utah) to revise and extend their remarks and include extraneous material:)

Mr. MCCOLLUM, for 60 minutes, today.

Mr. IRELAND, for 5 minutes, on October 23.

Mr. MILLER of Washington, for 60 minutes, today.

Mr. MILLER of Washington, for 60 minutes, on October 24.

Mr. GINGRICH, for 60 minutes, today.

Mr. GEKAS, for 5 minutes, today.

Mr. BARTON of Texas, for 60 minutes, on October 29.

Mr. BARTON of Texas, for 60 minutes, today.

Mr. WALKER, for 60 minutes, today.

Mr. COURTER, for 60 minutes, on October 30.

Mr. SWINDALL, for 60 minutes, today.

Mr. BURTON of Indiana, for 30 minutes, today.

Mr. MACK, for 60 minutes, today.

(The following Members (at the request of Mr. LOWRY of Washington) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. NELSON of Florida, for 5 minutes, today.

Mr. LOWRY of Washington, for 5 minutes, today.

Mr. ALEXANDER, for 30 minutes, today.

Mr. FRANK, for 60 minutes, today.

Mr. DYMALLY, for 60 minutes, on October 23.

Mr. SKELTON, for 60 minutes, on November 4.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. NIELSON of Utah) and to include extraneous matter:)

Mr. SAXTON.

Mr. MCCAIN.

Mr. SHUSTER.
Mr. GREEN.
Mr. ROGERS.
Mr. LENT.
Mr. COATS.
Mr. BROOMFIELD.
Mr. CONTE.
Mr. PORTER.
Mr. COURTER.

(The following Members (at the request of Mr. LOWRY of Washington) and to include extraneous matter:)

Mr. GARCIA in four instances.
Mr. SYNAR.
Mr. DORGAN of North Dakota.
Mr. OBEY.
Mr. BARNES.
Mr. LELAND.
Mr. ECKART of Ohio.
Mr. HUGHES.
Mr. LANTOS in two instances.
Mr. YATRON.
Mr. WEISS.
Mr. CLAY.
Mr. RANGEL.
Mr. DYSON.
Mr. COELHO in two instances.
Mr. MITCHELL.
Mrs. COLLINS.
Mr. WIRTH.
Mr. MARTINEZ.
Mr. APPLEGATE in two instances.
Mr. ROE.
Mr. DIXON.
Mr. EDGAR.
Mr. LEHMAN of California.
Mr. SOLARZ.
Mr. WHEAT.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill and joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 2959. An act making appropriations for energy and water development for the fiscal year ending September 30, 1986, and for other purposes.

H.J. Res. 79. Joint resolution to designate the week beginning October 6, 1985, as "National Children's Week."

SENATE ENROLLED BILL AND JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled bill and joint resolution of the Senate of the following title:

S. 1726. An act to amend section 51(b) of the Arms Export Control Act, relating to the funding of the Special Defense Acquisition Fund.

S.J. Res. 92. Joint resolution to designate October 1985 as "National Foster Grandparent Month."

BILL AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on the following day present to the President, for his approval, a bill and joint resolution of the House of the following title:

On October 18, 1985:

H.R. 2174. An act to provide for the transfer to the Colville Business Council of any undistributed portion of amounts appropriated in satisfaction of certain judgments awarded the Confederated Tribes of the Colville Reservation before the Indian Claims Commission.

H.J. Res. 386. Joint resolution to designate November 24, 1985, as "National Day of Fasting to Raise Funds to Combat Hunger."

ADJOURNMENT

Mr. ARMEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 28 minutes p.m.) the House adjourned until tomorrow, Wednesday, October 23, 1985, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2161. A letter from the Director, Defense Security Assistance Agency, transmitting information concerning the Department of the Army's proposed letter of offer to Jordan for defense articles estimated to cost $50 million or more, pursuant to 10 U.S.C. 133b (96 Stat. 1288); to the Committee on Armed Services.

2162. A letter from the Director, Defense Security Assistance Agency, transmitting information concerning the Department of the Army's proposed letter of offer to Jordan for defense articles estimated to cost $50 million or more, pursuant to 10 U.S.C. 133b (96 Stat. 1288); to the Committee on Armed Services.

2163. A letter from the Assistant Attorney General, Department of Justice, transmitting studies of voluntary agreements under section 708 of the Defense Production Act, pursuant to 50 U.S.C. app. 2158(k); to the Committee on Banking, Finance and Urban Affairs.

2164. A letter from the Director, Defense Security Assistance Agency, transmitting the Department of the Army's proposed letters of offer to Jordan for defense articles and services estimated to cost $75 million, pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

2165. A letter from the Director, Defense Security Assistance Agency, transmitting the Departments of the Air Force and the Army's proposed letters of offer to Jordan for defense articles and services estimated to cost up to $1.8 billion, pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

2166. A letter from the Deputy Assistant Secretary for Health Operations and Director, Office of Management, Department of Health and Human Services, transmitting an annual report on the financial condition of the pension plan, pursuant to 31 U.S.C. 9503(a)(1)(B); to the Committee on Government Operations.

2167. A letter from the Secretary of Labor, transmitting notice of a proposed alteration to a records system entitled, "Attorney Assignment Record," pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2168. A letter from the Vice President of Human Resources, Farm Credit Banks of Springfield, transmitting the annual report covering April 1, 1984 through March 31, 1985, of the Farm Credit Banks of Springfield retirement plan, pursuant to 31 U.S.C. 9503(a)(1)(B); to the Committee on Government Operations.

2169. A letter from the Special Counsel, Merit Systems Protection Board, transmitting the findings of the Secretary of the Army's investigation into allegations of a violation of law and abuse of authority by officials at Rock Island Arsenal, Rock Island, IL, pursuant to 5 U.S.C. 1206(b)(5)(A) (92 Stat. 1125); to the Committee on Post Office and Civil Service.

2170. A letter from the Special Counsel, Merit Systems Protection Board, transmitting a report responding to the allegations of mismanagement, waste of funds and danger to public safety on the electrical contract at the Lower Mason Complex, Golden Gate National Recreation Area, National Park Service, San Francisco, CA, pursuant to 5 U.S.C. 1206(b)(5)(A) (92 Stat. 1125); to the Committee on Post Office and Civil Service.

2171. A letter from the Administrator, Veterans' Administration, transmitting a draft to proposed legislation to amend title 38, United States Code, to authorize modification of the structure of the Office of the Chief Medical Director, to clarify procedures for removal for cause of certain employees, to authorize the use of the director pay grade within VA Central Office and for related purposes; to the Committee on Veterans' Affairs.

2172. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting a report on the origin, contents, destination and disposition of all humanitarian goods and supplies to countries in Central America, pursuant to Public Law 95-525, section 1540(e) (98 Stat. 2638); jointly, to the Committees on Armed Services and Foreign Affairs.

2173. A letter from the Acting Assistant Attorney General, transmitting a draft of proposed legislation to except all positions in the Drug Enforcement Administration from the competitive service, and place the incumbents of such positions in the expected service; jointly, to the Committees on the Judiciary, Energy and Commerce, and Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 1083. A bill to amend the Low-Level Radioactive Waste Policy Act to improve procedures for the implementation of compacts providing for the establishment and operation of regional disposal facilities for low-level radioactive waste, and for other purposes; with an amendment (Rept. 99-314, Pt. 1). Ordered to be printed.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 862. A bill to grant the consent of the Congress to the Northwest

Interstate Compact on Low-Level Radioactive Waste Management; with amendments (Rept. 99-315, Pt. 1). Ordered to be printed.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 1046. A bill to grant the consent of the Congress to the Central Interstate Low-Level Radioactive Waste Compact; with amendments (Rept. 99-316, Pt. 1). Ordered to be printed.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 1267. A bill to grant the consent of the Congress to the Southeast Interstate Low-Level Radioactive Waste Management Compact; with amendments (Rept. 99-317, Pt. 1). Ordered to be printed.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 2062. A bill to grant the consent of the Congress to the Central Midwest Interstate Low-Level Radioactive Waste Compact; with amendments (Rept. 99-318, Pt. 1). Ordered to be printed.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 2635. A bill to grant the consent of the Congress to the Midwest Interstate Low-Level Radioactive Waste Compact; with amendments (Rept. 99-319, Pt. 1). Ordered to be printed.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 2702. A bill to grant the consent of the Congress to the Rocky Mountain Low-Level Radioactive Waste Compact; with amendments (Rept. 99-320, Pt. 1). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DYMALLY:

H.R. 3592. A bill to provide permanent authority for hearing commissioners in the D.C. courts, to modify certain procedures of the D.C. Judicial Nomination Commission and the D.C. Commission on Judicial Disabilities and Tenure, and for other purposes; to the Committee on the District of Columbia.

By Mr. BURTON of Indiana:

H.R. 3593. A bill to amend the Federal Aviation Act of 1958 to require the use of dogs at major airports for the purpose of detecting plastic explosives and other devices which may be used in aircraft piracy and which cannot be detected by metal detectors; to the Committee on Public Works and Transportation.

By Mr. CLAY:

H.R. 3594. A bill to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954 to enhance retirement security by broadening retirement benefit delivery, strengthening the present system of voluntary employer-sponsored pensions, and encouraging growth and development of the private pension system by simplifying the administration of pension plans; jointly, to the Committees on Education and Labor and Ways and Means.

By Mr. COBEY (for himself, Mr. McMILLAN, Mr. JONES of North Carolina Mr. ROSE, Mr. HEFNER, Mr. NEAL, and Mr. VALENTINE):

H.R. 3595. A bill to provide financial assistance for the Sam J. Ervin, Jr., Program in Public Affairs at the North Carolina State University; to the Committee on Education and Labor.

By Mr. EDGAR:

H.R. 3596. A bill to encourage the use of public school facilities before and after school hours for the care of school age children, and for other purposes; to the Committee on Education and Labor.

By Mr. McCAIN:

H.R. 3597. A bill entitled, the "Indian Economic Development Act of 1985"; jointly, to the Committees on Interior and Insular Affairs, Ways and Means, and Judiciary.

By Mr. McCOLLUM:

H.R. 3598. A bill to express the opposition of the United States to the system of oppression in Angola, to promote the development of democracy in Angola, and for other purposes; jointly, to the Committees on Foreign Affairs; Banking, Finance and Urban Affairs; and Ways and Means.

By Mr. SMITH of New Jersey (for himself, Mr. HALL of Ohio, and Mr. WOLF):

H.R. 3599. A bill to suspend temporarily most-favored-nation treatment to Romania; to the Committee on Ways and Means.

By Mr. SWINDALL:

H.R. 3600. A bill to limit the number of Soviet nationals serving at the Soviet mission to the United Nations, and for other purposes; to the Committee on Foreign Affairs.

By Mr. SYNAR:

H.R. 3601. A bill to authorize the Cherokee Nation of Oklahoma to design and construct hydroelectric power facilities at the W.D. Mayo Lock and Dam; jointly, to the Committees on Interior and Insular Affairs and Public Works and Transportation.

By Mr. WEISS:

H.R. 3602. A bill to amend title II of the Social Security Act to waive, for 5 years, the 24-month waiting period for medicare eligibility on the basis of a disability in the case of individuals with acquired immune deficiency syndrome [AIDS], and the other purposes; jointly, to the Committees on Ways and Means, and Energy and Commerce.

By Mr. COBEY (for himself and Mr. TOWNS):

H.J. Res. 424. Joint resolution to designate the year of 1986 as the "Year of the Flag"; to the Committee on Post Office and Civil Service.

By Mr. WEISS:

H.J. Res. 425. Joint resolution concerning the cruel and inhuman killing of Leon Klinghoffer by international terrorists aboard the cruise ship *Achille Lauro*, because he did not submit to the demands of the terrorists; to the Committee on Banking, Finance and Urban Affairs.

By Mr. DANNEMEYER (for himself, Mr. SHUSTER, Mr. GEKAS, Mr. MONSON, Mr. WALKER, Mr. DORNAN of California, Mr. O'BRIEN, Mr. COBEY, Mr. BARTON of Texas, Mr. STRANG, Mr. RITTER, Mr. SWINDALL, Mr. RUDD, and Mr. NIELSON of Utah):

H. Con. Res. 219. Concurrent resolution expressing the sense of the Congress that the President should declare a state of national emergency with respect to terrorist acts committed against citizens of the United States; to the Committee on Foreign Affairs.

By Ms. OAKER:

H. Con. Res. 220. Concurrent resolution authorizing use of the rotunda of the Capitol for a ceremony incident to placement of a bust of Dr. Martin Luther King, Jr. in the Capitol and authorizing printing of the transcript of proceedings of that ceremony; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

274. By the SPEAKER: Memorial of the Assembly of the State of California, relative to national recognition of Haym Salomon; to the Committee on House Administration.

275. Also, memorial of the Assembly of the State of California, relative to Federal transportation assistance programs; to the Committee on Public Works and Transportation.

276. Also, memorial of the Assembly of the State of California, relative to income tax deductions for repairing and remodeling expenses; to the Committee on Ways and Means.

277. Also, memorial of the Assembly of the State of California, relative to Canadian timber imports; to the Committee on Ways and Means.

278. Also, memorial of the Legislature of the Commonwealth of Pennsylvania, relative to taxes; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. MOORHEAD;

H.R. 3603. A bill for the relief of Mouris Hakim Ibrahim; to the Committee on the Judiciary.

H.R. 3604. A bill for the relief of Yvonne Moreno Nite; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 147: Mr. LOTT.

H.R. 230: Mr. GARCIA.

H.R. 580: Mr. FORD of Tennessee.

H.R. 776: Mr. McGRATH and Mr. CHAPPIE.

H.R. 822: Mr. BIAGGI.

H.R. 945: Mr. THOMAS of Georgia, Mr. RAY, Mr. ARMEY, Mr. STRANG, Mr. CHAPMAN, Mr. CHAPPIE, Mr. BOULTER, and Mr. CLINGER.

H.R. 1099: Mr. SUNIA.

H.R. 1197: Mr. JEFFORDS, Mr. CROCKETT, Mr. WORTLEY, Mr. MILLER of California, Mr. MORRISON of Connecticut, and Mr. MITCHELL.

H.R. 1294: Mr. McKINNEY, and Mr. STAGGERS.

H.R. 1356: Mr. BARNARD, Mr. SMITH of Florida, Mr. FUQUA, Mr. STALLINGS, Mr. FAZIO, Mr. FUSTER, Mr. DIXON, Mr. RANGEL, Mr. CHAPMAN, Mr. PERKINS, Mr. LELAND, Mr. SWINDALL, Mrs. HOLT, Mr. WILSON, Mr. LEWIS of California, Mr. COBLE, Mr. HUGHES, and Mr. CLINGER.

H.R. 1398: Mr. FROST, Mr. WHEAT, Mr. LOWRY of Washington, and Mrs. BOXER.

H.R. 1400: Mr. AKAKA.

H.R. 1423: Mr. BRYANT.

H.R. 1458: Mrs. LONG.

H.R. 1538: Mr. RAHALL.

H.R. 1550: Mr. BUSTAMANTE.

H.R. 1669: Mr. TOWNS, Mr. DELLUMS, Mr. BERMAN, Mr. FRANK, Mr. GARCIA, Mr. MILLER of California, Mr. OWENS, Mr. FUSTER, Mrs. COLLINS, Mr. WILLIAMS, Mr. FAZIO, Mr. SAVAGE, Mr. CONYERS, Mr. CROCKETT, Mrs. BURTON of California, Mr. KOLTER,

Mr. MITCHELL, Mr. FORD of Tennessee, and Mr. ACKERMAN.

H.R. 1715: Mr. MCCOLLUM.

H.R. 1769: Mr. HATCHER and Mr. WILSON.

H.R. 1918: Mr. GARCIA.

H.R. 1924: Mr. CLAY, Mr. MORRISON of Connecticut, Mr. CONYERS, Mr. VENTO, Mr. BERMAN, Mr. WEAVER, Mr. KOLTER, Mr. RANGEL, Mr. MITCHELL, Mr. MATSUI, Mr. WEISS, Mr. OWENS, and Mr. SAVAGE.

H.R. 1973: Mr. GUNDERSON.

H.R. 2277: Mr. MORRISON of Washington.

H.R. 2295: Mr. ROE.

H.R. 2320: Mr. TOWNS.

H.R. 2481: Mr. BEREUTER.

H.R. 2591: Mr. ROEMER, Mr. MCKINNEY, Mr. DORNAN of California, Mr. DARDEN, Mr. ROSE, Mr. YOUNG of Alaska, and Mr. LEWIS of California.

H.R. 2661: Mr. EVANS of Illinois.

H.R. 2854: Mr. ALEXANDER and Mr. STALLINGS.

H.R. 2907: Mr. DYSON, Mr. GINGRICH, and Mr. TALLON.

H.R. 2954: Mr. SWINDALL, Ms. KAPTUR, and Mr. BARTON of Texas.

H.R. 2999: Mr. LEVINE of California, Mr. MADIGAN, Mr. TRAFICANT, Mr. MAZZOLI, Mr. LIGHTFOOT, and Mr. CLINGER.

H.R. 3006: Mr. EVANS of Illinois.

H.R. 3042: Mr. KILDEE, Mr. VALENTINE, Mrs. BURTON of California, and Mr. DIXON.

H.R. 3045: Mr. WEISS.

H.R. 3090: Mr. MATSUI, Mr. OBERSTAR, Mr. OWENS, and Mr. EVANS of Illinois.

H.R. 3100: Mr. KOLTER, Mr. DORGAN of North Dakota, Mr. DONNELLY, Mr. HEFTEL of Hawaii, Ms. MIKULSKI, Mr. BEILENSON, and Mr. BONKER.

H.R. 3132: Mr. GARCIA and Mr. MILLER of Washington.

H.R. 3173: Mr. EDWARDS of Oklahoma.

H.R. 3202: Mrs. BOXER, Mrs. LLOYD, Mr. STAGGERS, Mr. SCHUMER, and Mr. DURBIN.

H.R. 3259: Mr. MATSUI, Mr. MILLER of California, Mr. DELLUMS, Mrs. BURTON of California, and Mrs. COLLINS.

H.R. 3263: Mr. HALL of Ohio.

H.R. 3292: Mrs. SMITH of Nebraska, Mr. BLILEY, Mr. SWINDALL, and Mr. SHAW.

H.R. 3330: Mr. LAGOMARSINO.

H.R. 3371: Mr. WHITTAKER and Mr. BILIRAKIS.

H.R. 3464: Mr. JONES of Tennessee, Mr. BONER of Tennessee, Mr. COOPER, and Mr. FRANKLIN.

H.R. 3512: Mr. MORRISON of Connecticut, Mr. MORRISON of Washington, Mr. WEISS, Mr. VALENTINE, Mr. CROCKETT, Mrs. BURTON of California, and Mr. SEIBERLING.

H.R. 3515: Mr. BEVILL.

H.R. 3522: Mr. SWEENEY and Mr. MCDADE.

H.R. 3530: Mr. FAWELL, Mr. DAUB, Mr. FEIGHAN, Mr. KLECZKA, Mr. MATSUI, Mr. BRYANT, Mr. NICHOLS, Mr. GINGRICH, Mr. FORD of Michigan, Mr. HEFNER, Mr. OXLEY, Mr. BUSTAMANTE, Mr. JONES of North Carolina, Mr. MCKERNAN, Mr. SNYDER, Mr. FRENZEL, Mr. BARTON of Texas, Mr. LOWERY of California, Mr. DONNELLY, Mr. VALENTINE, Mr. DEWINE, Mr. ATKINS, Mr. LEWIS of Florida, Mr. EVANS of Iowa, Mr. SKEEN, Mr. BARNARD, Mr. LAFALCE, Mrs. ROUKEMA, Mr. FIELDS, Mr. BOEHLERT, Mr. NEAL, Mr. THOMAS of California, Mr. AUCOIN, Mr. STUDDS, Mr. ROYBAL, Mr. LEATH of Texas, Mr. HAYES, Mr. VENTO, Mr. PORTER, Mr. COOPER, Mr. BERMAN, Mr. DASCHLE, Mr. HALL of Texas, Ms. KAPTUR, Mr. WILSON, Mr. WALGREN, Mr. RAHALL, Mr. TAUZIN, Mr. BOUCHER, Mr. GAYDOS, Mr. NIELSON of Utah, Mr. PASHAYAN, Mr. SCHAEFER, Mr. TORRES, Mr. PENNY, Mr. HUGHES, Mrs. BOXER, Mr. DARDEN, Mr. WIRTH, Mr. SLATTERY, and Mr. KOLBE.

H.R. 3531: Mr. ST GERMAIN, Mr. GREEN, Mr. RUSSO, Ms. OAKAR, Mr. WEISS, Mr. ANNUNZIO, and Mr. HAYES.

H.R. 3542: Mr. FROST.

H.J. Res. 126: Mr. LEWIS of California, Mr. MCMILLAN, Mr. CARNEY, Mr. GEPHARDT, Mr. FUQUA, Mr. KASICH, Mr. LAFALCE, Mr. MARKEY, Mr. CLINGER, Mr. GREEN, and Mr. LIGHTFOOT.

H.J. Res. 221: Mr. ANTHONY, Mr. DELAY, and Mr. FLIPPO.

H.J. Res. 279: Mr. SWINDALL.

H.J. Res. 282: Mr. CROCKETT, Mr. WHITTEN, Mr. MCEWEN, Mr. WOLPE, Mr. MOORE, Mr. WHEAT, Mr. LEHMAN of Florida, Mr. APPLEGATE, Mr. ORTIZ, Mr. CONYERS, Mr. RINALDO, Mr. LEWIS of California, Mr. SWINDALL, Mr. BURTON of Indiana, Mr. MCCLOSKEY, Mr. SILJANDER, Mr. BRYANT, Mr. PEPPER, Mr. PRICE, Mr. ANTHONY, Mr. ERDREICH, Mr. TRAFICANT, Mr. ST GERMAIN, Mr. SISISKY, Mr. FRANKLIN, Mr. BROWN of California, Mr. CARNEY, Mr. CRAIG, Mr. MACKAY, Mr. JEFFORDS, Mr. LELAND, Mr. LOWERY of California, and Mrs. LONG.

H.J. Res. 321: Mr. KOSTMAYER.

H.J. Res. 345: Mr. SKEEN, Mr. MURPHY, Mr. DERRICK, Mr. BADHAM, Mr. MCEWEN, Mr. GREGG, Mr. CHENEY, Mr. GUARINI, Mr. SUNDQUIST, Mr. HOYER, Mr. PEPPER, Mr. LOTT, Mr. STALLINGS, Mr. GROTBERG, Mr. YOUNG of Florida, Mr. GEJDENSON, Mr. MOODY, Mr. DENNY SMITH, Mr. SCHAEFER, Mr. CARPER, Mr. COBLE, Mr. KINDNESS, Mr. HEFTEL of Hawaii, Mr. VOLKMER, Mr. HORTON, Mr. FRENZEL, Mr. SPRATT, Mrs. BENTLEY, Mr. LEVIN of Michigan, Mr. HARTNETT, Mr. BOUCHER, Mr. TAUZIN, Mr. RICHARDSON, Mr. MADIGAN, Mr. HUGHES, Mr. WEISS, Mr. GORDON, Mr. BEREUTER, Mr. O'BRIEN, Mr. CROCKETT, Mr. LIGHTFOOT, Ms. KAPTUR, Mr. DAUB, Mr. SCHEUER, Mr. WHEAT, Mr. LANTOS, Mr. LEHMAN of Florida, Mr. MINETA, Mr. CONTE, Mr. VENTO, Mr. MCGRATH, Mrs. LONG, Mr. CRAIG, Mr. LENT, and Mr. TOWNS.

H.J. Res. 381: Mr. MCHUGH.

H.J. Res. 401: Mr. MAZZOLI, Mr. LUKEN, Mrs. JOHNSON, Mr. CALLAHAN, Mrs. LLOYD, Mr. TAUKE, and Mr. HANSEN.

H.J. Res. 421: Mr. DANNEMEYER, Mr. FAZIO, Mr. BERMAN, Mr. WORTLEY, Mrs. BOXER, Ms. KAPTUR, Mr. GINGRICH, Mr. MCGRATH, and Mr. ARCHER.

H. Con. Res. 201: Mr. WEISS, Mr. MOLLOHAN, Mr. LOWRY of Washington, Mr. SWIFT, Mr. RUDD, Mr. DICKS, Mr. BONER of Tennessee, Mr. CARPER, Mrs. MARTIN of Illinois, and Mr. BEREUTER.

H. Con. Res. 212: Mr. LAGOMARSINO, Mr. DANIEL, Mr. HUNTER, Mr. GALLO, Mr. BRYANT, Mr. CARNEY, Mr. BEDELL, Mr. HORTON, Mr. LOWERY of California, Mr. DORNAN of California, Mr. BUSTAMANTE, and Mr. GINGRICH.

H. Res. 40: Mr. DAUB, Mr. DANNEMEYER, Mr. COATS, and Mr. SWINDALL.

H. Res. 194: Mr. RICHARDSON, Mr. GRADISON, Mr. TRAFICANT, and Mr. FOGLIETTA.

H. Res. 219: Mr. SAXTON, Mr. NOWAK, Mr. MURPHY, Mr. FOGLIETTA, Mr. HAYES, Mr. JONES of North Carolina, Mr. WAXMAN, Mr. FROST, Mr. NEAL, Mr. STAGGERS, Mr. LOWRY of Washington, Mr. DE LA GARZA, Mr. WATKINS, Mr. LIPINSKI, Mr. WILSON, and Mr. WHITEHURST.

H. Res. 245: Mr. AKAKA, Mr. BOUCHER, Mr. BRYANT, Mr. CHAPPIE, Mrs. COLLINS, Mr. DASCHLE, Mr. DAVIS, Mr. DERRICK, Mr. DIOGUARDI, Mr. DORGAN of North Dakota, Mr. DORNAN of California, Mr. FIELDS, Mr. FOWLER, Mr. FRANKLIN, Mr. RALPH M. HALL, Mr. HAMMERSCHMIDT, Mr. HOWARD, Mr. HUGHES, Mr. MCCAIN, Mr. MCCLOSKEY, Mr. MCGRATH, Mr. MARLENEE, Mr. NEAL, Mr. RUSSO, Mr. SCHAEFER, Mrs. VUCANOVICH, Mr. WALKER, Mr. WILSON, and Mr. WOLF.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 2781: Mr. MOLLOHAN.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

236. By the SPEAKER: Petition of the Office of the Finance Director and City Clerk, West Monroe, LA, relative to the Fair Labor Standards Act; to the Committee on Education and Labor.

237. Also, petition of Jerome Strager, Sandstone, MN, relative to antisemitism; to the Committee on the Judiciary.

238. Petition of the City Council of Seal Beach, CA, relative to Federal income taxation; to the Committee on Ways and Means.

SENATE—*Tuesday, October 22, 1985*

(Legislative day of Monday, October 21, 1985)

The Senate met at 9:15 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

The PRESIDENT pro tempore. Our prayer this morning will be offered by the Reverend Father William Scully, special assistant to Senator WILLIAM ROTH.

PRAYER

The Reverend Father William Scully, O.F.M., special assistant to Senator WILLIAM ROTH, Alexandria, VA, offered the following prayer:

Let us pray.

Almighty Father, as the Members of the Senate gather here this morning to conduct their legislative business, we implore Your blessings upon them, their families and their staffs.

We beseech You to instill in them all:

A faith that is unerring;

A hope that is certain;

A patience that is boundless;

A courage that is unwavering;

A love that is perfect; and

A sensitivity and a knowledge that they may accomplish Your holy and true command.

Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDING OFFICER. The distinguished acting majority leader is recognized.

Mr. GORTON. I thank the Chair.

SCHEDULE

Mr. GORTON. Mr. President, after 10 minutes each reserved to the majority and minority leaders, the Senate will proceed to five special orders of not to exceed 15 minutes each for Senators MCCLURE, WILSON, THURMOND, HECHT, and PROXMIRE. At that point the Senate will proceed to routine morning business for a period not to extend beyond 11 a.m. with Senators permitted to speak for not more than 5 minutes each.

Following morning business, it is the intention of the majority leader to turn to any Legislative or Executive Calendar item cleared for action, possibly including Executive Treaty No. 98-5, which is the 1983 protocols for the further extension of the 1971 wheat agreement. At noon, the Senate will stand in recess until 2 p.m. for the weekly party caucuses. At 2 p.m., the majority leader intends to resume consideration and to complete action on H.R. 3424, the Labor-HHS appropriations bill. The Proxmire amendment is in order and expected to be the only amendment offered. Therefore, two rollcall votes can be expected following the resumption of H.R. 3424. Later, the Senate is expected to resume consideration of S. 1730, the reconciliation bill. Rollcall votes can be expected throughout the day today.

RESERVATION OF LEADERSHIP TIME

Mr. GORTON. With that, Mr. President, I ask unanimous consent to reserve the remainder of the majority leader's time under the standing order for such use as he may wish.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORTON. Mr. President, I ask unanimous consent that the Democratic leader's time be reserved for such use as he may wish to put it later on in the day.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GORTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE STEEL CRISIS: NOT GONE AND NOT FORGOTTEN

Mr. BYRD. Mr. President, October 1 was the anniversary of the effective date of the Steel Stabilization Act. This measure was incorporated into the Trade and Tariff Act of 1984 as an important statement of national steel policy. It was the Democratic response to the President's decision last year to disregard the recommendations of the International Trade Commission and deny relief for the American steel industry and its workers. Congressman ROSTENKOWSKI's introduction of the Steel Stabilization Act augmented the President's import limitation plan of last year, and required steel producers to target their resources on modernization and improvements to assure that the United States maintains a world-class steel production capacity.

The act did not supplant the program which the administration announced, following its decision to turn down the ITC's recommendation. The legislation enabled the President to follow through on his program of import reduction. The President's program called for import reduction with a goal of 18.5 percent foreign penetration of the U.S. steel market. The Steel Stabilization Act describes an acceptable range of between 17 percent and 20 percent foreign penetration. Moreover, the President's plan committed the administration to a 10-point program that included reaffirmation of existing voluntary restraints agreements, rigorous enforcement of statutes that address unfair trade practices, interagency review of tax and regulatory policy impact on the steel industry, and Defense Department analysis of steel needs.

No other industry has this kind of Presidential declaration of intent. The President and the Trade Representative deserve credit for the bilateral steel arrangements negotiated thus far. But we need to look at the result of those efforts, and the result of the rest of the President's program.

The data on steel imports for the month of August are now available, and there is reason to be concerned. We learn that foreign steel products accounted for 25 percent of the American market, and that import levels for the year thus far are only four-tenths of 1 percent below the levels the same time last year—before the President's plan. Capacity utilization for the industry is down below last year, and with it, employment. In fact, in June 1985, imports accounted for a startling 30 percent of the American market. American Iron and Steel Institute President Donald Trautlein described these results as "a bitter disappointment and completely contrary to the President's Import Restraint Program."

The results occur as American steel negotiators are sitting down with their European counterparts to discuss renewal of the voluntary restraint agreement with the European Community that will expire on December 31. That agreement is the backbone of the other voluntary restraint arrangements, and a successful conclusion to those negotiations will be crucial to the American industry and its workers.

While a successful agreement with Europe is necessary, it is not sufficient. One of the most disturbing aspects of the August import figures was

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

the fact that imports from developing countries not covered by the President's program increased sharply. Because the administration rejected the recommendation of the International Trade Commission and opposed the legislation that my colleagues and I supported—both calling for comprehensive global limits on imports—we are left with a serious diversion problem. The piecemeal approach of separate negotiations leaves the administration with the problem of steel imports from new sources, or with the enforcement dilemma of stopping current foreign steel manufacturers from transshipping their steel products to the United States through third countries or switching to higher value products. These diversions must be stopped. If the administration is unwilling or unable to take the necessary steps to achieve the objectives of its own program, the Congress should be prepared to review new quota legislation.

In order that we have a better understanding of the problem, I have asked the chairman of the International Trade Subcommittee of the Committee on Finance, Senator DANFORTH, the ranking member of that subcommittee, Senator BENTSEN, and the chairman of the House Ways and Means Committee, Congressman ROSTENKOWSKI, to consider hearings on the President's steel plan and the current situation in the steel industry in conjunction with the annual review required by the Steel Stabilization Act. I know these gentlemen share my concern about the American steel industry and its workers. With 25 percent of our national needs being filled by foreign products, we need to ask ourselves whether the appropriate steps are being taken to assure the survival of this industry. Too many other basic industries, too many jobs, and too much of our national security depend upon American steel for the President or the Congress to relax vigilance.

RADIO ADDRESS OF SENATOR HART CONCERNING GRAMM AMENDMENT

Mr. BYRD. Mr. President, on Saturday, October 12, our distinguished colleague, the senior Senator from Colorado [Mr. HART], delivered the Democratic response to the President's weekly radio address. In his comments, Senator HART took issue with the "politics as usual" approach to reducing the budget deficit that is embodied in the Gramm amendment adopted by the Senate the week before last.

I share many of the concerns about the Gramm amendment voiced by the Senator from Colorado. The amendment not only represents an unsound approach to reducing the deficits; it is unfair as well. It also unwisely shifts significant power away from the people's elected Representatives in Congress to the President and the executive branch.

As Senator HART points out, we face a deficit crisis today not because of a failure of the budget process but because of a failure of this administration's budget policies. Yet, the Gramm amendment would not change any policies; it would merely alter the process—and in such a way that those who supported it may well rue the day it was adopted.

That is not the view just of the Senator from Colorado or of myself, but also of a growing number of commentators and columnists, of all political viewpoints. They have seen, as the majority of the Senate did not see, the fundamental flaws of the Gramm amendment.

Mr. President, I ask unanimous consent that the text of Senator HART's radio address be included in the RECORD at this point along with copies of several editorials and columns pointing out the deficiencies in the Gramm amendment.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Oct. 13, 1985]

SAVE US FROM THE SENATE'S STAMPEDE

(By Haynes Johnson)

One day, in the year before his death, Hubert H. Humphrey escorted me into his small, private Senate hideaway in the Capitol, closed the door and began a tape recorded conversation that lasted several hours. The purpose was not social; I was gathering material for a book about the politics of Washington and the workings of government during the Carter years, and the former vice president was a prime source of information.

He was, of course, a great student—and practitioner—of government. When I asked what had been the greatest change since he came to the Congress, he instantly replied:

"Up until the time of Woodrow Wilson, with the exception of Teddy Roosevelt, we had congressional government. Congress was the predominating influence. That changed. The president became the predominating influence. Now Congress has asserted itself again. I can't overemphasize the importance of this. Congress is no longer afraid of the executive—particularly when you look at things like the budget. I've heard dozens of people up here say, 'Well, I know that Carter's got that in his budget, but what's our budget say?'

"And I'll tell you something I hear people say now that you never heard before: 'I've seen them come and go, and I'm still here.' They're talking about presidents, you know. I've run through seven of them myself."

With that 1977 conversation in mind, I keep wondering how Humphrey would have reacted to the shameful political charade played out last week in Washington, by the very body of legislators that he so loved, the Senate. No one can know for sure, but my bet is he would have been saddened—and outraged.

The overwhelming vote by the Senate to require a balanced budget by 1991 is more than abdication of responsibility and a sign of political failure on its part. It is a blank check for the president, signaling a dramatic reversal in the shift of powers back to the presidency from the Congress, a shift in the opposite direction from that hailed by Humphrey.

It's also a riveting example of the failure—abject capitulation is a better term—of the Democratic Party to offer a reasoned, responsible political alternative to the Reagan presidency and its titled budget priorities that to a large extent got us into the present deficit debacle. They allowed themselves to be stampeded, and they ran.

As Sen. Bill Bradley (D-N.J.), one of the most thoughtful of the Democrats, put it last week in an article in The Washington Post, "this legislation shows Congress at its worst."

I believe Bradley's words, written on the eve of the vote, will stand out admirably after all the ducking and political posturing of last week have been forgotten.

"Instead of once again grappling on a bipartisan basis with the tough decisions, particularly on taxes," he said, "Congress appears poised in a moment of irrationality and timidity to give Ronald Reagan the sole power of reorder the priorities of the national government. It will be an action that we will all live to regret."

Behind this action lies a more significant political development: the ratification, if you will, of the Senate's willingness to place its powers and authority in the hands of the president because it lacks the will to act. By this action, Reagan has won. Much of the political history of relations between Congress and president that people such as Humphrey cited as important will have to be rewritten. It's quite recent history, too.

During the Vietnam-Watergate years, concern centered on the "imperial presidency" and the growing accumulation of power in the hands of the chief executive. Fears were expressed that a supine, deferential Congress was becoming a rubber stamp for the White House. But those also were the years in which Congress fought—and won—a battle to regain its lost powers.

The fight took two forms. In both foreign and domestic affairs Congress fought to limit the power of the president to act without its consent. In foreign affairs, congressional enactment of a War Powers Resolution in 1973 directly checked the president's power to act alone in involving the United States in armed conflicts. It was the result of congressional determination to avoid further Vietnams. In domestic affairs, the establishment in 1974 of Congress' own budget office gave the legislators greater power over the purse. Until then, Congress has been a hostage of executive department proposals that shaped the federal budget. Through its own budget office, gathering its own information, Congress sought and did regain much of its authority over the dispensing of federal funds.

As House Speaker Thomas P. (Tip) O'Neill (D-Mass.) expressed the importance of that shift to me, during an interview several years ago in which he passionately pounded on his desk to make even stronger his point:

"The change in Congress had come. We had recaptured our powers to the extent that we were almost an equal voice. The press didn't read it. Jimmy Carter didn't read it. They didn't appreciate the power and the strength of the Congress of the United States. Jimmy Carter thought he was going to be another president with the powers of a Nixon or a Kennedy or a Johnson, and he didn't have 'em when he arrived here."

It is now left to O'Neill and other members of the House to save the Senate and the country from the damage that threatens to be done.

[From the Washington Post, Oct. 13, 1985]

GOVERNMENT BY MEAT CLEAVER

(By George F. Will)

Bob Dole, illustrating the axiom that wit is educated insolence, said the Senate should pass the radical budget-balancing bill without hearings because, "The longer something hangs around here, it gets stale. People start reading it." Heaven forfend.

The proposal, an action-forcing device, would require five annual cuts of equal size ($36 billion) bringing the deficit to zero in 1991. The president would be required to submit a budget with sufficient spending cuts or tax increases to cut $36 billion from the deficit. If—if!—Congress did not ratify his blend of pains and did not devise its own blend, the failure would trigger a presidential duty to cut spending, across the board, by whatever fixed percentage is required.

Note that congressional failure to make hard choices would not invest the president with broad power to exercise rational discretion in shaping the budget. Defenders—yes, defenders—of the proposal stress that it makes the president a mere automaton. The proposal minimizes choice—thought—in budget-making. This evasion of governance might, for example, require the president to cut equally, thereby assigning the same social value to Amtrak subsidies and programs for spina-bifida babies.

This proposal is historic in its potential consequences and stunning in its symbolism, especially as it reveals a transformation of conservatism. In its potential for large consequences, it ranks a cut below repeal of the Missouri Compromise. It will not ignite civil war, quite. However, as an allocator of effective power within the central government, the proposal is as significant as the establishment of the Federal Reserve System.

Considering its source—the conservative party—the proposal is as startling as the Giles Enforcement Act of 1809, which suspended parts of the Bill of Rights in order to enforce compliance with Jefferson's embargo against Britain and France. Sen. William B. Giles, the author of this concentration of irresistible power in the central government, was a Virginia Jeffersonian, at least rhetorically.

Today's conservative proposal for shrinking deficits mocks some conservative rhetoric. It would involve an enlargement of executive-branch power without parallel in peacetime. Modern conservatism defined itself in opposition first to FDR and then to LBJ. Hence conservatism has celebrated congressional prerogatives against "presidential government." But conservatives supporting this deficit-cutting proposal favor a form of executive power far beyond the dreams of liberal political avarice.

We few who are "strong government conservatives"—we Hamiltonians—believe, as our hero did, that "energy in the executive is a leading character in the definition of good government." But minimizing the element of mind in goverance is a high price to pay for instilling energy in the executive.

The proposal illuminates the real, as distinct from the rhetorical, nature of contemporary conservatism. Social Security would be completely exempt from cuts. Social Security and interest payments, which are necessarily exempt, comprise one-third of the budget. All other entitlement programs would suffer only cuts from annual cost-of-living increases. Thus the controllable portion of the defense budget, especially pay, maintenance and operations, would bear a heavy burden of the cuts. So conservatives supporting the proposal are siding with the middle-class, social-insurance side of the ntry will be increased, because every single community in this country in order to meet the gap will have to make it up by raising property taxes. That is the least desirable tax that this body should want any community to have to subject themsives to. —that worked so well with gin.

It is axiomatic: In politics, the perfect is the enemy of the good. That is, pursuit of perfection impedes achievement of the merely adequate. Perhaps today's proposal is the closet that self-government, modern American-style, can come to self-restraint. But as Dole said to a supporter of the proposal, "Don't get up and explain it again. Some of us are for it."

Congressional pleas for the proposal sound like the notes the homicidal maniac sends to the police: "Stop me before I kill (spend) again!" Sen. Warren Rudman (R-N.H.) an author of the proposal, was an amateur boxer. He combines charming feistness with disarming candor. He does not cavil about a description of the proposal as a straitjacket for the government to jump into in a fleeting moment of lucidity. But the words of Sen. Bill Bradley (D-N.J.), a critic of the proposal, can be quoted by proponents for the proposal. Bradley says Congress does not need new procedures, it just lacks political will, Just? "The brain surgeon just lacked steady hands."

The proposal calls to mind an acid cartoon from the late 1940s showing a German general saying, "I was only obeying orders I gave to myself." The proposal would hand a meat cleaver to the executive branch and force the use of it. Then a congressman or senator confronted by angry constituents could point to the executive branch and say: "Don't blame me. The, er, government did it."

[From the Washington Post, Oct. 14, 1985]

FISCAL R2D2

What the house should do now with the balanced-budget amendment to the debt-ceiling bill is what the world's greatest deliberative body did not do: take some time. The amendment has gone to conference, but committees can still hold hearings and the Democrats can work out a party position. It is still a little hard to know what to make of this legislation. On one level, it is all ploy; here are serious men and women gravely creating a kind of robot to do in their names in the future what they have all the power and support will in the world to do for themselves right now. But fiscal R2D2 would be a powerful creature if they ever switched it on. The amendment's implications need to be better understood and its fuzzy sections clarified. The Democrats may be able to do themselves and the public both some good.

There are three main arguments against the legislation. The first is that there is no need and could even be some harm in taking the budget all the way to balance as the amendment would ultimately do—that taking too much money out of the public sector could have some unwanted distributional effects and that, if the current expansion gives way to recession as it likely will in the next year or two, deficit-reduction could be just the wrong medicine.

It could, of course—but does anyone really want to argue that, in a world of $200 billion deficits, fiscal policy is not stimulative enough? There are two great instruments for managing the economy, fiscal policy and monetary policy—taxes, spending and the deficit, on the one hand, ease of credit and interest rates on the other. President Reagan, for all his reputation as a budget-cutter, has been an unregenerate hot-rodder on the fiscal side since taking office. The deficits, born of his tax cuts and defense buildup, are residue and proof of that. The Federal Reserve Board, which controls monetary policy, has felt compelled to respond by standing on the brakes. That is why interest rates are still so high, and one reason for the overvaluation of the dollar. If fiscal policy were eased, so could monetary policy be. The Fed could help fend off recession.

Imagine a world in which long-term interest rates were back around 5 or 6 percent and U.S. products were regaining their competitiveness in world markets. The real macroeconomic risks lie with present policy. If the economy falters Congress ought to be able to adjust, but the problem right now is all in the opposite direction. In the Senate the amendment was carefully revised to make it unlikely that any serious cutting would have to occur this year, or before next year's elections. That was the wrong way to go.

There is also a constitutional argument against the amendment—that it would cede too much power over spending to the president, since if he and Congress failed to hit the deficit target in any year, he would be empowered and, in fact, required to cut spending in certain ways to stay on track. Sponsors dispute this on grounds the legislation stipulates how spending would be cut and the president could not deviate from congressional priorities; they say his function would be ministerial. The amendment was tightened on the Senate floor in an effort to make sure of this.

The real argument is the third one, over the nature of spending cuts required. That has been the issue between the president and his opponents all along; he wants the deficit brought down by cuts in domestic spending programs, they want the burden spread to defense and taxes. The amendment tries to ensure such a spread by taking hostages. In its original form it would have required him, if he and Congress failed to hit their deficit target in any year, to make cuts in Social Security and defense as well as the rest of the budget. The idea was that he would probably finally agree to a tax increase rather than do this; at least he would have to choose. The Senate then lost its nerve and exempted Social Security. Meanwhile, the president, in embracing the amendment, has never acknowledged how it might affect defense, the only hostage left. We would feel a lot more comfortable if all sides agreed how the amendment might affect the defense accounts. The House needs to elicit this.

The other great area of uncertainty involves the leading programs for the poor—Medicaid and food stamps, the two largest, and Aid to Families with Dependent Children, the largest in which aid is given in cash. Whether and under what terms these might be subject to cuts is still not clear. Everyone understands the politics of exempting Social Security from the amendment. But it is just plain wrong to set aside Social Security benefits, which go in important part to the middle class, while cutting benefits for the poor—and everyone understands that too. The House has a lot of tidying-up to do.

[From the Washington Post, Oct. 15, 1985]

GRAMM-RUDMAN: BUDGETARY BUNGLE?

(By Edwin M. Yoder, Jr.)

The Gramm-Rudman-Hollings plan to cure the deficit by statutory means confounds all folk wisdom. Having watched one statutory process—the so-called "budget process" of the 1974 Budget Act—fail to overcome political pressures making for excess, Congress may enact yet another. The cat, badly burned, is poised to jump back on the same stove.

But panic has set in. The government is almost out of cash and to borrow more, Congress must boost the debt limit to just over $2 trillion, a figure of symbolic significance. It marks a near doubling of the national debt under Ronald Reagan, and another milestone on the dismal road once known (even to Reagan) as "mortgaging our grandchildren's futures."

To take the curse off this transition, Sen. Phil Gramm and several cosponsors have sprung a dandy plan on Congress. Whatever befalls it, it marks another fascinating episode in the bizarre chronicle of Congress' effort to boost itself, by statutory bootstraps, into fiscal self-discipline.

Gramm's bill is complex, but the aim is simple. It would "mandate" a scheduled reduction of the federal deficit, in $36 billion annual decrements, from some $200 billion this year to zero by 1991.

But in view of the well-known frailty of congressional will power, the plan would authorize the president, when Congress exceeds its own limits, to cut spending "across the board" (Social Security excepted).

What is remarkable is that in its embarrassment, Congress is disposed to cancel, at one hasty stroke, the Budget and Impoundment Act of 1974. That act aimed to retrieve usurped spending authority from the Nixon White House, yet now the Gramm-Rudman plan would give Ronald Reagan (and his 1989 successor) an unexampled one-man budgetary discretion—possibly the most unbridled of its sort in any English-speaking legislative tradition since King Charles I lost his head.

In 1974, Congress had been battling Richard Nixon's abuses of "impoundment," executive withholding of appropriated funds, and the Budget Act of that year was intended to clean up congressional bookkeeping and reassert congressional dominance over the spending power.

The 1974 Budget Act and its "budget process" are now widely perceived as failures, and the judgment is hard to deny. The Budget Act halted impoundment abuses. But the "budget process" it instituted, despite a valiant try by people such as Ed Muskie, Pete Domenici and Jim Jones, proved powerless to curb overspending at a time of explosive inflation—especially after the Reagan tax cuts lowered the revenue base. Legislative good intentions were not enough.

But what is the real lesson of this failure?

If the wreckage of the 1974 Budget Act suggests the intrinsic weakness of a statutory process in the face of overwhelming political and economic pressures, how can Gramm and his cosponsors contend with a straight face that still another, if different, statutory process will solve the deficit dilemma?

To be sure, if the country enjoys six years of cloudless economic sailing between now and 1991, the plan could work as intended.

In the unwelcome but highly probable event of recession, and the budget pinch it would bring, what then?

The Gramm-Rudman plan has an interesting escape clause. In the event of war or recession, the president may, at his discretion, waive the mandatory deficit reduction.

But putting a president in nearly total charge of the response to economic emergency not only repudiates the 1974 Budget Act; it may repudiate constitutional checks and balances as well.

How, then, would you bet in such an eventuality, in view of the history of such congressional self-denying ordinances? That Congress would swallow institutional pride, and ride out the politically chafing consequences of its abdication of power? Or (as it has done behind the facade of the "budget process") find sly ways to repudiate the deficit-reduction plan?

And another question: The rap against Richard Nixon, 15 years ago, was that he was impounding (we now call it "sequestering") funds for political, not economic, ends—using a discretionary power to destroy or cripple social programs Congress wanted to continue.

Would Ronald Reagan, made sovereign arbiter in an economic pinch, resist the temptation to use his extraordinary discretion under Gramm-Rudman to shape budget policy to suit his well-known fancies?

That is the most political, though not necessarily the most serious, of the many issues raised by the latest panacea for congressional indiscipline.

[From the Baltimore Sun, Oct. 13, 1985]

SENATE DEBT PLAN COULD HURT ECONOMY

(By James Barnes)

"Even a blind hog finds an acorn now and then," noted Sen. Russell B. Long, D-La., as the Senate debated and ultimately passed last week a bill to reduce the annual federal budget deficit to zero by 1991.

Mr. Long's observation is an apt metaphor for the Senate as it groped for a magic formula that would solve the nation's deficit problems. But, unless it is altered in the House of Representatives, the Senate's action could have unintended and adverse consequences for the economy and for the constitutional balance of powers between the president and Congress.

The Senate passed a measure, by Sens. Phil Gramm, R-Texas, Warren B. Rudman, R-N.H., and Ernest F. Hollings, D-S.C., that would set a six-year timetable to reduce federal deficits by annual increments of $36 billion. If the target deficit ceilings—$180 billion in fiscal 1986, $144 billion in fiscal 1987, and so on to zero in fiscal 1991—were not met, the president would hold back spending by equal amounts in all budget categories except Social Security, interest payments and other "uncontrollable" government spending, primarily defense procurement that was contracted for in earlier years.

Congress could avoid these across-the-board cuts if it submitted an alternative plan, agreed to by the president to get under the deficit ceiling. But if the president vetoed the plan and his veto were upheld, the automatic cuts would be enforced. In time of war or a recession, all restrictions could be waived.

How, exactly, would we know if we were going into a recession? The Gramm-Rudman-Hollings bill requires that at the start of each fiscal year (Oct. 1), the Office of Management and Budget and the Congressional Budget Office forecast whether a recession was imminent. Economic forecasting can be very imprecise, and the OMB and CBO might have different assumptions about the economy's future performance (the differences would be split). Thus, it would be difficult to predict a downturn and avoid the adverse economic effects of cutting spending or raising taxes in a recession.

But, for argument's sake, let us assume that the predictions could be made accurately, that the requirements in Gramm-Rudman-Hollings were waived in a recession, that unemployment compensation and food stamp payments continued unabated. What would happen in the subsequent recovery year?

Using the CBO's low-growth assumption for the economy, we could anticipate a recession in 1987 and a recovery in 1988, with the gross national product growing smartly at 3.6 percent. Unfortunately, the effects of a recession often last beyond its technical duration. In 1988, unemployment would range between 9 percent and 10 percent, and the budget deficit would be $272 billion. But the economy would be in recovery, and therefore the Gramm-Rudman-Hollings budget deficit ceiling of $108 billion would be in effect. That would mean a cut in government spending of $164 billion in fiscal 1988.

Such a level of budget reduction for one year is unprecedented. Moreover, because Social Security and other items would be exempted from cuts, economist Charles Shultze estimates all controllable government spending—Medicaid, military pay, the FBI and so on—would have to be reduced by 60 percent. That kind of cut, says Mr. Schultze, chairman of the Council of Economic Advisers during the Carter administration. "could wreck the economy."

The Gramm-Rudman-Hollings guidelines for budget reductions also might have an adverse effect on our defense posture. Defense spending in general would not be exempted from the budget ax if a deficit ceiling were not met. The Pentagon would face a cut equal in proportion to cuts in other programs. But some defense spending could not be cut—spending for contracts agreed to in previous years, which make up most defense procurement. Only 15 percent of all defense procurement spending is paid for in current year contracts, compared with 90 percent of personnel costs and 85 percent of operation and maintenance.

Although the generals and admirals themselves might not think that personnel, operations and maintenace costs should be the primary targets for cuts, the rigid formula of Gramm-Rudman-Hollings would force them in that direction.

If prior-year contracts were added to the base of cuts, that could create equally bad choices. For example, because the only savings from a multi-year warplane assembly program would be money spent in the current fiscal year, the actual purchase of the plane might have to be halted completely to meet budget ceilings. Defense analysts have long argued that this kind of feast-famine procurement hurts the nation's defense posture and only drives up weapons costs in the long run. "Deficit reduction by formula," notes Mr. Schultze, "produces absurb and dangerous results."

While the impact of Gramm-Rudman-Hollings on fiscal policy is difficult to project with certainty, its effect on the budget process and the balance of powers between the presidency and Congress are equally murky and perhaps more dangerous. If the deficit ceiling for any fiscal year were breached, Congress would have only 10 days to come up with an alternative deficit-reduction plan

after the president began to hold back funds.

Proponents of the measure note that this new presidential power would be merely "ministerial": The president would have to allocate cuts evenly, item by item, throughout the parts of the budget that could be cut. What they seem to ignore is that the president would now have the upper hand in budget negotiations.

Even if the Democrats and Republicans could agree in 10 days to a compromise that might include tax increases, the president could simply veto it and withhold funds. All he would need to uphold his decision would be one-third-plus-one votes in either the House or the Senate.

This would give the president leverage throughout the budget process. Even before he actually sequestered funds, the president could veto appropriations bills he didn't like, ones that cut the defense budget more than he wanted, for instance. This would break the deficit ceilings and trigger his power to sequester funds across the board rather than cutting specific programs suggested by Congress.

While the cuts would be more or less equal, program by program, we know that spending is not so equally distributed among states and congressional districts. Some districts disproportionately rely on farm or welfare programs. With the depressed state of the agricultural economy these days, members representing farmers who wanted to avoid any cuts in price-support programs could be susceptible to subtle legislative blackmail—support the president or he'll trigger cuts that could fall harder on your district this year than on somebody else's.

Congressional reforms such as Gramm-Rudman-Hollings don't solve problems; they just change the procedures under which lawmakers will attempt to solve problems.

Twelve years ago, Congress passed the Budget Act to a chorus of hosannas that this reform would finally enable the lawmakers to control spending. While it has added some rationale to overall fiscal policymaking in Congress, it did not make deficits extinct.

Similarly, in the 1970s, many entitlement programs that were subject to annual appropriations were indexed to inflation to keep costs down and to depoliticize the program decisions. But just the opposite occurred. The economy and the dynamics of lawmaking are so complex that it is likely Gramm-Rudman-Hollings, which few people understand now, would similarly create unimagined adverse consequences.

Ironically, the Senate in 15 days has initiated this far-reaching reform of the budget process. The Founding Fathers thought that the upper body, with only one-third of its members up for reelection every two years and with rules for extended debate, would be able to resist being swept up in the passions of the moment and would legislate more carefully than "the people's chamber," the House of Representatives.

Now it's up to the House, which will surely come under demagogic attack as a budget-buster if it tries to dilute or kill this legislation passed by the "blind hogs" of the Senate.

Democratic Radio Response by Senator Gary Hart

In the last few days, our government has demonstrated the importance of maintaining flexible military forces in a dangerous world. All Americans support the successful effort to capture the terrorists who hijacked a crusie ship and murdered a defenseless American.

We also owe a debt of gratitude to the brave pilots and crews of our Navy F-14s who skillfully intercepted the plane carrying the terrorists. Their performance demonstrated why our defense budget must contain the right priorities—funds for flight training, aircraft maintenance, fuel, and premium pay for pilots.

But this week, the United States Senate—with the President's encouragement—passed a new proposal to require deep budget cuts in the very programs which made this operation a success.

All Americans understand that this nation is facing severe economic peril. Our national debt has doubled in five years. This Administration has asked Congress to increase Federal borrowing eleven times—just to pay our bills. As deficits have multiplied, so have our problems.

Record deficits are causing high interest rates which hurt farmers, consumers, and young couples buying homes. Big deficits have made products "Made in America" uncompetitive in markets overseas. Deficits have grown so large that we've relied on funds from foreign investors just to keep the economy solvent. And if foreign investors call in those loans, this country will be in serious trouble.

Democrats and Republicans now agree that, in spite of the promises of the last five years, supply-side economics didn't reduce the deficit; it doubled. Democrats and Republicans also agree that substantial deficit reductions are essential.

But let's take a look at the Senate proposal. It aims to eliminate the deficit in five years. Sounds good; but let's read the fine print.

First, this plan doesn't require any budget cuts at all until after the 1986 elections. That may help reelect a few politicians. But it doesn't help put our country on sound economic footing soon enough.

Second, deficit reductions will require all Americans to pitch in. But this plan says that half the budget is off-limits.

What budget items will be off-limits? Well, you could keep buying even more nuclear weapons. But you'd have to cut the pay of soldiers on the front lines.

We'd spend the $200 million planned for a Veterans hospital in Houston. But you couldn't hire the doctors and nurses to take care of the patients.

Big corporations could continue to pay no taxes. But a retired coal miner would lose some of his black lung benefits; a young child could lose her school lunches; a student could lose his chance to get a college degree.

That's no way to reduce deficits for a great nation that cares about its people and its future.

Third, this new proposal resurrects an old, failed, and unconstitutional idea. A decade ago, the Supreme Court had to stop President Nixon from blocking funds for programs he didn't support. Nixon's unlawful actions were called "impoundment." That same system of impoundment is the centerpiece of the new plan.

We've already seen the damage that a willful president can do to our Constitution if the Congress lays down and lets it happen. We must not repeat that mistake.

Ultimately, this new plan fails because it's just politics as usual. It's a typical Washington response. It's based on changing the budget process—instead of the budget policies.

But we don't have our deficit crisis today because of a failure of process. It was a failure of policy. Five years ago, many Democrats said the President's supply-side economic program wouldn't balance the budget. Unfortunately, we were right.

This last week the Catholic Bishops of America said that poverty, unemployment, hunger, and deprivation are inconsistent with our nation's moral values. It is a tragedy and a travesty that those who visited these deficits upon the least fortunate among us are asking them to bear more than their share of the deficit-reduction burden.

We Democrats should and will do more than criticize the Republicans. The challenge for our party now is to find better, more equitable ways to substantially reduce these deficits. Our challenge is to ask all segments of our society and our government to contribute their fair share to reducing the deficit. That's a challenge we plan to meet.

RECOGNITION OF SENATOR McCLURE

The PRESIDING OFFICER. Under the previous order the Senator from Idaho is recognized for not to exceed 15 minutes.

Mr. McCLURE. Mr. President, I thank the Chair for recognizing me at this time.

STRATEGIC DEFENSE INITIATIVE

Mr. McCLURE. Mr. President, I want to take a brief period of the time of the Senate to discuss further something that several of us discussed last week with respect to the strategic defense initiative actions that are contemplated by this administration.

As Members will recall, a review of the ABM Treaty that was undertaken some months ago has concluded that the words of the treaty and the negotiating record indicates very clearly that we have been operating under a restrictive interpretation that is not justified either by the words of the treaty or the negotiating history, and that has to do with what we are permitted to do under the treaty with respect to new technologies that are developed or that may be developed following the signing of the ABM Treaty.

Remember that of all the treaties we have, SALT I, with ABM as a part of the negotiating package or the results of that negotiating, the ABM Treaty alone was negotiated to be in effect until changed. The SALT I Interim Agreement on Strategic Offensive Weapons and the SALT II Treaty both had expiration dates. They were negotiated for a fixed period of time. The ABM Treaty was to be a permament treaty.

One of the issues that was raised during that 1969 to 1972 negotiation and discussion was whether or not the restrictions of the ABM Treaty would be applied to new technologies that

were not then in being but might develop later or which would relate, as some people characterized it, to new physical principles. The conclusion of the administration review was that, while we have been operating under a restrictive interpretation for 13 years since May 1972, when the SALT I ABM Treaty was signed, that this restrictive interpretation is simply erroneous.

This was announced first publicly by National Security Council Director, Mr. McFarlane, on "Meet the Press" on October 6, but his announcement was the result of weeks and months of study by people who read every word of the negotiating record. That, I think, is admitted by every member of the administration and is no longer an issue. In other words, the treaty history and negotiation says that we are free to do what the President has outlined for SDI. Full fledged research, development, and testing of SDI is obviously correct under the ABM Treaty. Only deployment of SDI is foreclosed, except in accordance with articles XIII and XIV.

But, apparently, that affirmative action by the President or by the administration in correctly stating what the ABM Treaty says and what we are bound to do under that ABM Treaty, without any violation of that treaty at all, has sufficiently alarmed some people, whom I cannot identify simply because I do not know, has sufficiently alarmed them so that they launched a counterattack against if not the policy enunciation of the interpretation but its application.

And the result, as reported in a column in the Washington Post on October 21, 1985, by Roland Evans and Robert Novak, is that the State Department was capable of a sufficient amount of pressure on the President to get the President to enunciate a policy that says even though we have now concluded that the ABM Treaty does not restrict what we could do in the SDI, we nevertheless will not do it. I ask unanimous consent that the Evans and Novak column be printed in the RECORD at this point.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Oct. 21, 1985]

A FUTURE FOR SDI?

(By Rowland Evans and Robert Novak)

George Shultz did not, as reported, threaten to resign at the Oct. 11 White House meeting called at his request, but his anger led to a presidential decision plunging his cherished Strategic Defense Initiative into quicksand and threatening its Senate support.

As is widely known, the secretary of state was "furious" with national security adviser Robert C. McFarlane for going public with a broad interpretation of treaty limits on SDI research. Although it is not so well known, Shultz was rebuffed by all present when he suggested new talks with Moscow to decide permissible SDI research under the 1972 ABM treaty (giving Moscow potential veto power over the U.S. program).

But Shultz talked the president into a decision limiting research to the narrowest limits of the ABM treaty. That policy shift endangers the future of neither Shultz nor SDI research, testing and development (which Reagan can expand anytime he wants). Its threat is the ruinous impact on Congress and U.S. allies of an administration in confusion about its most important strategic objective.

Shultz's State Department had been firmly aboard the wide-latitude policy enunciated by McFarlane on "Meet The Press" Oct. 6. Shultz himself was not present when that policy was agreed to at an Oct. 4 meeting of senior officials. But his representative, arms control adviser Paul Nitze, stood in for him and did not demur.

However, when McFarlane revealed that the president had chosen the broad interpretation of ABM treaty limits, the secretary and the State Department bureaucracy revolted for motives they consider the purest. With the summit four weeks away, they worried that the broad interpretation would antagonize Mikhail Gorbachev and alienate European allies.

Conveniently enough, personal letters from West German Chancellor Helmut Kohl and British Prime Minister Margaret Thatcher arrived on the very day of the White House meeting. They claimed (in "hysterical" terms, one participant told us) that the policy announced by McFarlane was intolerable in Europe.

Before Reagan retreated, neither the State Department nor European allies told him that arriving in Geneva with restrictions on SDI would give Gorbachev an impression of weakness. Nor did anybody relate to him the costs among his foremost Senate allies, led by Wyoming's Sen. Malcolm Wallop and numbering up to a score of Reaganites. They might oppose future SDI appropriations if the administration does not revert to the expanded research limits.

Wallop, one of the earliest and best-informed strategic defense enthusiasts, worries that SDI research will remain in a straitjacket until expanded to the outer limits of the broader ABM treaty interpretation—an expansion blocked by the president's Oct. 11 decision.

If Reagan sticks to that decision, Wallop predicts, pro-SDI senators actually will vote against appropriations next year on grounds the system never will become a reality under ABM treaty limits now controlling it. Their defection could be critical.

What makes all this infuriating to certain senators is the strong presumption that the Soviets are interpreting the ABM treaty so broadly in developing their own strategic defense program that they are actually violating it. "Nonsense, nonsense," Sen. Dan Quayle of Indiana shouted on the Senate floor after noting claims that Soviet research is also bound by the ABM treaty.

Pentagon supporters predict that Reagan will change the rules again after the summit and free SDI for full research, development and testing—no matter what his diplomats say. That may be whistling past the graveyard. The embarrassing confusion caused by the president's feuding officials has been more the rule than the exception ever since Reagan endorsed SDI in 1983. If he cannot sell his greatest security initiative to his official family, it may never attract the constituency it deserves.

Mr. McCLURE. The reason I mention that is that if indeed our State Department, for whatever reason, has forced the President to constrain the SDI to an unfounded restrictive interpretation of the ABM Treaty, that has a profound impact upon the decisions some of us must make as to whether or not an emasculated SDI Program is worthy of the financial commitment and support.

Second, I think it is very important for us to note again for the record that there is a double standard in arms control compliance in the world today, condoned and abetted and supported by our Government, that says the Soviets are bound to a different standard of compliance than we. We will permit them an interpretation of the treaty, with which we do not agree, that is less restrictive on their actions than the interpretation that we three will live by, which is more restrictive on our actions. The Soviets have even directly violated at least three provisions of the SALT I ABM Treaty, according to President Reagan, and are probably violating several others, also according to the President. Mr. President, by whatever term that may be known, I will call the U.S. double standard compliance policy what it really is—and that is unilateral disarmament by the United States; incremental, certainly, but nevertheless unilateral, because it binds us, but not them. It binds us because we choose to be bound by whatever interpretation or use.

I would reemphasize that it is important to note that the Soviet Union has directly violated the ABM Treaty, is continuously violating the ABM Treaty, and is preparing new violations, and we are doing nothing to counter it. I suggested some time ago that if the Soviet Union does not like SDI they might at least comply with the ABM Treaty and its terms and conditions. Now there is no doubt the Krasnoyarsk radar is a clear-cut, direct violation of the ABM Treaty. There is no doubt that we know it. There is no doubt that they know it. And yet, in spite of that violation on their part, we are not only just limiting ourselves to the literal interpretation of the treaty, we are going even further and limiting ourselves to a more restrictive interpretation of the treaty, while they are free to violate.

Finally, by the State Department's action, either initiated by the Secretary or initiated by people under his supervision, they have emasculated the SDI and have gratuitously traded away to the Soviets even in advance of the negotiations in Geneva an essential element of SDI. So the President may indeed say yes—as he has—that SDI is nonnegotiable, and we are not going to even negotiate with respect to SDI when we get to Geneva. But a

large part of SDI has already been given away by the administration under pressure from the State Department. That is no quid pro quo, even before summit negotiations begin.

Mr. President, I would not be so alarmed about that fact if I were not also aware that it fits the pattern of self-deception within our own administration, and fits the pattern of deception of the American people as to what the treaties are, what treaty negotiations means, and what treaty compliance means.

I also say, Mr. President, that it is very difficult for me to acknowledge, particularly after having spent a great deal of time over the last year both within the administration, and within the Congress defining Soviet violation of several treaties in ways that are harmful to our security, and enunciating a policy—which I believe is absolutely correct—of proportionate response to treaty violations, that we have given up the ability to make proportionate responses. In fact, if not in policy, the State Department's double standard U.S. compliance policy, especially as applied to SDI, has made congressionally authorized proportionate response much more difficult.

What does proportionate response mean? It means simply that when the Soviet Union is found guilty by our determination of a violation of the treaties under which we both operate we are free to take whatever actions are necessary to meet the security threat that is raised by their treaty violation without an outright abrogation of the treaty but a response proportional to the threat to the security of the United States.

There are threats to our security inherent in treaty violations by the Soviet Union. The Congress has already adopted a policy of proportionate response, saying we will do what is necessary to protect our security, and on one of the first tests of that policy we have not only failed to take proportionate response but we have refused to make any response at all, and have gone even further; that is, backed away from what we are permitted to do under the treaty in saying we will not even do that.

Mr. President, I understand the difficulties of negotiations but I have agreed with the President completely when he said you must negotiate from a position of strength. I agree completely with the President in his announced principle that SDI was not to be negotiated away because it is one of the greatest opportunities for the enhancement of the security of the free world if indeed we can make it work.

What does the restrictive interpretation of this treaty mean in practice? It means that we will be asked to spend hundreds of millions of dollars, even billions of dollars, on the theoretical testing—theoretical development of arms that might be developed in the future but without any commitment to their development.

The President in Boise, ID, last week, after the State Department-proposed decision on SDI, made in the National Security Council, continued to use the phrase "We will go ahead and develop the system." But in fact, at the time that he says we will develop it, he has restricted development to bench scale and laboratory testing. Mr. President, how many people on the floor of the Senate or the House of Representatives would spend millions or even billions of dollars on an MX program if it only resulted in computer printouts of what might happen if we built an MX? The President has not asked us to do that, thankfully. How many of us would spend hundreds of millions or billions of dollars to develop the advanced technology bomber if it was only a concept, a paper flyer, and not a weapons system in being?

Mr. President, you cannot have an MX missile that is operable without testing it. You cannot have a follow-on bomber, an advanced technology bomber, sometimes called the Stealth bomber, in concept alone and mean anything in terms of deterrence in the real world. We could not develop the M-1 tank just on paper. It went through development problems as we all know, even after we had finished the testing and put it into production. We found problems that had to be corrected. But we found them by going through a development and testing program. We did not rely upon a computer printout to frighten the Russians. I suspect that a computer printout with respect to SDI is very, very acceptable to the Russians so long as we do not do anything more than that.

If that is the case, Mr. President, where is the leverage in the talks in Geneva? Where is the leverage with respect to the SDI initiative with respect to the President's conversations with Soviet Communist Party General Secretary Gorbachev? Where is the reality of a system that is confined to something less than testing, and how indeed can the President describe that as a development of a "system" when it would be constrained by the unfounded, narrow interpretation of the ABM Treaty?

I think, Mr. President, that it is time for us to confront the fact that the State Department is still unchanged by the election results of 1980, still unchanged and unswayed by the election results in 1984; the State Department still is pursuing a policy of appeasement just as they have for decades. Whether Secretary Shultz is responsible for that or whether it just happened by inadvertence while on his watch I think is perhaps interesting as a footnote but more importantly we should understand what the policy is and what implications that has for U.S. security. The President has agreed that the new interpretation of the ABM Treaty is "fully justifiable," yet the State Department has held us to the unfounded restrictive interpretation.

Mr. President, it is a dangerous world in which we live. There is no one who has more heartfelt reason to be concerned about the development or the proliferation of nuclear weapons or arms in an unstable world than the Senator from Idaho.

I must say that I find the latest developments backing away from a commitment of negotiation from a position of strength, backing away from a commitment to the development of a defensive weapons system that is highly moral and needs to be substituted for something that is more archaic, and certainly perhaps as a relic of the past rather than a policy for the future in mutual assured destruction; that the latest development of the President's decision as enunciated to back away from a commitment to SDI is a most disturbing development.

Mr. President, I yield the floor.

RECOGNITION OF SENATOR HECHT

The PRESIDING OFFICER. Under the previous order, the Senator from Nevada is recognized for not to exceed 15 minutes.

STRATEGIC DEFENSE INITIATIVE

Mr. HECHT. Mr. President, and fellow Senators, the Soviet Government is now in full gear attempting to get the American people to abandon its strategic defense initiative; 90 percent of all Americans polled say that they want a defense against nuclear missiles, and 60 percent are not even aware that they are undefended today.

Instead of terrorizing the world with the threat of nuclear weapons, and hoping somehow to get peace and deterrence out of that, what we need to do at last is to render any nuclear attack against the United States futile and ineffective. Defense and national security cannot be obtained by a signature on any piece of paper, nor through a policy of revenge, menace, and threats.

National security, rather is created when a government undertakes to defend its people. But what the Congress means today by defense is a poor substitute for what it has meant in the past. What defense has always meant throughout history is to make aggression by a hostile power futile and ineffective. That is what defense means. And that is what it means to the American people.

Policies of mutual revenge will not defend our families. Nor will policies of "constructive engagement" with an adversary which has proven its ruthlessness throughout the world, especially in Afghanistan, and recently in Angola where Soviet officers have taken direct control over the forces in the so-called civil war there.

The Soviets say that we are building SDI in order to threaten their homeland, but the history of our Nation proves otherwise. In the late 1940's and 1950's, this country possessed absolute superiority and a total monopoly on nuclear weapons. This was a perfect change for a world power to carry out its true designs and reveal its underlying nature to everyone. But instead of sending troops and warheads around the globe, we sent our money, our food, and our hearts to rebuild and prosper a struggling world. We sent our wishes and assistance for freedom health, and happiness. The Soviets on the other hand, have always used their military forces to increase the grip of their control.

Now the Politburo has tipped their hand. They say they are willing to give up 50 percent of their missile forces, in exchange for 50 percent of our missile forces, plus America's SDI Program. Why, we must ask, is there an addition on their proposal? Why is an equal reduction of Russian missiles with the same size reduction in American missiles not a fair and equitable proposal? The Communist negotiators in Geneva show us clearly their true nature, when they demand that the United States make a greater sacrifice in any arms agreement than they themselves are willing to make.

We must ask ourselves why it is so important for Moscow to kill the strategic defense initiative at any cost. A little research on this question finds the answer in their own backyards. The Soviets have already had an SDI-type research program for over 15 years. Next year they will spend over three times as much on laser research as Lieutenant General Abrahamson over at the SDI research office.

What concerns this Senator is the conspicuous absence of any mention of the Soviet SDI Research Program. Has Moscow offered to dismantle the illegally constructed radar sites at Krasnoyarsk and around their border? Have they offered to dismantle the more than 10,000 SA-10 and SA-12 surface-to-air interceptors deployed around their nation. These interceptors were tested in an ABM-mode in the midseventies and are another violation of one of the few major arms agreements still in force—the ABM Treaty. The obvious imbalance in this arms proposal merely reveals with stunning clarity the true importance of missile defense to Soviet planners, and should be of the utmost concern to our colleagues here in the Senate today.

What myself and my colleagues want is simply what the people want when they are polled: They want a U.S. Department of Defense. What they do not want is a U.S. Department of Revenge. I urge all my colleagues to support the SDI Defense Program in coming weeks.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WILSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR WILSON

The PRESIDING OFFICER. Under the previous order, the Senator from California [Mr. WILSON] is recognized for not to exceed 15 minutes.

THE GENEVA MEETING

Mr. WILSON. Mr. President, later this fall, not very much later, the President of the United States will be traveling to Geneva to keep a date with Mr. Gorbachev, causing many to hope that their meeting will bring some breakthrough in the relationship between the United States and the Soviet Union. On the outcome of that meeting, many have supposed, rests the hopes of the world for a future free from the threat of superpower conflict. It is an important meeting to be sure, although I think that perhaps those who would call it a summit are somewhat premature. Rather, it should be viewed as a first meeting to explore the possibilities for significant change in our relationship. But even that modest hope, Mr. President, requires that optimism be tempered by a very considerable amount of hard-headed realism.

The last thing that any of us should wish is that a President of the United States should go to such a meeting less than clear eyed, deluded in some way that there has been a change from the historic pattern of Soviet behavior, or thinking that United States desire for change will bring it about. Wishing will not make it so.

But happily no President in history has held a clearer view than Ronald Reagan of what the Soviet agenda is, as well as what it has been. He has been taken to task by criticis from time to time for being harsh in his rhetoric.

He has been not harsh but accurate in his assessment.

And yet, there are some who have feared that the courage and candor of this President would involve us in conflict. By now they should have seen that his accurate assessment, and his unblinking honesty in calling aggression what it is, has not involved the United States in conflict. To the contrary, this President has kept the peace by insisting upon and achieving American strength.

Nonetheless, the time has come for a meeting between the leaders of the two superpowers. And, though, it may not be a summit, the importance of this meeting is obvious.

The Senate has a special role in conjunction with the President as it relates to the shaping of our foreign policy. We give advice and consent to the most important Presidential nominations and initiatives. Our approval, formally known as ratification, is required in order to make the President's signature upon a treaty binding and meaningful.

In the spirit of that special responsibility of the Senate, and with the greatest respect for and confidence in our President, I offer five points that I suggest must be observed if the United States is to enjoy success in any meeting or negotiation with the Soviets. These are simple points. They will seem obvious. Yet, through our history, we have made the mistake of violating them.

First, we must not allow the Soviets to set the agenda. The Soviets are entitled to address their concerns; we are entitled to address ours. They will not be the same.

Second, we must not allow the talks to be confined to the subject of arms control exclusively. Instead, taking note of the facts of history, we must insist upon a linkage between the subject of arms control and the subject of human rights, the subject of violations of the Helsinki accord, the sponsorship of terrorism, the sponsorship of regional aggression and subversion, and the conduct of espionage under diplomatic cover. Because, Mr. President, there is in fact linkage: The Soviet Union that is escalating the nuclear arms race is the same Soviet Union that is supplying arms to the Sandinistas, the same Soviet Union that is silencing Sakharov and Shcharansky, and the same Soviet Union that is repressing Soviet Jewry.

Third, the United States must make no agreement under which performance cannot be verified. This is simple logic born of unhappy experience. The simple fact is we dare not trust the Soviets. History, including the most recent, makes clear that they are not to be trusted. Indeed, their repeated violation of important treaty agreements makes clear that when they think they can violate agreements without notice or without cost, they will do so. The fact that we dare not trust the Soviets in no way exempts us

from having to deal with the Soviet Union, but does impose the requirement that Soviet performance be verifiable.

Fourth, we must make no agreement regarding defensive technology under which the United States forebears from availing itself and its allies of future technologies. Ironically, this is one point where we should be in complete, enthusiastic agreement with the Soviets, or at least the Soviets who signed the ABM Treaty, if not Mr. Gorbachev who now insists upon the diametrically opposed view.

We have heard much in recent days about "Agreed Statement D" contained in that treaty. What it says simply is that the parties to the ABM Treaty agree that any future systems not in being at the time of signing could be limited only by amendment of the treaty pursuant to article 14. In other words, the Soviets refused, at the time the ABM Treaty was agreed to, to agree to foreclose their use of some future defense "based on other principles" then unknown. That is the only realistic interpretation permitted by the text and negotiating record of Agreed Statement D. My fourth point is simply a corollary to the proposition that the United States should make no unilateral concessions for which we have not received sufficient consideration, a simple and fundamental proposition of contract law which is equally applicable to the negotiation of treaties.

And where undiscovered defensive technologies hold out the promise of replacing the "balance of nuclear terror" with mutually assured survival, to forsake achieving such technology for some concession of incomparably lesser value would be an act of inexcusable dereliction.

Fifth, we must make clear to the Soviets that there will be a cost to them for violation of any agreement. Just as it does no good to enter into agreements—however high flown the language, however optimistic the thoughts expressed therein—if we cannot verify performance, so it does no good to monitor and verify performance if, when there is in fact Soviet violation, we impose no cost. To the contrary, our failure to impose a cost is interpreted correctly by the Soviets and by our allies as U.S. weakness. The cost, as we heard earlier today, should be proportionate. We will not invoke heavy penalties for slight transgressions. But, Mr. President, unless we are prepared to make the Soviets pay a cost, then there is no point in our entering into agreements, and we should not do so.

Indeed, if we exact no cost, agreements can prove a dangerous trap, inviting Soviet violation. They can allow the Soviets impunity to violate treaties at such time as they choose, while we unilaterally abide by their constraints.

If the value to the Soviets in entering into an agreement is to secure our forebearance from a particular activity, then the cost for their violation should be our abandonment of that obligation, and our resumption of that activity.

Let me dwell a bit upon these five points. A great many people are skeptical about arms control and about this particular meeting of United States and Soviet leaders. They say, rightly, that all the evidence makes clear that the Soviets, in coming to the table in Geneva, do not proceed from a position of moral equivalence with the United States. And that is true, most surely and most sadly.

It is also true that the same evidence makes clear that the Soviets have a different goal than the United States in coming to Geneva and at all other times. Theirs is world hegemony. Ours is world peace and freedom.

It is also true that we operate in an entirely different political and media climate. The United States makes and conducts its policy openly, publicly, with the consent and criticism of the governed, and with the whole process being vigorously reported by a truly free media. While in the Soviet Union, rulers there make policy and act in secret, not only without criticism or consent of those whom they rule but without being burdened even by the requirement that they honestly inform the Russian people.

But if the United States and the Soviet Union proceed from such different moral bases, pursue such clearly conflicting goals, and operate in such contradictory fashions, what real hope can there be for honest communication leading to genuine conflict resolution?

If, as the Soviets have demonstrated time and time again, by deceit, treachery, and numerous violations, they are not to be trusted, why go to Geneva?

Why enter into new agreements when they have violated those we have already made with them?

Why risk new traps and new betrayals?

The answer is that we should not go to Geneva now or ever unless we are prepared to insist upon and obtain our agenda, as well as theirs; and verifiable Soviet performance; and after agreement, Soviet compliance or Soviet cost.

But because the Soviets are the other nuclear-armed superpower in this small world we share, we have a moral duty to go to Geneva and drive the hard bargain we are entitled and obliged to drive. And if the Soviets will not negotiate on such terms, then until they do the cost to the Soviet Union must be the effort to keep pace with the most determined, most tirelessly sustained effort to keep peace through the strength of our military, our economy, our technology, and national will, that the world has ever seen.

They must learn they cannot outlast us, waiting for an America that lacks the will or wits to keep the peace.

And it goes without saying that in driving any bargain with the Soviets, the verifiable performance we seek must be of real and sufficient value to the cause of peace to warrant our agreeing to what they ask of us. Instead, a free media does not exist there and the Soviet people hear only what the Soviet propaganda machine provides them. It is important to focus upon these painfully obvious differences because they reveal the relationship between international peace and internal democracy. The real democracies of the world have rarely, in recent history, engaged in aggression against their neighbors, owing in no small part to the fact that it is only in democracies that real political opposition is tolerated.

That brings me back to the proposition that we must make no agreements regarding defensive technology under which the United States forebears from availing itself of presently undetermined technology. It rests not only upon the authority of agreed statement D—insisted upon by the Soviet signers of ABM—that we must not so agree, but upon the same undeniable pact, as compelling today as it was 13 years ago to the Soviet negotiators of the ABM Treaty, that to make such agreements is to blindly eschew the possibility of employing an as yet undiscovered technology that offers the opportunity to rid the world of or at least depreciate the threat of offensive nuclear missiles.

To do so would be an act of the most irresponsible dereliction. It may not be possible to attain the ultimate, absolutely leak-proof defense that the President has seen as a goal for SDI, but history is replete with examples of science producing a technology or result which earlier scientific leaders, the most eminent of their time, had proclaimed in their time to be impossible of achievement. That is why the Soviets were so absolutely opposed at the time of the signing of the ABM Treaty to foreclosing the possibility of their obtaining such future technologies. Arms control agreements have proved to be abysmal failures in checking the escalating arms race in offensive weapons. The ABM in particular was sold in the United States in no small part on the assurance that forbearance from pursuit of defensive technology would be rewarded by prevention of an offensive arms race.

But while that assurance has proved tragically false, even primitive defensive technology offers quite real hope that it can make so doubtful the suc-

cess of a Soviet first strike that it will discourage rational Soviet war planners from launching one.

It is this prospect that has brought the Soviets back to the arms control tables at a gallop, far earlier than anticipated and having dropped all the tough-talking demands they had announced when they staged their dramatic walkout. They returned to Geneva without previously demanded precondition to resumption of the talks.

It is difficult to conceive of anything the Soviets could offer as adequate consideration for our abandonment of SDI other than their verified abandonment of any strategic and conventional offensive first-strike capability.

And because of the value and hope we attach to SDI, several of my colleagues and I were shocked by what must be described as our making a unilateral concession of literally unknown dimensions. I refer to the U.S. announcement that we will abide by a more restrictive interpretation of the ABM Treaty than the treaty itself requires. Earlier I stated the seemingly obvious counsel that the United States should make no unilateral concessions for which we have received less than adequate consideration. And yet in the past week—acting unilaterally, in exchange for nothing from the Soviets—we announced that although legally entitled under that treaty to engage in the full development and testing of space-based defensive weaponry, we would instead abide by the more restrictive interpretation that had been our understanding of the treaty through the 13 years since its signing. That more restrictive understanding is that development and testing of spaced based defenses are prohibited.

The President of the United States has stated we will stand by our earlier understanding—or misunderstanding—of the treaty, but that we reserve the right under our current and correct interpretation of the treaty at some point in the future to throw off this self-imposed constraint upon development and testing.

Mr. President, I share with my colleagues their concern that we have made a serious error. It is one, however, that is within our power to correct. The President has earlier this summer wisely enunciated the doctrine of proportionate response to Soviet arms control violations. The doctrine holds that we will monitor Soviet conduct under existing treaties and respond to violations by exacting a real and appropriate cost. I respectfully urge the President and his advisors to reconsider the decision whereby we have unilaterally renounced the treaty-given right for space-based testing. He is fully justified in doing so on the basis of the treaty itself. He is more than justified in doing so as proportionate response to past and continuing Soviet violations, including the Soviet violation of the ABM Treaty by their battle-management radar at Krasnoyarsk.

Mr. President, I share the confidence of the American people, that President Reagan, with the courage and candor we have come to expect and admire, will deliver messages to the Soviet Premier that Mr. Gorbachev needs to understand. This President has made clear that we will not be content simply to coexist with our heads in the sand, refusing to come to grips with the Soviet challenge, because that is a luxury we cannot afford for ourselves or our allies. He has made clear that defensive technology is off the table in Geneva, and he is right to do so; because with that defensive technology, however imperfect it may turn out to be, we have the ability to substantially deter a Soviet first strike.

For us to agree that we will forebear indefinitely for the sake of our allies, for the sake of those who fear that we will be provocative, and agree not to engage in the development and testing of space-based weaponry (described in agreed statement D as technology "based on other physical principles") is not just inconsistent with President Reagan's own hopes for SDI. Worse it threatens to cost us precious time we may never be able to regain.

Only with the testing in space that is required to make real a space-based defensive technology can we one day make real the President's devout wish to save lives rather than to avenge them.

In future, other American Presidents traveling to Geneva will find new Soviet leaders who receive, as this one has, the flattering attention of the Western press. I think they will also find a need for constancy and strength in American foreign policy so that no Soviet Foreign Minister or Premier ever mistakes the earnestness of the American people or their Presidents for peace to be something that it is not, which is a desire for peace at any cost.

We must keep ourselves strong. We must insist that any defensive technology that offers the prospect of peace by discouraging nuclear exchange receives every opportunity to achieve that full potential.

Mr. President, I am confident that this first meeting will be one in which President Reagan makes these things crystal clear. I hope and believe that future Presidents, confronted with the awesome challenge of preserving peace and freedom, will find that their task has been made easier by the strength and constancy of Ronald Reagan.

I respectfully suggest that President Reagan and any American President who follows him, will if he follows these simple rules, have done all he can in the interest of peace, not only for the American people, but also for the Soviet people and for all the peoples of the world.

Mr. President, I will have more to say about some of the specific points—those that relate to human rights, those that relate to regional conflicts sponsored by the Soviet Union—on another occasion.

I thank the Chair for its generosity in allowing me to set forward these points this morning.

I yield to the Senator from Arkansas.

Mr. PRYOR. Is the Senator from California yielding the floor at this time?

Mr. WILSON. Yes.

STRATEGIC DEFENSE INITIATIVE

Mr. MATTINGLY. Mr. President, I would like to express my concerns along with several of my colleagues in reference to the administration's restrictive interpretation of U.S. obligations under the ABM Treaty and the negative impact that this will have on the current strategic defense initiative [SDI] research effort.

On October 6, Robert McFarlane, the President's National Security Adviser appeared on the television news show, "Meet the Press," and stated that the ABM Treaty does not prevent the research, testing, and development of systems based on new physical concepts that could be used in a strategic defense system.

Secretary of State George Shultz subsequently clarified or more accurately, negated, that position when he told the representatives at a recent meeting of the North Atlantic Assembly that despite our view that the treaty allows such activities the United States will continue to conduct its research activities within a much more restrictive interpretation of the treaty provisions.

Frankly, I fail to understand why the clearly enunciated position expressed by Mr. McFarlane was not allowed to stand as the U.S. position on this critically important issue.

The strategic defense initiative represents the best hope that we have to make offensive nuclear weapons obsolete and thus, perhaps, begin to rid the world of them. These were the sentiments expressed by the President when he initiated the SDI research program. There are no guarantees of success but it seems to me that the potential rewards, the potential benefits, far outweigh the difficulties that invariably accompany such significant shifts in policy.

Mr. President, I don't believe that U.S. interests are served by imposing upon ourselves restrictions that impede the basic search for knowledge that is at the heart of the SDI pro-

gram. We must not once again work against ourselves.

I agree with the sentiments expressed by several of my colleagues to the effect that those of us who have strongly supported the SDI effort may be forced to reaccess our strategy and positions if the research effort is to be hampered not only by the expected scientific and technological hurdles but also by such unnecessary, unneeded and, to me, totally inexplicable self-imposed limitations as those that result from the "restrictive interpretation" policy that was reaffirmed by Secretary Shultz.

Without strong leadership from the President and from the people that have the responsibility of carrying out his policies, the SDI effort is doomed to failure. It has already suffered a telling blow as a result of the success of its opponents in slapping on the "star wars" label.

SID isn't about star wars, Mr. President. It's about the defense of the American people, of this Nation, and of our values and principles.

Truly, we are on the verge of passing through the looking glass if, indeed, research efforts into means with which to defend the American people—for that matter, all people—are viewed as destabilizing or of being somehow counterproductive to the search for an enduring peace and toward a world without the daily risk of nuclear holocaust.

If the President and the people who surround him are not committed to the strongest research effort possible under the terms of the ABM Treaty than I doubt whether there is any chance at all of convincing the American people of the importance of the program and of the need to support the considerable level of funding that is necessary.

If this commitment cannot be made, then we should take a close look at whether or not the program should continue in a restricted research environment that virtually guarantees failure.

There is no need or reason to be half-hearted about our resolve in this critical issue. I intend to continue to do all that I can to insure that the truly critical questions involved here and the central issues at stake are thoroughly enunciated and examined during the important times ahead.

THE STATE DEPARTMENT'S DOUBLE STANDARD ON SOVIET SALT VIOLATIONS

Mr. SYMMS. Mr. President, I would like to take my time in this SDI-ABM Treaty colloquy to register my agreement with my colleagues in their criticism of the State Department's disloyalty to President Reagan on the SDI issue, and to support the conclusion of my distinguished colleagues, Senators WALLOP and QUAYLE, who stated on October 17, 1985:

We are hoping the administration will bring its SDI policy and testing program into concert with its announced, sounder legal interpretation of the ABM Treaty. Without such changes any future advocacy and support on our part would have to be seriously reconsidered.

I agree that the State Department is sabotaging and undermining the President's strategic defense initiative. SDI is President Reagan's most important contribution to history.

Mr. President, I ask unanimous consent that an article in the Washington Times dated October 18, 1985, by Walter Andrews entitled "Republican Senators Attack ABM Treaty Interpretation," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Times, Oct. 18, 1985]

REPUBLICAN SENATORS ATTACK ABM TREATY INTERPRETATION

(By Walter Andrews)

Republican senators yesterday lashed out at the Reagan administration for its latest interpretation of the 1972 ABM treaty, which they said would restrict the development and testing of systems needed for the proposed space-based missile defense system.

In a telephone interview, Sen. Malcolm Wallop of Wyoming said he was "dismayed" by the White House decision, which he said would reduce the Space Defense Initiative program strictly to laboratory research and testing.

It would unilaterally give away to the Soviets SDI aspects for which they have been attempting to bargain in the Geneva nuclear arms talks, said the senator, a congressional observer of the talks.

In a joint statement, Mr. Wallop and Sen. Dan Quayle of Indiana said they hoped SDI policy and testing would be linked with a "sounder" legal interpretation of the ABM treaty.

"Without such changes, any future advocacy and support on our part [of SDI] would have to be seriously reconsidered," the statement said.

Sen. Jesse Helms of North Carolina, in a separate statement, accused Secretary of State George Shultz of undermining SDI by advocating a more restrictive interpretation of the ABM treaty in a White House meeting last Friday and a San Francisco speech Monday.

Mr. Helms said a "double standard" is being applied in arms control, with the United States held to strict compliance with treaties and agreements and the Soviet Union allowed to "get away with violation after violation."

Other conservative senators plan a campaign of speeches on the Senate floor over the next few days to loosen the treaty interpretation, sources said.

White House spokesman Edward Djerejian said the issue was "moot." He said that, even with the restrictive interpretation, the SDI program would be able to move toward its research goals if given enough money by Congress.

He said that, after a careful evaluation, the administration had decided that the restrictive view of the treaty would require no restructuring or change of the SDI program.

This position was echoed by House Armed Services Committee Chairman Les Aspin, Wisconsin Democrat.

In a telephone interview, Mr. Aspin implied the issue was moot in the sense that it would be at least until 1987 before the development and testing of an SDI element would "bump" up against the ABM treaty.

The so-called restrictive interpretation of the treaty, which prohibits field-testing of SDI subsystems and components, has been the only one adhered to by the arms control "clan," Mr. Aspin said.

Until the Oct. 6 television interview of White House National Security adviser Robert McFarlane, the broader interpretation permitting SDI testing "just never came up . . . I never heard that there was any other interpretation [than the restrictive one] until these guys thought of it," Mr. Aspin said.

He implied Mr. McFarlane was floating a trial balloon by saying that White House press aides telephoned reporters to make sure they had not missed the significance of the national security adviser's remarks.

However, the White House spokesman, Mr. Djerejian, denounced "inaccurate reports in the press" that Mr. Shultz and Mr. McFarlane were at odds over the interpretation of the ABM treaty.

Article V of the treaty prohibits development, testing or deployment of ABM systems, "which are sea-based, air-based, space-based, or mobile-based." The treaty defines ABM systems as launchers, missiles and radar designed to intercept intercontinental ballistic missiles.

Article V, however, does not cover the exotic laser and particle beam weapons being researched in the SDI program. These weapons of "other physical principles" are covered in an addition to the treaty of agreed-upon statements and common understandings—specifically, statement "D."

It says, "In order to insure fulfillment of the obligation not to deploy ABM systems and their components . . . the parties agree that in the event ABM systems based on other physical principles and including components capable of substituting for ABM interceptor missiles, ABM launchers, or ABM radars are created in the future, specific limitations on such systems and their components would be subject to discussion [with the Soviets]."

Mr. McFarlane cited this statement in his television appearance as allowing development and testing of SDI components and systems.

Mr. SYMMS. The State Department has a double standard on arms control treaty compliance: The United States must bend over backward and overcomply, while the Soviets can violate with impunity.

Mr. President, I also ask unanimous consent to have printed in the RECORD the following letters:

First. Letter to the President from Senator SYMMS; October 17, 1985, on new Soviet SALT I violations with the SS-25 mobile ICBM.

Second. Letter to the President from Senators SYMMS and WALLOP, June 24, 1985, on Soviet SALT I violations.

Third. Letter to the President from Senators HELMS, SYMMS, HECHT, WALLOP, GARN, LAXALT, THURMOND,

and DENTON, on Soviet SALT violations and the summit, dated September 9, 1985 (with attachment).

Fourth. Soviet news agency Tass commentary on this letter, of October 9, 1985.

Fifth. Letter to the President from my distinguished senior colleague from Idaho, Senator JIM MCCLURE, dated October 4, 1985, on Soviet SALT violations and the summit.

NEW SOVIET SALT VIOLATIONS ON EVE OF SUMMIT

Mr. President, a new Soviet triple violation of SALT accords can now be announced for the first time. I hereby announce that the newly deployed Soviet SS-25 mobile intercontinental ballistic missile violates:

First. The 1972 SALT I Interim Agreement on Strategic Offensive Weapons, by defeating its objective and purpose.

Second. The 1974 SALT I Interim Agreement Procedures for Dismantling ICBM's.

Third. The 1979 SALT II Treaty, in multiple ways.

Let me explain why the new Soviet SS-25 ICBM violates these three SALT agreements. First, the Reagan administration has just dropped the "X" in the designation for the SS-25, which means that it is deployed and operational. The administration's October 1985 white paper on Soviet Strategic Defense Programs for the first time reveals that the SS-25 is operational. The Secretary of Defense, Mr. Weinberger, also confirmed this fact today. Second, according to this document the Soviets have announced SS-25 deployment themselves. Third, President Reagan stated in his February 1, 1985, report to Congress on Soviet SALT violations that Soviet deployment of the SS-25 would be a future violation of SALT I. Thus President Reagan will have to confirm these new violations before the November 19, 1985, United States-Soviet Geneva summit meeting.

The SS-25 defeats the object and purpose of the SALT I constraints on ICBM launchers, because it flies in the face of the U.S. unilateral statement saying that:

> The United States would consider the deployment of operational land-mobile ICBM launchers during the period of the interim agreement as inconsistent with the obligations of that agreement.

The SS-25 defeats the object and purpose of SALT I. The SALT I interim agreement was extended in October 1977 by mutual United States-Soviet parallel statements, and is of indefinite duration.

The SS-25 deployment violates the SALT I dismantling procedures, because the SS-25 is being supported from old SS-7 ICBM support facilities, which is directly prohibited.

Finally, the SS-25 violates SALT II, because it is a prohibited second type ICBM. It was prohibited by SALT II to be either tested or deployed. Its testing was also fully encrypted, another violation of SALT II. Its testing was conducted at night, from camouflaged launchers, also violating the SALT II provisions requiring that the United States be able to establish the relationship between a new type ICBM and its launchers. Finally, the SS-25 violates the covert MIRV'ing prohibition of SALT II, because its single warhead weighs much less than half the total SS-25 throw-weight.

Mr. President, I ask unanimous consent that an article from the Washington Times dated October 22, 1985, entitled "Soviet SS-25," be printed in the RECORD. I also ask unanimous consent to have printed in the RECORD a UPI story of today by Richard Gross entitled "Weinberger Charges SALT II Violation."

Mr. President, I ask finally that two articles by Mr. David S. Sullivan, one of my legislative assistants for defense and foreign affairs, be printed in the RECORD. Both articles have been cleared by the CIA. They are:

"Unknown Danger: The New Soviet Missile Gaps." This article will be published later this month in Japanese translation in the Japanese quarterly journal Defense Information; published by Sankei Shimbun.

"Soviet Negotiating Deception and Treaty Violations in Arms Control." This will be a chapter in a forthcoming book on Soviet strategic deception.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, October 17, 1985.

The PRESIDENT,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: I note that my questions posed to you with Senator Wallop on June 24, 1985 on Soviet violations of SALT I have not been answered.

The Soviet SS-25 mobile ICBM is now judged by both the Soviets and the U.S. to be operational at several Soviet missile complexes previously housing old SS-7 ICBM's. You stated in your February 1, 1985 Report to Congress on Soviet SALT violations that Soviet SS-25 deployment at old ICBM complexes would be a "future violation" of SALT I. Does this now confirmed Soviet deployment violate the SALT I ICBM dismantling procedures, and also violate SALT I by defeating its object and purpose? When will these and other Soviet SALT violations be confirmed to Congress?

Respectfully,

STEVE SYMMS,
U.S. Senator.

U.S. SENATE,
Washington, DC, June 24, 1985.

The PRESIDENT,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: We would like you to know that the Senate unanimously passed on June 11, 1985 an amendment to the State Department authorization bill requiring a Report to Congress on the Military Consequences of all Soviet SALT violations (enclosed). This report is long overdue, having been repeatedly requested from the Administration since March 1, 1984. We now request that this report be dealt with in the November 15, 1985 Report.

We are enclosing our own analysis of the military consequences of the Soviet SALT violations as well as our analysis of the 1978 JCS predictions on the effects of SALT II. We hope these will be of possible use by the JCS in writing their contribution to the required report of the Defense Department. We ask these be shown to Col. Dick Toy USAF and Commander Mariner Cox USN.

We note that in your June 10, 1985 Report to Congress on Continued U.S. SALT II Compliance, the Administration stated that "the Soviets have complied with the letter of SALT I" and that "The Soviets have not violated the SALT I limits on ICBM and SLBM launchers."

These statements completely contradict our 1980 and 1984 Republican Party Platform charge that there was a Carter-Mondale Administration coverup of Soviet SALT I violations. The 1980 Republican Party Platform stated: "The Republican Party deplores the attempts of the Carter Administration to cover-up Soviet non-compliance with arms control agreements . . . We pledge to end the Carter cover-up of Soviet violations of SALT I and II . . ." The 1984 Republican Party Platform repeated its condemnation of "Carter-Mondale efforts to cover-up Soviet violations of the 1972 Strategic Arms Limitation agreement . . ."

Moreover, the June 10, 1985 statements also totally contradict your own GAC Report released to Congress on October 10, 1984. The GAC Report states that Soviet deployment of the heavy SS-19 ICBM to replace the light SS-11 was a circumvention of SALT I defeating its objective and purpose. It also states that the Soviets violated SALT I by exceeding the SALT I SLBM ceiling and violated the prohibition of deliberate interference with U.S. National Technical Means of verification by their extensive camouflage, concealment and deception.

Ongoing Soviet deployment of the mobile SS-16, SS-24, and SS-25 ICBMs also defeats the object and purpose of SALT I, because it is inconsistent with the U.S. SALT I Unilateral Statement against mobile ICBM deployment.

Further, reported deployment of operational SS-25 mobile ICBMs at the Yurya old SS-7 complex violates SALT I dismantling procedures for SS-7 ICBMs.

In addition, you have confirmed that the Soviets are deploying long range SLCMs on their Stretch Yankee Class Submarine, circumventing the SALT I dismantling procedures.

In sum, there are at least 8 violations of SALT I, five of which are confirmed by Presidential Reports to Congress. Several others have been confirmed by former Secretary of State Henry Kissinger and former Secretary of Defense Melvin Laird.

Additional violations of SALT I mentioned in the press include the following:

1. Failure to deactivate old ICBMs on time, and continuous falsification of offical deactivation reports between 1975 and 1982;

2. Keeping 18 SS-9 FOBS ICBMs at an ICBM test range illegally operational;

3. Violation of Brezhnev's 1972 pledge not to build mobile ICBMs;

4. Violation of Brezhnev's 1972 pledge to dismantle the entire G Class of strategic submarines;

5. Deploying SS-11 ICBMs at SS-4 and SS-5 soft sites for covert soft launch in violation of the ceiling on ICBM launchers.

We request your comments on these additional Soviet SALT I violations.

Could you please explain to us the reasons for these important contradictions of our 1980 and 1984 Republican Party Platforms and your own GAC Report as soon as possible?

Sincerely,

STEVE SYMMS.
MALCOLM WALLOP.

U.S. SENATE,
Washington, DC, September 9, 1985.

The PRESIDENT,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: As loyal Reagan supporters, we are writing to share the strong concern you expressed to us on June 10, 1985 about the military implications of the Soviet SALT and other arms control treaty violations. We agree with your resolve to respond to the expanding pattern of Soviet violations. We strongly urge you to raise yet again the 32 Presidentially reported or confirmed Soviet violations with Soviet General Secretary Gorbachev at the November 19, 1985 Geneva Summit Meeting. Until the Soviets admit and reverse SALT violations, the existing arms control treaties and negotiating process only undermine the security of America and the Free World.

SOVIET SALT VIOLATIONS

You have courageously reported three times since January 23, 1984, on Soviet SALT and other arms control treaty violtions. We agree that the most dangerous Soviet violations are:

1. Disregard of qualitative constraints of SALT II, in particular, Soviet large-scale deployment of the prohibited second new-type ICBM, the mobile SS-25;

2. Hundreds of Soviet Strategic Nuclear Delivery Vehicles exceeding the SALT II launcher ceilings, when equality was mandated;

3. The prohibited Soviet SS-NX-23 heavy SLBM;

4. Expanding Soviet disregard for SALT I ABM Treaty limits, including Soviet ABM-mode tests of air defense missiles and radars;

5. The Krasnoyarsk ABM Battle Management Radar violations;

6. Soviet deployment of a prohibited radar and mobile ABM capability base for a nationwide ABM defense; and

7. Violation of the 1962 Kennedy-Khrushchev Agreement by sending offensive weapons to Cuba.

Attached for public reference is a comprehensive list of 32 Soviet SALT and other arms control treaty violations which you and your administration have reported or confirmed in the three reports you have sent to Congress, together with a list of 22 additional Soviet violations or circumventions reported in the press. This is the first time that these violations have been aggregated.

There are now reports of impending Soviet probable violation of the 1967 Treaty of Tlatelolco prohibiting nuclear weapons in Latin America, by their sending of a Soviet naval warship squadron with nuclear missiles to visit the Mexican port of Veracruz.

PROPORTIONATE RESPONSES

As you correctly pointed out in your June 10, 1985 statement to Congress on interim restraint, "proportionate responses" to these Soviet violations are necessary, and Congress responded by authorizing such proportionate responses in the FY 1986 Defense Authorization Bill.

Your three reports have been important steps in educating the American people about the Soviet threat, as was the declassified National Intelligence Estimate on the unprecedented Soviet offensive and defensive strategic buildups released to the Senate at White House request in June. We support your continued declassification efforts.

We are anxiously awaiting the study that you directed the Defense Department to prepare, the "Response to Soviet Violations Paper," due to you by November 15, 1985. Because you have announced that you intend to make this study part of your FY 1987 Defense budget request to Congress in January, 1986, we request consultation on the results on the "RSVP" study effort, as well as an advance copy of a summary of its most important conclusions as soon as you can make it available to Congress.

Against this background of these 32 Presidentially reported and confirmed Soviet violations, we hope that you will not give final approval to proceed with scrapping our highly survivable Poseidon submarines in order to comply with the unratified and "fatally flawed" SALT II Treaty which the Soviets are clearly violating. As you are well aware, there are serious Constitutional and legal problems involved in prolonged U.S. compliance with an unratified SALT II Treaty, beyond, the severe dangers to U.S. national security of U.S. unilateral compliance.

As you correctly stated to Congress on June 10, continued U.S. SALT II compliance and progress in arms control requires that "the Soviet Union take the positive, concrete steps to correct its non-compliance . . . and reverse its unparalleled and unwarranted military buildup." The impending Geneva U.S.-Soviet Summit may be the Soviets' last chance, and your best opportunity to remind the Soviet leadership of the necessity of reversing their arms control breaches.

GORBACHEV'S DENIALS

In this regard, we call your attention to the following bold claim of Soviet Communist Party General Secretary Gorbachev in the September 9, 1985 issue of Time magazine:

"There are also *still in effect* such treaties as the ABM Treaty, the SALT II provisions . . . the banning of nuclear weapons tests in three environments. *To this day, so far, they are in operation.* But even today, attempts are being made to remove these restraints or at least to raise the question of overturning the treaties, of abrogating them." (Italic added.)

We marvel at the brazenness of these deceptive and duplicitous Soviet denials that they are violating the ABM Treaty as well as SALT I and II and the nuclear testing bans. Gorbachev is attempting to blame concern about the viability of SALT I and II on the U.S. and deflect it from the Soviets. But the Soviet SALT violations are so obvious and so challenging to world peace that they can no longer be hidden by Soviet lies and deceptions. Unless reversed, these acts by themselves constitute the long feared Soviet "Break Out" from arms control restraints.

Previous U.S. Administrations have repeatedly vowed that if the U.S. detected any significant Soviet arms control violation, the U.S. would reassess the entire spectrum of U.S.-Soviet relations. We urge you to do this. Even the Carter Administration vowed that the U.S. would match or overmatch any Soviet strategic buildup in violation of SALT II. Gorbachev's brazen denials of Soviet violaticns indicate clearly that so far your effort expressed on June 10 to "go the extra mile" in U.S. interim restraint has been futile. If the Soviets will not even admit their violations, will they ever reverse them? It is time for you to act decisively.

As your own National Security Advisor stated on June 10: "There can not be a future regime of arms control without compliance." He added that "If arms control by extraordinary Soviet violations were to lose its meaning, we would have to build more systems clearly." In fact, we strongly urge you to invoke supreme U.S. national security interests and selectively withdraw from those provisions of arms control treaties that the Soviets are systematically violating. As your own National Security Advisor also stated on June 10, "Non-compliance does entail costs."

GORBACHEV'S BLACKMAIL THREATS

Mr. President, we also urge your vigilance and preparation for response to Soviet General Secretary Gorbachev's chilling new threats against world peace, also recently expressed in *Time* magazine:

"Relations between our two countries are continuing to deteriorate, the arms race is intensifying, and *the war threat is not subsiding.* . . . it looks like the stage is being set for a bout between some kind of political *'super gladiators'* . . . [the] situation today is highly complex, *very tense.* I would even go so far as to say *explosive* . . . would there not be a temptation to believe 'at last we have overtaken our partner. *Is it not time then to seek to achieve superiority and to untie our hands in the field of foreign policy?'* . . . time is passing and it might be too late [to reverse the crisis in U.S.-Soviet relations.] The train might have already left the station . . . We must not allow things to go so far as *confrontation* between our two countries . . . I would say that we would come to an *Unpredictable phase* in relations." (Time, September 9, 1985, italic added.)

Mr. President, these Gorbachev statements should be interpreted as explicit, extremely dangerous nuclear blackmail threats, from the top Soviet leader himself. These threats suggest that Gorbachev plans a confrontational Summit meeting: either you must abandon your own Strategic Defense Initiative and acquiesce to Soviet strategic superiority, or the Soviets may provoke a military, even a nuclear crisis in which they have clear preponderance and the U.S. would have to back down.

BREZHNEV'S SECRET BOAST

We remind you of the prophetic, then-secret boast by an earlier Soviet General Secretary, Leonid Brezhnev, before East European Communist leaders in Prague in the Spring of 1973, which is well on its way, unfortunately, to coming true:

"We are achieving with detente what our predecessors have been unable to achieve using the mailed fist . . . because of the decisive shift in the correlation of forces, by 1985 we will be able to exert our will wherever we need to."

The responsibility rests in your hands to make sure that Brezhnev's goal is not satisfied. You yourself have conceded Soviet strategic superiority publicly at least 7 times since 1982. Your National Security Advisor stated on June 10,: "there has been, clearly,

an increase in both the pace and quality of Soviet building programs. . . ." The declassified National Intelligence Estimate confirms many details of this unprecedented Soviet strategic buildup. The Soviets have gained their main objective of strategic superiority over the U.S. through their SALT Break Out violations, and thus they will be very reluctant to correct these violations. Indeed, deliberate Soviet efforts to counter U.S. National Technical Means of verification strongly indicate a Soviet intention to persevere in their violations.

Mr. President, we urge you to continue to stand up strongly for American national security interests by achieving the reversal of the Soviet SALT Break Out violations, either by bilateral diplomacy at the Summit or by selective U.S. abrogation and unilateral U.S. defense programs which proportionately respond to them.

MX AND SDI CUTBACKS

We note with grave concern the recent Congressionally imposed cutbacks in your Strategic Defense Initiative and in MX deployment, but we are especially alarmed with Defense Secretary Weinberger's recent agreement to stop MX deployment at no more than 50 ICBMs in existing Minuteman silos and not seek further MX deployment funds in the FY 1987 Defense Budget now in preparation at the Pentagon. This will delay the already long-delayed MX program another year, for no good reason, and we may not get even 100 MXs until after 1989, if then. Even the Carter Administration planned 200 survivable MX ICBMs, to be operational by early 1986. And as your June 10 Report to Congress stated: ". . . the integrity of the U.S. strategic modernization program must be maintained."

We believe that currently planned strategic force cutbacks go in precisely the opposite direction, especially at a time when the top Soviet leader is describing the international situation as "explosive." As your National Security Advisor stated on June 10, we should be "accelerating and adding to the U.S. strategic modernization program," in light of the Soviet violations.

Finally, we are reassured by your National Security Advisor's statement that you will "reach some decisions based on the [Defense] Secretary's report to [the President] in November. These would probably be reflected in the [FY 1987 Defense] budget submission in January."

ARMS CONTROL COMPLIANCE SUPPLEMENTAL

We urge you to assemble all of your proportional response options to the Soviet violations in a fiscal year 1986 Arms Control Compliance Supplemental Defense Request, so that both the Joint Chiefs of Staff and Congress can honestly assess the threats and requirements posed by the Soviet SALT Break Out violations in one package, unencumbered by other defense or budgetary considerations.

As your National Security Advisor stated on June 10, the Soviets must "get back in compliance, or you can expect compensating measures to be taken . . . we will take action to account for what they've already done in violation." But he added: "at the bottom, the basic criterion must be assuring the security of the United States." We agree.

YOUR LEGACY

We believe that your legacy should be that of the Leader who has tried to restore American strength, power, and moral authority. The people who gave you a landslide victory in both 1980 and 1984 gave you that mandate on the basis of this commitment. We urge you to continue to make this your legacy.

Sincerely,

Jesse Helms, Steve Symms, Chic Hecht, Malcolm Wallop, Jake Garn, Paul Laxalt, Strom Thurmond, and Jeremiah Denton.

ATTACHMENT: SOVIET ARMS CONTROL VIOLATIONS

In addition to addressing the military implications of the Soviet SALT violations and deceptions, we need to summarize these Presidentially confirmed Soviet arms control treaty violations. Moreover, when these violations were first released, they were downplayed by both the White House and by the media, so they are not in fact well-known at all. It is important to note further that these are the unanimously agreed findings of the national security departments and agencies of our government. There were no dissenting footnotes nor disagreeing qualifications by any part of the Executive Branch to these Presidential Reports to Congress. There are now 32 Soviet arms control treaty violations agreed and confirmed by the Executive Branch, and reported by the President to the Congress.

These 32 violations are summarized, for the first time aggregated in one place publicly, as follows according to the different treaties violated.

32 SOVIET ARMS CONTROL TREATY VIOLATIONS CONFIRMED AND AGREED WITHIN THE REAGAN ADMINISTRATION.

Box: 11 Presidentially confirmed Soviet violations of the 1979 SALT II Treaty

1. Soviet buildup of over 378 Strategic Nuclear Delivery Vehicles (SNDVs) above the 2504 level of Soviet SNDVs as of June, 1979;

2. Soviet failure to deactivate over 632 SNDVs down to the 2,250 SALT II SNDV level;

3. Soviet development and operational deployment at over 20 bases of an initial increment of 200 launchers for the SS-25 mobile ICBM is a violation of the SALT II prohibition on a second "new type" ICBM;

4. The Re-entry Vehicle of the SS-25 is less than one half the total missile Throw-Weight, constituting Covert MIRVing with a 3 MIRV capability;

5. The Soviet SS-NX-23 SLBM constitutes a prohibited heavy new SLBM;

6. Soviet production of more than 30 Backfire bombers per year—over 14 extra, illegal Backfire bombers, or several illegal Backfire squadrons—constitutes a Soviet violation of Brezhnev's Backfire bomber production pledge, which former President Carter told the Senate was an integral part of the SALT II Treaty;

7. Arctic basing of Backfire bombers, increasing their range, another violation of Brezhnev's Backfire bomber pledge;

8. Probably equipping bombers with a refueling probe, also contrary to Brezhnev's Backfire pledge, increasing Backfire's range illegally;

9. Soviet deliberate interference with US National Technical Means of verification, by a continuously expanding pattern of strategic Camouflage, Concealment, and Deception;

10. Almost total encryption of all new Soviet missile testing telemetry;

11. Probable Soviet deployment of 200 banned SS-16 mobile ICBMs.

These Soviet SALT II violations have enormous strategic significance, both military and political. Altogether, they amount to Soviet strategic offensive superiority. First, they result in about 632 more Soviet SNDVs than are allowed by SALT II. Second, they augment the already overwhelming Soviet first strike capability actually codified with US agreement in the terms of the SALT II Treaty itself. Even more importantly, US unilateral compliance with the unratified SALT II Treaty which the Soviets are confirmed to be violating at will actually demonstrates Soviet strategic offensive superiority to the world. If the numbers themselves did not demonstrate Soviet superiority, then overt US agreement to unequal levels of forces in complying contrary to its own laws and Constitution with an unratified SALT II Treaty clearly demonstrates US acquiesence to Soviet superiority. And the Soviets are estimated to be preparing to deploy over 700 more mobile ICBM launchers by 1987 in addition to their already overwhelming 6 to 1 superiority in ICBM warhead capabilities. The Soviets are already thus 10 to 15 years ahead of the US in strategic offensive capabilities.

Box: 7 Presidentially confirmed Soviet violations of the 1972 SALT I ABM Treaty

12. The siting, orientation, and capabilities of the Soviet Krasnoyarsk ABM Battle Management radar violate 3 provisions of the SALT I ABM Treaty;

13. ABM-mode tests of Soviet Surface-to-Air-Missiles and radars are highly probable violations of the SALT I ABM Treaty;

14. The Soviets may be developing and deploying a territorial, nationwide ABM defense, which would violate the SALT I ABM Treaty ban on developing even a base for a nationwide ABM defense;

15. Mobility of the ABM-3 system is a potential violation of the SALT I ABM Treaty, which bans mobile ABMs;

16. Soviet rapid relocation without prior notification of a "Flat Twin" ABM-3 mobile radar, creating the Kamchatka ABM test range, was a violation of the SALT I ABM Treaty;

17. Confirmed Soviet falsification of their dismantling of excess ABM test range launchers in 1974, which violated the 1974 SALT I ABM Treaty dismantling procedures;

18. Soviet deliberate concealment activities impede verification in violation of the SALT I ABM Treaty.

These Soviet violations of the SALT I ABM Treaty have enormous significance, both military and political. The Soviets are planning to deploy over 3,000 mobile ABM intercepters by 1987, for a nationwide ABM defense. They can already defend almost 20% of their strategic forces, and soon they will be able to defend 50 to 66%. The Soviets are over 10 years ahead of the US in strategic defenses.

Box: 4 Presidentially confirmed Soviet violations of the 1972 SALT I Interim Agreement on Offensive Weapons

19. Soviet deployment of the Heavy SS-19 ICBM and the Medium SS-17 ICBM to replace the Light SS-11 ICBM was a circumvention defeating the object and purpose of the SALT I Interim Agreement; this violation alone increased the Soviet counterforce threat by a factor of 6 and was as significant a setback for US national security as the loss of the Viet Nam War itself through Communist violation of the 1973 Paris Peace Agreement;

20. Soviet deployment of modern submarines exceeding the limit of 740 SLBM launchers without dismantling other ICBM or SLBM launchers, which the Soviets actually admitted, violated the SALT I Interim

Agreement; it actually took the Soviets until 1981, five years after the SALT I Interim Agreement expired, to deactivate all 209 SS-7/8s required;

21. Soviet deliberate Camouflage, Concealment and Deception activities impeded verification, in violation of the SALT I Interim Agreement;

22. Implied circumvention of the 1974 SALT I submarine dismantling procedures, through deployment of long-range, supersonic SLCMs on Stretch Y Class submarines.

Box: Presidential confirmation of manifold Soviet nuclear test ban violations

23. The 1958-1961 Nuclear Test Moratorium.

The Soviets breached a unilateral commitment by engaging in atmospheric nuclear weapons tests in August, 1961;

24. The Limited Test Ban Treaty of 1963.

The Soviets violated the Limited Test Ban Treaty by extra-territorial venting of radioactive nuclear debris from underground nuclear weapons tests. (There have been over 30 conclusively confirmed Soviet extraterritorial ventings, and hundreds of other probable and likely violations.)

25. The 1974 Threshold Test Ban Treaty.

The US Government has determined that the Soviet Union is likely to have violated the underground nuclear testing yield limit (150 kilotons) of the Threshold Test Ban Treaty. (See chart. There have now been well over 16 Soviet high yield tests violating the TTBT.)

The many Soviet nuclear test ban violations have allowed the Soviets to develop and test much more lethal warheads for their new ICBMs, SLBMs, and cruise missiles. Thus, these Soviet violations have enormous strategic significance.

Box: Presidential confirmation of Soviet violations of the Kennedy-Khrushchev agreement on Cuba of 1962

26. The Soviets breached a unlateral commitment by sending offensive weapons—intercontinental nuclear-delivery capable bombers, nuclear-delivery capable fighter-bombers, and various kinds of nuclear missile submarines—back to Cuba, beginning in 1969.

On September 14, 1983, President Reagan for a second time confirmed that the Soviet Union had violated the Kennedy-Khrushchev Agreement which ended the Cuban Missile Crisis: "That agreement has been abrogated many times by the Soviet Union and Cuba in the bringing of what can only be described as offensive weapons, not defensive, there." This Presidential statement has been backed up by the CIA Director, the Chairman of the Joint Chiefs of Staff, and the Under Secretary of Defense for Policy. Even the State Department concedes that the Soviets have violated the "spirit" of the Agreement.

Box: Other Soviet Arms Control Treaty violations confirmed by the President

27. The 1925 Geneva Protocol on Chemical Weapons. The United States Government has determined that the Soviet Union is violating the Geneva Protocol on Chemical Weapons by the prohibited first use in war of chemical weapons in Laos, Cambodia, and Afghanistan.

28. The 1972 Biological Weapons Convention. The United States Government has determined that the Soviet Union is violating the Biological Weapons Convention by maintaining an offensive biological warfare program and capabilities.

29. The Conventional Weapons Convention. The Soviets violated the Conventional Weapons Convention by using booby-trap mines and incendiary devices against civilians in Afghanistan.

30. The 1975 Helsinki Final Act. The United States Government has determined that the Soviet Union is violating the Helsinki Final Act by its inadequate notifications of its Warsaw Pact military exercises.

31. The Montreux Convention of 1936. The Soviets violated the Montreux Convention by transiting the Turkish Straits repeatedly with aircraft carriers. (The Greek Government, a signatory of the Montreux Convention, repeatedly protested these violations to the Soviets, to no avail.)

32. The 1982 Brezhnev SS-20 Moratorium. The Soviets breached their unilateral commitment to end SS-20 deployment by completing SS-20 launcher positions and continuing to deploy new SS-20s.

In sum, 11 of the 32 Presidentially confirmed Soviet violations relate to the SALT II Treaty, 7 relate to the SALT I ABM Treaty, and 4 relate to the SALT I Interim Agreement. Many relate to the nuclear weapons test ban agreements.

There have been three Presidential violations reports:

January 23, 1984;

October 10, 1984—The "GAC Report"; and

February 1, 1985.

There are six considerations which support the fact that the GAC Report is an authoritative Presidential Report:

1. The President requested it in 1982;

2. The President has embraced it publicly on June 14, 1984;

3. The GAC Report largely overlaps the January 23, 1984 report;

4. The GAC Report was reviewed within the Government;

5. Most of the GAC Report's conclusions are identical to those of the President's January 23, 1984 Report;

6. The President's National Security Advisor himself has stated that the GAC Report was a Presidential Report.

Box: 6 other Reagan administration charges of Soviet Treaty violations

1. Soviet violation of the 1945 Yalta Agreement, by denying free elections in Poland;

2. Soviet violation of the 1945 Potsdam Agreement, by occupying Eastern Europe;

3. Soviet violation of the United Nations Charter, through threatened aggression against Poland in 1980-1981;

4. Soviet violation of the Paris Peace Accords on ending the Indochina War, by continuing to build up the North Vietnamese military;

5. Soviet violation of various international agreements governing civil aviation, by the brutal KAL-007 shoot-down murder incident of 1983;

6. Soviet violation of the 1972 Incidents at Sea Agreement during the attempts to recover the KAL-007 "Black Box". In fact, there is strong evidence that the Soviets shot down KAL-007 in the first place in order to cover up some of their SALT II violations (such as a test of their illegal SS-25 second new type ICBM with full encryption of electronic telemetry signals) planned for that very night of 31 August-1 September 1983.

The Defense Department has stated that: "The U.S. should vigorously pursue compliance issues with the Soviet Union and demand that the Soviets take corrective action when we detect violations. If this fails, the U.S. should be prepared to take those measures necessary to maintain our national security in the face of Soviet violations."

But the Soviets are directly challenging the essence of the U.S. democratic political system by their 32 confirmed, conclusive agreed, arms control violations. They are boldly gambling that American democratic leaders cannot muster the leadership or collect the bipartisan political consensus necessary to demonstrate the political will to compensate for the Soviet SALT violations. The Soviets believe, with some justification derived from their direct experience with American cowardice and appeasement, that American political leaders are paralyzed and demoralized and unable to galvanize public support to challenge them and counteract their threats to our collective allied security.

The Soviets are already quite self-confident, and have reason to be. The Soviets know full well that they have an overwhelming 4 to 1 numerical advantage in ICBM warheads (counting DIA's best estimate of 14 warheads on each of 326 super heavy SS-18 ICBMs, giving the Soviets 8,500 ICBM warheads to only 2,100 for the U.S.), and their accuracy and megatonnage advantages give them over a 6 to 1 or even an 8 to 1 advantage in first strike, counterforce capabilities. The Soviets also have simultaneously over a 14 to 1 advantage in Intermediate Range Nuclear Force warheads against NATO. The Soviets are also deploying a nationwide ABM defense, capable soon of defending not only Moscow, but also ICBM fields and the whole nation. Thus the Soviets are able to threaten the U.S. with a strategic offensive first strike, and soon they will even be largely immune from a limited U.S. retaliation.

Box: 22 additional Soviet SALT circumventions or violations

Assistant Secretary of Defense Richard Perle has testified to the Senate that the existing violations reports from the President are "illustrative only", and that "twenty to twenty-five" more Soviet violations remain to be publicly confirmed by the President to the Congress. The following 22 additional Soviet SALT violations have been widely discussed in the press.

1. Deploying 12 to 14 warheads on each SS-18 ICBM, when SALT II allows only 10, increasing the Soviet ICBM warhead total by over 1,200; The latest NIE reportedly reaches this conclusion.

2. Developing and testing the Soviet SS-18 ICBM rapid-reload and refire capability as a circumvention of all the SALT II ceilings, doubling the Soviet SS-18 force;

3. Soviet testing of an ABM rapid-reload and refire capability prohibited by the SALT I ABM Treaty;

4. Soviet failure to dismantle 18 SS-9 Fractional Orbital Bombardment ICBMs banned by the SALT II Treaty, which also circumvented the SALT I ICBM ceiling;

5. Soviet deployment of SS-11 ICBMs at SS-4 MRBM and SS-5 IRBM soft launch pads for covert soft launch in circumvention of all SALT I and SALT II ceilings;

6. Soviet maintenance of several thousand stockpiled ICBMs, SLBMs, and strategic cruise missiles as potentially operational, thus circumventing all SALT II ceilings;

7. Soviet deployment and deployment of the SS-24 rail mobile ICBM, which will be above SALT II launcher ceilings, and which reportedly may have heavier throwweight than the Soviet heavy SS-19, and which

therefore is a prohibited new very heavy ICBM;

8. Probable Soviet exceeding of the SALT II ceiling of 820 MIRVed ICBMs, by reportedly deploying covertly MIRVed mobile SS-25 ICBMs, and by preparations to deploy MIRVed SS-24 mobile ICBMs;

9. Soviet failure to deactivate old ICBMs on time, in violation of the SALT I ICBM ceilings and 1974 dismantling procedures, and continuous falsification of official deactivation reports between 1975 and 1981;

10. Ongoing Soviet deployment of the mobile SS-16, mobile SS-24, and mobile SS-25 ICBMs, which circumvents and defeats the object and purpose of SALT I, because it is inconsistent with the US SALT I Unilateral Statement against mobile ICBM deployment.

11. Reported Soviet deployment of operational SS-25 mobile ICBMs using old SS-7 ICBM support facilities at the Yurya old SS-7 complex, which violates the SALT I dismantling procedures for old SS-7 ICBMs.

12. Violation of the late Soviet President Brazhnev's 1972 SALT I pledge not to build mobile ICBMs.

13. Violation of the late Soviet President Brezhnev's 1972 SALT I pledge to dismantle the entire G Class of strategic missile submarines.

14. Soviet violation of the SALT II ceilings of 1,200 MIRV ICBM and MIRV SLBMs, and the 1,320 ceiling on MIRV launchers and intercontinental bombers with long-range ALCMs, through deployment of excess MIRVed ICBM and MIRVed SLBMs and over 50 Bear H bombers and over 250 intercontinental Backfire bombers capable of carrying long-range ALCMs.

15. Soviet circumvention of the SALT I ABM Treaty, by giving the Moscow ABM-3 complex the capability to defend over 300 adjacent MIRVed ICBM silos.

16. Soviet violation of the 1971 Agreement to Reduce the Risk of Outbreak of Nuclear War, by jamming US early warning detection systems, failing to notify the US of this jamming, and failing to notify the US of the early April 1984 salvo launch of multiple SS-20s toward the US.

17. Soviet flight-testing of their new mobile ICBM launchers continuously concealed by camouflage, thereby violating the SALT II provision that the US must be able to determine the relationship between a new missile and its launcher.

18. Soviet achievement of "unilateral advantages" through their circumventions, violations and negotiating deceptions related to SALT I and II. These Soviet unilateral advantages violate the 1972 Agreement on Basic Principles of US-Soviet Relations, which is specified in the Preamble to the SALT II Treaty as a fundamental element of SALT II.

19. Soviet violation of the June 1973 Agreement on the Prevention of Nuclear War, through their hostile actions and hostile threats in the October 1973 Middle East War. (The Federal Republic of Germany has made this charge against the Soviets.)

20. Soviet direct interference with US National Technical Means of SALT verification, in a reported 1980 incident in which Soviet electronic warfare technology actually took control of a US intelligence satellite, actually rendering it useless during a key Soviet missile test. The incident is a clear violation of SALT I and II provisions. Moreover, the Soviets have reportedly blinded US satellites with lasers, and are jamming US electronic collection satellites and other systems.

21. SALT II permits no increase in the throwweight of the super heavy SS-18 ICBM, and no new type of very heavy ICBM to replace it. The Soviets appear to be doing both: developing a 3rd new type ICBM which is even heavier than the SS-18.

22. Any follow-on to the heavy SS-24 will have to be within 5% of its throwweight and other characteristics, or else it is a prohibited new type ICBM. The SS-24 follow-on under development is a 4th new type ICBM, when SALT II allows only one new type ICMB, and the SS-24 follow-on also appears to have even more throwweight than the heavy SS-24, which is already probably heavier than the SS-19.

The Soviets have thus gained overwhelming strategic superiority over the US through their SALT violations and thus they will be very reluctant to correct their violations. Indeed, deliberate Soviet efforts to counter US National Technical Means of verification strongly indicate a Soviet intention to persevere in circumventing and violating treaties.

U.S. FOREIGN BROADCAST INFORMATION SERVICE

[Soviet Union Daily Report October 10, 1985—as it appeared October 9, 1985 in Soviet News Agency TASS]

Commentator: Vladimir Bogachev.

On the eve of the Soviet-American summit meeting, nuclear war lobbyists in all echelons of executive and legislative power of the United States have launched a frenzied campaign aimed at preventing the very possibility of reaching new agreements to curb the arms race and at frustrating the agreements now in effect.

Eight American Republican Senators, notorious for their vision of the world, "through the notch of the gunsight" who are apparently concerned over the positive reaction of the world public to the fresh Soviet peace initiatives, have addressed an open letter to President Reagan, assuring the U.S. President that allegedly under the present day conditions "the existing arms control treaties and negotiating process only undermine the security of America and the free world." To substantiate their conclusions on ways to "ensure the security of the United States," Senators Jesse Helms, Steve Symms, Chic Hecht, Malcolm Wallop, Jake Garn, Paul Laxalt, Strom Thurmond, and Jeremiah Denton found no better arguments than the hackneyed "facts" cooked up by the Pentagon about the alleged violation by the Soviet Union of the provisions of the SALT I treaty and of the SALT II treaty which, for that matter, the United States has not ratified to this day.

Judging by the letter, the Senators are extremely concerned over the recent promise by the U.S. President in public to "go the extra mile" in search of a peaceful resolution of the problems confronting mankind. They advised Reagan to give up that promise, and described such efforts as "futile."

The senators do not stint dark paint in order to intimidate their own president and make him exclude in advance the possibility of reaching any agreements with the Soviet Union on lessening the danger of a nuclear catastrophe. The eight legislators described, in particular, the Soviet proposals aimed at preventing the arms race on outer space and ending it on earth as "extremely dangerous nuclear blackmail threats." Claiming that their acceptance by the United States "may provide a military, even nuclear crisis."

Thurmond, Laxalt, and their colleagues do not conceal what measures "to restore American moral authority" they expect from the President in the near future. Among them, refusal to disassemble the "Poseidon" submarines in violation of the provision of the SALT II treaty, reassessment of the "entire spectrum of U.S.-Soviet relations" certainly, not toward improving them, continuation of the unbridled campaign of "Soviet military threat." Allegations, and intensive deployment of the U.S. "MX" ICBMs, "accelerating and adding to the U.S. strategic modernization program."

The letter explicitly urges the President not to strive to win the laurels of a peacemaker in an attempt at insuring a lowering of the level of military confrontation, but rather make efforts to come into history from the "positions of strength."

The letter from the eight senators to the President is evidence that the upcoming Geneva summit meeting, the Soviet Union's peace initiative, have increased the polarization between the supporters of normalizing international relations and advocates of confrontation in the United States, the latter already going beyond the limits of common sense.

U.S. SENATE,
Washington, DC., October 4, 1985.

The PRESIDENT,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: I am writing to share the strong concern you expressed to us on June 10, 1985 about the military implications of the Soviet SALT and other arms control treaty violations. I agree with your resolve to respond to the expanding pattern of Soviet violations. I strongly urge you to raise yet again the 32 Presidentially reported or confirmed Soviet violations with Soviet General Secretary Gorbachev at the November 19, 1985 Geneva Summit Meeting. Until the Soviets admit and reverse their SALT violations, full U.S. compliance with existing arms control treaties only undermines the security of America.

Attached for public reference is a comprehensive list of 32 Soviet SALT and other arms control treaty violations which you have reported or confirmed in the three reports you have sent to Congress, together with a list of 22 additional Soviet violations or circumventions reported in the press.

PROPORTIONATE RESPONSES

As you correctly pointed out in your June 10, 1985 statement to Congress on interim restraint, "proportionate responses" to these Soviet violations are necessary, and Congress responded by authorizing such proportionate responses in the FY 1986 Defense Authorization Bill.

I am anxiously awaiting the study that you directed the Defense Department to prepare, the "Response to Soviet Violations Paper," due to you by November 15, 1985. Because you have announced that you intend to make this study part of your FY 1987 Defense Budget request to Congress in January, 1986, I request consultation on the results of the "RSVP" study effort, as well as an advance copy of a summary of its most important conclusions as soon as you can make it available to Congress.

As you correctly stated to Congress on June 10, continued U.S. SALT II compliance and progress in arms control requires that "the Soviet Union take the positive, concrete steps to correct its non-compliance . . . and reverse its unparalled and unwarranted military buildup."

The impending Geneva U.S.-Soviet Summit may be the Soviets' last chance, and your best opportunity to remind the Soviet leadership of the necessity of reversing their arms control breaches.

As your own National Security Advisor stated on June 10: "There can not be a future regime of arms control without compliance." He added that "If arms control by extraordinary Soviet violations were to lose its meaning, we would have to build more systems clearly." I strongly urge you to invoke supreme U.S. national security interests to proportionately respond to the Soviet violations, even if these U.S. responses would violate provisions of arms control treaties. As your own National Security Advisor also stated on June 10, "Noncompliance does entail costs."

The Soviets have gained their main objective of strategic superiority over the U.S. through their SALT Break Out violations, and thus they will be very reluctant to correct these violations. Indeed, deliberate Soviet efforts to counter U.S. National Technical Means of verification strongly indicate a Soviet intention to persevere in their violations.

MX AND SDI CUTBACKS

I note with grave concern the recent Congressionally imposed cutbacks in your Strategic Defense Initiative and in MX deployment, but I am especially alarmed with Defense Secretary Weinberger's recent agreement to stop MX deployment at no more than 50 ICBMs in existing Minuteman silos and not seek further MX deployment funds in the FY 1987 Defense Budget now in preparation at the Pentagon. This will delay the already long-delayed MX program another year, for no good reason, and we may not get even 100 MXs until after 1989, if then. Even the Carter Administration planned 200 survivable MX ICBMs, to be operational by early 1986. And as your June 10 Report to Congress stated: ". . . the integrity of the U.S. strategic modernization program must be maintained."

I believe that currently planned strategic force cutbacks go in precisely the opposite direction, especially at a time when the top Soviet leader is describing the international situation as "explosive." As your National Security Advisor stated on June 10, we should be "accelerating and adding to the U.S. strategic modernization program," in light of the Soviet violations.

Finally, I am reassured by your National Security Advisor's statement that you will "reach some decisions based on the [Defense] Secretary's report to [the President] in November. These would probably be reflected in the [FY 1987 Defense] budget submissions in January."

ARMS CONTROL COMPLIANCE SUPPLEMENTAL

I urge you to assemble all of your proportional response options to the Soviet violations in a FY 1986 Arms Control Compliance Supplemental Defense Request, so that both the Joint Chiefs of Staff and Congress can honestly assess the threats and requirements posed by the Soviet SALT Break Out violations in one package, unencumbered by other defense or budgetary considerations.

As your National Security Advisor stated on June 10, the Soviets must "get back in compliance, or you can expect compensating measures to be taken . . . we will take action to account for what they've already done in violation."

YOUR LEGACY

I believe that your legacy should be that of the Leader who has tried to restore American strength, power, and moral authority. The people who gave you a landslide victory in both 1980 and 1984 gave you that mandate on the basis of this commitment. We urge you to continue to make this your legacy.

Respectfully,

JAMES A. MCCLURE,
U.S. Senator.

[From the Washington Times, Oct. 22, 1985]

SOVIET SS-25

The Defense Department is expected to confirm soon, possibly today that the Soviets have deployed a new mobile ICBM, the SS-25. The charge could come in a speech today by Defense Secretary Caspar Wineberger on the Strategic Defense Initiative.

The SS-25 is considered a Soviet violation of the 1979 Salt II arms control agreement allowing each side only one new ICBM, according to Pentagon officials who spoke on the grounds they remain unnamed. The Soviets have already said the larger SSX-24, currently being flight tested, is that missile. The Soviets claim the SS-25 is only a modification of an older missile, the SS-13.

In April, the Pentagon said in its annual edition of Soviet Military Power that two launch sites, probably for the SS-25, were nearing operational status. Officials would not say how many bases were in the deployment. Other government sources said as many as 45 bases may be involved.

WEINBERGER CHARGES SALT 2 VIOLATION

(By Richard C. Gross)

WASHINGTON.—Defense Secretary Caspar Weinberger accused the Soviet Union Tuesday of "an unquestionable violation" of the SALT 2 arms control treaty by deploying a new, mobile intercontinental missile called the SS-25.

Both Pentagon and State Department officials said deployment of the SS-25 was no surprise, and Weinberger's disclosure of the latest Soviet move appeared to be another step in the superpower manuevering before the Nov. 19-20 summit meeting of President Reagan and Kremlin leader Mikhail Gorbachev.

The summit is expected to be dominated by discussion of efforts to quell the nuclear arms race, and Weinberger coupled his SS-25 complaint with the observation, "Recent history shows that arms control has hardly been a raving success."

Weinberger referred to deployment of the SS-25 during a staunch defense of Reagan's "Star Wars" anti-missile research program, which Moscow has cited as a key stumbling block to a new arms pact.

The secretary said the Soviets have displayed "a stunning degree of hypocrisy" in assailing the U.S. Strategic Defense Initiative because of their "own vigorous strategic defense programs."

U.S. officials argue deployment of the SS-25 violates the 1979 SALT 2 pact because the treaty allows each side to develop only one new intercontinental ballistic missile and the Soviets have built two. The SALT 2 treaty has been signed by both sides. Even though the Senate never ratified the pact, both superpowers have agreed to abide by it.

Weinberger, in remarks to a conference sponsored by the Ethics and Policy Center, said, "Today I can officially confirm that one of their new ICBMs, the mobile SS-25, is now being deployed and is an unquestionable violation of Soviet assurances given to us under the SALT 2 accord."

The Soviets have denied the SS-25 is a new missile, asserting it is an updated version of the older single-warhead SS-13. A new U.S. ICBM the 10-warhead MX is scheduled for installation in old Minuteman missile silos at Warren Air Force Base, Wyo., in 1986.

The SS-25 has one nuclear warhead, measures about 60 feet long—about the size of the multiple warhead U.S. Minuteman 3 missile—and has a range of 6,560 miles. It can be transported on roads in launchers equipped with sliding roofs and Weinberger said it is "an extremely versatile weapon."

"The SS-25 violates the SALT 2 agreement that permits development of only one new type of ICBM," Weinberger said. "Their first new type developed, the SS-X-24, is now being tested."

The SS-X-25—the "X" stands for experimental—is a bigger missile with multiple warheads. Pentagon officials have said they expect it will go into the field this year.

Kremlin negotiators told U.S. officials in March at the Geneva arms talks the SS-25 was being deployed and a senior Pentagon official said U.S. intelligence confirmed the deployment in late spring or early summer.

"We've been watching this thing for some time now," said the official, who spoke on condition he not be identified. "This is not surprising. It has been expected for a long time."

Similarly, State Department spokesman Bernard Kalb, citing an April report from the Pentagon that Moscow was moving to deploy the new missile, said, "The operational status of the SS-X-25 . . . comes as no surprise."

The Pentagon official said the Soviets have not yet deployed large numbers of the SS-25, but the United States expects "a lot" will be.

The significance of a mobile missile, which until the SS-25 has been confined to medium range weapons possessed by both superpowers, is that they are less vulnerable to attack. The Reagan administration gave up trying to make the MX mobile because of the high cost and congressional opposition.

While the United States does not have a mobile ICMB, it is developing a single-warhead missile, nicknamed Midgetman, that may be transported in vehicles hardened to withstand nuclear blasts.

UNKNOWN DANGER: THE NEW SOVIET MISSILE GAPS

(By David S. Sullivan)

United States President Ronald Reagan has publicly conceded that the Soviet Union has achieved overwelming strategic superiority over the United States at least eight times since 1982. These declarations of a starkly true fact have extremely serious consequences for world peace, but this fact of US strategic nuclear inferiority is not well known around the Free World or even in the United States.

The full implications of the reality of Soviet strategic superiority have yet to be fully understood in American politics, defense planning and budgeting, and diplomacy.

How have the Soviets achieved this strategic superiority so decisively and so successfully without provoking an American response?

In a nutshell, the "arms control process" has been responsible for Soviet strategic superiority.

ARMS CONTROL HAS LED TO SOVIET SUPERIORITY

President Reagan himself realized this fact as early as May 9, 1982, when he stated:

"So far, the Soviet Union has used arms control negotiations primarily as an instrument to restrict US defense programs, and in conjunction with their own arms buildup, as a means to enhance Soviet power and prestige."

An awareness of this truth is only now beginning to permeate our US Defense and Intelligence establishments. For example, the Defense Department has stated recently that:

"The Soviet Union regards arms control negotiations as arenas of political conflict in which important military advantages can be gained or lost. The Soviet leadership does not think in terms of mutuality or perceive arms control negotiations as a means of reducing arms. They attempt at every turn to achieve strategic advantage."

Another recent Defense Department document was even more critical of the arms control process:

"Current Soviet policy on arms agreements is dominated by their attempts to derive unilateral advantage from arms negotiations and agreements, by accepting only arrangements that permit continued Soviet increases in military strength while using the negotiation process to inhibit Western increases in military strength."

Even the US Intelligence Community, which so often has underestimated Soviet strategic strength, has finally reached the same conclusion. The most recent Central Intelligence Agency National Intelligence Estimate on Soviet strategic forces was in June 1985 declassified by the White House and released to the US Senate. NIE-11-3-8-85 states:

"Soviet leaders view arms control policy as an important factor in advancing their strategy of achieving strategic advantage. Moscow has long believed that arms control must first and foremost protect the capabilities of Soviet military forces relative to their opponents."

Defense Secretary Weinberger has been even more succinct, when he stated in December, 1984, that:

"We now face precisely the situation that SALT I and SALT II were supposed to prevent."

And President Reagan's National Security Advisor has been quoted as saying last January:

"The US strategic buildup has not worked, and has done nothing to close the window of vulnerability. In fact, American land-based missiles have become even more vulnerable to Soviet first strike attack over the past few years."

THE ERODING US DETERRENCE CAPABILITY

What is nuclear deterrence all about? What are the facts of current reality regarding deterrence? This article explains and analyizes these facts and comes to the distressing conclusion that US deterrence is already dangerously weak. But despite having already achieved strategic nuclear superiority over the US and gravely weakened US deterrence, the USSR is beginning an enormous new strategic buildup which already results in four dangerous new Missile Gaps.

The whole Free World naturally wants peace and security in the face of the threat of nuclear war. US President Reagan exemplified this Free World hope and fear when he stated recently:

"We must never forget what nuclear weapons wrought upon Hiroshima and Nagasaki." (The Washington Post, August 7, 1985.)

But President Reagan then added:

"Yet we must remain mindful that our maintenance of a strong nuclear deterrent has for four decades ensured the security of the United States and the freedom of our allies in Asia and Europe."

The paramount question of world peace and stability today is whether the US has in fact maintained "a strong nuclear deterrent" for the security of itself and its allies. Can the Free World prevent future Hiroshimas and preserve world peace if the American nuclear deterrent is weakened? Can we prevent Soviet nuclear blackmail and intimidation? Clearly, the answer is that the USSR has already neutralized most of the US deterrent capability, even before beginning its new strategic buildup and four new Missile Gaps.

We should recall that in 1960 the Soviet Union made a very explicit and clearcut nuclear blackmail threat to Japan. The USSR overtly threatened Japan with the possibility of nuclear war if Japan ratified the US-Japan Security Treaty, signed January 19, 1960. The only force preventing this Soviet threat from being carried out was the extended deterrence provided by the US strategic nuclear forces. But at that time, the US was strong in intercontinental nuclear capability, while the USSR had mostly only intermediate range missiles.

Colonel John Collins of the U.S. Congressional Research Service of the Library of Congress has written in the most recent edition of his authoritative series on the U.S.-Soviet Military Balance that since 1980:

"U.S. promises to provide a nuclear umbrella for allies lost considerable credibility, because we could not unleash assured destruction stikes against the Soviet Union or defend NATO or Asian friends without risking national suicide."

On top of existing Soviet stategic superiority, there are in fact four dangerous new Soviet missile gaps developing which are not yet well known. President Reagan again warned in The Washington Post of August 6, 1985:

The Soviet Union is ahead of us in the development and the modernization of nuclear weapons . . . they had finished their tests on their [SS-] 24s and [SS-] 25s, the [SS-18 which is comparable to our MX. And we have not yet begun the testing and certainly haven't completed it in some of our weapons of that same type to keep pace with them . . . we would then not be able to catch up with them. . ."

President Reagan also warned in The Washington Post of April 2, 1985:

"The Soviet Union virtually outnumbers us in any type of weapon you want to name . . . They are about three to one in nuclear megatonnage over us."

These alarming Presidential statements about already existing Soviet superiority are even more worrisome when compared to the following declassified testimony based on the U.S. Central Intelligence Agency's National Intelligence Estimate 11-3-8-85 released to the U.S. Senate on June 26, 1985:

"By the mid-1990's, nearly all of the Soviets' currently deployed intercontinental attack forces—land and sea-based ballistic missiles and heavy bombers—will be *replaced* by new and improved systems. *New mobile ICBMs are about to enter the force.*"

These recent Presidential and CIA statements concerning Soviet strategic superiority should alarm all Americans and all Free peoples seeking protection from Soviet nuclear attack by relying on the "extended deterrence" of the U.S. "nuclear umbrella."

CURRENT SOVIET SUPERIORITY: FIRST STRIKE CAPABILITY

Soviet strategic offensive and defensive missile deployments in space and modernizations programs now underway already pose an unprecedented threat to all three legs of America's deterrent strategic triad of Interncontinental Ballistic Missles (ICBMs), Submarine-Launched Ballistic Missiles (SLBMs), and intercontinental bombers.

Already, the Soviets have deployed over 1,600 ICBMs reportedly carrying over 8,500 warheads which are capable of posing a severe first strike threat against all U.S. strategic forces of the Triad. Using only a small fraction of their ICBM warheads, the Soviets can even today threaten to wipe out 100% of the 1,000 U.S. ICBMs in fixed silos, 75% of the U.S. intercontinental bomber force not on strip "alert" at 25 bases, and 50% of the U.S. SLBM force not on missile patrol and tied up to piers at 7 bases.

The 25% of the US bomber force on strip alert surviving must then penetrate the most awesome air defenses in the world: over 13,000 anti-aircraft Surface-to-Air Missiles (SAMs) and over 3,000 air defense interceptor aircraft. Thus the chances of about 60 US alert bombers getting through to attack their Soviet targets are not good.

The 50% of the US SLBM force surviving, about 15 submarines on missile patrol, also may not be able to retaliate against their Soviet targets. Only about 3 of these 15 submarines are reportedly able to receive communications at any one time from the President. Moreover, these submarines reportedly can now be detected by new Soviet Salyut 7 spacecraft capable of using Synthetic Aperature Radars to find US submarines even while deeply submerged on patrol. Soviet espionage breakthroughs (such as the shocking Walker spy case against the US Navy submarine fleet) could also enable the Soviets to locate and barrage US missile submarine patrol areas with only as few as several hundred ICBM warheads.

Thus it is theoretically possible that even today, without any further Soviet buildup whatsoever, the Soviet Union is capable of wiping out in a first strike almost all US ICBMs, bombers, and SLBMs, using only a small fraction of their 8,500 plus highly accurate and high yield ICBM warheads. This capability need never be used to be highly significant in world politics, because the Soviets need to subtly brandish this capability in order to intimidate and Blackmail.

Those few US SLBMs that survived and received the Presidential order to retaliate would then have to penetrate the existing massive Soviet defenses.

The Soviets also have the world's only Anti-Ballistic Missile system, which is located around Moscow, and which is now being modernized. There is unmistakable evidence that the Soviets are in addition deploying a nationwide ABM defense system, in clear violation of the SALT I ABM Treaty. When the Soviets make this nationwide ABM defense sytem operational in two years, they would be able to ensure that even the few US SLBMs that might survive a first strike and received the order to retaliate, would never reach their targets.

Thus in sum, two and one half legs of the American strategic Triad are now totally vulnerable and checkmated, and even our

few patrolling missile submarines may soon also be vulnerable.

These facts of current reality have been developing for several years, and the long observable trends explain why US Defense Secretary Weinberger was able to accurately forecast to the US Senate in 1981 that the "window of vulnerability will be at its widest in the period 1985-1986." But unfortunately, the window of vulnerability will not close any time soon, will indeed become even worse during the next five years, and may become permanent due to lack of American political will to close the missile gaps described below.

US Defense Secretary Weinberger stated on August 8, 1984 that:

"An effective Soviet capability to negate all legs of the US strategic Triad could be used for political purposes to coerce the US and her allies indirectly, through its very existence, or directly via military threats, especially if joined to superior Soviet conventional, chemical-biological, or theater nuclear capability. This Administration will never allow this to occur."

Unfortunately, this situation has already occurred, as President Reagan himself has repeatedly admitted.

This grim assessment is reflected in the recently declassified US Central Intelligence Agency National Intelligence Estimate 11-3-8-85. The already effective and real Soviet strategic offensive first strike capability and the emerging Soviet nationwide ABM defense capability reflected in the new NIE 11-3-8-85 are based on the following four Soviet strategic programs:

1. A furious Soviet buildup during the 1960's 1970s, and 1980s in nuclear warheads for ICBMs, SLBMs, bombers, and cruise missiles;

2. A vast upgrade in coverage and capability in ballistic missile defenses, air defenses, and civil defenses;

3. A nearly operational capability to detect submerged US submarines from space satellites;

4. Four already operational types of Anti-satellite weapons systems capable of disrupting US strategic command and control, early warning, and intelligence surveillance systems.

A top US defense official has testified that "Major programs recently deployed or now late in development were generally initiated at the highest of Soviet leadership about ten years ago," indicating the long term nature of the development of the Soviet threat.

These four Soviet strategic programs represent a Soviet thrust toward World domination. This article is only going to address the first two Soviet programs, due to lack of space, but Soviet space surveillance and ASAT capabilities are even more deserving of our concern.

A Reagan Administration arms control official warned on August 7, 1985: "The Soviet Union possess a tremendous capability to launch a devastating first strike against the US, and they are continuing to expand that capability." This statement confirms the seriousness of what follows.

As the recently declassified NIE states:

"Soviet leaders are attempting to prepare their military forces for the possibility that they will actually have to fight a nuclear war."

In a recent speech commemorating World War II Victory in Europe Day, President Reagan described the Soviet "first strike" capability, and alarmingly warned that the Soviet threat now emerging threatens "deterrence itself".

THE DANGEROUS NEW SOVIET MISSILE GAPS

There are four serious Missile Gaps today between the United States and the Soviet Union, each of which is much more serious than the famous 1957-1961 "Missile Gap".

The 1957-1961 "Missile Gap" was thought at the time to be a gap in Inter-Continental Ballistic Missiles—ICBMs. Americans thought that the Soviets were way ahead of the United States at that time in ICBMs. As President Kennedy discovered through US satellite reconnaissance just after he took office in January 1961, however, there was no ICBM gap. The US was actually ahead of the Soviets by a factor of about 6 to 1 in this key category of weaponry at the time.

But there was in fact a gap which was almost equally dangerous, especially to US allies, in Intermediate Range Ballistic Missiles—IRBMs. In the late 1950s, the Soviets had massively deployed IRBMs targeted upon NATO Europe and Japan, and the US was vastly outnumbered in this category of weaponry.

Today, the US and Free World face four much more dangerous Missile Gaps. These Missile Gaps all relate to mobile missiles. Today, the Soviets are way ahead of the US in: mobile ICBMs; mobile IRBMs; mobile cruise missiles; and mobile Anti-Ballistic Missiles.

In fact, the US does not even have a single mobile missile in three of these categories, and only has deployed a handful of mobile cruise missiles, and in addition has two and one half legs of its strategic Triad already totally vulnerable to a Soviet first strike.

SOVIET MOBILE ICBM GAP

There are credible press reports that the US CIA NIE 11-3-8-85 mentioned above estimates that during the next 3 years the Soviets will build as many as 400 to 700 additional new mobile launchers for their new, covertly triple MIRVed, road mobile, SS-25 ICBM, and their new rail-mobile SS-24 which carries 10 MIRVs. All of these 400 to 700 new mobile ICBM launchers are likely to be additive to the existing Soviet ICBM force of over 1400 fixed silos, and in addition, to be rapidly reloadable, and refirable with several additional salvos. To repeat, these new mobile ICBMs will be in addition to 1400 fixed Soviet ICBM silos, and in addition to 200 mobile SS-16 ICBMs deployed in violation of the SALT II Treaty.

By 1988, the new US NIE reportedly estimates that the Soviets will have deployed 400 to 700 mobile SS-24 and SS-25 ICBMs. This table illustrates deployment of only 400 estimated mobile SS-24s and SS25s, which is a conservative, realistic estimate:

SOVIET ICBM FORCE, 1988

Launchers and Warheads: 326 SS-18s with 12 to 14 warheads each, 3,912/4,564; 360 SS-19s with 6 warheads each, 2,160.

300 silos: 150 SS-24s with 10 warheads each, 1,500; 150 SS-24s with 10 warheads each, 1,500; 370 SS-11s with 1 warhead each, 370; 60 SS-25s with 3 warheads each, 180.

Silo: 1,416 launchers subtotal, 9,622.

Mobile, 200 SS-16s with 1 warhead each, 200.

Mobile, 200 SS-24s with 10 warheads each, 2,000.

Mobile, 200 SS-25s with 3 warheads each, 600.

Total: 2,016 silo and mobile ICBM launchers. 12,422 to 13,074 ICBM warheads.

According to credible press reports, over 20 bases for SS-25 mobile ICBMs are already under construction during the year of 1985, accounting for deployment of at least 200 mobile SS-25s. And as Assistant Defense Secretary Richard Perle has confirmed: "It is the Soviet Union alone that has mobile missiles with multiple warheads of intercontinental range."

And the latest NIE also confirms:

"The number of deployed strategic force warheads will increase by a few thousand over the next five years, with potential greater expansion in the 1990s."

Defense Secretary Weinberger testified to the Senate on April 29, 1982 that the US:

"Lacked the requisite military capability for adequate nuclear deterrence as well as conventional defense of our vital objectives and commitments . . . our military capabilities would become increasingly inadequate to deter aggression."

This authoritative statement has turned out to be, unfortunately, all too accurate.

Even more significantly, in January 1985 in his Strategic Defense Initiative justification White Paper, President Reagan again conceded that the US is so inferior to the Soviets that the US and our allies are already subject to nuclear blackmail:

"The pace of the Soviet offensive and defensive buildup has upset the balance in the areas of greatest importance during crises . . . the fact is . . . that we have no defense against nuclear ballistic missile attack. And, as the Soviet building program widens the imbalance in key offensive capabilities, introducing systems whose status and characteristics are more difficult to confirm, our vulnerability and that of our allies to blackmail becomes quite high."

The President added in the same White Paper:

"Today, deterrence against Soviet aggression is grounded almost exclusively in the capabilities of our offensive retaliatory forces."

And finally, the President again conceded the alarming Soviet threat in the same report:

"Modern, accurate ICBMs carrying multiple nuclear warheads—if deployed in sufficiently large numbers relative to the size of an opponent's force structure, as the Soviets have done with their ICBM force—could be used in a rapid first strike to undercut an opponent's ability to retaliate effectively . . ."

In sum, the US President has admitted that the American offensive forces are the Free World's only deterrent, yet these very same forces are even today, at this moment, totally vulnerable to a Soviet first strike. Thus by the President's own admission, deterrence has greatly eroded and is severely degraded.

SOVIET MOBILE IRBM GAP

Secondly, the newly declassified CIA NIE on Soviet strategic forces reveals that the Soviets will soon have over 450 mobile triple MIRVed SS-20 IRBMs. By 1988, the new US NIE estimates that the Soviets will have deployed over 450 mobile SS-20 launchers. The SS-20 mobile launcher is rapidly reloadable and refirable, and there are press reports that the Soviets intend as many as 5 SS-20 missiles to be fired from each launcher. This could be an SS-20 force with over 6,000 warheads. Moreover, there is much evidence that the SS-20 can also be used as a covert ICBM, and some may be intended to be fired at the US, as was done in April, 1984.

Estimated Soviet IRBM force, 1988, 450 SS-20s with 3 warheads each, 1,350. Total warheads, 6,000 warheads potential.

SOVIET MOBILE CRUISE MISSILE GAP

Thirdly, the CIA NIE states; "We expect the Soviets to deploy 2,000 to 3,000 nuclear armed Air-Launched Cruise Missiles, Sea-Launched Cruise Missiles, and Ground-Launched Cruise Missiles over the next ten years." The Soviets already have deployed over 575 nuclear-capable Sea-Launched Cruise Missiles, compared to 12 for the US.

SOVIET MOBILE ABM GAP

Fourthly, by 1988, the new CIA NIE reportedly estimates that the Soviets will have deployed about 3,000 ABM launchers nationwide. There are credible press reports that the CIA NIE estimates that the Soviets will have deployed by 1988 over 3,000 mobile ABM launchers, at the same time that their modernized Moscow ABM system and the last of their 6 nationwide ABM Battle Management raiders become operational. This table is an illustrative force structure.

ESTIMATED SOVIET ABM FORCE, 1988

100 SH-04, SH-08 Moscow; 600 SH-04, SH-08 nationwide. Mobile, 3,000 SAM-10, SAM-12 nationwide; 2,500 SAM-5 nationwide. Total: 6,200 ABM launchers.

As the NIE confirms: "The Soviets will significantly improve the capabilities of their strategic defenses over the next 10 years."

A US Defense Department study stated as early as 1984 that there was even then a "precarious balance" with the Soviets. It added that: "The US can not restore a military balance . . . by offensive means alone . . . [because of a] Soviet willingness and ability to match or overmatch increases in US nuclear forces . . ." It concluded ominously that: "A substantial Soviet lead in deployed defensive systems superimposed on their growing offensive threat against our nuclear offensive forces could destroy the stability of the strategic balance."

[Pictures, maps and charts not reproducible for the RECORD.]

This is a drawing of the Soviet SS-24 ICBM on a rail mobile launcher. The rail mobile SS-24 launcher is concealed in the deceptive guise of a passenger train. The SS-24 carries 10 MIRV warheads and is similar to the US MX ICBM. Because of this deceptive and concealed deployment, the US may never know when the SS-24 is deployed, or how many.

This picture shows the rail network of the USSR, together with the main concentrations of Soviet ICBMs and IRBMs along this rail network. The dark red circles show ICBM deployment complexes. The red line circles show SS-20 deployment complexes. The rail mobile SS-24 will be deployed throughout the Soviet rail network, where there are thousands of rail tunnels for protection and concealment. This will make the railmobile SS-24 far superior to the "Race Track" MX ICBM deployment scheme planned by former US President Jimmy Carter, but abandoned and reduced by President Reagan. The SS-25 is road mobile, and will be deployed alongside SS-20 IRBMs also under concealment, making detection of the SS-25 very difficult.

This is a picture of the road mobile Soviet SS-25. This ICBM is similar to the US Minuteman III. It has the capability to carry 3 MIRV warheads. Its transporter-erector-launcher is a truck, capable of firing through the roof of its garage or from concealed field sites.

This picture illustrates the deployment pace, scale, range coverage, and location of Soviet SS-20 IRBMs. By 1988, there will be over 450 mobile, concealed SS-20s, each capable of multiple reload and refire.

This picture shows a Soviet SS-N-21 Sea-Launched Cruise Missile being fired at a Free World coastal city. All Soviet submarines are capable of launching this missile from their standard torpedo tubes.

This chart compares US and Soviet cruise missiles. Note that there are two types of Soviet long-range, supersonic cruise missiles for which the US has nothing to compare and no defenses. Also note that all Soviet cruise missiles have longer range than their US counterparts.

This picture illustrates the fact that the Soviets have complete nationwide radar coverage of the USSR for ABM early warning and battle management. The Soviets have over 1,000 ABM radars, including over 25 large ABM battle management radars, over twice the number of ABM radars that US planned in 1972 and cancelled in 1975. These radars will support the early warning, acquisition, and battle management for a nationwide ABM defense, using mobile and fixed ABM-3 interceptors, mobile SAM-10 and SAM-12 interceptors and radars, and fixed SAM-5 interceptors and radars. In 1984, US Defense Secretary Weinberger stated that by 1987, the Soviets would be able to engage with their ABMs "17 percent of the US strategic missile force." By 1988, this percentage will probably be between 50 and 75 percent.

This picture illustrates the mobile SAM-12 interceptor and radar. This system has been tested repeatedly in the ABM mode and can be used to attack US bombers, cruise missiles, and ballistic missile Re-entry Vehicles. This system is already in series production and is being massively deployed throughout the USSR.

This map illustrates the wide deployment of Soviet air defense missiles and radars, all of which are already potentially upgradeable to ABM use, for a nationwide ABM defense.

CONCLUSION: SOVIET NUCLEAR BLACKMAIL

The sum of all these Soviet offensive and defensive missile construction activities the US has observed by US National Technical reconnaissance throughout the USSR at factories, test ranges, and means of deployment bases, indicates the Soviet intention to "Break Out" of the SALT I Anti-Ballistic Missile Treaty and the SALT II Treaty limiting offensive weapons. Indeed, the sum of all the evidence indicates that the Soviet Union began breaking out of SALT I and II even as they signed these treaties in 1972 and 1979. This conclusion is strongly supported by a wide variety of intelligence evidence, some of which has been reported in the press and which is quite dramatic.

The world is now witnessing the Soviet SALT Break Out deployment of an illegal new mobile ICBM, carrying illegal new MIRVed warheads covertly, being camouflaged illegally, and defended by several illegal mobile, camouflaged ABM systems, using an illegal nationwide system of large ABM Battle Management radars.

These four Soviet Mobile Missile Gaps are the most dangerous threats to US, and indeed to Free World, security ever in the postwar era. Existing Soviet strategic superiority and first strike potential is bad enough, but now this severe US vulnerability is going to be made much worse in the next five years by the buildup in Soviet mobile ICBMs, the buildup in Soviet mobile IRBMs, the buildup in Soviet mobile cruise missiles, and the buildup in Soviet mobile ABMs.

As the NIE concludes ominously:

"We judge that the Soviets would plan to conduct a military campaign that would seek to end a nuclear war on their terms—by neutralizing the ability of US intercontinental and theater nuclear forces to interfere with Soviet capabilities to prevail in a conflict in Eurasia."

As Col. John Collins of the Library of Congress wrote recently: "Soviet [strategic nuclear force] posture nevertheless continues to improve in relative terms vis a vis the United States, which finds that declaratory strategy and forces fail to match." This is an understatement.

The Soviets already today have the largest and most modern strategic offensive arsenal in the world. More than 75% of Soviet strategic warheads are only 5 years old or even less. The Soviets also have the only ABM defense in the world. By 1990, the Soviets will have completely modernized and significantly expanded both their offensive and their defensive forces, with 5th and 6th generation ICBM deployments and 2nd and 3rd generation ABM forces. The mobility of these forces will make them completely invulnerable to any American attack, but the US does not even have the capability to either locate, target, or strike these Soviet forces.

Beyond these ominous developments, the US Defense Department has stated that the Soviets have over 30 more new startegic programs under development.

The ancient Chinese military strategist, Sun Tsu, wisely said that the highest achievement a general could reach was not to win a war, but to win without war. This is the real purpose of the Soviet Missile Gaps—to intimidate and blackmail the United States and the Free World, and to thereby subvert the US nuclear deterrent. Thus US European and Asian allies depending on the US nuclear umbrella for extended deterrence of Soviet nuclear attack are even more threatened than the US by these new Missile Gaps, and they may be the first victims of Soviet nuclear intimidation and Blackmail.

The National Security Adviser to former President Carter, Zbigniew Brzezinski, and top Reagan Administration Arms Control Negotiator Max Kammpelman, wrote recently:

"No responsible American President can permit this country to have to live under such a threat, not to speak of the hypothetical danger of having to choose either annihilation or submission to nuclear blackmail."

President Reagan himself conceded recently in Newsweek that:

"They [The Soviets] already outnumber us greatly in offensive weapons, and [if] they alone developed a defensive weapon before us, then they wouldn't have to worry about our deterrent—a retaliatory strike. Then they could issue the ultimatum to the world."

But as the President himself knows and has already repeatedly conceded, the Soviets have already developed and are massively deploying defensive weapons systems. It is only a matter of time before they issue the ultimatum to the world.

CONFIRMATION OF THE FAILURE OF ARMS CONTROL

Finally, we should turn the clock back to 1971, when America was still a Great Power, and examine how American tolerance for the Soviet strategic buildup was the basis for the failure of the arms control process.

Gerard Smith, the Nixon Administration's Arms Control Director, stated over-confidently long ago in 1971:

"If, after a reasonable period, SALT negotiations prove unproductive, or if the USSR resumes land-based ICBM deployment or moves to modernize or expand its Moscow ABM system, the United States would take whatever steps are necessary to maintain its strategic deterrent."

Today, in 1985 we should evaluate Gerard Smith's self confident prophesy.

First, the SALT II negotiations did not produce a ratifiable treaty, even after seven years of negotiations. Thus it is fair to say that SALT negotiations have been "unproductive."

Second, Soviet violations of SALT II and the SALT I ABM Treaty, 17 of which have been confirmed by the President to the Congress, prove conclusively that SALT treaties have not constrained Soviet strategic forces. Indeed, the Soviets have 'resumed' land-based ICBM deployment, in violation of SALT II, and the Soviets are both 'modernizing' and 'expanding' their ABM system, in violation of the SALT I ABM Treaty.

Third, despite Smith's confidence that the US would respond to all these Soviet challenge conditions, the US is not taking the necessary responsive steps to "maintain its strategic deterrent."

In 1972, the SALT I ABM Treaty and SALT I Interim Offensive Agreement succeeded in killing the superior US ABM program, in exchange for constraints on Soviet forces which turned out to be completely illusory. The Soviet offensive buildup continued unchanged by SALT I and II. But since 1972, the Soviets have also completedly reversed the relative position of the sides on ABM capabilities, and now the Soviets are Breaking Out of both defensive and offensive SALT I and II constraints. Meanwhile, the Soviets in 1985 are once again trying to convince the US to give up its Strategic Defense Initiative and Defensive Anti-satellite program, in exchange again for either nothing or for illusory offensive constraints. But as the late President John F. Kennedy said in 1961: "If they fool us twice, its our own fault." America is in fact quite close to unilaterally giving up its nuclear deterrent.

As the Committee on the PRESENT DANGER has concluded recently:

"The adverse balance entails both political and military risks . . . As relative Soviet power continues to increase, the Soviets expect the US and its allies to move increasingly toward accommodation and appeasement."

Winston Churchill warned gravely after World War II:

"Sometimes in the past we have committed the folly of throwing away our arms. Under the mercy of Providence, and at great cost and sacrifice, we have been able to recreate them when the need arose. But if we abandon our nuclear deterrent, there will be no second chance. To abandon it now would be to abandon it forever."

THE AUTHOR

David S. Sullivan works for the United States Senate as senior National Security Advisor to several Republican Senators in leadership positions. After a long career at the Central Intelligence Agency where he analyzed Soviet strategy and strategic force modernization, Mr. Sullivan resigned from the Agency in 1978 to join the staff of a Democratic US Senator critical of the SALT II treaty. He later worked for a Republican member of the Senate Armed Services Committee. In 1981, he accepted an appointment in the Reagan Administration as a senior official of the Arms Control and Disarmament Agency, but later returned to his present position on Capitol Hill to help implement President Reagan's defense and foreign policies in Congress. Mr. Sullivan was educated at Harvard University (BA cum laude 1965), and at Columbia University where he received a Masters Degree in International Affairs. he has been selected for promotion to Lieutenant Colonel in the United States Marine Corps Reserve, and he saw active service in the Vietnam War in Marine Combat Intelligence. His previously published works number more than twenty-five articles and books on National Security, and include *The Bitter Fruit of SALT: A Record of Soviet Duplicity* and *The Fatal Flaws of SALT II.* He is coauthor, with Quentin Crommelin, Jr., of *Soviet Military Supremacy,* April, 1985, The Citizens' Foundation, Suite 515, 1701 Pennsylvania Ave., N.W., Washington, D.C. 20006. He has been described as a "brilliant CIA analyst" and as a "heroic freedom fighter", and he has been attacked numerous times in the Soviet press.

SOVIET NEGOTIATING DECEPTION AND TREATY VIOLATIONS IN ARMS CONTROL

(By David S. Sullivan[1])

President Reagan stated starkly on April 2, 1985, that: "The Soviet Union virtually outnumbers us in any type of weapon you want to name." President Ronald Reagan has publicly conceded that the Soviet Union has achieved overwhelming strategic superiority over the United States at least eight times since 1982.

President Reagan stated on September 17, 1985: "The United States is still well behind the Soviet Union in literally every kind of offensive weapon, both conventional and in the strategic weapons."

These declarations of a starkly true fact have extremely serious consequences for world peace, but this fact of US strategic nuclear inferiority is not well known around the Free World or even in the United States. As Ronald Reagan stated in 1964: "We are at war with the most dangerous enemy that has ever faced mankind. . ."

[1] The Author: David S. Sullivan works for the United States Senate as senior National Security Advisor to several Republican Senators in leadership positions. After a long career at the Central Intelligence Agency where he analysed Soviet strategy and strategic force modernization, Mr. Sullivan resigned from the Agency in 1978 to join the staff of a Democratic US Senator critical of the SALT II Treaty. He later worked for a Republican member of the Senate Armed Services Committee. In 1981, he accepted an appointment in the Reagan Administration as a senior official of the Arms Control and Disarmament Agency, but later returned to his present position on Capitol Hill to help implement President Reagan's defense and foreign policies in Congress. Mr. Sullivan was educated at Harvard University (BA *cum laude* 1965), and at Columbia University where he received a Masters Degree in International Affairs. He has been selected for promotion to Lieutenant Colonel in the United States Marine Corps Reserve, and he saw active service in the Vietnam War in Marine Combat Intelligence. His previously published works number more than twenty-five articles and books on National Security, and include *The Bitter Fruit of SALT: A Record of Soviet Duplicity* and *The Fatal Flaws of SALT II.* He is coauthor, with Quentin Crommelin, Jr., of *Soviet Military Supremacy,* April, 1985, The Citizens' Foundation, Suite 515, 1701 Pennsylvania Ave., N.W., Washington, D.C. 20006. He has been described as a "brilliant CIA analyst" "as a one man CIA" and as a "heroic freedom fighter", and he has been attacked numerous times in the Soviet press.

The full implications of the reality of Soviet strategic superiority have yet to be fully understood in American politics, defense planning and budgeting, and diplomacy.

How have the Soviets achieved this strategic superiority so decisively and so successfully without provoking an American response?

In a nutshell, the arms control process has been responsible for Soviet strategic superiority. A strong element of Soviet deception and duplicity has been involved.

ARMS CONTROL HAS LED TO SOVIET SUPERIORITY

President Reagan himself realized this fact as early as May 9, 1982, when he stated: "So far, the Soviet Union has used arms control negotiations primarily as an instrument to restrict US defense programs, and in conjunction with their own arms buildup, as a means to enhance Soviet power and prestige."

And as President Reagan stated on January 29, 1981, the Soviets leaders "reserve into themselves the right to commit any crime, to lie, to cheat."

An awareness of this truth is only now beginning to permeate US Defense and Intelligence establishments. For example, the Defense Department has stated recently that: "The Soviet Union regards arms control negotiations as arenas of political conflict in which important military advantages can be gained or lost. The Soviet leadership does not think in terms of mutuality or perceive arms control negotiations as a means of reducing arms. They attempt at every turn to achieve strategic advantage."

Another recent Defense Department statement was even more critical of the arms control process: "Current Soviet policy on arms agreements is dominated by their attempts to derive unilateral advantage from arms negotiations and agreements, by accepting only arrangements that permit continued Soviet increases in military strength while using the negotiation process to inhibit Western increases in military strength."

Even the US Intelligence Community, which so often has underestimated Soviet strategic strength and misperceived Soviet intentions, has finally reached the same conclusion. The most recent Central Intelligence Agency National Intelligence Estimate on Soviet strategic forces was in June 1985 declassified by the White House and released to the US Senate. NIE-11-3-8-85 states: "Soviet leaders view arms control policy as an important factor in advancing their strategy of achieving strategic advantage. Moscow has long believed that arms control must first and foremost protect the capabilities of Soviet military forces relative to their opponents."

Defense Secretary Weinberger has been even more succinct, when he stated in December, 1984, that: "We now face precisely the situation that SALT I and SALT II were supposed to prevent."

And President Reagan's National Security Advisor has been quoted as saying last January: "The US strategic buildup has not worked, and has done nothing to close the window of vulnerability. In fact, American land-based missiles have become even more vulnerable to Soviet first strike attack over the past few years."

President Reagan has made three historic reports to Congress on Soviet arms control treaty violations. The first was on January 23, 1984; the second was on October 10, 1984; and the third was on February 1, 1985.

Each of these Presidential Reports to Congress on Soviet Arms Control Treaty Violations was in response to an amendment which US Senator Jim McClure (R, Idaho), sponsored, and which was either unanimously or overwhelmingly passed by the US Senate.

These three Presidential Reports support the reasonable conclusion that arms control treaties with the Soviets have undermined American security, not safeguarded it. Arms control treaties have enormously strengthened the Soviet Union while weakening the United States. Yet because this conclusive fact seems so startling to so many observers, we must also conclude that the Soviets have used the arms control process and arms control treaties as a bold instrument of massive deception to promote their own thrust to military supremacy over the US. In fact, however, there has long been overwhelming evidence that the Soviets use diplomacy and international law as important tools in their arms control deception program.

THE THREE PRESIDENTIAL REPORTS ON SOVIET VIOLATIONS

The fact that these reports were rendered at all is historic and unprecedented. For the first time in our history, an American President has openly accused the Soviet Union of violating Strategic Arms Limitation Treaty (SALT) commitments. These three reports, made by formal messages to Congress, are irrevocable, and though still incomplete, must be applauded. Even the liberal pro-arms control Arms Control Association has concluded that Soviet "Violations of arms control Agreements can not be overlooked or excused." But the implications of these violations for American national security and for world peace are extremely serious. These implications have not yet been addressed within the US Government, however, despite urgent and repeated requests to President Reagan beginning on March 1, 1984, almost two years ago.

In addition to addressing the military implications of the Soviet SALT violations and deceptions, we need to summarize these Presidentially confirmed Soviet arms control treaty violations. Moreover, when these violations were first released, they were downplayed by both the White House and by the media, so they are not in fact well-known at all. It is important to note further that these are the unanimously agreed findings of the national security departments and agencies of our government. There were no dissenting footnotes nor disagreeing qualifications by any part of the Executive Branch to these Presidential Reports to Congress. There are now 32 Soviet arms control treaty violations agreed and confirmed by the Executive Branch, and reported by the President to the Congress.

These 32 violations are summarized, for the first time aggregated in one place publicly, as follows according to the different treaties violated.

32 SOVIET ARMS CONTROL TREATY VIOLATIONS CONFIRMED AND AGREED WITHIN THE REAGAN ADMINISTRATION

Box: 11 Presidentially confirmed Soviet violations of the 1979 SALT II Treaty

1. Soviet buildup of over 378 Strategic Nuclear Delivery Vehicles (SNDVs) above the 2504 level of Soviet SNDVs as of June, 1979;

2. Soviet failure to deactivate over 632 SNDVs down to the 2,250 SALT II SNDV level;

3. Soviet development and operational deployment at over 20 bases of an initial increment of 200 launchers for the SS-25 mobile ICBM is an "irreversible" violation of the SALT II prohibition on a second "new type" ICBM;

4. The Re-entry Vehicle of the SS-25 is less than one half the total missile Throw-Weight, constituting covert MIRVing with a 3 MIRV capability; this is a "serious concern," which is "unresolved."

5.The Soviet SS-NX 23 SLBM constitutes a prohibited heavy new SLBM;

6. Soviet production of more than 30 Backfire bombers per year—over 14 extra, illegal Backfire bombers, or several illegal Backfire squadrons—constitutes a Soviet violation of Brezhnev's Backfire bomber production pledge, which former President Carter told the Senate was an integral part of the SALT II Treaty;

7. Arctic basing of Backfire bombers, increasing their range, another violation of Brezhnev's Backfire bomber pledge;

8. Probably equipping Backfire bombers with a refueling probe, also contrary to Brezhnev's Backfire pledge, increasing Backfire's range illegally;

9. Soviet deliberate interference with US National Technical Means of verification, by a continuously expanding pattern of strategic Camouflage, Concealment, and Deception;

10. Almost total encryption of all new Soviet missile testing telementry;

11. Probable Soviet deployment of 200 banned SS-16 mobile ICBMs, and falsification of the SALT II Data Base.

These Soviet SALT II violations have enormous strategic significance, both military and political. Altogether, they amount to Soviet strategic offensive superiority. First, they result in about 632 more Soviet SNDVs than are allowed by SALT II. Second, they augment the already overwhelming Soviet first strike capability actually codified with US agreement in the terms of the SALT II Treaty itself. Even more importantly, US unilateral compliance with the unratified SALT II Treaty which the Soviets are confirmed to be violating at will actually demonstrates Soviet strategic offensive superiority to the world. If the numbers themselves did not demonstrate Soviet superiority, then overt US agreement to unequal levels of forces in complying contrary to its own laws and Constitution with an unratified SALT II Treaty clearly demonstrates US acquiesence to Soviet superiority. And the Soviets are estimated to be preparing to deploy over 700 more mobile ICBM launchers by 1987 in addition to their already overwhelming 6 to 1 superiority in ICBM warhead capabilities. The Soviets are already thus 10 to 15 years ahead of the US in strategic offensive capabilities.

Box: 7 Presidentially confirmed Soviet violations of the 1972 SALT I ABM Treaty

12. The siting, orientation, and capabilities of the Soviet Krasnoyarsk ABM Battle Management radar directly violate 3 provisions of the SALT I ABM Treaty;

13. ABM-mode tests of Soviet Surface-to-Air-Missiles and radars are highly probable violations of the SALT I ABM Treaty;

14. The Soviets may be developing and deploying a territorial, nationwide ABM defense, which would violate the SALT I ABM Treaty ban on developing even a base for a nationwide ABM defense; this is a "serious cause for concern."

15. Mobility of the ABM-3 system is a violation of the SALT I ABM Treaty, which bans mobile ABMs;

16. Soviet rapid relocation without prior notification of a "Flat Twin" ABM-3 mobile radar, creating the Kamchatka ABM test range, was a violation of the SALT I ABM Treaty;

17. Confirmed Soviet falsification of their dismantling of excess ABM test range launchers in 1974, which violated the 1974 SALT I ABM Treaty dismantling procedures;

18. Soviet deliberate concealment activities impede verification in violation of the SALT I ABM Treaty.

These Soviet violations of the SALT I ABM Treaty have enormous significance, both military and political. The Soviets are planning to deploy over 3,000 mobile ABM intercepters by 1987, for a nationwide a ABM defense. They can already defend almost 20% of their strategic forces, and soon they will be able to defend 50 to 66%. The Soviets are over 10 years ahead of the US in strategic defenses.

Box: 4 Presidentially confirmed Soviet violations of the 1972 SALT I Interim Agreement on Offensive Weapons

19. Soviet deployment of the Heavy SS-19 ICBM and the Medium SS-17 ICBM to replace the Light SS-11 ICBM was a circumvention defeating the object and purpose of the SALT I Interim Agreement; this violation alone increased the Soviet counterforce threat by a factor of 6 and was as significant a setback for US national security as the loss of the Viet Nam War itself through Communist violation of the 1973 Paris Peace Agreement;

20. Soviet deployment of modern submarines exceeding the limit of 740 SLBM launchers without dismantling other ICBM or SLBM launchers, which the Soviets actually admitted, violated the SALT I Interim Agreement; it actually took the Soviets until 1981, five years after the SALT I Interim Agreement expired, to deactivate all 209 SS-7/8s required;

21. Soviet deliberate *Camouflage, Concealment and Deception activities* impeded verification, in violation of the SALT I Interim Agreement;

22. Implied circumvention of the 1974 SALT I submarine dismantling procedures, through deployment of long-range, supersonic SLCMs on *Stretch Y Class submarines.*

In addition, the President has reported that mobile SS-25 missile bases deployed at dismantled SS-7 ICBM sites will be a "future violation" of SALT I.

Box: Presidential confirmation of manifold Soviet nuclear test ban violations

23. The 1958-1961 Nuclear Test Moratorium. The Soviets breached a unilateral commitment by engaging in atmospheric nuclear weapons tests in August, 1961;

24. The Limited Test Ban Treaty of 1963. There have been "numerous violations" by the Soviets of the Limited Test Ban Treaty by extra-territorial venting of radioactive nuclear debris from underground nuclear weapons tests; (There have been over 30 conclusively confirmed Soviet extraterritorial ventings, and hundreds of other probable and likely violations.)

25. The 1974 Threshold Test Ban Treaty. The US Government has determined that the Soviet Union is likely to have violated the underground nuclear testing yield limit (150 kilotons) of the Threshold Test Ban Treaty. (See chart. There have now been well over 16 Soviet high yield tests violating the TTBT.)

The many Soviet nuclear test ban violations have allowed the Soviets to develop and test much more lethal warheads for their new ICBMs, SLBMs, and cruise mis-

siles. Thus, these Soviet violations have enormous strategic significance.

Box: Presidential confirmation of Soviet violations of the Kennedy-Khrushchev agreement on Cuba of 1962

26. The Soviets breached a unilateral commitment by sending offensive weapons—intercontinental nuclear-delivery capable bombers, nuclear-delivery capable fighter-bombers, and various kinds of nuclear missile submarines—back to Cuba, beginning in 1969.

On September 14, 1983, President Reagan for a second time confirmed that the Soviet Union had violated the Kennedy-Khrushchev Agreement which ended the Cuban Missile Crisis:" That agreement has been abrogated many times by the Soviet Union and Cuba in the bringing of what can only be described as offensive weapons, not defensive, there." This Presidential statement has been backed up by the CIA Director, the Chairman of the Joint Chiefs of Staff, and the Under Secretary of Defense for Policy. Even the State Department concedes that the Soviets have violated the "Spirit" of the Agreement.

Box: Other Soviet Arms Control Treaty violations confirmed by the President

27. The 1925 Geneva Protocol on Chemical Weapons. The United States Government has determined that the Soviet Union is significantly violating the Geneva Protocol on Chemical Weapons by the prohibited first use in war of chemical weapons in Laos, Cambodia, and Afghanistan.

28. The 1972 Biological Weapons Convention. The United States Government has determined that the Soviet Union is significantly violating the Biological Weapons Convention by maintaining an offensive biological warfare program and capabilities.

29. The Conventional Weapons Convention. The Soviets violated the Conventional Weapons Convention by using booby-trap mines and incendiary devices against civilians in Afghanistan.

30. The 1975 Helsinki Final Act. The United States Government has determined that the Soviet Union is violating the terms of the Helsinki Final Act by its inadequate notifications of its Warsaw Pact military exercises.

31. The Montreux Convention of 1936. The Soviets violated the Montreux Convention by transiting the Turkish Straits repeatedly with aircraft carriers. (The Greek Government, a signatory of the Montreux Convention, repeatedly protested these violations to the Soviets, to no avail.)

32. The 1982 Brezhnev SS-20 Moratorium. The Soviets breached their unilateral commitment to end SS-20 deployment by completing SS-20 launcher positions and continuing to deploy new SS-20s.

In sum, 11 of the 32 Presidentially confirmed Soviet violations relate to the SALT II Treaty, 7 relate to the SALT I ABM Treaty, and 4 relate to the SALT I Interim Agreement. Many relate to the nuclear weapons test ban agreements. Nothing whatsoever has been done by the Reagan Administration to counteract these Soviet arms control violations. Until the Reagan Administration, all previous administrations had claimed that if the Soviets were ever caught violating even one arms control treaty, the US would have to reassess the entire spectrum of our relations with them. Complete US inaction in the face of these 32 Presidentially confirmed Soviet violations demonstrates that this was a false premise. In fact, US inaction can be interpreted as appeasement of the Soviets. Instead of reassessing our relations with the Soviet Union, the Reagan Administration actually resumed arms control negotiations with the Soviets aimed at achieving a new arms control treaty, and even agreed to hold a Summit meeting with the Soviets in its quest for a new arms control treaty.

A reasonable explanation of these confirmed Soviet violations is that they are measures to test US Intelligence capabilities and US political will. Further, the violations and the expanding pattern of Soviet Camouflage, Concealment, and Deception activities may be a preparation or a cover for more-extensive violations taking place already of planned for the future. The US still has no long range or even short range strategy to deter or to counteract Soviet violations. But most importantly, Soviet violations are aimed at achieving strategic superiority.

America is now witnessing the Soviet SALT Break Out deployment of hundreds of an illegal new type ICBMs, carrying illegal new MIRVed warheads covertly, being camouflaged illegally, and defended by thousands of launchers for several illegal mobile camouflaged ABM systems, using an illegal nationwide system of large ABM Battle Management radars.

Box: 6 other Reagan administration charges of Soviet treaty violations

1. Soviet violation of the 1945 Yalta Agreement, by denying free elections in Poland;

2. Soviet violation of the 1945 Potsdam Agreement, by occupying Eastern Europe;

3. Soviet violation of the United Nations Charter, through threatened aggression against Poland in 1980–1981;

4. Soviet violation of the Paris Peace Accords on ending the Indochina War, by continuing to buildup the North Vietnamese military;

5. Soviet violation of various international agreements governing civil aviation, by the brutal KAL–007 shoot-down murder incident of 1983;

6. Soviet violation of the 1972 Incidents at Sea Agreement during the attempts to recover the KAL–007 "Black Box". In fact, there is strong evidence that the Soviets shot down KAL–007 in the first place in order to cover-up some of their SALT II violations (such as a test of their illegal SS–25 second new type ICBM with full encryption of electronic telemetry signals) planned for that very night of 31 August–1 September 1983.

The Defense Department has stated that: "The US should vigorously pursue compliance issues with the Soviet Union and demand that the Soviets take corrective action when we detect violations. If this fails, the US should be prepared to take those measures necessary to maintain our national security in the face of Soviet violations.

But the Soviets are directly challenging the essence of the US democratic political system by their 32 confirmed, conclusive agreed, arms control violations. They are boldly gambling that American democratic leaders can not muster the leadership or collect the bipartisan political consensus necessary to demonstrate the political will to compensate for the Soviet SALT violations. The Soviets believe, with some justification derived from their direct experience with American cowardice and appeasement, that American political leaders are paralyzed and demoralized and unable to galvanize public support to challenge them and counteract their threats to our collective allied security.

The Soviets are already quite self-confident, and have reason to be. The Soviets know full well that they have an overwhelming 4 to 1 numerical advantage in ICBM warheads (counting DIA's best estimate of 14 warheads on each of 326 super heavy SS–18 ICBMs, giving the Soviets 8,500 ICBM warheads to only 2,100 for the US), and their accuracy and megatonnage advantages give them over a 6 to 1 or even an 8 to 1 advantage in first strike, counterforce capabilities. The Soviets also have simultaneously over a 14 to 1 advantage in Intermediate Range Nuclear Force warheads against NATO. The Soviets are also deploying a nationwide ABM defense, capable soon of defending not only Moscow, but also ICBM fields and the whole nation. Thus the Soviets are able to threaten the US with a strategic offensive first strike, and soon they will even be largely immune from a limited US retaliation.

Box: 22 additional Soviet SALT circumventions or violations

Assistant Secretary of Defense Richard Perle has testified to the Senate that the existing violations reports from the President are "illustrative only", and that "twenty to twenty-five" more Soviet violations remain to be publicly confirmed by the President to the Congress. The following 22 additional Soviet SALT violations have been widely discussed in the press.

1. Deploying 12 to 14 warheads on each SS–18 ICBM, when SALT II allows only 10, increasing the Soviet ICBM warhead total by over 1,200; the latest NIE reportedly reaches this conclusion.

2. Developing and testing the Soviet SS–18 ICBM rapid-reload and refire capability as a circumvention of all the SALT II ceilings, doubling the Soviet SS–18 force;

3. Soviet testing of an ABM rapid-reload and refire capability prohibited by the SALT I ABM Treaty; the Defense and State Departments say that the Soviets "may" have a reloadable ABM system;

4. Soviet failure to dismantle 18 SS–9 Fractional Orbital Bombardment ICBMs banned by the SALT II Treaty, which also circumvented the SALT I ICBM ceiling;

5. Soviet deployment of SS–11 ICBMs at SS–4 MRBM and SS–5 IRBM soft launch pads for covert soft launch in circumvention of all SALT I and SALT II ceilings;

6. Soviet maintenance of several thousand stockpiled ICBMs, SLBMs, and strategic cruise missiles as potentially operational, thus circumventing all SALT II ceilings;

7. Soviet development and deployment of the SS–24 rail mobile ICBM, which will be above SALT II launcher ceilings, and which reportedly may have heavier throwweight than the Soviet heavy SS–19, and which therefore is a prohibited new very heavy ICBM;

8. Probable Soviet exceeding of the SALT II ceiling of 820 MIRVed ICBMs, by reportedly deploying covertly MIRVed mobile SS–25 ICBMs, and by preparations to deploy MIRVed SS–24 mobile ICBMs;

9. Soviet failure to deactivate old ICBMs on time, in violation of the SALT I ICBM ceilings and 1974 dismantling procedures, and continuous falsification of official deactivation reports between 1975 and 1981;

10. Ongoing Soviet deployment of the mobile SS–16, mobile SS–24, and mobile SS–25 ICBMs, which circumvents and defeats the object and purpose of SALT I, because it is inconsistent with the US SALT I Uni-

lateral Statement against mobile ICBM deployment.

11. Reported Soviet deployment of operational SS-25 mobile ICBMs using old SS-7 ICBM support facilities at the Yurya old SS-7 complex, which violates the SALT I dismantling procedures for old SS-7 ICBMs.

12. Violation of the late Soviet President Brezhnev's 1972 SALT I pledge not to build mobile ICBMs.

13. Violation of the late Soviet President Brezhnev's 1972 SALT I pledge to dismantle the entire G Class of strategic missile submarines.

14. Soviet violation of the SALT II ceilings of 1200 MIRV ICBM and MIRV SLBMs, and the 1320 ceiling on MIRV launchers and intercontinental bombers with long-range ALCMs, through deployment of excess MIRVed ICBM and MIRVed SLBMs and over 50 Bear H bombers and over 250 intercontinental Backfire bombers capable of carrying long-range ALCMs.

15. Soviet circumvention of the SALT I ABM Treaty, by giving the Moscow ABM-3 complex the capability to defend over 300 adjacent MIRVed ICBM silos.

16. Soviet violation of the 1971 Agreement to Reduce the Risk of Outbreak of Nuclear War, by jamming US early warning detection systems, failing to notify the US of this jamming, and failing to notify the US of the early April 1984 salvo launch of multiple SS-20s toward the US.

17. Soviet flight-testing of their new mobile ICBM launchers continuously concealed by camouflage, thereby violating the SALT II provision that the US must be able to determine the relationship between a new missile and its launcher.

18. Soviet achievement of "unilateral advantages" through their circumventions, violations and negotiating deceptions related to SALT I and II. These Soviet unilateral advantages violate the 1972 Agreement on Basic Principles of US-Soviet Relations, which is specified in the Preamble to the SALT II Treaty as a fundamental element of SALT II.

19. Soviet violation of the June 1973 Agreement on the Prevention of Nuclear War, through their hostile actions and hostile threats in the October 1973 Middle East War. (The Federal Republic of Germany has made this charge against the Soviets.)

20. Soviet direct interference with US National Technical Means of SALT verification, in a reported 1980 incident in which Soviet electronic warfare technology actually took control of a US intelligence satellite, actually rendering it useless during a key Soviet missile test. The incident is a clear violation of SALT I and II provisions. Moreover, the Soviets have reportedly blinded US satellites with lasers, and are jamming US electronic collection satellites and other systems.

21. SALT II permits no increase in the throwweight of the super heavy SS-18 ICBM, and no new type of very heavy ICBM to replace it. The Soviets appear to be doing both: developing a 3rd new type ICBM which is even heavier the SS-18.

22. Any follow-on to the heavy SS-24 will have to be within 5% of its throwweight and other characteristics, or else it is a prohibited new type ICBM. The SS-24 follow-on under development is a 4th new type ICBM, when SALT II allows only one new type ICBM, and the SS-24 follow-on also appears to have even more throwweight than the heavy SS-24, which is already probably heavier than the SS-19.

The Soviets have thus gained overwhelming strategic superiority over the US through their SALT violations and thus they will be very reluctant to correct their violations. Indeed, deliberate Soviet efforts to counter US National Technical Means of verification strongly indicate a Soviet intention to persevere in circumventing and violating treaties.

EVIDENCE OF SOVIET DECEPTIVE INTENTIONS

As noted at the outset, according to a Department of Defense statement of March 28, 1984: "The Soviet Union regards arms control negotiations as arenas of political conflict in which important military advantages can be gained or lost. The Soviet leadership does not think in terms of mutuality or perceive arms control negotiations as a means of reducing arms. They attempt at every turn to achieve strategic advantage."

One Soviet military theorist stated in 1971, before SALT I was signed, that "Soviet diplomacy is war." Military Thought, the classified journal of the Soviet General Staff, the Soviet agency most responsible for negotiating SALT, stated that: "In fact, a nation's diplomatic activity becomes a part of those non-military means of policy implementation which . . . are contained within the concept of war."

If the arms control process is considered an aspect of war by the Soviets, then they are guided by Sun Tsu's principle that "all warfare is based on deception."

Assistant Defense Secretary Richard Perle has stated: "I believe we chronically underestimate the extent to which the Soviets engage in concealment and deception in order to mask programs that they have underway. . . . The Soviets have not hesitated to mislead us deliberately and all too successfully, in order to achieve their purpose." And as Richard Perle stated to the Senate Armed Services Committee on February 20, 1985: "The Soviet Union has violated almost all of the most important arms control agreements signed since 1963."

Assistant Secretary of Defense Richard Perle also stated to the Senate Armed Services Committee on February 20, 1985: "The current rash of Soviet arms control violations did not happen by accident. It resulted from the fact that our behavior vis a vis their non-compliance with signed agreements convinced the Soviets that they could get away with these acts. We did little in response to repeated Soviet violations of the LTBT during the 1960s and 1970s. We resolved many SALT I compliance problems by accepting Soviet behavior as legitimate. We resolved the SS-19 "heavy" missile issue by accepting the SS-19 as a "light" ICBM. There are now 2,000 warheads aimed at us on SS-19 missiles. We resolved the launch control silo issue by accepting the legitimacy of launch control facilities that are nearly identical to missile silos. We resolved the deployment of an ABM radar to Kamchatka by accepting it. We resolved the expanding pattern of Soviet concealment activities by ignoring them. During the 1970s we resolved the issue of Soviet testing of SAM missiles in the ABM mode by pretending it had stopped."

And as the President's General Advisory Committee on Arms Control (the GAC) stated in November, 1983: "Aspects of Soviet conduct related to about half their documentary arms control commitments were found to constitute material breaches of contracted duties."

SOVIETS DECEPTIVELY SIGN TREATIES INTENDING TO VIOLATE THEM

It is worth noting that the Defense Department has officially stated that: "Several of these violations must have been planned by Soviet authorities many years ago, in some cases perhaps at the very time the Soviet Union entered into the agreement."

The DOD added: "Major programs recently deployed or now late in development were generally initiated at the highest levels of Soviet leadership about ten years ago." The Soviet SS-24, SS-25 ICBMs and SS-N-20 SLBM programs were started about 1974. The SS-16 program started in 1965.

These cases of deliberate violations planned by Soviet leaders at the very time of signing the arms control agreements relate to the Soviet heavy SS-19 ICBM and the SALT I Interim Agreement of 1972, the 6 Pechora Class ABM Battle Management radars and the SALT I ABM Treaty, the Soviet Biological Offensive Warfare Program and the 1972 Biological Weapons Convention, and the SS-16 and SS-25 mobile ICBMs and the SALT II Treaty.

Moreover, in March, 1984, the Senate was told by a former member of the Joint Chiefs of Staff that twelve years before, in 1972, neither the Senate nor the Joint Chiefs of Staff were informed of vital intelligence information that the Soviet Union intended to violate the SALT I Accords even before they were signed. Through an inordinate and even irrational desire to appear before the public as peacemakers and to preclude jeopardizing the chances of SALT I approval by Congress and thus electoral success, the Nixon Administration apparently withheld this essential military intelligence from our top military leaders, who, remaining in ignorance of it, supported SALT I as did a similarly uninformed Congress.

In particular, Dr. Henry Kissinger may have deliberately misled the Senate by failing to reveal our knowledge of a Soviet plan for circumvention of the key SALT I provision limiting heavy ICBMs. If so, SALT I and the whole ensuing fabric of strategic arms control since 1972 received Congressional approval at its inception under false pretenses covering up Soviet bad faith.

In any event, no one can now doubt that Russia from the beginning of detente in 1972 planned to use the agreed limitations of SALT to freeze US defenses while illegally building Soviet might. Any other interpretation ignores the facts of Soviet strategic growth and what they themselves have revealed. As the Soviet foreign policy expert, Rostislav Tumkovskiy, wrote in 1979 for internal Soviet readership only: "Signing the [SALT I] agreement was a victory of the Soviet Union in the arms race."

A full catalogue of Soviet deceit shows that there are a total of over 310 major cases of Soviet arms control and other diplomatic deceptions since the Bolshevik Revolution of 1917. Fifty Soviet treaty violations involving international security have been confirmed by official Defense and State Department reports, and also by Senate studies. In fact, official US government documentation now fully supports the conclusion that the Soviets have violated, evaded, or circumvented virtually every international security treaty they have signed since 1917. In fact, the only significant treaty the Soviets are known to have kept was their August 1939 surprise agreement with Hitler to invade and divide Poland, the event which precipitated World War II.

AMERICANS MUST UNDERSTAND THE TRUTH ABOUT SOVIET DECEPTION

In 1934, Winston Churchill challenged the British Government to explain to the English people and to the world that the Ger-

mans were violating the arms control provisions of the Versailles and other arms control treaties. In the House of Commons, Churchill stated: "The worst crime is not to tell the truth to the public."

Unfortunately, the British Government lied to the British people. Thus Britain slept until Englishmen had the choice of another World War or eventual Nazi domination.

To avoid a similar choice, we must first admit to ourselves the true result of our misguided recent history. We must acknowledge that the hypnotic fog of detente has frozen US forces and brought about de facto unilateral American disarmament, through stagnation and obsolescence of US strategic systems and the corresponding massive growth in the quality and quantity of Soviet weapons. Additionally, countless successful Soviet deceptions and the significant practical military effects of Soviet arms control violations have further aggravated the strategic imbalance—an imbalance which never more urgently required the American government to take countermeasures than it does now. These are the concrete realities that we must face.

As President Reagan himself stated on March 22, 1985: "I would like to call your attention to something that no one seems to be aware of—that we ourselves have cut the defense budgets over the last four years—our own proposed or projected five year defense spending—we to date reduced those by more than $150 billion, and today the 1985 budget is $16 billion less than the 1985 budget that had been projected by the Carter Administration." And as Richard Perle has stated: "To cut that (defense) budget in the aftermath of Soviet violations, I think, would only encourage the Soviets to the view that they can continue to violate with impunity, without suffering the consequences that people have wrongly assumed would inevitably follow the detection of a Soviet violation."

We must recognize also that overdue remedies will not be cheap. Former Carter Administration Defense Secretary Harold Brown said in 1979, that, without SALT, the United States would be required to spend 30 to 100 billion dollars more on defense during the 1980s for strategic systems.

Now that massive Soviet violations have made SALT, which already favored the Soviet Union, a mere hollow shell, America must accept the new reality and must implement defense programs even, as Harold Brown said, at the additional cost of tens of billions of tax dollars—in order to achieve any hope of catching up with Russia, much less regaining our lost superiority. Yet the Reagan Administration has been forced by Congress to spend tens of billions of dollars less on defense than proposed even by Jimmy Carter; whose defense program relied on Soviet good faith and on Soviet SALT compliance.

To build public and Congressional support for the strategic spending that even the Carter Administration admitted would be needed (and that most Americans even now erroneously believe is being expended), American leaders must come clean with the American people and explain the effect and extent of Congressional defense budget cuts as well as the full extent and effects of Soviet arms control breakout. Otherwise, Americans could receive a highly unpleasant surprise when finally given an answer to Professor Harold Rood's question: "Can it really be true that Soviet negotiations for the Strategic Arms Limitation Treaties are nothing more than part of the preparations for war? That would place Soviet leaders in no better odor than Adolf Hitler . . ."

As President Reagan stated on March 8, 1983, the Soviets are "the focus of evil in the modern world."

Soviet negotiating deception

We turn now to a brief description and discussion of the highly complex subject of Soviet negotiating deception in arms control. The following are examples of Soviet negotiating deception in arms control negotiations:

Examples of Soviet Arms Control Negotiating Deceptions:

(1) SS-19 heavy ICBM existence and large-scale deployment plans were concealed by Soviet leader Brezhnev, SALT I, 1972;

(2) Soviets concealed their SS-N-8's full range in order to gain a 3 to 2 advantage in SLBMs, SALT I, 1972;

(3) Soviets falsified ICBM deactivation reports, 1975 to 1981, SALT I;

(4) Soviets concealed 30 H Class SLBMs in their allowed 950 SLBMs, in order to avoid deactivating them, SALT I, 1972;

(5) Soviets built mobile SS-16 ICBMs, despite Brezhnev's pledge not to, SALT I, 1972;

(6) Soviets lied on "Stretch Yankee" submarine, 1974, SALT I;

(7) Soviets withheld operational SS-16 mobile ICBMs from SALT II Data Base, 1979;

(8) Soviets withheld long range AS-3 Kangaroo missiles from SALT II Data Base, 1979;

(9) Soviet leader Brezhnev falsely claimed that their Backfire bomber did not have refueling capability or intercontinental range, SALT II, 1979;

(10) Soviets refused to agree to heavy ICBM definition, intercontinental bomber definition, or missile capability baseline data, SALT II, 1979;

(11) Soviets lied on Mutual Balanced Force Reductions (MBFR) negotiations troop strength data, 1978-present.

There is extensive evidence of Soviet deception in the SALT negotiations. This evidence spans both SALT I and SALT II, and relates both to Soviet negotiating behavior and to the operation of Soviet strategic forces.

The Soviets deceived the US in May, 1972 on each of the three main issues of SALT I: constraints on ICBM and silo size increases, constraints on SLBMs, and constraints on mobile ICBMs.

In SALT II, the Soviets continued to negotiate deceptively, in order to avoid all effective constraints on "new type" ICBMs. Moreover, the late Soviet President Brezhnev's statement on Backfire bombers is deceptive, because by denying Backfire's intercontinental range and refueling capabilities, it contradicts agreed US Intelligence judgments.

Soviet SALT negotiating deception is confirmed by a highly classified 1978 CIA study by this author entitled "The Soviet Strategic Planning Process and SALT (U)." An unclassified version of this CIA study has been published by this author as "The Bitter Fruit of SALT: A Record of Soviet Duplicity."

In SALT I, the US fell victim to Soviet deceit and to its own gullibility and myopic assumptions. In essence, the US traded off its superior ABM technology in return for what proved to be illusory constraints on Soviet offensive strategic capabilities. Carefully, shrouding their ongoing and ambitious strategic programs, the Soviets negotiated ceilings that in no way compromised their force goals. They used this deception and loopholes in the SALT I agreement both to camouflage and legitimize a thrust to strategic superiority that will endure well into the 1990s. The fact that the US continues arms control negotiations with the Soviets despite officially confirmed Soviet violations and deceptions is an indication of the power of Soviet deception and Western self-deception.

Not only was the US deceived by the Soviet Union in SALT I, but that deception, which has since been acknowledged by former American officials who were its victims, is compounded in the SALT II Treaty. Soviet deception has embraced not only negotiation tactics, but also active concealment of offensive programs. The triump of those tactics is a SALT II Treaty that guarantees an overwhelming Soviet strategic superiority throughout the 1990s.

There is also good evidence of Soviet negotiating deception on the Biological Weapons Convention of 1972. For example, the Soviet Military Dictionary of the 1978 period stated: "Bacteriological warfare is forbidden by international law and is condemned by all progressive mankind." But in the Soviet Military Encyclopedia of 1982, the Soviets said: "Achievement in biology and related sciences have led to an increase in the effectiveness of biological agents as a means of conducting warfare," and to a qualitative re-examination of the very concept of 'biological weapons.'

The following points confirm the above examples of Soviet arms control negotiating deception. First, as the President's General Advisory Committee (GAC) Report stated: "The Soviets sign and ratify arms control treaties they are planning to violate."

The GAC Report added: "The Soviet Union's actions since 1958 concerning arms control agreements demonstrate a pattern of pursuing military advantage through selective disregard for its international arms control duties and commitments . . . The committee found recurring instances of Soviet conduct involving deliberate deception, misdirection, and falsification of data during negotiations."

Moreover, former Under Secretary of Defense DeLauer testified to Congress in 1984 that: "The Soviets in fact never slowed or even perturbed their strategic development and deployment programs in spite of detente, active arms control negotiations, or the SALT Agreements . . . Major programs recently deployed or now late in development were generally initiated at the highest levels of Soviet leadership about ten years ago."

As noted, the Defense Department Posture Statement for FY1985 stated: "Several of these violations must have been planned by Soviet authorities many years ago, in some cases perhaps at the very time the Soviet Union entered into the agreements."

Finally, Assistant Defense Secretary Richard Perle testified to Congress in 1984 that "The Soviets have not hesitated to mislead us, deliberately and all too successfully."

Negotiation over arms control treaties is to the Soviets part of the ongoing war against the West and capitalism. We must recognize that arms control negotiations are an integral part of this ideological war. The Soviet Union has never paid any serious attention at all to its treaty commitments with any nation. The Soviets violate their own constitution, and use international law and diplomacy as instruments of policy in the international power struggle. The Sovi-

ets have been flagrantly violating since 1933 the basic agreement establishing the basis of US-Soviet diplomatic relations, by engaging in revolutionary activity within the US.

HISTORY OF SOVIET TREATY VIOLATIONS AND DECEPTIONS

In April 1984, the Defense Department stated: "To the Soviets, treaties are manipulated in the manner most conducive to the interests of national policy objectives."

This assessment is borne out in an analysis of Soviet Treaty compliance behavior since 1917 and in this fundamental Soviet directive issued in 1917 upon the founding of the USSR: "Deception is an arrangement of light and dark...the people must be made to see white where there is black."

President Reagan, on September 2, 1983, asked these very relevant questions after the Soviet attack on Korean Airlines flight 007: "What can be said about Soviet credibility when they so flagrantly lie...? What can be the scope of legitimate mutual discourse with a state whose values permit such atrocities? And what are we to think of a regime which establishes one set of standards for itself and another for the rest of mankind?"

President Reagan answered his own question, when in October, 1983, be stated: "We can not change the Soviets yet we can change our attitude toward them. We can stop fooling ourselves that they dream the same dreams and cherish the same hope that we do."

A 1962 Defense Department Study entitled "Soviet Treaty Violations" confirmed over 50 Soviet security treaty violations since 1917. These violations were also confirmed by a 1962 US Senate Judiciary Committee study the same year.

Long before SALT began in 1969, the Soviets violated two significant arms control treaties, one in the 1920s, which entailed onsite inspection, and another in the late 1940s.

As Soviet authorities on international law have themselves stated: "Those institutions of international law which can facilitate the accomplishment of the stated tasks of Soviet foreign policy are recognized and applied in the USSR; those which contradict these aims in any way are rejected."

According to an official US State Department Soviet Affairs Note dated August 10, 1959: "Few nations can match the USSR in vociferous protestations of loyalty to international obligations. However, such declarations which are typical of Soviet propagandists and scholars alike-diverge widely from Soviet practice. In the years since the Bolshivik Revolution the Soviet government, while consistantly accusing others of bad faith in international dealings, has not hesitated to violate its own treaty obligations when such action appeared to be in its interest."

This conclusion is well illustrated by V.I. Lenin's cold admission in 1918 regarding the March, 1918 Soviet/German peace treaty of Brest-Litovsk: "Yes, of course we are violating the treaty. We have already violated it 30 or 40 times."

The 1959 State Department analysis of Soviet treaty compliance authoritatively concluded: "The history of the last 40 years provides numerous examples of deliberate treaty violation by the Soviet regime . . . The USSR has disregarded treaty provisions inconvenient to itself, has unilaterally denounced conventions to which it is a party, has threatened abrogation as a means of intimidation, and has on several occasions attacked fellow signatories to treaties of friendship and non-aggression."

It is evident that the Soviet Union places no value in abiding by international agreements. The Soviet view is that, if an international obligation no longer serves its purposes, Moscow has no inhibitions about violating it. As the record of diplomatic history indicates, the Soviet approach to its international commitments should warn us that we must create a clear Soviet self-interest in treaty compliance; otherwise, treaties with the Soviets are self-deceptive scraps of paper, which are worse than worthless. In fact, treaties with the USSR can be a positive danger if they lull us into a false sense of security, as they have done so often in the past.

That same false sense of security has permitted the enormous momentum of the Soviet strategic weapons build-up, which started even before the Cuban Missile Crisis of 1962, and which will continue into the 1990s, unconstrained by existing SALT treaties which the US still unilaterally observes.

Former Reagan Administration Arms Control Director Dr. Eugene Rostow has written: "The SALT I Agreements and the process of negotiating SALT II did not prevent the worst decade of the Cold War or the extraordinary buildup of the Soviet nuclear arsenal."

And as noted, a top Regan Defense official, Dr. Richard DeLauer, also told Congress: "The Soviets in fact never slowed or even perturbed their strategic development and deployment programs in spite of detente, active arms control negotiations, or the SALT agreements."

Finally, as Richard Perle has testified: "The Soviets see arms control negotiations not in terms of negotiating mutually beneficial agreements to limit the risks and consequences of war, but as an opportunity to inhibit US programs, create divisions within the Western Alliance, and prevent the exploitation of advanced US technology to balance Soviet quantitive advantages in military systems." And Assistant Defense Secretary Richard Perle has added that there has been almost a 100% increase in Soviet nuclear warheads aimed at the United States since SALT II was signed in 1979.

A friend of President Reagan, Laurence Beilenson, summed up our problem in his recent book: "We consider ourselves sagacious in staking our survival on treaties with the USSR, whose ideology blesses cheating as a virtue."

But the best summation was given by Soviet leaders themselves. V.I. Lenin stated: "Promises are like pie crusts, made to be broken."

And Joseph Stalin stated: "Words have no relation to actions—otherwise what kind of diplomacy is it? Words are one thing, actions another. Good works are a mask for concealment of bad deeds. Sincere diplomacy is not more possible than dry water or wooden iron."

And Lenin's and Stalin's approach has been confirmed as the consistent Soviet approach by official US Government documentation from 1959, 1962, 1984, and 1985. This documentation supports the final and inescapable conclusion that the Soviets have violated, evaded, or circumvented virtually every international security treaty they have signed since 1917.

But the USSR violates not only its international agreements, it also violates far more basic notions of international conduct. There is thus strong evidence that the Soviet leadership planned and ordered implemented the plot to assassinate Pope John Paul II in June, 1981. Moreover, Soviet violations of the chemical and biological warfare treaties are more than simple arms control treaty violations. They are intentional atrocities. Thousands of innocent men, women, and children in Southeast and Southwest Asia have died horribly cruel deaths at Soviet hands. And these more recent examples are only a small part of the evidence of history which shows that the Soviet Union is truly an outlaw nation operating at the outer bounds of despotism.

CONFIRMATION OF THE FAILURE OF ARMS CONTROL

Finally, we should turn the clock back to 1971, when America was still a Great Power, and examine how American tolerance for the Soviet strategic buildup was the basis for failure of the arms control process. Gerard Smith, the Nixon Administration's Arms Control Director, stated over-confidently long ago in 1971: "If, after a reasonable period, SALT negotiations prove unproductive, or if the USSR resumes land-based ICBM deployment or moves to modernize or expand its Moscow ABM system, the United States would take whatever steps are necessary to maintain its strategic deterrent."

Today, in 1985 we should evaluate Gerard Smith's self confident prophesy.

First, the SALT II negotiations did not produce a ratifiable treaty, even after seven years of negotiations. Thus it is fair to say that SALT negotiations have been "unproductive."

Second, Soviet violations of SALT II and the SALT I ABM Treaty, 17 of which have been confirmed by the President to the Congress, prove conclusively that SALT treaties have not constrained Soviet strategic forces. Indeed, the Soviets have 'resumed' land-based ICBM deployment, in violation of SALT II, and the Soviets are both 'modernizing' and 'expanding' their ABM system, in violation of the SALT I ABM Treaty.

Third, despite Smith's confidence that the US would respond to all these Soviet challenge conditions, the US is not taking the necessary responsive steps to "maintain its strategic deterrent."

In 1972, the SALT I ABM Treaty and SALT I Interim Offensive Agreement succeeded in killing the superior US ABM program, in exchange for constraints on Soviet forces which turned out to be completely illusory. The Soviet offensive buildup continued unchanged by SALT I and II. But since 1972, the Soviets have also competely reversed the relative position of the sides on ABM capabilities, and now the Soviets are Breaking Out of both defensive and offensive SALT I and II constraints. Meanwhile, the Soviets in 1985 are once again trying to convince the US to give up its Strategic Defense Initiative and defensive Anti-satellite program, in exchange again for either nothing or for illusory offensive constraints. But as the late President John F. Kennedy said in 1961: "If they fool us twice, its our own fault." America is in fact quite close to unilaterally giving up its nuclear deterrent.

As the Committee on the Present Danger has concluded recently: "The adverse balance entails both political and military risks . . . As relative Soviet power continues to increase, the Soviets expect the US and its allies to move increasingly toward accommodation and appeasement."

Winston Churchill warned gravely after World War II: "Sometimes in the past we have committed the folly of throwing away

our arms. Under the mercy of Providence, and at great cost and sacrifice, we have been able to recreate them when the need arose. But if we abandon our nuclear deterrent, there will be no second chance. To abandon it now would be to abandon it forever."

ORDER OF PROCEDURE

Mr. PRYOR. Mr. President, I ask unanimous consent that I may be permitted to speak out of order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PRYOR. Mr. President, I am aware that the distinguished Senator from Wisconsin [Mr. PROXMIRE], as a matter of standing, has a special order, already arranged. Should he arrive in the Chamber, I will be more than happy to defer to the Senator from Wisconsin.

Mr. President, I ask unanimous consent that the statements on this subject matter, to be given later in the course of this legislative day, by the Senator from Missouri [Mr. EAGLETON] and the Senator from Vermont [Mr. LEAHY], be printed together with the statement I am about to deliver on this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from South Carolina [Mr. THURMOND] is also scheduled for a special order.

Mr. PRYOR. Under that situation, Mr. President, should the Senator from South Carolina arrive, I will be glad to defer to him because he has a special order scheduled.

THE DEFENSE DEPARTMENT'S INFLATION WINDFALL

Mr. PRYOR. Mr. President, because of three entirely independent studies, there are some questions that all of us in the Senate should be asking about the Defense Department and how it and Congress have budgeted for inflation for the past 4 years. As it turns out, this is a very significant matter: the cost to taxpayers for the problem I will describe has been tens of billions of dollars since fiscal year 1982, and the problem and the waste are continuing. I hardly need to emphasize the significance of an issue of this magnitude to the Federal deficit, the trade deficit and the concern of all of us to put every tax dollar to the most productive use possible. Effectively addressing this problem is Congress's first opportunity to give meaning to all the speeches given in this body for the past 2 weeks on the issues of the deficit and of straightening out the Defense Department.

To explain, we need to review the Defense Department's budgeting and accounting procedures for inflation and a little history.

HOW DOD HAS REAPED A DIVIDEND

Since the early 1970's, each defense budget request that Congress has received has contained a forecast of what amount of inflation is expected to occur. As Congress debates the budget, we refine the inflation forecast, sometimes, and provide what we think is the appropriate amount. After we finally pass the defense appropriations bill, it is time to consider the next fiscal year's budget, and we repeat the cycle.

In the past this system worked reasonably well, even though our inflation predictions were almost always wrong. Very often, especially in the late 1970's, more inflation occurred than we predicted. When that happened, the Defense Department would inform Congress how much we underfunded for inflation, and a supplemental was requested to compensate.

Then, two things happened. First, we reformed procedures for budgeting for inflation in the Defense Department. Second, inflation in the general economy started going down, rather than up.

What reform did we adopt? It was one of the famous 32 Carlucci reforms. The specific reform I am referring to is the one that called for "more realistic budgeting" for weapons programs. Unfortunately, it was one of the few Carlucci reforms that were effectively implemented.

What did this reform do? Why should it not have been implemented? It sought to avoid the mistakes of the past when we had been under-budgeting for inflation; so, it reversed the practice and overbudgeted for inflation. It added a special surcharge that went beyond giving weapons 100 percent of predicted inflation; it gave weapons 130 percent of predicted inflation. This special surcharge, called the Major Commodity Index, was applied to weapons programs in the Department of Defense. It was not applied to any other Federal agency; it was not even applied to nonweapons procurement inside the Defense Department.

Congress accepted the argument in favor of the special weapons inflation surcharge and started to provide funding for it in the fiscal year 1983 budget. From that year until the end of fiscal year 1985, $9.2 billion was appropriated to the Defense Department just for the extra 30 percent in this realistic budgeting reform.

But, while we were funding the "Major Commodity Index," what was happening to inflation in the general economy? It was going down. In fact, the rate of inflation was going down so fast that, in contrast to the past, we were not being too optimistic about inflation; we were being too pessimistic. Not more, but less inflation occurred than we predicted. How much? In fiscal year 1982 we overpredicted inflation by 2.2 percent, in fiscal year 1983 by 2.3 percent, in fiscal year 1984 by 0.4 percent, in fiscal year 1985 by 0.4 percent again.

Each time we predicted too much inflation, we passed an excess appropriation to cover it. We funded inflation that never occurred. How much? $27.6 billion for the fiscal years 1982–85.

What does this mean about Mr. Carlucci's Major Commodity Index? While it was based on the presumption that Congress would underfund for basic inflation, Congress was actually over/funding for basic inflation. Just approving 100 percent of our inflation forecast proved to be too much; thus, the Major Commodity Index's 130 percent was 30 percent more too much.

HOW MUCH UNINTENDED INFLATION FUNDING HAS CONGRESS APPROVED?

In short, we overcompensated in two ways. First, our basic inflation forecasts and the appropriations for them were too high by $27.6 billion, and the Major Commodity Index overfunded by 30 percent on top of that. The total for both forms of inflation overpayment—payment for inflation that never occurred—adds up to $36.8 billion for the past 4 fiscal years. For the Department of Defense this is known as "the inflation windfall."

Unfortunately, there is more bad news. Like interest in the bank, a portion of the annual excess appropriations compounds from year to year. If we put too much money in the fiscal year 1982 budget, the out-year money from that budget sticks around. As long as the inflation forecasts for those out-years is too high, the money remains as excess. When this occurs for 4 years in a row, an additional—compounded—amount results, and it can become substantial. Taking this effect into account, the total, compounded excess appropriation for the past 4 fiscal years would amount to something in excess of the $36.8 billion I have already identified.

Mr. President, how did we let something in excess of $37 billion accumulate? Why did we not balance the books just as any sensible business would?

In the late 1970's when we underfunded inflation, the Department of Defense was our safety valve. Once history demonstrated the size of our forecasting error, Defense would ask us to compensate. But what happened after 1982 when we started to over-appropriate for inflation? Reaping the benefit and being no fool, the Defense Department did not come up regularly and tell us we had given them too much money for inflation. I do not recall any reverse-supplementals the Defense Department asked Congress to enact.

WHERE DID THE MONEY GO?

Instead, some mysterious things started to happen. Rather than asking for an annual balancing of the books, from time to time—actually whenever

Congress seemed about to reduce the defense budget by too large a margin—we would be informed that some extra money had been found from previous budgets. Just lying around in an old shoe box. We were told we could move this money from previous budgets to the new one and thereby soften the blow of congressional budget cuts. This is exactly what happened last May when Secretary of Defense Weinberger told us he had $4 billion extra to be moved into the fiscal year 1986 budget.

Other mysterious money would show up in the form of what are called lapses. This was money that sat around in the Pentagon's accounts too long for it to be used. The statutory authority for its use expired, and it had to be returned, by law, to the Treasury.

Even more extra money showed up in the form of reprogrammings—congressionally approved transfers of funding from one defense account to another. This entire subject of reprogramming should be another and separate subject of discussion and concern.

Still more extra money showed up as unobligated balances: Money appropriated to the Defense Department but not yet spent and not yet lapsed. Some analysts are particularly interested in this specific account because it is $13 billion higher than the Pentagon predicted it would be by the end of fiscal year 1985.

The hard question is, Is all this extra money the same money that Congress over-appropriated to the Defense Department for inflation that never occurred? The answer is not now known and it never will be known. Why? Because the Pentagon has identified only a small portion of it all as excess inflation money. Most of it is identified as resulting from programatic changes—changes in defense programs not related to inflation—program cancellations and delays, management savings, and so on. For example, of the $4 billion that Secretary Weinberger identified to Congress in May he had recently discovered, only about one-third was identified as excess inflation funds. The rest, we are told, was available for reasons other than unrealized inflation.

We seem to be in a real mess here; we know we have overfunded for inflation, and we know by how much, but we do not know where the money went or how much, if any, is left over. How much of it went for $1,000 stool caps, $435 hammers, and $654 armrests? We will never know, but it would seem a safe supposition that such gross waste is easy when there is more than $37 billion looking for someone to spend it.

STUDIES OF DOD INFLATION

We have a debt of gratitude to a colleague for helping us uncover this matter. The subject was first addressed in a speech on the House floor by the chairman of the House Armed Services Committee, Congressman LES ASPIN. He estimated the excess inflation dividend made available to the Defense Department for the fiscal years 1982 to 1985 to be somewhere between $18 and $50 billion. A second major study was released by the congressional military reform caucus. That study concluded the excess inflation funding for the same period could be somewhere between $42 and $54 billion. The suspicions that these studies raised were confirmed when the General Accounting Office was asked to look into the matter by the Senate Appropriations Committee.

The GAO concluded in that statement last month that the excess DOD inflation dividend amounted to $36.8 billion—the amount I cited earlier—if the annual inflation dividend is not compounded from year to year. If compounding is used—as the GAO says it should be—the figure can become larger. However, the GAO is reluctant to assign a specific figure to the compounded total. If excess inflation funding in the fiscal year 1986 defense budget is taken into account, an extra $4.9 billion should be added to the total. It appears indisputable that we are continuing to commit these gross budgeting errors and that the seemingly outlandish findings of Congressman ASPIN and the military reform caucus were all too accurate.

Each of the studies I have referred to came to some other common conclusions. Each identified the 130-percent inflation surcharge—the "realistic budgeting reform"—as wholly unjustified. The GAO found not one but five reasons to terminate the surcharge—

First, it is very difficult to ascribe any specific inflation multiplier to weapons program inflation;

Second, history shows that weapons program inflation actually behaves differently than the Major Commodity Index predicts;

Third, if there is higher inflation in weapons, there should be lower inflation in other forms of defense spending because overall defense inflation generally tracks with inflation in the rest of the civilian economy;

Fourth, if the 130-percent surcharge were used indefinitely, it would eventually absorb the rest of the entire Federal budget; and

Fifth, and most importantly, allowing the surcharge encourages and rewards mismanagement; over budgeting for a weapon can become a self-fulfiling prophecy; with extra money, program managers have no incentive to minimize costs.

WHAT SHOULD CONGRESS DO NOW?

Clearly, the Major Commodity Index should be terminated. Doing so now would mean extracting $3.5 billion from the fiscal year 1986 defense budget and spending it instead on some additional weapons or removing it entirely from the defense budget and using it to pay on our deficit. Leaving that money in the budget for the surcharge will only make room for mismanagement. Unless we take appropriate action, next year's 1987 budget request will very likely contain a similar, but larger, amount for the Major Commodity Index and our rewards for mismanagement will continue.

In addition, according to the most recent forecasts of the inflation now expected to occur in fiscal year 1986, there is an additional $1.4 billion excess in the budget due to yet another inaccurate inflation forecast. This money could be removed from the 1986 budget, in addition to the Major Commodity Index excess. Doing so now, however, should not preclude rechecking at the end of fiscal year 1986 to see if this latest projection turns out to be accurate.

The GAO and other studies made other finds and recommendations that we should also pay some serious attention to. It would naturally occur to any of us that we should find out what actually happened to the excess inflation appropriations—or even just locate what's left—and reclaim that money. That, however, looks like a very difficult exercise. I have already pointed out that, of the mysterious funds that show up from time to time, even the Pentagon can identify only a small portion as due to inaccurate inflation forecasts. The accounting system in the Pentagon is apparently too confused—for reasons we can only suspect—to be helpful. The GAO made this quite clear on the cover of its study, which states "A major difficulty is that the accounting system that tracks how funds are actually being used is not directly linked to the budgeting process."

We can conclude that one thing we should not do is to attempt the futile exercise of tracing money when the tracks have been completely covered over.

How than can we balance the books? Should we consider the money lost and gone forever and just wait for the Pentagon to tell us sometime in the future how much money even it cannot figure out how to spend? Is there any action we can take to rectify our past mistakes?

Again, data in the GAO study suggests a solution. The major portion of the annual defense debate in Congress is about how much real growth to appropriate. Each year this debate continues until we settle on a specific compromise figure. Some years we settle on 5 percent; sometimes we settle on 7 percent; this year we settled on 0 percent. Over the past 4 years, these agreements have amounted to a total of 33.5 percent.

In actual fact, we only thought we had agreed on a total of 33.5 percent real growth. We now know from looking back at history that the actual amount of real growth we funded was higher. Why? Because when inflation we anticipated and funded did not actually occur, the excess funds became available to be spent on programs, not useless inflation. The GAO has done the appropriate computation. It has found that we did not appropriate 33.5 percent real growth; we appropriated 40.1 percent real growth.

From the data in the GAO study we should now be able to calculate what we should appropriate in fiscal year 1986 to provide the 33.5 percent real growth we thought we were providing. To do so would be a one time only readjustment of the defense budget baseline to make reality out of Congress intentions. What should that baseline be for fiscal year 1986? If we calculate the real growth intended by Congress from fiscal year 1982 forward for the Department of Defense and military construction—that is, just the defense money that goes to the Defense Department and not counting money in other agencies for defense—to correct baseline for fiscal year 1986 is $287.5 billion. That is $6.7 billion less than the funding we approved last spring when we intended to approve a zero growth defense budget.

That $287.5 billion, Mr. President, would allow all the real growth Congress intended for the past 4 fiscal years; it would fund all the inflation that actually occurred, and it would buy every ship, tank and airplane Congress decided it wanted to buy. That amount, $287.5 billion, is the precise amount of real growth Congress debated over and agreed upon. We haggled and argued, and we made an agreement. Any chart anyone—including anyone in the Defense Department—will show you states that from fiscal year 1982 to fiscal year 1985 we in Congress approved 33.5 percent real growth, not 40.1 percent. If we don't balance the books, we will have to rewrite all the charts. The question is, are we going to do what we said we would do?

Are we going to approve in fact the Defense Program we approved in our minds? To realize our intentions, we will have to reduce the currently approved budget resolution zero growth defense budget for fiscal year 1986, which we now know is set at the wrong level, by $6.7 billion. To do so will enact the defense freeze we agreed to approve. We thought $294.2 billion was a freeze; in fact, $287.5 billion would be a freeze; $287.5 billion will provide no real growth, but it will account for all the inflation that has actually occurred.

If we enact what the Senate passed in the defense authorization bill and in the budget resolution, $294.2 billion for Defense Department spending, we will not be enacting a zero growth defense budget; we will be enacting a 2.3-percent real growth budget. That is the difference that this $6.7 billion will make. The defense budget we have approved so far is a phony budget; it is not a freeze; it is a 2.3-percent real growth budget.

One final question has to be answered to solve all the problems that research into this matter has revealed to us: are we going to find a way to stop committing these gigantic errors? Are we going to keep on relying on habitually inaccurate inflation forecasts, or are we going to allow a little reality to enter our deliberations?

Again, the GAO has given us a suggestion: it recommends that the Defense Department must "monitor any actual inflation dividends or shortfalls that occur and report the latest information to Congress at the critical stages in the budget process." What that means, Mr. President, is that on a regular basis we will have to check in with actual history, see if our inflation expectations were realistic, and adjust accordingly. Depending on what the facts tell us, it may mean at times that we owe DOD money; in other instances, it may mean that DOD owes the Treasury money. Without making a rectification for inflation a regular part of our budgeting practices, we will only be keeping ourselves in the dark, and we will make the entire Federal budget vulnerable to losing tens of billions of dollars that could be put to productive use.

Finally, Mr. President, there are lessons in all of this for our work on the entire Federal budget. First, we should inspect the budgets of all Federal agencies, not just the Defense Department, for problems similar to what we have discovered here. Second, we should never in the future allow any Federal agency to influence directly what inflation index should be applied to its own spending. The Defense Department was given that opportunity with the Major Commodity Index—the Carlucci index—and exploited the situation.

Many outside of DOD, and some inside DOD, who have closely inspected the Carlucci index can find no objective justification for it. Not only should it be eliminated, but henceforth we should require that no Federal agency will benefit from self-serving inflation indices. Only an independently derived index should be used. The GAO recommended the GNP inflation index for the entire defense budget. The military reform caucus suggested that using the Producer Price Index for the procurement budget might be more appropriate. Whichever is used, we must not allow it to be jiggered by interested parties. We cannot allow one Federal agency to perform raids on the Treasury at the expense of the rest of the Government and the taxpayers.

Mr. President, I see the Senator from Wisconsin on his feet and once again I apologize for taking some of his time.

If I might at this time, let me conclude my remarks.

Mr. President, I have tried to explain in understandable terms a subject that is complex and hard to fathom. When I was first informed of this issue, I laterally could not believe my ears. Congressional budget procedures for inflation contain a fundamental flaw; they don't track with reality; they fail to check in with history and balance the books. We have been unintentionally deceiving both ourselves and the taxpayers. We should move quickly to adopt solutions and restore integrity to Congress' most important constitutional function: the control of revenues. Effective solutions need not be complex; all we need to do is—

Balance the books now and on a regular basis in the future; and

Stop committing the past errors.

I hope my colleagues will give their most serious attention to this matter. It deserves our attention; it demands our attention. I understand that at this point no hearings have been scheduled on the GAO study. I hope that situation will change. To do nothing will perpetuate the loss of billions of dollars to pay for inflation that has not and will not occur. I cannot imagine a more appropriate effort for us to engage in when all of us are desperate to find savings to apply to the national deficit.

I shall ask unanimous consent for there to be printed in the RECORD materials and newspaper articles shedding further light on my remarks.

Mr. President, I ask unanimous consent that a short executive summary prepared by my staff on this matter be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXECUTIVE SUMMARY

Every agency budget that Congress approves contains funding for anticipated inflation. Historically, those inflation forecasts have been inaccurate. In the late 1970's, particularly in the defense budget, inflation costs were underestimated. As a result, DoD would request and receive supplementals. Things changed in 1982; inflation started to decline faster than anticipated. As a result, Congress over-budgeted for inflation, but DoD did not regularly inform Congress of this new phenomenon.

After studies of this matter by Congressman Les Aspin and the Congressional Military Reform Caucus, the General Accounting Office found that from fiscal year 1982 to 1985 the Defense Department received an excess of $36.8 billion for inflation that was anticipated but which did not actually occur. In addition, the GAO has found an

excess for inflation in the FY 86 budget of $4.9 billion.

There are two sources of this excess money: (1) over-estimates of basic inflation in the general economy; (2) the Major Commodity Index, a special 30% add-on for inflation in weapons programs. The GAO found no justification for this cost increasing funding buffer.

A natural question is: what happened to all of this money? It appears that no one really knows. The GAO pointed out a mismatch between the DoD's budgeting and accounting systems that lost track of the money and allowed it to become hopelessly intermingled with other excess funds resulting from non-inflation related budget activity. It also appears that much of the excess inflation money went to pay for extra costs. There is little evidence that the excess $36 to $40+ billion went toward extra real defense. Put another way, Congress thought it approved 33.5% real growth from FY 82 to FY 85; actually, it approved funding for 40.1% real growth, but that difference, 6.6%, did not result in 6.6% more defense.

This evidence calls for four actions by Congress—

Eliminate the Major Commodity Index which gives weapons not 100% of inflation, but 130%;

Regularly check in with actual history to readjust, up or down, the amount of inflation funding allowed in budgets;

Do not allow any federal agency to conjure up self-serving inflation indices for their own spending; and

Check all federal agency budgets for problems similar to those found in the Defense Department.

Mr. PRYOR. Mr. President, I ask unanimous consent that another summary "The Costs of Funding Nonexistant Inflation," also prepared by my staff, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE COSTS OF FUNDING NONEXISTENT INFLATION

In the late 1970s, when inflation was rising faster than expected, congressional appropriations to DOD were not sufficient to cover the inflation that actually occurred. DOD requested, and received, supplemental appropriations from Congress to correct for this underestimated inflation. In the first half of the 1980s the problem was reversed; less inflation actually occurred than projected in annual DOD budget presentations. As a result, Congress funded DOD for more inflation than actually occurred. In contrast to the late 1970s, DOD has not annually sought a rectification from Congress to readjust. As a result, Congress provided the Defense Department with 6.6% more real growth than intended since FY 1982. In addition, it appears that the "zero growth" FY 1986 Department of Defense budget actually contains some real growth. Without an end to inappropriate inflation funding practices, the problem will only continue and worsen.

This issue has been the subject of three major reports. The first to become publicly known was a speech by Congressman Les Aspin. He estimated the excess inflation funding made available to DOD for the fiscal years 1982-1985 to be somewhere between $18 and $50 billion. The second major study to be released was conducted by the Congressional Military Reform Caucus. That study concluded the excess inflation funding for the same period could be somewhere between $42 and $54 billion. The General Accounting Office was asked by the Senate Appropriations Committee to study the matter; its study was released on September 3. It concluded that the excess DOD inflation dividend amounted to $36.8 billion. This calculation does not assume that a portion of the inflation dividend, like interest in the bank, compounds from year to year. The GAO report did, however, accept the principle of compounding but found it difficult to arrive at an authoritative, compounded figure. Were any compounding effect to be calculated, the amount would exceed the $36.8 billion identified by GAO. In addition to the FY 82-85 windfall, the GAO has found an excess of $4.9 billion in the FY 86 budget, due to a special weapons program inflation index multiplier and continuing inaccurate inflation forecasts.

The Department of Defense has not yet publicly responded to the GAO study, but Secretary Weinberger has responded with a letter to Congressman Aspin. That letter confirms that less inflation has actually occurred than Congress anticipated and funded since FY 82, and it states that $61.7 billion has been shifted within or removed from the DOD budget as a result. However, of the $61.7 billion claimed by Secretary Weinberger, $33.3 billion was never even requested from Congress and was only included in initial DoD spending plans; $7.1 was "lapsed" and returned to the Treasury, and $13.1 was the subject of congressionally approved reprogrammings. Most significantly, Secetary Weinberger's letter did not distinguish inflation related funds from program alterations, savings or cancellations or other funding changes, not related to inflation, that commonly occur in the defense budget. Thus, it is difficult to compare the numbers contained in the Weinberger letter to the Aspin, Reform Caucus and GAO studies.

In addition to restricting their analysis to inflation, the three non-DoD studies have an additional important aspect in common. Each of them found unjustified a 30% add-on that DoD has been applying to major weapons buying since FY 83. This inflation surcharge, known as the Major Commodity Index, was initiated as one of the 32 Carlucci "reforms" in 1982; it allows all major weapons programs 30% more inflation than the rest of the economy has been experiencing, and for the last four fiscal years has been 30% higher than the already too high basic inflation forecasts. None of the non-DoD studies found any present or historical justification for this additional inflation dividend. $3.5 billion remains in the FY 86 budget request, presently pending in Congress, as a result of the 30% surcharge.

Another lesson to be learned from the three independent studies and the Weinberger letter is that it will probably be a futile exercise to determine with any clarity where the excess inflation money went. Some was "lapsed"; some was reprogrammed, and some was removed by Congress from requests. More importantly, however, some has very probably been paid to contractors in the form of extra costs, and some might remain unexpended in the DoD's $64.9 billion account of unobligated balances, $13.3 billion of which is beyond DoD's own estimates of what would be obligated by the end of FY 1985. To find what really happened to this money would require a very time consuming and expansive accounting effort that would probably be arguable in the end. GAO pointed out the difficulty of such an exercise on the cover sheet of its study: ". . . the accounting system that tracks how funds are actually being used is not directly linked to the budgeting process." In short, a mismatch between the budgeting and accounting systems in the Department of Defense have covered over the tracks of exactly what happened to the excess inflation appropriations.

Appropriate readjustments can, however, be made.

POSSIBLE REFORMS

All available independent analyses agree that the 30% surcharge should be terminated. Funding resulting from it in the FY 86 budget presently before Congress amounts to $3.5 billion.

History makes clear the habitual inaccuracy of projections of anticipated inflation into the future; they are routinely too high or too low by some degree. Instead of relying on inaccurate projections, Congress could annually rectify the DoD budget after the fact by looking back at actual inflation history and readjust as determined appropriate—i.e., we could annually balance the books. While FY 86 is not yet history, GAO's latest refinement of the inflation rate expected to occur in FY 86 indicates that basic inflation funding, in addition to the $3.5 billion Major Commodity Index excess, may be $1.4 billion too high. This possible excess could be removed from the defense budget now, but any such action should not preclude a rectification when FY 86's actual inflation rate can be factually established.

The independent studies of this problem demonstrate the impropriety of allowing any federal agency to meddle with the inflation index applied to its own spending. Instead of any special, budget increasing inflation index, whether applied forward or to the past, Congress should insist on the use of only independently derived, unaltered inflation indices. The GAO recommended the GNP inflation index—without any special multipliers.

The mismatch between the accounting and budgeting systems in the Defense Department, pointed out by the GAO, will make it very difficult to identify and reclaim whatever amount of excess inflation funding remains unspent in the DoD budget. While it may not be possible to locate whatever may be left of the inflation dividend, it certainly should be possible to require a budgeting and accounting system that tracks inflation money throughout its travels in the Department of Defense.

It may also be possible to recalculate what level of funding Congress should appropriate to DoD in FY 86 to restore the spending baseline to the amount of real growth intended by Congress over the past four fiscal years. GAO calculates that Congress intended to approve 33.5% real growth from FY 82 to FY 85 but actually provided 40.1% real growth due to excessive inflation funding. Using this data, it is apparent that the zero growth, inflation adjusted baseline for FY 86, presently informally set at $294.2 billion for the DoD and Military Construction spending ceiling, is too high. To make a one time rectification of the FY 86 baseline to allow only the real growth intended by Congress would require reducing the 86 DoD and MilCon baseline to $287.5 billion, if only the real growth intended by Congress since FY 1982 is allowed. Any amount in excess of the $287.5 figure would provide the real growth to DoD in FY 86 beyond the rate of real growth intended since FY 1982, an

action Congress decided not to take. For perspective, this means a real growth of 2.3% if the current FY 86 Budget Resolution and DoD Authorization Conference Report are fully appropriated. Were the suggested baseline reduction to be enacted, the $4.9 billion reduction identified above as specific FY 86 inflation excess should not also be extracted from the budget.

The FY 86 DoD Appropriations bill is Congress' first opportunity to readjust funding levels to those intended and to terminate the practices that result in the excess inflation dividend for DoD.

Other federal government agency budgets should be inspected for the same problem.

Mr. PRYOR. Mr. President, I ask unanimous consent at this point in the RECORD that a summary of the Comptroller General's report to the chairman of the Senate Committee on Appropriations and to Senator D'AMATO be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[Comptroller General's Report to Chairman, Senate Committee on Appropriations, and Senator Alfonse D'Amato]

POTENTIAL FOR EXCESS FUNDS IN DOD

DIGEST

The defense budget has grown over 100 percent (52 percent in constant dollars) between fiscal years 1980 and 1985. The Senate budget resolution for fiscal year 1986 is the first major reversal to this trend. In effect, it targeted the defense budget at prior year levels with the exception of an amount added on to compensate for estimated inflation.

The Secretary of Defense acted to minimize the effect of the lower target by reapplying funds from fiscal years 1984 and 1985 available from what he said were management improvements, lower inflation, and the latest inflation projections for the fiscal year 1986 budget. His budget offer raised considerable congressional concern about potential excess funds in the Department of Defense (DOD) budget.

Senators Mark O. Hatfield and Alfonse D'Amato asked GAO to review this matter. Congressman Les Aspin later asked GAO for a similar review. This report responds to all three requests.

INDICATIONS OF EXCESS FUNDS

During the 1980's, DOD requested budget authority based on inflated estimates of inflation and has been unable to use appropriated funds at the rates estimated when the funds were requested and appropriated. At the start of fiscal year 1985, DOD had authority to obligate $427.1 billion. Of this amount, $284.7 billion was fiscal year 1985 authority; the balance was prior year authority and reimbursable funds. DOD also had unliquidated obligations of $153.5 billion.

INFLATION

DOD has budgeted $36.8 billion more for inflation since fiscal year 1982 than was needed to cover inflation. A special multiplier is used for major weapons that accounts for $9.2 billion of this amount.

GAO was asked to consider alternatives to the current system for dealing with inflation. Three alternatives were considered:

1. Budget for inflation through a revolving fund: GAO believes there are technical, managerial, measurement, and monitoring problems that make this alternative difficult.

2. Do not budget for inflation (fund inflation with savings or a supplemental appropriation): Because defense programs, especially weapon systems acquisition programs, take several years to implement and change frequently during that time, it is difficult to distinguish the effects of inflation from the effects of the program changes. Thus, it would be difficult for DOD and the Congress to determine what the supplemental amounts should be.

3. Improve the present inflation estimating system: some improvements could be achieved easily, such as eliminating the special multiplier for major weapon systems. Under this alternative, DOD would use the gross national product (GNP) deflator for all nonpay and nonfuel purchases. Then DOD, in consultation with the Office of Management and Budget (OMB), could decide how amounts should be distributed within the DOD budget structure. GAO favors this alternative.

UNOBLIGATED BALANCES

Unobligated balances and lapses from appropriations are likely to be $64.9 billion by the end of fiscal year 1985. This is $13.3 billion more than was estimated in DOD's fiscal year 1986 budget. For the past 4 years, DOD has underestimated the level of unobligated balances (and has also allowed funds to lapse). At the end of fiscal year 1984, the total was $57.9 billion—$14.1 billion more than DOD reported to Congress in its fiscal year 1985 budget documents. GAO found that these underestimates occurred because DOD was unable to achieve planned obligation rates.

REPROGRAMMING ACTIONS

Reprogramming actions in fiscal years 1980-85 totaled about $26 billion. Reprogramming actions have provided DOD with flexibility to reapply funds in excess of program needs.

The DOD procurement accounts sustained the largest and most consistent loss of funds in all fiscal years. Top losses were in the Air Force Aircraft Procurement and Navy Shipbuilding and Conversion accounts. Over the same period, the research, development, test, and evaluation accounts received a steadily increasing amount of funds.

CONCLUSIONS AND RECOMMENDATIONS

Although it has now become apparent that more funds for programs were available in DOD's budget than Congress intended, GAO did not fully assess the total amount of "unneeded funds" or those funds that DOD or the Congress used for other purposes. GAO could not determine the precise amount of excess funds still available in DOD without doing an inordinate amount of work.

Moreover, although DOD has in place an elaborate planning, programming, and budgeting system the accounting system that tracks how funds are actually being used is not directly linked to the budgeting process. Without an integrated budget and accounting system that can routinely produce relevant and vital financial information, GAO could not easily perform an audit of available funds in excess of defense requirements.

GAO continues to believe that DOD needs to improve and integrate its budget and financial management systems. GAO views on such systems are included in previous GAO reports.

In this report, GAO makes recommendations aimed at bringing the funds provided in congressionally approved DOD budgets in line with what is needed to carry out the programs and activities authorized in those budgets.

DOD should make improvements in the existing system used to budget and account for inflation. Therefore, GAO recommends that the Secretary of Defense take the following actions:

Continue to use the GNP deflator as the basic index for DOD inflation budgeting for the portion of the DOD purchases other than pay and fuel.

Eliminate the use of a multiplier in budgeting inflation for the major weapon systems accounts.

Distribute the funds budgeted for inflation among the various DOD appropriations accounts in consultation with OMB. (In effect, this would give DOD flexibility in deciding how to apportion the allowable inflation projects among the nonpay and nonfuel accounts.)

Monitor any annual inflation dividends or shortfalls that occur and report the latest information to the Congress at the critical stages in the budget process (request, budget resolution, authorization, and appropriations).

AGENCY COMMENTS

Because of the wide range of topics included in this report and the extremely limited period allowed to comment on the draft report, DOD said it would not be able to provide meaningful comments prior to publication of the final report. DOD further said that a detailed response to the final report will be provided as soon as possible afer it is received.

Mr. PRYOR. Mr. President, I ask unanimous consent at this point in the RECORD that a summary of a report prepared by the military reform caucus dated May 1985 entitled "Can Congress Rely on DOD's Inflation Adjustments as the Basis for a Budget Freeze?" be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

CAN CONGRESS RELY ON DOD'S INFLATION ADJUSTMENTS AS THE BASIS FOR A BUDGET FREEZE?

(A report prepared by the Military Reform Caucus)

Since 1979, each year's Congressional debate on the DOD budget ceiling has focused on what percentage to add to last year's budget, after last year's budget has been adjusted for inflation. Concerning the inflation adjustments themselves, there has been no Congressional debate—even though the adjustments are calculated by an interested party, namely, DOD.

DOD's annual adjustment for inflation differs from the other COLA's in a fundamental way. Whereas the Social Security, and the various retirement and salary COLA's adjust payments to compensate for inflation that has already occurred, DOD's inflation adjustment is based on inflation that is predicted to occur in the future. Despite the fact that inflation predictions are notoriously inaccurate, the Congress has no institutional mechanism to annually determine if DOD is overestimating inflation or to insure that DOD returns any excess funds to the treasury.

To help Congress exercise its oversight responsibility, the Military Reform Caucus has conducted a study to review whether

DOD's inflation adjustments requirement unbiased estimates or hidden additions to DOD's annual budget growth. The study has produced three key findings:

1. To increase funding for major systems procurement, in every budget since FY'83 the DOD has awarded itself a 39% add-on to its traditional Defense Procurement Deflator inflation rate projections.[1] The 30% projected rate increase is unwarranted, particularly when compared to actual historical inflation rates for major systems. Yet, DOD claims that the 30% increase is justified by a 1979 Department of Commerce study. In fact, that study does not address inflation rate projections, much less 30% add-ons.

2. Using either the new, Carlucci-introduced Major Commodity Deflator or the traditional Defense Procurement Deflator for DOD's annual inflation adjustment inherently rewards DOD for (a) overruns; (b) increase in contractor overhead or other nonproductive cost claims; (c) cost-increasing stretch-outs; (d) shifting funds into procurement accounts with high cost growth; and (e) paying inflated or unjustified prices for either spares or major systems.

The only way to avoid an inflation index that rewards DOD for mismanagement is to use an index based on comparable market sectors of the economy, such as the Producer Price Index for the manufacturing sector (since the vast majority of DOD's purchases are manufactured items).

3. With or without the 30% add-on, DOD's projections of future inflation have been consistently high relative to actual inflation in comparable sectors of the market economy.

The DOD projections proved to be higher than actual inflation rates in the manufacturing sector (Producer Price Index for Durable Manufactured Goods) by 81%, 183%, 137%, and 264%, respectively, for the last four budgets. (FY'82 to FY'85).

Using several measures of actual inflation derived from the competitive manufacturing sector of our economy, the excess appropriations due to DOD's inflation overestimates appear to be $42 and $54 billion. These costs to the taxpayer are unwarranted.

These findings have three major implications for congressional action:

First, congressional budget committees cannot continue relying on DOD's own inflation projections and DOD's historical inflation indicies. Congress needs to make an independent estimate of an unbiased and reasonable inflation allowance for DOD based on prices in comparable competitive market sectors of the economy.

Second, compared to inflation in the competitive manufacturing sector, biased and unwarranted inflation adjustments have provided DOD with excess funding of $42 billion to $54 billion between FY'82 and FY'85. The most direct way for the taxpayer to recover this money would be to transfer the execess funding out of DOD's unobligated balances back to the Federal Treasury—where it would be used to reduce the deficit and its intererst burden.

Third, after the above correction for excessive inflation allowances since FY'82, Congress needs to institute an annual DOD budget correction, either positive or negative, for the previous years inflation underestimate or overestimate.

The alternative, allowing DOD to continue increasing procurement outlays in FY'86 and beyond without changing current management and noncompetitive procurement practices, will insure that the increased outlays will be largely converted into ever-increasing contractor overhead and other nonproductive cost claims.

The American taxpayer should not be asked to continue paying DOD's inflation windfall while receiving no increased rearmament in return.

[1] This add-on was one of the Carlucci management "reforms" promulgated in late 1981.

Mr. PRYOR. Finally, Mr. President, I ask unanimous consent that the Wall Street Journal and New York Times articles on this subject be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, May 10, 1985]

PENTAGON INFLATION OVERESTIMATE IS SAID TO REAP WINDFALL OF UP TO $28 BILLION

(By Tim Carrington)

WASHINGTON.—The Pentagon reaped a budget windfall of as much as $28 billion over the past four years by overestimating the projected rate of inflation, according to congressional and private analysts.

Several studies in the works suggest that since fiscal 1982, which began Oct. 1, 1981, Congress has authorized billions of dollars for the Defense Department to keep up with inflation that never occurred. Moreover, Pentagon officials concede that there's no systematic adjustment made when inflation estimates are found to have been too high.

SLUSH FUND

Until recently, Congress focused on how much money to add to the defense budget after adjusting for inflation. Currently, however, key lawmakers are questioning the inflation assumptions used in recent years, and some even suggest that a Pentagon "slush fund" has been created as a result of the excessive inflation estimates.

"Since 1982, Congress has been consistently providing more money to cover inflation than they needed," says Douglas Lee, a defense analyst with Washington Analysis Corp., a Washington, D.C.-based affiliate of First Manhattan Co., a New York securities concern. "It gives the Pentagon managers a great deal of discretion: A program gets into trouble and they need some extra money, it means they can do things without going back to Congress."

Mr. Lee estimates that from fiscal 1982 through 1985, the inflation assumptions have built a windfall of as much as $28 billion, nearly as much as the $29 billion budget increase originally requested by the Pentagon for fiscal year 1986. A private budget analyst working on a separate study of the matter also says the excess could be that high.

Rep. Les Aspin (D., Wis.), chairman of the House Armed Services Committee, is completing a study that suggests the Defense Department has built a huge financial cushion through its inflation estimates. In addition, Sen. Lawton Chiles (D., Fla.) recently questioned Pentagon officials during hearings on this matter.

Pentagon officials concede questions about the method are mounting. "It creates from time to time an argument that you've got too much of an inflation index and that you're stashing money," says Col. Joseph Graham, an aide to the Defense Department comptroller.

Asked what the Pentagon does with any funds that stem from excessive inflation projections, he says, "I can't say anything specific." Col. Graham says some of the money "Would be a potential for reprogramming," in which the department moves money from one project to another based on funding needs. The Pentagon didn't provide estimates on how much money may have built up as a result of excessive inflation estimates.

SEPARATE INDEX

In 1982, the Pentagon adopted a separate inflation index for weapons, known as the "major commodity index," after the costs of many weapons systems and defense materials had risen at a significantly faster rate than the general economy during the 1970s. The index is coming under criticism, however, because it reflects many increases in Pentagon payments for major weapons, whether or not those increases are attributable to inflation.

Karl Galbreath, head of the price-measurement branch of the Bureau of Economic Analysis, said that calling the defense inflation guage a commodity index "is probably a misnomer. It should really be called a major weapons appropriations (index)."

The bureau, which manages indexes for all government agencies, has found that the major commodity index has risen much faster than the broader gross national product index. For example, in 1983, the major commodity index rose 8% from the previous year, compared with a rise of 3.8% for the GNP index. For 1984, the major commodity index jumped 7.3%, compared with 3.8% for the GNP index. (GNP measures the total value of the nation's output of goods and services.)

In planning the defense budget, the Office of Management and Budget uses inflation assumptions for defense that are about 30% higher than the assumptions used for the rest of the budget. The higher inflation projections are based largely on the rises in the major commodity index.

[From the Wall Street Journal]

PENTAGON'S INFLATION-ESTIMATE WINDFALL MAY ADD UP TO $50 BILLION, ASPIN SAYS

(By Tim Carrington)

WASHINGTON.— Rep. Les Aspin (D., Wis.) estimates that the Pentagon has reaped a windfall possibly totaling as much as $50 billion as a result of excessive inflation projections built into the defense budget since 1982.

Rep. Aspin, in releasing the latest estimate of this windfall, didn't accuse the Defense Department of wrongdoing. But the lawmaker, who is chairman of the House Armed Services Committee, said weeks of investigation by his staff haven't shed much light on what has become of the money.

The Pentagon has acknowledged it doesn't have any systematic plan for making adjustments when inflation projections turn out to have been too high.

In a letter to Defense Secretary Caspar Weinberger, Rep. Aspin begins, "Dear Cap: I've got a problem." He asks for help in resolving the question, "Where are the funds that comprise the inflation dividend of recent years?" Mr. Aspin says, in a floor speech slated for delivery today, that Congress should devise a system for making year-to-year adjustments in the Pentagon budget when more money than necessary has been appropriated to offset cost increase.

In a statement issued over the weekend in response to Rep. Aspin's statement, Deputy

Defense Secretary William Taft said: "The President's economic policy has reduced inflation more than Congress expected, and the department has managed its programs more effectively than in the past." He said that "behind the innuendo and insinuation in Rep. Aspin's press release lies a record of remarkable administrative achievement."

Mr. Taft said that some of the savings have been returned to the Treasury but he didn't specify how much.

Estimates of the Pentagon's inflation savings remain vague, because there's no system for accounting for funds appropriated to cover inflation. Other studies in the works suggest that the Pentagon has reaped $28 billion since 1982 as a result of its inflation projections. Rep. Aspin couldn't pin down the total, but he said it is at least $18 billion and may be as high as $50 billion.

For the past five years, Congress has concentrated on how much money to give the Defense Department after providing for cost increases resulting from inflation. Currently, many lawmakers agree with Rep. Aspin that the Defense Department has realized a greater expansion than had previously been believed as a result of exaggerated inflation projections.

Moreover, the Senate-approved defense budget, which calls for no increase after inflation adjustment next year, may actually include hundreds of millions of dollars in "real growth" if the inflation projections continue to exceed the actual inflation rate, congressional aides say.

Last week, Secretary Weinberger conceded that high inflation estimates had produced a nest egg of about $4 billion, and he urged Congress to use these funds to maintain weapons programs in the proposed fiscal 1986 budget, which has been slashed since the administration submitted it in January.

However, Mr. Weinberger's move angered many lawmakers who had fought for a budget increase based on the Defense Department's assurances that the administration's budget plan already had been "scrubbed" of any excess funds.

Others contend that the Pentagon has additional pockets of unspent funds it hasn't yet brought to light. A White House official, for example, estimates there is another $4 billion or $5 billion that has accumulated from past budget years.

However, most students of the budget process say the Pentagon's inflation windfall probably has been spent. Rep. Aspin says surplus funds in one program have been switched to other programs that have experienced cash shortfalls. The Pentagon is required to notify Congress when it reprograms funds, but such notices usually don't indicate the sources of the savings.

Rep. Aspin said some of the surplus funds appropriated for inflation have been passed on to military contractors through excessive inflation assumptions built into their weapons contracts. Rep. Aspin calculated that from 1981 until 1984, the average return on sales for the 10 largest publicly traded defense contractors rose to 5.4% from 3.9%. The gain is partly attributable to the inflation windfall, he said.

In at least two instances, however, the Pentagon has asked contractors to return money resulting from excessive inflation allowances. In March, the Air Force asked General Electric Co. to return $168 million and asked the Pratt & Whitney division of United Technologies Corp. to pay back $40 million. Thus far, neither concern has reimbursed the government.

Defense Secretary Caspar Weinberger, discussing the excessive inflation estimates, yesterday on NBC-TV's "Meet the Press," said, "This has happened now for three years. It shouldn't be a surprise; it should be a source of considerable gratification."

[From the Wall Street Journal, Sept. 4, 1985]

POLICY REPORTED TO GIVE SURPLUS TO PENTAGON

(By Tim Carrington)

WASHINGTON.—The General Accounting Office estimates that the Pentagon netted a windfall of $35 billion in fiscal 1982 through 1985 by using excessive inflation projections in budget planning.

The surplus, which is higher than most earlier estimates, occurred because the annual inflation rates were lower than government economists projected in those years. According to a GAO study, the Pentagon redirected most of the funds to weapons programs and personnel pay raise. The study, requested by Chairman Les Aspin (D., Wis.) of the House Armed Services Committee, calls for steps to ensure that the Defense Department doesn't receive excessive funds to cover inflation in the future.

The report, which the GAO is expected to release later this month after the Pentagon has submitted its comments, is likely to rekindle a debate over the defense budgeting process. Congressional staffers say some of the recommendations may lead to proposals to give lawmakers greater control over the Pentagon's inflation-accounting system. Congress is scheduled to take up the military appropriations bill for fiscal 1986, which begins Oct. 1, in the next few weeks.

CENTRAL PREMISE CHALLENGED

The GAO report challenges a central premise underlying the Pentagon's system of budgeting for inflation: that weapons budgets should be based on separate, higher inflation assumptions than those for the rest of the federal budget. Since 1982, the Pentagon has based its requests for funds on the assumption that weapons prices would increase at a rate 30% higher than the inflation rate the government used in calculating the real gross national product, the inflation-adjusted value of the nation's output of goods and services.

However, the GAO analysis concludes that defense procurements "increased at about the same rate as prices of all goods in the U.S. economy."

The GAO specifically disputes the so-called "major commodities index" by which the Defense Department measures cost increases in military procurement. According to the report, this index includes increases that result from cost overruns in weapons programs rather than from inflation. By allowing the Pentagon to attribute such increases to inflation, and thereby to gain higher future budgets, the system "weakens incentives for managers to run their programs efficiently," the report states.

BROADER RATE RECOMMENDED

The GAO recommends that in the future the Defense Department use the broader GNP inflation rate in seeking funds to cover inflation.

The Pentagon's inflation accounting methods became the subject of controversy last spring when Defense Secretary Caspar Weinberger disclosed that it had $4 billion in surplus funds, resulting largely from inflation-related savings. Rep. Aspin and other congressional critics charged that the Pentagon was "squirreling" funds as a cushion against future budget cuts.

Responding to these charges, Secretary Weinberger stated in a letter to Rep. Aspin that "there was no windfall," noting that the department had returned about $7.1 billion to the Treasury and redirected other funds to weapons programs. He also pointed to budgeting procedures used in the 1970s, when Pentagon appropriations didn't keep up with high inflation.

The Defense Department is reviewing the GAO study. In a letter to the agency, the Pentagon stated that, based on a preliminary review, the study "contains technical differences, which may have resulted in inappropriate GAO conclusions." The Pentagon will submit additional information that it said could result in changes before the GAO releases its final report.

Several studies conducted on Defense Department inflation accounting have been complicated by the lack of a system that breaks down the amounts appropriated to accommodate price increases. The GAO report calls for new accounting procedures that would break out such amounts.

[From the New York Times, May 19, 1985]

MILITARY RECEIVED $18 BILLION EXTRA, ASPIN CALCULATES

(By Charles Mohr)

WASHINGTON, May 19.—Because the Reagan Administration overestimated inflation, Congress approriated $18 billion to $50 billion more than needed for Defense Department programs in the last four years, according to Les Aspin, chairman of the House Armed Services Committee.

In a speech prepared for delivery on the House floor Monday and made public today, Mr. Aspin described the funds as an "unplanned" and "secret" dividend for the Pentagon.

The Wisconsin Democrat said he did not suggest any wrongdoing on the part of the Defense Department. In a letter, Mr. Aspin did ask Secretary of Defense Caspar W. Weinberger to cooperate in seeking "a more rational and fair system" to deal with the situation.

TAFT SEES ACHIEVEMENT

William H. Taft IV, the Deputy Secretary of Defense, said in a written statement today that Mr. Aspin was correct in saying that billions of dollars were involved. But if he said the Pentagon had made a "remarkable achievement" in spending less money than expected, which he attributed to better management and to Administration success in controlling inflation.

Mr. Aspin said Congress did not have enough information to calculate precisely the extra money that the Pentagon had received because of faulty inflation predictions. However, he used Pentagon statistics to argue that for the portion of annual military budgets devoted to such items as operations, maintenance and military construction, $18.2 billion had been appropriated to meet inflation levels that did not materialize.

A SUBJECT FOR DEBATE

He took this figure as his minimum estimate. He said inflation had also been overestimated for such functions as buying weapons and paying for fuel and that the total surplus might be $50 billion.

The largely unnoticed inflation cushion will probably be an issue when the full House debates its budget resolution. The House Budget Committee voted last week to hold the military budget for the fiscal year 1986 to the same level as this year, with no

allowance for inflation. Administration officials asserted that this was irresponsible and damaging to national security. The Senate's budget resolution permits military spending to rise by the Administration's estimate of inflation.

Mr. Taft's statement said, "We have already returned to the taxpayer billions of dollars we have not spent."

Mr. Weinberger used somewhat different phrasing in an appearance on the NBC News program "Meet the Press" when asked about the issue of such surplus funds. "We give it back and ask that it be applied to next year," he said.

A staff member from the House Armed Services Committee, who spoke on condition he not be identified, said that, in fact, very little unspent money is returned to the Treasury, but in some cases Congress is made aware of some of the inflation overestimates and is then able to reduce future military appropriations accordingly.

CREDIBILITY IS QUESTIONED

He said this amounted to "only a fraction" of the total money involved. He estimated that the total surplus from lower inflation reported to Congress annually varied from $1 billion to $2 billion, a figure much lower than those put forth by Representative Aspin.

Several members of the Senate Armed Services Committee expressed anger last week when Mr. Weinberger, in an attempt to stave off reductions in or elimination of any major weapon-buying programs, reported that the Pentagon had found $1.7 billion in inflation-caused surpluses in the current fiscal year and $3.5 billion in unspent contingency funds and other categories. The senators, including some backers of high military spending, said Mr. Weinberger had damaged his credibility, if only by the timing of his disclosure.

Representative Aspin suggested that to make inflation predictions more accurate, each appropriation should be calculated on the inflation that occurred in the previous year.

CONSISTENT OVERESTIMATING SEEN

In his speech, Representative Aspin noted that the Pentagon used four different inflation estimates each budget year, including operations, fuel and pay.

For developing and buying weapons and equipment, the Reagan Administration has applied a special inflation prediction which is 30 percent higher than the general prediction used for the rest of the Government. This factor is meant to reflect historically high costs for weapons.

Using Presidential budget statistics, Mr. Aspin said, "The Administration has consistently overestimated inflation by a substantial amount, averaging about 1.7 percentage points a year."

Moreover, he said, some of the increase in weapon costs was a result of inflation but some was from other factors, such as inefficient production rates and design changes that prevented military industry workers from learning how to cheaply build equipment stable in design. If all or almost all of the cost increase since 1982 is unrelated to inflation, Mr. Aspin said, then "we have appropriated an unnecessary $30 billion for major weapons."

Mr. PRYOR. Mr. President, once again I thank the very distinguished Senator from Wisconsin, my good friend, and he has been very patient waiting for me to wind up.

Mr. PROXMIRE. Mr. President, I commend the distinguished Senator from Arkansas on his excellent speech. I am delighted I was here to hear part of it. As always the Senator from Arkansas brings a great deal of good solid common sense as well as wisdom to this subject.

If we are going to be responsible about reducing the deficit we certainly have to make progress in the military area where so much spending and so much discretionary spending is.

THE PENTAGON'S INFLATION WINDFALL

Mr. EAGLETON. Mr. President, today I join with a number of my colleagues to express concern about the billions of dollars poured into the Pentagon's coffers in recent years because of faulty inflation estimates. Our purpose is to make the Congress, the media, and the public better aware of the Defense Department's enormous inflation windfall and to explore alternatives for ridding the budget process of the flaws that allow the windfall to occur.

Most will recall that last spring Defense Secretary Caspar Weinberger suddenly found $4 billion of unspent DOD funds that accrued from overestimates of inflation and from other sources. Secretary Weinberger proudly proclaimed that the funds could be used to meet spending limits without cutting programs. Even by Washington standards, $4 billion is a large sum of money to just find tucked away in a sock drawer. As it turned out, however, the large inflation-related portion of the $4 billion was a small slice of the Pentagon's inflation-baked pie.

The DOD slush fund became a hot topic during the Defense budget debate last May and June and the General Accounting Office [GAO] was called in to determine the size of the inflation-related windfall and to recommend corrective measures.

GAO issued its findings in September and, I suspect, made few friends in the Pentagon when it concluded that, "DOD has budgeted $36.8 billion more for inflation since fiscal year 1982 than was needed to cover inflation," and that, "A special multiplier is used for major weapons that accounts for $9.2 billion of this amount."

Moreover, GAO found that the current fiscal year 1986 budget contains $4.9 billion in inflation overestimates.

The GAO report is truly excellent and I ask that excerpts from it be printed in the RECORD following my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. EAGLETON. At this point it would be helpful to summarize how the Pentagon, in conjunction with the Office of Management and Budget, estimates the amount of money it seeks each year to offset expected inflation increases in its annual budget and how the Congress could have possibly allowed almost $40 billion to slip away under its nose.

Every Government agency uses the administration's inflation forecast to prepare an inflation-adjusted budget request, but the Pentagon has its own unique method of dealing with inflation; it employs four different rates for four distinct segments of its budget.

First, DOD uses a special index that was developed years ago solely for fuel purchases.

Second, an adjustment is made for military pay, ostensibly based on inflation, but more likely reflective of the whims of Congress at the time.

Third, for operations and maintenance, research and development, and other sundry procurement—all told, 40 percent of the Defense budget, an adjustment is made using the projections of inflation generated by the OMB.

Finally, the Pentagon grants special dispensation to its major weapon systems by estimating inflation-related costs in this category at 130 percent of the normal inflation projections.

The $37 billion that the GAO said had been over-appropriated came from the last two adjustments; the miscellaneous procurement adjustment and the multiplier adjustment for the major weapon systems.

Put simply, DOD's enormous windfall resulted from a money pipeline in Washington that flows one way only—from Congress to the Pentagon, and from the inability of economists to accurately predict inflation.

Thus, when the predicted inflation rate is lower than the actual rate of inflation, as was the case in the 1970's, the Pentagon experiences a budgetary shortfall and applies to Congress for supplementary appropriations.

But when inflation predictions are higher than the actual inflation rate, as has been the case in the last few years, the Pentagon harvests a windfall for which there is no reverse supplemental to return surpluses to the Treasury.

GAO identified and analyzed several alternatives to the current system for eliminating or minimizing the carryover of such excess funds. One alternative would set up a revolving fund into which inflation overestimates would be transferred. A second alternative would require the DOD pay for inflation out of program funds and seek supplemental appropriations as reimbursement. A variant of this idea would grant DOD to low inflation adjustment and require DOD to seek a supplemental appropriation for any shortfall. A third alternative would simply improve the present inflation estimating and reporting system.

The GAO report most forcefully recommended elimination of the 130 percent multiplier for DOD's major weapon systems—ships, aircraft, missiles, and tracked vehicles—which has been responsible for the waste of $9.2 billion in the last 3 years and, as it turns out, represents a $3.5 billion kicker to the current fiscal year 1986 budget.

In 1981, David Stockman, then-Director of OMB, succumbed to Pentagon insistence that major weapon programs deserve 30 percent more for inflation than other procurement items. GAO, by contrast, found that there is "little justification for the use of this special multiplier in budgeting for inflation," and that it should be eliminated immediately.

Just as the OMB Director had the power to let this evil genie out of its bottle in 1981, so does the current Director, James Miller, have the authority to stuff it back in. With this in mind I asked Mr. Miller, during his nomination hearing last month, to look in to his predecessor's folly and to see what he could do about eliminating the multiplier.

Although Mr. Miller gave me his verbal assurances during his confirmation hearing that he would do so, I have yet to hear back from Mr. Miller on the issue. I assume that he has taken the matter up with his staff and hope that he will soon conclude, as GAO did, that the use of the multiplier is outrageous and must end. If that is not his conclusion, then Congress will be forced to consider legislative elimination of the multiplier.

Mr. President, during the last month this chamber has heard a cacophony of voices from both parties decrying the Federal budget deficit. We have been struggling to find new and rational methods of reducing the Government's flood of red ink.

The elimination of inflation waste in the Pentagon is one very large step that can and should be taken toward fiscal responsibility. It is amazing that we have allowed the situation to go on as long as it has. It would be irresponsible for us not to take action against it now.

I look forward to working toward a solution to this problem with Senators PRYOR and LEAHY, who have also spoken on this issue today and others in Congress who have expressed concern previously, including Senators HATFIELD and D'AMATO, who requested the GAO report, Congressman LES ASPIN, whose speech last spring brought the subject to our attention, and the members of the military reform caucus.

EXHIBIT I

POTENTIAL FOR EXCESS FUNDS IN DOD

(Comptroller General's report to chairman, Senate Committee on Appropriations, and Senator Alfonse D'Amato)

The defense budget has grown over 100 percent (52 percent in constant dollars) between fiscal years 1980 and 1985. The Senate budget resolution for fiscal year 1986 is the first major reversal to this trend. In effect, it targeted the defense budget at prior year levels with the exception of an amount added on to compensate for estimated inflation.

The Secretary of Defense acted to minimize the effect of the lower target by reapplying funds from fiscal years 1984 and 1985 available from what he said were management improvements, lower inflation, and the latest inflation projections for the fiscal year 1986 budget. His budget offer raised considerable congressional concern about potential excess funds in the Department of Defense (DOD) budget.

Senators Mark O. Hatfield and Alfonse D'Amato asked GAO to review this matter. Congressman Les Aspin later asked GAO for a similar review. This report responds to all three requests.

INDICATIONS OF EXCESS FUNDS

During the 1980's, DOD requested budget authority based on inflated estimates of inflation and has been unable to use appropriated funds at the rates estimated when the funds were requested and appropriated. At the start of fiscal year 1985, DOD had authority to obligate $427.1 billion. Of this amount, $284.7 billion was fiscal year 1985 authority; the balance was prior year authority and reimbursable funds. DOD also had unliquidated obligations of $153.5 billion.

INFLATION

DOD has budgeted $36.8 billion more for inflation since fiscal year 1982 than was needed to cover inflation. A special multiplier is used for major weapons that accounts for $9.2 billion of this amount. GAO was asked to consider alternatives to the current system for dealing with inflation. Three alternatives were considered:

1. Budget for inflation through a revolving fund. GAO believes there are technical, managerial, measurement, and monitoring problems that make this alternative difficult.

2. Do not budget for inflation (fund inflation with savings or a supplemental appropriation). Because defense programs, especially weapon systems acquisition programs, take several years to implement and change frequently during that time, it is difficult to distinguish the effects of inflation from the effects of the program changes. Thus, it would be difficult for DOD and the Congress to determine what the supplemental amounts should be.

3. Improve the present inflation estimating system. Some improvements could be achieved easily, such as eliminating the special multiplier for major weapon systems. Under this alternative, DOD would use the gross national product (GNP) deflator for all nonpay and nonfuel purchases. Then DOD, in consultation with the Office of Management and Budget (OMB), could decide how amounts should be distributed within the DOD budget structure. GAO favors this alternative.

UNOBLIGATED BALANCES

Unobligated balances and lapses from appropriations are likely to be $64.9 billion by the end of fiscal year 1985. This is $13.3 billion more than was estimated in DOD's fiscal year 1986 budget. For the past 4 years, DOD has underestimated the level of unobligated balances (and has also allowed funds to lapse). At the end of fiscal year 1984, the total was $57.9 billion—$14.1 billion more than DOD reported to Congress in its fiscal year 1985 budget documents. GAO found that these underestimates occurred because DOD was unable to achieve planned obligation rates.

REPROGRAMMING ACTIONS

Reprogramming actions in fiscal years 1980–85 totaled about $26 billion. Reprogramming actions have provided DOD with flexibility to reapply funds in excess of program needs.

The DOD procurement accounts sustained the largest and most consistent loss of funds in all fiscal years. Top losses were in the Air Force Aircraft Procurement and Navy Shipbuilding and Conversion accounts. Over the same period, the research, development, test, and evaluation accounts received a steadily increasing amount of funds.

CONCLUSIONS AND RECOMMENDATIONS

Although it has now become apparent that more funds for programs were available in DOD's budget than Congress intended, GAO did not fully assess the total amount of "unneeded funds" or those funds that DOD or the Congress used for other purposes. GAO could not determine the precise amount of excess funds still available in DOD without doing an inordinate amount of work.

Moreover, although DOD has in place an elaborate planning, programming, and budgeting system the accounting system that tracks how funds are actually being used is not directly linked to the budgeting process. Without an integrated budget and accounting system that can routinely produce relevent and vital financial information, GAO could not easily perform an audit of available funds in excess of defense requirements.

GAO continues to believe that DOD needs to improve and integrate its budget and financial management systems. GAO views on such systems are included in previous GAO reports.

In this report, GAO makes recommendations aimed at bringing the funds provided in congressionally approved DOD budgets in line with what is needed to carry out the programs and activities authorized in those budgets.

DOD should make improvements in the existing system used to budget and account for inflation. Therefore, GAO recommends that the Secretary of Defense take the following actions:

Continue to use the GNP deflator as the basic index for DOD inflation budgeting for the portion of the DOD purchases other than pay and fuel.

Eliminate the use of a multiplier in budgeting inflation for the major weapon systems accounts.

Distribute the funds budgeted for inflation among the various DOD appropriations accounts in consultation with OMB. (In effect, this would give DOD flexibility in deciding how to apportion the allowable inflation projections among the nonpay and nonfuel accounts.)

Monitor any annual inflation dividends or shortfalls that occur and report the latest information to the Congress at the critical stages in the budget process (request,

budget resolution, authorization, and appropriations).

AGENCY COMMENTS

Because of the wide range of topics included in this report and the extremely limited period allowed to comment on the draft report, DOD said it would not be able to provide meaningful comments prior to publication of the final report. DOD further said that a detailed response to the final report will be provided as soon as possible after it is received.

ABBREVIATIONS

AF—Air Force.
ARIMA—Auto-Regressive Integrated Moving Average
BEA—Bureau of Economic Analysis
BLS—Bureau of Labor Statistics
CBO—Congressional Budget Office
COLA—Cost of Living Allowance
CRS—Congressional Research Service
DOD—Department of Defense
FY—Fiscal Year
GAO—General Accounting Office
GNP—Gross National Product
MC—Marine Corps
MCD—Major Commodities Deflation
MILCON—Military Construction
MILPERS—Military Personnel
MRC—Military Reform Caucus
NATO—North Atlantic Treaty Organization
O&M—Operation and Maintenance
OASD—Office of the Assistant Secretary of Defense
OMB—Office of Management and Budget
OPEC—Organization of Petroleum Exporting Countries
OSD—Office of the Secretary of Defense
PA—Prior Approval
PPBS—Planning, Programing, and Budgeting System
PPI—Producer Price Index
PROC—Procurement
RDT&E—Research, Development, Test, and Evaluation
RMIL—Retired Military
SAR—Selected Acquisition Report
SAS—Statistical Analysis Software
SCN—Shipbuilding and Conversion, Navy
TOA—Total Obligational Authority
WTCV—Weapons and Tracked Combat Vehicles, Army

INDICATIONS OF EXCESS FUNDS

This appendix discusses our observations concerning inflation, unobligated balances and lapses, and reprogramming actions. It also includes our conclusions and recommendations.

INFLATION

Controversy over budgeting for inflation is not new to the Department of Defense (DOD). The first time that funds were included in the federal budget to offset expected future inflation occurred in the Navy shipbuilding account in the early 1960's. During the 1970's unexpectedly high rates of inflation eroded the purchasing power of defense appropriations and became a major problem in executing defense procurement programs. As a result, some weapon system acquisition programs were eliminated and others were stretched out.

During the 1980's the effect of inflation on defense budgets has been reversed. Budgets were developed using projected rates that overcompensated DOD for inflation. For example, in the preparation of the budget for fiscal year 1983, the projected increase in the Gross National Product (GNP) deflator was originally 6.5 percent. Its actual increase was 4 percent.

In this section, we evaluate DOD's current system to budget for inflation. We consider how the system may result in an inflation dividend—which we define as the appropriation of funds for inflation in defense program costs which exceed the amounts necessary to finance the inflation which actually occurs. We estimate that DOD budgeted $36.8 billion more for inflation since fiscal year 1982 than was needed based on current information.

The dividend consists of $27.6 billion due to overestimates of inflation in fiscal years 1982 through 1985 and $9.2 billion due to the use of a special multiplier for major weapon systems.

OVERESTIMATES OF INFLATION

To calculate the inflation dividend, we first calculated how much of the original levels of defense appropriations approved by the Congress was allocated to fund future inflation. Then we calculated the amount required to fund inflation in those same years using current knowledge about past and future levels of inflation. Both sets of calculations include a 1.3 multiplier for major weapon systems. by computing the difference between these two amounts, we found that DOD's inflation dividend was $27.6 billion for fiscal years 1982 through 1985. Figure 1 shows these results. (See fig. 9, app. VI for additional information.) Because we used the special multiplier for major weapon systems throughout these calculations, these results do not include the additional inflation dividend which accrues from the use of this multiplier. This potential additional dividend is discussed in the next section.

FIGURE 1.—ESTIMATED DIVIDENDS IN THE DEFENSE BUDGET DUE TO INFLATION OVERESTIMATES BY APPROPRIATION TITLE AND FISCAL YEAR

[In billions of dollars]

Appropriation title	Fiscal year—				Total
	1982	1983	1984	1985	
Military personnel	$0.10	$0.22	$0.18	$0.12	$0.62
Operations and maintenance	1.75	2.84	2.65	1.52	8.76
Procurement	3.83	4.92	3.79	2.23	14.77
Research, development, test, and evaluation	0.62	0.87	0.75	0.52	2.76
Military construction	0.26	0.18	0.14	0.10	0.68
Fiscal year total	6.56	9.03	7.51	4.49	27.59

Almost half of the dividend, about 54 percent, has occurred within procurement. The largest dividend occurred in fiscal year 1983. For the current fiscal year, the dividend exceeds $4 billion.[1]

SPECIAL MULTIPLIER FOR MAJOR WEAPON SYSTEMS

In light of high inflation experienced in the 1970's, Deputy Secretary of Defense Frank Carlucci proposed that DOD "budget for inflation" for major weapon systems. In the fall of 1981, OMB granted an exception that permitted DOD to project inflation for major weapon systems at 1.3 times the anticipated increase in the GNP deflator. For example, if the GNP deflator is projected to rise at 10 percent annually, then major weapon systems prices are projected to rise at 13 percent annually. Consequently, since FY 1983, DOD has applied the 1.3 multiplier to nine procurement accounts that pay for new ships,[2] aircraft, missiles, and tracked vehicles.

We found little justification for the use of this special multiplier in budgeting for inflation for major weapons systems. Five observations suggest such a multiplier is unnecessary.

First, using this mulitplier was justified based on the fact that inflation for major weapons systems is much higher than for most other goods in the economy.[3] Since fiscal year 1982, reports prepared by the Bureau of Economic Analysis (BEA) have shown that weapon systems prices increase about twice as fast as prices for other goods. However, measuring the price of weapon systems is considerably more difficult than for most goods in the economy. We believe BEA's reported values of inflation in weapon systems are too high:

BEA measures weapon systems prices at the time they are delivered to DOD. Because weapon systems ae constructed over long periods of time, changes in their prices lag behind changes in prices of most other goods. Therefore, when the general inflation rate falls, inflation appears higher in weapon systems than in other goods in the economy. Conversely, when the general inflation rate rises, this lag (not considering other factors that increase prices) would cause inflation to appear lower for weapon systems than other goods. (See fig. 6 in app. VI.)

In contracts for new weapons systems it is assumed that unit prices will fall as more units are produced. This phenomenon is

[1] Since the administration submitted the fiscal year 1986 budget, changes in projected inflation have reduced the amount of appropriations needed to compensate for future inflation by $219 million. This amount is relatively smaller than in previous fiscal years due to the short time period—January 1985 and April 1985—over which inflation expectations have changed. (See fig. 9 in app. VI.)

[2] Although the Navy uses slightly different procedures to project inflation in its shipbuilding accounts, these procedures are designed to remain consistent with rates established by OSD using the 1.3 multiplier.

[3] The Bureau of Economic Analysis provides price indices for both major weapon systems and all final goods in the economy. The former is a segment of its price index for all defense purchases; the latter is the GNP deflator.

often referred to as the "learning curve" or the "progress curve". BEA records inflation for the new weapons based on this assumed price decline.

However, we have found that new weapon system prices usually increase. Therefore, the base price of the weapons is underestimated and subsequent measurements of inflation are overestimated. (See fig. 7 in app. VI.)

Second, even if BEA could accurately measure inflation for weapon systems, our analysis shows that the use of the 1.3 multiplier does not accurately project this inflation. (See app. VI for a description of our regression analysis supporting this conclusion.)

Third, even if weapon system inflation could be measured precisely and even if the 1.3 multiplier accurately projected this inflation, we determined that the prices of all defense purchases (excluding pay and fuel) rose at about the same rate as the GNP deflator. Thus, if DOD budgets separately for inflation in weapon systems by applying a 1.3 multiplier, then for some defense goods, other than major weapon systems, DOD should apply a multiplier less than 1.0.

Fourth, the 1.3 multiplier, even if valid, could not be used permanently. The 1.3 multiplier causes the defense budget to grow faster than the nondefense budget, assuming no change in real program for either defense or nondefense categories. Over time, this growth would lead to the unlikely result that the entire federal budget would be devoted to defense.

Fifth, we do not believe the 1.3 multiplier, which implicitly links inflation projections to actual weapon system inflation, is an efficient budgeting technique. Over the long run, as discussed above, we believe major weapon system inflation will equal the rate of inflation in the general economy. A budgeting system should provide incentives to program managers to control cost growth. Projecting future weapon system prices on the basis of past weapon system prices can become a "self-fulfilling prophecy." Programs in which costs grew rapidly in the past would receive a dividend for this cost growth. Therefore program managers have no incentive to minimize costs.

If, as we believe, the 1.3 multiplier is not needed to compensate DOD fully for weapon system inflation, then its use in fiscal years 1983 through 1985 has resulted in another inflation dividend. If DOD had budgeted for inflation in major weapon systems at a rate equal to projected changes in the GNP deflator, an additional $9.2 billion would have been saved between fiscal years 1983 and 1985, as shown in figure 2. When combined with the previous estimate of $27.6 billion, DOD received a total inflation dividend of $36.8 billion.

FIGURE 2.—ESTIMATED INFLATION DIVIDENDS IN DOD BUDGETS

[In billions of dollars]

Fiscal year	Due to overestimates of inflation	Due to use of 1.3 multiplier	Total
1982	$6.6	$0.0	$6.6
1983	9.0	3.3	12.3
1984	7.5	2.8	10.3
1985	4.5	3.1	7.6
Total	27.6	9.2	36.8

We believe these inflation dividends may have allowed the Defense Department to achieve higher levels of real growth than originally intended by Congress' budget actions. Between fiscal years 1982 and 1985 Congress approved defense budgets which were intended to result in total real growth of 33.5 percent. However, inflation dividends have increased the potential real growth in defense programs to 40.1 percent.[4]

GNP DEFLATOR

Some critics of DOD's budgeting system have suggested that projections of the Producer Price Index (PPI) should replace projections of the GNP deflator as the basis for budgeting for inflation. Our analysis shows that the prices of defense purchases have risen at about the same rate as the GNP deflator over the period fiscal year 1978 through fiscal year 1984. This analysis also shows that changes in the GNP deflator more accurately predict changes in defense prices than do changes in the PPI. Consequently, we do not believe that the use of the GNP deflator within the DOD budgeting system has of itself resulted in another inflation dividend. (See app. VI.)

AVAILABILITY OF INFLATION DIVIDEND

We do not know how much of the total dividend is still available to the Defense Department. The Secretary of Defense has estimated that Congress reduced the fiscal year 1982 through 1985 Defense budgets by $8.2 billion for repricings and contract savings. In those accounts where appropriations must be obligated within 3 years or less, some of the dividend may have lapsed or remain obligated. (See app. VII for additional details on unobligated balances and lapses.) Part of it may have been reprogramed for use in alternative defense programs (see app. VIII).

GROWTH IN UNOBLIGATED BALANCES AND LAPSED FUNDS

Unobligated balances and lapsed funds (lapses) are a natural part of the full funding concept Congress has supported for weapons procurement and military construction. Because of the large sums involved—$57.9 billion in fiscal year 1984—and the desire to make the best use of available defense dollars, it is important for DOD to accurately estimate its minimum requirements for unobligated balances and lapses. Otherwise, DOD may get more money than is necessary to fulfill the defense program authorized by Congress.

Unobligated funds are budget authority from a number of years not previously obligated to a contract and not reaching the statutory date of expiration (after which money can no longer be obligated). Lapsed funds are budget authority not obligated before the expiration date.[5] Since only a portion of the new budget authority is obligated in any one year, DOD plans for a certain amount of unobligated balances and reports the estimated balances to Congress for both the current budget and budget request. DOD projects unobligated balances by subtracting anticipated obligations from total authority to obligate (referred to in this report as total available authority). DOD does not project lapses in its budget request, although lapses are identified in the current year estimates. In fiscal year 1985 this amount was $74.8 million.

In any given year, DOD's total availability authority includes new budget authority, unobligated balances left over from prior fiscal years, reimbursable funds, and deobligated funds. Consequently, funds carried over from previous years provide a greater sum of available authority than the new budget authority appropriated by Congress. For example, in fiscal year 1984 DOD's total available authority was $385.5 billion; $258.2 billion of this amount was new budget authority. At the start of fiscal year 1985 DOD had total available authority of $427.1 billion and $284.7 billion of this amount was fiscal year 1985 new budget authority; the balance of $142.4 billion was prior year authority and reimbursables.

No precise criteria define what unobligated balances should be, whether they are too large, or if they are growing too fast. However, Congress provides general guidance to DOD, namely that the level of unobligated balances for any single program should be the minimum funds needed to fulfill the outyear contracts for that program. This level is contingent on the projected or estimated cost of the items orginally approved by Congress when the program was first presented for appropriation. It also depends on the number of years that DOD indicated was needed to sign contracts and obligate funds for the approved items. Ideally, the aggregate level of unobligated balances should be the minimum funding (full funding) needed to fulfill the outyear contracts for the sum of the individual programs.

DOD maintains aggregate data on unobligated funds and lapses, but more detailed information on unobligated balances is not readily available. Therefore, we could not determine the appropriate amount of funds required to cover contracts awarded in any year after the budget year.

DOD does not assert that unobligated balances should be at any given level. However, a 1982 Congressional Research Service (CRS) report stated that "According to DOD, a relatively constant percentage reflects the fact that unobligated balances have increased 'essentially in line with programs,' an indication of good management."[6] We found that the proportion of unobligated balances to nonpay TOA has been steadily rising in recent years, from 26.3 percent in 1981, to 31.4 percent in 1984, as shown in figure 1 of appendix VII.

We obtained data from DOD to analyze actual obligation rates and to compare these against DOD projections. The purpose of our analysis was to determine how accurately DOD estimated its unobligated balances and lapses. We found that for the past 4 years DOD has underestimated the level of unobligated balances and has also allowed funds to lapse. At the end of fiscal year 1984, DOD's unobligated balances and lapses totaled $57.9 billion—$14.1 billion more than DOD estimated in the fiscal year 1985 budget. We found that this underestimate occurred because DOD was unable to achieve planned obligation rates.

We analyzed DOD's monthly obligations as a share of total available authority for fiscal year 1979 through fiscal year 1984. To compute historical trends in this analysis, we used the Box Jenkins Time Series Analy-

[4] This estimate takes into account the time lag required to recognize the full amount of the inflation dividend. A dividend received in one fiscal year may therefore serve as a base from which the next fiscal year's appropriations are calculated. In this manner, dividends may compound themselves over time, and the total inflation dividend would be higher than the numbers cited above.

[5] Under certain conditions, lapsed funds can still be obligated for contract claims and cost growth.

[6] "Unobligated and Unexpended Balances in the Department of Defense Budget: Their Size and Growth," August 10, 1982.

sis, or ARIMA procedure, a technique for analyzing random and systematic movements in time series data. (See ARIMA definition in App. VII.) We then reviewed DOD's actual obligations as a share of total available authority during fiscal year 1984, the planned share, and the share that would have been consistent with historical trends. If historical trends continued, our analysis shows that DOD, would have obligated 84.8 percent of total available authority in fiscal year 1984. DOD had planned to obligate 88.6 percent of total available authority during fiscal year 1984. A review of DOD financial summary tables for fiscal year 1986 shows that DOD actually obligated 85 percent of total available authority—only 0.2 percent more than the historical trend but 3.6 percent less than DOD planned to obligate. Thus, while the fiscal year 1984 obligations did not meet DOD projections—resulting in lapses and large increases in unobligated balances—obligations during fiscal year 1984 were consistent with historical trends.

[Figure 3 not reproducible for RECORD.]

The following figure illustrates the recent underestimates of unobligated balances and lapses. The growing gap between the lines illustrates DOD's inability to achieve the increased rate of obligations it projected.

We also analyzed DOD's monthly rates of obligation for the first 8 months of fiscal year 1985. We found that DOD's actual obligations again approximated the historical trends. During that period DOD obligated 56.2 percent of total available authority, which was 0.1 percent higher than the historical trend. We added historical projections of the rates of obligation for June through September 1985 to the actual rates during the first 8 months of fiscal year 1985. On this basis, we found that DOD will probably obligate 84.8 percent of total available authority. DOD had planned to obligate 87.9 percent of total available authority—3.1 percent more than DOD will likely spend if historical trends continue. Again, DOD had planned to obligate faster than the historical trend, when in fact it is obligating at about the same rate as in fiscal year 1984. As a result, if historical trends continue for the remainder of fiscal year 1985, DOD will accrue unobligated balances and lapses of $64.9 billion at the end of the current fiscal year—$13.3 billion more than DOD estimated in the fiscal year 1986 budget.

Prior GAO reports have linked higher than planned unobligated balances to possible excess budget authority. In 1978, GAO analyzed DOD balances of unexpended budget authority and reported that (1) Defense procurement programs had possible excess obligational authority and (2) despite this excess, DOD had not implemented a process for systematic and regular reporting on the availability of excess funds.[7]

DOD's overestimate of obligations is one of many reasons why we continue to believe that current budgeting practices and accounting procedures should be revised. DOD has developed budget-tracking systems for managing individual appropriation account fund levels. However, no system has been developed which integrates program accomplishments with program costs and which insures increased accountability for managing public funds.

Although we identified $13.3 billion more unobligated balances and lapsed funds than DOD had projected, we could not determine whether these funds are needed to fulfill program requirements or if they are in excess of program needs. We believe more study is needed to determine the program accounts and line items that may contain excess funds.

REPROGRAMMING AND TRANSFERS

The Congress has given DOD limited authority to reprogram and transfer[8] appropriated funds—that is, to use money for different purposes that was planned at the time the funds were appropriated. This flexibility in the execution of the budget is available because the Congress recognizes that unforeseen developments may make it necessary to reapply funds through reprogrammings or transfers. The total dollar value of reprogramming actions for fiscal years 1980 through 1985 is about $26.1 billion. For the first 10 months of fiscal year 1985 reprogramming actions total almost $5.2 billion. Although the dollar value of reprogrammings has increased between 1980 and 1985, as a percentage of total obligational authority (TOA) it has remained relatively constant at about 2 percent.

The general guidance provided by Congress for reprogrammings allows the Secretary of Defense to reprogram funds, provided such authority is used ". . . for higher priority items based on unforeseen military requirements than those for which originally appropriated and in no case where the item for which funds are requested have been denied by Congress."[9]

Congress has in the past raised concern over whether reprogramming procedures have provided DOD too much flexibility. A 1955 House Appropriations Committee report stated that ". . . the mere fact that there was a lessened requirement in one category of cost does not imply either the right or the need to correspondingly increase some other category of cost embraced by the appropriation."[10] Moreover, it has been stated that Congress did not intend the use of savings in reprogramming actions "to be treated as a windfall, or as a slush fund to be applied someplace else."[11]

Over the years, Congress has sought to improve control over reprogrammings, resulting in the establishment of a detailed set of procedures and rules which DOD must follow. (Details about reprogramming procedures are provided in fig. 18 of app. VIII.) There is no statutory limit on the amount of money that may be reprogrammed within an appropriation account—provided that amount does not breach the thresholds established for an above-threshold action. The Congress annually sets limits on the total amount of money that may be transferred between appropriation accounts in its annual appropriation act; however, this limit may be increased in the supplemental appropriations act. In fiscal year 1985, the limit was 41.2 billion.

We analyzed reprogramming actions by DOD in fiscal years 1980 through 1985 to determine the following: dollar value and volume of proposed actions, reasons money is needed and became available, changes in reasons over time, net gains and losses in titles, services, and appropriation accounts, and funds available in excess of original requirements.

Our analysis points out recent trends about reprogramming actions in general and also about reprogramming actions for one specific category—those which are "above threshold."

Reprogramming actions fall into three broad categories: above-threshold, below-threshold, and internal reprogrammings. Above-threshold actions may either require congressional notification or prior approval. If an action increases authorized procurement quantities or has been designated as an item of congressional interest, prior approval is required. Prior approval is also required for transferring funds between accounts. Notification to the Congress is required for reprogramming actions which meet or exceed given thresholds (see discussion in fig. 18 app. VIII). Below-threshold actions are those that fall below the above designated limits and do not require notification to the Congress, except when follow-on costs exceed thresholds. Internal reprogrammings include those actions that reclassify or realign funds but are not subject to threshold limitations.

We found that from fiscal year 1980 to fiscal year 1985, the dollar value of above-threshold actions was about $10.2 billion, or 39 percent of the total. Below-threshold actions were slightly less at $9.4 billion, but accounted for a much greater number of total actions (92 percent). About $6.5 billion was internally reprogrammed.

Most of our analysis was dedicated to above-threshold actions, because information on these actions was most readily available and documented.

Our analysis demonstrates the following:

In recent years less money was reprogrammed to solve program problems and more money was reprogrammed to fund unplanned requirements or other items, primarily classified programs. (See figs. 14 and 15 in app. VIII.)

Also, in recent years there was a sharp increase in the supply of reprogramming funds made available from what DOD identified as cost savings (i.e., contract savings, overestimated funding requirements, or resulting from management initiatives). (See figs. 12 and 13 in app. VIII.)

Reprogrammed funds that DOD identified as not needing reinstatement increased from about $602 million in fiscal year 1980 to nearly $1.9 billion in fiscal year 1985. Eighty-four percent of the funds reprogrammed above threshold in fiscal year 1985 were in excess of original requirements. (See figs. 16 and 17 in app. VIII.)

[Figure 4 not reproducible for RECORD.]

As shown in the following figure, the DOD procurement accounts sustained the largest and most consistent loss of funds in all fiscal years. Top losses were in Aircraft Procurement, Air Force, and Shipbuilding and Conversion, Navy. Over the same period, research, development, test, and evaluation (RDTE) accounts received a steadily increasing amount of funds. In fiscal year 1983 Congress directed DOD to absorb part of the pay raise rather than provide supplemental appropriations. Army gave up the largest share of funds while the defense agencies (e.g., the Defense Nuclear Agency, National Security Agency, Defense Contract Audit Agency, Defense Logistics Agency, and others) gained funds during this period. (See figs. 6 through 11 in app. VIII.)

[7] Analysis of Department of Defense Unobligated Budget Authority (PAD 78-34, Jan. 13, 1978; p. i and ii)

[8] Although the terms transfer and reprogramming are often used interchangeably, there is a fundamental distinction. Transfers are movements of funds between appropriations accounts while reprogrammings are movements of funds within accounts.

[9] Public Law 98-473, section 8025.

[10] H.R. 493, 84th Congress, 1955, p. 8.

[11] Louis Fisher, Presidential Spending Power, Princeton Paperbooks (Princeton) 1972, p. 82.

As a result of our anlaysis we concluded that as a percentage of TOA reprogramming actions have remained relatively constant. However, data analyzed from DOD reprogramming forms indicated that about $1.9 billion recently made available for above-threshold reprogramming was in excess of the purposes originally justified. These funds, for the most part, have become available because of contract savings or overestimates of funds required to support program purposes.

ALTERNATIVES

We were asked to consider alternatives to the current system of reporting and compensating for inflation and to make recommendations. In analyzing possible recommendations we looked at three alternatives and explored their advantages and disadvantages.

ALTERNATIVE 1: BUDGET FOR INFLATION THROUGH A REVOLVING FUND

This alternative would change the current system so that savings from overestimates of inflation would be transferred into a resolving fund. In the reverse, funds needed due to underestimates of inflation would be drawn from the revolving fund. There could be instances where funds would be insufficient, requiring additional funds. In those cases, it would be difficult for DOD and the Congress to determine what the supplemental amounts should be. In theory, in this system DOD would neither benefit nor be hurt by misestimations of inflation. However, there are technical, managerial, measurement, and monitoring problems that make this alternative difficult.

ALTERNATIVE 2: DO NOT BUDGET FOR INFLATION (FUND INFLATION WITH SAVINGS OR A SUPPLEMENTAL APPROPRIATION)

This alternative would require that DOD pay for inflation out of program funds. When these funds are not adequate, DOD could request additional funds form the Congress. If these funds were not appropriated, it could lead to a reduction in the real level of the program. Another problem is that it often takes several years to implement defense programs and the programs change during implementation. Even after the fact, it is difficult to distinguish the effects of inflation from the effects of the program changes. These distinctions are even more difficult to make during implementation, when the situation is further complicated by adjustments in the program schedule. Thus it would be difficult for DOD and the Congress to determine what the supplemental amounts should be.

If budgeting for inflation causes prices to rise, then it would be better not to provide funds for estimated inflation. However, in the late 1960's and early 1970's, budgeting for inflation was not the cause of inflation. Rather, inflation prompted agencies to seek permission to add amounts that would compensate for losses in purchasing power they were experiencing because of high inflation. So long as inflation remains low this would be a viable alternative. If inflation were to rise, it would be harder to manage.

ALTERNATIVE 3: IMPROVE THE PRESENT INFLATION ESTIMATING SYSTEM

Some improvements in the inflation estimating and reporting system could be achieved easily, such as eliminating the 1.3 multiplier for major weapon systems. DOD should use the GNP deflator for all nonpay, nonfuel purchases. Then DOD, in consultation with OMB, should decide how amounts should be distributed within the DOD budget structure.

CONCLUSIONS AND RECOMMENDATIONS

Although it has now become, apparent that more funds for programs were available in DOD's budget than Congress intended, we did not fully assess the total amount of "unneeded funds" or those funds that DOD or the Congress used for other purposes.

Although DOD has in place an elaborate planning, programming, and budgeting system the accounting system that tracks how funds are actually being used is not directly linked to the budgeting process. Without an integrated budget and accounting system that can routinely produce relevant and vital financial information, we could not easily perform an audit of available funds in excess of defense requirements.

We are making recommendations aimed at bringing the funds provided in congressionally approved DOD budgets in line with what is needed to carry out the programs and activities authorized in those budgets.

DOD should make improvements in the existing system used to budget and account for inflation. Therefore, we recommend that the Secretary of Defense take the following actions:

Continue to use the GNP deflator as the basic index for DOD inflation budgeting for DOD purchases other than pay and fuel.

Eliminate the use of a multiplier in budgeting inflation for the major weapon systems accounts.

Distribute the funds budgeted for inflation among the various DOD appropriations accounts in consultation with OMB. (In effect, this would give DOD flexibility in deciding how to apportion the allowable inflation projections among the nonpay and nonfuel accounts.)

Monitor any annual inflation dividends or shortfalls that occur and report the latest infomation to the Congress at the critical stages in the budget process (request, budget resolution, authorization, and appropriations).

We continue to believe that DOD needs to improve and integrate its budget and financial management systems. Our views, on such systems are included in previous GAO reports (GAO/AFMD-85-35 and GAO/AFMD-85-35A, February 1985.)

ESTIMATION OF THE SIZE OF THE INFLATION DIVIDEND OBJECTIVES, SCOPE, AND METHODOLOGY

In our analysis of inflation dividends in the Defense budget, we examined two basic issues. First, we assessed the accuracy of the factors used in the current system of budgeting for inflation. Second, we estimated the magnitude of increased defense budget authority which has resulted recently from using projections which overestimated future inflation levels.

We concentrated our analysis of factors on those used for weapon systems purchases and for the purchases of all non-personnel, nonfuel, and nonweapon system goods. These two types of purchases account for approximately 66 percent of the total defense budget. We analyzed the way Bureau of Economic Analysis (BEA) constructs estimates of price changes in all defense goods and more specifically in weapons systems. We discussed our analysis with officials of both the BEA and DOD.

We compared all available historical data on price changes in defense goods, compiled by BEA for fiscal years 1978 through 1984, with price changes in other major economic price indices. We identified alternative procedures for projecting changes in defense prices and analyzed whether these procedures would have produced better estimates of actual defense prices changes over the same period.

In the case of nonpay, nonfuel, and nonweapon systems purchases, DOD currently projects these prices to change at the same rate as the projections of the GNP deflator issued by the Office of Management and Budget (OMB) as part of their guidance in budget preparation. As an alte.native, we analyzed projections based upon changes in the industrial component of the Producer Price Index (PPI). We chose the PPI-industrial index because it is often cited by defense authorities as covering a range of goods similar to those purchased by DOD. Also, the data are available which measure price changes on a fiscal year basis.

We also analyzed the use of a 1.3 multiplier in constructing estimates of future inflation rates in weapon systems' prices. As alternative to the use of the 1.3 multiplier, we identified the use of a 1.0 multiplier, i.e., the budgeting for weapon systems inflation in the same manner as nonpay, nonfuel, and nonweapon systems purchases. We analyzed the ability of each multiplier to predict accurately the changes in weapon system prices over the period fiscal year 1978 through fiscal year 1984.

In assessing the overestimates of future inflation on defense budget authority, we constructed a data base from defense publications (annual editions of *National Defense Budget Estimates* volume published by the Office of the Assistant Secretary of Defense, Comptroller) and unpublished data furnished by defense officials. Information in this data base matched that available to officials at the time the original budget was approved. This data base also contained the best information currently available. This data base included Total Obligational Authority (TOA) by appropriation account and the type of item being purchased. It also contained inflation projections for each type of item being purchased and spendout rates which projected when outlays would occur (by year) in each appropriation account.

For the analysis, we estimated—for each category of purchases—the amount of money needed to pay for the inflation anticipated at the time the budget was approved. We also estimated the amounts of money which would have been needed for inflation if we had known during these budget preparations what we know now. The difference between the original high estimate and the current lower estimate of inflation funding was defined as the inflation dividend received by DOD.

For fiscal years 1982 through 1985, our estimates for the inflation dividend are slightly lower than the actual dividend. The TOA levels used in these calculations are the TOA levels actually appropriated. Because recent TOA levels are lower than the originally approved amounts, the current TOA levels used in our calculations are lower than those originally approved by Congress. Therefore, the inflation dividend estimated within each appropriation is also lower than the one which existed at the time of original budget approval.

We also performed inflation dividend calculations for the fiscal year 1986 budget. In these calculations we used the TOA levels specified in the administration's budget submissions, not actually approved levels of TOA. Because the changes in inflation expectations that have occurred since fiscal year 1986 submission are small, the estimat-

ed inflation dividend in the fiscal year 1986 budget is also small.

Our initial set of calculations was compared to a similar set of calculations prepared by DOD officials in support of the $4 billion savings offer made by Secretary Weinberger. The discrepancies identified in this comparison were discussed informally with defense officials and the appropriate corrections made in the GAO estimation procedures.

Officials of the BEA also reviewed and provided informal comments to our draft report. To the extent possible, their comments have been incorporated in this report.

Details of GAO analysis of DOD inflation budgeting follow:

FIG. 1.—DESCRIPTION OF CATEGORIES USED BY DOD TO BUDGET FOR INFLATION

Description	Pay	Fuel
Appropriations titles in which the category appears.	Military personnel, O&M.	O&M, RDT&E.
Spendout period	1 yr	1 yr.
Percent of total budget	32 percent	2 percent.
Deflator used for projection	OMB projections of Government salary increases.	Special projections of fuel prices.

Description	Major weapon systems	All other purchases
Appropriations titles in which the category appears.	Procurement	All.
Spendout period	Up to 7 yr	Up to 5 yr.
Percent of total budget	26 percent	40 percent.
Deflator used for projection	1.3 times projections of GNP.	Projections of GNP deflator.
Alternatives analyzed by GAO	1 times projections of GNP deflator.	Projection of Producer Price Index.
	1 times projections of PPI.	Do.

In constructing estimates of funds needed to offset inflation in future defense expenditures, DOD divides its expenditures into four separate categories of goods: pay, fuel, major weapon systems, and all other purchases. In each category, price increases are predicted using a different index. For pay, increases are projected to equal the increases in civilian and military pay proposed in the President's budget submission. For fuel prices, a special projection of fuel prices is used. Virtually all pay and fuel purchases occur within the year of the budget. Consequently, inflation projections in succeeding fiscal years do not matter much for pay and fuel.

In the major weapons systems and all-other-purchases categories, projections of future inflation rates are required for a number of fiscal years. As an example, outlays for the purchase of a ship can occur for many years after the funds are originally authorized. For both of these categories, projected inflation is based upon projected GNP deflator rates approved by the Office of Management and Budget. For the all-other-purchases category, prices are assumed to increase at the same rate as the projected change in the GNP deflator. For the major weapon system category, prices are assumed to increase at a rate equal to 1.3 times the projected change in the GNP deflator.

FIG. 2.—MAJOR ECONOMIC PRICE INDICES USED IN THE GAO ANALYSIS

Index	Constructed by	Available since	Coverage
GNP deflator	BEA	1929	All final goods and services sold in the United States.
Producer Price Index—Industrials.	BLS	1890	Goods produced for sale in U.S. primary markets.
DOD purchases deflator	BEA	1972	All nonpay, nonfuel purchases of the Defense Department.
All-other-purchases deflator.	BEA	1972	All nonpay, nonfuel, and nonmajor weapon system purchases of the Defense Department.
Major commodities deflator.	BEA	1978	All major weapon system purchases of the Defense Department.

To analyze the way DOD budgets for inflation, we gathered data on five major price indices: (1) the GNP deflator, (2) the industrial component of the PPI, (3) the DOD purchases deflator, (4) the all-other-purchases deflator, and (5) the major commodity deflator (MCD). The industrial component of the PPI was chosen because data for this index are available on a fiscal year basis comparable to the other indices. The DOD purchases deflator includes prices of goods in the major weapon systems category, but excludes the pay and fuel categories of purchases. The all-other-purchases deflator excludes major weapon systems, pay, and fuel purchases. The major commodity deflator includes only the purchases of major weapon systems.

The PPI is constructed by the Bureau of Labor Statistics. All other indices are constructed by the Department of Commerce BEA. The time period covered by our data base is fiscal year 1978 to fiscal year 1984. Fiscal year 1978 is the first year for which the BEA publishes data on price changes for major weapon systems. Fiscal year 1984 is the most recent year for which defense price data are available.

[Figure 3 not reproducible for RECORD.]

Figure 3 shows rates of price increases since fiscal year 1978 as measured by four of these indices. (Increases in the DOD purchases deflator are not shown.) The decrease in inflation during the 1980's is clearly displayed in each index. The rate of increase in the PPI has declined more rapidly than the other three indices. Also, price increases in the major commodity deflator have been much larger than measured by the other indices over the past 3 years.

FIG. 4.—ANALYSIS OF THE HISTORICAL RELATIONSHIP BETWEEN PRICES OF ALL OTHER DEFENSE PURCHASES AND PRICES FOR THE REST OF THE U.S. ECONOMY: FISCAL YEAR 1978–84

Statistics	Changes in GNP deflator	Changes in PPI-industrial
Constant	−0.525	4.038
t statistic	−.643	5.295
Slope coefficient	1.139	.447
t statistic	10.307	5.514
R^2	.955	.859
Durbin Watson statistic	3.022	1.688

Figure 4 analyzes the relationships between the prices in the all-other defense purchases category and prices in the rest of the U.S. economy. Prices in the rest of the U.S. economy are measured by the GNP deflator and the PPI-industrial. The regression of changes in prices of all other defense purchases on changes in the GNP deflator performed well. The relationship is significant at the 1-percent confidence level. The estimated slope coefficient is not statistically different from unity. This suggests changes in the GNP deflator are almost identical to changes in the defense purchases deflator. (The best test for such a relationship is an F test on both the slope and constant coefficients. The F test does not reject the null hypothesis at the 5-percent level of confidence. Also the value of the slope coefficient is not appreciably affected by applying a correction for first order serial correlation.) The regression of changes in the all-other defense purchases deflator on changes in the PPI-industrial index does not perform as well. Although the slope coefficient is statistically significant, its R^2 level is lower than that of the first regression, and its slope coefficient is statistically distinct from unity.

FIG. 5.—ANALYSIS OF THE HISTORICAL RELATIONSHIP BETWEEN MAJOR WEAPON SYSTEMS AND PRICES FOR THE REST OF THE U.S. ECONOMY: FISCAL YEAR 1978–84

Statistics	Changes in GNP deflator	Changes in PPI-industrial
Constant	5.880	8.779
t statistic	1.874	4.799
Slope coefficient	.579	.153
t statistic	1.362	.783
R^2	.271	.109
Durbin Watson statistic	1.362	1.256

We used the same data base to analyze the relationship between prices of major weapon systems and the prices in the rest of the U.S. economy. Figure 5 shows the results of the regression of changes in the major commodities deflator (MCD) on changes in the GNP deflator and the regression of changes in the MCD on the changes in PPI-industrials. Neither regression performs well. Neither slope coefficient is statistically different from zero—indicating data do not reject a hypothesis that no relationship at all exists between these indices. Also R^2 coefficients are relatively low. These results suggest that a simple mathematical formulation such as "(percent change in MCD)=1.3 X (percent change in GNP deflator)" does not accurately predict changes in future major weapon systems prices.

[Figures 6 and 7 not reproducible for RECORD.]

The inability of these regressions to explain fluctuations in major weapon systems prices may be linked to problems in measuring such prices. Figures 6 and 7 illustrate two problems which complicate the measurement of weapon system prices. First, as shown in Figure 6, weapon systems prices are measured by the BEA based on the prices of weapon systems when they are actually delivered to DOD. Although prices are measured for the GNP deflator on the same delivery basis, weapon systems take much longer to build (on average) than do commodities in either the entire economy of the industrial sector specifically. Thus, recording changes in weapon systems prices may lag considerably behind recording price changes for other goods. In our own analysis, we found that current weapon systems price changes were more highly correlated with past changes in the GNP deflator (r=.90) than with current changes in the GNP deflator (r=.52). When inflation falls,

this causes weapon system price increases to appear higher than other prices.

Second, measurement of weapon systems price changes depends heavily on index adjustments made when new weapon systems replace old outdated systems. Realizing that prices reported for initial versions of weapon systems are not representative of prices when production is fully underway, BEA analysts replace initial prices with base prices established in the contract documentation for the 100th unit produced. However, the contract documentation establishes those prices on the basis of price decreases assumed from efficiencies to be gained through "learning" or the "progress" curve. Our prior research (see GAO report, *Underestimation of Funding Requirements in Five Year Procurement Plans,* NSIAD-84-88) shows price decreases due to learning curves seldom occur in military weapon systems. The use of learning curves in predicting the base prices of a new weapon system therefore understates its actual price. Because a new weapon system's base price is the floor from which all future inflation is measured, initial underpricing results in an overestimate of later inflation in the weapon system's price. (In our informal discussions with BEA on this point, they maintained that deviations from the learning curve price are based upon escalation agreements which are tied to measured indices of inflation, such as wage increases or changes in the PPI. Therefore, they maintained their measurements of weapon system inflation are not biased upward.)

FIG. 8.—ANALYSIS OF THE HISTORICAL RELATIONSHIPS BETWEEN THE PRICES OF DEFENSE PURCHASES (NONPAY AND NONFUEL) AND PRICES IN THE REST OF THE U.S. ECONOMY: FISCAL YEAR 1978–84

Statistics	Changes in GNP deflator	Changes in PPI-industrial
Constant	2.043	5.733
t statistic	1.128	4.891
Slope coefficient	.885	.329
t statistic	3.608	2.640
R^2	.722	.582
Durbin Watson statistic	2.067	1.261

Neither the GNP nor the PPI-industrial index seems to provide good projections of major weapon systems prices over the period fiscal year 1978 through fiscal year 1984. We analyzed how well each index predicted the combined price of both weapon systems and all other defense purchases as reported by the DOD purchases deflator. This analysis showed that the prices of DOD purchases—including all other purchases and major weapon systems purchases but excluding pay and fuel—increased at about the same rate as prices of all goods in the U.S. economy. This conclusion is not inconsistent with major weapon systems' prices increasing more rapidly than other prices on a temporary basis. However, if true, there must be some defense goods for which the prices are increasing slower than most other goods. If special inflation multipliers are used for goods where the prices are increasing relatively rapidly, then DOD budget authority is increased. Conversely, if special multipliers are used for those defense goods with relatively slow price growth, DOD budget authority is decreased from what it would be if projections of the GNP deflator had been used. Selection of only those goods with relatively high price growth for special budgeting treatment artificially increases the amount of resources devoted to defense programs.

FIG. 9.—ESTIMATED DIVIDENDS IN THE DEFENSE BUDGET DUE TO INFLATION OVERESTIMATES BY APPROPRIATIONS TITLE AND FISCAL YEAR

[In billions of dollars]

Appropriation title	Fiscal year—					Total by title
	1982	1983	1984	1985	1986	
Military personnel	0.10	0.22	0.18	0.12	0.01	0.63
Operations and maintenance	1.75	2.84	2.65	1.52	.05	8.81
Procurement	3.83	4.92	3.79	2.23	.12	14.89
Research, development test, and evaluation	.62	.87	.75	.52	.04	2.80
Military construction	.26	.18	.14	.10	.01	.69
Fiscal year total	6.56	9.03	7.51	4.49	.23	27.82

We defined the inflation dividend accruing due to inflation overestimates as the difference between the amount calculated as needed to cover projected future price increases when the budget was initially appropriated, and the amount which would have been set aside if budget decisionmakers had known then what they know now. Figure 9 shows our estimates—based on DOD data—of the size of the inflation dividend in each major appropriations title of the defense budget. These estimates do not include any dividend accruing due to use of a 1.3 multiplier for major weapon systems. Inflation savings in the category of pay for military and civilian personnel, which are generally funded through supplemental appropriations, are not included. These estimates are somewhat lower than actually received by DOD because the TOA levels we used are the ones currently in effect, not those initially appropriated, which were slightly higher.

The largest inflation dividend occurred in the procurement appropriations title in fiscal year 1983. Using the inflation rates as projected in January 1982, $19.6 billion was budgeted for future price growth. However, $14.7 billion would have been necessary if actual inflation rates for fiscal years 1982 through 1984 and currently available projections for fiscal years 1985 through 1987 had been used when estimating inflation for the fiscal year 1983 procurement programs. The inflation dividend (the difference between $19.6 billion and $14.7 billion) is $4.9 billion. Similarly, large inflation dividends have occurred in fiscal year 1982 ($3.8 billion), 1984 ($3.8 billion), and 1985 ($2.2 billion). The inflation dividend for fiscal year 1986 is relatively small because inflation projections have decreased only slightly so far in 1985.

In the military personnel appropriations title, the largest annual dividend is $220 million in fiscal year 1983. Two factors contribute to keeping the dividend for this area relatively small. First, these estimates do not include military pay. Only a small proportion of all military personnel funds cover nonpay expenses. Nonpay expenditures in the military personnel appropriations title cover such items as the transportation of the household goods of military members who are reassigned and the purchase of food for mess halls. Second, funds in the military personnel title which do pay for non-wage goods tend to be spent very quickly—virtually all within the fiscal year they are appropriated. Thus, changes in inflation rates have little chance to change very much or accumulate over time.

In the operations and maintenance title, the inflation dividend is $2.8 billion for fiscal year 1983. This dividend does not include any changes in projected wages of civilian employees. (Civilian pay is funded under the operations and maintenance title in the defense budget.) The dividend comes from savings in fuel prices and all other operations and maintenance purchases. Fuel savings were particularly high in fiscal years 1983 and 1984 when DOD forecast fuel price increases of 2 and 5 percent, respectively. Instead there were price declines of 10 and 9 percent. Savings are relatively small in fiscal year 1986 because inflation projections for nonfuel purchases changed only slightly from January 1985 to April 1985 (the latest revision available in the budgetary cycle) and because there has been no revision in projected fuel prices.

In the research, development, test, and evaluation (RDT&E) appropriations title, funds purchase both fuel—subject to special fuel deflator projections—and research and development services—subject to the regular GNP deflator projections. Unlike operations and maintenance and like the procurement title, RDT&E programs do not have to be obligated in the fiscal year of the original appropriation. Therefore, spendout rates in this title cover the original fiscal year of the appropriation and three additional fiscal years. The largest inflation dividend occurred in fiscal year 1983 when it was $870 million.

Funds for military construction do not have to be obligated within the year of the original appropriations, and spendout rates are projected for 4 years after the fiscal year of the original appropriations. Even though inflation planning is an important part of the military construction appropriations, total appropriations are relatively small and therefore the inflation dividend is also relatively small. The highest inflation dividend, $260 million, occurs in fiscal year 1982.

We estimate that the inflation dividend due to overestimates in all appropriations titles for fiscal year 1982 and fiscal year 1985 has been $27.8 billion. Over half of the dividend, about 54 percent, has occurred within procurement appropriations. The largest dividend occurred in fiscal year 1983. The current fiscal year's dividend is estimated to exceed $4 billion. The dividend for fiscal year 1986 is quite small because it represents changes in inflation expectations which occurred over an extremely short period—January 1985 to April 1985.

As you can see in the next figure, the procurement appropriations title is the largest source of inflation savings. It is a relatively large account, $107 billion in fiscal year 1986, and its programs take the longest of any in the defense budget to complete—incurring substantial inflation price increases over the life of its programs. Figure 10 separates the inflation dividend between that accruing to major weapon systems (the largest portion of Defense procurement spending) and nonmajor systems. Not shown in this figure are dividends resulting from the use of an added 30 percent in estimating inflation for major weapon systems.

[Figure 10 not reproducible for RECORD.]

FIG. 11.—ESTIMATED INFLATION DIVIDENDS IN DOD BUDGETS

[In billions of dollars]

	Due to overestimates of inflation	Due to use of 1.3 multiplier	Total
Fiscal year:			
1982	6.6	0	6.6
1983	9.0	3.3	12.3
1984	7.5	2.8	10.3
1985	4.5	3.1	7.6
Total	27.6	9.2	36.8

If, as we believe, the use of a 1.3 multiplier is not needed to compensate DOD fully for weapon systems inflation, its use over the period fiscal year 1983 through fiscal year 1985 is itself an inflation dividend. If prior fiscal year appropriations were adjusted on the assumption that major weapon systems inflation was budgeted at a rate equal to projected changes in the GNP deflator, and additional $9.2 billion would have been saved. As shown in figure 11, when combined with the previous estimate of $27.6 billion, the result is a total inflation dividend of $36.8 billion.

The implications of these results for fiscal year 1986 budget decisions must be interpreted with some caution. First, some of these funds have already been cut from DOD budgets by congressional action. DOD estimates that $8.2 billion of this dividend has been cut by Congress as a result of budget repricings (such as was performed in this analysis) or realized contract savings. Second, many of these funds are no longer available to DOD for use on current defense programs and thus are not substitutable for fiscal year 1986 appropriations. This is true of all inflation dividends in the military personnel and operations and maintenance appropriations titles for all years except fiscal year 1986. Also, because in the other appropriations titles most appropriations must be obligated within 3 years, inflation dividends for fiscal years 1982 and 1983 are no longer available for use by DOD. Thus, much of the inflation dividend has either been spent on additional defense programs, been reprogrammed (see appendix VIII), or has lapsed (see appendix VII).

Although seemingly quite large, our estimate of the defense inflation dividend is quite similar to both that of DOD and that of the Military Reform Caucus. Figure 12 displays these comparisions. In his estimate of an inflation dividend of $61.7 billion, Secretary Weinberger includes reductions which occurred prior to congressional appropriations and during budget reviews internal to the administration. If this amount ($33.3 billion) is subtracted from his estimate, the remainder ($28.4 billion) compares to, and in fact is even larger than, our estimate.

The Military Reform Caucus uses a very different method of calculation to estimate an inflation dividend of between $42 billion and $54 billion. The range of estimates results from their suggestion of two possible alternative indices for budgeting for inflation in defense purchases—the PPI for manufacturing and the PPI for durable manufacturing. Two factors differentiate the Military Reform Caucus estimate from our estimate. The Military Reform Caucus estimate includes a compounding effect of inflation dividends; the GAO estimate does not. Our estimate includes inflation savings in fuel purchases; the Military Reform Caucus estimate does not. When both estimates are reduced to a common base, our estimate compares to the Military Reform Caucus estimates.

FIG. 12.—COMPARISON OF GAO ESTIMATE WITH ALTERNATIVE ESTIMATES OF DEFENSE INFLATION DIVIDEND

Item	DOD	Military reform caucus
Source	OASD (Comptroller)	Military reform caucus.
Expenditure base	All nonpay purchases	All nonpay and nonfuel purchases.
Time period	Fiscal year 1982–85	Fiscal year 1982–85
Alternative estimate	$28.4 billion [1]	$19.7 to $24.1 billion.
GAO estimate	$27.6	$22.8 [2]

[1] DOD identified $61.7 billion in total savings, but $33.3 billion occurred prior to congressional appropriations.
[2] GAO estimated dividend due to lower fuel prices as $4.8 billion.

Because a substantial fraction of the inflation dividend estimated by the Military Reform Caucus stemmed from its assumption that prior year dividends compounded, we analyzed whether such an assumption is reasonable (see figure 13). The Military Reform Caucus argues, that once a dividend accrues to DOD in one year, this dividend, unless cut from the budget by Congress, becomes a base from which later defense budgets are set. Basic to this argument is an assumption that decisions on annual defense budgets are made incrementally—Congress first accepting inflation adjustments in the prior year budget, then deliberating over real increases for new defense appropriations.

FIG. 13.—THE IMPACT OF THE INFLATION DIVIDEND ON REAL GROWTH IN THE DEFENSE BUDGET

Item	Fiscal year—			
	1982	1983	1984	1985
TOA levels (billions):				
Original appropriation	$214.2	$240.5	$259.1	$285.3
Current appropriation	210.4	238.7	258.2	285.3
Originally intended real growth (percent):				
Fiscal year inflator	8.9	6.3	3.7	4.5
Real growth	12.2	7.5	4.7	5.7
Cumulated real growth	12.2	20.6	26.3	33.5
Actual real growth (percent): [1]				
Fiscal year inflator	6.8	4.1	3.3	4.1
Real growth	14.4	9.8	5.1	7.0
Cumulated real growth	14.4	25.6	32.0	40.1

[1] Based on current projections of inflation as of April 1985.

While we accept the principle of compounding as advanced by the Military Reform Caucus, we question the estimates of the Military Reform Caucus as to its size. The Military Reform Caucus assumes that the entire inflation dividend from one fiscal year compounds in the next fiscal year. This is not the case. In fact, DOD uses only a portion of any inflation dividend when adjusting a prior year defense budget for inflation changes. In brief, these two concepts differ because the full inflation dividend accrues to a particular fiscal year's appropriations over a 5-year period. The inflation adjustment used in calculating real growth in a defense budget covers only a single year of this 5-year period.

Figure 13 presents our own estimation of the compounding effect of overestimates of future inflation. In order to focus attention on the issue of decisions about real growth in the defense budget, this figure presents results in terms of cumulated real growth since fiscal year 1981, not dollar amounts. The first two rows of Figure 13 show the originally appropriated levels of TOA in the defense budget and currently approved TOA levels. The next three rows show the originally projected fiscal year inflator estimate used in determining that fiscal year's "zero real growth" base for budget deliberations, the approved real growth in that year and the cumulated real growth using fiscal year 1981 as a base. Using the adjusted base for zero growth in each fiscal year, approved levels of real growth can be calculated.

Following is an example of how these figures would be used. The TOA level for FY 1981 was $175.3 billion. Originally, it was estimated a constant level of defense program for fiscal year 1982 would require $190.9 billion, equal to $175.3 billion times one plus the adjustment factor of 8.9 percent. The realized real growth for fiscal year 1982 is 12.2 percent, the difference between the adjusted fiscal year 1982 base of $190.9 billion and the approved TOA of $214.2 billion.

In performing these calculations, we assumed that all cuts in a fiscal year's TOA levels occurred before deliberations for the succeeding fiscal year's budget and that all such cuts stemmed purely from congressional desire to adjust for previous inflation dividends. Thus, the approved level of real growth for a fiscal year depends on the original TOA level of that fiscal year and the currently approved TOA level of the previous fiscal year.

Because incorrect fiscal year inflators were used for fiscal years 1982 through 1985, DOD realized significantly higher levels of real growth than Congress originally intended in its budget decisions. These higher levels of real growth are shown in the last three rows of figure 13. When cumulated, Congress' original intentions over the period would have permitted a real growth of 33.5 percent of fiscal year 1981 defense program levels. Due to overestimates of inflation, DOD may have realized a real growth of as much as 40.1 percent over this same period.

EFFORTS TO REFORM DEFENSE PROCUREMENT

Mr. LEAHY. Mr. President, I would like to congratulate my colleagues for their leadership in improving the efficiency of defense spending. Senator PRYOR and those joining him recognize that America's best defense is a strong military and a prosperous economy.

As a nation, we cannot afford to allow our defense to lag behind that of our adversaries. Nor can we afford to jeopardize the second component of our best defense—our economy—by wasteful spending on the military.

As our debt approaches $2 trillion, our country is on the brink of a fiscal emergency. In our campaign to reduce deficits, we must redouble efforts to reduce waste in all Federal spending, defense included.

That is why I sponsored an amendment to the Emergency Deficit Control and Balanced Budget Act to require that all major Federal contracts with built-in inflation assumptions are adjusted for the actual rate of inflation each year. Thanks to support from Senators PRYOR and GRASSLEY and others, we were fortunate enough to gain Senate approval of the plan.

Inaccurate inflation forecasts in military contracts are responsible for more than $36 billion in waste. Tens of

billions of dollars earmarked for improving our national defense just sit in the Pentagon till, because Government economists inflated the price of some Government contracts beyond reason. The inflation assumptions in the F-16 contract, alone, were off by $500 million last year.

It was no miracle that Secretary of Defense Weinberger claimed to discover $4 billion extra in his budget this year. He found that $4 billion and he can find more, because the Defense Department has amassed a fund comprised solely of excess moneys set aside for inflation that never happened. At best, this is bad management. At worst, it is classic budget padding.

My amendment, recently passed by the Senate, is simple. At the beginning of each fiscal year, the Congressional Budget Office and the Office of Management and Budget are required to adjust all major Federal contract spending on the basis of the best estimate of inflation, rather than on the bloated inflation forecasts to which we have grown accustomed.

This amendment, alone, could save hundreds of millions of dollars. In addition, my amendment would require any savings to be applied to reducing the deficit. This provision is all important in the context of the Gramm-Rudman-Hollings budget plan.

That plan permits the President to cut most Federal spending across the board, if the deficit exceeds certain limits prescribed by law. The Leahy amendment would require any savings from correcting inflation forecasts in Federal contracts to be applied to reducing the deficit, before any spending cuts could be ordered. Hopefully, this measure, and responsible congressional action to reduce Federal spending, will prevent the across-the-board cuts from ever being ordered.

Money is tight. At a time when Congress is fighting tooth and nail to cut Federal spending, we can ill afford to have what we do spend go to waste. We have much better things to spend $36 billion on than bad economic assumptions in defense contracts. In the defense area, the military services are still far short of reaching their ammunition goals. Army and Navy flying hours are down. And maintenance and spare parts backlogs have only improved marginally.

At home that money could be used to strengthen educational and economic development programs, which promote a future of prosperity and growth. That money is also badly needed to support the programs which have helped make this Nation one of the most civilized and compassionate in history.

If the best defense is a good offense, then our offensive, in these times of a $2 trillion national debt, must be aimed at controlling Federal spending. We must meet our commitments as an inwardly and outwardly strong nation. Wasteful spending on defense or domestic programs only hinders our efforts to meet those commitments.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin is recognized for not to exceed 15 minutes.

WILL GORBACHEV SNOOKER THE UNITED STATES INTO STAR WARS?

Mr. PROXMIRE. Mr. President, I had an opportunity to listen to the discussion a little earlier today by a number of our colleagues in this Chamber on the strategic defense initiative—star wars—and I am shocked and surprised. These are intelligent men—these are Senators who I admire. They showed their good judgment yesterday when they were among the very few who voted for my amendment, many of them, and I wish to thank them for that. I think they do have good judgment.

But when it comes to star wars, I think they are falling into the same trap the President is falling into, and I wish to say why.

Mr. President, this country may be about to be snookered in one of the greatest international con games ever. That inveigling may take place at the Reagan-Gorbachev summit on November 19 at Geneva. How could the Soviets persuade the Americans to do just what the Soviets want the Americans to do at Geneva? What kind of a deal on arms control would give the Soviets an advantage over the United States? Are you ready?

It is simple and easy. Secretary Gorbachev snookers America by making no deal at all on arms control. He comes to Geneva with a single, central, loudly voiced objective: The United States must agree to stop any testing, production, or deployment of star wars or Gorbachev declares the Soviets will bull ahead with their offensive missiles, their cruise missiles, and other offensive weapons, including penetration aids to overcome star wars. Gorbachev will charge that the insistence by President Reagan that he will rush ahead with the star wars antimissile defense has left him no alternative. The credibility of Russia's deterrent, the jeopardy of its status as a superpower posed by the oncoming star wars in the United States, has forced its hand. No arms control, no deal—the arms race speeds ahead.

Would not such a posture by Gorbachev put the Soviet Union in the doghouse with the Western European countries that Gorbachev has been at such pains to woo? No, indeed. Western Europeans have generally opposed star wars from the beginning. They have opposed it partly on the grounds that it will not work, but also on the grounds that, if it does work, it would tend to isolate Western Europe and expose Western Europe to greatly superior Soviet conventional military forces while the United States snuggles down behind its star wars intercontinental antimissile defense.

But wouldn't such a Gorbachev refusal to negotiate solidify American support for star wars? Wouldn't it guarantee that antimissile defense that Gorbachev has practically made a career of opposing would come on hot and heavy in the United States? It would, indeed. If this is so, why would Gorbachev adopt such a posture? The answer is because Gorbachev is intent on the old snooker. You see, from the time he took office, Gorbachev, above all, has wanted—I repeat, Gorbachev has wanted the United States to go all-out in building star wars. If this is true, if Gorbachev wants us to build star wars, how does he achieve that end? Easy. On the assumption that this new, top Communist has an IQ of at least 100, he certainly understands that the one way he can persuade the United States to follow a military policy that will diminish U.S. military power vis-a-vis the Soviet Union is for the Soviet Union to oppose it. If the Soviets oppose a woefully misguided U.S. military policy that will reduce U.S. military power on the ground that that military policy will give the United States an advantage over the Soviet Union, then it follows, as night follows day, the misguided U.S. military policy, must be good for the United States and Members of Congress, the press, and the American public, therefore, will rally to its support, of course. To pull off this snooker, the Soviet opposition to the U.S. policy must be loud, blatant, and public.

If they oppose it, we are for it. Nothing persuades Members of Congress—Democratic or Republican—to be more for a military policy than that of the Soviet Union against it. That is the only argument that I have heard that makes any sense at all that has been offered on the floor. And the Russians know that.

This is specially true if experts believe the U.S. policy is a loser. From the standpoint of the U.S. military strength, star wars just has to be the supreme lame brain waste of economic, scientific, and military resources in history. Here is a trillion-dollars-plus project that the independent scientific community overwhelmingly opposes on the grounds that it will not work. It will divert our best military technology to a wholly fruitless purpose. It will take massively increasing segments of our military budget. It will steal scien-

tific resources from our economy. And any reasonably intelligent college freshman will show you a dozen ways that an opposing nuclear force can beat it.

So who wants the United States to engage in this enormous waste of our economic, scientific, and military resources? Mikhail Gorbachev. That is who.

What a supreme coup for the Soviet Union! Here is that wretched Communist prison camp—the Soviet Union. Their economy sputters along producing only about half of what the United States can produce. Their military force lacks rudimentary skills. It is riddled with drunkenness. The physical health of its troops is poor. It has been stumbling around primitive, little Afghanistan for more than 5 years without winning a decisive victory. The U.S. Defense Department never misses an opportunity to poormouth the U.S. military strength and exaggerate the Soviet military power. Occasionally, a revealing beam of light and truth somehow escapes. For instance, in their latest report from the Under Secretary of Defense for Research, the Defense Department admits that in comparing the 20 most important areas of military technology, the United States leads in 15. The two countries are tied in five. The Soviets lead in exactly none—zero.

So what would you do, Mr. President, if you were Gorbachev, under these circumstances and the United States came along with a woolyheaded turkey like star wars? Remember, you, as Gorbachev, cannot match the United States in technology or in economic strength or in actual military capability. So you see star wars as a golden opportunity. A golden opportunity to do what? To divert this more powerful adversary. You think—let us taunt him into pouring his resources into an antimissile fiasco. Star wars is perfect for this big, fat gambit.

So what do you do it about it? You, as Gorbachev, go after star wars hot and heavy. You denounce it. You condemn it. You insist the United States must stop its colossal shift of resources into star wars. And that, Mr. President is precisely what Mr. Gorbachev is doing. He has been doing it right along. And just watch him at the summit. President Reagan and Secretary Gorbachev want exactly the same thing to come out of the summit. And they will both get it: a continued commitment by the United States, stronger than ever, to star wars.

THE GENOCIDE CONVENTION SECURES—NOT CIRCUMVENTS—AMERICAN JUSTICE

Mr. PROXMIRE. Mr. President, critics of the Genocide Convention have warned that if ratified the convention would allow American citizens to be tried by foreign courts of law. Ratification, the critics warn, would expose Americans to the caprice of foreign law and the whim of foreign judges.

I join these critics to declare that any treaty that circumvents American justice should not be approved by the Senate. But, Mr. President, ratification of the convention would not have that effect.

The text of the treaty does state that persons charged with genocide "Shall be tried by a competent tribunal of the State in the territory of which the act was committed." Yet, as the 1985 report of the Committee on Foreign Relations makes clear, this provision does not mean that U.S. citizens would be at greater risk of being tried in a foreign court of law. Indeed, it reduces their risk.

Legislative history and precedent supplement what a law says in an often profound way. So it is with treaty law. History and precedent make it clear that the United States could still try its own citizens if they were charged with genocide committed elsewhere.

What if a foreign government charged an American citizen with genocide and that government came to us and said "Extradite?" Mr. President, under no circumstances would our treaty obligations require us to extradite that citizen. If there was sufficient evidence to justify a trial, that trial would be held in a U.S. court. If there was not enough evidence, no trial would be held. I join the Foreign Relations Committee and the administration in supporting an understanding to clarify this provision of the convention and to insure that American citizens are not put at risk in this way.

Indeed, the risk of being tried for genocide in a foreign court would be reduced, not increased, if the United States ratified the Genocide Convention. At present, if an American traveling abroad is arrested and charged with genocide, the United States is in a weak position to seek that citizen's release. We cannot gain his extradition back to this country by saying we will try the crime in the United States, because genocide is not a crime in the United States. But if we could point to our ratification of the Genocide Convention, in five countries that citizen's extradition back to the United States would be automatic. With all other countries, our efforts to seek the citizen's extradition would be strengthened immeasurably.

So, I join those individuals who argue that American citizens should not be made more vulnerable to being tried in foreign courts. Yet I can assure those critics that their concerns about that effect of the Genocide Convention are groundless. Ratification of the Genocide Convention would not cause American citizens to be brought before foreign courts. It would instead enable the United States to bring to just those who are guilty of the horrific crime of genocide.

MYTH OF THE DAY

Mr. PROXMIRE. Mr. President, the myth of the day is that an arms race between the United States and the Soviet Union will place unbearable strains on an already weak Soviet economy. I admit, it is weak. Therefore, the Soviets have more to lose from an arms race than we do.

The facts, however, tell a different story, Mr. President. In the fall 1985 issue of Foreign Policy, John W. Kiser points out that an arms race would have more positive effects for the Soviet Union than we realize. Mr. Kiser is president of a research company that works with transferring Soviet-bloc technologies to Western companies. He, therefore, has somewhat of an insider's view of the Soviet defense industry.

Here are some of the benefits the Soviets derive from an arms race with the United States, according to Kiser:

First. An arms race, because it represents an external threat to Soviet society, services to pull the Soviet people together to support the two most important institutions in the minds of the Soviet leadership: the Communist Party and the military. In fact without an external threat or stimulus of an arms race, the Soviet economy, which is heavily defense oriented, might well stagnate.

Second. Although defense spending is a burden on any economy, in the Soviet Union there are not necessarily two separate economies, where defense spending bleeds the civilian sector. On the contrary, virtually all nine soviet defense-industry ministries produce consumer goods. What happens is that the Soviet defense sector plays an important role in the production of civilian goods, and when Soviet defense spending increases it also tends to promote economic and technological improvements in the civilian sector.

Third. Research has shown that the Soviet defense industry tends to be the highest quality producer of many products in the U.S.S.R.—both military and nonmilitary. By heating up the arms race, the United States, according to Kiser, "might inadvertantly be strengthening the one sector of the Soviet economy with a vested interest in the efficient use of resources."

In other words, Mr. President, the arms race is a two-edged sword for the Soviet. Sure there would be hardships. But the myth is that there would only be hardships.

I ask unanimous consent that Mr. Kiser's article be printed in the RECORD. Tomorrow, I will talk about another myth he addresses, SDI.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOW THE ARMS RACE REALLY HELPS MOSCOW

(By John W. Kiser)

Two critical assumptions about the impact on the Soviet Union of the U.S. arms build-up, and especially the Strategic Defense Initiative (SDI), or "star wars," seem to have taken root among American foreign-policy thinkers. One is that the diversion into defense of even more Soviet Resources in response to the U.S. build-up will greatly strain an already weak economy. Heightened political tension and possibly even domestic crisis could result. The other is that the Soviets fear U.S. technological prowess and that therefore the SDI has the Kremlin terrified.

There is some objective basis for each assumption, but each rests on only a partial examination of the situation. Moreover, each overlooks fundamental differences in the structure and psychology of the U.S. and Soviet systems.

Two modifying propositions deserve consideration. The first is that, as in the United States, defense spending in the Soviet Union has both positive and negative effects. Military spending does divert resources from more productive civilian uses. As in the United States, however, defense spending also brings economic benefits. In the Soviet Union these benefits may be even greater than in America.

The second proposition is that although the technological and political challenge posed by the SDI does concern the Soviets, in the long run the threat posed by the SDI may actually strengthen their system, pushing them more quickly into a broad-based computer culture and leading them to develop their own defensive system ahead of the United States.

In business school, spiring executives are required to take financial accounting and to learn the principle of double-entry bookkeeping. For every transaction, a credit entry and a debit entry are carried. In that way, the books always balance. Although social and political phenomena rarely carry neat, balancing charges, few such phenomena fail to generate simultaneous pluses and minuses. In looking at the USSR's balance sheet, the Reagan administration, like most others, see primarily liabilities. Wishful thinking about the collapse of the Soviet Union, however, is no new to American politics. An inability or an unwillingness to consider the double-sided nature of things fosters such thinking. The impact of U.S. defense spending and the SDI should be viewed from this perspective.

In the nuclear era it has not been fashionable to speak of war's benefits. Yet war, or the threat of war, has served at least three useful functions in the past. The first is technological. From the days of the crossbow to the present age of the jet engine, nuclear power, and computers, war has simulated technological progress. For example, the University of Chicago historian William McNeill argues in *The Pursuit of Power* (1982) that the Industrial Revolution received much of its impetus from the demands on British industry to supply British troops fighting in Europe.

Second, throughout history, war has often helped bind countries together, diverted political attention from internal problems, and justified coercive governmental controls. Third, in all times, war has enriched some individuals, groups, and companies. In modern times, war, or at least preparations for it, provides a massive economic stimulus and sources of employment for thousands.

These benefits apply, in varying degree to all societies. In Soviet society, however, additional benefits may accrue because of the system. One great weakness of the Soviet economy is its lack of competitive drive and market discipline. The marketplace is a severe disciplinarian—to Soviet and socialist eyes, a brutal and inhuman one in some respects. It allows a weak competitors to die, except when the government decides to intervene. The human toll can be high—loss of job, dignity, and home. But the benefits of this discipline can be seen in the contrasting service of the U.S. Postal Service and McDonald's at lunch time.

The Soviet system, lacking the incentives and cold discipline of the market, has no commercial penalties for failure as severe as economic death. Only two institutions worry about institutional survival—the Communist party and the military. Fear of revolution or of defeat in war provides the ultimate discipline for those two organizations. Unlike civilian production enterprises, in which individuals may suffer penalties for poor performance, the military as an institution risks destruction and extinction if it is not properly prepared to meet the competitive challenge of the United States and its forces.

The Soviet Union knows from bitter historical experience—an experience that the United States and its military generally lack—the penalty of not being able to compete in war. For this reason, the military and the party above it are concerned with competitive survival in a way that is true for no other sector of Soviet society. Therefore, external threats or external competition provide stimuli for development that are not present in the system itself.

Mikhail Agursky, an engineer formerly employed in the Soviet military-industrial complex, has written in Aleksandr Solzhenitsyn's collection of essays *From Under the Rubble* (1975): "The Communist economy's pace is set not by internal but by international competition, spurred by the urge for survival and expansion, considerations of international prestige, and so on. Were it not for this competition, Communist economies would be doomed to stagnate completely." In other words, preparedness for war provides a source of tension that is necessary for any society to progress.

But there are more specific ways in which the growing defense establishment can benefit the larger Soviet economy: It may make contributions to civilian production; it may create technological spin-offs and enhance product quality; and it may foster the transfer of management techniques and military-style discipline to civilian ministries.

Nine Soviet ministries—the Ministries of the Aviation Industry, the Communications Equipment Industry, the Defense Industry, the Electronics Industry, Machine-Building, Medium Machine-Building, General Machine-Building, the Radio Industry, and the Shipbuilding Industry—known as the defense industries, carry out Soviet military production, which is supervised by the Military Industrial Commission. It is widely accepted that the quality of Soviet military hardware is much higher than the average quality of goods produced by the civilian ministries. Largely because of their fears about survival, military buyers, unlike their civilian counterparts, have the leverage to be demanding. If the military does not get what it wants, the product may not be accepted. It is a truism in American industry that a tough customer is good for a supplier. The Soviet military is a tough customer with demanding acceptance standards. It is cost conscious and manages its research cycle in ways atypical of the rest of Soviet industry. In other words, the military, within the context of the Soviet system, acts most like the private sector in the American system.

A better understanding of the relationship between the Soviet defense sector and the civilian sector can help uncover some of the positive effects on economic performance that a great Soviet defense effort can have. The Soviet defense sector seems to the West an unrelieved burden to Soviet society, an economic "black hole" that irresistibly absorbs resources and gives little or nothing back. This view is misleading at best. Evidence derived from my own commercial business supports the important research done by Julian Cooper of the Centre of Russian and East European Studies at Great Britain's University of Birmingham. Cooper has painstakingly documented the many linkages between the civilian and the defense sectors in a paper scheduled to be published in the forthcoming collection *Technical Progress and Soviet Economic Development.* In particular, his research demonstrates the important role the Soviet defense sector plays in the production of civilian goods.

Virtually all nine defense-industry ministries produce consumer goods. The Soviet defense industry manufactures almost one-half of all refrigerators, one-third of all washing machines and vacuum cleaners, and virtually all radios, record players, and tape recorders produced in the Soviet Union. Defense ministries also turn out furniture, cooking utensils, umbrellas, clocks, and many other products.

In addition, defense ministries also produce substantial amounts of industrial equipment both for their own and for civilian use. Although the defense sector's overall civilian production is difficult to measure, Cooper has estimated total output for a range of individual products: one-third of all machine tools, one-third of all railroad cars, 60 per cent of the electric trams and motorcycles, and 15 per cent of the tractors made in the USSR. At least eight of the nine defense ministries make medical equipment. Tractor production includes the heavy, wheeled workhorse Kirovets, which plays an especially important role in Soviet agriculture. Since the early 1970s, Cooper reports, the Ministry of the Shipbuilding Industry has emerged as an important supplier of large irrigation units, which are built with tubing supplied by the Kuibyshev metallurgical works operated by the Ministry of the Aviation Industry.

This defense contribution to civilian needs is not new. Since czarist times, the munitions plant in Tula has made samovars that remain the best known in Russia. The late Soviet leader Leonid Brezhnev threw a big rock into the pond of Western Sovietologists' complacency when he announced at the 24th Communist Party Congress in 1971 and 42 per cent of defense-industry production served civilian needs. It seems that the main result of that statement, however, was to unleash a pettifogging debate over whether he meant the Ministry of the Defense Industry or the whole defense industry.

Cooper's research, as well as my own work, has found strong evidence of technological spin-off to the civilian economy. The

valuable publication *Introduced Inventions*, which has been issued by the Soviet State Committee for Inventions and Discoveries (CID), has featured an annual listing of all Soviet inventions that are introduced into the civilian economy each year. The date of the patent, origin of development, place of use, and estimated savings realized for the economy have been included in each description. When the organization that develops new technology has not been named, it is quite likely that the reasons relate to security and that the plant is in the defense sector. *Introduced Inventions* has reported a large number of inventions without identifying the developing organizations. The publication, therefore, has probably served the purpose of funneling information from the defense industries to the civilian sector. Research done by a panel of the Organization for Economic Cooperation and Development in 1969 showed that 54 per cent of the inventions randomly selected from Soviet patent journals were from unidentified institutions. When this same panel looked more closely at the inventions relating to "aircraft, aviation and astronautics"—technologies closely tied to Soviet defense-industrial ministries—it found that almost 96 per cent were from unidentified institutions.

Moreover, each November, State Prizes are awarded for important advances in technology. Cooper analyzed the prize-winning institutes over a 20-year period. Research and development organizations and enterprises of the defense industry developed or collaborated in the development of approximately one-fifth of the winning technologies. Some of these technologies have been licensed abroad and will benefit America's own defense industry. One example is a ground-breaking electromagnetic casting technology that permits the manufacture of aluminum ingots without conventional molds, thereby yielding significant production economies. Many major aluninum companies throughout the world have acquired this technology, which was developed by the Kuibyshev works. Other world-class technologies include electro impulse de-icing—another Ministry of the Aviation Industry innovation—and detonation spray coating from the Ministry of the Shipbuilding Industry. The latter technology competes with a Union Carbide process and is used to put ultrathin, superhard coatings on everything from turbine blades to paper-cutting machines.

In my own work, which identifies opportunities for commercial licensing of foreign technologies for U.S. client companies, I often review Soviet commercial publications describing new inventions available for sale. These have included advanced refining technology for producing high-purity metal with good ballistic-impact properties, powder metallurgy for making components out of silicon nitride—a ceramic material that can be used in bearings for cruise missiles—and technology for welding thick titanium plate, a process the United States has yet to master.

Supporting this research and development activity is an institutional infrastructure not unlike that in the United States. Many purely military defense-research institutes are secret and are fully controlled by the military. These are similar to the U.S. Naval Research Laboratory and the Watervliet Arsenal, which are under direct Defense Department control. In addition, there is a huge network of nominally civilian institutes that is under the control either of the USSR Academy of Sciences or of similar academies run by each of the Soviet republics. These include such well-known research institutes as the Paton Electric Welding Institute in Kiev and the Kurchatov Institute for Nuclear Power in Moscow. Universities and polytechnic institutes also form part of a huge research base for the military to draw upon. Many of these civilian research institutes carry on classified research, not unlike the pattern in America, where leading universities are engaged in classified defense research under the aegis of specialized units such as the Lincoln Laboratory of the Massachusetts Institute of Technology and the Lawrence Livermore National Laboratory run by the University of California. Many research institutes that conduct no classified research also cooperate closely with military and the defense industries.

With this intermingling of defense, industrial, and academic organizations, it is unreasonable to assume that researchers moving back and forth between defense and civilian assignments do not use insights and ideas drived from defense work for the development of civilian technology. Good U.S. defense contractors are always looking for commercial spin-offs from their defense work. Bell's UH-1 helicopter exemplifies this practice. The "Huey" saw extensive action in Vietnam; commercial versions have performed such tasks as hauling and placing electric transmission line towers and ferrying workers to offshore oil rigs. The big defense push in very large-scale integrated-circuits technology will undoubtedly yield similar commercial benefits to alert contractors.

Although defense spending is a burden on any economy, once policymakers and analysts abandon the image of two separate economies, one bleeding the other dry, and see instead a highly integrated military-industrial economy, certain new questions will arise. How, for example, will the expansion—in size and influence—of the Soviet defense sector affect overall Soviet economic efficiency? Higher-quality materials and capital goods, of course, are generally used for defense purposes. But to stay with a double-entry bookkeeping approach, it is important to consider the possible benefits stemming from growth of the military's influence. The Soviet military shows a growing understanding that the overall performance of the economy is vital to its own ability to compete with the United States. Through heightened military competition, the United States might inadvertently be stengthening the one sector of the Soviet economy with a vested interest in promoting the efficient use of resources. A Commerce Department specialist on the USSR, John Martens, has observed that the real economic reformer in the Soviet Union may be the military.

Cooper's findings show that there is little doubt that defense enterprises are the highest-quality producers of many kinds of products in the USSR. The Saratov refrigerators and Raketa vacuum cleaners turned out by the Ministry of the Aviation Industry are eagerly sought by consumers. The Kirovets tractor of the Ministry of the Defense Industry and the Biryusa refrigerator manufactured by the Ministry of General Machine-Building are frequently held up in the Soviet press as the results of good management practice to be copied by the rest of Soviet industry. Indeed, the Biryusas not only are coveted by Soviet consumers, but also are exported to Eastern and Western Europe. The Ministry of General Machine-Building likewise seems to be one of the better producers of reliable televisions. Cooper concludes, on the basis of Soviet references, that at least two ministries, the Ministry of the Aviation Industry and the Ministry of General Machine-Building, consistently produce goods that exceed the general quality of their civilian equivalents.

A BLESSING IN DISGUISE

In addition, there has been an increasing transfer of personnel from the defense ministries to civilian positions, and with these managers have come attempts to apply successful defense management practices. These include procedures for enhancing customer power in the development of new technologies, as well as new organizational methods for integrating research, design, and production. Finding ways to reward and punish more effectively good and bad performances in fulfilling contracts is also high on the agenda of defense managers moving into civilian ministries. The work-team, or "brigade," system now being introduced throughout much of Soviet industry owes much to the Kaluga turbine works of the Ministry of the Shipbuilding Industry.

In 1984, in fact, the Kremlin launched an economic experiment involving the transfer of top defense-production officials to leading posts in five civilian industrial ministries in order to enhance autonomy and initiative and to improve discipline in meeting supply contracts. The recently appointed heads of the State Committee for Standards and the Ministries of the Machine Tool and Tool-Building Industry, Power Machine-Building, and Heavy and Transportation Machine-Building are all former senior defense-industry managers. This experiment probably will be expanded under new Soviet leader Mikhail Gorbachev, and it is being overseen by a commission led by L.A. Voronin, first deputy chairman of Gosplan, Moscow's central economic planning bureaucracy. Prior to 1980, Voronin was first deputy minister of the Ministry of the Defense Industry.

The role of defense personnel in promoting economic and technological improvement is not new. The military influenced the creation of both the State Committee for Standards and the CID. The latter, created shortly after World War II, facilitates the diffusion of information about new inventions, especially those of interest to the defense sector. Initially staffed by military personnel, the CID was first headed by Y.E. Maksarev, the director of the plant that built the famous T-34 battle tank. During the 1950s and 1960s, the Ministry of the Aviation Industry took the lead in developing new management ideas and promoting cost-effective approaches to production.

The SDI may be another blessing in disguise for the Soviets. Although some U.S. specialists believe that the Soviets are equal to or ahead of the United States in many areas of strategic defense technology—thanks to a bigger and longer-running research effort—the major area in which they are comparatively weak is computer technology and integrated computer systems. The Soviets have shown a capacity to handle individual computer-based projects, such as guiding missiles accurately, putting probes on Venus, and running Gosplan's computer-based management system, which may be the largest in the world. But they face problems in the depth of their computer base and in the magnitude of the organizational challenge of integrating all the components of the technology.

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If the Soviets decide to meet the U.S. challenge of an SDI of their own, they will pay a heavy economic price. Nevertheless, two consequences not advantageous to the United States might follow. One is that Washington will force the pace of development in Soviet computer technology infrastructure and require Moscow to make a variety of positive organizational changes it might not make otherwise. The United States also may be providing Soviet leaders with an energizing force from without that the system cannot generate from within.

Another point to be considered requires examination of America's weaknesses as well as its technological strength. The strength of the American social and economic system lies in its relative adaptability. Yet it is a system also noted for inconsistency and undependability, particularly when it comes to long-term, government-driven policy. Despite broad economic constituencies for the B-1 bomber and the MX (missile experimental), funding of these weapons systems has been a long, politically charged process characterized by frequent stops and starts. Absent a recognized Soviet challenge like the *Sputnik* satellite, the political process is not likely to give the same support to strategic defense that it gave to the moon race. At least four administrations and eight congresses must give strong support to the SDI for it to realize its ambitious aims. Nor is the Pentagon's procurement process famous for the speed with which it develops new weapons. Further, if the Defense Department succeeds in hindering open scientific communication, it will add to the already formidable technical obstacles confronting the SDI.

The Soviet system may be slow to crank up, but it is noted for a plodding, persistent pursuit of objectives once important decisions are made. The Soviet naval build-up reflects 20 years of persistence. The success of the SDI requires steady funding, not erratic spending. If the Soviets do elect to develop a comprehensive strategic defense after considering all other options, the United States should not forget the outcome of the race between the tortoise and the hare. Alternatively, should the Soviets multiply their offensive forces, the United States could face a very real missile gap, unless the American system is capable of delivering both the political and the technical promise of the SDI.

American foreign policy is increasingly seen by many in the world, and especially by the Soviets, as a strange and unpredictable beast driven more by emotion than by calculation of national interests. It might be useful if presidents recalled the sober words of George Washington, not a man fond of moralistic outrage, as a basis for seeking foreign-policy satisfaction: "The Nation which indulges toward another an habitual hatred or an habitual fondness is in some degree a slave. It is a slave to its animosity or to its affection, either of which is sufficient to lead it astray from its duty and interest."

Influential segments of the U.S. foreign-policy community view the Soviet system as representing an unparalleled order of evil. An obsessive hatred of Soviet communism, easily transformed into excessive fear or contempt, generates often counterproductive ideas to harm the Soviets without regard to the consequences to America's own interests. Spurious arguments about the superior morality of defense over offense to the contrary, much of the support for Star Wars seems to be rooted in such emotions.

Once the Soviets decide whether and how to respond to the SDI challenge, they are not likely to be diverted from their course by erratic American foreign-policy responses. The genie may already be out of the bottle. All one can say with confidence is that a new world of uncertainty and unforeseen consequences is taking shape.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business for not to extend beyond the hour of 11 a.m.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER [Mr. MURKOWSKI]. Without objection, it is so ordered.

EXECUTIVE CALENDAR

Mr. DOLE. Mr. President, It is my hope that, on a daily basis, we can move to some of the nominations that are being held, starting with Alex Kozinski, of California, to be U.S. circuit judge for the ninth circuit. That nomination was reported on September 12, 1985. It is now October 22. I assume that Judge Kozinski would like to go to work.

There are other nominations that have been held on both sides: George D. Gould, of New York, to be Under Secretary of the Treasury, reported on September 18; Charles O. Sethness, of Massachusetts, to be an Assistant Secretary of the Treasury. I understand there may be a jurisdictional dispute there. We hope that can be resolved.

The nomination of Vance L. Clark, of California, to be Administrator of the Farmers Home Administration, has been out here for about a month. The farmers have a lot of problems. Farmers Home Administration is directly involved in handling those problems. Therefore, I hope we can resolve any problems concerning Mr. Clark's nomination.

Next is James W. Spain, of California, a career member of the Senior Foreign Service to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Democratic Socialist Republic of Sri Lanka. That was reported on September 24, 1985.

The nomination of Robert K. Dawson, of Virginia, to be an Assistant Secretary of the Army, has been pending for about 3 weeks.

The nomination of Winston Lord, of New York, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the People's Republic of China, has been pending for about 3 weeks.

Orson G. Swindle, III, of Georgia, to be Assistant Secretary of Commerce, was reported October 10.

The nomination of Charles Fried, of Massachusetts, to be Solicitor General of the United States has only been on the calendar for a few days.

Mr. President, I would hope that particularly those which have been pending for a month or more we can start the process, an early morning process, to take up these nominations. If people have objections, obviously they have every right to object. They have the right to make their case. They have a right to request a rollcall vote. But to permit a nomination to hold in my view is not good legislative practice.

I serve notice on all those who have problems with nominees they should consult with the leadership to see if we can determine what the problems are.

It is my understanding that Senator THURMOND is on his way to the floor to see if we can proceed with the nomination of Judge Kozinski.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I understand that the distinguished majority leader spoke just a few minutes ago with respect to nominations on the calendar. I did not hear what the distinguished majority leader said. Would he please repeat what he said?

Mr. DOLE. Mr. President, I thank the distinguished minority leader for yielding.

What I did was go down the list and indicate every instance where it had been called to my attention that there was a hold. I did not indicate where the holds were coming from, because I am not certain in some cases, but I am prepared to assume that there are probably as many as or more on this side of the aisle than on the minority leader's side.

I selected Mr. Kozinski because he had been on the calendar the longest period of time, with one exception, where I understand there are some other things working. I have since discussed it with the distinguished Senator from Michigan [Mr. LEVIN] and he has a legitimate reason to want additional time on that nomination. He submitted a request to Senator THURMOND and Senator THURMOND sent it on to Mr. Kozinski. The information has now been received. Senator LEVIN

needs until next Monday or Tuesday to have a chance to examine it.

It is my hope that we can resolve some of the others in our discussions today in the chairmen's meeting, and then as we can, try to bring them up on a one-at-a-time basis.

Mr. BYRD. Let us go down the Executive Calendar so that each of us will be prepared to discuss these matters in conference.

Beginning with the Treaty on Genocide, what is the outlook for a call-up of that item?

Mr. DOLE. I think the outlook is good. It is on the list that I submitted to the distinghished minority leader, a must list to complete this year. So that item will be hopefully disposed of this year, unless we get bogged down in reconciliation or some other matter.

Mr. BYRD. Very well. Calendar Order No. 3, that is coming up today, is it not?

Mr. DOLE. Yes.

Mr. BYRD. All right.

Mr. DOLE. That will be up immediately after the policy luncheon.

Mr. BYRD. All right. The next item is the Department of Energy, Charles A. Trabandt.

Mr. DOLE. Yes. I understand that is being held waiting for another nominee, and then we will consider those at the same time.

Mr. BYRD. Where is that? That hold is on the Democratic side, is it?

Mr. DOLE. Yes.

Mr. BYRD. All right. The next one is under the Judiciary, Calendar No. 379, Alex Kozinski, to be U.S. circuit judge for the ninth circuit. Is that hold on the Democratic side?

Mr. DOLE. Yes.

Mr. BYRD. All right. The next one is Department of the Treasury, George Gould. My calendar says it is OK over here. Is there a hold on——

Mr. DOLE. The next two, George Gould and Charles Sethness, are being held by the chairman of the Banking Committee. It is a jurisdictional matter between the Finance and Banking Committees. We hope to discuss that today in our chairmen's meeting.

Mr. BYRD. On this side, both of those nominations are cleared.

Mr. DOLE. Yes.

Mr. BYRD. George Gould, to be Under Secretary of the Treasury, and Charles Sethness, of Massachusetts, to be Assistant Secretary of the Treasury. No holds on this side. Both of those holds are on the Republican side.

How about the next one, Vance Clark, Department of Agriculture?

Mr. DOLE. I think that is on the Democratic side.

Mr. BYRD. That is a hold on the Democratic side. Nothing on the Republican side?

Mr. DOLE. No. The next one, James Spain, is being held on this side. Next, Robert K. Dawson is being held——

Mr. BYRD. Yes, James Spain is clear on this side. Now, going back to Vance Clark, that was one who was appointed during the last recess of the Senate, I believe.

Anyhow, going on now to the Department of Defense, Robert K. Dawson, my calendar shows a hold on both sides. Am I correct?

Mr. DOLE. I know there is a hold on this side. I know Senator GOLDWATER, the chairman of the committee, wants us to pursue it.

Mr. BYRD. All right. There is a hold on both sides on that one. The next one, Winston Lord, to be Ambassador to the People's Republic of China, that one is clear and has been clear on this side.

Mr. DOLE. Right. That is being held on this side, and again we will discuss that today in our meeting.

Mr. BYRD. Department of Commerce, Orson Swindle, to be Assistant Secretary.

Mr. DOLE. That is OK on this side.

Mr. BYRD. A question mark on this side. We will see if we can clear that one. Department of Justice, Charles Fried?

Mr. DOLE. Charles Fried is clear on this side.

Mr. BYRD. It is clear on this side also.

The next one was only put on the calendar as of yesterday, the last one.

Mr. DOLE. So there are not many, but it seems to me, if we are trying to look ahead on when we might recess for the year——

Mr. BYRD. I count 11 nominations on the calendar.

Mr. DOLE. That is correct.

Mr. BYRD. I count four with Democratic holds, one which has both Democratic and Republican——

Mr. DOLE. I think there are five, five and one being held by both sides.

Mr. BYRD. Yes, four Republican holds and one jointly being held. So that is a total of 11.

Mr. DOLE. Right.

Mr. BYRD. I thank the distinguished majority leader.

Mr. DOLE. I understand now that it may be possible to clear the Fried nomination.

Mr. BYRD. That is one that has been cleared on this side. We can proceed at any time the distinguished majority leader is ready to go forward.

EXECUTIVE SESSION

Mr. DOLE. Mr. President, I move the Senate go into executive session to consider the following nomination: Calendar No. 468, Charles Fried, of Massachusetts, to be Solicitor General of the United States.

The motion was agreed to.

The Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nomination will be stated.

DEPARTMENT OF JUSTICE

The legislative clerk read the nomination of Charles Fried, of Massachusetts, to be Solicitor General of the United States.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. DOLE. Mr. President, I move that the vote on the nomination be reconsidered.

Mr. THURMOND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. I thank the distinguished minority leader and the distinguished chairman of the Judiciary Committee.

Mr. BYRD. Mr. President, I thank the distinguished majority leader.

Mr. THURMOND. I thank both Senators very much.

1983 PROTOCOLS FOR THE FURTHER EXTENSION OF THE 1971 INTERNATIONAL WHEAT AGREEMENT

Mr. DOLE. Mr. President, I think this has been cleared. I ask unanimous consent that immediately following the final passage vote on H.R. 3424, on Tuesday, October 22, 1985, the Senate turn to Executive Treaty No. 98-5, 1983, protocols for the further extension of the 1971 International Wheat Agreement.

I further ask unanimous consent that the treaty be advanced through its various parliamentary stages up to and including the presentation of the resolution of ratification.

I ask unanimous consent that it be in order now to request the yeas and nays.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there a sufficient second?

There is a sufficient second. The yeas and nays were ordered.

The resolution for ratification reads as follows:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of two protocols for the further extension of the International Wheat Agreement, 1971: (1) 1983 Protocol for the Further Extension of the Wheat Trade Convention, 1971; and (2) 1983 Protocol for the Further Extension of the Food Aid Convention,

1980. Both signed on behalf of the United States on April 25, 1983.

LEGISLATIVE SESSION

Mr. BYRD. Mr. President, at the request of the distinguished majority leader, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

OPPOSITION TO ARMS SALES TO JORDAN

Mr. KENNEDY. Mr. President, yesterday, the administration formally notified Congress of its intention to sell sophisticated weapons to Jordan. Today I am joining with Senators HEINZ, INOUYE, KASTEN, CRANSTON, BOSCHWITZ and 67 other Senators in introducing a resolution of disapproval of the administration's request for advanced arms sales to Jordan.

Despite the fact that over two-thirds of the Senate has publicly stated its opposition to the sale of advanced weaponry at this time to Jordan, the administration is once again bending to Arab pressure and has decided to push for this dangerous new round of arms sales to a country still technically at war with Israel; 74 Senators—45 Democrats and 29 Republicans have agreed to cosponsor our resolution. Clearly that broad support indicates that opposing the attempt to arm the enemies of Israel is no partisan issue—but a national commitment.

We do not seek a confrontation with the administration over this issue. But neither can we remain passive while the administration pursues a course that could endanger Israel and its people in any future confrontation in the Middle East.

All of us hope that the optimistic reports in the wake of King Hussein's visit to Washington will bear fruit and that Jordan is at last on the verge of embracing the Camp David peace process.

King Hussein may be ready for peace with Israel, but the PLO clearly is not. The recent hijacking of the *Achille Lauro* cruise ship once again proves to the world a fundamental truth of the Middle East: The PLO terrorists are not freedom fighters; they are pirates. They are cold-blooded cowards who slaughtered Leon Klinghoffer, an elderly man, crippled and in a wheelchair, whose bloodied body was tossed into the sea.

Despite claims to the contrary, Yasir Arafat has not embraced the peace process. He continues to be an agent and apologist of murder, deceit and terrorism.

The PLO is not a fit partner for the peace process—and any peace process that depends on Yasir Arafat is no peace process at all but a prescription for failure.

It is time for King Hussein to stop talking about peace in the abstract, and start talking directly with Israel at the conference table. He must realize that Palestinians who wage relentless war on innocent men, women and children will never be true partners to peace. And he must realize that arms will not bring peace to his troubled part of the world—only peace with Israel can do that.

Yesterday, while addressing the United Nations, Prime Minister Shimon Peres called for an immediate termination of the state of war between Israel and Jordan. Peres has agreed to meet unconditionally with King Hussein—in Jordan, Israel or any location before the end of the year. It is time for King Hussein to accept this challenge and begin direct negotiations with Israel.

Yet today we learned that instead of sending an Ambassador to Israel, Jordan has just agreed to send an Ambassador to Syria. After a 4-year freeze in diplomatic relations, Jordan and Syria have agreed to exchange Ambassadors and are reported to be planning a summit between their two nations. But it is time Jordan had an Ambassador in Israel.

What we need in the Middle East is a peace policy, not an arms policy—and what we do not need is more missiles and bombs aimed at Tel Aviv, Haifa and the Western Wall.

No Arab State has ever attacked Israel by itself. In each instance when Jordan has fought against Israel in the past, it is as part of a larger coalition of Arab countries. Israel is right to consider the danger to its security from Jordan acting alone—or in concert with other Arab nations.

We all know the "wish list" the administration is considering for the present sale—40 advanced fighter aircraft, 300 AIM-9P4 infrared air-to-air missiles, 24 mobile improved Hawk—I-Hawk—surface-to-air missiles; 72 Stinger shoulder-fired surface-to-air missiles, and 32 Bradley fighting vehicles.

The advanced aircraft—either F-20's, or F-16's—are highly capable aircraft, built to carry Sidewinder missiles, bombs and other ordinance, that could be readily integrated into the AWAC's system, which under the administration's misguided policy, is already being sold to Saudi Arabia.

The fast scramble time of these aircraft, their shorttake off and landing characteristics, their high acceleration, maneuverability and ground attack capabilities would greatly enhance Jordan's ability to participate in a surprise Arab attack against Israel.

The Stinger missiles are portable weapons which can be carried and fired by individual soldiers, and which have a range of 5,000 meters and can hit planes at altitudes of up to 3,000 meters; a single missile could destroy a civilian aircraft. A Stinger missile in the hands of terrorists could wreak havoc in the Middle East.

The I-Hawks proposed by the administration would significantly enhance Jordan's offensive capabilities. An Arab attack on Israel is most likely to occur if it is supported by effective antiaircraft weapons to prohibit the advance of the ground forces. In the 1973 Arab war against Israel the Jordanians limited their participation to an expeditionary force that fought under cover of Syrian air defense—because Jordan lacked the very air defenses the administration now proposes to provide.

In addition, Israel's small size means that I-Hawk missile batteries located on Jordan's border hit aircraft flying over nearly half the country. Jerusalem is less than 20 miles from Jordan; the range of the I-Hawk has a range of 25 miles.

Jordan's current Hawk missiles are placed in concrete and cannot be moved. The new equipment would be mobile—increasing the effectiveness and survivability of the missile and providing Jordan with unprecedented support for offensive operations.

Finally, the Bradley fighting vehicle is armed with a stabilized 25mm gun that can fire while the tank is moving. The vehicle's twin-launcher for antitank missiles allows the vehicle to be loaded from inside—and it carries 12 TOW missiles. So far, only the U.S. Army has this powerful weapon.

We know that Jordan has continued to acquire advanced weapons from the Soviet Union, including surface-to-air missiles. Jordanian forces have received military training on Soviet territory and from Soviet technicians in Jordan. These Kremlin ties raise serious questions about the security of any high technology weapons supplied by the United States to Jordan.

There is a profound choice to be made—whether the people of the Arab lands and the people of Israel will spend the next generation as they have the last, waiting for their sons to be summoned, waiting for the call of battle to be sounded—or whether they will commit themselves to the cause of peace.

In the wake of recent events, we had all hoped that the administration would hold off on this request until Jordan was at the negotiating table with Israel. But until these direct negotiations begin, any arms sales to Jordan is a mistake. Instead of talking recklessly about numbers like F-16's and F-20's, the administration should be more diligently pursuing the two most important numbers for the Middle East—242 and 338.

No sophisticated weapons whatever should be sold to Jordan, unless and until that nation accepts the existence of Israel and begins direct negotiations

with Israel for peace. Until this fundamental condition is met, the administration's proposed arms deal should not be accepted by Congress.

Mr. President, I ask unanimous consent to have printed in the RECORD material in connection with this matter.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, Oct. 22, 1985]

EXCERPTS FROM PERES'S SPEECH PROPOSING TALKS

UNITED NATIONS, N.Y., OCT. 21.—Following are excerpts from a speech today by Prime Minister Shimon Peres of Israel, as issued by the Israeli Mission:

Terrorism is bent on injuring the peace process, but we have an equal determination: it will not stop progress toward peace.

We reject the absurd claim that resisting terrorism—rather than terrorism itself—undermines efforts for peace.

Mr. President, nobody brought more tragedy on the Palestinians than P.L.O. terrorism. Our enemy is not a people, a race, a religion, or a community. Our enemy is belligerency, hatred, and death. We know that there is a Palestinian problem. We recognize the need to solve it honorably. We are convinced that there is no solution but through diplomatic means. From this rostrum, I call upon the Palestinian people to put an end to rejectionism and belligerency. Let us talk. Come forth and recognize the reality of the State of Israel—our wish to live in peace and our need for security. Let us face each other as free men and women, across the negotiating table.

Let us argue, but not fight. Let us arm ourselves with reason. Let us not reason with arms.

Ever since the beginning of the dispute between us, we have urged our Palestinian neighbors to reach an accommodation.

For all these years, our hand remained outstretched in vain, and the reply we heard was the echo of our own voices.

VISIT BY SADAT

When President Sadat came to Jerusalem, the course of history for all of us was changed. He found Israel willing, open and as courageous as he was in the pursuit of peace. The world looked on in wonder as a conflict which had seemed insoluble for more than 30 years, turned soluble in less than one.

Between the 48 million Egyptians and 4 million Israelis there is today peace. Peace with Egypt was to accomplish several objectives:

Sinai was returned to Egypt.

A solution to the Palestinian problem, in all its aspects, was to be reached. It was agreed that full autonomy to the residents of the territories could be a promising step in that direction.

Peace between Egypt and Israel—never intended to be an isolated episode—was to become the cornerstone of a comprehensive peace strategy in our region.

Peace between us was to be filled with constructive content.

This treaty survived tests none of us foresaw. Its full implementation is a challenge and a hope.

We turn to our Egyptian friends with the invitation to breathe life into our relations and to raise our peoples' spirits. Let us not allow gloom and doom to overshadow our worthiest accomplishment. Let us make our peace a success, a source of encouragement to others.

RELATIONS WITH JORDAN

The most complex issue—yet the most promising—involves our neighbor to the east: the Hashemite Kingdom of Jordan. An issue confined not only to borders, it reaches across peoples and states. Its settlement should also comprise the resolution of the Palestinian issue.

Middle East archives are filled with negotiating plans, but its diplomacy is short of negotiating partners. Thus, this is the hour for decisions and statesmanship.

I invite this organization to depart from the tired and timid norm and to fulfill its destiny as enshrined in its walls, but ushering the parties to the conflict into a new diplomatic initiative.

Let all parties to the dispute facilitate a new phase in Arab-Israeli peace by renouncing the use of violence.

This new initiative should be based on the following principles:

1. The objective of these negotiations is to reach peace treaties between Israel and the Arab states, as well as to resolve the Palestinian issue.

2. Neither party may impose preconditions.

3. Negotiations are to be based on United Nations Security Council Resolutions 242 and 338 and on willingness to entertain suggestions proposed by other participants.

4. Negotiations are to be conducted directly, between states.

5. If deemed necessary, these negotiations may be initiated with the support of an international forum, as agreed upon by the negotiating states.

6. This gathering can take place before the end of this year, in Jordan, Israel or any location, as mutually agreed upon. We will be pleased to attend an opening meeting in Amman.

7. Negotiations between Israel and Jordan are to be conducted between an Israeli delegation on the one hand and Jordanian—delegation on the other, both comprising delegates that represent peace, not terror.

POSSIBLE BLUEPRINT

Aware of the nature of this undertaking, I propose the following as a possible blueprint for implementation:

Negotiations may produce intermediate as well as permanent arrangements. They may deal with the demarcation of boundaries as well as the resolution of the Palestinian problem. The Camp David Accords provide a possible basis for the attainment of these objectives.

The permanent members of the Security Council may be invited to support the initiation of these negotiations. It is our position that those who confine their diplomatic relations to one side of the conflict, exclude themselves from such a role.

This forum, while not being a substitute for direct negotations, can offer support for them. Indeed, nothing should undermine the direct nature of these negotiations.

To expedite this process, the agenda, procedure and international support for negotiations can be discussed and agreed upon at a meeting of small working teams to be convened within thirty days.

Mr. President, distinguished delegates, let us put this process into motion. Let us shield this flickering hope from threatening winds. Let us not consign this moment of hope to the fate of missed opportunities.

Let us look our younger generation in the eye and vow to do all that is humanly possible so that never again will a young boy die in a war we failed to prevent.

The sons of Abraham have become quarrelsome, but remain family nonetheless.

I hereby proclaim: The state of war between Israel and Jordan should be terminated immediately. Israel declares this readily in the hope that King Hussein is willing to reciprocate this step.

[From the American Israel Public Affairs Committee "Jordan Arms Briefing Book" October 1985]

ADVANCED AIRCRAFT: THE THREAT TO ISRAEL

The delivery of advanced aircraft to Jordan, like the F-20A or the F-16C, raises disturbing implications for the regional balance of power. Providing such aircraft will give Jordan for the first time aircraft comparable in quality to Israel's best.

JORDANIAN THREAT UNIQUE

Geography has made Israel especially vulnerable to attacks from Jordan—

Israel's longest border is with Jordan. This 300 kilometer border is more than double the length of the border with Lebanon and nearly four times as long as the border with Syria. Although portions of the terrain along the Jordanian border are relatively inaccessible to ground forces, aircraft are unaffected by such limitations.

Jordanian air bases are in close proximity to targets in Israel. Amman is barely 50 miles from Jerusalem, and Mafraq is less than 100 miles from Tel Aviv. As a result, ground attack aircraft based at Amman are only five minutes away from Jerusalem, those at King Faisal air base in South Jordan are only 7 minutes away from Elat and the new air base at Ovda. It is less than 10 minutes flying time from King Hussein air base in Mafraq to Haifa or Tel Aviv.

These conditions make Jordan the state best positioned to spearhead a combined Arab attack against Israel, especially a surprise attack.

ARAB PRIORITY ON AIR POWER

Arab air forces are now giving priority to strengthening their air forces, since they know that Israel must maintain air superiority in order to survive. Even limited penetrations of Israeli air space could significantly hurt Israel and alter the overall military balance. Targets of attack could include Israeli air bases, command posts, early warning radars, mobilization centers for ground units, naval facilities, or other high priority targets, the loss of which would seriously affect Israeli combat capabilities.

THE COMBINED ARAB AIR THREAT

Jordanian advanced aircraft should not be taken in isolation, since they will be qualitatively important additions to the overall Arab air threat array in a "reasonable worst case." Jordan's 100+ combat aircraft, must be viewed in the context of the total Arab air forces, which, excluding Egypt, exceed 2100 planes.

The combined potential of the Arab coalition is significant because, unlike ground forces which move slowly, aircraft can be redeployed relatively quickly over long distances. Even in a short war, Arab countries not bordering on Israel could swiftly transfer aircraft to front-line states, thus providing reinforcements and replacements.

[From the Chicago Tribune, June 2, 1985]

$15 MILLION FIGHTER JET HAS EVERYTHING—BUT A BUYER

(By James O'Shea)

EDWARDS AIR FORCE BASE, CA.—Poised in the shadows of a cavernous hangar here, the F-20 Tigershark fighter jet looks as sleek and deadly as its namesake.

Billed as the fastest-reacting interceptor aircraft in the world, the Tigershark can fire up its powerful engine and be at 32,000 feet stalking faraway enemy planes a mere 2.5 minutes after its pilot hops into the cockpit.

With its 21 on-board computers constantly monitoring its sophisticated electronic controls, the F-20 appears to be the plane that has everything. It has missiles; it has rockets; it has cannons; it has laser-guided bombs.

Indeed, the F-20 Tigershark has just about everything except the one thing that counts: customers.

Since the late 1970s, the Northrop Corp. headquartered near here has pumped more than $800 million into development of the plane that Air Force Association magazine called "a versatile little brute . . . competitive with any other fighter flying today." Nevertheless, the company has been unable to sell a single F-20.

It is not for lack of trying. Northrop has done everything from taking the plane on a "round-the-world demonstration trip to making a recent unprecedented offer to the Pentagon: company Chairman Thomas Jones offered to sell 396 F-20s to the Air Force for a fixed price of $15 million each plus $2.85 million for all the spare parts the plane would need over 20 years.

That is less than the $18 million to $20 million per plane—and with no set figure for spare parts—that the Air Force budgeted this year to buy 180 of its first-line fighters, the F-16, made by General Dynamics Corp.

But so far no one has actually committed to buying Northrop's plane. The Wall Street Journal recently reported that the Air Force, in a classified planning document, has recommended buying some F-20s in fiscal 1987. But the plan faces several Pentagon reviews and still could be altered.

There are many reasons that the F-20 seems to fly under a cloud of bad luck. Even its most ardent supporters agree that Northrop's loss of two of its three-plane Tigershark fleet in the last nine months hasn't helped.

One plane went down in Korea last October at the tail end of its world tour during a flight demonstration. Then, just as congressional interest in the plane surged in May, a second F-20 en route to the Paris Air Show crashed during a practice demonstration at a stopover in Newfoundland.

The pilots in both the crashes were killed. The first accident was attributed to pilot error and the second is under investigation.

But as tragic as the crashes have been, they are not the main reason for the dearth of F-20 sales. The Tigershark's biggest problem is that it is trapped in a Catch-22 involving the United States' farflung allies and the Pentagon's vast weapons bureaucracy.

The F-20 was originally made to be exported to U.S. allies and not for use by U.S. forces. But America's allies have balked at buying the Tigershark because they view any plane not in the U.S. Air Force inventory as inferior.

Meanwhile, the F-20's unique status as a plane developed totally without taxpayers' funds is hurting it. Because it was developed outside of the Pentagon's weapons bureaucracy, it lacks the military constituency that normally develops as a weapon moves through the system.

It was in the late 1970s that President Jimmy Carter's administration called for a new fighter to be developed and built without government assistance for the export market. The original announcement—which still haunts the F-20—sought an "intermediate fighter" for U.S. allies, a plane whose "cost and performance characteristics would generally lie between our current export fighter the F-5E, and fighter aircraft now in production for U.S. forces, such as the F-16."

Northrop, which also makes the F-5, responded with a proposal for an updated version of the F-5 called the F-5G. But before that plane could be sold, two things happened: President Reagan was elected and his administration, reacting to the Soviet Union's presence in Afghanistan, agreed to sell a U.S. first-line fighter—the F-16—to neighboring Pakistan.

As Air Force Association magazine noted, the sale to Pakistan marked the first time the U.S. had sold one of its prime fighter planes to a country outside of the North Atlantic Treaty Organization or Israel before deploying it domestically.

Soon the Reagan administration sold the F-16 to Venezuela too, and other potential foreign purchasers started asking for the prime fighters rather than an "export" brand viewed as not good enough for American fliers.

So Northrop went back to the drawing boards and developed the F-20 Tigershark, a fighter that has structural similarities to the F-5 but is a totally new plane with significantly higher engine thrust and performance improvements, according to the authoritative "Jane's All the World Aircraft."

The trouble is that Northrop has had a hard time shaking the "export fighter" image, particularly because the F-20 is not in the Air Force official inventory.

When the world tour failed to produce any orders, Northrop decided to try for the Air Force stamp of approval by proposing that the Air Force split its purchases between F-16s and F-20s. The Air Force is committed to buy 792 F-16s.

Jones said the two planes are comparable, but the F-20 requires less fuel, fewer spare parts and less than half the manpower of any current fighter aircraft. He said it would save the Pentagon millions on each plane—savings that could be used to buy more airplanes in the Pentagon's drive to add three tactical fighter wings.

"An F-20/F-16 complementary force," Jones said in a speech, "acquired and apportioned with the benefit of competition, would reduce procurement and operating costs."

The Pentagon and the defense industry were stunned by the offer, and it has had some interesting effects. General Dynamics issued a statement attacking the Jones argument as "simplistic, outdated, irrelevant, unsupportable, highly conditional or based on unequal ground rules." The F-16's costs reflect a plane ready to operate in a sustained combat environment, General Dynamics said, while the F-20's reflect the minimum for a plane that can operate in a limited peacetime environment.

Nevertheless, the offer has struck a chord inside and outside the Pentagon. Air Force Secretary Verne Orr said the Jones offer would not change his plans to buy the F-16s next year, but he did indicate he would like to see some competition between the F-16 and the F-20.

Meanwhile, Brig. Gen. David Hoff, commander of the Wisconsin Air National Guard, analyzed the Jones offer and advocated that the Air Force buy some F-20s in fiscal 1986.

"By reducing the [purchase of] F-16s by 19," he said, "[the Air Force] could purchase 32 F-20s. The Air Force would have more aircraft and more combat capability with no increase in the budget."

The House Armed Services Committee also weighed in by including a provision in its fiscal 1986 military authorization bill requiring a competition between the F-16 and F-20 in 1987.

But most insiders still are taking a wait-and-see attitude. The Air Force, they note, was impressed when the Navy used competing bids to force down the price of some F-16s it bought, though General Dynamics says the planes sold to the Navy were stripped-down versions.

[From the American Israel Public Affairs Committee "Jordan Arms Briefing Book," October 1985]

THE THREAT OF STINGER MISSILES FOR ISRAEL

The Stinger is an ideal terrorist weapon. It can be easily carried by one man, and has a warhead sufficiently powerful to destroy civilian aircraft. It is also far more effective than the old SA-7 missiles now used by PLO terrorists. Civilian aircraft from most countries have no defenses at all against anti-aircraft missiles. Israeli commercial aircraft do have countermeasures against the less sophisticated SA-7, but existing equipment may well be ineffective against the Stinger.

Because the Jordanian military includes many Palestinians, including some potentially sympathetic to the PLO, it is all too likely that Stingers could be stolen and used as a terrorist weapon. While safeguards can reduce the likelihood of terrorists obtaining the missiles, there is no way to guarantee that the Stingers will stay out of the hands of terrorists.

Jordanian assurances to the United States on the use and security of Stingers are not worth very much. In 1964, King Hussein agreed, as part of deal to obtain American M-48 Patton tanks, that they would not be deployed to the West Bank of the Jordan River. However, in May 1967 Jordan joined in an alliance with Egypt against Israel and moved those tanks across the Jordan. Two weeks later those tanks were attacking Israeli troops.

Supplying the Stinger to Jordan also will have an adverse effect on the Arab-Israeli military balance. Each new advanced weapon supplied to Arab countries hostile to Israel adds to the burden of Israel's defense. Although Jordan already possesses the older American Redeye shoulder-fired antiaircraft missile and the similar but less capable Soviet SA-14, neither of these missiles pose the same threat as the Stinger.

Israel will be forced to develop new countermeasures devices to foil the Stinger, will then have to build and install the equipment on all of Israel's aircraft. This will be a costly process, and reductions in Israel's defense budget will make it difficult to implement such a program. Until the new countermeasures are fielded (a process that could take some time), Israeli aircraft will remain highly vulnerable to the Stinger.

Supplying Stingers to Jordan could also endanger the secrets of this important air defense weapon. The Jordanians buy anti-

aircraft weapons from the Soviet Union, and it is possible that Soviet intelligence officers posted to Jordan as military advisors could gain access to Stinger secrets.

DESCRIPTION: THE STINGER ANTIAIRCRAFT MISSILE

The Stinger is a man-portable, fire-and-forget antiaircraft missile system. It has a range of 5,000 meters and can hit planes at altitudes of up to 3,000 meters.

The Stinger only entered service with the U.S. military in 1981. It replaces the Redeye, a less capable weapon currently used by Israel, Jordan, and Saudi Arabia.

According to the U.S. Army, "Stinger overcomes many of Redeye's shortcomings with improved range and maneuverability, the ability to attack much faster targets, and, most importantly, the ability to attack aircraft from any angle." In contrast, older missiles of this type, like the Redeye or the SA-7, can only attack enemy aircraft from behind. In addition, countermeasures used to confuse the older missiles are ineffective against the Stinger.

The Stinger has been sold to Italy, Japan, Netherlands, Saudi Arabia, and South Korea.

STINGER

Mission: Stinger is a shoulder-fired, infrared homing missile system whose mission is to provide air defense coverage to even the smallest of combat units. The missile homes on the heat emitted by either jet or propeller-driven fixed-wing aircraft or helicopters, and employs a proportional navigational system that allows it to fly an intercept course to the target. A Stinger crew visually acquires its target and electronically interrogates it to determine if it is a friend. The missile notifies the gunner when it has a "lock" on the target. It is then fired from the tube by a small launch motor. Once the missile has traveled a safe distance from the gunner, its main engine ignites and propels it to the target. Stinger is stored in a sealed tube, requires no maintenance in the field, and is designed to withstand the rigors of the battlefield. It is replacing the Redeye system. It can attack much faster targets than Redeye, and most importantly, can destroy aircraft from any angle.

Soviet counterpart: There is no direct Soviet counterpart to the Stinger system. The SA-7, the Soviet manportable air defense system, is comparable to the US Redeye, the predecessor to Stinger. With a range and altitude capability of approximately 3 km, and only a tail chase capability, the SA-7 was used extensively in Vietnam and the Middle East. The SA-7 is deployed with the maneuver units throughout the Warsaw Pact.

Program status: Stinger is in production and was operationally deployed to Germany in February 1981 and to the 82nd Airborne Division in April 1982. A follow-on seeker of advanced design (Stinger-POST) completed full-scale engineering development in 1982.

Contractors: General Dynamics (Pomona, CA), Teledyne Electronics (Newbury Park, CA).

STINGER—ONE MAN AIR DEFENSE [1]

In order to counter the present and the next generation advanced ground attack aircraft in the modern battlefield environment, a new man-portable air defense system is being developed for the US Army and Marine Corps by General Dynamics' Pomona Division. This system, designated *Stinger* [initially known as *Redeye II*], is designed to replace *Redeye*, General Dynamics' original man-portable, shoulder-fired, infrared-homing anti-aircraft missile.

The mission of the *Stinger* weapon system is to provide air defense to battalions and selected combat support units operating near the forward edge of a battle area (FEBA), and to those units that would otherwise be vulnerable to high-speed, low-level, attacking or penetrating aircraft. Additionally, *Stinger* can be used to defend small vital areas and to support early phases of air mobile and airborne operations. Infrared passive guidance truly permits a "fire and forget" weapon; the ground soldier thus has no guidance function under stress of battle.

Stinger was evolved from, and resembles *Redeye*, but uses more modern technology. Like *Redeye*, it is also shoulder-fired, and travels at supersonic speeds. It incorporates improved infrared devices and an advanced guidance technique. Thus, with its all-aspect infrared seeker, *Stinger* should considerably out-perform *Redeye*, whose infrared seeker limited it to effectively attacking jets from behind. Also used in *Stinger* are an improved fuze, and a high performance propulsion system, which should give the weapon a greater range and velocity. Provision has also been made for re-using the gripstock, and, unlike *Redeye*, an Identification Friend or Foe (IFF) interrogator is incorporated.

Compared to *Redeye*, *Stinger* is a slightly larger weapon; its overall length of 60 in (1.52 m) is about 20% greater, while its weight of 33.4 lb (15.1 kg) is about 16% heavier. A separate belt pack powers the IFF interrogator.

WEAPON DETAILS

The *Stinger* weapon is made up of a missile round (i.e. the missile and launch motor located in a launch tube assembly) mated to a separable gripstock. The guided missile is of a passive infrared homing type with several subsystems integrated for effective delivery of a hit-to-kill warhead. It consists of a guidance section, warhead section, and launch and flight motors. In addition to the launch tube, the launch tube assembly includes the sight, gyro activator, umbilical, window-retainer, aft cover, and a sling. The gripstock structure contains the receptacle for a battery coolant unit, impulse generator, fire trigger, IFF interrogate switch and antenna, and control electronics for gyro drive and acquisition enhancement. *Missile and launch motor*—The missile is solid rocket propelled, with passive infrared guidance. It consists of a guidance section (seeker, guidance electronics, control surface assembly, and missile battery), warhead section, launch and dual-thrust rocket motors, and tail assembly.

The seeker section contains the seeker head and electronics assembly. This section optically tracks infrared energy from a target and supplies an acquisition signal to the weapon operator in the prelaunch phase and steering signals to the control section during missile flight. Before launch, the gyro is driven to the boresight position in which the seeker field-of-view is aligned with the boresight position of the launcher sight. Infrared radiation from the target is collected and focuses by gyro-optics onto a cooled detector. This seeker provides all-aspect target engagement. Target tracking is accomplished through a precessible, space-stabilized gyro. The gyro-optics assembly is initially spun-up at weapon activation. A seeker head coil assembly provides missile roll information to sense gyro direction, provides precession torques to re-position the gyro-optics in response to error commands in the tracking loop, and senses look-angle of the gyro-optics relative to the missile axis. The seeker is equally effective in causing hits on jet aircraft targets and point targets, characterized by helicopters and reciprocating engines.

The guidance electronics uses an error signal from the seeker to develop control-wing movements that cause the missile to fly a proportional navigation (collision course) flight path.

The control surface assembly is composed of an electronics module and a motor-driven wing assembly. Two pairs of wings, folded when the missile is in the launch tube, unfold and lock in place after the missile is fired. One pair is fixed and the other pair is movable to steer the missile in flight. The wings are moved by a set of gears and an electronic motor in response to guidance signals derived from the seeker. The steering control signals are properly phased with missile roll to effect the desired maneuver in space.

An umbilical assembly is located in the control section between the fins and the electronics package. At launch, the umbilical plug is retracted after the missile one-shot thermal battery is activated. This battery provides in-flight power for missile electronics and the steering motor. The missile battery is located in the aft end of the guidance section. The electric squib in the battery is activated when the fire trigger is pulled.

The warhead section consists of an explosive charge and a fuze assembly, and its case forms a portion of the outer skin of the missile. The fuze provides for safety during handling and the arming/warhead detonation functions. It also fires squibs which initiate the flight motor. After safe separation distance from the operator, the fuze arms. To assure very high lethality, three modes of warhead detonation are provided to assure the explosion inside the aircraft structure.

The separable launch motor provides initial velocity and roll rate to the missile to allow the missile to coast a safe distance from the operator prior to ignition of the flight motor. Canting of the launches motor nozzles provides initial spin to the missile at launch. The launch motor burns out and separates from the missile while in the launch tube. The dual-thrust flight motor [made by Atlantic Research] is an integral part of the missile airframe and provides propulsion for the missile during flight. The thrust characteristics of this high performance flight motor were selected for minimum inner burning (or dead zone) and maximum outer boundaries for very high speed targets.

The tail assembly provides missile roll rate and stability in flight. Four flat slab folding tails are attached to a common ring which is attached to the flight motor on the boattail. The tails are hinged near the base to permit folding in the launch tube. The tails erect by the action of spring force plus centrifugal force generated by missile spin, and lock into place.

Launch tube assembly.—The tube assembly consists of a launch tube, and a sight assembly used to aim the weapon and esti-

[1] This article has been contributed by General Dynamics' Pomona Division.

mate range. After firing the weapon, the gunner can discard the launch tube. The tube, made of fiberglass, is the main support for all other parts of the launcher. The front end of the launch tube is sealed with a breakable infrared-transparent window (providing acquisition capability without breaking the sealed environment), and the rear end is sealed with another breakable disk. The sling and plastic bumpers on the side of the launch tube are used for carrying the launcher and protecting the weapon when placed on the ground. The missile is sealed in the launch tube and is not removed in the field except by firing. This sealed-from-the-factory technique obviates need for field maintenance and is an important factor in the high reliability of *Stinger*.

The sight assembly provides the means for the operator to aim the weapon, track a target, perform range estimation, and insert super elevation and lead. The sight assembly and acquisition indicator are mounted on a sight cover that can be folded out of the way when not in use.

Audio and bone conduction transducers provide air-transmitted, as well as bone-conducted audio indications of target acquisition and IFF cueing signals. These cues are passed to the gunner through two paths: (1) an audio speaker via an air path through the right ear canal into the inner ear; and (2) the cues are passed by a transponder to the skull via the gunner's cheekbone, and then into the inner ear. The air-bone transducer is located at the aft end of the weapon sight. At the time the gunner shoulders the weapon, and places his eye to the sight, the air-bone transducer comes in contact with the gunner's right cheekbone. The impact of high noise environments such as noise of battle, or restrictions imparted by the gunner's clothing such as gas mask, etc., may reduce the efficiency of the air path transmission to a marginal condition. The bone transducer then provides the effective means of transmission.

Gripstock.—The gripstock is attached to the front end of the launch tube, and contains electronic circuits and switches for launching the missile, and includes the IFF antenna. The pistol grip, near the centre of balance, is the natural righthand hold point of the weapon. The gunner operates the activation switch, using his right thumb, and the firing trigger, using his index finger. Forward of the pistol grip is a battery/coolant unit receptacle, that has a receptacle cap installed when the weapon is not in use. The left hand operates an uncage switch, which allows the missile seeker to track the target. Inside the gripstock are the electronics package that performs the prelaunch missile functions, the tubing to supply cooling gas to the missile, and the umbilical assembly that completes electrical connections between the launcher and the missile. A battery/coolant unit (BCU) is inserted in the battery gas receptacle when the weapon is to be ready to fire. If the weapon is activated and not fired, the BCU is removed and another inserted.

The IFF system is lightweight, easy to use, reliable and extremely rugged. The IFF antenna serves both for transmission of an interrogation signal and for reception of a coded reply. Components of the IFF system utilized by a gunner are the interrogator (belt pack) and belt pack-to-gripstock cable. A programmer, battery charger, and a * * * input computer are used to support the IFF system. The IFF is powered from the belt pack and can be used before or after weapon activation. On-weapon components for the IFF weigh less than 2 lb (0.9 kg). The belt pack weighs 6 lb (2.7 kg).

TARGET ENGAGEMENT, TRACKING, AND FIRING

Engagement of a target may be preceded by early warning, transmitted by voice radio or electronic equipment designed for this purpose. Upon early warning or visual target detection, the front cover on the launcher is removed as the gunner shoulders the weapon. The weapon is activated by operation of a safety switch and electrical power is instantly supplied to both missile and launcher by the BCU. In addition, pressurized argon gas from the BCU is applied to the missile infrared detector to reduce temperature of the detector to a required level. Electrical power to the missile activates the seeker and control electronics, spins up the gyro in the seeker, and engages the gyro to align the missle field-of-view with the open sight on the launcher. Power to the launcher activates electronic circuitry that enhances the target acquisition signal from the missile, and presents it to the gunner via an acoustic air/bone-conduction transducer. Next, the gunner aims the weapon at the target aircraft using the launcher open sight, and hears an acquisition tone indicating that the seeker is on target. He then depresses and holds the uncage switch located on the side of the launcher gripstock, allowing the seeker to track the target independent of weapon motion. A continuous acquisition tone indicates that the target is being tracked. Before firing the missile, the weapon is repositioned to provide appropriate missile lead to improve capability against a crossing target, and super-elevated to compensate for tipoff at launch, and for gravity action during the early part of missile flight. The proper angle is achieved by locating the target in the sight at one of three indicated positions, depending upon target aspect.

Depression of the firing trigger initiates a series of events resulting in missile launch within a fraction of a second. The firing trigger activates the missile internal battery directly, provided that the uncage switch is also depressed. The missile battery in turn energizes a pressure cartridge which retracts the umbilical connector. Finally, umbilical retraction causes the launch motor to ignite; the launch motor burns completely before exiting the launch tube, so that there is no danger of blast to the gunner. The missile travels approximately 25 ft (7.6m), a safe distance from the gunner, and the flight motor is then ignited. The dual-thrust rocket motor propels the missile to target intercept.

MAINTENANCE AND RELIABILITY

The weapon system is designed for low life-cycle cost by eliminating field maintenance. Organizational maintenance is limited to the correction of visually detected faults on the exterior of the equipment, and replacement of some external components. The only tool needed is a combination pocket knife-screwdriver. The weapon requires no field support equipment. *Stinger* is designed for a 10 year shelf-life. Verification of weapon readiness is accomplished through a surveillance program involving periodic sampling of a stockpile.

WEAPON EFFECTIVENESS

The high lethality of the *Stinger* missile has been demonstrated by sophisticated computer simulations, missile flights, and laboratory and field tests. For both design and evaluation, an extremely detailed analog-digital simulation of the missile in flight was developed. The validity of the simulation was demonstrated by comparing both controlled and guided missile flights. In the case of the guided test flights, computer predictions of missile trajectories and intercept points were made before the flights and were confirmed by flight observations. Further correlation of the simulation with precise intercept point locations was done as a final part of a simulation verification program.

The effectiveness of the fuze and warhead section has been demonstrated in tests using a gas gun facility and a high speed rocket sled. Warhead lethality has been determined by U.S. Government laboratories. Such predictions of lethality have been shown to be conservative by the destruction of target aircraft in guided test flights in which no warhead was used.

The weapon reliability was shown to be high, and was improved through the technique of step-stress testing in the laboratory. By this technique, the missile was sujected to increasing levels of environmental stresses. When missile failures occurred either due to long periods with many cycles of operation, or due to extreme environmental conditions, the failures were analyzed, and design changes were made to improve the design margin commensurate with reliability requirements.

Field tests with weapons simulators have demonstrated that the inexperienced soldier can quickly be trained to become an effective gunner. The operator can visually detect targets and rapidly perform the prelaunch operations in a tactical environment. *Stinger* has been shown to provide the high effectiveness and mobility necessary for the forward area air defense mission.

[From the American Israel Public Affairs Committee, "Jordan Arms Briefing Book," October 1985]

THE DANGER TO ISRAEL FROM JORDANIAN MOBILE HAWKS

Upgrading the capabilities of Jordan's Improved Hawks would significantly enhance Jordanian offensive capabilities.

First, an Arab attack on Israel is most likely to occur if it is supported by effective antiaircraft weapons to protect the advance of the ground forces. Israel's aircraft are its first line of defense, and any system that reduces their effectiveness increases the chances for an attack.

The mobile Improved Hawk can give Jordan the air defenses it needs in order to participate in an attack against Israel. In 1973, the Jordanians lacked air defenses, and so they limited their participation to an expeditionary force that fought in Syria under the cover of Syrian air defenses.

In contrast, the acquisition of sophisticated air defense systems made possible the Egyptian and Syrian attacks against Israel in 1973. These air defenses destroyed a significant number of Israeli aircraft, made it possible for Egypt to successfully attack across the Suez Canal, and almost allowed Syrian ground forces to seize the Golan Heights. This demonstrates how antiaircraft defenses can play a vital role in making possible an offensive against Israel.

Second, Israel's small size means that Improved Hawk missile batteries located on Jordan's border can hit aircraft flying over nearly half of the country. Jerusalem is less than 20 miles from Jordan, while the Improved Hawk has a range of 25 miles. Thus, even if Improved Hawk batteries are deployed at a distance from the Israeli border, they can threaten aircraft over much of

Israel. Even the potential presence of such batteries would force Israeli aircraft flying over much of Israel to operate as if they were in enemy-controlled territory.

Third, the upgrades to the Hawk would increase the lethality of the Hawk, and make it harder for Israel to locate and attack the firing units. For example, the upgrades could include the new agile continuous wave acquisition radar (ACWAR) that employs sophisticated phased array technologies. Such a system could not be jammed by Israel's existing countermeasures equipment.

Finally, Jordan's current Improved Hawk missiles are emplaced in concrete, and cannot be moved. In contrast, the new equipment would be *mobile.* Such an acquisition would strengthen Jordan in three ways:

(1) Increased survivability.—Because the existing launchers are emplaced in concrete, their precise location can be identified, facilitating attacks against them. In contrast, the new units can be moved, so that Israel would have to constantly monitor their activity in order to locate them. Since the difficulty in locating air defense equipment is its biggest defense against attack, the mobile missiles would be harder to locate and destroy than those in static emplacements.

(2) Support for offensive operations.—Mobile Improved Hawks can provide protection to ground formations attacking anywhere along Israel's long and vulnerable border, while the existing missiles are deployed in such a way that they would provide only minimal support for offensive operations. It is impossible to concentrate static missiles in forward battle areas, and the existing missile units cannot be advanced to protect attacking units.

(3) Increased effectiveness.—The mobile missiles can fill gaps between existing missiles, or be rapidly moved to new areas in order to ambush attacking aircraft. Israel knows where the existing Hawk batteries are located, making it possible to minimize the danger posed by the Hawk missiles to Israeli aircraft. In addition, the mobile Hawk is designed to use leap-frogging tactics: a fire section can be moved forward under the cover of the rest of the battery; once the advanced fire section is in place, it can protect other fire sections as they are sent forward.

Hawk Training, Readiness Geared to Fixed Positions

Zarqa, Jordan.—Jordanian Improved Hawk surface-to-air missile crews rely heavily on realistic training against low-altitude Royal Air Force fighter aircraft trying to penetrate the missile's area of coverage and on readiness rates to compensate for the vulnerability of fixed air defense positions.

A U.S. condition for the sale of 14 batteries of Raytheon Hawk missiles was that the weapons would be tied to fixed locations to avoid presenting a possible threat to Israel.

The procurement for Jordan was backed financially by Saudi Arabia.

NEW GUNS

Improved Hawk batteries in Jordan are surrounded by mobile air defense guns. But these guns, while they provide some protection for missile crews against low-level aircraft, are generally obsolete and need to be replaced.

During a recent visit to a Royal Jordanian Air Force Hawk battery located in the hills between this industrial city and Mafraq to the north, this Aviation Week & Space Technology editor had an opportunity to observe training and battery operations at a fixed site.

The position is a blacktop surfaced area atop a hill 760 meters (2,432 ft.) high surrounded by a series of hills that run north and west toward the Syrian border. Major components of the missile system are mounted with large bolts in concrete so that they cannot be repositioned, even within the fixed battery site.

The Air Force provided a Sikorsky S-76 helicopter from No. 7 Squadron for the flight from King Abdullah air base near Amman to the Hawk battery and to Jordanian air bases.

The flight crew for the mission to the battery was Maj. Nazih Said in the right seat, and Lt. Bashir Khasawneh as copilot. At takeoff the visibility was approximately 100 ft. horizontally and 150 ft. vertically as a heavy fog surrounded the Amman international airfield. Using instrument flight rules, we took off in the S-76 from Runway 24, climbed through the fog at an altitude of 5,000 ft. and picked up a heading of 60 deg. toward our destination approximately 35 km. (21.7 mi.) northeast.

The fog thinned but not until we had already flown over the Hawk battery's position, which was still engulfed. At the end of the fog bank, we descended to an altitude of approximately 200 ft., turned and flew back into the fog at the low altitude to try and pick out reference points to guide the helicopter to the Hawk position. Once inside the fog, visibility was sufficient so that we could pick up landmarks and navigate.

A Royal Army training area in the hills below the battery could be observed, and the main road leading from Zarqa and Mafraq to Iraq was sighted with a convoy of trucks headed for the Iraqi border. The training area runs north from the battery to within 10 mi. of the Syrian border. The Mach 2.7 Hawk has a 40-naut.-mi. range.

We landed on a pad near the battery headquarters. The Hawk unit is commanded by Maj. Mohammad Gwesmeh. He explained the operations and training of the unit, adding that until the past year, test firing with the Hawk missile was accomplished in the U.S. Now, however, firing is conducted in Saudi Arabia for selected members of Jordanian Hawk units.

AIR DEFENSE

This battery is a standard Hawk unit, one of a number in the central group for air defense. It is positioned to protect not only the high value industrial complex in Zarqa, but Royal air bases north and east against Syria, and to the west against Israeli aircraft.

The Hawk site is close enough to Israel's northern border so that Israeli aircraft can reach the position at low altitude within 1.5 min., the major said. Approximately the same warning time exists for Syrian fighters, but lack of advanced avionics forces them to operate at medium-to high-altitudes, not the low flight levels of the Israeli Air Force/General Dynamics F-16s that constitute the basic threat to the Hawk missile sites.

The battery headquarters at the position is in the saddle of a ridgeline and the missile launchers are located on fingers of the hill, leading off in several directions. They are positioned to provide overlapping coverage.

M-42 Duster air defense guns are located on the outer perimeter of the site to provide limited protection for the missile crews.

Jordan needs at least 25 Hawk batteries in a mobile configuration and could absorb and operate effectively 28 batteries composed in assault firing platoons, air defense officers here said. "The mobility is more important than additional numbers of launchers," according to Maj. Gwesmeh.

Under the U.S. Army's Improved Hawk concept, an assault fire unit can be split off from a standard battery as an independent element to enhance mobility and area coverage. But this is not possible here when the batteries are fixed in position.

The assault fire unit is especially suited for gap filler missions requiring minimum numbers of personnel and configured for autonomy, low-altitude air defense.

The assault unit can be employed to extend air defense closer to the forward edge of the battle area. An improved assault fire unit split off from a battery includes:

A continuous wave acquisition radar.

An improved platoon command post.

An illuminator.

Three launchers, each armed with three Hawk missiles.

TARGET TRACKING

Battery training here is constant, with a high volume of aerial targets to track with the radar systems of the battery. Aircraft taking off from and approaching the international airport in Amman pass this way often, and nearby fighter bases provide targets of opportunity for radar acquisition and tracking.

The Hawk missile batteries operated by Jordan came both from the U.S. Army inventory and off the Raytheon production line. The first three batteries came directly from Army units.

BATTERY EQUIPMENT

The major items of equipment associated with an Improved Hawk battery are:

Pulse acquisition for detection of medium-to-high altitude targets.

Continuous wave radar for low-altitude target detection.

Manual and electronic target processing within control central centers.

Range-only radar, a J-band pulse radar.

Illuminator designed to illuminate the target with radio frequency energy and to provide a reference signal to the missile.

Hawk (homing all the way killer) missile, a semiactive homing weapon with proportional guidance for navigation.

Detection of a target occurs when the parameters from the acquisition radar meet criteria from the automatic data processor selection. The target is then eligible for automatic threat ordering.

The automatic data processor identifies the target by correlating with identification friend or foe returns. The automatic data processor designates a firing section to engage a target. The high-power illuminator locks on and tracks the designated target throughout the air defense engagement.

The high-power illuminator provides data to the selected launcher to aim and fire the missile. The target intercept evaluation function of the battery begins after the missile warhead detonates. The fire control officer, using the high-power illuminator Doppler data, determines whether or not the missile has destroyed the target, or if other missile launches are required.

CLUTTER REJECTION

The pulse-acquisition radar of the system operates in L-band frequency. It uses moving target-indication circuits to provide high clutter rejection and staggered pulse repetition rate to minimize moving-target-created blind speeds within the unambiguous range coverage.

The sensor includes several advanced electronic counter-countermeasures receivers designed to overcome specific types of jammers.

Off-the-air tuning permits frequency changes to avoid enemy jamming.

Low-altitude target detection is provided by the improved continuous wave radar operating in X-band in alternating continuous wave and frequency modulated/continuous wave modes to provide range rate and range data.

The X-band frequency allows the well-defined antenna lobe to be positioned very low in altitude to provide coverage of low-flying aircraft down to the horizon.

The improved acquisition radar and the pulse acquisition radar are synchronized at a scan rate of 20 rpm. The frequency modulation is applied at a rate asynchronous to the scan rate to prevent dead coverage during frequency-modulated sawtooth flyback at the same azimuth on successive scans.

With a new single-sideband unit that separates the approach and recede sidebands, the improved continuous-wave acquisition radar can handle high-speed targets. The receiver is split into main and side receiver to blank strong sidelobe signal responses as well as electronic countermeasures.

Analog output of the receivers is converted for a digital signal processor using a time compression technique to process the complete Doppler spectrum in 29 filters. This signal processor detects approaching targets and processes the digital output into the automatic data processor.

An analog output also is available for display on the azimuth speed indicator and planned speed indication displays in the battery control central.

Gwesmeh explained that range-only radar operates in J-band to establish range on an aircraft target when an illuminator is unable to obtain this information because of countermeasures.

The range-only radar can generally remain free from jamming by staying in a receive only mode and scanning its tunable radio frequency bandwidth for the presence of jamming. During a tactical engagement, the radar may be called automatically by an illuminator or it can be operated manually.

TARGET SEARCH

The illuminator searches a designated elevation sector for targets, locks on reflected energy and tracks the target in radial speed and angular position. It can acquire high-speed targets, track small cross-section targets and perform with short acquisition and data processing time. It also has an electronic counter-countermeasures capability.

The illuminator operates in J-band with continuous wave low altitude and sector search capabilities and feed through nulling.

The Hawk missile seeker is solid state, including the microwave local oscillator. The design provides high gain and good sidelobe control for a limited aperture size, as well as being capable of a monopulse tracking scheme.

The receiver is an inverse monopulse design where the bandwidth is narrowed to its ultimate very near the front end. The inverse technique eliminates large signals and some electronic countermeasures that restrict dynamic range of conventional receivers.

WARHEAD DESIGN

The Improved Hawk missile uses a fragment pattern warhead design tailored to provide a high kill probability at large miss distances to increase the single-shot kill probability against multiple targets.

The launcher slews to azimuth and elevation angles of the illuminator, and provides power to activate missile gyros, electric and hydraulic power supplies. After the launcher aims the missile at a target and the gyros are up to speed, a lead angle command is sent from the automatic data processor to the launcher through the illuminator.

The seeker head is space stabilized and the missile body is pointed at the lead angle. The launcher activates the missile motor for launch.

The launcher is equipped with electronic cutouts and sensing circuits to allow a shoot-around capability for obstructions in the field of fire.

This permits missile shots in all emplacement situations.

The commander here explained that most of the air defense personnel in the Royal Air Force are professional military and remain in the field 10–15 years, moving from one Hawk battery to another.

Mr. KENNEDY. Mr. President, I send a joint resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The joint resolution will be stated.

The legislative clerk read as follows:

A joint resolution (S.J. Res. 223) to prohibit the sales of certain advanced weapons to Jordan.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

Mr. BYRD. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard to the second reading.

The resolution will remain at the desk, pending its second reading, until the next legislative day.

The joint resolution reads as follows:

SENATE JOINT RESOLUTION 223

Mr. KENNEDY (for himself, Mr. HEINZ, Mr. INOUYE, Mr. KASTEN, Mr. CRANSTON, Mr. BOSCHWITZ, Mr. ABDNOR, Mr. ANDREWS, Mr. ARMSTRONG, Mr. BAUCUS, Mr. BENTSEN, Mr. BIDEN, Mr. BINGAMAN, Mr. BOREN, Mr. BRADLEY, Mr. BUMPERS, Mr. BURDICK, Mr. BYRD, Mr. CHILES, Mr. COCHRAN, Mr. COHEN, Mr. D'AMATO, Mr. DANFORTH, Mr. DECONCINI, Mr. DIXON, Mr. DODD, Mr. DURENBERGER, Mr. EAGLETON, Mr. EXON, Mr. FORD, Mr. GLENN, Mr. GORE, Mr. GORTON, Mr. GRASSLEY, Mr. HARKIN, Mr. HART, Mrs. HAWKINS, Mr. HECHT, Mr. HEFLIN, Mr. HELMS, Mr. HOLLINGS, Mr. HUMPHREY, Mr. JOHNSTON, Mr. KERRY, Mr. LAUTENBERG, Mr. LEAHY, Mr. LEVIN, Mr. LONG, Mr. MATSUNAGA, Mr. MATTINGLY, Mr. MCCONNELL, Mr. MELCHER, Mr. METZENBAUM, Mr. MITCHELL, Mr. MOYNIHAN, Mr. MURKOWSKI, Mr. NICKLES, Mr. NUNN, Mr. PACKWOOD, Mr. PELL, Mr. PRESSLER, Mr. PROXMIRE, Mr. PRYOR, Mr. RIEGLE, Mr. ROTH, Mr. ROCKEFELLER, Mr. SARBANES, Mr. SASSER, Mr. SIMON, Mr. SPECTER, Mr. SYMMS, Mr. TRIBLE, Mr. WEICKER, and Mr. WILSON) introduced a joint resolution (S.J. Res. 223), which reads as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

DISAPPROVAL OF PROPOSED SALES

SEC. 1. Prior to the commencement of direct bilateral negotiations between Jordan and Israel, the President may not issue a letter of offer with respect to any of the proposed sales to Jordan of advanced weapons systems, including advanced aircraft and advanced air defense systems, that are described in numbered transmittals pursuant to section 36(b) of the Arms Export Control Act submitted to the Congress on October 21, 1985. Transmittal Nos. 86-05A, 86-05B and 86-06.

PROHIBITION OF DELIVERIES

SEC. 2. If a letter of offer has been issued for any sale described in Section 1 of this Act before the enactment of this Act and that letter of offer is accepted, the President shall make no deliveries to Jordan pursuant to that sale without specific authorization by the Congress.

Mr. BYRD. Mr. President, I wish to state for the record why I objected, so that that objection will not be misunderstood.

This is the procedure for forcing the resolution on the calendar. Mr. KENNEDY appropriately made the request for both readings, under rule XIV. It was necessary that there be a second objection, and that is why I made the objection. I have no personal objection to taking up the matter, and I believe I am a cosponsor of the resolution.

Mr. CRANSTON. Mr. President, I am delighted to join with the Senator from Massachusetts [Mr. KENNEDY] in taking the steps we have taken today in opposition to the Jordanian arms sale. I believe it would not be in the security interests of the United States to escalate the arms race in the Middle East. That can only lead to greater expenditures for military purposes, less stability in that explosive part of the world, new dangers for our own security interests in that part of the world, and new dangers for the only certain democracy and our No. 1 ally in the Middle East—Israel.

I have been delighted to work with the Senator from Massachusetts and others in gathering signatures on the resolution of disapproval on the proposed Jordan arms sale. I will do my best to see that this Congress does not approve of this sale. I believe it is not in our national security interests.

I have great respect for King Hussein of Jordan and his efforts to be cooperative in the peace process. Beyond Anwar Sadat, he has been the most vocal Arab leader in the Middle East over the past few decades talking of the need to achieve peace with Israel and the other countries presently involved in a state of war with Israel. But while Egypt actually managed to make peace with Israel, King Hussein has continued only to talk about peace. Peace between Jordan and Israel never has been established. There never has been an end to the

state of war between Jordan and Israel.

Many of the conditions of belligerency remain between Israel and Jordan. The Government of Jordan does not recognize the Government of Israel and in effect does not recognize yet the right of the nation of Israel to exist. It seems to me to be very unwise to provide arms to Jordan under these circumstances.

I have discussed what the implications would be with Prime Minister Peres and Foreign Minister Shamir. I asked both of them what would be the consequences in terms of Israel's economy and military budget if this Jordan arms sale went through. And both leaders replied, in effect:

> We would have to abandon the efforts we are making—like efforts that are being made in your own country—to restrain military spending. We would have to spend more, not less, on military matters. That would do great harm to an economy that already is in considerable difficulty.

Along with the proposed Jordanian arms sale, we are considering, and probably will soon have before us, a request from the Reagan administration for arms sale to Saudi Arabia which could total as much as $3 billion on top of the $1.9 billion sale for Jordan. That would be an escalation of military expenditures of $5 billion in the Middle East for arms to nations in a state of war with Israel. I do not see how this would serve our national interests.

I asked Secretary of State Shultz, when he was before the Foreign Relations Committee, who would pay for the arms sales to Jordan. He, replied frankly that American taxpayers would be required in part to pay. We would have to have an appropriation to loan money to Jordan so that they could purchase the arms in the United States. Thus, we, in effect would be escalating the situation where we provide arms in one way or another, at costs to American taxpayers, to both sides in an arms race. And that seems to me to be folly.

There is no objection on the part of this Senator, no objection on the part of any that I know of, to making arms available to Egypt because Egypt has worked out a peace with Israel, our ally, No. 1 ally in the Middle East. And if Jordan is able to follow through on all the talk about peace and engage in negotiations that actually lead to a resolution of the state of war and to the establishment of peace between Jordan and Israel, then if Jordan feels a need for arms because to threats from Syria and elsewhere, we should be willing to proceed to provide those arms.

I, for one, do not believe that we should provide arms under present circumstances. Nor do I believe that we should provide arms to Jordan simply if Jordan enters into discussions with Israel. That is not enough. Discussions can go on for years and for decades, as we found out in the efforts to negotiate a peace with North Vietnam. The talks went on for years and years without progress. So for me simply sitting down and talking would not be enough. We would have to have talks that lead to positive acts for the establishment of peace between Jordan and Israel. And I will do my best to see that we do not approach an arms sale until that condition is met.

Mr. HEINZ. Mr. President, I rise today to join my distinguished colleague from Massachusetts, Senator KENNEDY, in introducing a joint resolution disapproving the administration's request for the sale of advanced weapons to Jordan. Our resolution says that prior to the commencement of direct bilateral negotiations between Jordan and Israel, the United States should not sell advanced fighter aircraft, mobile anti-aircraft missiles, or any other advanced arms to Jordan.

Our resolution neither excludes the possibility of a long-term security relationship with Jordan, nor our future support for such a relationship. But, such support cannot be based on King Hussein's good intentions. It can only be based on his actions. Mr. President, the sentiment remains strong among Republicans and Democrats alike, that selling advanced weapons at this time, prior to direct negotiations between Israel and Jordan, is premature and unwarranted. This is the basic precondition to any long-term security relationship between Jordan and the United States. And the fact of the matter is, Mr. President, that direct negotiations do not now exist.

We all welcome King Hussein's statements 3 weeks ago at the United Nations and during his visit to Washington that he is prepared to negotiate with the Government of Israel, promptly and directly, under the basic tenets of United Nations Security Council Resolutions 242 and 338. We applaud King Hussein's efforts to revive the peace process and hope that his efforts can bring a lasting peace to the Middle East. President Reagan is correct when he says that, "We must be prepared to support those who take risks for peace." Indeed, our approval last June of $250 million in new economic aid to Jordan should be viewed as our strong encouragement for King Hussein's efforts.

However, we cannot accept the King's public statements of intent, as welcome as they are, as being sufficient concrete progress toward peace with Israel to warrant a transfer of advanced weapons to Jordan. For that reason, we think the timing of the administration's request for such an arms sales is unfortunate. By introducing the controversial issue of weapons sales to Jordan at this time, when concrete progress in the peace process may finally be possible, the administration is raising unnecessary and potentially insurmountable obstacles to continued progress toward negotiations between Jordan and Israel.

Mr. President, we are not seeking a deliberate confrontation with the administration on this issue. Indeed, we have shown the utmost restraint in pressing our conviction that the time is not right for the sale of advanced weapons to Jordan.

Last June, 73 Senators cosponsored Senate Resolution 177 opposing the sale of advanced weaponry to Jordan until King Hussein enters into direct negotiations with Israel. On September 9, after learning of the administration's intention to try again to submit a request for the sale of advanced weaponry to Jordan, I wrote to Secretary Shultz reiterating our opposition to any sale until the King enters into direct negotiations with Israel and asking him to take into consideration the views of the majority of the Congress on this issue.

On September 26, 23 of the 26 Republican cosponsors of Senate Resolution 177 sent a letter to the President, reiterating our opposition to the sale and urging him to consult further with us prior to the submission of a request for the sale of any sophisticated weapons for Jordan. The very next day, the President transmitted to Congress advance notification of the proposed sale.

Finally, Mr. President, I wrote again to Secretary Shultz just a few days ago, informing him that more than half of the Senate Republicans and two-thirds of the Senate had already come out against the proposed sale, and urging him to postpone indefinitely bringing formal notification before the Congress. On Friday, the Republican leadership warned the administration that the sale would have little chance of success. Nevertheless, formal notification has come just the same.

Mr. President, I do not question King Hussein's sincerity when he says he is prepared to enter into direct negotiations with Isreal. But, I am even more concerned today than I was several months ago when we introduced Senate Resolution 177 about both his ability to deliver the PLO to the negotiating table committed to U.N. Resolution 242 and 338, and Israel's right to exist and his desire to allow the Soviet Union and all the parties to the conflict a place of prominence at the negotiating table.

Mr. President, despite King Hussein's assertion of the PLO's commitment to U.N. Resolutions 242 and 338, Yaser Arafat still has not explicitly stated such a commitment. The tragic affair of the Italian cruise ship, *Achille Lauro*, raises serious questions about the PLO's ability or even willingness

to participate in the Middle East peace process.

The PLO's performance in London last week was also disturbing. Since February, Mr. President, Jordan and the Palestinians have sought to have such a joint Jordanian-PLO delegation received by a Western leader. But last week's meeting in Britain was called off when one of the two PLO representatives refused to sign a statement, which Britain and Jordan said had been previously agreed upon, renouncing terrorism and violence and recognizing Israel's right to exist.

Doesn't this repudiate Arafat's alleged commitment to King Hussein when they started their joint peace move last February? How is it possible to believe that the PLO is committed to U.N. Resolutions 242 and 338, when at every opportunity to explicitly state such a commitment, they refuse to do so.

Indeed, in the aftermath of the hijacking of the *Achille Lauro* and the diplomatic failure in London, how can we draw any other conclusion than that the PLO is a dangerous and irresponsible partner for peace and remains committed to the destruction of Israel.

In addition, although the King has called for direct negotiations with Israel, he continues to do so under so-called appropriate auspices, which he defines as an international conference hosted by the Secretary General of the United Nations to which the five permanent members of the Security Council and all the parties of the conflict would be invited. Mr. President, two of the five permanent members of the Security Council have no relations with Israel. And, as far as all parties of the conflict are concerned, although King Hussein may be ready to recognize and negotiate directly with Israel, the Soviet Union, Syria, and the PLO are not.

Mr. President, we especially do not need the good offices of the Soviet Union—a nation which broke off relations with Israel almost 20 years ago—to bring peace to the Middle East. The Soviets continue to stand for all that is wrong in that troubled region: terrorism, subversion, and the direct support of nations dedicated to the destruction of the State of Israel. While we can appreciate the King's desire to buffer himself against radical Arab States, allowing the Soviets a place of prominence will only lend further credibility to those who seek to sabotage an Israeli-Jordanian peace agreement.

Mr. President, we also understand Israel's concern that her security should not be put in jeopardy as the result of a transfer of highly sophisticated weaponry to a neighbor that has not yet in concrete and irreversible ways committed itself to the peace process. At a time when Israel's defense forces are attempting to reconstitute themselves and when Israel is addressing serious economic problems caused in part by a heavy defense burden, it would be wrong for us to up the military ante by providing Jordan with sophisticated weapons. And, who is to say, Mr. President, that in this volatile region of the world, where the cycle of terrorism refuses to abate, that these weapons won't fall into Soviet, Syrian or PLO hands at some future time.

Finally, Mr. President, I believe that going ahead with the Jordan arms sale under today's conditions will weaken the Government of Israel led by Shimon Perse and its ability to accept risks in the peace process.

In short, we cannot, in all good conscience, support the sale of sophisticated arms to Jordan at this time when so many obstacles to constructing a meaningful peace process have yet to be resolved. When negotiations between Israel and Jordan actually go forward, that is the time to consider Jordan's request for sophisticated weapons.

Mr. President, it is my hope that King Hussein succeeds in moving the peace process forward in such a way that can lead to direct negotiations with Israel. We join President Reagan in his hope that negotiations can begin before the end of the year. It is my expectation that on the basis of such results this Nation will then examine the need to enter into a long-term security relationship with Jordan. But such a relationship can only be based on results, as words alone cannot suffice, and it is the goal of our resolution to insure that until such time as Jordan actually sits down in direct peace negotiations with Israel, the instruments of war will not ensnare the efforts to bring peace to the area.

I ask unanimous consent that certain additional material be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, DC, October 18, 1985.

Hon. GEORGE SHULTZ,
Secretary of State, Department of State, Washington, DC.

DEAR SECRETARY SHULTZ: Once again, I am writing to express my very deep concern about the President's intention to forward a request to the Congress for the sale of advanced weapons to Jordan.

As you know, Senator Kennedy and I have been circulating a draft resolution of disapproval of the arms sale to Jordan. The other original sponsors are Senators Bob Kasten, Rudy Boschwitz, Daniel Inouye and Alan Cranston. More than 67 Senators have already agreed to be cosponsors of this legislation—including a majority of all Senate Republicans. I anticipate additional cosponsors over the weekend.

Mr. Secretary, I believe that the fate of the proposed arms sale is crystal clear and I urge you now to postpone indefinitely bringing formal notification before the Congress. We applaud King Hussein's efforts to advance the peace process, and we hope that his efforts can bring lasting peace to the Middle East. Our approval last June of $250 million in new economic aid to Jordan should be viewed as our strong encouragement for King Hussein's efforts. But, the sentiment remains strong among Republicans and Democrats alike that selling advanced weapons at this time, prior to direct negotiations between Israel and Jordan, is premature and unwarranted.

It is my hope that you will take into full consideration the views of the majority of the Congress on the important issue of arms sales to Jordan.

Sincerely,

JOHN HEINZ,
U.S. Senator.

U.S. SENATE,
Washington, DC, September 26, 1985.

President RONALD REAGAN,
The White House, Washington, DC.

DEAR MR. PRESIDENT: We are writing to express our very deep concern about the Administration's intention to submit requests for new major arms sales to Jordan.

As you know, we have cosponsored Senate Resolution 177, opposing the sale of advanced weaponry to Jordan until King Hussein enters into direct negotiations with Israel. All told, 73 Senators cosponsored this legislation.

We remain firmly convinced that the circumstances under which Senate Resolution 177 was orignially offered have not changed. The sale of advanced weapons or sophisticated aircraft to Jordan can never be justified until the Jordanian government joins the Camp David Peace Process and begins direct negotiations with Israel. Until that happens, such sales will jeopardize both the security of Israel and progress toward peace in the Middle East.

Further confirmation of the sense of the Senate on this issue, indeed the sense of the entire Congress, can be found in the International Security and Development Cooperation Act of 1985, which you signed into law on August 8, 1985. Section 130(c) specifically states that there must be a Presidential certification of Jordan's public commitment to the recognition of Israel and to negotiate promptly and directly with Israel.

Mr. President, we do not believe you can make such a certification at this time. It is clear that King Hussein cannot recognize Israel or begin direct negotiations until Yasser Arafat is prepared to do so as well. Despite King Hussein's assertions to the contrary, we've heard no explicit statements from Yasser Arafat on the subject at all.

In Secretary Shultz's June 20, 1985 letter to Senator Kasten regarding the administration's special request for economic assistance for Jordan, he assured him that, "prior to the submission of any request relating to the provision of arms to Jordan, the Administration will engage in broad-based and constructive consultations with the Senate, seeking the development of a true consensus that such transfers are appropriate."

Mr. President, we urge you to consult further with us prior to the submission of a request for the sale of any sophisticated weapons for Jordan.

Sincerely,

Alfonse D'Amato, John Heinz, Larry Pressler, Don Nickles, Frank Murkowski, Chuck Grassley, Mark Andrews, Bill Armstrong, Bill Cohen, Dan

Quayle, Mack Mattingly, David Durenberger.

Lowell Weicker, James Abdnor, Chic Hecht, Mitch McConnell, Paula Hawkins, Arlen Specter, Pete Wilson, Bob Packwood, Gordon J. Humphrey, Bob Kasten, Jr., Rudy Boschwitz.

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, DC, September 9, 1985.

Hon. GEORGE P. SHULTZ,
Secretary, U.S. Department of State, Washington, DC.

DEAR MR. SECRETARY: I am writing to express my very deep concern about the administration's reported intention to submit requests for new major arms sales to Jordan.

As you know, Senator Kennedy and I sponsored S. Res. 177, opposing the sale of advanced weaponry to Jordan under current circumstances. All told, 71 of my Senate colleagues joined us in cosponsoring this legislation—and indication of the depth of Senate opposition.

I remain firmly convinced that the circumstances under which S. Res. 177 was originally offered have not changed. The sale of advanced weapons or sophisticated aircraft to Jordan can never be justified until the Jordanian government joins the Camp David Peace Process and begins direct negotiations with Israel. Until that happens, such sales will jeopardize both the security of Israel and progress toward peace in the Middle East.

Further confirmation of the sense of the Senate on this issue, indeed the sense of the entire Congress, can be found in the International Security and Development Cooperation Act of 1985, which was signed into law on August 8, 1985. Section 130 specifically states that no notification may be made with respect to advanced arms sales to Jordan unless that country "is committed to the recognition of Israel and to negotiate promptly and directly with Israel under the basic tenets of United Nations Security Council Resolutions 242 and 338."

Mr. Secretary, in your June 20, 1985 letter to Senator Kasten regarding the administration's special request for economic assistance for Jordan, you assured him that, "prior to the submission of any request relating to the provision of arms to Jordan, the administration will engage in broad-based and constructive consultations with the Senate, leading to the development of a true consensus that such transfer are appropriate."

It is my hope that such consultations will take place and that the Congress will have ample opportunity to express its views opposing any request for new arms sales to Jordan.

Sincerely,

JOHN HEINZ,
U.S. Senate.

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73 COSPONSORS OF JORDAN RESOLUTION INTRODUCED JUNE 4, 1985

DEMOCRATS—47

Kennedy, Edward M.; Baucus, Max; Bentsen, Lloyd; Biden, Joseph R., Jr.; Bingaman, Jeff; Boren, David; Bradley, Bill; Bumpers, Dale; Burdick, Quentin N.; Byrd, Robert C.; Chiles, Lawton; Cranston, Alan; DeConcini, Dennis; Dixon, Alan J.; Dodd, Christopher J.; Eagleton, Thomas F.; Exon, J. James; Ford, Wendell H.; Glenn, John; Gore, Albert, Jr.; Harkin, Tom; Hart, Gary; Heflin, Howell; Hollings, Ernest F.; Inouye, Daniel K.; Johnston, J. Bennett; Kerry, John F.; Lautenberg, Frank R.; Leahy, Patrick J.; Levin, Carl; Long, Russell; Matsunaga, Spark M.; Melcher, John; Metzenbaum, Howard M.; Mitchell, George J.; Moynihan, Daniel Patrick; Nunn, Sam; Pell, Claiborne; Proxmire, William; Pryor, David; Riegle, Donald W., Jr.; Rockefeller, John D., IV; Sarbanes, Paul S.; Sasser, Jim; Simon, Paul; Stennis, John C.; Zorinsky, Edward.

REPUBLICANS—26

Heinz, John; Abnor, James; Andrews, Mark; Armstrong, William L.; Boschwitz, Rudy; Cohen, William S.; D'Amato, Alfonse; Danforth, John C.; Durenberger, Dave; Gorton, Slade; Gramm, Phil; Grassley, Charles E.; Hawkins, Paula; Hecht, Chic; Humphrey, Gordon J.; Kasten, Bob; Mattingly, Mack; McConnell, Mitch; Murkowski, Frank H.; Nickles, Don; Packwood, Bob; Pressler, Larry; Quayle, Dan; Specter, Arlen; Weicker, Lowell P., Jr.; Wilson, Pete.

SENATE RESOLUTION 177 INTRODUCED JUNE 4, 1985 AND REFERRED TO THE COMMITTEE ON FOREIGN RELATIONS TO ASSURE ISRAEL'S SECURITY, TO OPPOSE ADVANCED ARMS SALES TO JORDAN, AND TO FURTHER PEACE IN THE MIDDLE EAST

Resolved, Whereas Israel, is a stable, democratic and reliable ally of the United States;

Whereas the security of Israel is in the national interest of the United States;

Whereas Jordan continues to oppose the Camp David peace process;

Whereas Jordan has aligned with Iraq, whose government is committed to the destruction of Israel;

Whereas Jordan is purchasing advanced weapons from the Soviet Union;

Whereas the sale of advanced arms to Jordan would jeopardize the security of Israel and increase the overall instability of the region;

Whereas promises to sell advanced U.S. arms to Jordan set the stage for an unnecessary and divisive confrontation with Congress; and

Whereas an escalation of the arms race in the Middle East is contrary to the interests of the United States, Israel and Jordan.

It is the sense of the Senate of the United States of America that:

1. The United States should not sell advanced fighter aircraft, mobile anti-aircraft missiles, or any other advanced arms to Jordan under present conditions, in which Jordan continues to oppose the Camp David peace process and purchases arms from the Soviet Union, and in which such sales jeopardize both the security of Israel and progress towards peace in the Middle East.

2. The United States should ensure that Israel retains its qualitative military edge over any combination of Mideast confrontation states.

3. The United States should focus its efforts on bringing Jordan into direct peace negotiations with Israel.

Mr. HEINZ. Mr. President, I am, of course, very pleased that there are 74 cosponsors of the resolution. It has strong bipartisan support. We have 29 Republicans, more than half of the Republican Members of the Senate. Because I think we all have a very great deal of respect for Jordan's King Hussein, some people may wonder why there is such strong bipartisan support for this resolution. Certainly, we applaud his efforts to advance the peace process and hope that his efforts can bring a lasting peace to the Middle East. Indeed, our approval last June of some $250 million in new economic aid to Jordan should be reviewed as our strong endorsement for the King's efforts.

What I think we need to be careful of, and the reason that so many of us have joined in introducing this resolution, is that we are concerned about putting everything up front and having no leverage left afterward. It is one thing for the King to say in his public statements of intent that he is prepared to negotiate with the Government of Israel promptly and directly, under the basic tenets of U.N. Security Council resolutions 242 and 338. It is another for Jordan to actually sit down in direct negotiations with Israel. Our resolution simply says that we will disapprove any such arms sale until direct, bilateral negotiations between Jordan and Israel have in fact, begun.

In short, you might say that what we want is performance, not promises or statements of intent. Direct negotiations between Israel and Jordan is the basic precondition that we believe would lead to a long-term security relationship of the type contemplated by the long-term national security relationship of the type contemplated by the President between ourselves and Jordan.

I would only add that this seems to be an unfortunate time for the peace process in the Middle East. We all have great hopes for the peace process. But, frankly, the hijacking of the *Achille Lauro* and the hijackers' possible links to Abbas and the PLO and Yasser Arafat raise some serious issues. The refusal of a PLO member of joint Jordanian-PLO delegation in London to affirm Israel's right to exist and renounce terrorism also poses a serious problem. The prospects for moving the peace process in the right direction do not look as bright as we would like them to look.

Therefore, in light of those events, some of my colleagues doubt even more, not the willingness of the King, but the ability of the King at this time to deliver a Palestinian delegation to the negotiating table committed to United Nations Resolutions 242 and 338 and, most importantly, Israel's right to exist.

Mr. President, I thank my colleagues for their attention on this matter. I very much appreciate the cosponsorship of the resolution. I have appreciated the good working relationship of the Senator from Massachusetts in this matter, along with Senator INOUYE, Senator KASTEN, Senator CRANSTON, and Senator BOSCHWITZ. All

have been a very important part of this effort.

Mr. SPECTER. Mr. President I want to express my strong opposition to the administration's proposal to sell $1.9 billion in advanced arms to Jordan.

It is my sense that the United States should not proceed with such an arms sale to Jordan until Jordan recognizes the State of Israel and takes concrete and affirmative steps to commence direct peace negotiations with the State of Israel.

I am pleased to cosponsor the resolution of disapproval that the administration not proceed with this sale of arms to Jordan. A sense of the Senate resolution had 73 cosponsors. In addition, that resolution also had the support of over half of the Members of the House of Representatives.

I had the opportunity to meet with King Hussein of Jordan during his recent trip to Washington. At this meeting King Hussein pledged to end the state of belligerency between Israel and Jordan. Although he made this statement to a group of Senators, I question King Hussein's long term commitment in light of the Jordanian delegation walking out of the United Nations General Assembly during Israeli Prime Minister Shimon Peres' recent address.

I believe that the arms sale should not proceed for several reasons. The sale to Jordan will have an adverse affect on Jordan's willingness to move forward in the peace process. If the United States agrees to provide these weapons, the United States will have made it clear that Jordan can stand still in the peace process and still get the arms it desires.

Supplying these weapons will erode Israel's margin of security, thereby increasing the importance of the strategic depth offered Israel by the West Bank. This will also weaken the Government of Israel and their ability to accept risks in the peace process. This air defense package will increase Jordan's offensive capabilities by providing them with a means of countering the cornerstone of Israel's defense, its air superiority.

Providing sophisticated arms to Jordan before they make peace with Israel would focus attention on the instruments of war rather than on efforts to bring peace to the area and would facilitate an Arab offensive along Israel's long and vulnerable border with Jordan.

In the 1970's, the United States waited until after Egypt entered direct peace negotiations with Israel before supplying arms to the Egyptians. This is a basic principle that also must be applied to Jordan. Providing Jordan with arms at this time would reward them for not moving forward in the peace process and discourage other Arab nations from participating.

I strongly believe that the Camp David accord is the only means to reach a peaceful settlement to the problems in the Middle East. A sale of advanced weapons would undermine the peace process set in motion by the Camp David accords.

Mr. President on October 10 I wrote to President Reagan expressing my opposition to this proposal and I ask that this letter be inserted in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, October 10, 1985.

The PRESIDENT,
The White House, Washington, DC.

DEAR MR. PRESIDENT: On October 1, 1985, a number of us met with King Hussein of Jordan during his visit to the Senate. During this meeting King Hussein declared the state of belligerency between Israel and Jordan to be over. Although King Hussein made this statement to members of Congress, he still is unwilling to make it publicly.

King Hussein claims to be committed to ending the state of belligerency between Israel and Jordan. I must question his commitment, however, in light of the recent action by the Jordanian delegation to the United Nations. The Jordanian delegation joined other Arab nations in walking out of the U.N. General Assembly on October 2 when Israeli Foreign Minister Yitzhak Shamir addressed this body. The Egyptian delegation remained.

King Hussein's approach to the peace process is entirely different from Anwar Sadat's. Sadat wanted the return of the territory, but in exchange for the Sinai, he was prepared to give Israel peace and diplomatic relations. King Hussein has not yet provided concrete evidence that he is willing to recognize Israel and begin direct negotiations.

The United States must not sell advanced weapons to Jordan until King Hussein is committed to negotiate with Israel. The Camp David Accord is the only framework for a peaceful solution to the Arab-Israeli conflict. There can be no peace without prior recognition of Israel's legitimacy.

In light of Jordan's unwillingness to enter direct negotiations with the State of Israel, I will oppose any sale of arms to Jordan until it takes concrete and affirmative steps to recognize the State of Israel and commence direct negotiations.

Sincerely,

ARLEN SPECTER.

NATIONAL BUSINESS WOMEN'S WEEK

Mr. DOLE. Mr. President, 57 years ago, the National Federation of Business and Professional Women's Clubs began National Business Women's Week, calling it a time "to dramatize women's contributions to the economic, social, and political life of the community, State, Nation, and the world." Each year since then, BPW has observed the week with special activities, seminars, and ceremonies in honor of women's contributions to the Nation's business and economic development. In recent years, the President has officially proclaimed the third full week of October as National Business Women's Week. Governors and mayors throughout the country have followed suit with similar proclamations at the State and local level.

The number of women in the work force has increased dramatically since the first observance of the week over half a century ago—it currently exceeds 47 million. Though barriers still remain for women entering the marketplace, many doors previously closed to them have been opened. Women's expanded opportunities in the business arena have been encouraged by the important work carried out by BPW in educating employers and the public in general about women's talents, abilities, and accomplishments. BPW continues this work through, for instance, its national council on the future of women in the workplace which honors employers who are particularly responsive to the needs and aspirations of their women employees.

This year, as in years past, BPW is joined by other women's organizations and businesses in paying tribute to women in the business sector. I join these groups in saluting these women and the vast contributions they have made to America's economy and work force.

THE HOLLINGS-RUDMAN AMENDMENT TO THE DEBT CEILING EXTENSION LEGISLATION

Mr. LEAHY. Mr. President, last week I voted for an amendment offered by Senators HOLLINGS, RUDMAN and GRAMM, a bipartisan effort to amend the labyrinthine budget process and balance the Federal budget by 1991. The decision to support the plan was one of the most thought-out ones I have had to make. It is tough medicine. But, the circumstances are far from ordinary.

The President of the United States asked Congress to increase the limit on the Federal debt to $2 trillion. The debt has grown so large in the last 5 years, that all of the Federal taxes paid by Vermonters this year will only pay the interest on our indebtedness for 2 days.

We, in the Senate, could not in good conscience vote to increase the debt limit to such enormous proportions unless some real action was taken to reduce deficits.

The amendment to the debt ceiling legislation sponsored by Senators HOLLINGS and RUDMAN had more than 40 cosponsors from both parties. It would require the President to submit a budget with deficits within certain limits until 1991, when the President must submit a balanced budget. Congress too must meet those deficit limits.

In order to live within our means, any new proposal for spending above the deficit limits would have to be offset by cuts in spending elsewhere or increased revenues.

In addition, if Congress fails to live up to its obligations, the President may order across-the-board cuts in most programs—defense including—until and unless Congress comes up with a better way of cutting excess spending.

Half of the excess spending would be reduced by cutting automatic increases in most entitlement programs. The programs themselves would not be reduced, only inflation adjustments would be limited. And Social Security would be exempt from the cuts, becuase the Social Security trust fund would be removed for the unified budget.

The Social Security trust fund is valued at more than $60 billion and was intended to pay for itself. It now does, with a $6 billion surplus this year and a projected surplus of $116 billion in 1990. The trust fund has been paying for itself, and more. By keeping the trust fund in the unified budget, we have used Social Security surpluses to wrongly hide the true size of the Federal deficit.

In addition, most means-tested entitlement programs were exempted from the automatic cuts in inflation adjustments. Means tested programs, such as child nutrition and Aid to Families with Dependent Children, serve the very poor, who can ill afford to have their assistance lag behind inflation. Cutting automatic inflation adjustments in these programs could drive thousands of Americans below the poverty level.

This aspect of the plan, I believe, is in keeping with our efforts to restore fiscal responsibility in Government, yet remain a compassionate and civilized Nation.

The other half of the automatic, across-the-board cuts would come from all domestic and defense discretionary programs.

A lot of confusion has surrounded the debate on the across-the-board spending cuts. The confusion stems from the rumor that the cuts are inevitable and automatic. Critics have suggested that the across-the-board mechanism may give the administration the tool it has always wanted to cut domestic social spending.

Mr. President, I hope I can clarify some of the confusion. The most important thing to remember about the across-the-board spending cuts is that they may only take effect if Congress passes a normal budget resolution with deficits exceeding certain targets. And those targets are modest by most accounts. Each year, $36 billion in spending would have to be reduced or raised through revenues. This year, the budget resolution cut and raised a total of $37 billion, and Congress was roundly criticized for not going far enough.

If the system works, the across-the-board cuts will never be ordered. In addition, Congress should be able to produce the savings required to live within the limits set.

To those who suggest that the administration will demand that Congress meet the deficit targets by cutting spending only and not raising any revenue, I think the record needs to be examined. The administration may not support raising individual tax rates, but has, itself, proposed a moderate minimum tax on corporations that have avoided taxation. The administration's corporate minimum tax would raise almost $10 billion.

In addition, in the unlikely event that across-the-board spending cuts may be ordered, the amendment prevents the President from picking and choosing which programs to cut. All programs, besides Social Security and means-tested entitlement programs would be subject to a uniform cut. Senator KERRY and I were successful in ensuring that all military contracts would be subject to the cuts, as well, except those where cancellation or reduction would prompt a penalty larger than any potential savings.

Finally, I was able to secure an amendment, which I hope will contribute to our effort to bring Federal spending in toe, without ever having to experience across-the-board spending cuts. My amendment would require all large Federal contracts with built-in inflation assumptions to be adjusted for the actual rate of inflation each year. Such an adjustment last year saved $500 million in the F-16 fighter contract alone. And the General Accounting Office estimates that up to $40 billion in other such savings can be found. The savings from these inflation adjustments would be applied to reducing the deficit before any across-the-board spending cuts could be ordered. And, hopefully, as a result of the amendment, they never will be ordered.

It is important to note also that the Hollings-Rudman plan is flexible. Its tough new rules may be waived in times of war or in a serious recession.

This is tough medicine and there is no doubt that some cuts are going to hurt, but we've been living beyond our means and we have to stop now.

We reached this point, where we have to increase the debt ceiling to $2 trillion, because we were told we could cut taxes, increase defense spending and still balance the budget. Maybe it was smart politics, but it wasn't very good economics, and I opposed it.

That is how we got here, but we're not going to get out of it by laying blame or playing partisan politics.

It is going to take a bipartisan effort like the Hollings-Rudman proposal. This plan adds teeth to the across-the-board freeze on all Federal spending, which I have supported for the last 3 years. It changes the budget process itself to give Congress the discipline it hasn't had the courage or the political will to muster.

Now this important measure will be the subject of a House-Senate conference. Both Houses of Congress have a historic opportunity. Unless we act to increase the debt ceiling the Government will go out of business. And unless we act also to reduce deficits, America is going to go out of business.

U.S. HOLOCAUST MEMORIAL MUSEUM

Mr. KENNEDY. Mr. President, last Wednesday was the official groundbreaking ceremony for the U.S. Holocaust Memorial Museum on the museum's future site here in Washington, DC. It is fitting that America's Holocaust memorial is now rising on America's most hallowed ground. The Mall that stretches from the Capitol past the great monuments of our Nation will now include a new and worthy memorial that will proclaim to all the world: "America will never forget, and America joins Israel in resolving—never, never again."

At the ceremony, bits of earth from Auschwitz, Bergen-Belsen, Dachau, Theresienstadt, Treblinka, and the Warsaw Jewish Cemetery were mixed with American soil. Most young people will not visit those murderous sites of horror, yet many will visit the Holocaust Museum—and they will see for themselves the limits of humanity; they will learn what human beings can do to other human beings.

Elie Wiesel, Chairman of the U.S. Holocaust Memorial Council, himself a Holocaust survivor, eloquently stated the purpose of the museum during the groundbreaking ceremony:

> This Museum is not intended to awaken hatred or to separate people—quite the opposite: It is meant to bring people closer together. Faced with our memories, the visitor will have no choice but to become more sensitive to his or her fellow being's anguish.

To a large extent, Elie Wiesel deserves much of the credit for the establishment of the Holocaust Museum. Through his leadership and dedication, Elie Wiesel has brought the need for this museum to the attention of the American people as well as the world. And his tireless efforts have succeeded in making his goal of the museum a reality.

Mr. President, I ask unanimous consent that the text of Elie Wiesel's speech at the groundbreaking ceremony be inserted in the RECORD and urge my colleagues to read his insightful words.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY ELIE WIESEL, CHAIRMAN, U.S. HOLOCAUST MEMORIAL COUNCIL

Your Excellencies, Secretary Hodel, Distinguished Members of Congress, Honored Guests, Ladies and Gentlemen.

Today, as we begin to lend a physical dimension to our relentless quest for remembrance, it is fitting to express our profound gratitude to Congress and to the people of the United States for the help and encouragement they have offered us in carrying out our historical mandate.

Outside of Israel, ours is the only nation in the world that has made a commitment to establish a national museum dedicated to the memory of six million Jews, all victims of the Holocaust and millions of other victims of Nazism.

The help we have received has always been bipartisan in both houses of Congress. The administration—irrespective of its political party—has never refused to assist us in our various efforts. The Secretary of the Interior, the Secretary of the Army, the Secretary of State and their respective staffs have given us their indispensable support. The general public has responded to our appeals with the characteristic generosity of the American people. As for the President of the United States, not only has he often participated in our Remembrance Ceremonies, but he has also graciously accepted to serve as Honorary Chairman of our Campaign to Remember. On behalf of the United States Holocaust Memorial Council, its advisers and staff, I thank them, and I thank you—from the depths of my heart.

Now it is up to us to continue. If we fulfill our mission, future generations will benefit from it. But the task is neither simple nor easy. The story we must tell cannot be told—not in its entirety. In our case, the sum of the fragments does not convey the full message. Words, images, memories, prayers, fears, agonies: How does one communicate the burning of a ghetto? Or the arrival of a convoy at Birkenau at midnight? Or the daily massacre of ten thousand men, women, and children, some buried alive, at Babi Yar? Woe unto us, for the killer's imagination surpassed that of his victims. Furthermore, by pushing the crime to its ultimate limits he deprived us of the language to speak of his crime.

What, then, do we wish the future visitor to remember, to learn? The fragility of the human condition? The vulnerability of culture and education? The monstrous powers of political fanaticism? The dangers inherent in indifference? The fact that it was possible for an evil regime to consider cynically, calmly, scientifically, the annihilation of an entire people and be persuaded of its right and obligation to do so? All this is part of the tale—and more, much more.

Some lessons may have an immediate and urgent effect. Terror must be fought wherever it is aimed against innocent civilians. Individual terror that cost the life of an old Jewish invalid is today as abhorrent as state terror was when, from Hitler's Berlin, it dominated part of Europe from 1933 to 1945.

Terror must be outlawed as must genocide. We cannot leave this place today without appealing once more to the United States Senate to ratify the Genocide Treaty. I am not sure whether such treaties will prevent mass murder, but the absence of such treaties may give the enemy of humankind the wrong signal. Would a Genocide Treaty have prevented the murder of the Jews by the Nazis? I doubt it. But its absence gave the enemy of humankind the wrong signal.

In killing Jews the killer has killed more than Jews. This tragedy has affected more than its Jewish victims. Whoever kills Jews ends up killing other minorities, other adversaries, other religious groups, other nationalities.

In Occupied Europe, the Nazis and their local accomplices, oppressed, tormented, persecuted, imprisoned and executed French heroes of the resistance, Yugoslav and Greek and Russian partisans, Ukrainian peasants, Bulgarian and Polish patriots, Dutch workers, Belgian students, Norwegian intellectuals, Danish policemen, German and Austrian anti-Nazi militants, Italian anti-Fascists, Czechoslovakian freedom fighters. Lidice and Oradour are but extreme examples of what SS rulers intended to do—and often did—throughout their universe in order to crush those who refused to submit to their terror. And they eliminated Gypsies, homosexuals, the mentally retarded, the mentally sick.

Using death as an instrument, they sought to rearrange the universe so as to give violence and injustice the attributes of divinity.

But their main effort was directed against the Jewish people. "Who remembers the Armenians?" Hitler asked with disdain. Who will remember the Jews?

In a perverse way, he was right. No one cared about the Jews. They were abandoned. The world knew and kept silent. Hitler knew that the world knew—and thus felt reassured in his belief that he was doing humankind a favor by cleansing it of its Jewish elements. And so more ghettos were erected and emptied, more communities uprooted and massacred. How are we to remember them? If we could inscribe their names on stone, the monument would be larger than this entire city. What other way is there for us to turn past experiences into acts of remembrance? What should we emphasize first? The helplessness of the victim? The inexorable urge of the killer to destroy? The children, frightened children, marching quietly in procession toward the flames? The old men and women chased toward mass graves? In those times we were a people without children, and children without grandparents. We have seen them vanish into darkness and ascend an invisible ladder of fire reaching the sky.

One enters those memories with fear and trembling; for one's sanity is endangered. But we must enter them. We open them as one opens gates to secret kingdoms. Come and see. Come and learn. Learn what human beings can do to other human beings. Learn the limits of humanity. Learn, and hope is possible—forget, and despair is inevitable.

This Museum is not intended to awaken hatred nor to separate people—quite the opposite: it is meant to bring people closer together. Faced with our memories, the visitor will have no choice but to become more sensitive to his or her fellow being's anguish.

The Jewish people has a history of persecution and suffering. But never before have its victims endured such torment; never before has the enemy deprived them of their resting place. For the first time in our history, multitudes of Jews died and were not buried.

Our heart is their cemetery; our memory, their resting place.

The killer killed them once—and there is nothing on earth that we can do about it. But, if they are forgotten, they will be killed a second time—and this we can—and must—prevent.

A great Hasidic Master once said, "If you wish to find the spark, look for it in the ashes."

GIOVANNI AGNELLI

Mr. KENNEDY. Mr. President, on October 15, one of the truly great industrialists and humanitarians of our time, Giovanni Agnelli, received the 1985 "Man of Conscience Award" from the Appeal of Conscience Foundation in New York City.

The accumulated good works of the appeal of conscience over the past two decades have created a powerful worldwide network of religious, business, and community leaders. Their voices of conscience are being heard in even the most dangerous and repressive corners of the Earth.

No person more clearly symbolizes the noble spirit and high goals of the appeal of conscience than Giovanni Agnelli. As one of the world's most respected business leaders, he has used his tireless energy and talent to advance international peace and human understanding. His progressive leadership in the realm of international commerce is matched only by his commitment to the cause of social justice and human rights.

Mr. President, I believe that all of us will be interested to read Mr. Agnelli's eloquent remarks in receiving this honor, and I ask unanimous consent that the text of his address may be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY GIOVANNI AGNELLI, CHAIRMAN OF THE BOARD OF FIAT IN ACCEPTING THE APPEAL OF CONSCIENCE FOUNDATION'S ANNUAL MAN OF CONSCIENCE AWARD

I am deeply honored by your award.

Honored because yours is a group which has done so much to promote that endangered yet to us cardinal value: Tolerance.

Honored also because in the process you have so wisely stressed the importance of understanding among nations. The kind of international cooperation across the board which you work for is no longer just a desirable option. I believe it has become an absolute prerequisite if our countries are to cope successfully with the challenge I propose to discuss with you—modern technology and its implications for employment.

But I am honored perhaps above all because what you have celebrated since 1965, and what we celebrate again together today is . . . Conscience—Free Conscience.

In anticipation of our meeting today, I found myself trying to phrase something I have felt all my life. Perhaps I can best express it with a comparison.

Think for a moment of . . . well, the quiet elation you and I have felt at one time or another in front of a work of art. Surely it has to do with that unmistakable sense of a free conscience leaping from the artist's work.

I would argue that such creative energy is not so different after all from what an in-

dustrialist experiences—an an entrepreneur; as an employer; and as a citizen: In short, as one of many free consciences banded together for a common good. Or perhaps I should say: If we, in the world of industry, lose sight of this dimension (free consciences) then we will fail not only in our immediate responsibility as entrepreneurs; but as a result we will also fail in our broader responsibility as members of a decidedly humanist and democratic policy.

In other words, it strikes me that to appeal to conscience is in more ways than one to appeal to creativity: Precisely the kind of free creativity which alone, I believe, can yield the answers to the challenge of technology.

This challenge, quite simply, is this: Technology is often called a job-killer. For all the improvements it brings to our lives, technological progress does tend to reduce job opportunities—at least for a while. And failing to deal adequately with this phenomenon, we as free, democratic societies face the potential of massive numbers of people who will remain unemployed.

There are several well-known causes to the unprecedented technological development of the last decade:

On the one hand, the world's economic balance has been profoundly altered. In these days of sagging oil prices, it may be tempting to forget the energy shocks of the Seventies. Yet, by their amplitude, they have helped to jolt us into the technological high gear of today.

At the same time, the principal markets have grown to worldwide dimensions, with a corresponding reduction of many of the traditional obstacles to competition.

Last but not least, formidable new competitors have emerged in strength. I am thinking in particular of Japan and the nations of Southeast Asia.

Naturally, these and other factors have prompted industries to improve their products and to renovate drastically their productive apparatus. Taking the fullest advantage of technological progress, they have aggressively sought to reduce their costs through productivity increases across the board.

This sudden intensification of technological innovation in industry during the late Seventies and early Eighties amounts to what some have called—with reason, I believe—yet another "industrial revolution".

Its impact on employment has coincided with what turned out to be a phase of stagnation in the world economy. Furthermore, it has been compounded by the arrival en masse on the job market of the so-called baby-boom generation.

Some consolation at least can be derived from the fact that this particular demographic surge has now peaked. In fact it is likely to ebb substantially as we enter the Nineteen-nineties. And yet we (whether we are in industry, government or the labor movement) remain confronted with what I believe is a challenge of historic proportions. A challenge that needs to be faced with the utmost realism.

I come from a continent that is particularly hard-hit. In many countries of Europe the unemployment rate now exceeds 10 percent. But as you know only too well, this phenomenon affects all industrialized countries. [So much so that I would rank it along with Third-World development and debt and the American deficit as one of the three foremost problems of today.

I know I need not describe to you the ills of unemployment: The blight visited upon the life of every jobless; and the consequences for our societies and political decision-making when this blight multiples into tens of millions of—literally speaking—left outs.

Let me, however, stress at least two of the most worrisome features of this trend:

Unemployment as we know it in Europe, and to some extent as you know it in America, no longer seems to respond as readily as it did to cyclical patterns of growth, stagnation and recession. In the recent past, in fact, cyclical upswings did not restore the jobs which had disappeared during recessionary phases. Our unemployment has become largely structural in nature.

In addition, joblessness takes a particularly heavy toll on youth. In my country, for instance, more than a third of the young who seek employment cannot find work. Such a rate is by no means exceptional in Europe—nor, I understand, in some of America's largest cities.

Speaking for myself and many colleagues in the business world, I think a challenge of this magnitude engages in an unprecedented way our responsibility, both as industrialists and as citizens. And the case I would like to make before you is that there need not be a contradiction between the two. The pragmatic diagnosis (technology as an unstoppable factor of improvement of our lives) does not contradict the moral argument: Growth is not really "growth" if it leaves by the wayside entire segments of our communities. In other words, appearances notwithstanding, the equally pressing demands of solidarity and productivity are not mutually exclusive.

On the contrary—

It is both as an industrialist and as a citizen that I can identify some of the most commonly used wrong cures:

One consists in blaming technology itself. I am reminded of the English Luddites who, at the beginning of the Nineteenth Century, were destroying their machines in the hope of saving jobs. The past is littered with such examples of wrongheadedness. Just how wrongheaded, the subsequent history has clearly shown: During the last hundred years the population of Europe has doubled; In the same period, however, thanks precisely to creative uses of technological progress, job opportunities have more than tripled.

It is perhaps inevitable that technology should awaken a powerful fear of the unknown, a powerful fear of change. Yet, the record speaks for itself. Think for instance of the time when radio was introduced, or the large computers of the Fifties, or today's microchips: Every wave of technological progress has opened up myriads of unsuspected uses for the greater benefit of all.

Another common mistake, particularly frequent in Europe, consists in trying to preserve at all costs activities that are no longer economically viable; and in spreading out existing jobs among more people. More than ever, government and industry alike must be mindful of the pains and necessary transitions of the process of industrial adjustment. But they should not forget either that in the end, a successful industrial adjustment is one that helps the old to wither away and the new to become stronger.

Job creation depends on economic growth. Economic growth, in turn, depends on the ability of industry to succeed in the midst of a worldwide competition that requires greater efficiency, innovation, lower costs and higher quality. In short, the problem of our economic systems is to free as much as possible entrepreneurial and creative energies.

As an industrialist and as a citizen, I am of course grateful to the many generous voices which keep reminding us of our broader social responsibility. But at times I find them less than helpful when, mistaking the entrepreneur for some abstract benefactor, all they do is urge us to hire, hire, hire.

To those who argue that the entrepreneur's responsibility to his shareholders and his responsibility to society are in conflict, I would say this: In the end, we are left with no choice but to grow, and to do so without leaving behind entire portions of society. As participants in a political system that represents us, we all share a primarily political responsibility. I don't know if we will ever see the day when societies are run as well as some enterprises are—that is: to the benefit of all involved. In the meantime, we in industry fully accept our larger responsibility—But not at the cost of undermining what we do best. For what we do best (Enterprise) already constitutes our greatest contribution to the general welfare.

Before closing, let me go a bit further and try to define what this larger responsibility is all about: as an industrialist and as a citizen, I would suggest to you that an intelligent, carefully designed degree of social democracy may well be an indispensable feature of our capitalist future.

Needless to say, by "social democracy" I do not mean a return to the old familiar cliches: Bureaucracy, all-pervasive waste, the proliferation of special interests and the like. All these things can only compound the many rigidities in the economy and in the labor markets which already hinder growth.

What I have in mind, rather, is a concerted effort on the part of all social partners to bring back into the fold those who are otherwise in danger of being left out.

This requires first of all a massive investment in education. Purpose, creativity, the sense of belonging to a civilization of shared values all begin in the classroom. Someone has said that the jobs of the future are jobs where "knowing how to understand" will be at least as important as knowledge per se or "know-how". We need a school that no longer isolates general information from professional information. A school open to the realities of the outside world and capable of eliciting a true "culture of innovation".

More broadly, we need to spare no efforts to achieve a much larger participation of all in the political process; and to draw the young into the ranks of productive society.

Finally, a priority for both government and private industry should be to work together to help the growth of all service sectors in our economies: These are precisely the sectors where today's and tomorrow's technological advances can also be the greatest creators of jobs.

What all this amounts to is, in effect, a possible "third way" between two major pitfalls: On the one hand, an exclusive reliance on a "monetarist" view of human activity at the expense of all broader considerations; on the other, the stifling constraints of old-time social models. Although as industrialists we are intent on continuing unimpeded to do what we do well, our responsibility is broader and calls for active involvement in the problems of our communities. But not, in effect, to create a society half made up of "assisted" people ("assistiti") against which Pope John Paul II warned a few months ago in Brussels.

I recognize that what I have briefly outlined this afternoon represents a tall order. As an agenda, it will severely test the creativity in each of us that I alluded to in the beginning. It is kind of free, responsible creativity which cannot flourish without free conscience. This is why I would like to congratulate your Foundation for twenty years—a generaton—of work on behalf of this, perhaps the most precious dimension of human life. And why I will forever cherish your generous award.

H.R. 2959, THE ENERGY AND WATER DEVELOPMENT CONFERENCE REPORT, 1986

Mr. DOMENICI. Mr. President, on Thursday, October 17, the Senate agreed to the conference report on H.R. 2959, the energy and water development appropriation bill of 1986. The tables showing the relationship of the conference agreement to the fiscal year 1986 budget resolution were inadvertently omitted from the RECORD at that time.

Mr. President, I support the conference agreement on the energy and water appropriation bill.

I commend the members of the conference for producing a bill that meets the subcommittee's 302(b) allocation under the budget resolution.

H.R. 2959, provides $15.3 billion in budget authority and $8.2 billion in outlays for fiscal year 1986 for the Corps of Engineers, the Bureau of Reclamation, the Department of Energy, and other agencies.

With outlays from prior-year budget authority and other adjustments taken into account, fiscal year 1986 budget authority and outlays associated with this conference agreement would total $15.3 billion and $15.6 billion, respectively.

Compared to the subcommittee's 302(b) allocation under the budget resolution, this bill is under by less than $50 million in both budget authority and outlays.

Mr. President, I ask unanimous consent that a table showing the relationship of the bill to the subcommittee's 302(b) allocation, the President's request, the House-passed level, and the Senate-passed level, and other related tables be inserted into the RECORD at the conclusion of my remarks.

Again, Mr. President, I support this conference agreement and commend the Appropriations Committee and conferees for producing the first fiscal year 1986 appropriations bill within the budget resolution's levels for the President's signature.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ENERGY AND WATER DEVELOPMENT SUBCOMMITTEE SPENDING TOTALS—CONFERENCE AGREEMENT

[In billions of dollars]

	Fiscal year 1986	
	Budget authority	Outlays
Outlays from prior-year budget authority and other actions completed	(1)	7.4
H.R. 2959, conference agreement	15.3	8.2

ENERGY AND WATER DEVELOPMENT SUBCOMMITTEE SPENDING TOTALS—CONFERENCE AGREEMENT—Continued

[In billions of dollars]

	Fiscal year 1986	
	Budget authority	Outlays
Adjustment to conform mandatory programs to budget resolution assumptions	+(1)	−.1
Subcommittee total	15.3	15.6
Subcommittee 302(b) allocation	15.3	15.6
Senate-passed level	15.3	15.6
House-passed bill	15.4	15.6
President's request	15.3	15.6
Subcommittee total compared to:		
Subcommittee 302(b) allocation	−(1)	−(1)
Senate-passed level	−(1)	−(1)
House-passed bill	−.1	−(1)
President's request	−.1	+(1)

[1] Less than $50 million.

Note: Details may not add to totals due to rounding.

ENERGY AND WATER DEVELOPMENT SUBCOMMITTEE SPENDING TOTALS—SENATE-PASSED

[In billions of dollars]

	Fiscal year 1986	
	Budget authority	Outlays
Outlays from prior-year budget authority and other actions completed	(1)	7.4
H.R. 2959, as passed by the Senate	15.2	8.2
Possible later requirements: Salaries and expenses	+.1	+(1)
Adjustment to conform mandatory programs to budget resolution assumptions	+(1)	−.1
Subcommittee total	15.3	15.6
Subcommittee 302(b) allocation	15.3	15.6
House-passed bill	15.4	15.6
President's request	15.3	15.6
Subcommittee total compared to:		
Subcommittee 302(b) allocation	−(1)	+(1)
House-passed bill	−.1	+(1)
President's request	−.1	+(1)

[1] Less than $50 million.

Note: Details may not add to totals due to rounding.

STATUS OF APPROPRIATION BILLS IN THE SENATE

[In billions of dollars]

Subcommittee	Appropriations Committee's 302(b) allocation	Budget authority / Outlays	Adjusted bill totals [1]	Budget authority / Outlays	Bill compared to crosswalk	Budget authority / Outlays	Bill status
Agriculture	28.2	25.2	28.2	25.2	−([2])	−([2])	Senate-passed.
Commerce-Justice	12.0	11.9	11.9	12.0	−0.1	+0.1	Senate-reported.
Defense	285.5	252.2					
District of Columbia	.5	.5	.5	.5	+([2])	+([2])	Senate-reported.
Energy-Water	15.3	15.6	15.3	15.6	−([2])	−([2])	Conference.
Foreign operations	15.2	14.7					
HUD-Independent	58.7	61.2	58.7	62.0	+([2])	+.8	Senate-reported.[3]
Interior	8.2	8.9	8.2	9.3	+([2])	+.4	Senate-reported.
Labor-HHS	108–0	115.3	108.0	115.3	−([2])	−([2])	Senate-reported.
Legislative Branch	1.7	1.7	1.7	1.7	−([2])	−([2])	Senate-passed.
Military Construction	9.0	7.6					
Transportation	10.5	26.6	10.0	26.7	−.5	+.1	Senate-reported.
Treasury-Postal	13.1	13.1	13.1	13.1	−([2])	−([2])	Senate-passed.
Unassigned	1.2	−.4			−1.2	+.4	
Total, Appropriations Committee	567.1	554.1	255.8	281.5	−1.7	+1.8	

[1] In addition to the bill, includes outlays from budget authority enacted in prior years, possible later requirements, adjustments to conform mandatory items to the budget resolution level, and other adjustments.
[2] Less then $50 million.
[3] Scoring of the Senate-passed HUD-passed HUD-Independent Agencies bill has not been completed as of this time.

Note: Details may not add to totals due to rounding.

Source: Senate Budget Committee Staff.

RILEY GARNER—A SHELBY COUNTY INSTITUTION

Mr. SASSER. Mr. President, my good friend, Riley Garner recently announced his candidacy for reelection to the office of Shelby County trustee. I believe that the people of Shelby County are well served by Riley's decision.

Quite simply, Riley Garner is a Shelby County institution. He was first elected as county trustee in 1947. Ever since he has held his office he has performed his duties as county trustee in a manner that has earned the trust and respect of the people of Shelby County.

When Riley first took office in 1947 his office processed about 60,000 tax bills which altogether totaled some $3 million. In 1984 his office handled some 300,000 tax bills totaling about $155 million. Yet even with this increased work load, the number of employees in Riley's office still stands at 17—the same number of employees that were in his office in 1947. That is a noteworthy accomplishment, Mr. President.

When Riley took office, he was faced with the task of collecting some $3 million in delinquent taxes owed to Shelby County. And since 1947 he has been able to make tremendous strides in reducing the amount of delinquent taxes that are owed to the county. Throughout his tenure in office, between 98 and 98.5 percent of all taxes that are owed to Shelby County are collected in full. While he was doing that, I am informed that Riley was able to turn back to Shelby County about 69 percent of his budget that was alloted for his office during this past year. The message is a simply one-Riley does an excellent job and he does it well within budget.

But Riley is more than a good public official. He is an outstanding citizen as well. He cares deeply about the people of Shelby County. His list of civic achievements is long and varied. He has received the Dr. James Bodley Americanism Award from the Memphis American Legion. He has received the BPO Elks Outstanding Service Award. He has been the chairman of the Memphis Easter Seal Society and was past chairman of the Tennessee Society for Crippled Children and Crippled Adults. He has been instrumental in insuring the success of fundraising drives for St. Jude's Hospital, Baptist Hospital, Methodist Hospital, St. Joseph's Hospital and many other worthy Memphis Institutions. In short, Riley has worked long and hard to improve the quality of life in Memphis and Shelby County.

Riley Garner is a model citizen and a model public official. He cares deeply about his fellow citizens, and I believe that the people of Shelby County care deeply about him. I wish Riley Garner well in the years ahead as he continues his duties as county trustee and as a civil leader of Shelby County.

AN INTERNATIONAL COVENANT DEFINING TERRORISM

Mr. ANDREWS. Mr. President, recent events have once again brought the subject of terrorism to the center of America's attention. While we all abhor terrorism, the term itself is often too imprecise, too freighted with political judgment and too often open to misunderstanding to be a useful category in American extradition law. However, the humanitarian sentiment and principle behind our opposition to terrorism must not be misunderstood. What cannot be achieved directly may have to be achieved indirectly.

Terrorism, in common parlance, refers to those acts or threats of violence which are calculated to instill fear—indeed terror—in the minds of the target population. That is why, when we think of terrorists, we think first of persons who attack or threaten presumptively innocent or helpless persons, or who kidnap, bomb, or murder for symbolic reasons. Terrorism, in its most perjorative sense, refers to acts or threats of violence that are wanton, indiscriminate, and without any immediate, practical objective.

Americans have, unfortunately, been targets of terrorist activities for some time. Just recently, the Soviet Union found that it, too, had to face a terrorist attack on its diplomatic staff in Lebanon. We believe it is time for the two superpowers and their respective allies to make a concerted effort to totally eliminate sanctuaries for international terrorists who commit serious offenses against individuals of other nations.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter to President Reagan, cosigned by a number of us in the U.S. Senate, to urge the adoption of an international covenant that would define international terrorism and deny political sanctuary to such individuals throughout the world.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, October 21, 1985.

Hon. RONALD REAGAN,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: The civilized world today stands at a crossroads between unchecked international terrorism and the rule of law. Your forthcoming summit meeting with Soviet General Secretary Mikhail Gorbachev offers a unique and historic opportunity for you, as the leader of the free world, to begin the process that will lead to the elimination of this dark shadow of terrorism which threatens the security of every nation and all peoples.

You go to the summit with both the legal and moral authority necessary to propose to Mr. Gorbachev that the Soviet Union and the United States join in adopting an international covenant that would define terrorists as those who attack or threaten presumptively innocent or helpless persons, or who kidnap, bomb, or murder for symbolic reasons. This covenant would also bind its signatories to deny political sanctuary to all such individuals throughout the world.

All governments have an obligation to protect the lives of its citizens from violence and to bring their assailants to justice. But justice can only be assured if all nations unite in declaring terrorists persona non grata. Cowardly vigilantes must be denied sanctuary and sustenance by civilized societies. Such united action by the world community will go far in ridding society of their ilk. Your leadership, in joint cooperation with Mr. Gorbachev, will give this document the necessary moral authority to unite the world's nations against such continued barbarous activity.

Terrorists have thrown down the gauntlet before the civilized world. Mr. President, you have a unique opportunity to lead the community of nations in meeting and eradicating this challenge to world order.

We therefore pledge our firm support to you in an effort to persuade Mr. Gorbachev to join in covenant with the United States in treating terrorism as a cancer that must be completely excised for the good of all civilized society.

Best wishes.
Sincerely,

MARK ANDREWS.

Mr. ANDREWS. Mr President, I welcome my colleagues' endorsement of this letter to President Reagan. If they are interested in cosigning, I ask them please to contact our office as soon as possible. We intend to send it out at the end of the week.

THE CHILEAN SITUATION

Mr. DURENBERGER. Mr. President, on September 23, Senator LUGAR and I introduced Senate Concurrent Resolution 68, which expresses the Senate's support for Chile's National Accord for the Transition to Full Democracy. At the same time, we circulated a letter to Cardinal Juan Francisco Fresno of Santiago conveying the Senate's support for this effort of Chile's many democrats to renew their country's traditional adherence to democratic principles and processes. These expressions of support for Chilean democracy have received substantial backing in the U.S. Senate. I'm pleased to report that a bipartisan group of 22 Senators—consisting of many committee chairmen, conservatives, moderates, and liberals—have spoken with one voice in favor of a return to democracy in Chile.

Several bills reflecting the Senate's concern about the current situation in Chile are now being considered by the Foreign Relations Committee. I have been assured by the chairman of that committee that these resolutions on Chile shall receive immediate consideration, so that the Senate may take a firm stand on this important foreign policy matter.

Despite numerous constraints, the National Endowment for Democracy has initiated several important projects in Chile which seek to strengthen democratic groups and institutions in that country. NED has, for example, facilitated a nongovernmental relationship between Chile and the State of Washington through the Partners of the Americas Program. This partnership will allow for continued exchanges in the areas of youth, agricultural groups, and farmer cooperatives, and women and small business development. NED also organized an international symposium on the problems of contemporary democracy at the Institute of Political Science at the Catholic University of Santiago. This conference brought together distinguished political scientists from Latin America and the United States to discuss democratic philosophies and to examine transition experiences in various countries from authoritarian regimes to pluralistic democracies.

Perhaps the most significant of the NED projects in Chile required the active involvement of the Minnesota

Association of Cooperatives [MAC]. Minnesota is justly proud of its long tradition of success in cooperative activity. NED initiated a $90,000 pilot project in 1984 and 1985 which established a program of exchanges and "sister co-op" relationships between U.S. cooperatives and their counterparts in Chile. As a result of this program, several Chilean cooperatives have requested the formation of sister cooperatives in the United States. In speaking with members of the MAC, I've learned that the Chilean participants gained an understanding of the political role of our U.S. national and State cooperative organizations for nonpartisan political action. The Chileans have responded by creating their own lobbying organization to represent the entire Chilean cooperative movement before a rather hostile government. They came to appreciate the need for united political action to maintain and expand their democratic cooperatives.

The success of this international cooperative effort and NED's role in its implementation suggests that we can and should do more to aid Chile's democratic institutions. Simply expressing our verbal support for a transition to democracy in Chile is not enough. We do have the technical expertise and the experience to strengthen the organization of democratic political parties and legislative institutions, to improve the functioning of the judicial system, to assist independent journalists who seek to establish a free press, and to aid the growth of democratic labor unions. While the men and women of the Department of State, the Agency for International Development, and the United States Information Agency perform their tasks extremely well, the NED can do much to strengthen democracy in Chile through private, nongovernmental efforts. I would hope that the Senate would keep this in mind as we debate the future of the NED during consideration of the Commerce, Justice, and State appropriations bill.

Mr. President, I ask unanimous consent that a letter to Cardinal Fresno on the Chilean National Accord for the Transition to Democracy and a summary of the report of a delegation from the U.S. Overseas Cooperative Development Committee which visited Chile in March of 1985.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, October 4, 1985.

His Eminence JUAN CARDINAL FRANCISCO FRESNO,
Archbishop of Santiago, Santiago, Chile.

DEAR CARDINAL FRESNO: We write to express our concern over the slow process of democratization in Chile and to convey our support for the return of democracy in your country.

As we believe that a restoration of democracy is the best way of assuring Chile's political, economic, and social stability, we have joined in this effort to express our solidarity with responsible Chilean democratic leaders who seek to assist the restoration of democracy and respect for law in Chile. It is our fervent hope that all responsible sectors in Chile will treat the National Accord for the Transition to Full Democracy with the seriousness that the reconciliation process demands. We further believe that the current situation in Chile demands a coherent, long-term, and positive approach on the part of American policy-makers.

Terrorism, human and civil rights violations, a substantial Communist party committed to the violent overthrow of the government, the national debt crisis, are only a few of the current obstacles to be overcome in achieving genuine political stability. Perhaps the most difficult challenge of all is forging a broad consensus on the institutional means of rebuilding a stable democracy in your country and marshalling the will, and taking the risks, to put in place a democratic order that satisfies the aspirations of the Chilean people. We therefore wish to express our strong support for the effort represented by the National Accord for the Transition to Full Democracy.

Sincerely,

Senators Richard G. Lugar, Dave Durenberger, Wendell H. Ford, Paul Simon, Larry Pressler, Mark Hatfield, Rudy Boschwitz, Paul Trible, Robert Dole, J. James Exon, John F. Kerry, Mark Andrews, John Heinz, Pete Wilson, Frank Murkowski, Nancy Landon Kassebaum, Bill Bradley, Tom Harkin, John C. Danforth, William S. Cohen, Pete V. Domenici, Ernest F. Hollings.

COOPERATIVES IN CHILE'S TRANSITION TO DEMOCRACY

(Findings from a study tour by U.S. cooperative representatives)

EXECUTIVE SUMMARY

Cooperatives in Chile are functioning well as grassroots, democratic self-help organizations committed to assisting low- and moderate-income people. They are important forces for economic and political democracy. Adversely affected by Chilean politics and economics, they have suffered for 15 years under the current and previous administrations. As a result, many cooperatives failed. But the situation has stabilized and cooperatives are growing again.

Cooperatives are member-owned businesses governed through one person, one vote. In Chile today, they are often the most direct experience of low- and moderate-income people with democratic practice. Cooperative elections are honest. Divergent viewpoints on issues important to members are openly expressed, debated and voted. Leadership is developed through elections to voluntary boards of directors. Annual meeting are often well attended and support from members is demonstrated through the use of cooperative services such as credit, agricultural supplies and marketing, electricity and housing.

Chilean cooperatives contain a variety of political viewpoints from support of the current government to active opposition. They have extraordinary access to democratic elements in society and are advocates of a return to democratic life in Chile.

While the study team was in Chile, there was a national strike, resignation of the entire cabinet and declaration of a state of siege. Violence from terrorists of the extreme left and right, and from government security forces, is on the rise. Yet the study team believes that a national movement for democracy has clearly emerged. It is strongly rooted and has momentum.

The key issue is the type of democracy: either an "authoritarian" and highly controlled model supported by the military government, or a more open political system with an early timetable for elections. The study team believes that the majority of Chileans support an early return to true democracy but also fear destabilization of society from forces of the extreme right and left.

The United States Government needs to understand the full dimensions of this difference between various visions of democracy. U.S. policies and programs should be initiated to support those democratic voices in Chile which are seeking a peaceful transition to civilian rule.

The newly created National Endowment for Democracy can make a constructive contribution in supporting and strengthening democratic institutions in Chile through non-governmental approaches. The study team recommends a major focus of the National Endowment on support for political parties, the press, labor unions, private businesses and cooperatives in their efforts to bring about democracy in Chile. Such programs need to be long term and sustained.

In regards to cooperatives, the study team recommends support for a follow-on program to undertake a comprehensive review of the legal and administrative obstacles to cooperative development in Chile. This effort should be geared to improving the image of cooperatives as important free enterprise institutions. It should enhance the capacity of cooperatives to influence government policies, and generate a better understanding by government officials of the special contributions cooperatives can make to economic and political life.

The study team also recommends creation of a cooperative center for the advancement of self-help cooperatives and similar democratic organizations for assisting low income people. Given the recent difficulties of cooperatives, universities and other supportive organizations need to be re-engaged in cooperative development in a comprehensive, systematic and grassroots way. An intellectual and resource center is needed for combining the practical business operations of cooperatives with a commitment to helping the poor.

The universities of Chile, which once played a significant role in cooperative education and training, should be encouraged to review and expand such programs. Nonprofit Chilean organizations and foundations need to be encouraged to pool their resources in support of cooperatives and other democratic private institutions. Outside donor agencies should assist these organizations as well as continue and expand support directly to cooperative organizations and federations. U.S. cooperatives will seek ways to support these cooperative educational efforts in Chile.

U.S. cooperatives are renewing their historic relationship with Chilean cooperatives. As part of this effort, U.S. cooperatives are sponsoring a 15-person Chilean cooperative delegation to the U.S. in April 1985. The delegation will observe the role of cooperatives in U.S. economic and political life. The exchange will lead to the creation of cooperative-to-cooperative relationships for technical exchange, trade and interaction.

ACCOLADES TO THE UNIVERSITY OF IOWA HAWKEYES

Mr. HARKIN. Mr. President, I would like to take this opportunity to recognize some talented young athletes who distinguished themselves in the minds of Iowa sports fans again last Saturday. I am speaking, of course, of the University of Iowa Hawkeyes, the Nation's No. 1 football team. Their fine ball club, led on the offense by quarterback Chuck Long, running back Ronnie Harmon, wingback Scott Helverson, and split end Bill Happel, thoroughly dominated a fine Michigan defense to earn a unanimous No. 1 ranking from the three major college polls: A.P., U.P.I., and U.S.A. Today.

The game last weekend proved once again that the University of Iowa, under the guidance of 7th-year coach Hayden Fry, plays great football in pressure situations. The contest in Iowa City matched Michigan's unyielding defense against Iowa's smooth passing offense. But when the Hawks were down in the fourth quarter, 10–9, it was their hard-hitting defense, under the leadership of cornerback Nate Creer and linebackers Larry Station and George Davis, which forced the Wolverines to give up the ball. The Iowa Hawkeyes then started the final and conclusive drive of the contest on their own 22-yard line with 5½ minutes remaining.

The pressure was on to quickly turn the score around or face defeat, and in classic Iowa style, much the way their offense had dominated the whole game, the Hawks rolled flawlessly down the field in perfect position for a field goal.

Then, in the intense silence of 66,350 fans with only 2 seconds remaining in the game, Rob Houghtlin confidently kicked a 29-yard field goal. Iowa is proud of Houghtlin and his teammates who represent excellence in a human endeavor that resembles, in many ways, the game of life.

Football, with all its setbacks and thrills, can today be a metaphor for the people of Iowa who truly have an honest, hardworking, No. 1 spirit.

I am sure my colleagues will want to join with me in congratulating the No. 1 college football team in America—the Iowa Hawkeyes.

U.S. NAVIGATION SYSTEM

Mr. HATFIELD. Mr. President, last week a serious accident occurred to Welland Lock No. 7 on the St. Lawrence Seaway. The collapse of this inland waterway structure will delay for weeks the export of thousands of tons of grain. The resultant delays will be extremely costly to shippers and could further damage our competitive position in the export markets. These grain exports, as well as other farm produce shipments, help offset our soaring trade deficits and are the lifeblood to many U.S. farmers.

This incident helps underscore the critical importance of a healthy, efficient transportation infrastructure. In many areas, I believe there is a growing awareness of the need to maintain and enhance our transportation system. In recent years, we have have seen efforts to rehabilitate our highways, repair bridges, expand mass transit systems, improve airport facilities, and restore our railroads.

In one critical area, however, we have not yet started to address the issue of serious decay and deterioration of our infrastructure—the inland waterway system. The national waterway system is an integral part of the intermodal transportation network which is necessary to move bulk materials and products to domestic and international markets. Since 1924, the Corps of Engineers has been responsible for assuring the operation of the national waterway systems. The corps operates and maintains about 219 lock and dam facilities and other control structures on some 25,000 miles of inland and intercoastal waterways. For the last 35 years, resources have been primarily directed to extending the waterway system rather than developing the existing system. Consequently, needed maintenance, including rehabilitation, often has been postponed. Priorities must now shift to upgrading the existing waterways.

We simply cannot ignore any longer the condition of many locks and dams on this important national waterway system. Over 42 percent of the structures on this system are over 40 years old. Many key locks and dams were constructed over 50 years ago. They are obsolete and cannot accommodate existing and future traffic. As a result, bottlenecks at the Nation's locks seriously affect shipping, and pose dangerous safety problems.

In 1976, the Corps of Engineers began the first major assessment in 70 years of the inland waterways of the United States. This study, known as the "National Waterways Study," was finally completed in March 1983 after a show of strong support from Congress. The "National Waterways Study" again highlights the immediate need to address the bottlenecks which are choking our aging waterway system.

We also should point out that these waterways form a system which feeds our Nation's ports. There is also a growing need to modernize facilities and deepen our ports which serve as a gateway to inland waterways and the rest of the transportation system. As an example of the critical importance of our deep-draft port system, let me sight some statistics. Our ports move each year 887 million tons of cargo to foreign countries, valued at $318 billion, and this generates $6.4 billion in customs revenues. More than 1 million jobs are provided by the ports. It is estimated that ports contribute $96 billion to personal income each year in this country. Through the Coast Guard and Corps of Engineers, we spend about $700 million annually on the operations and maintenance of our navigation system. This represents only about 10 percent of the direct revenues which are received through customs assessments and a minuscule fraction of the total benefits from the system.

As my colleagues know, congressional inaction and executive branch opposition have stalled our efforts to restore the national navigation system. The last major construction authorization for the Corps of Engineers was enacted in December 1970—15 years ago. The corps construction program now is half what it was only 4 years ago. Some people applaud that. I do not. Nor do the people who look for navigation improvements on the Mississippi, the Ohio, and the Columbia to increase commerce and continue building a strong economy. Nor do electric power consumers who wish to reduce the cost of coal, our abundant energy resource. Nor do our beleaguered farmers in Iowa, Kansas, and Montana who depend on the movement to market of grain, corn, and other produce. Nor do the people of Maryland, Alabama, and Texas who await deeper draft harbors to increase trade and correct our dangerous trade imbalances.

In light of the obvious impact on our national economy, I am still amazed when members of the press and others leap to criticize the funding of water projects as pork barrel. We also see a growing tendency from politicians to scorn these projects as pork barrel.

And yet, each and every year, the President requests and Congress enacts hundreds of millions of dollars for the operation of these water projects, most of which are for our navigation system. Each and every year, farmers, the coal industry, utilities, port officials, city managers, industry leaders, and hundreds of individual citizens testify in support of these water projects and call for the improvement of the navigation system.

I suspect that even Scrooge himself when presented with the facts would be convinced of the importance of these projects. Let me end by quoting our former Director of the Budget Office, Mr. David Stockman:

> Passage of legislation to maintain and improve our Nation's ports enhances our international trade position and translates into jobs in our coal fields, and grainfields, railroads, trucking industry, and port communities. A modern port system improves our national security since it enhances America's capacity to assist our allies to meet their energy and food requirements.

The incident at Welland Lock No. 7 is symptomatic of a more fundamental problem—the health of our navigation system.

We must begin to focus on the long-term health of our navigation system. We should resist the temptation to adopt simple slogans which kill progress and reform. There is a growing problem and we must intensify our efforts to restore and enhance these vital water projects.

I ask unanimous consent, Mr. President, that the October 16 article from the Washington Post entitled "Seaway Accident Jars Grain Mart," be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Oct. 16, 1985]

SEAWAY ACCIDENT JARS GRAIN MART

(By Kevin Klose)

CHICAGO, Oct. 15—Gloom spread across the midcontinent today at news that an accident has closed the St. Lawrence Seaway for as many as three weeks at the height of the grain-shipping season.

Corn prices tumbled on the Chicago Board of Trade and, from Duluth and Thunder Bay on Lake Superior to Cleveland and Buffalo on Lake Erie, port officials mourned as the voyages of dozens of ships in the Great Lakes came to an unexpected halt.

The stoppage began Monday when a 150-foot section of wall collapsed in a key lock of the Welland Canal, which carries ships around the Niagara Falls between Lake Erie and Lake Ontario.

After conferring most of the day, officials at the St. Lawrence Seaway Development Corp. headquarters in Massena, N.Y., said a temporary wall of steel bracing must be erected to stabilize the remaining wall in Welland Lock No. 7 before the lock can be fully drained and engineers can inspect the damage and chart the rebuilding.

Meanwhile, commodities experts and shipping agents throughout the Great Lakes region in the United States and Canada said that this is the worst possible time of year to disrupt the Seaway.

Millions of tons of grain are moving eastward from Midwest corn and soybean farms to foreign ports. Winter normally closes the Seaway, starting about Dec. 10 to 20.

Capt. Richard Legros, the harbor master in Thunder Bay, Ont., on the northern coast of Lake Superior, the largest grain port in Canada, declared: "It will be devastating for everyone from Thunder Bay right on down the Seaway. It's a chain reaction. It's very serious. . . . I'm holding my breath."

Grain traders in Chicago responded to the news with a selling spree of futures contracts in corn. The price fell 2 cents a bushel today for December-delivered corn, after closing Monday at $2.22¾.

David Bartholomew, a senior commodities analyst at Merrill Lynch Pierce Fenner & Smith, said the Welland accident "already is having its effect on the market."

"There is a depression in the nearby [December] prices, basically affecting corn," he said. "The accident keeps grain here in the Midwest, instead of getting it out. Delays in shipping may cause buyers to buy from some other origin."

Dale Gustafson, an analyst at Drexel, Burnham, Lambert here, said, "Nobody at this time of year wants to be left with corn on their hands."

John Adams, deputy chief engineer of the seaway, said, "There're going to be ships at anchor and port facilities idle until traffic resumes. Traditionally, this is the busiest time of year."

Adams said there were 18 ships westbound in the 26-mile-long Welland Canal and 12 vessels eastbound when the mishap occurred. The canal consists of eight locks that raise or lower ships a total of 326 feet between Lake Erie and the lower Lake Ontario.

Those ships cannot proceed, and scores of others now are caught trying to get out of the Great Lakes. Still others are unable to enter the system and are waiting in the St. Lawrence River or out in the Atlantic.

The seaway, which celebrated its 25th year of operation last year, suffered an 18-day shutdown last year when a bridge in Valleyfield, Quebec, jammed halfway open. The shipping season was extended to make up the lost days.

When the section of the lock wall fell at 10:35 a.m. (EDT) Monday, it jammed the Liberian-registered Furia, eastbound with a cargo of grain, against the lock. The ship was extricated Monday night and was found to have suffered little damage.

Said the Coast Guard's Chief Petty Officer Richard Schmidt, at the Buffalo, N.Y., station: "It's like a highway just washing out. The canals are a major thoroughfare from the ocean to the Great Lakes."

IOWA GENERAL ASSEMBLY EXPRESSES OPINION ON FARM BILL

Mr. GRASSLEY. Mr. President, the Republican leadership of the Iowa General Assembly recently wrote me in order to express their concerns and preferences for the farm bill.

I would like to share this pertinent letter with my Senate colleagues in order to provide them with an informative view of the Iowa agricultural economy.

The Iowa General Assembly GOP members' main concerns are that legislation be directed toward generating more net income for agriculture and toward deferring debt repayment and mortgage foreclosures for viable borrowers. Regarding the Farm Credit System, the members desire interest rates to be brought to a level that is closer to the historical level. They believe the solutions must encompass all elements of the economy that depend on agriculture.

The members ask Congress to objectively assess the impact of the farm program on grain processing and livestock production industries. Also, the members neither endorse nor reject a referendum, but they do believe that farmers need reasonable alternatives that are accompanied by clear, detailed information. Finally, the members stress that legislative options must be made for farmers as quickly as possible in order to prepare for the 1986 crop.

I urge my colleagues to give serious consideration to the concerns expressed in this letter, which I ask unanimous consent to have printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

IOWA GENERAL ASSEMBLY,
September 30, 1985.

Senator CHARLES GRASSLEY,
Hart Senate Office Building, Washington, DC.

DEAR CHUCK: Since the Iowa Legislature adjourned in early May, the farm problem has continued to be of major concern. Republican members of the House and Senate met today—on the eve of the expiration of the 1981 farm program—to develop a unified farm policy statement and provide our input as the farm bill is debated by Congress.

As legislators from one of the country's key agriculture states, we feel it vital to move beyond the stage of "sending a message" to Washington and develop a consensus of how Iowa lawmakers can help agriculture and agriculture-related businesses survive. Moreover, we are convinced that though solutions to the farm problem will lie mostly at the federal level, it will not be solved by simply "passing the buck" to the federal government. And we feel that working directly and cooperatively with our congressional delegation is the most important and constructive step we can take to deal with the problem.

Though we are well aware that no farm measure will garner total unanimity, we believe that some basic policy agreement is critical if significant improvement is to be made in Iowa's farm-based economy. Further, we urge you to consider the potential ramifications for Iowa of the House and Senate versions of the farm bill and related proposals that are still active at the federal level.

Specifically, we feel the following concerns must be addressed:

1. Efforts to improve the agricultural economy should be directed to help farmers, main street businesses and agriculture-related industries.

2. Priority consideration should be given to generating more net income for farmers and farm-related industries. As a step to holding down production costs, interest rates must be reduced. As a step to enhance income, equitable support prices must be established.

3. To alleviate the farm credit problem, we support legislation which would defer debt repayment and mortgage foreclosures for viable borrowers.

4. In developing a farm program, Congress must assess the impact of that program on grain processing and livestock production industries.

5. Though we neither endorse nor reject a referendum, we believe that farmers need reasonable alternatives, accompanied by clear and detailed information. This information must include the effect of any referendum on family farms and agriculture-related industry.

6. It is imperative that options be available to farmers as soon as possible for timely decision-making regarding the 1986 crop.

In addition, we consider your immediate action on problems with the Farm Credit System to be as important as that on the

farm bill. Interest rates in the Farm Credit System must be closer to historical levels. Federal Land Bank interest rates that are currently five percent above prime and 10 percent above inflation are unacceptable.

The farm problem is not a partisan issue. It is not confined to individual farmers, poor managers or large operations. It is affecting the main streets in nearly every town and city in Iowa. We need solutions that will encompass not only the farm sector, but those elements of the economy that depend upon agriculture. In short, we need to do anything and everything possible to save Iowa and the family farm.

We appreciate your time and involvement in today's meeting and hope that you will give serious consideration to these concerns.

Sincerely,

CALVIN O. HULTMAN,
Senate Minority Leader.
DELWYN STROMER,
House Minority Leader.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

RECESS UNTIL 2 P.M.

The PRESIDING OFFICER. Under the previous order, the hour of 12 o'clock having arrived and passed, the Senate will now stand in recess until 2 p.m.

Thereupon, the Senate, at 12:04 p.m., recessed until 2:01 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer. (Mr. HATFIELD).

LABOR, HEALTH AND HUMAN SERVICES AND EDUCATION APPROPRIATIONS, 1986

The PRESIDING OFFICER. The clerk will report the pending business.

The assistant legislative clerk read as follows:

A bill (H.R. 3424) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1986, and for other purposes.

The Senate resumed consideration of the bill.

The PRESIDING OFFICER. The Chair recognizes the assistant majority leader.

Mr. SIMPSON. Mr. President, on behalf of the leader, we want to proceed, and will under the proper course, with the measure that is before the body. I believe there is an amendment by Senator PROXMIRE, and then final passage will be coming.

I yield to the Senator from Connecticut, and share with my colleagues the fact that we do want to proceed. And the leader indicates that we hope to take a spirited attitude toward our work.

Thank you very much.

AMENDMENT NO. 835

(Purpose: Across-the-board 5 percent discretionary cut)

Mr. PROXMIRE. Mr. President, I understand that the Labor-HHS-Education appropriation bill is pending.

The PRESIDING OFFICER. The Senator is correct.

Mr. PROXMIRE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The bill clerk read as follows:

The Senator from Wisconsin [Mr. PROXMIRE] proposes an amendment numbered 835.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 77, after line 3, insert:

SEC. 515. Notwithstanding any other provision of this Act, the total budget authority provided by this Act for payments not required by law shall be reduced by 5 per centum: *Provided*, That of the amount provided in this Act for each appropriation account, activity, and project for payments not required by law, the amount reduced shall not exceed 8 per centum.

Mr. PROXMIRE. Mr. President, I will briefly discuss the amendment.

Mr. President, this amendment would make an across-the-board cut in the discretionary funds—not in the entire appropriation—which constitutes about 30 percent. It is a little over 30 percent of the total. Those discretionary funds would be cut 5 percent or $1.65 billion. I make this proposal recognizing that the lower base will result in a saving of over $8 billion in the 5 years in budget authority and over $7 billion in outlays. So it is going to make it much easier for us to stay within the limitations that are being set for us in the Gramm-Rudman-Hollings amendment in 1987, 1988, 1989, 1990, and so forth.

It seems to this Senator this is precisely the kind of cut that we have to make as I will indicate shortly.

The bill as reported from committee exceeds the President's discretionary budget, and I stress discretionary because there is a great number of programs here which are obligated which I do not touch in my amendment.

But the bill exceeds the President's discretionary budget by $4.6 billion. So my amendment would preserve approximately two-thirds of the increase the committee made in the President's budget. The President's recommendations are 15-percent below the committee figure. This amendment does not cut back to the President's level. It cuts only 5 percent or one-third of the way back to the administration figure. My amendment also preserves the funding priorities set by the committee, and would permit no more than 8 percent to be taken out of any individual account. So there is no way that the administration can kill a program which the Senate has decided to continue, with no more than 8 percent to be taken out of any individual account or activity or project. That gives the department and agencies funded by the bill the flexibility to protect certain vital programs by taking more than 5 percent out of the other programs but it would not allow the administration to kill a program, would not allow the administration to project that the Congress in its wisdom added to the President's budget request.

Of course, it will be painful for the discretionary programs funded by the bill to absorb cuts of this magnitude. If we are serious about coming to grips with a $2 trillion budget deficit, we might as well realize that these are the kind of choices we are going to be forced to make. Just how tough will it be for the programs funded by the bill to absorb a 5-percent cut? It will mean a much harder look at administration overhead, it will mean cutting consulting spending to the bone, it will mean a sharp economy in travel costs, and it will mean cutting some programs somewhat.

What it will not mean, however, is the total elimination or severe crippling of individual efforts funded through the bill. Programs for the handicapped will receive more than they did in 1985. The committee's decision to more than double funding for attack on AIDS will remain in place by the large.

Initiatives of the Congress opposed by the administration can be cut, as I say, by no more than 8 percent.

Mr. President, I want to make it clear there are a number of programs in this appropriation that would not be touched. It does not touch unemployment assistance, or Medicaid. As we all know, Medicare and Social Security are not in this bill anyway. They are not under the jurisdiction of the Appropriations Committee. They are in the Finance Committee. We obviously do not affect that at all. It does not affect supplemental security income. It does not affect aid to families with dependent children, it does not affect social service block grants, it does not affect foster care, and it does not reach guaranteed student loans or higher education facility loans.

So of the total health, education, and other spending covered by the bill, this amendment affects about $33 billion or about 30 percent of the total $108 billion in budget authority in the jurisdiction of the committee. It is only that 30 percent that I would cut at all. I would cut that by 5 percent. I want to repeat, Mr. President, maybe I am being too repetitious. But I want to make it as clear as I can to the body that the President's recommendation is 15-percent below the committee

figure, and this simply proposes a 5-percent cut of one-third of the way.

Mr. President, this amendment could easily be subtitled "the shared sacrifice amendment." If misery loves company, there is a lot of companionship here. The amendment does not play favorites. It does not shift the Senate priorities. It does not rubberstamp the administration's budget game plan. However, it does send out a message loud and clear that we do care about the budget deficit. We do recognize the fact that every federally funded program is going to have to bear part of the pain with coming to grips with that deficit. I hope my colleagues will shoulder the part of the pain, and vote for the amendment.

Mr. President, I yield the floor.

Mr. WEICKER addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. WEICKER. Mr. President, does my colleague from Wisconsin desire the yeas and nays?

Mr. PROXMIRE. I very much appreciate the Senator asking. I would like the yeas and nays on this. I would prefer if we could have the up and down if that is possible. I ask for the yeas and nays, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second. [Laughter.] There is a sufficient second.

The yeas and nays were ordered.

Mr. WEICKER. Mr. President, I would have hoped that the amendment of the distinguished Senator from Wisconsin were brought here instead by the bighearted administration that we have down in the White House. But it is not. It is brought by a very decent, good man who has done everything in his power to see that money goes to those that are in need. I think in this particular instance his fiscal responsibility overwhelms matters of the heart. In any event, I am very proud of this particular piece of legislation—as I think the Senator should be, his amendment notwithstanding—as every member of the Appropriations Committee and every Member of the U.S. Senate should be. It has been carefully crafted. It has been carefully crafted to meet the needs of those persons who deserve our special care. That includes everyone who has a particular disadvantage, be it physical, be it mental, be it economic, be it by virtue of any circumstance. One of the things that bothers me is our preoccupation with the entitlement programs, Social Security included. Every time we so distort and skew the budget so as to protect Social Security and some of the entitlements the impact is even greater on those who also need our special care.

In this bill are those activities of Government that relate to those who are afflicted by disease such as cancer, heart, arthritis, diabetes, and many other afflictions—some well known and others less known. In this bill are the moneys to take care of the mentally retarded and disabled of this Nation. In this bill are those moneys that account for vocational training and aid for our young people who are desirous of higher education. In this bill are maternal and child health care services. In this bill are the moneys for the training of nurses. In this bill are the grants and the moneys that go to the National Institutes of Health, and certainly that money which goes to pursue the matter of researching a cure for AIDS. In this bill are the moneys that go to alcohol and drug abuse.

I have a great deal of pride in my support for Social Security, but I suggest to you it is not the only activity in this Nation. I think the sooner we understand that the better off we are going to be in terms of our budgets. Yes, the elderly are deserving of our attention and our care, and so are the young people. But so are those who are sick in mind or body.

I would hope that the Senate would reject this 5-percent across-the-board cut.

I just want to make it clear that I find this a very difficult amendment to deal with in terms of its sponsor. I think Senator PROXMIRE is as fine a person as has ever set foot on the floor of the Senate. I usually get agitated about these matters, but this one leaves me in a quandary. As I said, there are no better Senator than the sponsor of this amendment.

As far as the amendment is concerned, it is not one that I feel we should act upon favorably. I hope the Senate will defeat it and indeed lay claim to probably one of the best pieces of legislation to come forward from this body in the sense of something that is geared to meet the needs and fulfill the opportunities of the country in a very, very positive way.

The two big subcommittees in Appropriations are Defense and this Subcommittee on Labor, Health and Human Services. What the Senate has before it today is the business of life. The Defense Subcommittee has the business of death.

For that reason, I believe we can all take a great deal of pride in the passage of this appropriations bill.

Mr. PROXMIRE. Mr. President, I will be very brief. I want to thank my good friend, the chairman of the subcommittee, for his kindness and gentleness. He clobbered me yesterday on an amendment I had and I assumed he would probably have similar success today.

I think we should understand that if we really mean business about this deficit we have talked about so much we have to make cuts everywhere. As I say, we cannot reach the entitlement programs. I am not trying to do it. They are not reached in this amendment. We do not touch unemployment benefits. We do not touch the black lung disability or retirement pay or the Public Health Service or Medicaid.

As I say, the Social Security matters are out of our hands anyway because they are in the Finance Committee.

We do not touch family social services, social services block grants.

Most of the provisions in the law that help people who cannot help themselves are not touched at all. For those who are touched, this is a 5-percent cut.

As I say, it is not as if we were making the kind of 15-percent cut the administration recommended. In all fairness to the administration, although their value judgments are different than many in this Chamber including this Senator, they do represent the expertise of this Government. They made recommendations and after my amendment is adopted we would still be above what they recommended.

It seems to me this vote is an indication of whether or not Senators are really serious about making a reduction in the enormous budget deficit that constitutes the biggest economic problem of our time.

Mr. WEICKER. Before we vote on this, and I do not think I will have the opportunity later because we will be moving to another vote after this matter is terminated, I would like to pay a special tribute to a very valuable member of the committee staff who suffered very, very severe injuries just 2 days ago. Tom van der Voort, Senator PROXMIRE's principal assistant, counterpart to John Doyle on my right, was seriously hurt in an automobile accident which involved breaking both his legs and fractured a vertebrae in his neck. I think everyone should know that I look upon this gentle, scholarly man as much as an adviser in matters relating to the work of this committee as any member of either the chairman's staff or my own staff. He is a great credit to the Government of the United States. I know that we all wish him well in his recovery because, indeed, the work of the committee suffers with his absence from it.

Mr. PROXMIRE. Mr. President, I want to thank my good friend, the chairman of the subcommittee, for that tribute to Tom van der Voort. Tom was on my staff for 10 or 15 years and then he went directly to the Appropriations Committee staff. I think all Members, including the present Presiding Officer, the chairman of the committee, know of his great skill, hard work, and dedication.

This was a real tragedy. I talked to his wife last night at some length and she feels there is no question that he is going to make it. But he is still in in-

tensive care. He may have broken his neck as well as both his legs. It was a terrible thing to happen.

The nurses are delighted with his humor. He is the kind of fellow who is smiling right through it.

Again, I thank my good friend for paying such a gracious and thoughtful tribute.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment of the Senator from Wisconsin. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Maryland [Mr. MATHIAS] is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Hawaii [Mr. INOUYE] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 29, nays 69—as follows:

[Rollcall Vote No. 237 Leg.]

YEAS—29

Armstrong	Helms	Quayle
Boren	Humphrey	Roth
Denton	Laxalt	Simpson
Domenici	Long	Symms
East	Lugar	Thurmond
Exon	Mattingly	Trible
Garn	McClure	Wallop
Goldwater	Nickles	Warner
Gramm	Nunn	Zorinsky
Hecht	Proxmire	

NAYS—69

Abdnor	Eagleton	Matsunaga
Andrews	Evans	McConnell
Baucus	Ford	Melcher
Bentsen	Glenn	Metzenbaum
Biden	Gore	Mitchell
Bingaman	Gorton	Moynihan
Boschwitz	Grassley	Murkowski
Bradley	Harkin	Packwood
Bumpers	Hart	Pell
Burdick	Hatch	Pressler
Byrd	Hatfield	Pryor
Chafee	Hawkins	Riegle
Chiles	Heflin	Rockefeller
Cochran	Heinz	Rudman
Cohen	Hollings	Sarbanes
Cranston	Johnston	Sasser
D'Amato	Kassebaum	Simon
Danforth	Kasten	Specter
DeConcini	Kennedy	Stafford
Dixon	Kerry	Stennis
Dodd	Lautenberg	Stevens
Dole	Leahy	Weicker
Durenberger	Levin	Wilson

NOT VOTING—2

Inouye	Mathias

So the amendment (No. 835) was rejected.

Mr. WEICKER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 836

(Purpose: To correct an error in Amendment No. 830, previously adopted)

Mr. PROXMIRE. Mr. President, I send an amendment to the desk and ask for its immediate consideration. First, I ask unanimous consent that it be in order to consider this amendment at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The bill clerk read as follows:

The Senator from Wisconsin [Mr. PROXMIRE], on behalf of Mr. BUMPERS, proposes an amendment numbered 836.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 22, line 3 (as previously amended), strike out "$59,906,000:" and insert in lieu thereof "$59,702,000".

Mr. PROXMIRE. Mr. President, this is a technical amendment to correct an arithmetical error in an amendment offered by Senator BUMPERS to the Childhood Immunization Program. Senator BUMPERS cannot be here at the moment, and he asked me to offer the amendment on his behalf.

I understand that the manager of the bill will accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 836) was agreed to.

Mr. WEICKER. Mr. President, I move to reconsider to vote by which the amendment was agreed to.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 837

(Purpose: To correct an error in amendment No. 783, previously adopted)

Mr. WEICKER. Mr. President, I send an amendment to the desk and ask unanimous consent that the amendment be in order for immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The bill clerk read as follows:

The Senator from Connecticut [Mr. WEICKER] proposes an amendment numbered 837.

Mr. WEICKER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 36, line 18, strike out "$2,012,122,000" and insert in lieu thereof "$2,009,422,000".

Mr. WEICKER. Mr. President, this amendment would correct an error in amendment No. 783, which I called up yesterday on behalf of the Senator from Florida [Mrs. HAWKINS]. As Mrs. HAWKINS' statement in yesterday's RECORD will show, the amendment agreed to was intended to raise the appropriation for the Runaway and Homeless Youth Act by $3 million. The amendment that I have sent to the desk, to which the Senator from Florida has agreed, would insert the correct amount in the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 837) was agreed to.

Mr. PROXMIRE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. WEICKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, I rise in support of H.R. 3424, the fiscal year 1986 Labor, Health and Human Services, Education and related agencies appropriation bill as reported by the Senate Appropriations Committee.

I have a table showing the status of the appropriation bills to date compared to the budget totals. This bill is within the 302(b) allocation made by the Appropriations Committee. While there will be $0.4 billion in outlay savings unassigned to the appropriation subcommittees to be made up in the remaining bills, this bill is within the crosswalk, and I support it. My table will illustrate this point.

Mr. President, H.R. 3424 as reported provides $95.4 billion in budget authority and $81.4 billion in outlays for programs in the Departments of Labor, Health and Human Services, Education, and related agencies. The bill, together with outlays from prior-year budget authority and other adjustments is at the subcommittee's 302(b) allocation.

The bill includes $3.5 billion for training and employment services including programs authorized by the Job Training Partnership Act. This amount includes $1.9 billion for State block grants and $665 million for summer youth training and employment.

The bill funds the Job Corps at its fiscal year 1985 level—$617 million.

H.R. 3424 funds health service programs at slightly above last year's level. The maternal and child health block grant is funded at last year's level—$478 million—and the primary care block grant is funded at $405 million, $22 million above last year's level.

AIDS [acquired immune deficiency syndrome] research and treatment is funded at $206 million, which is $106 million above last year's level. This funding level addresses the problem of the Nation's No. 1 health problem which has doubled each year since 1981 and infects as many as 1 million people.

The committee funds 6,000 new and competing grants for the National Institutes of Health. This is the same

level of grants agreed to in the Senate-passed version of the budget resolution. The total funding for NIH in the bill is $5.5 billion.

The Alcohol, Drug Abuse and Mental Health Administration will receive $996 million, which is $74 million more than last year. Mental health research is funded at $216 million—$23 million more than last year.

The bill contains $90 million for science and math education, $10 million less than the administration requested. The bill provides $438 million for higher education programs. Of this, $175 million is earmarked for the special programs for the disadvantaged, popularly known as TRIO. This amount is the same as the fiscal year 1985 appropriation and $93 million more than the administration requested.

Mr. President, I ask unanimous consent that a table showing the relationship of the reported bill to the congressional budget, the House-passed bill, and the President's request and a summary of total appropriations action to date, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES SUBCOMMITTEE, SPENDING TOTALS—SENATE-REPORTED BILL

[Dollars in billions]

	Fiscal year 1986	
	Budget authority	Outlays
Outlays from prior-year budget authority and other actions completed	11.0	32.4
H.R. 3424, as reported in the Senate	95.4	81.4
Possible later requirements: (see attached table for details)		
Discretionary possible later requirements	0.5	0.4
Mandatory possible later requirements	1.7	1.7
Total—possible later requirements	2.2	2.0
Adjustment to conform mandatory programs to Budget Resolution assumptions	−0.6	−0.6
Subcommittee total	108.0	115.3
Subcommittee 302(b) allocation	108.0	115.3
House-passed level	108.0	115.3
President's request	101.4	112.4
Subcommittee total compared to:		
Subcommittee 302(b) allocation	−(*)	−(*)
House-passed level	+(*)	+(*)
President's request	+6.6	−2.9

(*) Less than $50 million.

Note.—Details may not add to totals due to rounding.

LABOR, HEALTH AND HUMAN SERVICES EDUCATION AND RELATED AGENCIES SUBCOMMITTEE, POSSIBLE LATER REQUIREMENTS

[Dollars in billions]

	Fiscal year 1986	
	Budget authority	Outlays
Discretionary:		
Adolescent family life	+(*)	+(*)
Refugee assistance	+0.5	+0.4
Higher education	+(*)	+(*)
Trade adjustment assistance	+(*)	+(*)
Total—discretionary possible later requirements	0.5	0.4
Mandatory:		
Federal Unemployment Benefits Act	+0.1	+0.1
Advances to unemployment trust funds	+(*)	+(*)
Black Lung	+(*)	+(*)
Payments to health care trust fund	+0.9	+0.9
Special benefits for disabled coal miners	+(*)	+(*)
Supplemental security income	+(*)	+(*)
Aid to families with dependent children	+0.5	+0.5
Total—mandatory possible later requirements	+1.7	+1.7
Total—possible later requirements	+2.2	+2.0

(*) Less than $50 million.

Note.—Details may not add to totals due to rounding.

STATUS OF APPROPRIATION BILLS IN THE SENATE

[Dollars in billions]

Appropriations Committee's 302(b) allocation	Adjusted bill totals [1]	Bill compared to crosswalk	Subcommittee				Bill status
			Budget authority	Outlays	Budget authority	Outlays	
Agriculture	28.2	25.2	28.2	25.2	−(*)	−(*)	Senate—passed.
Commerce—Justice	12.0	11.9	11.9	12.0	−0.1	+0.1	Senate—reported.
Defense	285.5	252.2					Do.
District of Columbia	0.5	0.5	0.5	0.5	+(*)	+(*)	
Energy—Water	15.3	15.6	15.3	15.6	−(*)	−(*)	Conference.
Foreign Ops	15.2	14.7					
HUD-Independent	58.7	61.2	58.7	62.0	+0.8	+0.8	Senate—reported [2]
Interior	8.2	8.9	8.2	9.3	+0.4	+0.4	Do.
Labor—HHS	108.0	115.3	108.0	115.3	−(*)	−(*)	Do.
Legislative Branch	1.7	1.7	1.7	1.7	+(*)	+(*)	Senate—passed.
Military Construction	9.0	7.6					
Transportation	10.5	26.6	10.0	26.7	+0.5	+0.1	Senate—reported.
Treasury—Postal	13.1	13.1	13.1	13.1	−(*)	−(*)	Senate—passed.
Unassigned	1.2	−0.4			+1.2	+0.4	
Total, Appropriations Committee	567.1	554.1	255.8	281.5	−1.7	+1.8	

(*) Less than $50 million.

[1] In addition to the bill, includes outlays from budget authority enacted in prior years, possible later requirements, adjustments to conform mandatory items to the budget resolution level, and other adjustments.

[2] Scoring of the Senate—passed HUD—Independent Agencies bill has not been completed as of this time.

Note.—Details may not add to totals due to rounding.

Source: Senate Budget Committee Staff.

Mr. CRANSTON. Mr. President, there are two aspects of the Appropriations Committee's recommendations that I wish to highlight particularly.

FUNDING FOR AIDS RESEARCH AND OTHER PUBLIC HEALTH ACTIVITIES

First, Mr. President, I am very pleased that H.R. 3424, the fiscal year 1986 Labor-HHS-Education and Related Agencies Appropriations Act as reported would provide a total of $221 million for AIDS activities. I would like to congratulate the distinguished chairman of the Appropriations Subcommittee on Labor-HHS-Education, Mr. WEICKER, and ranking minority member, Mr. PROXMIRE, for placing a high priority on programs to combat AIDS and halt the spread of this deadly disease.

Of that total, $205 million is for AIDS research and public education programs at the Centers for Disease Control, National Institutes of Health, and Alcohol, Drug Abuse, and Mental Health Administration. That's $85 million over the administration's amended request of $120 million. These additional funds will ensure that progress on all fronts—in research to find effective therapies and vaccines to treat and prevent AIDS and in education and public information efforts to increase awareness about ways to reduce the risks of contracting AIDS—is made as rapidly as possible.

RESEARCH

I am especially pleased that the committee proposes to increase by 80 percent—from $70.5 million to $128 million—the budget for AIDS research at NIH. This level of funding would enable scientists to make an accelerated effort to see that promising drugs—to inhibit the virus which causes AIDS, to stimulate the immune system, and to treat opportunistic infections—are vigorously pursued and properly tested. In addition, this measure includes $6.9 million for the Centers for Disease Control to fund the

purchase and distribution of experimental drugs for the treatment of AIDS patients not included in the NIH clinical trials.

This increase was a result of testimony received at a September 26 Appropriations Subcommittee hearing on AIDS and consultation between the distinguished subcommittee chairman, Mr. WEICKER, and individual researchers. During that hearing, I presented testimony, which I will ask to be inserted in the RECORD at the conclusion of my remarks, urging that an additional $70 million be included to expand clinical research efforts and develop a compassionate drug program. Thus, I am very pleased that nearly that amount—$64.2 million—was added for such purposes.

COMMUNITY EDUCATION

With respect to public education programs, I would also like to extend my appreciation to the subcommittee chairman and ranking minority member for their help and support in the development and adoption of language in the October 4 report accompanying this measure—Senate Report 99-151, page 50—specifying certain components that the committee desires CDC to include in its health education/risk factor reduction program on AIDS. I believe that these guidelines will help ensure that the CDC, in collaboration with outside experts, will develop an effective national program that meets the needs of the public in general as well as the population in high-incidence communities. With a vaccine, regrettably unlikely to be developed for a number of years, education and risk reduction remain the only currently available means to halting the spread of this dreaded epidemic.

CONCLUSION

Mr. President, since the AIDS epidemic began 4 years ago, our country's biomedical researchers have made tremendous progress in identifying the causative agent of AIDS and deciphering many of its mysteries. Although no cure or vaccine has been developed, scientists continue to express optimism that effective therapies may soon be developed to treat those who are already sick, and that a means to prevent the onset of this disease may also be found. The fiscal year 1986 funding included in this bill should help to ensure that our scientists and public health officials have every opportunity to deliver on their optimism and bring an end to this terrible epidemic.

Again, I pay tribute to the Senator from Connecticut [Mr. WEICKER] for his great foresight with respect to this most urgent public health threat.

Mr. President, I ask unanimous consent that the text of my September 26 hearing testimony be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TESTIMONY OF SENATOR ALAN CRANSTON

Mr. Chairman, I am pleased to have this opportunity to present testimony on the devastating AIDS epidemic. I would like to express my deep appreciation to you, Senator Weicker, as distinguished Chairman of this Subcommittee, for holding this hearing today on AIDS—the first in the Senate—to examine what steps need to be taken this year to help bring us closer to stopping the spread of this deadly disease and, ultimately, to eliminate it. I would also like to congratulate you for your steadfast support and leadership in ensuring that adequate resources are made available for fighting AIDS.

RESEARCH

During the first few years of the AIDS crisis, it was most critical to channel our efforts into basic research. Because of that effort, in less than four years scientists have identified the HTLV-III/LAV virus as the causative agent of AIDS, unraveled its many symptoms, and devised a blood screening test to safeguard the nation's blood supply. Years of basic research have produced a solid scientific foundation on which efforts to develop effective therapies to treat AIDS and a vaccine making it possible ultimately to eradicate AIDS can be developed.

Thus, at this point, rapid advances are being made in therapeutics and new compounds are becoming available that warrant thorough study of their potential for effectively treating AIDS. Many such drugs are reaching the point at which first and second stage clinical trials are possible, and many more are awaiting safety and efficacy testing.

As a result, there is a growing consensus within the scientific community that now is the time to make an accelerated effort to see that promising drugs are vigorously pursued and properly tested. However, the Administration's budget request—even as modified by Health and Human Services Secretary, Margaret Heckler's July 19, 1985, submission, to add $9.7 million for research for vaccines and therapeutics—does not allow for expanding and expediting efforts that are needed in order for us to develop as swiftly as reasonably possible the ability to treat and ultimately cure and prevent AIDS. Under the Administration's budget, many potentially beneficial therapies will go untested and many individuals with AIDS who desire to participate in clinical trials will be unable to do so. Hence, we would not be making the maximum effort to halt the spread of this killer disease.

In this connection, I would note that, because of the unavailability in the United States of many drugs undergoing clinical trials elsewhere, some Americans with AIDS have left the country for France or Mexico, away from the supportive environment of their families and friends, in order to participate in clinical trials or to obtain experimental drugs.

Based on the foregoing, I believe that additional funds should be included in the FY 86 Labor/HHS/Education Appropriations Act to implement a vigorous investigative effort for effective treatments. According to some of the most prominent AIDS researchers in the country, $70 million above the current budget request is needed for this effort. I further understand that NIH has under development a coordinated plan of new initiatives in AIDS research, particularly in the area of therapeutics, which would warrant such an investment in FY 86. The additional funding would enable scientists to search for and develop new drugs to inhibit the virus, to stimulate the immune system, and to treat "opportunistic" infections often associated with AIDS.

Development of effective drugs to inhibit the virus is an essential component to finding a cure for AIDS. Moreover, these drugs hold great promise in preventing individuals who have been infected with HTLV-III/LAV but have not developed AIDS or AIDS-related complex—a less severe or pre-AIDS condition—from developing symptoms or possibly transmitting the virus to other people. More than one million Americans may have already been infected and, while most may never develop AIDS, they may remain infectious for many years.

Now is the time, as part of an expanded AIDS research effort, to establish regional AIDS treatment evaluation units to test promising drugs on a wide range of patients—those with a full range of AIDS symptoms and those with varying stages of AIDS related complex—in order to gather scientific data, quickly and accurately, about their effectiveness. Ten such units throughout the country would be able to provide treatment to large numbers of individuals in or near the cities in which they live. In addition, these evaluation units would enable multi-center clinical trials of AIDS treatments to be coordinated and conducted in a uniform manner.

Researchers in my home state of California have repeatedly stated that state and local governments have supported the cost of basic and clinical research in their laboratories because federal funds were unavailable. With thousands of AIDS patients throughout the country, it is critical that the federal government provide leadership in battling AIDS by supporting and coordinating such research efforts.

The additional funding would also provide for the acceleration of efforts to improve medical diagnostic capabilities on AIDS. Although the antibody blood-screening test has nearly completely eliminated the threat of transmitting the virus through the blood supply, it is not useful as a diagnostic tool for AIDS or for detecting the presence of the virus in blood or blood components. Moreover, the procedures currently used to detect the virus or to confirm the presence of the antibody to the virus are costly and laborious.

Finally, I understand that the Public Health Service is considering a research program for the formulation, production, and distribution of so-called "compassionate drugs" for AIDS—under which Investigational New Drug exemptions could be granted for selected non-FDA approved drugs when there are no other therapies to treat the disease. Such a program could help avert the recent situation regarding HPA-23, in which many Americans went to Paris to receive treatment because it was previously unavailable in the U.S. Some of the additional $70 million could also be used in connection with this new program.

COMMUNITY EDUCATION AND RISK REDUCTION

Mr. Chairman, I am pleased that Secretary Heckler's July 19 budget submission, which your Subcommittee has approved, adding $40.7 million to the FY 1986 funding for AIDS activities, included $21.7 million for community health education and risk reduction for AIDS. Without a vaccine to the HTLV-III virus—and the development of

one appears to be years away—prevention through such a program is our best hope for limiting the spread of infection. This $21.7 million would be invaluable to states, local communities, and community-based health organizations in their efforts to educate both the general public and members of high-risk groups about AIDS.

In this regard, I very much appreciated the help and support that you, Mr. Chairman, and Senator Proxmire, the ranking Democrat on the Subcommittee, and others provided in the development and adoption of report language in the June 13 report accompanying the FY 85 Supplemental Appropriations Act—S. Rep. 99-82 requesting the Centers for Disease Control to develop a comprehensive education and risk reduction program. I would note that the program, as outlined in the budget request, is consistent with the Committee's directive.

INAPPROPRIATENESS OF FUNDING BY TRANSFER

Mr. Chairman, I am also pleased that the Subcommittee rejected the Administration's proposal to expand efforts on AIDS by using funds originally intended for other programs—the National Health Service Corps, the Indian Health Service, the CDC virology laboratory, and the National Institutes of Health.

As I noted in my September 13 letter to you, Mr. Chairman, which I have appended to my testimony, I opposed such a diversion of funds because it would disrupt many ongoing programs and would fail to recognize that the AIDS problem can only be solved by a coordinated, sustained effort which requires a long-term funding base—not the repeated shuffling of funds at the last minute.

CONCLUSION

In conclusion, Mr. Chairman, I strongly urge that the Committee on Appropriations include in the Labor/HHS/Education Appropriations Act an additional $70 million, above the Administration's request, for the purposes of expanding clinical research efforts and developing a compassionate drug program.

PROTECT THE JOB CORPS

Mr. CRANSTON. Second, Mr. President, I wanted to take a moment to express my support for the provisions in the pending measure that would provide $617 million for the Job Corps for fiscal year 1986. This amount is the same level at which the program was funded in this fiscal year and will permit the program to support a level of approximately 40,000 average enrollment. The amount is $23 million less than the level approved by the House—$640 million—which would support a level of 40,500 average enrollment.

As Members may recall, the President proposed eliminating the Job Corps Program in fiscal year 1986 and using funds available for the program in fiscal year 1986 solely for the purpose of shutting the program down, terminating staff, and closing centers.

I strongly opposed this proposal. On January 24, I introduced Senate Resolution 50, a resolution expressing the sense of the Senate that the Job Corps Program has been a cost-effective and successful effort to assist disadvantaged young men and women in obtaining and holding employment, that the Senate's commitment to the program should be made. On February 27, I joined with the distinguished chairman of the Committee on Labor and Human Resources, Mr. HATCH, in introducing Senate Concurrent Resolution 22, a concurrent resolution that blended together my resolution and Senate Concurrent Resolution 16, a resolution introduced by the Senator from Utah on February 20. My statements on those measures appear in the CONGRESSIONAL RECORD at S688 and S1407, respectively. At the present time, 21 Members of this Chamber have indicated their support for this important program by consponsoring one of the resolutions.

Mr. President, I am very pleased that our efforts as well as those of others in both bodies who support the Job Corps Program have been successful and that the Job Corps Program will be continued. It is a program of proven success and demonstrated effectiveness that deserves to continue to carry on its very special 20-year tradition of assisting low-income young men and women to become productive, contributing adults.

I know that the chairman of the Labor-HHS Appropriations Subcommittee, Mr. WEICKER, is also a very strong supporter of this program and that he shares my concerns. I congratulate him on this matter and note my full support for this appropriation level.

BLACK LUNG

Mr. BYRD. Mr. President, I have long been concerned over the growing delays in the processing of black lung claims, and I am pleased that this bill includes the necessary funding to begin to address this problem at the administrative law judge level.

As one who has been a supporter of the Black Lung Program since the day of its inception in 1969, when I consponsored legislation, which was enacted, to establish the Black Lung Benefits Program to help address the plight of those persons who are affected by this dreadful occupational disease, I am familiar with the problems that the program has indeed encountered over the years.

Let me stress that there is no cure for black lung disease. There is only coping with it. Its victims gasp for breath more often than not. These are the people I hear from. I know the plight of families from firsthand experience. I grew up in a coal miner's home. My foster father was a coal miner in the days when the miners wore cloth caps and used carbide lamps. My wife's father was a coal miner. My wife's sister's husband died last year from black lung and cancer of the lung. His father was killed in a slate fall at Stotesbury where my foster father worked in the mines. Stotesbury is where I married my wife and we had our first child. A coal mining community.

I have seen these men as they have struggled to breathe. I have seen them as they sat up at night in a rocking chair because that was the way they had to sleep. They could not lie down, could not get their breath. I know about the sorrow of their loved ones who are powerless to do anything about it.

I receive hundreds of letters and telephone calls each year from West Virginians about the delays in the processing of claims. Delays that inflict even greater hardship on families already under a great deal of pressure and pain.

By 1984, the backlog of black lung claims increased to the point where it was not unusual for an individual to wait up to 7 years or longer for a final decision, if he appealed his claim through the Benefits Review Board. And these long delays in processing claims were brought about by two major bottlenecks. One of those bottlenecks was addressed when I added $1.6 million in the fiscal year 1985 appropriations bill to expand the Benefits Review Board from three to nine members.

The second major bottleneck is at the administrative law judge level. At the end of 1980, there were 8,970 cases pending at the hearing level. Currently, there are 21,073 cases pending at the hearing level. This means that if the Office of Administrative Law Judges received a request for hearing in October 1985, one would wait, could wait, until October 1988, or longer before receiving a fair hearing. And that backlog is an outrage; 21,000 miners are waiting. And members of the families of the 21,000 miners are waiting.

The best solution is to hire more judges and borrow more judges to hear more cases and to process more claims. If the Office of Administrative Law Judges could dispose of 10,000 cases a year, beginning in fiscal year 1986 an increase of 3,000 in the number of cases that they are projecting to dispose of in fiscal year 1985, we could alleviate the backlog of cases pending at the administrative law judge level by the end of 1988.

This measure includes my amendment to add $3.5 million for the Office of Administrative Law Judges to provide for the hiring of 15 additional administrative law judges, 26 attorneys, and 19 support staff and will also allow for the establishment of a temporary office.

Without taking action to reduce those backlogs, the delays in processing will only continue to grow at the expense of those who are least able to wait. The sick and the poor.

The men and the women who work in this Nation's coal mines and who do

the vital work of extracting coal deserve no less than prompt consideration of their claims.

I want to thank the distinguished chairman of the Senate Labor, Health and Human Services, Education, and Related Agencies Appropriations Subcommittee, Mr. WEICKER. As always, the chairman has exhibited understanding and compassion for the plight of those afflicted with this disease.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. WEICKER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Maryland [Mr. MATHIAS] is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Hawaii [Mr. INOUYE] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 83, nays 15, as follows:

[Rollcall Vote No. 238 Leg.]

YEAS—83

Abdnor	Glenn	Melcher
Andrews	Goldwater	Metzenbaum
Baucus	Gore	Mitchell
Bentsen	Gorton	Moynihan
Biden	Grassley	Murkowski
Bingaman	Harkin	Nunn
Boren	Hart	Packwood
Boschwitz	Hatch	Pell
Bradley	Hatfield	Pressler
Bumpers	Hawkins	Pryor
Burdick	Hecht	Quayle
Byrd	Heinz	Riegle
Chafee	Hollings	Rockefeller
Chiles	Johnston	Rudman
Cochran	Kassebaum	Sarbanes
Cohen	Kasten	Sasser
Cranston	Kennedy	Simon
D'Amato	Kerry	Simpson
Danforth	Lautenberg	Specter
DeConcini	Laxalt	Stafford
Dixon	Leahy	Stennis
Dodd	Levin	Stevens
Dole	Long	Thurmond
Domenici	Lugar	Trible
Durenberger	Matsunaga	Warner
Eagleton	Mattingly	Weicker
Evans	McClure	Wilson
Ford	McConnell	

NAYS—15

Armstrong	East	Garn
Denton	Exon	Gramm
Heflin	Nickles	Symms
Helms	Proxmire	Wallop
Humphrey	Roth	Zorinsky

NOT VOTING—2

Inouye	Mathias

So the bill (H.R. 3424), as amended, was passed.

Mr. WEICKER. Mr. President, I move to reconsider the vote by which the bill, as amended, was passed.

Mr. HATCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. WEICKER. Mr. President, I move that the Senate insist upon its amendments and request a conference with the House of Representatives on the disagreeing votes of the two Houses, and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer [Mr. HATFIELD] appointed: Mr. WEICKER, Mr. HATFIELD, Mr. STEVENS, Mr. ANDREWS, Mr. RUDMAN, Mr. SPECTER, Mr. MCCLURE, Mr. DOMENICI, Mr. PROXMIRE, Mr. BYRD, Mr. HOLLINGS, Mr. CHILES, Mr. BURDICK, Mr. INOUYE, Mr. HARKIN, and Mr. STENNIS, conferees on the part of the Senate.

THE EXTENSION OF THE 1971 INTERNATIONAL WHEAT AGREEMENT

Mr. PELL. Mr. President, today the Senate is being asked to extend the 1971 International Wheat Agreement through June 30, 1986. The International Wheat Agreement is composed of two conventions, the Wheat Trade Convention of 1971 and the Food Aid Convention of 1980, which modified the original Food Aid Convention of 1971 to increase the minimum levels of food aid commitments. If the Senate concurs this will be the seventh time that the Wheat Trade Convention has been extended and the second time that the Food Aid Convention of 1980 has been extended.

The Wheat Trade Convention has no mechanisms for interfering in the market, but rather serves very useful functions as an international forum for collecting data on wheat trade and as a locus for discussions to promote international trade in wheat products. The Food Aid Convention commits members to provide minumum annual quantities of food aid, which in the case of the United States totals 4.470 million metric tons annually and is met through already authorized food aid programs under Public Law 480.

The Committee on Foreign Relations considered these conventions on September 24 and unanimously recommended that the Senate give its advice and consent to ratification. I urge my colleagues to support these conventions.

EXECUTIVE SESSION

1983 PROTOCOLS FOR THE FURTHER EXTENSION OF THE 1971 INTERNATIONAL WHEAT AGREEMENT

Mr. WEICKER. Mr. President, what is the pending business?

The PRESIDING OFFICER (Mr. D'AMATO). Under the previous order, the Senate will now go into executive session to conduct a rollcall vote on the resolution of ratification to Executive Calendar No. 3, which the Clerk will state.

The legislative clerk read as follows:

Calendar No. 3, Treaty Document No. 98-5, 1983 Protocols for the Further Extension of the 1971 International Wheat Agreement.

The PRESIDING OFFICER. The question is on agreeing to the Resolution of Ratification.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Maryland [Mr. MATHIAS], is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Hawaii [Mr. INOUYE], is necessarily absent.

The PRESIDING OFFICER. Are there are other Senators in the Chamber who wish to vote?

The yeas and nays resulted—yeas 98, nays 0, as follows:

[Rollcall Vote No. 239 Ex.]

YEAS—98

Abdnor	Glenn	Metzenbaum
Andrews	Goldwater	Mitchell
Armstrong	Gore	Moynihan
Baucus	Gorton	Murkowski
Bentsen	Gramm	Nickles
Biden	Grassley	Nunn
Bingaman	Harkin	Packwood
Boren	Hart	Pell
Boschwitz	Hatch	Pressler
Bradley	Hatfield	Proxmire
Bumpers	Hawkins	Pryor
Burdick	Hecht	Quayle
Byrd	Heflin	Riegle
Chafee	Heinz	Rockefeller
Chiles	Helms	Roth
Cochran	Hollings	Rudman
Cohen	Humphrey	Sarbanes
Cranston	Johnston	Sasser
D'Amato	Kassebaum	Simon
Danforth	Kasten	Simpson
DeConcini	Kennedy	Specter
Denton	Kerry	Stafford
Dixon	Lautenberg	Stennis
Dodd	Laxalt	Stevens
Dole	Leahy	Symms
Domenici	Levin	Thurmond
Durenberger	Long	Trible
Eagleton	Lugar	Wallop
East	Matsunaga	Warner
Evans	Mattingly	Weicker
Exon	McClure	Wilson
Ford	McConnell	Zorinsky
Garn	Melcher	

NAYS—0

NOT VOTING—2

Inouye	Mathias

The PRESIDING OFFICER. Two-thirds of the Senators present having

voted in the affirmative, the resolution of ratification is agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the resolution of ratification was agreed to.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

LEGISLATIVE SESSION

Mr. DOMENICI. I ask unanimous consent to resume legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. DOMENICI. Mr. President, I ask unanimous consent the Senate now resume debate on S. 1730, the reconciliation bill.

The PRESIDING OFFICER. Is there objection?,

Mr. BYRD. Mr. President, I object.

Mr. DOMENICI. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the role.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE CONSOLIDATED OMNIBUS BUDGET RECONCILIATION ACT OF 1985

Mr. DOMENICI. Mr. President, I renew my unanimous-consent request that the Senate proceed to the reconciliation bill which is pending.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The clerk will report.

The legislative clerk read as follows:

A bill (S. 1730) to provide for reconciliation pursuant to section 2 of the First Concurrent Resolution on the Budget for Fiscal Year 1986 (S. Con. Res. 32, 99th Congress).

The Senate resumed consideration of the bill.

Mr. PACKWOOD. Mr. President, it is my extreme pleasure, as chairman of the Committee on Finance, to rise today to encourage the adoption by this body of the $38 billion of deficit reductions as agreed to by our committee during its recent budget reconciliation markup. I want to briefly outline the entire Finance Committee package.

These deficit reductions are not merely my goals, but also those of the overwhelming majority of the members of the Committee on Finance—Democrats and Republicans, conservatives, moderates and liberals alike.

In more than fulfilling our mandate under the congressional budget, the Committee on Finance sought a package that would offer a blend of Federal outlay restraints and increases in revenues which would allow the Senate, the Congress and the Nation to honor its commitments to all Americans.

We believe this package is a worthy complement to the efforts of the other 10 committees of jurisdiction in this budget-writing process.

I am, of course, proud to offer the spending reduction provisions of the Committee on Finance package as a goal met in a manner both fair and equitable.

Specifically, the committee was able to reach its assigned spending reduction goal in a fashion that should not prove injurious to America's elderly and less fortunate, the citizens served by a multiplicity of programs under the committee's umbrella.

A number of programs for lower income people, such as Aid to Families with Dependent Children [AFDC] and Supplementary Security Income [SSI], were not touched.

The reductions the members of the Committee on Finance crafted in the Medicare and Medicaid Programs totaled approximately $12 billion, in the 3-year period covering fiscal years 1986 through 1988.

Our proposed Medicare and Medicaid cuts are modest, indeed, in comparison to the $319 billion the Federal Government will spend for these two programs over the 3 years addressed by the legislation now before us.

However, Mr. President, even the modest cuts which were made, were made only—and I must stress "only"—after our members were assured they would neither unduly harm nor improperly burden the beneficiaries of these Federal programs.

In considering Medicare reductions, for instance, the majority of the reductions proposed are to be achieved by controlling the rate of increase in payments to providers—namely, hospitals and physicians.

But, even here, Mr. President, we have attempted to be more generous to these providers than what they might otherwise receive.

Allow me to illustrate this point.

Hospitals will be allowed a modest increase of one-half of 1 percent in their Medicare reimbursement rates under our committee's proposal.

The administration, on the other hand, has proposed, by regulation, to permit hospitals absolutely no increase in their level of reimbursement.

Some of the other savings we have achieved within our package stem from reducing unnecessary expenditures.

By example, a wide range of sources, including members of the Nation's medical community, have noted that a second surgical assistant is totally unnecessary at routine cataract operations. Our package realizes over $100 million in savings by prohibiting Medicare reimbursement for these assistants at routine operations.

Similarly, the Medicaid spending reductions are affected through increasing collections from private insurance companies which insure Medicaid recipients. This will legitimately reduce Federal and State expenditures—without hurting those recipients.

Our Committee on Finance package also contains a number of other proposals which address Medicare and Medicaid problems. These include the multiplicity of problems which are associated with administration of the Home and Community-Based Services Waiver Program.

In summary, Mr. President, I believe the Committee on Finance's spending reduction package will, if enacted, improve a number of programs while achieving significant savings without placing an undue burden on those who can least afford it, and I'm referring here, of course, to our Nation's impoverished and aged citizens.

While attempting to strike a marriage of equity and fairness with our spending reductions, the committee proposal for $15.757 billion in new revenues represents the end product of considerable deliberation and compromise.

We are pleased, Mr. President, that our revenue package fulfills and slightly exceeds the target assigned us under the budget instructions.

It is with no understatement intended or implied that I note, for the RECORD, that our revenue choices were not easily made.

Any American who has won a desk on this floor knows that raising revenues involves difficult choices, choices many of us would often rather not be called upon to make at all. But make them we must; and that is just what we did, albeit only after many hours of debate, analysis, and negotiation.

The Committee on Finance reached its choices on revenue increases after weighing the effects of its proposals, options, and alternatives on the overall, broad-based economy of this Nation and on the ordinary citizens of this great Republic. I believe we have brought the Senate a product of compromise, one we hope our colleagues will be able to support with their votes.

Allow me to explain the components of the revenue side of our offering, Mr. President.

Included in the package is a provision requiring State and local government workers to be covered by Medicare, effective on October 1, 1986.

We suggest the elimination of income-averaging by former full-time students.

The 16-cents per pack Federal excise tax on cigarettes is made permanent under our proposal and we suggest a

new Federal excise tax on smokeless tobacco and chewing tobacco.

The committee proposal requires additional enforcement personnel for the Customs Service and the Internal Revenue Service, actions which should yield a major increase in compliance.

And the finance plan also contains the Superfund tax and an import duty to fund certain outlays under the Trade Act of 1974.

So, Mr. President, allow me to conclude by complimenting my colleagues on their earnest attempt to meet our spending reduction and revenue increase targets in the spirit of compassion and compromise. It has been my privilege to observe my Committee on Finance colleagues recognize the necessity of compromise, the need for compassion, and the statesmanship essential to the melding of those two qualities.

I would hope our package is the integral linchpin of this budget reconciliation bill which we intended it to be.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. I thank the Chair.

Mr. President, we are now on reconciliation, and I understand that plans are to remain on reconciliation for a few hours this afternoon. As I understand it, we now have 10 hours remaining. The distinguished Senator from Rhode Island [Mr. CHAFEE] is on the floor, and I understand from him that he is prepared to offer an amendment which would increase the cigarette tax. I am going to yield the floor shortly so that he may do that. However, I would like to make just a couple of observations, and I yield this time to myself off the bill.

We have 10 hours remaining, and this is a rather extensive reconciliation bill in terms of changes in the substantive laws of the land. I would like to call to the Senate's attention that there are a number of provisions in this bill which I would say, without fear, might be called possibly extraneous.

Mr. CHILES. The Senator says "without fear possibly"?

Mr. DOMENICI. Without fear, there are at least some. There are some who might want to challenge over a hundred provisions. They are everywhere, from revenue provisions to welfare, Medicaid, food stamps, and the like.

Since I am not sure that Senators have focused on this issue, I should like to make part of the RECORD at this point a list I have called possible extraneous provisions. The reason I say "possible" is that there is no hard and fast rule as to what "extraneous" means. This list is our best effort at setting forth the possible extraneous programs.

I ask unanimous consent that this list be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

POSSIBLE EXTRANEOUS PROVISIONS

The following list of extraneous provisions was compiled by the majority and minority staff of the Senate Budget Committee.

Page and line of provision	Title I: Agriculture, Nutrition, and Forestry
	Food Stamps and Commodity Distribution:
p. 4, l. 11–24	Publicly operated community health centers.
p. 5, l. 1–4	Modify thrifty food plan definition.
p. 5, l. 5–20	Expanded definition of disability.
p. 5, l. 21–p. 6, l. 20	Food distribution on Indian reservations.
p. 6, l. 21–p. 8, l. 3	Regulatory clarification of third party payments as reimbursements.
p. 9, l. 11–p. 10, l. 7	Child support payments.
p. 10, l. 8–20	Changes definition of homeownership component of CPI.
p. 11, l. 16–p. 12, l. 3	Self-employment income.
p. 14, l. 14–19	Burial plot in resource test.
p. 14, l. 20–p. 16, l. 11	AFDC and SSI categorical eligibility.
p. 16, l. 22–p. 28, l. 17	Strengthen work requirement tests.
p. 29, l. 15–19	Alternative issuance systems.
p. 29, l. 20, p. 32, l. 5	Simplified application process.
p. 32, l. 6–15	Redemption of coupons.
p. 32, l. 16–p. 33, l. 3	Expand food stamp eligibility to homeless.
p. 33, l. 4–15	Authorize special certification procedures in high error rates areas.
p. 33, l. 16–25	Increase eligibility verification procedures.
p. 34, l. 1–14	Photo identification procedures.
p. 34, l. 15–24	Change food stamp issuance procedures.
p. 35, l. 1–11	Establish fraud detection units.
p. 35, l. 12–p. 37, l. 15	Provide information at SSA offices.
p. 37, l. 16, p. 38, l. 6	Extend SSI cash-out demonstration project.
p. 38, l. 7–p. 40, l. 12	Link disqualification of food stamp and WIC retail stores.
p. 40, l. 13–22	Expand liability definition in over-issuance cases.
p. 46, l. 22–p. 47, l. 2	Set administrative standards for review of office hours.
p. 50, l. 8–18	Pilot projects for eliminating cash change.
p. 51, l. 5–14	Prohibit transfer of funds from food stamps to OIG and OGC.
p. 52, l. 2–13	Allow transfer of section 32 commodities.
p. 52, l. 14–22	Reauthorize commodity distribution program.
p. 52, l. 23–p. 54, l. 3	Reauthorize commodity supplemental food program.
p. 54, l. 4–p. 56, l. 18	Reauthorize TEFAP with section 32 commodities.
	Agricultural Credit:
p. 59, l. 1–16	Conduct a study of construction of rural water and waste disposal facilities.
p. 59, l. 17–p. 60, l. 10	Broaden eligibility for 5 percent and 7 percent water waste facilities and community facility loans.
p. 64, l. 5–26	Broaden Secretary's authority to settle debt obligations of FmHA borrowers.
p. 65, l. 1–10	Allow FmHA borrowers to transfer to another county.
p. 65, l. 11–p. 67, l. 2	Authorize prospective loan payments from proceeds generated from leasing of mineral rights on FmHA secured real property.
p. 67, l. 3–p. 72, l. 3	Establish procedures for FmHA agricultural loan applicant hearings.
p. 69, l. 14–p. 72, l. 3	Establish hearing procedures for FmHA rural development loans.
p. 69, l. 14–p. 72, l. 3	Require study of administrative appeals.
p. 72, l. 4–p. 75, l. 11	Provide for sale or lease of farm land in FmHA inventory.
p. 75, l. 12–26	Release of normal income security.
p. 76, l. 1–p. 77, l. 19	Loan summary statements.
p. 82, l. 14–p. 83, l. 7	Require study of farm and home plan.
p. 83, l. 8–p. 84, l. 10	Require study of Farm Credit Administration.
p. 92, l. 9–p. 93, l. 17	Title II: Armed Services Committee: Medicare reimbursement for CHAMPUS patients.
	Title III: Banking, Housing, and Urban Affairs: No extraneous provisions in bill.
	Title IV: Commerce, Science, and Transportation: No extraneous provisions in bill.
p. 131, l. 11–19	Title V: Energy and Natural Resources: FERC administrative provision.
	Title VI: Environment and Public Works: No extraneous provisions in bill.
	Title VII: Finance
	Medicare:
p. 149, l. 1–18	Application of revised hospital wage index.
p. 161, l. 14–p. 162, l. 25	Continuation of Medicare reimbursement waivers for certain hospitals participating in regional hospital reimbursement demonstrations.
p. 163, l. 1–16	Continuation of hospital cost control systems for certain States.
p. 163, l. 17–p. 164, l. 6	Valuation of assets for donations of State property to nonprofit corporations.
p. 164, l. 7–16	Indirect teaching adjustment for certain clinics.
p. 164, l. 17–25	Psychologists' services.
p. 165, l. 1–24	Extension and payment for hospice care.
p. 166, l. 1–21	Moratorium on laboratory payment demonstration.
p. 166, l. 22–p. 167, l. 6	Home health waiver of liability.
p. 167, l. 7–12	Moratorium on implementation of home health payment regulations.
p. 167, l. 13–p. 168, l. 4	Studies relating to physical therapists and other professionals.
p. 170, l. 14–19	Continuation of end stage renal disease networks.
p. 170, l. 20, p. 171, l. 3	Extension of certain medicare municipal health services demonstration projects.
p. 171, l. 4–p. 174, l. 20	Coverage of respiratory care services for ventilator-dependent individuals.
p. 175, l. 10–p. 179, l. 2	Access to skilled nursing facilities.
p. 180, l. 1–13	Timely publication of payment rates for health maintenance organizations.
p. 191, l. 8–p. 193, l. 14	Correction of inappropriate medicare reasonable charge determinations for hospital-based physicians.
p. 199, l. 1–p. 202, l. 19	Demonstration of preventive health services under medicare.
p. 208, l. 5–p. 209, l. 14	Extension of On Lok waiver.
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Mr. DOMENICI. Mr. President, in my opinion we have some responsibility to address the fact that the listed provisions are possibly extraneous. I should like very much to avoid setting a precedent that we are willing in reconciliation to accept as part of reconciliation such a large number of extraneous provisions as we have before us.

On the other hand, I understand that, for the most part, most of these provisions have very broad support.

As chairman of the Budget Committee, I am in a position that, from time to time, Senators say, "We should not be using reconciliation for such broad purposes." Some even think the Senate ought not to instruct authorizing committees to change laws within their jurisdiction, even if we ask them to change it in a way that saves money. We have argued that before, and clearly the precedents are that authorizing committees can be instructed as part of the reconciliation process.

We now have committees submitting extraneous provisions to reconciliation because of the benefits of time and germaneness restrictions on consideration of reconciliation bills. These Budget Act limitations on debate and amendments are a very serious matter.

I do not intend, as chairman of the Budget Committee, to be the traffic cop and move to strike all extraneous provisions. Obviously, extraneous provisions are subject to a motion to strike. Any Senator who wants to strike them, can offer a motion and and have a vote.

However, I think that before we finish here, we should give some consideration to an approach that would provide that if the Senate wants to take up a reconciliation bill which contains extraneous provisions, we should consider, from the standpoint of the institution, agreeing that they are possibly extraneous, and handling them separately.

If we did that by unanimous consent, then at least we would avoid setting the precedent that the Senate is not concerned about extraneous provisions.

I am in the process of developing that kind of unanimous-consent language. I will not propose it now. There are a number of interested Senators, and I will begin to circulate it as an idea to get out of the dilemma we are in.

Having said that, let me repeat that I do not intend to try to strike these extraneous matters en bloc. I do not like the fact that the reconciliation bill contains extraneous provisions when some committees do not want to even use reconciliation. I clearly think, however, that we have the responsibility to avoid setting the precedent that we don't care about extraneous provisions.

Mr. CHILES. Mr. President, will the Senator yield?

Mr. DOMENICI. I yield the floor.

Mr. CHILES. Mr. President, the Budget Committee discussed this and in the Budget Committee they actually made a motion. I read from the report:

NONBUDGETARY PROVISIONS

The Budget Committee believes that the inclusion of non-budgetary provisions in a reconciliation bill is inconsistent with the spirit and letter of the Budget Act, damages the credibility of the budget process, and could have the effect of circumventing Rule XXII of the Standing Rules of the Senate.

The problem of so-called "extraneous matters" became a major issue in 1981, during Senate consideration of S. 1377, the Omnibus Reconciliation Act of 1981. A number of provisions which we determined to be clearly extraneous were stricken from that bill. A special time agreement was entered into with respect to other provisions which some Senators contended were extraneous.

The Budget Committee has authorized the Chairman and Ranking Minority Member to consult with the Chairman and Ranking Minority Members of committees which have submittted legislation, and with the Senate Majority and Minority leadership, to identify any clearly extraneous matters in this bill and to reach an agreement on any amendments which may be necessary to eliminate such matters from the bill. The Budget Committee recommends that such amendments as agreed upon be adopted by the Senate.

This is no small matter. I think it is one of great importance. We are about to embark on a precedent here that may haunt us for a long time.

I think we have all discussed the great traditions of the U.S. Senate and the fact that we are a body of rules, that those rules have been of long standing. Those rules are made to protect the body and to protect a minority, to protect the committee system, to protect our way of doing business that prohibits steamrollering and prohibits a bare majority from being able to ride roughshod over the rest.

I remember, as a freshman in the Senate, when there was considerable debate about whether we were going to allow the amendment of our rules, whether they were continuing rules, whether they existed from our Congress to another, and whether we should change the rule for the vote on rule XXII. That went on for 3 years and consumed hours and hours, and I listened to some interesting debate and a lot of history.

We know that at one time rule XXII fell into disrepute because it was used as an effort to block civil rights legislation at the time, and the term "filibuster" came into play at that time. But the interesting thing was that even during that process, a majority was never totally thwarted and eventually ruled the day.

On the other side of the coin, I think that rule XXII has protected the country time after time in the rushing through of appointments. There would be a totally different makeup of the U.S. Supreme Court if it were not for rule XXII. There would be a totally different procedure with regard to treaties that had been adopted if it were not for rule XXII. Probably the one characteristic that most distinguishes this body from any other parliamentary body in the world is the right of extended debate.

Here, through a process that was streamlined on the pure question of budgetary matters, we now see the door being opened by interpretation of some rulings that will allow simply a bare majority on any committee to put material in here that is not even within the jurisdiction of the committee. So one committee can go into another committee's jurisdiction.

My goodness, if that had come up in the 1970's, if someone had raised that, I know that we would have censured whoever would have tried to do it. No one would have thought about trying to do that. We have enough chaos in this body.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. CHILES. I yield.

Mr. BYRD. The Budget Reform Act would not be on the books. The Senate would not even have adopted what has become a monstrosity, the way it is being used. It would not have been on the books. We would not be arguing

about the situation today, because this had never been anticipated.

Mr. CHILES. I thank the distinguished minority leader. The Senator from West Virginia is exactly right. It would not have been on the books. He is one who is continually trying to protect the Budget Act against people saying that we have too much power and we are into too many things and we are changing the system and we are causing these delays.

We are begging this body: "Don't put this on our back. Don't do this to the Senate or to us as the Budget Committee."

We know that it is only a question of time before this has to explode, when a bare majority takes over.

So this is something we will be talking about a lot during the next 10 hours.

We may not be able to stop things under it. I hope that we can at least get some process that allows people to have their shot at any of these extraneous amendments that are there, the hundreds of them, but at the same time does not set some kind of a binding precedent or a precedent that will come back and haunt us.

We had a major procedural crisis last year over the Grove City civil rights bill. Yet a majority of any committee in the Senate could have caused the entire bill to be here in this bill and protected from the filibuster. So whatever side you are on some of these questions, whether it is line-item veto or prayer in the school or Grove City, this lends itself for abuse of a one-vote majority being able to come and destroy all the precedents, all of the rules that have governed the Senate in the past.

Mr. President, I hope we are going to be able to work this situation out so that we will not be setting this kind of precedent.

Mr. PRESSLER. Mr. President, S. 374, as amended would reauthorize funding for the Travel and tourism Administration. This legislation would authorize funding of $12 million, $13 million, and $14 million for fiscal 1986 through 1988, respectively. This is limited funding for an agency that has increased revenues from foreign sources and contributed favorably toward reducing our trade deficit.

Travel and tourism is the third largest retail industry in the United States and one of the top three employers in 39 States. The aggressive programs of the USTTA have had a positive economic impact on each State in this country and the dollar amounts will grow. It is estimated that by 1990 tourism will be out No. 1 retail industry.

USTTA is the umbrella that brings Government and the travel and tourism industry together, developing programs that the industry could not otherwise achieve. There are nine overseas offices. Each office has an aggressive marketing plan and a cooperative advertising program with industry, selling America as a generic destination. Their theme is "America. Catch the Spirit."

Mr. President, I urge my colleagues to "catch the spirit" by joining in support of these funding levels for the USTTA. This funding is more than justified by the increasing importance of travel and tourism to the American economy. Each of us, in every State, will benefit from the outstanding job being done by the USTTA.

Mr. DOMENICI. Mr. President, I would like to take just one more minute, if I might. I have a letter dated October 18 that was sent to the distinguished majority leader, who in turn gave it to the Senator from New Mexico and others. That letter, from the Chief of Staff to the President, Mr. Reagan, indicates that the President's advisers will recommend that the President not sign the reconciliation bill if some of the bill's provisions are not deleted.

I do not think I am discussing anything new, but I am not sure it has been made a part of the RECORD, and I would like to do that at this point, after just pointing out that the letter objects to three separate provisions that have to do with taxes—the financing of the Superfund, the additional 8-cent tax on tobacco which is extended, and a new tax on imports to finance an expanded Trade Adjustment Assistance Program.

It goes on to discuss what he, on behalf of the White House staff, sees wrong with those provisions or at least objectionable. Then this letter objects to three other provisions, dealing with the OCS Lands Act, section 8(g); overturning or delay of several Medicare regulations; and the moratorium on collection of financial penalties levied on States for erroneous payments they have made under AFDC and Medicare. So that this will be a matter of record, I ask unanimous consent that it be printed in the RECORD.

Mr. BYRD. Will the distinguished Senator yield?

Mr. DOMENICI. I am pleased to yield.

Mr. BYRD. The Senator is placing in the RECORD a letter. Would I be presumptious to ask the distinguished chairman of the Budget Committee to read the letter so that all of us will have the benefit of knowing fully what is in the letter as we proceed to debate the reconciliation matter this afternoon?

Mr. DOMENICI. I have no objection. As a matter of fact, I will do that and also will give to the distinguished minority leader the letter.

Mr. BYRD. I thank the distinguished chairman.

Mr. DOMENICI. It is dated October 18.

As you know, the administration has serious reservations about the reconciliation bill pending before the Senate. I believe it is important for you to know that if some of the bill's provisions are not deleted, the President's advisers will recommend that he not sign it.

One serious problem with the bill is that it contains three separate tax increases—a new broad-based tax on manufacturers to finance Superfund, an extension of the additional 8-cent tax on tobacco, and a new tax on imports to finance an expanded trade adjustment assistance program. The President opposes such tax increases. The value-added Superfund tax runs counter to the principle that hazardous waste cleanups should be financed by those who are chiefly responsible for the problem, and it would impose huge administrative burdens. The new import tax is contrary to our GATT obligations, and would tax the 60 percent of our imports that now enter duty free. The President has not changed his view that the additional 8-cent cigarette tax should be allowed to expire this year.

There are at least three other seriously objectionable provisions.

First, the bill's provision to settle the OCS Lands Act section 8(g) issue is unacceptable. The Committee's action will result in the loss of $6–$12 billion to the Federal Treasury in the years ahead.

Second, the administration is strongly opposed to provisions of the Finance Committee bill that would overturn or delay several medicare regulations promulgated in final form by the Administration. Although the reconciliation bill shows medicare savings involving these issues of $7.7 billion, the Senate provisions would, in fact, raise outlays over current law by $949 million in 1986–88.

Third, the bill's moratorium on collection of financial penalties levied on States for erroneous payments they have made under AFDC and Medicaid would seriously undermine administration and congressional efforts to deter fraud, waste, and abuse.

In short, this bill is not acceptable in its current form.

Sincerely,

I would ask my distinguished friend, the minority leader, if he would mind charging that reading equally to his side and mine.

Mr. BYRD. Not at all.

The letter is signed by Donald T. Regan?

Mr. DOMENICI. Yes, I indicated that at the outset.

Mr. BYRD. I thank the distinguished Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 839

(Purpose: To increase the cigarette tax by 8 cents)

Mr. CHAFEE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Rhode Island [Mr. CHAFEE], for himself, Mr. BINGAMAN, Mr. HATFIELD, Mr. STAFFORD, Mr. PELL, and Mr. BRADLEY proposes an amendment numbered 839.

Mr. CHAFEE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment reads as follows:

On page 372, strike out lines 5 through 10 and insert in lieu thereof the following:

SEC. 790. INCREASE IN TAX ON CIGARETTES.

(a) RATE OF TAX.—Subsection (b) of section 5701 of the Internal Revenue Code of 1954 (relating to rate of tax on cigarettes) is amended—

(1) by striking out "$8" in paragraph (1) and inserting in lieu thereof "$12"; and

(2) by striking out "$16.80" in paragraph (2) and inserting in lieu thereof "25.20".

(b) FLOOR STOCKS.—

(1) IMPOSITION OF TAX.—On cigarettes manufactured in or imported into the United States which are removed before November 15, 1985, and held on such date for sale by any person, there shall be imposed the following taxes:

(A) SMALL CIGARETTES.—On cigarettes, weighing not more than 3 pounds per thousand, $4 per thousand;

(B) LARGE CIGARETTES.—On cigarettes, weighing more than 3 pounds per thousand, $8.40 per thousand; except that, if more than 6½ inches in length, they shall be taxable at the rate prescribed for cigarettes weighing not more than 3 pounds per thousand, counting each 2¾ inches, or fraction thereof, of the length of each as one cigarette.

(2) LIABILITY FOR TAX AND METHOD OF PAYMENT.—

(A) LIABILITY FOR TAX.—A person holding cigarettes on November 15, 1985, to which any tax imposed by paragraph (1) applies shall be liable for such tax.

(B) METHOD OF PAYMENT.—The tax imposed by paragraph (1) shall be treated as a tax imposed under section 5701 of the Internal Revenue Code of 1954 and shall be due and payable on December 2, 1985, in the same manner as the tax imposed under such section is payable with respect to cigarettes removed on November 15, 1985.

(3) CIGARETTE.—For purposes of this subsection, the term "cigarette" shall have the meaning given to such term by subsection (b) of section 5702 of the Internal Revenue Code of 1954.

(4) EXCEPTION FOR RETAILERS.—For taxes imposed by paragraph (1) shall not apply to cigarettes in retail stocks held on November 15, 1985, at the place where intended to be sold at retail.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by subsection (a) shall apply with respect to cigarettes removed after November 14, 1985.

(2) CONFORMING AMENDMENT.—Subsection (c) of section 283 of the Tax Equity and Fiscal Responsibility Act of 1982 is amended by striking out "and before November 15, 1985".

Mr. CHAFEE. Mr. President, I am joined in this amendment by Senators BINGAMAN, HATFIELD, STAFFORD, PELL, and BRADLEY.

Mr. President, I would be glad to enter into a time agreement with the floor managers of the bill if they so sought.

Mr. DOMENICI. Mr. President, I say to the Senator, I would rather not at this time, although in very short order I believe we will be able to do that.

Mr. CHAFEE. If I understand, we have 2 hours anyway; is that correct?

The PRESIDING OFFICER. There are 2 hours on first-degree amendments.

Mr. CHAFEE. Evenly divided.

Mr. President, the amendment I have sent to the desk and cosponsored by Senators BINGAMAN, HATFIELD, STAFFORD, PELL, and BRADLEY—and we are open to others, there is no limitation on the number that can cosponsor this—provides that the current excise tax on cigarettes of 16 cents will be continued and will be increased by an additional 8 cents, making a total of 24 cents cigarette tax per package.

This amendment does not earmark the revenue. This amendment will decrease the deficit by an additional $4 billion over the next 3 years.

The thrust of this amendment is twofold: First, we need the additional revenue. When we are running a deficit that has been estimated between $174 billion and $200 billion for 1986, I think we better take every penny we can find.

The second rationale for the amendment, Mr. President, is that increased taxes on cigarettes decrease consumption, particularly amongst the younger people, and prevents them from being cigarette addicts for the balance of their lives.

Each of us, Mr. President, whether a smoker or not, pays for the health care needs of smokers, either through health insurance premiums or through our taxes funneled into government programs which care for those ailing as a result of having smoked an excessive number of cigarettes.

According to the Office of Technology Assessment, cigarette smoking accounts for $22 billion in medical care costs and $43 billion in lost economic productivity each year—$22 billion in medical costs, $43 billion in lost productivity each year. Cigarette smoking costs taxpayers $4.2 billion a year through Medicare and Medicaid Programs.

Dr. Gerald Oster, an economist with Policy Analysis, Inc., of Boston, testified before the House Ways and Means Committee in June of this year that reimbursement to society for all of these costs would require an increase in the cigarette tax to $3 per package, and reimbursement for medical care costs alone would require an increase in the tax to 30 cents a package—an additional 30 cents.

Mr. President, I am only asking for 8 cents additional, making a total of 24 cents.

Medical evidence of the incidence of tobacco-related diseases among users of cigarettes demonstrates the correlation between smoking and increased health care costs. An increased Federal excise tax on cigarettes is a tax imposed on tobacco users for the resulting excess health care costs they impose on our health care system—in other words, have those who are causing the excess cost bear part of the burden—part of the burden, Mr. President; nowhere near the complete burden.

All of us clearly have an interest in promoting better health in the general population, the long-term benefits for federally funded health care programs are clear. In these times of fiscal austerity, we must closely examine the health care costs imposed on taxpayers by tobacco users. The deficit is increasing and health care spending accounts for a major portion of the Federal budget. It is fair to ask smokers to contribute more for the costs they impose on our health care programs.

Not only would an increased excise tax on this product be fair and help reduce the deficit, but it will also help discourage smoking.

In the Tax Equity and Fiscal Responsibility Act [TEFRA], the legislation we passed, Congress doubled the excise tax on cigarettes from 8 cents to 16 cents for a 3-year period ending October 1, 1985. In "Cigarette Taxation: Doing Good by Doing Well," author Kenneth Warner stated that the doubling of the excise tax caused one and a quarter million adult Americans to stop smoking and one-half million teenagers to stop or not start smoking. Teenage smoking decreased by 14 percent. Adult smoking decreased by 4 percent.

By helping to discourage smoking, an increased excise tax will help improve the overall health of the country. Cigarette smoking is the No. 1 preventable cause of death and disability in this country—the No. 1 cause. That is not disputed. Over 350,000 Americans die of smoking-related diseases annually. Nine million people suffer from chronic bronchitis and emphysema due to smoking. Anyone who has ever seen a sufferer of emphysema knows well the ravages of that disease.

There are those who say that smoking is a decision each of us should make and that Congress should not be attempting to influence these decisions through an excise tax. However, there are some personal decisions which have a great impact on all of society—smoking falls into this category as I pointed out by the demands it makes on our national health care system.

It creates an increased demand on our health care system, much of which is subsidized by the Federal Government. All of us, whether we smoke or not, pay for the health care needs of smokers—either through insurance premiums or our taxes.

Early this month I held a hearing on the issue of an increase in the ciga-

rette excise tax in the Subcommittee on Taxation and Debt Management. It was clear from those hearings that there is a great deal of support for an increase in the excise tax from a wide variety of health organizations.

I have a list of 44 health organizations that are interested in the increase in this tax. It ranges from the American Cancer Society, American Heart Association, American Lung Association, American College of Obstetricians and Gynecologists, American College of Physicians—44 of the most imminent health organizations in our Nation.

Mr. President, I ask unanimous consent to have printed in the RECORD the list of organizations supporting an increase in the Federal cigarette excise tax.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

LIST OF ORGANIZATIONS SUPPORTING AN INCREASE IN THE FEDERAL CIGARETTE EXCISE TAX

1. American Cancer Society—the world's largest voluntary health agency, devoted to research, education, and service to the cancer patient, with over 2.3 million members.

2. American Heart Association—one of the largest voluntary health agencies in the U.S., and the only such agency that devotes all of its resources to the goal of reducing premature death and disability due to cardiovascular disease and stroke.

3. American Lung Association—the nation's oldest voluntary health organization, committed to the prevention and control of lung disease.

4. American Public Health Association—an association of over 50,000 community health leaders and health professionals working for the public health.

5. American Association of Retired Persons—the largest organization representing older persons, with 18 million members; committed to advocacy and programs to meet the needs of the older population.

6. Association of State and Territorial Health Officials—the professional organization representing the chief health officials of every state and territory in the United States.

7. Children's Defense Fund—a national public charity that provides a strong and effective voice for children and adolescents, particularly those from poor and minority families, in public policy forums.

8. National Board, Young Women's Christian Association (Y.W.C.A.) of the U.S.A.—an organization of 2.5 million members and participants working to promote equity, justice, peace, freedom and dignity for all people, but particularly for women and girls.

9. National Council on the Aging, Inc.—a national organization representing providers of services to the elderly which serves as a principal advocate for issues of concern to our older population.

10. National Association of Elementary School Principals—a professional organization serving more than 22,000 elementary and middle school principals in the United States and overseas, and believing that the progress and well-being of the child must be at the forefront of all elementary and middle school plans and operations.

11. American Association of Dental Schools—an organization representing all sixty dental schools in the United States, their faculties and students, and their dental hygiene and hospital-based residency programs.

12. American Diabetes Association—a national voluntary health organization whose two-fold mission is to support the search for prevention or cure for diabetes and to improve the well-being of people who have diabetes and their families; consisting of 170,000 members, 5500 professional members, 58 affiliates, and 700 chapters.

13. American Medical Student Association—an independent organization of more than 30,000 medical students committed to improvement of medical education and ensuring access to quality health care services.

14. Adventist Health Network—people who enjoy helping others, through education and direct assistance, in 800 centers connected with Adventist churches and schools across the country.

15. American Association of Preferred Provider Organizations—a professional association of competitive alternative health care delivery systems.

16. Association of American Cancer Institutes—all 59 privately and publicly funded cancer centers across the country, providing research, care, and teaching.

17. American Academy of Allergy and Immunology—a professional organization dedicated to the advancement of knowledge and practice of allergy and immunology and providing better care to victims of these diseases.

18. Asthma and Allergy Foundation of America—a nationwide network of over 100 chapters and support groups and tens of thousands of concerned individuals banded together with a common mission to eradicate asthma and allergic diseases.

19. American Gastroenterological Association—4,000 physicians concerned with digestive diseases.

20. Center for Science in the Public Interest—a consumer advocacy membership organization that seeks to improve national policies with regard to health and nutrition.

21. Association of Schools of Public Health—representing the 23 accredited graduate schools of public health in the United States.

22. National Tax Equality Association—a business coalition examining current tax reform, with 1,500 business members.

23. American Association for Respiratory Therapy—a 27,000 member professional association for respiratory therapy practioners across the country.

24. American Academy of Otolaryngology—Head & Neck Surgery, Inc.—a professional association concerned with ear, throat, nose, head and neck surgery, with approximately 7,500 members.

25. American College of Osteopathic Pediatricians—a professional organization of osteopathic physicians providing care to children.

26. Association of Junior Leagues—an international women's volunteer organization with 244 member leagues in the U.S. representing approximately 149,000 individual members, promoting the solution of community problems through voluntary citizen involvement, and training members to be effective voluntary participants in their communities.

27. National Perinatal Association—an interdisciplinary organization of professionals providing health care to infants and pregnant women.

28. American Academy of Otolaryngic Allergy—an organization of physicians specializing in the treatment of the ears, nose, throat and related structures of the head and neck, with 1,200 members.

29. American Society of Clinical Oncology—4,500 clinical oncologists specializing in the treatment of cancer.

30. American Nurses Association—the largest professional association representing registered nurses in the country, with 185,000 members.

31. American Society of Internal Medicine—representing 18,000 physicians who specialize in internal medicine, and concerned with the socioeconomics of medical care delivery.

32. National Association of Children's Hospitals and Related Institutions (NACHRI)—represents 82 children's hospitals nationwide. Its goal is to serve as an advocate for improved child health and the delivery of comprehensive quality health services for all children.

33. American College of Chest Physicians (ACCP)—is a professional medical speciality society representing more than 11,000 physicians, scientists and educators specializing in pulmonary and cardiovascular diseases.

34. American Council on Science and Health (ACSH)—is a national consumer education association directed and advised by a panel of scientists from a variety of disciplines. ACSH is committed to providing consumers with scientifically balanced evaluations of issues relating to food, chemicals, the environment, and health.

35. American Academy of Pediatrics—an organization of 27,000 pediatricians dedicated to the health, safety and well-being of infants, children, and adolescents in North, Central, and South America.

36. The United Methodist Church, Department of Human Welfare—The United Methodist Church has 9.5 million members. The Department of Human Resources is responsible for the Church's positions on issues of public health and policy.

37. American Licensed Practical Nurses' Association—a professional association of more than 3,000 licensed practical and vocational nurses who provide bedside nursing in settings including nursing homes, hospitals, clinics, community health centers.

38. American College of Cardiology—A 14,000 member, nonprofit professional medical society and teaching institution, dedicated to ensuring optimal care for persons with cardiovascular disease or those with the potential of developing cardiovascular disease, and through education and socio-economic activities, to contributing significantly to prevention of cardiovascular disease.

39. American Nephrology Nurses' Association—an organization representing approximately 3000 registered professional nurses and allied health professionals involved in all modalities of care and treatment, including hemodialysis, peritoneal dialysis, and transplantation, of patients with renal disease.

40. National Alliance of Senior Citizens, Inc.—a national membership organization which focuses its attention on major issues facing older Americans; it is moderate to conservative in political philosophy, and has a membership of more than 3.5 million persons.

41. Terry Gotthelf Lupus Research Institute—established to help millions of lupus victims in the world and to encourage, coordinate, and direct future progress in the etiology, diagnosis, and treatment of this illness.

42. American Medical Association—a voluntary society of physicians founded to promote and improve the science and art of medicine and the betterment of public health. With approximately 250,000 members, the AMA's varied activities are directed toward achieving excellence among physicians and assuring the American public of the highest quality medical care possible.

43. American College of Obstetricians & Gynecologists—an organization representing over 25,000 obstetricians and gynecologists who specialize in women's health care.

44. American College of Physicians.

Mr. CHAFEE. Mr. President, I would also like to point out that there is a great deal of support throughout our country for an increase in the excise tax on cigarettes. In February of 1984, a poll found that 77 percent of registered voters supported an increase in the tax to 32 cents a pack. That is only to 24 cents.

I ask uanimous consent that the Time magazine article describing these results be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MAIN STREET IS WORRIED TOO

While the White House feuds and Wall Street frets about runaway federal deficits, Main Street is deeply concerned too. The issue has become the most visible and powerful symbol of the general public's fears about the outlook for the U.S. economy.

That was the main finding of a new poll conducted for Time by Yankelovich, Skelly & White. The survey of 1,000 registered voters, taken from Jan. 31 to Feb. 2, found that nearly 90% view the deficits as a serious economic problem. Even more, 95%, consider Congress to be responsible for the present and projected budget gaps, while 87% blame President Reagan.

When respondents were asked what should be done about the deficits, only a fraction favored cutting social spending. The majority said that they would prefer to see a decrease in military outlays. In addition, they rejected an increase in personal income taxes as a means of reducing the shortfall. By far the most popular revenue-raising measure was a higher tobacco tax.

Those questioned were surprisingly unimpressed by the drop in inflation, which tumbled from 12.4% in 1980 to 3.8% last year. A stunning 44% of the respondents were unaware that inflation had gone down. Only 20% thought that the end of spiraling prices had affected them a lot. Slightly more than one-third, by contrast, said the break in inflation had not affected them at all. When asked to pick reasons for inflation's decline, two-thirds cited the drop in oil prices as a cause. Some 59% mentioned the recession and high unemployment, while 54% saw President Reagan's economic policies as a factor.

The survey also found that most Americans still consider joblessness, which has fallen from 10.7% to 8% in the past 15 months, a major concern. As many as 75% of those polled said that they regard unemployment as a key voting issue. Still more, 80%, expect the level of inflation to influence their vote. One out of every two respondents said inflation would be at its present level at the end of 1984. And while 28% look for a higher year-end rate, only 19% thought that the level would drop.

Many of those polled remain convinced that business occupies an unduly privileged position in American society. More than half said that companies do not pay enough taxes, while seven out of ten thought that corporate managers were overpaid. A sizable majority favored raising business taxes in order to close the budget gap.

The survey showed that much of the public was scarred by the 1981–82 recession and remains wary about the outlook for the future. Fully 50% of those questioned reported no improvement in their standard of living over the past year. Moreover, people's expectations about how they will fare in the coming months have barely improved since the depth of the slump in December 1982. Some 50% saw better days ahead for themselves when questioned then, compared with 52% today.

The public is clearly concerned about the future of the economy. Yankelovich found that 52% believe the recovery that got under way just over a year ago will prove to be temporary. Only 40%, on the other hand, said they expect the economic improvement to last.

Mr. CHAFEE. Mr. President, I have talked generally about the health risks involved with cigarette smoking, I would like to take a moment to be more specific.

SMOKING FACTS

First. Over 350,000 Americans die each year of the effects of cigarette smoking: That is 1,000 every day.

Second. Cigarette smoking costs our society in excess of $41 billion annually in health care costs, lost work time and lost productivity.

Third. More than one out of every seven deaths in this country are smoking related.

Fourth. Eighty percent of all lung cancer deaths in this country are caused by smoking.

Fifth. Cigarette smoking causes one-third of all heart disease deaths in this country and heart disease accounts for nearly one-half of all deaths.

Six. Perhaps almost 10 percent of all persons now alive—or 24 million Americans—may die prematurely of heart disease attributable to cigarette smoking, unless smoking habits are changed.

Seven. Listen to this statistic, Mr. President. Children of smoking parents have an increased risk of bronchitis and pneumonia early in life and seem to have a small but measurable difference in the growth of lung functions.

Eighth. Listen to this one. Maternal smoking during pregnancy significantly increases the risk of spontaneous abortion, miscarriage, bleeding during pregnancy, still-birth, and sudden infant death syndrome.

These are just some of the health risks associated with cigarette smoking. And all of them cost the Federal Government money. They either cost the Government money directly through programs like Medicare and Medicaid, or through increased premiums in private health insurance for which we provide a tax deduction.

Why is it argued that it is wrong to ask those individuals who smoke to pay a little more—just 8 cents more per package—for the costs they impose on the rest of us?

One objective to raising the excise tax is that it is regressive—that is it affects the poor, minorities and the elderly more than other groups. Research by Dr. Jeffery Harris of the Massachusetts Institute of Technology indicates, however, that low-income Americans smoke less than middle-income Americans. Professor Harris also finds that older Americans have much lower smoking rates than the general population. He also found that in considering the number of cigarettes smoked per day, the actual dollar burden of a cigarette tax increase is greater for whites than for blacks in every income category.

These findings are confirmed by the 1979 Surgeon General's report on smoking and health. That report documented that smoking rates among males are highest among middle income levels, while smoking rates for women rise steadily with income. The poorer the woman, the less likely she is to smoke.

In short, the cigarette tax falls most heavily on people who are well able to afford it.

If we look at cigarette excise taxes from a historical perspective the increase we are proposing in this amendment is clearly not extreme. Inflation has resulted in a reduction in cigarette taxes in real terms and as a percentage of the price of cigarettes. The Federal excise tax was increased only twice during the post-war period: From 7 cents per pack in 1950 to 8 cents in 1951; and from 8 cents to 16 cents in 1982. This translates to a decline in the tax rate measured in 1984 dollars from 37.5 cents in 1946 to 8.6 cents in 1982, followed by an increase to 16 cents in 1984. The Federal tax—as a percentage of the price per package of cigarettes—declined from 42.2 percent to 10.7 percent between 1947 and 1982; it now stands at 16.6 percent, about the same rate as in 1975. Mind you—compare that to what is was in 1947—42 percent of the cost.

Now, Mr. President, another argument we will be listening to today is that an increase in the excise tax will signal the death knell of the tobacco farmer. No one who supports an increase in the excise tax wants to see these farmers bankrupt, in fact a major reform of the Tobacco Program is part of the reconciliation legislation we are considering today.

But, the fact is that consumption will continue to decrease without this amendment—although probably at a slower rate. I don't think that we can in good conscience, especially in these days of tremendous deficits, vote on this issue based on a desire to continue

encouraging the production of a product that results in such huge health care costs to the Federal Government.

Mr. President, how much time do I have left?

The PRESIDING OFFICER (Mr. SYMMS). The Senator controls 47 minutes.

Mr. CHAFEE. Mr. President, I yield whatever time the Senator from New Mexico desires.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. BINGAMAN. Mr. President, I will use just a few minutes, if I may.

Mr. President, I am pleased to join with the distinguished Senator from Rhode Island, Senator CHAFEE, in offering this amendment. I believe that this is an important and necessary measure.

This is a straight-forward amendment. It provides for an increase in the cigarette excise tax from 16 to 24 cents, with no earmarking of funds. It is a pragmatic and reasonable step toward addressing a serious threat to the health of this Nation, cigarette smoking. Before I go on to explain why I believe this tax will benefit us at both the individual and national levels, I would like to draw the Senate's attention to why we need to look at this matter in the broader context of health promotion.

In the landmark publication "Healthy People," the Surgeon General outlined the strong relatonship between our lifestyle and the new health problems facing us as a nation and listed 15 priorities which must be addressed. Cigarette smoking is one of several risk factors that contributes to the increasing incidence of cardiovascular disease—the No. 1 cause of death in America. Cigarette smoking is the No. 1 preventable cause of death.

Americans are becoming increasingly aware of the health threat posed to this Nation by cigarette smoking. This new health consciousness serves both the individual and the national interest.

At the individual level, Mr. President, cigarette smoking will kill 350,000 Americans this year. This human toll from smoking can be prevented. Recently, Harvard University's Institute for the Study of Smoking Behavior and Policy concluded that an excise tax on cigarettes is perhaps the most effective available tool to deter smoking and to reduce smoking related cost to the Federal Government. If we increase this tax, the institute explains, cigarette consumption would drop dramatically, especially among young people. For example, a 16-cent tax increase would diminish the number of teenage smokers by 17 percent or 820,000 teens. As for those smokers aged 36 and older, 630,000 would quit if the excise tax were increased to 32 cents per pack.

In addition to the health consequences of smoking, the economic costs are enormous. The Office of Technology Assessment estimates that disease and lost productivity from smoking cost our economy $65 billion a year. That is $2.17 for each pack of cigarettes sold.

Cigarette taxes have an interesting history. First imposed during the Civil War, they were raised periodically until 1951. Between 1951 and 1982 cigarette excise taxes remained unchanged. In 1982, Congress passed the Tax Equity and Fiscal Responsibility Act, which is better known as TEFRA. TEFRA raised the cigarette excise tax from the 1951 8 cent tax to 16 cents until October 1 of this year. Current law extends the 16 cent tax until November 14. It is interesting to note that if the cigarette tax had been raised to keep pace with inflation since 1951, we would today have a tax of 32 cents per pack. This amendment would raise the tax to only 24 cents.

No earmarking of funds is called for in this amendment. I happen to believe in earmarking funds raised by a tax such as this to address the causes and effects of cigarette smoking. Earlier this year I introduced legislation which does just that. I hope that later this year we can carefully consider earmarking funds for Medicare as well as for health promotion and disease prevention. At this time, though, Mr. President, I am pleased that a simple increase of the cigarette excise tax is before the Senate.

Finally, some will argue that this is a regressive tax and inherently unfair. One may argue that excise taxes such as this are indeed regressive. However, the question of the fairness of an excise tax on cigarettes can only be answered accurately if we look at the effects of cigarette smoking on all Americans, smokers and nonsmokers. Is it fair that nonsmokers pay billions of dollars in taxes each year to help cover the health care costs incurred by smokers? I think not, Mr. President. Clearly, it is not fair. Whatever unfairness may lie in a cigarette excise tax is, I believe, outweighed many times by the unfair burdens imposed on all Americans by the high incidence of smoking in our society.

This is not a partisan issue. I commend my colleagues on both sides of the aisle who have worked to address this matter both on the floor and in committee, especially the distinguished Senator from New Jersey, Senator BRADLEY, and the distinguished Senator from Rhode Island, Senator CHAFEE and I urge all my colleagues to support this amendment.

Mr. President, let me very briefly say that I think the primary thrust of the argument that the Senator from Rhode Island has made is correct; that is, that the evidence is overwhelming that an increase in tax on cigarettes would have the effect of reducing the incidence of smoking in this country, and particularly so among teenagers and people who have not yet started to smoke, people who might become smokers in the coming years.

I think that is an important reason in support of this amendment. I think it is clearly justified. It is good public policy to increase the tax. I agree with the Senator from Rhode Island that this is an increase which is reasonable. It is not excessive in light of the historic tax rate that has been imposed in this country. The amendment should be supported by the Senate. I thank the Senator for yielding.

Mr. CHAFEE. Mr. President, I thank the Senator from New Mexico for those fine remarks.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, I yield the time that I have in opposition to the distinguished chairman of the Finance Committee, Senator PACKWOOD.

The PRESIDING OFFICER. The Senator has that right.

The Senator from Oregon.

Mr. PACKWOOD. Mr. President, let me explain the situation regarding the tobacco tax and the Tobacco Program in the reconciliation bill.

Admittedly, putting the Tobacco Program into the reconciliation bill is unusual, but it is not unheard of for a committee to deal with matters in another committee's jurisdiction when previously approved by the chairman and ranking member of the second committee. The Finance Committee did it 2 years ago on the Airport Development Program. The Commerce Committee, which had jurisdiction over spending of the money, asked the Finance Committee, which had jurisdiction over the raising of it, to put the matter into reconciliation.

At that time, the ADAP Program had uniform support by almost everyone in the Senate. There was no serious objection raised to the procedure because it had been requested by the chairman and ranking member of the Commerce Committee. The Finance Committee did it as an accommodation to the Commerce Committee.

That is one precedent. It is a valid precedent. What the Finance Committee did then involved nothing more or less than what the committee did by putting the Tobacco Program in the Finance Committee reconciliation package at the request of the chairman and the ranking member of the Agriculture Committee. The precedent is exactly the same.

Why did we do it? We knew that if we attempted to add any cigarette tax to a bill passed by the House, we would face a filibuster and we would face a veto. We also knew that the cigarette tax expired on the 1st of Octo-

ber. For those of us who wanted to keep the cigarette tax at its present level, the reconciliation bill offered the only avenue we had to avoid a filibuster. That was my concern.

Regardless of what I may think of the merits of the cigarette tax, and I believe there was close support for a higher tax in the committee, it is clear that the higher the tax the greater the risk of a filibuster in opposition to it. I perfectly understand the reasons for the filibuster. Having been one who has used that process myself I find on balance that it is important to maintain the rules the way they are. From time to time that means that legislation gets delayed for a period of time. I have no quarrel with those who use the filibuster against me as I hope they have no quarrel when I use it against them.

In exchange for inserting the cigarette tax extension into the reconciliation bill, we also agreed to insert the tobacco support program. The tobacco support program will save about $235 million over what we would otherwise spend under the existing program. I want to be careful in the use of that word "save", so that no one misinterprets it to mean an increase in spending.

The question is how much do we spend on the tobacco program absent any change in law as compared to how much would we spend on the program with the change in the law approved by the Finance Committee. We will save $235 million over what we would otherwise spend. The program approved by the Finance Committee was the program which the representatives of the tobacco States wanted and were willing to accept. Those representatives feared that the program might possibly run out, that it might possibly not be extended.

So a bargain was struck. The tobacco State representatives agreed that they would not raise objections to our extension of the cigarette tax at 16 cents and we, in exchange, would insert the tobacco support program which, in addition, would save some money. So we both raised money by keeping the tax at 16 cents.

Whatever my personal views might be on a 24-cent or 32-cent cigarette tax I am not here to debate. I am here to stand behind the agreement which has been made between the Finance Committee and the Agriculture Committee. We have struck what we think is a fair bargain so that each achieves part of what we wanted to achieve. Otherwise, neither of us might have been able to achieve any part of our objective. It was perfect example of the art of compromise.

Therefore, I would oppose the effort of my good friend from Rhode Island to increase the tobacco tax to 24 cents or to any other figure that may be suggested. I believe we have taken a good step for the country, as big a step as we could have taken. I do not think we could have passed the 16-cent cigarette tax standing by itself. I think the tax would have gone down to 8 cents and that would have been the end of it. Clearly, the President would have vetoed it standing alone in any event.

We were able to add it to the reconciliation for another reason. We could also see the possibility of the Gramm-Rudman amendment being enacted. We could see the need for additional revenues. Whether or not the Gramm-Rudman amendment will finally be enacted is at the moment being determined by a conference between the House and the Senate with members from many committees in the House and three committees in the Senate.

On balance, considering what we hopefully will do on the debt ceiling, the compromise struck between the Agriculture Committee and the Finance Committee is a fair arrangement for all concerned.

I am fully aware that there will be another time when we will again visit the issue of 24, 30, or 36 cents a pack cigarette tax. This is not the time or the place for it. I would hope that my colleagues would turn down the amendment of my good friend from Rhode Island.

The PRESIDING OFFICER. Who yield time?

The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I listened with interest to the accurate description the distinguished chairman of the Finance Committee gave, but I do not think he meant to give the impression that this is a bargain that everybody in the Finance Committee was involved in. Certainly, I was never involved in any such agreement. Indeed, as hast been pointed out, I made the motion for the 32 cents a pack and was defeated. But there was nothing that subsequently transpired that may be part of any agreement that the tax would remain at 16 cents.

Mr. PACKWOOD. So there is no misunderstanding, the Senator from Rhode Island was not involved in that decision. I believe he has stated very clearly that he was not part of this arrangement.

Mr. THURMOND. Mr. President, I rise in opposition to the pending amendment. Adoption of this amendment would further increase the Federal excise tax on cigarettes from the 16 cents per pack provided for in the reconciliation bill to 24 cents per pack.

The 16-cents-per-pack tax already represents a doubling of what current law would establish. As my colleagues know, the additional 8-cents-per-pack tax was scheduled to sunset this year. However, the Senate Finance Committee has proposed a permanent extension of the additional 8-cent tax, making the total permanent tax equal to 16 cents per pack. In so doing, the committee also included in the reconciliation bill a section which would achieve a much needed and important reform of the current tobacco price support program. Increasing cigarette taxes beyond the recommendation of the committee, however, would have an extremely detrimental effect on the thousands of small family farmers who depend upon tobacco for a substantial portion of their incomes.

Mr. President, tobacco in all its forms has been, and remains, the most heavily taxed single consumer product. If cigarette taxes are further increased, many cigarette manufacturuers, in an effort to hold down cigarette prices, will likely turn to cheap, subsidzed, foreign-produced tobacco. This would hurt not only our farmers, but also the U.S. balance of trade. Increased tobacco imports would mean less U.S. tobacco purchased domestically. Thousands of small farmers could lose their main source of income through this loss of business. In addition, our balance of payments would suffer.

If the U.S. Congress further increases cigarette taxes and the manufacturers do not absorb all or at least part of an increased cigarette tax, the increased price will primarily impact individuals with low to moderate incomes. Although some groups have argued that the cigarette tax should be increased because a higher price would force these consumers to smoke less, I believe that most people will continue to smoke, whatever the cost. Personally, I do not smoke and do not encourage others to smoke. However, I do not believe that it is sound public policy to use the tax system as a means of dictating the smoking habits of the individual.

Mr. President, I urge my colleagues to oppose this increase in taxes.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. I yield to the Senator from North Carolina such time as he may desire.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I thank the chairman and I thank the Chair.

First, I wish my distinguished friend (Mr. CHAFEE) a happy birthday. I confess, however that I hope it will not be too happy when the vote is taken. The Senator is my good friend.

He and I were talking a few minutes ago and I made the observation that the argument here is not about tobacco or the merits of smoking. I have never engaged in arguments about smoking and health. None of my children smokes and I hope none of my grandchildren will. What I try to bring before the Senate, Mr. President, is the prevention of the livelihoods of some 200,000 farm families who are

dependent on the growing income they earn by tobacco.

As for Senator CHAFEE's amendment, when time has been yielded back or used or a combination thereof, a point of order will be raised, and I suspect it will be sustained. Of course, the Senator will be within his rights to appeal the ruling of the Chair.

Let me point out that in my judgment, this amendment is not germane. The tobacco provision of the budget reconciliation bill merely strikes the October 1, 1985, data relative to the so-called sunsetting of the tax. The effect of striking the date is to maintain the Federal excise tax at 16 cents, but that amount is not mentioned. Nowhere is this legislation is there a provision which specifically sets the tax at 16 cents or at any other level. It is my understanding that the only amendments in order on a budget reconciliation bill are those to strike or to change numbers and dates or to limit or restrict the scope of the provisions. This amendment to increase the tax above 16 cents adds new provisions to the bil rather than striking the entire provisions, and does not change numbers or change dates or limit or restrict the scope of the provisions. In fact, it could be argued that increasing the tax expands or broadens the scope of the existing excise tax provision.

So, when the time has expired one way or the other, either by yielding it back or using it, a point of order certainly ought to be raised against this amendment, perhaps by the distinguished chairman of the Committee on Finance or the distinguished chairman of the Committee on the Budget—or I shall be glad to do it.

Preliminary to that, Mr. President, on behalf of the approximately 200,000—some estimates are that there are as many as 300,000—tobacco farmers, I must oppose this amendment. As the Chair will recall, it was my amendment to the Tax Equity and Fiscal Responsibility Act of 1982 that called for the temporary 16-cent Federal existing tax to sunset back to its original level of 8 cents on October 1, 1985. Therefore, it is somewhat of an anomaly for me to go to BOB PACKWOOD as I did and discuss the arrangement that was eventually arrived at.

The sunseting provision which I added to that 1982 act was a position to which I was committed. I felt that the sunset should take place. But time passes and circumstances change. Here in 1985, I find myself representing just about everybody concerned in terms of the production of tobacco advocating that the sunset provision not be implemented.

Having said that, Mr. President, if the repeal of the sunset provision were likely be considered and the concern was to avoid extended debate, we concluded that tobacco growers deserved some degree of protection from the adverse effects of the tax increase. It was felt that the most appropriate way to achieve this was to amend the Finance Committee reconciliation package to include our tobacco program provisions as a companion measure to the 16-cent permanent tax. That was entirely fair because our actions were intended to establish a direct tie between the cigarette tax increase and, as Senator PACKWOOD has eloquently explained it, the reform of the Tobacco Program. The 16-cent excise tax and the Tobacco Program modification therefore became a package. I reluctantly gave my support to the 16-cent tax in exchange for a reform of the program.

I will say this, Mr. President. If we can accomplish this, I believe it will be the last time that at least this Senator will be on this floor trying to reform the Tobacco Program. I think this will do the job because it lowers the support price to below the market level and the excess price has been the cause of the problem. So I think it is important to emphasize the benefits of maintaining the tobacco package in its entirety, unamended and unmodified.

The agreement that is the basis for the tobacco legislation is a fine-tuned, delicately balanced instrument. It is the product of months of continuous and constant negotiations among the growers, the cigarette manufacturers—everybody across the spectrum. If anyone here thinks it has been easy to bring all these people together, let me assure my colleagues it has not been easy. We counted up not long ago and, since the first of this year, I have personally been involved in over 100 meetings, conferences, studies, and telephone calls of an important nature concerning this reform of the Tobacco Program. Many of the participants in the development of this package have been dragged kicking and screaming toward what we have now. The point is that I do believe that with rare exception, most people understand this is the only way that we can preserve the livelihoods of the people in whom I am interested. That is the group of up to 300,000 tobacco farmers.

Cigarette manufacturers have made clear to me that they will not participate in the buy-out of the surplus stocks in stabilization if the cigarette tax goes above 16 cents. So that blows us out of the water in terms of securing the reforms that gives us any hope of restoration of a substantial export trade and all the other benefits to our economy. So I have to fight as best I can to preserve the package that Senator PACKWOOD and others and I have worked out.

Let me say here and now that I am grateful to Senator PACKWOOD for all the cooperation he has given us. The buy-out is an interdependent part of the Tobacco Program reform. The negotiated package would be severely damaged if the companies were forced to take a walk as a result of the tax rate of 24 cents.

One more point and I shall conclude and let the others speak. Every step of the way I have endeavored to act in good faith, and have. So have those with whom I have dealt, and not all of them are entirely friendly to my position. Not all of them are entirely friendly toward my position, but where we have disagreed we have agreed to disagree agreeably. So we come to the point now where we are going to decide whether the 250,000 to 300,000 tobacco farmers will have a chance to survive or whether we are going to turn over tobacco production to foreign producers with all of its implications.

Many press reports, including the Washington Post, indicated some time back that the President was going to veto the 45-day extension of the cigarette tax. The President and I had a conversation, and I am grateful to him for his judgment that he ought to go along with that extension. Now, the President has also—and I will say this because it ought to be a matter of record—gone on public record as being inclined to veto even a permanent extension of the cigarette tax at the current level of 16 cents. Now, if he is going to veto that, what will he do to Senator CHAFEE's proposal to elevate it to 24 cents?

Now, I cannot and will not ask the President to sign anything greater than 16 cents.

Another reason why the tax should not be increased is that the budget reconciliation package is already $2.8 billion over in projected savings. Now, excise taxes always seem to be an attractive target to make up any shortcomings in revenue, but according to the statistics available to me the Senate is living up to its obligation without any added taxation, and we all know how the President feels about increased taxes.

I do thank the Senator from Oregon for yielding to me.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. I yield such time as the Senator from Kentucky may need.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, I thank the distinguished manager of the bill, the Senator from Oregon [Mr. PACKWOOD], for allowing me to have some time to speak on this issue. This is probably one of the most important issues to the constituency that I represent. It is as important to my State as is, to the distinguished Senator from Rhode Island, jewelery and silver and silver plate. I am sure he does not

want a tax placed on those just as I want no additional tax on cigarettes.

But let me make a couple of points, if I may, Mr. President. We have worked on this package for a year. Many fine people in my State have traveled from town to town hold meetings on this issue. Our farmers have pitched in and have been able to hire some people to help put some language together that would be agreeable to them. They have come together with manufacturers. They have sacrificed in this piece of legislation that we are hoping to pass as much as any group of people in this country. They understand that things change. They understand that people have to give and to sacrifice. But they do not have to give all their blood.

Let us look at what we are attempting to do with this amendment. I think the farmers, the growers, and the manufacturers have arrived at an agreement. We reduce the support price approximately 35 cents a pound. That is a good and substantial reduction. Two, we have arrived at an agreement to eliminate the surplus of tobacco over a period of time. Three, we have, in my opinion, allowed approximately $2 billion to come back to the Commodity Credit Corporation. The GAO said that this bill would save, from the time of its enactment in this fiscal year, in 3 years $235 million, over 5 years it would be $500 million. And fourth, we have imposed a new tax on smokeless tobacco.

For all practical purposes the additional 8 cents is a new tax because it should have sunsetted on September 30. The President has sent word that he is not very happy with that extension, but hopefully if we can hold it at 16 cents, the companies then will be a part of the agreement, and the legislation will become law.

We must look at that small farmer, Mr. President. We talk about damaging little people. In my State, there are approximately 101,000 small farmers with an average of three-quarters of an acre of tobacco—three-quarters of an acre. Think about that—a small, small piece of income. And we are saying here today that we not only want to increase the tax to twice what we were, we want to increase it three times. We are saying to that small farmer, who asks very little but pays a lot, to go out of business. Oh, we are going to hear this is for our health, but we are not arguing health, we are arguing the survival of tobacco and the cost, due to increased taxes, the less purchases of domestic leaf.

Let me say this to you, Mr. President: If this legislation is defeated—and it will be defeated if we increase the tax beyond 16 cents—there will be no Tobacco Program. Just think about it a little bit. All that surplus will belong to the Government and we can get rid of it the best way we can at a cost of $4 billion. When you can grow tobacco from fence row, to fence row, any amount that you want—there is no limitation—the cost is going to go down. You can buy generics now. Oh, we have been told on this floor today what cost cigarette smoking has been to the taxpayers through Medicare and Medicaid. Well, let me ask this question: If the health groups claim that cigarette smoking has cost the taxpayers $4.2 billion through Medicare and Medicaid. the total cost to the Federal Government of Medicaid and Medicare Programs for fiscal 1984 was approximately $82.5 billion. If tobacco users amount to only $4.2 billion, that clearly means there must be a group out there responsible for a larger part of it.

Let me get down to the point that is so important—the package:

First, we have increased the basic tax; second, we have taxed smokeless; third, we have reduced the cost to the Federal Government, and fourth, if this agreement is not held, then we have no Tobacco Program. Our farmers will vote it out. All of the costs of the surplus tobacco will be borne by the taxpayers as a whole. We have a proposal to work it out and to save at least $3 billion—at least $3 billion.

Go to the GAO report, the blue book, let me read from the Comptroller General's report. It says, as it relates to who would be paying in the future:

> Because a program is no longer in effect, any losses on this tobacco, to the extent not offset by previously collected assessments, would be paid by the taxpayer.
>
> Should flue-cured and burley producers also decide against approving a program, whether in response to an increased assessment or for some other reason, future assessments could not be placed upon them, and taxpayers would be liable for any losses that occur on flue-cured and burley tobacco under loan.

So if you begin to look at all the facts and try to understand it, we have offered a whale of an opportunity to save the taxpayers money. Why kill us now? We have come more than half way, and now you want to drop the ax on the little fellow, the three-quarter of an acre small farmer, 101,000 of them in my State.

You will stand up and squeal pretty good when we offer a 20-percent tax on some jewelry and silver and silver plate. I can hear the squeals. I can hear everybody saying, "You can't do that to us. It is our main income." Well, this is our main income in our State, especially in the rural area.

I implore my colleagues: Let us not go this route. We have made an agreement. It is good for everybody concerned. It hurts the farmer more than anybody else. The grower is hurt more than anybody else. Yet, we keep wanting to do a little more. All I have heard today is "farm crisis," "in debt," "hard times." Yet, we stand on this floor and want to put a little more hard times on the little fellow in the farm community.

I yield the floor.

Mr. PACKWOOD. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 30 minutes and 51 seconds.

Mr. PACKWOOD. I yield 8 minutes to the Senator from Kentucky, and then I will yield to the Senator from Virginia.

Mr. McCONNELL. I thank the Senator from Oregon, the chairman of the Finance Committee, and I thank him especially for his understanding and cooperation in this most important issue to a number of tobacco States.

As my colleague from Kentucky has said very eloquently, when you are talking about tobacco as it relates to Kentucky, you are talking about the basis of our economy.

Tobacco price support programs account for more than 9 percent of the jobs in the State of Kentucky. The total cash flow of Kentucky's tobacco crops exceeds $1 billion. Indirect benefits from this crop amount to over $2.5 billion.

Fully 3 percent of Kentucky's gross State product is directly dependent on continuation of the Tobacco Program. Just a 1-percent loss in tobacco output causes a loss of 545,000 jobs and $25 million to Kentucky's economy.

Loss of the Tobacco Program would cause a decline of over $1.5 billion in farmland values. Fully $130 million in State tax revenues is generated as a direct result of this program.

Kentucky county governments would lose $50 million in property tax revenues without a Tobacco Program. This loss would be particularly devastating to local school systems, county services, and county roads.

Over 150,000 Kentucky farmers produce tobacco, and 250,000 families share in the proceeds. It affects 50 percent of Kentucky's 3.8 million citizens. Over two-thirds of Kentucky's farmers depend on tobacco production for over 50 percent of their gross income.

This is even more significant when you realize that 75 percent of Kentucky's farmers have net farm income of less than $10,000. Tobacco production accounts for 12 percent of the employment in Kentucky's 10 poorest counties; per capita income is less than the Kentucky average.

Farm supply dealers would be devastated, as over 40 percent of gross sales are related to tobacco production.

On a county level, the loss of the Tobacco Program in a moderate tobacco county would account for a loss of income roughly equal to what the new General Motors factory is expected to bring to Spring Hill, TN.

Mr. President, I think that puts the issue in perspective in terms of the impact of this crop on Kentucky.

What are we talking about in this debate? The issue, I assure Senators, is not smoking. You can eliminate the Tobacco Program. You can raise the cigarette tax, as the distinguished Senator from Rhode Island has suggested. There will still be smoking.

What this whole issue is related to is the welfare of the farmers of Kentucky, North Carolina, Virginia, Tennessee, South Carolina, and neighboring States, who make a significant amount of their income from growing this legal crop. There is no good alternative in many parts of our State. In the eastern part of Kentucky, where the hills and mountains are found in virtually every county, there is not much flat land. What can you do profitably on one-half acre?

As my distinguished colleague from Kentucky [Senator FORD] pointed out, the average size of the tobacco allotment in our State is about three-quarters of an acre, and many are much smaller. If you eliminate the tobacco support program or raise the tax on cigarettes so high that production is reduced, the net result is that there is no alternative for these small growers in the hills and mountains. You cannot grow anything else at a profit on one-half acre up a "holler." It is not possible.

The University of Kentucky has done all kinds of studies about alternate crops, and they have come up with the same answer: There is nothing else you can do profitably and legally on one-half acre of a "holler."

This compromise, worked out in the Finance Committee, is a fair and reasonable one. It did not have the support of every Senator on that committee, but it had the support of most. There is something in it for the growers. There is something in it for the Government in terms of much needed revenue. There is something in it for everyone. It is a fair compromise.

Mr. McCONNELL. Mr. President, many of my colleagues have raised the question: Why is comprehensive tobacco legislation included in a budget reconciliation? I think that is a fair question, with some very compelling answers.

The distinguished chairman of the Agriculture Committee, Senator HELMS; my colleague from Kentucky, Senator FORD; and I proposed to members of the Finance Committee that the Tobacco Program Improvement Act of 1985 be included as an amendment to the budget reconciliation package. We did so because it was clear that an unfair burden of taxation was going to be placed on our tobacco growers in the form of a regressive cigarette tax. I think a few observations regarding cigarette excise taxes are appropriate here.

At a time when we are confronted with $200 billion budget deficits, revenue enhancing measures like excise taxes are certainly attractive ways to reduce the deficit. And there is no doubt whatsoever that cigarette excise taxes should be considered by the Senate Finance Committee, which has jurisdiction over revenue-raising matters. But why penalize those Americans who can least afford a tax increase, including the 150,000 tobacco farmers in my home State of Kentucky who depend on tobacco production for their livelihoods?

The reality is that as a share of total income, cigarette excise taxes hit those households with incomes in the bottom 20 percent six times harder than households in the top 20 percent. Clearly, if Congress wants to raise revenues by imposing an excise tax on cigarettes, then we must be willing to do so, as I said before, at the expense of those least able to pay. In my mind, the Federal Government should not enact tax policy which discriminates among individuals on the basis of their consumption preferences, especially when this discrimination has a disproportional affect on the least advantaged among us.

Simply put, increasing taxes on tobacco products is a bad idea. The tobacco industry, which will take an unfair rhetorical beating from several Members of this body during today's debate, contributed $35 billion, $35 billion, Mr. President, to the Nation's economy in direct and indirect benefits last year and accounted for 2 million jobs nationwide, according to a Wharton School of Finance study. In an environment of mounting trade deficits, the tobacco industry enjoys a trade balance of some $3 billion, despite accusations that imported tobacco is destroying the domestic tobacco industry. Tobacco should not be singled out to bear the brunt of $200 billion deficits and underfunded social progams.

But, if the repeal of the 8 cents per pack sunset provision of the cigarette excise tax was likely to be considered, we then concluded that tobacco growers deserve some degree of protection from the adverse effects of the tax increase. We decided the most appropriate way to protect our tobacco growers was to urge our colleagues on the Finance Committee to amend the reconciliation package to include our tobaccor program provisions as a companion measure to the permanent 16-cent cigarette tax. The committee agreed to that proposition because this was the fairest way to accommodate the need for Federal revenue without destroying the tobacco farmer.

Furthermore, I understand that other Senators plan to offer amendments which significantly raise the cigarette excise tax above the 16-cent level which was approved by the Senate Finance Committee. Mr. President, according to reports, the Senate Budget Committee has already exceeded its required budget savings goal by some $1.8 billion, so there is no reasonable justification for an additional tax increase in the excise tax above the recommended 16-cent level. During committee deliberations, members of the Senate Finance Committee noted that increases in the excise taxes were detrimental to family tobacco farmers and offered the Tobacco Program improvement legislation in the budget reconciliation so that these hard-pressed farmers would not be subjected to undue hardship because of the tax increase. Further excise tax increase are absolutely unneeded and unfair to the farmers I represent. I also might remind my colleagues that President Reagan almost vetoed the 45-day extension of the cigarette tax and nothing would "make his day more" than to have the opportunity to veto an excessive and unnecessary tax increase. Enough, Mr. President, is enough.

There have also been rumblings that some of my colleagues are concerned that the $235 million in savings which CBO estimates will result from enactment of our tobacco legislation would be attributed to the Senate Finance Committee instead of the Senate Agriculture Committee. Each committee has already acted independently to meet its reconciliation goals. The Budget Committee has already reported the results of these efforts, S. 1730, which includes some $82 billion in savings. I say to my friends, as a Senator who is concerned about savings as much as anybody, that it really doesn't matter now which committee gets the budget savings. What does matter is that failure to take action now on the Tobacco Program could provoke tobacco growers to vote out the Tobacco Program at a cost of several billion dollars to the Treasury and the taxpayers.

Currently, Mr. President, the Tobacco Program operates at no net cost to the taxpayers. The costs associated with carrying 1.5 billion pounds of tobacco are entirely borne by the growers themselves through an assessment paid on each pound of tobacco they sell. The current per-pound assessment of 30 cents per pound is becoming prohibitive and without a meaningful legislative remedy, growers will simply walk away from the program by voting against price support and production controls in next year's statutory referendum. That 1.5 billion pounds of tobacco would then be owned by Uncle Sam.

The statutes further provide that as the lending agent for the Department of Agriculture, CCC assumes the financial obligation for all tobacco which is forfeited to the Government

by the producers. In the event, GAO estimates the loss to the taxpayers would be in excess of $1.2 billion; I say that is a conservative estimate—$3 billion is more likely.

So, Mr. President, the real budget savings made by including the Tobacco Program Improvement Act in the Budget Reconciliation Act won't show up in anybody's savings box score. They show up in a fiscally responsible Tobacco Program where tobacco companies and tobacco growers share equally in the future costs of the program.

There is a further precedent for including Tobacco Program improvements in a reconciliation package. The House of Representatives' Ways and Means Committee has already accepted a proposal to earmark 1 cent of a 16-cent cigarette tax to offset any costs associated with the Tobacco Program—a proposition that we do not support. With this precedent already established, it was our judgment that Senate conferees would be in a better position to deal with the issue of modifications to the Tobacco Program in conference with the House, if provisions for improvements in the Tobacco Program were also included in the Senate Budget reconciliation report.

I repeat, Mr. President, precedence for including tobacco legislation in matters of finance was already established in the other body. Our actions were taken because similar action has already been taken in the House.

That in a nutshell is why tobacco legislation is included in a budget deficit discussion. But there are some other issues involved that should also be addressed here.

The agreement between grower groups and the tobacco manufacturers that is the basis for the Tobacco Program Improvement Act of 1985 is an extremely tenuous agreement. Very long and difficult negotiation led to this agreement and all of the parts therein are critical to the whole. If one single part of this agreement is changed substantially, then the prospect for the necessary improvements in the tobacco program are very dim.

Let me cite one example, Mr. President, of what I mean. A 1-cent increase in the cigarette tax translates to a 15-percent loss in sales to cigarette manufacturers. So what? Right?

Wrong. A 15-percent loss in cigarette sales volume costs billions of dollars in sales to the cigarette companies. That means that my Kentucky family farmers will be forced to substantially reduce their acreage of tobacco at a time when their backs are already against the wall because companies need less tobacco. As a result of the loss in revenue, these companies will not be in a position, nor will they have the inclination, to spend the billions of dollars which will be required to purchase 2 billion pounds of surplus tobacco now held in the loan inventory. The companies, therefore, decide not to participate in the inventory buyout, which is an integral part of the agreement. I submit to my colleagues that with no buyout, the agreement crumbles and the taxpayers will be left holding the bag for $4 billion worth of tobacco.

Mr. President, a comment should also be made addressing the health issue. I recognize that the health issues surrounding tobacco are not going to go away. But I think I need to emphasize an important point to my colleagues. People are going to smoke even if there is not a viable tobacco program. So the real issue is not whether people will continue to smoke cigarettes, but whether tobacco—a legal crop—will be grown by a handful of corporate farmers in one or two States or by hundreds of thousands of small family farmers. As a matter of economic and social policy, I prefer to think the latter is desirable.

In conclusion Mr. President, I would urge my colleagues to reject any attempt to dismantle this agreement. The parties of the tobacco family have displayed unprecedented unity to reach this point and it is critical that the entire agreement remain intact. The Senate Finance Committee has reached a very reasonable compromise on the issue of cigarette excise taxes; growers and companies have reached a very reasonable compromise on the future direction of the tobacco program; and now it is time for the Senate to act responsibly.

The livelihoods of 150,000 family farms in Kentucky depend on it.

Mr. President, in closing, I should like to make one other observation. I am confident that there are many here today who support the Chafee amendment and believe that an increase in the cigarette tax will have an effect on consumption. If you look at the statistics, your immediate conclusion is that it might adversely affect consumption, but now consumption has leveled out. I venture to guess that what will really happen if the cigarette tax is increased, as the distinguished Senator from Rhode Island suggests, the cigarette manufacturers would simply find a way to obtain the tobacco more cheaply. That is, import additional tobacco, as the distinguished chairman of the Agriculture Committee, the Senator from North Carolina, knows in order to maintain their profit margin; and the net loser in all this will be the growers in North Carolina, Kentucky, Virginia, Tennessee, South Carolina, and other States. The tobacco will come from someplace else overseas.

To give a few statistics along that line, during the period of the 8-cent cigarette tax increase in the last 3 years, the value of imports of unmanufactured leaf tobacco increased by 55 percent, from $342 million in 1982 to $574 million in 1984.

During the same period, the collective national marketing quota for burley and Flue-cured tobacco was reduced by over 300 million pounds, or a 19-percent decrease in the amount of tobacco that an individual grower could plant.

Even with this significant reduction in plantings, loan stocks of burley, and Flue-cured increased by 375 million and 270 million pounds, respectively.

So, if the cigarette tax is increased again, the companies will simply go elsewhere to buy cheaper tobacco to retain their profit margins. The purchase of foreign tobacco and the large inventory stocks will mandate that the Secretary of Agriculture lower quotas, even though cigarette production has not dropped since 1982.

Therefore, an increase in the tax will only lead to less domestic tobacco being produced and more tobacco being imported.

In summary, Mr. President, no good purpose is served by extending this tax beyond the 16-cent level. I hope the amendment of the Senator from Rhode Island will be defeated.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. Mr. President, I yield 5 minutes to the Senator from Virginia.

Mr. WARNER. Mr. President, I thank the distinguished Senator from Oregon. I shall be very brief.

Mr. President, I think this tax ought to be called the blue collar tax, the Chafee blue collar tax, because in effect what it does is to penalize the small farmer, as so eloquently pointed out by the two distinguished Senators from Kentucky, and falls directly on the working man and woman as they purchase their cigarettes. The affluent individuals will accept this tax and it will not affect their lifestyles whatsoever, but this tax will directly impact the working men and women.

It seems to me this issue was carefully resolved in the Finance Committee and we would be well advised to leave it as it was decided by that committee.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. Mr. President, let me just ask this one question. I told the Senator from Tennessee I would yield him some time, however, we have used a fair amount of time on our side already. I do not know if the Senator from New Jersey is ready to speak. I simply want to find out if the Senator wants to go before or after the Senator from Tennessee?

Mr. BRADLEY. I will go after the Senator from Tennessee.

Mr. PACKWOOD. I yield 5 minutes to the Senator from Tennessee.

The PRESIDING OFFICER. The Senator from Tennessee is recognized for 5 minutes.

Mr. SASSER. Mr. President, I thank the distinguished Senator from Oregon.

Mr. President, I strongly oppose this effort to increase the excise tax on cigarettes. As my colleagues have indicated, the amendment before us would have a devastating impact on tobacco farmers across the Nation. The well-being of these thousands of family farms seems to be lost on the supporters of this amendment, but it is painfully clear to those of us who have tobacco farmers in our home State.

In my home State of Tennessee, we have some 38,000 farms on which tobacco is grown. And while my colleagues usually associate tobacco with States such as Kentucky or the Carolinas or Tennessee or Virginia, it is worth noting that tobacco is grown in 17 States. From Massachusetts and Connecticut to Wisconsin and Indiana, you will find tobacco farmers. Tobacco is a vital crop to farmers and related businesses across the country.

The importance of tobacco to our Nation's farmers is seen in the fact that tobacco is usually the sixth largest cash crop in America. In 1983, tobacco farm sales totaled $3.4 billion, 4.6 percent of all crop sales for that year and 2.4 percent of the value for all farm commodities. Tobacco and tobacco products added $57.6 billion to the Nation's gross national product in 1979. The Department of Agriculture reports that, both directly and indirectly, tobacco generates 2 million jobs, $30 billion in wages and earnings and $15.5 billion in capital investment per year.

It is not as though the tobacco farmer and those who sell tobacco products do not already add mightly to the tax coffers of the Federal Government and of State and local governments. In 1983, for example, it is estimated that nearly $9 billion in taxes on tobacco products was collected, $4.7 billion by the Federal Government and $4.2 billion by State and local governments. As I noted earlier, tobacco sales for that year totaled only $3.4 billion. Thus, the taxes collected on tobacco products amounted to more than 2.5 times tobacco farm sales.

I cannot think of another industry which has such a wide margin between taxes paid and income from sales. Yet, we are being asked to stretch this margin even further by increasing the excise tax even more. Let me remind my colleagues that we have already accepted what amounts to an 8-cent increase in the excise tax by forgoing the sunset of the 16 cent excise tax.

If my colleagues believe that this tax increase will leave farmers unscathed while cigarette companies see profits fall, they are mistaken. The companies have found ways to maintain profitability when faced with tax increases in the past, and they will do so if this tax increase passes. Indeed, one area where the companies will cut costs to maintain profits is the cost of domestic leaf. With the leaf tobacco provided by farm families accounting for 40 percent of the companies' production costs, this will be a clear target for cost cutting. And where will they go? They will go to more imported tobacco.

The companies' response to doubling of the excise tax in 1982 clearly shows that tobacco farmers pay the price for increasing the excise tax. Domestic leaf usage has dropped 16 percent since 1982. The companies reduced purchases of domestic leaf and turned to greater imports of cheaper tobacco and technological advancements to maintain profits. The net result of the tax increase was increased economic exposure for small family farmers and for tobacco growers.

Mr. President, farm families across the country are still reeling under severe economic stress. It would be a grave mistake to further compound the financial hardship of farm families at this time. Yet, this amendment would do just that. I ask my colleagues not to turn their backs on small farm families across the country and urge them to join in our effort to defeat this amendment.

I thank the distinguished Senator from Oregon for yielding to me.

The PRESIDING OFFICER. Who yields time?

Mr. CHAFEE. Mr. President, I yield to the distinguished Senator from New Jersey such time as he desires.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. Mr. President, I thank the distinguished Senator from Rhode Island for yielding.

Mr. President, last spring on this floor, the Senate considered the budget resolution for fiscal year 1986. Included in the budget resolution was an assumption that allowed the tax on a pack of cigarettes to drop from 16 cents a pack to 8 cents per pack. Also in that resolution was an assumption that sizably increased the out-of-pocket costs that senior citizens pay for Medicare.

As the Senate considered the budget resolution, I offered an amendment on the floor which would have kept the cigarette tax at 16 cents and would have eliminated the increase in the medical premium that senior citizens have to pay.

I thought at that time that the fight was worth making that we were, as a body, encouraging people to smoke cigarettes—which was detrimental to their health—and then we were, as a body, in the same bill requiring senior citizens to increase what they have to pay for health services.

Mr. President, that amendment failed by 2 votes. But, Mr. President, the bill that we are now considering has retained the cigarette tax at 16 cents and also has not increased beyond current law what senior citizens have to pay for Medicare.

Mr. President, I think that the effect of that amendment that was offered last spring—where Senators were put on the record—is not unrelated to the fact that now the Senate has indeed done what that amendment proposed and, Mr. President, it is in that I rise to cosponsor the amendment offered by the Senator from Rhode Island to raise the tobacco tax from 16 cents to 24 cents a pack. Senators are faced again with voting for or against a provision that enjoys widespread public support, and it is my hope that at a future time, if this amendment is not adopted, that the Senate will again reverse its position, just as it has done in this bill concerning the amendment that I offered on this floor last spring.

Mr. President, with that argument aside, there are many reasons why we should raise the tax. The cigarette tax has declined significantly in real terms over the decades. The tax stood at 6 cents per pack in 1919 and was raised to 8 cents a pack in 1951. The 16-cent Federal tax currently represents less than 20 percent of the current average market price per pack. That is significantly less than the 37 percent of the price that was represented in 1951 by the 8-cent tax.

Therefore, Mr. President, the first reason why we should raise the tax that the real tax on a pack of cigarettes had declined significantly—not increased—since 1951.

Second, Mr. President, virtually all scientific evidence points to the conclusion that the health costs of smoking—in terms of dollars and lives—is large. According to the Congressional Research Service, smoking deaths exceed 300,000 annually, and smoking contributes to 30 percent of the over 400,000 annual U.S. deaths due to cancer. According to studies of the National Center for Health Statistics and the Office of Technology Assessment, about $12 to $35 billion a year is spent on medical care for smoking-related diseases, and $25 to $60 billion a year is lost in earnings attributable to morbidity or premature mortality from smoking-related diseases.

Mr. President, another study indicated that about 6 percent of Federal Medicare and Medicaid expenditures go for treating victims of smoking, and roughly 12 percent of Social Security disability insurance recipients are on the rolls due to smoking-related diseases.

Mr. President, a third reason why we should support this amendment is that raising the tax will indeed reduce

usage, and I would argue in particular it would reduce usage of the most vulnerable segment of our population—children. Per capita cigarette consumption has generally remained steady for the past 20 years, but according to the Department of Agriculture, consumption decreased by 5 percent between 1982 and 1983 due to the 8-cent increase in excise tax on cigarettes.

Mr. President, the experts appear to be in agreement that the increase in the price of cigarettes does indeed bring about a decrease in consumption. The decrease is small among addicted adults, but, Mr. President, this is the point: the reduction is quite large among teenagers who either quit smoking all together or decide not to start. According to recent testimony we had before the Finance Committee, if Congress decided to increase the Federal tax by 8 cents to 24 cents per pack, close to 2 million Americans, including 1 million young people, will be encouraged to quit smoking or to avoid taking up the habit all together. Currently, between one and four smokers die from smoking-related illnesses. Therefore, Mr. President, this tax increase has major implications for one select group of Americans—half a million premature deaths of Americans can be avoided if this tax is raised.

Mr. President, we heard the distinguished Senator from Virginia say this is a blue-collar tax. Mr. President, research by Professor Harris of MIT indicates that low-income Americans smoke much less than upper-income Americans. Professor Harris also found that older Americans, which make up a sizable fraction of the low-income group, have much lower smoking rates than the general population. Professor Harris' findings on income and smoking have been corroborated in addition by the 1979 Surgeon General's "Report on Smoking and Health." That report documented that smoking rates among males are highest among middle and upper middle levels of income while smoking rates for women rise steadily with income. The poorer the woman, the less likely she is to smoke.

In summary, Mr. President, there are many reasons why this cigarette tax should be raised. While many other taxes have been increased in recent years, the cigarette tax has declined significantly in real terms over the decades. The cost of smoking—in terms of dollars and lives—is large, and raising the tax will reduce cigarette usage, particularly among young people.

So, Mr. President, I urge that the Senate support this amendment, not only for the reasons that I have offered—not only because it will reduce health care costs and reduce the taxes that will have to be paid in future years to pay for the health care costs associated with smoking, not only because kids in this country would be spared the health threat that cigarettes pose to them, not only because 70 to 80 percent of people support this kind of a tax increase, not only because it would help reduce the deficit—but because, Mr. President, sooner or later the Senate will go on record, I believe, supporting this kind of amendment. And, from my perspective, the sooner the better.

Mr. PACKWOOD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. I yield to the Senator from North Carolina.

Mr. FORD. Mr. President, I would like to have 1 minute to rebut the Senator from New Jersey. That is all it would take.

Mr. EAST addressed the Chair.

The PRESIDING OFFICER. (Mr. WILSON). The Senator from North Carolina.

Mr. EAST. Mr. President, I shall be brief, and probably we are overindulging the subject rapidly. I will not attempt to enlarge on any particular dimension of it. Aside from the good points that have already been made by my distinguished colleague about the cigarette- and tobacco-producing States, one thing I find troublesome in this effort is you are trying to really, it occurs to me, accomplish prohibition by taxation, and I think the Senator from New Jersey has conceded that the higher the tax the less people will consume.

I query whether that is not an abuse of the revenue-raising system where you simply tax something out of existence. If we want to go to prohibition, perhaps we might try a constitutional amendment as we did with drinking some decades ago, and follow that route. But I am troubled where it is admitted by those supporting the tax that the purpose of it is to bring about the prohibition of tobacco smoking. I would prefer greater intellectual honesty in which we simply set out by some scheme, legislative or constitutional amendment, and prohibit the smoking of tobacco. I do not suppose anyone would support that. But, in effect, I think that is what this taxation is attempting to do. And in doing so, I would point out that it is a regressive tax. It hits hardest on those least able to pay. Probably smoking, whether one likes it or not, is the luxury of the working men and working woman in this country, and those at the lower end of the economic scale, as is true with any regressive tax, bear the great burden of it.

The wealthy, the rich, those who are substantially well off, pay a bit more for a package of cigarettes, of course, but they will not have great concern about it.

I think finally I would note, Mr. President, that this particular package is a carefully crafted one of compromise, trying to deal with this issue of taxation as well as to deal with the general issue of the Tobacco Program. I think it is in the best interest of all concerned that this amendment be rejected.

I appreciate the opportunity to speak to it.

Mr. President, since 1982 when the cigarette excise tax was increased from 8 cents to 16 cents, consumers of tobacco products have borne an inordinate share of the taxes that are imposed at all levels of government. Last year smokers paid Federal, State, and local governments more than $9 billion in tax revenue. This is nearly three times the amount our small, struggling tobacco farmers made for their 1984 crop.

The increased excise tax has hurt most the people who are least able to pay. Recently, Prof. Glen Chappell of East Carolina University released a study on the impact of tobacco taxes, part of which I quote:

> While the tobacco taxes may be attractive sources of additional revenues, their imposition is not without some surprising negative effects. In terms of economic efficiency, tobacco taxes restrict output, raise prices, distort consumer decisions, and reduce overall economic welfare. Furthermore, tobacco taxes are inequitable both because they descriminate against consumers who prefer the taxed tobacco products and because the tobacco products that are taxed are those comprising a larger portion of poor and minority consumers' budgets.

But now I find myself in a strange predicament. In order to save the Tobacco Program that is so vital to the economies of 22 States, I must support the same excise tax that has damaged not only the economic welfare of 55 million Americans who choose to smoke, but also the economic welfare of nearly 700,000 families who are directly engaged in producing tobacco, the 276,000 family farms that depend on tobacco for their livelihoods, and the 50,000 workers who earn their living manufacturing tobacco.

In weighing all of these factors, I find that saving the Tobacco Program is the most important consideration. The language contained in this budget reconciliation plan is the result of a year's work. Many long meetings between grower organizations and tobacco companies has lead to the development of the Tobacco Program Improvement Act of 1985. This legislation is critical to the long-term, well-being of this important part of the American agriculture industry, and that is why it should be included in the budget reconciliation.

Mr. President, once again, our tobacco farmers already have taken more than their fair share of cuts and reductions so that they can preserve

their livelihood. Without this legislation, I fear, tobacco farmers easily could lose that livelihood. I strongly urge my colleagues to join with me in supporting this critical legislation.

The PRESIDING OFFICER. Who yields time?

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I congratulate the distinguished Senator from New Jersey for his remarks. I thought they were right on target.

What this amendment is all about, Mr. President, in summation, is this: As has been pointed out earlier, a lot has been said on this amendment. I do want to thank those who have spoken in favor of it. It seems to me we are making two points here.

First, we need the revenue. When we are running these horrendous dificits every year, every additional cent, every dollar, every million or billion dollars we can achieve is good for the Nation.

Second, this is a health measure. A vote in favor of this amendment is a vote to improve the health of our Nation. There is a direct correlation between the size of the tax and the amount of smoking, and particularly in connection with young people. The young people are in the group that do not have enough financial elasticity so they can continue to buy cigarettes at the increased price.

As has been pointed out, when we went from 8 to 16 cents, there was a fairly dramatic decrease in the number of young people who were smoking, who took up smoking or continued smoking.

This is not as great an increase as nearly passed in the Finance Committee. There by a vote of 10 to 8 an increase of 32 cents a pack was defeated. This is a total of 24 cents.

I think anybody who has ever had a relative, a friend, or an acquaintance or has seen anybody who suffers from emphysema, which to me is one of the most frightening ailments I have seen, or who has seen loved ones suffering from cancer of the lungs, cancer of the chest, the heart ailments that are associated with smoking, will realize that we ought to step up and support this amendment.

It is not going to solve the problem completely but it will help. I urge my colleagues to support this amendment.

Mr. PACKWOOD. I yield 1 minute to the Senator from Kentucky.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, as Barnum said, there is a sucker born every minute. He forgot to tell us about the people who were looking for him.

The tobacco companies are not going to reduce their ability to earn income. What they will do is buy cheaper tobacco, foreign tobacco, imported tobacco.

This tax is a question of saying to society that we are going to put you in the social behavior area we want you in by taxing you and by passing a law here in the great deliberative body of the U.S. Senate. That, in my opinion, is wrong. That is all this tax is about, trying to force smokers into a particular social environment or social behavior by this tax.

It is wrong. They will find a way to get around it. They will bring in imports from foreign countries that will have pesticides and chemicals that we do not want. I encourage my colleagues to vote against this amendment.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. How much time remains, Mr. President?

The PRESIDING OFFICER. The Senator from Oregon has 11 minutes and 10 seconds. The Senator from Rhode Island has 29 minutes and 45 seconds.

Mr. CHAFEE. I suggest the absence of a quorum and ask that it be charged equally to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I ask the distinguished chairman of the Finance Committee if he will yield back the remainder of his time.

Mr. PACKWOOD. Mr. President, I am happy to yield back the remainder of my time to the chairman of the Budget Committee.

Mr. DOMENICI. Mr. President, how much time remains under the control of the Senator from New Mexico and how much under the control of the Senator from Rhode Island?

The PRESIDING OFFICER. Twenty-six minutes, fifty-five seconds remain under the control of the Senator from Rhode Island; 5 minutes under the control of the Senator from New Mexico.

Mr. DOMENICI. I am prepared to yield back the remainder of my time if the distinguished Senator from Rhode Island is.

Mr. CHAFEE. Mr. President, I yield back the remainder of my time.

Mr. DOMENICI. Mr. President, I make a point of order that the pending amendment, because it is not germane to the reconciliation bill, as provided in section 305(b)(2) of the Congressional Budget Act of 1984, is out of order.

Mr. CHAFEE. Mr. President, pursuant to section 904(b) of the Budget Act, I move to waive the germaneness requirement contained in section 305(b) of that act for the consideration of my pending amendment.

The PRESIDING OFFICER. Under the Budget Act, there is 1 hour of debate evenly divided on the motion.

Mr. DOMENICI. Mr. President, if the Senator is prepared to yield back his time, I am prepared to yield back mine.

Mr. CHAFEE. I would like to have a rollcall vote on my motion to waive germaneness.

Mr. DOMENICI. Mr. President, I would like to table the motion to waive the germaneness requirement, so I would be pleased to yield back my time.

Mr. CHAFEE. I ask for the yeas and nays, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second on the motion to waive?

There is a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI. Mr. President, there is a motion——

Mr. CHAFEE. Mr. President, next, the Senator from New Mexico is going to move to table my motion. That is satisfactory with me. I am prepared to yield back my time if he is on this debate on germaneness.

The PRESIDING OFFICER. Is all time yielded back?

Mr. DOMENICI. Mr. President, I yield back the remainder of my time.

Mr. CHAFEE. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back on the motion to waive.

Mr. DOMENICI. I ask for the yeas and nays on my motion to lay on the table the motion to waive section 305(b)(2) of the Budget Act.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. CHAFEE. Mr. President, before we go to the vote, I think if the Chair could point out what vote does what on this motion to table. The motion to waive the Budget Act is a vote no on the motion to table. Am I correct?

The PRESIDING OFFICER. The pending question is the motion of the Senator from New Mexico to table the motion of the Senator from Rhode Island to waive the Budget Act requirement.

Mr. CHAFEE. So those in favor of the increase in the cigarette tax will vote no on the motion to table.

The PRESIDING OFFICER. The Chair is exceeding its prerogative in responding to the question of the Senator from Rhode Island.

Mr. DOMENICI. Regular order, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the motion

of the Senator from New Mexico to table the motion of the Senator from Rhode Island. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Missouri [Mr. DANFORTH] and the Senator from Maryland [Mr. MATHIAS] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Missouri [Mr. EAGLETON] and the Senator from Hawaii [Mr. INOUYE] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 66, nays 30, as follows:

[Rollcall Vote No. 240 Leg.]

YEAS—66

Abdnor	Gore	Melcher
Andrews	Gramm	Metzenbaum
Armstrong	Grassley	Murkowski
Biden	Harkin	Nickles
Boren	Hart	Nunn
Bumpers	Hawkins	Packwood
Byrd	Hecht	Pressler
Chiles	Heflin	Pryor
Cochran	Heinz	Quayle
Cranston	Helms	Riegle
D'Amato	Hollings	Rudman
DeConcini	Humphrey	Sasser
Denton	Johnston	Simpson
Dixon	Kassebaum	Stennis
Dodd	Kasten	Stevens
Dole	Kerry	Symms
Domenici	Laxalt	Thurmond
Durenberger	Long	Trible
East	Matsunaga	Wallop
Exon	Mattingly	Warner
Ford	McClure	Wilson
Goldwater	McConnell	Zorinsky

NAYS—30

Baucus	Glenn	Moynihan
Bentsen	Gorton	Pell
Bingaman	Hatch	Proxmire
Boschwitz	Hatfield	Rockefeller
Bradley	Kennedy	Roth
Burdick	Lautenberg	Sarbanes
Chafee	Leahy	Simon
Cohen	Levin	Specter
Evans	Lugar	Stafford
Garn	Mitchell	Weicker

NOT VOTING—4

Danforth	Inouye
Eagleton	Mathias

So the motion to lay on the table was agreed to.

Mr. PACKWOOD. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Chair will now rule on the point of order. The amendment of the Senator from Rhode Island introduces a new subject matter not currently contained in the bill and for that reason it is not germane. The point of order is well taken. The amendment falls.

The Senator from New Mexico.

Mr. DOMENICI. Mr. President, Senators have asked what we intend to do next. I understand the distinguished Senator from Maine, Senator MITCHELL, has an amendment involving cigarette taxes and another subject all in one amendment. It will be our intention to take that up at this point.

I understand the Senator will be willing to take less than a full hour. Is that correct?

Mr. MITCHELL. The Senator is correct.

Mr. DOMENICI. We probably would be willing to come to a time agreement on that.

The distinguished majority leader indicated that after the vote on that amendment, whatever the vote, we would not have any further votes this evening.

So it would be our intention to proceed with the Mitchell amendment at this time.

Mr. BYRD. Mr. President, will the distinguished Senator who is chairman of the committee yield to me for another question?

Mr. DOMENICI. Indeed I yield.

Mr. BYRD. Mr. President, is the distinguished manager of the resolution in a position to tell the Senate at this time when we will begin our study on the matter tomorrow?

Mr. DOMENICI. I am sorry, I say to the distinguished minority leader. Someone was handling me a note about the pending amendment and I did not hear the entire question. Would he mind repeating it, please?

Mr. BYRD. Yes. I simply asked when the Senate would be expected to resume consideration of the reconciliation measure tomorrow.

Mr. DOMENICI. I have not asked the distinguished majority leader. Perhaps the majority whip knows. I think we have an intervening appropriation bill in the morning. But I am uninformed beyond that.

Mr. SIMPSON. Mr. President, on behalf of the leader, with whom I have not conversed in recent moments, I would say it is the intent to go forward at an early hour and to proceed this week at 8 a.m. or 8:30 a.m. with our Senate opening and continue to process this measure and another appropriation measure.

I cannot be more specific other than to say that there will be rollcall votes likely in the morning hours and continual opening of the Senate at 8 a.m. or 8:30 a.m. in an effort to process the business at hand.

Mr. BYRD. Mr. President, I would hope that the Senate would not return to the reconciliation measure so early tomorrow, may I suggest to the distinguished majority whip. The attendance is not too good so early and yet the time would run whether or not the attendance is good.

I would hope that we would not resume consideration of the reconciliation measure before 11 a.m. if the distinguished majority whip and the distinguished majority leader would kindly agree.

Mr. SIMPSON. Mr. President, I say to the distinguished Democratic leader, we will try to accommodate that. I can assure him tonight we have the limitation of several other functions and will not likely press for further rollcall votes this evening and I will get back to the distinguished Democratic leader and see if we cannot accommodate him.

Mr. BYRD. I thank the distinguished majority whip.

Mr. MITCHELL. Mr. President, will the Senator yield?

Mr. DOMENICI. I am pleased to yield.

Mr. MITCHELL. Did I understand the assistant leader just to state that there would not be a vote? It is my intention to proceed with my amendment as we discussed and to have a vote on it.

Mr. DOMENICI. I did not understand the distinguished majority whip to say there would be no further votes this evening.

Mr. SIMPSON. Did I not say that?

Mr. DOMENICI. It is our intention to try to dispose of the Senator's amendment tonight. I cannot say whether that will require one vote or two, or whatever it will be, but that is our intention.

Mr. MITCHELL. I thank the Senator. I wanted to make sure.

Mr. DOMENICI. While there are Senators present on the floor, might I just make this announcement: We now know of three amendments that Senators have told us they have. We are going to try to rotate back and forth between the two sides as we have in the past.

If Senators have amendments that they are aware of—there are also serious germaneness issues on a bill like this—I would be pleased to start making a list and do my best to accommodate Senators, but at this moment I only know of three. If Senators could start getting them here we might be able to accommodate them even as to time.

With that, I am prepared to yield the floor if the Senator from Maine is prepared to offer his amendment.

Mr. MITCHELL. I thank the Senator.

AMENDMENT NO. 840

(Purpose: To delay medicare coverage of current State and local employees, and to increase the cigarette tax by 4 cents for 3 years)

Mr. MITCHELL. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Maine [Mr. MITCHELL] for himself, Mr. COHEN, Mr. KERRY, and Mr.

SIMON proposes an amendment numbered 840.

Mr. MITCHELL. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 421, line 8, strike out through page 422, line 21, and insert in lieu thereof the following:

(c) EFFECTIVE DATES.—

(1) HOSPITAL INSURANCE TAXES.—The amendments made by subsection (a) shall apply to service performed by an individual on or after his applicable effective date as determined under paragraph (3).

(2) MEDICARE COVERAGE.—

(A) IN GENERAL.—The amendments made by subsection (b) are effective with respect to an individual on and after his applicable effective date as determined under paragraph (3), and the amendments made by paragraph (2) of that subsection apply to service performed by an individual on or after his applicable effective date.

(B) TREATMENT OF CURRENT DISABILITIES.—For purposes of establishing entitlement to hospital insurance benefits under part A of title XVIII of the Social Security Act pursuant to the amendments made by subsection (b) or the provisions of subsection (d), on the basis of medicare qualified State and local employment, no individual may be considered to be under a disability for any period before his applicable effective date.

(3) APPLICABLE EFFECTIVE DATE.—An individual's applicable effective date is—

(A) October 1, 1986, in the case of an individual who is not an employee of a State or political subdivision (or instrumentality which is wholly owned thereby) on September 30, 1986; and

(B) October 1, 1987, in the case of an individual who is such an employee on September 30, 1986.

(d) TRANSITIONAL PROVISIONS.—

(1) IN GENERAL.—For purposes of sections 226, 226A, and 1811 of the Social Security Act, in the case of any individual who—

(A) performs service during the October in which his applicable effective date occurs which constitutes medicare qualified State and local governmental employment (as defined in section 210(p)(1) of such Act); and

(B) performed service prior to his applicable effective date, which would constitute medicare qualified State and local governmental employment if performed after his applicable effective date,

such individual's State and local governmental employment performed before his applicable effective date shall be considered to be "employment" (as defined for purposes of title II of such Act), but only for the purpose of providing the individual (or another person) with entitlement to hospital insurance benefits under part A of title XVIII of such Act.

On page 372, strike out lines 5 through 10 and insert in lieu thereof the following:

SEC. 790. INCREASE IN TAX ON CIGARETTES.

(a) RATE OF TAX.—Subsection (b) of section 5701 of the Internal Revenue Code of 1954 (relating to rate of tax on cigarettes) is amended—

(1) by striking out "$8 per thousand" in paragraph (1) and inserting in lieu thereof "$10 per thousand ($8 per thousand after October 14, 1988)"; and

(2) by striking out "$16.80 per thousand" in paragraph (2) and inserting in lieu thereof "$21.00 per thousand ($16.80 per thousand after October 14, 1988)".

(b) FLOOR STOCKS.—

(1) IMPOSITION OF TAX.—On cigarettes manufactured in or imported into the United States which are removed before November 15, 1985, and held on such date for sale by any person, there shall be imposed the following taxes:

(A) SMALL CIGARETTES.—On cigarettes, weighing not more than 3 pounds per thousand, $2 per thousand;

(B) LARGE CIGARETTES.—On cigarettes, weighing more than 3 pounds per thousand, $4.20 per thousand; except that, if more than 6½ inches in length, they shall be taxable at the rate prescribed for cigarettes weighing not more than 3 pounds per thousand, counting each 2¾ inches, or fraction thereof, of the length of each as one cigarette.

(2) LIABILITY FOR TAX AND METHOD OF PAYMENT.—

(A) LIABILITY FOR TAX.—A person holding cigarettes on November 15, 1985, to which any tax imposed by paragraph (1) applies shall be liable for such tax.

(B) METHOD OF PAYMENT.—The tax imposed by paragraph (1) shall be treated as a tax imposed under section 5701 of the Internal Revenue Code of 1954 and shall be due and payable on December 2, 1985, in the same manner as the tax imposed under such section is payable with respect to cigarettes removed on November 15, 1985.

(3) CIGARETTE.—For purposes of this subsection, the term "cigarette" shall have the meaning given to such term by subsection (b) of section 5702 of the Internal Revenue Code of 1954.

(4) EXCEPTION FOR RETAILERS.—The taxes imposed by paragraph (1) shall not apply to cigarettes in retail stocks held on November 15, 1985, at the place where intended to be sold at retail.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by subsection (a) shall apply with respect to cigarettes removed after October 14, 1985.

(2) CONFORMING AMENDMENT.—Subsection (c) of section 283 of the Tax Equity and Fiscal Responsibility Act of 1982 is amended by striking out "and before November 15, 1985".

Mr. DOMENICI. Mr. President, might I ask the distinguished Senator from Maine, is he prepared to shorten the 1 hour that is allowed for him? We are prepared to shorten our 1 hour in opposition without waiving germaneness.

Mr. MITCHELL. I am prepared to do that.

Mr. DOMENICI. Mr. President, I ask unanimous consent that there be 1 hour equally divided between the distinguished Senator from Maine and the Senator from New Mexico in opposition thereto and I do that without waiving the germaneness defenses that might be applicable to the pending amendment.

The PRESIDING OFFICER. (Mr. PRESSLER). Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I yield the time in opposition to the distinguished chairman of the Finance Committee where jurisdiction of this matter lies.

The PRESIDING OFFICER. The Senator from Maine.

Mr. MITCHELL. Mr. President, this amendment would delay for 1 year the implementation of mandatory Medicare coverage for State and local government employees.

Under the bill as reported by the Finance Committee, all States and local government employees will be mandatorily covered under the Medicare Program as of September 30, 1986.

My amendment would leave that date untouched as to new State and local employees but would delay coverage for 1 year until September 30, 1987, for current State government and local government employees. This delay would give each of the States and the municipalities throughout the country an additional year to raise the revenues necessary to finance the employer's portion of the Medicare tax.

I am deeply concerned about the negative impact this provision will have on State governments and on local governments across the Nation. As to State government employees, the most severe effect will be felt in seven States which have independent State retirement systems and, therefore, have one or at most a very few of their employees covered under the Social Security Program but as to municipalities—and Senators should be aware of this—this will have an adverse effect in every State in the Union, every single State.

Let me deal first and briefly with State government employees. There are currently seven States—Alaska, Colorado, Louisiana, Maine, Massachusetts, Nevada, and Ohio—which have independent State retirement systems and as a result none or very few of their employees are covered under Social Security. The cost to providing Medicare coverage to State employees will be an added burden on those States at a time when they and other State governments are attempting to deal with cutbacks in Federal funding in a variety of programs.

In my own State of Maine, a rural State with a population of only 1 million people, mandatory Medicare coverage for State government employees will add, in State government expenses, $6 million a year. The State will be forced to reduce critical ongoing programs or enact higher taxes. And that will be true in each of the seven States that I have mentioned. Ohio, for example, one of the other States, will be forced to raise $45 million a year to cover the Medicare employer portion of the tax on State employees.

But while the provision will affect State government and State employees in only seven States, the provision will have an adverse effect on municipalities in every single State. The cost of this for 1 year is $2.2 billion. And so

what we are saying to the municipalities of this country is that we, the Congress, are compelling them to raise their local taxes by $2.2 billion a year and we are compelling them to do it immediately at the end of this fiscal year.

This burden, which is to pay for the employer's share of the Medicare tax, will fall upon municipalities in this country at the same time that they face the loss of $4.6 billion in general revenue sharing which they have been receiving. Local governments across this country have been hit hard over the last 5 years as a result of those Federal budget cuts which we all know are necessary. But that assault of recent years will turn next year into a tidal wave and make the job of State and local governments extremely difficult, if not impossible.

In essence, we at the Federal level are transferring the most difficult fiscal policy decisions to those at the local level. We are cutting back a variety of programs, we are eliminating revenue sharing, and then, at the same time, we come in and mandate an increase in the cost of local governments to the tune of $2.2 billion a year.

The net effect on local governments—I limit this now to local governments—the net adverse effect in 1 year is $6.8 billion. That is the amount of revenue that local governments will lose through the termination of revenue sharing, $4.6 billion, plus the new added costs, imposed on them in the form of the employer's portion of the Medicare tax, $2.2 billion.

This is occuring at a time when the administration is proposing to repeal the local property tax deduction and while the Federal Government remains paralyzed over decisions as to whether or not to raise revenue. If this bill passes as reported by the Finance Committee, almost every city and town in America will be forced to increase its property tax to raise the additional revenues required by the bill.

As a matter of tax equity, I believe it unfair to mandate an increase in the most regressive source of public revenues, the property tax. As a matter of policy, it is inconsistent, to say the least, for Federal officials to engage in the rhetoric we hear daily in this Congress, about not raising Federal taxes while we, at the same time, take an action which compels many municipalities in America to raise their taxes. Inconsistent is the kindest way to describe that action.

My amendment will do one thing and one simple thing only. It will delay for 1 year the mandatory coverge of current State and local government employees under Medicare, to give States and those municipalities that 1 year to prepare for and to implement the tax increases that will be necessary at the local level to meet this added burden. It is incredible that we would impose a new tax burden of $2.2 billion a year on municipalities in America at exactly the same time that we eliminate general revenue sharing which reduces their revenues by $4.6 billion we give them no time to plan for it, no time to accommodate for this added burden. And we give them no time to increase the taxes that will be necessary to meet this burden.

The 1 year delay in Medicare coverage for current State and local government employees will result, as I noted earlier, in a loss of projected revenue of $2.2 billion, spread over 3 years as the budget reconciliation bill contemplates.

I know we are all concerned about the Federal budget deficit, and so I offer as part of this amendment a second proposal which would place an additional 4-cent tax on cigarettes, thereby raising the cigarette tax to 20 cents a pack. That will generate approximately $2.2 billion over the 3-year period and offset the revenues lost as a result of the 1-year delay in mandatory Medicare coverage. The tax on cigarettes in my amendment is not a permanent tax. It is intended to be temporary for the 3-year period only so that it will achieve the objective of offsetting the $2.2 billion cost of the 1-year delay in mandatory Medicare coverage.

We have already had extensive debate on the proposal to increase the cigarette tax 8 cents so I will be very brief. The Senate should know that the Federal excise tax on cigarettes was at 8 cents for the 32-year period from 1951 to 1983. For 32 years, the tax was not increased. It was increased in the Tax Equity and Financial Responsibility Act of 1982. It took effect in 1983 to go from 8 cents to 16 cents. That tax was scheduled to expire—that is, to return to the 8-cent level—on October 1, 1985, but in recent legislation was extended on an interim basis until November 15. The provision in S. 1730, as approved by the Finance Committee, would repeal the sunset date thereby establishing the tax at the 16-cent level on a permanent basis.

My amendment, as I noted earlier and I repeat now, would provide for a 4-cent increase in the Federal excise tax on cigarettes for a 3-year period, from November 15, 1985, to November 15, 1988. Its objective and purpose is to raise sufficient revenues to offset the loss that would occur from the 1-year delay in mandatory Medicare coverage for current State and local government employees.

I urge Members of the Senate to consider the impact that this mandatory provision will have on State and especially local governments in your States. I repeat, every single State will be adversely affected as to the municipalities in that State and will be forced to increase their taxes by $2.2 billion a year to meet this cost at exactly the same time that they will be losing the $4.6 billion from revenue sharing.

Mr. President, I urge the Members of the Senate to support this amendment.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. Mr. President, the arguments against this amendment obviously are not those that were used against the amendment offered by the Senator from Rhode Island. There an agreement had been made between the Agriculture Committee or the Finance Committee, or at least a majority of the members of both, to save the Government money in the tobacco program in exchange for Senators, who otherwise would filibuster the cigarette tax increase, to not filibuster.

This is a different issue. The issue involves whether or not the State employees should pay taxes into the Medicare system and that their employer—the State or local governments—should pay taxes into the Medicare system.

And I emphasize pay taxes into it rather than using the word "Medicare" because what we have discovered is that most State and municipal employees are covered by Medicare. They are normally the residual beneficiary of someone else in private employment, and by virtue of that residual beneficial interest they are covered by Medicare. Example: Sally works for the city of Bangor, ME. Her husband, Mike, works for International Paper. He pays Social Security taxes, International Paper pays for Social Security taxes, and Medicare taxes are paid. No Medicare taxes are ever paid on Sally, ever. Mike becomes 65, Sally becomes 65, and she is covered although the taxes were never paid for her.

Contrast that situation slightly. Mike works for International Paper in Maine. Sally, instead of working for Bangor, the city of Bangor, ME, works for L.L. Bean—24 hours a day, 365 days a year. Right? She works for L.L. Bean. Now, working for L.L. Bean, she is covered by Medicare and she pays taxes. Her employer pays taxes. But she gets no greater benefits than she gets by working for the city of Bangor and having no taxes paid at all. She gets exactly the same benefits whether she works for L.L. Bean or the city of Bangor. So the question first becomes one of fairness. Should those who are going to benefit from the Medicare system pay something?

We made one exception as a matter of social policy years ago. It is a good exception. We said if one spouse works in the marketplace for money and the other spouse does not work in the marketplace for money, works at

home the entire time, never receives any wages—not from the city of Bangor, not from L.L. Bean—that non-income-earning spouse is still covered by Medicare. That is a matter of social policy. We thought that was good policy. But we did say, for those who worked in the marketplace, even though they are going to get the same benefits that the spouse who never works in the marketplace gets, they are going to pay something into Medicare. This is because we realized fully that if you were going to extend Medicare benefits to spouses who don't earn wages, you were going to have to put some wage-earning spouses' money into the system to a greater extent. That is a social transfer policy.

Let me review this. Mike works, his wife does not work in the marketplace at all, and she is covered. She is covered even though she never pays any taxes. Mike works, Sally works for L.L. Bean, L.L. Bean pays taxes, even though Sally has no more benefits than if she does not work at all. Now in addition, we currently say, as a matter of social policy, Sally, you and L.L. Bean are going to pay taxes into the fund unless you work for the city of Bangor or for the State of Maine. Then you are not going to pay any taxes into the fund. That is wrong as a matter of social policy. If we are going to say that everyone who is employed for money pays something into the Medicare fund, even though they will get no greater benefits than if they never worked to pay anything into the fund, then everyone who works for wages ought to pay something into the fund. That's the first question.

Second question—a matter of timing. The Budget Committee would have included all current and new employees under the Medicare System on January 1, 1986—next January, 2½ months from now. The Finance Committee thought that was too rapid. And the Senator from Maine and others argued very cogently in the committee that it was too rapid. So we changed that date to October 1, 1986, a 9-month slip from what the Budget Committee had.

I think we have a fair compromise. This reconciliation bill is going to be passed, and sent to the President I would think in the next 2 weeks, 3 weeks, hopefully. That gives States and local governments ample time to pick up a payment that we require of every other employee and every other employer.

So, apart from the nonwage-earning spouse who gets Medicare benefits as a matter of social policy even though he or she pays nothing into the fund, we say everyone else should pay, and that includes municipal employees, country employees, State employees, and L.L. Bean employees.

So, I hope very much that the amendment of my good friend from Maine will be defeated. I think on policy reasons the employees have finaly been added to the Medicare system. Second, I would hate to jeopardize this whole reconciliation bill by adding a provision that would lose revenues and by adding yet again an addition to the cigarette tax to pay for the lost revenues. We will have a tough enough time getting this passed and not having it vetoed with the 16-cent cigarette tax. You add that, and I think we bring the whole reconciliation crashing down.

I urge the defeat of this amendment.

The PRESIDING OFFICER. Who yields time?

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine.

Mr. MITCHELL. I yield 5 minutes to the Senator from Illinois.

Mr. SIMON. Mr. President, and my colleagues, I am pleased to rise in support of the amendment of the Senator from Maine. Much of what the distinguished chairman of the Finance Committee says is correct. There is an inequity here. It is historically not quite correct to say that Sally is the cause of some of our problems in Medicare. I am not suggesting that Senator PACKWOOD has said that. In fact, a lot more Sallies are working than we ever anticipated when Medicare was passed. A percentage of women, spouses working is much higher than anyone thought it would be, but medical costs have risen much more rapidly. Medical costs last year rose 7 percent, about double the rate of inflation; the year before that, 13.2 percent, about triple the rate of inflation. So Medicare faces real problems. We do need additional revenue. It is equitable that everyone pay in, and I would add I favor that on Social Security also. Social Security is not the topic covered right here. But I think it makes sense if we do it gradually.

My fear—and I was, I think, 1 of 28 in the House some years ago who voted for Social Security across the board for everyone in this Nation.

I still favor it—but I think if we are going to achieve it, we ought to do it gradually. I think probably it is the only way it will really be achieved.

I think what the Senator from Maine offers here is a sensible way of gradually moving in that direction. It is not only the States that are mentioned by the Senator from Maine. School districts in Illinois face real problems. If we impose all of this on them in one fell swoop, it is going to be a problem.

I tend to favor the approach of the Senator from Maine. It is a gradual one. It eventually will cover everyone. It is going to increase revenue, not quite as rapidly as we would do otherwise. But it will provide equity and it does it in a sensible, gradual way. Let me add beyond the immediate issue the whole question of Social Security coverage. I also think we have to be looking toward that, and also doing it gradually reassuring teachers' retirement systems, State police retirement systems, municipal retirement systems, and all the others that they are not in jeopardy—that they in fact will benefit by giving new employees the option of coverage under Social Security or coverage under both systems.

But I think what the Senator from Maine offers us now is a chance to move in the right direction but do it gradually without imposing unnecessarily on local governmental agencies.

That approach makes sense to me. I am pleased to support the amendment of the Senator from Maine.

I yield back the balance of my time.

The PRESIDING OFFICER. Who yields time?

Mr. MITCHELL. I yield to the Senator from Massachusetts.

Mr. KERRY. Mr. President, I rise to join my distinguished colleague from Maine and my colleague from Illinois in support of this measure.

First of all, I would thank the chairman of the committee, however, for having listened to us at least to the distance that we have seen some changes with respect to this measure, but I think there are still serious reasons for concern.

I do not disagree with anything the chairman said about why it is appropriate ultimately for someone to be paying the tax. I think we are sympathetic to that and that is appropriate.

The issue here is when and how—it is not whether. The when and how are very important.

In a State like Massachusetts, the difference between the proposal of my colleague from Maine and the proposal that is currently in the reconciliation is the difference in one year of $5 million and in the second year of some $17 million.

In addition, what we are doing here if we go ahead and mandate that both new and current employees become subject to this in September 1986 is, we are mandating across this country that the most regressive tax in the country will be increased, because every single community in this country in order to meet the gap will have to make it up by raising property taxes. That is the least desirable tax that this body should want any community to have to subject themselves to.

In addition, Mr. President, I believe that it is vital that we deal fairly with employees across this country who entered into a contract with their communities, local and State, and who have a right to believe that the contract they entered into was not going to be suddenly abrogated or changed on them without the appropriate

amount of time to make a transition in order to make adjustments in their own situation. It seems to me when we suddenly mandate that they are going to be paying that tax, and that their health care programs and even their retirement health benefit programs will subject themselves to alteration, I think that is instilling a sudden difficulty into the process.

Third, I think it is realistic for us and probably important for us to recognize that every single other program that has gone through this institution in the course of the budget process has seen cuts that are going to be felt by local and State communities—EPA programs, UDAG programs, housing programs, industrial development bond program recently, food stamp cut, the WIC cuts. Every single one of them. In a lot of States, because people are being responsible, those cuts are being made up by local and State revenues.

So here we are already pinching, cutting, forcing local communities to be far more restrictive than at any time before and yet we are turning around in one more instance and denying them their ability.

I strongly urge that we do this, which is a revenue neutral process.

Mr. MITCHELL. Mr. President, I yield 3 minutes to the Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio.

DELAYING MEDICARE COVERAGE FOR STATE AND LOCAL EMPLOYEES

Mr. GLENN. Mr. President, I rise in the support of the pending amendment. It would phase in Medicare coverage for State and local employees, thereby giving States and municipalities additional time to raise revenue or make other budget adjustments necessary to finance the employer share of the Medicare payroll tax.

The budget bill now before the Senate mandates Medicare coverage of State and local employees, not already under Social Security, beginning September 30, 1986. The amendment phases in this proposed tax by requiring that State and local employees hired after September 30, 1986, begin paying the Medicare payroll tax the next year. The effective date of the proposed tax on current State and local employees would be delayed by 1 year, until September 30, 1987.

Adoption of the amendment would make the Federal deficit reduction plan more equitable and fair. Federal deficit reduction should not consist of sudden and major cost-shifting to State and local governments. Yet the bill before the Senate would impose a new and substantial additional tax burden on State and local governments next year as they begin to pay the employer's share of the Medicare tax—1.45 percent of salary for each employee. While this is being implemented, the Federal budget plan before the Senate also proposes to cut other sources of funding which are critical to these governments, including elimination of general revenue sharing.

According to estimates, the proposed Medicare tax will raise more than $5 billion over the next 3 years. Five billion dollars. The Governor's office in Ohio estimates that the first 6 months of this new Medicare tax will cost my home State government an estimated $21.8 million. The first full year will cost an estimated $44.7 million. These figures do not even include the cost of the tax to individual local governments in the State.

However, the bulk of the $5 billion in new Federal tax revenue will come from local employees—our teachers, our firefighters, our policemen, and their employers—and cities and municipalities without a ready revenue base. I am sure that many of my colleagues share my concern about what the tax will cost their local governments, school systems, and fire and police departments.

Mr. President, my remarks today focus on cities and towns because I think that the Medicare proposal will probably cause the greatest financial hardship on these governments. Municipalities have a regressive property tax as their principal public revenue source. Otherwise, they are largely dependent on funds from the State and Federal government.

The distinguished Senator from Massachusetts just spoke of how municipalities are dependent upon property taxes for their principal public revenue source.

Because this Medicare proposal impacts municipalities in almost every State, I urge my colleagues to take a moment and think about how they are going to explain their vote on this amendment to their local policemen, schoolteachers and firefighters. For example, most of us in this body agree that our Nation's schoolteachers are underpaid, and we have said we wish we could pay our children's teachers more. However, if we do not modify the budget legislation now before us, we will be taking out an additional 1.45-percent bite out of the paychecks of about one-third of these teachers next fall.

Since most State governments already participate in Social Security, the proposed Medicare tax will only really impact State employees and State retirement programs in seven States, my home State of Ohio being one of those States. I have always argued that those governments, whether State or local, which took the initiative to set up retirement benefit systems as good as or better than Social Security should not be penalized because they had the foresight and leadership to establish these systems.

When the Social Security Act was passed in 1935, State and local workers were excluded from participating in Social Security because there were constitutional concerns about Federal taxation of these governments. In 1951, they were allowed to join Social Security on a voluntary basis, but only if they did not benefit from any State or local government retirement program, and if they were not police and firefighters. It was only eventually that we opened Social Security's doors to almost any State and local employee group who wanted to join the Federal system.

Mr. President, I am not happy with the proposed Medicare tax. I am not even particularly pleased with the proposed amendment. Quite simply, if it is successfully adopted by the Senate, it only works to make a bad situation a little better and a bad budget plan a little fairer.

In its original form, this year's Federal deficit reduction plan included a proposal to mandate Social Security coverage of State and local employees not already under the system. I am pleased that this proposal has been scaled back to only mandate Medicare coverage. However, I would like to remind my colleagues that many of us in this body have argued that Social Security and Medicare trust fund decisions should not be made for the purposes of Federal deficit reduction. We vote for this all the time, and yet these kinds of decisions are continually made in the context of the budget reconciliation legislation.

Mr. President, I commend the distinguished Senator from Maine [Mr. MITCHELL], for offering the pending amendment and I urge my colleagues to support it.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. Mr. President, I yield 3 minutes to the Senator from Kentucky.

Mr. FORD. Mr. President, I sympathize with the distinguished Senator from Maine, the Senator from Massachusetts, and the Senator from Ohio that we can have problems. My State has problems, too.

I rise in opposition to the amendment by my distinguished colleague from Maine, Senator MITCHELL. Let me say from the onset, that I support what he is trying to do, I just do not support the way he attempts to pay for it.

I do not support the provisions of the reconciliation bill, as reported from the Finance Committee, which impose a new tax on State and local governments—and that is exactly what it is, Mr. President, and new Federal tax on State and local governments. The Finance Committee recommenda-

tions extend the hospital insurance tax for Medicare to current and newly hired State and local workers. This is not a voluntary election for Medicare coverage—it is a mandate, and that mandate means a new tax on State and local governments.

In Kentucky, we have four basic groups of State and local employees who are not currently covered by Medicare. The largest of these groups is the Kentucky schoolteachers, representing approximately 44,000 employees. The cost to the Commonwealth of Kentucky for Medicare coverage for this group alone is estimated at $12.5 million. That is a hefty tax for my State, and one which we are not in a position to fund.

This tax is particularly onerous as it falls on the Kentucky schoolteacher. The Kentucky Teachers Retirement System is actuarily sound. Kentucky teachers pay for postretirement medical insurance. To impose this additional tax on them is simply unfair and unnecessary.

Since 1939 the Kentucky Teacher's Retirement System has provided Kentucky teachers with a sound, funded, retirement system. As my colleagues may remember, public employees were prohibited from participating in Social Security under the original provisions of the act. Kentucky teachers pay into the retirement system at a rate of 9.6 percent, which is matched by the State. Of that contribution, approximately 1 percent goes to a postretirement medical insurance program. The current cost of the fund is $15 million, and is expected to rise to about $20 million in the next 2 years. The program is basically funded by active teachers, at the 1-percent contribution rate, but retired members also pay a nominal premium for the medical coverage.

There are currently 44,000 active teachers supporting postretirement medical coverage for 22,000 retired teachers and spouses. It would be punitive, at best, to add an additional 1.45 percent Medicare tax on these public employees. For a Kentucky teacher earning $20,000 a year, and that is a high salary for a Kentucky teacher, the additional cost for future Medicare coverage would be $290.

At a time when we in Congress are striving to encourage our young people to enter the teaching profession, and provide incentives for those who are currently teaching to remain in the field, we should not be adding a new tax to State and local employees. It is unfair to single out this group of workers as a means of producing revenues for deficit reduction.

This new tax represents a fundamental shift in philosophy for our Government. This new tax is nothing short of an attempt to shift the burden of deficit reduction from the Federal Government to the State and local governments. This provision is expected to produce $4.7 billion in new revenues over the next 3 years. Half of that amount will come from the employees, and the other half from State and local governments. We are taxing our States, cities, and counties to balance the Federal budget. It is a bad precedent, and one I do not support.

There is a grave misconception about the fiscal position of our States and cities and their ability to fund their portion of this new Medicare tax. Our State and local governments are in no better position to finance the Federal debt than are we.

As Congress continues to cut vital Federal assistance to these governments, in particular, our recent move to eliminate the General Revenue-Sharing Program, as well as decreased funds for other programs, we force our State and local governments to pick up more and more of the burden of providing for the health, safety, and security of our citizens. There are no surplus dollars in the treasuries of these governments to pay for their share of the mandatory Medicare coverage. This move will require new tax initiatives, and that will take time.

The Senate Finance Committee recognized this need by delaying the provisions of this new tax for 1 year. But that is not enough time for these governments to prepare for this new burden. The amendment by the Senator from Maine, Senator MITCHELL, attempts to address this problem by further delaying the provision requiring mandatory Medicare coverage for current employees, by 1 year. I support the intent of what my distinguished colleague is doing. I support giving our States and communities additional time to try to meet this new responsibility, and I would like to support him on his amendment.

I do not think it goes far enough. I would prefer that we not tax the State and local governments at all; and if we must tax them, then let us tax only those newly hired State and local employees. We can be up front with them—they will come on board knowing that they must contribute to Medicare coverage. Taxing current employees not only unfairly burdens State and local governments and employees, but does so without sufficient warning.

If we must make any move in this direction, I would support the House Ways and Means Committee provision which would only tax newly hired State and local employees. Such a tax would place a minimal initial burden on the States and communities, but would achieve the purpose of bringing these workers into the Medicare system over time, giving the States, cities, and counties an opportunity to prepare for the fiscal responsibility of one-half of this tax. At the same time, covering only new hires would give non-Social Security retirement programs, such as the Kentucky teachers' retirement program, a chance to adjust their system as their funding base changes.

However, I cannot support the amendment before us which would delay the new Medicare tax, at a cost of $2.2 billion over 3 years, and pay for that cost by increasing the cigarette excise tax by 4 cents thereby raising the tax to a total of 20 cents.

Let me say from the beginning that I do not support the extension of the current 16-cent excise tax, which was scheduled to sunset on October 1. I agreed not to oppose the Finance Committee action continuing this tax in exchange for recognition of the devastating effects this continuing tax will have on farm families in my State, and the ability to mitigate these effects by tying the Tobacco Improvement Act, S. 1418, to the tax package. The package offered in the Finance Committee by the majority leader, Senator DOLE, repealed the sunset of the cigarette tax; instituted a new tax on smokeless tobacco at a rate of 8 cents per pound on chewing tobacco and 24 cents on snuff; and included the provisions of S. 1418, legislation designed to make the tobacco program more market oriented.

This was a carefully negotiated agreement between the major tobacco manufacturers, and both Burley and Flue-cured growers. For 3 weeks we hammered out our differences, and on the final day this group spent 17 long, tedious hours working out the final package which became S. 1418, the Tobacco Improvement Act of 1985. This agreement then became part of the Finance Committee measure under reconciliation.

It was offered in committee as a three-part package, and was adopted with the agreement that I, and certain other tobacco State senators, would not oppose the repeal of the tobacco excise tax sunset. But let me be clear, any move to change the provisions, to increase the tax at all, will result in this agreement falling apart. As I have said, that means that the farmers will vote this program out, and then we really will have problems.

I see a lot of crocodile tears around here lately that we ought to start the Gramm-Rudman this year instead of next year. If we started this year, we would be in a lot more trouble than we are in now.

When we start trying to bail out the communities, we look to the cigarette taxes. We are going to take care of it for 1 year but it is going to take 3 years of taxes on cigarettes to pay for 1 year. So we are short for 2 years, and the 4 cents stays on.

We look at the possibility of a veto. I do not want this bill vetoed. I think it is a good bill. We have worked hard to

put it together. But yet you come down on one point.

Is there not some other place you can put a tax? Is there something else you can do to pickup this money?

Let me tell you what you are doing. If the 4 cents is not enough, do you know what will happen? The local communities can put a cigarette tax on. The States can put a cigarette tax on. Why not let them take care of themselves rather than us trying to tell them, "You have a 1-year delay."

The other day on the floor I was defending revenue sharing. I did not see a whole lot of people trying to help me do that. We nibbled away at revenue sharing which was damaging the communities and the States by the loss of funds. Yet you want to come back to one place—tobacco—and take that way to pay for the delay for only 1 year.

The House Ways and Means position, by the way, which has not been voted on yet, is that you take on new hires—not everybody, just those that are hired new. I would like to have an amendment to the effect that that is what we do in conference.

We are going to conference. There are a lot of things that can be worked out. I have a great deal of confidence in those who will negotiate in that conference committee on what can be done.

I say again, a tax is a tax is a tax. And the Senator is putting on a new tax. It is not germane. We have already had that vote. The Chair has already ruled. Now all we have is the delay for 1 year. I think we ought to have it as it is, have a sense-of-the-Senate resolution that we do not want to pick these current employees up, that we want just new hires; then we can get the job done. I suggest that to my colleagues.

Tobacco, and the smoking public who enjoy a legal product, are contributing their fair share to deficit reduction. We should not further penalize middle- and low-income Americans who, of their own free will, enjoy this product, by increasing the cigarette excise tax. Even though I sympathize with what the Senator from Maine is doing, I cannot support him, and I urge my colleagues to defeat this amendment.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. FORD. I yield the floor, Mr. President.

Mr. PACKWOOD. Mr. President, let me emphasize again what we have already done in comparison with what the Budget Committee would have done. It is not just Medicare. The Budget Committee's assumption when we got this bill was that, one, we would cover all employees, current employees and new employees, with Medicare on January 1, 1986; all new employees on Social Security on January 31, 1986, and we would change the method of applying the new Social Security tax schedule to new employees of State and local governments. The revenue expected to be raised by that method was $9.1 billion as of January 1, 1986.

We just about cut that in half, slightly less than $5 billion. We have extended the time 9 months, we have not brought in Social Security, and I think it is a fair compromise, and one that ought to be adopted by this Chamber.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. MITCHELL. Mr. President, I should like to respond, if I could, to the point made by the Chairman. It has become a standard operating procedure in Congress in the last few years to have an initial position taken that is totally unreasonable, virtually impossible to implement, and then, at the last moment, to move off that position to another which then, by virtue of its comparison to the initial position, is hailed as a reasonable compromise.

Here we are, in the fall of 1985. There are virtually no State legislatures which are in session. We receive a proposal that would mandate—mandate—tax increases in many States and in almost every municipality in the country, and leave them no time to do so. Then the Finance Committee gets that, a position clearly not possible to implement, not seriously intended, in my judgment, ever to be adopted, but merely to stake out an original negotiating position so that a secondary position would seem, in comparison, to be reasonable. That is precisely what we have here.

I want to emphasize one further point: The cigarette tax increase would not be permanent under the amendment I am proposing. It would be for 3 years only, sufficient to cover or offset the loss of revenue in the 1 year delay of Medicare coverage.

Finally, the Senator from Oregon, the distinguished chairman of the Committee on Finance, made, as always, a very eloquent agrument in terms of the policy on whether or not Medicare coverage should apply uniformly to employees throughout the country. That decision has been made. That has nothing to do with this amendment. This amendment raises one question and one question only: That is the date on which mandatory coverage for current employees of State and local governments will apply. New hires will remain covered mandatorily as of September 30, 1986. The only question has nothing to do with policy; it has to do with timing. I would say it is simply fairness to give the municipalities the time to prepare for and to enact the new taxes which this will require.

The chairman himself will recall that when I raised this in the Finance Committee and said, it is inconsistent for Federal officials like us to go around saying to people, "We are not raising your taxes," then to pass a bill which requires every town in America to raise taxes, the chairman said, very forthrightly, "Nobody is kidding themselves; this is a tax increase." The problem is it is a tax increase which every selectman, mayor, and alderman in America will have to impose because we are making them do it so we can go around and say to our constituents, "We are not raising your taxes at the Federal level."

If we are going to do that, and we obviously are going to do that, all I am saying is give them the time to plan for it, to consider what tax increase is better under this circumstance, and to put it into effect. That is the only issue.

Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MITCHELL. Mr. President, I ask for a division of my amendment on page 3 between lines 15 and 16.

The PRESIDING OFFICER. A division is requested.

Mr. PACKWOOD. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Oregon has 17 minutes, 59 seconds. The Senator from Maine has 2 minutes and 52 seconds.

Mr. PACKWOOD. Do I understand that the division is requested on the cigarette tax part of the amendment first?

The PRESIDING OFFICER. That will be voted on second.

Mr. PACKWOOD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PACKWOOD. Mr. President, I want to make sure the Senate understands now on what we are going to vote. The amendment of the Senator from Maine has been divided. We are going to vote on, first, his portion of the amendment which delays for 1 year the extension of Medicare coverage to current employees; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. PACKWOOD. And, second, we will then vote on the increased cigarette tax?

The PRESIDING OFFICER. The Senator is correct.

Mr. PACKWOOD. The Senate has already shown by what I think is a very preponderant vote its disinclination to vote for an increase in the cigarette tax above the present 16 cents, but that is the second part of this amendment. That is out. For the moment we are going to vote on delaying the extension of Medicare payments for 1 year at a cost of about $2.2 billion. I believe my good friend from Maine will indicate that is roughly the cost. So we are going to have a budget loss of $2.2 billion the first half of this amendment and hope we pick it up later. Maybe we will, maybe we will not. But I hope we are not going to start down this process of loss and hope, loss and hope, loss and hope because indeed it is a loss of about $2.2 billion if we delay the extension of Medicare coverage for current employees for 1 year. I would again urge that my colleagues defeat this amendment in its entirety and start by defeating the first segment of it.

Mr. MITCHELL. Has the Senator completed?

Mr. PACKWOOD. Yes.

Mr. MITCHELL. Mr. President.

The PRESIDING OFFICER. The Senator from Maine.

Mr. MITCHELL. I merely want to repeat two points that I made earlier, and I ask all Senators to consider it. The first is that municipalities in every State will be required to raise its taxes if my amendment is defeated. And they will have to do so with very little time to plan for, prepare for, and enact that tax increase. They will be forced to do that by actions we are taking so that we can continue to go around and tell the American people, "We are not raising your taxes." And every Senator who votes for the committee bill and against my amendment is in fact voting for a tax increase, as the Senator from Oregon, the chairman of the committee, forthrightly acknowledged during the Finance Committee deliberation. What we are doing is voting to compel selectmen and mayors and aldermen to raise taxes at the local level so we can go around and keep saying, "We are not raising your taxes." And as I said in my earlier remarks, inconsistent is the most generous phrase I can use to describe that behavior. Now, this can be done. This is not a question of whether Medicare will apply. It is a question of when. And if we are going to impose that burden on all these municipalities, all of the property taxpayers in this country, at the very least we ought to have the courtesy and the decency and the spirit of fairness to permit them to have time to prepare for, plan for, and enact the tax increase so they can actually get the revenue when they are forced to start paying the bill that we are now imposing on them.

Mr. PACKWOOD. Mr. President, if we are going to talk about equities and going around increasing people's taxes, what is sauce for the goose is sauce for the gander. Let us reverse the coin. Medicare costs are going up. Medicare taxes are levied upon, at the moment, a relatively definable group of employees, and if we do not bring the State and municipal employees into it then the Medicare taxes are going up on the others who are already paying Medicare taxes. And we can stand back and say we did not increase your taxes. They are going to go up one way or the other and the question is, are they going to go up more on those who are currently paying them or are we going to bring into the system everyone who is not now paying them. But to say on the one hand, "Oh, no, we are not going to raise your taxes," or, if we put this in, "We are going to raise your taxes," it cuts both ways. We either increase the taxes on those currently covered or we try to make the base broader and more fair by bringing in under coverage those who now pay no taxes at all and get 100 percent of the benefits. I would argue that the equities are more on the side or bringing everyone in and having them all pay taxes than to raise the taxes more than we would otherwise raise them because we do not include within the base those who pay no taxes at all.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine.

Mr. MITCHELL. I merely respond by saying the reason State and local government employees were not under Social Security and Medicare is because we, by law, prohibited them from being under Medicare for many years. That is the reason for it. Now we are adopting a provision that requires them to come under it. And the equity of that has been decided. That is not being debated. The only question is, should we do so in a precipitous manner so that the $2.2 billion tax we are requiring these towns to put into effect will occur at precisely the same time that they lose the $4.6 billion from revenue sharing that they are going to lose—a negative effect on the financial condition of the municipalities of America of $6.8 billion at one time.

All my amendment will do will be to delay for 1 year that portion of the adverse impact that is attributable to the mandatory coverage under Medicare. They are still going to have to pay. The equity question is resolved. The only question is when. If we are going to do it, and it should be done, I say give 1 additional year to prepare it.

The PRESIDING OFFICER. Who yields time? If no one yields time, all time is equally divided.

Mr. DOLE. Mr. President, how much time remains?

The PRESIDING OFFICER. Eight minutes and twenty-six seconds for the Senator from Oregon, and no time for the Senator from Maine.

Mr. DOLE. How much time remains on the bill?

The PRESIDING OFFICER. Seven hours and eight minutes.

Mr. DOLE. Mr. President, I am going to move to table division 1 of this amendment. As I understand, the amendment has been divided. My motion to table will be on the first part of the amendment.

Mr. President, I hope the amendment will be tabled. We just went through an exercise here, many of us, 70-some Senators, on the so-called Gramm-Rudman amendment, and all the things we were concerned about; and now we are trying to find some easy way out.

Mr. President, I yield back the remainder of the time, and I move to table division 1 of this amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table division 1 of the amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the the Senator from Missouri [Mr. DANFORTH], the Senator from Arizona [Mr. GOLDWATER], the Senator from Oregon [Mr. HATFIELD], the Senator from Maryland [Mr. MATHIAS], and the Senator from Pennsylvania [Mr. SPECTER] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Oklahoma [Mr. BOREN], the Senator from Missouri [Mr. EAGLETON], the Senator from Hawaii [Mr. INOUYE], and the Senator from Mississippi [Mr. STENNIS], are necessarily absent.

The PRESIDING OFFICER (Mr. BOSCHWITZ). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 66, nays 25, as follows:

[Rollcall Vote No. 241 Leg.]

YEAS—66

Andrews	Denton	Gorton
Armstrong	Dole	Gramm
Baucus	Domenici	Grassley
Bingaman	Durenberger	Hatch
Boschwitz	East	Hawkins
Byrd	Evans	Hecht
Chafee	Exon	Heflin
Chiles	Ford	Heinz
Cochran	Garn	Helms
DeConcini	Gore	Hollings

Humphrey	Moynihan	Sasser
Johnston	Nickles	Simpson
Kassebaum	Nunn	Stafford
Kasten	Packwood	Stevens
Laxalt	Pressler	Symms
Long	Proxmire	Thurmond
Lugar	Pryor	Trible
Matsunaga	Quayle	Wallop
Mattingly	Riegle	Warner
McClure	Rockefeller	Weicker
McConnell	Roth	Wilson
Melcher	Rudman	Zorinsky

NAYS—25

Abdnor	Dixon	Levin
Bentsen	Dodd	Metzenbaum
Biden	Glenn	Mitchell
Bradley	Harkin	Murkowski
Bumpers	Hart	Pell
Burdick	Kennedy	Sarbanes
Cohen	Kerry	Simon
Cranston	Lautenberg	
D'Amato	Leahy	

NOT VOTING—9

Boren	Goldwater	Mathias
Danforth	Hatfield	Specter
Eagleton	Inouye	Stennis

So the motion to table division one of amendment No. 840 was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, parliamentary inquiry. What happens to the second division now?

The PRESIDING OFFICER. The yeas and nays have been ordered on it and that would now be in order.

Mr. DOLE. Mr. President, let me yield to the distinguished Senator from Maine. I have indicated to my colleagues that there would be no more votes this evening. I hope we might be able to vitiate that.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the yeas and nays on division two be vitiated.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOLE. Mr. President, have we disposed of that?

The PRESIDING OFFICER. We would still have to voice vote that.

The question is on agreeing to division two.

Division two was rejected.

Mr. GARN. Mr. President, the Banking Committee has today reached agreement on a bill to achieve the savings called for under the budget reconciliation instructions. I wish to clarify the committee's intent on one provision in that legislation, the one dealing with an improvement in the Urban Development Action Grant Program. The bill provides that "To the extent the Secretary of HUD deems appropriate, the extent of other Federal assistance to be made available—in addition to UDAG—shall be considered" in applying certain selection criteria. I want to make it clear that the term "other Federal assistance" does not refer to financing provided through State or local bonds that may involve exemption of Federal taxation.

Mr. RIEGLE. Mr. President, I want to commend the Banking Committee chairman for his work on this legislation. I also want to make it clear that the term "other Federal assistance" in this case does not include financing through IDB's or other forms of financing that do not involve direct Federal funding to the project. The UDAG Program is intended to encourage cities, States, and private business to use all of the resources at their disposal to help develop the economies of distressed cities. This provision is consistent with that objective. I also want to point out that the committee intends to leave it up to the Secretary of HUD to determine the extent to which non-UDAG funding should be considered in UDAG project selection.

Mr. GARN. Mr. President, I agree with Senator RIEGLE in his interpretation of that provision.

Mr. DOLE. Mr. President, let me indicate to my colleagues that we do hope to be on the DOT appropriations bill by 9 o'clock in the morning. I have discussed that with Senator CHILES and Senator ANDREWS. Hopefully, we could complete action on that appropriation bill by 12 or 1 o'clock and then come back to reconciliation tomorrow afternoon.

ROUTINE MORNING BUSINESS

Mr. DOLE. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business not to extend beyond the hour of 7:30 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

REFERRAL OF SENATE JOINT RESOLUTION 156

Mr. DOLE. Mr. President, I ask unanimous consent that the Veterans' Affairs Committee be discharged from further consideration of Senate Joint Resolution 156, a joint resolution authorizing a memorial to be erected in the District of Columbia, and that the joint resolution be referred to the Committee on Energy and Natural Resources.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 3:27 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the Speaker has signed the following enrolled bills and joint resolutions:

S. 1726. An act to amend section 51(b) of the Arms Export Control Act, relating to the funding of the Special Defense Acquisition Fund;

H.R. 2959. An act making appropriations for energy and water development for the fiscal year ending September 30, 1986, and for other purposes;

S.J. Res. 92. Joint resolution to designate October 1985 as "National Foster Grandparent Month"; and

H.J. Res. 79. Joint resolution to designate the week beginning October 6, 1985, as "National Children's Week."

The enrolled bills and joint resolutions were subsequently signed by the President pro tempore [Mr. THURMOND].

ENROLLED BILL AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, October 22, 1985, she had presented to the President of the United States the following enrolled bill and joint resolution:

S. 1726. An act to amend section 51(b) of the Arms Export Control Act, relating to the funding of the Special Defense Acquisition Fund; and

S.J. Res. 92. Joint resolution to esignating October 1985 as "National Foster Grandparent Month."

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1899. A communication from the Principal Deputy Assistant Secretary of Defense (Comptroller), transmitting, pursuant to law, a listing of supplemental contract award dates for the period November 1 to December 31, 1985; to the Committee on Armed Services.

EC-1900. A communication from the Deputy Assistant Secretary of the Air Force (Logistics and Communications), transmitting, pursuant to law, a report on converting the protective coating function at Bolling Air Force Base, Washington, DC, to performance by contract; to the Committee on Armed Services.

EC-1901. A communication from the Secretary of the Army, transmitting, pursuant to law, a report stating that the Sgt. York Program has exceeded the Program Acquisi-

tion Unit Cost baseline by more than 25 percent; to the Committee on Armed Services.

EC-1902. A communication from the President and Chairman of the Export-Import Bank of the United States, transmitting, pursuant to law, a report on loan, guarantee and insurance transactions supported by Eximbank during August 1985 to Communist countries; to the Committee on Banking, Housing, and Urban Affairs.

EC-1903. A communication from the Assistant Attorney General (Antitrust Division), transmitting, pursuant to law, the results of a study of various agreements between the Government and the private sector under the Defense Production Act for fiscal year 1984; to the Committee on Banking, Housing, and Urban Affairs.

EC-1904. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report on Federal statutes, treaties, regulations, and policies which may have an adverse effect on commercial space launches; to the Committee on Commerce, Science, and Transportation.

EC-1905. A communication from the Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the 60-day period prior to October 18, 1985; to the Committee on Foreign Relations.

EC-1906. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a list of reports issued by the General Accounting Office during September 1985; to the Committee on Governmental Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McCLURE, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute:

S. 426. A bill to amend the Federal Power Act to provide for more protection to electric consumers (Rept. No. 99-161).

By Mr. DOMENICI, from the Committee on the Budget, without amendment:

S. Res. 238. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to consideration of S. 1706.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. GARN, from the Committee on Banking, Housing, and Urban Affairs:

Joseph A. Grundfest, of the District of Columbia, to be a Member of the Securities and Exchange Commission for the term expiring June 5, 1990.

(The above nomination was reported from the Committee on Banking, Housing, and Urban Affairs with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. CHAFEE:

S. 1782. A bill to amend the Internal Revenue Code of 1954 to impose a one dollar and twenty cents per pound excise tax on snuff and a forty cents per pound excise tax on chewing tobacco; to the Committee on Finance.

By Mr. LEVIN:

S. 1783. A bill to clarify the application of section 2406 of title 10, United States Code, relating to cost and price management, and to delay the effective date of such provisions: to the Committee on Armed Services.

By Mr. HEINZ (for himself and Mr. CHAFEE):

S. 1784. A bill to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954 to enhance retirement security by broadening retirement benefit delivery, strengthening the present system of voluntary employer-sponsored pensions, and encouraging growth and development of the private pension system by simplifying the administration of pension plans; to the Committee on Finance.

By Mr. KENNEDY (for himself, Mr. HEINZ, Mr. INOUYE, Mr. KASTEN, Mr. CRANSTON, Mr. BOSCHWITZ, Mr. ABDNOR, Mr. ANDREWS, Mr. ARMSTRONG, Mr. BAUCUS, Mr. BENTSEN, Mr. BIDEN, Mr. BINGAMAN, Mr. BOREN, Mr. BRADLEY, Mr. BUMPERS, Mr. BURDICK, Mr. BYRD, Mr. CHILES, Mr. COCHRAN, Mr. COHEN, Mr. D'AMATO, Mr. DANFORTH, Mr. DECONCINI, Mr. DIXON, Mr. DODD, Mr. DURENBERGER, Mr. EAGLETON, Mr. EXON, Mr. FORD, Mr. GLENN, Mr. GORE, Mr. GORTON, Mr. GRASSLEY, Mr. HARKIN, Mr. HART, Mrs. HAWKINS, Mr. HECHT, Mr. HEFLIN, Mr. HELMS, Mr. HOLLINGS, Mr. HUMPHREY, Mr. JOHNSTON, Mr. KERRY, Mr. LAUTENBERG, Mr. LEAHY, Mr. LEVIN, Mr. LONG, Mr. MATSUNAGA, Mr. MATTINGLY, Mr. McCONNELL, Mr. MELCHER, Mr. METZENBAUM, Mr. MITCHELL, Mr. MOYNIHAN, Mr. MURKOWSKI, Mr. NICKLES, Mr. NUNN, Mr. PACKWOOD, Mr. PELL, Mr. PRESSLER, Mr. PROXMIRE, Mr. PRYOR, Mr. RIEGLE, Mr. ROTH, Mr. ROCKEFELLER, Mr. SARBANES, Mr. SASSER, Mr. SIMON, Mr. SPECTER, Mr. SYMMS, Mr. TRIBLE, Mr. WEICKER, and Mr. WILSON):

S.J. Res. 223. A joint resolution to prohibit the sales of certain advanced weapons to Jordan.

By Mr. EAGLETON (for himself and Mr. DANFORTH):

S.J. Res. 224. A joint resolution to designate November 30, 1985 as "National Mark Twain Day"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. MATTINGLY (for himself and Mr. DIXON):

S. Res. 242. A resolution to express the sense of the Senate that Congress should not change the Federal income tax treatment of State and local debt obligations; to the Committee on Finance.

By Mr. GOLDWATER (for himself and Mr. NUNN):

S. Con. Res. 80. A concurrent resolution to authorize the printing of 2,000 additional copies of the Committee Print of the Committee on Armed Services (99th Congress, 1st Session) entitled "Defense Organization: The Need for Change"; to the Committee on Rules and Administration.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CHAFEE:

S. 1782. A bill to amend the Internal Revenue Code of 1954 to impose $1.20-per-pound excise tax on snuff and a 40-cent-per-pound excise tax on chewing tobacco; to the Committee on Finance.

TAX ON SMOKELESS TOBACCO

● Mr. CHAFEE. Mr. President, today, I am offering legislation which would impose an excise tax on smokeless tobacco products: chewing tobacco and snuff. The tax I am proposing amounts to $1.20 per pound for snuff and 40 cents per pound for chewing tobacco. Using the most common forms of selling these products, this tax would equal approximately 8 cents per package.

The use of smokeless tobacco products is on the rise in the United States after many years of a small but steady decline. Data from States indicate that as many as 22 percent of 11th graders dip snuff or chew tobacco. The use of these products has been linked with several short- and long-term health risks. The Public Health Service has determined that the use of smokeless tobacco does pose a cancer threat and results in other oral conditions.

Smokeless tobacco products do not carry a health hazard warning, but the use of these products is a dangerous practice that increases a person's risk of cancers of the cheek and gum. It may also increase the risk of other oral cancers—for example, cancers of the back of the throat, voice box, and esophagus.

We can applaud the Smokeless Tobacco Council's efforts to advise young people against using these products until they are grown up. But we all know from our experience with cigarette smoking that this approach has little effect. The fact of the matter is that children won't stop using smokeless tobacco unless it is priced higher than they can afford. Every time the price on a package of cigarettes went up, teenage smoking was reduced dramatically. The dangers we are talking about here are just as great. Teenagers are using chewing tobacco and snuff in place of cigarettes because they think it is safe. It is not safe.

It is time to take meaningful action on this issue. We need to have an ef-

fective labeling policy and an effective tax.

Legislation to require labeling of smokeless tobacco products, S. 1574, was introduced earlier this year. I am a cosponsor of that legislation. Today, I am introducing the second part of the effort—a meaningful excise tax on the product.

Mr. President, I ask unanimous consent that the text of my legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1782

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TAX ON SMOKELESS TOBACCO.

(a) IN GENERAL.—Section 5701 of the Internal Revenue Code of 1954 (relating to rate of tax) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

"(e) SMOKELESS TOBACCO.—On smokeless tobacco, manufactured in or imported into the United States, there shall be imposed the following taxes:

"(1) SNUFF.—On snuff, one dollar and twenty cents per pound and a proportionate tax at the like rate on all fractional parts of a pound; and

"(2) CHEWING TOBACCO.—On chewing tobacco, forty cents per pound and a proportionate tax at the like rate on all fractional parts of a pound.".

(b) CONFORMING AMENDMENTS.—

(1) The heading of chapter 52 of such Code is amended by inserting "SMOKELESS TOBACCO," after "CIGARETTES".

(2) Section 5702(c) of such Code (defining tobacco products) is amended by striking out "and cigarettes" and inserting in lieu thereof ", cigarettes, and smokeless tobacco".

(3) Section 5702(d) of such Code (defining manufacturers of tobacco products) is amended by striking out "cigar or cigarettes" each place it appears and inserting in lieu thereof "cigars, cigarettes, or smokeless tobacco".

(4) Section 5702 of such Code is amended by adding at the end thereof the following new subsections:

"(n) SMOKELESS TOBACCO.—The term 'smokeless tobacco' means any snuff or chewing tobacco.

"(o) SNUFF.—The term 'snuff' means any finely cut, ground, or powdered tobacco that is not intended to be smoked.

"(p) CHEWING TOBACCO.—The term 'chewing tobacco' means any leaf tobacco that is not intended to be smoked.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to smokeless tobacco removed after September 30, 1985.●

Mr. BRADLEY. Mr. President, I rise as a cosponsor of S. 1782, a bill to impose a Federal tax of $1.20 a pound on snuff and 40 cents a pound on chewing tobacco. This level of taxation comes out to about 8 cents per container of smokeless tobacco, about half the level of the current Federal tax for cigarettes. Currently, there is no Federal tax on smokeless tobacco.

Why, Mr. President, should we impose a tax on smokeless tobacco? The answer is simple. We need to do whatever we can to reduce the use of this product. Use of smokeless tobacco is linked to a number of serious health problems, including cancer, periodontal bone destruction, tooth abrasion, and gingival recission. The American Cancer Society estimates that 10 percent of the 9,500 oral cancer deaths in this country are attributable to smokeless tobacco. The World Health Organization last year concluded that there is a direct link between use of snuff and cancer.

In India and the Philippines, where chewing tobacco is frequently used, oral cancer is the most common malignancy seen—comprising almost 40 percent of all cancers. Of those oral cancers, 70 percent are on the cheek lining, the area where tobacco or tobacco mixed with betel nut is positioned.

The American Academy of Head and Neck Surgeons recently testified that smokeless is a "* * * major health hazard with a causal relationship to oral and other cancers, dental disease and other maladies."

Mr. President, in 1980, the American Cancer Society estimated that 22 million Americans use smokeless tobacco. Its use is on the rise. According to the Library of Congress, per capita consumption of snuff among males 18 and over increased 60 percent since 1978. Surveys show that in Colorado, 25 percent of the male high school students use smokeless tobacco daily; in Oklahoma, 22 percent; in Texas, 20 percent. In the Texas study, 55 percent of the chewers started before their 12th birthday. Incredibly, in Oklahoma, 7 percent of the third graders use smokeless tobacco.

Mr. President, all the evidence shows that the imposition of a tax on tobacco products reduces consumption. When the cigarette tax was raised by 8 cents in 1982, cigarette usage dropped by over 5 percent, and the drop in usage among youth was even more pronounced.

Mr. President, I believe it is unconscionable that young people are being encouraged to use smokeless tobacco. We need to send a clear message that this product has serious health consequences. We need to provide disincentives to its use. For the sake of America's youth, I urge my colleagues to act quickly on this legislation.

By Mr. LEVIN:

S. 1783. A bill to clarify the application of section 2406 of title 10, United States Code, relating to cost and price management, and to delay the effective date of such provisions; to the Committee on Armed Services.

COST AND PRICE MANAGEMENT

● Mr. LEVIN. Mr. President, today I am introducing legislation to amend one of the procurement reform provisions incorporated in the conference report on the fiscal year 1986 Department of Defense authorization bill. These substantive amendments are necessary, in my judgment, to avoid the implementation of a requirement that has not been fully reviewed by the appropriate committees of jurisdiction and, if it takes effect in the present form, would impose a substantial new paperwork and reporting burden on both the Department of Defense and defense contractors without adequate justification.

The DOD conference report, which passed the Senate on July 30, adds a new section to the procurement provisions applicable to the Department of Defense. Section 917 of the conference report adds a new section 2406 to title 10, United States Code, and requires a "defense agency"—as defined in that section—that awards certain types of contracts to "cause to be recorded" certain cost information about a contractor.

The parliamentary situation which the conferees were faced with on this provision precluded any changes from being made to the language. As a result, there is considerable confusion about the meaning and intent of many of the terms and requirements of the new section. For example, does this section impose a new information collection and reporting system on both contractors and the Department of Defense? What does "cause to be recorded" mean in terms of DOD's implementation? When is a time standard "widely used in the United States?"

In my judgment, it is important that Congress clarify exactly what information we are looking for, how that information is to be collected, and from whom that information is to be obtained. This is too important a matter to be left to the regulatory discretion of the Department of Defense. It is for that reason that I have taken the initiative to introduce this bill. This bill deserves to be adopted by the Congress at the earliest practical opportunity. The sooner the better.

Mr. President, although I have a number of questions and problems with the current language of this provision, my proposal today is that we make only three changes. First of all, I would delay for 180 days the effective date of section 917 of the fiscal year 1986 Department of Defense Authorization Act. This delay will provide time so that the Senate Armed Services Committee and others can more carefully review the need for this provision and the specific information that will be required to be collected. It will provide the Congress with an opportunity to assess the value of the information collected to the Department of Defense and to the Congress.

Second, my bill adds a new subsection to the current provision to make it clear that the Department of Defense will not have to record the information required under the section if the contractor does not already maintain that information when the provision takes effect. The information gathering and reporting requirements under the current section will be expensive to implement by the Government because of both the increased costs associated with the contractual modifications that will be required and because of the additional internal Department of Defense systems that will need to be established. It will also cost a great deal to the companies who do not already collect this information. We should not randomly require expensive new recordkeeping and reporting requirements where the value of this information to Congress and to Pentagon auditors, analysts, and negotiators is so questioned and unclear.

The third element of my bill makes it clear that after the 180-day delay in the effective date of section 917, the reporting requirement would extend to "covered contracts" in existence on the effective date, provided that the contractor maintains that information. That last provision is critical to the intent of my bill.

Mr. President, this bill is very timely and should be passed immediately. I have had some discussion with our colleagues in the House and I am led to believe that if the Senate were to enact this bill in the very near future that the House might be willing to accept it. For the sake of clarity of legislative intent, for the sake of fundamental fairness in the imposition of substantial new paperwork and reporting burdens, and for the sake of good legislation, I would urge my colleagues to support and pass this bill.●

By Mr. HEINZ (for himself and Mr. CHAFEE):

S. 1784. A bill to amend the Employee Retirement Security Income Act of 1974 and the Internal Revenue Code of 1954 to enhance retirement security by broadening retirement benefit delivery, strengthening the present system of voluntary employer-sponsored pensions, and encouraging growth and development of the private pension system by simplifying the administration of pension plans; to the Committee on Finance.

RETIREMENT INCOME POLICY ACT

● Mr. HEINZ. Mr. President, today I am introducing the Retirement Income Policy Act of 1985 to refocus retirement income policy on the goal of delivering adequate retirement benefits to the Nation's work force.

In America, Mr. President, the hope of a secure retirement is founded on the receipt of a monthly Social Security check supplemented by employer-financed pension benefits. With encouragement from the Federal Government through the tax system, employers and labor unions have voluntarily set up and funded programs to provide retirement security for workers. In the past three decades, these plans have expanded in both number and breadth of coverage, until today, one out of every two American workers is covered by a pension at his or her place of work.

While the emergence of a system of pensions has been truly remarkable, pension coverage and benefit delivery have not yet become widespread enough to serve as adequate supplementation for Social Security benefits. Coverage has stagnated over the last decade, and has even begun to decline in recent years; and benefit delivery still results from long job tenure and stable career patterns.

Although employer-sponsored retirement plans hold the promise of substantial benefits for most American workers, this promise is, in many cases, yet to be realized. Today pensions provide only 14 percent of the income the elderly receive, and only 25 percent of elderly families receive any pension income. Although the generation of workers retiring today are benefiting somewhat more from the pension system than previous retirees, only half of the families retiring on Social Security today are receiving income from pensions, and only half of them are receiving more than $400 a month.

THE NEED FOR A RETIREMENT INCOME POLICY

Mr. President, I firmly believe that we must take action now to strengthen and broaden the delivery of pension benefits to future generations of retiring workers who are at this moment performing the work that could earn them those benefits. The obstacle course these workers must negotiate today to earn an adequate pension is not a simple one nor is it clearly marked. There are risks and unanticipated hazards that even the best planners cannot foresee.

To even get on the track to a pension, a worker has to face the greatest obstacle on the course—that of finding a job covered by a pension plan. Today, only 52 percent of the American work force is covered by a pension plan at their place of employment—there are 47 million workers who do not even have the opportunity today to earn a pension benefit.

Pension coverage, however, is only the beginning. Before a covered worker can earn the right to receive a benefit—that is, "vest", the worker must stay with the same employer for a specified number of years. Most workers are in plans that will vest a benefit only after 10 years of uninterrupted service. Most workers, however, change jobs more frequently than every 10 years. In fact, the probability is less than 50–50 that a male starting a full-time job at age 45 will stay on that job for 10 years. The probability is even lower for women, part-time, or younger workers. Furthermore, average job tenure is declining. Fifteen years ago, the average male worker age 40 to 44 had been on his current job for 9.5 years, today a male worker that age has remained on the job only 8 years. Only a worker who is loyal or doesn't get a better job offer, or isn't laid off or fired by the employer will eventually earn the right to receive a pension benefit.

Workers who have vested pension benefits still stand a chance of facing retirement without benefits. Some may leave the company before retirement, either deferring their small benefits until retirement or cashing them out and spending them. Recent data show that only 5 percent of the lump-sum cash distributions taken before retirement are rolled into a retirement savings account, and only 32 percent are used in any form which might result in savings, including the purchase of a home. Even among older and better educated workers, fewer than half of the distributions are retained as retirement savings.

Those who reach retirement with vested benefits may find that they are reduced or even eliminated through integration with Social Security if their Social Security benefits are deemed to provide most of what the employer has set as a retirement income goal.

At the end of this obstacle course are the rewards. They are plentiful for those who have encountered the fewest hazards on the course—who have found a pension-covered job and have stayed with it for a full career. Those who have faced the highest hurdles and the most false starts, however, will finish the course with nothing.

I question whether we can be content to rely for retirement income on a system that leaves so much to chance and that stacks the odds against particular career patterns and types of employment. I wonder how our retirement income programs, structured the way they are today, will be able to keep pace with the changes now going on in the work force and deliver the benefits this Nation will need in the future. Unless we plan to continue our heavy reliance on Social Security benefits, we must begin today to encourage a broader delivery of greater pension benefits to future generations or retirees.

Mr. President, the bill I am introducing today is intended to encourage employer-sponsored plans to deliver better retirement benefits to more workers. I believe there is clear evidence that this legislation, if enacted, could substantially improve retirement income in the future. Today, only 38

percent of families with a head age 67 receive income from an employer-sponsored pension, and the average income from pension benefits is $3,200—in 1985 dollars. If we do nothing, retirement income will improve somewhat in the future since today's workers, women in particular, are working more years at higher wages in pension-covered jobs than their parents, and these younger workers stand to benefit from recently enacted pension legislation. A recent forecast prepared by ICF, Inc. shows that without further legislation by 2020 the proportion of families with heads age 67 receiving pensions will increase to 63 percent, and the average family income from pensions will increase to $7,700—in 1985 dollars. However, the enactment of only two of this bill's provisions would increase the proportion of families receiving benefits to 81 percent, and the average income from pensions to $11,100.

This concern over the delivery of benefits is not just a matter of increasing retirement income, it is also a matter of improving the equity and fairness of our tax system. As the Congress considers the broad question of tax reform in this and coming years, it is inevitable that it will review the distribution of the nearly $45 billion a year in tax benefits to employer-sponsored pension plans and their participants. Can this distribution of benefits be viewed as fair when some workers receive much more adequate retirement income from pensions than do others? While I believe it is inevitable that these kinds of judgments will be made about the tax system, judgments about the distribution of pension tax benefits should not be made with reference only to tax policy.

I am introducing this bill today because I believe it offers a coherent vision of retirement income policy that can help guide tax and pension law changes toward the goal of enhancing retirement income security. This kind of framework is badly needed before the Congress has to consider any more separate legislative provisions in tax bills tinkering with the pension system.

Let me say that I am committed to pursuing a greater consistency in legislation affecting pension plans, to simplifying the rules that govern pension plans, and to reducing the disruptive effects of new legislation on plan sponsorship and administration. There will not be a common thread in our patchwork of pension legislation, however, until we have a clearer sense of a national policy with regard to retirement income. This bill is intended to raise those kinds of issues, to suggest a framework for our retirement income policy, and to establish some national priorities. Whether we take these questions up this year in tax reform, or in tax or pension legislation over the next few years, we will eventually have to resolve them, and I intend this bill to give us a starting point in the debate.

RETIREMENT AND NONRETIREMENT SAVINGS PLANS

The central theme of this legislation is to draw a clearer distinction between retirement plans and nonretirement savings plans. In recent years this distinction has been clouded by a proliferation of tax-favored vehicles for capital accumulation. While many of these are viewed as promoting savings for retirement, there is a growing trend in these savings vehicles to make the money available to employees before retirement. The basic social policy reason for deferring taxes on the contributions and earnings of a pension trust has been to encourage employers and employees to defer income for use in retirement.

While the promotion of savings for a variety of more immediate needs may be desirable for other social policy reasons, it should not be encouraged to the detriment of adequate preparation for retirement. Retirement is the most expensive and financially threatening period in anyone's life. It demands a steady flow of income over a lengthy period of time—15 years on average for a male retiring at age 65—and a particularly lengthy life or poor health can easily exhaust savings and assets. Some will argue that it is sound social policy to encourage savings for any purpose since savings promotes capital formation. In the rush to encourage capital formation, however, we must be careful not to gain short-term savings by diverting long-term savings that has traditionally occurred through employer-sponsored pensions.

This legislation would clarify that plans designed primarily to accumulate assets for retirement and to pay benefits in retirement are, in fact, retirement plans. Plans designed to generally accumulate capital for no specific purpose would be considered nonretirement savings plans. Employers would be able to offer nonretirement savings to employees who are covered under a retirement plan providing a meaningful retirement benefit.

The essential differences between the two types of plans would be in the form of benefit distribution and the tax treatment of elective employee contributions. Retirement plans are, in concept, plans that make distributions to participants in the form of annuities commencing at retirement and continuing over the participant's remaining life. The bill would allow retirement plans to distribute in other forms to individuals upon disability, death, or separation from service after age 59½. It would also permit direct transfers of accrued benefits to a participant's individual retirement arrangement [IRA] upon separation from service before retirement. Nonretirement savings plans are in concept merely savings accounts and would be permitted to distribute in any form at virtually any time.

The bill would continue to allow employees to make tax-free contributions only to retirement plans. Employee contributions to nonretirement savings plans would be taxable. Nontaxable employee contributions—through a salary reduction arrangement with an employer—are an effective incentive for employees to save, and one that is costly to the Treasury. They have only been made generally available as a means to encourage retirement savings within the past 7 years. Savings for an event as distant as retirement is the most difficult to encourage, particularly among younger workers. We believe it is reasonable to continue to direct the most effective savings incentives toward savings for this distant and very costly period in people's lives.

Features, such as deferred vesting or integration with Social Security, that employers use to fit plan benefits to retirement income objectives, are associated in this legislation only with retirement plans. Nonretirement savings plans, because they meet general savings objectives, would vest quickly and could not be integrated with Social Security.

Finally, because of the increasingly critical role retirement plans will have to play in the well-being of older Americans, this legislation would encourage retirement plans to deliver adequate benefits to a wider spectrum of workers in retirement through broadened coverage, earlier vesting, more effective rollover preretirement distributions, and limitations on pension integration.

Mr. President, before I discuss the provisions of this legislation, I would like to take a moment to describe the way this legislation was developed. Over the last 9 months, we have been working with a group of pension experts who work for private corporations, labor organizations, and pension consulting firms to develop a cohesive retirement policy that can address the concerns of a variety of interests. In August, we circulated a draft of this bill for comments from a broad range of organizations. I was heartened by the reception that the draft received and the thoughtful and constructive comments we received from many organizations. We have been able to respond to most of them in making modifications in this draft. We continue to encourage further comments and suggestions on this legislation as we work to guide it through the legislative process.

COVERAGE

Two approaches are adopted in this legislation to expand pension coverage. The first is intended to expand

coverage among firms that already sponsor pension plans, and the second to increase the adoption of pension plans by small firms that have not offered them in the past.

The legislation would expand coverage among firms with pension plans by limiting the opportunities now available to exclude classifications of employees from coverage. These provisions respond to a concern that under current rules employers have broad discretion to exclude groups of workers from coverage. ERISA provided a number of statutory exclusions from coverage, including the exclusion of workers who are part time—working less than 1,000 hours per year—younger than age 21, or have less than a year of service. Most people probably believe these are the only groups that can be excluded from coverage. The law, however, only requires that 70 percent of the remaining workers be covered—fewer under plans that require employee contributions. In addition, plans may cover an even smaller percentage by excluding groups of workers as long as the classification of those covered is not discriminatory in favor of the highly paid.

The potential for abuse is evidenced by the testimony of Madeline S. before a hearing I chaired on June 14 this year of the Special Committee on Aging. Although she has worked for the same New York bank for 23 years, working more than the ERISA minimum of 1,000 hours a year, her employer has classified her as an hourly employee and has excluded her, and others like her, from participating in the bank's pension plans.

The coverage provision in this bill would not modify the statutory exclusions from coverage of part-time, very young, or newly hired workers. It would require a more complete coverage of the remaining workers. The basic concept behind it is that employees working side by side in the same plant or product line should not be treated differently under the pension plan. All workers in a single business division with earnings below the Social Security taxable wage base ($39,600) would have to be covered under some plan, and all plans offered in a business division would have to be comparable. It should be noted that this provision would extend coverage to nearly all workers, since only 6 percent of the work force have earnings above the Social Security wage base. It is assumed that employers will provide adequate retirement benefits for upper management and highly paid employees without a coverage requirement.

The bill includes a special coverage rule for plans which require employee contributions as a condition for participation. Because of the contributory requirement, participation in these plans is voluntary. While we feel that public policy should encourage voluntary savings for retirement, we are also concerned that voluntary savings vehicles may begin to replace employer-financed retirement programs which have traditionally had much broader participation. It is important if voluntary savings plans are to satisfy social policy objectives for providing retirement income that they maintain a standard of broad participation. The original draft of this bill, circulated for comment on August 1, required that 70 percent of eligible employees actually participate in a contributory plan. Several who commented noted that this standard would be too high for a contributory plan if distributions from these plans were limited. In response to this concern, we have reduced the participation requirement to 60 percent for contributory plans that supplement a fundamental retirement plan and are not used to provide the meaningful retirement benefit for nonretirement savings plan qualification.

Where companies operate multiple business divisions—that is, they have clearly distinct product lines or widely separated locations—this bill would permit them to maintain distinct and noncomparable retirement plans in each division, or even to maintain no plan in some divisions. In any division in which they operate a plan, however, they would have to fully cover everyone with earnings below the Social Security wage base. The purpose of this provision is to permit employers to retain flexibility in fitting retirement benefits to the needs of their labor force and to permit companies to spin off joint ventures, initiate innovative projects, or acquire subsidiaries without having retirement plan coverage rules interfere in these business decisions.

To prevent employers from setting up or defining business divisions solely for the purpose of carving out groups of workers, the bill would require that, in the aggregate, a corporation or controlled group cover 80 percent of the workers with earnings below the Social Security wage base under a retirement plan. Several of those commenting on a draft of this bill circulated in August noted that a strict 80-percent coverage requirement could influence employment or other business decisions of employers. A company might avoid hiring workers in a noncovered division to keep the proportion of noncovered workers below 20 percent, or a company may be discouraged from acquiring a noncovered subsidiary because the acquisition would disqualify the retirement plans in their other subsidiaries.

While we are concerned about the effects of an aggregate test, we are also concerned that in the absence of some overall requirement, companies would be encouraged to set up a home office or white collar division to avoid covering other workers under pensions. We have added special rules to make the aggregate test a "rolling test"—that is, an average over time and not a fixed amount in any one year—and to provide a grace period for acquisitions. We are interested in hearing of other ways the test might be structured to prevent abuse without interfering in normal business transactions.

The second approach taken in this legislation to expanding coverage is to improve the incentives for small employers who have not had plans in the past to offer plans. While the most significant gains in coverage will depend upon the adoption of plans by small firms, it is difficult to encourage small employers to adopt pensions. Small firms are often discouraged from sponsoring a pension plan for their employees because of the administrative complexity involved in adopting and administering a pension plan. In addition, small firms often have low profit margins which make it unlikely that they will realize any tax advantages from providing pensions.

Under current law, small employers can establish simplified employer pensions [SEPS] and make contributions on behalf of employees. While these plans are simple to administer, an employer paying little or nothing in corporate taxes may have no incentive to make substantial pension contributions. This legislation provides employers with fewer than 25 employees the opportunity to let employees make tax-free contributions to a SEP through voluntary salary deduction. This change in law would combine the two most attractive features to small employers—the simplicity of a SEP and the tax advantages of a 401(k)—in a single pension vehicle. Simplified nondiscrimination rules are included to ensure that with voluntary contributions the SEP still broadly benefits employees without requiring the complex discrimination test of a 401(k) plan.

VESTING

The majority of workers participating in pension plans today must work for 10 years for the same employer before they become entitled to any pension benefit under the plan and most workers do not remain on the same job this long. More importantly, workers are becoming even more mobile, and average job tenure is on the decline. Increasing worker mobility will weaken the ability of workers to earn pension benefits unless retirement plans can adopt to the change in career patterns.

The legislation we are introducing today makes a simple change in the law to accelerate vesting. Current law provides three different vesting options, the most popular of which is 10-

year "cliff" vesting. Under our legislation, employers could adopt any vesting schedule for a retirement plan, but would be required to have fully vested plan participants by the end of their 5th year of service. Multiemployer plans would not be subject to this change because they currently enable workers who change employers in most case to continue earnings benefits under the same plan.

Nonretirement savings plans would be required to vest the employer's contributions more rapidly than a retirement plan. Because this type of plan encourages savings for a variety of purposes and accumulating can be readily available to participants, vesting is required after a year of service by the participant. This enables employees to have access to account balances for more immediate needs as contributions are made.

PENSION INTEGRATION

The changes in pension integration rules proposed in this section are intended to both simplify the current rules and minimize the reduction in pension benefits that can occur as a result of integration with Social Security.

Essentially, this change in the law would shift the focus of Federal policy from a concern with how pension integration is structured to a concern with the ultimate effect of integration on pensions benefits. Current rules attempt to specify a rational relationship between pension benefits and the employer's Social Security commitment. Employers can take their old age, survivors and disability insurance contributions or a benefit based on them into account in establishing a different rate of contribution or benefit on earnings above and below an integration level which is based on the Social Security tax base. Alternatively, employers can reduce benefits by no more a specified percentage of the Social Security benefit. The problem with this approach is that it is overly complex, and it can result in lower-paid workers receiving no pension contributions or benefits while higher-paid workers are able to fully benefit from the plan.

The new integration rules proposed in this legislation are comparatively simple. In their essence, the new rules state that employers cannot provide as a result of integration, less than half the contribution or benefit above the integration level or that would be paid without integration. In other words, retirement plans can use differential contribution or benefit rates above and below the integration level, but the effect cannot be to have a rate above the level more than twice the rate below the level. Alternatively, retirement plans can reduce pension benefits by any uniform fraction of Social Security, but cannot reduce the pension benefit to less than 50 percent of the amount that would be paid without integration.

The change in integration rules will have the effect of improving pension benefits for lower-paid workers without forcing employers to make major changes in plan design. In addition, the greater simplicity of these rules should reduce the administrative burden for employers of meeting current integration rules. Some critics of pension of integration suggest that the Congress should simply outlaw this practice altogether. They argue that the employer's ability to adjust pension benefits to take Social Security into account is inherently discriminatory, and that all employees should receive uniform benefits. Most employers view pension integration as a fair way to meet reasonable, income-replacement goals without having to adopt complex pension plan designs. In fact, Social Security replaces a higher proportion of preretirement earnings for a lower-paid worker than it does for a higher-paid worker. As a result, pension plans replacing a uniform percentage of earnings could replace, in combination with Social Security, a proportion of earnings that is too low for higher-paid workers and higher than desired for lower-paid workers. Where integration is prohibited, employers would most likely make adjustments either in the design of their qualified retirement plans or by offering nonqualified retirement plans to avoid wide variations in replacement rates.

CONTRIBUTION AND BENEFIT LIMITS

Currently, employers can provide annual contributions to a defined contribution plan or accrue benefits for employees in a defined benefit plan subject to specified limits on the amount that can accumulate for any individual. For a defined contribution plan, contributions may not exceed the lesser of 25 percent of compensation or $30,000. For a defined benefit plan, the benefits funded under the plan cannot exceed 100 percent of compensation or $90,000. Where employees are covered by a combination of defined benefit and defined contribution plans, contributions and benefits are further limited by a complex, combined limit (defined in IRC Code, section 415E). In the past, the dollar limits were indexed for inflation so that the funding of pension benefits could remain reasonably stable and the maximum benefit funded could remain consistent with compensation levels over time. Over the last few years, however, the Congress has reduced the contribution and benefit limits substantially and frozen the indexing at the $90,000 and $30,000 levels until 1987.

Recent legislation has yielded a policy on maximum contributions and benefits that makes little sense. First, the current limits encourage managers and owners to prefer defined contribution plans to defined benefit plans. With the current 3-to-1 relationship between benefit and contribution limits, highly-paid employees can accumulate higher pension benefits over a normal period of employment under a defined contribution plan than is possible under a defined benefit plan. In addition, highly paid individuals who have multiple plans can achieve the highest benefits under the current, combined limits by emphasizing defined contributions. Second, the lack of indexing in the benefit and contribution limits makes it increasingly difficult for employers to adequately fund plans to provide future retirement benefits to today's younger, middle-income workers. It also encourages employers to adopt nonqualified retirement plans (which are not subject to regulation under the Tax Code) to provide benefits to highly paid workers—further reducing the scope of pension arrangements that are required to meet minimum standards for coverage and benefit delivery.

This legislation proposes a significant change in the structure of the section 415 limits, with the intent of encouraging through these limits a more stable and reasoned approach to limiting tax-supported pension accumulations. Two new concepts are introduced in this legislation: wage-related contribution and benefit limits; and a simplified relationship between these limits that would eliminate the combined limit and establish roughly equivalent levels based on a 4-to-1 relationship between contributions and benefits. This policy in intended to be neutral with regard to the choice between defined contribution and defined benefit plans and to establish limits which bear a stable relationship to wages over time.

This legislation would establish wage-related pension limits in recognition that pension benefits are based on wages, and stability in pension replacement rates and funding requires a fixed relationship to wages over time. The pension limits would be set in relation to the Social Security taxable wage base, partly because it is a handy mechanism—the taxable wage base is automatically adjusted annually for the increase in average wages, and partly because pensions already are designed to supplement Social Security, and it is sound policy to relate features of the pension system to Social Security levels. The relationship between the contribution and benefit levels and the wage base is actually quite simple: The dollar contribution limits would be 50 percent, and the dollar benefit limits would be 200 percent. Under a 5-percent-wage-growth assumption, the defined-benefit limit would be $91,800 and the defined-contribution limit would be $22,950 in

1988 when indexing resumes on the current limits of $90,000 and $30,000.

The elimination of the combined limit is an additional change which simplifies the administrative burden on plan sponsors. Under our provision, there is no reduction in the limits for combined defined-benefit and defined-contribution plans, although all defined-contribution plans are subject to somewhat lower limits then they are permitted under current law. While this permits individuals to accumulate more under a combination of plans than they can accumulate under any single plan, it has the advantage of restoring some degree of parity between defined-benefit and defined-contribution plans in terms of the benefit accumulations possible under each. In addition, the accumulation possible at high levels of income under a variety of plan arrangements over a working career is roughly the same under our new limits as the accumulation possible under the current, combined limits.

Although this legislation has proposed uniform rules for retirement and nonretirement plans in general, one set of unique rules—the so-called top heavy rules—remain left untouched by this bill. We recognize that it is awkward to leave a series of special rules based largely on plan size in place in a bill purporting to establish consistent policy for employer-sponsored plans. Once the kinds of benefit protections provided to employees of small firms through the topheavy rules are adopted more broadly, these special rules and the elaborate definitions of topheavy plans should be dropped from the Internal Revenue Code.

DISTRIBUTIONS

The rules governing distributions from retirement plans are key to improving the delivery of retirement benefits in the future. Currently, a variety of distribution rules apply to pension profits-sharing, and stock bonus plans. Some plans can provide distributions to remployees while they still work for their employers. All plans can provide a distributions to departing workers, although not all plans do. Employers can make mandatory distributions to employees without their consent if the accured pension is $3,500 or less. More than half (56 percent) of the workers covered by employer-sponsored plans are in plans that will provide some form of lump-sum cash distribution when they leave the employer prior to retirement.

Federal policy has been ambivalent on the question of whether workers should be encouraged to retain preretirement distributions for retirement. On the one hand. The Congress has encouraged workers to save their lump-sum amounts by permitting a continued deferral of taxes on amounts that are rolled into an individual retirement arrangement [IRA] within 60 days. On the other hand, the Congress has encouraged workers to spend their lump-sum distributions by permitting them to pay artifically low taxes on amounts they don't roll over under the unique "10-year forward averaging" provision. The 10-year forward averaging provision results in a especially low tax payment because it computes the tax rate as if the individual has no other income and is receiving the distribution in 10 annual installments.

Federal policy has not been effective in encouraging plans and participants to retain retirement accumlations for retirement needs. Recent evidence suggests that most workers who receive a lump-sum distribution consume it and do not save it for retirement. Only a small percentage of distributions appear to be rolled over in retirement savings accounts.

This legislation would increase future retirement income by encouraging the retention of retention of amounts accumulated for retirement until retirement occurs. Retirement plans would be encouraged to distribute benefits to participants at retirement in the form of periodic payments over their remaining lives. Benefits could be distributed in other forms to participants, or their beneficiaries, upon the participant's death, disability, or separation from service after age 59½. Otherwise, benefit accruals would have to be transferred directly to a participant's IRA. Amounts deposited directly in an IRA would be more likely to remain there and less likely to be used for other purposes. The bill would increase the IRA withdrawal penalty to discourage the use of IRA's for short-term savings purposes. The bill would also repeal 10-year forward averaging and capital gains treatment of lump-sum distributions.

Several of those commenting on the pension legislation questioned the use of age 59½ as a target retirement age, rather than a lower age consistent with ages at which workers now often retire—for example, age 55. It is not our intent in borrowing this age from current law to express any Federal policy on the appropriate age of retirement or to suggest a national retirement age. In fact, as a matter of policy, this bill clearly states that the age of retirement should be an individual decision, and that workers should be encouraged by public policy to continue working throughout their productive years. The recent increase from age 65 to age 67 in the age for the payment of full Social Security benefits in the future would suggest that if the Congress is taking any position on this issue, it is to encourage later not earlier retirement. For the purposes of defining an age after which more liberal distribution rules would apply, it was sufficient in this bill to retain current law.

EFFECTIVE DATE

Finally, we are acutely aware that any pension legislation—even that which may simplify some requirements—has a disruptive effect on the employer-sponsored plans. In the past 3 years alone, the Congress has enacted three substantial laws affecting pension plans. It is inevitable that the Congress will continue to legislate pension changes in the coming years, even if the changes proposed in this legislation are not enacted.

To reduce the disruptive influence of this legislation, we have drafted substantially deferred effective dates. In no case would changes become effective within the first 2 years after enactment. Thereafter, employers would have to include the changes whenever they amended their plans, and in no case later than the end of 1990. We are hopeful that the idea of timing future pensions changes to become effective every 5 years can catch on in the Congress, so that the need to make plan amendments can be minimized.

CONCLUSION

In closing, Mr. President, let me reiterate that this legislation is intended to help guide diffuse pension and tax laws toward the goal of enhancing retirement security. We have incorporated a substantial number of proposals in this bill, and there are as many that we could have included, but did not. I am most greatful to the small group of pension experts who gave a tremendous amount of their time and valuable insight to the preparation of this legislation. I am also greateful to the many organizations and individuals who took the time to carefully review our earlier draft and suggest changes—most of which we were able to incorporate. We have attempted, in developing this legislation, to think through and test out some of the consequences before introducing the bill. It is my sincere hope that Members of both Chambers from both sides of the aisle will help us work on taking this first effort and fashioning it into a national retirement income policy.

Mr. President, I ask unanimous consent that the attached section-by-section analysis of the bill appear in the RECORD following this statement. I ask unanimous consent also that the text of the bill be printed in the RECORD following this statement.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1784

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

This Act may be cited as the "Retirement Income Policy Act of 1985".

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SEC. 2. FINDINGS AND DECLARATION OF POLICY; NATIONAL RETIREMENT INCOME POLICY GOALS.

(a) FINDINGS.—The Congress finds that—

(1) the growth in the size, scope, and number of employee pension benefit plans has been substantial over the past quarter of a century;

(2) since the enactment of the Employee Retirement Income Security Act of 1974, the number of workers and their families receiving benefits under these plans has steadily increased;

(3) for most workers and their families the benefits paid by employee pension benefit plans are a necessary supplement to benefits received through the old-age, survivors, and disability insurance program under title II of the Social Security Act;

(4) although the number of participants covered under these plans has increased, nearly half of current workers are not covered under any plan, and that percentage has remained relatively constant for the past decade;

(5) even among workers covered by employee pension benefit plans, only 50 percent of those covered are currently entitled to receive benefits from those plans;

(6) the current rules regarding coverage, vesting, and integration of employee pension benefit plans with benefits under the old-age, survivors, and disability insurance program under title II of the Social Security Act tend to impede the policy goals of broadening of coverage and improving benefit delivery, particularly for mobile workers;

(7) current incentives for plan formation have been inadequate and special incentives are needed to encourage small businesses to establish employee pension benefit plans;

(8) the lack of consistency and coordination of the rules governing various types of employee pension benefit plans has led to an erosion of the fundamental concept that retirement plans should provide retirement benefits;

(9) the frequency with which legislative changes affecting employee pension benefit plans have been enacted over the past decade have led to both uncertainty as to what the law requires and substantial additional administrative expenses for such plans which, in turn, has discouraged the growth and development of employee pension benefit plans; and

(10) the lack of an articulated national retirement income policy has encouraged such frequent and piecemeal changes.

(b) DECLARATION OF POLICY.—It is hereby declared to be the policy of this Act to articulate certain basic national retirement income policy goals and to make certain changes to the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954 in pursuance of these goals.

(c) NATIONAL RETIREMENT INCOME POLICY GOALS.—It is the sense of the Congress that the following national retirement income policy goals should be pursued:

(1) The old-age, survivors, and disability insurance program under title II of the Social Security Act should be the universal and fundamental source of retirement income security for each American.

(2) Retirement benefits provided by such program should be supplemented with benefits provided from employer-financed retirement plans.

(3) Retirement benefits provided by such program and employer-financed pensions should be supplemented by individual savings for retirement.

(4) The current voluntary system of employer-sponsored retirement plans should be retained; and the growth and development of such plans should be encouraged.

(5) Although the age of retirement should be an individual decision, workers should be encouraged by public policy to remain in the work force throughout their productive years.

(6) Employer-sponsored retirement plans should be sufficiently flexible to deliver adequate retirement benefits to workers with a variety of career patterns.

(7) Benefits which are accumulated for retirement should be retained for that purpose.

(8) Although elective approaches to retirement savings may be useful in supplementing employer-financed retirement benefits, public policy should be developed with the recognition that employer-financed retirement programs can be more effective in delivering benefits to a broad cross-section of the population.

(9) Employer-sponsored savings for purposes other than retirement should be encouraged for employees participating in a meaningful retirement program.

(10) To the extent possible, retirement income should be provided from a variety of sources and should be sufficient to maintain an employee's preretirement standard of living throughout retirement.

TITLE I—AMENDMENTS TO THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

Subtitle A—Participation Requirements

SEC. 101. RETIREMENT PLANS AND NONRETIREMENT SAVINGS PLANS.

Section 3 of the Employee Retirement Income Security Act of 1974 (relating to definitions) (29 U.S.C. 1002) is amended by adding at the end thereof the following new paragraph:

"(41) RETIREMENT PLAN AND NONRETIREMENT SAVINGS PLAN.—

"(A) RETIREMENT PLAN.—The term 'retirement plan' means a pension plan which meets the retirement income requirements of section 211.

"(B) NONRETIREMENT SAVINGS PLAN.—The term 'nonretirement savings plan' means a pension plan which is not a retirement plan.

"(C) CONVERSION RESTRICTION.—No amendment to a retirement plan shall be treated as having the effect of converting the retirement plan to a nonretirement savings plan.".

SEC. 102. RETIREMENT INCOME REQUIREMENTS.

Part 2 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (relating to participation and vesting) is amended—

(1) by redesignating section 211 as section 212; and

(2) by inserting after section 210 the following new section:

"RETIREMENT INCOME REQUIREMENTS

"SEC. 211. (a) IN GENERAL.—A plan is a retirement plan (within the meaning of section 3(41)(A)) and meets the retirement income requirements of this section only if the plan—

"(1) provides for distribution of the accrued benefit with respect to each participant commencing not earlier than upon—

"(A) the later of—

"(i) the participant's attainment of any age at or above age 59½, or

"(ii) the participant's separation from service,

"(B) the participant's disability, or

"(C) the participant's death,

except that, in the case of any such distribution other than upon disability or death, the plan may provide for such distribution upon separation from service earlier than is allowed under subparagraph (A) if such distribution is in a retirement income form described in subsection (b), and

"(2) provides for the distribution commencing not later than the later of—

"(A) the end of the plan year in which the employee attains age 70½, or

"(B) in the case of an employee other than an owner-employee (within the meaning of section 401(c)(3) of the Internal Revenue Code of 1954), the end of the plan year in which the employee retires.

"(b) RETIREMENT INCOME FORMS.—The retirement income forms described in this subsection are the following:

"(1) a distribution in the form of—

"(A) an annuity for the life of the participant,

"(B) a qualified joint and survivor annuity (within the meaning of section 205(d)), or

"(C) a level distribution over life expectancy (which may be adjusted not more frequently than annually to account for changes in life expectancy and reasonable assumptions based on previous investment performance under the plan),

"(2) a distribution described in paragraph (1), adjusted to allow for periodic supplements which—

"(A) terminate upon commencement of entitlement to benefits under title II of the Social Security Act, and

"(B) after adding benefits otherwise paid under the plan for periods for which such supplements are paid, do not exceed the amount of projected total benefits under such title II and the plan upon such commencement of entitlement, or

"(3) benefits in the event of sickness, accident, or disability referred to in section 3(1).

"(c) SPECIAL RULE RELATING TO TRANSFERS FROM PLANS DIRECTLY TO INDIVIDUAL RETIREMENT ACCOUNTS OR ANNUITIES OR TO OTHER RETIREMENT PLANS.—A plan shall not be treated as failing to meet the retirement income requirements of this section solely because the plan provides for a direct transfer to an individual retirement account (within the meaning of section 408(a) of the Internal Revenue Code of 1954), to an individual retirement annuity (within the meaning of section 408(b) of such Code), or to another retirement plan (which provides for acceptance of such transfers) of the accrued benefit with respect to the participant upon the participant's separation from service under the plan in accordance with section 203(e).".

SEC. 103. MAINTENANCE OF ADEQUATE RETIREMENT PLAN COVERAGE.

(a) IN GENERAL.—Part 2 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (relating to participation and vesting) (as amended by the preceding provisions of this title) is further amended—

(1) by redesignating section 212 as section 213; and

(2) by inserting after section 211 the following new section:

"PLAN COVERAGE REQUIREMENTS APPLICABLE TO EMPLOYER

"SEC. 212. (a) IN GENERAL.—Each employer maintaining a pension plan for an employee in the employer's relevant work force shall meet the coverage requirements of this section. An employer meets the coverage requirements of this section if each employee who is in the employer's relevant work force and who is under the social security contribution and benefit base is eligible to participate in a retirement plan maintained by the employer.

"(b) SPECIAL RULES IN THE CASE OF ALLOWABLE SUBDIVISIONS OF THE RELEVANT WORK FORCE.—In any case in which the relevant work force of the employer consists of two or more allowable subdivisions, the requirements of this section shall be treated as met if the requirements of paragraphs (1) and (2) are met.

"(1) 80-PERCENT COVERAGE REQUIREMENT.—

"(A) IN GENERAL.—The requirements of this paragraph are met if—

"(i) the employer's coverage percentage as of the end of the last fiscal year of the employer is at least 80 percent, or

"(ii) the average of the employer's coverage percentages as of the end of each of the last 5 fiscal years of the employer (or all preceding fiscal years of the employer if less than 5) is at least 80 percent.

"(B) COVERAGE PERCENTAGE DEFINED.—For purposes of this paragraph, the term 'coverage percentage', in connection with any employer, means the percentage of the relevant work force of the employer constituting employees who are under the social security contribution and benefit base and are eligible for participation in a retirement plan maintained by the employer.

"(2) TOTAL COVERAGE REQUIRED IN ANY ALLOWABLE SUBDIVISION IN WHICH ANY COVERAGE IS PROVIDED.—The requirements of this paragraph are met if, in each allowable subdivision in which one or more employees are eligible to participate in a retirement plan maintained by the employer, each employee who is under the social security contribution and benefit base is eligible to participate in a retirement plan maintained by the employer.

"(c) REQUIREMENTS MAY BE MET BY MAINTENANCE OF TWO OR MORE PLANS.—The provisions of subsections (a) and (b), to the extent they require maintenance by an employer of a retirement plan with respect to any employee, may be met by maintenance by the employer of one of more retirement plans in at least one of which the employee is eligible to participate.

"(d) SPECIAL RULE FOR CONTRIBUTORY PLANS.—

"(1) IN GENERAL.—In the case of a retirement plan providing for mandatory contributions, the requirements of subsection (a) shall be treated as met only if at least 60 percent of the employees made eligible to participate in accordance with subsection (a) or (b)(1) actually participate.

"(2) INCREASE IN REQUIRED PERCENTAGE FOR PLANS PROVIDING SUBSTANTIAL BENEFITS.—In the case of a plan with respect to which the applicable requirements of paragraphs (1) and (2) of section 213 are met, the phrase '70 percent' shall be substituted for the phrase '60 percent' in paragraph (1).

"(e) DEFINITIONS.—For purposes of this section—

"(1) RELEVANT WORK FORCE.—The term 'relevant work force' of an employer means all employees of the employer, excluding any employee who—

"(A) does not meet the requirements for participation in any pension plan established or maintained by the employer solely by reason of failure to satisfy minimum age or service requirements prescribed by such plan as a condition of participation in such plan,

"(B) is not a participant in any pension plan established or maintained by the employer and is included in a unit of employees covered by an agreement which the Secretary finds to be a collective bargaining agreement between employee representatives and one or more employers, if there is evidence that retirement benefits were the subject of good faith bargaining between such employee representatives and such employer or employers,

"(C) is included in a unit of employees covered by an agreement pursuant to which a plan is maintained by the employer and which the Secretary finds to be a collective-bargaining agreement between air pilots represented in accordance with title II of the Railway Labor Act and one or more employers (unless the principal duties of such employee are not customarily performed aboard aircraft in flight), or

"(D) is a nonresident alien and receives no earned income (within the meaning of section 911(d)(2) of the Internal Revenue Code of 1954) from the employer which constitutes income from sources within the United States (within the meaning of section 861(a)(3) of such Code).

"(2) UNDER THE SOCIAL SECURITY CONTRIBUTION AND BENEFIT BASE.—An employee is 'under the social security contribution and benefit base' if the employee's compensation is at a rate less than the contribution and benefit base under section 230 of the Social Security Act.

"(3) ALLOWABLE SUBDIVISION.—The term 'allowable subdivision' of a relevant work force means—

"(A) a portion of the relevant work force consisting of so much of such relevant work force as serves in the work force of a separate business unit of the employer, as defined in regulations of the Secretary of the Treasury distinguishing such unit solely on the basis of its distinct locality or its separate product line, and

"(B) the portion of the relevant work force consisting of so much of such relevant work force as does not serve in the work force of any such separate business unit.

"(4) MANDATORY CONTRIBUTIONS.—The term 'mandatory contributions', in connection with a participant in a plan, means

amounts contributed to the plan by the participant which are required as a condition of employment, as a condition of participation in the plan, or as a condition of obtaining benefits under the plan attributable to employer contributions.".

(b) ELIMINATION OF 3-YEAR RULE UNDER MINIMUM PARTICIPATION STANDARDS.—Subparagraph (B) of section 202(a)(1) of such Act (29 U.S.C. 1052(a)(1)(B)) is amended by striking out "(B)(i) In the case of any plan which provides" and all that follows down through "(ii) In the case of any plan maintained" and inserting in lieu thereof "(B) In the case of any plan maintained".

SEC. 104. RETIREMENT PLAN COVERAGE REQUIRED AS PREREQUISITE FOR NONRETIREMENT SAVINGS PLAN COVERAGE.

Part 2 of subtitle B of title I of the Employee Retirement Income Security Act (as amended by the preceding provisions of this title) is further amended—

(1) by redesignating section 213 as section 214; and

(2) by inserting after section 212 the following new section:

"RETIREMENT PLAN COVERAGE REQUIRED AS PREREQUISITE FOR NONRETIREMENT SAVINGS PLAN COVERAGE

"SEC. 213. An employer may not maintain a nonretirement savings plan, in which any employee within the relevant work force (within the meaning of section 211(e)(1)) of the employer maintaining the plan is eligible to participate, unless, under at least one retirement plan which is maintained by the employer and in which the employee is eligible to participate—

"(1) in any case in which such retirement plan is a defined benefit plan, the accrued benefit of each participant is equivalent to an amount expressed as a percentage of compensation (within the meaning of section 415 of the Internal Revenue Code of 1954) and such percentage equals or exceeds the product derived by multiplying the participant's years of participation required to be taken into account under section 204 by 0.5 percent, or

"(2) in any case in which such retirement plan is a defined contribution plan, the employer contribution with respect to each participant for each plan year is not less than 3 percent of the participant's compensation (within the meaning of section 415 of the Internal Revenue Code of 1954) for such plan year.".

Subtitle B—Limitations on Contributions and Benefits

SEC. 111. CASH OR DEFERRED ARRANGEMENTS UNDER RETIREMENT PLANS.

Part 2 of subtitle B of title I of the Employee Retirement Income Security Act (as amended by the preceding provisions of this title) is further amended—

(1) by redesignating section 214 as section 215; and

(2) by inserting after section 213 the following new section:

"SEC. 214. (a) GENERAL RULE.—A plan may include a cash or deferred arrangement only if such plan is a retirement plan and such arrangement meets the requirements of this section.

"(b) CASH OR DEFERRED ARRANGEMENT.—For purposes of this section, a cash or deferred arrangement is any arrangement which is part of a plan and under which a covered employee may elect to have the employer make payments—

"(1) as contributions to a trust under the plan on behalf of the employee, or

"(2) to the employee directly in cash.

"(c) NONFORFEITABILITY.—A cash or deferred arrangement meets the requirements of this section only if it provides that an employee's right to the employee's accrued benefit derived from employer contributions made to the trust pursuant to the employee's election is nonforfeitable.

"(d) APPLICATION OF DISCRIMINATION STANDARDS.—

"(1) RELATIONSHIP BETWEEN DEFERRAL PERCENTAGES OF HIGHLY COMPENSATED EMPLOYEES AND OTHER ELIGIBLE EMPLOYEES.—

"(A) ALTERNATIVE TESTS.—A cash or deferred arrangement shall not be treated as meeting the requirements of this section unless the actual deferral percentage for highly compensated employees (as defined in subsection (e)) for each plan year bears a relationship to the actual deferral percentage for all other eligible employees for such plan year which meets either of the following tests:

"(i) 1.5 MULTIPLIER TEST.—The actual deferral percentage for the group of highly compensated employees is not more than the actual deferral percentage of all other eligible employees multiplied by 1.5.

"(ii) 2.5 MULTIPLIER TEST.—The excess of the actual deferral percentage for the group of highly compensated employees over the actual deferral percentage for all other eligible employees is not more than 3 percentage points, and the actual deferral percentage for the group of highly compensated employees is not more than the actual deferral percentage of all other eligible employees multiplied by 2.5.

"(B) RULES FOR MORE THAN 1 PLAN.—The actual deferral percentage taken into account under this subparagraph for any employee who is a participant under 2 or more cash or deferred arrangements of the employer shall be the sum of the actual deferral percentages for such employee under each of such arrangements.

"(2) ACTUAL DEFERRAL PERCENTAGE.—For purposes of paragraph (1), the actual deferral percentage for a specified group of employees for a plan year shall be the average of the ratios (calculated separately for each employee in such group) of—

"(A) the amount of employer contributions actually paid over to the trust on behalf of each such employee for such plan year, to

"(B) the employee's compensation for such plan year.

For purposes of the preceding sentence, the compensation of any employee for a plan year shall be the amount of the employee's compensation which is taken into account under the plan in calculating the contribution which may be made on the employee's behalf for such plan year.

"(e) HIGHLY COMPENSATED EMPLOYEE.—For purposes of this section, the term 'highly compensated employee' means any employee who is more highly compensated than two-thirds of all eligible employees, taking into account only compensation which is considered in applying subsection (d).

"(f) TREATMENT OF ALLOWABLE SUBDIVISIONS.—In the case of any plan with respect to which the requirements of section 212 would not be met but for meeting the requirements of subsection (b)(1) of such section with respect to allowable subdivisions, the requirements of this section are not met unless such requirements are met if applied solely to each such allowable subdivision.".

SEC. 112. MAXIMUM AMOUNT OF COVERED COMPENSATION.

Part 3 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 is amended—

(1) by redesignating section 306 as section 307; and

(2) by inserting after section 305 the following new section:

"MAXIMUM AMOUNT OF COVERED COMPENSATION

"SEC. 306. (a) IN GENERAL.—The amount of a participant's compensation for any year (as defined in regulations of the Secretary of the Treasury) which may be taken into account under a pension plan for purposes of determining benefits and contributions may not exceed 500 percent of the contribution and benefit base (as in effect as of the beginning of such year) under section 230 of the Social Security Act.

"(b) PARTICIPANT'S COMPENSATION DEFINED.—For purposes of this section—

"(1) IN GENERAL.—The term 'participant's compensation' means the compensation of the participant from the employer for the year.

"(2) SPECIAL RULE FOR SELF-EMPLOYED INDIVIDUALS.—In the case of an employee within the meaning of section 401(c)(1) of the Internal Revenue Code of 1954, paragraph (1) shall be applied by substituting 'the participant's earned income (within the meaning of section 401(c)(2) of the Internal Revenue Code of 1954 but determined without regard to any exclusion under section 911 of such Code)' for 'compensation of the participant from the employer'.".

Subtitle C—Vesting Standards

SEC. 121. MINIMUM VESTING STANDARD REDUCED FROM 10 YEARS TO 5 YEARS FOR RETIREMENT PLANS AND 1 YEAR FOR NONRETIREMENT SAVINGS PLANS.

(a) IN GENERAL.—Paragraph (2) of section 203(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(a)) (relating to minimum vesting standards) is amended to read as follows:

"(2) A plan satisfies the requirements of this paragraph if it satisfies the requirements of subparagraph (A) or (B).

"(A) A plan satisfies the requirements of this subparagraph if—

"(i) in the case of a retirement plan, under the plan, a participant who has completed at least 5 years of service has a nonforfeitable right to 100 percent of the participant's accrued benefit derived from employer contributions, and

"(ii) in the case of a nonretirement savings plan, under the plan, a participant who has completed at least 1 year of service has a nonforfeitable right to 100 percent of the participant's accrued benefit derived from employer contributions.

"(B) A plan satisfies the requirements of this subparagraph if—

"(i) the plan is a multiemployer plan, and

"(ii) under the plan a participant who has completed at least 10 years of service has a nonforfeitable right to 100 percent of the participant's accrued benefit derived from employer contributions.".

(b) RULE OF APPLICATION.—The amendment made by subsection (a), upon taking effect as provided in section 151, shall apply with respect to participants who have completed at least one hour of service on or after the date of the enactment of this Act.

Subtitle D—Pension Integration

SEC. 131. PROHIBITION OF DISCRIMINATORY TREATMENT OF PARTICIPANTS UNDER PENSION PLANS; INTEGRATION OF RETIREMENT PLANS WITH OASDI AND OTHER GOVERNMENTAL RETIREMENT PROGRAMS.

Part 2 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (as amended by the preceding provisions of this title) is further amended—

(1) by redesignating section 215 as section 216; and

(2) by inserting after section 214 the following new section:

"RULES AGAINST DISCRIMINATORY TREATMENT OF PLAN PARTICIPANTS

"SEC. 215. (a) GENERAL RULE.—The contributions and benefits provided under a pension plan may not discriminate in favor of employees who are—

"(1) officers,

"(2) shareholders, or

"(3) highly compensated.

"(b) EXCLUSIONS.—For purposes of this section, there shall be excluded from consideration—

"(1) employees not included in the plan who are included in a unit of employees covered by an agreement which the Secretary finds to be a collective bargaining agreement between employee representatives and one or more employers, if there is evidence that retirement benefits were the subject of good faith bargaining between such employee representatives and such employer or employers, and

"(2) employees who are nonresident aliens and who receive no earned income (within the meaning of section 911(d)(2) of the Internal Revenue Code of 1954) from the employer which constitutes income from sources within the United States (within the meaning of section 861(a)(3) of such Code).

"(c) NONDISCRIMINATORY INTEGRATION OF RETIREMENT PLANS WITH TITLE II OF THE SOCIAL SECURITY ACT AND OTHER RETIREMENT PROGRAMS UNDER STATE OR FEDERAL LAW.—

"(1) IN GENERAL.—A retirement plan shall not be treated as discriminatory within the meaning of subsection (a) merely because it is an integrated plan.

"(2) INTEGRATED PLAN.—For purposes of this subsection, the term 'integrated plan' means a plan which is discriminatory within the meaning of subsection (a) solely because the plan provides a contribution or benefit formula described in paragraph (3) or (4).

"(3) EXCESS PLAN REQUIREMENTS.—

"(A) EXCESS FORMULA.—The contribution or benefit formula of a plan is described in this paragraph if, under such formula, to an extent consistent with the requirements of subparagraph (C), contributions or benefits determined on that portion of compensation in excess of an integration level which is specified therein for each plan year and which meets the requirements of subparagraph (B) exceed contributions or benefits determined on that portion of compensation not in excess of such integration level.

"(B) INTEGRATION LEVEL.—An integration level provided under plan's contribution or benefit formula meets the requirements of this subparagraph if such integration level, as specified for each plan year, does not exceed the contribution and benefit base under section 230 of the Social Security Act as of the beginning of such plan year.

"(c) INTEGRATION RATIO.—

"(i) IN GENERAL.—The requirements of this subparagraph are met with respect to a plan's contribution or benefit formula if, under such formula, the ratio (expressed as a percentage) of—

"(I) the amount of employer contributions (in the case of a defined contribution plan) or benefits (in the case of a defined benefit plan) determined on that portion of compensation which is not in excess of the integration level, to

"(II) the amount of employer contributions (in the case of a defined contribution plan) or benefits (in the case of a defined benefit plan) determined on that portion of compensation which is in excess of the integration level,

is not less than 50 percent.

"(ii) ADDITIONAL RULES GOVERNING INTEGRATION RATIOS.—

"(I) GREATER INTEGRATION RATIOS UNDER DEFINED BENEFIT PLANS REQUIRED FOR PLANS WITHOUT ADEQUATE DISTRIBUTION OF VALUABLE PLAN FEATURES.—The Secretary of the Treasury shall provide by regulation for increases in the minimum ratio required under clause (i) for any defined benefit plan (or class thereof) to the extent necessary to eliminate any additional discrimination within the meaning of subsection (a) attributable solely to the value of the plan features (constituting the form of benefit, any preretirement benefits, the vesting schedule, the normal retirement age, and any actuarial adjustment factors) with respect to benefits attributable to compensation in excess of the specified integration level, taking into account the value of such features with respect to benefits attributable to compensation not in excess of the specified integration level.

"(II) GREATER INTEGRATION RATIOS UNDER CONTRIBUTORY PLANS REQUIRED FOR PLANS PROVIDING ADEQUATE BENEFIT RATES IN RELATION TO CONTRIBUTION RATES.—The Secretary of the Treasury shall provide by regulation for increases in the minimum ratio required under clause (i) for any plan (or class thereof) providing for mandatory contributions (within the meaning of section 212(e)(4)) to the extent necessary to eliminate any additional discrimination within the meaning of subsection (a) attributable solely to the ratio which employee contribution rates applicable to compensation which is not in excess of the specified integration level bears to employee contribution rates applicable to compensation which is in excess of the specified integration, taking into account the ratio which benefit rates applicable to compensation which is not in excess of the specified integration level bears to benefit rates applicable to compensation which is in excess of the specified integration level.

"(4) REQUIREMENTS FOR OFFSET PLANS.—

"(A) OFFSET FORMULA.—The contribution or benefit formula of a plan is described in this paragraph if, under such formula, to an extent consistent with the requirements of subparagraph (B), the normal retirement benefit with respect to each participant is expressed in the form of a benefit which is a specified percentage of compensation (without exclusion of any portion of compensation), reduced by a specified percentage (not in excess of 100 percent) of the primary insurance amount (within the meaning of section 215 of the Social Security Act) of such participant (or of any other individual on whose wages and self-employment income (within the meaning of sections 209 and 211 of such Act) such participant's entitlement to monthly benefits under title II of such Act is based), determined as of the earlier of the date of the commencement of such participant's entitlement to benefits under such title II or the date of such participant's separation from service.

"(B) MINIMUM BENEFIT.—The requirements of this subparagraph are met with respect to a plan if, under the plan, the accrued benefit derived from employer contributions (within the meaning of section 204(c)(1)) provided to each participant is not less than 50 percent of the accrued benefit derived from employer contributions which would be provided to such participant but for the reduction described in subparagraph (A).

"(C) LIMITATION ON REGULATORY AUTHORITY.—In any regulations prescribed by the Secretary of the Treasury under this paragraph, any criteria for determining whether the requirements of this paragraph have been met may not take into account the form of benefit, preretirement benefits, or similar plan provisions.

"(5) COORDINATION OF PLANS WITH OTHER STATE OR FEDERAL LAWS.—Principles similar to the principles applicable under the preceding provisions of this subsection shall apply in the case of plans coordinated with State or Federal laws other than title II of the Social Security Act.

"(d) TREATMENT OF MULTIPLE PLANS.—For purposes of this section, in any case which an employee is eligible to participate in two or more retirement plans which are maintained by the same employer, such plans shall be treated as one plan with respect to such employee.

"(e) REGULATIONS.—The Secretary of the Treasury may prescribe such regulations as are necessary or appropriate to carry out the purposes of this section.".

Subtitle E—Coverage and Portability

SEC. 141. EARLY DISTRIBUTIONS OF BENEFITS RESTRICTED TO DIRECT TRANSFERS TO INDIVIDUAL RETIREMENT ACCOUNTS OR ANNUITIES.

(a) GENERAL RULE.—Section 203(e) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(e)) (relating to restrictions on certain mandatory distributions) is amended—

(1) by redesignating paragraph (2) as paragraph (3); and

(2) by inserting after paragraph (1) the following new paragraph:

"(2)(A) Irrespective of the amount of the present value of the accrued benefit, in the case of any distribution of such benefit in a lump sum before the earlier of the participant's attainment of age 59½, disability, or death, such benefit shall not be treated as nonforfeitable unless such distribution is made—

"(i) in a direct transfer to an individual retirement account (within the meaning of section 408(a) of the Internal Revenue Code of 1954) or an individual retirement annuity (within the meaning of section 408(b) of such Code),

"(ii) after notice of such transfer to the participant (or, in the event of the participant's death, the participant's beneficiary), and

"(iii) except as provided in subparagraph (B), directly to an individual retirement account or individual retirement annuity—

"(I) which is designated in writing by the participant (or, in the event of the participant's death, the participant's beneficiary), and

"(II) which is demonstrated to the satisfaction of the plan administrator to be willing to accept such transfer.

"(B) If the participant (or beneficiary) makes no designation referred to in sub-

paragraph (A)(iii)(I) to an individual retirement account or individual retirement annuity described in subparagraph (A)(iii)(II) within the 60-day period following the date of the notice provided under subparagraph (A)(ii), the plan administrator may make such transfer to an individual retirement account or individual retirement annuity selected by the plan administrator.".

(b) SURVIVOR ANNUITIES.—Section 205(g) of such Act (29 U.S.C. 1055(g)) (relating to restrictions on cash-outs) is amended by adding at the end thereof the following new paragraphs:

"(4) The preceding provisions of this subsection shall apply only with respect to distributions made as transfers meeting the requirements of section 203(e).

"(5) Benefits distributed under a plan shall not be treated as other than nonforfeitable solely because such distribution is made as permitted under this subsection.".

Subtitle F—Effective Date and Related Rules

SEC. 151. EFFECTIVE DATE.

(a) GENERAL RULE.—The amendments made by this title shall apply with respect to any plan for plan years ending after the later of—

(1) 2 years after the date of the enactment of this Act, or

(2) the earlier of—

(A) the effective date of the first plan amendment adopted after the date of the enactment of this Act, or

(B) December 31, 1990.

(b) SPECIAL RULE FOR COLLECTIVE BARGAINING AGREEMENTS.—In the case of a plan maintained pursuant to one or more collective bargaining agreements between employee representatives and one or more employers ratified before the date of the enactment of this Act, the amendments made by this Act shall apply to plan years ending after the later of—

(1) 2 years after the date of the enactment of this Act, or

(2) the earlier of—

(A) the date on which the last of the collective bargaining agreements relating to the plan terminates (determined without regard to any extension thereof ratified after the date of the enactment of this Act),

(B) the effective date of the first plan amendment adopted after the date of the enactment of this Act, or

(C) December 31, 1990.

SEC. 152. TECHNICAL AMENDMENTS.

The table of contents in section 1 of the Employee Retirement Income Security Act of 1974 is amended—

(1) by striking out the item relating to section 211 and inserting in lieu thereof the following new items:

"Sec. 211. Retirement income requirements.
"Sec. 212. Plan coverage requirements applicable to employer.
"Sec. 213. Retirement plan coverage required as prerequisite for nonretirement savings plan coverage.
"Sec. 214. Cash or deferred arrangements under retirement plans.
"Sec. 215. Nondiscriminatory integration of retirement plans with title II of the Social Security Act and other retirement programs under State or Federal law.
"Sec. 216. Effective dates.

and

(2) by striking out the item relating to section 306 and inserting in lieu thereof the following new items:

"Sec. 306. Maximum amount of covered compensation.
"Sec. 307. Effective dates.

TITLE II—AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1954

Subtitle A—Participation Requirements

SEC. 201. RETIREMENT PLANS AND NONRETIREMENT SAVINGS PLANS.

(a) IN GENERAL.—Section 414 of the Internal Revenue Code of 1954 (relating to definitions and special rules) is amended by adding at the end thereof the following new subsection:

"(q) RETIREMENT PLAN AND NONRETIREMENT SAVINGS PLAN.—For purposes of this part—

"(1) RETIREMENT PLAN.—The term 'retirement plan' means a plan which meets the retirement income requirements of section 409A.

"(2) NONRETIREMENT SAVINGS PLAN.—The term 'nonretirement savings plan' means a plan which is not a retirement plan.

"(3) CONVERSION RESTRICTION.—No amendment to a retirement plan shall be treated as having the effect of converting the retirement plan to a nonretirement savings plan.".

(b) CONFORMING AMENDMENTS.—

(1) The sections specified in paragraph (2) are each amended by striking out "retirement plan" each place it appears and inserting in lieu thereof "retirement benefit plan".

(2) The sections specified in this paragraph are the following:

(A) subsections (a)(3), (a)(4)(C)(i), (c)(1), (e)(1), (e)(5), (f)(3)(A), (f)(5), and (f)(6)(A) of section 219 of such Code;

(B) section 221(b)(2)(A)(iii) of such Code;

(C) subsections (a)(5) and (a)(7) of section 402 of such Code;

(D) subsections (a)(4)(A)(ii) and (b)(8)(A)(ii) of section 403 of such Code;

(E) subsections (c)(2) and (d) of section 2517 of such Code;

(F) section 3405(d)(1)(A)(ii) of such Code;

(G) section 6049(b)(4)(B) of such Code;

(H) section 6058(d) of such Code;

(I) subsections (a)(1), (b)(3), and (c) of section 7476 of such Code, the heading of such section, and the item relating to such section in the table of sections for part IV of subchapter C of chapter 76 of such Code;

(J) the heading and subsection (a)(37) of section 7701 of such Code; and

(K) section 3001(a) of the Employee Retirement Income Security Act of 1974.

SEC. 202. RETIREMENT INCOME REQUIREMENTS.

(a) IN GENERAL.—Subpart A of part I of subchapter D of chapter 1 of the Internal Revenue Code of 1954 (relating to pension, profit-sharing, stock bonus plans, etc.) is amended by adding at the end thereof the following new section:

"SEC. 409A. RETIREMENT INCOME REQUIREMENTS.

"(a) IN GENERAL.—A plan meets the retirement income requirements of this section only if the plan—

"(1) provides for distribution of the accrued benefit with respect to each participant commencing not earlier than upon—

"(A) the later of—

"(i) the participant's attainment of any age at or above age 59½, or

"(ii) the participant's separation from service,

"(B) the participant's disability, or

"(C) the participant's death,

except that, in the case of any such distribution other than upon disability or death, the plan may provide for such distribution upon separation from service earlier than is allowed under subparagraph (A) if such distribution is in a retirement income form described in subsection (b), and

"(2) provides for the distribution commencing not later than the later of—

"(A) the end of the plan year in which the employee attains age 70½, or

"(B) in the case of an employee other than an owner-employee (within the meaning of section 401(c)(3)), the end of the plan year in which the employee retires.

"(b) RETIREMENT INCOME FORMS.—The retirement income forms described in this subsection are the following:

"(1) a distribution in the form of—

"(A) an annuity for the life of the participant,

"(B) a qualified joint and survivor annuity (within the meaning of section 417(b)), or

"(C) a level distribution over life expectancy (which may be adjusted not more frequently than annually to account for changes in life expectancy and reasonable assumptions based on previous investment performance under the plan),

"(2) a distribution described in paragraph (1), adjusted to allow for periodic supplements which—

"(A) terminate upon commencement of entitlement to benefits under title II of the Social Security Act, and

"(B) after adding benefits otherwise paid under the plan for periods for which such supplements are paid, do not exceed the amount of projected total benefits under such title II and the plan upon such commencement of entitlement, or

"(3) benefits in the event of sickness, accident, or disability referred to in section 3(1) of the Employee Retirement Income Security Act of 1974.

"(c) SPECIAL RULE RELATING TO TRANSFERS FROM PLANS DIRECTLY TO INDIVIDUAL RETIREMENT ACCOUNTS OR ANNUITIES OR TO OTHER RETIREMENT PLANS.—A plan shall not be treated as failing to meet the retirement income requirements of this section solely because the plan provides for a direct transfer to an individual retirement account (within the meaning of section 408(a)), to an individual retirement annuity (within the meaning of section 408(b)), or to another retirement plan (which provides for acceptance of such transfers) of the accrued benefit with respect to the participant upon the participant's separation from service under the plan in accordance with section 411(a)(11).

"(d) CROSS REFERENCE.—

"For application of section to definition of 'retirement plan', see section 414(q).".

(b) CLERICAL AMENDMENT.—The table of sections for subpart A of part I of subchapter D of chapter 1 of such Code is amended by adding after the item relating to section 409 the following new item:

"Sec. 409A. Retirement income requirements.".

SEC. 203. MAINTENANCE OF ADEQUATE RETIREMENT PLAN COVERAGE AS QUALIFICATION REQUIREMENT.

(a) QUALIFICATION DEPENDENT UPON ADEQUATE RETIREMENT PLAN COVERAGE.—Section 401(a) of the Internal Revenue Code of 1954 (relating to requirements for qualification of pension, profit-sharing, and stock bonus plans) is amended by inserting after paragraph (25) the following new paragraph:

"(26) PLAN COVERAGE REQUIREMENTS.—A trust forming a part of a plan shall not constitute a qualified trust under this section unless the employer maintaining the plan meets the coverage requirements of section 409B.".

(b) COVERAGE REQUIREMENTS OF EMPLOYER.—Subpart A of part I of subchapter D of

chapter 1 of the Internal Revenue Code of 1954 (relating to pension, profit-sharing, stock bonus plans, etc.) (as amended by the preceding provisions of this title) is further amended by adding at the end thereof the following new section:

"SEC. 409B. COVERAGE REQUIREMENTS APPLICABLE TO EMPLOYER.

"(a) IN GENERAL.—An employer meets the coverage requirements of this section if each employee who is in the employer's relevant work force and who is under the social security contribution and benefit base is eligible to participate in a retirement plan maintained by the employer.

"(b) SPECIAL RULES IN THE CASE OF ALLOWABLE SUBDIVISIONS OF THE RELEVANT WORK FORCE.—In any case in which the relevant work force of the employer consists of two or more allowable subdivisions, the requirements of this section shall be treated as met if the requirements of paragraphs (1) and (2) are met.

"(1) 80-PERCENT COVERAGE REQUIREMENT.—

"(A) IN GENERAL.—The requirements of this paragraph are met if—

"(i) the employer's coverage percentage as of the end of the last fiscal year of the employer is at least 80 percent, or

"(ii) the average of the employer's coverage percentages as of the end of each of the last 5 fiscal years of the employer (or all preceding fiscal years of the employer if less than 5) is at least 80 percent.

"(B) COVERAGE PERCENTAGE DEFINED.—For purposes of this paragraph, the term 'coverage percentage', in connection with any employer, means the percentage of the relevant work force of the employer constituting employees who are under the social security contribution and benefit base and are eligible for participation in a retirement plan maintained by the employer.

"(2) TOTAL COVERAGE REQUIRED IN ANY ALLOWABLE SUBDIVISION IN WHICH ANY COVERAGE IS PROVIDED.—The requirements of this paragraph are met if, in each allowable subdivision in which one or more employees are eligible to participate in a retirement plan maintained by the employer, each employee who is under the social security contribution and benefit base is eligible to participate in a retirement plan maintained by the employer.

"(c) REQUIREMENTS MAY BE MET BY MAINTENANCE OF TWO OR MORE PLANS.—The provisions of subsections (a) and (b), to the extent they require maintenance by an employer of a retirement plan with respect to any employee, may be met by maintenance by the employer of one or more retirement plans in at least one of which the employee is eligible to participate.

"(d) SPECIAL RULE FOR CONTRIBUTORY PLANS.—

"(1) IN GENERAL.—In the case of a retirement plan which provides for mandatory contributions, the requirements of subsection (a) shall be treated as met only if at least 60 percent of the employees made eligible to participate in accordance with subsection (a) or (b)(1) actually participate.

"(2) INCREASE IN REQUIRED PERCENTAGE FOR PLANS PROVIDING SUBSTANTIAL BENEFITS.—In the case of a plan with respect to which the applicable requirements of subparagraphs (A) and (B) of section 401(a)(27) are met, the phrase '70 percent' shall be substituted for the phrase '60 percent' in paragraph (1).

"(e) CONTINUED APPLICABILITY OF NON-DISCRIMINATION REQUIREMENTS.—Nothing in the preceding provisions of this section shall be construed to limit the requirements of section 401(a)(4).

"(f) DEFINITIONS.—For purposes of this section and section 401(a)(26)—

"(1) RELEVANT WORK FORCE.—The term 'relevant work force' of an employer means all employees of the employer, excluding any employee who—

"(A) does not meet the requirements for participation in any pension, profit-sharing, or stock bonus plan established or maintained by the employer solely by reason of failure to satisfy minimum age or service requirements prescribed by such plan as a condition of participation in such plan,

"(B) is not a participant in any pension, profit-sharing, or stock bonus plan established or maintained by the employer and is included in a unit of employees covered by an agreement which the Secretary finds to be a collective-bargaining agreement between employee representatives and one or more employers, if there is evidence that retirement benefits were the subject of good-faith bargaining between such employee representatives and such employer or employers,

"(C) is included in a unit of employees covered by an agreement pursuant to which a pension, profit-sharing, or stock bonus plan is maintained by the employer and which the Secretary finds to be a collective-bargaining agreement between air pilots represented in accordance with title II of the Railway Labor Act and one or more employers (unless the principal duties of such employee are not customarily performed aboard aircraft in flight), or

"(D) is a nonresident alien and receives no earned income (within the meaning of section 911(d)(2)) from the employer which constitutes income from sources within the United States (within the meaning of section 861(a)(3)).

"(2) UNDER THE SOCIAL SECURITY CONTRIBUTION AND BENEFIT BASE.—An employee is 'under the social security contribution and benefit base' if the employee's compensation is at a rate less than the contribution and benefit base under section 230 of the Social Security Act.

"(3) ALLOWABLE SUBDIVISION.—The term 'allowable subdivision' of a relevant work force means—

"(A) a portion of the relevant work force consisting of so much of such relevant work force as serves in the work force of a separate business unit of the employer, as defined in regulations of the Secretary of the Treasury distinguishing such unit solely on the basis of its distinct locality or its separate product line, and

"(B) the portion of the relevant work force consisting of so much of such relevant work force as does not serve in the work force of any such separate business unit.

"(4) MANDATORY CONTRIBUTIONS.—The term 'mandatory contributions', in connection with a participant in a plan, means amounts contributed to the plan by the participant which are required as a condition of employment, as a condition of participation in the plan, or as a condition of obtaining benefits under the plan attributable to employer contributions.".

(c) CONFORMING AMENDMENT.—Subsection (b) of section 410 of such Code (relating to eligibility) is repealed.

(d) ELIMINATION OF 3-YEAR RULE UNDER MINIMUM PARTICIPATION STANDARDS.—Subparagraph (B) of section 410(a)(1) of such Code (relating to special rules for certain plans) is amended by striking out "(B) SPECIAL RULES FOR CERTAIN PLANS.—" and all that follows down through "(ii) In the case of any plan maintained" and inserting in lieu thereof "(B) SPECIAL RULE FOR CERTAIN PLANS.—In the case of any plan maintained".

(e) CLERICAL AMENDMENT.—The table of sections for subpart A of part I of subchapter D of chapter 1 of such Code (as amended by the preceding provisions of this title) is further amended by adding after the item relating to section 409A the following new item:

"Sec. 409B. Coverage requirements applicable to employer.".

SEC. 204. RETIREMENT PLAN COVERAGE REQUIRED AS PREREQUISITE FOR NONRETIREMENT SAVINGS PLAN COVERAGE.

(a) GENERAL RULE.—Section 401(a) of the Internal Revenue Code of 1954 (relating to requirements for qualification of pension, profit-sharing, and stock bonus plans) (as amended by the preceding provisions of this title) is further amended by inserting after paragraph (26) the following new paragraph:

"(27) RETIREMENT PLAN COVERAGE REQUIRED AS PREREQUISITE FOR NONRETIREMENT SAVINGS PLAN COVERAGE.—A trust forming a part of a nonretirement savings plan, in which any employee within the relevant work force (within the meaning of section 409B(f)(1)) of the employer maintaining the plan is eligible to participate, shall not constitute a qualified trust under this section unless, under at least one retirement plan which is maintained by the employer and in which the employee is eligible to participate—

"(A) in any case in which such retirement plan is a defined benefit plan, the accrued benefit of each participant is equivalent to an amount expressed as a percentage of compensation (within the meaning of section 415) and such percentage equals or exceeds the product derived by multiplying the participant's years of participation required to be taken into account under section 411 by 0.5 percent, or

"(B) in any case in which such retirement plan is a defined contribution plan, the employer contribution with respect to each participant for each plan year is not less than 3 percent of participant's compensation (within the meaning of section 415) for such plan year.".

Subtitle B—Limitations on Contributions and Benefits

SEC. 211. DEDUCTIBILITY OF EMPLOYER AND EMPLOYEE CONTRIBUTIONS.

(a) DEDUCTIBILITY OF EMPLOYEE CONTRIBUTIONS TO RETIREMENT PLANS ONLY.—

(1) IN GENERAL.—Clause (i) of section 219(e)(2)(A) of the Internal Revenue Code of 1954 (relating to definition of qualified voluntary employee contributions) is amended by striking out "qualified employer plan" and inserting in lieu thereof "qualified retirement plan".

(2) CONFORMING AMENDMENTS.—

(A) DESIGNATION OF CONTRIBUTIONS NOT TO BE TAKEN INTO ACCOUNT.—Subparagraph (C) of section 219(e)(2) of such Code (relating to designation of contributions not to be taken into account) is amended by striking out "qualified employer plan" and inserting in lieu thereof "qualified retirement plan".

(B) QUALIFIED RETIREMENT PLAN.—Paragraph (3) of section 219(e) of such Code (relating to definition of qualified employer plan) is amended—

(i) by striking out "EMPLOYER PLAN" in the heading and inserting in lieu thereof "RETIREMENT PLAN";

(ii) by striking out "employer plan" in the text and inserting in lieu thereof "retirement plan";

(iii) by inserting "a retirement plan constituting" after "means"; and

(iv) by striking out "and" in subparagraph (B) and inserting in lieu thereof "or".

(b) DEDUCTIBILITY OF EMPLOYER CONTRIBUTIONS TO EMPLOYEES' ANNUITIES.—Section 404(a)(2) of such Code (relating to employees' annuities) is amended by striking out "and (22)" and inserting in lieu thereof ", (22), (26), (27), and (28)".

SEC. 212. CASH OR DEFERRED ARRANGEMENTS UNDER RETIREMENT PLANS.

(a) APPLICATION TO RETIREMENT PLANS.—

(1) IN GENERAL.—Paragraph (1) of section 401(k) of the Internal Revenue Code of 1954 (relating to cash or deferred arrangements) is amended to read as follows:

"(1) GENERAL RULE.—A retirement plan shall not be considered as not meeting the requirements of subsection (a) merely because the plan includes a cash or deferred arrangement meeting the requirements of this subsection.".

(2) CONFORMING AMENDMENTS.—Section 401(k) of such Code is further amended—

(A) by redesignating paragraphs (3), (4), and (5) as paragraphs (4), (5), and (6), respectively; and

(B) by striking out paragraph (2) and inserting in lieu thereof the following new paragraphs:

"(2) CASH OR DEFERRED ARRANGEMENT.—For purposes of this subsection, a cash or deferred arrangement is any arrangement which is part of a plan and under which a covered employee may elect to have the employer make payments—

"(A) as contributions to a trust under the plan on behalf of the employee, or

"(B) to the employee directly in cash.

"(3) NONFORFEITABILITY.—A cash or deferred arrangement meets the requirements of this subsection only if the arrangement provides that an employee's right to the employee's accrued benefit derived from employer contributions made to the trust pursuant to the employee's election is nonforfeitable.".

(b) DISCRIMINATION STANDARDS.—

(1) IN GENERAL.—Paragraph (4) (as redesignated) of section 401(k) of such Code (relating to application of participation and discrimination standards) is amended by striking out subparagraph (A) and inserting in lieu thereof the following:

"(A) RELATIONSHIP BETWEEN DEFERRAL PERCENTAGES OF HIGHLY COMPENSATED EMPLOYEES AND OTHER ELIGIBLE EMPLOYEES.—

"(i) ALTERNATIVE TESTS.—A cash or deferred arrangement shall not be treated as meeting the requirements of this subsection unless the actual deferral percentage for highly compensated employees (as defined in paragraph (5)) for each plan year bears a relationship to the actual deferral percentage for all other eligible employees for such plan year which meets either of the following tests:

"(I) 1.5 MULTIPLIER TEST.—The actual deferral percentage for the group of highly compensated employees is not more than the actual deferral percentage of all other eligible employees multiplied by 1.5.

"(II) 2.5 MULTIPLIER TEST.—The excess of the actual deferral percentage for the group of highly compensated employees over the actual deferral percentage for all other eligible employees is not more than 3 percentage points, and the actual deferral percentage for the group of highly compensated employees is not more than the actual deferral percentage of all other eligible employees multiplied by 2.5.

"(ii) RULES FOR MORE THAN 1 PLAN.—If 2 or more plans which include cash or deferred arrangements are considered as 1 plan for purposes of section 401(a), the cash or deferred arrangements included in such plans shall be treated as 1 arrangement for purposes of this subparagraph. The actual deferral percentage taken into account under this subparagraph for any employee who is a participant under 2 or more cash or deferred arrangements of the employer shall be the sum of the actual deferral percentages for such employee under each of such arrangements.".

(2) CLERICAL AMENDMENT.—Subparagraph (B) of such paragraph (4) (as redesignated) is amended by inserting "ACTUAL DEFERRAL PERCENTAGE.—" after "(B)".

(c) TREATMENT OF ALLOWABLE SUBDIVISIONS.—Subsection (k)(6) (as redesignated) of such section 401 is amended to read as follows:

"(6) TREATMENT OF ALLOWABLE SUBDIVISIONS.—In the case of any plan with respect to which the requirements of section 409A would not be met but for meeting the requirements of subsection (b)(1) of such section with respect to allowable subdivisions, the requirements of this subsection are not met unless such requirements are met if applied solely to each such allowable subdivision.".

(d) CONFORMING AMENDMENTS.—

(1) Section 125(d)(2) of such Code is amended by striking out "which includes a qualified cash or deferred arrangement (as defined in section 401(k)(2))" and inserting in lieu thereof "which is a retirement plan (as defined in section 414(q)) and which includes a cash or deferred arrangement (as defined in section 401(k)(2)) meeting the requirements of section 401(k)".

(2) Section 402(a)(8) of such Code is amended by striking out "qualified cash or deferred arrangement (as defined in section 401(k)(2))" and inserting in lieu thereof "cash or deferred arrangement (as defined in section 401(k)(2)) which meets the requirements of section 401(k) and is included in a retirement plan".

(3) Section 3121(v)(1)(A) of such Code is amended by striking out "qualified cash or deferred arrangement (as defined in section 401(k)(2))" and inserting in lieu thereof "cash or deferred arrangement (as defined in section 401(k)(2)) which meets the requirements of section 401(k) and is included in a retirement plan (as defined in section 414(q))".

(4) Section 3306(r)(1)(A) of such Code is amended by striking out "qualified cash or deferred arrangement (as defined in section 401(k)(2))" and inserting in lieu thereof "cash or deferred arrangement (as defined in section 401(k)(2)) which meets the requirements of section 401(k) and is included in a retirement plan (as defined in section 414(q))".

(5) Section 209 of the Social Security Act is amended, in clause (1) of the next to last undesignated paragraph, by striking out "qualified cash or deferred arrangement (as defined in section 401(k)(2) of the Internal Revenue Code of 1954)" and inserting in lieu thereof "cash or deferred arrangement (as defined in section 401(k)(2) of the Internal Revenue Code of 1954) which meets the requirements of section 401(k) of such Code and is included in a retirement plan (as defined in section 414(q) of such Code)".

SEC. 213. DEDUCTIBLE AMOUNT OF CONTRIBUTIONS TO INDIVIDUAL RETIREMENT ACCOUNTS OR ANNUITIES LIMITED BY AMOUNT OF DEDUCTIBLE CONTRIBUTIONS TO RETIREMENT PLANS MADE UNDER CASH OR DEFERRED ARRANGEMENTS.

(a) IN GENERAL.—Paragraph (3) of section 219(b) of the Internal Revenue Code of 1954 (relating to special rule for individual retirement plans) is amended to read as follows:

"(3) SPECIAL RULES LIMITING AMOUNT OF DEDUCTION.—

"(A) EFFECT OF CONTRIBUTIONS UNDER CASH OR DEFERRED ARRANGEMENTS.—If contributions to a retirement plan (within the meaning of section 414(q)) on behalf of the individual for the plan year ending with or during the taxable year have been paid by the individual's employer under a cash or deferred arrangement meeting the requirements of section 401(k), the amount of the qualified retirement contributions which are paid for the taxable year and which are allowable as a deduction under subsection (a) for such taxable year shall not exceed—

"(i) the amount determined under paragraph (1) for such taxable year, reduced by

"(ii) the amount of the contributions paid by the employer on behalf of the individual under the cash or deferred arrangement.

"(B) EFFECT OF QUALIFIED VOLUNTARY EMPLOYEE CONTRIBUTIONS.—If the individual has paid any qualified voluntary employee contributions for the taxable year, the amount of the qualified retirement contributions (other than employer contributions to a simplified employee pension) which are paid for the taxable year to an individual retirement plan and which are allowable as a deduction under subsection (a) for such taxable year shall not exceed—

"(i) the amount of the qualified retirement contributions which are paid for the taxable year and which are allowable as a deduction under subsection (a) after application of subparagraph (A), reduced by

"(ii) the amount of the qualified voluntary employee contributions for the taxable year.".

SEC. 214. WAGE-BASED LIMITATIONS FOR BENEFITS AND CONTRIBUTIONS.

(a) MAXIMUM AMOUNT OF COVERED COMPENSATION.—

(1) IN GENERAL.—Paragraph (1) of section 415(a) of the Internal Revenue Code of 1954 (relating to limitations on benefits and contribution under qualified plans) is amended—

(A) in subparagraph (B), by striking out "or";

(B) in subparagraph (C), by striking out "subsection (g)." and inserting in lieu thereof "subsection (g), or"; and

(C) by adding at the end thereof the following new subparagraph:

"(D) under the plan, the amount of a participant's compensation (within the meaning of subsection (c)(3)) for any year which may be taken into account for purposes of determining benefits and contributions exceeds 500 percent of the contribution and benefit base (as in effect as of the beginning of such year) under section 230 of the Social Security Act.".

(2) CONFORMING AMENDMENT.—Paragraph (2) of section 415(a) of such Code (relating to application to certain annuities and accounts) is amended by inserting "and subparagraph (D) of paragraph (1)," after "appropriate,".

(b) LIMITATION ON BENEFITS UNDER DEFINED BENEFIT PLANS.—Subparagraph (A) of section 415(b)(1) of such Code (relating to

limitation for defined benefit plans) is amended by striking out "$90,000, or" and inserting in lieu thereof the following: "200 percent of the contribution and benefit base (as in effect as of the beginning of the year) under section 230 of the Social Security Act, or".

(c) LIMITATION ON CONTRIBUTIONS AND OTHER ADDITIONS UNDER DEFINED CONTRIBUTION PLANS.—

(1) IN GENERAL.—Paragraph (1) of section 415(c) of such Code (relating to limitation for defined contribution plans) is amended—

(A) in subparagraph (A), by striking out "30,000, or" and inserting in lieu thereof the following: "50 percent of the contribution and benefit base (as in effect as of the beginning of the year) under section 230 of the Social Security Act, or"; and

(B) in subparagraph (B), by striking out "25 percent" and inserting in lieu thereof "20 percent".

(2) ANNUAL ADDITION.—Subparagraph (B) of section 415(c)(2) of such Code is amended to read as follows:

"(B) one-half of the employee contributions, and".

(3) SPECIAL SALARY REDUCTION LIMIT.—Section 415(c) of such Code is further amended by adding at the end thereof the following new paragraph:

"(8) SPECIAL LIMITATION FOR PAYMENTS BY EMPLOYERS PURSUANT TO QUALIFIED CASH OR DEFERRED ARRANGEMENTS.—Contributions and other additions with respect to a participant exceed the limitation of this subsection to the extent they include payments made by the employer for any year to a trust under the plan pursuant to a cash or deferred arrangement (within the meaning of section 401(k)(2)) in excess of 25 percent of the contribution and benefit base under section 230 of the Social Security Act.".

(4) SPECIAL LIMITATION FOR NONRETIREMENT SAVINGS PLANS.—Section 415(c) of such Code (as amended by paragraph (2)) is further amended by adding at the end thereof the following new paragraph:

"(9) SPECIAL LIMITATION FOR NONRETIREMENT SAVINGS PLANS.—Contributions and other additions with respect to a participant exceed the limitation of this subsection in the case of a nonretirement savings plan if, when expressed as an annual addition (within the meaning of paragraph (2)), such annual addition is greater than the lesser of—

"(A) 25 percent of the contribution and benefit base (as in effect as of the beginning of the year) under section 230 of the Social Security Act, or

"(B) 10 percent of the participant's compensation (within the meaning of subsection (c)(3)).".

(c) RULE RELATING TO LIMITATION IN CASE OF DEFINED BENEFIT PLAN AND DEFINED CONTRIBUTION PLAN FOR SAME EMPLOYEE APPLICABLE ONLY IN THE EVENT OF TOP-HEAVY PLAN PARTICIPATION.—Paragraph (1) of section 415(e) of such Code (relating to limitation in case of defined benefit plan and defined contribution plan for same employee) is amended by inserting "and at least one of such plans is a top-heavy plan (within the meaning of section 416(g))" after "employer".

(d) CONFORMING AMENDMENTS.—

(1) Section 415(c)(2) of such Code (defining annual addition) is amended by striking out "paragraph (1)" and inserting in lieu thereof "this subsection".

(2) Section 415(d) of such Code (relating to cost-of-living adjustments) is amended—

(A) in paragraph (1), by striking out "The Secretary" and all that follows down through "for increases" and inserting in lieu thereof "In the case of a participant who is separated from service, the Secretary shall adjust annually the amount taken into account under subsection (b)(1)(B) for increases";

(B) in paragraph (2), by striking out "PERIODS" and inserting in lieu thereof "PERIOD", and by striking out "The base period" and all that follows and inserting in lieu thereof "For purposes of this subsection, the base period taken into account is the last calendar quarter of the calendar year before the calendar year in which the participant is separated from service."; and

(C) by striking out paragraph (3).

SEC. 215. CONFORMING AMENDMENTS RELATING TO TAXATION OF ANNUITY INCOME.

(a) RULES FOR DISTRIBUTIONS FROM RETIREMENT PLANS TO WHICH EMPLOYEE MADE CONTRIBUTIONS.—Subsection (o) of section 72 of the Internal Revenue Code of 1954 (relating to special rules for distributions from qualified plans to which employee made deductible contributions) is amended—

(1) in paragraph (1), by striking out "qualified employer plan" and inserting in lieu thereof "qualified retirement plan";

(2) in paragraph (2)(A), by striking out "qualified employer plan" and inserting in lieu thereof "qualified retirement plan"; and

(3) in paragraph (5)(C), by striking out "EMPLOYER" in the heading and inserting in lieu thereof "RETIREMENT", and by striking out "employer" in the text and inserting in lieu thereof "retirement".

(b) LOANS FROM RETIREMENT PLANS TREATED AS DISTRIBUTIONS.—Subsection (p) of section 72 of such Code (relating to loans treated as distributions) is amended—

(1) in paragraph (1), by striking out "qualified employer plan" each place it appears and inserting in lieu thereof "qualified retirement plan";

(2) in paragraph (3), by striking out "EMPLOYER" in the heading and inserting in lieu thereof "RETIREMENT", and by striking out "employer" each place it appears in the text and inserting in lieu thereof "retirement"; and

(3) in paragraph (4) by striking out "qualified employer plan" and inserting in lieu thereof "qualified retirement plan", and by striking out "such employer plan" and inserting in lieu thereof "such retirement plan".

(c) 5-PERCENT PENALTY FOR PREMATURE DISTRIBUTIONS FROM ANNUITY CONTRACTS NOT APPLICABLE IN THE CASE OF NONRETIREMENT SAVINGS PLANS.—Subsection (q) of section 72 of such Code (relating to 5-percent penalty for premature distributions from annuity contracts) is amended—

(1) in paragraph (2)(E), by striking out "or";

(2) in paragraph (2)(F), by striking out "1982." and inserting in lieu thereof "1982, or "; and

(3) by adding at the end thereof the following new subparagraph:

"(G) from a nonretirement savings plan (within the meaning of section 414(q)).".

Subtitle C—Vesting Standards

SEC. 221. MINIMUM VESTING STANDARD REDUCED FROM 10 YEARS TO 5 YEARS FOR RETIREMENT PLANS AND 1 YEAR FOR NON-RETIREMENT PLANS.

(a) IN GENERAL.—Paragraph (2) of section 411(a) of the Internal Revenue Code of 1954 (relating to minimum vesting standards) is amended to read as follows:

"(2) EMPLOYER CONTRIBUTIONS.—A plan satisfies the requirements of this paragraph if it satisfies the requirements of subparagraph (A) or (B).

"(A) IN GENERAL.—A plan satisfies the requirements of this subparagraph if—

"(i) in the case of a retirement plan, under the plan, a participant who has completed at least 5 years of service has a nonforfeitable right to 100 percent of the participant's accrued benefit derived from employer contributions, and

"(ii) in the case of a nonretirement savings plan, under the plan, a participant who has completed at least 1 year of service has a nonforfeitable right to 100 percent of the participant's accrued benefit derived from employer contributions.

"(B) MULTIEMPLOYER PLANS.—A plan satisfies the requirements of this subparagraph if—

"(i) the plan is a multiemployer plan, and

"(ii) under the plan a participant who has completed at least 10 years of service has a nonforfeitable right to 100 percent of the participant's accrued benefit derived from employer contributions.".

(b) RULE OF APPLICATION.—The amendment made by subsection (a), upon taking effect as provided in section 261, shall apply with respect to participants who have completed at least one hour of service on or after the date of the enactment of this Act.

Subtitle D—Pension Integration

SEC. 231. INTEGRATION OF RETIREMENT PLANS WITH OASDI AND OTHER GOVERNMENTAL RETIREMENT PROGRAMS.

(a) IN GENERAL.—Subsection (l) of section 401 of the Internal Revenue Code of 1954 (relating to nondiscriminatory coordination of defined contribution plans with OASDI) is amended to read as follows:

"(l) NONDISCRIMINATORY INTEGRATION OF RETIREMENT PLANS WITH TITLE II OF THE SOCIAL SECURITY ACT AND OTHER RETIREMENT PROGRAMS UNDER STATE OR FEDERAL LAW.—

"(1) IN GENERAL.—A retirement plan shall not be treated as discriminatory within the meaning of subsection (a)(4) merely because it is an integrated plan.

"(2) INTEGRATED PLAN.—For purposes of this subsection, the term 'integrated plan' means a plan which is discriminatory within the meaning of subsection (a)(4) solely because the plan provides a contribution or benefit formula described in paragraph (3) or (4).

"(3) EXCESS PLAN REQUIREMENTS.—

"(A) EXCESS FORMULA.—The contribution or benefit formula of a plan is described in this paragraph if, under such formula, to an extent consistent with the requirements of subparagraph (C), contributions or benefits determined on that portion of compensation in excess of an integration level which is specified therein for each plan year and which meets the requirements of subparagraph (B) exceed contributions or benefits determined on that portion of compensation not in excess of such integration level.

"(B) INTEGRATION LEVEL.—An integration level provided under a plan's benefit or contribution formula meets the requirements of this subparagraph if such integration level, as specified for each plan year, does not exceed the contribution and benefit base under section 230 of the Social Security Act as of the beginning of such plan year.

"(C) INTEGRATION RATIO.—

"(i) IN GENERAL.—The requirements of this subparagraph are met with respect to a plan's contribution or benefit formula if, under such formula, the ratio (expressed as a percentage) of—

"(I) the amount of employer contributions (in the case of a defined contribution plan) or benefits (in the case of a defined benefit plan) determined on that portion of compensation which is not in excess of the integration level, to

"(II) the amount of employer contributions (in the case of a defined contribution plan) or benefits (in the case of a defined benefit plan) determined on that portion of compensation which is in excess of the integration level,

is not less than 50 percent.

"(ii) ADDITIONAL RULES GOVERNING INTEGRATION RATIOS.—

"(I) GREATER INTEGRATION RATIOS UNDER DEFINED BENEFIT PLANS REQUIRED FOR PLANS WITHOUT ADEQUATE DISTRIBUTION OF VALUABLE PLAN FEATURES.—The Secretary shall provide by regulation for increases in the minimum ratio required under clause (i) for any defined benefit plan (or class thereof) to the extent necessary to eliminate any additional discrimination within the meaning of subsection (a)(4) attributable to the value of the plan features (constituting the form of benefit, any preretirement benefits, the vesting schedule, the normal retirement age, and any actuarial adjustment factors) with respect to benefits attributable to compensation in excess of the specified integration level, taking into account the value of such features with respect to benefits attributable to compensation not in excess of the specified integration level.

"(II) GREATER INTEGRATION RATIOS UNDER CONTRIBUTORY PLANS REQUIRED FOR PLANS PROVIDING ADEQUATE BENEFIT RATES IN RELATION TO CONTRIBUTION RATES.—The Secretary shall provide by regulation for increases in the minimum ratio required under clause (i) for any plan (or class thereof) providing for mandatory contributions (within the meaning of section 411(c)(2)(C)) to the extent necessary to eliminate any additional discrimination within the meaning of subsection (a)(4) attributable solely to the ratio which employee contribution rates applicable to compensation which is not in excess of the specified integration level bears to employee contribution rates applicable to compensate which is in excess of the specified integration, taking into account the ratio which benefit rates applicable to compensation which is not in excess of the specified integration level bears to benefit rates applicable to compensation which is in excess of the specified integration level.

"(4) REQUIREMENTS FOR OFFSET PLANS.—

"(A) OFFSET FORMULA.—The contribution or benefit formula of a plan is described in this paragraph if, under such formula, to an extent consistent with the requirements of subparagraph (B), the normal retirement benefit with respect to each participant is expressed in the form of a benefit which is a specified percentage of compensation (without exclusion of any portion of compensation), reduced by a specified percentage (not in excess of 100 percent) of the primary insurance amount (within the meaning of section 215 of the Social Security Act) of such participant (or of any other individual on whose wages and self-employment income (within the meaning of sections 209 and 211 of such Act) such participant's entitlement to monthly benefits under title II of such Act is based), determined as of the earlier of the date of the commencement of such participant's entitlement to benefits under such title II or the date of such participant's separation from service.

"(B) MINIMUM BENEFIT.—The requirements of this subparagraph are met with respect to a plan if, under the plan, the accrued benefit derived from employer contributions (within the meaning of section 411(c)(1)) provided to each participant is not less than 50 percent of the accrued benefit derived from employer contributions which would be provided to such participant but for the reduction described in subparagraph (A).

"(C) LIMITATION ON REGULATORY AUTHORITY.—In any regulations prescribed by the Secretary under this paragraph, any criteria for determining whether the requirements of this paragraph have been met may not take into account the form of benefit, preretirement benefits, or similar plan provisions.

"(5) COORDINATION OF PLANS WITH OTHER STATE OR FEDERAL LAWS.—Principles similar to the principles applicable under the preceding provisions of this subsection shall apply in the case of plans coordinated with State or Federal laws other than title II of the Social Security Act.

"(6) TREATMENT OF MULTIPLE PLANS.—For purposes of this subsection, in any case which an employee is eligible to participate in two or more retirement plans which are maintained by the same employer, such plans shall be treated as one plan with respect to such employee.

"(7) REGULATIONS.—The Secretary may prescribe such regulations as are necessary or appropriate to carry out the purposes of this subsection.".

(b) COMFORMING AMENDMENT.—The first two sentences of paragraph (5) of section 401(a) of such Code (relating to requirements for qualification) are amended to read as follows: "A classification shall not be considered discriminatory within the meaning of paragraph (4) or section 410(b) (without regard to paragraph (1)(A) thereof) merely because it is limited to salaried or clerical employees. Neither shall a plan be considered discriminatory within the meaning of such provisions merely because the contributions or benefits of or on behalf of the employees under the plan bear a uniform relationship to the total compensation, or the basic or regular rate of compensation, of such employees.".

Subtitle E—Distribution

SEC. 241. DENIAL OF 10-YEAR AVERAGING AND CAPITAL GAINS TREATMENT FOR LUMP-SUM DISTRIBUTIONS.

(a) DENIAL OF CAPITAL GAINS TREATMENT FOR LUMP-SUM DISTRIBUTION TO BENEFICIARY OF EXEMPT TRUST.—Paragraph (2) of section 402(a) of the Internal Revenue Code of 1954 (relating to capital gains treatment for portion of lump-sum distributions to beneficiary of exempt trust) is repealed.

(b) REPEAL OF TAX ON LUMP-SUM DISTRIBUTIONS.—Subsection (e) of section 402 of such Code (relating to tax on lump-sum distributions) is repealed.

(c) DENIAL OF CAPITAL GAINS TREATMENT FOR LUMP-SUM DISTRIBUTIONS FROM EMPLOYEE ANNUITIES.—Paragraph (2) of section 403(a) of such Code (relating to capital gains treatment for certain distributions from employee annuities) is repealed.

SEC. 242. INCREASE IN ADDITIONAL TAX ON EARLY DISTRIBUTIONS FROM AN INDIVIDUAL RETIREMENT ACCOUNT, ETC.

Paragraph (1) of section 408(f) of the Internal Revenue Code of 1954 (relating to additional tax on early distributions from an individual retirement account, etc.) is amended by striking out "10 percent" and inserting in lieu thereof "20 percent".

Subtitle F—Coverage and Portability

SEC. 251. EARLY DISTRIBUTIONS OF BENEFITS RESTRICTED TO DIRECT TRANSFERS TO INDIVIDUAL RETIREMENT ACCOUNTS OR ANNUITIES.

(a) GENERAL RULE.—Paragraph (11) of section 411(a) of the Internal Revenue Code of 1954 (relating to restrictions on certain mandatory distributions) is amended—

(1) by redesignating subparagraph (B) as subparagraph (C); and

(2) by inserting after subparagraph (A) the following new subparagraph:

"(B) SELECTION OF INDIVIDUAL RETIREMENT ACCOUNT OR ANNUITY.—

"(i) IN GENERAL.—Irrespective of the amount of the present value of the accrued benefit, in the case of any distribution of such benefit in a lump sum before the earlier of the participant's attainment of age 59½, disability, or death, such benefit shall not be treated as nonforfeitable unless such distribution is made—

"(I) in a direct transfer to an individual retirement account (within the meaning of section 408(a)) or an individual retirement annuity (within the meaning of section 408(b)),

"(II) after notice of such transfer to the participant (or, in the event of the participant's death, the participant's beneficiary), and

"(III) except as provided in clause (ii), directly to an individual retirement account or individual retirement annuity) which is designated in writing by the participant (or, in the event of the participant's death, the participant's beneficiary) and which is demonstrated to the satisfaction of the plan administrator to be willing to accept such transfer.

"(ii) DISCRETION OF PLAN ADMINISTRATOR IN ABSENCE OF DESIGNATION.—If the participant (or beneficiary) makes no designation referred to in clause (i)(III) to an individual retirement account or individual retirement annuity described in clause (i)(III) within the 60-day period following the date of the notice provided under clause (i)(II), the plan administrator may make such transfer to an individual retirement account or individual retirement annuity selected by the plan administrator.".

(b) SURVIVOR ANNUITIES.—Subsection (e) of section 417 of such Code (relating to restrictions on cash-outs) is amended by adding at the end thereof the following new paragraphs:

"(4) APPLICATION OF DIRECT TRANSFER RULES.—The preceding provisions of this subsection shall apply only with respect to distributions made as transfers meeting the requirements of section 411(a)(11)(B).

"(5) NONFORFEITABILITY.—Benefits distributed under a plan shall not be treated as other than nonforfeitable solely because such distribution is made as permitted under this subsection.".

SEC. 252. SPECIAL RULES FOR SIMPLIFIED EMPLOYEE PENSIONS.

(a) SALARY REDUCTION ARRANGEMENTS PERMITTED.—Section 408(k) of the Internal Revenue Code of 1954 (relating to simplified employee pension defined) is amended by inserting after paragraph (5) the following new paragraph:

"(6) EMPLOYEE MAY ELECT SALARY REDUCTION ARRANGEMENT.—

"(A) IN GENERAL.—A simplified employee pension meets the requirements of this paragraph only if, under the terms of the pension—

"(i) an employee may elect to have the employer make payments—

"(I) as contributions to the simplified employee pension on behalf of the employee, or

"(II) to the employee directly in cash,

"(ii) an election described in clause (i)(I) is made or is in effect with respect to not less than 50 percent of the employees of the employer, and

"(iii) the deferral percentage for each calendar year of each participating owner-employee (within the meaning of section 401(c)(3)) is not more than the product derived by multiplying the average of the deferral percentages for such calendar year of all other participating employees by 1.5,

except that the requirements of this paragraph shall not apply with respect to any taxable year in the case of a simplified employee pension maintained by an employer with more than 25 employees as of the beginning of such taxable year.

"(B) TREATMENT OF CONTRIBUTIONS MADE UNDER SALARY REDUCTION ARRANGEMENTS.—For purposes of this title, contributions made by an employer on behalf of an employee to a simplified employee pension pursuant to an election made under subparagraph (A) shall not be treated as distributed or made available to the employee nor as contributions made to the simplified employee pension by the employee merely because the simplified employee pension includes provisions providing for such election.

"(C) DEFERRAL PERCENTAGE.—For purposes of this paragraph, the deferral percentage for an employee for a calendar year shall be the ratio of—

"(i) the amount of employer contributions actually paid over to the simplified employee pension on behalf of the employee for the calendar year, to

"(ii) the employee's compensation for the calendar year.

For purposes of the preceding sentence, the compensation of any employee for a calendar year shall be the amount of the employee's compensation which is taken into account under the simplified employee pension in calculating the contribution which may be made on the employee's behalf for such calendar year. The deferral percentage taken into account under this paragraph for any employee who is a participant under 2 or more simplified employee pensions of the employer shall be the sum of the deferral percentages for such employee under each of such simplified employee pensions.".

(b) FIDUCIARY DUTIES IMPOSED.—Section 408(k) of such Code (as amended by subsection (a)) is further amended by inserting after paragraph (6) the following new paragraph:

"(7) ASSUMPTION BY TRUSTEE OF FIDUCIARY DUTIES.—A simplified employee pension meets the requirements of this paragraph only if, under the terms of the pension, the trustee described in subsection (a)(2) assumes the fiduciary duties to which part 4 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 applies.".

(c) CONFORMING AMENDMENTS.—Section 408(k) of such Code is further amended—

(1) in paragraph (1)(A), by striking out "(4), and (5)" and inserting in lieu thereof "(4), (5), (6), and (7)"; and

(2) by redesignating paragraph (7) at the end as paragraph (8).

SEC. 253. INTEGRATION UNDER SIMPLIFIED EMPLOYEE PENSIONS PROHIBITED.

Paragraph (3) of section 408(k) of the Internal Revenue Code of 1954 (providing that contributions may not discriminate in favor of the highly compensated, etc.) is amended—

(1) in subparagraph (D), by striking out the last sentence, and

(2) by striking out subparagraph (E).

SEC. 254. WAGE-BASED CONTRIBUTION LIMITATIONS UNDER SIMPLIFIED EMPLOYEE PENSIONS.

Subparagraph (C) of section 408(k)(3) of the Internal Revenue Code of 1954 (requiring that contributions must bear a uniform relationship to total compensation) is amended—

(1) in clause (i), by striking out "the first $200,000" and inserting in lieu thereof "the first amount equal to 500 percent of the contribution and benefit base (as in effect as of the beginning of the taxable year) under section 230 of the Social Security Act"; and

(2) in clause (ii), by striking out "$100,000" and inserting in lieu thereof "250 percent of the contribution and benefit base (as in effect as of the beginning of the taxable year) under section 230 of the Social Security Act".

Subtitle G—Effective Date

SEC. 261. EFFECTIVE DATE.

(a) GENERAL RULES.—

(1) PLANS.—The amendments made by this title shall apply with respect to any plan for plan years ending after the later of—

(A) 2 years after the date of the enactment of this Act, or

(B) the earlier of—

(i) the effective date of the first plan amendment adopted after the date of the enactment of this Act, or

(ii) December 31, 1990.

(2) INDIVIDUAL RETIREMENT ACCOUNTS AND ANNUITIES.—The amendments made by this title shall apply with respect to any individual retirement account or individual retirement annuity for taxable years ending after December 31, 1990.

(b) SPECIAL RULE FOR COLLECTIVE-BARGAINING AGREEMENTS.—In the case of a plan maintained pursuant to one or more collective-bargaining agreements between employee representatives and one or more employers ratified before the date of the enactment of this Act, the amendments made by this Act shall apply to plan years ending after the later of—

(1) 2 years after the date of the enactment of this Act, or

(2) the earlier of—

(A) the date on which the last of the collective-bargaining agreements relating to the plan terminates (determined without regard to any extension thereof ratified after the date of the enactment of this Act),

(B) the effective date of the first plan amendment adopted after the date of the enactment of this Act, or

(C) December 31, 1990.

RETIREMENT INCOME POLICY ACT OF 1985 (RIPA) (SECTION-BY-SECTION ANALYSIS)

TITLE I: AMENDMENTS TO THE EMPLOYEE RETIREMENT INCOME SECURITY ACT (ERISA)

Section 101: Retirement Plans and Nonretirement Savings Plans

Creates a distinction between retirement and non-retirement savings plans. It amends Section 3 of ERISA to include the following definitions: "retirement" plans, meeting the requirements of amended Section 211 of ERISA; and, "non-retirement savings" plans which do not conform to the requirements of that section. Further, it prevents a retirement plan from being converted to a non-retirement plan.

Section 102: Retirement Income Requirements for Retirement Plans

Establishes uniform rules for distributions from retirement plans. A retirement plan may only distribute a participant's accrued benefit to the participant after separation from service only after the participant attains age 59½ (and must begin distributions before the taxable year in which the individual attains age 70½), or upon the disability or death of the participant. An exception to this rule is that plans may distribute benefits to the participant upon separation of service prior to age 59½ if they are provided in a "retirement income form".

"Retirement Income Form" is one of three kinds of distribution: (1) an annuity for the life of the participant; (2) a qualified joint and survivor annuity; or (3) a level distribution over life expectancy. These payments may periodically adjust for the payment of supplemental benefits prior to the receipt of Social Security benefits so long as those supplemental benefits do not exceed the amount of anticipated Social Security benefits.

Finally, a plan may transfer the accrued benefit of a plan participant directly to an IRA, individual retirement annuity, or another retirement plan when the participant ceases his employment with the employer.

Section 103: Coverage Requirements for Retirement Plans

Revises the coverage requirements for a qualified retirement plan. In general, an employer must provide that each of his employees in the "relevant workforce" who is paid less than the Social Security wage base ($39,600 in 1985) is eligible to participate in a retirement plan maintained by the employer. If the employer has two or more "allowable subdivisions", within any allowable subdivision where a plan is provided all of the relevant workforce paid less than the wage base must be eligible to participate, and in the aggregate of all subdivisions, 80 percent of the employer's relevant workforce must be eligible to participate. If the retirement plan is a contributory plan, 60 percent of those eligible to participate must actually participate, unless the contributory plan provides the "meaningful retirement benefit" for purposes of establishing the employer's eligibility to sponsor a non-retirement savings plan, in which case 70 percent of the relevant workforce must participate.

The relevant workforce consists of the group of employees other than those who are excluded under current law because: they have not met minimum service and vesting requirements; are covered by a collective bargaining agreement where there is evidence of good faith bargaining as to retirement benefits and they are not covered by a plan; are non-resident aliens who receive no earned income in the United States; or are certain airline pilots.

An allowable subdivision is a separate business unit of the employer distinguished solely on the basis of its producing a separate product line or having a distinct locality—as defined in regulation by the Secretary of the Treasury.

Section 104: Retirement Plan Coverage as a Prerequisite for Nonretirement Savings Plans

Requires that an employer maintaining a non-retirement savings plan covering an employee maintain at least one retirement plan covering that employee which accrues benefits of at least:

(a) in the case of a defined benefit plan, 0.5 percent for each year of participation;

(b) in the case of a defined contribution plan, 3 percent of a participant's compensation of each plan year.

Section 111: Cash or Deferred Arrangements in Retirement Plans

Restricts the availability of salary reduction under Cash or Deferred Arrangements (CODAs) to retirement plans and subjects CODAs to the uniform distribution rules for retirement plans. Retains current law discrimination rules for CODAs.

Section 112: Maximum Amount of Covered Compensation

Limits the amount of a plan participant's or self-employed individual's compensation which may be taken into account for determining the benefits and contributions to no more than 500 percent of the Social Security wage base.

Section 121: Acceleration in Vesting Standards

Amends current minimum vesting standards to require that retirement plans fully vest a participant who has completed 5 years of service. A non-retirement savings plan must fully vest a participant who has completed 1 year of service. Multiemployer plans must fully vest participants who have completed 10 years of service.

Section 131: Revised Integration Rules

Revises the rules governing the integration of private pension benefits with Social Security. With respect to excess plans, no contribution percentage or accrual rate for earnings above the integration level may exceed twice the contribution percentage of accrual rate for earnings below the integration level. With respect to offset plans, a plan may reduce pension benefits by any uniform percentage of Social Security provided that no participant's accrued benefit, after the reduction is applied, is less than half of what the participant's accrued benefit would have been without the reduction. No adjustments may be made with regard to receipt of ancillary benefits.

Section 141: Direct Transfer of Early Distributions

Modifies the treatment of early distributions from a retirement plan made by the employer of less than $3,500 without the consent of the participant, or above $3,500 with the participant's consent, to require that distributions not made in a retirement income form must be transferred directly to an IRA or individual retirement arrangement or other retirement plan designated by the participant. If the participant does not designate a vehicle, then the plan administrator may select one.

Section 151: Effective Dates

Establishes effective dates for the legislation. Amendments made by this legislation are effective no sooner than two years following enactment and no sooner than the first plan amendment adopted after the first two years, but, in any case, no later than December 31, 1990. In the case of collectively bargained plans, the provisions take effect no sooner than two years following enactment, and not sooner than the date that the last collective bargaining agreement relating to the plan terminates or the first plan amendment is adopted after the first two years, but in no case later than December 31, 1990.

Section 152: Technical Amendment

Makes a technical amendment to table of contents in Section 1 of ERISA.

TITLE 11: AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1954

Section 201: Retirement Plans and Nonretirement Savings Plans

Parallel provisions to Section 101.

Section 202: Retirement Income Requirements for Retirement Plans

Parallel provisions to Section 102.

Section 203: Coverage Requirements for Retirement Plans

Parallel provisions to Section 103.

Section 204: Retirement Plan Coverage as a Prerequisite for Nonretirement Plans

Parallel provisions to Section 104.

Section 211: Deductibility of Employee and Employer Contributions

Permits employees to make deductible qualified voluntary employee contributions (QVECs) only to a retirement plan.

Section 212: Cash or Deferred Arrangements Nondiscrimination Rules

Amends section 401(k) regarding Cash or Deferred Arrangements to require that employers with allowable subdivisions meet the 401(k) non-discrimination rules separately in each allowable subdivision.

Section 213: Coordination of Elective Nontaxable Contributions

Reduces the amount of deductible contributions an individual can make to an individual retirement account or annuity in a taxable year by the amount of any contributions made to a cash or deferred arrangement (CODA) on behalf of that individual by an employer in any plan year ending in that taxable year. It further coordinates deductible contributions to an individual retirement account or annuity (IRAs), with Deductible Employee Contributions (DECs), and Qualified Voluntary Employee Contributions (QVECs) for the purposes of this section.

Section 214: Wage-Based Benefit and Contribution Limits

Amends the contribution and benefit limits (IRC Section 415) for all qualified plans to link them to the Social Security wage base as follows:

(a) The limitation on benefits under defined benefit plans is the lesser of 100 percent of compensation or 200 percent of the Social Security wage base;

(b) the limitation on contributions to a defined contribution plan is the lesser of 20 percent of compensation or 50 percent of the Social Security wage base; and one-half of after-tax employee contributions are considered as an annual addition.

In addition, there are internal limits on contributions to CODAs and to non-retirement savings plans under the overall defined contribution limit:

(a) CODA contributions may not exceed 25 percent of the Social Security wage base.

(b) Employer and employee contributions to non-retirement savings plans may not exceed the lesser of 25 percent of the Social Security base or 10 percent of the participant's compensation.

This section also repeals the combined limit on defined benefit and defined contribution plans (the "415(e)" limit) except in the case of top heavy plans.

This section additionally limits the amount of a plan participant's or self-employed individual's compensation that may be taken into account for determining benefits and contributions to no more than 500 percent of the Social Security wage base.

Section 215: Conforming Amendments on Taxation of Annuities

Makes clarifying clerical amendments to IRC Section 72 dealing with taxation of annuities.

Section 221: Acceleration in Vesting Standards

Parallel provisions to Section 121.

Section 231: Revised Integration Rules

Parallel provisions to Section 131.

Section 241: Denial of Favorable Tax Treatment for Lump Sum Distributions

Repeals ten-year forward averaging and capital gains treatment of lump sum distributions.

Section 242: Increase in Tax on Premature IRA Distributions

Raises the rate of the excise tax on premature distributions from an individual retirement account (IRA) to 20 percent.

Section 251: Direct Transfer of Early Distributions

Parallel provisions to Section 151.

Section 252: Special Rules for Simplified Employee Plans (SEP's)

This section, and the two that follow revise the rules concerning Simplified Employee Pensions (SEPs). A SEP maintained by an employer with fewer than 25 employees at the beginning of the taxable year may permit contributions through salary reduction as long as 50 percent of employees elect to defer income and the participating owner-employee does not defer more than 1.5 times the average deferral for all other participating employees. This section also requires that banks assume the fiduciary duties for the plan.

Section 253: Prohibition on Integration of SEP's

Prohibits integration of SEPs with Social Security.

Section 254: Limitation on Compensation Considered for a SEP

Limits total compensation that can be considered for purposes of establishing uniform contributions to a SEP to 500 percent of the Social Security wage base.

Section 261: Effective Dates

Parallel provisions to Section 151.●

● Mr. CHAFEE. Mr. President, I would like to join with my colleague Senator HEINZ in introducing the Retirement Income Policy Act of 1985.

I join with my colleague in introducing this measure because I would like to join the debate over what our national retirement income policy should be. Before I even start discussing the substance of the bill itself, I want to draw attention to the proposed effective date of this legislation—December 31, 1990.

As those of you familiar with pension plans are aware, the Congress has been changing the law in this area with much too much frequency, and it appears that we still do not have a

system which is satisfactory. I am joining with Senator HEINZ in suggesting comprehensive changes, but we have set the effective date very far in the future so that we can alleviate the hardship, expense, and uncertainty that these frequent changes have wrought. It is my hope that with adequate lead-time, the affected parties can get together and work out changes which will make the system work better for all.

This legislation is designed to increase the retirement security of American workers by encouraging a broader delivery of retirement benefits from employer-sponsored plans. The bill clarifies the distinction between retirement plans and nonretirement plans and establishes uniform rules for each. Through broadened coverage, earlier vesting, restrictions on preretirement distributions, and limitations on integration of private pension benefits with Social Security, the bill is designed to improve the current private pension system.

As a member of the Finance Committee and former chairman of the Subcommittee on Savings, Pensions and Investment Policy, I am well aware that the so-called tax expenditure for pension contributions and earnings is the largest single expenditure in the Federal budget. For fiscal 1986 the amount of revenue foregone as a result of the tax-favored status of employer-sponsored plans, IRA's and Keoghs is estimated to be almost $70 billion. As a tax policymaker, that figure catches my attention and I want to know where this revenue is going.

In 1974, is passed the Employee Retirement Income Security Act [ERISA]. Many of the problems which ERISA was designed to solve have been resolved and new problems have risen in their place. ERISA was enacted in part as a reaction to the financial failure of some private pension plans to provide adequate retirement security for their participants. The Congress was concerned that retirees would be left with empty promises from pension plans which had squandered plan assets, or employers who had gone out of business. Congress was also concerned with onerous vesting requirements which might have resulted in a loyal employee of 30 years being fired, just before vesting or retirement, and left without a pension.

But these are the horror stories of 11 years ago. Today we have other concerns. We are still concerned with fiduciary standards and the prudent management of plan assets which now total over $600 billion. But one of the major concerns of pension plans is tax planning. ERISA has created armies of experts—lawyers, accountants and actuaries—who work to assure that pension plans are tax-qualified. Indeed, tax exemption for the funds and tax deductions and deferral for the contributions are crucial to the growth of the private pension system.

I have said before, in the context of tax reform, that we should be examining all the tax expenditures in the Federal budget to see whether they are operating as intended. This bill attempts to do that for the $70 billion tax expenditure associated with retirement plans.

It attempts to broaden the coverage of pension plans and assure that the revenue loss associated with them is fairly distributed. It improves benefits for our mobile workforce by reducing the minimum vesting standard from 10 years to 5 years, and it prevents extreme reductions in retirement benefits for lower paid workers by limiting the extent of integration with Social Security. The limitations on tax-favored accumulations are tied to the Social Security wage base, and contributions to IRA's are limited if an employee is also participating in a salary reduction plan.

The bill also attempts to assure that the moneys in these tax-favored retirement plans are used for retirement by requiring early lump sum distributions from retirement plans to be placed in an IRA or other retirement plan. In addition, it repeals the favorable 10 years averaging treatment for lump sum distributions. However, recognizing that there is still a legitimate need for nonretirement savings, it seeks to allow a tax-favored vehicle for that as well, but only after an employer has provided for meaningful retirement benefits.

In summary, the introduction of this bill is meant to be the beginning of a debate on an appropriate retirement income policy. I welcome the comments and suggested changes of my colleagues and all other interested parties.●

By Mr. EAGLETON (for himself and Mr. DANFORTH):

S.J. Res. 224. A joint resolution to designate November 30, 1985, as "National Mark Twain Day"; to the Committee on the Judiciary.

NATIONAL MARK TWAIN DAY

Mr. EAGLETON. Mr. President, Samuel Langhorne Clemens, better known as Mark Twain, is one of Missouri's most beloved native sons and most famous authors. More than anything, his special wit and perception captured the essence of the American character.

November 30, 1985, will be the 150th anniversary of Mr. Twain's birth. As a tribute to this great American, it is appropriate to dedicate November 30, 1985, as "National Mark Twain Day." This will draw proper attention to not only a fine American who brought enjoyment to all Americans, but to a rare and talented human being who charmed the world. I ask that the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 224

Whereas American journalist and author Mark Twain was born Samuel Langhorne Clemens in Florida, Missouri, and Hannibal, Missouri, was his boyhood home;

Whereas Mark Twain is recognized as one of America's greatest authors;

Whereas Mark Twain achieved international fame and his works have been translated into more than fifty languages;

Whereas Mark Twain is widely recognized as a humorist of extraordinary wit and as a social critic of rare perception;

Whereas the experience of Mark Twain in Hannibal became the basis of two novels, the Adventures of Tom Sawyer and the Adventures of Huckleberry Finn;

Whereas travels and experiences of Mark Twain in other regions of the United States became the basis for other works, including The Celebrated Jumping Frog of Calaveras County, A Connecticut Yankee in King Arthur's Court, Life on the Mississippi, and Roughing It;

Whereas Mark Twain succeeded in portraying the American spirit in a way which no other author has been able to duplicate;

Whereas the city of Hannibal maintains the Mark Twain Home and Museum as a historic site;

Whereas the city of Hannibal will be the site of special events and entertainment culminating in November 1985, to celebrate the one hundred and fiftieth anniversary of the birth of Mark Twain; and

Whereas November 30, 1985, is the one hundred and fiftieth anniversary of the birth of Mark Twain: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That November 30, 1985, is designated as "National Mark Twain Day", and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe such day with appropriate ceremonies and activities.

● Mr. DANFORTH. I am happy to sponsor, along with my colleague from Missouri, this resolution honoring Mark Twain, a great Missourian and American humorist, on the 150th year of his birth.

Mark Twain was born on November 30, 1835, in Florida, MO. As a writer, he drew almost exclusively from his own experiences. Hannibal, MO, and its environs, where he grew up, serve as the setting for his most famous works, "The Adventures of Huckleberry Finn" and "The Adventures of Tom Sawyer." As a young man, he lived and worked in California, where he wrote his first nationally recognized story, "The Celebrated Jumping Frog of Calaveras County." In later years, Twain settled in Hartford, CT, where he wrote and published all of his books. He also spent several years in New York, where he was married and is buried.

Twain's best known novel, "Huckleberry Finn," has allowed many generations of youngsters to experience vi-

cariously Huck's thrilling journey down the Mississippi River. The dialog in that novel crackles with life. The novel was also before its time in depicting blacks as human beings and not property. Another great American novelist, Ernest Hemingway, once said that modern American literature began with "Huckleberry Finn."

Mark Twain is recognized throughout the world as one of the greatest American authors, and I believe it is appropriate for this body to honor him in a special way on the 150th anniversary of his birth.●

ADDITIONAL COSPONSORS

S. 244

At the request of Mr. ABDNOR, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 244, a bill to limit to the national median family income the amount of farm loss which may be deducted against nonfarm income by high income taxpayers in competition with full-time, family-sized farm operators.

S. 402

At the request of Mr. PRESSLER, the name of the Senator from Connecticut [Mr. WEICKER] was added as a cosponsor of S. 402, a bill to amend the Communications Act of 1934 to provide for specialized equipment for telephone service to certain disabled persons.

S. 670

At the request of Mr. PELL, the names of the Senator from Nebraska [Mr. ZORINSKY], the Senator from Pennsylvania [Mr. SPECTER], and the Senator from North Dakota [Mr. BURDICK] were added as cosponsors of S. 670, a bill to amend the National Labor Relations Act ot give employers and performers in the performing arts rights given by section 8(e) of such act to employers and employees in similarly situated industries, and to give to employers and performers in the performing arts the same rights given by section 8(f) of such act to employers and employees in the construction industry, and for other purposes.

S. 1084

At the request of Mr. GOLDWATER, the names of the Senator from Oklahoma [Mr. BOREN], and the Senator from Indiana [Mr. LUGAR] were added as cosponsors of S. 1084, a bill to authorize appropriations of funds for activities of the Corporation for Public Broadcasting, and for other purposes.

S. 1233

At the request of Mr. DOLE, the name of the Senator from California [Mr. CRANSTON] was added as a cosponsor of S. 1233, a bill to amend the Animal Welfare Act to ensure the proper treatment of laboratory animals.

S. 1250

At the request of Mr. HEINZ, the names of the Senator from New York [Mr. MOYNIHAN], and the Senator from Mississippi [Mr. COCHRAN] were added as cosponsors of S. 250, a bill to amend the Internal Revenue Code of 1954 to extend the targeted jobs tax credit for 5 years, and for other purposes.

S. 1259

At the request of Mr. THURMOND, the name of the Senator from Maryland [Mr. MATHIAS] was added as a cosponsor of S. 1259, a bill to correct certain inequities by providing Federal civil service credit for retirement purposes and for the purpose of computing length of service to determine entitlement to leave, compensation, life insurance, health benefits, severance pay, tenure, and status in the case of certain individuals who performed service as National Guard technicians before January 1, 1969.

S. 1301

At the request of Mr. GRAMM, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 1301, a bill to strengthen the counterintelligence capabilities of the Department of Defense, to amend the Uniform Code of Military Justice to establish penalties for espionage in peacetime, to provide increased penalties for espionage, and for other purposes.

S. 1355

At the request of Mr. LEAHY, the names of the Senator from Tennessee [Mr. GORE], the Senator from Alaska [Mr. STEVENS], and the Senator from Illinois [Mr. SIMON] were added as cosponsors of S. 1355, a bill to amend the Internal Revenue Code of 1954 to provide an income tax credit for expenses incurred by an individual taxpayer for the purchase of television subtitle equipment to be used by a hearing-impaired individual.

S. 1518

At the request of Mr. GLENN, the names of the Senator from Wisconsin [Mr. PROXMIRE], the Senator from Michigan [Mr. LEVIN], and the Senator from Michigan [Mr. RIEGLE] were added as cosponsors of S. 1518, a bill to provide for cost efficiency in the shipment of the U.S. Government cargoes, to establish the Great Lakes and St. Lawrence Seaway Advisory Council, and for other purposes.

S. 1544

At the request of Mr. ROTH, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of S. 1544, a bill to extend the Trade Adjustment Assistance Program to place such program on a sound financial basis and to reform such program to emphasize the retraining of workers.

S. 1570

At the request of Mr. SYMMS, his name was withdrawn as a cosponsor of S. 1570, a bill to amend the Fair Labor Standards Act of 1938 to exclude the employees of States and political subdivisions of States from the provisions of that act relating to maximum hours, to clarify the application of that act to volunteers, and for other purposes.

S. 1624

At the request of Mr. DECONCINI, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 1624, a bill to make ineligible for certain agricultural program benefits persons who are convicted under Federal or State law of planting, cultivation, growing or harvesting of controlled substances.

S. 1639

At the request of Mr. EXON, the names of the Senator from Utah [Mr. HATCH], the Senator from Missouri [Mr. EAGLETON], and the Senator from Rhode Island [Mr. CHAFEE] were added as cosponsors of S. 1639, a bill to authorize the minting of gold bullion coins.

S. 1734

At the request of Mr. COCHRAN, the names of the Senator from Iowa [Mr. GRASSLEY], the Senator from Indiana [Mr. LUGAR], and the Senator from Nebraska [Mr. ZORINSKY] were added as cosponsors of S. 1734, a bill to prevent distortions in the reapportionment of the House of Representatives caused by the use of census population figures which include illegal aliens.

S. 1754

At the request of Mr. GLENN, the names of the Senator from Minnesota [Mr. DURENBERGER], and the Senator from Arkansas [Mr. BUMPERS] were added as cosponsors of S. 1754, a bill to ensure adequate verification of peaceful uses of nuclear exports from the United States to the People's Republic of China, and for other purposes.

SENATE JOINT RESOLUTION 29

At the request of Mr. GLENN, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of Senate Joint Resolution 29, a joint resolution to designate the week of November 11, 1985, through November 17, 1985, as "National Reye's Syndrome Week."

SENATE JOINT RESOLUTION 179

At the request of Mr. KENNEDY, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of Senate Joint Resolution 179, a joint resolution requesting the President of the United States to resume negotiations with the Soviet Union for a verifiable comprehensive test ban treaty.

SENATE JOINT RESOLUTION 209

At the request of Mr. D'AMATO, the name of the Senator from Texas [Mr. GRAMM] was added as a cosponsor of Senate Joint Resolution 209, a joint resolution to designate the period from October 28, 1985, through Octo-

ber 28, 1986, as the Centennial Year of Liberty in the United States.

SENATE JOINT RESOLUTION 213

At the request of Mr. FORD, the names of the Senator from Louisiana [Mr. JOHNSTON], and the Senator from Connecticut [Mr. WEICKER] were added as cosponsors of Senate Joint Resolution 213, a joint resolution to designate January 19-25, 1986, "National Jaycee Week."

SENATE JOINT RESOLUTION 222

At the request of Mr. D'AMATO, the names of the Senator from Alabama [Mr. DENTON], the Senator from Florida [Mrs. HAWKINS], the Senator from Pennsylvania [Mr. SPECTER], the Senator from North Carolina [Mr. EAST], and the Senator from Kansas [Mr. DOLE] were added as cosponsors of Senate Joint Resolution 222, a joint resolution concerning the cruel and inhuman killing of Leon Klinghoffer by international terrorists aboard the cruise ship *Achille Lauro*, because he did not submit to the demands of these terrorists.

SENATE CONCURRENT RESOLUTION 71

At the request of Mr. WEICKER, the names of the Senator from Kansas [Mrs. KASSEBAUM], the Senator from Wisconsin [Mr. KASTEN], and the Senator from Georgia [Mr. MATTINGLY] were added as cosponsors of Senate Concurrent Resolution 71, a concurrent resolution to commemorate the accomplishments of Public Law 94-142, The Education for All Handicapped Children Act, on the 10th anniversary of its enactment.

SENATE CONCURRENT RESOLUTION 78

At the request of Mr. BRADLEY, the names of the Senator from North Dakota [Mr. ANDREWS], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Arkansas [Mr. BUMPERS], the Senator from West Virginia [Mr. ROCKEFELLER], and the Senator from Wisconsin [Mr. PROXMIRE] were added as cosponsors of Senate Concurrent Resolution 78, a concurrent resolution in support of universal access to immunization by 1990 and accelerated efforts to eradicate childhood diseases.

SENATE RESOLUTION 227

At the request of Mr. D'AMATO, his name was added as a cosponsor of Senate Resolution 227, a resolution urging a joint United States-Soviet effort to achieve worldwide disease immunization by 1990.

SENATE CONCURRENT RESOLUTION 80—AUTHORIZING THE PRINTING OF ADDITIONAL COPIES OF THE COMMITTEE PRINT ENTITLED "DEFENSE ORGANIZATION; THE NEED FOR CHANGE"

Mr. GOLDWATER (for himself and Mr. NUNN) submitted the following concurrent resolution; which was referred to the Committee on Rules and Administration.

S. CON. RES. 80

Resolved by the Senate (the House of Representatives concurring), That there shall be printed 2,000 additional copies of the Committee Print of the Committee on Armed Services (99th Congress, 1st Session) entitled "Defense Organization: The Need for Change", to be furnished to the Committee on Armed Services.

● Mr. GOLDWATER. Mr. President, on behalf of Senator NUNN and myself, I am submitting a Senate concurrent resolution to authorize the printing of additional copies of a study by the Senate Armed Services Committee staff entitled "Defense Organization: The Need for Change."

On October 16, 1985, the Armed Services Committee released this staff study to the public. Interest in this document is so great that within 2 days of its release, the committee had exhausted its supply of more than 1,000 copies. Because the committee is continuing to receive innumerable requests for copies from Members of Congress, agencies in the executive branch, and the public, Senator NUNN and I are seeking authority through a concurrent resolution to print 2,000 additional copies.

Mr. President, I urge the Senate and the House to act expeditiously on this matter so that copies of this important study may be distributed as widely as possible.●

SENATE RESOLUTION 242—FAVORING CONTINUATION OF THE PRESENT FEDERAL INCOME TAX TREATMENT OF STATE AND LOCAL DEBTS

Mr. MATTINGLY (for himself and Mr. DIXON) submitted the following resolution; which was referred to the Committee on Finance:

S. RES. 242

Whereas the Federal Government has traditionally refrained from taxing the interest income of debt obligations issued by agencies of State and local governments;

Whereas this treatment by the Federal Government provides important fiscal aid to State and local governments in a nondiscriminatory manner and without administrative costs to the Federal Government;

Whereas this treatment by the Federal Government has provided a flexible, efficient, and economical means for State and local governments to fund public service facilities deemed important to needs of their citizens;

Whereas the lower debt service costs of tax-exempt bonds has helped to foster public-private partnerships for the more efficient delivery of municipal services;

Whereas action by Congress to reduce massive Federal budget deficits has necessitated curtailment of direct fiscal support for State and local governments for such purposes as revenue sharing, highway aid, and mass transit assistance;

Whereas the modernization of essential public infrastructures such as highways, bridges, water supply systems, and waste treatment systems is estimated to involve costs of $1 to $2 trillion for State and local governments over the next 15 years;

Whereas State and local governments will have to issue bonds to finance such modernization of such essential infrastructures;

Whereas the President has proposed to Congress changes in the Federal tax code which will have the effect of denying tax-exempt treatment to some 80 percent of the bonds issued by State and local governments during a typical year for traditional municipal purposes, including air terminals and port facilities, low-income housing, health care facilities, resource recovery plants, and urban redevelopment;

Whereas such proposal can diminish the market for State and local bonds by prohibiting the deductibility of interest costs associated with bond portfolios held by banks, the single largest institutional purchasers of State and local bonds;

Whereas whatever modest Federal revenue gains resulting from this denial of tax-exempt treatment of municipal securities must be balanced against—

(A) the loss of tax revenue which will result because of the inability of State and local governments to build projects without tax-exempt financing, and

(B) the large increase in debt service costs for State and local governments (probably over $40 billion through 1990) which will result from such denial;

Whereas such increased debt service costs of State and local governments may only be met through increased user fees and higher local taxes;

Whereas Congress in the Deficit Reduction Act of 1984 adopted provisions specifically designed to eliminate abuses in tax-exempt financing; and

Whereas the Congress should grant a reasonable period of time to observe the effectiveness of such remedial actions: Now, therefore, be it

Resolved, That it is the sense of the Senate that the Congress should not adopt additional statutory changes which will further curtail the issuance by units of State and local governments of obligations which are tax exempt under Federal income tax law.

Mr. MATTINGLY. Mr. President, for Senator DIXON and myself, I am submitting Senate Resolution 242, expressing the sense of the Senate that Congress should not change the Federal income tax treatment of State and local debt obligations.

As our colleagues must be aware through contacts with State and local officials, the Treasury's tax reform bill includes provisions which will deny tax-exempt eligibility for a significant portion of typical municipal bonds and will, therefore, sharply drive up the debt-service costs for financing the vast majority of public-service facilities. In fact, it is estimated that 80 percent of typical annual volumes will be denied tax-exempt treatment.

Senator DIXON and I do not propose this resolution as an attack upon either administration or congressional efforts to obtain genuine reforms in the Federal income tax system. We share with our colleagues a desire to enact legislation in this Congress which will simplify the Tax Code, con-

tribute to greater productivity and efficiency in our economy, and provide authentic aftertax gains in take-home pay for low- and middle-income families and individuals.

The Treasury's proposals relating to State and local bonds simply do not represent tax reform. Treasury has recommended new definitions of public purpose, new restrictions on arbitrage, and outright denial of tax-exemption for advance refundings, which complicate, rather than simplify, public financing by States and localities, for both bond issuers and bond investors.

Similarly, Treasury's recommendations remove incentives for the innovative and more efficient delivery of essential public services by State and local government. A most promising development of the past 10 years has been the growth of public-private partnerships and management agreements for the furnishing of a wide variety of municipal service from health care, to public transportation to waste treatment and resource recovery. A driving force for expansion of the privatization of public service facilities is the growth of sophisticated technology. With service activities such as resource recovery, which relies importantly on high-tech equipment, public agencies are finding it more cost-effective to enter into leasing or joint-venture arrangements with private vendors, who can adjust more quickly to the changing requirements of technology. Frankly, a financial incentive for these public-private partnerships is the ability to undertake capital finance at the lower coupon rates on tax-exempt bonds. The Treasury's recommendation will drastically retard, if not completely stop, this healthy trend of privatization for the delivery of essential public services.

Most importantly the Treasury's proposed restrictions on tax-exempt finance by State and local governments will probably have the net effect of decreasing rather than increasing the after-tax incomes of the average American taxpayer. Treasury has estimated that it will pick up an additional $13 billion of tax revenues over the 5 years 1986-90 through its municipal bond changes.

To begin with, this estimate of revenue gain is probably greatly overstated. An exhaustive analysis by the "big eight" accounting firm, Coopers and Lybrand, concludes that a more likely result will be a $2 billion gain over the 5-year period. But Federal revenue gain is only part of the equation. What will be the cost impact on State and local governments?

The Public Securities Association, which represents tne several hundred securities firms and banks which underwrite 95 percent of State and local debt obligations, estimates that, if enacted, the Treasury proposals will increase debt-service costs for States and localities for the period 1986-90 by approximately $40 billion. If essential public facilities are to be provided, there is only one way for State and local government to meet this higher borrowing cost and that is to increase user fees and tax levies. Whether we use the revenue estimate of the Treasury or of Coopers and Lybrand, the net result is an increase in the total tax bill—Federal, State and local—for most of our constituents.

What we will have is tax shifting from the Federal Government to State and local government. And in the process of shifting it is inevitable that a heavier burden will fall on lower income families, because user fees will always be more regressive than the Federal income tax rates. I trust most of our colleagues will agree that tax shifting of this sort from one level of government to another does not constitute genuine tax reform.

As all of us understand, the overhang of massive Federal deficits is requiring the Congress to mandate major cutbacks in direct Federal fiscal support for State and local government. The Budget Committee has reported a budget reconciliation resolution which terminates general revenue sharing. While Governors, mayors, and county officials have not welcomed these curtailments of Federal assistance, they, nevertheless, understand the demands which the Federal budget deficits impose on all elected public officials. What I think they will not understand, nor should we expect them to accept, are proposals, like the Treasury's restrictions on municipal bonds, which seriously impair their flexibility and capacity to respond to the added fiscal burdens confronting them.

Last, Mr. President, in the Deficit Reduction Act of 1984, we, in the Congress, imposed significant new restrictions on the growth of tax-exempt State and local bonds, specifically in the areas of industrial revenue bonds. We have permitted no reasonable interval to observe the operation of these restrictions. Mr. President, we cannot constantly fiddle with our Tax Code, for it seriously complicates financial planning by operating units in our economy, both public and private.

Mr. President, for the stated reasons, Senator DIXON and I hope that our colleagues will join with us in the sponsorship of this resolution calling for forbearance at the Federal level in changing the tax treatment of State and local bonds.

Mr. President, I ask unanimous consent that an article which appeared in the June 16, 1985 Boston Herald by Michael Hernandez, managing director of First Boston Corp., be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Boston Herald, June 16, 1985]

MUNICIPAL TAX EXEMPTION OUGHT TO BE PRESERVED

(By Michael D. Hernandez)

With the winds of tax reform blowing strongly in Washington, it is time to set the record straight about the Treasury Department's tax proposal. Although advertised with such appealing labels as "tax simplification" and "tax fairness," the Treasury plan would have serious public policy consequences if it is passed. What is particularly disturbing is that major portions of the Treasury proposal are based on an economic analysis that is in itself faulty.

If the Treasury proposal is implemented, it would cause extensive damage to state and local governments. Among other provisions, there would be severe restrictions on the federal tax exemption for interest on state and local government bonds. The supply of many existing forms of tax-exempt debt would likely decrease or be eliminated altogether, including industrial development bonds, student loan bonds, mortgage subsidy bonds, and bonds issued by certain tax-exempt and non-profit organizations (certain hospitals and universities, for instance). Public-private partnerships would in many cases no longer be feasible.

State and local governments would be faced with higher capital costs. In many cases they would be faced with having to raise taxes or fees, or would have to delay or cancel certain critical public purpose projects, including infrastructure improvements (highways, bridges, and the like).

It simply is not true—as the Treasury would have us believe—that a reduction in the total supply of tax-exempt bonds would lead to a significant increase in federal revenues. It is deceptive for the Treasury to attempt to "win over" Congress and the public to its plan by selling it as a means of reducing the federal deficit. In truth, an in-depth economic analysis of the tax-exempt market indicates that there would likely be little, if any, revenue growth to be derived from restricting the volume of tax-exempt financings.

Estimates by both the Congressional Budget Office (CBO) and the Treasury of revenue loss that can be attributed to tax-exempt bonds are inflated, in part because they are based on inaccurate assumptions about investors' portfolios. They assume that only investors in the highest tax brackets purchase tax-exempt bonds. Thus, they assume that if the supply of tax-exempt bonds were reduced, these investors would switch to fully taxable securities, and their new taxable interest income would be taxed at very high rates (45 percent to 50 percent). In fact, there are no data to support this conclusion, and there is a good deal of evidence to the contrary.

First, Federal Reserve data indicate that holders of tax-exempt securities can be found in many tax brackets. Thus, the assumption that only investors in the highest brackets would switch to fully taxable bonds if the supply of tax-exempt bonds were reduced is false, and the calculation of increased revenues from legislative restrictions is inaccurate.

Second, there is every reason to believe that high-tax-bracket investors would seek the many other tax advantaged investments available (especially capital gains on

common stocks, which are taxed at 40 percent of the earned income tax rate) prior to buying fully taxable securities.

Third, to the extent that there would be any movement to taxable investments, those individuals in the lowest tax brackets would be the first to shift.

Fourth, the CBO and Treasury estimates do not adequately take into consideration the offsetting federal revenue increases that occur when tax-exempt debt is utilized. These increases occur as the result of the lower interest cost deductions that are claimed and the new economic development that is kindled by tax-exempt bonds—economic development that increases corporate and personal income tax revenues derived from businesses and new employees.

Although the Treasury Department's most recent attack on the tax exemption is hardly the first—there have been assaults on the exemption both in Congress and in the courts since the early part of this century—the scope of the attack is wider and the potential damage far greater.

In the short run what is at stake is the immediate financial health of many states and localities. In the long run what is at stake is the inherent constitutional right of state and local governments to issue tax-exempt bonds to carry out their public purposes. Given the faulty economic basis of the Treasury Department's proposal, it is a debate which state and local governments should win easily on the merits. It is up to the public and Congress to see that they do.

Mr. DIXON. Mr. President, I am pleased to join my distinguished colleague from Georgia, Senator MATTINGLY, in proposing this sense of the Senate resolution urging the Congress to refrain from new tax actions affecting State and local bonds until we have had a reasonable interval to observe the impact of restrictions enacted last year in the Deficit Reduction Act of 1984.

Like many of my Senate colleagues, it has been my privilege to serve in State elective office, including the office of Illinois State Treasurer; and from this service I have a keen understanding of the cost-saving benefits States and localities receive from tax-exempt borrowing.

It has been alleged that some jurisdictions abused this special tax treatment by extending the privileges of State and local government borrowing to entities and activities operated by private, non-governmental organizations. In response to those allegations of abuse, Congress last year enacted corrective legislation to impose remedial restrictions, including volume limits applicable on a State-by-State basis.

However, before we have had any reasonable opportunity to see how effective those provisions are, the Treasury in its tax reform package has proposed a whole new series of additional restrictions. We are told that these new restrictions are also meant only to curtail abuses.

I do not believe these are proposals for remedying some marginal abuses, Mr. President. I think they are recommendations aimed right at the heart of tax-exempt borrowing by units of State and local government. According to experts who have analyzed the Treasury proposals, they would, if enacted, result in 80 percent of the typical annual volumes of State and local bonds being denied exemption from Federal income taxation.

I am confident that my colleagues in the U.S. Senate do not wish to enact this radical rescission of tax forbearance that traditionally obtained between the Federal Government and the States and their local governments.

It is appropriate, therefore, that the Senate express itself on this issue, and adopt the resolution offered by Senator MATTINGLY and myself. This resolution simply expresses the view that we should "go slow" in proposing additional changes in Federal tax laws applicable to bonds and other debt obligations issued by units of State and local government.

Mr. President, we are taking major actions—essential actions—in this Congress to reduce Federal spending and to control and ultimately eliminate the budget deficits that so endanger our economy. A number of these budgetary actions directly impact State and local government, imposing new cost burdens on them. As the Senator from Georgia has observed, Governors, mayors, and county officials, while not happy with these cuts in direct Federal assistance, nevertheless understand that these actions are essential if we are to bring the Federal budget back under control.

Likewise, Governors, mayors, and county officials understand and support the objectives of the effect to reform the Federal tax system. They, too, want a fairer and more equitable Tax Code, one that will encourage more efficient economic performance. They do not understand, though, and cannot support making changes in the Internal Revenue Code which instantly create fiscal burdens at the State and local level, additional burdens that will inevitably force increases in local taxes and user fees to support essential public services.

Yet this is just what will occur if we adopt the Treasury's recommendations relating to tax-exempt bonds. Their proposals will, at best, raise a relatively small amount in additional Federal tax revenues, while forcing States and localities to increase taxes and user fees to finance an additional $40 billion in interest costs on borrowings for essential public purposes such as health care, water and waste treatment, air pollution control, airport and harbor modernization, low and moderate income housing, economic development, and the like.

Mr. President, these particular recommendations of the Treasury are nothing more than "tax shifting" from one level of government to another. Such actions do not make our tax system fairer and they cannot be accurately described as tax reform. I join my distinguished colleague, Senator MATTINGLY, in urging Members of the Senate to cosponsor this resolution expressing our desire to protect the legitimate tax-exempt borrowing powers of State and local government.

AMENDMENTS SUBMITTED

LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES APPROPRIATION, 1986

PROXMIRE AMENDMENT NO. 835

Mr. PROXMIRE proposed an amendment to the bill (H.R. 3424) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1986, and for other purposes; as follows:

On page 77, after line 3, insert:

SEC. 515. Notwithstanding any other provision of this Act, the total budget authority provided by this Act for payments not required by law shall be reduced by 5 percentum: *Provided*, That of the amount provided in this Act for each appropriation account, activity, and project for payments not required by law, the amount reduced shall not exceed 8 percentum.

BUMPERS AMENDMENT NO. 836

Mr. PROXMIRE (for Mr. BUMPERS) proposed an amendment to amendment No. 830, previously adopted by the Senate, to the bill H.R. 3424, supra; as follows:

On page 22, line 3 (as previously amended), strike out "$59,906,000" and insert in lieu thereof "$59,702,000".

WEICKER AMENDMENT NO. 837

Mr. WEICKER proposed an amendment to amendment No. 783 previously adopted by the Senate to the bill H.R. 3424, supra; as follows:

On page 36, line 18, strike out "$2,012,122,000" and insert in lieu thereof "$2,009,422,000".

DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATION, 1986

EAGLETON (AND OTHERS) AMENDMENT NO. 838

(Ordered to lie on the table.)

Mr. EAGLETON (for himself, Mr. DANFORTH, Mr. CHILES, and Mr. CRANSTON) submitted an amendment intended to be proposed by them to the bill (H.R. 3244) making appropriations for the Department of Transportation and related agencies for the fiscal year

ending September 30, 1986, and for other purposes; as follows:

On page 30, immedately after line 24, add the following:

DISAPPROVAL OF PROPOSED DEFERRAL

The Congress disapproves the proposed deferral of budget authority (Deferral No. D86-21), pertaining to the Urban Mass Transportation Administration, as set forth in the message transmitted to the Congress by the President on October 1, 1985. This disapproval shall be effective on the date of enactment of this Act into law and the amount of the proposed deferral disapproved herein shall be made available for obligation.

Mr. EAGLETON. Mr. President, this amendment would disapprove the proposed deferral of some $223.6 million in funding for "new start" rail projects in five cities which Congress authorized last year.

The cities and the amounts affected are Los Angeles, $129 million; Miami, $71.5 million; San Diego, $11.3 million; Jacksonville, $1.8 million, and St. Louis, $10 million.

Mr. President, this proposed deferral has nothing to do with saving money. The administration makes it clear in its own deferral message that it fully intends to obligate the same $223.6 million for other transit projects which it believes have more merit. The only issue involved in this amendment is whether Congress or the bureaucrats at the Urban Mass Transportation Administration are going to set the priorities for the funding of new start rail projects. After thorough deliberation, Congress made its judgment. Some people in the administration disagree with Congress and want to set congressional directives aside through the device of this proposed deferral.

Mr. President, I will point out that the bill contains similar earmarks for new start rail projects.

To fail to disapprove this proposed deferral would make a mockery of the legislative process.

Mr. President, I have discussed this amendment with the distinguished chairman and the ranking minority member of the subcommittee and I believe that they are prepared to accept it.

OMNIBUS BUDGET RECONCILIATION ACT

CHAFEE (AND OTHERS) AMENDMENT NO. 839

Mr. CHAFEE (for himself, Mr. BINGAMAN, Mr. HATFIELD, Mr. STAFFORD, Mr. PELL, and Mr. BRADLEY) proposed an amendment to the bill (S. 1730) to provide for reconciliation pursuant to section 2 of the first concurrent resolution on the budget for fiscal year 1986 (S. Con. Res. 32, 99th Cong.); as follows:

On page 372, strike out lines 5 through 10 and insert in lieu thereof the following:

SEC. 790. INCREASE IN TAX ON CIGARETTES.

(a) RATE OF TAX.—Subsection (b) of section 5701 of the Internal Revenue Code of 1954 (relating to rate of tax on cigarettes) is amended—

(1) by striking out "$8" in paragraph (1) and inserting in lieu thereof "$12"; and

(2) by striking out "$16.80" in paragraph (2) and inserting in lieu thereof "$25.20".

(b) FLOOR STOCKS.—

(1) IMPOSITION OF TAX.—On cigarettes manufactured in or imported into the United States which are removed before November 15, 1985, and held on such date for sale by any person, there shall be imposed the following taxes:

(A) SMALL CIGARETTES.—On cigarettes, weighing not more than 3 pounds per thousand, $4 per thousand;

(B) LARGE CIGARETTES.—On cigarettes, weighing more than 3 pounds per thousand, $8.40 per thousand; except that, if more than 6½ inches in length, they shall be taxable at the rate prescribed for cigarettes weighing not more than 3 pounds per thousand, counting each 2¾ inches, or fraction thereof, of the length of each as one cigarette.

(2) LIABILITY FOR TAX AND METHOD OF PAYMENT.—

(A) LIABILITY FOR TAX.—A person holding cigarettes on November 15, 1985, to which any tax imposed by paragraph (1) applies shall be liable for such tax.

(B) METHOD OF PAYMENT.—The tax imposed by paragraph (1) shall be treated as a tax imposed under section 5701 of the Internal Revenue Code of 1954 and shall be due and payable on December 2, 1985, in the same manner as the tax imposed under such section is payable with respect to cigarettes removed on November 15, 1985.

(3) CIGARETTE.—For purposes of this subsection, the term "cigarette" shall have the meaning given to such term by subsection (b) of section 5702 of the Internal Revenue Code of 1954.

(4) EXCEPTION FOR RETAILERS.—The taxes imposed by paragraph (1) shall not apply to cigarettes in retail stocks held on November 15, 1985, at the place where intended to be sold at retail.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by subsection (a) shall apply with respect to cigarettes removed after November 14, 1985.

(2) CONFORMING AMENDMENT.—Subsection (c) of section 283 of the Tax Equity and Fiscal Responsibility Act of 1982 is amended by striking out "and before November 15, 1985".

MITCHELL (AND OTHERS) AMENDMENT NO. 840

Mr. MITCHELL (for himself, Mr. COHEN, Mr. KERRY, and Mr. SIMON) proposed an amendment to the bill S. 1730, supra; as follows:

Beginning on page 421, line 8, strike out through page 422, line 21, and insert in lieu thereof the following:

(c) EFFECTIVE DATES.—

(1) HOSPITAL INSURANCE TAXES.—The amendments made by subsection (a) shall apply to service performed by an individual on or after his applicable effective date as determined under paragraph (3).

(2) MEDICARE COVERAGE.—

(A) IN GENERAL.—The amendments made by subsection (b) are effective with respect to an individual on and after his applicable effective date as determined under paragraph (3), and the amendment made by paragraph (2) of that subsection apply to service performed by an individual on or after his applicable effective date.

(B) TREATMENT OF CURRENT DISABILITIES.—For purposes of establishing entitlement to hospital insurance benefits under part A of title XVIII of the Social Security Act pursuant to the amendments made by subsection (b) or the provisions of subsection (d), on the basis of medicare qualified State and local employment, no individual may be considered to be under a disability for any period before his applicable effective date.

(3) APPLICABLE EFFECTIVE DATE.—An individual's applicable effective date is—

(A) October 1, 1986, in the case of an individual who is not an employee of a State or political subdivision (or instrumentality which is wholly owned thereby) on September 30, 1986; and

(B) October 1, 1987, in the case of an individual who is such an employee on September 30, 1986.

(d) TRANSITIONAL PROVISIONS.—

(1) IN GENERAL.—For purposes of sections 226, 226A, and 1811 of the Social Security Act, in the case of any individual who—

(A) Performs service during the October in which his applicable effective date occurs which constitutes medicare qualified State and local governmental employment (as defined in section 210(p)(1) of such Act); and

(B) performed service prior to his applicable effective date, which would constitute medicare qualified State and local governmental employment if performed after his applicable effective date,

such individual's State and local governmental employment performed before his applicable effective date shall be considered to be "employment" (as defined for purposes of title II of such Act), but only for the purpose of providing the individual (or another person) with entitlement to hospital insurance benefits under part A of title XVIII of such Act.

On page 372, strike out lines 5 through 10 and insert in lieu thereof the following:

SEC. 790. INCREASE IN TAX ON CIGARETTES.

(a) RATE OF TAX.—Subsection (b) of section 5701 of the Internal Revenue Code of 1954 (relating to rate of tax on cigarettes) is amended—

(1) by striking out "$8 per thousand" in paragraph (1) and inserting in lieu thereof "$10 per thousand ($8 per thousand after October 14, 1988)"; and

(2) by striking out "$16.80 per thousand" in paragraph (2) and inserting in lieu thereof "$21.00 per thousand ($16.80 per thousand after October 14, 1988)".

(b) FLOOR STOCKS.—

(1) IMPOSITION OF TAX.—On cigarettes manufactured in or imported into the United States which are removed before November 15, 1985, and held on such date for sale by any person, there shall be imposed the following taxes:

(A) SMALL CIGARETTES.—On cigarettes, weighing not more than 3 pounds per thousand, $2 per thousand;

(B) LARGE CIGARETTES.—On cigarettes, weighing more than 3 pounds per thousand, $4.20 per thousand; except that, if more than 6½ inches in length, they shall be taxable at the rate prescribed for cigarettes weighing not more than 3 pounds per thousand, counting each 2¾ inches, or fraction thereof, of the length of each as one cigarette.

(2) LIABILITY FOR TAX AND METHOD OF PAYMENT.—

(A) LIABILITY FOR TAX.—A person holding cigarettes on November 15, 1985, to which any tax imposed by paragraph (1) applies shall be liable for such tax.

(B) METHOD OF PAYMENT.—The tax imposed by paragraph (1) shall be treated as a tax imposed under section 5701 of the Internal Revenue Code of 1954 and shall be due and payable on December 2, 1985, in the same manner as the tax imposed under such section is payable with respect to cigarettes removed on November 15, 1985.

(3) *Cigarette.*—For purposes of this subsection, the term "cigarette" shall have the meaning given to such term by subsection (b) of section 5702 of the Internal Revenue Code of 1954.

(4) EXCEPTION FOR RETAILERS.—The taxes imposed by paragraph (1) shall not apply to cigarettes in retail stocks held on November 15, 1985, at the place where intended to be sold at retail.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by subsection (a) shall apply with respect to cigarettes removed after October 14, 1985.

(2) CONFORMING AMENDMENT.—Subsection (c) of section 283 of the Tax Equity and Fiscal Responsibility Act of 1982 is amended by striking out "and before November 15, 1985".

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON NUCLEAR REGULATION

Mr. McCLURE. Mr. President, I ask unanimous consent that the Subcommittee on Nuclear Regulation of the Committee on Environment and Public Works be authorized to meet during the session of the Senate on Tuesday, October 22, 1985, in order to conduct a hearing on the extension of the Price Anderson Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Mr. McCLURE. Mr. President, I ask unanimous consent that the permanent Subcommittee on Investigations of the Committee on Governmental Affairs be authorized to meet during the session of the Senate on October 22, 1985, in order to conduct a hearing on the Foreign Missions Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS

Mr. McCLURE. Mr. President, I ask unanimous consent that the Subcommittee on Intergovernmental Relations of the Committee on Governmental Affairs be authorized to meet during the session of the Senate on Tuesday, October 22, 1985, in order to conduct a hearing on the innovative State and local programs, to expand choices in education.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON EMPLOYMENT

Mr. McCLURE. Mr. President, I ask unanimous consent that the Employment Subcommittee of the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Tuesday, October 22, to conduct a hearing on the effect of trade on unemployment.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. DOLE. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on Tuesday, October 22, to conduct a meeting on the nominations of Vernon Grose, John Lauber, and Kenneth Hill, to be members of the National Transportation Safety Board.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

SCS PROJECTS AUTHORIZED

● Mr. STAFFORD. Mr. President, I would like to inform my colleagues of recent action taken by the Committee on Environment and Public Works with respect to certain small watershed projects of the Soil Conservation Service.

As my colleagues are aware, approval of Public Law 566 projects do not require an act of Congress for authorization; rather, they are authorized by resolutions of the Senate and House Public Works Committees.

Because of the importance of this action to the Senate and several of my colleagues, the Committee on Environment and Public Works announces such action in the RECORD and issues a report in the form of a committee print.

On October 10, 1985, the committee approved resolutions authorizing the construction of two projects: English Coulee watershed, North Dakota, and West Fork of Big Creek, IA and MO.

In addition, the committee approved a request by the Soil Conservation Service to raise the authorized cost ceilings on four previously authorized small watershed projects: South Fork watershed, Arkansas; Zuni Pueblo watershed, New Mexico; upper Muddy Boggy Creek watershed, Oklahoma; and upper and Mud River watershed, West Virginia.

I ask that the text of the approved committee resolutions and the letter to Secretary Block reporting the committee's action regarding the requested cost ceiling increases, be printed in the RECORD.

The material follows:

U.S. SENATE, COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
Washington, DC, October 16, 1985.

Hon. JOHN R. BLOCK,
Secretary, U.S. Department of Agriculture, Washington, DC.

DEAR MR. SECRETARY: In testimony before the Subcommittee on Water Resources of the Committee on Environment and Public Works on September 26, 1985, the Soil Conservation Service indicated that the cost of four small watershed projects previously authorized by Congress would exceed the authorized levels and would therefore need the consent of the Committee to complete their construction. The SCS also requested that the Committee approve resolutions authorizing construction of two new small watersheds projects.

The Committee on Environment and Public Works voted on October 10, 1985, to approve the higher cost levels of the previously authorized Public Law 83-566 projects listed below. The new cost limits will be the Federal cost listed, plus or minus such amounts, if any, as may be justified by reason of the fluctuation in the costs of construction, as indicated by engineering cost indices applicable to the type of construction involved.

No construction on any of these projects shall go forward unless the economic benefits of the project exceed the costs of proceeding to project completion. The previously authorized projects for which higher cost levels were approved are:

South Fork Watershed, Arkansas—$5,300,000, (using January 1985 prices);

Upper Muddy Boggy Greek Watershed, Oklahoma—$11,500,000, (using January 1985 prices);

Upper Mud River Watershed, West Virginia—$7,300,000, (using January 1985 prices);

Zuni Pueblo Watershed, New Mexico—$11,700,000, (using January 1985 prices).

In addition, the Committee also approved resolutions authorizing the English Coulee Watershed and West Fork of Big Creek Watershed projects. Copies of these resolutions, as approved, are attached.

We would appreciate your keeping this committee informed of progress on these projects.

Sincerely yours,

ROBERT T. STAFFORD,
Chairman.
LLOYD BENTSEN, *Ranking Minority Member.*

COMMITTEE RESOLUTION

Resolved by the Committee on Environment and Public Works of the United States Senate, That pursuant to the provisions of Section 2 of Public Law 566, Eighty-third Congress, as amended, the project for flood prevention and watershed protection, in the English Coulee Watershed, Grand Forks County, North Dakota, is hereby approved substantially in accordance with the report of the Soil Conservation Service, Department of Agriculture, dated January, 1983, with the conditions that (1) the approval of appropriations for the project be limited to—$2,493,500—the estimated Federal cost of the project as shown in the work plan for such project updated to current price levels, plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuation in the cost of construction as indicated by engineering cost indexes applicable to the type of construction involved; and (2) the purposes served by the project shall be those set forth in the watershed work plan submitted for the project and the scope of

the project purposes and of the project shall be substantially as set forth in such work plan.

ROBERT T. STAFFORD,
Chairman.
LLOYD BENTSEN,
Ranking Minority Member.

COMMITTEE RESOLUTION

Resolved by the Committee on Environment and Public Works of the United States Senate, That pursuant to the provisions of Section 2 of Public Law 566, Eighty-third Congress, as amended, the project for flood prevention, recreation, agricultural and municipal water supply, and watershed protection, in the West Fork of Big Creek Watershed, Ringold and Decatur Counties, Iowa, and Harrison and Daviess Counties, Missouri, is hereby approved substantially in accordance with the report of the Soil Conservation Service, Department of Agriculture, dated June, 1984, with the conditions that (1) the approval of appropriations for the project be limited to—$14,238,400—the estimated Federal cost of the project as shown in the work plan for such project updated to current price levels, plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuation in the cost of construction as indicated by engineering cost indexes applicable to the type of construction involved; and (2) the purposes served by the project shall be those set forth in the watershed work plan submitted for the project and the scope of the project purposes and of the project shall be substantially as set forth in such work plan.

ROBERT T. STAFFORD,
Chairman.
LLOYD BENTSEN,
Ranking Minority Member.●

NICARAGUAN ABRIDGEMENT OF CIVIL LIBERTIES

● Mr. BENTSEN. Mr. President, over these past months, as we have debated the question of what our national policy toward Nicaragua ought to be, many of us have expressed our concern about the direction that the Sandinistas seemed to be taking the Government of that country. We expressed the view that as self-avowed Marxist-Leninists, the Sandinistas did not come out of a political tradition that encouraged pluralism and dissent. Indeed, it appeared to many of us that the few signs of political tolerance and respect—even minimal respect—for opposition views in Nicaragua were designed more as a public relations ploy than as any kind of indication of what would happen if the Sandinistas succeeded in consolidating their power.

Troubling episodes like the continuing intermittent censorship of La Prensa, the one opposition newspaper in Nicaragua, and a refusal to allow the homilies of Cardinal Miguel Obando y Bravo to be broadcast without prior submission to the Government censor were dismissed by the Sandinista leadership as merely "excesses of the bureaucracy" or "military necessity." The cynicism of the nine Commandantes became quite evident when patterns of censorship were examined: lesser censorship as congressional votes on aid to the Contras was imminent, followed by a greater imposition of censorship when the votes were done.

Nevertheless, critics of U.S. policy toward Nicaragua could somehow comfort themselves with the belief that things were not as bad there as they might have been, and that overall there was reason to hope that the situation might improve with time. Such hope received a cruel blow this past week when Nicarguan President Daniel Ortega announced a new and far-ranging "State of Emergency." An indication of the extent of his actions is evident in the titles to editorials in two of our Nation's leading newspapers: "Nicaragua Bares the Nightstick," was the way the New York Times—October 18—analyzed it, while the Washington Post—October 21—addressed its editorial to "Regression in Nicaragua."

Neither of these newspapers has a history of strong support for the administration's policies toward Nicaragua; the opposite would be close to the truth. But Ortega's actions were so outrageous that reasonable people all across the political and ideological spectrum have cause to be troubled by what is happening in Nicaragua.

The state of emergency declared by Ortega on October 15 was but the culmination of a month of repressive actions by the Sandinistas, primarily directed against the Roman Catholic Church and its dynamic leader, Cardinal Obando y Bravo. This period began on September 12 when armed Sandinista officials raided the studios of Radio Catolica and stopped the broadcast of the cardinal's prerecorded homily. A La Prena article reporting the raid was censored. On September 25 armed Sandinista officials again raided the studios of Radio Catolica and again interrupted the broadcast of the cardinal's homily. On September 26, the Ministry of the Interior informed the church that the mass could not be broadcast without prior censorship.

On October 10 the church was informed that its new newspaper La Iglesia was required to register with the Ministry of the Interior. The church protested that this would result in prior censorship. On October 12, the first issue of La Iglesia was published. Trucks carrying copies of the newspaper to churches were stopped by police and the copies were confiscated. The driver was forced to retrace his route, and previously-delivered copies were also confiscated. Armed guards then went to the church offices and took the remaining copies of the newspaper, together with printing equipment, printing plates, and negatives. In response, the church then submitted the application for registering La Iglesia to the Ministry of the Interior. The application was rejected, and authority to publish was denied.

Finally, on October 15, came Ortega's sweeping announcement of new or reinstated measures that could end virtually all of the remaining civil liberties in Nicaragua. Under these new measures, Nicaraguans can no longer form labor unions or go on strike; can no longer hold rallies or demonstrations; and can no longer move freely throughout the country or live where they wish. Ortega's decree also suspended for 1 year the right to a speedy trial; the right to appeal convictions; the right against imprisonment except for cases specified in law; presumption of innocence until proven guilty; right to privacy of mail; and the right to refuse to incriminate oneself.

Apologists for the Sandinistas may well echo the official Nicaraguan line in suggesting that the Government of Nicaragua was driven into these actions by the military activities of the Contras. This is ironical in light of the official Sandinista pronouncement that the Contras are on the verge of defeat.

I would suggest instead that they were driven to these actions by the growing expressions of discontent in Nicaragua and the Sandinista realization that the Contras are a force which is accumulating the strength needed to mount major military operations against the Soviet-supplied Sandinista army. Resistance to the reimposition of the draft and the growing outspokenness of the token political opposition were strong indications that the Sandinistas are losing their hold on the populace in Nicaragua. Ortega's actions are the traditional response of a totalitarian state when it is confronted with internal opposition, and given the models set for him by his Cuban, East German, Bulgarian, and Soviet advisers, it is unrealistic to have expected him to react in any other way.

Virgilio Godoy, the respected head of the Independent Liberal Party in Nicaragua, announced that Ortega's actions were a "near-fatal blow to the political process in Nicaragua," and I do not see how they can be read any differently. Anyone who had the slightest doubts about the direction the Sandinistas are taking Nicaragua should have had them removed by these latest actions; and anyone who has wondered about what would happen in Nicaragua if the pressure exerted by the Contras were removed should have had their eyes opened. If there is one lesson to come out of this for those of us who will have to make decisions next year on further support for the Contras, it is that we have seen what the future would be, Sandinista-style.●

TRIBUTE TO ROBBIE LYLE

● Mr. BUMPERS. Mr. President, I would like to take this opportunity to congratulate Robbie Lyle on her selection as president of the National Council of Educational Opportunity Associations. She is currently director of Upward Bound and other special services at Arkansas State University in Jonesboro, AR.

The success of the Upward Bound Program at ASU is due in no small part to Robbie's boundless energy and determination, so it seems especially fitting that she will serve as president of NCEOA during the 20th anniversary of Upward Bound. It is typical of her dedication and hard work that she was able to bring a group of students to Washington recently, a trip they hardly expected when they entered the program. Many of these students had never been outside Arkansas, and without Robbie's leadership would never have had this chance to expand their horizons.

Recently Robbie appeared before the Senate Labor and Human Resources Subcommittee on Education, Arts and Humanities to speak in support of the TRIO programs. These programs have been remarkably successful in achieving their goals. They provide nonfinancial assistance, such as information, tutoring, counseling, academic advice, as well as remedial and supplemental instruction, to low-income students and those who will be the first in their family to attend college. Upward Bound graduates are four times as likely to receive a baccalaureate degree as students in similar circumstances who do not have the benefit of these services.

Far too often the contributions of our educators go unrecognized. Too often we hear more about the problems or the shortcomings of a few than about the priceless work the vast majority do for our very future, our children. I believe the achievements of the Robbie Lyles of our schools and colleges should be brought to the public's attention more often. Robbie will bring to the NCEOA the same energy, creativity, and determination that has been vital to the success of the TRIO programs which she directs. With her experience and her ability to lead, the National Council of Educational Opportunity Associations will continue to make significant contributions to the future of our students.●

MISSION FOR COUSTEAU

● Mr. CHILES. Mr. President, we have all heard the axiom that timing is everything. In the Senate, we are fully aware of the momentum and timing of a particular piece of legislation, for oftentimes it can mean the difference between its defeat and final passage. Candidates running for political office take great pains to avoid peaking too early or too late in their political campaigns. Negotiators sitting at a bargaining table temper their responses, and wait for the appropriate time to tender an offer or agree to a compromise.

With this in mind, I believe we need to look at the timing of Jacques Cousteau's trip to Cuba. In late October, Cousteau is scheduled to visit the island. As a guest of Fidel Castro, this renowned marine explorer will have the opportunity to continue his oceanographic projects in Cuba. He will also have the opportunity to meet with Fidel Castro. What better time to bring up the subject of Cuba's political prisoners? We need only recall recent past visits by celebrities and officials to remind ourselves that while they offer Fidel Castro opportunity to play for the cameras, they also have resulted in the release of Cuban political prisoners.

Mr. Cousteau's trip and request for freedom of political prisoners may provide Castro the opportunity to masquerade as humanitarian and defender of human rights. Let Mr. Castro ham it up. The facade will not last. His release of a few will not erase the fact there are thousands more imprisoned in Cuba. Nevertheless, his release of a few will mean freedom to a handful of Cubans who have been denied liberty far too long. I believe the timing is right to make such a request. And Jacques Cousteau, a man revered by citizens of all countries of the world, is the person to make this request.

On the House side, a letter initiated by Congressman LARRY SMITH and signed by 37 Congressmen has been sent to Cousteau. This letter makes note of Cousteau's special commemoration by President Reagan as a recipient of the U.S. Medal of Freedom and highlights the fact that freedom is routinely denied to thousands of Cubans in Castro's jails. Cousteau's involvement is requested in the cases of Ariel Hidalgo, Richardo Bofill, and Santos O. Mirable, long-term political prisoners.

I would like to add my voice in support of this effort. The plight of the Cuban political prisoner is not an easy one. Fidel Castro solely holds the key to his freedom. As we seek opportunities for the freedom of Cuba's political prisoners, the Cousteau trip may prove to be an appropriate vehicle of liberty for a chosen few. I believe it to be worthy of pursuit.

Mr. President, I ask that the text of the articles from the Miami Herald and New York Times be printed in the RECORD.

The articles follow:

[From the Miami Herald, Oct. 17, 1985]

MISSION FOR COUSTEAU

Some people grow roses in order to give a cut flower as a parting gift to visiting friends. Fidel Castro doesn't grow roses in Cuba to give visiting dignitaries. Instead, he keeps hundreds of long-term political prisoners in dungeons so that when an important visitor comes he can release a few of them as proof of his concern for human rights.

Mr. Castro has been practicing this cruel form of gardening for more than a decade. He released 26 prisoners last year to the Rev. Jesse Jackson. He has released prisoners to please Regis Debray, a former French guerrilla fighter who now holds a high office in France's Socialist government, and in response to American congressmen.

Another such opportunity will present itself when Jacques-Yves Cousteau. French undersea explorer and citizen of the world, visits Cuba on Oct. 25. The Cuban-American National Foundation has urged Mr. Cousteau specifically to ask Mr. Castro to free three long-term captives: Ariel Hidalgo, Ricardo Bofill, and Santos Mirabal. Two of them—Mr. Bofill, a university professor, and Mr. Mirabal, arrested in his teens in 1966—have been singled out for attention by Amnesty International's latest report on human-rights violations.

In theory, Mr. Castro should be asked to release all political prisoners. That is unrealistic, however. For 26 years Mr. Castro has jailed and executed political opponents on whim. Time and again he has proven that only he holds the key to Cuba's jails. He decides who should be jailed, who should be kept in jail even after completing a sentence, and who should be released.

Mr. Cousteau should ask his Cuban host to release all long-time political prisoners, a group that Amnesty International estimates numbered 140 at the end of 1964. But, if Mr. Castro limits his largesse to two or three, it would be appropriate for Mr. Cousteau to ask for the release of the three men mentioned by the Cuban-American National Foundation. Every political prisoner to escape the dungeons in Cuba is one less person that Mr. Castro can use to traffic in human suffering.

[From the Miami Herald, Oct. 7, 1983]

CUBA JAILS PROF AIDED BY FRENCH

(By Barbara Gutierrez)

A former associate dean of Havana University who sought refuge in the French Embassy in Havana has apparently been jailed by the Cuban government after his safety was pledged to French officials.

According to Miami resident Maria Elena Bofill, her husband, Ricardo Bofill, a member of the Communist Party until 1967, when he was arrested for anti-Castro activities was seized Saturday at a friend's.

"I'm truly desperate, because as far as I know he has disappeared," she said.

"We've heard reports of his arrest, and it's probably correct," said a State department spokesman who asked not to be named. "Insofar as our people over there tell us, it is correct."

According to Mrs. Bofill, French President Francois Mitterrand had intervened on behalf of Bofill, who was released last year after serving 7½ years for his alleged involvement with an anti-Castro splinter group within the Communist Party.

Bofill attempted to seek refuge in the French Embassy in Havana on April 29 after several months of persecution by the government, his wife said.

While Bofill remained inside the embassy, Cuban guards surrounded the compound, she said. This led Ambassador Pierre Descamps to speak to Cuban Vice President Carlos Rafael Rodriguez on behalf of Bofill. Rodriguez "gave his word of honor that he

[Bofill] would not be bothered," his wife said.

[From the New York Times, Sept. 29, 1983]

CUBA SAID TO JAIL ACADEMIC, UPSETTING THE FRENCH

(By John Vinocur)

PARIS, September 29.—Cuba has arrested the former vice rector of the University of Havana after promising France that he would be allowed to leave the country, French officials say.

The arrest last Saturday of Ricardo Bofill has caused considerable irritation and some embarrassment to the Socialist Government, which has sought to maintain good relations with the Castro regime. Three of President Francois Mitterrand's Cabinet ministers have traveled to Cuba in the past year, and the possibility of a visit to France by Fidel Castro has been a recurring theme in the French press.

The case involves an attempt by Mr. Bofill to seek refuge in the French Embassy in Havana on April 29. While pursuing an unusually successful academic career, Mr. Bofill became disillusioned with the Castro Government and was accused of belonging to an anti-Castro faction within the Communist Party. Since 1967 he has received two prison sentences and served more than seven years in jail.

According to his wife, who lives in Miami, Mr. Bofill went to the French Embassy because he had been threatened by telephone and his mail had been intercepted. Once he was there, she said in a telephone conversation today, the embassy was surrounded by security policemen.

She said she knew nothing of his activities in the intervening period, but learned of his disappearance on Saturday and was told on Monday that he had been arrested.

ON CUBAN RESPONSE

On Tuesday Francois Gutmann, the second-ranking official at the Foreign Ministry here, summoned the Cuban Ambassador, Alberto Boza, to "request information in relation to the present rumors concerning Mr. Ricardo Bofill." The use of the word "rumors" was a diplomatic euphemism because French officials privately confirmed Mr. Bofill's arrest.

A spokesman for the ministry said today there had been no Cuban response to the request as yet.

French anger about the situation appeared linked to the fact that the Cubans had broken their word and apparently waited to arrest Mr. Bofill until Foreign Minister Claude Cheysson completed a planned visit to Havana in August. In addition to Mr. Cheysson, Transport Minister Charles Fiterman, a Communist, and Jack Lang, Minister Delegate for Cultural Affairs, have visited Cuba in the last 14 months.

The opposition press here has seized on the affair, and today Le Quotidien de Paris asked in a headline, "Did the French Embassy 'turn over' an anti-Castro opposition figure to the Cubans?" An earlier statement by the ministry of External Relations here said Mr. Bofill left the French Embassy of his own accord.

Last year the Socialist Government played an important role in obtaining the release from prison in Cuba of the anti-Castro poet Armando Valladares. This time, said Fernando Arrabal, the Spanish writer, who lives in Paris and has corresponded with Mrs. Bofill, the Government behaved with unusual naivete.●

NATIONAL DAY OF RECOGNITION P.O.W/M.I.A.

● Mr. MATTINGLY. Mr. President, yesterday, I introduced Senate Joint Resolution 220, providing for the designation of September 19, 1986, as "National P.O.W./M.I.A. Recognition Day." The resolution was cosponsored by Senators MURKOWSKI, THURMOND, HOLLINGS, and DIXON. I ask that the text of the resolution be printed in the RECORD and that the permanent RECORD be corrected to reflect the printing of the resolution's text following my remarks on the day of introduction.

The resolution follows:

S.J. RES. 220

Whereas the United States has fought in many wars;

Whereas thousands of Americans who served in such wars were captured by the enemy or are missing in action;

Whereas many American pirsoners of war were subjected to brutal and inhuman treatment by their enemy captors in violation of international codes and customs for the treatment of prisoners of war and many such prisoners of war died from such treatment;

Whereas many Americans are still listed as missing and unaccounted for and the uncertainty surrounding their fate has caused their families to suffer acute hardship; and

Whereas the sacrifices of American prisoners of war and Americans missing in action and their families are deserving of national recognition: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That September 19, 1986 shall be designated as "National P.O.W./M.I.A. Recognition Day", and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to commemorate such day with appropriate activities.●

BUFFALO FOUNDATION ENJOYS NOBEL LIMELIGHT

● Mr. MOYNIHAN. Mr. President, we all shared in the excitement surrounding the announcement of the Nobel Prize winners last week. In New York, as I have noted previously in the RECORD, Dr. Herbert A. Hauptman of the Medical Foundation of Buffalo won the Nobel in chemistry. Dr. Hauptman's achievement has brought long-deserved recognition and publicity to that small but excellent research institute.

I was particularly pleased to read in the New York Times Sunday the story of the Medical Foundation's newfound fame. Mr. President, it is gratifying to see credit given where it is so rightly due. I commend this article to the attention of the Senate, and ask that it be printed in the RECORD.

The article follows:

BUFFALO FOUNDATION ENJOYS NOBEL LIMELIGHT

BUFFALO, Oct. 19—As dozens of reporters and photographers began to pour into the Medical Foundation of Buffalo on Wednesday, someone asked Jane F. Griffin, a research scientist, if there had ever been a news conference there before.

"Are you kidding?" Dr. Griffin answered. "Nobody even knew we existed."

That situation has changed dramatically since the announcement Wednesday that the foundation's research director, Dr. Herbert A. Hauptman, had shared the 1985 Nobel Prize in chemistry.

Suddenly, Dr. Hauptman is a celebrity. And the research center—which has specialized in endocrinology, the study of the body's glands—is sharing in the recognition after nearly three decades of anonymity to people in the Buffalo area.

"It's magnificent!" said William L. Duaz, an associate research director. "It just about blew the roof off this place."

BEGINNINGS IN CARRIAGE HOUSE

The research center was begun in 1956, when endocrinology, according to the center's founder, Dr. George F. Koepf, "wasn't much more than looking at a dwarf and knowing that something had gone wrong with his glands."

Dr. Koepf, a Buffalo-born internist, was fascinated by the possiblities of studying the human body's glands and the hormones they produce. When a wealthy patient whom he had treated provided a $3 million endowment, Dr. Loepf and two colleagues opened the center in a carriage house behind one of the mansions on Buffalo's stately Delaware Avenue.

By the 1970's, the staff had grown to its present level of about 50 members, half of whom hold Ph.D's. It had also moved to an unassuming office building on the city's East Side, where it now occupies four floors.

The building is in the shadow of Buffalo General Hospital and in the same neighborhood as the Rosewell Park Memorial Institute, a well-known cancer research hospital.

"Because of where we're located and the esoteric nature of our work, people think that we're part of Roswell Park," Dr. Griffin said. In fact, the foundation remains a small, private organization financed largely by grants from the National Institute of Health and the National Science Foundation, but also through private contributions.

With greater national and international recognition than in the Buffalo area, according to Dr. Duax, the foundation holds twice-annual open houses to combat the identity problem.

Dr. Hauptman's specialty, crystallography—the study of crystals, specifically in such bodily substances as hormone molecules—has become very significant in scientific circles. As a result, the foundation, with the largest X-ray crystallography staff in the nation, has become "extraordinarily well known for a place of its size," Dr. Duax said.

CORDUROYS AND SNEAKERS

The foundation has gained recognition for more than Dr. Hauptman's development of mathematical approaches to speed the analysis of crystal structures. It also developed a quick method of ascertaining the presence of steroid hormones in pregnant women, an indication of possible health problems for the unborn child during the late stages of pregnancy. Researchers at the center also have made important advances in studying how the hormone estrogen is made in the body.

The nature of the work may be unfamiliar, but the working atmosphere at the foundation is comfortable.

"It's a casual place where people come to work in corduroys, sneakers and flannel shirts, and socialize with each other after work," Dr. Griffin said. The average age of staff members is 33 or 34 years old, she said.

Since last week's announcement, things may never be the same at the foundation, but Dr. Duax said he did not expect the staff to change its determined focus.

"Maybe it's an obsession, but 24 hours after the announcement, everybody was back in the laboratory or in front of a computer terminal," he said.●

DAR CHAPTER—ANDERSON, IN

● Mr. LUGAR. Mr. President, I rise in recognition of the Kik-tha-we-nund Chapter of the National Society of Daughters of the American Revolution (NSDAR) in Anderson, IN.

This is an active DAR chapter that is in constant search of information to help its membership be better, more well-informed Americans. Since 1890, the DAR has promoted historical, educational, and patriotic work throughout the United States and abroad. The DAR has done much for the preservation of historic places and education, always forwarding the great spirit of America.

I salute in particular the Anderson DAR vice regent, Mrs. William C. Dearing. Since 1976, Mrs. Dearing has been a model member and citizen providing leadership in her previous roles as chapter recording secretary and registrar. She continues to be a contributing factor to the Anderson DAR, her community, and her Nation.

I wish the chapter well in its meeting on October 30, 1985, and I charge it before this great body to continue its steady course.●

ORNL SCIENTIST RECEIVES 1985 E.O. LAWRENCE AWARD

● Mr. SASSER. Mr. President, Dr. Anthony P. Malinauskas, a physical chemist at the Department of Energy's Oak Ridge National Laboratory, has been named by Secretary of Energy John S. Herrington as one of six national recipients of the 1985 Ernest Orlando Lawrence Memorial Award for outstanding contributions in the field of nuclear energy.

The Lawrence Award was established in December 1959 to honor the memory of Dr. E.O. Lawrence, who invented the cyclotron and established the two major laboratories at Berkeley and Livermore, CA, that now bear his name.

The awards are given to U.S. citizens who are relatively early in their careers and have made recent meritorious contributions to the development, use, or control of nuclear energy. The work may be in any area of science related to nuclear energy, including medicine and engineering.

Secretary Herrington will present the Lawrence Awards at a special ceremony to be held in DOE's Forrestal Building auditorium on November 25, at 3:30 p.m.

Mr. President, I ask that the biographical information about Dr. Anthony P. Malinauskas be printed in the RECORD.

The material follows:

BIOGRAPHICAL INFORMATION—ANTHONY P. MALINAUSKAS

Dr. Anthony P. Malinauskas was born in Ashley, PA, on March 24, 1935. He graduated from King's College (Pennsylvania) in 1956. He received his Ph.D. in physical chemistry from the Massachusetts Institute of Technology in 1962, after which he joined the research staff of the Reactor Chemistry Division, Oak Ridge National Laboratory (ORNL). In 1966 he became Group Leader of the Gas Transport Properties Group, a position he held until 1973 when he was named Section head of the Chemical Development Section. Since 1983 he has been Director of the U.S. Nuclear Regulatory Commission programs at ORNL.

Anthony Malinauskas has made many innovative technical contributions in diverse areas of science. He conducted gaseous diffusion experiments in order to explore how gas molecules pass through solids. He was instrumental in the development of the first mathematically rigorous and consistent theory of gas transport in porous media, called the "dusty gas model." He performed the first series of experiments designed specifically to measure the efficiency of inelastic molecular collisions in the transfer of energy between translational and rotational degrees of freedom using the phenomenon known as "thermal transpiration." This work led to the development of the first consistent treatment of "slip" in aerosol motion.

Dr. Malinauskas has also made many significant contributions in the area of nuclear reactor safety; he was the first to recognize the possible formation of "oxyhydroxide" compounds which could enhance the volatility of some of the fission product oxides, and has conducted studies of such oxyhydroxide formation with tellurium dioxide. His analysis of fission product transport phenomena in high temperature gas-cooled reactors and in molten salt reactors provided insights into safety issues associated with these potentially important systems.

A major concern during the accident at the Three Mile Island Unit-2 (TMI-2) nuclear reactor was the anticipated release of large quantities of radioactive iodine and its ingestion by the local populace. Surprisingly little radioiodine actually escaped into the atmosphere, a key issue identified by the President's Commission that investigated the accident. Dr. Malinauskas, working with D. O. Campbell at Oak Ridge National Laboratory (ORNL) and W. R. Stratton at Los Alamos National Laboratory, accounted for the anomaly by showing that the most likely chemical form of the fission product was an iodide, and not elemental iodine, as was previously assumed in light water reactor safety analyses. This indicated that the Regulatory Guides concerning iodine behavior in design basis accidents would significantly overstate radioiodine releases to the biosphere in those accidents where large quantities of water are present and where the containment structure remains largely intact. This finding helped trigger the current, massive international effort to reexamine the so-called "source term" for the analysis of consequences of nuclear reactor accidents. Dr. Malinauskas also directed the effort that led to the development and testing of the approach that was used successfully to decontaminate some 700,000 gallons of highly radioactive primary coolant from TMI-2.

Dr. Malinauskas is a member of the American Chemical Society, the American Physical Society, the American Nuclear Society, and Sigmi Xi, the honorary research society.●

CHILD IMMUNIZATION

● Mr. D'AMATO. Mr. President, I rise today in support of legislation introduced by my distinguished colleagues, Senators LUGAR and PELL, which seeks to immunize all of the children in the world by 1990. I commend my colleagues on this proposal, and I pledge my full support in working toward this cause.

Senate Resolution 227 calls for a joint United States-Soviet effort to achieve worldwide child immunization by 1990. This is an ambitious goal diplomatically and logistically. The Soviet Union and the United States have been involved in very few joint humanitarian efforts. This legislation would encourage those efforts and would possibly proliferate better relations between the Eastern and Western blocs.

Additionally, this legislation focuses on a worthy and feasible cause—improving the health of the children all over the world. This is an enormous task. Over 4 million children die every year from diseases that could be prevented by immunization. Many of these diseases—like polio, measles, whooping cough, diphtheria, tetanus, and tuberculosis—are combatable diseases. In other words, these 4 million deaths can be eliminated through a fairly simple vaccination.

Logistically, immunization of all children in the world is difficult. An immunization program can only be effective when it is endorsed by the governments of each recipient country. This endorsement is increasing hard to get because many of the countries which need immunization have significant overpopulation problems. Housing, unemployment, health, and education—all volatile political issues—suffer as a result of overpopulation. Consequently, immunization is not possible until a government can be convinced that immunization is in the best interests of the country. This is an ambitious goal, but not an overwhelming one. A joint United States-Soviet effort certainly would make an impact on many needy countries.

An additional barrier to worldwide immunization is reaching those individuals who vitally need the immunization. Most countries and areas which are marked by high rates of child death are quite remote. Transport is difficult and medical resources are scarce.

Furthermore, some degree of continuity is necessary in order for an immunization program to be effective. A child must be vaccinated a number of times in order to be immune from disease. Continually reaching these individuals is difficult in the Third World. Communication is poor and individuals do not always value medical treatment.

Although there are enormous barriers to worldwide immunization, there are significant gains to be made. I am convinced that with a concerted effort, these gains are possible and attainable.

I call on my colleagues to support this bill in an effort to jointly promote the health and welfare of the children of the world.●

ORDERS FOR WEDNESDAY

RECESS UNTIL 8:30 A.M.

Mr. DOLE. Mr. President, I ask unanimous consent that, once the Senate completes its business today, it stand in recess until the hour of 8:30 a.m. on Wednesday, October 23, 1985.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. DOLE. Mr. President, I further ask unanimous consent that, following the recognition of the two leaders under the standing order, there be a period for the transaction of routine morning business not to extend beyond the hour of 9 a.m., with Senators permitted to speak therein for not more than 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. DOLE. Mr. President, following routine morning business, it will be the intention of the majority leader to turn to the consideration of H.R. 3244, the Department of Transportation appropriations bill. Votes are expected prior to the hour of 12 noon in relation to H.R. 3244, though I am advised by the managers that there really are not many amendments, at least that have been brought to their attention. It could be that we could take care of many of those amendments between the hour of 9 and before any vote occurred.

Mr. BYRD. Mr. President, may we have order in the Senate? It is difficult for the official reporter to understand what the majority leader is saying.

The PRESIDING OFFICER. There will be order in the Senate.

The majority leader.

Mr. DOLE. Mr. President, as I was indicating, it is my hope that we could dispose of all of the noncontroversial amendments by voice vote early on when we get to the DOT appropriations bill—there are a number of those—then rollcall votes could be delayed. But that will be the call of the managers and they have indicated that they would be prepared to start, unless there is some objection, at 9 a.m.

Then in the afternoon, it would be the intention of the majority leader to resume consideration of S. 1730, the reconciliation bill, and votes can be expected throughout the day on Wednesday, October 23.

I think it is fair to say that we could be here well into the evening. We would like to finish the reconciliation bill tomorrow so on Thursday morning, if everything works well, we could go to State Department and Justice. And then on Thursday afternoon, depending on what happens with the textile bill—there is some talk about that being placed in the reconciliation bill, but if that does not happen—we will go to the Micronesia bill.

RECESS UNTIL 8:30 A.M. TOMORROW

Mr. DOLE. Mr. President, there being no further business to come before the Senate, I move the Senate stand in recess until the hour of 8:30 a.m., Wednesday, October 23.

The motion was agreed to; and, at 7:21 p.m., the Senate recessed until tomorrow, Wednesday, October 23, 1985, at 8:30 a.m.

NOMINATIONS

Executive nominations received by the Senate October 22, 1985:

THE JUDICIARY

Alan B. Johnson, of Wyoming, to be U.S. district judge for the district of Wyoming vice a new position created by Public Law 98-353, approved July 10, 1984.

IN THE ARMY

The U.S. Army Reserve officer named herein for appointment as a Reserve commissioned officer of the Army, under the provisions of title 10, United States Code, sections 593(a) and 3384:

To be brigadier general

Col. Harvey G. Gulley, [redacted].

IN THE NAVY

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant commander in the line of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Beaufort, Barry Wayne
Benn, Charles Michael
Lefler, Carl J., Jr.
McCrae, James A.
Nelson, Patrick Andrew
Parker, Charles W.
Ries, Jerome Roland
Tune, John E.
Vetter, Thomas Greg

The following-named U.S. Naval officers, to be appointed permanent lieutenant in the line of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Abernathy, Craig S.
Addison, Victor G., Jr.
Aggas, John L.
Albright, Michael Howard
Ames, Evan Beyer
Aten, Barbara Lynne
Baker, Dale Alan
Baker, Mark Joseph
Balevre, Park Shoun
Bartlett, Stephen Warren
Baumann, Peter Durand
Beaman, Gerald Roger
Bachtol, Denise Lorraine
Bednarski, Walter Stanley, Jr.
Bell, Wade Hampton, III
Bever, Gilbert Lynn
Blake, Kim David
Boening, Andrew C.
Boettcher, Michael H.
Bolton, Clinton Stafford, Jr.
Borden, Oliver Lee
Bowen, Denver Keith
Brazil, John Douglas
Bulger, Joseph Anthony, III
Bunnewith, Christopher Richa
Burr, Michael Edward
Buthlay, Gilbert Morris
Calderson, Carl M.
Carlin, Michael J.
Charles, Jan P.
Chaudoin, George Stephen, Jr.
Cobb, Gregory Robert
Cochran, Mark Alan
Cope, James Donald
Costello, Patrick Lee
Cotton, John W.
Coulter, Joseph Matthew
Coyle, Brian Jack
Crowell, William L., II
Cumberworth, Lon Porter
Currin, Thomas Arnold
Danner, David Walter
Davis, Martin Neil
Dawe, Richard Lynn
Derosset, Richard Dame
Direnzo, Frank A.
Dollins, Toney Ray
Donohue, Patrick Frederick
Doremus, Gregory John
Dubois, David
Dukes, Lawrence Pennington
Eldridge, Thomas Michael
Engel, Kurt Richard
Epps, Elizabeth Jones
Estvanik, Robert Dixon
Ewald, Randall Kim
Farkas, Jill Ann
Fenno, Frank Wesley, IV
Ford, Patrick Michael
Fowler, Kevin Neil
Gallagher, Daniel Ignatijs
Gallagher, John Gregory
Garner, Douglas Keith
Gerry, Teresa Lynne
Gillman, Charles Bernard
Gladstone, Douglas Dwight
Gladyszewski, Joseph Casimir
Golaszewski, Kathy Ann
Gorman, Kristin Anne
Gray, James Allen
Grossgold, Paul Scott
Gunzelman, Mark Joseph
Hamilton, Joseph Bruce
Harrington, Robert Michael
Harris, Albert G., Jr.
Harris, Christopher Q.
Harris, Frank Elwood, II
Hendryx, Laura Diane
Hicks, Bruce Anthony
Hill, James Arthur
Hill, Richard Caldwell, III
Hopkins, William Stacy
Hosford, John Albert
Howard, Wanda Jeanelle
Huber, Ronald Scott
Hunter, Daniel S.
Jacobs, Nancy Ann
Jameson, Dawn Ann
Jaunais, Peter

Johnson, Melvin David
Jordan, Robert Tenney
Kalb, Christian William
Kindepispire, David Wayne
King, Alan Richard
Knox, David Joseph
Kobald, Karl Francis
Krasnov, Gary Jay
Krauska, Andrew Harris
Labuwi, Thomas Walker
Lachenmayer, Greg Thomas
Lees, Frederick Lloyd
Lewis, Harry Sirwell, Jr.
Lichtenstein, Mark Richard D.
Lornson, Peter Albert
Lovett, Willie T., III
Lowell, James R.
Luzzi, Michael Anthony
Mabrey, Burlin D.
Machasick, Raymond Tex
Maggard, Ross A.
Maiorano, Alan Gary
Malone, Thomas Joseph
Mann, Wallace Harper, Jr.
Martin, Edward Lee
Martin, Terryll R.
Matson, Michael
McCaleb, Clyde Jackson, III
McGinnis, Terrence Thomas
McGrath, Stephen M.
Mehki, John Franklin
Mehl, Grace
Mesler, Robert Allen
Miller, Carolyn Jamie
Miskiewicz, Alexander Steven
Mitchell, Chauncey Lawrence
Montanio, Richard A.
Montera, Peter P, Jr.
Monti, Mark A.
Morales, Maria Milagros
Morris, Robert Wayne
Mostertz, Robert Arthur, Jr.
Murphy, Frank Joseph
Murray, Kristy Sue
Myer, Richard Martin, Jr.
Novak, Michael Joe
Okeefe Raymond Leo, III
Olenick, Michael A.
Ostergren, Clayton Leroy
Papp, John Joseph
Parkinson, Paul Wayne
Paulson, Debra Lee
Peterson, Dana Mark
Phillips, Mark
Pickens, Brian Donald
Powell, Lloyd Paul
Power, Celeste Darlene
Prescott, James Duncan
Rabogliatti, Steven A.
Reale, Frederick Louis
Regan, Rodney Michael
Renner, Bradley Thomas
Rice, Josette Leslie
Robey, David Warren
Robison, Russell William
Roemisch, Debra D.
Rootes, Janet Lorraine
Rowe, Donald Wells
Russell, James Walter
Russo, Richard Bruce
Salt, Thomas Michael
Samonds, Elizabeth McLean SC
Schmidt, Karen Ann
Shoun, Stanley Haven
Shuey, Ronald L.
Shugart, Preston Earl
Silverman, Robert Gene
Simmons, William Scott
Smith, Glenn E.
Smith, Scott Owen
Snell, Albert Eaton
Steinmetz, Christian Michael
Sturges, Matthew Dana
Swanson, Harold Francis, Jr.
Tam, Marion Ronald
Tajlman, Lauren
Towle, Judith Ann Obear
Trump, James Charles, Jr.
Turner, Victoria S.
Ude, Charles Steven
Wade, Jeffrey F.
Walker, Constance Ann
Watson, William Richard, II
Wells, William Gregory
Whiteaker, Paul Kenneth
Wilcox, Jeffry Leon
Williams, David
Williams, Norman Leroy
Williamson, Edwin Ferebee
Willmott, Timothy J.
Willson, C. S.
Windhorst, Gary Robert
Winters, Jonathan David
Wooddy, Charles Irvin
Ziegler, Laura Jeannette

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant (junior grade) in the line of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Akerley, Cara Dale
Anderson, Paul Francis
Anderson, Robert Scott
Andrews, Melissa Sue
Armstrong, David Mark
Atencio, David Lee
Bablitz, Matthew James
Barker, Douglas Alan
Barrington, Brian Edward
Batt, Patricia Mara
Beckham, Fred Thomas, Jr.
Becknell, Michael Joseph
Bedgood, David Allen
Begley, Jerilyn Ann
Belec, Marguerite Elizabeth
Benson, Andrew Lawrence
Beres, Joel Edward
Betton, Lacy Edmond
Billings, Mitchell Jared
Boettcher, Barry Earl
Bohan, Timothy William
Boyce, Stephen Raymond
Bressler, Gary Lane
Bridges, Kristine Agnes
Broadfoot, Ronnie Dewayne
Brown, Patricia Ann
Buck, Katherine
Bulger, Angela Laura
Busher, Lanny Ray
Bushore, Alan Quentin
Buxton, Robert Dean
Carleton, David Anthony
Carter, Rober Lee
Chastain, Jack Leslie
Chong, Philip Gee Lit
Christman, Carol Lee
Christman, Joseph George
Clarkson, Joseph Michael
Colby, Albert Franklin, Jr.
Corrigan, Michael Francis
Cottom, Alice Jeanne
Couture, Gregory Alfred
Craig, Jeffrey Charles
Crider, Deanne Laree
Crowell, Richard Mansfield
Curtis, James Leroy
Cutts, Robert Millette
Dailey, William Kevin
Davanzd, Eugene Carmelo
Davey, Kenneth Edward
Deen, David Ivie
Degan, Leonard Allen
Devries, Anita Diane
Dispenzieri, Patrick
Downey, Scott Dale
Dayer, James Walter
Duvall, Timothy Lee
Emden, Philip Kent
Epperson, Dell Wayne
Evans, Weldon Lawson
Eyde, Richard Tavelle
Facer, Richard Gregoire
Fairbairn, Edward James
Fedoriska, Stephen Alexander
Fein, David Marc
Ficklin, Susan Evann
Flesner, David Karl
Forsyth, Beth Irene
Fritz, William Dickson, Jr.
Fusco, Steven Peter
Galvin, Brian Russell
Garcia, Marguerite Elizabeth
Gardner, Mary Beth
Garrett, Thomas Eugene, Jr.
Germany, Sammy Clark
Gobel, Teresa Marie
Golden, Gerald David
Gonzalez, Therese Aimee
Goodwin, Darlene Medlin
Gordin, Robert Morris
Graham, Janice Marie
Granata, Robert David
Gravunder, Boyd Edwin
Greene, Eric Kiefer
Gripman, Kathleen Marie
Gripman, William Severance, J.
Grove, Teresa Marie
Guillory, Theodore Nmn
Guinn, Thomas Michael
Gunthorpe, Matthew Aloysius
Gurney, Judith Lynne
Hall, James Edward
Hammac, Morgan Poston
Harlow, Janice Irene
Haukenes, Larry Olaf
Hazard, Sherrill John, III
Hehe, Gerald lee
Hempel, Kevin Robert
Henry, Robert Cris
Hill, Cyril Edward Humphrey
Hockgraver, Valerie Ruth
Hodas, Margaret Mary
Hohl, John Michael
Hollis, Dana Carol
Holloway, Laura Nell
Holly, Jack Ferrington
Holmstrup, Kenneth Alan
Holt, Hiram Bennett, III
Hopkins, Duncan Thomas, Jr.
Hughes, Dorothea Marianne
Hurt, Joseph Randall
Jennings, Arlen Lane
Johnsen, Sandra Marie
Johnson, Bruce Linley
Jones, Jay Todd
Jones, Marcia Lynn
Kallio, Heidi White
Kellett, Daniel Allen
Kelly, Laurence Francis, Jr.
Kent, Barbara Branson Ininns
King, Diana Joanne
King, Harold Spencley
King, Rodney Joe
Kuhnert, George Jesse, Jr.
Kummer, John Allen
Larson, Gustaf Alexander
Larson, Lynn Elizabeth
Latham, William Charles
Lauren, Steven Gregory
Leary, Mark Michael
Lewandowski, Debra Ann
Lewis, Clinton Dean
Lieb, Merrilee Patricia
Liepelt, Robert Rueben
Lilly, Stephen Robert
Lockett, Charles Eugene
Lowry, Steven Charles
Malcolm, Charles William
Mathis, Jett William
Matta, Todd Hunter
Matthews, Timothy Stirling
Maxwell, Charles Arthur, Jr.

May, Michael Gene
McCoy, Angela Denise
McGarry, John Douglas
McGinty, Sally Elaine
McClain, Deaunn Charisse
Mitchell, Anthony Ellis
Moot, Valerie Ann
Mora, Juan Modesto
Morrow, Joseph Samuel
Munlin, Joyce Christine
Neary, Charles James
Neff, Diane Irene
Nelson, Donna Marie
Nettles, Steven
Newport, James Harvey
Nichols, Bruce Walter
Nivison, William, Jr.
Norman, Mark Andrew
Norris, Brent Kirk
O'Connor, Christopher Lauwers
O'Hern, Orville Sidney
Ohrtman, Franklin D., Jr.
Oloughlin, Martin Francis
Olson, Wayne Douglas
O'Mara, Duncan Farwell
O'Neal, Henry Spencer
Pacelli, Joseph Anthony
Page, Alfred Earl
Park, Paul Yonghoon
Parker, Kim Alan
Paylor, Robert Kent
Pedersen, Svend Eric
Peshinski, Teresa Anne
Petty, Jirgetha Ann
Pfeil, Lola Jean
Pope, Alfred Leon
Prodger, James John
Provencher, Jerome Ralph, Jr.
Rainey, Patrick Francis
Rees, Patti Gaye
Rexach, Carlos Francisco
Ritchie, David Leo
Rivinius, Kathleen Ann
Rodman, Michael Dean
Rosander, John Bradley
Rowlands, Steven David
Ryan, Kenneth Charles
Salley, Scott Kevin
Sass, James Allen
Scanlan, John William, II
Schetky, Robert Laurence
Scott, Vincent Marshall
Sendek, David Michael
Shannon, Thomas Kenneth
Shaw, Maxwell
Sherer, Michael Glen
Shunkwiler, Donald Raymond J.
Sierra, Jorge
Silver, Ann Catherine
Simmons, Edward Clell, Jr.
Simmons, John Ballaro
Slaght, Judy Marie
Smith, Fred Carter
Smith, Robert Michael
Smith, Scott Edward
Smith, Valerie Ann
Stephenson, Scott Alan
Streiff, Lawrence John
Strother, Thomas William
Styles, Philip Chapman
Taylor, Thomas Robert, Jr.
Teis, Timothy Lee
Tessier, Raymond Joseph
Thoma, John Bradshaw
Thomaston, Steven Michael
Thompson, Donald Arthur
Thompson, Gary Stephen
Timme, Renee Christina
Tittle, Matthew Deane
Triplett, Arnold Val
Tweten, Stone Wayne
Ulrich, Donald Keith
Warkentien, Lawrence Albert
Wells, Edward Scott
Wennersten, Kit
Wilcox, Thomas Michael
Williams, Dudley Carroll
Zipp, William Franklin

The following-named U.S. Naval Reserve officers, to be appointed permanent ensign in the line of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Adams, Frederick James, III
Allen, Kirk Dean
Andersen, James William
Artaud, Clark Jacques
Bierly, Paul Emerson, III
Blais, Paul Richard
Bowden, Gregory Warne
Brannan, David Lewis
Brockmeyer, Bradley Scott
Brown, Charles Michael
Brown, Scott Jeffrey
Calnek, Michael Eugene
Carmellini, James Michael
Chisam, Mark Ewing
Christenson, Dale Edward
Clark, Clayton Reese
Clark, William Monroe, II
Cobb, Carey Thomas
Cupp, Keith Brian
Dawson, Peter Murray
Dikeman, Robert Charles
Duckwitz, Jay Callahan
Eacker, Joel Andrew
Eldred Randy Michael
Federico, Richard Lee, Jr.
Freeman, Harry Andrew, Jr.
Gardner, Richard Eugene, Jr.
Gray, Mark Alan
Gurley, Thomas Emory, Jr.
Hamilton, Milton Russell, Jr.
Harsell, Richard Bryant
Haviland, Peter Marion
Holter, Knute Russell
Hooks, Robert Reese
Johnson, Jerry
Jones, Donald Paul
Jordan, David Byron
Keller, Stephen Todd
Kellogg, Thomas Scott
Kelly, Blake Henry
Kelly, Craig Robert
Kelso, Robert Donald
King, Thomas Fitch, III
Kriz, Michael James
Ksiazek, Paul Edward
Kuuskvere, Kevin Martin
Lauver, Douglas Eugene
Lee, John Hudson
Lemmers, Paul John
Lendvay, John Michael
Leonard, Michael James
Loewen, Eric Paul
Long, David Andrew
Luther, Frank Edwin
Markussen, Steven Alvah
McClure, Mark Loomis
McDaniel, Rickey Dale
McMahon, Richard Alan
Messegee, Thomas Robert
Mohney, Michael Allan
Molchany, Jacob Edward
Monagle, Michael Alan
Moser, Richard Earl, Jr.
No Hyo Joon
Norkus, Douglas Allen
Northrup, Richard Eugene
Nygren, Christian Thomas
Oneil, Brian
Ostwald, David Allen
Parris, Michael Charles
Piela, Michael Walter
Rausch, Henry John
Rauser, Mark Thomas
Reid, Stephen Paul
Rodgers, Blake Hudson
Rubey, Sidney Ives
Sault, Kenneth Roger
Schaber, John Richard
Schlieff, Scott Alan
Schnabel, Eric Joseph
Splinter, Steven Thomas
Stanton, Richard Arthur
Starosta, Joseph John
Swanson, Joel Thomas
Taormina, Ernest J.
Thomas, William Howard, II
Tillwick, Daniel Joseph
Todd, James Walter
Torrey, Kenneth James
Tubbs, Curtis Wayne
Tubergen, Paul Randall
Walter, William Charles, Jr.
Walters, David R.
Watkins, Richard Joseph, Jr.
Weeks, Peter Dixon
Whitten, Stephen James
Willbanks, Bryan David
Zaring, Robert Keith, Jr.
Zenger, Brian Eugene
Zummo, John Joseph

The following-named U.S. Naval Reserve officers, to be appointed permanent captain in the Medical Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Fetters, David Vinson
Hunsaker, Darrell Herbe
Smith, Joseph Jermyn

The following-named U.S. Naval Reserve officers, to be appointed permanent commander in the Medical Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Goodrum, James Key
Marusov, Paul Nicholas
McPike, J. Donald, Jr.
Noel, Kenneth Robert
Resnick, Jack S.

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant commander in the Medical Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Aznar, Sonia Ferry
Bean, Robert R.
Cunningham, William Joh
Jenkins, Fitzgerald Hun
Johnson, Robert R.
Karols, Kenneth E.
Landacre, Joann
Lebenson, Bernard Steph
Little, William Luverne
Murray, David W.
Pugh, Basil Lester
Rowley, Dennis Alan
Tauber, William Bernard
Whitten, George Brine, I

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant in the Medical Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Baker, Jay Milton
Barlow, Duncan Stewart
Bemiller, Lynn Sloane
Bemiller, Timothy Allen
Blakely, Laurie Beth
Clifton, Charles Lamar
Connolly, John Patrick
Davies, David E.
Davis, Karlotta M.
Dowell, Gene Lee
Edwards, Dyke Fielding
Fazio, Gregory Paul
Hade, Ralph Douglas
Hansen, Daniel W.
Hanson, Robert Kevin
Harris, Gary S.
Hasell Rhett H.

Kallman, David Alan
Kerrigan, Frank Theodor
Kore, Michael A.
Kraus, Sandra A.
Longstaff, James Edwin
Miller, John William
Mitchell, John Brewster
Moore, Joseph Lee
Morgan, Fredric Charles
Mozzetti, Michael Domin
Mullen, John Reagan
O'Neill, John Francis
Pingrey, Gary Richard
Porter, Henry Olin, III
Riehle, Douglas Charles
Rushin, Jeanne Marie
Sanborn, Richard Collin
Watson, Murrah Lenton J.
Welch, Michael Dee
Wheeler, Fredric R., II
Wolff, Paul Ronald
Wood, Lawrence Alvin

The following-named regular officers, to be reappointed permanent lieutenant in the Supply Corps of the U.S. Navy, pursuant to title 10, United States Code, section 5582(b):

Bellis, Brad A.
Brown, Sarah Louise
Tsougas, Nicholas

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant in the Supply Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Campbell, Richard Duane
Copeland, Charles Ray, Jr.
Crawford, Kevin P.
Edwards, Jerry L.
Fahnestock, Brian Edward
Fleischmann, Dennis John
Green, Bruce Edward, Jr.
Lepse, James Levoy
Sakowski, Mark J.
Seidl, Mark Francis

The following-named regular officers to be reappointed permanent lieutenant (junior grade) in the Supply Corps of the U.S. Navy, pursuant to title 10, United States Code, section 5582(b):

Huntoon, Richard Lee
Rawls, Maurice Levell

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant (junior grade) in the Supply Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Anderson, Douglas Scott
Avis, Raymond Arthur
Baird, Robert William
Boerner, William Henry, II
Brown, James Dwight
Brown, Tracy Lee
Brumfield, David Wayne
Burdiss, James Edward
Bybee, Roy Edward
Caffrey, David Stuart, Jr.
Capello, Manual, Jr.
Clemente, Edward Samson
Cottongim, Dale Patrick
Dadey, Susan Rose
Dampier, Nathaniel
Davis, James Dennis
Dryer, Robert Michael
Forman, Keith Seeley
Geib, Marshall Gail
Gibbons, Raymond Lee
Green, Joseph Whitney, Jr.
Haroutunian, George Van, Jr.
Hleba, Theodore Andrew, Jr.
Jacobsen, Douglas Wesley
James, Thomas Edward
Janosco, Kathryn Mary
Johnson, Richard Wayne
Kineman, Ronald Glenn
Lanni, Mary Jo
Leopard, Guy Lescher, Jr.
Molano, Elmer Martinez
Musick, Thomas Arthur
Omeechevarria, George Luis
Pawley, Michael Daniel
Phillips, David Miles
Pilcher, Jan Keller
Qua, John Francis
Reno, Thomas Donald
Rhodes, Raymond Edward
Rice, Paul Frederick
Robertson, David Neill
Rodgers, Mark Zenas
Schlesinger, Linda Joan
Siebenschuh, Douglas Craig
Smith, David Alan
Stacey, Lester Merton
Stokes, Vincent Marshall
Stone, Larry Wayne
Stouffer, James Craig
Vanbelle, Patricia Donahey
Vogel, Philip Lynn
Warlo, Garry James
Weinstein, Mark Gary
Wells, Robin Jean
Willette, James Timothy
Wilson, Robert Eric
Wingette, Wayne Anthony
Wray, Donald Terrence
Wright, Jack Francis

The following-named U.S. Naval Reserve officer, to be appointed permanent lieutenant in the Chaplain Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Koshko, Dennis Michael

The following-named U.S. Naval Reserve officer, to be appointed permanent lieutenant commander in the Civil Engineer Corps of the U.S. Navy, pursuant to title 10, United States code, section 531:

Walker, Dale Mee Wah

The following-named regular officers to be reappointed permanent lieutenant in the Civil Engineer Corps of the U.S. Navy, pursuant to title 10, United States Code, section 5582(B):

Aasland, Richard Lee
Huston, Jay Robert

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant in the Civil Engineer Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Amarantides, John
Bender, William John, Jr.
Clark, Ronald J.
Linder, Clifford S.
Luttazi, Francis Ernest
Pena, Samuel Jose
Rismiller, Gregory Ross
Thomas, Lee Wagner, Jr.
Vonhagel, Edward Joseph

The following-named regular officers to be reappointed permanent lieutenant (junior grade) in the Civil Engineer Corps of the U.S. Navy, pursuant to title 10, United States Code, section 5582(B):

Ermovick, Anthony Vincent
Maconi, Donald Lawson
Walden, Robert Paul
Wilkins, David Rutherford

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant (junior grade) in the Civil Engineer Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Bailey, Kevin Carl
Baim, Stephen Russell
Carr, Robert Michael
Castaldo, Francis P.
Dettbarn, John Lee, Jr.
Dowdy, Michael Lawrence
Jarrell, David Alan
Kistner, Mark Edward
Ludovici, Joseph David
Miller, Everette Lewis, III
Milner, Eric Charles
Murphy, Michael William
Oliver, John Princewood, III
Suarez, Jose Joaquin

The following-named U.S. Naval Reserve officers, to be appointed permanent commander in the Dental Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Woofter, Dennis Duane

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant commander in the Dental Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Fabre, David Douglas
Kirby, John William
Percival, David Allen
Turner, Charles

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant in the Dental Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Anderegg, Charles Rober
Anderson, Howard Hugh J.
Banach, David Allen
Baumgarten, Lance Scott
Bergey, Curtis Rhoads
Bingham, George Joiner
Brady, Timothy John
Butt, William Edward
Carano, Frank Domin
Chapman, Alvin Dale
Cook, Kevin B.
Eisenhardt, Peter Willi
Gilberts, Mark David
Huber, Timothy Ray
Hughes, Herald Hall, III
Jett, Lynn Thornton
Kallander, Kirk Donald
Ladley, Robert William
Lindblad, Randy
Ludington, David Paul
McCarley, Dinah Lee
McClanahan, Scott Brink
McLean, Marianna Jean
Meadows, Craig Lewis
Mocknick, Michael Charl
Mollenhour, William Fra
Nagatani, Scott Steven
Nieberlein, Edward Jose
O'Hare, Terrence Dillon
Prusinski, Leo
Rhodenbaugh, Jeffrey Di
Ritz, Mary Lee
Sherman, Robert Gerard
Taft, Robert
Walczyk, Thomas Daniel
Williams, Larry Nolan J.
Wolff, Steven Mark
Wright, William Frank
Yanoschik, James D.T2

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant in the Medical Service Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Adkins, David Scott
Astrachan, Stephen Mitc
Bardenwerper, James H.
Bemberg, James John
Benjamin, Justus, Jr.

Canting, Uwe Wilson Kar
Conlon, Joseph Michael
Craigmiles, Raymond Gre
Erceg, John Harry
Goodman, Leland Seth
Groden, Jeffrey Howard
Halsey, Deborah Lynn
Hedstrom, Richard Camer
Heidrich, Jerrold Chris
Hilton, Thomas Frederic
Knechtges, Paul Lee
Lindsay, James A.
Mahony, Michael Edmond
Meiboom, Dewey Roderick
Metheny, Robert Michael
Miller, Arthur Richard
Miller, Charles Edward
Monroy, Rodney Lynn
Montgomery, David Norma
Noeller, Katherine Rene
O'Connor, Peter Francis
Olsen, Charles Nels
Patterson, Erin E
Seidman, Joyce H.
Shaffer, Richard Allen
Sullivan, Terrance Lee
Swieckitaylor, Diana L.
Taylor, Dean Alan
Thompson, David C.
Thoune, Richard Joseph
Tinney, Glenna Lea
Wilkinson, Michael Owen
Williamson, Donald Jame
Yaeger, William Edwin
Zogran, Tracy Ann

The following-named line officer to be appointed permanent lieutenant in the Medical Service Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Wamble, Carl Defilis

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant (junior grade) in the Medical Service Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Bernier, Mark Francis
Cheely, Gary Earl
Deike, Ronald Anthony
Dominguez, Daniel Grija
Elliott, Lisa Jean
Fong, Raynard Koon Sung
Kinney, Bill Carver
Mitchell, James Warren
Moulton, Terry Joe
Nivens, Benjamin Elcin
Oakes, Dana Duane
Plombon, Donald Richard
Puckett, Corley Elgin
Rossi, Cheryl Ann
Yu, Danilo Lopez

The following-named U.S. Naval Reserve officer to be appointed permanent lieutenant commander in the Nurse Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Parks, Mary Jane

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant in the Nurse Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Alamonieves, Teresa
Allart, Deborah Whitney
Anderson, Marietta Dalt
Arnold, Deborah John
Atchison, Joan Robin
Banks, Sharon Elizabeth
Birch, Margaret Elizabe
Bortisser, Deborah Jean
Dahlquist, Lisa Gerda
Ellis, Peggy Wilson
Forbus, Ronald Glen
Fraley, James Robert
Friez, Beverly Jo
Gordon, Robert Lee
Hauser, Mary Lynn
Heindel, Louis James
Johnson, Dorothy Irene
Johnson, Shirley Anne
Joy, Brenda Ann
Landowski, Bernadette
Lundgren, Karin Elizabe
Marty, Kevin James
McCosh, Carolyn Bishop
Miller, Diane Marie
Millington, Patricia An
Owens, Mary Elizabeth
Pearlman, Helen Virgin
Pendrick, Paula Ann
Perkins, Meredith Josep
Santirogers, Darlene
Sayer, Mary Ann
Schjavland, Elena There
Simpson, Peggy Faye
Skrutskie, Diane Cather
Spencer, John Gager
Swanson, Nancy Ann
Thomas, Cheryl Becker
Thomas, Riva Marie
Twomey, John Gerard, Jr.
Vacchiano, Charles Andr
Wagner, Denise Lynn
Witherspoon, James Byrn

The following-named U.S. Naval Reserve officers, to be appointed permanent lieutenant (junior grade) in the Nurse Corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Beckett, Cherry Lynn
Cardello, Rosemary Ann
Censky, Andrea Marie
Chapman, Debra Jean
Daniels, Diane Phyllis
Jones, Barry Reynard
Leffelman, Gary Lynn
Lorey, Constance Anne
Orlen, Carole Anne
Ruff, Cheryl Lynn
Sarratt, Wendy Watkins
Westphal, Richard John

The following-named limited duty officers to be reappointed permanent lieutenant as a regular officer in the line of the U.S. Navy, pursuant to title 10, United States Code, section 5589(E):

Scheifele, Peter NMN
Smietana, Stephen Thomas
Woodburn, Harold J.

The following-named temporary limited duty officer, to be appointed permanent lieutenant in the line of the U.S. Navy, pursuant to title 10, United States Code, section 5589(A):

McCartney, Michael Charles S.

The following-named temporary limited duty officer, to be appointed permanent lieutenant as a limited duty officer in the line of the U.S. Navy, pursuant to title 10, United States Code, section 5589(A):

Chasse, Philip Conrad, Jr.

The following-named temporary chief warrant officers, to be appointed permanent chief warrant officers (CWO3) in the U.S. Navy, pursuant to title 10, United States Code, section 555:

Mayfield, James
Pokrant, Frederic Paul
Spangler, Ercell Douglas

The following-named temporary chief warrant officer, to be appointed permanent chief warrant officer (CWO2) in the U.S. Navy, pursuant to title 10, United States Code, section 555:

Wright, James Vincent

CONFIRMATION

Executive nomination confirmed by the Senate October 22, 1985:

Department of Justice

Charles Fried, of Massachusetts, to be Solicitor General of the United States.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

EXTENSIONS OF REMARKS

1985 NOBEL LAUREATE IN ECONOMICS SPEAKS ON GRAMM-RUDMAN

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. OBEY. Mr. Speaker, yesterday morning, Prof. Franco Modigliani, of Massachusetts Institute of Technology, the 1985 Nobel Laureate in Economics, testified before the Joint Economic Committee concerning the long-term effects of the Federal deficit, and the problems of the Gramm-Rudman approach in dealing with these deficits.

Professor Modigliani maintains that the deficits are mortgaging the future economic prospects of the American people, and that Gramm-Rudman is not a serious response to this issue. In short, Professor Modigliani says that the way to cut the deficit is to cut the deficit; not to establish an elaborate procedural substitute for guts which will defer the actual cutting until a couple of years down the road.

The full text of Professor Modigliani's statement follows:

TESTIMONY BEFORE THE JOINT ECONOMIC COMMITTEE BY PROF. FRANCO MODIGLIANI, MIT, CAMBRIDGE, MA

Let me first thank you for this opportunity of presenting my deeply felt and long matured views on that scourge which is the current and prospective huge deficit, and on the Gramm-Rudman amendment recently passed by the Senate.

In my presentation I will first review the considerations that lead me to the conclusion that the current and perspective deficit of the United States is of a magnitude such as to cause a clear and present danger and call for immediate remedial action. The threat is not so much perhaps to us present in this room—middle aged Americans with access to secure jobs—but to other groups which, even if not directly represented here, should be of concern to you, namely to the younger and future generations of Americans and to most of the other nations of this world both developed countries and those struggling to develop. This conclusion is the result of 35 years of research which has been singled out in the citation for the recently awarded Nobel Prize.

I will examine next why, in my view, the Gramm-Rudman is entirely inadequate to face the problem and is, in fact, actually mischievous in that it may lull you into believing that you have absolved your task and can forget it till after elections.

I. THE U.S. DEFICIT AND THE THREATS IT POSES

My analysis and empirical evidence support, without a shadow of a doubt, the traditional conclusion of both economists and common-sense people that individual and national consumption, and hence saving, is basically controlled by considerations other than whether the government happens to run a deficit and how large it is. This conclusion implies that when the government runs a deficit, or dissaves, national saving—the sum of private and public saving—declines by roughly a dollar for each dollar that the deficit is higher. But this, in turn means that each dollar of deficit crowds out a dollar of private investment, except to the extent that it increases reliance on foreign capital.

How does the crowding out occur? Basically through interest rising enough to do two things: (1) ration out among investors the reduced flow of funds available, except to the extent that (2) foreign capital is attracted through a rise in the return available in this country relative to that available elsewhere. (Note that nothing says that interest rates must be higher than in years of lower deficit—it just says that they will be higher than they would be otherwise.)

These immediate effects of a large (noncyclical) deficit—and our deficit is enormous, especially in relation to our saving capacity—are the cause of a series of ruinous consequences, both long and short run, both domestic and international.

Long-run Consequences

These are the most insidious because they come on gradually and hence are hard to detect in the beginning. They all work through the stock of national private capital. Capital in the form of plant, equipment, houses, inventories, is what makes our labor productive and supports the American standard of living. In so far as the deficit crowds out investment, it progressively reduces the capital available to future generations, making them poorer. One can show that the resulting loss of income is roughly equal to the higher taxes that future Americans will have to pay to service and repay the additional public debt.

In so far as the deficit attracts foreign capital and is thus financed by borrowing abroad, the effect is essentially the same, for though the capital and before-tax income may be less seriously impaired, future generations will have to pay out of that income, through higher taxes, the resources needed to pay interest and principal.

Short-run effects

But there are also important short run effects which are visible for any one who wants to see. First, the enormously high long term interest rates even after adjustment for current and prospective inflation, are making it nearly impossible for young people to buy a house—except perhaps with enormous strains on their finances—or for the lucky ones on those of their parents. Don't let anybody tell you that the high interest is the fault of the Fed—the Fed has no choice as long as it must avoid resurgence of inflation and the deficit is as large as it is.

Second, in so far as the high interest attracts foreign capital, this occurs through foreign investors endeavoring to buy dollars to invest in U.S. assets, thus bidding up the price of the dollar. This makes American goods and services more expensive relative to foreign goods, reducing exports and increasing imports. The resulting deficit or net import of goods can be used for investment, replacing, accordingly, the reduced flow of national saving.

It is this mechanism that has given rise to the huge deficit in the current account balance now running at something like 130 billion per year and is playing havoc with those sectors of the American economy that are open to foreign competition. In addition to the mass displacement of jobs and capricious redistribution of profits, this phenomenon is creating, as is well known, tremendous pressure for protectionist legislation. Resisting such pressure will be hard as long as our deficit is so large, but giving in would be tragic. As we learn from history, protectionist measures are sure to lead to retaliation. The outcome will be an inversion of the trend toward the opening up of trade led by America which has contributed as much as anything else to the unprecedented growth of world trade, income and well being in the post war period. The answer to the trade deficit is not protectionism—which, incidentally, would probably be only partially effective as it could lead to higher interest rates and a higher dollar. The answer is to cut the deficit deep and quick, before the protectionist wave overwhelms us.

The third deleterious effect of the deficit concerns the solvency and very viability of the debtor countries. These countries have no doubt overborrowed and not spent productively all the proceeds of their borrowing, for which blame goes to them as well as to the bankers that uncautiously lent to them. But the problem is immensely complicated by a circumstance for which they cannot be blamed. The interest rate at which they borrowed, which was low or even negative, has been raised to unprecedented levels by the U.S. deficit.

If we fail to bring down the deficit and interest rates quickly, the consequences can be extremely serious. The economics of many of the debtor countries are cracking under the strain of servicing their debt, and growth has been replaced by contraction. This is bad per se, but in addition we remain under the risk of some form of default. Related to this is the risk of domestic bank panic because of the resulting bank losses, and of the need to intervene, to make up the losses, by public money.

The fourth ill effect of our high interest rates is perhaps the least understood and has to do with the current stagnation throughout the industrial countries, and in particular among the members of the European Common Market. In a world of floating rates and considerable capital mobility, our high interest rates force these countries into a matching relatively high interest rate posture. This is necessary in order to prevent even more outflow of capital resulting in further devaluation of their currency, imported inflation and further deficit in the U.S. current balance.

But a policy of high interest rates discourages investment and hence reduces aggregate demand and employment—unless offset by a large deficit American-style—something which, understandably, they refuse to do.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member of the Senate on the floor.

Boldface type indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

The result of this situation is that, today, the Common Market unemployment has reached levels approaching those of the great depression. It averages around 10 percent to 11 percent—with much higher rates for some countries—which correspond to something like 13 percent to 14 percent in this country. It is for this reason that these countries have desperately tried to persuade our Administration to take some action to bring down the deficit and interest rates.

There are those inside and outside the Administration that, at least until recently, have tried to deny these ill effects essentially by arguing that the deficit does not reduce national saving. They maintain that as the government saves less the private sector will automatically consume less or save more out of net-of-tax-income. The argument is based on a wild fantasy about every person realizing that because of the deficit his children will have to pay more taxes, and hence saving more in order to bequeath to them enough capital to pay for the higher taxes. There is really no need to argue about this view, which, while it might have some fascination as an Ivory Tower exercise, has no empirical relevance whatever. This is shown by a large body of evidence both for the United States and for many other countries, reported in several papers of mine, published and in course of publication. It is enough to look at the behavior of the saving rate in the United States to find that since the big rise in the deficit in 1982 the saving rate has been, if anything, lower than the average in the last 25 years. It is equally sufficient to look around to see that all the phenomena that we expect to be associated with the crowding out of national saving have, in fact, occurred.

Let me finally note one paradox. Suppose the Administration were correct in maintaining that the deficit leads people to consume less, just as though they were taxes. How can then the President argue that taxes must not be raised regardless of the deficit because of disincentive effects when, not taxing, has exactly the same disincentive effect?

II. THE GRAMM-RUDMAN AMENDMENT

I come now to the question of why, in my view, that amendment cannot be regarded as adequate to accomplish the needed task—cut the deficit now and cut it deeply, with no ifs, ands, or buts. I applaud, of course, the stated intention of the amendment, namely bringing the high deficits to an end. My objections are of three types: First, the magnitude and timing of the cuts; second, the way in which the cuts are to be executed. Finally, I have numerous detailed objections arising from the rush with which the bill has been together:

(1) The amendment does not call for a large cut now—say one-half the deficit. Indeed, as Representative Obey has correctly pointed out, it does not call for any cut whatever this year and for hardly any cut next year. Rather than going through the painful exercise of cutting the deficit, it instructs future Congressmen to cut the budget—if they feel like it—for obviously a future Congress can readily revise the law and perhaps instruct a yet future Congress to do the unpleasant job!

(2) The supporters of the present amendment, after going through the nearly meaningless exercise of ordering future Congresses to cut the budget, endeavor the show how tough they are by placing an enormous number of detailed constraints on future Congressmen as to how they should go about cutting the budget. Many of these details are, in my view—to borrow an expression from my grandson—plain "mickey mousing." Others are positively harmful, like those establishing exceptions to the deficit cutting procedure when, and only when, income is expected to decline. It has been shown repeatedly that such formulation courts economic instability and that if the path of the deficit is to be prescribed in advance then the target should be something like a "full employment" deficit.

But, frankly, if you are not going to cut the budget yourself, I see little reason why you should dictate to others how to do it.

In the light of this view, I shall not waste time on some of the shoddy details of the bill—a task which has been carried out quite adequately in several previous testimonies.

To conclude, my strong recommendation to you is cut the budget now and cut it deeply. Don't waste your time and lose credibility by telling others what to do, if you don't have the courage to do it yourself. About all, don't be trapped in the taboo that taxes must not be raised, even if it means a continuation of the deficit. American tax rates are not particularly high. And don't believe in the nonsense of the Laffer Curve, at which you should laugh, as an overwhelming number of economists do. Finally, remember that if you refuse to raise taxes in the presence of a deficit, you are raising taxes anyway, though not those of our generation but those of your children.

Let me end with a sketch of a bill to replace Gramm-Rudman. It should establish a target for a large reduction in the deficit and state that whatever reduction has not been accomplished through cutting expenditures by some nearby date, will automatically be made up by tax increases.

MODESTO PASTOR IS EXPERT IN LEADERSHIP

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. COELHO. Mr. Speaker, last month, the Reverend William Yaeger of the First Baptist Church of Modesto, CA, celebrated two very special occasions—his 60th birthday and his 18th anniversary of service to the First Baptist Church.

Reverend Yaeger is indeed a special man. He is a community leader in every sense of the word, providing leadership, community service, evangelism, and stewardship to the people of Modesto. Under his guidance, the membership of the church has grown tremendously since he first arrived in Modesto in 1967. But his leadership also extends beyond our community, as he has helped 9,000 other pastors with their ministries over the years through his Institute of Church Imperatives.

The dynamic but caring ministry that Reverend Yaeger has built is certainly one that he and the First Baptist Church can be very proud of. On behalf of the citizens of Modesto, I would like to congratulate Reverend Yaeger at this special time and thank him for all that he has done for our community.

An article appeared recently in the Fresno Bee which, I think, shows great insight about Reverend Yaeger's ministry. In recognition of all that he has done, I ask that this article be reprinted here in the RECORD.

[From the Fresno (CA) Bee, Sept. 28, 1985]

MODESTO PASTOR IS EXPERT IN LEADERSHIP

(By Michael J. McManus)

MODESTO.—Two weeks ago, the Rev. William Yaeger celebrated his 60th birthday and his 18th year as pastor of the First Baptist Church of Modesto. Though 2,300 people had already been to Sunday morning services, about 1,400 returned for the Sunday evening service and celebration.

When he arrived in 1967, only 250 were in the Sunday morning service and 50 came at night. The budget has grown from $65,000 to $2.4 million for operations and $1 million for construction. This success has been so steady and so dramatic that 9,000 pastors have attended Yaeger's three-day Institute of Church Imperatives to learn how to do a better job.

During part of the celebration service, excerpts of letters from former church interns were read aloud: "I have learned from Pastor Yaeger so many vital principles of leadership" wrote a pastor in England. "You have been an example for me of a leader who demands excellence of himself and others, while embodying the tender heart of a pastor," said another.

Over and over, he was praised most for his leadership. Last year he summarized those leadership principles in a book which ought to be read by every pastor or serious lay church leader: "Who's Holding the Umbrella?"

In it he said "One does not need to be flamboyant, charismatic, or even outgoing to provide effective leadership." Instead, he described what he called being an "umbrella man," a "leader who gives himself to the ministry of Christ in such a way that he equips believers and provides abundant opportunities for them to serve. His ministry is spread out like a canopy or protective umbrella, under which others can grow and flourish—and eventually become leaders themselves."

Of course, a man holding an umbrella in a thunderstorm can become a lightning rod—the first to be attacked. "Intimidation by church members is one of the basic causes for the failure of many pastors," said Yaeger, recalling his early Modesto days.

(No denomination chews up pastors more viciously than Southern Baptists. The average tenure in Alabama is under two years, and 4,000 of the nation's 36,000 pulpits are empty.)

Yaeger recalled Jesus said, "I send you out as sheep in the midst of wolves. Therefore be wise as serpents and innocent as doves." Some foes were won over with quiet diplomacy. He shot down other attacks by saying "God sent me here," noting that the vote to invite him was unanimous.

A key first step was to set clear priorities through a "Committee of the Future." Its first goal was evangelism—equipping every church member to win "others to Christ."

The second priority was discipleship. Home Bible study groups of 10–12 people were formed with a commitment to meet for a year to study Scriptures wth a study guide. These small groups not only gave opportunities for fellowship, prayer and mutual support—but incubated future leaders as people learned to be accountable to one another.

Paul Fulfer, 68, had gone to church and Sunday school all his life, but it was not

until he was in a small Bible study that he discovered "the thrill of learning for the first time what Christ would have me do."

Out of a discipleship group formed in 1968, came four of the church's present staff. A former mayor of Modesto became minister of evangelism; the owner of a tire business is now church business manager; adult ministries is directed by a one-time salesman; and a civil engineer who came to Modesto to build a dam is now minister to singles.

Yaeger believes the least important criteria for choosing leaders is their skills. More important is a willingness to "work and train for the responsibility they will carry, proven godliness, spiritual maturity, and emotional stability. . . . Church leaders are developed, not discovered."

The key to church growth depends on how well the pastor "cares for those who serve with him and how much he will let them serve," Yaeger says. Most of his senior staff has been aboard for 10-15 years because he pays them well, praises them in public, criticizes privately, and protects them when unfairly attacked. The result: growing trust and continuity.

Equally important, in my view, is the way First Baptist makes decisions—more by unity than democracy.

Many Baptist churches make decisions at a monthly business meeting where any church member can vote. The meetings are often called "fight night." Yaeger was shocked by the first one he and his wife attended. People who had prayed with them, helped them make a commitment to Christ and hugged them were now yelling as they "engaged in political outrage and debate."

Therefore, First Baptist is governed by a single board of deacons composed of mature Christians who take the time needed to reach broad consensus of decisions.

Its model is the church described in the first chapters of Acts of the Apostles, where the disciples waited for the Holy Spirit to come, prayed together, praised God, and "were of one heart and soul."

MINISTER'S BREAKFAST

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. MITCHELL. Mr. Speaker, on Tuesday, October 15, 1985, the Honorable CHARLES HAYES of Illinois addressed a group of ministers from the Seventh District of Maryland who were here attending an annual minister's breakfast.

Congressman HAYES' address was very inspirational and well received by all attending. I am honored today to share with my colleagues those remarks:

Greetings!!!

Its a pleasure to appear before you today, especially since it was at the invitation of my friend—and—unfortunately, departing colleague, Parren Mitchell. When Parren asked me to speak to you, he asked that I give you an impassioned speech. I thought to myself, how am I going to impassion a group of pastors this early in the morning? With your divine teachings, perhaps you should be up here impassioning me to stay in the struggles that we Black Caucus members must deal with every day in the U.S. House of Representatives.

As a member of Parren's Committee on Small Business, I feel honored to have had the opportunity to serve under his leadership. Normally, when I hear about one of my committee mates deciding to retire, I take it with a grain of sugar, since it means that I will move up on the totem pole of seniority.

Parren's impending departure however, leaves a taste sugar cannot sweeten. His leadership and expertise in small business affairs, especially as an advocate of minority business, will leave a void larger than that beautiful Chesapeake Bay you have in Maryland.

While Parren may be moving on to another arena, I'm certain he knows that there is still plenty of work yet to be done. I know that no matter what arena he moves to, he will continue to fulfill his mission in life—helping those in need and speaking out against injustices that black and poor people are confronted with on a daily basis. Given Parren's history and that of the Mitchell Family, there is no way he will fade away. I know he will continue to speak out, as he has done as chair of the Small Business Committee, against the unjust affairs of corporate America.

As we discovered with General Dynamics, we have corporate executives who misappropriate millions of taxpayers hard earned dollars without so much as a slap on the hand. But don't let a poor person keep quiet about a part-time job in an effort to qualify for food stamps. Then the conservatives start talking about building new jails to put them in—while the corporate executives run away into oblivion with their illegal millions. What could be more unjust than having a President who proposes to tax unemployment benefits while we have Fortune 500 companies who pay absolutely no taxes.

When I was first elected to Congress to replace my friend and now mayor of Chicago, Harold Washington, Harold told me not to leave anything to chance and to always keep my guard up. Today, I would like to impart that advice to each of you in this room. In the political climate we find ourselves in today, we must always keep our guard up.

Not only do we have to guard against an uncertain future for the next generation, we must also guard against the erosion of past gains, in civil rights as well as economic rights.

There is no better example of what we are up against than right here in the U.S. House of Representatives. Here in the House, Congressional Black Caucus members total only 20 out of 435. Of our 20 here in the House, only one is a female. According to the last census count, black people in America total some 12 percent of the population. If we have 12 percent of the total number of Members in the House we would have 52 CBC members. And you know the story in the U.S. Senate. There we have no minority representation.

In short, we have a long, tough struggle ahead of us.

My conservative colleagues in the House would have you believe differently. They would have you believe that we have already done too much. That's why, on an almost daily basis, they belittle Government programs that help the poor, the hungry, the homeless, and minorities—all in the name of fiscal conservatism.

In all this debate, why is it that they never talk about the fact that their cherished President, the so-called "Great Communicator", has given us the bigest Federal Deficit in the history of our Nation? The biggest Federal deficits in the history of our Nation. They would have you believe that food stamps, school lunches and Social Security have caused our deficits. With their zeal to cut cut cut, we must constantly be on guard to prevent the erosion of past gains.

I know Parren is as upset as I am over this new effort to reduce the deficit and balance the budget by 1991. We know who paid the price of all their previous budget cuts. Need we ask who they expect to pay the price for their future cuts? We must keep our guard up.

As a result of their fiscal mis-conservatism, we now have more homeless citizens than ever before. We now have more people going hungry than ever before. We now have more unemployed people than ever before. We now have more people in the grips of the poverty than ever before. And according to what I hear, they are nowhere near finished. That's why we must keep our guard up.

Thanks to their fiscal mis-conservatism we now have millions of people who are confronted with the very real prospect of becoming part of a permanent poverty-stricken underclass of unemployed and unskilled Americans. Millions of people who are still waiting for the trickle to trickle down. I know what poverty means—having experienced it first hand in my youth and, more recently, experiencing it again during a visit to Sugar Ditch, Mississippi, with Jesse Jackson and Augustus Hawkins, another Black Caucus member and presently chairman of the House Committee on Education and Labor.

While some may have criticisms with Jesse's style or his methods, one thing must be said for the man—he has a God-given talent for focusing attention on the plight of the poor. If you will recall, Jesse was the only Presidential candidate during our last Presidential primary season to take a stand clearly in defense of the poor people of our Nation. The inhumane conditions that the people of Sugar Ditch are enduring, shouldn't be experiencd by anyone in a nation as rich as the United States. Yet, at the consent, and even urging of the white elected officials down there, the black residents are forced to live in filth, hunger and poverty. Their elected officials, in an effort to keep the blacks working in low to no paying farm jobs, have made the area off-limits to industries who could provide decent jobs and decent incomes for the residents there.

Yes, not only do we have the fiscal conservatives, we also have the color conservatives. I hear from them, too. I hear from who I call Clarence 1 and Clarence 2—The Clarences two: Clarence Pendleton, Chairman of the so-called Civil Rights Commission and Clarence Thomas, Chairman of the Equal Employment Opportunity Commission.

Clarence 1 of the Civil Rights Commission argues that this country's affirmative action policy is no longer necessary—that we need to take a radical turn to the right and embrace a "color blind society."

Clarence 2 of the EEOC, supports the absurd notion that the Commission no longer needs to investigate individual complaints of discrimination, but rather class action suits—suits that may take years and years to litigate and resolve.

Unfortunately, what the two Clarences fail to understand is that there are still too many issues in our Society that are decided on the basis of color—black and white and green—money green. Until we can end dis-

crimination in the work place, in housing, and in society in general, there is very much a need for a strong Civil Rights Commission and an EEOC. And until we can reduce our unemployment rates, by embracing policies that will put Americans back to work, that green will continue to elude vast numbers of minorities. We must keep our guard up.

Unemployed workers have now lost their unemployment and health benefits for themselves and their families due to the inconsistent and insensitive policies of the Reagan administration. It's an administration that refuses to recognize the American workers' contribution to this Nation's economy.

Today, official civilian unemployment is 7.1 percent. That equals about 9.274 million people. Official black unemployment is 15.3 percent; black youth unemployment is 38.3 percent. The unofficial figures are much higher because the official figures don't take into account those people who have simply stopped looking for work and therefore no longer report into the unemployment office.

I've tried to address this whole employment—unemployment issue with the introduction of two measures. My first bill, H.R. 1398, the Income and Jobs Action Act of 1985, seeks to put teeth into the Hawkins-Humphrey Full Employment Act. H.R. 1398 establishes an over-all economic policy which recognizes, one, the right to earn a decent living, and two, the right to an adequate income for adults unable to earn a living through paid employment.

My second bill, H.R. 3042, the High School Dropout Prevention and Reentry Act, seeks to reduce the number of children who do not complete their elementary and secondary education. In a society where we have such technological advances, it is imperative that we stem the tide of uneducated, unprepared youngsters—the majority of whom are black and hispanic.

Meanwhile, President Reagan calls for and gets $1.5 billion for the production of MX missiles under the guise of protecting our national security. At the same time, those of us who push for trade policies that will keep Americans working and put those who are unemployed back to work, we are called "Protectionists." If putting people to work, putting food on their tables, putting a roof over their heads, if that is being protectionist, well then so be it. We must keep our guard up.

I believe the greatest threat to the security of our Nation does not come from any external source, but from internal sources. I believe it comes from having people who are stricken by hunger, homelessness and poverty. Without a decent, income-providing job, it is impossible to plan a decent future, provide for family security or to participate in the mainstream of our society.

Not only must we in Congress keep our guard up, but you, as leaders in your communities, you must also keep your guard up.

Historically, the black church has always been at the forefront in the struggle for civil rights. It has always been the place where black people could get guidance and leadership in the struggle to fight discrimination, to fight poverty, to fight evil forces the bear ill-will for our people. I believe now is the time for it to return to that role.

I think it is imperative for you, as ministers to impress upon your congregations—the importance of staying alert to what the political climate means for their future and the future of their children. You must guard against their becoming complacent about their futures.

Don't let them take it for granted that just because they may have a job, just because they have food on their tables, that just because they may have a roof over their heads and live a comfortable lifestyle, don't let them take it for granted that the struggle is over.

They can't take it for granted that whomever runs for Parren's seat, and I hope Parren changes his mind about retiring, just because he or she may be black, will truly represent their concerns. They must keep their guard up.

The struggle is not over. We must keep our guard up.

CARIBBEAN BUSINESS' 10TH ANNIVERSARY

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. GARCIA. Mr. Speaker, this year marks the 10th anniversary of the Caribbean Business newspaper. Caribbean Business has successfully kept many of us interested in the region's development abreast of economic and business affairs.

The Caribbean Basin has become, over the past several years, a cornerstone of U.S. foreign policy, and rightfully so. The economic and political stability of the nations of the region can no longer be ignored. It is, therefore, important for U.S. policymakers—inside and outside of the Government—to be kept informed about regional affairs. Caribbean Business has enabled me to keep up with the rapidly changing situation in the Caribbean Basin. It has been an invaluable source of information.

I would like to congratulate the editor-in-chief of Caribbean Business, Mr. Manuel A. Casiano Jr., for the excellent job he and his staff have done for the past decade.

I would also like to include in the RECORD a letter of congratulations I sent to Manny Casiano.

HOUSE OF REPRESENTATIVES,
Washington, DC, October 16, 1985.

Mr. MANUEL A. CASIANO,
Publisher, Caribbean Business, Santurce, Puerto Rico.

DEAR MANNY: It gives me great pleasure to offer congratulations as you embark on the tenth year of the publishing of the Caribbean Business.

Caribbean Business is recognized as the Wall Street Journal of the Caribbean. It is a respected publication which continues to grow in stature. That is evidenced by the fact that is now a resource publication of the Library of Congress.

You and your family should take great pride in your accomplishments. You are a very talented and energetic family with an unsatiable appetite for excellence.

With best personal regards, I remain,
Sincerely,

ROBERT GARCIA,
Member of Congress.

INDIAN TRIBES AND THE FUTURE: INTRODUCTION OF THE INDIAN ECONOMIC DEVELOPMENT ACT OF 1985

HON. JOHN McCAIN

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. McCAIN. Mr. Speaker, in 1975 the Indian Self-Determination and Education Act—Public Law 93-638—was enacted with the purpose of promoting tribal self-sufficiency through tribal initiatives and with tribal control. Past Congresses and administrations have had many ideas about Indian economic development, but the Self-Determination Act still represents the greatest hope for economic development. Building upon the premise that Indian tribes can best determine their destiny, I am today introducing legislation to further extend self-determination—the Indian Economic Development Act of 1985.

Federal programs, in the control of Federal agencies, too often prove to be harbingers of parternalism, preventing tribes from developing in their own image and within their own ideas. Instead of bringing about self-sufficiency, many economic development programs have instead only shifted the bureaucratic emphasis. Programs designed to develop business managers have produced paper shufflers. It is time to bring private business into tribal economic development.

Essentially, the Indian Economic Development Act would be a catalyst for tribes to work with the business community in creating jobs, providing employment training, and enter an era of long-term economic development. I propose using Indian enterprise zones to stimulate tribal economies. I believe the incentives provided in this legislation are ideally suited to address the needs on many Indian reservations.

Poverty is a way of life on many reservations. Last June the Committee on Interior and Insular Affairs held hearings on the growth of Indian bingo. While that form of economic development is controversial, hearing witnesses brought home an important point. One tribe operating a high stakes bingo operation reported that in less than a year the tribe had reduced unemployment from 64 percent to 0—and more importantly, most of those now employed had never held a job. It is possible, on some reservations, to be born, live and die, and never have the opportunity to work. The Federal Government cannot find solutions to 25 to 75 percent unemployment without private capital, markets and management.

Reservation residents want to work. We need to provide tribes the means for economic development. I believe the problems facing tribes fall into several categories—remoteness, education, and natural resources.

Often the remote tribes have all of these problems. Schools are few, private training centers are distant, the infrastructure of the reservation is nonexistent, and the tribe

may not be blessed with usable natural resources. There may be little that we can do about natural resources, and the state of Indian education, hopefully, is at a turning point toward a system which will blend traditional beliefs with the modern world.

However, we can supplement education and training. Enterprise zones offer incentives to businesses to locate on reservations. Many companies have the experience and ability to train willing Indian workers which will help fill in the gaps of the current education system. This legislation also provides incentives for business to help remedy the infrastructure problems. Although enterprise zones are not a panacea, tribes with the willingness can benefit from zones and move on to long-term development.

Several previous Federal programs have laid the groundwork to accommodate enterprise zones. The Indian Tribal Governments Tax Status Act, the Indian Financing Act, among others, are highlights in Federal policy. Enterprise zones can provide private capital, private training and markets for those tribes with few advantages. For that reason I encourage my colleagues to support enterprise zones for Indian tribes.

This legislation is not without controversy. I hope my colleagues and the Indian community will review the legislation and bring their own ideas and comments to the committee for consideration. I know that critics of enterprise zones cite only the lost Federal tax revenues. By having economic development on Indian reservations, Federal income tax revenues will come from people who have been unemployed, or underemployed. Those new revenues will offset a good portion of the lost business taxes. Additionally, economic self-sufficiency derived from the zones will reduce the need for general assistance payments, Federal grants and other Federal payments.

I recognize that other aspects of the legislation may, at first, be controversial. I have talked to many business leaders, and their primary concern about locating on a Indian reservation is the fear of not having adequate recourse in contract and civil disputes. Therefore, the legislation encourages tribes to take actions separating the tribal government from tribal courts and businesses, put proper zoning plans in place, and adopt a general business attitude. The most controversial action that a tribe may take is that of partially waiving its sovereign immunity in contractual arrangements.

Like all governments, Indian tribes can only be sued when they allow lawsuits—or in some cases when Congress has decreed it. Last Congress we enacted legislation for a tribe to allow binding arbitration in contract disputes. While I agree with this approach, I believe it is up to each tribe to decide if and how it would waive sovereign immunity. The legislation provides that the Secretary would have the authority to approve tribal plans which apply only to enterprise zones, and would not diminish or encumber the trust assets of a tribe.

Economic development will require the diligence of tribes, the private sector and the Federal Government to achieve their goal of Indian self-sufficiency. I encourage my collegues to examine the legislation and support it. A brief summary of the Indian Economic Develpment Act of 1985, follows this statement.

OUTLINE: INDIAN ECONOMIC DEVELOPMENT ACT OF 1985

TITLE I—DESIGNATION OF INDIAN ENTERPRISE ZONES

Indian Enterprise Zones would be designated by the Secretary of the Interior, after consultation with the Secretaries of Commerce, Labor, HUD and Treasury, and the Administrator of SBA. The Secretary would be authorized to designate 30 such zones, with 10 set aside for small tribes (under 1000 population). For a zone designation the Secretary must be satisfied that the tribe has the authority to nominate the area, and has made the requisite tribal commitments, which include:

In writing, agree to take a course of action to encourage business development;

The course of action could include: reduction of tax rates, fees or royalties; increase in local services; reduction of red tape; involvement of local non-government organizations; assurance to non-tribal interests that their rights will be protected (separation of tribal courts from political influences); separation of tribal businesses from political actions; tribal plans, including zoning regulations; a limitation on tribal sovereign immunity for recourse in contract and other civil disputes.

A general criteria is provided to the Secretary in prioritizing zones designation—in an effort to remove subjective designations. A zone could be nominated by any tribal group—using the same definition as for the Indian Tribal Governmental Tax Status Act—which includes Alaska Native Corporations. Indian lands has a broad definition, using a "governed" standard (except for Alaska), but the zone must be on Indian lands.

The Secretary would only have 36 months to make the designations, and each designation could last up to 25 years. Provisions would be made for revocation of the designation.

TITLE II—FEDERAL INCOME TAX INCENTIVES

SEC. 201. Credit to Zone employers for 10% of the qualified increased new employment expenditures, plus an economically disadvantaged credit.

SEC. 211. Investment Tax Credit for Zone property. Qualified property could receive 5% (personal property; equipment) or 10% (construction property) and may be eligible for special 20% credit if it is determined to be an investment in the tribal infrastructure. Examples of infrastructure investments include roads, power lines, water systems, railroad spurs, and communication facilities. This investment must benefit the tribal infrastructure and be available to the general public.

SEC. 221. Reduction in capital gain tax rates for corporate and individual businesses in zone.

SEC. 231. Limitation on accelerated cost recovery deduction does not apply on property within the zone. Also allows small issue exemption on IDBs to continue within zone.

Note: Within this section the limitation on tribal governments to issue IDBs is removed, placing tribes on an equal footing with States for IDB purposes.

TITLE III—REGULATORY RELIEF

Generally, the title allows exemptions or waivers for certain federal regulatory procedures if the appropriate Secretary or Administrator determines will further job creation, community development, or economic revitalization within the zone.

TITLE IV—FOREIGN-TRADE ZONES

Section 401 establishes a preference for Indian Enterprise Zones to also be designated a Foreign-Trade Zone by the Secretary of Commerce.

TITLE V

The Secretary of the Interior would be authorized under the bill to administratively approve tribal plans for waiver immunity pursuant to tribal economic development plans, regardless of zone status. This could include binding arbitration, and must not encumber or diminish trust assets.

TROUBLE IN PANAMA

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. BARNES. Mr. Speaker, there is trouble in Panama. During the last several years, while most of Central America was in crisis, Panama seemed to be a stable, untroubled country on the road to democracy. The implementation of the Panama Canal Treaty has gone well. The anti-Americanism that was the centerpiece of Panamanian politics has cooled. The military in Panama took a new name and pledged to get out of politics. In May 1984, there were legislative and Presidential elections. Many of us had hoped that democratic institutions and civilian rule were about to become the norm in Panama.

Unfortunaely, that was not to be the case. The elections for President were clearly fraudulent. The Panamanian Defense Force stopped counting the ballots and declared its candidate President. Still, many observers withheld their protests because the new President was Nicholas Ardito Barletta, a world-class economist who has a reputation for honesty and hard work. President Barletta struggled to deal with Panama's severe economic problems, but did not have great success in mobilizing political support. Political problems for Presidents are not unusual. What is unusual in a democratic system is for the military to force the President to resign. Let the record be clear: President Barletta did not want to leave office; he was forced out.

Mr. Speaker, the United States has important interests in Panama. Perhaps paramount among these interests is our relationship with the people of Panama. The people want a role in determining their future. They want a political system that is open and allows free speech. The time of the military dictatorship is over. The United States must make clear to Gen. Manuel Noriega and everyone else that our support is clearly on the side of the democrats because that is where our interests are. The facade of democracy does not fool any one. This point was recently made by

editorials in the Washington Post and the New York Times. I am including these editorials so that all my colleagues will have the opportunity to read them. The material follows:

[From the New York Times, Oct. 3, 1985]

ADD PANAMA TO THE CRITICAL LIST

Strike Panama from list of restored Latin American democracies that the United States has been celebrating.

In a democracy, the military is not expected regularly to depose or impose presidents, as the Panamanian National Guard has done five times in three years. In a democracy, civilian critics of military power are not supposed to be decapitated, with the apparent collusion of the military, as happened two weeks ago to Dr. Hugo Spadafora.

In a democracy, journalists are not normally threatened by military intelligence operatives, and United States Ambassadors do not feel obliged to warn opposition newspapers that they risk being closed down unless they mute their criticism—as Ambassador Everett Briggs felt obliged this week to warn reporters and editors of La Prensa.

If what is happening in Panama counts as democracy, Nicaragua can fairly claim it is being subjected to a double standard. The right name for the Panamanian regime is dictatorship, and the country's real ruler is the National Guard commander, Gen. Manuel Noriega.

Panama faces problems, starting with the effects of the larger Latin debt crisis, which has dried up the normal flow of capital to the region. And the United States has every reason to try to get along with whoever governs Panama. But these realities do not oblige Washington to pretend that the power plays and brutalities of a military regime are consistent with democracy. General Noriega should not underestimate this country's strategic interest in Panama's political future.

America's access to the Panama Canal depends in the first instance on the stability of the regime that guarantees it. That guarantee is worth no more than the regime's credibility among its own people.

[From the Washington Post, Oct. 6, 1985]

POOR PANAMA

In August, the military strongman of Panama declared, in strongman lingo, "We, the Panamanian people, consider that economic intellectuals should give true solutions and not keep their heads buried in books of Harvard or Chicago." The other day he forced the resignation of the Chicago-educated economic intellectual, Nicolas Arditas Barletta, whose election as president he had assured 11 months earlier when he stopped counting the other candidate's ballots.

Panama is caught in a familiar and cruel vise between its people and its creditors. Something had to go: it was President Arditas Barletta, a decent man who had publicly warned that the country's inability to deal with austerity was taking it back to military rule. The new president was the vice president, a businessman who, in the photos, looks brave and scared. The fragility of many other Latin democracies writ large in poor Panama's predicament.

But the strongman: His name is Gen. Manuel Noriega. He is more than the successor to the populist dictator, Omar Torrijos, whose high-wire handling of the Panama Canal issue gave Panama a moment in the hemispheric sun in the 1970s. Gen. Noriega is an unsually willful man who suffers criticism poorly and is now engaged in denying a nagging charge that he had something to do with the fate of a Panamanian gadfly, Dr. Hugo Spadafora, who was found dead in Costa Rica in September, minus his head. Gen. Noriega is also muttering threats against La Prensa, a good newspaper.

The Reagan administration has attached much importance to the return of one Latin country after another to democracy on its watch. Panama, which was enjoying its first elected president in 16 years, is the first backslider of the 1980s. The great American interest in and daily preoccupation with the Panama Canal has tended to inhibit the official response. But to show its disfavor—and to avoid the obligatory newspaper photo of the check-handing ceremony—the administration deferred an aid grant. The Air Force Thunderbirds did not perform. The Panamanian military, accustomed to deference, has been reminded that its proper role is professional, not governmental. Gen. Noriega ought to understand that Panamanian officials cannot act like characters in a Grade B movie and expect to retain the confidence either of their own citizens or of the hemisphere's democrats.

THE RETIREMENT INCOME POLICY ACT OF 1985

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. CLAY. Mr. Speaker, today I am pleased to introduce the Retirement Income Policy Act of 1985. This legislation has two primary purposes: To establish certain national retirement income policy goals and to provide a framework for debate on how best to achieve some of those goals by recommending certain amendments to the Employee Retirement Income Security Act of 1974 [ERISA]. Similar legislation will also be introduced today by Senator JOHN HEINZ, chairman of the Subcommittee on Savings, Pensions and Investment Policy of the Senate Finance Committee and chairman of the Senate Special Committee on Aging.

For nearly 2 years, the members of the Subcommittee on Labor-Management Relations, which I chair, have been discussing the need for an articulated national retirement income policy. We have sought the assistance and advice of hundreds of private-sector employee benefits professionals, representing every conceivable interest group. We have had the benefit of research provided to us by the Congressional Research Service, the Employee Benefit Research Institute, and several of the major employee benefit consulting firms. We have reached out to our colleagues on both sides of the aisle, on the labor and tax committees, both here and in the other body.

Earlier this year, we held hearings on the need for a national retirement income policy. In addition to the broad policy questions, witnesses also discussed many specific areas of ERISA which would be affected were a national retirement income policy to be established.

Part of the problem, we learned, is that to the extent we already have an implicit national retirement policy, it is neither comprehensive nor internally consistent. Rather, it has evolved piecemeal, in recent years as a result of tax legislation, and usually without sufficient attention paid to the effects of the legislation on overall retirement policy. In the years since ERISA's enactment, comprehensive analysis of what workers can expect in retirement today and in the future as a result of current policy has been missing.

Missing, too, has been an understanding that the voluntary private pension system, as we know it, has evolved largely because of a combination of labor-management forces as well as tax incentives. Neither labor policy nor tax policy should be the sole driving force behind legislative change in this area. Whether we can expect expansion of coverage under private pension systems, greater delivery of benefits, or greater adequacy of private pension benefits to supplement Social Security in the future will depend on whether Congress is willing to exercise a form of legislative self-discipline. Before any additional legislation revising the minimum standards for plans set forth in ERISA is adopted, Congress must evaluate the likelihood of workers receiving retirement benefits under the current system and set both short- and long-term goals for the future. A fundamental part of that process is articulating national retirement income policy goals.

We were heartened in our efforts when the chairman of the Committee on Ways and Means asked our distinguished colleagues on that committee, Representative J.J. PICKLE, chairman of the Oversight Subcommittee, and Representative JIM JONES, chairman of the Social Security Subcommittee, to study national retirement policy issues. They have had several joint hearings and we applaud their efforts and have pledged to work with them. We agree with them that retirement issues need to be addressed and evaluated in a broader context than has been the case in the past.

Therefore, the Retirement Income Policy Act of 1985 proposes both a series of national retirement policy goals and legislative changes to implement some of those goals. The bill provides the framework for discussion of both the goals and the means to achieve them.

The legislation adopts the following policy goals:

First. Social Security should be the universal and fundamental source of retirement income security for each American;

Second. Retirement benefits provided by Social Security should be supplemented with benefits provided by employer-financed retirement plans;

Third. Retirement benefits provided by both of the above sources should be supplemented with individual savings for retirement;

Fourth. The current voluntary system of employer-sponsored retirement plans should be retained and the growth and development of such plans should be encouraged;

Fifth. Although the age of retirement should be an individual decision, workers should be encouraged by public policy to remain in the work force throughout their productive years;

Sixth. Employer-sponsored retirement plans should be sufficiently flexible to deliver adequate retirement benefits to workers with a variety of career patterns;

Seventh. Benefits which are accumulated for retirement should be retained for that purpose;

Eighth. Although elective approaches to retirement savings may be useful in supplementing employer-financed retirement benefits, public money should be developed with the recognition that employer-financed retirement programs can be more effective in delivering benefits to a broad cross-section of the population;

Ninth. Employer-sponsored savings for purposes other than retirement should be encouraged for employees participating in a meaningful retirement program; and

Tenth. To the extent possible, retirement income should be provided from a variety of sources and should be sufficient to maintain an employee's preretirement standard of living throughout retirement.

The Retirement Income Policy Act of 1985 does not attempt to addrss all of the policy goals described above. Rather, it has four primary objectives: to increase the number of workers covered under private pension plans, to improve the likelihood that participants covered under pension plans will actually receive benefits from those plans, to improve the adequacy of pension benefits received, and to simplify the administration of plans.

Expanding coverage under private pension plans is probably the most serious challenge facing the Congress. In terms of actual numbers, there are more workers covered under plans than ever before. In terms of the percentage of full-time workers covered, however, coverage has stagnated. Slightly more than half of employed individuals work in covered employment and that percentage has remained relatively fixed for a number of years. Unless changes are made to encourage employers without plans to adopt them, it is unlikely that we will see much additional growth in coverage in the future.

Usually when people discuss problems of pension coverage, they are referring to the problem described above. Our hearings revealed, however, that another coverage gap also exists. Many employees who work for companies that have plans are not covered under those plans. Because of the way that current law works, as long as a "fair cross-section" of employees at all compensation levels are covered under the pension plan, the plan is considered nondiscriminatory and not all employees must be covered.

The Retirement Income Policy Act of 1985 addresses these two coverage problems by revising some of the current rules governing simplified employer plans [SEP's] to make them more attractive to small employers—the typical employer without a plan today—and by prescribing new coverage tests for all plans.

Another major area of proposed reform relates to the delivery of benefits. More specifically, the bill improves the likelihood that covered participants will actually receive benefits from their pension plan. The bill achieves that end in several ways.

First, the period of service required for vesting is shortened to 5 years. Under current law, although three different minimum vesting options are prescribed, most plans use "10-year cliff vesting." As a result, most employees must work a full 10 years before they have a right to pension benefits. Unfortunately, a significant number of workers, particularly female workers, no longer stay at one job for 10 years. Worker mobility has increased dramatically over the past decade. According to the Bureau of Labor Statistics, for workers age 35–39, the median job tenure in 1981 among men was 6.6 years and for women 5.7 years. For workers age 40–44, the median job tenure in 1981 among men was 9.5 years and for women 8 years. Thus, reducing the period of service required for benefits would certainly improve the likelihood that more workers will receive benefits under their plans.

Second, the bill would assure that more covered workers will receive benefits by revising the current rules governing the "integration" of pension benefits with Social Security benefits. For many years, the Internal Revenue Code has permitted employers to take benefits their workers will receive under Social Security into account when they establish the benefit or contribution formula under the plan. This authorization under the code, called pension integration, in effect permits a plan to adopt a formula favoring highly compensated workers without violating the ERISA rules against discrimination in favor of those workers with respect to benefits or contributions. There are two main methods of pension integration: excess and offset. The current rules are quite complicated and some employers have taken full advantage of the rules to design their plans in such a way as to "integrate out" lower paid workers, that is, structure the plans to provide no benefits at all for those workers. The Retirement Income Policy Act of 1985 would prohibit the practice of integrating workers out of their pensions and would simplify and make more equitable the remaining rules governing integration.

Another major objective of the bill is to improve pension adequacy. It accomplishes this objective in several different ways. First, all current types of tax-favored employeee pension benefit plans would be divided into two functional categories: retirement plans and nonretirement savings plans. Today, a wide variety of tax-favored "retirement" arrangements exist. Some are better designed than others to assure that benefits will actually be used to provide retirement income. Unlike both the Treasury and President's tax reform proposals which would force all plans to become retirement plans to retain their current tax-favored status, this bill recognizes that the employer-based savings for purposes other than for retirement should be encouraged once employees participate in meaningful retirement programs. Cash or deferred arrangements, commonly known as section 401(k) plans, used to supplement employer-financed retirement arrangements, can significantly increase the likelihood that some workers will have personal savings in retirement.

In addition, several provisions in the bill reinforce the policy objective that benefits which are accumulated for retirement should be used for that purpose. Retirement plans will be required to pay benefits in a retirement income form, generally as annuities over the life expectancy of the participant or, for married participants, over the life expectancies of both the participant and spouse. Of course, many plans today pay benefits in a lump sum. Witnesses at our hearing indicated that most participants who receive a lump sum payment, particularly younger workers, tend to spend it rather than save it. If the purpose of the tax incentives granted to employer-financed plans is to encourage the provision of retirement income for workers, then steps must be taken to assure that the benefits which flow from those plans are generally kept until retirement. Therefore the bill provides that plans may only distribute benefits in a lump sum to participants who have reached age 59½; lump sum payments to younger participants cannot be distributed directly to the participant but must be rolled over from the plan to an Individual Retirement Account [IRA] or to another retirement plan.

Another aspect of pension adequacy relates to the maximum limits on contributions and benefits under retirement plans. When ERISA was enacted in 1974, maximum limits under section 415 of the Internal Revenue Code were set at the lesser of $75,000 or 100 percent of compensation for defined benefit plans and the lesser of $25,000 or 25 percent of compensation for defined contribution plans. Those limits were automatically adjusted annually as changes in the Consumer Price Index occurred. Combined limits also exist under current law.

In 1982, however, the law was changed to reduce the overall dollar limits to $90,000 (from $136,425) for defined benefit plans and to $30,000 (from $45,475) for defined contribution plans. In addition, any cost-of-living adjustments to those limits were suspended until 1988. Current tax reform proposals would even more severely curtail those basic limits. The ostensible purpose of the 1982 changes was to limit "tax abuse" by highly compensated employees. The purpose of the current proposals to limit the section 415 limits is to reduce tax expenditures. Although these cutbacks may make sense from a tax policy point of view, the implications for retirement income policy are quite troubling.

One absolute certainty exists: The 1982 amendments did little to reduce the overall benefits of the highly compensated. Since the section 415 limits for qualified retirement plans were lowered and frozen, companies simply shifted a greater portion of

benefits which would otherwise be paid under the qualified plan to nonqualified unfunded executive compensation arrangements. The people whose benefits were reduced, however, were the upper middle-income workers, and now, as a result of a few years of the frozen section 415 limits of the middle-income and rank and file workers with long service are being hit. More and more companies are moving even moderately compensated workers out of qualified plans to avoid having to reduce their overall benefits to meet the section 415 tests.

Why is that so troubling? From a retirement policy point of view, more and more workers who are not highly compensated are being shoved out of qualified plans into unfunded nonqualified arrangements that are not subject to ERISA. Those nonqualified plans are not covered by any nondiscrimination rules or by any of the minimum standards—vesting, funding, and so forth. Rather than moving us toward a goal of greater retirement income security for all Americans, the current legislative trend toward lowering the maximum limits on contributions and benefits is actually moving us toward a position of lesser retirement income security for many workers. It is time to reverse that trend.

The Retirement Income Policy Act of 1985 revises the current section 415 limits and links them to the Social Security taxable wage base. Since pensions are deferred wages, it is far more sensible to index the limits to changes in wages then to changes in prices. Under the act, the limitation on benefits under defined benefit plans would be the lesser of 100 percent of compensation or 200 percent of the Social Security taxable wage base. The limitation on contributions under a defined contribution plan would be the lesser of 20 percent of compensation or 50 percent of the Social Security taxable wage base. In addition, internal defined contribution limits for cash or deferred arrangements [CODA's] are set at 25 percent of the wage base and for nonretirement savings plans at the lesser of 10 percent of compensation or 25 percent of the wage base.

In early August, Senator HEINZ and I circulated a draft of this legislation to over 150 members of the employee benefits community. Overall, the comments we received were quite favorable. We appreciate the time many individuals and companies took to make constructive suggestions. We are in the process of responding to those letters.

Two threads, however, ran through many of the comments we received. People are tired of piecemeal legislative changes which require annual plan amendments. Even though they may have had problems with certain parts of the proposal, nearly all the commentators praised the comprehensive approach taken by the bill. On the other hand, no one begged us to pass any new legislation immediately. Several of the commentators demanded that instead of new legislation, Congress pass a moratorium on legislative changes so that plans and participants would have time to absorb the many changes which have occurred over the past few years. In recognition of those legitimate concerns, we have proposed a prospective effective date for the Retirement Income Policy Act of 1985 which is no earlier than 2 years after date of enactment. The amendments made by the act would be effective when the first plan amendment is adopted after that 2-year date, but in no case later than December 31, 1990. Similar rules are provided for collectively bargained plans.

One of the things that makes the Retirement Income Policy Act of 1985 so different from most pieces of pension legislation we have seen in the past is its long gestation period—nearly a year. We have used that time to examine what impact the bill's enactment might have on the actual receipt of pensions. Senator HEINZ and I believe that there is clear evidence that this legislation could significantly improve retirement income in the future.

Today, only 38 percent of families with a head of household age 67 receive income from an employer-sponsored pension, and the average income from those benefits is $3,200 (in 1985 dollars). If we do nothing further to change current law, retirement income will improve somewhat in the future. Three factors drive that improvement. First, since today's workers are earning higher wages for more years in pension-covered jobs than their parents, their benefits are likely to be higher. In addition, the increased number of women in the work force is likely to improve their chances of pension receipt. Finally, younger workers stand to benefit from the pension legislation which has been enacted in the past few years. A recent forecast prepared by ICF, Inc., shows that without further legislation, by 2020, the proportion of families with heads of household age 67 receiving pensions will increase to 63 percent, and the average family income from pensions will increase to $7,700 (in 1985 dollars). However, the enactment of only two of the Retirement Income Policy Act of 1985's provisions (5-year vesting and the new distribution rules) would increase the proportion of families receiving benefits to 81 percent, and the average income from pensions to $11,100.

It is time for Congress to adopt a comprehensive and consistent national retirement income policy. Without such a policy against which to measure each legislative proposal as it comes along, the goal of providing a secure retirement free of economic anxiety for every American will never be achieved. We need a detailed plan to reach our goal. This legislation provides both a framework and an impetus for the development of such a plan—a national retirement policy. I urge my colleagues to join with me in support of the Retirement Income Policy Act of 1985.

SUPERFUND

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. LENT. Mr. Speaker, one of the pressing issues for the House to address in the remaining weeks of this session is legislation to extend and expand the "Superfund" Program to clean up our Nation's hazardous waste sites.

On August 1, 1985, the Energy and Commerce Committee reported to the House H.R. 2817, the Superfund Amendments of 1985. Since that time, four other committees have considered H.R. 2817. Three of those four committees have left the basic Superfund Program established by H.R. 2817 intact. Only the Public Works and Transportation Committee reported a complete substitute to H.R. 2817.

Mr. Speaker, I, along with many of my colleagues, spent many months working on the Superfund reauthorization bill reported by the Energy and Commerce Committee. This is a well crafted bill that has achieved the delicate balance between the desire to mandate cleanup standards and schedules and the need to give the Administrator of the Environmental Protection Agency the flexibility to manage the program. I am sorry to say that the bill as reported by the Public Works and Transportation Committee is not such a bill and does not provide an efficient, effective cleanup program.

An editorial in yesterday's Washington Post points out some of the problems with the Public Works and Transportation Committee's Superfund bill. I commend it to the attention of my colleagues.

Mr. Speaker, I ask that the Washington Post editorial, "Superfund * * *," be inserted at this point in the RECORD for the benefit of the Members.

SUPERFUND

Superfund legislation, having languished in the House for the last few months, picked up steam recently as it moved through three more committees. It also picked up added baggage that, despite intentions to the contrary, may actually slow its effectiveness in cleaning up toxic dump sites.

The House must still reconcile the issues raised by the various committee bills—including the final big question of how to finance Superfund—and work out its differences with the Senate, which has already cleared a generally reasonable bill, in a manner acceptable to the White House. Any serious hitch along the way could force Congress to resort to a simple short-term extension of current law—and less progress against toxic hazards.

Apart from its dilatory tendencies, Congress has been slow to reauthorize Superfund because there are genuine uncertainties about how to determine which dumps are hazards, how to clean up those that are and how to assign responsibility for their creation in the first place. Advocates of fast, mandatory action often fail to acknowledge that evidence of actual harm from dump sites is still scanty and that each site can present unforeseeable challenges. While Rita Lavelle's shenanigans as Superfund

chief should not be forgotten, many of the deficiencies of past cleanup efforts arose from ignorance about how best to proceed rather than from deliberate shortcutting.

Arguably the most efficient way to deal with toxic dumps would be to give considerable discretion to the EPA to assess hazards, assign liabilities and select cleanup methods. But the House Public Works Committee, stiffening requirements in a bill reported earlier by the Energy and Commerce Committee, wants to keep EPA on a shorter rein by setting strict timetables for cleanups and precise standards for reducing each type of toxic. The Judiciary Committee also would allow citizen groups to push their own cleanup priorities by suing EPA to force cleanup of specific sites. And while the various measures would make some reforms that might speed cleanup agreements among liable parties, Judiciary would add a new courtroom opportunity for both liable companies and citizen groups to block EPA cleanup efforts if they disagreed with the method chosen.

Given unlimited time and money, all this judicial and community review might produce a somewhat safer cleanup effort—but even that's not a sure thing. And time is important where a dump may leak into ground water. Nor is Superfund money "free"—though it may seem so to districts clamoring for their share. No matter how the taxes to finance the fund are levied, cleanup costs will ultimately be added to the prices of the goods bought by consumers or they will show up in jobs lost to foreign competitors. Those costs will be much higher—and progress much slower—if the new Superfund bill encourages lawsuits instead of cleanup.

GORBACHEV'S JEWISH GAFFE

HON. H. JAMES SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. SAXTON. Mr. Speaker, I would like to bring to the attention of my colleagues an outstanding article by Alan Dershowitz which was printed in today's Washington Times. Mr. Dershowitz gives a devasting rebuttal to Mikhail Gorbachev's statement that he would like to hear of countries that give more rights to Jews than the Soviet Union.

GORBACHEV'S JEWISH GAFFE

When instructing the jury on how to assess the credibility of a witness, a trial judge generally notes that if a witness has been caught in one lie, the jury should view the rest of his testimony with suspicion.

It's useful to keep that bit of folk wisdom in mind as we assess the credibility of the Soviet Union's new media superstar, Mikhail Gorbachev.

The young Soviet leader recently gave the following "testimony" in response to a question about human rights and Soviet Jewry that was put to him by a French journalist: "Well, I can tell you, if there is another country in the world in which Jews have the social and political rights to the extent they have in our country, I would be delighted to hear about it."

Well, perhaps this bit of demonstrable nonsense from the mouth of Mr. Gorbachev wasn't quite a lie. After all, Mr. Gorbachev didn't assert that Soviet Jews were treated well. He simply said that he would be "delighted to hear" about any other country that gives Jews more rights.

Mr. Gorbachev's willingness to "hear" reminds me of the old story of the Bolshevik who brags to a skeptic about the wonders of Soviet science. The Bolshevik claims that Soviet scientists have developed a technique for talking to dead people hours after they've expired. "Sure," says the skeptic, "they can talk, but will the corpse listen?"

In the hope that Mr. Gorbachev may listen, let me venture to tell him about the rights Jews have in other countries that are denied them by his country. (Much of what is true for Jews applies equally to other religious minorities, but I will discuss the rights of Jews, because that is the group singled out by Mr. Gorbachev.)

In other civilized countries, Jews can teach their children the tenets, language, and culture of their religion. In the Soviet Union, the teaching of these subjects is a crime punishable by imprisonment. Even during Mr. Gorbachev's short tenure, an average of one Hebrew teacher per month has been jailed.

In other countries, Jews are free to support or criticize Israel. In the Soviet Union, consistent condemnation of Israel is a prerequisite for advancement and acceptance. It's no surprise that there are currently no Jews in positions of real power in the Soviet Union, despite the fact that there are at least 3 million Jewish citizens of that nation.

In other countries, Jews are admitted to universities on the basis of their accomplishments. In the Soviet Union, certain university departments are entirely closed to Jews, while in others, Jewish enrollment is restricted by rigid and tiny quotas.

In other countries, Jews aren't required to carry papers that identify them as Jews. In the Soviet Union, Jews are specifically identified by "nationality" on their internal passports.

In other countries, private anti-Semitism is tolerated under the rubric of free speech. In the Soviet Union, anti-Jewish propaganda is officially promoted in party-controlled publications, despite Lenin's condemnation of anti-Semitism as "the socialism of fools."

Most important, in every other country in the world (except Syria), Jews are free to exercise their most fundamental right: the right to leave and live their lives elsewhere. In the Soviet Union, hundreds of thousands of Jews are either overt or covert "refuseniks"—people who would like to emigrate, but who have been refused permission.

This last point is the true test of Mr. Gorbachev's hypothesis. If Mr. Gorbachev is right—if Soviet Jews do, in fact, have more rights in the Soviet Union than in other countries—then the proof would be if they were to remain in his wonderful country even if the exit gates were suddenly to open.

How about it, Mr. Gorbachev, are you willing to put your testimony to the test of truth?

Why not declare a one-month free-exit period, during which any Soviet citizen dissatisfied with his or her rights could opt to leave?

Let Mr. Gorbachev then try to convince "his" Jews that they have more rights in the Soviet Union than in other countries. Perhaps some will be persuaded. Certainly others won't. Those who are persuaded should be free to remain. Those who aren't should be free to leave.

At the very least, Mr. Gorbachev should release the one Jew who has been denied all of his rights. That man is Anatoly Shcharansky—who, for the past eight years, has been languishing in the Gulag for the "crimes" of wanting to join his wife in Israel and speaking out on human rights.

Mr. Shcharansky is in ill health. There are rumors that Mr. Gorbachev might be willing to release him, along with Andrei Sakharov, as a good-will gesture in anticipation of the upcoming summit. That would be a welcome gesture, and it would help to restore some of Mr. Gorbachev's tarnished credibility following his false testimony about Soviet Jews.

One way to correct an untruth is to change the facts to make them correspond to what has been said. Giving all Soviet citizens the rights Mr. Gorbachev has said they have would be a welcome change.

TROUBLES IN THE OIL INDUSTRY CONTINUE

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. FLORIO. Mr. Speaker, I am inserting in the RECORD a recent article describing the continuing troubles in the oil industry due to the massive restructuring that is going on.

The consequences include lost jobs, falling wages, volatile prices, and an influx of foreign purchasers. For the most part, all of this is taking place without consideration by Federal officials of the costs to local communities and the national interest. I am afraid this is one more policy of neglect we will come to regret.

[From the New York Times, Oct. 9, 1985]

A SHAKEOUT IN EAST'S REFINERS

PHILADELPHIA, Oct. 8.— A Dutch oil trader could soon be one of the biggest gasoline dealers in the East.

The dealer, John Deuss, recently completed the purchase of the Atlantic Richfield Company's oil refinery here. Now he intends to bid on the other sprawling refinery at the mouth of the city's Schuylkill, the Gulf Oil plant that was put on the block in early September by Gulf's parent, the Chevron Corporation.

The sale of the Arco refinery and Chevron's decision to solicit bids—and the sudden emergence of Mr. Deuss as an important new force in the region—are only the latest developments in what many analysts describe as a shakeout in the East Coast refining industry, which is concentrated in Pennsylvania, New Jersey and Delaware.

SURPLUS IN SLUGGISH MARKET

Eastern refiners have been pressed by a worldwide excess of gasoline, heating oil and other refined products, a widening flow of imports and a sluggish consumer market. Some have responded by cutting back, and others have even abandoned the nation's most populous region. But further changes seem certain, analysts say.

A flat market for oil products already has caused more than 100 refineries to close throughout the country since the early 1980's, leaving about 220 plants. Most of the casualties have been small plants in the Middle West and West. Eastern and Gulf Coast plants, which enjoyed a proximity to either supply or markets, were hurt but not

as badly. Now, analysts fear that the East Coast refineries will face more serious difficulty.

Further market slippage for the refineries in the East—including eight major facilities within 30 miles of Philadelphia—could be devastating, analysts say, because of the prevalence in the region of aging plants and higher-than-average wages.

"NOT THE MOST EFFICIENT"

"The East Coast may be hit harder than some other places," said Lee H. Solomon, a Dallas-based consultant to United States oil companies. "Generally, East Coast refineries are not the most efficient."

Total refining capacity for the region—all East Coast states plus West Virginia—has already dropped 15 percent since January 1981, sliding to 1.6 million barrels a day by the middle of last month, from 1.9 million, according to Energy Department figures. The region's capacity represents about 10 percent of the national total of 15.6 million barrels a day, down from 18 million in January 1981.

A major uncertainty hanging over the refiners is the impact of increased foreign participation in the region. Besides Mr. Deuss, who has a history of large oil deals involving South Africa, the Soviet Union and others, Kuwait's Government-owned petroleum company is reported to be considering a bid for the Gulf plant and other Chevron properties. The Kuwait Petroleum Corporation tried to purchase a Gulf Oil refinery in Louisiana from Chevron last year, but lost in the bidding to the Standard Oil Company (Ohio).

A COMPETITIVE ADVANTAGE

Both the Kuwaitis and Mr. Deuss, who is said to have close ties to Oman and to members of the Organization of Petroleum Exporting Countries, could establish commanding market positions on the East Coast by importing low-priced crude oil to process in their refiners, analysts speculate.

Mr. Deuss paid a total of $192 million in the Arco deal, excluding oil supplies on hand, a price that most industry analysts consider to be extremely low. That, plus his trading experience and connections to the Middle East, could give him an important competitive edge, analysts said.

Mr. Deuss, who is head of a global network of oil trading and marketing concerns, also got 550 service stations in New York and Pennsylvania in the deal for Arco's 125,000-barrel-a-day refinery. He also ended up with 2,000 of Chevron's stations, stretching from New England to Virginia, which were put on the block with the 174,000-barrel-a-day Gulf plant. The bidding on the Chevron properties is scheduled to close in mid-October and a final decision on selling the properties is expected by the end of the year.

All of the eight refineries operating near Philadelphia have been affected by the new operating climate. Those that have not been put on the block have made significant cuts in their work force, either through layoffs or attrition. And all are involved, one way or another, in the continuing reshuffle of service stations and other marketing facilities by major oil companies throughout the East.

The Sun Company, for example, slashed the payroll at its Marcus Hook, Pa., refinery by more than 1,000 workers last year, 20 percent of the total, even as it was swapping its Florida gasoline outlets for Mobile stations closer to its suburban Philadelphia home.

Equally dramatic were the cutbacks at Texaco's former Eagle Point refinery, on the New Jersey side of the Delaware River. Forced to divest itself of the plant as part of its $10.1 billion merger with Getty, Texaco sold Eagle Point to the Coastal Corporation of Houston.

Coastal, which nurtures a reputation within the oil industry for no-frills operations, told Eagle Point's 485 employees that neither they nor their union contracts were part of the sale. The refinery was shut down briefly and the workers formally laid off just before the deal was closed earlier this year, and although many were rehired by the new owners, the plant now operates with about 300 workers and no union contract, according to a Coastal spokesman.

TOTAL WAGES DECLINE

Wages in the refining industry in the Philadelphia area totaled around $334 million last year, down 6.4 percent from the year before because of the staff cutbacks, according to Andrew Moody, an economist with Chase Econometrics, the forecasting firm based in Bala Cynwyd, Pa. The Philadelphia area now accounts for only 6 percent of all employment in the United States oil industry, down from 9 percent in the 1950's, Mr. Moody said.

Elsewhere in the East, some refineries, such as Chevron's in Perth Amboy, N.J., have been closed completely. Others, including Exxon's giant plant in Linden, N.J., and the Hess refinery at Woodbridge, N.J., have mothballed various operations that were running far under capacity. Much of the gasoline, heating oil and other petroleum distillates they produced have been replaced by cheaper products from the Gulf Coast and abroad.

Those imports have been rising sharply since the beginning of this year, reaching 371,000 barrels a day at the end of August from slightly more than 200,000 barrels a day in January, according to an Energy Department report.

Robert Speir, an oil analyst with the department, said the East Coast received the bulk of that flow, as oil traders and producers sought to take advantage of rising retail gasoline prices. Ironically, Mr. Speir said, that price rise was prompted by United States oil refiners cutting back production themselves in order to prop up sagging pump prices here.

"The importers are taking advantage of the situation that U.S. refiners created," Mr. Speir said.

In other efforts to cope with the changing industry environment, some refiners have been trying to make their plants more flexible with new equipment designed to expand their ability to process different crude oils. For example, Mobil recently installed at its Paulsboro, N.J., refinery a $20 million alkylation unit that increases the output of high-octane unleaded gasoline.

Analysts say the logistical advantage that Eastern refineries have by being close to their markets is lessened or eliminated because their equipment is older and their costs for both labor and energy are higher.

The refiners' largest worries, however, remain the price of crude oil and the appetite of the retail market for their products. Some executives, such as the vice president for fuels at Sun, J. Van Dyck Fear, remain optimistic that the declining cost of crude oil eventually will cause East Coast demand to rise.

Others are less hopeful, "I don't ever expect to see demand rebound," said Mr. Solomon, the Dallas consultant. He predicts another 400,000 to 500,000 barrels a day of refining capacity will be shut down nationwide before the situation stabilizes, with most of the cuts coming along the East and Gulf Coasts.

THE SISTER OF CHARITY OF NAZARETH'S 100TH ANNIVERSARY COMMEMORATION

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. DYSON. Mr. Speaker, I would like to bring to the attention of my colleagues the 100th anniversary celebration of the Sister of Charity of Nazareth in St. Mary's County, MD.

As we in Maryland commemorate the Sister of Charity of Nazareth's untiring and unwavering commitment of faith during the past century, I believe it is altogether fitting that we give thanks to the sisters who, over the generations, have brought comfort and light to so many people. On momentous occasions such as this, we not only share remembrances of a rich and vibrant past, but we also prepare to perpetuate ideals far into the future.

On November 3, St. Mary's Academy will help mark the centennial anniversary of the Sister of Charity of Nazareth's continuous service to the people of southern Maryland. As this special day approaches, I praise the sisters for their spirit of compassion and charity, and hope that their community continues to grow and prosper in the years to come.

THE LATIN DEBT CRISIS

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. GARCIA. Mr. Speaker, the Washington Post ran an editorial and an article today on the Latin American debt crisis.

Both pieces offer insight on how to handle this growing problem. I maintain that the heavy burden of debt is the biggest threat to Latin democracies. The more we know about this pressing crisis, the better we will be prepared to offer reasonable solutions.

I am submitting both articles for my colleagues' perusal.

[From the Washington Post, Oct. 22, 1985]

LATIN DEBTS AND SOLUTIONS

As the American proposal on world debt takes shape, the first reaction from Latin America seems to be that there's not enough money in it. But the amount of new lending required will depend heavily on the Latin governments themselves. There's another element of any solution that requires much more attention than it's been getting, and that is the flow of money going there in direct investment.

To the extent that the indebted countries can attract new investment, it will displace

the need for additional loans. But if they cannot, the outlook becomes more somber than ever. It is not realistic to think that any likely amount of help from the World Bank, and coerced lending from the commercial banks, will suffice by itself to balance the Latin countries' accounts.

The rich countries have their own responsibilities here. The commercial banks may have to write off some part of their past loans. The industrial countries will probably have to put up more money to support expanded lending by the World Bank. The United States in particular is contributing to the Latins' troubles with its own huge—and hugely self-indulgent—budget deficits. By keeping American interest rates high and drawing in capital from all over the world, the United States makes it much harder and more expensive for the Latins to attract the capital they desperately need.

But there is also much that only the Latins themselves can do. A lot of their present debt, for example, was generated by financing the flight of capital from their own countries. That is not true of Brazil, but it happened on a large scale in Mexico and, especially, in Argentina. Latin banks borrowed dollars in the United States and sold them to customers who sent them right back to New York and Miami for safekeeping. The great challenge for these countries now is whether they can re-establish an atmosphere in which their own citizens decide to bring their money home.

That's not going to be easy. Mexico had nearly accomplished the feat early last year but then miscalculated and overstimulated its economy. Wealthy Mexicans, foreseeing another surge of inflation and devaluation, quickly began shipping their money north again. The questions of internal stability and attraction to movable money can only be resolved by the Latins themselves.

The proposal that the U.S. secretary of the Treasury, James A. Baker, made at Seoul calls for solutions that share costs between borrowers and lenders. But it also calls for a measure of change in the structure of the indebted countries' economies. The object is to get these economies growing again, steadily and strongly. To do that will require—among other things—a climate in which investment capital again flows freely into Latin America.

[From the Washington Post, Oct. 22, 1985]

VOLCKER URGES MORE LOANS TO LATIN DEBTORS—ADDRESSES BANKERS

(By James L. Rowe, Jr.)

Federal Reserve Board Chairman Paul A. Volcker yesterday urged commercial banks to increase lending to Latin American debtor nations to stimulate economic growth in those countries, and said that it would require a relatively small boost in lending.

Volcker said that the U.S. government's plan to encourage growth in the economies of Latin American debtor nations would involve only a 2.5 percent to 3 percent yearly increase in bank lending to the region.

That is a far slower rate than the rate at which banks boosted their loans to Latin America in the late 1970s and early 1980s.

Volcker said that the $20 billion U.S. Treasury Secretary James A. Baker III wants banks to lend over the next three years is about what Mexico alone borrowed from commerical banks in 1981.

The Federal Reserve chairman told reporters that "everybody will be better off" if banks cooperate with the debt plan unveiled by Baker earlier this month during the annual meetings of the World Bank and International Monetary Fund in Seoul.

At a press conference following an address to the annual convention of the American Bankers Association, Volcker said it was up to banks whether to increase their lending to developing nations on a bank-by-bank basis or as a group. Since the onset of the so-called Latin American debt crisis three years ago, banks have negotiated collectively with individual debtor nations.

Volcker also met with executives from more than 100 of the nation's biggest banks yesterday to outline the Banker proposal and to urge them to join in the plan to resuscitate Latin American economies. Although many of the debtor nations have resumed economic growth—after devastating recessions in 1982, 1983 and early 1984—their income levels are no higher than they were a decade ago.

The Baker proposal is a recognition that Latin American nations are chafing under the austerity programs they have imposed during the last three years. Those measures represent an effort by the debtor nations to husband dollars to pay their more than $350 billion in foreign debts, about $230 billion of which is owed to commercial banks.

The plan not only calls for a $20 billion increase in commercial bank lending over the next three years, but also for a $9 billion increase in lending from multinational institutions such as the World Bank and the Inter-American Development Bank. Many of the loans from the official institutions would be tied directly to domestic economic changes that would require the debtor nations to dispose of some of their money-losing, inefficient state companies and open up their economies to more internal and external competition.

"Happily, that is the direction in which new leaders in Latin America—democratically elected leaders—have repeatedly said they want to take," Volcker said in remarks prepared for delivery to the bankers group.

He told the bankers that more growth cannot be achieved in Latin America without a "moderate" increase in lending from commercial banks, but said that the banks and the countries have a "common interest in sustainable growth—growth necessary to meet the legitimate aspirations of the borrowers and growth not unduly dependent on external finance."

He said the growth would "progressively lighten both the heavy debt burdens of the borrowers, relative to the size of their economies, and the exposure of the lenders, relative to their assets and capital."

Volcker said that debtor nations that take steps to reform their economies and to continue to pay their debts "can legitimately ask that they have some assurance" of increased loans from commercial banks and international institutions as long as the countries "do their part of the job."

PERSONAL EXPLANATION

HON. HAROLD ROGERS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. ROGERS. Mr. Speaker, on Wednesday, October 16, I was unable to be present for the vote on final passage of H.R. 1409, the military construction authorization for fiscal year 1986. Had I been present for rollcall No. 369, I would have voted "aye." In addition, had I been present I would also have voted "aye" for rollcall No. 362, providing military construction appropriations for fiscal year 1986.

LEON KLINGHOFFER REPRESENTED WHAT IS BEST IN AMERICA

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. WEISS. Mr. Speaker, Leon Klinghoffer represented what is best in America. He was a courageous and determined man who fought injustice all his life. During the Second World War, he served his country in the Army Air Corps. After the war, he realized a dream of millions of Americans—starting with little more than their own ingenuity and determination, he and his brother built a company to manufacture a product which they themselves had invented. As a philanthropist, he then shared his good fortune generously with others.

In recent years, partly paralyzed by a stroke, he refused to accept the limitations of his disability. He set for himself the goal of escorting his daughter Ilsa at her wedding 2 months hence, and had he lived he would not have rested until he had achieved that goal.

When he was attacked by the *Achille Lauro* terrorists, Leon Klinghoffer, disabled as he was, resisted courageously.

Mr. Speaker, it is altogether fitting that we honor this brave American. Together with Senator D'AMATO, I am therefore introducing legislation to confer the Congressional Gold Medal of Achievement on Leon Klinghoffer posthumously. I invite all members of the House to join me as cosponsors.

H.J. RES. 425

Joint resolution concerning the cruel and inhuman killing of Leon Klinghoffer by international terrorists aboard the cruise ship *Achille Lauro*, because he did not submit to the demands of the terrorists

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled.

Concerning the cruel and inhuman killing of Leon Klinghoffer by international terrorists aboard the cruise ship *Achille Lauro*, because he did not submit to the demands of these terrorists.

Whereas the Italian cruise ship *Achille Lauro* was on a peaceful journey in the Eastern Mediterranean Sea in international waters;

Whereas, the *Achille Lauro* was seized by a group of terrorists for the purpose of frightening and threatening the passengers, their relatives, and law-abiding citizens everywhere, and for the purpose of drawing attention to the terrorists' goals;

Whereas the terrorists were armed and dangerous and attempted to force the passengers and crew of the *Achille Lauro* into submission to further their purposes of terror, anarchy, hate, and death;

Whereas the terrorists have been charged under United States law with hostage-taking, piracy, and conspiracy to commit both;

Whereas Leon Klinghoffer, a 69-year-old, dearly beloved American who was crippled and confined to a wheelchair, did not submit to the demands of the terrorists; and

Whereas the terrorists brutally killed Leon Klinghoffer by shooting him several times and throwing his body overboard because he resisted their demands;

Now therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That

(1) the Congress award posthumously to Leon Klinghoffer a Congressional Gold Medal to show Congress' admiration for the bravery of Leon Klinghoffer, a handicapped senior citizen, who, during his kidnapping by terrorists on the high seas, did not submit to terrorist demands to further the objectives of terrorism, and who gave his life as a result of this resistance;

(2) the Secretary of the Treasury is directed to strike and issue this gold medal in accordance with the national medals provisions of section 5111 of title 31, United States Code;

(3) the President is authorized to present this gold medal, on behalf of the Congress, to Marilyn Klinghoffer, the widow of Leon Klinghoffer; and

(4) such sums as may be necessary to provide and present this fitting tribute are hereby authorized to be appropriated.

FOREIGN INVESTMENT IN U.S. ASSETS INCREASING

HON. JOHN BRYANT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. BRYANT. Mr. Speaker, foreign investment in U.S. assets—made attractive by America's record budget deficits, which have driven up interest rates, and made possible by our Nation's record trade deficits, which are depositing billions of our dollars on foreign shores—is increasing rapidly.

Foreign governments, corporations, and individuals own $1 trillion in U.S. assets here that we are aware of and conceivably much, much more that we do not know about. Foreign interests can invest here freely—and, if they choose, largely anonymously—while Americans are generally denied the same opportunities for ownership of assets abroad as most countries of the world have either outright prohibitions against certain types of investment, limitations on the extent of out-of-country ownership, or complicated protectionist approval procedures.

I have introduced the "Foreign Investment Disclosure and Reciprocity Act," H.R. 2582, to require full public disclosure of major foreign holdings here and to demand that other countries accord our investors the same investment opportunities there that we permit their investors here.

Although this issue thus far has received relatively little public attention, it is of major importance with regard to the U.S. position in the world economy. For that reason, I would like to call to the attention of my colleagues and the American public a recent article in the Washington Post which details some of the increasing foreign investment here of which we are aware.

FOREIGN FIRMS EYE UNITED STATES FOR ACQUISITIONS

(By Michael Schrage and David A. Vise)

Shearson Lehman Bros. merger chief Stephen Waters believes that when he goes to London later this month to speak at a financial conference, the most crowded session will be his primer on how to pursue a hostile takeover—American style.

The session's popularity is just one sign of a recent surge in curiosity and activity by foreign companies tempted by the prospect of acquiring U.S. corporations.

The increasing globalization of consumer and industrial markets, he desire to buy a stake in the relatively robust U.S. economy, and, more recently, the decline of the dollar have combined to ignite a new acquisitiveness in the United States by some of the largest multinational corporations from abroad.

The surprise is "the dimensions of interest," and Jeffrey Rosen, head of international mergers and acquisitions at First Boston Corp. "It is no longer confined to $25 million-to-$50 million deals or, at the outside, $200 million deals.

"What we are seeing is a significant interest in very large acquisitions across a broad spectrum of industries and much greater U.S.-style sophistication in terms of acquisition techniques. People are no longer afraid of a deal that may require a more aggressive approach to get the deal done."

"It's brutal, blunt, direct and fast," said Citicorp mergers and acquisition specialist Kamal Mustafa, referring to the effect of U.S. takeover tactics adopted by foreign companies. "It's got all the efficiencies associated with a lack of tact."

Musafa and Rosen point to last year's $2.9 billion takeover of Carnation Co. by Switzerland's giant Nestle Co. Inc. as the "watershed" acquisition that sparked the multi-billion-dollar takeover-bid boom. The also cite Dutch-British conglomerate Unilever's bid for Richardson-Vicks Inc. and London-based Hanson Trust PLC's bid for SCM Corp. this year as examples of foreign companies willing to risk hostile-takeover bids.

Part of this new aggressiveness is directly attributable to the frenetic pace of domestic U.S. merger and acquisition activity.

If foreign companies were to delay, "most of the big deals would be gone," according to Citicorp's Mustafa. "These companies want to buy the No. 1, 2 or 3 American companies [in their industries]—if they buy Nos. 4, 5 or 6, they might not get anywhere."

For example, Unilever, eager to expand its consumer-products presence in the United States, has not given up after failing in its bid to acquire Richardson—Vicks Inc. Even though Unilever's bid for Vicks led to the sale of the company to Procter & Gamble Co.—Unilever's biggest competitor—Unilever spokesman Humphrey Sullivan said last week that the company is looking for another U.S. acquisition target.

Consequently, foreign companies now are working with U.S. investment bankers to assure that they have a crack at premium American companies. Citicorp said that it has doubled the number of its international mergers and acquisitions specialists over the past year. Goldman, Sachs & Co. has moved international merger specialists from New York to London. First Boston said it will "significantly increase" the number of professionals it has working on international deals.

The specialists stress that corporate strategies, not favorable exchange rates, are the motivating force behind most major acquisitions.

"The real point is that exchange rates are not driving this activity," First Boston's Rosen said. "It is much more fundamental than that. I was in England for a couple of days this week, and we asked British companies what effect the weaker dollar would have on their acquisition strategy. The consistent response was, 'It's merely the icing on the cake, and we're hungry for the cake.' "

"I don't feel the strength and weakness of the dollar has any major impact," said Michael Henning, managing partner of Ernst & Whinney in New York. "As long as [foreign companies] borrow in dollars to make the acquisition in dollars, they are hedged."

However, venture capitalist Frederick Adler, a financier who specializes in leveraged buyouts, stated, "A European technology executive from a $1 billion-a-year company commented to me that, since the drop in the dollar, their interest has increased. We've seen a pick-up in interest and it's a logical pick-up."

Increased interest has been especially noticeable in high technology, a segment that has attracted foreign companies, even though it is undergoing a major shakeout.

"The cheaper dollar has to make it easier for foreign companies to come in," said Gilbert Mintz, a partner at Broadview Associates, which is a broker for mergers and acquisitions in the data-processing-services industry. "The cheaper price for American technology is going to spur a brisk round of foreign acquisitions here in America. It will be interesting to see what their impact will be on American software firms. We've seen interest from a number of foreign firms—Thorn EMI, Olivetti, Reuters, Pergamon . . . .

"The major area of aggressive interest seems to be Great Britain, and there's also interest from France. I think it's just a matter of time before the Japanese get their act a little bit more together."

British companies led foreign activity last year with 50 major deals in industries ranging from retail to oil to industrial products, according to Mergers & Acquisitions magazine. Canadian and Japanese companies were the next most active.

But a key difference recently has been the size of deals—Royal Dutch Shell's $5.4 billion acquisition of Shell Oil, Broken Hill Proprietary Co. of Australia's $2.4 billion acquisition of General Electric Co.'s Utah International Co. and Hanson Trust's $487.6 million acquisition of U.S. Industries Inc.

Several Japanese companies—such as computer giant Fujitsu Ltd. and ballbearing manufacturer, Minebea Co. Ltd.—already have shown a willingness to come into the United States by taking over U.S. firms. Fujitsu's stake in the Amdahl computer company and Minebea's recent acquisition of New Hampshire Ball Bearings Inc. reflect Japanese desires to establish equity positions in U.S. companies that have a good technology and distribution base.

"An American company is good for ideas, development capabilities and marketing," said Takami Takahashi, Minebea's president. "We're much better at the production."

25 LARGEST FOREIGN ACQUISITIONS OF U.S. INTERESTS 1984

Acquirer	Acquired/merged firm	Price (millions)
1. Broken Hill Proprietary Co. (Australia)	Utah International Co	[1] $2,400.0
2. Bank of Montreal (Canada)	Harris Bankcorp, Inc	546.6
3. Hanson Trust PLC (England)	U.S. Industries, Inc	487.6
4. Fuji Bank Ltd. (Japan)	Commerical finance units of Walter E. Heller International Corp	[1] 425.0
5. News Corp., Ltd. (Australia)	Business publications division of Ziff-Davis Publishing Co	[1] 350.0
6. Imasco, Ltd. (Canada)	People Drug Stores, Inc	320.0
7. Nippon Kokan K.K. (Japan)	National Steel Corp. (50 percent)	292.0
8. Mitsubishi Bank, Ltd. (Japan)	BanCal Tri-State Corp	282.0
9. Distillers Co., Ltd. (Scotland)	Somerset Importers, Ltd	[1] 250.0
10. Norweigian Carribean Lines (Norway)	Royal Viking Line, Inc	236.9
11. Fujitsu, Ltd. (Japan)	Amdahl Corp. (additional 19.5 percent)	189.2
12. Franz Haniel & Cie (West Germany)	S.M. Flickinger Co., Inc	172.8
13. Whitbread & Co. PLC (England)	Buckingham Corp	[1] 100.0
14. Societe Quebecoise d'Initiatives Petrolieres (Canada)	Sundance Oil Co	95.1
15. AB Volvo (Sweden)	Hamilton Corp. (additional 18 percent)	91.7
16. News Corp. Ltd. (Australia)	Chicago Sun-Times	[1] 90.0
17. Beecham Group PLC (England)	Roberts Industries, Inc	85.0
18. Imasco, Ltd. (Canada)	Rea & Derick, Inc	[1] 85.0
19. Saatchi & Saatchi Co. PLC (England)	Hay Group	80.0
20. Tarmac PLC (England)	Cement operations of Lone Star Industries, Inc	[1] 80.0
21. News Corp., Ltd. (Australia)	St. Regis Corp. (5.6 percent)	65.1
22. Unicorp Canada Corp. (Canada)	Institutional Investors Corp	62.0
23. Charterhouse J. Rothschild PLC (England)	Stanley Interiors Corp	56.0
24. Brierly Investments, Ltd. (New Zealand)	Higbee Co	53.0
25. AB Volvo (Sweden)	Hamilton Bros. Petroleum Corp. (addional 24.8 percent)	52.0

[1] Divestiture by American parent company. Divestitures of foreign units of U.S. firms to foreign companies not included.

Countries most active in U.S. acquisitions, 1984

Country:	*Transitions*
United Kingdom	50
Canada	41
Japan	12
Netherlands/Netherlands Antilles	12
France	11
Sweden	9

Source: Mergers & Acquisitions magazine.

Industry areas attracting foreign buyers, 1984

Industry area:	*Transitions*
Retail trade	15
Mining, oil and gas extraction	14
Business services	13
Printing and publishing	11
Machinery except electrical	11
Electrical and electronic machinery	11

"We are looking at companies for the Japanese," said Citicorp's Mustafa. "They are starting to fine-tune their criteria for acquisitions. While there are no hostile acquisitions yet, one of them will come in on a public issue and win a bidding war, and there is a certain tendency to follow the leader in Japan, so that would mean more hostile-acquisition activity."

While some merger experts believe that hostile takeover bids by such foreign companies as Unilever and Hanson are the beginning of a round of aggressive foreign takeover attempts, Sir Gordon White, who directs Hanson's U.S. activities, said last week that he thinks just the opposite is true. White said that his company's controversial fight for control of SCM Corp. is exposing unfair and complex antitakeover tactics used by U.S. corporations, which will discourage future hostile takeover bids by foreigners.

The feedback I'm getting from Great Britain and France is that they are horrified," White said last week. "They cannot understand how companies in the U.S. are allowed to put in restrictions that take power away from shareholders. In Britain, the shareholders get the best deal. I don't see [other foreign companies] coming over. They cannot understand these tactics. I can't imagine French or Italian companies [getting involved in a takeover attempt in which aggressive antitakeover tactics are used]. They don't even speak the same language. They'd [end up] jumping off the Empire State Building."

Ironically, merger and acquisition battles between American firms also may spark new foreign acquisitions, Mustafa said.

"In the U.S., one of the few defenses that exist against hostile takeovers is the white knight," or friendly company, he said. "However, American white knights often change color overnight to gray or black" to pursue their own ends, according to Mustafa. As a multinational corporation itself, Citicorp has been collecting a stable of foreign companies to act as potential white knights to rescue beleaguered American takeover targets. "The foreign white knight doesn't change color that fast," he said.

THE REAGAN ADMINISTRATION'S DEFINITION OF RACISM

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. RANGEL. Mr. Speaker, the Reagan administration has embarked upon a campaign for disinformation in the area of civil rights. This is certainly not a new tactic, but it has become apparent that civil rights enforcement is in jeopardy.

It is in jeopardy because President Reagan talks about promoting racial equality, but has done little to match his words with action. The administration has issued a barrage of statements proclaiming that the need for Federal initiatives in civil rights enforcement is no longer necessary. Rather, minorities and women should rely upon the kindness of the private sector and local governments.

Someone should inform the White House that disadvantaged groups were discriminated against precisely because the Federal Government was kept out of the civil rights market.

One blatant example of Reagan's lack of understanding in this area is Prince Edward Academy in Farmville, VA. Prince Edward Academy has a long history of racist admissions policies. In fact, it was founded in the late fifties when the Farmville area closed its public schools rather than allow them to be integrated. Prince Edward Academy has since refused to admit black students, despite a recent declaration of an open-admissions policy.

The administration has given the academy tax-exempt status based solely upon its declared open-admissions policy. No attempt has been made to determine whether this policy is enforced, and no one in the administration has voiced his or her opposition to this obvious example of discrimination.

I would like to bring the following article by William Raspberry to the attention of my colleagues. It is a good analysis of the Prince Edward case. I urge my colleagues to read it closely:

[From the Washington Post, Oct. 11, 1985]

THE RACISM DOESN'T SEEM TO MATTER

(By William Raspberry)

The counterrevolutionary philosophers of the Reagan administration are back: attacking the remedy and ignoring the disease.

In their most recent clock-reversing actions, they have (1) gone out of their way to interfere in a settlement worked out between the city of Omaha and a group of black police officers and (2) granted tax-exempt status to a Virginia school that came into existence as a means of thwarting the Supreme Court's 1954 desegregation decision.

In the Omaha case, the black officers, disappointed that a new pool of 170 candidates for the police academy included only five blacks, took the matter to federal court. U.S. District Judge C. Arlen Beam did not say how many blacks, if any, must be hired, but he did order the city to add 27 to 35 black applicants to the pool.

That was enough to start the Justice Department counterrevolutionaries screaming "Quotas!" Department lawyers have asked Judge Beam to strike that part of his order calling for adding blacks to the pool.

Deputy City Attorney Jim Fellows is asking the feds to butt out. The city considers the matter settled and would prefer to get on with training the new officers it needs.

Prince Edward County, Va., became a national symbol of "massive resistance" when, rather than bow to the Supreme Court's 1954 desegregation decree, county officials

simply shut down the public school system. Black children in that economically depressed area either were taught at home for the next five years, without any official support or concern, or else shipped off to live with relatives. Whites, meanwhile, pooled their resources and opened the whites-only Prince Edward Academy.

There had been some limited consolation in the fact that the Internal Revenue Service has disallowed tax-exempt status for the school (as counter to public policy), meaning that the school would at least be subject to federal taxes and that contributions to it would not be tax deductible.

Now the Reagan administration has reversed that policy and given the academy its tax-exempt blessing. It turns out that (according to its application to the IRS) the academy's board adopted an open-admissions policy last year. It still has no black students, mind you, but that is because none has applied. It does, its statement boasted, have American Indian, Vietnamese, Spanish, German and French students.

Well, la-de-dah.

As James Ghee, the state NAACP president and a resident of Farmville, understated it, "I am surprised to see that the academy, by merely making a statement that it doesn't discriminate, would be granted its tax-exempt status back. Nothing has changed in the policies or procedures of Prince Edward Academy."

Ghee's remark underlines the most striking aspect of the Reagan administration's approach to racial discrimination: its obsession with process and its lack of interest in results.

An administration seriously concerned about segregation, discrimination and other impediments to equal opportunity would want some concrete evidence that Prince Edward Academy had mended its ways. The presence of black students would be persuasive, but so would signs of a serious effort to recruit black students. But for the counter-revolutionaries, who are more comfortable with racism than race-specific remedies, the plain statement of open admissions is enough.

An administration that understood—and cared about—the importance of the appearance of racial fairness would want to know why Omaha, with a black population of upwards of 12 percent, would have a police recruit class of less than 3 percent. It would be open to the possibility of a reasonable explanation (and also open to the possibility that the numbers were symptomatic of a wider problem), but it would ask the question.

But for those in this administration who believe the wrong side won the civil rights revolution, real-world results are a side issue. Given the choice between an ideologically pure approach and a reasonable outcome, they'll fake ideological purity every time.

THE SANDINISTAS SHOW THEIR TRUE COLORS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. BIAGGI. Mr. Speaker, several months ago I voted for legislation that passed both Houses to provide $27 million in humanitarian aid to the Contras in Nicaragua who are working to restore democracy in that nation. I voted for the aid in large measure because of two fundamental and related concerns I have about the Sandinista regime in Nicaragua.

The first relates to their increasing and open tendency to be aligned with the Soviet Union. This included several celebrated visits that President Ortega made to Moscow in recent months in pursuit of Soviet aid.

The second concern relates to the brutal internal policies practiced by the Sandinistas in Nicaragua. In many respects their alignment with the Soviet Union has produced a Soviet-like state in Nicaragua.

During the heat of the debate in Congress as to whether or not to provide the aid to the Contras, President Ortega made a number of claims of reforms and contended that the allegations made against his government were unwarranted. The Congress disagreed and voted to provide the aid to the Contras.

This week, it appears that the Sandinistas are displaying their true colors. On Tuesday, President Ortega announced that he was suspending a wide range of civil rights and was broadening a national state of emergency first established in March 1982.

According to a report filed by UPI and reported in the October 16 Washington Post:

The rights that were suspended cover the right to public meetings, to strike, to freedom of expression, to move about freely within the country and to organize into labor groups.

The article continued:

Legal experts said the measures announced today permit police or other authorities to raid and search homes. They also suspend protection against unwarranted detention, the right to a speedy trial and the right to appeal convictions.

The suspension of rights announced by President Ortega will last for 1 year. In his statement Ortega charged the United States with sabotage and used this as his justification for imposing these harsh measures.

The administration's response to this action was swift and critical. White House spokesman Larry Speaks said:

It's a clear example of Nicaragua tightening their control over their country and violating basic freedoms by refusing to tolerate dissent. Our reaction will be that these individuals have trampled on the civil liberties as few countries have ever done. Now it's in the area of personal freedom and privacy.

I contend that the Congress voted properly in supporting the efforts of the Contras in Nicaragua. We cannot concede the nation of Nicaragua to the Soviets whether directly or indirectly. The Soviet sphere of influence is spread far enough and should not be extended further. It is important that we maintain our position in supporting of the democratic forces in Nicaragua. It is obvious what they are fighting. Despite attempts at deception, the Ortega regime is anti-American, antidemocratic and needs to have continued pressure brought on it if there is to be any chance for improvement.

At this point in the RECORD, I insert an article from today's New York Post which focuses on the latest developments in Nicaragua.

NICARAGUA FOR RIGHTS SUSPENSION

(By Niles Lathem)

WASHINGTON.—The Reagan administration blasted the Nicaraguan government yesterday for suspending civil rights.

U.S. officials called the suspension a "further step" toward imposing a totalitarian regime.

The administration also accused the Nicaraguan government of particularly harsh treatment of members of the Nicaraguan Catholic church, including forcing priests into military service.

The tough statements came amid reports that Nicaraguan President Daniel Ortega is seeking a U.S. visa to travel throughout the nation making speeches.

State Dept. spokesman Bernard Kalb refused comment on the request and other officials said no final decisions on it had been made.

Earlier this week Ortega claimed his country could no longer tolerate U.S.-directed "sabotage and political destabilization."

He broadened the state of emergency in his country by taking a series of steps to suspend a wide range of civil rights for one year.

The steps include warnings against criticizing government policies and suspension of the rights to strike, meet publicly and move freely within the country.

The state of emergency also permits Nicaraguan security police to raid homes at will.

And it suspends all protection against false arrests or unwarranted detention, as well as the right to appeal convictions, State Dept. legal experts said.

"The Sandinista government has taken a further step toward imposing a totalitarian regime on the people of Nicaragua," said Kalb.

Denying that U.S. support of Nicaraguan freedom fighters had anything to do with the rights suspension, Kalb added:

"The action is the result of the growing disillusionment with the Sandinista regime by large sectors of the population and reflects the Sandinistas' fear of their own people."

The U.S. also provided fresh details about the persecution of the Nicaraguan church.

These include a late September decision to force 11 seminarians into military service, an Oct. 12 raid on all the Catholic church's presses and printing equipment used to publish its newspaper the Iglesia, and an occupation yesterday of the church's Social Service Agency by security officers, who refused to let clergymen enter.

"The Sandinistas obviously fear the strong support for the Nicaraguan church by the great majority of the Nicaraguan people," Kalb said.

CONGRESSIONAL SALUTE TO THE VALLEY ROAD COVENANT CHURCH OF MONTCLAIR, NJ, UPON THE CELEBRATION OF THE 90TH ANNIVERSARY OF ITS FOUNDING

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. ROE. Mr. Speaker, on Saturday, October 26, the people of Montclair, my congressional district, and the State of New Jersey will join with the pastor, Rev. John R. Martz, and the congregation of Valley Road Covenant Church of Montclair, NJ, to observe and commemorate the 90th anniversary of the founding of this highly esteemed parish. This historic event salutes our citizens of Swedish heritage who, over these past 90 years, have, by their example, engendered the esteem and respect of the residents of our community through their steadfast faith, hope, and charity in promulgating the richness of their religious culture through the establishment of the Valley Road Covenant Church.

Mr. Speaker, the faith and devotion of our people in a full communion of understanding, ever caring and respecting the individual religious beliefs of his or her fellow man has been the lifeline of our democracy—ever inspiring our people with hope and urging the individual on to great achievements and purpose in pursuing the fulfillment of his or her dreams and ambitions. The exemplary leadership and outstanding efforts of our citizens so important to our quality of life are in the vanguard of the American dream and today we express our appreciation to Pastor Martz and his predecessors whose dedication and unselfish devotion in promulgating spiritual guidance, good will, fellowship, and brotherhood in service to God have truly enriched our community, State, and Nation.

At the outset, may I commend to you the most esteemed pastors who have served the congregation of the Valley Covenant Church over the past 90 years with sincerity of purpose throughout the years in perpetuating its sterling principles in serving God by proclaiming His Word and ministering to the needs of the congregation and the community, as follows:

PASTORS WHO HAVE SERVED THE CHURCH

1895—Rev. C.J. Larson.
1897—Rev. C.G. Elstrom.
1900—Rev. Otto Nelson.
1901—Rev. C.M. Ahlberg.
1904—Rev. I.A. Astrom.
1908—Rev. Jonas Anderson.
1910—Rev. Arthur Bowman.
1913—Rev. Henry R. Nelson.
1918—Rev. Arthur Lindblade.
1923—Rev. G.A. Suber.
1930—Rev. J.J. Huleen.
1939—Rev. S.V. Hanson.
1944—Rev. Donald Hare (interim).
1946—Rev. Leonard O. Anderson.
1950—Rev. Wallace J. Starratt.
1953—Rev. Robert A. Sturdy.
1959—Rev. Bryan J.H. Leech.
1964—Rev. Donald E. Lindman.
1970—Rev. Thomas D. Anderson.
1973—Rev. Michael D. Redmond.
1979—Rev. John R. Martz.

Mr. Speaker, I know that you and our colleagues here in the Congress will want to join with me in extending our heartiest congratulations and best wishes to the pastor of Valley Road Covenant Church and all of the members of the congregation of this historic occasion.

The quality of the leadership of members of the most reverend clergy and our citizens of Swedish heritage who settled in the township of Montclair, NJ, and founded Valley Road Covenant Church is most eloquently intertwined in the history of the church. I would like to insert at this point in our historic journal of Congress a brief chronology of the history of the Valley Covenant Church, as follows:

HISTORICAL NOTES ON THE VALLEY ROAD COVENANT CHURCH

1893—A group of Swedish Immigrants organized a Missionary Society; meetings were held in the chapel of the First Presbyterian Church in Montclair.

1895—This group organized as a Congregation under the name "Swedish Christian Mission Church." Charter members included six men and 16 women.

1898—The group affliated with the Congregational denomination with the names "Swedish Congregational Church."

1899—The present church building was erected.

1900—The Church affiliated with Eastern Missionary Association, now known as the East Coast Conference of the Evangelical Covenant Church of America.

1924—The parsonage was erected on a lot adjoining the church. The historic house on the rear of that lot became the Church Annex, now also serving as the home of the sexton.

1929—The Church was remodeled and a pipe organ was installed.

1953—The front of the Church was remodeled. This changed the entrance, giving a new foyer, and provided three rooms for office and teaching space.

1954—The Church affiliated with the Evangelical Mission Covenant Church of America, now known as the Evangelical Covenant Church of America. The name of the Church was changed to Valley Road Covenant Church.

1957—The fellowship hall and Christian Education building was erected, and the sanctuary was extensively refurbished.

1976—Worship service structure was modified to include interaction Service.

1985—Annex apartment was modernized and completely redecorated by the church family.

Mr. Speaker, the 90th anniversary of Valley Road Convenant Church will be celebrated on Saturday, October 26, with a rich civic and religious program, as follows:

NINETIETH ANNIVERSARY DINNER

(October 26, 1985—5:30 p.m.)

Greetings: Kart Greene, Church Chairman.
Invocation: John Martz, Pastor.
Dinner: Ray Juebler, Host.
Move to Sanctuary.
Welcome: John Martz, Pastor.
Opening Hymn No. 29: "Praise to the Lord, The Almighty".
Scripture Reading: Susan Fichtelberg.
Prayer: Ann Gustafson.
Special Music: Paul Liljestrand.
Greetings from Friends: Ed Gustafson.
Choir Anthem: "Welcome Home, Children" (arr. Ron Huff).
Greetings from Former Pastor: Kevin McBride.
Special Music: Paul Liljestrand.
Highlights from the Past: Elaine Fiveland.
Hymn No. 383: "Great Is Thy Faithfulness".
Message: Rev. Robert Erickson.
Special Music: Paul Liljestrand.
Benediction.

Mr. Speaker, I am pleased to have this opportunity to seek national recognition of the distinguished pastors and congregation of Valley Road Covenant Church. In their dedication and devotion to our people, in service to God and mankind, they have truly enriched the cultural, educational, and religious endeavors of our community, State, and Nation. We do indeed salute them and the members of the Valley Road Covenant Church of Montclair, NJ, upon the commemoration and celebration of their 90th anniversary.

AN ARMS AGREEMENT DOES NOT A PEACE MAKE

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. BROOMFIELD. Mr. Speaker, arms control is not the only issue over which the United States and the Soviet Union have a major disagreement. While all of us hope that our two countries will someday have a truly peaceful relationship, peace will not be won by a naive assessment of the differences which separate our two nations. The arms control issue is one of the many problems which our country and the Soviets have to resolve.

The Soviet experience is very different from the American one. Their historical development and relations with other states in the region have created their deep paranoia about protecting "Mother Russia." Their traditions and their view of religion are very different from our own. Communism's definition of the nature of man and his role in a society are far removed from that given by our democratically oriented forefathers. Human rights are very important to us while the Soviet leaders in the Kremlin see that issue in another light. They show little concern about their bloody incursion into Afghanistan and the ongoing tragedy in that poor country. They showed callous disregard for the downing of the Korean airliner and the horrible loss of so many lives to include a Member of the House of Representatives.

Communism still justifies the Berlin Wall and the tragic murders of the many who have tried to flee to freedom in the West.

Mr. Gorbachev has cleverly played down these real differences in some of this recent public relations forays in the West. He has stressed that the upcoming meeting will only be successful if major progress is made on an arms control agreement. He has deliberately put President Reagan on

the spot in the forthcoming talks while ignoring the other important areas of disagreement between our two nations.

With much fanfare to get the attention of the world, Mr. Gorbachev has repackaged some old Soviet arms control ideas and has told the world that this new proposal is so good that the United States cannot afford to turn it down. He has paraded around Europe telling our allies that if President Reagan fails to accept the new Soviet arms initiative there could be difficult times ahead.

Mr. Gorbachev has equated a new arms control agreement with the very survival of mankind. He has taken his arms control offer on a road show and has suggested that our President is against peace if our Government fails to buy off on the deal. What has he said, however, about progress in the other areas which divide our Government from the Kremlin leaders? Very little, in fact. He dismissed most of them with a wave of the hand.

I believe the American people clearly see Mr. Gorbachev's strategy and can see through his obvious trickery. We all know that flexibility is a two way street that must be walked by both sides. I urge our President to be fair but tough in Geneva. With these thoughts in mind, I commend the following article from the Washington Post to my colleagues in the Congress.

OBSESSION

(George F. Will)

Several years ago, I heard President Reagan say approximately this:

"I would like to take the Soviet leaders up in a helicopter over Los Angeles." (Here I thought: Good, he is going to push them out. But, no.) "I would point to all the small houses with swimming pools and I would say 'Those are the workers' houses!"

Surely Ronald Reagan does not think the hard men of the Kremlin are misguided Lane Kirklands, labor leaders mistaken about how best to raise living standards. But Reagan may illustrate the great, and perhaps fatal, paradox of American politics:

He is thumpingly successful because he is thoroughly American—moderate, amiable, reasonable and convinced that others are too. That is, he has the constricted political imagination natural in a sheltered, liberal nation to which history has been kind. Hence he is, as the most successful American leaders are most likely to be, especially apt to underestimate the terrible dynamic of the Soviet system. One manifestation of this misunderstanding is the sweet thought that the regime's leaders would be susceptible to the taming example of American freedom and affluence.

I mention this now because The Post reports that recently the president was flying over New Hampshire and said to the governor how much he would like to take Gorbachev to "any house down there" to meet "the working people." What does the president think such a visit would accomplish? Perhaps: the Gorbachev palm slapped to the Gorbachev forehead, and a thunderstruck exclamation, "Marx goofed! I have seen the future, and lots of kitchen applicances, and it and they work. So dismantle the Gulag!"

Is this another "It's all a horrid misunderstanding" theory of the Cold War? Usually the "misunderstanding" is a mutual misassessment of the other's peaceful intentions. In this case, the supposed misunderstanding concerns how best to satisfy the common man.

This theory founders on the fact that the thin slice of Soviet society that has power also has material comforts. The regime is driven by the need to justify the exemption of the privileged few from the dismal life led by the many. The regime derives its legitimacy, such as it is, from the pretense that it is custodian of History's progressive impulse. That is why the Soviet regime is not—cannot be—in the live-and-let-live business.

If the leader of this regime were not following in the shuffling footsteps of three cadaverous leaders, he would be seen to have the charisma of suet pudding. Yes, he is "resplendent" in his "gleaming white shirt" (words from the introduction to his self-interview in Time). But he is also a truculent liar; he is truculent when dismissing as "insubstantial" all complaints about Soviet violations of its Helsinki undertakings. He is a liar explaining how tickled Jews are about the privilege of remaining in the Soviet Union.

The "bold, new" arms control proposal is bold in offering something so old. It is traditional Soviet algebra; X equals X plus Y plus Z. The Soviets offer X (50 percent reduction of "strategic" forces); the United States will give X, and will count its intermediate-range forces as strategic, and will kill its attempt to catch up with the Soviet strategic defense initiative. The Soviet side wins not by getting us to accept its equation, but by getting us to talk, exclusively, the arcane; antiseptic algebra of arms control:

It is axiomatic; control the agenda and you control the meeting. Regarding summit meetings, the axiom is; control the presummit conversation and you control the event. And look what is happening. Throughout the 1970s conservatives sensibly criticized the policy of treating arms control as the centerpiece of U.S.-Soviet relations. Today we see a Gresham's law of political discourse. The dry arcana of arms control has driven out talk of all other things, including: Afghanistan, Poland, Angola, Nicaragua, yellow rain, terrorism, arms-control violations, Helsinki violations, etc.

In another way, too, America is paying the price of its arms control obsession. So eager were the Nixon and Carter administrations for agreements, they prenegotiated (in Washington) proposals compatible with the Soviet buildup. Then they settled for agreements that were, essentially, mere snapshots of the rising force levels. But Soviet levels rose faster. Today they are so large and varied that a mutual cut of 50 percent could be tailored that would leave the Soviets with an enhanced strategic advantage.

The lament of correct thinkers within the administration is; the Soviets would never attend a "Sakharov Summit" or an "Afghanistan Summit," but here we go to a "Star Wars Summit." And the (definite article, "the") question already is: what will Reagan give up to make it a "success"? This, too, is a reason why, when I hear people praising summits, I want to take them up in a helicopter and . . .

THE UNYIELDING CLAUDE PEPPER

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. LEHMAN of Florida. Mr. Speaker, to have this opportunity to insert this article entitled, "The Unyielding CLAUDE PEPPER" in the CONGRESSIONAL RECORD is a great privilege.

My dear friend and colleague, CLAUDE PEPPER, is a remarkable man. He has already achieved so much during his life of public service, and yet he continues to champion the needs of the unfortunate and to represent the causes of our senior citizens.

The article about this great man follows:

[From the Washington Post Magazine, Oct. 20, 1985]

THE UNYIELDING CLAUDE PEPPER—THE OLDEST CONGRESSMAN

CLAUDE PEPPER HATES BEING 85

(By Pete Earley)

Rep. Claude Pepper, at 85 the oldest member of Congress, is late. It's only 6:40 a.m., but the Florida Democrat is behind schedule as he rushes into a waiting CBS-TV network limousine.

"They want to talk about abuse of the elderly," says Rochelle Jones, Pepper's press aide. He waves her silent and attaches two hearing aids. Jones begins again: "One question they will ask you is, 'Who is the typical victim? . . .' "

"I know. . . .," says Pepper.

"Another question is: 'Are there any parallels between the person who abuses the elderly and. . .' "

"Any what?" Pepper interrupts.

"Parallels," Jones repeats, leaning close to Pepper's left ear. "Any parallels between elderly abuse and child abuse?"

". . . I've forgotten, but I think there is more elderly abuse than child abuse, or was it the other way around?"

"No," says Jones loudly, "there is more elderly abuse . . . it's increased since you held hearings in 1981 by 4 percent per year or about 100,000 cases."

"In child abuse?"

"No, elderly abuse."

"Yes, when did we start?"

"You held the first hearings in 1981."

"1981?"

"1981. That's correct. . ."

The CBS television studio on M Street is confusing. Correspondent Bob Schieffer, who is in a New York studio, will interview Pepper during "The CBS Morning News." Schieffer's face will appear on a large television screen at Pepper's right. But Schieffer's voice will come from a floor speaker near Pepper's left foot. Pepper, meanwhile, is told to look neither left nor right, but straight ahead into a camera.

"Rochelle?" calls Pepper, as the "CBS Morning News" title appears on screen.

"Yes sir?"

"The hearings, were they before our full committee?"

"Yes, sir."

"And they were in . . ."

"In 1981, sir."

"1981, okay, okay. 1981."

More than anyone else, Claude Denson Pepper is seen as *the* spokesman for the 26 million Americans aged 65 or older.

A Time magazine cover of Pepper in 1983 called him "Champion of the Elderly." He is known on Capitol Hill as "Mr. Social Security" because of his dogged fights to spare it from cuts. He remains the most sought-after campaign speaker in the Democratic Party because he can draw huge crowds of the aged, the fastest growing segment of society, the one with the best voting record.

"Claude Pepper has come to symbolize the elderly in this country," says Jack Ossofsky, executive director of the National Council on the Aging.

Pepper's enthusiasm is inspiring. Although he is paunchy, hard of hearing, slightly stooped and has a mechanical valve in his heart that beats with the help of a pacemaker. Pepper regularly works 15 hours—or more—a day, chairs the powerful House Rules Committee and travels frequently, carrying his own bags, thank you.

When he had his pacemaker surgically inserted three years ago, he is said to have asked: "How long will the battery in this thing last?"

"About 10 years," the doctor replied.

"Then you'd better give me three of them now," Pepper said. "I'll come back later for more if I need them."

"An older woman once told me that you can foresee old age, but you can't fore-feel it," says Ossofsky. "Claude not only sees the issues, he is aware and feels them. He has an insight that you only get when you are there . . ."

As with any person his age, being there shows. Pepper often takes afternoon naps, forgets names and retells the same stories. Sometimes he asks his staff to drive him from his congressional office across the street to the House for a vote because he is too tired to walk.

Pepper denies that he has lost any physical or mental ground, and he resents the senility microscope placed on him. He at first takes on a witty composure to charges that he may be slipping. "I've had to slow down a bit," he says , smiling. "Some Sundays when it is hot and I'm playing golf, I get tired at about the 16th hole and it takes me a bit longer than normal to shoot all 18."

Pushed, he becomes irritated, complaining that reporters do not ask such questions of other congressmen. All Pepper has to do is accidentally push the elevator's up button when he wished to go down and there are whispers.

"I do my best," he says. "I try to put in a full day." He rises early, works late and has taken on a full agenda. Besides protecting Social Security, there are immediate concerns within his own district: Radio Marti, which broadcasts U.S. propaganda to Cuba, needs $3 million and Florida bankers want him to keep a branch-banking bill bottled up. His 1986 reelection campaign needs money. There is an autobiography to finish.

"So much to do," he says. "So much to do. I'm just too busy to get any older," he quips. Later that evening he becomes more introspective. He talks of his wife, Mildred, who died of cancer in 1979 after 42 years of marriage. Her death rocked him: "I never think of myself as an old man. It shocks me in a way to think that I am. But I am actually an old man! I don't believe it. I don't believe it. It happens so gradually . . . No one wants to go unless you are in some terrible, terrible pain. You just don't want to go."

The real difference between himself and his colleagues, he says, quietly, is "they have more time . . ."

Pepper grew up poor in rural Alabama, the oldest of four children.

"I remember earning 65 cents per day as a youngster doing plowing," Pepper recalls. "On the way home I stopped at the drugstore and bought a grape juice drink. It cost me 10 cents and, my, it was so delicious, cold and sweet. I remember thinking that I hoped I could see the day when I could finish one of those grape drinks and say, 'Give me another.' "

He has always worked. He paid his own room and board at the University of Alabama by hauling coal and ashes every day at a power plant and later waited tables to help finance his legal education at Harvard.

"I shudder to think what I would have become if I hadn't been able to get a good education," says Pepper.

After graduation Pepper taught briefly and then settled in Florida where he developed a reputation for defending the poor and uneducated. In one case, he kept the state from executing one of his clients for 19 years until prosecutors gave up. Pepper's client died in jail, of old age.

Pepper was elected to the state legislature in 1928, but was voted out of office after one term after he refused to support a resolution that censured Lou Hoover, the wife of Herbert Hoover, for inviting a black person to a White House tea. Pepper left rural Florida after that for Tallahassee and took his parents with him. He cared for both of them until they died.

Eight years later, Pepper was elected to fill a vacant Senate seat. He immediately fell under President Franklin Delano Roosevelt's spell.

Pepper's loyalty to FDR prompted the New York Herald Tribune to write "when the White House has an important balloon to send up, it invites Senator Pepper to supply the necessary oratorical helium for the ascension."

That loyalty to FDR helped end Pepper's Senate career. In 1944, Roosevelt asked Pepper to support the veto of a tax bill favored by Edward Ball, the politically powerful businessman who controlled the multimillion-dollar DuPont estate in Florida. Pepper agreed and Ball vowed revenge.

Pepper soon made another powerful enemy by joining a movement at the 1948 Democratic convention to dump Harry S Truman. Time magazine reported that Truman summoned then Congressman George Smathers to the White House and said: "I want you to beat that son-of-a-bitch Claude Pepper."

Smathers challenged Pepper in 1950, waging a campaign that is described by Robert Sherrill in his book, Gothic Politics in the Deep South, as the "most elaborate crusade of political annihilation ever conducted in southern politics."

Pepper was mercilessly attacked for his antisegregation views and openness toward the Soviet Union, branded at one point as "Red Pepper."

He was soundly defeated and returned home broke. In the next eight years, he built a profitable law firm in Miami. He lost a Senate bid in 1958 but was elected in 1962 to a newly created House seat in Dade County where the population had doubled in a single decade and 80 percent of the registered voters were Democrats.

Pepper was, at first, a politician without a cause. But in the mid-'60s, when Miami's crime rate became the highest of any large city, Pepper hustled a bill through Congress that created a joint House-Senate committee on crime. He became its chairman. The committee was criticized as being a publicity stump for Pepper and was abolished in 1974.

In 1977, Pepper was named chairman of the House Select Committee on Aging and he quickly gave it national prominence by using many of the same publicity gimmicks that earlier had incurred his peers' contempt.

This time, though, Pepper had a track record: a concern about the elderly that can be traced back to his state legislature days when he penned a law that allowed persons age 65 and older to fish without state licenses.

Protecting Social Security from budget cuts soon became his chief goal. In 1982, Pepper campaigned for 70 Democratic candidates in 25 states and at each stop blistered President Reagan for proposing cuts in benefits.

"I would grab the hand of the Democrat that I was helping, and I would raise it high and I would say, 'And this man or woman promises you that he or she will vote against cutting Social Security.' "

Nevertheless, when the Social Security package reached the House floor in March 1983, Pepper lost. His colleagues gave him a standing ovation after his speech and then overwhelmingly rejected his proposal.

"I know who they are," Pepper says of the Democrats whom he helped elect and who later voted against him. "And when there has been an opportunity for me to do something for them, I haven't done it."

Recently, Pepper has been quietly voting more conservatively because his district now has more Cuban Americans—50 percent—than anywhere else in America. Most are not liberal.

"Rep. Pepper has grown more conservative," says Richard A Pettigrew, chairman of the Dade County Democratic Executive Committee," but he has remained essentially true to his fundamental vision of this country—that everyone, no matter how lowly their beginnings, deserves an opportunity."

And as Pettigrew sees it, the congressman has satisfied his constituency: "Quite frankly, Pepper could be reelected here posthumously."

WGBS radio talk show host David Gold was blunt during a recent on-air broadcast in Miami: "Do you think that Claude is playing with both oars in the water?"

It's a question, says Tom Fiedler, the Miami Herald's political editor, being asked in local political circles.

"It's clear that Pepper gropes a lot of the time to orient himself to what he is doing," Fiedler said. "I think he is slowing down mentally."

Radio host Gold, who has had Pepper as a guest on his show, is harsher: "No one wants to talk about it because he is such an endearing man, but I think Pepper at times, is incoherent, especially if you get him off subjects that he knows by rote like Social Security. His staff protects him and drags him around by the nose."

Pepper's image in Washington is different. "He is simply brilliant," says Christopher J. Matthews, administrative assistant to House Speaker Thomas (Tip) P. O'Neill Jr. (D-Mass.).

"I have been simply dumbstruck by Representative Pepper's ability to recall details about his discussions with President Roosevelt, talk about complicated budget matters and then weave them together lucidly to make a point," says Dr. Robert Butler, founding director of the National Institute

on Aging at the National Institutes of Health.

Adds Rep. David E. Bonior (D-Mich.), a member of the House Rules Committee: "I've never known Pepper to have had any trouble following any issues."

Several other House members, who would not allow their names to be used, criticized Pepper, saying he engages in political demagogy and is more comfortable with generalities than substance. Not one, however, questioned his mental abilities.

Pepper's severe hearing loss could explain much of the criticism levied by Gold, who complained that Pepper kept asking him his name during breaks on his radio show.

The aging council's Ossofsky recalls a press conference during which Pepper seemed confused until a reporter repeated his question. "Then Pepper effectively galvanized the room by answering it better than anyone else on the panel."

The most often quoted incident of Pepper seeming to be confused occurred in June 1984 during a fierce House battle over the MX missile. So crucial was the vote that the Reagan administration had dispatched Air Force jets to ferry back out-of-town congressmen who might vote for the missiles. In the House itself, Speaker O'Neill, cigar in hand, hovered, counting votes, pressuring party members who wavered. In the end, MX opponents won the skirmish in three votes: 199 to 197, 198 to 197 and 199 to 196.

Pepper, who eventually supported building the MX, did not vote.

The next day, the media speculated that Pepper had avoided the vote as a favor to O'Neill. But Pepper denies that. "The speaker," Pepper said, "came over and he said, 'If I were a man your age, I'd go home and go to bed.' He said there probably wouldn't be any more votes and if there were any, they would be late at night. I thought about it awhile, and then I went home and went to bed."

O'Neill's press aide declined to comment on Pepper's explanation, but congressional aides and reporters found it damaging. "Either O'Neill hoodwinked him which is his fault, or he simply didn't know what was going on," said a Hill aide.

Yet, during a recent debate on whether the House should cut $3 million from the budget of Radio Marti, Pepper rose and without notes and little preparation delivered a speech so eloquent that his colleagues stopped talking among themselves and later applauded loudly.

"Let us not silence, let us not soften the voice of liberty and freedom and democracy," Pepper said. "Let us put wherever we can the arm of words, as we did in other days of this country with our Declaration of Independence, ideas more powerful than guns."

"Claude Pepper is bound to have slipped some with age," says Pettigrew. "But I'd rather have Claude Pepper at 75 percent than most politicians at 110 percent."

Claude Pepper holds a photograph of his wife in his hands as he sits in his apartment dining room. "Many people thought she was the most beautiful woman in Washington when we first came here. She was so intelligent and so witty."

He looks around. "Everything is exactly the same here as it was when Mrs. Pepper left it," he says. "I feel a considerable closeness to her here. I didn't want to disturb the place that I'd been with her.

"Her toilet articles are all in our bathroom and on the shower curtain there is a little note: 'When you finish your bath, please close the curtain.' Apparently, I had been leaving the curtain open so Mrs. Pepper left me this note. It's still up there."

He recalls the first time he saw her. "She was wearing a bright yellow dress and when I saw her, I said, 'That's the prettiest girl I have ever seen. I've got to meet her.' "

Five years later, they were married. She was sick with the flu at the time. "I always used to joke that she probably wouldn't have said 'yes' if I hadn't caught her at a weak moment," Pepper jokes.

"They were just a delightful couple," says comedian Bob Hope, a family friend. "Mildred had a delightful sense of humor . . . I know that Claude was really knocked out when she left."

The Peppers spoke only once about the possibility of Mildred dying after doctors diagnosed her cancer.

"We were having breakfast one morning in Miami. She was sitting across the table from me and suddenly, she said with considerable sadness in her face, 'Claude, I guess we have just about come to the end of the road.'

"Well, I burst into tears and rushed around and embraced her, and I said, 'Don't say that. I can't live without you!' And she never said a word again about it.

"I realized later that one of the greatest tragedies of my life was that I never told her, we never talked about, how much, I, uh, but you see I never abandoned hope. I always thought that they would find some cure, and I never wanted her to get down, so I just never talked to her about her, uh, going. I later found out that she had known her condition all along. I hadn't hidden anything from her. I'd only missed the chance to say goodbye.

"That has caused me much sadness, much sadness."

Pepper later spoke adamantly in Congress in favor of a bill that would have allowed patients suffering terminal illnesses such as cancer to use heroin.

"I told them about my wife's suffering . . . about that killing, terrible pain, but they were afraid that they'd be accused of voting for drugs, the bunch of damn weak, spineless bastards."

He was at her side when she went into a coma and he was still there days later when she died.

"At night," says Pepper, "when I go into our bedroom and look at her bed next to mine, I say, 'Hello darling, hey' and I sit down and think of her and talk to her and that helps, but I still get very lonely for her, very lonely."

"I think my brother would be dead in six months if he ever retired," says Frank Pepper. "After Mildred died, his job became his life."

Claude Pepper is having trouble eating. A stream of admirers interrupt him at the Columbia Country Club.

"You are one of this country's greatest Americans," says one white-haired man.

"God bless you, Claude Pepper," say another.

"My, my," says Pepper, "people say the nicest things to me."

"I have always considered politics a form of ministry," he says. "It has an almost religious feeling to it. That's why I can't understand this man Reagan.

"I hope I will be around in a few years when the spell of his personality wears off and serious-minded politicians sit down and try to evaluate him. Is he a clown, a barker at a circus? Who is this man? This Ronald Reagan?"

He is asked: "What will historians say when Claude Pepper is gone?"

He is genuinely startled at the thought. Claude Pepper does not consider death, and he has no immediate answer.

Inside the CBS studio, Pepper sits slumped in a chair on the small stage set, the floor speaker by his foot, the screen to his right, the camera dead ahead. He stares straight forward. He is tired. Earlier, he had complained: "I don't know how many more of these I want to do. It's too hard getting up at 5:30." He looks very old.

"Okay sir, five seconds," the cameraman says, and begins the countdown on the fingers of his outstretched hand. As the seconds tick off, Claude Pepper begins a remarkable transformation. He shifts his body forward, he looks suddenly alert, his right hand moves upward, ready to stab the air to make a point. Hang on, America, curtain coming up.

When Schieffer asks how serious a problem abuse of the elderly is, Pepper is center stage, his voice loud and commanding.

"It's extremely serious, Mr. Schieffer, and it is growing more serious all the time. Our committee on aging held its first hearing on this subject in 1981 and we were shocked to find out the extent of this abuse. It has increased about 4 percent, about 100,000 cases per year since we held those hearings." The timing between words and phrases is perfect, the diction flawless.

"Who are the victims, Congressman?" Schieffer asks. "And who are the people causing this abuse?"

"Most of the abuse comes from intimate family members," says Pepper, accentuating key words, preparing now for the touching tale. "For example, we had a shocking case where a son robbed his mother of her money and beat her up and raped her. . ."

"What should be done?" asks Schieffer.

Pepper doesn't flinch. His reactions are as polished as Sir Laurence Olivier launching into Richard the III's final soliloquy. The words tumble out effortlessly.

"We must set up organizations to encourage and put pressure on those who have knowledge about abuse of the elderly to report that abuse," says Pepper. "States must pass tougher laws to prevent elderly abuse and federal funds must be allocated to organizations that make preventing such abuse a priority." He ends, of course, with a warning directed to the audience: "Almost every case where an elderly person is confined is a prospective case of abuse. . ."

It has been another successful performance by the master politician. Claude Pepper, the poor southern boy who at 15 dreamed of being president of the United States, has been tested once again. He can still bring down the house.

THE 40TH ANNIVERSARY OF THE UNITED NATIONS

HON. ROBERT T. GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. GARCIA. Mr. Speaker, the Secretary General of the United Nations, Javier Perez de Cuellar, wrote an article for the New York Times for the occasion of that organization's 40th anniversary.

No matter how one feels about the United Nations, Mr. Perez de Cuellar offers

persuasive arguments on the need for the United Nations. I agree with his assessment, and I applaud his work. I am submitting his article for the RECORD.

[From the New York Times, Oct. 20, 1985]

THE UNITED NATIONS "SIMPLY MUST BE MADE TO SUCCEED"

(By Javier Pérez de Cuéllar)

UNITED NATIONS, N.Y.—Recent events have underlined the uncertain nature of the times in which we are living. We are facing new phenomena alien to the relatively orderly world of sovereign governments about which the United Nations Charter was written. Never in history has there been a time when governments needed so much to cooperate with each other.

In the last few weeks, we have been forcibly reminded that between the massive weaponry of the nuclear powers on the one hand, and the desperation of the underprivileged on the other, there lies a great vacuum of legitimate and respected international authority. The pervasive problem of terrorism is but one symptom of this condition. The vacuum can only be filled by building a working international system in which all participate—a system that not only guarantees order but makes our planet run more evenly in the interests of all its inhabitants.

At present, the only place where that can be attempted is the United Nations. I hope that this 40th anniversary year may serve to emphasize this positive aspect of the United Nations and thereby diminish its use as a forum for purely adversarial action.

There is now, especially in this part of the world, widespread though not always justified criticism of many aspects of the performance of the United Nations. There is no doubt that the organization has not been able to live up to all the high hopes placed in it. Nor did its founders foresee the massive changes that the world has gone through since San Francisco. Criticism is essential for the proper evolution of any political institution, and I hope that this anniversary year will provide the occasion for considering remedies for at least some of the organization's shortcomings.

The response to the 40th anniversary suggests that a serious effort is under way to review past performance and create the conditions for a more effective future. I do not think that some 90 heads of state and 137 foreign ministers would come to the General Assembly if they did not believe in the purposes of and necessity for the United Nations.

I am convinced that the United Nations simply must be made to succeed. The alternatives are unthinkable. I also believe that in the last 40 years, the United Nations has made a major contribution to the betterment of the human condition, and that many of its activities have already proved to be indispensable.

If there were no General Assembly, for example, a large majority of the nations of the world would not have a forum in which to express their views and discuss with other governments the many problems that are now of common concern—as, for example, the vigorous discussion now taking place on the international debt crisis.

And where else can all foreign ministers come each year to meet their colleagues—including those from countries with which they do not have diplomatic relations—to explain the policies of their governments? For all the heated debate, I do not think our interdependent world could reasonably dispense with the General Assembly. It is too often forgotten, for instance, that more international law has been codified through the General Assembly in the past 40 years than in all previous human history.

Similarly, if there were no Security Council it would, in the first place, be an admission that a system of collective security encompassing all nations is impossible to attain. It was precisely for this purpose that the Security Council was created. The Council has many obstacles to face, not least the lack of unanimity of its permanent members. This essential unanimity has, however, been affirmed at critical moments in the past, and most recently on Oct. 9 when all 15 members condemned "terrorism in all its forms wherever and by whomever committed." And while the Council has not worked as its founders meant it to work, it remains an indispensable refuge in times of great international crisis, a place where the rush of events can be slowed and acceptable ways found to move from fatal confrontations.

The United Nations has conducted 13 peacekeeping operations in various parts of the world. If we were to remove any of the existing peacekeeping operations, in the Golan Heights, in Cyprus or in Lebanon, a severe internationl crisis would almost certainly occur. Because they keep the peace and maintain quiet by nonviolent means, these operations do not always receive the credit they deserve. No one paid much attention to the Emergency Force in the Sinai until it had to be removed in 1967. The consequences of the war that followed are with us to this day. Our current peacekeeping operations are of comparable importance.

Meanwhile, if there were no Secretary General or Secretariat, the "honest broker" function of the United Nations would be seriously diminished. Past Secretaries General have been asked to perform vital intermediary tasks because they were universally acceptable as impartial servants of the whole community of nations.

At present, for example, the Secretary General is the accepted intermediary on matters relating to Afghanistan, the Iran-Iraq war and Cyprus. These are exceptionally difficult problems, with a large potential for escalation. But they cannot be contained and eventually resolved without efforts to negotiate a solution through an agency that all parties can accept.

If the office of the High Commissioner for Refugees did not exist, there would be no universally recognized authority for the protection or assistance of refugees and no permanent focal point for organizing emergency action when a new refugee problem arises. There are now more than 10 million refugees in the world. If the United Nations Relief and Works Agency for Palestine Refugees, which looks after nearly two million displaced Palestinians, no longer existed, not only would a major moral obligation of the international community go by default, but a violent destabilization of the area would almost certainly result.

It is also generally agreed that the specialized agencies of the United Nations, among them the United Nations Children's Fund (Unicef) and the United Nations Development Program, carry out valuable tasks in their different fields. This is as it should be. Our newly interdependent world demands cohesive and effective international institutions if humanity is to survive in tolerable conditions. The relief efforts in Africa, which the United Nations coordinated, and which almost certainly saved several million lives, is one recent and dramatic illustration.

Yet we must make clear that the main reason for which the United Nations was founded, "to save succeeding generations from the scourge of war," is, in the nuclear age, more vital and relevant than ever. The task is infinitely difficult and sometimes discouraging. But since it affects all humanity, and is rightly the concern of all nations, great or small, the question of disarmament is transcendently important. Looking back over 40 years, we see that in times of greatest danger, all nations, not least the most powerful, have felt the necessity to turn to the United Nations and the machinery created in 1945, using it as best they could to stop the fighting and thus to avoid larger and perhaps fatal confrontation.

The Arab-Israeli war of 1948, the simultaneous crises of Suez and Hungary in 1956, Lebanon in 1958, the Congo in 1960, the Cuban missile crisis of 1962, Cyprus from 1964, the India-Pakistan wars of 1965 and 1971, the Middle East war of 1973, Lebanon in 1978—all illustrate the use of the United Nations as an essential instrument of the world community in times of grave danger.

In between times, nations go their own ways. There are far too many conflicts that neither the United Nations nor anyone else has been able to control. We have a very long way to go before we reach the "common ground for peace" that Franklin D. Roosevelt spoke of in 1945. No one is more conscious than I of the feeling of frustration to which the proceedings of the United Nations often give rise.

But I believe firmly that the founders were right and that in our interconnected world, there is no substitute for the United Nations nor for the tasks it already performs. The main concern must be to make it far more effective for the future.

GROUNDBREAKING FOR THE U.S. HOLOCAUST MEMORIAL MUSEUM

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. LANTOS. Mr. Speaker, on October 16 in a moving ceremony, ground was officially broken for the U.S. Holocaust Memorial Museum. During the ceremony, which was witnessed by people from across the United States, soil and ashes from the Nazi death camps of Auschwitz, Bergen-Belsen, Dachau, Theresienstadt, and Treblinka and from the Warsaw Jewish Cemetery were mixed with soil from our own United States and placed in the foundation of the Memorial.

It is significant that the United States and Israel are the only two nations on earth which have taken steps to remember this blackest of nightmares by establishing Holocaust memorials. It is appropriate that our Nation should have such a memorial because this great Nation has accepted with open arms many of the survivors of that ultimate example of man's inhumanity to man.

The museum being built here in Washington, DC, will be a most important addition to the great buildings in our nations capital. Located on the Mall near the

Smithsonian Institution, the National Archives, and the National Gallery of Art, this building will be a place of education, as well as a memorial. As Elie Wiesel, the chairman of the U.S. Holocaust Memorial Council, said: "In this place, dedicated to the noble and urgent cause of remembrance, we pledge to tell as much as posible, as truthfully as possible, what Nazi Germany and its accomplices did to six million Jews and to the other millions of victims of Nazi atrocities. * * * In this place we shall try to bear witness for the dead and the living."

A few days ago, Mr. Speaker, when I spoke from the well of this House, I quoted Elie Wiesel—the witness, victim, chronicler, and conscience of the Holocaust—and placed in the RECORD his moving speech at the groundbreaking ceremony.

Today, I would like to place in the RECORD the statements of the other distinguished American leaders who spoke during the groundbreaking ceremony: Mr. Mark E. Talisman, vice chairman of the U.S. Holocaust Memorial Council; the Honorable Donald P. Hodel, Secretary of the Interior, who spoke on behalf of President Ronald Reagan and read a letter from the President; the Honorable BOB DOLE, majority leader of the Senate, and the Honorable TOM FOLEY, majority whip of the House of Representatives.

HON. MARK E. TALISMAN, VICE CHAIRMAN OF THE U.S. HOLOCAUST MEMORIAL COUNCIL

Friends, we are gathered in a place that is dear to every American. We stand not fifteen hundred yards from the monument to our first President. We are at the very heart and soul of our beloved country. We gather here in this hallowed place to break this earth together, to consecrate this place as a memorial to the victims of the Holocaust.

It is here that a true memorial shall rise to those who were felled by tyranny and oppression. The dehumanization and degradation which swelled and swallowed a whole people occured in the midst of an ancient cultured, civilized society gone mad. When actions would have breached those laws, those laws were altered by otherwise civilized, educated people. Eventually, few remained to be mained, brutalized and murdered. Most of all it was the starkness of the silence from good people which ultimately abetted the killers and encouraged them to complete their incomprehensible mission of destruction and death.

We not are learning the extent to which governments and their people acquiesced to the practicalities of the times as millions of innocent Jews and untold others were destroyed. Had they done otherwise, there would be no need at all to be here today to commence this holy work of permanent national remembrance.

Some ask in good faith, "Why here, in this place"? I respond clearly, "What better place then here at the seat of our government", so as to remind us forever of our precious responsibility never to allow the darkness of the Holocaust to be repeated against any people.

I am sure you would agree that we who are here today, need no such reminders. It is for the sake of your children and mine and for their children far into the future that we dedicate this sacred place. If six million people can be annihilated simply because of who they were, then, anything is and will be possible.

But, should we weep continually over the horrors we have learned from the Holocaust? As our Chairman has observed, it no longer does any good. Instead, we must commit ourselves and our country, through this special place, to teach what happened and why. We must show what the peoples and villages and towns and communities were like—the 4400 such places which no longer exist on this earth—in order to help our children sense, and maybe even comprehend, the depth of the chasm which is called the Holocaust.

From this knowledge will come meaningful remembrance and, we all hope, the commitment necessary to give us the confidence that the future of children yet unborn will be safe from the scourge which swept Europe and engulfed and diminished every person on this earth.

Last Friday, with the help of colleagues from the United States, we personally dug the sacred soil of Terezin near Prague. It now joins those from the other camps where death was their paramount duty. These holy soils now are before us to be mingled with our beloved country's rich and consoling earth. May they rest in peace in the knowledge that here, on this place today, we commence the sacred task of remembrance and teaching, joining firmly with our colleagues at Yad Vashem in Israel, and dozens of other centers of learning throughout our great land in a bond of cooperation and commitment toward our sacred goal.

HON. DONALD P. HODEL, SECRETARY OF THE INTERIOR

I stood in the Rotunda of the Capitol last April. It was part of this nation's somber observance of the Days of Remembrance. Speaker after speaker, regardless of his faith, implored us to remember the Holocaust.

We free people of the world do remember—in many ways. In Israel, there is Yad Vashem. I was there not quite 2 years ago, and was privileged to lay a wreath at the flame which will flicker eternally in that dark and stone-cold room. It was a gripping, moving experience. No civilized man or woman could fail to be moved.

In the United States, we have the Days of Remembrance Commemoration. And, thanks to the efforts of many men and women—from all walks of life and of many religious faiths—this country will have its own Holocaust Memorial and Museum. But it will come into being, and will achieve its rightful place as an important part of our Nation's Capital, only if a broad cross-section of America understands its purpose and contributes to its funding.

It is in this regard that we should take note that President Reagan has agreed to serve as Honorary Chairman of the fundraising effort. As I am sure you know, it is most unusual for the President of the United States to assume such a position with a private, nongovernmental activity.

President Reagan's participation serves as a clear and unmistakable signal to the entire nation that successful completion of the United States Holocaust Memorial and Museum is an important objective of the American people and that it is most deserving of the moral and financial support of all of us.

Ladies and gentlemen, it gives me great pleasure to deliver to you a personal message from the President.

THE WHITE HOUSE,
Washington, October 15, 1985.

I am pleased to send greetings to all those gathered for the groundbreaking for the Holocaust Memorial Museum.

We are building this museum not just to pay our respects to the memory of the victims of an immense tragedy, nor merely to provide the living with a reminder of the horror which even now is slipping out of living memory and into history. We build today for our posterity.

With our children and our children's children in mind, we are creating on this spot a place of remembrance and mourning. Although some have questioned the wisdom of placing the memorial for a European catastrophe so close to the gleaming symbols of our democracy, the lessons of the Holocaust—the brutal, even diabolical perversion of power, unchecked by law and devoid of faith in God—do belong here. When, in the years to come, our children emerge from this museum with the lessons of totalitarianism fresh in their minds, those soaring white monuments to democracy, justice, and freedom under God will gleam all the more brightly in the sunlight of freedom.

Today, much of the world still struggles to rid itself of the rule of godless tyrants and murderers. This memorial will stand always to remind us of the nobility of that struggle and the perils we face if we remain indifferent. God bless you.

RONALD REAGAN.

On an official and personal note, I would like to comment briefly on the working relationship between the Holocaust Memorial Council and the Department of the Interior. Not quite 2 weeks ago, I exercised my responsibility as Secretary to approve the architectural plans for the memorial and museum and to certify to the Congress that funds were available to complete construction. I could not have done so had it not been for the tireless efforts of so many of you, who have made this great day possible, and my confidence that the American people will heed your call for support, so that this noble project can become a vital part of the heart of the world capital of freedom.

But, you ask, why do we have need for these museums and memorials? Why do we seek to remember such a painful episode in history?

The short answer is that if we dare let ourselves forget, we may not be sufficiently vigilant when other Hitlers take those first, almost unnoticeable steps toward tyranny. We must be vigilant to incipient tyranny wherever it occurs, because, as is etched on front of our National Archives, "Eternal Vigilance is the Price of Liberty."

But that merely is a political or societal reason for remembering the Holocaust. I submit, however, that there is an even more important reason for remembering:

We serve God by remembering. If remembering the Holocaust can help us—or our brothers and sisters in the world—avoid the physical and emotional pain of terror and barbarism, we and they obviously are better off for it. But, crucial as that is to our general well-being, I am more concerned about the well-being of our souls.

When Hitler destroyed men, women and children, he sinned against them; but he quite surely also sinned against God. And when the rest of mankind tolerates that happening, we just as surely sin against God.

I firmly believe the Lord did not put man and woman on earth with indifference as to how they treated each other. I have faith that we are commanded by God not merely to be kind to one another; but to stand tall and to take those steps that are within our God-given abilities when we sense that evil has reared its ugly head.

We therefore must remember the Holocaust—now and forever—if we are to remain able as vigilant children of God to serve him.

If I am correct in this respect, then let it be said that those of you who are the builders of the memorial and museum truly are doing the work of the Lord.

HON. BOB DOLE, SENATE MAJORITY LEADER

Forty years ago, General Dwight Eisenhower visited one of the recently liberated concentration camps in Europe. Knowing that it would be a wrenching experience, even for someone used to the terrible sights of war, he nonetheless felt he had to go, "in order," he said, "to be in a position to give first-hand evidence of these things, if ever, in the future, there develops a tendency to charge these allegations merely to 'propaganda'."

We are here today for the same reasons. After four decades, memories—even horrible memories—can fade. After four decades, many of those who survived the holocaust and could tell us how really was—many of them have passed from our midst. And after four decades of peace in Europe and dramatic political changes around the world, with former enemies now fast friends and formers allies now our adversaries, it is hard sometimes to recall or even believe how something so vast and inhuman could ever have happened.

The museum whose construction we start today will remind us that it did happen. Even more important, it will remind us that—unless we are vigilant in our defense of liberty for all—it could happen again, to any of us.

Though the massive tragedy of the Holocaust fell upon the Jews of Europe, this will not be a Jewish museum. Though it will sit on this impressive site in our Nation's capital, it will not be an American museum.

It will be a museum about, and for, all the people of the world. It will speak with equal meaning and importance to us all. If any of us are faced with persecution, none of us will be really secure. If any of us begin to forget what happened during the Holocaust, all of us will face a greater risk that it could happen again.

And if any doubt that it could, I would ask them to turn their thoughts at this hour to Rome, where the body of Leon Klinghoffer is about to arrive. When people driven by ignorance and hate continue to murder, when people like Leon Klinghoffer—whose only crime is their religion or color or ethnic orgin—continue to die, then it can happen again. If we let it.

I have been pleased to lend my efforts in a small way to the construction of this museum. I am gratified to be here today, to see this physical evidence of how far campaign has come in such a short time.

Our task, though, is only just begun. Let all of us continue to work together until this great structure is completed. Even more important, let all of us continue to work together to create a world in which the hatred of prejudice and the threat of violence will be only a memory. That along will be a truly worthy memorial to those millions who lost their lives during the Holocaust.

HON. THOMAS S. FOLEY, MAJORITY WHIP OF THE U.S. HOUSE OF REPRESENTATIVES

Thank you. I greet you on this solemn occasion in the name of the Speaker and the Members of the House of Representatives. President Reagan, and before him, President Carter, and every member of the House of Representatives and the Senate have committed themselves to this great project. This project of remembrance, this project of concern for the most dastardly single act ever committed against a people. It has been asked and answered many times why here, amid the symbols of our National life, and that answer has been given by Secretary Hodel and others.

It is totally fitting that we who celebrate the freedom and the sacred character of individual life and our National life should find it on the shrines of our own District, a memorial to remind us of the most dastardly act of barbarism and primitivism that is possible in humankind as well.

It is perverbial that memory fades and time heals, but the American people are determined, by the erection of this memorial, that memory will not fade, nor time totally heal the understanding of what the Holocaust was. An understanding that is necessary for generations yet unborn, so that there can be a common determination by free people everywhere that this shall never happen again, not to Jews, not in Europe, not to any people, not anywhere. And it is the undertaking of the American people today to make this great Museum and Memorial a reality that we share the earth of our country with the blessed remains of those who struggled and died in this terrible and unequalled act of barbarism.

We are thus blending the past to the future and we are committing ourselves and our people to see that, while the memory does not fade, the consciousness of what has happened prevents it's ever happening again. We celebrate today, in a way, this horrible past, not just so that it not happen again, but so that we recognize what has occured and we undertake to remember, not only a terrible act of barbarism, but a triumph of the human spirit.

IOSIF BEGUN

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. WIRTH. Mr. Speaker, I wish to bring the plight of Iosif Begun, a prisoner-of-conscience in the Soviet Union, to the attention of our colleagues. Mr. Begun applied for permission to emigrate to Israel in 1971. Permission was denied and Mr. Begun was stripped of his job. As the Soviet Government would not employ him, Mr. Begun began to give Hebrew and Jewish culture lessons. For this he was attacked in the media and arrested in 1977 for not being employed. After a 2-year exile in Siberia, Mr. Begun was arrested again for returning to his home without a residence permit. Following 3 years of internal exile and a brief period of freedom, Iosif Begun was arrested for a third time on November 6, 1982. Charged with "anti-Soviet agitation and propaganda," Mr. Begun was sentenced to 7 years in a labor camp and 5 years of internal exile, the maximum possible sentence. Since that time, Iosif Begun has been subjected to numerous punishments and has required hospitalization.

Mr. Speaker, Iosif Begun's situation is indicative of the broader plight of Soviet Jewry. Over the past 5 years, the Soviet Government's brutal treatment of its Jewish citizens has intensified. The level of emigration has dropped from more than 50,000 in 1979 to fewer than 1,000 last year. Soviet Jews applying for exit visas are subject to several forms of persecution. Removed from their jobs, often beaten and imprisoned, these brave individuals still struggle for basic human rights. The right to freely leave and return to one's country is guaranteed under the Helsinki accords, to which the Soviet Union is a signatory. We must protest the Soviet Government's continued failure to meet their obligations as a partner in this international agreement.

We must also condemn the Soviet's program designed to crush the spirit of Soviet Jewry. In an attempt to stamp out Jewish cultural identification, the Soviet Government has arrested many who, like Iosif Begun, teach Hebrew and Jewish culture to those interested in maintaining the proud Jewish tradition. These courageous teachers are portrayed in the media as enemies of the state. Following their arrests, often on trumped-up charges, they are often savagely beaten by KGB agents. In addition, an official anti-Jewish propaganda campaign is coordinated by the "Anti-Zionist Committee of the Soviet Public." Faced with these attacks, Soviet Jewry is sliding into a state of desperation—exactly what the Soviet Government wishes to achieve.

To demonstrate America's commitment to Soviet Jews, my wife, Wren, and 20 other wives of U.S. Representatives formed the Congressional Spouses' Committee of 21. One of their projects entails adopting a prisoner-of-conscience, such as Iosif Begun. Wren and the other 20 members of the committee correspond with these courageous people to bolster their hopes for freedom and emigration. The committee has asked their spouses to help in this effort. Our position as representatives of the American people makes it absolutely essential that we vigorously object to the brutal treatment of Jews in the Soviet Union. Twenty of you have joined me, and our spouses, by sending letters to President Reagan asking him to pressure the Soviet Union to respect international accords and basic human rights. I hope that our colleagues will join this worthwhile effort. I would like to insert the text of my letter to President Reagan in the RECORD at this time.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, October 22, 1985.

President RONALD REAGAN,
The White House, Washington, DC.

DEAR MR. PRESIDENT: I am writing you today on behalf of Iosif Begun, a prisoner-of-conscience in the Soviet Union.

The Soviet Union has branded Mr. Begun a criminal based on the "crimes" of teaching Hebrew, studying Jewish history and cul-

ture, and seeking to emigrate to Israel. None of these activities are criminal. They are basic and universally recognized human rights which are protected under the Helsinki accords to which the Soviet Union is a signatory.

Mr. Begun was sentenced to twelve years at imprisonment and internal exile on October 14, 1983. Since that time he has been subjected to periods of isolation and loss of mail and commissary privileges for offenses such as removing his shirt during an exercise period. Mr. Begun's wife and son have not been permitted to visit him since 1982.

It is our duty as a nation to protest the immoral and illegal treatment of Iosif Begun. I urge you to emphasize America's concern for the plight of Soviet Jewry—and in particular that of Mr. Begun—during your November summit meeting with General Secretary Gorbachev. It is essential that we show our support for these brave individuals imprisoned for following their moral and religious principles.

With best wishes,

Respectfully yours,

TIMOTHY E. WIRTH.

Mr. Speaker, the Soviet Union must realize that our concern for the human rights situation in their nation will affect our diplomatic, political, and economic relations. The upcoming summit is the ideal forum to express American concern and for this reason I ask my colleagues to join me in this call to President Reagan. Now is the time for us to speak out on behalf of Soviet Jews, before their situation deteriorates further.

CONTAINER CORPORATION'S GIFT TO THE SMITHSONIAN INSTITUTION

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mrs. COLLINS. Mr. Speaker, it gives me great pleasure to rise today and commend the Container Corp. of America for donating their advertising art collection to the Smithsonian Institution's Museum of American Art. This unique collection is made up of 311 original pieces of art commissioned by the company for use in its advertising campaigns spanning the last 50 years.

I hope my colleagues will join me in my commendation of the Container Corp. of America's contribution to "America's Attic."

I would like to provide for my colleagues' review, a proclamation submitted on behalf of Container Corp. of America.

PROCLAMATION: CCA ART DONATION TO SMITHSONIAN INSTITUTION

Whereas, Container Corporation of America (CCA) a company founded nearly 60 years ago in Chicago, Illinois, one of the largest U.S. producers of paperboard, corrugated shipping containers and folding paperboard cartons with annual sales of nearly $2 billion, and

CCA employs 11,000 people domestically, operating facilities in Dolton, Carol, Stream, Addison and with headquarters in Chicago, and in 23 other states, and

CCA is a company committed to environmental concerns and is the largest recycler of wastepaper in the country, and

CCA is a company that views packaging as an essential link in the chain that moves products from manufacturer to consumers througout all aspects of the economy, and

CCA is a company committed to design excellence and innovation—and it was this commitment to excellence and innovation that inspired the creation of the long-running ad campaign that formed the cornerstone of CCA's corporate identity.

For more than 50 years CCA used ideas and art to create an advertising campaign which distinguished it from all other box manufacturers by its innovation, creativity and longevity.

Now, after sharing this art collection with communities throughout the country as a traveling exhibit and using it as its corporate advertising campaign, CCA is donating the entire collection—311 pieces—to the Smithsonian Institution, National Museum of American Art.

This collection, representing the work of more than 200 artists, will now be shared with, viewed and appreciated by the American people for years to come.

Whereas, Container Corporation of America is a good corporate citizen, a major employer and a dedicated patron of the graphic and modern arts.

We hereby acknowledge the donation by Container Corporation of America of its entire collection of corporate advertising art to the Smithsonian Institution National Museum of American Art in Washington, D.C., for a special exhibition October 24, 1985, through January 19, 1986, and to become part of its permanent collection including special showings and regional tours.

MEDICARE BENEFITS FOR AIDS PATIENTS

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. WEISS. Mr. Speaker, today I am introducing legislation which would provide urgently needed Medicare benefits to many individuals suffering from acquired immune deficiency syndrome [AIDS].

AIDS patients fall victim not only to a dreaded disease, but also to catastrophic medical bills at a time when they are least able to pay. It has been estimated by researchers at the Centers for Disease Control that the average cost of hospitalization totaled $140,000 per AIDS patient. This staggering medical bill does not include expenses for outpatient, nursing, and home health care. The costs to care for AIDS patients tend to be high because these individuals often require successive admissions to hospitals, longer stays due to severe medical complications, more intensive nursing care, and higher levels of pharmaceuticals, supplies, and special equipment.

Most AIDS patients are unable to afford such astronomical costs for health care. Many have lost private health insurance because their debilitating condition leaves them unable to work. Others have exhausted their insurance coverage because of the catastrophic nature of their illness. And many may be unable to obtain private health insurance, because some insurance companies are questioning their obligation to provide coverage for AIDS patients.

The legislation that I am introducing would expedite the availabiltiy of Medicare benefits for those AIDS patients who, under current law, already qualify for its coverage by virtue of their disabled status. AIDS patients, who are unable to work and have contributed the requisite number of quarters into Social Security, are eligible for the Social Security Disability Insurance [SSDI] Program. In fact, in 1983 the Department of Health and Human Services added AIDS to its list of qualifying impairments for disability to help in the processing of these cases.

Once entitled to disability benefits, AIDS patients, like all SSDI recipients, must then wait 2 years before they can receive Medicare coverage. Unfortunately, individuals afflicted with this terrible disorder often die before they can qualify for coverage.

With this legislation, many AIDS patients would be assured access to quality care without facing the threat of bankruptcy. The bill also provides desperately needed assistance to localities which have been carrying the financial burden of providing services and health care to those affected by this epidemic. To cope with the epidemic, many of our cities are drawing on already scarce economic, medical, technical, and human resources.

This bill does not set up a new program or confer a new entitlement, it merely assures that AIDS patients have access to Federal health benefits to which they are entitled. One reason for initially establishing this lengthy waiting period was to ensure that Medicare would only be available to those whose disabilities prove to be severe. There is no question that AIDS sufferers meet this condition—tragically, no one has yet recovered from this fatal disease.

Additionally, the legislation would allow the Health and Human Services Secretary, at his or her discretion, to provide reimbursement for experimental treatments that are administered as part of an approved clinical protocol. Because there is no known treatment for AIDS, much of the medical care involves therapies that are experimental. In view of the newness of this disorder, its fatal effect, and the uncertainties surrounding its treatment, the bill would provide important flexibility to the Secretary to determine the need and appropriateness of reimbursing for experimental care.

Mr. Speaker, a growing number of American men and women, from all walks of life are suffering from this frightening disease. AIDS knows no geographic boundaries—it has afflicted citizens across the entire country. I believe that the Federal Government must assume its share of responsibility to guarantee that victims of this epidemic do not want for medical care because they lack sufficient resources. The Congress must continue to demonstrate its leadership in fighting this epidemic, not

only by funding research and public education activities, but also by helping provide needed health care to those who struggle daily with this disease.

H.R. 3602

A bill to amend title II of the Social Security Act to waive, for 5 years, the 24-month waiting period for medicare eligibility on the basis of a disability in the case of individuals with acquired immune deficiency syndrome (AIDS), and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. 5-YEAR WAIVER OF 24-MONTH WAITING PERIOD FOR MEDICARE ELIGIBILITY FOR INDIVIDUALS WITH AIDS.

(a) IN GENERAL.—Section 226 of the Social Security Act (42 U.S.C. 426) is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

"(h)(1) Subject to paragraph (2), in the case of an individual who is medically determined to have acquired immune deficiency syndrome (AIDS) and who files an application for hospital insurance benefits under part A of title XVIII pursuant to this subsection, subsection (b) shall be applied as if—

"(A) in paragraph (2)(A), ', and has for 24 calendar months been entitled to,' were deleted;

"(B) in paragraph (2)(B), ', and has been for not less than 24 months,' were deleted;

"(C) in paragraph (2)(C)(ii), ', including the requirement that he has been entitled to the specified benefits for 24 months,' were deleted;

"(D) in the matter in the first sentence following subparagraph (C), 'first month' were substituted for 'twenty-fifth month'; and

"(E) in the second sentence, 'twenty-fourth' were deleted.

"(2) Paragraph (1) shall not result in an individual becoming entitled to hospital insurance benefits under part A of title XVIII for any month before the first month in which the individual both—

"(A) is medically determined to have acquired immune deficiency syndrome, and

"(B) has filed an application under paragraph (1).

"(3) For purposes of this subsection, an individual will be presumed to have acquired immune deficiency syndrome (AIDS) if the individual has been diagnosed, in accordance with standards established by the Secretary after consultation with the Director of the Centers for Disease Control, as having such disease.".

(b) EFFECTIVE DATE AND 5-YEAR SUNSET.—The amendments made by subsection (a) shall take effect on the first day of the first month that begins more than 45 days after the date of the enactment of this Act and shall apply to services furnished during the five-year period beginning on that first day.

SEC. 2. RECOGNIZING USE OF EXPERIMENTAL TREATMENT FOR AIDS PATIENTS.

(a) IN GENERAL.—Section 1862 of the Social Security Act (42 U.S.C. 1395y) is amended by adding at the end the following new subsection:

"(j) In making determinations under subsection (a)(1)(A) in the case of expenses incurred for items and services furnished in the treatment of acquired immune deficiency syndrome (AIDS), the Secretary shall take into account, and find as reasonable and necessary, a treatment that is experimental in nature if the treatment is in accordance with a clinical protocol recognized as appropriate by the Secretary.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to items and services furnished on or after the first day of the first month that begins more than 45 days after the date of the enactment of this Act.

HOUSTONIAN OF THE YEAR—GEORGE MITCHELL

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. LELAND. Mr. Speaker, recently Houston City magazine presented their first annual Houstonian of the Year Award to George Mitchell. Mr. Mitchell has brought four competitive universities together to form the Houston Area Research Center. He developed an idyllic urban center called the Woodlands and has helped to preserve Galveston's past and to develop its resort properties.

George Mitchell's works and the needs of Houston and the world were described by the magazine, as being inextricably entwined.

The Houstonian of the Year Award is presented to the person who, in the magazine's view, has contributed the most in the past year to the Greater Houston community.

I am particularly pleased to congratulate George Mitchell on this honor and I am therefore submitting for the RECORD the October issue of Houston City magazine.

HOUSTONIAN OF THE YEAR—GEORGE MITCHELL

(By Tom Overton)

"We at Houston City are proud to announce the recipient of our first annual Houstonian of the Year Award, presented to the person who, in our view, has contributed the most in the past year to the greater Houston community. The future of Houston will be tied directly to those precious individuals who care about the quality of life here, and who are willing to share their vision and hard work so that the rest of us may benefit. We can think of no one who deserves this award more than George Mitchell. His quiet can-do attitude and good works continue to enrich Houston immeasurably.—Lute Harmon.

George Mitchell's work and the needs of Houston and the world are inextricably entwined. Unplanned and uncoordinated urbanization prompted him to develop an idyllic urban center called The Woodlands. He brought four major, competitive universities together to form the Houston Area Research Center to develop technologies that will carry Houston into the twenty-first century. And by spending to preserve Galveston's past and develop resort properties, he is doing his part to ensure that city's future. Even though he stands to profit handsomely from his labor, he obviously is motivated by something more noble than personal gain.

A modest, self-effacing man who speaks softly, George Mitchell is not an easily recognizable Houstonian. Perhaps that is because he doesn't seek congratulatory publicity and can hardly be described as flashy or flamboyant. He drives himself to work, doesn't wear cowboy boots with his suits, doesn't smoke or drawl, and drinks in extreme moderation. Yet he is one of the richest men in the United States (depending on oil prices) and he has done more for Houston then an army of his peers.

Mitchell grew up in Galveston during its wild days of gambling and prostitution. He is the son of Savvas Paraskivopoulis, an uneducated but ambitious Greek goatherd who immigrated to this country at the turn of the century. Paraskivopoulis changed his name to Mike Mitchell, the name of a railroad boss who threatened to fire him because Paraskivopoulis was too hard to write. After a brief stint in Houston as a shoeshine, Mike Mitchell moved to Galveston and opened a laundry and several other businesses while raising a family. Mitchell and his wife scraped and saved to put their children through college.

While a student at Texas A&M, George Mitchell sold sandwiches and stationery, sometimes making as much as $300 a month while studying petroleum engineering and geology. He lettered in tennis and commanded a battalion in the Aggie Corps. In 1940, Mitchell graduated at the top of his class and went to work at Amoco for $126 a month. As the war in Europe picked up speed, the U.S. Army Corps of Engineers picked up George Mitchell, who at age 23 supervised more than 100 men and the construction of military installations along the Gulf Coast.

After the war, Mitchell struck out on his own. He lined up six clients who each paid him $50 a month for his engineering and geological services. Mitchell later joined his brother, Johnny, in wildcatting ventures. Johnny had the ability to find money, but oil had eluded him until joined by George, whose background in petroleum engineering and geology, plus an interest in new technology, boosted significantly the number of producing wells. Johnny, George, and a family friend, Merlyn Christie, quickly built a successful energy company.

Mitchell Energy made many profitable discoveries, but the biggest came in 1953. Acting on a tip from a Chicago bookmaker, Mitchell drilled in a Wise County field that was a graveyard of dry holes. He used new technology that fractured rock in a way that allowed more trapped or "tight" gas to escape. The Wise County find ultimately became the source of about 10 percent of the natural gas used by the city of Chicago.

Mitchell continued to built the company after his two partners sold their shares. In 1963, Mitchell Energy moved into real estate, and planning for The Woodlands began. Many of the same skeptics who laughed at the idea of drilling in Wise County were certain that Mitchell was crazy to build a "new town" near perfectly suitable old ones. When The Woodlands opened in 1975, *Forbes* magazine asked what a smart explorationist was doing in real estate. Indeed, it was a bad time for real estate. Inflation and mortgage interest rates soared. But by 1979 it was clear that The Woodlands was a success, the only one of thirteen federally guaranteed "new towns" to make it.

The Woodlands' population of 20,000 is predicted to increase to 180,000 by the year 2000. By then, Mitchell hopes, The Woodlands will be a part of Houston, which will be a city of 5 million residents. He hopes Houston also will include Clear Lake and First Colony, along with other communities forming a "string of pearls" around a cen-

tral core. "As the whole city of Houston grows to 5 million people you have to be responsible to the whole city," he says. "You can't let these hundreds of political subdivision say, 'To hell with you,' while they use Houston's roads and airports and keep our citizens with the brains, ability, and the tax base."

To remain healthy, Houston will have to do more than maintain its tax base; it will have to further diversify its economy and maintain its technological edge in the oil business. Mitchell is working to accomplish these goals through the Houston Area Research Center (HARC), a consortium of the University of Texas, Texas A&M, the University of Houston, and Rice University. Utilizing regional strengths—the city's prominence as a geoscience center, the Texas Medical Center, Johnson Space Center—HARC tackles twenty-first century projects too big for any single institution or the private sector. HARC is currently under a Department of Energy contract to design components for the world's largest and most advanced atom smasher. The research center also seeks to develop commercial application for lasers, improvements in geoscience technologies, and includes a center to study population growth.

HARC will find another void in Houston's economic picture: that of providing venture capital for medical and space technology companies. "We are working on a project called Cardiovascular Systems," he says. "This company is getting ready to go into production of a device that recirculates blood during a heart bypass operation. It takes a lot of blood, but with this device about 90 percent of the blood is salvaged at the point of the operation so you don't need as many transfusions, which is a very important thing when you think about AIDS, hepatitis, and everything else."

Sitting on the edge of the couch in his downtown office, Mitchell leans forward with intensity as he describes his vision of the Texas Gulf Coast in the next century and beyond. But by the year 2000, all of Galveston's 1,200 historical buildings will have been restored (currently, only about 200 have been saved). George and Cynthia Mitchell have used their own funds to restore the Tremont Hotel, to open the Wentletrap Restaurant, and to restore other buildings on The Strand. Mitchell Energy and Development owns half of the San Luis (a luxury hotel that says something about Mitchell's desires for the island) and is developing a couple of subdivisions.

He says oil has a good future in Houston for the next 30 or 40 years, although it will never be what it was in the Seventies. Natural gas, however, is the fuel of the future. There is plenty of it, it is cheap, clean, and efficient. Mitchell notes that coal presents serious environmental problems such as acid rain, and that cries from environmentalists will only get louder. Nuclear energy, he says, is out because of regulatory problems, its cost, and because "no one knows how to dispose of the plants and spent fuel yet."

Exotic methods of getting energy—oil from shale, the Great Plains Gasification Project, liquid natural gas from foreign sources—have been put on the back burner. "So," Mitchell concludes, "oil and gas and conservation are the best hopes we have for the next 25 or 30 years."

Mitchell is worried about the amount of oil imported to the U.S., not because he is in the business of selling domestic crude, but for national security reasons. The United States is currently importing about five million barrels a day—about 33 percent of all the oil we use—from the Mideast. By 1989 or 1990, imports are expected to increase to seven million barrels or 45 percent of all we use. In spite of the current glut and low prices, Mitchell warns the OPEC will be back in firm control by 1990. If there were another embargo, the U.S. could make up the five million barrels a day with domestic production—"but it would take us fifteen years to reach that if we doubled the number of wells in production today," he warns.

The price of oil per barrel, however, is too low to encourage domestic exploration, a business that generally results in two producing wells of every ten drilled. Mitchell believes that imports of oil should be held to 18 percent of what we use, and that the oil industry needs tax incentives, much like the real estate industry has with its mortgage interest deductions.

Another potential problem facing Houston and all of Texas is the possibility of political turmoil in Mexico. What would happen to the economy if suddenly illegal immigration tripled or quadrupled? In August a seminar conducted at The Woodlands brought authorities from Mexico and the United States, including former President Jimmy Carter, to discuss population-related issues.

In spite of all he has accomplished and his vision of the future, George Mitchell cannot solve all the world's problems. Politics, power, and money will most likely complicate practical solutions to common problems. But at least Houston has a global thinker who is setting an example.

SALUTE TO THE READING LIEDERKRANZ

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. YATRON. Mr. Speaker, I rise to ask my colleagues to join me in honoring the Reading Liederkranz on its 100th anniversary. Its membership has planned a number of events to commemorate this important occasion, and the celebration will culminate with an anniversary concert and dinner on November 9, 1985.

The Liederkranz, a German Singing and Sport Society, was founded on July 23, 1885. It orginally served solely as a singing society, but, in response to the growing influx of Germans into the Reading area, it soon became the hub of Reading's German coummunity. While the Liederkranz's famous choir has justifiably received a large amount of attention, its social club is also quite popular. It has, as well, fielded successful soccer teams for decades.

The invaluable contributions of Germans to the development of our Nation are widely recognized. The Liederkranz continues this tradition with its outstanding contributions to the Reading area. In keeping with century-old practice, the Liederkranz strives to perpetuate Germanic folk culture and traditions and to promote solidarity between Germans and Americans. Its 100th anniversary has been observed with a variety of festivities, including a saengerfest, a soccer tournament, an Oktoberfest, and the celebration of German-American Day.

As these commemorative events wind down, the Liederkranz will undoubtedly continue in its role as an integral part of the Reading community and a home away from home for the many German-Americans in our area. I wish the Liederkranz continued life and growth as it embarks on its second century.

HISTORY OF THE ABM TREATY REINTERPRETATION: THE SHORT COURSE

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. GARCIA. Mr. Speaker, the Washington Post had an interesting article today on the history of the Reagan administration's reinterpretation of the ABM Treaty. I thought the article might be useful in light of a related hearing in the House Foreign Affairs Committee today and in light of the President's upcoming summit with Mikhail Gorbachev.

One subject that seemed to be on the minds of our NATO allies, when many of us met with them at the North Atlantic Assembly meeting in San Francisco last week, was, of course, the summit, but also Star Wars and the ABM Treaty.

Since I'm certain that this issue is also on the minds of my colleagues, I thought the Post's article would make good background reading.

[From the Washington Post, Oct. 22, 1985]

ABM REINTERPRETATION: A QUICK STUDY

Young Lawyer's New Look at 1972 Pact Triggers Controversy

(By Don Oberdorfer)

Early last month, in what might have seemed just another document review by just another government lawyer, the Defense Department asked former New York assistant district attorney Philip Kunsberg to read the fine print of one of the most important arms control agreements between the United States and Soviet Union—the Antiballistic Missile Treaty of 1972.

Kunsberg, 35, whose background includes battles against pornographers and the Mafia but no arms control experience, spent less than a week studying secret records of the ABM negotiations. His conclusions, outlined in a 19-page report, have triggered an uproar in Washington and Moscow by leading to a reinterpretation of the treaty—and reversing the legal positions of four U.S. presidents, including President Reagan—to allow nearly unlimited development and testing of the components of Reagan's Strategic Defense Initiative, the so-called "Star Wars" shield against nuclear missiles.

What seemed at first glance to be an obscure issue of treaty interpretation—intriguing mostly to lawyers—has become a central question affecting the future of the U.S. arms policy, Star Wars and the summit meeting next month between Reagan and Soviet leader Mikhail Gorbachev.

The Kunsberg conclusions, modified and embraced as administration policy, strikes at the heart of the Soviet Union's preemi-

nent objective at the summit and arms talks under way in Geneva—curbing the U.S. strategic defense program. The Soviets have described such curbs as their essential requirement for any superpower of agreement in limiting offensive nuclear missiles.

Kunsberg's unlikely entrance into global power politics began last spring when he was hired as a Pentagon staff lawyer by Fred C. Ikle, undersecretary of defense for policy, and Richard N. Perle, assistant secretary for international security policy, both Star Wars advocates. One of his first tasks in early May was to analyze the ABM Treaty to gauge its impact on strategic defenses.

The traditional interpretation of the treaty accepted by the United States since its signing and ratification by the Senate during the Nixon administration—and repeated in reports to Congress by every administration since—had been that the pact bans "testing" and "development" of mobile and space-based ABM weapons based on "new physical principles" such as laser beams, directed energy weapons and the other exotic technology of Star Wars.

The ban is not flatly stated in the treaty but is based on the cumulative evidence of several phrases and statements, some ambiguous. Reagan, in unveiling his SDI dream on March 23, 1983, had promised that Star Wars would be conducted "consistent with our obligations" under the ABM Treaty.

Nevertheless, trying to fit Star Wars within the treaty restrictions had become increasingly problematic as the U.S. program moved closer to a phase requiring technical testing of potential components. In April the administration offered an interpretation of the treaty that distressed arms control advocates. In a report to Congress, the Pentagon argued that major Star Wars tests planned in coming years would involve only restricted "subcomponents" of systems, or would be tested against satellites in space instead of incoming rockets, and thus not violate ABM stipulations.

As Kunsberg began his review, however, he was "astonished by the rather large gap between what the treaty said and what was attributed to it," according to a source familiar with Kunsberg's thinking. His suggestion that the treaty might allow even more room for Star Wars was followed by a request from Perle in early September to have Kunsberg examine more closely the record of treaty negotiations in order to evaluate the backing for the widely accepted restrictions on "exotic" ABM systems such as those now contemplated for U.S. strategic defenses.

There was no doubt, according to Kunsberg's subsequent report, which included extracts of the negotiating record, that the United States had sought a tight ban on "exotic" ABM systems of the future except for those (unlike Star Wars) in a fixed land-based mode. But Kunsberg concluded that the Soviets had never agreed and, to the contrary, consistently rejected the broad ban advocated by the United States. Kunsberg did not interview any of the U.S. negotiators, but drew his conclusions from the written record.

Perle "almost fell off the chair" when presented with Kunsberg's report, the assistant secretary later remarked. Suddenly most of the problems posed for future Star Wars "testing" and "development" by the ABM Treaty seemed of doubtful validity, and Kunsberg's analysis even questioned whether Star Wars "deployment" would be curbed by the treaty.

Perle and the Defense Department lost no time in presenting their dramatic new findings about the ABM Treaty restrictions to an interagency committee. The new Pentagon position seized the attention of officials concerned with arms negotiation policy, who quickly understood the large-scale significance of the "new interpretation" for SDI, the ABM Treaty and U.S.-Soviet relations on the eve of the summit.

Secretary of State George P. Shultz called in the newly installed State Department legal adviser, Abraham D. Sofaer, 47, who came to Washington this summer after six years as a U.S. District Court judge in New York City. Charged by Shultz with studying the issue, Sofaer began his review of the negotiating record as maintained in Foggy Bottom. In addition, he held lengthy discussions with Paul H. Nitze, the administration's senior arms control adviser and the only senior member of the 1972 ABM negotiating team still in government.

Sofaer found the Pentagon report to be more opinion than analysis but, after several all-night bouts of study, reached a conclusion close to that of the Defense Department. He concluded that the U.S. negotiating team had tried—but failed—to convince the Soviet Union to ban future "devices" which might be invented to do the antimissile job.

Sofaer also concluded that while the treaty does not ban testing or development of space-based futuristic ABM systems, unlike the Pentagon he concluded it does ban their "deployment."

Sofaer's conclusions were reported to Nitze and Shultz in a series of memos, the most extensive and authoritative of them on Thursday, Oct. 3.

The following day, Oct. 4, the administration's high-level Special Arms Control Policy Group (SACG) met to discuss the issue at the White House under chairmanship of White House national security affairs adviser Robert C. McFarlane. During this meeting, according to informed sources, Pentagon representatives accepted Sofaer's position, rather than their broader one.

The discussion moved toward acceptance of the Sofaer position as new government policy, several sources said, though no formal agreement was reached. There are conflicting reports about whether there was a consensus around the table.

Toward the close of the late-afternoon meeting, McFarlane ordered a new position paper written to discuss a new legal position on the ABM Treaty that relieves the United States of most of the restrictions on Star Wars. At least some of those present expected to thrash out the issues further in connection with preparation of this paper.

All this had taken place in secret, without the knowledge of even well-informed people outside government. Last month, when the former counsel to the ABM Treaty negotiations, John D. Rhinelander, was asked by a journalist about rumors of a new treaty interpretaion, he advised his caller that "this is too ridiculous to take seriously" and promptly forgot about it.

The shift became public in a way that is still a puzzle to many in government, on a "Meet the Press" interview with McFarlane Oct. 6. In response to a question from Marvin Kalb which did not mention the ABM Treaty, McFarlane volunteered the view that "testing" and "development" of ABMs based on "new physical concepts" is "approved and authorized by the treaty" rather than banned.

This startling pronouncement by a high official, almost a 180-degree reversal of the longstanding U.S. position on the treaty, was a shock to the ABM Treaty's negotiators and other arms control advocates, to U.S. allies in Europe and arms control-minded members of Congress.

When Gerard C. Smith, chief negotiator of the 1972 treaty and a well-respected veteran of six administrations, learned that McFarlane's pronouncement was a serious expression of policy rather than a mistake, he denounced the new interpretation as erroneous and said it would "make a dead letter" of the ABM Treaty.

In an interview, Smith questioned "the whole idea of searching the [negotiating] record" for the meaning of the treaty. He said that, while some of the final language was "not the best," it was clear to him and other U.S. negotiators that the Soviets explicitly agreed to tight limits on future "exotic" ABM systems such as those envisaged in the Strategic Defense Initiative.

Smith said the most important negotiations on this point took place in a "working group" headed by Sidney Greybeal for the United States and a then little-known Soviet official named Viktor Karpov, who went on to be chief strategic arms negotiator for Moscow in 1979–83 is chief Soviet negotiator at the current offensive and space arms talks in Geneva.

Greybeal was reported by Smith and others to be certain that the Soviets clearly agreed in the working group to ban "testing" and "development" of space-based and other "mobile" ABMs based on exotic technology. (Greybeal declined to be interviewed on this matter.) Prof. Albert Carnesale, a dean of the John F. Kennedy School of Politics at Harvard University, who was a member of the Greybeal-Karpov working group, said in an interview that his understanding at the end of the negotiations was that space-based exotic weapons could not be tested or developed.

"Any other interpretation doesn't make sense," Carnesale said.

Retired Lt. Gen. Royal B. Allison, who was the senior military official on the U.S. ABM negotiating delegation, said in an interview he was deeply involved in the discussions of this issue because the Joint Chiefs of Staff were determined to leave room for "research and research-testing" in case "exotic" ABMs such as lasers could someday be developed.

"Nowhere did I understand that we retained the right to development and full-scale testing of new systems," Allison said. He added, "I didn't have any doubt in my mind as to what the Soviets had approved. If there had been any doubt you can be sure we would have announced it."

Of the members of the former U.S. negotiating team, only Nitze was consulted by Kunsberg, Sofaer or other U.S. officials in connection with the reinterpretation of the ABM Treaty. Sofaer's position is that the U.S. negotiators may have sincerely believed they had a Soviet agreement, but that the record is devoid of evidence to that effect.

Sofaer has also said, though, that the record is incomplete: new documents were still coming to light even after his report that galvanized the government.

Nitze's position, as a senior official of the Reagan administration, was the most important to the internal deliberations. Nitze declined to make a public statement of what he believed the treaty to provide when it was signed in 1972 or what he has come to believe now.

However, sources close to him said Nitze is now convinced that the Soviet delegation re-

jected U.S. efforts to ban "testing" and "development" of exotic ABMs, though they did agree that "deployment" would have to be negotiated by the two sides.

From the beginning of the internal debate six weeks ago, Nitze is reported to have taken the position that, legalities aside, the most vital job of the administration was to "keep faith" with the interpretation of the treaty previously presented to U.S. allies, Congress and the public. Nitze appears to have been the driving force behind Shultz' proposal, ultimately accepted by Reagan in a showdown White House meeting Oct. 11, that the "new" ABM interpretation be accepted by the administration as a matter of law, but that the "old" ABM interpretation restricting Star Wars testing and development be retained as a matter of administration policy.

The final decision, signed by Reagan according to official sources, did not say how long he would continue to observe the "old interpretation." Since it is now judged to be valid only as a matter of presidential policy, rather than as treaty law, it could be presumably be abandoned whenever convenient.

The Soviet Union, which had little to say as the "new interpretation" of the ABM Treaty became a matter of public debate in Washington, began to warm to the subject late last week.

The chief of the Soviet general staff, Marshal Sergei F. Akhromeyev, accused the Reagan administration of "deliberate deceit" in reinterpreting the ABM Treaty. In a Pravda article, Akrohmeyev charged McFarlane with having "distorted the essence of the treaty" by "trying to substantiate the lawfulness of experiments" that would lead to a space-based ABM.

Among the several mysteries remaining about the administration's reinterpretation of the 1972 treaty is why the issue came to the fore now, when the Star Wars program is still about five years away from breaking though the bounds of the treaty as previously interpreted, at least as the treaty's prohibitions have been applied by the Reagan administration.

Some of the advocates of the new interpretation said the timing was essentially a coincidence caused by the "fresh look" at the evidence by the two new government lawyers. Others, including a senior White House official, said the issue arose now because "people are staking out their ground" for the long term before the Reagan-Gorbachev summit.

Some in the administration are "very nervous" that Reagan might agree to some restraints on SDI in his meeting with Gorbachev and are moving to forestall such a possibility by reinterpreting the ABM Treaty now, this official said.

On the other, and at the moment the losing, side, the official said, are those who still hope for compromise with Gorbachev on SDI as the essential building block of a broad U.S.-Soviet agreement.

THE TRANSPORTATION TRUST FUNDS DON'T BELONG IN THE GENERAL BUDGET

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. SHUSTER. Mr. Speaker, when this House considers reconcilation tomorrow, we will have the opportunity to strike a blow for honesty in budgeting.

I urge my colleagues to support removing the transportation trust funds from the unified budget because self-financing, deficit-proof trust funds, do not belong in the general fund budget.

Trust funds were brought into the general budget in 1967 to help finance the Vietnam war—and tomorrow we will have the opportunity to correct this mistake. Let's use our dedicated transportation trust fund dollars to build better highway, aviation, and transit systems for America—not to build up misleading surpluses that mask the real budget deficit.

THE 75TH ANNIVERSARY OF THE STANISLAUS MEDICAL SOCIETY

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. COELHO. Mr. Speaker, on October 22, 1985, the Stanislaus Medical Society will celebrate the 75th anniversary of its founding in 1910.

The purposes of the society are to promote and develop the science and art of medicine, while conserving and protecting the public health. It was organized by Dr. W.J. Wilhite and Dr. B.F. Surryhne among the small number of doctors practicing medicine in the area in 1910. Since that time, the society has grown to its present membership of over 400, and has contributed immeasurably to the quality of medical care in Stanislaus County through education, training, and support.

I would like to congratulate the officers of the Stanislaus Medical Society, Dr. William L. Boddie and Dr. Rita M. Chafkin, and all of its members on the occasion of its 75th anniversary. On behalf of the people of Stanislaus County, I would like to salute the society for all that it has done to improve medical care in our community over the years.

CONGRESSIONAL TRIBUTE TO THE WEST SAN GABRIEL VALLEY CONSORTIUM

HON. MATTHEW G. MARTINEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. MARTINEZ. Mr. Speaker, I rise today to honor the West San Gabriel Valley Consortium for its work in the training and job placement of welfare recipients, poverty persons, older workers, the handicapped, refugees, and displaced workers. Their job training and placement programs since its inception in 1976 have made important contributions to my district and to the cities the consortium serves, which include Alhambra, Bell Gardens, Montebello, Monterey Park, Rosemead, San Gabriel, and Temple City.

The achievements of the West San Gabriel Valley Consortium speak for themselves. In fiscal year 1985, 686 residents of the San Gabriel Valley were placed in job-related training provided by the consortium. The earnings of graduates of the training program exceeded over $3.3 million, a figure based on current hourly wages for those placed on jobs.

The consortium has begun to institute new programs to complement its successful job training program. The consortium is now pursuing the practice of taking their trainees off welfare rolls when they are placed in suitable training occupations. Also, the consortium has instituted a Summer Youth Employment Program for 1,400 low-income youth in its area.

Mr. Speaker, organizations such as the West San Gabriel Valley Consortium should be commended for the outstanding contributions they make to the community. As chairman of the Employment Opportunities Subcommittee of the Education and Labor Committee, which has primary oversight responsibilities over the Job Training Partnership Act, I have worked with job training programs throughout the country. From my work with the West San Gabriel Valley Consortium, I know their program is one of the finest in the country, and I am sure that the consortium will continue its fine work in serving the San Gabriel Valley. It is my hope that other organizations will follow the lead of the consortium, and provide needed job training and placement to help solve this country's severe unemployment problem.

BUDGET QUACKERY

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. LEHMAN of Florida. Mr. Speaker, a recent Miami Herald editorial very clearly sums up the Gramm-Rudman plan to balance the Federal budget. The editorial is on target in calling this legislation quackery. As such it will only delay rational and realistic approaches to solving the deficit problem.

We, in the Congress, must have the commitment and the courage to devise a plan that will confront the difficult choices now before us rather than abdicate our constitutional responsibilities as legislators.

I urge my colleagues to read the following editorial:

[From the Miami Herald, Oct. 15, 1985]

BUDGET QUACKERY

Is there a doctor in the House? The U.S. Senate has sent over a deficit-reduction bill that's badly in need of one. Not even major surgery could make this bill viable. It would be better off dead.

The Senate's bill, you'll recall, requires trimming $36 billion-plus off projected Federal deficits each year through 1991, when the deficit theoretically would vanish altogether.

Ordinarily such deficit reductions might be achieved through lower spending, higher taxes, or some combination of the two. With the tax-increase route blocked by President Reagan's opposition and veto power, however, budget cuts inevitably will be the method used the most.

If Congress, can't decide where to trim, moreover, the bill mandates automatic cuts across the board, with two types of spending spared: Social Security and interest on the $2 trillion-plus national debt.

There's the rub. Together the two exempt categories account for 40 percent of the budget. This means that 100 percent of the cutting would be done in the other 60 percent of the budget, which includes the military. Given the Pentagon's clout, there's every reason to believe that other Federal programs will bear the brunt of the cuts.

It's easy to dismiss those other categories of Federal spending as "social of Federal spending as "social programs," a label that evokes visions of do-good bureaucrats and welfare queens. When the cutting actually begins, however, it'll be obvious that there's more than fat in the budget's socalled discretionary spending. What's more, if a recession hits between now and 1991—and odds are that one will—counter-cyclical spending such as unemployment benefits may prove impossible to contain, much less to reduce.

This whole approach is quackery. It's a poor substitute for the conscious exercise of the rational judgmetn required to sort through national priorities and make tough, politically risky decisions. Sooner or later, this sorting-through will have to be done.

In the meantime, the chances are good that the Senate bill's year-to-year method of reducing the deficit, if it ever worked at all, would come undone quickly. As the budget cutting moved closer to the bone, the fragile congressional consensus in support of this approach would be ever harder to sustain.

This bill's ultimate danger, then, is the same as with other forms of quackery: that experimenting with this purported panacea will serve only to delay administering the bitter medicines that really work. The House therefore ought to reject it, lest the American people be fooled into thinking that the Federal deficit fever actually has been cured.

WORLD WAR II HERO DESERVES RECOGNITION

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. DORGAN of North Dakota. Mr. Speaker, this summer I met Sam Sortland from Ambrose, ND. He was asked to recount some of his experiences as a prisoner of war in World War II at POW/MIA Day in Williston, ND.

As a result of my visit with Mr. Sortland, I attempted, through contacts with the Pentagon, to get Sam Sortland a Purple Heart for his service during World War II. However, I discovered that a 1946 War Department policy precludes the awarding of the Purple Heart to prisoners of war injured as a result of war crimes.

Although Sam Sortland is not eligible for a Purple Heart, he and others like him are heroes.

I wanted to note in the CONGRESSIONAL RECORD that Sam Sortland fought with the Army Air Corps in Corregidor and endured 3 years in a Japanese prison camp in Manila.

Cpl. Sam Sortland served with the 803d Engineer Battalion, Company A. His job was building airfields in the Philippines and Corregidor. But Corporal Sortland couldn't build an airfield on Corregidor because his company was locked in battle on a beachhead until May 6, 1942, when Sam was taken prisoner by the Japanese.

At a prison camp in Manila, he endured starvation and torture until he was liberated by the U.S. Rangers on February 4, 1945. At the time of his release, Corporal Sortland was blind and weighed only 70 pounds.

Although Sam Sortland is not eligible for the Purple Heart, on behalf of all North Dakotans, I want him to know how proud we are of his bravery and how grateful we are that his sacrifice and that of thousands of other men and women like him enabled our democracy to triumph over despotism.

SOUTHWESTERN BELL'S OPERATION IDENT-A-KID

HON. ALAN WHEAT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. WHEAT. Mr. Speaker, the phrase "necessity is the mother of invention" was first made famous about 250 years ago. Today, Southwestern Bell Telephone of Kansas City, MO, is proving the wisdom of those words.

Southwestern Bell Telephone employees saw a need for a program to help combat the increased number of child abduction crimes in our country. The result is Operation Ident-A-Kid, a volunteer program started in 1984 to fingerprint and photograph children in western Missouri, particularly in Kansas City.

Under the guidance of the company's community relations teams, Southwestern Bell Telephone employees volunteer their time on weekends to help fingerprint and photograph children at shopping centers and malls. Each parent that participates in the program receives an identification card that includes a child's age, weight, birthmarks, scars, and fingerprints as well as a current photograph. In 1984, 2,700 children in the Kansas City metropolitan area and other towns in western Missouri were fingerprinted. The program blossomed this year and more than 18,000 children participated in the program.

The program does more than simply fingerprint and photograph children. At each location, Southwestern Bell Telephone employees distribute information in keeping children safe at home and outside the home. The parents also receive illustrated pamphlets that explain to children how to use emergency telephone numbers. Local law enforcement officials have augmented Southwestern Bell's efforts by going to the shopping malls with the company's employees and answering questions from parents and children on protective measures.

Mr. Speaker, Southwestern Bell Telephone traditionally has been, and remains, a company with a genuine concern for the communities it serves. With the growing number of crimes against children, Operation Ident-A-Kid is one way the company demonstrates its caring attitude. I want to join with the many parents who have participated in the program to express my gratitude to Southwestern Bell and its altruistic employees who participated in this program.

LUPUS AWARENESS WEEK

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. GREEN. Mr. Speaker, Sunday, October 20, marked the beginning of National Lupus Awareness Week 1985. I should like to take a moment to speak about this disease, which claims 50,000 new victims every year. Unfortunately, the medical community does not know what causes lupus, nor does it have a cure.

What is known is that Systemic Lupus Erythematosus is an autoimmune disease—a disease caused by a malfunction of the immune system itself, rather than by invasion of a foreign body. It affects over 500,000 Americans, 90 percent of whom are woman, usually in their childbearing years. The severity of the disease varies among women, but it can be fatal.

This week we will consider the conference report on H.R. 2409, a bill which includes a new temporary Lupus Erythematosus Coordinating Committee within the National Institutes of Health to plan, develop, coordinate, and implement comprehensive Federal initiatives on lupus research. I believe this is an essential step in the efforts toward curing this disease.

However, it is also important that public awareness of lupus be expanded. This week provides a special opportunity to teach Americans about this illness. I should like to commend the Lupus Foundation of America for its leading role in this initiative. The S.L.E. Foundation in New York's 15th Congressional District is but one of many chapters around the country which provide information, referral and counseling services to Lupus victims and their families.

These free services, as well as community outreach and education programs, have been in place in New York and throughout the United States for 15 years. Only through continued support for medical research into immune system disorders and greater public awareness of the nature of this disease will we ultimately discover a cure.

QUEENS HOSPITAL CENTER CELEBRATES 50TH ANNIVERSARY

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. ACKERMAN. Mr. Speaker, I rise today to pay tribute to an outstanding health care facility, the Queens Hospital Center, on the auspicious occasion of its 50th anniversary, which will be celebrated on October 24, 1985.

Since New York City Mayor Fiorello H. LaGuardia dedicated Queens General Hospital in 1935 as the first public general hospital in the borough, this facility has been an important leader in medical care for all of New York. Combining with Queens Borough Hospital and Triborough Hospital, the new Queens Hospital Center featured an all-volunteer staff of physicians that was in the forefront of cancer research and had one of the few pain clinics in New York City.

As the institution approaches its 50th anniversary, the men and women of the Queens Hospital Center have renewed their commitment to innovative, quality medical care. The hospital opened the first alcoholic rehabilitation center in Queens, and sponsors an excellent teen-pregnancy program as well as participating in WIC. With its fine health care and strong dedication to the Queens community, the Queens Hospital Center continues to play an important role in New York City medical care.

Mr. Speaker, the Queens Hospital Center will mark its 50th anniversary with a series of symposia, ending with a gala dinner-dance on Thursday, October 24. By using the occasion not only to celebrate the past 50 years, but also to discuss the critical issues of medical care in Queens County today, the Queens Hospital Center again demonstrates its devotion to finding medical solutions that fit the needs of the community.

Mr. Speaker, the doctors, nurses, staff, and administrators of the Queens Hospital Center have worked hard to bring the best possible medical care to Queens County. I would particularly like to acknowledge the fine work of Lorraine Tredge, the executive director of the Queens Hospital Center, and Dr. Irving Margolis, president of the medical board. Their impressive accomplishments, and the achievements of the entire staff, have strengthened the tradition of excellence at the hospital center.

Mr. Speaker, I call on all of my colleagues in the U.S. House of Representatives to join me now in congratulating the men and women of the Queens Hospital Center on the joyous occasion of its 50th anniversary.

TRIBUTE TO GRACE FISHER ATKINS

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. DIXON. Mr. Speaker, I take this opportunity to pay tribute to a woman who has been an inspiring catalyst in the lives of many people. From 1946 to 1969, Grace Fisher Atkins owned the residence at 3743 West Adams Boulevard in Los Angeles. During that time, Grace rented rooms and served as surrogate "mom" to several male college students who needed a place to live. Under Grace's careful guidance, those young men completed their education and are now serving their communities as successful citizens in a variety of professions and occupations including medicine, law, politics, acting, law enforcement, and business.

On October 26, 1985, the young men of 3743 West Adams Boulevard, their families and friends will gather at the Airport Marriott Hotel for a reunion and to pay tribute to Grace Fisher Atkins. Although I was not one of Grace's roomers, I lived behind her home on West Adams Boulevard for several years and can also attest to the warm heart and generous nature that has inspired this richly deserved tribute.

A devoted wife and mother, Grace is a woman of many interests. She received her bachelor's degree from UCLA and her master's from the University of Southern California, where she has also done doctoral course work, in the field of psychology. Grace has served as president of the Delta Sigma Theta Sorority and the Kappa Mothers' Club, and is a respected member of the NAACP and the Urban League. She obtained a real estate license in 1944, and has been credited with many creative real estate transactions during her career, including the sale of West Adams Gardens, an entire block of homes near USC.

Her interest in education led to teaching credentials from the State of California in elementary and secondary education, and her 20 years of service to Los Angeles city schools has been highlighted by the receipt of life diplomas from the State for those instruction levels.

An accomplished seamstress, Grace won a design competition in Seattle, WA, and at the age of 19 was designing clothes for Marilyn Miller, Jeanne Dixon, Helen Hayes, and Marian Anderson. She later taught dress design and construction at Jefferson Adult School from 1935 to 1942.

Grace Fisher Atkins is living a full and rewarding life. It is my privilege to join in the warm accolades and expressions of sincere appreciation to be extended to Grace on October 26. Her life serves as an inspiration to us all, and I am honored to have been able to share with my colleagues this brief glimpse of a truly remarkable individual.

OREGON WINERIES

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. AuCOIN. Mr. Speaker, last year Oregon's small, family owned wineries produced 580,000 gallons of wine for shipment to 36 States, the United Kingdom and Japan. Wine production added $10 million to the State's treasury. It is clear that Oregon wineries will be significant contributors to Oregon's economic future in years to come.

Winemaking season is now underway back home. Oregon's 48 bonded wineries turn out some of the finest wines in the world. For those who profess to be world-class gourmets, that statement could be construed as hometown chauvinism. Mr. Speaker, our Oregon wineries have proven time and again that when it comes to going for the gold, they're No. 1:

Eyrie Vineyard, established by David and Diana Lett in 1966, was the first vineyard to produce in the Willamette Valley. In 1980, Eyrie won second place in worldwide Burgundy competition in France.

Ponzi Vineyard is well-known for its fine Pinot Noir. In 1981, my good friend Dick Ponzi won a gold medal for this excellent wine at the International Wine and Spirits Competition in Bristol, England.

Taulatin Vineyards, owned by Bill and Virginia Fuller, captured a gold medal in 1982 at the International Wine and Spirits Competition in London for its fine 1980 Pinot Noir.

1983 was a banner year for Oregon vineyards. Among several competition winners, Amity Vineyard's 1982 White Riesling was named "Best of Show" at the San Francisco Wine Festival and received a gold medal at the Atlanta International Wine Festival. Tualatin Vineyard also went for the gold in Atlanta with its 1980 Chardonnay and got it.

Oak Knoll and Knudsen Erath shared the honors in 1983 when both received "Best of Show" for their 1980 Pinot Noirs at the All-American Wine Competition in New York.

Oregon wineries had another banner year in 1984. Knudsen Erath's 1980 Pinot Noir took the "American Champion" award in New York. Tualatin's 1980 Pinot Noir and 1981 Chardonnay each garnered a "Grand Award" in the London International Wine and Spirits Competition—the first winery so honored in the event's history. The London show included more than 1,000 entries representing all of the world's major wine-producing regions.

In 1984, my good friends Bill Blosser and Sue Sokol won a gold medal for the Sokol Blosser Winery's 1981 Chardonnay at the San Francisco Wine Fair.

Eyrie Vineyard's 1982 Pinot Noir and Knudsen Erath's 1981 White Reisling each won a gold medal in 1984 at New York's All-American Wine Competition.

This year, Oregon wineries again have received top honors. Oak Knoll won a silver medal for its 1982 vintage-select Pinot Noir, while Sokol Blosser was recognized for its 1983 Yamhill County Hyland Vineyard Pinot Noir at the Tri-Cities Regional Wine Festival. Oak Knoll's 1982 vintage-select Pinot Noir was awarded a silver medal at the West Coast Wine Competition in Reno, NV.

Mr. Speaker, I take great pride in pointing out that the majority of Oregon's award-winning wines are grown and produced in the First Congressional District, which I represent.

I'm told we've had perfect winemaking weather this year. The 1983 Pinot Noirs are just now coming out, a vintage widely heralded as the finest in the Oregon wine industry's 22-year history. As more and more wineries open their doors—including Monrovia, Rex Hill, Veritas, Bethel Heights and Garden Valley—I know that Oregon wines will continue to merit the national and international acclaim which has been awarded them thus far.

COMMEMORATION OF 200TH ANNIVERSARY OF THE LAND ORDINANCE OF 1785

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. APPLEGATE. Mr. Speaker, I would like to make my colleagues aware of the celebration of the 200th anniversary of the signing of the Land Ordinance of 1785. The East Liverpool Ohio Historical Society, in my district, hosted a 2-day celebration on Saturday, September 28, and Sunday, September 29, to honor those pioneers who participated in the survey that began when a stake was driven in the north shore of the Ohio River, at the corner of what is now Ohio and Pennsylvania in the city of East Liverpool, OH, on September 30, 1785. This celebration has a great State and national significance in that this is the bicentennial year of the survey of the Northwest Territory, which eventually became the five States of Ohio, Indiana, Illinois, Michigan, and Wisconsin, and included approximately 177,150,000 acres. The territory also included what is now the part of Minnesota east of the Mississippi River.

The Land Ordinance of 1785 was a major step forward in the settlement of the country northwest of the Ohio River. This ordinance, as passed by a fledgling Congress, instructed U.S. Geographer Thomas Hutchins to personally survey a line 42 miles to the west from the point on the north shore of the Ohio River opposite of the northern point of the Pennsylvania/Virginia lines. The scientific system of surveying and of subdividing the land with clearcut establishment of both boundaries and titles was paramount in the development of a policy for the disposition of the lands in the western territory of the United States. This ordinance could not have been put into effect without the foresight and leadership of the First Federal Congress of the United States.

The rectangular survey opted for by Congress was one of the great features of the Land Ordinance of 1785 that has been retained in our national land system ever since. The ordinance also included all of the best features of the New England land system. This important achievement in the founding of our country was proof of the prudence and direction which guided the First Federal Congress.

This ordinance, drafted by Congress, could not have been carried out without the coverage and bold spirit of the surveyors under Thomas Hutchins, first geographer of the United States. These surveyors, who have often gone unnoticed, faced many great perils in the Northwest Territory to carry out the orders as directed by Congress, including hostile Indians who were unwilling to surrender land to "greedy" Americans. It is important that we remember these men and the risks that they exposed themselves to in order to support and uphold the directive of our First Federal Congress.

The contribution which the Land Ordinance of 1785 made in the establishment of our country cannot be forgotten and the individuals who drafted and implemented this ordinance will forever stand in the history of our Nation.

Mr. Speaker, I am particularly pleased to draw to the attention of my colleagues this major event in the history of the United States, as I was there to speak at the celebration of the East Liverpool Historical Society. We should all applaud this tremendous land development in the founding of our country.

YOUTH OPPORTUNITY WAGE ACT OF 1985

HON. DAN COATS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. COATS. Mr. Speaker, I would like today to add my support to H.R. 1811, the Youth Employment Opportunity Wage Act of 1985, which was introduced by my colleague, Congressman TRENT LOTT, at the request of the President.

Despite economic growth over the past 3 years, youth unemployment remains extremely high, particularly for minorities. The unemployment rate for all youth, 16 through 19 years of age, was 19.5 percent in July 1985, while the unemployment rate among black youth was 41.3 percent. These rates are unacceptable and passage of H.R. 1811 can bring them down.

Many teens are unemployed because they lack skills to earn the minimum wage; such youths are unable to find jobs even in the summer, when youth employment is at its peak. In July 1984, only 61 percent of all white youth and 34 percent of black youth were able to find jobs.

This proposal, which would apply to youths age 19 and under, has the potential to create 400,000 summer youth jobs across the country at no additional cost to taxpayers. Teenagers would be permitted to accept employment for 75 percent of the statutory minimum wage from May 1 to September 30. The authorization for the youth wage would extend for three summers after which a full evaluation would be made to determine the effectiveness of the youth wage in creating summer jobs for youth as well as any adverse effects on other workers.

Some have opposed the youth minimum wage on the basis that employers would abuse its provisions by substituting teen workers for full-time employees. However, H.R. 1811 specifically addresses this issue by strictly penalizing employers for this practice. These employers would be subject to various legal remedies including a $10,000 fine, 6 months in prison, and payment of back wages.

The proposed legislation would enable employers to expand job opportunities for teenagers during the summer months and would enable many to find jobs, earn money, and gain the skills needed for future work. I urge my colleagues to join me in cosponsoring this worthwhile legislation.

LATCHKEY CHILDCARE ACT OF 1985

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. EDGAR. Mr. Speaker, today I am introducing legislation to reauthorize the Latchkey Daycare Program which was originally authorized in Public Law 98–558. It establishes a program to allocate money to public agencies and nonprofit organizations to establish before- and after-school child care programs in existing school facilities or community centers. Unfortunately, funding legislation for this important program was never passed.

Although each year more and more women enter the job market, each year more and more women live under the poverty line. If we can enable more women to hold down jobs by improving our day care network, we could bring more women out of the clutches of poverty.

Over the past several decades, child care has become a desperate problem for many American families. Approximately 47 percent of women with children under the age of 1 are working, yet there has been limited response to the drastically increased need for child care.

Thirty-six percent of all mothers who are currently not employed and whose family income is under $15,000 reported to the Census Bureau that they would work if adequate day care was available. Currently, many women have to make the ugly choice between living below the poverty line or leaving their children at home alone.

Imagine if you will, the pain of a single mother, unable to afford day care and far

away from her family, when she has to leave a feverish child at home so she can keep her job. Single mothers have to make this kind of choice every day.

The child care program which I outlined above would represent a small initial effort by the Federal Government to address this growing problem. In my area of Pennsylvania alone, surveys show that 43 percent of the families are interested in after-school child care located in elementary schools. Many parents are employed outside the home and are dissatisfied with their current child care arrangements. Employing school buildings for after-school child care has several advantages, including the provision of a safe, familiar environment for children and the utilization of empty space.

Mr. Speaker, I urge my colleagues to review this important legislation and add their names as cosponsors. It is high time that the Federal Government rejoin State and local efforts to improve the availability, affordability, and reliability of child care services.

SENIOR CITIZENS WORKING FOR THE PUBLIC GOOD

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. SKELTON. Mr. Speaker, it seems we often hear of the problems an aging population will bring for our society, but, rarely do we dwell on the benefits that may result from this trend. Therefore, I would like to take a few minutes to recognize the achievements of the Foster Grandparent Program because I believe that highly successful program provides a shining example of the contributions older Americans can and do make toward the welfare of our Nation.

The growth of the Foster Grandparent Program illustrates the willingness of our senior citizens to provide public service. In its first year of operation, 782 foster grandparents volunteered for 33 projects in 27 States. Today, 19,000 senior citizens serve as foster grandparents to 65,000 children in 245 projects nationwide. In my home State, 2,200 children receive guidance and affection from 630 older Missourians. 125 of those senior citizens reside in or around Higginsville, MO, and enrich the lives of children who reside in rural areas of my district.

It is hard to conceive of a program for which the Federal Government gets a better return on its investment than the Foster Grandparent Program. For a relatively small amount of funding, the Foster Grandparent Program assists greatly in the physical, psychological and social development of thousands of children. In addition to helping care for physically, emotionally and mentally handicapped children, foster grandparents provide personal warmth to the abused and neglected and work closely with children who have been in trouble with the law.

Mr. Speaker, the Foster Grandparent Program is, above all, an eloquent answer to those who wrongly believe senior citizens have nothing to contribute to society. Therefore, I believe it is highly appropriate that we are marking the twentieth anniversary of the Foster Grandparent Program by designating the month of October as "National Foster Grandparent Month."

IMPRISONMENT OF KOSTADIN KALMUKOV

HON. JOSEPH J. DioGUARDI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. DIOGUARDI. Mr. Speaker, I rise to bring to the attention of my fellow colleagues the plight of Mr. Kostadin Kalmukov, who has been designated by Amnesty International as a "prisoner of conscience." Mr. Kalmukov's case is being closely monitored by Amnesty International's Group 154 of mid-Westchester, NY.

Mr. Kalmukov is a 55-year-old electrotechnician from Bulgaria. He is a husband, father of two children who are adherents of the Pentacostalist faith. In 1984, Mr. Kalmukov was arrested and sentenced to a period of no less than 5 years in prison as a result of his desire to be excused from work on the two holiest days of his religion's observance, those being Christmas and Easter Sunday. Both of these are "non-recognized" by the Bulgarian Government and deemed mandatory "work days" under the oppressive stronghold of their government(s).

In addition to the charges and prison sentence put forth upon Mr. Kalmukov, Amnesty 154 was able to obtain information regarding alleged acts of severe mistreatment which go against all United Nations statutes—article 3—protecting all persons from cruel unusual punishment and torture.

The "alleged" act most fresh in the minds of our friends at Amnesty 154 took place on December 25, 1984, when Mr. Kalmukov allegedly protested working on Christmas Day, apparently those were sufficient grounds enough for Mr. Kalmukov to be beaten into a state of unconsciousness—a practice very common behind the Iron Curtain. After the beating, Mr. Kalmukov was stripped of his clothing and put in a punishment cell in which he remained for 3 days. Let us not forget that Christmas is not the warmest time of the year in Eastern Europe.

At this point in time, Amnesty 154 is doing their utmost in keeping up with Mr. Kalmukov's health and personal statute as he awaits his release. We know their help in this fight is second to none.

And finally, in this statement we, as thankful members of a free society, urge the Soviet backed totalitarian Government of Bulgaria to release its grip of undue tension that it puts upon its people and in turn on people of the world alike.

I call for the immediate release of Kostadin Kalmukov.

IN SUPPORT OF H.R. 3008

HON. RICHARD J. DURBIN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. DURBIN. Mr. Speaker, I wish to take this opportunity to express my unqualified support for H.R. 3008. October 9, 1985, is a benchmark in American civil rights history. The passage of the Federal Equitable Pay Practices Act, by a vote of 259–162, represents a critical step toward eradicating wage discrimination in the Federal Government and achieving the civil rights goals set out over 20 years ago.

This measure provides for a long-overdue study of the Federal classification and compensation system to determine if there exists any occupational segregation or wage discrimination based on sex, race, or ethnicity. As was recommended by the GAO, the study will be conducted by an independent consultant and overseen and evaluated by a bipartisan, 11-member commission made up of representatives from the administration, the Congress, Federal employee unions, and women's and civil rights groups.

Contrary to some of the distortions proffered by H.R. 3008's detractors, the measure will not apply to or in any way affect the private sector. It simply calls for a straight forward study of the Federal employment system.

The Federal classification system has not been thoroughly examined since its inception in 1923. The number of women and minorities in the work force and the nature of their jobs have changed dramatically since then. It is only reasonable and just to conduct this thorough review.

Evidence of wage discrimination and occupational segregation in the Federal Government has been well documented. In 1982, when several House committees began an exhaustive series of hearings on this subject, it was disclosed that the average working woman earned at least 40 percent less than the average working man. Female State and local government workers were slightly better off, earning at most 71.5 percent of the salary of the average male worker.

Further, a GAO study revealed that in addition to a wage gap of $9,000 per year, there existed extreme occupational segregation in the Federal civil service. While 46 percent of the Federal work force is comprised of women, 85.5 percent of all female Government employees are concentrated in 8 percent of the occupations—those at the lower end of the pay scale.

Our landmark civil rights laws have weathered some rough storms in recent years. It is regrettable that so much effort has been focused on staving off erosion of these important laws rather than on refining and improving them. The Federal Equitable Pay Practices Act is a refreshing step toward bolstering the Civil Rights and Equal Pay Acts of the 1960's. I am proud to support this measure.

COMMEMORATING LODGE 525 OF THE POLISH NATIONAL ALLIANCE

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 26, 1985

Mr. CONTE. Mr. Speaker, on Saturday, October 26, 1985, Lodge 525 of the Polish National Alliance in Holyoke, MA, is celebrating its 85th anniversary. The distinguished history of Lodge 525 began on October 29, 1900, when it was accepted by the executive committee of the Polish National Alliance in Chicago. Initially, the group had 25 members, and began supporting recently-immigrated Poles with material and moral support. The lodge, which has grown to over 500 members, provides a fraternal insurance policy to each of its members. Throughout its history, Lodge 525 has been dedicated to assisting Poles assimilate into American culture and has been active in the Holyoke community.

In 1937, the organization founded Pilsudski Park in Holyoke, and to this day there are numerous dances, picnics and other civic events held in park. The Polish people who have struggled hard to achieve their independence and freedom in America remain committed to their Polish heritage, and the lodge's activities provide an opportunity for them to gather together, listen to Polish music and speak Polish with good friends.

Lodge 525 is part of the largest ethnic-fraternal benefit society in the country—the Polish National Alliance. Back at its founding in 1880, the alliance was a small group with only $162 in its treasury. But the organization has grown rapidly, and now boasts over 300,000 members in 36 States with $180 million in assets. The Polish National Alliance is involved in a number of worthy activities including the allocation of $10 million in scholarships, as well as putting out daily and biweekly Polish newspapers.

Mr. Speaker, I cannot emphasize enough what a valuable contribution the Polish National Alliance and Lodge 525 have provided for the Pioneer Valley of Massachusetts and our society in general. The first Polish immigrants struggled hard to settle in western Massachusetts and throughout the United States. The language barrier made finding jobs in the mills difficult. Those who found them were often overworked and exploited. Farmers put in long hours tilling the land, and the return was small. In essence, the first Polish emigrees were a solitary people: they spoke a different language, dressed a little differently, ate different foods, and did not always understand the ways of those who lived around them.

But throughout these difficult times, Polish immigrants were united and sustained by a strength and confidence in themselves, family, life and their church. Over time, they became less afraid of being different and more secure as a united and vibrant community. The Polish National Alliance, along with one of its original lodges—number 525 in Holyoke—have been invaluable in this process.

Let me close, Mr. Speaker, by saying that it is a privilege and honor for me and the people of my district to have had such an accomplished and respected group as Lodge 525 in Holyoke for 85 years. The Polish community has a proud heritage—both in Europe and in this country. Saturday's anniversary and the achievements of Lodge 525 of the Polish National Alliance over the last 85 years are testament to this fact. I congratulate the lodge and all its members on their anniversary, and I know that another 85 years—just as successful—await them.

INTRODUCTION OF CHEROKEE HYDRO BILL

HON. MIKE SYNAR

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. SYNAR. Mr. Speaker, today I have introduced legislation that will allow the Cherokee Nation of Oklahoma to take great strides in improving the economic well-being of its people and its future generations. The bill I have introduced will provide authority for the Army Corps of Engineers to own, operate and maintain a hydroelectric generating facility that the Cherokee Nation intends to design, construct and finance. The Cherokees have proposed to provide 100 percent—and I emphasize 100 percent—of the financing for adding a hydroplant to the existing W.D. Mayo Lock and Dam No. 14 on the Arkansas River. Upon completion, the Corps of Engineers would assume ownership of the facility and operate the plant in connection with its current responsibilities at the lock and dam. Power from the 40 megawatt facility would be marketed by the Southwestern Power Administration, thereby providing needed low-cost electricity for its preference customers. In turn, the power sales will cover the Federal costs associated with the corps' maintenance of the powerplant, reimbursement costs associated with construction of the facility by the Cherokees and a reasonable annual royalty payment to help secure the economic well-being of the tribe.

Mr. Speaker, the arrangement I have just outined has been the source of extensive discussions by all parties involved. Indeed, I believe that all of the parties are in agreement about the enormous near and long-term benefits offered by this proposal.

Perhaps most important, this bill provides exciting opportunities. It provides the Cherokee Nation the opportunity to create jobs in an economically depressed area of excessive unemployment. It also provides the tribe the opportunity to expand its economic development program into a first-of-a-kind venture that offers financial stability and prosperity for years to come.

In addition, it provides a unique and as yet untested experiment in connection with this administration's policy to seek out new partnerships with non-Federal interests in financing water development projects.

We are all well aware of the tremendous budget constraints facing the Government today. This bill, providing the necessary authority for the corps to operate and maintain the hydroplant upon completion of construction, offers economic benefits to the Cherokee Nation and regional electricity consumers without expending any Government funds. The Cherokees are willing to accept the full financial responsibility of this novel proposal. I comment them for their courage and foresight. And I also commend them for bringing forth what I hope becomes the benchmark for similar future efforts to provide local economic development opportunities while recognizing the severe budgetary limitations we face as a nation.

I therefore urge my colleagues to join with me in support of this legislation.

SOVIET JEWRY

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. MAVROULES. Mr. Speaker, I am compelled to once again address my colleagues on a matter of fundamental human rights—specifically the issue of Soviet Jewry. It is an issue that I have addressed on a number of occasions in the past. It is an issue that many of my distinguished colleagues have sought to confront. Time and time again, we find ourselves increasingly more concerned over this compelling problem.

Because, Mr. Speaker, the sad fact is that the problem persists. It not only persists, it appears to get worse. Indeed, the violation of basic human rights, to this day, remains a way of life in the Soviet Union. And because the problem persists, so too does our responsibility to speak out in the name of justice and humanity. As I have often said, it is the moral responsibility of the free world to stand firm in opposition to the Soviet's continued refusal to respect even the most basic of human liberties.

The problem must be confronted. I believe, Mr. Speaker, that the issue of Soviet Jewry is particularly important at this period in time. We all know that we are now on the eve of a most critical summit meeting between President Reagan and Soviet leader Gorbachev. As the summit draws near, it is essential that we clearly define our intentions and goals. We must enter this critical meeting with an understanding of our priorities, and with a firm conviction and determination to aggressively pursue those issues which are of most vital concern.

Now it is clear that the reduction of our nuclear arsenals is of central importance. And I most certainly do not wish to underscore the importance of arms control. But I would like to say that the nature of our relationship with the Soviet Union will rest

on other considerations as well. And I submit today that the issues of human rights is an integral and extremely influential factor in that relationship.

Mr. Speaker, what I am saying is quite simple. And that is that our efforts to reduce the arms race, and to better our relations with the Soviet Union, must never compromise our condemnation of Soviet human rights violations. There is little question that the Soviet Union engages in the systematic violation of its citizens' most basic liberties and freedoms. Its refusal to allow its Jewish citizens to emigrate is a clear and compelling illustration of this lawlessness.

Let us never compromise our position on this issue. Let us never forget that the preservation of basic human rights must remain at the heart of any international relationship. For to do so, Mr. Speaker, would compromise the very values upon which America was founded.

COMMEMORATION OF 100TH ANNIVERSARY OF ST. AGNES CHURCH

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. APPLEGATE. Mr. Speaker, I am privileged to bring to the attention of my esteemed colleagues the 100th anniversary of the founding of St. Agnes Church in Mingo Junction, OH. This church represents 100 years of faith, worship, and hard work on the part of individuals of all nationalities who realize that they are all part of one family under God.

The parishoners who built the two church buildings, the two school buildings, the rectory, and the convent at great sacrifice to themselves, were men and women of profound faith and they passed this faith on to their succeeding generations. As a parish, there was and still is today great pride in Catholic education. The dedication made by the Franciscan Sisters of Christian Charity of Manitowoc in educating the young in the faith since the beginning of the 100 years should be commended. Today St. Agnes and its satellite parishes maintain and operate an outstanding institution of learning in the diocese.

As you can well imagine, countless blessings have occurred in the parish of St. Agnes over this 100-year period. Several young parishes were born out of St. Agnes, which in the beginning bordered Holy Name, Steubenville on the north, and Martins Ferry to the south. Evidence of the flourishing faith in St. Agnes Church can be seen in the many vocations of priests, sisters, and brothers. Since 1885, a multitude of people have received new life of Christ through the waters of Baptism. Thousands have received the Eucharist and thousands were confirmed in the Spirit. Many graces and blessings were bestowed on men and women who pledged their love before the alter of God in Holy Matrimony. There were also many days when the dead were commended to Almighty God in Christian Burial.

St. Agnes has weathered many hard times as she has passed from the 19th century and into the 20th. The struggles of wartime and the hardships brought on by the Great Depression are just a few of the difficulties with which all Americans have had to contend during these years. Through these 100 years, the prayers and support of all the parishoners of St. Agnes, in addition to the realization that the Blessed Lord was always at their side and that St. Agnes, their patroness, was constantly interceding, helped them through the difficult times.

Mr. Speaker, I take great pride in commemorating this 100-year anniversary of St. Agnes Church in my district, in Mingo Junction, OH. This parish is an outstanding example of the continuation of and dedication to the Christian faith in our country. St. Agnes Church has gained momentum 100 years later that moves not only the parish, but all those who behold it.

ALEXANDER NEPOTE—ARTIST EMERITUS OF SAN MATEO COUNTY, CA

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. LANTOS. Mr. Speaker, the French Novelist Marcel Proust said, "Thanks to art, instead of seeing a single world (our own) we see before us as many worlds as there are original artists * * *. Only through art can we get outside of ourselves and know another's view of the universe."

On the San Francisco Peninsula, Mr. Speaker, we are fortunate indeed to have a highly talented, highly original artist who continues to lead us into other new and unique worlds through his art—Alexander Nepote.

For the past 40 years the bay area has been blessed with his artistic genius. He received his education at the California College of Arts and Crafts in Oakland, where he received his B.A. Ed. in 1939. Alex also studied at the university of California, Berkeley, and at the Mills College Graduate School in Oakland, where he received his M.A. in 1942. For the last 25 years, he has lived in Millbrae.

Alexander Nepote's professional career began when, at the age of 20, his works were accepted by the jury for display by the Oakland Museum of Art's Annual Watercolor Exhibition in 1934. Since that time his works have been seen throughout the United States and around the globe.

In addition to his own artistic achievements, Alex also sought to share his gift with others. He and I served together for many years on the faculty of San Francisco State University. While I concentrated on the mundane problems of international economics, he focused on the sublime world of art.

Mr. Speaker, I could list at great length Alex's accomplishments—exhibitions, collections, awards, and honors. The list is almost endless, and it provides only a monocromatic, one-dimensional record of an outstanding multifaceted and colorful career.

I do want to mention a few, however, which give some of the flavor of his outstanding record. A brief sampling of exhibitions in which his work has been seen includes the Third International at Sao Palo, Brazil; Expo 70 in Osaka, Japan; Art of the Pacific Basin in Aukland, New Zealand; Americans 1962 at the Richmond, VA, Museum of Art; and an exhibition of West Coast Watercolorists in London, England. His works are held in a number of public and private collections, including the Metropolitan Museum of Art in New York, and the Museums of Art of San Francisco, Oakland, and Denver.

In describing the philosophy of his work, Alexander said, "My reactions, which are embodied in my paintings, are the result of an intensive search: to see, as best I can, beyond the obvious to the hidden deeper realities. It is not my intention to describe a parcel of landscape which may interest me, but to suggest the inner spirit which is felt and experienced at a particular place."

Mr. Speaker, in recognition of his lifelong artistic achievements Alexander Nepote will receive the Congressional Artists Emeritus Award for the 11th Congressional District of California. It is an honor for me to make this award to a man who through the medium of art has helped us get outside of ourselves, helped us to see many worlds rather than just our own, and—most important—has helped us see the hidden deeper realities of the world around us. His accomplishments are part of our national heritage. I am delighted to share them with my colleagues in the Congress and to make them a permanent part of our nation's history by placing them in the CONGRESSIONAL RECORD.

COMMANDANTE ORTEGA: WHAT HE DIDN'T TELL THE UNITED NATIONS

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. SOLOMON. Mr. Speaker, Commandante Daniel Ortega, the leader of Nicaragua's ramshackle Sandinista revolution, took his case to the United Nations yesterday. Not since Yasir Arafat, sidearms on his belt, swaggered to the U.N. podium a decade ago has the U.N. General Assembly given a hearing to a more disreputable character.

As was to be expected, Ortega launched into a tirade against the United States and everything else that he thought smacked of "colonialism, neo-colonialism, imperialism, racism," and other calamities, real and imagined. As was also to be expected, Ortega's speech was nothing more than a tired recitation of half-truths, exaggerations, ideological ravings, and outright lies.

One would get the impression from listening to Ortega that if the United States would only cease and desist its humanitarian support for those Nicaraguans who are struggling to win back their country then all would be sweetness and light in Central America. Unfortunately, the truth is more complicated.

Ortega's vision is uncomplicated by the inconveniences of free elections, religious tolerance, and free expression. As befits the leader of any Marxist/Leninist military junta, Ortega neither understands nor tolerates political opposition. If he were content to enslave only Nicaragua he would probably be dismissed as just another pathetic, posturing dictator who enjoys his moment in the sun before being overthrown. But Ortega has proclaimed a "revolution without borders" and has turned the once beautiful and industrious country of Nicaragua into the prototype of a brave new world that he wants to extend to all of Central America and beyond.

Just what has Commandante Ortega managed to accomplish for the Nicaraguan people? And why have Nicaraguans, disillusioned with their stolen revolution, taken up arms against Ortega and his thugs? The answers to these questions are found by studying those facts that Ortega didn't tell the United Nations.

Armed opposition to Ortega didn't take to the field until 3 years after the Sandinista revolution brought Ortega to power.

During those first 3 years of Ortega's rule:

Ortega and his henchmen managed to accumulate an external debt greater than that which was accumulated under the Somoza regime over a period of 40 years.

More than 10 percent of all Nicaraguans fled the country. Those Nicaraguans staying behind were faced with 35 percent inflation and an unemployment rate of 30 percent.

Agricultural production in Nicaragua plunged by 50 percent. The country began to import sugar, rice, beans, and corn—staple foods in which Nicaragua has been self-sufficient prior to Ortega's taking power.

Free trade unions were suppressed. The Catholic Church came under relentless harassment. And freedom of the press went out the window.

Thousands of Miskito Indians—guardians of a unique culture—were herded into concentration camps, all in the name of a "literacy campaign."

Ortega and his cronies collaborated with the PLO, Soviet, Cuban, North Korean, Bulgarian, and other allies (all of whom are so concerned about the well-being of Central America!) to consolidate the several guerrilla movements in El Salvador under Nicaraguan control.

The Nicaragua Permanent Human Rights Commission, investigating hundreds of disappearances and executions, found itself out of business and its archives confiscated.

And, finally, the biggest nonsurprise of all: Humberto Ortega, Daniel's brother and fellow junta member, decided to belabor the obvious when he admitted, "Marxism/Leninism is the scientific doctrine that guides our revolution * * * without Marxism/Leninism Sandinism cannot be revolutionary."

All of this happened, mind you, when the United States and other free countries were plying Ortega with over $1 billion in aid. Only when it became abundantly clear that Ortega had no intentions of following through on his promises for a free, pluralistic society did armed opposition take to the field.

No, Ortega wouldn't think of reminding the United Nations about these important facts. Nor could we pretend to speak for the 10,000 political prisoners languishing in his Nicaraguan gulag.

The desperado who addressed the United Nations yesterday cannot be expected to tell the truth. Nor, for that matter, can the United Nations be expected to recognize the truth. But let it never be said that we Americans are afraid of the truth. Let us continue to support our President's policy in Central America and turn back this Communist plague that threatens the future of every person in this hemisphere.

IN HONOR OF A LEADER—TISH SOMMERS

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Ms. OAKAR. Mr. Speaker, late last week, a leader in the women's community died after a long battle with cancer. Tish Sommers, cofounder of the Older Women's League, will be missed by many of the advocates of civil rights who were fortunate enough to know this fine woman. I will personally miss her wisdom and guidance very much.

Tish Sommers was not only a pioneer of the women's movement itself, she brought to the movement a new dimension, which stated that older women, many who have been displaced by the death of a spouse or because of divorce, need equal rights and economic security also. She coined the term "displaced homemakers."

Before giving my colleagues a short history of the contributions that Tish made to our society, I would like to share one of her most inspiring remarks:

I realized early on how important strong, positive joyous role models are. Too many women fear aging, but there's another way to go: Bring together all you've learned and focus on what's important. It's far easier to face death if you've made a valuable contribution and not just let life pass by.

Having founded the Women's Action Training Center in Oakland, CA, Sommers went on to draft the first State and Federal legislation to provide job training to displaced homemakers. Two years after the first displaced homemakers bill was introduced in California, 23 State legislatures had passed displaced homemaker legislation and 400 displaced homemaker centers had been established across the country. In 1975 Sommers founded the Alliance for Displaced Homemakers. By 1978, the concept of the displaced homemaker was incorporated into Federal law.

Sommers began her career as a women's rights activist in the midsixties. "This was not just another cause, but something that affected me personally," she said. "I viewed feminism as a progressive step in the larger struggle again human oppression." In 1971–72 she served on the national board of NOW, the National Organization for Women. She was also the inspiration behind NOW's Task Force on Older Women, the first nationwide group to explore older women's issues.

With Laurie Shields, author of "The Displaced Homemaker," Sommers organized the Older Women's League at the 1980 Des Moines Miniconference on Older Women. As a consequence of that conference and Sommers' organizing efforts in preparation for the 1981 White House Conference on Aging, in 1981, older women's concerns were for the first time recognized as distinct issues to be addressed by Federal policy. Speaking at the national conference, Sommers, then 67, described the delicate economic situation of older women, setting an agenda for older women's rights which OWL continues to follow. Today, OWL has over 14,000 members in 100 chapters around the country and continues to work for Social Security protection, adequate health insurance, pension rights, caregiver support services, and jobs for older women.

As with displaced homemakers, in establishing OWL, Sommers gave voice to a group of women whose problems had previously gone unrecognized. Describing OWL's work, she also described its benefits. "As we work to improve the facts of life for older women, we gain strength which will make our own last years more productive and joyous. As we build a new road to aging, that road builds us."

In keeping with her longtime motto, "don't agonize, organize," Sommers spent the first half of this decade as OWL's president, working toward improving the image and economic security of older women. She brought older women's problems to the public with an Ad Council-sponsored campaign and a variety of Mother's Day activities. This year OWL members nationwide sent Mother's Day cards to all the Members of Congress. The cards read, "Your Mother Didn't Bring You Up So You Could Let Other Mothers Down" and the campaign is widely acknowledged to have helped stave off another round of Social Security cuts.

Most recently, battling stage four cancer, Sommers has focused her attention on the issues confronting older women facing death or coping with the death of someone close. Characteristically refusing to be categorized as a victim, she has extrapolated from her experience to organize others around the problems she knows so personally. With former Senator Jacob Javits who also suffers from a terminal disease, she organized a recent forum on living wills and other issues around death and dying.

"Life and death are intertwined," she said in her keynote speech, "for we are all terminal cases. And we're all going to die sooner or later." Explaining women's claim to the issues surrounding death and dying, she called them the "handmaidens of death," since women tend to outlive men and, as caregivers, traditionally are "the last face a person sees before death."

Over the years Tish Sommers has been recognized for her leadership and expertise by a variety of appointments to State and national boards and commissions. She was appointed by President Reagan to the National Advisory Committee of the White House Conference on Aging. Gov. Edmund G. Brown, Jr., appointed her to the California Commission on Aging. She has also served on the National Board of the National Council on the Aging and the National Steering Committee of the Gray Panthers. She has published numerous articles published in magazines and journals for the aging community and authored a 1973 book "The Not So Helpless Female." She recently completed a forthcoming book on women as caregivers.

WHY IS THE COMMERCE DEPARTMENT AIDING AND ABETTING AN UNFAIR TRADE PRACTICE

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. TRAFICANT. Mr. Speaker, I spoke on the floor earlier today, under the 1-minute rule, regarding a situation which greatly concerns me. I want to take this opportunity to explain further this situation.

I raised this concern initially in defense of the RMI Co, a major manufacturer of titanium products in Niles, OH, which is in my district. However, I believe this situation points out a fundamental problem with our trade policies, particularly with how they are administered by this administration.

Last year RMI had successfully prosecuted an antidumping suit before the International Trade Commission [ITC]. On November 30, 1984, the ITC rendered its decision finding three major Japanese manufacturers of titanium guilty of dumping. On that same day antidumping duties were imposed on Osaka Titanium—15.09 percent duty imposed—Nippon Soda—56 percent duty imposed—and Toho Titanium—34 percent duty imposed).

Despite this clear violation of U.S. trade law, the Commerce Department continues to make purchases of Japanese titanium for the national defense stockpile. Under current practice, the Federal Government need not comply with current U.S. trade law when making purchases for the stockpile. At the time the Commerce Department published it final determination in the antidumping investigation of titanium sponge from Japan, it excluded from the scope of its order certain imports entering the U.S. under TSUSA item 833.00 for a GSA stockpile purchase. These sales were excluded on the grounds that the suppliers in question had relied on past administrative practice exempting certain defense purchases from antidumping duties. The Department stated, however, that:

> Further reliance on this past practice would not be well advised. We intend to undertake a careful and thorough review of issues relevant to the waiver of antidumping and countervailing duties . . . and will publish the results of this review within six months.

This practice is currently under review. The Department held a hearing on this issue on February 8, 1985. At that time it was announced that a decision would be reached by April 1, 1985. However, no decision has yet been made.

I have written Secretary Baldrige asking that a decision to end this practice be made as soon as possible. I have attached to be included below a copy of this letter.

It is clear that these titanium purchases made by the Commerce Department are undercutting U.S. industries illegally. Current U.S. trade law protect U.S. industries from "dumping" by foreign manufacturers. "Dumping" occurs when a foreign industry sells large quantities of a resource or product to U.S. markets at prices below market value. Duties are imposed so to raise the price of the "dumped" import to the prevailing market value.

The "dumping" which occurred in this situation is clear and well documented. RMI Co. followed the proper legal procedures as set out in current U.S. trade law for disputing this practice. Not only did RMI win in its initial case, it has subsequently defeated an appeal by one of the manufacturers.

So, the situation I am setting out is not a case of "knee-jerk" protectionism. Rather, it is a clear situation of U.S. trade law standing up against unfair trade practices. Yet, this administration has failed to stand up for the "level playing field" it says it seeks in international trade policy. The field is now tilted toward Japan, and the President has his foot on the scale.

What is amazing is that Secretary Baldrige has failed to act to end this practice despite the fact that his own Department has recommended that it be stopped.

It's crazy that the Federal Government is helping foreign countries put American industries out of business by purchasing illegally dumped goods. I call on President Reagan to be true to his word on the promises he made that he would be tough on unfair trade practices and to see that this practice is stopped.

Some might argue that our national defense needs justify such a policy. This is ridiculous. This is not a case of an important strategic material which can be obtained no other way. It just isn't fair for the Defense Department to undercut U.S. industries this way. Our national defense needs do not justify this practice. The greatest contribution we can make to our national defense is to assure that our economy is strong. A prerequisite to a strong economy is a level playing field for international trade.

The application of antidumping duties in a situation such as does not cause imports to be more expensive than domestically produced items. Instead, it merely assures that fair, competitive price levels are maintained so that American industries can compete on a fair basis with foreign industries. This is not a case of U.S. industry coming "hat in hand" asking for protection. RMI is only asking for the level playing field the President promised.

Americans all across the country are telling the Congress that while we need tax reform, the lack of trade reform is killing us; we are concerned about the budget deficits, but the trade deficit is costing us our jobs. America can no longer tolerate being a trade patsy.

I hope that my colleagues will lend their support to my effort to see that this injustice is corrected.

HARLAN BARRY RETIRES AS CITY MANAGER OF LARKSPUR, CA

HON. BARBARA BOXER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mrs. BOXER. Mr. Speaker, I would like to bring to the attention of my colleagues the retirement of a real public servant, Harlan Barry, who has been city manager of Larkspur, CA.

Mr. Barry began dedicating himself to Larkspur in 1970 when he became assistant city manager. He became city manager in 1974.

Upon commencement of his term as city manager, Larkspur was confronted with an insurance crisis. Mr. Barry's initiative and ability caused him to found and chair the Marin County Risk Management Authority, a self-insurance program which still exists today and includes eight cities. This program saved many valuable dollars by pooling coverage of worker's compensation, liability, property, and dental insurance.

Mr. Barry has been instrumental in the preservation and development of Larkspur's natural, commercial, and residential areas. As city manager, he led the city to acquire Piper Park, Hamilton Park, and Bon Air Landing. Furthermore, Mr. Barry supervised the completion of Larkspur's general plan, the expansion of the Bon Air Center, the acquisition of Northridge open space, the creation of the heritage district for Larkspur's downtown area, the merging of the Larkspur and Conte Madera Police Departments and the half-million-dollar restoration of the city's library. Under his auspices, the Larkspur Landing commercial, office, and residential project was developed in conjunction with the Larkspur Ferry Terminal.

Mr. Barry's leadership style is one that includes hands-on assistance in times of need. During the flood and storms of 1982, Mr. Barry was out in the community with sandbags and shovels literally digging his community out of a natural disaster.

Mr. Barry's commitment to his community and country began long before he became city manager. Born in Illinois, he came to Larkspur as a small child. After graduating from the old Larkspur-Corte Madera School, he attended the University of California at Berkeley and received a degree in business administration in 1960. Upon graduation, he entered the U.S. Navy and was stationed in Okinawa.

Mr. Barry's dedication and accomplishments are admirable. He will be missed as city manager of Larkspur but will, assuredly, remain one of the city's most outstanding citizens.

THIRTY YEARS OF ANN LANDERS—AMERICA SAYS THANKS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. BIAGGI. Mr. Speaker, on October 16 when millions of Americans opened their newspapers to the familiar page where Ann Landers' column runs, they were in for a slight surprise. Instead of the traditional Dear Ann, we found instead Dear Readers. Why the change in format? Very simply, it is explained in the column's very first line. "Today is my 30th anniversary as Ann Landers." I join the followers and admirers of Ann Landers in wishing her a happy anniversary.

As Ann Landers herself points out, "I have written seven columns a week, 365 days a year since October 16, 1955. That adds up to 10,950 columns." What a remarkable achievement and testament to the work ethic. She continues, "Never has there appeared in this space a notice saying "Ann Landers is on vacation." There are not many people today who can claim the same.

For the past 30 years, Ann Landers' name has been a household word. She has been sought after for advice to the lovelorn, the troubled and the confused. She has provided comfort and counsel to thousands of readers who have either written in to seek her help or who turn to her column every day seeking advice to similar problems. She has been psychiatrist, doctor, mother, father, and/friend to countless numbers of people, young and old, male and female.

I believe that Ann Landers symbolizes what America is all about. She gives her readers hope and the ability to dream of better days. She has been honest with her responses and has often relied on the wisdom of God as words to live by. She has been consistent, yet has also changed with the ever-changing world. I salute Ann Landers on this historic occasion, and I wish her many more years of success. I am pleased to include at this time, the New York Daily News, October 16, 1985, 30th anniversary of Ann Landers column, for your enjoyment and reading pleasure.

A FOND THANK YOU FROM YOURS TRULY

Dear Readers: Today is my 30th anniversary as Ann Landers. I have written seven columns a week, 365 days a year, since Oct. 16, 1955. This adds up to 10,950 columns. Never has there appeared in this space a notice saying, "Ann Landers is on vacation."

It was my dear friend, Will Munnecke, then vice president and general manager of the Sun-Times, who suggested that I go see Larry Fanning about entering the Ann Landers contest. I was green as grass, never had held a job before, never had written a line for publication and had never been inside a newpaper building.

Larry was underwhelmed by my credentials. (I was a wife and mother and enjoyed writing letters to relatives.) I confessed that I didn't need the money but if they wanted to pay me it was okay. Neither Fanning nor Munnecke was optimistic about my chances of winning the contest. But they cheered me on and wished me luck. Miracle of miracles, I won. ("Good morning, Ann Landers!")

Larry Fanning was my mentor. He taught me how to write. He also edited every word I wrote for 10 years—every column, every booklet, every book, every magazine article, every speech. I couldn't pay him a dime. He wouldn't accept it. "It's part of my job," he said. We both knew it wasn't.

Months before Larry moved to Anchorage, Alaska he told me, "If I get hit by a bread truck, Trez is your man." And so he was. Dick Trezevant, another Fanning protege, became my editor. For 14 years this brilliant, tough but tender guy kept the Landers copy on course. When Trez left I was lucky again. Ralph Otwell, the executive editor of the Sun-Times, took over. A few years later, when the paper was sold, Ralph left. He suggested Virginia Van Vynckt, chief of the features copy desk. I'd never met her. She turned out to be a gem.

I could never have made it without my devoted and competent staff. They keep my office running smooth as silk, handle the phones that never stop ringing, arrange my travel schedule and speaking dates, and save me from myself at least a dozen times a week.

My column is sold all over the world by News America Syndicate. Rick Newcombe, the chief, is the brightest and most energetic man in the business. As you can see, the success of the Landers column goes far beyond what limited talent I may possess. I have had every break in the book.

I could not let this day pass without a word of thanks to my dozens of consultants all over the country who give so generously of their time and counsel. For the price of this paper my readers have access to the most distinguished physicians, dentists, psychiatrists, lawyers, geneticists, business executives, judges, clergy—experts in every field.

These last 30 years have been incredibly rewarding. I cannot imagine a job that could have provided me with more satisfaction or a better opportunity to touch the lives of so many people.

I wish to thank you, my 85 million readers, for your loyalty. You've stood by me in my time of trouble and rejoiced in my triumphs. I consider you my friends.

I intend to crank out this column as long as you find me useful and the good Lord gives me the strength to do it. On this special day, I send love and thanks to each and every one of you.

UNFAIR TAX REFORM PROPOSALS

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. HUBBARD. Mr. Speaker, I received an excellent letter from Mr. G. Bruce McAbery, personnel manager of the fine papers division of Westvaco Corp. located in Wickliffe, KY.

I believe my colleagues will be interested in Bruce McAbery's comments to me about pending tax reform proposals, especially his views in opposition to changing our tax laws and penalizing the many corporations like Westvaco which have paid their fair share of taxes. I agree with Bruce McAbery's concerns that Congress should not adopt tax reform legislation that will adversely affect his company's ability to remain competitive in the world market.

The letter from Bruce McAbery follows:

AUGUST 28, 1985.

Hon. CARROLL HUBBARD JR.,
Rayburn House Office Building,
Washington, DC.

DEAR CARROLL: Thank you for your letter regarding my 35 years of work for Westvaco. It doesn't seem possible but as they say, time does fly.

I would like to take this opportunity to express some thoughts on President Reagan's tax reform proposals. Some of them would have an undesirable impact on Westvaco. My major concerns are with the following specific proposals:

1. Recapture of tax benefits obtained from accelerated recovery systems from 1980 to 1986.

2. A less favorable capital investment recovery system and elimination of investment tax credits.

3. Changes in foreign tax credits.

4. Changes in timber related provisions concerning capital gains and management expenses.

I understand these proposals will have a $90 million impact on Westvaco's cash flow. This could cause top management to defer or eliminate some capital investment needed to improve competitive strength and maintain our stability of employment.

One factor of Westvaco's $1.6 billion capital improvement program, announced in 1984, was that tax credits would be available. Removal of such credits at this point would be unfair without provision of transition rules for committed projects. Likewise, the recapture concept is definitely discriminatory. How can tax law revisions be made retroactive? The $40 million spent on Wickliffe's paper machine last year may not have been authorized if management had reason to believe this credit would not be available.

Unlike those companies which have made recent headlines for non-payment of federal taxes, Westvaco has paid its fair share—over $197 million in the last four years.

I will appreciate your consideration of these views to make sure the tax reforms do not adversely affect Westvaco's ability to remain competitive in the world market. I would also appreciate it if you convey our concerns to your colleagues on the Ways

and Means Committee. I look forward to hearing your views on these issues.

Sincerely,

BRUCE G. MCABERY,
Personnel Manager.

MEESE FIGHTS BROAD SUPPORT FOR AFFIRMATIVE ACTION

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. EDWARDS of California. Mr. Speaker, today the President's Domestic Policy Council, headed by Attorney General Edwin Meese III, will discuss the pending plans to modify Executive Order 11246, which requires Federal contractors to use affirmative action to include women and minorities in the workforce. Attorney General Meese will propose that Federal contractors should no longer be required to use numerical goals and timetables to monitor the inclusion of minorities and women in the American workplace.

Attorney General Meese is fighting broad American support for affirmative action. American business is comfortable with these clear standards to combat discrimination. Corporations use numbers to monitor every aspect of their operations, and achieving civil rights goals should be no exception.

The American people disagree with Mr. Meese as well. They don't want over $160 billion of their tax dollars to be used to subsidize discrimination. A recent Harris poll showed that 69 percent of those polled believe that Mr. Meese is wrong to do away with Federal rules that guarantee affirmative action programs, and 75 percent support Federal laws requiring affirmative action programs for women and minorities in employment and education, provided there are no rigid quotas. The Harris poll also reports that there is a solid affirmative action commitment among Americans, with solid majorities firmly rejecting the Reagan administration attempts to cut back equal employment opportunity. I hope that this latest Harris poll will be of interest to our colleagues.

[From the San Jose Mercury News, Oct. 14, 1985]

MEESE UP AGAINST SOLID SUPPORT FOR AFFIRMATIVE ACTION

Attorney General Edwin Meese's campaign to drastically change previous affirmative action programs will meet with stiff resistance from Americans. A 69-27 percent majority believes that Meese is wrong to want to "do away with federal rules that guarantee affirmative action programs in the federal government and to end 53 affirmative action programs around the country."

Americans were asked if they favor or oppose "federal laws requiring affirmative action programs for women and minorities in employment and education, provided there are no rigid quotas." A 75-21 percent majority claims to support such efforts. Just a year ago, a smaller 67-18 percent majority held the same view.

Under landmark Supreme Court decisions such as the Bakke and Weber cases, rigid quotas were ruled to be illegal. However, the court has urged affirmative action programs that give special consideration in jobs and education for women and minorities without setting rigid quotas. These legal bases for affirmative action programs are now undergoing a stiff challenge, led by Meese.

The latest nationwide Harris Poll, conducted by telephone among a cross section of 1,255 adults between Sept. 5 and Sept. 8, also probed the views of the public in a series of projective questions—three positive and three negative, asked in alternating sequence in order not to bias the responses. The results show that the opinions of Americans have moved dramatically toward a pro-affirmative action position.

By 71-27 percent, a majority now agrees with the claim, "If there are no affirmative action programs helping women and minorities in employment and education, then those groups will continue to fail to get their share of jobs and higher education, thereby continuing past discrimination in the future." Three years ago, a 57-39 percent majority held that view, and in 1978, 45-36 percent were in agreement. In seven years, a movement of 26 points has taken place.

By 82-17 percent, a majority believes, "As long as there are no rigid quotas, it makes sense to give special training and advice to women and minorities so they can perform better on the job." This is up from 71-20 percent in 1978.

By 85-14 percent, a majority agrees, "After years of discrimination, it is only fair to set up special programs to make sure that women and minorities are given every chance to have equal opportunities in employment and education." In 1978, a 73-19 percent majority expressed that view.

The three positive statements tested by the latest Harris Poll have gained stronger endorsement from Americans, but the three negative statements on affirmative action have failed to catch fire at all.

By 64-35 percent, a majority rejects the claim, "Minorities and women are not entitled to any special consideration." In 1982, a slightly lower 60-37 percent majority disagreed with this point of view.

By 59-39 percent, a majority disagrees, "Once affirmative action programs for women and minorities are started, the result is bound to be reverse discrimination against white men." In 1978, a 47-38 percent plurality rejected this possibility.

By 71-27 percent, a majority denies the charge, "White men learn faster, are better qualified, and will continue to hold down the better jobs, no matter how many affirmative action programs for women and minorities are started." In 1978, a slightly smaller 67-23 percent majority rejected this point of view.

With solid majorities endorsing pro-affirmative action statements and also rejecting anti-affirmative action statements, it is evident that the die has been cast. If Meese and others try to reverse previously established affirmative action programs by changing federal policy, as well as seeking a reversal of U.S. Supreme Court policy, they are up against a deeply entrenched pro-affirmative action commitment among Americans.

ARE THE SANDINISTAS REALLY COLORED RED?

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. BROOMFIELD. Mr. Speaker, is the charade over in Nicaragua? Have the Sandinistas finally decided to show their real political colors and their real intentions? I believe the answer is yes. Now more than ever, the world can see what that failed revolution has brought to the Nicaraguan people.

All along, the Contras have claimed that the Sandinista junta has betrayed the real goals and objectives of the original revolution in that poor country. The Sandinistas have brought repression and economic collapse. They have brought conscription of young people and are ensuring that Nicaragua becomes little more than a clone of Cuba. The junta has brought the People's Church which teaches more ideology than theology and the suppression of the Catholic Church in that Christian country. That group of Marxist-Leninist ideologies is driving the private sector out of Nicaragua. They have even disillusioned the peasants, who should have been the ultimate beneficiaries of the revolution. The Ortega brothers are cleverly making huge profits from their extensive business activities in that country while pretending to be poor and struggling revolutionaries with the lifestyles of two ascetics. In essence, the Sandinistas have done more damage to Nicaragua than Somoza and his band of thieves could ever have done.

With the recent decision by Commandante Ortega to suspend a variety of rights to include the right to public assembly, to strike, to freedom of expression, to movement about the country, to organize into labor groups and many others, he has essentially closed the door on freedom in Nicaragua. These unfortunate actions are being justified as a response to so-called sabotage by the United States and the alleged activities of some political parties and the church. All the world can now see that the Sandinistas are building a police state and police states cannot accept any form of dissent be it from political parties or from the Catholic Church.

While criticizing the United States in the World Court case, justice, for Nicaraguans, should clearly begin at home. Recent reports reveal that the comandantes are continuing to pervert and undermine the legal system there in order to eliminate all political opposition. In many cases, due process is completely ignored. At this point in time, the Sandinistas appear to be about as inept in public relations as Yasser Arafat. Their image has clearly suffered. Their coloration, however, has not. It is rapidly becoming bright red.

With these concerns in mind, I commend the following New York Times editorial on Nicaragua to my colleagues in the Congress.

[From the New York Times, Oct. 18, 1985]

NICARAGUA BARES THE NIGHTSTICK

Nicaragua's Sandinista regime has now suspended by decree the few freedoms it had grudgingly accorded its domestic opponents. There is no reason to swallow President Orega's claim that the crackdown is the fault of "the brutal aggression by North America and its internal allies." A more likely explanation is an eruption of discontent over a crumbling economy and military conscription. But until now, despite the war with the U.S.-backed "contra" rebels based in Honduras and Costa Rica, the Sandinistas needed no new powers to crush or cow political and religious dissent.

So why did the new Nicaragua abandon even the pretense that it tolerates pluralism? The junta's decree makes explicit its power to detain without cause, to stifle the press, to control all movement of peoples, to disband labor unions, to ban political rallies and to open mail. The posting of these familiar rules of tyranny appears to be the resolution of an internal debate—a clear victory for Interior Minister Tomás Borge, who has long clamored for "firmer measures," especially against a hostile Roman Catholic Church.

Most likely, Mr. Borge is finally getting his nightstick because the junta no longer sees any benefit in placating dovish Americans and European Socialists. The Sandinistas never intended to share power. When the U.S. Congress reversed itself and voted to support President Reagan's aid to antileftist rebels, they must have decided they had nothing more to lose by revealing their true political colors. And what may have tipped the balance was fear that dissent was spreading from the church and middle classes to trade unions and the peasantry.

In declaring its colors, the Managua junta has now embarrassed and undermined its Latin allies. The crackdown comes as diplomats of the four Contadora countries—Mexico, Venezuela, Colombia and Panama—meet in Panama. With a self-imposed deadline, they hope to compose a regional security pact that has been stalled by arguments over permissible force levels and verification. A key element of that pact, however, would be every signatory's respect for democracy and human rights. Nicaragua's march in the opposite direction will further damage this mediation.

The shrewd way to overcome the suspicion and hostility of the United States would have been to rally a united people behind the revolutionary Government. But steadily, the Sandinistas have backed themselves into the corner designed for them by their most bitter foes. Their avowal of repression is the contras' biggest victory so far.

FRESNO, CA, CELEBRATES ITS CENTENNIAL YEAR

HON. RICHARD H. LEHMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. LEHMAN of California. Mr. Speaker, I would like to call to my colleagues' attention the centennial birthday of Fresno, CA, which will take place on October 27, 1985. In 100 short years Fresno has grown and blossomed into a striking community, marked by prosperous business and industry among vast and productive farmland, and a confluence of citizens representing many cultures.

Fresno began as a small, dusty hamlet of 1,100 people in 1885. The site was chosen by Leland Stanford who foresaw the agricultural potential of this San Joaquin Valley oasis. A railroad stop enabled a variety of people to come to the area to take advantage of the rich soil and uncluttered countryside. From its beginning, Fresno was a farming community, a distinction it holds to this day.

I was raised on a farm outside Fresno, in one of the many small communities surrounding the town. From early in my life I developed a deep appreciation for the importance of agriculture, as well as a strong pride for the area in which I lived. There is a common sentimentality about our roots, a deserved reverence for the value of the land and its capacity to produce—shared even by the city folks in downtown Fresno.

A notable attribute of Fresno is its ideal central location in the State of California. It is located at the foot of the Sierra-Nevada mountain range, providing quick and easy access to many beautiful lakes, trails, vistas, and rivers. Fresno is a 2-hour drive from Yosemite National Park, 3 hours from beaches at Pismo, Morro Bay, and San Francisco and 4 hours from Los Angeles.

There is also a wide, ethnic diversity in Fresno. Chinese, Armenian, and Latino communities have always been prominent, though there are now over 80 identifiable ethnic groups residing in the area. This diversity brings richness of culture and texture of excitement to Fresno. No one could accuse it of being homogenous. In a single weekend you can find a Chinese art exhibit, a Japanese festival, and an Armenian dinner.

The people of our town have never hesitated to become active in local politics and planning committees. In 1906, Fresno established the sixth oldest college in the State, which eventually became California State University at Fresno. There has also been a growing interest in culture and the arts. Fresno now has an art museum, a symphony, a dance repertory, and several theater groups. It is also the home of a beloved NIT championship collegiate basketball team and hosts the Fresno Bulldogs football team. Despite tremendous growth and development, Fresno has maintained a friendly, informal small town atmosphere geared toward family, recreation, and community. It is an ideal place to raise a family, large enough to offer a wide range of activities, yet never losing that small town, "know your neighbor" friendliness.

I want to commend the people of Fresno and its leaders for maintaining a commitment to basic ideals and at the same time moving ahead into its next century. We celebrate the growth of a community which provides so many necessary human resources, yet holds onto the values of family, community involvement, and respect for the land.

STOP BALLISTIC MISSILE TESTING

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. LEVINE of California. Mr. Speaker, today's New York Times contains an article by former CIA Director Stansfield Turner with a simple, innovative, and effective approach to arms control and reducing the dangers of nuclear war.

Admiral Turner suggests that President Reagan propose to Mikhail Gorbachev that both the United States and the Soviet Union immediately halt all testing of nuclear ballistic missiles.

I urge President Reagan to give careful consideration to Admiral Turner's suggestion. It may be the last, best hope for arms control we have.

I ask unanimous consent that the full text of Admiral Turner's article be printed at the conclusion of my remarks.

[From the New York Times, Oct. 22, 1985]

A NOTE TO GORBACHEV

(By Stansfield Turner)

WASHINGTON.—Dear Mr. President:

Abraham Lincoln drafted one of our country's most historic documents on the back of an envelope. You can do the same when you meet with Mikhail S. Gorbachev in November.

The Gettysburg Address helped hold our nation together. You could help avoid nuclear war. On your envelope you could write the following:

"The Union of Soviet Socialist Republic and the United States of America hereby agree never again to test a ballistic missile."

And then slip it to Mr. Gorbachev.

Such an agreement would probably be the shortest and most explicit international protocol in history. It would also leave one of the most powerful legacies for peace.

If there were no testing of ballistic missiles for a number of years, neither we nor the Soviets would remain confident about the accuracy of these weapons. That would mean that we would both be uncertain about being able to conduct a surprise, precision attack to disable the other's strategic arsenal. Creating uncertainty about the success of surprise attacks would do much to diminish the most dangerous tensions over nuclear weapons and reduce the risk of mistakes during a crisis.

It would also signal your joint desire to curtail the arms race, at least in ballistic missiles. Today we're proceeding with the MX missile in order to catch up with the Soviet capability to hit hardened targets by surprise. With this approach, you would simply lessen the Soviet's hard target capability. It would not disarm either one of us, as we could each retain all the ballistic missiles we wanted. But these missiles would no longer be useful for surprise attacks.

True, the Soviets may not see this as an equitable bargain because about 87 percent of their strategic warheads are on ballistic missiles compared to about 78 percent on our side. That's not really a big issue, but you could always have an added sweetener in your pocket, such as withdrawing the Pershing missiles from West Germany. If Mr. Gorbachev turned down that combina-

tion, he would almost certainly lose the contest for world opinion, no matter what he is holding up his sleeve to drop on the Summit table.

The alternative to a simple proposal like this would appear to be protracted negotiations on a traditional arms control treaty. This proposal will enable you to get some momentum going more quickly and, in the process, markedly improve the entire tone of United States-Soviet relations.

It will also ensure your leaving a lasting mark for peace.

CONGRESSIONAL SALUTE TO THE FREE PUBLIC LIBRARY OF THE CITY OF PATERSON UPON THE CELEBRATION OF ITS CENTENNIAL ANNIVERSARY AND COMMEMORATION OF ITS DANFORTH MEMORIAL LIBRARY AS A NATIONAL HISTORIC LANDMARK

HON. ROBERT A ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. ROE. Mr. Speaker, on Sunday, October 27 the residents of my congressional district and State of New Jersey will join together with the Honorable Mayor-Senator Frank X. Graves, Jr., and other esteemed dignitaries to celebrate the centennial anniversary of the founding of the Free Public Library of the City of Paterson and the commemoration of its main library, the Danforth Memorial Library, as a national historic landmark. I know that you and our colleagues here in the Congress will want to join with me in extending our heartiest congratulations and best wishes to the distinguished director, Hon. Leo E. Fichtelberg, other officers, trustees, and community leaders who have actively participated in the organization and administration of this most prestigious educational and cultural center of current and historic collections of literary and artistic materials which have truly enriched our community, State, and Nation.

Mr. Speaker, the exemplary leadership and outstanding efforts of our citizens so important to our quality of life are in the vanguard of the American dream and today we express our appreciation to the people of the city of Paterson who, through their fidelity, devotion, and personal commitment, have provided a haven for knowledge, learning, wisdom, and enlightenment for young and adults alike—the Free Public Library of the City of Paterson. I particularly commend to you the honor roll of distinguished citizens who have served the library as officers or trustees over this past century. The current roster of the board of library trustees of the Free Public Library of the City of Paterson is as follows:

Paterson Free Public Library Board of Trustees—The Honorable: Flossie Walker, president; Jerry M. Bello, Gail Yannarelli, Harvey Dente, Shirley Dale, Fred Nachimson, Pat R. Trotta, Anthony Ardis, Nellie Pou, and Leo E. Fichtelberg, director.

Mr. Speaker, the Paterson Free Public Library is steeped in the history of the community and the devoted services of its citizenry. Its beginnings date back to October 23, 1885, when the library opened its doors as the first free public library in our State of New Jersey. At that time it housed a collection of 4,000 books and assorted magazines and newspapers. This volume soon became inadequate, however, as the citizens of Paterson eagerly read all the library had to offer. Today's library, by comparison, offers not only books and periodicals, but also audiovisual materials, information services, an art collection, and children's programs—with branch libraries in various parts of the city.

In addition to the magnificence of its collections of books and other publications, we share great pride in the highly regarded collection of paintings, sculpture, and prints at the Paterson Free Public Library. This collection of masterpieces of art which is valued at nearly $1 million includes many prized works including William Merritt Chase's oil painting, "In the Park," valued at around $150,000; Jonathan Eastman Johnson's 1872 oil, "The Bath," reputed to be worth almost $250,000; and several works by noted naturalist John George Brown. The library's own history is represented by a portrait of William Prall, Paterson's representative to the New Jersey State General Assembly who initiated the "free public library" legislation in 1884. Much of the collection stems from a 1925 donation by Mrs. Garret A. Hobart, as a memorial to her husband, a key member of the library's board of trustees and former Vice President of the United States.

The first library building of the Paterson Free Public Library was the Stimson House, located on Church Street. The library soon outgrew this building, and in 1888 the board of trustees gratefully accepted the house and grounds of the late Charles Danforth, offered as a gift by his daughter, Mrs. Mary E. Ryle. This property was located on the corner of Market and Church Streets. The first Danforth Memorial Library building burned to the ground in the Great Fire of 1902. Mrs. Ryle again offered her help and donated almost $200,000 toward rebuilding the library.

The new Danforth Memorial Library, located at 250 Broadway, Paterson was designed by Henry Bacon, a noted American architect whose most famous work is the Lincoln Memorial. The new building was completed in 1905. Since then, the building has undergone several additions and renovations. It is an imposing and beautiful building, providing the people of Paterson with all the services a modern library can offer.

Mr. Speaker, during its centennial celebration the Paterson Free Public Library will also be commemorating a most significant historic preservation program, the designation of this main branch, the Danforth Memorial Library, as a national historic landmark. The building is most striking in design. The exterior is gray limestone, and includes a frieze containing the names of 33 classical writers. Four limestone columns grace the entrance to the building. Inside, the most impressive element is the marble grand staircase leading to the second floor, highlighted above by a skylight.

Bacon's design of the Lincoln Memorial drew inspiration from his earlier Danforth Memorial. The library and the memorial each contain a colonnade of the Ionic order and a commemorative frieze. The highlight of Bacon's career came in 1923 when he was awarded the gold medal of the American Institute of Achievement, presented by President Harding.

The Paterson Free Public Library is proud that its main branch, a tribute to a city pioneer and a distinguished American architect, has been honored by its inclusion in the National Register of Historic Places.

Mr. Speaker, in reflecting upon the history of our great country and the deeds of our people who have made our representative democracy second to none among all nations throughout the world, I am pleased to call this centennial anniversary celebration to your attention and seek this national recognition of the people of the city of Paterson in bringing into fruition, maintaining and expanding its free public library for a communion of understanding, exchange of ideas, recreation, and communication on the arts, cultures, and sciences of the past, present, and future. We do indeed salute the trustees and administrators of the Free Public Library of the City of Paterson upon the celebration of their 100th anniversary and commemoration of their main library, the Danforth Memorial Library, as a national historic landmark.

THE ILLINOIS IMBALANCE AND WHAT CAN BE DONE

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. PORTER. Mr. Speaker, it is no secret that the State of Illinois ranked 49th out of 50 in terms of per capita return on Federal tax dollars in 1984.

The people of Illinois do not object to paying reasonable taxes for those activities which rightfully fall under the domain of Federal responsibility. These include the maintenance and fortification of our Nation's defense capability, providing for the needy and helping them to acquire the tools to become productive members of our society, protecting our environment, maintaining the infrastructure upon which our economy relies, and encouraging the development of new technologies and new solutions to old problems.

The people of Illinois from my district—Illinois' 10th Congressional District—understand the need for a Federal role in these areas. However, my constituents do not understand the inability of this Congress to operate within the boundaries of fiscal responsibility. The business people and householders in my district must balance their books and they have little toler-

ance for a government which refuses to do the same.

Illinois' poor return from dollars given to the Federal Government, and the willingness of this Government to tolerate $200 billion deficits and our now $2 trillion national debt, hit my State, and the citizens of my district with a brutal double effect. Federal spending—both on virtuous endeavors and on those wasteful programs which should be terminated—provides economic stimulus for other regions of the country while having a net negative impact on my State and my district.

Illinois, however, is not granted immunity from the effects of unrestrained deficit spending. On the contrary, Illinois is one of the areas hardest hit by the consequences of fiscal irresponsibility. Interest rates, the price of financing our debt, remain relatively high and thus damage private capital formation, agricultural liquidity, and Illinois' standard of living. The inflow of foreign capital required to finance our red ink has caused a 40-percent appreciation in the value of the doliar which is the single leading cause of a trade deficit expected to hit $150 billion this year.

In Illinois, this has meant devastation for many manufacturers combating inexpensive imports and a substantial loss of export markets for agricultural products, a large drop in farm income, and a depression in the rural economy that extends to major agricultural suppliers and financial institutions.

In this Congress, I have spoken on many occasions of the irresponsibility of passing on to our children and grandchildren the bills which we are not now willing to pay. The people of my district realize that Federal deficit spending threatens our Nation's future, but they also suffer every day from the present effect of these deficits and they receive little of the fiscal stimulus generated by this unchecked spending.

It is no surprise, when one considers these facts, that the State of Illinois has experienced a net loss of 200,000 jobs in the last 4 years.

For this reason, it is important to keep the pressure on for real deficit reduction. But it is also important that the businesses in Illinois and in my district work hard to market their skills to the world's biggest consumer—Uncle Sam. For this reason, I am holding in my district a conference in conjunction with the Department of Commerce and the Department of the Army. "Doing Business With the Federal Government" will show business people from my area how to prepare bids for Government projects and will explore new export opportunities in our increasingly international economy.

Illinois has one of the potentially finest business environments in the entire Nation. Northeastern Illinois has the benefits of a highly educated labor force, a well-developed transportation infrastructure, a dynamic environment for numerous large and small businesses, and a supportive State government. Federal contracts with Illinois companies and nonprofit institutions totaled $3.07 billion in fiscal year 1984. I am confident that the northeastern Illinois economic environment can successfully service a much larger share of Government contracts. As Federal agencies increasingly turn toward privatization and contracting-out as a way of improving efficiency and reducing expenses, the Government contracting market will continue to increase.

I am confident that the superb businesses which employ workers in my State and in my district can stand toe to toe with any competitor in the procurement of Government contracts. I am hopeful that the procurement conference will give them the knowledge they need to combine with already well-developed business skills in pursuit of contracts which will supply the Government with top quality products at the lowest price while stimulating employment and growth in northeastern Illinois. The Federal Government will also benefit from this conference because, in the future, they will have new competitive bidders to choose from in awarding contracts. In addition, I am hopeful that business people from my area will discover new export opportunities and take full advantage of the potential which foreign markets hold. And Congress must do its part for the revitalization of America by eliminating budget deficits and thereby afford our industries a level playing field.

THE STAR LEDGER CALLS FOR LOWER INTEREST RATES

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 22, 1985

Mr. COURTER. Mr. Speaker, unemployment nationally has been stuck over 7 percent for over a year with no downward movement. This is a level normally associated with a recession. Eight million people are out of work. Real growth has fallen dramatically from 1983–84 levels. Commodity prices are collapsing. And the dollar is far too strong against foreign currencies, wrecking havoc in our manufacturing and export sectors.

The members of the Federal Open Market Committee and Chairman Paul Volcker should realize that there are no signs of inflation in the financial markets, only signs of deflation. The Federal Reserve is steering monetary policy by looking into a rearview mirror.

I urge the Fed to immediately cut the discount rate and the Federal funds rate by a full point so that the liquidity needed to get the economy moving again can be made available to business and investors. The late bond expert at Solomon Bros., Sidney Homer, said low interest rates are the hallmark of the civilized society. And as the Newark Star Ledger points out in the following editorial, lower interest rates and stable prices are the key to job creation and economic growth. I urge my colleagues to read this excellent editorial, and support efforts to require the Fed to bring interest rates down to normal historical levels.

The editorial from the Star Ledger follows:

TIME TO LOOSEN

Economics has been dubbed the dismal science, and with good reason. In looking at the state of the world economy, economists frequently seem to adopt the gloomiest possible stance, often gloomier than the facts warrant.

Ever since the U.S. economy left behind its recessionary woes at the beginning of 1983 and started to climb again, the economists have been highly nervous. Good economic news disagrees with them; they need an unrelieved dose of misery to make them happy.

It was only a question of time before inflation would once more overwhelm us, most economic forecasters predicted. They said that in 1983 and when inflation didn't emerge immediately, they predicted that 1984 would be the year of the return of high prices. When that didn't work out, the forecasts were revised once more, with the inflation expected to hit us this year.

Once again, these forecasts have proved far off the mark. The latest statistics on inflation show it still well under control. The Consumer Price Index, the best-known of the guides on inflation, has been giving favorable reports month after month.

The latest figures show that inflation for the month of August increased by a scant two-tenths of a percent, or at an annual pace of 2.4 percent, for the first eight months of 1985, the inflation rate is slightly higher, 3.3 percent, but still well below the 4 percent pace of last year.

Despite what the nay-sayers claim, the inflation rate is going down, not up. The inflation level is the most favorable it has been since 1967.

The economic growth rate news is not as favorable as the news on inflation. The Gross National Product increased by only 2.8 percent during the third quarter of this year. While this was well above the 2 percent in the quarter before, and the 0.3 percent of the first quarter, it is still well below the 4.5 percent to 5 percent that the Reagan Administration had been seeking.

The economy could do with some stimulus, particularly in the form of lower interest rates. With inflation in check, the time for this move is now.